

ENGLISH ESTATES & FARMLAND MARKET REVIEW

WINTER 2024/25

FOR SALE
Trewothack Farm, Cornwall
Guide price: £6.1m as a whole

MARKET AT A GLANCE

Supply



Almost 100,000 acres were publicly marketed in 2024 – which is one of the highest amounts in more than a decade.



The majority of the 265 farms for sale were in southern England (70%) with the South West, South East, East Midlands and East of England remaining the most active regions.



The main reasons for vendors selling their farms are to capitalise on strong values, retiring and downsizing.

Demand



Demand continues to ease back from the very strong levels in 2021 and 2022, but the market is still active.



Over 30% of farms that launched in the first half of 2024 remain available, the highest level for five years. However, of those that have sold, over 70% achieved their guide price or more.



The proportion of farms bought by farmers rose slightly in 2024 to 53%. The proportion bought by lifestyle and private investors shrank, while the institutional and conservation buyers grew.

Pricing



The average price of arable land remains at £11,100/acre, so just below the record level of 2023. Almost 70% is selling for £10,000/acre or more.



The average pasture price also remains close to record levels. Over half now sells for £8,000/acre or more which, as for arable, is a change since 2022.

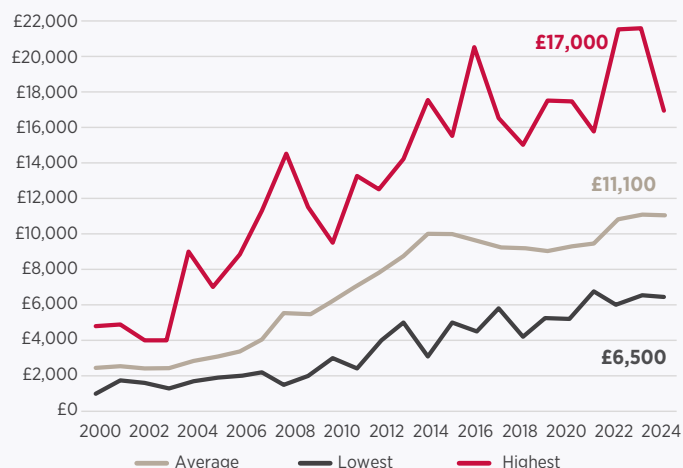


Very little land is now selling for less than £6,000/acre.

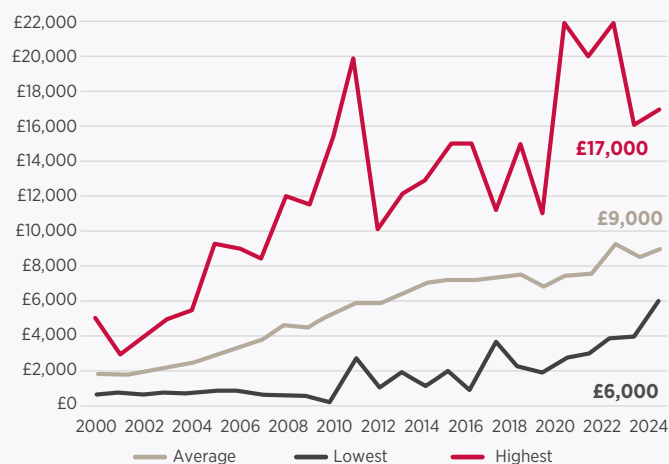
Figures 1 & 2 Strutt & Parker English arable and pasture sold price series (£/acre)

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. Therefore, they should only be used as a broad indicator of changes in prices.

Arable



Pasture



MARKET OVERVIEW

Farmland market resilient, despite significant headwinds

The changes announced to the inheritance tax regime in the Autumn Budget have led to scrutiny of trends in the farmland market. Over the past couple of months, we have been approached by a wide range of national media outlets for data on who buys land, what it is worth and what the IHT changes might mean for farmland values. We believe analysis of our Farmland Database helps to provide evidence-based insight and greater clarity around some of the issues raised as debate on the change in policy continues.

Our latest analysis shows that the average price of arable land remains high at £11,100/acre – only £100/acre less than the record level of 2023 – with more than two-thirds of arable land sold in 2024 achieving a price of £10,000/acre or more. Average pasture prices also remain close to record levels at £9,000/acre. However, there can be huge variation in the prices achieved, for example arable prices ranged from £6,500/acre to £17,000/acre.

