

Batcheller
Monkhouse

Issue 21

Rural Outlook



Our Corner of England

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carbon market

A new era for farmers

Regenerative
Agriculture

Moving to the mainstream

No time to lose

Taking action on climate change

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A boom time for landowners?

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Another year of challenges

Dear Reader,

Yet again I am left wondering quite what the world can throw at us. The past 12 months have presented huge issues, both personal and professional, for everyone. Trying to manage one's property and business in this climate can be a headache to say the least. We live in a time of great change: the challenge is to recognise this as an opportunity, not a threat, and use this time to unlock the potential of your property and business.

The year has again seen an increasing focus on environmental issues, an area where agriculture continues to show leadership after setting out its ambitions to achieve net zero, ten years ahead of the Government's own target date of 2050. Farmers have always been early adopters and the response to climate change looks set to be similarly far-sighted.

In the meantime, those who are fortunate enough to have land near to an existing conurbation could perhaps boost their incomes by selling land for housing, in response to the demand that shows no signs of abating. The Government's drive to build more homes could radically change the landscape and will not be without significant impact, which will not be welcomed by all.

The question that needs to be answered, of course, is how this is all going to be funded as it seems likely that a review of CGT and IHT cannot be far away. This should be uppermost in the minds of family farm businesses and will need careful planning and good advice.

On the subject of taxation: I am impressed by the idea of the 'rural business unit' as put forward earlier this year by the Country Land and Business Association (CLA).

The suggestion is that a business which undertakes agricultural, environmental, forestry and/or heritage activities together with other interdependent commercial activities could elect to be taxed as a single entity – a 'rural business unit' – with new commercial and environmental activities included. The CLA believes these proposals would allow greater freedom of investment within rural businesses, leading to productivity growth and more tax paid to the Exchequer, more income available for environmental protection and conservation, and more jobs. I find myself in favour.

The South East is also enjoying a boom in demand for homes and for commercial rental property as a result of the Covid-19 pandemic, with many families looking for a more rural location and some businesses considering smaller regional hubs, as opposed to town centre offices. There is positive news on holiday lets, too, with staycations all the rage.

After a year – indeed, several years – of challenges, the team here can see plenty of opportunities ahead. I hope the information in the following pages will alert readers to those opportunities and provide some worthwhile advice on how to make the most of them.

Yours faithfully

Leo Hickish

Chairman and Partner



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10 points to note

Toby Trotman casts his eye over ten key issues currently facing the Batcheller Monkhouse community of property owners, farmers, estate managers and rural business owners.

1



Bigger masts offer hope

The Government wants to allow existing and new mobile phone masts to be increased in size in order to improve rural connectivity.

It has proposed to allow them to be five metres taller and two metres wider, a change that would improve 4G connections in rural areas as well as helping with the roll out of 5G – particularly useful in areas where fast broadband still seems little more than a dream.

While the change would give the masts increased presence on landowners' property, the improved coverage would allow businesses to operate from rural locations and potentially enable landowners to diversify into offering business units with decent connectivity.

2

bTB vaccination trials

A new bovine tuberculosis (bTB) vaccine and associated test could be in place by 2025 after the Animal and Plant Health Agency awarded a Leeds-based veterinary practice a contract to carry out phase two trials, beginning in February 2022.

While it sadly won't be developed as quickly as the Covid-19 vaccines, the possibility of an effective vaccine will be welcomed at a time when current Government measures are failing to check the spread of bTB across the country.

Currently in the South East, Kent and West Sussex are within low risk areas, while East Sussex is in an 'edge' area. Given current trends, it is not difficult to envisage both Kent and West Sussex becoming 'edge' areas if nothing more is done.

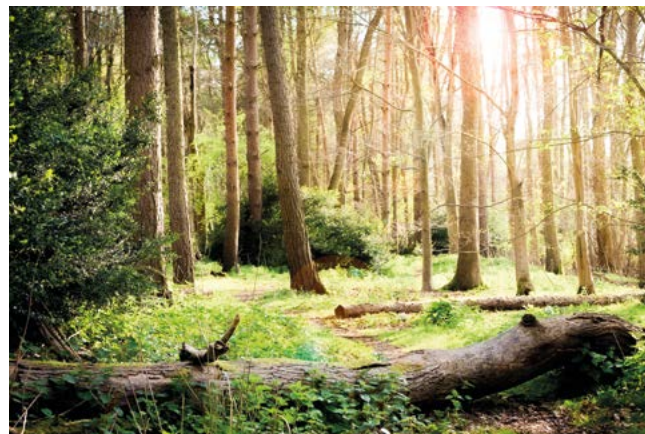


3

Forestry values and trends

Conifer timber prices appear to be recovering from the large drop seen in 2019. Standing prices rose 1% in the year to March 2021, reaching an average price of £31.03 per cubic metre, similar to 1997 levels.

Softwood sawlog prices are up 15.4% in the six months to March 2021, reaching an average price of £67.70 per cubic metre. Prices have been increasing steadily since 2012, again reversing the fall seen in 2019/20. It is difficult to judge whether or not these prices will hold, since the Government's commitment to meeting increasingly tough climate change targets is likely to see more and more land being placed into forestry schemes.



4

Evictions ban lifted

Residential landlords have been able to serve tenants on assured shorthold tenancies (AST) with four months' notice to quit since 1 June, after the protection provided by the Coronavirus Act 2020 came to an end.

While the threatened removal of 'no fault' notices to quit has not materialised, landlords should consider this prospect carefully, especially where they need possession to undertake improvements or redevelopment.



6

Demand for rural office space

With demand for rural office space increasing in response to the Covid-19 pandemic, farmers with redundant buildings are well placed to take advantage of permitted development rights and provide rural office space for businesses looking to move out of cities and towns.

As rural connectivity steadily improves, an increase in the number of businesses looking to take advantage of rural office space is inevitable. Batcheller Monkhouse can advise farmers on how to best meet this increased demand.



5



Investing in farming

The Government's recently launched Farming Investment Fund aims to support innovation and productivity by providing grants to support investment in equipment, technology and infrastructure.

Modern farm machinery can be a high risk investment for farmers, especially when margins are small, and so the new fund will aim to break down those barriers as well as supporting young farmers trying to start out in the industry.

The fund covers a wide range of eligible investments, from on-farm water storage to robotic and AI technologies.

7



Electrical Safety Standards 2020

A reminder that the Electrical Safety Standards in the Private Rented Sector (England) Regulations 2020 came into force just over a year ago, on 1 June 2020.

They require landlords to have electrical installations in their properties tested every five years by a qualified electrician. A copy of the Electrical Installation Condition Report must be given to a tenant before the tenancy begins.

Batcheller Monkhouse's dedicated high street and rural lettings and management department can provide further information.

8

More on ELMS

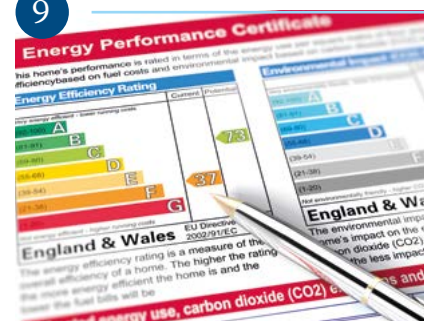
The much-heralded Environmental Land Management Scheme (ELMS), designed to help the Government deliver on its 25-year environmental plan, will be split into three components - the Sustainable Farming Incentive, Local Nature Recovery and Landscape Recovery.

Under the scheme, farmers and landowners will be encouraged to provide public goods such as thriving plants and wildlife, clean and plentiful water, clean air and mitigation and adaptations to climate change. The components are currently being trialled, with rollout planned from late 2024 until 2028.

Batcheller Monkhouse is encouraging farmers and landowners to take advantage of Countryside Stewardship schemes to give them a springboard to ELMS in due course. These will be available until 2023 for agreements starting in 2024.



9



Energy bar is raised

Under the Minimum Energy Efficiency Standard Regulations, since 1 April 2020 all properties within the private rented sector have needed an Energy Performance Certificate (EPC) of Band E or above to be legally let, unless a valid exemption is in place.

The Government is now consulting on raising the minimum EPC requirement to Band C before 2030 as part of its target to reduce greenhouse gas emissions to net-zero by 2050.

Landlords should start planning now and take positive action to improve the EPC performance of their properties or register a valid exemption if they can't do so.



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10

Retirement could be an option

With the Agricultural Act 2020 now law and DEFRA's Agricultural Transition Plan in place, the Government is consulting on plans for a better and fairer farming system in England through a 12-week consultation on changes to the Basic Payment Scheme (BPS) focusing on the lump sum exit scheme and de-linked payments.

The exit scheme involves offering farmers a lump sum payment to help them retire or leave the industry in a planned and managed way. The consultation will look at eligibility criteria and how the value of the sum will be determined.

Future payments under BPS will no longer be linked to how much land a farmer has. BPS is being phased out over a seven-year transition period and the consultation will seek views on how those de-linked payments will be calculated during this period.

The Government hopes this will simplify matters for farmers while they link the future of rural payments to environmental benefits and the sustainability of their operations, something that will be encouraged by the new Environmental Land Management Scheme.

Demystifying the carbon market

“It might feel a bit like jumping off a cliff, but with the right advice it can be absolutely the right decision.” Batcheller Monkhouse associate partner Charlotte Pearson-Wood knows that some farmers and landowners are understandably cautious about the business opportunities created by carbon capture but believes they are well worth investigating.

And while the likes of regenerative farming, carbon storage and biodiversity net gain are still comparatively new concepts, Charlotte is convinced that they will soon be mainstream.

“This is a time of transition,” she explained. “It all seems new at the moment, but within a couple of years this focus on reducing our carbon footprint and working more closely with nature will be the new ‘business as usual’. The important thing farmers and landowners need to do now is prepare for change and make sure they don’t get left behind.”

And for Charlotte, whose role at Batcheller Monkhouse focuses on rural and environmental issues, getting ready for change includes encouraging landowners to take reliable professional advice before making any major business decisions.

“Farmers need to be aware of the new opportunities that are coming over the horizon, but they also need to take advice before accepting them at face value,” she explained.

“When it comes to new areas, such as selling carbon credits in what is a new and unregulated market, landowners will need to make sure the deal on offer is sound and is the best one available. As with all new opportunities, there will be plenty of sharks in the water.”

Within a couple of years this focus on reducing our carbon footprint and working more closely with nature will be the new ‘business as usual’.

The first challenge for farmers and landowners looking to take advantage of the opportunity to store carbon in their soil, meadows or trees is knowing how to measure it accurately. “There are some good tools out there that will allow you to measure your own carbon footprint, along with specialist companies that will carry out an in-depth carbon audit of your land.



“Clearly, without knowing your starting position it is very difficult to show any improvements and without knowing how much carbon you could sequester it is difficult to sell that capacity to buyers looking to offset their own carbon footprint,” she said. “Take advice, find the right tool for your own business and then plan how you can benefit from the growing market in carbon.”

While the concept of ‘selling’ carbon storage may not be the easiest for everyone to grasp, it is essentially “just a commercial deal,” as Charlotte explained.

“At Batcheller Monkhouse we have a huge amount of experience in negotiating commercial deals across the board – from solar parks to housing developments. Selling carbon is no different at the end of the day and we have the skills to help and advise anyone who wants to take advantage of the opportunity.”

Charlotte has a word of warning for anyone who thinks that tree planting alone is the answer to carbon capture and storage.

“Species rich grassland can be just as important as trees and planting trees in every spare field just to lock up carbon could lead to habitat loss,” she explained. “In the right location, trees can contribute immensely to locking up carbon, but landowners need to do their homework, understand the value of the habitats they already have and work out how much carbon is already stored on their land, as well as its potential.

“The thing to bear in mind is that soil – particularly nutrient-rich soil – locks up three times as much carbon as the

atmosphere, which is why min-till systems can be good for the environment as they cause less disturbance to the soil.”

One other new area of potential income for landowners is in working with developers who need to follow the planning rules on biodiversity net gain. While the regulations encourage developers to improve biodiversity on site, they have the option of funding improvements elsewhere if doing so as part of their own development would be too challenging.

