

# ENGLISH ESTATES & FARMLAND MARKET REVIEW

Spring 2022

AVAILABLE:  
West Farm, Hampshire  
Guide price: £7,250,000

## MARKET OVERVIEW

### Farmland values reach six-year high

All signs point towards it being a lively year for the farmland market in England, with average values currently sitting at their highest level since 2016.

The average value of arable land is currently at £9,500/acre, a rise of £100/acre since we published our last review in January, 2% higher than a year ago and not far off the values seen at the peak of the market in 2014/2015.

It is of note that in recent years, 20-25% of arable land has tended to sell for £8,000/acre or less, but in 2021 only 11% did and more sold for between £8,000 and £10,000/acre.

The average value of pasture is £7,500/acre, which is 3% higher than 12 months ago.

Of course, averages do mask that there is still wide variability in the prices being paid, dependent on location and the level of local interest, but the trend over recent quarters has been one of growth.

Supply in Q1 2022 was up on 2021 levels, with 29 farms publicly marketed compared with 27 last year and a five-year average of 26.

However, despite this increase, the market continues to be competitive as demand remains strong for farmland and from a wide pool of buyers. Sentiment from potential investors continues to be very upbeat, leading to stiff competition for the best properties.

Consequently, we are seeing some properties sell for well over their guide price with buyers resorting to gazumping in some instances. 73% of farms marketed in the past 12 months sold at, or for more than, their guide – the highest level since 2014.



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## MARKET AT A GLANCE

### Supply



The volume of farmland publicly marketed in Q1 was 7,800 acres – up 14% on the five-year average.



29 farms were publicly marketed in Q1 2022, compared to 27 farms in Q1 2021.



We expect higher supply throughout 2022 than in 2021.

### Demand



Demand remains strong for all types of farms and estates.



73% of farms marketed during the past 12 months sold at, or for more than, their guide price.



Land continues to be sought after, for a wide range of reasons.

### Pricing



The average price of arable land is £9,500/acre – 2% higher than 12 months ago.



The average price of pasture land is £7,500/acre – 3% higher than 12 months ago.



There are signs that prices may be becoming slightly less polarised.

## MARKET OVERVIEW

Looking ahead to the rest of the year, we have a good pipeline of new instructions which will be launched over the coming weeks and months, including a couple of big commercial farms. These are likely to attract strong interest given commercial farms have been in particularly short supply over the past year or two.

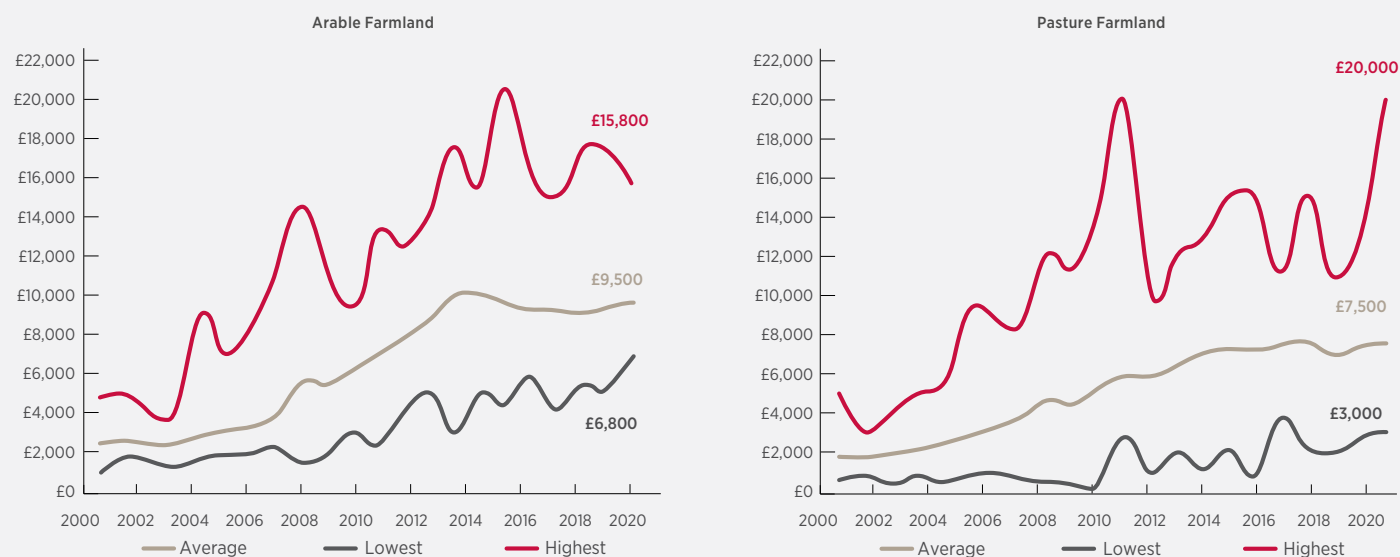
It does feel like there will be more land on the market this year than during 2021. The end of Covid-19 lockdowns is one factor – people are starting to feel more confident about pressing ahead with a sale. The high prices being achieved are also starting to entice people to sell if they are at retirement age and have no successor. We are certainly having more conversations along those lines.

However, it seems unlikely that supply will increase so much as to significantly change the balance of the market, given the level of pent-up demand for farms and estates. Farmer buyers may take a more cautious approach, mindful of the impact of soaring input costs and the phasing out of Basic Payments on farm margins. However, there is still plenty of rollover money to be spent and environmental investors are starting to become more active in most areas. Demand for residential farms with a manageable acreage also remains extremely strong, although interest levels do very much depend on the quality of the house.

*If you would like to discuss buying or selling land – publicly or privately – then please get in touch.*

**Figures 1 & 2 Average, lowest and highest sale prices of arable and pasture farmland (£/acre)**

N.B. The year is when the farmland was sold (exchanged) and is for whole years unless otherwise stated. Although we have stripped out the value of buildings and houses, the data can still be affected by differences in the quality and location of the land sold.



## CONTACT YOUR LOCAL AGENT FOR A REGIONAL VIEW ON THE MARKET



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