As we predicted at this point last year, supply has risen during the past 12 months. The 97,700 acres launched to the open market across 265 farms is the most since 2011, if we exclude 2018 when the sale of one 13,000-acre business in the East of England inflated the figures. However, our feeling is that off-market sales have eased back over the same period, so overall the market remains reasonably well balanced. Although we mentioned in our last report that any changes to the tax regime announced in the

Budget might delay some launches in Q4 – because people tend to hold back at times of uncertainty – all of our vendors chose to press ahead and a number of these farms are now under offer.

We have been noting for some time that demand is not as strong as it was in 2021 and 2022, but despite this just over 70% of the farms sold in 2024 did so for their guide price or more. To date, we are not seeing signs of deals agreed before the Budget stalling and we continue to receive offers for land that is currently on the market. These offers are at similar levels to those we would have expected pre-Budget and come from a mix of farmers and investors.

Overall, despite the challenges posed by the Budget, bad weather, further cuts to subsidy payments and a squeeze on farm incomes, the market still feels very resilient. It is too early to know the full impact of all of these issues – not least because the tax changes are not due to take effect until April 2026 – but for now we have not seen any evidence of any fundamental change in supply, demand or the prices being paid.



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METHODOLOGY

All data in this report is produced on the following basis:

- Data is for whole years unless otherwise stated.
- Area of farmland publicly marketed is rounded to the nearest 100 acres.
- Privately marketed farmland has been excluded due to the difficulty of collecting comprehensive information.
- Main types of farm does not include minor ones, like horticulture and equestrian, and so the total in any tables may not equal the total number of farms marketed.
- Please also see the notes under most figures and the methodology section on the back page.



MARKET OUTLOOK

2024 was certainly an eventful year for the farmland market with the General Election and then the Budget causing uncertainty, while the wet weather has also put farm incomes under pressure. Despite this, the market remained active, and we saw many of the farms and estates we launched selling very well.

There has been speculation among some commentators that reducing the tax benefits associated with owning land means that demand from investors will weaken and prices could fall. However, we are expecting values to remain broadly stable for a variety of reasons.

One of the central arguments put forward by those in favour of the changes to Agricultural Property Relief and Business Property Relief is that it will reduce the incentive for wealthy buyers to acquire agricultural land. Our data shows that non-farmers have been playing a growing role in the market in recent years. In 2024 they accounted for 47% of transactions compared to the historical 40%, with the proportion higher in 2023 and 2022. It is important to note that much less than 1% of agricultural land is bought and sold each year, so these figures are not representative of wider land ownership.

In our experience, people's reasons for buying land remain varied and multiple, with IHT reliefs being just part of the picture. Buyers tend to have very personal reasons for wanting to invest in land – they may want to start farming; have rollover money to invest; be focused on conservation; or simply seeking a property which offers them privacy and amenity. A proportion of non-farmer buyers – corporate businesses, charities and pension funds – are not subject to IHT. There are also likely to be high net worth individuals who will not be deterred by the prospect of a 20% IHT

charge on land assets because, compared to other investments, it is still a favourable rate and there are measures they can use to transfer the land before inheritance tax might be triggered.

If supply were to increase significantly then there would be downward pressure on values. However, while we have a healthy pipeline of new launches lined up for this spring, we are not expecting supply to rise significantly. If, post-April 2026, farming businesses need to sell land to pay for IHT liabilities, the volume coming forward in any one year is still likely to be relatively limited. This will particularly be the case as people start to understand the different ways to plan to reduce the new IHT liabilities.

Overall, our feeling is that there are some incredibly popular areas of the country where the land market has been very strong and is likely to continue to be so. It is arguably more of a buyer's market than it was a couple of years ago, but scarcity still underpins it with limited opportunities to acquire land in specific postcodes. Farms with the potential to generate diverse income streams, with strong environmental potential or in affluent areas are likely to continue to be popular – among both farmers and investors.

There are some less-populated parts of the country – those dominated by farmer-buyers who are almost entirely dependent on the income that can be derived from the land – where values are already lower and farms do take longer to sell. In these areas, the IHT changes may have more of an impact, resulting in a softening of prices, but we are still not anticipating significant changes.



SUPPLY

Area of farmland marketed

Despite a less active final quarter of the year, almost 100,000 acres were publicly marketed in 2024, which is the most since 2011 (if we exclude 2018 which was inflated by an exceptionally large sale).

The majority of the land launched was in the southern half of England (73,800 acres) and all of the regions in the south had significantly more land for sale than the five-year average. 24,100 acres were marketed in northern England, which is

the same as the five-year average, but it is less than in 2023.

It is impossible to pin down a clear trend for why people have chosen to sell. Some vendors have certainly been motivated by the desire to benefit from the record prices for land being paid over the past couple of years, while others have been retiring and downsizing. Only a very small proportion of sales have been due to debt or bankruptcy.

