



BROWN & CO

VOL

01

INNOVATE

2024



FOREWORD

We are delighted to launch an annual review after celebrating our 30th anniversary last year, since the formation of Brown&Co in 1993. During that time we have grown significantly and, I am proud to say, we now number in excess of 300 valued staff and partners with 10 UK and three international offices. Throughout that time the firm has continued to focus on providing advisory, agency and management services to a broad range of landowners, farmers, property owners, investors, private and corporate clients.

When I look back over the last 30 years, putting clients' interests at the heart of everything we do has been integral to the growth of Brown&Co. Our ability to help understand and deliver change, generational succession, innovation and adaptation to opportunities and challenges alike has undoubtedly enabled our practice to thrive.

As we look to the next 30 years, we acknowledge that the business landscape will continue to pose

challenges and opportunities. We have created this brochure to highlight some of the projects and market areas we have been involved with to help our clients plan and succeed in the future.

I would like to thank you for your ongoing support and we look forward to providing advice and services to all our clients in the years to come.

Charles Whitaker, Managing Partner

CONTENTS

- 04-05 BNG Opportunities For Land Owners
- 06-07 Unlocking Income-Generating Potential
- 08-09 Realising The Income Value In Trees
- 10-11 A Landowner's Guide To Renewable Energy
- 12-13 Making The Most Of Rural Development Options
- 14-15 FEP Overview/Site Innovation
- 16-17 Global Demand For Farmland In 2024
- 18-19 Escape To The Caribbean
- 20-21 Private Brokerage
- 22-23 Gallery
- 24-25 Benefits Of Online Property Auctions
- 26-27 A Strategic Approach To Farm Sales
- 28-29 Landowner-Developer Joint Ventures
- 30-31 Conversion Of Watermill To Successful Holiday Let
- 32-33 Carbon Net Zero Retrofitting
- 34-35 Energy Efficiency Retrofits At Scale
- 36-37 Our People; Who We Are & What We Do
- 38-39 The Importance Of CSR

BNG OFFERS NEW OPPORTUNITIES FOR LANDOWNERS, LAND MANAGERS AND DEVELOPERS

The new planning requirement for developments in England to result in a 10% biodiversity uplift offers rural landowners novel opportunities to generate diversified income streams from their land.

Biodiversity Net Gain (BNG), which will now apply to the vast majority of development sites in England, is according to Defra, 'intended to ensure that developers leave the natural environment in a measurably better state than it was before development'.

This steer towards BNG fits into the Government's target of repositioning the environment as a core consideration in the planning process and beyond, joining other initiatives such as the Environmental Improvement Plan and the Nature Recovery Network.

The framework established under BNG sets out opportunities for landowners and land managers to sell uplift of habitats on their land to developers who cannot meet their BNG obligations within their site.

Biodiversity value of land and habitat uplift committed to BNG offsetting is calculated by an ecologist or similar professional using Defra's Statutory Biodiversity Metric, which considers the baseline and context of existing habitats and planned enhancement. This metric generates the potential BNG uplift value that can be achieved and sold on the open market.

With the Government estimating that 300,000 new homes should be built every year to help solve the housing crisis, and large-scale projects such as the commitment to build 150,000 houses in Greater Cambridge announced by the Government, the potential for growth in the BNG market over the next few years is significant.

As of March 2024, BNG units are commercially trading for between £25,000-£45,000, with it being possible to produce upwards of 10 units per hectare on allocated land.



Further guidance, best practice standards, and potential secondary legislation are expected to be released throughout 2024 and into 2025.

The BNG marketplace awaits clarity from HMRC on how these payments will be treated for tax purposes and if a change of land use will impact Agricultural Property Relief (APR) on the land for inheritance tax purposes. BNG tax considerations are currently the subject of consultation.

For landowners and land managers who are interested in exploring opportunities within this evolving marketplace, Brown&Co has its own specialist in-house BNG team. Experienced ecologists and consultants can advise and assist with the process from the initial habitat assessment of land for BNG value, through the entire process to the establishment of new, biodiverse habitats and the commercial sale process.

There is a lot for developers to consider too, from design-stage evaluations of the biodiversity potential of a would-be site, to connecting with land managers who can deliver offsite BNG value to meet planning obligations. The Brown&Co team can support all stages of the ecology and BNG process to deliver development solutions for its clients.

UNLOCKING INCOME-GENERATING POTENTIAL

Diversification is a well-trodden route for farm businesses but rural businesses and countryside venues are also getting innovative at generating additional revenue from their sites.

Financial challenges are encouraging agricultural show operators and other rural venues to unlock the hidden value in their sites, generating year-round commercial income that will help secure their futures.

A shining example of this is the Royal Norfolk Agricultural Association (RNAA), the body which runs and operates the Royal Norfolk Showground.

