

Farmland Index

Q4 2021

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PRICE CHANGE

4%

3-MONTH CHANGE

10%

12-MONTH CHANGE

1%

5-YEAR CHANGE

25%

10-YEAR CHANGE

3,612%

50-YEAR CHANGE



The farmland market ended 2021 in an upbeat mood, according to the latest results from the Knight Frank Farmland Index. An almost 4% rise in the average value of bare land in England and Wales during the final quarter of the year saw prices rise by 10% over the year – the strongest annual rate of growth since 2014 – to almost £7,600/acre.

Over the past 12 months, farmland has also outperformed gold (-2%) and our Prime Central London Residential Index (+1%), highlighting its resilience during periods of economic turbulence and enhancing its reputation as a hedge against inflation.

However, it should be noted that 2021 saw the balance of supply and demand become abnormally skewed. At little more than 64,000 acres, the amount of land advertised publicly, according to the Farmers Weekly Landtracker, was similar to the record low registered in 2020 when the Covid-19 pandemic decimated the market.

Demand, though, remained exceptionally strong throughout the year

as buyers with a range of motivations battled for the few good holdings that did reach the market, often setting values significantly higher than our index. The 1,011-acre Roundtown Estate in Hampshire, which has just been sold by Knight Frank, was a good example. Strong interest from farmers, conservation bodies and rollover money saw the guide price of almost £14 million comfortably exceeded.

Buyers looking to farm regeneratively, plant trees to harvest carbon, or even rewild have been particularly strong players. This environmental focus has pushed up prices for land that would have been considered agriculturally less productive just a few years ago. A good example was almost 200 acres of mixed woodland near Bristol that we sold for well over £10,000/acre.

It seems unlikely that we will see a huge surge in the availability of farmland for sale next year, and with demand predicted to remain firm values should continue to climb.

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ANDREW SHIRLEY
HEAD OF RURAL RESEARCH

Historical farmland performance £/acre



Source: Knight Frank Research

KEY AGRICULTURAL INDICATORS*

LATEST PRICE ANNUAL CHANGE

OUTPUTS

FEEDWHEAT (£/T)	219	18%
OILSEED RAPE (£/T)	586	64%
BEEF (P/KG DW)	420	11%
LAMB (P/KG DW)	633	31%
MILK (P/LITRE)	33	7%

INPUTS

RED DIESEL (P/LITRE)	70	49%
OIL (\$/BRL)	70	47%

*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: The Roundtown Estate, Hackwood Park, Hampshire. A 1,011-acre farming sold under competition for over its £13.8m 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.



Farms & Estate enquiries

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Research enquiries

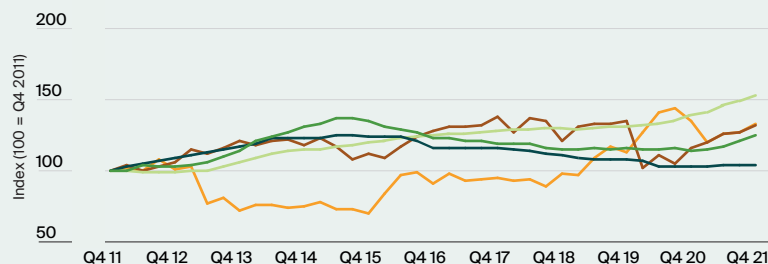
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Farmland 10-year capital growth v other assets

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
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
DEC-21	3.6%	10%	£18,730	£7,580

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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