

# Farmland Index

Q4 2023

The Knight Frank Farmland Index tracks the value of bare agricultural land in England and Wales

[knightfrank.com/research](https://knightfrank.com/research)



## PRICE CHANGE

**+2%**

3-month change

**+7%**

12-month change

**+31%**

5-year change

**+33%**

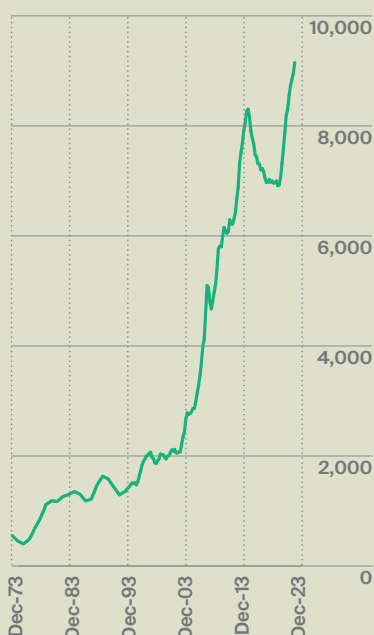
10-year change

**+1,544%**

50-year change

## Historical farmland performance

Price (£/acre)



Source: Knight Frank Research

**“Over the course of 2024 we expect values to remain firm.”**

Andrew Shirley, Head of Rural Research

Agricultural land ended 2023 on a high with the value of the Knight Frank Farmland Index, which tracks the value of bare land (no houses or buildings) in England and Wales, rising by 2% in the final quarter of the year to break the £9,000/acre barrier for the first time.

On an annual basis average farmland values increased by 7%, a performance that only gold could draw level with. The FTSE 100 equities index could only muster growth of 4%, while most house price indices fell into negative territory during the year.

A lack of supply and continued strong demand from a wide variety of

buyers helped support values, despite high inflation, rising borrowing rates, weak commodity markets and a drop in farm subsidies.

According to the *Farmers Weekly Land Tracker*, the volume of farmland advertised publicly did rise by 15% during the year, but the total acreage for sale was still well below 100,000 acres, which is historically very low.

There have been few large blocks of bare land put up for sale and those that have hit the market have generally created competitive bidding with prices reaching as high as £20,000/acre. Buyers have often been wealthy local landowners competing with tax-motivated farmers.

Environmentally motivated buyers have also been in the mix, but have secured relatively few large purchases.

Labour’s pledge not to remove agricultural and business property relief if it wins power at the forthcoming general election this year has helped calm political nerves and there are very few forced sales at the moment, according to my colleagues in our Farm & Estate Sales team.

Over the course of 2024 we expect values to remain firm with few signs so far that there will be a glut of land for sale which could put pressure on prices.

KEY AGRICULTURAL INDICATORS\*

	Latest price	Annual change
Outputs		
Feed wheat (£/t)	179	-22%
Oilseed rape (£/t)	348	-25%
Beef (p/kg dw)	494	9%
Lamb (p/kg dw)	588	6%
Milk (p/litre)	37	-28%
Inputs		
Red diesel (p/litre)	76	-17%
Oil (\$/bbl)	68	-9%

\*Sources: www.fwi.co.uk, www.ahdb.org.uk

Cover image: The Rothbury Estate, Northumberland - a unique 9,486-acre agricultural, sporting and natural capital opportunity guided at £35 million - was the standout launch of 2023 and is still available to buy.

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

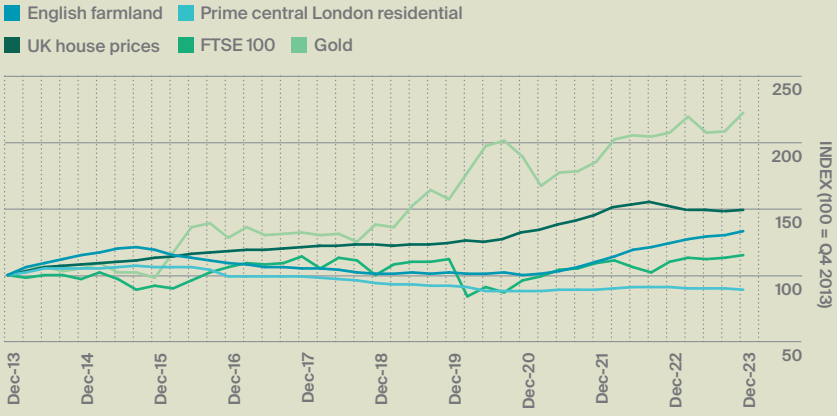


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Farmland 10-year capital growth v other assets



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-18	-1%	-3%	£17,223	£6,970
Mar-19	0%	-3%	£17,245	£6,979
Jun-19	1%	-2%	£17,371	£7,030
Sep-19	-1%	-1%	£17,235	£6,975
Dec-19	0%	0%	£17,295	£6,999
Mar-20	-1%	0%	£17,198	£6,960
Jun-20	0%	-1%	£17,211	£6,965
Sep-20	1%	0%	£17,297	£7,000
Dec-20	-1%	-1%	£17,080	£6,912
Mar-21	0%	0%	£17,114	£6,926
Jun-21	2%	1%	£17,458	£7,065
Sep-21	4%	5%	£18,088	£7,320
Dec-21	4%	10%	£18,730	£7,580
Mar-22	4%	14%	£19,459	£7,875
Jun-22	4%	16%	£20,237	£8,190
Sep-22	1%	13%	£20,522	£8,305
Dec-22	3%	13%	£21,127	£8,550
Mar-23	2%	11%	£21,567	£8,728
Jun-23	1%	8%	£21,856	£8,845
Sep-23	1%	8%	£22,118	£8,951
Dec-23	2%	7%	£22,615	£9,152

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 and Wales. 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.