

# Farm & Property

JHWalter

Adding Value to Property & Business

SPRING 2004

## Britain's Love Affair with Property

**B**ritain's love affair with property continues unabated. Television channels are simply awash with programmes on how to make a quick fortune out of property development and restoration. *Although not all the stories have happy endings, there are still plenty that do.*

That no Capital Gains Tax is paid on the principal residence, means that such profit is the most lucrative in the English Tax System. *No wonder people are taking a real interest.*

The entrepreneurial spirit that has lain dormant for so long in many parts of the population has been awoken. No need to set up a company and have all the hassle that goes with running a business. Just get developing. *Move in, move out and cash in.*

But the indebtedness of the nation is growing fast. Lending institutions make finance available very casually. It is still relatively cheap and with the increase in value of the property asset, which underpins most people's wealth, there is a feeling that it is affordable still.

As far as cash out is concerned, the Chancellor of the Exchequer is running up the borrowing requirement. How will he finance the public service improvements that will be needed to sustain a Labour Government into an unprecedented third consecutive term in office? Perhaps he will look no further than the property sector.



Ian Walter

Direct: 01522 504333

It will be a difficult balancing act not to kill the market which is so important to the economy whilst bleeding a little out of it. But that is what he may do. The market cannot continue at the current rate of growth. Indeed, the nation's resources and energies need to be directed elsewhere.

So if you have property assets that have been maturing nicely it

may be time to cash them in. We cannot take the current economic stability for granted. The rural property sector has many untapped assets that need looking at anew. With the assistance of professionally trained eyes, it is amazing what can be unearthed and developed.

***So in 2004 take a fresh look at your property assets.***

## Individual Service for Unique Properties

**The JHWalter team was involved in the sale of many unique properties during 2003.**

The sixteen formerly Royal Observer Corps nuclear bunkers that we reported on in the summer issue of *Farm & Property Focus*, sold exceedingly well. With the help of some very lateral thinking, well-targeted advertising and press releases, we achieved considerably more than the vendor's pre-sale estimates. Following the sale of the first three bunkers, the rest were placed on ebay.com. This popular internet auction site gave potential purchasers all the necessary information on screen, as well as lessening the impact on our telephone system! The sale was seized upon by the *Sunday Telegraph* on the 8th June, reporting it as "a phenomenon of the future".

The Agency team sold several unique homes; Chartered Surveyor, Rob Ward offered a barn for conversion in the village of Great Steeping, near Spilsby. This was surrounded by a moat and offered purchasers the opportunity of a wonderful family home. Set in 1.4 acres, with a guide price of £165,000 - £185,000, interest was high, and a sale swiftly achieved by best and final offers.

We are currently handling sales of several equestrian properties. These properties appeal to a wide variety of buyers and attract national interest. Enquiries come from Lands End to John O'Groats and internationally from as far afield as New Zealand, South America and Ireland through the **Prime Location** website.



Used by several major agents, the site has a strong offering of prestigious country properties. It is well worth a visit to find your dream home on: [www.primelocation.co.uk](http://www.primelocation.co.uk).

We believe selling through **JHWalter** will be a successful and relaxed experience. Through our knowledge, care and attention to detail, we can add value to your property and maximise the sale price.

**If you would like a free market appraisal please call Patrick Welby-Everard, Rob Ward or Tim Atkinson on 01522 504304.**

## MTR TIMETABLE

<b>Early 2004</b>	Detailed Commission Regulations published followed by national legal texts. Decision by DEFRA on Entitlement Allocation basis.
<b>31 March 2004</b>	Milk quota held determines 2004/05 Dairy Premium
<b>Autumn 2004</b>	Crops planted will be under SFP regulations
<b>December 2004</b>	Euro exchange rate fixed for 2005/06 payments
<b>1st January 2005</b>	Single Farm Payment Scheme commences
<b>Early 2005</b>	Allocation of Entitlements made to farm businesses
<b>15th May 2005</b>	First application for SFP made
<b>June 2005</b>	Trading in SFP's commences?
<b>Dec 2005 to June 2006</b>	First SFP payments made

## SUCCESS WITH RES

JHW rural business consultants have helped a number of farmers in the East Midlands and Yorkshire to develop new business opportunities and make successful applications for Rural Enterprise Scheme, (RES) grants from £20,000 to £125,000. In all cases 50% funding has been achieved so that the total investment in the rural economy is in excess of three-quarters of a million pounds, with more projects still in the pipeline.

