**CENTRAL ASSOCIATION OF AGRICULTURAL VALUERS**

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**NATIONAL WRITTEN EXAMINATION**

**PAPER II**

**9 NOVEMBER 2017**

**10.45am – 12.45pm**

**Time Allowed – 2 Hours**

**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 **three** 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 **three** out of the six questions, ringing their numbers on the green sheet. Where relevant state whether you are answering for England, Wales or Scotland.
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.

**Paper 2 Question 1**

Valley Farm extends to approximately 205 hectares situated adjacent to a market town. Three hectares within the development boundary has consent for residential development. The remaining land is within 2km of an airfield used for general aviation.

The owner, Mr Baggs, has agreed to sell the development land which includes the farm buildings but not the farmhouse. The house is located upon the remaining holding, and has its own access, about 200 metres up a single carriageway lane off an A class highway. It also has its own main services.

Mr Baggs has 50 head of pedigree autumn calving single suckler cows, retaining heifer calves and selling the bull calves as stores. He grows cereals, oil seed rape and beans in rotation, using outdated machinery. He wishes to continue farming in a similar way but using a contractor, and has sought your advice on the process and cost of a range of new buildings sufficient for his purpose.

In note form:

1. Showing your calculations, what type and scale of buildings are required to

accommodate his continuing business? [5 marks]

1. Detail the steps to be taken, and the timescale to obtain planning permission. [5 marks]
2. Provide budget costs for the planning process, and separate costs for

each building and infrastructure required to service the new complex. [5 marks]

1. Outline the key matters to consider and documents to have in place from deciding

to go ahead with the new buildings project, through to practical completion of

the works. [5 marks]

**Paper 2 Question 2**

Harry and Tom are old school friends, and have been working for different regional land agency firms in the local area. Harry specialises in sales of rural property, including farms. Tom’s work is more focussed on estate management, valuations and general professional consultancy. Both are CAAV Fellows, MRICS and RICS registered valuers. They have both resigned from their jobs and, after three months of travelling, are going to set up in practice.

The business, ‘HATS Property’, is to be a Limited Liability partnership based in a stable block leased from Harry’s father. Tom’s wife, Sophie, is to be employed as house letting agent and Camilla, a friend’s daughter, is to be taken on as a trainee land agent. Harry and Tom will each need an administrative assistant. Their neighbour, William, is to act as viewings person for lettings and sales.

Harry and Tom are going to have a brainstorming session to pull things together and have asked you the following questions:

1. Who will HATS have to register their new business with? [2 marks]
2. What procedures and policies will they need to consider and comply with

when setting up their new office, under these headings:

1. Legal/statutory, including employment
2. Professional
3. General office practice [12 marks]
4. What insurances will they need? [3 marks]
5. How should they promote their business? [3 marks]

Please use a bullet point format for your answers.

**Paper 2 Question 3**

Your client owns 200 hectares of arable land and a further 100 hectares of adjacent marsh grazing. The farm has a grain store and cattle housing for the suckler herd of 60 cows and their progeny, which summer graze on the marsh.

The relevant statutory authority (Environment Agency, NRW, SEPA) has developed a scheme to alleviate flooding in a nearby market town, and is thought very likely to secure approval to use compulsory purchase powers for this.

The proposal would:

* take 2 hectares of your client’s arable land to construct various sluice structures and a balancing pond
* as a result, lead to a discharge of large volumes of flood water onto the marsh grazing at times of high rainfall.
* re-route a popular public bridleway, so that it would now run alongside your client’s 18th century five bedroom farmhouse.

In note form, outline:

1. the statutory bases for assessing compensation, if compulsory purchase is used

[8 Marks]

1. an itemised claim with indicative figures [8 Marks]
2. how you would consider the relevance of an adjoining working sand

and gravel pit. [4 Marks]

**Paper 2 Question 4**

Hill Farm is a 247-hectare mixed holding comprised in a ring fence on the edge of a privately-owned estate in an attractive and accessible location.

It has a 6-bedroomed farmhouse, an adjacent range of buildings extending to 390 m² part of which have been used for domestic purposes and the balance for the storage of old items of agricultural machinery. The house and buildings are built of brick and tile but not listed, and have a separate driveway from the public highway.

Separated by about 200 metres is a complex of more modern portal-frame buildings for livestock and grain storage with a 3-bedroomed (recently vacated) cottage subject to an agricultural occupancy condition.

There are 10 hectares of permanent pasture to the front and rear of the farmhouse, 30 hectares of temporary pasture and the balance of the holding used for growing combinable crops.

The landlord, Mr Bean, who has a 17-year old child who had indicated a passing interest in farming, has been approached by the tenant who wishes to surrender his AHA tenancy to take effect from Spring 2018. He has sought your advice. Prepare meeting notes on the following:

1. How should the surrender be effected? [2 marks]
2. What are the pros and cons of the future options available to the landlord once

vacant possession is obtained? [7 marks]

1. If your advice is to re-let the farm to maximise income, set out the statutory basis,

process, cost and timescale of your proposals. [5 marks]

1. Highlight the practical implications for and conduct of a viewing day for

interested parties. [2 marks]

1. Set out the Heads of Terms for the resulting farming lease. [4 marks]

**Paper 2 Question 5**

An estate owning client who you act for on a consultancy basis has been in contact. He has been considering for some time now how to turn a series of lakes (former sand and gravel extraction sites) into an income earning asset.

Following a discussion with a timber lodge supplier, he now has a leisure operator interested in the site, and wants to take the proposal to the next stage.

Your client has sent you a series of questions by email as set out below. Write notes for yourself for a meeting with your client next week at his office.

1. What are the key headings to include in a set of Heads of Terms for a long lease

of the site to the leisure operator? [8 marks]

1. How best can I maximise the estate’s income from the letting? [3 marks]
2. How do I most effectively protect the estate were the leisure operator’s

business to fail? [3 marks]

1. What should I be thinking about in terms of practical implications (positive and

adverse) for the other estate tenants and stakeholders? [4 marks]

1. Are there any tax implications for the owner if he goes ahead with this lease?

How would this advice vary if he chose to enter into a joint venture with

the operator? [2 marks]

**Paper 2 Question 6**

A trustee of a regional conservation charity has made contact. The charity has been bequeathed a 150 hectare, arable and grassland, equipped farm with a stream running through the centre and several small woodland copses. The farm has been run on an intensive basis for many years, including parts used for outdoor pigs and potatoes on rotation. The soil structure status is now seriously depleted. The charity wishes to put the farm into a long-term improvement plan. They are due to take possession in spring 2018.

The charity is shortly going to issue a tender document, with the intention to appoint a suitable firm of agricultural valuers to manage the farm on their behalf. The charity intends to continue to farm the holding, while seeking grants and scheme agreements where relevant and appropriate. Your trustee contact has flagged the forthcoming tender with you, highlighting the four areas below on which the tender scoring will be predominantly based. You are meeting the director in your firm to whom you report in a week’s time to discuss the tender.

Prepare for this meeting by writing notes on these topics.

1. The key environmental and conservation grants and schemes which are currently

available, and will be most suitable to the subject farm. [4 marks]

1. The key management objectives you would advise are adopted to meet the aspirations

 of the Charity, and then how you would advise that these are implemented. [8 marks]

1. Best practice advice for soil management on the farm. [4 marks]
2. Best practice advice for water management on the farm. [4 marks]