

# SCOTTISH ESTATE MARKET REVIEW

2022

**MOREFIELD ESTATE, WESTER ROSS**  
Sold in 2021

## COVID-19 AND THE CLIMATE CRISIS DRIVE RECORD INVESTMENT

With gross investment in the purchase of Scottish estates increasing by 119% between 2020 and 2021 to a new record high of nearly £250m, it has been a remarkable year in the market for Scottish estates with two key factors driving record levels of investment in the sector.

The enforced shift in working culture due to the Covid pandemic of the past two years has seen a significant proportion of the UK workforce operating frequently – if not permanently – from home and has necessitated individuals, couples and families to assess their lifestyle choices and plans for the future. This has resulted in a huge upswing in demand for rural living and a corresponding escalation in demand for property throughout the more peripheral parts of the UK – and Scotland in particular. In the Scottish estate sector, demand for residential estates – i.e. estates where the majority of the capital value is vested in the main house and additional houses/cottages – has significantly increased with 40% of sales achieved being residential estates – an increase of 10% on the previous year where 30% of estates sold were predominantly residential.

The second and perhaps more significant key factor driving demand is the climate crisis and the international drive to net zero – particularly in the corporate sector – and the fast-

developing market for carbon credits from appropriately qualifying new woodland creation and restoration of damaged peatland. The international commitment to achieving net zero and the obligations for business and industry to forge their own route to carbon neutrality has seen a massive increase in demand for those Scottish estates which have potential for extensive carbon reduction.

The result is that where, until very recently, large mixed-use upland estates were coveted for their traditional field sports and built heritage – and were consequently purchased by individuals with the wherewithal and vision to restore and improve them whilst maintaining traditional land management practices including farming, field sports and forestry – the emerging trend is for such estates to be sought after and bought by institutional funds, corporate entities and charitable bodies, whose motives for future management may be very different and whose deployable resources to purchase an estate are much more extensive.

With this relatively new source of demand proving significant, our analysis of transactional activity in this sector over the past 12 months has produced some fascinating results. For example, alongside the 119% increase in gross investment between 2020 and 2021 (from £113m to £247m),

*Continued overleaf...*

## THE MARKET AT A GLANCE

### Supply



36 estates were offered for sale during 2021. The same number as in 2020.



17 of the 36 estates available for sale were offered privately (45%).



The largest estate for sale was 15,708 acres, the smallest was 166 acres and the average was 3,860 acres.

### Demand



28 of the 36 estates for sale (77%) found buyers in 2021 compared with a five-year average of 65%.



61% of the successful transactions were handled privately in 2021, an increase of 85% on 2020 when 33% of sales were off-market.



68% of purchasers were UK-based and 32% were based overseas whilst 54% of buyers were individuals/families and 46% were entities (funds, charities, corporate bodies etc).

### Pricing



£247m was the gross cumulative sum spent on the purchase of Scottish estates in 2021 – a record sum and an increase of 119% on 2020 (the previous record year).



The highest price achieved for an estate was close to £40m and the average sale price was £8.8m – an increase of 87% on the 2020 average price of £4.7m.



Two estates in excess of £20m and five estates between £10m and £20m were sold in 2021.

the average price of estate sold in 2021 also increased by 87% (from £4.7m to £8.8m) whilst the total number of estates sold increased by just 14% (from 24 to 28). With the proportion of estates sold compared with those available for sale increasing from 64% to 77% and the number of off-market transactions increasing to a record high from 33% to 61% between 2020 and 2021, it is clear that the balance of supply and demand was weighted firmly in favour of the latter.

Having been privileged to operate as an agent in the sector for 20 years, the estate market in Scotland during 2021 was more active and dynamic than I have ever known and looks set to remain so throughout this year. Rural Scotland is changing and that change is happening quickly;

on a landscape scale and is driven by global imperatives which make Scotland – with its low population, exceptional landscape, environmental quality, bio-diversity potential and accessibility outstandingly appealing to a wide array of global investors with considerable resources and keen ambitions founded in a desire to meaningfully improve human impact on the natural world.

