

RURAL PROPERTY: A HOUSE IS A HOME

The most common question asked of Estate Agents at the moment is
..... What is happening to the market?

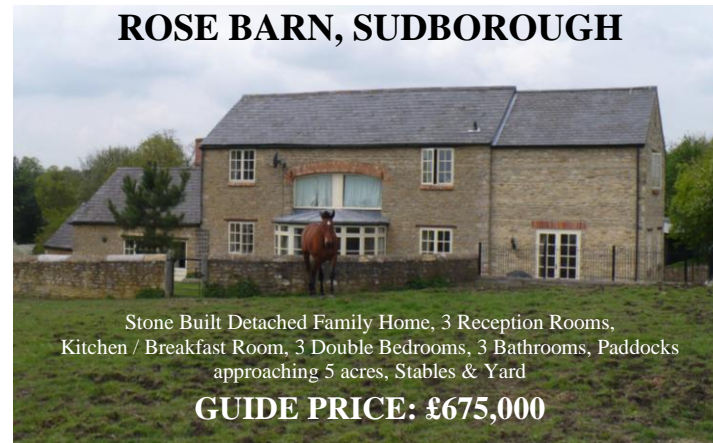
Of course the answer lies in a crystal ball and the one thing we can be certain of is uncertainty. However, for those of us who were working in the early 1980's there are some distinct similarities which we can call upon as a comfort that actually everything will be alright.

The principal factor throughout these times which is as relevant today as it was then is the mantra 'Buy a house as a home, not as an investment'. Whilst we all want our properties to go up in value, or at least not go down, the most important function of a home is to be lived in, no matter what the market conditions are. It is therefore pleasing to see that most of our recent sales have been with this in mind and I have no doubt that their purchases will be successful no matter what becomes of the market.

The above does not, however, apply in quite the same way for those of you thinking of buying a property as a rental investment where your considerations will be initially driven by factors outside of the housing market such as deposit account interest rates, share prices and their dividends etc. It is important to keep the principle of 'a house as a home' in mind as better rents will be achieved from such properties and their long term growth will also be much better. So ask yourself the question "could I live here and in this condition", if the answer is No, why would somebody else!

Reverting back to my original question about the market, I hope that your perception of its importance will change, and leave you considering what is best for you and your family. You should not be solely influenced by the often media driven worries about the ups and downs of the market which, just as night follows day, will happen regardless.

There are always excuses for putting off moving. Summer or Christmas holidays, General Election, or The World Cup, none of which will really have any effect on the market. We all know that following the election and with the Conservative / Liberal Democrat coalition we are in for a tough few years however one policy announcement that has already been made is that the need for potential sellers to obtain a Home Information Pack (HIP) is to be scrapped with the exception of the Energy Performance Certificate (EPC). This will potentially remove the barrier to house holders who wish

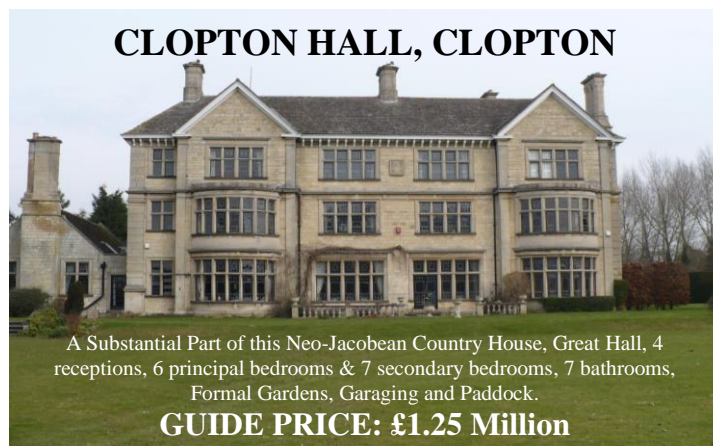


ROSE BARN, SUDBOROUGH
Stone Built Detached Family Home, 3 Reception Rooms, Kitchen / Breakfast Room, 3 Double Bedrooms, 3 Bathrooms, Paddocks approaching 5 acres, Stables & Yard
GUIDE PRICE: £675,000

to explore the market and should lead to more property becoming available. So with this in mind perhaps the time is now right for you to consider your own future needs.

We are pleased to note that instructions have continued to be received during the first part of this year with feature properties such as Clopton Hall and Rose Barn providing particular interest.

For any advice or information on buying or selling houses, farms, land, or equestrian property please speak to Chris Beeby at our estate agency office or David Hicks from the rural agency team.



