



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 25, Signature House, Hunter Drive, Longbury, Hartshire

Sixteen months ago, Anne and John signed an agreement with the freehold owner of the flat to occupy it for 18 months in return for a monthly fee. The owner reserved a right in the agreement to enter, inspect and, if necessary, repair the flat without the need to provide notice. The owner has frequently exercised this right during their occupation.

- (a) Identify the **three** key features of a lease.

(3 marks)

- (b) Explain whether Anne and John's agreement satisfies these key features, concluding with your assessment of the nature of this agreement.

(6 marks)

(Total: 9 marks)

Question 2

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

In relation to 18 Birchdale Crescent, Longbury, Hartshire

Your conveyancing partner, Colin Waring, has suggested that Anne and John may wish to co-own 18 Birchdale Crescent as beneficial tenants in common.

- (a) Explain why the option of a tenancy in common may be appropriate in their circumstances.

(6 marks)

The pre-contract documentation has been supplied by Fenton (Residential Investments) Limited. Included in the documentation are details of the NHBC Buildmark cover.

- (b) Explain the stages of cover that will be provided for your clients under the NHBC Buildmark scheme.

(4 marks)

- (c) Explain which Law Society formula you would expect to be used on exchange of contracts (by telephone) for the purchase of 18 Birchdale Crescent.

(4 marks)

- (d) Explain whether this transaction will qualify as a notifiable transaction for the purposes of stamp duty land tax.

(2 marks)

(Total: 16 marks)

Question 3

Reference: Question relates to **Documents 2 and 3** of the case study materials.

In relation to Flat 42, Ramsden Court, Dayton, Hartshire

Colin Waring has asked you to take initial instructions from Imran over the phone. You decide to put together a checklist, so that you do not overlook any matters.

- (a) List **five** examples of information that you would obtain from Imran when taking initial instructions.

(5 marks)

Keir and Orla Breen have approached Imran, to see if he would check whether your firm would be prepared to act for them as well as Imran, in order to save time and expense in the transaction.

- (b) Explain why, for reasons of professional conduct, it is unlikely that you will act for both the buyer and the sellers in relation to this transaction.

(8 marks)

Having resolved the professional conduct issue, you will act for Imran only. You are examining the official copy entries [**Document 3**] sent to you by the sellers' solicitors as part of the pre-contract package.

- (c) Explain the title implications of entry 3 in the Property Register of the title, and explain what you would check in relation to this entry on your client's behalf.

(3 marks)

Contracts have now been exchanged and you are preparing for completion of your client's purchase. A work placement student has completed Form OS1 [attached to this examination paper as **Document A**] and you have been asked to check the document for Colin Waring.

- (d) Identify any errors in boxes 7, 8 and 9 of Form OS1 and explain how you would correct any such errors.

[NOTE TO CANDIDATES: Do not write your answer to this question on the Form OS1. Write out your answer to this question in your answer booklet.]

(6 marks)

Contracts have now been exchanged. Colin Waring has asked you to complete Imran's purchase. You have decided to prepare a checklist of the documents that you expect to receive from the sellers' solicitors.

- (e) List **five** documents that the sellers' solicitors should deliver to you on completion.

(5 marks)

Completion has now taken place and you need to register the purchase at the Land Registry.

- (f) Identify the time limit for registering this purchase at the Land Registry, and explain the consequence of failing to comply with that time limit.

(3 marks)

(Total: 30 marks)

Question 4

Reference: Question relates to **Document 4** of the case study materials.

In relation to Unit 8, Fowler Heath Business Park, Longbury, Hartshire

Imran is the landlord of Unit 8, Fowler Heath Business Park, Longbury.

Imran's tenant, Matthew, has indicated that he intends to sell his lease to a new buyer. Imran is concerned about the buyer's ability to pay rent and to observe the lease covenants, and he has raised these concerns with you. You have looked at his lease and have noted that it allows Imran to request an authorised guarantee agreement (AGA) from the current tenant, if he is to permit the sale.

- (a) Explain why an authorised guarantee agreement is an important provision for a landlord of a commercial lease.

(4 marks)

Imran telephones you at the office. He says that during a recent conversation with Colin Waring, Colin had used the phrase 'institutional lease'. Imran was too embarrassed at the time to ask Colin for an explanation of the term, but he feels more comfortable asking you.

- (b) Explain the term 'institutional lease' and its key features.

(6 marks)

Imran has contacted your firm again. He is concerned that the roof of Unit 8 has been damaged during recent storms and that it will be expensive to repair. The tenant of Unit 8 is refusing to pay towards the repair costs.

- (c) Examine the lease extracts and explain whether the tenant is obliged to repair the roof under the lease provisions.

