

Outlook

CURRENT NEWS AND VIEWS ON ISSUES AFFECTING LAND & PROPERTY

SPRING 2024

Biodiversity Net Gain Comes Into Force

Recently, French farmers set light to tyres on the motorway, protesting at, among other things, the burden being placed on them to manage their land for environmental purposes rather than for producing food.

From 12th February 2024, on major development sites and 2nd April on small sites, Biodiversity Net Gain becomes a legal requirement. Any new development will be required to provide a net gain in biodiversity of 10%. Some local authorities have pledged to go further, up to 20%.

This has come about under the Environment Act 2021 and it is intended to help nature recover in England and to provide better places for people to live and work. Part of the reason for this is the alarming loss of wildlife in the UK. Comprehensive studies have shown that nearly one in six species is at risk of disappearing from Great Britain and since the studies began in 1970, UK wildlife has reduced by 19% overall.



This figure is much higher for birds at 43%. There are noticeably fewer birds in the countryside and for sure there are fewer squashed bugs on my windscreen.

The Government has decided to be the first country in the world to require all development to increase biodiversity.

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That is a difficult thing to argue against and I for one, am right behind the principle. But how does it work?

Any new development will have to establish the baseline using the Biodiversity Metric, which includes habitat size, condition and distinctiveness - then work out how to provide the 10% BNG and submit it for approval.

The Mitigation Hierarchy requires that biodiversity is to firstly be protected where possible, then provided on site, or if that's not possible then off-site.

And that's where you might become interested.

You may have heard about developers paying farmers to plant trees and hedges and return arable land to grassland or wetland. This is the business of providing off-site credits. This could well offer a financial opportunity if you can work out the legal agreements (you will have to sign up for 30 years) and then how to receive the money without losing too much in tax or losing your Inheritance Tax relief (waiting on guidance from HMRC). It's complicated!

I'm considering it on my own little farm. But I think I am going to wait and see how the market settles. We have already seen credits and land being made available but we need to be mindful that it is a supply and demand market.

In all of the development agreements we are involved in, the developer or promoter has been factoring in the need to deliver mitigation for some time.

I think the demand may well be less than some think. Brownfield sites and arable land have low biodiversity to start with and a 10% gain is relatively easy to provide on-site.

I think it might be smaller, more specialist habitat creation that might be the thing to go for, on corners of the farm where overall food production is not adversely affected.

Maybe, just maybe, farmers can still do the bit that they enjoy and produce food whilst helping UK wildlife to recover at the same time and make a shilling or two as they do. I'm happy to chat if you would like to give me a call.



Bill Lightfoot
Director
01233 506234



SFI Update

The Sustainable Farming Incentive (SFI) is now well underway with many clients benefiting from the scheme with agreements in place and first payments received.

The current actions on offer were recently bolstered by an announcement of new actions which will be available from summer 2024. Defra also announced a more streamlined application service with one portal for both SFI and Countryside Stewardship.

Payment rates were revised with an average increase of 10%, with some benefiting more than others, for example AHL2 – Winter Bird Food on arable land was increased from £732 to £853 per hectare per annum. It should be noted however that not all actions were revised with many remaining the same. The increase applies to all new and existing SFI and Countryside Stewardship agreements.

The announcement in January stated 50 new actions would be available for summer 2024, with improvements for all farming types in particular Grassland and Moorland. After consultation, Defra have improved the offering to include 'maintenance' actions for those already protecting the environment.

Alongside this there will be actions for precision farming where technology is used to target farming activities and reduce the use of costly pesticides or fertilisers.

Examples of new actions include 'Managing species-rich floodplain meadows' with a payment rate of £1,070 per annum, 'Nesting plots for lapwing' with a payment of £765 per annum, and 'Managed features on arable land for flood and drought resilience and water quality' with a rate of £1,241 per annum.

Further details on how these actions will work are still to be released, however what is clear is that Defra appear to be taking on board the feedback from the current scheme and adapting the actions to reflect the needs of the scheme users.

For more information or advice on the Sustainable Farming Incentive scheme, please contact Tom Hamplett or Sophie Walker.



Thomas Hamplett
Chartered Surveyor
01233 506201



Sophie Walker
Chartered Surveyor
01233 506201

Further Funding Opportunities



Improving Farm Productivity Grant Round 2 - Application Deadline Approaching

Round 2 of Defra's Improving Farm Productivity Grant is available for farmers, horticulturalists and contractors and will provide funds for capital items to improve farm and horticulture productivity, the environment and innovation.

The grant can fund up to 50% of the costs of Farm Productivity Equipment and/or up to 25% of the cost of solar PV Equipment.

Items available include:

- robotic or automatic equipment and systems to aid crop and livestock production
- wavelength specific LED lighting for horticultural crops
- advanced ventilation control units
- solar photovoltaic (PV) systems

For Farm Productivity Equipment the minimum grant available is £25,000 and the maximum available is £500,000.

