



## The Whitfield Estate, Herefordshire

### Are you ready for change?

The Renting Homes (Wales) Act significantly changed the way all landlords in Wales rent their property. As agents we have embraced the changes and have converted Tenancy Agreements to Occupation Contracts and Tenants to Contract Holders. Now in England, the Renters (Reform) Bill is working its way through Westminster and we are preparing for what is promised to be a fairer and slicker system. However, the higher cost of mortgages and the loss of tax relief on them, means that, combined with concern at the proposed changes,

many “buy to let” landlords are selling up with demand for private rentals outstripping supply. As a result, our dedicated lettings team has been very busy advising and helping our clients. See the articles from Paula Wells and from James Trant for their thoughts.

Farming for food remains the principal aim for most of our farming clients but now most of our time is spent discussing one or more of many environmental acronyms covering Environmental Land Management, Sustainable Farming, Countryside Stewardship, Woodland Grants, Biodiversity,

### FEATURED IN THIS ISSUE

Biodiversity

Glamping

Planning

Renters Reform

Sustainable Farming

Woodlands and Tax

West of Offas Dyke

Carbon and Natural Capital. At last we seem to be getting some flesh on the bones of these schemes. If you have not already done so, is



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## ...Continued from front

now the time to take advantage of some of these opportunities?

Another alternative income might be from glamping, in which case read some first-hand advice

from Richard Jones-Perrott.

The high cost of farming inputs and the phasing out of the Basic Payment Scheme means we are having many more discussions

about the alternative opportunities for those that live and work in the countryside. There has never been a more important time to consider the options.

## Valuation

### Formal or Informal Valuations?

We can quickly and simply advise how you might best sell or let your property and advise on an asking price without obligation or charge. This informal appraisal is possible because in the end the market will determine its true value. However, where a valuation is to be made and relied upon by third parties such as a lender or HMRC, such valuations are highly regulated by the RICS in the way they are undertaken, presented and subsequently used and require a detailed report.

Our valuers work as a team to ensure we have all the latest relevant information to produce a well-researched opinion of value suitable for your purpose.

We undertake formal reports for tax and security as well as less formal valuations for management and potential property sales or purchases. We also assist in the sourcing of finance to farmers and landowners.

Contact us to see if we can help.



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Partner

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## Lettings

### Supply not meeting demand

The recent "Goodlord" State of the Industry survey confirmed that there continues to be a reduction in the supply of homes available to let alongside a significant increase in demand.

The principal three reasons given by landlords for selling up were:

1. Economic/Financial reasons arising from higher mortgage rates and changes in taxation
2. Incoming legislation under the Renters (Reform) Bill
3. The pressure from increased Energy Efficiency Standards

However, following this survey, the Government has dropped proposed further proposed

increases to EPC requirements.

Inevitably the increase in costs and the imbalance of supply and demand has driven up rents with average rents rising by 5.1% in England and 5.8% in Wales over 12 months, with new contracts in Wales doubling that figure.

We expect that these increases will continue for the coming year and our advice to our clients remains: that if you present and keep your property in good order there are good tenants willing to pay a fair rent.



**Paula Wells**  
Lettings Team Manager  
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## Farming and Food

### The Sustainable Farming Incentive

Farmers in England can now sign up for the Sustainable Farming Incentive (SFI).

To quote the Government:

"The Scheme pays farmers for taking actions to support food production, farm productivity and resilience, whilst protecting and enhancing environment".

Payments will be made quarterly and can be made in addition to Countryside Stewardship money, so long as actions under both schemes are compatible and payments not duplicated.

Full details and the SFI 2023 are available on the Government website.



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## Residential Sales

### Autumn Market - Is it time for a New Term?

Aren't we lucky to enjoy the full effect of the seasons. Autumn, is decidedly with us. It feels like a fresh page, perhaps instilled in our sub conscious from early years of progressing through school and higher education.

A decision to sell your house is a step change that is likely to have

been brewing for some time and is finally taking root. Contrary to traditional thinking, putting your house on the market in the autumn can be a savvy move. Even in the current steadier market we still have a list of clients with an appetite to move on, including cash buyers.

It is also reassuring to realise that we

are indeed "all in similar situations", that is to say your property value remains pro-rata to the value of others. This is particularly so in our region where values have held significantly better than many other areas of the country.

The starting point is to seek a market appraisal of your property. From there you will be able to properly judge whether a new season and start of a new term is right for you.

At Balfours, we are a tight knit team with deep local knowledge together with integrity and drive to ensure that opportunities are maximised for each and every one of our clients.



