

Central Association of Agricultural Valuers

Northern Group Practical Examination

Wednesday 8th November 2023

Afternoon Paper

2.30pm – 5.00pm

PRACTICAL WRITTEN

Important Notes

1. Answer 4 out of the 5 questions.
2. **All questions carry 15 marks 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 page and place your answers in numerical order.
5. if using paper 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 PAPER DURING THE MORNING.

QUESTION 1

Your client is the tenant of the holding under an Agricultural Holdings Act tenancy. He will shortly be surrendering the range of traditional brick-built farm buildings back to the Landlord following the granting of planning consent for conversion and receipt of a notice to quit.

Your client wishes to continue to farm on the holding and is looking to construct a new cattle building at the steading to replace the lost buildings and allow the farm to continue with a similar number of livestock. He has asked you to advise on the matter.

- a. Make notes in advance of your meeting on the following:
 - i. A suitable site and orientation for the proposed building **(3 marks)**
 - ii. The size and design of a proposed building **(5 marks)**
- b. Your client has asked if he needs either full or outline planning or if he can construct a building under permitted rights. Make detailed file notes to justify your recommendation. **(4 marks)**
- c. Comment on any practical constraints affecting the site which may limit your recommendations to your client **(2 marks)**
- d. Your client mentioned the term BNG. What is meant by this term and would this impact upon the proposal? **(1 mark)**

(Total 15 marks)

QUESTION 2

Your client is the owner occupier of Cedar Tree Farm. They have been approached by Mr Oakes, a neighbouring landowner, who wishes to purchase 6 acres from your client. Mr Oakes' has suggested a purchase of field 3393 and part of field 4695, shown on Plan 2.

Following an inspection of the Farm and prior to meeting with your client;

- a) Outline the practical considerations that should be discussed with your client in order to sell the 6 acres **(5 Marks)**
- b) Set out any restrictions or other clauses you would advise that the sale should be subject to **(2 marks)**
- c) Identify the key regulatory & procedural requirements you need to meet as a selling agent as part of the sale process. **(2 marks)**
- d) Advise your client of any tax implications that may arise from the sale and how it is calculated **(2 marks)**
- e) Your client has asked if they would be better marketing the property as opposed to agreeing a private sale to Mr Oakes, set out the key considerations for your client and your recommendation. **(4 marks)**

(Total 15 marks)

QUESTION 3

Your client, the owner occupier of Cedar Tree Farm, has contacted you requesting a meeting on farm in respect of field 4466 shown on Plan 2, wherein lies above ground electricity apparatus that is currently covered by a historic wayleave agreement entered into by your client's father in or around 1950.

A neighbouring landowner has recently contacted your client seeking agreement to replace the existing wayleave with a permanent easement and permit access to upgrade the infrastructure in order to facilitate a proposed nearby residential development on their land. Such works include removing the above ground supply and installing underground cabling capable of greater grid capacity and in implementing such the statutory undertaker; National Grid Electricity Distribution PLC, has confirmed a requirement for an area of 30m x 30m for a temporary compound area, shown edged red and shaded blue on Plan 2.

The length of the cabling route is 236.4m and is shown in green on Plan 2.

Your client is considering the proposal but has requested your advice. Prepare a briefing note ahead of your meeting with your client to cover the following points:

- a) What the difference is between a wayleave and an easement. **(1 mark)**
- b) What statutory framework covers electrical infrastructure and what part of that framework covers compensation in relation to wayleaves. **(1 mark)**
- c) The considerations to be afforded in negotiations for an easement including your assessment of value for such stating any calculations. **(3 marks)**
- d) Your advice in relation to the proposed works including practical and physical considerations and how you might look to mitigate any damage to your client's property prior to the works starting. Include detail of heads of claim expected following the works (no figures are required) with a note on how your fees are dealt with. **(5 marks)**
- e) How you would expect to formalise the agreement for the use of the compound area and what terms might be included in such stating an appropriate consideration payment. **(5 marks)**

(Total 15 marks)

QUESTION 4

Your client, the Tenant of Cedar Tree Farm holds a 10-year fixed term tenancy which commenced on the 15 September 2020. Your client has received a rent review notice from their landlord dated 1 September 2023.

Your client is surprised by this notice and has questioned whether it is possible for the Landlord to review the rent.

- a) Under what legislation has the rent review notice been served? **(1 mark)**
- b) What is the rent review date and why? **(2 marks)**
- c) What factors do you consider when reviewing the rent under the notice? **(4 marks)**
- d) Based on your inspection of Cedar Farm, your client would like an indication of the level of rent likely to be proposed by the Landlord. Provide a breakdown applying a rent to the farmhouse, buildings and land showing your workings and any assumptions made. Please state your area of practice or your answer will be assumed to be based on rents in the York area. **(6 marks)**
- e) Advise your client on what options are available should they not reach an agreement on the rent? **(2 marks)**

(Total 15 marks)

QUESTION 5

The field shown hatched brown on plan 2 is owned by Askham Richard Primary School and has been let to owner of Cedar Tree Farm on a series of annual grazing licences for the last 6 years. The field extends to 1.24 Hectares (3.06 Acres) and the latest licence came to an end last Michaelmas.

Part of the school now needs a new roof, and the governors have therefore offered to sell the land to the owner of Cedar Tree Farm. A price has been agreed, with both parties being advised by reputable local agents, but unfortunately, while he wants to buy the land, the owner of Cedar Tree Farm does not currently have sufficient monies available and has therefore approached the agricultural business manager at his local high street bank to secure a loan to purchase the land.

Your firm has been asked by the bank to provide a secured lending valuation of the field in question which will comprise the sole security for the loan.

- a) Please confirm which overarching document will govern the conduct of the instruction, and the contents of your valuation report. **(1 Mark)**
- b) What would be the most appropriate basis of valuation and provide the formal definition for this. **(2 Marks)**
- c) List those items that must be included in your valuation report **(8 Marks)**
- d) Provide a brief description of the property based on your inspection, and provide a valuation including justification of your approach and reasoning **(4 Marks)**

(Total 15 marks)