

# FARMLAND MARKET UPDATE

**£8,664**  
per acre  
AVERAGE ARABLE LAND VALUE IN Q2 2019

**-0.6%** Q-ON-Q CHANGE  
**-1.7%** Y-ON-Y CHANGE

## MARKET OVERVIEW

The farmland market in England and Wales remained muted during Q2 as buyers and sellers continued to sit on their hands, waiting for more clarity on Brexit before proceeding with transactions. Despite this, deals are continuing to progress and there are still many buyers in the marketplace, with those who are motivated being the most active. However, while uncertainty remains, in some cases buyers are unwilling to commit to large capital investments.

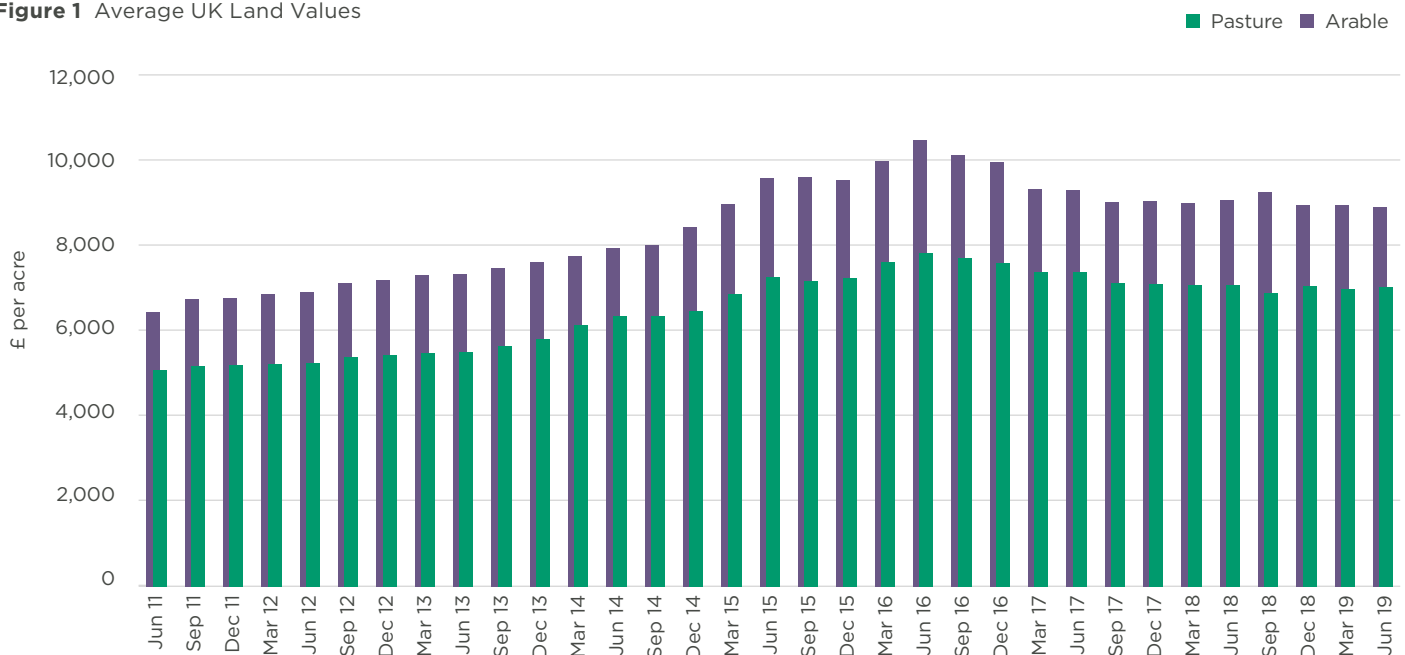
Across the UK, supply levels remain constrained. According to Farmers Weekly's land tracker, 66,869 acres were publically advertised between January and June 2019, a 22% reduction on the same period last year. This was largely due to an extremely slow start in Q1, where only 4,500 acres were marketed.

This has resulted in modest changes in land values. Pasture values increased slightly, to £6,831 per acre, which was a 0.4% increase on Q1 but down by 0.8% on Q2 2018. Average arable land values reduced during the period to £8,664 per acre. This was a 0.6% reduction on the previous

quarter and down by 1.7% year-on-year. The pricing of assets continues to be very much location dependent, and those with good access routes are attracting strong interest.

