

Eastern Estates and Farmland Market Review

Spring 2018



Eastern overview

Here at Strutt & Parker, we have been extremely active in the Eastern counties over the last 12 months, acting for clients in the sale or purchase of farmland totalling almost 20,000 acres.

Despite the global and national uncertainties, farmland values in the East of England and East Midlands have held up well, with arable land prices averaging circa £9,000 per acre over the last twelve months. However, the average price continues to hide a vast range of prices being achieved, and the East of England is no exception.

The fundamental issues affecting value remain firstly geography, where units within reach of known buyers sell well but those in more remote areas can present a challenge, and secondly the quantity of land being offered at any one time.

At the time of writing it seems quantity may be lower this spring so for anyone considering a sale the time may well be perfect.



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The national market at a glance

Supply

- 10% less land was marketed in 2017 than in 2016, but the 84,900 acres available was only just below the five-year average.
- 235 farms were marketed – 4% fewer than in 2016 and 8% fewer than the 10-year average. The biggest drop was in East Anglia.
- Private sales are becoming more of a feature in the marketplace.

Demand

- Farmers played a slightly more active role in the market, largely because of an increase in the number with rollover funds. They bought just under 60% of the farms sold, compared with 55% in 2016.
- Demand remains strongest for larger farms.

Pricing

- The average price of arable land sold in Q4 2017 was £9,900/acre, nearly 8% higher than in Q3. However, the average masks a wide range of actual sale prices – from £6,000/acre to £16,500/acre. For the whole of 2017, the average was £9,300/acre.
- Less arable land is now selling at over £10,000/acre.

The Eastern Region – County Focus

ESSEX/HERTFORDSHIRE – TIM FAGAN

Over the last year, we have seen a strong market return after a six-month slowdown following the EU Referendum. Of the 5,200 acres which were marketed in Essex, the majority has sold at, or in excess of, the guide price, which averaged almost £9,000/acre for arable land. Land values are at their highest when located close to large towns, where buyers are funding purchases from either development land sales or from loans served by healthy cash flows from alternative income such as building lets. As sales volumes in development land increase, there will be more buyers looking to invest. But even taking those into account, it is reassuring to the industry that the overwhelming majority of land in Essex is still being purchased by farmers.



SOLD

Land at Stisted, Braintree, Essex
207 acres of Grade 2 arable land

SUFFOLK/NORFOLK – GILES ALLEN

The market was steady during 2017 with the majority of farms brought to the market selling within relatively short timescales. Grade 3 arable land values are around £8,500/acre, but with a wide variance of between £7,000- £10,000+/acre. Accessibility, quality and local buyers are all key to values. Farmers are buying over half the farms sold, with lifestyle buyers and private investors making up the remainder. Looking forward, there is cautious optimism that this market will be maintained. A relatively high yielding harvest and straightforward crop establishment season, better soft commodity prices, buyers with development rollover funds and low levels of supply means that values are likely to remain at their current level.



Guide price £1,175,000

Land at West Winch, Kings Lynn, Norfolk
238 acres of Grade 2 arable land

CAMBRIDGESHIRE – MICHAEL FIDDES

Cambridgeshire is a hugely varied county not only in terms of landscape and soil types but also in influences on the farmland market. Whilst on the supply side there wasn't a significant amount of land sold in 2017, all indications are that whilst there remains substantial demand from a wide range of sources around the Cambridge area (to a large extent on the back of the huge economic success of the city) demand for land in the Fens in the north of the county remains more limited. As with other parts of the country, demand is very localised but probably more polarised in Cambridgeshire than any other county.



SOLD

Farcet Farms, Farcet, Cambridgeshire
1,265 acres of Grade 1 arable land

LEICESTERSHIRE/LINCOLNSHIRE – SAM HOLT

The land market in these counties has been exceptionally varied, depending on location which is the pattern across the entire East Midlands. In areas where there has been a shortage of supply there has been strong competition and high prices paid for land by local farmers who have rarely had the opportunity to buy land close to their existing farms. We have also seen buyers in funds as a result of the sale of development land competing particularly for the larger parcels, and these can swing the average land price upwards considerably. Farmer buyers remain in the market to buy land but are cautious to ensure they are buying at a level which is commercially viable.



Guide price £1,600,000

Washdyke Farm, Folkingham, Lincolnshire
192.62 acres of bare land.

A selection of our farms and estates sold in 2017



SOLD

BAYTHORNE PARK, ESSEX/SUFFOLK BORDERS

667 acre traditional rural estate.



SOLD

HOMESTEAD FARM, SKEFFINGTON, LEICESTERSHIRE

267 acres of arable land.



SOLD

BECKINGHAM HALL FARM, MALDON, ESSEX

437 acre arable farm.



SOLD

STONEHOUSE FARM, NR SOUTHWOLD, SUFFOLK

234 acre residential farm.



SOLD

LAND AND BUILDINGS NEAR HITCHIN, HERTS

384 acres of land with strategic potential.



SOLD

LAND AT FOXBOROUGH HILLS, SIBLE HEDINGHAM, ESSEX

141 acres of mixed use land.



SOLD

LAND AT BARLEYTHORPE, OAKHAM, RUTLAND

114 acres of strategic land.



SOLD

BLOOMFIELDS, NEWMARKET, SUFFOLK

113 acres of residential equestrian property.

A selection of our farms and estates sold in 2017



SOLD

BROAD OAK FARM, HALESWORTH, SUFFOLK

Charming residential mixed farm in a tranquil rural setting of 348 acres.



SOLD

LAND IN LEICESTERSHIRE

137 acres of bare land. Sold privately.



SOLD

LAND AT BELCHAMP ST PAUL, SUDBURY, SUFFOLK

188 acres of Grade 2 arable land.



SOLD

BRADFIELDS FARM, FOXEARTH, SUDBURY, SUFFOLK

290 acre arable farm.

If you are looking to buy or sell in the farmland market or would like to discuss the market on a confidential basis, then please contact one of our agents on the details below.



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