Whither Great Britain?

June 23rd 2016 will be a date to remember as being a complete game changer which took virtually everyone by surprise. The knock on consequences have been like skittles falling over. We now have a diverse team led by our longest serving Home Secretary who is regarded as a safe pair of hands. I hope she can manage egos – time will tell. Where does this leave rural businesses?

- **Brexit:** will inevitably in the short term make people more cautious until confidence grows that there is life after Brexit and then, hopefully, optimism and a sense of opportunity will return. One bright note is that Defra will no longer have the embarrassment of being fined by the unaudited EU for CAP administrative incompetence which has totalled around £1billion over the last 10 years.

- **Currency:** sterling devaluation will help farmers unless they are importing inputs.

- **Mortgages:** The cost of funds for a 30 year fixed cost loan has fallen in the last 12 months from 2.37% to 0.99%.

- **Farming:** Produce prices are all up which is helpful but still not to a breakeven position for most. When will Mr Eustice (1) allow new environmental schemes to start and (2) be in a position to produce firm proposals for a CAP replacement?

- **Annual Business Reviews:** All rural businesses should carry this out and ensure full consideration is given to planning windfalls and succession opportunities. The UK faces an uncertain time but we must only look forward, think positive and identify opportunities whenever they come up. Exciting times.
Planning Update
Planning Policy Conflict
The adoption of Shropshire’s planning policy has not yet brought calm. A recent planning appeal decision indicates the Council may not have a five year housing supply enabling developers to continue to challenge the Policy. Additionally the Council, having first resisted the Ministerial Guidance which exempts developments of 10 houses or fewer from Affordable Housing Contributions now seems willing to accept it, but only for sites with 5 houses or fewer. So tensions and potential conflicts remain. However, any relaxation of Affordable Housing Contributions, on small sites is welcome when the viability of these small sites is increasingly in doubt.

Helping the Community
Why Not Build Your Own Affordable Housing?
On behalf of retained clients we have been responsible for the delivery of 10 Affordable Houses as part of a larger development in support of the Local Community. The structure of the scheme was agreed by us with Shropshire Council and allows our clients to operate the scheme and provide these houses independently of the County Council or a Housing Association. Rents are charged at 80% of Market Rent, and our clients have the rights to select the tenants for all of the properties. Construction of the properties was completed in July 2015, and are all occupied by tenants who have a direct link with the community, by virtue of birth, relatives or education.

Development
Land Sales
Increasing Numbers
The number of new homes being built in Shropshire and the surrounding counties is increasing significantly in 2016. The good news is that on larger sites sale rates have been strong and are generally meeting expectations. We wait to see if Brexit has any effect.
Residential Sales

Strong Activity
The spring and summer of 2016 saw a huge change in the market, particularly in the family homes between £500,000 and £1,000,000. This area of the market had been quiet for many years but 2016 saw strong activity throughout the range. Price increases are limited but activity has returned to the market.

Rural Renovations

Don’t Abandon your Cottage
This once derelict Powys property in the woods, reported upon in our last newsletter, is now a charming and popular holiday home for two with bookings throughout its first season. Balfours were integrally involved in the project from first budgets to final buying of furniture and fixings.

From West of Offa’s Dyke

Private Housing
Remember you have until November of this year to register yourself if you are a Landlord of residential property in Wales.

Tax
Devolved taxation powers are coming. In 2018, Stamp Duty Land Tax will be phased out and replaced with a land transaction tax. Other emerging ideas include a fat tax, tourist tax, planning gain tax, luxury car tax and, probably most worrying for many readers, land value tax.

Institute for the Study of Welsh Estates (ISWE)
ISWE aims to coordinate innovative research into the history, functioning and impact of estates and rural communities on an all-Wales basis. It will be interesting to read in due course what it reveals. It could be an extremely important and powerful study for farmers and landowners; let’s hope so.

Agricultural Wages
Following the abolition of the Agricultural Wages Board, the Welsh Assembly is keen to have some form of replacement. Welcome: The Wales Agriculture Advisory Panel! The title is misleading, because the panel is really only focussing on wages.
Residential Lettings

Rent Smart Wales
If you are letting your property in Wales you must be registered and/or licensed to do so. Anyone involved in letting or management in any way must be trained. At Balfours over 30 professionals so far have spent an intense seven and a half hours completing the Rent Smart Wales training to ensure we can continue to do what we do well and have the certificates to prove it. The law applies to both Landlords and Agents alike.

