

Sample Examination Questions

Level 4 Certificate in Residential Letting and Property Management

- **Unit 3: Legal Aspects relating to Residential Letting and Management**
- **Unit 4: Practice relating to Residential Letting and Management**
- **Unit 5: Appraisal and Residential Property Letting Practice**
- **Unit 6: Applied Law relating to Residential Letting and Management**

Note: In your examinations each unit will be assessed separately.

**ALL QUESTIONS REMAIN THE PROPERTY OF PROPERTYMARK QUALIFICATIONS AND MUST
NOT BE REPRODUCED IN ANY FORM**

Version July 2017

Unit 3 Legal Aspects relating to Residential Letting and Management

Unit 5 Appraisal and Residential Property Letting Practice

(Multiple choice samples)

Unit 3 Legal Aspects relating to Residential Letting and Management

Scenario 1

An applicant has agreed to take a property for rent, has signed the agent's tenancy application and paid the appropriate fees to reserve the property. The agent has taken up references on the applicant which the landlord agreed were suitable and authorised the agent to proceed with the tenancy. The applicant then advised the agent that he could not proceed with the tenancy. In response, the agent informed the applicant that he was now legally bound to proceed and that the agent was likely to sue the applicant for breach of contract if he did not do this.

Question 1 of 5

Which of the following is correct in respect of the above scenario?

- A The agent has a legal right to expect the applicant to proceed with the tenancy
- B The agent is entitled to damages from the applicant if the applicant does not proceed
- C The applicant has no obligation to the agent to proceed with the tenancy
- D A contract exists in this situation because the applicant paid the reservation fee

Question 2 of 5

In which of the following circumstances will the contract be unenforceable against the applicant?

- A The applicant has just been informed they are to be made redundant and fears they will not be able to afford to maintain such a financial commitment
- B The applicant's psychiatrist advises that the property is not really suitable for the applicant who is judged insane
- C The landlord decides the property is not large enough to accommodate the applicant's large family and does not want to create an HMO
- D It transpires that the applicant has only just celebrated his eighteenth birthday and is felt to be too immature to take on the responsibility of the tenancy

Question 3 of 5

One of the remedies for breach of contract is specific performance. This requires the party liable of breach to:

- A Pay an amount of money to the other to compensate them for their loss, but this is limited to their actual loss.
- B Compensate the other sufficiently so that they can then buy services from another provider.
- C Pay a sum of money to be decided by the court to compensate the other and penalise the party in breach.
- D Carry out the obligation that the transgressing party was required to provide under the contract.

Question 4 of 5

Under the Equality Act 2010, the agent may be able to choose to refuse the applicant a particular property if:

- A The landlord (being Chinese) was only prepared to let to other Chinese people.
- B The applicant is blind and has a guide dog.
- C The applicant is 50 years old and the property is specifically for those of older retirement age.
- D The landlord has had a previous bad experience with a male tenant and therefore only wants a female occupier.

Question 5 of 5

The applicant in the scenario claims that he is entitled to withdraw without penalty as the landlord has a mortgage on the property, but failed to declare this material fact. Which of the following is correct in this case?

- A This is a material fact and the landlord is in breach of contract for failing to disclose this information.
- B This is irrelevant and not of any concern to the applicant.
- C This is a material fact and the landlord should have declared this to the applicant, but it does not represent a breach of contract.
- D This may be a relevant factor for the applicant if the landlord had requested consent to let and been refused.

Scenario 2

A house owned and managed by the Redrow Trust, a charity, is let on a long term tenancy. A number of problems have arisen that are making the charity consider disposing of the property.

Question 1 of 5

According to the charity's estates manager, this property is a diminishing asset and the charity should dispose of it. He has a friend who is prepared to "take it off their hands" if required. What is the likely tenure of this property?

- A Commonhold
- B Leasehold
- C Freehold
- D Flying Freehold

Question 2 of 5

A legal right of access over a neighbour's front drive to get to a public highway is likely to be a/an:

- A licence
- B positive covenant
- C easement
- D negative covenant

Question 3 of 5

Around 20 years ago a drain servicing the Trusts property was re-routed across neighbouring land. Although there is no documentation to prove this, the estate manager believes that a legal right of drainage exists. He will be correct if the right of drainage has been in existence for a minimum of:

- A 12 years
- B 20 years
- C 25 years
- D 40 years

Question 4 of 5

The decision is taken to sell the property. Which of the following statements is true?

