



**Law
Commission**
Reforming the law

Reinvigorating commonhold: the alternative to leasehold ownership

Law Commission Consultation Paper

Statistical analysis of responses

REINVIGORATING COMMONHOLD: THE ALTERNATIVE TO LEASEHOLD OWNERSHIP

STATISTICAL ANALYSIS OF RESPONSES

Introduction

- 1.1 This is a statistical analysis of the responses received to the Law Commission's Consultation Paper, *Reinvigorating commonhold: the alternative to leasehold ownership* (Consultation Paper No 241).
- 1.2 The purpose of this analysis is to give a statistical overview of consultees' views in respect of the questions we asked in that Consultation Paper. We received over 500 responses. Most consultees answered at least one question in the Consultation Paper, and their responses are reflected in this statistical analysis. Some consultees did not respond to specific questions in the Consultation Paper, but instead made general comments about leasehold ownership. Those responses are not reflected in this statistical analysis but have been taken into account.
- 1.3 This analysis is structured by consultation question (and therefore by chapter of the Consultation Paper). Where a question invited consultees' views, the number of consultees who responded to the question is provided. Some questions, for instance those containing a provisional proposal, asked whether consultees agreed, disagreed or had other views – for these questions, the following information is provided:
 - (1) a pie chart, to demonstrate the proportion of consultees who agreed, disagreed, or who had other views;
 - (2) a table showing the number of consultees (broken down by category) who agreed, disagreed or who had other views; and
 - (3) the number of consultees who provided substantive comments in response to the question.

Some questions contained multiple parts.

- 1.4 In carrying out this analysis, we have categorised consultees as best we could, in order to assist with understanding the distribution of the views across different groups in respect of different topics.¹ In doing so, however, we do not wish to suggest that everyone within a given category would have a single opinion, or that their opinion would necessarily be different from that of consultees in other categories. But our categorisation is an attempt to group those consultees who, in general, are likely to have similar interests, priorities or experiences.
- 1.5 In addition, we have sometimes weighed the opinions of different stakeholders within these broad categories differently (either in general, or in response to particular

¹ The categories that we have adopted are: leaseholders and representative bodies; developers and representative bodies; other commercial investors; social housing and not-for-profit sector; legal professionals; other professionals; and other consultees. Those are very broad categories. For example, commercial investors might include large pension funds, but also individuals who have a second home which they sell on a long lease to provide retirement funds.

questions). For example, a response from a representative body based on a survey of its members would be given greater weight than a response from one individual whom they represent.

- 1.6 Finally, we emphasise that we do not make decisions simply on the basis of the numbers of consultees who were in favour of, or against, a proposal. We have looked at the substance of what consultees have said and sometimes made decisions based on a significant point raised by only a few consultees.

Accuracy of the statistics

- 1.7 It is important to note that the statistics provided below simply reflect which boxes were ticked by consultees in entering their consultation responses on the online response platform, Citizen Space. It has become clear to us whilst reading responses that people sometimes ticked the wrong answer by mistake (choosing, for instance, “Yes” when their substantive answer revealed that they meant “No”). Moreover, there were several questions where a number of consultees misunderstood what was being asked. As a result, while these statistics are a useful guide, they are not necessarily a definitive reflection of consultees’ views.

ANALYSIS OF RESPONSES BY CHAPTER

Chapters 1 and 2

- 1.8 There were no consultation questions in Chapters 1 and 2.

Chapter 3

Consultation Question 1

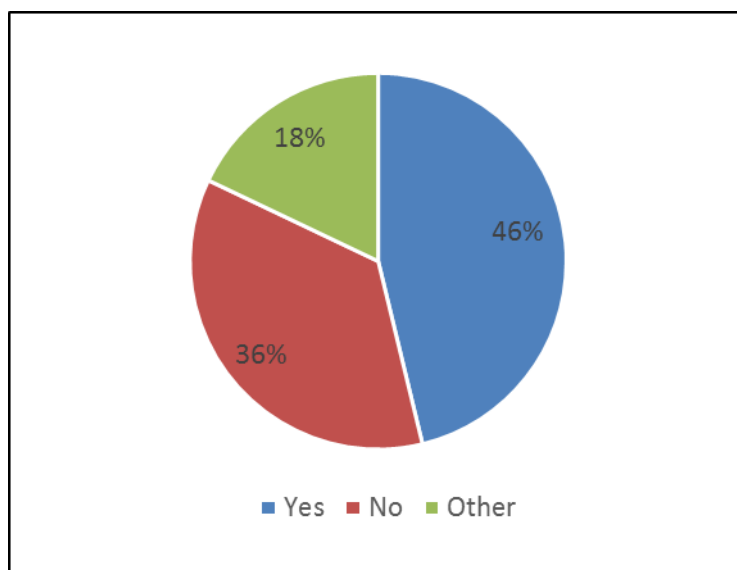
Consultation Question 1.

3.31 In order to protect freeholders, we provisionally propose that it should only be possible to convert to commonhold if either:

- (1) the freeholder consents; or
- (2) the leaseholders satisfy the qualifying criteria for collective enfranchisement, and acquire the freehold as part of the process of converting to commonhold.

Do consultees agree?

- 1.9 In response to Consultation Question 1 (para 3.31), the statistics were as follows:



Category	Yes	No	Other	Grand Total
Leaseholders and representative bodies	40	50	24	114
Developers and representative bodies	3	0	0	3
Other commercial investors	3	0	1	4
Social housing and not-for-profit sector	2	0	1	3
Legal professionals	20	2	2	24
Other professionals	5	1	2	8
Other consultees	92	75	34	201
Grand Total	165	128	64	357

1.10 Substantive reasons were set out in 247 consultation responses.

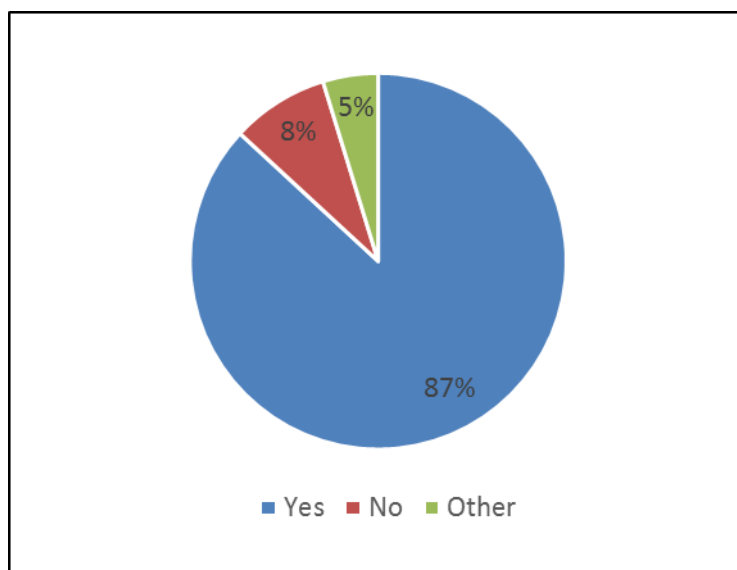
Consultation Question 2

Consultation Question 2.

3.41 We provisionally propose that it should be possible to convert to commonhold without the unanimous consent of leaseholders.

Do consultees agree?

1.11 In response to Consultation Question 2 (para 3.41), the statistics were as follows:



Category	Yes	No	Other	Grand Total
Leaseholders and representative bodies	107	2	4	113
Developers and representative bodies	0	2	0	2
Other commercial investors	0	3	1	4
Social housing and not-for-profit sector	1	1	0	2
Legal professionals	16	5	3	24
Other professionals	3	4	1	8
Other consultees	184	13	8	205
Grand Total	311	30	17	358

1.12 Substantive reasons were set out in 195 consultation responses.

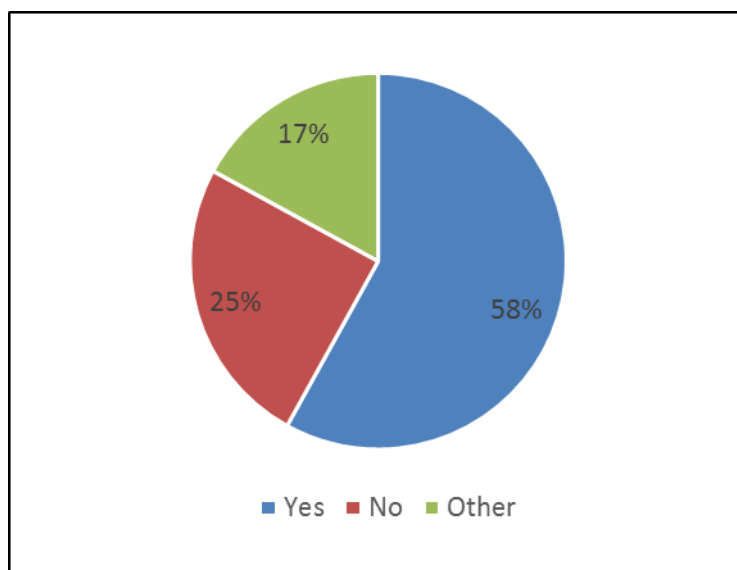
Consultation Question 3

Consultation Question 3.

3.54 We provisionally propose that only leaseholders who are eligible to participate in a collective enfranchisement claim should take a commonhold unit and should be able to participate in a decision to convert to commonhold.

Do consultees agree?

1.13 In response to Consultation Question 3 (para 3.54), the statistics were as follows:



Category	Yes	No	Other	Grand Total
Leaseholders and representative bodies	54	23	27	104
Developers and representative bodies	2	0	0	2
Other commercial investors	4	0	0	4
Social housing and not-for-profit sector	3	0	0	3
Legal professionals	17	2	5	24
Other professionals	7	0	0	7
Other consultees	97	54	22	173
Grand Total	184	79	54	317

1.14 Substantive reasons were set out in 153 consultation responses.

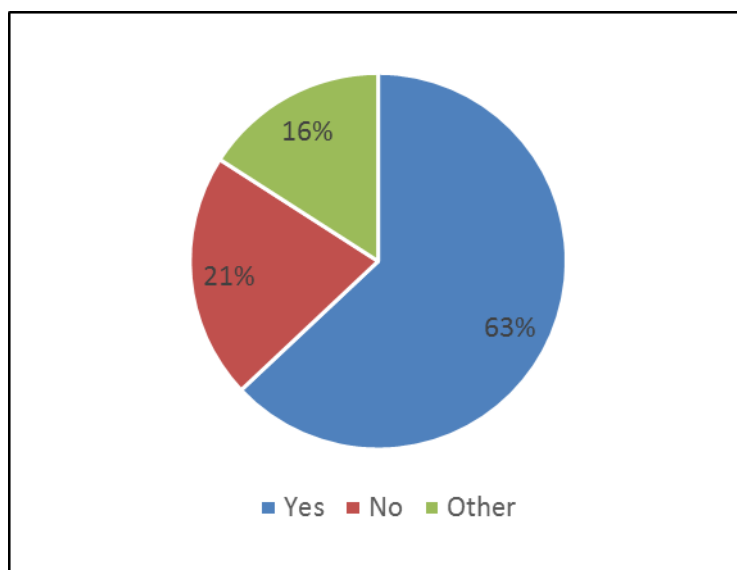
Consultation Question 4

Consultation Question 4.

3.104 If non-consenting leaseholders retain their leases following conversion to commonhold (which we call "Option 1"):

- (1) We provisionally propose that it should be possible for conversion to take place with the support of long leaseholders of 50% of the flats in the building. Do consultees agree?
- (2) We provisionally propose that non-consenting leaseholders should be provided with a statutory right to purchase the commonhold interest in their unit at a later date. Do consultees agree?
- (3) We provisionally propose that the right to purchase the commonhold interest should replace non-consenting leaseholders' statutory rights to obtain a lease extension and to participate in a collective enfranchisement. Do consultees agree?
- (4) We invite the views of consultees as to whether a purchaser from a non-consenting leaseholder should be required to purchase the commonhold interest, as well as the leasehold interest.
- (5) We provisionally propose that the leaseholders should be able to require the freeholder to take new 999-year leases over any flats not let to qualifying tenants and that such leases should automatically be granted over flats let to statutorily protected non-qualifying tenants and shared ownership leaseholders. Do consultees agree?
- (6) We invite the views of consultees as to whether the non-consenting leaseholders' share of the freehold purchase should be capable of being funded:
 - (a) by the consenting leaseholders, through the commonhold association which holds the commonhold interest;
 - (b) by the consenting leaseholders, through a company (owned by them) which acquires the commonhold interest;
 - (c) by a third-party investor, who acquires a long lease of the commonhold unit superior to the non-consenting leaseholder's lease;
 - (d) by granting a leaseback to the freeholder (who may be compelled to accept the lease), who acquires a long lease of the commonhold unit superior to the non-consenting leaseholder's lease; and/or
 - (e) by any other means.

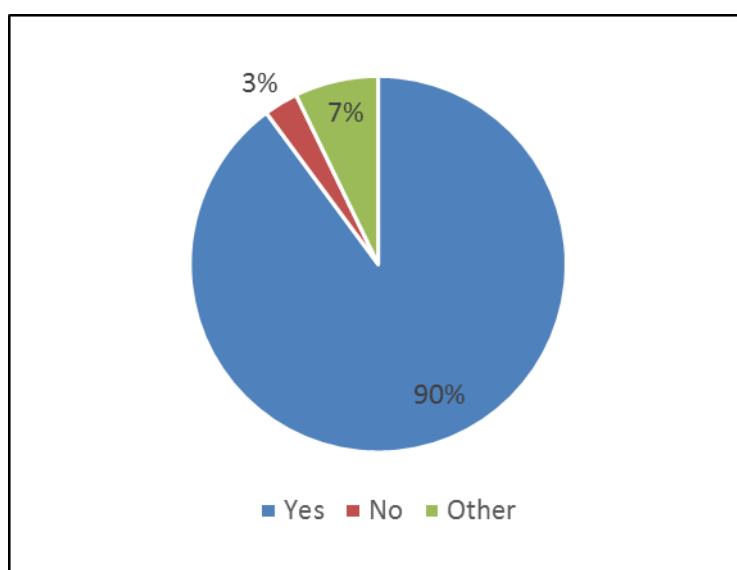
1.15 In response to Consultation Question 4(1) (para 3.104(1)), the statistics were as follows:



Category	Yes	No	Other	Grand Total
Leaseholders and representative bodies	52	24	25	101
Developers and representative bodies	0	1	0	1
Other commercial investors	0	2	1	3
Social housing and not-for-profit sector	0	2	0	2
Legal professionals	15	4	3	22
Other professionals	1	2	1	4
Other consultees	126	30	19	175
Grand Total	194	65	49	308

1.16 Substantive reasons were set out in 153 consultation responses.

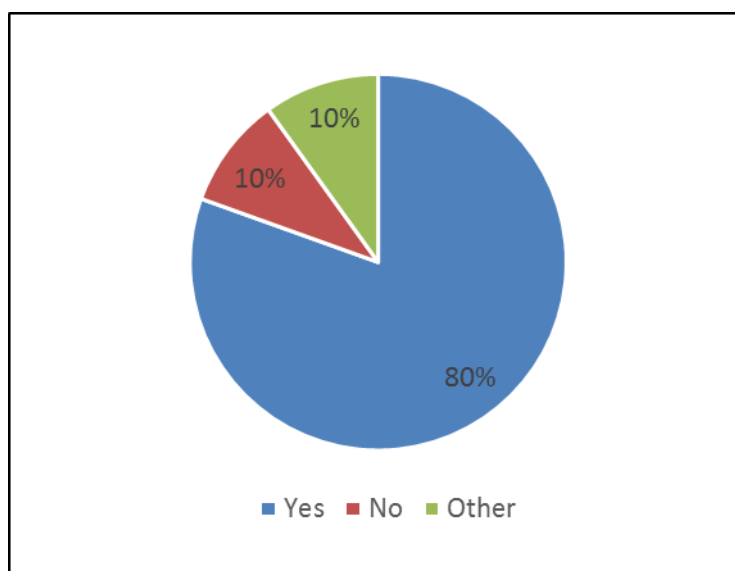
1.17 In response to Consultation Question 4(2) (para 3.104(2)), the statistics were as follows:



Category	Yes	No	Other	Grand Total
Leaseholders and representative bodies	89	4	8	101
Developers and representative bodies	1	0	0	1
Other commercial investors	1	1	0	2
Social housing and not-for-profit sector	2	0	0	2
Legal professionals	20	0	1	21
Other professionals	4	0	0	4
Other consultees	158	4	13	175
Grand Total	275	9	22	306

1.18 Substantive reasons were set out in 108 consultation responses.

1.19 In response to Consultation Question 4(3) (para 3.104(3)), the statistics were as follows:

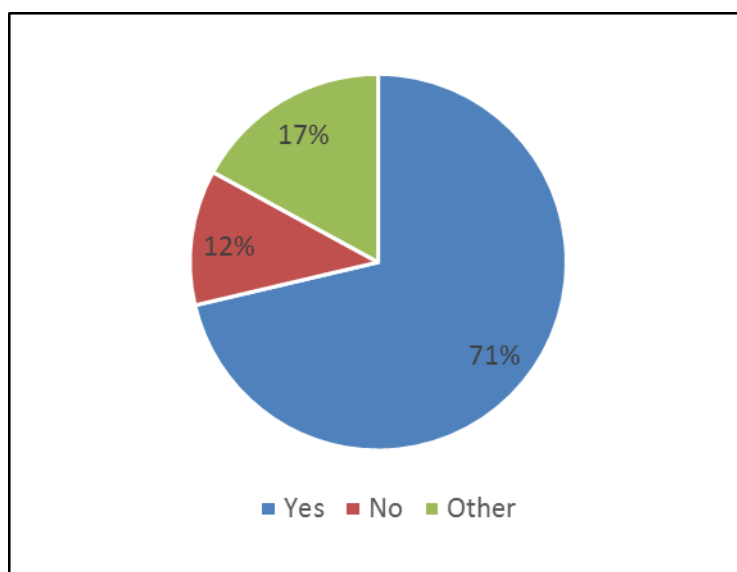


Category	Yes	No	Other	Grand Total
Leaseholders and representative bodies	73	8	15	96
Developers and representative bodies	1	0	0	1
Other commercial investors	0	2	0	2
Social housing and not-for-profit sector	1	1	0	2
Legal professionals	15	3	3	21
Other professionals	1	1	0	2
Other consultees	144	13	11	168
Grand Total	235	28	29	292

1.20 Substantive reasons were set out in 104 consultation responses.

1.21 In response to Consultation Question 4(4) (para 3.104(4)), substantive answers were set out in 178 consultation responses.

1.22 In response to Consultation Question 4(5) (para 3.104(5)), the statistics were as follows:



Category	Yes	No	Other	Grand Total
Leaseholders and representative bodies	47	9	24	80
Developers and representative bodies	1	0	0	1
Other commercial investors	0	1	1	2
Social housing and not-for-profit sector	2	0	0	2
Legal professionals	9	6	4	19
Other professionals	1	1	0	2
Other consultees	124	13	15	152
Grand Total	184	30	44	258

1.23 Substantive reasons were set out in 121 consultation responses.

1.24 In response to Consultation Question 4(6) (para 3.104(6)), the statistics were as follows:

Option	Number of consultees selecting option (consultees were able to select more than one option)
(a) by the consenting leaseholders, through the commonhold association which holds the commonhold interest;	160
(b) by the consenting leaseholders, through a company (owned by them) which acquires the commonhold interest;	129
(c) by a third-party investor, who acquires a long lease of the commonhold unit superior to the non-consenting leaseholder's lease;	23
(d) by granting a leaseback to the freeholder (who may be compelled to accept the lease), who acquires a long lease of the commonhold unit superior to the non-consenting leaseholder's lease; and/or	53
(e) by any other means.	42

1.25 Substantive reasons were set out in 124 consultation responses.

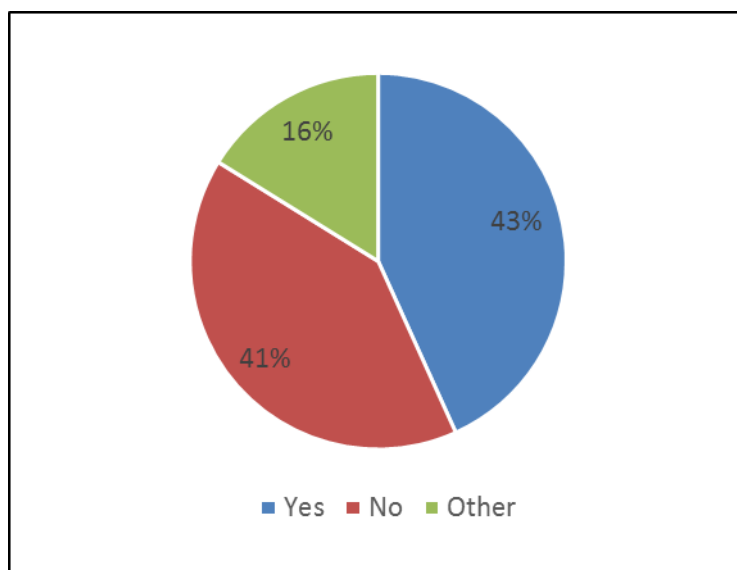
Consultation Question 5

Consultation Question 5.

3.142 If non-consenting leaseholders are to be required to take a commonhold unit following conversion to commonhold (which we call "Option 2"):

- (1) We provisionally propose that that qualifying leaseholders of 80% of the flats in the building should be required to support the decision to convert. Do consultees agree?
- (2) We provisionally propose that the leaseholders should be able to require the freeholder to take the commonhold unit of any flats not let to qualifying tenants and that freeholders should automatically become the unit owner in respect of any flats let to statutorily protected non-qualifying tenants and shared ownership leaseholders. Do consultees agree?
- (3) We provisionally propose that it should be possible to place a charge over non-consenting leaseholders' units to recover their share of the initial freehold purchase price upon future sale of their commonhold unit. Do consultees agree?
- (4) If consultees do not agree, how should non-consenting leaseholders' share of the purchase price be financed?
- (5) We invite the views of consultees as to who should be able to provide such finance and take the benefit of the charge.
- (6) We invite the views of consultees as to whether the charge should be set:
 - (a) as a fixed amount, representing the non-consenting leaseholder's share of the initial freehold purchase;
 - (b) as that fixed amount, with interest;
 - (c) as that fixed amount, adjusted in line with house price inflation;
 - (d) as a percentage of the final sale price, representing the percentage increase in value of the non-consenting leaseholder's property interest (from leasehold to commonhold) on conversion; or
 - (e) in some other way.
- (7) We invite the views of consultees as to what priority this charge should have in relation to any pre-existing charges.

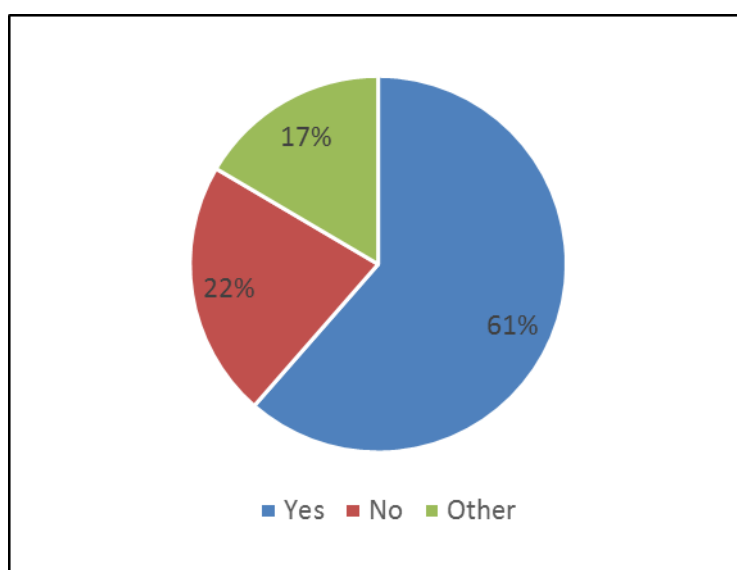
1.26 In response to Consultation Question 5(1) (para 3.142(1)), the statistics were as follows:



Category	Yes	No	Other	Grand Total
Leaseholders and representative bodies	34	38	15	87
Developers and representative bodies	0	1	0	1
Other commercial investors	0	3	0	3
Social housing and not-for-profit sector	1	1	0	2
Legal professionals	11	7	3	21
Other professionals	0	2	2	4
Other consultees	69	56	23	148
Grand Total	115	108	43	266

1.27 Substantive reasons were set out in 165 consultation responses.

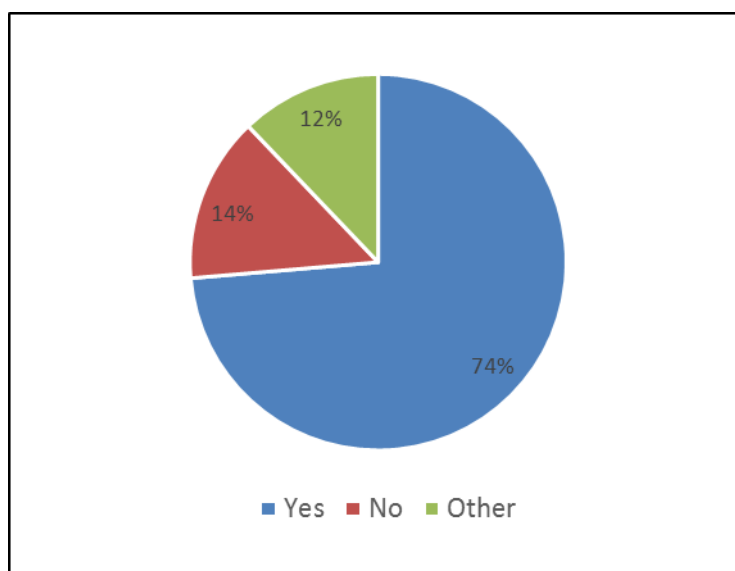
1.28 In response to Consultation Question 5(2) (para 3.142(2)), the statistics were as follows:



Category	Yes	No	Other	Grand Total
Leaseholders and representative bodies	34	22	19	75
Developers and representative bodies	1	0	0	1
Other commercial investors	1	1	0	2
Social housing and not-for-profit sector	2	0	0	2
Legal professionals	12	6	2	20
Other professionals	1	2	0	3
Other consultees	94	21	18	133
Grand Total	145	52	39	236

1.29 Substantive reasons were set out in 108 consultation responses.

1.30 In response to Consultation Question 5(3) and (4) (para 3.142(3) and (4)), the statistics were as follows:

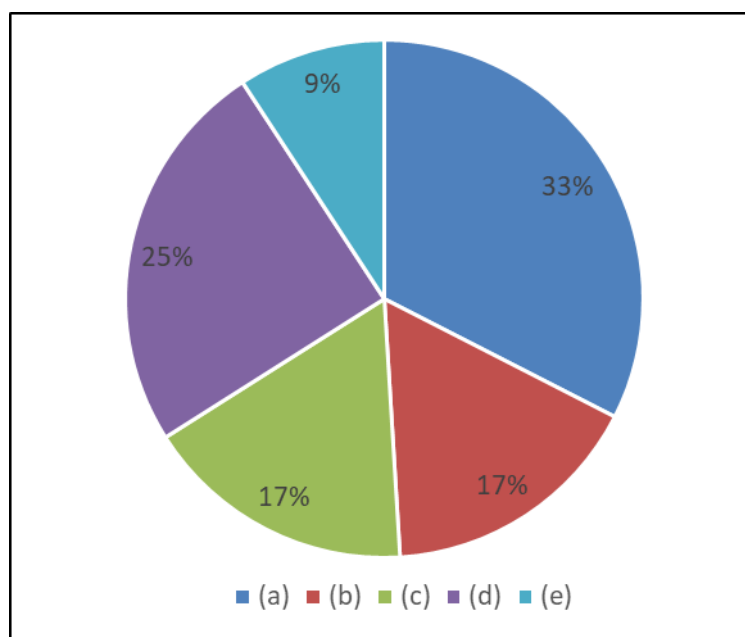


Row Labels	Yes	No	Other	Grand Total
Leaseholders and representative bodies	53	6	10	69
Developers and representative bodies	0	1	0	1
Other commercial investors	0	2	0	2
Social housing and not-for-profit sector	0	1	1	2
Legal professionals	10	5	4	19
Other professionals	2	1	0	3
Other consultees	111	18	14	143
Grand Total	176	34	29	239

1.31 Substantive reasons were set out in 110 consultation responses.

1.32 In response to Consultation Question 5(5) (para 3.142(5)), substantive answers were set out in 127 consultation responses.

1.33 In response to Consultation Question 5(6) (para 3.142(6)), the statistics were as follows:



Category	(a)	(b)	(c)	(d)	(e)	Grand Total
Leaseholders and representative bodies	24	6	10	15	6	61
Developers and representative bodies	0	0	0	0	0	0
Other commercial investors	0	0	0	0	1	1
Social housing and not-for-profit sector	0	1	0	0	0	1
Legal professionals	1	3	1	10	2	17
Other professionals	1	0	0	0	0	1
Other consultees	41	24	24	26	10	125
Grand Total	67	34	35	51	19	206

1.34 Substantive reasons were set out in 99 consultation responses.

1.35 In response to Consultation Question 5(7) (para 3.142(7)), substantive reasons were set out in 117 consultation responses.

Consultation Question 6

Consultation Question 6.

3.143 Where a freeholder or non-consenting leaseholder, who has let his or her flat to a non-qualifying tenant on a variable service charge, is required to take a commonhold unit on conversion under Option 2, we invite consultees' views as to whether:

- (1) a cap should be placed on the amount of commonhold costs which are recoverable from the former leaseholder or freeholder, to reflect the costs that are recoverable from the non-qualifying tenant;
- (2) the non-qualifying tenant's rights should be altered so that he or she no longer has the right to challenge service charge costs after they have been incurred, but instead has the same rights to challenge commonhold costs as other unit owners; or
- (3) any other approach would fairly protect and balance the competing interests of the leaseholder or freeholder, and the non-qualifying tenant.

1.36 In response to Consultation Question 6 (para 3.143), the statistics were as follows:

Option	Number of consultees selecting option (consultees were able to select more than one option)
(1) a cap should be placed on the amount of commonhold costs which are recoverable from the former leaseholder or freeholder, to reflect the costs that are recoverable from the non-qualifying tenant;	52
(2) the non-qualifying tenant's rights should be altered so that he or she no longer has the right to challenge service charge costs after they have been incurred, but instead has the same rights to challenge commonhold costs as other unit owners; or	77
(3) any other approach would fairly protect and balance the competing interests of the leaseholder or freeholder, and the non-qualifying tenant.	43

1.37 Substantive reasons were set out in 87 consultation responses.

Consultation Question 7

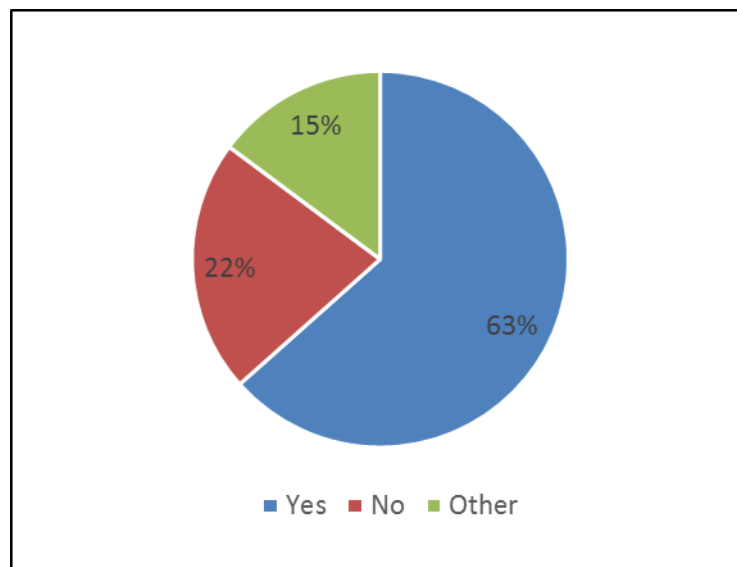
Consultation Question 7.

3.144 Under Option 2, we provisionally propose that:

- (1) those wishing to convert (with less than unanimous consent) should be required to seek the prior authorisation of the First-tier Tribunal (Property Chamber) or Residential Property Tribunal in Wales ("the Tribunal"); and
- (2) the Tribunal should be required to authorise a conversion to commonhold unless:
 - (a) the necessary consents have not been obtained;
 - (b) the terms of the CCS do not adequately protect the interests of non-consenting leaseholders; and/or
 - (c) the applicants refuse to adopt the Tribunal's proposed revisions to ensure the CCS sufficiently protects the interests of non-consenting leaseholders.

Do consultees agree?

1.38 In response to Consultation Question 7 (para 3.144), the statistics were as follows:



Category	Yes	No	Other	Grand Total
Leaseholders and representative bodies	36	20	14	70
Developers and representative bodies	0	1	0	1
Other commercial investors	0	2	1	3
Social housing and not-for-profit sector	2	0	0	2
Legal professionals	16	1	3	20
Other professionals	2	0	0	2
Other consultees	81	23	14	118
Grand Total	137	47	32	216

1.39 Substantive reasons were set out in 119 consultation responses.

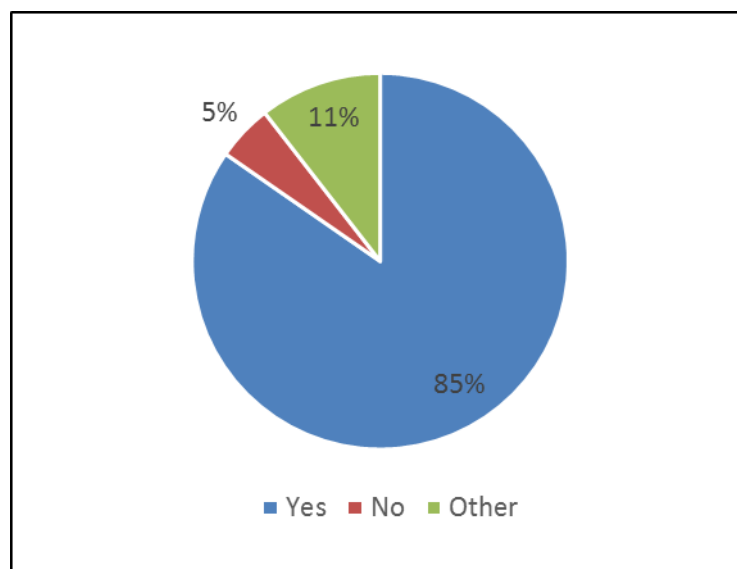
Consultation Question 8

Consultation Question 8.

3.152 We provisionally propose that on conversion to commonhold, tenancies granted for 21 years or less should continue automatically on conversion and that the consent of such tenants should not be required in order to convert to commonhold.

Do consultees agree?

1.40 In response to Consultation Question 8 (para 3.152), the statistics were as follows:



Category	Yes	No	Other	Grand Total
Leaseholders and representative bodies	52	3	12	67
Developers and representative bodies	2	0	0	2
Other commercial investors	3	0	0	3
Social housing and not-for-profit sector	2	0	0	2
Legal professionals	18	2	1	21
Other professionals	4	0	0	4
Other consultees	112	6	11	129
Grand Total	193	11	24	228

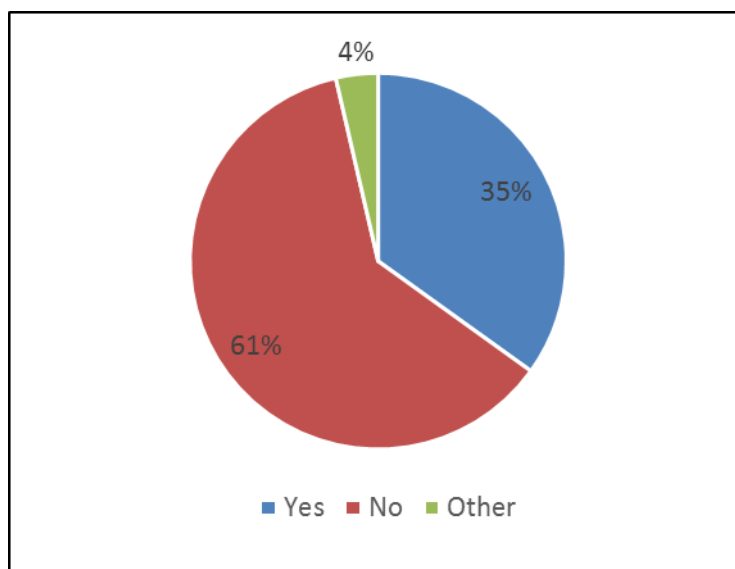
1.41 Substantive reasons were set out in 68 consultation responses.

Consultation Question 9

Consultation Question 9.

3.172 We invite consultees' views as to whether it should be possible for charges to transfer automatically from the leasehold title to the commonhold unit title on conversion to commonhold, without requiring lenders' consent.

1.42 In response to Consultation Question 9 (para 3.172), the statistics were as follows:



Category	Yes	No	Other	Grand Total
Leaseholders and representative bodies	59	2	9	70
Developers and representative bodies	0	1	0	1
Other commercial investors	0	3	0	3
Social housing and not-for-profit sector	1	1	0	2
Legal professionals	12	5	0	17
Other professionals	1	0	2	3
Other consultees	110	14	8	132
Grand Total	183	26	19	228

1.43 Substantive reasons were set out in 102 consultation responses.

Consultation Question 10

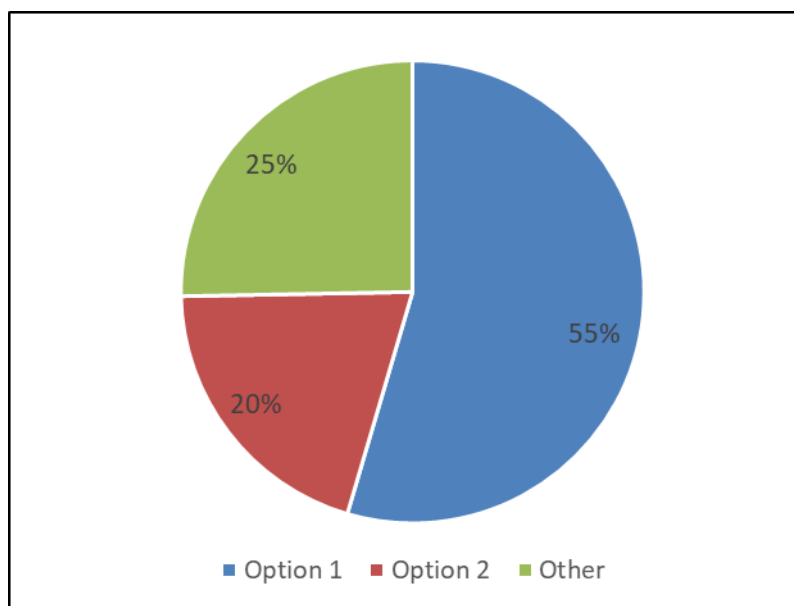
Consultation Question 10.

3.182 We have set out two options for setting the threshold of leaseholder support which should be required to convert to commonhold. The first would be to require leaseholders (who are qualifying tenants under enfranchisement legislation) owning at least 50% of the flats in the building to consent, provided non-consenting leaseholders are able to retain their leasehold interest on conversion to commonhold (Option 1). The second would be to require leaseholders (who are qualifying tenants under enfranchisement legislation) owning at least 80% of the flats in the building to consent, on the basis that non-consenting leaseholders are required to take a commonhold unit on conversion (Option 2).

3.183 We invite consultees' views as to whether they prefer Option 1 or Option 2.

3.184 We invite consultees' views as to any other options for setting the threshold of leaseholder support for conversion, other than Options 1 and 2, which strike an appropriate balance between the interests of those wishing to convert and non-consenting leaseholders, and provide a mechanism for financing the freehold purchase.

1.44 In response to Consultation Question 10 part 1 (paras 3.182 and 3.183), the statistics were as follows:



Category	Option 1	Option 2	Other	Grand Total
Leaseholders and representative bodies	39	17	27	83
Developers and representative bodies	1	1	0	2
Other commercial investors	0	0	4	4
Social housing and not-for-profit sector	0	0	2	2
Legal professionals	10	5	6	21
Other professionals	3	0	2	5
Other consultees	85	28	23	136
Grand Total	138	51	64	253

1.45 Substantive reasons were set out in 151 consultation responses.

1.46 In response to Consultation Question 10 part 2 (para 3.184), substantive answers were set out in 90 consultation responses.

Chapter 4

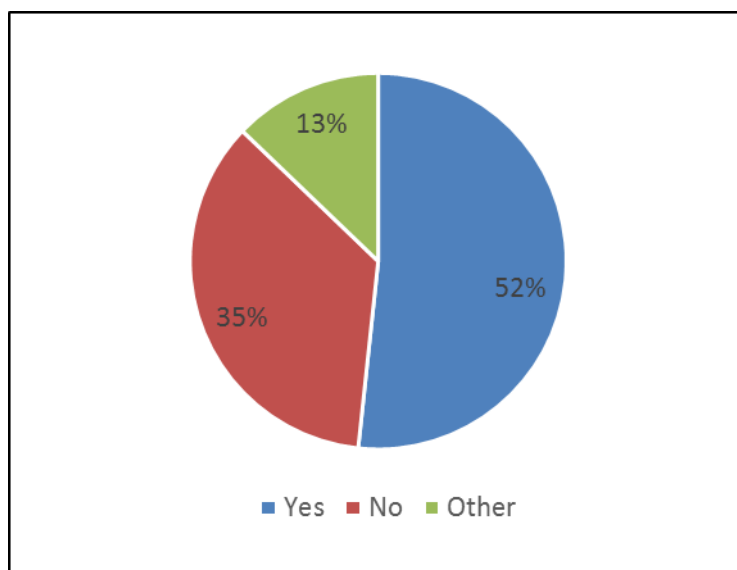
Consultation Question 11

Consultation Question 11.

4.18 We provisionally propose that, where the freeholder refuses to consent to conversion, the leaseholders will need to follow the collective enfranchisement process to purchase the freehold in order to convert to commonhold.

Do consultees agree?

1.47 In response to Consultation Question 11 (para 4.18), the statistics were as follows:



Category	Yes	No	Other	Grand Total
Leaseholders and representative bodies	29	39	21	89
Developers and representative bodies	3	0	0	3
Other commercial investors	3	0	0	3
Social housing and not-for-profit sector	3	0	0	3
Legal professionals	19	2	0	21
Other professionals	4	2	0	6
Other consultees	76	51	13	140
Grand Total	137	94	34	265

1.48 Substantive reasons were set out in 149 consultation responses.

Consultation Question 12

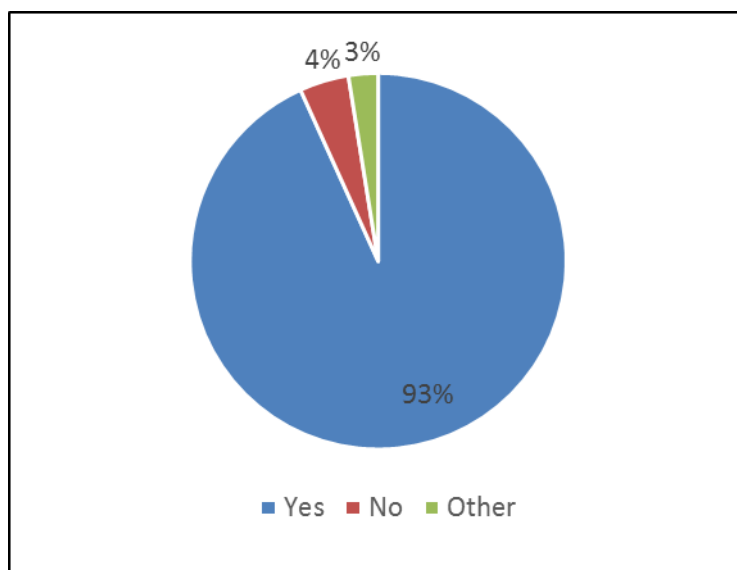
Consultation Question 12.

