

BACKGROUND INFORMATION

MANOR FARM, GRIMSTON

- 1) AREA: 128.12 hectares, as edged red on Plan 1

- 2) THE FARMHOUSE: Ground Floor –
Utility Kitchen, complete with dining area,
2 reception rooms

First Floor –
Master bedroom with en-suite and 3 further
bedrooms, family bathroom, attic bedroom

- 3) FARM BUILDINGS: Two traditional ranges, livestock and modern
range of general purpose buildings, as inspected

- 4) THE LAND:
 - a) The land is classified as Grade II by the
MAFF Land Classification Series

 - b) The majority of the farm is a medium loam,
with a heavy patch on the east boundary

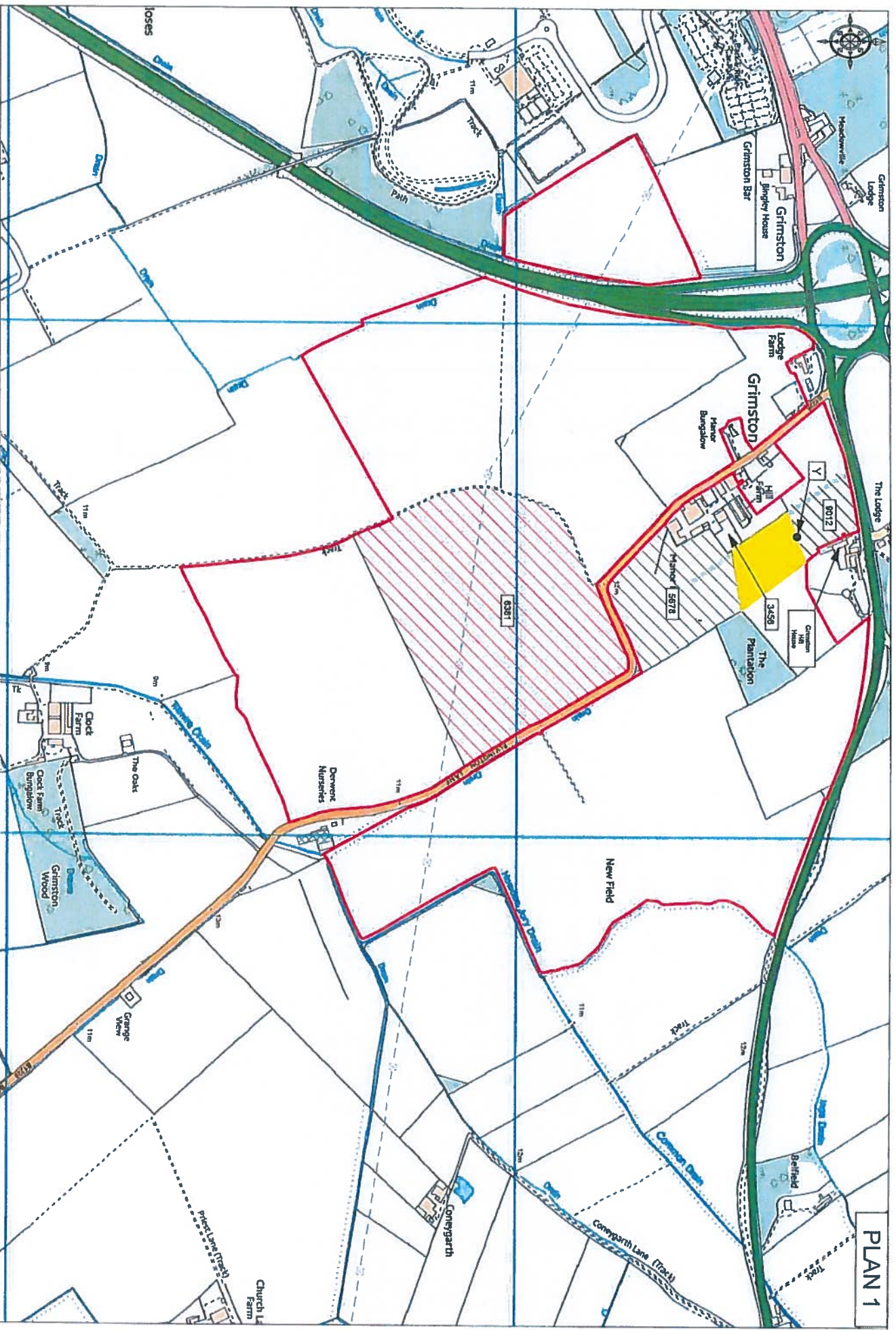
 - c) Crops grown 2016/2017 season –

Winter Oil Seed Rape	16.44 ha
Winter Wheat	38.18 ha
Spring Barley	31.76 ha
Spring Beans	14.46 ha
Permanent Pasture	24.77 ha
Wood	1.43 ha
Homestead	<u>1.12 ha</u>
Total Farm Area	128.12 ha