The RES, now half-way through a seven-year programme, is a very wide ranging scheme, but as far as most farmers are concerned it is essentially a source of funding for new business opportunities. It is project based and competitive in nature; not all projects submitted to DEFRA will receive support, and funding is likely to be between 30% and 50% of total cost. Eligible projects include those that add value to basic commodities, diversification enterprises, tourist activities, and (strangely?) construction of irrigation reservoirs.

Successful applications to date cover the conversion of redundant farm buildings for tourist accommodation (both bed and breakfast and self catering), the establishment of an ice cream making facility, the setting up of a new equine retail business, a farm park, and the digging of a winter fill water reservoir with associated irrigation equipment.

The RES application procedures are demanding and not for the faint hearted! The process requires professional help to both complete the application for funding and to address the planning issues which nearly always play a part in these projects. The good news is that the costs associated with project development are grant aided for successful applications.

So, if you have a germ of an idea that needs developing or already have a good plan for a new business opportunity then call David Wright, John Holtby, or myself for an initial discussion about grant aid. Incidentally, a RES grant is one way to get back the money deducted from your IACS cheque through modulation!

**Henry Denchfield**

Direct 01522 504322

## Success with Machinery Sales – the JHWalter Way

JHWalter have conducted a number of machinery dispersal sales across Lincolnshire, Nottinghamshire and Cambridgeshire this year, with all sales exceeding expectation. The trade for quality kit continues unabated, whilst the weakening of the pound has led to a resurgence in export markets enabling us to maximise value for our clients.

In order to achieve premium prices, a premium service is required. JHWalter have gained an enviable reputation in offering a comprehensive and professional service in selling farm machinery.

When considering a machinery sale, the value of experienced professional advice should never be underestimated. *What to sell? How to sell? and When to sell?* All are important factors. Sales can be held during the week or on Saturdays, the choice of day is best judged against the items to be offered.

Promotion of the sale is one of the most important aspects. We believe that widespread advertising, coupled with our loyal following of sale goers, ensure that maximum prices are achieved. We offer high quality printed catalogues with

photographs mailed to a list of over 1,000 active machinery buyers. National, local and specialist advertising techniques are also employed in addition to promotion on our website and by e-mail.

When laying out a sale, experience is invaluable and can make the difference between a good and a bad sale. Our Sale Foreman will attend the site and direct the layout of the sale and in addition will provide detailed guidance. This attention to detail ensures that the presentation of the sale is second to none.

Sale Day needs to be a stress free and enjoyable experience for both the Vendor and sale goers. A wireless loud-speaker system, a fully computerised pay office and our experienced staff ensure sale day runs smoothly.

Above all, the JHWalter service is customer focused and ensures that through our experience premium prices can be achieved.

If you are considering selling machinery, or require a valuation of machinery, please contact:

**Rob Ward**

Direct 01522 504311



## NOT ALL RENTS ARE GOING DOWN?

**Landowners, as landlords of Telecom Companies or Oil Companies, may be missing out.**

Most leases include rent review provisions, but reviews don't take place automatically. The landlord must initiate the review with the operator and if the review period is missed, the potential increase is lost altogether.

JHWalter is able to undertake reviews on your behalf with a database of comparables to support the rent proposals.

Telecom companies are also looking to 'site share' and this should mean more income for you.

Electricity wayleave payments can be capitalised to obtain a lump sum, rather than an annual payment.

Talk to JHWalter to find out how you can benefit.

**Susan Loftus**  
Direct 01522 504318



## MID-TERM REVIEW

### A Brief Update

**In 2003, agreement was reached on the most radical shake up of the CAP so far, but it is going to be considerably longer before the detail, implementation and effects are fully grasped by the farming industry. Interestingly, the reforms are likely to have quite different consequences for different businesses – which makes generalisation difficult, but also provides opportunity in the years ahead!**

