

THE CENTRAL ASSOCIATION OF AGRICULTURAL VALUERS  
SCOTTISH GROUP

PRACTICAL EXAMINATION

WEDNESDAY 8<sup>th</sup> NOVEMBER 2023

Camieston Farm  
St Boswells,  
Scottish Borders  
TD6 0HJ

BY KIND PERMISSION OF MARSHALL FAMILY

ALL CANDIDATES WILL HAVE READ THE CENTRAL ASSOCIATION OF AGRICULTURAL VALUERS 2023  
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 – Camiaston Farm
  - b) Client – Eric Marshall
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 – Assume 1800 hours

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

H

I

J

**(10 Marks)**

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

K

L

**(4 Marks)**

### QUESTION 2 – (4 MARKS)

A) Describe & give current market value for the pen of homebred livestock.

**(2 Marks)**

B) Describe & give current market value for the pen of homebred livestock.

**(2 Marks)**

### **QUESTION 3 – (7 MARKS)**

Inspect the growing crop in the field marked “Field B”. The field extends to 5.40Ha (13.34ac), assume that there are no uncropped areas.

- A) Identify the growing crop.  
(1 Mark)
- B) Value the crop to date, as for an outgoing tenancy valuation. State any assumptions that you have made.  
(4 Marks)
- C) How would your approach to the valuation differ if it were being carried out in June 2024?  
(2 Marks)

### **QUESTION 4 – (10 MARKS)**

Your clients have expressed an interest in reducing their carbon footprint. Making specific reference to the farm:

- A) What practical measures could be undertaken to reduce their carbon emissions?  
(6 Marks)
- B) What grants are available to assist with carbon emission reduction and what would need to be done to be able to claim them?  
(4 Marks)

### **QUESTION 5 – (8 MARKS)**

- A) Provide an open market valuation of the absolute interest with vacant possession of the field marked “Field A” on the plan. Detail the valuation process, state any assumptions that you have made and list all factors that you have taken into account.  
(6 Marks)
- B) Now assume that the field is subject to a 10-year Modern Limited Duration Tenancy, which has 4 years remaining of the term. How would you approach a valuation of the landowner’s interest?  
(2 Marks)

**QUESTION 6 – (10 Marks)**

Your clients have expressed a desire for the dwelling marked “X” on the plan to be renovated. They are as yet undecided whether the dwelling should be let on a Private Residential Tenancy or managed as a holiday let. Provide notes on the advantages and disadvantages of each option in preparation for a meeting with your clients.

**(10 Marks)**

**QUESTION 7 – (10 MARKS)**

The neighbouring landowner is planning to fell the stand of trees to the east along the old railway line. They have approached your clients requesting to use the route marked in purple on the plan to haul the timber for stacking and uplift next to the public road. Prepare advice for your clients on the health and safety implications of allowing this, as well as noting risks and mitigation measures to be included in a future risk assessment.

**(10 Marks)**

**QUESTION 8 – (12 MARKS)**

Scottish Water are going to be carrying out works to the reservoir on the western corner of Field A. To facilitate their works, they wish to create a temporary compound in the southern corner of the field marked Field B on the plan.

- A) What are the key practical and financial implications, including figures, of the proposed works?

**(5 Marks)**

- B) Provide the key Heads of Terms that should be agreed in advance of the works.

**(5 Marks)**

- C) If your client does not wish to allow the works to proceed, would Scottish Water be able to impose themselves on your client?

**(2 Marks)**

## AFTERNOON PAPER (60 MARKS)

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

### QUESTION 9

Your clients wish to renovate the building marked “Building A” on the plan and have asked for your advice on the potential for development of a farm shop. Set out a letter to your clients, outlining what steps should be taken prior to any renovation works taking place, any regulations that they should be aware of, and the key financial and practical considerations that should be taken into account.

**(15 Marks)**

### QUESTION 10

Your client has been approached by a neighbouring farmer, who wishes to rent the field marked “Field B” on the plan, for use within their arable enterprise. The neighbour has indicated that he would wish to carry out soil sampling at the outset of his occupation and would look to make improvements as necessary which are likely to include applying lime.

- A) What mechanisms are available for an occupation agreement, and for each, note the length of the term, any relevant obligations on the parties, and the notice procedures required to bring the agreement to an end.

**(8 Marks)**

Now, assume that your client agrees to lease the subject field for a period of 4 years.

- B) The procedures and principles for valuing and compensating any soil improvements at the end of the term.

**(3 Marks)**

- C) During the term of the agreement, your client becomes aware that the neighbour has allowed his brother, who farms on his own 5 miles away, to crop the field. Set out what steps your client should take.

**(4 Marks)**

### QUESTION 11

The anaerobic digestion plant on the farm has been in operation since 2010, producing electricity for export to the grid in exchange for a Feed in Tariff (FiT). The FiT contract is coming to an end in 2025, at which point the plant will be decommissioned. Since 2010, the farm has been used primarily to grow rye to feed the AD plant with very little rotation and a high reliance on fertilisers to maintain yields. The farm comprises approximately 400 acres (161 hectares) which is made up of:

- 350 acres (121 hectares) of arable land, grade 3.1 and 3.2.
- 35 acres (14 hectares) of permanent grassland, grade 4.1 which has historically been let on annual grazing licences.
- 15 acres (6 hectares) of woodland planted as shelterbelts.

Your client has approached you for advice on farm planning after 2025.

Making specific reference to the features and equipment on the farm, set out an advice note for your client on a suitable farming system that could be adopted, detailing what additional equipment would be required and what works, and investment would be required. Include details in your advice as to what financial returns your client could expect through your chosen farming system.