CAAV NORTHERN GROUP 2016

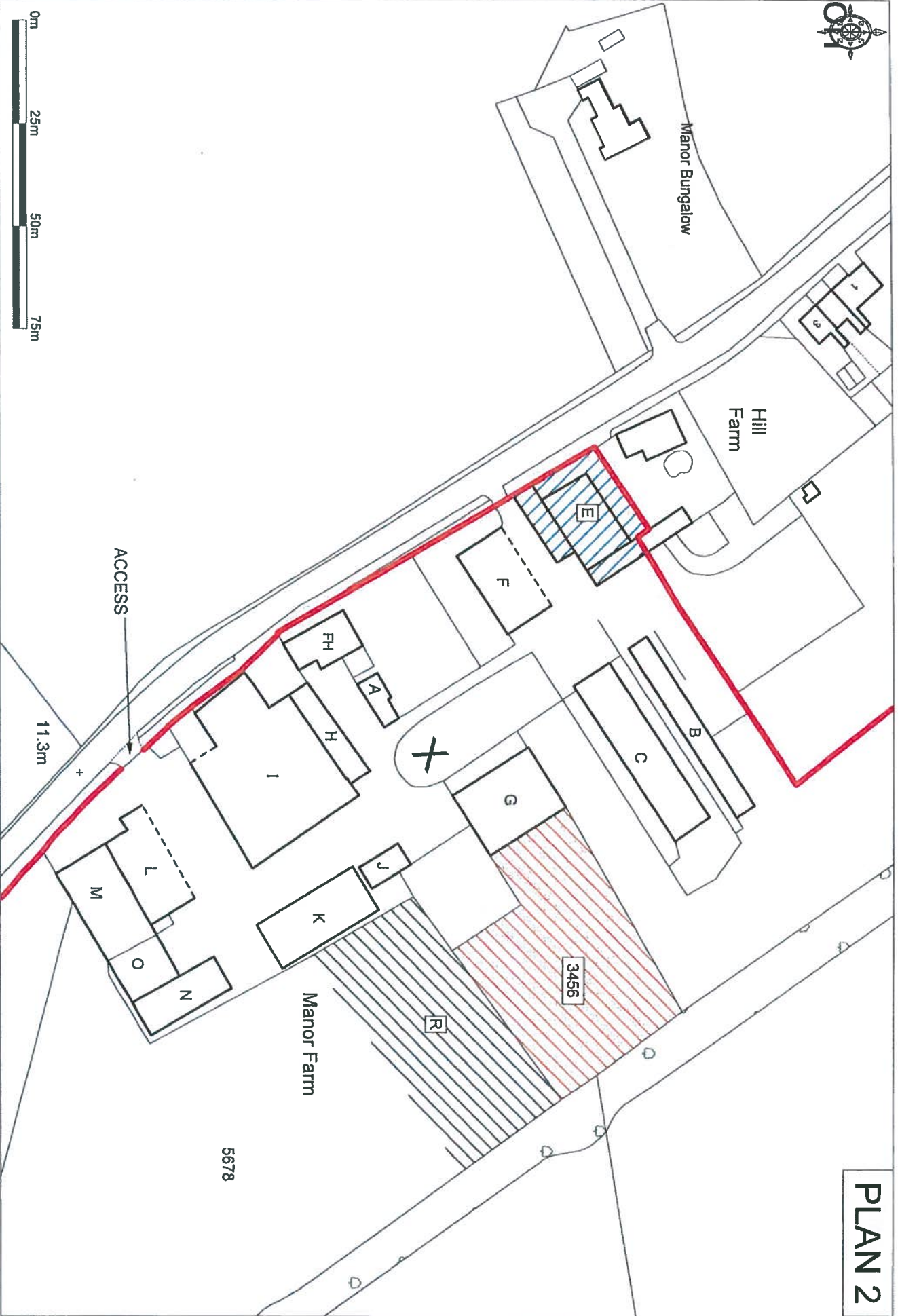
ORAL QUESTION

Make a walk round inspection of the buildings marked E and hatched blue on Plan 2, noting the setting of the buildings.

