

**THE CENTRAL ASSOCIATION OF AGRICULTURAL VALUERS**

**SOUTHERN GROUP**

**PRACTICAL EXAMINATION PAPER**

**WEDNESDAY 13TH NOVEMBER 2019**

**REDLANDS FARM
ROBERTSBRIDGE
EAST SUSSEX
TN32 5NA**

**BY KIND PERMISSION OF A H HOAD & SON**

All candidates will be deemed to have read the Central Association of Agricultural Valuers’ 2019 publication “Guidelines for the Practical and Written Examinations and Oral Examination” 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 12 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: Redlands Farm, Robertsbridge, East Sussex, TN32 5PF

Owner & Occupier A H Hoad & Son

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 Dale Hill Hotel and Golf Club, Ticehurst, East Sussex, TN5 7DQ |
| 8.25 am | Depart for Redlands 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 – 1.00 pm | Completion of morning Notebooks and separate notes for the afternoon written paper and oral interview. A covered seating area will be available  |
| 1.00 pm  | Morning Notebooks and notes for the oral interview are collected by examiners. Return to Dale Hill Hotel for Lunch |
| c. 2.15 pm  | Afternoon written paper at Dale Hill Hotel answering four questions out of five from notes made during the morning inspection.  |
| c. 4.45 pm  | Completion of the examination.  |

**MORNING QUESTIONS**

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

**ORAL QUESTION**

Candidates may make notes on the **yellow paper** provided. These notes will be collected at the end of the morning and returned to the candidate shortly before the Oral Interview. No other books, notes or materials may be brought into the Interview.

**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: 3 ½ hours plus an additional ½ hour for completion of the Notebook**

To be answered in pencil in the Notebook 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. Describe and value the pen of cattle for annual stocktaking purposes. (5 marks)

1.2 Please name and provide a value in £ per tonne for 5 of the 7 commodities marked T to Z. (5 marks)

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

2.1 You have been instructed to make notes for the preparation of a farm dispersal catalogue. Select 5 items of machinery from the items shown to you labelled A – G and describe and value each item. (10 marks)

2.2 Name and describe the use of 5 of the 8 items marked H - O. (5 marks)

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

Your client has agreed to allow a local primary school to visit the farm to learn more about farming and agriculture. Following a meeting with one of the teachers, the building shown coloured light blue has been chosen to be their base for the day.

Prior to the school’s arrival, your client has raised concern about the regulatory and compliance issues that the visit may give rise to and has requested your assistance.

3.1 Advise your client of which legislation he should have regard to. (2 marks)

3.2 Identify the immediate risks present in and around the barn and what your client might do to mitigate them. (6 marks)

3.3 What would you advise your client to have readily available in case there is an incident during the visit. (2 marks)

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

You have been contacted by your client who is considering applying to the Rural Payments Agency for a new Countryside Stewardship Scheme. Looking at the area shown to you hatched green on the plan, prepare bullet point notes on the following in order to discuss at a forthcoming

meeting:

4.1 Suggest suitable management options for the field which could be incorporated into a new Mid-Tier scheme. (6 marks)

4.2 The Arable Offer under Countryside Stewardship. (2 marks)

4.3Assuming they follow the same dates as for 2019, what are the deadlines for entering a new scheme under the Arable Offering and Mid-Tier in 2020? (2 marks)

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

You are meeting your client at the farm buildings opposite the two farm workers’ cottages. No.1 nearest the road was transferred to his sister last year as a settlement to buy her out of the farm partnership and his sister has subsequently sold the property which completed at the end of October.

Your client has been asked by his accountant to get a valuation of the property for capital gains tax purposes and he has already provided you with a copy of the sales particulars with photographs of the interior and a floor plan as you aren’t able to access the property following the sale.

5.1 What do you require from your client in order to commence the valuation? (2 marks)

5.2 What questions would you need to ask your client regarding the property itself to undertake the valuation? (4 marks)

5.3 Whilst on site please identify any factors you consider might affect the property’s value? (6 marks)

The new owner of the cottage has indicated an interest in the adjoining paddock which is jointly owned by your client and his sister.  Your client and his sister have instructed you to value the paddock before they consider their options.

5.4 What factors would you consider will affect the value of the paddock and how could the terms of the sale affect value? (3 Marks)

**QUESTION 6** *(15 marks)*

For the purposes of this question, your client is the Landlord of Redlands Farm which is let under a written Agricultural Holdings Act 1986 tenancy. The tenancy is due to end on the 24th March 2020. The repairing liabilities are in accordance with the Model Clauses.

Your client has asked you to act on his behalf in end of tenancy matters relating to dilapidations.

