

FARM MARKET

January 2011

Knight Frank



LAND MARKET REVIEW

By Robert J. Ganly, Knight Frank Ireland

Farmland prices have now stabilised finds Knight Frank in new national survey.

The price of Irish farmland now seems to have stabilised and, whilst land prices have dropped 9.3%, they have actually risen in some parts of the country by as much as 19.5% reports Robert Ganly of Knight Frank Ireland.

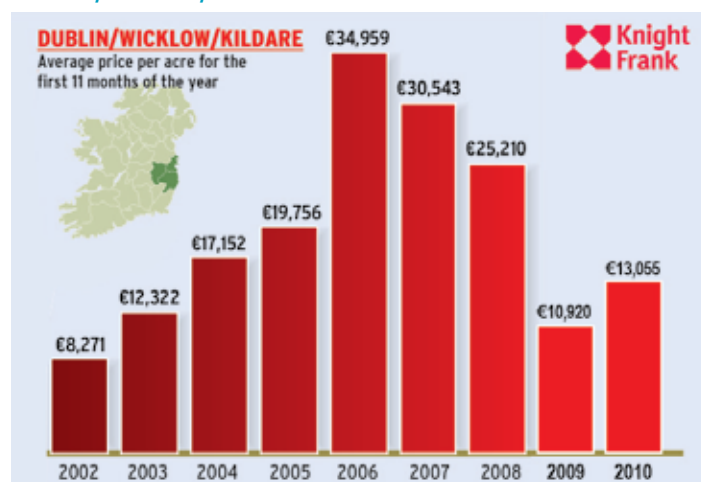
A national survey on agricultural land prices for the year 2010 carried out by Knight Frank Ireland, formerly Ganly Walters, shows that the price for agricultural land across the entire country is now averaging €8,776 per acre. This shows an overall drop of 9.3% from the national average in 2009 of €9,678 per acre. The only region showing an increase was Dublin, Wicklow and Kildare which recorded a 19.5% increase to €13,055 per acre in 2010, however this may be explained by the fact that there were a number of sales in County Dublin in 2010 where there were none in 2009.

This is the 18th annual survey commissioned by Knight Frank, which are known as one of the countries top specialists in farms, agricultural lands, stud farms, estates and country houses.

There were a total of 401 farms advertised, of which 129 sales completed, however 113 have been used in the survey as 16 sale prices were undisclosed.

The country was divided up into five regions as per Knight Frank's, formerly Ganly Walters, previous surveys with the finding per region as follows.

Dublin/Kildare/Wicklow



Predictably, Dublin, Wicklow and Kildare had the highest average price at €13,055 per acre, the only region to record an increase in price of 19.5% compared to the previous years average of €10,920 per acre.

There were 18 recorded land sales; however, there were 3 further sales in this region which have not been included in the figures as the sold price was not disclosed.

The average price paid in the 20 to 49 acre category was €11,655 per acre, down from €12,486 per acre in 2009, a drop of 6.6%. There were four sales in this size bracket, one of which was Barberstown, Straffan, Co. Kildare on 37 acres sold at auction for €610,000.

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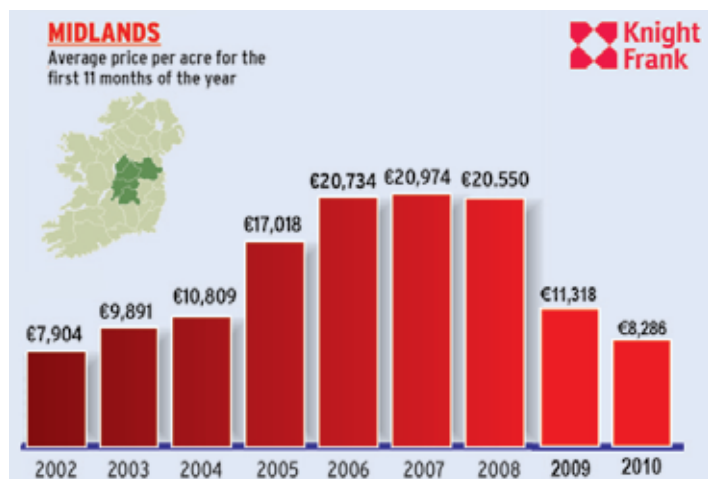