4.43 We provisionally propose that, to simplify the procedure for converting to commonhold, any consents given in support of the conversion should not automatically lapse after 12 months.

Do consultees agree?

4.44 We invite consultees' views as to whether leaseholders should be able to withdraw their individual consent to conversion after the Claim Notice has been served, or whether leaseholders should be required to make a collective decision no longer to proceed with the conversion.

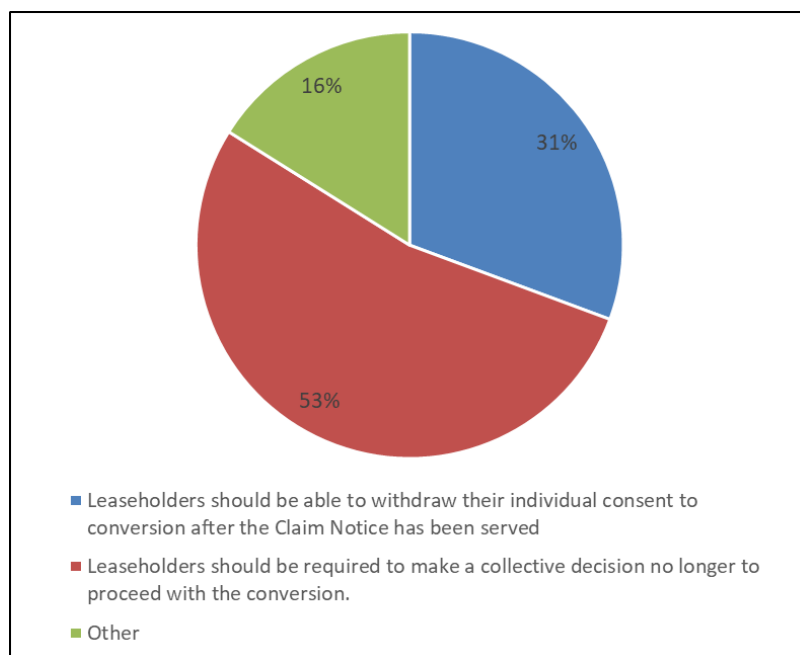
1.49 In response to Consultation Question 12 part 1 (para 4.43), the statistics were as follows:



Category	Yes	No	Other	Grand Total
Leaseholders and representative bodies	75	2	2	79
Developers and representative bodies	0	1	0	1
Other commercial investors	2	1	0	3
Social housing and not-for-profit sector	1	1	0	2
Legal professionals	14	2	2	18
Other professionals	4	0	0	4
Other consultees	124	3	2	129
Grand Total	220	10	6	236

1.50 Substantive reasons were set out in 70 consultation responses.

1.51 In response to Consultation Question 12 part 2 (para 4.44), the statistics were as follows:



Category	Leaseholders should be able to withdraw their individual consent to conversion after the Claim Notice has been served	Leaseholders should be required to make a collective decision no longer to proceed with the conversion.	Other	Grand Total
Leaseholders and representative bodies	13	36	18	67
Developers and representative bodies	1	0	0	1
Other commercial investors	3	0	0	3
Social housing and not-for-profit sector	2	0	0	2
Legal professionals	3	6	4	13
Other professionals	1	2	0	3
Other consultees	38	62	10	110
Grand Total	61	106	32	199

1.52 Substantive reasons were set out in 86 consultation responses.

Consultation Question 13

Consultation Question 13.

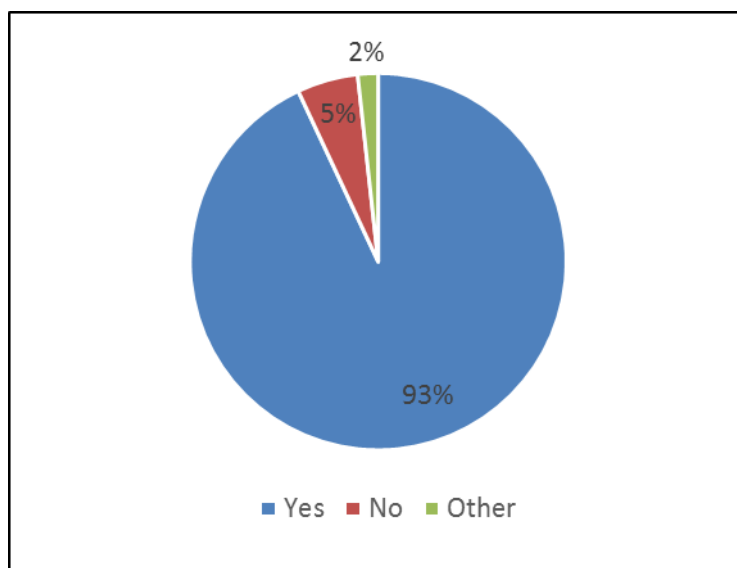
4.49 We provisionally propose that (in addition to the freeholder) it should be possible for leaseholders who are in the process of acquiring the freehold by collective enfranchisement, to apply to HM Land Registry to create a new commonhold.

Do consultees agree?

4.50 We provisionally propose that, where a lender has consented to a conversion to commonhold on the condition that it will be granted new security over the commonhold unit after conversion, a deed of substituted security provided to HM Land Registry will act as sufficient evidence that this condition has been fulfilled.

Do consultees agree?

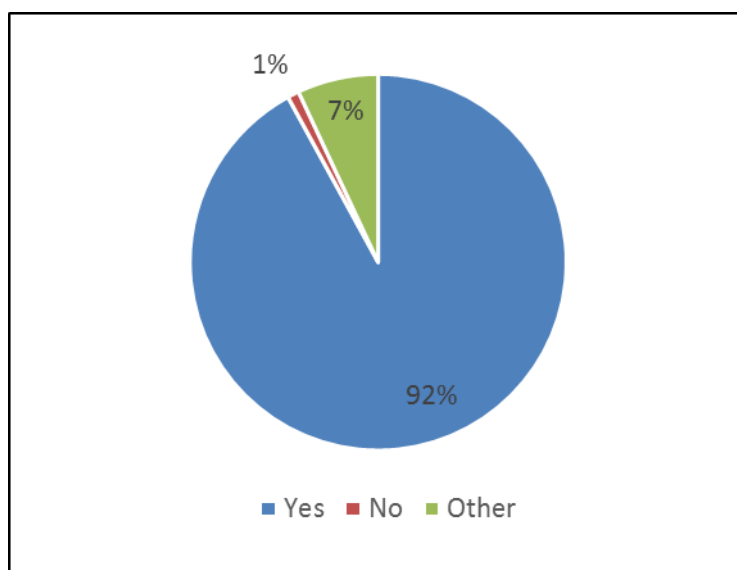
1.53 In response to Consultation Question 13 part 1 (para 4.49), the statistics were as follows:



Category	Yes	No	Other	Grand Total
Leaseholders and representative bodies	68	4	2	74
Developers and representative bodies	1	1	0	2
Other commercial investors	1	2	0	3
Social housing and not-for-profit sector	2	0	1	3
Legal professionals	18	1	0	19
Other professionals	3	1	0	4
Other consultees	120	3	1	124
Grand Total	213	12	4	229

1.54 Substantive reasons were set out in 49 consultation responses.

1.55 In response to Consultation Question 13 part 2 (para 4.50), the statistics were as follows:



Category	Yes	No	Other	Grand Total
Leaseholders and representative bodies	58	0	8	66
Developers and representative bodies	2	0	0	2
Other commercial investors	1	0	0	1
Social housing and not-for-profit sector	1	0	0	1
Legal professionals	16	0	3	19
Other professionals	3	0	0	3
Other consultees	104	2	3	109
Grand Total	185	2	14	201

1.56 Substantive reasons were set out in 47 consultation responses.

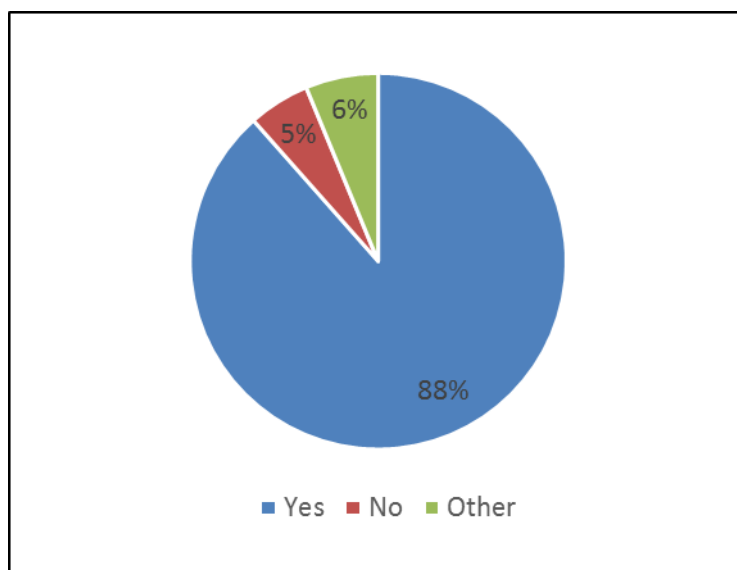
Consultation Question 14

Consultation Question 14.

4.59 Where the freehold of the building is owned by the leaseholders collectively through a freehold management company (a "FMC"), we provisionally propose that the common parts of the building should be transferred to a new commonhold association as part of the process of conversion to commonhold (rather than the FMC changing its articles to become a commonhold association, where this is possible).

Do consultees agree?

1.57 In response to Consultation Question 14 (para 4.59), the statistics were as follows:



Category	Yes	No	Other	Grand Total
Leaseholders and representative bodies	56	3	9	68
Developers and representative bodies	3	0	0	3
Other commercial investors	2	0	0	2
Social housing and not-for-profit sector	1	0	0	1
Legal professionals	15	2	3	20
Other professionals	4	0	0	4
Other consultees	103	6	1	110
Grand Total	184	11	13	208

1.58 Substantive reasons were set out in 59 consultation responses.

Consultation Question 15

Consultation Question 15.

4.61 We invite consultees' views as to whether, taking into account our provisional proposals set out in questions 11 to 14, the conversion procedure would operate satisfactorily.

4.62 We invite consultees' view on what changes could be made to simplify the procedure and make it more cost-effective.

1.59 In response to Consultation Question 15 (paras 4.61 and 4.62), substantive answers were set out in 107 consultation responses.

Chapter 5

Consultation Question 16

Consultation Question 16.

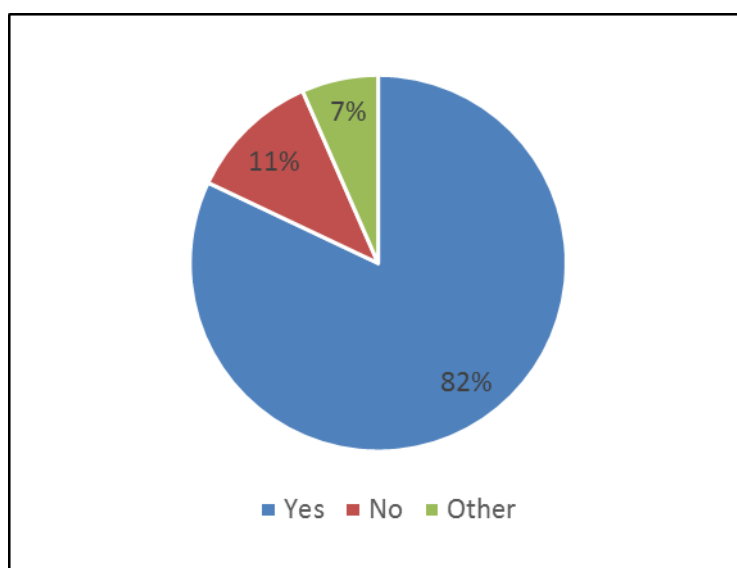
5.15 We provisionally propose that any new management structure needs to meet the following objectives:

- (1) Provide the ability to separate out the management of a variety of different interests within the same development, in particular by:
 - (a) differentiating voting rights, so that those affected by a decision are entitled to participate in making that decision, and no one else is able to do so; and
 - (b) allowing shared costs to be allocated in different ways to ensure that only those benefitting from a service pay for it.
- (2) Provide a framework which can be used to regulate the relationship between more than one building where there are shared areas, such as shared car parks or gardens.
- (3) Strike an appropriate balance between standardisation and flexibility.
- (4) Facilitate consumer protection to ensure that abuses that have arisen in the residential leasehold context cannot be transposed into commonhold.

Do consultees agree?

5.16 Are there any other objectives which should be added to the list above?

1.60 In response to Consultation Question 16 (para 5.15), the statistics were as follows:



Category	Yes	No	Other	Grand Total
Leaseholders and representative bodies	44	7	6	57
Developers and representative bodies	0	0	1	1
Other commercial investors	1	0	0	1
Social housing and not-for-profit sector	2	0	0	2
Legal professionals	18	0	1	19
Other professionals	2	1	0	3
Other consultees	70	11	3	84
Grand Total	137	19	11	167

1.61 Substantive reasons were set out in 76 consultation responses.

Consultation Question 17

Consultation Question 17.

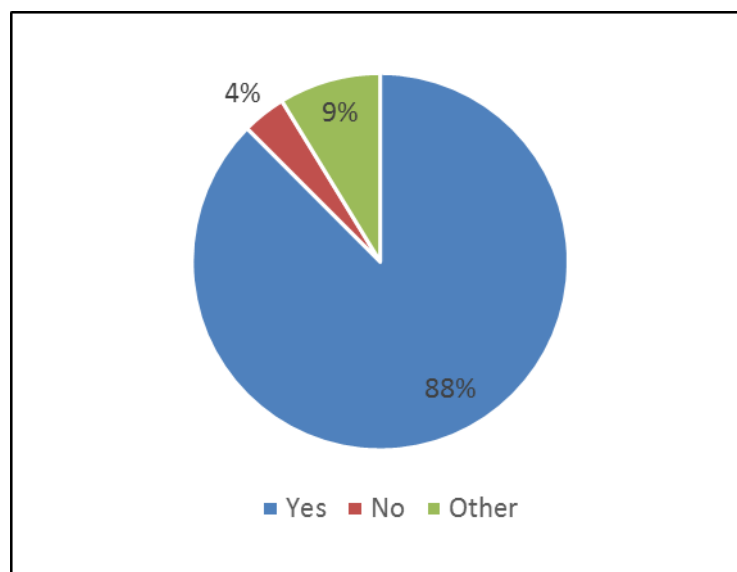
5.55 We provisionally propose that commonholds with sections (which are not individual corporate bodies) should be introduced as a management structure to make commonhold workable for more complex developments.

Do consultees agree?

5.56 If consultees do not agree, do consultees prefer either the flying commonhold model or layered commonhold model? If so, how do consultees suggest addressing the issues with these models?

5.57 Are consultees aware of any other options we should be considering?

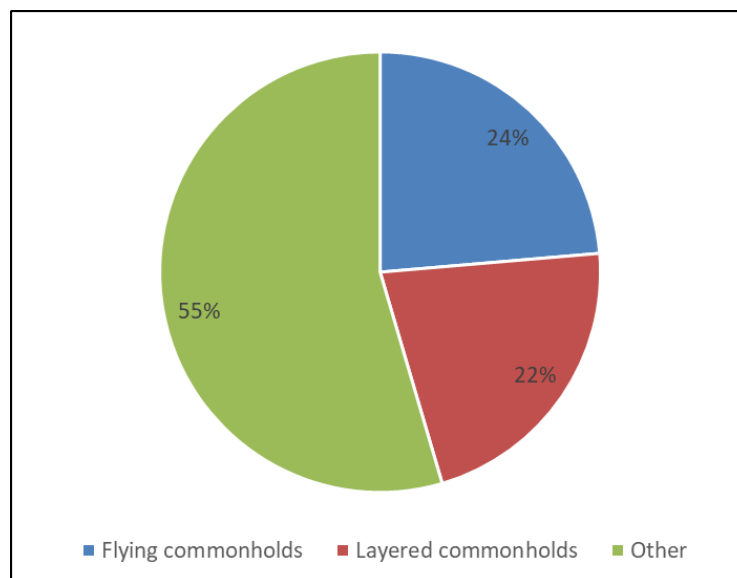
1.62 In response to Consultation Question 17(1) (para 5.55), the statistics were as follows:



Category	Yes	No	Other	Grand Total
Leaseholders and representative bodies	42	2	7	51
Developers and representative bodies	1	0	1	2
Other commercial investors	0	1	0	1
Social housing and not-for-profit sector	2	0	0	2
Legal professionals	18	1	3	22
Other professionals	2	1	0	3
Other consultees	75	1	3	79
Grand Total	140	6	14	160

1.63 Substantive reasons were set out in 59 consultation responses.

1.64 In response to Consultation Question 17 part 2 (para 5.56), the statistics were as follows:



Category	Flying commonholds	Layered commonholds	Other	Grand Total
Leaseholders and representative bodies	3	5	15	23
Developers and representative bodies	0	0	0	0
Other commercial investors	0	0	0	0
Social housing and not-for-profit sector	0	0	0	0
Legal professionals	3	1	1	5
Other professionals	0	0	2	2
Other consultees	7	6	12	25
Grand Total	13	12	30	55

1.65 Substantive reasons were set out in 42 consultation responses.

1.66 In response to Consultation Question 17 part 3 (para 5.57), substantive answers were set out in 43 consultation responses.

Consultation Question 18

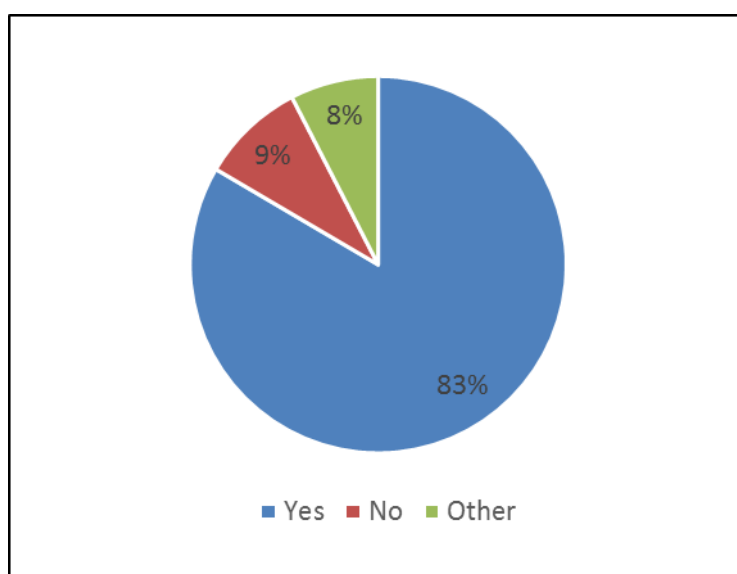
Consultation Question 18.

5.71 We provisionally propose that it should be optional, rather than mandatory, for a section committee to be set up for each section in a commonhold.

Do consultees agree?

5.72 If consultees disagree, which powers do consultees think should be given compulsorily to those committees?

1.67 In response to Consultation Question 18 part 1 (para 5.71), the statistics were as follows:



Category	Yes	No	Other	Grand Total
Leaseholders and representative bodies	36	5	7	48
Developers and representative bodies	2	0	0	2
Other commercial investors	0	1	0	1
Social housing and not-for-profit sector	2	0	0	2
Legal professionals	21	0	0	21
Other professionals	4	0	0	4
Other consultees	56	7	4	67
Grand Total	121	13	11	145

1.68 Substantive reasons were set out in 64 consultation responses.

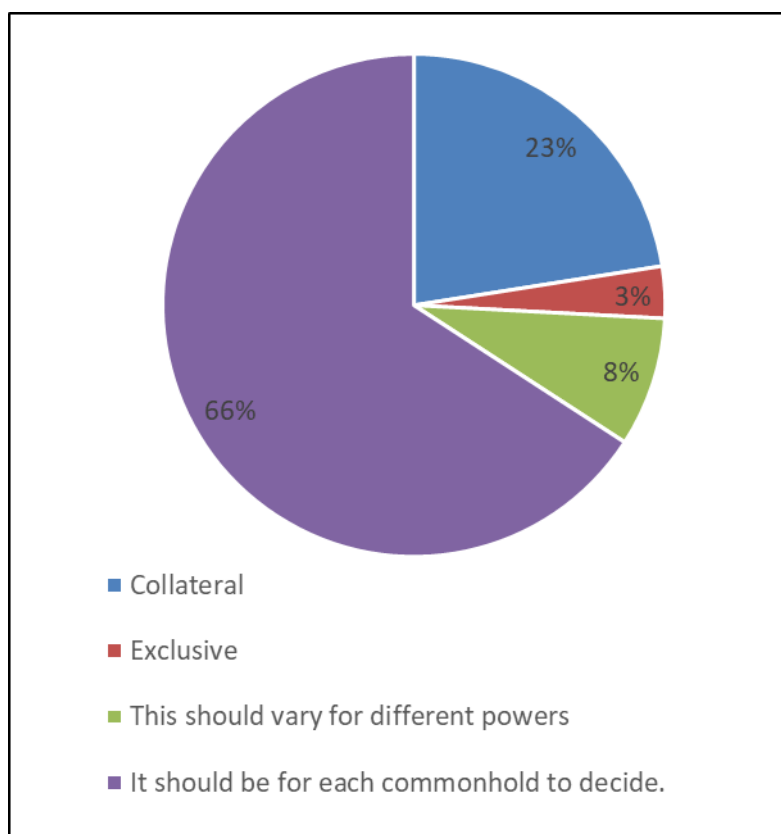
1.69 In response to Consultation Question 18 part 2 (para 5.72), substantive answers were set out in 26 consultation responses.

Consultation Question 19

Consultation Question 19.

5.78 We invite consultees' views as to whether delegation to section committees should be collateral or exclusive; whether this should vary for different powers; or whether it should be for each commonhold to decide.

1.70 In response to Consultation Question 19 (para 5.78), the statistics were as follows:



Category	Collateral	Exclusive	This should vary for different powers	It should be for each commonhold to decide.	Grand Total
Leaseholders and representative bodies	7	2	1	30	40
Developers and representative bodies	3	0	0	0	3
Other commercial investors	0	1	0	0	1
Social housing and not-for-profit sector	0	0	0	1	1
Legal professionals	6	1	1	9	17
Other professionals	2	0	0	1	3
Other consultees	9	0	8	38	55
Grand Total	27	4	10	79	120

1.71 Substantive reasons were set out in 55 consultation responses.

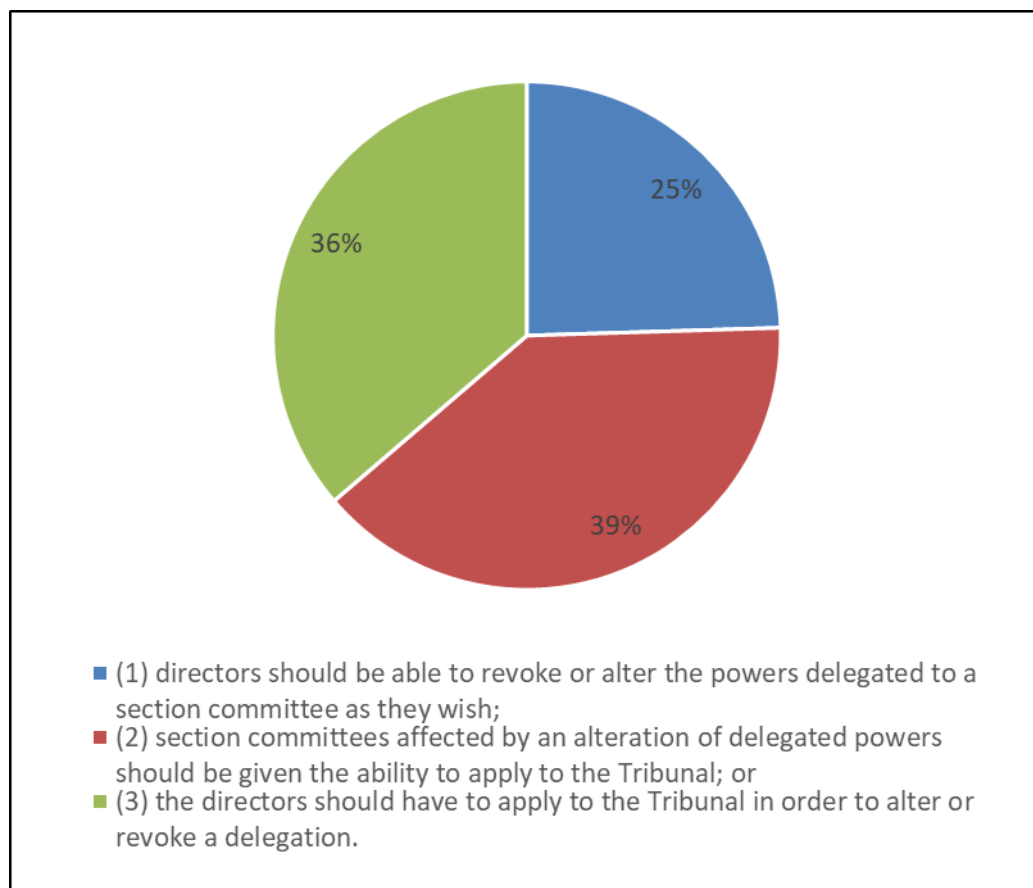
Consultation Question 20

Consultation Question 20.

5.81 We invite consultees' views as to whether:

- (1) directors should be able to revoke or alter the powers delegated to a section committee as they wish;
- (2) section committees affected by an alteration of delegated powers should be given the ability to apply to the Tribunal; or
- (3) the directors should have to apply to the Tribunal in order to alter or revoke a delegation.

1.72 In response to Consultation Question 20 (para 5.81), the statistics were as follows:



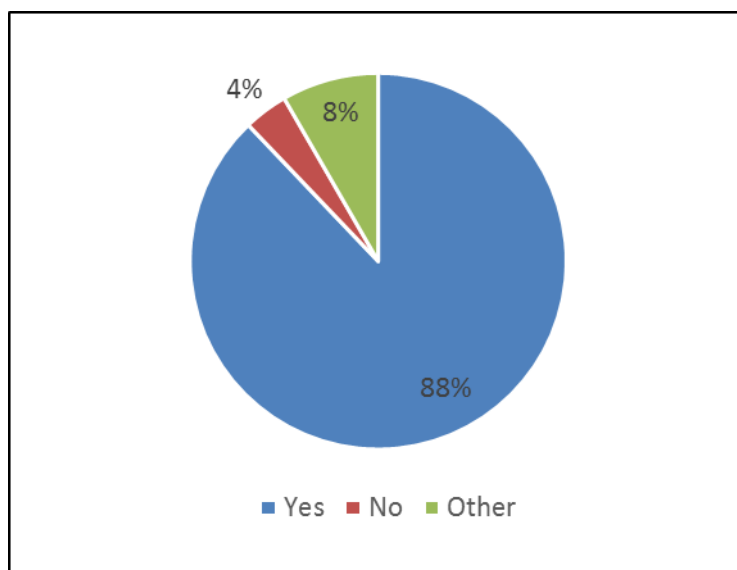
Category	(1)	(2)	(3)	Grand Total
Leaseholders and representative bodies	6	13	16	35
Developers and representative bodies	0	2	0	2
Other commercial investors	0	0	1	1
Social housing and not-for-profit sector	0	1	0	1
Legal professionals	3	4	3	10
Other professionals	0	3	0	3
Other consultees	16	17	17	50
Grand Total	25	40	37	102

1.73 Substantive reasons were set out in 65 consultation responses.

Consultation Question 21

Consultation Question 21.	
5.88	We provisionally propose that a new section should be able to be created by:
(1)	the developer, at the outset; and
(2)	the commonhold association at a later date.
	Do consultees agree?
5.89	If the commonhold association is allowed to create sections after it has been set up, we provisionally propose that this decision should be approved by special resolution, with the additional requirement that at least 75% of the total votes held by the unit owners who would be part of the new section must have been cast in favour of creating the section.
	Do consultees agree?
5.90	We provisionally propose that unit owners affected by the introduction of a new section should be given the option of applying to the Tribunal.
	Do consultees agree?

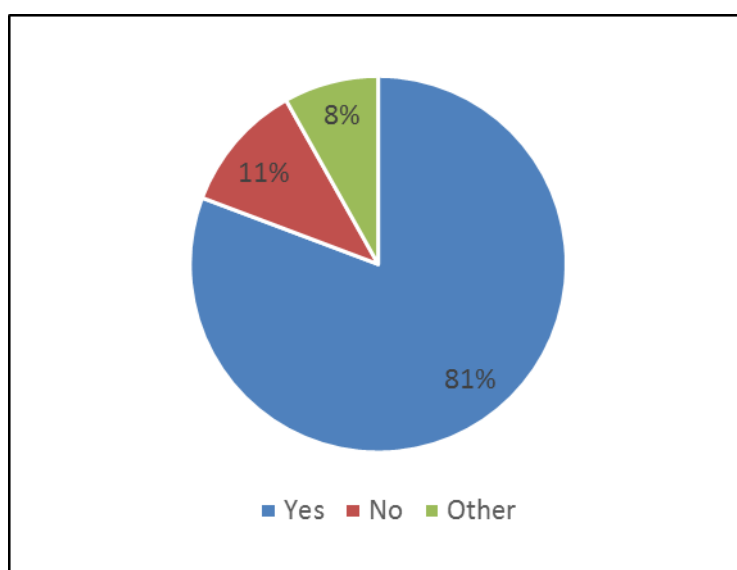
1.74 In response to Consultation Question 21 part 1 (para 5.88), the statistics were as follows:



Category	Yes	No	Other	Grand Total
Leaseholders and representative bodies	37	3	7	47
Developers and representative bodies	2	0	0	2
Other commercial investors	0	1	0	1
Social housing and not-for-profit sector	2	0	0	2
Legal professionals	16	0	3	19
Other professionals	3	0	0	3
Other consultees	56	1	1	58
Grand Total	116	5	11	132

1.75 Substantive reasons were set out in 39 consultation responses.

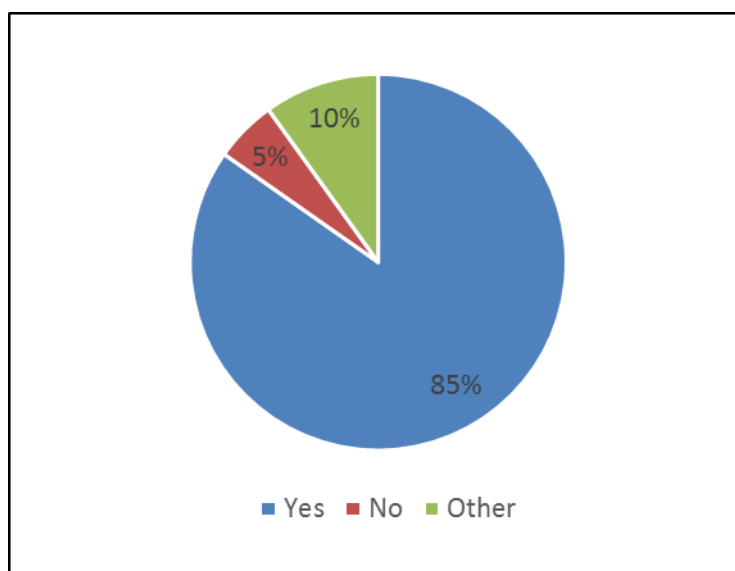
1.76 In response to Consultation Question 21 part 2 (para 5.89), the statistics were as follows:



Category	Yes	No	Other	Grand Total
Leaseholders and representative bodies	33	6	7	46
Developers and representative bodies	2	0	0	2
Social housing and not-for-profit sector	2	0	0	2
Legal professionals	13	4	0	17
Other professionals	2	0	1	3
Other consultees	57	5	3	65
Grand Total	109	15	11	135

1.77 Substantive reasons were set out in 46 consultation responses.

1.78 In response to Consultation Question 21 part 3 (para 5.90), the statistics were as follows:



Category	Yes	No	Other	Grand Total
Leaseholders and representative bodies	32	5	7	44
Developers and representative bodies	2	0	0	2
Social housing and not-for-profit sector	2	0	0	2
Legal professionals	18	0	0	18
Other professionals	3	0	0	3
Other consultees	54	2	6	62
Grand Total	111	7	13	131

1.79 Substantive reasons were set out in 43 consultation responses.

Consultation Question 22

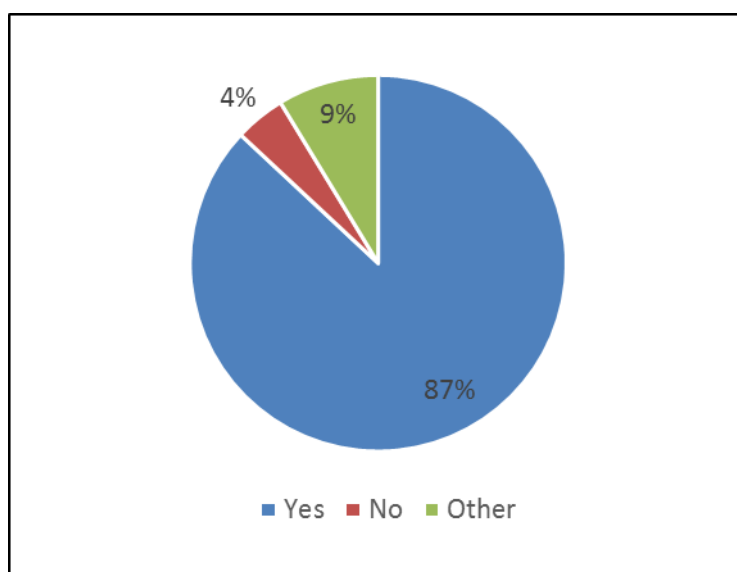
Consultation Question 22.

5.94 We provisionally propose that qualifying criteria for sections should be introduced, so that sections can only be created to give separate classes of vote to:

- (1) residential and non-residential units;
- (2) non-residential units, which use their units for significantly different purposes;
- (3) different types of residential units (such as flats and terraced houses);
- (4) separate blocks in the same development; and
- (5) other premises falling within the commonhold which, in the interests of practicality and fairness, should form a separate section.

Do consultees agree? Are there any other criteria which consultees feel should be added to the list?

1.80 In response to Consultation Question 22 (para 5.94), the statistics were as follows:



Category	Yes	No	Other	Grand Total
Leaseholders and representative bodies	43	2	4	49
Developers and representative bodies	1	0	2	3
Other commercial investors	1	0	0	1
Social housing and not-for-profit sector	1	0	1	2
Legal professionals	13	2	2	17
Other professionals	3	0	0	3
Other consultees	58	2	3	63
Grand Total	120	6	12	138

1.81 Substantive reasons were set out in 59 consultation responses.

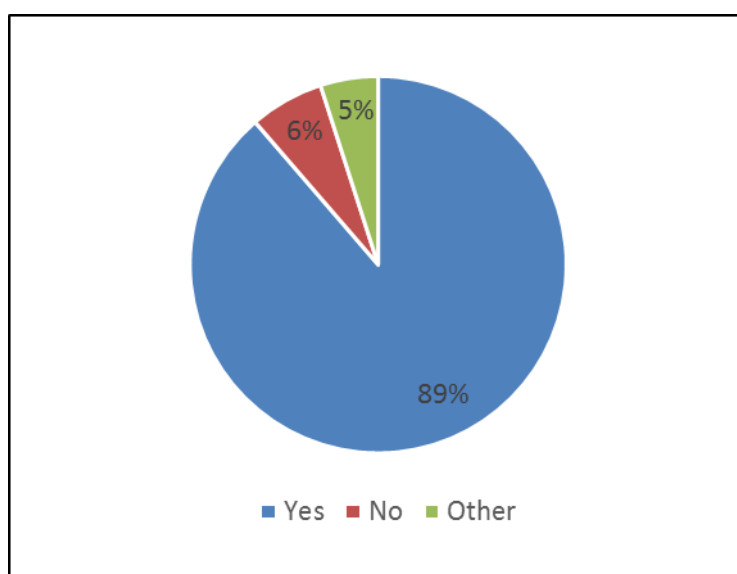
Consultation Question 23

Consultation Question 23.

5.96 We provisionally propose that it should be possible for sections to consist of a single unit.

Do consultees agree?

1.82 In response to Consultation Question 23 (para 5.96), the statistics were as follows:



Category	Yes	No	Other	Grand Total
Leaseholders and representative bodies	39	2	5	46
Developers and representative bodies	3	0	0	3
Other commercial investors	1	0	0	1
Social housing and not-for-profit sector	2	0	0	2
Legal professionals	20	1	0	21
Other professionals	4	0	0	4
Other consultees	56	6	2	64
Grand Total	125	9	7	141

1.83 Substantive reasons were set out in 42 consultation responses.

Consultation Question 24

Consultation Question 24.

5.101 We provisionally propose that to combine two or more sections, a special resolution of the commonhold association should be required. Additionally, 75% of the votes cast by the unit owners in the sections that are to be combined must have been in favour.

Do consultees agree?

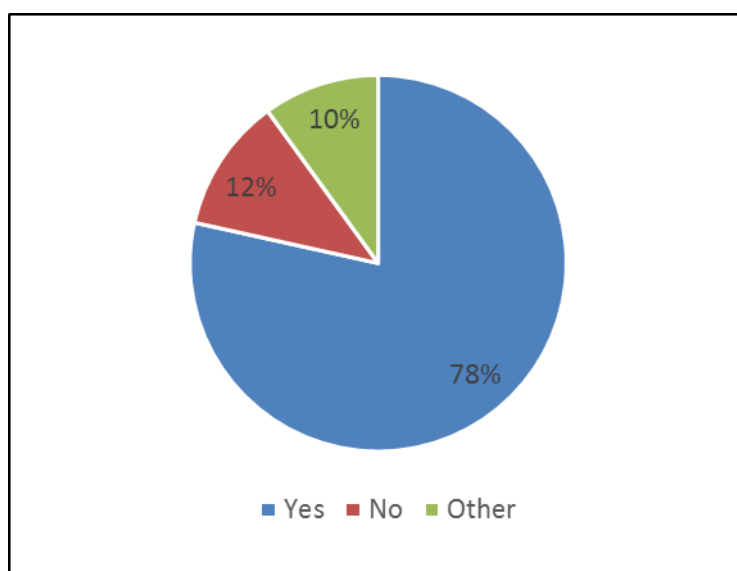
5.102 We provisionally propose that unit owners affected by sections being combined should be given the right to apply to the Tribunal as an additional protection.

Do consultees agree?

5.103 We provisionally propose that there should be no criteria which must be met before two or more sections in a commonhold can be combined.

Do consultees agree?

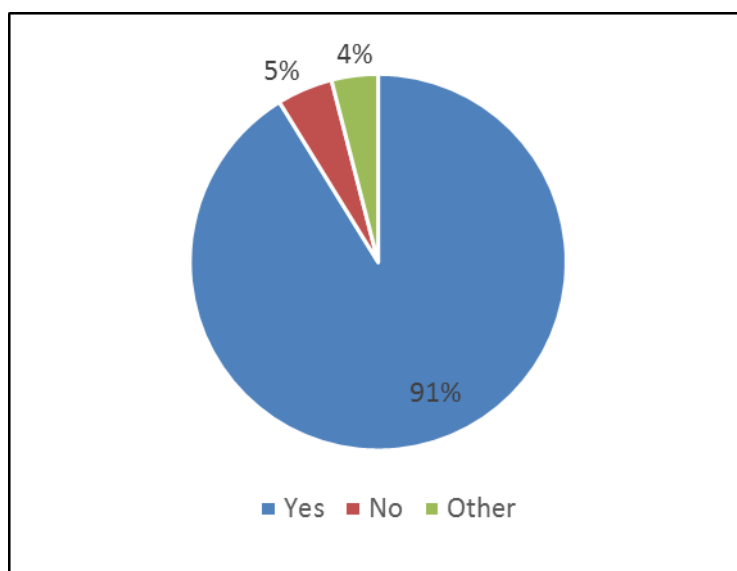
1.84 In response to Consultation Question 24 part 1 (para 5.101), the statistics were as follows:



Category	Yes	No	Other	Grand Total
Leaseholders and representative bodies	31	5	9	45
Developers and representative bodies	1	1	0	2
Other commercial investors	0	1	0	1
Social housing and not-for-profit sector	2	0	0	2
Legal professionals	13	3	1	17
Other professionals	2	0	1	3
Other consultees	53	5	2	60
Grand Total	102	15	13	130

1.85 Substantive reasons were set out in 44 consultation responses.

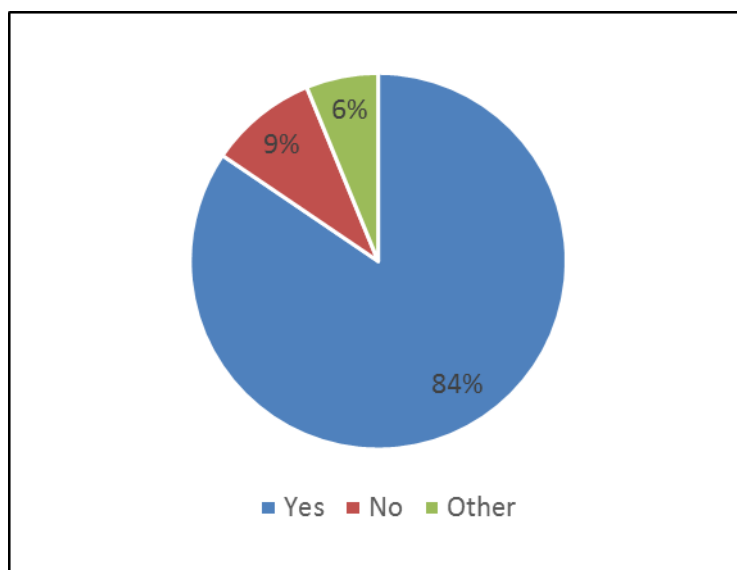
1.86 In response to Consultation Question 24 part 2 (para 5.102), the statistics were as follows:



Category	Yes	No	Other	Grand Total
Leaseholders and representative bodies	35	4	5	44
Developers and representative bodies	2	0	0	2
Other commercial investors	1	0	0	1
Social housing and not-for-profit sector	2	0	0	2
Legal professionals	18	0	0	18
Other professionals	3	0	0	3
Other consultees	53	2	0	55
Grand Total	114	6	5	125

1.87 Substantive reasons were set out in 32 consultation responses.

1.88 In response to Consultation Question 24 part 3 (para 5.103), the statistics were as follows:



Category	Yes	No	Other	Grand Total
Leaseholders and representative bodies	34	3	7	44
Developers and representative bodies	1	2	0	3
Other commercial investors	0	1	0	1
Social housing and not-for-profit sector	2	0	0	2
Legal professionals	17	1	0	18
Other professionals	3	0	0	3
Other consultees	52	5	1	58
Grand Total	109	12	8	129

1.89 Substantive reasons were set out in 33 consultation responses.

Chapter 6

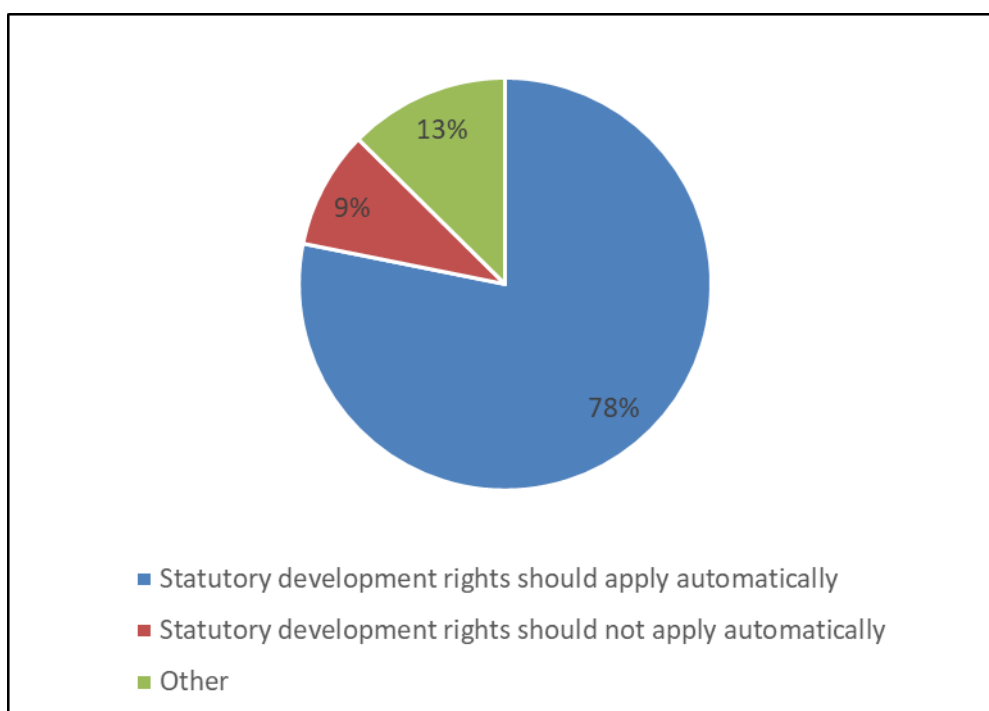
Consultation Question 25

Consultation Question 25.

