

LAND MARKET UPDATE 2017



Land prices continued easing in most areas during 2016, but not in every case. Prices probably peaked in early 2015 and by the end of that year they were starting to ease (by up to 10% in some instances), mainly as a result of the downturn in profitability in the sector as output prices fell.

This continued through 2016 and was not helped by the Brexit vote, which introduced more uncertainty into the market with farmer buyers particularly starting to show signs of caution pending the outcome of the Brexit negotiations. By the end of last year land prices were down by a further 10% plus in some places. Despite this, Brown&Co had a strong trading year, being involved in agricultural property transactions totalling nearly £70 million involving some 6,500 acres.

Whether prices fall any further during 2017 depends to a large extent on supply and how much land comes forward to the market. If supply remains at similar levels to last year then I expect land prices will either stay at current levels, or fall slightly in some areas. Uncertainty will continue until we know more about the next subsidy regime and when that happens it could mark a major turning point in the market, one way or another, depending on the outcome.

In the future, issues of food security and land being a diminishing resource will still persist and I am sure long term landowners can take heart from this. Indeed some may see a further weakening in land prices as a good buying opportunity. After all we are still well above the £4,000 per acre prices seen in 2007!

Robert Fairey MRICS
Head of Brown&Co Farm Agency

SECRETS TO SUCCESS

Thinking of selling in 2017? Plan ahead and assemble a team

Whether retiring, consolidating or restructuring, the decision to sell is a major one and is unlikely to be taken lightly. There is a huge amount to consider from implications for future income, impact on retained land or business, tax planning or succession. The right professional advice can make a real difference at critical times and these discussions are best had at the earliest possible stage. Assemble a trusted team to work with, ensuring the decision to sell is the right one and if it is, the transaction is done efficiently and in line with your wider objectives.

Maximise value

You will only sell the property once and it is important you get the best possible price. Consider ways to maximise value. Is there planning potential on a range of buildings or a parcel of land that should be explored before any sale? Is there a tenancy or licence that should be terminated so vacant possession is available? Have photographs taken in the spring or summer if a launch needs to be later in the year. Prepare legal information to ensure the sale runs swiftly and smoothly once the deal has been agreed.

Taxing times

With land values having increased so dramatically, so has the impact of Capital Gains Tax on sale proceeds. Entrepreneurs Relief can apply where a disposal is as a result of the cessation of a business, reducing the rate of tax from 20% to 10%. This cannot be left to chance and the sale needs to be planned and structured accordingly. For the sale of a typical parcel of land acquired for £3,000 / acre and sold for £9,000 / acre, the tax saving could be in the region of £600 / acre. Take advice and plan ahead to ensure any disposal is as tax efficient as possible.

Secret dealing – avoid temptation

In this fast paced market, with such a wide range of prices being paid, it is hard to keep track of values. Whilst the possibility of a hassle free sale to a neighbour may have appeal, to do so may risk underselling your land. In a market with such huge variations, involve an agent to ensure full exposure to the market, whether in a public or private transaction.

EXAMPLES OF 2016 INSTRUCTIONS



SOLD STC

Hickling Broad Estate, Hickling, Norfolk | Guide £2,300,000

238.23 hectares (588.69 acres). Hickling Broad, reed bed, wetland and marsh with commercial let portfolio including boatyard, sailing club site, cottage, 4 holiday lodges, extensive boathouses & moorings



SOLD

The Goxhill Estate, Homsea, East Yorkshire | Guide £13,240,000

507.35 hectares (1253.66 acres). 980 acres of productive arable land, 220 acres of grassland, woodland, 2 farmhouses, a cottage and 2 grain stores



SOLD

Retford, Nottinghamshire | Guide £2,600,000

106.53 hectares (263.19 acres).
Grade 2 & 3 arable and root cropping land with irrigation



SOLD

Wood Farm, Kerdiston, Norfolk | Guide £990,000

17.30 hectares (42.75 acres). Arable land and grazing meadows, 3/4 bedroom farmhouse set within landscaped gardens and traditional barn with planning consent for residential use

WHY BROWN&CO?

- We treat every sale, whatever size, with the same dedication and professionalism
- We have a wide network of offices and agents each with expert local knowledge
- Working with our specialist farm consultancy team, we have the expertise to cover every eventuality
- We have residential and commercial departments as well as planning and architectural experts to assess every aspect of your property and ensure value is maximised
- Our active international offices in Poland & Romania combined with our other operations in Europe & South America mean we have access to and understand international buyers

Brown&Co was involved in agricultural property transactions totalling almost £70 million in 2016 involving nearly 6,500 acres. We can provide unrivalled advice to help you buy, sell or let your farm for the best price in 2017.

The logo for Brown & Co, featuring the company name in a white serif font on a background that is green on the left and red on the right.

SOLD

Redgrave Park Farm, Redgrave, Suffolk | Guide £3,900,000
169.94 hectares (419.92 acres). Productive Grade 3 arable land, mature woodland, extensive range of buildings, Capability Brown parkland with 44 acre serpentine lake, 4 bedroom house (AOC), boathouse, Folly & water tower



AVAILABLE

Bank House Farm, Marshland St James, Norfolk | Guide: £3,000,000
A productive arable farm with excellent buildings including 2,800 tonnes of first class grain storage, in all comprising 158.15 hectares (390.79 acres) or thereabouts



SOLD

Warmfield, Wakefield, West Yorkshire | Guide £1,750,000
90.67 hectares (224.04 acres). Good quality grade 3 arable land and permanent pasture suitable for amenity uses



SOLD

Land at Dormer Leys, Tetsworth, Thame, Oxfordshire | Guide £2,000,000
69.03 hectares (170.57 acres). An attractive block of arable land and woodland with pole barn and evident sporting potential

For personalised, professional advice and guidance during any transaction contact our experienced agency team.



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