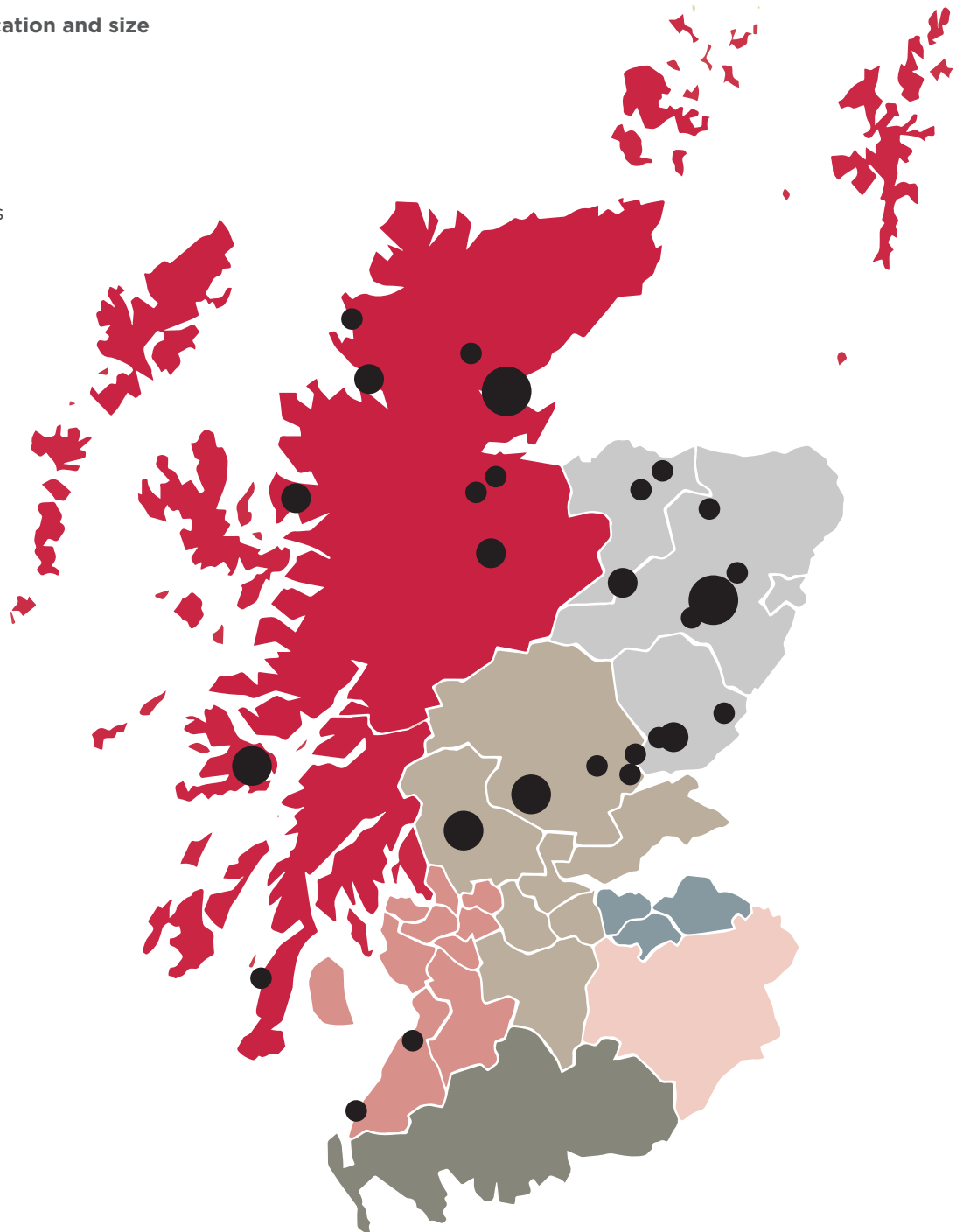


**ROBERT MCCULLOCH**

Head of Estate & Farm Agency in Scotland  
 0131 718 4593  
 07734 545 972  
 robert.mcculloch@struttandparker.com

**Figure 1 Estates sold by location and size**

- <2,500 acres
- 2,500 – 4,999 acres
- 5,000 – 10,000 acres
- >10,000 acres



## ESTATES SOLD BY STRUTT & PARKER IN 2021



SOLD - OPEN MARKET

**Cairnty Estate, Moray**  
**563 acres** A beautifully positioned residential and sporting estate on the River Spey. Offers over £2,650,000.



SOLD - PRIVATELY

**Angus**  
**743 acres** A residential estate featuring a fully restored Baronial Castle on the doorstep of the Scottish Highlands. Price confidential.



SOLD - PRIVATELY

**Banffshire**  
**861 acres** A fully modernised A-listed courtyard castle surrounded by a fabulous mixed estate in a secluded glen. Price confidential.



SOLD - OPEN MARKET

**Morefield Estate, Wester Ross**  
**4,649 acres** An extensive sporting and amenity estate located on the north west coast of Scotland. Offers over £1,100,000.



UNDER OFFER - OPEN MARKET

**Ardhuncart Estate, Aberdeenshire**  
**1,593 acres** A residential, agricultural and sporting estate in the valley of the River Don on the Highland Fringe of Aberdeenshire. Offers over £5,645,000.



SOLD - PRIVATELY

**Argyll**  
 A mixed residential, agricultural and sporting estate with a coastal position on the Kintyre peninsula. Price confidential.



SOLD - OPEN MARKET

**Newbigging Estate, Perthshire**  
**226 acres** A productive mixed lowland estate in rural Perthshire, with development opportunities, a cottage, prime arable land and a private loch. Offers over £2,200,000.



