

These notes refer to the Commonhold and Leasehold Reform Act 2002 (c.15) which received Royal Assent on 1st May 2002

COMMONHOLD AND LEASEHOLD REFORM ACT 2002

EXPLANATORY NOTES

COMMENTARY ON THE SECTIONS: PART 1

Termination: winding-up by the court

Section 51: Succession order

105. [Section 51](#) provides a mechanism for the continuation of a commonhold development in circumstances in which a proportion of the members of an insolvent association have paid the full extent of their liabilities. As it is essential to have a commonhold association in existence to have the benefits of commonhold, it is necessary to find a way to provide for the continuity of the association if there is to be a continuing element of commonhold following a winding-up on the petition of a creditor. Section 51 enables a court to make an order bringing a successor commonhold association into being whilst dealing with a winding up (requiring the court to make the order unless satisfied that this would not be appropriate) and specifies who may make the application for the successor association and the documentation which must accompany the application.