

CASE STUDY MATERIALS

September 2020
Level 3
RESIDENTIAL AND COMMERCIAL LEASEHOLD
CONVEYANCING
Subject Code L3-19



THE CHARTERED INSTITUTE OF LEGAL EXECUTIVES

UNIT 19 – RESIDENTIAL AND COMMERCIAL LEASEHOLD CONVEYANCING*

CASE STUDY MATERIALS

Information for Candidates on Using the Case Study Materials

- This document contains the case study materials for your examination.
- In the examination, you will be presented with a set of questions which will relate to these case study materials. You will be required to answer **all** the questions on the examination paper.
- You should familiarise yourself with these case study materials prior to the examination, taking time to consider the themes raised in the materials.
- You should take the opportunity to discuss these materials with your tutor/s either face-to-face or electronically.
- It is recommended that you consider the way in which your knowledge and understanding relate to these case study materials.

Instructions to Candidates Before the Examination

- You will be provided with a clean copy of the case study materials in the examination.
- You are **NOT** permitted to take your own copy of the case study materials or any other materials including notes or textbooks into the examination.
- In the examination, candidates must comply with the CILEx Examination Regulations.

Turn over

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

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ADVANCE INSTRUCTIONS TO CANDIDATES

You are a trainee lawyer with Kempstons Solicitors. You are assisting the conveyancing partner, Alan Waring.

You are acting for the following clients in relation to their conveyancing transactions:

1. Nabeela Khan

Your client, Nabeela Khan, is buying a newly built flat, Flat 3 Surrey Mews, Clifton, Longbury.

2. Dylan Jones and Gwen Thomas

Your clients, Dylan Jones and Gwen Thomas, are selling 58 Roslyn Avenue, Longbury, and buying 8 Market Way, Longbury, which is a three-bedroom detached house. Dylan also requires legal advice about a property dispute involving a petrol station that he owns. Alan has asked you to assist on both the sale and purchase files and on the property dispute matter.

You have been given the following documents:

Document 1 File Note relating to Nabeela Khan

Document 2 Land Registry Official Copy Register Entries for Gable End, Clifton, Longbury

Document 3 File Note relating to Dylan Jones and Gwen Thomas

Document 4 Extracts from the lease of 8 Market Way, Longbury

[NOTE TO CANDIDATES: Land Registry Title Plans are NOT included and will NOT be required for this assessment.]

DOCUMENT 1

FILE NOTE

We have been instructed by Nabeela Khan in connection with the matter described below:

Purchase of Flat 3 Surrey Mews, Clifton, Longbury, Hartshire, AT9 2FG

Our client has instructed us to act for her in her purchase of a new leasehold property, Flat 3 Surrey Mews, Clifton, Longbury, from Delamere Property Developments plc (Delamere) at an agreed price of £375,000.

The property is part of a new development which is in the course of construction, although Flat 3 itself has been finished. The construction site is on an area of land known as Gable End and is owned by Delamere. Delamere will grant Nabeela a new lease with a term of 99 years.

Nabeela has arranged mortgage finance through Floyds Bank plc. We have been instructed by the bank to act on its behalf.

Turn over

LAND REGISTRY OFFICIAL COPY REGISTER ENTRIES FOR GABLE END

Land Registry



Official
copy of
register of
title

Title number DS9065221

Edition date 15.07.2015

- This official copy shows the entries subsisting on the register on 30 May 2020 at 11:23:46.
- This date must be quoted as the 'search from date' in any official search application based on this copy.
- The date at the beginning of an entry is the date on which the entry was made in the register.
- Issued on 30 May 2020 at 11:23:46.
- Under s.67 of the Land Registration Act 2002 this copy is admissible in evidence to the same extent as the original.
- This title is dealt with by Land Registry, Bilston Office.

A: Property Register

This register describes the land and estate comprised in the title.

HARTSHIRE: TRELFOED

- 1 (19.12.2007) The **freehold** land shown edged with red on the plan of the above title filed at the Registry and being Gable End, Clifton, Longbury, Hartshire, AT9 2FG.

B: Proprietorship Register

This register specifies the class of title and identifies the owner. It contains any entries that affect the right of disposal.

