



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 25, Asia Court, Brampton, Longbury

Oliver is intending to buy a leasehold flat in Brampton. This is Oliver's first venture into the property market and he 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.

(9 marks)

You have now been supplied with the pre-contract package from the seller's solicitor. This package contains the official copy register entries for The Hawthorns (**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 to deal with any issues.

(4 marks)

Oliver's mortgage provider, Nateast Bank plc, has stipulated in its mortgage offer that the flat must have the benefit of NHBC 'Buildmark' cover. Oliver 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 25, Asia Court.

- (d) Identify **three** pre-completion searches which 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: 28 marks)

Question 2

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

In relation to 76 Portland Street, Hillside, Longbury

The sellers, Viktor and Ingrid, have asked whether it would be possible for your firm to act for them as well as acting for Sara and Daniel.

- (a) Explain whether you can act for both the buyers and the sellers in relation to this transaction.

(7 marks)

Sara and Daniel are going to purchase 76 Portland Street as co-owners.

- (b) Explain which type of co-ownership you would advise them to choose in this case, and give reasons for your advice.

(7 marks)

You have now received the pre-contract package from the sellers' solicitor and it includes a copy of the lease.

- (c) Identify from the lease extract provided (**Document 4**) whether any of the clauses are relevant to this transaction and explain any steps you may need to take or consider in order to deal with any issues revealed in such clauses.

(4 marks)

You are now ready to exchange contracts on the purchase of 76 Portland Street.

- (d) Explain which Law Society formula you would consider using for the exchange of contracts on your clients' transaction.

(3 marks)

You have now completed the purchase of 76 Portland Street and have received all the relevant documents, including an undertaking to discharge the sellers' existing mortgage, from the sellers' solicitor.

Alan Waring has asked you to prepare an application to the Land Registry using Form AP1.

- (e) Identify what must accompany Form AP1 when it is submitted to the appropriate Land Registry office.

(6 marks)

(Total: 27 marks)

Turn over

Question 3

Reference: Question relates to **Document 5** of the case study materials.

In relation to 15 Whitworth Road, Brampton, Longbury

Len has received a request from Tony, his tenant, to assign his lease to Aldgate Services Limited (Aldgate).

Len is concerned about Aldgate's ability to pay the rent and observe the covenants in the lease as Aldgate is a recently formed company. Len has been provided with little information about its trading record and is yet to receive any references that relate to the company.

You have looked at the lease extracts (**Document 5**).

- (a) Explain whether clause 15 in the lease can provide any assistance to Len if he decides to permit the assignment.

(5 marks)

The assignment to Aldgate has been completed. However, Len's concerns about the financial status of Aldgate have turned out to be justified as the company has failed to pay its last rent payment.

- (b) Explain what remedies Len can seek in respect of the non-payment of rent.

(8 marks)

Len recently spoke to a local surveyor who mentioned that commercial leases usually provide a landlord of premises with a 'clear rent'.

- (c) Briefly explain the meaning of the phrase 'clear rent'.

(2 marks)

(Total: 15 marks)

End of Examination Paper