

# UK VITICULTURE LAND MARKET REPORT

Summer 2024

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## AT A GLANCE

LAND



Enquiries about buying or establishing a vineyard continue to grow.



There is still significant unrealised potential for planting vines in the UK. The total area planted is currently around 4,400 hectares (ha) (10,800 acres (ac)), but it is estimated the UK could have 33,700 ha (83,000 ac) suitable for vines.



The price of land suitable for vines typically ranges from £37,000-£74,000/ha (£15,000-£30,000/ac), while established vineyards can sell for more than £124,000/planted ha (£50,000/ac).

THE UK SECTOR



There are now over 1,000 vineyards in the UK covering about 4,400 ha (10,800 ac). Near record yields mean an estimated 20-22m bottles of wine were produced in the UK in 2023.



Almost £570m is estimated to have been invested in vineyards and wineries in the past decade. This comes from a mix of new entrants to the sector and established wine businesses expanding.



Climate change has made the UK more favourable for wine production, but the industry does need to adapt so it is more climate resilient in future.

INTERNATIONAL COMPARISON



Overseas wine producers in established wine regions continue to buy into the UK as a hedge against climate change.

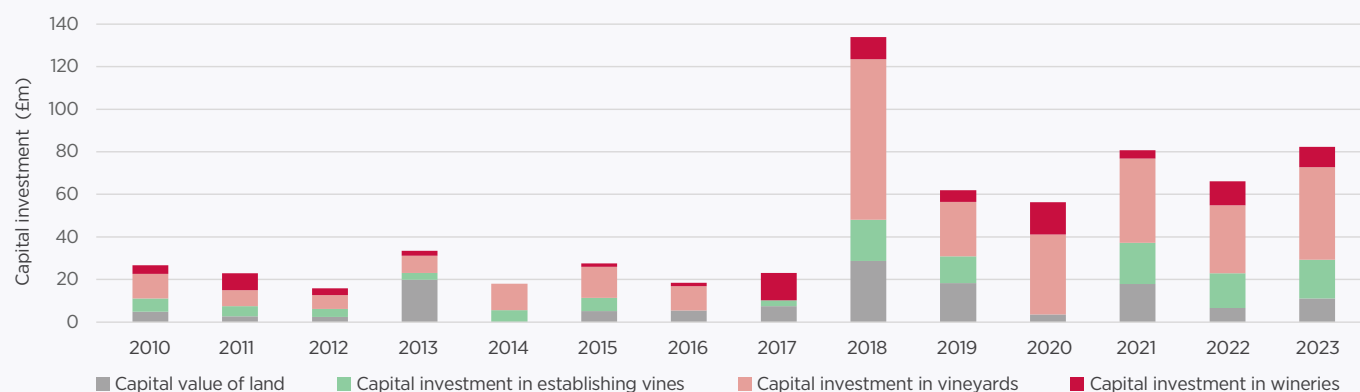


The UK provides excellent value for money compared with some regions like Champagne where prices average £920,000/ha (£370,000/ac)



The UK had faster growth in vineyard area and wine produced than any of the major wine producing countries in 2023.

**Figure 1** Strutt & Parker UK wine sector capital investment tracker



The boom in capital investment in the sector is continuing. We estimate over £80m has been invested in land and infrastructure for vineyards and in wineries in 2023.

This is the second highest amount since our data began in the late 1980s.

As usual, most of the investment is associated with establishing the vines (approximately 20%) and establishing and building the vineyards (approximately 50%).

Almost £570 million has been invested in the sector in the past 10 years.

## OVERVIEW

### UK bucks trend as worldwide wine production falls

UK wine production reached record levels last year, thanks to a good growing season, continued rise in the area under vines and strong yields. WineGB estimates that the 2023 harvest in the UK was the largest ever seen, with 21.6 million bottles produced. This is 60% higher than the previous production peak following the long, hot summer of 2018.

In sharp contrast, there was a 10% drop in worldwide wine production in 2023, according to the latest statistics from the International Organisation of Vine and Wine (OIV). This has been attributed to a combination of extreme weather and widespread fungal diseases.

