

**THE CENTRAL ASSOCIATION OF AGRICULTURAL VALUERS**

**SOUTHERN GROUP**

**PRACTICAL EXAMINATION PAPER**

**WEDNESDAY 10TH NOVEMBER 2021**

**FIELD BARN FARM**

**WINCHESTER ROAD**

**KINGSCLERE**

**NEWBURY**

**RG20 5PX**

**BY KIND PERMISSION OF LORD HUNTINGDON**

All candidates will be deemed to have read the Central Association of Agricultural Valuers’ 2021 publication “Guidelines for the Practical, Written and Oral Examination AND Tutorial Organisers Guidelines” and be familiar with the contents.

**Important Notes:**

1. Candidates are required to undertake all necessary disinfection of footwear on entering and leaving the farm.
2. No smoking is allowed during the examination.
3. Candidates are responsible for their own Health & Safety whilst on the farm and should make themselves aware of any hazards and take appropriate precautions.
4. No mobile phones, computers or programmable calculators may be taken into the examination.
5. Candidates are not allowed to converse with each other. A breach of this rule may mean disqualification.

**NOTES TO CANDIDATES**

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.
2. This exam paper comprises 14 typed pages plus 2 blank pages for notes plus 2 plans. While on the farm, you will be able to make and retain notes on this examination paper which can be taken into the examination room for use in the afternoon written paper. The notes for the oral question are to be made on the yellow paper provided which must be handed in at the end of the morning.
3. Whilst undertaking their valuations and inspection, Candidates must appraise the holding, taking particular note of what is to be seen on the farm as this will be of relevance to the afternoon session and to the interview.
4. Candidates will answer all questions during the morning session in the notebooks provided, in pencil. Examiners will look for an orderly format to the notebook and marks will be awarded for the Candidate’s approach and for the presentation of the notebook. CAAV guidance on approaches to notebook layout has been prepared. Candidates will not be marked down for their choice of format, provided it is clear and logical.
5. 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.
6. No information will be provided other than that given in the questions. You should answer the morning’s questions in the order the questions are presented to you. The examiners will control timing.
7. The Candidate’s number and practice area should be written on the top right-hand corner of the front cover of the notebook.
8. Please prepare your notebook including a summary page and index, using the following information unless stated otherwise in the question:

Holding: Field Barn Farm, Winchester Road, Kingsclere, Newbury, RG20 5PX

Owner & Occupier Lord Huntingdon

1. Where applicable you should show any assumptions that you have made in arriving at your answers. In respect of the valuations required on a stocktaking basis, you should clearly state which alternative method of valuation (as required by HS232) has been adopted.
2. Candidates are under examination conditions and will be supervised throughout the day including during lunch.
3. **CANDIDATES MUST NOT CONVERSE WITH EACH OTHER. BREACH OF THIS RULE MAY DISQUALIFY A CANDIDATE**
4. Marks are available in each section as follows:

|  |  |  |
| --- | --- | --- |
| Practical Examination | Morning Paper | 90 |
|  | Afternoon Paper | 60 |
| Oral Interview |  | 50 |
| Written Examination |  | 100 |
| **TOTAL**  |  | **300** |

To pass, candidates will need to achieve 65% across the whole examination (that is 195 marks out of 300) with not less than 60% in any of the Written, Practical or Oral parts.

**PRACTICAL EXAMINATION PAPER**

**TIMETABLE**

|  |  |
| --- | --- |
| 8.10 am | Meet at Sandford Springs Hotel & Golf Club, Kingsclere, Hampshire, RG26 5RT |
| 8.25 am | Depart for Field Barn Farm |
| 8.45 am | Introduction and briefing by the Exam Group Chairman and distribution of examination papers  |
| 9.00 am – 12.30 pm | Inspection of items included in the practical examination papers and of property relevant to the afternoon written paper and oral questions. |
| 12.30 pm – 13.00 pm | Completion of morning note books and separate notes for the afternoon written paper and oral interview. A covered seating area will be available  |
| 13.00 pm  | Morning note books and notes for the oral interview are collected by examiners. Return to Sandford Springs Hotel for Lunch |
| c. 14.00 pm  | Afternoon written paper at Sandford Springs Hotel answering four questions out of five from notes made during the morning inspection.  |
| c. 16.30 pm  | Completion of the examination.  |

**MORNING QUESTIONS**

1. Answers to be written in the Note Book provided.
2. Candidates should mark their Note Book and papers with their examination number but **NOT** their name.
3. Candidates should indicate on the inside cover of their Note Book the general geographical area they work in and similarly on the first page of their afternoon answers.

**ORAL QUESTION**

Candidates should make notes and retain them for the Oral Interview tomorrow.

