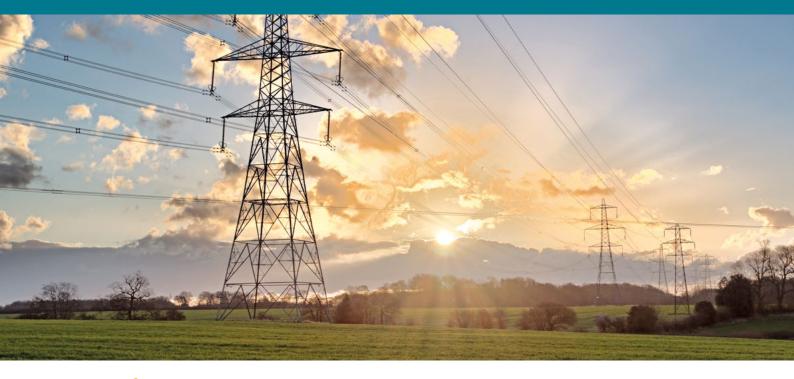


Winter Bulletin

Rural insights from our teams across Scotland & Northern England

ISSUE 37 / Nov 2024



The drive for green energy infrastructure – how can you capitalise on opportunities and protect your business?

Work to create greener energy infrastructure is going to affect many land owners and tenants across the UK, and especially in Scotland where there are ambitious plans to increase renewable energy output from 13.8GW to 20GW by 2030.

It is important to remember that opportunities will only come to fruition through significant upgrades to the electrical infrastructure. More substations, pylons, overhead pole lines and underground cables are needed to transmit and distribute the power once available. To facilitate this, there will be disruption to land. Several large projects are underway with many more in the pipeline, so it is important to first look at protecting your land and business if there is a chance you will be affected.

While there remains uncertainty as to when TMO4 will actually take effect, there is a greater sense of urgency in the industry as developers rush to get land under contract, creating opportunities for landowners and tenants willing to act, including wind, solar and battery storage projects to name just a few.

In this issue we'll outline what these opportunities could mean for your business and how to take advantage of them. That may mean mitigating against disruption on infrastructure projects passing through your land or developing your own new green energy opportunities.



For more information on green energy infrastructure projects affecting your land, contact Ian Austin, Director and Head of Utilities, Energy and Infrastructure, on 0131 449 6212.

Protect against infrastructure projects.

Benefit from green energy projects.

Agency team bucks the trend.

Protect your business where infrastructure projects cross your land

New net zero timeline

To achieve the UK Government target of reaching Net Zero by 2050, we need a fivefold increase in infrastructure build than has been created in the last 30 years. The UK target was originally 2030, but the timeline has now changed to 2050 - a more reasonable deadline considering the huge amount of work required to achieve that goal at an estimated UK cost of £350 billion.

More investment

Iberdrola (the parent company of Scottish Power), announced it is doubling their already huge UK investment from a planned £12 billion, to £24 billion in the next 5 years. The UK market is the group's largest investment destination, indicating the importance of opportunities in the development of greener energy provision.

National Grid reform (TMO4+) deadline extended

With such complexities, it is not surprising that the deadline for TMO4+ has been extended to 31st January 2025 and remains under review. The principle of 'first ready, first connected' is prompting developers to secure land rights quickly to advance connection dates. With demand at an all-time high, developers are eager to reach agreements with landowners.

Engaging with developers

Developers/License holders have a lot to do between now and 2050 and we hope they will seek consensual agreements with landowners and occupiers before resorting to statutory powers.

It's crucial that developers and licence holders seek consensual agreements with landowners, in some cases we are beginning to see greater use of statutory powers and that give us cause for concern.

If notified about utility projects, take immediate steps to protect your land and income:

- Get involved at the outset
- especially if a letter arrives outlining a proposed project.
- Do not sign anything until you have taken advice.
- Reasonable professional costs are likely to be covered by the utility company.
- Consider potential wider impacts and consequences.
- Mitigating losses understand what it really means.
- Remember to record your time – it has a potential financial value.
- Make sure you know your rights.

NFU Scotland affinity partnership

A year ago we launched our affinity partnership with NFU Scotland. We have worked with NFU Scotland to deliver seminars across the country advising farmers on how to protect their land and businesses when faced with electrical infrastructure projects.

From discussions with attendees, it is clear that many farmers and landowners who may be affected, have not yet taken the opportunity to seek professional advice about their rights and entitlements.

If you think you may be affected by infrastructure issues, it is important to seek advice at the earliest stage possible. If you are an NFUS member, contact the dedicated helpline 0131 609 9717 for a free 15 minute consultation. Non-members can call the D&R office on 0131 449 6212.



