

Central Association of Agricultural Valuers

Northern Group Practical Examination

Wednesday 11th November 2015

Morning Paper

8.45am – 1.00pm

FARM INSPECTION/COMPLETION OF NOTEBOOK

Important Notes

1. You are required to answer **ALL** questions on this paper.
2. **20 marks are allocated to Question 1, 15 marks are allocated to Question 2 and 10 marks to each of the remaining 5 questions.**
3. In addition, 5 marks are available for presentation of the notebook.
4. Answers to all questions on this paper should be completed in the Notebook provided. (These books will be taken from you for marking at the end of the morning session. Therefore any additional notes you wish to make to assist with the afternoon paper or the oral interview should be made on separate paper provided).
5. In answering the questions show all workings, any assumptions, and basis of valuation where applicable.
6. Your attention is drawn to the afternoon paper and the note regarding the oral interview. Your observational powers will be tested.
7. All candidates must answer the questions on the basis of English conditions/law.

Question 1

You will be shown the following items of live and deadstock; please provide the information listed below in your notebook. All values should be given as at today's date.

- a) Item Marked 1 (6,700 hours) (ignore attached implement)
- 1) Description
 - 2) Value
- (2 marks)
- b) Item Marked 2
- 1) Description
 - 2) Value
- (2 marks)
- c) Item Marked 3
- 1) Description
 - 2) Value
- (2 marks)
- d) Item Marked 4
- 1) Description
 - 2) Value
- (2 marks)
- e) Item Marked 5
- 1) Description
 - 2) Value
- (2 marks)
- f) Produce Marked A (harvested 2015)
Dimensions: 4.1m x 4.6m x 1.2m
- 1) Identify the produce and estimate the tonnage
 - 2) Provide a value of all the crop in store (including methodology)
- (2 marks)
- g) Produce Marked B (harvested 2015) 10 Bales
- 1) Identify the produce and estimate the tonnage
 - 2) Provide the value of the produce (including methodology)
- (2 marks)
- h) Produce Marked C (harvested 2015)
Dimensions : 3.1m x 3.8m x 1.0m
- 1) Identify the produce and estimate the tonnage
 - 2) Provide a value of all the crop in store (including methodology)
- (2 marks)
- i) Deadstock Marked D (purchased September 2015)
- 1) Describe the 3 bags
 - 2) Provide a value for all of the 3 bags (including methodology)
- (2 marks)
- j) Livestock Marked E
- 1) Describe the animals, including the weight
 - 2) Provide the overall value of the animals (including methodology).
- (2 marks)

Question 2

- a) Describe building "A" on Plan 2.

(6 marks)

The tenant wishes to use the building to finish store cattle.

- b) List the improvements to the building that are needed to facilitate this use.

(6 marks)

- c) Approximate cost of the work.

(1 mark)

- d) How many cattle will the building accommodate after conversion? Show your calculations.

(2 marks)

(Total 15 marks)

Question 3

- a) Please identify the trees marked A-C and estimate their age.

(2 marks)

- b) Standing at point 'X' on Plan 2 please identify 4 potential Ecological Focus Area (EFA) features for this land in the 2015/16 cropping year, with a brief description and requisites of each.

(8 marks)

(Total 10 marks)

Question 4

Please inspect the growing crop in field 5674 marked on Plan 1.

The previous crop was winter oilseed rape.

- a) Identify the crop.

(1 mark)

- b) Detail with costings the probable cultivations that will have been undertaken to establish the crop to date.

(2 marks)

- c) Prepare a detailed gross margin for the crop for harvest in 2016. Assume the crop is of feed quality and exclude any Basic Payment which may be due.

(7 marks)

(Total 10 marks)

Question 5

An AHA 1986 "Model Clause" Tenant has served notice on his Landlord to schedule the buildings shown edged red on Plan 2 as redundant. The Landlord has demanded reference to arbitration on the Tenant's notice.

In a bullet point format and under the headings of "Landlord" and "Tenant" set out the representations each party would make to support their position taking into account your inspection of the Buildings and the Model Clauses. **(9 marks)**

Give your opinion as to whether or whether the Buildings should be scheduled as redundant, with brief reasoning. **(1 mark)**

(Total 10 marks)

Do not describe the buildings in your answer

Question 6

You act for the Tenant of Scoreby Grange Farm who is considering alternative uses for the existing irrigation pond coloured orange on Plan 1. Your Client has also decided that the adjacent grass field OS 7469 extending to 2.40 ha may no longer be required for the livestock enterprise.

You have been instructed to advise your Client on alternative uses for the irrigation pond and adjacent grass field. Make brief notes on a bullet point basis giving:

- a) Possible alternative uses. **(2 marks)**
- b) Considerations that need to be taken into account. **(6 marks)**
- c) Identify one use to recommend to your Client and give reasons. **(2 marks)**

(Total 10 marks)

Question 7

Your client is the owner occupier of Scoreby Grange. He has been approached by a civil engineering contractor operating in the area who has identified field 6482 on Plan 1 as a potential site for a contractor's compound. This is a private arrangement between your client and the contractor. It is intended that the use would be for more than 12 months and commencing on 1 December 2015.