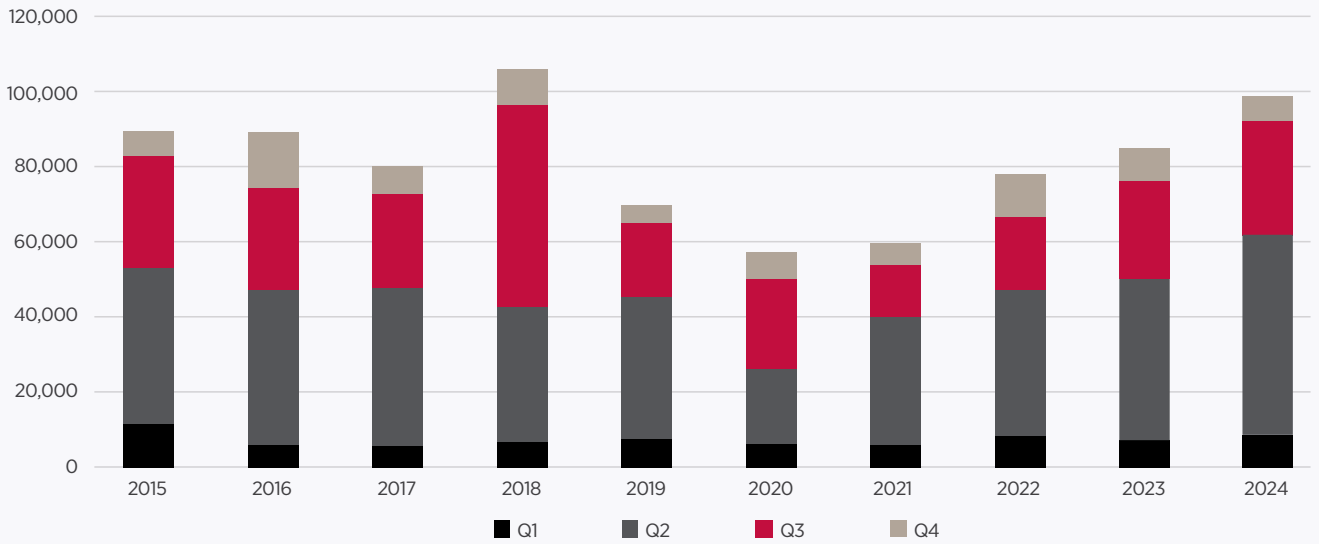
Figure 3 Area of farmland publicly marketed in England (acres)

N.B. Data is for whole years unless otherwise stated. Area of farmland publicly marketed is rounded to the nearest 100 acres. Privately marketed farmland has been excluded due to the difficulty of collecting comprehensive information.

	East Mids	East of England	North East	North West	South East	South West	West Mids	Yorks & Humber	England
2020	6,800	11,300	3,600	4,200	7,700	15,400	5,000	2,500	56,500
2021	7,300	10,700	3,100	11,600	9,600	9,300	2,600	4,900	59,100
2022	4,900	18,700	4,100	13,900	12,900	11,000	5,100	7,300	77,800
2023	13,700	14,100	14,200	5,400	11,600	12,400	8,100	4,500	84,000
2024	18,500	16,600	6,600	6,700	15,300	23,400	4,000	6,800	97,700
Five-year ave	10,240	14,280	6,320	8,360	11,420	14,300	4,960	5,200	75,020
% diff from ave	81%	16%	4%	-20%	34%	64%	-19%	31%	30%



Figure 4 Area of farmland publicly marketed in England (acres) by quarter



Number of farms marketed

The increase in area is now, in part, due to more farms for sale, although the average area of the farms has also been increasing.

The majority of the farms were in southern England (70%) with the South West, South East, East Midlands and East of England remaining the most active regions.

Figure 5 Number of farms publicly marketed

	East Mids	East of England	North East	North West	South East	South West	West Mids	Yorks & Humber	England
2020	23	37	12	20	27	47	30	9	205
2021	26	32	13	22	39	40	13	18	203
2022	23	32	10	33	40	44	24	16	222
2023	36	47	12	18	37	57	32	15	254
2024	41	40	15	25	42	60	17	25	265
Five-year ave	30	38	12	24	37	50	23	17	230
% diff from ave	38%	6%	21%	6%	14%	21%	-27%	51%	15%

Types of farm marketed

The majority of farms for sale were arable and mixed ones. There was a slight increase in the number of lowland livestock farms for sale, which we will monitor in case it becomes a trend.

There has been an increase in the number of large farms for sale, with 42 farms over 500 acres marketed, which is the most for six years, and the majority of them (33) were in the southern half of England.

