

CASE STUDY MATERIALS

January 2014
Level 6
CONVEYANCING
Subject Code L6-17



CHARTERED INSTITUTE
OF LEGAL EXECUTIVES

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UNIT 17 - 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 the case study materials. You will be required to answer all the questions on the examination paper.
- You should familiarise yourself with the case study materials prior to the examination, taking time to consider the themes raised in the materials.
- You should take the opportunity to discuss the 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 relates to the 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 text books into the examination.
- In the examination, candidates must comply with the CILEx Examination Regulations.

Turn over

* This unit is a component of the following CILEx qualifications: **LEVEL 6 CERTIFICATE IN LAW, LEVEL 6 PROFESSIONAL HIGHER DIPLOMA IN LAW AND PRACTICE** and the **LEVEL 6 DIPLOMA IN LEGAL PRACTICE**

ADVANCE INSTRUCTIONS TO CANDIDATES

You are a Trainee Lawyer in the firm of Kempstons of The Manor House, Bedford MK42 7AB. You have just started work in the Property Department and your supervising partner is Susan Shah.

Susan Shah acts for Ikram Malik in respect of his sale of 55 Uxendon Crescent, Wembley, Middlesex, HA9 9TW and purchase of 85 Lane End Road, Burnage, Manchester, M19 1NB. Susan has asked you to assist in acting on his behalf and has sent you the following documents:

- DOCUMENT 1** Memorandum from Susan Shah.
- DOCUMENT 2** Attendance Note dated 1 November 2013.
- DOCUMENT 3** Official Copy of the Register to 55 Uxendon Crescent, Wembley, Middlesex, HA9 9TW.
- DOCUMENT 4** Official Copy of the Register and Filed Plan for 85 Lane End Road, Burnage, Manchester, M19 1NB.
- DOCUMENT 5** Official Copy Lease dated 20 July 2005 of 85 Lane End, Road, Burnage, Manchester, M19 1NB.
- DOCUMENT 6** Standard Conditions of Sale (5th edition)

DOCUMENT 1

MEMORANDUM

To: Trainee Lawyer

From: Susan Shah

Subject: Ikram Malik – Sale of 55 Uxendon Crescent, Wembley, Middlesex, HA9 9TW (Uxendon Crescent) and Purchase of 85 Lane End Road, Burnage, Manchester, M19 1NB (Lane End)

I act for Ikram Malik in his related sale of Uxendon Crescent and purchase of Lane End, see my Attendance Note dated 1 November 2013 (**Document 2**).

I have ordered an Official Copy of the Register to Uxendon Crescent (**Document 3**).

In relation to Lane End, I have received correspondence from the sellers' solicitors confirming use of the Protocol and enclosing the Official Copy of the Register and Filed Plan for Lane End (**Document 4**) and an Official Copy Lease dated 20 July 2005 (**Document 5**).

I also attach a copy of the Standard Conditions of Sale (5th edition) for your attention (**Document 6**).

I shall be grateful if you would take over day-to-day conduct of these matters.

Susan

Turn over

ATTENDANCE NOTE

Date: 1 November 2013

Time engaged: 36 minutes

Attending: Susan Shah.

Client's Full Names: Ikram Malik

Address: 55 Uxendon Crescent, Wembley, Middlesex, HA9 9TW

Telephone numbers: 0208 555 1145
00264 535325 (mobile)

Details of Purchase:

Property: 85 Lane End Road, Burnage, Manchester, M19 1NB

Seller: Philip Staples and Vera Staples

Seller's Solicitor: St Michaels Solicitors of 290 Fog Lane, Didsbury, Manchester, M20 6FJ (Tanya Heart acting)

Purchase Price: £300,500.

Contents: All carpets and curtains to be included in the price.

Mortgage: Application to Virgin Money for a £60,000 loan. We have instructions to act on their behalf.

Survey: Client is considering type of survey to undertake.

Completion Date: Preferably before end of February – no specific deadline. The Seller has a related purchase.

Linked transaction: Purchase to coincide with the sale of 55 Uxendon Crescent, Wembley, Middlesex, HA9 9TW.

Finance: Balance purchase price to be provided from the sale proceeds of 55 Uxendon Crescent, Wembley, Middlesex, HA9 9TW.

Costs etc.: Fixed fee quoted of £550 plus VAT and disbursements. Client care, I.D. and complaints procedure dealt with and an appropriate engagement letter sent (**Note to candidates: not supplied**).

Other matters: The property was built circa 1920; however, it was converted from a shop into a house in June 2005.

Ikram is a bookkeeper and will want to conduct his business from home where he intends to work and have meetings with clients

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Details of Sale

Property to be sold: 55 Uxendon Crescent, Wembley, Middlesex, HA9 9TW.

Sale Price: £512,500.

Fixtures and fittings: All carpets and curtains, free-standing range cooker, plumbed-refrigerator, freezer, washing machine and dishwasher to be included. £7,300 to be apportioned to these items in the purchase price.

Purchasers: Shahena Begum and Johnathan Graham both of Flat 70, Gwynne House, Lloyd Baker Street, London, WC1X 9BG.

Purchasers' Solicitors: Browne and Co Solicitors, 70 Wharton Street, London, WC1X 9PG (Mike Jarvis acting).

Mortgage: Currently mortgaged to Britannia Building Society approximately £230,000 outstanding. Roll number BBS75648232G.

Costs: Fixed fee quoted of £500 plus VAT and disbursements.

Other matters: Ikram's sister Aisha Malik (30) is living with him. Ikram intends to remove a four-foot tall Christmas tree, which he planted in his rear garden two years ago.

