**CENTRAL ASSOCIATION OF AGRICULTURAL VALUERS**

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**NATIONAL WRITTEN EXAMINATION**

**PAPER I**

**9TH NOVEMBER 2023**

**9.00am – 10.35am**

**Time Allowed – 1 Hour and 35 Minutes**

**Instructions to Candidates:**

1. Complete the Green Examination Information Sheet by stating your examination candidate number (not your name) together with the area in which you are practising and the local Association of which you are a member. Attach the green sheet to the top of your answer pad and ring the numbers of the two questions that you have answered.
2. Write your candidate number, the number of the question and the page number in the top right hand corner of each page.
3. Write on one side of the paper only, leaving the margin on the left-hand side.
4. Start each answer on a separate sheet and place your answers in numerical order.
5. Time has been allowed for you to read through the Question Paper and plan your answers.
6. You should attempt to answer **TWO** out of the four questions, ringing their numbers on the green sheet. Where relevant state whether you are answering for England, Wales, Scotland or Northern Ireland.
7. All questions carry equal marks: 20 each.
8. Questions are framed so as to minimise the need to make assumptions but state clearly any that you do make and the reasons for them.
9. Where appropriate, you will be expected to state the relevant Act, Statutory Instrument or case upon which you have based your answers.
10. You may use imperial or metric measurements in your answers. Please indicate which units you are using.

The presentation and clarity of your answers is important.

**QUESTION 1**

**Answer 5 of the 8 parts to this question**

**Each part carries 4 marks with a total of 20 marks on this Question.**

**A. England** - Explain the term Biodiversity Net Gain in the context of development.

**Scotland, Wales and Northern Ireland** – How are biodiversity concerns being taken into account for planning permissions?

B. Describe the features and benefits of Mediation and Arbitration as alternative forms of dispute resolution.

C. Describe the purpose of a building reinstatement cost assessment for a portfolio of farm and estate buildings and the factors that need to be taken into account when undertaking the assessment.

D. Explain how a right of easement (*Scotland* – servitude) can be created by prescription.

E. **England and Scotland** – Briefly summarise the rules for permitted development rights to convert agricultural buildings to dwellings.

**Wales** – Briefly summarise the planning rules for agricultural dwellings under TAN6

**Northern Ireland** - Describe the process for securing a second dwelling on a farm.

F. How will the rent of a pre-December 2017 telecommunication mast site be determined once the initial term of the lease has expired, and a new agreement is being put in place?

G. Describe the requirement for registration of entities under the Economic Crime (Transparency and Enforcement) Act 2022.

H. Your client is expecting to inherit a farm. She has asked you what government schemes are likely to apply in your area in 2025 and 2026. Please advise.

**QUESTION 2**

**Note – Northern Ireland alternative below**

Your client is the tenant farmer of a 149 acre farm. The farm consists of 115 acres of permanent grass and 34 acres of arable. The 4 bedroom farmhouse is of traditional construction. There is a range of traditional and modern farm buildings. The tenant has undertaken various improvements.

Your client’s tenancy commenced on 1st April 2004.

Your client has asked for a meeting as he believes that his landlord may wish to discuss a rent increase.

**Set out in note form:**

1. Your thoughts on the current farm rental market and what factors may influence rents this autumn **3 marks**
2. Set out the statutory default valuation basis for determining the rent **3 marks**
3. Set out the procedure and timetable to initiate a review and if necessary to refer it to dispute resolution. *(Assume the tenancy agreement does not state an alternative to the default provisions contained within the relevant Act.)* **4 marks**
4. List any information you may require from your client to advise him further.

**4 marks**

1. A modern building was erected in 2020 to which the landlord contributed £20,000 as half the total cost, net of VAT. In determining the rent, please identify what possible approaches to this tenant’s building might be considered in the rental valuation.

Use one of the approaches to produce a worked valuation. Please state any assumptions.

**6 marks**

**Alternative For Northern Ireland Candidates Only**

Your client owns and has farmed a 150 acre beef and sheep farm with a house and traditional buildings for many years. He is now thinking of retiring to the coast and so has asked you for advice as to options. He wants to keep the farm and is anxious that it be well kept.

A. Outline his options with

1. advantages and disadvantages of each option
2. the arrangements to be made in each option for keeping the property well kept

**10 marks**

B. He has heard that NIRVA has developed a model tenancy agreement. Please set out the heads of terms you would expect for a 5 year lease of the whole property.

**6 marks**

C. In discussing such a tenancy, the prospective tenant is proposing to:

(i) set in hand a programme of liming the land

(ii) erect a new building

Your client sees that these would benefit the property. How would you advise that each be treated?

**4 marks**

**QUESTION 3**

Lord Ship has died. You are to be instructed by his Executors to prepare a valuation of his property, Liner Estate, for Inheritance Tax purposes.

The estate includes:

*The Grange* - a seven bedroomed country house with gardens, garages, traditional outbuildings and paddocks extending to 6 acres. It is owned jointly with Lady Ship.

*The Leasows* - 107 acres of pastureland farmed in hand with a seasonal grazier taking the grass on licence, two steel portal-framed farm buildings, built in 1979, each 75 x 50ft, and a further 5 acres of mixed age hardwood spinneys. It is owned jointly with Lady Ship.

*Liner Farm* – 270 acres of pastureland with a four bedroomed farmhouse, traditional buildings extending to 3000ft² and portal-framed cattle yards extending to 10,000ft², let on a tenancy which commenced on 25th March 1980 to Mr Tenant, who farms in partnership with Mrs Tenant and their son. It was wholly owned by Lord Ship

*The Workshops* – three commercial lettings extending to 7,000ft², wholly owned by Lord Ship.

1. List and explain the contents of your letter of engagement confirming the basis of valuation and your terms. 6 **marks**
2. List the information that you require in advance of your inspection, and state your assumptions as to each property and the information to be gathered that will inform your valuation. **6 marks**
3. Set out, with your workings, the valuations of the property that will be needed for each of these parts of the Estate. **8 marks**

**QUESTION 4**

You have been contacted by Mr Jones, the 45 year old son, taking a farm over from his father who has let much slip.

The farm includes 5 let cottages:

* a three-bedroom cottage in a former stable block let to an elderly couple who have lived there for “a few” decades and who had worked for Mr Jones’ grandfather on the farm for a short period.
* 4 one and two-bedroom terraced cottages let within the past couple of years using a local letting agent; these include one occupied by a current farm employee.

Mr Jones is aware that the letting of residential property is more regulated than it used to be and has asked for a meeting to discuss this.

In advance of the meeting, make notes on:

* + - 1. The different statutory codes under which the cottages might be occupied on the facts given. Include key dates and criteria to allow the nature of the occupation to be established, and a brief summary of the relevant facts of each code, and how they might impact on value. **(9 marks)**
      2. Describe the regulatory and compliance requirements as to:
  + What should have been provided to the tenants prior to and following commencement of any tenancies completed in the last two years by the local letting agent
  + All further regulatory and compliance matters that are relevant to the letting of residential property, with a brief commentary as to how these might affect the dwellings as appropriate.

Comment on definite or likely future legislative changes. **(9 marks)**

3. The rental property market as a whole, and the key considerations for these properties.

**(2 marks)**