Farmland Index

Knight Frank

Q3 2026

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 flattening out

- Agricultural land values steady as 'boring' Budget calms nerves

The average value of bare farmland in England and Wales slipped only fractionally in the third quarter of 2026.

According to the Knight Frank Farmland Index, prices dropped 0.6% to £8,442/acre, taking the 12-month fall to 3.1%, the lowest annual drop since Q1 2025.

Although sentiment in the farming sector is far from buoyant, following one of the driest summers on record and the bungled launch of the 2026 round of the Sustainable Farming Incentive, which saw many businesses miss out on nature-friendly farming payments, supply and demand remain in balance.

Just under 75,000 acres of land have been advertised publicly for sale so far this year, according to the Farmers Weekly Land Tracker, a drop of almost 18% on 2025, which, in itself, was a year of very limited supply.

With a wide mix of farmers, institutions, private individuals and environmental organisations still actively looking for land, this low level of availability means any downward pressure on prices is gradually abating.

Realistic vendor expectations, however, are important for those wishing to wrap up a sale quickly. Prices, while no longer falling significantly, are at least 10% off the peak of the market in 2024, which some sellers are yet to acknowledge.

Looking forward, the first Autumn Budget under new Labour leader Andy Burnham, while short of any major policy measures to turbocharge the UK's economy, contained nothing to suggest the levelling out of agricultural land values will be derailed.

Unfortunately, he chose not to reverse the controversial Inheritance Tax reforms put in place by his predecessor Rachel Reeves in her first Autumn Budget in 2024, but current Chancellor John Healey's confirmation that the rate of Capital Gains Tax will not be increased as feared by some was welcome.

In addition, the Prime Minister going on record after the Budget to say that there will be no General Election for at least 12 months could usher in a more active period for the farmland market, with fewer short-term political and tax issues for both prospective buyers and sellers to worry about.

PRICE CHANGE

-0.6%
3-month change

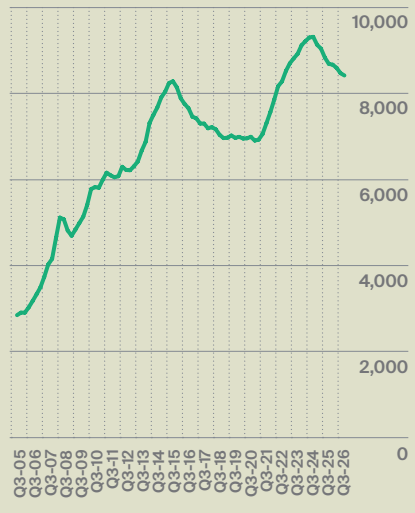
-3.1%
12-month change

+15.3%
5-year change

+10.0%
10-year change

+169.1%
20-year change

Historical farmland performance
Price (£/acre)



Source: Knight Frank Research

On the market



The 704-acre Penbedw Uchaf Estate in Flintshire, Wales is priced at £6.7 million.



Offers over £15 million are invited for the 3,459-acre Portmore Estate in the Scottish Borders.

EXPERT COMMENT



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Following what amounted to a bit of a nothing Budget, I'm hoping that the farmland market will be back to business as we head into 2027. We have actually had quite a good run of things, culminating in the recent completion of the sale of the 9,486-acre Rothbury Estate, but stock levels have been exceptionally low, and high-net-worth buyers have been nervous about committing too much capital in the UK. It's a tough one to call, but I think we are close to, if not already at, the bottom of the current dip in the farmland value cycle. If you think about the climate, the government's handling of agricultural policy and commodity prices, most of the bad news about farming has already been factored in by buyers. As the interest in the various farms that we have offered so far in 2026, including a large block of farmland overlooking Chesil Beach in Dorset, shows, there are plenty of purchasers looking to buy land for a wide variety of reasons. I would say, though, that for rural properties with a significant residential angle, especially those that aren't particularly well serviced by good transport connections, some vendors do need to adjust their pricing expectations.

FARMLAND CAPITAL GROWTH VS ALTERNATIVE ASSETS

Rate of change over:

	1 year	5 years	10 years
Farmland (England & Wales)	-3.1%	15.3%	10.0%
UK residential	0.8%	10.3%	33.1%
Gold	-0.9%	128.6%	228.3%
Global equities (S&P Global 100)	21.5%	98.7%	291.5%
UK equities (FTSE 100)	13.5%	48.8%	52.9%

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
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%
2025 Q2	£8,861	£21,895	-5.1%	-2.3%
2025 Q3	£8,716	£21,537	-6.8%	-1.6%
2025 Q4	£8,696	£21,489	-5.1%	-0.2%
2026 Q1	£8,622	£21,306	-5.0%	-0.9%
2026 Q2	£8,497	£20,995	-4.1%	-1.5%
2026 Q3	£8,442	£20,862	-3.1%	-0.6%

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