

## Residential Sales

### Let's be realistic

2025 saw a shift towards a more buoyant, albeit modest, market with a 5% national increase in agreed sales, versus the same period last year. However, the traditional autumn bounce is restrained with Rightmove reporting a 0.3% increase in guide price well below the ten-year average bounce of +1.1%, this enforces the need for realistic pricing as opposed to 'testing the market' which can lead to a prolonged marketing campaign and a lower accepted offer. Looking forward to 2026, housing continues to be a political priority with some radical changes suggested, coupled with further BoE base rate reductions, we are excited to welcome a more active market.



Leaton Lodge, Bomere Heath, Shropshire - SOLD

Amy Meldrum-Beechey  
Sales Office Manager  
AmyMeldrumBeechey@balfours.co.uk

## Taxation

### Some Key Issues

**Sadly the Government's inheritance tax reforms have been a disaster. Despite robust lobbying from industry groups and protests from those affected, the recent changes remain destined to take effect from April 2026 with only minimal change from what was first proposed last year. Whilst there has been a lack of confidence in what the future might hold for the next generation of farmers, with proper planning, there is still a future.**

Here's a breakdown of some key taxation issues for the coming year and beyond:

#### 1. Inheritance Tax

Agricultural Property Relief (APR) is capped at £1m per estate from April 2026. Estates above this will have relief of 50% which provides for an effective rate tax at 20%

We cannot over emphasise the need for farmers and landowners to take advice where they have not already done so.

#### 2. Mansion Tax (High Value Property Surcharge)

From April 2028 properties valued in excess of £2m will face an annual surcharge on top of Council Tax. That charge is proposed to be on a sliding scale of £2,500 to £7,500 which would be circa 1% of the capital value. We must wait to see how these valuations will be carried out and if exemptions for Heritage or Agricultural property might apply. The CLA will be lobbying.

#### 3. Tourism

Regional Government in England will be given the power to levy a charge on businesses providing overnight stays.

How this will work has yet to be seen.

#### 4. Employment

From April 2026 the minimum wage will be:

Apprentices/under 18s: £8/hr  
18-20 yr olds: £10.85/hr

#### 5. Lettings

From April 2027 Landlords will have an additional 2% income tax to pay on rental income.



Bryn Hill  
Partner  
BrynHill@balfours.co.uk

## People

### Promotions



Matthew Doyle, Paula Wells & Cathrine Barre have been promoted to Associate Partners. Matthew is a Chartered Surveyor working at New Windsor House whilst Paula manages the Lettings Team in our Shrewsbury office in The Square. Cathrine manages the Ludlow Sales Office. We congratulate them all on their hard work and continued service.

### New Starters:



#### Katie Turner

Katie has some 12 years' experience since graduating, and ultimately qualifying as a Chartered Surveyor. Katie joins us as an Associate Partner based in our head office.



#### Alfie Hollingsworth

Alfie holds a Masters degree in Rural Estate Management from the RAU, completed alongside practical experience with a land agency in Devon. He has a strong agricultural background and hands-on farming knowledge.



#### Jasmin Teague

Jasmin is a 2025 RAU Graduate & returns to the business having spent her 3rd year placement at Balfours.

## Balfours Celebrates 200 Years

Shropshire's longest-standing land agency marked its bicentenary with a drinks reception at Loton Park, near its 1825 origins. Founded by Timotheus Burd, Balfours has evolved from real horsepower to cutting-edge tech, supporting landowners through today's challenges of food security, climate

change, and environmental markets.

**Managing Partner Rory Galliers reflected:**

**"We're proud custodians of this milestone. From steam railways to digital tools, our mission remains the same—helping clients thrive in a changing world."**

# Balfours

PROPERTY PROFESSIONALS

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### PROPERTY MANAGEMENT

New Windsor House  
Oxon Business Park, Shrewsbury  
SY3 5HJ  
Tel: 01743 241181

1-2 King Street  
Ludlow, Shropshire  
SY8 1AQ  
Tel: 01584 707100

The Estate Office  
The Vallets, Whitfield, Hereford  
HR2 9BA  
Tel: 01981 570727

### SALES & LETTINGS

The Square  
Shrewsbury, Shropshire  
SY1 1LG  
Tel: 01743 353511 Sales  
Tel: 01743 277069 Lettings