(5 marks)

(Total: 15 marks)

DOCUMENT A

HM Land Registry

Application by purchaser for official search with priority of the whole of the land in a registered title or a pending first registration application

OS1

Use one form per title.

Any parts of the form that are not typed should be completed in black ink and in block capitals.

If you need more room than is provided for in a panel, and your software allows, you can expand any panel in the form. Alternatively use continuation sheet CS and attach it to this form.

HM Land Registry is unable to give legal advice, but you can find guidance on HM Land Registry applications (including our practice guides for conveyancers) at www.gov.uk/land-registry.

Conveyancer is a term used in this form. It is defined in rule 217A, Land Registration Rules 2003 and includes persons authorised under the Legal Services Act 2007 to provide reserved legal services relating to land registration and includes solicitors and licensed conveyancers.

For information on how HM Land Registry processes your personal information, see our [Personal Information Charter](#).

HM LAND REGISTRY USE ONLY
Record of fees paid

Particulars of under/over payments

Reference number
Fees debited £

Where there is more than one local authority serving an area, enter the one to which council tax or business rates are normally paid.

Enter the title number of the registered estate or that allotted to the pending first registration.

Insert address including postcode (if any) or other description of the property, for example 'land adjoining 2 Acacia Avenue'.

Enter the full names. If there are more than two persons, enter the first two only.

To find out more about our fees visit www.gov.uk/government/collections/fees-land-registry-guides

Place 'X' in the appropriate box.

The fee will be charged to the account specified in panel 6.

1	Local authority serving the property: TRELFOED				
2	Title number of the property: BT553198				
3	Property: Flat 42 Ramsden Court Dayton Hartshire AT21 9OL				
4	Registered proprietor/Applicant for first registration SURNAME/COMPANY NAME: Breen FORENAME(S): Keir SURNAME/COMPANY NAME: Breen FORENAME(S):Orla				
5	Application and fee <table border="1"><thead><tr><th>Application</th><th>Fee paid (£)</th></tr></thead><tbody><tr><td>Official search of whole with priority</td><td>7</td></tr></tbody></table> <p>Fee payment method</p> <p><input type="checkbox"/> cheque made payable to 'Land Registry'</p> <p><input checked="" type="checkbox"/> direct debit, under an agreement with Land Registry</p>	Application	Fee paid (£)	Official search of whole with priority	7
Application	Fee paid (£)				
Official search of whole with priority	7				

This panel must always be completed.

6	This application is sent to Land Registry by <div>Key number (if applicable): K44333</div>
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A key number is only available to professional customers, such as solicitors.

If you are paying by direct debit, this will be the account charged.

Name: Kempstons Solicitors
Address or UK DX box number:
DX657

Email address: aw@kempstons@live.co.uk
Reference: aw/gt/hinds

Phone no: 01483 675533

Fax no: 01483 677533

Place 'X' in one box only.

For a search of a registered title enter a date falling within the definition of 'search from date' in rule 131 of the Land Registration Rules 2003. If the date entered is not such a date the application may be rejected.

- 7 Application and search from date
☒ I apply for a search of the individual register of a registered title to ascertain whether any adverse entry has been made in the register
☐ I apply for a search in relation to a pending application for first registration to ascertain whether any adverse entry has been made in the day list since the date of the pending first registration application.

15/4/2012

Provide the full name(s) of each purchaser or lessee or chargee.

- 8 The applicant:

Imran Hinds

Place 'X' in the appropriate box.

- 9 Reason for application

I certify that the applicant intends to

☒ **P**urchase

☐ take a **L**ease

☐ take a registered **C**harge

If a conveyancer is acting for the applicant, that conveyancer must sign. If no conveyancer is acting, the applicant (if more than one person then each) must sign.

- 10 Signature of applicant or their conveyancer:

Colin Waring

Date: 30/5/2021

WARNING

If you dishonestly enter information or make a statement that you know is, or might be, untrue or misleading, and intend by doing so to make a gain for yourself or another person, or to cause loss or the risk of loss to another person, you may commit the offence of fraud under section 1 of the Fraud Act 2006, the maximum penalty for which is 10 years' imprisonment or an unlimited fine, or both.

Failure to complete this form with proper care may result in a loss of protection under the Land Registration Act 2002 if, as a result, a mistake is made in the register.

Under section 66 of the Land Registration Act 2002 most documents (including this form) kept by the registrar relating to an application to the registrar or referred to in the register are open to public inspection and copying. If you believe a document contains prejudicial information, you may apply for that part of the document to be made exempt using Form EX1, under rule 136 of the Land Registration Rules 2003.

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End of Examination Paper