Land Registry

**Official copy
of register of
title**

Title number NGL 442515

Edition date 22.05.1996

- This official copy shows the entries subsisting on the register on 01 November 2013 at 15:43:56.
- 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 01 November 2013.
- Under s.67 of the Land Registration Act 2002 this copy is admissible in evidence to the same extent as the original.
- For information about the register of title see Land Registry website www.landregistry.gov.uk or Land Registry Public Guide¹ – A guide to the information we keep and how you can obtain it.
- This title is dealt with by Land Registry, Wales Office.

A: Property Register

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

HARROW

1. (22.06.1975) The Freehold land shown edged with red on the plan of the above Title filed at the Registry and being 55 Uxendon Crescent, Wembley, Middlesex, (HA9 9TW).

B: Proprietorship Register

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

Title Absolute

1. (22.05.1996) PROPRIETOR: IKRAM MALIK of 55 Uxendon Crescent, Wembley, Middlesex, HA9 9TW.
2. (22.05.1996) The transfer to the Proprietor contains a covenant to observe and perform the covenants referred to in the Charges Register and of indemnity in respect thereof.

C: Charges Register

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

1. (22.06.1975) A conveyance of the land in this title made 08 September 1918 between Bovis Homes (Harrow) Limited (1) and Robin Cohen (2) contains covenants which are set out in the schedule below.

Schedule of Restrictive Covenants

The following are details of the covenants contained in the conveyance dated 08 September 1918 made between Bovis Homes (Harrow) Limited (1) and Robin Cohen (2) and referred to in Entry No 1 of the Charges Register:

“for the benefit and protection of the transferor’s retained land so as to bind the Property into whosever’s hands the same may come, the transferee hereby covenants with the transferor to perform and observe the following stipulations and covenants:

- (i) Not without the previous written consent of the transferor or its successors in title to make any extension, alteration or addition to the Property or to the detached dwelling house and garage erected hereon.
 - (ii) Not to use or to allow to be used any dwelling house erected on the Property for any purpose other than as a private residence.
 - (iii) Not to do or allow to be done on the Property anything which may be or grow to be a nuisance or annoyance to the transferor or its successors in title.”
2. (22.05.1996) REGISTERED CHARGE dated 25 March 1996.
 3. (22.05.1996) PROPRIETOR: BRITANNIA BUILDING SOCIETY of Staffordshire House, Leek, Staffordshire Moorlands, ST13 5RG.

End of Register

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

NOTE TO CANDIDATES: The filed plan has not been reproduced and you can assume that it is accurate

Turn over

Land Registry

Official copy
of register of
title

Title number GM 600818

Edition date 19.08.2013

- This official copy shows the entries subsisting on the register on 07 November 2013 at 09:47:11.
- 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 07 November 2013.
- Under s.67 of the Land Registration Act 2002 this copy is admissible in evidence to the same extent as the original.
- For information about the register of title see Land Registry website www.landregistry.gov.uk or Land Registry Public Guide1 – A guide to the information we keep and how you can obtain it.
- This title is dealt with by Land Registry, Lytham Office

A: Property Register

This register describes the land and estate comprised in the title. Except as mentioned below, the title includes easements granted by the registered lease but is subject to any rights that it reserves, so far as those easements and rights exist and benefit or affect the registered land.

GREATER MANCHESTER : MANCHESTER

1. (25.08.2005) The Leasehold land shown edged with red on the plan of the above Title filed at the Registry and being 85 Lane End Road, Burnage, Manchester (M19 1NB).
2. (25.08.2005) The mines and minerals are excepted.
3. (25.08.2005) Short particulars of the lease (s) (or underlease (s)) under which the land is held:

Date	:	20.07.2005
Term	:	125 years from 24 th June 2005
Premium	:	£270,000
Rent	:	£150
Parties	:	(1) Northwest Homes (Burnage) Limited (2) Philip Staples and Vera Staples

4. (25.08.2005) There are excepted from the effect of registration all estates, rights, interests, powers and remedies arising upon, or by reason of, any dealing made

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in breach of the prohibition or restriction against dealings therewith contained in the Lease.

5. (19.08.2013) By a Deed of Variation dated 14 August 2013 made between Northwest Homes (Burnage) Limited and (2) Philip Staples and Vera Staples the forfeiture provision in clause 3 of the Lease was varied.

NOTE: Copy filed.

6. Unless otherwise mentioned the title includes any legal easements granted by the registered lease(s) but is subject to any rights that it reserves, so far as those easements and rights exist and benefit or affect the registered land.

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 Good Leasehold

1. (25.08.2005) **PROPRIETOR:** PHILIP STAPLES and VERA STAPLES both of 85 Lane End Road, Burnage, Manchester, M19 1NB.
2. (25.08.2005) The price stated to have been paid on the 20 July 2005 was £270,000.
3. (25.08.2005) **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 20 July 2005 in favour of HSBC bank PLC referred to in the Charges Register.


