

Name of organisation: A. L. Hughes & Co.

Question 1:

Yes

Comment: It's a bit obvious, really!

Question 2:

Yes

Comment: I agree, but I consider that the consequence of this needs to be that the non-participating leaseholder retains their lease as a sub-lease from a new commonhold unit of their flat which is held by the entity or persons effecting the enfranchisement/conversion. That leaseholder will, if they wish to extend their lease, only be able to acquire that commonhold unit instead and the lease would then be determined by merger. This is very much along the lines of Option 1.

Question 3:

Yes

Comment:

Question 4:

(1) Yes

Comment:

(2) Yes

Comment: This would be on the same lines as the 1993 Act - they should NOT be able to extend their leases, simply to acquire the commonhold. see below.

(3) Yes

Comment:

(4) This is a tricky one as it interferes with the saleability of the flat. I'd say not. However I would abolish the 2 year rule for the extension right here. Not sure why it exists anyway now.

(5) Other

Comment: Why not give the old freeholder commonhold units?

(6) (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

Comment: In (c) and (d) the tenure created should be commonhold subject to the existing lease.

Question 5:

(1) No

Comment: I don't think this can work.

(2) Yes

Comment: This is an obvious solution.

No

(3 & 4) The consenting leaseholders should fund this in the normal way.

(5) I just don't think this would work as anyone who funds a non-consenting leaseholder now does so on the basis that they will get the lease extension proceeds, which increase in value over time.

(6) (e) in some other way.

Comment: (d) is the only one of these I think will be fair.

(7) That is another issue. Mortgagees will not like this at all. It's not a good idea. Just leave it out!

Question 6:

(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

Comment: This is sensible.

Question 7:

Other

Comment: The authorisation should only be needed if there are objections from an interested party.

Question 8:

Yes

Comment:

Question 9:

Yes, it should be possible for charges to transfer automatically, without requiring lenders' consent.

Comment: This reflects the 1993 Act process.

Question 10:

(1) Option 1

(2) I have given my reasons above.

(3) I have no other suggestions here.

Question 11:

Yes

Comment: This is fair.

Question 12:

(1) Other

Comment: There should be some time limit. 2 years is enough.

(2) Other

Comment: 50% threshold for withdrawal.

Question 13:

(1) Yes

Comment:

(2) Other

Comment: i think that mortgagee consent should not be required. The mortgage should be transferred automatically as in a 1993 extension. There is no loss of security.

Question 14:

Yes

Comment:

Question 15:

One could just change the law so as to include an automatic right to operate as a commonhold association in any limited company which owns the freehold of one parcel of land subject to flat leases where the members of the company are leaseholders of some or all of the flats .

Question 16:

- (1) Yes
- (2) Nothing to add here.

Question 17:

- (1) Yes

Comment: Having said that, I think that where possible commonhold associations should manage properties in the same size of block as would be treated as a separate building for 1987 Act purposes.

- (2) Layered commonholds

Comment:

- (3)

Question 18:

- (1) Yes

Comment: Too much bureaucracy will not work.

- (2)

Question 19:

It should be for each commonhold to decide.

Comment:

Question 20:

- (2) section committees affected by an alteration of delegated powers should be given the ability to apply to the Tribunal; or

Comment:

Question 21:

- (1) Yes

Comment:

- (2) Yes

Comment:

- (3) Yes

Comment: This is only reasonable.

Question 22:

Yes

Comment:

Question 23:

Yes

Comment:

Question 24:

(1) Yes

Comment:

(2) Yes

Comment:

(3) Yes

Comment:

Question 25:

(1) Statutory development rights should apply automatically

Comment:

(2)

Question 26:

(1) Yes

Comment:

(2) Yes

Comment:

Question 27:

Ultimately, to retain confidence in this system from developers, their needs must be addressed as flexibly as possible.

Question 28:

Yes

Comment:

Question 29:

Nothing to add.

Question 30:

Both should be relaxed.

Question 31:

(1) There are. Not sure I have an answer here!

(2) See above.

Question 32:

(1) Yes

Comment:

(2) No

Comment: I do not think they should be wound up.

Question 33:

(1) Yes

Comment:

(2)

(3) Not Answered

(4)

Question 34:

(1) Other

Comment: There needs to be a process to ensure that funds can be obtained against unitholders but only if they are due from the unitholders to the association.

(2) Yes

Comment:

Question 35:

(1) Yes

Comment:

(2) There is a balance to be struck here. Some developments and properties are prized because the owners are all resident. I think a CCS should be allowed to ban sub-letting.

Question 36:

(1) Yes

Comment: Fees for changes of ownership or sub-letting should be abolished, but fees and costs for permissions to alter should not.

(2) No

Comment: Essentially a lot of these retirement complexes are a rip-off generator.

(3) As I say above. For things which require permission only.

Question 37:

No view

Question 38:

(1) Yes

Comment:

(2) 75%

(3) 50% want a change

(4) Not really.

Question 39:

(1) Yes

Comment:

(2) No, the directors of the commonhold association should not be under such a duty

Comment:

Question 40:

Yes

Comment:

Question 41:

No view

Question 42:

Yes

Comment:

Question 43:

(1) Yes

Comment:

(2) Yes

Comment:

(3) Yes

Comment:

Question 44:

(1) This is a risk.

(2) 1. Yes

2. Tribunal

3. Yes

4. yes

5. This will do

Question 45:

(1) No evidence to support this

(2) (1) a restriction on the number of proxy votes that any individual might hold

Question 46:

(1) Yes

Comment:

(2) Yes

Comment:

(3) Don't think so.

Question 47:

(1) Yes

Comment: And on renewal. There is a case for commonhold associations (over a certain size perhaps) to be required to maintain a website giving access to copies of:

1. Last three years accounts
2. The CCS and any amendments
3. The insurance policy and schedule

(2) Yes

Comment: See above for a simpler solution

Question 48:

(1) It will be.

(2) Yes

Comment: There may be issues if such cover is not easily obtainable, and maybe if a percentage of the unit holders agree - perhaps all of them - then this requirement could be relaxed.

Question 49:

Yes

Comment:

Question 50:

(1) Yes

Comment:

(2) Yes

Comment:

(3) Yes

Comment:

(4) Yes

Comment:

(5) Yes

Comment:

Question 51:

(1) Prescribed

(2) On 7 days' notice except in emergency or a credible belief that one of the CCS rules is being breached materially.

(3) No view

(4) see above.

Question 52:

(1) Yes

Comment:

(2) Yes

Comment:

(3) (1) defined as outline at paragraph 9.137

Comment:

Question 53:

No

Comment:

Question 54:

(1) Yes

Comment: No long term contract should be allowed to last more than three years.

(2) Yes

Comment:

(3) No

Comment: At any time

Question 55:

Really such contracts should be discouraged. Solar Panels are perhaps an exception.

Question 56:

(1) Other

Comment: Yes, except for emergencies.

(2) Yes

Comment:

(3) Not a bad idea

(4) An application could be made to the Tribunal, or perhaps the CCS could contain an arbitration clause.

Question 57:

(1) No

Comment: Why?

(2) No

Comment: Again, why?

(3) Yes

Comment:

(4) Other

Comment: Except in case of emergency or where the expenditure was not advised. Care is needed here.

Question 58:

(1) Yes

Comment: The reserve fund should be no less than a statutory minimum amount .

(2) Yes

Comment:

(3) No

Comment: The amount should be set at £250 per unit, but after a commonhold association has been running for over 3 years, it should be the greater of £250 per unit or 20% of the average contribution (excluding insurance and the reserve fund contribution) in the last three years.

(4) Yes

Comment:

(5) Yes

Comment: This is obvious

(6) Yes

Comment: They are trustee accounts so this makes sense.

(7) Yes

Comment: They are trustee accounts so this makes sense.

(8) Yes

Comment:

(9) No more than 20% or £250 (whichever is most) should be available for emergency expenditure.

(10) Yes

Comment: Subject to the minimum.

Question 59:

(1) Yes

Comment:

(2) each commonhold should have total flexibility

Comment:

Question 60:

(1) Yes

Comment:

(2) This make sense.

(3) This is reasonable, but cumbersome.

(4) it would. Commercial units could be on the basis of Rateable Value perhaps.

Question 61:

(1) Yes

Comment:

(2) there are two elements of information needed by a buyer:

1. What are the current and expected levels of expenditure that a unit holder can be expected to fund?
2. What is the individual state of account between the association and the unit holder.

You need (1) before exchange of contracts. You only need (2) just before completion.

If the idea that commonhold associations must maintain a web presence is adopted, then (1) may just be possible to be downloaded. This would mean that a CUIC would not be needed until just before completion, and by giving a CUIC a priority period of 4 weeks, you solve the problem...

(3) No

Comment: Sometimes transaction take a very long time. And it is not fair on the commonhold association to be held to this. I suggest a priority period - 4 weeks (as I suggest above) or at most 2 months.

(4) Yes

Comment: Again, I think most information should be kept on the web, and a CUIC should be priced at around £150 at today's prices.

(5) The sanction should be that if a CUIC is requested and not furnished within 21 days, the unit holder's liability for payment of contributions should be suspended.

(6) CUIC should be amendable

Comment: It should be amendable by notice given to the solicitors for the unit holder.

Question 62:

The commonhold association should not be able to grant such charges. Funds should be raised by unit holders.

Question 63:

(1) No

Comment:

(2) No

Comment: This is not a good idea. It is going to cause all kinds of problems. No please!

Question 64:

No

Comment: Don't even think of doing this. What happens if such a charge is enforced????
How's that going to work?

Question 65:

Yes

Comment:

Question 66:

(1) Yes

Comment:

(2) Yes

Comment:

(3) Yes

Comment:

(4) Yes

Comment:

Question 67:

(1) Yes

Comment:

(2) Yes

Comment:

(3) Yes

Comment:

Question 68:

No, an exception is not needed

Comment:

Question 69:

No

Question 70:

No

Comment:

Question 71:

Yes

Comment:

Question 72:

No view.

Question 73:

Yes

Comment:

Question 74:

Yes

Comment:

Question 75:

(1) Yes

Comment:

(2) Yes

Comment:

Question 76:

Yes

Comment:

Question 77:

Yes, the procedure should be transferred to a pre-action protocol.

Comment:

Question 78:

Yes

Comment:

Question 79:

- (1) Yes, the CCS should include such a provision
- (2)

Question 80:

- 1. Yes
- 2. Yes
- 3. Yes
- 4. Yes

Question 81:

- 1. Not relevant
- 2. It should have an impact which is not trivial
- 3. This is key to the outcome of the challenge

Question 82:

Yes

Comment:

Question 83:

Yes, the commonhold association should be provided with enhanced powers.

Comment: There needs to be an "ultimate sanction". The German solution (14.28) is quite a good one. But an order of the Tribunal should be needed first.

Question 84:

Yes

Comment: It should be the industry standard 4% above base rate.

Question 85:*

- (1) Yes

Comment: It should be the industry standard 4% above base rate.

* There was an error with question 85(1). On the online form, question 85(1) was a repeat of question 84. The responses provided to both questions have been analysed with this in mind and relevant points incorporated into our policy development.

(2) Yes

Comment:

Question 86:

(1) Yes

Comment:

(2)

(3) Yes

Comment: The order should be granted by the Tribunal, not the court.

(4) Yes

Comment:

(5) The amount due should be a minimum of the least of:

The amount of the last two years' contributions demanded

10% of the open market value of the unit

(6) Yes

Comment:

(7) Yes

Comment:

(8) Yes

Comment:

Question 87:

(1) Yes

Comment: Termination should not mean a reversion to leasehold status. Termination should mean one undivided freehold estate.

(2) Yes

Comment: Termination should not mean a reversion to leasehold status. Termination should mean one undivided freehold estate.

(3) See above

(4) Probably not

(5) Yes

Comment:

Question 88:

(1) Yes

Comment:

(2) Yes

Comment:

(3) Yes

Comment:

Question 89:

(1) Yes

Comment:

(2)

Question 90:

(1) Other

Comment: Mortgage lender consent should be required as part of the process - a unit whose mortgagee does consent should be treated as dissentient.

(2) Yes

Comment:

(3) Yes

Comment:

(4) No other ideas

Question 91:

(1) Yes

Comment:

(2) Yes

Comment:

(3) Yes

Comment:

(4)

(5)

(6) Yes

Comment:

(7)

Question 92:

(1) Yes

Comment:

(2)

Question 93:

How many are there? Anything which increases the number and acceptability of commonholds is going to be a good thing for them.

Question 94:

No freeholder. Easier conveyancing simpler admin. I was at University when the Law Commission started work on this idea in 1978-9. Having waited until the 2002 Act was in force, I had hoped that commonhold would become ubiquitous, but they are still rarer than hen's teeth. I have a radical idea in my additional comments.

Question 95:

(1) 1. Half an hour or so

2. The same

3. The same

4. The same.

Dealing with a leasehold title is not just about reading and considering, but also reporting, and doing things. The lack of standardisation is areal pain. We add an extra 90 minutes of time (£360 plus VAT) for leaseholds. I think commonholds would halve that.

(2) They are going to be small in impact except in very complex estates.

(3) I have no experience of this.

Question 96:

This is a major issue. It is very frequent and a real pain.

Question 97:

(1 & 2) 1. I do a lot of these. it can cost thousands.

2. Tribunal applications are rare.

(3) it certainly will.

Question 98:

This not an area I deal with. I am not sure that commonhold will reduce the potential for these by very much

Question 99:

Very rare

Question 100:

Tribunals are always going to be cheaper. I think the fact that commonholds will have common terms is going to reduce the potential for dispute.

Question 101:

I think that most of these will be dealt with without a reference to the Tribunal. As time goes on, leasehold disputes will decline in number.

Question 102:

No comments

Question 103:

I cannot think of any such.

Question 104:

No evidence.

Question 105:

(1) 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.

Comment: I was tempted to hit number 1, but number 3 is the current experience.

Question 106:

(1) 1.

- a. Conservative outlook. (Fear of the new)
- b. Aversion to Risk.
- c. Greedy ground rent provisions.

2.

- a. Ban new leases of new developments, including conversions where a freehold title exists with no extant leases.
- b. Compulsory commonhold conversion when enfranchisement takes place
- c. A simple mechanism for turning freehold flats (there are some) into commonhold.

(2) An element of compulsion is needed.

Question 107:

No difference

Any further comments

Good consultation.

Name of organisation: [REDACTED] Residents' Association

Question 1:

No

Comment: This is not economically possible in mixed commercial and residential units. This needs to be considered to offer access to leaseholders in mixed use freeholds of commercial leases and residential leases. The commonhold needs to provide both common association amongst a group of residential leaseholders ("residential commonholders") and the remainder of the Freehold Commonholder. In our case that would mean the freehold would be converted to a commonhold with the existing freeholder owning 60% and the residential leaseholder arrangement representing the leaseholders. owning 40% of the common hold. Presumably this could be 50% and 50% if the common areas are taken into consideration. A simple majority of 11 out of the 21 flats should be sufficient to initiate the conversion to Commonhold. The Scottish system allows for absolute ownership of freehold for flats and also for mixed use buildings. This must be possible in England also as Glasgow, Edinburgh and Aberdeen have large numbers of flats across its conurbations.

The [REDACTED] Residents' Association [REDACTED] was formed on 8 January 2019 and represents 16 out of the 21 residential apartments in the Freehold Property of [REDACTED] London [REDACTED]. The Freehold Owner was notified on 15 January 2019 requesting recognition but to date there has been no acknowledgement or response. The 5 flats which have not joined have been let to private tenants on an assured shorthold tenancy basis and we do not have contact details of the long leaseholders.

The Association has already written to the Law Commission with its concerns about how the current leasehold system operates. According to the service charge information the residential proportion of cost is based on floor space excluding common areas. We are unable to confirm what the exact split of residential / commercial leases because the charges are lumped together as [REDACTED] consists of 21 residential long-leasehold apartments with the number years unexpired ranging from 125 to 190 years with ground rents of £75, £150 and a peppercorn rents. The apartments are located on the 3rd, 4th, 5th and 6th floors. On the ground floor there is an [REDACTED]
[REDACTED]
[REDACTED] The basement, ground floor, first floor and second floor contain commercial leases. Some of those premises are empty.

It is not known what floor space the residential flats represents in the freehold of [REDACTED] [REDACTED] and the residential leaseholders have no legal interest in the Freehold Owner's commercial concerns. There is a small embassy on the second floor, The Basement to 2nd Floor contain small businesses. Around 2012, the previous Freeholder submitted a planning application to Westminster City Council to convert the ground, first and second floor to residential apartments. The Council approved the plans and the change of use. The current Freeholder updated the plans and they were approved again in 2018. No building works have taken place. The building is in poor condition and we

have already been in touch with Mark Fields MP about the running and maintenance of the building.

The law currently prohibits us from obtaining a share of the freehold, form a right to manage company or appoint an independent manager for the 21 flats and this severely limits our ability to manage the building and our investment in the property. The lack of maintenance and poor presentation has been cited by estate agents as being a factor marketing flats in the building to sell. We currently have no effective remedy to resolve these issues.

The Association supports the Law Commission proposals to remove the 25% non-residential barrier to setting up right to manage company.

The Association believes that there needs to be comprehensive reform of the Leasehold System so that residents of leasehold apartments have control of the decisions which are made in respect of their substantial long-term investment in property. The absolute freehold model for flat owners in Scotland is a good example whereby flat owners have a legal ownership of part of a freehold and the system of running and maintenance are performed by property factors.

The Association also believes that the current system allows a Freehold Owner to decide unilaterally what charges services should be provided and levied to leaseholders. There is no distinction between conflicting priorities. We consider that charges should be ' strictly limited to the necessary and required expenditure for the running and maintenance of 21 residential premises' . This would exclude services such as a providing a 12 hour reception service which primarily directs members of the public to the Freehold Owner' s commercial leaseholders to conduct business.

Managing Agents are left to voluntarily apply the RICS guidance on apportionment of service charges in mixed residential and commercial units rather than statute codifying a legal requirement to limit service charges to expenditure which is necessary and required to maintain and run 21 residential apartments. The Association believes that the RTM project should not only look at eligibility of the RTM scheme but to take the opportunity to reform the potential limitation of charges passed on to property owners which is otherwise an unregulated area where both residential and commercial interests conflict or vary based on the operational needs of individual commercial leaseholders.

Therefore, the Association was unable to form a RTM, or exercixe enfranchment for the reasons given.

Question 2:

Yes

Comment: Yes, it is not possible to get unanimous consent.

The [REDACTED] Residents' Association [REDACTED] was formed on 8 January 2019 and represents 16 out of the 21 residential apartments in the Freehold Property of [REDACTED] London [REDACTED]. The Freehold Owner was notified on 15 January 2019 requesting recognition but to date there has been no acknowledgement or response. The 5 flats which have not joined have been let to private tenants on an assured shorthold tenancy basis and we do not have contact details of the long leaseholders.

The Association has already written to the Law Commission with its concerns about how the current leasehold system operates. According to the service charge information the residential proportion of cost is based on floor space excluding common areas. We are unable to confirm what the exact split of residential / commercial leases because the charges are lumped together as [REDACTED]. [REDACTED] consists of 21 residential long-leasehold apartments with the number years unexpired ranging from 125 to 190 years with ground rents of £75, £150 and a peppercorn rents. The apartments are located on the 3rd, 4th, 5th and 6th floors. On the ground floor there is an [REDACTED] [REDACTED] [REDACTED]. The basement, ground floor, first floor and second floor contain commercial leases. Some of those premises are empty.

It is not known what floor space the residential flats represents in the freehold of [REDACTED] [REDACTED] and the residential leaseholders have no legal interest in the Freehold Owner's commercial concerns. There is a small embassy on the second floor, The Basement to 2nd Floor contain small businesses. Around 2012, the previous Freeholder submitted a planning application to Westminster City Council to convert the ground, first and second floor to residential apartments. The Council approved the plans and the change of use. The current Freeholder updated the plans and they were approved again in 2018. No building works have taken place. The building is in poor condition and we have already been in touch with Mark Fields MP about the running and maintenance of the building.

The law currently prohibits us from obtaining a share of the freehold, form a right to manage company or appoint an independent manager for the 21 flats and this severely limits our ability to manage the building and our investment in the property. The lack of maintenance and poor presentation has been cited by estate agents as being a factor marketing flats in the building to sell. We currently have no effective remedy to resolve these issues.

The Association supports the Law Commission proposals to remove the 25% non-residential barrier to setting up right to manage company.

The Association believes that there needs to be comprehensive reform of the Leasehold System so that residents of leasehold apartments have control of the decisions which are made in respect of their substantial long-term investment in property. The absolute freehold model for flat owners in Scotland is a good example whereby flat owners have a legal ownership of part of a freehold and the system of running and maintenance are performed by property factors.

The Association also believes that the current system allows a Freehold Owner to decide unilaterally what charges services should be provided and levied to leaseholders. There is

no distinction between conflicting priorities. We consider that charges should be ' strictly limited to the necessary and required expenditure for the running and maintenance of 21 residential premises' . This would exclude services such as a providing a 12 hour reception service which primarily directs members of the public to the Freehold Owner' s commercial leaseholders to conduct business.

Managing Agents are left to voluntarily apply the RICS guidance on apportionment of service charges in mixed residential and commercial units rather than statute codifying a legal requirement to limit service charges to expenditure which is necessary and required to maintain and run 21 residential apartments. The Association believes that the RTM project should not only look at eligibility of the RTM scheme but to take the opportunity to reform the potential limitation of charges passed on to property owners which is otherwise an unregulated area where both residential and commercial interests conflict or vary based on the operational needs of individual commercial leaseholders.

Therefore, the Association was unable to form a RTM or other current provisions for the reasons given.

Question 3:

Yes

Comment: Provided that there is no eligibility constraints that exist in the RTM legislation limiting 25% of non-residential as barrier to participation. Also in Scotland, commercial and residential tenant co-exist happily in an absolute ownership of the freehold with tighter regulation of service charges limited to the running and maintenance of residential property. In our case 21 apartments generates the Freehold Owner a total ground rent of £1,425 to £2,850 per annum including 2 flats with a peppercorn rent of £0. By comparison the commercial tenants generates the Freehold Owner circa £500,000 per year in commercial rents to short term commercial tenants. Thus the idea that residential leaseholders should continue to be restricted in the running and potential conversion to commonhold by the Freeholder has two perverse conclusions. Firstly, the Freehold Owner would continue to collect his commercial rents without change under a commonhold system. Secondly, the other reforms are designed to increase consumer flexibility and better long term housing outcomes and thus the new commonhold system should not be as highly prohibitive as the systems conversion aims to reform.

The [REDACTED] Residents' Association [REDACTED] was formed on 8 January 2019 and represents 16 out of the 21 residential apartments in the Freehold Property of [REDACTED], London [REDACTED]. The Freehold Owner was notified on 15 January 2019 requesting recognition but to date there has been no acknowledgement or response. The 5 flats which have not joined have been let to private tenants on an assured shorthold tenancy basis and we do not have contact details of the long leaseholders.

The Association has already written to the Law Commission with its concerns about how the current leasehold system operates. According to the service charge information the

residential proportion of cost is based on floor space excluding common areas. We are unable to confirm what the exact split of residential / commercial leases because the charges are lumped together as [REDACTED]. [REDACTED] consists of 21 residential long-leasehold apartments with the number years unexpired ranging from 125 to 190 years with ground rents of £75, £150 and a peppercorn rents. The apartments are located on the 3rd, 4th, 5th and 6th floors. On the ground floor there is an Italian restaurant [REDACTED]. [REDACTED] The basement, ground floor, first floor and second floor contain commercial leases. Some of those premises are empty.

It is not known what floor space the residential flats represents in the freehold of [REDACTED] and the residential leaseholders have no legal interest in the Freehold Owner's commercial concerns. There is a small embassy on the second floor, The Basement to 2nd Floor contain small businesses. Around 2012, the previous Freeholder submitted a planning application to Westminster City Council to convert the ground, first and second floor to residential apartments. The Council approved the plans and the change of use. The current Freeholder updated the plans and they were approved again in 2018. No building works have taken place. The building is in poor condition and we have already been in touch with Mark Fields MP about the running and maintenance of the building.

The law currently prohibits us from obtaining a share of the freehold, form a right to manage company or appoint an independent manager for the 21 flats and this severely limits our ability to manage the building and our investment in the property. The lack of maintenance and poor presentation has been cited by estate agents as being a factor marketing flats in the building to sell. We currently have no effective remedy to resolve these issues.

The Association supports the Law Commission proposals to remove the 25% non-residential barrier to setting up right to manage company.

The Association believes that there needs to be comprehensive reform of the Leasehold System so that residents of leasehold apartments have control of the decisions which are made in respect of their substantial long-term investment in property. The absolute freehold model for flat owners in Scotland is a good example whereby flat owners have a legal ownership of part of a freehold and the system of running and maintenance are performed by property factors.

The Association also believes that the current system allows a Freehold Owner to decide unilaterally what charges services should be provided and levied to leaseholders. There is no distinction between conflicting priorities. We consider that charges should be 'strictly limited to the necessary and required expenditure for the running and maintenance of 21 residential premises'. This would exclude services such as a providing a 12 hour reception service which primarily directs members of the public to the Freehold Owner's commercial leaseholders to conduct business.

Managing Agents are left to voluntarily apply the RICS guidance on apportionment of service charges in mixed residential and commercial units rather than statute codifying a legal requirement to limit service charges to expenditure which is necessary and required to maintain and run 21 residential apartments. The Association believes that the RTM

project should not only look at eligibility of the RTM scheme but to take the opportunity to reform the potential limitation of charges passed on to property owners which is otherwise an unregulated area where both residential and commercial interests conflict or vary based on the operational needs of individual commercial leaseholders.

Therefore, the Association was unable to form a RTM, appoint a manager or use enfranchisement for the reasons given.

Question 4:

(1) Yes

Comment: A simple majority is needed. There should be a framework codified in law on how existing leases should be interpreted as commonhold by virtue of statutory conversion when the majority is confirmed.

(2) Not Answered

Comment: Yes a framework should be codified in law to support that so that it is consistent between conversion and equity between consumers.

(3) Yes

Comment: Yes this is the correct direction.

(4) Yes, it should be compulsory provided the rules are codified in statute.

(5) Yes

Comment: The Freeholder must follow a codified structure in statute. They cannot be given flexibility to change terms more beneficial after the conversion.

(6) (a) by the consenting leaseholders, through the commonhold association which holds the commonhold interest;

Comment: We believe the point of the commonhold is to operate the freehold as a common association and the rules are simple and codified in statute and apply to leaseholder across properties.

Question 5:

(1) No

Comment: In London many investors own property. They are unreachable. We have had difficulty accessing long leaseholder contact information and the Freehold Owner has been unco-operative in both terms of forming a RA and giving access to the current contact details of the very qualifying leaseholders.

The association believes that it should be a simply majority of 51%

(2) Yes

Comment: Agreed. This is the correct approach. We would suggest if the Freehold Owner wishes to transfer ownership of those units at a later date that a simple codified procedure is included in statute for the transfer to be completed to increase the changes of common association having its maximum impact.

Yes

(3 & 4) Provided that there is no opportunity to profiteer upon sale or at a later date.

(5) A common fund could be created as part of the service charge agreed at the time of conversion to commonhold in which everybody would set aside common funds to secure the common association and the credit provided back to the account when a flat is sold.

Any system is going to require common funding. We know of a freehold conversion of 90 flats which took 6 years because there was not a codified structure in statute either supporting a load repaid from common service charges or contributions from the association of members which must be statutory protected for that purpose. Possibly a combination of both.

(6) (a) as a fixed amount, representing the non-consenting leaseholder' s share of the initial freehold purchase;

Comment: What would be the point in removing ground rents which double and replacing it with another profit based system. We believe that the cost should be fixed and a charge for fixing it could be added purely because the non-consenter did not co-operate with the conversion to commonhold. The fixed charge could be set by the secretary of state from time to time and added to the cost of the share of the initial scheme.

(7) It must not prevent the up take or gradual up take of the new commonhold system. it is over charging that has caused the system to fail. It must encourage common association as its primary statutory objective. It could also be a condition of a mortgage offer in which case certainty and easy transfer is needed to avoid delay, and a simple statutory procedure to follow so that future transfers help maintain and grow the common association.

Question 6:

(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

Comment: New set of rights after the conversion.

Question 7:

Yes

Comment: There should be a small fixed charge and the rules should be clearly codified in statute.

Question 8:

Yes

Comment:

Question 9:

Yes, it should be possible for charges to transfer automatically, without requiring lenders' consent.

Comment:

Question 10:

(1) Option 1

(2) 80% is not achievable

The [REDACTED] Residents' Association [REDACTED] was formed on 8 January 2019 and represents 16 out of the 21 residential apartments in the Freehold Property of [REDACTED], London [REDACTED]. The Freehold Owner was notified on 15 January 2019 requesting recognition but to date there has been no acknowledgement or response. The 5 flats which have not joined have been let to private tenants on an assured shorthold tenancy basis and we do not have contact details of the long leaseholders.

The Association has already written to the Law Commission with its concerns about how the current leasehold system operates. According to the service charge information the residential proportion of cost is based on floor space excluding common areas. We are unable to confirm what the exact split of residential / commercial leases because the charges are lumped together as [REDACTED]. [REDACTED] consists of 21 residential long-leasehold apartments with the number years unexpired ranging from 125 to 190 year with ground rents of £75, £150 and a peppercorn rents. The apartments are located on the 3rd, 4th, 5th and 6th floors. On the ground floor there is an [REDACTED]
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[REDACTED] The basement, ground floor, first floor and second floor contain commercial leases. Some of those premises are empty.

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in 2018. No building works have taken place. The building is in poor condition and we have already been in touch with Mark Fields MP about the running and maintenance of the building.

The law currently prohibits us from obtaining a share of the freehold, form a right to manage company or appoint an independent manager for the 21 flats and this severely limits our ability to manage the building and our investment in the property. The lack of maintenance and poor presentation has been cited by estate agents as being a factor marketing flats in the building to sell. We currently have no effective remedy to resolve these issues.

The Association supports the Law Commission proposals to remove the 25% non-residential barrier to setting up right to manage company.

The Association believes that there needs to be comprehensive reform of the Leasehold System so that residents of leasehold apartments have control of the decisions which are made in respect of their substantial long-term investment in property. The absolute freehold model for flat owners in Scotland is a good example whereby flat owners have a legal ownership of part of a freehold and the system of running and maintenance are performed by property factors.

The Association also believes that the current system allows a Freehold Owner to decide unilaterally what charges services should be provided and levied to leaseholders. There is no distinction between conflicting priorities. We consider that charges should be ' strictly limited to the necessary and required expenditure for the running and maintenance of 21 residential premises' . This would exclude services such as a providing a 12 hour reception service which primarily directs members of the public to the Freehold Owner' s commercial leaseholders to conduct business.

Managing Agents are left to voluntarily apply the RICS guidance on apportionment of service charges in mixed residential and commercial units rather than statute codifying a legal requirement to limit service charges to expenditure which is necessary and required to maintain and run 21 residential apartments. The Association believes that the RTM project should not only look at eligibility of the RTM scheme but to take the opportunity to reform the potential limitation of charges passed on to property owners which is otherwise an unregulated area where both residential and commercial interests conflict or vary based on the operational needs of individual commercial leaseholders.

Therefore, the Association was unable to form a RTM for the reasons given.

(3) We are most concerned that this will be restricted only to residential buidings only. We currently only occupy 40% of floor space over 4 floors of 6 floor building housing 21 apartments.

The Association wishes to impress upon policy makers and legislators that commonhold and common association should be offered to both residential buildings, and mixed commercial and residential units by allowing the residential units to obtain in this case 40%

of the commonhold in accordance with the conversion proposed and the freeholder simply retain 60% of the commonhold without disruption to the collection of his or her commercial rents. Limiting the cost of conversion to 10 x ground rent at time of conversion will provide compensation to the Freeholder, provide certainty to the leaseholder seeking conversion and ensure appeal to convert to the new system on a fixed cost basis. Funding can be provided by common association agreement collected through common service charges for association, through taking loans and repaid through common funds paid through common service charges.

It must be possible on a fixed compensation basis to create an application for commonhold by a Residents Association. A commonhold is then granted. The freeholder is required to adopt the common hold and arrange his or her commercial interest be assigned a commonhold share, and the any residential share each leaseholder pays a small fixed fee to convert each flat on request with a fixed compensation of say 10 x current ground rent and the commonhold be granted automatically by paying the fixed compensation to the Freeholder who in return provided commonhold conversion through the new system. Fees to Freeholders that require individual assessment would require lawyers to arbitrate the system with potential costs to appeal. This should be replaced with a fixed compensation system to the Freeholder with no charges for conversion. In relation to funding, non-consenters must not be able to prevent the simple majority wishing to proceed with common association for the better good of managing the property.

Question 11:

No

Comment: No. We are as a group of 21 flats do not have access to collective enfranchisement. This is not economically possible, in any event, in mixed commercial and residential units. This needs to be considered to offer access to leaseholders in mixed use freeholds of commercial leases and residential leases. The commonhold needs to provide both common association amongst a group of residential leaseholders ("residential commonholders") and the remainder of the Freehold Commonholder. In our case that would mean the freehold would be converted to a commonhold with the existing freeholder owning 60% and the residential leaseholder arrangement representing the leaseholders. owning 40% of the common hold. Presumably this could be 50% and 50% if the common areas are taken into consideration. A simple majority of 11 out of the 21 flats should be sufficient to initiate the conversion to Commonhold. The Scottish system allows for absolute ownership of freehold for flats and also for mixed use buildings. This must be possible in England also as Glasgow, Edinburgh and Aberdeen have large numbers of flats across its conurbations.

The [REDACTED] Residents' Association [REDACTED] was formed on 8 January 2019 and represents 16 out of the 21 residential apartments in the Freehold Property of [REDACTED], London [REDACTED]. The Freehold Owner was notified on 15 January 2019 requesting recognition but to date there has been no acknowledgement or response. The 5 flats which have not joined have been let to private

tenants on an assured shorthold tenancy basis and we do not have contact details of the long leaseholders.

The Association has already written to the Law Commission with its concerns about how the current leasehold system operates. According to the service charge information the residential proportion of cost is based on floor space excluding common areas. We are unable to confirm what the exact split of residential / commercial leases because the charges are lumped together as [REDACTED]. [REDACTED] consists of 21 residential long-leasehold apartments with the number years unexpired ranging from 125 to 190 year with ground rents of £75, £150 and a peppercorn rents. The apartments are located on the 3rd, 4th, 5th and 6th floors. On the ground floor there is an [REDACTED]
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[REDACTED] The basement, ground floor, first floor and second floor contain commercial leases. Some of those premises are empty.

It is not known what floor space the residential flats represents in the freehold of [REDACTED] and the residential leaseholders have no legal interest in the Freehold Owner's commercial concerns. There is a small embassy on the second floor, The Basement to 2nd Floor contain small businesses. Around 2012, the previous Freeholder submitted a planning application to Westminster City Council to convert the ground, first and second floor to residential apartments. The Council approved the plans and the change of use. The current Freeholder updated the plans and they were approved again in 2018. No building works have taken place. The building is in poor condition and we have already been in touch with Mark Fields MP about the running and maintenance of the building.

The law currently prohibits us from obtaining a share of the freehold, form a right to manage company or appoint an independent manager for the 21 flats and this severely limits our ability to manage the building and our investment in the property. The lack of maintenance and poor presentation has been cited by estate agents as being a factor marketing flats in the building to sell. We currently have no effective remedy to resolve these issues.

The Association supports the Law Commission proposals to remove the 25% non-residential barrier to setting up right to manage company.

The Association believes that there needs to be comprehensive reform of the Leasehold System so that residents of leasehold apartments have control of the decisions which are made in respect of their substantial long-term investment in property. The absolute freehold model for flat owners in Scotland is a good example whereby flat owners have a legal ownership of part of a freehold and the system of running and maintenance are performed by property factors.

The Association also believes that the current system allows a Freehold Owner to decide unilaterally what charges services should be provided and levied to leaseholders. There is no distinction between conflicting priorities. We consider that charges should be ' strictly limited to the necessary and required expenditure for the running and maintenance of 21 residential premises' . This would exclude services such as a providing a 12 hour reception service which primarily directs members of the public to the Freehold Owner's commercial leaseholders to conduct business.

Managing Agents are left to voluntarily apply the RICS guidance on apportionment of service charges in mixed residential and commercial units rather than statute codifying a legal requirement to limit service charges to expenditure which is necessary and required to maintain and run 21 residential apartments. The Association believes that the RTM project should not only look at eligibility of the RTM scheme but to take the opportunity to reform the potential limitation of charges passed on to property owners which is otherwise an unregulated area where both residential and commercial interests conflict or vary based on the operational needs of individual commercial leaseholders.

Therefore, the Association was unable to form a RTM, or exercise enfranchisement for the reasons given.

We would never be able to buy out the Freeholders commercial interest in 50% of the building unless he converted these to flats.

Question 12:

(1) Yes

Comment: Any process with freeholders is long and protracted. A recent example locally to exercise collective enfranchisement took 6 years and substantial cost and inconvenience and that did not have and commercial leases.

(2) Leaseholders should be required to make a collective decision no longer to proceed with the conversion.

Comment: If it was motivated by collective association it can only be ended by collective association.

Question 13:

(1) Yes

Comment: This makes complete sense.

(2) Yes

Comment: As simple as possible without onerous costs.

Question 14:

Yes

Comment: Yes, but flexibility should be given if this is the route they wish to do but as a default then this makes sense.

Question 15:

in mixed commercial and residential units. This needs to be considered to offer access to leaseholders in mixed use freeholds of commercial leases and residential leases. The commonhold needs to provide both common association amongst a group of residential leaseholders ("residential commonholders") and the remainder of the Freehold Commonholder. In our case that would mean the freehold would be converted to a commonhold with the existing freeholder owning 60% and the residential leaseholder arrangement representing the leaseholders, owning 40% of the common hold. Presumably this could be 50% and 50% if the common areas are taken into consideration. A simple majority of 11 out of the 21 flats should be sufficient to initiate the conversion to Commonhold. The Scottish system allows for absolute ownership of freehold for flats and also for mixed use buildings. This must be possible in England also as Glasgow, Edinburgh and Aberdeen have large numbers of flats across its conurbations.

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Question 16:

- (1) Yes
- (2) Agreed.

in mixed commercial and residential units. This needs to be considered to offer access to leaseholders in mixed use freeholds of commercial leases and residential leases. The commonhold needs to provide both common association amongst a group of residential leaseholders ("residential commonholders") and the remainder of the Freehold Commonholder. In our case that would mean the freehold would be converted to a commonhold with the existing freeholder owning 60% and the residential leaseholder arrangement representing the leaseholders. owning 40% of the common hold.

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Question 17:

(1) Yes

Comment: in mixed commercial and residential units. This needs to be considered to offer access to leaseholders in mixed use freeholds of commercial leases and residential leases. The commonhold needs to provide both common association amongst a group of residential leaseholders ("residential commonholders") and the remainder of the Freehold Commonholder. In our case that would mean the freehold would be converted to a commonhold with the existing freeholder owning 60% and the residential leaseholder arrangement representing the leaseholders. owning 40% of the common hold. Presumably this could be 50% and 50% if the common areas are taken into consideration. A simple majority of 11 out of the 21 flats should be sufficient to initiate the conversion to Commonhold. The Scottish system allows for absolute ownership of freehold for flats and also for mixed use buildings. This must be possible in England also as Glasgow, Edinburgh and Aberdeen have large numbers of flats across its conurbations.

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Therefore, the Association was unable to form a RTM, or exercise enfranchisement for the reasons given.

(2) Flying commonholds

Comment: Multiple-use commonhold should be applied for separating residential, commercial and common parts. The idea is to allow the effective strength of common association, participate in decision making, control costs, exercise consumer rights and independent appointment of agents to carry out work without being subjected to paying for services without having any say as to how they are organised or whether the costs were necessary or required for the running and maintenance of the residential flats. A statutory provision which states the residential commonholders must agree to the nature and extent of the service being provided will give leaseholders direct control by majority decision on how organise and provide services.

(3) Commonhold with multi-use with a statutory framework which removes the incumbent freeholder from the unilateral decision maker and cost recharging as per the needs of the freeholder in the current system.

You could consider reforming commonhold along the lines of absolute ownership used by flats in sole or multiuse in Scotland which has been operating for many decades.

in mixed commercial and residential units. This needs to be considered to offer access to leaseholders in mixed use freeholds of commercial leases and residential leases. The commonhold needs to provide both common association amongst a group of residential leaseholders ("residential commonholders") and the remainder of the Freehold Commonholder. In our case that would mean the freehold would be converted to a commonhold with the existing freeholder owning 60% and the residential leaseholder arrangement representing the leaseholders. owning 40% of the common hold. Presumably this could be 50% and 50% if the common areas are taken into consideration. A simple majority of 11 out of the 21 flats should be sufficient to initiate the conversion to Commonhold. The Scottish system allows for absolute ownership of freehold for flats and

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Therefore, the Association was unable to form a RTM, or exercise enfranchisement for the reasons given.

Question 18:

(1) Other

Comment: Presumably you mean a committee for residents and a committee for the remaining freehold element of the new commonhold.

(2) To agree the nature, extent and cost of services being charged by majority of residents on a committee. It would need to have statutory powers so that the remaining commercial commonhold could not continue to impose what they believe residents need and require to maintain and run 21 apartments. Otherwise you solve the issue of ground rents, leases but you don't solve the problem imposes charges on residents without participation in the commonhold.

Question 19:

Exclusive

Comment: Only the committee.

Question 20:

(3) the directors should have to apply to the Tribunal in order to alter or revoke a delegation.

Comment: Otherwise the association will have little effect in the long term.

Question 21:

(1) Yes

Comment: On conversion, at the outset.

(2) Yes

Comment:

(3) Yes

Comment: To safeguard against abuse. For example if a new roof was require to house a new unit purpose then the remainder of the common association should be isolated from increased cost.

Question 22:

Yes

Comment:

Question 23:

Yes

Comment:

Question 24:

(1) Yes

Comment:

(2) Yes

Comment:

(3) Yes

Comment:

Question 25:

(1) Statutory development rights should apply automatically

Comment:

(2) Acquisition and sale of land. Conversion of part of a property from commercial to residential and to allow that process then to include it in a floatimg or flying commonhold already in existence.

Question 26:

(1) No

Comment: No the law should be the same for each commonhold so as not to create unintended consequences further down the line with some with and some without.

(2) No

Comment: If it is intended to be used in a disproportionate way. for example if the developer retains 80% of the votes and imposes control on the remainder of the operational units to the detriment of the association both initially and over time. Land just should be fixed at point of creation and new common holds created so as to ensure there is isolation as land develops.

Question 27:

On a decision to convert to a commonhold, a freehold land owner must not be able to use development potential to interfere with the conversion where they not perform actual development such as applying for planning permission and using that as a barrier to interfere with a commonhold application of an existing site.

Question 28:

Yes

Comment:

Question 29:

No we can not see the point.

Question 30:

No but any funds secured during the conversion to a commonhold for future use in respect of services, and purchase from a non-consenter and security should be held under an asset lock similar to the way in which community interest companies are regulated. There should be a Commonhold Regulator either as part of an existing body or a new body with statutory enforcement powers both in terms of complying with new law and for dealing with breaches involving any asset lock provisions.

Question 31:

(1)

(2) A regulator would help.

Question 32:

(1) Yes

Comment:

(2) Yes

Comment: Or regulator.

Question 33:

(1) Yes

Comment: Or via a regulator similar to the CIC regulator.

(2) Or a regulator similar in concept to the CIC regulator.

(3) Yes

(4) Banning of persons.

Proportionate and reasonable controls.

A supervisory recommendations to be overseen for a pgiven period by a regulator.

Question 34:

(1) Yes

Comment:

(2) Yes

Comment:

Question 35:

(1) Yes

Comment:

(2) Prohibition with exception of assured short term tenancy or similar which should have started with no less than 6 months as a minimum term.

Question 36:

(1) Yes

Comment:

(2) No

Comment:

(3) Only on taking up common hold after conversion by a non-consenter but we believe this has be determined by statute or reference by Secretary of State so that it is applicable to all future property owners. It may cover basic costs such as issuing certificates or similar.

Question 37:

You should consider the creation and running of an independent regulator for the sector to promote common association and deal as experts on issues arising from regulation. A good model to consider is the Community Interest Companies regulator. Leaseholders money is held in about £8bn by freehold owners or their agents and the sector needs possibly regulator promote the uptake, conversion and enforcement of the new commonhold system. It could also have a statutory appeals officer who could deal with a low cost first resolution of regulatory issues prior to the LVT or first tribunal applications and deal with the flexibility of local rules on national scale based on experience and expertise. It could also deal with any asset lock issues by commonhold conversion or funds held in trust arising from legislation.

Question 38:

(1) Yes

Comment:

(2) 75%

(3) Yes or a dedicated regulator.

(4) They should be the same.

Question 39:

(1) Yes

Comment: This would make sense and create standardisation and in fact make the operation of commonhold straightforward in practice. Otherwise, the risk to conveyancing costs on deviation would be an unnecessary investigative expense an similar to the huge variation in leases.

(2) Yes, the directors of the commonhold association should be under such a duty

Comment:

Question 40:

Yes

Comment:

Question 41:

Question 42:

Yes

Comment: The duties of a commonhold director should be to the principles of common association and not to the interests of a particular participant. These duties could be overseen by a new CC regulator who would have the powers to bar directors if they were

investigated and determined that they had acted in bad faith or contrary to the common good of the commonhold.

Question 43:

(1) Yes

Comment:

(2) No

Comment: No this could be open to abuse by professional advisers acting on behalf of dominant party such a commercial operator within the commonhold. The duties of these directors and their independence should be very carefully drafted so as not to end up where we are with the leaseholder and freeholder relationship whereupon freeholders hide behind their professional advisers as a cover to pass on costs.

(3) No

Comment: Or, a dedicated regulator who has the interests of the wider common association in mind.

Question 44:

(1) Yes we think this is likely to happen especially if your proposal to appoint professional directors is bore out. Also where there is a commercial operator in the commonhold they have disproportionate votes to drown out ordinary residential members effectively giving permanent control of common asset similar to that of the position currently occupied by Freehold Owners.

(2) Maybe a dedicated CC regulator in the first instance so that it remains specialist, develops over time and with easy initial redress. There could be a balancing mechanism which limits the majority view of one large investor or legacy commercial operator upon conversion which limits the scope of what are able to do with their votes or class of votes. for example if 21 residents own 40% of the commonhold and one legal freeholder the remaining 60% of the shares, then a balancing requirement could be used when one large use of voting rights is exercised by one participant to ensure that it does not prevent commonhold association for the greater good of the asset by the other 21 owners at the advantage of majority owners.

This needs to be very careful thought through.

Question 45:

(1) No we use proxy voting for our Residents' Association. Many residents are in different places and the founding principle of the RA to offer absolute flexibility to deal with busy lives and busy times.

(2) (2) some other device (please specify). The timing and communication of the issue being voted on can by its very nature not be done at meetings and require

consultation. Therefore there would need to be a statutory period when the issue is described, proxy votes taken and communicated. The process restarts if the vote requires a further action.

