NORMAN MANLEY LAW SCHOOL COUNCIL OF LEGAL EDUCATION

LEGAL EDUCATION CERTIFICATE
FIRST YEAR EXAMINATIONS, 1991

LANDLORD AND TENANT

(Wednesday, May 29, 1991)

Instructions to Students

- a) Time: 3 1/2 hours
- b) Answer FIVE questions only
- c) In answering any question a candidate may reply
 by reference to the Law of any Commonwealth Caribbean
 territory, but must state at the beginning of the answer
 the name of the relevant territory.
- d) It is unnecessary to transcribe the questions you attempt.

QUESTION 1

- (a) How far is it possible in practice to use the license to evade the statutory regulations with respect to the relationship of landlord and tenant?
- (b) In June 1986, Mark leased a 1/2 acre of land on Queens Street to Scud Oil Company for a period of twenty-one years at a rental of \$6,000 per annum for the first seven years; thereafter, increased rental to be agreed between the parties.

Between July and December 1986, Scud erected a modern motor vehicle service station at a cost of \$300,000. On completion of the station and with effect from January 1,1987, Scud entered into an agreement with Mark to manage and operate the station on the terms and conditions as therein set out.

This agreement contained various clauses dealing with the operation and maintenance of the station and provided inter alia that the licensee should pay an annual license fee of \$15,000 for the use of the station, that he should have quiet enjoyment thereof and that the agreement could be terminated for any cause whatsoever by either party giving to the other one month's notice in writing to that effect.

Last month Mark received a letter from Scud giving him one month's notice to quit with effect from the May 31,1991. The notice, the letter said, was in accordance with clause 4 of the agreement. Clause 4 states as follows -

"This agreement may be terminated for any cause whatsoever by either party hereto on giving to the

other of them one month's notice in writing to that effect such notice expiring at the end of the calendar month".

Mark has consulted you with respect to his rights in this matter.

What is your advice? Give reasons.

QUESTION 2

Draft a letter of advice to your client, a prospective tenant, explaining the meaning and importance of the following covenants in a lease for a dwelling house -

- (i) That the tenant shall not assign, sub-let or part with the possession of the demised premises without the prior consent in writing of the landlord.
- (ii) That the tenant shall have the first refusal to lease the demised premises for a further period of five years.
- (iii) That the tenant shall deposit a sum equal to six months' rent against possible breakage or repairs.
- (iv) That the tenant shall insure the demised premises with an "all risk" insurance policy with XYZ Insurance Co.

QUESTION 3

Andre has taken a one-year lease on townhouse number 3 in a row of nine townhouses belonging to Mark.

Because of faulty construction, since Andre took possession of the townhouse water has begun to seep into the main bedroom in the house from the bathroom of townhouse number 2.

Mark has subsequently leased townhouse number 4 to a group of weirdly attired young men who regularly chant, clap and pray between 11 p.m. and 4 a.m. Andre's work which is highly technical, is beginning to suffer from the consequent lack of sleep.

There is also a derelict house owned by Mark on the grounds opposite to Andre's townhouse and large rats have been invading Andre's small garden and ground floor rooms to the terror and distress of his wife and small daughter.

How far can Andre successfully seek remedies for these matters in reliance upon the landlord's covenant for quiet enjoyment?

QUESTION 4

Arc Cinemas Ltd.(Arc) in October 1989, became the lessees by way of a properly executed assignment of a cinema. The term of the lease was for twenty-five years and terminates in October 1994.

Soon after they went into possession of the premises Arc discovered that the roof which was covered with shingles was in a bad state of disrepair and as a result of this a number of concrete beams had been severely eroded by water. Arc immediately gave notice to the lessor Land Holdings Ltd. to carry out the repairs.

The lease contained a covenant by the lessees:

"to keep the demised premises and the sanitary and water apparatus and all additions and improvements thereto in good and substantial repair and condition and properly decorated and in a state in every respect for

cinematographic entertainment, but nothing in this clause contained shall render the lessee liable for structural repairs of a substantial nature to the main walls, roof, foundation or main drains of the demised building."

Having made a further request to Land Holdings Ltd. to carry out the repairs Arc began to make arrangements for the roof to be replaced with wood and felt shingles and to replace the cement rendering on the beams.

