

Price outlook remains upbeat

- **Farmland prices continue to grow firmly**
- **Commercial farmers are driving the market**
- **Prices are expected to rise further over the coming 12 months**

The H1 2013 RICS Rural Land Market Survey highlights the continued appreciation of farmland prices during the first half of this year, driven primarily by commercial demand. The decoupling of the residential and commercial sectors has very much been the story since 2009.

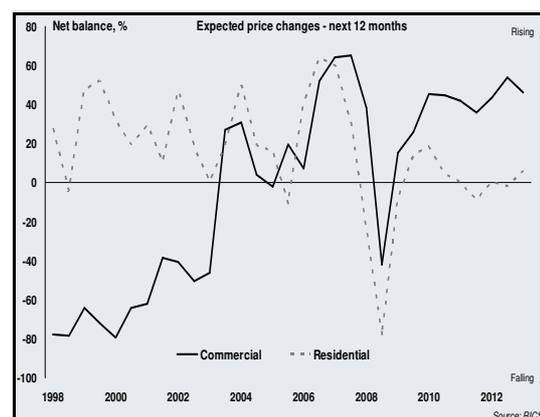
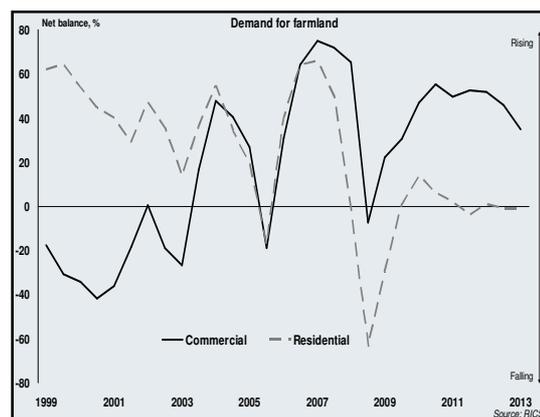
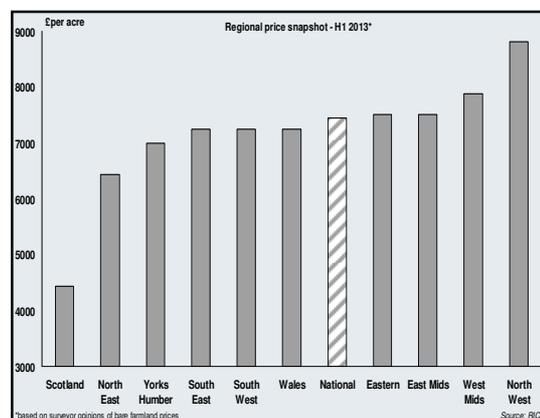
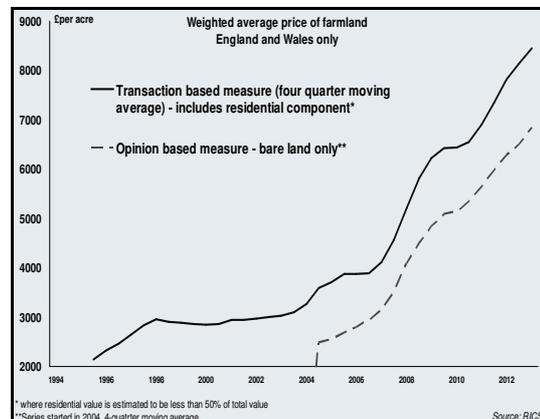
The survey's transaction based measure of farmland prices (which includes the value of on-site residences if they account for less than 50% of the total value of the sale) rose by around 5% over the period to £8,742 per acre. The opinions based measure (which is a hypothetical estimate by surveyors of the value of pure bare land) increased by around 10% to £7,441 per acre. The variation between the two can be partly explained by their different methodologies i.e. the residential element in the transactions based measure is likely to increase average per acre prices.

Price increases are being driven predominately by commercial farmers, who remain keen to expand production. Nevertheless, the strength of commercial farmland demand is not broad-based. Indeed, surveyors note that farmers in the main are discriminating in favour of large, top quality, neighbouring plots with as small a residential component as possible. As such, there is considerable price dispersion, even in the same areas; plots that are smaller and of lower soil quality are attracting much less interest and achieving lower average per acre prices.