**(15 Marks)**

### QUESTION 12

Your client wishes to retire from farming and as such has decided to sell the farm, retaining the farmhouse as their home.

- A) Outline the practical implications of retaining the farmhouse from the sale, both from the perspective of their occupation and for an incoming farmer.

**(3 Marks)**

- B) Outline the principal methods of sale available to your client and their advantages and disadvantages. Advise on your recommended method of approach.

**(3 Marks)**

- C) Explain the practical and statutory procedures you are required to undertake prior to marketing the property.

**(2 Marks)**

- D) In bullet point form, prepare notes of the key information you will require to prepare particulars of sale for the property.

**(5 Marks)**

- E) Provide your client with advice on what measures they can undertake to maximise the value of the property.

**(2 Marks)**

### **QUESTION 13**

Assume the farm is let under a 1991 Act tenancy. You have just inspected the farm on behalf of the landlord, please now draft a rent review proposal in line with best practice guidance for the farm. Include details of the methodology required under the relevant legislation and inform the tenant of the relevant timeframes. The farm comprises approximately 400 acres (161 hectares), the steading and the farmhouse and the current rent for the farm is £25,950. The AD plant was installed as a tenant's improvement, consented to by the landlord. Please detail any assumptions you have made.

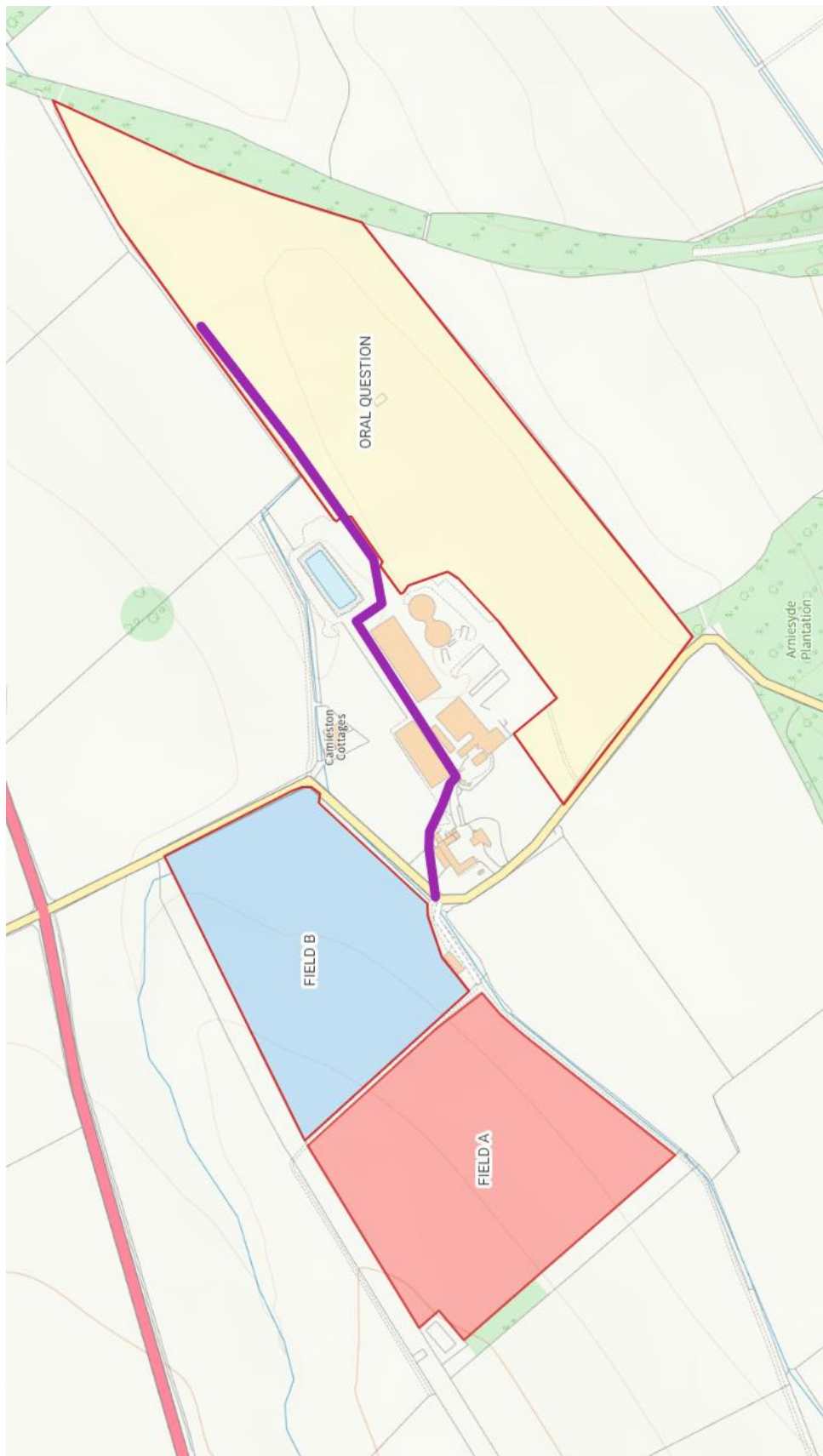
The farmhouse is sub-let by the tenant under a PRT. The landlord has been aware of this since the last rent review but never formally consented to it. Please refer to this within the rent review proposal.

Your rent review proposal should describe the farm and reference how you have calculated the rent. Please assume the last rent review was Whitsunday 2018 and the rent was set in line with market conditions at that time.

**(15 marks)**



## Land Plan



## Building Plan

