

Outlook

CURRENT NEWS & VIEWS ON ISSUES AFFECTING LAND AND PROPERTY FROM HOBBS PARKER

SUMMER 2026

Inheritance Tax Changes

Machinery and Livestock Valuations

The UK's inheritance tax (IHT) regime is undergoing one of its most significant reforms in decades, with major implications for farming families. Historically, Agricultural Property Relief (APR) and Business Property Relief (BPR) allowed many farms to pass assets between generations largely free of IHT.

However, since April 2026, these reliefs are no longer unlimited meaning that many farming businesses now need to take a closer look at the value of their assets and the potential exposure within their estates.

Under the new rules, 100% relief only applies to the first £2.5 million of combined qualifying agricultural and business assets. Any value above this threshold receives 50% relief, creating an effective IHT charge of up to 20% on the excess.

Although the £2.5 million allowance is transferable between spouses, potentially allowing up to £5 million to pass tax-free, many farms may now face significant tax



liabilities. For many farming families, this creates uncertainty and places renewed importance on careful succession planning.

The challenge for most farms is that wealth is rarely held in cash. Instead, it is tied up in land, buildings, machinery, livestock and diversified business interests. One area often overlooked is the valuation of machinery and livestock.

Under the new rules, these assets must be included in valuations of deceased estates and can represent substantial value within an estate.

Despite this, valuations of these assets are often based on outdated figures, insurance schedules or broad estimates rather than current market values. *Continued on page 2*

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In today's environment, that approach can be costly and it is important that accurate figures are reported, supported by market evidence.

Machinery and livestock, in particular, can be difficult to value due to fluctuating markets, depreciation and condition.

A professionally prepared valuation provides confidence for probate, succession planning, partnership restructuring, tax advice and discussions with accountants or solicitors.

It also creates a clear and defensible evidence trail reflecting realistic market values at the relevant date.

Taking practical and professional advice now could make a substantial difference to the future security of your farming business.

If you are considering succession planning, probate administration or simply want an accurate review of your machinery and livestock values, we would be pleased to assist.



Charlotte Bromley
Chartered Surveyor
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Bringing Certainty to Rural Property



Lawful Development Certificates and Agricultural Occupancy Conditions

Rural properties often come with layers of planning history that are not always obvious.

Changes may have taken place gradually, uses may have evolved over time and planning conditions imposed decades ago can still shape what a property can – and cannot – be used for today.

Two issues we are frequently asked about are Lawful Development Certificates (LDCs) and Agricultural Occupancy Conditions (AOCs), both of which can have a significant impact on value, flexibility and future plans.

Lawful Development Certificates: knowing where you stand

A Lawful Development Certificate is a formal confirmation from the Local Planning Authority that a use or development is lawful for planning purposes.

What is not always well understood is that there are two distinct types of LDC, serving very different purposes.

The first relates to proposed use or development. This allows an owner to seek confirmation in advance that a planned use

or piece of development would not require planning permission before any work begins.

The second type relates to existing use or development and is often referred to as a Certificate of Lawfulness of Existing Use or Development (CLEUD).

This is used to confirm that something which has already taken place such as the long term residential use of a building or a historic change of use, is lawful, typically because it has continued without challenge for a defined period of time.

In both cases, the benefit is certainty.

An LDC establishes the lawful position of a property, reduces risk for buyers and lenders, and can provide a secure starting point for future planning decisions.

This is often particularly important when a property is being sold, refinanced or developed.

However, LDCs are not based on planning judgement or policy support.

They are legal decisions that turn on evidence and interpretation.

As a result, these applications, while often overlooked, can be deceptively complex.

Agricultural Occupancy Conditions: a common rural constraint

Agricultural Occupancy Conditions are another frequent feature of rural homes. These conditions restrict occupation to someone employed in agriculture or a related rural enterprise. While originally intended to support farming communities, many AOCs no longer reflect modern working arrangements or local need.

An AOC can materially affect the market value of a property and may complicate lending or future development. In some circumstances, it may be possible to seek the removal or variation of the condition, but this is rarely straightforward and requires careful consideration of local policy, demand and evidence.

Why early advice matters

Both LDCs and AOCs often come to light at key moments such as a sale, a succession plan or a development proposal. Addressing them early can help avoid delay, reduce uncertainty and protect value.