In the next category of 50 to 99 acres the price averaged at €14,054 per acre in 2010, an increase from 2009 average of €11,409 per acre. There were eight sales in this bracket included in the survey. A further two sales took place - 68 acres and 63 acres which were sold for undisclosed amounts and are not included in the survey

The average price increased to €12,616 per acre in the 100 to 199 acre category, compared to €8,304 per acre in 2009. Seven sales took place; one sale being a 136 acre farm at Collinstown sold at auction by Knight Frank for €1,120,000

There was one sale in the larger size category of 200 acres plus, which is included in the figures, this was Dowdingstown House, Two Mile House, Naas, Co. Kildare which sold at auction for €3,525,000, this was an average of €13,055. However, Newberry Hall Demesne, Carbury, Co. Kildare on 444 acres was sold this year privately, for an undisclosed amount, this is not included in the survey.

Midlands



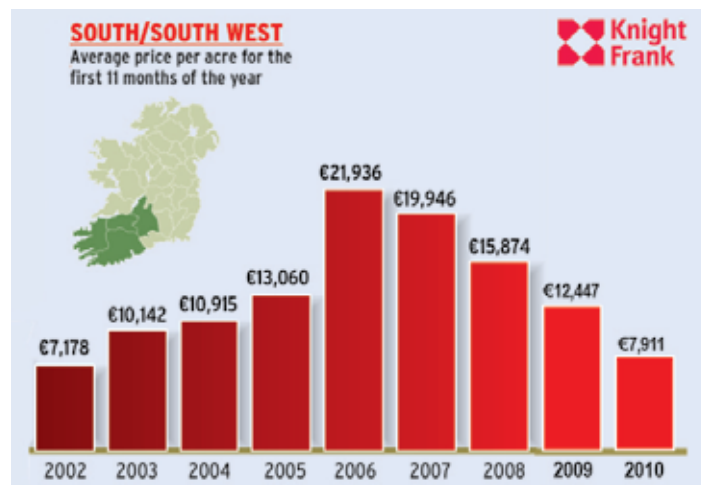
This area covers the counties of Meath, Westmeath, Offaly, Longford and Laois. There were 39 reported sales in 2010, up from the 2009 total of 29 sales. The average price paid for land in 2010 has dropped by 26.8% to €8,286 per acre, compared to 2009 the average price was €11,318. There were a further 6 sales which successfully completed for undisclosed sums.

In the 20 to 49 acre bracket, €9,556 per acre was paid in 2010, down from the previous year's average of €11,298 per acre. There were 21 sales in this category included in the survey, and a further 4 which have not been included, as their sale price was not disclosed.

An average price of €7,600 per acre was paid in the 50 to 99 acre category in 2010 where 12 sales took place, this is a drop from the 2009 average price of €12,167 per acre, there were two more sales not included as the sale price was not disclosed. Kingstown, Fortal, Birr, Co. Offaly on 89.5 acres was sold privately by Knight Frank.

There were 6 reported sales in the 100 to 199 acre category in 2010 with an average price of €7,982 per acre.

South West



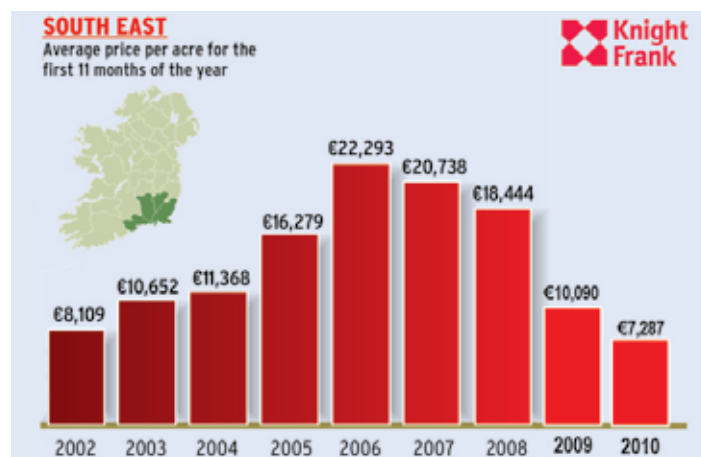
The average price in this region was €7,911 per acre in 2010 compared to €12,447 per acre in 2009. There were 17 sales, which covers Counties Cork, Tipperary, Kerry and Limerick, there were a further three sales which took place but are not included in the survey because the price was not disclosed.