While land values have dipped somewhat since the EU referendum vote in 2016, when compared to the increases witnessed from the early 2000's the general consensus is that values are unlikely to fall off a cliff's edge. Brexit is currently affecting activity, however the key fundamentals of owning farmland in the UK will not change regardless of when, and how, the UK leaves the EU.

Figure 1 Average UK Land Values



Source: Carter Jonas Research



# RURAL DATA DASHBOARD

## KEY AGRICULTURAL DATA

Figure 2 UK land values by land type and 12 month percentage change

NORTH WEST					
	Low	Prime	Average		
	£/acre	£/acre	£/acre	Quarterly %	Annual %
Arable	7,750	11,000	9,500	-2.6%	0.0%
Pasture	5,000	8,250	6,750	0.0%	-6.9%
Hill	250	1,500	800	0.0%	-11.1%



### ROBERT BOWYER

"Despite the low level of stock in the marketplace, deals have been agreed in the North West. These deals vary considerably in terms of progress and competitive pricing remains paramount. Increasingly we are working with other advisors (solicitors, banks and agricultural consultants) to provide clients with a well-rounded service that goes beyond just the sale of an asset."

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WALES					
	Low	Prime	Average		
	£/acre	£/acre	£/acre	Quarterly %	Annual %
Arable	8,000	9,000	8,500	0.0%	-5.6%
Pasture	4,000	8,000	6,000	0.0%	-14.3%
Hill	500	1,500	1,000	0.0%	0.0%



### HUGH O'DONNELL

"Throughout Wales, supply levels remain constrained, particularly for commercial farmland. In the north of the country, lifestyle farms have dominated acquisitions over the last 12 months, and there are no signs of this abating."

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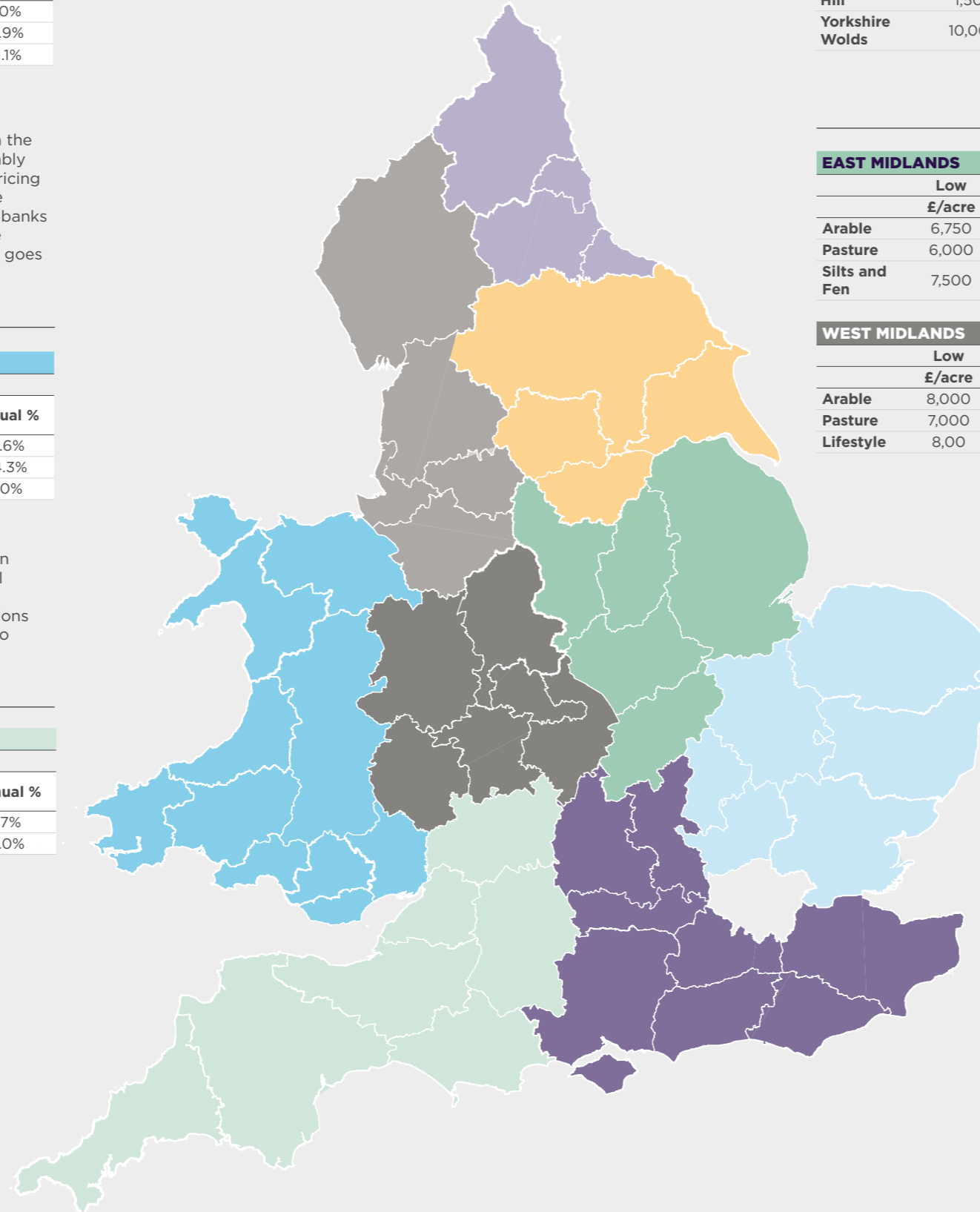
SOUTH WEST					
	Low	Prime	Average		
	£/acre	£/acre	£/acre	Quarterly %	Annual %
Arable	8,250	10,000	8,750	0.0%	1.7%
Pasture	5,000	9,000	7,500	0.0%	0.0%



