

So you think you want more land in order to succeed?

In the United Kingdom we have approximately 17 million hectares of land (42 million acres) of which nearly 70% is owner occupied, leaving 30% tenanted. You could be forgiven for thinking that the best way to acquire land would be to raid the piggy bank and buy some. However, whilst about 7.52% of the UK housing stock changes hands each year, less than 0.5% of UK farmland is publicly sold each year equating to roughly 80,000 hectares (200,000 acres) thereby considerably reducing the opportunity to



buy appropriate land. Thirty years ago the figure for farm land sales was nearer to 2.5% but with a lot less available to rent.

So what has changed?

It is probably fair to say that there is much more reluctance to sell in today's environment largely due to the alternatives that weren't available 30 years ago when most farmers approaching retirement didn't really want to sell but felt they had no option. The introduction of the Farm Business Tenancies in 1995 and the popularisation of Contract Farming arrangements offer much more flexibility, and possible tax advantages, to the ageing or reluctant farmer. What it often does mean though is that increasingly land is being farmed from a distance and we see more and more farm machinery on the road between scattered parcels of land.

The result is that there is actually rather more than 30% of UK farmland rented in one form or another, as much more is available on short-term arrangements for specialist cropping and short-term grazing lets. Despite great pressure on farming incomes over the past two years, we have seen no let-up in demand for land to rent in the West Midlands and Marches. A recent tender we handled for a reasonable-sized block of mixed arable and pasture land in Staffordshire created lots of interest but with land for sale at between £7,000 and £14,000 per acre and little of it on the market, perhaps this is hardly surprising.

Could renting be an answer to succession problems?

So if you want to expand your farming enterprise, renting or contract farming is certainly an increasingly popular way forward. However it might also be an answer to succession problems. Whilst primogeniture, where the **eldest son inherits the lion's share of the family farm, is still popular in UK farming families, it is becoming more popular for families to try to 'even things up' by making future provision for all children.** This might not be straightforward, particularly when all the family assets are tied up in the farm and often deters farming families from even raising the subject of succession, let alone making a robust plan for the future. But plan they must.

Even Shakespeare's King Lear had a plan.

"know that we have divided in three our kingdom; and 'tis our fast intent to shake all cares and business from our age, conferring them on younger strength....that future strife may be prevented now."



When it comes to succession planning we are seeing more and more complex arrangements between siblings where the management of responsibility for the farming enterprise is transferred to one child (the successor) and the ownership of the assets is transferred jointly to all the children (the inheritors). In effect the farming business rents the **farm from the family to avoid having to sell assets to 'pay out' non-farming siblings.** However this is not without its problems and whilst it might work for the first generation, their offspring may not be so keen to be joint landlords with their cousins.

One thing is certain. However difficult the succession process might be, failing to plan invariably means planning to fail. Start the conversation before it's too late.



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Don't let short-term cash flow problems stifle your plans!

When things get tight in business we all look to cost-saving schemes to see us through. Why not take a long hard look at your borrowing to achieve your long-term goals. Money has never been so cheap and the Agricultural Mortgage Corporation (AMC) offers a Flexible Facility which can provide a more predictable alternative to the traditional bank overdraft. Terms are set for a

five-year period giving you increased confidence and flexibility in your medium-term budgeting and costings. Furthermore AMC is highly competitive on longer-term loans for a wide variety of agriculture-related borrowing. Speak to our experienced team now to find out how we can help you fund the future.



Featured Properties



Nr Oswestry
Guide: £725,000

Country residence with approx. 9 Acres and extensive outbuildings
Secluded country residence | substantial farmhouse with adjacent bungalow | main house with 4 bedrooms | farmhouse AGA kitchen | large living room | bungalow with 3 bedrooms | suitable for a variety of business opportunities | American-style barn with four stables & foaling box | workshop | garage | barns | lawned gardens | paddocks | just under 9 acres in total | *EPC D*



Nr Shawbury
Guide: £695,000

4 bedroom house, 26.9 Acres pastureland and outbuildings
26.9 Acres rolling pastureland | charming extended sandstone house | four bedrooms | sitting room with log-burning stove | kitchen/diner | magnificent, far-reaching views | garden room with panoramic views | range of useful, versatile outbuildings | very private, tranquil location | commercial potential for clay pigeon shoot | River Roden boundary | *EPC F*



Nr Telford
Guide: £674,950

Stunning 5 bedroom farmhouse with outbuildings in 2.45 Acres
Sympathetically extended farmhouse | 2.45 Acres of gardens and paddock | imposing entrance hall | galleried landing | formal sitting room | cosy snug | master suite with dressing room and bathroom | 4 further bedrooms | triple garage | workshop | outbuilding | stable | AGA farmhouse kitchen | quiet rural area | far-reaching views | close to Telford & Shrewsbury | *EPC D*



Nr Whitchurch
Guide: £385,000

Rural property with outbuildings and planning consent
Delightful country property close to busy market town | currently 2 beds | planning consent for 2 additional bedrooms and changes to current layout | 2 substantial outbuildings | workshop | storage | garaging | office area | lawned gardens | adjacent paddock/orchard area | gentle, tranquil views | currently used as commercial premises | separate access to buildings | *EPC F*



Nr Shrewsbury
Guide: £370,000

Enchanting 3 bedroom cottage with outbuildings in 2.2 Acres
Charming 19th Century stone cottage | 3 bedrooms | period features | cosy sitting room | dining room | AGA kitchen with original bread oven | traditional and modern, useful outbuildings | 2.2 Acres with separate access | quiet rural area close to thriving towns | ideal for equestrian or livestock | potential for extension (subject to planning) | close to Welsh borders | *EPC E*



Nr Oswestry
Guide: £350,000

Characterful canalside 3 bedroom property with great potential
Unusual extended stone country cottage | ground floor master suite | 2 first floor bedrooms and bathroom | versatile living area | fitted kitchen | cosy sitting room with brick fireplace | close to thriving town of Oswestry | sun room with panoramic vista over the canal | outbuildings and garages | lovely views over open farmland | extensive gardens and fruit orchard | *EPC F*