At Hobbs Parker, we advise rural homeowners, farmers and landowners across the South East on these issues every day.

Our focus is on providing clear, practical advice, grounded in experience, so clients can make informed decisions with confidence.

Understanding the true planning position of a rural property is an essential part of any long-term strategy.

With the right advice, longstanding constraints can often be managed and in some cases resolved, helping to unlock future opportunities.



Grace Edmunds
Graduate Planner
01233 506201



Land Use Framework

March 2026

What it might mean for Farmers and Landowners

Just occasionally you get reminded that behind all the political nonsense that we read on a daily basis, there is actually some policy work going on behind the scenes in Government. It is just that we do not tend to hear about it.

Well one of those policy statements has recently been released. It is important reading for those involved with land. It is a bit dry but I recommend having a look. It is called The Land Use Framework.

When considering it in relation to my working world in development land, the emerging Land Use Framework feels like a quiet but important shift in how land is going to be looked at. For those of us involved in farming or rural land, it does not remove opportunity - but it does change the way you have to think about it.

In the past, the question was often fairly direct: is this land suitable for development? Increasingly, that is being replaced by a broader question: what is this land actually

best suited for - and where, if at all, does development sit within that?

There is a growing expectation that land should do more than one job. Food production, biodiversity, water management, carbon, and housing are all now part of the same conversation. That inevitably makes things more complicated, but also, in some cases, more interesting.

It does mean that certain areas of land are likely to become more constrained. Good quality agricultural land, areas that contribute to nature recovery, or land affected by water and flooding issues may be much harder to justify for development. And those constraints are likely to come into play earlier in the process.

That said, it's not simply a case of doors closing. If anything, it opens up a slightly different way of thinking.

Schemes that are more balanced - where a small amount of development sits alongside environmental improvement or a broader

estate strategy - may well find more support than the more straightforward edge-of-village proposals we have been used to.

Infrastructure will also play a bigger part than it perhaps has in the past. Access to water, power, and transport is likely to become a defining factor in what is realistically achievable.

Overall, it feels as though the emphasis is shifting away from maximising development in isolation, and towards shaping a longer-term vision for land - one that brings together farming, environment, and, where appropriate, carefully considered development.

For those prepared to engage with that way of thinking, there is still opportunity - but it may look a little different from what we have been used to.

If it gets you thinking about your land in a different way, give us a call to discuss it. I would be interested to hear your ideas.



Bill Lightfoot
Director
01233 506234





Greater Clarity on SFI 2026 Scheme Details

Details of the first round of the Sustainable Farming Incentive (SFI) offer for 2026 which opens in June have now been clarified. Some of the key details include:

'A small farm'

- A farm with up to 50 hectares of agricultural land.

'Without an existing environmental land management (ELM) agreement'

- A farm that does not have an RPA administered ELM revenue agreement, which includes previous versions of SFI, Countryside Stewardship (CS) Mid-Tier, old and new versions of Higher Tier CS agreements.
- Farm businesses need to have been registered with the RPA by 1 January 2026
- Farm businesses are required to have a minimum of 3 hectares of agricultural land.
- A £100,000 cap per year per agreement.
- A farm business is only entitled to one SFI agreement.

Details regarding closing dates have not been stipulated and is dependent on the number of applications received and budget allocation.

If you believe you may be eligible for the 2026 SFI offer, we would be pleased to assist with submitting an application on your behalf.



Anna Coombs
Apprentice Rural Surveyor
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Diary Dates

Visit our stand and say hello to our team at these upcoming events



Romney Marsh Ploughing Match

Sunday 6th September 2026

Shingle Hall Farm, St Mary's Road, St Mary in the Marsh, TN29 0BS

Weald of Kent Ploughing Match

Saturday 12th September 2026

Shadoxhurst Road, Woodchurch, Ashford, TN26 3PP

East Kent Ploughing Match

Wednesday 30th September 2026

St Nicholas Court Farms, Monkton, CT12 4AU



The articles in this edition should not be relied upon or regarded as a substitute for advice. Hobbs Parker Property Consultants LLP would be pleased to provide further information or advice on any particular issue.

Outlook is brought to you by Hobbs Parker Property Consultants - a team of experienced Rural Chartered Surveyors and Planning Consultants dedicated to providing professional advice and services to farmers and property owners. Part of the Hobbs Parker Group of companies proudly serving the people of the south east since 1850.



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