This burgeoning growth can be attributed largely to the UK's changing climate and continued physical and intellectual investment in UK viticulture. Warmer temperatures have created more favourable growing conditions, boosting yields and fruit quality and widening the number of varieties which are viable. Investment in planting, infrastructure and knowledge continues to enhance the sector's reputation for production of internationally recognised wines. The outlook for the industry remains very positive as we make the transition from newcomer to an established wine region with a focus on quality.

Demand for land suitable for vines and established vineyards is more buoyant than ever. The number of calls from potential new entrants looking for sites, and from established wine businesses looking to expand, is higher than even a year ago. The sector also continues to attract significant overseas investment, with the US-based Jackson Family Wines becoming the latest 'big name' investor to enter the

UK market. Its purchase last year of 26ha (64ac) of bare land in the Crouch Valley of Essex, reportedly for a record price, underscores the attractiveness of the UK as a sensible climate hedge for established warm climate producers. Although at £37,000-£74,000/ha (£15,000-£30,000/ac) the price of land suitable for wine production is high compared with UK farmland values, it remains very good value compared with more established wine regions.

The market for quality established vineyards in the UK has risen to a range of £100,000-£125,000/ha (£40,000-£50,000/ac), but, as a comparison, remains a fraction of the £920,000/ha (£370,000/ac) average price for vineyards in the Champagne region of France.

Alongside continued demand from established and new UK investors, we anticipate this trend of growing interest by international investors will continue, driven by the impact of climate change elsewhere in the world and increasing recognition of the UK's potential for high-quality wine production. Consequently, land prices are likely to continue to rise. With this in mind, now may prove to be a good time for investment in the UK.



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## VALUE OF LAND SUITABLE FOR VINES



The demand for bare land for vines has increased over the past 12 months, meaning that prices have continued to rise.

A year ago, we suggested that the price of land suitable for vines was between £40,000 and £50,000/ha (£16,000-£20,000/ac). While values continue to be very variable, we are now seeing prices of up to and above £74,000/ha (£30,000/ac) being paid.

Buyers are primarily focusing on the more established wine regions in the southeast of England and East Anglia.

As ever, the main challenge lies in the limited availability of buyable land that possesses the optimal characteristics needed for viticulture. Most land continues to be transacted off-market.

We are also seeing an increasing focus on the micro-climatic characteristics of individual sites, with buyers taking a more analytical approach to site selection.

## VALUE OF ESTABLISHED VINEYARDS



There has been an increase in the number of established vineyards for sale in recent months. Reasons for sale vary widely and include personal circumstances, retirement and the lack of capital to invest to take the business to the next level.

Prices achieved have varied significantly, reflecting the variation in the quality of the site, its planting and its track record for producing (or not) consistent yields of quality fruit.

In some cases, poor quality vineyards are failing to find a buyer, reflecting the more professional approach taken by buyers, which is no longer the exception, but the rule.

The best examples have sold for up to £124,000/planted ha (£50,000/ac), compared with £100,000/ha (£40,000/ac) last year.

The fact that values are rising is an indication of a maturing market that is more focused on financial sustainability. When valuing wine businesses, we are first looking at the business, its expected cash flow and profitability in the future, and its ability to grow, and then we examine the real estate assets underpinning that business. As recently as a few years ago, the reverse was true.

## COMPARISON WITH FRENCH VINEYARDS



Agrifrance, which is part of BNP Paribas Wealth Management, compiles an annual report on the French rural land market, including the market for vineyards.

It shows the price of vineyards is very variable, depending on the location, from an average of over €1 million/ha (€405,000/ac) in Champagne to €12,000-14,000/ha (€4,800-€5,700/ac) in the South West (Sud-Ouest) and Languedoc-Roussillon. The average across the whole of France is €82,000/ha (€33,200/ac).

The French vineyard market is categorised by lots of small sales – about 16,000 in 2023, at an average size of 2ha. In 2023, about 2% of vineyards were traded.

If you would like to discuss the French market, please contact Benoît Léchenault at [benoit.lechenault@bnpparibas.com](mailto:benoit.lechenault@bnpparibas.com)

Source: Groupe Safer/Agrifrance



# GROWTH OF UK VINEYARDS AND PRODUCTION<sup>1</sup>

The change in the viticulture sector has been dramatic.

It has changed from one that was shrinking to become the fastest growing wine sector in the world (albeit still very small compared with traditional grape growing countries).