**AFTERNOON QUESTIONS**

The afternoon questions will be based on items seen on the farm during the morning’s inspection. Candidates are advised to make their supporting notes on the additional paper provided.

**MORNING PAPER**

**Time Allowed: 3½ hours plus an additional ½ hour for completion of the notebook**

To be answered in pencil in the Note Book provided.

Please start a fresh page for each question answered and include a numbered contents page at the front of your Notebook.

The examiners will control timings and will take you to each question in turn.

You will be acting for the owner/occupier unless otherwise advised.

**Answer ALL the questions in this section**

**QUESTION 1** *(10 marks)*

1.1 Describe the pen of cattle and provide a value for one of the animals. (4 marks)

1.2 What guidance would you refer to if the value requested was for stocktaking purposes. (1 mark)

1.3 Describe the 5 items shown to you labelled I-V (5 marks)

**QUESTION 2** *(15 marks)*

Your client requires some additional grain storage on the farm having recently taken on another 80 hectares of rented arable land. He therefore plans to erect a new grain store at the location marked with an orange box on Plan one.

2.1 Assuming the entirety of the new rented land is cultivatable and using an average Winter Wheat yield, how much additional storage volume does your client need to provide? (2 marks)

2.2 Having regard to the proposed location, use and likely size of the new building, what type of planning application would you recommend your client submits to authorise the development and what particular factors would dictate this? (8 marks)

2.3 Having inspected the proposed site for the building, what other practical issues should your client be mindful of before an application is submitted? (5 marks)

**QUESTION 3** *(10 marks)*

3.1 Identify the Growing Crop in the field shown to you and provide the average yield for the crop considering the land and soil type, described on a per hectare basis (2 marks)

3.2 Together with their associated costs (including labour), schedule the cultivations and inputs required to establish the subject crop to its current stage on a £’s per hectare basis. Assume the field was previously down to a cereal crop (5 marks)

3.3 Provide a Gross Margin for the growing crop on a per hectare basis for harvest 2022. (3 marks)

**QUESTION 4** *(10 marks)*

4.1 A tenant rents the enclosed area (approximately one bay) of the building shaded red on Plan one. They wish to extend their lease area and rent the remainder of the building for secure storage. How much extra rent, per annum, should your client charge? *(Show your workings). (3 marks)*

4.2 The lease is about to expire, set out heads of terms for the new lease renewal including the additional space, ensuring you consider any practical issues that need to be addressed. (7 marks)

**QUESTION 5** *(15 marks)*

5.1 You have been asked to value items for the client’s accountant to prepare a detailed inventory of the business assets. Select 5 items from those labelled A-G and provide a description, a comment on condition and a value. (10 marks)

5.2 Identify the 5 commodities labelled H-L and provide a value per tonne for the product. (5 marks)

**QUESTION 6** *(10 marks)*

Your client, the owner of Field Barn Farm, has asked for a meeting to discuss proposals for a new water main pipe that Southern Water, the local water company, are proposing to install along the route shown in green on Plan 1. The water company requires a 10m working width together with an easement strip of 3m either side of the pipe. A surface mounted manhole structure is also required in the field at Point C. Southern Water hopes to start working on 5th January 2022. Making all assumptions clear, write a file note for your meeting outlining:

6.1 The legal framework which the Water Company will use to install the pipe, including notices and timescales. (2 marks)

6.2 Provide an indication of the compensation the landowner may receive indicating the heads of claim, calculation methods and likely amounts. In answering this section restrict yourself to considering the land between points A and B on the plan. Point A to B is 190 metres in length with point A to C is 65 metres in length. (6 marks)

6.3 What are the options open to the parties if there is a dispute as to compensation and reinstatement? (2 marks)

**QUESTION 7** *(15 marks)*

Assuming planning consent has been granted for the new grain store (refer to Question 2), your client, the owner of Field Barn Farm, is proposing to finance the construction of the building by taking out a loan from the Bank. The Bank have instructed you to undertake a Red Book valuation on the field hatched purple on Plan one, to act as security for the loan.

7.1 Using bullet points, please make detailed inspection notes, highlighting parts of the farm that you will need to make reference to in your report. (5 marks)

7.2 What questions would you ask your Client on inspection of the field? (3 marks)

7.3 What areas of risk in particular would you want to comment on for the Bank as part of your report, assuming a charge is to be taken on your Client’s field? (1 mark)

7.4 What method(s) of valuation would you propose to use in preparing your valuation? (1 mark)

7.5 In preparation of drafting your report, based on your area of practice, please provide commentary of the market value of the field. Based on any assumptions you may be required to make, please show your workings and provide indicative figures. (5 marks)

Morning Paper 85 marks

Presentation of the Notebook 5 marks

TOTAL 90 marks

**THE ORAL INTERVIEW**

The first part of the interview on Thursday afternoon will require knowledge on the current regulatory framework of a practical and professional nature with reference to a particular part of the farm.