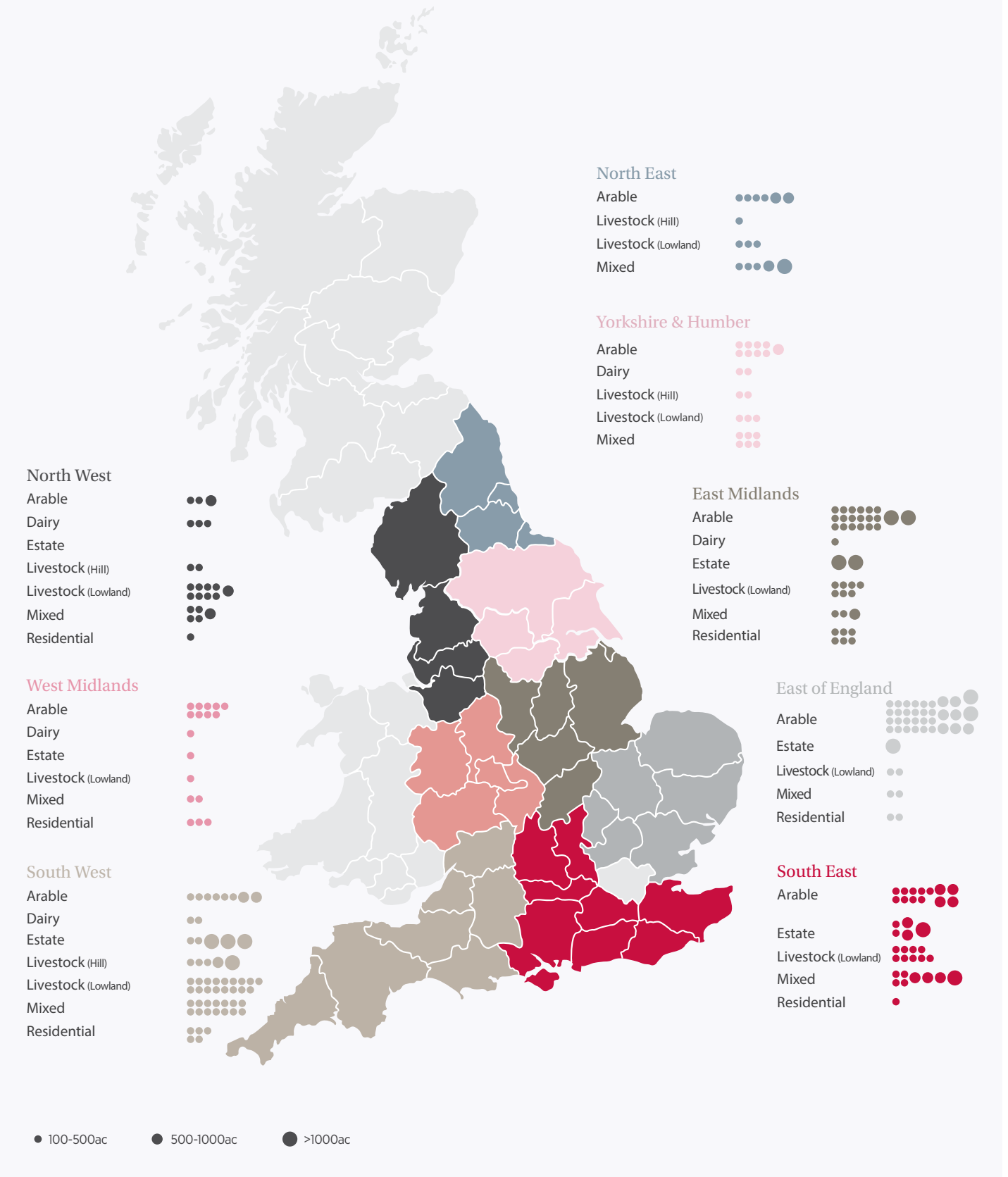
Figure 6 Main types of farm publicly marketed

N.B. Main types of farm does not include minor ones like horticulture and equestrian and so the sum of this data does not equal the total number of farms in figure 5.

	Arable	Estate	Livestock (Hill)	Livestock (Lowland)	Mixed	Residential	Dairy
2020	77	7	7	32	34	20	17
2021	74	11	12	34	25	16	8
2022	70	11	19	28	30	17	11
2023	114	7	12	41	35	15	10
2024	101	14	10	51	45	18	9
Five-year ave	87	10	12	37	34	17	11
% diff from ave	16%	40%	-17%	37%	33%	5%	-18%

Figure 7 Main types of farm marketed by size and region

N.B. Main types of farm does not include minor ones like horticulture and equestrian and so the sum of this data does not equal the total number of farms in figure 5.



