

1. Background

- 1.1 The RICS~RAU Farmland Market Directory of Land Sales is generated from information provided by land agents from across the country. The Directory provides a detailed list of land transactions, normally representing some 500 individual transactions per annum ranging from small areas of bare land to large estates.
- 1.2 The Directory is normally produced twice yearly, covering the periods January to June and July to December in each year. This report provides a summary of the data for the period from the 1st of July to 31st of December 2023. The Directory of transactions is now available on the RICS website.
- 1.3 As always, the RICS and RAU are very grateful to members and others who have submitted data to the survey. If you are not contributing to the survey but would like to be included in the circulation list to make a return in the future, please email ricssurveys@rau.ac.uk

2. Transactions

2.1 Total

- 2.1.1 In total 314 transactions were reported for the period and are analysed in this summary. As always, some transactions submitted were off market or with no guide price provided and consequently they are not included in the Directory.
- 2.1.2 This compares with 217 transactions from the previous survey (H1 2023). Table 1 shows the historical number of transactions analysed in previous periods.

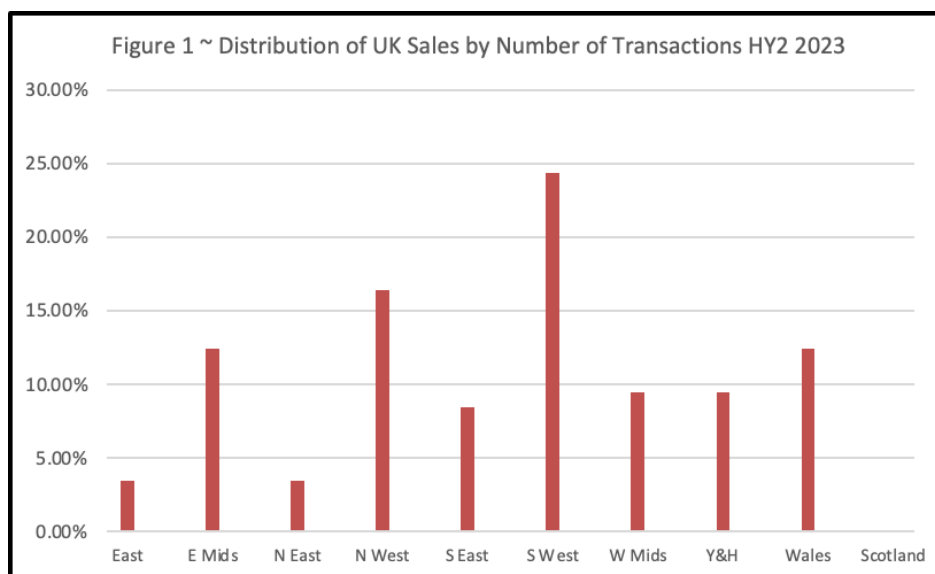
Table 1 ~ Historical Numbers of Transactions

	2H2023	1H2023	2H2022	1H2022	1H2021
No. of Transactions reported	314	217	258	232	257

2.2 Distribution

- 2.2.1 There were 279 transactions (88.85%) reported in England, 35 (11.15%) in Wales and none in Scotland. The largest number of transactions reported was from the South West, as per previous surveys. The distribution of reported sales is shown in Figure 1¹.

¹ Regional distribution relies on the regional information provided by respondents.



2.2.2 The distribution by size reflected the trend of recent surveys; 84% of the transactions reported in the overall survey were for sales of 50 acres or less (small), 11% for sales of between 51 and 200 acres (medium) and 5% for sales of more than 200 acres (large). Comparative figures for the last four years are shown in Table 2. The smallest sale in the sample was less than 1 acre and the largest 1491 acres (2023 H1 1:333acres, 2022 H2 1:6,750 acres, 2022H1 1:504 acres 2021FY 1:612 acres 2020FY 1:2,000 acres, 2019FY 1:7,500 acres).

