Rostons | Farming Focus
WINTER 2023
CHARTERED SURVEYORS • VILLAGE & COUNTRY HOMES • ENTITLEMENTS • PLANNING • LITIGATION • FINANCE

Meet the team

Tony Rimmer
Director
MRICS, FAAV

Andrew Wallace
Consultant Director
MRICS, FAAV, FLAA

Rod Waldron
Village & Country Homes

Jonathan Bell
Associate Director
MRICS, FAAV

Vicky Symcox-Black
MRICS FAAV

Jack Jones
Chartered Surveyor
MRICS, FAAV

Alice Kearns
Chartered Surveyor MRICS

James Parton
Graduate Surveyor

Sarah Gerrard
Graduate Surveyor

Rhiannon Parry-Hughes
Degree Apprentice

Lucy Sargeant
Degree Apprentice

Louise Roberts
Accounts Manager

Helen Exley
Sales Negotiator

Sophie Latham
Office Manager

Sophie Barnes
Professional Support

Julie Coates
Professional Support

Sam Jeffery
Professional Support

New year resolutions

As we move towards 2024, all farmers will more than likely be glad to see the back of 2023 and hope that 2024 supplies us with more appropriate weather to reduce some element of the day-to-day stress of farming.

If you take anything from this edition of Farming Focus, can I suggest you reflect on the following three things and try at least two out of the three and, ideally, all three.

1. Take a moment to reflect on where your business is. Is it delivering what you want? What changes can you make to make 2024 a better year?
2. Reflect on what you can control and not all that is outside of your control.
3. If you are actively managing and controlling land, review SFI and see what income you can gain for the business.

Exam success/new starter

We are pleased to announce that Jack Jones, having joined as a Graduate 12 months ago, has now passed not only his RICS exams but also his Agricultural Valuers exams. Jack Jones MRICS FAAV is now a fully qualified Chartered Surveyor and Agricultural Valuer and will continue his professional career and growth at Rostons.

We also welcomed in the autumn, Lucy Sargeant to the Rostons team as a Degree Apprentice and she studying on block release at Harper Adams University.

Property sales and the land market

The last 12 months have seen Rostons market in excess of 45 million pounds worth of property, which ranges from small cottages to whole farms and various-sized parcels of land.

The last six months have seen more caution creeping into the market for both residential and agricultural. Still, there have been several notable successes, including School Farm, which was launched to the market at the end of April, went to best and final offers by mid-May and was sold the first week of June, with the sale completed by the end of September. Indeed, in recent years, we have yet to see farms completing as rapidly, and this is down to the excellent service that was provided by the legal team for both the purchaser and vendor.

Various parcels of land have sold at premium prices. Reflection on the market: when Tony and Andrew recently discussed the main influences on land values, now more than ever, is it down to location? We have seen location affect values negatively and positively. Now more than ever, it is important that you pick an agent who has knowledge of the market, not only locally but nationally.

Land in demand for renewable energy projects

We are continuing to see interest from developers looking for land across the North West and North Wales to site a range of renewable energy projects.

These projects include Solar farms, Battery Storage and, more recently, Hydrogen electrolyser units. Typically, site requirements range between 5-30 acres, with the lower end being sufficient for Battery Storage and Hydrogen Electrolyser sites, where rents can be achieved in the region of £20,000 per acre.

We are also finding that developers are more keen to parcel solar over several land holdings rather than a single 100 acre plus site.

While the availability of a connection into the grid is still the principal issue with scheme viability, we are seeing increased demand for sites in close vicinity to large industrial estates for 'Private Wire' connections providing renewable energy directly to businesses.

If you have land that you think is suitable, don't hesitate to contact Jonathan Bell for more information.

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HS2 where now?

The current situation with HS2 is far from certain. Depending upon whether you are affected by phase 2a or 2b, the position is different, so to summarise:

Phase 2a

Following Rishi's announcement, all future acquisitions for phase 2a were ceased. However, some still took place after the date as they were in the process of having the General Vesting Declaration approved.

Safeguarding is still to be removed, and we are now told this will be 'soon'. There is talk now that, in some areas, it will remain.

All construction work has ceased, and sites have been demobilised. The position landowners/occupiers find themselves in is that land is being rented either under FBT whilst they decide what they are going to do regarding sorting out the land for the future.

If the land is surplus to HS2's requirements, one imagines under current practice, it will be handed back or the option for the previous owner to purchase under Crichell Downes rules; however, what is unclear is if the land has been used for environmental measures or landscaping will it be deemed surplus to requirements.

Currently, HS2 is waiting for instructions from the Department of Transport of what to do.

Phase 2b

No access has been taken to the land other than for ground investigation works, and some still have boreholes on their land. The position needs to be clarified regarding these, as we have asked when they are to be removed, but we have no information to date.

Safeguarding on Phase 2b is due to be removed next summer once they have reviewed the Northern Powerhouse. It may be that parts of Phase 2b are then allocated to the Northern Powerhouse and used for their schemes.

In summary, the position is far from clear; no one should celebrate that they are out of the woods yet.

If you have concerns, please speak to either Tony Rimmer or Jonathan Bell at the Rostons office.

Telecoms

There has been much change in the world of telecoms over the last few years with the introduction of the Electronic Communications Act 2017, which granted significantly stronger powers to telecom operators.

Those that were faced with lease renewals at the time were also faced with rent offers of £30 per annum!

Thankfully, things have improved somewhat, and while cases that went to tribunal settled on a rent of £1,200 per annum for rural sites, often these rates can be improved upon when negotiating new terms.

Landowners with existing leases not yet due for renewal should ensure they have not missed out on any rent reviews, particularly those based on inflation or RPI, which could result in some significant back payments of missed rent.

There are also opportunities to sell the freehold or long leasehold to companies that invest in telecom masts in return for a capital payment to invest elsewhere.

Biodiversity net gain – natural capital environmental measures

Environmental is the buzzword, whether that is to do with slurry, farm management of water courses ensuring dredging does not damage the environment or, indeed, tree planting and biodiversity net gain.

How does this affect you, the landowner and farmer?

What is clear is that government policy is aimed towards tree planting and various environmental measures. Carbon capture is the buzzword, and many farmers in Cheshire will see the impact of carbon capture on their farms by way of CO2 pipelines being laid to take CO2/carbon from the factories that produce it to store in Liverpool Bay. While there are already a number of schemes proposed and people will have had contact, there will be more to follow.

Land for trees

Interestingly, when Tony went to Tasmania in Australia early in the year, he was on a farm where 150 acres of eucalyptus tree plantation was being cleared. It appears that in Australia, some 30-odd years ago, everyone was planting trees, and city money was investing. Still, the returns did not stack up; companies went bust, the trees were cleared, and then land was returned to agriculture.

So what can we learn here in the UK from this?

Currently, there is much talk about biodiversity net gain selling carbon credits for the planting of trees. If you are to enter into any of these, you need to be certain that it is suitable and right for you, your family and the future of your land. On most, you will be restricted as to what you can do with the land for as much as 30-40 years and maybe in perpetuity, i.e. for the long-term future.

Therefore, please ensure you are fully aware of what you are signing up for.

Certainly, if the plan is to produce food off your land, all these credits of whatever type will likely be required by your purchaser.

Here at Rostons, we have a team well-versed in these areas and can assist.