Armitstead Barnett

Briefing Note

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Sustained Demand Supports Agricultural Land Rental Values

The 2026 agricultural land rental market remains relatively tight, with the amount of land available to let continuing to decline. This reflects cautious landlord behaviour and ongoing structural changes within farming businesses.

The market is increasingly shaped by post-Brexit agricultural transition policies, the gradual removal of the Basic Payment Scheme, volatile milk and grain prices, and uncertainty surrounding environmental schemes. Many landlords are favouring shorter or more flexible agreements while assessing future support arrangements and land-use opportunities, including environmental management, biodiversity projects, renewable energy developments, and carbon schemes.

Nevertheless, competition for well-located and well-maintained holdings and land parcels remains strong, particularly where they benefit from modern infrastructure, a reliable water supply, good accessibility, and opportunities for diversification.

Defra data for 2024/25 showed a mixed picture for farm rents across England. Average Agricultural Holdings Act (AHA) tenancy rents fell by 6% to £174/ha, while Farm Business Tenancy (FBT) rents increased by 4% to £230/ha.

In the North West, however, livestock farming continues to dominate much of the region, particularly in upland and grassland areas. As a result, rental demand remains strongest for good-quality grazing land, dairy units, and mixed farms. Dairy-producing areas in parts of Lancashire continue to achieve some of the highest rental levels in the region, supported by resilient demand from expanding operators seeking greater scale and operational efficiency.

This is evidenced by the tender of two separate blocks of land marketed by Armitstead Barnett in early spring. The first, a 58-acre block of grassland available on a 12-month sheep-only grazing licence, received considerable interest, with offers in the region of £247/ha. The second, a 98-acre block of first-cut silage, attracted several offers, all in excess of £259/ha.

Environmental considerations are also becoming an increasingly significant influence on rental decisions, with upland and marginal land in Cumbria attracting growing interest for environmental stewardship, tree planting, and natural capital projects.

Overall, the 2026 agricultural rental market can be characterised as cautious yet competitive, with strong demand for well-equipped and productive holdings, constrained supply, and an increasing emphasis on flexibility and environmental value within tenancy agreements.

Should you require advice on land rents or agricultural tenancy matters, please contact a member of our Professional team.

Megan Metcalfe
Rural Surveyor
mmetcalfe@abarnett.co.uk
07843 371484

Commercial Property Market Update Lancashire & South Cumbria

The commercial property market across Lancashire and South Cumbria has continued to show encouraging signs during the first half of 2026, although activity levels have varied depending on property type and location.

One trend we have noticed is an increase in instructions relating to secured lending. These have included both the refinancing of existing properties and the acquisition of new commercial premises. This suggests that many business owners, investors and developers remain willing to commit to property despite the wider economic and political uncertainty that continues to dominate the headlines.

Earlier in the year, there was a noticeable slowdown in activity following events in the Middle East and concerns about their potential impact on the global economy. However, this uncertainty appears to have eased in recent weeks, and activity levels have picked up once again. The general sentiment among many businesses is that, while global events will always create challenges, there remains a need to invest, expand and move projects forward.

The market itself remains somewhat mixed. Well-located properties continue to attract strong interest, particularly where freehold opportunities are available. In fact, there appears to be a shortage of certain types of freehold commercial property across parts of the region, helping to maintain demand and support values.

Industrial property continues to be one of the strongest sectors. Workshops, warehouses and industrial units remain popular with a wide range of occupiers, and demand generally continues to outstrip supply in many locations.

By comparrison, the office market remains quieter. While there is still demand for high-quality office space in the right locations, many businesses continue to review their accommodation requirements, and overall activity remains relatively modest.

Perhaps the biggest surprise has been the retail sector. While some traditional high street locations continue to face challenges, there has been a healthy level of activity in convenience retail properties serving established residential areas. Shops in strong local trading locations continue to attract interest from investors, demonstrating that the right property in the right place can still perform well.

As we move into the second half of the year, the outlook remains cautiously positive. While market performance is not consistent across all sectors, there is a good level of activity and confidence, particularly for well-positioned properties that meet the needs of modern businesses.

If you would like to discuss the current commercial property market, obtain advice on a proposed acquisition, or simply understand how these trends may affect your property interests, please contact us.

James Leech
Partner
jleech@abarnett.co.uk
07395 793913

Haweswater Aqueduct Resilience Programme

The Haweswater Aqueduct Resilience Programme (HARP) involves the replacement of six major tunnel sections along the Haweswater Aqueduct route, totalling approximately 52km. This route was originally completed in the 1950's, with the current project aiming to ensure continued supply of drinking water. The total construction cost is estimated to be around £3 billion.

