COMMONHOLD AND LEASEHOLD REFORM ACT 2002

EXPLANATORY NOTES

COMMENTARY ON THE SECTIONS: PART 1

Commonhold unit

Section 24: Changing size: charged unit

72. Section 24 is intended to ensure that where a unit is subject to a registered charge and the commonhold community statement is amended such as to change its extent either by enlarging or diminishing, the owner of the charge consents in writing before the change is made. This is because, as there cannot be a charge over part of a commonhold unit, the section provides that where land is taken out of the charged unit, the charge in relation to that part is automatically extinguished, and in the case where land is added, the existing charge is extended to cover it. Consent is required as the charge is in effect the property of a third party and that party's rights must be protected. Subsection (1) defines when the section will apply, subsection (2) provides for the seeking of written consent in advance of the planned change, subsection (3) provides for a court to dispense with the need for consent, subsection (4) provides for automatic extinguishment where appropriate and subsection (5) for automatic extension, and subsection (6) provides for the making of regulations which would require notice to be given to the Registrar and requiring the Registrar to register changes arising from subsections (4) and (5).