“Clearly, without knowing your starting position it is very difficult to show any improvements and without knowing how much carbon you could sequester it is difficult to sell that capacity to buyers looking to offset their own carbon footprint.”

Batcheller Monkhouse is working with developers who are looking for opportunities to fund conservation or carbon storage schemes on nearby sites, either by buying land and carrying out environment-friendly initiatives on it or by funding schemes carried out on their behalf by landowners.

“It’s a real potential growth area and we would advise landowners to get in touch with us or with nearby developers if they think they have a site that

would help a builder comply with the biodiversity net gain requirements,” said Charlotte. “Again, this is just a commercial arrangement and we can make sure the landowner or farmer gets a fair return. This is a particularly live issue around larger towns such as Hailsham and Hellingly.”

The other way for farmers to improve their carbon storage is through regenerative agriculture, which Charlotte said had proved profitable for many of the ‘early adopters’ who had switched to a low disturbance, low chemical approach; Leo Hickish explains more on page 8.

“The industry is starting to realise that continually ploughing the land and using a lot of chemicals is not the way forward and has stripped a lot of organic matter from the soil over the past 100 years.

“This is a big change for farmers, but it’s also a big opportunity, not least to cut the costs of inputs while still maintaining yield levels. Batcheller Monkhouse is on hand to provide advice to anyone who is contemplating jumping off that particular cliff.”



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Forest of ELMS trees

“The Government has pledged that the country will be ‘carbon neutral’ in only three decades, an ambitious policy that requires action from all sectors of the economy.

“While technological solutions to climate change are expected to make a big difference, tree planting is seen as a major way to soak up carbon and also bring a range of other benefits including ecology, health and flood management.

“The last general election saw the political parties falling over themselves to make the most ambitious tree-planting promises, and these have now seen the light of day as a UK-wide policy to plant 30,000 new hectares of trees every year.

“The science behind the issue is far less clear cut. Trees absorb varying amounts of CO₂ at different stages in their life cycle, and the practicalities of planting such a massive area of woodland every year will raise many questions, not least from landowners, who clearly have a much better idea of the issues involved than the politicians making the promises or the civil servants tasked with delivering on them.

“If the Government is to achieve anything like its goals, we will need to see a massive shift in policy. Landowners will

need to be persuaded to turn huge areas of land, most of it currently presumably farmland, over to trees.

“Previous grant schemes have simply paid landowners a grant towards planting plus additional payments after five and ten years towards maintenance costs. It is difficult to see how else this could be achieved in the future, and with ELMS on the horizon I assume that a significant part of the funding available will have to be focused on achieving these targets.

A UK-wide policy to plant 30,000 new hectares of trees every year.

“It will also be vital to ensure that the ecology of parts of the UK is not trashed by planting the wrong trees in the wrong places; one thinks of current examples of uplands being carpeted with blankets of non-native conifers.

“Whatever details emerge in due course, I am certain that there will be great incentives over the next few years for landowners to plant trees, but as with all such schemes, taking good advice from experts will be vital, and Batcheller Monkhouse is here to help.”



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Throughout the country, huge amounts of land will have to be turned now to tree planting

Moving to the mainstream

Have the seismic lifestyle and worklife changes forced upon us by Covid-19 kick-started a new era in British farming? I sense that the debate around how British farming serves the population and works for the greater good has prompted a distinct shift. The debate is no longer about how farming might need to adapt in the future but how it should change now.

Like it or not, regenerative farming, a phrase that can stir up a lot of emotion, is already influencing UK agricultural policy – and the momentum is building. But what is it? In simple terms it is a system designed to reverse climate change, improve the sequestration of carbon dioxide, and improve soil health and water management. It is a lot of other things too, of course.

What it is not is an abandonment of the fundamental need for a viable arable and livestock industry here in the UK. While some lobbyists and commentators might hope for that, all it would do is to export our carbon and environmental footprint to other parts of the world. It would also destroy our landscape and lead to huge rural and social upheaval – something that some policymakers seem to forget.

While many of the leading exponents of regenerative farming are motivated by their interest in the environment, I would argue that the time has come when all farm businesses need to look at and understand this system.

Regenerative farming is not suited to everyone, but as Henri Brocklebank of the Sussex Wildlife Trust says in the following article, all farmers and land managers can make a difference to climate change.

Regenerative farming can substantially reduce fixed costs and inputs. The leading exponents report huge savings in machinery, diesel and labour costs, for example, and a lower reliance on chemicals.

The fundamental question for many of our clients is 'how are we going to survive with the loss of the BPS income?' Step one must be to review the farm budget and see what impact the loss of BPS will have and plan a way to adapt to the changing economic climate.

The key components of a regenerative farming system

- Increasing diversity through crop rotation
- Keeping soils covered
- Limiting soil disturbance
- Integrating livestock.

For those on less productive soils, the answer is likely to be a lower input/output farming system. Even those on grade 1 and 2 land will need to think about how best to reduce inputs. If properly implemented, regenerative farming can substantially reduce fixed costs and inputs. The leading exponents report huge saving in machinery, diesel and labour costs, for example, and a lower reliance on chemicals.

The theory is simple – healthier soils lead to healthier plants. Putting theory into practice is where things get complex.

For arable farmers, the first major change is often a move from winter to spring sown crops, with cover or cash crops following autumn harvest. The last few winters have shown quite how fraught this can be on much of the land in the south east. One seldom quoted issue for

arable regenerative farming is a reliance on Glyphosate, but, in general, exponents do report a significant reduction in the use of chemicals, especially fungicides.

The first step must be to conduct an audit of your farm. As well as looking at your carbon footprint, you will also need to look at the more fundamental issues of soil structure and compaction, soil fertility, fencing and water supplies and weed burden. And have you got the right equipment?

For arable farms, the first issue is your means of drilling – much here will depend on your soil, but low-till or min-till is only the starting point for this lively debate. What about sowing variety blends to increase resilience? For the livestock farmer it may require an investment in fencing and water systems. There has been some fascinating research on leys and legume mixes. The arable farmer will need to decide whether to establish their own livestock enterprise or come to an arrangement with a neighbouring livestock farmer.

Regenerative farming should not be confused with a 'low tech' approach. To get it right requires a much higher degree of management and investment in technology. Yield-mapping is key, as is a move to a more accurate – and thus reduced – application of nitrogen. For the livestock farmer it will most likely mean a move to rotational grazing

and a closer monitoring of both animal growth rates and sward recovery. Manure management and application requires care.

A more difficult question for many is whether or not they will continue to farm the entire acreage. What about the less productive land? Might this be better put into a Stewardship or woodland scheme, or future Environmental Land Management Scheme? Whatever decisions are taken, working out your farming system to optimise the availability of such payments will be key.

These are challenging but fascinating times. There are no simple answers, and this system will not suit everyone. I, for one, will be taking the opportunity post-lockdown to get out and about and visit those farmers already leading the way. We all have a great deal to learn.



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Don't rest on your laurels (or any other type of tree)

Planting a few trees won't get you off the hook when it comes to playing a part in tackling the climate crisis. That's the stark message from Henri Brocklebank, Director of Conservation Policy and Evidence with the Sussex Wildlife Trust.

Interviewed exclusively for this edition of *Rural Outlook*, Henri addressed the important issue of climate change and what farmers and landowners can do both to mitigate and adapt to the effects of our changing climate.

"It's important to stress that everyone can make a difference, and farmers don't necessarily need to go in for a wholesale transformation of their businesses," says Henri. "Some will want to adjust their entire approach and adopt regenerative methods of farming, but those who take a more cautious view can still make a big difference.

"The thing to bear in mind is that while nature-based solutions can and will play a big part in mitigating the impacts of climate change, landowners and farmers need to take ownership of the problem of CO₂ levels in the context of their own operations and take urgent steps to reduce their emissions.

"If you are lucky enough to live on a big estate, it's easy to think that the grass and trees on your land will do the job of locking up carbon for you, but that's just avoiding the issue. To make a real

difference you need to make a positive change in your own practices. Nature-based solutions are secondary.

"If nature has given you a head start, then you are in a privileged position – but you still have to do your bit, and planting a few trees won't get you off the hook.

"Sussex Wildlife Trust cannot use the sequestration value of its land, much of which is ancient woodland, to claim that it is already at net zero. That misses the point. The key principle is for landowners not to focus on the final carbon balance but on the reduction of the emissions and the increase in sequestration."

"If you are lucky enough to live on a big estate, it's easy to think that the grass and trees on your land will do the job of locking up carbon for you, but that's just avoiding the issue."

Reducing fertiliser use is just one way in which farmers can improve their soil's ability to capture carbon, while tackling compaction also has a number of benefits, including helping it retain moisture, which will also reduce carbon emissions. Reducing diesel use, installing solar PV and cutting fuel miles are other useful measures.

And the alternative isn't really an option, as Henri points out. "Four degrees of global warming, which is where our global trajectory is pointing, would be catastrophic. This is not just about farmers in India or the Amazon but about farmers globally, including here in South East England."

Henri believes that while they need support, expert advice and, in some cases, cash incentives, landowners and managers are keen to do the right thing. The Government, she believes, is also moving in the right direction, with the Environment Bill expected to include a mandate for nature recovery networks (NRN) to be introduced throughout the UK.

"NRNs will come under the authority of county councils or other statutory bodies, which will be expected to develop local nature recovery strategies and develop policies that will support those networks and link to other land use policies.

"Legislative processes haven't kept abreast of ecological need in the past, and I am hopeful that these networks will make a real difference.

The new Environmental Land Management Scheme (ELMS) is also likely to make a big difference by providing a range of incentives to farmers and landowners aimed at delivering 'public goods' such as lower emissions and a reduced risk of flooding.

While Henri believes that the likes of NRNs and ELMS will make a difference, she doesn't underestimate the need to take immediate action. "Business as usual will trash global warming predictions," she warns. "The level of change needed cannot be underestimated. We need to start now."

Henri also believes farmers should be looking to work more closely with nature. "If you have an area of land that is marginal because it's a bit boggy, why not create a wetland habitat?" she asks. "Remember that the climate crisis and ecological crisis are inextricably linked.

"Not only is creating a new wetland area a good thing to do, but it's just the kind of small-scale habitat stepping stone that ELMS could pay for – and there may be other funding available from the likes of Natural England or a wildlife trust."

Adapting to the impacts of climate change is increasingly about dealing with changing rainfall patterns that have seen both flooding and periods of drought become more common.

Natural flood management is the practice of slowing the flow of water within a catchment, something that is already being given a high priority by the Environment Agency, working alongside wildlife trusts and other stakeholders.

"If you want to help reduce flooding pressures downstream, talk to your wildlife trust about which organisation is

active in your catchment," Henri explains. "Interventions generally don't impact on the farming business and this is another area where ELMS is likely to help.

"Four degrees of global warming, which is where our global trajectory is pointing, would be catastrophic. This is not just about farmers in India or the Amazon but about farmers globally, including here in the South East."

"If you have streams running through woodland, there are plenty of ways in which you can slow the flow. You could also make good use of the water by creating a feature that benefits your land, as well as reducing silt and turbidity.



Henri Brocklebank, Sussex Wildlife Trust
Image credit: Miles Davies, Sussex Wildlife Trust

"We also encourage farmers to replace hedgerows where they intercept flowpaths, as hedges deliver an extraordinary increase in water take up. Intercepting flowpaths also improves water quality."

For those thinking on a larger scale, reintroducing beavers – under licence – is another way of using nature's ecosystem engineers to benefit the wider environment, improve water quality and prevent flooding, while reducing compaction, perhaps by switching to mob grazing, also increases the soil's ability to hold water and store carbon.

"Holding back water also improves the land's drought resilience by keeping wet areas wetter for longer, and wet areas drying out can be net emitters of carbon dioxide," Henri adds.

"Tree planting is good for a variety of reasons, but remember the interaction with ecology and make sure you plant the right trees to attract wildlife. Ask the Woodland Trust for advice.

"It's also vital to allow for the natural regeneration of woodland and think about genetic diversity, which is critical to the health of your trees.

"Everyone can make a difference, however small, and if you think your land has the potential for something really exciting, start talking to your advisers now. There is funding available not just potentially from ELMS but under Water Framework Directive schemes and other local sources."