Residential (or 'lifestyle') demand continues to trend sideways, though surveyors note it remains supported by a number of factors. These include farmland's relatively favourable tax treatment and its perceived 'safe haven' status.

At the regional level, the price of an acre of land in the North West increased by 35% over the first half to reach £8,813, the most expensive of all the regions now, while Scotland remains the cheapest with a value of £4,438.

Looking forward, surveyors are very optimistic about commercial farmland price prospects over the next 12 months. Meanwhile, price expectations in the residential arena, whilst relatively modest, have turned positive for the first time since H2 2010. This may reflect developments in the broader national housing market.



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See [notes to editors](#) on next page description of data and methodology.

Notes to editors

- 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 purchasers:

- 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 balances:

- Balance = Proportion of surveyors reporting a rise in demand/availability minus those reporting a fall (if 30% reported a rise and 5% reported a fall, the net balance will be 25%).
- Demand and supply balances based on change over previous year.
- Expectations balances based on change over next year.
- National balances refer Great Britain and are based upon a simple average across all respondents.
- 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).
- 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 the net balance reading drops 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.

Chartered Surveyor market comments

National Comment: England

Richard Liddiard, Carter Jonas, Newbury, 01635 263012 - "We have seen some exceptional transactions during H1 of 2013 with the larger sales being dealt with 'off market' showing the strength of land as a safe haven and hedge against economic ills. Whilst the UK economy is showing the green shoots of recovery I am still of the opinion that we are at the peak of the market for average or less well equipped farms. This will indicate that the best in class will still rise in value and be keenly sought after by the non-farming investors who are seeking the safe haven status and IHT tax advantages that land offers. We are also seeing more farms in the market and there are some holdings that are sticking particularly if they are overpriced or do not have strong local demand to push the values higher. Time will tell?"

Ben Taylor, Bidwells, Cambridge, 01223 559459 - "We have seen a moderate increase in market activity but still a distinct shortage of good quality commercial arable holdings being sold publicly and generally prices have continued to increase. Latterly, non-farming investors seem to have been edging the competition from farmer-purchasers. Demand for holdings with a weighty residential element remains somewhat selective."

National Comment: Scotland

Robert La Terriere, Bidwells, Perth, 01738 630666 - "Bids are primarily coming from local farm businesses unless the farm is a 350+ acre arable unit, in which case residential and investment buyers are keenly interested as well. Farms are thus being lotted according to likelihood of local buyers. CAP review, Land Reform, Independence Referendum and last few years' weather conditions are all considerations for sellers and buyers alike, but sparse evidence to suggest that any of these are really driving sales any more than personal or business circumstances."

Mark Mitchell, Bell Ingram Limited, Perth, 01738 621121 - "The Scottish farmland market has remained strong, despite the poor harvest of 2012 and late spring of 2013. Many more farms have been placed on the market during the Highland Show week than for a number of years, though some are farms unsold in 2012 which are being remarketed. Quality farms in good locations will still sell quickly and well, bare land is still the most desirable commodity, but sensible pricing remains the key to attracting sufficient interest to ensure competition at the closing date."

James Denne, Knight Frank, Lauder, 01578 722814 - "Demand for arable land remains constant. Grass farms are harder to move on unless good additional income streams. Over pricing is still an issue."

Rhona Booth, Davidson and Robertson Rural, Forfar, 01307 462651 - "Demand for good agricultural arable land remains strong particularly in Angus and Perthshire. Attractive, well maintained farms are selling well across the country. Less attractive units are subject to longer marketing periods and may not sell as a whole. Interest in farmland for a variety of purposes remains strong and farmland values are expected to be maintained at their current level."

Harry Lukas, CKD Galbraith, Peebles, 01721 722787 - "Farmland remains scarce in the Scottish Borders resulting in continuing strong prices for all types of land. Forestry interest is increasing again which is boosting hill values. CAP changes may alter availability but there seems little prospect of a dramatic change in the market this year."

National Comment: Wales

Delyth Davies, Clee Tompkinson & Franics, Carmarthen, 01267 230645 - "Commercial farms offered for sale are being well received in the market, with most purchasers being other local farmers. There are a lack of units coming onto the market, so demand is strong on the rare occasions that farms are available. Localised hotspots have seen high purchase prices in the region of £8k/acre."

