



# Applied Law Relating to Residential Letting & Management (ALRLM)

## Sample Questions and Answers

**propertymark**  
QUALIFICATIONS

# APPLIED LAW RELATING TO RESIDENTIAL LETTING & MANAGEMENT (ALRLM) SAMPLE QUESTIONS AND ANSWERS

This unit focuses on practical actions that a managing agent is required to take. Candidates must be aware that consumer protection and business protection legislation is an important feature of this unit and questions involving such legislation may appear in more than one element.

Questions, and answers where provided, are correct as at time of publishing.

April 2021

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## ASSESSMENT INFORMATION

Assessment Method	Short essay style exams 2 hours
Availability of assessment	Set times of the year as identified within the qualification page on the <a href="#">Propertymark Qualifications website</a>

Examinations are manually marked by an examiner and moderated by an experienced and qualified moderator.

The pass mark for each unit is **45%**.

The successful achievement of all units will result in either a final certificate showing a Pass or Distinction Grade.

In order to obtain an overall grade of Distinction, you need to achieve an **overall average mark of 70% across all examinations**.

# SCENARIO 1

Your client owns a property which is occupied by Karen and is ideal for her place of work during the week. She uses the flat for cooking, eating, and sleeping during the week but returns to her marital home at weekends. Recently, Karen has suggested she may give up possession shortly. The landlord has spoken to you about a prospective new tenant who has asked about the possibility of being granted a tenancy on an assured basis rather than an AST.

## Question 1

Explain the factors which determine whether Karen occupies the property on the basis of a lease or licence and the consequent impact of each.

### Answers may include:

- Indicate that for a lease, there must be:
  - Exclusive possession
  - A rent
  - A term
- Refer to legal authority - *Street v Mountford*
- Mention that a licence is a mere personal arrangement
- Mention that there are different considerations in security of tenure
- Conclude that here that Karen is likely to have a lease as she has exclusive possession despite her weekend absences

**Credit can be given by markers for any other valid answer(s).**

# SCENARIO 1 (CONTD.)

## Question 2

Explain to the landlord the differences between the two types of tenancy in relation to security of tenure.

### Answers may include:

- That an assured shorthold tenancy gives the tenant relatively little security:
  - A landlord can only evict an assured shorthold tenant within the first six months of the tenancy if there is a breach of the tenancy agreement and the landlord seeks possession under Section 8
- AST can be terminated by service of Section 21 notice (two months) and no grounds for possession need be established
- With assured tenancy, greater tenant security:
  - notice needed under Section 8 to gain possession
  - one or more grounds for possession (listed in Schedule 2) must be established

**Credit can be given by markers for any other valid answer(s).**

# SCENARIO 2

You are instructed to manage a large portfolio of residential properties, all of which are protected under the Rent Act 1977.

In accordance with a phased improvement programme, your client now wishes to substantially refurbish **Property A**, a two bedroom, fully furnished, family home, which is occupied by a protected tenant. The nature of the proposed works would require the tenant to vacate, and the landlord has suggested that the tenant could take occupation of a suitable alternative two bedroom property situated 200 metres away.

Another property (**Property B**) is occupied by a tenant who used to be an employee of the landlord but has recently been dismissed due to gross misconduct and the landlord has now found a replacement employee. It is a requirement of the employment that the employee lives in the accommodation provided.

In another property (**Property C**), the landlord has noticed that the furniture, provided as part of the letting, has been badly damaged. The landlord has previously advised the tenant that his use of the premises is inappropriate and warned him accordingly.

## Question 1

The tenant of **Property A** is reluctant to move. You have been asked to advise the landlord on the issues which need to be considered in respect of suitable alternative accommodation.

### Answers may include:

Explain requirement that the alternative property must be suitable in terms of:

- extent and character (e.g. size, physical features, location and condition)
- premises must be let as a separate dwelling with equivalent security
- tenant's place of work
- level of rental
- needs of tenant and family members (possibly including social and emotional issues: *Whitehouse v Lee (2009)*)

Conclude that here it is likely that premises would be deemed suitable and so possession order would be granted if tenant refuses to move

**Credit can be given by markers for any other valid answer(s).**

# SCENARIO 2 (CONTD.)

## Question 2

Advise your landlord client on the issues which may arise in respect of **Properties B and C**.

### Answers may include:

For **Property B**, in certain circumstances, the landlord has grounds for seeking possession

- Case 8 might apply
- Employment status and requirements
- Ground is discretionary and possession order is not automatic

For **Property C**, the landlord would need to bring proceedings under Case 4

- Case 4 is discretionary and possession order is not automatic
- Given state of furniture, court may award possession if it is deemed reasonable
- Possession would not be ordered if tenant had repaired furniture by date of hearing

Credit can be given by markers for any other valid answer(s).

# SCENARIO 3

A year ago, Gillian let a three bedroom house (**Property A**) to two single men who are not related. Whilst you are undertaking an inspection, as managing agent, you find that the men have allowed two women to reside in the property. One of the women occupies the third bedroom and the other shares a bedroom with one of the men.

Gillian also owns another property (**Property B**) which comprises a large house divided into nine bedsits which she has asked you to manage.