Question 46:

(1) Yes

Comment:

(2) Yes

Comment:

(3) No. This is common in the Scottish insurance regulated services.

Question 47:

(1) Yes

Comment:

(2) No

Comment: Why would this be necessary. There should be prosecutable duty on the CCS to provide insurance and that each year it should be sent to members.

Question 48:

(1)

(2) Yes

Comment: Or as determined in regulations or by a dedicated enforcement regulator.

Question 49:

Yes

Comment:

Question 50:

(1) Other

Comment: What if there is common agreement to make change and the law says like with like.

(2) Yes

Comment: Or sound insulation whereby its determined a common problem between members.

(3) Yes

Comment:

(4) No

Comment: There will be an inconsistency in outcomes dependant on the participants and this will not allow for the common association to have common interest amongst buildings and standards.

(5) Yes

Comment:

Question 51:

(1) Prescribed

(2)

(3) No. It should be based on the outcome desired being both lawful and practical such emergency access or repossession and everybody should be subject to the same legal standard.

(4)

Question 52:

(1) Yes

Comment:

(2) No

Comment: Provided that there is a statutory framework for making decisions which are challengeable.

(3) (1) defined as outline at paragraph 9.137

Comment: Are these not examples already covered by adequate buiding control consent? Should building regulations not be enough? Same as noise control etc.

Question 53:

Yes

Comment: Hidden Placement or Commissions for these contracts should be outlawed.

Legacy performance issues surrounding poor management of human resources should not be liability of a commonhold on conversion.

The appointment of agents or professional advisers should be subject annual approval.

Question 54:

(1) Yes

Comment: Very much so as the legacy contracts will bring a history of uncompetitiveness, poor performance, commercial commission signing on incentives and inability to create change orientated towards common association way from the existing leasehold system.

(2) Yes

Comment: And a long term contract being defined thereafter should require annual authorisation.

(3) Other

Comment: That would depend on when the clock starts and what legacy or conversion issues are carried forward. It could be 12 months or 24 months. There needs to be legacy safeguards here to allow for example contact performance data be assessed or investigations on handover which we currently in the leasehold system have no entitlement.

Question 55:

Fire safety equipment.

Health and Safety equipment such as defibrillators.

TUPE for employees directly employed. Would this be broken? Can we make a fresh start?

Door entry systems. Remote CCTV systems.

Lift equipment.

Question 56:

(1) Yes

Comment: Yes approved by a simple majority.

(2) Yes

Comment: Agreed.

(3) Yes.

(4) Well the nature and extent of the contributions should be quantified before and not after as is the case now. Issues arising from the nature and extent of the contributions should be classified and essential and necessary expense for the legal running and maintenance of the asset, and those proposed in another context. The first category would require minimal spending by law subjective only to competitive quoting and the latter agreed in scope and purpose by the association.

Necessary and required expenditure needs to be legally defined in legislation so as to avoid the current situation where charges are levied and broken after payment a year later and often can not be justified or challenges are left ignored.

Question 57:

(1) Yes

Comment:

(2) Yes

Comment: It would to separate legally necessary and required expenditure form enhanced services - both could be treated differently.

(3) Yes

Comment:

(4) Yes

Comment: Yes. This is missing from the existing leasehold system and is open to persistent abuse.

Question 58:

(1) Yes

Comment: Essential.

(2) Yes

Comment:

(3) Yes

Comment: Were there is a requirement for a reserve fun, there should be a legal requirement for a forward 10 year plan so as to quantify any future contributions. The plan is revised annually by the association.

(4) No

Comment: No it needs to be subject to statue and recourse. if reserve funds are needed then they must be supported by a forward plan to justify.

(5) Yes

Comment:

(6) Yes

Comment:

(7) Yes

Comment:

(8) Yes

Comment:

(9) Would it not be better for a duty to advise members that a shortfall above limits has arisen when it arrives for cyclic adjustment rather than be presented by a bill at the end of the year requiring loans. We would be concerned about the precedent this would create for annual budgeting. We think many maintenance problems arise from a failure to forward plan and the use of regulated reserve funds would just put off those long term changes in the pipeline. The idea must be to allow commonhold to provide the light of a new day whereby investment in the asset is primary focus away from the existing leasehold system which serves only to serve whatever interest is determined for the leaseholder, and on what basis.

(10) Yes

Comment:

Question 59:

(1) Yes

Comment: This can however be open to abuse so it needs to be based on use and frequency of use for example private use or members of the public accessing the same common areas which can be a conflict in objectives between private and commercial leaseholders.

(2) there should be limitations

Comment: Yes. An all residential will require less protection than a mix-use commonhold. It needs regulate where there is opportunity for abuse.

Question 60:

(1) Yes

Comment:

(2) No. It is likely that the allocation needs to be quantified in some form of independent way where there is different conflicting objectives between members who are residents and those who use the facility for commercial purposes. It can't be assumed that there will automatically be fair apportionment. For example if a resident does not live at the flat he or she will still have to pay the service charges in the leasehold system but the freeholder can pass on the costs of a commercial lease being inactive to the rest of the leaseholders without paying that share of the costs. This should not be allowed to continue in commonhold. Another example is the provision of a reception service primarily to direct

members of the public to business and or to maintain watchful security. This is necessary and required for residents but currently it imposed on us because there is no effective way of challenging it. Thus the new system needs to be clear about what is necessary and required expenditure by law and what is within scope of an enhanced service which some members do not need to fund.

(3) Possibly. But it is unfair currently in our mixed use arrangement as we pay for services which we do not utilise to the extent of commercial tenants who are able to reclaim their costs through the tax system.

(4) No.

There needs to be an agreed scope of service for the essential and necessary running and maintenance of the asset and this needs to be proportioned. Those enhanced services such as a reception desk, health safety at work audits, mail services which are not necessary to run a building and these need to be charged according to use. The new legislation should make a lawful distinction between both.

Question 61:

(1) Yes

Comment:

(2) It will require long investigations.

(3) No

Comment: This should be a pre purchase enquiry as per the existing conveyancing because asset maintenance is spread over years before and after a purchase as is its future liabilities based on past charges paid.

(4) Yes

Comment: Or a regulator or secretary of state reviews it annually.

(5) This will depend on the capacity of the issuer and it can't be assumed all will be professional advisers.

(6) CUIIC should be amendable

Comment: With a limited list of lawful good reasons not open to abuse. An unforeseen end of year liability or late billing might be an example such expensive lift repair outside of anyone's control or accident.

Question 62:

Question 63:

(1) Yes

Comment:

(2) Yes

Comment:

Question 64:

Yes

Comment:

Question 65:

No

Comment:

Question 66:

(1) Yes

Comment:

(2) Yes

Comment:

(3) No

Comment:

(4) Yes

Comment:

Question 67:

(1) No

Comment: Mandatory, Not a different class of member. In theory the day to day management costs are a concern for the SO member as much as the other.

(2) No

Comment: No it should be percentage share of member and is no different from the bank jointly owing a mortgaged property with a non SO member.

(3) Yes

Comment:

Question 68:

No, an exception is not needed

Comment:

Question 69:

Question 70:

Yes

Comment:

Question 71:

No

Comment:

Question 72:

Question 73:

Yes

Comment:

Question 74:

Yes

Comment:

Question 75:

(1) Yes

Comment:

(2) Yes

Comment:

Question 76:

No

Comment:

Question 77:

No, the procedure should not be transferred to a pre-action protocol.

Comment:

Question 78:

Yes

Comment: Or a regulator.

Question 79:

(1) Yes, the CCS should include such a provision

(2)

Question 80:

Question 81:

Question 82:

Yes

Comment:

Question 83:

Yes, the commonhold association should be provided with enhanced powers.

Comment:

Question 84:

Yes

Comment:

Question 85:*

(1) Yes

Comment:

(2) Yes

Comment:

Question 86:

(1) Yes

* There was an error with question 85(1). On the online form, question 85(1) was a repeat of question 84. The responses provided to both questions have been analysed with this in mind and relevant points incorporated into our policy development.

Comment:

(2) Informal

Dispute Resolution

Court

Not one without the other.

(3) Yes

Comment:

(4) Yes

Comment:

(5) 1% of the value of the estimated open value by a professional regulator advisor.

(6) Yes

Comment:

(7) Yes

Comment:

(8) Yes

Comment:

Question 87:

(1) Yes

Comment:

(2) Yes

Comment:

(3) Guidance should be published via a regulator or a court but if a regulator had a duty to determine alternative arrangements could be used prior to termination then that would be a pre court stage in favour of common association or associations more generally.

(4) Well if you had a dedicated regulator then that could be a pre court function.

(5) Not Answered

Comment: Or a regulator.

Question 88:

(1) Yes

Comment: And regulation isolating others be in place or if there is a sucession then rules on limitation of liability.

(2) Yes

Comment:

(3) Yes

Comment:

Question 89:

(1) Yes

Comment:

(2)

Question 90:

(1) Yes

Comment:

(2) Yes

Comment:

(3) Yes

Comment:

(4)

Question 91:

(1) Yes

Comment:

(2) Yes

Comment:

(3) Yes

Comment: Or a regulator.

(4)

(5)

(6) Yes

Comment:

(7) Land value as known plus market equivalent values in the vicinity.

Question 92:

(1) Yes

Comment:

(2)

Question 93:

It will enhance their desirability amongst purchases as is the case with share of freehold.

Question 94:

Control of rents.

Removing wasted costs on legal fees.

Resolve the length of lease.

Control of service charge.

Cultural change in the management of assets in common interest.

Equalise the disequity between leaseholder and freeholder.

Question 95:

(1) It takes a large amount of time both personally and by professional advisers who highlight pages upon pages and then enquiries have to be sent via a solicitor and then there are terms which can't be enforced and then when a lease needs extending you have to go through the whole process again.

(2) Yes. For sure.

(3) Scotland. On our doorstep. Absolute ownership and common missives with better regulated service charges.

Question 96:

Take the cost out of the system. Where it is determined there is a cost make it fixed and unassessed that way nobody can dispute and the need for lawyers is minimised.

Question 97:

(1 & 2) The Freeholder does not respond to basic enquiries. The cost and hassle of employing solicitors and surveyors. The cost of the Freeholder to respond and challenge and their own professional advisers. All of this can be saved by moving to a fixed compensation system on converting a commonhold.

(3)

Question 98:

Lawyers fees.

Residents time.

Accountancy fees.

Surveyors fees.

Question 99:**Question 100:**

Consider a low cost regulator for the common good to promote and sustain commonhold with first principle referral for resolution then the courts perhaps looking at the CIC regulator as a model.

Question 101:

Or an application to a regulator to act in the first instance.

Question 102:

We think it will be positive provided that it is flexible enough say in places like London where there are many mixed-use developments particularly with shops and the reforms are broad enough to support conversion, remove freeholder objections and it has a cost benefit advantage in the longer term. The introduction of a commonhold regulator with a statutory duty to promote commonhold and enforce the system when uptake is on stream to become the preferred ownership model then people will have confidence to challenge the inertia and abuses of the current system.

Question 103:

in mixed commercial and residential units. This needs to be considered to offer access to leaseholders in mixed use freeholds of commercial leases and residential leases. The commonhold needs to provide both common association amongst a group of residential leaseholders ("residential commonholders") and the remainder of the Freehold Commonholder. In our case that would mean the freehold would be converted to a commonhold with the existing freeholder owning 60% and the residential leaseholder arrangement representing the leaseholders. owning 40% of the common hold. Presumably this could be 50% and 50% if the common areas are taken into consideration. A simple majority of 11 out of the 21 flats should be sufficient to initiate the conversion to

Commonhold. The Scottish systems allows for absolute ownership of freehold for flats and also for mixed use buildings. This must be possible in England also as Glasgow, Edinburgh and Aberdeen have large numbers of flats across its conurbations.

The [REDACTED] Residents' Association [REDACTED] was formed on 8 January 2019 and represents 16 out of the 21 residential apartments in the Freehold Property of [REDACTED], London [REDACTED]. The Freehold Owner was notified on 15 January 2019 requesting recognition but to date there has been no acknowledgement or response. The 5 flats which have not joined have been let to private tenants on an assured shorthold tenancy basis and we do not have contact details of the long leaseholders.

The Association has already written to the Law Commission with its concerns about how the current leasehold system operates. According to the service charge information the residential proportion of cost is based on floor space excluding common areas. We are unable to confirm what the exact split of residential / commercial leases because the charges are lumped together as [REDACTED]. [REDACTED] consists of 21 residential long-leasehold apartments with the number years unexpired ranging from 125 to 190 years with ground rents of £75, £150 and a peppercorn rents. The apartments are located on the 3rd, 4th, 5th and 6th floors. On the ground floor there is an [REDACTED]
[REDACTED]
[REDACTED] The basement, ground floor, first floor and second floor contain commercial leases. Some of those premises are empty.

It is not known what floor space the residential flats represents in the freehold of [REDACTED] and the residential leaseholders have no legal interest in the Freehold Owner's commercial concerns. There is a small embassy on the second floor, The Basement to 2nd Floor contain small businesses. Around 2012, the previous Freeholder submitted a planning application to Westminster City Council to convert the ground, first and second floor to residential apartments. The Council approved the plans and the change of use. The current Freeholder updated the plans and they were approved again in 2018. No building works have taken place. The building is in poor condition and we have already been in touch with Mark Fields MP about the running and maintenance of the building.

The law currently prohibits us from obtaining a share of the freehold, form a right to manage company or appoint an independent manager for the 21 flats and this severely limits our ability to manage the building and our investment in the property. The lack of maintenance and poor presentation has been cited by estate agents as being a factor marketing flats in the building to sell. We currently have no effective remedy to resolve these issues.

The Association supports the Law Commission proposals to remove the 25% non-residential barrier to setting up right to manage company.

The Association believes that there needs to be comprehensive reform of the Leasehold System so that residents of leasehold apartments have control of the decisions which are made in respect of their substantial long-term investment in property. The absolute

freehold model for flat owners in Scotland is a good example whereby flat owners have a legal ownership of part of a freehold and the system of running and maintenance are performed by property factors.

The Association also believes that the current system allows a Freehold Owner to decide unilaterally what charges services should be provided and levied to leaseholders. There is no distinction between conflicting priorities. We consider that charges should be ' strictly limited to the necessary and required expenditure for the running and maintenance of 21 residential premises' . This would exclude services such as a providing a 12 hour reception service which primarily directs members of the public to the Freehold Owner' s commercial leaseholders to conduct business.

Managing Agents are left to voluntarily apply the RICS guidance on apportionment of service charges in mixed residential and commercial units rather than statute codifying a legal requirement to limit service charges to expenditure which is necessary and required to maintain and run 21 residential apartments. The Association believes that the RTM project should not only look at eligibility of the RTM scheme but to take the opportunity to reform the potential limitation of charges passed on to property owners which is otherwise an unregulated area where both residential and commercial interests conflict or vary based on the operational needs of individual commercial leaseholders.

Therefore, the Association was unable to form a RTM, or exercise enfranchisement for the reasons given.

Question 104:

in mixed commercial and residential units. This needs to be considered to offer access to leaseholders in mixed use freeholds of commercial leases and residential leases. The commonhold needs to provide both common association amongst a group of residential leaseholders ("residential commonholders") and the remainder of the Freehold Commonholder. In our case that would mean the freehold would be converted to a commonhold with the existing freeholder owning 60% and the residential leaseholder arrangement representing the leaseholders. owning 40% of the common hold. Presumably this could be 50% and 50% if the common areas are taken into consideration. A simple majority of 11 out of the 21 flats should be sufficient to initiate the conversion to Commonhold. The Scottish system allows for absolute ownership of freehold for flats and also for mixed use buildings. This must be possible in England also as Glasgow, Edinburgh and Aberdeen have large numbers of flats across its conurbations.

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[REDACTED]
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The law currently prohibits us from obtaining a share of the freehold, form a right to manage company or appoint an independent manager for the 21 flats and this severely limits our ability to manage the building and our investment in the property. The lack of maintenance and poor presentation has been cited by estate agents as being a factor marketing flats in the building to sell. We currently have no effective remedy to resolve these issues.

The Association supports the Law Commission proposals to remove the 25% non-residential barrier to setting up right to manage company.

The Association believes that there needs to be comprehensive reform of the Leasehold System so that residents of leasehold apartments have control of the decisions which are made in respect of their substantial long-term investment in property. The absolute freehold model for flat owners in Scotland is a good example whereby flat owners have a legal ownership of part of a freehold and the system of running and maintenance are performed by property factors.

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Therefore, the Association was unable to form a RTM, or exercise enfranchisement for the reasons given.

Question 105:

(1) 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.

Comment: They are a new deal for consumers and we don't think volunteering has helped since the first commonhold model was introduced.

Question 106:

(1) A commonhold regulator with light touch regulation, ability to lock certain funds, fixed compensation scheme to freeholders, easy to do conversion, low cost and a focus on reducing service expenditure to a strict necessary and required for the maintenance and running of residential accommodation.

(2) We think a commonhold regulator with same type of statutory objectives as the CIC regulator but in property commonhold context would help drive the policy, bring timely enforcement, reduce costs and derive benefit to all who currently are trapped in leasehold flats or houses with little option to do anything about it particularly in the context of current barriers to existing RTM or enfranchisement options.

Question 107:

Any further comments

in mixed commercial and residential units. This needs to be considered to offer access to leaseholders in mixed use freeholds of commercial leases and residential leases. The commonhold needs to provide both common association amongst a group of residential leaseholders ("residential commonholders") and the remainder of the Freehold Commonholder. In our case that would mean the freehold would be converted to a commonhold with the existing freeholder owning 60% and the residential leaseholder arrangement representing the leaseholders. owning 40% of the common hold. Presumably this could be 50% and 50% if the common areas are taken into consideration. A simple majority of 11 out of the 21 flats should be sufficient to initiate the conversion to Commonhold. The Scottish system allows for absolute ownership of freehold for flats and also for mixed use buildings. This must be possible in England also as Glasgow, Edinburgh and Aberdeen have large numbers of flats across its conurbations.

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The Association believes that there needs to be comprehensive reform of the Leasehold System so that residents of leasehold apartments have control of the decisions which are made in respect of their substantial long-term investment in property. The absolute freehold model for flat owners in Scotland is a good example whereby flat owners have a legal ownership of part of a freehold and the system of running and maintenance are performed by property factors.

The Association also believes that the current system allows a Freehold Owner to decide unilaterally what charges services should be provided and levied to leaseholders. There is no distinction between conflicting priorities. We consider that charges should be ' strictly limited to the necessary and required expenditure for the running and maintenance of 21 residential premises' . This would exclude services such as a providing a 12 hour reception service which primarily directs members of the public to the Freehold Owner' s commercial leaseholders to conduct business.

Managing Agents are left to voluntarily apply the RICS guidance on apportionment of service charges in mixed residential and commercial units rather than statute codifying a legal requirement to limit service charges to expenditure which is necessary and required to maintain and run 21 residential apartments. The Association believes that the RTM project should not only look at eligibility of the RTM scheme but to take the opportunity to reform the potential limitation of charges passed on to property owners which is otherwise an unregulated area where both residential and commercial interests conflict or vary based on the operational needs of individual commercial leaseholders.

Therefore, the Association was unable to form a RTM, or exercise enfranchisement for the reasons given.

Name of organisation: [REDACTED] RTM Company Ltd

Question 1:

No

Comment: Collective enfranchisement requires $\leq 25\%$ of the total floor area to be commercial.

This is a completely unnecessary and horrible condition.

A disgusting block with an ineffective agent could have literally 100% of all leaseholders agreeing that we must change managers, however it wouldn't be possible because of the building design? What a bizarre rule, which unfairly prejudices those leaseholders who happen to be in a block with $>25\%$ of commercial floor area.

Who cares?

I can see no logical reason for this arbitrary percentage, and it only serves to give bullying freeholders power over their leaseholders, knowing they can do almost nothing about it (except proceed to an incredibly costly 'appoint a manager' tribunal).

The condition should be $>50\%$ leaseholders, period. Residential or commercial is irrelevant.

This should be a democratic process, please please please remove the 25% floor area condition, it's unnecessary and causes considerable hassle and stress, and unfairly puts huge power in the hands of freeholders.

Question 2:

Yes

Comment: $>50\%$ leaseholders is sufficient.

Question 3:

No

Comment: Excluding leaseholders who may have owned that property for a considerable time, seems a little unfair.

Question 4:

(1) Yes

Comment:

(2) Yes

Comment:

(3) Yes

Comment:

(4) Just leasehold

(5) Yes

Comment:

(6) (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;

Comment:

Question 5:

(1) No

Comment: 80% is too high a requirement. They should be able to finance it somehow, through principle repayments to obtain the commonhold, for example. Not progressing because a few aren't able to immediately afford it, still puts the freeholder in huge control over the block, which is not what this legislation is supposed to be encouraging.

(2) No

Comment: Shared ownership option should go to the leaseholder.

Yes

(3 & 4)

(5) Anyone. And as the property value appreciates or depreciates, the investor would reap the reward or suffer the loss proportionally.

(6) (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

Comment:

(7) Low

Question 6:

(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

Comment:

Question 7:

Yes

Comment: As long as it's a cheap application, like Residents Association Recognition. Legal costs are incredibly expensive and prohibitive, so this needs to be an affordable fixed-charge application.

Question 8:

Yes

Comment:

Question 9:

Yes, it should be possible for charges to transfer automatically, without requiring lenders' consent.

Comment:

Question 10:

(1) Option 1

(2) 80% is far too high a requirement. We have 86% at our current block, but it's taken considerable work. We don't have contact details for a few leaseholders, many of the units are rented out and the owner is overseas. It's 2019, people are busy, and requiring 80% isn't practical or fair on the 79% who might agree. Again, it's a democracy, 50% should be all that's necessary.

(3) 50% required. Those who can't afford it can finance it through government, through other leaseholders, or then through a private investor (who would see their investment appreciate/depreciate in value with the house value). Those who don't want to, again they're forced to as it's a democracy and 50% are in favour. So they have the same options. If no one is found, the commonhold can pass back to the existing freeholder, but only as a last resort. This legislation is designed to give power to the leaseholders, after all.

More importantly, the removal of the 25% commercial floor area legislation is absolutely critical. Our block has 27% commercial floor area, and 90% total leaseholder agreement to leave our management company, but we are prevented from doing so due to this arbitrary ruling relating to the property's design.

Question 11:

No

Comment: The same as Chapter 3, question 1:

Collective enfranchisement requires $\leq 25\%$ of the total floor area to be commercial.

This is a completely unnecessary and horrible condition.

A disgusting block with an ineffective agent could have literally 100% of all leaseholders agreeing that we must change managers, however it wouldn't be possible because of the

building design? What a bizarre rule, which unfairly prejudices those leaseholders who happen to be in a block with >25% of commercial floor area.

Who cares?

I can see no logical reason for this arbitrary percentage, and it only serves to give bullying freeholders power over their leaseholders, knowing they can do almost nothing about it (except proceed to an incredibly costly 'appoint a manager' tribunal).

The condition should be >50% leaseholders, period. Residential or commercial is irrelevant.

This should be a democratic process, please please please remove the 25% floor area condition, it's unnecessary and causes considerable hassle and stress, and unfairly puts huge power in the hands of freeholders.

Question 12:

(1) Yes

Comment:

(2) Leaseholders should be required to make a collective decision no longer to proceed with the conversion.

Comment:

Question 13:

(1) Yes

Comment:

(2) Yes

Comment:

Question 14:

Yes

Comment:

Question 15:

You must must must remove the 25% commercial floor area ruling, please! It makes no sense, it's illogical, it's anti-democratic and it gives power to a freeholder to bully their leaseholders, all because of building design. Unacceptable.

Question 16:

(1) No

(2)

Question 17:

(1) Yes

Comment:

(2) Not Answered

Comment:

(3)

Question 18:

(1) Yes

Comment:

(2)

Question 19:

It should be for each commonhold to decide.

Comment:

Question 20:

(2) section committees affected by an alteration of delegated powers should be given the ability to apply to the Tribunal; or

Comment:

Question 21:

(1) Yes

Comment:

(2) Yes

Comment:

(3) Yes

Comment:

Question 22:

Yes

Comment:

Question 23:

Yes

Comment:

Question 24:

(1) Yes

Comment:

(2) Yes

Comment:

(3) Yes

Comment:

Question 25:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Question 26:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

Question 27:

Not Answered

Question 28:

Not Answered

Comment: Not Answered

Question 29:

Not Answered

Question 30:

Everything which would be required under an RTM company. Accounts should be necessary, for example, preferably audited for blocks of a certain number of units.

Question 31:

(1)

(2)

Question 32:

(1) Yes

Comment:

(2) Yes

Comment:

Question 33:

(1) Yes

Comment: Mismanagement is possible, but that shouldn't affect the leaseholders who weren't involved and should have their commonholds continued.

(2) It should be a cheap process. If this were to happen, it would be a kick in the teeth for leaseholders to 'lose' even more money due to the court process.

(3) Yes

(4) Responsible Directors, and monthly reports, or the appointment of a bookkeeper, perhaps.

Question 34:

(1) Yes

Comment:

(2) Yes

Comment:

Question 35:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Question 36:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

(3) Not Answered

Question 37:

Not Answered

Question 38:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

(3) Not Answered

(4) Not Answered

Question 39:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

Question 40:

Not Answered

Comment: Not Answered

Question 41:

Not Answered

Question 42:

Yes

Comment:

Question 43:

(1) Yes

Comment:

(2) Yes

Comment: Proportionally, yes. Their vote should reflect their interest.

(3) No

Comment: General Meeting should be fine, with democracy ruling. No need for the Tribunal.

Question 44:

(1) Everyone receives 1 vote for the first property. Each additional unit (whether held by them, or a connected or related party) only gives 50%, 25%, etc. of the vote. Those with more interest should have more say, but on a reducing scale basis to avoid the "squeezing out". This seems fair to me.

(2)

Question 45:

(1)

(2) (1) a restriction on the number of proxy votes that any individual might hold

Question 46:

(1) Yes

Comment: Only as part of the building as a whole

(2) Yes

Comment:

(3)

Question 47:

(1) Yes

Comment:

(2) Other

Comment: On request, or as a Note within the financial statements should be sufficient.

Question 48:

(1)

(2) Yes

Comment:

Question 49:

Yes

Comment: If they want, but not mandatory.

Question 50:

(1) Yes

Comment:

(2) No

Comment: What if it's horrifically expensive to do this, but now since it's a condition, it must be done, and the leaseholders must pay, so cue massive demands on the leaseholder to fund it. I don't know why this is necessary. If some damage happens to an area with no insulation, then there's a decision as to whether to put insulation into it during the repair. Easy.

(3) Yes

Comment:

(4) Yes

Comment:

(5) Yes

Comment:

Question 51:

(1) Prescribed

(2)

(3) On a case-by-case, decided by the commonhold on a democratic basis.

(4)

Question 52:

(1) Yes

Comment:

(2) Yes

Comment:

(3) (1) defined as outline at paragraph 9.137

Comment:

Question 53:

Not Answered

Comment:

Question 54:

(1) Yes

Comment: Completely agree, so as to not be 'done over' by a bitter freeholder just prior to taking control.

(2) Yes

Comment: 12 months is standard for this terminology

(3) Yes

Comment:

Question 55:

This doesn't need to be made complicated. On taking control, information for all contracts is provided. They have 6 months to terminate or continue a contract. A new controller doesn't mean termination, it's just a 'right' to terminate. It's honestly so easy to manage. Do you want the item? If yes, drop them an email and confirm business as usual. If not, then arrange a replacement (if applicable) then drop them an email and exercise your right to terminate.

Question 56:

(1) Yes

Comment:

(2) Yes

Comment:

(3) Ok, makes sense. It should be 50% of the VOTING leaseholders, though. Some leaseholders will be passive, so they shouldn't drive the percentage down.

(4) As above, same as last year.

Question 57:

(1) No

Comment: You can't say how many improvements are necessary. Leave this to the committee members to vote democratically.

(2) No

Comment: You can't say how many improvements are necessary. Leave this to the committee members to vote democratically.

(3) Yes

Comment:

(4) No

Comment: Someone could rush to spend it, unwisely. That deserves challenging.

Question 58:

(1) Yes

Comment:

(2) Yes

Comment:

(3) No

Comment: Capex plan, with cash flow, to determine what's required to keep the property in a good state of repair. Communication and democracy - easy.

(4) Yes

Comment:

(5) Yes

Comment:

(6) Yes

Comment:

(7) Yes

Comment:

(8) No

Comment: Tribunal involvement not necessary.

(9) Yes, with support from financial reports, cash forecasts, etc.

(10) Yes

Comment:

Question 59:

(1) Yes

Comment:

(2) each commonhold should have total flexibility

Comment:

Question 60:

(1) Yes

Comment:

(2) Yes, makes sense.

(3) Yes.

(4) Yes, but with common sense also applied. Commercial units might not use the general bins, but their own. They also won't use the communal areas or the lifts, for example. This should be up to each commonhold to decide, and with democratic voting, with the majority winning.

Question 61:

(1) Yes

Comment:

(2) No, this would be fine with good communication

(3) Yes

Comment:

(4) Yes

Comment:

(5) Tribunal to demand its production within 7 days, and the mandatory appointment of a new Director.

(6) CUIC should be amendable

Comment: Mistakes could be made in fairness, so signed and approved amended should be ok. If someone commits fraud, that's another matter entirely which has a separate process. You'd hope the Directors are already responsible and honourable people, who wouldn't do this.

Question 62:

Not Answered

Question 63:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

Question 64:

Not Answered

Comment: Not Answered

Question 65:

Not Answered

Comment: Not Answered

Question 66:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

(3) Not Answered

Comment: Not Answered

(4) Not Answered

Comment: Not Answered

Question 67:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

(3) Not Answered

Comment: Not Answered

Question 68:

Not Answered

Comment: Not Answered

Question 69:

Not Answered

Question 70:

Not Answered

Comment: Not Answered

Question 71:

Not Answered

Comment: Not Answered

Question 72:

Not Answered

Question 73:

Not Answered

Comment: Not Answered

Question 74:

Not Answered

Comment: Not Answered

Question 75:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

Question 76:

Not Answered

Comment: Not Answered

Question 77:

Not Answered

Comment: Not Answered

Question 78:

Not Answered

Comment: Not Answered

Question 79:

(1) Not Answered

(2) Not Answered

Question 80:

Not Answered

Question 81:

Not Answered

Question 82:

Not Answered

Comment: Not Answered

Question 83:

Yes, the commonhold association should be provided with enhanced powers.

Comment:

Question 84:

Yes

Comment:

Question 85:*

(1) Yes

Comment:

(2) Yes

Comment:

Question 86:

(1) Yes

Comment:

(2)

(3) Yes

Comment:

(4) Yes

Comment:

(5) As a percentage of market value, say 20%.

(6) Yes

Comment:

(7) Yes

Comment:

(8) No

Comment:

Question 87:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

* There was an error with question 85(1). On the online form, question 85(1) was a repeat of question 84. The responses provided to both questions have been analysed with this in mind and relevant points incorporated into our policy development.

Comment: Not Answered

(3) Not Answered

(4) Not Answered

(5) Not Answered

Comment: Not Answered

Question 88:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

(3) Not Answered

Comment: Not Answered

Question 89:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Question 90:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

(3) Not Answered

Comment: Not Answered

(4) Not Answered

Question 91:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

(3) Not Answered

Comment: Not Answered

(4) Not Answered

(5) Not Answered

(6) Not Answered

Comment: Not Answered

(7) Not Answered

Question 92:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Question 93:

Not Answered

Question 94:

Not Answered

Question 95:

(1) Not Answered

(2) Not Answered

(3) Not Answered

Question 96:

Not Answered

Question 97:

(1 & 2) Not Answered

(3) Not Answered

Question 98:

Not Answered

Question 99:

Not Answered

Question 100:

Not Answered

Question 101:

Not Answered

Question 102:

Not Answered

Question 103:

Not Answered

Question 104:

Not Answered

Question 105:

(1) Not Answered

Comment: Not Answered

Question 106:

(1) Not Answered

(2) Not Answered

Question 107:

Not Answered

Any further comments

I've mentioned this before, that the 25% commercial floor area rule is catastrophic to democracy, and to giving control to leaseholders. Leaseholders are prejudiced against and in a horribly desperate situation as a result of building design - which is a frankly bizarre and unnecessary ruling.

Please, I urge and beg you, remove this condition. We could have 100% of residential and 100% of commercial leaseholders, all agreeing the managing agent is a nightmare,

incompetent, wasteful, disrespectful, yet STILL we cannot establish RTM or take control due to 26% of the floor area being designated commercial. How is that fair? It should be 0%. Not even 10 or 5%, but 0%. There is no basis to protect a freeholder's interest, and to allow them to bully leaseholders, simply due to the building design.

The cost of proceeding to a tribunal under 24 of the LTA1987 is prohibitive - in the tens of thousands. This is unfair and unnecessary. The freeholder has demanded over £500 per month in service charges, for a crumbling block of one-bedroom flats in east London. £500 per MONTH. Pensioners and single parents are being driven into debt, else threatened with legal action and having £600 in 'referral fees' added onto the already unaffordable debt. We cannot afford legal representation due to these demands, we cannot afford Tribunal action. Without the horrible 25% commercial floor area rule, this would have been considerable easier, quicker, fairer and less stressful. This is a depressing and disastrous situation which needs to be rectified please.

Name of organisation: ████████ Residents Company Ltd

Question 1:

Yes

Comment: This level of commitment is encouraging for future management of the commonhold.

Question 2:

Yes

Comment: Even where an estate is already enfranchised, it is possible that some leaseholders may not wish to take what is still a radical step. There will be an uncertainty about the impact of future sale of the property - the financing issue raised later is critical to building confidence. One needs to think not just about the conversion process but also the subsequent life of the commonhold unit.

Question 3:

Yes

Comment: It's about demonstrating an interest in the property.

Question 4:

(1) Yes

Comment:

(2) Yes

Comment:

(3) Yes

Comment:

(4) The new system will need to provide clarity and fairness over the running of the commonhold organisation.

(5) Other

Comment:

(6)

Comment: I don't know. Common sense says that there needs to be plurality of options to encourage the process.

Question 5:

(1) Yes

Comment: Again it's about demonstrating commitment.

(2) Yes

Comment:

Yes

(3 & 4)

(5)

(6) (c) as that fixed amount, adjusted in line with house price inflation;

Comment:

(7) Despite the impact on mortgageability, the needs of the commonhold association should come first.

Question 6:

Comment: Too difficult for me to envisage.

Question 7:

Yes

Comment: Straightforward extension of current practice

Question 8:

Yes

Comment: Fair

Question 9:

Yes, it should be possible for charges to transfer automatically, without requiring lenders' consent.

Comment: This seems to me to be critical. I have seen how awkward (and expensive) lenders can be even over lease extension.

Question 10:

(1) Option 2

(2) Higher level of commitment for future operation of the association

(3)

Question 11:

Yes

Comment: \sensible extension of current practice.

Question 12:

(1) Yes

Comment: Processes can take a long time, especially if contentious issues arise.

(2) Leaseholders should be required to make a collective decision no longer to proceed with the conversion.

Comment: It's all about cooperation and commitment

Question 13:

(1) Yes

Comment: Sensible simplification.

(2) Yes

Comment: Simplification

Question 14:

Yes

Comment: Simple procedure.

Question 15:

Looking at my organisation's position, we are an enfranchised estate of 30 flats with all 30 flatowners participating. The changes should be as easy as formulating the commonhold agreement and getting 30 signatures. It should cost no more than £100 per flat.

Question 16:

(1) Not Answered

(2) Not Answered

Question 17:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

(3) Not Answered

Question 18:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Question 19:

Not Answered

Comment: Not Answered

Question 20:

Not Answered

Comment: Not Answered

Question 21:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

(3) Not Answered

Comment: Not Answered

Question 22:

Not Answered

Comment: Not Answered

Question 23:

Not Answered

Comment: Not Answered

Question 24:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

(3) Not Answered

Comment: Not Answered

Question 25:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Question 26:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

Question 27:

Not Answered

Question 28:

Not Answered

Comment: Not Answered

Question 29:

Not Answered

Question 30:

No. They are an important check on propriety

Question 31:

(1)

(2)

Question 32:

(1) Yes

Comment: It is important to keep the estate managed.

(2) Yes

Comment: ditto

Question 33:

(1) Yes

Comment:

(2)

(3) Not Answered

(4)

Question 34:

(1) No

Comment: All members of associations should meet the obligations

(2) Other

Comment: Don't know - there must be analogies

Question 35:

(1) Yes

Comment: Encourages responsible ownership.

(2) Social responsibility is part of commonhold.

Question 36:

(1) Not Answered

Comment:

(2) Not Answered

Comment:

(3)

Question 37:

Set a 75% or higher majority for introduction of rules

Question 38:

(1) Yes

Comment: Again, encouraging participation.

(2) At least 75%

(3)

(4)

Question 39:

(1) Other

Comment: An annex.

(2) Yes, the directors of the commonhold association should be under such a duty

Comment:

Question 40:

Yes

Comment:

Question 41:

Question 42:

Yes

Comment: Just like a company.

Question 43:

(1) Yes

Comment: Especially when flats are sublet, finding will and able directors can be a problem.

(2) Yes

Comment:

(3) Other

Comment: Only if the management board requests it.

Question 44:

(1) Yes, especially in areas where property values are rising

(2) Yes to 1-4, through the Tribunal.

Question 45:

(1) Not in my experience. The main issue is generating participation.

(2) (1) a restriction on the number of proxy votes that any individual might hold

Question 46:

(1) Yes

Comment: No change from leasehold, really

(2) Yes

Comment:

(3) directors' liability

Question 47:

(1) Yes

Comment:

(2) Yes

Comment:

Question 48:

(1) don't know

(2) Yes

Comment:

Question 49:

Yes

Comment: Mandatory

Question 50:

(1) Yes

Comment: sensible

(2) Not Answered

Comment: adequate is a funny word here. Needs minimum standard to comply with regulations. Area with rapid change in next few years.

(3) Yes

Comment: Individual associations will differ in their priorities

(4) Yes

Comment: Individual associations will differ in their priorities

(5) Yes

Comment: Individual associations will differ in their priorities

Question 51:

(1) Other

(2) Prescribed minimum, plus other local rules (may be special circumstances)

(3)

(4)

Question 52:

(1) No

Comment: There need to be rules about what is permissible.

(2) Other

Comment: Except where norms/rules are broken.

(3) (1) defined as outline at paragraph 9.137

Comment: Have to stop people doing silly things. There needs to be right to get work rescinded if nuisance is caused.

Question 53:

No

Comment: have had RTM since initial development

Question 54:

(1) Yes

Comment:

(2) Yes

Comment: Agree

(3) Yes

Comment:

Question 55:

Question 56:

(1) Yes

Comment:

(2) Yes

Comment:

(3)

(4)

Question 57:

(1) Not Answered

Comment:

(2) Not Answered

Comment:

(3) Not Answered

Comment:

(4) Yes

Comment: Matters have to be settled quickly

Question 58:

(1) Yes

Comment: Essential

(2) Yes

Comment: As now

(3) No

Comment: Local rules please

(4) Yes

Comment: Individual associations will differ in their priorities

(5) No

Comment: I don't like designated reserve funds: flexibility is key.

(6) Yes

Comment:

(7) Yes

Comment:

(8) No

Comment: same authority as created it.

(9) yes, but by special resolution.

(10) Yes

Comment:

Question 59:

(1) Yes

Comment: The units may well be very different

(2) Not Answered

Comment:

Question 60:

(1) Yes

Comment:

(2)

(3) No: need to consider things like access

(4)

Question 61:

(1) Not Answered

Comment:

(2)

(3) Not Answered

Comment:

(4) Not Answered

Comment:

(5)

(6) Not Answered

Comment:

Question 62:

Question 63:

(1) Yes

Comment:

(2) Yes

Comment:

Question 64:

Yes

Comment:

Question 65:

Yes

Comment: socially responsible

Question 66:

(1) Yes

Comment:

(2) No

Comment: The provider has an interest

(3) Not Answered

Comment:

(4) Not Answered

Comment:

Question 67:

(1) Yes

Comment:

(2) Not Answered

Comment:

(3) Not Answered

Comment:

Question 68:

Not Answered

Comment:

Question 69:

Question 70:

Not Answered

Comment:

Question 71:

Not Answered

Comment:

Question 72:

Question 73:

Not Answered

Comment:

Question 74:

Not Answered

Comment:

Question 75:

(1) Not Answered

Comment:

(2) Not Answered

Comment:

Question 76:

Not Answered

Comment:

Question 77:

Not Answered

Comment:

Question 78:

Not Answered

Comment:

Question 79:

(1) Yes, the CCS should include such a provision

(2)

Question 80:

Question 81:

Question 82:

Not Answered

Comment:

Question 83:

Yes, the commonhold association should be provided with enhanced powers.

Comment:

Question 84:

Yes

Comment:

Question 85:*

(1) Yes

Comment:

(2) Yes

Comment:

Question 86:

(1) Yes

Comment:

(2)

(3) Yes

Comment:

(4) Yes

Comment:

(5)

(6) Not Answered

Comment:

(7) Not Answered

Comment:

(8) Not Answered

Comment:

Question 87:

(1) Yes

Comment:

(2) Yes

* There was an error with question 85(1). On the online form, question 85(1) was a repeat of question 84. The responses provided to both questions have been analysed with this in mind and relevant points incorporated into our policy development.

Comment:

(3)

(4)

(5) Not Answered

Comment:

Question 88:

(1) Not Answered

Comment:

(2) Not Answered

Comment:

(3) Not Answered

Comment:

Question 89:

(1) Not Answered

Comment:

(2)

Question 90:

(1) Not Answered

Comment:

(2) Not Answered

Comment:

(3) Yes

Comment:

(4)

Question 91:

(1) Not Answered

Comment:

(2) Not Answered

Comment:

(3) Not Answered

Comment:

(4)

(5)

(6) Not Answered

Comment:

(7)

Question 92:

(1) Not Answered

Comment:

(2)

Question 93:

Question 94:

It could be a lot cheaper to operate.

Question 95:

(1)

(2)

(3)

Question 96:

Question 97:

(1 & 2) I can say that two directors sorting out the terms of an extended lease, negotiating with all parties and solicitors spent at least 50 days each over a couple of years. We have not dared think about changing rules (our leases have a lot of "thou shalt not"s).

(3) Yes, but we need some proformas to ensure wording is not ambiguous.

Question 98:

My estate of 30 flats has not experienced any - but this will change as volunteer time becomes scarcer and more professionals have to be hired in.

Question 99:

No experience

Question 100:

No experience

Question 101:

Question 102:

Question 103:

Question 104:

Question 105:

(1) 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.

Comment: Finance is key: lenders are very conservative.

Question 106:

(1) My company has the ideal enfranchised position. A small estate (30) with all flatowners participating. We looked at commonhold and it seemed to be too a regimented system: we want a lot of flexibility - local rules. The proposals here look good.

(2) You need some "worked examples". Both new developments and conversions. Experiments, but then I am a scientist!

Question 107:

Any further comments

It's a very thorough analysis.

Based on our company experience, owner occupiers are much more likely to participate in the running of their estates than sub-letters. And it's important for the freehold owners to bring in residents who are renting. Our small professional community in Oxford is fairly easy to deal with and secure involvement; I don't have any ideas about larger estates.

Name of organisation: [REDACTED] Residents Association

Question 1:

Other

Comment: I don't feel qualified to answer this question, without a clearer understanding.

Question 2:

Yes

Comment:

Question 3:

Yes

Comment:

Question 4:

(1) Yes

Comment:

(2) Yes

Comment:

(3) Yes

Comment:

(4) I would support this.

(5) Other

Comment: I don't feel qualified to answer this question, without a clearer understanding.

(6) (b) by the consenting leaseholders, through a company (owned by them) which acquires the commonhold interest;

Comment:

Question 5:

(1) Yes

Comment:

(2) Other

Comment: Yes - as long as the freeholder doesn't end up taking over 50% control of the total number of flats.

Yes

(3 & 4)

(5)

(6) Not Answered

Comment:

(7)

Question 6:

Comment:

Question 7:

Not Answered

Comment:

Question 8:

Not Answered

Comment:

Question 9:

Not Answered

Comment:

Question 10:

(1) Not Answered

(2)

(3)

Question 11:

Not Answered

Comment: Not Answered

Question 12:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

Question 13:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

Question 14:

Not Answered

Comment: Not Answered

Question 15:

Not Answered

Question 16:

(1) Not Answered

(2) Not Answered

Question 17:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

(3) Not Answered

Question 18:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Question 19:

Not Answered

Comment: Not Answered

Question 20:

Not Answered

Comment: Not Answered

Question 21:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

(3) Not Answered

Comment: Not Answered

Question 22:

Not Answered

Comment: Not Answered

Question 23:

Not Answered

Comment: Not Answered

Question 24:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

(3) Not Answered

Comment: Not Answered

Question 25:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Question 26:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

Question 27:

Not Answered

Question 28:

Not Answered

Comment: Not Answered

Question 29:

Not Answered

Question 30:

Not Answered

Question 31:

(1) Not Answered

(2) Not Answered

Question 32:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

Question 33:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

(3) Not Answered

(4) Not Answered

Question 34:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

Question 35:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Question 36:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

(3) Not Answered

Question 37:

Not Answered

Question 38:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

(3) Not Answered

(4) Not Answered

Question 39:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

Question 40:

Not Answered

Comment: Not Answered

Question 41:

Not Answered

Question 42:

Not Answered

Comment: Not Answered

Question 43:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

(3) Not Answered

Comment: Not Answered

Question 44:

(1) Not Answered

(2) Not Answered

Question 45:

(1) Not Answered

(2) Not Answered

Question 46:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

(3) Not Answered

Question 47:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

Question 48:

(1) Not Answered

(2) Not Answered

Comment: Not Answered

Question 49:

Not Answered

Comment: Not Answered

Question 50:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

(3) Not Answered

Comment: Not Answered

(4) Not Answered

Comment: Not Answered

(5) Not Answered

Comment: Not Answered

Question 51:

(1) Not Answered

(2) Not Answered

(3) Not Answered

(4) Not Answered

Question 52:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

(3) Not Answered

Comment: Not Answered

Question 53:

Not Answered

Comment: Not Answered

Question 54:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

(3) Not Answered

Comment: Not Answered

Question 55:

Not Answered

Question 56:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

(3) Not Answered

(4) Not Answered

Question 57:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

(3) Not Answered

Comment: Not Answered

(4) Not Answered

Comment: Not Answered

Question 58:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

(3) Not Answered

Comment: Not Answered

(4) Not Answered

Comment: Not Answered

(5) Not Answered

Comment: Not Answered

(6) Not Answered

Comment: Not Answered

(7) Not Answered

Comment: Not Answered

(8) Not Answered

Comment: Not Answered

(9) Not Answered

(10) Not Answered

Comment: Not Answered

Question 59:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

Question 60:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

(3) Not Answered

(4) Not Answered

Question 61:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

(3) Not Answered

Comment: Not Answered

(4) Not Answered

Comment: Not Answered

(5) Not Answered

(6) Not Answered

Comment: Not Answered

Question 62:

Not Answered

Question 63:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

Question 64:

Not Answered

Comment: Not Answered

Question 65:

Not Answered

Comment: Not Answered

Question 66:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

(3) Not Answered

Comment: Not Answered

(4) Not Answered

Comment: Not Answered

Question 67:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

(3) Not Answered

Comment: Not Answered

Question 68:

Not Answered

Comment: Not Answered

Question 69:

Not Answered

Question 70:

Not Answered

Comment: Not Answered

Question 71:

Not Answered

Comment: Not Answered

Question 72:

Not Answered

Question 73:

Not Answered

Comment: Not Answered

Question 74:

Not Answered

Comment: Not Answered

Question 75:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

Question 76:

Not Answered

Comment: Not Answered

Question 77:

Not Answered

Comment: Not Answered

Question 78:

Not Answered

Comment: Not Answered

Question 79:

(1) Not Answered

(2) Not Answered

Question 80:

Not Answered

Question 81:

Not Answered

Question 82:

Not Answered

Comment: Not Answered

Question 83:

Not Answered

Comment: Not Answered

Question 84:

Not Answered

Comment: Not Answered

Question 85:*

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

Question 86:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

(3) Not Answered

*Comment:*Not Answered

(4) Not Answered

Comment: Not Answered

(5) Not Answered

(6) Not Answered

Comment: Not Answered

(7) Not Answered

Comment: Not Answered

(8) Not Answered

Comment: Not Answered

Question 87:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

* There was an error with question 85(1). On the online form, question 85(1) was a repeat of question 84. The responses provided to both questions have been analysed with this in mind and relevant points incorporated into our policy development.