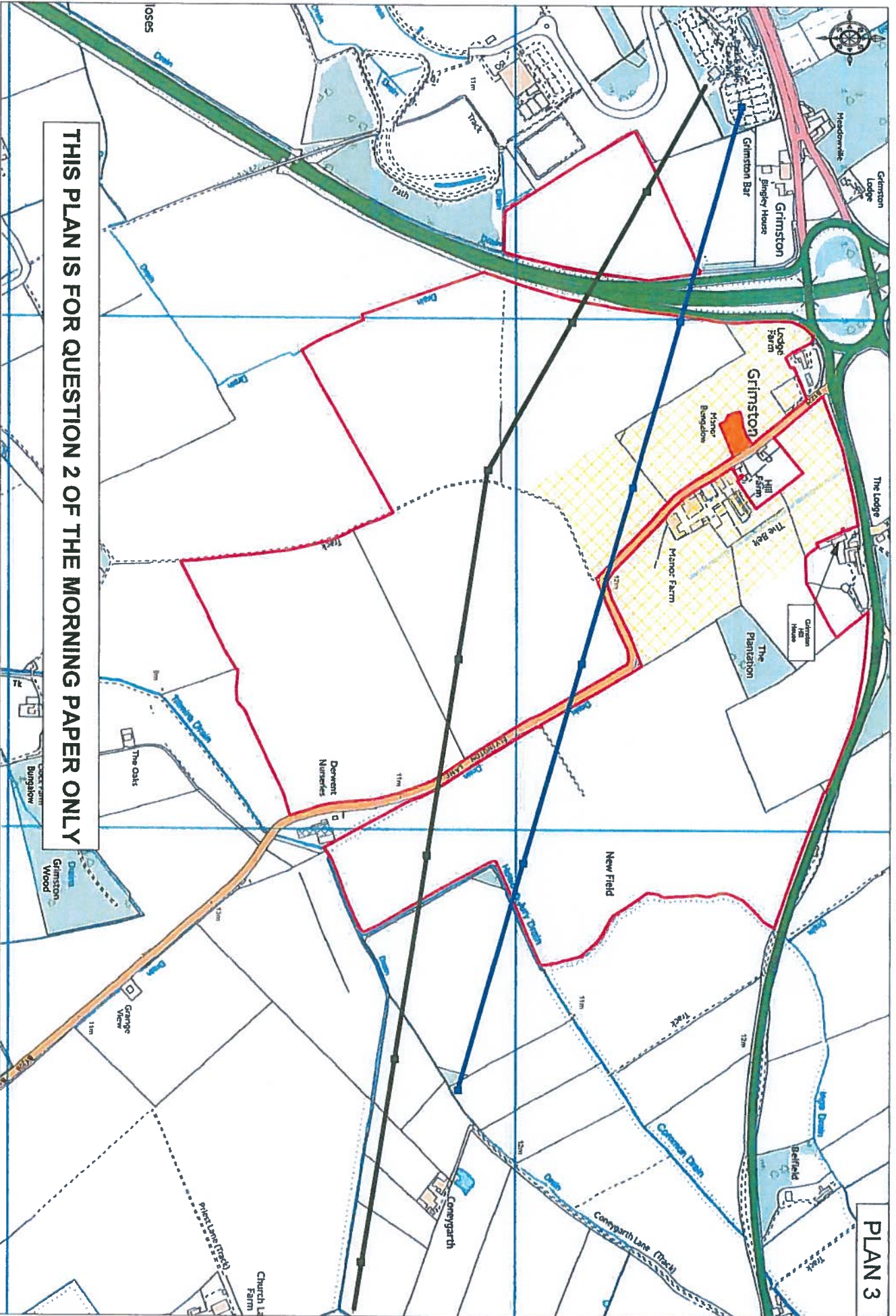




PLAN 2



PLAN 3



Central Association of Agricultural Valuers

Northern Group Practical Examination

Wednesday 9th November 2016

Morning Paper

8.45am – 1.00pm

<u>FARM INSPECTION/COMPLETION OF NOTEBOOK</u>
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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.

YOU NEED TO READ BOTH PAPERS AT THE COMMENCEMENT OF THE EXAMINATION, MAKE WHATEVER NOTES YOU NEED TO ASSIST YOUR ANSWERS FOR THE AFTERNOON PAPER DURING THE MORNING.

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 at today's date.

- (a) Item Marked 1
 - 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 (1926 hours) (ignore any implements attached)
 - 1. Description
 - 2. Value

(2 marks)
- (e) Item Marked 5
 - 1. Description
 - 2. Value

(2 marks)
- (f) Produce Marked A (harvested 2016)
Dimensions: 4.0m x 3.0m x 1.5m
 - 1. Identify the produce and estimate the tonnage
 - 2. Provide a value of the crop in store (including methodology)

(2 marks)
- (g) Produce Marked B (harvested 2016)
Dimensions: 11.0m x 7.5m x 2.2m
 - 1. Identify the produce and estimate the tonnage
 - 2. Provide a value of the crop in store (including methodology)

(2 marks)
- (h) Deadstock Marked C (purchased July 2016)
 - 1. Describe the 3 bags
 - 2. Provide a value for all of the 3 bags (including methodology)

(2 marks)
- (i) Produce Marked D, harvested 2016 (do not value the trailer)
 - 1. Identify the produce and estimate the tonnage
 - 2. Provide a value for the produce (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)
(Total 20 marks)

Question 2

