

VALUATIONS IN UNCERTAIN TIMES

As we all know, 2020 has so far been a strange year. All started normally, then out of nowhere a little-known virus from China upset the apple cart in a major way. Lockdown and movement restrictions followed, having an impact on instructions and inspections for valuations and the production of work. However, as things start coming back to the new kind of normal, it is time both for a little reflection, and a look into the future.

In terms of agriculture, there have been numbers of instructions coming from the south west region of Lancashire, predominately in the horticultural sector. Lockdown wasn't initially good for these producers but with the supermarkets being some of the only shops open, demand for their own UK produce soared, closely followed by that for bedding plants and flowers. Producers were grateful for the excellent weather during lockdown, which drove demand for salad product.

In general terms, there remains good demand from active farming families

wanting to expand production. Slightly uncertain markets within the dairy sector and low farmgate prices for some, predominately within the processing sector, have however led to a slight slow down in larger scale expansion within this sector. Red meat and white meat markets have seen some strengthening within the market place, despite a reduced export market, leading to some valuation instructions to allow for expansion or the construction of new purpose-built poultry buildings, for example.

In the residential sector, initial thoughts regarding the market were pessimistic. However, as also experienced by our agency department, following the stamp duty holiday and a relaxation in movement restrictions, the market gained some serious strength, with demand outstripping supply. This led to high demand for residential mortgage valuations and the more detailed home condition reports. The market continues to see growth, with demand in all price ranges and sectors but in particular in more rural areas. It seems that purchasers are beginning to see rural living, but now

with all the connectivity of modern life, as a viable and attractive option.

Sadly, as lockdown restrictions have for many placed additional pressures on family life, there has been something of a surge in matrimonial instructions. Valuations for a variety of taxation purposes were curbed by lockdown restrictions, but these have reconvened with relative ease.

For further information on the range of services we can offer, please contact the valuation department.



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THE JOURNAL

THE ARMITSTEAD BARNETT NEWSLETTER

AUTUMN 2020



Large parts of our countryside are intersected by a wide range of utilities, from water, sewerage and gas pipelines to electricity pylons, poles and wires. Utility companies constantly need to adapt by building new infrastructure or repairing and renewing existing systems, and it is imperative that farmers and landowners have the best advice with regard to these schemes.

If a scheme is taking place on or near your land, it is important that you understand both the legal situation and the practical considerations. Schemes may involve compulsory purchase sales, licence and tenancy agreements, new easements and wayleaves. Factors such as timings of the work, access to the site, location of services, the installation of compounds or welfare areas, fencing, drainage, the removal of excess spoil and the final site re-instatement, all need to be considered.

Just some of the schemes currently taking place are:

Haweswater Aqueduct Tunnelling - United Utilities (UU) are set to replace 6 tunnels along the 109km pipeline running through Cumbria, Lancashire and Greater Manchester, with construction set to start in 2023 and take around 10 years to complete.

Alston/Spade Mill to Broughton Pipeline - UU are currently proposing to construct a new mains water pipeline from Alston, Longridge to Broughton, in order to transfer raw water from existing reservoirs into the local network.

The route will run mainly through agricultural land between Haighton Green Lane and Whittingham Lane.

Forest of Bowland AONB / Electricity North West Ltd - ENWL and the AONB have been removing poles and wires on their network and re-routing cabling underground in order to reduce the visual impact of such apparatus in the Forest of Bowland.

Canal and Rivers Trust (CRT) - the CRT are currently completing a programme of scheduled culvert maintenance works, for culverts running below the Lancaster and the Leeds/Liverpool canal networks.

Environment Agency - The EA are continually undertaking maintenance and re-profiling works on many of the main rivers in the North West, including the River Wyre, to try to reduce flood risk.

If you have land that may be affected in any way, Armitstead Barnett can act on your behalf in negotiating with the company involved regarding the scheme, including access arrangements, accommodation works, compound areas and compensation. The utility company would usually cover the cost of this representation.



Simon Wells
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Manor House Farm,
Eccleston



Home Farm, Latham



Sandbeds Farm,
Gressingham



Burn Head Farm, Mewith



Greenways Farm, Forton



Lot 1 Braides, Cockerham



Land at Hough Clough,
Chipping

ASSOCIATE PARTNER PROMOTION

We are delighted to announce that Simon Wells has been promoted to Associate Partner. Simon's hard work and diligence are an asset to the team and we see a great future for him in the firm. Lancashire born, Simon joined us with a First Class Honours degree in Land Management. He went on to qualify as a Member of the Royal Institution of Chartered Surveyors, and then as a Fellow of the Central Association of Agricultural Valuers.

Simon led the way in his CAAV exams with the highest score in the country! Simon is much more than his qualifications, though; he is highly personable and fantastic with clients. Simon's workload covers our North Lancashire and Ribble Valley offices, predominantly in the rural and agricultural sectors and including valuations, compensation, subsidy claims and property sales.



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RESIDENTIAL LETTINGS

As with many sectors, the current and ongoing impact of Covid-19 prompted the Government to make a number of changes to ensure that both landlords and tenants are able to contend with these challenging circumstances.

