

662

COMMON EXAMINATION FOR HOUSE AGENTS

PAPER 1

LAW OF REAL PROPERTY

Monday, 7 January 2008

2 ½ hours

100 marks

Instructions:

1. Answer any **5 (FIVE)** out of 8 questions.
(You must not provide answers to more than 5 questions.)
2. Each question carries 20 marks only.

Failure to comply with the above instructions may result in loss of marks.

Question 1

Each part of this question carries two (2) marks. You are required to indicate the most appropriate answer for each part of this question in the answer script. No marks will be given if the answer is not clearly indicated. If more than one answer is given to any part, no marks will be awarded for that part.

- (I) Which of the following statements is incorrect.
- ☒ (A) While the owner of a strata lot has share value, the owner of an accessory lot has no share value
 - (B) Management Corporation is formed upon registration of strata title plans
 - ☒ (C) All highrise buildings require strata-subdivision.
 - (D) The land on which a condominium development stands is a common property
- (II) Leases not exceeding ____ years are not registrable.
- ☒ (A) 3
 - (B) 5
 - (C) 7
 - ☒ (D) 10
- (III) Which of the following statements is incorrect?
- ☒ (A) Non-residential properties are subject to property tax at 10% of the Annual Value
 - ☒ (B) There is no restriction on foreign ownership of non-residential property in Singapore
 - (C) The name/s of the owner/s in the Valuation List must be the legal owner/s of the property listed in the List
 - (D) Property tax is a first charge on the property
- (IV) To enjoy the owner-occupier property tax concession of 4% on a residential property; (a) the owner must be a Singaporean citizen (b) the owner must not be a company

- (A) Both statements (a) and (b) are true
(B) Both statements (a) and (b) are false
(C) Only statement (a) is true
(D) Only statement (b) is true
- (V) A caveat will lapse after ____ years from the date it is lodged.
- (A) 3
(B) 5 ✓
(C) 7
(D) 10
- (VI) Under the Land Acquisition Act, if the State were to compulsorily acquire a property now, in January 2008, the compensation amount for the property would be determined based on its:
- (A) current market value ✓
(B) market value as at 1 Jan 1995
(C) (A) or (B) whichever is higher
(D) (A) or (B) whichever is lower
- (VII) Which of the following statements is incorrect?
- (A) "Specific performance" is a court order to the party in default to perform the contract
(B) An "injunction" is a court order preventing a person from doing a certain act
(C) "Caveat emptor" means 'let the buyer beware'
(D) None of the above
- (VIII) For a valid tenancy agreement, the tenure must be certain, the parties must be identified, the agreed provisions must be spelt out, and

- (A) The consideration must reflect market value
- (B) The consideration must be valuable even though it does not reflect market value
- (C) There must be past consideration
- (D) None of the above
- (IX) Under the Planning Act; (a) the Chief Planner is the Competent Authority, (b) the demolition of a building constitutes "development".
- (A) Both statements (a) and (b) are true
- (B) Both statements (a) and (b) are false
- (C) Only statement (a) is true
- (D) Only statement (b) is true
- (X) Any dispute on the amount of development charge payable is to be heard before the
- (A) Valuation Review Board
- (B) Land Titles Board
- (C) Chief Planner's Board
- (D) None of the above

(20 marks)

Question 2

(a) Mr Wee agreed to sell his house "inclusive of all fixtures", to Mr Bey for \$3 million. When Mr Bey took possession of the house two months later, he was furious to discover that the chandelier lamps, the wall-mounted LCD television screen, and the venetian blinds previously attached to all the windows, had already been removed by Mr Wee. He is seeking to recover the missing items claiming that they were all fixtures fixed or mounted on the walls and ceiling.

- (i) Discuss if Mr Bey has a rightful claim to the items
- (ii) How do you distinguish "fixtures" from "fittings" and why is it important to distinguish them?

- (iii) If you were the real estate agent in this case, what would you have done to avoid such a 'misunderstanding'?

(10 marks)

- (b) What are the duties of an estate agent?

(10 marks)

Question 3

Write short notes on

- (a) Differential premium
(b) Development Charge Table
(c) Master Plan
(d) "White site"

(20 marks)

Question 4

- (a) What purpose does a 'caveat' serve? *Warning*
- (b) Mr Howard is a British citizen and is interested in owning a bungalow in Singapore. He wants to find out from you if he is eligible to buy. Please advise him *land dealing Agent*
- (c) A prewar shophouse along Jalan Sultan was under renovation. There was a "For Sale" display sign at the premises. A passer-by, Mr Tan, was curious and wanted to take a closer look at the interior as the door was left ajar. The moment he pushed open the door, a piece of broken brick fell and hit him on his head causing head injury. Discuss if Mr Tan is able to take action against the owner of the premises. *Not trespassing*

(5 marks)

(5 marks)

(10 marks)

