



AGRICULTURAL LAND REVIEW 2022



OVERVIEW

The strong growth seen in Agricultural land values in Ireland has continued throughout 2022, despite a turbulent economic environment which saw Consumer Price Inflation peak at 9.2%. According to the Sherry FitzGerald Agricultural Land Barometer, land values grew by 11.5% over the year, with a 2.9% increase seen in the fourth quarter of 2022.

As such, at the end of 2022, the weighted average price of farmland nationally, excluding Dublin, stood at approximately €10,850.

AGRICULTURAL LAND REVIEW 2022

CONTENTS

6

**MARKET
COMMENTARY**

11

GRASSLAND

7

**GENERAL
FARMLAND**

13

OUTLOOK

9

**ARABLE
LAND**





MARKET COMMENTARY



Philip Guckian,
Associate Director, Sherry FitzGerald
Country Homes, Farms & Estates

“
The growth in land values seen in 2022 will come as no shock given the exceptional performance seen across the agricultural sectors
”

Commenting on the market, Philip Guckian, Associate Director Country Farms, Homes & Estates said...

“The growth in land values seen in 2022 will come as no shock given the exceptional performance seen across the agricultural sectors. Dairy, Tillage and Cattle farms have had one of the most successful years in recent history, despite the unstable economic climate. Land values across the country experienced growth of 11.5% in 2022, overshadowing the distinguishable growth seen throughout 2021. This will come as an encouraging sign for potential vendors who are looking to offload their lands. There is also an increasing appetite for land from non-farming buyers who are looking to extend their outdoor space, aided by an increase in Irish household savings. We expect 2023 to be another strong year for the agricultural land market.”



AGRICULTURAL LAND REVIEW 2022

GENERAL FARMLAND



Agricultural land prices, nationally, excluding Dublin, have grown 11.5% over the year. This compares to a growth rate of 10% in 2021.

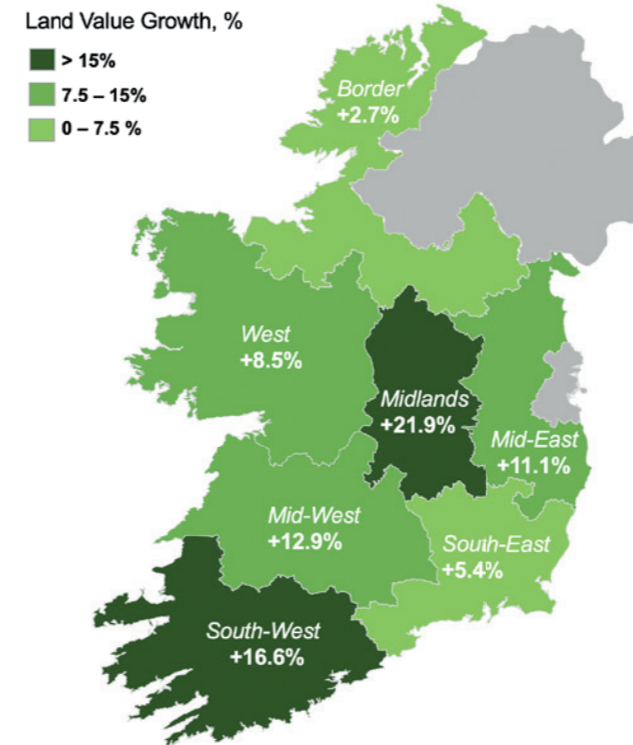
It is the largest increase in agricultural land prices recorded since the Sherry FitzGerald Agricultural Land Barometer began recording prices in 2013.

The weighted average price per acre of farmland at the end of 2022 stood at approximately €10,843 per acre, up from €9,279 at the beginning of the year. The Sherry FitzGerald Agricultural Land Price Barometer saw all farmland increase to a reading of 119.2, up

from 107.1 at the beginning of the year.

