

# Balfours

PROPERTY PROFESSIONALS

NEWSLETTER SPRING 2017



## FEATURED IN THIS ISSUE

INHERITANCE TAX  
RESIDENTIAL SALES  
RESIDENTIAL LETTINGS  
RURAL FINANCE  
EPC REGULATIONS  
TAX RETURNS  
WOODLAND GRANTS

**'Balfours Professionals at Weston Park, left to right: Andrew Liddiment, Amy Henderson, Natalie Liddiment, Bryn Hill, Eloise Guest, Charlie Fitzherbert-Brockholes'**

**I write this as we start a new year. What surprises will we have this year? Here are some of my thoughts:-**

**Brexit:** I suspect we will be little wiser as to where we are heading in 6 months time. Welcome to the Phoney War.

**Trump:** He may undoubtedly surprise us all in certain areas of policy. However, he and his family have too much to lose if he gets it seriously wrong.

**Interest Rates:** Unlikely to alter significantly. Obtain a quote for a 30 year fixed loan now – the rates will seldom be better.

**Exchange Rates:** Make an appointment to discuss with your turf accountant.

**Land Values:** Unlikely to increase and unlikely to fall significantly. As ever it is down to location, interested neighbours and quality for its area.

**Agricultural Produce:**

**Cereals:** Prices have increased well in an unforeseen way.

**Beef/Sheep:** Holding together well.

**Milk:** What a roller coaster – welcome to the world milk cycle – next drop in 2019?

**Timber:** Best market for years.

**Making Tax Digital:** I bet you have not heard of this. You need to read the article inside and contact your

MP over this attack by Big Brother.

**Worries:** Will the government want to work with the farming community over a CAP replacement post Brexit?

**Rain:** Llyn Celyn reservoir near Bala was full in September but by January has fallen 15 feet. Quite unheard of. Let us hope the rains arrive soon.



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## Planning

### New Opportunities in Shropshire

A Partial Review of the Shropshire Local Plan could see the current plan extended by ten years to 2036, with up to a further 13,000 new homes allocated. The review is intended to ensure the plan reflects national policy, so avoiding the conflict between local and national policy that we have seen in recent times and bringing more, much needed, certainty into the system.

The review will include but is not necessarily limited to, consideration of housing requirements (including objectively assessed need),

employment land requirements, the distribution of development and a review of green belt boundaries, as part of the consideration of strategic options to deliver new development.

Following the initial consultation early this year, it is planned that a draft reviewed plan will be available for further consultation in early 2018. We shall see.



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## Cottage Management

### Using the Right Agreement

Eighteen months ago Balfours successfully challenged the local Council at a valuation tribunal over liability for Council Tax.

In this case our client's tenant had left the property before the tenancy ended. The Local Authority maintained our client was responsible for Council Tax from the date the tenant moved out. We successfully argued that our client could not be treated as the occupier until the tenancy end.

The same issue has just been heard in Leeds where the City Council took another landlord to the Court of Appeal over the same principle and lost.

The case turned on the specific type of tenancy agreement in place which, in our case, is not an "off the peg" agreement which is unusual in the industry.

This shows the importance of using a well thought through agreement that is not only robust should it be challenged but also fair to both parties



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## Rural Finance

### Straightforward Finance for Farmers



**Eloise Guest**  
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Balfours are the leading regional AMC Agents and specialise in putting loan applications together. Briefly the process is:

1. We come out and meet the applicant to discuss the proposal and complete an application form. We will need Farm Accounts and the usual proof of Identity.
2. We then prepare a summary analysis of the application, testing that the business can service the loan, ensuring that the security offered is sufficient and finally making a recommendation to AMC.
3. We send the completed application to the AMC. They will write to the applicant to confirm whether or not the proposal has been approved.
4. The applicant has 30 days to accept, sign and send the offer back to the AMC. No fees are incurred until or unless the applicant accepts the offer.
5. On receipt of an accepted loan offer, the AMC instruct us to value the security and the applicant's solicitor to undertake the legal work required.
6. The timescale from the applicant accepting the loan offer to the AMC releasing the funds is generally around 12 weeks.

## Cottage Management

### EPC Regulations

Almost any cottage to be let after 1st April next year must have an Environmental Performance Certificate (EPC) rated better than an F. Many traditional rural cottages currently let, do not meet this standard.

We strongly advise that those letting such property start implementing changes now in order that they are compliant and the cost of works can be staggered.



**Amy Henderson**  
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## Woodland Grants 2017

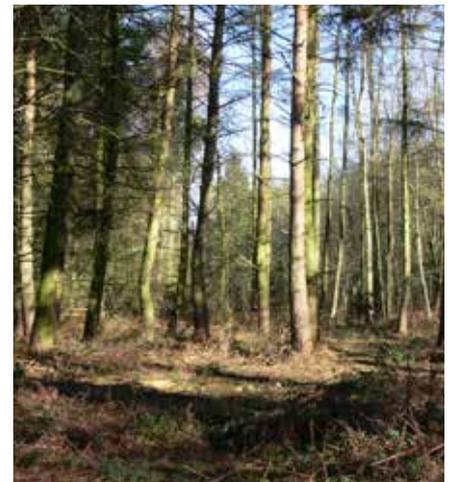
Woodland Grants are administered by Natural England with payments routed through the Rural Payments Agency. Applicants can only qualify

if their land is registered with the RPA, have a Single Business Identifier (SBI) and a Customer Registration Number (CRN).

