



Selling in 2021? Know your worth

(Under offer - Woodrow Farm, Cumbria)

As timing and strategy for selling in 2021 is more important than ever, D&R is offering **no obligation, free appraisals** to help clients assess their sale prospects. **D&R Sales Director George Hipwell says demand for appraisals is on the rise because property and landowners have a growing number of options to consider.**

Land and property in Scotland's Central Belt and in the Lake District have always been strong markets but there are new opportunities across the regions for lifestyle property. An emerging market is also developing for pockets of low output land with environmental potential as new types of buyers are speculating on potential for future subsidy income. Potential sellers should seek professional advice to ensure maximising value from their land.

To date, approximately 15,000 acres of Scottish farmland has been publicly marketed in 2020, a record low. Uncertainty over capital taxation relief, reforms to farm subsidies, trade deals and record low interest rates have all been factors in shaping land prices this year.

Low supply coupled with progressive farm businesses looking to expand, alongside the record low interest rates and strong asset base, means excess demand for land is driving price.

Farm land, forestry and rural residential market weathered the challenges of 2020 well. How will Natural Capital affect future sales? What are the effects of Covid on residential sales?

Read overleaf to find out more.

Our Services (an A-Z)

- Agricultural & Enviro Consultancy
- Compulsory Purchase
- Dispute Resolution
- Energy & Renewables
- Forestry & Woodland Management
- Landlord & Tenant
- Minerals
- Planning & Development
- Property Management
- Sales & Lettings
- Strategic Business Consultancy
- Telecoms Masts
- Utility Claims
- Valuations

**First Carbon Units
For Sale**



**Utilities – get your
costs covered**



**New homes – rural
landowners hold
the keys**



Sales Update - market changes (cont.)



2020 has been a strange year in all senses; it will be the last year in which the UK is part of the European Union and Coronavirus has altered the way we all live our lives, to highlight the obvious two factors that have also had a material impact on the farms, land and rural residential market in 2020.

There are some new market trends, including a more prominent desire for diversification opportunities and an eye to what options Natural Capital and a new subsidy regimes

may bring. Holiday lets, glamping pods, and livery stabling are just some examples of this. Speculating on potential for future subsidy income, there are new types of buyers emerging who are looking for pockets of low output land that has environmental provenance. In the past, these small parcels of less productive land have had little value and sold for less. Perceived as a lower risk, lower cost investment, they are now attracting interest from investment buyers.

For the past 3 years the market for forestry and planting land has been strong and values have only strengthened in the last 12 months. Competition, driven from a wider array of potential buyers seeking tangible assets as a safe haven in the current volatile stocks and shares markets, is driving much of this and is a reflection of the strength of the assets that are farm land and forestry. The strength of the planting land market provides opportunities for farms to invest in the farm business without needing to reduce the productive capacity of the holding. Despite low interest rates, the uncertainty of trade relations with Europe from 1st January 2021 onwards means that this may be seen as preferential to committing to loan repayments.

In Southern Scotland, land and a farm recently came to the market and were under offer in around 2 months. The land was sold for planting - which we see as a particular area of growth for 2021 as carbon trading develops. **(See more in our woodland feature.)**

To discuss a no obligation appraisal, call George Hipwell on 0131 449 6212 or contact your local D&R office.

Telecom masts - the case for a new lease should be challenged

For clients who have existing leases for telecoms masts on their land a recent court ruling has big implications, especially if your tenant is demanding a completely new lease for far less rent.

The Lands Tribunal for Scotland (LTS) ruled recently on the *EE Ltd/ Hutchison 3G Ltd v Duncan & Others* case.

The LTS ruled that the tenant must provide a justifiable need for a new lease to be agreed, otherwise the existing lease should continue.

The 'need' places a high burden of proof on the tenant to justify why the existing lease is unduly onerous or restrictive and why consumers of telecommunications services will be better served by the replacement of the agreement.

At the time of writing, this ruling has been challenged and an appeal is likely, but for now the DUNCAN case has set a precedent and is case law.

So, (whilst the DUNCAN case stands), for anyone with an existing lease for an existing telecoms



mast who has been asked - or served Notice - by their tenant for a completely new lease... our advice is to instruct your D&R Agent to decline the 'offer' and make a counter-offer.

If you think you may be affected, call Derek Bathgate, Lead Director on Telecoms on 01292 265 851 or contact your local D&R office.

Cash in on climate change mitigation – new woodland unlocks cash for carbon



Did you know that if you plant new woodland now, or have done so recently, you can trade the carbon sequestration?

Registering your carbon units allows your new ecosystem to become a financially viable environmental asset. So, as well as receiving grants for planting trees, there's the added bonus of trading your carbon units.

The Committee on Climate Change issued a report in January 2020 on the land use transformation required to deliver the UK Government's Net Zero GHG emissions by 2050. Increasing tree planting by around 30,000 hectares each year was a key finding with the aim of increasing UK woodland cover from 13% to 17% by 2050.