DEMAND

Proportion of farms selling

Over 70% of farms which exchanged or went under offer in 2024 did so for their guide price or more, which is well above 2023's levels and equal to the five-year average.

However, demand has continued to ease back from the very strong levels in 2021 and 2022.

The proportion of farms marketed in the first half of 2024 that had exchanged or were under offer by the end of the year fell back to the lowest level of the past five years. Farms in the southern half of England were more likely to have sold than those in the north.

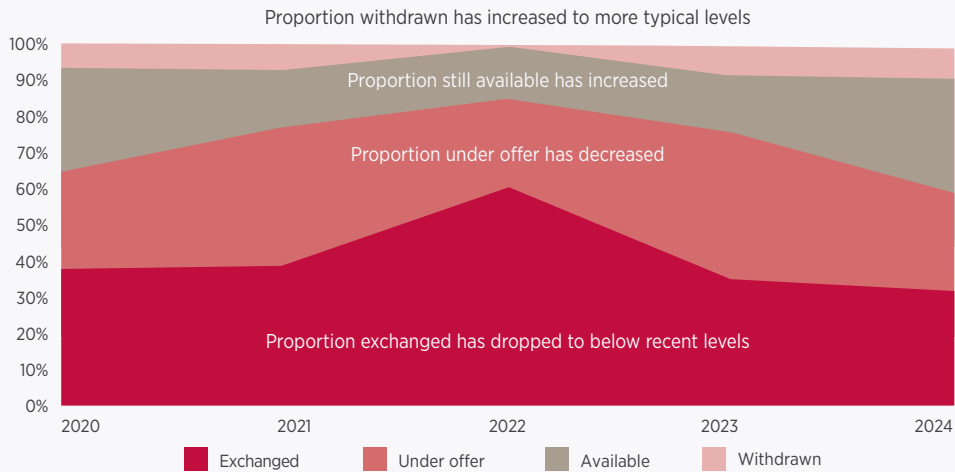
The percentage of farms withdrawn also increased and is now above the five-year average.

Cereals, dairy and mixed farms remain the most likely to have sold, followed by livestock farms, with estates and residential farms the least likely, possibly reflecting the general weakness in the residential market.

Larger farms (over 500 acres) are also less likely to have sold, in part reflecting the weakening in the estate market and also the need to invest £5m or more.

Figure 8 Speed of land transactions – % of farms sold (exchanged)

N.B. Data shows the sale status by number of sales, not acres. Data captures the sales status on 31 December of land marketed during the first six months of each year, to give the farms time to sell. Privately marketed farmland has been excluded due to the difficulty of collecting comprehensive information.



Buyer types

Our buyer type data is useful to identify longer-term trends, but it is important to note that less than 1% of agricultural land is bought and sold in any one year, so the figures do not reflect wider land ownership.

The market feels quite dynamic in terms of changes in buyer type.

The proportion of farms bought by farmers rose slightly in 2024 to 53%, from below 50% in 2022 and 2023.

The proportion bought by both private investors and lifestyle buyers fell to 35%, possibly reflecting the more challenging residential market. This is below the 10 year-average of 39% and well below the high levels in 2022 and 2023.

The past two years have seen more activity by institutional and conservation buyers than in the past decade.

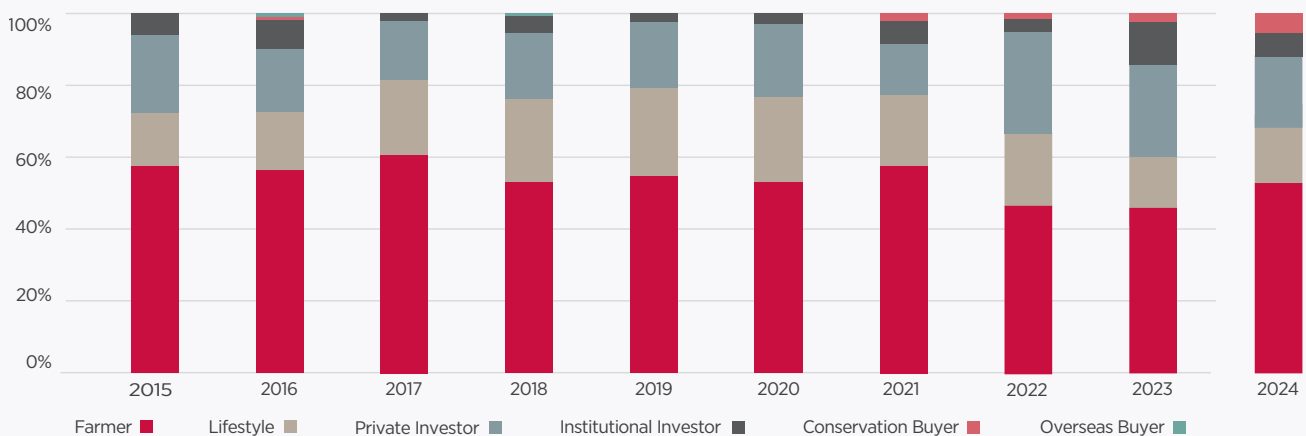
Farmers bought most of the dairy and livestock farms, about half of the cereals and mixed farms but were less active than the other types of buyer for amenity and residential farms and estates.