A showground with buildings, space, services and other provisions is ideally placed for diversification. They also have well established brands on which to build new ventures.

The process has very much been at the heart of the revised commercial strategy taken by the RNAA and Brown&Co has worked with the Association to help it adapt from what had been the traditional format of show-based engagement with the public.

Income-generating activities are no longer restricted to the annual show in June with multiple new opportunities in place for the venue's commercial use throughout the year.

At the centre of this recent diversification is the planned £2.3m Norfolk Food Hall, an impressive 800m² building which will be home to a range of high-quality food producers and manufacturers from Norfolk and further afield, including a 100+ seater bistro cafe too.

Our commercial team has worked with the RNAA to secure a range of lettings for the showground's permanent buildings too, buildings that would otherwise sit empty for most of the year.

We have secured flexible commercial tenants interested in ad hoc usage, for example those who only require six months of storage such as businesses that are relocating or need seasonal storage for outdoor equipment rather than a year-round need.

The RNAA project demonstrates how rural venues can capitalise on new growth opportunities to drive their businesses forward while at the same time broadening their engagement with the public.

A business or charity that has an asset on the scale of a showground has many options for alternative uses.

The days when a good or a bad year for a show society was benchmarked by the success or otherwise of the annual show are balanced with this diverse approach to the utilisation of their sites and assets.





REALISING THE INCOME VALUE IN TREES

Planting trees can earn landowners a strong income while supporting existing farming activities.

Coupled with the Government's goal to have 16.5% of the UK covered by trees by 2050, tree planting is at its fastest ever.

Brown&Co is helping landowners deliver on this ambition, from helping them to secure woodland creation grants and manage plantations to designing new woodlands.

Advising one of our Leicestershire sheep and beef farming clients, who are approaching retirement, we pinpointed woodland creation as a land use option requiring minimal input as they scale down their day-to-day farming commitments at Tilton on the Hill.

Planting trees on 20ha of steep permanent grassland with limited alternative use has been proposed as a site for potential planting, allowing them to retain control of the land and its management while generating a guaranteed income stream from woodland carbon and grants identified.

By screening that area for any additional contribution value, we were able to present them with an accurate financial comparison with alternative land use options.

Another client had already ceased active farming on their 165ha farm near Bedford when they approached us for advice on opportunities for long-term alternative income opportunities.

Taking the view that future land rental values associated with conventional crop production could be put at risk by direct subsidy reductions, they saw a land use output related to carbon offset as a higher potential long-term prospect.

There is little doubt that landowner appetite for woodland creation has grown since 2019 with the ramping up of government-driven financial incentives.

But grants are only part of the picture. Aside from the biodiversity gain from habitat creation and connectivity, landowners recognise farm diversification income opportunities from timber thinning and clear felling and from rural tourism with woodland-based holiday accommodation and educational access.

They see the benefit in taking less productive areas out of cropping, improving farm business efficiency in the process, and the amenity value of woodland as game cover for sporting enhancement, as well as biodiversity gain through habitat.

Carbon capture has also acted as a key catalyst for land use change to woodland, with the Government purchasing future woodland carbon units at a fixed price through the Woodland Carbon Guarantee.

Since this scheme was launched in 2019, Brown&Co has entered woodland projects ranging from three to 30ha on behalf of clients, projects with a combined carbon value of £5.3m over the next 35 years.

In all six auctions to date we have achieved offers for clients at the highest contract prices, significantly higher than auction averages.

A LANDOWNER'S GUIDE TO RENEWABLE ENERGY

Large scale solar, wind and other renewables can offer a good source of alternative income for landowners as we see direct farm subsidies further scaled down and profitability from traditional farming activities becoming ever more volatile.

We know from our contact with landowning clients that they are frequently bombarded with offers of large rents and other incentives from clean energy developers, especially so for those near to major existing, or planned, electricity substations.

The 'prize' those developers are eyeing is Exclusivity Agreements, Letters of Authority, Option Agreements or other forms of commitment with a landowner. This validation will ensure that they can then seek grid connections, planning permission and funding for solar, wind, anaerobic digestion, and other similar power generation technologies, as well as battery storage, synchronous condensers, thermal generators and hydrogen electrolyzers.

That's not all. Many landowners are also being approached to commit land for substations, cable installations, compounds, electric vehicle charging points and project access.

With such a variety of possibilities and developers, how can a landowner be certain which offer is best for their own situation?

Let us consider solar.

A solar park can earn a landowner an annual, index-linked rent of around £1,000 per acre on what can be big projects, over 1,000 acres in some cases, but with others starting at a more modest 10 acres, or even less, depending on the available grid connection.

These also have the potential to earn the landowner additional revenue from biodiversity



net gain units, operation and maintenance contracts, grazing rights and other eco-system services. There are carbon sequestration opportunities too including, importantly, the ability to offset the landowner's existing emissions.