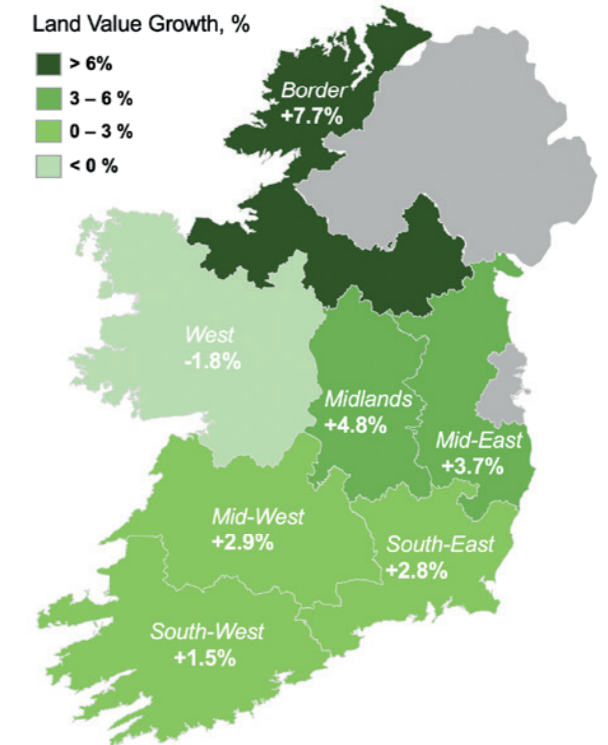
Price growth was seen throughout the country in 2022, with the Midlands being the standout region, experiencing a 21.9% increase in agricultural land prices per acre. The South-West (+16.6%), Mid-West (+12.9%) and Mid-East (+11.1%) also experienced significant price increases, with the growth in each region respectively being more than double that

Agricultural Land Price Performance, 2022



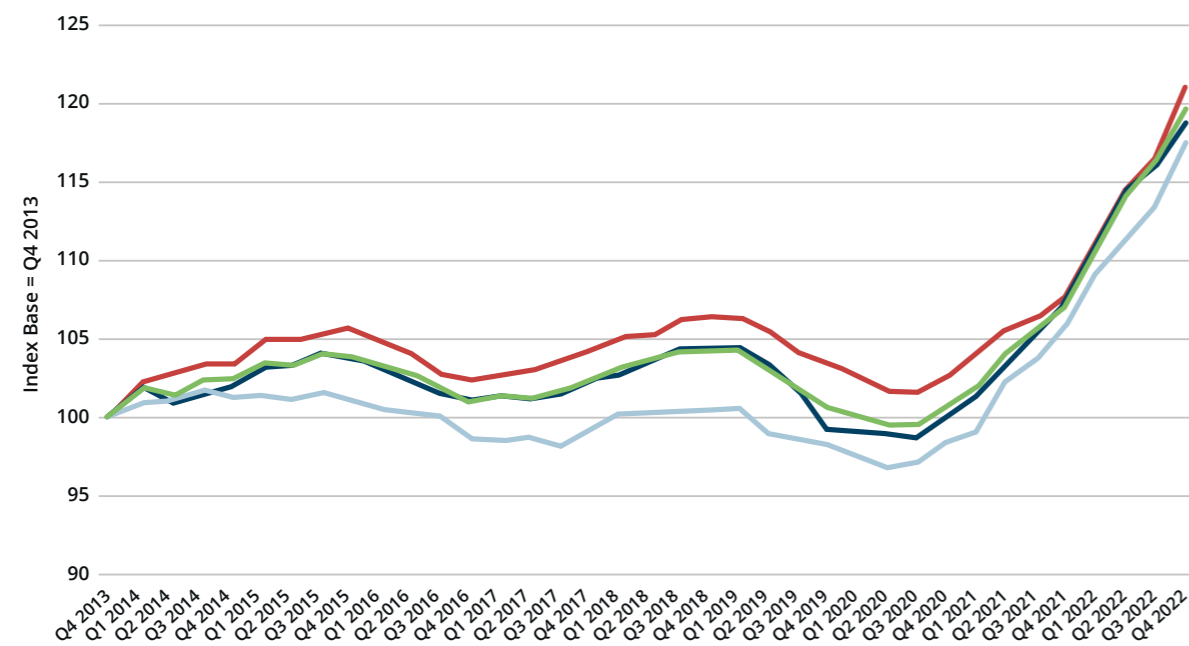
Source: Sherry FitzGerald Research

Agricultural Land Price Performance, Q4 2022



Source: Sherry FitzGerald Research

Agricultural Land Price Barometer, Q4 2013 – Q4 2022



Source: Sherry FitzGerald Research

seen in 2021. This was followed by the West (+8.5%) and South-East (+5.4%). The Border region saw only 2.7% of growth throughout 2022, this is compared with 13.2% for the previous year.

