

RICS/RAU Rural Land Market Survey H1 2018

Price Expectations deteriorate further

- Supply of farmland holds broadly steady in H1
- Contributors highlight uncertainty weighing on market activity
- Transaction based price index inflated by a few large deals

The H1 2018 RICS/RAU Rural Land Market Survey points to a somewhat cautious near term outlook for farmland prices alongside softening demand in both residential and commercial components. That said, anecdotal evidence suggests that the market is becoming polarised between high quality land in good locations and lower grade farmland, with the former still sought after whilst conditions across the latter are proving to be more challenging.

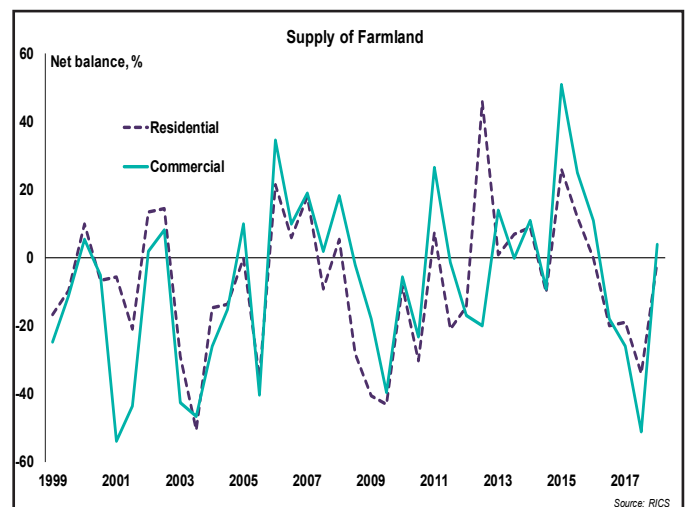
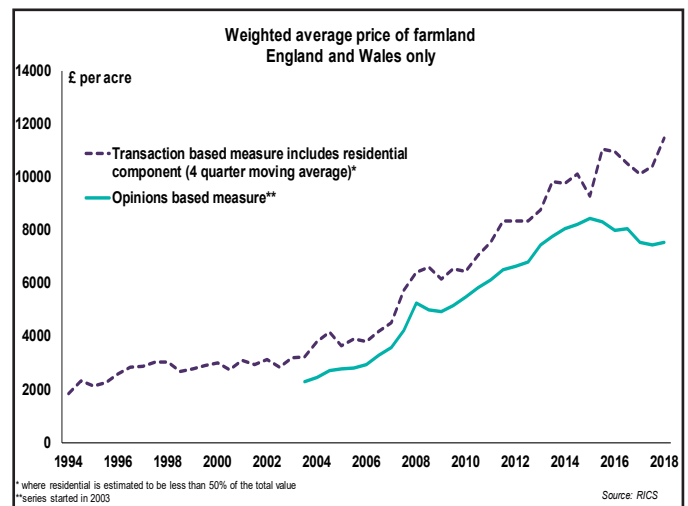
Headline demand continued to fall in the first half of 2018 with a net balance of -15% noting a fall. Alongside this, following three consecutive reports in which availability of farmland has reportedly declined, the latest results point to a more stable picture; the headline supply indicator edged into positive territory (+2%) consistent with availability of farmland remaining broadly unchanged from the previous report.

The survey's opinion based measure (a hypothetical estimate by surveyors of bareland prices excluding the residential component) pointed to only modest gains in H1 with the annual growth rate consistent with no change in prices relative to a year earlier. However, the survey's transaction based measure of farmland prices (which includes a residential component where its value is estimated to be less than 50% of the total) ticked up over the period to £10,940 per acre. Still, this reading is an average of transactional values across the country and has been exacerbated by a few large transactions. Indeed, the median value of transactions was lower at £8473 per acre.

Despite a slightly more positive trend in prices over the period, contributors continue to suggest that supply constraints along with political and economic uncertainty are still negatively impacting the market. Further signalling this cautious sentiment, price expectations have turned more pessimistic in the latest results with a net balance of -23% anticipating prices to decline in years' time, down from -13% previously. When broken down, expectations for commercial farmland are relatively more downbeat (a net balance of -29%) in comparison to the residential component (-16%).

Yields on investment land were 1.5% in H1, equalling the lowest figure on record. The majority of purchases, across the whole market (not necessarily investment land), were made by individual farmers. Lifestyle buyers accounted for just 10% of transactions whilst 22% of sales were made to agricultural businesses and institutional investors.

Lastly, although average arable land rents picked up marginally in H2, on an annual comparison, rents dipped by -1.4%. Alongside this, average pasture land rents held steady in the first half of 2018, equating to a modest decline of -1.3% year on year.



Farmland prices: England and Wales												
	Bare land: opinion based			Farmland: transaction based* - p				Rents - wgt average £per acre				Yields
	Wgt price	Arable	Pasture	Wgt price	Price index	No. of sales	AVG trans	Arable		Pasture		
	£ per acre	£ per acre	£ per acre	£ per acre	H1, 95=100	reported	size, acres	AHA 86	ATA 95	AHA 86	ATA 95	
H2-2017	7,434	8,433	6,436	10,405	495	331	106.7	78	141	58	93	1.6
H1-2018 (p)	7,542	8,586	6,497	11,475	546	212	103.7	76	144	57	93	1.5

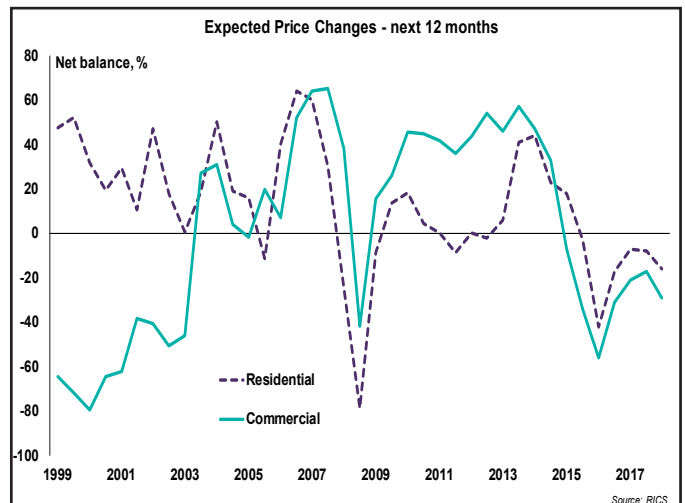
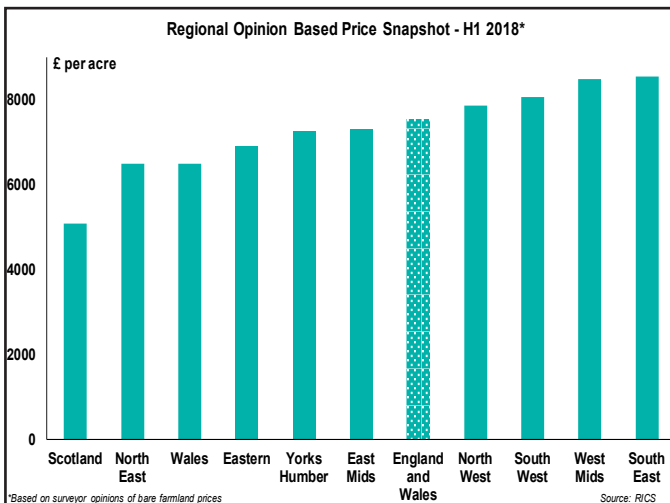
p=provisional data which is subject to revision in the next half

