

# SCOTTISH FARMLAND MARKET REVIEW 2024

## STUCKENDROIN, LOCH LOMOND

A magnificent amenity estate located within the Loch Lomond and The Trossachs National Park on the shores of Loch Lomond.

3,611 acres | Under Offer

## MARKET AT A GLANCE

### Supply



Almost 33,000 acres of farmland were publicly marketed in 2024, which is more than in 2023 and above the five-year average. Most regions had more land for sale than on average.



Over 100 farms were marketed, only the third time more than 100 were marketed in the past 20 years.



Supply was above the five-year average in all regions apart from the Borders.

### Demand



Demand remains strong with over 75% of the farms marketed in the first half of 2024 already under offer or having missives concluded.



While firm, demand has weakened from the particularly high demand years of 2020, 2021 and 2022.



Demand has been strong for all farm sizes and at all price points, but is particularly strong for farms under 500 acres.

### Pricing



Generally, land values increased in 2024, albeit by a smaller amount than in previous years. However, upland pasture prices fell.

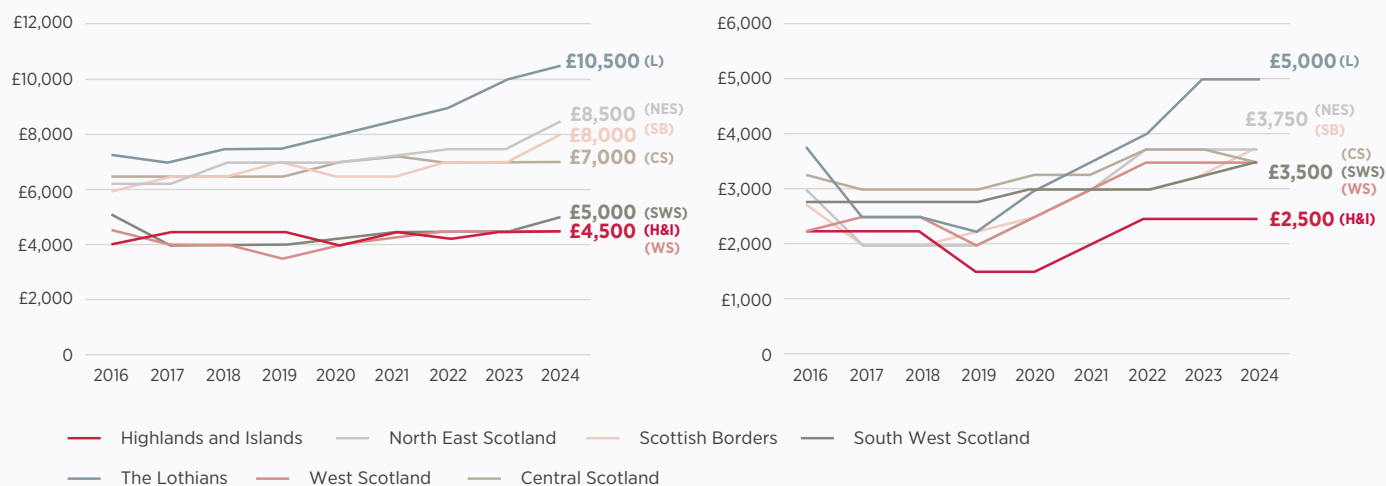


The average value of prime arable land on the east coast increased to approximately £10,500/acre.



Value of hill ground suitable for tree planting reduced further from 2023 levels, although forestry investors have returned to the market.

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



## MARKET OVERVIEW

### Outlook more positive, following unsettled year for Scotland's farmland market

2024 proved to be a slower year for the Scottish farmland market. A mix of the weather, shifting agricultural policy framework, the general election and then the changes to the inheritance tax regime announced in the Budget caused uncertainty, which dampened market activity.

There was a rise in supply with almost 33,000 acres across 105 farms coming to the open market, compared with 26,200 acres across 85 farms in 2023. A couple of sizeable launches on the private market also boosted the volume of land available.

It is often hard to pinpoint trends in people's motivations for selling – it tends to be a complex decision and there can be multiple factors – but it did feel as if some of the increase was driven by vendors at retirement age wanting to get ahead of changes in the policy framework and the tax regime.