Farmers bought land in all regions while the lifestyle buyers were more focused on the South East, with the private and institutional investors predominantly buying larger farms than the average in the East of England and East Midlands.

The reasons for buying land remain varied and multiple. For farmers, the most common reasons are upsizing their business, buying neighbouring land if it becomes available and rolling over capital gains, often from development. The reasons are similar for private investors but also include capital tax benefits.

Figure 9 Buyer type

N.B. Data is by number of sales, not acres. The year is when the farmland was sold (exchanged) and is for whole years unless otherwise stated.



PRICING

Average price and sale price bands

Almost 70% of sales of arable land are being agreed at £10,000/acre or more, which has become the norm since 2022. The average price of arable land is £11,100/acre, so just below the record level of 2023.

Over half of pasture now sells for £8,000/acre or more which, as

for arable, is a change since 2022. The average pasture price also remains close to the record level of 2022, although there is greater variability in prices due to the greater range in quality of grassland.

Very little land is now selling for less than £6,000/acre.

Figure 10 Average sale price of arable and pasture farmland (£/acre)

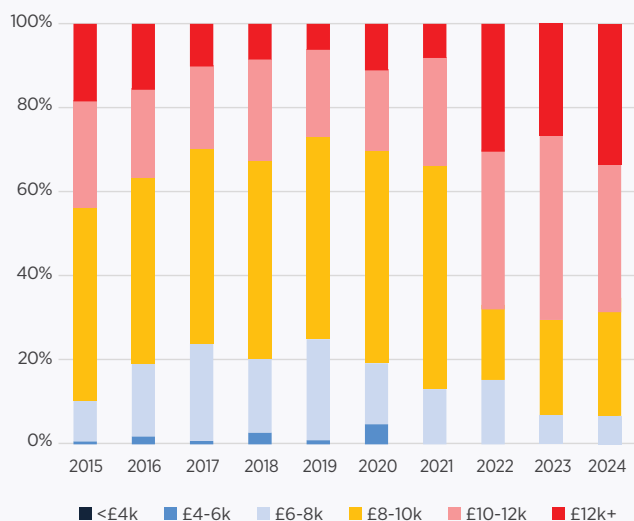
N.B. The year is when the farmland was sold (exchanged) and is for whole years unless otherwise stated. Although we have stripped out the value of buildings and houses, the data can still be affected by differences in the quality and location of the land sold. Therefore, they should only be used as a broad indicator of changes in prices.

	Arable	% change during year	Pasture	% change during year
2015	£10,000		£7,300	
2016	£9,600	-4%	£7,200	-1%
2017	£9,200	-4%	£7,400	3%
2018	£9,200	-1%	£7,600	2%
2019	£9,000	-2%	£6,900	-9%
2020	£9,300	3%	£7,500	9%
2021	£9,500	2%	£7,600	1%
2022	£10,900	15%	£9,300	22%
2023	£11,200	3%	£8,500	-8%
2024	£11,100	<-1%	£9,000	6%

Figures 11 & 12 Agreed sale price of arable and pasture farmland, by price band (£/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. Therefore, they should only be used as a broad indicator of changes in prices.

Arable



Pasture

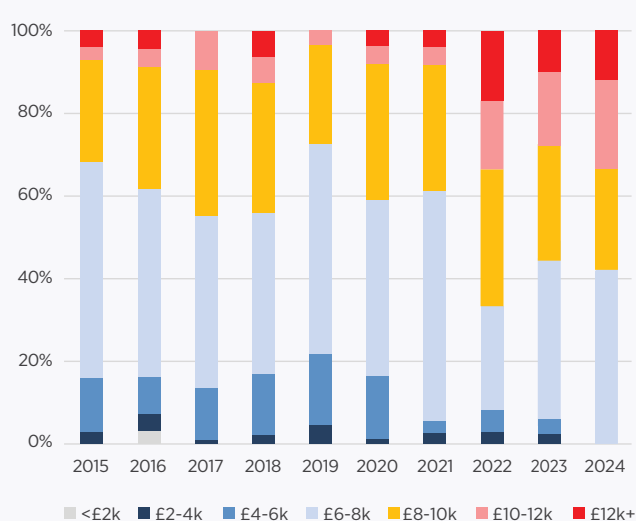


Figure 13 Estimates of bottom 25% and top 25% prices for arable and pasture farmland by region (£/acre and % annual change)

