

Land Business Update

Week commencing 1 September 2025

Farming & food

An EU trade deal with safeguards for farming

Given UK trade agreements, it's interesting to see how others are being structured. After 25 years of negotiations, the trade agreement between the EU and the Mercosur countries, which include Argentina, Brazil, Paraguay and Uruguay, has been agreed. Many European farmers are worried about the impact of the agreement, which has been referred to as 'cars for cows', and so the EU has made legal commitments to investigate any complaint by a member state that its agricultural sector is being damaged. If imports of sensitive products, such as beef, chicken or sugar, from Mercosur rise by 10% or more, or if EU prices fall by 10% or more, the European Commission will launch an investigation, with either side able to suspend parts of the agreement if it has caused damage. The agreement is expected to make up around a third of the fall in exports from the EU to the US, due to the tariffs imposed by the US government. The final agreement is expected to be signed before the end of the year.

Natural capital & environment

New BASC study finds benefits for hedges and woods on shoot sites

The [study](#), commissioned by BASC, compared over 1,000 sites where driven pheasant shooting had taken place within the last decade with another 1,000 where no driven pheasant shooting had taken place, as far as was known. The study found two differences between the groups, with the sites managed for pheasant shooting having:

- Significantly greater hedgerow density (55 metres of hedge per hectare, compared with 20 metres on the non-shot sites).
- Greater diversity in woodland structure.

BASC says that these findings mirror those from local studies. Interestingly and perhaps unexpectedly, the study did not find differences in the amount of woodland, whether coniferous or broadleaf, or the levels of biodiversity on the sites, based on records accessed through the Global Biodiversity Information Facility. The study is being published in a peer reviewed journal. It is a study in a very active research programme. We were delighted to work with BASC to jointly produce, with eftec, the UK's first Natural Capital Benefits Account for shooting in 2024.

Ips typographus eliminated from all outbreak sites

The Forestry Commission says that the [eight-toothed spruce bark beetle](#), which can kill or damage spruce trees, has been successfully eliminated from all 13 sites identified as outbreaks in England in 2021. This is good news but the Commission is asking land managers to remain vigilant and report any sightings immediately via [Tree Alert](#) as warm weather increases the risk from the beetle. There has been a small outbreak in Lincolnshire this July.

Carbon capture technology may not be as effective as thought due to leaks

Research led by Imperial College London has warned that, due to engineering failures and other risks, the amount of carbon dioxide that could be stored underground in fissures and oil and gas workings may be less than 5% of the previously estimated 40,000 giga tonnes. One of the authors said that carbon storage should be seen as a "scarce resource" rather than "an unlimited solution to bring our climate back to a safe level" and not be "wasted on offsetting ongoing and avoidable CO₂ pollution" from fossil fuel production and combustion engines.



Rural economy & property

UK economy outperforms expectations but investors remain cautious

Our national research team and economists produce a monthly UK Economic & Real Estate Briefing on the UK's macroeconomic and commercial property landscape. The key takeaways for September are:

- **The UK economy continues to outperform expectations**, with resilient exports and government spending helping to offset the impact of tax rises and global trade pressures.
- **The mortgage rate squeeze, ongoing since 2021, is finally coming to an end**, and worries over rental costs are easing. This is supporting consumer sentiment and household consumption as real wage growth moderates.
- **For commercial property, despite an improving lending market and robust leasing demand, investor sentiment remains cautious.** Gilt yields are climbing, stretching valuations across asset classes and prompting investors to reassess risk-adjusted returns in light of fiscal and inflationary headwinds.
- **Supply-side constraints, ranging from planning bottlenecks to rising build costs, are limiting new development and increasing capital expenditure risk**, but they are also contributing to a structural under-supply of prime, ESG-aligned space. This is reinforcing rental growth and creating opportunities for some investors.

Please contact [Charlie Tattersall](#) or [Sam Hall](#) if you would like to discuss further.

Mixed picture for the UK housing market

House prices rose by 3.9% in the 12 months to May this year and transaction volumes stalled after a strong first quarter, when buyers pushed to sell their houses before changes to stamp duty that came into place on 1st April. Looking forward, surveyors' expectations, as measured by the RICS and which are a useful leading indicator of the market, still remain positive but less so. At high price points, buyers are uncertain about where to place their funds due to global economic turbulence, largely caused by the US administration and the knock-on effects this is having in financial markets. Our residential research team continues to forecast 2 - 5% UK house price growth over 2025, with 15 - 20% growth over the 5-years to 2029. Please contact [Matt Henderson](#) if you would like a copy of our UK Residential Market Review.

Health and safety in farming, forestry and fishing

The Health and Safety Executive (HSE) has published its [statistics for fatalities in the workplace](#) during 2024/25. Positively, there is a small reduction in the number of deaths. However, when measured by deaths per 1,000 people employed in a sector, the death rate in farming, forestry and fishing is three times higher than in the construction sector, which is the sector with the most deaths in absolute numbers. The most common causes of deaths remain falls from a height, being struck by a moving object, being trapped by something collapsing or over-turning, and being struck by a moving vehicle. Of particular relevance to land management, fatal injury rates are nearly twice as high for workers aged between 60 and 64 than overall, and four times as high for over-65s. Please contact [Gulliver Hedley](#), our health and safety adviser, if you would like to discuss plans for safety.

State of the Rural Services Report 2025

The fourth annual report produced by Rural England CIC shows that the disparity between rural and urban areas remains. It analyses service delivery and accessibility across areas including health and social care, transport, digital connectivity, education, and local infrastructure, using national datasets and official statistics. Key (selected) findings are:

- Digital Connectivity remains, perhaps unsurprisingly, worse in rural areas than in urban ones. Gigabit broadband now reaches 54% of rural premises.
- Hospital access remains harder for rural residents, and the number of rural hospitals has fallen by 35% over the past 15 years.
- GP access is more challenging.
- Bus usage is at a historic low, with bus use in the most remote rural areas accounting for less than 1% of journeys, with fewer supported routes and reduced frequencies.
- Childcare places are fewer per 100 children under five in rural places, and a lower share are rated Good or Outstanding by Ofsted.
- 75% of libraries are in urban areas, leaving many rural residents reliant on travel or mobile services.

Rural England CIC said that while there have been improvements in areas such as broadband and mobile connectivity, rural areas still lag significantly behind their urban counterparts. It highlights how small, cumulative disadvantages in service access can add up to significant challenges for rural people and places. It calls for flexible, place-based planning and investment that takes account of distance, density and demography.



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