6.65 We invite consultees' views as to whether statutory development rights should apply automatically so as to avoid the need to reserve express rights in the CCS.

6.66 We invite consultees' views as to whether such statutory rights should be drawn widely to include all matters which are likely to apply in commonhold developments, including (but not limited to) the right to add land, to make consequential variations to commonhold contributions and voting rights, and rights of access.

1.90 In response to Consultation Question 25 part 1 (para 6.65), the statistics were as follows:



Category	Statutory development rights should apply automatically	Statutory development rights should not apply automatically	Other	Grand Total
Leaseholders and representative bodies	29	4	9	42
Social housing and not-for-profit sector	1	0	0	1
Legal professionals	14	2	1	17
Other professionals	1	0	1	2
Other consultees	48	5	4	57
Grand Total	93	11	15	119

1.91 Substantive reasons were set out in 46 consultation responses.

1.92 In response to Consultation Question 25 part 2 (para 6.66), substantive answers were set out in 61 consultation responses.

Consultation Question 26

Consultation Question 26.

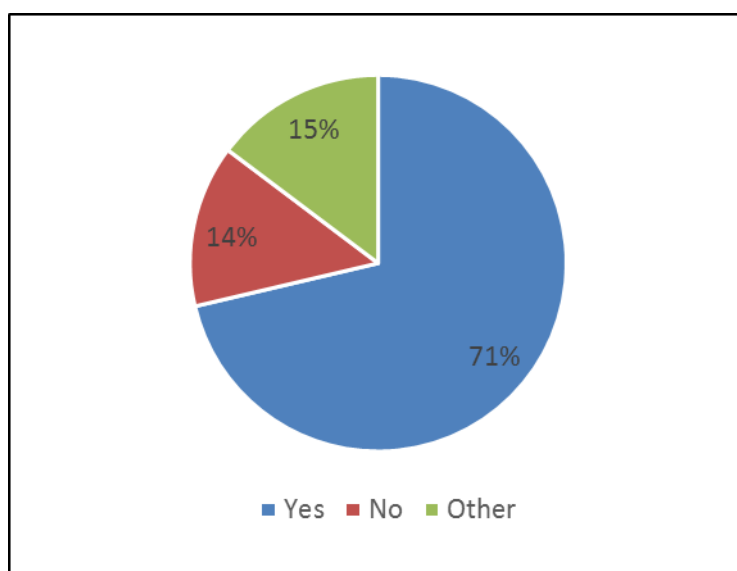
6.67 We provisionally propose that there should be no specific statutory provisions for the appointment of developers' directors. Instead, a developer's ability to appoint directors should depend on the number of units it retains.

Do consultees agree?

6.68 We provisionally propose that developers should be able to exercise all voting rights associated with the units of which they are the registered owners.

Do consultees agree?

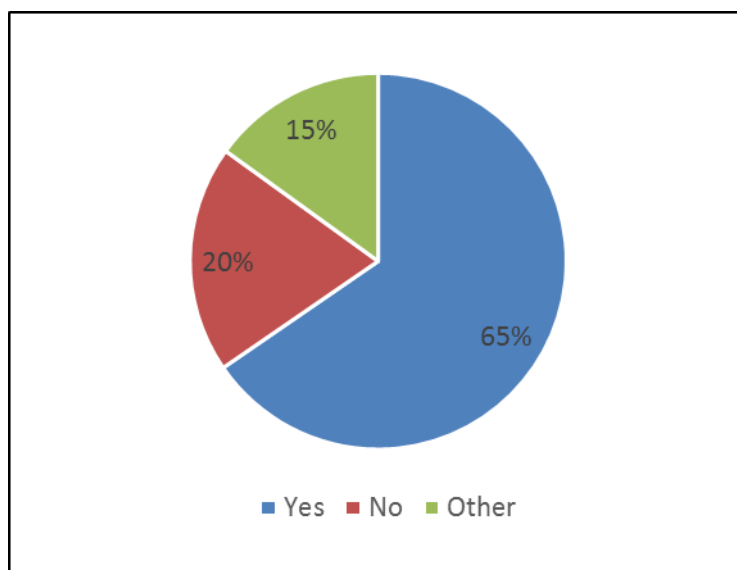
1.93 In response to Consultation Question 26 part 1 (para 6.67), the statistics were as follows:



Category	Yes	No	Other	Grand Total
Leaseholders and representative bodies	25	8	12	45
Developers and representative bodies	1	1	0	2
Other commercial investors	1	0	0	1
Social housing and not-for-profit sector	2	0	0	2
Legal professionals	14	2	1	17
Other professionals	2	0	0	2
Other consultees	47	7	6	60
Grand Total	92	18	19	129

1.94 Substantive reasons were set out in 55 consultation responses.

1.95 In response to Consultation Question 26 part 2 (para 6.68), the statistics were as follows:



Category	Yes	No	Other	Grand Total
Leaseholders and representative bodies	22	12	13	47
Developers and representative bodies	2	0	0	2
Other commercial investors	1	0	0	1
Social housing and not-for-profit sector	2	0	0	2
Legal professionals	18	0	2	20
Other professionals	2	0	0	2
Other consultees	40	14	5	59
Grand Total	87	26	20	133

1.96 Substantive reasons were set out in 49 consultation responses.

Consultation Question 27

Consultation Question 27.

6.69 Currently, the Commonhold Regulations place certain restrictions on a developer's exercise of development rights:

- (1) the developer must not exercise rights in a way which would interfere unreasonably with unit owners' enjoyment of their units or their ability to exercise rights granted by the CCS;
- (2) the developer may not remove land from the commonhold which forms part of a unit unless the owner of that unit provides written consent;
- (3) any damage caused to the commonhold land by the developer should be remedied as soon as reasonably practicable; and
- (4) the developer may not exercise development rights if the works for which the right was granted have been completed (excluding the developer's right to market units).

6.70 We invite consultees' views as to whether any further restrictions should be introduced on the use of development rights: in particular, whether a time limit should be imposed on the exercise of these rights (and if so, what this time limit should be).

1.97 In response to Consultation Question 27 (paras 6.69 and 6.70), substantive answers were set out in 84 consultation responses.

Consultation Question 28

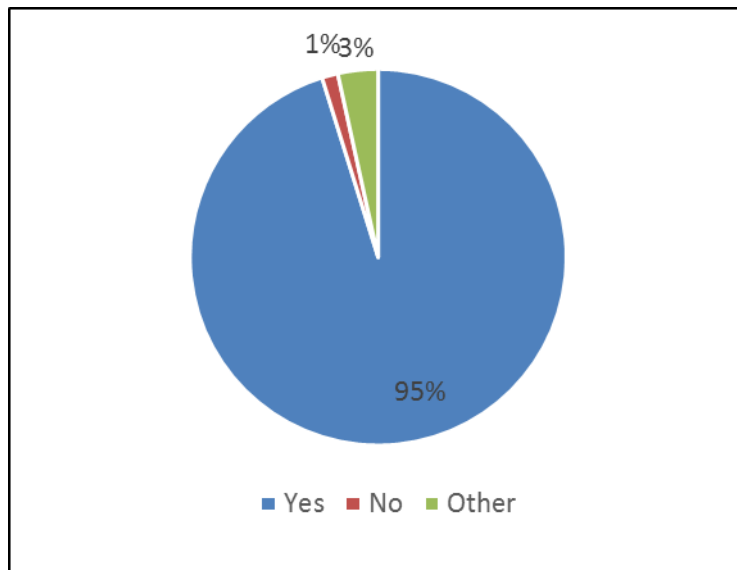
Consultation Question 28.

6.71 We provisionally propose that "anti-avoidance" provisions should be introduced to ensure that the developer does not attempt to secure a greater degree of control by:

- (1) taking powers of attorney from the purchasers (or seeking to control votes in any other way); or
- (2) attempting to control how unit owners vote by inserting terms in the purchase contracts.

Do consultees agree?

1.98 In response to Consultation Question 28 (para 6.71), the statistics were as follows:



Category	Yes	No	Other	Grand Total
Leaseholders and representative bodies	50	0	4	54
Developers and representative bodies	3	0	0	3
Other commercial investors	0	0	0	0
Social housing and not-for-profit sector	1	0	0	1
Legal professionals	16	1	1	18
Other professionals	2	0	0	2
Other consultees	66	1	0	67
Grand Total	138	2	5	145

1.99 Substantive reasons were set out in 50 consultation responses.

Consultation Question 29

Consultation Question 29.

6.72 We invite consultees' views as to what advantages there are (if any) of the transitional period in the registration procedure for new commonhold developments.

1.100 In response to Consultation Question 29 (para 6.72), substantive answers were set out in 70 consultation responses.

Chapter 7

Consultation Question 30

Consultation Question 30.

- 7.67 We invite consultees' views as to whether any requirements of company law (such as to make an annual confirmation statement, and to file accounts) should be relaxed for commonhold associations.

1.101 In response to Consultation Question 30 (para 7.67), substantive answers were set out in 132 consultation responses.

Consultation Question 31

Consultation Question 31.

- 7.68 We invite consultees' views as to whether there are particular difficulties in applying CVAs to commonhold associations.
- 7.69 We invite consultees' views as to whether the CVA procedure needs any adaptations to make it more relevant and effective in dealing with commonhold associations in financial difficulties.

1.102 In response to Consultation Question 31 part 1 (para 7.68), substantive answers were set out in 64 consultation responses.

1.103 In response to Consultation Question 31 part 2 (para 7.69), substantive answers were set out in 60 consultation responses.

Consultation Question 32

Consultation Question 32.

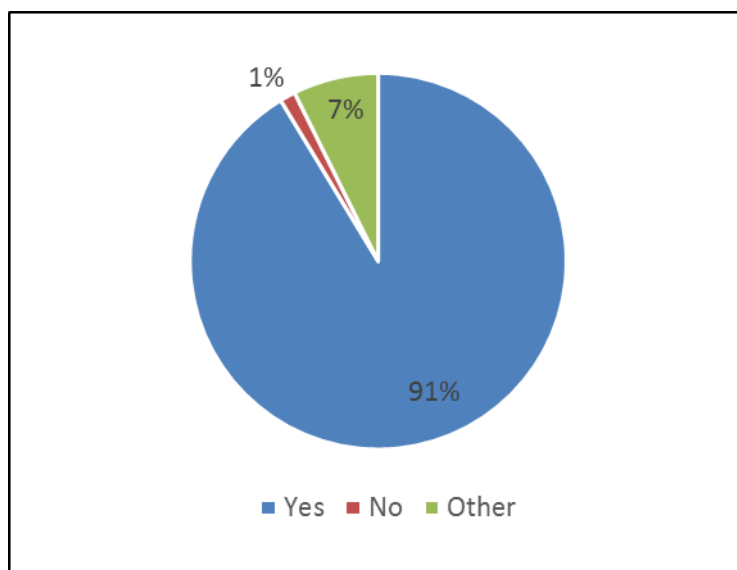
- 7.70 We provisionally propose that it should not be possible for creditors directly to petition for a commonhold association to be wound-up, and a liquidator appointed. Instead, a petition could lead to the court appointing a commonhold administrator, who would carry out the necessary duties.

Do consultees agree?

- 7.71 We provisionally propose that a commonhold administrator should then be able to petition for the association to be wound-up only if the commonhold association is irretrievably insolvent.

Do consultees agree?

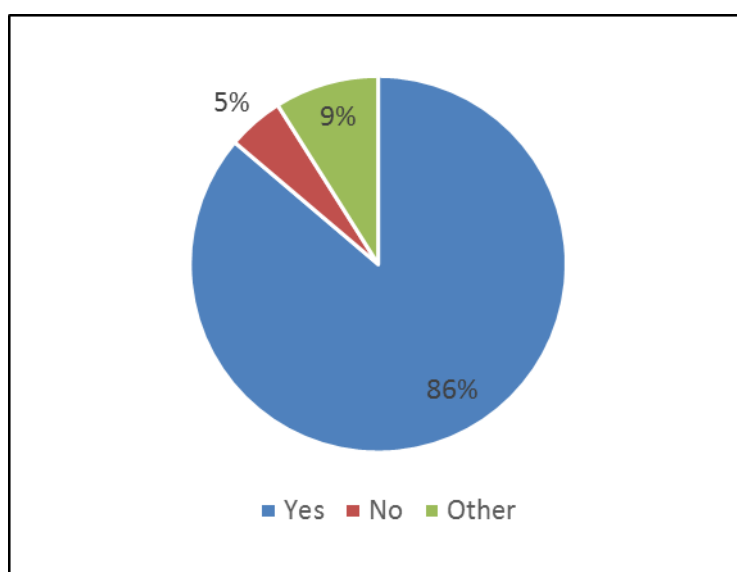
1.104 In response to Consultation Question 32 part 1 (para 7.70), the statistics were as follows:



Category	Yes	No	Other	Grand Total
Leaseholders and representative bodies	50	0	4	54
Developers and representative bodies	3	0	0	3
Other commercial investors	0	1	1	2
Social housing and not-for-profit sector	1	0	0	1
Legal professionals	13	1	2	16
Other professionals	0	0	0	0
Other consultees	70	0	4	74
Grand Total	137	2	11	150

1.105 Substantive reasons were set out in 49 consultation responses.

1.106 In response to Consultation Question 32 part 2 (para 7.71), the statistics were as follows:



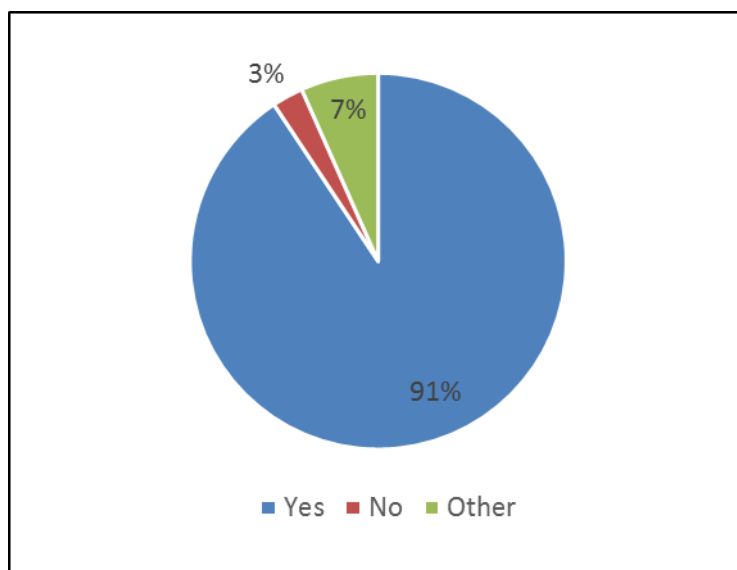
Category	Yes	No	Other	Grand Total
Leaseholders and representative bodies	43	2	7	52
Developers and representative bodies	3	0	0	3
Other commercial investors	0	1	0	1
Social housing and not-for-profit sector	1	0	0	1
Legal professionals	10	3	2	15
Other professionals	1	0	0	1
Other consultees	67	1	4	72
Grand Total	125	7	13	145

1.107 Substantive reasons were set out in 41 consultation responses.

Consultation Question 33

Consultation Question 33.	
7.72	We provisionally propose that the law should be clarified to ensure that there is a presumption that, on the insolvency of a commonhold association, a successor association should usually be appointed. Do consultees agree?
7.73	We invite consultees' views as to whether there are circumstances in which it would not be appropriate for the court to appoint a successor association and, if so, what these circumstances are.
7.74	We provisionally propose that the court should have discretion as to whether to impose conditions for a successor association to be appointed. Do consultees agree?
7.75	We invite consultees' views as to: <ul style="list-style-type: none"> (1) what conditions might be imposed; and (2) if the court's discretion is to be structured, what factors the court should take into account.

1.108 In response to Consultation Question 33 part 1 (para 7.72), the statistics were as follows:

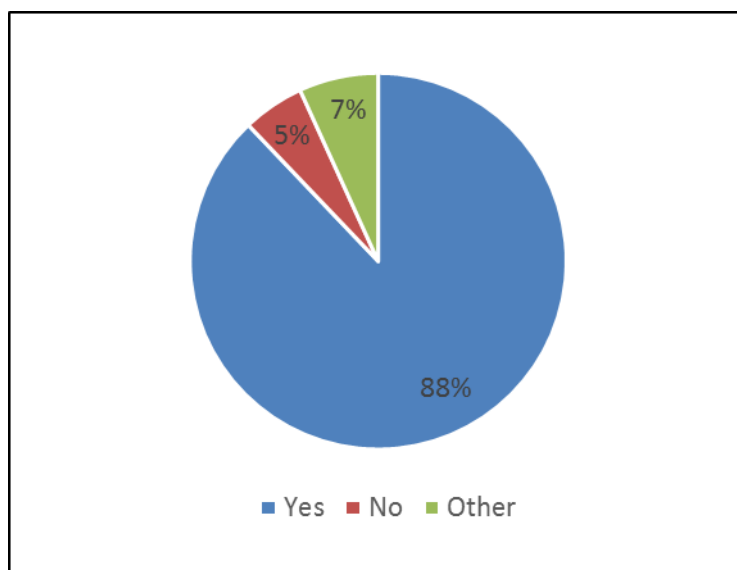


Category	Yes	No	Other	Grand Total
Leaseholders and representative bodies	44	0	8	52
Developers and representative bodies	2	0	0	2
Other commercial investors	0	2	0	2
Social housing and not-for-profit sector	1	0	0	1
Legal professionals	16	2	1	19
Other professionals	2	0	0	2
Other consultees	71	0	1	72
Grand Total	136	4	10	150

1.109 Substantive reasons were set out in 40 consultation responses.

1.110 In response to Consultation Question 33 part 2 (para 7.73), substantive answers were set out in 63 consultation responses.

1.111 In response to Consultation Question 33 part 3 (para 7.74 and 7.75), the statistics were as follows:



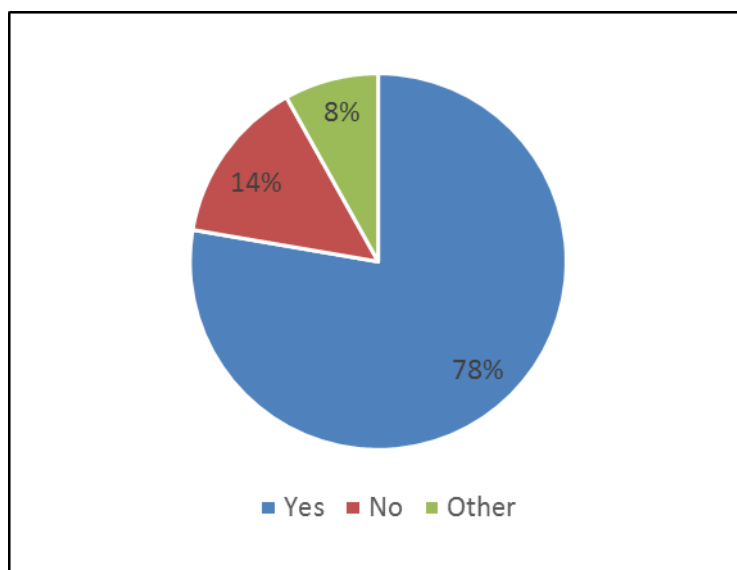
Row Labels	Yes	No	Other	Grand Total
Leaseholders and representative bodies	39	2	5	46
Developers and representative bodies	0	0	0	0
Other commercial investors	2	0	0	2
Social housing and not-for-profit sector	1	0	0	1
Legal professionals	17	0	0	17
Other professionals	1	0	0	1
Other consultees	56	5	4	65
Grand Total	116	7	9	132

1.112 Substantive reasons were set out in 65 consultation responses.

Consultation Question 34

Consultation Question 34.	
7.76	We provisionally propose that, if a liquidator is appointed to wind up a commonhold association, he or she should not be able to demand further contributions from the unit owners to reduce the level of indebtedness of the association. Do consultees agree?
7.77	We provisionally propose that, if a liquidator is appointed to wind up a commonhold association, he or she should not be able to demand further contributions from the unit owners to make up for the shortfall in contributions from members who are bankrupt or from whom it is impossible to recover their contributions. Do consultees agree?

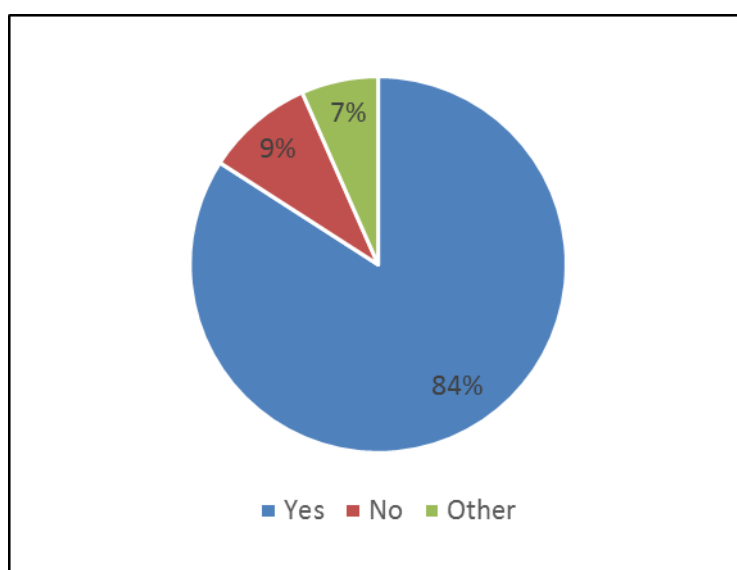
1.113 In response to Consultation Question 34 part 1 (para 7.76), the statistics were as follows:



Category	Yes	No	Other	Grand Total
Leaseholders and representative bodies	43	2	7	52
Developers and representative bodies	3	0	0	3
Other commercial investors	0	2	0	2
Social housing and not-for-profit sector	1	1	0	2
Legal professionals	9	8	2	19
Other professionals	0	1	0	1
Other consultees	59	7	3	69
Grand Total	115	21	12	148

1.114 Substantive reasons were set out in 44 consultation responses.

1.115 In response to Consultation Question 34 part 2 (para 7.77), the statistics were as follows:



Category	Yes	No	Other	Grand Total
Leaseholders and representative bodies	47	2	5	54
Developers and representative bodies	2	1	0	3
Other commercial investors	0	2	0	2
Social housing and not-for-profit sector	2	0	0	2
Legal professionals	15	2	1	18
Other professionals	0	1	0	1
Other consultees	61	6	4	71
Grand Total	127	14	10	151

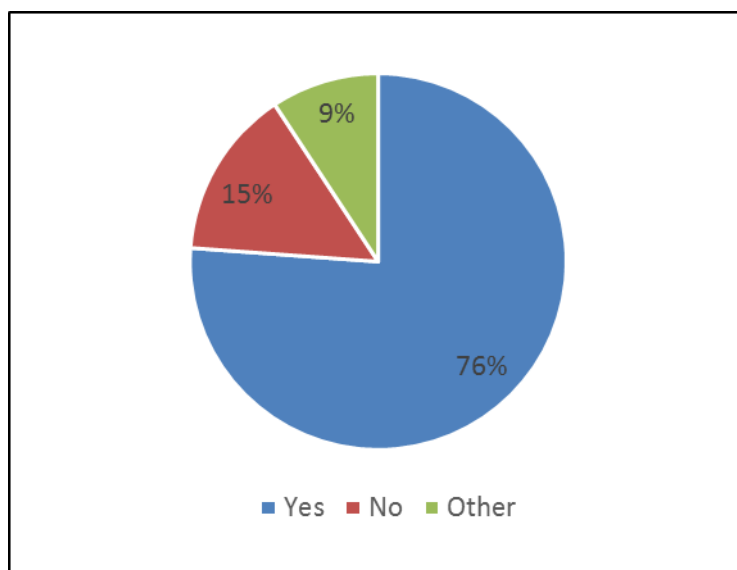
1.116 Substantive reasons were set out in 46 consultation responses.

Chapter 8

Consultation Question 35

Consultation Question 35.	
8.35	We provisionally propose that it should be possible for the CCS to impose restrictions on the short-term letting of units. Do consultees agree?
8.36	We invite consultees' views as to how to ensure that any restriction on short-term letting does not prevent units being rented in the private or social rented sector. In particular: <ul style="list-style-type: none"> (1) in relation to the private rented sector, we invite views on whether any restriction imposed by a CCS should be confined to lettings made for less than six-months, or for any other specified period; (2) in relation to the social rented sector, we invite views on whether any restriction imposed by a CCS should not be able to apply to particular landlords, such as registered providers of social housing and housing associations, or whether there are other ways of ensuring that such lettings cannot be prohibited in the CCS.

1.117 In response to Consultation Question 35 part 1 (para 8.35), the statistics were as follows:



Category	Yes	No	Other	Grand Total
Leaseholders and representative bodies	42	7	11	60
Developers and representative bodies	2	0	0	2
Other commercial investors	1	0	0	1
Social housing and not-for-profit sector	3	0	0	3
Legal professionals	14	1	0	15
Other professionals	2	1	0	3
Other consultees	51	13	3	67
Grand Total	115	22	14	151

1.118 Substantive reasons were set out in 83 consultation responses.

1.119 In response to Consultation Question 35 part 2 (para 8.36), substantive answers were set out in 94 consultation responses.

Consultation Question 36

Consultation Question 36.

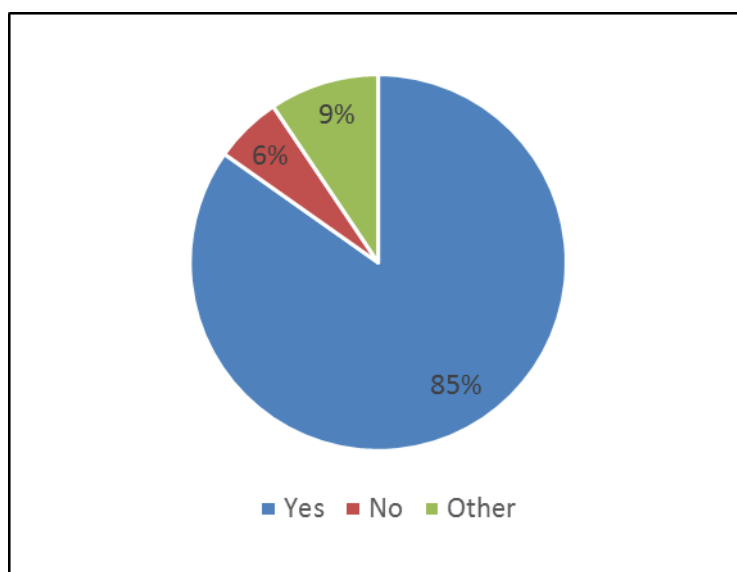
8.43 We provisionally propose that event fees should be prohibited within commonhold, except for any specific circumstances expressly permitted by statute.

Do consultees agree?

8.44 We invite consultees' views as to whether an exception to the proposed prohibition on event fees should be made for specialist retirement properties within commonhold.

8.45 We invite consultees' views as to whether there are any other circumstances (apart from specialist retirement properties) in which event fees should be permitted within commonhold.

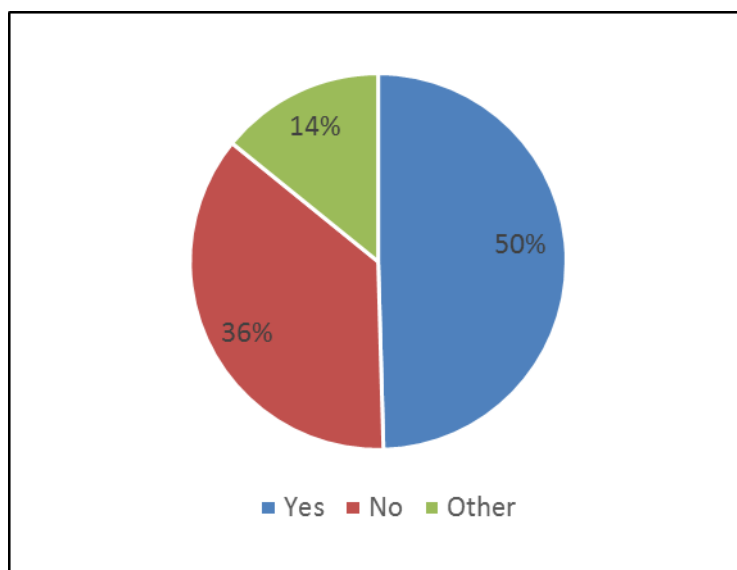
1.120 In response to Consultation Question 36 part 1 (para 8.43), the statistics were as follows:



Category	Yes	No	Other	Grand Total
Leaseholders and representative bodies	43	3	7	53
Developers and representative bodies	1	0	0	1
Other commercial investors	0	1	0	1
Social housing and not-for-profit sector	2	1	0	3
Legal professionals	12	0	4	16
Other professionals	2	0	0	2
Other consultees	57	3	2	62
Grand Total	117	8	13	138

1.121 Substantive reasons were set out in 59 consultation responses.

1.122 In response to Consultation Question 36 part 2 (para 8.44), the statistics were as follows:



Row Labels	Yes	No	Other	Grand Total
Leaseholders and representative bodies	14	23	10	47
Developers and representative bodies	0	0	0	0
Other commercial investors	1	0	0	1
Social housing and not-for-profit sector	2	0	0	2
Legal professionals	8	3	2	13
Other professionals	3	0	0	3
Other consultees	28	15	4	47
Grand Total	56	41	16	113

1.123 Substantive reasons were set out in 63 consultation responses.

1.124 In response to Consultation Question 36 part 3 (para 8.45), substantive answers were set out in 67 consultation responses.

Consultation Question 37

Consultation Question 37.

8.47 We invite consultees' views as to whether any further restrictions should be put in place to limit which local rules may be added to the CCS.

1.125 In response to Consultation Question 37 (para 8.47), substantive answers were set out in 73 consultation responses.

Consultation Question 38

Consultation Question 38.

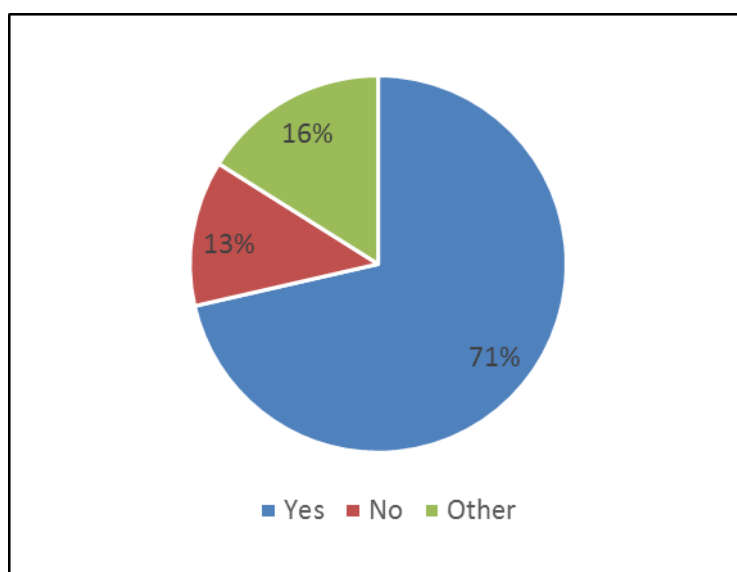
8.68 We provisionally propose that a higher threshold for amending the CCS should be introduced, which may apply to some or all local rules.

Do consultees agree?

8.69 We invite consultees' views as to:

- (1) what voting threshold should be required to amend local rules;
- (2) when there should be a right to apply to the Tribunal in relation to amendments of the CCS; and
- (3) whether the threshold should be the same for amending all local rules, or whether rules should be differentiated. If consultees are of the view that rules should be differentiated, we invite views as to how the threshold for introducing a rule in an area on which the CCS is currently silent should be determined.

1.126 In response to Consultation Question 38 (para 8.68), the statistics were as follows:



Category	Yes	No	Other	Grand Total
Leaseholders and representative bodies	32	4	11	47
Developers and representative bodies	1	0	0	1
Other commercial investors	1	0	0	1
Social housing and not-for-profit sector	1	0	0	1
Legal professionals	10	3	2	15
Other professionals	2	0	0	2
Other consultees	33	7	5	45
Grand Total	80	14	18	112

1.127 Substantive reasons were set out in 48 consultation responses.

1.128 In response to Consultation Question 38 part 2(1) (para 8.69(1)), substantive answers were set out in 84 consultation responses.

1.129 In response to Consultation Question 38 part 2(2) (para 8.69(2)), substantive answers were set out in 62 consultation responses.

1.130 In response to Consultation Question 38 part 2(3) (para 8.69(3)), substantive answers were set out in 56 consultation responses.

Consultation Question 39

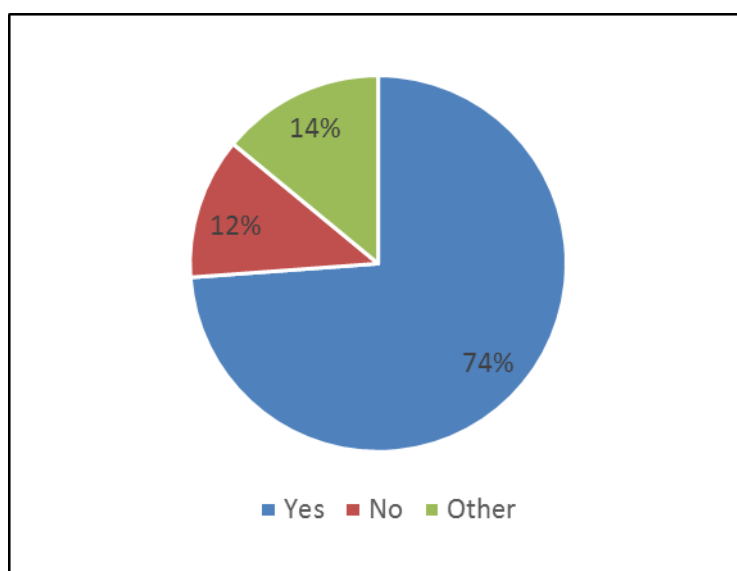
Consultation Question 39.

8.77 We provisionally propose that the mandatory provisions of the CCS should be contained in the regulations, but not be reproduced in the CCS.

Do consultees agree?

8.78 If so, we invite consultees' views as to whether the directors of the commonhold association should be under a duty to provide copies of the most up-to-date standard provisions contained in the regulations, along with a copy of the CCS, to any new purchasers, and should provide copies of the updated standard provisions to all unit owners as and when changes are made.

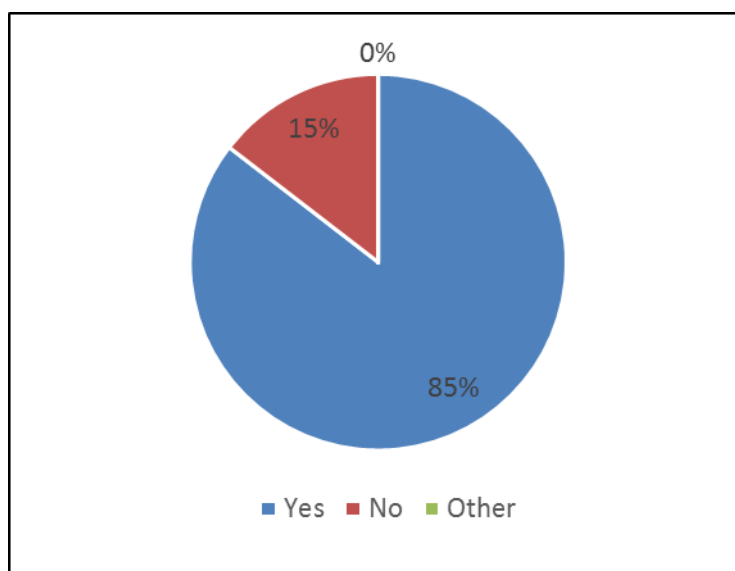
1.131 In response to Consultation Question 39 part 1 (para 8.77), the statistics were as follows:



Category	Yes	No	Other	Grand Total
Leaseholders and representative bodies	30	4	10	44
Developers and representative bodies	0	2	0	2
Other commercial investors	0	1	0	1
Social housing and not-for-profit sector	2	0	0	2
Legal professionals	11	2	2	15
Other professionals	2	0	0	2
Other consultees	34	4	3	41
Grand Total	79	13	15	107

1.132 Substantive reasons were set out in 45 consultation responses.

1.133 In response to Consultation Question 39 part 2 (para 8.78), the statistics were as follows:



Category	Yes	No	Grand Total
Leaseholders and representative bodies	40	6	46
Developers and representative bodies	0	0	0
Other commercial investors	0	0	0
Social housing and not-for-profit sector	2	0	2
Legal professionals	9	3	12
Other professionals	1	1	2
Other consultees	42	6	48
Grand Total	94	16	110

1.134 Substantive reasons were set out in 46 consultation responses.

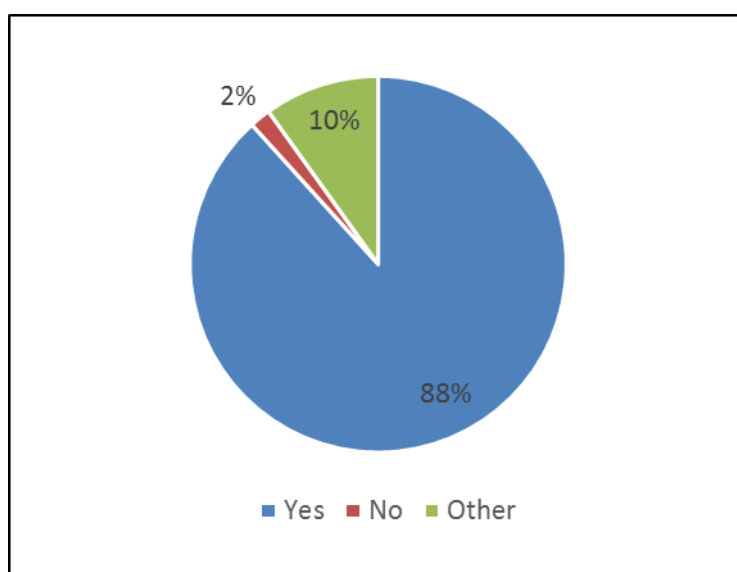
Consultation Question 40

Consultation Question 40.

8.80 Should our provisional proposals to introduce sections be implemented, we provisionally propose that it should be possible to add schedules to the CCS, where the rights and obligations applying to a specific section can be collated.

Do consultees agree?

1.135 In response to Consultation Question 40 (para 8.80), the statistics were as follows:



Category	Yes	No	Other	Grand Total
Leaseholders and representative bodies	33	1	9	43
Developers and representative bodies	3	0	0	3
Other commercial investors	1	0	0	1
Social housing and not-for-profit sector	2	0	0	2
Legal professionals	15	0	0	15
Other professionals	1	0	0	1
Other consultees	43	1	2	46
Grand Total	98	2	11	111

1.136 Substantive reasons were set out in 32 consultation responses.

Consultation Question 41

Consultation Question 41.

8.83 We invite consultees' views as to whether there are any new terms, other than those we have asked about in this Consultation Paper, which should be added to the prescribed terms of the CCS (that is, rules which should apply to every commonhold, rather than local rules which can optionally be adopted by individual commonholds).

1.137 In response to Consultation Question 41 (para 8.83), substantive answers were set out in 52 consultation responses.

Chapter 9

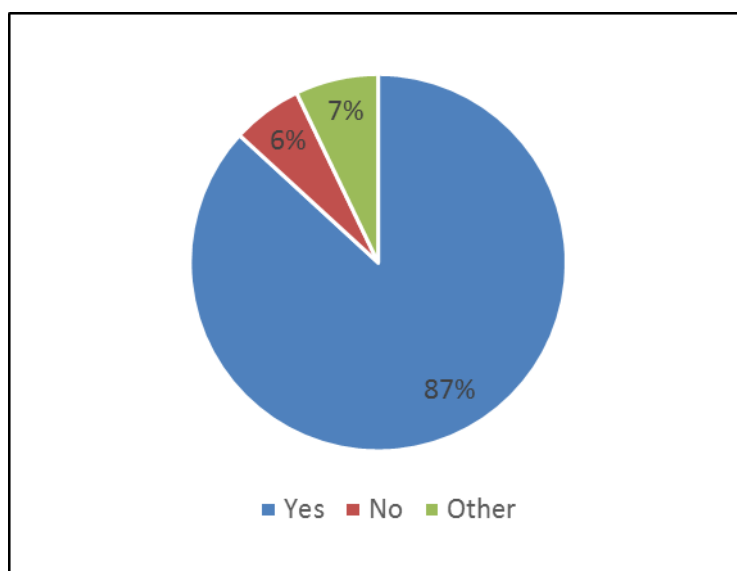
Consultation Question 42

Consultation Question 42.

