Farmland Index

Q2 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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Agricultural land market remains rudderless

- Potential farmland buyers and sellers remain nervous as politics takes centre stage

After months of speculation, Andy Burnham's Labour Party coup was, in the end, as incisive and ruthless as a surgeon's scalpel. Keir Starmer really had only one option after Burnham trounced Reform in Makerfield and no other leadership hopefuls threw their hat in the ring.

However, removing the political uncertainty over who, barring an extraordinary turn of events, will be the next Prime Minister looks very unlikely to add some fizz to a becalmed farmland market.

Potential purchasers seem in no hurry to buy, while motivated sellers remain few and far between. The amount of land advertised for sale in the first half of 2026 compared with 2025 fell by almost 25%, according to the Farmers Weekly Land Tracker.

If anything, suspicions that Burnham's takeover will nudge the Labour Party further to the left are making high-net-worth individuals even more cautious about investing large amounts of money into UK real estate, including farms and landed estates.

Farmers also remain unsure about their future as input costs, like fuel and fertiliser, which were sent rocketing by the Iranian conflict, threaten to badly dent profitability this year and next. Government funding for environmental schemes designed to replace EU subsidies remains uncertain beyond the short-term.

The fallout from Rachel Reeves's Inheritance Tax raid on family-owned businesses continues to cast a shadow over the industry. Burnham has said he may look again at the controversial changes to Agricultural and Business Property Relief, but nobody is holding their breath, particularly as he also favours the introduction of an annual Land Value Tax.

But with the uncertainty affecting both sides of the buyer/seller equation equally, farmland values remain at historically high levels. In the second quarter of the year, the average value of bare land in England and Wales dropped by just 1.5% to £8,497/acre. That equates to an annual fall of just over 4%.

With few signs of much more land coming to the market over the summer, prices are unlikely to tumble, and quality properties in good locations will still attract firm levels of demand.

PRICE CHANGE

-1.5%
3-month change

-4.1%
12-month change

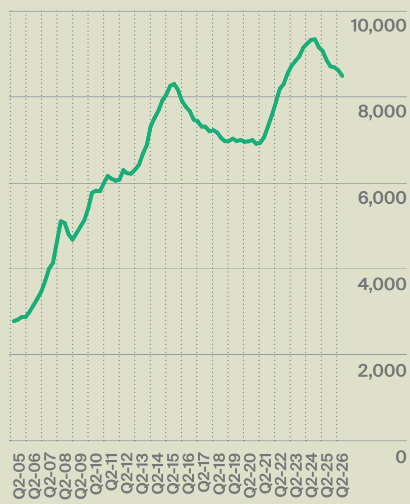
+20.3%
5-year change

+9.3%
10-year change

+184.4%
20-year change

Historical farmland performance

Price (£/acre)



Source: Knight Frank Research

On the market

1,000 acres of productive arable land within the Dorset National Landscape

Price: £10,600,000

A beautifully positioned, Grade II listed house sitting in approximately 13.46 acres in the High Weald countryside

Price: £1,950,000

EXPERT COMMENT

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Because sales volumes are so low at the moment, it is impossible to say what an acre of land is worth. The right block of land in the north Cotswolds could still make £20,000/acre, but in other areas you might be chuffed if you get £10,000/acre. In the past, we've talked about regional sub-markets, but now every sale seems to have its own microclimate. On the one hand, the economic and political uncertainty makes it feel like a buyer's market and everybody wants to chip away at the guide price; on the other, few vendors are that motivated to sell if they don't get offered what they are asking for. But the biggest issue isn't affordability; it's really sentiment. There is still a huge amount of money out there, and we have achieved some high prices recently with plenty of interest in our latest launches, like Higher Farm in Dorset – almost 1,000 acres of arable land overlooking Chesil Beach – but it's taking longer to get deals over the line. I can't see that changing under the current administration, unless Andy Burnham really shakes things up and makes people even more nervous about their wealth.

FARMLAND CAPITAL GROWTH VS ALTERNATIVE ASSETS

Rate of change over:

	1 year	5 years	10 years
Farmland (England & Wales)	-4.1%	20.3%	9.3%
Prime central London residential	-3.6%	-6.3%	-21.6%
UK residential	1.7%	14.5%	36.0%
Gold	22.3%	128.7%	209.6%
Global equities (S&P Global 100)	25.8%	90.0%	287.7%
UK equities (FTSE 100)	20.3%	47.3%	71.2%

Source: Knight Frank, Macrobond

KNIGHT FRANK FARMLAND INDEX

	Average value £/acre	Average value £/Hectare	Annual price change	Quarterly price change
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%
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%

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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