



# 130 years serving rural businesses

CELEBRATING  
**130**  
YEARS  
ANNIVERSARY



**This year the firm is 130 years old, and we remain the oldest firm of Land Agents in Scotland. When I joined D&R 30 years ago, we were celebrating our 100<sup>th</sup> year as a well-established firm in rural practice.**

The landscape at the time was rapidly changing as Edinburgh expanded. The barometer for good East Lothian acres was around £2400 per acre and interest rates were 10-12 %, peaking at 15% on Black Wednesday in September 1992.

In 1991, the office had its first computer for word processing and partners started using car phones which were large and literally attached to your car. It's now unimaginable to work without computers and mobiles.

Since the 1970s, D&R had heavy involvement in the energy sector - from the early days of the North Sea gas pipelines, to supporting the first wind farm in Scotland. Energy

production and storage will be integral ways in which landowners can diversify the value generated from their land and it will remain a key part of our partnership with them.

My 30 years here have gone in a flash, but looking back, there is great pride in the thick vein of tradition in our craft and our allegiance to rural businesses that hasn't wavered since the days of Sir James Davidson.

I also take pride in the opportunity to be involved in training and encouraging young people joining our profession. It's something that D&R continues to invest considerable effort in - you can see the results on the back page.

The manner in which we operate, and the care we have for our clients, has been passed from generation to generation. Our environment is a traditional one, but that is changing rapidly. Landowners look to diversify and futureproof their business plans in a volatile economic landscape. This provides us all with great opportunities through sustainable energy and forestry solutions, the application of greener technologies and futureproofing business strategy.

After 30 years, I'm still motivated by D&R's capability to partner with a wide range of clients, navigating new market environments with innovative and sustainable solutions adding value to their business and asset base for the future.

**Surge in energy development**



**Celebrating achievements**



**2021 Sales momentum**



**Meet the new team**



## RURAL & AGENCY

Head of Department Director - George Hipwell, Business Support Manager - Dorothy Baird

# Dedicated sales team

We've seen a real increase in the number of valuations and sale instructions in recent years. Greater demand, and continued success in public and off-market sales and purchases, gave us the opportunity to review the best way to serve our clients.

This led us to restructure, introducing a dedicated team of sales specialists that work closely with clients' key D&R contacts in their area.

The Sales Team, led by George Hipwell, is supported by Joe Bell a Chartered Surveyor and Registered Valuer with over a decade of residential sales experience across South West Scotland and Northern



George Hipwell



Joe Bell



William Dalrymple

England. In 2021, our team was further strengthened with the appointment of Will Dalrymple who brings with him a depth of experience in buying and selling, having been involved in numerous

high-profile estate and farm sales across Scotland. Will is actively involved in a number of discrete purchasing instructions as well as public and private sales across Scotland and the North of England.

## 2020 trends significantly shaping early interest in 2021

As employers are becoming more flexible regarding remote office working, buyers are looking to their lifestyle, rather than proximity to work. The top characteristics demanded by this new wave of 'lifestyle home' buyers are:

1. A home office without compromising on useable space.
2. Reliable internet and mobile phone service.
3. Outdoor space: a large garden, outbuildings or paddock were top of buyers wish lists.
4. Easily accessible walking, running, cycling or equestrian trails.

The Estates market has significant interest as buyers looked for a rural retreat or wanting to create a country base. In the past, buyers focused on traditional search criteria that



included sporting potential and diverse income streams. These searches are slowly being overtaken by people also investing in woodland creation and conservation efforts.

**Forestry, planting & Carbon** - this continues to be a good investment, with established forestry blocks holding firm and planting land seeing values hit as much as three times the equivalent agricultural use value. Carbon sequestration and ecosystem services is a rapidly developing market, attracting new types of buyer, targeting planting and peatland areas to register sequestered carbon to trade - creating a higher sale value for what is traditionally seen as less productive land.

**Farmland focus:** 2020 saw 50% less farmland on the open market.

Uncertainty over Brexit, trade deals, capital taxation reliefs, and reforms to farm subsidies, helped maintain strong prices, but created a lag in farmland coming to the market. Those put on hold in 2020 are coming to the market and there is pent up demand from buyers.