All change at Whelan Farms

A radical rethink of farming practices led by Batcheller Monkhouse's estate management team has boosted the efficiency and profitability of a 1,700-acre holding between Bromley and Biggin Hill.

The team has brought in a young sheep farmer to graze a 500-acre block of pasture land, renegotiated rental terms on commercial buildings, improved the contract farming agreement on part of the land, uprated and re-let residential properties and begun work to improve the soil and move towards more environmentally aware use of the land.

Until 2020 the Skid Hill estate, a large arable and grassland farm with commercial and residential properties, owned by the Whelan family for around 50 years, was managed in-hand with the assistance of Sentry.

As the main contractor, Sentry had successfully managed the farm for over 20 years, handling its migration from mixed farm with a dairy unit to a mainly arable rotation with sheep.

Batcheller Monkhouse had for some time been advising on a number of aspects of the operation at Skid Hill, but in 2020 the team was asked to take on the overall management of the estate to increase profitability, revitalise the operation and prepare it to take advantage of future initiatives such as the Environmental Land Management scheme (ELMS).

To help with the transition, Batcheller Monkhouse negotiated a new contract with Sentry with a focus on the arable operations, which can be particularly challenging because the farm sits at more than 1,000 feet above sea level and is prone both to drying out in summer and waterlogging in winter.

Sentry was asked to continue working the roughly 700 acres of arable land on the estate, although it now does so under a more tailored agreement that works better for both parties. There is a further 500 acres of grassland and 300 acres of woodland, with woodland management currently under review.

After two decades without revision, the introduction of a more modern framework, coupled with a new team at the sharp end, has resulted in a more effective partnership and greater productivity.

"Having Sentry on board works extremely well," said Toby Trotman, Chartered Surveyor at Batcheller Monkhouse. "Being able to tap into their extensive knowledge and the experience they have gained on this particular site works effectively for the family."

With the 500 acres of pasture land under-used by the family's own flock, Batcheller Monkhouse suggested letting it under a grazing licence and brought in a young sheep farmer, Petra New. Her flock of 420 Mules and Suffolk crosses is now making effective use of the land and creating an additional income stream for the family, which has now sold its own flock, using part of the capital released to improve fencing and water supplies.

Despite being just 27, Petra is proving that an innovative approach to farming, allied to hard work and a commitment to succeed, easily makes up for what might be seen as a lack of experience.

She has already shown that she has the skills she needs, while the licence has allowed the family to keep ultimate control of the land and continue to make decisions regarding opportunities such as Countryside Stewardship Schemes.

The commercial units at Skid Hill are on two sites and were no longer delivering an effective return to the family when Batcheller Monkhouse was asked to take on the management of the estate.

Seven units on one site were being let on outdated agreements and had not been subject to a rent review for some time. Batcheller Monkhouse has since agreed new, longer agreements with staged increases based on discussions with the existing, valued, tenants, all of who now enjoy improved security.

The estate is also home to a large and well-equipped equestrian set up that had not been let for some years but which Batcheller Monkhouse is now looking to bring back into profitable use.

The other commercial area at Skid Hill boasts two large, vacant units, one of which was used by a construction company and another which Batcheller Monkhouse plans to let for storage and office use once it has obtained planning permission for the change of use. Close to the M25, it is expected to generate considerable interest.

Four residential properties on the estate have been renovated and brought up to modern standards that comply with current legislation. The work has allowed rent reviews to be carried out on two occupied properties, while a third has since been re-let, attracting strong demand in a buoyant rental market.

The fourth property was subject to an agricultural occupancy restriction, and after careful checks, Batcheller Monkhouse was able to let at market rent to a tenant working in forestry.

On the arable side, the team is looking at introducing a more regenerative system with the aim of preparing for the introduction of ELMS, increasing diversity and integration of livestock and improving soil health.

With rye grass an issue on part of the farm and oilseed rape ruled out by the predominance of the cabbage stem flea beetle and an increasingly limited pesticide armoury, Batcheller Monkhouse is working with Sentry to adapt the rotation to meet these challenges. This is likely to include using less productive land for grazing and stewardship schemes – en route to ELMS – and introducing stubble turnips to help Petra's sheep enterprise and support over-wintering of stock.

Asked to take on the overall management of the estate to increase profitability, revitalise the operation and prepare it to take advantage of future initiatives such as the Environmental Land Management scheme (ELMS).

The focus is now moving to the extensive woodland area of over 300 acres of mainly deciduous trees. Ash dieback is a major concern but this area does offer good potential both in terms of revenue and environmental enhancement.

What is certain is that the expertise of the Batcheller Monkhouse team, supported by the experienced Sentry workforce and in partnership with the landowners, will continue to work towards productive and environmentally aware use of this stunning part of the Kent countryside.



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Whelan Farms boasts 500 acres of grassland



Petra with her dogs

Putting the love back

Young sheep farmer Petra New just wants to "put the love back" into the 500 acres she leases for her 420-strong flock of Mules and Suffolk cross sheep at Whelan Farms. Petra, 27, now farms with her father William as W and P New, but inherited her love of sheep from her mother Camilla, who kept 1,200 ewes, when Petra was growing up as part of a farming family on the Titsey Estate in Surrey.

After studying for her National Diploma in Agriculture at Plumpton College, Petra joined the family's mixed farming business, which also has arable and beef operations, but her main interest has always been sheep.

"We have farmed next door to this land for the past three years and I have always looked at it and thought it would be great to put sheep here, but we didn't think it would ever come on the market," says Petra. "When Batcheller Monkhouse decided to offer a grazing licence for the land we put in a tender and were delighted to be given the opportunity to make good use of the land."

As Batcheller Monkhouse's Toby Trotman explains, the land is still under a Countryside Stewardship agreement which limits the amount of 'love' that can currently be lavished on it. "We are planning to enter in to a new agreement next year that will better suit Petra's more modern and progressive ideas and allow her to improve the land both for agricultural and environmental purposes," he says. "We are very impressed with what she is doing here."

In time, Petra would like to see cattle on the land as well as sheep, in a return to a more traditional use of the land and to help improve the soil structure. For now, though, the enterprising young farmer is helping to breathe new life into the pasture land – and recovering from a busy lambing season that saw around 1,700 lambs born to the 1,000 breeding ewes the father and daughter team runs in total.

Levelling the (playing) field

Reforms aimed at boosting agricultural productivity, encouraging investment and levelling the playing field for landowners and tenants were introduced in November 2020 under the Agriculture Act 2020. While these changes have provided opportunities and challenges for the sector, they are unlikely to lead to a major shake-up in farm tenancies in the short term.

The Act introduced a number of changes that will help new, forward-thinking farmers enter the sector and could tackle some of the problems that have beset the industry since the Agricultural Holdings Act (AHA) of 1986. However, it avoided a number of controversial issues, suggesting further reforms are likely.

Soil health has also suffered, with short-term tenants being more concerned with immediate profitability than with the long-term health of the land

Around a third of the agricultural land in this country is let under an agricultural tenancy. The AHA, which enshrined rent controls, security of tenure and wide-ranging succession rights, was seen to be very much in favour of the tenant, resulting in a tightening of supply as

landowners balked at the possibility that they could be releasing three generations' worth of land at below market rent.

The Agricultural Tenancies Act (ATA) of 1995 saw the pendulum swing back the other way.

The introduction of the far more flexible Farm Business Tenancies (FBTs) meant landowners could offer short-term tenancies at a proper open market rent and without the risks posed by security of tenure and succession issues.

Although FBTs allowed land to be let more easily, providing opportunities for new entrants, they have also led to a lack of investment, both in machinery and infrastructure, as tenant farmers are reluctant to spend money on land in which they might no longer have an interest within a few years.

Soil health has also suffered, with short-term tenants being more concerned with immediate profitability than with the long-

term health of the land, and the overall effect of this lack of investment has been a decline in agricultural productivity.

In response to these concerns around productivity, DEFRA consulted the Tenancy Reform Industry Group (TRIG), an advisory body of experts and stakeholders from across the industry, on possible changes to the tenanted sector.

The key challenge facing TRIG was striking a balance between giving tenants security and the confidence to invest in the land and giving landlords the necessary reassurances and returns to encourage them to let land on a long-term basis.

The TRIG report and recommendations published in October 2017 highlighted a number of barriers to productivity. It pointed out:

- Succession provisions in the AHA could prevent skilled farmers from taking over a holding
- Older tenants with no successor had limited ways of realising value from their agreement so that they could retire and leave the farm in the hands of a more productive new tenant
- Some landlords were discouraged from offering longer-term FBTs because there was no quick way to remedy breaches of agreements such as non-payment of rent

- Some AHA landlords were discouraged from investing in their holding because any interest payments by tenants on that investment could be lost in the next rent review
- Some tenants were prevented from accessing grant schemes that could boost productivity and improve the environment because of restrictive clauses in agreements that were often decades old.

The recommendations fed into a DEFRA consultation in 2019 and then into the 2020 Act, which focused on ways to support productivity improvements, help new entrants into the industry and smooth the way for environmental improvements and better, more sustainable, farming practices.

As a result, Schedule 3 of the Agriculture Act included:

- Provisions for a tenant to go to arbitration over disputes relating to restrictive tenancy terms around statutory improvements or grant schemes – which should help encourage diversification and innovation.

Reforms to succession rights, including:

- removing the minimum age at which a tenant can retire and hand over to a successor – aimed at encouraging farmers to hand over to a younger, perhaps more commercially minded, generation
- removing the commercial unit test – to encourage the handover of holdings to established, productive farmers
- replacing the 'suitability test' for succession with a more demanding 'business competence test' – to ensure successors are qualified for, and capable of, productive farming

- amending the 'principle source of livelihood test' to include college training – encouraging those who are looking to take over a farm to obtain the necessary skills without finding themselves outside the rules.

Wide-ranging changes to the arbitration procedure for rent reviews, including changes to encourage landlords to invest in cases where the tenant is contributing.

The Act is expected to increase the industry's productivity to some extent, particularly with regard to AHA tenancies. Perhaps the most positive change is the proposed business competency test, which aims to ensure successors are competent enough to "farm the holding commercially to high standards of efficient production and care for the environment".

The overall impact of the changes is likely to be limited, however, firstly because a number of more controversial TRIG proposals failed to find their way into the Act. Most notably these included a proposal that tenants should be allowed to assign an AHA tenancy if they had no successor and another that would have removed the right to succession once a tenant was more than five years past retirement age.

Secondly, and crucially, these reforms do little to solve the underlying problem that the vast majority of FBTs are short-term agreements, often for an initial term of three to five years. Indeed, one of the few TRIG proposals related to FBTs, which would have allowed landlords to serve shorter notices to quit for a breach of tenancy, but only where the tenancy was for longer than ten years, did not make it into the Act.

Tenancy legislation is not the only cause of the problem, of course. There are

many other reasons why landlords are reluctant to let land on a long-term basis, including the fact that longer tenancies can cost more to set up as they require registration with the Land Registry and can risk incurring Stamp Duty Land Tax.

“Perhaps the most positive change is the proposed business competency test, which aims to ensure successors are competent enough to “farm the holding commercially to high standards of efficient production and care for the environment.”

Overall, it is clear that more needs to be done to achieve the aim of increasing productivity, boosting investment and making it advantageous for landlords to commit to longer-term tenancies. TRIG is set to continue its deliberations and we may well see an Agricultural Tenancies Bill at some point in the future.

In the meantime, tenants will need to put more thought into their succession plans – taking professional advice where necessary, and landlords need to be aware that imposing unreasonable conditions on tenants could see them facing arbitration.

As always, advice for both prospective tenants and landowners is to seek professional guidance before entering into a new agreement.



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Standing up to HMRC

Elephant poaching is on the rise – so find yourself a good gamekeeper.

With the Government stepping up its ‘elephant poaching’ attacks on agricultural tax reliefs, a strong, well-informed and professional response can save tens of thousands of pounds in liabilities.

Both Agricultural Property Relief (APR) from Inheritance Tax and Private Residence Relief (PPR) from Capital Gains Tax are coming under pressure from increasingly zealous staff at HMRC, while Stamp Duty Land Tax concessions are also under threat.