The number of vineyards has broken the 1,000 barrier for the first time (apart from possibly in Roman times)!

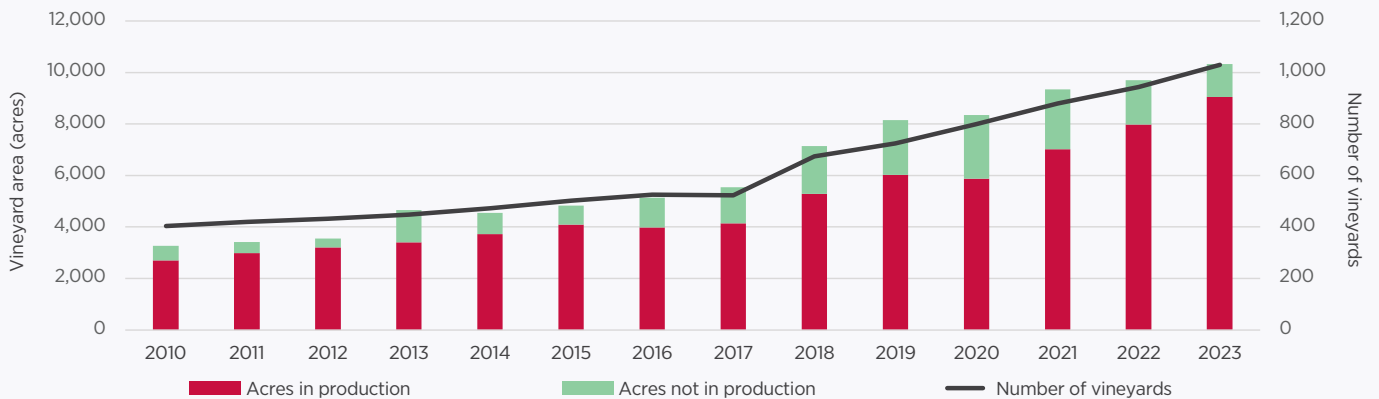
In the past five years, the area in production has increased by over 70% and the number of wineries is up by over a third. Wineries

without vines, that rely on grapes grown elsewhere and focus on bottling, brand and tourism, are growing much faster than ones with vines.

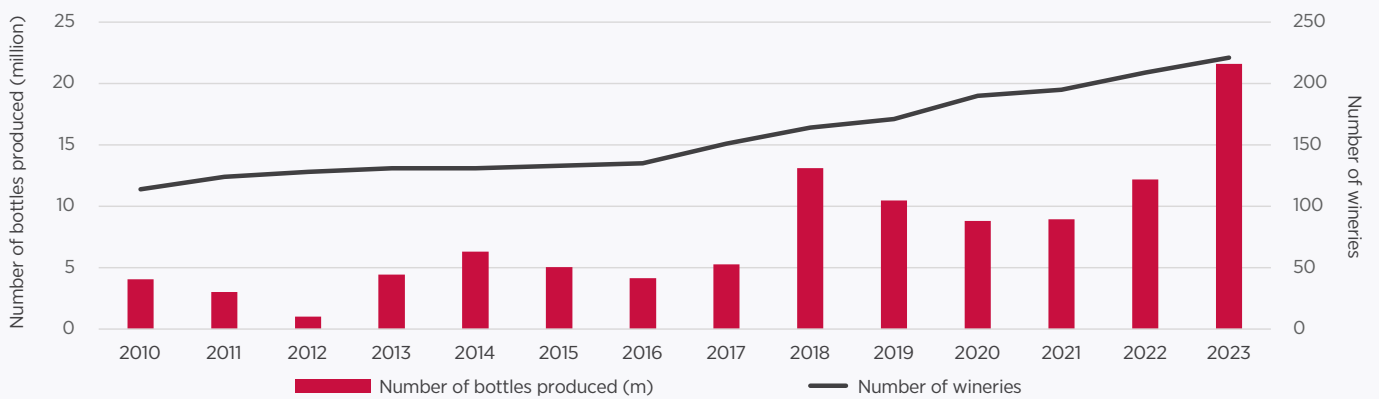
For the first time ever, over 20 million bottles were produced, which is not far off double the second most productive year.

<sup>1</sup> Source: Wine GB, Wine Standards Branch of the Food Standards Agency and English Wines. Particular thanks to Stephen Skelton MW of English Wines.

