



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

P R A C T I C A L E X A M I N A T I O N P A P E R

MORNING PAPER

Wednesday 11th November 2015

Answer all the questions in this section in the Note book

No 1 AGRICULTURAL KNOWLEDGE (14 MARKS)

- 1.1 General Knowledge **(7marks)**
Answer the general agricultural knowledge questions on the separate sheet provided.
- 1.2 Commodities **(7 marks)**
Identify and give the current market value in £s per tonne of the 8 items labelled A – H.

No 2 LIVESTOCK (9 MARKS)

- 2.1 Describe and value the pen of cattle. Assume they are commercial.
- 2.2 Describe and value the pen of cattle. Assume they are commercial.
- 2.3 Describe and value the pen of sheep. Assume non pedigree

No 3 HARVESTED CROPS (6 MARKS)

- 3.1 Describe and value the quantity of produce shown to you.
- 3.2 Describe and value the quantity of produce shown to you.

No 4 IMPLEMENTS AND MACHINERY (6 MARKS)

Select two items of machinery from the items shown to you and referenced A – E for each:

- (a) Identify the item and describe the item as if for auction catalogue purposes
- (b) Estimate the likely hammer price achievable at auction
- (c) Identify at least two main factors affecting value

No 5 BUILDINGS / COMPENSATION (5 MARKS)

For the purposes of this question only, you are to assume the farm has been occupied by the current Tenant since Lady Day 1983. The Tenant is vacating the farm as at Lady Day 2016.

The building marked 'B' on the attached plan was erected by the tenant in 2000, without landlord's consent. The landlord is exercising his right to purchase the building.

- (a) Describe the building. **(2 marks)**
- (b) Assess the amount of compensation due to the Tenant at the end of the tenancy, making reference to the applicable legislation and stating any assumptions made. **(3 marks)**

No 6 BUILDINGS / COMPENSATION (5 MARKS)

For the purpose of this question, you are to assume the farm has been occupied by the current Tenant since Lady Day 1998. The Tenant is vacating the farm on Lady Day 2016. The building marked 'C' on the attached plan was erected by the tenant in 2000, with landlord's unconditional written consent.

- (a) Describe the building **(2 marks)**
- (b) Assess the amount of compensation due to the tenant at the end of the tenancy, making reference to the applicable legislation and stating any assumptions made. **(3 marks)**

No 7 DILAPIDATIONS (10 MARKS)

For the purpose of this question, it is assumed that Hunters Hall Farm is let on an Agricultural Holdings Act 1986 tenancy incorporating the model clauses SI 1973/1473 AS RECENTLY AMENDED.

You will be shown building A & B (8 Bay Barn with lean-to). Restricting your inspection to the exterior only:

- a) Prepare a schedule, in note form, of the Dilapidations **(2 marks)**
- b) Set out the costs for remedying the dilapidations identified **(3 marks)**
- c) Identify the procedure should the Landlord/Tenant not undertake the required works **(3 marks)**
- d) From the dilapidations listed above, identify which are the tenant's responsibility **(2 marks)**

No 8 BUILDING RISK ASSESSMENT (10 MARKS)

The roof of building 'D' has recently been re-clad. It is your client's intention now to remove and dispose of the asbestos sheeting from the adjoining building 'E' and re-clad with similar material to that of building 'D'

You are required to prepare a risk assessment for the proposed works. This should set out the risks you perceive that will arise from the work and any mitigation measures that you feel will be necessary.

No 9 COMPULSORY PURCHASE & COMPENSATION (10 MARKS)

Severn Trent Water Ltd have already served notice under The Water Industry Act 1991 S.159 on the owner occupier of Hunter's Hall Farm to lay a 600mm diameter water main. The route of the pipe across the field OS 4882 to the south east of the farm buildings is shown coloured purple on the attached plan. The notice states the company's intention to take entry on 1st December 2015. The depth of the pipe will be 1m, and the working width required which includes the protected strip width is 15m. A valve chamber will be installed at point 'X' on the plan.

You have been instructed by the owners to act on their behalf in connection with this pipeline. Identify the heads of claim that you would anticipate claiming on behalf of your client and any additional information you require.

The general valuation basis should be outlined, but a priced claim is not required.

No 10 TENANT'S PASTURE(5 MARKS)

Your client is an outgoing tenant who has a 1986 Act tenancy of Hunter's Hall Farm.

