

THE CENTRAL ASSOCIATION OF AGRICULTURAL VALUERS
SCOTTISH GROUP

PRACTICAL EXAMINATION

WEDNESDAY 14th NOVEMBER 2018

Leyden Farm
Leyden Road
Kirknewton
EH27 8DQ

BY KIND PERMISSION OF J & S BARR

ALL CANDIDATES WILL HAVE READ THE CENTRAL ASSOCIATION OF
AGRICULTURAL VALUERS 2018 PUBLICATION

'Guidelines for the Practical and Written Examinations and the Interview'

Candidates should particularly note:

1. Notebooks, question papers and CAAV publications for both morning and afternoon sessions of the practical examination will be handed to each Candidate at the initial briefing. **All answers, calculations and any assumptions must be properly recorded in the notebook.** This examination paper comprises questions plus plans. Additional paper has been supplied separately.
2. Whilst undertaking their valuations and inspections, Candidates must take note of the general characteristics of the holding, as these may be of relevance to the afternoon session and to the interview (with the item for interview being shown on the plan). All notes for the interview should be made on the additional paper provided. **All written notes regarding the Interview subject must be handed in at the end of the morning Practical with the Valuation books. The notes will be redistributed at the start of the Interview.**
3. Candidates should answer all questions during the morning session in the notebooks provided. **Examiners will look for an orderly format to the notebook and marks will be awarded for the Candidate's approach in the fieldwork and for the presentation of the notebook.** Candidates will not be marked down for their choice of format, providing it is clear and logical.
4. **Half an hour** will be allowed before the end of the morning's examination for the completion of calculations and a final check on answers. The notebooks will then be collected by the Examiners at the end of the morning session. No information will be provided other than that given in the questions. **The Candidate's number and practice area should be written on the top right-hand corner of the front cover of the notebook. Ensure that the pages are numbered.**

MORNING PAPER (85 MARKS)

You will be shown items of live and dead stock. Please provide the information listed below in the notebook. All values should be given as at today's date.

1. Identify, describe, and provide a current auction value for four out of the five items marked (A – E). **(8 marks)**
2. Identify, describe, and provide individual valuations of the produce/commodities marked (F –J) on a current market value basis. **(10 marks)**
3. Describe and give current market value for the pen of homebred non-pedigree cattle. **(3 marks)**
4. Describe and give a current market value for the pen of non-pedigree sheep. **(3 marks)**
5. Inspect the building marked 'B' on the plan attached, which was erected by the landlord during a 1991 Act tenancy, with no post-lease agreement in place. What requirements would need to be met for the landlord to claim dilapidations on the building, and what timescales would be involved? **(5 marks)**

Identify various items which would constitute dilapidations, and quantify a claim for each of them. **(7 marks)**

6. Describe and value as at today's date the growing crop in **Field Y**, which has a gross area of 6.05 hectares (14.95 acres), making an assumption that there are no uncropped areas. Show your workings and any further assumptions on the basis that you are the valuer instructed by both parties under an Agricultural Holdings 1991 Act tenancy. **(8 marks)**

What further operations and inputs might the incomer incur up to and including harvest, including costs? **(5 marks)**

What market value might the farmer expect to receive for the crop once harvested, at current market prices? **(2 marks)**

7. After the recent very dry summer, the occupiers of the cottage (not owned by the farm) ran out of water, and as such wish to be connected to the mains which is located on the verge of the public road. The suggested route for the water supply is through your client's field, a distance of some 450 m.

What legal rights would the occupier of the cottage have, or what form of agreement (between your client and the occupier of the cottage) might be put in place to provide for a new supply? **(3 marks)**

AFTERNOON PAPER (60 marks)

Please answer four out of the five questions, each is worth 15 marks.

Question 1

With the uncertainty over Brexit, the tenant is considering whether to serve notice on his landlord for a rent review under the current legislation in force, to take place on 28th November 2019. He asks your view on what the rent should be, assuming that there will be no changes to the legislation between now and then, and bearing in mind that there are 160 ha of class 3(2) land, 60 ha of 5(1), and 32 ha of 6(2), plus the five bedroom farmhouse, and other fixed equipment provided by the landlord comprising fences and the two buildings marked A and B on the plan. In addition, the diversified enterprise brings in a gross income of £85,000 per annum. *(State area of practice on your answer paper)*

- a. What action does he need to take to ensure the review takes place, and when might he be advised to carry out other action? What information should the tenant provide to the landlord, to support any rental proposal he makes?
(4 marks)
- b. State what you believe the rent should be, showing your calculations and any assumptions that you have made
(8 marks)
- c. Briefly outline what avenues might there be if the rent cannot be agreed?
(3 marks)

Question 2

The amnesty for tenants improvements is currently in force. Write briefing notes to your client on the process he would need to go through in order to present his case to the landlord, with examples where appropriate, including timings on each side.

(10 marks)

Describe the formal process which might also be available to the parties?

(5 marks)

Question 3

Your owner occupier client has read that there is interest and money in trees, and has approached you to look into and advise on the possibility of planting the 32 ha of class 6(2) land.

In bullet point form list the factors that your client would need to consider in order to see whether a planting scheme might be viable
(7 marks)

Detail the grants that might be available and the typical costs of establishment
(5 marks)

Advise on any other factors that might be relevant
(3 marks)