#### So what do we know?

- In 2005 there will be no need for agricultural production in order to claim the Single Farm Payment (SFP). The 2005 payment may not be received until June 2006.
- Land will be required to claim the SFP. It is likely that most of this land will be farmed but unproductive and currently unfarmed land could end up being used to support a claim. Clearly, commodity prices will affect the decision to produce or not. Increasing volatility in prices seems inevitable.
- On the basis of Historic allocation, the SFP for arable farms is likely to be approx. £105/acre before Modulation. A Regional Allocation would probably reduce this figure to £88/acre. The Historic figure assumes full entitlement, but if not all the land was farmed in the reference period, the SFP will be less.
- Modulation may range from 8% to 28%, depending on the implementation of National Envelopes and funding for Entry Level Schemes, etc. In our opinion, one should budget for modulation at around 25% by 2008.
- The effect of 25% Modulation reduces "pure" arable Historic SFP's to £79/acre. Don't forget that "Financial Discipline" could further reduce these payments.
- A claim must be made in 2005 (15th May) to avoid Entitlements reverting to the National Reserve.
- In addition to Entitlements based on cropped and forage area, there will be a separate Set Aside Entitlement equivalent to 10% of the total cropped and set aside areas.
- To trade Entitlement, 80% must have been "activated", i.e. you must have claimed 80% of the Entitlements prior to transfer.
- Entitlements not claimed in a three year period will revert to the National Reserve
- Under the Historic system SFP's will have different values, we will see trading up and down with appropriate differential pricing.

- Land transfers, including provision for Entitlement, can and have taken place prior to Allocation. **BUT** care is required to ensure that such transactions are properly constructed.
- Tax is going to be an issue. As matters stand, it seems sensible to assume a zero cost basis for CGT. Therefore any landlord tenant deals need to be aware of allocating value to this new asset.

Delay in DEFRA deciding on the basis of allocation is unhelpful, particularly when other States have announced their intentions. At the Oxford Farming Conference, Lord Witty introduced the concept of "Dynamic Hybrids" – effectively a historically based allocation being converted to a regional basis over a period of some three years or so. It seems likely that any announcement will not be made until next month now, but be assured we will keep our clients updated on progress and advise on the consequences. Indeed, we have set up a specialist team to deal with MTR and its consequences for the Industry as a whole and the effects on individual businesses.

#### SINGLE FARM PAYMENT SFP CALCULATOR

An example mixed farm 560ha

	Basic	Set Aside
<b>Entitlement Area (ha)</b>	514	20
<b>Entitlement Value (£)</b>	103,789	5,117
<b>SFP (£/ha)</b>	202	260
<b>Entitlement Deficit</b>		
<b>Naked acres</b>	26	

*Based on current cropping, this farm will require a further 26ha of Entitlement to make a full claim.*

#### MODULATION & SFPs

SFPs - £/ha	2005	2006	2007
<b>Basic</b>	149	147	145
<b>Set Aside</b>	192	190	187
<b>SFPs - £/acre</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>
<b>Basic</b>	60	60	59
<b>Set Aside</b>	78	77	76

*Based on: 3% National Reserve  
Modulation 3% increasing to 5%  
National Envelope of 10%  
Curry 10%*

If you have queries about Entitlement Allocation, SFP Trading, or simply want to have your SFP calculated using our SFP Calculator, contact:

**David Wright**  
Direct 01522 504321

**Ellie Allwood**  
Direct 01522 504320

## Entente Cordiale???

As well as having a particularly active year in terms of farm sales and acquisitions in the East Midlands, we have also expanded our field of operation to properties in France by working with *Agri-Conseil* - a French company providing agency services to one of the larger French co-operatives.

The French farmland market is interesting at the moment and there seems to be an increasing number of farmers moving from Holland and Belgium to set up new businesses in all parts of France. *Agri-Conseil* believe that the same market may be attractive to UK farmers.

In terms of the land market itself, French farmland in general doesn't appear to present an enormous discount on UK prices. However, the property element of any farm purchase does provide exceedingly good value. In addition the French provide significant grants (up to 40%) for renovation works, even for residential property, and there are soft loans and other incentives for young farmers (under 35).

France does offer potential for those looking for a lifestyle change or the opportunity for young farmers seeking their first owned farm. There are also potential investment opportunities, but be aware that the tenancy

laws in France are designed to entrap the ill-advised investor. Of course, there are many factors to consider when deciding to up-root to another country (most of which have been well rehearsed on the countless television programmes on the subject) but if the idea is of interest, then please get in touch. Finally, as well as farms, *Agri-Conseil* also markets properties for renovation, gites, manoirs, etc.