Comment: Not Answered

(3) Not Answered

(4) Not Answered

(5) Not Answered

Comment: Not Answered

Question 88:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

(3) Not Answered

Comment: Not Answered

Question 89:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Question 90:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

(3) Not Answered

Comment: Not Answered

(4) Not Answered

Question 91:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

(3) Not Answered

Comment: Not Answered

(4) Not Answered

(5) Not Answered

(6) Not Answered

Comment: Not Answered

(7) Not Answered

Question 92:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Question 93:

Not Answered

Question 94:

Not Answered

Question 95:

(1) Not Answered

(2) Not Answered

(3) Not Answered

Question 96:

Not Answered

Question 97:

(1 & 2) Not Answered

(3) Not Answered

Question 98:

Not Answered

Question 99:

Not Answered

Question 100:

Not Answered

Question 101:

Not Answered

Question 102:

Not Answered

Question 103:

Not Answered

Question 104:

Not Answered

Question 105:

(1) Not Answered

Comment: Not Answered

Question 106:

(1) Not Answered

(2) Not Answered

Question 107:

Not Answered

Any further comments

I have not responded to the majority of these questions - I do not have sufficient level of knowledge of the subject. I am responding as a leaseholder of a flat in a complex of 52 flats. I would say that the majority of the 52 leaseholders would support an end to the current system; we have a management company (Countrywide) and a further company that operates on behalf of the freeholder (Pier/RG securities no 2). This makes buying and selling complicated and expensive. Major repairs take a very long time to plan, resulting in deterioration of the properties. Administration charges are very high and for any new lease that is negotiated, the leaseholder is penalised by having a much higher ground rent imposed. The whole system seems to me to be weighted in favour of the landlord.

Name of organisation: PM Property Lawyers Limited

Question 1:

Yes

Comment:

Question 2:

Yes

Comment: Agreed but subject to a percentage not less than 75%.

Question 3:

Yes

Comment:

Question 4:

(1) Yes

Comment:

(2) Yes

Comment:

(3) Yes

Comment:

(4) In the light of our agreement to (3) above we would suggest that (subject to agreement of mortgagees) that the commonhold interest only is acquired ad this affords an opportunity to regularize the structure of the whole (ie extinguishment of leasehold).

(5) Yes

Comment:

(6) (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;

Comment: In the interests of supporting the ethos of Commonhold we would suggest that the preferred means of funding be via a and b above provided always that there are sufficient funds to do so.

Question 5:

(1) Yes

Comment:

(2) Yes

Comment:

Yes

(3 & 4) N/a

(5) The freeholder

(6) (b) as that fixed amount, with interest;

Comment:

(7) We agree that the new charge should rank first in priority over any pre existing charge if Commonhold is to achieve a proper status.

Question 6:

(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

Comment: Our preferred choice under Option 2 would be (2) above.

Question 7:

Yes

Comment: Whilst appreciating the necessity for adequate safeguards we would take the view that referral to a Tribunal would be another obstacle to encouraging the move to Commonhold both in terms of cost and complexity.

Question 8:

Yes

Comment:

Question 9:

No, it should not be possible for charges to transfer automatically, without requiring lenders' consent.

Comment: Our position is that we are of the opinion that it should not be possible for charges to transfer automatically on conversion to Commonhold without a requirement for lender consent. As lenders have, at present, limited exposure to Commonhold then they may wish to view each Transfer on its merits pending greater familiarity with this procedure. O

Question 10:

(1) Option 2

(2) Our preferred option would be Option 2 which whisg being "harder" is more direct in attempting to achieve the objectives of Commonhold. Option 1 , in our view, represents more of a compromise scenario and dilutes the objective.

(3)

Question 11:

Yes

Comment:

Question 12:

(1) Yes

Comment:

(2) Not Answered

Comment: Our view is that once the Claim Notice has been served this should be entered into on the understanding that this is a claim for enfranchisement and conversion and, as such, a collective decision not to proceed with conversion would be required.

Question 13:

(1) Yes

Comment:

(2) Yes

Comment:

Question 14:

Yes

Comment:

Question 15:

We believe this to be the case.

Question 16:

(1) Yes

(2)

Question 17:

(1) Yes

Comment:

(2) Flying commonholds

Comment:

(3)

Question 18:

(1) Yes

Comment: Agreec, so as to afford better protection to the Commonhold Association Directors.

(2)

Question 19:

Collateral

Comment: In our view delegation to Section Committees should be wholly collateral so as to ensure adequate protection for the Commonhold Association Directors albeit this may dilute the powers of the Section Committee.

Question 20:

(1) directors should be able to revoke or alter the powers delegated to a section committee as they wish;

Comment: See our response to 19 above.

Question 21:

(1) Yes

Comment:

(2) Yes

Comment:

(3) Yes

Comment:

Question 22:

Yes

Comment: Agreed- the criteria with the "sweeper" at (5) should prove to be adequate.

Question 23:

Yes

Comment:

Question 24:

(1) Yes

Comment:

(2) Yes

Comment:

(3) Yes

Comment:

Question 25:

(1) Statutory development rights should apply automatically

Comment: Agreed on all accounts with a view to encouraging more extensive use of Commonhold in new and increasingly complex developments.

(2)

Question 26:

(1) Yes

Comment:

(2) Yes

Comment:

Question 27:

Whilst we do not believe that any further restrictions should be introduced we do believe that they should enure for a limited time period. O

Question 28:

Yes

Comment:

Question 29:

We would consider the transitional period to be primarily an administrative provision to distinguish the pre development stage of a new build development mainly for the benefit of the Land Registry as a preliminary to gearing up for sales activity on that development. Other than that we would consider that there are limited advantages.

Question 30:

We do not believe that the requirements of Company Law should be relaxed for Commonhold Associations and we do not believe these to be sufficiently onerous to dissuade Directors/ Company officials from discharging these obligations.

Question 31:

(1) As incorporated bodies we would believe not.

(2) No comment.

Question 32:

(1) Yes

Comment:

(2) Yes

Comment:

Question 33:

(1) Yes

Comment:

(2) No comment.

(3) Yes

(4) Possible review of the structure and level of billing for services and whether budgeting is adequate.

Question 34:

(1) Yes

Comment:

(2) Yes

Comment:

Question 35:

(1) Yes

Comment:

(2)

Question 36:

(1) Yes

Comment:

(2) Yes

Comment: Yes, agreed although we cannot think of any other exception which could be justified.

(3) As above.

Question 37:

We are of the opinion that the Commonhold Regulations provide adequately here.

Question 38:

(1) Yes

Comment:

(2) 80% of all Unit Holders

(3) No further differentiation.

(4) No further differentiation.

Question 39:

(1) Yes

Comment:

(2) Yes, the directors of the commonhold association should be under such a duty

Comment:

Question 40:

Yes

Comment:

Question 41:

We are of the opinion that the terms of the CCS as summarised in Table 6 of the Consultation are sufficiently comprehensive without further additions.

Question 42:

Yes

Comment:

Question 43:

(1) Yes

Comment:

(2) No

Comment:

(3) No

Comment: We believe that this could put a third party (not nominated by Unit Holders) in a position of controlling their affairs whilst not in actual occupation which, in our view, would fall foul of the Commonhold ethos. O

Question 44:

(1) This could well be the case.

(2) 1 Agreed

2 The Tribunal

3 Yes, in principle but perhaps not to make the supplementary orders as referred to.

4 We believe not.

5 No comment.

Question 45:

(1) Clearly and for the examples as stated. Provisions for proxy voting may be abused as in the illustrations cited in 9.56 above,

(2) (1) a restriction on the number of proxy votes that any individual might hold No comment.

Question 46:

(1) Yes

Comment:

(2) Yes

Comment:

(3) No comment.

Question 47:

(1) Yes

Comment:

(2) Yes

Comment:

Question 48:

(1) We believe so.

(2) Yes

Comment:

Question 49:

Yes

Comment:

Question 50:

(1) Yes

Comment:

(2) Yes

Comment:

(3) Yes

Comment:

(4) Yes

Comment:

(5) Yes

Comment:

Question 51:

(1) Local rules

(2)

(3) Not necessarily.

(4) To be specified but broadly in consideration of rights as would be expected to be granted and reserved in a leasehold structure.

Question 52:

(1) Yes

Comment:

(2) Yes

Comment:

(3) (1) defined as outline at paragraph 9.137

Comment:

Question 53:

Yes

Comment: No examples available.

Question 54:

(1) Yes

Comment: Agreed although we see some difficulty with this proposal both as to entering into and cancelling such contracts.

(2) Yes

Comment:

(3) Yes

Comment:

Question 55:

No comments here.

Question 56:

(1) Yes

Comment:

(2) Yes

Comment:

(3) Yes, agreed.

(4) For the good health of the development and to enable matters to move forward the grounds for objection by the Unit Holders must be limited.

Question 57:

(1) Yes

Comment:

(2) Yes

Comment:

(3) Yes

Comment:

(4) Yes

Comment:

Question 58:

(1) Yes

Comment:

(2) Yes

Comment:

(3) Yes

Comment:

(4) Yes

Comment:

(5) Yes

Comment:

(6) Yes

Comment:

(7) Yes

Comment:

(8) Yes

Comment:

(9) Yes, subject to approval of the majority of the members and provided that it is understood then such borrowings do not enjoy any protection in the event of insolvency of the Commonhold Association.

(10) Yes

Comment:

Question 59:

(1) Yes

Comment:

(2) each commonhold should have total flexibility

Comment:

Question 60:

(1) Yes

Comment:

(2) Not agreed.

(3) Agreed.

(4) Internal Floor Area may only be a component in calculation in these instances. As stated Capital value may be another as would relevance and direct use of a facility to a specific Commonhold unit.

Question 61:

(1) Yes

Comment:

(2) This is highly likely and not dissimilar from the leasehold scenario.

(3) Yes

Comment: Again, a situation not dissimilar from the leasehold scenario.

(4) Yes

Comment:

(5) We would venture that to enforce this may be equally as difficult as the leasehold scenario.

(6) CUIC should be conclusive

Comment:

Question 62:

This may well be the case although we are of the opinion that each case should be determined (by the mortgage lender?) On its merits once the efficiency of the management of the Commonhold Association has been assessed.

Question 63:

(1) Yes

Comment:

(2) Yes

Comment:

Question 64:

Yes

Comment:

Question 65:

Yes

Comment:

Question 66:

(1) Yes

Comment:

(2) Yes

Comment:

(3) Yes

Comment:

(4) Yes

Comment:

Question 67:

(1) Yes

Comment:

(2) Yes

Comment:

(3) Yes

Comment:

Question 68:

Yes, an exception is needed

Comment: We would share the view of the Commission as set out at 12.56 to this consultation.

Question 69:

No.

Question 70:

Yes

Comment:

Question 71:

Yes

Comment:

Question 72:

No comments here.

Question 73:

Yes

Comment:

Question 74:

Yes

Comment:

Question 75:

(1) Yes

Comment:

(2) Yes

Comment:

Question 76:

Yes

Comment:

Question 77:

Yes, the procedure should be transferred to a pre-action protocol.

Comment: Subject to the caveats detailed at 13.63 - 13.66 to this consultation.

Question 78:

Yes

Comment:

Question 79:

(1) Other

(2) We believe that to include such a provision should be optional and not mandatory.

Question 80:

None.

Question 81:

All agreed as above.

Question 82:

Yes

Comment:

Question 83:

Not Answered

Comment: We would take the view that enhanced powers may well be required but would draw the line at imposing anything too punitive.

Question 84:

Yes

Comment:

Question 85:*

(1) Yes

Comment:

(2) Yes

Comment:

Question 86:

(1) Yes

Comment:

(2)

(3) Yes

Comment:

(4) Yes

Comment:

(5)

(6) Yes

Comment:

(7) Yes

Comment:

(8) Yes

Comment:

* There was an error with question 85(1). On the online form, question 85(1) was a repeat of question 84. The responses provided to both questions have been analysed with this in mind and relevant points incorporated into our policy development.

Question 87:

(1) Yes

Comment:

(2) Yes

Comment:

(3) No comments

(4) No comments

(5) Yes

Comment:

Question 88:

(1) Yes

Comment:

(2) Yes

Comment:

(3) Yes

Comment:

Question 89:

(1) Yes

Comment:

(2) None.

Question 90:

(1) Yes

Comment:

(2) Yes

Comment:

(3) Yes

Comment:

(4) None

Question 91:

(1) Yes

Comment:

(2) Yes

Comment:

(3) Yes

Comment:

(4) None

(5) We believe that the rules of the Insolvency Court should prove adequate.

(6) Yes

Comment:

(7) None.

Question 92:

(1) Yes

Comment:

(2) No comments.

Question 93:

We believe that in making Commonhold a more attractive proposition overall this may well have a beneficial effect on the 20 existing Commonhold structures and their owners especially in terms of marketability and availability of funding for purchasers of the existing Commonhold Units. We agree that overall the Commissions proposals will improve the position of existing Commonholds.

Question 94:

We believe that without incentives being made available expanding the use of Commonhold would prove to be a slow process. However, in time it could be demonstrated that Commonhold is a fairer , more inclusive and modern means of holding property thsn the old notion of property ownership being exploitative could be diminished and eradicated.

Question 95:

(1) 1 2 hours.

2. 2 hours.

3.2 hours.

4.2-3 hours.

Approx £200 min.

(2) Yes, we believe so.

(3) None.

Question 96:

It is true that leases within a block or development can be inconsistent, inaccurate and contradictory. We would certainly expect that the use of a CCS and time spent in considering it would go some way to resolving these problems and limiting costs.

Question 97:

(1 & 2) The critical element to a conveyancing transaction is delay and the threat of ultimately aborting the deal.

(3) We agree.

Question 98:

No comments.

Question 99:

No comments.

Question 100:

We believe less expensive and that time would show this to be the case.

Question 101:

1. We do not believe that these proposals will result in a significant increase in applications.

2. As above.

Question 102:

Please see previous responses.

Question 103:

None available

Question 104:

None such available.

Question 105:

(1) 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.

Comment:

Question 106:

(1) 1. Entrenched positions, conservatism, mistrust of the new, loss of income streams.

2. We believe that in order to give Commonhold a chance to get established all of those proposals detailed at 16.47 to this consultation should remain on the table.

(2) As above.

Question 107:

We do not believe that a reformed Commonhold regime should treat particular issues differently in England and Wales.

Any further comments

None

Name of organisation: HML Holding plc

Question 1:

No

Comment: Please see my comments at the end of this submission

I agree with ARMA's submission but would add that converting existing leasehold properties to Commonhold is not a significant advantage over the RTM and the Enfranchisement route - and is subject to the same frailties - Please see my rational posted there

Question 2:

Yes

Comment:

Question 3:

Yes

Comment:

Question 4:

(1) Yes

Comment: I agree with ARMA's submission

(2) Yes

Comment:

(3) Not Answered

Comment:

(4)

(5) Not Answered

Comment:

(6)

Comment:

Question 5:

(1) Not Answered

Comment:

(2) Not Answered

Comment:

Not Answered

(3 & 4)

(5)

(6) Not Answered

Comment:

(7)

Question 6:

Comment:

Question 7:

Not Answered

Comment:

Question 8:

Not Answered

Comment:

Question 9:

Not Answered

Comment:

Question 10:

(1) Not Answered

(2)

(3) I agree with ARMA's submission

Question 11:

Not Answered

Comment: Not Answered

Question 12:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

Question 13:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

Question 14:

Not Answered

Comment: Not Answered

Question 15:

Not Answered

Question 16:

(1) Not Answered

(2) Not Answered

Question 17:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

(3) Not Answered

Question 18:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Question 19:

Not Answered

Comment: Not Answered

Question 20:

Not Answered

Comment: Not Answered

Question 21:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

(3) Not Answered

Comment: Not Answered

Question 22:

Not Answered

Comment: Not Answered

Question 23:

Not Answered

Comment: Not Answered

Question 24:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

(3) Not Answered

Comment: Not Answered

Question 25:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Question 26:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

Question 27:

Not Answered

Question 28:

Not Answered

Comment: Not Answered

Question 29:

Not Answered

Question 30:

Not Answered

Question 31:

(1) Not Answered

(2) Not Answered

Question 32:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

Question 33:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

(3) Not Answered

(4) Not Answered

Question 34:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

Question 35:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Question 36:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

(3) Not Answered

Question 37:

Not Answered

Question 38:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

(3) Not Answered

(4) Not Answered

Question 39:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

Question 40:

Not Answered

Comment: Not Answered

Question 41:

Not Answered

Question 42:

Not Answered

Comment: Not Answered

Question 43:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

(3) Not Answered

Comment: Not Answered

Question 44:

(1) Not Answered

(2) Not Answered

Question 45:

(1) Not Answered

(2) Not Answered

Question 46:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

(3) Not Answered

Question 47:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

Question 48:

(1) Not Answered

(2) Not Answered

Comment: Not Answered

Question 49:

Not Answered

Comment: Not Answered

Question 50:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

(3) Not Answered

Comment: Not Answered

(4) Not Answered

Comment: Not Answered

(5) Not Answered

Comment: Not Answered

Question 51:

(1) Not Answered

(2) Not Answered

(3) Not Answered

(4) Not Answered

Question 52:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

(3) Not Answered

Comment: Not Answered

Question 53:

Not Answered

Comment: Not Answered

Question 54:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

(3) Not Answered

Comment: Not Answered

Question 55:

Not Answered

Question 56:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

(3) Not Answered

(4) Not Answered

Question 57:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

(3) Not Answered

Comment: Not Answered

(4) Not Answered

Comment: Not Answered

Question 58:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

(3) Not Answered

Comment: Not Answered

(4) Not Answered

Comment: Not Answered

(5) Not Answered

Comment: Not Answered

(6) Not Answered

Comment: Not Answered

(7) Not Answered

Comment: Not Answered

(8) Not Answered

Comment: Not Answered

(9) Not Answered

(10) Not Answered

Comment: Not Answered

Question 59:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

Question 60:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

(3) Not Answered

(4) Not Answered

Question 61:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

(3) Not Answered

Comment: Not Answered

(4) Not Answered

Comment: Not Answered

(5) Not Answered

(6) Not Answered

Comment: Not Answered

Question 62:

Not Answered

Question 63:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

Question 64:

Not Answered

Comment: Not Answered

Question 65:

Not Answered

Comment: Not Answered

Question 66:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

(3) Not Answered

Comment: Not Answered

(4) Not Answered

Comment: Not Answered

Question 67:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

(3) Not Answered

Comment: Not Answered

Question 68:

Not Answered

Comment: Not Answered

Question 69:

Not Answered

Question 70:

Not Answered

Comment: Not Answered

Question 71:

Not Answered

Comment: Not Answered

Question 72:

Not Answered

Question 73:

Not Answered

Comment: Not Answered

Question 74:

Not Answered

Comment: Not Answered

Question 75:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

Question 76:

Not Answered

Comment: Not Answered

Question 77:

Not Answered

Comment: Not Answered

Question 78:

Not Answered

Comment: Not Answered

Question 79:

(1) Not Answered

(2) Not Answered

Question 80:

Not Answered

Question 81:

Not Answered

Question 82:

Not Answered

Comment: Not Answered

Question 83:

Not Answered

Comment: Not Answered

Question 84:

Not Answered

Comment: Not Answered

Question 85:*

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

Question 86:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

(3) Not Answered

*Comment:*Not Answered

(4) Not Answered

Comment: Not Answered

(5) Not Answered

(6) Not Answered

Comment: Not Answered

(7) Not Answered

Comment: Not Answered

(8) Not Answered

Comment: Not Answered

Question 87:

(1) Not Answered

Comment: Not Answered

* There was an error with question 85(1). On the online form, question 85(1) was a repeat of question 84. The responses provided to both questions have been analysed with this in mind and relevant points incorporated into our policy development.

(2) Not Answered

Comment: Not Answered

(3) Not Answered

(4) Not Answered

(5) Not Answered

Comment: Not Answered

Question 88:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

(3) Not Answered

Comment: Not Answered

Question 89:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Question 90:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

(3) Not Answered

Comment: Not Answered

(4) Not Answered

Question 91:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

(3) Not Answered

Comment: Not Answered

(4) Not Answered

(5) Not Answered

(6) Not Answered

Comment: Not Answered

(7) Not Answered

Question 92:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Question 93:

Not Answered

Question 94:

Not Answered

Question 95:

(1) Not Answered

(2) Not Answered

(3) Not Answered

Question 96:

Not Answered

Question 97:

(1 & 2) Not Answered

(3) Not Answered

Question 98:

Not Answered

Question 99:

Not Answered

Question 100:

Not Answered

Question 101:

Not Answered

Question 102:

Not Answered

Question 103:

Not Answered

Question 104:

Not Answered

Question 105:

(1) Not Answered

Comment: Not Answered

Question 106:

(1) Not Answered

(2) Not Answered

Question 107:

Not Answered

Any further comments

I believe that progressing to Common hold is essential for fairness in the leasehold market but I am concerned that spending time on the intricate process of converting from leasehold is a) extremely difficult b) distracting from real inequalities of freehold ownership and c) not recognising the fundamental reason why RTM and enfranchisement doesn't work.

RTM and enfranchisement has only really worked where the blocks are sufficiently small in number to get a majority of leaseholders to vote for it. Blocks over >100 flats are often made up with non occupying investment leasehold owners for are not motivated to achieve democratic fairness (in many cases they live abroad). This would be exactly the seam for common-hold conversions however you tinker with the rules. Make commonhold compulsory for developments after a sunset date and we overcome the obstacle of this inertia. However inefficient Commonhold Directors may be they will have been democratically elected. Maintaining freeholds for landlords who have no interest other than making money from leasehold is the fundamental injustice of leasehold

Name of organisation: Living Services Ltd

Question 1:

Other

Comment: I conditionally agree as long as the leaseholders do not require a majority to convert the leasehold to common-hold.

Question 2:

Yes

Comment: A majority should not be required. It's impossible for most buildings to get 51% of the leaseholders together. Particularly for large apartment buildings with many leaseholders who reside abroad. Moreover, leaseholders don't have any access to the contact details from other leaseholders. The freeholder/Management do and it would not be at their interest to allow these details to be circulated.

Question 3:

Yes

Comment: That might be a good idea. I think if a leaseholder wishes to buy the freeholder at a fair price that should be provided as an option.

Question 4:

(1) Other

Comment:

(2) Yes

Comment:

(3) Yes

Comment:

(4)

(5) Yes

Comment:

(6) (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

Comment:

Question 5:

(1) Other

Comment: It will be impossible to reach an 80% . This number should be smaller. I would propose 2/3 of the leaseholders.

(2) No

Comment: There are instances whereby even after 10 years buildings with many units (e.g. 100) still have the freeholder owning the majority of the apartments in the building and the rest of the leaseholders form a minority without any control of their own properties, the service charges etc and are been taken advantage by the freeholder.

Yes

(3 & 4)

(5)

(6) Not Answered

Comment:

(7)

Question 6:

Comment:

Question 7:

Yes

Comment: You might want to consider making this easier than following the court route that can be challenged by a freeholder with deep pockets.

Question 8:

Yes

Comment:

Question 9:

Yes, it should be possible for charges to transfer automatically, without requiring lenders' consent.

Comment:

Question 10:

(1) Other (see below)

(2) It should be lower than 50%, and an option should be given for leaseholders to buy their share of freehold and free themselves from ground rents etc. You do not have to re-invent the wheel - please look at how other countries across the world do it.

(3)

Question 11:

No

Comment: Each leaseholder should have the automatic right to purchase the freehold without getting to tribunal. Forming a common-hold should be a separate issue than buying the share of freehold.

Question 12:

(1) Yes

Comment:

(2) Leaseholders should be required to make a collective decision no longer to proceed with the conversion.

Comment:

Question 13:

(1) Yes

Comment:

(2) Yes

Comment:

Question 14:

Yes

Comment:

Question 15:

Question 16:

(1) No

(2)

Question 17:

(1) Yes

Comment:

(2) Other

Comment:

(3)

Question 18:

(1) Yes

Comment:

(2)

Question 19:

Not Answered

Comment:

Question 20:

Not Answered

Comment:

Question 21:

(1) Not Answered

Comment:

(2) Not Answered

Comment:

(3) Not Answered

Comment:

Question 22:

Not Answered

Comment:

Question 23:

Yes

Comment:

Question 24:

(1) Not Answered

Comment:

(2) Not Answered

Comment:

(3) Not Answered

Comment:

Question 25:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Question 26:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

Question 27:

Not Answered

Question 28:

Not Answered

Comment: Not Answered

Question 29:

Not Answered

Question 30:

Question 31:

(1)

(2)

Question 32:

(1) Not Answered

Comment:

(2) Not Answered

Comment:

Question 33:

(1) Not Answered

Comment:

(2)

(3) Not Answered

(4)

Question 34:

(1) Not Answered

Comment:

(2) Not Answered

Comment:

Question 35:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Question 36:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

(3) Not Answered

Question 37:

Not Answered

Question 38:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

(3) Not Answered

(4) Not Answered

Question 39:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

Question 40:

Not Answered

Comment: Not Answered

Question 41:

Not Answered

Question 42:

Not Answered

Comment: Not Answered

Question 43:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

(3) Not Answered

Comment: Not Answered

Question 44:

(1) Not Answered

(2) Not Answered

Question 45:

(1) Not Answered

(2) Not Answered

Question 46:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

(3) Not Answered

Question 47:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

Question 48:

(1) Not Answered

(2) Not Answered

Comment: Not Answered

Question 49:

Not Answered

Comment: Not Answered

Question 50:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

(3) Not Answered

Comment: Not Answered

(4) Not Answered

Comment: Not Answered

(5) Not Answered

Comment: Not Answered

Question 51:

(1) Not Answered

(2) Not Answered

(3) Not Answered

(4) Not Answered

Question 52:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

(3) Not Answered

Comment: Not Answered

Question 53:

Not Answered

Comment: Not Answered

Question 54:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

(3) Not Answered

Comment: Not Answered

Question 55:

Not Answered

Question 56:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

(3) Not Answered

(4) Not Answered

Question 57:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

(3) Not Answered

Comment: Not Answered

(4) Not Answered

Comment: Not Answered

Question 58:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

(3) Not Answered

Comment: Not Answered

(4) Not Answered

Comment: Not Answered

(5) Not Answered

Comment: Not Answered

(6) Not Answered

Comment: Not Answered

(7) Not Answered

Comment: Not Answered

(8) Not Answered

Comment: Not Answered

(9) Not Answered

(10) Not Answered

Comment: Not Answered

Question 59:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

Question 60:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

(3) Not Answered

(4) Not Answered

Question 61:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

(3) Not Answered

Comment: Not Answered

(4) Not Answered

Comment: Not Answered

(5) Not Answered

(6) Not Answered

Comment: Not Answered

Question 62:

Not Answered

Question 63:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

Question 64:

Not Answered

Comment: Not Answered

Question 65:

Not Answered

Comment:

Question 66:

(1) Not Answered

Comment:

(2) Not Answered

Comment:

(3) Not Answered

Comment:

(4) Not Answered

Comment:

Question 67:

(1) Not Answered

Comment:

(2) Not Answered

Comment:

(3) Not Answered

Comment:

Question 68:

No, an exception is not needed

Comment:

Question 69:

Question 70:

Not Answered

Comment:

Question 71:

Not Answered

Comment:

Question 72:

Question 73:

Yes

Comment:

Question 74:

Not Answered

Comment:

Question 75:

(1) Not Answered

Comment:

(2) Not Answered

Comment:

Question 76:

Not Answered

Comment:

Question 77:

Not Answered

Comment:

Question 78:

Not Answered

Comment:

Question 79:

(1) Not Answered

(2)

Question 80:

Question 81:

Question 82:

Not Answered

Comment:

Question 83:

Not Answered

Comment: Not Answered

Question 84:

Not Answered

Comment: Not Answered

Question 85:^{*}

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

Question 86:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

(3) Not Answered

*Comment:*Not Answered

(4) Not Answered

Comment: Not Answered

(5) Not Answered

(6) Not Answered

Comment: Not Answered

(7) Not Answered

Comment: Not Answered

(8) Not Answered

Comment: Not Answered

Question 87:

^{*} There was an error with question 85(1). On the online form, question 85(1) was a repeat of question 84. The responses provided to both questions have been analysed with this in mind and relevant points incorporated into our policy development.

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

(3) Not Answered

(4) Not Answered

(5) Not Answered

Comment: Not Answered

Question 88:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

(3) Not Answered

Comment: Not Answered

Question 89:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Question 90:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

(3) Not Answered

Comment: Not Answered

(4) Not Answered

Question 91:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

(3) Not Answered

Comment: Not Answered

(4) Not Answered

(5) Not Answered

(6) Not Answered

Comment: Not Answered

(7) Not Answered

Question 92:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Question 93:

Question 94:

Question 95:

(1)

(2)

(3)

Question 96:

Question 97:

(1 & 2)

(3)

Question 98:

Question 99:

Question 100:

Question 101:

Question 102:

Question 103:

Question 104:

Question 105:

(1) Not Answered

Comment:

Question 106:

(1)

(2)

Question 107:

Any further comments

Not Answered

Name of organisation: [REDACTED] Residents' Association

Question 1:

Yes

Comment:

Question 2:

Yes

Comment:

Question 3:

Yes

Comment:

Question 4:

(1) Other

Comment: Our development, [REDACTED] in [REDACTED], has over 1200 flats on long leases, a large proportion of which are held by buy-to-let or overseas investors. They have a disproportionate and negative (deadweight) influence of those who have bought homes to live in. We suggest the support could be below 50%

(2) Yes

Comment:

(3) Yes

Comment:

(4) yes, there should be no disparity

(5) Yes

Comment:

(6) (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;

Comment:

Question 5:

(1) No

Comment: Should be a lower threshold

(2) Yes

Comment:

Yes

(3 & 4)

(5) Not a third party investor

(6) (a) as a fixed amount, representing the non-consenting leaseholder' s share of the initial freehold purchase;

Comment:

(7) the same as a mortgage

Question 6:

(3) any other approach would fairly protect and balance the competing interests of the leaseholder or freeholder, and the non-qualifying tenant.

Comment:

Question 7:

Yes

Comment:

Question 8:

Yes

Comment:

Question 9:

Yes, it should be possible for charges to transfer automatically, without requiring lenders' consent.

Comment:

Question 10:

(1) Option 1

(2)

(3)

Question 11:

Yes

Comment: Anything which allows for conversion to be achieved with a minimum of obstacles and as easy as possible

Question 12:

(1) Yes

Comment:

(2) Leaseholders should be required to make a collective decision no longer to proceed with the conversion.

Comment:

Question 13:

(1) Yes

Comment:

(2) Yes

Comment:

Question 14:

Yes

Comment:

Question 15:

Question 16:

(1) Yes

(2)

Question 17:

(1) Yes

Comment:

(2) Not Answered

Comment:

(3)

Question 18:

(1) Yes

Comment:

(2)

Question 19:

Collateral

Comment:

Question 20:

(2) section committees affected by an alteration of delegated powers should be given the ability to apply to the Tribunal; or

Comment:

Question 21:

(1) Yes

Comment:

(2) Yes

Comment:

(3) Yes

Comment:

Question 22:

Yes

Comment: Wary about creation of too many classes

Question 23:

Yes

Comment: Only if it does not create opposing sections

Question 24:

(1) Yes

Comment: prefer a lower threshold

(2) Yes

Comment:

(3) Yes

Comment:

Question 25:

(1) Statutory development rights should apply automatically

Comment:

(2)

Question 26:

(1) Other

Comment: The less power to the developer, the better.

(2) Other

Comment: Not if it allows the developer to retain "golden units" so as to retain majority voting rights

Question 27:

Support these restrictions

Question 28:

Yes

Comment:

Question 29:

Question 30:

Question 31:

(1)

(2)

Question 32:

(1) Yes

Comment:

(2) Yes

Comment:

Question 33:

(1) Yes

Comment:

(2)

(3) Yes

(4)

Question 34:

(1) Yes

Comment:

(2) Yes

Comment:

Question 35:

(1) Yes

Comment: Essential

(2)

Question 36:

(1) Yes

Comment:

(2) Yes

Comment: any fees should be as low as possible

(3)

Question 37:

Question 38:

(1) No

Comment:

(2)

(3)

(4)

Question 39:

(1) Yes

Comment:

(2) Yes, the directors of the commonhold association should be under such a duty

Comment:

Question 40:

Yes

Comment:

Question 41:

Question 42:

Yes

Comment:

Question 43:

(1) Yes

Comment:

(2) No

Comment:

(3) Yes

Comment:

Question 44:

(1) It is possible, and we find that cliques of foreign investors are starting to manifest themselves . It should be prevented

(2) concur

Question 45:

(1) Number of proxies should be capped

(2) (1) a restriction on the number of proxy votes that any individual might hold

Question 46:

(1) Yes

Comment:

(2) Yes

Comment:

(3)

Question 47:

(1) Yes

Comment:

(2) Yes

Comment:

Question 48:

(1) It is likely

(2) Yes

Comment:

Question 49:

Yes

Comment:

Question 50:

(1) Yes

Comment:

(2) Yes

Comment:

(3) Yes

Comment:

(4) Yes

Comment:

(5) Yes

Comment:

Question 51:

(1) Local rules

(2)

(3)

(4)

Question 52:

(1) No

Comment:

(2) Yes

Comment:

(3) (1) defined as outline at paragraph 9.137

Comment:

Question 53:

Not Answered

Comment:

Question 54:

(1) Yes

Comment:

(2) Yes

Comment:

(3) Yes

Comment:

Question 55:

Question 56:

(1) Yes

Comment:

(2) Yes

Comment:

(3)

(4)

Question 57:

(1) Yes

Comment:

(2) Yes

Comment:

(3) Yes

Comment: But approval of tribunal necessary only if, on a second or ancillary vote, the minority vote endorses any approach to the Tribunal

(4) Yes

Comment:

Question 58:

(1) Yes

Comment:

(2) Yes

Comment:

(3) Yes

Comment:

(4) Yes

Comment:

(5) Yes

Comment:

(6) Yes

Comment:

(7) Yes

Comment:

(8) Yes

Comment: Not sure the Tribunal needs to be involved, save in special circumstances

(9) We had our managing agent "borrowing" from reserves, which made it seem normal expenditure was within budget, but the "loan" remained unpaid indefinitely., until we approached the then LVT - there has to be stringent mechanisms for the loan and its repayment

(10) Yes

Comment:

Question 59:

(1) Yes

Comment:

(2) there should be limitations

Comment:

Question 60:

(1) Yes

Comment:

(2) safeguards need apply only if the allocated percentage is altered

(3) It seems to be the standard method at present, but this ignores the actual value of the flats. A flat with 1000 sq ft. at the back of our development, overlooking a busy road, has less value than one of the same size overlooking the river. But that said, it works, with no complaints at any time,

(4) it creates uniformity and therefore certainty

Question 61:

(1) Yes

Comment:

(2)

(3) Yes

Comment:

(4) Yes

Comment:

(5)

(6) CUIC should be amendable

Comment:

Question 62:

Question 63:

(1) Yes

Comment:

(2) Other

Comment: 80% too high, and reluctant to have to obtain FtT approval

Question 64:

Yes

Comment:

Question 65:

Yes

Comment:

Question 66:

(1) Yes

Comment:

(2) Yes

Comment:

(3) Yes

Comment:

(4) Yes

Comment:

Question 67:

(1) No

Comment: mandatory

(2) Yes

Comment:

(3) Yes

Comment:

Question 68:

Not Answered

Comment:

Question 69:

Question 70:

Yes

Comment:

Question 71:

Yes

Comment:

Question 72:

Question 73:

Yes

Comment:

Question 74:

Yes

Comment:

Question 75:

(1) Yes

Comment:

(2) Yes

Comment:

Question 76:

Yes

Comment:

Question 77:

No, the procedure should not be transferred to a pre-action protocol.

Comment:

Question 78:

Yes

Comment:

Question 79:

(1) No, the CCS should not include such a provision

(2)

Question 80:

Question 81:

Question 82:

Yes

Comment:

Question 83:

Yes, the commonhold association should be provided with enhanced powers.

Comment:

Question 84:

No

Comment:

Question 85:*

(1) No

Comment:

(2) Yes

Comment:

Question 86:

(1) No

Comment:

(2)

(3) Yes

Comment:

(4) No

Comment:

(5)

(6) Yes

Comment:

(7) Yes

Comment: subject to a binding tariff of fees for the receiver

(8) Yes

Comment: only for short-term tenancies

Question 87:

(1) Yes

Comment:

(2) Yes

* There was an error with question 85(1). On the online form, question 85(1) was a repeat of question 84. The responses provided to both questions have been analysed with this in mind and relevant points incorporated into our policy development.

Comment:

(3) Agree to all the discretions

(4) Only concern is that coomonhold should not bring issues to the Tribunal or Court too often

(5) No

Comment: FtT should have the power

Question 88:

(1) No

Comment:

(2) Yes

Comment:

(3) Yes

Comment:

Question 89:

(1) Yes

Comment:

(2)

Question 90:

(1) Yes

Comment:

(2) Yes

Comment:

(3) Yes

Comment:

(4)

Question 91:

(1) Yes

Comment:

(2) Yes

Comment:

(3) Yes

Comment:

(4) Guidance should be given, based on experience through precedents

(5)

(6) Yes

Comment:

(7)

Question 92:

(1) Yes

Comment:

(2)

Question 93:

Question 94:

As well-documented - mainly to rid ourselves of our landlords

Question 95:

(1) item 4: it depends on the efficacy of the residents' association. With an RA, less disputes arise, and are more likely to be resolved expeditiously and economically. Without a strong RA, the landlords simply exploit the leaseholders. People as a rule have no idea, and have never read, their purchase agreements or leases.

(2)

(3) In South Africa, commonhold (section 40 title) works exceedingly well, the statute is crisp and intelligible, and not time consuming.

Question 96:

We have a landlord with far too much power. It has leases which are inconsistent, not only between the several blocks of our development, but also within individual blocks. For example, a lease may contain a prohibition against keeping dogs in some flats, but allow the keeping of dogs in others. The proposals should reduce this type of inconsistency, which causes a great deal of friction and also costs

Question 97:

(1 & 2)

(3)

Question 98:

As an RA, we are constantly dealing with service charge disputes. These arise because of mismanagement, and incur no costs other than the time (a lot) spent by the RA. But on occasion, we have resorted to the Tribunal (successful on each occasion), and with minimum costs only because the RA has not had the need to seek outside legal assistance.

Question 99:

Question 100:

Cases before a Tribunal will always be cheaper than those in a Court, and probably a lot quicker. Our disputes (non-service charge) taken to Court have been prohibitively expensive. We feel that all our disputes have arisen only because of our landlords and their managing agents, and would not have arisen had we been within commonhold

Question 101:

Likely more applications to the Tribunals, initially

Question 102:

There can be only positive outcomes

Question 103:

Question 104:

Question 105:

(1) 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.

Comment:

Question 106:

(1) This is well-documented, and supported by us. Commonhold needs to be better understood by the public, which appears to be happening now, and leasehold removed entirely, and for those already under leasehold, conversion to common hold must be facilitated cheaply and easily. We are fed up with being treated as milch cows by our landlords, who treat us as with disdain anyway.

(2)

Question 107:

Any further comments

We are concerned about the VAT imposed from 1 November 2018 on the wages paid to our managing agent's staff employed to provide services. There must be provision for this to be removed in any commonhold or RTM regime.

Name of organisation: Cenergist

Question 1:

Yes

Comment: The freeholder must consent, this cannot be forced upon them.

Question 2:

No

Comment: All leaseholders have a voice and this must be respected. There will be valid reasons where a leaseholder objects to the conversion to commonhold must not be ignored. Unless ALL agree, a move to commonhold cannot be made.

Question 3:

Yes

Comment:

Question 4:

(1) No

Comment:

(2) No

Comment:

(3) No

Comment:

(4) Disagree

(5) Yes

Comment:

(6) (b) by the consenting leaseholders, through a company (owned by them) which acquires the commonhold interest;

Comment:

Question 5:

(1) No

Comment:

(2) No

Comment:

No

(3 & 4)

(5)

(6) Not Answered

Comment:

(7)

Question 6:

Comment:

Question 7:

Not Answered

Comment:

Question 8:

Not Answered

Comment:

Question 9:

Not Answered

Comment:

Question 10:

(1) Not Answered

(2)

(3)

Question 11:

Not Answered

Comment: Not Answered

Question 12:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

Question 13:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

Question 14:

Not Answered

Comment: Not Answered

Question 15:

Not Answered

Question 16:

(1) Not Answered

(2) Not Answered

Question 17:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

(3) Not Answered

Question 18:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Question 19:

Not Answered

Comment: Not Answered

Question 20:

Not Answered

Comment: Not Answered

Question 21:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

(3) Not Answered

Comment: Not Answered

Question 22:

Not Answered

Comment: Not Answered

Question 23:

Not Answered

Comment: Not Answered

Question 24:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

(3) Not Answered

Comment: Not Answered

Question 25:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Question 26:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

Question 27:

Not Answered

Question 28:

Not Answered

Comment: Not Answered

Question 29:

Not Answered

Question 30:

Not Answered

Question 31:

(1) Not Answered

(2) Not Answered

Question 32:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

Question 33:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

(3) Not Answered

(4) Not Answered

Question 34:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

Question 35:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Question 36:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

(3) Not Answered

Question 37:

Not Answered

Question 38:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

(3) Not Answered

(4) Not Answered

Question 39:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

Question 40:

Not Answered

Comment: Not Answered

Question 41:

Not Answered

Question 42:

Yes

Comment:

Question 43:

(1) No

Comment: The whole point of the commonhold is to make things simpler, if as part of the process of determining a move to a commonhold, directors cannot be found (either resident or professional), then the commonhold should not be progressed further.

(2) Not Answered

Comment:

(3) Not Answered

Comment:

Question 44:

(1)

(2)

Question 45:

(1)

(2)

Question 46:

(1) Not Answered

Comment:

(2) Not Answered

Comment:

(3)

Question 47:

(1) Not Answered

Comment:

(2) Yes

Comment:

Question 48:

(1)

(2) Not Answered

Comment:

Question 49:

Not Answered

Comment:

Question 50:

(1) Yes

Comment:

(2) Yes

Comment: This needs to be expanded to incorporate heating as a City blocks of flats are heating via a single communal heating system - these systems must be maintained and upgraded as necessary to meet performance and safety standards.

(3) Yes

Comment:

(4) Other

Comment: Local rules are an option however the resident should have the right to make improvements to a standard of their own choosing rather than by what is determined by the local collective with whom they may disagree with.

(5) Yes

Comment: Local rules are an option however the resident should have the right to make improvements to a standard of their own choosing rather than by what is determined by the local collective with whom they may disagree with.

Question 51:

(1) Prescribed

(2)

(3)

(4)

Question 52:

(1) Not Answered

Comment:

(2) Not Answered

Comment:

(3) Not Answered

Comment:

Question 53:

No

Comment:

Question 54:

(1) No

Comment: All contracts in existence must be novated over to the commonhold organisation as standard terms for converting to a commonhold, unless there are prior legal issues with the contractor or where documented (by both parties) poor performance has failed to be rectified by the contractor.

The contractor may have incurred significant start up costs in the contract which under the contract are recoverable across the duration of the contract agreed - to terminate before the agreed term would need to give the contractor the right to serve the commonhold with termination penalties and costs for recovery.

(2) No

Comment: Some contracts deliver greater economies of scale to the company when in place for 3 or 5 years.

(3) No

Comment:

Question 55:

Question 56:

(1) Not Answered

Comment:

(2) Not Answered

Comment:

(3)

(4)

Question 57:

(1) Not Answered

Comment:

(2) Not Answered

Comment:

(3) Not Answered

Comment:

(4) Not Answered

Comment:

Question 58:

(1) Not Answered

Comment:

(2) Not Answered

Comment:

(3) Not Answered

Comment:

(4) Not Answered

Comment:

(5) Not Answered

Comment:

(6) Not Answered

Comment:

(7) Not Answered

Comment:

(8) Not Answered

Comment:

(9)

(10) Not Answered

Comment:

Question 59:

(1) Not Answered

Comment:

(2) Not Answered

Comment:

Question 60:

(1) Not Answered

Comment:

(2)

(3)

(4)

Question 61:

(1) Not Answered

Comment:

(2)

(3) Not Answered

Comment:

(4) Not Answered

Comment:

(5)

(6) Not Answered

Comment:

Question 62:

Question 63:

(1) Not Answered

Comment:

(2) Not Answered

Comment:

Question 64:

Not Answered

Comment:

Question 65:

No

Comment:

Question 66:

(1) Yes

Comment:

(2) No

Comment: The shared ownership provider must have a vote as well as the share owner irrespective of the subject.

(3) No

Comment: By denying them the right to challenge you are differentiating them from the rest of the commonhold group which is a basis for discrimination.

(4) Other

Comment: As a consequence of buying a share of the property they should be a member of the commonhold association. Upon purchase of 100%, all that should change is that the shared ownership provider is removed from the association (for that property only) and the resident becomes the sole member of the association for that property.

Question 67:

(1) Yes

Comment:

(2) Yes

Comment:

(3) No

Comment: This should not be mandatory but optional, especially where the move to commonhold was made in an existing building rather than a new build.

Question 68:

No, an exception is not needed

Comment:

Question 69:

There is no reference to how the common hold model could work where there are a mix of tenures in a block of flats e.g. social housing, private renters and owner occupiers.

In most areas, there is a mixture of tenure and the social housing aspect cannot be ignored.

Where buildings are owned by the social housing provider and there are now leaseholders present in the building, the commonhold model cannot apply as the rights of the social housing residents cannot be outvoted by a majority of social housing residents who may have different requirements and financial means.

Question 70:

Not Answered

Comment:

Question 71:

No

Comment: this creates a differentiation of resident groups in the commonhold and potentially discrimination.