The most expensive region for agricultural land at the end of 2022 was the Mid-East, with a price per acre of €12,667, up from a price of €11,400 in 2021. The West region remains the least expensive region, with a price per acre of €6,634.

The final quarter four of 2022 saw prices rise 2.9%, an increase from 1.8% in the previous quarter. This compares to a 1.5% increase seen over the same period in 2021.

The Border region experienced the strongest level of price growth in quarter four of 2022 with an increase of 7.7%. The Midlands and Mid-East saw price growth of 4.8% and 3.7%, respectively. The Mid-West (+3%), South-East (+2.8%) and South-West (+1.5%) also saw prices rise throughout the quarter. Conversely, the West region experienced a decrease in values of -1.8%.



AGRICULTURAL LAND REVIEW 2022

ARABLE LAND



Prime arable land values grew by 12.4% in 2022, more than double the 4.8% increase seen during 2021.

The weighted average price per acre for prime arable land for 2022 stood at €13,014, compared with €11,577 in 2021.

The Midlands saw the largest price increase in 2022 with a growth rate of 26%. The Mid-West (+17%), South-West (+15%), Mid-East (+11%) and West (+10%)

each saw significant increases also. The South-East (+5%) and Border (+3%) saw smaller levels of price growth. The most expensive region for prime arable land per acre was the Mid-East, with a price of €14,565 per acre. The least expensive region was the West, with a price of €8,800 per acre.

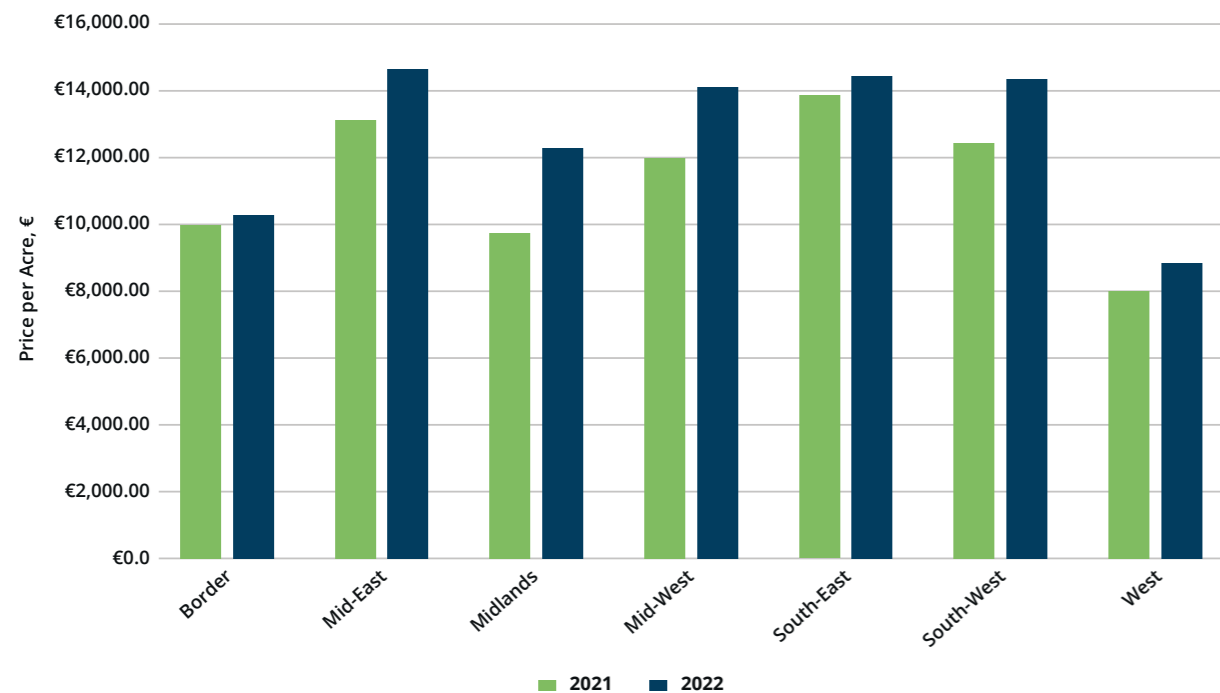


The fourth quarter of 2022 saw prices increase by 3.8% nationally, up from 1.6% in Q3 2022. This is over triple the growth rate seen in the final quarter of 2021.

