

Farmland Index

Q3 2019

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PRICE CHANGE

-0.8%

3-MONTH CHANGE

-1.0%

12-MONTH CHANGE

-9.0%

5-YEAR CHANGE

40%

10-YEAR CHANGE

3,630%

50-YEAR CHANGE



Stanton Farm, a 228-acre unit in Wiltshire sold recently for over its £4.95m guide

The average price of bare agricultural land in England and Wales has dipped very slightly, according to the Knight Frank Farmland Index.

Values fell by 0.8% in the third quarter of the year to £6,975/acre, taking the total decline over the past 12 months to 1%. Prices, however, are 40% higher than they were 10 years ago.

Given the current two big issues facing the agricultural sector, falling commodity prices (see chart over) and continued Brexit uncertainty, an annual fall of just 1% seems a remarkably resilient performance.

Robust demand and limited supply help to explain why the market remains relatively steady.

In terms of supply, fewer than 100,000 acres had been advertised for sale at the time of writing in *Farmers Weekly* – a year-on-year decline of 44%. Few vendors seem willing to test the market, despite values holding up.

Looking at demand, rollover relief

continues to be the motivational driver for many purchasers. The recent sale of a large farming portfolio with multiple shareholders has only added to the pool of potential buyers in the East Anglian region.

Committed farming businesses are also looking beyond Brexit and are keen to secure more land if it becomes available. A farmer recently told me he paid over £10,000/acre to secure vacant possession over a block of land his family had been renting under a traditional tenancy.

Prices, however, are extremely variable, ranging from over £10,000/acre on a number of deals Knight Frank has been involved with to around £6,000/acre for land in places like Lincolnshire where there are fewer rollover-led buyers.

I expect the market to remain flat for the rest of the year while farmers digest the implications of any Brexit developments.

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ANDREW SHIRLEY
HEAD OF RURAL RESEARCH

Historic Farmland Performance £/acre



Source: Knight Frank Research

KEY AGRICULTURAL INDICATORS*

LATEST PRICE 12 MONTH CHANGE

OUTPUTS

FEEDWHEAT (£/T)	130	-25%
OILSEED RAPE (£/T)	330	3%
BEEF (P/KG DW)	336	-12%
LAMB (P/KG DW)	374	-7%
MILK (P/LITRE)	28.8	-3%

INPUTS

RED DIESEL (P/LITRE)	63	-4%
OIL (£/BRL)	50	-15%

*Sources: www.fwi.co.uk www.dairy.ahdb.org.uk

For more detailed information on the issues affecting UK landowners and farmers, including the latest on agricultural commodity and input markets, please request a copy of The Rural Report, our magazine for rural property owners.

We like questions, if you've got one about our research, or would like some property advice, we would love to hear from you.



Farms & Estate enquiries

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Research enquiries

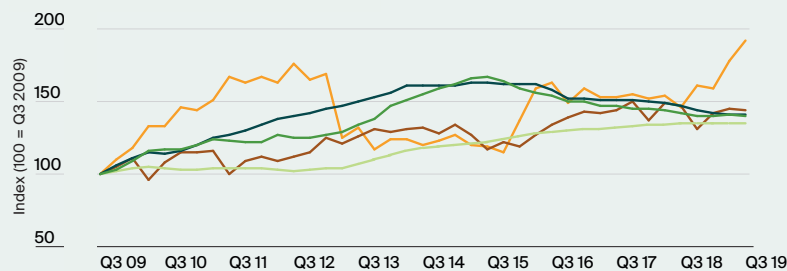
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Farmland 10-year performance v other assets

Knight Frank farmland index UK house prices
Prime central London house prices FTSE 100 Gold



Sources: Knight Frank Research, Nationwide House Price Index

KNIGHT FRANK FARMLAND INDEX

	QUARTERLY PRICE CHANGE	ANNUAL PRICE CHANGE	AVERAGE VALUE £/HECTARE	AVERAGE VALUE £/ACRE
SEP-14	2.3%	15.1%	£19,000	£7,689
DEC-14	3.1%	15%	£19,583	£7,925
MAR-15	1.7%	10%	£19,914	£8,059
JUN-15	2.6%	10%	£20,423	£8,265
SEP-15	0.5%	8%	£20,524	£8,306
DEC-15	-1.7%	3%	£20,176	£8,165
MAR-16	-3.2%	-2%	£19,538	£7,907
JUN-16	-1.7%	-6%	£19,207	£7,773
SEP-16	-1.3%	-8%	£18,957	£7,672
DEC-16	-2.6%	-8%	£18,464	£7,472
MAR-17	-0.5%	-6%	£18,372	£7,435
JUN-17	-1.6%	-6%	£18,069	£7,313
SEP-17	0.0%	-5%	£18,064	£7,311
DEC-17	-1.5%	-4%	£17,794	£7,201
MAR-18	0.4%	-3%	£17,856	£7,226
JUN-18	-0.7%	-2%	£17,729	£7,175
SEP-18	-1.8%	-4%	£17,408	£7,045
DEC-18	-1.1%	-3%	£17,223	£6,970
MAR-19	0.1%	-3%	£17,245	£6,979
JUN-19	0.7%	-2%	£17,371	£7,030
SEP-19	-0.8%	-1%	£17,235	£6,975

DATA DIGEST

The Knight Frank Farmland Index tracks the average price of bare (no residential property or buildings) commercial (productive arable and pasture) agricultural land in England. The quarterly index is based on the opinions of Knight Frank's expert valuers and negotiators across the country, which take into account the results of actual sales conducted by both the firm and its competitors, local market knowledge and client and industry sentiment. When combined with UK government statistics, the index shows the performance of farmland since 1944.

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