



Legal Aspects Relating to Residential Estate Agency (LAREA)

Sample Questions

propertymark
QUALIFICATIONS

LEGAL ASPECTS RELATING TO RESIDENTIAL ESTATE AGENCY (LAREA) SAMPLE QUESTIONS

This unit builds on the legal aspects units covered in Level 3, expanding on select concepts and including case law to illustrate various points. It begins with general legal concepts and looks at contract, tort basic property law and estate agency law in greater depth. The unit concludes with a consideration of financial service requirements, consumer legislation and the legal aspects of the buying and selling process.

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

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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 Propertymark Qualifications website

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

Caroline agrees to market her property at an asking price of £250,000. Rob makes an offer of £230,000, which is not accepted by Caroline. However, Caroline says she will accept £240,000. Rob makes a counter offer of £235,000, which is again rejected by Caroline. Rob then comes back with a final counter offer of £240,000, which Caroline rejects. Rob is upset that his final counter offer has not been accepted after Caroline had earlier said she would accept £240,000.

Question 1

Explain why Caroline can reject the final offer of £240,000 from Rob.

SCENARIO 1 (CONTD.)

Question 2

Explain the circumstances under which an offer can be terminated giving example of case law.

SCENARIO 2

Your potential client, Mr Smith, is interested in using your agency to sell his property. He has asked to see a copy of your standard agency contract.

Question 1

Discuss the legal requirements of the Estate Agents Act (1979) and related legislation in relation to the provision of agency contracts.

SCENARIO 2 (CONTD.)

Question 2

Explain what is meant by a tie-in service, giving examples of those that could be offered to buyers. Explain the duties on an agent to inform their seller clients.

SCENARIO 3

A prospective buyer visits your office to pick up details on a property. During the visit, the receptionist mentions that bus links are good in the area. However, after buying the property the buyer finds that this is not the case and is threatening to sue for negligence.

Question 1

In view of the negligence threat, discuss the issues that would need to be considered.

SCENARIO 3 (CONTD.)

Question 2

Discuss the defences for negligence and the remedies available for claimants.

SCENARIO 4

You are selling a detached freehold property to which access is via a path across an adjoining property's garden.

Question 1

What would this access be classed as, and what tests would you apply to determine this?

SCENARIO 4 (CONTD.)

Question 2

Explain what is meant by the term freehold title. What are the main differences compared to a leasehold title?

SCENARIO 5

Your company is considering offering financial services alongside its existing estate agency business.

Question 1

Outline the legislation which covers the provision of financial services by estate agents, and the steps you should take to ensure compliance when providing these services.

SCENARIO 5 (CONTD.)

Question 2

To protect consumers should a dispute arise, what dispute resolution obligations do agents have and what are the advantages to the consumer?