- A Positive covenants can only exist in respect of leasehold properties
- B Negative covenants cannot pass from one owner to the next in either freehold or leasehold property
- C Positive covenants do not **usually** pass from owner to owner on the sale of freehold properties, but there are limited circumstances where they do
- D Negative covenants are unenforceable on leasehold properties

Question 5 of 5

The charity is responsible for maintaining and paying for the cost of fencing on the boundary between two of their tenants properties. The agent who introduced one of the tenants to the charity has recently arranged for repairs to the fence in order to prevent the tenant's livestock from roaming. The agent claims that the tenant insisted that the work was urgent and since they could not contact the charity over the bank holiday weekend in order to obtain formal authority they went ahead. This action would be seen as:

- A warranted under normal authority
- B exceeding authority
- C helpful and binding as an agent of necessity
- D authorised under a warranty of authority

Scenario 3

You act under an agency agreement to secure new tenants for a group of ten properties (some of which are vacant) owned by a new client to the firm.

Question 1 of 5

In which of the following circumstances will the tenancy be subject to the Housing Act 1988:

- A The tenant pays a rent of £2,000 per week
- B The tenant is a Trust
- C The property forms part of a 2.5 acre small-holding
- D The tenant has been in occupation since 17 January 1989

Question 2 of 5

Letem Avit Ltd., a letting agency, uses pre-printed standard tenancy agreements which are individually completed by filling in the details relating to the parties and their addresses, the length of the tenancy and rent, property address and the amount of the deposit. Where such pre-printed agreements are used, the law expects the agreement to comply with Part 2 Consumer Rights Act 2015.

- A There must be parity over all terms with contracts which do not rely on pre-written terms
- B The rent being asked and the property over which the tenancy is comprised must be stated
- C The pre-printed contract contains a tenancy renewal commission, but the parties have agreed the fee for the renewal separately
- D The pre-printed contract has been constructed in good faith

Question 3 of 5

Letem Avit Ltd., letting agents have agreed with one of their client landlords that they will deal with any deposits held under an insurance backed scheme. They have now let one of the landlord's properties on an Assured Shorthold Tenancy and are holding the equivalent of 2 months' rent as a deposit. Which of the following statements is correct?

- A Letem Avit Ltd. must pass the deposit over to the custodian of the scheme within 30 days
- B Letem Avit Ltd. must register to hold the deposit with the Department for Communities and Local Government
- C Letem Avit Ltd. can charge both the landlord and tenant for administering the scheme.
- D The deposit must be protected under the Tenancy Deposit Scheme within 14 days of receipt of the deposit.

Question 4 of 5

In the event of a dispute at the end of a tenancy as to whether or not the tenant is entitled to a refund, either in part or in full, which of the following statements is correct?

- A The agent / landlord must immediately refund the deposit in full to the tenant and activate the dispute resolution mechanism of the scheme.
- B Where the landlord's claim exceeds the amount of the deposit held, the tenant must lodge a further sum representing the difference into the scheme in order for the dispute to be resolved.
- C The insurance backed scheme will deduct all its costs and charges and then release the remainder of the deposit to the parties according to the adjudicator's findings.
- D The agent cannot charge the landlord or tenant a fee to use the dispute service.

Question 5 of 5

Letem Avit Ltd., a lettings agency, has recently let a property to a company and the property will be occupied by an employee of the tenant company. Letem Avit Ltd have taken a deposit as agent for the landlord. Which of the following actions would be considered appropriate in dealing with the deposit?