C: Charges Register

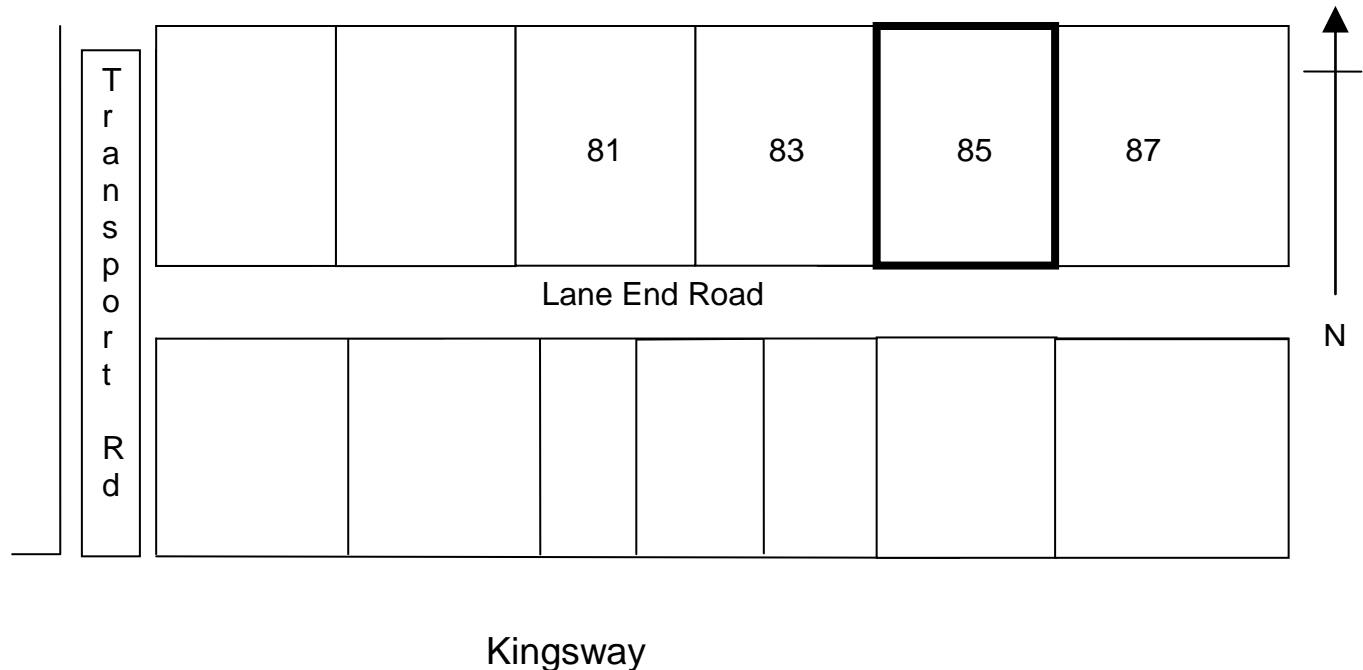
This register contains any charges and other matters that affect the land.

1. (25.08.2005) **REGISTERED CHARGE** dated 20 July 2005.
2. (25.08.2005) **PROPRIETOR:** HSBC BANK PLC (Co. Regn. No. 14259) of Securities Processing Centre, PO Box 3924, 79 Hoyle Street, Sheffield, S1 9BD.

End of Register

Turn over

Land Registry Cymraeg 		TITLE NUMBER	
		GM 600818	
ORDNANCE SURVEY PLAN REFERENCE	COUNTY	SHEET	NATIONAL GRID
	GREATER MANCHESTER	8	SJ 8691
Scale: 1/1250		Manchester District	
		© Crown copyright 2013	

**Note to Candidates:**

The red line referred to in the Property Register denoting the boundary of the property is shown with a thick black line on the above plan

This official copy issued on 7 November 2013 shows the state of this title plan on 07 November 2013 at 09:47:11.

Admissible in evidence to the same extent as the original (s67 Land Registration Act 2002)

This title plan shows the general position, not the exact line, of the boundaries. It may be subject to distortions in scale.

Measurements scaled from this plan may not catch measurements between the same points on the ground. See Land Registry Public Guide 7 – Title Plans

This title is dealt with by Land Registry Lytham Office

NOTE TO CANDIDATES: The Prescribed Clauses have not been reproduced and you can assume that they have been included in the lease and are accurate.

THIS LEASE is dated the 20th of July 2005 between Northwest Homes (Burnage) Limited whose registered office is at 156, Clayton Road, Burnage, Manchester ("the Landlord" and which expression shall include the Landlord's successor or successors in title) and Philip Staples and Vera Staples both of 34 Hyde Road, Chorlton, Manchester ("the Lessee").

WITNESSETH as follows:

1. **IN CONSIDERATION** of the sum of Two Hundred and Seventy Thousand Pounds (the receipt of which is hereby acknowledged) and the rent and the covenants and conditions hereinafter reserved and contained and on the part of the Lessee to be performed and observed the Landlord hereby demises unto the Lessee **ALL THAT** dwellinghouse situate at and numbered 85 Lane End Road, Burnage, Manchester M19 1NB **TOGETHER WITH** the land forming the site thereof and shown more particularly delineated and edged red on the plan annexed hereto (hereinafter together called "the Demised Premises") **TO HOLD** the same **UNTO** the Lessee for a term of 125 years from and including the 24th June 2005 **YIELDING** and **PAYING** during the said term the yearly rent of One Hundred and Fifty Pounds on the 24 day of June in each year free from all deductions the first payment or a proportionate part thereof to be made on the date hereof.
2. The Lessee hereby jointly and severally covenant with the Landlord as follows:
 - (1) To pay the rent hereinbefore reserved on the due date
 - (2) To pay all rates and outgoings whatsoever
 - (3) To keep the whole of the Demised Premises in good and substantial repair and condition
 - (4) To permit the Landlord to enter to view the Demised Premises at all reasonable times and upon giving reasonable prior notice