The Midlands region experienced a growth rate of 10.4% in Q4, almost double that of the Mid-East

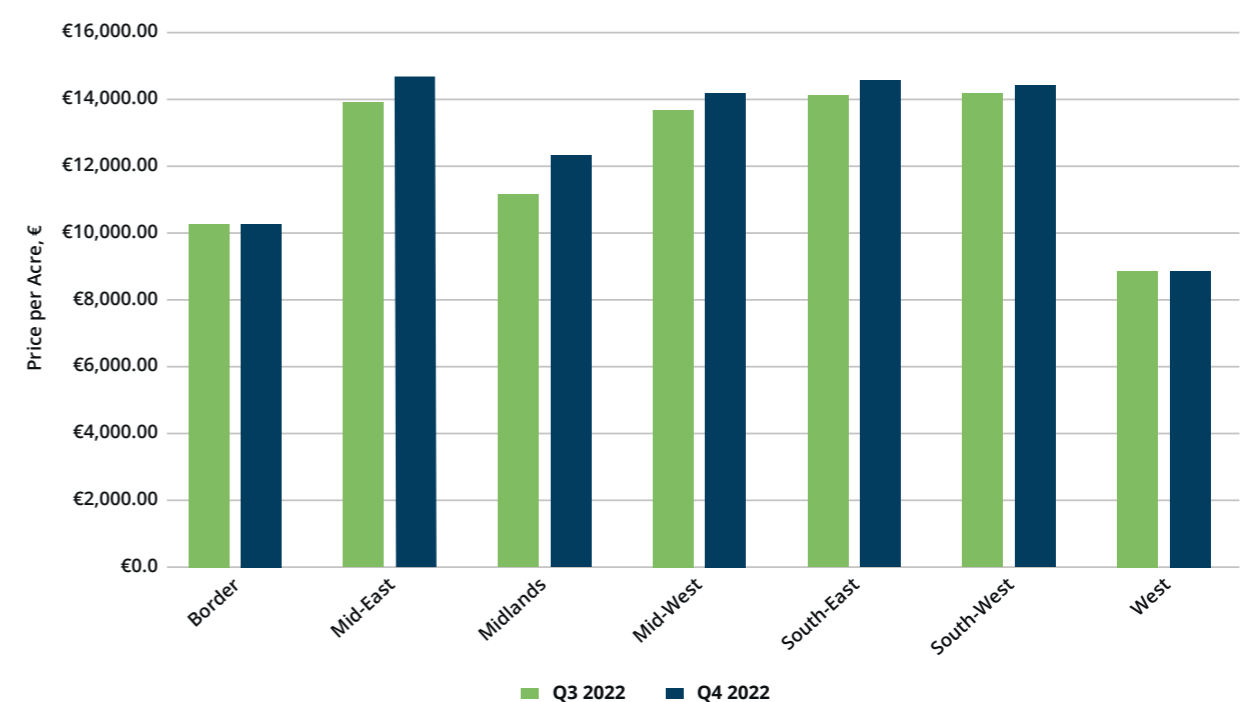
(+5.4%), the next highest region. The Mid-West (+3.7%), South-East (+3.1%) and South-West (+1.5%) also experienced price growth in the quarter. The price of arable land was unchanged in both the Border and West regions.

Prime Arable Land Prices, 2022 vs 2021



Source: Sherry FitzGerald Research

Prime Arable Land Prices, Q4 2022 vs Q3 2022



Source: Sherry FitzGerald Research

GRASSLAND

Prime grassland values grew by 10.6% in 2022, an increase from the 7.6% growth seen in 2021.