CLOPTON HALL, CLOPTON
A Substantial Part of this Neo-Jacobean Country House, Great Hall, 4 receptions, 6 principal bedrooms & 7 secondary bedrooms, 7 bathrooms, Formal Gardens, Garaging and Paddock.
GUIDE PRICE: £1.25 Million

PLANNING & DEVELOPMENT UPDATE

The new Secretary of State responsible for planning policy, The Right Honourable Eric Pickles MP, has written to all planning authorities indicating that the Coalition Government intends to abolish Regional Strategies. These are the policy documents which set out the number of new houses which local authorities should plan to provide.

This has been interpreted by many as removing the potential argument (and window of opportunity!) that planning should be granted on appeal, since the planning authority has failed to maintain an adequate 5 year supply of development land. Others however, argue that where the 5 year supply can be established by policies which are already "adopted" then 5 year supply arguments can still be run; it is only "emerging" housing numbers which will disappear.

At the same time, whilst returning "power" to local planning authorities, the new government has confirmed their commitment to new housing development and even suggested that higher levels of development will be sought.

In the meantime, the housing market has stabilised and major housebuilders are back in the market to buy sites. Years of increasing "planning gain" mean that many large schemes are struggling to afford high infrastructure and planning gain costs and may have difficulty getting off the drawing board.



Housebuilders are however, actively looking for smaller "quick turn around" sites, where they can either start building straight away, or quickly secure a planning consent. While values are generally lower, sites can still generate a good return offering a premium over agricultural values.

Whilst we wait to see what the new government's "localism" policies look like in detail, experience tells us that changes in the system invariably produce opportunities, which should be grasped.

For advice on planning and development matters, please contact Alistair Brodie, Andrew Middleditch and Peter Moore.

NEWSLETTER

Summer 2010

HENRY H. BLETSOE & SON
BLETSOE

THE BUDGET: HOW WAS IT FOR YOU

The coalition government presented its emergency budget to the House of Commons on 22nd June with a drive to cut the cost of government and reduce the national deficit. Chris and David Bletsoe take a look at the headline issues and comment on how they could affect you.

The Main Points:

- The standard rate of VAT will be 20% from Tuesday 4 January 2011.
- The personal allowance will rise by £1,000 in 2011/12, (but higher rate taxpayers will not benefit because the basic rate limit will be cut.)
- From 23 June 2010, the rate of capital gains tax will increase to 28% for higher rate taxpayers, but will remain at 18% for basic rate taxpayers. There is no indexation (so this is in effect a tax on inflation)
- Entrepreneurs' Relief will continue at 10% and from 23 June 2010 the lifetime limit will be raised to £5 million per person. (This will be very useful for anyone finally selling up their business)
- The main corporation tax rate will fall to 27% from 1 April 2011 and be reduced by 1% a year in the following three years. (This will help incorporated businesses)
- The small profits corporation tax rate will reduce to 20% from 1 April 2011.
- The annual investment allowance will be cut to £25,000 from April 2012. (This will increase the impact of investment on cash flow)
- The writing down allowances for plant and machinery will also be reduced.
- The effective requirement to buy an annuity with your pension pot at age 75 will be scrapped from April 2011.
- There will be a temporary exemption for employers' national insurance contributions of up to £5,000 per employee for each of the first ten people employed by new businesses in certain regions, broadly outside London and the South East of England.
- Higher rate income tax of 50% for incomes over £150,000



It is a very tough budget in that the cost of everything will rise and everyone without exception will bear the pain. Benefits are to be targeted and Capital Gains Tax, because of the lack of indexation, will become increasingly hard hitting.

However, there are still things that you should and indeed must do. For Capital Gains Tax: - Roll Over Relief will again come to the fore in tax planning and Entrepreneurs Relief will need to be fully understood. It is important that changes to farming businesses do not preclude the availability of Entrepreneur's Relief, if the farm is likely to be sold. For Inheritance Tax: Agricultural Property Relief and Business Property Relief remain available and very important to farming businesses. Careful tax planning and simple adjustments to the farming business can produce big tax savings.

For further information or advice on tax planning and the impact of the budget contact David Bletsoe or any member of our team.



The Campaign for the Farmed Environment (CFE) is an initiative to encourage farmers to adopt a voluntary approach to environmental land management. The CFE need to retain and exceed the environmental benefits that used to be provided by setaside, and all the leading farming organisations are working together to encourage farmers and land managers to voluntarily adopt important land management practices that will benefit the environment.

If targets are not met, the Government will impose regulation on the industry via cross-compliance, which includes the possible reintroduction of compulsory setaside. The CFE is working with leading farming organisations and advisory bodies to encourage farmers to meet several targets over the next three years, including:

- Helping Natural England increase uptake of agri-environmental schemes to 70% of English farmland (currently 66%).
- Doubling uptake of in-field Entry Level Stewardship Options.
- Retaining the area of uncropped land at 179,000 hectares.
- Encouraging 60% of farmers outside agri-environmental schemes to uptake voluntary environmental management by 2012.

