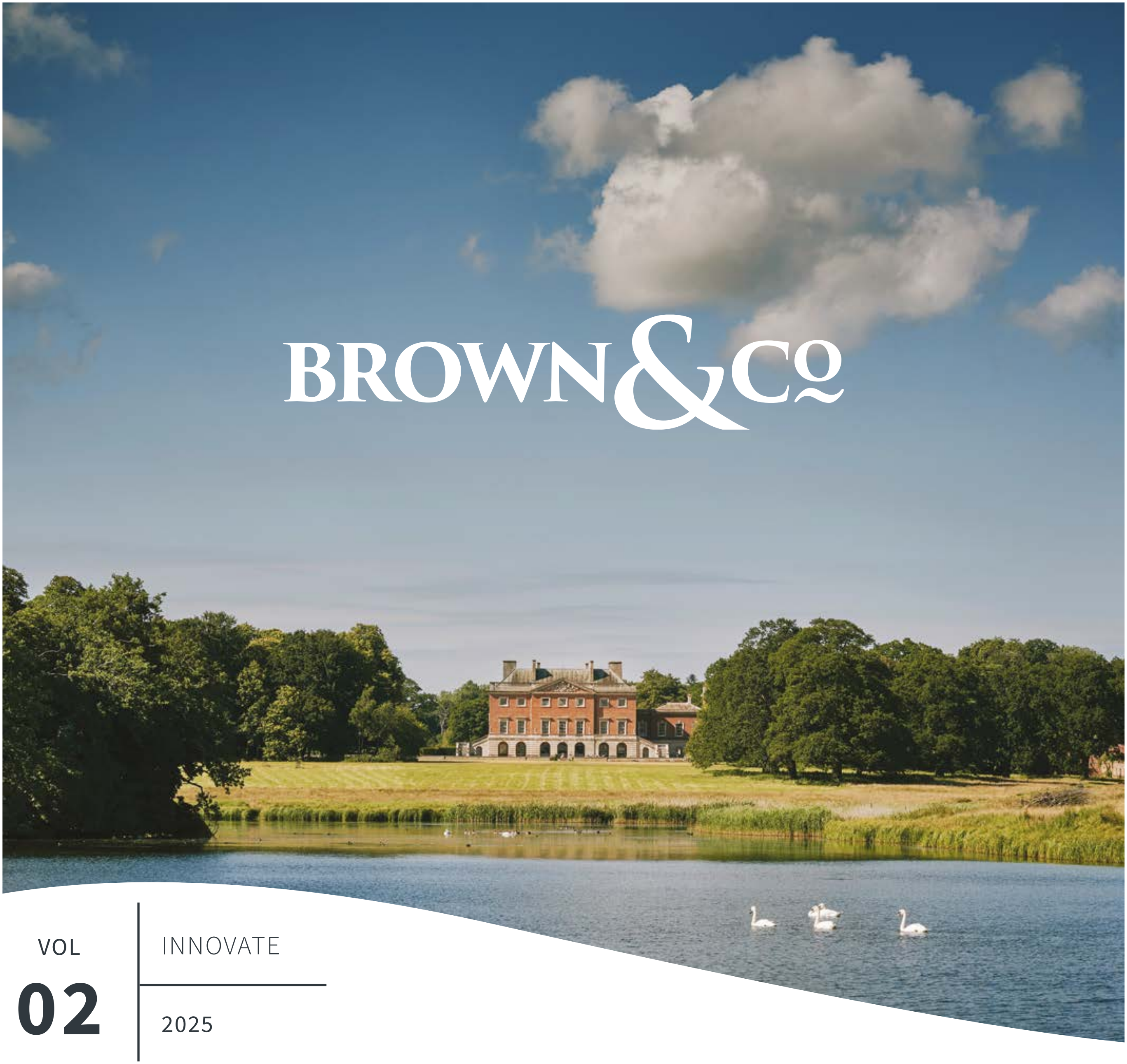

VOL

02

INNOVATE

2025

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FOREWORD

As we look forward to the coming financial year, I am pleased to welcome the addition of the Oxford-based Adkin business to Brown&Co and the recent announcement of the creation of the International Ag Alliance (which you can read more about on page 22). Both of these exciting new developments for the business have taken place against the backdrop of a UK economy facing significant challenges currently, not least inflation, fiscal budget deficits and trade disruption from the wrecking ball that has been thrown into the global order by the new US administration. This, amid the ongoing conflicts both in Ukraine and elsewhere, creates uncertainty which can lead to delays in business decision making and investment which, together with stubbornly high interest rates (compared with our European neighbours), brings challenges to the wider economy.

Farm businesses, agriculture and land ownership in the UK is also being challenged by political policy change with the introduction of 20% inheritance tax to all farm (and other) businesses from April 2026. This, together with the closure of the Sustainable Farming Incentive (SFI) to all new applications from March 2025, the haircut to the run-off of the Basic Payment Scheme and general difficulty in arable crop margins are causing major challenges to the rural business sector.

We are acutely aware of the economic pressures on broadacre arable farming businesses in particular and as I hope this issue of Innovate demonstrates, we are well placed and dedicated to assisting our friends and clients to navigate the future direction of travel for their businesses. In particular we are on hand to help grow incomes and asset values where we can and help make the decisions necessary to successfully deal with the twin challenges of policy change and economics for client businesses to emerge stronger and more resilient as a result.

I am sure that 25/26 is going to be a year of major change for the agricultural sector, and for the wider UK economy, but this will also bring opportunity for Brown&Co and our clients. Our diversified business and collective expertise are here to serve our clients as we strive to continue to provide value for money and best in class services to our rural, urban and private property owner client base and help them face the challenges and embrace opportunities in the year ahead.

Charles Whitaker
Managing Partner

GIVING PEOPLE & NATURE THE SPACE TO THRIVE

Our land has so many demands on it, not just food, forestry and housing but now carbon storage, energy generation, room for Nature, flood water storage, biomaterials, transport and recreation. There is a race for space on earth and most of these land uses pay better than farming. In an era of 'nature based solutions' to our environmental pressures at a time of continuing population growth, do we have room for everything?