Question 72:

Question 73:

Not Answered

Comment: Not Answered

Question 74:

Not Answered

Comment: Not Answered

Question 75:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

Question 76:

Not Answered

Comment: Not Answered

Question 77:

Not Answered

Comment: Not Answered

Question 78:

Not Answered

Comment: Not Answered

Question 79:

(1) Not Answered

(2) Not Answered

Question 80:

Not Answered

Question 81:

Not Answered

Question 82:

Not Answered

Comment: Not Answered

Question 83:

Not Answered

Comment: Not Answered

Question 84:

Not Answered

Comment: Not Answered

Question 85:^{*}

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

Question 86:

(1) Not Answered

^{*} There was an error with question 85(1). On the online form, question 85(1) was a repeat of question 84. The responses provided to both questions have been analysed with this in mind and relevant points incorporated into our policy development.

Comment: Not Answered

(2) Not Answered

(3) Not Answered

*Comment:*Not Answered

(4) Not Answered

Comment: Not Answered

(5) Not Answered

(6) Not Answered

Comment: Not Answered

(7) Not Answered

Comment: Not Answered

(8) Not Answered

Comment: Not Answered

Question 87:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

(3) Not Answered

(4) Not Answered

(5) Not Answered

Comment: Not Answered

Question 88:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

(3) Not Answered

Comment: Not Answered

Question 89:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Question 90:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

(3) Not Answered

Comment: Not Answered

(4) Not Answered

Question 91:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

(3) Not Answered

Comment: Not Answered

(4) Not Answered

(5) Not Answered

(6) Not Answered

Comment: Not Answered

(7) Not Answered

Question 92:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Question 93:

Question 94:

Question 95:

(1)

(2)

(3)

Question 96:

Question 97:

(1 & 2)

(3)

Question 98:

Question 99:

Question 100:

Question 101:

Question 102:

Question 103:

Question 104:

Question 105:

(1) 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.

Comment:

Question 106:

(1)

(2)

Question 107:

Any further comments

Its unclear whether social housing is under consideration in this proposal. In most areas, social housing (non shared ownership) co-exists with private renters and owner occupiers under a single roof.

Name of organisation: [REDACTED] Ltd (an Enfranchised Block who bought the freehold)

Question 1:

Yes

Comment: We think as long as the freeholder is adequately compensated (evaluated by FTT) for the collective enfranchisement, this should be acceptable. How would this work, if like us, we bought the freehold and then some years later other leaseholders then want to do commonhold because they were not part of the original enfranchisement ? FTT again to arbitrate ?

Question 2:

No

Comment: If you don't have all the leaseholders agreeing it will only store up resentment and ultimately this will create a very unhealthy atmosphere going forward with those who agreed and those who did not. It is a recipe for conflict and dissent.

Question 3:

Yes

Comment: This is an important rule to exclude those leaseholders who own several properties (renting them out as a business) and often have a different viewpoint from normal leaseholders e.g. they don't want to spend money or keep decent levels of reserves in order to keep their profits from renting high. They must not be allowed to distort the process nor the principles behind commonhold, They should have no rights at all.

Question 4:

(1) No

Comment: We think this leaves a high risk of dissent and risk to the common hold as those remaining leaseholders may well be resentful and cause problems for the commonhold would the remaining leaseholders be able to push for a RTM ? We think that it should be an 80% level to ensure that it is a clear majority.

(2) Yes

Comment: This would help mitigate some of the issues identified above

(3) No

Comment: This seems to be very dictatorial and leaves the remaining leaseholders no choice but to go to commonhold. They should have the right to collective enfranchisement but the FTT should be involved in that process to understand the background and issues.

(4) We think there should be a choice to do one or the other but not both.

(5) Other

Comment: No real view on this as the question does not seem that clear, an example would have been helpful

(6) (a) by the consenting leaseholders, through the commonhold association which holds the commonhold interest;

Comment:

Question 5:

(1) Yes

Comment: This then eliminates the need for mixed blocks of leasehold and common-hold and potential arguments later on between the groups. 80% is a good level of consensus.

(2) Yes

Comment: As long as this means that those who own multiple flats and rent them out are excluded then this is good. I think for shared ownership this would make sense.

Yes

(3 & 4) Seems to be fair approach

(5) Mortgage companies, Banks

(6) (c) as that fixed amount, adjusted in line with house price inflation;

Comment:

(7) This should be placed above a Mortgage company or Bank in order to protect the integrity of the common-hold.

Question 6:

(3) any other approach would fairly protect and balance the competing interests of the leaseholder or freeholder, and the non-qualifying tenant.

Comment: all parties need to be protected and often each situation is unique so probably the FTT would need to do this.

Question 7:

Yes

Comment:

Question 8:

Yes

Comment:

Question 9:

Yes, it should be possible for charges to transfer automatically, without requiring lenders' consent.

Comment:

Question 10:

(1) Option 2

(2) This would ensure that there is a significant majority and then it will reduce the risk of mixed blocks and all the potential issues and tensions they may create.

(3)

Question 11:

Yes

Comment:

Question 12:

(1) Yes

Comment: I think 24 months would be fair as there can be some time taken to arrange things as complicated as this.

(2) Leaseholders should be able to withdraw their individual consent to conversion after the Claim Notice has been served

Comment: Circumstances, information and individuals change so the law should reflect reality of life.

Question 13:

(1) Yes

Comment:

(2) Yes

Comment:

Question 14:

Yes

Comment: If it simplifies the process then its a good idea

Question 15:

I think the process will work ok but as has been brought up by many people at the consultation evening meetings , the situation with leasehold needs to be fixed FIRST before rushing into Common-hold or else the issues of leasehold will be repeated in Common-hold. Can common-hold only really work in new builds? Also the whole thing with leasehold, common-hold, enfranchisement or RTM revolves around the managing agents and this is NOT being addressed by any part of the reviews...this is ridiculous as this is the most pressing part of the problems being faced by people.

Question 16:

(1) Yes

(2)

Question 17:

(1) Yes

Comment:

(2) Not Answered

Comment:

(3)

Question 18:

(1) Yes

Comment:

(2)

Question 19:

It should be for each commonhold to decide.

Comment: each one will be unique situation and so give guidance but let them decide based on the situation.

Question 20:

(3) the directors should have to apply to the Tribunal in order to alter or revoke a delegation.

Comment: This provides a check and balance in the system.

Question 21:

(1) Yes

Comment:

(2) Yes

Comment:

(3) Yes

Comment:

Question 22:

Yes

Comment:

Question 23:

Yes

Comment:

Question 24:

(1) Yes

Comment:

(2) Yes

Comment:

(3) Yes

Comment:

Question 25:

(1) Statutory development rights should apply automatically

Comment:

(2) They need to be wide enough to cover situations as they change.

Question 26:

(1) Yes

Comment: Then it needs to be expressed as a % rounded down.

(2) Yes

Comment:

Question 27:

The time limit should be 24 months and there should be sanctions under the law including personal liability.

Question 28:

Yes

Comment:

Question 29:

Question 30:

No they should not be relaxed...there is serious risk of mis-appropriation of funds and of poor financial control with common-holders funds.

Question 31:

(1)

(2)

Question 32:

(1) Yes

Comment: Yes the block needs to be run and managed for the common-holders.

(2) No

Comment: If there is evidence of mis-appropriation of funds or financial incompetence or lack of prudence over use of common-holders funds then action must be taken to wind up the association and the ability to have criminal proceedings instigated in these cases must be allowed.

Question 33:

(1) Yes

Comment:

(2) If the directors of the new association were the same as the previous association.

(3) Yes

(4) Disbarment of directors from new associations if they are shown to be at fault and/or fraudulent. The court should consider the financial state of the association and the other common-holders.

Question 34:

(1) Other

Comment: This depends on the circumstances of the indebtedness. If it is due to poor financial controls or fraudulent then yes but the situations will be individual and unique.

(2) No

Comment: There should be a mandatory insurance scheme to prevent this as it is inherently unfair to put the financial burden on others who are innocent.

Question 35:

(1) Yes

Comment:

(2) No comment

Question 36:

(1) Yes

Comment:

(2) Yes

Comment:

(3) No comment

Question 37:

Question 38:

(1) Yes

Comment:

(2) 80% agree

(3) when 50% or more want a change but it is below 80%

(4) no difference

Question 39:

(1) Yes

Comment:

(2) Yes, the directors of the commonhold association should be under such a duty

Comment:

Question 40:

Yes

Comment:

Question 41:

none

Question 42:

No

Comment: C0-Opted is not a good idea...open to manipulation unless they are non voting

Question 43:

(1) Yes

Comment:

(2) Yes

Comment:

(3) Yes

Comment:

Question 44:

(1) This is a real issue and must be blocked.

(2) Agree with 1 but how measured and over what period ? Agree with 2. Agree with 3. I think 4 is unworkable on a day to day or even month to month basis. For 5 could a "pool management group" of experienced (even retired) be created by LEASE or FTT so that these entities be referred to them for management input?

Question 45:

(1) Proxy voting is open to manipulation so should be disallowed. People should attend in person unless it is the case of certified illness (by a GP) then a proxy be allowed. Bullys come in all shapes and sizes as do those who do not stand up to them.

(2) (2) some other device (please specify). Don't allow any proxy votes unless certified illness (see above)

Question 46:

(1) Yes

Comment: this ensures that ALL interests are covered in adjoining units for instance where someone is not insured.

(2) Other

Comment: No view

(3) Cant think of anything

Question 47:

(1) Yes

Comment: Absolutely fair and reasonable

(2) Yes

Comment:

Question 48:

(1) It should be made available

(2) Yes

Comment: This would solve the problem of underinsurance.

Question 49:

Yes

Comment: This should be mandatory

Question 50:

(1) Yes

Comment:

(2) Yes

Comment:

(3) Yes

Comment:

(4) Yes

Comment:

(5) Yes

Comment:

Question 51:

- (1) Prescribed
- (2)
- (3) No view
- (4) Tradesmen and service personnel

Question 52:

- (1) No

Comment: the risk is definition on what is "incidental"...one might think a structural alteration is incidental or not realise the implications of their actions

- (2) Yes

Comment:

- (3) (1) defined as outline at paragraph 9.137

Comment:

Question 53:

No

Comment:

Question 54:

- (1) Yes

Comment:

- (2) Yes

Comment:

- (3) Yes

Comment:

Question 55:

Question 56:

- (1) Yes

Comment:

(2) No

Comment: you need over 75% for it to avoid acrimony later on.

(3) Agreed. But add onto it CPI or RPI in case this carries on for several years.

(4) Hold a meeting to agree. Then ask for FTT to intervene to make a ruling within 6 months of dispute commencing.

Question 57:

(1) No

Comment: Depends on definition of improvements. Improvements might be vital for the residents and the blocks viability.

(2) No

Comment: so you could discriminate against disabled people who need radical access improvements

(3) Yes

Comment:

(4) Yes

Comment:

Question 58:

(1) Yes

Comment: MANDATORY This should be run against a financial plan with anticipated lives and costs of major assets eg roof

(2) Yes

Comment:

(3) No

Comment: Should be legal requirement as 10% of the annual running costs as an absolute minimum.

(4) Yes

Comment:

(5) Yes

Comment: Just in case the directors have been hijacked by those who own several flats and want to keep costs down to boost profits

(6) Yes

Comment:

(7) Yes

Comment: The block will need money to operate when it comes out of insolvency

(8) Yes

Comment: stops some directors from "dipping in"

(9) yes but only in exceptional circumstances defined by FTT and with clear timebound plan to replenish

(10) Yes

Comment: But only above the 10% mandatory level

Question 59:

(1) Yes

Comment:

(2) there should be limitations

Comment: allows too much "discretion" must protect core service provision

Question 60:

(1) Yes

Comment:

(2) safeguarded by FTT

(3) YES

(4) Agree with a)

Question 61:

(1) Yes

Comment:

(2)

(3) Yes

Comment:

(4) Yes

Comment:

(5) Commonholds are not businesses and they are not professional managers sometimes retired ...so 30 days similar to commercial world

(6) CUIIC should be amendable

Comment:

Question 62:

I think the mortgage companies should have the right to input and seek assurances/insurance for the money they are lending.

Question 63:

(1) Yes

Comment:

(2) Yes

Comment:

Question 64:

Yes

Comment:

Question 65:

No

Comment:

Question 66:

(1) Yes

Comment:

(2) Yes

Comment:

(3) No

Comment:

(4) Yes

Comment:

Question 67:

(1) Yes

Comment:

(2) Yes

Comment:

(3) Yes

Comment:

Question 68:

Yes, an exception is needed

Comment:

Question 69:

Question 70:

Yes

Comment:

Question 71:

Yes

Comment:

Question 72:

Question 73:

Yes

Comment:

Question 74:

Yes

Comment:

Question 75:

(1) Yes

Comment:

(2) No

Comment: No there should be an alternative remedy route

Question 76:

No

Comment: it should not disregard the non compliance but take it into consideration as it could be deliberate...

Question 77:

Yes, the procedure should be transferred to a pre-action protocol.

Comment: Try and avoid the formal if you can but have it as part of the process not another process

Question 78:

Yes

Comment:

Question 79:

(1) Yes, the CCS should include such a provision

(2)

Question 80:

Agree

Question 81:

These factors are relevant

Question 82:

Yes

Comment:

Question 83:

Yes, the commonhold association should be provided with enhanced powers.

Comment: Service level breaches YES

Question 84:

Yes

Comment: Set on the overdraft rate charges in the Commonholds bank account

Question 85:*

(1) Yes

Comment: Set on the overdraft rate charges in the Commonholds bank account

(2) Yes

Comment: The block needs to work for all the residents and unit holders

Question 86:

(1) Yes

Comment: fair and equitable

(2) Letters, debt counsellor but also independent financial review of the individual in arrears to ensure they are not "faking" poverty.

(3) Yes

Comment:

(4) Yes

Comment: Set as a % of the annual running costs of the commonhold e.g 20%. So £20k to run a commonhold if the debt is £5.0k then this will cripple a block or risk cashflow issues. The enforcement would happen at 20% of £20k = £4k

(5) see above

(6) Yes

Comment:

(7) Yes

Comment:

(8) Yes

Comment: Unless its the unit holder or their family/friends

* There was an error with question 85(1). On the online form, question 85(1) was a repeat of question 84. The responses provided to both questions have been analysed with this in mind and relevant points incorporated into our policy development.

Question 87:

(1) Yes

Comment:

(2) Yes

Comment:

(3)

(4) It would as they are independent

(5) Yes

Comment:

Question 88:

(1) Yes

Comment:

(2) Yes

Comment:

(3) Yes

Comment:

Question 89:

(1) Yes

Comment:

(2)

Question 90:

(1) Yes

Comment:

(2) Yes

Comment:

(3) Yes

Comment:

(4)

Question 91:

(1) Yes

Comment: each one is unique

(2) Yes

Comment:

(3) Yes

Comment:

(4) guidance provided

(5) 1 adequate 2 should be referred 3) tribunal appoint

(6) Yes

Comment:

(7)

Question 92:

(1) Yes

Comment:

(2) Insurance

Question 93:

Question 94:

We need to sort out the problems in leasehold before we move to commonhold. Need to sort out the role and responsibilities of managing agents which are pivotal to everything.

Question 95:

(1) done by managing agents

(2) dont know

(3) none

Question 96:

none

Question 97:

(1 & 2) none

(3) no idea

Question 98:

costs are more in terms of time and meetings to resolves these. Commonhold will probably not really remove this...Managing agents are pivotal to all of this !!!!!

Question 99:

none

Question 100:

probably the same...people are people...for gods sake look at Managing Agents that needs fixing !!!

Question 101:

Will probably rise

Question 102:

Commonhold can only really be introduced in new blocks in our opinion

Question 103:

none

Question 104:

None

Question 105:

(1) 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.

Comment:

Question 106:

(1) good for new builds but still need to fix leasehold and Managing Agents

(2) good for new builds but still need to fix leasehold and Managing Agents. Very complicated to do and convert

Question 107:

none

Any further comments

We feel it is important that this consultation and any subsequent consultations need to look at the complete picture of lease holding and ALL the parties involved. These parties are the Freeholder, Leaseholders, The Managing Agents, the accountants who prepare the Service Charge accounts for the block and the Tenants (who may be renting off leaseholders).

It is also important to recognise that there are different types in some of the above groups:

Freeholders: Commercial entities who acquire freeholds as part of their business model (Commercial freeholders) and Right to manage (RTM) and companies such as [REDACTED] who as leaseholders have acquired the freehold.

Leaseholders: Single leaseholders who own one property and may live in that property or rent it out to tenants but this is not their main source of income. Multiple leaseholders, who own several leaseholds in a block or in multiple blocks and rent out these properties as their main source of income (Commercial leaseholders), These are often established as Ltd companies.

The motivation of these groups that are defined above can be very different although the current legislative framework seems to treat them as the same. They are NOT.

As an example for freeholders: the motivations of a commercial freeholder may be to use his own contractors that artificially inflate the price of works which they then share in the “ excess” collected from Leaseholders. A commercial freeholder’ s desire to have critical work undertaken may lack the urgency of action that is felt by those who live on the site and hence the building is allowed to decay.

An enfranchised freehold company (composed of leaseholders) has no such negative motivations because as leaseholders, they pay Service charges and want work done to improve the quality of the block.

As an example for leaseholders: The motivation of a commercial leaseholder may be to try and stop or delay urgent and non-urgent works for the block as they want to boost the profit from their rented properties. This may include inappropriate use of the current legal frameworks and process such as FTT.

One thing that we noticed that an absolutely central part of the whole picture of leasehold properties revolves around the Property management companies that are responsible to the leaseholders for the management and repairs to the block. Our experience of FTTs, of which we have attended three in 4 years, is that the Managing Agents have a very large part to play in most FTT s but they are NOT required to attend under the current legal framework and be held accountable for actions they have or have not taken. It is usually the case that the property management companies have most of the information and can only answer the detailed questions that have posed prior to or at the FTT.

Name of organisation: The Guinness Partnership

Question 1:

Other

Comment: The qualifying criteria for collective enfranchisement does not require 100% consent for conversion. While we understand the desire to make conversion easier, and that obtaining 100% consent is a significant barrier, we remain concerned by the impact and infringement of property rights for leaseholders who do not support the conversion. Further to that, as a housing association we will have retained a number of homes for our tenants. We recommend further consultation with tenants on this issue.

Question 2:

No

Comment: We do not believe it would be right to unilaterally strip non-consenting/participating leaseholders of their property rights. While the Law Commission has done an admirable job of engaging with stakeholders, the fact remains that there is little evidence that such a change is desired by the majority of leaseholders.

The Leasehold Knowledge Partnership reports that there are 5.37million leasehold properties in England and Wales. The National Leasehold Campaign now has over 10,000 members, and is an organisation that actively campaigns for the leasehold system to be abolished and replaced with Commonhold. Assuming they grow their membership as high as 100,000, while this is still a significance number, it still only represents 2% of leasehold properties.

This does not appear to be a significant enough number on which to impose the abolishment of existing property rights on millions of homeowners.

Question 3:

Yes

Comment:

Question 4:

(1) No

Comment: This could leave just as many leaseholders opposing the conversion.

(2) Yes

Comment: Should the prior proposal be adopted, it is important that non-participating leaseholders have the option of 'buying in' in order to standardise the management of the building.

(3) No

Comment: This would not protect non-consenting leaseholders who own head-leases of individual units and have subsequently granted under-leases (i.e. shared ownership).

(4) The on-going presence of leasehold within a commonhold structure is problematic and creates additional complexities. It is therefore preferable that leasehold be a diminishing concern, in which case new purchasers of non-consenting leaseholders' properties should be compelled to acquire the commonhold interest.

(5) Yes

Comment:

(6) (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;

Comment: D would put the freeholder in the difficult position of being subject to existing landlord and tenant legislation and accompanying rights and responsibilities, whilst being subject to the performance of the Commonhold Association.

Question 5:

(1) No

Comment: The non-consenting leaseholders would be put in a position whereby their existing property rights are stripped from them.

(2) Yes

Comment:

No

(3 & 4) The purchase price should be financed by those actively wishing to convert to commonhold.

(5)

(6) (b) as that fixed amount, with interest;

Comment:

(7) Any charges agreed prior to conversion should retain priority. With regards to Shared Ownership properties, this is a requirement from all lenders and is something they have sought assurance for through the inclusion of the Mortgagee protection Clause, which is a mandatory clause in all current Homes England model forms of lease.

Question 6:

(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

Comment: Option 2 allows for the most simple and streamlined approach and avoids the freeholder or non-consenting leaseholder being trapped between two systems of regulation.

Question 7:

Yes

Comment:

Question 8:

Yes

Comment:

Question 9:

No, it should not be possible for charges to transfer automatically, without requiring lenders' consent.

Comment:

Question 10:

(1) Other (see below)

(2) Resident management companies can struggle with the complexities of leases and associated law. The Commonhold Association will have enough risks to manage without it having to navigate the issues that exist within the leasehold system too. This makes Option 1 problematic, however it may be the only pragmatic way conversion can take place.

Option 2 requires stripping leaseholders of their property rights. This is not something we would be comfortable with, as it could have unforeseen and negative consequences on our Shared Owners as well as our renting tenants. We remain concerned for our residents who are not asking for this change and who would be disenfranchised from the outcome.

(3)

Question 11:

Yes

Comment:

Question 12:

(1) No

Comment: If assignment of a lease takes place mid-conversion, the new leaseholder should not be assumed to be in agreement with the claim. It also stands to reason that leaseholders, who were initially willing to participate, may have reflected on the meaning and consequences of conversion and no longer wish to do so.

(2) Leaseholders should be able to withdraw their individual consent to conversion after the Claim Notice has been served

Comment: As a claim progresses, and as leaseholders develop a more informed view of what they are taking on, it is reasonable that some may change their mind. .

Question 13:

(1) Yes

Comment:

(2) Yes

Comment:

Question 14:

Yes

Comment:

Question 15:

Question 16:

(1) Yes

(2) Health and safety of the buildings and their occupants must be very clearly outlined and responsibilities etc. clear. We need a solution for complex and/or high rise developments.

Question 17:

(1) Yes

Comment: This appears to be the most simplistic, and therefore practical, way forward. It can be difficult enough to ensure participation in one corporate entity , so creating more would not be practical on many developments.

(2) Not Answered

Comment:

(3)

Question 18:

(1) Yes

Comment: This will prevent bottlenecks should commonhold associations experience a lack of participation.

(2)

Question 19:

It should be for each commonhold to decide.

Comment: The role of the directors should be paramount, as they are ultimately liable for the Commonhold Association's performance.

Question 20:

(2) section committees affected by an alteration of delegated powers should be given the ability to apply to the Tribunal; or

Comment: Ultimately, power and authority should be with the directors. But in instances when a section committee wishes to resist any alterations imposed on them then it would make sense for such disputes be referred to the Tribunal.

Question 21:

(1) Yes

Comment:

(2) Yes

Comment:

(3) Yes

Comment: We suggest that any active objection may be better managed at the initial stage, by having a minimum objection threshold as per above.

Question 22:

Yes

Comment: The above criteria would allow flexibility on a range of developments with varying degrees of complexity.

Question 23:

Yes

Comment:

Question 24:

(1) Yes

Comment:

(2) Yes

Comment:

(3) Yes

Comment:

Question 25:

(1) Statutory development rights should apply automatically

Comment:

(2) Many new developments can be multi-phased and complex, and during the course of construction there can be changes to the original design and layout. Therefore it would be necessary for the developer to retain a sufficient degree of control and flexibility.

Question 26:

(1) Yes

Comment:

(2) Yes

Comment:

Question 27:

Question 28:

Yes

Comment:

Question 29:

Question 30:

We would suggest that some rules, such as annual filing, be reviewed. There are sufficient examples of leaseholder led management companies struggling to meet this basic requirement. Should commonhold associations become more prevalent, this would become an increased risk. Many commonhold developments may not have members who are familiar with Company Law or the experience and confidence to deal with such matters. Many smaller developments (i.e. 3 or 4 flat period conversions) may elect to not appoint a professional managing agent to advise them of such matters too.

Question 31:

(1)

(2)

Question 32:

(1) Yes

Comment:

(2) Yes

Comment:

Question 33:

(1) Yes

Comment:

(2)

(3) Yes

(4) Appoint an expert manager to manage the estate (even if at a cost)

Question 34:

(1) No

Comment: If the amounts payable are in accordance with the commonhold community statement, then we see no reason why this should not continue to be paid. It could reduce the level of indebtedness as well as ensuring creditors are paid.

(2) Yes

Comment:

Question 35:

(1) Yes

Comment: It should be for the commonhold community to agree on the experience for owner occupiers, and to avoid the disruption that some short-term lettings can cause (i.e. holiday lets). But it could also help to prevent the commonhold association being taken over by absentee landlords and investors, so that the interests of owner occupiers remain paramount.

(2) Whether or not the commonhold association votes to impose restrictions on lettings should be for the community to decide. However, registered providers of social housing and housing associations should be exempt from any restrictions, so long as the use of the

unit is in accordance with the provision of affordable housing and not any separate commercial activity (i.e private renting) that the provider may engage in.

Question 36:

(1) No

Comment: Notwithstanding the possibility of abuse, event fees could be one way for a community to agree to fund project costs. If introduced as a special resolution with all members invited to vote on the proposal this would be an option that could help to avoid high service charge costs in certain circumstances. Also, minimal event fees can help to cover the cost of managing transactions which are for the benefit of the individual rather than the community.

(2) Yes

Comment: As identified in the consultation paper, many retirees can be asset rich/cash poor. This can be an effective way of increasing a block' s reserve funds to cover the cost of major works without the risk of older households being served high service charge demands.

(3) There are many other leaseholders who have similar financial circumstances to retirees. It would be worth considering having this as an option for all commonholds.

Question 37:

Question 38:

(1) Not Answered

Comment:

(2) It should be a balance between achieving a certain threshold whilst avoiding active objection. The biggest barrier many commonhold associations may face will be lack of engagement. In that case if thresholds are too high (i.e. 75%) So, for example, if 50% are in favour, but no more than 10% actively object, a motion could be carried.

(3) If there is a dispute as to the validity of a vote or if the threshold has been met.

(4)

Question 39:

(1) Yes

Comment:

(2) Yes, the directors of the commonhold association should be under such a duty

Comment:

Question 40:

Yes

Comment:

Question 41:

Question 42:

Yes

Comment: It would make sense for the election of directors to be in line with that of Resident Management Companies.

Question 43:

(1) Yes

Comment: A lack of participation is a significant risk for existing Resident Management Companies. This risk is likely to be a problem for commonhold associations and this would mean that, even if a unit holder is not willing to take on the responsibility themselves, they would be empowered to do something about it.

(2) Yes

Comment: Housing associations will be concerned about mixed-tenure developments converting to commonhold, which may then fall into disrepair due to a lack of active engagement with the private unit holders. This could also be a concern for mortgage lenders who fund shared ownership products. It is important that there are mechanisms in place so that stakeholders are able to ensure the management and maintenance of the building continues and the health and safety of all users is preserved.

(3) Yes

Comment:

Question 44:

(1) This has been an experience on several properties with Resident Management Companies. Through a variety of means, from aggression to apathy, individuals or groups have asserted control of the company and run it to their own specific agenda. It has resulted in an overall reduction in capital investment, as well as weighting services towards sections of the development occupied by private owners and to the detriment of social housing tenants.

(2) The above proposals should be satisfactory in most situations, and it would seem more straightforward for any issues to be heard by the Tribunal in order to minimise costs.

Question 45:

(1) While proxy voting may be open to abuse, it is not something we have experienced. It could also be a way for housing associations to involve their tenants in the commonhold

community. This would assist with our desire for greater resident involvement and for our tenants to feel like they have a stake in their community.

(2) (1) a restriction on the number of proxy votes that any individual might hold
Allowing an individual to have unlimited proxy votes may be beneficial in instances where there is a lack of positive engagement and unit holders are happy to pass on this responsibility. However, this could also be achieved by reducing the minimum threshold of votes required for a motion to be carried, and introducing a minimum threshold of active objectors instead.

Question 46:

(1) Yes

Comment:

(2) Yes

Comment:

(3)

Question 47:

(1) Yes

Comment:

(2) Yes

Comment:

Question 48:

(1)

(2) Yes

Comment:

Question 49:

Yes

Comment:

Question 50:

(1) Yes

Comment: This should also cover situations where a like for like replacement is not possible (i.e. technology is outdated, regulations have updated etc.), so that improvements can be included.

(2) Yes

Comment:

(3) Yes

Comment:

(4) Yes

Comment:

(5) Yes

Comment:

Question 51:

(1) Prescribed

(2) Prescribed formatting would assist authorities when enforcing safety issues and for unit holders to understand the rights and exemptions.

(3) We do not believe it is necessary to distinguish between different types of building.

(4) For access to carry out standard repairs and maintenance, written notice giving a reasonable timescale for entry is usually sufficient. For emergencies (ie. any situation that could result in harm to a person or compromise the integrity of the building or another unit) there should be provisions that enable immediate entry – forced if necessary.

Question 52:

(1) Yes

Comment:

(2) Yes

Comment: However, should the directors decide that the alterations are of a nature that will provoke interest and reaction from the other unit holders, they should be able to defer the decision to a resolution vote.

(3) (1) defined as outline at paragraph 9.137

Comment:

Question 53:

Yes

Comment:

Question 54:

(1) Yes

Comment:

(2) Yes

Comment: I would propose that a long term contract be defined as a contract which must run for more than three years.

(3) Yes

Comment:

Question 55:

Question 56:

(1) Yes

Comment:

(2) Yes

Comment:

(3) If the contributions of the previous financial year had been approved by ordinary resolution, it would make sense that these continue until such time as the members approve a change.

(4) The directors should have the option of applying to the Tribunal, and for a ruling to be made to agree the proposed contributions where the directors can demonstrate it is in the interest of health and safety, the structural integrity of the building and is required to retain the value of the asset.

Question 57:

(1) Yes

Comment:

(2) Yes

Comment:

(3) Yes

Comment:

(4) Yes

Comment:

Question 58:

(1) Yes

Comment: I would go further and include a requirement that the directors commission a condition survey and accompanying expenditure plan on which to base reserve fund contributions. This should be required to be disclosed as part of any pre-sale enquiries.

(2) No

Comment: The cost of future work should be as much a consideration when buying a property as the current charges. Dilapidation through lack of adequate financial planning and buyers making informed purchasing decisions is a risk of the future success of commonhold developments.

An expert report considering the asset components, life cycle costs and expenditure plans should be mandatory. Ideally this would specify the amount that must be contributed into a reserve fund. If not agreeable, then at least this information is available to unit holders so that they are informed and can make savings provisions of their own.

(3) Yes

Comment:

(4) Yes

Comment:

(5) Yes

Comment:

(6) Yes

Comment:

(7) Yes

Comment:

(8) Yes

Comment:

(9) We suggest that this should not be allowed. A shortfall in meeting expenditure could be addressed through a special resolution.

(10) Yes

Comment:

Question 59:

(1) Yes

Comment: Varying apportionments of cost is a standard practice in current leasehold service charges.

(2) there should be limitations

Comment: When a new commonhold is set up, the developer should apply reasonable methodology to the apportionment values for each unit. For conversions the preceding values set in the leases should apply as default, unless a special resolution is passed to alter. Should there be a proposal to alter apportionments whereby the change is of a material detrimental impact on a unit holder, the directors should be expected to be able to put forward a reasonable argument why this is necessary (with the matter being referred to a Tribunal if disputed).

Question 60:

(1) Yes

Comment:

(2)

(3) Internal floor area is an accepted method for apportionment values in the leasehold system. If the measurements are not available, alternative methods (i.e. weighted rooms) could be used which still base the values on the size of the flat.

(4) Internal floor area would be the preferable default.

Question 61:

(1) Yes

Comment:

(2)

(3) No

Comment: The incoming unit holder could be liable for any deficit of income over expenditure in an accounting period, if the CUIC was issued prior to any reconciliation.

(4) No

Comment: The cost could vary. The commonhold association has the mechanisms to agree on such matters locally, including when agreeing to appoint the services of a managing agent who would undertake most of this work.

(5)

(6) CUIC should be amendable

Comment:

Question 62:

A fully contributed reserve fund would cover many emergency situations.

Question 63:

(1) Yes

Comment:

(2) Other

Comment: If approval would be required from the Tribunal, the percentage of consent should be reduced to factor in lack of engagement.

Question 64:

Yes

Comment:

Question 65:

Yes

Comment: Shared ownership is now a widely accepted form of affordable housing and provides many people a route into home ownership who would otherwise not be able to afford it. At present shared ownership only exists in leasehold form, so without a separate change programme an exception to this prohibition is a simple solution.

Question 66:

(1) Yes

Comment: Registered Providers would prefer for all rights and responsibilities to flow down to shared owners as and where possible. This would result in a streamlined and consistent approach to management.

(2) Yes

Comment: As shared owners are the ultimate beneficiaries of services and the performance of the commonhold association, they should have full access to participation.

(3) Yes

Comment: This would avoid situations whereby the Registered Provider is caught between two systems of regulation. It also puts the onus on the shared owner to participate in the running of the commonhold association.

(4) Yes

Comment: This would seem to be the most straightforward approach, but would require minor amendments to the final staircasing provisions contained in shared ownership

leases. What may require further thought and consideration is how this would be handled in situations where local authorities insists on S106 restrictions for affordable housing to be retained by the Registered provider for applicants with ' local' connections.

Question 67:

(1) No

Comment: The shared owner is the beneficiary of the costs and services of the commonhold association. The decision to convert should include shared owners, and they should therefore be expected to participate in the commonhold association's performance. Therefore it would only be fair that it is assumed that they have voting rights.

(2) No

Comment: In a building whereby the conversion right has been exercised, this will create a two-tier system. Units may be perceived to be ' trapped' as leasehold, and will therefore not compare favourably with the commonhold units in the same block. Further to this, this outcome may even serve to undermine the saleability of shared ownership leases and affect lender confidence. Aside from the impact it may have on resales, it could also affect existing shared owners wishing to remortgage.

(3) Yes

Comment:

Question 68:

Not Answered

Comment:

Question 69:

Question 70:

Not Answered

Comment:

Question 71:

Not Answered

Comment:

Question 72:

Question 73:

Yes

Comment:

Question 74:

No

Comment: The forms should assist both sides with expressing their views in a constructive manner so that it is easier to progress the dispute to a resolution.

Question 75:

(1) Yes

Comment:

(2) Yes

Comment:

Question 76:

Yes

Comment:

Question 77:

Yes, the procedure should be transferred to a pre-action protocol.

Comment:

Question 78:

Yes

Comment: The most common disputes likely to arise will generally be in regards to issues connected to communal living and associated charges. These are all familiar to the leasehold system already, and will therefore be familiar to the Tribunal. This will also give unit holders a cheaper form of legal redress.

Question 79:

(1) Yes, the CCS should include such a provision

(2) This is essential to ensure fairness to all unit holders.

Question 80:

Question 81:

Question 82:

Yes

Comment:

Question 83:

Yes, the commonhold association should be provided with enhanced powers.

Comment: Give the commonhold association powers to apply to the Courts for injunctions.

Question 84:

Yes

Comment: A cap should be introduced to prevent compounding any debt problems and commonhold associations profiting from unfortunate circumstances. But any cap does need to ensure that it still acts as a deterrent so that monies owed to the commonhold association are prioritised, and that any financing costs incurred by the commonhold association as a result of debt are covered.

Question 85: *

(1) Yes

Comment: This appears to be a repeat of Question 84. A cap should be introduced to prevent compounding any debt problems and commonhold associations profiting from unfortunate circumstances. But any cap does need to ensure that it still acts as a deterrent so that monies owed to the commonhold association are prioritised, and that any financing costs incurred by the commonhold association as a result of debt are covered.

(2) No

Comment: In circumstances where a Registered Provider is present on a commonhold development, and has issued shared ownership leases, mortgage lenders will require that they have first preference charge against the unit.

Question 86:

(1) Yes

Comment:

(2) Approaching mortgage lenders

(3) Yes

Comment:

(4) Yes

* There was an error with question 85(1). On the online form, question 85(1) was a repeat of question 84. The responses provided to both questions have been analysed with this in mind and relevant points incorporated into our policy development.

Comment: A threshold should be established to prevent this becoming the easy/quick go-to solution.

(5)

(6) Yes

Comment:

(7) Yes

Comment:

(8) Yes

Comment:

Question 87:

(1) Yes

Comment:

(2) Yes

Comment:

(3)

(4)

(5) Yes

Comment:

Question 88:

(1) Yes

Comment:

(2) Yes

Comment:

(3) Yes

Comment:

Question 89:

(1) Yes

Comment:

(2) We believe it is important that consultation is carried out with social housing tenants on this proposal.

Question 90:

(1) Yes

Comment:

(2) Yes

Comment:

(3) Yes

Comment:

(4)

Question 91:

(1) Not Answered

Comment:

(2) Yes

Comment:

(3) Yes

Comment:

(4)

(5)

(6) Yes

Comment:

(7)

Question 92:

(1) Yes

Comment:

(2)

Question 93:

Question 94:

- Owners of flats would have homeowner status, as opposed to being a tenant with a registered interest and transferable asset;
- the CCS would offer property managers and unit holders a consistent approach to management; and
- it would democratise the management of a block.

Question 95:

(1)

(2) While there will be time saved due to not having to trawl through different lease types and multiple layers, it is not possible to be certain if this will be to a material degree. The CCS will still require attention, and unit holders will still continue to raise queries which will need careful consideration.

(3)

Question 96:

Question 97:

(1 & 2)

(3)

Question 98:

This will by far be the biggest cost saving. Even informal disputes create significant workload and can contribute greatly to an organisations cost of failure.

Question 99:

Question 100:

Question 101:

Question 102:

Question 103:

Question 104:

Question 105:

(1) 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.

Comment: Leasehold has the benefit of decades of case law, familiarity through all relevant sectors, and being so ingrained in housing and development. While similar systems to commonhold may have been adopted without too much difficulty in other countries, the fact remains that there is a very different starting position for England and Wales.

Question 106:

(1) All stakeholders in the development of housing will continue to use whichever system is at their disposal that they are most familiar with. Choosing a different option without a clear financial incentive means taking on unnecessary risk. Commonhold will struggle to take hold so long as leasehold remains a viable alternative.

Furthermore, the driver behind these proposals is the assumption that leasehold is a completely failed system. But this assumption can be challenged.

The Leasehold Knowledge Partnership reports that there are 5.37million leasehold properties in England and Wales. The National Leasehold Campaign now has over 10,000 members, and is an organisation that actively campaigns for the leasehold system to be abolished and replaced with Commonhold. Assuming they grow their membership as high as 100,000, while this is still a significant number, it still only represents 2% of leasehold properties.

It remains the case that the majority of leaseholders will be unaware of this consultation. We suggest greater awareness is needed to understand the extent of wider support for commonhold.

Moreover, where commonhold would be applied to mixed-tenure blocks home to social housing tenants, it is vital they are consulted on the implications of commonhold for them.

(2)

Question 107:

Any further comments

It is also worth considering the impact on Right to Buy. Local Authorities (and Housing Associations which have bene transferred ex-council stock) will currently own blocks that are fully tenanted, but where those tenants have the preserved Right to Buy. Should just one tenant choose to exercise their right then this would need to be considered if new leaseholds were to be banned. The Government is currently piloting a scheme to test the viability of extending the Right to Buy to all Housing Association tenants.

Name of organisation: [REDACTED] tenants/ residents association

Question 1:

Not Answered

Comment: Not Answered

Question 2:

Not Answered

Comment: Not Answered

Question 3:

Not Answered

Comment: Not Answered

Question 4:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

(3) Not Answered

Comment: Not Answered

(4) Not Answered

(5) Not Answered

Comment: Not Answered

(6)

Comment: Not Answered

Question 5:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

Not Answered

(3 & 4) Not Answered

(5) Not Answered

(6) Not Answered

Comment: Not Answered

(7) Not Answered

Question 6:

Comment: Not Answered

Question 7:

Not Answered

Comment: Not Answered

Question 8:

Not Answered

Comment: Not Answered

Question 9:

Not Answered

Comment: Not Answered

Question 10:

(1) Not Answered

(2) Not Answered

(3) Not Answered

Question 11:

Not Answered

Comment: Not Answered

Question 12:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

Question 13:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

Question 14:

Not Answered

Comment: Not Answered

Question 15:

Not Answered

Question 16:

(1) Not Answered

(2) Not Answered

Question 17:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

(3) Not Answered

Question 18:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Question 19:

Not Answered

Comment: Not Answered

Question 20:

Not Answered

Comment: Not Answered

Question 21:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

(3) Not Answered

Comment: Not Answered

Question 22:

Not Answered

Comment: Not Answered

Question 23:

Not Answered

Comment: Not Answered

Question 24:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

(3) Not Answered

Comment: Not Answered

Question 25:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Question 26:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

Question 27:

Not Answered

Question 28:

Not Answered

Comment: Not Answered

Question 29:

Not Answered

Question 30:

Not Answered

Question 31:

(1) Not Answered

(2) Not Answered

Question 32:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

Question 33:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

(3) Not Answered

(4) Not Answered

Question 34:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

Question 35:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Question 36:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

(3) Not Answered

Question 37:

Not Answered

Question 38:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

(3) Not Answered

(4) Not Answered

Question 39:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

Question 40:

Not Answered

Comment: Not Answered

Question 41:

Not Answered

Question 42:

Not Answered

Comment: Not Answered

Question 43:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

(3) Not Answered

Comment: Not Answered

Question 44:

(1) Not Answered

(2) Not Answered

Question 45:

(1) Not Answered

(2) Not Answered

Question 46:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

(3) Not Answered

Question 47:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

Question 48:

(1) Not Answered

(2) Not Answered

Comment: Not Answered

Question 49:

Not Answered

Comment: Not Answered

Question 50:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

(3) Not Answered

Comment: Not Answered

(4) Not Answered

Comment: Not Answered

(5) Not Answered

Comment: Not Answered

Question 51:

(1) Not Answered

(2) Not Answered

(3) Not Answered

(4) Not Answered

Question 52:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

(3) Not Answered

Comment: Not Answered

Question 53:

Not Answered

Comment: Not Answered

Question 54:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

(3) Not Answered

Comment: Not Answered

Question 55:

Not Answered

Question 56:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

(3) Not Answered

(4) Not Answered

Question 57:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

(3) Not Answered

Comment: Not Answered

(4) Not Answered

Comment: Not Answered

Question 58:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

(3) Not Answered

Comment: Not Answered

(4) Not Answered

Comment: Not Answered

(5) Not Answered

Comment: Not Answered

(6) Not Answered

Comment: Not Answered

(7) Not Answered

Comment: Not Answered

(8) Not Answered

Comment: Not Answered

(9) Not Answered

(10) Not Answered

Comment: Not Answered

Question 59:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

Question 60:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

(3) Not Answered

(4) Not Answered

Question 61:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

(3) Not Answered

Comment: Not Answered

(4) Not Answered

Comment: Not Answered

(5) Not Answered

(6) Not Answered

Comment: Not Answered

Question 62:

Not Answered

Question 63:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

Question 64:

Not Answered

Comment: Not Answered

Question 65:

Not Answered

Comment: Not Answered

Question 66:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

(3) Not Answered

Comment: Not Answered

(4) Not Answered

Comment: Not Answered

Question 67:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

(3) Not Answered

Comment: Not Answered

Question 68:

Not Answered

Comment: Not Answered

Question 69:

Not Answered

Question 70:

Not Answered

Comment: Not Answered

Question 71:

Not Answered

Comment: Not Answered

Question 72:

Not Answered

Question 73:

Not Answered

Comment: Not Answered

Question 74:

Not Answered

Comment: Not Answered

Question 75:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

Question 76:

Not Answered

Comment: Not Answered

Question 77:

Not Answered

Comment: Not Answered

Question 78:

Not Answered

Comment: Not Answered

Question 79:

(1) Not Answered

(2) Not Answered

Question 80:

Not Answered

Question 81:

Not Answered

Question 82:

Not Answered

Comment: Not Answered

Question 83:

Not Answered

Comment: Not Answered

Question 84:

Not Answered

Comment: Not Answered

Question 85:*

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

Question 86:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

(3) Not Answered

*Comment:*Not Answered

(4) Not Answered

Comment: Not Answered

(5) Not Answered

(6) Not Answered

Comment: Not Answered

(7) Not Answered

Comment: Not Answered

(8) Not Answered

Comment: Not Answered

Question 87:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

* There was an error with question 85(1). On the online form, question 85(1) was a repeat of question 84. The responses provided to both questions have been analysed with this in mind and relevant points incorporated into our policy development.

Comment: Not Answered

(3) Not Answered

(4) Not Answered

(5) Not Answered

Comment: Not Answered

Question 88:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

(3) Not Answered

Comment: Not Answered

Question 89:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Question 90:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

(3) Not Answered

Comment: Not Answered

(4) Not Answered

Question 91:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

(3) Not Answered

Comment: Not Answered

(4) Not Answered

(5) Not Answered

(6) Not Answered

Comment: Not Answered

(7) Not Answered

Question 92:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Question 93:

Not Answered

Question 94:

Not Answered

Question 95:

(1) Not Answered

(2) Not Answered

(3) Not Answered

Question 96:

Not Answered

Question 97:

(1 & 2) Not Answered

(3) Not Answered

Question 98:

Not Answered

Question 99:

Not Answered

Question 100:

Not Answered

Question 101:

Not Answered

Question 102:

Not Answered

Question 103:

Not Answered

Question 104:

Not Answered

Question 105:

(1) Not Answered

Comment: Not Answered

Question 106:

(1) Not Answered

(2) Not Answered

Question 107:

Not Answered

Any further comments

Commonhold provides an opportunity to think afresh and provide a specifically-designed democratic system for managing buildings.

Commonhold should be mandatory for flats and freehold for houses.

Commonhold is used in Scotland and in the majority of the rest of the world. Leasehold is a feudal and outdated system that must be abolished and assigned to the history books.

Commonhold contains bespoke provisions which cover every aspect of management.

In Commonhold there is no external landlord. Shared services are funded through commonhold contributions, which, importantly, the unit owners control themselves

Name of organisation: Great Yarmouth Borough Council

Question 1:

Not Answered

Comment: Not Answered

Question 2:

Not Answered

Comment: Not Answered

Question 3:

Not Answered

Comment: Not Answered

Question 4:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

(3) Not Answered

Comment: Not Answered

(4) Not Answered

(5) Not Answered

Comment: Not Answered

(6)

Comment: Not Answered

Question 5:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

Not Answered

(3 & 4) Not Answered

(5) Not Answered

(6) Not Answered

Comment: Not Answered

(7) Not Answered

Question 6:

Comment: Not Answered

Question 7:

Not Answered

Comment: Not Answered

Question 8:

Not Answered

Comment: Not Answered

Question 9:

Not Answered

Comment: Not Answered

Question 10:

(1) Not Answered

(2) Not Answered

(3) Not Answered

Question 11:

Not Answered

Comment: Not Answered

Question 12:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

Question 13:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

Question 14:

Not Answered

Comment: Not Answered

Question 15:

Not Answered

Question 16:

(1) Not Answered

(2) Not Answered

Question 17:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

(3) Not Answered

Question 18:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Question 19:

Not Answered

Comment: Not Answered

Question 20:

Not Answered

Comment: Not Answered

Question 21:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

(3) Not Answered

Comment: Not Answered

Question 22:

Not Answered

Comment: Not Answered

Question 23:

Not Answered

Comment: Not Answered

Question 24:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

(3) Not Answered

Comment: Not Answered

Question 25:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Question 26:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

Question 27:

Not Answered

Question 28:

Not Answered

Comment: Not Answered

Question 29:

Not Answered

Question 30:

Not Answered

Question 31:

(1) Not Answered

(2) Not Answered

Question 32:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

Question 33:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

(3) Not Answered

(4) Not Answered

Question 34:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

Question 35:

(1) Yes

Comment: See qualifications below.