Carbon Units

The Woodland Carbon Code (WCC) is the UK's voluntary carbon standard for woodland creation projects that recognises the value of carbon sequestration. It enables landowners to trade tonnes of sequestered carbon (carbon units) locked up in newly planted woodland. The WCC enables landowners and forest managers to register newly planted woodlands on a public Environmental Register.

Once registered, the new woodland is validated by the Soil Association or Organic Farmers and Growers to validate the number of carbon units the new woodland will sequester over the lifetime of the woodland.

Carbon trading is flexible, but the application process requires supporting evidence to calculate the pending tonnes of carbon - such as planting plans, ground preparation records and a detailed project design document.

At present, newly created woodlands can be registered **within 2 years of the first planting date**. Shortly, new woodland projects will only be eligible to register under the Woodland Carbon Code, within 6 months after the first planting date. Registration of the new woodland is free, but validation can cost in the region of £750 - £1,150 and can take 4-6 months.

The market is buoyant, with carbon trading in the region of £5-15/tCO₂e as companies see carbon trading as a way of compensating for

environmental loss. In November 2019 the English Government announced a £50 million scheme to incentivise woodland creation including the Woodland Carbon Code Guarantee whereby the Government would purchase Woodland Carbon Units at an agreed price. The third Government auction took place at the end of October. This is not yet applicable in Scotland. Trading carbon credits is still relatively new, so it's important to seek professional guidance from the outset, both from surveyors and solicitors.



Woodland creation appears to be a win win. Not only are the UK Government incentivising woodland creation by providing grant funding for planting, but you can secure extra income from trading the carbon the trees absorb. ... so get planting, get applying, get trading.

D&R Surveyor, Emma Kerr, is a Project Developer for the Woodland Carbon Code Scheme and has a fully validated project in South Ayrshire with 10,285 Pending Issue Units of carbon to sell. We also have several other projects in Scotland and England coming soon.

Find out more by calling Emma Kerr or the Woodland Team in our Cockermouth office on 01900 268 633.



Emma Kerr

Planning & Development - where will new homes come from?



The need for housing - urban or rural - continues apace. A recent study identifying the need for 1 million homes in the UK confirms this. The last few years have seen housebuilding blossom again, although mostly by large scale plc housebuilders.

So where will the new homes come from? The answer is that in reality they will come from rural landowners bringing land forward to be developed. Some will be house plots on the edge of existing settlements, some from conversion of farm buildings, or on sites of former buildings, some by building retirement homes for rural farm businesses, and some from larger strategic land releases forming new settlements.

How can this be achieved? Much of the answer is in engaging with the Local Development Plan process at an early stage. It will also be about taking advantage of existing planning policy and then marketing sites. We are currently dealing with sites from 1 to 2000+ homes in size.

If you think you might have a site suitable for some development, regardless of size, contact your local D&R office or speak to Martin Hall.



Martin Hall

Article by Martin Hall, D&R Senior Director, Edinburgh

Land - the race to the register



Have you considered a voluntary registration of your land in the Land Register? There are real benefits to be considered ahead of the 2024 deadline.

The Scottish Government set an ambitious target of having 100% of Scotland's land mass on its Land Register by 2024. Following the introduction of the Land Registration (Scotland) Act 2012, there has been limited uptake, so far only 38% of land is registered. One notable success is Forestry & Land Scotland - they have completed the registration of the National Forest Estate, accounting for approximately 9% of Scotland's total land mass.

Many of the larger estates and private landowners across the country have realised the benefits of registration and engaged with the 'Keeper' at the earliest opportunity. But the general uptake from the farming community has been slow. We are urging farming clients to consider some of the real benefits:

- Clearly defined property boundaries based on an OS map rather than old Sasine title deed plans
- A single title sheet simplifying details in relation to ownership and rights of access, etc.
- A state backed warranty for the registered title
- Simpler, faster and cheaper



Sam Sykes

conveyancing for future transactions

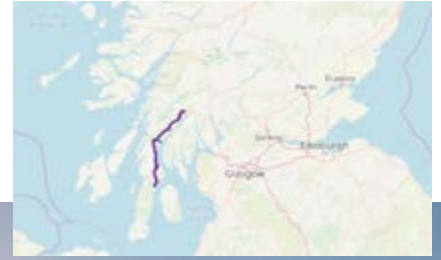
- Makes financial and succession planning easier

Registration can be done via an application known as voluntary registration, or is triggered by a transfer of ownership, taking a security against a property, or entering into a long-term lease.

D&R has prepared digital plans for a wide range of properties - from small 20m² plots to 20,000-acre estates and we are well placed to help you throughout the process. **Contact your local D&R office to find out more.**

Article by Sam Sykes, Senior Surveyor, Lanark.