Jack Tavernor, Strutt and Parker, Shrewsbury, 01743 284206 - "Overall prices will continue to rise albeit slowly. Headline grabbing sales are not the general market price but given the well reported strong and varied arguments supporting the base price of land I don't see prices reducing. More and more prices achieved are being affected by the micro-climate of demand in the locality and commercial farmers are the strongest sector of the market looking to spread fixed costs. Provided businesses are geared correctly then it shouldn't be an issue and opportunity is everything."

David Powell, Powells, Monmouth, 01600 714140 - "Continued demand for good well located blocks of good land close to farming base of purchasers. Good grazing/mowing land and arable land selling well and at premium values where local demand is strong. Little interest in poor land and less amenity purchasers/local investors competing with agricultural purchasers in the market."

G R Owens, McCartneys, Knighton, 01547 528621 - "More farms and land coming onto the market with the last 12 months weather together with huge additional costs playing a part in decision making by prospective sellers. The upside is generally firmer commodity prices and still plenty of enthusiasm from younger farmers and new entrants."

Eifion Bibby, Davis Meade Property Consultants Ltd, Colwyn Bay, 01492 510360 - "Confidence and demand for agricultural land and farms remains resilient after a long, difficult winter, buoyed by livestock product price returns. Market volatility (for instance owing to climatic and economic factors), CAP reforms and fragility of public confidence (in safety of farm commodities released into the food chain) will no doubt continue to be factors which will assist or, alternatively, be a challenge to the sector."

Gareth J Lloyd, Watts & Morgan, Cowbridge, 01446 774152 - "There is pressure to expand to ensure profitability by the majority of farmers although some appear to be happy to consolidate. Land values continue to surprise with well located Grade 2 land exceeding £12,000 per acre. There also appears to be increased amount of roll-over money available as well as a number of non-farming persons purchasing for Inheritance Tax purposes."

Simon Lloyd, Cooke & Arkwright, Bridgend, 01656 644644 - "Land values have continued to remain strong for good quality land and land that is well located. Bank funding for purchase of land does not appear to be nearly as tight as within the residential sector. Locally we have not seen any blocks of land or farms of 100 acres plus come to the market within the last 12 months."

National Comment: Forestry
John Clegg, John Clegg & Co, Haddenham, 01844 291384 – "The market continues to show significant variations throughout the UK and across woodland types. The competition for commercial spruce plantations remains strong with competitive bidding on the majority woods, particularly in core areas such as the Scottish Borders. Woods with a notable larch content continue to be treated with caution with the spread of *Phytophthora Ramorum* following the wet winter. Broadleaved woodlands, particularly in the southern half of England, are notable for the part that location plays in value even within individual counties. Values per acre vary considerably. Forestry values have risen robustly for several years. The drivers that have encouraged that still seem to have some growth and power left in them. A look across at the Bond markets though shows just how quickly things could change and the importance of the fundamentals of land and crop must be kept in view."

**Regional Comments
England:
Eastern**

David Sinfield, Alexanders, Huntingdon, Cambs, 01480 432220 - "We detect that the rapid upward rise in prices experienced over the last three years has begun to steady, notwithstanding there being no appreciable increase in land for sale. This we attribute in part to farmers taking a more conservative view of commodity prices and harvest prospects for the current season and potential knock on effects for 2014."

Jenna Goodall, TW Gaze, Diss, 01379 646825 - "We are still seeing demand outstripping supply particularly for arable land and grazing marshes and expect prices to continue to rise on the back of this."

Nicholas Wells, Robinson & Hall LLP, Bedford, 01234 362 904 - "Supply of large blocks of farmland continues to be limited, resulting in strong demand for the little that is available. Demand is largely driven by individual farmers. The number of private deals is on the increase."

Adrian Wilson, Savills, Cambridge, 01223347231 - "It is very apparent that the appetite for agricultural investment continues unabated. Both farmers and investors remain keen to purchase what little land is marketed and the economic returns appear to be of less concern than the desire to secure an investment fuelled by scarcity. In many instances there is real competition, the effect of which can produce some very heated negotiations leading to high values being attained."