To fully assess options and to maximise the value of property, it is vitally important that sellers seek advice in good time. Equally, with the recent increase in off-market property sales, more buyers are increasingly instructing an agent to find and secure their next property.

**For a no obligation, confidential discussion about your property needs, contact George or Will on 0131 449 6212 and Joe Bell on 01900 268 633.**

# RURAL & AGENCY

Head of Department Director - George Hipwell, Business Support Manager - Dorothy Baird



## New legislation – Relinquishment & Assignment of 1991 Act Tenancies

**New legislation set out under The Land Reform (Scotland) Act 2016 came into force on 28 February 2021 and has sparked conversations amongst the tenanted sector. The legislation enables most tenants with a secure 91 Act tenancy to offer to relinquish their tenancy to their landlord.**

If the landlord does not wish to buy the tenancy, the legislation allows the tenant to advertise their tenancy on the open market and to assign it, for value, to a new entrant or 'progressing farmer'.

This an opportunity for farmers considering retirement or to move on from their tenanted farm, it is also an opportunity for new, young people to enter the industry. The legislation aims to encourage conversations amongst farming families about succession planning and the opportunities this statute could provide.

Tenants should think long and hard before taking steps in the formal process to relinquish their tenancy. The legislation sets out a strict timetable and a demanding list of information required for the process to be carried out, so it is vital that tenants have considered all aspects before proceeding.

If the decision is made to progress with a formal notice of intention to relinquish, the Tenant Farming Commissioner will appoint a valuer

to calculate the amount payable by the landlord to the tenant. Several factors will be assessed including the market value of the holding with and without vacant possession as well as consideration for any tenant improvements and dilapidations.

Perhaps, most importantly, tenants should consider whether the value of the tenancy would provide sufficient funds for the farmer to retire, along with the tax implications of obtaining payment for the tenancy. Any professional costs of valuers and legal advice will all be the responsibility of the tenant, so we advise informal discussions between landlord and tenant are entered into before serving any notices.

Our team is on hand to provide guidance from these initial early stages, so if you are considering acting in relation to this new legislation or would like more information, please **contact your local D&R office. Author: Stephanie Adams, Surveyor, Berwick.**

## NEW APPOINTMENTS



### William Dalrymple, Associate:

Will was brought up on a family estate just south of Edinburgh and graduated from the Royal Agricultural College in 2013. He has previously worked for a national estate agency, involved in the sale and purchase of some of Scotland's finest properties.

### Sarah Hodge, Graduate Surveyor:

Having graduated from SRUC Edinburgh in 2020 with a BA Hons in Rural Business Management, Sarah brings a wealth of knowledge of the agricultural industry and she spends her free time helping on the family farm in East Lothian. Sarah starts her graduate training in the Rural & Agency Department.

## NEWS IN BRIEF



Chris Edmunds with Cumbria NFU Chair Ian Bowness

## NFU Rural Surveyor Panel for Cumbria

D&R has joined the Cumbrian NFU panel of Rural Surveyors, providing surveying assistance to NFU 'Farmer & Grower' members in Cumbria.

Members in need of advice can ring NFU's Call First helpline to be given options of surveyors in the area, or they can **get in touch directly with D&R Director Chris Edmunds who is the lead D&R contact.**

New NFU Cumbria clients will be offered a discount on their support. **For more information call 01900 268 633 or email [NFURuralSurveyor@drrural.co.uk](mailto:NFURuralSurveyor@drrural.co.uk)**

# Trees – remember to leave time for planning



**There's a lot to managing and planting trees; felling licences, harvesting, woodland creation applications, restocking, new tree planting and registering carbon projects. In the last year, we've harvested sites from 2 - 20 hectares and planted sites up to 50 hectares - they all need the same care and attention.**

The Sixth Carbon Budget, published by the Climate Change Committee in December 2020, recommended planting 444,000 hectares of mixed woodland on the UK's path to net zero. And given the increase in ESG (Environmental, Social, Governance) corporate objectives and the potential returns from forestry investment, tree planting rates are on the up.