Your client has asked you to advise him about making a claim for tenant's pasture on the southern half of field 4882.1.66ha edged yellow on the attached plan

(a) What factors would you take into account when assessing the tenant's pasture in this field? **(4 marks)**

(b) What would your advice be about making a claim for the tenant's pasture? **(1 mark)**

No 11 GROWING CROP (5 MARKS)

Your client is an outgoing tenant who has a 1986 Act tenancy of Hunter's Hall Farm.

You have been asked to assess compensation at the end of the tenancy of the growing crop in field 5939 6.72 hectares.

(a) Describe the principal crop in field 5939 and list the items you should consider in your valuation **(3 marks)**

(b) Provide a valuation of the principal crop (6.72 hectares) **(2 marks)**



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AFTERNOON PAPER

Wednesday 11th November 2015

TIME ALLOWED 2 ½ HOURS

To be answered on the A4 lined 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 THE FIVE SET

All Questions carry 15 marks each

No 12 PLANNING (15 MARKS)

- 1) Your client has approached you about the construction of a new farm building. The proposed location is shown on the attached plan marked 'Q'.

The specification is for loose housing and the building will be approximately 36.5m x 12.2m and 5.5m to eaves.

- (a) What are permitted development rights for the construction of farm buildings?
(3 marks)
- (b) Having made a site inspection, what advice will you give your client in regard to planning permission and why? **(2 marks)**
- (c) Provide a list of points to consider and supporting documents needed in respect of the planning procedure you should follow **(5 marks)**.
- (d) What advice will you give your client in respect of the proximity of overhead cables? **(5 marks)**.

No 13 VALUATION (15 MARKS)

For the purposes of this question only, Hunters Hall Farm is owned by Fred Smith. It is let to and occupied by his two sons Robert and Andrew who farm in partnership with

each other. The current rent paid is £124 per hectare and the tenancy commenced on 24th March 1986. It has been agreed between the parties that Robert and Andrew will purchase the land edged red on the attached plan which amounts to 5 hectares. In accordance with that, Fred has asked you to provide him with the following:

- (a) An assessment of the factors affecting the value of the land apparent from your inspection **(8 marks)**.
- (b) An indication as to what you feel would be an appropriate price for the sons to pay their father for the land. You can assume that agricultural land in the area freehold with vacant possession is worth in the region of £18,500 per hectare. You should explain how you have arrived at your opinion. **(7 marks)**.

No 14 COMMERCIAL LETTING (15 MARKS)

Your client has been approached by a local builder who wants to use the building marked 'P' on the attached plan for the storage of materials and equipment.

- a) Set out in brief notes the heads of terms for the letting, taking into account the practical and site specific issues **(10 marks)**
- b) Explain to your client the process that needs to be gone through to enable the building to be let for a 6 year term. **(5 marks)**.

No 15 INHERITANCE TAX (15 MARKS)

Your client, Mr Smith, a local farmer, has owned the freehold of Hunter's Hill Farm for many years. He is a widower aged 73 and wants to cease his farming activity as his health is now poor. Mr Smith has no children but is on good terms with his grandson, George. George who is a teacher and lives locally, regularly helps out on his grandfather's farm.

Mr Smith wishes to sell to a local farmer the majority of the land and buildings at Hunter's Hall Farm, which extends to 81ha – (200 acres), to provide him with a retirement nest egg. Mr Smith and his late wife led a frugal life and he already has a total of £650,000 in bank accounts, after his late wife left him all her property and other assets.

However, he wants to retain ownership of and live in the Hunter's Hall Farmhouse (4 bedrooms), plus OS.2180 the 3 ha field to the immediate west fronting the public road. This is to allow him to keep on a few horses as pets for old time's sake.

Please ignore the attached former cottage to the rear of the farmhouse, it does not form part of this question.

Your client has asked you to advise him on any potential Inheritance Tax liability. Write a letter to your client:

- (a) Briefly outlining the current relevant statutory provisions. **(5 marks)**
- (b) Advise him of the potential future Inheritance Tax liability, including the likely tax bill, if the proposed sale goes ahead. What is your opinion of this proposal? **(8 marks)**

(c) Advise your client of any proposed alterations to the Inheritance Tax rules in the next few years that could reduce your client's potential Inheritance Tax bill. **(2 marks)**

No 16 AGENCY (15 MARKS)

Your client, the landowner is considering the sale of the field OS.2180 – 3.00 ha, edged green on the plan to help raise funds. Prepare a description of the field for inclusion in the sale particulars which your office colleague is preparing. **(5 marks)**

The field is registered for Basic Payment Scheme, is in a current ELS scheme and has the benefit of Common grazing rights on the nearby Castle Morton Common.

Advise your client on these matters in relation to this sale, together with any other relevant points arising from your inspection. (10 marks)