I think the answer is 'yes' but only just, and only if we use land smartly. People who are doing just that fill the pages of my book 'Land Smart'.

We don't (yet) face a global food crisis but we do face crises of dwindling nature and rocketing climate change. Food production shoulders a big slice of the blame. Taking more wilderness - forest, savannah, wetlands - under the plough or cow is the single biggest driver of extinction. The same activity also releases billions of tonnes of carbon.

What we consume in the UK has a land-use footprint, not just here but around the world. In fact, our imported food uses a slightly greater area of land than the size of the UK. There is no environmental honesty in creating a nature friendly nirvana here if we push our food demands on the rest of the world. So, we must respect good yields yet deliver them with fewer chemical inputs and still boost wildlife.

Seeing these multiple challenges through the lens of land use is what underpins the Government's recently launched 'Land Use Framework' consultation. Whether this turns out to be truly transformative or just an interesting thought experiment depends on the political weight and money behind it. In short does it have the backing from Government, or will they see any environmental action and regulation as blasphemous to the one God of GDP growth?

If the Government is serious, here are a few guiding thoughts from me and my book. Whenever possible, encourage multifunctional land: arable crops that store carbon in the soil, housing developments that are great for nature, mega-warehouses with solar panels on top, forest planting that encourages nature. Back scientific research into boosting the productivity of regen agriculture. Grant planning permission to onshore wind turbines. Encourage the continued diversification of land use in the uplands away from simply grazing. Where legally possible, take subsidy and policy away from backing biofuels; they are a terrible way of getting energy from sunlight. Be brave about diet as our food choices are written in the land. We eat too much, waste too much and enjoy too much meat. Don't tell us what to eat but do talk about the consequences.

And while I'm on the subject of hot potatoes, don't assume we can do all the above while continuing the race to the bottom on food prices. If you do, we won't grow it.

Article provided by
Tom Heap
Author & Journalist

BUDGETING VITAL AS FARM BUSINESSES CONFRONT GREATER FINANCIAL CHALLENGES

The unexpected capping of delinked payments in England in tandem with relatively flat grain prices within the arable sector has thrown into sharp focus the importance of business budgeting.

That announcement in the Autumn Budget, to cap delinked payments - previously the Basic Payment Scheme - to £7,200, and the ending of these payments after 2025, together with proposed changes to inheritance tax (IHT) and the current pause on capital grants and Sustainable Farming Incentive has understandably put some farm businesses under greater financial pressure.

All need to look closely at their ownership structure and assets to gain a full understanding of their IHT obligations under the planned new Agricultural Property Relief (APR) and Business Property Relief (BPR) thresholds.

There is cause for optimism in agriculture with the price of fertiliser, fuel and feed reducing and with stronger prices being achieved in the lamb and beef sectors.

However, government support to agriculture is clearly being reduced with little mention of UK food production and food security, along with no incentive for business to commit to investment for the future.

Net farm income, that all important figure, is under pressure amid stubbornly high fixed costs; notably labour and machinery.

Farm businesses that are employers have seen the National Living Wage rise again in April 2025, from £11.44 an hour to £12.21 for workers aged 21 and over, after an increase of around 10% kicked in last year.

Employers National Insurance will rise from 13.8% to 15% in April too, and the threshold before this tax is payable reduces from £9,100 to £5,000.

It is important for farmers to always have a clear understanding of how their business is performing, from both an operational and a financial perspective, but it is more critical than ever during times of uncertainty.

By reviewing past and current performance, they will be best placed to manage the changes that are on the horizon to ensure they have a sustainable business going forward.

Budgeting enables farmers to understand the financial mechanics of their businesses, what is making them money, and indeed where it is being lost.

Producing accurate budgets allows for informed decision making, particularly on fixed cost structures and investment, and the needs and performance of individual farm enterprises.

Budgets allow for net margins to be analysed which may result in some enterprises changing – as an example looking at growing high value or crops with a premium as opposed to ordinary cash crops.

There is also value in providing key stakeholders, such as banks, with budgets and cashflows, particularly when renewing loans or agreeing overdraft terms. A budget will demonstrate financial understanding, the position of the business, and working capital requirements.

Undoubtedly, budgets can instil stakeholder confidence by providing an insight to business strategy.

Brown&Co has an experienced team of professionals to support businesses with budgeting, an investment that will pay dividends as the industry navigates this period of considerable change.

JOINT VENTURES

More farmers are turning to joint ventures to take their businesses forward amid economic, political and climatic challenges.

Higher operating costs, deflated commodity prices and high interest charges on borrowing mean that farmers are seeking alternatives to the more traditional ways of operating an agricultural business.

Collaboration with another party can deliver multiple benefits, from the pooling of labour and machinery and the lowering of operating costs to providing the option for utilising larger machinery and more up to date technology that is beyond the financial reach of a single business operator, and the sharing of expertise.

Different forms of joint ventures are well suited to agricultural businesses.

The three most widely utilised are machinery sharing agreements, with levels of collaboration ranging from single items to a full fleet, contract farming agreements and share farming agreements, the latter being well suited to livestock ventures.

Based on recent benchmarking results, these arrangements can capture savings of at least £200 a hectare on operating costs.

Most of the agreements that Brown&Co has facilitated have been in place for many years with farmers recognising the major benefits of lower costs, improved efficiency and the added flexibility and justification for replacing machinery.

The agreements that prove to be successful rely on a clear understanding from all parties of what they entail as this allows a trusting relationship to develop with the shared determination for each business to succeed.

With contract farming and share farming, there is a greater reliance on a third party to carry out the principal farming operations to reduce labour and machinery costs in the business.

Contract farming agreements are popular because, through simplification and improved efficiencies, they provide benefits for landowners and contractors.

To maximise the return to both parties, especially on poorer productive parts of a farm or indeed whole parcels of farmland, most arrangements should utilise the Sustainable Farming Incentive (SFI) and other environmental schemes. Contract Farming is an ideal dynamic arrangement to incorporate elements of these schemes into the crop rotation, as well as reducing the exposure to risk of some marginal crops and accessing specialist machinery, via the Contractor, to manage the areas.

