



1972 REPORT

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GENERAL

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LIVESTOCK

During 1972 the through put of animals in Ashford Market was slightly lower than the previous year, although the number of Sheep offered decreased this was largely due to the shortage of Breeding Sheep in the previous season and it is anticipated that numbers will now be on the increase due to the new found bouyancy in the trade. Total numbers of Cattle and Pigs were in excess of previous years and Sales of Motor Cars reached a new record.

The numbers in brackets show the numbers sold in 1971.

STORE SHEEP 136,000 (138,000)

Although total numbers are down for the year, the number of sheep sold between August and December is the same as last year. There is a renewed enthusiasm for sheep and Kent sheep have been a particularly good trade. There was a shortage of good breeding ewes in the Autumn, all breeding sheep met a trade well in excess of 1971. 1973 should see an increase in the numbers of Sheep for Sale.

The two special October sales of breeding sheep were very successful and will be repeated in 1973.

STORE CATTLE 10,250 (9,250)

Of all price rises this year, perhaps that for store cattle has been most marked over the year. As the fat price has increased so graziers and fatteners have been purchasing with confidence in the future of beef. During the Autumn, many cattle that would normally have been slaughtered have been sold through the Store Ring to be taken on to heavier weights.

STORE AND BREEDING PIGS 40,500 (38,000)

Numbers offered during 1972 show a further increase for the third successive year. The standard of pigs forward has been generally higher than in the past years and trade has been good throughout with particularly good prices being obtained throughout the Autumn. Whilst good quality Breeding Gilts have been in good supply, there has been a good selection of boars on offer at each of the monthly Breeding Pig Sales and trade has been considerably better than in the past.

FAT PIGS 25,000 (26,000)

Fat pigs have met an exceptionally firm trade throughout the year, and with no subsidy payable for more than half the year, producers have had their returns from the Market. Values started to improve at Easter and remained firm throughout the Summer, reaching record levels in November., well over £3 per score. Cutters and Baconers have shown a particular improvement in values during the year and Cutters have improved within 20p per score of Porkers most weeks. Returns have improved by 20 - 25p per score on average over 1971.

Sows have shown a similar increase in values from Easter onwards and numbers forward each week have continued to increase. Values for the year show on average an increase of £15 per head over 1971.

FAT SHEEP AND LAMBS 60,000 (69,000)

The total return to Vendors for Fat Lambs on average has this Autumn been precisely similar whether sold amongst the Stores on Fridays or with the Fatstock on Tuesdays, this in part accounts for the lower numbers shown above.

A well Fatted Lamb has averaged from August to November £10.90 which is £1.40 up on last year. On Tuesday 12th December 633 Fat Lambs averaged 31.4p for up to an estimated deadweight of 45 lbs. Three Lots made £13.80 apiece.

Fat Ewes have met a strong trade all this year, the best making up to £13.40 which helps considerably to reduce the depreciation of a Ewe Teg over its breeding life.

There is little doubt that due to our Common Market Entry shortly, values of Fatstock in the Spring will attain heights undreamed of by producers over the last years.

FAT CATTLE AND CULL COWS 11,000 (11,500)

The numbers offered in the current year are slightly down on 1971, but the quality has remained good. The Prices realised in both Fat Cattle and Cull Cows are far in excess of any achieved in any previous year and it is anticipated that these will be maintained, and in all probability exceeded with the advent of the entry into the E.E.C., but are still below prices realised on the Continent.

RAM SALES 550 (400)

150 more young Rams have been sold this year, trade has been strong for all breeders but at the latter end of the season Southdowns were in less demand, however good quality Suffolk, Romney and Dorset Down Ram Tegs met a fast demand often making over £100 each. A feature of the year was the Judging of the Southdowns which were Judged by Monsieur A. Roy from France and it was interesting to note that his selections for prizes were Rams of similar type used extensively in the South East of England.

DAIRY CATTLE 1800 (1350)

As for other Livestock, values of dairy cattle have gone ahead of 1971 figures. Best quality animals, have been in very strong demand, but second quality animals have not met such a ready demand. Many more Heifers are being bulled rather than fattened and this section should show further increases in 1973.

Accredited animals have made very good prices, but the number of good accredited heifers forward has been far short of the demand.

REARING CALVES 9,500 (9,000)

Rearing Calves have met an exceptionally firm trade during the year and values have followed the upward trend of Store and Fat Cattle prices more especially during the second half of the year. Values have reached nearly £70 for Hereford X Friesian Bull Calves in recent weeks, showing an average in value of £15 to £20 per head over the year.