In bullet point form:

6.1 Make a list of the external dilapidations to the building shown outlined in red on the plan (the two lean-to structures are tenant's fixtures and therefore should be ignored). (7 marks)

6.2 Outline the procedures, time limits and form a claim should take in respect of the end of tenancy dilapidations on this building. (2 marks).

6.3 Set out a Landlord’s claim in respect of 3 allowable dilapidation items identified above. (6 marks).

**QUESTION 7** *(10 marks)*

7.1 Identify the growing crop and describe the field shown to you. It is not necessary to inspect the whole field. (2 marks)

7.2 Schedule the cultivations and their costs together with the inputs and their costs (per hectare) required to establish the growing crop. (6 marks)

7.3 Provide a Gross Margin for the growing crop on a per hectare basis for harvest 2020. (2 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.**

Candidates should make notes on the **yellow paper** provided, which should also be marked with your Candidate Number. They will be collected at the end of the morning and returned to you shortly before 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: 2 ½ hours**

If you are handwriting your answers please use the A4 paper provided. Please use a fresh piece of paper for each question answered.

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

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

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

The Rother Valley Railway have applied for a Transport and Works Act Order (TWAO) to extend the line through the farm. Their agents have approached your client about creating a working compound over the area shown hatched blue on Plan 1 by agreement. The area required is 2,000 m2 for a period of 12 months.

Make notes in advance of a meeting with your client setting out your advice on:

8.1 Actions required prior to granting the occupation. (2 marks)

8.2 Suggest reasonable terms that you would recommend that would be incorporated into a licence agreement with the relevant parties including an indication of suitable consideration. (8 marks)

8.3 If licence terms cannot be agreed and temporary possession is taken under the TWAO, what is the basis of value for compensation? (2 marks)

8.4 Identify potential losses / matters which could qualify for a compensation claim. (3 marks)

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

Your client, the FBT Tenant of the Holding, is considering erecting a new fodder / machinery store measuring 36.6m x 18.3m (120ft x 60ft) at the approximate position identified as hatched pink on the accompanying Plan 1 and has requested your advice.

9.1 What type of planning application would you recommend your client submits for the proposed development and what specific aspects of the proposal would dictate your decision? (7 marks)

9.2 What practical issues relating to the proposed site will your client need to be mindful of? (5 marks)

9.3 Your client has asked you if he will be compensated by his Landlord for providing the new building at the end of his tenancy. What must he obtain to ensure that he is eligible to receive compensation and on what basis would it be calculated? (3 marks)

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

Your client owns the converted traditional building which extends to 2000 sq. feet (NIA).

10.1 Prepare letting details for the traditional barn which has been converted into an office. (7 marks)

10.2 Assuming agreement has been reached with a potential new tenant, set out your agreed heads of terms so that you can instruct your client’s solicitors to prepare a draft of the Lease. (8 marks)

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

The furthest cottage (No.2) is owned by a third party, Roy Barnes. He planted the fruit trees and has been maintaining the grass area (hatched orange) on the right hand side of the driveway.

Your client always believed that the driveway (coloured brown) and the area hatched orange was owned by Roy and that the farm deeds just included a right of way along the driveway to the first cottage and to the field beyond.

Your client has written to you for some advice, as he realises that the driveway and area hatched orange are all within the Land Registry title plan for the farm after all. Your client doesn’t recall the last time that his family mowed the grass area hatched orange.

11.1 What could Roy do if he wanted to claim ownership of the land hatched orange and the driveway himself? (4 marks)

11.2 If the land were unregistered, how would the options for Roy differ? (4 marks)

Your client is open to the idea of selling the land to Roy, reserving a right of way for the farm over the land shaded brown.

11.3 What is the main factor likely to be relevant to negotiations over sale value? (1 mark)

Your client wants to ensure that he receives a proportion of any future development value of the land through an overage clause.

11.4 Advise on the principle overage terms you would recommend. (3 marks)

11.5 What potential legal mechanisms are available for securing overage? (3 marks)

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

Redlands Farm Cottage is the semi-detached two bedroom cottage, adjoining the farmhouse outlined in yellow on the plan. The retired farm worker who had occupied it for “decades” recently died but his daughter still lives there.

Your client has asked for some advice relating to the future occupation of the cottage.

Set out a briefing note in advance of your next client meeting on the following subjects:

* 1. The daughter’s right to remain in the property? (2 marks)

12.2 Your client’s responsibilities for statutory checks, health and safety and energy performance of the property? (4 marks)

12.3 Based on your external inspection of the property, set out a proposed schedule of work to be conducted to the property under the following headings (7 marks):

1. Environmental performance
2. Repairs due
3. Alterations or improvements

12.4 If the daughter were to become the new tenant, what rent would you expect to receive? (2 marks)

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