



# Commonhold and Leasehold Reform Act 2002

## 2002 CHAPTER 15

### PART 1

#### COMMONHOLD

#### *Commonhold unit*

#### **20 Other transactions**

- (1) A commonhold community statement may not prevent or restrict the creation, grant or transfer by a unit-holder of—
  - (a) an interest in the whole or part of his unit, or
  - (b) a charge over his unit.
- (2) Subsection (1) is subject to sections 17 to 19 (which impose restrictions about leases).
- (3) It shall not be possible to create an interest of a prescribed kind in a commonhold unit unless the commonhold association—
  - (a) is a party to the creation of the interest, or
  - (b) consents in writing to the creation of the interest.
- (4) A commonhold association may act as described in subsection (3)(a) or (b) only if—
  - (a) the association passes a resolution to take the action, and
  - (b) at least 75 per cent. of those who vote on the resolution vote in favour.
- (5) An instrument or agreement shall be of no effect to the extent that it purports to create an interest in contravention of subsection (3).
- (6) In this section “interest” does not include—
  - (a) a charge, or
  - (b) an interest which arises by virtue of a charge.