SOLD - OPEN MARKET

**Scallastle, Isle of Mull**  
**356 acres** An attractive, residential and amenity estate overlooking Scallastle Bay and the Sound of Mull. Offers over £1,250,000.



SOLD - PRIVATELY

**Angus**  
**299 acres** An attractive peacefully situated residential, agricultural and amenity estate on the Highland Fringe. Price confidential.

## COMING TO THE MARKET IN 2022

At the time of publishing this review, we have instructions to prepare the sale of several estates – both on an off-market and open market basis. This includes substantial upland estates offering extensive potential for natural capital investment together with a variety of residential and mixed-use estates. If you are an active investor, please contact us to ensure that you receive particulars of sale for any purchasing opportunities that may be of interest to you.

## THE MARKET IN NUMBERS

### Supply

	2017	2018	2019	2020	2021	5-year average
Number of estates offered for sale	28	36	36	36	36	34
Average size of estate for sale (acres)	4,400	3,400	4,200	2,400	3,900	3,700
Total area offered for sale (acres)	124,000	122,000	150,000	85,000	124,000	121,000

### Pricing

	2017	2018	2019	2020	2021	5-year average
Average sale price	£4.5m	£2.7m	£2.8m	£4.7m	£8.8m	£4.7m
Total spent	£71m	£57m	£67m	£113m	£247m	£111m

### Demand

	2017	2018	2019	2020	2021	5-year average
Number of estates sold (including under offer)	16	21	24	24	28	23
% sold versus those available for sale (Conversion Rate)	57%	58%	67%	64%	77%	65%
Ratio of UK-based to international buyers	62:36	68:32	63:37	67:33	68:32	66:34
Total area sold (acres)	75,000	63,000	120,000	72,000	108,000	88,000

### Prices of estates sold / offered for sale in 2021

	<£1m	£1m-2.5m	£2.5m-5m	£5m-10m	£10m-20m	>£20m
Sold / Under Offer	0	4	8	9	5	2
Unsold / Withdrawn	0	1	6	1	0	0
<b>Total</b>	<b>0</b>	<b>5</b>	<b>14</b>	<b>10</b>	<b>5</b>	<b>2</b>

## OUTLOOK

The sharp escalation in prices witnessed during 2021 – particularly for upland estates which are now more commonly viewed as natural capital and carbon investment projects than as sporting or agricultural estates – has undoubtedly captured the attention of existing estate owners. Based on the evidence of our discussions with some of these owners during the early months of 2022, an increase in the supply of estates to the market seems likely.

Given the imperative for nature-based solutions to the global climate crisis together with the now widely-recognised range

of opportunities that Scotland's rural landscape provides for investors in terms of ecological restoration and carbon sequestration, it is our opinion that the strength of this market will continue through 2022 as the relative shortage of supply of available estates is exceeded by the number and variety of investors who are keen to secure their opportunity to make a natural capital investment.

If you are contemplating either the sale or purchase of an estate in 2022, please get in touch with us for a confidential introductory discussion.

## CONTACT



### ROBERT MCCULLOCH

0131 718 4593  
07734 545 972

robert.mcculloch@struttandparker.com



### DIANE FLEMING

0131 718 4591  
07872 841 219

diane.fleming@struttandparker.com



### EUAN MACCRIMMON

01463 727 593  
07974 304 375

euan.maccrimmon@struttandparker.com



### DOUGLAS ORR

0131 718 4590  
07920 813 225

douglas.orr@struttandparker.com

#### Methodology

All data in this market report is from Strutt & Parker's Farmland Database of publicly marketed farmland over 100 acres in Scotland. It has recorded detailed information on the farmland, buildings and soils as well as buyer and seller profiles since 1996, and so is one of the most comprehensive databases available. What makes it different to other databases is that it records sold prices (i.e. what the farm exchanged contracts for) as well as guide prices, and so is a more accurate reflection of actual market conditions as guide prices can overstate or understate the prices that buyers are willing to pay. The prices stated in this report are based on sold prices. Once an estate is exchanged, we have assumed it is sold, following HMRC custom.

© BNP PARIBAS REAL ESTATE ADVISORY & PROPERTY MANAGEMENT UK LTD.

ALL RIGHTS RESERVED No part of this publication may be reproduced or transmitted in any form without prior written consent by BNP PRE. The information contained herein is general in nature and is not intended, and should not be construed, as professional advice or opinion provided to the user, nor as a recommendation of any particular approach. It is based on material that we believe to be reliable. While every effort has been made to ensure its accuracy, we cannot offer any warranty that it contains no factual errors. Strutt & Parker is a trading style of BNP Paribas Real Estate Advisory & Property Management UK Limited, a private limited company registered in England and Wales (registered number 4176965) and whose registered office address is at Aldermanbury Square, London EC2V 7BP.