



Farmland Review 2023



Scotland

We know your area, because it's our area too.

savills

A snapshot of 2023

A UK and Scotland overview

National Overview

As we near the end of 2023, it is now clear that the total annual farmland supply will be at its highest since Brexit and the start of the agricultural transition but still below levels seen between 2015-2018. A review of farmland supply trends over the last few decades by our rural research team shows that short-term volatility repeats itself but never in a sustained manner. This is owed to the fact that land ownership is a long-term investment, rolling with financial fluctuations and occasional large portfolio sales spiking farmland supply in specific years.

The long-term trend has been a decrease in farmland supply as more landownership has transitioned from landlords to owner-occupiers. In the 1980s over 400,000 acres marketed a year was not uncommon, whereas it has been 15 years since the market exceeded 200,000 acres. As we move through the agricultural transition and the direct payments received from the basic payment scheme reduce, we are seeing competing demands on land use opening up and becoming a practical reality. From nature-based solutions, through to energy and renewables and development competing demands have the potential to remove land from food production for a period of time.

So what does this mean for values? Overall, we forecast average GB farmland values are likely to be sustained for the next five years with modest increases. This will be reflective and responsive to specific criteria such as location, land type and depth of interest, which all have an impact and influence on land values. However, as we have witnessed recently unforeseen global and economic shocks have the potential to impact all markets.

Scotland Overview

The Scottish farmland market performed well in 2023. Arable land and lowland pasture sales remained strong as agricultural buyers sought to acquire additional acres and the opportunity to improve productivity. However, the demand for land suitable for commercial tree planting re-calibrated, leading to a drop in upland farmland values by up to 25% from their peak in mid-2022.

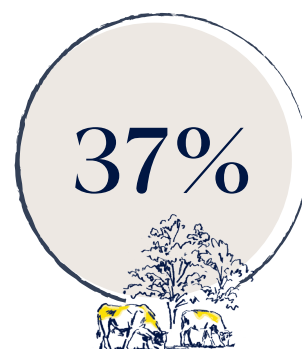
Compared to historical levels, the volume of land available for sale this year remained constrained, with just 22,700 acres on the market by the end of Q3, a modest 7% increase from the previous year. Most transactions were concentrated in the Scottish Borders, Dumfries and Galloway and Aberdeenshire, representing over 50% of the total supply.

Buyers, especially those seeking larger equipped units, were frustrated by the limited opportunities. The average farm size on the market has reduced from 365 acres in 2022 to 295 acres. Average arable and lowland pasture values remain stable at £7,000 and £4,500 per acre respectively. Prime east coast arable land often exceeded £12,000 per acre where competition was generated.

Roll-over funds continue to influence the market and were the purchasing motivation for 24% of farms sold by Savills in 2023. However, these buyers are declining in number due to cooling development land and tree-planting markets. Rising interest rates also tempered the enthusiasm of some farmers looking for expansion or relocation opportunities, and may begin to have a more direct bearing on supply levels for 2024.



On average we achieved 20% above the guide price



Viewers came from outside Scotland



Farms offered for sale in 2023 are now under offer or sold



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*Savills Rural Research

A selection of property across Scotland



SOLD

North Berwick, East Lothian
About 457 acres | Offers over £4.5 million



UNDER OFFER

Selkirk, Scottish Borders
About 401 acres | Offers over £2.3 million



SOLD

Kelso, Scottish Borders
About 461 acres | Offers over £5.2 million



UNDER OFFER

Newton Stewart, Wigtownshire
About 61 acres | Offers over £550,000



SOLD

Moffat, Dumfriesshire
About 207 acres | Offers over £1.3 million



UNDER OFFER

Annan, Dumfriesshire
About 256 acres | Offers over £2.1 million



SOLD

Dalrymple, Ayrshire
About 522 acres | Offers over £2.3 million



UNDER OFFER

Monkton, South Ayrshire
About 496 acres | Offers over £7 million



UNDER OFFER

Glenshee, Perthshire
About 507 acres | Offers over £950,000



SOLD

Montrose, Angus
About 326 acres | Offers over £1.25 million



SOLD

Alford, Aberdeenshire
About 1,087 acres | Offers over £7 million



UNDER OFFER

Ellon, Aberdeenshire
About 126 acres | Offers over £720,000

Key Contacts

If you're thinking of buying or selling, contact a member of our team today.



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