It is worth noting that while it is above the five-year average, supply was not the highest it has been in recent years. The volume of land publicly marketed in Scotland has been extremely varied in recent times, ranging from a low of 15,400 acres in 2020 to a high of 41,000 acres in 2022.

Given the uncertainties, it is perhaps not surprising that demand felt quite unpredictable. It was a year when some farms sold relatively quickly, but others remained stuck on the market, often for no discernible reason.

Overall, there is still strong interest in land from both farmers and investment funds. However, buyers are being more cautious in their approach because of the uncertainties they face and the cost of borrowing. As a result, sales are typically taking longer, and the prices paid for farmland continue to be highly variable across Scotland.



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## MARKET OUTLOOK

It has been a more positive start to 2025, which potentially signals that despite the headwinds facing the rural sector people feel at least they are now in a better place to make informed decisions. It is interesting to note there were a number of farms launched into the market in January, which is a period that is usually very quiet when it comes to marketing properties. We are also seeing offers being made for farms launched last year.

One of the most common questions we are asked is around the likely impact of the inheritance tax reliefs available to farmers which are changing in April 2026. For existing farming businesses, this has focused attention on tax and succession planning to find ways to mitigate future IHT liabilities. However, in general, our view is that the impact on land values may be relatively limited for a range of reasons.

In our experience, people's reasons for buying land remain varied, with IHT reliefs just one in a long list of motivations. Demand for land for uses other than, or in addition to, agricultural production continues to intensify – particularly from investment funds, charities and corporate businesses, who will be unaffected by changes to IHT. Indeed, after a quieter period in 2024, there are signs that investment funds are already becoming more active in the marketplace.

If supply was to increase significantly then there would be downward pressure on values, but this seems unlikely to happen in 2025. Even 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. Overall, we expect there to be a slight increase in the number of farms brought to market in 2025 as a result of the changing political and tax landscape.

The return of investment funds interested in large blocks of land for carbon sequestration and commercial forestry, albeit at lower levels than in previous years, will help to prop up an upland market that has dipped in the past couple of years. Good arable and productive pasture remains in high demand from farming businesses looking to expand acreages for food production. In the past few years we have seen a reduction in the number of interested parties making offers for farms. However, there is still a large pool of buyers, be that farmers, investors or rollover buyers looking for land and therefore we believe that values will remain firm in 2025.

## 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 table may not equal the total number of farms marketed.
- Please also see the methodology section on the back page.

## SUPPLY

### Area of farmland marketed

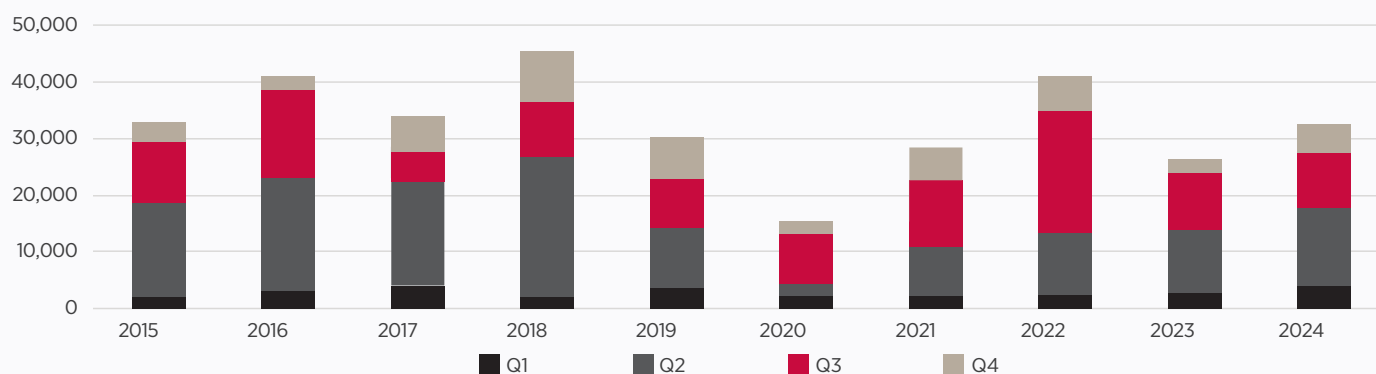
Almost 33,000 acres of farmland were publicly marketed in 2024, which is 7,000 acres more than in 2023 and above the five-year average. Most regions had more land for sale than on average.