It is a significant commitment of land though because typical lease periods can be 40 years, with initial option periods of 3-15 years.

Then there is onshore wind; government policy doesn't currently encourage development, but this could of course change.

Demand for large-scale battery storage is currently strong. Annual starting rents of £20,000 - £50,000 per acre offer attractive returns, albeit typically for relatively few acres. Similar rents, if not slightly more, can be earned from synchronous condenser projects.

Hydrogen is also relatively new and, with not many schemes in place, could be lucrative for landowners in time.

In contrast, anaerobic digestion (AD) has been around for longer but there are drawbacks due to the amount of land required

and the need for long-term crop supply contracts.

The potential rewards from energy projects seem attractive and they offer an excellent hedge against agricultural volatility but the risks can be significant too and timescales often lengthy.

The key is to take advice early before committing, especially on tax, because land used for a farming trade can attract important reliefs which can be lost without the right business structure or when the size of a project exceeds farming activities.

MAKING THE MOST OF RURAL DEVELOPMENT OPTIONS



Several rural development opportunities exist for landowners – many have been detailed and discussed publicly and there are an abundance of success stories.

Brown&Co is utilising planning policy to help landowners and developers transform under-used agricultural and edge of settlement sites and deliver sought-after and high performing rural housing.

A business at the forefront of this is Devlin Developments, headed by Lee Devlin, who has a fantastic reputation for applying high quality design to sites with redundant farm buildings and rural edge of settlement sites, predominately in the East of England.

It is not only these sites that have benefited from his approach but neighbouring properties too as by improving the landscape, he makes places nicer areas to live in and, consequently, the value of the surrounding houses is often enhanced.

Rather than clusters of redundant and often dilapidated buildings, these sites are now smart and vibrant spaces for people to live.

Site selection and navigating the planning system have been key in Devlin Developments' success. Brown&Co has been assisting the company for six years, delivering

14 successful approvals and with more in the pipeline.

This collaboration has resulted in the development in Norfolk of a new set of house types on an edge of settlement site, in Attleborough, and the re-imagining of a redundant farmyard in Baconsthorpe. The schemes are a traditional take on Norfolk homes but with contemporary details and are all A-rated.

The result has been current and modern homes that exude good design and craftsmanship and provide much-needed rural housing stock.

Mr Devlin said that for some of the 60 or so projects that he has delivered, Brown&Co has identified plots suitable for that purpose, coordinated purchases, provided development advice and secured planning permissions.

The entire process, providing valuable consultancy advice from start to finish, has allowed better planning consents

to be secured than where these services are all secured separately.

“We have put our faith in Brown&Co and they have delivered for us,” said Mr Devlin.

Brown&Co’s knowledge of the planning system has been vital in this process.

The firm’s consultants have helped Devlin Developments utilise Class Q, a permitted development right that allows agricultural buildings to be converted to residential use once it has gone through the prior approval process. In 2018, the regulations were amended to allow for up to five dwellings and up to 865sq m floor space to be converted.

Understanding this process is crucial to succeeding as a significant number of applications are refused.

Mr Devlin said that being able to utilise Brown&Co’s knowledge and connections with the relevant planning

authority had been a very important route in navigating the twists and turns in legislation and succeeding in securing planning consent that are notoriously far from straightforward.

Brown&Co’s design team has also provided expert advice on integrating energy-efficient technologies that create comfortable, efficient and environmentally-friendly homes.

“We have been able to achieve energy performance A ratings for all our homes which makes our properties very attractive to buyers,” said Mr Devlin.

The business has a long list of buyers who want one of their next developments.



FOOD ENTERPRISE PARK - EMBODYING NORFOLK'S AGRICULTURAL CREDENTIALS

As a county abundant with agricultural diversity, Norfolk is a magnet for innovative food businesses therefore it is no surprise that there is strong take up for occupancy at the Food Enterprise Park within the Greater Norwich Food Enterprise Zone.

Brown&Co has been advising the landowner on fulfilling the potential of this 100-acre development site, the first 46 acres of which is subject to a Local Development Order (LDO), a status which encourages and supports food production, processing and agritech through the location of commercial enterprises.

Demand for space has resulted in only six acres of that 46-acre first phase remaining available as innovative and high profile businesses snap up positions.

British vertical farming business Fischer Farms, a company which is revolutionising farming with an

approach designed to produce food in a sustainable way with stacked, bio secure, climate-controlled and fully automated systems, has built a large vertical farm on the site.

The company is initially growing salads and herbs in its vast 25,000m² growing area, anticipating a production capacity of 72,000 bags of salad a day.

The park is also home to the region's first dedicated food grade innovation space, Broadland Food Innovation Centre, which Brown&Co is also the sole letting agent for. This centre has been developed by Broadland District Council on the three acre plot it purchased.



