

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

PRACTICAL EXAMINATION

WEDNESDAY 8th NOVEMBER 2017

Humbie Farm
Kirkliston
EH29 9EG

BY KIND PERMISSION OF MESSRS DUDGEON

ALL CANDIDATES WILL HAVE READ THE CENTRAL ASSOCIATION OF
AGRICULTURAL VALUERS 2017 PUBLICATION
'Guidelines for the Practical, Written and Oral Examinations'

Candidates should particularly note:

1. 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 examination paper comprises questions plus plans. Additional paper has been supplied separately.
2. Whilst undertaking their valuations and inspections, Candidates must take note of the general characteristics of the holding, as these may be of relevance to the afternoon session and to the interview (with the item for interview being shown on the plan). All notes for the interview should be made on the additional paper provided. **All written notes regarding the Interview subject must be handed in at the end of the morning Practical with the Valuation books. The notes will be redistributed at the start of the Interview.**
3. Candidates should answer all questions during the morning session in the notebooks provided. **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.** Candidates will not be marked down for their choice of format, providing it is clear and logical.
4. **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. **The Candidate's number and practice area should be written on the top right-hand corner of the front cover of the notebook. Ensure that the pages are numbered.**
5. Please prepare the notebook **including a summary page and index**, using the

following information:

- a) Holding – Humbie Farm
- b) Client – Messrs Dudgeon

6. Where applicable, candidates should show any assumptions which they have made in arriving at their answer(s).
7. Marks are allocated to the questions as shown.
8. Answers can be given in either metric or imperial but should be consistent
9. The total marks for the morning Practical will be **85**, with an additional **5** marks available for the presentation of the notebook.
10. Candidates are under examination conditions and will be supervised throughout the day including lunch.
11. Smoking and the use of mobile phones is strictly prohibited throughout the exam. All mobile phones should be turned off during the examinations.

MORNING PAPER (85 marks)

Please answer all questions.

You will be shown items of live and dead stock. Please provide the information listed below in the notebook. All values should be given as at today's date.

1.

A.

Identify, describe, and provide a current auction value for four out of the five items marked

A
B
C
D
E

(8 marks)

B.

Identify, describe, and provide total valuations of the produce/commodities marked on an ex-farm current market value basis.

F
G
H
I
J

(10 marks)

2.

A

Describe and give current market value for the pen of homebred non-pedigree stock. **(3 marks)**

B

Describe and give a current market value for the pen of purchased non-pedigree stock. **(2 marks)**

C

What would be the basis of valuation if the stock were being valued for accounting stocktaking purposes? **(2 marks)**

D

The tenant is leaving the holding in two weeks' time. If you assume that nothing will materially change in that time, value the growing crop in the field shown, which has a gross area of 14.09 hectares (34.82 acres), on an outgoing tenant basis, making an assumption that there are no uncropped areas. Show your workings and any further comments or assumptions made under the Agricultural Holdings 1991 Act tenancy.

Briefly comment on your understanding of enhancement value
(6 marks)

3. Network Rail (who has compulsory acquisition powers as a statutory undertaker) have contacted the owner of the farm. They are coming to carry out works on the line including bridge maintenance, and have requested a meeting in regard to the possibility of their taking ground for a work compound.
- a. Do their powers extend to taking land for the purpose of the compound in this particular situation? (1 mark)
 - b. What matters would you want addressed at the meeting, before going any further, including any practical issues during the currency of the works? (15 marks)
 - c. When the works have finished, what options might the owner give to Network Rail about restoration of the site? (2 marks)
 - d. Who will pay your fees, on what basis, and at what rate? (2 marks)

(20 marks)

4. The structure pointed out to you was constructed by the tenant in 1980 at a cost of £78,000 for which an invoice has been provided. No notice was given to the landlord and the tenant has now asked you to advise him on the legal position with regard to the building and to provide him with an indication of value in the event that it was to be taken over by the landlord on 28th November 2017. (12 marks)

5. The neighbours to the north have approached your client about farming the arable land on the farm, comprising some 250 acres. Given that your client wants to retain flexibility, what would be the most appropriate agreement to put in place, list the heads of terms you would need in this case, and what return could your client expect? (10 marks)

6. The track running along the back of the farm has been designated by the local authority as part of the South Forth Core Path network. As well as the surrounding farm land, your client also owns a substantial commercial woodland to the west, which is due to be felled this winter, and through which the track runs. He also owns the cottages to the east, both of which are let on SAT's. One of the properties has dogs largely out of control and which have already been subject to complaints from passers-by.

Outline to your client the basis of public access that is being granted.
(2 Marks)

Consider the Health and Safety provisions here, as well as the legislative solutions which might be brought to bear. (10 Marks)

(12 marks)

AFTERNOON PAPER (60 marks)

Please answer four out of the five questions, each is worth 15 marks.

Question 1

Your client has asked you to look at the potential for the redundant/ruined part of the steading in the east side of the unit. In bullet-point form, give options for use, stating the approximate costs, and the advantages/disadvantages of each. Also outline the planning considerations, process and likely timelines for one of the identified uses.

You do not need to access the site beyond what can be seen as directed.

Question 2

Your client is now considering other alternatives to letting the land out. He has concluded that an open market sale would be a better option for the fields to the north of the access track, perhaps even including the two semi-detached cottages. He has arranged a meeting with you to discuss putting the property on the market, and the kind of information that will need to be made available to potential buyers.

In preparation for this meeting, write some notes (**in bullet point form**) setting out what information would need to be included in a set of sale particulars, what price the property might be expected to fetch, and what fee arrangement might apply. Where relevant, include comments specifically relating to the property.

Note: you are not expected to draft a set of sale particulars. .

Question 3

Scottish Power has identified a need to replace the electricity poles along the line running along the route marked A- B on the attached plan. They have contacted your client (who is the owner-occupier of the property) about this, and have indicated that they intend to carry out this work over the next two or three months.

Due to its location at the front of the adjacent shed, the existing line has been a irritation to your client due since he bought the farm a year ago. He tells you that the previous owner granted Scottish Power a wayleave, giving them the right to keep the apparatus on the property. Scottish Power have asked for a meeting on site to discuss their proposal and your client wants you to represent him there. With this in mind:-

1. Assuming your client is correct, and that there is a wayleave granted by the previous owner, what would you advise your client regarding:-

- (a) his current position? (3 marks)
(b) how the legislation addresses that position? (4 marks)
2. If the previous owner had granted a servitude in respect of the electricity apparatus, why might this affect the advice that you give, and what impact would it have on your client's negotiating position? (2 marks)
3. If Scottish Power are to proceed with their proposals, what information would you request from Scottish Power at the site meeting (thinking about the practicalities of the proposed works)? (4 marks)
4. What practical option(s) might you ask Scottish Power to consider, to reduce/eliminate the adverse impact of the electricity apparatus? (2 marks)

Question 4

Your client is fed up with the amount of noise which comes from the motorway and reaches his house. He instructs you to write to him and suggest options, although he has particularly thought of amenity tree planting. Given that the area he wishes to plant would be approximately 6ha (15 acres) of good arable land, what level of grants might be available, and costs involved. What else might you need to think about with tree planting? Can you think of other options ?

Question 5

Two traditionally constructed cottages to the east of the farm are currently let out on SATs, which will both come to the end of their initial 12 month fixed term next spring. Write to your client, explaining what changes in legislation may be relevant to him and advising him of what options he has for the cottages going forward, considering his preferred policy of letting property on the farm. (9 Marks)

Highlight the current government consultations and what they could mean for the management of these properties in the future. (6 Marks)

Oral