1-2 King Street  
Ludlow, Shropshire  
SY8 1AQ  
Tel: 01584 707100

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## FEATURED IN THIS ISSUE

Farming and the Environment

Sound Valuation

Capital Taxation

Renters' Rights Act

Farming in Wales

Planning Change

## Rural Outlook 2026

### Reform, Resilience, and Opportunity

UK farming and environmental policy stands at a crossroads. The rollback of the Sustainable Farming Incentive has created uncertainty and underlines the need for stable frameworks that reward biodiversity, soil health and carbon reduction. Inheritance tax reform has intensified debate over family farm legacies and makes joined-up conversations with family and professional advisers essential. We continue to lobby for constructive reform so that 2026 can become a turning point toward sustainability and prosperity.

Government housing ambitions

and planning reform — including the Planning and Infrastructure Bill and changes to the National Planning Policy Framework — are likely to enable rural development in 2026. We have been involved with many landowners already engaging with the process of promoting opportunities that balance heritage, biodiversity and diversification with housing delivery.

The Renters' Rights Act is now in force. Clients with sound tenants should have little to fear, but robust management and compliance are essential. At Balfours we have

invested in modern IT systems to support this required compliance and more detailed record-keeping. We expect to see the new rules push market rents upwards in 2026.

Residential sales show modest growth; realistic pricing remains key as political focus on housing intensifies.

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## Continued from front...

Andrew Connah joined last year with long experience in the rural banking sector. He is already helping our clients through the complicated procedures for obtaining new loans or restructuring existing loans.

Accurate, evidence-based valuations are now critical under

new inheritance tax rules; formal reports can prevent challenges and protect tax planning. Investment in robust valuations can save a great deal in the longer term.

In Wales, transitional funding for the Sustainable Farming Scheme and parliamentary

support reinforce agriculture's economic and environmental role and position landowners to shape a resilient future.



Rory Galliers  
Managing Partner  
RoryGalliers@balfours.co.uk

## West of Offa's Dyke

### A chance to shape the future?

In 2025, Welsh farmers and landowners—like their counterparts across the UK—faced a dynamic year of change. Policy evolution, tax reform, and climate adaptation continued to reshape the rural landscape, but signs of support and resilience are emerging.

The Welsh Government's confirmation of transitional funding ahead of the 2026 launch of the Sustainable Farming Scheme offers a welcome window for adaptation and planning. This proactive step reflects a growing recognition of farming's central role in Wales' future—both economically and environmentally.

While inheritance tax reform is a real problem for many, the spotlight on succession planning has prompted families to take strategic steps to secure their legacy. Rising costs and shifting fiscal frameworks have catalysed a renewed focus

on long-term viability, with advisers and landowners working collaboratively to navigate change.

Encouragingly, the UK Parliament's Welsh Affairs Committee continues to champion agriculture's significance, highlighting its £1.7 billion contribution to the Welsh economy and its stewardship of over 90% of the land area. This underscores the sector's enduring value—not just in food production, but in environmental care and community cohesion.

Looking ahead, Welsh farmers and landowners are well-positioned to shape the future through active engagement, strategic foresight, and a commitment to sustainability. With the right tools and support, the challenges of 2025 may well become the foundations of a more resilient and thriving rural Wales.



Richard Jones-Perrott  
Partner  
RichardJones-Perrott@balfours.co.uk

## Mortgages Time to Restructure?

The extreme commodity price volatility witnessed in recent years, combined with the uncertainty surrounding government support, reminds us how quickly the fortunes of UK farming can change and how unpredictable future profitability and cashflow is becoming.

Against such a backdrop borrowers may be well advised to review their financial arrangements in particular the potential implications of any loan covenants and, with lending margins currently more favourable than at any time since the 2008 banking crash, now could be a very opportune time to restructure business debts.



Andrew Connah  
Head of Rural Finance  
AndrewConnah@Balfours.co.uk

*“Landowners are the only people who can lose sleep over both badgers and bankers in the same week.”*

# Planning and Development

## A moment to think strategically

For rural landowners, the proposed planning reforms for 2026 presents a moment of opportunity with, inevitably, some uncertainty. The government's push to streamline the planning system—through the Planning and Infrastructure Bill and changes to the National Planning Policy Framework—could unlock long-stalled development potential on rural holdings.

However, the reforms may also raise some concerns. Local authorities will face tighter performance metrics that reward higher fee receipts, and could drive a shift from nuance

to volume of development. For those of us stewarding land with ecological or heritage value, the introduction of Environmental Delivery Plans linked to the Nature Recovery Fund could complicate development.