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- (5) Not to assign the Lease without the prior written consent of the Landlord such consent not to be unreasonably withheld or delayed
 - (6) To give written notice to the Landlord of any assignment or mortgage of the Demised Premises within 21 days of the date thereof and to pay a registration fee of £150.00 with each such notice
 - (7) Not to use the Demised Premises or any part thereof other than as a private residential dwellinghouse together with any other purpose strictly ancillary thereto
 - (8) Not to permit or suffer to be done on the Demised Premises or any part thereof anything which may constitute a nuisance or annoyance to the Landlord or occupiers of the adjoining premises
 - (9) Not to make any alteration or addition to the Demised Premises without the prior written consent of the Landlord
 - (10) To keep the Demised Premises insured at all times in the full reinstatement value with a reputable insurance company and in the event of damage to the Demised Premises to cause all monies received by virtue of such insurance to be forthwith laid out in rebuilding or reinstating the Demised Premises
3. **PROVIDED ALWAYS** and it is hereby agreed that if the said rent or any part thereof shall be unpaid for 21 days after becoming due (whether formally demanded or not) or if the Lessee shall fail to perform his covenants or obligations hereunder or the Lessee is declared bankrupt or insolvent then in any of the said cases it shall be lawful for the Landlord or any person duly authorised by the Landlord in that behalf to re-enter the Demised Premises or any part thereof in the name of the whole and thereupon this demise shall absolutely determine but without prejudice to any right of action of the Landlord in respect of any breach of the Lessee's covenants herein contained.
4. The Landlord hereby covenants with the Lessee that the Lessee shall peaceably hold and enjoy the Demised Premises during the term granted by this Lease without any interruption by the Landlord or any person rightfully claiming under or in trust for him.

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5. As between the Lessees it is hereby agreed that they shall hold the Premises upon trust for themselves beneficially as joint tenants both and in equity.

IN WITNESS whereof the parties hereto have set their hands and seals the day and year first before written.

EXECUTED as a Deed (but not delivered)
until the date hereof) by)
Northwest Homes (Burnage) Limited)
acting by a director and its secretary)
or two directors)

Director

Robert Swift

~~Secretary~~/Director

Jennifer Martin

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STANDARD CONDITIONS OF SALE (FIFTH EDITION)

(NATIONAL CONDITIONS OF SALE 25TH EDITION, LAW SOCIETY'S CONDITIONS OF SALE 2011)

1. GENERAL

1.1 Definitions

1.1.1 In these conditions:

- (a) 'accrued interest' means:
 (i) if money has been placed on deposit or in a building society share account, the interest actually earned
 (ii) otherwise, the interest which might reasonably have been earned by depositing the money at interest on seven days' notice of withdrawal with a clearing bank less, in either case, any proper charges for handling the money
- (b) 'clearing bank' means a bank which is a shareholder in CHAPS Clearing Co. Limited
- (c) 'completion date' has the meaning given in condition 6.1.1
- (d) 'contents price' means any separate amount payable for contents included in the contract
- (e) 'contract rate' means the Law Society's interest rate from time to time in force
- (f) 'conveyancer' means a solicitor, barrister, duly certified notary public, licensed conveyancer or recognised body under sections 9 or 23 of the Administration of Justice Act 1985
- (g) 'lease' includes sub-lease, tenancy and agreement for a lease or sub-lease
- (h) 'mortgage' means a mortgage or charge securing the repayment of money
- (i) 'notice to complete' means a notice requiring completion of the contract in accordance with condition 6.8
- (j) 'public requirement' means any notice, order or proposal given or made (whether before or after the date of the contract) by a body acting on statutory authority 'requisition' includes objection
- (k) 'transfer' includes conveyance and assignment
- (m) 'working day' means any day from Monday to Friday (inclusive) which is not Christmas Day, Good Friday or a statutory Bank Holiday.

1.1.2 In these conditions the terms 'absolute title' and 'official copies' have the special meanings given to them by the Land Registration Act 2002.

1.1.3 A party is ready, able and willing to complete:

- (a) if he could be, but for the default of the other party, and
 (b) in the case of the seller, even though the property remains subject to a mortgage, if the amount to be paid on completion enables the property to be transferred freed of all mortgages (except any to which the sale is expressly subject).

1.1.4 These conditions apply except as varied or excluded by the contract.

1.2 Joint parties

If there is more than one seller or more than one buyer, the obligations which they undertake can be enforced against them all jointly or against each individually.

1.3 Notices and documents

A notice required or authorised by the contract must be in writing.

1.3.1 Giving a notice or delivering a document to a party's conveyancer has the same effect as giving or delivering it to that party.

1.3.2 Where delivery of the original document is not essential, a notice or document is validly given or sent if it is sent:

- (a) by fax, or
 (b) by e-mail to an e-mail address for the intended recipient given in the contract

1.3.4 Subject to conditions 1.3.5 to 1.3.7, a notice is given and a document is delivered when it is received.

- 1.3.5 (a) A notice or document sent through a document exchange is received when it is available for collection.
 (b) A notice or document which is received after 4.00pm on a working day, or on a day which is not a working day, is to be treated as having been received on the next working day.
 (c) An automated response to a notice or document sent by e-mail that the intended recipient is out of the office is to be treated as proof that the notice or document was not received.

1.3.6 Condition 1.3.7 applies unless there is proof:

- (a) that a notice or document has not been received, or
 (b) of when it was received.

1.3.7 A notice or document sent by the following means is treated as having been received as follows:

- (a) by first-class post: before 4.00pm on the second working day after posting
 (b) by second-class post: before 4.00pm on the third working day after posting
 (c) through a document exchange: before 4.00pm on the first working day after the day on which it would normally be available for collection by the addressee
 (d) by fax: one hour after despatch
 (e) by e-mail: before 4.00pm on the first working day after despatch.