9.32 We provisionally propose that the procedure for the election of directors of a commonhold should be simplified, so that the prescribed articles of association provide that directors should be elected at a general meeting, and also may be co-opted by the existing directors.

Do consultees agree?

1.138 In response to Consultation Question 42 (para 9.32), the statistics were as follows:



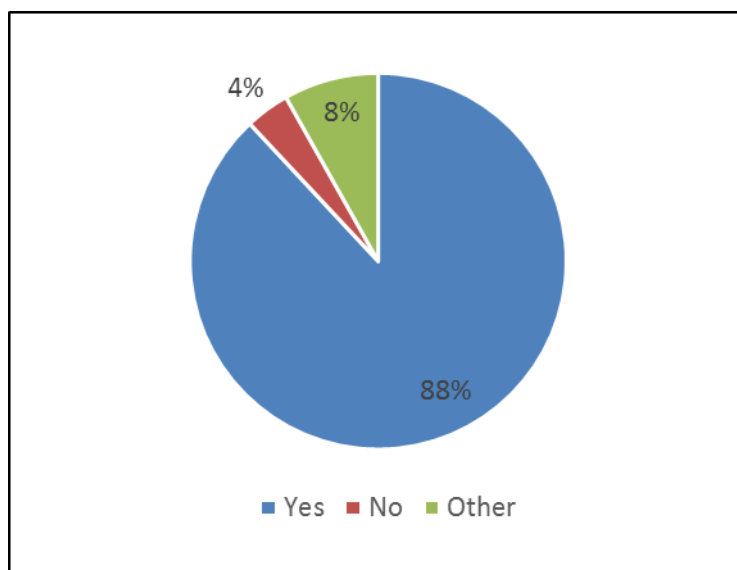
Category	Yes	No	Other	Grand Total
Leaseholders and representative bodies	56	5	8	69
Developers and representative bodies	3	0	0	3
Other commercial investors	1	1	0	2
Social housing and not-for-profit sector	2	0	0	2
Legal professionals	15	0	0	15
Other professionals	3	0	0	3
Other consultees	78	5	5	88
Grand Total	158	11	13	182

1.139 Substantive reasons were set out in 54 consultation responses.

Consultation Question 43

Consultation Question 43.	
9.36	<p>We provisionally propose that, if a commonhold association cannot find members able and willing to serve as directors, and is also unwilling to appoint professional directors, any member of the association should be able to apply to a court or tribunal for professional directors to be appointed, who would then be paid by the association.</p> <p>Do consultees agree?</p>
9.37	<p>We provisionally propose that, if members should be able to make such an application, then someone with a mortgage or other charge over a unit should also be able to do so.</p> <p>Do consultees agree?</p>
9.38	<p>We provisionally propose that, if it should be possible for an application to appoint directors to be made, it should be heard by the First-tier Tribunal (Property Chamber) (in Wales, the Residential Property Tribunal).</p> <p>Do consultees agree?</p>

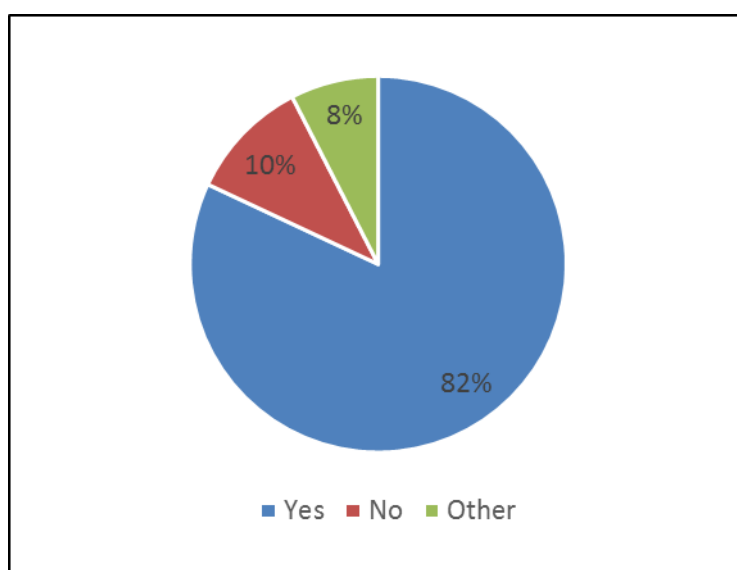
1.140 In response to Consultation Question 43 part 1 (para 9.36), the statistics were as follows:



Category	Yes	No	Other	Grand Total
Leaseholders and representative bodies	57	3	10	70
Developers and representative bodies	2	0	0	2
Other commercial investors	1	0	1	2
Social housing and not-for-profit sector	2	0	0	2
Legal professionals	15	1	0	16
Other professionals	5	0	0	5
Other consultees	80	3	4	87
Grand Total	162	7	15	184

1.141 Substantive reasons were set out in 65 consultation responses.

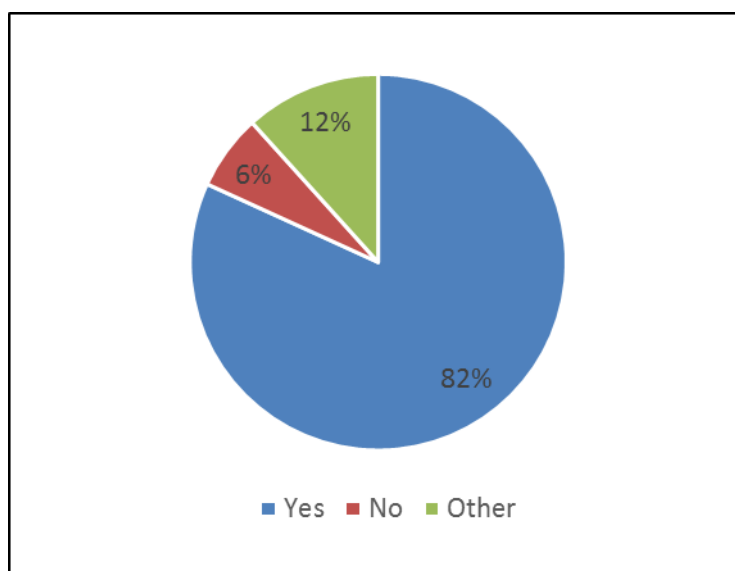
1.142 In response to Consultation Question 43 part 2 (para 9.37), the statistics were as follows:



Category	Yes	No	Other	Grand Total
Leaseholders and representative bodies	47	10	7	64
Developers and representative bodies	2	0	0	2
Other commercial investors	1	0	1	2
Social housing and not-for-profit sector	2	0	0	2
Legal professionals	15	2	0	17
Other professionals	4	0	0	4
Other consultees	70	6	5	81
Grand Total	141	18	13	172

1.143 Substantive reasons were set out in 45 consultation responses.

1.144 In response to Consultation Question 43 part 3 (para 9.38), the statistics were as follows:



Category	Yes	No	Other	Grand Total
Leaseholders and representative bodies	41	7	13	61
Developers and representative bodies	2	0	0	2
Other commercial investors	1	0	1	2
Social housing and not-for-profit sector	2	0	0	2
Legal professionals	14	2	1	17
Other professionals	4	0	0	4
Other consultees	62	1	3	66
Grand Total	126	10	18	154

1.145 Substantive reasons were set out in 41 consultation responses.

Consultation Question 44

Consultation Question 44.

- 9.51 We invite consultees' views as to whether a problem is likely to arise whereby a single investor, or a group of investors, who own a majority of units, run a block in their own interests in order to "squeeze out" other owners.
- 9.52 If it is felt that problems are likely to arise, then we invite consultees' views as to the following:
- (1) whether the concept of "persistent failure to comply with the CCS in some material respect", offers a satisfactory basis upon which a court or tribunal could intervene on an application by a unit owner;
 - (2) whether such applications should be made to the court or the Tribunal;
 - (3) whether, the court or Tribunal should have the power to appoint directors, and to make the supplementary orders set out in paragraph 9.48 above, should they be required;
 - (4) whether it would be necessary for the court or tribunal to exercise continuing supervision over the directors who were appointed; and
 - (5) whether other solutions could be used to address the difficulty.

1.146 In response to Consultation Question 44 part 1 (para 9.51), substantive answers were set out in 117 consultation responses.

1.147 In response to Consultation Question 44 part 2 (para 9.52), substantive answers were set out in 95 consultation responses.

Consultation Question 45

Consultation Question 45.

- 9.58 We seek consultees' views on whether their experience with other leaseholder-controlled companies (Freehold Management Companies, Residents' Management Companies and right to manage companies) leads them to believe that provisions for proxy voting may be abused, and, if so, in what way or ways.
- 9.59 We further seek consultees' views on whether any such abuses could be prevented or mitigated by:
- (1) a restriction on the number of proxy votes that any individual might hold; or
 - (2) some other device (please specify).

1.148 In response to Consultation Question 45 part 1 (para 9.58), substantive answers were set out in 86 consultation responses.

1.149 In response to Consultation Question 45 part 2 (para 9.59), the statistics were as follows:

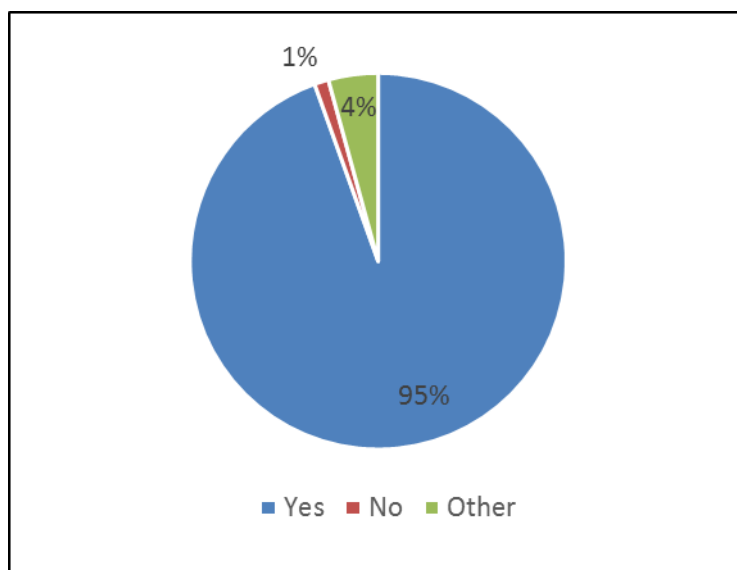
Option	Number of consultees selecting option (consultees were able to select more than one option)
(1) a restriction on the number of proxy votes that any individual might hold	84
(2) some other device (please specify).	17

1.150 Substantive reasons were set out in 53 consultation responses.

Consultation Question 46

<p>Consultation Question 46.</p> <p>9.87 We provisionally propose that legislation should deem that the commonhold association has an insurable interest in the parts of the building which are owned by the unit owners.</p> <p>Do consultees agree?</p> <p>9.88 We provisionally propose that legislation should require the commonhold association to reinstate or rebuild (as appropriate) the whole of a horizontally-divided building – including the parts owned by the unit owners – in order to satisfy the indemnity principle within insurance law.</p> <p>Do consultees agree?</p> <p>9.89 We invite consultees' views as to whether any other legal difficulties would arise in arranging buildings insurance for commonholds which have not been addressed by these proposals.</p>	
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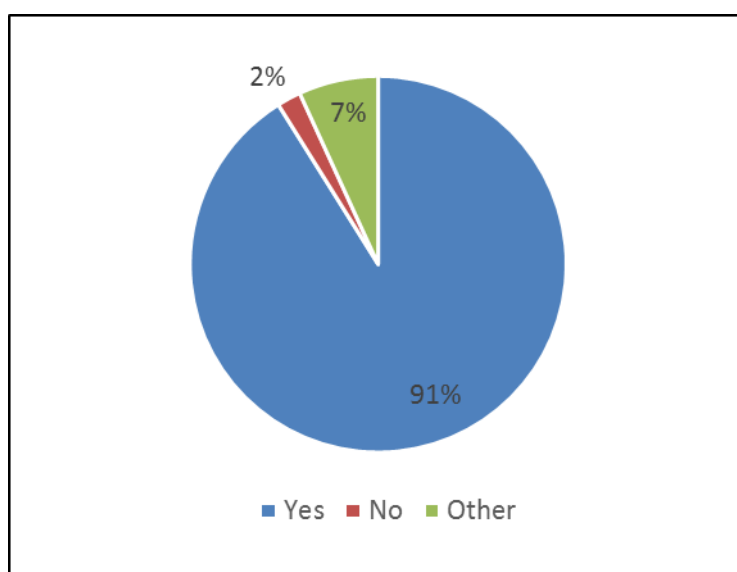
1.151 In response to Consultation Question 46 part 1 (para 9.87), the statistics were as follows:



Category	Yes	No	Other	Grand Total
Leaseholders and representative bodies	58	1	5	64
Developers and representative bodies	3	0	0	3
Other commercial investors	1	0	0	1
Social housing and not-for-profit sector	2	0	0	2
Legal professionals	17	0	1	18
Other professionals	4	0	1	5
Other consultees	70	1	0	71
Grand Total	155	2	7	164

1.152 Substantive reasons were set out in 38 consultation responses.

1.153 In response to Consultation Question 46 part 2 (para 9.88), the statistics were as follows:



Category	Yes	No	Other	Grand Total
Leaseholders and representative bodies	44	3	8	55
Developers and representative bodies	3	0	0	3
Other commercial investors	1	0	0	1
Social housing and not-for-profit sector	2	0	0	2
Legal professionals	17	0	0	17
Other professionals	5	0	0	5
Other consultees	61	0	2	63
Grand Total	133	3	10	146

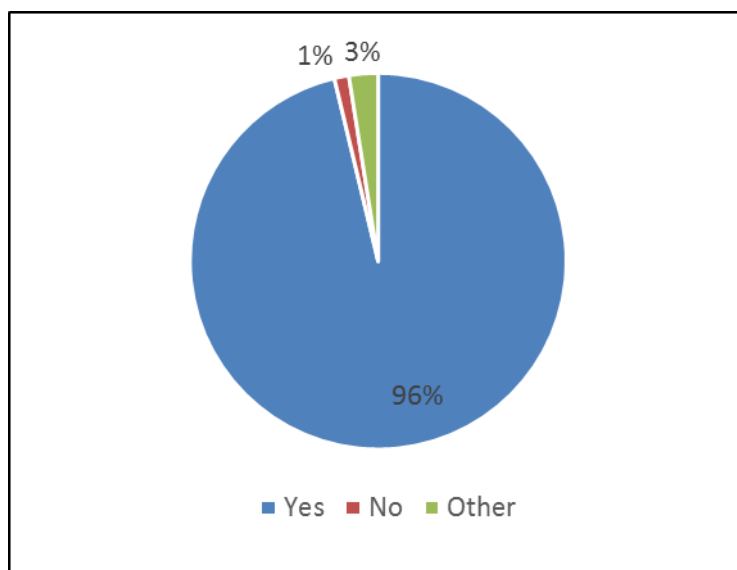
1.154 Substantive reasons were set out in 38 consultation responses.

1.155 In response to Consultation Question 46 part 3 (para 9.89), substantive answers were set out in 57 consultation responses.

Consultation Question 47

Consultation Question 47.	
9.90	We provisionally propose that the CCS should be amended so as to require that either a copy of the buildings policy and schedule, or sufficient details of it, should be supplied to all unit owners on or before they acquire a unit, and whenever the terms of the policy change. Do consultees agree?
9.91	We provisionally propose that the commonhold association should confirm to unit owners and their mortgage lenders that the insurance is in existence on an annual basis, and when reasonably required at other times. Do consultees agree?

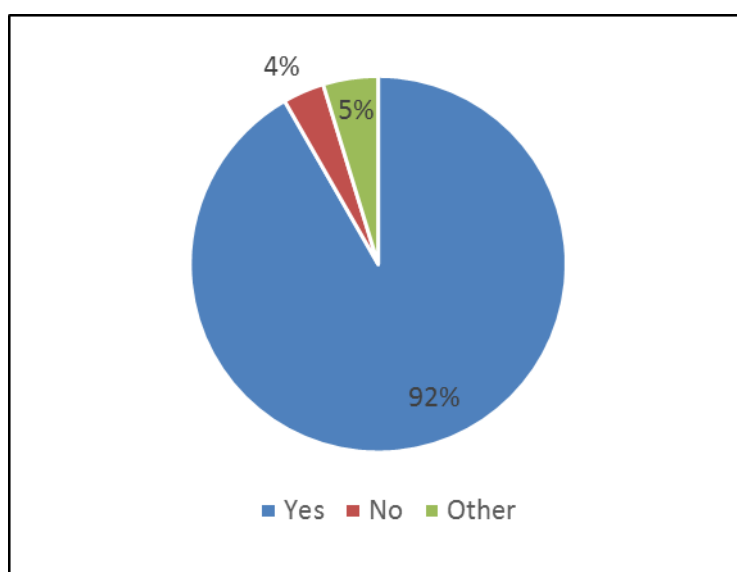
1.156 In response to Consultation Question 47 part 1 (para 9.90), the statistics were as follows:



Category	Yes	No	Other	Grand Total
Leaseholders and representative bodies	59	1	4	64
Developers and representative bodies	3	0	0	3
Other commercial investors				
Social housing and not-for-profit sector	1	0	0	1
Legal professionals	17	0	0	17
Other professionals	5	0	0	5
Other consultees	69	1	0	70
Grand Total	154	2	4	160

1.157 Substantive reasons were set out in 55 consultation responses.

1.158 In response to Consultation Question 47 part 2 (para 9.91), the statistics were as follows:



Category	Yes	No	Other	Grand Total
Leaseholders and representative bodies	57	1	6	64
Developers and representative bodies	2	0	0	2
Other commercial investors	1	0	0	1
Social housing and not-for-profit sector	1	0	0	1
Legal professionals	14	3	1	18
Other professionals	4	0	1	5
Other consultees	76	2	0	78
Grand Total	155	6	8	169

1.159 Substantive reasons were set out in 37 consultation responses.

Consultation Question 48

Consultation Question 48.

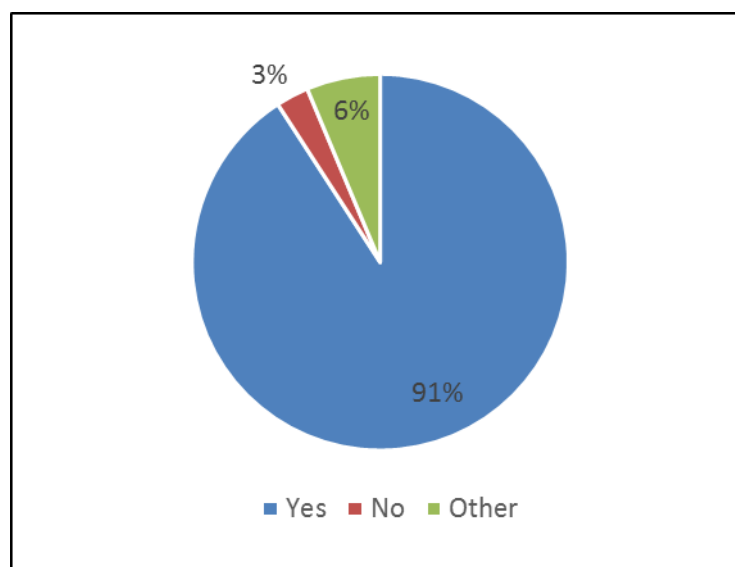
9.93 We invite consultees' views as to whether public liability insurance (that is, insurance against liability as an occupier and also as a property owner) is likely to be generally available for commonhold associations.

9.94 If it is generally available, we provisionally propose that details of minimum cover, permissible exclusions and excesses, and so on, should be prescribed in regulations to be made by the Secretary of State.

Do consultees agree?

1.160 In response to Consultation Question 48 part 1 (para 9.93), substantive answers were set out in 85 consultation responses.

1.161 In response to Consultation Question 48 part 2 (para 9.94), the statistics were as follows:



Category	Yes	No	Other	Grand Total
Leaseholders and representative bodies	47	2	7	56
Developers and representative bodies	3	0	0	3
Social housing and not-for-profit sector	2	0	0	2
Legal professionals	15	0	1	16
Other professionals	3	1	0	4
Other consultees	59	1	1	61
Grand Total	129	4	9	142

1.162 Substantive reasons were set out in 42 consultation responses.

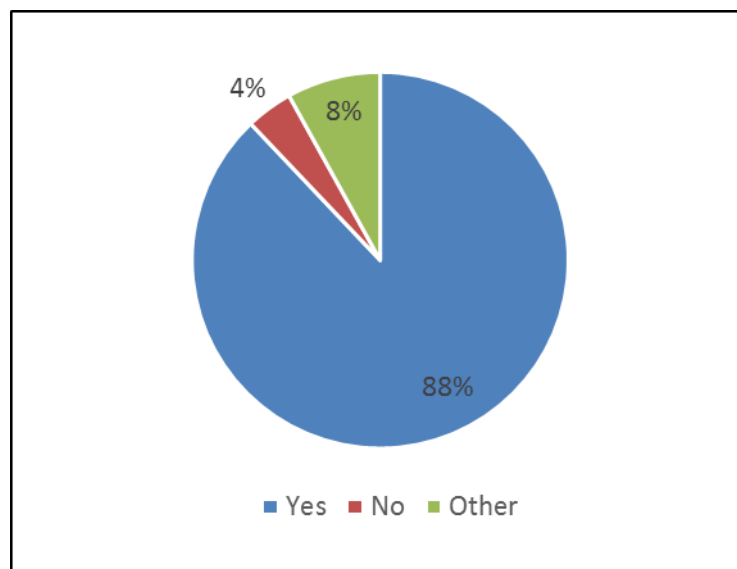
Consultation Question 49

Consultation Question 49.

9.96 We provisionally propose that the commonhold community statement should contain an express power for the commonhold association to take out directors' and officers' insurance.

Do consultees agree?

1.163 In response to Consultation Question 49 (para 9.96), the statistics were as follows:



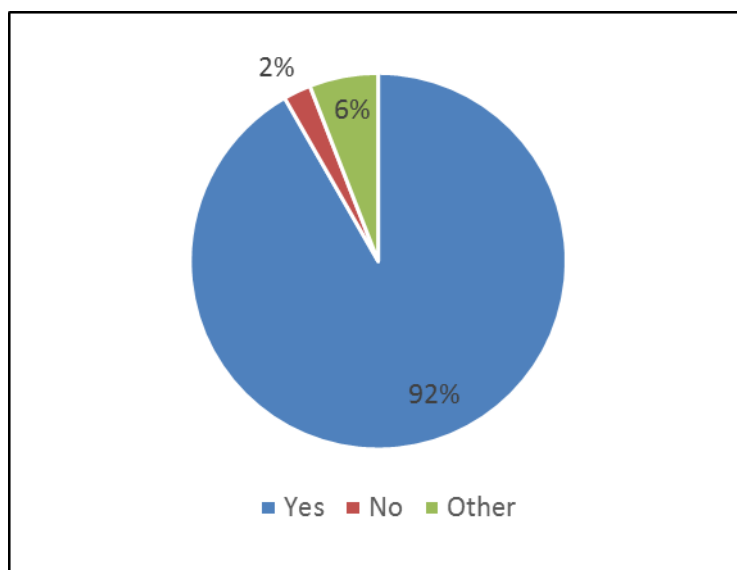
Category	Yes	No	Other	Grand Total
Leaseholders and representative bodies	51	3	5	59
Developers and representative bodies	3	0	0	3
Other commercial investors	1	0	0	1
Social housing and not-for-profit sector	1	0	0	1
Legal professionals	18	0	0	18
Other professionals	3	0	2	5
Other consultees	54	3	5	62
Grand Total	131	6	12	149

1.164 Substantive reasons were set out in 53 consultation responses.

Consultation Question 50

Consultation Question 50.	
9.111	We provisionally propose that the provisions in the prescribed commonhold community statement requiring the repair of the common parts should be extended to require also “renewals”; that is, the replacement of “like with like” if something should be beyond economic repair. Do consultees agree?
9.112	We provisionally propose that the installation of adequate thermal insulation should be deemed to be a repair. Do consultees agree?
9.113	We provisionally propose that it should be possible for the repairing obligations required by the CCS to be supplemented by a local rule requiring a higher standard of repair, if appropriate. Do consultees agree?
9.114	We provisionally propose that, with horizontally-divided buildings (so including all flats), matters relating to the internal repair of units should be left to local rules. Do consultees agree?
9.115	We provisionally propose that with vertically-divided buildings (that is, all houses, whether detached, semi-detached or terraced) all matters relating to repair (whether internal or external) of the units should be left to local rules. Do consultees agree?

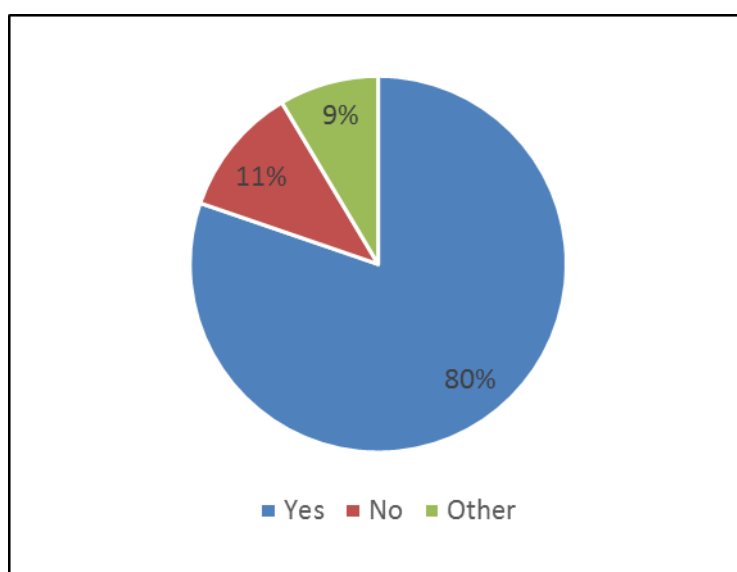
1.165 In response to Consultation Question 50 part 1 (para 9.111), the statistics were as follows:



Category	Yes	No	Other	Grand Total
Leaseholders and representative bodies	58	1	5	64
Developers and representative bodies	3	0	0	3
Other commercial investors	1	0	0	1
Social housing and not-for-profit sector	2	0	0	2
Legal professionals	16	0	1	17
Other professionals	3	0	2	5
Other consultees	72	3	2	77
Grand Total	155	4	10	169

1.166 Substantive reasons were set out in 41 consultation responses.

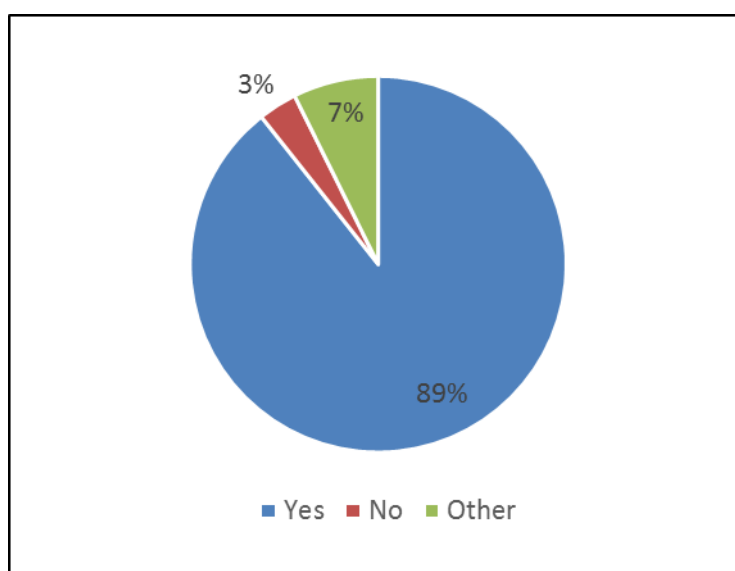
1.167 In response to Consultation Question 50 part 2 (para 9.112), the statistics were as follows:



Category	Yes	No	Other	Grand Total
Leaseholders and representative bodies	43	7	6	56
Developers and representative bodies	1	1	0	2
Other commercial investors	1	0	0	1
Social housing and not-for-profit sector	2	0	0	2
Legal professionals	12	2	1	15
Other professionals	2	0	1	3
Other consultees	61	7	5	73
Grand Total	122	17	13	152

1.168 Substantive reasons were set out in 49 consultation responses.

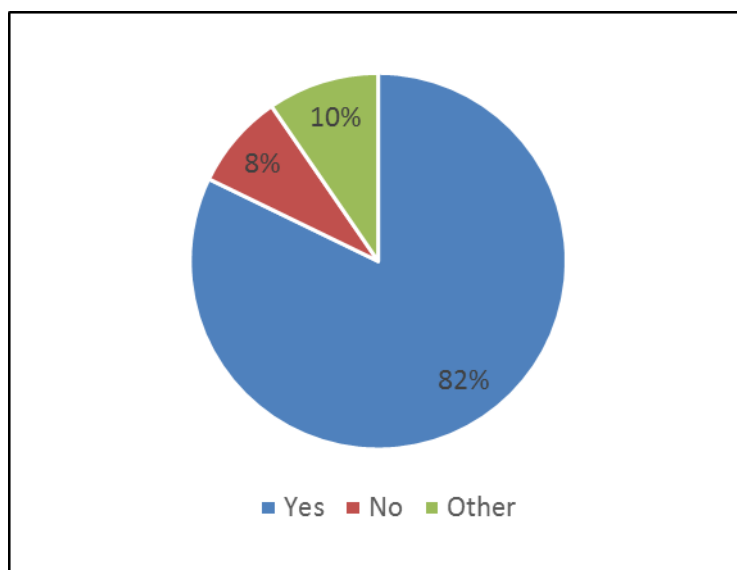
1.169 In response to Consultation Question 50 part 3 (para 9.113), the statistics were as follows:



Category	Yes	No	Other	Grand Total
Leaseholders and representative bodies	50	3	6	59
Developers and representative bodies	3	0	0	3
Other commercial investors	1	0	0	1
Social housing and not-for-profit sector	2	0	0	2
Legal professionals	15	1	0	16
Other professionals	3	0	1	4
Other consultees	60	1	4	65
Grand Total	134	5	11	150

1.170 Substantive reasons were set out in 43 consultation responses.

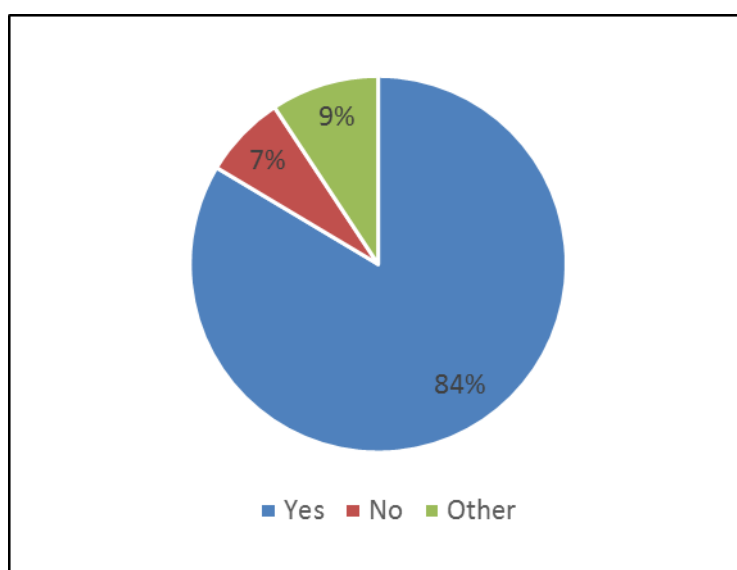
1.171 In response to Consultation Question 50 part 4 (para 9.114), the statistics were as follows:



Category	Yes	No	Other	Grand Total
Leaseholders and representative bodies	43	6	7	56
Developers and representative bodies	2	1	0	3
Other commercial investors	1	0	0	1
Social housing and not-for-profit sector	2	0	0	2
Legal professionals	15	0	0	15
Other professionals	1	0	2	3
Other consultees	56	5	5	66
Grand Total	120	12	14	146

1.172 Substantive reasons were set out in 50 consultation responses.

1.173 In response to Consultation Question 50 part 5 (para 9.115), the statistics were as follows:



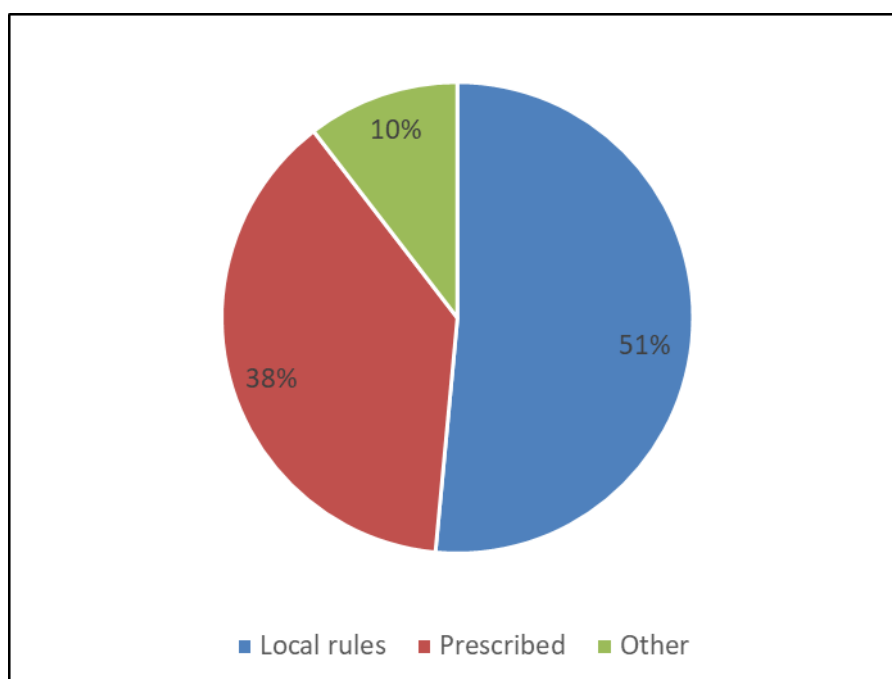
Category	Yes	No	Other	Grand Total
Leaseholders and representative bodies	41	4	9	54
Developers and representative bodies	2	1	0	3
Other commercial investors	1	0	0	1
Social housing and not-for-profit sector	2	0	0	2
Legal professionals	14	1	0	15
Other professionals	2	0	1	3
Other consultees	55	4	3	62
Grand Total	117	10	13	140

1.174 Substantive reasons were set out in 51 consultation responses.

Consultation Question 51

Consultation Question 51.	
9.128	We invite consultees' views as to whether rights of entry are best left to local rules, or whether rights of entry should be prescribed.
9.129	If rights of entry are prescribed, we invite consultees' views as to whether it is necessary to make a distinction between different types of buildings.
9.130	If it is necessary to distinguish between different types of building, we invite consultees' views as to: <ul style="list-style-type: none"> (1) whether the distinction should be between those that are horizontally-divided, and those that are vertically-divided; and (2) if some other distinction is more appropriate, what that should be.
9.131	We invite consultees' views as to what, in each case, the appropriate rights of entry would be.

1.175 In response to Consultation Question 51 part 1 (para 9.128), the statistics were as follows:



Category	Local rules	Prescribed	Other	Grand Total
Leaseholders and representative bodies	29	17	8	54
Developers and representative bodies	0	2	0	2
Other commercial investors	0	0	1	1
Social housing and not-for-profit sector	0	1	0	1
Legal professionals	2	7	3	12
Other professionals	1	2	0	3
Other consultees	37	22	2	61
Grand Total	69	51	14	134

1.176 Substantive reasons were set out in 61 consultation responses.

1.177 In response to Consultation Question 51 part 2 (para 9.129 and 9.130), substantive answers were set out in 76 consultation responses.

1.178 In response to Consultation Question 51 part 3 (para 9.131), substantive answers were set out in 56 consultation responses.

Consultation Question 52

Consultation Question 52.

9.139 We provisionally propose that the commonhold community statement should be amended to provide that alterations to the common parts which are incidental to internal alterations made by a unit owner to his or her own unit should not require the consent of the members by an ordinary resolution.

Do consultees agree?

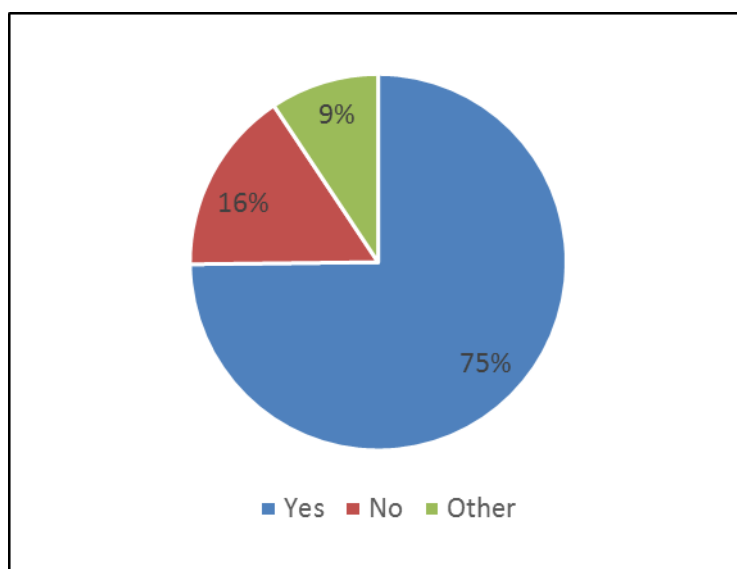
9.140 We provisionally propose that the giving of consent to such proposals should be delegated to the directors.

Do consultees agree?

9.141 We invite consultees' views as to whether:

- (1) "minor alterations to the common parts" should be defined as we have outlined at paragraph 9.137 above; or
- (2) some other criterion could be adopted to distinguish minor alterations from those which should continue to require the consent of an ordinary resolution by the members.

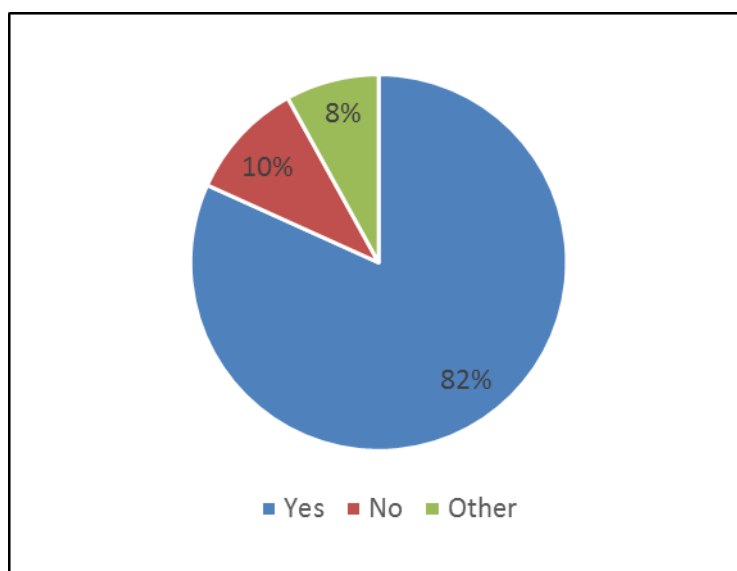
1.179 In response to Consultation Question 52 part 1 (para 9.139), the statistics were as follows:



Category	Yes	No	Other	Grand Total
Leaseholders and representative bodies	39	9	7	55
Developers and representative bodies	1	1	0	2
Other commercial investors	0	1	1	2
Social housing and not-for-profit sector	2	0	0	2
Legal professionals	12	1	2	15
Other professionals	2	1	0	3
Other consultees	48	9	3	60
Grand Total	104	22	13	139

1.180 Substantive reasons were set out in 49 consultation responses.

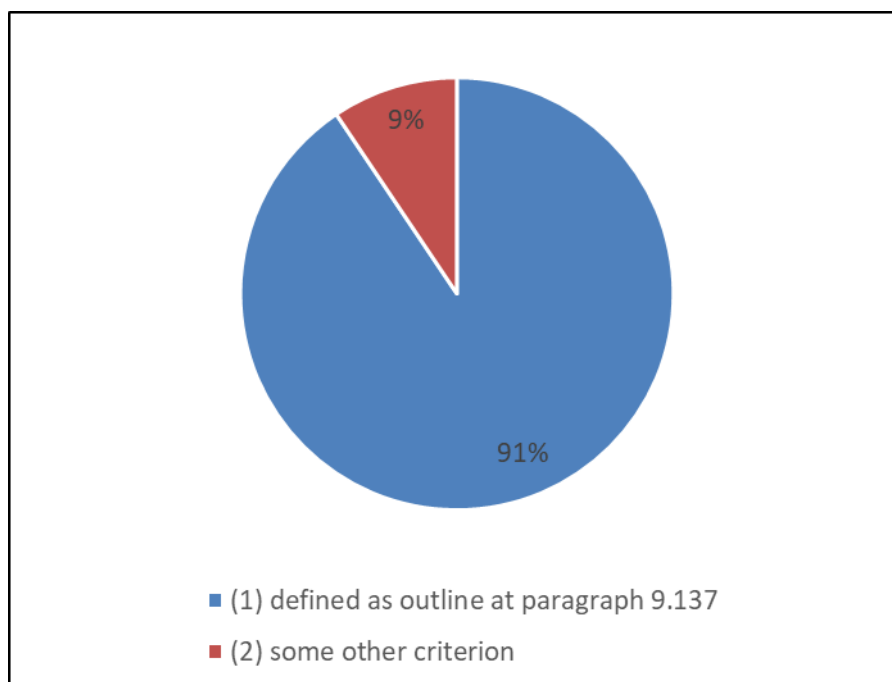
1.181 In response to Consultation Question 52 part 2 (para 9.140), the statistics were as follows:



Category	Yes	No	Other	Grand Total
Leaseholders and representative bodies	42	5	6	53
Developers and representative bodies	2	0	0	2
Other commercial investors	0	1	1	2
Social housing and not-for-profit sector	2	0	0	2
Legal professionals	12	0	3	15
Other professionals	2	1	0	3
Other consultees	52	7	1	60
Grand Total	112	14	11	137

1.182 Substantive reasons were set out in 38 consultation responses.

1.183 In response to Consultation Question 52 part 3 (para 9.141), the statistics were as follows:



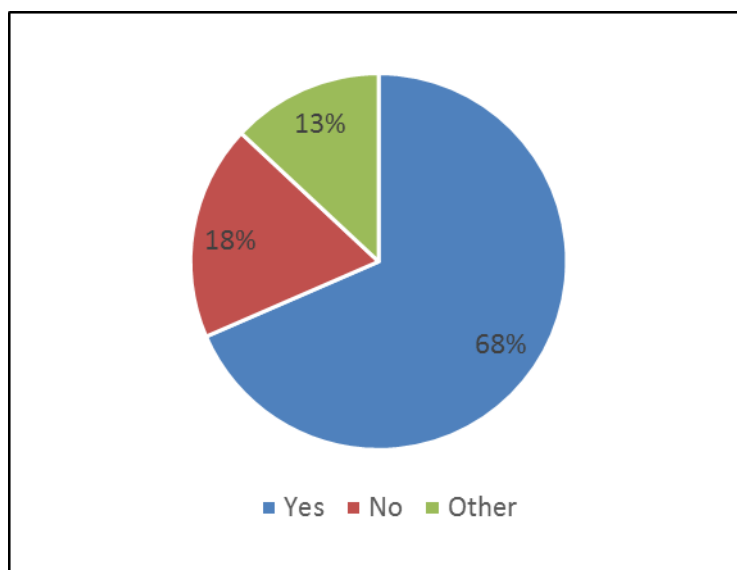
Category	(1) defined as outline at paragraph 9.137	(2) some other criterion	Grand Total
Leaseholders and representative bodies	33	4	37
Developers and representative bodies	0	0	0
Other commercial investors	0	0	0
Social housing and not-for-profit sector	2	0	2
Legal professionals	7	1	8
Other professionals	1	0	1
Other consultees	34	3	37
Grand Total	77	8	85

1.184 Substantive reasons were set out in 46 consultation responses.

Consultation Question 53

<p>Consultation Question 53.</p> <p>9.152 We invite consultees' views as to whether existing long-term contracts have been a problem which leaseholders have encountered.</p> <p>9.153 If they have, then we further invite leaseholders to let us have examples.</p>
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1.185 In response to Consultation Question 53 (para 9.152 and 9.153), the statistics were as follows:



Category	Yes	No	Other	Grand Total
Leaseholders and representative bodies	31	7	5	43
Developers and representative bodies	0	1	0	1
Other commercial investors	0	0	0	0
Social housing and not-for-profit sector	1	0	0	1
Legal professionals	2	1	1	4
Other professionals	2	0	0	2
Other consultees	27	8	6	41
Grand Total	63	17	12	92

1.186 Substantive reasons were set out in 78 consultation responses.

Consultation Question 54

Consultation Question 54.