Crug Farm - Sold with a guide price of £895,000



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## The Environment

### Biodiversity Net Gain

Under the Environment Act 2021, most new large planning permissions granted in England will have to deliver a 10% Biodiversity Net Gain (BNG) from January 2024. This will be measured using Natural England's "Biodiversity Metric". The Gains are measured in "Units" and must be secured for at least 30 years.

Where a developer cannot achieve the necessary gains on site, they can buy in Units from farmers and landowners, willing to commit to improving their own site and managing the habitat for at 30 years. Such a deal can be done directly between the landowner and developer or through the Local

Authority, environmental banks, broker or other trading platform.

There is an adopted metric to calculate the number of units their site, available to trade and it is recommended an ecologist is used to "Ground Truth" the site and potential units generated through change in management. DEFRA has estimated values might range between £9,000 and £15,000 per unit but this is a new market and value will depend upon location, supply and demand and may vary significantly from this.

Before trading, landowners would be well advised to consider not

just loss of other income from the land involved but also the cost of biodiversity management and re-establishment if necessary, monitoring and reporting, ecologist, legal and other expert costs, insurance and inflation. The potential capital taxation impact should also be considered if Landowners are relying on the use of Agricultural Property Relief.



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## Farming & Leisure

### Glamping in Wales

Having recently set up my own glamping business, I thought it would be helpful to share some experience.

#### Location, Location, Location:

Somewhere that stands out from the crowd. Our site in Wales has far reaching views from a tranquil site.

**Infrastructure:** Roads, electricity, water and drainage can all be very expensive and scupper a project before it gets off the ground.

**Planning:** Because you like the site don't assume your neighbours and the planners will. There will be a lot of hoops to jump through for what you thought was something simple!

**VAT:** It may be possible to save build costs by registering for VAT but you will then have to pay VAT on the value

of future bookings. A short-term gain could mean a longer-term disadvantage.

**Costs:** Depending on how you structure the business expect up to 50% of gross earnings to be taken in costs such as cleaning and laundry with agents costing between 20 and 25% plus VAT. This is before the cost of finance which is currently steadily increasing.

**Time:** Do not underestimate the time and hassle involved and the need to be flexible and on site. Often bookings can come in with very little notice, which can mean having to undertake a changeover at very short notice.

All that said, if you have the right site and are willing to put in the work, there can be a decent reward for the investment.



**Richard Jones-Perrott**  
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## Planning

### Barn conversion rules to be relaxed?

Landowners in England currently have limited rights to convert agricultural barns into houses without planning permission under the rules of "Permitted Development". These rights are somewhat limited and the Government has proposed changes to loosen those limitations.



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Significant changes might include:

- Extending these rights to include AONBs and National Parks
- Increasing the maximum number of homes that can be delivered on a single agricultural unit from five to ten.
- Allowing the rights to be used for agricultural buildings that are no longer part of an agricultural unit.

It is the first of these proposals that is likely to be the most controversial as there are, for example, thousands

## Renters Reform

### The biggest change in England for a generation

Though introduced in May 2023, the Bill is likely to take at least 18 months from that date before any proposed reforms come into effect.

The main change proposed is that Section 21 'no-fault evictions' will be abolished to be replaced with what the Government describes as a stronger, quicker and more efficient system for landlords to recover their property. This could include the event that they need to sell, require the property for a direct family member or need to evict the tenant for reasons such as repeated rent arrears or anti-social behaviour.

Under the new laws it is proposed that rent review clauses will be banned, but landlords will still be able to raise rents once a year in line with market levels.

There will be a new Ombudsman scheme, which all landlords may have to join. This aims to provide fair, impartial and binding resolutions to disputes.

It is proposed that landlords will not be able to unreasonably refuse a pet but may ask the tenants to pay for Insurance to cover any damage caused by the pet.



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of field barns in the Yorkshire Dales, considered to be "iconic" within the landscape, exactly as they are.

Permitted development rights are also available to help farmers build new farm buildings - revisions proposed here include increasing the ground area allowed.

The consultation is now closed and we await its conclusions.



## West of Offa's Dyke

### Trees and the Sustainable Farming Scheme

The Welsh Government have a target to plant 43,000 hectares of woodland by 2030. To help hit that target they have proposed that every farm that wishes to enter the Sustainable Farming Scheme must have 10% of their farm planted to trees.

The problem is many farms are unsuitable for trees for all sorts of reasons. The Minister for Rural Affairs, Lesley Griffiths said in the Senedd that areas unsuited to planting would be

excluded from the calculable area and existing cover will be included in the 10%. Nevertheless, tensions remain.

Both the president of the NFU Cymru, Aled Jones, and his deputy, Abi Reader have said they will not be taking part in the Scheme as proposed and, as such, have set the tone of the debate.

