

Acquiring your wood

Buying a wood



WOODLAND
TRUST

BUYING A WOOD

Buying a wood outright, rather than leasing or managing one, can foster a stronger sense of community and custodianship. You'll be able to do what you like with your site, so long as it's within the law. The shared feeling of ownership can make your hard work feel more rewarding, your achievements more secure. But for many community groups, buying land – whether an existing wood or a place to plant one – will feel like uncharted territory.

Here's a brief overview of what's involved and the likely costs, created with the support of the Community Land Advisory Service (CLAS).

Who can buy?

To own a wood your group needs two things: the money to buy it, and a 'legal identity' – which means taking on some form of incorporation, with an approval process and authorised signatories who can put their name to the documents. If your group remains 'unincorporated', individuals such as the chairperson or secretary would need to take ownership of (and responsibility for) the site personally – not to be recommended.

What do you get?

Put simply, landowners possess the earth below their land (except certain minerals like oil and gold, which belong to the Crown) and the airspace above it. Carry out a careful check of the measurements on an accurately scaled plan to make sure the land you're paying for, probably on a per hectare or per acre basis, really is the size it's purported to be.

The vendor may maintain certain rights to your wood, perhaps for shooting, gravel extraction or access, and 'restrictive covenants' may apply – limits on what you can do with your site in future, perhaps to protect the seller's neighbouring land. These sometimes date back to previous owners too, and should feature in the site's deeds or Land Registry title. Watch out also for claw-back clauses (aka 'overage'), which award the vendor a share of any future jump in the land value.

This should all be covered by your solicitor's checks (for more details see 'The legal minefield', elsewhere in this section). Other than the above, your activities are limited only by the law – planning law, environmental law and so on.

How is land sold?

Almost all land is sold freehold, granting you ownership in perpetuity (as opposed to leasehold, which sets a time limit on your ownership). If you're very lucky, you may be able to arrange a private sale with a sympathetic vendor, but most land is sold on the open market or at auction.

Open market sales can be subject to informal (non-binding) or formal (immediately binding) tender. If there is lots of interest, they may go to 'best and final offer' or 'sealed bid'. The former allows the land agent to tell you what competing offers have come in, and you can raise your bid so long as the deadline is not passed. With the latter, no offers are looked at by the agent until after the deadline – though there is no obligation on the seller to plump for the highest bid.

Auctions can be frustrating, as you are committed when the hammer falls – so you'll need to have your funding confirmed and legal searches in place beforehand, which risks substantial wasted time and fees. If successful, you'll generally exchange contracts (and pay a 10% deposit) on the same day. Sometimes sellers will accept an offer before the auction happens, but you'll still be expected to pay the deposit and sign contracts speedily.

How much should you pay?

Property values fluctuate enormously, so make sure you instruct a qualified chartered surveyor (www.rics.org) to survey the site and negotiate on your behalf, ideally someone with experience of valuing woodland. Surveyors will advise on the type of survey you need – source several quotes before appointing a firm. You'll find that many funders now require an independent land valuation, anyway – and if you're going to need a valuation for grant applications, beware of being persuaded to pay over the odds.

If your project funding isn't yet fully in place, try to agree a price subject to a period of time to obtain it – evidence of existing support may help reassure the landowner. Agreeing such 'heads of terms' in writing doesn't constitute a contract, and agents can legally sell to another party while you are still fundraising, but at least there is a moral obligation to honour the deal.

It can be tough for a community group to raise money quickly enough to buy land. Donors and grant-givers may want to see the site, or your detailed plans for it, before committing cash, and in the meantime another buyer might gazump you. To help to win their trust, consider drawing up a business plan in advance, which can be adapted to suit a specific site once you find one. If you're able, seek non-binding agreements about the kinds of project funders would be interesting in supporting financially.

Don't forget to assess not just the purchase price, but the cost of looking after your wood. Be sure to secure enough funds for both the initial outlay and future site management before you commit to buy.

Sometimes it's useful to separate the community group owning the land from the one using or working on it – incorporating them separately ensures the rights of each will be protected. This doesn't discount the same people from participating in both groups.

Any extra costs?

As well as the cost of your survey and valuation, you'll need to budget for solicitors' fees (often 0.5% of the property price), which will include standard searches, registering your title, conveyancing and possible additional costs (known as disbursements). Also factor in your stamp duty land tax (there's a government calculator to help work out your liability here); your Land Registry fee (also calculable online); and any costs for arranging finance if you plan to embark on a mortgage or share issue. Again, get several solicitors' quotes, and be sure to appoint one experienced in dealing with share issues, if those are part of your plans.

Anything else to consider?

Being a landowner comes with responsibilities. You may need to pay council rates and utility bills, if appropriate. If neighbours retain access rights, or have water pipes running through your site, you'll need to make sure those are looked after. And you're liable for the safety of anyone who enters your wood: they can seek compensation if they are injured there (this kind of claim would be covered by your public liability insurance – consult 'The legal minefield', elsewhere in this section of the site).

This information was created with support from the Community Land Advisory Service (CLAS).