Market Trends
The post Brexit rental market remains very busy. We are not seeing significant changes to rents but as ever, the demand is strong for properties which are in top order.

Town Sales
An Exciting Year
2016 has been the most exciting year in the town sales market for almost a decade - the restricted supply of properties coming to market versus a continued increase in demand, the introduction of an additional 3% Stamp Duty levied on buy-to-let and 2nd homes back in April and in June, the 'B-word', Brexit! With interest rates at historic lows and with Shropshire having only recently enjoyed a rise in house prices, we anticipate a steady market going forward.

Castle Lodge
On the market with Balfours, Castle Lodge is one of Ludlow’s finest townhouses. Once the home to Catherine of Aragon and more recently the film set to Moll Flanders, this Grade II* listed building dates back to the 13th Century with extensive oak carvings and panelling throughout its 12 bedrooms, Great Hall and Drawing room. There is an opportunity for the right person to purchase a very real bit history.

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RURAL HIGH SPEED BROADBAND?

“There are decades when nothing happens, then weeks when decades happen” Lenin
Farming
A Brave New World

The likely reduction or, worse still, the loss of subsidy payments post-Brexit should be a concern for most sectors of UK agriculture, which would be losing (more) money without support.

When New Zealand abruptly cut subsidies in 1984 farm profits were initially cut in half, although the industry has subsequently revitalised itself to great effect. UK agriculture will have a greater time frame in which to restructure, before any changes take place, and should use the time wisely.

Jon Birchall
Consultant
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Sporting
Success on a Trout Stream - Part 2

The habitat improvements on the river we reported on in our Spring Newsletter are bringing their rewards. The fishing syndicate has enjoyed their most productive season to date.

Charlie Fitzherbert-Brockholes
Land Agent
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Farm Sales

Land prices in 2016 have been below their peak for the last few years. The Brexit decision leaves the market uncertain. Volatility in the financial markets often means increased demand for agricultural land, and the weaker pound will have helped commodity prices. There is the uncertainty about farm payments after Brexit.

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Peter Wright
Partner and AMC Valuer
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“It is better to give than to lend, it costs about the same” Sir Philip Gibbs
People

Charlotte White
is a recent graduate from Harper Adams joining Balfours in the late spring. Charlotte has hands on farming experience as well as experience working with chartered surveyors during her sandwich year, so she hits the ground running. She is working with Partner Justin Stevenson where she will gain estate management and planning expertise. Justin is an examiner with the Central Association of Valuers and is the firm's leading advisor on planning matters.

Mary Rogers
Has retired after 48 years in our Craven Arms Office which she joined in 1968 as a shorthand typist. She will be much missed by us all but especially Denzil Onslow who also joined the firm in 1968 and with whom she worked until this year.

Tracey Roberts
Joined our busy lettings department in May this year. Tracey came to the business already with strong customer service and admin skills having been recruited from the banking sector. Tracey is a very welcoming and competent member of the team.

Jack Cooper
Came from the masters course in Cirencester to work with Balfours’ Partner Richard Jones-Perrott in June. Jack is from the south and has worked with agents in the west country. He is now living in the Welsh Borders and is closely involved in the management of a large traditional Shropshire estate. He will also be studying to qualify as a Chartered Surveyor and, as Richard is an examiner, he should have a good tutor.

Charlotte Adkin
Passed her professional exams in May to qualify as a full Member of the Royal Institution of Chartered Surveyors. Not content with academic success, Charlie then ran up the three peaks of Ben Nevis, Sca Fell Pike and Snowdon - all within 24 hours. Charlie graduated from Exeter University and then joined Balfours in 2013 and has quickly gained the confidence and trust of the clients with whom she works.

Charity Event
Christopher and Leila Corbet kindly hosted a most successful evening of clay pigeon shooting for Balfours’ guests on the Acton Reynald Estate at which 60 people had a go, and which raised £500 plus gift aid for Morton Corbet Church. The winning team comprised Tom & Ed Graham with Josh Burbidge.