9.154 We provisionally propose that commonhold associations should be given the right, within a set period from the date when the unit owners take effective control of the commonhold association, to cancel contracts which were entered into by the association before that date. (It would be necessary to define these terms so as to exclude the scenario where the units were “sold” to associates of the developer).

Do consultees agree?

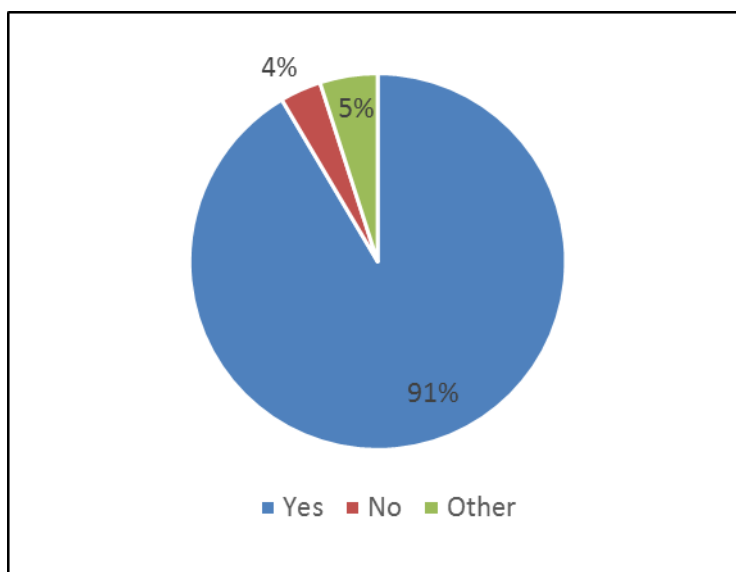
9.155 We provisionally propose that a “long-term contract” should be defined as a contract which must run for more than 12 months.

Do consultees agree? If not, what longer or shorter period would be appropriate?

9.156 We provisionally propose that a commonhold association should have to exercise this right within six months from the commonhold coming under the effective control of the unit owners (being actual “arms-length” purchasers of the units).

Do consultees agree? If not, what longer or shorter period would be appropriate?

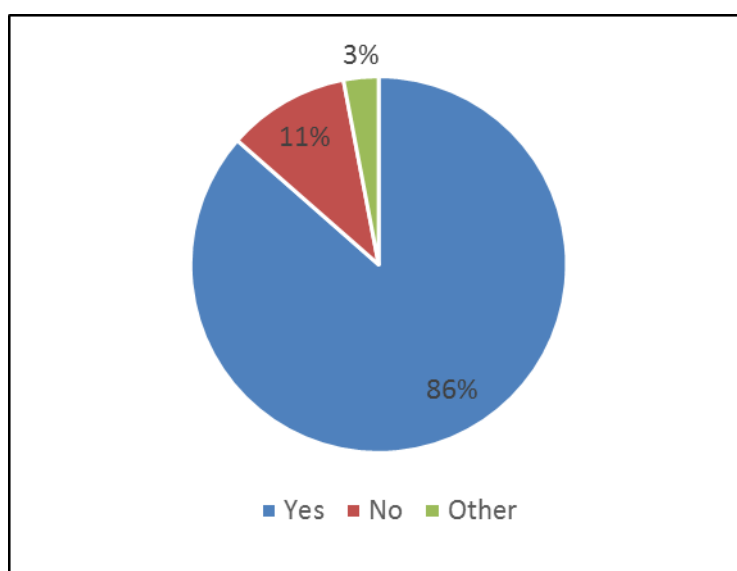
1.187 In response to Consultation Question 54 part 1 (para 9.154), the statistics were as follows:



Category	Yes	No	Other	Grand Total
Leaseholders and representative bodies	57	1	2	60
Developers and representative bodies	2	1	0	3
Other commercial investors	0	1	0	1
Social housing and not-for-profit sector	2	0	0	2
Legal professionals	11	1	2	14
Other professionals	0	0	1	1
Other consultees	57	1	2	60
Grand Total	129	5	7	141

1.188 Substantive reasons were set out in 51 consultation responses.

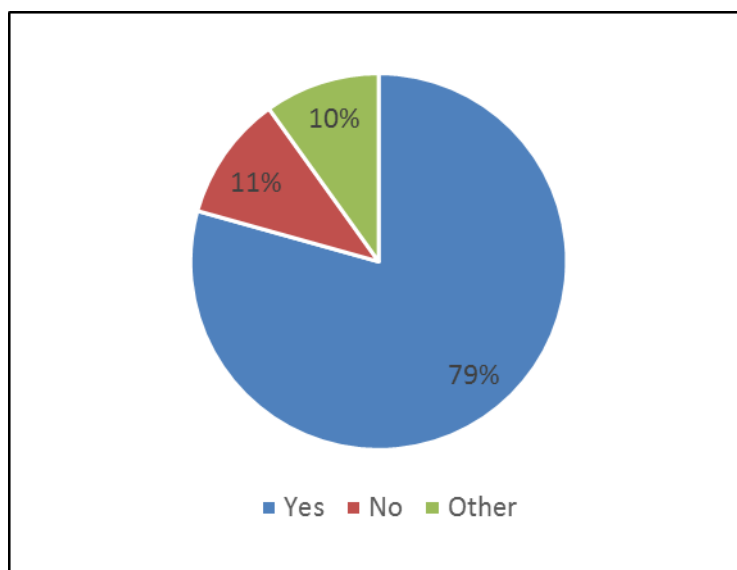
1.189 In response to Consultation Question 54 part 2 (para 9.155), the statistics were as follows:



Category	Yes	No	Other	Grand Total
Leaseholders and representative bodies	45	7	3	55
Developers and representative bodies	2	0	0	2
Other commercial investors	1	0	0	1
Social housing and not-for-profit sector	2	0	0	2
Legal professionals	11	0	1	12
Other professionals	2	0	0	2
Other consultees	52	7	0	59
Grand Total	115	14	4	133

1.190 Substantive reasons were set out in 41 consultation responses.

1.191 In response to Consultation Question 54 part 3 (para 9.156), the statistics were as follows:



Category	Yes	No	Other	Grand Total
Leaseholders and representative bodies	42	5	6	53
Developers and representative bodies	1	0	0	1
Other commercial investors	0	0	0	0
Social housing and not-for-profit sector	2	0	0	2
Legal professionals	9	3	0	12
Other professionals	1	0	1	2
Other consultees	41	5	5	51
Grand Total	96	13	12	121

1.192 Substantive reasons were set out in 39 consultation responses.

Consultation Question 55

Consultation Question 55.

9.157 We invite consultees' views as to the difficulties that can arise when the long-term contract includes the hire of equipment which remains the property of the contractor and which they have reserved the right to remove if the contract should be terminated. We would appreciate any examples of contracts involving the hire of equipment, or of long-term contracts generally, that consultees are able to provide.

1.193 In response to Consultation Question 55 (para 9.157), substantive answers were set out in 59 consultation responses.

Chapter 10

Consultation Question 56

Consultation Question 56.

10.35 We provisionally propose that the proposed contributions to shared costs should require the approval of the members of the commonhold association. This approval would generally be given by a resolution passed in a general meeting, though it could be passed by the written procedure.

Do consultees agree?

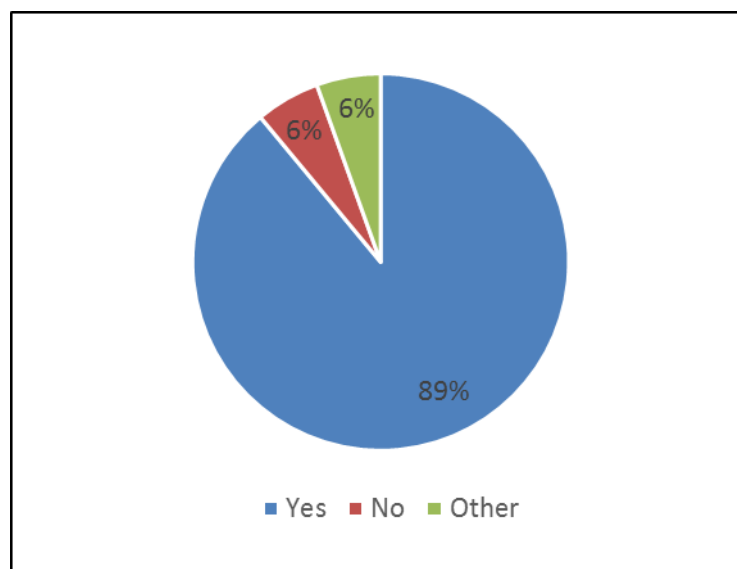
10.36 We provisionally propose that this approval should be given by an ordinary resolution (over 50% majority), rather than by a special resolution (at least 75% majority).

Do consultees agree?

10.37 We invite consultees' views as to the suggestion that if the proposed level of contributions failed to secure approval, the level of contributions required in the previous financial year should continue to apply.

10.38 We invite consultees' alternative proposals to address the issue of what should happen if the directors' proposed level of commonhold contributions fail to obtain approval.

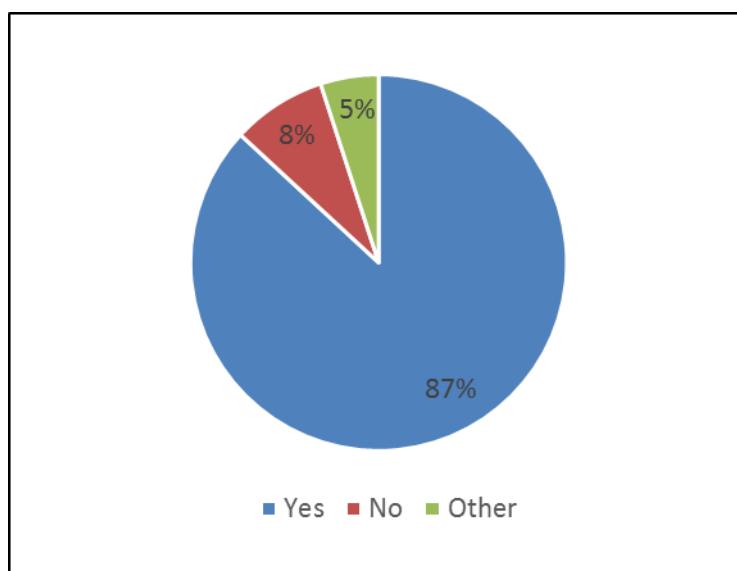
1.194 In response to Consultation Question 56 part 1(para 10.35), the statistics were as follows:



Category	Yes	No	Other	Grand Total
Leaseholders and representative bodies	55	3	4	62
Developers and representative bodies	1	1	0	2
Other commercial investors	2	0	0	2
Social housing and not-for-profit sector	2	0	0	2
Legal professionals	10	3	2	15
Other professionals	2	0	0	2
Other consultees	73	2	3	78
Grand Total	145	9	9	163

1.195 Substantive reasons were set out in 47 consultation responses.

1.196 In response to Consultation Question 56 part 2 (para 10.36), the statistics were as follows:



Category	Yes	No	Other	Grand Total
Leaseholders and representative bodies	50	7	3	60
Developers and representative bodies	2	0	0	2
Other commercial investors	0	1	0	1
Social housing and not-for-profit sector	1	0	0	1
Legal professionals	12	1	1	14
Other professionals	2	0	0	2
Other consultees	72	4	4	80
Grand Total	139	13	8	160

1.197 Substantive reasons were set out in 48 consultation responses.

1.198 In response to Consultation Question 56 part 3 (para 10.37), substantive answers were set out in 92 consultation responses.

1.199 In response to Consultation Question 56 part 4 (para 10.38), substantive answers were set out in 78 consultation responses.

Consultation Question 57

Consultation Question 57.

10.41 We provisionally propose that it should be possible for the CCS to include, as a local rule, an index-linked “cap” on the amount of expenditure which could be incurred on the cost of improvements.

Do consultees agree?

10.42 We provisionally propose that it should be possible for the CCS to include, as a local rule, an index-linked “cap” on the amount of expenditure which could be incurred annually on the cost of “enhanced services”, as described in paragraph 10.40(1).

Do consultees agree?

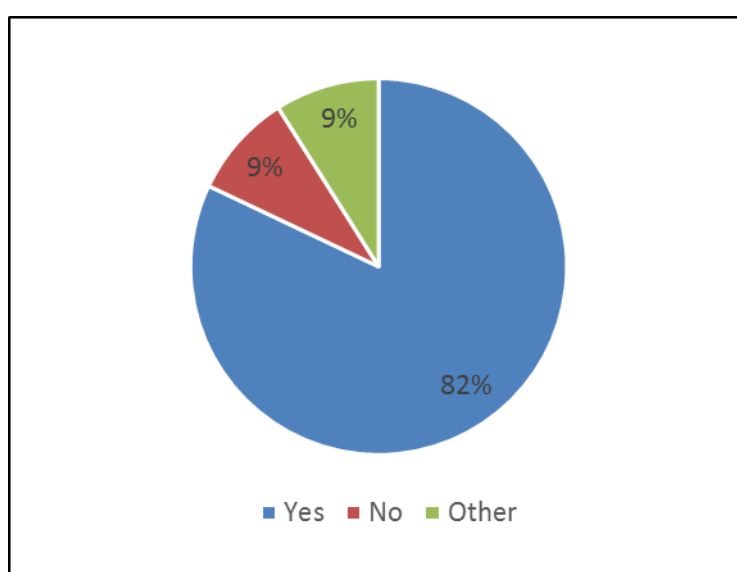
10.43 We provisionally propose that if a CCS contained such a “cap”, then it could be removed only with the unanimous consent of the unit owners, or with the support of 80% of the available votes, and the approval of the Tribunal.

Do consultees agree?

10.44 We provisionally propose that any application by a unit owner to challenge proposed expenditure should be made before it was incurred, and expenditure should not be open to challenge later.

Do consultees agree?

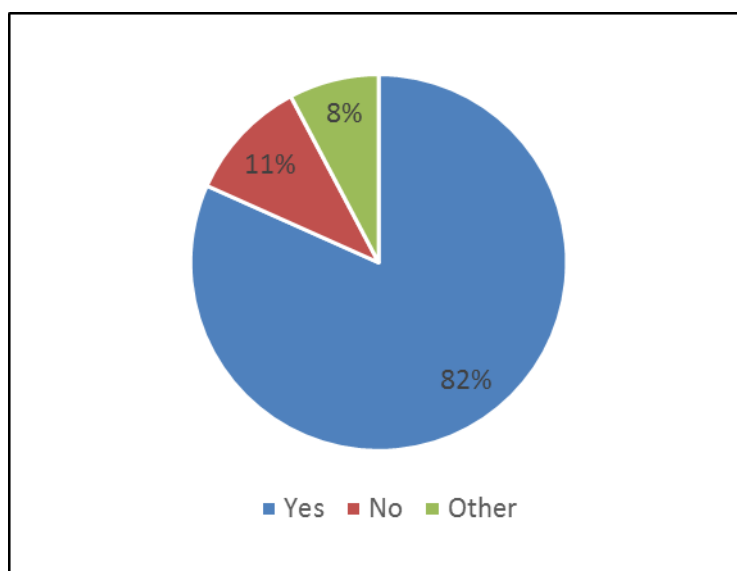
1.200 In response to Consultation Question 57 part 1 (para 10.41), the statistics were as follows:



Category	Yes	No	Other	Grand Total
Leaseholders and representative bodies	37	8	9	54
Developers and representative bodies	2	0	0	2
Other commercial investors	1	1	0	2
Social housing and not-for-profit sector	1	0	1	2
Legal professionals	12	4	1	17
Other professionals	3	0	0	3
Other consultees	72	1	3	76
Grand Total	128	14	14	156

1.201 Substantive reasons were set out in 55 consultation responses.

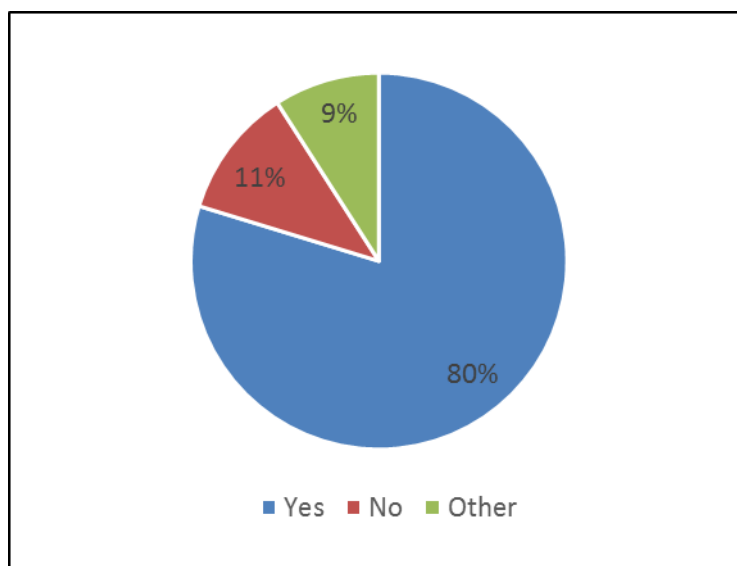
1.202 In response to Consultation Question 57 part 2 (para 10.42), the statistics were as follows:



Category	Yes	No	Other	Grand Total
Leaseholders and representative bodies	34	9	6	49
Developers and representative bodies	2	0	0	2
Other commercial investors	1	1	0	2
Social housing and not-for-profit sector	1	0	1	2
Legal professionals	12	3	1	16
Other professionals	2	0	0	2
Other consultees	64	2	3	69
Grand Total	116	15	11	142

1.203 Substantive reasons were set out in 41 consultation responses.

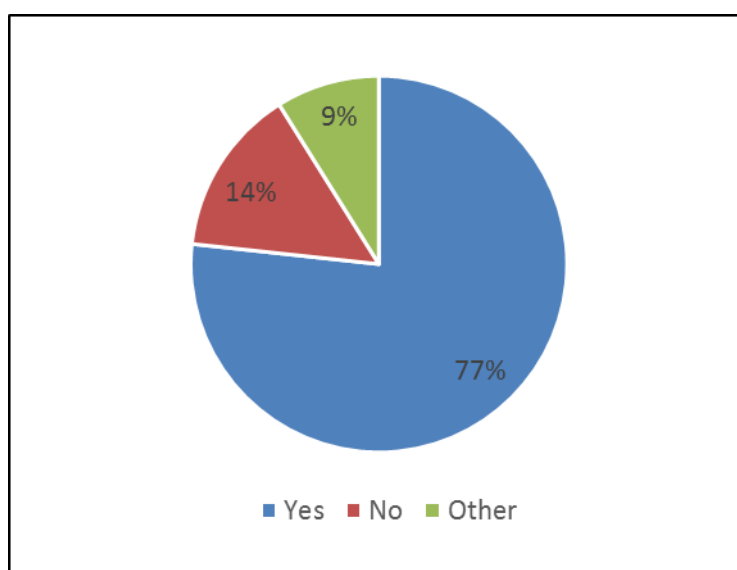
1.204 In response to Consultation Question 57 part 3 (para 10.43), the statistics were as follows:



Category	Yes	No	Other	Grand Total
Leaseholders and representative bodies	35	5	9	49
Developers and representative bodies	2	0	0	2
Other commercial investors	1	1	0	2
Social housing and not-for-profit sector	1	0	0	1
Legal professionals	11	4	0	15
Other professionals	3	0	0	3
Other consultees	61	6	4	71
Grand Total	114	16	13	143

1.205 Substantive reasons were set out in 47 consultation responses.

1.206 In response to Consultation Question 57 part 4 (para 10.44), the statistics were as follows:



Category	Yes	No	Other	Grand Total
Leaseholders and representative bodies	40	10	4	54
Developers and representative bodies	1	1	0	2
Other commercial investors	1	1	0	2
Social housing and not-for-profit sector	1	0	0	1
Legal professionals	11	1	3	15
Other professionals	0	2	0	2
Other consultees	58	6	6	70
Grand Total	112	21	13	146

1.207 Substantive reasons were set out in 61 consultation responses.

Consultation Question 58

Consultation Question 58.

10.71 We provisionally propose that it should be compulsory for a commonhold association to have some form of reserve fund.

Do consultees agree?

10.72 We provisionally propose that the scheme for the financing of the commonhold should continue to distinguish between contributions for shared (current) expenditure, and contributions to the reserve fund or funds.

Do consultees agree?

10.73 We provisionally propose that no minimum annual contribution towards the reserve fund should be specified.

Do consultees agree?

10.74 We invite consultees who do not agree to suggest how a requirement for minimum contributions might operate.

10.75 We provisionally propose that the directors of commonhold associations should be able to set up such designated reserve funds as they see fit.

Do consultees agree?

10.76 We provisionally propose that it should also be possible for the members of a commonhold association to require, by ordinary resolution, that a designated reserve fund or funds should be set up.

Do consultees agree?

10.77 We provisionally propose that designated reserve funds should be protected from enforcement action by creditors, unless their claim relates to the specific purpose for which the designated reserve fund was set up.

Do consultees agree?

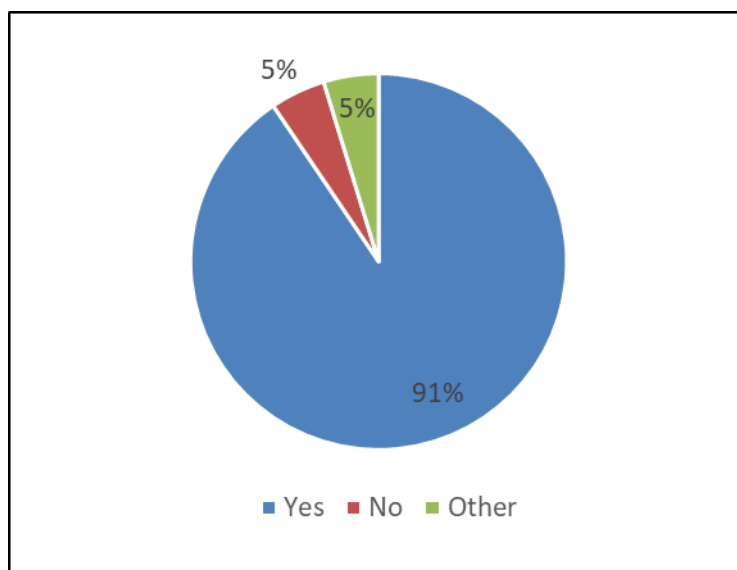
10.78 We provisionally propose that designated reserve funds should continue to receive equivalent protection if the commonhold association should be subject to insolvency proceedings.

Do consultees agree?

10.79 We provisionally propose that it should be possible to change the designation of a designated reserve fund only by a resolution supported by 80% of the members, and with the approval of the Tribunal.

Do consultees agree?

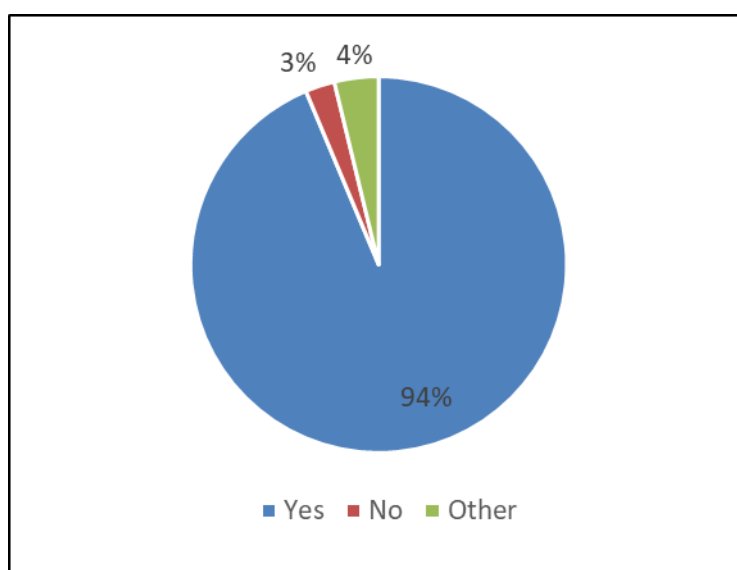
1.208 In response to Consultation Question 58 part 1 (para 10.71), the statistics were as follows:



Category	Yes	No	Other	Grand Total
Leaseholders and representative bodies	55	3	4	62
Developers and representative bodies	3	0	0	3
Other commercial investors	2	0	0	2
Social housing and not-for-profit sector	2	0	0	2
Legal professionals	17	1	1	19
Other professionals	2	1	0	3
Other consultees	72	3	3	78
Grand Total	153	8	8	169

1.209 Substantive reasons were set out in 74 consultation responses.

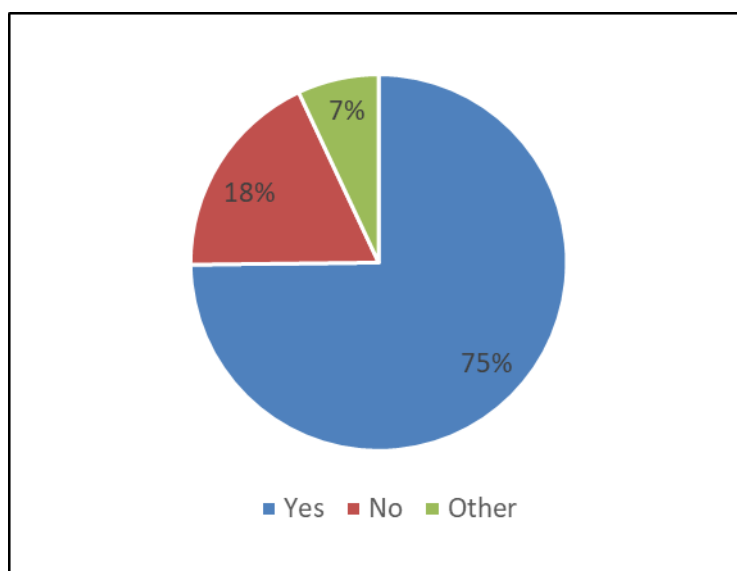
1.210 In response to Consultation Question 58 part 2 (para 10.72), the statistics were as follows:



Category	Yes	No	Other	Grand Total
Leaseholders and representative bodies	52	2	4	58
Developers and representative bodies	3	0	0	3
Other commercial investors	2	0	0	2
Social housing and not-for-profit sector	1	1	0	2
Legal professionals	18	0	0	18
Other professionals	2	0	0	2
Other consultees	70	1	2	73
Grand Total	148	4	6	158

1.211 Substantive reasons were set out in 34 consultation responses.

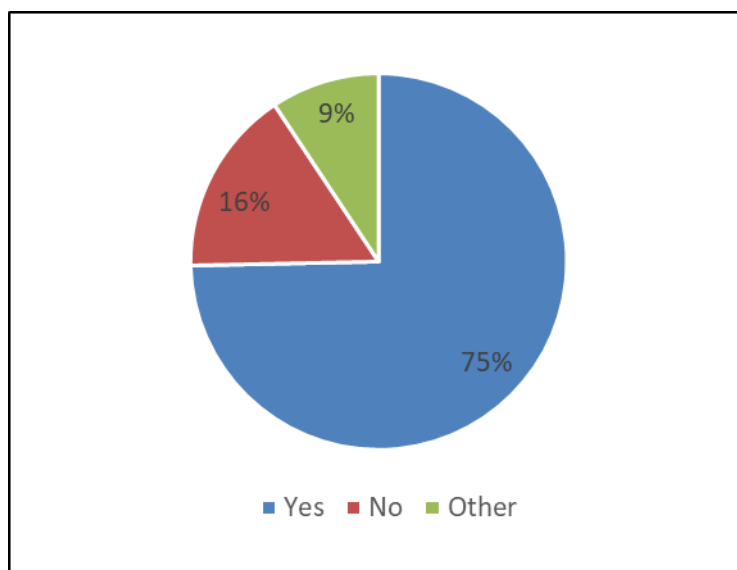
1.212 In response to Consultation Question 58 part 3 (para 10.73), the statistics were as follows:



Category	Yes	No	Other	Grand Total
Leaseholders and representative bodies	32	14	7	53
Developers and representative bodies	2	0	0	2
Other commercial investors	2	0	0	2
Social housing and not-for-profit sector	2	0	0	2
Legal professionals	13	4	0	17
Other professionals	0	2	0	2
Other consultees	56	6	3	65
Grand Total	107	26	10	143

1.213 Substantive reasons were set out in 58 consultation responses.

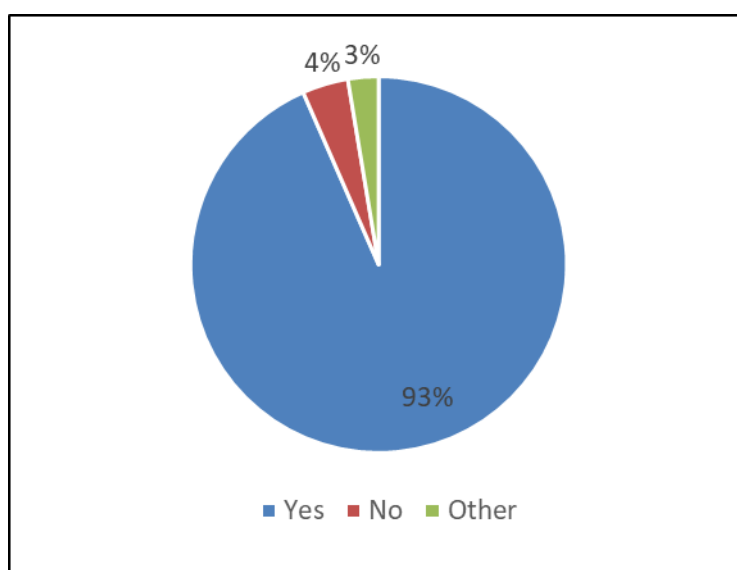
1.214 In response to Consultation Question 58 part 4 (para 10.75), the statistics were as follows:



Category	Yes	No	Other	Grand Total
Leaseholders and representative bodies	38	10	8	56
Developers and representative bodies	2	0	0	2
Other commercial investors	2	0	0	2
Social housing and not-for-profit sector	2	0	0	2
Legal professionals	16	1	1	18
Other professionals	0	2	0	2
Other consultees	52	11	5	68
Grand Total	112	24	14	150

1.215 Substantive reasons were set out in 62 consultation responses.

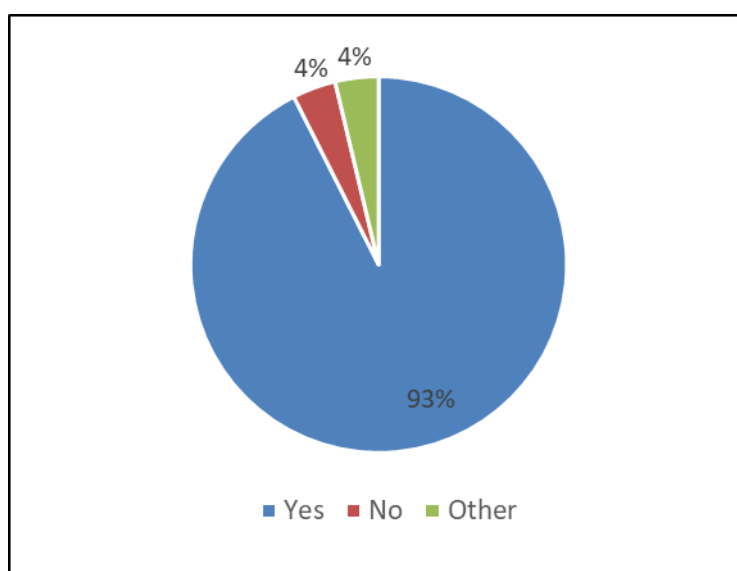
1.216 In response to Consultation Question 58 part 5 (para 10.76), the statistics were as follows:



Category	Yes	No	Other	Grand Total
Leaseholders and representative bodies	51	3	2	56
Developers and representative bodies	1	1	0	2
Other commercial investors	2	0	0	2
Social housing and not-for-profit sector	2	0	0	2
Legal professionals	18	0	0	18
Other professionals	3	0	0	3
Other consultees	65	2	2	69
Grand Total	142	6	4	152

1.217 Substantive reasons were set out in 36 consultation responses.

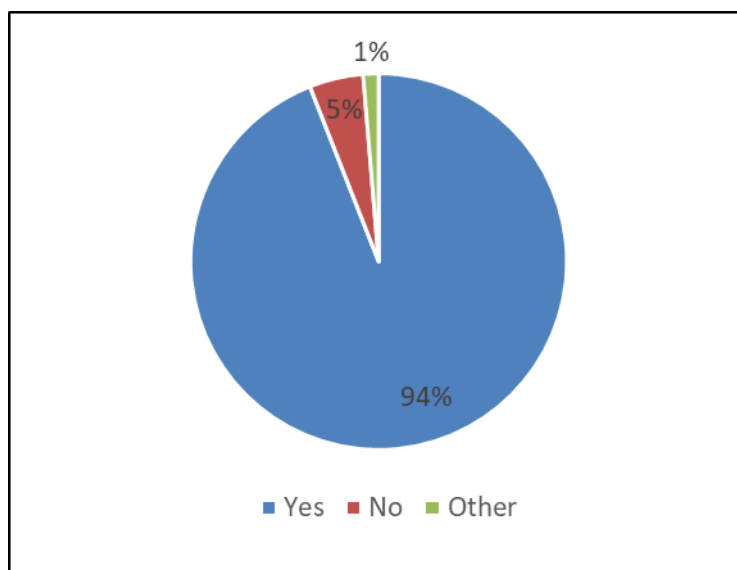
1.218 In response to Consultation Question 58 part 6 (para 10.77), the statistics were as follows:



Category	Yes	No	Other	Grand Total
Leaseholders and representative bodies	54	1	4	59
Developers and representative bodies	2	1	0	3
Other commercial investors	0	2	0	2
Social housing and not-for-profit sector	2	0	0	2
Legal professionals	15	1	2	18
Other professionals	2	1	0	3
Other consultees	74	0	0	74
Grand Total	149	6	6	161

1.219 Substantive reasons were set out in 38 consultation responses.

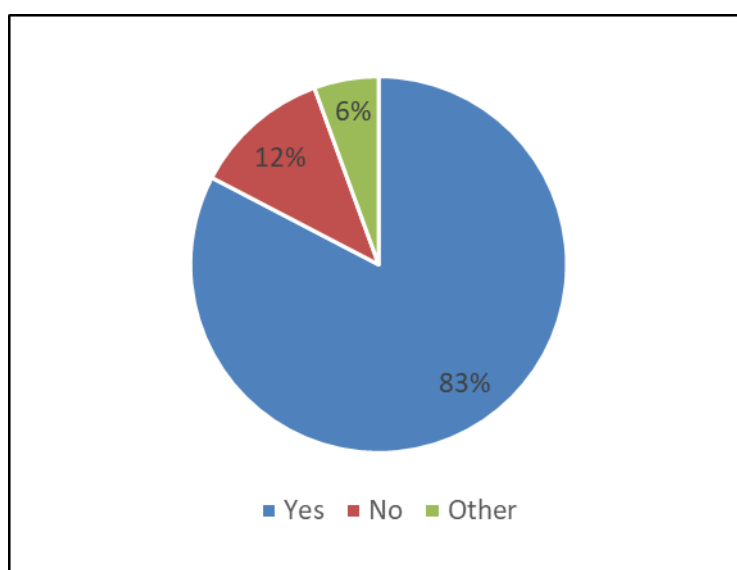
1.220 In response to Consultation Question 58 part 7 (para 10.78), the statistics were as follows:



Category	Yes	No	Other	Grand Total
Leaseholders and representative bodies	54	0	1	55
Developers and representative bodies	2	1	0	3
Other commercial investors	0	2	0	2
Social housing and not-for-profit sector	2	0	0	2
Legal professionals	14	3	1	18
Other professionals	2	0	0	2
Other consultees	68	1	0	69
Grand Total	142	7	2	151

1.221 Substantive reasons were set out in 33 consultation responses.

1.222 In response to Consultation Question 58 part 8 (para 10.79), the statistics were as follows:

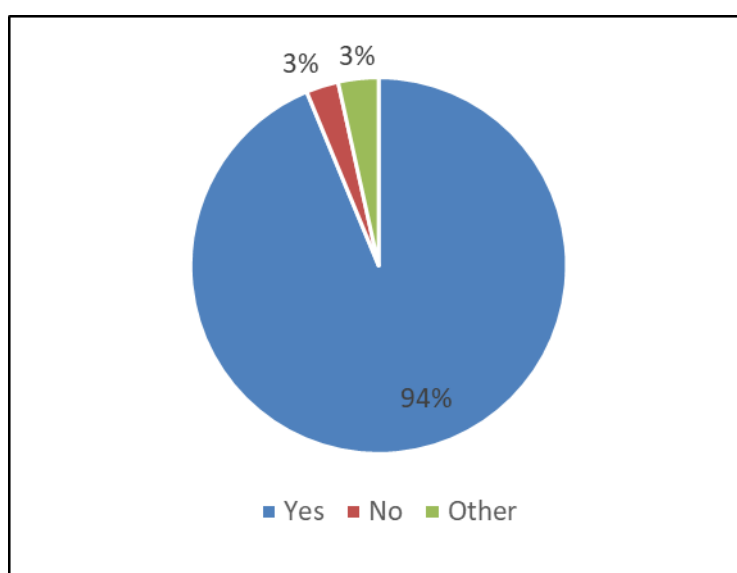


Category	Yes	No	Other	Grand Total
Leaseholders and representative bodies	40	8	4	52
Developers and representative bodies	3	0	0	3
Other commercial investors	2	0	0	2
Social housing and not-for-profit sector	2	0	0	2
Legal professionals	13	3	1	17
Other professionals	2	1	0	3
Other consultees	57	5	3	65
Grand Total	119	17	8	144

1.223 Substantive reasons were set out in 42 consultation responses.

1.224 In response to Consultation Question 58 part 9 (para 10.80), substantive answers were set out in 94 consultation responses.

1.225 In response to Consultation Question 58 part 10 (para 10.81), the statistics were as follows:



Category	Yes	No	Other	Grand Total
Leaseholders and representative bodies	51	2	3	56
Developers and representative bodies	2	0	0	2
Other commercial investors	2	0	0	2
Social housing and not-for-profit sector	2	0	0	2
Legal professionals	17	0	0	17
Other professionals	2	0	0	2
Other consultees	59	2	2	63
Grand Total	135	4	5	144

1.226 Substantive reasons were set out in 36 consultation responses.

Consultation Question 59

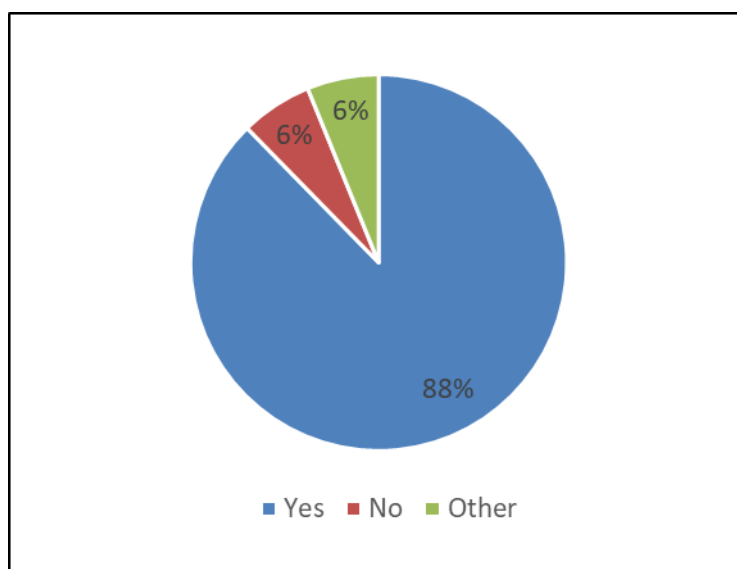
Consultation Question 59.

10.96 We provisionally propose that it should be possible to allocate to individual units within a commonhold different percentages that it must contribute towards different "heads" of cost.

Do consultees agree?

10.97 We invite consultees' views as to whether each commonhold should have total flexibility in how different costs are allocated, or whether there should be any limitations on their ability to do so.

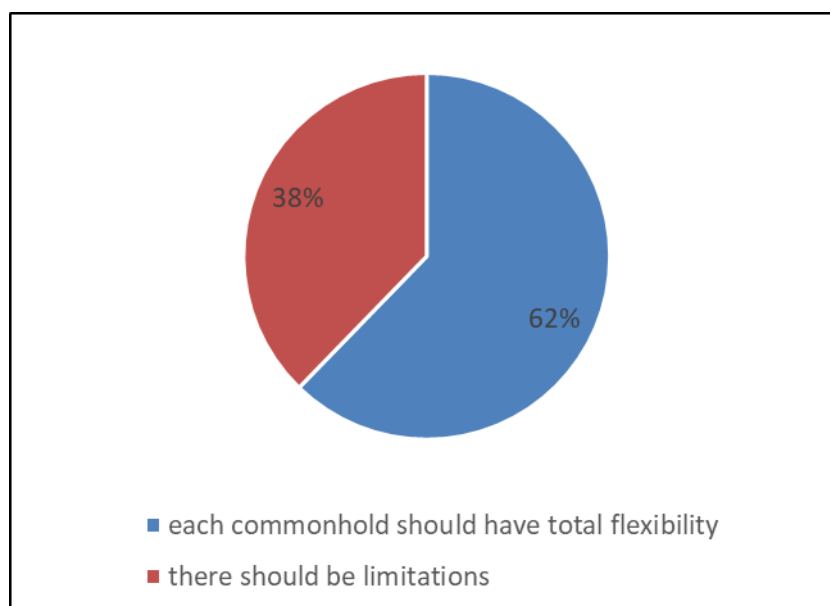
1.227 In response to Consultation Question 59 part 1 (para 10.96), the statistics were as follows:



Category	Yes	No	Other	Grand Total
Leaseholders and representative bodies	47	3	6	56
Developers and representative bodies	1	0	0	1
Other commercial investors	1	0	0	1
Social housing and not-for-profit sector	2	0	0	2
Legal professionals	18	0	0	18
Other professionals	1	0	0	1
Other consultees	58	6	3	67
Grand Total	128	9	9	146

1.228 Substantive reasons were set out in 65 consultation responses.

1.229 In response to Consultation Question 59 part 2 (para 10.97), the statistics were as follows:



Category	Each commonhold should have total flexibility	There should be limitations	Grand Total
Leaseholders and representative bodies	28	18	46
Developers and representative bodies	0	1	1
Social housing and not-for-profit sector	1	1	2
Legal professionals	11	2	13
Other professionals	1	0	1
Other consultees	30	21	51
Grand Total	71	43	114

1.230 Substantive reasons were set out in 73 consultation responses.

Consultation Question 60

Consultation Question 60.