This is the first major project in the UK water sector to be delivered using the Direct Procurement for Customers (DPC) model. United Utilities have competitively tendered HARP to a third-party Competitively Appointed Provider (CAP). The CAP is responsible for the design, construction, maintenance, and financing of the project.

The aqueduct runs from the Lake District through Lancashire into Greater Manchester, meaning it will affect many of our clients mainly through, but not limited to, our Cumbria and Ribble Valley offices.

The delivery of a project like HARP requires extensive preparation. To date, this preparation has mainly involved dealings between United Utilities and Landowners with regards to planned permanent and temporary land take as part of the scheme.

A consortium known as "Cascade Infrastructure Limited" (CIL) were appointed as contractors in August 2025. CIL are now undertaking surveys including walkover/topographical surveys and more intrusive borehole or trial pit/trench ground investigation works. These are being undertaken to establish ground conditions along the planned route of the project. In the coming months, these surveys and ground investigations will extend onto properties over the tunnel routes that may have not yet been contacted about the HARP project.

Construction is anticipated to begin in 2027, with tunnelling and other main construction works expected to last up to nine years.

At Armitstead Barnett, we have a team of Land Agents who have extensive experience in working with utility schemes and projects of all sizes. A project of HARP's size will have an extensive impact on many areas in the North West, throughout most of the next decade. While the project will have some positive impact through the secured water supply and the provision of many jobs, it will unfortunately come with some significant negatives. The project will significantly impact landowners located near the various tunnel exit and entry points. In our role as surveyors we have been involved with land owners affected by HARP since it's conception. We have advised and assisted landowners on the HARP scheme with regards to temporary and permanent land take through land sales, option agreements and negotiating leases. We have also assisted landowners in securing compensation and reinstatement payments following damages and losses due to HARP related works.

If you have any land affected by the scheme, or an alternative utility project within the North West, please do make contact with our team for professional assistance regarding your legal rights, how to mitigate the impacts and deal with associated matters of compensation.

Sam Dennis
Surveyor
sam@abarnett.co.uk
07972 858 774

Preparing for Sustainable Farming Incentive and Capital Grants for 2026

The first round of the Sustainable Farming Incentive 2026 (SFI26) is due to open on Tuesday 30th June 2026, following the recent announcement from the Rural Payments Agency (RPA).

For SFI26, there will be two application windows: one opening in June and a second opening later in the year, in September. Recently, the RPA released additional guidance on the scheme, along with several important updates and changes.

SFI WINDOW 1 – Opening on the 30th June 2026
When the first application window opens on Tuesday 30th June and it will be available to two categories of applicants. Businesses only need to meet one of the following criteria to apply:

- Small farms (3–50 hectares), with or without an existing ELM revenue agreement
- Farms of any size that do not currently hold an existing ELM revenue agreement.

In addition, the Single Business Identifier (SBI) must have been registered with the RPA before 1st January 2026.

SFI WINDOW 2 – September 2026
The second application window will be open to all farms with at least 3 hectares of agricultural land, those not eligible to apply in window 1.

If you have established a farming business during 2026, you will still be able to apply for SFI26, but only through this September application window. For this round, the SBI simply needs to be registered before the application submission date.

SFI26 Scheme Details
The scheme itself looks different from previous versions of SFI with 71 actions, down from 102 in SFI24, with some actions removed, some payment rates increased and others reduced. SFI agreements will run for three years, with monthly start dates available and quarterly payments. Importantly, SFI agreements cannot be transferred between businesses, so applicants should be confident they will have control of the land for the full three year term before applying.

Each SBI can only hold one SFI26 agreement, meaning businesses will only be able to apply through one of the two application windows. A funding cap of £100,000 per agreement year will apply. However, this cap will not be reduced by land already included within existing SFI agreements or other ELMS revenue schemes.

