14 June 2012 Level 6 LAW OF LANDLORD AND TENANT Subject Code L6-10



# INSTITUTE OF LEGAL EXECUTIVES UNIT 10 – LAW OF LANDLORD AND TENANT\*

Time allowed: 3 hours plus 15 minutes reading time

#### **Instructions to Candidates**

- You have FIFTEEN minutes to read through this question paper before the start of the examination.
- It is strongly recommended that you use the reading time to <u>read</u> the question paper fully. However, you may make notes on the question paper or in your answer booklet during this time, if you wish.
- All questions carry 25 marks. Answer FOUR only of the following EIGHT questions. The question paper is divided into TWO sections. You MUST answer at least ONE question from Section A and at least ONE question from Section B.
- Write in full sentences a yes or no answer will earn no marks.
- Candidates must comply with the ILEX 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 ball point 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 following ILEX qualifications: LEVEL 6 CERTIFICATE IN LAW, LEVEL 6
PROFESSIONAL HIGHER DIPLOMA IN LAW AND PRACTICE and the LEVEL 6 DIPLOMA IN LEGAL
PRACTICE

# **SECTION A** (Answer at least one question from this section)

Student Bounty.com 1. Consider the extent to which landlords' implied common law and statute repairing obligations in relation to residential tenancies are adequate and ensure the premises remain in repair throughout the term.

2. Compare and contrast the grounds for possession in relation to protected tenancies under the Rent Act 1977 with assured tenancies under the Housing Act 1988.

(25 marks)

3. (a) Outline the steps a landlord must take to enforce a right of forfeiture and consider the grounds on which a tenant may resist.

(20 marks)

(b) Analyse the extent to which forfeiture strikes a fair balance between the interests of landlords and tenants.

> (5 marks) (Total: 25 marks)

4. Critically assess whether the lease/licence distinction should be put on a statutory footing.

(25 marks)

# **SECTION B** (Answer at least one question from this section)

# Question 1

Bill owns a flat that he lets to residential tenants.

Student Bounty Com In January 2006, by virtue of a written tenancy agreement, Bill granted a monthly Assured Shorthold periodic tenancy to Lee and June. The rent was £900 per calendar month payable in advance.

For the last two months no rent has been paid. Although Lee and June have always been late paying the rent, no rent has been paid at all. Bill telephoned Lee's mobile phone and was surprised that Lee answered. Lee told Bill that he had moved out of the property two months ago and was now living elsewhere. Lee was not prepared to pay the arrears and insisted that the outstanding rent was June's problem, not his.

When Bill telephoned June, she was apologetic but said that she was no longer working. She refused to accept that she was two months in arrears, claiming that at least half of the outstanding rent was Lee's responsibility. When Bill suggested to June that she should move out she became angry. She insisted she had done nothing wrong and refused to leave, warning Bill she was aware of her legal rights.

Following the conversation with June, Bill sent her a letter giving her notice that he intends to reoccupy the flat. He gave her four weeks notice as he read on the Internet that this was a legal requirement. He has booked a locksmith and a van for the day the notice expires. Bill's friend, Bob, has offered to take the day off work and help Bill evict June.

Advise Bill as to :-

a) the risks of proceeding with his planned course of action

(15 marks)

b) the steps he should take to recover possession.

(10 marks)

(Total: 25 marks)

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# **Question 2**

Student Bounts, com Eddie owns two properties, a car showroom with a flat above and a workshop. He ran a profitable car dealership from the properties but in 20 Eddie relocated his business interests to Spain. Anxious not to cut all ties to the UK, Eddie retained ownership of the two properties with a view to resuming his business activities should he wish to return.

Eddie leased the car showroom to HP Auto-traders Ltd., a company run by his former sales manager, Alfred. Alfred moved into the flat above the car showroom to be nearer to the business. The lease was signed in May 2003 and was expressed to run for ten years.

The repair workshop was in need of refurbishment so Eddie was unable to let it on the open market. Anxious that the site should be put to good use, he let his brother-in-law, Richard, use the repair workshop until such time as Eddie "might want it back". Unbeknown to Eddie, Richard refurbished the repair workshop and opened a scooter repair business.

Eddie now wishes to return to the UK and re-establish his business. He wants possession of both premises.

Although Eddie sent a letter to HP Auto-traders Ltd informing it of his intention to retake possession of the car showroom, it is refusing to vacate. It claims it has a legal right to remain and that it has no intention of leaving.

In relation to the repair workshop, Richard has told Eddie he is prepared to vacate but only on condition Eddie pays him compensation. Richard believes he is entitled to be reimbursed for the costs of the refurbishment he undertook and some payment in respect of loss of goodwill to his scooter repair business.

Advise Eddie.

(25 marks)

## **Question 3**

Shogun Properties Ltd. ("Shogun") is the freeholder of a two storey comm block overlooking parkland and a lake.

SHIIDENTBOUNTY.COM The ground floor and front entrance are let to Just Beauty Ltd. ("Just Beauty"), which provides beauty therapies for rich clients.

The first floor and rear yard are let to Nigel Ward, a local artist well known for his large sculptures. He uses the premises as a commercial studio. In both leases there is a qualified covenant against improvements.

Two weeks ago, Nigel sent a written request to Shogun asking if he could improve the property. He included detailed plans which involve moving the exterior staircase and installing an exterior heavy goods lift. He estimates that the improvements will take up to three months to complete. Shogun has failed to respond to his request.

In a strongly worded letter to Shogun, Just Beauty has threatened to commence legal proceedings for breach of the implied covenant of quiet enjoyment. It has complained about the noise generated by Nigel's artistic endeavours for some time and it has now learnt of Nigel's intention to undertake improvements. It alleges that the relocated staircase will interfere with its clients' view over the park while the heavy goods lift will ruin the "overall aesthetic of the building". Further, Just Beauty is concerned that the proposed construction work will interfere with its clients' access to the premises.

Advise Shogun Properties Ltd as to any potential liability it may face in relation to:-

(a) an action by Just Beauty for breach of the implied covenant of quiet enjoyment

(14 marks)

(b) any action Nigel might bring if Shogun fails to respond to his request to make improvements.

> (11 marks) (Total: 25 marks)

> > Turn over

# **Question 4**

Margaret and Helga are twin sisters who have lived on a local estate for the la forty years.

Student Bounty.com Margaret occupies a house by virtue of a lease she purchased in 1969. The lease was granted for a term of 99 years and Margaret pays a ground rent of £24 per annum.

Helga occupies a self contained flat in a block of eight. She purchased her lease in 1969 and it was granted for a term of 99 years. Her ground rent is £28 per annum and she also pays a six monthly service charge.

As Helga and Margaret are now retired they are considering selling up and moving. Unfortunately the estate agents they have approached have all expressed concern at the length of time to run on the leases. Helga and Margaret are extremely concerned that they will not be able to sell their properties.

Helga did discuss the matter with the four of her fellow long leaseholders who bothered to turn up at the last residents' meeting. One of the leaseholders suggested that they might be able to buy the freehold of the flats but was sketchy as to the exact details.

Advise Helga and Margaret as to whether they may be able to enfranchise.

(25 marks)

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