Table 2 ~ Distribution of Sales by Number

Size	2023 H2	2023 H1	2022 H2	2022 H1	2021 H2	2021 H1	2021 FY	2020 FY	2019 FY
Small (< 50 acres)	84%	79%	81%	79%	82%	82%	82%	73%	68%
Medium (51 to 200 acres)	11%	18%	14%	17%	14%	16%	15%	20%	20%
Large (> 200 acres)	5%	3%	5%	4%	4%	2%	3%	7%	12%

2.2.3 Unsurprisingly, given the preponderance of small sales, there was no meaningful difference in terms of size distribution between different countries and regions in the survey.

2.3 Area

2.3.1 The total area of transactions submitted to the survey was approximately 18,000 acres, over 50% up on 1H2023 (10,000 acres). However, this continues the trend of previous years when more transactions tend to take place in the second half of the year. The data received was of a good quality and could be included in the report, including off market sales. Thus, sales covering 17,600 acres are included in the Directory and the analysis in this report.

2.3.2 The distribution by area is naturally rather different to that by number of transactions. Overall, 23% of the sample by area is in small sales, 24% in medium sales and 53% in large sales. Table 3 shows the comparative figures for the previous four years. This survey does not reflect the dominant pattern of previous years with it including several larger properties amongst the 'large' category (above 1000 acres).

Table 3 ~ Distribution of Sales by Area

Size	2023 H2	2023 H1	2022 H2	2022 H1	2021 H2	2021 H1	2021 FY	2020 FY	2019 FY
Small (< 50 acres)	23%	30%	18%	30%	27%	41%	34%	26%	10%
Medium (51 to 200 acres)	24%	47%	18%	40%	38%	45%	41%	38%	20%
Large (> 200 acres)	53%	23%	64%	30%	35%	14%	25%	36%	70%

2.3.3 There is quite a difference between the regions in terms of the scale of properties sold. Whilst the majority have a significant number of small sales, for this survey only two of the regions reported no large sales in England, as opposed to five in the previous survey.

2.4 Value

2.4.1 The total value of all the transactions reported in the Directory for the second half of 2023 was approximately £258million, compared with £112 million for the previous survey, and £180 million (H2 2022), £147 million (1H2022).

2.4.2 Distribution by value again reflects the large sales with 41% of the value of the transactions in this group, followed by 37% in the small sales and 22% in medium. The analysis by country for England and Wales is shown in Figure 2, and a comparison with previous years is in Table 4.