Brown&Co manages more than 36,000 hectares of farmland in contract farming agreements.

We regularly benchmark the results of individual farms to establish which are the strongest and poorest performers, and analyse to establish reasons why some are more successful than others.

The third collaborative model, share farming, is widely used in livestock joint ventures but more arable farming enterprises are exploring this option.

Share farming has not typically been used in arable farming because it is more complex than the tried and tested contract farming agreement. But with share farming allowing two or more parties to continue farming in their own right and share their gross margins they may become more popular going forward, as well as reducing the exposure to risk.

BNG AGREEMENTS OFFER NEW FINANCIAL OPPORTUNITIES FOR LANDOWNERS

England's biodiversity net gain (BNG) market is in its infancy but registered offsite unit numbers shot up in late 2024 which, coupled with ambitious housing targets that are likely to push up demand for offsite habitat enhancement, offers landowners income generation opportunities.

Since April 2024, developers in England must deliver a measurable 10% positive impact on the biodiversity associated with their sites, to comply with Defra's BNG initiative for all new planning applications.

From autumn 2025, the BNG rules are likely to include nationally significant infrastructure projects too.

There is also an unanticipated market for watercourse units that are sold separately to habitat units and are created by enhancing rivers, streams and ditches, even mostly dry ditches. This process can be as simple as targeted planting of trees and shrubs in a 5m buffer of existing ditches, all the way up to landscape level river corridor restoration.

Most local authorities, the arbiters of the process via the planning system, have had time to update local plans and now have specific BNG policies; Natural England also provides some logistical support.

The gain can be implemented on-site or on other land and provides potential income for landowners and land stewards through long term habitat enhancement agreements.

Most deals are agreed privately and that, in combination with often lengthy timeframes for planning and development projects, can make it tricky to gauge how the market is performing but many local authorities are making open calls for more sites.

In other areas, however, there are already signs that the supply market for units is over-saturated and, as a consequence, some large brokers are not taking on more sites in some planning authorities or National Character Areas.

Before entering this market, it is therefore important to understand the location, what is being lost to development and what units the market requires.

There could be some changes ahead as there are sectors lobbying for exemptions to mandatory BNG - the farming industry for example, which is arguing for an exclusion for larger barns that fall outside permitted development rights (PDRs) limits and where BNG provision can be an issue if suitable sites are not available.

Developers of large, strategic sites that deliver certain thresholds of residential houses are also pushing for these to be exempt.

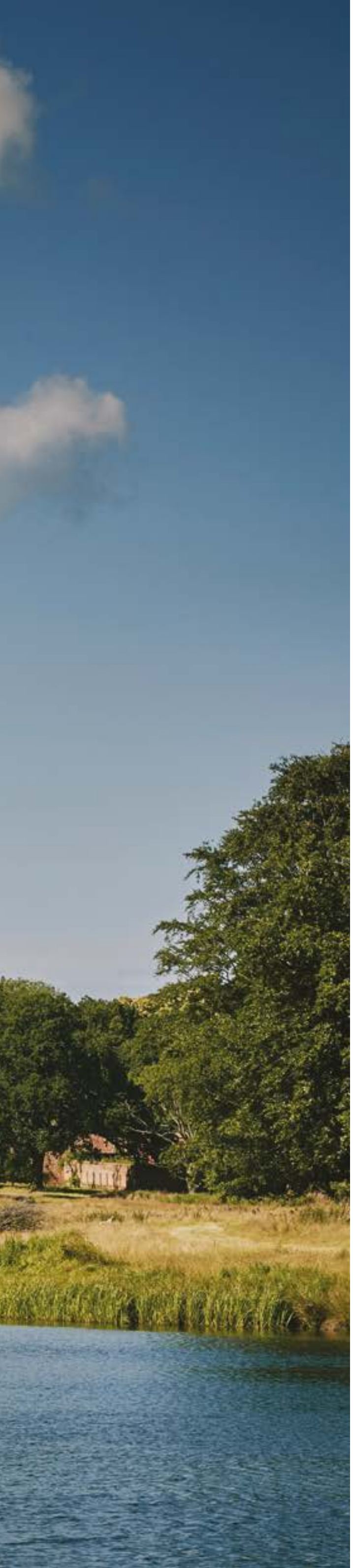
There has undoubtedly been a surge in demand for BNG work and ecology since the new rules came into force as preparing to offer biodiversity units involves a lot of upfront work and cost.

Capital is needed to fund a baseline survey, and then there is the legal contract to consider so it is important that landowners get the right advice before committing to an agreement.

Ryan Clark
t: 01480 598875
e: ryan.clark@brown-co.com

FAMILY UNLOCKS THE OPPORTUNITY OF A PICTURE-PERFECT COUNTRY ESTATE

It was love at first sight for the Ellis family when they first set eyes on Wolterton, a romance that has blossomed in the 18 months since they became the accidental owners of this picture-perfect stately home.



The Ellis' had not set out to buy a country estate but were introduced to Wolterton by Brown&Co.

"We were originally looking for some land but when Ed Plumb of Brown&Co told us that Wolterton was coming to the market and took us to see it, we immediately fell in love with it," James Ellis recalls. "We knew at that point that we were in trouble!"

With 30 years' of experience in the tourism and hospitality sector, for the family it presented an "irresistible opportunity".

"We could see the opportunity there," says James. "The Hall itself had been beautifully and sympathetically restored by talented interior designers, it felt like it was at the end of the runway ready to launch."

It was the first time that the Grade I listed 19-bedroom house set in 500 acres of the north Norfolk countryside had been offered for sale on the open market.

The sale was completed in October 2023. "Brown&Co acted for us and made the whole process very smooth and quick," says James. "With a property of that size and all the land that came with it, it could have been very complicated but with the help of Brown&Co it was a friendly transaction."

The family set to work on creating a bespoke luxury venue, with rooms for guests in the house and in six holiday cottages on the estate. With another 11 properties in the process of being restored, Wolterton will eventually have 120 beds across the estate.

