

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

PRACTICAL EXAMINATION

**WEDNESDAY 10<sup>th</sup> NOVEMBER 2021**

**Sluie Estate  
Banchory  
Aberdeenshire**

**ALL CANDIDATES WILL HAVE READ THE CENTRAL ASSOCIATION OF  
AGRICULTURAL VALUERS 2021 PUBLICATION  
*'Guidelines for the Practical and Written Examinations and the Interview'***

**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:**

<b>a) Holding –</b>	<b>Aberdeenshire Farming Partnership</b>
<b>b) Client –</b>	<b>Mr D Farmer</b>
- 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. The total marks for the afternoon paper will be 60 Marks.
11. Candidates are under examination conditions and will be supervised throughout the day including lunch.
12. 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)

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.

### QUESTION 1 – (24 MARKS)

- A) Identify, describe and provide a current auction value for the five items marked

A  
B  
C  
D  
E

(10 Marks)

- B) Identify, describe and provide individual valuations of the produce/commodities on a current market value basis marked:

F  
G – 16 of  
H – 1 of  
I – include tank and assume half full  
J

(10 Marks)

- C) Identify, describe and provide individual valuations of the produce / commodities marked K & L on a current market value basis.

K

L - assume 1 tonne for both

(4 Marks)

### QUESTION 2 – (4 MARKS)

- A) Describe & give current market value for the pen of homebred commercial cattle – bull been with group since July.

(2 marks)

- B) Describe and give a current market value for the pen of non-pedigree sheep – tup been in since 1<sup>st</sup> Nov. 1 crop.

(2 Marks)

### QUESTION 3 - (10 MARKS)

Inspect the growing crop in the field indicated “**Field A**” on the plan, extending to **3.2 Ha (7.90 Ac)**.

- A) Identify the growing crop.  
(1 mark)
- B) Value the crop to date, as for an outgoing tenancy valuation. State any assumptions you have made.  
(4 marks)
- C) In brief note form, briefly describe the nature and character of the soil.  
(1 mark)
- D) Your client is interested in regenerative farming methods. Advise how this might influence the establishment methods and in season applications to this particular crop.  
(2 marks)
- E) Identify four cross-compliance measures the farmer must adhere to for this crop.  
(2 Marks)



#### QUESTION 4 - (14 MARKS)

You will be shown a building marked “**Building A**” – the building was constructed by your client 3 years ago.

As part of a re-tender for the farm insurance policy, the insurance broker has asked for the following:

a. Give a full description of the building (2 marks)

b. Provide an insurance reinstatement value for the building (3 marks)

Now assume that the building has been erected in the past 2 years and has a gross floor area of 400m<sup>2</sup>.

c. Explain planning process for erection of building? (1 marks)

d. List four standard perils against which the building should be insured. (2 marks)

Assume that the building was erected by a tenant on a 1991 AHA Tenancy and you have been asked to value it for waygo purposes.

e. The Tenant has suggested the building is treated as a “Tenant improvement”. What needs to be present for the building to be valued as such for waygo purposes and how does it’s designation as a tenants improvement affect the method of valuation. (2 marks)

f. Acting for the Tenant, provide a valuation of the building as a tenant’s improvement. (4 marks)

### QUESTION 5 – (10 MARKS)

Your client is the owner occupier of Sluie farm and they have 3 employees working on the farm. They have asked for advice regarding health and safety on the property.

- a. Considering “**Building B**” and the immediate vicinity, you are required to prepare a risk assessment for repair works to the roof. List the current hazards and risks that are present. For each hazard/risk – advise on actions that could be taken to mitigate the risk.

(6 marks)

- a. You are managing agent for the property and are required to instruct works to repair the building prior to a new tenant taking entry. What considerations will you have when appointing a contractor to undertake the works, when considering health and safety liability in particular.

(2 marks)

Your client has taken on an additional 3 members of staff to manage the forestry operations on the Estate.

- c. Advise your client how this affects the Health & Safety management of the business and what steps they should take to be compliant.

(2 Marks)

### QUESTION 6 – (13 MARKS)

“Property D” is let to Mr & Mrs Smith on a Short Assured Tenancy. Your client is having difficulties with their behaviour impacting the operations of the farm and would like advice on how to evict them from the property.

- a. In bullet point form, list the steps to evicting the tenant in chronological order along with the associated timeframes for the actions.

