



**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 **Documents 1 and 2** of the case study materials.

### **In relation to Flat 3 Surrey Mews, Clifton, Longbury.**

Nabeela is intending to buy a leasehold flat in Clifton. Nabeela is a first-time buyer and she has asked you for some general advice about buying leasehold property.

- (a) Explain in general terms the advantages and disadvantages of leasing a property from the point of view of a tenant.

**(8 marks)**

You have now been supplied with the pre-contract package from the seller's conveyancer. This package contains the official copy register entries for Gable End (**Document 2**).

- (b) Explain the title implications of:

- (i) entry number 3 in the Proprietorship Register;
- (ii) entry number 1 in the Charges Register of the title;

and, in relation to both entries, outline any steps you may need to take or consider in order to deal with any issues.

**(4 marks)**

Nabeela's mortgage provider, Floyds Bank plc, has stipulated in its mortgage offer that the flat must have the benefit of NHBC 'Buildmark' cover. Nabeela has never heard of such cover and has asked you for an explanation.

- (c) Explain the essential features of this cover and, in particular, the staged form of cover provided by Buildmark.

**(7 marks)**

You have now exchanged contracts and are preparing for completion of the purchase of Flat 3 Surrey Mews.

- (d) Identify **three** pre-completion searches that you would carry out in this transaction. Explain the purpose of each search and the information that each search result would reveal.

**(8 marks)**

**(Total: 27 marks)**

## Question 2

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

### **In relation to the petrol station at Cross Road, Longbury.**

Dylan's tenant Jenni has not paid her last rental payment on time.

- (a) List the remedies available to Dylan for a breach of the rent covenant and explain the suitability of each remedy.

**(6 marks)**

Dylan has read in this month's edition of 'Rent Day', a publication aimed at 'amateur' landlords, that certain business occupiers can remain in their property at the end of their leasehold term.

- (b) Explain the conditions that would have to be satisfied for a tenant to gain the protection of Part II Landlord and Tenant Act 1954.

**(8 marks)**

Dylan has also read in 'Rent Day' that some commercial leases contain an 'index-linked' rent review clause, but he is not sure what this means.

- (c) Explain what is meant by an index-linked rent review clause.

**(2 marks)**

Dylan has received a letter from the local authority, informing him that the local authority will be inspecting the petrol station under its powers in the Environmental Protection Act 1990 ('EPA').

- (d) Explain to Dylan why he should be concerned about such an inspection under the EPA.

**(5 marks)**

**(Total: 21 marks)**

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### Question 3

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

#### In relation to 8 Market Way, Longbury

Dylan and Gwen have arranged mortgage finance with Secure Bank.

(a) In relation to the UK Finance Mortgage Lenders' Handbook:

(i) explain the significance of this Handbook in relation to your dealings with Secure Bank;

**(2 marks)**

(ii) give examples of **two** matters that would be governed by this Handbook.

**(2 marks)**

Alan Waring has confirmed that Kempstons will act for both Secure Bank and for Dylan and Gwen. He has now asked you to calculate the figures for the financing of the two transactions. Alan has mentioned the rent and the likelihood of the seller apportioning this sum.

(b) Explain why a calculation of the apportioned rent is likely to be necessary in this transaction.

**(2 marks)**

Alan Waring has suggested that Dylan and Gwen may wish to co-own 8 Market Way as beneficial tenants in common.

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

**(6 marks)**

Dylan and Gwen intend to make a number of changes to 8 Market Way. They have asked you to consider whether the following two proposals would be permitted by the lease (**Document 4**) for 8 Market Way:

- an extension to the side of the existing property;
- adding an underfloor heating system to the downstairs area of the house.

(d) Explain, identifying the relevant lease clauses, whether Dylan and Gwen would be permitted to make these proposed changes to 8 Market Way.

**(5 marks)**

All the parties are now ready to exchange contracts on both the sale and purchase transactions.

- (e) Explain which Law Society formula you would expect to be used on exchange of contracts (by telephone) for the sale of 58 Roslyn Avenue and the purchase of 8 Market Way.

**(2 marks)**

Your clients' purchase has been completed and you are now dealing with the post-completion matters. You have been instructed to deal with the Land Registry application for registration of the title.

- (f) Explain the deadline for submitting the registration application and the consequence to your clients' title of failing to comply with that deadline.

**(3 marks)**

**(Total: 22 marks)**

**End of Examination Paper**

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