The prices are based on the opinions of our regional agents, as it is not possible to calculate reliable regional values based on the small number of sales in each region. Prices are for vacant arable and pasture land only (i.e. it excludes the value of houses or buildings). Bottom 25% means if 100 farms were valued, the price of the 25th farm from the bottom. Percentage annual change is the change from the same quarter in the previous year.

South East

	Arable	Pasture
Bottom 25% (change)	£7,500 (-4%)	£6,000 (-2%)
Top 25% (change)	£11,000 (-7%)	£9,000 (0%)

South West

	Arable	Pasture
Bottom 25% (change)	£8,000 (3%)	£6,000 (0%)
Top 25% (change)	£12,000 (2%)	£10,000 (8%)

East of England

	Arable	Pasture
Bottom 25% (change)	£8,000 (-6%)	N/A
Top 25% (change)	£11,000 (-4%)	N/A

East Midlands

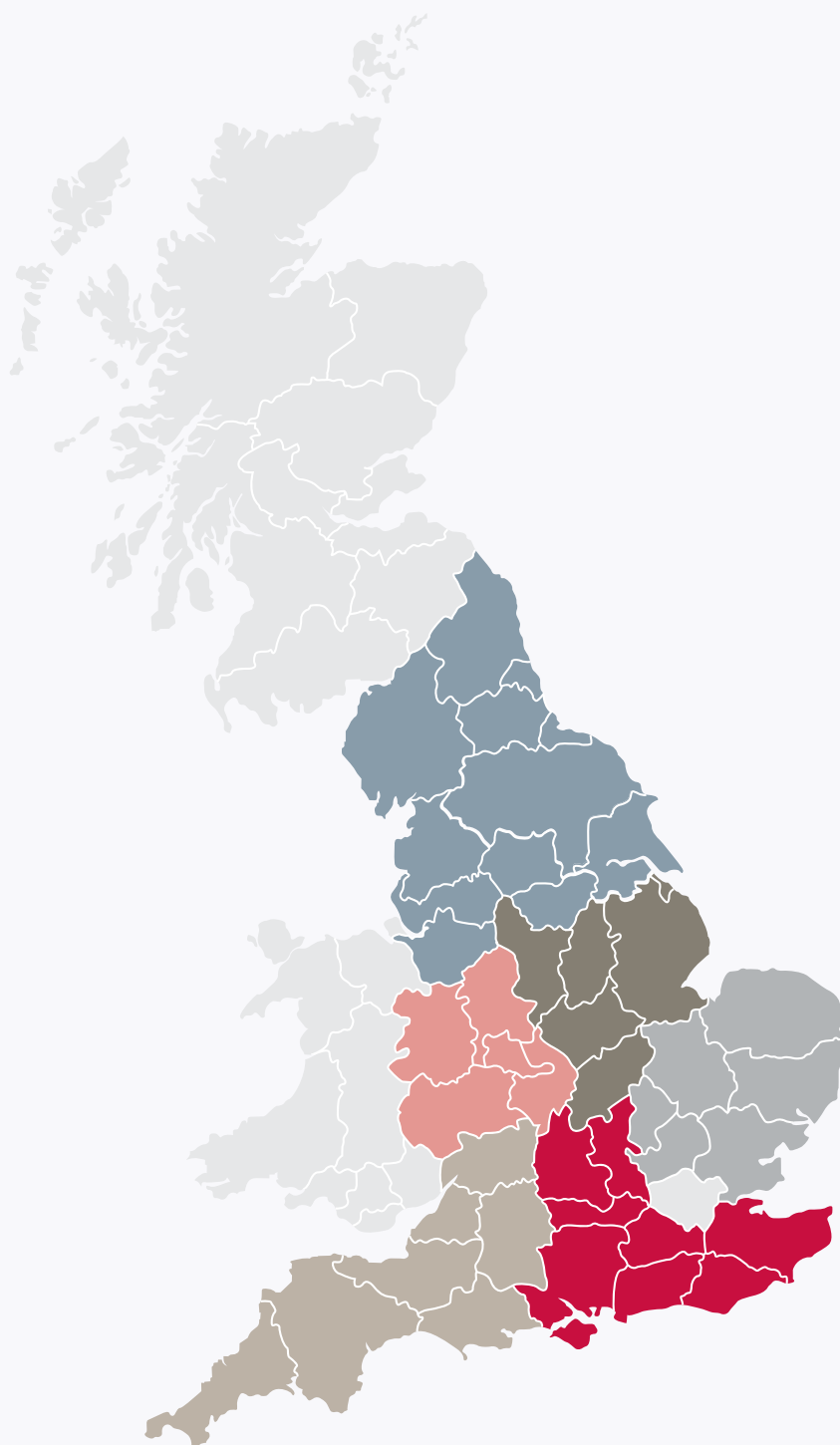
	Arable	Pasture
Bottom 25% (change)	£7,800 (4%)	£6,600 (0%)
Top 25% (change)	£12,500 (2%)	£9,500 (2%)