So once again if you want to add some Gallic charm to your life, we can arrange for possible properties to be forwarded to you.

**David Wright**

Direct 01522 504321

## THE LAND MARKET

**Tim Atkinson reports that following a restricted market during 2003, the conclusion of MTR will release pent up demand and supply "like a cork from a well-shaken champagne bottle."**

2003 was a character building year for those looking to trade commercial acres in the East Midlands.

The Mid-Term Review of the Common Agricultural Policy turned the Agents' world upside down. Although things have improved since, immediately following the agreement between agriculture ministers last June, we are still working in a restricted market with transactions taking longer than ever to contract.

October saw the launch of a delightful Estate on the outskirts of Nottingham. Wood Farm and Woodborough Park extend to around 650 acres in a secluded private valley. The farms are close to the popular commuter village of Woodborough and were offered with a combined guide price of £2.35m (£3,615 per acre) with our Joint Agent, Rodney Vigne of *Strutt and Parker*. We conducted over 50 viewings, with especially keen interest in Wood Farm, which was carefully lotted to provide an attractive 67 acre residential and equestrian unit. After best and final offers, a sale was quickly agreed to a relocating Midlands farmer.

Thankfully prospects for 2004 are bright and we look forward to a fresh flush of farms to the market. Wheat prices of £110 per tonne, potato prices of up to £200 per tonne and continuing poor stock market performance are already bringing fresh enquiries.

***In my opinion land prices will now rise rather than fall.***

If you want to discuss buying or selling rural property please contact:

**Tim Atkinson**

Direct 01522 504313

**Ian Walter**

Direct 01522 504333



Woodborough Park, Nottingham: 477 acres. Guide: £1.5m

## ONE LINCOLNSHIRE

Recent economic indicators paint a gloomy picture for Lincolnshire, as we see our Gross Added Value drop to 75% of the UK average, against 92% for the rest of the East Midlands.

Our well educated and talented young people are leaving the county as soon as they move on to higher education and they are being replaced by the over 45s who stay on into retirement and beyond. The high earners who do live in the county don't always work here - they commute out and consequently put little back into the local economy.

But there is a partnership of local businesses and public sector organisations that wants to reverse the trend and make Lincolnshire the county of choice for those who want to enjoy an improved quality of life.

The **One Lincolnshire Partnership** is planning a massive attack on Lincolnshire's economy and is being supported by the County's Forum for Agriculture and Horticulture led by Janet Godfrey.

"It is high time we all got together and shouted from the rooftops about what we have to offer in Lincolnshire. We grow some of the best vegetables, our beef is of an exceptionally high quality and our sausages have an international reputation. We are the biggest exporter of daffodils and we pack most of the salads and sandwiches that are worth eating. It is therefore time that we got some pay back on this."

JHWalter has joined the One Lincolnshire Partnership's campaign to raise the county's profile as the place to live, work, invest and visit in the 21st century. Part of the campaign encourages everyone who plays a part in Lincolnshire's economic future to adopt a single brand marque that will help identify our products and messages in the highly competitive market place across the UK and Europe.

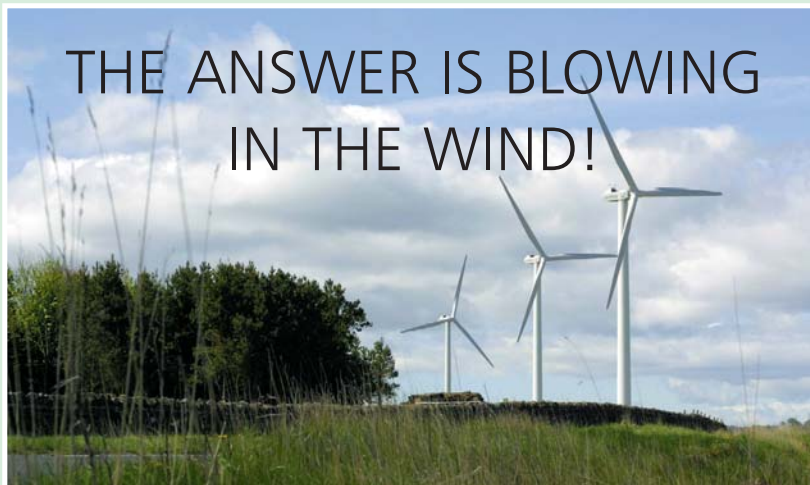
If you would like to know more about the partnership contact Jane Crofts at:

**Lincolnshire County Council  
Lincolnshire Development**

**Beech House  
Waterside South  
Lincoln LN5 7JH**

ONE LINCOLNSHIRE

or email: [jane.crofts@lincolnshire.gov.uk](mailto:jane.crofts@lincolnshire.gov.uk)



Photograph supplied by National Wind Power

**It is now widely known that the Government has set the country a target of producing 10% of its energy needs from renewable sources by 2010 and 20% by 2020.**

If these targets are to be achieved it is generally accepted that the majority will be produced from wind turbines, either onshore or offshore. The massive wind farms proposed offshore are not likely to come on stream until 2010. As a result the 2010 target will be met mainly by onshore wind farms. This means that there is significant potential benefit for landowners in the right circumstances.

### Is your land suitable?

The basic criteria are as follows:

**Wind speed:** Generally developers are looking for an average annual wind speed (at hub height) of 6.5 metres per second and above. A guide to the wind speed on your farm can be gained by looking on the British Wind Energy Association (BWEA) website.

**Distance from residential property:** This depends on the size and number of wind turbines, but generally developers require separation of 500m from a residential property (350m if that is your own farmhouse). No such restrictions apply to commercial properties.

**Electricity grid connection:** Developers usually require a 33KV line (sometimes 11KV) to be reasonably close to the site.

**Access for construction:** It is the turbine blades which create the problem regarding access. They are manufactured in one piece and can be 30-35m long.

Within reason, developers will improve existing farm tracks and even public roads, but it is an issue that should not be overlooked.

There are numerous wind farm developers and they all have different ways of approaching the deal with the landowner. However, generally they wish to obtain an exclusivity period or option for a period in the order of three years, during which they check the feasibility of the site and submit the planning application. Upon successful planning permission being granted, they will require a lease on the land covered by the wind turbines, associated access tracks, hard standings, etc, for a period of 20-25 years.

Currently, obtaining planning permission is proving a difficult proposition for developers. However, I feel the planning process will become easier for developers as planning authorities get used to dealing with applications and get guidance on how to deal with applications from the Government through the planning appeal process.

In the right locations, wind turbines still offer the landowner an opportunity to create significant rental income in return for losing a relatively small area of land from agricultural production.

JHWalter has knowledge and experience of wind farm development and would be pleased to discuss the opportunities with landowners.

**Tom Wilkinson**  
Direct 01522 504330

## Spring sowing plans affected by re-drilling and 5% set aside

In general, harvest 2003 was dry and relatively easy with the biggest headache being how to cool grain once in store. The lack of any significant rainfall through the autumn made drilling difficult. Those that started early at low seed rates were hit the hardest, with re-drilling necessary in some cases. Many rape crops were pulled up with others left to overwinter before a final decision is made.

In addition it has been decided to reduce set-side from 10% to 5%. This is in response to droughts across Europe last year, and the need to boost grain production and replenish stocks, as well as to calm the market.

So how do you react to this reduction? Much will depend on how your set-aside is managed. If you have permanent areas around watercourses, woodlands, etc, then the answer is probably to do nothing. But, if you have a suitable area that fits in with your rotation, then sowing it will merit consideration, especially with current higher commodity prices. Some rape crops that were intended to be industrial can now be left as commercial.

Whether rape crops that have failed can be re-drilled in the spring, will depend in part on whether they have been sprayed with pre-emergence chemicals; it will be necessary to consult with your agronomist.

If you want to discuss your spring cropping options, call Angela Wood:

**Angela Wood**

Direct 01522 504306

## ENLARGEMENT: Threat or opportunity?

On 1st May, the EU15 becomes the EU25. As a consequence, the EU's population will increase by 20% (half of which are Poles); agricultural land area will increase by 30% and the agricultural workforce will increase by 50%. Most of the new member countries are poor, with GDP less than 50% of the EU15 average, but with agriculture representing around 4% of their GDP – around twice that of the majority of the EU15 countries. The accession of these 10 countries will clearly have an affect on the existing 15, both in financial and political terms, as well as making the process of Euro-governance ever more complex.

