

19 December 2007

Bring land forward in good time

2007 has been a year of rising prices in the land market at levels pretty much unprecedented, says land agent Robert Fairey, of Brown & Co. Now with sweeping changes likely to the capital gains tax rules in April, he urges landowners contemplating a sale or transfer to the next generation to bring land forward in good time over winter.

In 2007 Brown & Co was involved in purchase and sale transactions totaling in excess of £60million and involving over 10,000 acres.

“Across the whole agricultural sector, regardless of quality, arable land is in greater demand than could have been anticipated only 18 months ago,” says Robert Fairey. “Commercial fenland farms that would have realised £2,500/acre in mid-2006 are now trading comfortably in excess of £4,500/acre. While foreign buyers have fuelled the upward trend, there is evidence that local farmers are now upping their game.”

Across the eastern region, the most popular farms remain the larger 400-500 acre blocks, with queues to view - creating strong competition. The good news for sellers in 2008 is that underbidders are still in the market to invest.

Lincolnshire and Yorkshire

Combinable cropping farms, whose value has been historically linked to farm economics, have seen the most significant increase in value and demand. The area of silt that found its way to market in 2007 has been considerably less. Hotspots, such as Holbeach Marsh and the Wrangle Tofts, continue to trade at a premium. In less fashionable silt land parishes there has been a narrowing of the gap, between silt and non-silt land values, reflecting the rise in combinable crop values in comparison to static, or falling, sugar beet, potato and brassica prices.

In North Lincolnshire only a handful of farms sold on the open market in 2007 with shortage of supply driving prices ever upwards. The Brigg office is starting the New Year with a sale of 90 acres of bare land at Kettlethorpe, near Gainsborough, and is anticipating strong demand for the root and arable cropping land. The land is being sold by informal tender at a guide price in the region of £4000/acre.

Yorkshire land has been in slightly greater supply and has commanded the usual premium over values across the county border to the south.

East Anglia

Moving south to East Anglia, Willow and West Fen Farms at March, Five Mile Farm at Wissington, and Home Farm at East Winch – all good productive arable farms – soaked up some of the existing demand from commercial, rather than lifestyle, farmers.

In the specialist free-range poultry market Park Farm Syleham, in Suffolk, and Poplar Farm Waxham, in Norfolk, sold well in excess of guide price with keen interest from new entrants to the industry attracted by the substantial income earning potential.

2008 and beyond

Looking to the future Robert Fairey says; “The outlook is that land values in the East of England and the East Midlands are likely to continue to rise, certainly in the short term, as there are no signs of large acreages coming to the market to satisfy pent up demand.

“It will be interesting to see if the Chancellor’s capital gains tax reforms, however they turn out, fuel the supply line. Our advice to those considering a sale or transfer is to take advantage of the current circumstances and act in good time prior to the end of the tax year.”

ENDS

For further information, please contact

Robert Fairey	Brown & Co	01284 731450 / 07768 465741 r.fairey@brown-co.com
Sue Jupe	SMJ Communications	01603 614319 / 0780 390 6356 sue@smjcommunications.co.uk

Notes to editors

Brown & Co is a firm of independent rural property, land and business specialists operating from ten offices in the East of England, London, Poland and St Lucia.

Specialist services include:

- Land Agency
- Residential Agency and Lettings
- Commercial Property
- Agricultural Business Consultancy

- Estate Management
- Planning and Development
- Building Services and Surveys
- Auctions

- Overseas Consultancy Services
- Dispute resolution.