

# Outlook

CURRENT NEWS AND VIEWS ON ISSUES AFFECTING LAND & PROPERTY

SPRING 2025

## IHT - Addressing the Challenge

**As the dust settles in the wake of the tumult generated by the Autumn Budget - on top of a year of poor weather and the threat of disease - it is now time to take stock, with a view to making a plan for the future.**

The revised Inheritance Tax regime represents a new and significant challenge to farm businesses – arguably the biggest tax raid in a generation. More so now than ever, reasoned advice will be key in determining the way around this new and unforeseen set of hurdles.

The finer details of the changes to agricultural and business reliefs won't be known until later – a technical consultation is planned to start in “early 2025”, a Financial Statement expected on March 26th, and the Finance Act expected around July – so we don't yet have the answers to many detailed questions.



While it is possible that the Budget proposals may change, this has to be treated as unlikely, and the Government has to date given no indication that this will happen.

As such, it's advisable for each farming business to treat recent events as impetus to begin to carefully consider the position it is in.

**A good starting point will be to assess:**

- Who owns what in terms of land and assets?
- What is the Market Value of those items?
- Who has what liabilities?
- How does each party's income arise from the business?

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# AMC

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# Big Premiums Paid for Environmental Land..?!



Now that's got your attention, one of the hot topics of the moment in the Ashford area is the impact of development and achieving nutrient neutrality in the Stour Valley river catchment, to stop the deterioration of water quality at Stodmarsh.

There are various ways to do this. For those unable to achieve this on-site as part of their masterplan for the overall development, there is the opportunity to

offset any impacts through the purchase of credits generated on "improved" land elsewhere. This improved land has to meet certain criteria specific to each development's requirements, but in short, ideally needs to be arable land (as it's easier to ecologically enhance) located within the Stodmarsh River Catchment. Several well-funded companies appear to have sprung up specialising in creating these habitats to generate credits and have been offering quite handsome

sums to the landowner who meets the specification.

Despite the activity, we haven't seen many of these approaches reach fruition. Invariably, the devil is in the detail. Whether you have been approached to consider a sale, or alternatively granting a long-term Farm Business Tenancy, there are a number of variables to consider, particularly for those seeking to retain the land and to rent it out. Whilst the headlines revolve around sale price/market rent, there are tax considerations, insurance cover, third party commitments (do you have to personally sign a Section 106?), and management responsibilities to assess.

Like a glitzy tabloid headline, some of these arrangements have been known to fold under scrutiny! There is no doubt - with the development proposed in the region - for a few there is a huge opportunity. Each case needs to be carefully assessed on its merits and the aspirations of the landowner.



**Vicky Hutton-Squire**  
Director  
01233 506201

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## From here:

- What are the asset owners' objectives?
- Where does the family want to be in 10 years' time?
- What is the age and health status of the key parties?
- Who is or could sensibly be involved in the business?

Since 1992 - when full relief for agricultural property was introduced - it has been good tax advice to hold assets until death. Many will have carried out estate planning with this in mind.

This planning is unlikely to have been rendered totally obsolete, as the 'tests' for the reliefs are unchanged, but how the assets are held will need to be looked at.

It is important to note that the basic £1 million limit applies to the combined agricultural and business property owned by the deceased, less liabilities.

Machinery and live and deadstock now count towards the total, together with less tangible items like tenancies and renewables. An indicative valuation of all assets is strongly advised to help kickstart the planning process.

The approach for each farm business to respond to the new environment will be individual - whether by gifts, restructuring, succession or by other planning.

Attitudes to inheritance will vary - whether that is to protect the future of the family farm, or ensure equality of gifts to successors.

Hobbs Parker's team of professional valuers are keeping abreast of developments and are ready to consider each client's situation in the round.

We will work with you and your other professional advisors to help protect your farming future.

## Valuation Team



**Matthew Sawdon**  
Director  
01233 506201



**Sophie Walker**  
Senior Chartered Surveyor  
01233 506201



**Vicky Hutton-Squire**  
Director  
01233 506201



**Karen Ross**  
Chartered Surveyor  
01233 506201

# Hobbs Parker - 175 years



This year marks a significant milestone for Hobbs Parker, celebrating 175 years in business.

## 175th Anniversary

The roots of the business and the services offered have always been closely linked with the rural and farming community and we are pleased that this remains the case today.