In the 20 to 49 acre bracket the average price was €12,331 per acre from 4 farms sold, down on 2009's average price of €13,049 per acre. A further 30 acres at Ballyduff, Co. Kerry was sold for an undisclosed sum.

The average price paid in the 50 to 99 acre bracket was €6,828 per acre, compared to €11,555 per acre in 2009, there were 8 sales in this category. Also, there was 77 acres at Nenagh, and 60 acres at Cloughjordan, Co. Tipperary which sold but their price was not disclosed.

The next size bracket 100 to 199 acres where 5 sales were recorded, the average price was €7,880 per acre in 2010; this is a 9.6% drop from the 2009 average price of €8,714 per acre. Deermount, Lissarda, Co. cork on 135 acres was sold at auction for €1,375,000.

South East



There were 19 sales in this region, which covers Counties Kilkenny, Wexford, Carlow and Waterford, and three further sales successfully completed but the price was not disclosed. However, there were no recorded sales in County Waterford.



The price averaged €7,287 per acre, a 27.8% decrease on 2009's average price of €10,090 per acre.

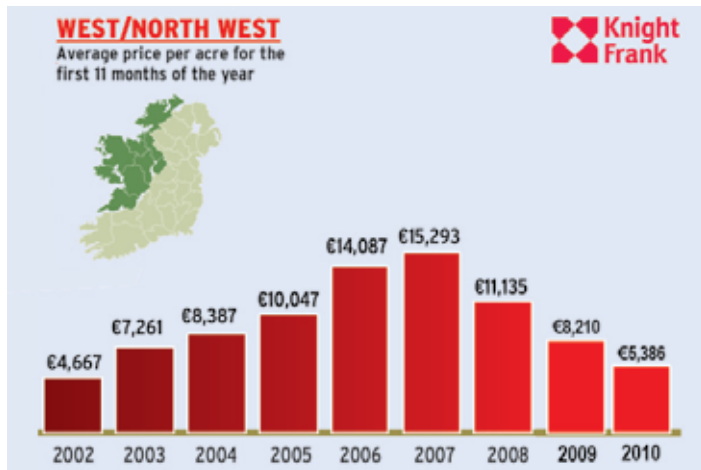
In the smallest category of 20 to 49 acre the average price was €10,269 per acre in 2010. In the previous year, 2009, the average price paid was €12,035 per acre. There are 7 sales included in this survey, a further 2 sales took place but the price was not disclosed.

The 50 to 99 acre bracket, land sold for €10,240 per acre in 2010, this is an increase from an average of €8,646 per acre in this region in 2009. There were 55 acres at Ballon, Co. Carlow sold but the price was not disclosed.

The average price paid in the 100 to 199 acre bracket was €10,329 per acre in 2010, again an increase from an average price of €9,489 per acre in 2009. Rathbourne, Kilkenny on 152 acres sold at auction for €1,570,000.

There was just one sale in the largest category of 200 plus. This was North Slobland, Co. Wexford on 1,220 acres, it sold for €5,570,000, an average of €4,713 per acre.

Northwest/West



There were 9 reported land sales in this region in 2009, six less sales than last year. This region covers Counties Donegal, Sligo, Leitrim, Mayo, Roscommon, Galway and Clare. There were no recorded sales in Co. Donegal, Co. Leitrim, Co. Galway and Co. Sligo.