Your client is the owner occupier of the area coloured yellow on Plan 3. A National Grid overhead electricity line is currently located on the route of the green line on Plan 3. Due to engineering reasons, National Grid have approached your client to move the overhead line to the position shown by the blue line on Plan 3. After inspecting the site with your client, produce bullet points in answer to the following questions:

- (a) Set out your client's options **(3 marks)**

 - (b) What are your client's main Heads of Compensation Claim for a permanent easement if the line is constructed in the proposed position and briefly set out how you would assess each Heads of Claim? **(9 marks)**

 - (c) On what basis would you secure compensation for your client if only the overhead wires (no pylons) were constructed on the yellow area? **(2 marks)**

 - (d) How would your advice differ (in consideration of the proposed blue line) if you were acting for the owner occupier of the property shown in orange (Manor Bungalow) on Plan 3? **(1 mark)**
- (Total 15 marks)**

Question 3

Please inspect the growing crop in field 6381 marked on Plan 1, hatched pink. The field is a part field and measures 16.44 ha. The previous crop was spring barley.

- (a) Identify the crop **(1 mark)**

 - (b) Detail with costings the probable cultivations and inputs that will have been undertaken to establish the crop to date **(4 marks)**

 - (c) Prepare a detailed gross margin for the crop in harvest 2017. Exclude any Basic Payment which may be due. **(3 marks)**

 - (d) What would you expect to be sown in autumn 2017 and why? **(2 marks)**
- (Total 10 marks)**

Question 4

Your Client, the owner Occupier of Manor Farm, has asked you to attend the farm to inspect an area of ground to the rear of the farmyard marked R and hatched green on Plan 2.