HORSE AND SADDLERY SALES

The three Sales held during April, August and November have again been most successful and have had larger entries than in 1971 both of Horses and of Saddlery. Values of both Horses and Saddlery have increased throughout the year due to the increased popularity of Riding as a hobby.

COLLECTIVE SALES

In 1972 eight Collective Sales of Machinery were held in Ashford Market. The trade for all sales has been good with secondhand Tractors and good Farm Machinery in excellent demand. Secondhand timber and galvanized Iron in good condition has met an excellent trade. All Sales have been well attended with buyers from Kent, Sussex and Essex.

CAR SALES

3150 (3000)

Once again the through put of Cars has exceeded by almost 10% those offered in 1971. The Market has remained firm for used Cars and the expected seasonal drop was not so pronounced this Autumn mainly due to the manufacturers increasing the prices of New units which bolstered the price of secondhand cars. Weekly Sales are held at Ashford on Monday and at Maidstone on Thursday.

The Veteran and Vintage Cars held at the Agricultural Hall at Maidstone in June was the most successful so far. The Next Annual Sale will be at the same venue on Saturday 30th June 1973.

FARM SALES

Dispersal Sales have been held on Farms throughout the year and trade has been very keen throughout. High prices of new Machinery and Equipment have encouraged farmers to buy the good secondhand items available at dispersal sales. The Sales of Dairy Herds and Flocks of Sheep have been particularly well attended.

FARMS AND FARMING LAND

Annual Report

This year has seen the most exceptional increase in land values in history - over the 12 months farm prices have risen by between 100% and 250%. The rise in price has been brought about by several factors:-

The fall in the value of the £ has made people realise that it is most important to have a hedge against inflation, and many people **have come** to the conclusion that land is the best investment to **achieve** this object. Over the years since 1945, land has **proved a far** better investment than the average on the Stock Exchange. There have been large amounts of **institutional and private** funds available for investment in land either **with** vacant possession, or subject to tenancies. The **pressure** on the market has meant that whereas in 1971 an investor purchasing a tenanted farm could ask for a return of 5% on his capital, at the end of 1972 he is prepared to consider a return of around 2%.

The fact that Britain is now entering the E.E.C. is another factor which has affected the market. **At the** end of 1971, land prices were well below all Continental prices. It would appear that our prices are now ahead of some of the land prices on the Continent, and equal to some. Foreign investors have been active in this area, being able to purchase the land at favourable prices to **themselves**, due to the favourable exchange rates since the £ was floated in mid Summer.

The recent high prices achieved for building land have also been a factor which has affected the market, although not as much as some people would have one believe. The reason why these sales affect the price of land is that where a farmer has sold land for building at probably between £40-50,000 per acre, he can defer payment of Capital Gains Tax, **providing that he reinvests the money received** in agricultural land within one year of the date of the sale. Obviously, a person who has sold 2 or 3 acres of land at a price in this region, is anxious to purchase a large block of land as quickly as possible.

Many of the small agricultural properties are now being bought by people for purely residential purposes. This has made these properties well out of reach of young farmers, hoping to **make** a start on a 30 - 50 acres farm. Obviously, the value of these smaller farms has also been greatly affected by the steep rise in house prices this year. One would have expected a flood of farms on the market with the present market conditions, but this has not been the case as there have been generally fewer farms on the market in all sections other than the farms of over 200 acres.

For the future, there would not appear to be any reason to feel the market will drop back by any appreciable amount. There are many disappointed bidders still searching for a farm and the investors are waiting with funds available, for vacant, tenanted, and sale and leaseback purchases.

The stability in the value of agricultural land is the cornerstone of British agriculture, and much of the credit which is granted to the industry is done so purely in the knowledge that the money is safe because it is in land. In our opinion, the present prices will in general be maintained and over a period of years, and we are sure that land prices will continue to rise - but not at the present pace.

One effect that the astronomical price increases have had, is to increase greatly the problem of Estate Duty on the death of a land-owner. In spite of the 45% relief on agricultural land, a person who owns a 500 acre farm and has a mixed arable and livestock enterprise could well have an estate worth between £600-£700,000; and death duties taking into account the agricultural relief, could be in the region of £200,000. Without proper planning, it will be very difficult for the next generation to retain the ownership of family farms and estates.

Current land prices at our Auctions in October and December: Waterbrook Farm, Sevington which extended to 140 acres, together with a farmhouse for modernisation, cottage for renovation, and with some long term development potential due to its proximity to Ashford, realised £116,000 - this being about £830 per acre. Walkhurst Farm, Benenden, a Hop and Stock Farm of 160 acres with a modern farmhouse, 2 good cottages, good buildings, 485 centials of hop quota, realised £160,000 - being £1,000 per acre. During the year, land on Romney Marsh made up to £680 per acre - this was prior to the main increase in land prices! Other parcels of land in the County made between £300 and £550 per acre.