Capitalising on renewable energy opportunities

Opportunities remain for landowners and tenants to grant rights for energy projects. The first steps remain the same whether dealing with infrastructure projects going through your property or considering your own green energy project.

Have you got a worthwhile site?

Investigating whether your land is suitable for energy development could be the first step towards transformational change for your business. Our three-step process includes assessing your land, and if viable, inviting developers to tender, and negotiating the best lease agreements.

What are the opportunities?

Onshore wind projects are not limited to large developments; smaller turbines also attract interest. Solar energy is viable, particularly in coastal northern Britain, with success dependent on grid access, proximity to residential areas and land suitability.

Battery Energy Storage Systems may be viable if you have flat land near a substation or pylon line. Electric vehicle charging stations are also worth considering near busy roads, and there are ancillary matters that should also be considered.

Emerging energy sources like green hydrogen and offshore tidal arrays present future potential. Additionally, developers may seek rights to lay cables or widen access points, which could also impact on your property. With decades of experience, D&R's specialist utilities, energy and infrastructure team offers expert guidance on utility projects and green energy development.

Interested in exploring green energy options? Derek Bathgate, Director, on 01292 265 851



Lifting the ban on wind farms creates opportunities for landowners in Northern England

Rachel Reeves, Chancellor of the Exchequer, announced that the ban on onshore wind farms in England will be lifted. For farmers and landowners in the north of England this opens new opportunities as there has been a surge in interest from developers searching for sites in the area.

As rural specialists, we are already looking at land with a view to siting wind farms and related battery storage. We urge landowners faced with enquiries to seek professional advice at the outset.

D&R already has over 20 years experience supporting Scottish landowners impacted by wind farm developments and the issues extend beyond negotiating land rent, and often affect multiple farms as Director Paul Robinson explains:

"As experienced Land Agents we can clarify options and negotiate terms, ensuring landowners understand the long-term implications of such projects.

In the north of England, less population density increases wind farm proposals, but regulations will remain strict regarding proximity to residential areas and National Scenic Areas – which will include the Lake District National Park."



For more information contact
Paul Robinson, Director, on 01900 268 633.

How can we capitalise on woodland for investment and for climate change?



Planting woodland is considered beneficial for biodiversity and cutting our carbon footprint and providing an income for the landowner. However, observations in Finland, which is leading in the pledge to become carbon neutral, indicates that climate change has altered that scenario.

We need to ensure our new woodlands are more resilient in the long term, able to withstand climatic change. That means less monocultures and more diversity. Pests and disease are gaining bigger footprints; the Spruce Bark Beetle, the Oak Processionary Moth, Dothistroma Needle Blight, and Ash Dieback to name but a few.

Swedish research indicates the relationship between species richness and multiple ecosystems were higher with five tree species than with one. Importantly, soil carbon storage was 11% greater, biomass production was 54% greater, and berry production up 45%.

To have income for the next generation, and a timber industry, we must plant and properly manage our land with diverse species able to deal with drought or flood.

We need sawmills that can work with numerous species, we need architects who are not afraid to use non-standard species to build homes of the future, and we need a rural package that can adapt quickly for specific sites.

What of the October Budget?

Tax exemptions on proceeds of felling remain however, commercial forestry that previously qualified for 100% inheritance tax relief under BPR (Business Property Relief), will be taxed from April 2026, at the rate of 20% (which includes a 50% BPR reduction on the standard 40% rate).

The government plans to review taxation in 2025, so there is still uncertainty ahead. Minimum wage and NI increases will affect the rural sector directly or indirectly. It remains to be seen how the woodland sector in Scotland responds to the budget increases through the Barnett formula and if the cuts in the woodland sector grants will be turned around on the back of it.

We urge all woodland owners to seek professional tax advice to ensure effective succession planning.



For more information on planting and managing woodland, contact Keith Muir, Associate Director, on 01556 502 270.

Malletsheugh Farm's journey to recover from water pipeline challenges

Situated in East Renfrewshire, Scotland is Malletsheugh Farm; a beef and sheep farm with a mix of breeding cows and texel cross ewes.

The farm has been affected by a Scottish Water pipeline going through their land. Over the past few years, the pipeline has caused various issues, including drainage problems and losses in agricultural production.

D&R has managed several claims for the farm, focusing on different areas of impact:

- Remedial Drainage Work: One major issue was the disruption to the drainage systems on the land. D&R successfully secured a claim for remedial drainage work, covering the necessary repairs and helping to get the land back to its best condition.
- 2. Ongoing Claims: D&R is now preparing another claim to tackle further drainage issues and compensate for lost production, ensuring the farm is fully covered for the damages.

