

Convert to Survive

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John M. Conlin, FRICS is a Chartered Surveyor concerned that many farmers and their advisors overlook valuable opportunities for conversion.

A carefully planned and executed conversion of redundant farm buildings can be a very profitable exercise. However because the popular idea of 'redundant' is of a long disused and derelict barn or byre a large number of opportunities are being overlooked. The concept of a 'chocolate box' ivy clad ruin as the appropriate candidate for conversion has been fostered by local council planners whose mission in life often seems to be the preservation of the status quo in rural areas as a sort of museum cum playground for the benefit of the urban population.

The multiple crises in farming putting survival, let alone profitability, of all branches of agriculture into free-fall means that the description 'redundant' now not only applies to tumble down wrecks but for planning purposes can also include sound buildings no longer required for farming or no longer suitable due to changes in on-farm activities. In practical terms this means that almost any building except for the most recent tailor made units can be convincingly declared redundant. The justification, for planning purposes, being either that the agricultural activity that the building previously supported has ceased or that substitute activity forced by economic necessity needs a new building of a different specification and possibly in a different location. (see PPG 7 (revised 97) Para 3.14 & Annex G) Note however that some planning authorities have yet to adopt the same phrasing and in some instances still use the word redundant, which is not a requirement of PPG 7 (revised 97).

Farmers and their advisors should carry out an audit of farm buildings. This is essentially a very simple 'what have you got' and 'what do you need' exercise in terms of covered space. Any unused buildings should be assessed to establish their suitability for conversion, the most appropriate end use and the financial viability. With dis-

used buildings there is no off-set cost for the provision of alternative accommodation. Hence any revenue (capital or income) in excess of conversion costs can be regarded as profit indicating a viable conversion scheme. Similarly buildings in use after deduction of conversion costs exceeds the cost of buying a modern building no larger than is actually required for the farm task then conversion and a new building will clearly generate farm income or capital and, as a bonus, provide more efficient agricultural accommodation.

Planners in response to central Government advice and an acceptance that farming has undergone a sea of change, now adopt a less obstructive attitude to both conversion and diversification. Many local Planning Authorities have an order of preference for alternative non-agricultural uses for redundant buildings. In most cases the first choice is for manufacturing or office uses (B1 Use Class), because, in theory, these should boost the opportunity of local jobs. Distribution storage, (B8 Use Class) as opposed to static storage, is also favoured because of job creation but is often qualified by the physical limitations of access as many rural roads cannot safely be used on a daily basis by large freight vehicles.

Residential use is often low on the Planners list of preferences as they tend to discount the contribution to local shops, pubs etc. which comes from additional residents. However there is one residential use which often succeeds in the right location - namely tourism and the associated holiday accommodation. There must however also be a commitment to the substantial management input required.

There are many other uses such as equestrian, seasonal storage and farm operated enterprises such as catering, education, all-weather accommodation for auctions and boot sales etc. Obviously, despite planning preferences the type of use is largely dictated by the character of the existing building.

Steel-framed buildings are poor candidates for residential conversion and likewise a brick and tile making parlour is unlikely to make a satisfactory distribution warehouse.

There are several different grants available. The qualifying tend to be complex. Some of the grants have a fixed annual fund and are therefore available on a first come first served basis. In most cases it is necessary to have planning permission and a fully 'ready to go' scheme before an application will be considered. Personally I would not recommend working up a scheme to the 'ready to go' stage if the early financial projections indicated that a grant was essential for the schemes viability. Much better to amend the scheme so that it is not dependent upon grants but contained options which could be added if the grant was forthcoming.

There is no universal formula for conversion. Each building needs to be looked at individually and in the context of the farm as a whole. By example if existing farm buildings are grouped close to the farmhouse thought needs to be given to the impact of a conversion and the practical considerations of shared access, services etc. if the value of the farm house is to be protected. Similarly there is the question of sale or rental of the converted space. Letting can provide income and a hedge against future inflation but can result in commercial occupiers gaining legal rights to demand renewed tenancies. Sales release capital but fractionate the freehold with third parties having equal rights over access and services.

Future articles will examine the merits of various uses, the way in which an audit of farm buildings can maximise capital or income and the vital need to look beyond a conversion at the effect on the farm as a whole.