

Five Top Tips: COVID-19 and Rural Property Investment

This second paper provides further key information for those considering investing in land, farms or country estates. It is not a comment on the marketplace nor an outlook on values owing to COVID-19, however it does provide practical tips when approaching a potential acquisition. Many of these action points can be undertaken with the COVID-19 movement restrictions in place.

- 1. Purpose:** This might be an obvious starting point; however, it will certainly shape the type of investment you might end up making. Will you live at the property? Is it merely an investment or an add-on to an existing portfolio? What do you expect to get out of a rural property investment? Existing farmers (those owning and occupying their own property) have accounted for 60%-40% of buyers in the public marketplace recently, albeit their motivation for land or farm purchases differs greatly.
- 2. Research:** Taking time to understand the marketplace – historically, currently and any predictions (if anyone is brave enough!) will help put your investment in context. The market is no level playing field either. Location, property type (bare land/farm/estate/country house), Tenure (vacant/let – FBT or AHA), development or diversification potential, all have considerable influence on how much interest a property will receive and ultimately, the price paid to acquire it.
- 3. The Hidden Marketplace:** Agents often quote ‘off-market sales’ and this is particularly prevalent in the rural sector. Matching people to property (and vice-versa) is a clever way of ensuring proceedable buyers are presented with select opportunities. At one end of the scale a simple conversation between neighbours might result in a private land transaction, to the far end of the spectrum where a large Estate owner may wish to deal privately with an individual known to be looking for a trophy rural asset. For this reason do speak to selling agents, register your interest and don’t be afraid of making approaches. Beware however, that prices paid in private transactions can sometimes attract a premium.
- 4. Get looking:** Tricky whilst we are all under lock and key, however viewing properties that might not be quite right is very important. Get your eye in by looking at a range of properties early in your search, it will help you focus on exactly what you are looking to buy. Keep notes and scores of what was good and what wasn’t. Be realistic however as the dream property might not be out there and ultimately you may need to compromise. Houses can be remodelled and farm buildings erected. What you cannot change however is location, soil type and topography, so get the basics right.
- 5. Get Help:** Buying agents and advisors add considerable value to the process (we would say that wouldn’t we!). Not simply by unlocking opportunities (often through a strong network built-up with other professionals), but also by assessing values, offering a clear bidding strategy, handling the purchase process on your behalf and advising on post-acquisition management options. Don’t forget to line-up a great solicitor and accountant at an early stage too.

To receive our complete and comprehensive 15-point checklist about rural property investment, please do get in touch:

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