



**THE WEST MIDLAND & WALES
EXAMINING BODY
OF THE CENTRAL ASSOCIATION OF AGRICULTURAL VALUERS**

PRACTICAL EXAMINATION PAPER

Wednesday 12th November 2008

**CANDIDATES MUST NOT CONVERSE WITH EACH OTHER AND BREACH OF
THIS RULE MAY DISQUALIFY A CANDIDATE**

The Examination is held at Llysfasi College, Ruthin, Denbighshire

MORNING QUESTIONS

Answers to be written in the Note Book provided.

ORAL QUESTION

The group of buildings as shown edged by the red line on the plan will be the subject of the Oral Interview on Thursday 13th November. Candidates may make notes on the **pink paper** provided.

These notes are to be retained by the candidates and brought with them for use at the Interview on Thursday afternoon.

WRITTEN QUESTIONS

This afternoon's questions will be based on items seen on the farm during this morning's inspection. Candidates are advised to make their supporting notes on the A4 lined paper.

NOTES TO CANDIDATES

1. All candidates will be deemed to have read the CAAV Guidelines for the Practical and Written Examinations and the Oral Interview 2008 and be familiar with their contents.
2. **IMPORTANT** in all cases you **MUST** show your **methods** and **calculations**. The examiners are not just looking for the answer.
3. Livestock and Produce are to be valued at today's value.
4. The questions should contain all the information necessary to answer them. If candidates need to make any other assumptions, these should be clearly stated. Examiners will not provide further information if questioned.
5. Marks will be awarded as shown on the attached sheets. In addition, marks will be given for the way in which the Note Book is prepared, the field work set out, general agricultural knowledge, conduct and professionalism.
6. The day's timetable will be:-

8.30am	Candidates to arrive at Llysfasi College, Ruthin, Denbighshire
8.45am Prompt	Introduction and exam briefing by Exam Group Chairman and reading paper
9.00am to 12.30pm	Inspection of farm and answering of morning session questions in notebooks
12.30pm to 1.00pm	Examination Room – Completion of notebooks
1.00pm to 1.45pm	Lunch at College
1.45pm to 4.15pm	Afternoon session in exam room answering four questions out of five from notes made during the morning inspection.
7. Note Books will be provided together with sheets of paper for making notes for the afternoon and oral exams. No other paper or books may be taken into the exam. Note Books will be collected in at the end of the morning session.

8. Marks are available in each section as follows:-

Practical examination –			
Morning Session	90		
Afternoon Paper	<u>60</u>	150	
Written examination –		100	
Oral interview		50	

10 of the 90 marks allocated to the morning session of the Practical examination will be awarded for conduct, professionalism and presentation.

To pass, candidates will require 65% of the 100 marks in the written section and 65% of the 200 marks in the practical and oral sections combined subject to achieving a minimum of 60% in each of the practical and oral interview parts.

9. Candidates should mark their papers with their examination number but **NOT** their name.
10. Candidates should indicate on the inside cover of their Note Book the general geographical area they work in and similarly on the first page of their afternoon answers.
11. Candidates are under examination conditions and will be supervised throughout the day including during lunch.



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Morning Paper (to be answered in Note Book)

No 1 AGRICULTURAL KNOWLEDGE (15 MARKS)

- 1.1 **General Knowledge (5 marks)**
Question to be answered on the separate sheet provided
- 1.2 **Commodities (7 marks)**
Identify and give the current market value in £s per tonne of the Seven items labelled a-g.
- 1.3 **Agricultural Equipment (3 marks)**
Identify the three items labelled h-j.

No 2 LIVE AND DEADSTOCK INCLUDING GROWING CROPS (20 MARKS)

Livestock (9 marks)

- 2.1 Describe and give current market value of the following animals shown to you.
(a) Pen of Cattle
(b) Pen of Cattle
(c) Pen of Sheep

Implements and Machinery (5 marks)

- 2.2 Describe and value for sale purposes 5 only of the items of farm machinery as marked A-H.

Harvested Crops (6 marks)

- 2.3 Describe and Value the quantity of produce shown to you
- 2.4 Describe and value the quantity of produce shown to you.

No 3 LANDLORD & TENANT (10 marks)

Assume you are acting for the Landlord of a holding let under the Agricultural Holdings Act 1986 which was terminated as at Michaelmas 2008.

- 3.1 Assuming that the repairing liabilities were in accordance with the Model Clauses prepare a costed schedule of dilapidations in respect of the cottage and garage edged in green on the plan. **(5 marks)**
- 3.2 The building edged in blue on the plan was erected as a joint project between landlord and tenant. The landlord erected the frame, roof and walls and the tenant provided the remainder. The landlord gave written consent for the work. The holding extends to 150 ha. Describe the tenant's works; outline the basis of valuation and the value of this tenant's improvement. **(5 marks)**

4. COMPULSORY PURCHASE QUESTION (10 marks)

Denbighshire County Council, as a result of traffic safety concerns surrounding the school, is to widen the B5429 road as shown in red on the attached plan. They have served on your client the owner of Llysfasi farm, a Notice to Treat and a Notice to Enter in order to acquire 0.5 hectares (1.24 acres) of land. Your client, the freehold owner-occupier of the farm has instructed you to prepare a claim and has been told that entry will be taken shortly.