West Midlands

	Arable	Pasture
Bottom 25% (change)	£9,000 (-10%)	£7,500 (-6%)
Top 25% (change)	£12,500 (4%)	£9,500 (6%)

North

	Arable	Pasture
Bottom 25% (change)	£7,750 (3%)	£6,000 (0%)
Top 25% (change)	£14,000 (12%)	£9,000 (3%)



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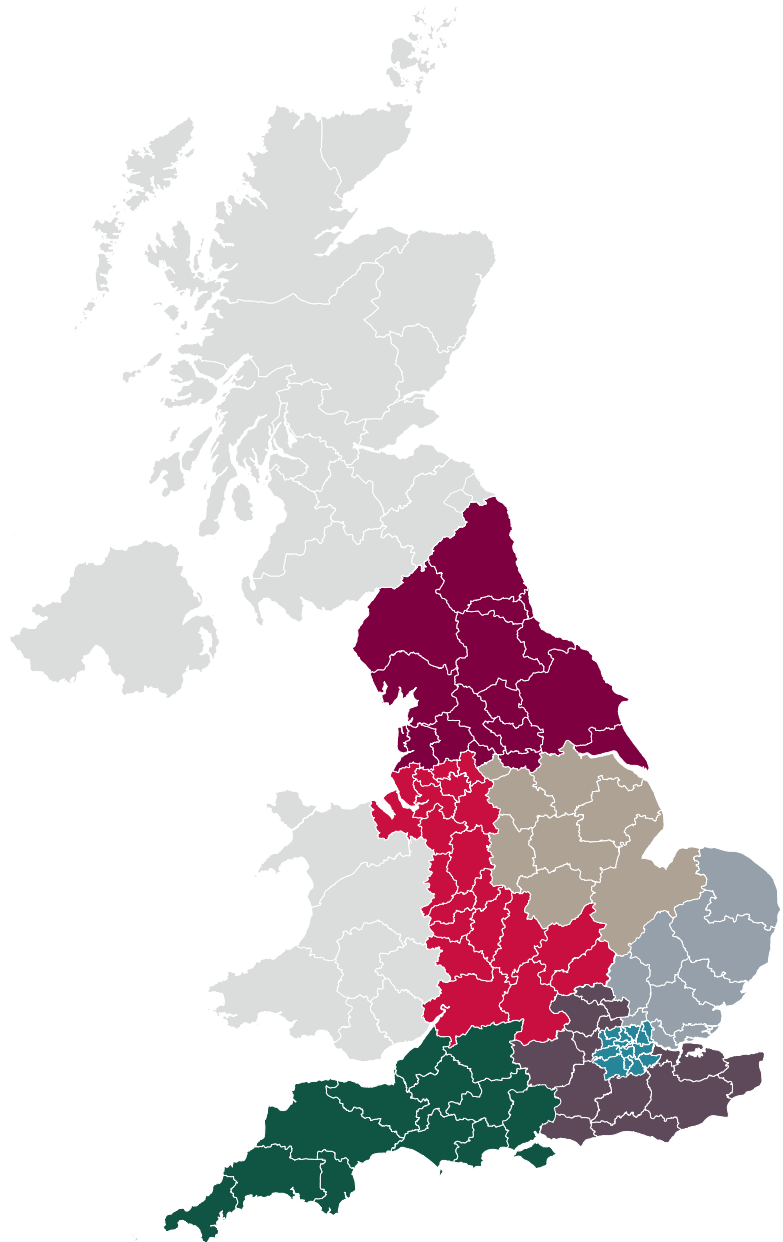
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Methodology

All data in this market report is from Strutt & Parker's Farmland Database of privately and publicly marketed farmland over 100 acres in England. 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 national prices stated in this report are based on sold prices. Once a farm is exchanged, we have assumed it is sold, following HMRC custom.

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