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The Crown Estate

Tendering for land in a
business environment

Issues faced by the industry

- Scarcity of opportunity
- Volatility
- Brexit
- Regulation
- Sustainability
- Investment
- Longevity

Issues faced by land owners

- Escalation of land values
- Long term stewardship
- Need for flexibility
- Need of costs e.g. Repairs
- Previous tenants legacy
- Sporting
- HLS/CSS
- Risk

Preparation

- Make yourself known to land owners/agents
- Attend viewing days
- Ask relevant questions and make an impression
- Host events on existing holdings
- Get well trained and prepared

Managing agents perspective



Agent 1

Sound business plan

How your proposals fit with current policy in terms of cross compliance, agri environment schemes, flood mitigation etc. What are the arrangements for BPS?

If you are considering any capital/improvement works, who is funding and how do you expect them to be treated for rent and end of tenancy?

What expectations do you have of the landlord? Be clear from the start.

Be prepared to demonstrate a tidy, well maintained existing unit, ideally also backed up by good references

Be able to demonstrate resilience in the event that the tenancy is not renewed

Demonstrate a robust (and relevant) net asset base

Agent 2

Demonstrate an understanding of the landlord and his objectives

See taking a holding as a “partnership” with the landlord as opposed to an extreme distant landlord and tenant relationship

Show a clear track record and have referees who are prepared to vouch for you

Prepare a detailed cash flow and have financial referees

Show wider interests in the community and the agricultural sector – be interested in and have a passion for the industry

Act like an equal/ adjoining landowner, rather than an AHA traditional confrontational tenant.

Agent 2

Be able to have a clear vision for the holding

Give a clear impression that you are someone the Landlord wants to do business with.

Bid your best price and be prepared to live with it

Don't be a nit-picker or try to change the terms after your bid has been accepted or let your agent either

Be able to demonstrate that you have a successful farming business and the capacity to expand

Be open to an 'home farm' inspection

Put best foot forward on any tender application – ‘it is your time to shine’ - ensure any tender application is legible

Agent 3

Have been greatly influenced by applicants who presented themselves as being good to do business with.

The Scoring out of a possible 120 comprises of:

Rent 30

Sustainability of Business plan 15

Financial resources and track record 15

References 10

Ability/Intention to improve the farm 20

Social factors inc contribution to community 5

Taking on staff 5

Intention to purchase machinery 5

Intention to purchase stock 15.

In addition there was an over-riding consideration of being “good to do business with”. This is tailored to this particular letting but might be helpful.

Rent is only 25% of the marks and reflect the fact that the owner wanted a longish term tenant (10 years plus) and the farm well cared for.

How to succeed with The Crown Estate

1. Good person to do business with
2. Viable but competitive business plan
3. Sustainable business plan – Soils and drainage – Member of LEAF?
4. References – Business and personal
5. Demonstrate track record
6. Don't overstretch your resources
7. Get to know your managing agents/letting agents ask lots of questions be persistent and pleasant. Make a good impression
8. Understand the land owners objectives
9. Make sure you answer any specific questions in tender documents

Questions