*includes residential component where estimated value is less than 50%

	Net balance data ¹						Purchaser type % ⁴					
	Great Britain: Unweighted						Great Britain: Unweighted					
	Demand ²		Availability ²		Price expectations ³		Ind fmr	Agri-bus	Non-farm	Inst Investor	Developer	Other
	non-res ⁵	res ⁶	non-res	res	non-res	res						
H2-2017	-11	5	-51	-34	-17	-8	60	9	22	5	3	1
H1-2018 (p)	-18	-12	4	-1	-29	-16	55	12	10	13	7	3

1) Balance reporting a rise minus balance reporting a fall 2)Based on change over previous year 3) Based on change over next year 4)Figures may not sum to one due to rounding

5) Where estimated residential value is less than 50% 6) Where estimated residential value is greater than 50%



Notes to editors

About:

- The statistics provided by RICS members in England, Wales and Scotland, are collated by the Royal Agricultural University, Cirencester.

Rents:

- Rental figures refer to the typical rent paid for let land for all grades, expressed as a median of all responses of five or more.
- England and Wales rent figures are the weighted average of regional results.
- England and Wales yield figure is simple average for all data collected.
- ATA = Agricultural Tenancies Act 1995; AHA = Agricultural Holdings Act 1986.

Land prices:

- Figures refer to the typical prices paid, in £ per acre for bare land.
- Regional figures expressed as a median of all responses of five or more.
- England and Wales figure is the weighted average (by region).
- Non-residential land: where estimated residential value is less than 50%.
- Residential land: where estimated residential value is greater than 50%.
- The RICS 'transaction' based measure of farm land prices is based on actual sales and includes a residential component, where that component is estimated to be worth less than 50% of the total value of the plot.
- The RICS 'opinion' based measure of farm land prices is a hypothetical estimate of bare land only i.e. it excludes the residential component. As a result, the opinion based measure will tend to be less than the transaction based measure.

Farmland prices:

- Regional figures for each category are based upon the average response of surveyors responding.
- Figures may not aggregate to 100% due to rounding errors.
- National balances refer to Great Britain and are based upon a simple average across all respondents.

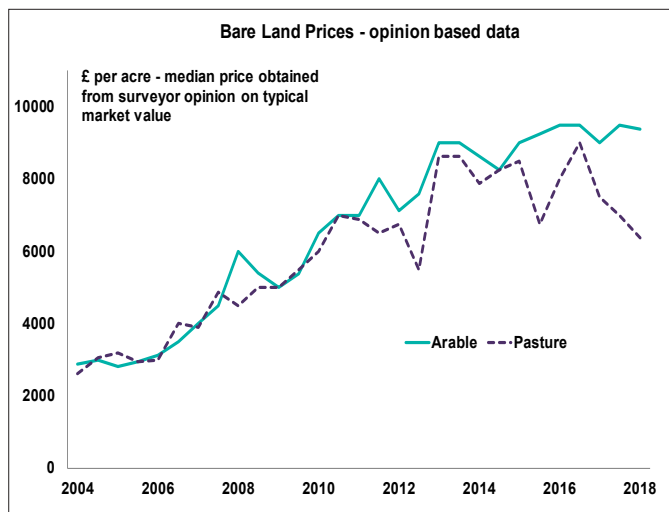
Net balance data:

- Net balance = Proportion of respondents reporting a rise in prices minus those reporting a fall (if 30% reported a rise and 5% reported a fall, the net balance will be 25%).
- The net balance measures breadth (how widespread e.g. price falls or rises are on balance), rather than depth (the magnitude of e.g. price falls or rises).
- Net balance data is opinion based; it does not quantify actual changes in an underlying variable.
- Net balance data can range from -100 to +100.
- A positive net balance implies that more respondents are seeing increases than decreases (in the underlying variable), a negative net balance implies that more respondents are seeing decreases than increases and a zero net balance implies an equal number of respondents are seeing increases and decreases.
- Therefore, a -100 reading implies that no respondents are seeing increases (or no change), and a +100 reading implies that no respondents are seeing decreases (or no change).
- In the case of the RICS price balance, a reading of +10 should not be interpreted as RICS saying that house prices are going up by 10%, but that 10% more surveyors reported increases rather than decreases in prices (over the last three months).

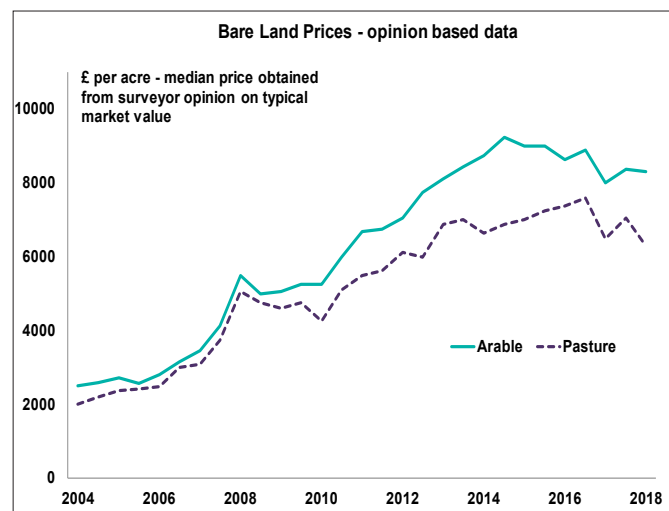
- A change from +30 to +60 does not mean that the variable grew by 30% in one period and by 60% in the next period, but it does indicate that twice as many surveyors reported an increase compared to a decrease than in the previous period.
- Likewise, if we get a reading dropping from +90 to +5, this still means that more respondents are reporting increases than decreases overall, but the breadth of those reporting increases has fallen dramatically; meanwhile, a shift in the reading from -90 to -5 still means that more respondents are reporting decreases than increases overall, but the breadth of those reporting decreases has fallen dramatically.