**Figure 3 Area of farmland publicly marketed in Scotland (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.

	Highlands and Islands	The Lothians	Central Scotland	North East Scotland	Scottish Borders	South West Scotland	West Scotland	Scotland
<b>2020</b>	3,700	400	1,400	4,700	600	3,400	1,200	15,400
<b>2021</b>	6,500	1,300	4,300	6,700	1,000	4,800	3,500	28,100
<b>2022</b>	14,600	600	7,100	7,800	2,400	5,900	2,600	41,000
<b>2023</b>	4,000	300	4,100	3,500	4,700	6,500	3,200	26,200
<b>2024</b>	3,700	1,100	5,600	9,300	3,900	5,300	3,600	32,600
<b>Five-year ave</b>	6,500	740	4,500	6,400	2,520	5,180	2,820	28,660
<b>% diff from ave</b>	-43%	49%	24%	45%	55%	2%	28%	14%

**Figure 4 Amount of farmland publicly marketed in Scotland (acres) by quarter**



### Number of farms marketed

A total of 105 farms were publicly marketed in 2024, which is only the third time more than 100 were marketed in any of the past 20 years. Supply was above the five-year average in all regions except for the Borders, with well above average numbers of farms in the North East.

**Figure 5 Number of farms publicly marketed**

	Highlands and Islands	The Lothians	Central Scotland	North East Scotland	Scottish Borders	South West Scotland	West Scotland	Scotland
<b>2020</b>	6	1	6	13	2	15	7	50
<b>2021</b>	15	2	16	17	5	16	6	77
<b>2022</b>	10	3	20	21	7	18	11	90
<b>2023</b>	9	2	11	14	15	22	12	85
<b>2024</b>	12	2	19	32	6	19	15	105
<b>Five-year ave</b>	10	2	14	19	7	18	10	81
<b>% diff from ave</b>	15%	0%	32%	65%	-14%	6%	47%	29%

## Types of farms marketed

The increase in supply was not due to an increase in a particular type of farm. The number of farms marketed was above average for all types, apart from hill farms, where it was just below typical levels.

**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 may not equal the total number of farms in figure 5.

	Arable	Livestock (Hill)	Livestock (Lowland)	Mixed	Residential	Dairy
<b>2020</b>	11	9	18	6	2	4
<b>2021</b>	19	11	21	23		3
<b>2022</b>	18	23	19	27	1	2
<b>2023</b>	18	10	20	30	1	6
<b>2024</b>	28	9	27	31	2	8
<b>Five-year ave</b>	19	12	21	23	2	5
<b>% diff from ave</b>	49%	-27%	29%	32%	33%	74%

## Size of farm

The majority of farms for sale were below 500 acres (87% in 2024) and there was a slight fall in the number and proportion of farms for

sale over 500 acres (13% compared with the five-year average of 16%). Two-thirds of the larger farms were in the South West and the North East.

