



**THE CHARTERED INSTITUTE OF LEGAL EXECUTIVES**

**UNIT 19 – RESIDENTIAL AND COMMERCIAL LEASEHOLD  
CONVEYANCING\***

**Time allowed: 1 hour and 30 minutes plus 15 minutes' reading time**

**Instructions to Candidates**

- You have been provided with a clean copy of the case study materials for you to use in this examination.
- You have **FIFTEEN** minutes to read through this question paper and the case study materials before the start of the examination.
- **It is strongly recommended that you use the reading time to read this question paper fully.** However, you may make notes on this question paper or in your answer booklet during this time, if you wish.
- **All questions are compulsory. You must answer ALL the questions.**
- Write in full sentences – a yes or no answer will earn no marks.
- Candidates must comply with the CILEx Examination Regulations.
- Full reasoning must be shown in answers. Statutory authorities, decided cases and examples should be used where appropriate.

**Information for Candidates**

- The mark allocation for each question and part-question is given and you are advised to take this into account in planning your work.
- Write in blue or black ink or ballpoint pen.
- Attention should be paid to clear, neat handwriting and tidy alterations.
- Complete all rough work in your answer booklet. Cross through any work you do not want marked.

**Do not turn over this page until instructed by the Invigilator.**

\* This unit is a component of the **CILEx LEVEL 3 PROFESSIONAL QUALIFICATIONS** and **LEVEL 3 LEGAL SERVICES KNOWLEDGE QUALIFICATIONS**

## Question 1

Reference: Question relates to **Document 1** of the case study materials.

### **In relation to Flat 12, Fairfield House, Dyer Street, Longbury, Hartshire.**

Fouad informs you that he plans to vacate his property, Flat 12, Fairfield House, in time for completion of the purchase of The Tower.

When you ask him about the status of his agreement, he tells you that: 'It can't be a proper lease, as there was never anything put down in writing'.

Explain whether Fouad's lease of the flat could be a legal lease.

**(6 marks)**

## Question 2

Reference: Question relates to **Documents 1 and 2** of the case study materials.

### **In relation to The Tower, Melling Grove Drive, Longbury.**

The seller, Stuart Beeley, has asked whether it would be possible for your firm to act for him as well as acting for Sana and Fouad.

(a) Explain whether your firm can act for both the buyers and the seller in relation to this transaction.

**(8 marks)**

Fouad and Sana have contacted you, as they are concerned about a number of issues with the physical state of The Tower, in particular the presence of mould and mildew on the ground floor and the state of the roof.

(b) Explain:

(i) why you would advise your clients to have a survey of The Tower;

**(1 mark)**

(ii) whether you would advise them to rely on their lender's valuation or whether you would advise them to have another type of survey.

**(5 marks)**

Alan Waring has asked you to approve the draft contract that he has received from the seller's solicitors.

(c) Identify **five** errors in the extract from the draft contract form provided in Document A.

**[NOTE: See Document A at the end of this Examination Paper and write the answer to this question in your answer booklet.]**

**(6 marks)**

Contracts have now been exchanged and you are preparing for completion.

- (d) Explain whether both the seller and the buyers would be required to execute the transfer deed.

**(3 marks)**

Completion of the purchase of The Tower has now taken place and Alan Waring has asked you to deal with post-completion matters.

(e) Explain:

- (i) the time limit within which the SDLT due on the purchase of The Tower must be paid and the consequences of missing that time limit;

**(2 marks)**

- (ii) the wider effect on the purchase transaction of failing to pay the SDLT due.

**(2 marks)**

**(Total: 27 marks)**

### Question 3

Reference: Question relates to **Document 3** of the case study materials.

**In relation to Flat 13, Swift Court, Roundhey Road, Longbury, Hartshire.**

- (a) Explain why you asked Kevin Butterworth to bring his passport and a recent utility bill into the office, when he provided initial instructions at his first meeting with Alan.

**(4 marks)**

You have now received the pre-contract package from the seller's solicitors.

The package contains:

- an information sheet (containing information similar to a TA6);
- the results of the Local Land Charges search (LLC1);
- the results of the Standard Enquiries of the Local Authority (CON29); and
- a reply from the local water company about your drainage and water enquiries (CON29DW).

Your checks have confirmed that the property is not in a coal mining area.

- (b) List and explain **four** additional pre-contract searches and enquiries that you would carry out on behalf of your client.

**(8 marks)**

- (c) List the **three** methods of completion that the solicitors could adopt in this transaction.

**(3 marks)**

**(Total: 15 marks)**

## Question 4

Reference: Question relates to **Documents 4 and 5** of the case study materials.

### **In relation to Bedford Way Business Park and the leases of Unit 5 and Unit 8, Bedford Way, Longbury, Hartshire, AT24 8BJ.**

Silverdale plc ('Silverdale') is concerned about potential 'clean-up' liability under the **Environmental Protection Act 1990 (EPA)**, given that the business park has been built on the site of the former steelworks.

(a) Explain who would be liable for 'clean-up' under the provisions of the EPA.

**(2 marks)**

(b) Alan Waring has asked you to consider the VAT implications of Lafferty's proposed assignment of Unit 5.

(i) Explain the VAT status of this assignment.

**(2 marks)**

(ii) Identify the action that the seller can choose to take, and why it might take such action, in relation to the VAT status of this assignment, and explain what impact such action would have on the buyer.

**(3 marks)**

(c) Advise Silverdale as to whether it is obliged by the lease to repair the fire damage to the internal wall of Unit 5, ensuring that your answer identifies the relevant lease clauses.

**(8 marks)**

Silverdale has now instructed you in connection with a new lease of Unit 8, Bedford Way.

(d) During negotiations for this new lease, the prospective tenant has insisted upon security of tenure for the lease.

(i) List the conditions that would have to be satisfied for the tenant to gain statutory protection for their lease.

**(4 marks)**

(ii) Identify **three** rights provided to a tenant, if their lease has acquired such security of tenure.

**(3 marks)**

**(Total: 22 marks)**

## DOCUMENT A

Front page of draft contract – to be used with Question 2(c)

### CONTRACT Incorporating the Standard Conditions of Sale (Fifth Edition – 2018 Revision)

**Date:**

**Seller:** Stuart Beeley of 5 Lambeth Grove, Kettleton,  
Torwys, TO7 8DT

**Buyer:** Fouad Falik of Flat 12, Fairfield House, Dyer Street,  
Longbury, Hartshire, AT20 5TF and Sana Falik of  
25 Heston Road, Longbury, Hartshire, AT25 9OP

**Property  
(freehold/leasehold):** The Tower, Melling Grove Drive, Longbury, Hartshire,  
AT24 3BM, being the property comprised in a lease  
dated 7 October 2017 and made between (1) Asbury  
Property Investments Limited and (2) Stuart Beeley

**Title number/  
root of title:** UT767782

**Specified  
incumbrances:** The property is sold subject to entries 1 and 2 of the  
Charges Register of title number UT766386

**Title guarantee  
(full/limited)** Full

**Completion date**

**Contract rate** The Law Society's interest rate from time to time

**Purchase price:** £500,000

**Deposit:** £50,000

**Contents price:  
(if separate)** Not applicable

**Balance:** £550,000

The seller will sell and the buyer will buy the property for the purchase price.

<b>WARNING</b>
This is a formal document designed to create legal rights and legal obligations. Take advice before using it

Signed
Seller/Buyer

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**End of Examination Paper**