The arguments relating to the costs of funding these new members is countered by the high growth rates that many of them are now experiencing. On the basis that these countries continue to grow rapidly, their economies will contribute increasingly to the EU finances and provide trade opportunities for the rest of the EU. However, there are clearly concerns over agriculture where certain

countries, eg Hungary, have potential to increase their agricultural output. Such increases could put downward pressure on commodity prices, but this is all dependent on world supply and demand. Whilst the new 10 may create additional supplies of arable products, as standards of living improve, potential markets should appear for meat and meat products which provide opportunity to the EU15. One concern, given the strict budgetary discipline agreed for Europe, is that any increases in financial support for farming to the new 10 will have to be spread from the EU15. Such redistribution, whether it is through modulation or "financial discipline" must mean lower returns to existing EU farmers.

So the accession of the new 10 provides some threats and some opportunities in terms of markets and trade. It seems that the support cake will have to be spread thinner in the future, but this is inevitable as the pendulum swings away from subsidised farming to farming for profit based on world prices.

## LEGAL BRIEFS SPRING 2004

### Stamp Duty Land Tax (SDLT)

The SDLT now replaces Stamp Duty as a tax on land transactions. Whilst sales of land are treated much the same as before, leases (including Farm Business Tenancies) are now taxed based on the rent for the total term reduced by an annualised discount rate to find its present value (NPV). SDLT is payable on leases which are over 7 years in length and the NPV is over the threshold of £150,000 or, where the NPV is over the threshold. The excess NPV is subject to 1% SDLP. Prospective tenants need to be aware of the cost of the Duty and weigh the possible savings in Duty for two leases, rather than one lease, against the potential Landlord/Tenant issues in the future.

### Control of Asbestos at Work Regulations 2003

With effect from May 2004, those responsible for the maintenance and repair of business property are required to assess whether or not asbestos is present. If asbestos is present it must be removed or managed, ensuring that any subsequent maintenance work does not expose workers to avoidable risks. Landlords and tenants are well advised to check tenancy agreements to identify the liability for repair

of such buildings. However, tenants must not ignore the fact that, as the employer, it is they who are responsible for their employees.

### Agricultural Waste Disposal Regulations

New regulations are proposed to extend waste management controls to agriculture in 2004. As currently drafted, the regulations mean that the uncontrolled burning of waste on farms and the use of farm tips will no longer be possible. This 'waste' will include packaging, silage plastics, metal, tyres, oils and animal health products, net wrap, bale twines, batteries, used syringes and building waste. Farmers will have to:

- Send or take waste for disposal off-farm at licensed sites; OR
- Apply to the Environment Agency for licence to recycle on-farm or to continue on-farm disposal.

Whilst this does produce potential diversification for some farmers, for others the introduction of the regulations will inevitably increase overhead costs. A public consultation is due in 2004.

**Ellie Allwood**

Direct 01522 504320

## Water Rights Trading!

Through the implementation of the 'Water Act 2003' the Government and the Environment Agency are making changes to the water abstraction licensing system in England and Wales.

Almost all current licences specify the land on which the water can be used but the Water Act removes this requirement for licences granted or varied in the future, making it easier for licence holders to trade their water rights. The Act will also significantly simplify the process by which licences are transferred from one holder to another; a system of notification by the licence holder and the person taking over the licence will replace the previous process, which depended on occupation of land.

The Environment Agency produced a consultation document and the closing date for representations on this document was the 24 October 2003. We understand the Environment Agency will now consider these representations before issuing their final guidance on water rights trading in November 2004.

Water rights trading will be controlled by the Environment Agency through the abstraction licensing system, either via a new licence, or a variation to an existing licence.

The greatest value to farmers is likely to come in areas where new abstraction licences would be refused by the Environment Agency.

For a successful trade to take place, there must be a hydrological link between the point where the abstraction will be transferred from and the point where the abstraction will be transferred to. As a result, the majority of trades are expected to take place within the same catchments or water management units.

For

- farmers wishing to increase their acreage of crops requiring irrigation,
- new entrants into the growing of crops requiring irrigation,
- farmers with an abstraction borehole licence who are considering retiring, selling up or changing their cropping policy,
- and for farmers who simply wish to realise the value of their unused abstraction licence,

the Water Act certainly warrants further investigation.