- A Letem Avit Ltd., must follow the time requirements under the Housing Act 2004 as amended
- B Letem Avit Ltd. must hand over the full amount of the deposit to the landlord whenever they ask for it
- C Letem Avit Ltd. must hand over all of the deposit to the landlord when asked by him only where a dispute has arisen between the parties
- D Letem Avit Ltd. must inform the landlord that he will not have authority to terminate the tenancy unless the deposit is at least insured

Scenario 4

You act for a landlord who owns a number of residential properties and needs your advice on the following:

Question 1 of 5

The landlord owns a property let to a tenant on a periodic tenancy and where the tenant pays rent on a weekly basis. Under common law, if the landlord wishes to seek possession, they must serve notice giving a minimum notice period of:

- A One week
- B Two weeks
- C Four weeks
- D Eight weeks

Question 2 of 5

One of your client's tenants occupies under a fixed term lease and is in arrears of rent. Notice to forfeit the lease has been served and a court date fixed. However, the tenant has recently paid much of the balance, which the landlord has accepted, but your client still wants to proceed with the court hearing. Which of the following is true:

- A The landlord's application to forfeit is likely to proceed as the full debt has not been paid.
- B The landlord has waived his right to forfeit the lease by accepting rent.
- C The landlord will need to have served notice under section 146 Law of Property Act 1925.
- D Forfeiture will be contrary to the Protection from Eviction Act 1977.

Question 3 of 5

If the landlord wishes to see possession of a fixed term Assured Shorthold Tenancy, which of the following applies:

- A The landlord must have served notice under Section 21(1)(b) prior to the start of the tenancy
- B The landlord must serve notice under Section 21 (1) (b) alongside a Section 8 notice
- C The landlord may serve notice under Section 21(1) (b) at any time during the tenancy
- D The landlord must serve notice under Section 21 (1) (b) giving at least two months' notice

Question 4 of 5

Your client owns the long leasehold interest in a flat which she wishes to let out after having undertaken construction works to create a larger living area. What should you advise?

- A She should check the long lease for a clause requiring that consent should be obtained for such works and make an application accordingly
- B She would not be able to undertake the work without obtaining planning permission
- C She would be entitled to proceed with the works as she has exclusive possession
- D She would not be entitled to undertake such works as these are contrary to statute

Question 5 of 5

Your client has decided to serve a break notice under one of their tenancies as they are not happy with the current tenant. The tenancy provides that the service of notices must comply with the provisions in section 196 Law of Property Act 1925. Which of the following is incorrect?

- A The landlord must provide that the notice was received by the postman putting the letter through the tenant's letterbox
- B The landlord can claim deemed delivery where registered mail or recorded delivery is used to send the notice
- C There is no requirement to prove that the tenant has received the notice
- D A notice will be deemed served even if it is returned undelivered

Scenario 5

An Agent carries out a market appraisal at a flat where the landlord has a mixture of furniture and he wants to know what should be done about it. There is a 1970s settee he inherited from his aunt along with the flat, a bed and padded headboard (according to the receipt it was purchased in April 1991) which do not have a safety label, and several duvets and pillows.

Question 1 of 5

The landlord dislikes the old settee so is happy for the tenant to have this. What do you advise?

- A As long as it is actually sold to the tenant, there is no issue
- B The landlord cannot sell the settee to the tenant but can legally gift it without issue
- C The landlord cannot supply the settee to the tenant in any form
- D As the settee was manufactured in the 1970s, it would comply with the relevant regulations

Question 2 of 5

The bed and headboard, was purchased in April 1991. Which one of the following statements is correct in order to comply with the Furniture and Furnishings (Fire)(Safety) Regulations 1991?

- A The Regulations apply to both the bed and the headboard as they were sold after 1 March 1990.
- B The Regulations apply only to the bed as it was sold after 1 March 1989.
- C The Regulations apply to both the bed and headboard as they were sold after 1 March 1989.
- D The Regulations apply only to the headboard as it was sold after 1 March 1990.

Question 3 of 5

What is the situation regarding the duvets and pillows?

- A The legislation requires that only the pillows have to comply.
- B The legislation requires that both pillows and duvets have to comply.
- C The legislation requires that only the duvets have to comply.
- D The legislation does not apply to either duvets or pillows.

Question 4 of 5

Which of the following may **NOT** be required to have a safety label attached at the point of sale?

- A A bed base
- B A mattress
- C A sofa bed designed for a conservatory or sun room
- D Scatter cushions

Question 5 of 5

What are the consequences if some of the furniture did not comply and remained within the property?

- A If the landlord sold the items to the tenant there are no consequences.
- B There would only be consequences if someone died or was seriously injured as a result of any non-compliant items remaining.
- C Only the landlord would be liable as it was his furniture and his property.
- D The agent as well as the landlord may be liable.