Your client informs you that in winter 2015 National Grid Gas Plc took entry to the land to undertake maintenance works to an existing underground gas pipeline. Following the works the land became wet and National Grid recently returned at your client's request to repair a broken drain damaged at the time of the maintenance work.

Your client has requested your advice and assistance in submitting a claim to National Grid Gas plc.

(For the purposes of the claim please assume the affected area to be 30m x 100m and the Gas Pipeline is within an existing Easement).

- (a) Please confirm the first thing you would do after meeting your client **(1 mark)**
- (b) Set out a Full Claim to be submitted to National Grid Gas Plc on behalf of your client making clear the heads of claim and the detail of such with costings.

(Heads of claim: 3 marks)
(Calculations and Costings : 5 marks)

- (c) What statutory framework covers Gas Pipelines? **(1 mark)**
- (Total 10 marks)**

Question 5

Your client is the owner occupier of Manor Farm and he has been approached by his neighbour, a local businessman, who lives at Grimston Hill House and who has expressed a desire to purchase part of OS 9012 hatched blue on Plan 1, as a paddock in which to keep his 2 horses. Grimston Hill House is a substantial period property located towards the northern fringe of the farm and whilst there is a stable block at the house it has no other land other than formal gardens. The land parcel can be viewed from position 'Y' on Plan 1 and the position of the proposed new south western boundary is marked on the ground. It is estimated the land area extends to approximately 3½ acres (1.42 hectares).

Your client has sought your advice on selling the land to his neighbour and you will be calling to see him at the farm tomorrow. In note format detail:-

- (a) What practical legal and statutory matters will need to be considered/discussed with your client before selling the land to his neighbour. **(8 marks)**
- (b) What recognised basis of value would you adopt in advising your client of what he could expect his neighbour to pay for the land. **(1 mark)**
- (c) What approximate value on a per acre or hectare basis might your client expect to receive for selling his land to his neighbour? **(1 mark)**

(Total 10 marks)

Question 6

The owners of Manor Farm have asked to meet you regarding the main farmhouse, identified FH on Plan 2. The house is too large and they intend to downsize and let the house. Prior to the meeting:

- (a) Identify the questions you will need to ask your client at the meeting and the practical considerations that should be taken into account prior to letting. **(5 marks)**
 - (b) What is your opinion of the letting value per month of the property, setting out the basis of valuation, the factors taken into consideration and any assumptions made? **(1 mark)**
 - (c) Set out the letting procedure from acceptance of instructions through to completion of the transaction. **(4 marks)**
- (Total 10 marks)**

Question 7

Your client is the owner occupier of Manor Farm. He would like to use Field NG 3456 extending to 0.25 Ha and shown hatched red on Plan 2 as a Glamping site for year round use. Your client has specifically requested that touring caravans and camping tents are not permitted.

Following your initial site visit this morning your client has asked for your advice regarding the following:

- (a) In bullet point format identify the main practical, legislative and infrastructure constraints and considerations your client will need to take into account in developing such a facility. **(8 marks)**
 - (b) In bullet point format identify 2 of the options for the type of accommodation and what other ventures could be considered to complement Glamping, assuming your client is the Owner of surrounding land and buildings. **(2 marks)**
- (Total 10 marks)**

Central Association of Agricultural Valuers

Northern Group Practical Examination

Wednesday 9th November 2016

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.

YOU NEED TO READ BOTH PAPERS AT THE COMMENCEMENT OF THE EXAMINATION, MAKE WHATEVER NOTES YOU NEED TO ASSIST YOUR ANSWERS FOR THE AFTERNOON QUESTIONS DURING THE MORNING.

Question 1

Your client, the owner-occupier of Manor Farm, has approached you for advice on the possibility of converting the building (Building H on Plan 2) adjacent to the farmhouse (FH on Plan 2) into residential accommodation using Permitted Development Rights.

Primarily, he wants to provide living accommodation for his son, currently living in York with a young family, who wishes to return to live on the family farm, but he is also wondering whether he might be able to achieve any additional units out of the building, in order to generate some additional income.