Title absolute

- 1 (15.07.2015) PROPRIETOR(S): DELAMERE PROPERTY DEVELOPMENTS PLC (CO. REGN NO 45330987) WHOSE REGISTERED OFFICE IS AT 17 KIRBY STREET, TOLSON, LONGBURY, HARTSHIRE, AT9 9FC.
- 2 (15.07.2015) The price stated to have been paid on 28 June 2015 was £2,540,000.
- 3 (15.07.2015) RESTRICTION: No disposition of the registered estate by the proprietor of the registered estate is to be registered without a written consent signed by the proprietor for the time being of the Charge dated 28 June 2015 in favour of Destiny Finance Group plc referred to in the Charges Register or their conveyancer.

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C: Charges Register

This register contains any charges and other matters that affect the land.

1. (19.12.2007) A Conveyance of the land in this title dated 27 October 1949 made between (1) Harvey Winston Duffield (Vendor) and (2) James Michael Smith and Brenda Smith (Purchasers) contains the following covenant:
"The Purchasers with the intent and so as to bind the property hereby conveyed and to benefit and protect the retained land of the Vendor lying to the north of the land hereby conveyed hereby covenant with the Vendor that they and their successors in title will at all times observe and perform the stipulation not to build on the property without the prior written consent of the Vendor or his successors in title"
2. (15.07.2015) REGISTERED CHARGE dated 28 June 2015 to secure the moneys including the further advances therein mentioned.
3. (15.07.2015) Proprietor(s): Destiny Finance Group plc of 176 Myrtle Street, Cattletown, Hartshire, CT6 3RD.

END OF REGISTER

NOTE: A date at the beginning of an entry is the date on which the entry was made in the Register.

Turn over

DOCUMENT 3

FILE NOTE

15 April 2020

We have been instructed by Dylan Jones and Gwen Thomas in connection with the two matters outlined below. Dylan and Gwen are an unmarried couple, who have lived together for two years at 58 Roslyn Avenue.

1. A property dispute relating to Dylan's petrol station at Cross Road, Longbury

Dylan will be providing us with further instructions about this property dispute in due course but, as background information, please note that he owns the freehold of a petrol station at Cross Road, which he regards as an investment. He let it to a tenant, Jenni Lavery, on a ten-year lease in 2017. Jenni has been running the petrol station for the last three years. She has not been an ideal tenant, her business has struggled for most of the term, and Dylan would be happy to end her lease and replace her with a new tenant.

2. Sale of 58 Roslyn Avenue, Longbury, and purchase of 8 Market Way, Longbury

Our clients have instructed us to act for them in their linked transactions for the sale of an existing leasehold property, 58 Roslyn Avenue, to Rozan Baghdadi at an agreed price of £275,000 and the purchase of an existing leasehold property, 8 Market Way, from Brendan and Sophie Cope at an agreed price of £435,000, with an annual rent of £350. Brendan and Sophie have a related purchase of another property in Longbury.

Dylan and Gwen will be funding the purchase of 8 Market Way through a combination of the sale proceeds of 58 Roslyn Avenue, a new joint mortgage loan and a cash contribution from Gwen of £30,000 from an inheritance. The lender is Secure Bank and they will make the loan in return for a mortgage over 8 Market Way. The loan is on Secure's standard terms and conditions and is subject to receiving a satisfactory certificate of title in the approved form for the new house.

Gwen has a five-year-old son from a previous relationship. She inherited approximately £30,000 on the death of her father and intends to contribute this sum to the purchase of 8 Market Way. Dylan will be able to contribute financially to the purchase, but his contribution will be much smaller than Gwen's.

Once they have purchased 8 Market Way, Dylan and Gwen are intending to make a number of alterations to the house, including a new extension to one side of the property.

EXTRACTS FROM THE LEASE OF 8 MARKET WAY, LONGBURY

1. INTERPRETATION

1.1 The definitions in this clause apply to this lease:

...

(k) **House:** 8 Market Way, Longbury, Hartshire

...

7.1 Not to make any alterations to the House unless otherwise permitted by clause 7.2.

7.2 Not to make any internal, non-structural alterations or additions to the House, without the prior written consent of the Landlord (such consent not to be unreasonably withheld).

End of Case Study Materials