Question 5

Your client is a Hong Kong businessman who has recently obtained permanent residence in Singapore and is about to purchase a brand new apartment in the Bukit Timah area worth \$1.5 mil from a developer. Similar apartments are being rented out at monthly rents of around \$4,500 on unfurnished basis and around \$6,000 on fully furnished basis, inclusive of monthly service charge of \$400. You are to advise him on the following:

- (a) How much stamp duty he has to pay and when must he pay? *391600*
- (b) How is property tax for apartments determined in Singapore?
- (c) What is the likely amount of property tax he has to pay?
- (d) Whether he is able to enjoy any of the property tax concession? *X*

(20 marks)

Question 6

- (a) After leasing his property to a tenant, under what circumstances can a landlord enter the property? *authorities repair work*

(10 marks)

- (b) Mr Soh has recently leased his shop to a company for two years. The company has been facing financial difficulties. Despite several reminders, the company has not paid up the rents for the past 3 months. You are to advise Mr Soh on the possible course of action he can take. *novation*

(10 marks)

Question 7

- (a) Mr Bala advertised to sell his house, which he jointly owned with his wife. Mr Kumar was interested in the house, and after negotiating the price with Mr Bala over the phone, they agreed to the price of \$2 mil. When Mr Kumar arrived at Mr Bala's house with a cheque, Mr Bala told him that his wife could not agree to the price of \$2 mil. Mrs Bala wanted to revise the price to \$2.1 mil. Mr Kumar insisted that there was already an oral contract between him and Mr Bala and threatened to sue Mr Bala. Discuss if Mr Kumar has a case. *10 (92)*

(10 marks)

(b) Mr Ng has granted an Option to a buyer to buy his flat for \$900,000 in December 2007. He now regrets for agreeing to the sale too soon as someone else is prepared to pay \$1 mil for his flat. As he scrutinizes the Agreement signed by him and the buyer, he notices an error in his I/C number. It was written as S1234567H when it should have been S1234367H. He is hopeful that he can cancel the Agreement in view of this mistake. Discuss if he is able to do so.

(10 marks)

Question 8

Each part of this question carries two (2) marks. You are required to indicate the most appropriate answer for each part of this question in the answer script. No marks will be given if the answer is not clearly indicated. If more than one answer is given to any part, no marks will be awarded for that part.

- (I) Mr Suzuki looks for a short term accommodation in Singapore and signs a Licence Agreement with the owner of a service apartment to occupy a service apartment unit for a period of 6 months. (a) Mr Suzuki has no legal interest in the unit and is unable to assign the licence to another person; (b) Mr Suzuki has no exclusive possession of the unit.
- (A) Both statements (a) and (b) are true
(B) Both statements (a) and (b) are false
(C) Only statement (a) is true
(D) Only statement (b) is true
- (II) Mr and Mrs Beng own a property as joint tenants. (a) Each of them owns an equal 50% share of the property; (b) Should Mr Beng die, Mrs Beng becomes the sole owner of the property.
- (A) Both statements (a) and (b) are true
(B) Both statements (a) and (b) are false
(C) Only statement (a) is true
(D) Only statement (b) is true
- (III) Under the Property Tax Act, if a lease is issued by the State exceeding _____ years, the lessee is deemed to be the owner for property tax purposes

- (A) 3
- (B) 5
- (C) 7
- (D) None of the above

(IV) In a partnership, the number of partners is not to exceed _____.

- (A) 5
- (B) 10
- (C) 15
- (D) 20

(V) House numbers of buildings are issued by the _____.

- (A) Chief Planner
- (B) Comptroller of Property Tax
- (C) Controller of Housing
- (D) Chief Surveyor

(VI) Plot ratio measures the development intensity. (a) Plot ratio is calculated based on the net floor area divided by the site area. (b) The plot ratios of all existing development can never exceed the permissible plot ratios indicated on the Master Plan

- (A) Both statements (a) and (b) are true
- (B) Both statements (a) and (b) are false
- (C) Only statement (a) is true
- (D) Only statement (b) is true

(VII) Which of the following statements is incorrect?

- (A) Annual Value of a property is the same regardless of whether the property is occupied or vacant
- (B) Annual Value is determined by the Chief Assessor
- (C) Annual Value is revised annually once a year only
- (D) None of the above

- (VIII) (a) A property can be mortgaged to more than one banks. (b) CPF Board usually has priority over the mortgage to the bank.
- (A) Both statements (a) and (b) are true
 - (B) Both statements (a) and (b) are false
 - (C) Only statement (a) is true
 - (D) Only statement (b) is true
- (IX) Which of following documents does not require to be stamped
- (A) Option to Purchase
 - (B) Sale and Purchase Agreement
 - (C) Licence Agreement
 - (D) Agreement to renew lease
- (X) Which of the following activities do not require planning permission
- (A) The conversion of one of the bedrooms into a private music room
 - (B) The addition of an attic floor to a semi-detached house
 - (C) The use of a shop to sell pets
 - (D) None of the above

(20 marks)