

CENTRAL ASSOCIATION OF AGRICULTURAL VALUERS – EASTERN GROUP

Written Afternoon Practical Examination

Wednesday 11th November 2020

Guidance for Candidates

Candidates should have read the 2020 Guidelines for Practical and Written Examinations.

Four out of five questions should be answered.

Time allowed - 2½ hours. A total of 60 marks are available.

Introduction and Background

Home Farm is located in Wroxham, known as the capital of the Norfolk Broads, some 8 miles north of the Cathedral City of Norwich and shown for identification purposes only outlined red on Plan 1.

Home Farm, which forms part of a wider owner occupied Estate, comprises a range of farm buildings, a pair of semi-detached cottages, the new farm office, a local football club and land extending to approximately 127 hectares (315 acres).

The land is capable of being irrigated from a nearby reservoir via an underground ring main. Typical cropping includes wheat, barley, sugar beet, oil seed rape and potatoes with carrots by licence.

Home Farm is farmed in hand by the owner, Mr Nelson (aged 59). His son, Horatio (aged 32), has recently returned from a prolonged period abroad and he intends to succeed his father with the running of the Estate.

However, Horatio's first focus is on Home Farm which came back in hand three years ago following the expiration of a short term Farm Business Tenancy.

You act for the Nelson family.

QUESTION 1

As an only child, Horatio wants his father to talk about succession planning for Home Farm but Mr Nelson is not convinced they need to as he is only 59. Horatio has asked you to speak to his father and arrange a family meeting.

- a) Prior to calling Mr Nelson, provide bullet point notes of your advice on the advantages of early succession planning and the risks of not having a plan. (3 marks)

- b) Prepare an Agenda that will cover the main topics/issues for discussion and the information you may require to assist the family in their discussions at the proposed meeting. Under each agenda item make notes for yourself on the key points for you to raise for the family (10 marks)

- c) Horatio's best friend Mr Hardy has suggested both Horatio and his father need a pension. Briefly explain to Horatio why a pension can be a crucial part of succession planning. (2 marks)

QUESTION 2

Following completion of the Northern Distributor Road around Norwich, proposals have been announced for a connecting road which, subject to surveys and stakeholder engagement, is likely to cross the farm.

Your client has requested early advice on the following, in note format:

- i) The steps, in chronological order, that Highways England must take for part of your client's land to be acquired under a compulsory purchase order (8 marks)

- ii) Any opportunities to mitigate disturbance. (2 marks)

- iii) The acquiring authority's plan to create a compound site on the farm as part of the project. (1 mark)

- iv) An outline of the heads of claim with examples of how the compensation will be calculated. (4 marks)

Please state any assumptions or calculations made.

QUESTION 3

Your client Mr Nelson has been approached by a house builder. The house builder is keen to build 100 new residential units on the area shaded pink on Plan 1 to extend the current housing estate to the north which is nearing completion.

The land is currently owned by Mr Nelson who is considering a gift of the land to his son, Horatio, prior to signing an option agreement.

- a) Please outline the tax advantages and disadvantages of this option. (5 marks)
- b) List and briefly explain the principle terms you would expect to see in the draft option agreement proposed by the house builder. (8 marks)
- c) Are there any reservations that Mr Nelson should consider? (2 marks)

QUESTION 4

Falling within the ownership of Home Farm is the Trafford Park Football Ground (shown on Plan 1 shaded yellow). Trafford Park is currently let to the local football club under an agreement which ends on 31st December 2020.

Mr Nelson wishes to enter into a new 10 year agreement with the football club and has asked for your help with the following:

- a) What type of agreement do you recommend? (1 mark)
- b) Mr Nelson wants to ensure that the agreement will end on the last day of the agreed term. Please confirm what action should be taken prior to the new lease commencing to prevent the football club from gaining security of tenure. (2 marks)
- c) Please set out in template form the key headings within the heads of terms that will need to be negotiated and agreed between the parties. (8 marks)
- d) The Tenant has confirmed to you that they will not be represented by an RICS member or other property professional or solicitor in connection with the lease. What must you advise the Tenant of? (2 marks)
- e) What transactional implications may arise for the Tenant as a result of entering into a 10 year agreement? (2 marks)

QUESTION 5

Mr Nelson has asked you to advise on a disagreement he is having with the adjacent landowner, Mr Ferrari. There is disagreement as to where the boundary between their two fields is actually situated.

- a) What sources of evidence are likely to be available to you, both on the ground and elsewhere to assist your investigations? (3 marks)

Having conducted an inspection of the land it is clear that the Land Registry plan does not correlate with the boundary on the ground. Mr Nelson has said that his Solicitor has mentioned something about “alternative methods” of resolving the dispute other than through the court system. Whilst Mr Nelson is very conscious of cost, the land has been highlighted in the emerging Local Plan as having potential for leisure use.

- b) In readiness for a meeting with Mr Nelson prepare brief notes on three possible methods of resolving the disagreement listing the positive and negative attributes of each. (6 marks)

Despite best efforts Mr Ferrari is unwilling to agree the boundary and it is likely that the matter will head to the Courts. Mr Nelson and his Solicitor have suggested instructing an independent Agent to prepare a report.

- c) What format should the report take and what are the important considerations in preparing it? (4 marks)

Assume that the dispute has now been settled. It is necessary to accurately record the boundary and advise Land Registry.

- d) What mechanisms are available to amend the Land Registry plan? (2 marks)

END OF PAPER