

FARMLAND MARKET

REGIONAL ROUNDUP

Nicola Clayton-Bailey Comments for the Farmland Market Regional Roundup:

Activity in the East Midlands land market increased significantly in the first half of 2011 and strong prices continue to tempt sellers to bring their land to the market.

A busy spring and early summer has seen a number of properties become available and generally meet good demand. At the beginning of the year, a small residential grass farm, York Farm (82 acres) in East

Northamptonshire sold in excess of the guide of £850,000. We have also seen within the region agents marketing larger blocks of land and farms including just across the border into Cambridgeshire, 1312 acres with 4 modest dwellings and grain storage was brought on to the market in June, with offers invited in the region of £12 million.

Despite the softening of wheat prices in the summer months, relatively high commodity values continue to create confidence and appear to underpin the market, with the low interest rate environment and banks willingness to lend on farmland, also helping to keep prices firm. It is uncertain if the CAP proposals will curb demand from the larger farmers due to uncertainty regarding possible capping. The strongest prices have been achieved for good productive arable land which is accessible to progressive arable businesses looking to expand. There has also been strong demand for amenity grass land in good locations.

Instructions have been received to bring several parcels of productive arable land in the area on to the market this Autumn and going forward it is anticipated that the land market will remain strong for good quality parcels, with some weakening for poorer land where increasing supply may have a bearing. Location, in terms of “who the neighbours are” will become increasingly relevant. The wider economic and political environment is still very uncertain and any shifts in



Land Type	Range	Average
Prime Arable	£6,500-£7,500	£7,000
Grade 3/Pasture	£5,500-£6,300	£5,900
Pasture	£4,500-£6,500	£5,500

the commodity markets or interest rates could have a significant impact on buyers' confidence.