Unit 5 Appraisal and Residential Property Letting Practice

Scenario 1

You have recently opened a new letting agency and have been contacted by two potential new landlord clients. The first, Mrs Bellows, lives in Portugal and the second, Mr Lough, in Northampton. Last year, Mrs Bellows inherited two apartments which are currently let and managed through another agency. Mr Lough is a first time 'buy to let' investor who has just purchased his first vacant house.

Question 1 of 5

You visit Mr Lough in his house for the first time to discuss what your agency can do to find a tenant and manage his property for him. Mr Lough agrees to sign your terms of business given that he feels you are offering him a competitive fee. The contract does not contain a cancellation clause. Mr Lough:

- A cannot now change his mind about entering into the agency contract
- B can cancel the contract within the 14 day cooling off period
- C could report you to the authorities who would be able to seek a criminal conviction as a summary offence with a fine of up to £5,000
- D would still be liable for your fees irrespective of where the contract was signed as this is a contractual liability

Question 2 of 5

Assuming Mr Lough has signed your terms of business on a second visit to see him at home, but you have failed to check out his identity and it is subsequently established he does not own the property, this would be seen as:

- A an offence under the Consumer Protection from Unfair Trading Regulations 2008
- B no consequence on your part unless in the single instance you accept some form of payment from a prospective tenant
- C contravention of the Accommodation Agencies Act 1953 if you issue any advertisement, list or other document describing the house
- D negligent act which should be remedied as soon as possible

Question 3 of 5

On the basis that Mr Lough does legally own the property, you discuss the question of what should be covered in the letting particulars. Which statement is **MOST LIKELY** to be true?

- A If the third bedroom was less than 4.5 sq. metres, it would be inadvisable to describe this as a box room.
- B A new Energy Performance Certificate (EPC) will be required separate to the one which Mr Lough was given when he purchased the house and attached the particulars.
- C Prospective tenants should be advised of all fees which would be payable before a tenancy can be granted in the small print of the letting particulars.
- D The particulars should indicate whether there are any title restrictions which would impact the use and enjoyment of the property by a prospective tenant.

Question 4 of 5

In the case of Mrs Bellows, which of the following statements is correct to comply with the Finance Act 1995?

- A The agent who handles the rental income must give his name, address and tax office number to HM Revenue and Customs
- B The obligation is on Mrs Bellows where she receives rent to contact HM Revenue and Customs and provide an 'approval number' to the agent
- C The agent must register the name of Mrs Bellows as a 'prescribed person' and ensure that her tax office reference is notified to HM Revenue and Customs
- D The agent must register the name, permanent overseas address, employment and date of birth of Mrs Bellows with HM Revenue and Customs

Question 5 of 5

As agent, you may need to retain and hand over to HM Revenue and Customs (HMRC) withholding tax where you demand and collect rent on behalf of Mrs Bellows. Assuming Mrs Bellows does **NOT** have approval for rent to be paid gross, which statement is correct in terms of the tax withheld?

- A Even if Mrs Bellows was employed by Her Majesty's Government in Portugal, basic rate tax should still be retained.
- B Where less than 4 months' rent is collected, there is no liability to retain tax.
- C If the tax to be collected is less than £250, no deduction need be made.
- D Pay the retention tax from the gross income at the basic rate to HM Revenue and Customs before allowable expenses are deducted.

Scenario 2

You have been approached by a new prospective landlord to undertake a rental appraisal on a 2 bedroom bungalow which he has inherited from his aunt. He has never rented out a property before and needs guidance from you.

Question 1 of 5

In order to provide the client with a rental appraisal value at which you believe the property will achieve a successful let, which of the following statements is the most appropriate?

- A You confirm the clients own expected figure even though you know it is too high because you are short of stock and you feel you can negotiate a reduction if it doesn't let straight away.
- B Using the rent achieved on a 2 bedroom house 12 months ago as a base, you use a well-known market index to calculate a potential current rent.
- C You consider the rent achieved on comparable properties of the same type and size as close to the appraisal date as possible.
- D You base your appraisal value on the rent being quoted for a similar property by one of your competitors

Question 2 of 5

If the property which has been valued at £275,000 is let for 12 months at a rent of £1200pcm, what is the landlord's expected yield?

