

How Garth Farm (£11,000 in 1961) was carved up for £2,671,575

ADAM HALCROW and his wife Helen took over the tenancy of Garth Farm in 1945. They were sheep farmers, well-used to the tough working conditions on the Shetlands, a group of islands off the Scottish coast in the North Sea.

In 1961 Mr. Halcrow bought the farm from Norman Cameron for £11,000. He did not know it at the time, but he had hit the jackpot! The farm consisted of the house, some outbuildings – and disused crofters cottages – and land which was practically worthless. By the late '60s, anyone could buy sheep-grazing land for under £25 an acre.

When Halcrow died, he left the land to his wife and two daughters, Eleanor and Agnes, and their husbands, whose sheep grazed the land.

Then oil was discovered in the North Sea: the scramble began. And Garth Farm was on the spot where the multi-national oil companies and the British Government agreed that the oil-landing installations should be built. . . .



REPORT BY FRED HARRISON

SPECULATORS – principally a company called Nordport – moved in quickly. But Shetland Council learnt fast, and moved rapidly to push the Zetland County Council Act (1974) through Parliament to give it enormous powers over land purchase.

The Council succeeded in reserving for public benefit most of the rental income from Sullom Voe, the oil complex built on much of Garth Farm. The Council paid £3.5m. for 1,600 acres, and expects to receive £25m. under a rental agreement with the oil companies.¹

We can trace the increase in land values in the Shetlands by examining the way Garth Farm was carved up.²

Total Oil Marine Ltd. bought 150 acres from Eleanor and Frank Hunter for £5,000 in July 1973. The company had anticipated the boom to come – and paid just £33.33 an acre.

Within 12 months, however, the Hunters had clued up to the value of their land. They sold 474 acres to Nordport for £100,540 in May 1974 – yielding them over £212 an acre.

In June 1974, Agnes and Robert Johnson sold 1,194 acres to Nordport for £241,960 – over £202 an acre.

In Aug. 1974, Helen Halcrow sold 65.44 acres to Nordport for £14,000 – nearly £214 an acre.

Then, in Nov. 1976, Eleanor and Frank Hunter sold 114.5 acres to Total Oil Marine for £20,037.50 – just £175 an acre.

Now the really big stakes arrived. In March 1977 Agnes and Robert Johnson sold two tracts plus minerals to Shetland Council for £539,618.93.

Meanwhile, Nordport had transferred the interests in its land to Grindlay Brandts Ltd, which in turn sold 1,011.5 acres to the Council in March 1977 for a cool £1,656,844.46 – a handsome £1,638 an acre.

More of the Garth Farm land, 1,117.42 acres, was sold to the monopoly buyer – the Council – in August 1978 for £450,000, or £402.71 an acre.

THESE ARE not exceptional increases in land values. House prices rocketed. Ten years ago a 4-5 bedroom villa could have been bought for £9,000. Now they are hardly available for £50,000.

In Lerwick, the main town, house sites could be bought for £200 an acre in the late '60s. Now they cost £10,000 an acre, with some prime sites going at between £20,000 to £25,000.

Rents for virtually abandoned warehouses rose from 10p-25p to £1-£1.50p a square foot. Shops on prime sites in Commercial Street cost £1 a square foot in 1972/3: today they fetch £8.

A shortage of labour has forced up wages, so the economic impact of the high rents and land values are disguised: but what happens when the installations are completed, and the demand for workers is reduced? Worse still – what happens when the oil runs out within two or three decades?

REFERENCES

1. Peter Hetherington, 'Rolling in a barrel of problems', *The Guardian*, 10.12.79.
2. Data from the files of the Registers of Scotland, Edinburgh.

OIL: SCOTLAND