(4 marks)

- b. Assume that you have successfully evicted the tenant. Your client would like to re-let the property. What are the key legal compliance matters relating to the property that must be adhered to before a new tenant can take occupation.

(4 marks)

- c. What details will you require from your <sup>client</sup> ~~tenant~~ to advertise the property for let and what rent would you expect the property to achieve assuming the property has recently been redecorated and fitted with a new kitchen and bathroom.

(2 marks)

- d. Your client is concerned with Climate Change and impending Scottish Government Legislation regarding energy efficiency. Advise on what practical steps they can take to make their property more energy efficient.

(3 marks)

### **QUESTION 7 – (10 MARKS)**

Your client is interested in diversifying their income from non-farming enterprises. They have some existing infrastructure including loose boxes and grazing paddocks, that would be suitable for running a livery on the site.

Assuming your clients were to run the enterprise in-hand, you have been asked to assist in preparing a business plan (suitable for bank borrowing purposes).

- a. Prepare briefing notes of the practical considerations your client will need to be aware of when considering the new enterprise.

**(3 marks)**

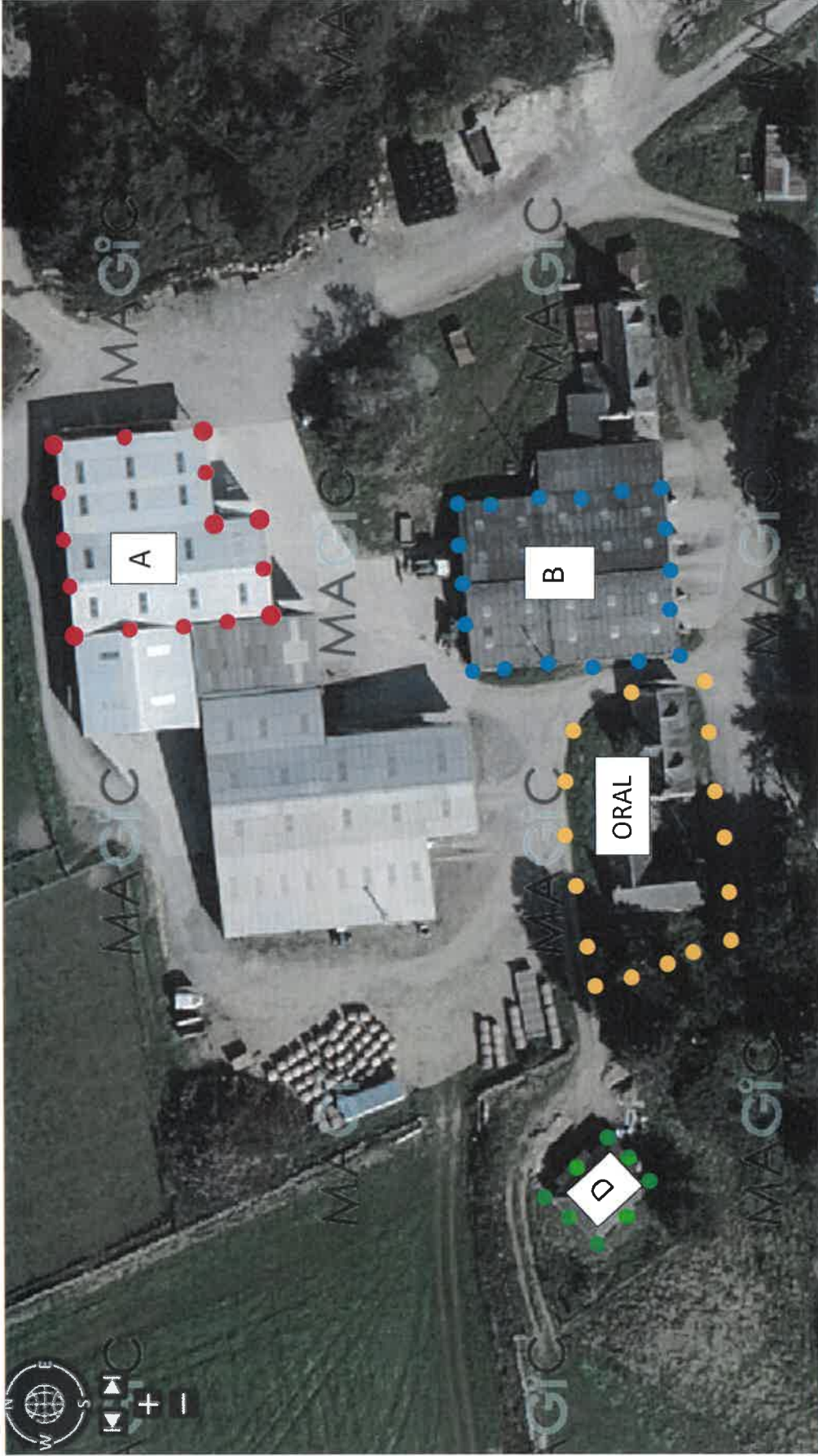
- b. In list form, highlight the financial considerations and projections your client will need to be aware of (and might need to provide to a bank) in order to obtain funding for starting their new business.