- A 5.23%
- B 5.63%
- C 6.23%
- D 6.63%

Question 3 of 5

The landlord asks you for advice regarding safety issues. The bungalow has a working open fire in the living room, a gas fired boiler in the kitchen and a free standing fridge/freezer in the utility room. Which of the following best describes the advice you should give?

- A The landlord should obtain a gas safety certificate and fit a working smoke alarm in the kitchen.
- B The landlord should obtain a gas safety certificate, fit a carbon monoxide alarm in the living room, fit a working smoke alarm in the property and consider commissioning a portable appliance test on the fridge/freezer.
- C The landlord should fit a working fire alarm system because of the open fire which will prevent the need for him to install carbon monoxide and smoke alarms.
- D The landlord should have the chimney swept, commission a portable appliance test on the fridge/freezer and fit a fire extinguisher in the kitchen.

Question 4 of 5

You market the bungalow and negotiate an acceptable offer from a couple who tell you that the attraction of the property is the large driveway where they can park their caravan. You are aware that the bungalow is situated on an estate where there is a restrictive covenant preventing the parking of caravans. What course of action should you take?

- A Proceed with the tenancy as there may be no complaints made by other residents and if there are, the matter can be dealt with at that time.
- B Advise the landlord of the situation and recommend that unless he can obtain a relaxation of the covenant or the tenants find alternative parking arrangements for the caravan, he shouldn't allow the tenancy to proceed.
- C Proceed with the tenancy but advise the landlord to include a clause in the tenancy agreement which will allow him to end the tenancy should any complaints arise over the parking of the caravan.
- D Advise the tenants of the issue and suggest that they pay a higher rent than initially agreed for the facility of parking the caravan.

Question 5 of 5

The tenancy has now commenced and the landlord is puzzled by his first rental statement. He hadn't realised there would be deductions and he now asks you to calculate for him the net rent he will receive throughout the 12 month tenancy. Given that you achieved a rent of £1200pcm and your management fees are 10% of the monthly rent plus VAT and you have advised the landlord to set aside £600 for repairs and renewals. You know that the insurance premium he has paid was £350.00 inclusive of Insurance Premium Tax. What do you advise him will be his net rent?

- A £11,982.00
- B £12,270.00
- C £12,332.00
- D £12,582.00

Scenario 3

A range of letting situations are envisaged by a landlord or have since expired. Comment on their status.

Question 1 of 5

The tenants are a married couple who live and work in Oxford and are renting a cottage in a coastal resort for regular use at weekends. The property will be occupied for only 90 days in a 12 month period. The tenancy will be a:

- A a non-tax scheme compliant holiday let
- B a contractual tenancy
- C a tax scheme compliant holiday let
- D an assured shorthold tenancy

Question 2 of 5

A company requires a property and will be paying the monthly rent for a property for its new Finance Director who is joining the company from New York. His family are keeping their home in New York and he will return home every 2-3 months. The tenancy will be:

- A an assured shorthold tenancy in the name of the company
- B a contractual tenancy in the name of the director
- C a premium lease in the name of the company
- D a contractual tenancy in the name of the company

Question 3 of 5

A sea-front penthouse apartment occupied by a single lady tenant from 1 May 2010 until 30 July 2010, whilst her own property was being renovated. The rent was £2,200 per calendar month and paid for by her insurers. The tenancy will be:

- A a holiday let
- B a company let

- C a contractual tenancy
- D an assured shorthold tenancy

Question 4 of 5

Occupation commenced on 20 January 1989 and was granted to a single gentleman for six months paying £600 per calendar month. The agent failed to give any statutory notice before commencement of the term. The agreement will be:

- A a licence agreement
- B an assured shorthold tenancy
- C a Rent Act 1977 tenancy
- D an assured tenancy

Question 5 of 5

A tenancy created today of a house in multiple occupation let to eight students on a joint and several liability basis at a rent of £300 per person per calendar month. The tenancy will be:

- A an assured shorthold tenancy
- B a contractual tenancy
- C eight individual agreements
- D a deed

Scenario 4

You are approached by a new landlord who is seeking to invest his pension pot into 'Buy to Let' properties. A friend has told him that he should purchase 3 bedroom family homes as there is a growth in families seeking to rent rather than buy at the current time. He has selected 2 houses which he is considering acquiring. Property A is £350,000 and Property B is £425,000. Both have 3 bedrooms and are close to local schools.