Regional farmland markets

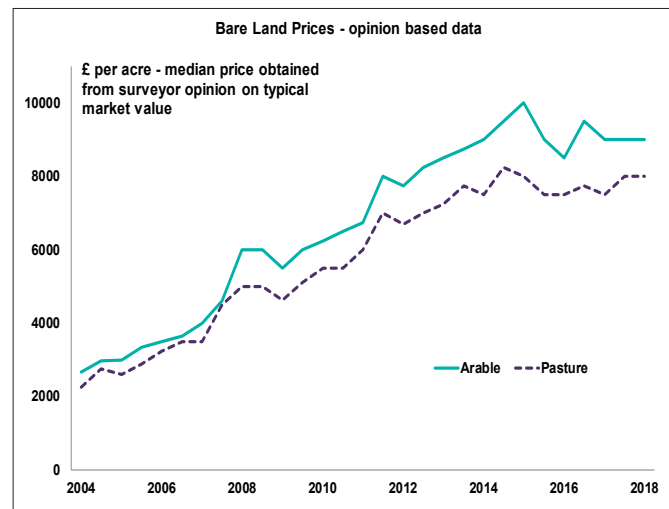
North West						
	Supply		Demand		Price expectations	
Net balances, %	Non Res	Res	Non Res	Res	Non Res	Res
H2-2017	-71	-71	-14	14	0	0
H1-2018	-83	-33	-33	-33	-17	-33
Purchaser Type						
%	Ind fmr	Agri-bus	Non-farm	Inst Investor	Developer	Other
H2-2017	54	16	21	15	2	0
H1-2018	56	12	26	4	1	1
Land prices						
£ per acre	Land prices		Arable rents		Pasture rents	
	Arable	Pasture	AHA 86	ATA 95	AHA 86	ATA 95
H2-2017	9,500	7,000	85	140	73	100
H1-2018	9,375	6,375	73	145	68	113



East Midlands						
	Supply		Demand		Price expectations	
Net balances, %	Non Res	Res	Non Res	Res	Non Res	Res
H2-2017	-83	-67	-17	-17	-33	0
H1-2018	38	-13	-13	-13	-38	-38
Purchaser Type						
%	Ind fmr	Agri-bus	Non-farm	Inst Investor	Developer	Other
H2-2017	50	20	20	5	3	2
H1-2018	71	7	20	1	1	0
Land prices						
£ per acre	Land prices		Arable rents		Pasture rents	
	Arable	Pasture	AHA 86	ATA 95	AHA 86	ATA 95
H2-2017	8,375	7,050	82	160	65	110
H1-2018	8,300	6,300	85	170	55	85

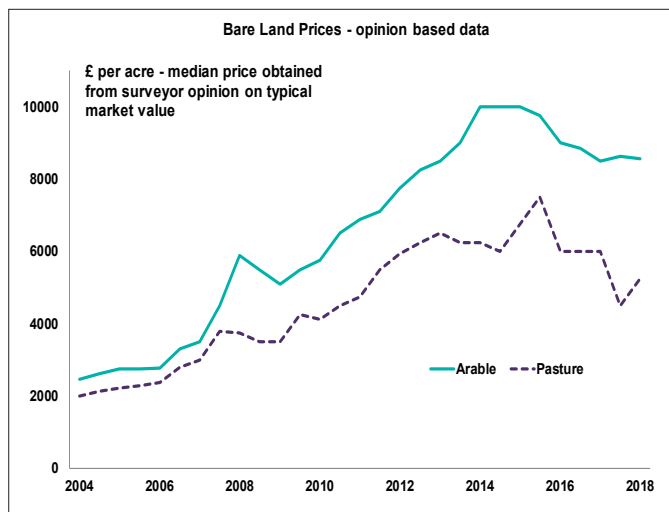


West Midlands						
	Supply		Demand		Price expectations	
Net balances, %	Non Res	Res	Non Res	Res	Non Res	Res
H2-2017	-44	-33	22	22	11	0
H1-2018	11	-22	0	-11	-11	-22
Purchaser Type						
%	Ind fmr	Agri-bus	Non-farm	Inst Investor	Developer	Other
H2-2017	67	12	18	1	1	1
H1-2018	72	6	19	1	2	0
Land prices						
£ per acre	Land prices		Arable rents		Pasture rents	
	Arable	Pasture	AHA 86	ATA 95	AHA 86	ATA 95
H2-2017	9,000	8,000	75	140	65	120
H1-2018	9,000	8,000	80	150	63	100

