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Client:

**MARKET VALUE CRITERIA FOR LAND VALUE IN OUTSIDE DEVELOPMENT ZONES (ODZ'S)
FOR THE PROPOSED DEVELOPMENT OF THE COUNTRYSIDE FUND**

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INTRODUCTION – THE GENERAL NATURE OF AGRICULTURAL PROPERTY

Farmland provides the base resource for all type of tangible property (residential, commercial and leisure) which is ultimately constructed on land. Farmland conversely to all other forms of property is therefore a diminishing resource.

The basic primary use of farmland is farming for the production of food. When basic food products are in over supply also from foreign markets, it is likely that market pressures will facilitate the change of use of some agricultural land for alternative non-agricultural uses. For example leisure and recreational uses and conservation uses.

The relatively close proximity of some farmland to main human population and commercial centres also provides demand for farmland for non-agricultural uses and Greenfield Development. There is a propensity for people to want to own land for amenity and recreation uses in addition to the base agricultural use. The strength of the local and national economy and the density of population are relevant market forces.

Farmland forms the primary resource for the majority of farm business. Fundamentally to own farmland, other than let farmland, involves the owner operating a farm trading business. There is very rarely any goodwill value to be considered by the valuer. There is however a recent trend, for many farm businesses to develop on farm processing and direct retailing strategies. If the valuer has to value property with these facets he should be careful to distinguish the base agricultural property value from any commercial processing and retailing elements.

Agricultural land is sold on an area basis. The dominant measure unit is per or tomna with 6 sieghan or 256 cn² (a linear cane measures 6' 10½" or 2.1m) making up 1 tomna equivalent to 0.113 hectare (10,000 m²).