



News Release

Date: 15th April 2011

Farmland outperforms other assets as rising values hit record high, says Knight Frank

Knight Frank Farmland Report Q1

Headlines

- Farmland values rose by 3% in the first three months of the year and are now 11% higher than 12 months ago.
- This means the average price of agricultural land in England is now almost £6,000/acre, a record high.
- Farmland has performed far more strongly than many other asset classes over the past 10 years.

Tom Raynham, of Knight Frank's farm sales team, comments: "This resilience is part of what makes farmland so attractive as an investment and should help ensure values continue to rise steadily during 2011.

"When you look at the performance of other investments, such as the FTSE 100, the farmland market has been far less volatile and survived the credit crunch in much better shape. That hasn't been lost on private investors and we have noticed a lot more interest in good quality arable land and farms, especially now that commodity prices have also started to increase.

"Wealthy individuals have always enjoyed owning land because of its amenity value, tax-planning benefits and as a long-term hedge against inflation, but now they are also starting to look more carefully at its potential to generate an annual return as well.

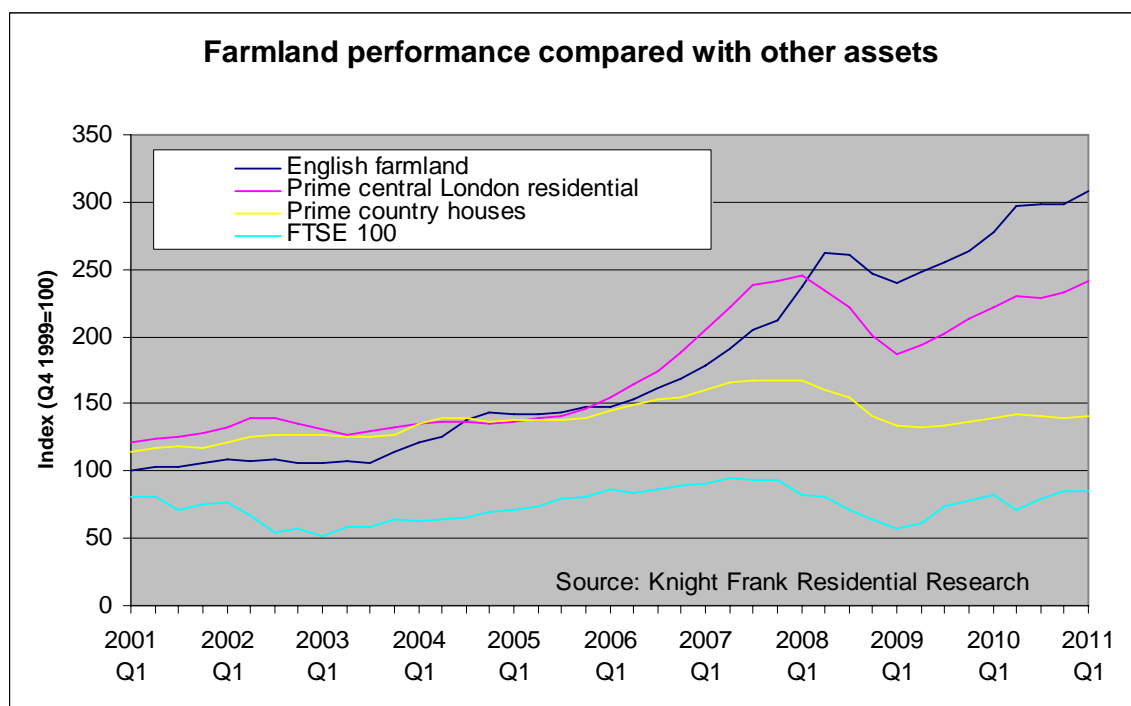
"Demand also continues to outstrip supply with relatively few potential sellers keen to test the market at the moment. Ironically, we have buyers across the country crying out for good properties. If interest



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rates rise it will be interesting to see whether more farms are put up for sale, but at the moment there are no signs of any significant increases this year.”

Clive Hopkins, head of farms and estates sales, comments: “Shortage of supply is also affecting the market for country estates, despite the current economic uncertainty. We still have a number of clients prepared to spend a lot of money on a really good estate. But at the very top of the market there isn't really enough choice to draw buyers into the market. This makes people nervous about making an offer; they need the confidence of knowing that others are also making bids at similar levels.”



Price change	Q1 2011	Annual	5-year	10-year
Farmland	3%	11%	109%	207%
Prime London houses	3%	8%	56%	99%
Prime country houses	0%	1%	-3%	23%
FTSE 100	1%	4%	0%	5%



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Farmland prices	£/acre
2010 Q1	£5,397
2010 Q2	£5,769
2010 Q3	£5,816
2010 Q4	£5,804
2011 Q1	£5,991

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Notes to Editors

Knight Frank's Farms and Estates team sells a wide variety of rural properties across the UK. Please go to www.knightfrank.co.uk/rural for more details.

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