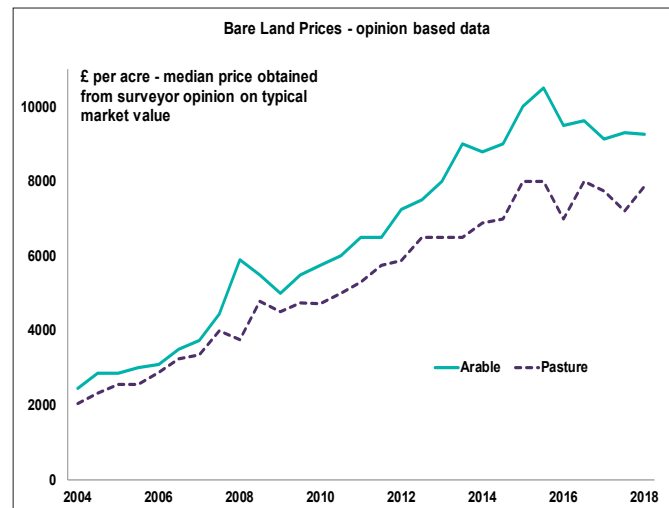


Regional farmland markets

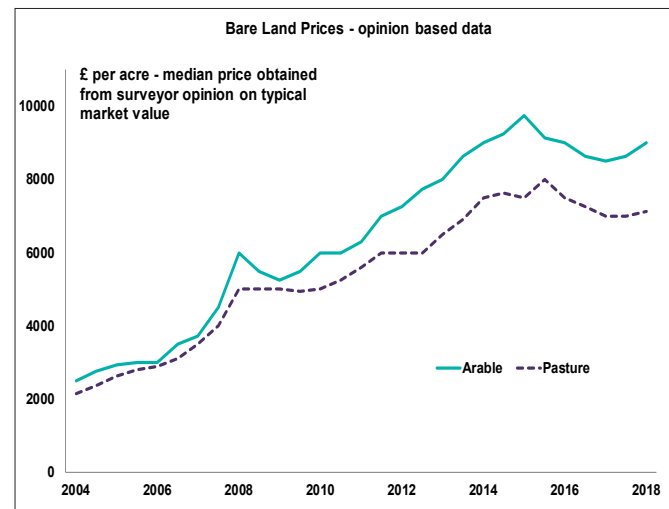
Eastern						
	Supply		Demand		Price expectations	
Net balances, %	Non Res	Res	Non Res	Res	Non Res	Res
H2-2017	-40	-40	20	40	-20	-20
H1-2018	40	20	-40	-40	-60	-60
Purchaser Type						
%	Ind fmr	Agri-bus	Non-fam	Inst Investor	Developer	Other
H2-2017	59	4	13	18	3	3
H1-2018	48	8	26	6	4	8
Land prices						
£ per acre	Land prices		Arable rents		Pasture rents	
	Arable	Pasture	AHA 86	ATA 95	AHA 86	ATA 95
H2-2017	8,620	4,500	80	145	40	50
H1-2018	8,560	5,250	80	140	45	58



South East						
	Supply		Demand		Price expectations	
Net balances, %	Non Res	Res	Non Res	Res	Non Res	Res
H2-2017	-30	-11	-30	-11	-60	-20
H1-2018	25	25	-13	-38	-25	-50
Purchaser Type						
%	Ind fmr	Agri-bus	Non-fam	Inst Investor	Developer	Other
H2-2017	49	8	29	8	5	1
H1-2018	43	3	46	2	7	0
Land prices						
£ per acre	Land prices		Arable rents		Pasture rents	
	Arable	Pasture	AHA 86	ATA 95	AHA 86	ATA 95
H2-2017	9,305	7,200	83	128	55	73
H1-2018	9,250	7,875	70	140	40	75

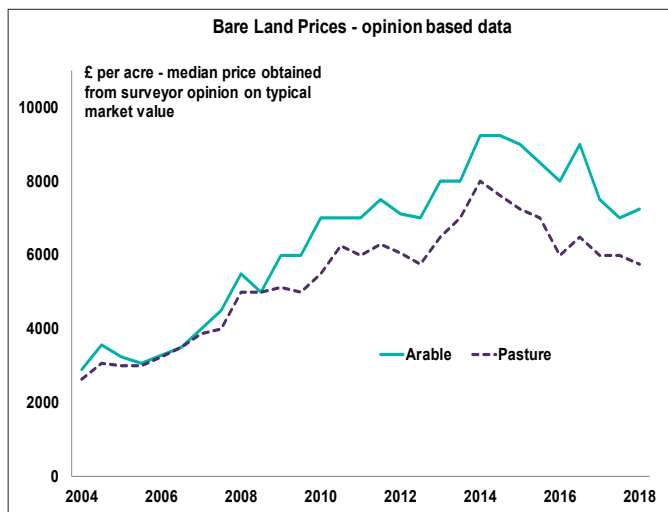


South West						
	Supply		Demand		Price expectations	
Net balances, %	Non Res	Res	Non Res	Res	Non Res	Res
H2-2017	-54	-31	-31	-15	-23	-40
H1-2018	7	21	7	21	-14	0
Purchaser Type						
%	Ind fmr	Agri-bus	Non-fam	Inst Investor	Developer	Other
H2-2017	63	6	25	0	5	1
H1-2018	57	4	33	2	3	1
Land prices						
£ per acre	Land prices		Arable rents		Pasture rents	
	Arable	Pasture	AHA 86	ATA 95	AHA 86	ATA 95
H2-2017	8,627	7,000	73	140	50	100
H1-2018	9,000	7,125	80	130	60	110

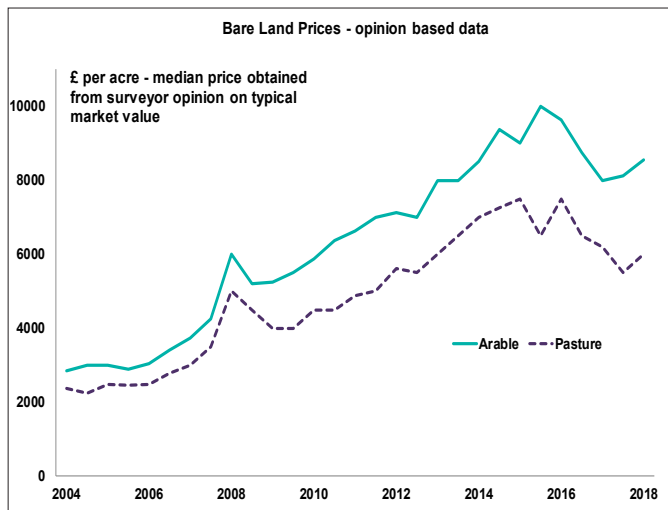


Regional farmland markets

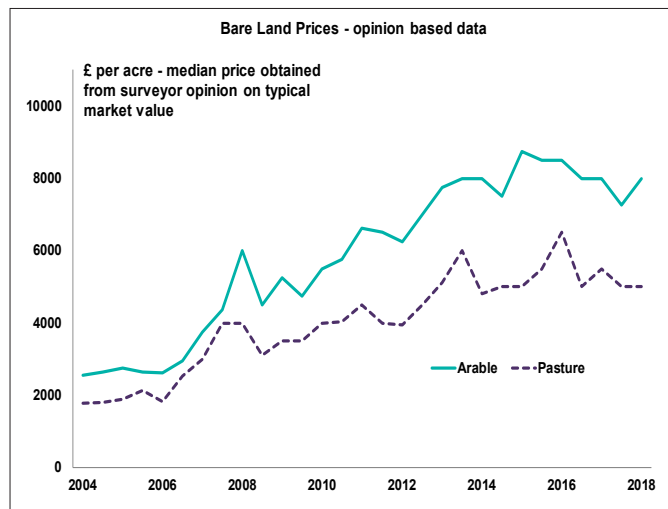
Wales							
	Supply		Demand		Price expectations		
Net balances, %	Non Res	Res	Non Res	Res	Non Res	Res	
H2-2017	0	17	0	33	0	33	
H1-2018	50	-17	0	0	0	0	
Purchaser Type							
%	Ind fm r	Agri-bus	Non-fam	Inst Investor	Developer	Other	
H2-2017	81	0	19	0	0	0	
H1-2018	73	5	15	2	2	3	
Land prices							
£ per acre	Arable		Arable rents		Pasture rents		
	Arable	Pasture	AHA 86	ATA 95	AHA 86	ATA 95	
H2-2017	7,012	6,000	70	140	65	100	
H1-2018	7,250	5,750	65	140	65	100	