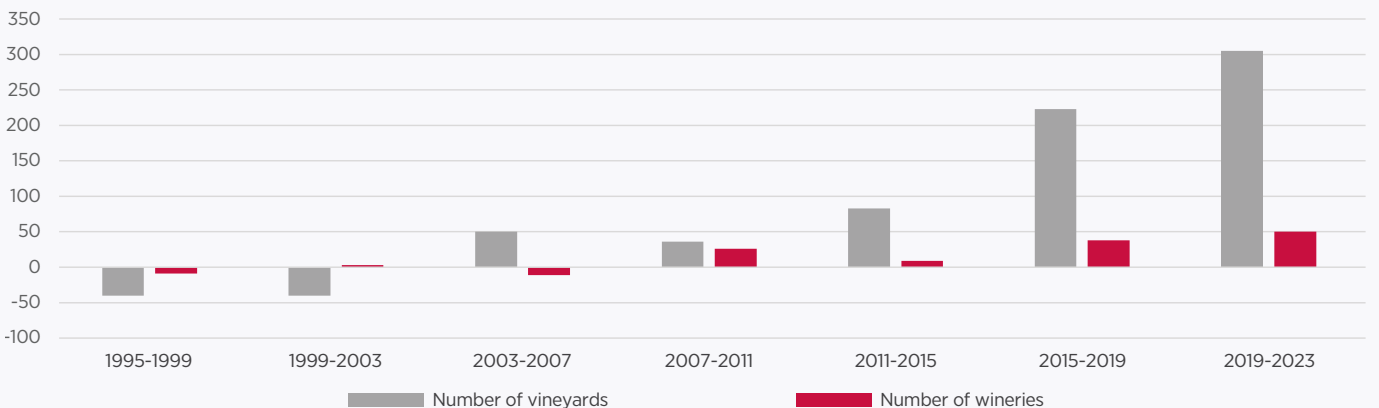
**Figure 2 Area and number of vineyards (UK)**



**Figure 3 Number of wineries and bottles produced (UK)**



**Figure 4 Change in the number of vineyards and wineries in the UK by five year periods**



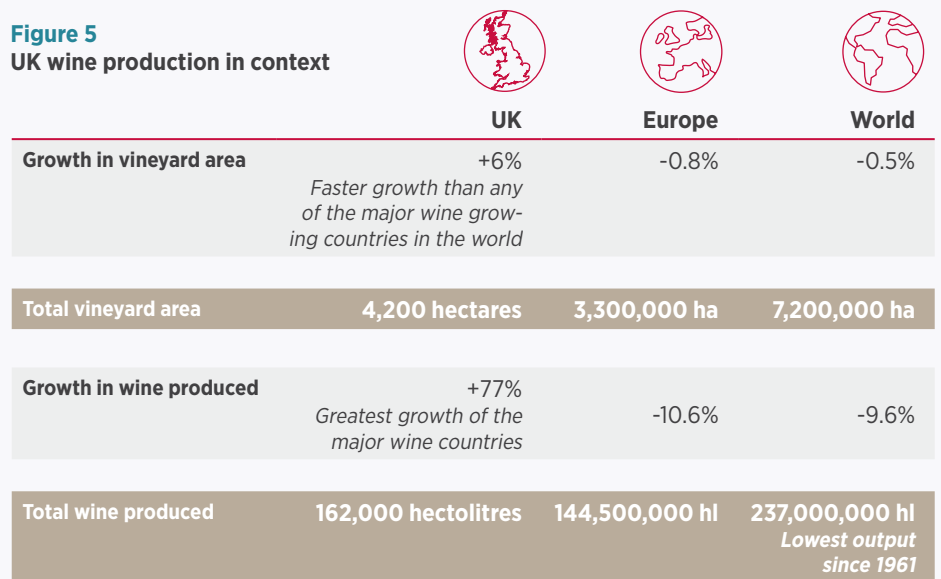
## IMPACT OF WEATHER AND DISEASE

Extreme weather and widespread fungal diseases severely impacted many vineyards worldwide, resulting in a historically low global wine production of 237 million hectolitres. This marked a 10% drop from 2022 and is the lowest output since 1961. In contrast, the UK had what WineGB has described as a ‘near perfect’ year with vineyards achieving very large crops.

