

# Central Association of Agricultural Valuers

## Northern Group Practical Examination

Wednesday 11<sup>th</sup> November 2020

Morning Paper

8.45am – 1.00pm

## FARM INSPECTION/COMPLETION OF NOTEBOOK

### Important Notes

1. You are required to answer **ALL** questions on this paper.
2. **20 marks are allocated to Question 1, 15 marks are allocated to Question 2 and 10 marks to each of the remaining 5 questions.**
3. In addition, 5 marks are available for presentation of the notebook.
4. Answers to all questions on this paper should be completed in the Notebook provided. (These books will be taken from you for marking at the end of the morning session. Therefore any additional notes you wish to make to assist with the afternoon paper or the oral interview should be made on separate paper provided).
5. In answering the questions show all workings, any assumptions, and basis of valuation where applicable.
6. Your attention is drawn to the afternoon paper and the note regarding the oral interview. Your observational powers will be tested.
7. 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

Note: All produce is from the 2020 Harvest.

- a) Describe and value 5 bales of the produce marked A. (2 marks)
- b) Describe and value 9 bales of the produce marked B. (2 marks)
- c) (i) Identify the produce marked C (the dimensions of the produce are 10.1m x 10.35m x 1.90m)  
(ii) Calculate the tonnage of the produce (show your calculations)  
(iii) Estimate the total value of the produce (show your calculations) (2 marks)
- d) Describe and value the 15 bags marked D. (2 marks)
- e) Describe and value the animals in the pen marked E. The examiner will confirm their age in months. (Do not enter the pen) (2 marks)
- f) Describe and value the machinery marked 1. (2 marks)
- g) Describe and value the machinery marked 2. (2 marks)
- h) Describe and value the machinery marked 3 (2,100 hours)  
(Do not include the sprayer attached to the back) (2marks)
- i) Describe and value the machinery marked 4. (2 marks)
- j) Describe and value the machinery marked 5. (2 marks)

## QUESTION 2

Your client, the tenant of Cedar Tree Farm, has asked for your advice regarding the brick building shown coloured green on Plan 2, following some rather strained discussions between her and the landlord.

The landlord has been asking her for some time to put the building back into good repair, and has threatened to serve a repairs notice on your client. The landlord claims that the roof of the building has sagged after the tenant had failed to repair the roof for years, and had allowed ivy to grow up it. The landlord also claims that the brickwork beside the doorway has fallen out due to livestock rubbing against it.

The landlord is also asking your client to pay him £350, being one half of the anticipated cost of providing a new door on the north side and eaves guttering and downpipes to both sides of the building.

Your client has told you that, although the building is no longer of any use to the farm, she has cut back the ivy from time to time, and that the landlord has not carried out any repairs to any farm buildings for a long time.

Your client says that she thinks that the tenancy agreement mentions model repairs, or something like that, but your client doesn't really know what that means.

Based on your inspection of the building from the outside and from the open doorway, make notes on the following, in preparation for a meeting with your client:

- a) What regulations the "model repairs" clause is likely to refer to? **(1 mark)**
  - b) What in your opinion is/are the most likely cause(s) of the roof sagging and the brickwork collapse to the door opening **(2 marks)**
  - c) List all of the items of disrepair that are apparent to you on the building, give an approximate cost for each, and state who is ordinarily responsible for the repair of each item. **(5 marks)**
  - d) What are your comments on the proposal your client pays one half of the anticipated cost of the door and the rainwater goods? Give your reasons. **(2 marks)**
  - e) Assuming that the "model repair clauses" do apply, and in the event that a notice to repair is received from the landlord, what options are available to your client re the repairs and the future of the building, and what would be the consequences of each? **(5 marks)**
- (Total 15 marks)**

### QUESTION 3

Your client is the owner occupier of Cedar Tree Farm and he has asked for advice regarding Health & Safety on the farm in relation to his employees.