1.4 VAT

1.4.1 The purchase price and the contents price are inclusive of any value added tax.

1.4.2 All other sums made payable by the contract are exclusive of any value added tax and where a supply is made which is chargeable to value added tax, the recipient of the supply is to pay the supplier (in addition to any other amounts payable under the contract) a sum equal to the value added tax chargeable on that supply.

1.5 Assignment and sub-sales

1.5.1 The buyer is not entitled to transfer the benefit of the contract

1.5.2 The seller cannot be required to transfer the property in parts or to any person other than the buyer.

1.6 Third party rights

Unless otherwise expressly stated nothing in this contract will create rights pursuant to the Contracts (Rights of Third Parties) Act 1999 in favour of anyone other than the parties to the contract.

2. FORMATION

2.1 Date

2.1.1 If the parties intend to make a contract by exchanging duplicate copies by post or through a document exchange, the contract is made when the last copy is posted or deposited at the document exchange.

2.1.2 If the parties' conveyancers agree to treat exchange as taking place before duplicate copies are actually exchanged, the contract is made as so agreed.

2.2 Deposit

2.2.1 The buyer is to pay or send a deposit of 10 per cent of the purchase price no later than the date of the contract.

2.2.2 If a cheque tendered in payment of all or part of the deposit is dishonoured when first presented, the seller may, within seven working days of being notified that the cheque has been dishonoured, give notice to the buyer that the contract is discharged by the buyer's breach.

2.2.3 Conditions 2.2.4 to 2.2.6 do not apply on a sale by auction.

2.2.4 The deposit is to be paid:

- (a) by electronic means from an account held in the name of a conveyancer at a clearing bank to an account in the name of the seller's conveyancer or (in a case where condition 2.2.5 applies) a conveyancer nominated by him and maintained at a clearing bank or
 (b) to the seller's conveyancer or (in a case where condition 2.2.5 applies) a conveyancer nominated by him by cheque drawn on a solicitor's or licensed conveyancer's client account

2.2.5 If before completion date the seller agrees to buy another property in England and Wales for his residence, he may use all or any part of the deposit as a deposit in that transaction to be held on terms to the same effect as this condition and condition 2.2.6.

2.2.6 Any deposit or part of a deposit not being used in accordance with condition 2.2.5 is to be held by the seller's conveyancer as stakeholder on terms that on completion it is paid to the seller with accrued interest.

2.3 Auctions

2.3.1 On a sale by auction the following conditions apply to the property and, if it is sold in lots, to each lot.

2.3.2 The sale is subject to a reserve price.

2.3.3 The seller, or a person on his behalf, may bid up to the reserve price.

2.3.4 The auctioneer may refuse any bid.

2.3.5 If there is a dispute about a bid, the auctioneer may resolve the dispute or restart the auction at the last undisputed bid.

2.3.6 The deposit is to be paid to the auctioneer as agent for the seller.

3. MATTERS AFFECTING THE PROPERTY

3.1 Freedom from incumbrances

3.1.1 The seller is selling the property free from incumbrances, other than those mentioned in condition 3.1.2.

3.1.2 The incumbrances subject to which the property is sold are:

- (a) those specified in the contract
 (b) those discoverable by inspection of the property before the date of the contract.
 (c) those the seller does not and could not reasonably know about
 (d) those, other than mortgages, which the buyer knows about
 (e) entries made before the date of the contract in any public register except those maintained by the Land Registry or its Land Charges Department or by Companies House

(f) public requirements.

3.1.3 After the contract is made, the seller is to give the buyer written details without delay of any new public requirement and of anything in writing which he learns about concerning a matter covered by condition 3.1.2.

3.1.4 The buyer is to bear the cost of complying with any outstanding public requirement and is to indemnify the seller against any liability resulting from a public requirement.

3.2 Physical state

3.2.1 The buyer accepts the property in the physical state it is in at the date of the contract unless the seller is building or converting it.

3.2.2 A leasehold property is sold subject to any subsisting breach of a condition or tenant's obligation relating to the physical state of the property which renders the lease liable to forfeiture.

3.2.3 A sub-lease is granted subject to any subsisting breach of a condition or tenant's obligation relating to the physical state of the property which renders the seller's own lease liable to forfeiture.

3.3 Leases affecting the property

3.3.1 The following provisions apply if any part of the property is sold subject to a lease.

3.3.2 (a) The seller having provided the buyer with full details of each lease or copies of the documents embodying the lease terms, the buyer is treated as entering into the contract knowing and fully accepting those terms.

(b) The seller is to inform the buyer without delay if the lease ends or if the seller learns of any application by the tenant in connection with the lease; the seller is then to act as the buyer reasonably directs, and the buyer is to indemnify him against all consequent loss and expense.

(c) Except with the buyer's consent, the seller is not to agree to any proposal to change the lease terms nor to take any step to end the lease.

(d) The seller is to inform the buyer without delay of any change to the lease terms which may be proposed or agreed.

(e) The buyer is to indemnify the seller against all claims arising from the lease after actual completion; this includes claims which are unenforceable against a buyer for want of registration.

(f) The seller takes no responsibility for what rent is lawfully recoverable, nor for whether or how any legislation affects the lease.

(g) If the let land is not wholly within the property, the seller may apportion the rent.

4. TITLE AND TRANSFER

4.1 Proof of title

4.1.1 Without cost to the buyer, the seller is to provide the buyer with proof of the title to the property and of his ability to transfer it, or to procure its transfer.