### **Planting approval at record rate.**

Scottish Forestry are approving FGS (Forestry Grant Scheme) woodland creation contracts at a record rate. The 2020/21 woodland creation target of 12,000 hectares has been smashed and over half the 2021/22 target of 13,500 hectares has already been approved.

In December it was confirmed that the current FGS will remain open for applications into 2024, giving more land managers and investors the confidence to start applications this year, and in February, an extra £6m was being added to the FGS budget.

**Given the increased workload this brings for Scottish Forestry, we're advising clients to start planning well ahead of tree planting.** Many sites require breeding bird surveys, (carried out by mid-July), and the increased demand in saplings for planting means it's worth discussing

next year's planting sites now.

**Woodland Carbon Code:** Can offset carbon usage against that sequestered by your trees or sell the carbon units. D&R is a registered Project Developer, and we have clients with carbon units to sell.

The WCC eligibility criteria change at the end of June. Currently, new woodland projects planted within 2 years can still be registered under the code - but only until the end of June. Moving forward, projects MUST to be registered BEFORE planting begins.

**Market prices:** 2020 saw reduced in timber prices, to the point where we pulled some sales from the market in the summer. The Coniferous Standing Sale Price Index (published by Forest Research) showed a 19% reduction in standing sale prices in real terms up to September. As we moved into winter, the prices for chipwood recovered strongly, followed by log prices. We are now taking withdrawn timber back to the market and encouraging clients to offer new parcels for sale.

**If you are considering investment, woodland creation, harvesting or carbon units, contact your local D&R office or Rob Cleaver, Forestry Manager on 0131 449 6212**

## NEW APPOINTMENTS

### **Nick Mellish, Associate**

Nick recently joined D&R to focus on strategic estate planning and management, corporate land and property management and building maintenance and management. He studied Rural Estate Management at The Royal Agricultural College, Cirencester, and has spent much of his career managing large private estates as a resident agent/factor in Scotland and England.

He has worked with the Nature Conservancy Council in Wales, negotiating management agreements with farmers and landowners, and as a Land Agent for a "UK Big Six" energy provider, managing property assets.



### **William Frazer, Land Agent**

Will is focusing on Property Management, Strategic Business Consultancy and Mapping. He began his career as a Graduate Land Agent in Perth after studying Rural Land and Business Management at Henley Business School. He was Assistant Factor at Clamis, then the Estate Manager for the Mount Stuart Trust before joining our team.



### **Rob Cleaver, Forestry Manager**

Rob joined D&R a year ago as Forestry Manager and, despite the difficulties brought about by COVID-19 and the uncertainty over Brexit, he's had a very busy winter.



## Telecoms Turbulence

The Telecoms sector remains fraught. Site operators and infrastructure providers continue to take aggressive stances in their quest for new leases for existing masts at vastly reduced rents, through serving legal notices and threatening court action on landowners. The recent DUNCAN case ruling has gone in favour of Scottish landowners but EE & H3G are challenging it, with a ruling expected from the Court of Session this summer.

Meanwhile in England, the Upper Tribunal is beginning to establish a 3-stage valuation methodology for mast rental values, which are being determined between £600-£1,200 pa depending on the site circumstances.

D&R has acquired a growing number of new clients seeking professional advice on such matters across the UK and is well placed to assist landowners during this tricky time with Telecoms.

## Energy Development Surge

The Energy sector is buoyant. Developers are hungry to acquire land rights to enable energy projects of various types across Scotland and Northern England. Wind and solar farms, energy storage and grid balancing sites are the headline developments on the menu and there is a plethora of development companies seeking to invest in this growth sector. This appetite represents a significant opportunity for landowners to use their property assets to generate cash from rental income or sale capital.