**(5 marks)**

- c. What would the most suitable lease structure be, for letting the buildings and land to an existing livery business.

**(2 marks)**





# AFTERNOON PAPER

Please use a fresh piece of paper / page for each question answered. Write your CANDIDATE NUMBER ONLY on the top right hand corner of each sheet of your answer paper (or in the footer)

Answer **ONLY 4 questions out of the 5** in this section. Each is worth **15 marks**.

## QUESTION 8 – 15 marks

You have been approached by your client to value the whole farm for tax planning purposes. They have been advised by their accountant that this should be an "RICS Red Book" valuation.

- a. Before accepting the instruction, what checks will you undertake and list the key terms for your terms of engagement with the client.  
(3 marks)
- b. Prepare bullet point notes outlining the **key** headings for your report to the client.  
(4 marks)
- c. Considering the mixed use nature of the property, including forestry, farmland, residential properties and farm buildings. In bullet point form, explain the methodology of how you would arrive at a final value for the property.  
(5 marks)
- d. Your client requires the valuation to consider succession planning to their children. Provide your client with key advantages of discussing succession planning early and the risks of not having a plan.  
(3 marks)

## QUESTION 9

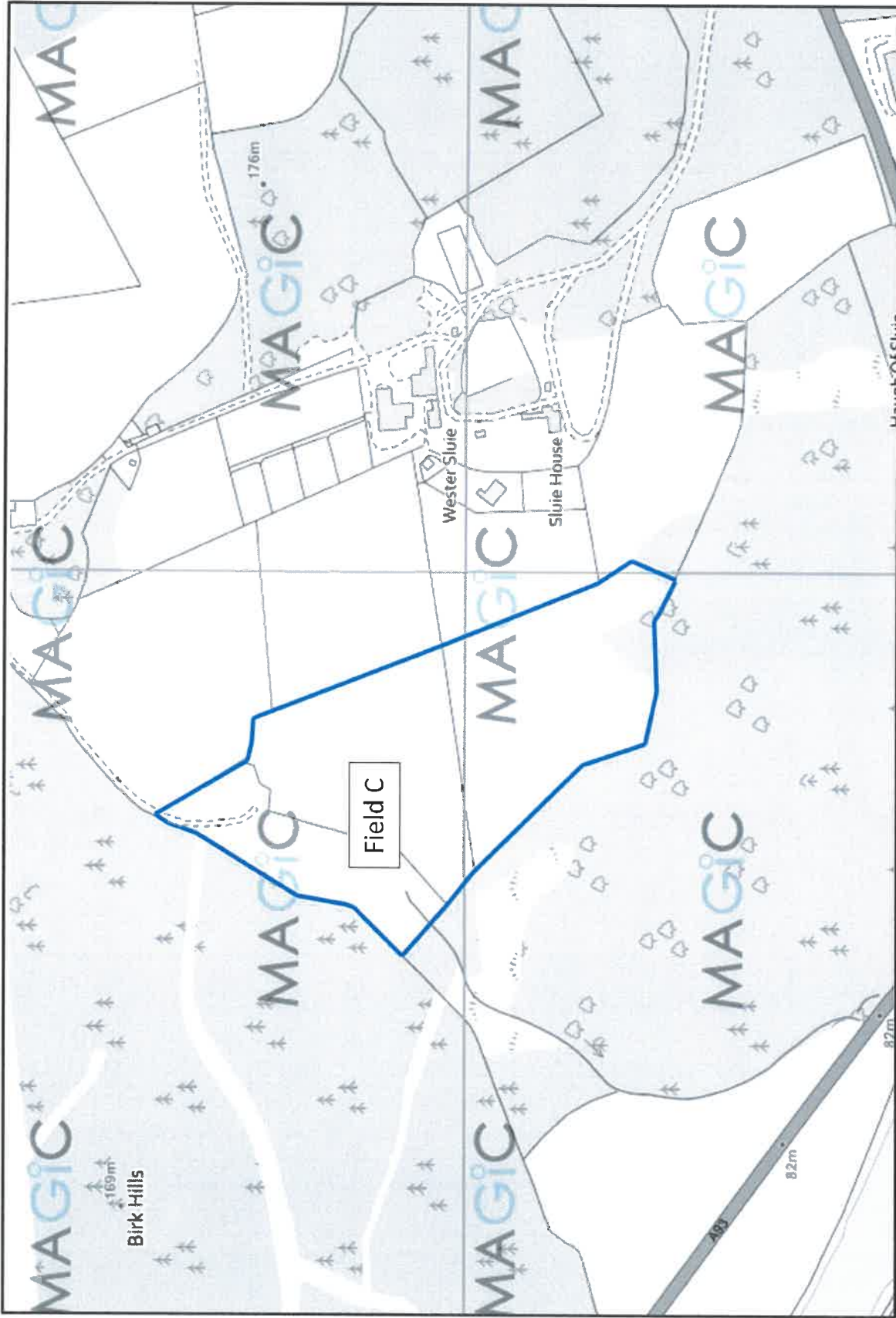
Your client has heard “the market” is strong at the moment and wishes to retire from farming. Subsequently they have decided to sell the whole of their property.