Tom Goodley, Strutt & Parker, Norwich, 01603 617431 - "Only a small amount of land has been traded so far this year in Norfolk, where demand far outstrips supply. Within the county, location and quality are paramount to premium prices being achieved."

Jim Bryant, Bryant Land & Property, Cambridge, 01223 842675 - "At the end of last year a number of eastern region sales were boasting in excess of £9,000/acre+ for bare arable land, for good commercial farmland in some cases in the last quarter these figures have been further exceeded and the appetite for farmland seems just as strong. There remains a good spread of sale prices being achieved but there is no doubt that large blocks of arable across the Eastern region will continue to sell well. A few off market sales have taken place but a lack of supply of new land coming to the open market suggests there is still no volume of vendors wanting to capitalise on this buoyant market."

Ben Taylor, Bidwells, Cambridge, 01223 559459 - "We have seen a moderate increase in market activity but still a distinct shortage of good quality commercial arable holdings being sold publicly and generally prices have continued to increase. Latterly, non-farming investors seem to have been edging the competition from farmer-purchasers. Demand for holdings with a weighty residential element remains somewhat selective."

Chris Leney, Robinson & Hall, Ipswich, 01473 835253 - "Demand continues to exceed supply keeping prices buoyant, especially for larger commercial blocks. Large variations in prices for smaller (50 acre or so) blocks which are more dependant upon neighbour interest."

Jim Major, Brown & Co, Kings Lynn, 01553 770771 - "Publicity as to who is buying and why has driven prices to current high levels, supply remains limited as money in land is the right place to protect wealth but some evidence of a little more land coming forward to take advantage of those high prices. Confidence remains strong."

East Midlands

Jonathan Perks, Fisher German, Banbury, 01295 226282 - "A two tier market continues to emerge with good land with competing purchasers in some cases making £10k/ac+ but land with defects or lack of neighbour interest failing to perform. In such a market it is very difficult to give 'average' figures."

Nick Hanson, Bagshaws, Ashbourne, 01335 342201 - "The trend of last year has continued, with excellent prices being achieved, the preferred sales method being auction, as last year. There is a strong demand from individual farmers for the larger blocks of land; demand for smaller blocks of land, historically stronger from non-farming individuals, is more variable. Demand has proved strong for residential farms, provided realistic guide prices are set."

Nicholas Wells, Robinson & Hall LLP, Bedford, 01234 362 904 - "Supply of large blocks of farmland continues to be limited resulting in strong demand for the little that is available. Demand is largely driven by individual farmers. The number of private deals is on the increase."

Henry Spencer, King West, Market Harborough, 01858 411539 - "We are beginning to see a greater distinction in the price paid for average to good farmland and below average farmland. Demand is still outstripping supply!"

George Harrison, Robert Bell and Company, Horncastle, 01507 522222 - "Prices for small parcels of land is varying on the nature of the local farmers as much as the quality."

Robert Hurst, Fisher German, Newark, 01636 642504 - "Across the East Midlands a wide variation is developing with large blocks of arable land and well equipped farms in the eastern part, including Lincolnshire, attracting investment buyers now achieving premium prices over the prices being paid for smaller parcels. £10,000 to £12,000 per ac has been paid and whilst the overall market has shown increased prices this premium price level has tended to distort people's overall view of the market. Blocks of Grade 3 cereal growing land are now selling for prices in the range of £7,000 to £9,000 per ac and better grade 2 for £8,000 to £10,000 per ac. The supply of land in parts of the region, Nottinghamshire in particular, has been very limited over the last 6-9 months."

Nicola Clayton-Bailey, Henry H Bletsoe & Son LLP, Thrapston, 01832 732241 - "Demand continues to outstrip the supply of farmland coming on to the market in the East Midlands. Private deals of commercial blocks of land continue to occur away from public glare and scrutiny. History has been repeating itself with industrialists, who have made their money outside agriculture, recently purchasing several estates in this area."

Richard Start, Pygott & Crone, Sleaford, 01529 414555 - "Good quality land, large blocks and strategically placed land still selling well and fetching a premium. Some lesser quality land taking longer to sell than initially expected. Some sales of large blocks in the area creating interest and incentives for others to sell. Still a lot of land being sold off the market."