The centre includes 13 units, each offering the optimal environment for innovation and growth.

By providing businesses with incubation facilities and innovation support, the centre's main aim is to facilitate food processing and production in the local area rather than exporting the crops for processing elsewhere.

Access to critical infrastructure and potential markets make the Food Enterprise Park a compelling place for businesses to locate, including Condimentum Ltd which has created a state-of-the-art mustard and mint processing facility. The business,

formed by local farmers and growers, allows the iconic Colman's name to be retained in Norfolk.

There is much more to come too. Following the most recent sale of a seven acre plot, the park will shortly be home to a large scale state-of-the-art wine processing facility.

Aside from the park's location in a county renowned for its agriculture, the park's fast-track planning, availability of large-scale power, together with the proposed dualling of the A47, new roundabout access, its proximity to the Norwich Research Park and the benefits of co-locating with like-minded

businesses, has provoked strong interest in plots on the second phase.

Take-up of plots on the 50-acre Phase 2 site has already started. It is hoped that this site will shortly benefit from similar simplified planning status as the first phase, through a LDO, to fast track development.



GLOBAL DEMAND FOR FARMLAND IN 2024

Farmland values have risen sharply in many countries in the last two years but, with commodity prices having softened and no immediate end in sight to higher interest rates, what's next for global land markets?

On the back of the spike in commodity prices and profitability, land prices peaked at record highs in 2022.

In the US for example, farm sector income jumped by 20% in 2021 compared to 2020 as commodity prices increased due to supply chain constraints and higher post-pandemic demand.

Another 20% increase came in 2022, largely due to supply side pressures caused by the Russia-Ukraine war, raising Net Farm Income (NFI) to a record US\$183 billion high.

This pushed the corn belt land market upwards, with a 23% increase in values over the two-year period from 2022-23. For example, the number of farms sold in Iowa in 2022 for \$20,000/acre or more was 50, compared to none in 2020.

Australia also saw land values jump in 2022, pushing the national median price per hectare upwards by 20% to AUS \$8,506/ha, approximately £1,790/acre.

This was also on the back of a 20% price increase in 2021 and whilst there was huge variability across the country, the impact in Australia was remarkably consistent with other developed markets.

Brown&Co has International offices in Poland, Romania and the Caribbean where our Agri-Consultants are well placed to work with clients across Europe, the USA, South America, the Caribbean and the wider globe.

A 20% land value increase was also seen in 2022 in Poland, but growth has slowed to a much more modest 4% in 2023 as the reality of declining crop prices and high costs have dampened confidence.

One of the biggest increases in land values was in Romania, with prices tracking upwards by 26% in 2022. In 2023, the market slowed to a 1% rise after drought hit the south and substantial volumes of crop entered from Ukraine, impacting negatively on profitability.

Where does this leave markets going forward? There are a number of factors at play.

There is little sign that the war in Ukraine will end soon and the most direct impact this is now having is dampening crop prices and therefore profitability in the immediate surrounding countries is under severe pressure (including in the UK).

While inflation has fallen sharply in several countries, interest rates may not come down quite as fast as anticipated particularly given heightened energy prices; this combined with higher costs of ag production and lower crop prices mean confidence could well be dampened throughout 2024.

However, the fundamentals remain strong and the advantages of land investments in times of high inflation have been brought into sharp focus recently. There remains interesting opportunities and sound strategies in lesser-known markets. Brown&Co is currently marketing a 44,000-ha grass fed beef operation with immense levels of innovation and infrastructure in Paraguay, where foreign land ownership is welcome. Land prices here are circa US \$1,500/ha and

production costs are around 50% less than in the USA. With recent approval to start beef exports to the USA and Canada, plus major infrastructure projects such as the Bi-Oceanic Corridor, leading to improved access and lower logistics costs - this looks as though it might follow neighbouring Uruguay which has seen a fifteen-fold increase in land prices over the last twenty years.

In all the markets discussed, the volatility of commodities and increased interest from institutional capital seeking alternative strategies to bond and equity markets, points to sustained demand for land in 2024 and beyond. But the inflationary pressure on global costs of production that have been massive in 2022-23 will bring change in global ag production trends as some land types, climatic zones and ownership models run out of capital and ambition for ag production costs at marginal levels of return.



ESCAPE TO THE CARIBBEAN

Brown&Co's presence in the Eastern Caribbean, with a physical office on the island of St Lucia, which we opened in 2005, came as a result of our initial operations with the Barbados Physical Development Plan in 1997.

For people looking to invest in a holiday or second home, or to escape the UK permanently in retirement, our St Lucia office offers some appealing properties for sale.

