**CENTRAL ASSOCIATION OF AGRICULTURAL VALUERS**



**NATIONAL WRITTEN EXAMINATION**

**PAPER I**

**14 NOVEMBER 2019**

**9.00am – 10.30am**

**Time Allowed – 1½ Hours**

**Instructions to Candidates:**

1. Complete the Green Examination Information Sheet by stating your examination candidate number (not your name) together with the area in which you are practising and the local Association of which you are a member. Attach the green sheet to the top of your answer pad and ring the numbers of the two questions that you have answered.
2. Write your candidate number, the number of the question and the page number in the top right hand corner of each page.
3. Write on one side of the paper only, leaving the margin on the left- hand side.
4. Start each answer on a separate sheet and place your answers in numerical order.
5. Time has been allowed for you to read through the Question Paper and plan your answers.
6. You should attempt to answer **two** out of the three questions, ringing their numbers on the green sheet. Where relevant state whether you are answering for England, Wales or Scotland.
7. All questions carry equal marks: 20 each.
8. Questions are framed so as to minimise the need to make assumptions but state clearly any that you do make and the reasons for them.
9. Where appropriate, you will be expected to state the relevant Act, Statutory Instrument or case upon which you have based your answers.
10. You may use imperial or metric measurements in your answers. Please indicate which units you are using.
11. The presentation and clarity of your answers is important.

**PAPER 1 QUESTION 1**

This question has 8 parts (A) to (H). Please answer **FIVE** of them. Each part carries an equal four marks.

1. A client has asked you to explain to them in brief terms, the key aspects of ‘Natural Capital’ which they have been reading about in recent rural publications.
2. Set out the principle headings which you would expect to see in an RICS Red Book valuation, together with a brief explanation of four of the key headings.
3. What do you understand by the introduction of the ‘Tenant Fee Ban’ and set out what Tenants can and cannot now be charged for ?
4. Explain briefly, your understanding of both:
5. restrictive covenants (‘Real burdens’ in Scotland) and
6. clawback (overage) clauses

and summarise the key differences between them.

1. **England & Wales** – Set out four different possible bases for reviewing or varying FBT rents, providing a short explanation of each.

**Scotland –** Outline the changes made to Schedule 5 of the Agricultural Holdings (Scotland) Act 1991.

1. Summarise your understanding of the term ‘lone working’ and set out measures by which Employers might protect their Employees.
2. A client is considering applying for planning permission for a small village plot (for 6 houses) set out with a brief explanation of each, the various reports, forms, statements and surveys which may be required to accompany the planning application.

1. A water company has installed a new access road through your client’s arable and grassland farm (affecting four fields) in order to gain access to a recently enlarged foul water treatment plant. Set out:
2. the main heads of claim against the water company on behalf of your client
3. a fuller explanation of the basis of claims for severance and injurious affection.

**PAPER 1 QUESTION 2**

Mr and Mrs Smith, who are new clients of yours, are 76 and 73 and own a mixed rural estate which they are looking to pass onto their three children. They have had initial discussions with their accountant who has suggested they should get an idea of approximate property values so that they can start their tax planning exercise and consider a possible transfer of the estate to their children. The estate includes:

1. A large 6 bedroom farmhouse
2. A range of modern grain storage buildings, machinery buildings and general purpose farm buildings
3. A small 15kW wind turbine erected in 2014 which is owned by Mr and Mrs Smith
4. 1,400 ha of mainly arable land, 800 ha of which is farmed in hand and the balance under a variety of tenancies
5. A village shop, recently leased to Mrs Miggins with 19 years of the lease remaining
6. A 40 hectare wood stocked with Sitka spruce
7. A building plot with planning consent for a detached 4 bedroom house on the edge of the farm
8. Two holiday cottages, with lovely views on the edge of the local river.

The Smiths have telephoned your office, asking you to help with assessing the values of their various property interests before the first meeting with the accountant in 3 weeks.

1. How will you set up the Smiths as clients for your business? And what will be the key points in the letter you write to them to confirm this instruction? [**4 Marks]**
2. For each of the items a) to h), use bullet points to summarise the key information you will need from the Smiths and/or to investigate yourself, to complete the review by the deadline. [**14 Marks]**
3. An unsolicited oral offer to buy items f) and g) is received by you the day before your meeting. What do you do with it? How and why? [**2 Marks**]

**PAPER 1 QUESTION 3**

The sister of the managing director of your firm has decided to sell her farm. The farm comprises:

1. A large period farmhouse in poor repair
2. A range of largely redundant traditional buildings
3. 5 Ha of permanent pasture adjoining a village
4. A modern grain store, cattle yard and associated buildings
5. 100 Ha of arable land drilled with winter cereals
6. An off-lying 30 Ha of permanent pasture supporting a spring-calving suckler herd
7. Two semi-detached farm cottages built in 1975. One is occupied by a farmworker who retired after 40 years’ service. The other is occupied by a recently employed stockman who pays no rent.

She has run the farm as a sole trader for the last ten years. Having a number of health problems recently she now wants to sell so that she can move to New Zealand to live near her daughter.

**Write brief notes** ahead of a meeting with the client and her solicitor, on the following matters:

1. Outline the different methods of sale available for the sale of agricultural property, and list the pros and cons of each [**3 marks]**

1. Assuming you have been instructed to sell the farm by private treaty, set out
2. the process to follow and information you require before accepting the instruction **[2 marks]**
3. the background information you require for the various elements of the farm, both from your client and her solicitor **[3 marks]**
4. the procedure and sequence from the beginning of the sales process to legal completion of the sale. [**4 marks]**
5. The potential lotting of the farm (with reasoning for the suggestions given)

 **[2 marks]**

e) The headings for the sales particulars [**3 marks]**

f) Outline briefly the key headings to be included in your terms of business

 [**3 marks]**