4.1.2 Where the property has a registered title the proof is to include official copies of the items referred to in rules 134(1)(a) and (b) and 135(1)(a) of the Land Registration Rules 2003, so far as they are not to be discharged or overridden at or before completion.

4.1.3 Where the property has an unregistered title, the proof is to include:

- (a) an abstract of title or an epitome of title with photocopies of the documents, and
 (b) production of every document or an abstract, epitome or copy of it with an original marking by a conveyancer either against the original or an examined abstract or an examined copy.

4.2 Requisitions

4.2.1 The buyer may not raise requisitions:

- (a) on any title shown by the seller before the contract was made
 (b) in relation to the matters covered by condition 3.1.2.

4.2.2 Notwithstanding condition 4.2.1, the buyer may, within six working days of a matter coming to his attention after the contract was made, raise written requisitions on that matter. In that event, steps 3 and 4 in condition 4.3.1 apply.

4.2.3 On the expiry of the relevant time limit under condition 4.2.2 or condition 4.3.1, the buyer loses his right to raise requisitions or to make observations.

4.3 Timetable

4.3.1 Subject to condition 4.2 and to the extent that the seller did not take the steps described in condition 4.1.1 before the contract was made, the following are the steps for deducing and investigating the title to the property to be taken within the following time limits:

Step	Time Limit
1. The seller is to comply with condition 4.1.1	Immediately after making the contract
2. The buyer may raise written requisitions	Six working days after either the date of the contract or the date of delivery of the seller's evidence of title on which the requisitions are raised, whichever is the later
3. The seller is to reply in writing to any requisitions raised	Four working days after receiving the requisitions
4. The buyer may make written observations on the seller's replies	Three working days after receiving the replies

The time limit on the buyer's right to raise requisitions applies even where the seller supplies incomplete evidence of his title, but the buyer may, within six working days from delivery of any further evidence, raise further requisitions resulting from that evidence.

The parties are to take the following steps to prepare and agree the transfer of the property within the following time limits:

Step	Time Limit
A. The buyer is to send the seller a draft transfer	At least twelve working days before completion date
B. The seller is to approve or revise that draft and either return it or retain it for use as the actual transfer	Four working days after delivery of the draft transfer
C. If the draft is returned the buyer is to send an engrossment to the seller	At least five working days before completion date

4.3.3 Periods of time under conditions 4.3.1 and 4.3.2 may run concurrently.

4.3.4 If the period between the date of the contract and completion date is less than 15 working days, the time limits in conditions 4.2.2, 4.3.1 and 4.3.2 are to be reduced by the same proportion as that period bears to the period of 15 working days. Fractions of a working day are to be rounded down except that the time limit to perform any step is not to be less than one working day.

4.4 Defining the property

The seller need not:

- (a) prove the exact boundaries of the property
 (b) prove who owns fences, ditches, hedges or walls
 (c) separately identify parts of the property with different titles further than he may be able to do from information in his possession.

4.5 Rents and rentcharges

The fact that a rent or rentcharge, whether payable or receivable by the owner of the property, has been, or will on completion be, informally apportioned is not to be regarded as a defect in title.

4.6 Transfer

4.6.1 The buyer does not prejudice his right to raise requisitions, or to require replies to any raised, by taking any steps in relation to preparing or agreeing the transfer.