St Lucia is a small Eastern Caribbean Island (238 square miles), which is a member of the British Commonwealth and is situated around 24 miles south of Martinique and 21 miles north-east of St Vincent, originally formed by an ancient volcano - now a top tourist site with its hot Sulphur Springs (World's only Drive-in Volcano) and famous twin peaks known as the Pitons.

Offering a lush tropical setting with white and black sandy beaches and an alluring average annual temperature of 27C, St Lucia is a popular choice for British people, who now make up a large proportion of its population of just over 184,000.

St Lucia is a popular choice because of its warm climate, direct flights with British Airways of around 8.5 hours and the fact English is the main language. A particular benefit for those needing to work, is that it's only 4 or 5 hours (depending on the changing of the clocks) behind UK time.

Compared to many other locations abroad popular with the British such as Dubai or even closer to home, the south of France and Tuscany, St Lucia's property market offers considerable value, depending on where you buy.

Some of the island's most expensive properties are in the coastal resort known as Sugar Beach in the Southwest, Rodney Bay and Cap Estate, in the north of the island.

Our office has listed properties for sale from £122,000 for a three-bedroom detached home in Babonneau, in the north near Castries, up to £526,000 in Rodney Bay.

Our largest home on the market, "The Hill" in Cap Estate, set in 3.6 acres of grounds and with 360° panoramic views, is for sale for a price on application.

We also have plots of land for sale to build your own dream home. Plots have recently been sold for £55,000 and another is currently under offer at £32,600.

Many buyers choose to rent their properties out when they are not there, and we can facilitate and advise on this process and the income potential.



SOLD BY OUR ST LUCIA OFFICE

Bonne Terre

This property, which sits on 12,791sqft of land with views of the Atlantic Ocean and the Beausejour Cricket Grounds, sold fully-furnished. Its interior features an open plan kitchen and dining area on the ground floor, with a first floor living room opening to an elevated balcony. There are three bedrooms located on the first floor - two of which have private balconies - and two bathrooms. The property comes with a one-bedroom, self-contained apartment and large gardens.



PRIVATE BROKERAGE

Off-market property transactions were once only considered by a small group of individuals but buyers and sellers in the wider property market are now increasingly valuing the power of this approach.

This is evidenced by growing demand for Brown&Co's private brokerage service with requests growing year-on-year as clients move away from conventional methods of buying and selling a wide range of properties.

Discreetly finding buyers with sales away from public listings appeals for multiple reasons.

Some clients have unique homes or are based in high demand locations, while others might have specific items, such as fine art, they want to protect. Then there are individuals with a high net worth or prefer anonymity who covet the privacy that a private sale allows.



There is also more interest from sellers who are attracted by the efficiency and speed of this approach and how it enables a property's value to be preserved.

Others are lured to the private sales model because they want to avoid the impact of an open house and minimise stress of the selling process by limiting the number of people coming through their doors.

An off-market listing can provide peace of mind for a seller concerned about people knowing where they live and those who you don't want to generate unwanted attention.

With every transaction we provide a tailored solution to a homeowner with customised marketing strategies and terms that suit a seller's unique circumstances and property.



It is not just privacy and confidentiality that are guaranteed but we market properties to specific audiences who are ready to purchase, motivated buyers who are attracted to the reduced timescale from instruction to completion.

The price premium for sellers can't be overlooked either.

We see properties that are in high demand or in exclusive locations often selling for higher prices off market because private sales prevent public price reductions and therefore help to maintain the true property value.

NORFOLK



**OUTSTANDING SOLD
PROPERTIES IN 2023**

CAMBRIDGESHIRE



NOTTINGHAMSHIRE





BENEFITS OF ONLINE PROPERTY AUCTIONS

Nothing quite compares to the excitement of an in-room property auction but as the shift to online sales has gathered apace it is convenience and speed that sellers and buyers now highly value when it comes to property transactions, not the thrill of being physically present in a room.

The pandemic expedited the transition from traditional auctions in a live setting to digital platforms but Brown&Co was ahead of the curve long before the first lockdown forced other agents into this arena.

As a firm renowned for highly successful in-room auctions, we had the foresight to adopt an online model in 2018.

By removing the physical limitations of a traditional auction and its need for attendees to be in one place, it was evident that audience reach could be greatly increased.

With online sales has come a fundamental change in the property auction landscape.

We have seen online auctions rapidly become the preferred choice of our clients, with the benefits they offer to sellers and buyers alike.

For vendors, there is not only wider reach and convenience to capitalise on but transparency and faster sales too.

The wider reach comes from access to a global pool of potential buyers, allowing exposure to be maximised, and the convenience element from removing the need to be physically present, with the logistical challenges that can entail.

With a larger pool of potential buyers comes greater competition, potentially leading to higher prices achieved for sale properties.

Detailed property information and real-time bidding enhance trust and transparency and, with typically shorter sales cycles, faster sales can be achieved.