The weighted average price of an acre of prime grassland now stands at €12,170, up from €11,000 in 2021.

The most significant price growth in 2022 was seen in the South-West region, with an increase of 17%. Strong growth was also seen in the remainder of the regions, such as the Midlands (+13.8%), Mid-West (+10.7%) and West (+10.3%) regions. The Border region experienced a 4% increase in prime grassland

prices, a substantial decrease from the 17% growth seen over 2021.

Prices rose 2.4% nationally in Q4, an increase from the 1.7% growth seen over the same period in 2021.

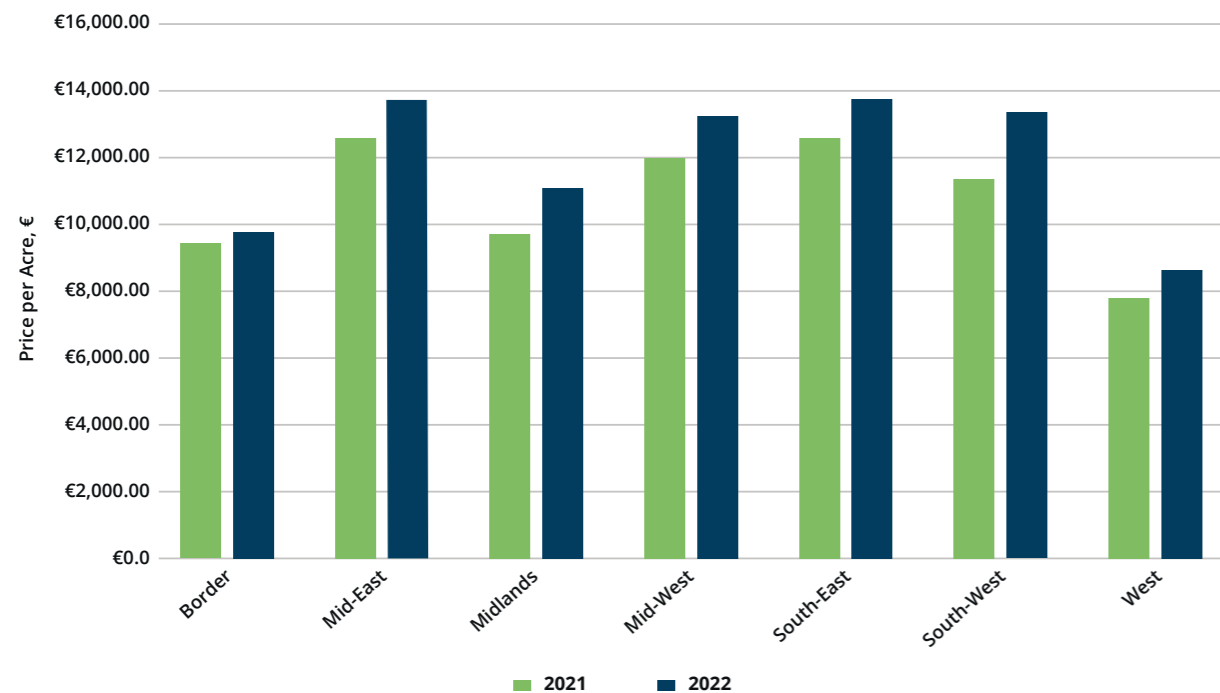
The Midlands experienced the largest growth in Grassland prices, at 4.8%. The Mid-East (+3.8%), South-East (+3.5%) and Mid-West (+2.8%) saw grassland prices rise also. The West and Border



regions saw no change in prices, and the South-West Region saw a price fall of -0.7%. The most expensive region for prime grassland was the South-East, with a price of €13,645 per acre.