As well as booking individual rooms and cottages, guests can "live like a lord or lady" by hiring part or all of the estate, says James.

The venue, which has created jobs for 29 people, also hosts many exciting events, from Christmas fayres to weddings and private birthday weekends. This summer there is an impressive series of arts and culture events ahead.

Hospitality and tourism is a competitive market therefore the Ellis' have set out to provide a unique offering.

"You have to go the extra mile in terms of what you offer guests," James reckons. "What we have here is very unique, the opportunity to stay on a 500-acre country estate.

"The holiday accommodation is very beautiful. There are Swedish log-fired hot tubs and we have gone to town on the welcome packs, and provide dining options."

With so much vision and passion for the business and with preserving the legacy of this breathtaking property, the future of the 300-year-old estate is unquestionably assured.

NEW ERA FOR HOUSING DEVELOPMENT

A major upsurge in housebuilding is anticipated in the next four years, signalling big opportunities for land development in England and Wales.

The UK Government's pledge to oversee the delivery of new homes at a level not seen since the 1970s is driving change, including on planning policies.

That shift in outlook offers good opportunities for developing land, particularly so on the edges of settlements and in rural regions.

Brown&Co is closely monitoring the evolving approaches of local planning authorities (LPAs) and advising landowners where new opportunities for potential development exist.

The changing planning landscape follows the adoption of the current National Planning Policy Framework (NPPF), the basis for how development is delivered in the UK.

The onus is now on LPAs to be ambitious on new housing to match Labour's commitment to deliver 1.5m homes before the current parliament term ends in 2029.

They will need to give approval for housing in sufficient volumes to support the Government's promise and are updating delivery targets accordingly.

Councils must increase housing supply and more 'call for sites' will result in landowners, developers and individuals being invited to suggest areas for potential future development.

Local authorities use these submissions to inform their planning processes and shape development in their counties.

Many planning authorities are not building enough houses to meet their housing target since Labour increased development targets across England in December 2024.

As a consequence, there are likely to be more instances where councils cannot demonstrate that they have a five-year housing land supply, a mandatory requirement for local authorities in England to have a supply of deliverable sites sufficient to provide five years' worth of housing delivery against their housing requirement.

As has always been the case, sustainable locations and settlements with services will be seen as favourable locations for growth, with a presumption towards development in these locations.

The change in the planning landscape is working its way down from government to council level, a 'top-down' change that could mean that officers have to take a more pragmatic approach to approving development.

There is a strong likelihood that appeals against planning refusals currently in the system will be won.

Brown&Co is seeing appeals against refusals in a high percentage of cases, where sensible and sustainable sites are presented. Local authorities are having to take note and reflect this in their approach.

Undoubtedly though, the next four years offers one of the best windows of opportunity for securing development consent on land for some time.

OPPORTUNITIES FOR YOUR LAND

Strategic Commercial Development Sites

Land with development potential is in significant demand as the Government steps up its ambitions on economic growth.

While this offers exciting potential for landowners, seeking good advice and support at the outset from professionals who understand the market is key to achieving the best outcome.

A good example of what this looks like in action is land now known as Tritax Park, Oxford, where the landowner approached Brown&Co’s commercial team at Banbury to act as a conduit for securing a development agreement with an industrial developer.

The team had secured the partnership for this development agreement with logistics real estate expert, Tritax Big Box Developments, who, under agreed terms, handled the planning application consent process for a total proposed development area of c. 2.4million square feet (sqft). Phase one commenced in early 2024 and consisted of a new signalised A41 road access, utilities and a 370,000 sqft production unit which is now almost complete on part of the 160-acre block of land adjacent to the J9 M40 and A41 interchange.

The principle occupier is Siemens Healthineers Magnet Technology, a business that had high specifications and requirements on build quality and sustainability for a building which will eventually extend to 604,000 sqft (phases 1& 2) and will be used as an MRI research and development facility employing more than 1,300 highly skilled workers.

The building is being delivered to net zero carbon in construction, BREEAM Very Good and incorporates roof mounted solar power generation, electric vehicle charging, water saving measures and LED lighting. With project targeting an energy performance certificate rating of A and zero carbon emissions during the building’s construction.

Tom Leeming, director of Tritax Big Box Developments, admits that delivering a development on the scale seen in Phase 1 Tritax Park Oxford had been “no mean feat’’.

“It will result in an investment of around £250m in Oxfordshire with more to come in future phases,’’ he says.

“Brown&Co were consummate professionals throughout, enabling a complex transaction to be completed in a timely manner to the benefit of all parties involved. We look forward to working with Brown&Co again in the near future.”

The requirement of this site and other future developments to meet market environmental and sustainability expectations is only increasing, although there is a cost to that.

At 2025 prices, basic warehouse and logistic buildings cost in the region of £65-£85 per sqft to build, without accounting for access, services and connections, professional fees, planning and promotion costs, landscaping and other factors.

The upward movement in construction costs started in 2020 and, although the cost peak for materials passed in 2022, an increase in professional fees means that any downward trend in the price of building new projects is unlikely.

According to the Building Cost Information Service (BCIS), there is an expected increase of 17% in the next five years, and a 15% rise in tender prices.

An added pressure is a shortage of skilled labour in construction.

But demand by end users is also driving up rent and acquisition prices and looks set to continue.

Taking all this into account, it is important for landowners to engage early with development experts at Brown& Co to maximise the value of land.

The company’s knowledge and its network of developer and promoters can help every client to find the right partner.

PORTFOLIO

A fine, detached, ornate Edwardian dwelling in large, private, leafy grounds with swimming pool in highly desirable city location where property rarely changes ownership. This impressive property combines period charm with spacious, well-arranged accommodation over two floors, extending to approximately 4,657 sq ft. It features five to six bedrooms, four principal reception rooms, and sits within beautifully maintained grounds of about 0.54 acre (STMS), making it a distinctive and versatile family home.

PORTFOLIO

A Georgian Rectory, offering exceptional peace, privacy and serenity. Bordering two stately estates and surrounded by ancient woodland and rolling farmland. The property is further enhanced by uninterrupted views and the absence of neighbours - save for a charming church. The interiors are refined and wonderfully unspoilt, with elegant rooms enjoying plenty of light. The gardens and grounds have a wonderful maturity, complementing and frame the house perfectly.