Prior to a meeting with your client list:

- a) The practical issues to be considered **(½ mark each, maximum of 4 marks)**
- b) The other issues to be considered. **(1 mark each, maximum of 6 marks)**

(Total 10 marks)

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Northern Group Practical Examination

Wednesday 11th November 2015

Afternoon Paper

2.00pm – 4.30pm

<u>PRACTICAL WRITTEN</u>

Important Notes

1. Answer **4 out of 5** questions on the paper provided.
2. **All questions carry equal marks: 15 each**
3. Write your candidate number only (not your name) in the top right hand corner of each page.
4. Start each answer on a separate sheet and place your answers in numerical order.
5. Write on one side of the paper only and leave a margin at the left-hand side.
6. Questions are related to the farm inspected this morning and are individually framed so as to minimise the need to make assumptions. Please state clearly any assumptions you do make and the reason for them.
7. Presentation and clarity of your answers is important.
8. All candidates must answer the questions on the basis of English conditions/law.

Question 1

The owner of Scoreby Grange and his Farm Business tenant have contacted you as they would like advice in respect of a new road proposal affecting the farm. The farm was let in 2012 on a 15-year Farm Business tenancy.

Following your visit to inspect the farm and to collect the papers that the owner has been sent you establish the following:

A Development Consent Order has been granted to the Local Highway Authority (LHA) including the provision for compulsory purchase of land. The LHA intend to construct a new road part of which will run along the line shown coloured blue on Plan 1. The LHA have indicated that they will seek to minimise access points from the new road and other than the main farm access will not be providing any other access points to the farm or severed land. (The scheme will involve losing 4 ha).

The LHA have given notice of intention to use a General Vesting Declaration to acquire the land.

Prepare notes for a second meeting with the owner covering:

- a) The procedure for the acquisition (2 marks)
 - b) What practical issues need to be discussed with the LHA (2 marks)
 - c) Identify Landlord's Heads of Claim (6 marks)
 - d) Explain to the Landlord what his tenant will be entitled to. (2½ marks)
 - e) When might the Landlord be paid and is interest payable on the claim, if so at what rate and from when? (2½ marks)
- (Total 15 marks)**

Question 2

Your client, the owner occupier of Scoreby Grange Farm, has been approached by a family friend who owns and operates a light haulage business. His friend has asked if he would consider letting him one of his buildings from which to operate his business. Building 'B' on Plan 2 is considered as being suitable and your client has asked you, his agent, for advice on taking the proposal forward

- a) Identify and **list separately**, physical and regulatory considerations you would wish to discuss with your client before formalising Heads of Terms for the use of this building. (½ mark each)
(4 marks)
 - b) Prepare draft heads of terms for the Agreement, with brief commentary. (9 marks)
 - c) Outline the possible tax implications for your client. (2 marks)
- (Total 15 marks)**

Question 3

Your client the owner occupier of Scoreby Grange of the farm has asked you to look at the farmstead to advise her regarding making a planning application for change of use of the range of traditional buildings close to the farmhouse. She says that she had heard on the news that nobody now needs planning permission for change of use of farm buildings to houses or a range of business uses.

She says that the total floor area of the range of brick buildings is approximately 9,000m² that the farm is located within the Green Belt and she thinks that the farmhouse may be listed but not the buildings.

- a) Make brief notes of your general observations of the buildings edged red on Plan 2 and the physical factors that you feel will be relevant planning considerations in connection with a proposed change of use. A description of the buildings is not required. **(6 marks)**
 - b) State the type of planning notification or application that you think would be most appropriate (with reasons). **(2 marks)**
 - c) Make a bullet point summary of the documents that are required to be submitted with an application (the National Requirements) **(4 marks)**, and any additional reports that are likely to be required by the local planning authority (the Local Requirements). **(3 marks)**
- (Total 15 marks)**

Question 4

Scoreby Grange has been made available to let as a whole from 6 April 2016 to a number local farmers by way of an invited tender process. Your clients are interested in making an offer for the holding. They have asked you to provide your thoughts and recommendations on what to consider as part of this process.

Prepare brief notes to:

- a) Outline the information required from the Landlord by your client, as a prospective tenant. **(4 marks)**
 - b) Outline items for consideration within the proposed tenancy agreement. **(6 marks)**
 - c) Identify the financial items you would prepare/produce to support the proposal. **(2 marks)**
 - d) Provide an indication of the likely demand to rent the farm and the likely rent. **(1 mark)**
 - e) Confirm the process and requirements for the transfer to claim the 2016 BPS and indicate the approximate value assuming there are 152 ha EOUT entitlements. **(2 marks)**
- (Total 15 marks)**

Question 5

Scoreby Grange is let under an Agricultural Holdings Act 1986 tenancy agreement. The tenancy will come to an end on 5th April 2016. Your client is the Landlord of the holding. The storage silo marked C on plan 2 was erected by the Tenant in 1977 without the Landlord's consent. The storage silo has a diameter of 5.70 metres and a height to the top of the steel side panels of 10.80 metres.

You have been asked by the Landlord to provide brief notes regarding the following:

- a) What is the storage capacity of the silo for barley? (Please show your workings) **(2 marks)**
 - b) How will the storage silo be treated for compensation at the end of the tenancy and what is basis of valuation? **(2 marks)**
 - c) What are the procedures, with time limits, to be followed by both the Landlord and the Tenant with respect to the treatment of the storage silo at the end of the tenancy? **(5 marks)**
 - d) What practical issues would you draw to your client's attention in relation to the storage silo? **(4 marks)**
 - e) How would the storage silo be treated differently for compensation at the end of the tenancy if it had been erected by the Tenant with the Landlord's prior written unconditional consent? **(2 marks)**
- (Total 15 marks)**