

# Farmland Index

Q3 2021

**PRICE CHANGE**

<b>4%</b> 3-MONTH CHANGE	<b>5%</b> 12-MONTH CHANGE	<b>-5%</b> 5-YEAR CHANGE	<b>20%</b> 10-YEAR CHANGE	<b>3,604%</b> 50-YEAR CHANGE
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**Rewilding is easy to dismiss as a fad and many people have a slightly romanticised vision of what it entails, but it is now a genuine force in the market.**  
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ANDREW SHIRLEY  
 HEAD OF RURAL RESEARCH

The average value of farmland in England and Wales has hit levels not seen since the beginning of 2017, according to the latest results of the Knight Frank Farmland Index.

Prices for bare land rose almost 4% in the third quarter of 2021 to £7,320/acre. This marks a third consecutive quarter of growth and was the strongest quarterly performance since March 2014. The hike takes annual growth to 5%, the biggest 12-month jump since June 2015.

Limited supply and strong demand are supporting values. According to the Farmers Weekly Land Tracker, only 11% more land has been publicly advertised so far this year compared with 2020, which, due to Covid-19 restrictions, itself saw the lowest number of acres put up for sale on record.

Demand is increasingly being driven by three factors: Rollover relief, rewilding or sustainability focused buyers and carbon investors. Farmers accounted for 39% of buyers, according to our index, compared with the 55% who were either lifestyle purchasers or investors.

Efficient and entrepreneurial farmers who believe that Brexit offers more opportunities than challenges are still looking for more land, but they are rarely setting the pace during negotiations or paying large premiums.

Rewilding is easy to dismiss as a fad and many people have a slightly romanticised vision of what it entails, but it is now a genuine force in the market, reports our Farms & Estates team. “When I’m doing viewings it is what a lot of people want to talk about,” says the team’s Will Matthews.

Regenerative agriculture is also a popular aspiration for many, including the purchasers of 341-acre Lavington Stud in West Sussex, pictured above, while huge infrastructure projects like HS2 will continue to fuel the rollover market.

Although more land is likely to come to the market in 2022, there remains a large pool of disappointed buyers that should soak up a significant amount before the supply and demand equation starts to swing back the other way.



## KEY AGRICULTURAL INDICATORS\*

LATEST PRICE ANNUAL CHANGE

### OUTPUTS

FEEDWHEAT (£/T)	192	8%
OILSEED RAPE (£/T)	547	58%
BEEF (P/KG DW)	420	10%
LAMB (P/KG DW)	502	11%
MILK (P/LITRE)	31	11%

### INPUTS

RED DIESEL (P/LITRE)	73	76%
OIL (\$/BRL)	79	97%

\*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 markets, please request a copy of *The Rural Report*, our magazine for rural property owners, or sign up to our weekly Rural Update.

Cover image: Lavington Stud, near Petworth, West Sussex. A 341-acre farm sold to buyers keen on regenerative agriculture for over its £9.5 million guide price.

**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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### Research enquiries

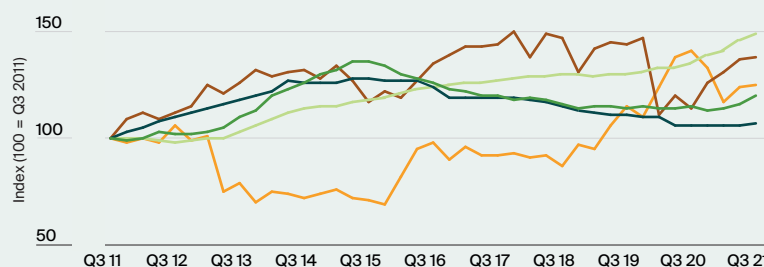
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## Farmland 10-year capital growth v other assets

English farmland Prime central London residential  
UK 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-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
DEC-19	0.3%	0%	£17,295	£6,999
MAR-20	-0.6%	0%	£17,198	£6,960
JUN-20	0.1%	-1%	£17,211	£6,965
SEP-20	0.5%	0%	£17,297	£7,000
DEC-20	-1.3%	-1%	£17,080	£6,912
MAR-21	0.2%	0%	£17,114	£6,926
JUN-21	2.0%	1%	£17,458	£7,065
SEP-21	3.6%	5%	£18,088	£7,320

## 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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