



**THE CENTRAL ASSOCIATION OF AGRICULTURAL VALUERS
SOUTHERN GROUP**

PRACTICAL EXAMINATION

WEDNESDAY 14th NOVEMBER 2012

**ORGANICALLY CERTIFIED HOLDING OF
OLD CLOSE FARM
BAGSTONE
WOTTON-UNDER-EDGE
GLOUCESTERSHIRE
GL12 8BE**

**BY KIND PERMISSION OF
MESSRS DIXON AND KING**

ALL CANDIDATES WILL HAVE READ THE CENTRAL ASSOCIATION OF AGRICULTURAL VALUERS 2012 PUBLICATION: "GUIDELINES FOR THE PRACTICAL AND WRITTEN EXAMINATIONS AND THE INTERVIEW"

Will candidates particularly note: -

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 exam paper comprises 5 pages of questions plus one plan. Additional paper has been supplied separately.

Whilst undertaking their valuations and inspection Candidates must appraise the holding, taking particular note of what is to be seen on the farm as this will be of relevance to the afternoon session and to the interview. All notes for the interview should be made on the additional paper given to you.

Candidates will answer all questions during the morning session in the notebooks provided, in pencil. 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. CAAV guidance on approaches to notebook layout has been prepared. Candidates will not be marked down for their choice of format, provided it is clear and logical.

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. You should answer the morning's questions in the order the questions are presented to you. The Candidate's number and practice area should be written on the top right-hand corner of the front cover of the notebook.

Please prepare your notebook including a summary page and index, using the following information:

HOLDING: OLD CLOSE FARM, BAGSTONE, WOTTON-UNDER-EDGE (THE HOLDING IS ORGANIC AND EXTENDS TO APPROXIMATELY 130 ACRES)
LANDLORD: MESSRS DIXON AND KING, OLD CLOSE FARM, BAGSTONE, WOTTON-UNDER-EDGE
TENANT: MR A TENANT, EAST FARM, TYTHERINGTON, WOTTON-UNDER-EDGE
OWNER/OCCUPIER: MR A FARMER, OLD CLOSE FARM, BAGSTONE, WOTTON-UNDER-EDGE

Where applicable you should show any assumptions that you have made in arriving at your answer(s). In respect of the valuations required on a stocktaking basis, you should clearly state which alternative method of valuation (as required by BEN 19) has been adopted.

PRACTICAL EXAMINATION PAPER

TIMETABLE

8.15 a.m.	Meet at The Swan, Tytherington, Wotton-Under-Edge, Gloucestershire, GL12 8QB
8.30 a.m.	Travel to Old Close Farm, Bagstone, Wotton-Under-Edge, GL12 8BE
8.45 a.m.	Introduction and briefing by Group Chairman. The question paper will be handed out and candidates must acquaint themselves with the questions for both the morning and afternoon sessions and the oral question, making such notes (on note paper provided and not the notebooks) that are necessary to enable the afternoon questions to be answered. No questions may be asked of the examiners about the subject of the questions. Where necessary, assumptions made must be clearly stated.
9.00 a.m. – 12.30 p.m.	Inspection of items included in the examination paper. Candidates will be accompanied to the site of the various questions. The Examiners will control timing.
12.30 p.m. – 1.00 p.m.	Time allowed for final completion and checking of notebooks.
1.00 p.m. – 1.45 p.m.	Return to The Swan. Lunch to be provided at Tytherington Village Hall (adjacent to The Swan).
1.45 p.m. – 4.15 p.m.	Afternoon questions relating to the farm visit during the morning will require notes made earlier in the day. Exam to be held in Tytherington Village Hall.

On completion of the afternoon examination, candidates will hand in loaned documents to the invigilator and are then free to leave.

Notes taken in preparation for the oral examination may be taken away, taken to and referred to in the interview.

Important Notes:

1. Candidates are required to undertake all necessary disinfection of footwear on entering and leaving the farm.
2. No smoking is allowed during the examination.
3. Candidates are responsible for their own Health and Safety whilst on the farm and should make themselves aware of any hazards and take appropriate precautions.
4. No mobile phones, computers or programmable calculators may be taken into the examination.
5. Candidates are not allowed to converse with each other. A breach of this rule may mean disqualification.

MORNING SESSION (90 Marks)

Answer all the questions in the section

Question 1

- a) Identify, describe and provide a market valuation of 5 out of the 6 items of equipment shown to you and marked A to F. (5 marks)
- b) Describe and value the pen of calves shown to you for annual stocktaking purposes. (5 marks)
- c) Describe and value the pen of homebred ewe lambs on a market value basis. (5 marks)

Question 2

The Agricultural Holdings Act Tenancy at Old Close Farm is due to end at Michaelmas 2013. Your client is the landlord. The building within the area hatched red on the attached Plan A and shown to you was constructed by the tenant.

- a) Describe the building including its materials and construction (4 marks)
- b) What information do you require from your client in order to assess the potential compensation payable to the outgoing tenant? (1 mark)
- c) Set out the method of valuation and the statutory procedure for the tenant to claim any compensation due. (You are not required to do the calculation). (5 marks)

Question 3

Old Close Farm has been in the Organic Entry Level Scheme since January 2007 and the current agreement is due to come to an end on 31 December 2012.

Despite the fact that the Agricultural Holdings Act tenancy is due to come to an end at Michaelmas 2013, the landlords (who have little knowledge of the scheme) are keen for the tenant to renew the agreement with effect from 1 January 2013. The landlords have asked you to provide advice in this respect.