### DAVID HEBDITCH AND KIT HARDING

"Motivated vendors continue to drive the market in the South West, as are buyers with rollover funds. However, the scarcity of land is a concern, so buyers are likely to compromise to benefit from rollover."

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NORTH EAST					
	Low	Prime	Average		
	£/acre	£/acre	£/acre	Quarterly %	Annual %
Arable	6,000	8,000	7,000	0.0%	-17.6%
Pasture	4,000	6,000	5,500	0.0%	-8.3%
Hill	1,500	2,500	2,000	0.0%	0.0%

YORKSHIRE & HUMBER					
	Low	Prime	Average		
	£/acre	£/acre	£/acre	Quarterly %	Annual %
Arable	7,500	10,000	8,500	0.0%	-6.1%
Pasture	5,000	6,500	6,500	0.0%	0.0%
Hill	1,500	3,500	2,500	0.0%	0.0%
Yorkshire Wolds	10,000	12,000	11,000	0.0%	0.0%

EAST MIDLANDS					
	Low	Prime	Average		
	£/acre	£/acre	£/acre	Quarterly %	Annual %
Arable	6,750	9,750	8,225	-2.9%	0.3%
Pasture	6,000	8,000	6,975	0.0%	-0.4%
Silts and Fen	7,500	10,750	8,975	-2.7%	0.0%

WEST MIDLANDS					
	Low	Prime	Average		
	£/acre	£/acre	£/acre	Quarterly %	Annual %
Arable	8,000	12,000	10,000	0.0%	22.0%
Pasture	7,000	10,000	8,500	0.0%	21.4%
Lifestyle	8,000	12,000	10,000	0.0%	0.0%

EAST OF ENGLAND					
	Low	Prime	Average		
	£/acre	£/acre	£/acre	Quarterly %	Annual %
Arable	6,500	9,500	7,850	-7.6%	-8.2%
Pasture	5,500	9,250	6,250	4.2%	-0.8%
Silts and Fen	7,500	10,750	8,900	-3.5%	0.0%
Lifestyle	15,000	28,000	16,000	-11.1%	-11.1%



### JACK COOK

"In the East of England, many deals are being done off-market. Much of the new stock that is made publically available has largely been for bare land only, buoying this part of the market. Farmer buyers are keen to acquire these parcels of land, for the correct price."

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SOUTH EAST					
	Low	Prime	Average		
	£/acre	£/acre	£/acre	Quarterly %	Annual %
Arable	8,500	9,500	9,000	0.0%	-7.7%
Pasture	6,500	7,750	7,500	0.0%	3.4%
Lifestyle	12,000	15,000	13,000	0.0%	0.0%



### ANDREW CHANDLER

"During uncertain political times in the UK, at present buyers are showing an unwillingness to compromise on the criteria of the assets they would like to acquire. Well placed and realistically priced properties are receiving excellent interest and are continuing to sell well, however good accessibility is key to retaining the higher values."

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### ANDREW FALLOWS AND SAM JOHNSON

"The limited supply of new stock continues to prevail and this scarcity assists in underpinning values. However, the market continues to be characterised by 'hotspots' and as such local knowledge and setting realistic guide prices are critical. Purchasers remain discerning with some happy to sit back and see what the market presents."