Due to the expansion of the Farm Sales Department, as from the 1st. January 1973 David Chantler and his staff will be operating from the Maidstone office, telephone numbers; Maidstone 52387 and 63689. David Chantler will be available in Ashford on Tuesdays and at any other time by appointment. Due to Town redevelopment in Ashford, we are unable to increase the size of our Ashford offices, and in order that we can increase the size of this Department, this move is necessary. As soon as larger accommodation becomes available in Ashford, the Department will return to Ashford.

GENERAL

In 1972 the overall property market found a situation which has been unparalleled in post war years. The first two months of the year saw a normal market condition with only a gradual say three to six per cent increase upon the previous year but from about March or April there began a dramatic change. Suddenly from having a register of one or two hundred properties for sale from each of our three offices we found ourselves with only a handful and at times we were down to literally one or two properties only to offer. This was brought about by a tremendous demand from all quarters for all types of property which continued for several months and because of the low supply coupled with the general availability of Building Society money a tremendous upsurge in prices took place. During the last two or three months the demand eased slightly and with the supply increasing things have levelled out to a more normal market condition.

During the "boom period" we found it extremely difficult to place a fair value upon properties upon which we were instructed and apart from the normal town houses where prices, albeit increasing, were set we found that a Public Auction was the only fair way of selling property, particularly anything out of the ordinary, and between the months of June and December we conducted 47 very successful Auctions.

In each case we had the pleasure of a packed room with very spirited bidding and nearly always the modest reserves fixed were passed in the early stages. Our next collective property sale has been arranged for the 7th. March, 1973 at the Great Danes Hotel and from the enquiries already being received from the various properties in that sale we can see no reason why this increase in price trend will not continue generally for several months to come.

On the Private Treaty front a similar difficulty was found in deciding upon a fair asking price as property was being sold literally within hours of instructions being received and in many cases we were obliged to invite offers. For a full six month period little negotiating was undertaken and buyers were paying the asking price without any quibble.

Apart from what became a great shortage of property coupled with a good availability of money we suspect that one of the main contributory factors to this massive increase during the year was that the price of residential property generally was lower than that for comparable property in the Common Market Countries and we believe the Country as a whole underwent a catching up process - particularly following the 1971 Governmental freeze Policy.

We are in a similar freeze situation today although finance is still available both for investors and others - based on a good proposition - although it is now taken up at a higher rate. The overall forecast is that within the lifting of the Government restrictions in the Spring a further increase in prices will take place though it is unlikely this will be as dramatic as during 1972.

OAST HOUSES AND COTTAGES FOR CONVERSION

During 1972 there has been a considerable turnover in this type of property brought about by the quite extraordinary property market which prevailed. Because of the unprecedented situation we were determined right from the start of the massive increases to deal with the sale of these types of property by Auction, rather than have unsatisfactory Private Treaty sales and between the months of June and December a total of 16 lots of this type were offered in various sales and in all cases except one all lots were sold very much in excess of their reserves.

During 1971 £8/10,000 was considered as a strong price for an Oast House requiring conversion and many were sold for figures less than this whereas during 1972 £20/25,000 has been readily achieved as an average. For example Goldwell Oast, Great Chart literally unimproved realised £18,500 at Auction and Summerhill Oast, Benenden in a similar condition made £27,000. Demand for Oast Houses has come from speculative builders, Property Companies, investors and private buyers and with the obvious and continual dwindling supply of unimproved properties we know of no reason why the good trade should not continue during 1973.

County Cottages have perhaps been in even greater demand, particularly those with a handful of acres in a rural situation. Again, as each property is improved it is one less to be dealt with in the future and clearly Governmental Discretionary and Standard Grants have helped to step up the demand and ensuing price paid for the unimproved article. The very good trade for these country properties requiring modernisation still continues to be good and already several lots have been entered for our Spring Auctions.

An interesting trend is that Planning Permission has recently been granted on one or two Barns and perhaps we shall see a similar strong movement in this direction.

GENERAL RESIDENTIAL PROPERTY

From the late Spring of 1972 there was suddenly an acute shortage of supply of property and almost without exception all those that came on our books were sold most readily, many times within hours only. Apart from selected Auctions, general property in the lower and middle price ranges were, on the whole, dealt with by Private Treaty and clearly a dramatic increase in price was reflected upon that of previous years.