10.100 We provisionally propose to retain the possibility of varying the percentage of expenditure allocated to each unit, by amending the CCS by special resolution. Such amendments would remain subject to a unit owner's right not to have a significantly disproportionate amount of the contributions to shared costs, or the reserve funds, allocated to his or her unit.

Do consultees agree?

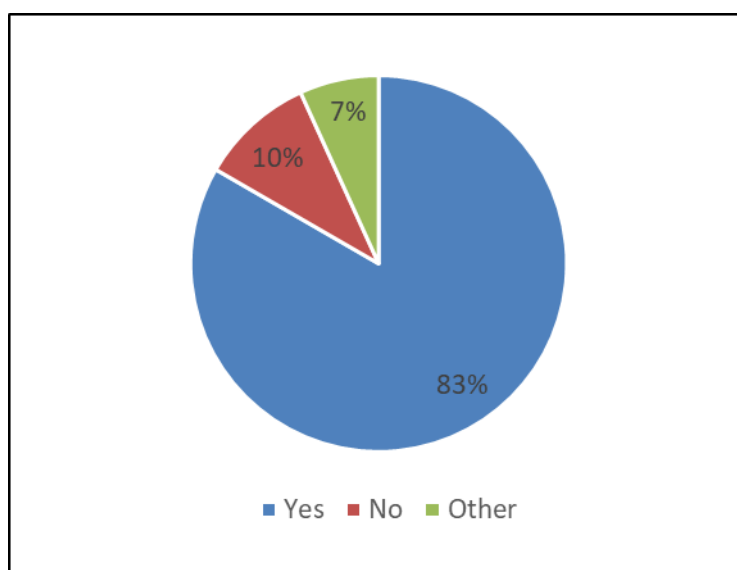
10.101 We invite consultees' views as to whether:

- (1) it is likely to be fair and workable to consider any proposed variations to contributions to shared costs, and the reserve funds, on the basis that the originally allocated percentage was fair; and
- (2) safeguards need apply only if the allocated percentage is altered.

10.102 We invite consultees' views as to whether internal floor area would offer a satisfactory default basis on which to allocate financial contributions in purely residential commonholds.

10.103 We invite consultees' views as to whether internal floor area would offer a satisfactory default basis on which to allocate financial contributions in commonholds which include (a) commercial and residential units and (b) commercial units of different kinds. If not, we invite views on alternative methods.

1.231 In response to Consultation Question 60 part 1 (para 10.100), the statistics were as follows:



Category	Yes	No	Other	Grand Total
Leaseholders and representative bodies	39	5	6	50
Developers and representative bodies	1	0	0	1
Other commercial investors	1	0	0	1
Social housing and not-for-profit sector	2	0	0	2
Legal professionals	13	3	1	17
Other professionals	2	0	0	2
Other consultees	52	5	2	59
Grand Total	110	13	9	132

1.232 Substantive reasons were set out in 45 consultation responses.

1.233 In response to Consultation Question 60 part 2 (para 10.101), substantive answers were set out in 65 consultation responses.

1.234 In response to Consultation Question 60 part 3 (para 10.102), substantive answers were set out in 94 consultation responses.

1.235 In response to Consultation Question 60 part 4 (para 10.103), substantive answers were set out in 81 consultation responses.

Consultation Question 61

Consultation Question 61.

10.118 We provisionally propose that the current scheme for the issue of a Commonhold Unit Information Certificate ("CUIC") on the sale of a unit should in its essentials be retained.

Do consultees agree?

10.119 We invite consultees' views as to whether the possibility of further contributions (emergency contributions, or contributions to the reserve fund or funds) falling due after the issue of a CUIC is likely to present practical problems to conveyancers.

10.120 We provisionally propose that, once a CUIC has been issued, an incoming unit owner should not be liable for further contributions which fall due, unless the commonhold association or its agent has notified the current owner's conveyancers of the further liabilities.

Do consultees agree?

10.121 We provisionally propose that the maximum fee for a commonhold association to issue a CUIC should be set by regulation, and kept under review.

Do consultees agree?

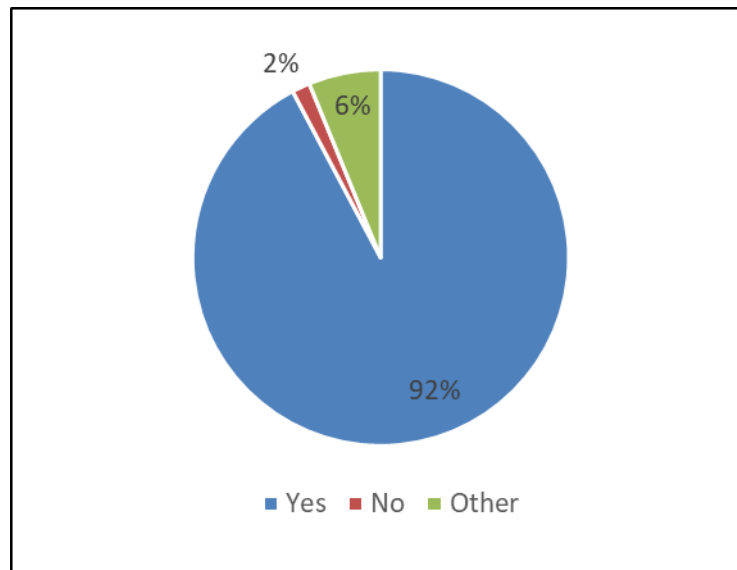
10.122 We invite consultees' views as to whether the lack of any sanction or convenient remedy for the failure on the part of the commonhold association to issue a Commonhold Unit Information Certificate within the prescribed 14-day period is likely to cause problems in practice.

10.123 We further invite consultees' views on how best this may be resolved.

10.124 We invite consultees' views as to whether a Commonhold Unit Information Certificate should be conclusive once issued; or whether it should be possible for it to be amended if an error is spotted after it has been issued.

10.125 We further invite consultees' views on what problems would arise in practice if a Commonhold Unit Information Certificate could be amended; and on how these might be addressed.

1.236 In response to Consultation Question 61 part 1 (para 10.118), the statistics were as follows:

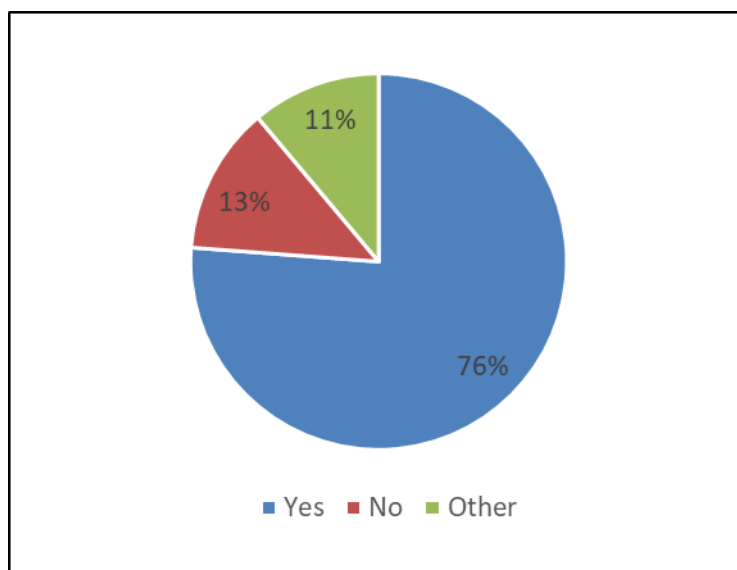


Category	Yes	No	Other	Grand Total
Leaseholders and representative bodies	44	1	5	50
Developers and representative bodies	1	0	0	1
Other commercial investors	1	0	0	1
Social housing and not-for-profit sector	2	0	0	2
Legal professionals	15	1	1	17
Other professionals	2	0	0	2
Other consultees	54	0	2	56
Grand Total	119	2	8	129

1.237 Substantive reasons were set out in 29 consultation responses.

1.238 In response to Consultation Question 61 part 2 (para 10.119) substantive answers were set out in 65 consultation responses.

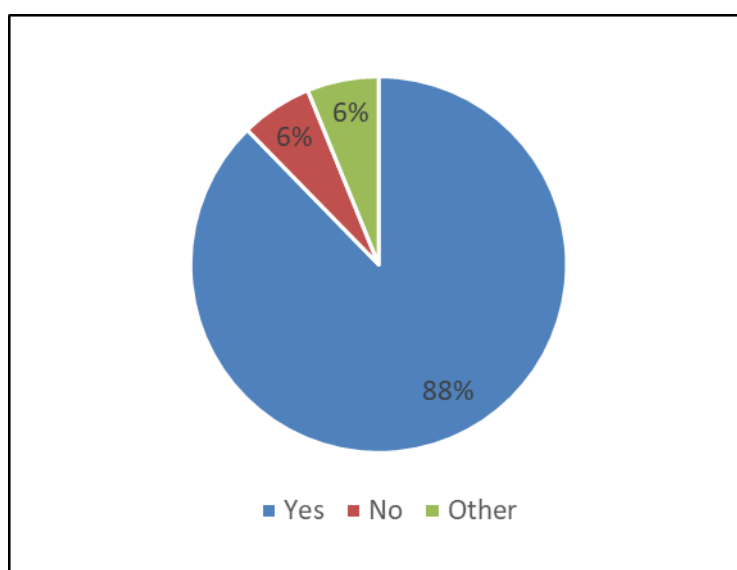
1.239 In response to Consultation Question 61 part 3 (para 10.120) the statistics were as follows:



Row Labels	Yes	No	Other	Grand Total
Leaseholders and representative bodies	38	5	8	51
Developers and representative bodies	0	2	0	2
Other commercial investors	0	0	0	0
Social housing and not-for-profit sector	0	1	0	1
Legal professionals	9	4	2	15
Other professionals	0	2	0	2
Other consultees	49	2	4	55
Grand Total	96	16	14	126

1.240 Substantive reasons were set out in 45 consultation responses.

1.241 In response to Consultation Question 61 part 4 (para 10.121) the statistics were as follows:

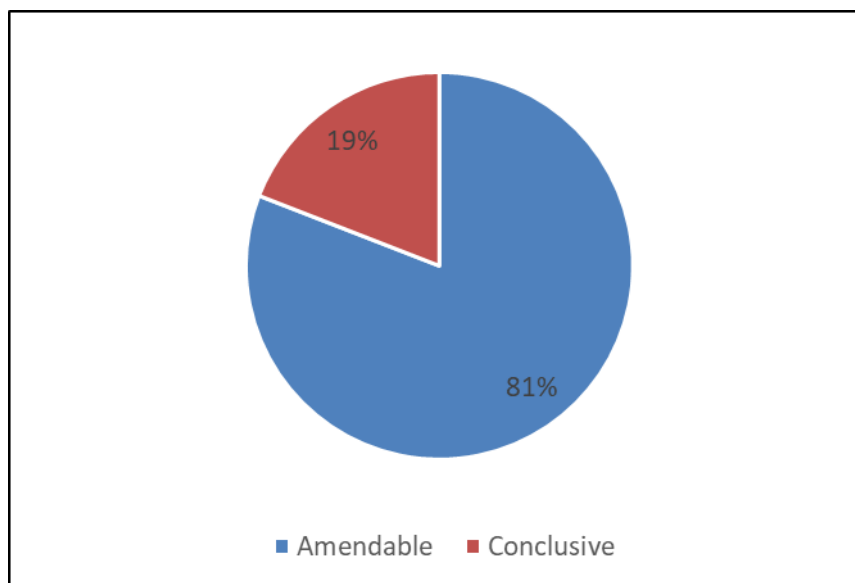


Category	Yes	No	Other	Grand Total
Leaseholders and representative bodies	43	2	5	50
Developers and representative bodies	1	1	0	2
Other commercial investors	0	1	0	1
Social housing and not-for-profit sector	1	1	0	2
Legal professionals	14	2	0	16
Other professionals	2	0	0	2
Other consultees	53	1	3	57
Grand Total	114	8	8	130

1.242 Substantive reasons were set out in 39 consultation responses.

1.243 In response to Consultation Question 61 part 5 (para 10.122) substantive answers were set out in 64 consultation responses.

1.244 In response to Consultation Question 61 part 6 (para 10.123) the statistics were as follows:



Category	CUIC should be amendable	CUIC should be conclusive	Grand Total
Leaseholders and representative bodies	35	4	39
Developers and representative bodies	0	0	0
Other commercial investors	0	1	1
Social housing and not-for-profit sector	2	0	2
Legal professionals	5	3	8
Other professionals	1	0	1
Other consultees	29	9	38
Grand Total	72	17	89

1.245 Substantive reasons were set out in 57 consultation responses.

Chapter 11

Consultation Question 62

Consultation Question 62.

11.28 We invite consultees' views as to whether the need for unit owners to obtain the consent of their mortgage lender to support the commonhold association granting a fixed or floating charge is likely to be a significant difficulty in raising emergency funding.

11.29 If consultees consider that there might be difficulties, we invite views on what measures could be put in place to alleviate these difficulties, including whether the Tribunal should be able to override a mortgage lender's refusal to give consent.

1.246 In response to Consultation Question 62 (para 11.28) substantive answers were set out in 75 consultation responses.

Consultation Question 63

Consultation Question 63.

11.36 We provisionally propose that express provision should be made for a commonhold association to grant a floating charge.

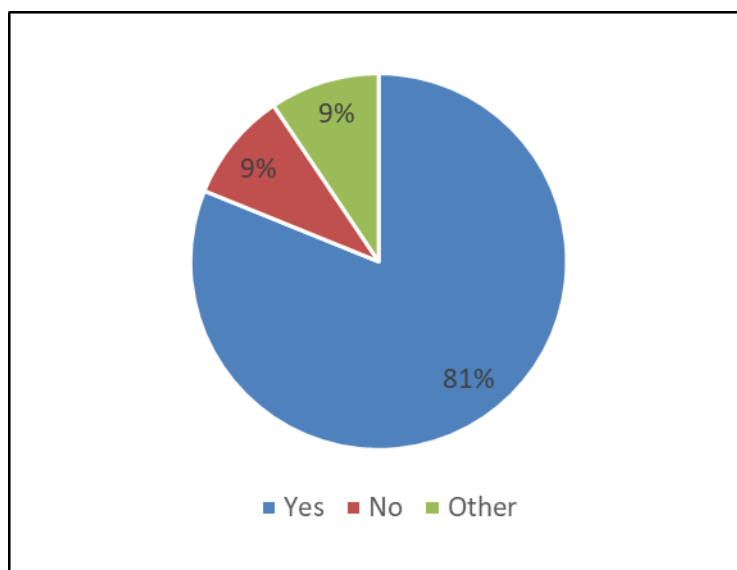
Do consultees agree?

11.37 We provisionally propose that a charge over the common parts or a floating charge should only be able to be granted when either:

- (1) The unit owners unanimously consent to the charge: or
- (2) 80% of the unit owners consent to the charge, and approval is obtained from the First-tier Tribunal (Property Chamber) or the Residential Property Tribunal Wales.

Do consultees agree?

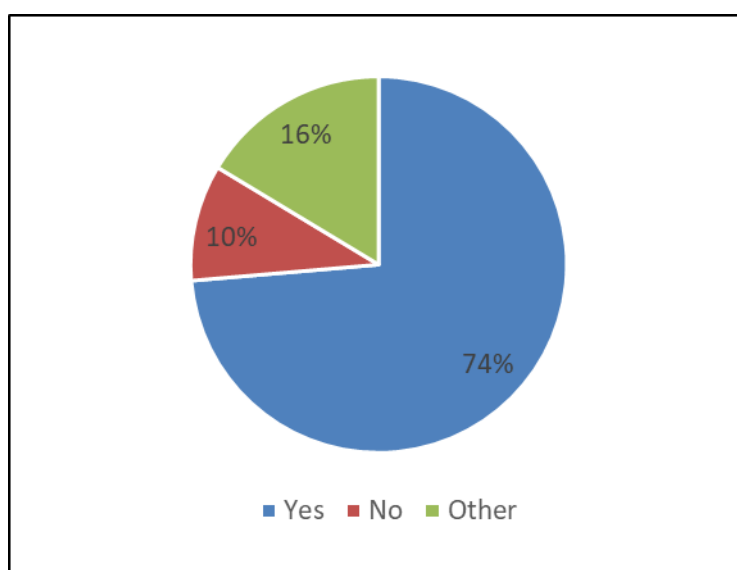
1.247 In response to Consultation Question 63 part 1 (para 11.36) the statistics were as follows:



Category	Yes	No	Other	Grand Total
Leaseholders and representative bodies	26	7	6	39
Developers and representative bodies	2	0	1	3
Other commercial investors	1	0	0	1
Social housing and not-for-profit sector	1	0	0	1
Legal professionals	15	2	1	18
Other professionals	1	0	0	1
Other consultees	40	1	2	43
Grand Total	86	10	10	106

1.248 Substantive reasons were set out in 30 consultation responses.

1.249 In response to Consultation Question 63 part 2 (para 11.37) the statistics were as follows:



Category	Yes	No	Other	Grand Total
Leaseholders and representative bodies	34	3	7	44
Developers and representative bodies	2	0	1	3
Other commercial investors	1	0	0	1
Social housing and not-for-profit sector	0	0	1	1
Legal professionals	7	7	1	15
Other professionals	1	0	0	1
Other consultees	36	1	8	45
Grand Total	81	11	18	110

1.250 Substantive reasons were set out in 45 consultation responses.

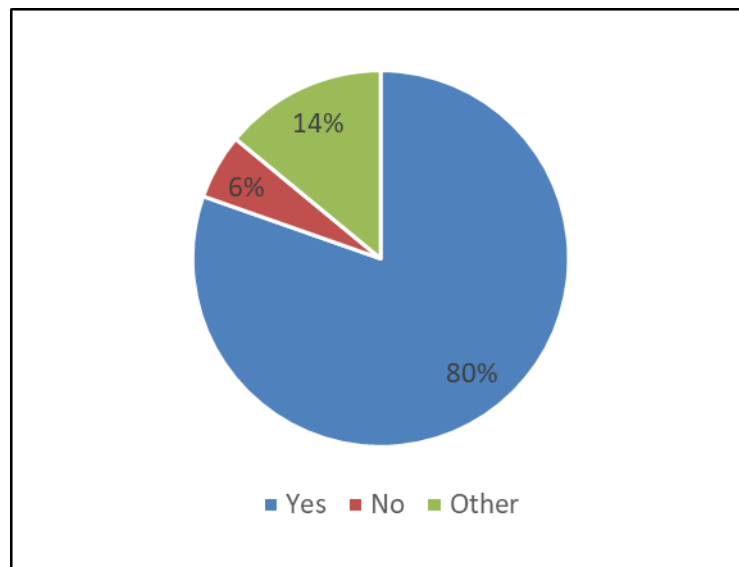
Consultation Question 64

Consultation Question 64.

11.40 We provisionally propose that it should be possible for a commonhold association (having obtained the requisite consent) to grant a charge over part of the common parts. Where such a charge is granted, the part of the common parts so charged may be registered with a separate title number.

Do consultees agree?

1.251 In response to Consultation Question 64 (para 11.40) the statistics were as follows:



Category	Yes	No	Other	Grand Total
Leaseholders and representative bodies	35	3	6	44
Developers and representative bodies	1	0	1	2
Other commercial investors	1	0	0	1
Social housing and not-for-profit sector	1	0	0	1
Legal professionals	11	1	4	16
Other professionals	1	0	0	1
Other consultees	36	2	4	42
Grand Total	86	6	15	107

1.252 Substantive reasons were set out in 36 consultation responses.

Chapter 12

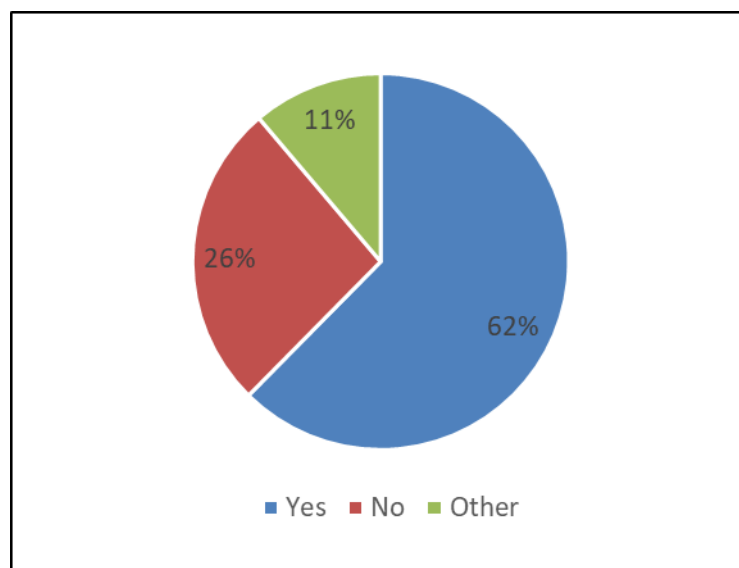
Consultation Question 65

Consultation Question 65.

12.30 We provisionally propose making an exception to the prohibition on residential leases over seven years, and leases granted at a premium, for shared ownership leases which contain the fundamental clauses prescribed by Homes England in England or the Welsh Government in Wales.

Do consultees agree?

1.253 In response to Consultation Question 65 (para 12.30) the statistics were as follows:



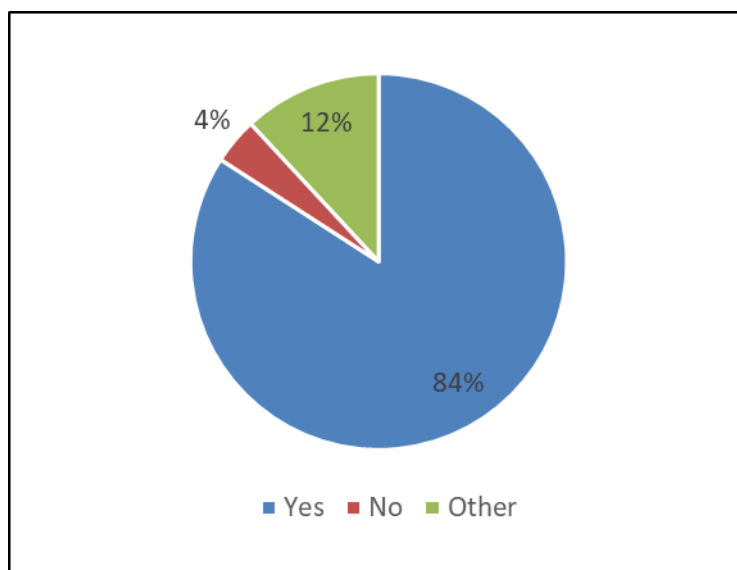
Category	Yes	No	Other	Grand Total
Leaseholders and representative bodies	21	13	9	43
Developers and representative bodies	3	0	0	3
Other commercial investors	0	1	0	1
Social housing and not-for-profit sector	3	0	0	3
Legal professionals	15	0	1	16
Other professionals	3	0	0	3
Other consultees	33	19	4	56
Grand Total	78	33	14	125

1.254 Substantive reasons were set out in 52 consultation responses.

Consultation Question 66

Consultation Question 66.	
12.44 We provisionally propose that in new commonhold developments, the model shared ownership lease should require the shared ownership leaseholder to comply with all terms of the CCS.	
Do consultees agree?	
12.45 We provisionally propose that shared ownership leaseholders in new commonhold developments should be able to exercise all the votes of the commonhold association in place of the shared ownership provider, apart from a decision to terminate, which should be exercised jointly with the provider.	
Do consultees agree?	
12.46 We provisionally propose that shared ownership leaseholders in new commonhold developments should not have the same statutory rights as other leaseholders to challenge service charge costs or to be consulted on works and contracts exceeding a certain amount.	
Do consultees agree?	
12.47 We provisionally propose that, in new commonhold developments, on purchasing 100% of the value of the commonhold unit, the shared ownership leaseholder should be transferred the commonhold title of the unit and should become a member of the commonhold association.	
Do consultees agree?	

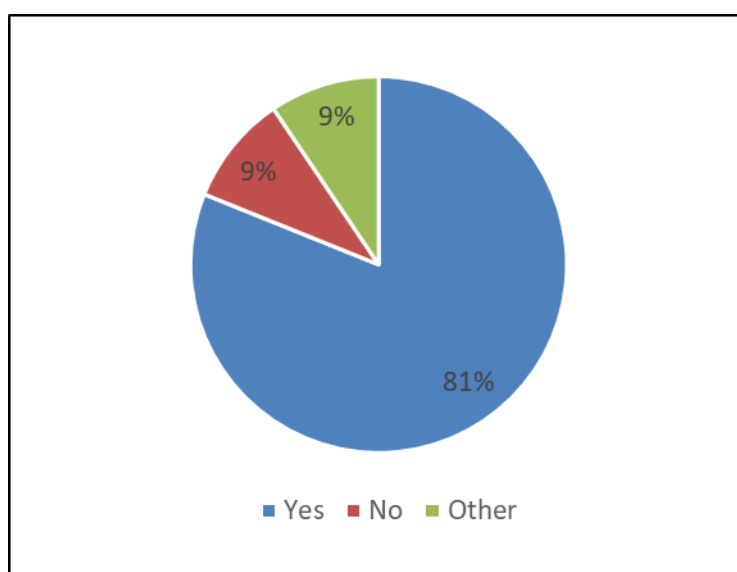
1.255 In response to Consultation Question 66 part 1 (para 12.44) the statistics were as follows:



Category	Yes	No	Other	Grand Total
Leaseholders and representative bodies	37	2	10	49
Developers and representative bodies	3	0	0	3
Other commercial investors	0	0	0	0
Social housing and not-for-profit sector	3	0	0	3
Legal professionals	14	0	2	16
Other professionals	3	0	0	3
Other consultees	46	3	3	52
Grand Total	106	5	15	126

1.256 Substantive reasons were set out in 35 consultation responses.

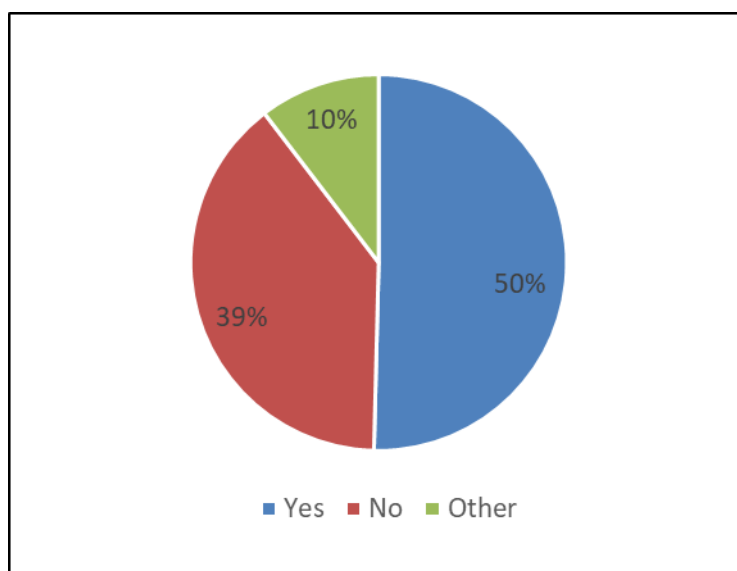
1.257 In response to Consultation Question 66 part 2 (para 12.45) the statistics were as follows:



Category	Yes	No	Other	Grand Total
Leaseholders and representative bodies	33	6	8	47
Developers and representative bodies	2	1	0	3
Other commercial investors	0	0	0	0
Social housing and not-for-profit sector	3	0	0	3
Legal professionals	15	1	1	17
Other professionals	3	0	0	3
Other consultees	47	4	3	54
Grand Total	103	12	12	127

1.258 Substantive reasons were set out in 39 consultation responses.

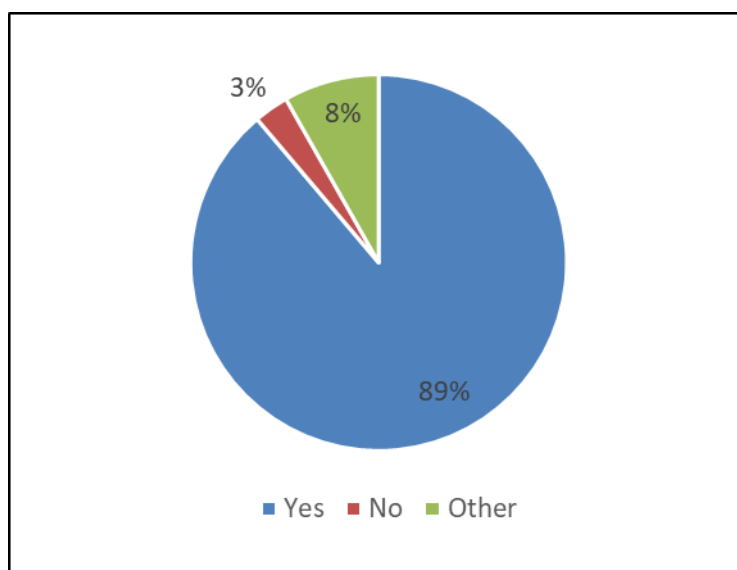
1.259 In response to Consultation Question 66 part 3 (para 12.46) the statistics were as follows:



Category	Yes	No	Other	Grand Total
Leaseholders and representative bodies	18	20	8	46
Developers and representative bodies	2	1	0	3
Other commercial investors	0	1	0	1
Social housing and not-for-profit sector	2	1	0	3
Legal professionals	13	2	1	16
Other professionals	1	1	0	2
Other consultees	27	23	4	54
Grand Total	63	49	13	125

1.260 Substantive reasons were set out in 54 consultation responses.

1.261 In response to Consultation Question 66 part 4 (para 12.47) the statistics were as follows:



Category	Yes	No	Other	Grand Total
Leaseholders and representative bodies	42	1	7	50
Developers and representative bodies	3	0	0	3
Other commercial investors	0	0	0	0
Social housing and not-for-profit sector	3	0	0	3
Legal professionals	16	0	0	16
Other professionals	3	0	0	3
Other consultees	52	3	4	59
Grand Total	119	4	11	134

1.262 Substantive reasons were set out in 28 consultation responses.

Consultation Question 67

Consultation Question 67.

12.49 We provisionally propose that in a building which has converted to commonhold, the shared ownership provider should have voting rights in the commonhold association. Delegation of voting rights to the shared owner will be possible on a voluntary basis, but not mandatory.

Do consultees agree?

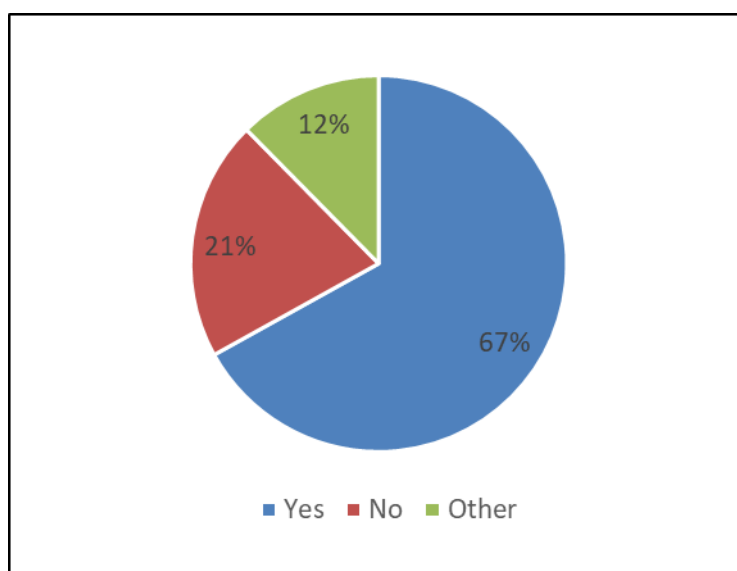
12.50 We provisionally propose that, in a building which has converted to commonhold, the staircasing provisions of any existing shared ownership leases should continue to operate in the same way. On staircasing to 100%, the shared owner will therefore remain a leaseholder.

Do consultees agree?

12.51 We provisionally propose that after having staircased to 100% of the value of the leasehold flat, the shared ownership leaseholder should have a statutory right to purchase the commonhold unit and become a member of the commonhold association.

Do consultees agree?

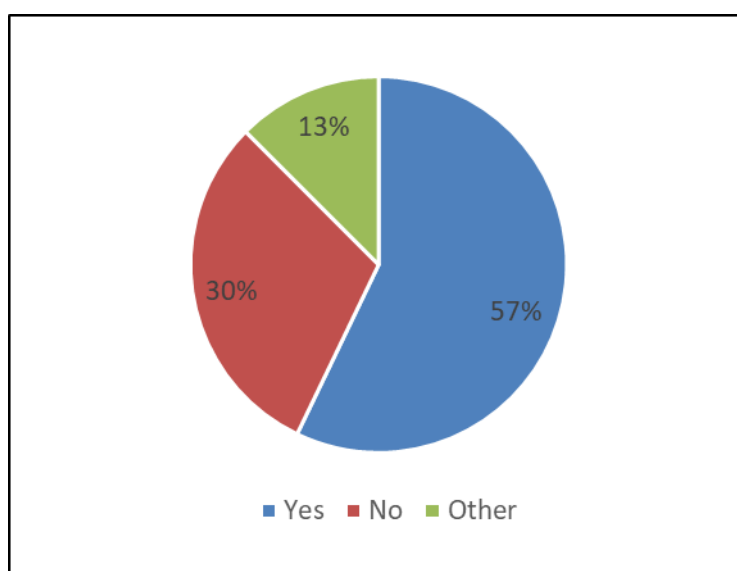
1.263 In response to Consultation Question 67 part 1 (para 12.49) the statistics were as follows:



Category	Yes	No	Other	Grand Total
Leaseholders and representative bodies	26	12	7	45
Developers and representative bodies	3	0	0	3
Other commercial investors	0	0	0	0
Social housing and not-for-profit sector	2	1	0	3
Legal professionals	13	1	2	16
Other professionals	1	2	0	3
Other consultees	36	9	6	51
Grand Total	81	25	15	121

1.264 Substantive reasons were set out in 43 consultation responses.

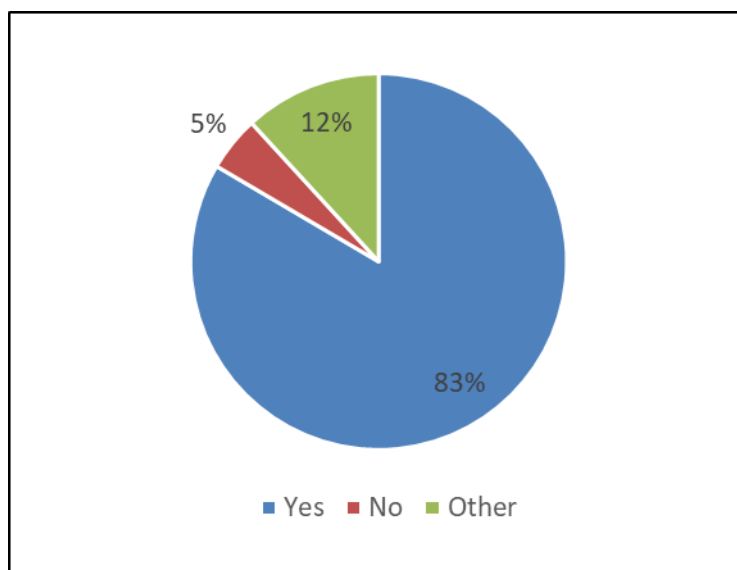
1.265 In response to Consultation Question 67 part 2 para 12.50 the statistics were as follows:



Category	Yes	No	Other	Grand Total
Leaseholders and representative bodies	19	15	8	42
Developers and representative bodies	3	0	0	3
Other commercial investors	0	0	0	0
Social housing and not-for-profit sector	1	2	0	3
Legal professionals	12	1	2	15
Other professionals	1	0	1	2
Other consultees	28	16	3	47
Grand Total	64	34	14	112

1.266 Substantive reasons were set out in 57 consultation responses.

1.267 In response to Consultation Question 67 part 3 (para 12.51) the statistics were as follows:



Category	Yes	No	Other	Grand Total
Leaseholders and representative bodies	37	3	8	48
Developers and representative bodies	3	0	0	3
Other commercial investors	0	0	0	0
Social housing and not-for-profit sector	2	0	1	3
Legal professionals	17	0	0	17
Other professionals	3	0	0	3
Other consultees	44	3	6	53
Grand Total	106	6	15	127

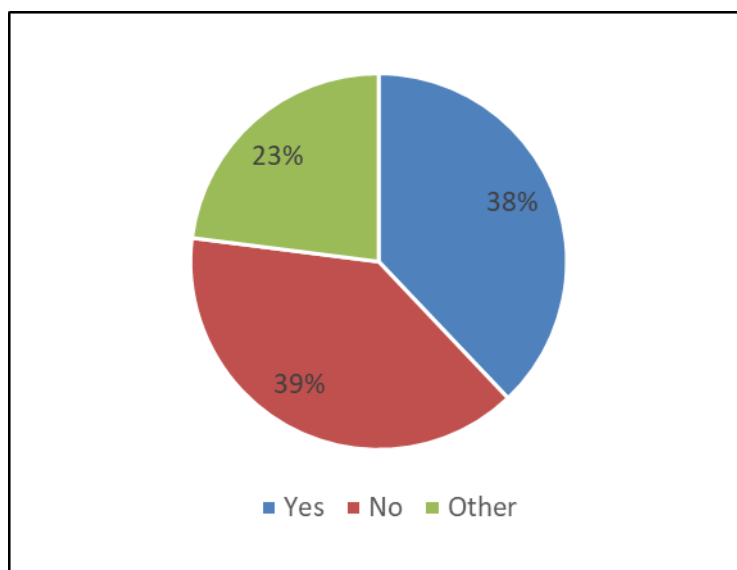
1.268 Substantive reasons were set out in 43 consultation responses.

Consultation Question 68

Consultation Question 68.

12.58 We invite consultees' views as to whether an exception to the ban on residential leases over seven years is needed to accommodate better community land trusts and co-operatives within the commonhold model.

1.269 In response to Consultation Question 68 (para 12.58) the statistics were as follows:



Category	Yes	No	Other	Grand Total
Leaseholders and representative bodies	13	14	12	39
Developers and representative bodies	0	0	0	0
Other commercial investors	0	0	0	0
Social housing and not-for-profit sector	2	0	0	2
Legal professionals	4	4	0	8
Other professionals	0	1	0	1
Other consultees	14	15	8	37
Grand Total	33	34	20	87

1.270 Substantive reasons were set out in 54 consultation responses.

Consultation Question 69

Consultation Question 69.

12.67 Aside from shared ownership leases, community land trusts and housing co-operatives, are consultees aware of any other forms of affordable housing which it is not possible, or would be difficult, to accommodate in the current commonhold system?

1.271 In response to Consultation Question 69 (para 12.67) substantive answers were set out in 67 consultation responses.

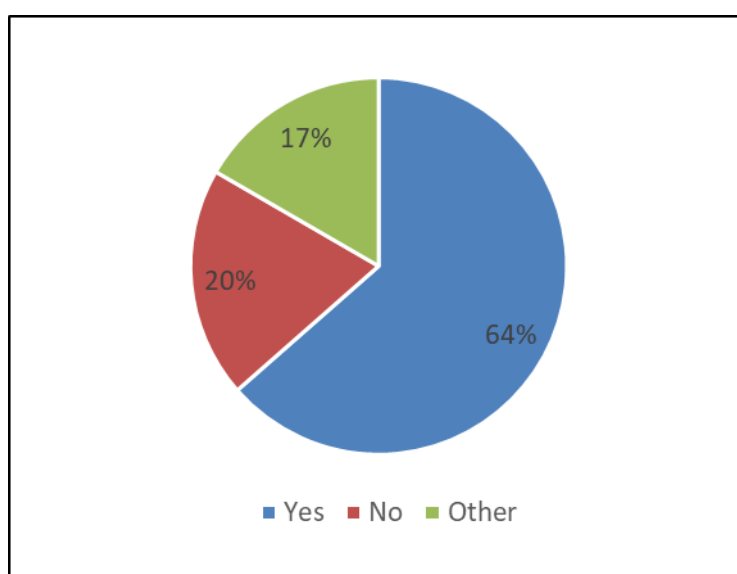
Consultation Question 70

Consultation Question 70.

12.79 We provisionally propose that an exception to the prohibition on residential leases of over seven years or granted at a premium should be made for lease-based home purchase plans regulated by the Financial Conduct Authority.

Do consultees agree?

1.272 In response to Consultation Question 70 (para 12.79) the statistics were as follows:



Category	Yes	No	Other	Grand Total
Leaseholders and representative bodies	21	9	10	40
Developers and representative bodies	1	0	0	1
Other commercial investors	0	0	0	0
Social housing and not-for-profit sector	1	0	0	1
Legal professionals	11	1	1	13
Other professionals	2	0	0	2
Other consultees	25	9	5	39
Grand Total	61	19	16	96

1.273 Substantive reasons were set out in 37 consultation responses.

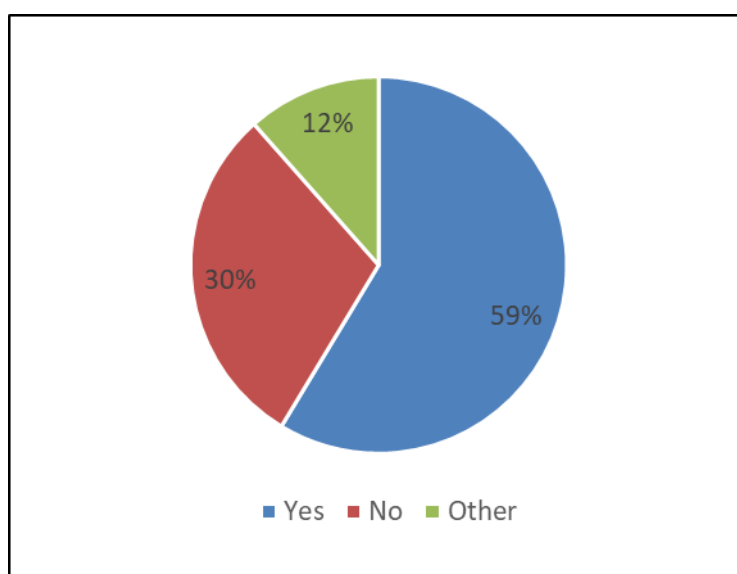
Consultation Question 71

Consultation Question 71.