Restricting your answer to the area coloured red on the plan, prepare heads of claim on behalf of your client. State what accommodation works you would seek on behalf of your client, and any further information you need from your client and the acquiring authority.

Confine your answer to valuation principles as a costed claim is **not** required.

5. GENERAL REGULATIONS (10 marks)

The cattle shed marked "A" on the plan was rented to the present tenant as part of the farm in September 1984. The tenant has advised you of a significant area of damage to the asbestos roof and your client, the landlord, has instructed you to undertake the necessary repairs. Identify and outline the regulations that apply and draw up heads of terms for a risk assessment to be given to the appropriate contractor.

6. RESIDENTIAL LETTINGS & MARKETING (15 marks)

Your client has recently taken back in hand the cottage Min-y-Nant marked in green on the attached plan, he has asked for your recommendations on the following:-

- 6.1 Draft brief lettings particulars for the letting of the cottage on an Assured Shorthold tenancy agreement (in its current condition). **(5 marks)**

- 6.2 What work would you recommend is undertaken to maximise your client's returns, before the property is marketed for reletting and a likely rent value once the works have been completed. Also please provide an indication of the likely cost of each item you recommend. **(5 marks)**
- 6.3 What other information/documentation will you require from your client before you market the property for let? **(5 marks)**

AFTERNOON PAPER

Wednesday 12th November 2008

TIME ALLOWED 2 ½ HOURS

To be answered on the A4 paper provided

Please start each question on a fresh sheet of paper.

Write your CANDIDATE NUMBER ONLY on the top right hand corner of each sheet of your answer paper

ANSWER FOUR QUESTIONS ONLY OUT OF THOSE SET

All Questions carry 15 marks each

7. AGRICULTURAL REGULATIONS – Pollution (15 marks)

Your clients are the freehold owner-occupiers of Llysfasi Farm and are anxious about the slurry handling facilities on the farm. They are concerned about there being insufficient capacity in the system, as the farm has been in a Nitrate Vulnerable Zone since 2002 and the owners also have cross compliance worries. They have instructed you to report on the current condition of the facilities and to advise on any future improvements required.

Limiting your inspection to the above ground circular slurry store, and any immediately associated pumps, grids and drains, write a report to advise your clients on the condition of the system, and of any improvements required.

Your clients have requested a brief summary of how any recently enacted relevant regulations might apply to the whole farm. State any further information you consider is required from your clients and provide your recommendations on the future management of manure and slurry on the farm.

8. RED BOOK QUESTION (15 MARKS)

The college has the opportunity of purchasing the area of land *edged* purple on the attached plan from a neighbouring landowner. The land is for sale by public auction in a few weeks time.

In order to be able to do this they have approached Barclays Bank with a view to borrowing money to finance the transaction. Barclays Bank has issued instructions to you to provide a valuation of the land which they can use for lending purposes.

Your instructions clearly state that you are to report on all matters that are likely to have an effect on the value of land and has also asked for your comments on the market for land at the current time.

You are asked that taking all the factors into account do you consider the land be suitable security for the bank when they are looking at the application for lending.

In addition your valuation is to be produced in the form of a formal report and in accordance with the RICS Valuation Standards 2007.

9. PROPERTY AGENCY (15 MARKS)

The occupation of the house known as Bronant identified by the black outline on the attached plan is subject to an agricultural occupancy restriction. The present occupier, a teacher at the nearby primary school, has rented the house under a periodic Assured Shorthold Tenancy since November 2001. He has recently been offered the post of deputy head in South Wales and has written to his landlord advising them that he will be leaving at the end of the year. The owners have approached you to advise them of their options. Write a letter to the owners advising them of the options available together with the likely timeframes, and the advantages and disadvantages of each option with reference to the current economic climate. You should also advise them how you propose to charge your fees.

10. COMMERCIAL LETTINGS (15 MARKS)

Your client owns the field marked in yellow on Plan 2. The neighbouring primary school have approached your client to ask to purchase or rent an area of ground adjacent to the playing fields to allow these to be extended. Your client has asked you to advise him on the following issues.

- 10.1 Your client prefers to rent rather than sell the area concerned to the school. He is uncertain whether a lease or licence should be used. Advise him on the differences between a lease and a licence and which type of agreement should be used. (2 marks)
- 10.2 List the heads of terms that you would expect to agree with the school and likely annual rental value (10 marks)
- 10.3 Advise your client on the taxation implications of letting this ground to the school and the significance of these implications (3 marks)

11. BUDGETING/RENT REVIEW (15 MARKS)

You have been instructed by the owner of the land extending to 9.28 ha (22.9 acres) (as indicated edged in orange on the attached plan 2) who has

recently inherited the land from her uncle. The land has been let since 25th March 1978, with the current rent passing being £30/acre.

The Landlord has no knowledge of agriculture and has come to you for advice, particularly whether the rent is at the appropriate level.

- 11.1 What additional information would you require from your client in order to advise on the rent? (2marks)
- 11.2 You are instructed to review the rent. In letter format, advise what steps should be taken to initiate the review and advise on how the reviewed rent would be determined. (8 marks)
- 11.3 Provide your updated rental figure, stating any assumptions (5 marks)