**CENTRAL ASSOCIATION OF AGRICULTURAL VALUERS**



**NATIONAL WRITTEN EXAMINATION**

**PAPER I**

**15 NOVEMBER 2018**

**9.00am – 10.30am**

**Time Allowed – 1½ 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 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 three 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 1, Question 1**

This question has eight parts (A) to (H). Please answer **FIVE** of them. Each part carries an equal four points.

1. Your brother instructs your firm to sell a farm. What steps should you take to avoid a conflict of interest? What should you do if he buys a property introduced by you? What legislation covers these situations?
2. Set out briefly what has changed with the new Electronic Communications Code.
3. Briefly outline the requirements for a successful claim for Entrepreneurs’ Relief.
4. Set out the requirements if you wish to let a cottage to a farm worker on an Assured Shorthold Tenancy (Private Residential Tenancy in Scotland).
5. What are and how would you obtain Roll-Over Relief and Holdover Relief?
6. If planning to plough out permanent pasture, when might an Environmental Impact Assessment be needed? For how long can a grass ley be claimed as “Temporary Grass” for BPS?
7. What are the differences between a Promotion Agreement and an Option Agreement?
8. Why might a landowner “opt to tax” his land rather than farming business for VAT purposes, and what are the disadvantages?

**Paper 1, Question 2**

Your client Harry Shepherd has rung asking for a meeting with you. Harry is the tenant of a mixed arable and grassland farm with a farmhouse, cottage and a good range of farm buildings (some are tenant’s fixtures or improvements). Harry succeeded to his father’s tenancy from 29 September 1990.

Harry explained that, in August, he received a rent review notice last week through the post from his Landlord’s agent. He said it states appears to be seeking to review the rent from September 2019 (Martinmas 2019 in Scotland).

Harry raises three main questions during his phone call with you. As a result of that call, prepare **meeting notes** to help you answer his questions at your forthcoming meeting.

1. How the rent review process works in terms of: (10 marks)
* who does what, when and how
* the basis on which the rent would be reviewed under the Act
1. How could the rent could be reviewed if it is not agreed. (6 marks)
2. What can be done about the uncertainty over the quantum of

farm support payments post Brexit? How would this be taken

into account in this rent review? (4 marks)

**Paper 1, Question 3**

Your firm has been instructed to value a mixed rural estate, which the firm manages, for divorce purposes. Your senior colleague has just gone on holiday and asked if you can pull together the necessary information ready for his return. In particular, he wants to know the approach and the method of valuation to be used for the following items.

Please answer using **bullet points**.

Each part carries two marks

1. Gate Lodge Cottage occupied by a 92 year old lady who has lived there alone since 1985 on an assured tenancy
2. Building in Main Street let to a local garage with 10 years left to run on a commercial lease.
3. 250 acres of arable land farmed under contract.
4. Manor Farmhouse, a 4 bedroomed farmhouse built in 1989 on the edge of the farm and edge of the village, in very good condition.
5. A site next to the farmhouse with an unused residential planning consent with 3 months left before it expires.
6. A traditional stone barn in the Main Street which has not been used for 10 years but which is in good order.
7. A 20 hectare plantation of 60 year old Norway Spruce.
8. The owner’s holiday cottage, a 3 bedroomed bungalow in Guernsey.
9. Site for a telecom mast with 1 year to run, base rent £5,000 plus site share income of £6,000 per annum. You know of a new lease being negotiated for 0.5 acre site along the road, at an annual rent of £4,500 for 20 years from December 2018
10. Some 2018 season bags of baled silage stored in the yard next to the farmhouse and 100t of silage in the clamp which was taken off rented land nearby.