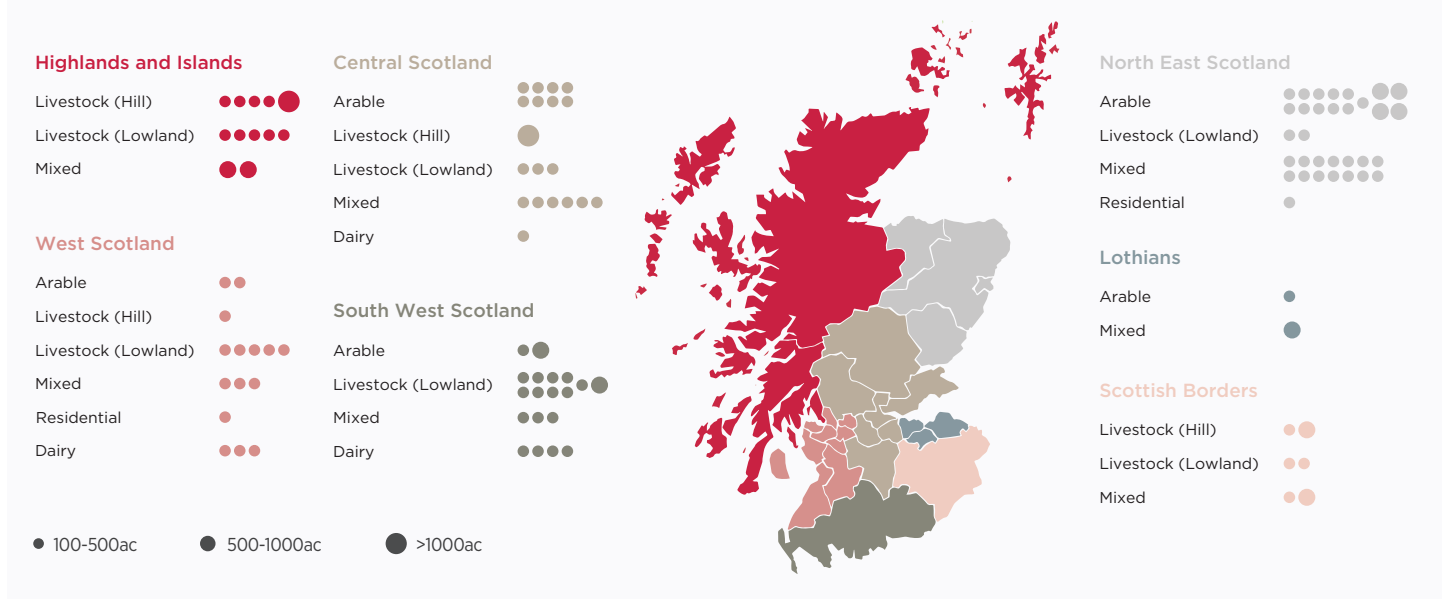
## Reasons for selling

From our experience of the market this year, the main reason for selling remains retirement, with farmers looking to cash in their assets at a time when the farmland market is strong.

Many retiring in 2024 did so as a result of continued economic uncertainty, perceived future challenges in the agricultural sector, changes in government and the most recent tax changes.

**Figure 7 Main types of farm publicly 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 6.



## DEMAND

Over 75% of the farms marketed in the first half of 2024 are already under offer or have missives concluded, with demand particularly strong for cereal farms.

Demand has also been strong in Central Scotland and in the Borders. It has been strong for all farm sizes and at all price points, but is particularly strong for farms under 500 acres.

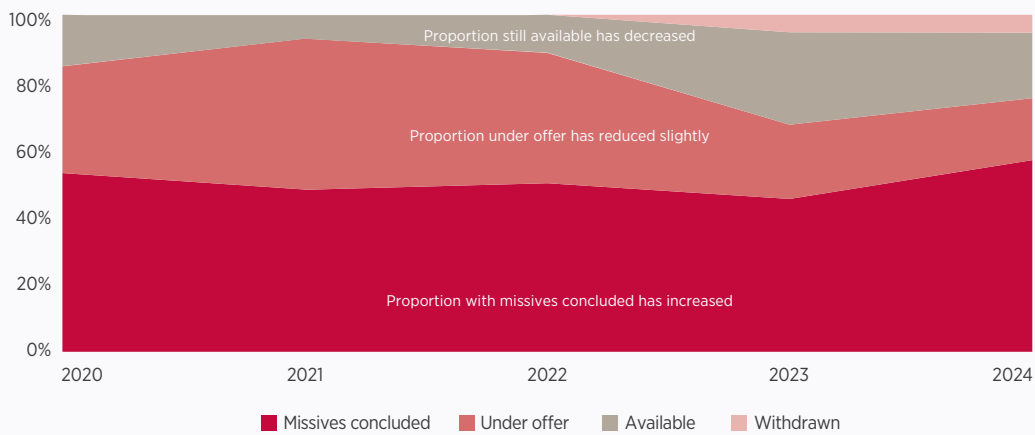
### Strength of demand

To measure the strength of demand for farms, we analyse the proportion that are under offer or which have missives concluded. We capture the sale status on 31 December of land marketed during the first six months of each year, to give the farms time to sell.