INVESTING IN PERMANENT CROPS IN SPAIN

As Europe's leading producer of many key fruits, vegetables and tree nuts and a country where land prices are competitive and water policies favourable, interest from UK investors in Spain's permanent crops sector is strengthening.

Spain's climate offers ideal conditions for cultivating high-quality crops including citrus, avocados, almonds, pistachios, cucumbers and peppers.

This advantage means Spanish producers can strategically target favourable windows of opportunity to market their produce and that means they can command higher prices.

Potential investors are increasingly attracted to the opportunities this presents and returns on investment which can be as much as 12%.

But utilising local expertise and knowledge of the sector before committing investment is essential for several reasons.

As well as language, often a barrier for foreign investors, land prices and transactions are not publicly available in Spain and this makes market transparency a challenge.

Additionally, three different valuation standards coexist - compulsory purchases, mortgage guarantee for banks and RICS market value - often leading to discrepancies between buyers, valuers and sellers on pricing due to the lack of available information.

Permanent crops require deep technical knowledge too - each crop has a different lifespan, planting density, margin, water need and storage requirements, and varieties of indoor crops act differently agronomically.

This means financial analysis is crucial due to the limited availability of market evidences.

Brown&Co bridges these gaps with experts who provide local knowledge, detailed due diligence, valuation and financial analysis.

This means that investment decisions can be well-informed before money is committed.

The appeal for these investors is enhanced by Spain's water policies and infrastructure. There are over 3.7 million hectares of irrigated land with water rights tied to property ownership.

For institutional and international investors, this is an advantage compared to countries like Australia or Chile where the water and land are sold separately, and to California where water availability is becoming a significant challenge for crop production.

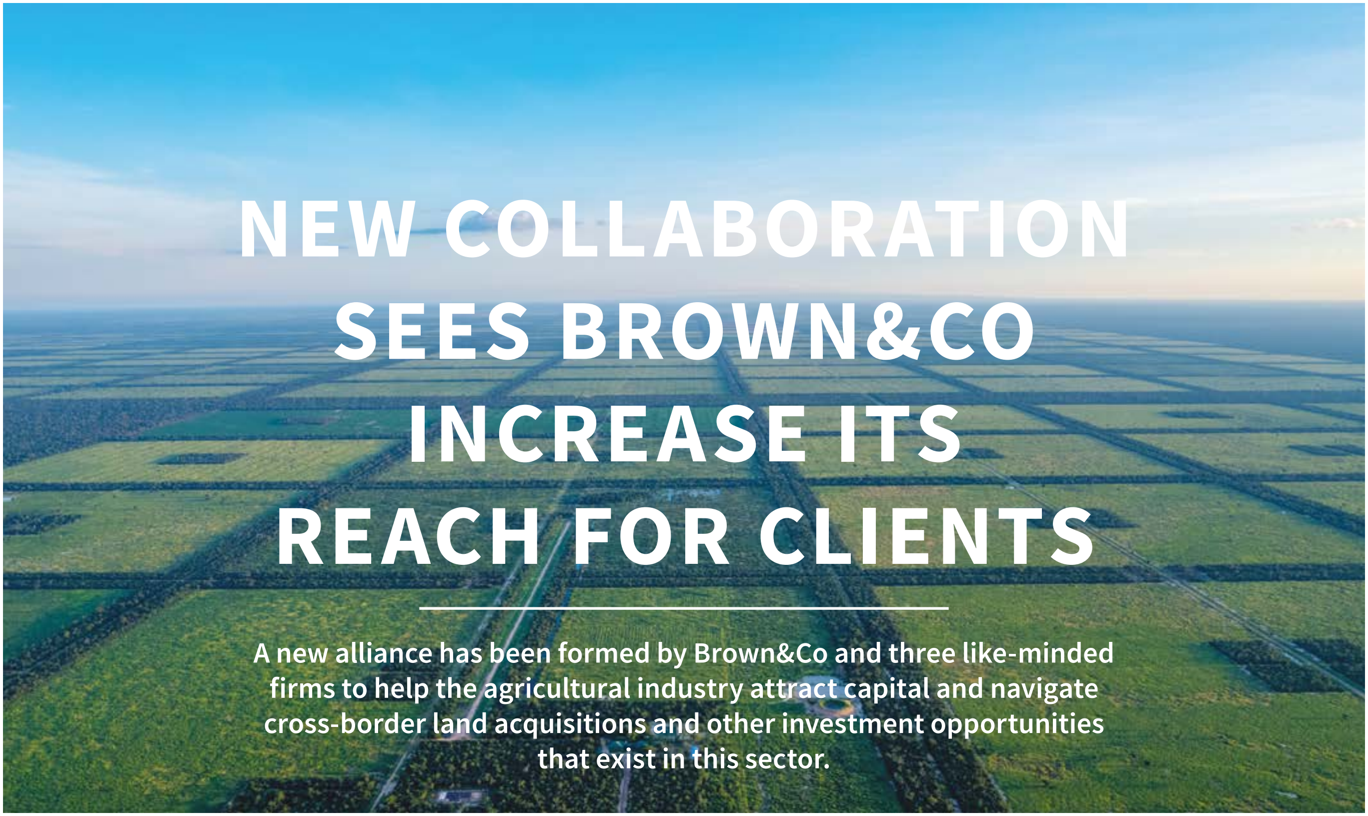
Additionally, land prices in Spain are considerably lower than in more mature markets like California, where values can be 50-60% higher yet the yields comparable.

Every case needs to be examined individually but the annual investment return on a buy and lease-back operation, where the investor buys the land and leases it to an operator, ranges from 4% to 6%.

For land management and crop operation activities, returns will depend on the type of crop but these typically range from 8% to 12%.

With the potential for these strong returns in combination with Brown&Co's support in navigating the investment process, increasing numbers of clients are committing with confidence to the sector.