While the Government continues to dress the changes up as ‘simplification’, it is clear to most observers that the ultimate aim is increasing the tax take. To do that, it is working harder than ever on bringing down established ‘elephants’ – a word that has entered the tax language to refer to something that is hard to describe but pretty obvious when you see one. What became known as ‘the elephant test’ was used in the past as a pragmatic way to agree on what constituted a farmhouse – but not any more.

Farmhouse definition challenged

Today the farmhouse is under attack, with the ‘character appropriate’ test being increasingly argued by HMRC to suggest that the building is not really a farmhouse and cannot be used to claim APR. This can be particularly challenging in cases where the farmer is in their later years and has decided to scale back livestock operations in particular.

To take advantage of APR and benefit from 100% relief from Inheritance Tax (IHT), the farmer must remain actively farming throughout their life. For a claim to succeed, the deceased must have owned and occupied the farmhouse for the two years prior to death, or if let for agriculture it must have been owned for seven years.

With even the most obvious and “appropriate” farmhouses now being questioned, these cases need to be robustly defended. A well-presented case will win, but if the case is weak, options include expanding the farming business or making provision for a future tax liability.

In some cases the older generation may need to move to another dwelling and rely on their IHT nil rate band and residential nil rate band (together amounting to £500,000 each). If the farmhouse remains their home they must be actively engaged in the day-to-day management of the farm, crops and livestock.

Farmland must be farmed

HMRC will also challenge the fact that the land is still in active agricultural use. In a recent case involving a 200-acre grassland farm, the challenge arose because the client stopped keeping her own livestock and sold grass keep. Batcheller Monkhouse was able to make the case for active management in what has become a common scenario centred around how much field work is necessary to demonstrate active farming.

Chipping away at the main residence

Full relief from Capital Gains Tax (CGT) is given on the main or private residence when it is sold, with issues starting to arise on larger houses or properties with more extensive grounds.

Principal Private Residence relief (PPR) is defined as applying to the dwelling, gardens and grounds extending to up to approximately 1.25 acres, but it can apply to a larger area where the extra land can be demonstrated to be “required for the reasonable enjoyment of the dwelling”.

Batcheller Monkhouse has brought successful challenges in a number of cases, securing relief from CGT amounting to several hundred thousand pounds.

One case that illustrates this issue concerned a five-bedroomed house in 25 acres of land that was purchased in May 2000 for £875,000 and sold in September 2019 for £1.55m.

The first stage was to establish how much of the 25 acres fell within the definition of being gardens and ground required for the reasonable enjoyment of the main dwelling, a figure that Batcheller Monkhouse successfully argued at eight acres plus all the outbuildings.

This did include a pony paddock, but the remaining 17 acres had been let to a local farmer and fell outside the definition. The gain arising on this farmland was eventually agreed at £7,000 per acre, resulting in a charge for CGT of approximately £20,000 as compared to the original assessment of over £85,000.



HMRC has farmhouses in its sights

In another case we proved that a lodge was occupied by a member of staff contractually required to live there to perform their housekeeping and security duties and was therefore part of the main dwelling. Had we failed, the resulting CGT would have been £43,000.

Since April 2020, the tax-payer has only had 30 days to pay the necessary CGT or make their case for PPR on larger areas. Batcheller Monkhouse’s concern is that more and more home owners will find themselves faced with expensive tax bills if they are not prepared. Our advice is to assess the potential liability well before exchange of contracts.

Challenge to lower stamp duty

The Stamp Duty ‘holiday’ that has helped revive the residential market is scheduled to be withdrawn in September 2021, but the concessionary 5% tax rate on mixed use property, such as a house and farmland, remains.

HMRC, though, is increasingly vigorous in challenging these claims. And it makes a difference. A house sold with 100 acres of farmland would be subject to Stamp Duty of £89,500 if it could be proved to be a mixed user property –

or £157,500 if not.

As an example, clients of ours purchased a house with farmland and applied the 5% mixed use rate. HMRC challenged the tax basis, which in this case was worth more than £90,000 if the decision went against the purchaser. Batcheller Monkhouse, though, was able to prove that the land was agricultural and not amenity, and the tax-payer won the case, but only after several months of unnecessary anxiety.

Lessons learned

HMRC is routinely challenging what would previously have been open and shut cases in the expectation that tax payers will capitulate and accept the increased burden. Taking advice from experts at Batcheller Monkhouse who have spent many years studying elephants can help avoid that outcome.



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Tips to stay one step ahead of HMRC

1. Assess the likely tax arising on future transactions carefully and in good time
2. Take remedial measures where necessary to mitigate against such liability
3. Where a challenge is issued, be prepared to stand firm and protect the elephant
4. Present arguments robustly. A well-presented case, with suitable evidence, is far less likely to be challenged.

Challenging HMRC

Batcheller Monkhouse won main residence relief for

- A listed house in landscaped gardens and grounds extending to eight acres
- A country house with gardens, grounds extending to five acres, extensive outbuildings, a tennis court, swimming pool and private orchards
- An eight bedroomed country house with landscaped parkland of 20 acres, a 300m long drive and an entrance lodge occupied by the housekeeper
- A rural dwelling with four acres of pony paddocks and stables.

Talking through the commercials

Warehousing and logistics have emerged as the winners following the retail shake up hastened by the coronavirus pandemic.

While the shift to online shopping has been accelerated by the pandemic, with town centre retail space taking a major hit, the move has prompted considerable demand for industrial space to service the needs of online sellers.

"This is another potential opportunity for farm businesses that are looking for new uses, particularly for large barns," says Ben Haugh, Commercial Associate with Batcheller Monkhouse's Professional Department.

Ben was brought into the firm last August to add his specialist commercial experience to the skilled advice available from the 14 RICS-registered valuers who provide wide-ranging property advice across the core commercial sectors of retail, office and industrial space.

He believes the team's broadened skills base will allow it to look more widely at the opportunities on offer for sites and buildings across the South East. "As an example, landowners tend automatically to think of trying to sell land for a housing development, but there are occasions when applying for permission for a commercial use could be more profitable," he explains.

Batcheller Monkhouse is currently acting for a major landowner who owns land

in East Sussex close to an existing motor service area. Rather than focus on housing, the team is looking at commercial use of a wider area that would tie in with the adjacent service area.

The level of demand is already encouraging, with the first deals secured. "Our broad range of experience allows us to look at sites more holistically and achieve the best return," says Ben.

Landowners tend to think of trying to sell land for a housing development, but there are occasions when applying for permission for a commercial use could be more profitable.

With offices in Battle, Haywards Heath, Pulborough and Tunbridge Wells, the team has good local knowledge and a strong background in property management. It acts on behalf of major banks and lenders, property owners, property companies, developers and estates as well as working alongside accountants and solicitors.

Commercial Property Services offered by Batcheller Monkhouse

- Asset Management
- Rent Reviews and Lease Renewal
- Acquisition and Disposal
- Strategic Development
- Valuations

The strong performance of the industrial, warehouse and logistics sector reflects the ongoing structural shift towards online shopping, a change that was exacerbated by the global pandemic. Growth in this sector saw new records set in both the occupier and investment markets across the UK in 2020.

Even before the pandemic, occupier and investor demand across the retail and office sectors was already subdued.

Batcheller Monkhouse does not see it as being all doom and gloom for the town centres and village parades in Kent, Sussex and Surrey, though. "While we agree with recently published commentary by CBRE which outlines a 44% increase in UK online sales in 2020 due to Covid-19, and suggests we are likely to see a 35% decline in clothing and footwear floorspace by 2025, it is now the responsibility of retail centres to repurpose themselves," says Ben.

"This is likely to mean tenants reorientating their businesses and landlords accepting a rebasing, but we do not see the importance of retail areas, social interaction and the destinal nature of some retail offerings subsiding.

"What we envisage is more off-pitch retail units being converted to residential under permitted development rights, but subject to prior approval and there being greater flexibility for retailers to thrive under the broader use Class E introduced last September.

"We expect retailers such as hair and nail salons, as well as restaurants and pubs, to bounce back. There will always be an element of footfall into these areas and there will be a 'new normal' as retailing evolves. If physical shopping is made more sociable and entertaining, online brands cannot compete with human interaction and customer service."

Office space in the South East could also benefit from some businesses changing their requirements as a result of new working practices prompted by Covid-19.

"Before the pandemic, regional offices were often being converted to flats, but the pandemic shone a light on the benefits of working from home part of the time and has encouraged occupiers to turn away from dense business districts like London to more spacious regional office locations and out into the countryside on farm-based sites.

"We envisage occupiers seeking to cut costs by moving to regional offices or rural hubs, and with many employers likely to need far less floor space as employees only visit the office two or three times a week, this could boost demand for local office space.

"This supports farmland diversification by increasing the demand for commercial uses such as industrial units and offices in rural and countryside locations.

"Our message to farmers and landowners who think there may be an alternative commercial use for their buildings or land is to get in touch. We can look carefully at the options available, value the building and help to maximise your return."



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Case Study

One of our estate clients is the owner and landlord of two large barns in Ticehurst, both of which were fully occupied before the pandemic. When the tenant of part of the larger barn ended the tenancy, Ben negotiated a new deal which saw the whole area of 6,000 sq. ft leased for a further five years to the majority occupier at an increased rent.

The client says: "I am very grateful to Ben for his help. We unfortunately lost a tenant when a company that supplied food stuffs to the pub and hotel trade went into liquidation as a result of the Coronavirus pandemic.

"Ben advised us on the best way to find a business to take over the storage space and created a lease for an existing tenant to expand at agreed rates into the vacant area. The agreement was carried out quickly and to the benefit of both parties."



Physical shopping will have to evolve to attract footfall

Pushing the boundaries

As local authorities across the South East struggle to meet the Government's challenging house-building targets, landowners of suitable sites should be looking to bring forward appropriate parcels of land.

Sites that have in the past been considered to be outside local development boundaries could win approval if the council is unable to show that it has a five-year housing supply in place, although those sites still need to meet other sustainability criteria.

It is usual for local authorities to set development boundaries in Local Plans to contain house building, but their ability to automatically reject sites that fall outside those boundaries is greatly reduced if they are not themselves meeting Government guidelines.

Under the National Planning Policy Framework, local authorities that do not have an up-to-date Local Plan and/or cannot demonstrate a five-year housing land supply are unable to rely on their adopted boundaries and need to consider each site on its merits.

Finding out whether or not a local authority has a five-year housing supply can be difficult when it doesn't publish a position statement. The Batcheller Monkhouse planning team regularly monitors land supply and is well placed to help identify areas across the South East which are falling behind.

Case Study

Batcheller Monkhouse secured planning permission for a major development on a greenfield site at Park Farm, Hellingly, just outside Hailsham in Sussex.

Although the site had been included in an earlier draft of the Local Plan, it was outside the development boundary. With Wealden District Council unable to show it had a five-year housing supply, and no approved Local Plan in place, Batcheller Monkhouse was able to show that the site was sustainable and met other criteria.

The land was close to the settlement, and when forced to consider the application purely on its merits rather than the location, the council granted planning permission.



Proposals can, of course, fail for many other reasons, such as ecological designations and access issues, and remote and unconnected sites are unlikely to benefit. The closer to a settlement a site is the better its chances. Crucially, though, a first hurdle refusal simply because the site is in the 'wrong place' is no longer a option for an authority that doesn't have the landbank it is required to hold.

At Batcheller Monkhouse we would encourage landowners with sites that abut an existing settlement or development boundary, or are otherwise demonstrably sustainable, to consider applying for planning permission after talking to one of our team.



Do you have land that might qualify?

There are numerous local authorities across the South-East who are failing to provide the required amount of land for development. Please get in touch as you may well have a potential site.



Kirsty Castle

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Planning – success in three acts

It takes time and teamwork to take a new housing site through the development cycle, from finding the right piece of land to handing over the keys to the first owner.

At Batcheller Monkhouse it is a process that involves close liaison between the planning, strategic development and new homes teams, working closely with the landowner to ensure he or she receives the best possible return from the land in question.

ACT 1 PLANNING

Batcheller Monkhouse's planning team keeps a close eye on local planning policies, Government guidance and new projects.