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### BEN AINSCOUGH AND STEPHEN HALL

"The slow start in Q1 2019 has followed through during Q2, with limited new stock coming to market. New farms that have gone live so far this year have attracted some strong interest, particularly from buyers with rollover funds."



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# RURAL DATA DASHBOARD

## KEY AGRICULTURAL DATA

Figure 3 Commodity Price Trends, Q2 2019

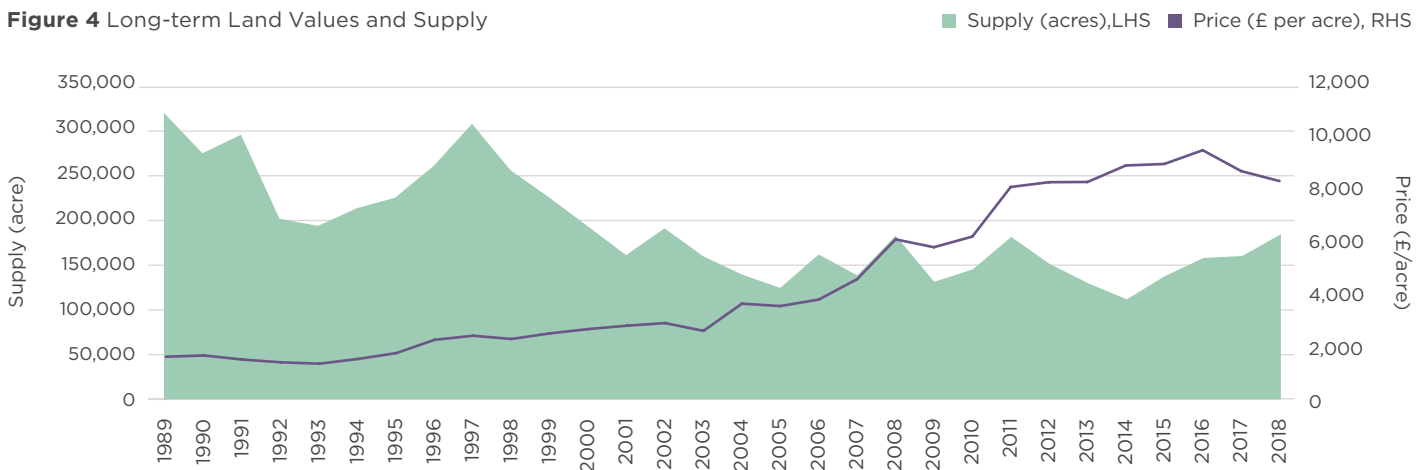
	Commodity	Unit	Price	Quarterly Change	Annual Change
INPUTS	Crude Oil	£/barrel	55.5	15.7%	-0.3%
	Red Diesel	pence/litre	66.0	8.8%	9.8%
OUTPUTS	Feed Wheat	£/tonne	156.5	-7.9%	-0.8%
	Rapeseed Oil	£/tonne	317.3	-2.2%	5.0%
	Milk	pence/litre	27.9	-5.0%	4.0%
	Beef	pence/kg dw	345.0	1.7%	-4.8%
	Pork	pence/kg dw	148.1	3.6%	-1.9%

Source: Carter Jonas Research, AHDB, Farmers Weekly

### COMMODITY PRICE TRENDS

- Output prices continue their decline, spurred by macroeconomic uncertainty not only in the UK but across the globe.
- Oil price increases are a reaction to the rising political tensions between oil producing countries and their trading partners, as well as increasing demand and turbulent currency markets.

Figure 4 Long-term Land Values and Supply



Source: Farmers Weekly, RICS

Figure 5 Average annual growth figures

	Supply (acres)	Land Values (£ per acre)
10 years (2009 - 2018)	0.08%	3.09%
30 years (1989 - 2018)	-1.69%	6.24%
60 years (1959 - 2018)	-2.29%	8.65%

## ABOUT CARTER JONAS

With over 1.3 million acres of UK countryside under our stewardship, our experience enables us to offer **simply better advice** in a wide variety of areas. Our specialist teams cover Farm & Estate Management, Agency, Energy & Marine, Minerals & Waste Management, Infrastructures, Mapping and Valuations. We have experts in every field who, day in day out, deliver long term advice that enhances our clients' future prosperity.

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