

# AGENCY REVIEW

2021/2022



## INTRODUCTION

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Three years ago most people's major concerns related to the implications of Brexit and if Donald Trump would win a second term as American President. How quickly those concerns have receded in the wake of a 24 month global pandemic and an almost unthinkable war in eastern Europe.

Prior to the Ukrainian crisis, economic commentators were generally surprised and relieved at how well the UK economy as a whole had withstood almost 2 years of strangulation caused by the Covid lockdowns. Confidence going into 2022 amongst property buyers seemed to be at an all time high and markets were further strengthened by a lack of supply across all sectors.

**Over the last twelve months Adkin have marketed over £162 million of property** which we believe shows the confidence that our clients place in our ability to achieve the best results from marketing their properties.

The agricultural land market, as we report below, started to emerge from an eighteen month hibernation to find buyers as keen as ever to invest. The residential and development land markets both continued to strengthen through 2021 and sale prices of amenity land rose once again.

At the time of writing, there is no market evidence to support any change in the above sentiments. However, the prospect of increased interest rates, price inflation and the political uncertainty in eastern Europe are raising question marks over how the property market landscape will look at the end of 2022 and into 2023. Our advice to anyone considering a property sale at the moment must be to get to the market as quickly as possible whilst conditions remain favourable.



The Alington Estate, Bedfordshire, comprised 1,120 acres, Manor House and 17 cottages.

## AGRICULTURAL LAND MARKET

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Lack of supply continued to be the theme of the agricultural market in 2021. The number of publicly marketed acres was very similar to that of 2020 which was one of the quietest years ever recorded for the farmland market.

Supply did increase during the second half of the year, but this was not dramatic enough to make any dent into what is effectively 3 years of pent up demand. The land and farms that did come to the market were generally towards the lower end of the commercial scale with few large blocks of land being offered by which the market could be tested.

We were able to buck the above trend by bringing to the market, in the final quarter of 2021, The Alington Estate in Bedfordshire. This comprised 1,120 acres, the Manor House and 17 cottages and was one of the largest estates marketed in 2021. After huge interest and over 40 viewings, the Estate went to 'Best and Final Offers' in early 2022.

Arable land in commercial sized blocks in central southern England has risen slightly in price over the last 12 months but generally remains in the price bracket between £10,000 and £12,000 per acre. The value of commercial grassland blocks similarly seems to have marginally strengthened but again is commonly between £7,000 and £8,000 per acre, but is very much dependant upon there being acquisitive livestock farmers close by.

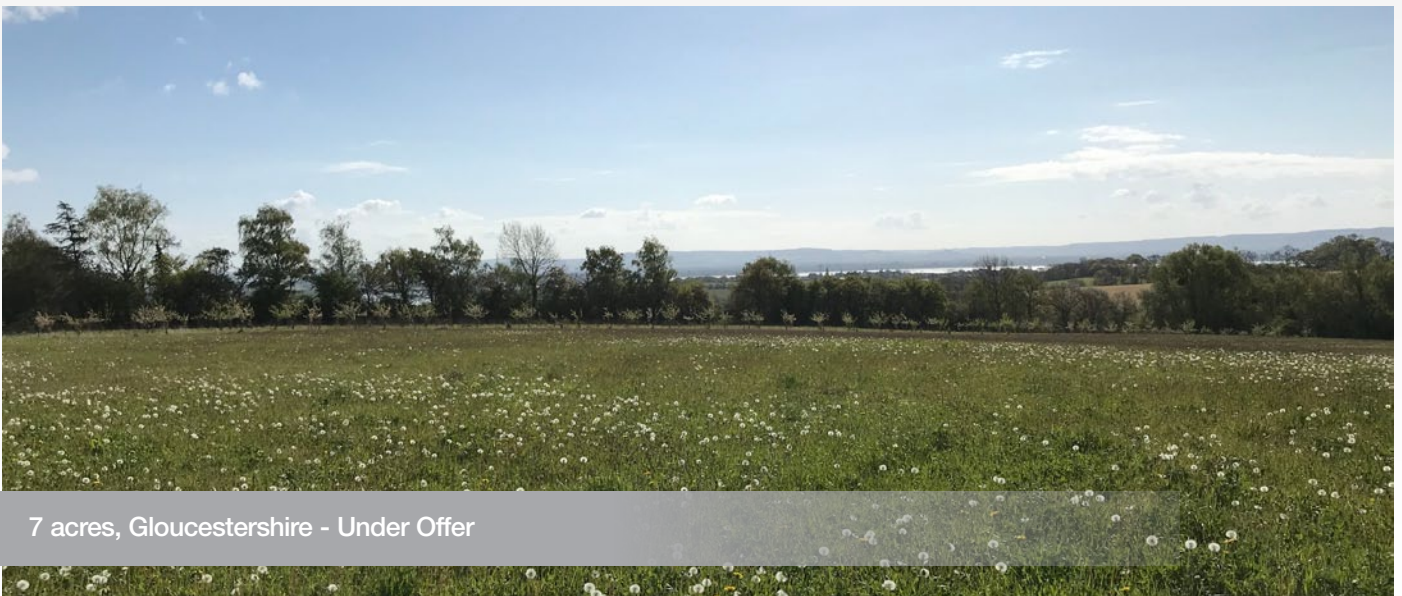
The outlook for the 2022 and 2023 market is the most difficult to predict for many years. Logically, downward pressure should come from the phasing out of Basic Payment over the next five harvests, the continued threat of the Chancellor attacking Inheritance Tax relief on farmland and the dramatically rising costs of inputs. However, the Ukrainian crisis has put Britain's energy and food security front and centre of the political agenda and this, combined with high output prices, seems to have breathed new life into the confidence of many buyers. Finally, of course, sitting behind it is the simplest factor of all – supply. We do expect more farms coming to the market in the next 24 months and as this happens there may be some softening of prices.