12.84 We provisionally propose that customers of lease-based home purchase plans in new commonhold developments should not have the same statutory rights as other leaseholders to challenge service charge costs or to be consulted on works and contracts exceeding a certain amount.

Do consultees agree?

1.274 In response to Consultation Question 71 (para 12.84) the statistics were as follows:



Category	Yes	No	Other	Grand Total
Leaseholders and representative bodies	24	13	6	43
Developers and representative bodies	2	0	0	2
Other commercial investors	0	1	0	1
Social housing and not-for-profit sector	0	1	0	1
Legal professionals	10	2	1	13
Other professionals	0	1	0	1
Other consultees	25	13	5	43
Grand Total	61	31	12	104

1.275 Substantive reasons were set out in 43 consultation responses.

Consultation Question 72

Consultation Question 72.

12.89 We ask consultees for their views and experience of how the relationship between a bank and a customer who is purchasing property through a lease-based home purchase plan is, or can be, preserved following a collective enfranchisement.

1.276 In response to Consultation Question 72 (para 12.89) substantive answers were set out in 50 consultation responses.

Chapter 13

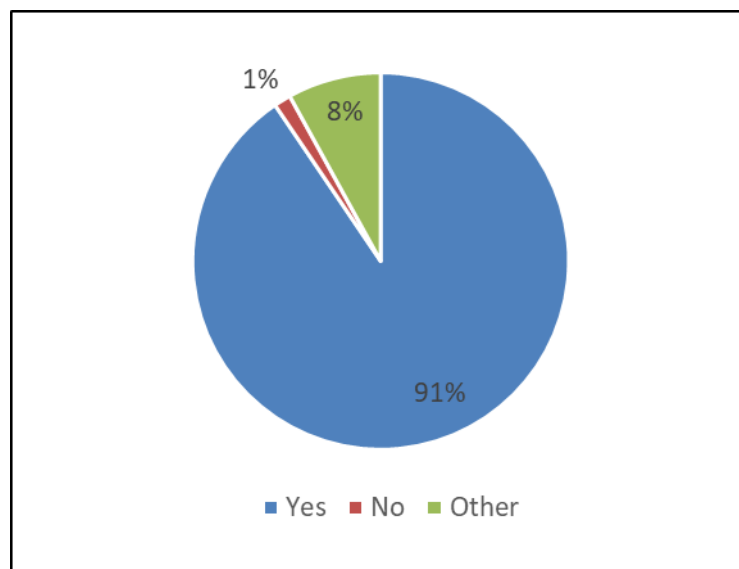
Consultation Question 73

Consultation Question 73.

13.26 We provisionally propose that the commonhold association should not be able to prevent a unit owner or tenant from pursuing direct legal action against another unit owner or tenant. Instead, the association should have the right to notify the unit owner or tenant that it reasonably considers the claim to be frivolous, vexatious or trivial or that the matter complained of is not a breach of the CCS.

Do consultees agree?

1.277 In response to Consultation Question 73 (para 13.26) the statistics were as follows:



Category	Yes	No	Other	Grand Total
Leaseholders and representative bodies	42	1	6	49
Developers and representative bodies	3	0	0	3
Other commercial investors	2	0	0	2
Social housing and not-for-profit sector	2	0	0	2
Legal professionals	17	1	1	19
Other professionals	4	0	0	4
Other consultees	54	0	4	58
Grand Total	124	2	11	137

1.278 Substantive reasons were set out in 34 consultation responses.

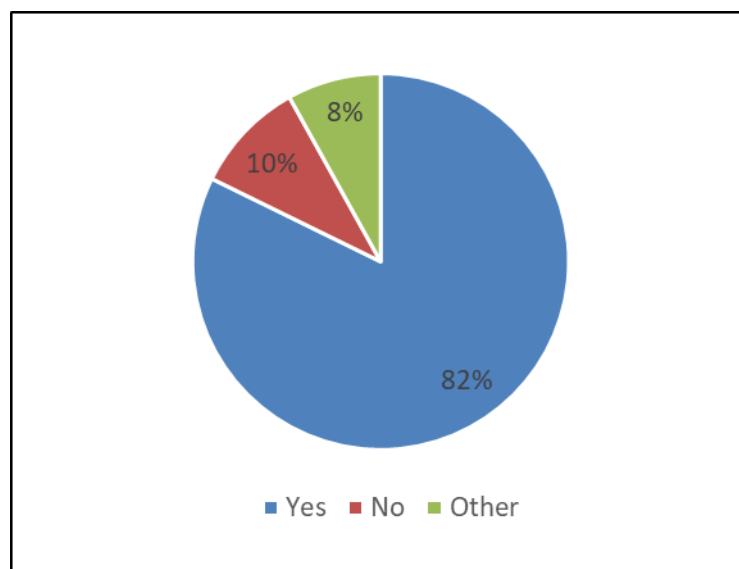
Consultation Question 74

Consultation Question 74.

13.32 We provisionally propose that a failure to use the forms which accompany the commonhold dispute resolution procedure, or forms to the same effect, should not automatically prevent a claim from progressing.

Do consultees agree?

1.279 In response to Consultation Question 74 (para 13.32) the statistics were as follows:



Category	Yes	No	Other	Grand Total
Leaseholders and representative bodies	38	5	4	47
Developers and representative bodies	3	0	0	3
Other commercial investors	1	0	0	1
Social housing and not-for-profit sector	1	1	0	2
Legal professionals	12	4	1	17
Other professionals	3	0	0	3
Other consultees	44	2	5	51
Grand Total	102	12	10	124

1.280 Substantive reasons were set out in 35 consultation responses.

Consultation Question 75

Consultation Question 75.

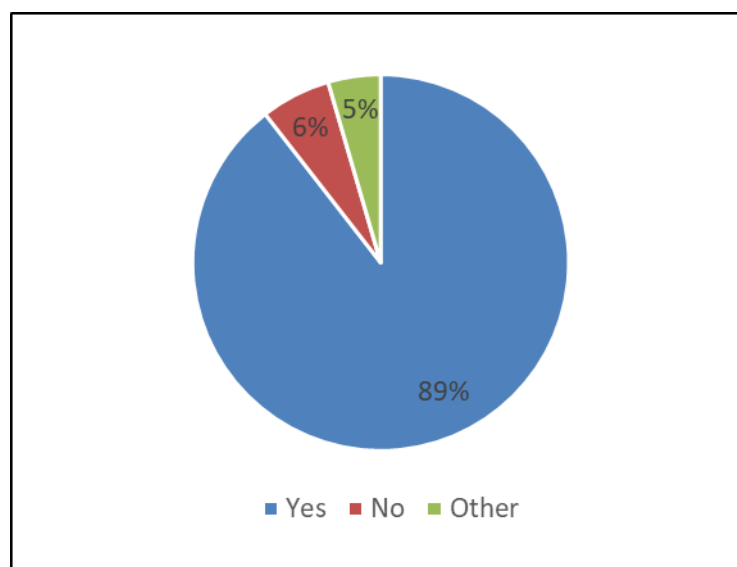
13.52 We provisionally propose that referral to an ombudsman should not be a mandatory part of commonhold's dispute resolution procedure. Instead, it could be used on an optional basis, instead of, or alongside, other forms of alternative dispute resolution.

Do consultees agree?

13.53 We provisionally propose that membership of an approved ombudsman scheme should no longer be a requirement for commonhold associations, and that, instead, commonhold associations should be able to decide whether or not to become a member of an ombudsman scheme.

Do consultees agree?

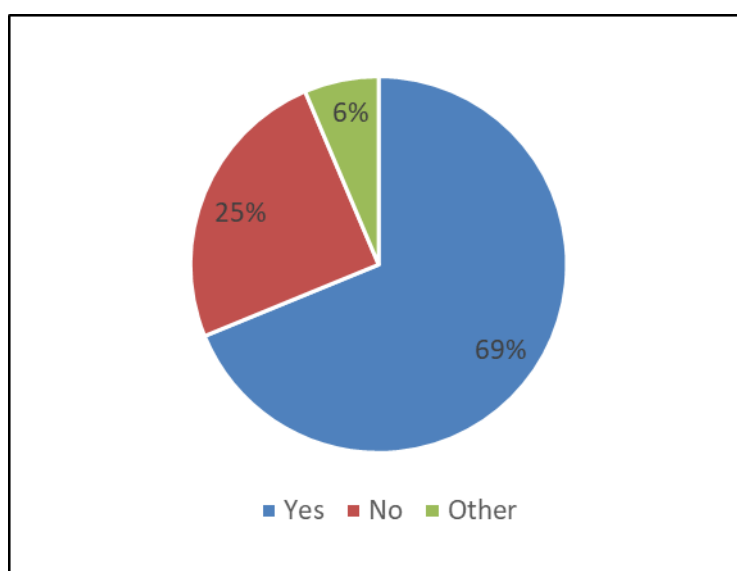
1.281 In response to Consultation Question 75 part 1 (para 13.52) the statistics were as follows:



Category	Yes	No	Other	Grand Total
Leaseholders and representative bodies	44	1	4	49
Developers and representative bodies	3	0	0	3
Other commercial investors	1	1	0	2
Social housing and not-for-profit sector	2	0	0	2
Legal professionals	16	1	0	17
Other professionals	0	3	0	3
Other consultees	53	2	2	57
Grand Total	119	8	6	133

1.282 Substantive reasons were set out in 29 consultation responses.

1.283 In response to Consultation Question 75 part 2 (para 13.53) the statistics were as follows:



Category	Yes	No	Other	Grand Total
Leaseholders and representative bodies	31	11	3	45
Developers and representative bodies	3	0	0	3
Other commercial investors	1	1	0	2
Social housing and not-for-profit sector	2	1	0	3
Legal professionals	13	5	1	19
Other professionals	0	3	0	3
Other consultees	36	10	4	50
Grand Total	86	31	8	125

1.284 Substantive reasons were set out in 45 consultation responses.

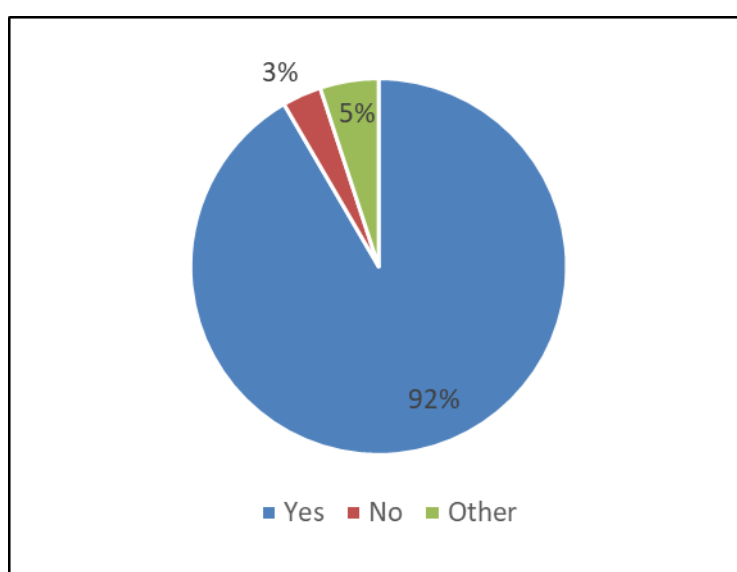
Consultation Question 76

Consultation Question 76.

13.56 We provisionally propose that, where the dispute resolution procedure has not been followed, any court or tribunal, which subsequently considers the dispute, should have full discretion to disregard the non-compliance, or to order the parties to take any steps it considers appropriate, in accordance with its general case management powers.

Do consultees agree?

1.285 In response to Consultation Question 76 (para 13.56) the statistics were as follows:



Category	Yes	No	Other	Grand Total
Leaseholders and representative bodies	40	3	3	46
Developers and representative bodies	3	0	0	3
Other commercial investors	2	0	0	2
Social housing and not-for-profit sector	2	0	0	2
Legal professionals	17	0	0	17
Other professionals	2	0	0	2
Other consultees	43	1	3	47
Grand Total	109	4	6	119

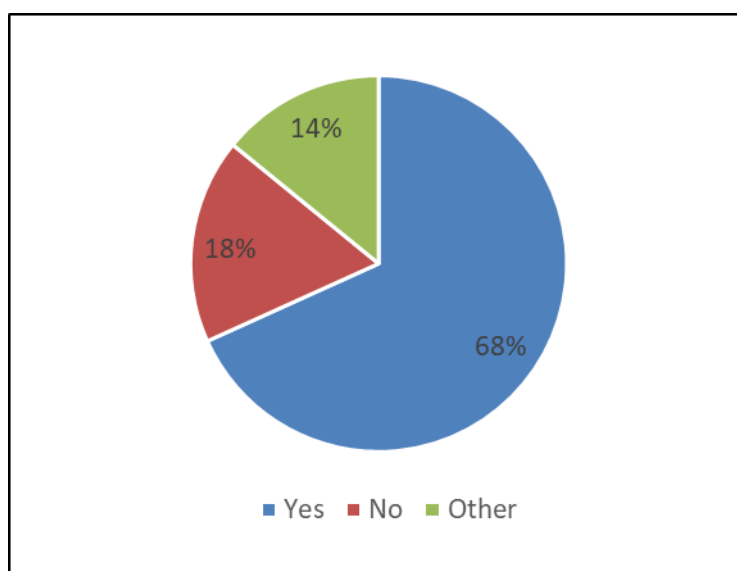
1.286 Substantive reasons were set out in 23 consultation responses.

Consultation Question 77

Consultation Question 77.

13.67 We invite consultees' views as to whether the current commonhold dispute resolution procedure should be transferred to a pre-action protocol.

1.287 In response to Consultation Question 77 (para 13.67) the statistics were as follows:



Category	Yes	No	Other	Grand Total
Leaseholders and representative bodies	21	6	6	33
Developers and representative bodies	1	0	0	1
Other commercial investors	0	0	0	0
Social housing and not-for-profit sector	1	0	0	1
Legal professionals	11	4	2	17
Other professionals	0	1	0	1
Other consultees	24	4	4	32
Grand Total	58	15	12	85

1.288 Substantive reasons were set out in 48 consultation responses.

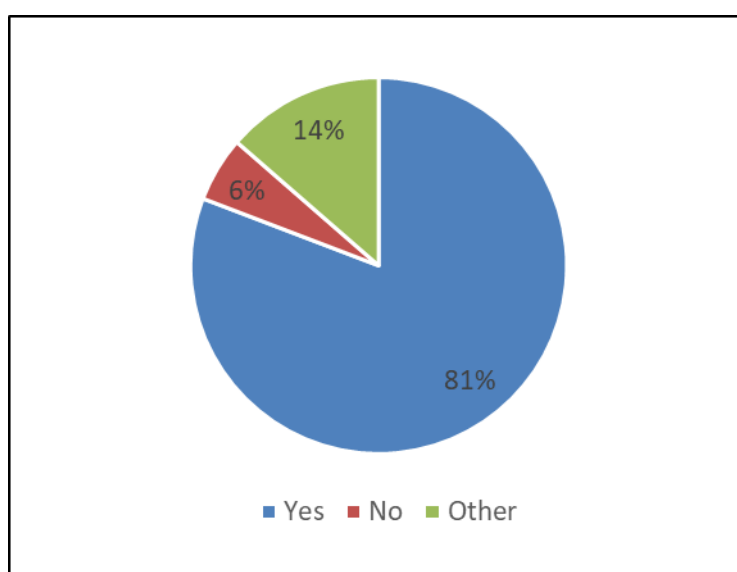
Consultation Question 78

Consultation Question 78.

13.76 We provisionally propose that the jurisdiction of the First-tier Tribunal (Property Chamber) in England and the Residential Property Tribunal Wales should be extended to cover disputes arising within a commonhold.

Do consultees agree?

1.289 In response to Consultation Question 78 (para 13.76) the statistics were as follows:



Category	Yes	No	Other	Grand Total
Leaseholders and representative bodies	36	4	8	48
Developers and representative bodies	3	0	0	3
Other commercial investors	1	0	0	1
Social housing and not-for-profit sector	2	0	0	2
Legal professionals	14	2	2	18
Other professionals	3	0	0	3
Other consultees	42	1	7	50
Grand Total	101	7	17	125

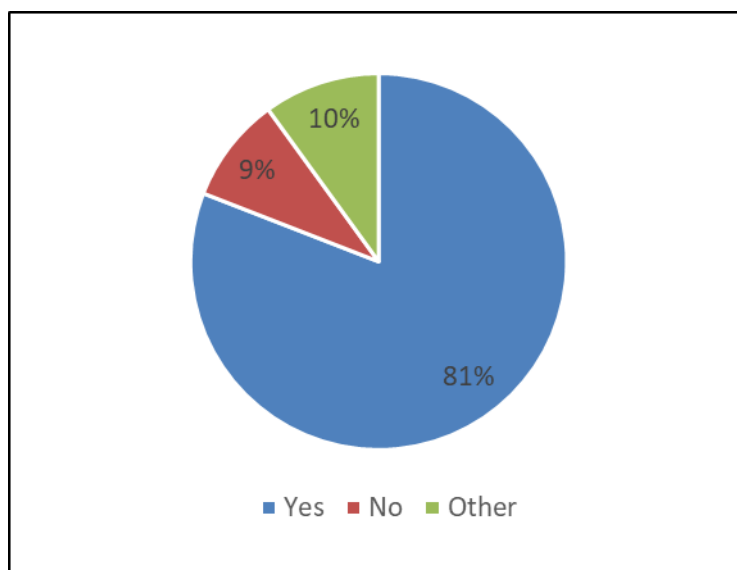
1.290 Substantive reasons were set out in 47 consultation responses.

Consultation Question 79

Consultation Question 79.

13.82 We invite consultees' views as to whether the prescribed CCS should include a provision that, where a unit owner or tenant breaches the rules of the CCS, the unit owner, or tenant, should be required to indemnify the other unit owners and the commonhold association for any losses they reasonably incur as a result of the breach.

1.291 In response to Consultation Question 79 (para 13.82) the statistics were as follows:



Category	Yes	No	Other	Grand Total
Leaseholders and representative bodies	38	5	5	48
Developers and representative bodies	2	0	0	2
Other commercial investors	0	0	0	0
Social housing and not-for-profit sector	2	0	0	2
Legal professionals	9	3	4	16
Other professionals	2	0	0	2
Other consultees	36	2	2	40
Grand Total	89	10	11	110

1.292 Substantive reasons were set out in 47 consultation responses.

Consultation Question 80

Consultation Question 80.

13.90 Elsewhere in this Consultation Paper we provisionally propose that it should be possible for a unit owner (or owners) to apply to the First-tier Tribunal (Property Chamber) in England or the Residential Property Tribunal Wales to challenge a decision of the commonhold association in the following circumstances:

- (1) Where the commonhold association approves a budget, which will result in costs above a threshold (set in the CCS) being incurred on works or enhanced services;
- (2) Where the minority are outvoted on a decision to vary the local rules of the CCS;
- (3) If the directors of the association delegate powers to a committee which has been set up to represent a section of the commonhold, and the unit owners in the section wish to prevent the directors revoking or amending these powers;
- (4) Where the unit owner, or owners, are opposed to the introduction of a new section or the combination of two or more sections.

13.91 We invite consultees' views as to whether there are any other circumstances in which it would be appropriate to provide a unit owner (or owners) with a right to challenge a decision taken by the commonhold association.

1.293 In response to Consultation Question 80 (para 13.90) substantive answers were set out in 61 consultation responses.

Consultation Question 81

Consultation Question 81.

13.95 We invite consultees' views as to the extent to which the following factors should be taken into account by the First-tier Tribunal (Property Chamber) and the Residential Property Tribunal Wales when deciding whether or not to grant a remedy to a unit owner who challenges a decision taken by the commonhold association:

- (1) Whether or not the unit owner(s) making the application voted against the decision complained of, or had a good reason for not doing so.
- (2) Whether the decision complained of needs to have a particular impact on the unit owner (or owners) and if so, what degree of impact.
- (3) The reason behind the decision taken by the commonhold association, for example, whether the decision is in the best interests of the commonhold and/or is proportionate to the impact on the unit owner in question.

13.96 We also invite consultees' views on whether the same factors would be relevant in all of the circumstances set out in Consultation Question 80 where a unit owner may have the right to apply to the First-tier Tribunal (Property Chamber) or the Residential Property Tribunal (Wales).

1.294 In response to Consultation Question 81 (para 13.95) substantive answers were set out in 60 consultation responses.

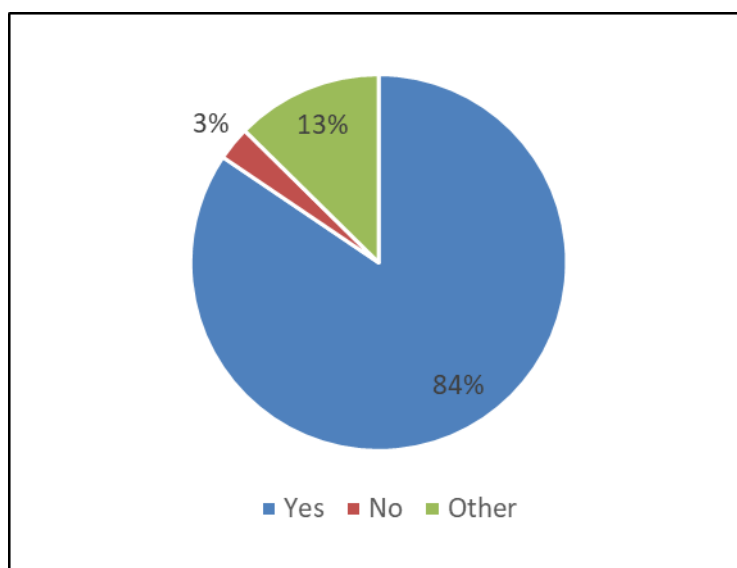
Consultation Question 82

Consultation Question 82.

13.98 We provisionally propose that on an application by a unit owner challenging a decision of the commonhold association, the First-tier Tribunal (Property Chamber) or the Residential Property Tribunal (Wales) should be able to allow the decision to stand or annul the decision. If the First-tier Tribunal (Property Chamber) or the Residential Property Tribunal (Wales) allows the decision to stand, we propose that the Tribunal should be able to attach conditions to its decision.

Do consultees agree?

1.295 In response to Consultation Question 82 (13.98) the statistics were as follows:



Category	Yes	No	Other	Grand Total
Leaseholders and representative bodies	32	3	5	40
Developers and representative bodies	2	0	0	2
Other commercial investors	2	0	0	2
Social housing and not-for-profit sector	2	0	0	2
Legal professionals	16	0	2	18
Other professionals	2	0	0	2
Other consultees	31	0	6	37
Grand Total	87	3	13	103

1.296 Substantive reasons were set out in 23 consultation responses.

Chapter 14

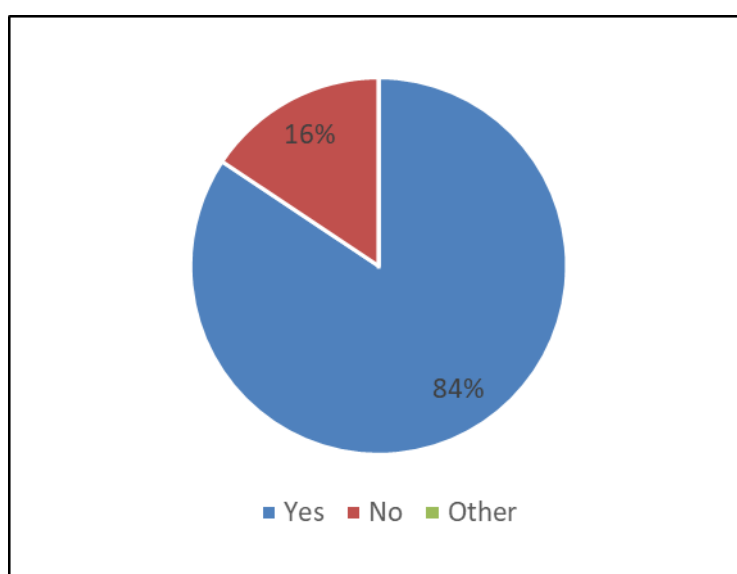
Consultation Question 83

Consultation Question 83.

14.31 We invite consultees' views as to whether the commonhold association should be provided with enhanced powers to address non-financial breaches of the CCS.

If so, what should these powers be?

1.297 In response to Consultation Question 83 (para 14.31) the statistics were as follows:



Category	Yes	No	Grand Total
Leaseholders and representative bodies	42	7	49
Other commercial investors	2	0	2
Social housing and not-for-profit sector	1	0	1
Legal professionals	6	5	11
Other professionals	3	0	3
Other consultees	43	6	49
Grand Total	97	18	115

1.298 Substantive reasons were set out in 76 consultation responses.

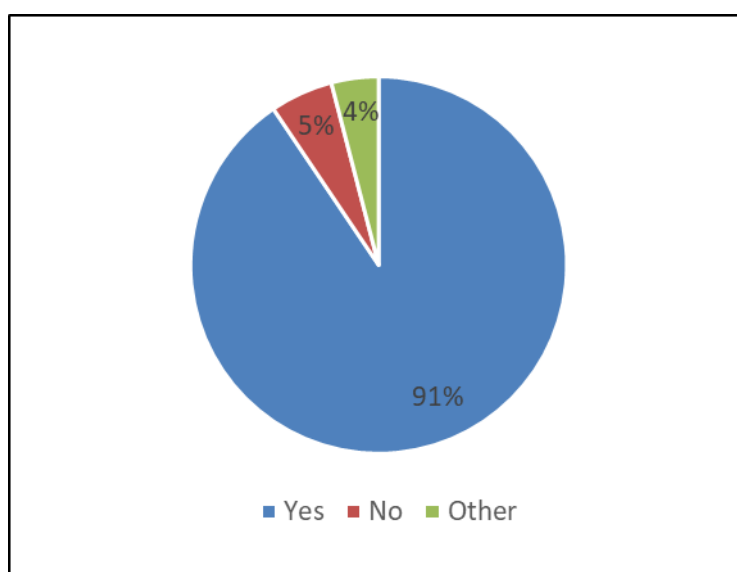
Consultation Question 84

Consultation Question 84.

14.44 We provisionally propose that a statutory cap should be introduced on the rate of interest which may be charged by the commonhold association on late payments of commonhold contributions.

Do consultees agree?

1.299 In response to Consultation Question 84 (para 14.44) the statistics were as follows:



Category	Yes	No	Other	Grand Total
Leaseholders and representative bodies	55	1	3	59
Developers and representative bodies	2	0	0	2
Other commercial investors	1	1	0	2
Social housing and not-for-profit sector	2	0	0	2
Legal professionals	17	2	0	19
Other professionals	2	0	1	3
Other consultees	55	4	2	61
Grand Total	134	8	6	148

1.300 Substantive reasons were set out in 48 consultation responses.

Consultation Question 85

Consultation Question 85.

14.59 We provisionally propose that a commonhold association should have an automatic statutory charge over commonhold units for the payment of commonhold costs.

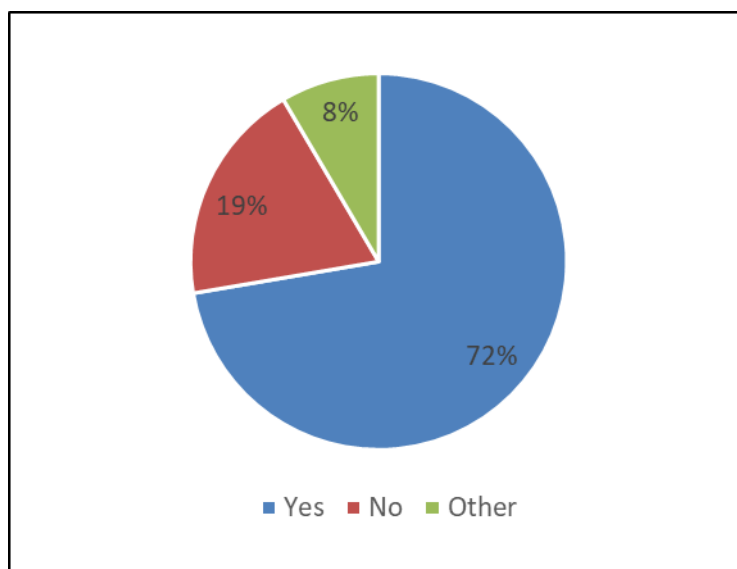
Do consultees agree?

14.60 We provisionally propose that if the commonhold association has an automatic statutory charge over commonhold units for the payment of commonhold contributions, this charge should take priority over all other charges (such as a mortgage over the property).

Do consultees agree?

1.301 There was an error with Question 85(1), as the question in the online form did not match the question in the consultation paper. Any statistics based on answers to this question are therefore invalid, as it is unclear whether consultees were responding to the version of the question in the consultation paper, or on the electronic form. We have therefore omitted the results of this question from this statistical analysis. The substantive comments made in response to the question have been analysed, and relevant points incorporated into our policy development.

1.302 In response to Consultation Question 85 part 2 (para 14.60) the statistics were as follows:



Category	Yes	No	Other	Grand Total
Leaseholders and representative bodies	39	9	4	52
Developers and representative bodies	2	0	0	2
Other commercial investors	2	0	0	2
Social housing and not-for-profit sector	0	2	0	2
Legal professionals	11	5	3	19
Other professionals	1	3	0	4
Other consultees	39	6	4	49
Grand Total	94	25	11	130

1.303 Substantive reasons were set out in 50 consultation responses.

Consultation Question 86

Consultation Question 86.

14.61 We provisionally propose that, before taking action to enforce a charge over a commonhold unit, the commonhold association should be required to follow a pre-action protocol. We envisage that the protocol will require the association to provide prescribed information to the defaulting unit owner and make reasonable attempts to agree a repayment plan.

Do consultees agree?

14.62 We invite consultees' views as to what steps the association should be required to take as part of this protocol.

14.63 We provisionally propose that where the commonhold association wishes to enforce a charge over a commonhold unit by selling the unit, it should always be necessary for the association to apply to court for an order for sale.

Do consultees agree?

14.64 We provisionally propose that the court should only be able to order the sale of a unit where the amount owing to the commonhold association exceeds a certain amount.

Do consultees agree?

14.65 We invite consultees' views as to what this amount should be and on what factors the court should take into account when deciding whether to order the sale of a unit.

14.66 We provisionally propose that where the sale of a unit is ordered, the court should appoint a receiver to sell the unit and distribute the proceeds of sale.

Do consultees agree?

14.67 We provisionally propose that where a receiver is appointed to sell a commonhold unit, the receiver should distribute the proceeds of sale in the following way.

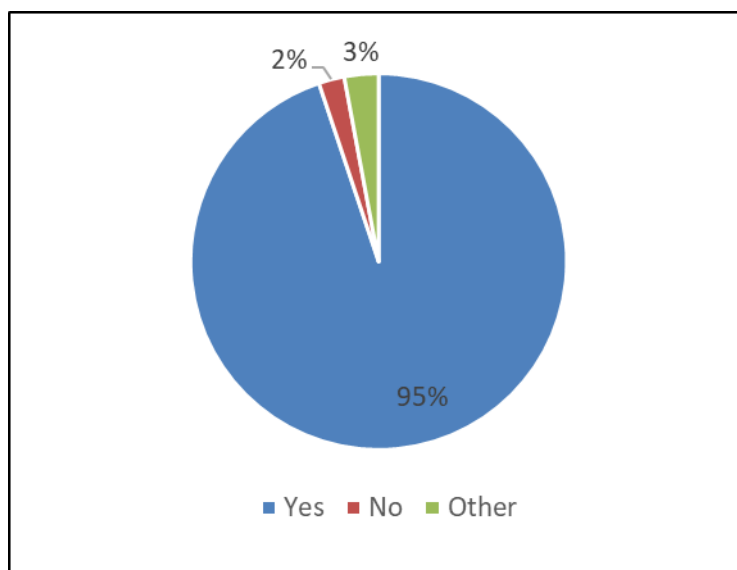
- (1) The receiver should be paid his or her costs of arranging the sale of the property.
- (2) The commonhold association should be repaid any outstanding amounts of commonhold contributions, plus any interest and costs awarded by the court.
- (3) Any other party who has an interest secured against the unit, such as a mortgage lender, should be repaid.
- (4) Any remaining amount should then be returned to the defaulting unit owner.

Do consultees agree?

14.68 We provisionally propose that any tenancies granted out of a unit should continue to exist following an order for sale.

Do consultees agree?

1.304 In response to Consultation Question 86 part 1 (para 14.61) the statistics were as follows:

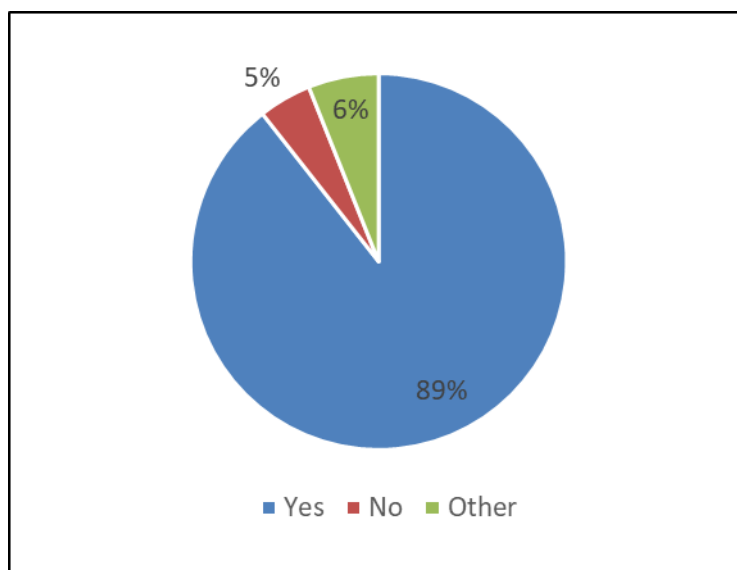


Category	Yes	No	Other	Grand Total
Leaseholders and representative bodies	50	2	3	55
Developers and representative bodies	3	0	0	3
Other commercial investors	2	0	0	2
Social housing and not-for-profit sector	2	0	0	2
Legal professionals	16	0	0	16
Other professionals	1	0	0	1
Other consultees	55	1	1	57
Grand Total	129	3	4	136

1.305 Substantive reasons were set out in 32 consultation responses.

1.306 In response to Consultation Question 86 part 2 (para 14.62) substantive answers were set out in 51 consultation responses.

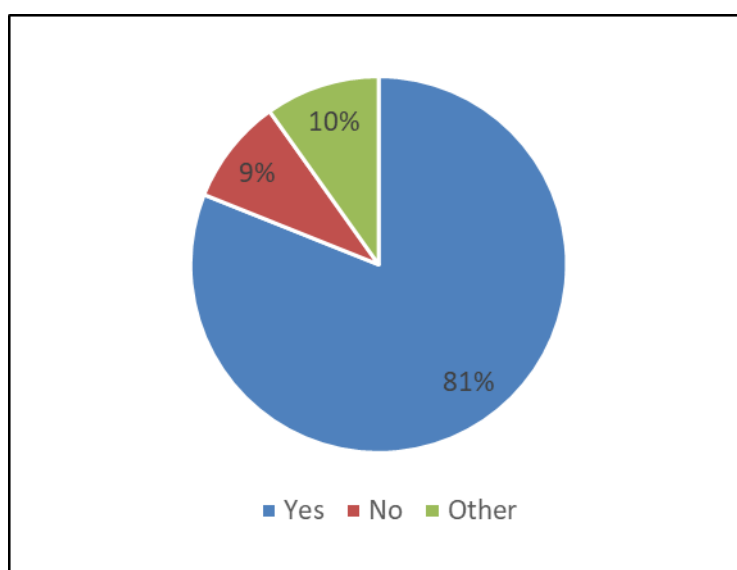
1.307 In response to Consultation Question 86 part 3 (para 14.63) the statistics were as follows:



Category	Yes	No	Other	Grand Total
Leaseholders and representative bodies	48	2	4	54
Developers and representative bodies	3	0	0	3
Other commercial investors	2	0	0	2
Social housing and not-for-profit sector	2	0	0	2
Legal professionals	13	1	0	14
Other professionals	2	0	0	2
Other consultees	48	3	4	55
Grand Total	118	6	8	132

1.308 Substantive reasons were set out in 30 consultation responses.

1.309 In response to Consultation Question 86 part 4 (para 14.64) the statistics were as follows:

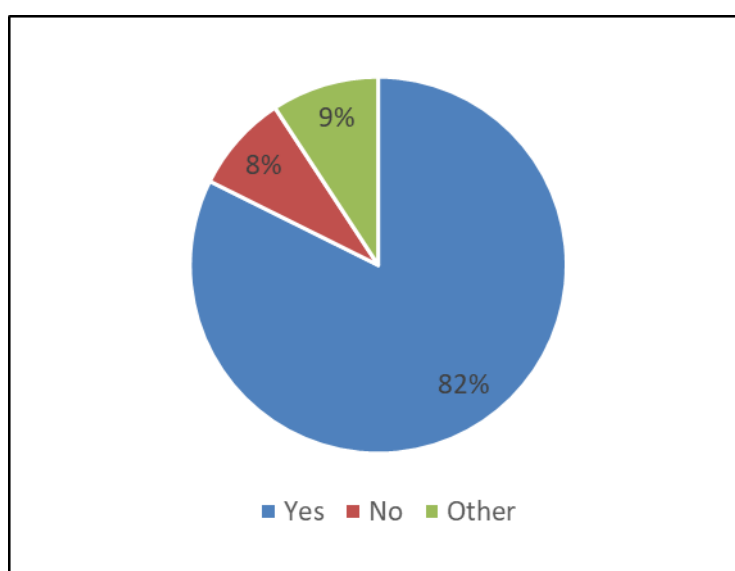


Category	Yes	No	Other	Grand Total
Leaseholders and representative bodies	45	4	5	54
Developers and representative bodies	3	0	0	3
Other commercial investors	2	0	0	2
Social housing and not-for-profit sector	2	0	0	2
Legal professionals	10	5	1	16
Other professionals	2	0	0	2
Other consultees	43	3	7	53
Grand Total	107	12	13	132

1.310 Substantive reasons were set out in 52 consultation responses.

1.311 In response to Consultation Question 86 part 5 (para 14.65) substantive answers were set out in 62 consultation responses.

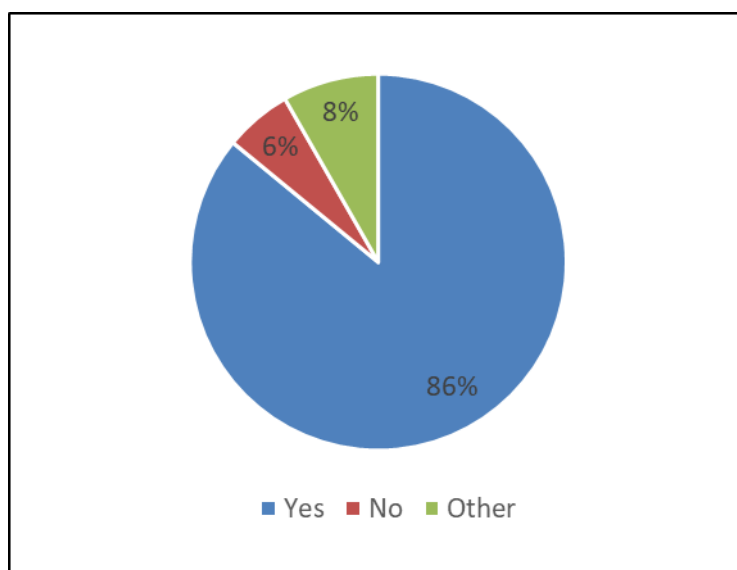
1.312 In response to Consultation Question 86 part 6 (para 14.66) the statistics were as follows:



Category	Yes	No	Other	Grand Total
Leaseholders and representative bodies	38	5	5	48
Developers and representative bodies	2	1	0	3
Other commercial investors	2	0	0	2
Social housing and not-for-profit sector	2	0	0	2
Legal professionals	11	2	0	13
Other professionals	2	0	0	2
Other consultees	41	2	6	49
Grand Total	98	10	11	119

1.313 Substantive reasons were set out in 36 consultation responses.

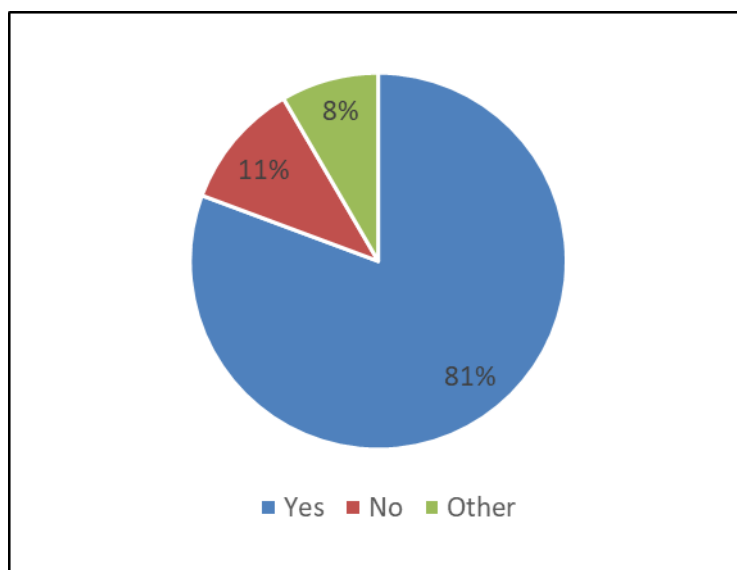
1.314 In response to Consultation Question 86 part 7 (para 14.67) the statistics were as follows:



Category	Yes	No	Other	Grand Total
Leaseholders and representative bodies	42	2	6	50
Developers and representative bodies	2	0	0	2
Other commercial investors	2	0	0	2
Social housing and not-for-profit sector	1	1	0	2
Legal professionals	12	1	1	14
Other professionals	0	2	0	2
Other consultees	45	1	3	49
Grand Total	104	7	10	121

1.315 Substantive reasons were set out in 35 consultation responses.

1.316 In response to Consultation Question 86 part 8 (para 14.68) the statistics were as follows:



Category	Yes	No	Other	Grand Total
Leaseholders and representative bodies	38	3	7	48
Developers and representative bodies	1	1	0	2
Other commercial investors	2	0	0	2
Social housing and not-for-profit sector	2	0	0	2
Legal professionals	12	2	0	14
Other professionals	1	0	0	1
Other consultees	40	7	3	50
Grand Total	96	13	10	119

1.317 Substantive reasons were set out in 37 consultation responses.

Chapter 15

Consultation Question 87

Consultation Question 87.

15.88 We provisionally propose that voluntary termination of a commonhold should be possible with either:

- (1) unanimous support; or
- (2) the support of 80% of the available votes plus the approval of the court.

Do consultees agree?

15.89 We provisionally propose that on an application for voluntary termination the court should have discretion to decide whether to allow the voluntary termination to take place, as well as the terms on which it may do so.

Do consultees agree?

