

Outlook

CURRENT NEWS AND VIEWS ON ISSUES AFFECTING LAND & PROPERTY

AUTUMN 2025

Inheritance Tax Reforms - Preparation is Key

Sadly, despite months of lobbying, marching and a consultation of sorts, the Government remains steadfast in its approach to the capping of Agricultural and Business Property Relief (APR and BPR). They have recently published (21st July 2025) the 2025/2026 Finance Bill which doesn't budge an inch from the proposals first mooted in the Autumn Budget.

As a brief summary, the new regime which would apply from 6th April 2026 comprises:

- In addition to existing nil-rate bands and exemptions, a new £1 million allowance will apply to the combined value of property in an estate qualifying for 100% business property relief or 100% agricultural property relief.
- Relief at the lower rate of 50% will apply to the value of any qualifying relievable property over £1 million. Combined with the nil-rate bands, this means a couple could pass on up to £3



million tax-free between them.

- A £1 million allowance will also apply to the combined value of relievable agricultural and business property in trusts.

- The option to pay Inheritance Tax by equal annual instalments over 10 years interest-free will be extended to all property which is eligible for agricultural property relief or business property relief.

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Government remains steadfast in its approach



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Land market remains resilient but IHT changes cast a shadow



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In essence, this means that once your Nil Rate Band of £325,000 is exceeded, the first £1 million of your farming estate will gain 100% relief, and so be tax free. Any assets thereafter are subject to an effective tax rate of 20%, on EVERYTHING. This could include land, buildings, houses, but also tractors, trailers, fertiliser, hay, straw and even the cattle, sheep, or pigs.

With the price of fertiliser where it is and strong livestock prices the value of the day-to-day business assets can also mount up and it won't take much to exceed the £1 million cap. The Chartered Institute of Taxation in their article of 2nd May 2025 warned "A working farmer with equipment and livestock is likely to be impacted to a much greater extent than a passive investor who simply owns land for grazing or letting. If a farmer has to sell off some fields or livestock to meet an IHT liability the farm may no longer be a viable business."

A farming couple may be able to shelter up to £3 million, but only in certain circumstances.

A Call to Action

If these new limits impact you or your family, now is the time to consider your next steps, as April isn't far away.

Step 1: Every family, and every farm is different, and the best starting point is to try and reach agreement on what the future of the family farm looks like.

Step 2: Then have an understanding of the value of the taxable property.

Step 3: Engage with your trusted advisors to set up succession strategy.

Our trusted, experienced and local Valuation Team can assist with providing up-to-date market values of property and land in addition to providing values of the business assets to include livestock and deadstock.

Many of the team grew up on family farms and wish to see them continue and prosper. To discuss whether we can assist you, your family or your business further please don't hesitate to give us a call for a friendly, confidential and no-obligation chat.



Vicky Hutton-Squire
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Navigating Utility Schemes

When utility companies undertake large infrastructure projects and need access to land for schemes such as laying pipelines or installing power lines, it can lead to significant disruption. While these works are necessary, they can often disrupt farming operations, reduce productivity and cause long-term issues if not properly managed. If your land is affected, it is important that you engage with the utility company early to enable any concerns to be addressed and incorporated into the scheme where possible.

1. Service of Notices

Where a utility company has statutory powers for entry, they are required to serve formal notices under the relevant legislative powers, such as the Water Industry Act or the Electricity Act. These documents can be complex, but we can review them on your behalf to ensure they have been served properly, advise on their implications, and respond appropriately.

2. Access & Management

It is important that access routes, working methods, reinstatement plans and timescales are negotiated and agreed early to minimise disruption. Where possible, we try to ensure works are undertaken during the summer months to avoid damage to crops and alleviate compaction. This is not always feasible so it is important to ensure that working methods and reinstatement strategies are definitive and clear amongst all parties.

3. Disturbance & Reinstatement

Once the works are complete, land should be returned to its pre-entry condition. We can liaise with the utility company and their contractors to ensure this is carried out correctly, in accordance with the condition of the land, in order to give it the best chance to recover.

4. Compensation

When submitting a compensation claim, we will take into account crop loss and future losses, additional reinstatement costs, lost income from environmental schemes and your time spent dealing with the matter. Depending on how the new apparatus is documented, you may also receive a one-off consideration payment in return for the grant of permanent rights over a specific area of your land.

5. Professional Fees

In nearly all cases, utility companies will cover your reasonable surveyor and solicitor fees incurred in connection with the works.

Often utility works cannot be avoided, but there are ways in which we can assist with reducing the impact, ensuring full reinstatement and securing appropriate compensation on your behalf. Please do not hesitate to contact me if you would like to discuss a proposed or current scheme.



Charlotte Bromley
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Capital Grants: Be Ready



High volumes of applications saw the 2025 round of Defra's standalone Capital Grants scheme close on 1st August, less than a month after opening, disappointing many who were mid-application. At the time of writing, Defra's blog reports that a new round will open "during 2026".

Given how quickly funds ran out this time and that another round does appear to be in the pipeline, we are recommending that potential applicants take time over winter

to consider what they would like to apply for, quantities, and where (by parcel), to cut submission time once the new online application is available.

We expect the next round to contain much the same options as this one. Common choices are new hedgerows, fencing, gates and water troughs/pipework, but the list is extensive and can be searched online by Googling "capital grants finder".

For more information or advice in anticipation of the next round, please give us a call.



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Dates for your Diary



**Romney Marsh
Ploughing Match
Sunday 7th September**

**Weald of Kent
Ploughing Match
Saturday 13th September**

**East Kent
Ploughing Match
Wednesday 24th September**

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Our valuation team have the knowledge and experience to value a wide range of property types throughout the South East.

All our valuers are RICS Registered Valuers meeting the globally recognised highest valuation standards and can provide RICS "Red Book" valuations which are required for most professional property valuations.

Our Valuers can assist with valuations for all key purposes including:

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Secured Lending

Pension Funds

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Development Appraisals

Sales, Purchase, Gift and Asset Transfers

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Cautious Optimism for the Farmland Market

The farms and land market remains resilient as we head into Summer 2025. Land as a long-term, inflation-proof asset remains strong. Having said that, recent political developments centring around the proposals for reduction in APR and the decline of government support are starting to cast a longer shadow over succession planning and agricultural investment.

The market remains underpinned by strong demand and limited supply. Good quality arable land continues to command between £11,000 and £13,000 per acre, with premiums paid for accessible blocks and equipped farms with buildings. This

was particularly evident during the sale of Harrison Farmland at Charing, a 90-acre block of Grade I and II arable land, which after competitive bidding from local farmers and vineyards is now under offer well in excess of the guide price of £10,500 per acre.

Marginal ground still remains in demand with particular interest for carbon, rewilding initiatives or mitigation purposes.

Looking ahead, the farmland market is expected to remain stable. With the changes proposed to APR due to come into effect from April 2026, we are likely to see more land come to the market.

We have some excellent instructions in the pipeline, including the sale of Land at Harlakenden and Coleham Farms, Woodchurch. The farms comprise 390 acres of Grade III arable land on the rural outskirts of Ashford. The land will be marketed as a whole or in up to 5 lots with a combined guide price of £3,450,000 - £3,700,000.

If you are considering selling or restructuring your farm or land, please get in touch, on a confidential basis.



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Land at Harlakenden and Coleham Farms - Lot 1



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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.

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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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