Will Parry, Strutt & Parker LLP, Market Harborough, 01858 433 123 - "Record prices being achieved for large commercial farms which are attracting outside investors. Farmers in the market for bare blocks of land. However, there are ceiling values emerging. Residential estates need splitting up to achieve sales."

Andrew Pearce, Chesterton Humberts, Lincoln, 01522 516838 - "Supply of commercial arable farms on the open market is still very restricted, the percentage of private deals has increased particularly for the larger scale holdings and now represents 30% of all land sales. Competition is still fierce, particularly as a result of one dominant purchaser who has acquired over 18,000 acres in the last 10 months. Farmer interest may start to change if we incur another poor harvest and cash flow is restricted which in turn will have an impact on rental figures too. Despite this we are still predicting that commercial farmland prices will still increase by 5% this year."

North East

John Neal Thompson, Edwin Thompson, Berwick-upon-Tweed, 01289 304432 - "Land values in this area appear to have reached a plateau. Whether or not this is temporary will depend upon all the usual parameters. Additionally, there is a noticeable widening of the gap between the prices achieved for good quality land and the rest."

Ashley Dodgson, GSC Grays, Bedale, 01609 422400 - "The farm land market continues to be robust with demand generally exceeding supply which is manifested by increasing values, albeit the market is wide-ranging with significant quality and geographic disparities across the North. Whilst nationally the supply of land is higher than in 2012, the quantity of land coming to the market is still below historic levels. Although the 2012 harvest year is best forgotten with low yields, poor quality crops and high variable costs it continues to have an impact on year end accounts and poorly established crops. Good quality commercial arable farms have sold particularly well as exemplified by the sale of Murton Grange, Hawby and Longlands Farm, Northallerton, which achieved significantly above their respective guide prices. However, we are generally witnessing weaker demand for smaller farms with a significant residential element. Farm land continues to outperform a number of alternative asset classes which combined with good tax breaks helps to enhance its investment appeal."

North West

Jack Tavernor, Strutt and Parker, Shrewsbury, 01743 284206 - "Overall prices will continue to rise albeit slowly. Headline grabbing sales are not the general market price but given the well reported strong and varied arguments supporting the base price of land I don't see prices reducing. More and more prices achieved are being affected by the micro-climate of demand in the locality and commercial farmers are the strongest sector of the market looking to spread fixed costs. Provided businesses are geared correctly then it shouldn't be an issue and opportunity is everything."

John Seed, Brown Rural Partnership, Macclesfield, 01625 442705 - "Trend towards a two tier market for land continues, albeit within the context of a resilient market overall, given a slight increase in supply. Residential units still hampered by the lack of confidence and funding that still blights the residential market. Development units particularly affected."

Hugh Maxfield, Fisher German LLP, Knutsford, 01565 757971 - "Demand for land continues to exceed supply and the market therefore remains buoyant. The large majority of land sales locally have been to expanding local farming businesses."

Andrew Chandler, Frank Marshall LLP, Chelford, 01625 86 11 22 - "Cheshire, Derbyshire and South Lancashire are seeing increasing interest in rural properties and land in 2013 and property values are stable with perhaps a slight increase - a two tier market is still very much in evidence in more popular areas. The length of time to secure funding is delaying completion of transactions and Private Treaty and Informal Tender are now the preferred methods of sale rather than auction to accommodate the delay/extended time required to secure funding."

Graham Bowcock, Berrys, Northwich, 01606 819953 - "The wet summer of 2012 and subsequent difficult winter/spring do not seem to have diminished the appetite for land purchase. The big still want to get bigger but continue to be hampered by shortage of supply. It is possible that March 2013 accounts show a downward trend and this may impede the farmers' ability to borrow. However, there are plenty of non-farmers waiting in the wings and many seem to have cash available."

Edward Clark, Fisher German Denton Clark, Chester, 01244 409665 - "While the land market remains strong some of the heat has gone out of it. The strength of the market in any specific area is more dependent upon interest from neighbouring farmers than was the case a year or two ago."

South East

Jonathan Perks, Fisher German, Banbury, 01295 226282 - "A two tier market continues to emerge with good land with competing purchasers in some cases making £10k/ac+ but land with defects or lack of neighbour interest failing to perform. In such a market it is very difficult to give 'average' figures."

