**CENTRAL ASSOCIATION OF AGRICULTURAL VALUERS**



**NATIONAL WRITTEN EXAMINATION**

**PAPER I**

**11TH NOVEMBER 2021**

**9.00am – 10.35am**

**Time Allowed – 1 Hour and 35 Minutes**

**Instructions to Candidates:**

1. Complete the Green Examination Information Sheet by stating your examination candidate number (not your name) together with the area in which you are practising and the local Association of which you are a member. Attach the green sheet to the top of your answer pad and ring the numbers of the two questions that you have answered.
2. Write your candidate number, the number of the question and the page number in the top right hand corner of each page.
3. Write on one side of the paper only, leaving the margin on the left-hand side.
4. Start each answer on a separate sheet and place your answers in numerical order.
5. Time has been allowed for you to read through the Question Paper and plan your answers.
6. You should attempt to answer **two** out of the four questions, ringing their numbers on the green sheet. Where relevant state whether you are answering for England, Wales or Scotland.
7. All questions carry equal marks: 20 each.
8. Questions are framed so as to minimise the need to make assumptions but state clearly any that you do make and the reasons for them.
9. Where appropriate, you will be expected to state the relevant Act, Statutory Instrument or case upon which you have based your answers.
10. You may use imperial or metric measurements in your answers. Please indicate which units you are using.

The presentation and clarity of your answers is important.

**QUESTION 1**

This question has 8 parts (A) to (H). Please answer FIVE of them. Each part carries an equal four marks.

1. What headline changes did the 2017 Electronic Communications Code make to the letting of a site for a telecoms mast?

1. How and on what legal and practical basis would you prepare a landlord’s claim for dilapidations at the end of an AHA tenancy?Give examples of claim items and explain the dispute resolution procedure. *(Scottish candidates are to assume that a record of condition was made at start of the tenancy)*
2. You act for a landowning client who has noticed that a residential property on adjoining land has installed a gate and been using your client’s field to access their garden for over 10 years. What course of action would you take and how would you advise your client to rectify the issue?
3. What is an Energy Performance Certificate? When is an EPC required and when not? What is the consequence of not having an EPC for an owner-occupied farmhouse?
4. How does SDLT (LBTT in Scotland, LTT in Wales) operate for the sale or lease of a house? Illustrate with a worked example.
5. What is Marriage Value and how would you deal with it in a valuation?
6. How do uplift clauses operate? Give a worked example.
7. Your farming client has not yet purchased nitrogen fertiliser for application in the spring. What are the issues? What options might the client have with the benefits and drawbacks?

**QUESTION 2**

Your client was the sole owner and occupier of Heath Farm, comprising a mixed holding with:

* a 5 bed period house
* a 3 bed cottage (subject to an Agricultural Occupancy Condition)
* 3,000ft² of traditional barns
* 5,000ft² stockyard built in 1955 and
* 10,000ft² general storage sheds built in 2012.

The land is in a ring fence comprising 150 acres of arable, 70 acres of pasture and 25 acres of mature woodland.

Following the owner’s death, you are instructed by the family solicitor to prepare a valuation of the property for Inheritance Tax purposes, giving both market values and agricultural values.

1. Outline the content of your report, the process of collecting information during your inspection, the further research and key matters to address in your report.

(8 Marks)

1. Provide your assumptions, methodology and workings for the valuations.

(8 Marks)

1. Explain the concept of Agricultural Value and the relevant IHT reliefs and how they might apply in this case.

(4 Marks)

**QUESTION 3**

You act for the owners of a mixed arable and grassland farm. The owners are keen to understand how their business will be affected by and should respond to reductions in Basic Payment rates. They are interested in farming in a more environmentally sustainable manner, looking to manage this change for their business through conservation and stewardship. There are areas of non-productive ground that they are interested in taking out of agricultural production. Part of the farm is on a gradient with the land falling towards a water course with difficulties over soil erosion and run-off which they are keen to address.

Your clients have sought a meeting with you to discuss these matters. Prepare for the meeting by **writing notes** on the following topics:

1. Outline how the policies are expected to change in your part of the United Kingdom and how Basic Payment spending might be redirected to schemes that might be relevant to your clients.

(4 marks)

1. Summarise the key opportunities for funding environmental and conservation measures which might be available within the next five years and would be most suitable to the farm.

(8 marks)

1. Suggest some possible practical measures that could be taken to improve the following on the farm, summarising funding options where appropriate:
* Improving soil management and reducing carbon emissions
* Improving biodiversity for birds and pollinators
* Improving water quality and sediment management.

 (8 marks)

**QUESTION 4**

You have been approached by your client who is the tenant of a farm under a long term lease. Both your client and his father before him have been farming the holding since 1964. The 350 acre farm includes a farmhouse on the edge of the property, a good range of farm buildings and a farm cottage occupied by a farm worker. *(Scottish candidates: assume the right to buy has been registered)*

Over the years, your client has tended to get on with matters as if he owned the farm. As a result, he has added some new buildings and fixtures to the holding - but his paperwork has been poor. The landlord is aware that the tenant has erected a number of buildings but is likely not to be aware of everything.

Your client is aware that this is the only farm that his landlord owns. It is likely that if vacant possession was ever obtained the farm would be sold.

Your client and his wife are in their mid-60’s with no expected successor. Your client is now actively thinking about retiring and requires some financial security for his and his wife’s future.

At this initial stage, your client is seeking from you some fairly high level advice in the following areas:

1. What are the potential options available to him and what might be the advantages and disadvantages of each of the options you have outlined?

(8 marks)

1. In order to protect your client’s interest, please outline the actions that your client needs to take to protect their position, outlining your reasons why. If there is a valuation aspect to your advice, what would be the basis of valuation?

(4 marks)

1. Please outline any counterclaims or actions that your client’s landlord might make, outlining the reasons why.

(3 marks)

1. Please set out how you might arrive at the value of your client’s interest?

(5 marks)