## Question 1

Explain whether **Property A** would have been classed as an HMO at the start of the tenancy and whether it will be classed as an HMO now.

### Answers may include:

- Refer to Housing Act 2004 (Schedule 14)
- Indicate that at start of tenancy only two tenants and as unrelated, this would not have been HMO as only two occupiers
- Point out that there are now four occupiers which comprise more than one household
- State that this falls outside Schedule 14 exemption
- Conclude that this property is now classified as HMO

Credit can be given by markers for any other valid answer(s).

# SCENARIO 3 (CONTD.)

## Question 2

Explain what information you would need before deciding whether to accept Gillian's instructions to manage **Property B**.

### Answers may include:

- If a query has been raised as to whether Gillian has applied for a licence and will it be held in her name
- What is the condition of the property, is it free from defects and does it have the necessary level of facilities to support nine bedsits?
- Has a gas safety certificate been obtained?
- Do electrical appliances conform with regulatory requirements?
- Are smoke alarms and carbon monoxide alarms fitted?

Credit can be given by markers for any other valid answer(s).

# SCENARIO 4

You have recently taken over the management of a residential property portfolio owned by one of your firm's clients and on which there are a number of disputes. You are asked to advise accordingly.

**Property A** is let to a tenant on a lease which still has a year to run. The tenant has continually failed to carry out the internal repairs to the premises in accordance with the terms of the lease and, on a recent inspection, you have noticed that the property is now in a poor state of repair.

**Property B** — The tenant of this property has telephoned you to notify you of a defect in the property and requested this is inspected and that someone is instructed to undertake the necessary repairs. The defect amounts to a crack in the external wall which is now impacting on the decorative condition of the premises internally, as well as one of the doors which will not shut properly.

## Question 1

You have received instructions from your client asking you to telephone the tenant of **Property A** to give formal notice that, if the internal repairs are not undertaken by the end of the month, the landlord will proceed with a forfeiture action. Advise your client on the legal implications here.

### Answers may include:

- Forfeiture is a common law remedy available to landlords for breach by tenant of a covenant in the lease
- Explain that the lease must contain a forfeiture clause
- For disrepair, landlord must serve notice under Section 146 Law of Property Act 1925
  - Notice must explain alleged breach
  - Notice must set out required works to remedy breach and give a reasonable time
- Here, therefore, a telephone call would not suffice
- Landlord may waive right to forfeit by certain actions (i.e., acceptance of rent)
- Breach is remediable so court would be likely to grant relief

Credit can be given by markers for any other valid answer(s).

# SCENARIO 4 (CONTD.)

## Question 2

Advise the landlord of their liabilities in respect of **Property B**.

### Answers may include:

- Refer to obligations under Section 11 of the Landlord and Tenant Act 1985
- Point out that landlord has an obligation to repair under Section 11 where the lease is for less than 7 years
- Explain that liability under Section 11 relates to the structure and exterior of the property
- Explain that the standard of repair is measured by reference to age, character and locality and prospective life of the property
- Landlord must have been notified of defect for liability to arise
- Refer to tenant's remedies
- Here, applying the law to the scenario, it would appear that the landlord could be liable for repair

**Credit can be given by markers for any other valid answer(s).**

# SCENARIO 5

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

One of the properties, **Property A**, 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.

Neighbours of another of the properties, **Property B**, have complained to you about the use of the property by its tenants. Here, the complaints are about the untidy state of the gardens which are becoming overgrown and are full of rubbish and discarded bin bags. There is an old, dilapidated caravan in front of the property which is proving to be an eyesore.

## Question 1

Advise on the legal position and any appropriate action which could be taken for **Property A**.

### Answers may include:

- Explain the nature of the lease which should provide a covenant prohibiting this behaviour
- Mention that the agent should investigate, check noise levels, and speak to tenants to avoid possession proceedings
- Explain that the Housing Act 1988 provides grounds for the landlord to seek possession
- Mention that the landlord must serve notice under Section 8
- Identify grounds 12 and 14 (both of which are discretionary) as likely to be most relevant
- Refer to the Noise Act 1996
- State that the local authority could serve an abatement notice under the Environmental Protection Act 1990
- Consider the possibility of AST and service of Section 21 notice

**Credit can be given by markers for any other valid answer(s).**

# SCENARIO 5 (CONTD.)

## Question 2

Advise the landlord on the legal implications of the situation at **Property B**.

### Answers may include:

- Lease is likely to contain covenants to maintain the garden in a tidy state and not to cause nuisance or annoyance to adjoining occupiers
- Tenant likely to be in breach of covenant not to commit waste
- Housing Act 1988 – landlord could bring proceedings for tenant’s breach
- Landlord will need to serve notice under Section 8
- Relevant grounds would be discretionary, and court will not make an order unless it considers it reasonable to do so
- The tenant’s neglect could constitute statutory nuisance under the Environmental Protection Act 1990
- If mentions an abatement notice could be served by local authority
- Non-compliance could lead to fine of up to £20,000
- Consider the possibility of AST and service of a Section 21 notice

**Credit can be given by markers for any other valid answer(s).**