- a) Standing at Point A on Plan 2 list the Hazards and Risks in the immediate vicinity and note what action you would take to mitigate the risk. (4 marks)
  - b) Identify the main agencies and legislation which govern the risks you have identified. (3 marks)
  - c) What documents and actions are required to ensure your client's employees are aware of what is needed? (3 marks)
- (Total 10 marks)**

### QUESTION 4

Inspect the growing crop in Field Number 0684 shown on Plan 1, the previous crop was potatoes.

- a) Briefly describe the soil type. (1 mark)
- b) Which land classification grade would you expect this soil to be? (1 mark)
- c) What is the growing crop? (1 mark)
- d) Provide a list of the likely cultivations from establishing the crop through to 31<sup>st</sup> December 2020. (Please note that costings are not required). (2 marks)
- e) Excluding Basic Payment Scheme income, prepare a detailed gross margin budget for the crop at harvest 2021. Assume that the crop residue will be chopped for incorporation into the soil and that the land does not suffer from black-grass. (3 marks)
- f) If the previous crop had been winter wheat, how might this have affected the gross margin budget you have prepared and why? (Please note that a new gross margin budget is not required). (2 marks)

**(Total 10 marks)**

### QUESTION 5

Your client, the owner occupier of Cedar Tree Farm, has been notified by National Grid - British Gas that they intend to install a new gas main across his and neighbouring farms in March 2021, the works are expected to last for 1 year.

The extent of the works on your client's land will be between the points marked X and Y on Plan 1 on the line shown and extends to 185 metres in field 0107 and 325 metres in 2290.

NG - British Gas have requested a 40 metre working strip for the duration of the scheme and a 15 metre easement upon completion. There are no chambers in this length.

In advance of a meeting with your client, set out notes in bullet point form regarding the following:

- a) What powers do British Gas have to undertake such works and what is the accepted basis of compensation for such an easement (2 marks)
- b) The practical matters and issues which need to be considered or are likely to arise from the proposed scheme, that you need to make your client aware of in order that they will fully understand the effects on the farm (4 marks)
- c) An indication (in heads of claim form) of the main compensation areas that might be due to your client following completion of the works (no figures required) (3 marks)
- d) What would the easement payment be? (1 marks)

(Total 10 marks)

## QUESTION 6

Your client, the landlord of Cedar Tree Farm, has been approached by the owner of a property adjoining the farm - the Granary. The neighbour wants to buy field 5185 shown hatched orange on Plan 2, as a garden extension.

The tenant, who occupies the farm under a written Agricultural Holdings Tenancy Act 1986, does not have a good relationship with your client, or the neighbour. The field forms part of his Countryside Stewardship scheme.

Ahead of a meeting with your client prepare notes in bullet point format:

- a) What options are available for securing vacant possession of the field and give an estimate of timescales/ notice periods applying to each option, including any pertinent points your client should be aware of (3 marks)
- b) What compensation is the tenant entitled to under the AHA 1986. State any assumptions made. (1 mark)
- c) What physical and practical matters need to be considered on a sale of the field. (4 marks)
- d) Provide advice on the implications to the tenants BPS claim & CSS Agreement, and what steps the tenant would need to take for their 2020 claims, assuming the sale completes before 31 Dec 2020. (2 marks)

## QUESTION 7

Your client is the Landlord of Cedar Tree Farm and the existing Farm Business Tenancy is coming to an end. You are instructed by your client to negotiate end of Tenancy compensation matters with the outgoing Tenant's Valuer.

Of particular concern to your client is Building 4 on Plan 2 which he knows was erected by the Tenant in 2002, however he cannot recall the basis of compensation.

Make bullet point notes about the following in preparation for briefing your client:

- a)      i) General Description of the Building (4 marks)  
          ii) Its use and the cost of construction (1 marks)
  
- b)      What factors do you consider in determining if an item is a compensatable improvement, and if a claim is being made what timeframe must the tenant meet to make a claim (2 marks)
  
- c)      What is the measure of compensation and how can it be calculated. Give a value with reasoning. (3 marks)