(2) Any legislation would need to ensure that homes can still be used as Temporary Accommodation by local authorities holding the homes under leasing arrangements or in Local Authority General Funds if required.

The restrictions should only exclude homes owned by Registered Providers who are on the Regulator of Social Housing' s Register of Register Providers of Social Housing.

Question 36:

(1) Yes

Comment:

(2) Not Answered

Comment:

(3)

Question 37:

Question 38:

(1) Not Answered

Comment:

(2)

(3)

(4)

Question 39:

(1) Not Answered

Comment:

(2) Not Answered

Comment:

Question 40:

Not Answered

Comment:

Question 41:

Question 42:

Not Answered

Comment: Not Answered

Question 43:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

(3) Not Answered

Comment: Not Answered

Question 44:

(1) Not Answered

(2) Not Answered

Question 45:

(1) Not Answered

(2) Not Answered

Question 46:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

(3) Not Answered

Question 47:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

Question 48:

(1) Not Answered

(2) Not Answered

Comment: Not Answered

Question 49:

Not Answered

Comment: Not Answered

Question 50:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

(3) Not Answered

Comment: Not Answered

(4) Not Answered

Comment: Not Answered

(5) Not Answered

Comment: Not Answered

Question 51:

(1) Not Answered

(2) Not Answered

(3) Not Answered

(4) Not Answered

Question 52:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

(3) Not Answered

Comment: Not Answered

Question 53:

Not Answered

Comment: Not Answered

Question 54:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

(3) Not Answered

Comment: Not Answered

Question 55:

Not Answered

Question 56:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

(3) Not Answered

(4) Not Answered

Question 57:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

(3) Not Answered

Comment: Not Answered

(4) Not Answered

Comment: Not Answered

Question 58:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

(3) Not Answered

Comment: Not Answered

(4) Not Answered

Comment: Not Answered

(5) Not Answered

Comment: Not Answered

(6) Not Answered

Comment: Not Answered

(7) Not Answered

Comment: Not Answered

(8) Not Answered

Comment: Not Answered

(9) Not Answered

(10) Not Answered

Comment: Not Answered

Question 59:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

Question 60:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

(3) Not Answered

(4) Not Answered

Question 61:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

(3) Not Answered

Comment: Not Answered

(4) Not Answered

Comment: Not Answered

(5) Not Answered

(6) Not Answered

Comment: Not Answered

Question 62:

Not Answered

Question 63:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

Question 64:

Not Answered

Comment: Not Answered

Question 65:

Yes

Comment: Yes, we do agree with this proposal as it will ensure that shared ownership remains a viable product which meets the needs of households who are unable to afford full home ownership. It is appropriate to include the requirement for Homes England' s fundamental clauses to be contained in leases to ensure that the homes are in fact being offered and occupied as shared ownership.

Question 66:

(1) Yes

Comment:

(2) Yes

Comment:

(3) No

Comment: No, we do not agree with this proposal. The shared ownership leaseholders and the shared ownership provider should have equal voting rights.

(4) Yes

Comment:

Question 67:

(1) Yes

Comment:

(2) No

Comment: No, we do not agree with this proposal. On staircasing to 100% the shared owner is, and should be the owner of the unit on a commonhold basis.

(3) Other

Comment: We agree that having staircased to 100% the shared owner should become a member of the commonhold association. However, they have effectively already purchased the unit by staircasing so there should be no additional charge for becoming the owner of the unit.

Question 68:

Yes, an exception is needed

Comment: An exception to the ban on residential leases over seven years is needed to better accommodate community land trusts and co-operatives within the commonhold model. Without this exception the ability of such organisations to deliver new homes will be severely restricted as long lease arrangements are a key model for these organisations. Leases to individual purchasers need to be of a mortgageable length in excess of 7 years. The exception for shared ownership homes is an ideal template which could be used for community land trusts and co-operatives.

Question 69:

It's possible that co-housing may need special consideration; there are a range of delivery models and some have lease arrangements.

There are some affordable home ownership models which use the shared ownership lease but remove the requirement for a rental payment (similar to older persons shared ownership where the share owned is 75% or more) and sometimes called shared equity and these should be protected in the same way as shared ownership homes. Where these homes are houses, they cannot be accommodated in the commonhold system.

Question 70:

Yes

Comment: Yes, we agree with this proposal subject to the Financial Conduct Authority having oversight of leases or setting minimum standards for leases which they will regulate. This will ensure that the leases contain no unfair terms.

Question 71:

No

Comment: No, we do not agree with this proposal. Customers of lease-based home purchase plans in new commonhold developments should have the same statutory rights as other leaseholders in this regard.

Question 72:

Question 73:

Not Answered

Comment: Not Answered

Question 74:

Not Answered

Comment: Not Answered

Question 75:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

Question 76:

Not Answered

Comment: Not Answered

Question 77:

Not Answered

Comment: Not Answered

Question 78:

Not Answered

Comment: Not Answered

Question 79:

(1) Not Answered

(2) Not Answered

Question 80:

Not Answered

Question 81:

Not Answered

Question 82:

Not Answered

Comment: Not Answered

Question 83:

Not Answered

Comment: Not Answered

Question 84:

Not Answered

Comment: Not Answered

Question 85:*

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

Question 86:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

(3) Not Answered

*Comment:*Not Answered

* There was an error with question 85(1). On the online form, question 85(1) was a repeat of question 84. The responses provided to both questions have been analysed with this in mind and relevant points incorporated into our policy development.

(4) Not Answered

Comment: Not Answered

(5) Not Answered

(6) Not Answered

Comment: Not Answered

(7) Not Answered

Comment: Not Answered

(8) Not Answered

Comment: Not Answered

Question 87:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

(3) Not Answered

(4) Not Answered

(5) Not Answered

Comment: Not Answered

Question 88:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

(3) Not Answered

Comment: Not Answered

Question 89:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Question 90:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

(3) Not Answered

Comment: Not Answered

(4) Not Answered

Question 91:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

(3) Not Answered

Comment: Not Answered

(4) Not Answered

(5) Not Answered

(6) Not Answered

Comment: Not Answered

(7) Not Answered

Question 92:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Question 93:

Not Answered

Question 94:

Not Answered

Question 95:

(1) Not Answered

(2) Not Answered

(3) Not Answered

Question 96:

Not Answered

Question 97:

(1 & 2) Not Answered

(3) Not Answered

Question 98:

Not Answered

Question 99:

Not Answered

Question 100:

Not Answered

Question 101:

Not Answered

Question 102:

Not Answered

Question 103:

Not Answered

Question 104:

Not Answered

Question 105:

(1) Not Answered

Comment: Not Answered

Question 106:

(1) Not Answered

(2) Not Answered

Question 107:

Not Answered

Any further comments

Not Answered

Name of organisation: NLC

Question 1:

Not Answered

Comment: Not Answered

Question 2:

Not Answered

Comment: Not Answered

Question 3:

Not Answered

Comment: Not Answered

Question 4:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

(3) Not Answered

Comment: Not Answered

(4) Not Answered

(5) Not Answered

Comment: Not Answered

(6)

Comment: Not Answered

Question 5:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

Not Answered

(3 & 4) Not Answered

(5) Not Answered

(6) Not Answered

Comment: Not Answered

(7) Not Answered

Question 6:

Comment: Not Answered

Question 7:

Not Answered

Comment: Not Answered

Question 8:

Not Answered

Comment: Not Answered

Question 9:

Not Answered

Comment: Not Answered

Question 10:

(1) Not Answered

(2) Not Answered

(3) Not Answered

Question 11:

Not Answered

Comment: Not Answered

Question 12:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

Question 13:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

Question 14:

Not Answered

Comment: Not Answered

Question 15:

Not Answered

Question 16:

(1) Not Answered

(2) Not Answered

Question 17:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

(3) Not Answered

Question 18:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Question 19:

Not Answered

Comment: Not Answered

Question 20:

Not Answered

Comment: Not Answered

Question 21:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

(3) Not Answered

Comment: Not Answered

Question 22:

Not Answered

Comment: Not Answered

Question 23:

Not Answered

Comment: Not Answered

Question 24:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

(3) Not Answered

Comment: Not Answered

Question 25:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Question 26:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

Question 27:

Not Answered

Question 28:

Not Answered

Comment: Not Answered

Question 29:

Not Answered

Question 30:

Not Answered

Question 31:

(1) Not Answered

(2) Not Answered

Question 32:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

Question 33:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

(3) Not Answered

(4) Not Answered

Question 34:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

Question 35:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Question 36:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

(3) Not Answered

Question 37:

Not Answered

Question 38:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

(3) Not Answered

(4) Not Answered

Question 39:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

Question 40:

Not Answered

Comment: Not Answered

Question 41:

Not Answered

Question 42:

Not Answered

Comment: Not Answered

Question 43:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

(3) Not Answered

Comment: Not Answered

Question 44:

(1) Not Answered

(2) Not Answered

Question 45:

(1) Not Answered

(2) Not Answered

Question 46:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

(3) Not Answered

Question 47:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

Question 48:

(1) Not Answered

(2) Not Answered

Comment: Not Answered

Question 49:

Not Answered

Comment: Not Answered

Question 50:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

(3) Not Answered

Comment: Not Answered

(4) Not Answered

Comment: Not Answered

(5) Not Answered

Comment: Not Answered

Question 51:

(1) Not Answered

(2) Not Answered

(3) Not Answered

(4) Not Answered

Question 52:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

(3) Not Answered

Comment: Not Answered

Question 53:

Not Answered

Comment: Not Answered

Question 54:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

(3) Not Answered

Comment: Not Answered

Question 55:

Not Answered

Question 56:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

(3) Not Answered

(4) Not Answered

Question 57:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

(3) Not Answered

Comment: Not Answered

(4) Not Answered

Comment: Not Answered

Question 58:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

(3) Not Answered

Comment: Not Answered

(4) Not Answered

Comment: Not Answered

(5) Not Answered

Comment: Not Answered

(6) Not Answered

Comment: Not Answered

(7) Not Answered

Comment: Not Answered

(8) Not Answered

Comment: Not Answered

(9) Not Answered

(10) Not Answered

Comment: Not Answered

Question 59:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

Question 60:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

(3) Not Answered

(4) Not Answered

Question 61:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

(3) Not Answered

Comment: Not Answered

(4) Not Answered

Comment: Not Answered

(5) Not Answered

(6) Not Answered

Comment: Not Answered

Question 62:

Not Answered

Question 63:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

Question 64:

Not Answered

Comment: Not Answered

Question 65:

Not Answered

Comment: Not Answered

Question 66:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

(3) Not Answered

Comment: Not Answered

(4) Not Answered

Comment: Not Answered

Question 67:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

(3) Not Answered

Comment: Not Answered

Question 68:

Not Answered

Comment: Not Answered

Question 69:

Not Answered

Question 70:

Not Answered

Comment: Not Answered

Question 71:

Not Answered

Comment: Not Answered

Question 72:

Not Answered

Question 73:

Not Answered

Comment: Not Answered

Question 74:

Not Answered

Comment: Not Answered

Question 75:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

Question 76:

Not Answered

Comment: Not Answered

Question 77:

Not Answered

Comment: Not Answered

Question 78:

Not Answered

Comment: Not Answered

Question 79:

(1) Not Answered

(2) Not Answered

Question 80:

Not Answered

Question 81:

Not Answered

Question 82:

Not Answered

Comment: Not Answered

Question 83:

Not Answered

Comment: Not Answered

Question 84:

Not Answered

Comment: Not Answered

Question 85:*

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

Question 86:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

(3) Not Answered

*Comment:*Not Answered

(4) Not Answered

Comment: Not Answered

(5) Not Answered

(6) Not Answered

Comment: Not Answered

(7) Not Answered

Comment: Not Answered

(8) Not Answered

Comment: Not Answered

Question 87:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

* There was an error with question 85(1). On the online form, question 85(1) was a repeat of question 84. The responses provided to both questions have been analysed with this in mind and relevant points incorporated into our policy development.

Comment: Not Answered

(3) Not Answered

(4) Not Answered

(5) Not Answered

Comment: Not Answered

Question 88:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

(3) Not Answered

Comment: Not Answered

Question 89:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Question 90:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

(3) Not Answered

Comment: Not Answered

(4) Not Answered

Question 91:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

(3) Not Answered

Comment: Not Answered

(4) Not Answered

(5) Not Answered

(6) Not Answered

Comment: Not Answered

(7) Not Answered

Question 92:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Question 93:

Not Answered

Question 94:

Not Answered

Question 95:

(1) Not Answered

(2) Not Answered

(3) Not Answered

Question 96:

Not Answered

Question 97:

(1 & 2) Not Answered

(3) Not Answered

Question 98:

Not Answered

Question 99:

Not Answered

Question 100:

Not Answered

Question 101:

Not Answered

Question 102:

Not Answered

Question 103:

Not Answered

Question 104:

Not Answered

Question 105:

(1) Not Answered

Comment: Not Answered

Question 106:

(1) Not Answered

(2) Not Answered

Question 107:

Not Answered

Any further comments

I think that Commonhold should be the default for all properties in the UK. I am a Leaseholder and as much as I am not in as bad a situation as some mine been linked to the RPI, rip off Britain needs to come to an end. Leasehold is just another way of taking huge amounts of money by blatantly exploiting innocent people who with the best of intentions assisted in the future of British Housebuilding by purchasing a new property. Unknown to them that they were in fact paying the builders a huge amount of money to buy a property where the landowner retains the land just to be later sold on for the pure purpose of generating huge profits. This needs to to come to an end.

Name of organisation: FirstPort

Question 1:

Yes

Comment: FirstPort is the largest residential property manager in the UK. We manage 185,000 properties across 3,900 developments in England, Scotland and Wales. Our clients include developers, investors, freeholders and over 200 Resident Management Companies. We will be answering questions in this consultation as they would relate to our involvement in operating commonhold as a tenure.

We believe that both parties to the lease must give consent to a change in tenure. We cannot see another way to ensure that the interests of both parties are safeguarded. Enfranchisement being a current right and a tested process would seem to be the logical route to begin a conversion and it must be right that this is the minimum requirement should the freeholder not consent from the outset. That said we believe that conversion will only be successful once commonhold is shown to be a viable and successful tenure and then only in smaller blocks because of the engagement needed.

We have experience of working with enfranchised leaseholders. For some groups it is not always the solution that they envisaged - moving from an adversarial position with the freeholder to an adversarial position between leaseholders (those that have taken part in the process and those that have not). This can manifest itself in many ways from problems with decision making (from frustrated voting processes or directors pursuing self interests to the detriment of the whole) through to verbal and even physical abuse in the very worst cases (between non-participating residents and officers of the enfranchised company). The same issues will almost certainly perpetuate in conversion to commonhold.

The Law Commission does make the point that what is required is a change in mindset of homebuyers. This is unlikely to be addressed by the legislative work that the Commission is undertaking and will need to be a wider programme of work undertaken by both government and the residential property sector.

Question 2:

Other

Comment: This is a difficult question given that a decision requiring anything less than 100% means that an individual's property rights can be altered without their consent and they are forced to contribute to something they did not ask for (albeit at a later date). Such a decision is likely to give rise to tensions as referred to above between leaseholders (and eventually commonholders) following conversion. For this reason we see conversion being successful with only smaller sized blocks where all parties can agree on a common cause from the outset.

Question 3:

Yes

Comment: Since the process begins with enfranchisement (where we presume many will need to commence their conversion process) then it seems fair that only those eligible for enfranchisement should go on to participate in conversion to commonhold.

Question 4:

(1) No

Comment: We do not believe that Option 1 is acceptable or viable.

For the reasons given in your consultation paper, commonhold is being re-invigorated so as to become a viable alternative to leasehold. To allow leases to exist within a commonhold would not only cause confusion but also create an untenable management scenario.

Leasehold and its long legislative history will not be carried forward into commonhold. Whilst the protections may be mirrored (which this consultation goes some way towards addressing), they will not be identical as we understand it.

Option 1 would be confusing at best for professional property managers, let alone enfranchised leaseholders moving to commonhold who are looking to escape the current system.

Just taking the requirements on service charges under leasehold (such as holding funds or consultation limits), unless these are matched in the commonhold community statement requirements, there will be a requirement to run two financial processes dependant on the tenure. This will place those having undergone a conversion process in a worse off position which is not the aim of this common hold drive.

(2) Not Answered

Comment:

(3) Not Answered

Comment:

(4)

(5) Not Answered

Comment:

(6)

Comment: It seems that there will be conflict between the conversion process proposed under Option 1 (with the funding for non-consenting leaseholders shares being offset by continuing ground rents) and the proposed cap on future ground rents being considered by government.

Either ground rents serve a purpose or they do not - it doesn't seem right to argue differently based on who the recipient of ground rent is (third party landlord versus resident owned company).

Question 5:

(1) Other

Comment: For the reasons given, any decision to change the property interests of a party to a lease is fraught with difficulty. This option has the potential to create an adversarial position from the outset – between those who participate and those who do not.

There is a widely held perception that leasehold is inherently flawed, as the nature of becoming a leaseholder is such that you are in a relationship with a third party who has control over your home, with ownership of a wasting asset. Whilst commonhold removes the issue of a wasting asset, those who don't participate are still being forced into a relationship with a third party looking to take control of their building – just because it is your neighbours doesn't necessarily make this acceptable.

Those not participating will be in a minority due to the 80% threshold required, which would mean that their rights could easily become frustrated as they will always be in a disadvantaged position at voting or decision making points. This is likely to lead to neighbour disputes.

There is of course the argument that commonhold conversion gives an individual leaseholder (whether participating or not) increased security (through the lease being replaced with outright ownership). However it also places on the commonholder significant obligations (taken over from the landlord) which must be properly understood and accepted. This is a significant and unintended consequence of the advent of commonhold we believe.

We agree therefore that the threshold for such a decision must be significantly higher than enfranchisement (which does not in itself change the rights or obligations of the non-participating leaseholder - just the identity of their landlord).

We believe that progressing to commonhold conversion following enfranchisement will only become a reality once commonhold is proven as a viable tenure. Only when the rights and more importantly the obligations placed on commonholders are properly understood and shown to work in practice can it be acceptable to force a change in tenure on non-participating leaseholders.

(2) Not Answered

Comment:

Not Answered

(3 & 4)

(5)

(6) Not Answered

Comment:

(7)

Question 6:

(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

Comment: As previously highlighted, ensuring that rights are mirrored in commonhold (to ensure that leasehold rights are not needed within commonhold) must be the right aim.

Question 7:

Yes

Comment: We believe that it is right that the tribunal play an oversight role in situations where the property rights of an individual are being changed without their express consent.

Question 8:

Yes

Comment: Given that their basic rights are not altered with conversion to commonhold they should not be required to consent.

Question 9:

Other

Comment: FirstPort has limited interaction with lenders (limited to intervention during the credit control of leaseholders) and so does not feel qualified to comment on whether security should be altered without their consent.

Question 10:

(1) Other (see below)

(2) Offering commonhold as a viable alternative to leasehold has the potential to be a positive thing for consumers. But we believe that this should only be undertaken when there is clarity on the onerous legal obligations and ownership responsibilities that commonholders will have under the tenure.

We acknowledge that some of this can be mitigated by appointing a professional managing agent. One that is appointed by the residents for the residents. But this cannot take away the statutory obligations that will sit with commonholders as building owners. Today under leasehold this is a role that in our opinion is largely well managed by the professional freeholders that FirstPort work with. We are held to account as property professionals on the legal and financial obligations we undertake on behalf of the freeholder - working in partnership with them having a full understanding of their obligations. This does sometimes extend to the resident managed and owned developments we also work with (FirstPort works with about 200 RMCs).

However it is also our experience that when residents are also directors they become conflicted, sometimes taking short term financial decisions, failing to properly understand or discharge their responsibilities, or in the worst cases abusing their powers at the expense of their neighbours.

We take the point that other jurisdictions operate a commonhold type system. But it is clear from the analysis the Law Commission has completed in this area that there are still real problems with communal decision making leading to building dilapidation. You only have to look to Scotland (FirstPort manages about 10,000 leasehold homes in Scotland) to see the difficulties that Factors experience in discharging statutory responsibilities or securing leaseholder support in ballots where significant and/or essential building works are necessary. We are in the unique position of being able to reform our current systems (leasehold and commonhold) so as to avoid these problems.

We believe that commonhold will work best on small developments (upto 40 units maximum). Where the responsibilities placed on commonholders will be less onerous due to the low complexity of the building. As the number of commonholds builds and lenders become confident in the tenure this will undoubtedly lead to conversion becoming a

possibility - again for smaller blocks where in the main everyone can participate and where obligations are more limited.

We do not believe that commonhold will be suitable for large and complex blocks (which we address in your mixed use chapter questions).

(3)

Question 11:

Yes

Comment: We believe that both parties to the lease must give consent to a change in tenure. We cannot see another way to ensure that the interests of both parties are safeguarded. Enfranchisement being a current right and a tested process would seem to be the logical route to begin a conversion and it must be right that this is the minimum requirement should the freeholder not consent from the outset. That said we believe that conversion will only be successful once commonhold is shown to be a viable and successful tenure and then only in small to medium blocks because of the engagement needed.

Question 12:

(1) Yes

Comment: It is sensible for the enfranchisement and commonhold conversion processes to be aligned.

(2) Leaseholders should be able to withdraw their individual consent to conversion after the Claim Notice has been served

Comment: As you outline, it is only a matter for the leaseholders whether they go on to conversion.

Question 13:

(1) Yes

Comment:

(2) Not Answered

Comment:

Question 14:

Yes

Comment: For the three reasons given this seems sensible.

Question 15:

Question 16:

(1) Yes

(2) We believe that it should be an objective to ensure that the statutory obligations of the directors (which may involve becoming the dutyholder under future government legislation) are met and discharged under any new structure.

Question 17:

(1) No

Comment: We recognise the desire to increase the flexibility of the legislation - to cater for the widest scope of new commonholds. Whilst sections appears to be the best option, given the experiences in other jurisdictions, we are concerned that the combination of introducing sections (with compromises to reduce complexity and reduce the number of officers to a minimum of two) and the requirements of directors under English and Welsh company law (with the risks in complex buildings meaning the obligations on 'part-time' directors significantly increases) may not be compatible. This risk increases with the advent of dutyholder (being considered by government under the Hackitt recommendations).

You identify the possibility for mitigation through the appointment of professional directors, which could be independent or as part of the appointment of a professional property manager. But the also carries with it problems - see section 9.4.

The introduction of sections will also require a complex matrix of financial contributions with alignment of voting rights. This seems to be at odds with the desire to simplify matters for owners under the new tenure.

For these reasons we believe that commonhold would be best suited to small to medium sized blocks.

(2) Other

Comment: For the reasons given above we believe that consideration should be given to commonhold becoming a tenure for simple developments only (that do not require a sections based approach).

(3)

Question 18:

(1) Yes

Comment:

(2)

Question 19:

Collateral

Comment: We have answered the following questions on the basis that sections are likely to become a reality in commonhold.

We believe that it is essential for delegation to be collateral otherwise it could result in the directors retaining liability for a decision (or lack of one) but without the power to enact it. This would be unadvisable in any circumstances but would certainly place at risk those who may be appointed as external professional directors. We could easily foresee the situation where commonhold owners are unwilling to take up their responsibility to serve as directors, allow external directors to be appointed but frustrate their ability to discharge their obligations through delegated section powers.

Question 20:

(2) section committees affected by an alteration of delegated powers should be given the ability to apply to the Tribunal; or

Comment: As elected officials, directors should be able to revoke/alter powers that have been delegated, however reference to a tribunal for a decision where agreement can't be reached would be a useful safeguard.

Question 21:

(1) Yes

Comment:

(2) Yes

Comment:

(3) Yes

Comment:

Question 22:

Yes

Comment:

Question 23:

Yes

Comment:

Question 24:

(1) Yes

Comment:

(2) Yes

Comment:

(3) Yes

Comment:

Question 25:

(1) Not Answered

Comment:

(2)

Question 26:

(1) Not Answered

Comment:

(2) Not Answered

Comment:

Question 27:

Question 28:

Not Answered

Comment:

Question 29:

Question 30:

No. Any dilution of the requirements under company law is likely to lead to ambiguity over other obligations. In any case they are not so onerous as to be an impediment.

Question 31:

(1)

(2)

Question 32:

(1) Not Answered

Comment:

(2) Not Answered

Comment:

Question 33:

(1) Not Answered

Comment:

(2)

(3) Not Answered

(4)

Question 34:

(1) Not Answered

Comment:

(2) Not Answered

Comment:

Question 35:

(1) Yes

Comment: As identified, legitimate sub-letting of an apartment should be a right of a commonholder and is unlikely to cause a burden on the wider development. There should be a requirement to notify the commonhold association but this should not be reasonably withheld.

Short term letting (3 months or less in our view) should be restricted due to the disruption to neighbours, and additional financial burden from wear and tear on the building.

(2) Three months would be a reasonable restriction in our opinion.

Question 36:

(1) Yes

Comment: In so far as they relate to a fee payable on an event such as sale or sub-letting.

We do not take these to mean the administration fee that might be payable to arrange a license or provide information relating to a sale.

(2) Yes

Comment: We are aware that some retirement developers fund the additional services peculiar to such a development (such as communal lounges, laundry rooms etc) from these fees.

This seems reasonable so long as they are transparent and made an option (amongst others that should include paying a different price that doesn't include them) at the point of sale.

(3)

Question 37:

Question 38:

(1) Yes

Comment: For the reasons given we believe that there should be a level of certainty for purchasers of a commonhold as to what they have bought and their continued quiet enjoyment of the property.

It should not be the case that rules could be changed by a simple majority present at a meeting (which would have the potential to always disadvantage non-resident owners).

(2) 80% of all unit owners

(3) If there is a need to review whether the threshold limits have been adhered to or if the decision was a marginal one.

(4) Achieving standardisation should be the aim as far as possible.

For new rules where the CCS is silent it would be appropriate for the minimum threshold of ordinary resolution level to be reached.

Question 39:

(1) Yes

Comment:

(2) Yes, the directors of the commonhold association should be under such a duty

Comment: In practice this would be delegated to the managing agent. There should be a requirement to provide this at the conveyancing stage to ensure that the prospective purchaser is aware of any local rules.

There should be an annual requirement for provision to current owners rather than on each and every change.

Question 40:

Yes

Comment: As previously outlined we do not believe that complex developments (and the requirement for sections) is viable under commonhold.

If they are part of commonhold then yes it would be necessary to include them on the CCS.

Question 41:

Question 42:

Yes

Comment:

Question 43:

(1) Yes

Comment: With regard to the appointment of professional directors, the consultation paper states that it would be preferable when these are appointed for them to be from the managing agent.

We perceive there to be a potential conflict of interests here as the directors would be in a position of authority and financial control making decisions that affect the powers and the control of the managing agent. However to limit their abilities as professional directors to avoid this scenario would likely mean they would not be able to discharge their responsibilities effectively and leave them at risk.

It would be preferable for independent directors to be appointed which may be supplied by a managing agent but who could not appoint themselves as manager.

(2) Yes

Comment:

(3) Yes

Comment:

Question 44:

(1) This is an unlikely scenario in our view.

This though is not to be confused with the situation we regularly see in resident owned management companies where directors run the block in their own interest. This is not likely to be solved in commonhold but may become more prevalent.

(2) We agree that there should be an ability to make an application for a persistent failure to carry out directors obligations. The tribunal would be appropriate.

The tribunal should have the power to appoint directors, set remuneration and the length of appointment. It should not be necessary for there to be ongoing supervision if they are professional directors.

Question 45:

(1) It is unusual for there to be significant numbers of proxy votes (or any abuse thereof) as there are generally quite low levels of engagement from leaseholders at AGMs or other resolutions.

We expect this to be sustained within commonhold.

(2) Proxy votes should not be discouraged.

Question 46:

(1) Yes

Comment:

(2) Yes

Comment:

(3)

Question 47:

(1) Yes

Comment: This should be once on an annual basis.

(2) Yes

Comment:

Question 48:

(1)

(2) Not Answered

Comment:

Question 49:

Yes

Comment: Yes this must be an absolute requirement - especially if there are to be external directors appointed.

Question 50:

(1) Yes

Comment:

(2) Yes

Comment:

(3) Yes

Comment: This should be subject to a special resolution as a minimum as it potentially involves increased costs to commonholders.

(4) Other

Comment: Yes to a certain extent. However this should not extend to replacement of flooring. Within the current leasehold system, approval is usually required so as to ensure that appropriate systems are fitted (with regard to noise nuisance to the floor below).

(5) Yes

Comment:

Question 51:

(1) Prescribed

(2) For the reasons given we believe that is essential that there is a basic level of right of entry prescribed in the CCS. This could be restricted to horizontally divided buildings (where the requirement for entry is much greater) so as to not mistakenly interfere with rights of those in vertically divided buildings (where the requirement is much less frequent).

(3) Yes - see question 51.

(4)

Question 52:

(1) Yes

Comment:

(2) Yes

Comment:

(3) (1) defined as outline at paragraph 9.137

Comment: A clearer definition is required.

Question 53:

Yes

Comment: The most common examples we experience are those of entryphone systems fitted prior to the first unit being let. We believe it is wrong to identify this as a problem with leasehold though - this relates to the provision of equipment and or services (through long term hire contracts) to the building which happens to be sold as leasehold.

We do not see a way that owners can be protected from the scenario where equipment would be removed following the cancellation of a long term hire contract. It cannot be the case that under commonhold the association has the right to frustrate the contract whilst the supplier loses their rights under the contract. This interferes with the principles of contract law surely?

Question 54:

(1) Other

Comment: See response to question 53

(2) Yes

Comment:

(3) Other

Comment: See response to question 53

Question 55:

See response to question 53

Question 56:

(1) Yes

Comment: We believe that the position as set out is fundamentally flawed.

To assume that there will not be tension between those controlling expenditure and the rest of the members (purely because there is no presence of a third party landlord) is wrong in our opinion. It can easily be created by directors serving their own interests, or more commonly with individual members coming from a variety of need states (owner occupier, investor, or those experiencing financial difficulty for instance) leading to disagreement on maintenance and repair levels. We see this on a very regular basis working with resident owned developments today. This is often at odds with the requirements for directors to discharge their obligations under the Companies Act.

In addition, to argue that commonhold associations are a special case is dangerous – indicating that there are somehow relaxed obligations for commonhold directors. In our opinion this adds weight to the argument that commonhold cannot be suitable for complex or mixed used buildings which have significant additional risks and obligations (coming in the form of dutyholder).

Under ordinary circumstances yes it should be such that the members of the commonhold have some say in the annual contributions that are payable by them.

But this also introduces a significant element of risk for those acting as directors of the commonhold. They have obligations to discharge which could easily be frustrated by a simple majority at a general meeting leaving directors significantly exposed.

We welcome the proposal that as a minimum the prior year' s contributions must be payable. This will at the very least ensure that the basic obligations can be met.

(2) Yes

Comment:

(3) Yes as an absolute minimum this should apply to ensure that basic obligations can be met.

(4) Ultimately there would need to be recourse to the tribunal if agreement cannot be reached - say after 12 months has elapsed.

Question 57:

(1) Yes

Comment:

(2) Yes

Comment:

(3) Yes

Comment:

(4) No

Comment: It is unclear if this proposal only relates to proposed expenditure in relation to improvements/enhanced services or to expenditure in general. If it is the latter we believe that this withdraws a significant right to that enjoyed currently under leasehold.

There can often be a difference between budgeted and actual expenditure, sometimes for legitimate reasons but sometimes due to poor management. If it were the case that only budgeted expenditure could be challenged and not actual then commonholders could be at risk of increased contributions but no right to challenge?

Also, the argument given that there is reduced risk to commonholders being exploited on costs (due to the removal of a third party landlord) is wrong in our opinion for the reasons given in our response to question 56.

Question 58:

(1) Yes

Comment: Yes this is a fundamental flaw in some leases and is essential to good management.

(2) Yes

Comment:

(3) No

Comment: One of the advantages that leasehold has over commonhold can be the independent view that the landlord can't take on the long term management of the building.

There are inherent flaws with the setting of such expenditure (which often requires difficult budgetary decisions) being vested with the same individual(s) that have to contribute. Their decision making is normally affected by their individual need state (long term resident owner, investor, shorter term owner, or those affected by personal financial difficulties).

To protect the majority as a minimum we would suggest that a default percentage of annual expenditure be required in the CSS - say 10%. This could be a default where there has not been reference to a costed maintenance plan. It is not scientific but it would remove the potential for minimum contributions to be set at artificially low levels so as to just meet the requirement to have reserves (i.e £1 contribution).

(4) No

Comment: See previous response.

(5) Yes

Comment:

(6) Yes

Comment:

(7) Yes

Comment:

(8) No

Comment: This seems a significant burden.

(9) It is not uncommon for there to be cashflow problems in managing annual expenditure. This normally arises where expenditure cannot be spread throughout the year such as an annual insurance premium payable in the first half of the year. It can be useful for the monies held in reserves to be used to temporarily fund current expenditure.

There should be a requirement for reserves to be restored by the year end.

(10) Yes

Comment:

Question 59:

(1) Yes

Comment: There should be a consistent basis for each cost head though. For instance, all contributors should pay on a square footage basis for a particular cost heading (if that is the particular basis chosen) - not just some of them, with others charged on some other basis for the same cost head (such as an equal share).

(2) each commonhold should have total flexibility

Comment:

Question 60:

(1) Yes

Comment:

(2)

(3) This is a tried and tested method in leasehold and would seem the fairest way in our opinion.

(4) This is a tried and tested method in leasehold and would seem the fairest way in our opinion.

Question 61:

(1) Yes

Comment:

(2) Yes we believe there is a significant potential for additional contributions being required due to the difficult nature of budgeting precisely for expenditure on all but the smallest buildings (even this is not an exact science). There must be a process to cater for this.

(3) No

Comment: As stated previously, there is a significant potential for additional contributions being required after the CUIC has been issued due to the difficult nature of budgeting precisely for expenditure on any building. Yes there should be an obligation on the association/agent to notify the current owner of additional liabilities but what if these are not know about at the point of sale.

To propose that these are not payable would leave the association with a liability that it cannot recover.

The process of holding retentions works well in leasehold and should be duplicated here.

(4) Yes

Comment: On the basis that there is standardisation in commonholds there should be an ability to set a fixed or maximum fee which should be index linked.

(5) We do not foresee any issues where the commonhold association appoints a managing agent who would undertake this task. This would place a higher burden on those blocks who self managed.

(6) CUIC should be amendable

Comment: It should be amendable for the reasons previously given with regard to assessing contributions in advance.

To not allow it to be amendable would almost certainly open up the association to risk that it can't mitigate or recover.

Question 62:

Question 63:

(1) Not Answered

Comment:

(2) Not Answered

Comment:

Question 64:

Not Answered

Comment:

Question 65:

Yes

Comment:

Question 66:

(1) Yes

Comment:

(2) Yes

Comment:

(3) Yes

Comment: From a practical management perspective this would be preferable so as not to have to run leasehold processes alongside commonhold.

From the perspective of the effect on an individual's property rights this is questionable as it removes rights that are not replaced in commonhold.

(4) Yes

Comment:

Question 67:

(1) No

Comment: This should be shared. The person responsible for meeting the costs of the commonhold should have an appropriate say in the commonhold association and it's decisions.

(2) Other

Comment: Only under Option 1

(3) Yes

Comment:

Question 68:

Not Answered

Comment:

Question 69:

Question 70:

Not Answered

Comment:

Question 71:

Not Answered

Comment:

Question 72:

Question 73:

Yes

Comment:

Question 74:

Yes

Comment:

Question 75:

(1) No

Comment: It should be a requirement for initial recourse to be to the new government ombudsman service. This should be mandatory.

(2) No

Comment: To make membership of an ombudsman voluntary would seem to remove a basic right of commonholders - particularly in the light of the government's aim to improve rights of redress for homeowners.

It would be naïve to assume that because of commonhold (and the absence of a third party landlord) that there is likely to be less basis for recourse to an ombudsman.

Membership could easily be delegated by the appointment of a managing agent.

Question 76:

Yes

Comment:

Question 77:

Not Answered

Comment:

Question 78:

Yes

Comment:

Question 79:

(1) Yes, the CCS should include such a provision

(2)

Question 80:

There must be an ability to challenge costs that have been incurred which are in excess of the approved budget.

Question 81:

Question 82:

Yes

Comment:

Question 83:

Yes, the commonhold association should be provided with enhanced powers.

Comment: Whilst a draconian measure, as the Commission identifies the ‘ threat of forfeiture’ within leasehold does prove an effective mechanism to enforce the non-payment of service charges. Of course this must be (and is) balanced by safeguards to ensure that the service charges are reasonably incurred and that they are not the matter of a legitimate dispute.

The system within leasehold ensures that service charges, when challenged through the courts are paid during or following the proceedings. We are concerned that this will not be the case under the reforms proposed. As we understand it where commonhold charges ultimately remain unpaid they will become subject to a charge on the property which means that the funds will not be available until the point of sale. If even a small number of residents at a development withheld payment in any year, then it is entirely feasible that there will not be sufficient funds available to meet obligations. It would then be necessary to call for an interim payment from the remaining commonholders which cannot be right.

Perhaps the courts should have an ability to levy fines (within reasonable limits). A less effective remedy may be to restrict access to communal services (such as concierge services or gym access for instance) – although this is more difficult to enforce practically and would have limited use as it would not have scope on smaller developments where there are no such shared services.

Question 84:

Yes

Comment: A cap linked to the base lending rate would be the easiest to administer.

Question 85:*

(1) Not Answered

Comment:

(2) Not Answered

* There was an error with question 85(1). On the online form, question 85(1) was a repeat of question 84. The responses provided to both questions have been analysed with this in mind and relevant points incorporated into our policy development.

Comment:

Question 86:

(1) Not Answered

Comment:

(2)

(3) Not Answered

Comment:

(4) Not Answered

Comment:

(5)

(6) Not Answered

Comment:

(7) Not Answered

Comment:

(8) Not Answered

Comment:

Question 87:

(1) Yes

Comment:

(2) Yes

Comment:

(3)

(4)

(5) Not Answered

Comment:

Question 88:

(1) Yes

Comment:

(2) Yes

Comment:

(3) Yes

Comment:

Question 89:

(1) Yes

Comment:

(2)

Question 90:

(1) Yes

Comment:

(2) Yes

Comment:

(3) Yes

Comment:

(4)

Question 91:

(1) Yes

Comment:

(2) Yes

Comment:

(3) Yes

Comment:

(4)

(5)

(6) Not Answered

Comment:

(7)

Question 92:

(1) Not Answered

Comment:

(2)

Question 93:

Question 94:

We are concerned that some of the leasehold problems highlighted in the paper that commonhold proposes to fix are something else entirely - issues of people living communally in blocks of apartments that by their nature are structurally interdependent.

We understand why the current government is keen to offer commonhold as a viable alternative to leasehold. It has been a legal form of tenure for fifteen years but has failed to gain any traction. In the light of concerns with freeholders and managers sometimes abusing their powers, giving control to property owners through commonhold is an attractive option.

But it brings with it significant concern to professional property managers. To remove the professional oversight of buildings that comes with an external landlord at the very time that government is considering increasing obligations on building owners is a mistake. It will place those who stand as commonhold directors at considerable risk – which cannot be absolved by the appointment of a managing agent.

As we have set out in our responses, we believe that commonhold could work effectively for small blocks with minimum levels of complexity and less onerous obligations on owners.

Having standardisation through the CCS will hopefully ensure that those living and running commonhold developments have a better understanding from the outset. We do not believe though that this would apply to complex developments where sections are used as there are likely to be very complex voting and financial arrangements in place that will need significant oversight.

Conveyancing should be simpler and more cost effective (for smaller blocks) which is likely to be an advantage over leasehold.

It should make regulation easier as government will be able to make global changes to the CCS – although the legislative process is far from quick or necessarily always effective.

Question 95:

(1) 1, 2 & 3 We provide a property sales information pack which includes reference to the lease and checking obligations and completion of the standard LPE1 form (or similar). On average this process takes about three hours.

4 It is difficult to state an average as each situation is different and will depend on the client, the reason for the dispute as well as the experience/skill of the property manager.

The cost of a property sales information pack is £250. In our experience there would rarely be a cost to a client for consulting a lease with regard to a dispute.

(2) There is likely to be some time saving due to the standardisation of the CCS. But we believe that this is likely to only extend to small blocks – where sections are used there will be management time need in equal measure.

(3)

Question 96:

This happens on occasion but is not as common as is suggested in our experience. It is more common to encounter problems where lease fractions do not total 100% although most modern leases allow for the landlord to make reasonable adjustments without recourse to a tribunal. This may be solved in part under commonhold with the CCS having to detail contributions.

Question 97:

(1 & 2)

(3)

Question 98:

In our experience the majority of disputes relate to the level of service charge rather than the apportionment. This normally stems from a lack of understanding on the consumer's part about their leasehold purchase and the types of cost involved in the maintenance of a development.

In principle it should be easier for owners to understand their commonhold purchase due to the consistency of the CCS. But this won't be until commonhold has become a widely used tenure. The bigger problem that both tenures will experience in equal measure is the issue that most homebuyers are not concerned with the additional costs and complexities involved in communal apartment living at the time of purchase – making an emotional decision about their home.

This is unlikely to change under commonhold.

In addition, with the introduction of sections it is likely to bring as much confusion and potential for dispute as is currently experienced in leasehold.

Question 99:

In the majority of cases the 'threat of forfeiture' under leasehold leads to a lender or leaseholder making payment. A very very small number of cases ever go as far as forfeiture and so comparisons to costs saved under commonhold are limited in our opinion.

Question 100:

The scope for disputes between the commonhold association and owners will be no different to experiences under leasehold in our opinion. The absence of an external landlord will make little difference as the potential for conflict between 'participating commonholders' and others or between directors and residents will still very much exist.

Question 101:

The revised Commonhold legislation introduces several new references to a tribunal for both conversion and for escalation of day to day running of commonholds and so we see no change.

Question 102:

Question 103:

Question 104:

Question 105:

(1) 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.

Comment:

Question 106:

(1) 1. Leasehold is a well established and understood tenure (by developers and freeholders) and offers the flexibility required for all types of modern housing developments.

It also presents an acceptable level of security for lenders who must be convinced given so much housing is financed.

Compare this with the unknown that is commonhold and it is easy to see why the uptake has been poor. It doesn't (in its current form) offer the flexibility required for many developments including mixed use. Mortgages are limited and don't offer the level of security and certainty that lenders require.

Developers are also concerned about the level of owner engagement required. They already find it difficult to handover to management companies under leasehold and commonhold requires a wholesale change in mindset which will need a government education programme if it is to become successful.

2. Commonhold needs to be proven as a workable tenure first. Fixing some of the problems that have been identified so that lenders have the confidence to finance is key.

Then government needs to offer some financial incentive (alongside help to buy perhaps) to developers and purchasers. This will 'kickstart' the adoption process and allow it to start working in pockets.

This will need to run alongside a consumer education programme. As the Commission have identified there would need to be a change in mindset by owners particularly as the tenure requires a level of engagement and control not seen in leasehold. This will take time and resources and should be done in conjunction with the sector.

With increased confidence in the tenure and knowledge of the responsibilities involved it can become a success.

However, commonhold should be offered as an optional tenure rather than being compelled. More complex and mixed-use developments are unlikely to be workable under commonhold and will place owners at significant risk through the increased obligations and complicated financial and decision making principles involved.

Owning and managing buildings requires long term financial planning, strong health and safety leadership and often making difficult decisions to ensure that the minority aren't taking advantage of their neighbours (by not paying their service charges or disregarding their mutual obligations). Whilst not a popular view we believe that this is best achieved by an independent third party to the residents and owners.

(2)

Question 107:

Unless there is any reason why devolved powers to the Welsh Assembly are at odds with any of the reforms suggested in commonhold we believe that there should be consistency between England and Wales. Otherwise a two-tier system is likely to exist in Wales where existing leasehold becomes controlled by Westminster but commonhold could become subject to devolved powers also.

Any further comments

Name of organisation: National Leasehold Campaign

Question 1:

Yes

Comment: Yes, subject to the relaxing of the qualifying criteria for collective enfranchisement as detailed in the Law Commission's consultation on enfranchisement. It makes sense for the two sets of qualifying criteria to be aligned, but every opportunity must be taken to make conversion to commonhold and collective enfranchisement easier to prevent the balance of power remaining with freeholders.

Question 2:

Yes

Comment: NLC would like to see a simple 50% majority. It's important to make the barriers to convert to commonhold as achievable as possible, whilst not allowing a small minority to dictate policy. I doubt very much that the majority of leaseholders (once educated) would not choose to convert to commonhold.

Question 3:

Yes

Comment: Yes, subject to proposals to reform eligibility for collective enfranchisement. The Law Commission should start from the position that all leaseholders are eligible and only allow exceptions where there are very good reasons for doing so. Those with vested interests are past masters are finding loopholes in the law to allow leasehold and its associated abuses to continue. The Law Commission must be mindful of this throughout.

Question 4:

(1) No

Comment: Option 1 is messy. For commonhold to replace leasehold in England and Wales we must seize every opportunity to reduce and remove the number of leasehold properties. The default position has to be to maximise commonhold ownership at every available opportunity.

We agree with the 50% for conversion to take place but not with leasehold being retained for non-consenting leaseholders.

(2) No

Comment: Commonhold interest should be purchased (albeit this may be some type of deferred purchase for the non-consenting leaseholder) from the date of conversion to avoid a mix of leasehold and commonhold.

(3) No

Comment: Commonhold interest should be purchased (albeit this may be some type of deferred purchase for the non-consenting leaseholder) from the date of conversion to avoid a mix of leasehold and commonhold.

(4) Commonhold interest should be purchased (albeit this may be some type of deferred purchase for the non-consenting leaseholder) from the date of conversion to avoid a mix of leasehold and commonhold. Thus this situation would not arise.

(5) No

Comment: Commonhold interest should be purchased (albeit this may be some type of deferred purchase for the non-consenting leaseholder) from the date of conversion to avoid a mix of leasehold and commonhold.

(6) (a) by the consenting leaseholders, through the commonhold association which holds the commonhold interest;

Comment:

Question 5:

(1) No

Comment: We would like to see a lower percentage; 50%. 80% is simply too high. 50% is consistent with collective enfranchisement. The default position must be to make conversion to commonhold as easy to achieve as possible. 80% creates a huge barrier in large blocks, of which we have many in city centres across England and Wales, and will only perpetuate leasehold and its associated abuses for years to come.

(2) Yes

Comment:

Yes

(3 & 4) We would support the charge reflecting the fixed amount of the share of the freehold of the property increasing by a moderate rate of interest.