Mark Drakeford, the First Minister says "it is absolutely essential we grow more trees here in Wales to combat

climate change". The Government have yet to make a final decision on whether there will be exceptions or even how much subsidy there will be available through the scheme, which is intended to replace BPS, Glastir and Habitat Wales Scheme.



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## Woodland Tax Relief

### Don't ignore small woods

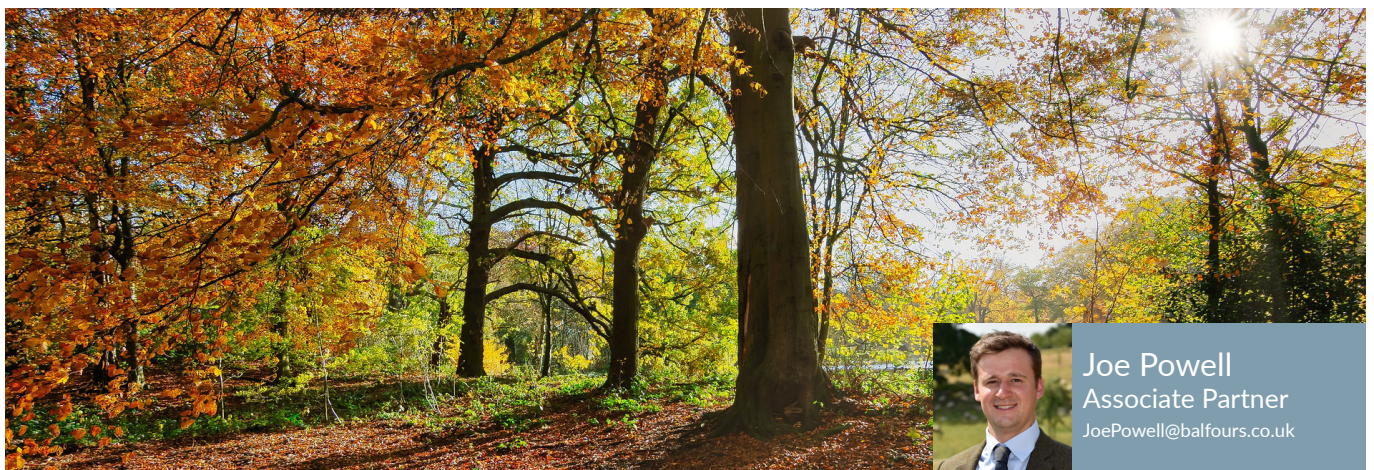
The tax reliefs available on the transfer of woodlands can be very worthwhile, particularly now that the recent uplift in timber values helps to make even small operations profitable.

When selling woodland with a residential property the default position that HMRC will take is that

it is residential unless it has been and will be managed as a genuine commercial woodland. There must be evidence to support this and, if so, then the whole transaction should qualify for the lower non-residential rate as a mixed-use transaction for the purposes of calculating Stamp Duty Land Tax.

For Inheritance Tax purposes, woodland may achieve 100% tax relief if evidence can be produced proving they have been commercially managed or that they are ancillary to agricultural operations.

Talk to your accountant.



**Joe Powell**  
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**Did you Know:** The proposed requirements for an increase in EPC standards for let property from 2025 and 2028 has now been abandoned, with the required minimum energy rating remaining unchanged for the foreseeable future.

## People

### Promotions



#### Scott Kemsley

Promoted to Partner

Scott Manages the Ludlow sales office and has a vast wealth of local knowledge, and a particular interest in rural property, and historic builds.



#### Abigail Barker

Promoted to Associate Partner

Abigail has the responsibility of office management and leading the administration teams, both at Shrewsbury and at our office in Ludlow.



#### Andrew Price

Promoted to Associate Partner

Andrew grew up in Herefordshire from where he now is involved with the management of a number of traditional estates and rural property portfolios.

### New recruits



#### Alex Jackson

Partner, Land Agent

Returning to Shropshire after 12 years in the north east. Alex specialises in valuation work, tenancy matters, telecoms masts and compulsory purchase along with traditional estate management in England and Wales.



#### Clare Amey

Associate Partner

Joining Balfours to assist in the management of the residential portfolio. Clare has worked extensively in the Residential Lettings and Property Management sector.



#### Amy Molloy

Lettings Administrator/Negotiator

Amy has joined Balfours from a local firm with experience of rural and town lettings. She is now working with our lettings team in the Square in Shrewsbury.

### Placements



#### Jasmin Teague

Assistant Land Agent

Jasmin is a third year Royal Agricultural University undergraduate placement student.



#### Sophie Jones

Assistant Land Agent

Sophie is a third year Harper Adams REALM undergraduate placement student.

## Balfours

PROPERTY PROFESSIONALS

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