From March onwards a definite sellers market prevailed but during the latter part of this Summer and early Autumn this swung right round to the buyers benefit but it is nevertheless interesting to note that the same high prices are continually being paid and there remains a very good demand for the right property at a fair price. Of course rising building costs and land prices are contributing towards this on the resale market.

Average prices at December, 1972 are

<u>TOWN PROPERTIES</u>	<u>Ashford</u>	<u>Maidstone</u>
Older type terraced cottage, unmodernised.	£5,750 to £6,500	Similar
Older type of terraced house-modernised.	£7,500 to £9,000	Slightly higher
Modern terraced and Semi-Detached 2/3 bedroomed houses.	£9,250 to £11,500	Similar
Modern detached 3/4 bedroomed Houses	£12,450 to £19,500	£15,500 to £21,000
Edwardian/Victorian Houses	£10,000 to £15,000	Similar
Flats - basic self contained units of modern construction with 2 bedrooms and probably no lift.	£ 8,250 to £10,000	Similar

Note. Bungalows attract a premium - due to shortage - which generally results in £1/2,000 more being paid than for an equivalent house.

COUNTRY

Ashford. Maidstone & Tenterden

Improved terraced and semi-detached Cottages.	£ 7,500 to £11,250
Improved Detached Cottages.	£12,000 to £18,000
Small Country House.	£14,000 to £22,000
Family Country Houses with an acre or two from	£30,000 upwards.

The price of these generally increases as one gets closer to London. There is a particularly strong demand for this type of property which is currently in very short supply and when available excellent prices have been achieved and will clearly continue through 1973 whether sales be achieved by Auction or Private Treaty.

Country Houses have been sold from our Ashford, Maidstone and Tenterden Offices and particulars of most properties are distributed to each of these three offices. In overall charge of the property department is Mr. R. W. Pocock who works with two negotiators at Ashford, two at Maidstone and one at our Tenterden Office.

COMMERCIAL PROPERTY & LETTINGS

Despite the rise in land and property prices during the year there has been no significant changes in the general situation and land for all purposes continues to be in short supply and keeping prices high. There seems to be little hope of land being released in the South East and Kent in particular in sufficient quantity to make a significant impact on the market. As was to be expected industrial land values have shown the least growth rate.

Industrial premises of 5,000/10,000 sq. ft. have a ready market but there is little available. There is a resistance to premises 'off the beaten track' due to the fact that once off main routes the roads become country lanes and unsuitable for large vehicles. Storage premises, therefore are sought where immediate communications are good apart from agricultural storage.

There is a continuous demand for shop premises of all types and locations although some units on neighbourhood shopping centres are difficult to move once the convenience trades are covered.

The demand for the firm's professional expertise is growing with a number of large industrial appraisals having been carried out with more in the pipeline. Our advice is being sought on various projects some long term which will be rewarding in the future.

BUILDING LAND

Building Land, that is with Planning Permission for residential development, has been sold in quantity in 1972 perhaps as much as at any time since the War. There has been a tremendous demand for all types of land with Planning ranging from single plots to the parcels of several acres. All prices have risen continually during the year and are still rising fast and during the March to September period have more than doubled.

In the early part of the year a single plot at Bilsington made £3,600 at Auction. Whereas in December a plot for one dwelling at Shottenden, Nr. Chilham sold for £12,250. During the year we sold 16 plots at Auction, - the majority being in village situations which contributed to the excellent demand. Larger plots of land, sold with Planning Permission, averaged in the region of £40/60,000 an acre.

There has also been a strong demand for 'White' Land - that is land without Planning Consent but on the periphery of a town or village. Developers and long term investors have created a price per acre from £4/15,000 depending on situation and at this price they are prepared to deal with all aspects of Planning and negotiations thereon and will cover the entire costs of this themselves.

INVESTMENT PROPERTIES

Again the demand for these has been unprecedented resulting in very high prices being obtained. The basic town tenanted cottage has risen from hundreds to thousands over the year and whilst in 1971 this type of investment might have attracted a ten per cent return or more it now reflects something like one to two per cent. Examples of the low return accepted is The Meeting House, Smarden let and producing £26 p.a. which sold at Auction for £9,500 - a return of 0,3% and John Cocks Farmhouse, Mersham let at £80 p.a. which sold for £8,000 exactly 1%.

Blocks of flats and other general residential investments were in 1971 producing probably twelve to fifteen per cent gross (and much more in many places) and they are now down to seven or eight per cent gross or even less. Money is still available for this type of purchase, although a higher rate of interest, and this supports a continual rising market.