Grants available include a Woodland Planning Grant (WPG), which gives possible access to all other woodland Countryside Stewardship grants, a Tree Health Grant, Woodland Creation Grants for Biodiversity and Flood Control, and Woodland Improvement Grants.



**Stephen Habershon**  
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## Natural England



### Did You Know?

The London Dry Gin “Bombay Sapphire” uses purified water from Lake Vyrnwy to bring its strength down to 40%. Should it be re-named?

“People who think they know everything are a great annoyance to those of us who do”

Issac Asimov

## Town Sales

### A View from the Town

2016 saw a resilient town market despite the stamp duty reform and uncertainty in Europe and America. We again witnessed multiple sales completed at above £300 per square foot; an excellent result! Since our move to The Square one year ago, the Balfours Town desk has gone from strength to strength. We are now selling more houses than ever before in Shrewsbury and last year were instructed to sell the prestigious Castle Lodge in Ludlow. We are all very excited about 2017!



**Alistair Hilton**  
Town Sales  
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## Lettings New Tenant Checks

From February 2016 landlords or letting agents representing them, have had to make sure that any prospective tenants have “the right to rent”. This means, do they have the right to reside in the UK?

Landlords found to be letting out homes in England without their tenants’ having this right potentially face fines up to £3,000 or even imprisonment.

It is not just the potential tenant who must be checked, but also any occupier aged 18 or over. Check all new tenants and occupiers. It is against the law to only check people you think aren’t British citizens.

This is the law, whether or not you have a written tenancy agreement.



**Charlotte George**  
Head of Lettings  
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## Big Brother is Even Closer

### Making Tax Digital

In March 2015, prior to the forthcoming General Election, the Liberal Democrats coerced various Conservative Ministers into allowing certain previously undiscussed reforms to be approved. One of these was Making Tax Digital (MTD) under which it is proposed that all businesses with an annual turnover of over £10,000 will from April 2018 have to submit on line quarterly returns to HMRC with a reconciliation to be submitted within 8 months of the year end.

This has met with universal opposition/concern from the accountancy professions, Federation of Small Businesses, CLA, NFU and others but little publicity. If you want to know more details can be found at: [www.parliament.uk](http://www.parliament.uk) [www.cla.org.uk](http://www.cla.org.uk)

Whilst this outrageous proposal is out to consultation and being considered by the Treasury Committee we all need to urgently make sure our MPs know our views such as:

- Why is this necessary in the first place?

- What do HMRC hope to gain from it apart from “Big Brother” status?
- How can a government which repeatedly says it is against unnecessary red tape and bureaucracy, even be considering this?
- Who is going to pay the accountants for 4 extra submissions per year?
- What happens if you do not have broadband?
- Why the rush to enact this proposal within just under a year particularly when the government has not chosen the software yet.
- There can be no cast iron guarantee from HMRC over cyber security

If you find this alarming I suggest you inform your MP immediately.



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## Inheritance Tax

### Risk & Relief

Many owners of let land and farms rely on Agricultural Property Relief (APR) from Inheritance Tax when planning for the next generation. The future of this important relief is much discussed by rural professionals. The most regularly proposed alternative to APR is Business Property Relief (BPR). Whilst the future of BPR is less in doubt, it requires the landowner to farm themselves, or run the farm with

contractors, with significant managerial input and exposure to risk. It would not suit all but where it is appropriate, the greater risk can mean greater reward and hands on management may allow the farm business to make the most of its assets.



**Andrew Liddiment**  
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## Balfours Xtra

### Seminar

Before Christmas a number of Balfours' experts spoke to a crowded room of over 70 Shrewsbury professionals at the Mytton and Mermaid, and repeated their talks for a new audience at Whitfield, near Hereford.

Topics ranged from Brexit, to compliance when selling or letting property, to capital taxation options for landowners and whether now is the moment to borrow. Speakers included pictured from left to right: Richard Corbet, Charlotte

George, Alistair Hilton, Andrew Liddiment and Scott Kemsley. The evening was chaired in Shrewsbury by David Groves, and in Hereford by William Shuttleworth.



## People



### Frances Steer MSc MRICS FAAV

Frances joined Balfours at the start of the year. She is from a farming and surveying background in Cheshire having recently been working with estate owners in the South East. She will now be working with Richard Jones-Perrott on estates in Shropshire and Wales



### Leanne Taylor

Leanne recently joined the Balfours lettings team as a negotiator. Leanne was previously working with a local property company and is now enjoying the day to day contact with landlords and potential tenants.



### Charlotte White Bsc FAAV

Charlotte joined Balfours last spring working with Justin Stevenson on estate management, planning and other professional work. In the Autumn Charlotte passed her Agricultural Valuation exams at the first time of asking. She is now a well established member of the team.



### Rebecca Morley

Rebecca Morley joined the Balfours sales team in The Square towards the end of last year. Born in Edinburgh, brought up in London, Rebecca came to Balfours from a London property company. Rebecca is passionate about historical homes and buildings.

If you would rather not be sent this newsletter, or we have got your details wrong, or you are not on our mailing list and would like to be, then please contact us.

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The Square, Shrewsbury,  
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## Did You Know

It takes 5 - 7 years to qualify as a land agent.

## Did You Know

The Shropshire CLA AGM is at Weston Park on 6th June and is sponsored by Balfours.

## Did You Know

The Staffordshire CLA AGM is at Weston Park on 7th June and is sponsored by Balfours.