15.90 If the court has discretion as to whether to allow voluntary termination, We invite consultees' views as to the following issues:

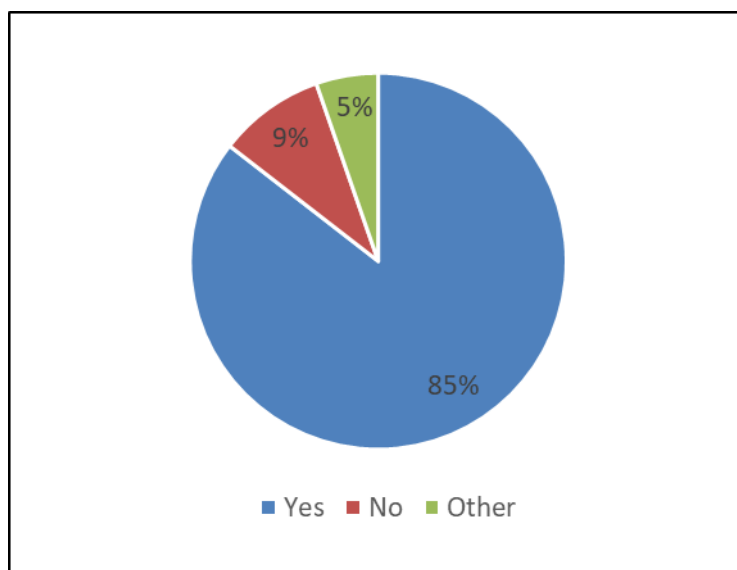
- (1) whether it would be useful to include factors to guide the court's discretion;
- (2) whether the factors mentioned in paragraph 15.52 should be taken into account;
- (3) whether the court should be directed to consider the amount of support there is for voluntary termination over and above the 80% required; and
- (4) whether others should also be included.

15.91 We invite consultees' views as to whether increasing the role of the court would sufficiently address the issue of the final terms of the termination statement not being acceptable to those who supported the termination resolution.

15.92 We provisionally propose that an application for voluntary termination should be heard by the court (rather than by the First-tier Tribunal (Property Chamber), or in Wales the Residential Property Tribunal Wales).

Do consultees agree?

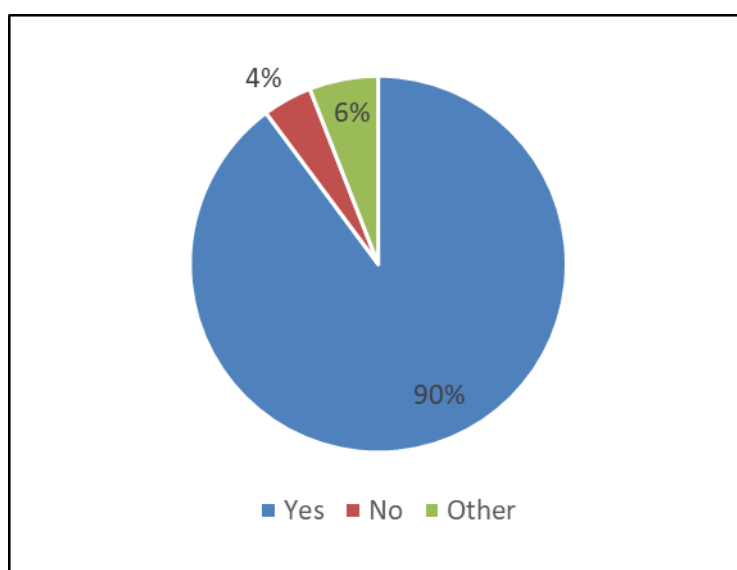
1.318 In response to Consultation Question 87 part 1 (para 15.88) the statistics were as follows:



Category	Yes	No	Other	Grand Total
Leaseholders and representative bodies	43	3	4	50
Developers and representative bodies	2	0	0	2
Other commercial investors	0	1	1	2
Social housing and not-for-profit sector	2	0	0	2
Legal professionals	17	3	0	20
Other professionals	2	0	0	2
Other consultees	46	5	2	53
Grand Total	112	12	7	131

1.319 Substantive reasons were set out in 40 consultation responses.

1.320 In response to Consultation Question 87 part 2 (para 15.89) the statistics were as follows:



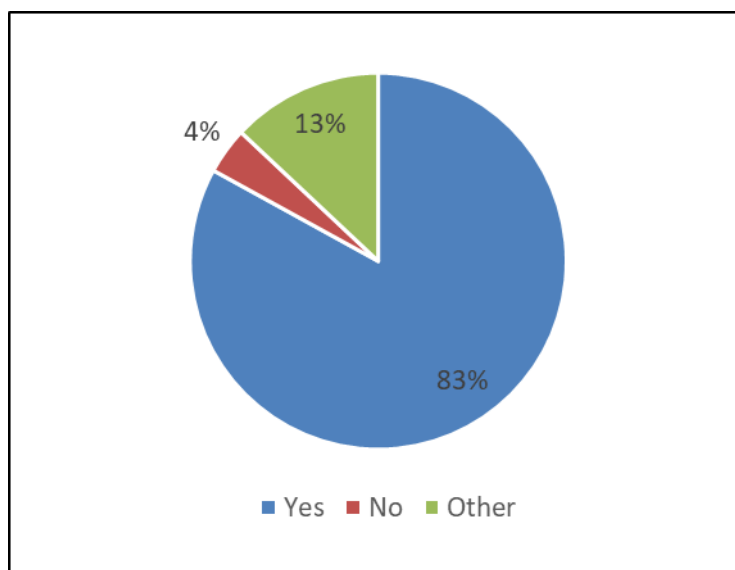
Category	Yes	No	Other	Grand Total
Leaseholders and representative bodies	37	3	5	45
Developers and representative bodies	2	0	0	2
Other commercial investors	2	0	0	2
Social housing and not-for-profit sector	2	0	0	2
Legal professionals	15	0	1	16
Other professionals	2	0	0	2
Other consultees	46	2	1	49
Grand Total	106	5	7	118

1.321 Substantive reasons were set out in 22 consultation responses.

1.322 In response to Consultation Question 87, part 3 (para 15.90) substantive answers were set out in 57 consultation responses.

1.323 In response to Consultation Question 87, part 4 (para 15.91) substantive answers were set out in 43 consultation responses.

1.324 In response to Consultation Question 87, part 5 (para 15.92) the statistics were as follows:



Category	Yes	No	Other	Grand Total
Leaseholders and representative bodies	29	2	8	39
Developers and representative bodies	2	0	0	2
Other commercial investors	1	0	0	1
Social housing and not-for-profit sector	2	0	0	2
Legal professionals	11	1	1	13
Other professionals	1	0	0	1
Other consultees	37	1	4	42
Grand Total	83	4	13	100

1.325 Substantive reasons were set out in 30 consultation responses.

Consultation Question 88

Consultation Question 88.

15.93 We provisionally propose that where a commonhold is divided into sections, any vote on voluntary termination would need to be taken in sections, and whether it was unanimous or received at least 80% support would have to be determined by section.

Do consultees agree?

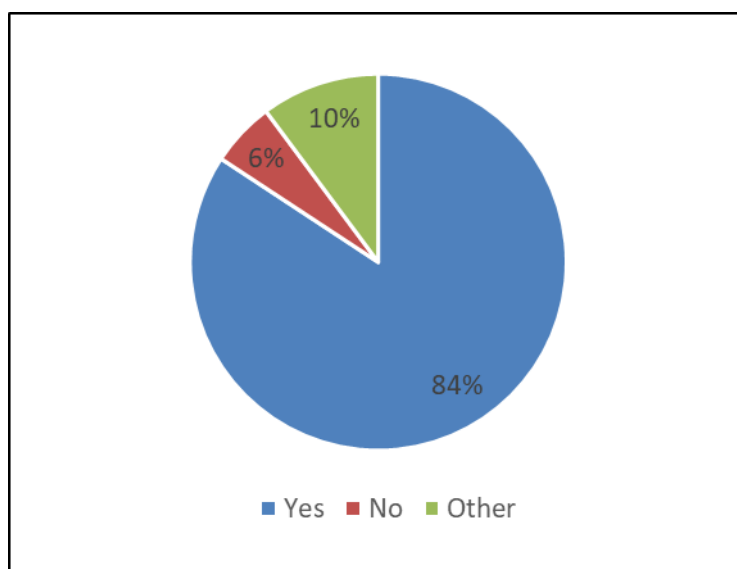
15.94 Where a commonhold is not divided into sections, we provisionally propose that it should be possible for part of the commonhold to be reconstituted following voluntary termination.

Do consultees agree?

15.95 We provisionally propose that reconstitution should require 100% support of the unit owners in the part to be reconstituted, or at least 80% support and an application to the court.

Do consultees agree?

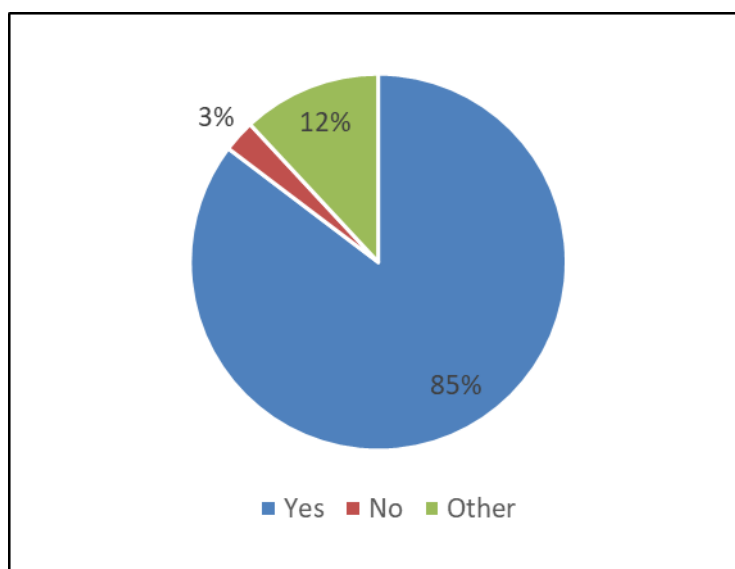
1.326 In response to Consultation Question 88 part 1 (para 15.93) the statistics were as follows:



Category	Yes	No	Other	Grand Total
Leaseholders and representative bodies	31	3	7	41
Developers and representative bodies	2	0	0	2
Other commercial investors	0	1	1	2
Social housing and not-for-profit sector	2	0	0	2
Legal professionals	16	0	1	17
Other professionals	2	0	0	2
Other consultees	38	2	2	42
Grand Total	91	6	11	108

1.327 Substantive reasons were set out in 29 consultation responses.

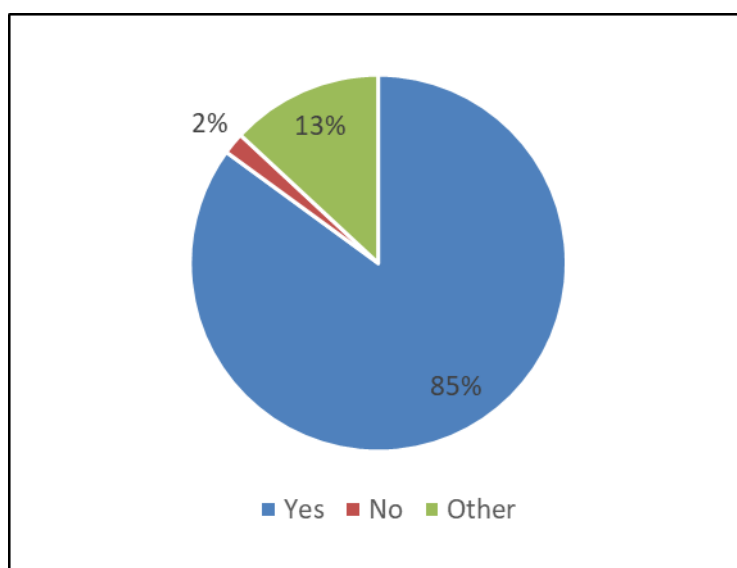
1.328 In response to Consultation Question 88, part 2 (para 15.94) the statistics were as follows:



Category	Yes	No	Other	Grand Total
Leaseholders and representative bodies	33	1	7	41
Developers and representative bodies	2	0	0	2
Other commercial investors	0	1	1	2
Social housing and not-for-profit sector	2	0	0	2
Legal professionals	15	0	1	16
Other professionals	2	0	0	2
Other consultees	39	1	4	44
Grand Total	93	3	13	109

1.329 Substantive reasons were set out in 22 consultation responses.

1.330 In response to Consultation Question 88 part 3 (para 15.95) the statistics were as follows:



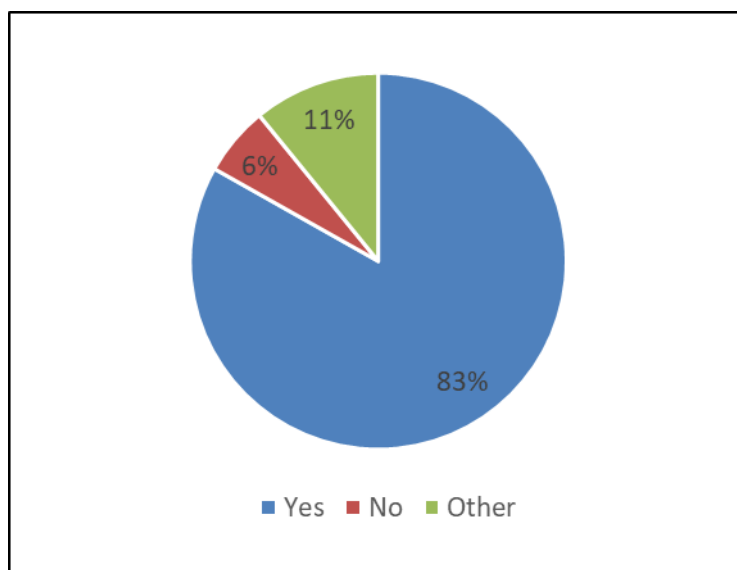
Category	Yes	No	Other	Grand Total
Leaseholders and representative bodies	30	1	9	40
Developers and representative bodies	2	0	0	2
Other commercial investors	0	1	1	2
Social housing and not-for-profit sector	2	0	0	2
Legal professionals	16	0	0	16
Other professionals	2	0	0	2
Other consultees	39	0	4	43
Grand Total	91	2	14	107

1.331 Substantive reasons were set out in 27 consultation responses.

Consultation Question 89

<p>Consultation Question 89.</p> <p>15.96 We provisionally propose that if any statute provides that a landlord should be entitled to recover possession of a property if he or she can prove an intention to demolish or reconstruct the building, such a requirement should also be satisfied if it can be proved that the commonhold association has that intention.</p> <p>Do consultees agree?</p> <p>15.97 We invite consultees' views as to what further provision, if any, should be made to address the position of tenants on voluntary termination of the commonhold.</p>

1.332 In response to Consultation Question 89 part 1 (para 15.96) the statistics were as follows:



Category	Yes	No	Other	Grand Total
Leaseholders and representative bodies	30	3	6	39
Developers and representative bodies	2	0	0	2
Other commercial investors	2	0	0	2
Social housing and not-for-profit sector	1	0	0	1
Legal professionals	16	0	0	16
Other professionals	2	0	0	2
Other consultees	31	3	5	39
Grand Total	84	6	11	101

1.333 Substantive reasons were set out in 23 consultation responses.

1.334 In response to Consultation Question 89, part 2 (para 15.97) substantive answers were set out in 34 consultation responses.

Consultation Question 90

Consultation Question 90.

15.101 We provisionally propose that it should be clarified that mortgage lenders and other secured lenders will retain their secured interest in the commonhold units until the commonhold in its entirety is sold.

Do consultees agree?

15.102 We provisionally propose that mortgage lenders and other secured lenders should automatically have legal standing to make applications to the court during the termination process with a view to protecting their interests.

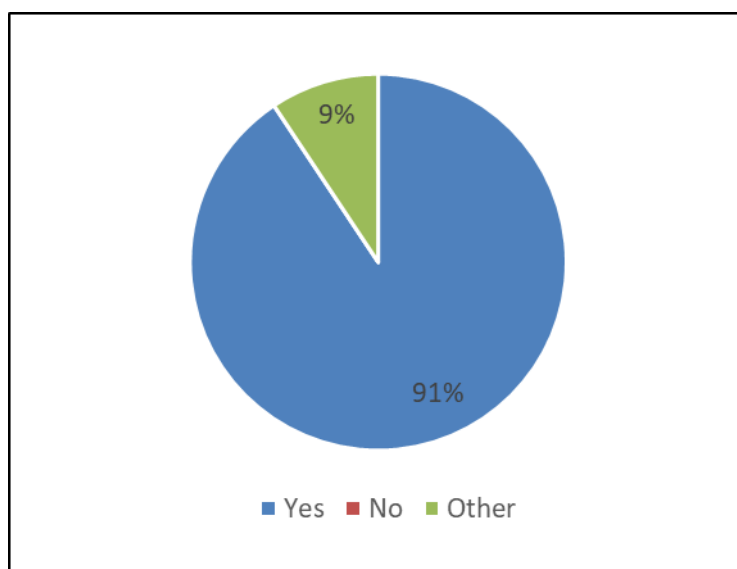
Do consultees agree?

15.103 We provisionally propose that it should be made clear that, if a unit is subject to negative equity, any shortfall should be met personally by the owner of the unit, and should not be covered by other unit owners.

Do consultees agree?

15.104 We invite consultees' views as to any other ways in which the interests of mortgage lenders and other secured lenders may require protection on the voluntary termination of a commonhold.

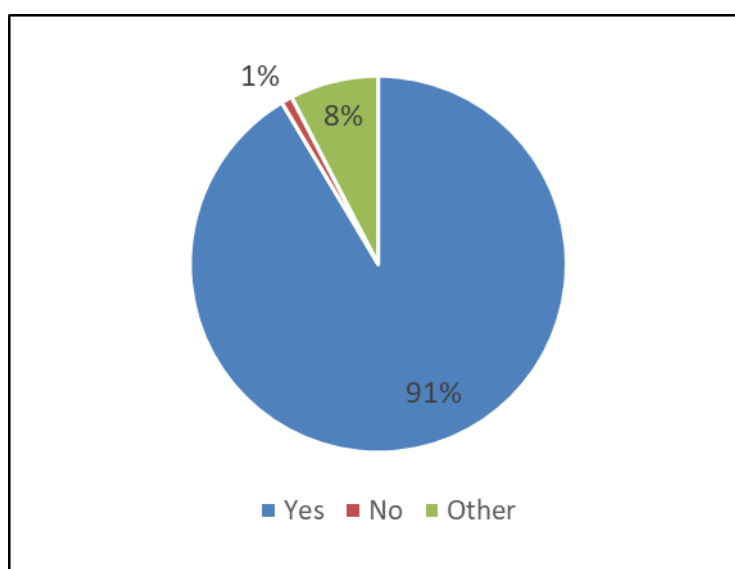
1.335 In response to Consultation Question 90 part 1 (para 15.101) the statistics were as follows:



Category	Yes	No	Other	Grand Total
Leaseholders and representative bodies	34	0	6	40
Developers and representative bodies	1	0	0	1
Other commercial investors	2	0	0	2
Social housing and not-for-profit sector	2	0	0	2
Legal professionals	14	0	1	15
Other professionals	3	0	0	3
Other consultees	41	0	3	44
Grand Total	97	0	10	107

1.336 Substantive reasons were set out in 23 consultation responses.

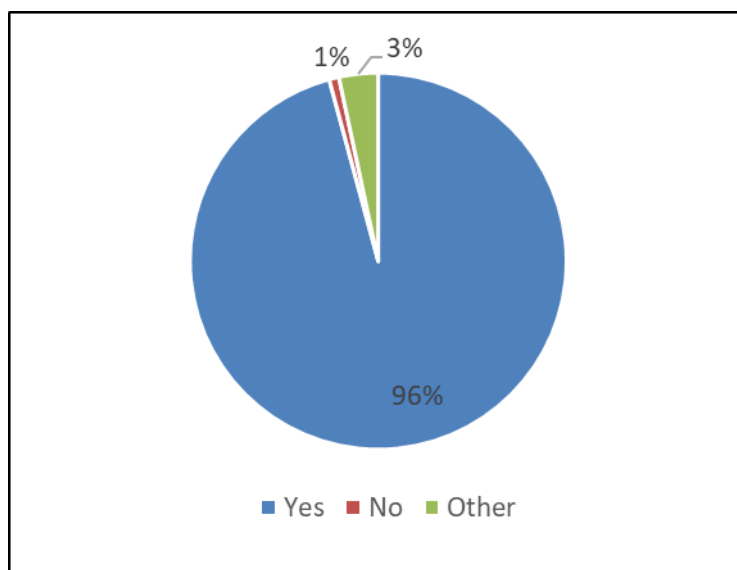
1.337 In response to Consultation Question 90 part 2 (para 15.102) the statistics were as follows:



Category	Yes	No	Other	Grand Total
Leaseholders and representative bodies	34	0	5	39
Developers and representative bodies	1	0	0	1
Other commercial investors	2	0	0	2
Social housing and not-for-profit sector	2	0	0	2
Legal professionals	16	0	0	16
Other professionals	3	0	0	3
Other consultees	38	1	3	42
Grand Total	96	1	8	105

1.338 Substantive reasons were set out in 22 consultation responses.

1.339 In response to Consultation Question 90 part 3 (para 1.103) the statistics were as follows:



Category	Yes	No	Other	Grand Total
Leaseholders and representative bodies	41	1	3	45
Developers and representative bodies	1	0	0	1
Other commercial investors	2	0	0	2
Social housing and not-for-profit sector	2	0	0	2
Legal professionals	15	0	0	15
Other professionals	3	0	0	3
Other consultees	50	0	1	51
Grand Total	114	1	4	119

1.340 Substantive reasons were set out in 26 consultation responses.

1.341 In response to Consultation Question 90, part 4 (para 15.104) substantive answers were set out in 41 consultation responses.

Consultation Question 91

Consultation Question 91.

15.117 We provisionally propose that the CCS should not be required to specify the share of the proceeds of termination that each unit owner is to receive on termination.

Do consultees agree?

15.118 We provisionally propose that it should be possible for the unit owners to specify the share of the proceeds of termination that each unit owner is to receive on termination (or some method of ascertaining it) in the CCS.

Do consultees agree?

15.119 We provisionally propose that the power to decide an application to disapply a provision in the CCS which determines the distribution of proceeds of sale on termination should lie with the Tribunal.

Do consultees agree?

15.120 We invite consultees' views as to whether:

- (1) guidance should be provided to the court or Tribunal as to how it should exercise its discretion; and
- (2) if guidance should be provided, what factors the court or Tribunal should take into account.

15.121 We invite consultees' views as to whether:

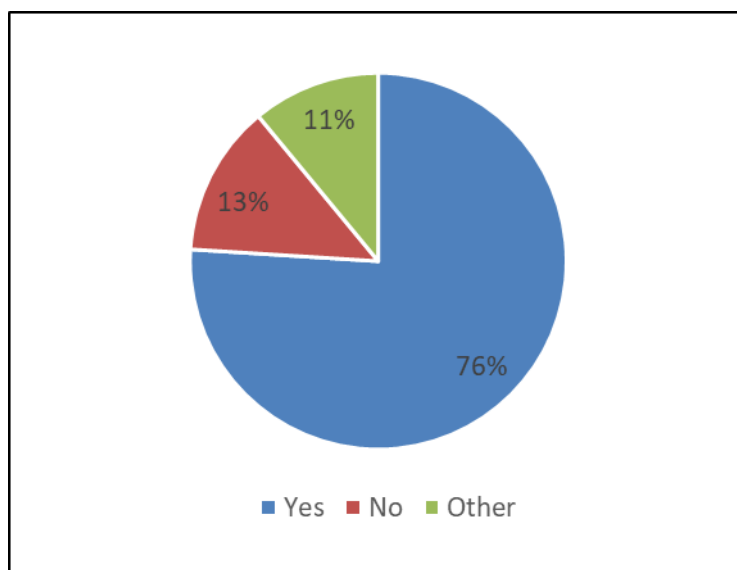
- (1) the existing rules of the Insolvency Court would be adequate to deal with valuation issues which arise on the voluntary termination of a commonhold, or need to be supplemented by Commonhold Insolvency Rules;
- (2) all issues involving the valuation of commonhold units on termination should be referred to the Tribunal (and, if so, whether that would cause any unnecessary delays);
- (3) if valuation issues are referred to the Tribunal, the Tribunal should be able to appoint a single valuer.

15.122 We provisionally propose that, if a commonhold is substantially destroyed, but remains solvent, for the purposes of the termination statement, the units should be valued on the basis of the best estimate that can be made of their pre-damage value.

Do consultees agree?

15.123 We invite consultees' views as to any other issues that might occur in the valuation of units if all or some of them have been partly or entirely destroyed. We also invite any suggested solutions.

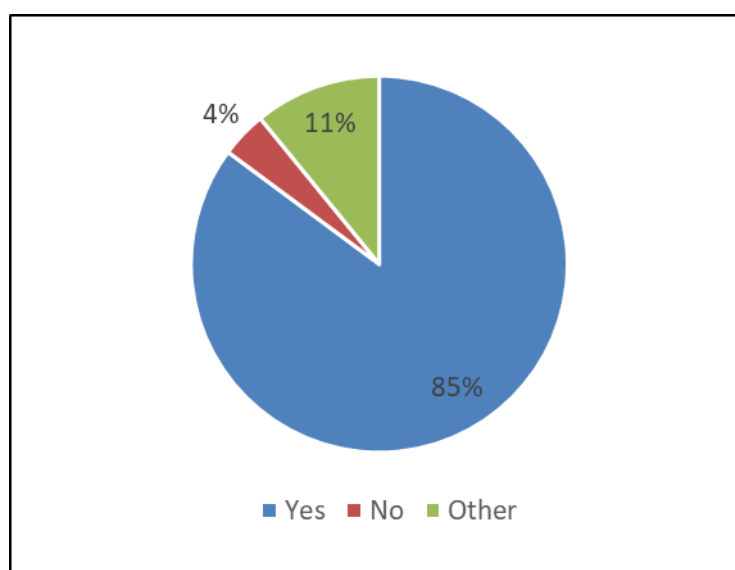
1.342 In response to Consultation Question 91, part 1 (para 15.117) substantive answers were set out in 26 consultation responses.



Category	Yes	No	Other	Grand Total
Leaseholders and representative bodies	30	3	5	38
Developers and representative bodies	1	0	0	1
Other commercial investors	2	0	0	2
Social housing and not-for-profit sector	0	0	0	0
Legal professionals	11	3	1	15
Other professionals	2	0	0	2
Other consultees	30	7	5	42
Grand Total	76	13	11	100

1.343 Substantive reasons were set out in 26 consultation responses.

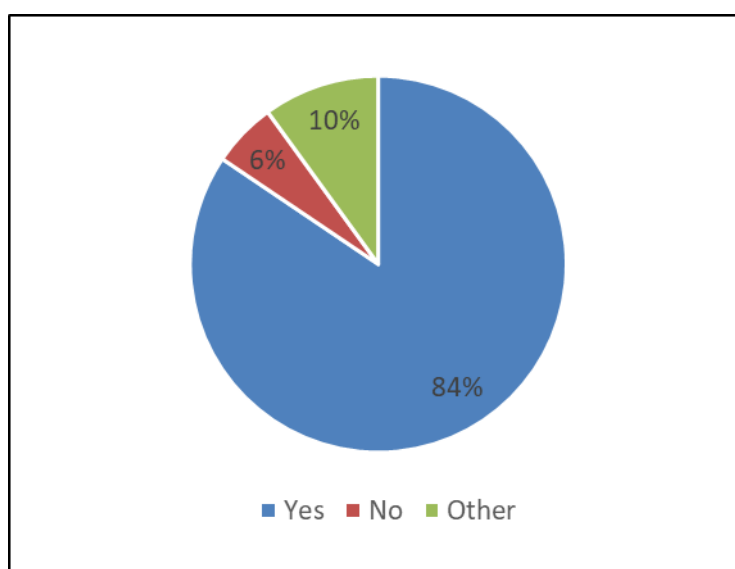
1.344 In response to Consultation Question 91 part 2 (para 15.118) the statistics were as follows:



Category	Yes	No	Other	Grand Total
Leaseholders and representative bodies	32	1	6	39
Developers and representative bodies	1	0	0	1
Other commercial investors	2	0	0	2
Social housing and not-for-profit sector	1	0	0	1
Legal professionals	14	1	0	15
Other professionals	2	0	0	2
Other consultees	34	2	5	41
Grand Total	86	4	11	101

1.345 Substantive reasons were set out in 22 consultation responses.

1.346 In response to Consultation Question 91 part 3 (para 15.119) the statistics were as follows:



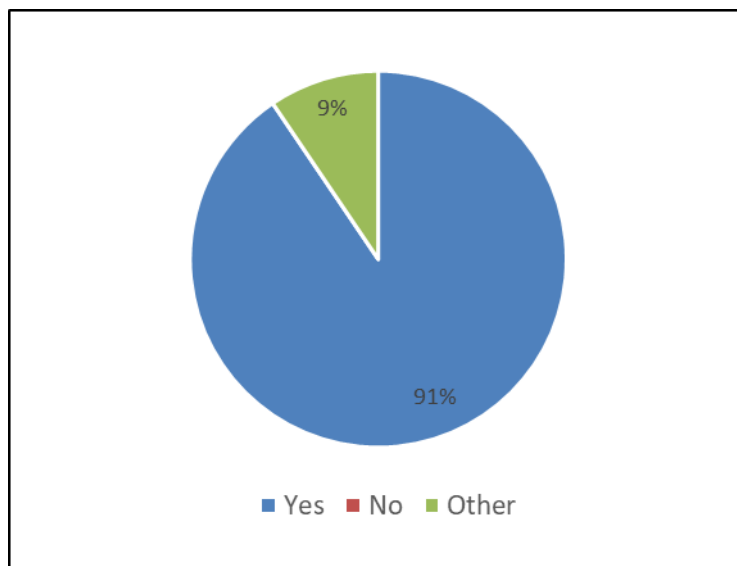
Category	Yes	No	Other	Grand Total
Leaseholders and representative bodies	27	3	5	35
Developers and representative bodies	1	0	0	1
Other commercial investors	0	0	0	0
Social housing and not-for-profit sector	1	0	0	1
Legal professionals	12	1	1	14
Other professionals	2	0	0	2
Other consultees	33	1	3	37
Grand Total	76	5	9	90

1.347 Substantive reasons were set out in 22 consultation responses.

1.348 In response to Consultation Question 91, part 4 (para 15.120) substantive answers were set out in 43 consultation responses.

1.349 In response to Consultation Question 91, part 5 (para 15.121) substantive answers were set out in 44 consultation responses.

1.350 In response to Consultation Question 91, part 6 (para 15.122) the statistics were as follows:



Category	Yes	No	Other	Grand Total
Leaseholders and representative bodies	32	0	4	36
Developers and representative bodies	1	0	0	1
Other commercial investors	1	0	0	1
Social housing and not-for-profit sector	1	0	0	1
Legal professionals	14	0	0	14
Other professionals	1	0	0	1
Other consultees	36	0	5	41
Grand Total	86	0	9	95

1.351 Substantive reasons were set out in 19 consultation responses.

1.352 In response to Consultation Question 91, part 7 (para 15.123) substantive answers were set out in 37 consultation responses.

Consultation Question 92

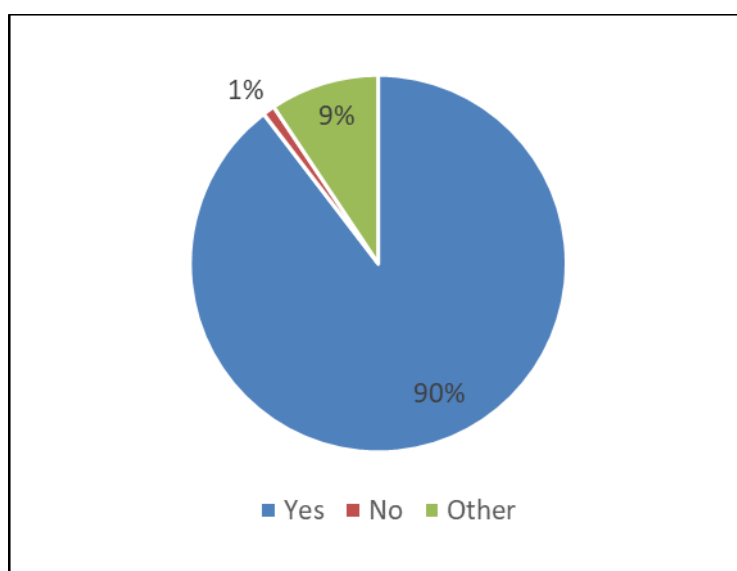
Consultation Question 92.

15.126 We provisionally propose that if the process of voluntary termination should begin, but it should subsequently turn out that the commonhold is in fact insolvent, the same protections should be given to the assets of the individual unit owners as would have applied if the process had begun as an involuntary insolvency.

Do consultees agree?

15.127 We invite consultees' views as to whether the value of the individual units should be preserved for the unit owners if the commonhold is substantially destroyed; and, if so, how this can be achieved.

1.353 In response to Consultation Question 92, part 1 (para 15.126) the statistics were as follows:



Category	Yes	No	Other	Grand Total
Leaseholders and representative bodies	32	0	5	37
Developers and representative bodies	2	0	0	2
Other commercial investors	2	0	0	2
Social housing and not-for-profit sector	1	0	0	1
Legal professionals	14	0	1	15
Other professionals	1	0	0	1
Other consultees	34	1	3	38
Grand Total	86	1	9	96

1.354 Substantive reasons were set out in 18 consultation responses.

1.355 In response to Consultation Question 92, part 2 (para 15.127) substantive answers were set out in 43 consultation responses.

Chapter 16

Consultation Question 93

Consultation Question 93.

16.6 We invite consultees' views as to whether, and how, any aspects of our provisional proposals to reform the law of commonhold will affect the position of existing owners of commonhold units, either positively or negatively.

1.356 In response to Consultation Question 93 (para 16.6) substantive answers were set out in 102 consultation responses.

Consultation Question 94

Consultation Question 94.

16.9 What advantages do you think commonhold could offer over leasehold?

1.357 In response to Consultation Question 94 (para 16.9) substantive answers were set out in 214 consultation responses.

Consultation Question 95

Consultation Question 95.

16.12 We ask consultees to provide us with information about the time spent in reading through and considering the terms of leases of residential flats:

- (1) when acting for a prospective purchaser;
- (2) when acting for a prospective purchaser and mortgage lender;
- (3) when acting for a mortgage lender on a re-mortgage;
- (4) when some dispute arises within a leasehold block of flats as to responsibility for repairs and maintenance, calculation of the service charge, and similar disputes.

16.13 In each case we also invite consultees to give us some idea of the cost that would thereby be incurred to the client.

16.14 We further invite their views as to whether time is likely to be saved in reading through and considering the terms of the parts of the CCS which may be varied.

16.15 We invite consultees to share with us their experience of commonhold-type arrangements in other countries. Is there scope for savings of time to be made? If so, what would be the estimated time saved on a typical transaction?

1.358 In response to Consultation Question 95 (para 16.12) substantive answers were set out in 103 consultation responses.

Consultation Question 96

Consultation Question 96.

16.18 We ask consultees to provide us with information about the prevalence of, and costs incurred in, disputes caused by the terms of one or more residential leases being inconsistent with the terms of another lease (or other leases) within a building or development. We further invite their views as to whether our provisional proposals for commonhold will reduce the scope for costs to be incurred in interpreting a commonhold community statement.

1.359 In response to Consultation Question 96 (para 16.18) substantive answers were set out in 67 consultation responses.

Consultation Question 97

Consultation Question 97.

16.20 We ask consultees to provide us with information about the sort of difficulties that can arise owing to the difficulty in varying and updating the terms of leases:

- (1) if the leases are varied as a conveyancing transaction which does not give rise to a dispute;⁷ and
- (2) if the leases are varied as a result of an application to the Tribunal (whether the application was made because it was contested, or because it was the most convenient way of implementing the variation).

16.21 If you have figures – whether they relate to the costs incurred, or the amount of time spent – then please let us have them.

16.22 We further invite consultees' views as to whether our proposals regarding the amendment of local rules by resolution of the commonhold association will reduce the costs which are incurred, when compared with the costs incurred under (1) or (2) above.

1.360 In response to Consultation Question 97, part 1 (para 16.20) substantive answers were set out in 65 consultation responses.

1.361 In response to Consultation Question 97, part 2 (para 16.21) substantive answers were set out in 55 consultation responses.

1.362 In response to Consultation Question 97, part 3 (para 16.22) substantive answers were set out in 51 consultation responses.

Consultation Question 98

Consultation Question 98.

16.26 We invite consultees to provide us with information about costs generated by service charge disputes. We further invite their views as to whether, and by how much, our provisional proposals for commonhold will reduce the incidence of disputes and the costs that will be incurred in equivalent disputes over contributions to shared costs.

1.363 In response to Consultation Question 98 (para 16.26) substantive answers were set out in 80 consultation responses.

Consultation Question 99

Consultation Question 99.

16.29 We invite consultees to provide us with information about costs generated when forfeiture proceedings need to be used to enforce payment of service charges. We further invite their views as to whether our provisional proposals for commonhold will reduce the costs that will be incurred if a commonhold association needs to seek an order for sale.

1.364 In response to Consultation Question 99 (para 16.29) substantive answers were set out in 53 consultation responses.

Consultation Question 100

Consultation Question 100.

16.32 We invite consultees' views as to:

- (1) whether cases before tribunals are likely to prove more or less expensive than similar cases before courts; and
- (2) whether (apart from service charge disputes, which we have already addressed in Consultation Question 98) there appears to be more or less scope for disputes within commonholds which result in litigation, when compared with leasehold developments.

1.365 In response to Consultation Question 100 (para 16.32) substantive answers were set out in 71 consultation responses.

Consultation Question 101

Consultation Question 101.

16.34 We are provisionally proposing several new grounds upon which it would be possible for someone to make an application to the Tribunal. We invite consultees' views as to:

- (1) what they consider that the likely impact of these will be on the number of applications made to the Tribunals; and
- (2) whether any particular proposals are likely to result in a large number of new applications being made.

1.366 In response to Consultation Question 101 (para 16.34) substantive answers were set out in 61 consultation responses.

Consultation Question 102

Consultation Question 102.

16.35 We invite the views of consultees as to how any other aspects of our provisional proposals for reform of commonhold will affect the position of future owners of commonhold units, either positively or negatively.

1.367 In response to Consultation Question 102 (para 16.35) substantive answers were set out in 64 consultation responses.

Consultation Question 103

Consultation Question 103.

16.38 We ask consultees to provide us with any information that they may have of:

- (1) examples of planning agreements which are practicable under leasehold but which would not appear to be feasible under our reinvigorated model of commonhold; and
- (2) services within leasehold developments which are being provided at the residents' expense, but which, if the development had been set up on a commonhold basis, would have been provided, if at all, at public expense.

1.368 In response to Consultation Question 103 (para 16.38) substantive answers were set out in 58 consultation responses.

Consultation Question 104

Consultation Question 104.

16.41 We ask consultees to provide us with any evidence they have of management difficulties which may arise where a leaseholder-controlled company is the landlord of (or responsible for the management of) commercial units; and whether this has affected their rental or capital value.

1.369 In response to Consultation Question 104 (para 16.41) substantive answers were set out in 53 consultation responses.

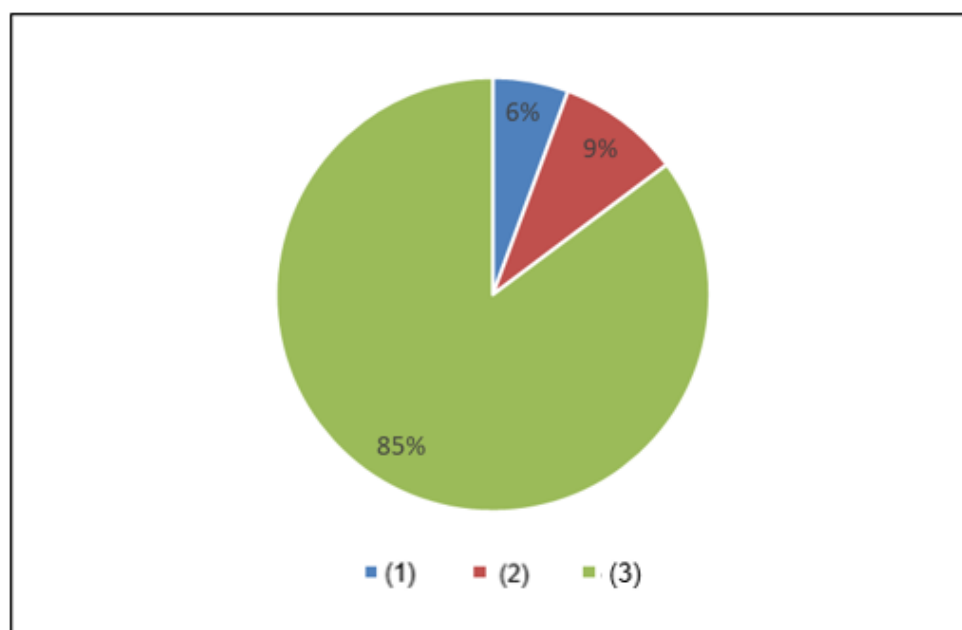
Consultation Question 105

Consultation Question 105.

16.43 Which of the following statements best reflects your views on the provisional proposals in this Consultation Paper?

- (1) If these proposals are adopted, then developers will be willing to use commonhold for a substantial number of developments.
- (2) Even if these proposals are adopted, developers will not be willing to use commonhold unless Government introduces financial incentives for them to do so, either directly by offering financial incentives for the developers, or indirectly, by offering incentives for purchasers of commonhold units.
- (3) Even if these proposals are adopted, and financial incentives are given, developers will not use commonhold for developments unless they are prohibited from selling flats on a leasehold basis and they are thus forced to use commonhold.

1.370 In response to Consultation Question 105 (para 16.43) the statistics were as follows:



Row Labels	(1)	(2)	(3)	Grand Total
Leaseholders and representative bodies	66	5	3	74
Developers and representative bodies	0	1	0	1
Other commercial investors	0	0	0	0
Social housing and not-for-profit sector	1	0	0	1
Legal professionals	4	4	1	9
Other professionals	0	2	0	2
Other consultees	50	1	4	55
Grand Total	121	13	8	142

1.371 Substantive reasons were set out in 132 consultation responses.

Consultation Question 106

Consultation Question 106.

16.48 We invite consultees' views as to:

- (1) what issues prevent the uptake of commonhold; and
- (2) what could or should be done to promote the adoption of commonhold.

16.49 We invite consultees' views as to the extent to which the suggestions for the invigoration of commonhold set out in paragraph 16.47 above, and any other suggestions that they may make, are likely to result in commonhold being used instead of leasehold.

1.372 In response to Consultation Question 106, part 1 (para 16.48) substantive answers were set out in 138 consultation responses.

1.373 In response to Consultation Question 106, part 2 (para 16.49) substantive answers were set out in 77 consultation responses.

Consultation Question 107

Consultation Question 107.

16.51 We invite consultees' views as to whether a reformed commonhold regime should treat particular issues differently in England and in Wales. Consultees are welcome to share their views as to this point here, or in response to questions which we ask throughout the Consultation Paper about particular issues.

1.374 In response to Consultation Question 107 (para 16.51) substantive answers were set out in 75 consultation responses.