Although the proportion of farms under offer or with missives concluded has increased slightly, showing strong demand, it is still slightly below the proportions in 2020, 2021 and 2022, which were years with particularly high demand.

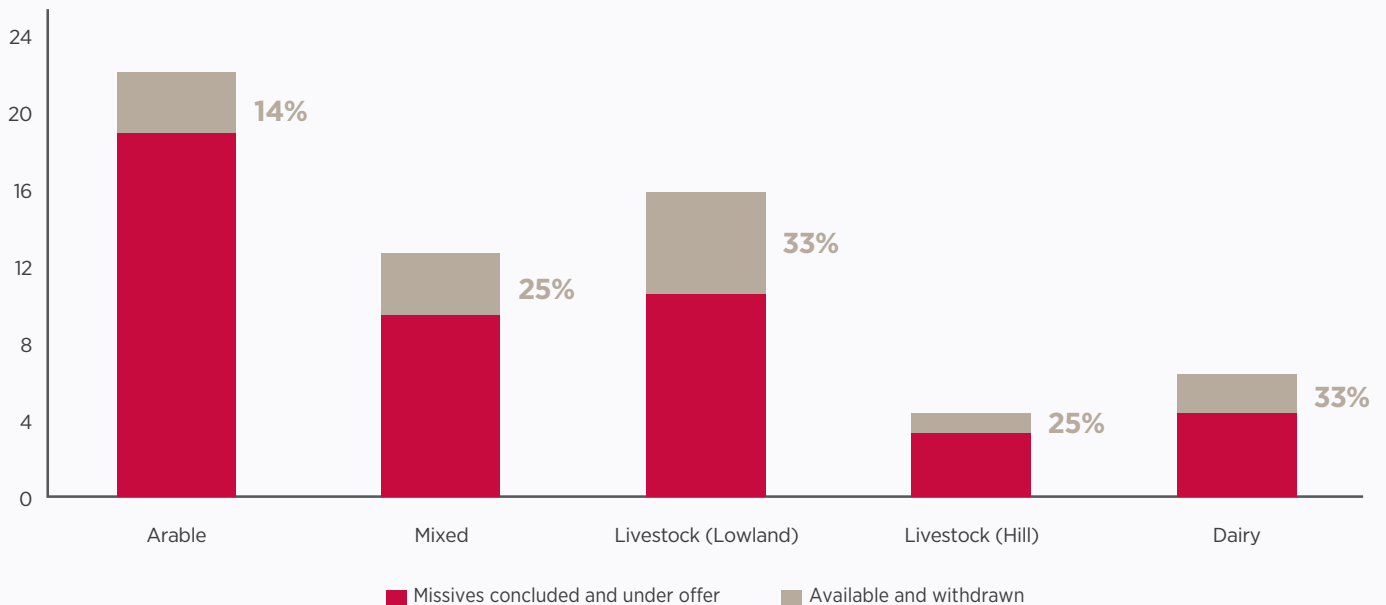
**Figure 8 Proportion of farms with missives concluded**