Thanks to D&R's efforts, Malletsheugh Farm has received fair compensation, helping to reduce the impact of the pipeline and protect the land's future productivity.

If your land has been impacted by utilities projects contact the D&R Infrastructure team on 0131 449 6212



A proactive approach needed in 2025 when selling property

The 2024 property market has been slower across the board with little growth, largely driven by higher interest rates, poor weather, and a general election. Buyers have been more cautious, and some owners delayed sales to later this year, or even leaving it until 2025.

Despite these challenges, D&R have bucked this trend. Our proactive approach has delivered successful sales for our clients through careful positioning of their properties to suit the market, and drawing on our extensive network of in-market buyers and expertise in rural property marketing. Since Spring, D&R has seen a fivefold year-on-year increase in enquiries from sellers, and has sold, or has under offer, 90% of farms and land brought to market in the first 8 months of the year.

2024 is a year many will wish to see behind them due to the weather and general economic conditions. The 2025 outlook is unpredictable, but we have farms and land that were held back in 2024 and are now prepared for a Spring launch. Lower interest rates and properties held over from this year, may result in additional properties entering the market.

Getting ready for selling your property in 2025 is crucial. It will be more important than ever, that sellers launching properties to market focus on positioning and marketing their property:

Our advice is to choose an agent with rural expertise and a proven track record. Discuss how best to position your property to reach the right buyers and show its full potential. Agree how your property will be represented visually through professional photography & videography. Make sure you discuss how best to market your property and consider options such as off-market sale to meet your individual needs.

Think ahead and plan. Getting ahead of any issues that may slow down your sale like resolving any deed or boundary issues with a trusted solicitor, and review taxation implications with your accountant, will give clarity and save time later in the process.

The winter months are also a good time to keep up with maintenance. Taking time to tidy your property during winter will pay dividends when it looks its best in Spring. Take a tour of the property and review it as a potential buyer, noting attention needed to fences, gates, walls and troughs etc.

Budget impact:

The budget changes to taxation have been well reported in the media and are likely to affect 70,000+ farms, it is worth noting that Inheritance Tax changes are to come into effect from April 2026 giving some time for farmers to plan ahead whilst Capital Gains Tax changes have been implemented with immediate affect.

What has become very clear, is the requirement for farmers and landowners to plan for the future and look at retirement and succession planning early on. Whether looking to plan ahead, looking to sell or buy seeking professional advice from your wider team including accountant, solicitor and land Agent will be imperative moving forwards and more crucial than ever. Our people are here to help support those who need it.



Thinking of selling? Contact Chris Edmunds, Director and Head of Agency, on 01900 268 633.

Successful sale of sought-after Ayrshire Farm

When Andrew Forrest, a second-generation farmer in rural Ayrshire, decided to sell his farm due to having no next generation to take the farm on, he faced the daunting challenge of navigating rural real estate. With decades of memories tied to the land, Andrew sought a local rural property firm with local, regional, and national coverage who understood the emotional and financial complexities of such a sale.

Known for their expertise in agricultural properties, Andrew approached Davidson & Robertson for assistance. D&R conducted a thorough market analysis, assessing the farm's unique features, including its land, historical significance, and development potential, to establish a suitable marketing strategy including pricing.

D&R then implemented a tailored marketing strategy, showcasing Bogend Farm's stunning landscape and rich history through professional photography and targeted online campaigns.

They connected with potential buyers, including local farmers and investors interested in sustainable farming. Within just two months, Andrew received multiple offers and successfully sold the farm for over the asking price, allowing him to retire comfortably while ensuring the farm's legacy continued under new stewardship.

Andrew Forrest of Bogend Farm said:

"We decided to sell the farm and, although I'd heard of D&R, it didn't really click until a friend recommended them. Will and Andrew came out to see us, and they were incredibly knowledgeable, easy to talk to, and trustworthy.

I'd happily recommend D&R to anyone; they were straightforward, kept their promises, and got us the right price. Overall, a very positive experience."



Thinking of selling? Contact our Agency team on 0131 449 6212 or 01900 268633.



Properties for Sale



A spacious 5-bedroom farmhouse and 6-bedroom traditional barn conversion, stables, buildings and land, the total area extending to approximately 6.62 acres.



A complete equine yard/small holding with views top the North coast of Aberdeenshire. Extending to approx. 35.01 acres (14.7 hectares), with a range of traditional & modern buildings, modern equine facilities and a 3-bedroom farmhouse.



A privately positioned traditional stonebuilt farmhouse with an extensive range of commercial outbuildings with approximately of 10.18 acres of garden and amenity woodland.



Coming soon

A 530 acre owner occupied croft in Caithness, comprising a 3-bedroom house buildings and land. Potential renewables income.

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