Question 1 of 5

Assuming both properties are in similar condition, style and size, which of the following is likely to have the **MOST** significant effect on the rental value when comparing one over the other?

- A The energy performance and environmental impact rating of the property.
- B Where the property is located.
- C The standard and condition of the internal and external decoration.
- D Current supply and demand in the local rental market.

Question 2 of 5

Using the comparable method of valuation which of the following is LIKELY to be the most reliable source of evidence when presenting your valuation to the landlord?

- A The landlord's expert opinion and experience of rental values.
- B The ARLA Propertymark quarterly review of the rental market.
- C Your firm's own database of recently let local properties.
- D The market leading property portal's rental valuation tool.

Question 3 of 5

The landlord decides to proceed with the property which offers the greatest Gross Yield. Property A will achieve £1350 per month while Property B will achieve £1475pcm. Which property offers the highest gross yield for the landlord?

- A Property A - 4.62%.
- B Property A - 4.95%.
- C Property B - 4.16%.
- D Property B - 4.25%.

Question 4 of 5

The landlord is favouring Property A over Property B but is adamant that he wants to achieve a 5% gross yield after paying the agency's monthly management fee of £135 per month inclusive of VAT. If the anticipated rent is £1350pcm at what figure should he purchase the property in order to achieve his expected return?

- A £285,200
- B £291,800
- C £305,100
- D £310,400

Question 5 of 5

The landlord still feels he is paying too much for the property and is becoming nervous about making the investment. He seeks your advice as to what could affect the rent in the long term. Which of the followings is likely to have the **MOST ADVERSE** effect on the rent?

- A An over-supply of build to rent homes in the local market.
- B The closure of the local supermarket.
- C The deterioration of the external decoration of the property.
- D A cut in the Bank of England interest base rate.

Scenario 5

You have an established practice as a rental lettings agency and are faced with the following circumstances:

Question 1 of 5

In preparing a property detail sheet, you incorrectly stated that the size of the garden was larger than it actually is. Relying on your statement, the applicant signed a tenancy agreement to let the premises on an assured shorthold tenancy. Which of the following is most likely to be true?

- A This is a criminal offence under the Estate Agents Act 1979
- B This would amount to a breach of contract
- C As the statement was made at the stage of an invitation to treat, there is no liability for the incorrect garden size issue
- D This could be regarded as a misrepresentation

Question 2 of 5

Your practice has an agreed process for dealing with enquiries to view a property. On receiving an enquiry by telephone, which of the following responses would be appropriate?

- A You state that you will contact the landlord and contact the enquirer to confirm the viewing
- B As you do not want to lose a prospective tenant, you confirm the viewing there and then
- C As the property is empty, you agree that the enquirer can borrow the key as long as they sign for it in the log book
- D You arrange the viewing and ask the enquirer to contact you if they are interested so that you can make a note of their details

Question 3 of 5

You have received an offer to rent a client's property by telephone. Which of the following responses should be given to the applicant?

- A You confirm that the offer will only be accepted when confirmed in writing
- B You confirm that the offer will be without prejudice
- C You confirm that the offer is received subject to contract
- D None of these as all property-related contracts need to be in writing in any event

Question 4 of 5

You have received an acceptable rental offer from an applicant and have asked for appropriate references. However, the applicant is unable to provide any suitable sources. Which of the following is **NOT** an appropriate response?

- A You ask the landlord for an indemnity to protect your agency
- B You ask the applicant to provide a guarantor

- C You ask the applicant to agree to pay the total rent in advance
- D You advise the applicant that they are not legally entitled to rent the property

Question 5 of 5

As agent for the landlord, you hold a deposit of £1000 at the end of a tenancy. The property needs some minor repair works caused by the tenant's default. Which of the following would apply?

- A You pay £500 to the landlord who estimates that this is the cost of the repair
- B You pay £250 to the landlord as this is the tenant's estimated cost of the repair
- C You make a judgement that the repairs would cost £350 and pay this amount to the landlord
- D You are obliged to return the entire £1,000 to the tenant without setoff

Unit 4 Practice relating to Residential Letting and Management

Unit 6 Applied Law relating to Residential Letting and Management

(Short essay samples)

Unit 4 Practice relating to Residential Letting and Management

Scenario 1

A landlord has written to their ARLA Propertymark regulated agent to complain that having visited his property after an absence of two years, he was appalled to see how the property had deteriorated.