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



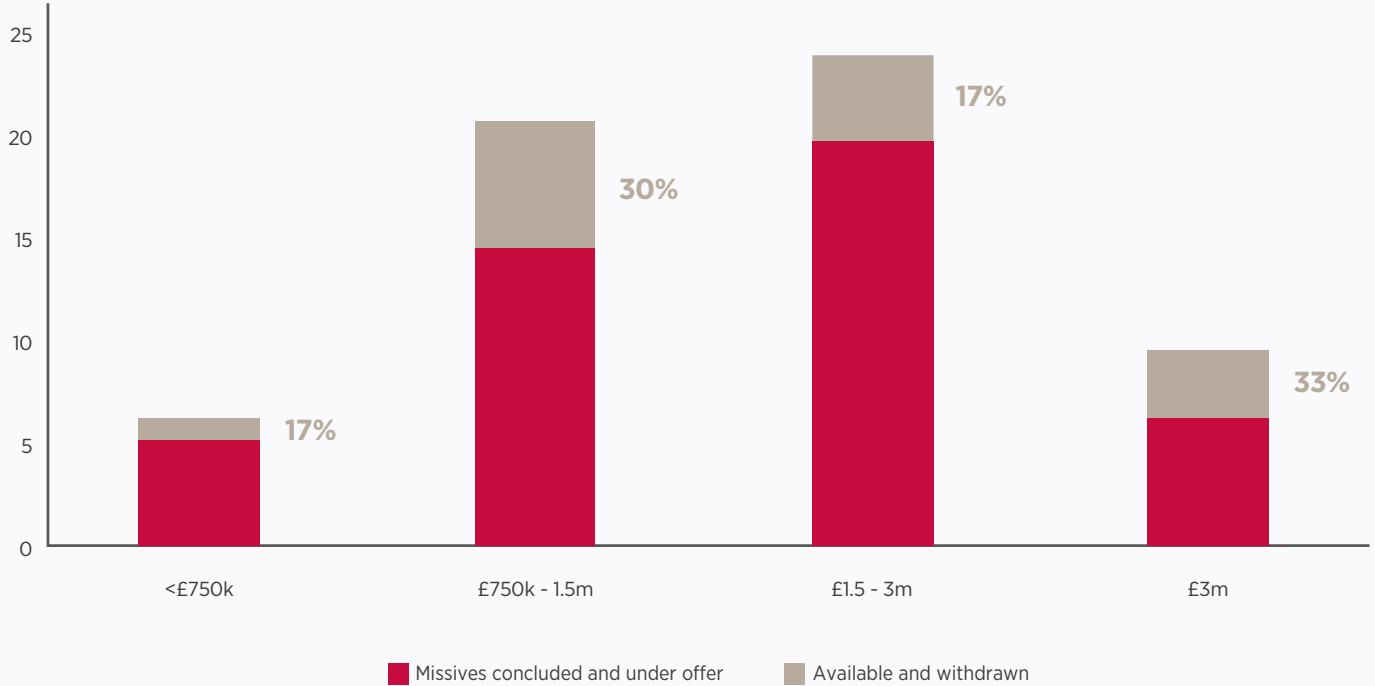
**Figure 9 Number of farms marketed in 2024 by farm type and sale status**

N.B. Data captures the sales status of land marketed during the first half of 2024, so that the land has had time to sell. Privately marketed farmland has been excluded due to the difficulty of collecting comprehensive information.



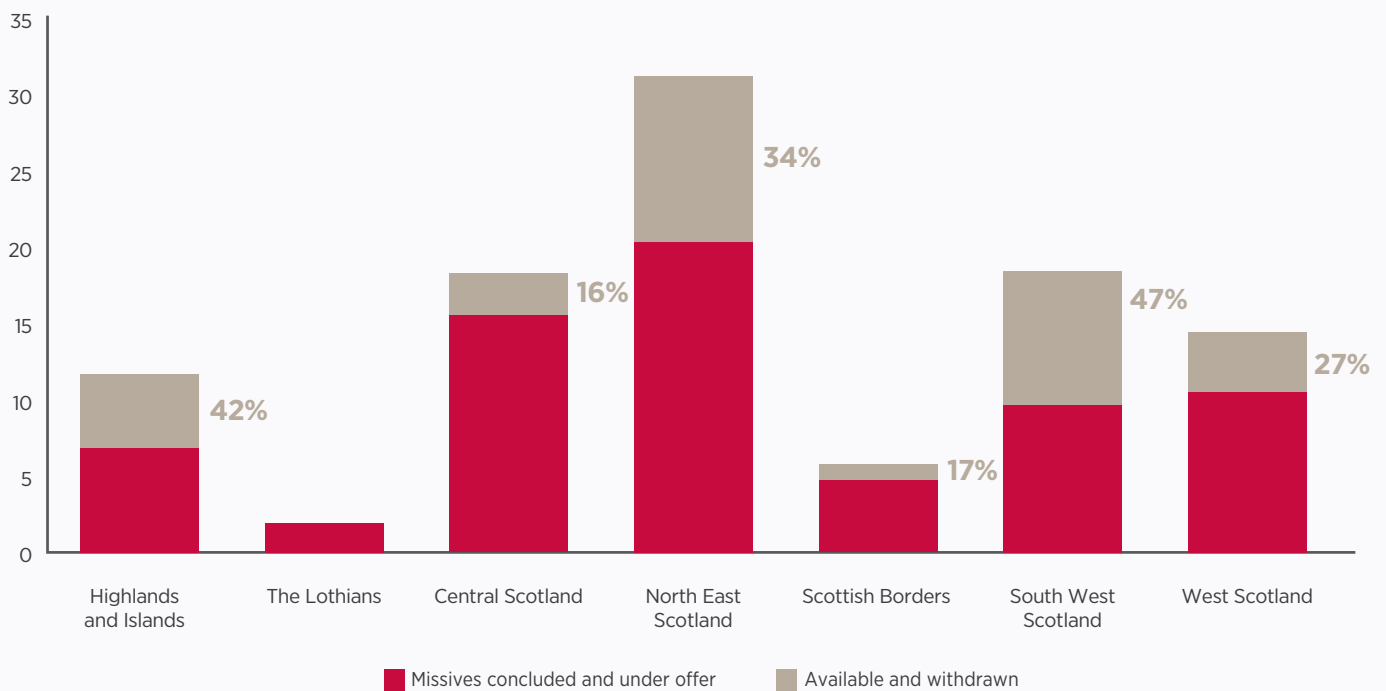
**Figure 10 Number of farms marketed in 2024 by asking price bands and sale status**

