

WRITTEN EXAMINATION

PAPER 1

13th NOVEMBER 2003

9.00am – 10.30am

Time Allowed - 1½ Hours

Instructions to Candidates:

1. Complete the Green Examination Information Sheet by stating your examination reference 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 reference number (not your name) on each page. Number each page in the top right hand corner.
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** before commencing your answers.
6. You should attempt to answer two out of the three questions, listing them out on the green sheet.
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.
11. The presentation and clarity of your answers is important.

QUESTION 1

Your clients are the Executors and beneficiaries of the estate of their late brother, a widower.

The estate consists mainly of a small farm with house and traditional buildings only.

The Executors, on the instructions of the deceased, wish to ensure that the property is not sold to a neighbour.

Outline, in letter form:

- The various methods open to the Executors for the selling of the property, comparing and contrasting them, bearing those instructions in mind
- The Terms of the Agency you would issue.

An additional complication arises during the early stages before the marketing of the property has commenced, in that an estranged son of the deceased re-appears and contests the will in order to make a claim on the estate. Assuming that the son may have a legitimate claim on the estate, include in your letter an outline of the differences such a scenario would have on the method of sale you would advise.

QUESTION 2

Your client, Bob Smith, has recently reviewed his financial and farming position and has identified what he thinks are one or two opportunities for both releasing capital and increasing income from under-utilised parts of the farm.

Church Farm (which extends to 200 ha and incorporates High Field Farm) is well known to you and Bob has asked you to provide a letter on the planning and development issues so that he can consider the following potential opportunities.

1. The old farmstead at High Field Farm (which lies close to the village centre) is now virtually redundant and comprises of traditional brick and tile farm buildings which Bob thinks would be suitable for conversion to offices or residential units. Bob particularly wants to know what are the chances of obtaining residential conversion planning permission rather than for offices and which scheme is likely to produce maximum value for this site.
2. Church Farm (3ha) has 100m frontage onto High Street and lies at the back of the High Street houses. The other day a developer called on Bob and offered him £50,000 cash for this land. Bob does not want to lose the opportunity to

receive much needed capital now but is not sure whether to proceed with this first approach. You know that the Local Plan is up for review and an area in the next village, which was to be developed with 100 houses, has just been designated as a flood plain area.

3. The farm bungalow at High Field Farmstead has just become vacant following the death of a retired farmworker who lived on his own. Bob's father built the bungalow in 1970 under the terms of an agricultural occupancy condition when the farm had cattle at High Field Farm. Bob now wants to sell it for as much money as possible.
4. Bob wishes to build a new 800 tonne grainstore in Church Farmyard, either on a site close to the farmyard entrance from the village High Street or elsewhere on the Holding.

QUESTION 3

An old client, Duncan Fletcher, who has been the tenant of Lords Farm, St. John's Wood (a 400 acre dairy farm) for at least 40 years to your knowledge, has recently rung you regarding an approach from his landlord's agent, whose client is elderly.

They have suggested that if Mr. Fletcher would surrender his existing tenancy, they would be prepared to provide a new covered yard for the holding, interest free, and would be prepared to grant him a Farm Business Tenancy on favourable terms.

They have suggested to Mr. Fletcher that he seeks professional advice and reverts to them with a proposal.

Mr. Fletcher has a son who works on the holding, which includes a farm house (occupied by the tenant), two cottages (one occupied by the son and the other currently vacant). 1.2M litres of milk quota (of which 200,000 litres has been acquired by the tenant), a large array of tenant's improvements and fixtures, together with a dilapidated range of landlord's traditional buildings. The farm is held by your client at the present time on a full repairing and insuring basis.

Please write to Mr. Fletcher:

- Setting out all the facts he should carefully consider, and
- Suggesting the terms that you should put on his behalf to his landlord's agent.