The landlord now accuses the agent of not carrying out property visits as no visit reports, check-out reports or updated inventories were ever seen. The agent responds by stating that their terms of business do not state they will send reports, inventories etc. to the landlord, so they are not in breach of their terms. The landlord has indicated that he intends to take the matter further.

**Below are two questions that will now need to answer relating to the above scenario
(Please ensure you enter the appropriate answer in the appropriate space)**

Question 1 of 2 (Maximum of 50 marks)

Explain what options the landlord could follow to pursue his complaint should he not be happy to accept the agent's response and what redress the landlord might expect if his complaints were upheld?

Question 2 of 2 (Maximum of 50 marks)

Giving reasons for your answer, consider if the agent is right in stating they are in the clear because their terms were non-specific? Consider also what steps the agent should have taken to prevent accusations of bad management practice?

Scenario 2

You have just carried out a property visit to a Victorian detached house which is double glazed and has gas central heating. The kitchen is a single storey extension at the rear. You noted black mould growth on the plasterwork behind a free standing wardrobe in the main bedroom and on the rear wall of the kitchen. In addition the tenant reported that the bulbs for the inset spotlights in the kitchen keep blowing.

**Below are two questions that will now need to answer relating to the above scenario
(Please ensure you enter the appropriate answer in the appropriate space)**

Question 1 of 2 (Maximum of 60 marks)

Explain the possible causes for the mould growth in the two areas mentioned and the remedies that would be required.

Question 2 of 2 (Maximum of 40 marks)

You have been approached by a contractor who has just set up in business and you would like to use him for the problem with the spotlights. Explain what information you will need to obtain about the contractor before adding him to your portfolio of contractors.

Scenario 3

William runs a multi-discipline high street agency which includes surveying, property sales, residential lettings and property management, and insurance broking. He encourages all his staff to become trained in many aspects of the business.

Below are two questions that will now need to be answered relating to the above scenario

Question 1 of 2 (Maximum of 50 marks)

Explain the difference between the advice on insurance matters that could be given by an FCA approved employee and one who was not approved. Identify also the various options the firm has in being regulated to give customers advice under the FCA regulations.

Question 2 of 2 (Maximum of 50 marks)

William runs all sections of his business individually, and keeps a separate account for holding clients' money. Explain the term "client's money" and what rules must be observed when managing this clients' account.

Scenario 4

A landlord is getting frustrated with continual complaints he has received over the past 3 months regarding the tenants in his property. Most complaints focus on the noise made by the tenant's children (there are five children aged 3 -17 years old), but there has now been a complaint to the police regarding a "violent incident" involving the parents and a neighbour.

Below are two questions that will now need to be answered relating to the above scenario

Question 1 of 2 (Maximum of 50 marks)

Although you are not managing the property, the landlord has sought your advice to help him decide how best to deal with this. Referring to relevant authority and current legislation, explain what action the landlord might take.

Question 2 of 2 (Maximum of 50 marks)

Advised by the agent of his options, the landlord decides he will end this Assured Shorthold Tenancy which is 6 weeks from expiry. Explain how this would be dealt with, detailing an effective check out procedure that the landlord should follow, giving due consideration to the fact that the deposit is held in a custodial scheme and there are expected to be considerable dilapidations.

Scenario 5

A large part of Buy2Let's portfolio is property leased to students. This often means that a single property becomes occupied by a number of individual students and their partners.

Below are two questions that will now need to be answered relating to the above scenario

Question 1 of 2 (Maximum of 50 marks)

A two storey terraced property is leased to two students. Buy2Let discovers that one of the students has moved their partner into the property. You are not sure whether this is a permanent or temporary situation. With reasons, what advice should Buy2Let give their landlord client should this position arise?

Question 2 of 2 (Maximum of 50 marks)

One of Buy2Let's landlords has just applied for a licence to create an HMO as they understand that the demand is strong for such rental properties. They have asked for advice on the likely requirements for bathrooms, kitchens and any other key requirements. With reasons, what advice would you give your client?

