

Selling a smallholding

Paul Morris describes his personal experience of buying and selling a smallholding

MY WIFE and I have recently been through the somewhat frustrating and traumatic experience of selling our smallholding and buying another. This was something of an eye-opener for us, and there are a few rules of thumb that I developed from my experiences.

We had a smallholding based in mid-Wales that we first bought in 1999. We had spent some considerable time and money doing the place up, then enjoying the smallholding life. We mainly kept poultry, although we tried pigs, goats, geese, and let out some of the land for sheep and horses. There was 27 acres which meant plenty of space.

Our main reason for moving was family considerations – most of our family, including our daughters, were living in East Anglia and the South East. From our house it was a 5-6 hour journey to visit them. With some bereavements and medical issues, we decided it was time to get closer to them.

We made our decision in February 2007. The first thing I did was build a website to promote the property www.asmallholdingforsale.co.uk – clever eh. My background in IT and recent experience with Opportunity Wales had showed me what makes a good website and what doesn't.

We first went with a specialist smallholding estate agent. We had some interest and the second couple that viewed the property seemed keen. I felt uneasy as they were in an old battered car but were viewing a smallholding at £495,000, and were talking of

keeping racehorses, building stables and so on. Cash buyers as well – The money is in a 30-day account.

After they left I expressed my reservations to my wife. So, imagine my surprise when a few days later the estate agents phoned to tell us they had made an offer at the full asking price. As a matter of course the estate agents asked for proof of the funding. From then on it was all downhill.

The first rule I learnt was – it is not sold until contracts are exchanged. Wait for some commitment, such as solicitors being instructed or the survey being done, before saying it is sold or under offer.

Rule number two is hang onto anyone expressing a serious interest, especially in the current climate.

We had a number of other viewings. Several people expressed an interest and made verbal offers and one written offer – all at the asking price. However, none of them had sold their own property.

Rule 3: In the current climate, if they haven't sold, there is not much point accepting an offer unless the chain has been built up below. And certainly so if they have not even put their house on the market.

With a substantial price drop, our smallholding continued to be marketed over the summer, generating visits. What became obvious was that many were using us as a day out in the country. Bear in mind that a typical viewing took two to four hours – it takes a

while to tramp over 27 acres, discuss land use, show the barn, describe watering, chickens, auction sales and so on.

Rule 5: Don't be shy of ensuring that potential viewers are really interested even if the estate agents are involved – especially in the summer months. One work colleague selling her smallholding gives a telephone interview to prospective viewers to stop the timewasters and day trippers.

At this point we were getting frustrated, so we put our property on with a local general estate agent, not a specialist. "We have 50 plus people on our books looking for a property like this," said the agent – only two materialised.

Rule 6: Don't be afraid of asking for some evidence of potential viewers before you sign up.

This estate agent also claimed, "We have over a million hits a month on our website." Hits are a meaningless count of website interest.

Rule 7: If the website is being promoted as an estate agent's selling point, ask for evidence of the number of unique viewers per month. This is the count of different people viewing the website in a month.

We tried to be accurate, straightforward and truthful in our descriptions and dealings with people.

Some of the viewers seemed to have a dream of a life in the country, without any experience or research to back up the dream. Walking over the land with some viewers, we had covered three fields then got the question "whose is that land over there?" "It is ours, we haven't seen a quarter of it yet." Dumbfounded looks appear on their faces. After the second of these I added a new page to my website "How big is 27 acres?" to try and give the uninitiated some idea of the size.

Rule 8: Some people just haven't a clue. A colleague had a similar experience a few years back when he was selling a small hotel. He would spend hours describing the running of the bar and restaurant, the accounts, and all the other activities. Most viewers had this idea that running a hotel was just propping up the bar all evening chatting to guests.

Then we come to the legal aspects of selling. To me it seems that the solicitors are now tending to pass the buck. Our buyer's



■ A fine day with blue sky helps show the property in its best light

■ Keep up to date with smallholding issues by logging on to smallholder.co.uk



■ A view worth shouting about at the 27 acre smallholding in mid-Wales

solicitors threw up all sorts of problems that we were not aware of – galling as they weren't a problem when they acted for the sellers when we bought the place eight years earlier. Worst of all was the deeds for our mains water pipe that crossed a couple of fields to get to us: they complained about the wording of the deeds even though they drew up the original document some 30 years before. The eventual solution? Buy an indemnity policy.

Rule 9: Expect the solicitors to throw up unexpected problems that weren't there before. Prepare to shell out for indemnity policies.