Figure 2 ~ Distribution of Sales by Value England and Wales

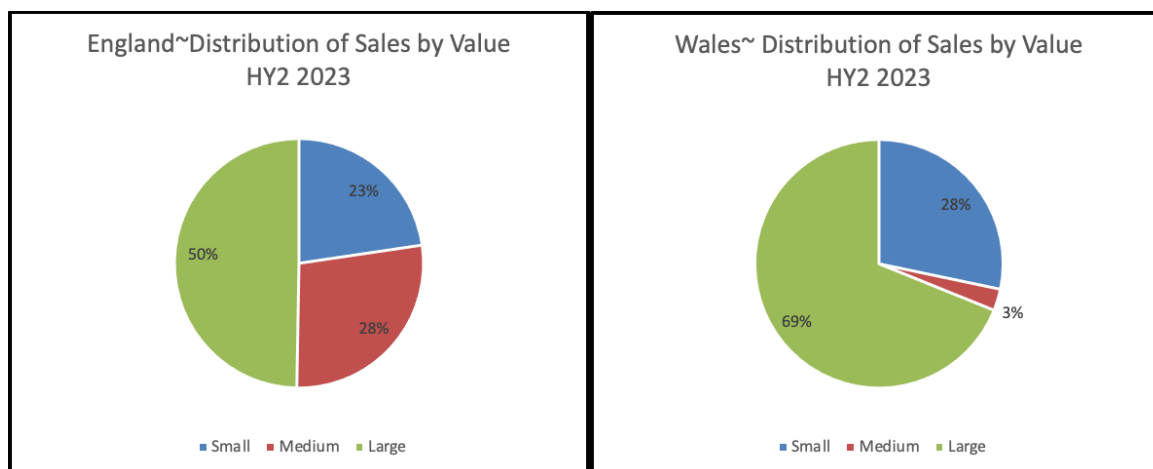


Table 4 ~ Distribution of Sales by Value Overall

Size	2023 H2	2023 H1	2022 H2	2022 H1	2021 H2	2021 H1	2021 FY	2020 FY	2019 FY
Small (< 50 acres)	37%	39%	32%	45%	44%	59%	52%	28%	23%
Medium (51 to 200 acres)	22%	44%	25%	34%	33%	33%	33%	32%	24%
Large (> 200 acres)	41%	17%	43%	21%	23%	8%	15%	40%	53%

2.5 Property

2.5.1 Whilst most responses provide details of the 'Property Type', sorted into Dwellings, buildings and land, Buildings and land or Bare land, some are incomplete with a degree of uncertainty as to the type of property involved. That makes analysis by property type slightly problematic although there are relatively few incomplete responses.

2.5.2 Accepting that margin for error, the distribution between the property types is, unsurprisingly heavily weighted towards bare land sales. Overall, 63% of the transactions in the sample were Bare Land, 12% Land and Buildings and 25% Dwelling(s) Land and Buildings. Comparison with the previous four years is provided in Table 5 below.

Table 5 ~ Distribution of Sales by Property Type

Size	2023 H2	2023 H1	2022 H2	2022 H1	2021 H2	2021 H1	2020 FY	2019 FY
Bare Land	63%	75%	69%	63%	64%	59%	61%	61%
Land & Buildings	12%	9%	11%	9%	13%	12%	12%	15%
Dwellings, Land & Buildings	25%	16%	20%	28%	24%	29%	27%	24%

2.5.3 The figures for England are the same as the overall sample, 63%, 12% and 25% respectively. As in previous surveys there were a number of smallholding² sales in Wales where 63% of transactions were for Bare Land, 14% Land and Buildings and 25%, Dwelling(s), Land and Buildings.

2.5.4 Distribution by value is heavily influenced by residential values with only 22% of the overall value reported being for Bare Land, 7% for Land and Buildings and 71% for Dwellings, Land and Buildings, the latter figure reflecting the fact that complete holdings represent 63% of the area sold reported to the survey.

3. Average Price

3.1 There is a very wide range of property included in the reported transactions and consequently the overall average price can vary significantly between surveys depending on the nature of the sample. That challenge is addressed in part by the Weighted Average calculation explored further in Section 4 below.

3.2 That said, the overall average price for all the property reported to the survey was £15,712 per acre or £38,824 per hectare. This compares with £14,021 per acre or £36,646 per hectare for the previous survey. Details of previous surveys are provided in Table 6. Commentators should beware of straining too hard to interpret the land market from these figures, much of the volatility reflects the diverse nature of each survey sample.

Table 6 ~ Average Prices All Reported Transactions

Average Price	2023 H2	2023 H1	2022 H2	2022 H1	2021 H2	2021 H1	2020 FY	2019 FY
£ per acre	15,712	14,021	10,091	15,888	13,390	16,210	12,698	10,336
£ per hectare	38,824	36,646	24,935	39,259	33,087	40,056	32,045	25,540

² In this instance 'smallholding' is simply the descriptor used in the survey and is not necessarily a statutory smallholding

- 3.3 This survey had a very small number of tenanted sales. The average for the properties sold with vacant possession is £15,828 per acre (£39,111 per hectare).
- 3.4 These figures are the average of all reported transactions. Again, there are some gaps in reporting in the 'Property Type' column however given that these are relatively few, the averages for the three 'types' of property in the survey are set out in Table 7 below, reflecting the presence of tenanted sales figures are given both on an overall basis and for property sold with vacant possession.