(5) If the consenting leaseholders were asked to finance the conversion for the non-consenting leaseholders this will prevent many leaseholders from converting. Many will struggle to afford the outright cost of the conversion of their own property without having to also fund the conversion of others. Although outside the scope of this review, the Government should think carefully about ways to help leaseholders to fund their own conversion to commonhold through affordable payment plans.

It makes sense for freeholders to take the benefit of the charge. They will already have the capital injection from the 50% of consenting leaseholders; which benefits their cash flow. This will more than offset, in cashflow terms, the ground rent income they would continue to receive if nothing changes. It is unrealistic to expect freeholders to provide an interest free loan, but a moderate rate of interest on the charge is fair.

(6) (e) in some other way.

Comment: The charge is representing the deferred payment of the increase in value of the property at the time the conversion is done. The "loan" needs to stay inflation proofed (at least) for the lender so its value is not decreasing over time. I don't think it's fair to subject the lender to the unpredictability of house prices - there are many similarities to mortgage lending here - a mortgage lender does not reduce the value of the mortgage repayments in line with house prices.

(7) We agree with your proposal for the charge to take priority over an existing lender.

Question 6:

(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

Comment: Any legislation should ensure that the tenant still has the same rights to challenge costs as before, but under the new tenure. Care must be taken to ensure that any private landlords operating sharp commercial practices cannot take advantage of tenants.

Question 7:

No

Comment: Surely there is an easier way to achieve the safeguards that are required? For many leaseholders going to an organisation such as the Tribunal means two things; legal jargon and cost. I cannot stress enough how off-putting this is for the average person. It will be a deterrent to conversion. Why not create a new body or organisation that does not require expensive professionals and is accessible for leaseholders?

Question 8:

Yes

Comment:

Question 9:

Yes, it should be possible for charges to transfer automatically, without requiring lenders' consent.

Comment: Yes, charges should transfer automatically. This is about keeping things simple and removing as many barriers to commonhold as possible whilst maintaining a sensible and pragmatic approach. As the prevalence of commonhold increases, mortgage lenders will be under pressure from consumers and in respect of their competitive position to lend on commonhold.

Question 10:

(1) Option 2

(2) Strongly prefer Option 2. For commonhold to be reinvigorated we must take every opportunity to remove leasehold tenure and convert to commonhold. Option 1 is very messy; it leaves non-consenting leaseholders (and these may be people that want to convert to commonhold but can't afford to) stuck in the feudal leasehold system and remaining open to abuse at the hands of unscrupulous freeholders. It is messy for prospective purchasers, valuers, estate agents, etc. who need to put a different value on the same property in a block based on its tenure and we all know how complicated valuing anything in the leasehold world is.

Option 2 is cleaner and takes bigger steps forward to reduce the footprint of leasehold in England and Wales. It keeps management of the building simpler.

(3)

Question 11:

Yes

Comment: Subject to your proposals to make collective enfranchisement easier and more attainable as per your Enfranchisement consultation (including, in my view, raising the current 25% threshold for collective enfranchisement for mixed use buildings)

Question 12:

(1) Yes

Comment:

(2) Leaseholders should be able to withdraw their individual consent to conversion after the Claim Notice has been served

Comment: Leaseholders should be able to withdraw their individual consent and become non-consenting leaseholders. In practice, this will happen in a very small number of cases and is most likely to happen because of a change in financial circumstances. The likelihood of this resulting in the threshold for conversion falling below the requirement is extremely low and in our view should not result in the conversion stopping. We support Option 2, and under that option any leaseholder that changes their mind, becomes a non-consenting leaseholder with a charge on the property. If more thought was put into how to financially support leaseholders to become commonholders (e.g. some affordable financing with regular payment options) then we see very few reasons as to why a leaseholder would want to withdraw consent.

Question 13:

(1) Yes

Comment:

(2) Yes

Comment:

Question 14:

Yes

Comment:

Question 15:

Consideration should be given to how this process can be streamlined and made more cost efficient by using technology in this digital age. Use of online forms and documents with digitised signatures could help.

Question 16:

(1) Yes

(2) We agree, we think this is a really comprehensive set of objectives.

Question 17:

(1) Yes

Comment: Subject to ensuring that such management structure does not introduce opportunities for management companies to take advantages of residents and businesses in commonhold developments.

(2) Not Answered

Comment:

(3) I know you have done this - the rest of the world manages mixed use buildings without leasehold so there are lots of precedents to see how they do it successfully.

Question 18:

(1) Yes

Comment: Allows greater control for those that want it, but removes barriers to commonhold that having mandatory committees would pose.

(2)

Question 19:

Collateral

Comment: We agree that collateral delegation provides better oversight and control and will encourage good practice in the sector. A good framework will ensure common hold is a robust form of tenure and ensure compliance with the CCS.

Question 20:

(2) section committees affected by an alteration of delegated powers should be given the ability to apply to the Tribunal; or

Comment: Allowing section committees to apply to the Tribunal seems to strike a sensible balance between Directors and unit owners allowing Directors to revoke or alter powers but not to the extent that they could abuse the unit holders without them having a right to recourse. It would be beneficial if a right to challenge could be done via a cheaper and more accessible form than the Tribunal which is off-putting now and does not seem to be a process that works well for current day leaseholders.

Question 21:

(1) Yes

Comment: We agree, this allows for future flexibility on the structure of the commonhold.

(2) No

Comment: We agree with the special resolution, but apart from the current rules in New Zealand we are unsure as to why a percentage of 75% is required. We all know that to get high percentages of unit owners (and current day leaseholders) is difficult, and we should be looking for ways to make these processes easier and lowering barriers and difficulties. Why not 50%?

(3) Yes

Comment:

Question 22:

Yes

Comment:

Question 23:

Yes

Comment:

Question 24:

(1) No

Comment: We agree with the special resolution, but apart from the current rules in New Zealand we are unsure as to why a percentage of 75% is required. We all know that to get high percentages of unit owners (and current day leaseholders) is difficult, and we should be looking for ways to make these processes easier and lowering barriers and difficulties. Why not 50%?

(2) Yes

Comment:

(3) Yes

Comment:

Question 25:

(1) Statutory development rights should apply automatically

Comment: Subject to developers not being able to use statutory development rights to the detriment of consumers

(2)

Question 26:

(1) Yes

Comment: Subject to this not being abused by developers appointing their own Directors under long contract terms and there being an easy and practically achievable way for purchasers to replace developer appointed Directors quickly and easily.

(2) Yes

Comment:

Question 27:

These rights appear comprehensive. Given the Law Commission' s brief to tip the balance of the scales towards leaseholders, any consideration of a time limit and the length of that time limit should be considered from the perspective of improving consumer protection.

Question 28:

Yes

Comment: The current leasehold and fleecehold scandals prove that developers cannot be trusted to behave morally or ethically and will exploit consumers if that generates higher profits. Thus, they must be forced to do what is right and sensible steps to ensure consumer protection must be implemented.

Question 29:

No advantages.

Question 30:

You need to consult a specialist in company law for any requirements that would be inappropriate. The important thing to consider is that any solution requires simplicity and must be accessible for unit holders to understand. This is all about removing the barriers to commonhold, not creating new ones. The costs must also be taken into account, as unit

holders are likely to need expert advice to set up and run a company, and we must ensure that such advice is available and accessible and not cost prohibitive.

Question 31:

(1) You need to consult an expert in this area.

(2)

Question 32:

(1) Yes

Comment:

(2) Yes

Comment:

Question 33:

(1) Yes

Comment:

(2)

(3) Yes

(4)

Question 34:

(1) Yes

Comment:

(2) Yes

Comment:

Question 35:

(1) Yes

Comment: Evidence shows that holiday letting can cause issues and it should be up to each Commonhold Association to decide if they want to allow holiday lets.

(2) 1. Six months feels a sensible length of time in relation to the private rented sector.

2. Exemptions could apply to the social rented sector, subject to such exemptions not leaving loopholes in the law or being open to exploitation by less scrupulous social housing providers.

Question 36:

(1) Yes

Comment: Yes, event fees are poorly understood by consumers and are part of a business model that appears to take advantage of the elderly and most vulnerable in society. However, if prohibiting event fees means that retirement properties cannot then be commonhold then this is a fundamental failing in the proposals. Commonhold needs to be the basis for retirement communities just as much as other types of communal living.

(2) No

Comment: It's time that the retirement sector think of suitable alternatives to event fees that are open and transparent to customers. By continuing to give them exemptions you give credibility to a business model that is used to exploit vulnerable consumers. Specialist retirement developers have proved time and again that they are incapable of doing the right thing unless put under considerable pressure. You must do this to ensure that they are forced to change their business models and their custom and practice.

(3) No, and there shouldn't be an exemption for specialist retirement properties either.

Question 37:

No further restrictions - leave this up to the discretion of each commonhold. This can always be revisited at a later date as we learn from the experiences of commonhold in operation.

Question 38:

(1) Yes

Comment: A majority should be required.

(2) A simple majority should be required to amend local rules.

(3)

(4) It feels instinctively that the threshold should be the same. It just keeps things simple and this is complex enough.

Question 39:

(1) Yes

Comment: Works in New South Wales and keeps costs and administration time down.

(2) Yes, the directors of the commonhold association should be under such a duty

Comment:

Question 40:

Yes

Comment:

Question 41:

Proposals appear comprehensive to me and no new terms required

Question 42:

Yes

Comment:

Question 43:

(1) Yes

Comment: Although as mentioned previously, many members of the public find Tribunals and courts expensive and inaccessible, so the process needs to be efficient and easy for members of the commonhold to understand. This really should be a last resort.

(2) Yes

Comment:

(3) Yes

Comment:

Question 44:

(1) This is likely to happen, as it happens now under the leasehold model (e.g. <https://www.telegraph.co.uk/money/consumer-affairs/leasehold-scandal-freeholder-cost-100000-nothing-could-do/>), although the set up of commonhold means that commonhold should be much less adversarial than the current leasehold system.

(2) The Law Commission should consider best practice from other countries with experience of commonhold and adopt this

Question 45:

(1) I have no personal experience of this.

(2)

Question 46:

(1) Yes

Comment:

(2) Yes

Comment:

(3) Look to other countries with experience of commonhold for ways to address any legal difficulties. We must adopt a "can do" approach and find ways to make commonhold work; not put barriers in the way.

Question 47:

(1) Yes

Comment: These documents should be as easy to understand as possible for the lay person; written in plain English. They should be provided as early in the sales process as possible and conveyancing solicitors should explain them, in plain English, to consumers before they buy a property.

(2) Yes

Comment:

Question 48:

(1) We agree that there is no reason as to why it should be. Again, we need to adopt a "can do" approach to this, and insurers need to support the change to commonhold.

(2) Yes

Comment:

Question 49:

Yes

Comment: This is good governance.

Question 50:

(1) Yes

Comment:

(2) Yes

Comment:

(3) Yes

Comment:

(4) Yes

Comment:

(5) Yes

Comment:

Question 51:

- (1) Local rules
- (2) Based on an agreed standard wording with local amendments as and when required.
- (3) N/A - use local rules
- (4)

Question 52:

- (1) Yes

Comment: Reduces bureaucracy and makes it easier to get things done.

- (2) Yes

Comment: Subject to giving of consent not to be unreasonably withheld by the Directors.

- (3) (1) defined as outline at paragraph 9.137

Comment:

Question 53:

Yes

Comment: The NLC has numerous examples of long-term contracts entered into by developers of new properties that have been difficult for leaseholders to extract themselves from. They include:

- contracts for the provision of services on private estates, e.g. for maintenance of common areas (grass cutting, bin emptying, etc.)
- contracts for provision of utilities

Although leaseholders may in theory have the law to assist them to extract themselves from such contracts, the reality is somewhat different as many have neither the funds nor the appetite for legal action.

A potentially much bigger problem is the move by developers to create "fleecehold" estates, where supposed freehold houses have common areas on the estate and management charges associated with them. These "freeholders" don't have the law to help them escape from the long-term contracts the developers have signed them up to.

Question 54:

- (1) Yes

Comment: You will need to ensure that the ability to cancel these contracts is not contradicted by the contracts themselves and that management companies don't start to

build in prohibitive cancellation terms that the new commonhold association will need to fund.

(2) Yes

Comment:

(3) Yes

Comment:

Question 55:

Look for examples of this in other countries and see if this is a problem and what they have done to address it.

Question 56:

(1) Yes

Comment:

(2) Yes

Comment: Needs to be practical so that there are no delays to approving budgets

(3) Previous year CPI? This at least ensures the commonhold has the same funding as the previous year in real terms while any disagreements are worked through.

(4) There must be examples of what works from the many other countries that operate commonhold. Look to them for best practice.

Question 57:

(1) No

Comment: We don't think this is necessary. Services that the commonhold needs to secure may not increase by any kind of index due to external factors. The Directors will be working in the best interests of the commonhold when procuring services, but there can always be circumstances outside their control. It's a very different model to the current one where unscrupulous management companies and freeholders can increase charges at will, knowing that leaseholders will have little appetite to incur the costs and time challenging at Tribunal involves.

(2) No

Comment: We don't think this is necessary. Services that the commonhold needs to secure may not increase by any kind of index due to external factors. The Directors will be working in the best interests of the commonhold when procuring services, but there can always be circumstances outside their control. It's a very different model to the current one where unscrupulous management companies and freeholders can increase charges at will,

knowing that leaseholders will have little appetite to incur the costs and time challenging at Tribunal involves.

(3) Other

Comment: N/A - I don't think a cap is necessary

(4) Yes

Comment:

Question 58:

(1) Yes

Comment: Yes, it's good practice and ensures the commonhold is planning ahead for maintenance and has reserves for unforeseen events.

(2) Yes

Comment: Helps with transparency and understanding for unit owners

(3) Yes

Comment:

(4) Yes

Comment:

(5) Yes

Comment:

(6) Yes

Comment:

(7) Yes

Comment:

(8) Yes

Comment:

(9) This sets a dangerous precedent and should only be done in exceptional circumstances. The reserve fund should not be used for general annual expenditure. Care must be taken to ensure that a badly run commonhold does not use the reserve fund for general maintenance leaving the unit owners with no reserve fund. Again, look to other countries for best practice.

(10) Yes

Comment:

Question 59:

(1) Yes

Comment: Essential for mixed use buildings with different sections.

(2) each commonhold should have total flexibility

Comment: Subject to good practice and guidance for each commonhold to follow

Question 60:

(1) No

Comment: We find this really complex - we don't really understand why you would want contributions to vary from what they were set up at to begin with. If someone pays less, someone else has to pay more? If the sections are set up correctly wouldn't the contribution be the same for all those defined within a section as they are receiving the same services?

(2) See above

(3) We don't see why internal floor area is a good indicator of the amount someone should contribute if they are receiving an equal share of shared services.

(4) If the sections are set up correctly on the basis of shared services and access to facilities we would think the contribution should be the same for all unit owners within a section?

Question 61:

(1) Yes

Comment: It is essential that any new purchaser of a property is fully informed about the costs associated with the property.

(2) If the conveyancer has acted responsibly, reasonably and professionally and has disclosed all information known to him/her at the time of giving advice I don't think they can be expected to do more. It can form part of the conveyancing process that the conveyancer flags the risk that further contributions could fall due (and what would happen in this event), but they are not aware of any at the point of advice.

(3) Yes

Comment:

(4) Yes

Comment: This maximum fee needs to ensure that we do not replicate the current problems in the leasehold sector where high fees are charged for routine administrative

tasks to generate profit for the management company and/or freeholder. In this digital age, we should look to adopt technology advances to make processes more efficient and cheaper.

(5) The objective is to ensure that all commonhold associations issue the CUIC in a timely manner. There are different ways to achieve this - stick and carrot. Where the CUIC is being provided by a management company or external Directors, this could be built into the SLAs and contracts with penalty clauses if the SLAs are not adhered to. Government could publish statistics on commonhold associations, highlighting ones that are poor ("name and shame")

(6) CUIC should be conclusive

Comment: If the CUIC is amendable this could cause confusion. However, if an error is spotted it seems nonsensical for it not to be amended. Thus, it may be better if the original CUIC is conclusive and a second CUIC amendment document is produced. The two documents will in totality reflect the correct situation but resolve issues of confusion, version control, potential for fraud, etc.

Question 62:

We suspect there may well be difficulties as financial institutions are, by their nature, risk averse. The ability to override a mortgage lender's refusal to give consent may deter a mortgage lender from providing mortgages on commonhold properties initially.

Work is needed to discuss this in more detail with mortgage lenders to find ways that we adopt a practical approach with a "can do" attitude.

Other countries that operate commonhold must have come across these challenges. What do they do?

Another option for emergency funds may be for all commonholds to pay into a centrally operated scheme that provides for emergencies, e.g. like pension funds pay a proportion to the scheme operated by the Pensions Regulator?

Question 63:

(1) Yes

Comment:

(2) Yes

Comment:

Question 64:

Yes

Comment:

Question 65:

Yes

Comment: This is acceptable as an interim step to ensure that shared ownership properties can be included within commonhold. Doing so ensures that one of the purported major obstacles to implementing commonhold is removed. However, it must be coupled with a real desire and actions to progress changing the nature of shared ownership from a leasehold structure to one of co-ownership. Other countries manage shared ownership and affordable housing without leasehold.

Question 66:

(1) Yes

Comment:

(2) Yes

Comment:

(3) Yes

Comment:

(4) Yes

Comment:

Question 67:

(1) Yes

Comment:

(2) No

Comment: This is likely to perpetuate leasehold indefinitely. We need to be adopting a default position of converting leasehold to commonhold wherever possible to ensure that commonhold takes off and becomes the norm.

(3) Yes

Comment: Subject to this being adopted in all cases. We do not want to see leasehold continuing after the shared owner has staircased to 100%. If this requires some rethinking about the shared ownership model, then that needs to happen.

Question 68:

Other

Comment: The objective is to reinvigorate commonhold. Thus, we need to start with the default position being that community land trusts and co-operatives must adopt commonhold. Your consultation implies that commonhold could work with or without an exemption. The bigger challenge here is how we influence community land trusts and co-

operatives to adopt commonhold when they seem wedded to leasehold. We need to change their stance. Again, we should look to how these types of models are operated in other countries without leasehold and adopt them here.

Question 69:

Whilst individuals and organisations continue to profit at the expense of leaseholders they will continue to argue that exceptions are needed and why commonhold won't work. We need to start from a different position - commonhold is the model adopted by almost every other country in the world. Therefore, it can and does work. We need to start from the position that we are moving towards abolishing leasehold - there is no reason why this can't be done. The rest of the world will have answers as to how they deal with the non-standard cases. Many in the industry will have vested interests as to why they want leasehold to continue - they profit from it. They won't "do the right thing". You need to ensure commonhold is the default and keep any exceptions to an absolute minimum (if there need to be any at all).

Question 70:

Yes

Comment:

Question 71:

Yes

Comment:

Question 72:

We don't have any personal experience of this

Question 73:

Yes

Comment:

Question 74:

Yes

Comment:

Question 75:

(1) Yes

Comment:

(2) Yes

Comment:

Question 76:

Yes

Comment:

Question 77:

No, the procedure should not be transferred to a pre-action protocol.

Comment: It would seem sensible to keep all disputes related to commonhold under the jurisdiction of the Tribunal.

Question 78:

Yes

Comment: Yes, although the current FTT needs a thorough review and overhaul as it is not fit for purpose. For many people going to an organisation such as the Tribunal means two things; legal jargon and cost. I cannot stress enough how off-putting this is for the average person.

Question 79:

(1) No, the CCS should not include such a provision

(2)

Question 80:

Question 81:

Question 82:

Not Answered

Comment:

Question 83:

Yes, the commonhold association should be provided with enhanced powers.

Comment: As detailed in your consultation document, study the enhanced powers adopted in the commonhold models of other countries and adopt the ones that work well.

Question 84:

Yes

Comment: The rate of interest adopted should be enough to cover the administrative burdens for the commonhold association and to ensure the debts owed are inflation proofed.

Question 85:*

(1) Yes

Comment: The rate of interest adopted should be enough to cover the administrative burdens for the commonhold association and to ensure the debts owed are inflation proofed.

(2) Yes

Comment:

Question 86:

(1) Yes

Comment:

(2) The process should be as efficient as possible and provide value for money for both the commonhold association and the unit owner. The process should be easy to understand for the unit owner and explained in plain English. The use of digital technology should be considered where possible to manage costs.

(3) Yes

Comment:

(4) Yes

Comment: A percentage of the property value ensures that an absolute value is not eroded over time, but it would have to be a substantial proportion of the property value to go to such extreme lengths. What happens in other countries?

(5) A percentage of the property value ensures that an absolute value is not eroded over time, but it would have to be a substantial proportion of the property value to go to such extreme lengths. What happens in other countries?

(6) Yes

Comment:

(7) Yes

* There was an error with question 85(1). On the online form, question 85(1) was a repeat of question 84. The responses provided to both questions have been analysed with this in mind and relevant points incorporated into our policy development.

Comment:

(8) Yes

Comment:

Question 87:

(1) Yes

Comment:

(2) Yes

Comment:

(3)

(4)

(5) Yes

Comment:

Question 88:

(1) Yes

Comment:

(2) Yes

Comment:

(3) Yes

Comment:

Question 89:

(1) Yes

Comment:

(2)

Question 90:

(1) Yes

Comment:

(2) Yes

Comment:

(3) Yes

Comment: This risk should be made clear to the unit owner as part of the purchase process and not come as a surprise.

(4) We suspect there may well be challenges in this area as financial institutions are, by their nature, risk averse. Perceived additional risk may deter a mortgage lender from providing mortgages on commonhold properties initially.

Work is needed to discuss this in more detail with mortgage lenders to find ways that we adopt a practical approach with a "can do" attitude.

Other countries that operate commonhold must have come across these challenges. What do they do?

Question 91:

(1) Yes

Comment:

(2) Yes

Comment:

(3) Yes

Comment:

(4)

(5)

(6) Yes

Comment:

(7) Look to case studies in other countries and adopt best practice from them. There is no need to reinvent the wheel if solutions exist already in countries with more experience of operating commonhold models.

Question 92:

(1) Yes

Comment:

(2)

Question 93:

This is a very thorough review of the current commonhold system with many and varied proposals. The proposals put forward address many of the criticisms of the current law relating to commonhold.

Given there are so few commonhold associations in England and Wales the impact will not be material. For the few commonhold blocks that exist now there may be some work to implement the reforms, albeit these proposals clear up any areas of confusion arising from the 2002 Act. There may be a cost impact on the existing commonhold associations and some consideration should be given as to if, and how, the legal profession could help them. For example, few property legal professionals have exposure to real commonhold case studies. Those that want to practice in commonhold law going forwards could offer services pro bono to those commonhold associations that need work to conform to the new legislation in return for real life experience of commonhold law.

Question 94:

Commonhold offers a multitude of advantages over leasehold for consumers, including:

- A unit owner is a true owner of the property, not a tenant who owns the right to live in the property for the term of the lease. Consequently, there is no requirement to pay ground rent, no consent or permission fees for alterations to your home, and no costly lease extensions or enfranchisement.
- Commonhold encourages a true sense of community, where residents, who have a true interest in the running of their building, work together to manage it, in a more cost effective way, without taking insurance commissions or a proportion of service charges for profit. The residents of a building have much more incentive to work together to manage and control the building than a third party.
- Easier for unit owners to make changes to commonhold buildings than leasehold.
- There is no adversarial relationship between freeholder and leaseholder.
- There is no opportunity to sell the freehold from under your feet and it to become a cash cow for an offshore investor.
- No risk of forfeiture for breach of lease terms and the risk of losing everything you have invested in the property

There are wider benefits too:

- Standardisation and simplification, making processes easier, quicker and cheaper
- Easier for Government to implement changes to support Government policy

Obviously, those that currently benefit from the leasehold system will put forward numerous, seemingly credible, arguments as to why leasehold needs to stay and commonhold will not work. These must be met with robust challenge. Leasehold exists in a handful of countries in the world. Home ownership in the vast majority of countries is managed perfectly well without leasehold.

The leasehold scandal that is quite rightly making headlines would never have happened if commonhold had been promoted and encouraged. There is only one reason that my house is leasehold and that's to provide additional profit for the developer and the freeholder.

Given a choice, we think any informed consumer would choose to buy a commonhold property over a leasehold property.

Question 95:

(1)

(2)

(3)

Question 96:

Question 97:

(1 & 2)

(3)

Question 98:

There are huge numbers of leaseholders (and "freeholders" on estates with estate management charges) that are unhappy with the levels of service charges they are asked to pay. These charges are currently uncapped and unregulated and increase significantly more than inflation.

Many leaseholders will not attempt to challenge these costs at the Tribunal due to their general fears about the costs associated with it and their fear at not understanding the legal jargon. Leaseholders do not generally understand the difference between a tribunal and a court and/or different types of lawyers/solicitors. Unscrupulous freeholders and management companies exploit leaseholders by knowing that there is a "margin" that they can add to service charge costs that they can get away with as it's not big enough to incentivise the leaseholders to challenge this at Tribunal. FTT does not work as designed. It realises the inherent unfairness of leasehold tenure as leaseholders fight against deep pocketed freeholders who can afford to employ the brightest and best leasehold barristers.

Some leaseholders that do take their freeholder to Tribunal find the level of costs and the time they have to commit very stressful. They may win their case only to find they are faced with the same problem the following year. Unscrupulous freeholders and management companies know that this set of leaseholders have already experienced the time and costs associated with Tribunal, are fatigued by the effort already expended in challenging the costs the first time, and will just give in to increased service charges rather than have to go through the whole process again.

Commonhold should, just by its very nature and structure, eliminate this kind of thing as there is no incentive for the commonhold association to increase charges unreasonably to make profit.

Question 99:

Question 100:

We have no expertise to give a view on point 1, but from our understanding of your proposals we would expect there to be less scope for disputes within commonhold. Neighbourly disputes will always arise, but commonhold removes the adversarial relationship between freeholder and leaseholder. Budgets and rules are agreed collaboratively, rather than the current situation where leaseholders are dictated to. This should lead to fewer disputes.

Question 101:

Commonhold is going to evolve, rather than being a big bang, and as such it should be manageable to watch and learn as the number and types of applications made to Tribunal increase from commonhold. This will be offset (although difficult to understand at this point by how much) a decrease Tribunal cases from leasehold disputes as commonhold starts to replace leasehold.

Question 102:

Commonhold offers a multitude of advantages over leasehold for consumers, including:

- A unit owner is a true owner of the property, not a tenant who owns the right to live in the property for the term of the lease. Consequently, there is no requirement to pay ground rent, no consent or permission fees for alterations to your home, and no costly lease extensions or enfranchisement.
- Commonhold encourages a true sense of community, where residents, who have a true interest in the running of their building, work together to manage it, in a more cost effective way, without taking insurance commissions or a proportion of service charges for profit. The residents of a building have much more incentive to work together to manage and control the building than a third party.
- Easier for unit owners to make changes to commonhold buildings than leasehold.
- There is no adversarial relationship between freeholder and leaseholder.
- There is no opportunity to sell the freehold from under your feet and it to become a cash cow for an offshore investor.
- No risk of forfeiture for breach of lease terms and the risk of losing everything you have invested in the property

There are wider benefits too:

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- Easier for Government to implement changes to support Government policy

Obviously, those that currently benefit from the leasehold system will put forward numerous, seemingly credible, arguments as to why leasehold needs to stay and

commonhold will not work. These must be met with robust challenge. Leasehold exists in a handful of countries in the world. Home ownership in the vast majority of countries is managed perfectly well without leasehold.

The leasehold scandal that is quite rightly making headlines would never have happened if commonhold had been promoted and encouraged. There is only one reason that my house is leasehold and that's to provide additional profit for the developer and the freeholder.

Given a choice, we think any informed consumer would choose to buy a commonhold property over a leasehold property.

Question 103:

As we have commented earlier, those with vested interests will continue to give you reasons and examples of why and how commonhold can't work. Mixed use developments are likely to be cited as a big barrier to commonhold. All these challenges must be met with firm responses. Mixed use buildings exist all across the world without leasehold. Commonhold has to be the default position.

Question 104:

As we have commented earlier, those with vested interests will continue to give you reasons and examples of why and how commonhold can't work. We are sure they will give you examples of cases where a leaseholder run company has run into problems and may have affected the rental or capital value of a property. No system is perfect. However, leasehold allow leaseholders to be continually abused and exploited. We need to approach commonhold with a "can do" attitude. The rest of the world can do it, so can we. There is an argument to say that commonhold will encourage the commonhold association to run and manage a property with a greater degree of responsibility; after all the unit owners are owners whereas the leaseholders are tenants.

Question 105:

(1) 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.

Comment: The current leasehold model provides financial incentives for developers and freeholders. If, and only if, these are removed (i.e. zero ground rents, no permission fees, no financial incentives for lease extensions/enfranchisement) then developers could be encouraged to use commonhold. While there is profit in leasehold they will not move to commonhold voluntarily. The current leasehold and freehold scandals show that their actions are taken to maximise their returns for shareholders with little to no regard for their customers. After all, most consumers do not buy houses on a regular basis, so repeat business is not a driver of their behaviour.

Help to buy has been a huge driver of developer profits at the expense of the tax payer. If Help to buy were removed from leasehold properties but offered for commonhold properties this would be a big driver for change.

Question 106:

(1) The current leasehold model provides financial incentives for developers and freeholders. If, and only if, these are removed (i.e. zero ground rents, no permission fees, no financial incentives for lease extensions/enfranchisement) then developers could be encouraged to use commonhold. While there is profit in leasehold they will not move to commonhold voluntarily. The current leasehold and fleecehold scandals show that their actions are taken to maximise their returns for shareholders with little to no regard for their customers. After all, most consumers do not buy houses on a regular basis, so repeat business is not a driver of their behaviour.

Help to buy has been a huge driver of developer profits at the expense of the tax payer. If Help to buy were removed from leasehold properties but offered for commonhold properties this would be a big driver for change.

Much more work needs to be done to educate consumers about commonhold. Given a choice, any informed consumer would choose a commonhold property over a leasehold property. Some consumers will not want any involvement in the day to day management of the building, but commonhold with outsourced Directors and management company is preferable to leasehold.

(2) We welcome all the suggestions in paragraph 16.47. Given a choice, any informed consumer would choose commonhold over leasehold.

Question 107:

The reformed regime should treat particular issues consistently unless there is some devolved legislation that means this is not possible.

Any further comments

This is an extremely thorough analysis of the current commonhold law with positive recommendations to reinvigorate commonhold.

Unless and until the financial incentives for developers and freeholders are abolished, commonhold stands little to no chance of being a success. Leasehold provides those with vested interests money for nothing. Those with vested interests will argue long and hard as to why commonhold will not work with their well paid and clever professional advisers. These challenges must be faced with facts and a real desire to make commonhold the default position. The rest of the world, and countries with a significant number of communal and mixed use buildings, manage perfectly well without leasehold. The answers to all the challenges lie there, but it's not in the interests of those that make money to help you with this.

The leasehold and fleecehold scandals that are regularly featured in the press and media show you that the large developers and many freeholders operate with little regard for consumers and are motivated only by profit. You will have to drag them kicking and screaming into the new world. They will look for ways to delay the process as long as possible and exploit loopholes should you leave any.

For commonhold to succeed we need culture change from top to bottom - leasehold is a parasitic system and needs to go, consumers need to take more responsibility in the management and ownership of their homes, consumers need to be educated and informed, lenders need to support and actively contribute to change. This is going to be a huge challenge, but one that we need to face into and progress.

Name of organisation: British Insurance Brokers' Association (BIBA)

Question 1:

Not Answered

Comment:

Question 2:

Not Answered

Comment:

Question 3:

Not Answered

Comment:

Question 4:

(1) Not Answered

Comment:

(2) Not Answered

Comment:

(3) Not Answered

Comment:

(4)

(5) Not Answered

Comment:

(6)

Comment:

Question 5:

(1) Not Answered

Comment:

(2) Not Answered

Comment:

Not Answered

(3 & 4)

(5)

(6) Not Answered

Comment:

(7)

Question 6:

Comment:

Question 7:

Not Answered

Comment:

Question 8:

Not Answered

Comment:

Question 9:

Not Answered

Comment:

Question 10:

(1) Not Answered

(2)

(3)

Question 11:

Not Answered

Comment: Not Answered

Question 12:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

Question 13:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

Question 14:

Not Answered

Comment: Not Answered

Question 15:

Not Answered

Question 16:

(1) Not Answered

(2) Not Answered

Question 17:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

(3) Not Answered

Question 18:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Question 19:

Not Answered

Comment: Not Answered

Question 20:

Not Answered

Comment: Not Answered

Question 21:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

(3) Not Answered

Comment: Not Answered

Question 22:

Not Answered

Comment: Not Answered

Question 23:

Not Answered

Comment: Not Answered

Question 24:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

(3) Not Answered

Comment: Not Answered

Question 25:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Question 26:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

Question 27:

Not Answered

Question 28:

Not Answered

Comment: Not Answered

Question 29:

Not Answered

Question 30:

Not Answered

Question 31:

(1) Not Answered

(2) Not Answered

Question 32:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

Question 33:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

(3) Not Answered

(4) Not Answered

Question 34:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

Question 35:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Question 36:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

(3) Not Answered

Question 37:

Not Answered

Question 38:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

(3) Not Answered

(4) Not Answered

Question 39:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

Question 40:

Not Answered

Comment: Not Answered

Question 41:

Not Answered

Question 42:

Not Answered

Comment:

Question 43:

(1) Not Answered

Comment:

(2) Not Answered

Comment:

(3) Not Answered

Comment:

Question 44:

(1)

(2)

Question 45:

(1)

(2)

Question 46:

(1) Yes

Comment: It may be possible for insurers to add an insuring clause or standard endorsement to their policy wordings to this effect. This would clarify the scope of indemnity under the policy and reinstatement in the event of a claim.

This may require insurers to recognise the commonhold association and unit owners as a single entity.

Further discussion would need to take place with insurers to land on practicable solutions.

Provision will need to be made for non-consenting leaseholders so that the indemnification of their unit(s) is taken into account. In the event of a claim involving material damage to or emanating from a non-consenting leaseholder (e.g. as a result of fire or escape of water) or a liability claim, a mechanism is required for the reinstatement of the whole building and/or the financial protection of the unit owner/commonhold association.

When assessing the extent of the commonhold association's property for insurance this should include (but is not limited to) garages and outbuildings, grounds and parking, and if necessary more than one location; e.g. neighbouring streets or other sites.

(2) Yes

Comment: See additional information in Question 46 with particular note to the interests of non-consenting leaseholders.

(3) BIBA response : Whilst they are not legal difficulties per se to Commonholds arranging buildings insurance, there are exposures to be aware of that may affect commonhold governance and well-being related to the matters raised.

Employers' Liability – Some Commonholds may directly employ workers, e.g. cleaners, grounds maintenance staff or wardens. If this is the case it is a legal requirement to purchase employers' liability insurance for a minimum of £5,000,000.

Buildings insurance is commonly arranged in a package of covers which may include public liability and employers' liability.

Commercial Legal Expenses – To cover legal expenses incurred by the Commonhold Association in respect of pursuit or defence actions relating to possession of, or title to, the property you occupy.

Other legal expenses incurred may be covered for employment disputes and contract disputes. Policies and coverage vary.

Engineering Inspection and Maintenance – E.g. for lifts, heating and pumping systems in swimming pools, air conditioning and ventilation systems.

Cyber Insurance – Following GDPR (General Data Protection Regulation, 25 May 2018) there is increased onus on data controllers (commonhold associations would hold personal and financial data) to ensure 3rd party information is adequately protected. At the same time cyber crime, hacking and data protection infringements are increasing. Commonhold Associations could improve their resilience by adopting risk security and insurance measures.

Additional insurance protection may help avoid legal disputes with the Commonhold Association where insurance is purchased for :

Flood, Storm and Escape of Water – so called ‘ wet perils’ - By the nature of their horizontal layers flats are particularly prone to damage by escape of water quickly moving between units from top to bottom.

Alternative Accommodation – Flood waters may make access to the building impossible and drying out may be required for many months so unit owners will require alternative accommodation.

Terrorism Insurance – The scope and access to insurance cover has steadily increased and given the recent tendency to ‘ lone-wolf’ attacks, terrorism insurance may be as relevant for Commonholds outside metropolitan cities.

However, we do not suggest these are made compulsory by statute but may be considered locally by the new association sections.

Further, due to the scope and complexity for physical and financial exposure, and probably limited volunteer organisational resource in commonhold associations, outside expertise may be essential to manage insurance programmes. It is usual for a landlord/freeholder

under existing leasehold ownership to employ an insurance broker to advise them and give access to cover at competitive premiums.

Question 47:

(1) Yes

Comment: BIBA agrees this would be desirable to the extent that all parties to the insurance contract are informed and able to comply with the policy terms and conditions.

(2) Other

Comment: We believe this may be an administrative burden that can be eased if a single masterpolicy in the name of the Commonhold was used . This would show the names of the unit owners to whom cover applies. This is sometimes referred to as a block policy, not to be confused with a blocks of flats policy.

An increasing number of blocks of flats and management companies have online portals to hold information like this. Residents can access these with a login and password.

Question 48:

(1) Yes we believe this to be true where public liability insurance is purchased as part of a commercial/residential property owners' insurance package or block of flats policy.

It is less likely public liability could be purchased easily stand-alone.

The former allows owners to manage their physical and financial risks effectively with a single insurer and in the event of a claim any potential disagreement between separate insurers over contributions or timings can be avoided.

There are a good number of brokers UK wide who specialise in arranging commercial and residential property owners' and blocks of flats insurance.

(2) No

Comment: BIBA would not recommend separating out cover and potentially having multiple insurers for material damage and liability in these types of policies (see also 9.93 above). The other advantage is inclusive cover for employers' liability within some of these policies.

We do not agree that public liability should be made prescriptive in the way it is described here. We cannot see the additional benefit to commonholders over the established market practice.

Moreover, it is important that the right level of cover is assessed for individual commonhold associations based on the nature of the building and activities taking place there; for example, number of units, facilities (gyms, shops, etc.), management experience and claims history.

We believe public liability insurance is readily available as part of a commercial/residential property owners' policy or block of flats policy.

Question 49:

Other

Comment: We are not clear why an express power should be required.

However, BIBA agrees that it would be prudent for commonhold associations to protect the personal legal liability of its directors and managers for wrongful acts.

Directors, who may likely be volunteers, may not wish to act on behalf of the commonhold association if it cannot indemnify them.

Commonhold associations may wish to consider corporate liability extensions for errors and omissions and employee dishonesty.

The advices of a regulated insurance broker can help assess the commonhold association's risk and identify tailored insurance solutions.

Question 50:

(1) Other

Comment: It is essential for commonhold associations and individual Sections to ensure the building and its environs are maintained in a good state of repair. If this is not the case insurers may refuse to pay a claim or void cover. This is the case for both damage at the property and liability incidents that may occur as a result.

Therefore, it is important that any division of responsibilities under Sections does not diminish general maintenance and repair.

(2) Not Answered

Comment:

(3) Not Answered

Comment:

(4) Not Answered

Comment:

(5) Not Answered

Comment:

Question 51:

(1) Not Answered

(2)

(3)

(4)

Question 52:

(1) Not Answered

Comment:

(2) Not Answered

Comment:

(3) Not Answered

Comment:

Question 53:

Not Answered

Comment:

Question 54:

(1) Not Answered

Comment:

(2) Not Answered

Comment:

(3) Not Answered

Comment:

Question 55:

Question 56:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

(3) Not Answered

(4) Not Answered

Question 57:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

(3) Not Answered

Comment: Not Answered

(4) Not Answered

Comment: Not Answered

Question 58:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

(3) Not Answered

Comment: Not Answered

(4) Not Answered

Comment: Not Answered

(5) Not Answered

Comment: Not Answered

(6) Not Answered

Comment: Not Answered

(7) Not Answered

Comment: Not Answered

(8) Not Answered

Comment: Not Answered

(9) Not Answered

(10) Not Answered

Comment: Not Answered

Question 59:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

Question 60:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

(3) Not Answered

(4) Not Answered

Question 61:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

(3) Not Answered

Comment: Not Answered

(4) Not Answered

Comment: Not Answered

(5) Not Answered

(6) Not Answered

Comment: Not Answered

Question 62:

Not Answered

Question 63:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

Question 64:

Not Answered

Comment: Not Answered

Question 65:

Not Answered

Comment: Not Answered

Question 66:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

(3) Not Answered

Comment: Not Answered

(4) Not Answered

Comment: Not Answered

Question 67:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

(3) Not Answered

Comment: Not Answered

Question 68:

Not Answered

Comment: Not Answered

Question 69:

Not Answered

Question 70:

Not Answered

Comment: Not Answered

Question 71:

Not Answered

Comment: Not Answered

Question 72:

Not Answered

Question 73:

Not Answered

Comment: Not Answered

Question 74:

Not Answered

Comment: Not Answered

Question 75:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

Question 76:

Not Answered

Comment: Not Answered

Question 77:

Not Answered

Comment: Not Answered

Question 78:

Not Answered

Comment: Not Answered

Question 79:

(1) Not Answered

(2) Not Answered

Question 80:

Not Answered

Question 81:

Not Answered

Question 82:

Not Answered

Comment: Not Answered

Question 83:

Not Answered

Comment: Not Answered

Question 84:

Not Answered

Comment: Not Answered

Question 85: *

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

Question 86:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

(3) Not Answered

*Comment:*Not Answered

(4) Not Answered

Comment: Not Answered

(5) Not Answered

(6) Not Answered

Comment: Not Answered

(7) Not Answered

* There was an error with question 85(1). On the online form, question 85(1) was a repeat of question 84. The responses provided to both questions have been analysed with this in mind and relevant points incorporated into our policy development.

Comment: Not Answered

(8) Not Answered

Comment: Not Answered

Question 87:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

(3) Not Answered

(4) Not Answered

(5) Not Answered

Comment: Not Answered

Question 88:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

(3) Not Answered

Comment: Not Answered

Question 89:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Question 90:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

(3) Not Answered

Comment: Not Answered

(4) Not Answered

Question 91:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

(3) Not Answered

Comment: Not Answered

(4) Not Answered

(5) Not Answered

(6) Not Answered

Comment: Not Answered

(7) Not Answered

Question 92:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Question 93:

Not Answered

Question 94:

Not Answered

Question 95:

(1) Not Answered

(2) Not Answered

(3) Not Answered

Question 96:

Not Answered

Question 97:

(1 & 2) Not Answered

(3) Not Answered

Question 98:

Not Answered

Question 99:

Not Answered

Question 100:

Not Answered

Question 101:

Not Answered

Question 102:

Not Answered

Question 103:

Not Answered

Question 104:

Not Answered

Question 105:

(1) Not Answered

Comment: Not Answered

Question 106:

(1) Not Answered

(2) Not Answered

Question 107:

Not Answered

Any further comments

BIBA Additional Comments:

If commonhold is reinvigorated as a result of these proposals there will be a transition period where existing leasehold ownership and commonhold co-exist to a much greater extent. This could momentarily lead to further confusion.

BIBA believes it is essential that each understands its insurable interests and responsibilities within the revised framework.

Here the Commonhold Community Statement is an important vehicle for communication to:

- commonhold unit holders
- commonhold sections
- non-consenting leaseholders
- shared ownership
- leaseback arrangements
- finance company ownership
- mortgage lenders

Which needs to be communicated equally to :

- freeholders/landlords
- enfranchisement/freehold management companies
- residents' management companies (RMC)
- right to manage companies (RTM)
- residents associations

Where we have indicated, BIBA would recommend early engagement with insurers to guide and shape the response; e.g. changes to insuring clauses.

BIBA do not believe it is necessary to mandate minimum standards for public liability insurance by statute. Public liability insurance is catered for as a standard part of the insurance market for commercial/residential property owners' packages and block of flats policies.

There are numerous insurance considerations for Commonhold Associations beyond buildings and public liability insurance; from directors and officers to employers' liability, alternative accommodation, engineering and inspection to cyber insurance and so on. We believe these should be advisory rather than compulsory.

The scope and complexity of requirements means a regulated insurance intermediary (insurance brokers and BIBA members) is well-placed to advise commonhold association owners and existing leaseholders, giving both groups access to comprehensive and competitive insurance policies.

Name of organisation: Home Owners Rights Network

Question 1:

Yes

Comment:

Question 2:

Yes

Comment: There are many absentee landlords so it is hard to get unanimous consent.

Question 3:

No

Comment: What about leaseholders trapped in houses with onerous lease terms?

Question 4:

(1) Yes

Comment:

(2) Yes

Comment:

(3) Yes

Comment:

(4)

(5) Yes

Comment:

(6) (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

Comment:

Question 5:

(1) Yes

Comment:

(2) Yes

Comment:

Yes

(3 & 4)

(5)

(6) (a) as a fixed amount, representing the non-consenting leaseholder' s share of the initial freehold purchase;

Comment:

(7)

Question 6:

(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

Comment:

Question 7:

Yes

Comment:

Question 8:

Yes

Comment:

Question 9:

Yes, it should be possible for charges to transfer automatically, without requiring lenders' consent.

Comment:

Question 10:

(1) Option 2

(2)

(3)

Question 11:

Yes

Comment:

Question 12:

(1) Yes

Comment:

(2) Leaseholders should be required to make a collective decision no longer to proceed with the conversion.

Comment:

Question 13:

(1) Yes

Comment:

(2) Yes

Comment:

Question 14:

Yes

Comment:

Question 15:

Question 16:

(1) Yes

(2)

Question 17:

(1) Yes

Comment:

(2) Not Answered

Comment:

(3)

Question 18:

(1) Yes

Comment:

(2)

Question 19:

It should be for each commonhold to decide.

Comment:

Question 20:

(3) the directors should have to apply to the Tribunal in order to alter or revoke a delegation.

Comment:

Question 21:

(1) Yes

Comment:

(2) Yes

Comment:

(3) Yes

Comment:

Question 22:

Yes

Comment:

Question 23:

Yes

Comment:

Question 24:

(1) Yes

Comment:

(2) Yes

Comment:

(3) Yes

Comment:

Question 25:

(1) Statutory development rights should not apply automatically

Comment:

(2)

Question 26:

(1) Yes

Comment:

(2) Yes

Comment:

Question 27:

In view of the current tendency for delayed completion of developments, it would be sensible to impose reasonable time limits, say 2 years.

Question 28:

Yes

Comment: Very good ideas!

Question 29:

Question 30:

No

Question 31:

(1)

(2)

Question 32:

(1) Yes

Comment:

(2) Yes

Comment:

Question 33:

(1) Yes

Comment:

(2)

(3) Yes

(4)

Question 34:

(1) Yes

Comment:

(2) Yes

Comment:

Question 35:

(1) Yes

Comment: It should be possible to restrict holiday or room for a night type of letting in the interests of other owners' peaceful enjoyment of their homes.

(2)

Question 36:

(1) Yes

Comment:

(2) No

Comment:

(3)

Question 37:

Question 38:

(1) Yes

Comment:

(2)

(3)

(4)

Question 39:

(1) Yes

Comment:

(2) Yes, the directors of the commonhold association should be under such a duty

Comment:

Question 40:

Yes

Comment:

Question 41:

Question 42:

Yes

Comment:

Question 43:

(1) Yes

Comment:

(2) Yes

Comment:

(3) Yes

Comment:

Question 44:

(1) Yes it is possible. Investors tend to exploit any potential for profit.