At Bletsoes, we are working with clients to

assist with the renewal of Entry Level Stewardship Agreements and are working with farmers who have not previously been part of the scheme. We have also successfully negotiated many HLS Agreements. We are well aware of the problems caused by incorrect RLR mapping and we can work with you to secure your agri-environmental payments.

We can offer the best possible advice and guidance on how to retain and increase the environmental benefits provided by your farm land. We will cut out the jargon and we will explain the benefits of the scheme and how you can apply.

For further information on any of the Campaign for the Farmed Environment or any of the environmental management schemes available contact James Sealy or Tom Wrench or any member of our agricultural team.



Christopher Bletsoe
FRICS FAAV
Senior Partner
Agricultural Surveyor
ctbletsoe@bletsoes.co.uk



Alistair Brodie
BSc (Hons) FRICS FAAV
Partner
Planning & Development Surveyor
alistair.brodie@bletsoes.co.uk



David Bletsoe
MA DipArb MRICS FAAV MCIARb
Partner
Agricultural Surveyor
david.bletsoe@bletsoes.co.uk



Nicola Clayton-Bailey
BSc (Hons) MRICS FAAV
Associate
Agricultural Surveyor
nicola.c-b@bletsoes.co.uk



Andrew Middleditch
BSc (Hons) MRICS
Associate
Planning & Commercial Surveyor
andrew.middleditch@bletsoes.co.uk



James Sealy
BSc (Hons) MRICS FAAV
Associate
Agricultural Surveyor & Auctioneer
james.sealy@bletsoes.co.uk



Peter Moore
BSc (Hons) MRICS FAAV
Planning & Development Surveyor
peter.moore@bletsoes.co.uk



David Hicks
BSc (Hons) MRICS FAAV
Agricultural Surveyor
david.hicks@bletsoes.co.uk



Tom Wrench
BSc (Hons) MRICS FAAV
Agricultural Surveyor
tom.wrench@bletsoes.co.uk



Brian Pile
Auctioneer
brian.pile@bletsoes.co.uk



Chris Beeby
DipREA FNAEA
Residential Estate Agent
chris.beeby@bletsoes.co.uk



SUCCESSION PLANNING: PROTECTING YOUR FAMILY'S FUTURE

Tenancies under the Agricultural Holdings Act 1986 can carry rights for up to two successions. To succeed to a tenancy, the successor must be able to satisfy various criteria in accordance with the Act. Unless all criteria are met, the succession will not be allowed. Many farms have diversified their income in recent years and this can affect the succession to the tenancy unless the landlord agrees in the correct format, to the diversified income being eligible within the principle source of livelihood test.

It is easy to put off planning for the future, particularly when you are not ready to consider retirement now and certainly when you do not wish to think about your own demise! However, under the Agricultural Holdings Act legislation, it is critical to ensure that your potential successor would meet the rigid criteria to be both eligible and suitable to succeed to the tenancy.

There is nothing more frustrating than for a family to have to hand back to the Landlords a

holding that has been well farmed by them as tenants for many years, when some forward planning could have resulted in a very different outcome and most importantly, security for the family for the next generation. Very often it is not necessary to change the structure of the business significantly. Succession can occur on retirement or death of the tenant and there are strict timescales to adhere to. In particular following death the potential successor must apply to the Agricultural Lands Tribunal within 3 months of the death of the tenant.

Our agricultural team are able to talk you through the criteria for succession and give advice on any changes which would assist in securing the most favourable outcome to a succession application.

As a firm, we have considerable experience in advising tenant farmers relating to this particularly important issue and if you would like any further information please contact Nicola Clayton-Bailey.

RENEWABLE ENERGY: FEED-IN TARIFFS



The Department of Energy and Climate Change (DECC) have recently announced the Feed-in Tariffs for small scale electricity production from renewable sources such as wind and solar. The scheme is designed to encourage the development of renewable energy in the UK and seeks to make the installation of this technology more financially viable.

The payments are made regardless of who actually consumes the electricity, with the payments calculated for all units of power generated. With rates for photovoltaic (PV)

solar panels up to 41p/kW and wind turbines generating less than 1.5kW at 34.5p/kW, there is an incentive to invest in new technology with a guaranteed income for up to 25 years.

In addition to the tariff payment for electricity used directly any surplus power generated can be sold back to the National Grid at a fixed rate for 2010 / 2011 of 3p per kWh. Further details of the payments are available via the DECC website or see our more detailed article on bletsoes.co.uk.

This scheme therefore offers farmers and landowners in the East Midlands and East Anglia the opportunity to erect either a small scale wind turbine or to install solar photovoltaic (PV) panels on the farm to significantly reduce or even eliminate their electricity bill, while having the potential to sell surplus power at certain times of the year and receive an alternative income stream.

