

# Asset

PROPERTY AND PLANNING NEWS AND UPDATES

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**Lambert  
& Foster**

PROPERTY PROFESSIONALS

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What is the future for rural development and obtaining planning in Areas of Outstanding Natural Beauty?



### Transparency in the Murk

How to counter excessive or unreasonable costs being levied with the widespread adoption of the Community Infrastructure Levy (CIL).



### The Housing Market - Despite Brexit!

Lambert & Foster in Sussex hit record sales figures despite the uncertainty surrounding Brexit.

At the time of writing this article, our Prime Minister, Boris Johnson, has suspended parliament and stirred the country up again. Will we leave by the 31st October? Will there be a general election? Who knows. I think we are going to be in for a very interesting time this autumn!

At the end of July, Boris Johnson promised a review of the planning system to include planning regulations, stamp duty, etc. Quite when Parliament will get time to review these wide-ranging issues, I am not sure but there is certainly likely to be an impact on the property market and, as ever, you should seek advice from your

professional advisers.

As the seasons change and with it the weather, farmers keep tending to their land. Here at Lambert & Foster, despite the political "weather", we too keep putting in the groundwork to be well prepared and up to date in the best ways to assist you.

TIM DUNCAN, DIRECTOR



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Tunbridge Wells Borough Council's Local Draft Plan is out for consultation until 1st November 2019. **Don't miss** the excellent opportunity to promote your site for development **before the deadline!**

Contact Tom Ogden (tom.ogden@bloomfieldsltd.co.uk) or Gary Mickelborough (gary@bloomfieldsltd.co.uk) on 01892 831 600 to discuss your site further.

# UNPREDICTABLE PLANNING

Our firm has a lengthy involvement in the local planning system, with our specialisation being rural development.

Where consideration of a traditional agricultural building is to be addressed, the proposals for development will probably tighten even more (well, this is certainly the case in Tunbridge Wells Borough Council). This is going to make it difficult for buildings in the Area of Outstanding Natural Beauty (AONB).

Previously, there was encouragement to utilise traditional agricultural buildings because of their value in the landscape. After the great storms of the 80's and the blight on the livestock industry with foot and mouth, a greater emphasis was placed upon alternative business opportunities into the rural areas. This has moved forward towards greater flexibility for business and residential uses.

If track records are going to be a guide in future policy trends, it is reasonable to presume policy will be more restrictive

on rural buildings, particularly in AONB's. Interestingly, this will sit alongside an anticipated release of Green Belt land for development to village extensions and opportunities to promote sites as new garden villages.

Where will we be within a year's time when there will probably be a true government initiative to make some of the housing development policies work?

Contact Nick Brandreth on 01892 832 325 or nick.brandreth@lambertandfoster.co.uk.

## Extension & Conversion of Barn to Create 2 Dwellings

Having already obtained prior approval for the conversion of the historic barn under Class Q, Bloomfields went on to design a more attractive residential scheme for the barn, incorporating an extension, larger garden areas, a double garage and store.

To re-instate the historic barn to its former scale, which was lost in the 1987 hurricane, meant that the barn could be converted to a pair of semi-detached dwellings. Each dwelling has been designed with a double garage and store on the site of a former building (also lost in the hurricane) as well as a larger garden area within the historic courtyard.



## Letting Market Update

It has been an exceptionally busy 2019 for Lambert & Foster's Lettings and Property Management teams. We have seen a substantial increase in the number of properties that have been successfully let and an equivalent increase in the number of applicants applying for rental properties. Jon Booth, a Director at Lambert & Foster, commented:

*"Interestingly, but perhaps unsurprisingly, an increasing number of applicants report that looking to see out "Brexit uncertainty" is a key driver for renting instead of committing to a purchase. The Tenant Fee Ban that came in on 1st June has also made it a more attractive and less costly time for tenants. Our experience of increasing applicant demand is a reflection on the national trend but we are continuing to attract new Landlords, bucking the trend of a falling supply of new properties to the market, as reported by the RICS. To support this growth, we have made two excellent appointments in Melanie and Clare, both of whom are experienced and motivated lettings professionals."*



## MINIMUM ENERGY EFFICIENCY STANDARDS Action Required By Landlords?

Landlords of let residential property will need to be aware of the pending deadline of **1st April 2020** for making sure their properties comply with the Minimum Energy Efficiency Standards (MEES).

Landlords will already be aware that a new tenancy must not be granted (including extensions and renewals) where the Energy Performance Certificate is below the minimum level of energy efficiency of band E. As of 1st April 2020, a Landlord must



not continue to let a property on an existing tenancy if it is below band E. This is likely to affect a good number of traditionally built, rural properties but it is important to note that if the property has been let under the same tenancy from before 1st October 2008, the tenancy will not be caught by the MEES regulations. However, in such circumstances it may be prudent to consider the likely cost implications to improve the energy efficiency of the property now so that work can be scheduled and the cost spread over the course of the current tenancy.