With the Government struggling to meet its annual housing target of 300,000 new homes a year and many local councils desperately short of the five-year housing stock they are required to demonstrate, policy changes can open up new areas or new opportunities, and it's the planning team's job to keep tabs on the changes and spot the opportunities.

At a more local level, Batcheller Monkhouse advises landowners on the best strategy to adopt when putting forward land for housing.

The firm also helps landowners tackle issues affecting a site they are planning to put forward, such as access, potential flooding, ecology and visibility splays, ensuring that when the plan reaches the planning officer's desk, the obvious questions have already been answered.

As well as setting out advice on unit numbers and timing, the team provides comprehensive support in relation to

the planning application itself, giving the applicant the best chance of winning approval. Batcheller Monkhouse will also prepare a strategy for mitigating any Section 106/CIL liabilities that apply to the site.

ACT 2 STRATEGIC DEVELOPMENT

With the site earmarked in the local plan, Batcheller Monkhouse's strategic development team takes over the reins, working with the landowner to identify and resolve any site issues that might affect the land's sale to a suitable developer.

It is critical that issues such as restrictive covenants and historic overages – whereby a share of any sell-on profit has to be paid to the previous owner – are dealt with early in the process to avoid delays or disappointment at a later stage.

The Batcheller Monkhouse strategic team is currently dealing with the sale of close to 1,000 new homes across the Kent and Sussex region.

The team will then prepare a tender process aimed at identifying a suitable development partner for the site and will advise on Heads of Terms for an option or promotion agreement, depending on the route agreed with the landowner.

Once planning permission has been granted, the team will prepare a sales and marketing pack in order to generate strong buyer interest and achieve the highest possible return. At the end of that process Batcheller Monkhouse will recommend a suitable purchaser and agree the terms of the sale, working with the landowner's legal team to finalise the deal.

ACT 3 NEW HOMES

Once the development is completed, Batcheller Monkhouse's new homes team acts on behalf of the house builder, using its knowledge and expertise to market the properties.

The team, lead by Kim Abbott, who has over 15 years' experience in selling and marketing new homes, has worked across a broad spectrum of developments and provides a bespoke service across East and West Sussex, Kent and Surrey.

Batcheller Monkhouse provides free valuation advice as an initial pricing assessment before the land is purchased. This enables developers to make an informed decision before acquiring a site, and is based on extensive market research, taking into account demand for the area and the planned new homes specification.

The team will work with the client to agree a structured marketing campaign to ensure the development is presented to its best possible advantage.



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Know your (permitted development) rights

New permitted development rights (PDRs) are set to provide opportunities for owners of retail and commercial businesses to take advantage of the need for new housing across the South East.

PDRs are hugely beneficial rights that are not always understood by property owners but which can unlock potential opportunities without the cost and complexity of a full planning application.

Under a new class of PDR taking effect in August 2021, owners can change the use of retail, leisure and commercial premises to residential, breathing new life into buildings that are no longer earning their owners an appropriate return. With the retail sector already undergoing a radical review even before the coronavirus pandemic struck, the new rules could be welcome news.

Class MA has been introduced to help deliver the new homes that are so badly needed. Unlike other development sites, there is no restriction on where it can be used, which means PDR can be an option for both urban and rural landowners.

Under PDR rules, landowners can carry out certain forms of development as long as they meet certain criteria. They don't need full planning permission, but as Hannah McLaughlin, senior planner at Batcheller Monkhouse's Pulborough office pointed out, more substantial works do require the local authority to be notified in advance.

"The owner still needs to demonstrate that the change of use meets the requirements of the legislation," she explained. "As an example, to benefit from the new Class MA regulations the building needs to be less than 1,500 square metres and have been in use for at least two months and empty for the previous three.

"There are other restrictions that have to be met, so while going down the PDR route avoids the lengthier planning approval process, it still pays to take advice."

Not all good news

While Class MA supports the Government's ambition to boost the supply of homes, there are some strategic downsides to extending PDR. "From a planning point of a view there is a danger that it could lead to a piecemeal approach to developing town centres, with odd buildings being converted to homes that are then surrounded by commercial uses," said Hannah. "The other social downside is that while it is more profitable for the owner, this kind of permitted development doesn't require a contribution towards affordable housing."

Another beneficial change for the owners of light industrial units is the introduction of Class ZA, which last year replaced a former PDR allowing the conversion of such buildings to residential use.

"The important change introduced by Class ZA is that the owner can now demolish the unit and replace it with an entirely new, well-designed residential building, rather than having to convert something that wasn't ever intended to be used as a home," Hannah explained.

"As you might expect, the replacement building must meet an extensive list of requirements, so it is important that owners take advice on what's possible while staying within the rules. Crucially, the building must have been vacant for six months before an application is made."

As well as Classes MA and ZA, which potentially provide the biggest new opportunity to deliver new homes, farmers can still take advantage of Class Q rights, covering agricultural to residential use. Other rights available under Class R deal with converting agricultural buildings to commercial uses such as farm shops.

Crucially, farmers must be able to demonstrate that the building is suitable for conversion and was in an agricultural use in July 2012 for Class R and March 2013 for Class Q. "Some applications fail because the council is not convinced the

building was truly agricultural," Hannah explained. "This is often the case for equestrian buildings as they do not fall under agricultural use if the horses are kept for recreational purposes."

Help for hospitality

The new PDR rules include a number of changes designed to help the hospitality industry cope with the effects of Covid-19, including easing restrictions around the provision of outdoor seating.

The Government has also doubled the permitted time for temporary uses and structures from 28 days a year to 56, allowing uses like glamping, 'pop-up' camp sites, markets and car boot sales to operate for twice as long, with no need

to apply for approval.

There are uses that temporary rights do not cover, such as caravan sites, clay pigeon shooting and war gaming, but for those areas that are covered it gives the owner an opportunity not just to double their income but to demonstrate the success of the venture if they are considering seeking permanent consent.

"Recent changes to the PDR legislation have created a number of new opportunities for landowners, but it's important to remember that there are still rules to be followed and Batcheller Monkhouse can help applicants get it right first time," said Hannah.



Glamping will benefit from the extended permitted time for temporary structures



Converting agricultural buildings to commercial uses has become easier

Shared skill set delivers results

Batcheller Monkhouse's multi-disciplinary planning team brings together a range of specialists who work together to provide clients with a comprehensive package of advice.

From promoting new strategic sites through the Local Plan process to advising on conversion and diversification schemes, and dealing with the detail of listed building consent applications, the team has a shared skill set that can answer most planning-based questions.

The team can also carry out Environmental Impact Assessments (EIA), a specialist area of planning work that is increasingly in demand.

While barn conversions and farm-based diversification projects are a valued part of the mix, the team also provides advice on projects such as schools, mixed-use developments, town centre projects and major urban extensions.

The firm's development team act on behalf of landowners to package up sites with strong planning potential and find the appropriate developer or promoter to take them forward.

CASE STUDY

Park Farm, Hellingly – an urban extension

The comprehensive planning skill set on offer from Batcheller Monkhouse was highlighted by its support for a landowner looking to develop a large greenfield site. Both the planning and development teams were involved to ensure the scheme came to fruition, providing around 370 homes, and with additional land now being brought forward, which in total will provide around 800 units.

The planning team helped obtain the outline consent for 370 homes in phase one before the development team came back on board to sell the land.

CASE STUDY

Jays Farm, Lurgashall – enforcement appeal

Planning restrictions in the South Downs National Park are understandably tight, and when a client trying to establish a new forestry business unintentionally fell foul of the rules, he turned to Batcheller Monkhouse to help untangle the red tape.

With a felling licence in place the operator wanted to lay a track to provide access for his forestry vehicles and erect a building for drying timber. When he tried to make his own applications, the ensuing red tape caused him to turn to Batcheller Monkhouse for help and to avoid an impending enforcement action.

CASE STUDY

Heartenoaks Meadows, Hawkhurst – edge of settlement

As well as being a greenfield site, Heartenoaks Meadow is in an Area of Outstanding Natural Beauty, which added to the challenge around obtaining planning permission, although it did adjoin the settlement boundary and was well connected to village services.

Batcheller Monkhouse produced a planning statement that included a clear and persuasive 'exceptional circumstances case' and created a sensitive, low density, edge of village scheme with clear environmental benefits.

The scheme put to planners was for 28 very attractive private family homes, 10 of which met affordable homes criteria, together with a large area of amenity space, within walking distance of the high street in Hawkhurst.

CASE STUDY

Warnham Park, West Sussex – new (old) barn

The owner of Warnham Park, a stunning and historic deer park in the countryside, asked Batcheller Monkhouse to help with an ambitious and potentially controversial plan to move and renovate a 350 year old Sussex barn.

The timber building, situated a mile away from its proposed new home, was still essentially sound but in poor repair.

Moving it out of its historic context was a planning challenge, as was adding a 'new' building to an historic and nationally important parkland setting. Batcheller Monkhouse worked with the planning authorities to persuade them of the overall benefits of the scheme.

CASE STUDY

Goldenlands Farm, Dorking – microbrewery diversification

Another green belt application that needed careful planning saw the conversion of a redundant barn into a micro-brewery, shop and tasting bar for the Trailhead Brew Company.

The scheme was the latest stage in a wider farm diversification project that has created an exciting and profitable new enterprise using redundant buildings.

CASE STUDY

Crays Lane, Thakeham – a better alternative

This scheme saw Batcheller Monkhouse's experience and negotiation skills used to persuade the planning authority to allow three modern, energy efficient and well-designed homes in place of a less workable farm building conversion.

This approach makes projects more profitable as new build homes are zero-rated for VAT, unlike conversion schemes.

CASE STUDY

Clarendon Drive, Rochester – meet the neighbours

Obtaining planning permission for a new scheme close to existing homes is always a challenge, but Batcheller Monkhouse's plans for Clarendon Drive succeeded in winning the support of Medway Council's planning committee.

The former allotment site earmarked for six dwellings was in the heart of the urban area and was carefully designed with its near neighbours in mind.

CASE STUDY

Lyde Green Farm, Bristol – environmental impact assessment

Clare Bartlett and Kirsty Castle of Batcheller Monkhouse are qualified to deliver Environmental Impact Assessments (EIA) aimed at providing the complex socio-economic and land use assessments.

At Lyde Green Farm, Clare Bartlett produced the EIA that helped win consent for 398 dwellings.

Achieving nitrate neutrality

It may sound harmless to a layman, but the impact of ‘nitrate neutrality’ is far from neutral on the development of new homes across large parts of the South East.

Planning permissions have ground to a halt in areas around the Solent and in large parts of Kent as local authorities and stakeholders look for a way to mitigate the impact of high levels of nitrogen and phosphate on wetlands that are vitally important for wildlife.

Natural England has effectively put the brakes on all new applications that would increase the amount of nitrates and phosphates reaching water courses draining into the Solent or, in Kent, reaching the internationally important Stodmarsh area via the River Stour and its catchment area.

The move reflects a decision by the European Court of Justice against the Netherlands which ruled that in areas where a habitat’s conservation status was already ‘unfavourable’, activities that would add further nitrogen pollution should not be authorised.

Along with agricultural practices, new dwellings produce ‘grey’ water that contains nitrates. This drains into vulnerable wetlands and encourages the growth of algae, which absorbs more than its fair share of oxygen and harms animal and bird life.

It is a problem that can’t be underestimated, but as yet very few solutions have been proposed for tackling it, leaving landowners, councils with five-year housing plans to deliver, potential new home buyers and the construction industry all severely

impacted. In total, plans for some 20,000 homes across the Solent and east Kent have been put on hold.

In the long term, the cornerstone of the mitigation strategy is likely to be a major upgrade to Southern Water’s waste water treatment plants to filter out or neutralise nitrate and phosphate from the waste water discharged from new homes, but that’s proving far from simple.

Southern Water works on a five year asset plan, so funds earmarked now would not have an impact before 2026, and the situation is not helped by the fact that the agency refuses to accept Section 106 contributions towards upgrades, which means developers can’t simply write a cheque to unblock the system.

Instead, the focus is on farmers taking land out of production – or farming it with fewer inputs – or on developers contributing to the creation of new wetlands to offset any damage done elsewhere, something which could provide opportunities for farmers with relatively unproductive areas of poorly drained land looking for a new and environmentally friendly use.