Eviction

In normal circumstances, landlords can regain possession of their property in two months using Section 21 Form 6a. However, notices served from 26th March 2020 to 28th August 2020 will require landlords to give tenants three months' notice and any notice served as of 29th August 2020 must give 6 months' notice. This law is currently set to remain in place until 30th September 2020, but this is subject to review.

Mortgage Payment Holiday

Mortgage lenders have currently agreed to provide up to three months of payment 'holiday', however this is not automatic and must be applied for. As of 2nd June 2020, the FCA confirmed that this three month holiday can be extended, and that the deadline for new applications now closes on 31st October 2020.

Rents and Arrears

Unfortunately, some people will inevitably be left in a difficult financial situation due to the current global situation. Tenants are, however, still required to fulfil their legal obligations, including to pay rent. Should

this not be possible, tenants should contact their landlords as soon as possible to discuss an appropriate plan, such as paying off any arrears at a later date, or paying a reduced rent in the meantime.

Landlords' Legal Obligations

Landlords must still ensure that all essential repairs are carried out on their tenanted properties. Of course, any person carrying out work should observe Government guidance regarding safe working practices.

Letting Your Property

Here at Armitstead Barnett, our dedicated lettings team is well equipped to deal with the ever-changing situation with which landlords are currently faced. If you are considering letting your property or require management services, please feel free to get in touch with Gemma Worthington or Cathy Fish, Lettings Coordinators at our Garstang Office, on 01995 603 180



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RESIDENTIAL AGENCY UPDATE

Since lockdown first eased our team has been in full swing, with a very busy market. We have continued to market property across the rural and high end sectors the AB way, with some fantastic results. From fine houses and cottages, to smallholdings and farms – the market has definitely seen a shift.

The start of 2020 saw a steady property market despite Brexit looming, but then we began to see Coronavirus coming to the UK. Lockdown saw the enforced suppression of the market. Naturally, very few new sales were agreed and only a handful of properties came to market. However, we now know that buyer demand was building in the background. Many people realised that they could work very effectively from home and started to consider how a different lifestyle might look. When agents were asked to resume operating safely, we saw an overwhelming surge in enquiries and in people looking to sell.

This occurred throughout the rural market, with requirements altering; the home office and garden space rose in importance – making us the ideal agent!

Comparing year on year, Armitstead Barnett has already agreed significantly more sales in 2020 than in 2019, despite lockdown. It will be interesting to see how this year ends, with market predictions varying from "the market is here to stay" to Spring 2021 being more difficult. We do however know that there is currently a window of opportunity to make the most of the current market, and the benefit of reduced Stamp Duty.



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LAND MARKET

As we started the year, the consensus was that it was going to be one of the busiest, with positive sentiment in the market following political uncertainty. Little did we know then that the market would be 'paused' for some time. Things are however now back up and running and it seems that the demand we saw at the start of the year is very much still there. We have seen interest from both new buyers and established investors, the view being that adverse effects upon the land market from economic uncertainty are limited, with therefore the agricultural market as a whole being seen as 'safe'.

Nationally there have, so far this year, been fewer farms coming to the market. For Armitstead Barnett we are pleased to say that we had a very positive start in our Agricultural Agency department, with over 1600 acres being offered for sale so far this year, with 70% of those instructions already

being sold or under offer. Limited supply, together with pent-up demand, led to a good level of activity, and the market moved more quickly than we saw in the first half of last year. Within the North West, average values remain similar year on year, with land values ranging from £6,500 per acre for upland to upwards of £10,000 per acre for arable land. There is however a growing differential between the highest and lowest values.

As the year goes on, 'rollover' demand is expected to remain high, as residential development plays a key part of the government's plan to build the economy out of recession. The rural market is also likely to benefit from increases in numbers of lifestyle buyers seeking the country life, coupled with those with keen forestry and environmental interests, for enhancing natural capital.

The sector is set for significant change, and with subsidy reform on the horizon, logic suggests that we will see more land coming to the market. It is anticipated that farm profitability may be impacted with the introduction of a new Agriculture Bill, and post-Brexit trade deals still to be agreed. Capital taxation changes have not been ruled out, which could impact land buying or selling positions for many. Time will tell. Our recommendation, now more than ever, would be to take early advice on any sale or purchasing decisions.



**Emma Hodkinson
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We are AMC Agents and valuers and we can assist you with applications for loans for agricultural and rural businesses.

Typical AMC applications are for: Buying land, New buildings and fixed equipment, Restructuring borrowing, Paying out retiring partner, Building improvements, Diversification and Renewable energy projects

The AMC has been supporting rural businesses since 1928 and we have a close working relationship with the Regional Manager, Alick Jones. The AMC standard loan ranges from 5 – 30 years with the minimum loan of £25,001. Loans are secured against agricultural land and buildings subject to a maximum of 60% to the value of security. If you would like to find an indication of how much you could borrow, please visit the AMC Mortgage Loan Calculator at www.amconline.co.uk/mortgage-calculator

If you would like an informal chat with our AMC Agent, please do not hesitate to contact Richard Furnival on 01995 603180