



WELCOME...



Apparently, a change is as good as rest to lighten a weary heart and 2007 has certainly thrown up a few changes (some of which might be more accurately described as U-turns!) that

have definitely helped raise the feeling among many of our clients. Change is certainly a theme throughout this edition of our newsletter together with some trends staying encouragingly constant.

Inside we have articles looking at an apparently rapidly increasing land price backed up, no doubt, by foreign investors, increased commodity prices and in light of the cautious optimism, those increased prices have brought about renewed interest from institutional buyers. It is also interesting to note that despite RICS reporting falling house prices, there seems to be unquelled interest in small areas of land for garden extensions and slightly larger blocks for equine or amenity use.

With increased commodity prices and the confidence this brings, many will turn to opportunities for diversification that had previously been put to one side and we have several ideas for those forms of diversification that do not seem to have yet been fully exploited. We also outline some thoughts on opportunities for short term money spinning opportunities connected to the 2012 Olympics.

It is perhaps no surprise that now we have a little more money in our pockets, Alistair Darling has announced his latest plans on how to relieve you of slightly more of it with his new ideas on Capital Gains and Inheritance Tax. It is, of course, very important to consider the tax position of any future diversification or sales as there are potentially wide reaching effects for Inheritance Tax as well as any increases in future Capital Gains Tax liabilities. The changes are however not all doom and gloom and there are actually some who could take some real benefits from the changes.

I hope you enjoy this latest edition of SWAG.

Richard Couling



Asset Sales - Tax Implications

It is perhaps somewhat ironic that on the tenth anniversary following the introduction of Taper Relief (when finally full Non-Business Taper Relief is available to people who have owned assets for ten years), Alistair Darling announces a simplification of the tax system.

As the UK has one of the most complicated tax systems in the world, it is perhaps a little ambitious to say that it has been simplified to any great degree given that the net effect will be to encourage short term rather than long term investment.

Of course, there remains the risk for those buying and selling assets as a means of adding value, that they may be treated as trading and charged income tax on profits rather than assessed for Capital Gains Tax at the proposed 18% flat rate.

The current system is quite complicated but if you are thinking of selling any asset over the next few months (other than your principal private residence for which no tax should be payable) then it is well worth looking at the potential tax bill under the current rules if sold prior to the 5th April 2008 or under the

proposed rules (subject to them becoming law in next year's Finance Act and any other interim announcements from the Chancellor).

The general principle is that, for those who qualify for full Business Asset Taper Relief, (for which they would pay an effective rate of tax of 10% of the capital gain) early sale prior to 6th April 2008 would be beneficial and for all those with Non-Business Asset Taper Relief a sale after 5th April 2008 would appear to be more beneficial.

Having said this, given the credit crunch and the fragility of markets generally, it is always worth bearing in mind that the potential difference in value of a property from changes to the market may actually exceed the potential additional tax liability for some assets and it is always worth looking at the overall position before making decisions of this nature. ■



SEMINAR

We will be hosting a seminar in February in conjunction with Stanley Tee Solicitors and Hardcastle Burton Accountants that is being generously supported by Barclays Bank.

We will be taking an upbeat look at opportunities for maximising the profit generated by and capital value of your assets and then how to make sure you hold onto as much of your profits and gains as possible, not only now, but in the future to ensure that they are passed onto the next generation with as little loss to the Revenue as possible. ■

Sworders 100% Success rate continues



We are delighted to announce that Lucy Back has successfully passed her Assessment of Professional Competence with the RICS at her first attempt to become a Chartered Surveyor.

Lucy joined Sworders in 2005 as a graduate having completed a degree in Rural Land Management at the Royal Agricultural College, Cirencester. Prior to taking her degree Lucy worked in the equestrian sector. ■



Farm Diversification

With landowners and farmers always looking for alternative diversification ideas in order to generate extra income, the first thought is often the letting of buildings. Whilst some farms do offer low-key 'Do-it Yourself' livery, few have entered into the equestrian culture in a big way. The National Equestrian Survey Report found that the equestrian industry is now the second largest employer in the rural economy and continues to grow rapidly.

In terms of support from the planners, the Government has long recognised that farmers need to diversify and have supported rural based activities such as equestrian based uses which are generally deemed 'appropriate' in the countryside.

Sworders have recently obtained planning for a replacement building to provide stables and subsequently an all weather manège. The proposal was supported by the Local Council due to the sensitive design and layout of the stables and associated facilities.

Interest in this complex has been high from many individuals, ensuring minimal day to day involvement will be required by the landlord. This venture provides a satisfactory return on investment without losing the valuable footprint of a building. It is worth remembering that existing buildings can be converted to provide stabling for minimal outlay.

There is potential to expand from livery in to the sale of hay, straw and horse feed as well as providing the farm as a venue for horse events. Please bear in mind that a change of use application may be required for the grazing land used as well as for the stables. Please contact Sworders for planning advice in this regard.