(2) This all seems very sensible.

Question 45:

(1)

(2) (1) a restriction on the number of proxy votes that any individual might hold

Question 46:

(1) Yes

Comment:

(2) Yes

Comment:

(3)

Question 47:

(1) Yes

Comment:

(2) Yes

Comment:

Question 48:

(1)

(2) Yes

Comment:

Question 49:

Yes

Comment:

Question 50:

(1) Yes

Comment:

(2) Yes

Comment:

(3) Yes

Comment:

(4) Yes

Comment:

(5) Yes

Comment:

Question 51:

(1) Prescribed

(2)

(3)

(4)

Question 52:

(1) No

Comment:

(2) No

Comment:

(3) (1) defined as outline at paragraph 9.137

Comment:

Question 53:

Not Answered

Comment:

Question 54:

(1) Yes

Comment:

(2) Yes

Comment:

(3) Yes

Comment:

Question 55:

Question 56:

(1) Yes

Comment:

(2) Yes

Comment:

(3)

(4)

Question 57:

(1) Yes

Comment:

(2) Yes

Comment:

(3) Yes

Comment:

(4) Yes

Comment:

Question 58:

(1) Yes

Comment:

(2) Yes

Comment:

(3) Yes

Comment:

(4) Yes

Comment:

(5) Yes

Comment:

(6) Yes

Comment:

(7) Yes

Comment:

(8) Yes

Comment:

(9)

(10) Yes

Comment:

Question 59:

(1) Yes

Comment:

(2) each commonhold should have total flexibility

Comment:

Question 60:

(1) Yes

Comment:

(2)

(3)

(4)

Question 61:

(1) Yes

Comment:

(2)

(3) Yes

Comment:

(4) Yes

Comment:

(5)

(6) CUIIC should be amendable

Comment:

Question 62:

Question 63:

(1) Not Answered

Comment:

(2) Not Answered

Comment:

Question 64:

Not Answered

Comment:

Question 65:

Not Answered

Comment:

Question 66:

(1) Yes

Comment:

(2) Yes

Comment:

(3) Yes

Comment:

(4) Yes

Comment:

Question 67:

(1) Yes

Comment:

(2) Yes

Comment:

(3) Yes

Comment:

Question 68:

No, an exception is not needed

Comment:

Question 69:

Question 70:

Not Answered

Comment:

Question 71:

Yes

Comment:

Question 72:

Question 73:

Yes

Comment:

Question 74:

Yes

Comment:

Question 75:

(1) Yes

Comment:

(2) No

Comment:

Question 76:

Yes

Comment:

Question 77:

No, the procedure should not be transferred to a pre-action protocol.

Comment:

Question 78:

Yes

Comment:

Question 79:

(1) Yes, the CCS should include such a provision

(2)

Question 80:

Question 81:

Question 82:

Yes

Comment:

Question 83:

Not Answered

Comment: Not Answered

Question 84:

Not Answered

Comment: Not Answered

Question 85:*

(1) Not Answered

* There was an error with question 85(1). On the online form, question 85(1) was a repeat of question 84. The responses provided to both questions have been analysed with this in mind and relevant points incorporated into our policy development.

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

Question 86:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

(3) Not Answered

*Comment:*Not Answered

(4) Not Answered

Comment: Not Answered

(5) Not Answered

(6) Not Answered

Comment: Not Answered

(7) Not Answered

Comment: Not Answered

(8) Not Answered

Comment: Not Answered

Question 87:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

(3) Not Answered

(4) Not Answered

(5) Not Answered

Comment: Not Answered

Question 88:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

(3) Not Answered

Comment: Not Answered

Question 89:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Question 90:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

(3) Not Answered

Comment: Not Answered

(4) Not Answered

Question 91:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

(3) Not Answered

Comment: Not Answered

(4) Not Answered

(5) Not Answered

(6) Not Answered

Comment: Not Answered

(7) Not Answered

Question 92:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Question 93:

Question 94:

True home ownership

Self management for shared areas

Quality and value for money in service provision should improve due to competition and direct accountability

Question 95:

(1)

(2)

(3)

Question 96:

Question 97:

(1 & 2)

(3)

Question 98:

Question 99:

Question 100:

Question 101:

Question 102:

Question 103:

Question 104:

Question 105:

(1) 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.

Comment: Developers cannot be expected to voluntarily lose an opportunity to increase their profits. There is a shortage of housing, if all the large builders continue to provide their current offerings of leasehold properties and freehold (freehold with estate charges) consumers will not easily be able to walk away and achieve change via market forces.

Question 106:

(1) Creation and sale of an asset with leasehold

Abolish leasehold!

(2)

Question 107:

Any further comments

I have completed the consultation on behalf of the Home Owners Rights Network. We campaign for the abolition of estate management charges on private estates. This is a device which benefits the developers, allowing them to construct estates on the cheap, avoid stringent adoption standards and large fees to obtain Local Authority Adoption. In common with leasehold, an asset is created and retained, but the home buyers foot the bill for maintenance.

Provided that the issue of un remedied liabilities is tackled, common hold may be a solution for these estates, hence our interest. We thank you for so carefully considering all aspects of common hold. Our nearly 5000 members would all agree that it would have to be compulsory for the large national house builders to take it up.

Name of organisation: [REDACTED] Resident Group (32 members on estate of 43 residential units)

Question 1:

Other

Comment: Leasehold is often used to abuse people in residential units that they believe is their home, it has to be abolished wherever possible and commonhold used instead.

By introducing strict qualifying criteria it will prevent people from moving to the fairer commonhold system.

The proposal to keep the 25% rule on non-residential premises is WRONG. You are excluding many, many leaseholders from being able to move on to a better system and revive their property values. Mixed-use schemes are common in the city centres. These people's property values will be TRASHED if you say we are going to move to commonhold, but give them no means of getting out of their situations (either through Enfranchisement or commonhold conversion). It's unreasonable to expect them wait for further changes much later down the line.

We need to shift the balance of power back to the people IN the homes that we are talking about.

Question 2:

Yes

Comment: It is well documented that leasehold has been used to fleece people living in residential units. People should not have to fight / beg / go to tribunal in order to get a fair deal. By changing leasehold wherever possible to commonhold, we give people the right to have a say over their own home.

Reform is long overdue and we know that self regulation will not work. Leasehold has to be abolished wherever possible.

Question 3:

Other

Comment: We don't feel qualified to answer this question. We fully support LKP (Leasehold Knowledge Partnership) and ask that their responses be used for this question for the 32 members of the [REDACTED] Resident Group that this submission is made on behalf of.

Question 4:

(1) Other

Comment: We don't feel qualified to answer this question. We fully support LKP (Leasehold Knowledge Partnership) and ask that their responses be used for this question for the 32 members of the [REDACTED] Resident Group that this submission is made on behalf of.

(2) Other

Comment: We don't feel qualified to answer this question. We fully support LKP (Leasehold Knowledge Partnership) and ask that their responses be used for this question for the 32 members of the [REDACTED] Resident Group that this submission is made on behalf of.

(3) Other

Comment: We don't feel qualified to answer this question. We fully support LKP (Leasehold Knowledge Partnership) and ask that their responses be used for this question for the 32 members of the [REDACTED] Resident Group that this submission is made on behalf of.

(4) We don't feel qualified to answer this question. We fully support LKP (Leasehold Knowledge Partnership) and ask that their responses be used for this question for the 32 members of the [REDACTED] Resident Group that this submission is made on behalf of.

(5) Other

Comment: We don't feel qualified to answer this question. We fully support LKP (Leasehold Knowledge Partnership) and ask that their responses be used for this question for the 32 members of the [REDACTED] F Resident Group that this submission is made on behalf of.

(6) (e) by any other means.

Comment: We don't feel qualified to answer this question. We fully support LKP (Leasehold Knowledge Partnership) and ask that their responses be used for this question for the 32 members of the [REDACTED] Resident Group that this submission is made on behalf of.

Question 5:

(1) Other

Comment: We don't feel qualified to answer this question. We fully support LKP (Leasehold Knowledge Partnership) and ask that their responses be used for this question for the 32 members of the [REDACTED] Resident Group that this submission is made on behalf of.

(2) Other

Comment: We don't feel qualified to answer this question. We fully support LKP (Leasehold Knowledge Partnership) and ask that their responses be used for this question for the 32 members of the [REDACTED] Resident Group that this submission is made on behalf of.

Other

(3 & 4) We don't feel qualified to answer this question. We fully support LKP (Leasehold Knowledge Partnership) and ask that their responses be used for this question for the 32 members of the [REDACTED] Resident Group that this submission is made on behalf of.

(5) We don't feel qualified to answer this question. We fully support LKP (Leasehold Knowledge Partnership) and ask that their responses be used for this question for the 32 members of the [REDACTED] Resident Group that this submission is made on behalf of.

(6) Not Answered

Comment: We don't feel qualified to answer this question. We fully support LKP (Leasehold Knowledge Partnership) and ask that their responses be used for this question for the 32 members of the [REDACTED] Resident Group that this submission is made on behalf of.

(7) We don't feel qualified to answer this question. We fully support LKP (Leasehold Knowledge Partnership) and ask that their responses be used for this question for the 32 members of the [REDACTED] Resident Group that this submission is made on behalf of.

Question 6:

Comment: We don't feel qualified to answer this question. We fully support LKP (Leasehold Knowledge Partnership) and ask that their responses be used for this question for the 32 members of the [REDACTED] Resident Group that this submission is made on behalf of.

Question 7:

Other

Comment: We don't feel qualified to answer this question. We fully support LKP (Leasehold Knowledge Partnership) and ask that their responses be used for this question for the 32 members of the [REDACTED] Resident Group that this submission is made on behalf of.

Question 8:

Other

Comment: We don't feel qualified to answer this question. We fully support LKP (Leasehold Knowledge Partnership) and ask that their responses be used for this question for the 32 members of the [REDACTED] Resident Group that this submission is made on behalf of.

Question 9:

Other

Comment: We don't feel qualified to answer this question. We fully support LKP (Leasehold Knowledge Partnership) and ask that their responses be used for this question for the 32 members of the [REDACTED] Resident Group that this submission is made on behalf of.

Question 10:

(1) Other (see below)

(2) We don't feel qualified to answer this question. We fully support LKP (Leasehold Knowledge Partnership) and ask that their responses be used for this question for the 32 members of the [REDACTED] Resident Group that this submission is made on behalf of.

(3) We don't feel qualified to answer this question. We fully support LKP (Leasehold Knowledge Partnership) and ask that their responses be used for this question for the 32 members of the [REDACTED] Resident Group that this submission is made on behalf of.

Question 11:

Other

Comment: We don't feel qualified to answer this question. We fully support LKP (Leasehold Knowledge Partnership) and ask that their responses be used for this question for the 32 members of the [REDACTED] Resident Group that this submission is made on behalf of.

Question 12:

(1) Other

Comment: We don't feel qualified to answer this question. We fully support LKP (Leasehold Knowledge Partnership) and ask that their responses be used for this question for the 32 members of the [REDACTED] Resident Group that this submission is made on behalf of.

(2) Other

Comment: We don't feel qualified to answer this question. We fully support LKP (Leasehold Knowledge Partnership) and ask that their responses be used for this question for the 32 members of the [REDACTED] Resident Group that this submission is made on behalf of.

Question 13:

(1) Other

Comment: We don't feel qualified to answer this question. We fully support LKP (Leasehold Knowledge Partnership) and ask that their responses be used for this question for the 32 members of the [REDACTED] Resident Group that this submission is made on behalf of.

(2) Other

Comment: We don't feel qualified to answer this question. We fully support LKP (Leasehold Knowledge Partnership) and ask that their responses be used for this question for the 32 members of the [REDACTED] Resident Group that this submission is made on behalf of.

Question 14:

Other

Comment: We don't feel qualified to answer this question. We fully support LKP (Leasehold Knowledge Partnership) and ask that their responses be used for this question for the 32 members of the [REDACTED] Resident Group that this submission is made on behalf of.

Question 15:

We don't feel qualified to answer this question. We fully support LKP (Leasehold Knowledge Partnership) and ask that their responses be used for this question for the 32 members of the [REDACTED] Resident Group that this submission is made on behalf of.

Question 16:

(1) Other

(2) SEE QUESTION 3 FOR STATEMENT

Question 17:

(1) Other

Comment: SEE QUESTION 3 FOR STATEMENT

(2) Other

Comment: SEE QUESTION 3 FOR STATEMENT

(3) SEE QUESTION 3 FOR STATEMENT

Question 18:

(1) Other

Comment: SEE QUESTION 3 FOR STATEMENT

(2) SEE QUESTION 3 FOR STATEMENT

Question 19:

Not Answered

Comment: SEE QUESTION 3 FOR STATEMENT

Question 20:

Not Answered

Comment: SEE QUESTION 3 FOR STATEMENT

Question 21:

(1) Other

Comment: SEE QUESTION 3 FOR STATEMENT

(2) Other

Comment: SEE QUESTION 3 FOR STATEMENT

(3) Not Answered

Comment: SEE QUESTION 3 FOR STATEMENT

Question 22:

Other

Comment: SEE QUESTION 3 FOR STATEMENT

Question 23:

Other

Comment: SEE QUESTION 3 FOR STATEMENT

Question 24:

(1) Other

Comment: SEE QUESTION 3 FOR STATEMENT

(2) Other

Comment: SEE QUESTION 3 FOR STATEMENT

(3) Other

Comment: SEE QUESTION 3 FOR STATEMENT

Question 25:

(1) Other

Comment: SEE QUESTION 3 FOR STATEMENT

(2) SEE QUESTION 3 FOR STATEMENT

Question 26:

(1) Other

Comment: SEE QUESTION 3 FOR STATEMENT

(2) Other

Comment: SEE QUESTION 3 FOR STATEMENT

Question 27:

SEE QUESTION 3 FOR STATEMENT

Question 28:

Other

Comment: SEE QUESTION 3 FOR STATEMENT

Question 29:

SEE QUESTION 3 FOR STATEMENT

Question 30:

Yes, why should people in residential units effectively have to run a business?

Question 31:

(1) SEE QUESTION 3 FOR STATEMENT

(2) SEE QUESTION 3 FOR STATEMENT

Question 32:

(1) Other

Comment: SEE QUESTION 3 FOR STATEMENT

(2) Other

Comment: SEE QUESTION 3 FOR STATEMENT

Question 33:

(1) Other

Comment: SEE QUESTION 3 FOR STATEMENT

(2) SEE QUESTION 3 FOR STATEMENT

(3) Other

(4) SEE QUESTION 3 FOR STATEMENT

Question 34:

(1) Other

Comment: SEE QUESTION 3 FOR STATEMENT

(2) Other

Comment: SEE QUESTION 3 FOR STATEMENT

Question 35:

(1) Other

Comment: SEE QUESTION 3 FOR STATEMENT

(2) SEE QUESTION 3 FOR STATEMENT

Question 36:

(1) Other

Comment: SEE QUESTION 3 FOR STATEMENT

(2) Other

Comment: SEE QUESTION 3 FOR STATEMENT

(3) SEE QUESTION 3 FOR STATEMENT

Question 37:

SEE QUESTION 3 FOR STATEMENT

Question 38:

(1) Other

Comment: SEE QUESTION 3 FOR STATEMENT

(2) SEE QUESTION 3 FOR STATEMENT

(3) SEE QUESTION 3 FOR STATEMENT

(4) SEE QUESTION 3 FOR STATEMENT

Question 39:

(1) Other

Comment: SEE QUESTION 3 FOR STATEMENT

(2) Not Answered

Comment: SEE QUESTION 3 FOR STATEMENT

Question 40:

Other

Comment: SEE QUESTION 3 FOR STATEMENT

Question 41:

SEE QUESTION 3 FOR STATEMENT

Question 42:

Other

Comment: SEE QUESTION 3 FOR STATEMENT

Question 43:

(1) Other

Comment: SEE QUESTION 3 FOR STATEMENT

(2) Other

Comment: SEE QUESTION 3 FOR STATEMENT

(3) Other

Comment: SEE QUESTION 3 FOR STATEMENT

Question 44:

(1) SEE QUESTION 3 FOR STATEMENT

(2) SEE QUESTION 3 FOR STATEMENT

Question 45:

(1) SEE QUESTION 3 FOR STATEMENT

(2) SEE QUESTION 3 FOR STATEMENT

Question 46:

(1) Other

Comment: SEE QUESTION 3 FOR STATEMENT

(2) Other

Comment: SEE QUESTION 3 FOR STATEMENT

(3) SEE QUESTION 3 FOR STATEMENT

Question 47:

(1) Other

Comment: SEE QUESTION 3 FOR STATEMENT

(2) Other

Comment: SEE QUESTION 3 FOR STATEMENT

Question 48:

(1) SEE QUESTION 3 FOR STATEMENT

(2) Other

Comment: SEE QUESTION 3 FOR STATEMENT

Question 49:

Other

Comment: SEE QUESTION 3 FOR STATEMENT

Question 50:

(1) Other

Comment: SEE QUESTION 3 FOR STATEMENT

(2) Other

Comment: SEE QUESTION 3 FOR STATEMENT

(3) Other

Comment: SEE QUESTION 3 FOR STATEMENT

(4) Other

Comment: SEE QUESTION 3 FOR STATEMENT

(5) Other

Comment: SEE QUESTION 3 FOR STATEMENT

Question 51:

(1) Other

(2) SEE QUESTION 3 FOR STATEMENT

(3) SEE QUESTION 3 FOR STATEMENT

(4) SEE QUESTION 3 FOR STATEMENT

Question 52:

(1) Other

Comment: SEE QUESTION 3 FOR STATEMENT

(2) Other

Comment: SEE QUESTION 3 FOR STATEMENT

(3) Not Answered

Comment: SEE QUESTION 3 FOR STATEMENT

Question 53:

Other

Comment: SEE QUESTION 3 FOR STATEMENT

Question 54:

(1) Yes

Comment: [REDACTED] LEFT US WITH A FIVE YEAR CONTRACT WITH RMG AS OUR MANAGING AGENT. THAT IS ABSOLUTELY RIDICULOUS - WHO HAS A CONTRACT THAT LONG?

THIS CONTRACT WAS SIGNED THE YEAR BEFORE I MOVED IN - WHY DIDNT REDROW MAKE ME AWARE OF THIS? I KNOW THE ANSWER AND THIS DEMONSTRATES EXACTLY WHY DEVELOPERS CANNOT BE TRUSTED TO SELF REGULATE!

(2) Yes

Comment: SEE QUESTION 3

(3) Other

Comment: THREE MONTHS IS A BETTER TIME PERIOD

Question 55:

SEE QUESTION 3

Question 56:

(1) Other

Comment: SEE QUESTION 3

(2) Other

Comment: SEE QUESTION 3

(3) SEE QUESTION 3

(4) SEE QUESTION 3

Question 57:

(1) Other

Comment: SEE QUESTION 3

(2) Other

Comment: SEE QUESTION 3

(3) Other

Comment: SEE QUESTION 3

(4) Other

Comment: SEE QUESTION 3

Question 58:

(1) Other

Comment: SEE QUESTION 3

(2) Other

Comment: SEE QUESTION 3

(3) Other

Comment: SEE QUESTION 3

(4) Other

Comment: SEE QUESTION 3

(5) Other

Comment: SEE QUESTION 3

(6) Other

Comment: SEE QUESTION 3

(7) Other

Comment: SEE QUESTION 3

(8) Other

Comment: SEE QUESTION 3

(9) SEE QUESTION 3

(10) Other

Comment: SEE QUESTION 3

Question 59:

(1) Other

Comment: SEE QUESTION 3

(2) Not Answered

Comment: SEE QUESTION 3

Question 60:

(1) Other

Comment: SEE QUESTION 3

(2) SEE QUESTION 3

(3) SEE QUESTION 3

(4) SEE QUESTION 3

Question 61:

(1) Other

Comment: SEE QUESTION 3

(2) SEE QUESTION 3

(3) Other

Comment: SEE QUESTION 3

(4) Other

Comment: SEE QUESTION 3

(5) SEE QUESTION 3

(6) Not Answered

Comment: SEE QUESTION 3

Question 62:

SEE QUESTION 3

Question 63:

(1) Other

Comment: SEE QUESTION 3

(2) Other

Comment: SEE QUESTION 3

Question 64:

Other

Comment: SEE QUESTION 3

Question 65:

Other

Comment: SEE QUESTION 3

Question 66:

(1) Other

Comment: SEE QUESTION 3

(2) Other

Comment: SEE QUESTION 3

(3) No

Comment: In shared ownership, they have to pay the same as everyone else so they should have the same rights.

(4) Other

Comment: SEE QUESTION 3

Question 67:

(1) Other

Comment: SEE QUESTION 3

(2) Other

Comment: SEE QUESTION 3

(3) Other

Comment: SEE QUESTION 3

Question 68:

Other

Comment: SEE QUESTION 3

Question 69:

SEE QUESTION 3

Question 70:

Other

Comment: SEE QUESTION 3

Question 71:

Other

Comment: SEE QUESTION 3

Question 72:

SEE QUESTION 3

Question 73:

Other

Comment: SEE QUESTION 3

Question 74:

Other

Comment: SEE QUESTION 3

Question 75:

(1) Other

Comment: SEE QUESTION 3

(2) Other

Comment: SEE QUESTION 3

Question 76:

Other

Comment: SEE QUESTION 3

Question 77:

Other

Comment: SEE QUESTION 3

Question 78:

Other

Comment: SEE QUESTION 3

Question 79:

(1) Other

(2) SEE QUESTION 3

Question 80:

SEE QUESTION 3

Question 81:

SEE QUESTION 3

Question 82:

Other

Comment: SEE QUESTION 3

Question 83:

Yes, the commonhold association should be provided with enhanced powers.

Comment: SEE QUESTION 3

Question 84:

Yes

Comment: We have too much increasing fees as it is, a cap is required but it should not be seen as a target!

Question 85:*

(1) Other

* There was an error with question 85(1). On the online form, question 85(1) was a repeat of question 84. The responses provided to both questions have been analysed with this in mind and relevant points incorporated into our policy development.

Comment: We have too much increasing fees as it is, a cap is required but it should not be seen as a target!

(2) Other

Comment: SEE QUESTION 3

Question 86:

(1) Other

Comment: SEE QUESTION 3

(2) SEE QUESTION 3

(3) Other

*Comment:*SEE QUESTION 3

(4) Other

Comment: SEE QUESTION 3

(5) SEE QUESTION 3

(6) Other

Comment: SEE QUESTION 3

(7) Other

Comment: SEE QUESTION 3

(8) Other

Comment: SEE QUESTION 3

Question 87:

(1) Other

Comment: SEE QUESTION 3

(2) Other

Comment: SEE QUESTION 3

(3) SEE QUESTION 3

(4) SEE QUESTION 3

(5) Other

Comment: SEE QUESTION 3

Question 88:

(1) Other

Comment: SEE QUESTION 3

(2) Other

Comment: SEE QUESTION 3

(3) Other

Comment: SEE QUESTION 3

Question 89:

(1) Other

Comment: SEE QUESTION 3

(2) SEE QUESTION 3

Question 90:

(1) Other

Comment: SEE QUESTION 3

(2) Other

Comment: SEE QUESTION 3

(3) Yes

Comment: No-one should be made to pay for any other persons debt

(4) SEE QUESTION 3

Question 91:

(1) Other

Comment: SEE QUESTION 3

(2) Other

Comment: SEE QUESTION 3

(3) Other

Comment: SEE QUESTION 3

(4) SEE QUESTION 3

(5) SEE QUESTION 3

(6) Other

Comment: SEE QUESTION 3

(7) SEE QUESTION 3

Question 92:

(1) Other

Comment: SEE QUESTION 3

(2) SEE QUESTION 3

Question 93:

A commonhold structure would be a very welcome improvement on leasehold. Leasehold is not used anywhere else in the world and is not required, ground rent is a payment of money for no service. It is really important that leasehold is abolished rather than tweaked. Stop developers creating leasehold with wealth eroding investment vehicles in ordinary families' homes. People who want to buy a home should be able to do so as an owner and not as a tenant with a landlord. Commonhold needs to become mandatory for new build. After that, the conversion to commonhold of existing stock becomes a pressing issue. Existing leaseholds **MUST** be able to convert to commonhold without huge financial impact. Once this legally enforceable income stream, leasehold for no designated service, is removed, the case against commonhold falls apart and England and Wales join the rest of the world.

Question 94:

A commonhold structure would be a very welcome improvement on leasehold. People will actually own and control their own home and housing will improve as owners feel responsible for their own property and its residual value. Leasehold abuse will stop and people like me will be able to sleep at night without fear of losing their home.

Question 95:

(1) SEE QUESTION 3

(2) SEE QUESTION 3

(3) SEE QUESTION 3

Question 96:

SEE QUESTION 3

Question 97:

(1 & 2) SEE QUESTION 3

(3) SEE QUESTION 3

Question 98:

SEE QUESTION 3

Question 99:

SEE QUESTION 3

Question 100:

SEE QUESTION 3

Question 101:

SEE QUESTION 3

Question 102:

SEE QUESTION 3

Question 103:

SEE QUESTION 3

Question 104:

SEE QUESTION 3

Question 105:

(1) 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.

Comment: I believe that developers will fight any proposals made to abolish leasehold because it will end their additional income stream. I think we have seen a lot of evidence that builders are making millions of pounds in profit because they have been paying themselves some absolutely obscene bonuses. Profits in new homes have tripled and in addition developers wait 2 years and then make a further additional income by selling the freehold to a third party. Builders are now selling false freehold (fleecehold) to people and making more money and this really needs to be stopped. If commonhold was introduced then people have an alternative to leasehold that allows them to have control over the property they are living in.

In short – leasehold has to be banned and commonhold mandated because developers ABSOLUTELY will not self regulate or take steps to make things fairer. They will just find another loophole to exploit people.

Question 106:

(1) 1 - SEE QUESTION 3

2 - It should be mandated and leasehold should be abolished

(2) SEE QUESTION 3

Question 107:

SEE QUESTION 3

Any further comments

I believe that developers will fight any proposals made to abolish leasehold because it will end their additional income stream. I think we have seen a lot of evidence that builders are making millions of pounds in profit because they have been paying themselves some absolutely obscene bonuses. Profits in new homes have tripled and in addition developers wait 2 years and then make a further additional income by selling the freehold to a third party. Builders are now selling false freehold (fleecehold) to people and making more money and this really needs to be stopped. If commonhold was introduced then people have an alternative to leasehold that allows them to have control over the property they are living in.

In short – leasehold has to be banned and commonhold mandated because developers ABSOLUTELY will not self regulate or take steps to make things fairer. They will just find another loophole to exploit people if leasehold remains.

Name of organisation: [REDACTED]

Question 1:

Yes

Comment:

Question 2:

Yes

Comment: I suggest 75% excluding leaseholders where the flat is on the market - in retirement blocks leaseholders may have gone into care homes or have died - those inheriting the lease, or acting on behalf of a leaseholder - most often sons or daughters - usually have no interest in the future of the block, they just want the flat sold as soon as possible.

The percentage should also exclude leaseholders who have not replied when all reasonable steps have been taken to contact them. Non-reply might be a mechanism for preventing the process, or may be due to apathy, or illness.

Freeholders should be obliged to inform those seeking to set up the commonhold of the addresses of all the leaseholders.

Question 3:

Yes

Comment:

Question 4:

(1) Other

Comment: 50% seems a bit low

(2) Yes

Comment: This seems fair and also protects the interests of the next leaseholder

(3) Other

Comment: I'm not sure - it seems unfair to prevent a non-consenting leaseholder from obtaining a lease extension

(4) Might it be better when a leasehold flat is sold for it to become freehold - the purchase price would have to include a sum for lease enfranchisement that would be payable to the freeholder. The purchaser could then automatically become part of the commonhold.

(5) No

Comment: 999 years seems excessive, and if any of these leaseholders wanted to buy the freehold, or if the flat became freehold when sold, the cost of lease enfranchisement would be enormous to cover loss of ground rent for so many years.

(6) (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

Comment: I don't see why the consenting leaseholders should have to pay - seems very convenient for the non-consenting leaseholders!

Question 5:

(1) Other

Comment: 80% of flats not on the market (see earlier answer), and excluding those leaseholders it has proved impossible to contact

(2) No

Comment: I think it would be a conflict of interests if freeholder became part of the commonhold. I fear he might be able to wreck the system.

Not Answered

(3 & 4) I don't know. I think I naively imagined that the freehold would remain with the original freeholder, and that the leaseholder would not have any voting rights within the commonhold, but would be obliged to pay the service charge

(5) Don't know

(6) Not Answered

Comment: Don't know

(7) Don't know

Question 6:

Comment: I don't know

Question 7:

Yes

Comment: This seems fair to all parties providing the Tribunal is charged with making an independent decision. At the moment e.g. RTM applications, applications are contested by Freeholders and Property Management Companies, whose barristers strive to get the application rejected on a technicality - easily done because some Freeholders work thorough a multiplicity of Companies, changing their names from time to time, and there is always a danger that the leaseholders will file the wrong name. If leaseholders lose they

have to pay Freeholder's and Property Management Company costs, which can be very expensive.

Question 8:

Yes

Comment:

Question 9:

Other

Comment: I'm not sure. it would be simpler for the transfer to be automatic, but is that sufficient to protect the lender's interest?

Question 10:

(1) Not Answered

(2) I'm not sure

(3)

Question 11:

Yes

Comment:

Question 12:

(1) Other

Comment: The 12 month period is too short - it allows freeholder to find ways of delaying the process.

On the other hand it is probably unfair to let the consents run indefinitely - lease holders change, especially in retirement blocks. Perhaps 3-5 years would be appropriate

(2) Leaseholders should be required to make a collective decision no longer to proceed with the conversion.

Comment: I don't think it would be just to allow one leaseholder to suddenly withdraw.

Question 13:

(1) Yes

Comment: Definitely. It is unjust that the freeholder is the only person allowed to apply, and can lead to delaying tactics. It will also simplify the process.

(2) Not Answered

Comment: I don't really know, but this sounds reasonable

Question 14:

Other

Comment: I think I've managed to understand the reasons why this is suggested, but I fear that having 2 companies functioning for the same block might be a recipe for eventual disaster. While the people who set both up are the same there will probably be no problems, but further down the line people will change, perhaps the Directors for the 2 companies will be different - a way of sharing the load - but then arguments about use, repair and maintenance, charges may brwak out.

Question 15:

It seems more simplified and cost-effective, and less open to delaying tactics by the freeholder, nevertheless it is still daunting.

Question 16:

(1) Yes

(2) Consider how the Commonhold will be safeguarded in the event of the Directors becoming incapacitated by failing health - mental or physical, and there being no other members willing to replace them. This would be a real problem here, and I suspect in other retirement blocks. We already have difficulty in getting a full association committee - we had thought that new people coming in would be willing and able, but in practice their average age is in the late 80s the same as ours.

Question 17:

(1) Not Answered

Comment: I don't know enough to comment

(2) Not Answered

Comment: i don't know enough to comment

(3)

Question 18:

(1) Not Answered

Comment: I don't know enough to comment

(2)

Question 19:

Not Answered

Comment: I don't know enough to comment

Question 20:

Not Answered

Comment: i don't know enough to comment

Question 21:

(1) Not Answered

Comment: I don't know enough to comment

(2) Not Answered

Comment: I don't know enough to comment

(3) Not Answered

Comment: I don't know enough to comment

Question 22:

Not Answered

Comment: I don't know enough to comment

Question 23:

Not Answered

Comment: I don't know enough to comment

Question 24:

(1) Not Answered

Comment: I don't know enough to comment

(2) Not Answered

Comment:

(3) Not Answered

Comment: I don't know enough to comment

Question 25:

(1) Not Answered

Comment: Not sure. I am tempted to say development rights should apply automatically, because it would simplify the process, but developments are so different I wonder if that is practical, and whether it would create more trouble than it is worth

(2) See answer above

Question 26:

(1) Yes

Comment: Will avoid risk of developers trying to control things to their financial advantage

(2) Other

Comment: Not sure - will developers delay selling some units if they want a majority to force a particular decision through.

Question 27:

Developers must not exercise development rights over common areas including car park and access road, or any land designated for gardens.

I heard at a law society consultation meeting that one company were unsure if they owned the land between their building and the road; another had lost the right to much of the surrounding parkland - the reason many of them had chosen to live in the development. I fear this sort of thing could happen in new-build commonhold if developers controlled the company for long.

Question 28:

Yes

Comment: Very much so.

Question 29:

I would suggest the transitional period should come to an end from the day the development is marketed, so that the developer cannot make changes that might affect the purchaser's intention to purchase. It would have to be more precise, because marketing activity begins even before building is started! I suppose I mean when they start to accept reservations.

Question 30:

I would be very wary of relaxing the requirement to file accounts, it is a safeguard to the members. We have suffered too much from lack of financial transparency in the leasehold sector.

Question 31:

(1) The possibility of insolvency had never occurred to me and fills me with alarm - I would have expected commonhold contributions to cover costs, but I suppose refusal to pay, or a Grenfell cladding type situation could arise. We need to be clear how a Commonhold Association can recover unpaid contributions - it seems more problematic than in leasehold blocks where the lease can be forfeited

(2) I'm not familiar enough with this type of procedure to comment

Question 32:

(1) Yes

Comment: Yes, this would give a degree of protection to commonhold members.

(2) Yes

Comment: Yes, providing they have the power to remove Directors if they had contributed to the insolvency by poor management and oversight of property management company or negligence.

Question 33:

(1) Yes

Comment: If not, how will the block continue to be managed - but what happens if no directors are forthcoming - a real possibility in a retirement block.

(2) I don't see how the court could refuse or there would be no management at all, but if no Directors were forthcoming I am not sure what they could do.

(3) Not Answered

(4) Presumably these conditions would relate to correcting and avoiding in future the causes of the insolvency; therefore they would vary from commonhold association to commonhold association.

Question 34:

(1) Other

Comment: Not sure. If the commonhold contribution has obviously been set too low (the members would be responsible for this), the liquidator might be given the right to require the shortfall, but if it's due to a Grenfell cladding type disaster it would seem unfair for the members to have to contribute. It is time that developers were made legally responsible for serious defects in construction.

(2) Yes

Comment: Yes, it would be totally unfair.

Question 35:

(1) Yes

Comment: Yes. In a retirement block we aim to build community - important to prevent social isolation as people gradually become less able to go out and about. Anyone coming for a short time would probably not want to get involved.

(2) 1. Not less than 6 months would be appropriate.

2. I don't know enough about the needs of that sector to comment

Note: Retirement Blocks will need other provisions e.g. minimum age, ability to live independently e.g. manage their own affairs, manage their own flat including maintenance and repairs. Sadly some families expect the Manager who only works 35 hours and other residents to look after their parent - they see it as a cheaper option than a care home - we therefore need clarification as to who independent retirement living is designed for. Would age restrictions be permitted under current commonhold legislation?

Question 36:

(1) Other

Comment: we have 3 event fees - 1% of selling price to freeholder, 1% to our Contingency Fund, and Approval Fees for changes to the flat.

I feel that the fee to the Contingency Fund should continue - it has enabled us to introduce things like a stairlift (main lift can be out of action for 6 weeks while waiting for parts), automatic doors, hearing loop in the lounge, without depleting the contingency fund too much. Approval fees are helpful in preventing alterations deleterious to the building, but they should be itemised and only cover the cost of work done e.g. inspections to cover the costs. The event fee that goes to the freeholder now should certainly not go to the Developer under commonhold - what a money making racket!

(2) Other

Comment: As above. Para. 8.42 is a nonsense, presumably pedalled by some of the property developers. retired people are usually downsizing, so they have realised a substantial asset i.e. a larger house.

How can event fees keep the purchase cost of a retirement property down - presumably the person selling (who pays the event fee) takes it into account when setting the selling price, so it makes it more expensive if anything! Likewise the idea that event fees keep service charges low is equal nonsense. For about the first 8 years we had few event fees going into our contingency fund and we continued to pay the same amount into that fund through the service charge. This year we will have at least 5 lots of exit fees, and this year the Property Management Company tried very hard to increase our contingency fund contribution, actually saying they took no account of how much was likely to go in from exit fees.

(3) I am not aware of any

Question 37:

I don't really know, but probably not unless they break the law. Can these restrictions be appealed against?

Question 38:

(1) Yes

Comment: I was surprised by the low threshold and that it was restricted to only those who attend meetings. It is probably easier for us in that almost all our residents are leaseholders, and the 3 who are not visit their parent frequently. We have some housebound residents, and others who happen to have medical appointments when a meeting is announced - postpone those at your peril! Consequently practically all our votes are by written ballot of all leaseholders - the only ones excluded are those of flats on the market because the resident has died or gone into a care home. We would not act on a majority of less than 51% (excluding the temporary leaseholders of flats on the market)

(2) Over 50% of all members, but I appreciate this may be difficult in blocks with a large number of absent or apathetic members.

(3) Because of the example given of just 1 person wanting to keep a pet and the other members voting against I would have to say that any member could apply to the Tribunal, but the Tribunal should have the right to dismiss the application without a full hearing if they deemed the application frivolous.

(4) That would be a minefield - whatever differentiation were applied there would be people opposing it!

Question 39:

(1) No

Comment: Everything should be in one place for ease of referral, especially with older people.

(2) Yes, the directors of the commonhold association should be under such a duty

Comment: Yes, members have a right to be kept up to date, and to be able to see that nothing new has been introduced without the proper procedure. People value transparency.

With older people we always say that they have a right to discuss this type of thing with anyone who advises them on business matters e.g. son/daughter, solicitor, financial advisor.

Question 40:

Yes

Comment: yes, this seems to make it easier to follow the document

Question 41:

I don't know

Question 42:

Other

Comment: Why not a written ballot of all members. We do this for our Association Committee having asked for nominations several weeks before and then conducted the ballot, the result of which is announced at the AGM.

Question 43:

(1) Yes

Comment: Yes, I think this is very wise

(2) Yes

Comment: Yes, it is a fair way of protecting their interests

(3) Yes

Comment: Yes, it seems reasonable to use the same Tribunal as for other issues, as they will have developed knowledge and experience in the commonhold area

Question 44:

(1) This would not happen in a retirement block where the leaseholders are usually also the residents; however I heard the other day of a Property management company trying to buy a flat in another retirement block, so things might change.

(2) 1. Yes

2. Yes

3. Yes

4. This would probably be a good idea - a bit like failing schools!

5. I don't know

Question 45:

(1) We are not a company, but we do have a provision for proxy voting and it has never been abused - in fact the 3 non-resident leaseholders rarely ask for it.

(2) (1) a restriction on the number of proxy votes that any individual might hold Yes, I can see that would be a good idea where 1 member may own several units

Question 46:

(1) Yes

Comment: This is what happens here and seems to work - the freeholder insures the building (through a levy on our service charge) but individuals insure the contents of their own flats. The buildings insurer pays for damage to building, fixed contents and communal areas, subject to an excess, and the person's own insurer pays for non-fixed items in their own or an adjacent flat damaged by their problem

(2) Yes

Comment: I presume this is similar to what I described above

(3) The only problem we experience is making sure that residents understand the need for personal contents insurance which includes cover for third parties.

Question 47:

(1) Yes

Comment: good transparent practice

(2) Yes

Comment: good practice

Question 48:

(1) I can't see why it would not be

(2) Yes

Comment: That would be helpful - I worry that some retirement blocks are going into RTM without fully understanding the responsibilities of directors - the same might be true of commonhold.

Question 49:

Yes

Comment: Definitely as above, but the limitations of such insurance should be made clear e.g. won't absolve them of the consequences of any proven negligence

Question 50:

(1) Yes

Comment: Yes, should be self-evident, but it won't be to everyone.

(2) Not Answered

Comment: i'm not clear about the significance of this point

(3) Yes

Comment: Yes provided the reasons are given e.g. listed building

(4) No

Comment: No, needs to be clear to ensure correct insurance, and to prevent disputes

(5) Not Answered

Comment: No opinion

Question 51:

(1) Prescribed

(2) Prescribed in general with possibility of specific details in local rules if greater clarification is needed

(3) Yes, distinguish between horizontally and vertically divided. If a different distinction is appropriate this could be put in local rules

(4) For access

To inspect damage caused from elsewhere

To inspect a potential source of damage

For fire safety and health & safety inspections

If a person inside was thought to be ill and could not give consent

When the personal alarm system had been activated

Question 52:

(1) Other

Comment: 1. Some internal alterations affect the integrity of the building, or interfere in some other way e.g. putting down wooden flooring can interfere with the sound-proofing, putting in a boiler which stores a lot of water (ours are a different system which keeps the amount of water stored to a minimum thus reducing potential for leaks, freezing etc.). Such alterations in a block of flats should need approval.

It is also surprising how people can be upset and have different views on what spoils a common area. We also have trouble with trees - 1 person may complain of restricted light, whereas the person above or below may complain of intrusion of privacy from block behind if the tree is removed. Where alterations only affect a few people we usually bring them together to discuss and then take a vote. We find the older generation are always very respectful of the outcome of votes!

(2) Yes

Comment: Unless can be resolved by the members concerned.

(3) Not Answered

Comment: Here anything that is likely to affect us all, or to be above a certain amount (Section 20) is determined by written ballot, and is determined by the majority.

Question 53:

Other

Comment: Not yet encountered but it occurs to me that should we choose one of the options for changing property management companies, we have no idea about the lengths or details of the contracts our current company has entered into on our behalf. It seems to me that these companies should be obliged to provide leaseholders with the details of all contracts they have entered into on their behalf.

It is very difficult to know whether any of these contracts are disadvantageous, particularly as we are forbidden to compare our service charge with that of other blocks. There is some anecdotal evidence that blocks of similar size are paying different amounts for some contracts.

Question 54:

(1) Yes

Comment: This seems reasonable

(2) Yes

Comment: seems reasonable

(3) Yes

Comment: Seems reasonable

Question 55:

Door entry and emergency call systems, although I think ours were installed by a different company from the service and maintenance company, likewise our lift is serviced by a different company from the one that installed it

Question 56:

(1) Yes

Comment: Yes, and the contribution budget should be presented annually to the members well before the beginning of their financial year. It is also good practice to make available detailed income/expenditure records to all members at least 3 monthly

(2) Yes

Comment:

(3) I think this is a bit dangerous and could lead to insolvency - I don't know what the solution is

(4) i don't know. As a first step the Directors would need to present it again in great detail as to the rationale for any changes, especially if they were above inflation

Question 57:

(1) Other

Comment: It sounds attractive, but I'm not really sure - when is an 'improvement' actually a necessity? On the other hand some people with no money worries might want a high level of improvements, and some protection needs to be afforded to those who are more careful with their money

(2) Other

Comment: Slightly worried that developers might set the cap on the low side to make the property more attractive to buy

(3) Yes

Comment: This would be a safeguard

(4) Yes

Comment: Definitely or it would be impossible to maintain financial control.

Question 58:

(1) Yes

Comment: We find it invaluable

(2) No

Comment: I'm not sure this is necessary. So long it is clear in the proposed budget what is going into the reserve funds and what is for the other categories, it is easier for members to grasp the total contribution required. If treated separately some people might think it was an optional extra!

(3) No

Comment: Experience of managing blocks should give a baseline for what level of contribution would be needed. Look at what reputable property management companies set as an initial figure for a block or estate of similar size and specifications.

(4) No

Comment: I think it would be safer to follow the practice of good property management companies with regard to what reserve funds are necessary. We have to remember that

when first set up the Directors of a commonhold association are likely to be very new at the game; a multiplicity of reserve funds 'just in case' would not be very helpful, or acceptable.

(5) Yes

Comment: That's better. Initially set up what is usual practice and then if the members see a lonterm need for additional reserve funds let them set them up.

(6) Yes

Comment: Very wise

(7) Yes

Comment: otherwise the follow on commonhold association will not have any funds to deal with any necessary expensive one-off repairs e.g. lift replacement

(8) Yes

Comment: Yes, reduces risk of sharo practice.

(9) I would worry about this - how tempting to reject the contribution budget with the idea in mind that we can always use the reserve fund if we risk going overspent.

(10) Yes

Comment: Most retirement developments do this and I have never heard of any problems with it. Keep things simple!

Question 59:

(1) Yes

Comment: I think this would be all right and even helpful - it should certainly help in setting the budget.

(2) Not Answered

Comment: I'm a bit afraid of flexibility when members and directoirs might not have had any experience in managing developments, but I am also wary of limitations. Guidelines might be better.

Question 60:

(1) No

Comment: I think this would be a nightmare to administer! Why not consider a l fee for amenities only used by some members e.g.such things as rental for car-park spaces, and a membership fee for gyms and other leisure facilities. This would have to take into account maintenance, repair, replacement.

Be aware also that some developers are now 'selling' car park spaces to leaseholders, either in anticipation of commonhold, or because planning permission usually is for less spaces than there are flats, and selling spaces prevents a lot of strife! I don't know if the developers pass this money on to the property management company for maintenance, repair and re-surfacing, or if they offer any partial refund if some-one has to give up their car soon after moving in.

(2) I think it would be too complicated

(3) Hereit is determined by the number of bedrooms and that seems to be acceptable to everyone; now some blocks are being built with 2 bathrooms so that might be taken into account. People seem to understand that easily - they are used to properties costing more according to the number of bedrooms. Architects are very good at fitting properties into the different configurations of space available, which may make small variations in floor space and it could become a nightmare to vary contributions on that basis; it would probably be open to more challenges.

(4) I don't have any views on this

Question 61:

(1) Yes

Comment:

(2) Funds usually become due at set times - it should therefore have been made clear to the purchaser when they will become liable for payment. The seller will have already paid into funds - if selling during the period covered by these it is up to seller to recoup this outlay in the selling price of the flat.

(3) Other

Comment: If the purchaser has not been informed it could be argued that there is no duty to pay, but the commonhold association cannot be left short; the purchaser's conveyancer must have known that the purchaser was buying into a commonhold, so the duty is on him/her to ask what fees are due and when if this information has not been requested the conveyancer has been negligent and should become liable for the payment.

(4) Yes

Comment: Yes, they should certainly be allowed to charge

(5) I don't know

(6) Not Answered

Comment: I don't know enough about them, but it is always a bit problematic if important documents can be amendable. Who is responsible for checking them before they are issued? Could there be a standardised document or are they too diverse. If a mistake has been made in costs, and they seen extra-ordinarily low could not the purchaser's conveyancer not have a duty to question them, and in that case the document could be amended

Question 62:

Question 63:

(1) Not Answered

Comment:

(2) Not Answered

Comment:

Question 64:

Not Answered

Comment:

Question 65:

Not Answered

Comment:

Question 66:

(1) Not Answered

Comment:

(2) Not Answered

Comment:

(3) Not Answered

Comment:

(4) Not Answered

Comment:

Question 67:

(1) Not Answered

Comment:

(2) Not Answered

Comment:

(3) Not Answered

Comment:

Question 68:

Not Answered

Comment:

Question 69:

Question 70:

Not Answered

Comment:

Question 71:

Not Answered

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Question 72:

Question 73:

Not Answered

Comment:

Question 74:

Not Answered

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Question 75:

(1) Not Answered

Comment:

(2) Not Answered

Comment:

Question 76:

Not Answered

Comment:

Question 77:

Not Answered

Comment:

Question 78:

Not Answered

Comment:

Question 79:

(1) Not Answered

(2)

Question 80:

Question 81:

Question 82:

Not Answered

Comment:

Question 83:

Not Answered

Comment: Not Answered

Question 84:

Not Answered

Comment: Not Answered

Question 85:*

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

* There was an error with question 85(1). On the online form, question 85(1) was a repeat of question 84. The responses provided to both questions have been analysed with this in mind and relevant points incorporated into our policy development.