- a. Outline the principle methods of sale available to your client and their advantages and disadvantages. Advise on your recommended method of approach.  
(3 marks)
- b. Explain the practical and statutory procedures you are required to undertake prior to marketing the property.  
(2 marks)
- c. In bullet point form, prepare notes of the key information you will require to prepare particulars of sale for the property.  
(5 marks)
- d. Provide your client with advice on what measures they can undertake to maximise the value of their property.  
(2 marks)
- e. For the following two asset classes, advise your client on any tax considerations upon disposing of the asset.
  - 1. Residential Property
  - 2. Forestry(3 marks)

## QUESTION 10

Your client has recently attended a seminar regarding “Natural Capital” and has requested a meeting with you to learn more on the subject.

- a. Provide a definition of Natural Capital, and give examples of how this might relate to your client’s assets.  
(3 marks)
- b. The client has an area of hill ground with a substantial quantity of degraded peatland. Explain what you understand the “Peatland Code” to mean and how this might be used to benefit your client’s peatland.  
(3 marks)
- c. The client has identified “Field C” 10Ha (24.71Ac) as being no longer required for farming purposes and wishes to plant with trees. In bullet point form, list the factors that need to be considered to understand whether a planting scheme might be viable giving timescales for the process.  
(6 marks)
- d. Your client would like advice on lowering their carbon emissions from their farming enterprise. Give three examples of how they might achieve this, and the viability of such measures for their enterprise.  
(3 marks)



## QUESTION 11

Your client has recently purchased another block of land and has approached you looking for advice to ensure compliance with SGRPID and in addition, asked for your advice on a number of schemes. The farm was not sold with any entitlements.

For the purpose of this question, your client plans to expand their existing farming business of livestock and arable. The land is categorised as region 1 and region 2.

Please assume current SGRPID rules are maintained for 2022 when answering this question.

- A) What entitlements are available for the land and what is the current value of these entitlements. By which date in 2022 must the entitlements be transferred to use them in the 2022 claim year.  
**(3 marks)**
- B) The land is located within a Nitrate Vulnerable Zone. Explain the implications of this to your client and what records need to be kept  
**(2 marks)**
- C) Provide details of the EFA requirements and options for compliance.  
**(3 marks)**
- D) Cross compliance is made up of both Statutory Management Requirements (SMR's) and Good Agricultural and Environmental Condition (GEAC). Your client has been selected for an inspection, list 8 items/documents that a SGRPID inspector will inspect/require sight of  
**(4 marks)**
- E) Your client is interested in Organic Farming. Provide details of grant funding that might be available and the timescales involved.  
**(2 marks)**
- F) Under the cross compliance rules, between which dates can your client cut the hedges on the farm.  
**(1 mark)**

## QUESTION 12

Your client has been served a compulsory purchase order by an acquiring roads authority for a new road scheme that affects their farm and a telecoms mast. The route intersects both farmland and forestry, leaving a very small field on the edge of the landholding that is now difficult to practically farm.