Funding for diversification such as stabling can be available from South East England Development Agency (SEEDA). ■

Sworders support local young professionals

Sworders were proud to be Principle Sponsors of this years annual BSYP charity ball which had a Halloween theme.

The Ball was at the Rhodes Arts Complex in Bishops Stortford which was fantastically decorated with pumpkins, spiders, cobwebs and witches. The ball was held to raise funds for two local charities; the Hertfordshire Air Ambulance Appeal and the St Elizabeth's Centre at Much Hadham. Each charity will receive in the region of £1,000. The committee included two Sworders staff – Lucy Back and James Watchorn. A number of other staff are active BSYP members.

BSYP was formed in March 2005 as an organisation designed to enable like minded people who live and/or work in Bishop's Stortford to meet. They meet on the last Thursday of each month and further information is available on their website www.bsyp.co.uk. ■

BSYP ■ ■ ■
Bishop's Stortford ■ ■ ■
Young Professionals

Sales Update



In the face of depressing news from the residential housing market with the RICS reporting the greatest downturn in the residential property market in recent times, we are pleased to report that the land market certainly hasn't suffered in the same way – it is in fact the opposite. With many reports of large blocks of land in the region selling for figures well in excess of £3,500 per acre (and in some cases more than £4,000) the market is offering some very attractive prices. The market is certainly fuelled in part by overseas investors and Irish buyers have been significant in many recent sales.

Sworders recently sold Decoy Farm near Wisbech, Cambridgeshire for a sum in excess of its £1.42 million guide price for the 350 acres of land with a house subject to structural problems and a range of farm buildings. The strength of Irish buyers was certainly evident in this sale with a significant number of bidders being from the Emerald Isle.

In addition, we have sold several blocks of amenity land in the past 6 months and in every case we have generated a premium far beyond the agricultural value of the land, and in many cases, the premiums available generated greater premiums than expected. Provided the right sales tactics are used, in some cases premiums that were previously only seen on blocks of an acre or two have been seen on areas in excess of 10 acres. In addition, the majority of sales are agreed with full uplift clauses allowing 50% of any future development value to be retained by the vendor for up to 80 years from completion and often these sales are not even next to the purchaser's residential properties! It has certainly not been unusual to see a sale price in excess of £15,000 per acre. Of course, there have been the usual collection of off market sales for garden extensions and there

are certainly still premiums available for this, although, whether the slight downturn in the residential market will quell this market, it remains to be seen.

Despite the doom and gloom that the press put forward every evening, we have dealt with several residential sales recently, where a slowing market has been evident, but where it has also been clear that there are still buyers out there for the right property and especially where the most has been made of a particular property. For example, Foxwood Farm, near Towcester, Northants, recently sold for in excess of its £950,000 guide price after several planning schemes to exploit the value of a range of traditional outbuildings and a site for potential development within the curtilage. We have also recently launched Grove Bungalow in Great Bardfield, where we obtained planning consent to replace a 1960's bungalow with a 4 bedroom traditional style house standing in around 0.5 of an acre while mitigating a potentially difficult AOC question and increasing the value and saleability.

ALSO ON THE MARKET:

Land and Stables at Elsenham, Range of 8 stables with manège and land to let near High Wych, 5 acres of potential development land at Eastwick near Harlow..... Plus others. ■

Amy Hughes joining Sworders

Bringing with her 10 years of experience in both legal and property disciplines, Amy joins us as Office Manager and PA to Angus Hudson. Having worked both locally and nationally she has a great understanding of office procedures together with excellent interpersonal skills. ■



LONDON 2012

Whilst there are still over 4 years to go until the Olympic circus hits London, there are currently many opportunities available in the region to get involved in the supply chain, offering depots for storage and distribution or accommodation and training facilities. Watch this space for more information and in the mean time, check out www.london2012.com www.supply2.gov.uk or www.competefor.com ■

Planning Reform

The Queen's Speech in November outlined the Government's proposals for a Planning Reform Bill to introduce an Infrastructure Planning Commission (IPC), National Policy Statements (NPS) and changes to the Local Development Framework which, in its current form, has not yet been fully implemented!

The IPC would be made up of a newly created and unelected body and would make decisions on major infrastructure projects such as energy generation sites and airport runways. NPS will form the guidance for making the decisions on such infrastructure projects and it will therefore be important to consider the content of these when they are being drawn up. Essentially, if a proposal conforms with NPS it will be passed by the IPC unless it is against National or International Law.

The idea behind the changes is to speed up the planning process, not just for large projects but also

for minor applications, particularly householder applications. However, it could mean that communities have less say about what is happening in their region.

The Planning Reform Bill will also set out proposals for replacing the highly controversial Planning Gain Supplement (PGS) with a Planning Charge. This charge would effectively be to provide infrastructure for different types of development although is unlikely to be considerably different from PGS in its downfalls.