As an alternative to investing directly in this new technology farmers have a key resource in their farm buildings and more particularly their roof space, which some companies will



DISPERSAL SALE REPORT TUESDAY 11 MAY 2010

A large crowd gathered at Hall Farm, Harpole for the dispersal sale of livestock and equipment held on behalf of Mr & Mrs AG Briscoe & Son on 11th May 2010 where buyers were in attendance from as far afield as Ireland, Scotland, Yorkshire and the West Country, together with our loyal sale followers.



The collection of well maintained arable and grassland equipment saw: a 2003 Vicon DMP 2401 mower make £3,600, 2001 Lely RP220 round baler £8,100, Dowdeswell DP7 4 furrow reversible plough £1,650, Dowdeswell PH300 power harrow £2,800, Quivogne APXE TL discs £4,400, AS Marston 8 tonne grain trailers made £2,000 and £2,800, with similar 10 tonne trailers between £2,900-£4,000.

The Claas Dominator 98S combine made £13,600, with a 1999 Daihatsu Fourtrack reaching £1,350. Edlington hydraulic rolls £3,000, tipping trailer £560, 10ft IFor Williams livestock trailer at £2,250, Manitou 628 tele-handler on a T plate with 5500 hours £16,200. To finish the tractors saw a 1972 Leyland 253 2wd make £780, Massey 390

with loader P plate 2772 hours £10,700, John Deere 6400 4wd 1995 with 5770 hours £14,400 and Massey Ferguson 4270 on a X plate 3308 hours £15,550.

The livestock were also sold on the day where the cows and calves averaged £1,142. Leading prices included a 3 year old Charolais cow with Devon bull calf £1,420, 3 year old Charolais cow with Devon heifer £1,300. The Hereford cows mainly 6 years old made £1,200 to £1,400 per outfit while a 6 year old Devon stock bull reached £1,550.

As a firm we have a number of sales approaching and details can always be found on www.bletsoes.co.uk with entry forms available for collective sales. We firmly believe that farm sales are the best conducted by auction and have over the last year conducted in excess of 20 auction sales in addition to the regular livestock sales at Thrapston and Stratford Markets. These auctions have ranged from agricultural machinery, standing crops and poultry to shrubs and bedding plants.

Our friendly and efficient team are able to give specialist advice to satisfy individual client requirements and if you are considering a sale no matter how small or large we will be pleased to discuss your individual circumstances without any obligation.

For further information on our auctions sales please speak to James Sealy or Brian Pile.



LONDON TO BIRMINGHAM

The Government has published its high speed rail proposals with a detailed recommended route between London and Birmingham and a view to extending the route to the north in the future. Published on 11 March 2010 the proposals give details of the preferred route and have set out a timescale for considering this scheme with a possible date of 2026 for the first trains to be operating on the line.

The proposed route is largely new line and will require substantial areas of agricultural land to construct. In addition to the land directly taken, there will be a wider impact on farming businesses and property throughout the area affected. If you live, or farm on, or close to the proposed route we recommend that you look at the proposals to see how they might affect you.



The government's consultant, HS2 will be undertaking a full public consultation this autumn, before reporting to the Government in early 2011. From this the Government will decide whether to proceed with the proposed route from London to Birmingham, before commencing the formal process to place a Hybrid Bill in the House of Commons. The impact of the change in government is yet to be discovered and whilst the Conservative party have indicated their opposition to this scheme, we are yet to hear the views of the coalition government.

While the construction of this scheme may seem a long way off, it is important to be aware of how it might impact on your farming activities, and where necessary make representations to protect your interests.

Initial route plans have been published but for further information and advice on this scheme or any compulsory purchase and compensation matters please contact David Bletsoe, David Hicks or Tom Wrench or any member of our agricultural team.

be interested in "renting" in order to install solar PV panels. Experience in continental Europe shows that where feed-in-tariffs have been available for some years large scale installations are incorporated into new buildings at the early design stage as well as adding equipment to existing buildings. There are of course planning considerations where the external appearance of a building is to change but with planning policy moving towards green technology, well designed projects could be very successful.

The Government have also announced proposals to promote renewable energy through the planning system and together with the Renewable Heat Incentive now is possibly a good opportunity to embrace renewable technology on your property.

In addition to electricity generation the Department of Energy and Climate Change (DECC) have also announced details of a payment scale to encourage heat generation from renewable sources. Technology such as ground source heat pumps, biomass

boilers and air source heat pumps are now becoming more widely available and the costs of installing these systems is becoming more competitive all of the time.

Further information and details of the best incentive payment rates are available on our website, www.bletsoes.co.uk.

The agricultural and planning teams at Henry H Bletsoe and Son are able to discuss any renewable energy projects whether clients are approached by a large scale wind farm company, small scale energy producer or are interested in incorporating new technology into their own development plans.

For further information on renewable energy and planning implications contact either David Hicks or Peter Moore who will be happy to assist.