N.B. Data captures the sales status of land marketed during the first half of 2024, so that the land has had time to sell. Privately marketed farmland has been excluded due to the difficulty of collecting comprehensive information.



**Figure 11 Sale status of farms marketed in 2024 by region**

N.B. Data shows the sale status by number of sales, not acres. Data captures the sales status of land marketed during the first half of 2024, so that the land has had time to sell. Privately marketed farmland has been excluded due to the difficulty of collecting comprehensive information.



## Buyer types

Farmers continue to be the predominant buyer of farms and farmland, as people seek to take advantage of opportunities to expand and improve their farming businesses.

There are signs that investors are returning to the market after a quieter period, keen to purchase land for afforestation. However, the number of buyers looking for properties for carbon offsetting and Environmental, Social and Governance (ESG) type projects has reduced compared with

2023. The very strong demand witnessed in 2022 and 2023 from this type of buyer has reduced significantly.

Agricultural land also continues to be perceived as a safe investment, with a number of new investor buyers coming into the market in 2024 keen to buy land for tax, capital growth, amenity, lifestyle and environmental reasons. Recent changes to the UK tax regime have been a cause for concern, yet demand from these buyers remains strong.

## PRICING

In general, land prices rose in 2024, albeit by a small amount. However, this was not the case for all land types, with the values paid for upland land suitable for tree planting reducing further. Typical prices for this type of land fell by around £500/acre to £3,000 - 3,500/acre, although this is still higher than traditional agricultural values.

There were only a small number of open market transactions of arable land in the Lothians and Scottish Borders, but the average prices paid based on a number of private transactions were around £10,500/acre and £8,000/acre respectively, but values do vary greatly depending on location.

**Figure 12 Estimates of bottom 25%, average and top 25% prices for arable and pasture farmland by region (£/acre)**

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.

	Arable			Pasture		
	Bottom 25%	Average	Top 25%	Bottom 25%	Average	Top 25%
Highland and Islands	£3,750	£4,500	£6,500	£1,500	£2,500	£3,500
Lothians	£6,750	£10,500	£15,000	£2,750	£5,000	£5,500
Central Scotland	£5,500	£7,000	£10,000	£2,000	£3,500	£5,000
North East Scotland	£4,750	£8,500	£13,000	£2,000	£3,750	£5,000
Scottish Borders	£5,000	£8,000	£11,500	£2,000	£3,750	£5,500
South West Scotland	£4,250	£5,000	£6,250	£2,000	£3,500	£4,500
West Scotland	£3,750	£4,500	£5,500	£2,000	£3,500	£4,500

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#### 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 concluded missives 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, unless otherwise stated. Once a farm concludes missives, we have assumed it is sold, following HMRC custom. The prices for the regions are based on the opinions of our regional agents as it is not possible to calculate reliable regional figures based on the small number of sales in each region.

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