## PONY PADDOCKS AND AMENITY LAND

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Amenity land prices have continued to soar, regardless of the backdrop of coronavirus. Increasingly, buyers seem attracted to the idea of owning a piece of land, perhaps encouraged by the well publicised adventures of stars such as Jeremy Clarkson and other celebrities who do seem to have done more to popularise farming over 18 months than other industry commentators ever to seem to have managed.

In 2021 we saw prices of over £40,000 per acre being routinely achieved for pony paddock or amenity land as the gap in price expectation between lifestyle and farmer buyers continues to grow. More “green” buyers are also entering the market with demand for woodland and non-productive land increasing as some buyers believe that they can make their own small contribution to the environment and some see this as a potential to make money with carbon trading or off-setting in the future. Some commentators had predicted that the strength of this market in 2020 was a knee jerk reaction to the Covid lockdowns and that the market would soon cool. This has proven not to be the case and we anticipate that demand, and prices achieved for smaller blocks of land, will continue to rise.



## RESIDENTIAL MARKET

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“More stock needed” was the refrain for all estate agents throughout 2021. Prices, driven by a dearth of supply, continued to spiral as competition for the best houses seemed to increase month on month. The first quarter of 2022 has continued in the same vein, but the first signs of some limited “cooling off” are just emerging as a small number of buyers are now resigning themselves to waiting until there is a price correction. Of course, whether such a correction will happen or not is still very much open to debate. Confidence, as ever, is the key to the housing market and the rising cost of living, probably rising interest rates and mortgage availability will all have a significant impact upon that confidence. However, at least for the time being, lack of supply in the housing market is the prevailing factor and we see prices remaining firm for at least the first half of 2022 if not beyond.

One noticeable change has been a reduction in ‘Buy to Let’ purchasers. This is a direct consequence of the changes in taxation on let property portfolios in recent years and shows the impact that the tax regime can have on the housing market.



# DEVELOPMENT LAND AND PROMOTION AGREEMENTS

Adkin has seen another very successful twelve months in both the sale of development land and the progression of promotion agreements. Land we marketed in 2021 included a site for 268 houses near Liverpool, sites for 4,200 and 150 in Oxfordshire and a potential new settlement for 3,000 houses in Bedfordshire. At the smaller end of the scale, we successfully marketed land including a site comprising 12 units in Hampshire, 5 units in Oxfordshire and a single plot close to The Ridgeway on the Berkshire Downs.

The market for both large strategic sites and smaller land parcels remained very strong during 2021 and we anticipate little change in 2022 as demand continues to outstrip supply.

Our unique selling point amongst agents advising on development land is that we do not put ourselves forward as agents to sell on the finished houses. Therefore there can be absolutely no question of any conflict of interest and it is absolutely clear that we are only acting in the best interests of the seller. This approach has resulted in us currently advising on over 3,000 acres of development land either in agreements or with terms agreed, with an estimated Gross Development Value of circa £11.5 billion.



# CONTACTS

Estate and Farm Business Management | Planning and Development | Grants and Environment | Property Agency | Valuation



**Kevin Prince** BSc (Hons) MRICS FAAV  
*Director*  
Agency

*Kevin's specialist areas of work are Property Agency and Property Acquisition together with provision of Valuations for a variety of purposes as an RICS Registered Valuer.*



**Julian Sayers** FRICS FAAV  
*Director*  
Estate Management

*All aspects of estate management, strategic estate, planning, property acquisitions, promotion and sales of development land, agricultural tenancies, landlord and tenant negotiations.*



**Simon Alden** MRICS FAAV  
*Director*  
Planning and Development

*Advice in relation to the change of use of rural buildings, barn conversions, strategic development, building plots and residential development, options and promotion agreements.*



**Sarah Payne** BSc (Hons) MRICS FAAV  
*Director*  
Grants and Environment

*Up to date advice and consultation in connection with all rural grant schemes including Basic Payment and other farm and countryside support schemes, contract farming agreements and accounts.*



**Kerry Holbrook-Bull** BSc (Hons)  
MRICS FAAV  
*Director*  
Estate Management

*Comprehensive advice to landowners and occupiers on a wide range of matters specialising in rural, residential, agricultural and commercial management and all landlord and tenant matters.*



**Emily Ham** BSc (Hons) MRICS FAAV  
*Director*  
Valuation

*Provision of valuations of all types of rural property for both private and corporate clients to include probate, secured lending, tax planning, transfer, marketing, stocktaking and expert witness.*

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