Question 86:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

(3) Not Answered

*Comment:*Not Answered

(4) Not Answered

Comment: Not Answered

(5) Not Answered

(6) Not Answered

Comment: Not Answered

(7) Not Answered

Comment: Not Answered

(8) Not Answered

Comment: Not Answered

Question 87:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

(3) Not Answered

(4) Not Answered

(5) Not Answered

Comment: Not Answered

Question 88:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

(3) Not Answered

Comment: Not Answered

Question 89:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Question 90:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

(3) Not Answered

Comment: Not Answered

(4) Not Answered

Question 91:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

(3) Not Answered

Comment: Not Answered

(4) Not Answered

(5) Not Answered

(6) Not Answered

Comment: Not Answered

(7) Not Answered

Question 92:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Question 93:

Not Answered

Question 94:

Not Answered

Question 95:

(1) Not Answered

(2) Not Answered

(3) Not Answered

Question 96:

Not Answered

Question 97:

(1 & 2) Not Answered

(3) Not Answered

Question 98:

Not Answered

Question 99:

Not Answered

Question 100:

Not Answered

Question 101:

Not Answered

Question 102:

Not Answered

Question 103:

Not Answered

Question 104:

Not Answered

Question 105:

(1) Not Answered

Comment: Not Answered

Question 106:

(1) Not Answered

(2) Not Answered

Question 107:

Not Answered

Any further comments

I don't have time to complete all sections

I am concerned that there may be a drive for 'one size fits all' but the sector is so diverse it might be better to proceed slowly. I was going to suggest abolishing leasehold for all new developments except possibly retirement developments - but that risks slanting the market - I've already noticed 1 new developer in the field since it was said ground rent would not be reduced to a peppercorn for retirement properties, and more will probably follow if they think sale of freeholds can still be lucrative in the retirement market. I was then going to suggest progressing with commonhold sector by sector, but the more I read the complexities the more I wondered if it should really be imposed. Certainly in many cases it is too much for retired people, who want to enjoy their retirement, not start the equivalent of another career!

As an alternative leasehold should be reformed urgently - my view is event fees for freeholders should be abolished, approval fees should be itemised and only represent the work actually done by the freeholder, and that ground rents should be regulated. Property management companies should be made to be transparent financially, to work in partnership with leaseholders as well as freeholders. There should be an independent regulator for accrediting these companies, and leaseholders should be able to choose any one of these regulated companies, and the freeholder should have to accept their choice - because they are accredited his interests will be safeguarded.

Name of organisation: [REDACTED] Residents' Association

Question 1:

No

Comment: [REDACTED] is a mixed-use building in [REDACTED] consisting of 158 flats, a hotel and serviced apartments. The residential element makes up 53% of the block. We believe we, the long leaseholders, have the majority financial stake in this building. Yet we have no control over how the site is run or how our money is being spent. This is wrong and commonhold would be a much better way of organising communal living and delivering value for money for residents on estates like ours.

If conversion to commonhold is dependent on ensuring commercial space represents less than 25% of internal floor space, then we will not be able to have democratic self-governance. This has major implications for us and the housing market more generally.

Given you have been tasked to 'reinvigorate' commonhold tenure, which could result in government mandating developers to use the improved title on new-build flats going forward, we believe it is essential for us to be given the means to convert to the better system. Commonhold removes the need for absentee freehold 'landlords' and consumer homebuyers will value this. Everyone wants to have control over their service charges and be able to appoint a managing agent that is directly accountable to residents and no other interest. We believe the market will respond to rising consumer demand for commonhold property by devaluing existing leasehold stock quite substantially. Maintaining the 25% rule, which was legislated for back in 1993 when mixed-use sites were virtually unheard of in this country, keeps us stuck in the leasehold property trap, left with vulnerable tenancies that no one will want against an improved commonhold product which offers real home ownership. We will continue to suffer from an uncapped, unregulated and fundamentally undemocratic service charge regime. Our building will continue to deteriorate. Whoever the landlord, his interest is never the same as the owner-occupier.

If you are concerned about your reform proposals being consistent across the board, then we urge you to scrap the 25% rule for collective enfranchisement/collective freehold acquisition. Minimising residential rights in this way, so leaseholders are unable to convert to commonhold, does not make sense in modern society where big mixed-use sites are a fact of life for many city dwellers, especially in the areas that are undergoing serious regeneration.

If you do not give us the ability to convert, by dropping the arbitrary and antiquated 25% rule, you will be creating a property crisis and negatively impacting the economic and emotional wellbeing of hundreds of thousands of leaseholders across England and Wales who are living on these sites with significant commercial space. There does not seem to be

any obvious reason as to why we should not be allowed to convert to commonhold. The only argument we can see is one that would come from the vested interests within the sector – if you gave us the ability to achieve self-determination, developers and freeholders would stand to lose their most lucrative sites. We would be devastated to see the Law Commission sully its reputation by backing the 25% rule in its final recommendations. If you were to do this, you would effectively be siding with the aggressive and exploitative monetisers in the leasehold industry. Leaseholders on estates like ours would actually be in a far worse position than they were pre-reform.

Question 2:

Yes

Comment: We are in full agreement with this proposal. If you do not bring it down from 100%, commonhold conversion will remain an academic concern.

Question 3:

Not Answered

Comment:

Question 4:

(1) Not Answered

Comment:

(2) Not Answered

Comment:

(3) Not Answered

Comment:

(4)

(5) Not Answered

Comment:

(6)

Comment:

Question 5:

(1) Not Answered

Comment:

(2) Not Answered

Comment:

Not Answered

(3 & 4)

(5)

(6) Not Answered

Comment:

(7)

Question 6:

Comment:

Question 7:

Not Answered

Comment:

Question 8:

Not Answered

Comment:

Question 9:

Not Answered

Comment:

Question 10:

(1) Option 1

(2) The 80% support threshold for commonhold conversion is too high. It is almost Soviet-style. You are ensuring commonhold conversion remains out of reach for so many leaseholders. 80% is the new 100%.

Allowing for a minority of up to 19% to block the enlightened majority would make it easy for a determined freeholder to buy up some more flats to tilt the vote. Our building has 158 flats – 19% of that would be around 30 flats.

We understand that conversion does involve questions of property (and human) rights. However, Option 1 seems better as no one is being coerced to take a commonhold interest. Although leasehold persisting within a commonhold structure is not exactly desirable, the idea that leases would have to be converted to commonhold units upon the non-consenting leaseholder selling their property means remaining leases should be phased out in the medium term. Since you will be converting ALL properties to commonhold interest, the human rights question needs to be revisited. You would effectively be ‘ forcing people to be free’ under Option 2. Option 1 takes a much less invasive approach. Those who are unable to contribute in the initial bid would of course have a statutory right to buy the commonhold interest later, which is a plus point, and their property would be converted to commonhold when they sell it anyway. They would be barred from extending their lease, which is good.

As you have noted, there is precedent in leasehold law for a more reasonable threshold. Collective enfranchisement requires 50%. This is why Option 1 is appealing. It offers a pragmatic answer to the challenging question of how existing leaseholds can escape the leasehold property trap. However, we are not sure whether we would want the non-consenting leaseholders to remain under the control of the old freehold landlord. If you have had a problematic relationship with him in the past, why would you benefit from his continued influence over the site? He could make things very difficult for the commonhold association. Please reconsider.

There is also an argument that protecting minorities is less important when you consider that moving from leasehold to commonhold interest will actually be an upgrade and should drive up property prices – although we have no evidence of it in this country (yet), we believe the consumer homebuyer would be prepared to pay a premium for buying a flat they can own outright on a freehold basis, as opposed to having an asset whose value is in large part determined by the interests of an unaccountable third-party landlord who controls the residential service charges.

As you note in point 3.24 of page 51, explaining how differing criteria between collective enfranchisement/freehold acquisition and commonhold conversion could mean “ leaseholders might be able to circumvent the policy reasons behind the criteria for collective enfranchisement” (which is why we say scrap the 25% rule across both regimes), there is actually some faulty logic behind Option 2. If you adopt Option 2 in your final recommendations, and government legislates for it, you are actually making collective enfranchisement and share of freehold more attractive than commonhold. This seems to run counter to your terms of reference that states you are working “ to enable commonhold to succeed” , to mainstream the tenure. The technical point about share of freehold being undesirable because it continues with the antagonistic landlord/tenant dynamic that characterises leasehold will be lost on many leaseholders who simply want self-governance, to rid themselves of a landlord they perceive to be monetising and/or incompetent. If they cannot convert to commonhold, they will just pursue collective enfranchisement (which has the far less strict support threshold of 50%) and leave it at that

(share of freehold). How does that meet the government's aim of making commonhold a viable alternative to leasehold?

Option 1's 50% support level is also more attractive when you consider the number of overseas Buy-to-Let investors who have leaseholds. Leaseholders would need to find and energise these people if the 80% supermajority was in place. The problem is that many of these investor-owner leaseholders do not understand leasehold (they probably did not realise they had bought long tenancies in the first place) and so would need to be educated on the benefits of financing a bid to move to commonhold. This would be a major challenge for resident leaseholders already busy in their lives.

(3)

Question 11:

No

Comment: We vehemently disagree with this as your enfranchisement paper suggests that you are seeking to maintain the 25% rule on non-residential premises for your collective freehold acquisition scheme.

We are concerned that reinvigorating commonhold will lead to diminishing property values for existing leaseholders. When given the choice, we believe the consumer homebuyer will opt for a property they can own outright, as opposed to one of leasehold's vulnerable tenancies. This would obviously not be a problem if everyone was given the power to remedy the situation of a market adjusting to consumer enthusiasm for improved commonhold tenure. However, your proposal to disqualify leaseholders in the big mixed-use developments from pursuing commonhold conversion is dangerous and would create a whole new class of victim. We believe leaseholders on mixed-use sites like ours are the worst impacted by the unequal power dynamic between landlord and tenant in leasehold law. Leaseholders in these schemes are especially exposed when the freeholder runs the commercial.

Although they are not supposed to do this, freeholders can use their control of the residential service charges to subsidise their businesses on the site. They know leaseholders have to have plenty of time, money and energy to keep challenging this at the tribunal, year-in, year-out. At our development, [REDACTED], the freeholder is also the commercial lessee. We believe he has a franchise arrangement with the [REDACTED] hotel. For 6 years we had no service charge accounts. After tribunal intervention, we received them. We are still inspecting these. However, upon first review, it became clear that there was potential cross-contamination in spending between the commercial and residential parts of the building. We understand we were charged for the degreasing of the hotel ovens and incurred costs relating to a flood on their fourth floor. Recently, we have spotted invoices relating to an other estate where our freeholder has a financial interest. Now this may be legitimate spend, but twice in the last two years our

freeholder' s managing agent has failed to produce the bank statements and ledgers needed for us to cross-check the invoices. None of this seems right and we believe it would not happen under commonhold because there is no role for a third-party freeholder. Commonhold also appeals to us because of the strict separation of powers that means the commercial and residential parts of the building independently of each other.

You may argue that leaseholders on mixed-use sites do not need commonhold. However, it seems this is based on the belief that a reformed Right to Manage regime would be more appropriate. We strongly disagree. RTM would not work on an estate like ours and with a freeholder like ours. Under RTM rules, the freeholder would still own the land and the building, giving him leverage to frustrate residents and the managing agent they choose to employ by citing his ' property rights' to siphon-off areas of the development by subleasing them on to various companies. And we would only have control over a small portion of leaseholders' service charge bills, those that relate exclusively to the residential quarters. Items such as the building' s insurance, window cleaning, external repairs, pipe maintenance, energy costs from the shared power plant affect the commercial floors also, a situation that would cause considerable problems for us under RTM given we believe the freeholder is the commercial lessee in this development. As the experience of our neighbours at [REDACTED] has shown starkly, where we understand the court-appointed manager has recently filed to discharge his duties after nearly 3 years, in part because of the endless legal battles with the freeholder, Section 24 provides no recourse to poor block management and unreasonable service charges – and this reality carries implications for any reformed RTM scheme. That a tribunal-backed system cannot be robust in the face of a vigorous freeholder suggests RTM, which has no power of forfeiture to enforce compliance, will have no chance. The withholding of service charge payments can be a major issue. It is not possible to pay service charges in arrears. Contractors need to be paid on time. We understand there is a seven figure sum in service charges arrears at Canary Riverside – how can any court-appointed manager or RTM-backed managing agent run an estate where funds are so limited? This is why we must be able to convert to commonhold. We would be actual stakeholders in the building, unit owners, as opposed to vulnerable tenants.

We believe we are getting a raw deal at the moment, subsidising the hotel below. We believe the freeholder is " sweating" the asset – the building is deteriorating fast and only 15 years old. Yet we are paying Harrod' s prices. High service charges affect our investment, not his. At [REDACTED], we have learned that our only remedy is to sell and leave some other poor innocent with the problem. Under your proposals, we will probably not even be able to do that without selling at a big loss (because everyone will want reinvigorated commonhold). And why should we be forced to sell our homes that we love so much? We love our community. We just want democratic self-governance. Commonhold would allow it. As we urged in our response to your enfranchisement proposals, the 25% rule must be dropped. There was very little explanation as to why the decision was made to keep it in the first place. No survey data was cited to justify the Commission' s stance that its enfranchisement proposals should only be concerned with " predominantly residential buildings" . Only now do we get a realisation that developers have indeed been building bigger and more sophisticated mixed-use schemes in recent years – the first footnote on p109 is very clear – which undermines the whole idea of sticking with the 25% rule for collective enfranchisement. Your proposal to remove the 25%

rule, which you describe as “ too restrictive” , for Right to Manage also calls into question your plans to keep it for enfranchisement and commonhold conversion. We know developers and freeholders are committed to holding on to their most lucrative sites, but you cannot support a situation where many leaseholders will be moving on to commonhold, to restore their property prices and gain self-determination, while others who would actually most benefit from it, in the mixed-use sites where commercial spending can be conflated with residential, will remain saddled with an obviously inferior tenure.

Question 12:

(1) Not Answered

Comment:

(2) Not Answered

Comment:

Question 13:

(1) Not Answered

Comment:

(2) Not Answered

Comment:

Question 14:

Not Answered

Comment:

Question 15:

Question 16:

(1) Not Answered

(2) Not Answered

Question 17:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

(3) Not Answered

Question 18:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Question 19:

Not Answered

Comment: Not Answered

Question 20:

Not Answered

Comment: Not Answered

Question 21:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

(3) Not Answered

Comment: Not Answered

Question 22:

Not Answered

Comment: Not Answered

Question 23:

Not Answered

Comment: Not Answered

Question 24:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

(3) Not Answered

Comment: Not Answered

Question 25:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Question 26:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

Question 27:

Not Answered

Question 28:

Not Answered

Comment: Not Answered

Question 29:

Not Answered

Question 30:

Not Answered

Question 31:

(1) Not Answered

(2) Not Answered

Question 32:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

Question 33:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

(3) Not Answered

(4) Not Answered

Question 34:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

Question 35:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Question 36:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

(3) Not Answered

Question 37:

Not Answered

Question 38:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

(3) Not Answered

(4) Not Answered

Question 39:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

Question 40:

Not Answered

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Question 41:

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Question 42:

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Comment: Not Answered

Question 43:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

(3) Not Answered

Comment: Not Answered

Question 44:

(1) Not Answered

(2) Not Answered

Question 45:

(1) Not Answered

(2) Not Answered

Question 46:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

(3) Not Answered

Question 47:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

Question 48:

(1) Not Answered

(2) Not Answered

Comment: Not Answered

Question 49:

Not Answered

Comment: Not Answered

Question 50:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

(3) Not Answered

Comment: Not Answered

(4) Not Answered

Comment: Not Answered

(5) Not Answered

Comment: Not Answered

Question 51:

(1) Not Answered

(2) Not Answered

(3) Not Answered

(4) Not Answered

Question 52:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

(3) Not Answered

Comment: Not Answered

Question 53:

Not Answered

Comment: Not Answered

Question 54:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

(3) Not Answered

Comment: Not Answered

Question 55:

Not Answered

Question 56:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

(3) Not Answered

(4) Not Answered

Question 57:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

(3) Not Answered

Comment: Not Answered

(4) Not Answered

Comment: Not Answered

Question 58:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

(3) Not Answered

Comment: Not Answered

(4) Not Answered

Comment: Not Answered

(5) Not Answered

Comment: Not Answered

(6) Not Answered

Comment: Not Answered

(7) Not Answered

Comment: Not Answered

(8) Not Answered

Comment: Not Answered

(9) Not Answered

(10) Not Answered

Comment: Not Answered

Question 59:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

Question 60:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

(3) Not Answered

(4) Not Answered

Question 61:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

(3) Not Answered

Comment: Not Answered

(4) Not Answered

Comment: Not Answered

(5) Not Answered

(6) Not Answered

Comment: Not Answered

Question 62:

Not Answered

Question 63:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

Question 64:

Not Answered

Comment: Not Answered

Question 65:

Not Answered

Comment: Not Answered

Question 66:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

(3) Not Answered

Comment: Not Answered

(4) Not Answered

Comment: Not Answered

Question 67:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

(3) Not Answered

Comment: Not Answered

Question 68:

Not Answered

Comment: Not Answered

Question 69:

Not Answered

Question 70:

Not Answered

Comment: Not Answered

Question 71:

Not Answered

Comment: Not Answered

Question 72:

Not Answered

Question 73:

Not Answered

Comment: Not Answered

Question 74:

Not Answered

Comment: Not Answered

Question 75:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

Question 76:

Not Answered

Comment: Not Answered

Question 77:

Not Answered

Comment: Not Answered

Question 78:

Not Answered

Comment: Not Answered

Question 79:

(1) Not Answered

(2) Not Answered

Question 80:

Not Answered

Question 81:

Not Answered

Question 82:

Not Answered

Comment: Not Answered

Question 83:

Not Answered

Comment: Not Answered

Question 84:

Not Answered

Comment: Not Answered

Question 85:^{*}

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

Question 86:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

(3) Not Answered

*Comment:*Not Answered

(4) Not Answered

Comment: Not Answered

(5) Not Answered

(6) Not Answered

Comment: Not Answered

(7) Not Answered

Comment: Not Answered

(8) Not Answered

Comment: Not Answered

Question 87:

^{*} There was an error with question 85(1). On the online form, question 85(1) was a repeat of question 84. The responses provided to both questions have been analysed with this in mind and relevant points incorporated into our policy development.

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

(3) Not Answered

(4) Not Answered

(5) Not Answered

Comment: Not Answered

Question 88:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

(3) Not Answered

Comment: Not Answered

Question 89:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Question 90:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

(3) Not Answered

Comment: Not Answered

(4) Not Answered

Question 91:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Comment: Not Answered

(3) Not Answered

Comment: Not Answered

(4) Not Answered

(5) Not Answered

(6) Not Answered

Comment: Not Answered

(7) Not Answered

Question 92:

(1) Not Answered

Comment: Not Answered

(2) Not Answered

Question 93:

Question 94:

Ringfenced spending for the resi part of a building – those who operate the commercial floors would no longer be able to levy bills on residents for services that their business has benefited from exclusively. Commonholders are owners, not tenants. They would be working together to manage their asset and enjoy authority over their site. If we do not work together, property prices will fall as the building deteriorates. But we would have the means to change this, which we don't have at the moment. Enlightened self-interest would kick in for those commonholders who had previously pushed for low service charges and successfully managed to defer major works that needed to be done in the first place.

Under leasehold, poor management of a block does not affect the freeholder's investment. It has no impact on the ground rent he collects, which is a legally enforceable revenue stream. The same goes for service charges. The landlord can let these spiral and they would not make the value of his freehold interest any less attractive if he wanted to sell it onto another investor. Yet high service charges can erode leaseholders' rental and capital value.

Where we are being charged for shared services, which represents the majority of leaseholders' service charge payments at [REDACTED] and other big mixed-use sites, we would be able to collaborate with the commercial unit-owner as equal parties under commonhold. No more landlord/tenant dynamic. Our LL is the commercial lessee which means there is a conflict of interest. We have no say over the big ticket items such as building's insurance, window cleaning, gardening, energy costs and pipe maintenance. This would change under commonhold. We need commonhold. Please scrap the arbitrary 25% rule. Commonhold is far better at managing a diversity of interest, particularly between commercial and residential parts of a development, than leasehold where the freeholder can also be the commercial lessee. He can use his control of the residential service charges to subsidise his business operations on the site.

Question 95:

- (1)
- (2)
- (3)

Question 96:

Question 97:

- (1 & 2)
- (3)

Question 98:

Question 99:

Question 100:

Question 101:

Question 102:

No, but we believe there is a risk that a landlord-controlled company with an interest in the commercial leases at our mixed-use estate is using the service charge to benefit those commercial leases at a cost to the residential leaseholders, and those high service charges are affecting the capital value of residential leases. This is not helped by the fact we had no accounts for 6 years and have ledgers and bank statements denied twice to us in two years. Spending is not ringfenced between the resi and commercial parts of the building.

Question 103:

Question 104:

Question 105:

(1) 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.

Comment: The government believes there is a place for 'choice' in the market and so commonhold should be offered alongside leasehold. We strongly disagree. The choice will be made by developers, who find it lucrative to sell on the freehold to investors. The consumer homebuyer will not have choice. Commonhold will be a niche product because the developers will use it sparingly, maybe only for tiny schemes that are predominantly residential. Leasehold will persist. We believe leasehold has to be banned for new-builds. Then the focus moves to helping those already in the leasehold property trap. England and Wales seem to be the only countries left that sell flats as tenancies. It has to end. Please outlaw the creation of new leaseholds.

Question 106:

(1)

(2)

Question 107:**Any further comments**

Not Answered

Name of organisation: Notting Hill Genesis

Question 1:

Yes

Comment: Yes. We agree that the freeholder should be protected in this way to preserve their property right.

We also believe that it is crucial that when the freeholder is a Registered Provider it retains some form of management in order to fulfil its duties to its affordable housing residents and to protect its asset base to secure finance for development. The qualifying criteria for the enfranchisement rights protect this position

Question 2:

Yes

Comment: Yes. Provided that suitable protections are in place to protect the property interests of the remaining minority and of the other interested parties who might prefer the protections or landlord and tenant relationship of the existing leasehold structure. This could be achieved successfully using a satisfactory percentage for qualification and a robust procedure.

Question 3:

Yes

Comment: Agree. Further to our response to question 1.

Question 4:

(1) No

Comment: Although this is the threshold required to exercise enfranchisement rights, we believe that this is too low a threshold.

(2) Yes

Comment: Yes, if option one is adopted.

(3) Yes

Comment: Yes, if option one is adopted.

(4) Yes, if option one is adopted.

(5) Yes

Comment: Yes, if option one is adopted.

This provision would give a Registered Provider some protection, but would reduce the purchase price for the commonhold paid by the unit holders and make it more likely. As a consequence, this would increase the risk highlighted in our response to question one.

(6)

Comment: A) This option would be suitable.

B) Given the experience of enfranchisement this would be preferred.

C) This option might burden the company or unit holders with debt.

D) See response to question 4(5) above.

Question 5:

(1) Yes

Comment: Yes. This seems a suitably high threshold

(2) Yes

Comment: We agree with this proposal, provided that the freeholder is party to the commonhold management company. However, we believe that there would be a discrepancy between the rights of the freeholder as a commonhold unit owner and their obligations to the tenant or shared owner. This will need to be adequately addressed.

Other

(3 & 4) We would prefer if the funds are protected via restriction on the title which is to be removed upon repayment (at resale for example) but which does not restrict charging (mortgaging).

(5) No view.

(6) Not Answered

Comment: We believe that the charge should be as a fixed amount, representing the non-consenting leaseholder's share of the initial freehold purchase.

(7) We believe that the charge should have no priority over mortgage (residential / corporate) and that it should not restrict the ability of the owner to mortgage / charge their property after the debt has been incurred.

Question 6:

Comment: 1. This would be the simplest solution – assuming that the cap reflects the terms of an underlease – as the relationship between the intermediate landlord and their sub-leaseholder. However, we believe that the Law Commission should look at solutions that ensure that there is not a discrepancy in the landlord and sub-leaseholders rights of challenge. If one retains the right to challenge costs using the existing landlord and tenant legislation then both should.

2. This option is preferable to a discrepancy between the landlord and tenants right to challenge costs, which we believe to be unacceptable as explained above and would lead us as a landlord in an unenviable position.

We also believe that it would be simpler for the commonhold as they would have one regime to operate. However, for landlords such as Notting Hill Genesis, this solution would represent an additional management burden as we would likely be both a unit holder and a leaseholder and we would have to manage different demands.

3. The approach outlined in response to 6(1) above would be considered a good option. Something must be done to ensure that there is not a discrepancy in the landlord and sub-leaseholders rights of challenger. If one retains the right to challenge costs using the existing landlord and tenant legislation then both should.

Question 7:

Yes

Comment: 1. Yes, this should be necessary.

2. We agree with the above proposals.

Question 8:

Yes

Comment: Yes. This would protect a Registered Provider' s position with general needs, market rent or other tenancies.

Question 9:

Yes, it should be possible for charges to transfer automatically, without requiring lenders' consent.

Comment: We agree with this proposal. However, we believe it needs to be clear that whatever the outcome the approach has to be consistently applied to the lender of a freeholder who becomes a commonhold owner (for non-qualifying properties).

Question 10:

(1) Other (see below)

(2) We have no strict preference between either.

We only want to ensure that the burden of management does not increase under whatever option is adopted. Superficially this would seem to be the case under option one as we

would retain our leasehold title in non-commonhold units and so our relationship with the landlord would be unchanged. However, the same or substantially the same outcome could be achieved under option two. See response to question 6 above.

The threshold for commonhold conversion under option one does seem low and in rare cases could create a scenario where a building or estate is converted to commonhold and a Registered Provider has little influence over management as it is not a commonhold member. It would retain the right to challenge costs as a leaseholder but the retrospective right of challenge might be disadvantageous to landlord and tenant. Option two would provide the Registered Provider with influence over service provision – unless that right was cascaded to its long leaseholders including shared owners.

(3)

Question 11:

Yes

Comment: Yes. This seems a suitable option.

However, the threshold for qualification might be increased to two thirds or similar in order to prevent a situation where a Registered Provider and its tenants, as a large minority, have limited influence upon the provision of services for the building.

For instance, such a situation could occur where in a block of 50 units 30 are qualifying leaseholders and 20 general needs tenants with varying degrees of support needed. If 25 or more of the leaseholders decide to create a commonhold there would be no barrier to them and the Registered Provider could be left without the right to vote on the provision of services, just the retrospective right to challenge services (or none at all).

The Registered Provider would want to retain sufficient influence over services to direct them in the best interests of its tenants and clients. It would also not be in the commonhold association's interest to have to risk a challenge to its ability to justifiably recover income from such a substantial minority.

Question 12:

(1) Yes

Comment: Agree to the non-elapsing of consent within twelve months.

(2) Leaseholders should be able to withdraw their individual consent to conversion after the Claim Notice has been served

Comment: Content for leaseholders to be given a right to withdraw consent.

Question 13:

(1) Yes

Comment: Agree. This removes the administrative burden from the freeholder and the burden of having to wait for the freeholder to register the creation for the applicants.

(2) Not Answered

Comment: No objection.

Question 14:

Not Answered

Comment: No view.

Question 15:

No view.

Question 16:

(1) Yes

(2) We agree with the objectives set out in 5.15 1-4. However, as managers of mixed tenure developments, we would highlight that there is a risk of providing radically different services for different tenures within the same scheme. Allowing shared costs to be allocated in different ways risks leading to situations in which some residents sharing the same spaces are completely cut off services that are provided to others.

Question 17:

(1) Yes

Comment: We agree with the proposal regarding sections.

(2) Not Answered

Comment:

(3) No. We believe that any arrangement would need to make sure that the creation and sub-division of sections is properly managed.

Question 18:

(1) Yes

Comment: Agree. Ideally section committees should be mandatory. However, this cannot be enforced as they require the interest of section members to staff them and expertise to fulfil the tasks well.

(2)

Question 19:

Not Answered

Comment: It would be best to have limited collateral delegation where the section committee has exclusive powers but decisions and processes are accountable to the directors. It would be best for each commonhold to set out how these work in the CCS.

Question 20:

Not Answered

Comment: 1. For the smooth running of the sections it should be possible for directors to revoke powers of delegation. However, these powers should be prescribed in the CCS and reasonable. It should not for example be possible for directors to remove delegation unreasonably to a section controlled by a Registered Provider or its shared ownership sub-leaseholders unfairly.

2. Fair terms should be set out in the CCS and given some right of challenge to Tribunal as suggested. If delegation is deemed unfairly withdrawn this should be challengeable.

3. This might be onerous. A right of challenge by section members should be sufficient to protect their interests and influence the behaviour of directors.

Question 21:

(1) Yes

Comment:

(2) Yes

Comment: Agree. These should allow a Registered Provider to create a section where deemed necessary in order to protect it and its customers interests.

(3) Yes

Comment: Agree. Those unit holders that would consider the creation of a section disadvantageous to their legitimate interest should have a right of challenge.

Question 22:

Other

Comment: Sections would be best used in the scenario outlined at point (4). Sections could be used in the scenarios outlined at points (1) and (2) but our preference would be for blocks to be run in the interests of the majority of residents and not to separate residents.

Question 23:

Yes

Comment:

Question 24:

(1) Yes

Comment:

(2) Yes

Comment:

(3) Yes

Comment:

Question 25:

(1) Not Answered

Comment:

(2) No view.

Question 26:

(1) Yes

Comment: We agree with the proposal.

(2) Yes

Comment: We agree with the proposal.

Question 27:

We believe that no time limit should be imposed on the exercise of development rights.

Question 28:

Not Answered

Comment:

Question 29:

Question 30:

Question 31:

(1)

(2)

Question 32:

(1) Not Answered

Comment:

(2) Not Answered

Comment:

Question 33:

(1) Not Answered

Comment:

(2)

(3) Not Answered

(4)

Question 34:

(1) Yes

Comment: Agree with both proposals

(2) Yes

Comment: Agree with both proposals

Question 35:

(1) Yes

Comment: Agree with proposal at 8.35. It should be possible for the CCS to include those terms if decided by members. Short-term letting of units can cause a nuisance which it should be in the power of member to control

(2) 1. We agree with the proposal of imposing a restriction on lettings made for less than six months.

2. Although a social tenancy should not fall within the definition above, it should not be within the power of a commonhold through the terms of a CCS to restrict the legitimate business of a Registered Provider.

Question 36:

(1) Yes

Comment: Agree with proposal at 8.43. Event fees should be prohibited except for those on a limited defined list. We believe that the ban should be lifted (or an extended list available) for use in retirement properties.

(2) Yes

Comment:

(3)

Question 37:

It should not be possible for the CCS to restrict the legitimate business of a Registered Provider. Areas of legitimate business such as the issuing and management of general needs tenants, shared ownership, temporary housing and other affordable products should be protected. There should also be some form of formal appeal to Tribunal against terms deemed to be unfair.

Question 38:

(1) Yes

Comment: The proposal at 8.68 seems appropriate.

(2) The voting threshold to amend local rules should be those for a special resolution as proposed in figure 21. This seems appropriate.

(3) Individuals and affected minorities should be able to apply to tribunal to remove or amend local rules adopted in the CCS.

(4) There should be a higher threshold for some rules but we have no view on which.

Question 39:

(1) Yes

Comment: Yes, we agree with this proposal.

(2) Yes, the directors of the commonhold association should be under such a duty

Comment: Yes, we agree with this proposal. This would be helpful to residents and a Registered Provider acting as an intermediate leaseholder to remain informed of the rules and facilitate a timely right to appeal.

Question 40:

Yes

Comment:

Question 41:

It should not be possible for the CCS to restrict the legitimate business of a Registered Provider. Areas of legitimate business such as the issuing and management of general needs tenants, shared ownership, temporary housing and other affordable products should be protected in the CCS.

Question 42:

Yes

Comment: Agree with proposal.

Question 43:

(1) Yes

Comment: Agree with proposals at 9.36, 9.37 and 9.38. The rights proposed at 9.36 and 9.37 should be capable of being used by a Registered Provider to protect its interest as a unit holder, lessee or interested person.

(2) Yes

Comment:

(3) Yes

Comment:

Question 44:

(1) We believe that the situation set out at 9.51 is a potential hazard. However, we believe that it is unlikely to materialise.

We agree that it should be protected against, but we also believe that it should not be considered to apply to a Registered Providers.

(2) The proposals set out in 9.52 should be persistent protection for unit holders whoever the party was.

Question 45:

(1) Proxy voting does have potential to be abused by mendacious parties. We have experience of directors misusing proxy voting in order to retain control of an RTM, to change its articles of associations.

(2) The proposal to restrict the number of votes an individual could hold would go some way to addressing them. This should be by sheer numbers but also have some percentage qualification so that it can be used for large and small commonhold associations.

Question 46:

(1) Yes

Comment:

(2) Yes

Comment:

(3)

Question 47:

(1) Not Answered

Comment: We believe that the CCS should provide every common-hold owner and/or their respective mortgagees, a copy of the full policy wording, a copy of the schedule and a copy of the statement of facts from the insurers.

(2) Not Answered

Comment: We believe that the CCS should not only confirm to the owners and their respective mortgagees that the policy is in existence, but also remind each owner that they have a duty to notify the insurers of any change in material facts as defined in the Insurance Act 2015 in order not to invalidate the insurance policy by way of a breach of contract.

In addition to providing a copy annually, we believe that the CCS should provide a copy:

? Whenever the terms of the policy change

? Prior to purchasing

? Upon request by the owner or their lender (within prescribed timeframes, e.g. 5 days).

Question 48:

(1) We believe that a separate public liability policy should be taken out by the CCS to protect it against 3rd party claims for death, personal injury and/or property damages arising in tort such as tree root damage to neighbouring property.

(2) Yes

Comment: Yes, we agree with this proposal.

Question 49:

Not Answered

Comment: We believe that the proposal should be mandatory. The standard cover should be extended to cover the individual Directors and Officers personally as well as Director v Director. This would provide protection for the body corporate as well as individual directors and officers.

Question 50:

(1) Yes

Comment: Agree with proposal at 9.111 regarding renewals. We would add that justified upgrades should be allowed in the prescribed CCS. The inability to complete these is a common difficulty.

(2) Yes

Comment:

(3) Yes

Comment:

(4) Yes

Comment:

(5) Yes

Comment:

Question 51:

(1) Not Answered

(2) A right of entry should be prescribed in the CCS with acceptable common terms regarding standard access and emergency access. However, the members should be able to amend these, subject to the standard right of appeal. We cannot see any need for differences between types of buildings.

(3)

(4)

Question 52:

(1) Yes

Comment:

(2) Yes

Comment:

(3) (1) defined as outline at paragraph 9.137

Comment:

Question 53:

Not Answered

Comment:

Question 54:

(1) Yes

Comment:

(2) Yes

Comment:

(3) Yes

Comment:

Question 55:

Question 56:

(1) Yes

Comment: We agree with the proposal made at 10.35 provided that adequate protection is given to remaining leaseholders or unit holders to participate in budget setting and/or not face a challenge using a different procedural route, i.e. landlord and tenant legislation.

(2) Not Answered

Comment: Passing the budget by special resolution might give better protection to directors. But the democratic measure of thresholds will be dependent on the number of distinct members. We agree with the proposal that the budget in place continues if no resolution is passed provided that this would not result in a situation where the association could not recover fairly incurred unexpected costs.

(3)

(4)

Question 57:

(1) Other

Comment:

(2) Other

Comment: There seems little reason why the index linked cap proposed at 10.41 and 10.42 could not be included in a CCS if decided by members. However, placing a cap on these expenditures might not be a wise act as it would limit the director' s ability to direct expenditure on items that might be reasonable or necessary.

(3) Not Answered

Comment: As mentioned above, we do not believe that placing a cap is a wise decision. If a cap is placed, then we agree that it could be removed.

(4) Not Answered

Comment: We oppose the proposal at 10.44. It might be reasonable for the subsequent right of challenge to be limited when compared to the existing rights of a leaseholder given the change in relationship. However, there should still be a right to challenge costs when incurred. The reasonableness of costs cannot be judged fully until costs have been incurred and services provided.

Question 58:

(1) Yes

Comment: We believe that the proposal at 10.71 is wise. There is good reason to maintain a reserve in order to collect adequate funds over a number of years so that they are available for major or unforeseen works without making a full demand for those costs in a single period.

(2) Yes

Comment:

(3) Yes

Comment: Agree with proposal at 10.73. It should be sufficient for directors and members to decide.

(4) Yes

Comment:

(5) Yes

Comment:

(6) Yes

Comment:

(7) Yes

Comment:

(8) Yes

Comment:

(9) We oppose the option of allowing members to borrow from a reserve fund to meet other costs as set out at 10.80. We believe that it would be preferable to use the power to change the destination of reserve fund as proposed at 10.79.

(10) Yes

Comment: Agree with proposal at 10.81.

Question 59:

(1) Yes

Comment: Agree with the proposal at 10.96 that it should be possible to allocate individual units with different percentage contributions to different heads of charge as in a leasehold scheme. This would allow simple conversion from an existing leasehold scheme and allow commonhold members to determine a division of costs which they deemed reflected the degree of benefit received by unit holders.

(2) each commonhold should have total flexibility

Comment: We see no reason to limit the flexibility provided there is some right of challenge.

Question 60:

(1) Yes

Comment: Agree with proposal at 10.100 for the reasons set out in our response to question 59.

(2) It should be deemed that existing contributions are fair but there should be a right to challenge. It might be that an error is made in the original calculation which it should be possible to fix.

(3)

(4) In response to 10.102, internal floor area should provide a suitable basis for calculating financial contributions. However, any of the methods outlined in the RICS service charge code should be suitable, e.g. floor area or equal split.

Question 61:

(1) Yes

Comment:

(2)

(3) Not Answered

Comment: The proposal at 10.120 seems onerous. The commonhold association should be entitled to recover all reasonably incurred costs from whoever the owner is. Otherwise, other members risk having to make payment of these costs.

(4) Yes

Comment:

(5) The failure of a commonhold association to issue a CUIC in a timely manner could cause delays in a Registered Provider providing sales information to its underlessee and

their purchaser. It might be appropriate to impose a sanction for late service in order to incentivise compliance.

(6) CUIC should be amendable

Comment: It should be possible to amend the CUIC if an error is spotted as suggested at 10.124.

Question 62:

Question 63:

(1) Not Answered

Comment:

(2) Not Answered

Comment:

Question 64:

Not Answered

Comment:

Question 65:

Yes

Comment: Agree with the proposal at 12.30.

It is essential to the business model of organisations such as Notting Hill Genesis that we are able to issue leases on shared ownership terms. The income generated from the sale of these leases and the further income from staircasing guarantees our ability to secure funding to develop much needed affordable homes. Without this being possible we would certainly not be able to support the creation of commonhold associations on estates that we develop as it would affect the income they generate. We would also need for these leases to continue when commonhold associations are created on existing estates in order to protect our assets.

Question 66:

(1) Yes

Comment: We agree with the proposal at 12.44 and believe it is a potentially workable method of ensuring there is not a conflict between the responsibilities of the Registered Provider to the shared owner and the responsibilities of the commonhold association to the Registered Provider.

The conflict of responsibilities is a risk in the conversion to commonhold of an existing estate or block. The rights and obligations of a shared owner under a CCS would not be

substantially different or disadvantageous when compared to those of a general shared ownership leaseholder. There should not therefore be much difference between the two products in the market.

(2) Yes

Comment: We agree with the proposal at 12.45. It would be best that the shared owner's ability to exercise these rights for the units is enshrined in legislation or in the prescribed CCS terms to avoid dispute. Shared owners should be deemed competent to exercise those rights in their best interest and that of the commonhold association. It is right that the decision to terminate should be a joint decision with the Registered Provider landlord as their interest is affected.

(3) Yes

Comment: We agree with the proposal at 12.46. If the proposal set out at 12.44 is adopted then it would not be appropriate for shared owners to have the same statutory rights as they would ordinarily have. Otherwise there is a discrepancy between the duties of the association to the landlord and the landlord to the shared owner. There would be different incompatible rights of challenge. The protection due to a commonhold unit should be sufficient.

(4) Yes

Comment: We agree with the proposal at 12.47. It should be the case that upon final staircasing the shared owner inherits the Registered Provider's interest in the property and becomes a member of the commonhold association in its place.

Question 67:

(1) Yes

Comment: We agree with the proposal at 12.49. With a converted commonhold it should not be the case that the voting rights are automatically assigned to the shared owner. In all likelihood we would cascade our voting rights in that way but much would depend on whether or not there was a discrepancy between the rights and obligations held by the association to us and between us and the shared owner. If the interests were the same then we would be more likely to delegate the voting rights.

(2) Yes

Comment: We agree with the proposal at 12.50. The staircasing provision in the lease should subsist upon the creation of the commonhold association and not be changed in order to protect the income stream from staircasing. Obtaining commonhold membership is a secondary transaction.

(3) Yes

Comment: We agree with the proposal at 12.51. The former shared owner should acquire that right and can negotiate their acquiring membership of the commonhold association directly in accordance with their legislative right and the CCS terms.

Question 68:

Not Answered

Comment:

Question 69:

No

Question 70:

Not Answered

Comment:

Question 71:

Not Answered

Comment:

Question 72:

Question 73:

Yes

Comment: We agree with the proposal at 13.26. It should be open to any unit holder to pursue direct legal action against another member if deemed appropriate. It should not be necessary for the association to have to conduct some procedure prior to that. Such a procedure would delay proceedings and be an administrative burden on all parties.

Question 74:

Yes

Comment:

Question 75:

(1) Yes

Comment: Agree with the proposal at 13.52. Referral to an ombudsman service should not be mandatory as it is an additional administrative burden and is time consuming. It should also be for members to decide whether to join an ombudsman scheme as proposed at 13.53.

(2) Yes

Comment:

Question 76:

Yes

Comment:

Question 77:

Not Answered

Comment:

Question 78:

Yes

Comment:

Question 79:

(1) Yes, the CCS should include such a provision

(2) We agree with this proposal. It should not be for unit holders to contribute towards costs which arise from the negligence of another member. It should be possible to recover costs of rectification from the guilty party, provided they have some right of appeal such as through the FTT.

Question 80:

It might be sensible to limit the right to challenge cost increases to those above a certain percentage as proposed at 13.90(1) to limit the scope of potential challenge which is very open in leasehold management. However, the right to challenge costs deemed unfair or unreasonably incurred should be retained in some form.

Question 81:

It should be necessary for the unit holder to have voted against the decision to incur costs as proposed at 13.95 or for them to provide some good reason for voting in favour or not casting a vote in order to challenge costs. This would limit the exposure of the association and avoid some vexatious claims. For the same reason it should also be necessary to demonstrate some impact, financial or otherwise from the decision as proposed at 13.95(2).

Question 82:

Yes

Comment:

Question 83:

Not Answered

Comment:

Question 84:

Yes

Comment:

Question 85:*

(1) No

Comment: No, we do not agree with this proposal. We believe that no charge should be placed against the commonhold title of any one owner unless ordered by court or tribunal.

(2) No

Comment: No, we do not agree with this proposal. We believe that the mortgage must always take priority.

Question 86:

(1) Yes

Comment:

(2) Yes, we agree with this proposal.

(3) Yes

Comment:

(4) Yes

Comment: Yes. We believe that the court should be able to order the sale of a unit where the amount owing to the commonhold association exceeds 20% of current market value.

(5)

(6) Yes

Comment:

(7) No

Comment: No, we do not agree with this proposal. We believe that that any mortgage over the property should be repaid first.

(8) Yes

* There was an error with question 85(1). On the online form, question 85(1) was a repeat of question 84. The responses provided to both questions have been analysed with this in mind and relevant points incorporated into our policy development.

Comment:

Question 87:

(1) Yes

Comment: We agree with proposals on the basis that where a Registered Provider is a unit holder with shared owners occupying its units. It should have equal say or veto on the votes for its units in dissolving the association in order to protect the value of its assets.

(2) Yes

Comment:

(3)

(4)

(5) Yes

Comment:

Question 88:

(1) Yes

Comment:

(2) Yes

Comment:

(3) Yes

Comment:

Question 89:

(1) Not Answered

Comment:

(2)

Question 90:

(1) Yes

Comment:

(2) Yes

Comment:

(3) Yes

Comment:

(4)

Question 91:

(1) Not Answered

Comment:

(2) Not Answered

Comment:

(3) Not Answered

Comment:

(4)

(5)

(6) Not Answered

Comment:

(7)

Question 92:

(1) Not Answered

Comment:

(2)

Question 93:

Our main concern is the potential for conflicts between us (as unit holder) and the commonhold association and between us and shared ownership leaseholder or general need tenants. Such conflicts are likely to arise in relation to rights and obligations as well as right to challenge. Whether option one or two is adopted it must resolve this issue.

Question 94:

We believe that the expansion of commonhold on new and existing developments is a positive change which addresses the imbalance of power between landlord and tenant as the two entities are closer aligned and should have the same interests.

However, because of the complex nature of modern mixed-tenure schemes much thought needs to be put into the operation of and conversion to a commonhold association.

Question 95:

(1) In response to question 95 (4), a lot of time can be spent reading through the terms of leases in resolving disputes. Each sub-lease needs to be checked as do any superior leases and this can be very time consuming. It is even more onerous for leaseholders who do not possess the time and knowledge to complete these tasks.

It is difficult to assess the cost of these but substantial costs in terms of staff resources and the necessity to instruct solicitors have been spent on these matters

(2)

(3) It should be hoped that these reforms do save time and expense.

Question 96:

It is likely that the proposals will reduce the prevalence of discrepancies and the cost of resolving them. The number of documents and their complexity should be minimised where possible in any reforms.

If there was a single CCS then this would minimise the investigation required to resolve these matters when there are a multitude of leases and several layers of responsibility. The more documents there are the more likelihood there also is for discrepancies.

Question 97:

(1 & 2) 1. It is not overly difficult to vary leases by negotiation as part of conveyancing but this is something that is at an additional cost to the party requiring it and creates additional workload.

2. It is difficult, costly and time consuming to vary leases by application to Tribunal. This is particularly the case when the number of leases requiring variation increases. It is often preferable to continue with a detrimental situation or practically impossible to address it.

(3) It should be hoped that the proposals for the amendment of local rules would make resolving these situations much simpler. Not requiring an application to Tribunal -with associated solicitors fees often required along with the work of consulting leaseholders - would likely be welcome.

Question 98:**Question 99:****Question 100:****Question 101:****Question 102:**

Question 103:

Question 104:

No evidence of negative effects.

Question 105:

(1) Not Answered

Comment:

Question 106:

(1)

(2)

Question 107:

Any further comments