Last month workmen employed by Land Holdings Ltd.sought access to the premises to carry out repairs but were refused entry. Since then Arc has completed the repairs as planned and has written to Land Holdings Ltd claiming a refund of \$245,000.

Land Holdings Ltd have sought your advice and have informed you that the state of disrepair of the roof and beams was the result of persistent neglect by the former lessees to carry out minor repairs.

What is your advice? Give reasons.

QUESTION 5

Osse Co., a supplier of petrol and petroleum products, granted Bunny Ltd. a twenty-one year lease of a petrol filling station. The lease contains, inter alia, the following -

- (i) a covenant by the tenant to pay the rent quarterly in advance;
- (ii) a full repairing covenant including structural repairs by the tenant; and

(iii) a covenant stipulating that the tenant should purchase all of its petrol supplies from the Jandlord.

Last year Bunny Ltd. was unable to pay any rent due to financial difficulties and so on January 1 this year, assigned the remaining ten years of the lease to Kevin Garages. Osse Co. consented to the assignment but was not a party to the deed of assignment.

On March 1, this year, Osse Co. sold their reversion to P. B. Oils.

Kevin Garages has refused to pay the second quarter's rent to P. B. Oils because it claims that the premises are in need of repair and they have also refused to accept supplies of petrol from P. B. Oils.

P. B. Oils now wish to -

- (a) recover the year's unpaid rent from Bunny Ltd.;
- (b) recover the second quarter's rent from Kevin Garages;
- (c) enforce the repairing covenant against Kevin Garages;
- (d) enforce the covenant to supply petrol to Kevin Garages.
- P. B. Oils have now consulted you.

What is your advice? Give reasons.

QUESTION 6

On March 1, 1989, Loser leased his house (which is exempt from Rent Restriction/Control Legislation) to Tommy for 5 years at an annual rent of \$30,000 payable by equal monthly installments. The lease contained the following covenants by the tenant -

- (i) to pay the rent reserved at the time and in the manner aforesaid;
- (ii) at the tenant's expense to build a swimming pool at the demised premises;
- (iii) to keep the demised premises at all times insured against loss or damage by fire;
- (iv) to use the demised premises for residential purposes only.

The lease also contained a proviso for re-entry on breach of any of the tenant's covenants.

On March 10, 1991, Tommy began conducting his real estate business from the demised premises. Further, the swimming pool has not yet been built and the house is uninsured although on September 5, 1990, Loser had requested Tommy to commence the construction of the pool and to insure the house.

Advise Loser whether he can forfeit the lease and if so, what steps he should take in each case to enforce the forfeiture.

QUESTION 7

George is the landlord of a dwelling house with an annex leased by him to Charles for ten years at a yearly rent of \$12,000

payable by equal monthly installments. Charles resides on the premises from where he carries on his business as a transport operator.

Charles has been in arrears of rent for the last eight months. Two days ago, at about 8:05 a.m. George and his bailiff entered the house through the front door which was closed but not locked. On seeing George and the bailiff, Charles told his wife Jane to "take the microwave and run, don't let the bailiff get it". Thereupon Jane grabbed the microwave oven and ran out through the door.

The bailiff seized from the living room a video cassette recorder rented from Appliance Rentals Ltd. and a living room suite. George and his bailiff then broke down a bedroom door and seized therefrom a bed, two new suits belonging to Charles and a television set which was then being watched by Charles' infant son. They then entered the annex which was tenanted by Debbie a hairdresser, and seized a hair dryer and a desk. On their way out they also seized two of Charles' trucks, one of which was parked on the premises and the other on the roadside in front of the house.

Advise Charles, Jane, Debbie and Appliance Rentals Ltd.

QUESTION 8

Rosie, who has lived in the U.S.A. for many years, recently returned to the West Indies to spend her retirement years. While she was in the U.S.A. she purchased a house in her native country which she intended to be her retirement home.

The house is presently tenanted but Rosie wishes to carry out

repairs to it as she says it was allowed to deteriorate quite badly. Thereafter she plans to occupy a section of it and to rent the remaining section. She now discovers, however, that the house is subject to rent restriction/control legislation.

She therefore seeks your advice and wishes to know -

- (i) what procedure will have to be adopted in order to have the present tenants vacate the premises;
- (ii) whether the section of the house she intends to let will be governed by such legislation, and if so,
- (iii) what is the procedure for having the rent determined for that section and her entitlement to increased rent thereafter.

Advise her.