You have arranged a meeting with the landlord and tenant to discuss this. In preparation for a meeting with them prepare a list of the issues you will need to discuss. (10 marks)

Question 4

- a) Identify the current crop in the field marked A on the attached plan. (2 marks)
- b) Following the previous crop of spring barley show the likely cultivations, and costings, with the cost of inputs. (8 marks)

Question 5

Your client, as owner occupier, has been approached in relation to letting out the building marked B on the attached plan for general commercial storage. Ahead of a meeting with your client, who would be the landlord, make notes on the likely practical and the likely legislative issues the landlord will have to consider if he is to let the building.

(10 marks)

Question 6

Agents for Wales and South West Utilities have contacted your client, the owner occupier, to inform him that the overhead electricity line crossing the field shown to you needs to be replaced.

Inspect the site and make bullet point notes on the practical issues that you will need to raise with your client ahead of, during and on completion of the works.

(10 marks)

Question 7

You have been asked by the owner occupier, to carry out a market appraisal of Holly Tree House marked C with a view to selling the property. You should assume that this is a new client and consider the procedures for taking on a new client.

The accommodation comprises on the ground floor, an entrance hall, kitchen/ dining/ sitting room, lounge, study, and an en-suite bedroom, and on the first floor there are three bedrooms, one with an en-suite bathroom and family bathroom.

State clearly your assumptions as to services and any access rights.

In bullet point format, set out all the information required to provide your client with a full market appraisal letter (do not write the letter), including your proposed marketing strategy and any relevant regulatory and legislative requirements when disposing of a property. Include your terms of engagement. You should include your advice on value.

(10 Marks)

Question 8

Your client owns and occupies Old Close Farm. The correct route of the footpath on the farm is shown dashed blue on the attached Plan A, another well used, but not recorded path is dashed green on the attached plan A. Your client has raised concerns that the use of the route dashed green has increased and he has asked for advice on the following issues:

- a) Aside from practical issues relating to the farming operations, what are the legal issues arising from the use of the route dashed green and what should your client do about it.
- B) Your client has asked about the possibility of relocating the footpath dashed blue to the field edge. What options are available to your client to move the route of the existing footpath and how might this be achieved?

Prepare bullet point notes in advance of your meeting.

(10 marks)

The remaining 5 marks are awarded as follows:-

Presentation of notebooks

(5 marks)

Total

(90 marks)

The Interview

PREPARATION FOR THE INTERVIEW:

The first part of the interview on Thursday afternoon will require knowledge on the current regulatory framework of a practical and professional nature with reference to a particular part of the farm.

Candidates should pay particular attention to the area hatched red on Plan A, including its physical characteristics, condition and uses.

Candidates should make notes on the separate paper provided and take them away at the end of the first day's examination. **Candidates are permitted to bring these notes to the interview.**

In addition, there will be 3 brief discussion questions drawing on your relevant general knowledge of subjects within the syllabus.

Practical part of interview – 10/15 minutes

(35 marks)

AFTERNOON SESSION (60 Marks)

Answer 4 out of the 5 questions in this section

Please use a separate piece of paper for each question answered.

Question 9

The Agricultural Holdings Act Tenancy of Old Close Farm is due to expire at Michaelmas 2013 following the death of the tenant and the service of a case G notice to quit by the Landlord. The tenant was not married and does not have any children. The tenant and lately the tenant's executors have been farming Old Close Farm organically since 2002 and an Organic Entry Level Scheme on the farm is due to expire on 31 December 2012.

Your client, the landlord, has asked you to organise a meeting with his other advisors in order to discuss the future of Old Close Farm. Prepare an agenda of items to be discussed at this meeting.

(15 marks)

Question 10

You have been instructed to provide a valuation of the freehold of Old Close Farm subject to the AHA tenancy which is due to expire at Michaelmas 2013 for secured lending purposes, comprising Old Close Farmhouse, the adjoining Old Close Cottage, buildings and 130 acres (Holly Tree House is not included). Having undertaken your site inspection the bank manager is keen to discuss your valuation. In preparation for your discussion make briefing notes under each of the headings in your valuation report, making particular reference to any factors that affect the value.

(15 marks)

Question 11

Your client, as owner occupier, has now secured Planning Consent for commercial storage in the building (identified as B on the plan). Your client has asked your advice in proposing terms for the letting to the prospective tenant.

Draft the heads of terms for the proposed letting of the building together with a proposed rental calculation.

(15 marks)

Question 12

Following service of the Case G Notice to Quit, your client asked you to provide advice on the re-letting of the holding following termination of the Agricultural Holdings Act tenancy.

Your advice was to seek to re-let under a Farm Business Tenancy agreement with effect from 29 September 2013 and you have agreed to go out to tender.

a) Identify the issues you would need to check with your client prior to preparation of the tender document

(4 marks)

b) Prepare in bullet point format a draft tender document for this land including details of the information you would expect applicants to provide

(11 marks)

Question 13

Your client is the landlord of Old Close Farm, which has historically been let on an Agricultural Holdings Act 1986 tenancy. The tenancy is due to expire at Michaelmas 2013 and a new Farm Business Tenancy of the farm will be granted to a new tenant. The outgoing tenant has advised that Old Close Cottage, to the rear of the farmhouse, is occupied by a retired ex-farmworker and his wife.

Given the changes next year your client wishes to consider his options for Old Close Cottage, and is exploring options for obtaining income either directly or within the new FBT, selling it, or offering it to his son who wishes to return to the farm.

As requested by your client, write a letter advising him on the impact of the ex-farm worker's occupation on these considerations and what his options are.

(15 Marks)

Total

(60 marks)