The issue first came to light in the Solent, said by Natural England to have one of the most important water environments for wildlife in the UK.

The agency discovered the Solent was being affected by accelerated algae growth caused by the increase in waste

water from development and from agricultural fertiliser. It advised the Solent planning authorities not to grant permission unless a development could be proved to be nitrate neutral.

At a stroke, the advice imposed a moratorium on new housing, any developments featuring overnight accommodation such as hotels and student accommodation and tourist facilities that would discharge waste water into the Solent, an area that contains special protection areas and special areas of conservation.

The focus is on farmers taking land out of production – or farming it with fewer inputs – or on developers contributing to the creation of new wetlands to offset any damage done elsewhere

With Southern Water unwilling to make the necessary short-term improvements, developers are looking for other ways of making sure new homes are nitrate neutral, or at least that they can provide mitigation elsewhere.

In Havant, a mitigation strategy allows developers of non-agricultural land to contribute cash, currently set at £1,235 per kilo of nitrogen discharged, which the council spends on taking land out of farming use and creating nitrate-absorbing habitat in its place. A typical scheme of four dwellings would cost the developer around £4,000.

Also in the Solent catchment, a nitrate capture scheme has been introduced at Whitewool Farm in the Upper Meon Valley and Warblington Farm, Havant has been turned from a dairy unit to a nature reserve.

Meanwhile the Hampshire and Isle of Wight Wildlife Trust has bought a 40-hectare farm on the Isle of Wight where it will rewild the land to prevent soils containing fertiliser entering the Solent. Developers can pay into the scheme to buy offset credits that will allow them to achieve ‘nitrate neutrality’.

In what could be another opportunity for landowners to benefit from helping to ease the backlog, Wessex Water has developed a scheme which pays farmers per kilogram of nitrogen saved through good farming practices.

Meanwhile in September 2020, the Government announced that it would invest £3.9m in an online nitrates trading auction platform. This will allow developers to buy credits that will fund habitats such as meadows, woodlands and wetlands to prevent nitrates from new housing reaching the Solent.

Kent is slightly further behind the curve, as the problems being caused to the internationally recognised wetlands at Stodmarsh, to the east of Canterbury, were discovered more recently. The impact has been equally severe, though, with land across much of the county, including Ashford town centre, now subject to a ban on development that cannot be shown to be nitrate neutral.

Following a review in 2017/18 that identified raised nitrogen and phosphate levels in some lakes at Stodmarsh, Natural England issued advice in July



Rising nitrogen and phosphate levels in Stodmarsh caused Natural England to act

2020 that reflected European case law on habitat regulations aimed at avoiding further deterioration in the water quality.

It means residential development in Maidstone, Ashford, Canterbury and small parts of Dover, Folkestone and Hythe is served by a waste water system draining into the Stour and its catchments cannot be approved until a mitigation strategy has been adopted.

Again, landowners in Kent are said to be considering putting forward areas of land with offset potential as part of a mitigation strategy, while landowners hoping to develop greenfield sites can take other land out of production, although the amount of mitigation this provides will depend on how chemical-dependant the land was in the first place.

There are clearly opportunities for landowners to offer sites for nitrate-capturing schemes or to adopt less chemical intensive farming methods and take advantage of the incentives on offer, and it is of course in their interests to do so. Without a move towards nitrate neutrality, selling land for new homes in certain parts of the region could be on the back burner for a while yet.



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Delivering housing – threats and opportunities

It should be easy to sell land for housing these days: the Government has set an ambitious target for building new homes, last year's lockdowns saw a shortfall in completions and councils are struggling to come up with the five-year land supply they are required to show.

In reality, though, there are almost as many constraints as there are opportunities, and a successful land sale needs expert professional help if it is to clear the many hurdles that stand in the way. In a recent survey, one third of housebuilders said planning delays were the main challenge they faced, followed closely by a lack of available land.

"While there can be technical difficulties to overcome, the two biggest mistakes landowners make are doing nothing or doing something without taking professional advice at an early stage," explained Oliver Robinson, who heads up Batcheller Monkhouse's Tunbridge Wells-based rural department.

"The current Government target is to build 300,000 homes per year, but there is no guarantee how long that policy will remain in place, and developers can only deal with so many sites at any one time, so landowners need to be taking advantage of the opportunities now and getting ahead of the game." But they also need to take advice at an early stage. No-one wants the headache of a scheme

being refused by a planning officer because the proper processes were not carried out at the start of the project. The site has to be credible and stand up to scrutiny."

The current Government target is to build 300,000 homes per year, but there is no guarantee how long that policy will remain in place.

Making up 2020 shortfall

New home completions across the UK in 2020 were 15% down on the number achieved the previous year, thanks to coronavirus, but finding land to fill that shortfall and top up councils' land supply banks is not straightforward.

The Green Belt, the South Downs National Park, flood zones and Areas of Outstanding Natural Beauty all restrict the land available – or need careful mitigation – and land located away from existing settlements is seen to be unsustainable and not compliant with planning policy.

"The ideal site is a block of land on the edge of an existing settlement which forms a natural extension and links in neatly with shops, bus routes and services, but life is rarely that simple," Oliver said. The greatest demand, he added, was for sites suitable for between 100 and 500 units.

It also helps if there is a local plan in place, as that simplifies things from the outset, but local authorities haven't exactly shone in recent years in terms of getting those in place. While that can provide an opportunity for a planning appeal, Oliver believes that life is easier when the council knows what it wants and where it wants it. "If the council has a policy you can follow it, but if that policy is 20 years out of date, life gets complicated," he said.

Finding a suitable site is only half the battle. "There are other issues such as historic overages, restrictive covenants, access problems, title issues and existing tenants, all of which need resolving as early as possible," Oliver explained. "They can all be overcome with the assistance of our professional department, but they need tackling sooner rather than later."

Resolve issues in advance

Batcheller Monkhouse has considerable experience in negotiating with third parties and neighbouring land owners to make sure the issues are resolved before putting the site forward. The firm can also assist in negotiations for additional parcels of land needed for access, visibility splays or drainage ponds, for instance.

With planning applications for large sites potentially costing several hundred thousand pounds, cash that landowners would rather not risk laying out in advance, many sites are now handled by land promoters

"With overage payments, for example, if the original percentage negotiated when the land was sold makes the scheme unworkable, we can negotiate a better deal so that the third party gets a lower percentage of something, rather than a bigger chunk of nothing," Oliver said.

"The important thing to realise is that there is a huge benefit in dealing with these matters at the start of the process. It makes the application more likely to succeed, avoids the risk of abortive costs and speeds up the sales process. Left unresolved, of course, they can stop a project in its tracks completely."

With planning applications for large sites potentially costing several hundred thousand pounds, cash that landowners would rather not risk laying out in advance, many sites are now handled by land promoters. This involves the promoter dealing with the technical issues, arranging site surveys and obtaining planning permission working alongside Batcheller Monkhouse's planning department. At the end of that process the firm's agency team promotes the site to housebuilders on the open market.

Removing risk, maximising returns

"As well as removing a lot of the risk and the cost from the venture, this also means that the landowner gets the best price for the land, as it is sold on the open market," said Oliver. "The promoter earns a percentage when the land is sold but does all the work and takes all the risk up front."

Whether the landowner chooses a promotion agreement or the more traditional options route, the team will advise on the commercial terms agreed and seek to protect the landowner's interest at all times. "As you can imagine, there are plenty of pitfalls so we would advise landowners not to sign up to any kind of deal without talking to a professional adviser first," Oliver added.

"There are certainly opportunities out there, but the threats are very real too. The biggest threat, though, is from doing nothing. That may see the window of opportunity close behind you."



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The ideal site for development is one on the edge of an existing settlement



Mast rental agreements – unlocking the log jam?

While mast rental agreements are once again being made between landowners and mobile telephone operators, it is as important as ever that the landowner thinks twice before simply going with the flow and takes expert advice before signing on the dotted line.

After a difficult three years in which the whole process of negotiating new sites pretty much stalled, the floodgates are beginning to open, but aggressive operators don't quite hold as many of the cards as they think they do, and taking advice from the right professional will almost certainly be a worthwhile move.

True, that advice won't roll back the clocks to the 'good old days' when landowners could bank on earning around £6,000 a year for allowing an operator to erect a mast in the corner of a relatively unproductive field, but it will make sure the telecoms company doesn't ride roughshod over the rights of the farmer or landowner.

After seeing much lower rents agreed in the Upper Tribunal, the telecoms equivalent of the High Court, operators are beginning to push their luck

Rents have plummeted following new legislation, introduced at the end of December 2017, that essentially saw the balance shift dramatically in favour of the mobile phone companies. In a nutshell, the Code, as this legislation is called, ensures that the rental payment is

now based on the cost to the landowner rather than on the value to the company.

The aim was perhaps laudable. The Government wants to help operators roll out better and faster phone and internet access, and landowners in the main have no issue with that approach. After all, increasingly high-tech farmers use as much internet as anyone else these days, and many of them have diversified into providing office space that similarly depends on a good connection.

The problem is that after seeing much lower rents agreed in the Upper Tribunal, the telecoms equivalent of the High Court, operators are beginning to push their luck. Many are claiming rights that they don't have, and others are citing one example as giving them carte blanche in every other case.

The process has been further complicated by the fact that industry pressure that culminated in a high-profile campaign inspired the Government to launch another consultation process that could further muddy the waters around telecoms masts.

Former Secretary of State for Trade and Industry Patricia Hewitt chaired the #SpeedUpBritain campaign that was launched by the operators after they decided landowners and their agents were causing delays.

#SpeedUpBritain saw the Government respond by launching another round of consultations on improving engagement, but while it set out to tackle a number of problems, it excluded any discussion on the actual valuations being handed down by the Upper Tribunal.

In the meantime, things are finally moving. Having agreed no deals in the previous three years, Batcheller Monkhouse has already negotiated about 15 in the three months of 2021 and is confident that the system is now starting to settle down. Our hope is that the consultation won't derail a process that is slowly finding its way.

Batcheller Monkhouse played a major part in supporting the landowners involved in the three main Upper Tribunal cases in providing opinion and valuation evidence. It means we are aware of the thinking behind the decisions and the extent to which any precedents can be relied on in other situations.

Those three cases showed clearly how the rent agreed for a site will reflect individual circumstances and take into account the following elements:

- The value of the land or the most valuable alternative use (assuming the landowner can demonstrate demand for a viable use)
- The value of the benefits the owner can offer the operator (such as the right to use adjoining land or to have early break rights)
- The value of the burdens that the owner will suffer from the grant of the agreement.



It is also common for the operator to offer the landowner an incentive to avoid going to the Tribunal, often referred to as an 'early completion incentive'.

It was towards the end of last year that the Tribunal decided that the rent paid for a mast site should be based on the sum of those three elements.

The guidance put no limit on the amount of equipment that could be installed, allowed unlimited sharing and decided that most "greenfield" sites were worth between £750 and £1,500pa, reducing landowners' potential income at a stroke.

Turning to the three key cases in which Batcheller Monkhouse was heavily involved, in the case of Cornerstone Telecommunications Infrastructure Ltd London & Quadrant Housing Trust, the Tribunal awarded a rent of £5,000pa for a new rooftop letting.

In the case of Vodafone v Hanover Capital, a rent of £5,750pa was awarded for a greenfield site because it was a renewal under the Landlord and Tenant Act 1954 (LTA) and because the site was shared by more than one operator. It is interesting that as a result of this case, which didn't go down well with operators, one of the things 'up for grabs' in the recent consultation was removing the involvement of the LTA in future deals.

The third case, between On Tower UK Ltd and JH & FW Green Ltd, known as "the Dale Park Case", resulted in a rent of £1,200pa being awarded for a greenfield site because it was a renewal under the

Code and because the site was located close to the landowner's residential property. A far cry from the £6,000pa previously on offer, this may come to be considered a relatively good settlement.

With such a wide variation in rents and considerable downward pressure from operators that feel they have Government and legal backing to drive a particularly hard bargain, landowners need to seek help from an expert – and preferably one with first-hand knowledge of the Tribunal's decisions.

