



Commonhold and Leasehold Reform Act 2002

2002 CHAPTER 15

PART 1

COMMONHOLD

Effect of registration

7 Registration without unit-holders

- (1) This section applies where—
 - (a) a freehold estate in land is registered as a freehold estate in commonhold land in pursuance of an application under section 2, and
 - (b) the application is not accompanied by a statement under section 9(1)(b).
- (2) On registration—
 - (a) the applicant shall continue to be registered as the proprietor of the freehold estate in the commonhold land, and
 - (b) the rights and duties conferred and imposed by the commonhold community statement shall not come into force (subject to section 8(2)(b)).
- (3) Where after registration a person other than the applicant becomes entitled to be registered as the proprietor of the freehold estate in one or more, but not all, of the commonhold units—
 - (a) the commonhold association shall be entitled to be registered as the proprietor of the freehold estate in the common parts,
 - (b) the Registrar shall register the commonhold association in accordance with paragraph (a) (without an application being made),
 - (c) the rights and duties conferred and imposed by the commonhold community statement shall come into force, and

(d) any lease of the whole or part of the commonhold land shall be extinguished by virtue of this section.

(4) For the purpose of subsection (3)(d) “lease” means a lease which—

(a) is granted for any term, and

(b) is granted before the commonhold association becomes entitled to be registered as the proprietor of the freehold estate in the common parts.

8 Transitional period

(1) In this Part “transitional period” means the period between registration of the freehold estate in land as a freehold estate in commonhold land and the event mentioned in section 7(3).

(2) Regulations may provide that during a transitional period a relevant provision—

(a) shall not have effect, or

(b) shall have effect with specified modifications.

(3) In subsection (2) “relevant provision” means a provision made—

(a) by or by virtue of this Part,

(b) by a commonhold community statement, or

(c) by the memorandum or articles of the commonhold association.

(4) The Registrar shall arrange for the freehold estate in land to cease to be registered as a freehold estate in commonhold land if the registered proprietor makes an application to the Registrar under this subsection during the transitional period.

(5) The provisions about consent made by or under sections 2 and 3 and Schedule 1 shall apply in relation to an application under subsection (4) as they apply in relation to an application under section 2.

(6) A reference in this Part to a commonhold association exercising functions in relation to commonhold land includes a reference to a case where a commonhold association would exercise functions in relation to commonhold land but for the fact that the time in question falls in a transitional period.

9 Registration with unit-holders

(1) This section applies in relation to a freehold estate in commonhold land if—

(a) it is registered as a freehold estate in commonhold land in pursuance of an application under section 2, and

(b) the application is accompanied by a statement by the applicant requesting that this section should apply.

(2) A statement under subsection (1)(b) must include a list of the commonhold units giving in relation to each one the prescribed details of the proposed initial unit-holder or joint unit-holders.

(3) On registration—

(a) the commonhold association shall be entitled to be registered as the proprietor of the freehold estate in the common parts,

- (b) a person specified by virtue of subsection (2) as the initial unit-holder of a commonhold unit shall be entitled to be registered as the proprietor of the freehold estate in the unit,
 - (c) a person specified by virtue of subsection (2) as an initial joint unit-holder of a commonhold unit shall be entitled to be registered as one of the proprietors of the freehold estate in the unit,
 - (d) the Registrar shall make entries in the register to reflect paragraphs (a) to (c) (without applications being made),
 - (e) the rights and duties conferred and imposed by the commonhold community statement shall come into force, and
 - (f) any lease of the whole or part of the commonhold land shall be extinguished by virtue of this section.
- (4) For the purpose of subsection (3)(f) “lease” means a lease which—
- (a) is granted for any term, and
 - (b) is granted before the commonhold association becomes entitled to be registered as the proprietor of the freehold estate in the common parts.

10 Extinguished lease: liability

- (1) This section applies where—
- (a) a lease is extinguished by virtue of section 7(3)(d) or 9(3)(f), and
 - (b) the consent of the holder of that lease was not among the consents required by section 3 in respect of the application under section 2 for the land to become commonhold land.
- (2) If the holder of a lease superior to the extinguished lease gave consent under section 3, he shall be liable for loss suffered by the holder of the extinguished lease.
- (3) If the holders of a number of leases would be liable under subsection (2), liability shall attach only to the person whose lease was most proximate to the extinguished lease.
- (4) If no person is liable under subsection (2), the person who gave consent under section 3 as the holder of the freehold estate out of which the extinguished lease was granted shall be liable for loss suffered by the holder of the extinguished lease.