Capital Grants – July 2026
Capital Grants are expected to reopen in July 2026 and will be organised into the same six groups as last year. Funding limits will continue to apply as follows:

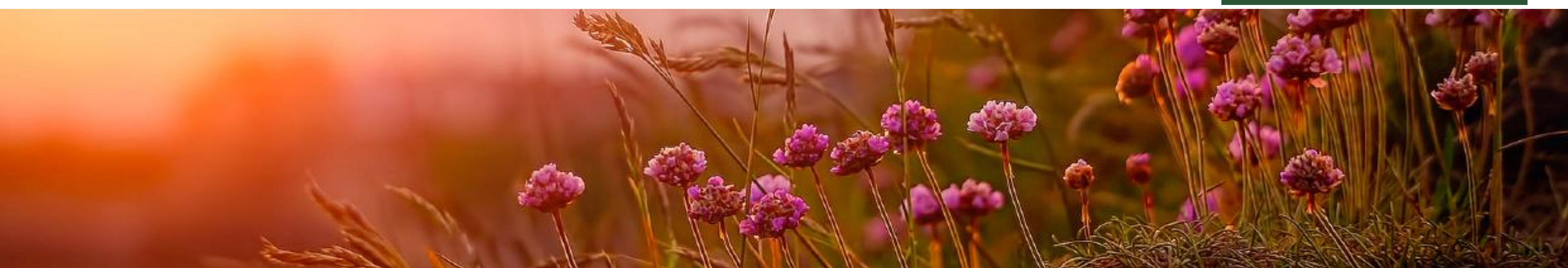
- £25,000 for the water quality, air quality, and natural flood management groups
- £35,000 for the boundaries, trees and orchards group.

Each application can include items from these groups up to the relevant funding limit, alongside items from the assessments or improvements groups. As in 2025, businesses will be able to submit one application per Single Business Identifier (SBI).

Alongside the usual main groups in 2025, two new categories were introduced with limited application windows and not much information was publicised on these. Worth reviewing for the 2026 offer is the wildfire assessment at £327.12 per farm and the educational visits up to 25 per year at £363 per visit, similar to the option under Mid Tier agreements.

We expect demand to be high across both schemes, so it is important to be organised before the application windows open. If you are interested in applying for SFI26 or Capital Grants, please contact us to discuss your options and ensure you are fully prepared ahead of the application windows.

Sophie Barker
Trainee Surveyor
sophie@abarnett.co.uk
07706 329 871



The Importance of Accurate Probate Valuations

Many people will find themselves acting as an Executor of an Estate at some stage. While this can be a significant responsibility, Executors have a legal duty to administer the estate correctly, ensuring that all assets are recorded accurately, fairly, and in accordance with the law for the benefit of the beneficiaries.

One of the most important aspects of estate administration is obtaining an accurate valuation of the deceased's assets, particularly property. However, we frequently hear from Executors who believe that a simple market appraisal from an estate agent will suffice for probate purposes. Unfortunately, this is often not the case and, in some circumstances, could result in unnecessary tax liabilities being paid from the estate.

A common misconception is that a market appraisal and a probate valuation are the same thing. In reality, they serve very different purposes. A market appraisal is typically an opinion of value provided by an estate agent, often with the aim of securing a future instruction. As a result, these appraisals can sometimes reflect the higher end of the property's potential value and may fully consider factors such as condition, defects, or market evidence relevant at the date of death.

By contrast, a formal RICS-compliant valuation, commonly referred to as a "Red Book" valuation, provides a comprehensive and independent assessment. This includes a detailed description of the property, measurements, consideration of condition, and analysis of comparable property transactions. Particular attention is given to issues that may affect value, many of which are common in rural properties, such as non-compliant septic tanks, spray foam insulation, access issues, or restrictive covenants.

Obtaining an accurate probate valuation is particularly important where the estate includes charitable legacies. Charities have a duty to ensure that they receive their correct entitlement and may request evidence that assets have been valued appropriately. A professionally prepared valuation helps demonstrate transparency and fairness throughout the administration process.

Equally, where assets are being distributed amongst family members or other beneficiaries, an independent valuation can help prevent disputes and minimise the risk of any party feeling disadvantaged. Most importantly, it provides valuable protection for the Executor, reducing the likelihood of future claims or accusations that the estate has been administered incorrectly or that assets have been undervalued or overvalued.

Given the legal and financial implications involved, obtaining a professional probate valuation is often a prudent investment that can save both time and potential complications later in the estate administration process.

For further information regarding probate valuations or any valuation matter, please contact our Valuation team for an informal discussion or a quotation tailored to your specific property and circumstances.

James Fish
Valuation Partner
james@abarnett.co.uk
07855 409 452

Agricultural Land Market Trends North West England

The agricultural land market across the North West continues to demonstrate resilience despite an increasingly challenging economic backdrop for many farming businesses. While demand remains generally robust, buyer sentiment is becoming more selective as different sectors of the agricultural industry face varying financial pressures.