Will Banham, Smiths Gore, West Malling, 01732 879058 - "Values now appear strong but stationary in a largely static market. The south east market remains characterized by an under supply of bare and equipped holdings which continues to support strong sale prices. Most sales have been of smaller blocks of bare land and prices vary considerably between transactions depending on levels of interest from local farming buyers."

Russell Parkes, Batcheller Monkhouse, Pulborough, 01798 872081 - "More farm land has become available in the south-east."

Nicholas Wells, Robinson & Hall LLP, Bedford, 01234 362 904 - "Supply of large blocks of farmland continues to be limited resulting in strong demand for the little that is available. Demand is largely driven by individual farmers. The number of private deals is on the increase."

Edmund Smith, Carter Jonas LLP, Oxford, 1865404443 - "A slow start to H1 in 2013 has been evidenced by a short supply of land coming to the market, but this seems to have been offset by a noticeable increase in off market transactions. The cost of borrowing remains low and demand remains high despite an unfavourable growing season. Lack of local land supply is expected to be the limiting factor for H2, with land quality becoming a more material factor in determining prices going forward."

Julian Sayers, Adkin, Wantage, 07850 397667 - "Market demand remains strong for bare land and residential farms with a limited supply coming forward. As a result values are being maintained and where there is strong competition amongst potential purchasers still increasing."

Rowan Allan, H.J. Burt & Son, Steyning, West Sussex, 01903 879488 - "A few more blocks available in the market place, but possibly not with the same heat and upward spiral in prices that we saw last year and reflective of a tougher start to the farming year. The market place for smaller lots of land in the area has cooled a little with general market and financial uncertainties and with less disposable income/capital to be made on lifestyle/leisure pursuits for amenity blocks, especially for those in excess of £100,000."

Andrew Brown, Faringdon, 01367 242422 - "Slightly more farmland and property now in the market but not enough to dent existing demand. Location and neighbours are adding a premium with arable land exceeding £10,000 in many cases. Non-farming buyers are still active with many premium sales being driven by the sale of a well located London house to buy a farm or estate."

Julian Stratford, STRATFORD'S, Bethersden, Ashford, 01233 820218 - "There remains a good demand for bare agricultural land to add to existing holdings with farmers being the main driving force behind this interest. The scarcity of blocks of land seems to enhance the demand."

South West

Will Handel, Greenslade Taylor Hunt, Honiton, 01404 46222 - "Demand for commercial farmland remains strong in East Devon although location continues to determine value with large variations from district to district. Following a challenging 2012 for many farming businesses there is evidence that some businesses are struggling to obtain funding from banks."

Matthew Peters, Bruton Knowles, Gloucester, 01452 880000 - "A little more coming to the market. Location is the key. There have been some very hefty private sales with figures well in excess of £10,000 per acre being reported. This is mainly down to marriage value and the continued demand for land in the right area. Residential farms are still difficult unless realistically priced. Some auction sales have indicated figures around the £7,000 per acre mark but conversely other sales have struggled due to lack of neighbour interest. The smallholding market is difficult unless realism prevails in pricing. Lot of developer interest in 'strategic' land and amenity/pony paddock values seem to be holding but again location specific."

Richard Nocton, Woolley & Wallis, Marlborough, 01672 515252 - "Demand appears to be insatiable for good quality land and upward pressure on prices reflect this clearly with plenty of buyers who are armed with cash funds and confidence. The land of lesser quality, poorly managed or with any blight, is quickly down valued by the market and prices are seen to fall away sharply. A benign tax regime and the willingness of banks to lend are fuelling land prices and any slight change in these two factors could see a dramatic change in the marketplace."

Richard Greasby, Butler Sherborn, Cirencester, 01285 883740 - "Location and local demand key in determining prices. Bare land selling very well. Equipped holdings or those with a significant residential element often taking longer."

Adrian Cannon, Tayler & Fletcher LLP, Bourton-on-the-Water, 07854 158113 - "There continues to be buying and selling of land to allow consolidation of holdings locally. These are generally neighbour to neighbour transactions but this has to be at the right price to suit both parties. Other transactions are those that are looking to retire, otherwise little land is coming to the market in the Cotswolds."