There will be a need to balance environmental obligations with the practical realities of rural enterprise.

The centralisation of planning powers and the emphasis on housing delivery mean that it will be important for rural voices to be heard as Local Plans are revised. Early engagement, site promotion, and clear

environmental evidence will be key to navigating the new regime.

For landowners, this is a moment to think strategically. Whether considering diversification, legacy planning, or community-led development, the 2026 reforms demand foresight and collaboration. With the right advice and preparation, we can shape outcomes that respect both the land and the livelihoods it supports.



James Trant  
Partner  
JamesTrant@balfours.co.uk

# Residential Lettings

## The Renters' Rights Act

The Bill received Royal Assent in October this year with the first phase of the tenancy reform measures taking effect from 1st May 2026.

What effect might we see with these sweeping changes?

### For Landlords:

- Higher compliance costs combined with new administrative burdens including mandatory registration (from late 2026 onwards) and stricter rent increase rules along with reduced flexibility following the abolition of Section 21 “no fault” evictions. With local councils having investigatory powers to enforce housing law in the private rented sector.

### For Tenants:

- Greater security arising from stronger protections, including the end of arbitrary evictions

and clearer rent controls as well as improving housing quality and landlord accountability.

The full impact will unfold in a 3 phased framework. Analysts expect a more stable but tightly regulated rental landscape, with potential upward pressure on rents as landlords adjust to new constraints.

At Balfours, the vast majority of landlord-tenant relationships we manage are strong and constructive. In preparation for the upcoming legislation, we proactively introduced new software to enhance compliance oversight. This ensures not only that regulatory standards are met, but that we can clearly demonstrate full compliance when required.



Paula Wells  
Associate Partner  
PaulaWells@balfours.co.uk

## Farming and the Environment

### We need constructive reform

The UK's farming and environmental policy is at a pivotal moment—one that presents both challenges and opportunities. While recent changes have raised concerns, they also underscore the need for renewed collaboration between government, landowners, and industry to shape a more resilient and sustainable future.

The rollback of the Sustainable Farming Incentive (SFI) scheme has undoubtedly created uncertainty. Yet it also reinforces the importance of long-term, stable frameworks that support both environmental stewardship and financial viability. Farmers and landowners remain committed to investing in biodiversity, soil health, and carbon reduction—what's needed now is policy that matches their ambition.

Inheritance tax reforms have sparked vital conversations about the future of family farms. These farms and estates are more than assets—they are legacies, ecosystems, and livelihoods. The debate offers a chance to reaffirm

the cultural and environmental value of rural land, and to argue for succession policies that protect continuity and community.

Encouragingly, the recent revisions to the Farming Rules for Water have been welcomed across the sector. The CLA described them as “welcome and overdue,” particularly for land managers seeking clarity and fairness in enforcement. This shows that constructive reform is possible—and that industry voices are being heard.

What's clear is that piecemeal change won't be enough. Landowners are ready to lead on sustainability, but they need coherent, supportive policies that reward good practice, safeguard family farms, and align environmental goals with rural prosperity.

With the right engagement, 2026 could mark a turning point—toward a policy landscape that empowers farmers as both food producers and environmental custodians.



**Andrew Price**  
Associate Partner  
AndrewPrice@balfours.co.uk

## Valuation

### The importance of sound valuations

With proposed IHT reforms capping Agricultural and Business Property Reliefs from April 2026, rural valuation is becoming a strategic priority. Full relief will apply only to the first £1 million of qualifying assets, with 50% relief on the excess—potentially exposing significant estate value to tax. Accurate, defensible valuations will be more important than ever to mitigate liabilities and support succession planning.

Landowners must ensure valuations reflect agricultural value where appropriate, especially for APR claims. Mixed-use assets, development uplift, and diversified income streams will face greater HMRC scrutiny, increasing the risk of disputes. Lifetime transfers before April 2026 may still benefit from full reliefs, but only if valuations are robust and well-documented. Trustees and executors must also reassess periodic and exit charges

on settled property. In this new landscape, rural valuation is no longer a compliance exercise—it's a protective measure. Engaging qualified valuers early is key to preserving reliefs and safeguarding legacy through effective planning in good time.



**Alex Jackson**  
Partner  
AlexJackson@balfours.co.uk