For several years, the dairy sector has been one of the key drivers of agricultural land values throughout the region. Strong milk prices, coupled with a desire among established dairy businesses to secure additional acreage for forage production, slurry management and herd expansion, created significant competition for both bare land and equipped farms. In many cases, progressive dairy operators were among the most aggressive purchasers in the market, helping to underpin values across large parts of Lancashire, Cheshire and Cumbria.

However, the landscape is beginning to shift. Following a period of exceptional returns, milk prices have softened, whilst input costs remain stubbornly high. Although many dairy businesses remain profitable, margins have tightened considerably compared to recent years. As a result, some operators are becoming more cautious when considering land acquisitions, with greater scrutiny being applied to both purchase price and long-term return on investment. This is not to suggest demand has disappeared; rather, the market is witnessing a more measured approach from a sector that has previously been a major source of competitive bidding.

The livestock sector more broadly continues to provide steady support to the market. Beef and sheep enterprises have generally benefited from stronger livestock values in recent years, although ongoing uncertainty surrounding agricultural support schemes and environmental policy remains a consideration for many prospective purchasers. Expansion opportunities are still being pursued where holdings are strategically located, particularly where land adjoins existing farming operations.

The arable sector presents a mixed picture. Commodity prices have retreated from the highs experienced following global supply disruptions, while production costs and volatile weather conditions continue to impact profitability. Buyers are increasingly focused on land quality, drainage, access and long-term productivity, with average or marginal arable land attracting more selective interest.

Beyond traditional farming sectors, amenity and lifestyle purchasers continue to play an important role in the market. Well-located pasture land close to towns, villages and affluent rural communities remains highly sought after. Demand from equestrian buyers, private individuals seeking environmental projects, and those looking to secure land for long-term investment continues to support values in certain locations. In many instances, amenity purchasers are outbidding commercial farming interests, particularly for smaller parcels of pasture with road frontage, attractive surroundings or future diversification potential.

Environmental and natural capital opportunities are also increasingly influencing market activity. While many schemes remain in their infancy and policy direction continues to evolve, there is growing interest from landowners exploring options relating to biodiversity enhancement, carbon sequestration and habitat creation. These opportunities are not yet the primary driver of land values in the North West, but they are becoming an increasingly important consideration for both buyers and sellers.

Looking ahead, the supply of agricultural land remains relatively limited, which continues to support the market despite softer conditions in some farming sectors. Quality farms and productive blocks of land are still attracting strong interest where location, scale and accessibility align with purchaser requirements.

Overall, while the exceptional market conditions experienced over recent years may be moderating, the North West agricultural land market remains fundamentally sound. Demand continues to be underpinned by a combination of commercial farming businesses, private investors and lifestyle purchasers, providing a broad base of support for land values across the region.

Simon Wells
Partner
simon.wells@abarnett.co.uk
07889 064859

Sam's RICS Success

I joined Armitstead Barnett in October 2023, having worked as a Land Agent since 2016 while also completing a Master's degree in Rural Estate and Land Management at Harper Adams University. One of my main reasons for joining the firm was the opportunity to further develop my professional qualifications and progress my career.

A significant milestone for any Rural Surveyor is achieving Chartered status through the Royal Institution of Chartered Surveyors (RICS) by successfully completing the Assessment of Professional Competence (APC). Throughout this process, I have benefited greatly from the breadth of expertise within Armitstead Barnett. From highly experienced Chartered Surveyors to colleagues who have completed their APC more recently, the support, guidance and willingness to share knowledge have been invaluable.

I am delighted to have successfully completed my APC on 11 May 2026 and to have received confirmation of my Chartered status the following week. Achieving this qualification is a proud milestone in my career, and I am extremely grateful to everyone who has supported me along the way.

In particular, I would like to thank my colleagues at Armitstead Barnett for their encouragement, advice and assistance throughout the APC process. Their support played a significant role in helping me reach this achievement.

I look forward to continuing to develop my skills and expertise within the profession and to supporting our clients as a Chartered Surveyor.

Sam Dennis
Surveyor
sam@abarnett.co.uk
07972 858 774

Sold Agricultural Property & Land

Stay in the Loop!

North Lancashire
northlancs@abarnett.co.uk
01995 603 180

South Lancashire
southlancs@abarnett.co.uk
01704 895 995

Cumbria
cumbria@abarnett.co.uk
01539 751 993

Ribble Valley
ribblevalley@abarnet.co.uk
01200 411 155