Andrew Dodds, Stags, Exeter, 01392 680059 - "There appears to be a lot more confidence in the market for residential farms and demand for commercial units remains strong. Whilst the poor weather led to a quiet first quarter there are now more farms available than this time last year, followed up with a good run of sales in May and June to a varied range of buyers. Recent sales by auction and private treaty suggest that land values remain firm but very localised."

Kit Harding, Carter Jonas, Bath, 01225 747270 - "There has been an increase in the number of farms and farmland coming to the market in the first part of the year. Good land and well equipped farms are selling well with prices still firming in some fashionable areas. A gap is opening up between the prices being paid for better land in areas of high demand and those for land in less sought after areas. In the latter some land is difficult to sell unless values are highly discounted. As ever some parcels of land do fetch abnormally high prices which can distort the market but generally arable land is selling between £8,500 - £10,000 per acre with pasture land being £2,000 per acre behind."

Andrew Tuffin, Symonds & Sampson, Sturminster Newton, 01258 472244 - "Increasing land prices have helped to bring more land to the market in 2013; however, the pent up demand caused by the shortage of the last two years still means prices are rising. With keen neighbours £10,000 per acre is not unusual, although with no farmers in the locality values can be down to £5,000 per acre. The majority of buyers in the south west continues to be expanding farmers."

Simon Male, Woolley & Wallis, Salisbury, 01722 424515 - "Continued strong demand for commercial blocks of arable land; however, considerable local variance evident in terms of price and demand. Greater variation for bare pasture land with larger blocks attracting the most interest; particularly where there are established buildings. Notably less interest from equestrian and amenity buyers with location and proximity to residential areas being key considerations."

PB Farnsworth, Rendells, Ashburton, 01364 654670 - "Lack of land coming onto the market is driving up prices and demand from established farmers continues unabated. Some hesitancy for equestrian units which is not unsurprising given the continuing economic outlook which has affected the leisure market."

Toby Perry, Smiths Gore, Exeter, 01392 278466 - "Lack of supply continues to hold prices strong in the South West. In particular there is a shortage of good quality commercial holdings on the market. There are a number of private deals of bare land taking place well in excess of average price levels."

Andrew Brown, Faringdon, 01367 242422 - "Slightly more farmland and property now in the market but not enough to dent existing demand. Location and neighbours are adding a premium with arable land exceeding £10,000 in many cases. Non-farming buyers are still active with many premium sales being driven by the sale of a well located London house to buy a farm or estate."

West Midlands

Jack Tavernor, Strutt and Parker, Shrewsbury, 01743 284206 - "Overall prices will continue to rise albeit slowly. Headline grabbing sales are not the general market price but given the well reported strong and varied arguments supporting the base price of land I don't see prices reducing. More and more prices achieved are being affected by the micro-climate of demand in the locality and commercial farmers are the strongest sector of the market looking to spread fixed costs. Provided businesses are geared correctly then it shouldn't be an issue and opportunity is everything."

Arthur Witchell, Smiths Gore, Cirencester, 01285 888000 - "In the Cotswolds and some surrounding areas, there is a divergent market with primarily neighbour interest pushing some land well over £10,000 per acre. The base figure however is nearer to £8,000 per acre."

Matthew Peters, Bruton Knowles, Gloucester, 01452 880000 - "A little more coming to the market. Location is the key. There have been some very hefty private sales with figures well in excess of £10,000 per acre being reported. This is mainly down to marriage value and the continued demand for land in the right area. Residential farms are still difficult unless realistically priced. Some auction sales have indicated figures around the £7,000 per acre mark but conversely other sales have struggled due to lack of neighbour interest. The smallholding market is difficult unless realism prevails in pricing. Lot of developer interest in 'strategic' land and amenity/pony paddock values seem to be holding but again location specific."

Nick Hanson, Bagshaws, Ashbourne, 01335 342201 - "The trend of last year has continued, with excellent prices being achieved, the preferred sales method being auction, as last year. There is a strong demand from individual farmers for the larger blocks of land; demand for smaller blocks of land, historically stronger from non-farming individuals, is more variable. Demand has proved strong for residential farms, provided realistic guide prices are set."

Peter Kirby, Sunderlands & Thompsons LLP, Hereford, 01432 377068 - "More land has been coming on the market this year and prices have been variable but generally better quality more versatile and accessible land continues to generally sell well with prospective purchasers more cautious with second quality land. Farmers looking to expand remain the predominant purchasers."

