



The Occasional



Turbulent times

Whilst the credit crunch was with us at the time of our last Occasional in summer 2008, we are now into a full blown recession.

Whatever your take on the state and prospects of the economy, and few would seem to really know, the best rural property owners can do is try and insulate themselves as far as possible from the impact the recession will have on their business and try and make sure they take advantage of any opportunities that present themselves.

Whilst there is no getting away from the fact the recession purveys through the entire economy, in the rural world this is not all bad. Agricultural commodity prices remain relatively strong and the Euro has been significantly in farmers' favour. Historically unattractive investment yields from agricultural land are now looking positively rosy to investors when compared to shares that have halved in value or more and are no longer paying a dividend, or indeed cash in the bank. Land is being viewed as a prime defensive asset (along with gold) and prices are holding at strong levels.

In our view this presents a world of considerable opportunity to farmers and landowners and this Occasional concentrates on this.

As far as BCM itself and the recession are concerned it is much the same story. Throughout the eight years of our existence and the boom times for property, we have resolutely remained focussed on being rural property consultants. We have avoided highly profitable areas such as mortgage advice and bucket shop house sales as these are not our core business.

This now leaves us in a position of relative strength to our competitors and means our partners can remain committed and focussed on the job they are doing for their clients. We are thankfully not burdened by the distraction of office closures, wholesale redundancies or business mergers.

Iain Curry

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Market comment

Predictions are abundant at the present time, with speculation of the bottom of the recession, increasing house prices and more bank lending. However these are seemingly immediately followed by news of falling house prices, increased bank lending costs and general recessionary woe.

Our view is that we do better to concentrate on the market at hand and the fundamentals within it. As is always true in more difficult times, quality property is the key – and those limited by location, construction or configuration struggle with buyers become increasingly discerning.

The right high value residential rural property is still commanding values not far off their peak. However, other properties which do not tick all the boxes or need work have fallen behind. The quality of the offering is the key.

Here at BCM we have had a busy twelve months in sales and purchases including the successful sale of Stockbridge House at auction, the purchase of Woodside Farm, Privett for a client and towards the end of the year presiding over the private sale of one of the most valuable and prestigious estate packages sold in Hampshire in 2008.

2009 has seen considerable activity in the land market with the sales of the Linkenholt and Encombe Estates particularly demonstrating the land and estate market remains strong.

We continue to prepare and complete many off-market deals and have successfully bought or sold a number of farmhouses, cottages, farms and farmland.

We remain excited by the opportunities for deals in the rural world and this is why it remains our focus.

Henry McCowen

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Farmhouse successes

Obtaining planning consent for a new build farmhouse or farm workers dwelling has become increasingly difficult over the years. Planning Policy Statement 7 (PPS7) provides the planning framework for such applications but councils have been ever more stringent in its application often now employing external agents to assess the criteria.



The main point that needs proving to any planning authority is that it is essential to provide a house in the location specified.

BCM have recently had considerable success in this field and have advised clients in obtaining eight rural houses on this basis in the past twelve months. These range from small farm worker's cottages to larger farmhouses; often on what was previously bare arable land.

The key to making successful applications is to put together a robust strategy for representation and to ensure there is a sound well argued business case.

Andrew Bays

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Rural planning opportunity

The recession has led to a dramatic fall in the number of applications the local planning authorities receive, seemingly increasing their ability to deal with applications thoroughly and within the set time criteria. The Government is also moving heaven and earth to try and stick to their house building targets. These factors create opportunity for landowners.

Landowners with land that is on the edge of settlements should look at its development potential, even if it has been previously rejected. Deliverability of sites is now key and the fact that many sites owned by house builders are not being pursued because of lack of funding means there could be opportunity for those with alternative sites.

Also, where consent is being sought to change old farm buildings into dwellings the applicant has had to prove that the buildings in question could not be used for commercial or light industrial purposes. The demand for these latter uses has obviously fallen away making these criteria easier to satisfy.

We are dealing with a large number of projects from single dwellings to much larger allocations and, through our own skills and those of the various specialists we often team up with, are delivering many successes.

Alastair Wilson

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Back page news

Marathon runners and marathon canoers

BCM have been out in force in endurance sports in the past few months. This may surprise those who view some of the partners as being built for comfort not speed. Tom Tyrwhitt-Drake and Iain Curry's daughter Georgie both completed the London Marathon and Alastair Wilson took part in an insane 125 mile canoe race from Devizes to Westminster. All raised considerable funds for charity and are to be congratulated.

Cross compliance audits

We have seen an increasing number of farmers fall foul of the cross compliance regulations and have employed the services of a consultant who carries out a detailed audit in this regard. These audits are available through BCM.

ELS and HLS agreements

Natural England's funding position for ELS and HLS agreements is strong. Those who have not entered these schemes may view now as a favourable time to do so. This is of increased importance to those who may be about to exit ESA and CSS agreements. Care needs to be taken when considering any possible future set aside commitment though.

A new face in Lettings

Very sadly Romy Adlington, our Lettings Negotiator, left BCM for pastures new, at the beginning of June. However, we are delighted to welcome Michelle Smith as her replacement. Those who deal with our Lettings team will no doubt meet Michelle shortly.

IAGSa Council

Ros Foreman has become a national council member of the Institute of Agricultural Secretary's and Administrators.

Rent reviews

BCM have been carrying out a large number of agricultural rent reviews both under the 1986 and 1995 Acts. The volatility in commodity and input prices that we have seen in recent years makes these negotiations difficult as does the end of the current agricultural subsidy provisions in 2012. We have however reached successful conclusions for both landowners and tenants without normally having to recourse to arbitration.

Prize winner

BCM recently sponsored the Hampshire Farmers Club annual farm walk. The farm walk was held at Whitsbury Farm and Stud and a thoroughly informative and enjoyable day was had by all. The day was rounded off in successful fashion as a BCM managed farm won the Class 3 (700 to 1,500 acre class) prize in the Hampshire Farms Competition.

Revisiting right to roam

Most farmers and landowners will remember the implementation of the right to roam in 2002 with little relish. However, in the legislation that established that right there is facility for review of the entire process after ten years. This review will look at existing sites and further candidate sites. This primarily affects those with chalk downland at the present time and although often mooted it does not seem that the right will be extended to other areas such as woodland and river margins. However, anyone with sites that could be added or removed should be assessing this risk now.

Important changes to RDPE funding rules

DEFRA have announced important changes to their RDPE funding regulations to aid farmers and rural businesses in these difficult economic times. The current state aid de minimis limit has been increased from €200,000 to €500,000. The change is effective until the end of 2010. In addition the cap on grant aid used to limit support for farm diversification projects and micro-businesses has been removed.

RPA digital mapping review

The RPA have embarked on a review of the mapping of all the land held on the Rural Land Register. In more common parlance, they are doing the red line maps again. This brings considerable concern as to what field sizes they are going to come up with, particularly as we have seen an increasing hard line attitude from the RPA on such matters in recent months - even when they are wrong. Luckily BCM's digital mapping software now has the ability to compare maps with the latest aerial photography information. This will enable us to provide accurate and speedy checks on the field information the RPA provide.

STOP PRESS - Set aside

DEFRA have announced there will be no mandatory set aside requirement for 2010 onwards although there will be a voluntary scheme.