Daniel Castello
t: (+48) 606 418 284
e: daniel.castello@brown-co.com



NEW COLLABORATION SEES BROWN&CO INCREASE ITS REACH FOR CLIENTS

A new alliance has been formed by Brown&Co and three like-minded firms to help the agricultural industry attract capital and navigate cross-border land acquisitions and other investment opportunities that exist in this sector.

The International Ag Alliance (IAA) brings together Brown&Co, US-based Peoples Company, LAWD in Australia and Arotahi Agribusiness in New Zealand.

Under this arrangement, Brown&Co will contribute the expertise it has in the European and Latin American markets.

By taking a collaborative approach, the objective is to share knowledge and insights and, by widening market opportunities to international investors and private clients, provide a fully-rounded service to clients at a time when there is significant change (and opportunity) in agriculture globally.

There has been a trend towards pension and mutual funds allocating more of their capital to ag markets as part of their real asset portfolios and that has created opportunities for clients of the four firms which recognise the importance of dynamic, high quality and of a common standard service to those institutions.

The IAA widens the capabilities and reach of each of the members and allows the firms to identify the market opportunities and address the challenges for existing clients and investors. This, coupled with the ongoing generational change in agriculture globally, calls for long term patient capital to scale businesses and partner with best-in-class farmer and operating businesses. The new IAA alliance is well placed to be of major benefit to existing and future landowners and private farming clients too as they navigate the challenges of generational change, demands on capital resources and operating/ market demands.

For example, Brown&Co is currently marketing a 44,000-hectare operation in the Gran Chaco in Paraguay, an enterprise where 50,000 beef cattle are run on a grass-fed system.

Enquiries and interest in this business have come from potential buyers in Australia, the US, the Middle East and Europe.

This geographical spread of interest reflects how, by working with Peoples Company, LAWD and Arotahi, Brown&Co can capitalise on the collective knowledge and expertise to help achieve the best sale return and also facilitate investor aims and objectives in new markets.

Major opportunities exist in this sector. For example, the top 50 investors in natural capital globally currently have timber and farmland investments worth around £70.6 billion.

This represents an 11% growth of allocations to the sector in the last 12 months alone.

There is significant potential for further growth too as for those top 50 investors, who have total Assets Under Management (AUM) of £5.5 trillion, timber and farmland represents just 1.26% of total assets.

As the asset class matures, it seems likely that allocations from this capital pool, as well as the capital pool itself, will grow over time.

The IAA seeks to position itself to support and assist with this long-term increase in allocations of capital to the Ag, Forestry and Natural Capital sector.

Charles Whitaker
t: 01603 629 871
e: caw@brown-co.com

Adam Oliver
t: (+48) 606 418 284
e: a.oliver@brown-co.pl

NEW HOMES OPPORTUNITIES

Our Brown&Co New Homes team have partnered with Big Sky Living for the next phases of sales at St Giles Park in Cringleford, Norwich - a development that is setting a new standard for modern city living.

Designed with community at its heart, St Giles Park offers a seamless blend of connectivity, comfort, and convenience. These thoughtfully designed homes feature contemporary architecture, spacious layouts, high-quality specifications, and an abundance of natural light. Energy-efficient designs make them a smart choice for today's buyers, balancing sustainability with style.

New-build homes are increasingly becoming the preferred option for homebuyers due to several key benefits. Modern construction ensures energy efficiency, helping homeowners reduce both their carbon footprint and utility costs. At St Giles Park, every home is equipped with fibre optic broadband, providing high-speed connectivity - an essential feature for modern living and remote working.

The development is already an established and growing community, with over 200 of the planned 348 homes completed. Residents benefit from a range of high-quality amenities designed to enhance everyday life. A newly built sports pavilion, football pitches, a pre-school nursery, and EV charging facilities contribute to a well-rounded and connected lifestyle. These features, along with carefully planned green spaces, ensure that St Giles Park is not just a place to live, but a place to thrive.

The sale of new homes at St Giles Park brings Brown&Co's involvement full circle, from our land agency team's role in the initial land sale to the final handover of keys to new homeowners. With expertise at every stage of the development process, we are the ideal partner for developers. To learn how our new homes team can support your project, contact your local office.


SHENKWYN ROAD

HOW GOOD ADVICE CAN HELP FARMERS PROTECT BUSINESSES FROM IHT CHANGES

Strategic, good quality advice from professionals is paramount as farmers and business owners work out what proposed changes to inheritance tax (IHT) relief mean for them, and consider options for protecting their assets.

The plan to limit IHT relief for farming and other businesses' assets to the first £1m of combined value of property was unexpected.

The move, announced in the October 2024 Budget, threatens farming businesses, not least as it fails to give many older farmers and land owners sufficient time to make the changes necessary to preserve their businesses for future generations.

Consultation on HMRC's proposals, launched in February 2025, gave you the opportunity to comment and express your views.

Detailed legislation is expected to be published by the government in July 2025 ahead of the changes coming into force in April 2026.

Under the current proposal, agricultural property relief (APR) and business property relief (BPR) would be combined with all qualifying assets valued above the £1m per tax payer allowance subject to an effective tax rate of 20%.

Key considerations should include:

Establish who owns the assets
While ownership is generally assumed to be clear, certainty as to who owns what is critical in IHT planning.

The combination of APR and BPR brings not just the value of capital assets but trading assets, such as machinery, growing crops and livestock, into the spotlight.

Changes to application of balance sheet figures
The existing advice from HMRC is that balance sheet figures can be used to calculate tax liabilities on IHT, however this is unlikely to be the case going forward.

As assets over the £1m threshold would be liable for tax, market valuations of all assets will be required, inevitably resulting in higher valuations than balance sheet figures.

Paying tax due
In the government's proposals, IHT payments can be paid in equal instalments over a 10-year period and with the payments being interest-free.

In the event that a disposal of property is necessary to satisfy the tax burden it is important to consider that any partial sale of the farm is liable to capital gains tax (CGT).

Consider life insurance
Life insurance, to cater for a potential tax liability, will be a vital component in future IHT planning.

The situation for each business will be different from another, therefore this option needs careful assessment and professional advice.

