

# Farmland Index

Q1 2025

The Knight Frank Farmland Index tracks the average price of bare agricultural land (arable and pasture) across England and Wales. The index is based on the opinions of Knight Frank's expert valuers and negotiators, taking into account recent sales evidence, local market knowledge, and client and industry sentiment.

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## Farmland market weathers the storm

► The market for agricultural land in England and Wales is holding steady in the face of several challenges

Despite farmers taking to the streets of London to protest at a perceived lack of government support for food producers, the farmland market has experienced a fairly uneventful start to 2025.

Values have remained steady, and relatively few new properties have been put up for sale so far this year.

According to the Knight Frank Farmland Index, the average value of bare agricultural land in England and Wales slipped by 1% in the first three months of the year to £9,072/acre.

Combined with another small drop in the final quarter of 2024, prices have dropped by just 1.9% over the past 12 months.

There has been speculation that the government's reform of Inheritance Tax (IHT) legislation, which will potentially see big bills for many farms and rural estates, could hit values.

However, with the changes not due to kick in until April 2026, there has been no impact so far on the amount of land coming to the market and any subsequent downward pressure on prices.

Just over 8,000 acres have been publicly launched so far in 2025, a

drop of 11% compared with the same period last year.

Prospective buyers seem relatively sanguine about the reforms with a number of deals being completed by Knight Frank's Farms & Estates team in March.

More immediate concerns are the big drops that farmers will see in their Basic Payment Scheme (BPS) cheques and uncertainty surrounding the future of the government's environmental payment schemes.

The current round of the Sustainable Farming Incentive, which would have helped to offset some BPS losses, was recently closed without notice, with many producers still to get their applications in.

Again, however, it is too early to say if this will result in more landowners deciding to call it a day and put all or part of their holdings up for sale.

Even if more land does come to the market, there is still strong demand for land from forward-looking farmers, in particular those with diversified income streams, investors and environmental buyers.

For now, the farmland market appears to be holding firm.

### PRICE CHANGE

**-1.0%**

3-month change

**-1.9%**

12-month change

**+30.3%**

5-year change

**+12.6%**

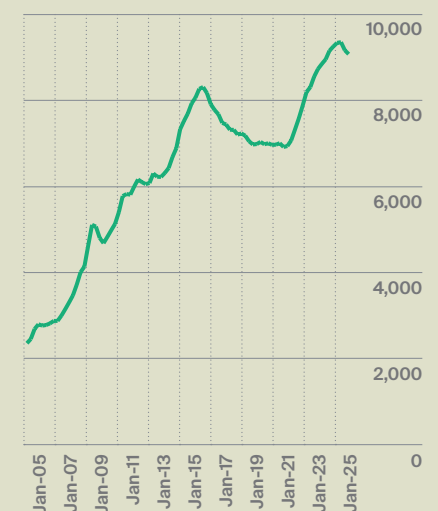
10-year change

**+229.2%**

20-year change

### Historical farmland performance

Price (£/acre)



Source: Knight Frank Research



#### On the market

An exceptional country estate set in 327 acres of its own farmland with viticulture and development potential, overlooking the stunning River Crouch and valley beyond.

Price: £19,900,000

## EXPERT COMMENT



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With farmland still trading at near-record prices, you might think that deals would be done regardless of the prevailing weather conditions, but the advent of spring with some much-needed sunshine has certainly brought a somewhat moribund market back to life.

My team and I have recently completed on a number of deals that had been treading water over winter. Despite the issues facing the farming industry, which have been mentioned elsewhere on this page, we achieved strong prices to a diverse range of buyers. A large block of land in the Midlands, for example, sold for around £13,000/acre to a progressive farming business, with most other sales breaking the £10,000/acre barrier.

We have a solid pipeline of new properties, including commercial farmland, a large estate, vineyard opportunities and smaller lifestyle properties, to bring to the market in 2025, so it looks set to be an interesting year. Perhaps by the end of it, we will have more clarity regarding the impact of the government's policy changes on land values, but, so far, it seems to be business as usual for the sector of the market that we deal in.

## FARMLAND CAPITAL GROWTH VS ALTERNATIVE ASSETS

Rate of change over:

	1 year	5 years	10 years
<b>Farmland (England &amp; Wales)</b>	-1.9%	30.3%	12.6%
<b>Prime central London residential</b>	-1.1%	-5.1%	-16.8%
<b>UK residential</b>	3.9%	25.2%	43.9%
<b>Gold</b>	39.1%	86.0%	152.6%
<b>Global equities (S&amp;P Global 100)</b>	11.6%	136.6%	155.6%
<b>UK equities (FTSE 100)</b>	8.9%	58.6%	23.1%

Source: Knight Frank, Macrobond

We like questions, if you've got one about our research, or would like some property advice, we would love to hear from you.



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## KNIGHT FRANK FARMLAND INDEX

	Average value £/acre	Average value £/Hectare	Annual price change	Quarterly price change
2020 Q1	£6,960	£17,199	-0.3%	-0.6%
2020 Q2	£6,965	£17,211	-0.9%	0.1%
2020 Q3	£7,000	£17,297	0.4%	0.5%
2020 Q4	£6,912	£17,080	-1.2%	-1.3%
2021 Q1	£6,933	£17,132	-0.4%	0.3%
2021 Q2	£7,065	£17,458	1.4%	1.9%
2021 Q3	£7,320	£18,088	4.6%	3.6%
2021 Q4	£7,580	£18,731	9.7%	3.6%
2022 Q1	£7,875	£19,460	13.6%	3.9%
2022 Q2	£8,190	£20,238	15.9%	4.0%
2022 Q3	£8,305	£20,522	13.5%	1.4%
2022 Q4	£8,550	£21,128	12.8%	3.0%
2023 Q1	£8,728	£21,567	10.8%	2.1%
2023 Q2	£8,845	£21,856	8.0%	1.3%
2023 Q3	£8,951	£22,118	7.8%	1.2%
2023 Q4	£9,152	£22,615	7.0%	2.2%
2024 Q1	£9,250	£22,857	6.0%	1.1%
2024 Q2	£9,335	£23,067	5.5%	0.9%
2024 Q3	£9,351	£23,107	4.5%	0.2%
2024 Q4	£9,164	£22,644	0.1%	-2.0%
2025 Q1	£9,072	£22,418	-1.9%	-1.0%