**Tom Wilkinson**  
Direct 01522 504330

## DON'T STEP OFF THE GAS!

The welcome improvement in commodity prices has put a rosy glow on 2003, for those who did not sell any wheat before September. The difference in prices from the moment that the 2003 harvest could be traded, to the end of last year, has been extraordinary and may make any cost savings seem irrelevant and rather futile.

This is rather worrying. An unfortunate consequence of this rise in price may be that farmers feel that there is no need to make the difficult decisions; that the tide has turned and that farming can go on as before. This is not what is needed. The top 25% of farmers produce the highest yields with the lowest cost. Every farmer should aspire to join those in the top quartile.

If the savings that come with sharing machinery, or whatever other arrangement, make good sense when things are bad, they make just as much sense when times are better. *Lets face it, next harvest 2004 prices (as quoted in December 2003 of £82) would have been considered derisory back in the heady days of 1996.*



2003 was a good year for deeper cultivation

Regular readers will remember that my neighbour Chris Shelby and I formed a joint venture company in June 2002 to provide the labour and machinery to carry out all the work on our two farms. The new joint venture has resulted in our labour and machinery costs being £79 per acre in the first full year of trading. This compares with my own costs, £106 per acre, before formation. This was the level of savings that was anticipated and it is good to see that this has been achieved. What is also encouraging is that the savings have come about without any loss of control or reduction in the quality of work done. Our own costs compare favourably with the £101 per acre for labour and machinery on a 1,200 acre combinable crops farm in the excellent HSBC Agriculture Forward Planning booklet which fell onto the Yorkshire Office desk recently.

So the message must be to enjoy the better prices, but keep the pressure on the cost of production. *Don't step off the gas!*

**John Holtby**  
Yorkshire Office 01964 563900

## MID-TERM REVIEW

### The real Devil's in the print: Take 2

**I am at risk of repeating what I said in the summer as so little has changed, in practical terms at least.**

Yes - we now know that 'D Day' is 1st January 2005 and we have adopted regulations, but at the time of writing we don't know how the allocation of eligibility units will take effect and what are the financial and legal implications. Theoretically we should have enough time to sort out the implications for the Landlord and Tenant before it is in force!

So significant are, or may be, the implications of this new regime that the 1986 Act and 1995 Act rent review rules could be argued to be 'out of date'.

- What is a 'hypothetical' tenant - does he have any or no eligibility units?
- If a tenant has grown unsupported crops in the past - should he now pay a lower rent because he now has no eligibility units?

- How can we compare an 'open market rent' when it is the bidding tenants and not the land that holds the eligibility?

- How much rent should the new FBT tenant pay when he has no IACS and no eligibility?

- Can the tenant just walk away and leave behind 'naked acres'? Is there really no come-back?

All interesting stuff, but we if we have an allocation on a Regional Area basis, will it matter at all? At the end of the day, is it not just IACS under a different name?

I hope that when we know the outcome of DEFRA's consultation, it is clear and actually does recognise the Landlord and Tenant relationship in a sensible and fair manner. I am positive that we can, at the grass roots level, deal with any issue in a fair and reasonable way. *I just hope DEFRA and Brussels allow us to do so!*

**Ellie Allwood**  
Direct 01522 504320

# ‘Who wants to be a Millionaire?’

*Each year our Planning Consultant, Jim Grundy and Agency Team, Ian Walter, Tim Atkinson, Rob Ward and Patrick Welby-Everard work together to create millionaires by adding value to property.*

*For fun, and to test your knowledge, see how far you can progress towards the million!*

**Question 1: £100**

*How many years does outline planning permission last before an application must be submitted for approval of reserved matters?*

- A One year
- B Two years
- C Three years
- D Five years

**Question 2: £500**

*The Government encourages the redevelopment of brownfield sites. Which of the following is a brownfield site?*

- A Derelict poultry farm
- B Derelict pig farm
- C Derelict farm barns
- D Railway yard

**Question 3: £1,000**

*How much is the basic Local Authority fee to make planning permission to replace a derelict dwelling?*

- A £110
- B £220
- C £100
- D £200

**Question 4: £4000**

*Your application is refused. You make a resubmission within 12 months. How much is the resubmission fee?*

- A £110
- B £100
- C Free
- D £55

**Question 5: £16,000**

*The Government are keen to encourage diversification in the countryside. Which of the following equestrian activities does **not** need planning permission*