If the property is caught by the regulations, the property must be brought up to the required standard or an application be made for an exemption.

Please contact Jon Booth on jon.booth@lambertandfoster.co.uk or 01892 832 325 should you require any help ahead of the 1st April 2020 deadline.

# 10 Year Enforcement Issue Resolved



Bloomfields was asked to advise following a protracted enforcement issue against the use of a farm building as a home. Approvals were sought for other development at the site and this was then traded off for a planning permission for the approval of the home previously subject to enforcement action. We see this as a particularly successful outcome to a case which our client could see no way out of following years of advice from 'others' and the prospect of Council court proceedings looming.

Whilst we always encourage clients to adhere to planning laws, we are proud of our ability to find solutions to enforcement related problems through strategic thinking.

If you have a similar enforcement issue, why not ask us to see if we can sort things out properly! Contact Bloomfields on 01892 831 600 or [info@bloomfieldsltd.co.uk](mailto:info@bloomfieldsltd.co.uk)

## Transparency in the Murk

With the widespread adoption of the Community Infrastructure Levy (CIL) and other financial planning obligations, developers turn to economic viability statements to counter the possibility of excessive or unreasonable costs being levied.

Statements issued by the Government and the Royal Institution of Chartered Surveyors (RICS) places heavy emphasis on improving the clarity and accountability of any viability assessment by ensuring they are prepared with professional integrity by a suitably qualified practitioner. Providing benchmark land values to include the current use value and alternative use value, as well as the supporting evidence for these together with a sensitivity analysis are now mandatory items in these specialist reports.

Lambert & Foster have a wealth of planning and valuation expertise to draw upon from members of the Royal Institution of Chartered Surveyors, the Royal Town Planning Institute, the Central Association of Agricultural Valuers and the British Institute of Agricultural Consultants to enable the provision of such reports. This ensures that the once described "dark art of viability assessments" can be successfully navigated by our qualified practitioners on your behalf.

If you require professional advice on Viability Assessments, please contact Tim Duncan on [tim.duncan@lambertandfoster.co.uk](mailto:tim.duncan@lambertandfoster.co.uk) on 01892 832 325.

## Like a Swan in Motion

We have been through a period of property overindulgence and trying to predict when this will end is fruitless - unless one knows how Brexit will conclude. The problem with shifts in government policy and national direction is that each will take its course and time to correct.

What we do know is that many first-time buyers are choosing to buy a home and this can only be good for second-time buyers and so on. Outside London, there are continued signs of price growth and there is a continued lively level of interest from buyers.

The property market is rather like a swan in motion, not much seems to be happening on the surface but below there is plenty of activity, so don't be deceived by adverse press reports and local gossip. The most correct course of action of all is to ask the advice of an experienced and successful local estate agent who has seen it all before.

For residential sales in Kent please contact Alec Cox on 01580 712 888 or [alec.cox@lambertandfoster.co.uk](mailto:alec.cox@lambertandfoster.co.uk). For residential sales in Sussex please contact Gill Weavers on 01435 873 999 or [gill.weavers@lambertandfoster.co.uk](mailto:gill.weavers@lambertandfoster.co.uk)



## There are changes from the beginning of September to the Community Infrastructure Levy (CIL).

It is nearly 10 years since this "tax" was brought in for new build floor space. Not all local authorities are charging CIL, although as time moves on more and more are putting it in place.

Some of the changes will be relatively minor but lessons learned over the last 10 years should improve certain aspects of CIL. For further advice contact the Bloomfields team.



## Seek the right valuation advice

The Lambert & Foster RICS Registered Valuers team has been busy carrying out professional RICS Red Book valuation work including valuations for Inheritance and Capital Gains Tax, Secured Lending, Expert Witness and Tax Planning purposes.

Market conditions are hardening, as detailed in the latest RICS market survey, which makes it even more important to obtain correct valuation advice.

Vendors should be mindful of the market conditions and have a realistic perception of value, quoting sensible asking prices for their property. We have an experienced team at Lambert & Foster who have worked in the area for many years.

If you require professional valuation advice please contact Peter Wright on 01892 832 325 or [peter.wright@lambertandfoster.co.uk](mailto:peter.wright@lambertandfoster.co.uk)



## New Barn to Support Goatherd

Having received a number of refusals (before coming to Bloomfields) for the prior approval of a barn to support a smallholding that breeds goats and uses their fleece to make bespoke products, Bloomfields was able to secure an approval.