Take advice on IHT planning
From an IHT perspective there has never been a more crucial time to take proper advice, establish your potential liability and plan for the future.

HELPING CLIENTS SECURE AMC'S NEW SUSTAINABLE PRACTICES LOAN

The Agricultural Mortgage Corporation (AMC), a popular choice of finance for farmers, landowners and other agricultural businesses, is evolving its offer with a specific initiative to support clients transitioning to more sustainable practices. AMC, highly regarded for its specialism in providing long term mortgages, now offers the Clean Growth Financing Initiative (CGFI), with clients already benefiting from this provision.

Lincolnshire celeriac grower Jack Buck (Farms) Ltd was among the first businesses to secure a CGFI loan.

CGFI offers fee-free loans for sustainable projects and purchases to help British agriculture reduce its environmental impact across several areas including water, waste, energy usage and greenhouse gas emissions.

For Jack Buck (Farms) Ltd, as its sales grew more on-site storage was needed and it opted to invest in a 1,000-tonne refrigerated bulk store to displace older stores that it rented annually.

It had previously secured a loan with the AMC to buy land and that provided security for it to borrow again.

Charlie Bryant at Brown&Co, which has 10 AMC-approved agents, managed and processed the application with minimal fuss to make the whole process easy for the grower.

The store, which captures energy savings of 25%, was built in 2024 and was used to store the first crop of celeriac in November.

AMC's network of local agents act as an important bridge between nine regional managers and clients to discuss proposals and options for all AMC loans and complete paperwork.

The team at Brown&Co helps clients who require finance from AMC to acquire land, construct new buildings, invest in fixed equipment, restructure borrowing, fund renewable energy schemes and other projects.

AMC is unlike other lenders because it enables clients to borrow sums

starting at £25,001 and facilitates lending over the long-term, from five to 30 years.

Finance can be secured against land as well as property to help a borrower increase the capital it needs.

Another feature unique to AMC is its interest-only and repayment options, or a blend of both, on a variable or fixed rate basis; there is always a possibility interest rates may go down leaving a fixed rate loan at a higher level compared to a variable rate loan. However, if interest rates rise, a fixed rate loan will remain at the same rate.

Rates can be set for the lifetime of the agreement, unlike many other secured loans or overdraft agreements, and there are no early repayment charges for variable rate loans.

For many borrowers one of AMC's features, the ability to transfer agreements to the next generation, is a valuable option. This is subject to AMC credit criteria and the client continuing to meet its obligations to AMC.

AMC's experienced and knowledgeable support teams and regional managers understand the sector's unique funding needs.

Another important facility is that funding decisions can be approved in principal before a sealed bid is made or an auction is held.

- AMC loans are available for business purposes only, provided on a secured loan basis. Minimum AMC standard loan of £25,001. To meet customer requirements, lending criteria will vary. Lending is subject to status.

Charlie Bryant
t: 01522 457141
e: charlie.bryant@brown-co.com

OVERVIEW OF THE UK RENTERS' REFORM ACT

The UK Renters' Reform Act, scheduled for implementation in 2025, introduces significant changes to the private rental sector, aiming to enhance tenant security and improve landlord-tenant relationships. The legislation, which is still in the legislative process, seeks to create a fairer and more transparent rental market by addressing long-standing issues such as no-fault evictions, rental affordability and tenant rights.

Abolition of Section 21 Evictions

One of the most significant aspects of the act is the removal of Section 21 “no-fault” evictions. Landlords will no longer be able to evict tenants without providing a valid reason. This change is intended to offer renters greater stability and reduce the risk of sudden displacements.

New Grounds for Possession

While Section 21 is being abolished, landlords will still have the ability to regain possession of their property under reasonable circumstances, such as selling the property or housing a family member. The act outlines new, more clearly defined grounds for possession to balance tenant security with landlords’ rights.

Introduction of a Private Rented Sector Ombudsman

A new independent ombudsman will be established to provide a fair and accessible means of resolving disputes between landlords and tenants without the need for court involvement.

Creation of a Privately Rented Property Portal

This online portal will act as a central database where landlords must register their properties and ensure they meet legal requirements. Tenants will also be able to access information about their prospective rental homes, improving transparency within the sector.

Addressing Discrimination in the Rental Market

The Act introduces measures to tackle discrimination against renters, particularly those receiving housing benefits or from certain backgrounds. It aims to ensure fair treatment for all tenants by making it illegal for landlords to refuse applicants based solely on their income source or protected characteristics under equality law.

Limits on Rent Increases and Upfront Payments

The legislation aims to regulate how and when landlords can increase rent, ensuring affordability and preventing sudden, excessive hikes. Additionally, the practice of demanding multiple months of rent upfront will be restricted, offering financial relief to tenants.

If you have further questions about how these changes might affect you, please contact Brown&Co for more information and guidance.

SMART STRATEGIES FOR RENEWABLE ENERGY INVESTMENT

The business case for investing in renewable energy has arguably never been stronger.

The exceptionally high energy prices that characterised 2024 show no signs of easing. A further 6% rise was introduced in April 2025 and current predictions continue to show volatility expected over the coming year with prices remaining hundreds of pounds above historic averages.

These elevated prices are incentivising businesses of all sizes to investigate options for onsite renewable energy solutions that will reduce their power costs and enhance sustainability.

However, in their haste to capture savings, many businesses fail to properly assess projects and that can result in costly mistakes at this important stage.

Careful planning in that initial period is therefore essential to avoid errors.

Several key factors need to be considered before committing, from maximising offsetting and securing a grid connection to getting the right planning advice and maximising grant funding.

Maximise energy consumption within the business

Understanding the electricity consumption profile of the business is a good first step to working out the value of a renewable energy investments. Savings from energy consumed by the business by far exceed potential income from exporting excess energy to the grid.

The primary goal of the business should therefore be to use as much of the electricity produced as possible.

For example, if a business pays 25p/kWh for electricity but only receives 7p/kWh for exports, self-consuming 2,000 kWh results in a saving of £500 compared to just £140 from exporting.