D&R is fielding enquiries from developers looking for land suitable for siting energy generating, storage or transmission apparatus, be they turbines, panels, batteries, fly wheels, electronic vehicle charging points, etc. In brief, here are the main opportunities and their key requirements:

### Wind Farm

- Over 500ac of bare land
- Clear of residential property and environmental designations
- Electricity grid access and capacity relatively close-by
- Good access for turbine component delivery

### Solar Farm

- Broad range of land size

options depending on where electricity is exported:

- A few acres next to a major electricity consumer (factory, cold storage, etc)
- Over 50ac for exporting to national grid
- Electricity grid access capacity close-by, or adjacent to a major consumer of electricity
- Land south facing or relatively flat and not overshadowed by hills, trees, tall buildings, etc.

### Energy Storage/Grid Balancing Sites

- A few acres of bare land
- Electricity grid access close-by i.e., land within sight of a national grid sub-station
- Located near large centres of population

Have you got land that matches these criteria? Do you need to discuss how this could be promoted to developers with a view to securing a development agreement? Our surveyors will work with your solicitor and accountant to secure a legal agreement that suits your circumstances and is tax efficient.

**For advice, contact your local D&R office.**

**Author: Derek Bathgate, Lead Director for Energy.**

## NEW APPOINTMENTS

### Neil Menneer, Associate:

A Chartered Surveyor (MRICS), Neil has an Honours degree in Land Economy from the University of Aberdeen. He has worked for private property companies, developers, and retailers right across the UK, and has a strong focus on asset and portfolio management.



### Lewis Anderson, Consultant:

A Chartered Surveyor (MRICS) and member of the Institute of Agricultural Management (MIAGrM) with over 20 years' experience in Commercial and Rural Property. Based out of the Westhill office in Aberdeen, he covers Angus, Aberdeenshire, Moray and beyond.



### Alasdair Allan, Rural Assistant:

Having graduated from SRUC Edinburgh with an Honours degree in Agriculture, Alasdair joined us in the Autumn and is now working towards his CAAV qualification.



## Recognising achievements

### Promotions:

In recognition of their continued development, we're delighted to announce promotions for four members of our team:



**Sam Sykes:**  
Associate



**Gillian Ferguson:**  
Senior Surveyor



**Sarah Jamison:**  
Senior Land Agent



**Grant Pyle:**  
Graduate Surveyor



### Qualifications:

Congratulations to Stephanie Adams and Joe Bell for qualifying as Chartered Surveyors (MRICS) and becoming RICS Registered Valuers. Stephanie also becomes a Fellow of the Association of Agricultural Valuers (FAAV).



**Stephanie Adams, MRICS CAAV**

### Anniversaries:

Congratulations to Martin Hall who, in his 30<sup>th</sup> year with D&R, has been appointed to the CAAV panel of Arbitrators. We are also celebrating the experience and longevity of three other long serving Directors: Niall Milner – 20 years, Robert Shearlaw and Chris Edmunds celebrate 10 years with the team.



**Martin**



**Niall**



**Robert**



**Chris**



**Joe Bell, MRICS**

### Stephanie Adams tops Scottish scores in CAAV exams

Congratulations to Steph who topped the Central Association of Agricultural Valuers' (CAAV) exams in Scotland, winning the Martin Hall Presidents Cup. Steph is the 6<sup>th</sup> D&R winner of the trophy which was originally presented by Martin Hall in 2011.



## Strengthening our operations team

In the autumn we announced a restructure to help make our services more accessible across Scotland and Northern England. In doing so, we have also strengthened our business by welcoming new members to the team. These include senior appointments as well as supporting graduates starting out in their careers.

We have also introduced Business Support Managers (Lynsey O'Neill, Paula Frame and Dorothy Baird) who will focus on each of our business service sectors and have strengthened our operational support team too.

Whilst you may not meet our Business Services Team, they play a vital role in the smooth running of our operations and we would like to welcome the following who are based at our Edinburgh HQ: Alisdair McNaughton, Financial Controller, Lesley Robertson, Assistant Accountant, Rebecca McKenzie, HR Advisor, Rachel Clarke, Executive Assistant, Jacqui Roper, Receptionist and Secretary and Kerry Clark, Programme Manager.

You can read more about our new team members on our website: [www.drrural.co.uk](http://www.drrural.co.uk)