- a. List the key heads of claim that you might anticipate for a compulsory purchase claim of this nature.

**(2 marks)**

- b. Outline the six rules of compensation

**(6 marks)**

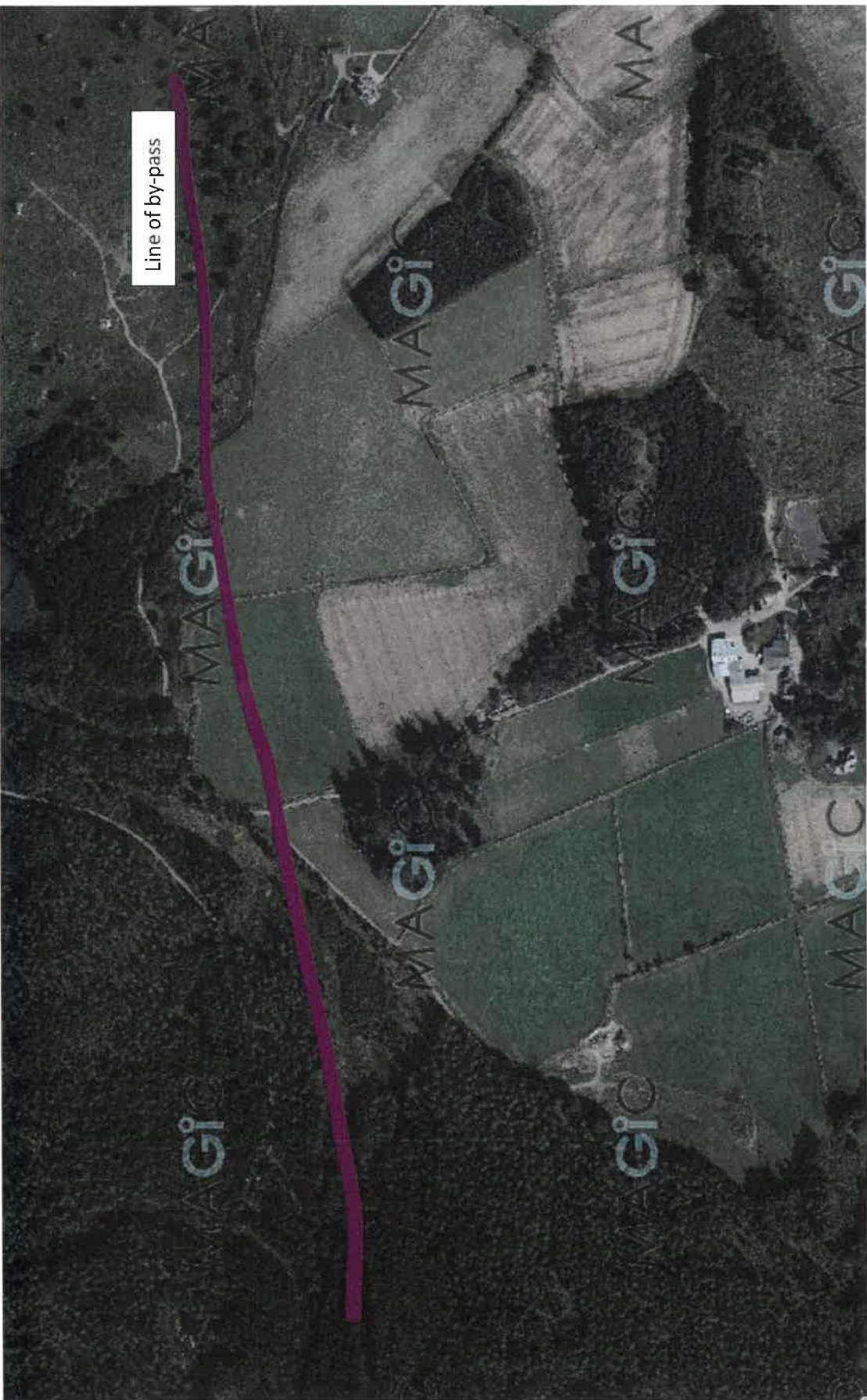
- c. Prepare some briefing notes as to what practical considerations you would highlight to your client and what would you advise them in relation to the various different elements of their claim and what their responsibilities are throughout the process.

**(5 marks)**

- d. After the scheme is complete the acquiring body have contacted your client and advised that they have purchased land surplus to their requirements, what arrangement are they now subject to and what does this involve?

**(2 marks)**





Line of by-pass