The barn had to be sited in accordance with the agricultural permitted development rights, so thought had to be given to its size, location and design as well as ensuring that a robust agricultural justification was provided for its use.

Bloomfields successfully navigated this set of legislation to ensure that further storage can be provided in the form of a barn with hardstanding for animal husbandry.

# Whoopee - I Have HOPE Value!

"Hope Value" sounds very desirable and something we should all be grateful for and optimistic about. For Her Majesty's Revenue & Customs (HMRC), it is becoming a topic of joy and merriment as it could be more money in their coffers, largely at the expense of Britain's farmers and landowners.

## BUT WHAT IS IT?

On death, those inheriting agricultural land are likely to have benefitted from Agricultural Property Relief. This allows 100% relief from Inheritance Tax but only on the agricultural value of the land. Hope Value refers to that element of value of a particular land parcel which is over its agricultural value. It occurs where that land has the potential for development although it has not been developed yet.

**Current rules indicate that hope value does not automatically attract any relief and Inheritance Tax is therefore payable at 40% - ouch!**

## AND THE PROBLEM IS?

If a person dies owning land which has the benefit of planning permission for development, then, the successors can sell the land and use the proceeds of the sale to pay the Inheritance Tax bill.

If the land does not obtain planning permission or has not been sold for development there may still be Inheritance Tax due on the "hope value" element of the land. However, the usual problem is that there has been no sale and therefore there will be no money with which to pay HMRC's Inheritance Tax bill.

It is not uncommon for the HMRC to look at land close to villages and towns and also buildings with conversion potential as Inheritance Tax generating assets, even

if there is no development agreement or planning permission on the horizon.

This whole issue is exaggerated by Central Government's relentless drive to build more and more houses and with that expansion in housing driving numbers forward for 10 or 15 years via the creation of local development plans by local planning authorities. This is what is creating the "hope" that the particular land will be developed.

## EVASION OR AVOIDANCE?

Evasion is illegal. Avoidance is by way of prudent tax planning which will mostly also involve succession planning. There are many ways to mitigate the potential of and a liability for, a large bill from HMRC.

For most farmers and landowners ensuring the land qualifies for Business Property Relief; choosing the correct ownership structure; making sure all appropriate agreements are in place where the land is let out; transferring the land to successors, are all matters you should urgently consider and take advice upon as the way to reduce the risk of a large HMRC bill based on hope value.

## CONCLUSION

Tax is ultimately unavoidable and we all have to pay something at sometime, but you should be able to say...

*"Guess what - I have kept family resource where they should be - within the family!"*

For advice on this subject contact Ted Handley on [ted.handley@lambertandfoster.co.uk](mailto:ted.handley@lambertandfoster.co.uk)

## Lambert & Foster expand their lettings team

We are delighted to announce the appointment of **Melanie Payne** as the new Lettings Manager at our Cranbrook office, and **Clare Bishop** as a Lettings Negotiator within our Lettings and Property Management Team, based in Paddock Wood.

Melanie started her career as an Estate Agent in Sevenoaks, before turning her hand to editing the WealdenAd. More recently she has worked locally as a Lettings Manager and is ARLA qualified. Mel comments, *"We have a great team at Lambert & Foster and I am proud to be part of it. I shall do all I can to continue and improve the service we give to landlords and tenants."*

Clare has a varied employment history having worked both in the UK and abroad, which included operating a successful wedding planning business in Barcelona. More recently she has worked within lettings and property management and is a valued addition to the team.

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**DISCLAIMER:** The articles in this edition of Asset should not be relied upon or regarded as a substitute for advice. Lambert & Foster and Bloomfields would be pleased to provide further information or advice on any property or planning issues.



# Lambert & Foster

## The Housing Market - Despite Brexit!

Despite the uncertainty of Brexit and the outcome yet to be determined, Gill Weavers, Estate Agency Manager in Sussex, reports:

*"The Mayfield office was rewarded for all their hard work over the summer with a record number of sales in July, coupled with the fastest transaction I have done in my career with one property taken on and exchanged within one week of August! As I look towards the final few months of the year, it's hard to know what to expect. I think that we have*



*got to the point now where people are just getting on with their lives, as far as property decisions are concerned - deal or no deal in October."*

Interest rates are still low and banks are willing to lend which means that buyers are in a strong position. Our job as an estate agent is moving people and families on to the next stage of their lives and making it as seamless and stress-free as possible, which we will continue to do despite Brexit!

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For residential sales in Kent contact Alec Cox on 01580 712 888 or [alec.cox@lambertandfoster.co.uk](mailto:alec.cox@lambertandfoster.co.uk)

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