

Q2 2025

The Knight Frank Farmland Index tracks the average price of bare agricultural land (arable and pasture) across England and Wales. The index is based on the opinions of Knight Frank's expert valuers and negotiators, taking into account recent sales evidence, local market knowledge, and client and industry sentiment.

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Uncertainty stifles farmland sales

► The market for agricultural property in England and Wales is lacking direction as potential buyers and vendors bide their time

The recent heatwave seems to have induced a degree of stupor to the farmland market. Although the number of new properties coming to the market is up slightly on last year, volumes remain very low compared with pre-Covid levels.

According to our Farms & Estates team, this year's uptick is really just a reaction to the fact that virtually nothing happened in 2024 and doesn't reflect any particular shift in sentiment among vendors.

While landowners remain incensed about next year's changes to the inheritance tax regime for farms and other family-owned businesses, it certainly hasn't driven many pre-emptive sales yet or been an issue raised by potential purchasers.

Although there is a widespread feeling that the price of land should reflect declining farm support payments and the government's perceived lack of support for agriculture, vendors seem in no hurry to reduce asking prices and are prepared to sit tight and wait for the right offer.

There are a number of factors that have dampened demand. A lack of new housing and development means there are fewer motivated rollover buyers in the market at the moment. That, however, could change as the government relaxes planning rules in its bid to build more houses and deliver more transport, energy and industrial infrastructure.

A general slowdown across the top of the housing market is also having a knock-on effect on residentially driven farms or estates. The demand for high-quality bare agricultural land is higher than for equipped farms or estates.

However, there are still plenty of wealthy individuals looking to purchase farmland, along with conservation NGOs and investors. When a deal is struck, properties are still achieving good prices.

As a result, the Knight Frank Farmland Index remains at historically high levels, with the value of bare land in England and Wales dropping by just 2.3% in the second quarter of 2025. Until activity picks up, it is hard to say where the market is heading and whether a more sustained fall is likely.

PRICE CHANGE

-2.3%

3-month change

-5.1%

12-month change

+27.2%

5-year change

+7.2%

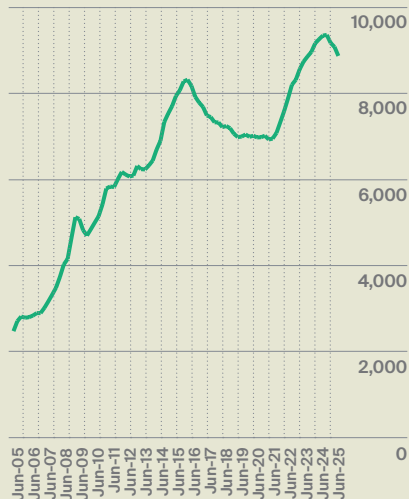
10-year change

+219.9%

20-year change

Historical farmland performance

Price (£/acre)



Source: Knight Frank Research



On the market

Venhams Farm, at Froxfield, near Petersfield, Hampshire, is a beautiful 745-acre farming estate with a 10-bedroom house.

Price: £12,500,000

EXPERT COMMENT



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It's really difficult to discern any clear value trends at the moment because of reduced transaction levels. There's no rhyme or reason why certain things go well and others don't. Some things that have been on the market for a while have suddenly seen lots of interest, while for others, it's more difficult to get viewings. I think with all the geopolitical uncertainty in the world at the moment, neither buyers nor vendors are in a particular rush to do anything. But the things that are selling are achieving good prices. There is still an awful lot of wealth, both in the UK and overseas, interested in rural property. We've had enquiries from the US, Asia and the Middle East recently, and there are several Irish buyers active in the market at the moment. Environmentally focused buyers are still keen to acquire more land, and they seem to be becoming better prepared to show they have funding in place and react more quickly when opportunities become available. It's also worth noting that so far, we've had virtually no calls from anybody worrying about the family farm tax, which is due to be introduced next April.

FARMLAND CAPITAL GROWTH VS ALTERNATIVE ASSETS

Rate of change over:

	1 year	5 years	10 years
Farmland (England & Wales)	-5.1%	27.2%	7.2%
Prime central London residential	-2.5%	-2.3%	-19.4%
UK residential	3.5%	24.9%	40.1%
Gold	44.8%	88.1%	183.2%
Global equities (S&P Global 100)	9.7%	106.8%	176.2%
UK equities (FTSE 100)	6.2%	41.8%	29.3%

Source: Knight Frank, Macrobond

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



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KNIGHT FRANK FARMLAND INDEX

	Average value £/acre	Average value £/Hectare	Annual price change	Quarterly price change
2020 Q2	£6,965	£17,211	-0.9%	0.1%
2020 Q3	£7,000	£17,297	0.4%	0.5%
2020 Q4	£6,912	£17,080	-1.2%	-1.3%
2021 Q1	£6,933	£17,132	-0.4%	0.3%
2021 Q2	£7,065	£17,458	1.4%	1.9%
2021 Q3	£7,320	£18,088	4.6%	3.6%
2021 Q4	£7,580	£18,731	9.7%	3.6%
2022 Q1	£7,875	£19,460	13.6%	3.9%
2022 Q2	£8,190	£20,238	15.9%	4.0%
2022 Q3	£8,305	£20,522	13.5%	1.4%
2022 Q4	£8,550	£21,128	12.8%	3.0%
2023 Q1	£8,728	£21,567	10.8%	2.1%
2023 Q2	£8,845	£21,856	8.0%	1.3%
2023 Q3	£8,951	£22,118	7.8%	1.2%
2023 Q4	£9,152	£22,615	7.0%	2.2%
2024 Q1	£9,250	£22,857	6.0%	1.1%
2024 Q2	£9,335	£23,067	5.5%	0.9%
2024 Q3	£9,351	£23,107	4.5%	0.2%
2024 Q4	£9,164	£22,644	0.1%	-2.0%
2025 Q1	£9,072	£22,418	-1.9%	-1.0%
2025 Q2	£8,861	£21,895	-5.1%	-2.3%