4.6.2 Subject to condition 4.6.3, the seller is to transfer the property with full title guarantee.

- 4.6.3 The transfer is to have effect as if the disposition is expressly made subject to all matters covered by condition 3.1.2 and, if the property is leasehold, is to contain a statement that the covenants set out in section 4 of the Law of Property (Miscellaneous Provisions) Act 1994 will not extend to any breach of the tenant's covenants in the lease relating to the physical state of the property.
- 4.6.4 If after completion the seller will remain bound by any obligation affecting the property which was disclosed to the buyer before the contract was made, but the law does not imply any covenant by the buyer to indemnify the seller against liability for future breaches of it:
- (a) the buyer is to covenant in the transfer to indemnify the seller against liability for any future breach of the obligation and to perform it from then on, and
 - (b) if required by the seller, the buyer is to execute and deliver to the seller on completion a duplicate transfer prepared by the buyer.
- 4.6.5 The seller is to arrange at his expense that, in relation to every document of title which the buyer does not receive on completion, the buyer is to have the benefit of:
- (a) a written acknowledgement of his right to its production, and
 - (b) a written undertaking for its safe custody (except while it is held by a mortgagee or by someone in a fiduciary capacity).
- 4.7 **Membership of company**
Where the seller is, or is required to be, a member of a company that has an interest in the property or has management responsibilities for the property or the surrounding areas, the seller is, without cost to the buyer, to provide such documents on completion as will enable the buyer to become a member of that company.
5. **RISK, INSURANCE AND OCCUPATION PENDING COMPLETION**
- 5.1.1 The property is at the risk of the buyer from the date of the contract.
- 5.1.2 The seller is under no obligation to the buyer to insure the property unless:
- (a) the contract provides that a policy effected by or for the seller and insuring the property or any part of it against liability for loss or damage is to continue in force, or
 - (b) the property or any part of it is let on terms under which the seller (whether as landlord or as tenant) is obliged to insure against loss or damage.
- 5.1.3 If the seller is obliged to insure the property under condition 5.1.2, the seller is to:
- (a) do everything necessary to maintain the policy
 - (b) permit the buyer to inspect the policy or evidence of its terms
 - (c) if before completion the property suffers loss or damage:
 - (i) pay to the buyer on completion the amount of the policy monies which the seller has received, so far as not applied in repairing or reinstating the property, and
 - (ii) if no final payment has then been received, assign to the buyer, at the buyer's expense, all rights to claim under the policy in such form as the buyer reasonably requires and pending execution of the assignment hold any policy monies received in trust for the buyer
 - (d) cancel the policy on completion.
- 5.1.4 Where the property is leasehold and the property, or any building containing it, is insured by a reversioner or other third party, the seller is to use reasonable efforts to ensure that the insurance is maintained until completion and if, before completion, the property or building suffers loss or damage the seller is to assign to the buyer on completion, at the buyer's expense, such rights as the seller may have in the policy monies, in such form as the buyer reasonably requires.
- 5.1.5 If payment under a policy effected by or for the buyer is reduced, because the property is covered against loss or damage by an insurance policy effected by or on behalf of the seller, then, unless the seller is obliged to insure the property under condition 5.1.2, the purchase price is to be abated by the amount of that reduction.
- 5.1.6 Section 47 of the Law of Property Act 1925 does not apply.
- 5.2 **Occupation by buyer**
- 5.2.1 If the buyer is not already lawfully in the property, and the seller agrees to let him into occupation, the buyer occupies on the following terms.
- 5.2.2 The buyer is a licensee and not a tenant. The terms of the licence are that the buyer:
- (a) cannot transfer it
 - (b) may permit members of his household to occupy the property
 - (c) is to pay or indemnify the seller against all outgoings and other expenses in respect of the property
 - (d) is to pay the seller a fee calculated at the contract rate on a sum equal to the purchase price (less any deposit paid) for the period of the licence
 - (e) is entitled to any rents and profits from any part of the property which he does not occupy
 - (f) is to keep the property in as good a state of repair as it was in when he went into occupation (except for fair wear and tear) and is not to alter it
 - (g) if the property is leasehold, is not to do anything which puts the seller in breach of his obligations in the lease, and
 - (h) is to quit the property when the licence ends.
- 5.2.3 The buyer is not in occupation for the purposes of this condition if he merely exercises rights of access given solely to do work agreed by the seller.
- 5.2.4 The buyer's licence ends on the earliest of: completion date, rescission of the contract or when five working days' notice given by one party to the other takes effect.
- 5.2.5 If the buyer is in occupation of the property after his licence has come to an end and the contract is subsequently completed he is to pay the seller compensation for his continued occupation calculated at the same rate as the fee mentioned in condition 5.2.2(d).
- 5.2.6 The buyer's right to raise requisitions is unaffected.
6. **COMPLETION**
- 6.1 **Date**
- 6.1.1 Completion date is twenty working days after the date of the contract but time is not of the essence of the contract unless a notice to complete has been served.
- 6.1.2 If the money due on completion is received after 2.00pm, completion is to be treated, for the purposes only of conditions 6.3 and 7.2, as taking place on the next working day as a result of the buyer's default.
- 6.1.3 Condition 6.1.2 does not apply and the seller is treated as in default if:
- (a) the sale is with vacant possession of the property or any part of it, and
 - (b) the buyer is ready, able and willing to complete but does not pay the money due on completion until after 2.00pm because the seller has not vacated the property or that part by that time.
- 6.2 **Arrangements and place**
- 6.2.1 The buyer's conveyancer and the seller's conveyancer are to co-operate in agreeing arrangements for completing the contract.
- 6.2.2 Completion is to take place in England and Wales, either at the seller's conveyancer's office or at some other place which the seller reasonably specifies.
- 6.3 **Apportionments**
- 6.3.1 On evidence of proper payment being made, income and outgoings of the property are to be apportioned between the parties so far as the change of ownership on completion will affect entitlement to receive or liability to pay them.
- 6.3.2 If the whole property is sold with vacant possession or the seller exercises his option in condition 7.2.4, apportionment is to be made with effect from the date of actual completion; otherwise, it is to be made from completion date.
- 6.3.3 In apportioning any sum, it is to be assumed that the seller owns the property until the end of the day from which apportionment is made and that the sum accrues from day to day at the rate at which it is payable on that day.
- 6.3.4 For the purpose of apportioning income and outgoings, it is to be assumed that they accrue at an equal daily rate throughout the year.