Please see the article on Planning Charge for more information. ■

M11 Widening

Many will be aware of current proposals to widen the M11 between junctions 6 – 8. Historically, widening to the north of Junction 8 has been discussed but this is not being actively pursued at this time. The current widening proposals are of course made in conjunction with proposed expansion at Stansted Airport. At the time of writing environmental surveys have been carried out and many landowners are now affected by more intrusive archaeological surveys. Due to the position of the Highways Agency we have had success in negotiating better than expected compensation. If you wish to discuss any aspects of surveys or how the proposed development will affect your land please call Richard Couling. ■



HOME INFORMATION PACKS – An Update

As from the 14 December 2007 every property requires a Home Information Pack (HIP) before it can be marketed for sale. As reported in our earlier Newsletter, HIPs are essentially a series of documents about the property which are provided at the vendor's expense. In effect, the only new document required by HIPs is the Energy Performance Certificate (EPC) which rates each property from A-G depending on the energy efficiency of the property.

The pack costs around £300-£350 to produce although it has been reported that the cost of producing HIPs has already decreased across 85 authorities by, on average, £30. The Government has now announced plans to offer financial assistance to improve the energy efficiency of homes which rate poorly (F or G on the EPC).

An independent report published by the Government has shown that the introduction of HIPs has predicted a short term reduction in the number of properties being marketed although the report shows that HIPs have not had a detrimental effect on the number of transactions or prices.

The final stage to rolling out HIPs is the monitoring process. This means that the full effect of their introduction will not be known until later in 2008. ■

We are very pleased to report that Richard Couling has recently been appointed as an Associate. While it is hard to believe, Richard has now been with Sworders for almost four years and continues to work in all aspects of Agricultural, Commercial and Residential Property with an emphasis on Sales, Acquisitions and Lettings, Estate, Farm and Land Management, CPO, Access and Compensation matters, valuation and general professional advice. ■

Planning Charge

The Government announced on the 9th October that it has abandoned the proposed Planning Gain Supplement (PGS) in favour of a statutory planning charge, which has recently been legislated for as part of the Planning Reform Bill.

Under the 'Community Infrastructure Levy' as it is termed by the Bill, local planning authorities will be able to apply standard planning charges, in addition to Section 106 Agreements, for all new development in their areas (subject to low de minimis thresholds) in order to capture greater levels of planning gain to finance new infrastructure to support local and regional plans. The rationale behind this is that as the value of land generally increases following the grant of a planning permission for development, the charge will seek to ensure that local infrastructure costs are met in part by land owners who have benefited financially by developing their land.

The abandoned PGS was widely opposed by those in the development industry as, in particular, it was feared that the supplement would have a detrimental effect on land values. The Planning

Charge, although not welcomed, is seen by many as 'the least worst option for business'. However, the new system of charging still has similarities to PGS and there remain a number of potential problems that Government will need to address in order to effectively deliver the changes. Regional and Local Development Plans will need to identify infrastructure needs and authorities will need to cost it and formulate a suitable allocation formulae, which is likely to pose real difficulties.

The timing of the charge is difficult to predict at this moment in time as the Bill is only at the early stages of debate within the House of Commons. However, with the charge moving ever nearer, property and land owners who are looking to develop in the future should consider undertaking this sooner rather than later if they wish to avoid being caught by the charge. ■

Timetables for local plan reviews

Definition	Core Strategy	Site specific allocations
	Public participation on preferred options	Public participation on preferred options
Barnet	Issues and Options published April 2008	Issues and Options scheduled for May 2008
Braintree	Preferred Options Consultation June 2008	Planned March 2009
Brentwood	Issues and Options Consultation February 2008	Late 2008
Broxbourne	Issues and Options Consultation likely mid 2008	Late 2008
Chelmsford	Awaiting Inspectors Report September -October 2007	Issues and Options August-September 2007
East Herts	Issues and Options Consultation summer 2008	Issues and Options summer 2009
Epping Forest	Issues and Options Consultation summer 2008	Late 2008
Harlow	Issues and Options Consultation March 2008	Late 2008
Havering	Examination in July 2007. Report on core policies and control policies October and November 2007	13th December 2007
Huntingdon	Preferred Options Consultation November 2007-January 2008	Preferred Options February 2009
North Herts	Preferred Options Consultation completed October 2008. Submission September 2008	Issues and Options scheduled for January 2008
North Norfolk	Examination at the moment January 2008	Preferred Options September-October 2006, planned to redo Autumn 2008
Uttlesford	Preferred Options Consultation September -January 2008. Submission May-June 2008	Issues and Options Consultation March 2008

"The articles featured in this publication have been selected and prepared with a view to disseminating key information and are not intended to be comprehensive nor to provide advice. Before taking action advice should be sought for specific queries."