After having undertaken a site visit to the farm and having inspected the building in question, prepare notes on:

- (a) The legislation under which an approval for residential conversion would be sought.
(1 mark)
 - (b) What do you need to establish in order to advise your client and what are the limitations and any conditions that need to be satisfied?
(9 marks)
 - (c) Advise on all site specific matters that will need to be addressed if he decides to proceed with the proposal.
(3 marks)
 - (d) Advise on the steps involved in the process, detailing timescales and costs for a submission.
(2 marks)
- (Total 15 marks)**

Question 2

Your client owns the subject holding which is let on an Agricultural Holdings Act tenancy. The tenant is a first succession tenant. The sow and litter pens (Building B on Plan 2) were erected in 1970 by the original tenant and are no longer in use and the tenant has recently ceased the pig enterprise. They were treated as a tenant's improvement and written down to £1 over 20 years. Building C on Plan 2 is currently occupied as a workshop, it is a landlord's building and it is also due to become vacant in two months' time.

The tenant's son has returned to the holding and would like to diversify the business to provide dog kennel accommodation. An approach has been made to your client regarding this matter and asking how it can be progressed. The intention is to create 30 kennels from the sow and litter pens, an indoor exercise area in the workshop and an exercise paddock extending to the area shown coloured yellow on Plan 1.

- (a) Your client has asked you to set out the landlord and tenant considerations of this diversification. **(10 marks)**
 - (b) What procedure could and should a tenant take to receive consent for this diversification and what are the relevant guidance and legislation to protect their position? **(3 marks)**
 - (c) What are the capital taxation implications for the landlord of this diversification proceeding? **(1 mark)**
 - (d) What additional rental value would you place on this diversification when advising the landlord assuming that everything is owned and invested by the tenant? **(1 mark)**
- (Total 15 marks)**

Question 3

Your client is the owner occupier of Manor Farm and he has decided to discontinue his beef fattening enterprise. A local farmer wants to expand his suckler cow herd and he has approached your client with a proposal to rent the buildings (Buildings M and O on Plan 2) and the field of permanent pasture (NG 5678) shown hatched brown on Plan 1, for a term of 5 years. You have been instructed by your client to act on his behalf in this matter. In readiness for a meeting with your client, provide bullet points to show:

- (a) What type of agreement you would recommend and why? **(2 marks)**
 - (b) What practical issues should be considered relating to the proposed letting? **(7 marks)**
 - (c) What issues should be covered in the Heads of Terms for the proposed agreement? **(6 marks)**
- (Total 15 marks)**

Question 4

- (a) Standing at Point X on Plan 2 please identify any risks you can see and identify how these can be minimised in each case. **(12 marks)**
- (b) Please identify the agencies and legislation which govern the items of risk you have identified. **(3 marks)**
- (Total 15 marks)**

Question 5

Your client is the owner of Manor Farm. The farm is let on an Agricultural Holdings Act 1986 Tenancy Agreement with model clauses repairing liability. The tenancy commenced on 6 April 1990. All the buildings are the Landlord's with the exception of buildings F and K as shown on Plan 2 which were erected as tenant's improvements. The Landlord has given permission to the tenant to sub-let building C as shown on Plan 2 to a local builder under a Landlord and Tenant Act 1954 lease.

Your client has informed you that a rent review has not been carried out for several years and has asked you to meet with him to provide advice.

(Please note that you will have restricted access and for the purposes of this question your advice should be based on the parts of the holding you have seen, the details provided in the 'Background Information' sheet and the information provided in this question.)

Provide pre-meeting notes regarding the following:

- (a) A summary of the recommended procedure relating to the rent review of Manor Farm under the Agricultural Holdings Act 1986. **(4 marks)**
- (b) The principal matters you will consider when assessing the rental value of Manor Farm under the Agricultural Holdings Act 1986 and comment on how these relate specifically to Manor Farm. **(11 marks)**
- (Total 15 marks)**