For Solar PV funding the minimum grant available is £15,000 and the maximum grant available is £100,000.

The maximum grant if applying for both is £500,000 per applicant business.

Deadline for Stage 1 of the application process is 21st March 2024.

Rural England Prosperity Fund - Wealden and Rother Districts

The Rural Prosperity Fund is now open for rural businesses in the Wealden and Rother District Council Areas. The grant aims to support small to medium sized rural businesses to grow and increase their productivity and includes farm diversification projects.

Grants of between £2,500 and £50,000 are available to cover up to 50% of the cost of capital projects. Capital projects includes tangible items such as machinery, equipment, work vehicles and adaptations to premises.

The fund closes for applications on 31st December 2024, or when all funds have been allocated.



Karen Ross
Chartered Surveyor
01233 506201

Property Consultants

RURAL LAND AND PROPERTY

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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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- Family and Matrimonial Disputes
- Expert Witness Reports
- Estate & Tax Planning
- Development Appraisals
- Sales, Purchase, Gift and Asset Transfers
- Charities Act Compliance
- Annual Farm Stocktaking

Come and meet the team at:
Farm Expo
6th March
Heathfield Show
25th May



Matthew Sawdon
Director
01233 506201



Sophie Walker
Chartered Surveyor
01233 506201



Karen Ross
Chartered Surveyor
01233 506201

01233 506201

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Hobbs Parker Property Consultants LLP

Romney House, Orbital Park, Ashford, Kent TN24 0HB

Email: consultants@hobbsparker.co.uk

Farmland Prospects for 2024

2023 was a record year for our farms and land agency team, completing on over £30 million of on- and off-market sales.

A highlight included one of the most significant open market sales in Kent in recent years - Queens Farm, Kings Farm and Ifield Place totalling about 750 acres which completed well in excess of the £7.5 million guide.

2024 has got off to a solid start and we have some excellent instructions in the pipeline, including a residential livestock farm on the High Weald and a block of arable land close to Ashford, both launching later in the Spring.

Looking ahead, demand for farmland remains high and there is a significant amount of rollover money still looking for a home and increasing interest from natural capital markets. Whilst some reports are suggesting that land prices may be levelling off, here in the South East the supply and demand imbalance remains.

Having said that, if the volume of land sales starts to increase beyond demand capability, then there is a possibility that prices may start to fall back. With 2024 being the first year without BPS payments – although there will be diminishing de-linked payments for the next few years – this is likely to put some farmers under pressure, particularly those facing higher borrowing costs and squeezed margins.

This year is almost certain to be an election year and all major parties have mentioned potential changes to Capital Gains Tax (CGT) and Business Asset Disposal Relief (BADR), which have significant implications for farmland. Change is likely to come and if it does, it won't be positive and therefore we could see more land coming to the market before these changes are implemented.

Agricultural Property Relief (APR) may also be on the agenda, and the removal or reduction of existing tax reliefs will have a significant influence on potential demand in the market.

If supply remains subdued, we expect farmland values to be sustained, or perhaps increase slightly throughout the year. Now could be seen as a sensible time to sell. Taking specialist advice and targeting the correct market will be crucial to achieving a successful outcome.

Please contact us for confidential expert advice.



Jon Rimmer
Chairman
01233 506270



Sam Snart
Director
01233 506201



Matthew Sawdon
Director
01233 506201



James Hickman
Director
01233 506260

Meet the Team

In this issue we meet...



Isabelle Adaway

Senior Planning Consultant

We are delighted to welcome Isabelle Adaway to the Hobbs Parker Property Consultants LLP team.

Issy has joined the firm as a senior planning consultant and will work alongside our existing planners, Steven Davies and Elizabeth Welch.

Issy has over eight years of professional experience working as a Planning Officer in the Planning Departments of two Kent-based Local Planning

Authorities. Her time in the public sector was spent working within Planning Policy, Development Management and Strategic Applications teams.

These roles enabled her to build up an extensive knowledge of the local area and provided an opportunity to work on a variety of projects, including residential, commercial, retail, and educational schemes, and she will be a valued member of the planning team. Outside of work, Issy enjoys spending time with family and friends, playing badminton and attempting the occasional bit of baking!

Jon Rimmer MRICS FAAV
Group Chairman
jon.rimmer@hobbsparker.co.uk

Sam Snart MRICS FAAV
Managing Director
sam.snart@hobbsparker.co.uk

Matthew Sawdon MRICS FAAV
Director
matthew.sawdon@hobbsparker.co.uk

Vicky Hutton-Squire MRICS FAAV
Director
vicky.hutton-squire@hobbsparker.co.uk

Bill Lightfoot MRICS
Director
bill.lightfoot@hobbsparker.co.uk

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.

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