Hobbs Parker continues to hold weekly livestock auctions and at our core remains the buying, selling and managing of rural and residential property.

We have a long history of building strong relationships with our clients and professionals and this is something that continues to be an important aspect of our approach.

Over the years as farming businesses have had to adapt and change, the services that

the business offers have also had to evolve, ensuring that what we offer meets our clients' needs, embracing change whilst keeping our core values and being a trusted advisor.

Agriculture and farming has always been a resilient sector and despite these challenges, I am confident that businesses will evolve and embrace the future.

We are grateful for the loyalty shown by our clients and the commitment from all of those working at Hobbs Parker, past and present.

We look forward to working with existing and new clients going forward.



**Jon Rimmer**  
Group Chairman  
01233 506270

## New SFI Endorsed Actions Announced

At the end of last year Defra announced 14 new draft endorsed actions for the Sustainable Farming Incentive, expected to be available from Summer 2025.

Endorsed SFI actions are specific actions which target certain priority habitats, species or heritage features.

These actions need to be approved by Natural England or Historic England who will check that the land is suitable for the action. Currently, there is one endorsed action available, GRH6: Manage priority habitat species-rich grassland, which offers £646 per hectare per year.

The additional 14 actions are targeted at:

- Farmland wildlife and habitats on grassland including wet grassland and floodplain meadows
- Orchards
- Heritage sites containing a scheduled monument
- Wood pasture and parkland
- Coastal habitats
- Waterbodies



These new actions are planned to become available at the same time as the Countryside Stewardship Higher Tier opens for applications, and Defra say they have shared these actions in draft early to help show how the SFI scheme will sit alongside the Higher Tier scheme.

After applying, agreement offers will not be made until the endorsement is granted.

Due to the time it may take to receive approval for endorsed actions, it is recommended to apply for endorsed actions under a separate agreement.

Please contact me for further details.



**Karen Ross**  
Chartered Surveyor  
01233 506201

## Dates for your Diary

### SHOWS

**5th March 2025**  
Farm Expo, Detling

**24th May 2025**  
Heathfield Agricultural Show

**13th September 2025**  
Weald of Kent Ploughing Match

**24th September 2025**  
East Kent Ploughing Match

### FARM DISPERSAL SALES

**14th March 2025**  
Intercrop Ltd Farm Dispersal Sale - Betteshanger, Deal

**29th March 2025**  
Holborough Shoot Dispersal Sale - Upper Halling, Rochester

For more details of Hobbs Parker sales visit:  
**hobbsparker.co.uk**  
or call **01233 502222**



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# Predictions for the 2025 Farms and Land Market



Little Forsham & Little Thornden Farm, Rolvenden. Farmhouse, buildings and 165 acres pasture land. Sold in 2024 in excess of £2.35m guide price.

## The national farms and land market last year was the most active for some years.

This was partly influenced by a General Election and the anticipation of CGT changes in the Autumn Budget, alongside debt serviceability and pressures on margins from input costs and reducing subsidy payments.

This however was met with solid demand, with prices holding firm, despite fewer farming buyers in the marketplace.

Looking ahead to 2025, the proposed

amendments to Agricultural and Business Property Relief may influence some buyers and sellers in the marketplace.

It is possible that supply will reduce as vendors take stock of the proposed reforms.

Whilst it is too early to predict the impact of these changes, we are not expecting values to change noticeably this year and expect farm and rural property to continue to attract significant interest from a wide range of buyers.

Farmers and landowners with roll-over

funds from development continue to be very active in the marketplace and seek the larger commercial opportunities.

With interest rate pressures easing, borrowing may become more attractive to buyers.

We have a strong pipeline of new instructions to bring to the market in 2025.

If you are considering selling your farm or land then please contact a member of our farm agency team to discuss your plans in confidence.

## Farms and Land Agency Team:



**James Hickman**  
*Director*  
01233 506260



**Matthew Sawdon**  
*Director*  
01233 506201



**Jon Rimmer**  
*Group Chairman*  
01233 506270



**Sam Snart**  
*Managing Director*  
01233 506201



**Vicky Hutton-Squire**  
*Director*  
01233 506201

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.

**Hobbs Parker Property Consultants LLP**  
Romney House, Orbital Park, Ashford, Kent, TN24 0HB

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.

Call 01233 506201



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