Utilities – working to protect your interests



When faced with utility companies needing to work on your land – your agent's costs are usually covered by the utility company.

This means you have access to professional advice at an early stage, which can help reduce the hassle and stress when works are needed and can improve the outcome.

Utilities companies operate under a strict legislative framework with a separate piece of legislation for each utility. They are also obliged to protect any affected landowners and occupiers, generally covering the cost of using an agent to represent you.

We are involved in a large variety of projects across Scotland and Northern England, ranging from new installations, tree trimming under pole lines, inspections of pipelines, bursts or maintenance issues and annual losses from historic works. We manage the financial compensation side of the process, any accommodation works (measures put in place to mitigate the impact of the project) and the practical management of contractors and operators working on your ground.

One of the major projects we're currently involved in, is the

installation of a new 50 mile pylon line across Argyll, from Inveraray to Crossaig.

We have been working on the background to this project since 2014, with the last two and a half years involving detailed discussions around how SSE would acquire the rights, the practical implications of the pylon positioning and the roads and infrastructure as well as our clients rights (both landowner and tenant).

Clients have a variety of issues from managing the conflict between the installation's and existing land uses of forestry, renewables and farming, through topographical and climate challenges to the nuances of protecting hefted and acclimatised flocks and herds respectively.

Our input has allowed clients to vary pylon routes and to undertake practical planning and mitigation in advance of the project to minimise disruption and losses where possible. Our expertise and knowledge in, for example, the impacts on hefted flocks, sterilisation of land, heritage

and long term forest management plans, has enabled us to work with SSE to put in place measures to protect our clients and draw up compensation agreements reflecting the unintended consequences as well as the obvious losses.

Now that the first part of the project build is underway, we are in a position to monitor the progress on the ground and ensure agreements are adhered to.

Getting us involved early, in any project, is best but we can work on existing issues as well. If you have any future (or current) utility work issues, a phone call to us can save you money and stress in the longer term. **Find out more from your local D&R office.**

Article by Hannah Melville, Surveyor, Edinburgh



Hannah Melville

Business Update

Martin Hall, Senior Director

Like many of your businesses, we at D&R have risen to the challenge of Covid-19 and restructured our own business. Firstly, I am pleased to announce the appointment of **Linda Finlayson as CEO** in October. Linda was previously our Chief Operating Officer. As part of this restructure, I become Senior Director and Robert Shearlaw will continue as our Non-Exec Chairman.

We have also redefined and streamlined our service offering, aligning our services with specialist teams so that more than ever, you will have one of our designated experts supporting you with the services and advice you are seeking. This new 'Director lead' approach is designed to ensure excellent customer service as we move forward. There is no doubt that the rural world faces many more challenges, but if we all work together we can survive and thrive.



Ian Austin - Director - Head of Utilities, Energy & Infrastructure

We are experiencing increased activity across the entire department. Sustainable energy developers are highly active in what is a rapidly evolving market; recent case law has seen the telecoms market continue to evolve; utility providers are looking to catch up on lost time with major investment planned; housing developers and promoters remain interested and competitive in their desire to acquire strategic land deals. Taking advice is crucial to maximise value and it is likely contributions will be made to professional fees.



Niall Milner - Director, Head of Property & Forestry

Whether housing, commercial, agricultural, minerals, tourism, or forestry we treat all client property like our own to ensure that clients get the best from what they have. In addition to the core offerings of Property Management and Forestry we can also help clients with mapping, lettings and accessing environmental and carbon schemes to allow every aspect of a property to contribute positively to client's businesses.



George Hipwell - Director, Head of Rural and Agency

The Rural & Agency Department provides expert advice on a range of topics, including valuations, purchase and sale work, landlord & tenant matters, and dispute resolution. We support clients to take strategic business decisions, be that expansion, diversification or focussing on efficiencies. There are some great opportunities for proactive businesses - with historically low interest rates, a fall in supply of farmland on the open market, new landlord and tenant legislation or future agri-environmental support.



Derek Bathgate - Director

Based in Ayr, Derek continues to develop our services across South West Scotland. He is Lead Director for Sustainable Energy and Telecoms within which he has vast expertise and experience.



Chris Edmunds - Director

Based in our Cockermonth office, Chris is continuing to deliver our services across Cumbria and the Scottish Borders. He is Lead Director for services in Forestry & Woodland Management and Environmental support - services that are particularly strong in this region.

We're recruiting

As a business we understand the value of our employees, and pride ourselves on providing effective training and leadership programmes to help our employees grow and develop. We are currently looking to recruit surveyors across all disciplines, from newly qualified surveyors to those holding more senior positions. If you, or someone you know, is interested in finding out more about these opportunities please contact our HR Advisor, **Rebecca McKenzie** at rm@drrural.co.uk, attaching a CV and cover letter.