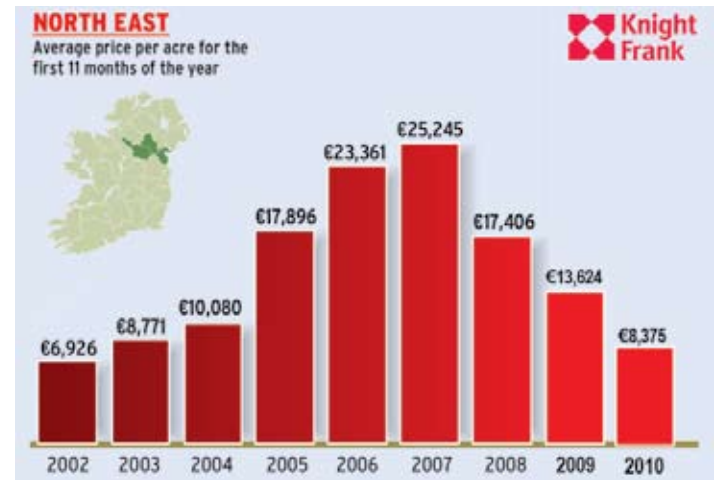
The average price paid was €5,386 per acre in 2010, compared to €3,410 per acre in 2009, again an increase from the previous year.

In the 20 to 49 acre bracket the average price was €5,674 per acre in 2010 compared to €9,243 per acre in 2009. There were 6 recorded sales in this category.

In the next category of 50 to 99 acres, where two sales were recorded, the average price paid was €6,990 per acre in 2010; this is a decrease on the average price paid in 2009 which was €10,426 per acre.

There was one recorded sale in the 100 to 199 bracket, giving an average of €3,077 per acre for 2010.

North East



There were 11 sales in this region which includes Counties Louth, Cavan and Monaghan. An average price of €8,375 per acre was paid in 2010, a drop of 38.5%, from 2009's average price of €13,624 per acre.

In the 20 to 49 acre category, 10 sales happened; the average price was €8,420 per acre in 2010 compared to €13,624 per acre in 2009. There was also 22 acres sold at Ardee, Co. Louth, the price was not disclosed.

One sale in the 50-99 acres category took place, this gave an average of €8,375 per acre in 2010.

Methodology

The survey is based on research by Knight Frank, and agricultural land sales reported in the Farmers Journal and the Farming Independent between January and December 2010. The country is divided into six different regions which are detailed below. Each region is further broken down into four different size brackets. Parcels of less than 20 acres were generally excluded as there were deemed to be bought for sites, for houses or for investment. However, if it was specified in the reported sale that a farmer bought the land it was included in the survey.

Commenting on the latest survey, Robert Ganly stated that the overall decline of 9.3% of agricultural land was still a very good asset class and had performed better than the residential market, which had declined by double digits in the last 12 months.

Looking forward, Robert Ganly stated that farming incomes and returns seem to have improved over last 12 months and the outlook for agriculture was good.

While liquidity in the banking sector was still very much an issue in terms of sales, one of the features of the market over the last 12 months, which is likely to continue, is the re-emergence of farmers being back in the marketplace with the majority of properties being bought by farming families.

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A SELECTION OF SALES FROM 2010



**Rahanna, Ardee,
Co. Louth on c. 87 acres**
Sold by private treaty



**Kilmurry House, Thomastown,
Co. Kilkenny on c. 20 acres**
Sold by private treaty



**Pegsborough House,
Co. Tipperary on c. 64 acres**
Sold by private treaty



**Collinstown, Carbury,
Co. Kildare on c. 136 acres**
Sold by auction



**Lisnabrin House, Tallow,
Co. Waterford on c. 30 acres**
Sold by private treaty



**Old Hollow House, Abbeyleix,
Co. Laois on c. 10 acres**
Sold by private treaty



**Kingston, Birr,
Co. Offaly on c. 89 acres**
Sold by private treaty



**Coolamber, Co. Longford
on c. 157 acres**
Sold by private treaty



**Melheim Manor, Kilbride,
Co. Wicklow on c. 6.25 acres**
Sold by private treaty



**Whaley Abbey, Rathdrum,
Co. Wicklow on c. 23 acres**
Sold by private treaty

YOUR COUNTRY SALES TEAM IRELAND

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