



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 2, Kerslake Road, Longbury, Hartshire

Victoria and Marios signed an occupation agreement 15 months ago, 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** essential features of a lease.

(3 marks)

(b) Explain whether Victoria and Marios's agreement satisfies these essential 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 47 Flinders Street, Longbury, Hartshire

Victoria and Marios have arranged to visit the firm's offices to provide you with full instructions.

Kempstons' charging policy is to provide clients with estimates for their work, rather than fixed fee quotes.

(a) Briefly describe how a fixed fee quote differs from an estimate.

(2 marks)

Your conveyancing partner, Alan Waring, has suggested that Victoria and Marios may wish to consider co-owning 47 Flinders Street as beneficial tenants in common.

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

(6 marks)

Victoria and Marios have asked whether you will be able to act for Nateast Bank as well as themselves, in order to minimise the legal expenses of this transaction.

(c) Explain whether you can act for both Victoria and Marios, and the Nateast Bank in relation to this particular transaction.

(8 marks)

You have examined the draft lease for 47 Flinders Street and noted that it contains the following clause: 'The Tenant shall not assign the whole of this lease without the consent of the Landlord'.

(d) Explain how you would interpret this clause.

(4 marks)

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

(2 marks)

(Total: 22 marks)

Turn over

Question 3

Reference: Question relates to **Documents 2, 3 and 4** of the case study materials.

In relation to 134 Paisley Park Avenue, Longbury, Hartshire

Emily Silver and George Kirk have made their first appointment to see you.

- (a) Explain why you have asked them to bring evidence of their identities to the first interview, and what type of evidence you will require from them.
(4 marks)

The conveyancer acting for Emily and George's seller will have to obtain the title documents to 134 Paisley Park Avenue.

- (b) Identify the form which would be used by the seller's conveyancer to obtain a paper copy of the register entries and title plan, and identify why the seller's conveyancer will check the register entries at this stage of the transaction.
(2 marks)

Consider Emily and George's proposal for the extension referred to in the File Note (**Document 2**).

- (c) (i) Explain the title implication of entry number 1 in the Charges Register of the title, and any steps you may need to take or consider to deal with this issue.
(4 marks)
- (ii) In relation to the same proposal, explain the implication of the local land charge entry, and any steps you may need to take or consider in order to deal with this issue.
(4 marks)

Contracts (incorporating the Standard Conditions of Sale (Fifth Edition – 2018 Revision)) have now been exchanged for the purchase of 134 Paisley Park Avenue.

Yesterday, Emily left a message, to let you know that the seller has told her the property has been damaged as a result of a burst waterpipe.

- (d) Explain:
- (i) the position with regard to the risk of physical damage to the property following exchange of contracts;
(1 mark)
- (ii) how this damage may be addressed by insurance.
(5 marks)

The purchase has now been completed.

- (e) Identify the document that the Land Registry will issue to Emily and George following completion of the registration of 134 Paisley Park Avenue.
(1 mark)

(Total: 21 marks)

Question 4

Reference: Question relates to **Documents 5 and 6** of the case study materials.

In relation to Unit 6, Clifton Yard, Longbury, Hartshire.

Sada Mire of Mire Landmark Ventures plc has asked you to consider whether the following two proposals from Hilton Trope Limited would be permitted by the lease for Unit 6:

- removal of the existing internal demountable partition walls to create an open-plan work space – Sada has confirmed that this work does not require any structural changes to the building, but that it will reduce the value of the reversionary interest;
- replacement of the existing ground-floor exterior front wall with a glass-fronted reception wall.

(a) Explain, identifying the relevant lease clauses, whether Hilton Trope Limited would be permitted to make these changes to Unit 6 Clifton Yard.

(6 marks)

Sada has become increasingly concerned about the financial status of Hilton Trope Limited. Yesterday her concerns were proven to be justified, as they failed to pay their quarterly rent payment.

(b) Explain what remedies Mire Landmark Ventures plc can seek in respect of the non-payment of rent, and comment on the suitability of each remedy in this case.

(8 marks)

On a recent visit to your office, Sada mentioned that one of her directors referred to the precedent lease that Kempstons have been using as an 'institutional lease'. She said she does not understand this terminology.

(c) Briefly describe **four** features of such a lease.

(4 marks)

(Total: 18 marks)

End of Examination Paper

BLANK PAGE

BLANK PAGE

BLANK PAGE