Yorkshire and Humber							
	Supply		Demand		Price expectations		
Net balances, %	Non Res	Res	Non Res	Res	Non Res	Res	
H2-2017	-33	-67	-17	17	-17	0	
H1-2018	-20	-20	-20	40	-60	20	
Purchaser Type							
%	Ind fm r	Agri-bus	Non-fam	Inst Investor	Developer	Other	
H2-2017	66	11	16	5	1	1	
H1-2018	67	14	12	6	0	1	
Land prices							
£ per acre	Arable		Arable rents		Pasture rents		
	Arable	Pasture	AHA 86	ATA 95	AHA 86	ATA 95	
H2-2017	8,125	5,500	84	128	60	90	
H1-2018	8,550	6,000	80	160	58	95	

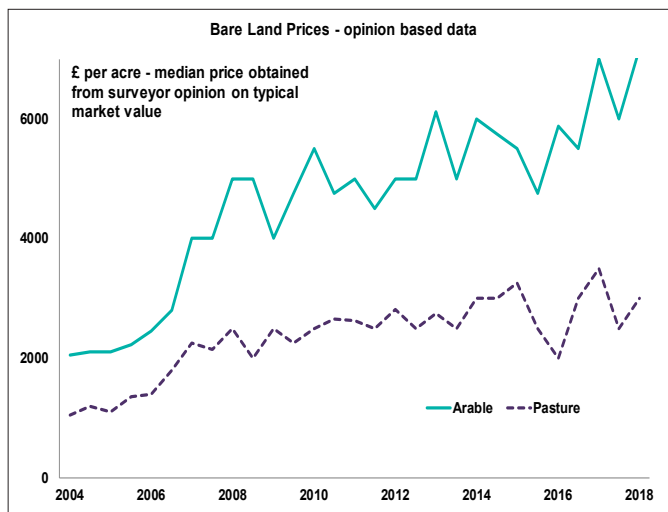


North East							
	Supply		Demand		Price expectations		
Net balances, %	Non Res	Res	Non Res	Res	Non Res	Res	
H2-2017	-20	-40	-40	0	0	0	
H1-2018	-40	-40	-20	-40	-20	20	
Purchaser Type							
%	Ind fm r	Agri-bus	Non-fam	Inst Investor	Developer	Other	
H2-2017	63	7	20	8	1	1	
H1-2018	77	8	9	6	0	0	
Land prices							
£ per acre	Arable		Arable rents		Pasture rents		
	Arable	Pasture	AHA 86	ATA 95	AHA 86	ATA 95	
H2-2017	7,250	5,000	75	150	60	90	
H1-2018	8,000	5,000	75	125	50	80	



Regional farmland markets

Scotland							
	Supply		Demand		Price Expectations		
Net balances, %	Non Res	Res	Non Res	Res	Non Res	Res	
H2-2017	-67	-50	33	33	0	0	
H1-2018	-25	0	-25	25	0	0	
Purchaser Type							
%	Ind firm	Agri-bus	Non-fam	Inst Investor	Developer	Other	
H2-2017	65	9	23	0	2	1	
H1-2018	83	3	8	6	0	0	
Land prices		Arable rents*			Pasture rents*		
		AH(Sc)A		AH(Sc)A	AH(Sc)A	AH(Sc)A	AH(Sc)A
£ per acre	Arable	Pasture	91	03 SDLT	LDT	91	03 SDLT
H2-2017	6,000	2,500	-	-	-	-	-
H1-2018	7,184	3,000	-	-	-	-	-



Chartered surveyor market comments

England

Stephen Hall MRICS Carter Jonas, London, 020 7518 3264 – “National interest in larger commercial farms in areas of limited amenity value remains variable, with some flat land larger farms having experienced significant value drops from the peak in 2014/2015 - of up to 30%. Areas of the country where amenity values remain, or where there are a number of CGT buyers in the market, interest from buyers, and therefore values remain relatively buoyant. Furthermore, the environment for non-sterling investors into the UK is an extremely positive one currently. We've seen UK assets across all sectors become more attractive for overseas buyers because of the reduction in the value of sterling. Twinned with the reductions in land values, driven by lower farm profitability and uncertainty regarding the future farm subsidy system in the UK means that the opportunity for overseas buyers to invest in the UK land market will become increasingly apparent.”

Richard Gadd MRICS Fisher German, Banbury, 07966481487 – “Tax driven and lifestyle buyers continue to support strong prices being achieved across many parts of the country. This has led to some significant sale results in key areas, but with outlying and inaccessible holdings generally struggling or selling short of expectations. Location remains a key factor for buyers, especially for those looking to rollover development proceeds close to home. Continued restricted supply offers fewer opportunities and therefore increased competition for those well positioned and good quality holdings. We can report encouraging 'average' values in H1 2018, however this is hiding the failure of some less productive farms and land holdings which are not selling or have been withdrawn from the market. Smaller farms between 100-400 acres are attracting more interest than larger offerings as the market remain cautious over future industry support and trade negotiations.”

Alex Lawson MRICS Savills, London, 020 7409 8882 – “The amount of land for sale in England over the year to date increased by 14% against the previous 12 months. Both buyers and sellers are showing caution, which is unsurprising given the uncertain political and economic environment. While some farms are struggling to achieve satisfactory offers, others continue to sell well; with location, correct pricing and quality becoming ever more influential.”

Scotland

George Hipwell MRICS Davidson & Robertson, Linlithgow, 01506 811812 - “Davidson & Robertson have again experienced a strong half year for 2018 with good levels of interest and succinct marketing periods. The better quality land with good fixed equipment continues to perform well however poorer quality holdings, whether that be land type or fixed equipment, are slower to conclude and generally are much more price sensitive. There continues to be a demand for planting land which keeps the floor in the market at a good level. There continues to be increasing numbers of off market transactions and this is indicative of an under supply to the market where buyers are actively registering interest with agents in order to have the chance at any properties which may suit their criteria. There are obviously regional variations in all of this however this is broadly reflective of the market in Scotland as a whole. It is uncertain what the future will be for the agricultural market with the challenges on the horizon. Currently the strong farmgate prices are cause for optimism and the uncertainty surrounding Brexit also means that a number of farm businesses may be holding off making a decision on their future. However once some of these uncertainties become known that may be the trigger for businesses to decide on their future. Depending on the outcome of this, the effect may be that supply of land to the market increases and this increase in supply may alter the balance in the market. However it remains to be seen whether this will impact prices.”