There are multiple advantages for buyers too, not least the ability to participate in an auction from anywhere in the world that has

an internet connection and the accessibility that allows.

In preparation for the auction, buyers can access video tours of the property and comprehensive details so they know what they are bidding on and, with a level playing field among bidders, outcomes are fairer.

It is true also that the thrill that came with an in-room auction has not completely disappeared with the online format. It has instead been replaced by the excitement of real-time bidding and the instant updates on bid status that allow for informed decision-making.



A STRATEGIC APPROACH TO FARM SALES

Selling land or a fully equipped farm is a big decision for any owner, especially if they are farming it in-hand.

In some cases, a farm or land is likely to have been in the same family for generations and while disposing of it can be a stressful experience for some, there are many ways to create a smooth process and ensure the best value is generated for the assets being sold.

For the majority of sellers, the primary objective is indeed to gain the best price, so how can this be achieved?

Brown&Co advises clients through the process with a strategic approach to property sales, ensuring that all possible options have been explored to help them achieve the highest value for their assets, and saving them time, stress and money.

One of the first points to consider is to prepare for the sale well in advance of marketing. This is essential and will help to avoid potential delays and conflicts when a buyer has been selected.

First impressions really do count so presenting a clean and tidy farm should be high on that initial list. Time spent preparing the farm for sale can be a good investment if approached in the correct way.

Then there is timing to consider. Marketing the property at the right time of year, and with full effect, can be key to securing a successful sale at the highest price.

Lotting in a sensible manner can be important too, so that the property offered for sale is at its most presentable for the market and for the buyers looking to invest. Dividing a farm or estate into separate lots is often the best way to expand the pool

of potential buyers, but over-fragmentation can deter bidders.

What those buyers won't like is uncertainty or buying issues so removing all potential for either should prevent a prospective buyer's confidence being eroded.

By sorting out any issues prior to marketing the potential purchaser will have a clear understanding of what they are buying. Be transparent and disclose as much information as possible from the start.

To add value, we help our clients to explore all planning possibilities while ensuring that any permissions in place are secure and add value to the holding.

Where a planning permission cannot be achieved before a sale, Overage can bring to the market land that would otherwise be retained by a seller.

Overage rates are usually best applied at a level that sufficiently incentivises the new owner to pursue planning to release capital for both the owner and the overage holder, but at a level high enough for the seller to sell the property.



LANDOWNER- DEVELOPER JOINT VENTURES

Landowners with residential development ambitions have traditionally used promotion, option or hybrid agreements to unlock the potential of their land but joint ventures with developers are gaining traction.

There can be a mismatch between the value of land and development profit which is leading some landowners to the consideration of joint ventures.

If the landowner and developer hold different pieces of a jigsaw why not fit these together and generate a better outcome for both parties?

Owners of development land, particularly those suitable for housing schemes, often consider themselves to be in control of its value and ultimate sale.

But house builders have to factor in their own return on capital, risk, and profit and will only pay a price that reflects these. House builders do of course commit significant sums of money to completing a development and they will want to

achieve a profit from that but, it is no secret that those profits tend to be significantly greater than the price paid for the land.

This runs contrary to the suggestion that a significant contributory factor to high housing prices is the cost of the development land.

Joint ventures and a more collaborative mechanism offer a different approach for sellers who want to achieve a better result. They are essentially bespoke agreements that fit the needs of both the landowner and developer.



Capital release in this situation is a longer term process therefore joint ventures are well suited to owners who have patience and time on their side.

They will also need an appetite for risk on receipts and timing, or at the very least accept the uncertainty of those. In its simplest form, the agreement might allow for a base land value with a bigger share if sales exceed a specified threshold. Trust is paramount between the parties for this to work.

For tax purposes, receipts from the success-based element of the agreement is more likely to be charged to income tax than capital gains.

As an alternative, the owner might be paid a percentage of sales prices, or profit.

The success of either arrangement hinges on how well a developer performs.

Situations where the return to the owner is linked to profit, rather than sales, are more difficult to manage as they need regular valuation, an excellent contract

administrator and almost certainly someone assessing quantities. However, they can be administered.

What must not be overlooked is that security for future receipts can be difficult to achieve when a buyer has to use the site to secure development funding.

A midpoint could be created where a base price is agreed and the seller receives a share of the profit or sales revenue, but this also requires significant engagement and scrutiny.

At Brown&Co we see more discussion about joint ventures than actual agreements but for a seller with either a higher risk profile, a relatively straightforward sized site and a decent relationship with the developer, or all of these combined, they can offer the opportunity for an improved outcome.

Legal, tax and valuation advice are all crucial and are reasons why many landowners decide a joint venture is not for them but it is an option worth considering because a site can only be sold once.

