



Practice Relating to Residential Property Management (PRPM)

Sample Questions and Answers

propertymark
QUALIFICATIONS

PRACTICE RELATING TO RESIDENTIAL PROPERTY MANAGEMENT (PRPM) 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.

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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

Buy2Let is a high street property agency which specialises in residential letting and management. It prides itself on the quality of its management services to its clients, mostly investor landlords.

Question 1

Given the agent's specialisation, explain what the agent's primary common law obligations are to its landlord clients. You should use relevant examples of what these obligations are and briefly explain how the agent might avoid breaching each of them.

Answers may include:

The common law duties are:

- to act honestly in the interests of the client
- not to allow a conflict of interest to arise
- to carry out lawful instructions
- to exercise reasonable skill and care
- not to make a secret profit
- to observe confidentiality
- not to delegate instructions

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

SCENARIO 1 (CONTD.)

Question 2

One aspect of the agent's service is the conducting of periodic property visits followed by the reporting of findings to its clients. With reference to standard good practice, explain and justify what steps should be taken to prepare for a property visit. You should also detail what information should be gathered on the visit and how your findings will be reported to the client.

Answers may include:

- Preparation for the inspection, including reference to notice of the appointment, inventory reference, notation sheet, camera, phone and pen
- During the visit including information gathered on site, number of occupants, evidence of pets / smoking, observing and noting condition of the property / garden and any maintenance issues, check recent maintenance works, check function of smoke alarms, issues from previous inspections
- Reporting findings back to the Landlord, advising of any necessary maintenance issues and urgency, recording of correspondence, diarising next visit

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

SCENARIO 2

Buy2Let is a high street property agency which specialises in residential letting and management. It arranges maintenance and repairs on behalf of its clients and, as such, deals with a wide variety of situations and needs to utilise the services of competent and reliable maintenance contractors.

Question 1

A particular issue the agent is currently dealing with is a report from a tenant of a working boiler flue in the loft space which the tenant suspects is made from asbestos. The agent is concerned that the presence of the working boiler flue is a health hazard and remedial action must be taken immediately.

Explain the likely issues which can arise from the presence of the working boiler flue and, with appropriate recommendations, detail the best course of action that should be undertaken by the agent to deal with this situation.

Answers may include:

- An explanation of basic assessment of the situation including the fact that the asbestos is only harmful if damaged (or any evidence of fibres escaping into the air) and if undamaged would recommend leaving in place, highlighting the excellent insulation and fire control properties of asbestos
- Confirm that unless totally sure the asbestos is undamaged a specialist contractor should be instructed to provide a report
- Identify and explain the health hazards of asbestos
- Provide detail of how to go about removal of asbestos / appointment of specialist contractors / Special Waste Regulations 1996
- Mention that the flue would be inspected yearly under the Gas Safety Certificate and mention a CO alarm in the loft space would be good practice if there were any concerns

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

SCENARIO 2 (CONTD.)

Question 2

The agent has recently appointed a new contractor and awarded this firm its first job. Detail best practice for the provision of instructions for this job, how the agent should control cost and manage the work to be undertaken by the contractor. The agent has already checked that the contractor has the appropriate insurance and qualifications.

Answers may include:

- Identify need for written works order
- Estimates/quotes prior to instruction
- Expenditure authority detail
- Scope of work to be undertaken
- Timeframe
- Contact details for access
- Health and safety policy followed
- Method statement completed
- Check satisfaction before settling invoice
- Inspection of work and authority obtained for additional works
- Credit can be given if candidate identifies if the tenant may need to be relocated

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

SCENARIO 3

One of the tenants of Buy2Let is constantly late with their rental payments and currently owes a month's rent with a further month due at the end of the week. The landlord has rental guarantee insurance, but the agency recognises that it must be proactive to resolve this situation.

Question 1

A new member of staff has recently joined the agency. Discuss the major points you would wish to cover in a training session with this new member of staff in respect of any tenant falling into arrears with rent. Your session should be directed to covering rent arrears procedures and any timescales that should be adhered to.

Answers may include:

Discussing:

- Importance of maintaining communication with tenant and why
- Specifying requirements of tenancy agreement
- Keeping clear and accurate records of actions taken
- Reasonable time schedule for arrears letters (7 / 14 / 21 days)
- Need to keep landlord fully up to date
- Advice to client to instruct solicitor (if no rent protection policy in place)
- Process for possession and or possession under the Housing Act 1988
- Rent guarantee insurance compliance with claim requirements
- Guarantor involvement and when to approach

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

SCENARIO 3 (CONTD.)

Question 2

Buy2Let is a non-regulated introducer in respect of its clients' insurance requirements. Explain what a non-regulated introducer means and discuss the ways in which this may restrict the assistance the agent can offer its clients in claiming back any losses.

Answers may include:

- Identify FCA as regulatory body
- Able to issue leaflets
- Unable to offer advice
- Able to settle premiums
- Limited to administrative tasks
- Expansion on regulated/non-regulated activity such as posting claim form
- Recognition of what a regulated introducer can do such as completing claim forms and negotiating terms of settlement

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

SCENARIO 4

A tenant has come to the end of their tenancy agreement. Buy2Let is instructed to deal with this situation on its client's behalf to either facilitate a continued tenancy or supervise the ending of the tenancy.

Question 1

Explain the landlord's strategic options for renewal at the end of the fixed term lease and the major points that you, as the agent, would cover in correspondence with your client including the role you could be expected to take.

Answers may include:

- Identifying options; fixed term, same/different terms, periodic statutory/contractual
- Rent increase
- Agent to negotiate for client
- Keeping parties informed
- Consider length of term/ break clause
- Break clause advantage /disadvantage
- Any requirement for re-referencing
- Agents obligation to protect client interest
- EPC and Electrical Installation Condition Report if new/renewed fixed term tenancy granted. (Latter not legally required in Wales but best practice to obtain one and issue copy to the tenant)

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

SCENARIO 4 (CONTD.)

Question 2

If the tenant decides not to renew their tenancy, explain what Buy2Let should do to facilitate a check-out and indicate the information it would be expected to gather. You should also explain how Buy2Let could assure the tenant that the process is fair on both parties.

Answers may include:

- Explanation of check-out
- Internal v external check-out
- Timeframe with reasons
- Check-out tasks e.g.
 - o damage
 - o cleanliness,
 - o meter readings
 - o forward address
 - o personal effects
- Tenant present v not present
- Impact of poor check-out

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

SCENARIO 5

A large part of Buy2Let's portfolio is property leased to students.

Question 1

A two storey terraced property is leased to two students. Buy2Let discovers that one of the students has moved her partner into the property. You are not sure whether this is a permanent or temporary situation. Explain, with reasons, the advice that Buy2Let should give its landlord client.

Answers may include:

- Identify additional person makes property HMO
- Identify possible planning requirements
- Recommend restoration to two occupiers
- Selective or additional licensing requirement
- Third occupier, licence to occupy with reasons
- Definition of HMOs
- Additional requirements (electric tests, mains smoke alarms, etc.)
- Potential penalties for non-compliance

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

SCENARIO 5 (CONTD.)

Question 2

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. Explain the advice which you would give your client.

Answers may include:

- Requirements for HMO licencing will vary depending on local authority
- Condition requirements of HMOs e.g.
 - o toilet/bathroom amenities
 - o cooking/food storage
- Additional legal/safety requirements e.g.
 - o Electrical Gas Safety certificates,
 - o Fire detection
- Specific additional requirements of HMOs e.g.
 - o number of power points,
 - o size of sink

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