Evelyn Channing FRICS Savills, Edinburgh, 01312 473702 - “Supply in Scotland is up 2% on last year after a slow start to the year on the back of one of the longest winters for 10 years. The wide range of prices offered for farmland continues with some arable farms making over £10,000 per acre but it depends on location and size. At a regional level the market is active in Aberdeenshire but less so in the Borders and South West Scotland.”

Wales

Eifion Bibby MRICS Davis Meade Property Consultants Ltd, Colwyn Bay, 07969 273433 - “Generally land prices have remained remarkably resilient given the existing uncertainties in the agricultural sector going forward.”

Glyn Owens FRICS McCarneys, Knighton, 01547 528621 – “The market has eased slightly over the last 3 years. Customers are selective and local knowledge is all important when valuing rural farms and land.”

Andrew Morgan FRICS Morgan and Davies, Lampeter, 01570 423623 – “General scarcity underpinning the market presently.”

David Powell MRICS Powells, Monmouth, 01600 714140 – “Market supply of good agricultural land and farms reduced in first part of 2018, with less land on the market. Reduced market interest in some areas, whereby the buyer is primarily agricultural. Brexit uncertainty over trade deals appears to be contributing to uncertainty in the land market. Special purchasers, commercial and investor buyers continue to purchase in the market place, however values are not as firm as previous years. Several good livestock holdings sold privately so regular transactions going through and market appears stable on values. Little land forecast to the market in the autumn of 2018.”

Daniel Rees MRICS Savills, Cardiff, 029 2036 8915 – “After the wet winter the market in Wales only got underway in the second quarter. Farms coming to the market so far have been due to retirement. A feature of this year's market has been the return of farmer buyers either looking to expand their holdings or purchase second units or completely relocate from other areas of the UK. Lifestyle buyers are still active for the smaller less commercial units. Values have remained steady for the best equipped farms with productive land.”

Eastern

Andrew Houlden MRICS DDM Agriculture, Brigg, 01652 653669 – “Local demand remains the most important factor, as where there is strong competition prices are still strong. Where land is located in a poor situation, or where there are only very limited buyers, sales can fail to happen, or at very modest prices.”

Barry Hawkins, Barry L Hawkins, Downham Market, 01366 387180 – “As always position is king but my view is that pockets are not as deep as they were.”

Rachael Hipperson MRICS TW Gaze, Wyomondham, 01953 423188 – “The AD crop market has created a new demand which has pushed prices up, but I fear at the threat of sustainability to other traditional agricultural activities, especially livestock.”

Giles Allen MRICS Strutt & Parker, Ipswich, 01473 214841 – “Farmland values may have fallen a little but have generally remained within the same bracket for much of the first half of 2018. Location and the strength of the local market are key. A little confidence has returned to the market on the back of a better yielding harvest than many expected and improved soft commodity prices. Although supply levels have increased, they do not appear to have overwhelmed demand. Values are likely to remain at current levels for the remainder of 2018.”

Chartered surveyor market comments

Tom Parish MRICS Savills, Norwich, 01603 229227 – “The region has seen supply increase in the first half the year and whilst the market is finely balanced, there have been a number of notable transactions which have demonstrated the stable demand for quality assets, with buyers sensitive to productivity and location. The bare land market remains stratified and is particularly sensitive to local variance, with some exceptional prices being achieved.”

East Midlands

George Harrison MRICS Robert Bell and Company, Horncastle, 01507 522222 – “The land market is challenging with purchasers not wanting to overstretch their borrowing and wary of poorer land quality. However blocks of reasonable quality can reach good money where their scale is affordable to neighbours.”

Elizabeth Allen MRICS EA Land Agents Limited, Langtoft, 07931 336767 – “In my experience bare arable land demand is variable depending upon specific location. Where there is limited demand, grade 2/3 land values have dipped dramatically, however, grade 1/2 land is still obtaining reasonable results for realistic sellers.”

Tim Atkinson MRICS, JHWalter, Lincoln, 01522 504 313 – “We are experiencing a patchy market, with strong prices being paid for good land in areas of strong demand and some land particularly poorer quality is selling at lower prices or remaining unsold.”

Chris Templar MRICS Bletsoes, Thrapston, 01832 732188 – “Location, location, location! Demand for good farms in good areas remains strong, resulting in strong land prices. Conversely, demand for farms in less desirable areas continues to lessen, resulting in weaker land prices. If the development land market slows/collapses, then agricultural land prices are sure to decline, as currently much of the demand is from those with money to ‘rollover!’”

Sam Thomas MRICS Savills, Lincoln, 01522 508933 – “Supply has increased in the region but more land is remaining unsold as location is becoming increasingly important for farmer buyers.”

North East

Nigel Parmenter MRICS Edwin Thompson, Berwick upon Tweed, 01289 304432 – “To date in 2018 there has been a lack of agricultural properties available for sale with potential vendors seemingly awaiting further progress in the Brexit negotiations. Demand remains good, particularly for better quality land, with both farmers and non-farming investors being active in the market.”

David Coulson FRICS Vickers & Barrass, Crook, 07779 623371 – “There is uncertainty among farmers at present and a shortfall in supply is making prices firm. There is a two tier market with good quality well equipped farms and better quality land in demand but some of the poorer arable and grass land is much slower to sell. Brexit has not had any significant effect yet as it is slow to develop and business must carry on. The exchange rate is the current significant factor due to the low value of the British Pound. Imports are expensive whereas anyone exporting is benefiting. Large upland blocks are slower to sell. Neighbouring farmers continue the tradition of trying to acquire nearby or adjacent land.”

Andrew Black MRICS Savills, York, 01904 617831 – “The Northumberland and Durham markets have been particularly quiet this year except for a large sale near Morpeth. Neighbours are still underpinning the market, taking a long term view over land ownership and taking advantage of opportunities that arise close by. The market for residential and amenity farms remains strong partly supported by the strength of the stock market and also by a lack of supply. There is some pressure on prices in the short term, which we expect to be tempered by the lower supply.”

North West

Tony Rimmer MRICS Rostons Ltd, Chester, 01829 773000 – “The market in the North West is more cautious than recent years. The old adage “location, location” is a major influencer on value with a wide variation across the region. Roll over money has helped a number of purchasers and farmers looking to expand and continue to underpin the market.”