Although the UK remains a very minor producer of grapes globally – at well under a tenth of a percent – it grew faster than any of the major wine growing countries in the world in 2023.

It also had the greatest growth in the amount of wine produced, growing by 77%, while global production fell by almost 10%.

**Figure 5**  
UK wine production in context



Sources: WineGB, English Wine, Wine Standards Branch of the Food Standards Agency and OIV. All data for 2023. NB A hectolitre is 100 litres.

## CLIMATE CHANGE ADAPTATION

Many vineyards and wine producers are already taking actions to reduce their carbon emissions and environmental footprint to try to reduce or mitigate their impacts.

The CREWS-UK (Climate RESilience in the UK Wine Sector) project, has just published a new report for the sector about the need to also make plans to adapt to the change in climate expected in the future.

The UK is expected to have greater variability in its weather, with more extreme events, including droughts, very high temperatures, heavy rainfall and ongoing frost risk.

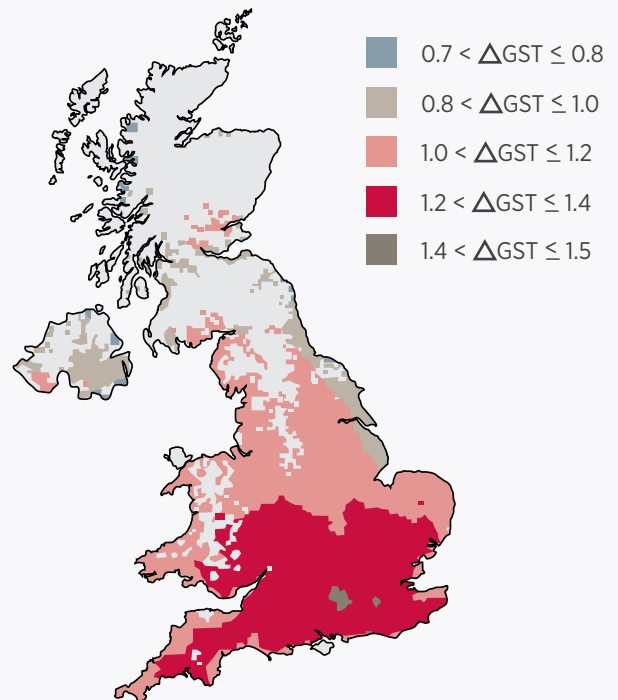
In south-east England, CREWS-UK says that the conditions that were ideal for growing grapes for high-quality sparkling wine may only occur in cooler years in the future. However, the UK will become more suitable for other commercially popular varieties, such as Sauvignon Blanc and Riesling, and for still wine production. The climate challenges will lead to greater variation in production, which is something we are already seeing for other crops.

We strongly believe that wine businesses, and the sector as a whole, should build climate adaptation into business plans and decision making now.

Choosing climate-resilient locations for vineyards, the right grape varieties and rootstock are all crucial, as is building greater resilience into supply chains, to deal with bumper and poor years. We know that many existing vineyards are not in the ‘optimal’ locations to be resilient to climate risks, which is a business risk.

Vines live for decades and many of the ways in which the sector develops now will set the stage for how it is able to cope with these future changes.

**Figure 6** Anticipated change in average growing season temperature (GST) between 1999–2018 and 2021–2041



*+1.2 degree warming expected for many vineyards between 2021 and 2041.*

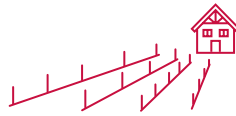
*This could exceed the very narrow ideal temperature range of current grape varieties.*

Source: Gannon et al., (2023) [Adapting to climate change risk and opportunity in the UK wine sector](#). Grantham Research Institute on Climate Change and the Environment, London School of Economics. The CREWS-UK project is funded by the UK Natural Environment Research Council, as part of the UK Climate- Resilience Programme.

## HOW STRUTT & PARKER CAN HELP



Identifying and securing land suitable for vines through purchases, long leases and joint ventures



Sales and purchase of existing vineyards and wineries



Valuations of wine businesses and specialist rating advice



Vineyard and winery business management advice, including financial planning



Planning, development and project management work for wineries and visitor centres



Grant applications for agri-environment and business development schemes



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