- A Grazing
- B Cross country course
- C Stables
- D New field access - on a classified road

**Question 6: £32,000**

*If a use is established on site how many years is it before the Local Authority can't take enforcement action?*

- A 10 years
- B 3 Years
- C 5 Years
- D 20 Years

**Question 7: £64,000**

*If a planning application is refused how long do you have to submit an appeal?*

- A 3 Months
- B 6 months
- C 12 Months
- D 24 Months

**Question 8: £250,000**

*In making an application to convert a farm barn to a permanent dwelling, how many of the following reports are the Planning Authority likely to require?*

- A 2
  - B 3
  - C 4
  - D 5
- Structural Survey, Wildlife Survey, Archaeological Survey, Commercial Use Viability Study, Detailed Architectural Drawings.*

**Question 9: £500,000**

*What does the abbreviation GDO stand for?*

- A General Development Order
- B General Development Official
- C General Department Objective
- D General District Order

**Question 10: £1,000,000**

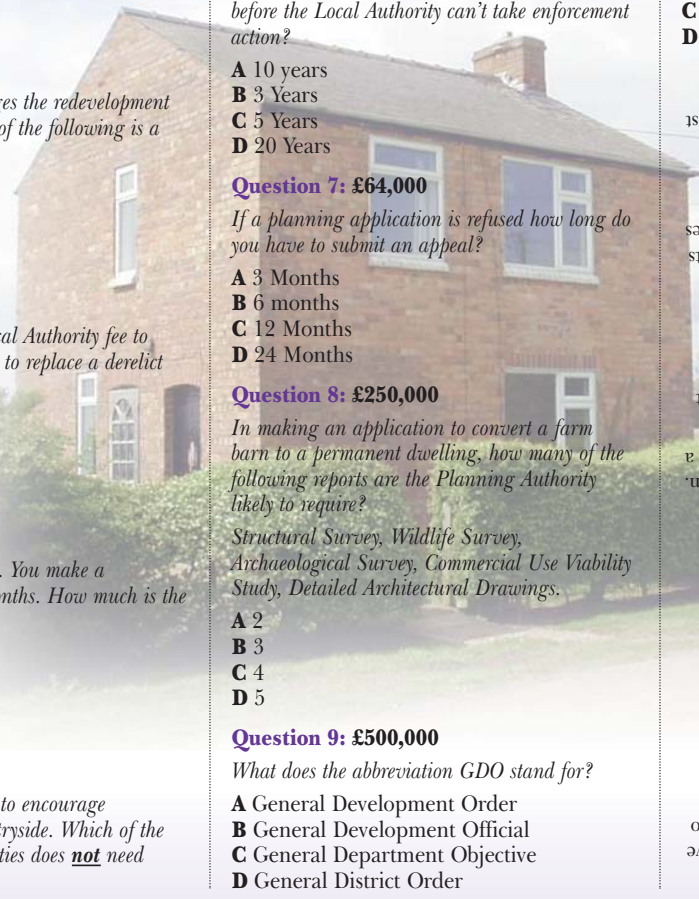
*Who is entitled to make a planning application?*

*Owner, Landlord, Neighbour, Tenant*

- A None of these people
- B Owner
- C Landlord
- D All of these people

**ANSWERS**

**Q1:** C - Outline planning permission lasts for three years, full planning permission lasts for five years. Don't let permissions expire, as there is no guarantee they will be renewed.  
**Q2:** D - Only the railway yard. All agricultural holdings are specifically excluded from the definition of brownfield land.  
**Q3:** B - Full planning permission is required at £220 per dwelling.  
**Q4:** C - Not many things in life are free, but a resubmission is!  
**Q5:** A - All the others are development and planning permission is needed.  
**Q6:** A - After 10 years of continuous use the Planning Authority can't take enforcement action. The use can be formalised by an application for a Certificate of Lawful Use.  
**Q7:** A - From 1st September 2003, appeals must be submitted within 3 months of the date of refusal.  
**Q8:** C - 4 only, the Archaeological Survey is unnecessary.  
**Q9:** A - The General Development Order grants deemed planning permission for certain activities such as arable farming and to erect a domestic porch.  
**Q10:** D - Anyone is entitled to make a planning application - you do not have to have any interest in the land.



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