Table 7~ H2 2023 Average Prices All Reported Transactions by Property Type

Property Type	Overall	England	Wales
	£/acre		
Full Sample			
Bare Land	11,719	11,773	10,785
Land and Buildings	15,106	15,502	11,608
Dwelling(s), land and buildings	17,621	18,127	14,141
Vacant Possession Property Only			
Bare Land	11,833	11,899	10,785
Land and Buildings	15,081	15,514	11,608
Dwelling(s), land and buildings	17,621	18,127	14,141

4. Weighted Average

4.1 The Weighted Average

4.1.1 The previous RICS~RAU Land Market Survey series (as distinct from the Directory) included a 'Weighted Value' used to create the Rural Land Price Index and developed to reflect approaches adopted in earlier land market surveys. Generating that weighted value involves both excluding those sales reported where residential value is more than 50% of the sale price, or with some other reported distortion such as development value or the impact of a secure tenancy and applying a regional adjustment to reach an overall average figure. That national 'weighted average' was previously reported alongside the opinion-based figures, which were at the core of the previous Land Market Survey.

4.1.2 Whilst the opinion-based Land Market Survey data is no longer collected the transactions reported to the Directory of Land Prices make it possible to generate the 'Weighted Average' figure as previously used for the index. The Weighted Average value per hectare (as traditionally reported) for the second half year 2023 was £34,343 per hectare (£13,989

per acre). That compares with £32,074 per hectare (£12,970 per acre) for the previous survey. A comparison of the last eleven surveys is set out in Table 7.

Table 7 ~ Weighted Average Price

	£ per hectare	£ per acre
H2 2023	34,343	13,989
H1 2023	32,074	12,970
H2 2022	31,810	12,873
H1 2022	32,173	13,020
H2 2021	28,839	11,671
H1 2021	27,191	11,004
Full Year 2020	25,674	10,390
H2 2019	23,151	9,369
H1 2019	24,414	9,880
H2 2018	23,641	9,568
H1 2018	28,322	11,462

4.2 Regional Analysis

4.2.1 The initial sifting process required to create the 'Weighted Average', removing properties where the residential value represents more than 50% of the sale price and other anomalies, generates a reduced database of transactions. That initial sift generally removes something in the order of 20% of reported transactions, that figure was aligned with this figure with 23% removed. 243 transactions (77% of reported sales) remaining, reflecting the significant number of sales with substantial residential value excluded from the weighted sample.

4.2.2 The transactions in that reduced database have been analysed by location and size in Table 8 below³. In some cases, that analysis is based on relatively few transactions in each category and is thus vulnerable to the impact of individual transactions, the inclusion of a large hill farm in a relatively small sample for example.

³ These figures represent the average of actual transaction prices before any weighting to construct the Weighted Average Figure.

Table 8 ~ Weighted Sample Average Prices by Location and Size

Weighted Sample	Small <50 ac		Medium 50-200 ac		Large > 200 ac	
	£/ac	£/ha	£/ac	£/ha	£/ac	£/ha
East	17,700	43,737	12,950	31,999	10,699	26,438
East Midlands	12,449	30,762	6,919	17,096	12,804	31,639
North East	27,727	68,514	10,000	24,710		
North West	15,168	37,479	13,896	34,337	8,642	21,354
South East	21,814	53,903	14,196	35,078	19,878	49,118
South West	15,535	38,386	16,350	40,401	15,116	37,350
West Midlands	16,897	41,752	19,706	48,694	11,133	27,511
Yorks& Humber	12,945	31,986	7,586	18,746		
England Overall	16,547	40,889	13,266	32,779	12,432	30,720
Wales	10,452	25,826	11,993	29,634	11,593	28,645
Scotland						
GB Overall	15,913	39,320	13,172	32,548	12,332	30,473

5. Comments

5.1 Respondents were invited to offer their comments on the market during the second half of 2023.

HJ BURT

<p>The usual big range of values per acre. Few larger acreage transactions in the area. Still good demand for the right blocks in the right locations, but one or two less appealing and more expensive blocks proving more difficult to shift.</p>