FARMING FAMILY CONVERSION OF WATERMILL TO SUCCESSFUL HOLIDAY LET

Changes to agricultural support payments coupled with higher demand has made diversification into holiday accommodation an attractive option for farmers.

At Little Barford near Great Tew, Brown&Co helped a farming family navigate the process of converting a redundant 16th century watermill into a stunning five-bedroom holiday let with a high standard of interior fittings and design.

The conversion opened for bookings in March 2023 and now generates a valuable secondary income stream for the arable, livestock and equine business.

James Brown, Agricultural Business Consultant at Brown&Co, had initially worked with the family to consider diversification options that could strengthen the business.

“We began to explore the possibility of converting the watermill into a holiday let,” he says.

He helped to bring the project to life, including handling the application process for a grant from the Rural Development Plan for England, which covered 40% of the construction costs up to a cap of £170,000.

Applying for grants can be a complex process and it is not always clear what funding is available therefore involving a professional who understands the system is money well spent.

Securing the funding for the Little Barford Mill project took time and a lot of paperwork.

“We helped the farmer navigate the grant system and made sure that everything stacked up financially,” James explains.

One of the first things to consider with diversification into holiday accommodation is what level of consent the proposed venture will require.

An existing building is usually covered under the ‘change of use’ category but as a listed building there



was greater complexity involved in the process of securing consent for the conversion of the watermill.

With other team members from the Agricultural Business Consultancy department at Brown&Co’s Banbury office, James helped to achieve a

favourable opinion on the planning, secured a builder, and liaised with the bank to gain funding.

The owners were already clients of Brown&Co and that relationship was an important one in understanding their aims and aspirations.

The beautifully restored holiday let, which sits in a stunning location on the edge of the Cotswolds, has enjoyed a high occupancy rate since it opened for bookings with Stay Cotswold.



CARBON NET ZERO RETROFITTING

With low-carbon office and business space in high demand, retrofitting to help occupiers or buyers meet their environmental, social and governance (ESG) obligations can be money well spent for landlords, investors and vendors.

Higher quality buildings are increasingly sought after by businesses and organisations as they commit to carbon net zero.

Those environmental and social credentials are key too in attracting top talent as today's workforce demands more action on ESG initiatives and a vastly different working environment from the traditional office.

Future office and business space will need to offer significantly more than what was once acceptable.

Older, inefficient buildings may not address a firm's ESG obligations and risk being shunned by occupiers and buyers in favour of those that do.

As employers seek to meet the demands of a new generation of workers, we are seeing office buildings with high sustainability credentials attracting greater interest.

Retrofitting can be a solution to bringing those older businesses up to spec and, as low-carbon space can earn a substantial rent premium, a return on that investment too.

Meeting tenants' low carbon targets can also enhance a building's value and increase numbers of potential future buyers.

So how far should landlords and others go to reduce a property's overall environmental impact?

Retrofitting does not mean an immediate requirement to create a carbon neutral building or to undertake life-cycle assessments of carbon calculations.

The key is to invest in a building within the confines of its construction type, existing internal infrastructure and physical layout. Commercial return is an obvious pre-requisite too.

The refurbishment and refit of two large business units at College Park Business Park, near Silverstone, Northamptonshire, which Brown&Co advised on, is a good example of how this can be achieved.

New LED lights, insulated access doors, cladding and double glazed

windows were installed in the 3,600 square-foot buildings, increasing the appeal to prospective tenants and facilitating a rental increase of almost 50%.

This asset now adds significant value to the balance sheet also.

With a high proportion of employees now working from home for part of the week at least, how office space is used has also shifted with a greater requirement for team-based functions and collaborative working.

This means providing flexible, fun spaces with leisure and quiet zones, and break-out and kitchen and catering areas too.

Each occupier is likely to have different demands depending upon its workforce so it can make sense to work with the occupier to deliver on what they require from a working environment. This may include a redesign of the internal layout.

There is no single solution appropriate to every building so getting good advice from the outset is key.

ENERGY EFFICIENCY RETROFITS AT SCALE

The enormity of the challenge ahead in making UK housing more energy efficient is undeniable, but we are seeing greater numbers of homeowners committing capital to retrofitting at scale. Taking a 'whole house' approach to reap the greatest benefits of that investment and grants but, also with one eye on the environmental and social impacts.

The UK has some of the least energy efficient homes in Europe, a recent paper from Imperial College London declares. Latest data from the ONS shows that owner-occupied dwellings score the lowest EPC rating in both England and Wales, with scores of 64 and 62, respectively, equivalent to band D.

In essence, the UK is facing a crisis of poor performing and cold homes.

The green energy revolution and new technology coupled with acute living pressures, is driving change in the renovation and house building markets.

Property owners are increasingly turning to us for advice on how they can make their properties fit for the future.

This is aligned with the residential sales market seeing a stark change in attitudes, with buyers now considering the cost of living in a property as much as its purchase price.