Robert Bowyer MRICS Carter Jonas, Kendal, 01539 263862 – “In the North west, the residential market, particularly in the national parks, is bolstering the market for farms (50% resi), however in all other areas demand for these farms is low. Productive land remains popular but sensible pricing remains key.”

Julie Liddle MRICS Robson & Liddle (Rural) Limited, Edenhall, 01768 254354 – “Difficult to say when we don’t know what the changes will be but we strongly suspect prices will be affected in a negative way.”

John Seed FRICS Brown Rural Partnership, Macclesfield, 01625 434696 – “Uncertainty about the future of commercial farming and commercial land prices has yet to impact on the market and non-farming interest can absorb some slack. The land market appears to be in a period of calm or false confidence depending on your point of view. Resilience is therefore the main characteristic.”

Will Douglas MRICS Savills, York, 01904 617812 – “Like many northern regions, the supply of land to the market has been later and slow in H1 2018. Cumbria and Lancashire have since seen the usual mix of smaller grassland farms sub 200 acres and bare land coming to the market. Some of the 2017 sales have yet to transact or remain unsold. Demand remains very localised and, whilst a recovering dairy market is welcome, the forthcoming winter feed costs, with fodder and straw shortages, will weigh heavily on the minds of those increasing commitments and investments.”

South East

Ed Smith MRICS Carter Jonas, Oxford, 01865 565795 – “The market seems to be coming ever more polarised and location specific. Many buyers appear to be sitting back at the moment, happy to watch and wait for greater clarity regarding the industry. This means that land must be sensibly priced, reflecting the vendors desire to sell. Future prices are likely to be primarily determined on the level of government support, trade tariffs and the prevailing tax reliefs available. A continuation of the status quo is therefore likely to lead to land values remaining at their current levels, albeit there may be a stronger market where lifestyle purchasers are active.”

Russell Parkes MRICS Batcheller Monkhouse, Pulborough, 01798 872081 – “After a quiet start to 2018, there seems to be more land coming to the market in the South East. Rollover money is available, usually emanating from residential development, although buyers are cautious at present due to political uncertainties and Brexit.”

Chartered surveyor market comments

Andrew Chandler MRICS Carter Jonas, Winchester, 01962 842742 – “Regionally the southern market is still polarised and although land values have come back from their peak they appear stable with rollover and high net worth buyers leading the charge for well-located, straightforward assets. Recently achieved values are generally between £9,000 and £10,000/acre for arable showing the southern market to again be more buoyant than the national picture. There is now more property in the market with transactions being agreed and comfort being provided by more clarity over the future of the agricultural sector. Moving forward we expect to see a market matching supply with demand and delivering a level plateau of prices for the remainder of 2018. Negotiations continue in relation to Brexit and positive movement regarding trade in the autumn may improve outlooks for 2019 albeit optimism is likely to be cautious outside of key hotspots throughout the region.”

Rowan Allan MRICS HJ BURT, Steyning, 01903 879488 – “The Brexit negotiations have certainly created some uncertainty, but overall shortage of supply has helped fuel demand and with some key buyers in the market place with rollover funds as well as other investors keen to own land for inheritance tax benefits (currently) has helped sustain an active market place. Nonetheless, pricing and location remain critical factors.”

Richard Liddiard FRICS Carter Jonas, Newbury, 01635 263000 – “2018 will prove to be a very interesting year in the farmland market with everything being dominated and effected by the Brexit negotiations and the likely outcomes. The decision to leave was a surprise and most people assumed that we would negotiate a sensible deal for both sides. However our abysmal negotiating skills and the staunch divisions within the Tory party have resulted in us losing ground in the talks with the EU strengthening their position and resolve to get the best deal for themselves at the cost of the UK. Whatever the final outcome of the negotiation is, the sector will rise to the challenge and deal with whatever is put in front of it. However this is likely to lead to further consolidation within the industry as costs need to be driven down when competing in the wider world market.”

Andrew Brown MRICS Marriott Property LLP, Faringdon, 01367 242422 – “More land was sold by Marriotts in late 2017 and early 2018 than in recent years. Demand was strong and prices rose above guides. Non farming money (specifically Roll Over from development) helped considerably to reverse recent concerns in land price. Arable land exceeded £11,000 per acre and even lower level pasture saw an improvement. The relatively low level of sales in the region has helped keep those looking, keen to bid up.”

Chris Spofforth Savills, Haywards Heath, 01444 446064 – “Commercial farms and good bare land blocks without some form of diversified income are struggling, although quality and neighbours who are in the market to buy will buck that trend. Lifestyle buyers are looking for good value for money and are not afraid to submit offers considerably below the guide, so sensible pricing is essential to get any sort of traction in the market.”

Richard Binning MRICS Savills, Oxford, 01865 269168 – “The central region has seen a bit more land available in a late spring market. Sale results have been varied with some strong sales amongst a slight downward trend.”

South West

Jack Mitchell MRICS Carter Jonas LLP, Taunton, 01823 238569 – “The market continues to be driven by location. Prices in excess of £10,000 per acre for bare land continue to be achieved in some locations. In other locations however, some parcels of bare land and farms are taking longer to sell.”

Amy McDonald MRICS Moore Allen & Innocent, Cirencester, 01285 648115 – “The next 6-12 months will be interesting. We may see a short term impact on supply and demand due to nerves over Brexit. However locally, there are a significant number of farmers that have sold land for residential development and are eager to rollover funds into agricultural property. This type of buyer may support the market in the long term.”

Richard Webber MRICS Greenslade Taylor Hunt, South Molton, 01769 574500 – “More commercial livestock farms are coming to the market although continued uncertainty over the future of the agricultural industry is understandably resulting in a more cautious approach from agricultural purchasers. The market for quality residential smallholdings and small parcels of land remains buoyant, driven mainly by non-farming interest.”

Tom Pullin MRICS Voyce Pullin, Bristol, 01454 269486 – “The market has become localised with strong prices paid where farmers have had development money and are looking to roll over that money, or generally an area of strong local competition between several land owners. Whereas in other areas where there are no obvious purchasers for larger blocks of land the prices are much lower. Small parcels of land still generate huge demand with strong prices well in excess of the agricultural value.”

Adrian Cannon MRICS Tayler & Fletcher, Bourton-on-the-Water, 01451 812828 – “Current land sales have tended to be of smaller acreage suiting the lifestyle buyer which have maintained strong prices. Commercial blocks of land continue to be sought by rollover money and local entrepreneurs maintaining good demand in the Cotswolds.”

