

IRISH AGRICULTURAL LAND MARKET

Q1 2018 REVIEW

CUSHMAN & WAKEFIELD
COMMERCIAL PARTNER OF SHERRY FITZGERALD

Sherry FitzGerald

OVERVIEW

Agricultural land values in Ireland strengthened by 0.9% during the opening quarter of 2018. This growth has facilitated the further recovery of land values and brings the annual growth rate in the twelve months to the end of March 2018 to 2.2%. This contrasts with a price reduction of 2.5% in the year to Q1 2017.

Following a stabilisation in early 2017, national land values have now enjoyed three consecutive quarters of growth. According to the latest Sherry FitzGerald Agricultural Land Price Index, the average price of farmland in Ireland stood at approximately €9,700 per acre. This translates as a €200 climb in price in twelve months.

Both grass and arable land noted an increase in value in the quarter. The price of prime grassland rose by 0.7%, while marginal grassland rose by 0.8%. Similarly, prime arable farmland increased in value by 1.2% in the same period. As such, the average price of prime arable farmland nationally stood at approximately €11,650 at the end of the first quarter of the year.

The South-East observed the strongest rise in the quarter, with the average price of farmland in the region increasing by 1.4%. The South-West and the Mid-East trailed marginally, recording growth of 1.2% and 1.1% respectively. Annually to Q1 2018, the midlands has enjoyed the largest increase in prices with 3.9% growth, followed by the South-West and the South-East, at 3.2% and 3.1% respectively. Notably, the West was the only region where a decline in prices was noted over the twelve-month period, with land values dropping by 0.8%.

Anecdotal evidence suggests that buyer sentiment continued its upwards trend in the quarter, following consistent improvements over the past year, although supply constraints appear to be a persisting issue. However, the resilience of this improved sentiment and current price growth is uncertain. The final outcome with regards to Brexit, as well other as other ongoing political negotiations,

0.9%

AGRICULTURAL LAND PRICES IN IRELAND GREW BY 0.9% IN THE FIRST THREE MONTHS OF 2018



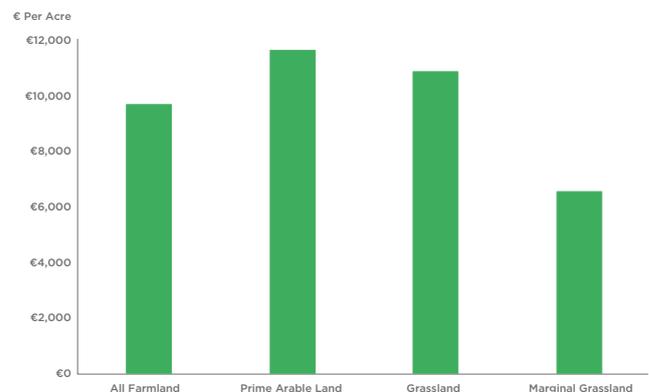
€9,700

THE AVERAGE PRICE OF FARMLAND NATIONALLY STOOD AT APPROXIMATELY €9,700 PER ACRE AT THE END OF MARCH



in conjunction with price developments in the commodities markets will have a significant impact on the land market going forward.

All Ireland Land Values - Price Per Acre, Q1 2018



Source: Sherry FitzGerald Research



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