

# Cumbria Development Update 'The State of the Market'

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# Residential Sales Market

- 2021 Extremely buoyant market due to demand post Covid, bolstered by stamp duty cuts
- Q4 2021 – Q2 2022 lack of supply contributed to price increases
- Mini-budget in September 2022 caused huge market uncertainty
- Cost of living crises, high inflation and rising interest rate meant the market slowed from September to December
- From January 2023 the market appeared to stabilise but still some uncertainty; the market not as buoyant as 12 months ago.

# Residential Sales Market

- Seller expectations leading to over-inflated guide prices and price reductions
- Post-covid correction
- Market appraisal 20% down on spring 2022
- Yet to see full impact of increased interest rates
- Cumbria & South Lakes in particular fairly resilient
- Overall prices fairly static so far this year.

## Residential Sales Market

- Good demand for second homes and holiday lets
- Good demand for new homes throughout South Lakeland from locals and people relocating.
- Good demand for “affordable” homes both for rent and shared equity schemes.
- Reasonably good demand for mid-range properties i.e. £250,000 - £500,000.
- High-end properties still attract interest but longer sales process
- Significantly less interest coming from ‘the south’ after the post-pandemic rush but still a high number of cash buyers.

## Lettings Market

- Significant increases in rents over the last 12 months
- Very high demand for lettings properties – linked to sales market & Covid
- Supply is not sufficient for the current level of demand
- More landlords making the decision to sell
  - Changes in legislation (including EPC improvements & Renters Reform Bill)
  - Increased interest rates and buy to let mortgage rates.

## Land Market

- Strong, steady prices across all areas for the last two years
- Very high demand for equipped farms, smallholdings and land to rent
- Reduction in farm subsidies leading to restructuring of businesses
- High number of transactions in 2022
- Less land coming onto the market in 2023
- Values remaining steady but expected to increase.

# Land Market

- Competing land uses
  - Food production
  - Regenerative farming
  - Conservation
  - Renewable energy drive – solar & battery storage
  - Increased demand for land to meet environmental requirements

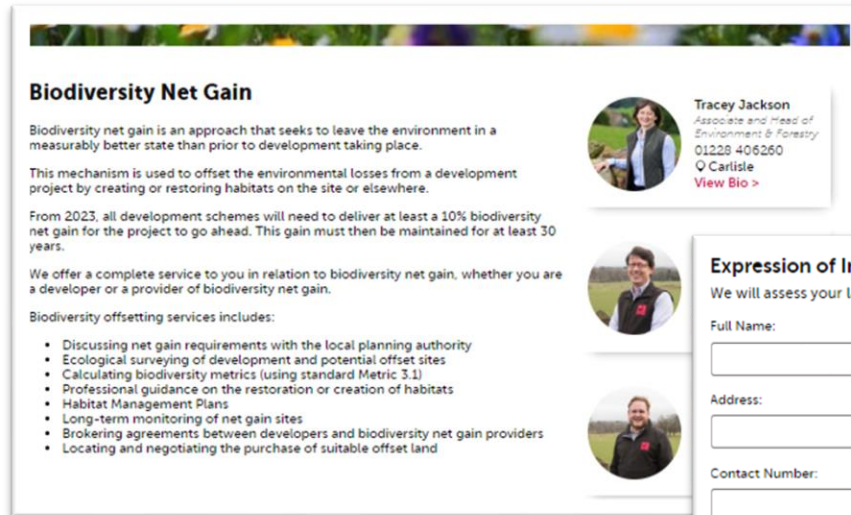
# Development Land Market

- Cooling of development land values, especially smaller sites
- High build costs
- Lack of labour
- Abnormal costs
- Slow planning process
- Increased regulation e.g. affordable homes, accessible homes, building regulations, biodiversity net gain, nutrient neutrality.



## New Areas of Work

- Biodiversity Net Gain
- Nutrient Neutrality
- Carbon



**Biodiversity Net Gain**

Biodiversity net gain is an approach that seeks to leave the environment in a measurably better state than prior to development taking place.

This mechanism is used to offset the environmental losses from a development project by creating or restoring habitats on the site or elsewhere.




From 2023, all development schemes will need to deliver at least a 10% biodiversity net gain for the project to go ahead. This gain must then be maintained for at least 30 years.

We offer a complete service to you in relation to biodiversity net gain, whether you are a developer or a provider of biodiversity net gain.

Biodiversity offsetting services includes:

- Discussing net gain requirements with the local planning authority
- Ecological surveying of development and potential offset sites
- Calculating biodiversity metrics (using standard Metric 3.1)
- Professional guidance on the restoration or creation of habitats
- Habitat Management Plans
- Long-term monitoring of net gain sites
- Brokering agreements between developers and biodiversity net gain providers
- Locating and negotiating the purchase of suitable offset land

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### Expression of Interest

We will assess your land for suitability for Biodiversity Net Gain

Full Name:

Address:  Postcode:

Contact Number:  Email:

Area Of Land (Hectures):  SBI Number:

Current Land Use:

[Submit](#)

# Biodiversity Net Gain

*What is it, when's it coming and how will it affect everyone (England only)*

- Biodiversity Net Gain (BNG) = All developments (other than exemptions), will need to demonstrate a minimum 10% uplift in overall biodiversity for the project. i.e., from pre-development baseline
- Implementation date (to be confirmed) **Large Sites** - 9<sup>th</sup> November 2023  
**Small sites** - April 2024
- Exemptions- Self-build/custom houses, most permitted developments

### **BNG - How it works**

Baseline survey, as part of initial planning application, using approved metrics.

Assessment of habitat to be lost/downgraded

Quantification of creation/enhancing of habitat

Summary- if > 10% uplift can be achieved, pass.

Tiers of mitigation: On-site, Off-site, Statutory Credits

Land to be secured via S106, or Conservation Covenants, for a 30-year period

# Nutrient Neutrality

- 74 Local Planning Authorities
- New residential development must achieve nutrient neutrality
- Very new issue – solutions not easy or quick
- Significant impact on number of new homes granted permission.

## Conclusion

- Post-Covid correction
- Yet to see full impact of interest rate rises
- Cumbria & South Lakes market strong and resilient
- Competing land uses – expect land prices to increase
- Increasing environmental regulation is a challenge but Cumbria well placed to meet this.