It is not just the rent that should concern landowners but the conditions under which the operator is allowed to access the land and use the facility, and this is where some are claiming rights they don't have, and which need to be challenged.

Landowners want to support the Government's objectives but feel that the whole matter is out of balance. They are worried that operators are being allowed to ride roughshod over their property and business interests in what many feel is tantamount to a 'land grab'.

In reality, operators can be persuaded to toe the line, and while farmers have less influence over the rent they receive, they ought to be able to control the terms under which operators access the site and use it. Bear in mind, though, that saying "no" is not an option. Operators in effect have compulsory powers over suitable sites and will simply go to the Upper Tribunal if a landowner refuses to negotiate.

The recent consultation on improving engagement between operators and landowners, meanwhile, at least highlighted some of the issues.

One client responded: "We are a resident freehold company of a block of flats with an O2 mast on the roof. We wish we had never agreed to it. Our experience with dealing with O2 at the time of the last renewal and at the time of antennae modifications has been awful.

"They tried to push through modifications to the antennae that were not structurally safe and could have damaged our building. They threatened us with legal action. Luckily we have a structural engineer on our Board. After months of negotiation and continual threats of legal action from them, he was finally able to persuade them to modify their faulty drawings.

"We were on Revision H by the end. We needed to employ lawyers to counteract their threats, costs mounted. It took more than a year for them to admit their mistakes and agree to pay our legal and engineer's expenses. We would not want them to have more powers over our building."



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Rural connectivity

With the Government's rural gigabit connectivity programme having ended, there is considerable interest in what happens next, as many parts of rural England struggle with internet speeds that would be considered a joke in our larger urban areas. At the moment there are two ways of persuading British Telecom to bring high speed internet to your hamlet, but both are eye-wateringly expensive.

Under the telecoms giant's **universal service obligation**, BT has to survey your requirement and, if your download speed is below 30 megabits per second (mbps), is duty-bound to come up with a plan for your area – one they are obliged to action if you can stump up the cash.

The good news is that it is possible to persuade your county council, in most cases, to come up with a grant. The bad news is that the £1,500 grant I was offered towards the quoted £54,000 cost of bringing fibre 3.5 kilometres from the nearest exchange to my part of the North Downs wasn't large enough to be persuasive.

The other option is to go down the **"Community Fibre Partnership"** option via Openreach. That involves the same fibre route – just 3.5km, remember – but apportioning it amongst more local homes. That looks good on paper, but the quoted cost of £167,000, even when spread amongst 20 neighbours, still equates to more than £8,000 each. I

could have taken advantage of a £7,000 grant towards the total cost, but even that minimal support is no longer available.

The £1,500 grant I was offered towards the quoted £54,000 cost of bringing fibre 3.5 kilometres from the nearest exchange to my part of the North Downs wasn't large enough to be persuasive.

It is also hard to persuade Openreach to come up with a figure, especially where the number of premises set to benefit from the new connection are lower than Openreach would like.

If you do want to pursue the community broadband option, it's probably best to talk

to your parish council in the first instance and ask them to liaise with Openreach as part of a parish wide initiative – apparently the option Openreach prefers.

UK Fibre Connectivity

Meanwhile connectivity remains a serious issue. At the end of March 2021, the proportion of UK premises enjoying 30mbps, which means fibre to the nearest cabinet and copper the rest of the way, was 97.2%, while those with full fibre to the premises was just 20.2%.

And this is not about downloading the latest movie or playing real time games. When most farm businesses need to submit paperwork online, lack of connectivity means they struggle to do the job efficiently. Slow and, equally importantly, unreliable internet connections are quite simply holding back farming.

It's something that needs to change, and we can only hope that the next iteration of the Government's rural gigabit connectivity programme will begin that change. In the meantime, write to your MP or your local council to lend your weight to the cause.

The way forward? Starlink

Another option that may offer a solution to the rural connectivity black hole is "Starlink", an array of Low Earth Orbit (LEO) satellites deployed by the Space X mission which communicate in a similar way to a mobile phone network.

Because of their low orbit, latency is much better than standard satellite connection, which means Zoom or Teams calls are viewed in close to real time, with good audio and visual reception.

Space X has been launching 60 of these satellites every fortnight, and with around 1,500 or so already in orbit it is suggested that there could be as many as 40,000 hovering above our heads across the globe by the time the system is fully deployed.

Because of their low orbit, latency is much better (35 milliseconds or better in many cases) than standard satellite connection, which means Zoom or Teams calls are viewed in close to real time, with good audio and visual reception.

The system is currently in "beta", which means it is still on test, with firmware upgrades etc, a reality for the time being, but, with drop outs becoming fewer and the service becoming more stable, the expectation is that speeds may reach the 1Gbps speed at some time in the future.

Monthly costs are relatively high, at £89 plus an initial outlay of £439 for the dish, connector and router, but having downloaded the Starlink app and checked to see whether a window is available, you simply place the dish on your lawn, run the cable to where you want your router and power up, at which point the app walks you through the setup in the way apps do.

It takes a bit of time, but once the system beds in the difference is staggering, with speeds at times reaching more than 300mbps download and up to 30 mbps upload. Stability appears to be improving steadily, and I have to say, my experience has been extremely positive.

There are some supply issues, with every package being delivered from California and reports that some people who put down deposits in February of this year were still waiting several months later, although this appears to be more about coverage than about the availability of product, with supply expected to improve as more satellites are launched.

Conclusion

Having a fixed and dependable fibre line between your premises and the exchange has to be the preferred option.

However, with the absence of FTTP and the likelihood of rural communities falling short of sufficient funding to make it a reality, I firmly feel it is prudent to look for options beyond the traditional solutions of 4G/5G routers and Geo Stationary Satellite.

I have not been disappointed with my Starlink experience and while there will be issues such as periods of outage (although in my case, not major), the upside of obtaining significantly faster upload and download speeds has far exceeded these minor interruptions.

Starlink is an example and there are others, such as Virgin Galactic, One Web and Project Kuiper. If struggling with poor internet speeds, these LEO, satellite options may be the solution you have been looking for.



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Space X is launching 60 low orbit satellites every fortnight



Lifestyle shift creates sellers' market

Alongside the profound and in some cases tragic effect it has had on so many lives, the Covid-19 pandemic has prompted many of us to rethink our priorities and look again at what we want for our families.

In many cases that rethink has included looking carefully at where we live and the environment in which we want to spend our spare time, together with an evaluation of that all-important work/life balance.

It has sparked an unprecedented migration from commuter belt towns to the countryside. Driven in part by the home working that was enforced for many during lockdown, it has now increasingly become a choice made by employers and employees who have discovered that sitting in a central office does not necessarily improve productivity.

For Batcheller Monkhouse's agency team, that migration has been reflected in a remarkable increase in demand for homes across Kent and Sussex as people have reassessed their priorities and shifted their focus.

Spring of 2021 saw the team record the greatest excess of demand over supply seen in the past 10 years, with the number of buyers enquiring about each available property 34% higher than at the same period a year ago – a record level.

As a result, opportunities for local home owners looking to sell have never been

better, with the imbalance of supply and demand also increasing the asking price for properties, not just in the rural areas traditionally associated with the agency but in larger villages and towns.

Spring of 2021 saw the team record the greatest excess of demand over supply seen in the past 10 years, with the number of buyers enquiring about each available property 34% higher than at the same period a year ago – a record level.

Batcheller Monkhouse has offices in Tunbridge Wells, Pulborough, Haywards Heath and Battle, with all four locations seeing a huge increase in enquiries from those seeking to move away from London and the commuter belt.

Buyers who previously would not have considered moving this far away from

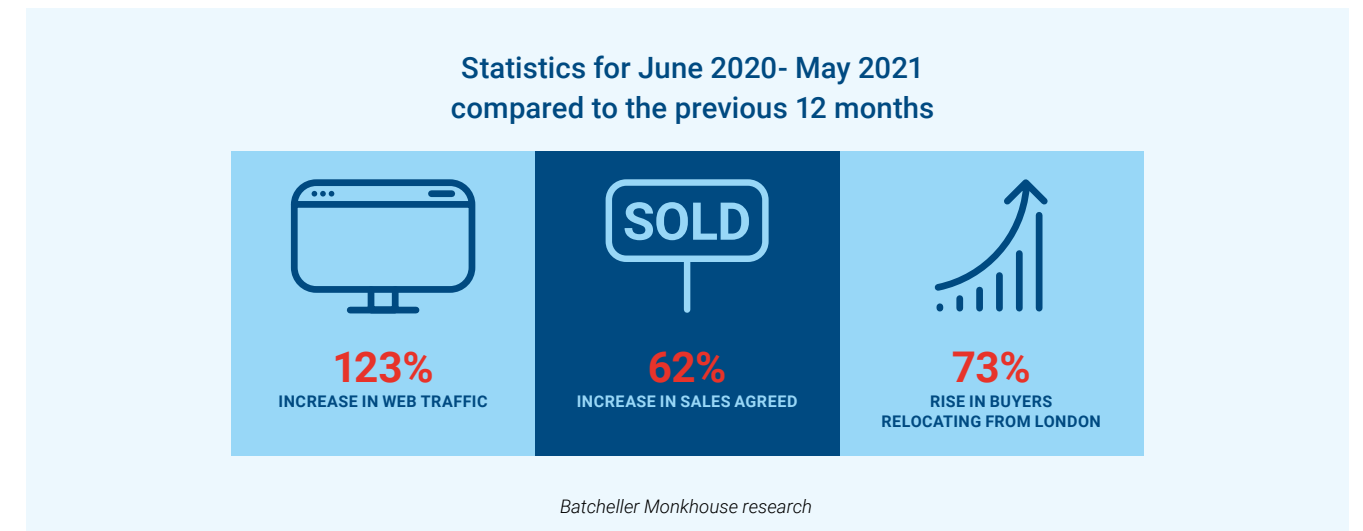
the city are increasingly placing this part of the south east at the top of their list, valuing the quieter pace of life, the beautiful surroundings and easier access to the countryside that has become so important during lockdowns.

For those working permanently from home, the choice is an easy one, with the chance to get out of the city and buy somewhere in the heart of the countryside proving persuasive. Those who still need to commute to London once a twice or week are increasingly deciding that they can cope with the occasional journey in return for the rewards of a rural lifestyle.

They know their money will go further in the south east than in London, while they will also benefit from more green space and fresh air, increased leisure opportunities, the chance, perhaps, to grow their own vegetables and a better environment for their children.

The challenge now is to find enough stock to meet the needs of those who are looking to move out of town. With prices rising steadily this year, it has become a sellers' market, and Batcheller Monkhouse is keen to hear from anyone with a property to sell, from town houses through to village or country properties.

The Statistics speak for themselves. Batcheller Monkhouse recorded that across its four offices the number of properties sold rose by 54% in the year to April 2021. Enquiries from city dwellers



interested in village and rural property more than doubled and the number of new buyers registering increased by over 46% in the same period.

A more subtle approach to selling

Those who have sold their homes through Batcheller Monkhouse have increasingly taken advantage of the agency's 'off-market' strategy, which allows them to dip their toe in the water without telling the world that they are selling.

This more discreet approach has a number of advantages, not least of which is the fact that potential buyers

selected from the firm's extensive database feel a sense of exclusivity and have an early opportunity to buy a suitable property.

The process also allows sellers to test the market, obtain feedback from potential buyers and establish the correct launch price before, if necessary, putting their home on the open market. Increasingly, using our database of serious potential buyers sees the house sold quickly without the need for it to be publicly marketed.

For those who prefer a more traditional approach, the agency uses a range of well-proven tools to attract buyers,

including physical mailshots and telephone calls to potential buyers as well as digital marketing methods.

The company is also well known for the way it looks after the interests of buyers as well as sellers, keeping everyone fully informed in order to ensure a smooth transaction.



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Changes in the way people work...



...and a desire to get closer to nature have fuelled demand.



“Buy land, they aren’t making it any more”

There may be plenty of uncertainty around farming at the moment, but one thing that shows no sign of changing is the continuing rise in the value of agricultural land.

While there are inevitably short-term fluctuations in the price of land in response to political events, policy changes and other external factors, any longer-term look at land values over the years shows the price of farmland rising steadily, with the south east leading the way.