Analyse when and how much electricity is used and aim to align consumption patterns with the project type and scale. Selecting the right type and scale of technology will ensure maximum payback from that initial investment.

Getting a grid connection

While it is challenging for any business to use all of the energy it generates, exporting excess power ensures an income can be capture from the spare electricity therefore a connection to the national grid is essential.

It is well reported that grid capacity is constrained but projects under 995kW often face fewer hurdles in securing a connection as District Network Operators (DNOs) assess these separately.

Engaging early with the DNO is critical to help secure a connection.

Securing planning permission

Planning requirements vary according to technology and scale.

For example, roof-mounted solar systems under 1MW may qualify under the General Permitted Development Rights Order (GPDO) which simplifies the process, but the approvals for wind turbines and Anaerobic Digestion (AD) plants are often more complex.

Early engagement with an expert on renewable energy planning requirements can save time and cost, ensure compliance and avoid delays.

Maximise government incentives and grants

The Smart Export Guarantee (SEG) pays for exported energy and there are grants on offer to offset upfront costs.

The Green Gas Support Scheme (GGSS) also offers a tariff for anaerobic digestion injecting directly into the grid for sites that commission before March 2028.

Staying informed about these opportunities can improve financial viability.

Seek independent financial assessment

Some installers may provide a financial appraisal of a project but these are often designed to sell their technology.

By conducting independent due diligence, projected returns can be correctly verified and the installer's credibility assessed.

Businesses that are unsure which technology best their purpose should always seek independent advice.



REWARDS FOR DELIVERING ON FLEXIBLE WORKSPACE GOALS

It comes as no surprise to dMFK Architects' director Jonny Wong that workplace health and wellness and a changing landlord-tenant dynamic are acknowledged as key trends shaping commercial tenants' office space requirements.

His company has been working with flexible workspace providers for 15 years and these trends in combination with a desire for premium, amenity-rich spaces and environmental sustainability are very much evidenced in those projects.

"None of this is a surprise to us but perhaps it took the pandemic for the traditional tenant-landlord dynamic to be shocked into accepting it more widely,'' reflects Jonny.

Workspace is now viewed very differently to the days when very little thought was given to design and the needs of staff. Wellbeing and flexibility are central to tenants' requirements.There are rewards for landlords willing to deliver on these.

One of dMFK Architects' projects, Chancery House in central London, was completed just after the pandemic ended and was fully-let within six months, despite the narrative around the working-from-home culture enduring.

"People want to be around people,'' says Jonny.

Brown&Co is seeing that trend rolling out into regional commercial and workspace markets beyond London and major cities, with a renewed focus on building performance and flexibility, low operational cost and tenant-landlord considerations, and the impacts of flexible working on business floorspace, all featuring in new and refurbishment projects.
For dMFK Architects, many of its designs are 'amenity' heavy, with roof terraces, gyms, living greenery, high-quality cycle storage, and a major emphasis on acoustics, buildings that people will "fall in love with'', says Jonny.

There is more incentive for developers to embed sustainability into designs because the more sustainable a space, the higher the rental income.

Embedding 'social value', such as working out ways to make the ground floor fully contribute to the street is another important design trend. One of dMFK Architects' buildings, for example, has a ground-floor café providing healthy meals, subsidised for workers but also open to the public.

Jonny and his team says their focus on "occupancy by attraction'' has worked for landlords.

By providing workspaces that are amenity-heavy and have social spaces, they are "giving the garden shed a run for its money", making the office a place where people want to be.

Article provided by
Jonny Wong
dMFK Architects

GRADUATE TESTIMONIALS

Each year we actively recruit graduates to join our teams in rural surveying, commercial, architecture, planning and agricultural business consultancy departments.

All graduates are enrolled on a structured, comprehensive in-house training programme, and the Firm is dedicated to supporting them to achieve their professional qualifications.

My role as a graduate at Brown&Co has provided me with a wide variety of experience and the opportunity to work on a range of projects from barn conversions to educational projects and large-scale masterplans. During my time on these projects, I experienced various stages of work from the planning application to the technical detailing.

Kelsey Fordham - Graduate, Architecture and Planning

I was particularly drawn to Brown&Co's graduate scheme because it provided practical experience right from the outset. This opportunity allowed me to engage in project work early on, meeting with clients and addressing challenges in the dynamic farming landscape.

William Sly - Professional, Agricultural Business Consultancy

I had always been aware of Brown&Co, but it wasn't until post-university and when I started looking for graduate employment that I realised the big national firms were not for me and I would be much better suited to a firm where I would be a name rather than a number.

Anita Riggall - Divisional Partner, Land Agency

From the outset of my employment, I had full support towards the APC, with regular graduate training sessions together with APC specific meetings which helped me qualify as a Chartered Surveyor.

Katie Bates - Associate, Commercial

My colleagues have assisted and trusted me, which has given me the confidence to take on a variety of work. In addition to the work, we host and take part in many different networking and sporting events, which are great for connecting with a wide range of people.

Jamie Redden - Graduate, Land Agency

PORTFOLIO

An exceptional, modern luxury home that pushes the boundaries of building design to the next level. Built to the very highest standards of sustainable, insulated, energy saving construction, producing more electricity than it can ever use; reducing its carbon footprint and energy bills to near zero. With 47% of the external build triple glazed glass doors and windows, sunlight flows through the open plan layout, allowing the house to link seamlessly with the garden and the adjoining parkland.

UK BRANCH NETWORK

For proactive and professional services contact your local experts

Banbury
banbury@brown-co.com | 01295 273 555

Bury St Edmunds
bury@brown-co.com | 01284 725 715

Holt
holt@brown-co.com | 01263 711 167

Humber
humber@brown-co.com | 01482 421 234

King's Lynn
kingslynn@brown-co.com | 01553 770 771

Leicester
leicester@brown-co.com | 0116 289 4719

Lincoln
lincoln@brown-co.com | 01522 457 800

Norwich
norwich@brown-co.com | 01603 629 871

Oxford
oxford@brown-co.com | 01235 862 888

Retford
retford@brown-co.com | 01777 709 112

St Neots
wyboston@brown-co.com | 01480 213 811