

Investors remain strong despite the Crunch!

Despite the ever emerging credit crunch and declining property market, many farms, estates and private landlords may have an asset still in demand.

Many landowners, estates and private landlords have redundant farm workers cottages on the holding or in the surrounding villages occupied by former employees of the holding, and in some cases many do not realise the value of these properties and that they can be sold on the open market despite the property being subject to a statutory tenancy.

How do you know if you have a Statutory Tenancy?

If you let the property to your employee before the 15 January 1989 as part of that workers employment, even if no formal agreement was put in place and there is no or little rent passing, the cottage occupied by your redundant farm worker shall be protected under the Rent (Agriculture) Act 1976 and the service occupancy enjoyed as part of his employment becomes a “statutory tenancy”. If the property was let after this date then it is likely to be classed as an Assured Agricultural Occupancy under the Housing Act 1988.

Protection for the Tenant!

Protection for redundant farm workers is comparable to that of occupiers of rented homes and is provided Under the Rent (Agriculture) Act 1976. Protection is provided through the fair rent system enforced by the rent service, which assesses the level of rent that can be charged and oversees the rights to succession.

If you let your property under the Housing Act 1988 then your ex farm worker will be protected as an assured agricultural occupant and provided they qualify for protection they will receive the same protection as under the Rent (Agriculture) Act 1976, simply meaning a landlord can not evict a tenant and can not double the rent overnight.

Protection to the tenant(s) is also extended through the investor’s agent who will normally manage the properties for them, undertaking regular inspections, liaising with tenants and arranging for repairs and maintenance to be undertaken.

Why should I sell?

Despite the residential slow down investors are still actively buying protected properties for their portfolios, the money that could be realised through selling an off lying property on an estate or in the local village, could realise a sensible price and the sale of such a property could be an effective way to release some capital tied up within the holding and

this money could be used to fund diversification or re-investment projects, with peace of mind that your ex farm worker has tenancy protection.

As many agents purchasing these properties are retained by their clients and no charges are passed on to the vendor and interested buyers are not restricted to geographical areas and many consider all geographical areas of the country.

Even if you are not considering selling your tenanted properties it is important not to dismiss their value if you are considering or when selling a holding or part of a holding as lotting these properties individually could add value to the overall sale of your holding.

As this investment market continues to show signs of remaining strong now might be a realistic time to sit back and take account of what assets you have and whether now could be a sensible time to sell.

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