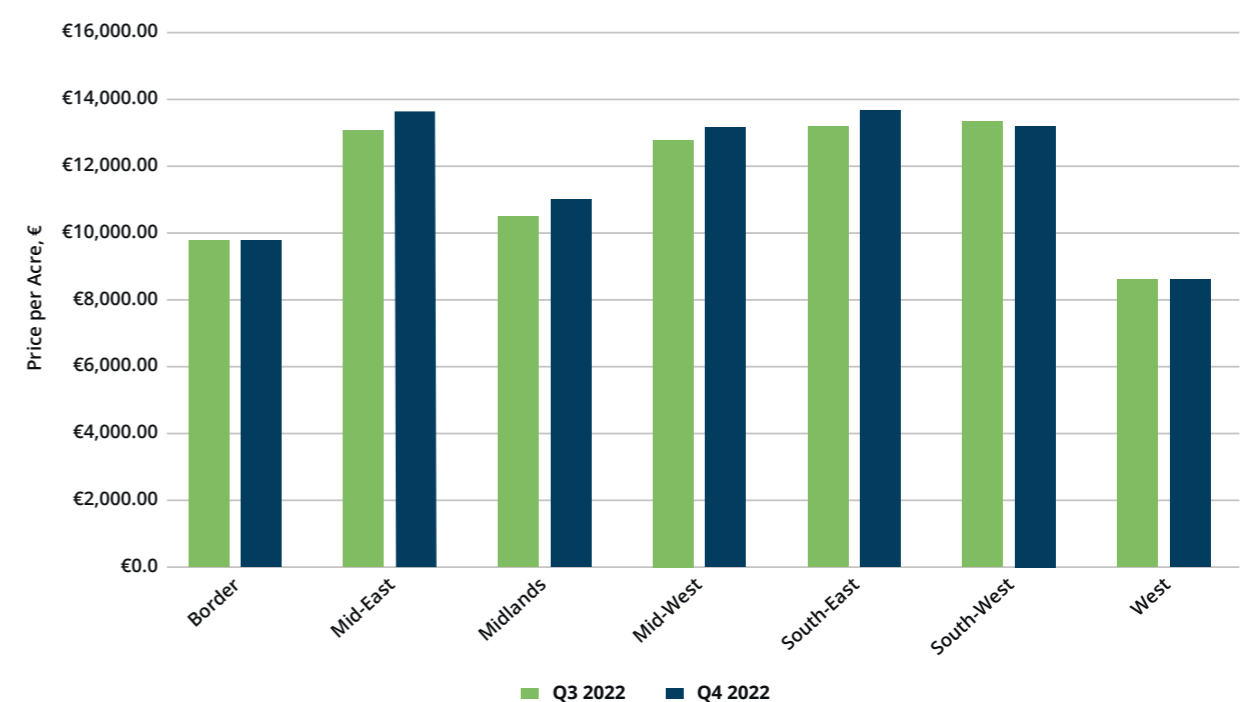
Marginal grassland also experienced significant growth throughout both the quarter and annually, rising 3.5% and 11.1%, respectively. The weighted average price of marginal grassland in 2022 was €7,430 per acre.

Prime Grassland Performance by Region, 2022 vs 2021



Source: Sherry FitzGerald Research

Prime Grassland Performance by Region, Q4 2022 vs Q3 2022



Source: Sherry FitzGerald Research

OUTLOOK

Looking to 2023, there are several factors which will impact the Irish agricultural land market.

Rising prices may see the supply of land coming to the market increase as landowners look to achieve capital gains. There has been a rising popularity of vendors letting lands to larger farmers who possess the scale to achieve higher marginal returns.

The wider economic climate is expected to remain turbulent over the coming year, with price inflation,

particularly in oil, putting further pressure on farmer margins. Unpredictable weather because of climate change may also hamper the performance of the tillage market. Despite this, we can expect another strong year for the agricultural land market in 2023. The demand for commodities will remain high as the global economy continues to unwind itself from supply chain constraints.



Macdara Heaney

Junior Economist,
Researcher

+353 (0) 1 237 6300
macdara.heaney@sherryfitz.ie

Philip Guckian

Associate Director,
Sherry FitzGerald Country
Homes, Farms and Estates

+353 (0) 1 237 6308
philip.guckian@sherryfitz.ie

CONFIDENTIALITY CLAUSE

This information is to be regarded as confidential to the party to whom it is addressed and is intended for the use of that party only. Consequently and in accordance with current practice, no responsibility is accepted to any third party in respect of the whole or any part of its contents. Before any part of it is reproduced, or referred to, in any document, circular or statement, our written approval as to the form and context of such publication must be obtained.

©2023