Kit Harding FRICS Carter Jonas, Bath, 01225 747270 – “Land prices remain resilient in Wiltshire and the surrounding counties with prices showing little evidence of easing. This is partly due to lack of supply and farmers with rollover issues for various reasons. Farms with high residential appeal are selling well and more purchasers are aware of the SDLT advantages of buying a mixed use rather than a pure residential property. There is keen competition for properties of this kind and buyers who have become cash rich from selling businesses outside agriculture are becoming more evident in the market place. Interestingly some farmers who have sold development land and have been able to claim entrepreneurs relief are not necessarily re-entering the market. The bare land market continues to be very variable and the divergence of values for pasture against arable land continues to become evident.”

Richard Greasby MRICS Butler Sherborn, Cirencester, 01285 883748 – “We expect to see an active market for larger blocks of quality land albeit that prices may reduce further in the short term due to Brexit uncertainties. The amenity and equestrian market is likely to remain strong with purchasers less deterred by the potential effects of Brexit.”

Chartered surveyor market comments

Andrew Dodds MRICS STAGS, Broad Street, 01769 572263 – “Our post-Brexit trade deal with the EU is not yet agreed, so there continues to be uncertainty resulting in a cautious approach to investing in land for many. Location continues to be the driving force behind land values with some of the land lots new to the market in 2018 receiving good interest, multiple offers fairly quickly, and selling for above the anticipated market value. There also appears to be more non-farmers buying land in 2018 than last year. The number of farms for sale has increased from 2017 but the majority continue to be sold in lots, particularly in areas where there is good demand for land.”

Andrew Tuffin MRICS Symonds & Sampson, Sturminster Newton, 01258 473766 – “Marginally increased supply is being countered by increased demand from purchasers with rollover funds from development, in the main are farmers. Other purchaser types constant. Blocks over 200 acres and under 10 acres selling best. Optimistic expectations from some vendors and advisors on land near settlements. Generally values holding in the SW but occasionally struggle with bare land where no nearby active farmers.”

Matthew Peters FRICS Bruton Knowles, Gloucester, 01452 880184 – “Huge range in values set to continue. Realistic pricing of unattractive land is key.”

George Syrett MRICS Savills, Winchester, 01962 841842 – “Demand for commercial farms is down on last year. Significant polarisation of the arable land market has taken place with a range of 40% between sale values for similar land types. This is driven mainly by the strength of land hungry neighbours versus land where neighbours are not in the market. Demand for residential farms has increased but the market is very sensitive to blight and where there is a residential farm with an issue such as public access or a long term let, the value has been hit hard or there are simply no buyers available. It is a buyers’ market and the buyers that are in buying positions are very picky.”

West Midlands

Gareth Wall MRICS McCartneys LLP, Kington, 01544 230316 – “A larger supply of land available with limited interest and caution seen from potential purchasers particularly regarding Brexit and commodity prices. Location is key to any sale. Good land and farms are still selling well. Marginal land is more difficult to sell.”

Mike Taylor FRICS Barbers Rural, Market Drayton, 01630 692500 – “There has been a lot of talk of Brexit but actually the effect on the market has been limited, whereas as the weak pound, limited supply and roll-over money have been far greater influencing factors on a market that has been more buoyant than expected.”

Jeremy Jehan MRICS Brightwells, Hereford, 01432 261325 – “A quiet first six months of the year. The bad weather delaying spring and the knock on for property to come to market. Overall, Herefordshire has less farmland on the market, due to the Council smallholding sale last year distorting normal levels. I would say demand is as strong, but value is still dictated by competing neighbours or the lack of it in some instances. The market is so polarised with values all over the place. Local farmers still the main purchasers.”

Tom Pike MRICS Fisher German LLP, Worcester, 07837292776 – “We are still seeing a strong demand for good sized blocks of reasonable-to-good quality land from both farming business’s and investors. Despite the uncertainty ahead, land appears to be a favourable place to invest money. Most of our land marketed this half year has exceeded guide price due to neighbouring landowners pushing hard to secure one-off opportunities.”

Yorkshire & Humberside

Matthew Brown MRICS George F White, Bedale, 01677 458203 – “The 2018 market appeared to be delayed compared to previous years due to the long winter and perhaps more caution compared to 2017 as withdrawal from the EU becomes closer. However, there now appears to be a good number of land blocks and farms on the market or already sold. Prices appear to be levelling on average. Lenders are looking carefully at serviceability due to uncertainty of future subsidy and where local demand is low, some land is taking longer to sell. Quality land and farms continue to be in high demand and sell relatively quickly, as does land where there is strong local/ neighbour demand.”

Sam Johnson MRICS Carter Jonas, Harrogate, 01423 523423 – “The land and farm market for the North remains fragmented and characterised by localised ‘hot spots’. H1 of 2018 got off to a particularly slow start and the lack of supply has continued to prevail with limited stock coming into the market. Continuing demand is assisting in underpinning values however, buyers remain cautious and ever more discerning - happy to take a ‘wait and see’ approach. The ‘best in class’ bare land and equipped farms are still achieving premiums but opportunities are few and far between. We continue in a period of uncertainty for UK agricultural investment - both in terms of capital values and income - despite this, there remains compelling reasons for owning UK land, such as it being a long-term safe haven for wealth as well as a hedge against inflation.”

Andrew Black MRICS Savills, York, 01904 617831 – “In Yorkshire, unusually the activity has been concentrated in the grassland farm sector in the west of the county with only one commercial arable farm offered for sale in the whole county. Most of the launches took place between May and July and the acreage marketed will be bolstered by the 3,236 acre High Birkwith Farm near Settle. Neighbours are still underpinning the market, taking a long term view over land ownership and taking advantage of opportunities that arise close by.”

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About the RICS/RAU Rural Land Market Survey

The statistics provided by RICS members in England, Wales and Scotland, are collated by the Royal Agricultural University, Cirencester.

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Founded in 1845, the Royal Agricultural University (RAU) is the oldest agricultural college in the English speaking world and has a long-standing, global reputation in education, research and consultancy.

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The RAU has always pioneered research as part of its academic output and also has an established track record of working with government, institutional and private sector clients, utilising the expertise of its academic resources to deliver high quality contract research and consultancy.



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RICS promotes and enforces the highest professional qualifications and standards in the development and management of land, real estate, construction and infrastructure. Our name promises the consistent delivery of standards – bringing confidence to the markets we serve.

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