Part of the reason, of course, is that the amount of land available inevitably declines over the years. Mark Twain is said to have observed: “Buy land, they aren’t making it anymore”, and much of what they did make has since been sold off to help meet this crowded country’s desire for new homes.

While the amount of land available for growing crops is diminishing, the quantity of mouths the land needs to support is increasing as the population rises, and that provides opportunities for efficient, highly productive farmers who can deliver the goods. Economies of scale lead to larger commercial holdings, which requires a greater investment in more land and a consequent rise in demand.

Although political upheaval can sometimes dampen prices, change can also prompt canny investors to bank on

new opportunities. While the phasing out of Basic Payments and the introduction of the Environmental Land Management scheme (ELMS) may be worrying some, that same scenario has suggested to others that the future is bright.

Farmers who can see an opportunity to benefit from producing ‘public good’ by planting new woodland, helping to prevent flooding or sequestering carbon in meadows are looking for more land even while others think carefully about opting for the forthcoming exit scheme.

And it’s not only farmers who are seeking to buy additional land to take advantage of new opportunities. Investors looking ahead to the introduction of carbon trading schemes and other environmental initiatives are helping to increase demand for land and continuing its upward momentum.

Batcheller Monkhouse’s Russell Parkes, a partner with the estate agency side of the business (based in Pulborough), commented: “Having qualified as a chartered surveyor nearly 35 years ago, I have helped with the sale and purchase of thousands of acres across Sussex and adjoining counties over the years.

“The demand for land has never been stronger, and I have of course seen prices go up and down. Over the past 12 months the increase has been marked and I cannot see this changing.”

Prices are strong for investment land and equally firm for land that is being actively farmed, as farmers use rollover funds or other sources of cash to expand their holdings and increase their efficiency.

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Land has continued to defy recessions and setbacks down the years, and although the coronavirus hit the general economy hard, it had far less effect on farming, which carried on regardless. In doing so, the sector played a vital role in feeding the nation while at the same time boosting awareness of the industry and the benefits of shopping locally. The sector did, however, suffer - and continues to suffer - from a lack of harvest labour.

With that particular crisis now hopefully receding, the ELMS framework slowly becoming clearer and Brexit now a reality to be dealt with rather than an unknown to worry about, the price of land is still increasing, seemingly unfazed by such macro-economic issues.

While all land is commanding strong prices, the best quality land is doing even better. “The gap between the best and poorest land has widened, but that’s because quality land is at a premium, not because lower quality land is worth less,” said Russell.

Even ploughable pasture is fetching £10,000 an acre for a 50-acre parcel in some cases, well ahead of the £7,500 acre that would have seemed respectable not long ago. This is before any additional premium for development potential and amenity qualities is added.



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Case Studies

The sale of Chapel Farm at Oakhanger in Hampshire presented a rare investment opportunity with development or change of use possibilities.

Presently used for livestock, with a comprehensive range of farm buildings and some 169 acres of land, together with a disused brickworks at one end of the farm, it attracted multiple offers based on a guide of £2.6 million.

Other sales completed recently have included:

- A gloriously located arable farm that achieved the asking price of £3.72 million and comprised a recently refurbished farmhouse, 12,000 sq. ft of agricultural buildings and 290 acres of Grade 2 land adjoining the River Rother.
- A former golf course, substantial club house with consent for holiday letting and some 88 acres in a glorious setting, which sold ‘off market’.
- A historic country estate with some 300 acres of mixed agricultural land, farm cottages, stable block with granary holiday let, workshop, superb Sussex barn and about 10,000 sq. ft of farm buildings sold for more than £3 million.

The drivers for the increasing value of land appear to be the consensus that land is a safe-haven for rollover funds and a reliable investment for the future, with the chance to take advantage of new opportunities outweighing any uncertainties caused by the end of BPS and the post-Brexit landscape.

For advice on the sale and purchase of farms and land please contact Russell Parkes on 01798 872081 or Matthew Braxton on 01424 775577.



The gap between the best and poorest land has widened because quality land is at a premium

Turning a challenge into an opportunity

Meeting new energy efficiency standards for rental properties is not just about helping tackle climate change but is also an opportunity to win new tenants and increase rental incomes.

While improving the energy performance of homes is now enshrined in legislation – something that may become increasingly demanding as time goes on – it also makes sense from a commercial point of view, with research clearly showing that it reduces rent arrears and voids, increases the market value of the property and makes it more appealing to potential tenants.

Those positive aspects of what might otherwise be seen as just another hoop through which landlords need to jump reflect changing attitudes amongst tenants in general and younger people – who are more likely to be looking for rental homes – in particular.

While 10 years ago most people searching for a home would have given little more than a passing glance to a property's EPC (Energy Performance Certificate) rating, they are now much more likely to consider it when comparing properties.

And while that may be because they have a deep concern for the environment and the impact of carbon dioxide emissions on climate change, it also reflects the steadily increasing cost of energy and the effect of a poor efficiency rating not just on the planet but on their pocket.

EPCs give a property an energy efficiency rating from A (most efficient) to G (least efficient) and were introduced in 2007. They allow home owners facing rising fuel costs to compare the relative costs of different homes – and increasingly they are choosing wisely.

The figures are persuasive. Improving a home from a G grade to an E grade would save a tenant £1,500 per annum, while taking that same home up to a C grade would save an impressive £2,450.

It is landlords, of course, who have to foot the bill for the improvements, but they don't need to be costly and the initial, smaller, changes can make a big difference. It's worth remembering that a tenant who is saving hundreds or even thousands of pounds in energy costs is likely to be prepared to pay more in rent – and is less likely to default. When times get tight, rent tends to be the first payment that gets dropped, and an energy-efficient home makes that scenario less likely.

The legislation around energy efficiency is a direct response to a climate change crisis that has seen the past five years record the hottest temperatures ever seen on the planet.

Rising sea levels, flooding, disease and climate-related disasters prompted the Government to introduce the Climate Change Act, which aims to achieve zero emissions by 2050 and reach a 68 per cent reduction by 2030. The global temperature has risen by one per cent since 1850 and is expected to keep rising without urgent action.

Since 2018, landlords have not been able to agree new tenancies for properties with an EPC of E or below, while existing tenancies were brought into that category last year. The proposal is that from 2025 all properties let under new tenancies will need to be rated C and above. Three years later, existing tenancies will be included in that category, which means all rented property will have to be rated C or higher.

Improving a home from a G grade to an E grade would save a tenant £1,500 per annum, while taking that same home up to a C grade would save an impressive £2,450.

It may sound like a tall order, but if the upside is better and longer tenancies, easier to let properties, fewer voids and arrears cases and increasing asset value, it's a challenge landlords have to grasp.

One of the simplest ways to improve the rating of a property is to add loft insulation, which adds 10 to 12 points for 270mm thickness and 16 points for 400mm. 12 points would be enough to take a mid-range F property into the E band.

Insulating the hot water tank adds 8 points, while draught proofing only adds 1 or 2. Adding a 16-panel solar PV system, which has additional benefits, adds 10 points to the EPC score.

It is important to understand that the critical factor in considering a building's EPC rating is insulation – keeping the existing warmth inside the building. While changing electric heating to LPG heating, for instance, will reduce the overall cost of heating the home, the relatively similar unit cost for both fuel types means it won't impact on the EPC rating.

Similarly, while an air source heat pump is worth 40 points, the Government recommends that this should only be fitted to homes that already have a C rating so that it is insulated enough for it to be effective. It is improvements such as cavity wall insulation and better

glazing that make a difference, although, perhaps surprisingly, double glazing only adds 3 points.

The advice from Batcheller Monkhouse is two-fold: do the easy things first and take expert advice about the best way to improve the energy efficiency of rental stock in order to protect your investment, maximise your returns and turn what might otherwise be a cost into a benefit.

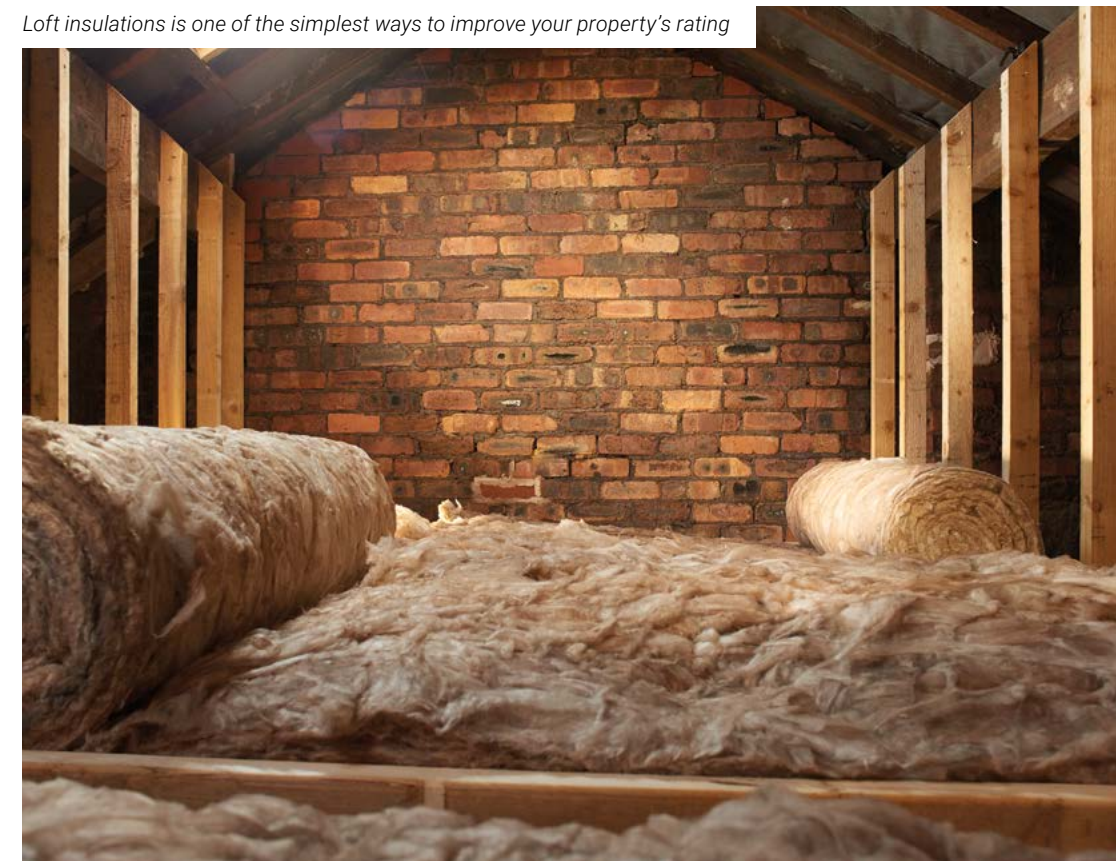
It is also important to take action now. Under the existing legislation, a landlord who can show he or she has spent £3,500 attempting to improve the energy efficiency of the building can apply for an exemption if they still fall short of the minimum rating. From 2025 they will have to spend £10,000 before applying for an exemption and will have to show they have carried out improvements in the right order – starting with the most expensive.



Clare Sheffield MARLA

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Loft insulations is one of the simplest ways to improve your property's rating



I have sold twice through Batcheller Monkhouse and also bought my last house through them. I have also recommended them to at least four friends who were all more than satisfied with the service they received. I used to be a conveyancing solicitor so I am in a position to recognise good service. These people are highly professional and a pleasure to deal with. Also, rather importantly, they get excellent results. I couldn't want for more.

I needed up to date professional advice concerning the market appraisal of a paddock adjoining my property. Batcheller Monkhouse provided an efficient service from start to finish. I was extremely impressed with the professional approach and knowledge provided.

Amazingly brilliant! Off Market Sale and Batcheller Monkhouse cherrypicked the right family for the property within the first hour of being placed on the market. A family home for almost 40 years so a very difficult and emotional decision, yet the process happened very quickly and in a very compassionate manner. My thanks to the whole team for their support in selling my home.

Thank you for your great help in managing some difficult tenants over the last few years and for your efforts to find more tenants this summer. It is very much appreciated.

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Batcheller Monkhouse

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