Many properties will benefit from what are often straightforward yet significant interventions that will improve their performance.

Taking a one dimensional approach however, doesn't always achieve the best outcomes. For example, it's not possible to achieve the full benefit of upgrading an oil-fired boiler to a ground source heat pump system if you ignore insulation, draughty windows and doors, and ventilation.

Investing in just one potentially expensive change can often yield very little benefit, worse, it might make things worse.

There is a reason why property owners perhaps feel it will be otherwise though. Home improvement measures are often individually marketed as standalone solutions but many have knock-on impacts. It is important to consider the requirements of the house as a whole and coordinate the retrofitting to achieve the best benefits.

The capital cost of these projects can be quite substantial but owners who plan to live in a property for years to come recognise the payback from the cost savings they will make on energy use.

There is value too in making these investments with one eye on the property's future sale potential because evidence is pointing to a greater demand for homes with higher rated Energy Performance Certificates (EPCs).



OUR PEOPLE; WHO WE ARE & WHAT WE DO



Brown&Co is a Limited Liability Partnership with 36 Partners and over 260 employees who work across 10 offices in England and three overseas, in the Caribbean, Poland and Romania.

The business was formed in 1993 following a management buy-out from Royal Life Estates; it has since experienced substantial growth and become the leading provider of agency, professional and consultancy services in residential property sales, lettings and auctions, commercial property, architecture and planning, agricultural business, rural and the environment.

We combine a high level of specialist technical expertise with experience and local knowledge, with a real commitment to building strong, proactive and long-term relationships with both corporate and private clients.

The people who make up our expert, experienced and enthusiastic teams are encouraged to play an active part in the firm's future development and success, as indeed many have done throughout our 30 years of growth and development.

We actively encourage our staff to shine in their chosen field, both at work and outside the office and we celebrate their achievements.

Through mentoring and training, we strongly believe in developing our individuals too, aiding them to progress



2023 Graduates

to Partner level if their ambition is such. In March 2023, through promotion, we created seven new Partners, three Divisional Partners, five Associate Partners, seven Senior Associates, 12 Associates, three Professionals, three Executive Assistants and six Senior Administrators.

Each year we help grow our teams by selecting graduates, placement students and interns whom we believe have what it takes to thrive and succeed within Brown&Co. We are proud to be part of the Rural Offers Charter for Graduate Recruitment. Graduates can work across our offices alongside a Partner or a senior member

of staff. The success of this approach is evidenced by the fact that 25% of our current Partnership themselves started in our firm as a graduate or a placement student.

In 2023, 12 graduates joined the firm.

We offer a comprehensive in-house training programme for all graduates in addition to full support and training for those wishing to sit professional qualifications.

THE IMPORTANCE OF CORPORATE SOCIAL RESPONSIBILITY (CSR)

At Brown&Co, we recognise our responsibility to the built and natural environment beyond legal and regulatory requirements. This applies to our delivery of client services and the management and operation of our own business activities.

We commit to reducing our environmental impact and improving our environmental performance, and where possible, we encourage our clients and suppliers to do the same.

As a business we are currently working towards ISO 14001, which is a set of standards put forward by the International Organisation for Standardisation, the principles and our firm's policies were written with this process in mind.

The firm's environmental and sustainability commitments, whilst constantly evolving, include minimising the use of gas and electricity in our offices, promoting the need to turn off unused lighting or electrical equipment. We aim to increase fuel efficiency of our company vehicles by replacing them every four years with more fuel-efficient, electric-only vehicles with lower carbon dioxide emissions and through driver awareness training. We also aim to

reduce the use of paper and ink and ensure items are recycled where possible.

Also, there are the indirect environmental impacts that our client activities may cause. When we are appointed to advise on environmental issues, we encourage a positive impact and have previously advised clients on matters such as solar parks, anaerobic digestion plants and other such renewable energy sources and investments.

In terms of our supply chain, we always seek to purchase goods and services which are produced and delivered under conditions that do not abuse or exploit any persons or the environment.

UK BRANCH NETWORK

For proactive and professional services contact your local experts

Banbury
banbury@brown-co.com | 01295 273 555

Bury St Edmunds
bury@brown-co.com | 01284 725 715

Holt
holt@brown-co.com | 01263 711 167

Humber
humber@brown-co.com | 01482 421 234

King's Lynn
kingslynn@brown-co.com | 01553 770 771

Leicester
leicester@brown-co.com | 0116 289 4719

Lincoln
lincoln@brown-co.com | 01522 457 800

Norwich
norwich@brown-co.com | 01603 629 871

Retford
retford@brown-co.com | 01777 709 112

St Neots
wyboston@brown-co.com | 01480 213 811



Weymouth
weymouth@brown-co.com | 01305 371 111

BROWN & CO