**Candidates should pay particular attention to the area shown to you and edged red on Plan 2 including its physical characteristics, condition and uses. Measurements of the buildings and yard are not required.**

Candidates should make and retain notes and then take them to the interview. No other books, notes or materials may be brought into the interview. *(25 marks)*

In addition there will be two technical questions set nationally drawing on your relevant general knowledge of subjects within the syllabus. This will be followed by 10 quick fire questions. Candidates will also be assessed on their communication skills *(25 marks)*

TOTAL 50 marks

**AFTERNOON PAPER**

**Time allowed: 2½ hours**

If you are handwriting your answers please use the A4 paper provided. Please use a fresh piece of paper for each question answered and write on one side of the paper only.

Write your CANDIDATE NUMBER ONLY on the top right hand corner of each sheet of your answer paper.

**Answer 4 questions only out of the 5 questions in this section**

**QUESTION 8** *(15 marks)*

Your client has asked for some advice after confronting a dog walker who he had noticed walking along the farm drive several times.

He said the conversation was polite but that the walker claimed he had been walking the route since moving to the area in 2001.

The public rights of way around the farm are marked in blue on Plan one.

Write notes before meeting your client, on the following:

8.1 Practical things he should do;

a. To protect his position (3 marks)

b. To protect anyone walking on the drive (3 marks)

8.2 Opportunities that the situation might present for your client and his business (3 marks)

8.3 The implications for your client as a result of the length of time the walker claims he has used the route (1 mark)

8.4 The impact on the capital value of the farm, as a result of a potential new public right of way along the farm drive:

a. In ways that might reduce the value (2 ½ marks)

b. In ways that might increase the value (2 ½ marks)

**QUESTION 9** *(15 marks)*

Your client would like to plant a new woodland on the farm in the field shaded yellow on Plan one. They have heard about the England Woodland Creation Offer and have asked you for more information on the Grant and asked if there is anything else they should consider. Prepare a briefing note for discussion with your client on the following: (Please state any assumptions necessary)

9.1 What is the England Woodland Creation Offer, how does it work and what are the requirements for an application? (10 marks)

9.2 What other considerations may you need to discuss with your client before advising whether they should convert the land to woodland (5 marks)

**QUESTION 10** *(15 marks)*

The client of the paddock wants to sell the parcel of land shown to you situated to the north of the entrance track on Plan one.

10.1. During your site visit make notes in bullet point form of any practical questions or queries that you want to ask the owner with regards to the parcel of land following inspection and cross referenced against the plan. (6 Marks)

10.2 What conditions would you recommend including as part of the sale both practical and to protect your client? (3 Marks)

10.3 What potential methods of sale are available for the sale and which option would you recommend and why? (4 Marks)

10.4 Prior to taking the paddock to the market what paperwork do you require from the owner of the paddock? (2 Marks)

**QUESTION 11** *(15 marks)*

For the purposes of this question, it is to be assumed that Field Barn Farm is let on an Agricultural Holding Act 1986 Tenancy. The tenant is leaving the holding and has erected the building shaded pink on Plan one.

11.1 Describe the building & its condition (2 marks)

11.2 Provide a valuation of this building as a Tenant’s Improvement on the basis it is subject to an unconditional consent. Explain how a conditional consent may differ from an unconditional consent with regard to its valuation at the end of the tenancy (4 marks)

11.3 Provide a valuation of the building as a Tenant’s fixture assuming the landlord has elected to purchase and confirm the basis of valuation. (3 marks)

11.4 Set out what notices and procedures the outgoing tenant should follow to claim compensation for this improvement at the end of the tenancy (2 marks)

For the purposes of this question it is to be assumed that Field Barn Farm is let on an Agricultural Tenancies Act 1995 tenancy:

11.5 Confirm the basis of valuation assuming unconditional consent has been granted by the landlord for the erection of the lean-to (2 marks)

11.6 Set out what notices and procedures the outgoing tenant should follow to claim compensation for this improvement at the end of the tenancy (1 marks)

11.7 What can the tenant do if the landlord does not grant consent? (1 mark)

**QUESTION 12** *(15 marks)*

Your client who owns the farm has transferred the field hatched brown, on Plan one, to his daughter, Miss Jolly. The farming partnership want to continue farming the land and Miss Jolly is happy for them to rent it but wants to ensure the tenancy agreement provides her with flexibility.

12.1 What questions would you ask Miss Jolly? *(3 Marks)*

12.2 Set out your recommendations as to the type of tenancy agreement and explain why this is suitable. *(8 Marks)*

12.3 What rent would you recommend is charged and why? (*Show your workings)* *(4 Marks)*

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