Jennifer Whitton, Howkins and Harrison, Rugby, 01788 564694 - "There seem to be two main influences on the farmland market in the area. One being off the back of the NPPF and the requirement for Local Authorities to meet five year housing supply targets which has resulted in an increase in edge of town and village land being bought by developers. The result of which has left farmers with roll-over money enabling higher bids to be made on good blocks of productive farmland. The other main influence has been from a short supply of farmland coming onto the market in Northamptonshire, Warwickshire and Leicestershire with any land receiving strong interest and competition from potential purchasers. It will be interesting to see how high tax bills off the back of a good harvest and high commodity prices in 2012 affect the market moving forward though."

G R Owens, McCartneys, Knighton, 01547 528621 - "More farms and land coming onto the market with the last 12 months' weather together with huge additional costs playing a part in decision making by prospective sellers. The upside is generally firmer commodity prices and still plenty of enthusiasm from younger farmers and new entrants."

Jeremy Jehan, Brightwells Ltd, Hereford, 01432 261325 - "Shortage of supply in first half of the year. Good arable land no change in demand or price, poorer blocks still showing interest but at less money. Second half of year showing far more choice and blocks on offer."

Mike Taylor, Barbers Rural Consultancy LLP, Market Drayton, 01630 692500 - "Prices continue to rise for all types of land although there is more on the market now. Just a feeling that prices may be peaking, but it may be more that sellers are now sometimes over optimistic and flattered by the exceptional prices achieved for the very best versatile arable land. There is a bit more life this spring/ early summer in the rural residential market which has been very steady for the last four years."

Victoria Lawder, Carter Jonas, Shrewsbury, 01939 210171 - "Demand for good quality bare land continues to be strong with quality affecting prices. It seems that some farmers believe land prices have plateaued and as a result those wishing to dispose of land are doing so now."

Yorkshire & Humberside

Tom Whitehead, Carter Jonas LLP, Harrogate, 01423 523423 - "Volume and marketing activity was noticeably slower to get going this spring although the regional market has surged into activity since mid May with a good mix of bare land and equipped farms of varying calibre now available. Reasonable quality bare arable land in blocks of 50 - 150 acres are highly sought after commanding a 20% - 50% premium over 'average' prices with weaker demand for farms with a strong residential element or in less fashionable districts."

Dan Taylor, Carter Jonas LLP, York, 01904 558219 - "Despite the challenges of the last 12 months the land market has remained robust. There have been a number of strong sales of bare land and equipped farms in the first half of the year, with farmers at the forefront. Scarcity of supply continues to be a factor in Yorkshire and there has been a great deal of activity from neighbouring purchasers, which has led to premiums being achieved and a variance in prices. The banks are continuing to lend freely to the agricultural sector and the availability of finance is providing the firepower to fund large commercial purchases."

Ashley Dodgson, GSC Grays, Bedale, 01609 422400 - "The farm land market continues to be robust with demand generally exceeding supply which is manifested by increasing values, albeit the market is wide ranging with significant quality and geographic disparities across the North. Whilst nationally the supply of land is higher than in 2012 the quantity of land coming to the market is still below historic levels. Although the 2012 harvest year is best forgotten with low yields, poor quality crops and high variable costs it continues to have an impact on year end accounts and poorly established crops. Good quality commercial arable farms have sold particularly well as exemplified by the sale of Murton Grange, Hawnby and Longlands Farm, Northallerton, which achieved significantly above their respective guide prices. However, we are generally witnessing weaker demand for smaller farms with a significant residential element. Farm land continues to outperform a number of alternative asset classes which combined with good tax breaks helps to enhance its investment appeal."

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About the Royal Agricultural University (RAU)

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.

The RAU currently provides a unique learning environment for approximately 1000 students from over 40 different countries. The College offers almost 30 different degree courses in disciplines as varied as agriculture, business, equine, food, and land and property management.

Since the 1930s, the Royal Institution of Chartered Surveyors (RICS) has accredited courses at the RAU. Today, the College offers a choice of five degree programmes at undergraduate and post-graduate levels within its School of Real Estate and Land Management, from where it continues to train and educate the future leaders of the land and property professions.

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.

About the RICS/ RAU Rural Market Survey

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