Searching for and buying a smallholding. We found the internet to be a double-edged sword: it is a great research tool, but one that can get bogged down by a load of dross.

First, the downsides. Searching for a property with land is difficult. There are a few specialist smallholding or equestrian estate agents that keep cropping up in the search engines. We found most difficult or frustrating to use.

Then there are the aggregators and property search sites. These seem fine if you want a three-bedroom semi in Basildon or Bracknell, but try using them for a property with between one and five acres in Norfolk or Suffolk saw us trawling through hundreds of ordinary properties.

Using the Internet should have helped our search for a property but was difficult; we just had to give it some help. We did an exploratory visit to the area in the summer when we thought, not for the first time, we had sold. This gave us some estate agents names and the local paper gave us more. Then it was old-fashioned phone calls to see what they had.

In the end, of the three properties we chose to visit, two came from a small local agent that my sister, who had recently moved to the area, had obtained for me. The third was from an estate agent we visited during the previous summer. There was a fourth, but the owner took it off the market for a couple of weeks so they could redecorate. The estate agent was frustrated but the owners wouldn't budge.

Rule 10: If you have a serious buyer (we were

virtually cash buyers by this time), don't put them off, you may not get a second chance.

Rule 1 for buyers: If you have no experience of the area you are moving to, it pays to have a local contact. If not, get local or regional papers for the property supplements.

We were, if necessary, prepared to buy a wreck if the asking price is right. However, one property we visited was owned by a builder and was full of unfinished builder's projects – these were not mentioned in the details – and the price was top-dollar. In addition, the bathroom was interior to the house (no outside wall nor window) and no extractor fan – a clear breach of building regulations.

Rule 11: Ensure the property is legitimate. If not, be open about it and adjust the price accordingly. It wastes your time and money, as well as the buyers, when these issues get spotted later on.

The upsides of using the Internet. When we finally found a potential property we did two things. The first was to check the Environment Agency website (<http://www.environment-agency.gov.uk>) to see if it was in a potential flood risk area. This did not necessarily rule out every property, but gave us a good starting point to make our own judgements.

The second thing we did was look at the property with the satellite pictures on Google Maps (<http://maps.google.co.uk/>). This enabled us to rule out places that were in a location that had factors that would put us off. We got quite skilled at searching out those places from the sparse details in the particulars, and spotting trouble spots.

Only when it passed our tests, did we try to arrange a viewing. This stopped us from wasting our, and the vendors, time on unsuitable properties.

It was when we finally found a potential home that the fun started. Things have changed since we last bought a property eight years earlier. The legal situation is much more tricky.

The solicitors seem to do the basic checks as to the title of the property. They then pass all the documentation onto you so that you can satisfy yourself that everything is in good order.

We had two major problems. One was that

there were covenants on some of the land preventing any building on it. This was only apparent from reading through a very old conveyance. The recent extension for the kitchen and utility room were built in breach of the covenant. The second was that it was on a Protected Railway Route (the original cottage was a railway crossing keeper's cottage). The solicitor's response was "What do you want us to do about this – I suggest you talk to the council." The vendor's solicitor's comment was "What is a Protected Railway Route?"

Rule 2 for buyers: Read all the documentation, old conveyances etc. in great detail. You may spot stuff that the solicitors don't - remember they haven't seen the property so are not aware of its situation.

Then there is the environmental search – an additional expense. Ours failed because it is 'on an old railway route' – what a surprise.

Rule 3 for buyers: You may need to make a judgment about aspects of the property that become apparent, although a mortgage company may have different views. It may become a bargaining tool.

Then there is chancel tax. Never heard of it? Nor have most people we have spoken to. This is a tax that the church can levy on properties – even new ones – to pay for repairs to the chancel. There is a lot of information about it on the web but do get advice from a solicitor before you do, or say, anything.

If you haven't moved for a few years, there is a lot more going on with the legal aspects and searches – be prepared for additional expenses as both a buyer and a seller.

There is more potential than usual for timewasters when you are selling a smallholding, but if you are buying, do your homework. The web is a great tool for research, but finding a smallholding to buy can be wearisome. To help I have just launched a new website for advertising smallholdings. For the next few months, until March 2009, I am offering readers of this magazine a 15 per cent discount on the already reasonable charges. See <http://www.asmallholdingforsale.co.uk/>

Good luck and safe selling or buying! Paul Morris www.asmallholdingforsale.co.uk ■