Unit 6 Applied Law relating to Residential Letting and Management

Scenario 1

You have been asked to advise a landlord who owns two properties which are let on tenancies under the Rent Act 1977. The first property is let to Arthur who has neglected the property, resulting in damage, both internally and externally, and has been reported on more than one occasion for holding parties throughout the night and causing a nuisance to adjoining occupants. The second property is let to Samantha and is soon to be the subject of a review of the fair rent which is currently registered.

Below are two questions that will now need to be answered relating to the above scenario

Question 1 of 2 (Maximum of 50 marks)

With legal justification, advise your client on the process for gaining possession of the property occupied by Arthur and the likely prospect of success.

Question 2 of 2 (Maximum of 50 marks)

Advise the landlord on the process of reviewing the rent from application to implementation of the new rent.

Scenario 2

An agent is offering to let an attractive cottage with some outbuildings in a popular village renowned for such properties rarely becoming available. Viewings have just started and already there is considerable interest.

Below are two questions that will now need to be answered relating to the above scenario

Question 1 of 2 (Maximum of 40 marks)

The agent suggests to his client that as well as achieving a high rent due to the demand, he could compel the tenant in the contract to undertake repairs in the property and have a rent increase clause where the rent steps up by 15% every 3 months. Discuss the relevant issues that arise from this and determine whether this is good advice.

Question 2 of 2 (Maximum of 60 marks)

An applicant is keen to take the property and intends to use a part of it as a pottery studio where customers will be able to visit and watch him at his work. The landlord is agreeable and asks you to arrange the necessary documentation. Describe the issues that must be considered and identify the appropriate tenancy to protect the landlord.

Scenario 3

An agent acted as a letting and management agent for a landlord who has recently obtained possession of the let property, but only after a long and unpleasant disagreement with the tenant. In fact the landlord confided in the agent that he had threatened the tenant that if he did not vacate he would “make things very uncomfortable for them”. The landlord is now pursuing the tenant for arrears of rent and “associated losses” amounting to £4,700. The landlord has solicitors and a barrister appointed to act for him.

Below are two questions that will now need to be answered relating to the above scenario

Question 1 of 2 (Maximum of 70 marks)

The agent has been asked to prepare a report for the court detailing the agent’s knowledge of the matter and what his opinion of what has taken place between the parties. First, appraise the status and obligations of the agent to the court in respect of legal proceedings. Then the landlord approaches the agent asking him to ignore the threats he had made to the tenant when reporting to the court. He also informs the agent that he has just acquired several new flats which he requires to be let in the next 3 months. How should the agent respond?

Question 2 of 2 (Maximum of 30 marks)

There is an expectation that the report provided to the court will cover both dispute specific and generic requirements. Outline what these requirements are justifying their inclusion in your report?

Scenario 4

Alan is the owner of a small house which he let to Belinda in 2003 on a yearly periodic basis. In the lease Belinda covenants to:

- a) Carry out all necessary repairs;
- b) Use the premises in a tenant-like manner.

During the past six months, Belinda has become aware of the following issues:

- Rising-damp in the kitchen;
- Leaking pipes;
- Foul odours from the lavatory and;
- Water penetration from the roof.

Below are two questions that will now need to be answered relating to the above scenario

Question 1 of 2 (Maximum of 70 marks)

Explain the legal obligations of both parties and how these might apply?

Question 2 of 2 (Maximum of 30 marks)

Outline the available remedies in the result of a breach by either party?

Scenario 5

You are the managing agent for a number of residential properties, let on tenancies subject to Housing Act 1988, and where there have been a number of recent issues.

Below are two questions that will now need to be answered relating to the above scenario

Question 1 of 2 (Maximum of 50 marks)

One of the properties is let to a family who are alleged to have caused regular disturbance to their neighbours over a period of time. The neighbours have now complained of anti-social behaviour, continuous loud music and parties which have been disturbing them for the past few days. You are required to advise on the legal position and any appropriate action which could be taken.

Question 2 of 2 (Maximum of 50 marks)

On another property in the same ownership, neighbours have complained to you about the use of the property by its tenants. Here, the complaint is about the untidy state of the gardens which are becoming overgrown and are full of rubbish and discarded bin bags. Also, there is an old, dilapidated caravan which is proving to be an eyesore at the front of the property. You are asked to advise on the legal implications.