- 6.3.5 When a sum to be apportioned is not known or easily ascertainable at completion, a provisional apportionment is to be made according to the best estimate available. As soon as the amount is known, a final apportionment is to be made and notified to the other party. Any resulting balance is to be paid no more than ten working days later, and if not then paid the balance is to bear interest at the contract rate from then until payment.
- 6.3.6 Compensation payable under condition 5.2.5 is not to be apportioned.
- 6.4 **Amount payable**
The amount payable by the buyer on completion is the purchase price and the contents price (less any deposit already paid to the seller or his agent) adjusted to take account of:
- (a) apportionments made under condition 6.3
 - (b) any compensation to be paid or allowed under condition 7.2
 - (c) any sum payable under condition 5.1.3.
- 6.5 **Title deeds**
- 6.5.1 As soon as the buyer has complied with all his obligations under this contract, the seller must hand over the documents of title.
- 6.5.2 Condition 6.5.1 does not apply to any documents of title relating to land being retained by the seller after completion.
- 6.6 **Rent receipts**
The buyer is to assume that whoever gave any receipt for a payment of rent or service charge which the seller produces was the person or the agent of the person then entitled to that rent or service charge.
- 6.7 **Means of payment**
The buyer is to pay the money due on completion by a direct transfer of cleared funds from an account held in the name of a conveyancer at a clearing bank and, if appropriate, an unconditional release of a deposit held by a stakeholder.
- 6.8 **Notice to complete**
- 6.8.1 At any time after the time applicable under condition 6.1.2 on completion date, a party who is ready, able and willing to complete may give the other a notice to complete.
- 6.8.2 The parties are to complete the contract within ten working days of giving a notice to complete, excluding the day on which the notice is given. For this purpose, time is of the essence of the contract.
- 6.8.3 On receipt of a notice to complete:
- (a) if the buyer paid no deposit, he is forthwith to pay a deposit of 10 per cent
 - (b) if the buyer paid a deposit of less than 10 per cent, he is forthwith to pay a further deposit equal to the balance of that 10 per cent.
7. **REMEDIES**
- 7.1 **Errors and omissions**
- 7.1.1 If any plan or statement in the contract, or in the negotiations leading to it, is or was misleading or inaccurate due to an error or omission by the seller, the remedies available to the buyer are as follows:
- (a) When there is a material difference between the description or value of the property, or of any of the contents included in the contract, as represented and as it is, the buyer is entitled to damages.
 - (b) An error or omission only entitles the buyer to rescind the contract:
 - (i) where it results from fraud or recklessness, or
 - (ii) where he would be obliged, to his prejudice, to accept property differing substantially (in quantity, quality or tenure) from what the error or omission had led him to expect.
- 7.1.2 If either party rescinds the contract:
- (a) unless the rescission is a result of the buyer's breach of contract the deposit is to be repaid to the buyer with accrued interest
 - (b) the buyer is to return any documents he received from the seller and is to cancel any registration of the contract.
- 7.2 **Late completion**
- 7.2.1 If there is default by either or both of the parties in performing their obligations under the contract and completion is delayed, the party whose total period of default is the greater is to pay compensation to the other party.
- 7.2.2 Compensation is calculated at the contract rate on an amount equal to the purchase price, less (where the buyer is the paying party) any deposit paid, for the period by which the paying party's default exceeds that of the receiving party, or, if shorter, the period between completion date and actual completion.
- 7.2.3 Any claim for loss resulting from delayed completion is to be reduced by any compensation paid under this contract.
- 7.2.4 Where the buyer holds the property as tenant of the seller and completion is delayed, the seller may give notice to the buyer, before the date of actual completion, that he intends to take the net income from the property until completion. If he does so, he cannot claim compensation under condition 7.2.1 as well.
- 7.3 **After completion**
Completion does not cancel liability to perform any outstanding obligation under this contract.
- 7.4 **Buyer's failure to comply with notice to complete**
- 7.4.1 If the buyer fails to complete in accordance with a notice to complete, the following terms apply.
- 7.4.2 The seller may rescind the contract, and if he does so:
- (a) he may:
 - (i) forfeit and keep any deposit and accrued interest
 - (ii) resell the property and any contents included in the contract
 - (iii) claim damages
 - (b) the buyer is to return any documents he received from the seller and is to cancel any registration of the contract.
- 7.4.3 The seller retains his other rights and remedies.
- 7.5 **Seller's failure to comply with notice to complete**
- 7.5.1 If the seller fails to complete in accordance with a notice to complete, the following terms apply.
- 7.5.2 The buyer may rescind the contract, and if he does so:
- (a) the deposit is to be repaid to the buyer with accrued interest
 - (b) the buyer is to return any documents he received from the seller and is, at the seller's expense, to cancel any registration of the contract.
- 7.5.3 The buyer retains his other rights and remedies.
8. **LEASEHOLD PROPERTY**
- 8.1 **Existing leases**
- 8.1.1 The following provisions apply to a sale of leasehold land.
- 8.1.2 The seller having provided the buyer with copies of the documents embodying the lease terms, the buyer is treated as entering into the contract knowing and fully accepting those terms.
- 8.2 **New leases**
- 8.2.1 The following provisions apply to a contract to grant a new lease.
- 8.2.2 The conditions apply so that:
- 'seller' means the proposed landlord
- 'buyer' means the proposed tenant
- 'purchase price' means the premium to be paid on the grant of a lease.
- 8.2.3 The lease is to be in the form of the draft attached to the contract.
- 8.2.4 If the term of the new lease will exceed seven years, the seller is to deduce a title which will enable the buyer to register the lease at the Land Registry with an absolute title.
- 8.2.5 The seller is to engross the lease and a counterpart of it and is to send the counterpart to the buyer at least five working days before completion date.
- 8.2.6 The buyer is to execute the counterpart and deliver it to the seller on completion.
- 8.3 **Consent**
- 8.3.1 The following provisions apply if a consent to let, assign or sub-let is required to complete the contract
- (a) In this condition 'consent' means consent in the form which satisfies the requirement to obtain it.
 - (b) The seller is to apply for the consent at his expense, and to use all reasonable efforts to obtain it.
 - (c) The buyer is to provide all information and references reasonably required.
- 8.3.2 Unless he is in breach of his obligation under condition 8.3.2, either party may rescind the contract by notice to the other party if three working days before completion date (or before a later date on which the parties have agreed to complete the contract):
- (a) the consent has not been given, or
 - (b) the consent has been given subject to a condition to which a party reasonably objects. In that case, neither party is to be treated as in breach of contract and condition 7.1.2 applies.
9. **CONTENTS**
- 9.1 The following provisions apply to any contents which are included in the contract, whether or not a separate price is to be paid for them.
- 9.2 The contract takes effect as a contract for sale of goods.
- 9.3 The buyer takes the contents in the physical state they are in at the date of the contract.
- 9.4 Ownership of the contents passes to the buyer on actual completion.

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