

LAND SALES SURVEY

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 if anything, is showing a very marginal increase in some parts of the country, reports independent global property consultants Knight Frank Ireland.

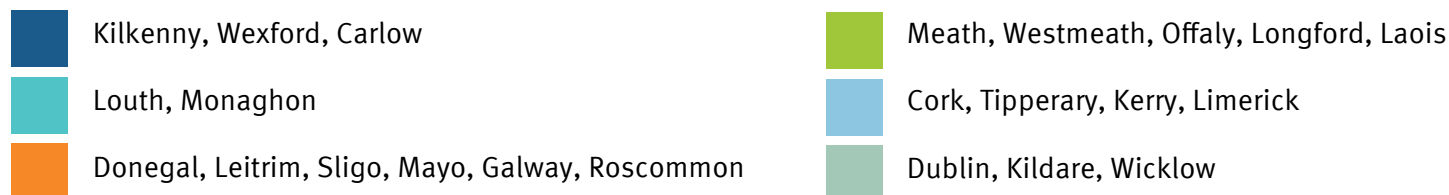
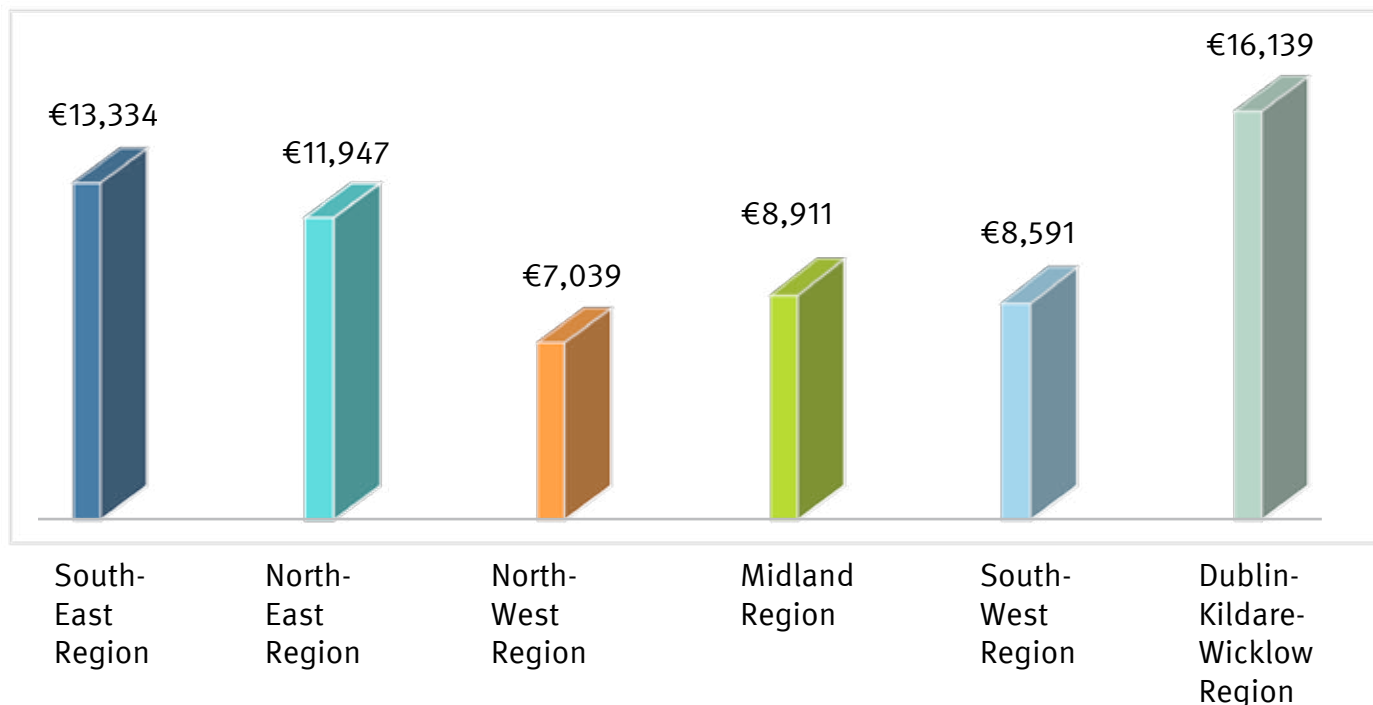
A national survey on agricultural land price performance for the first 6 months of 2010, carried out by Knight Frank Ireland (formerly Ganly Walters) and published today (Wednesday 25 August), shows that the price for agricultural land across the entire country is now averaging €10,131 per acre.

In this latest survey of agricultural land sales by Knight Frank Ireland, the first ever mid-year survey to be undertaken by the estate agency, it was found that prices have increased nationally by €450 per acre on average this year.

The national average price paid for farmland was €9,678 per acre for the whole of 2009, as shown by the Knight Frank Ireland national annual survey findings for the whole of the year 2009. This represents a small increase in the first half of 2010, leading to the belief that prices have now levelled off and most likely stabilised.

Last year's annual survey of agricultural land prices was the 17th to be commissioned by property consultants Knight Frank Ireland, which is renowned as one of the country's top specialists in farms, agricultural land, stud farms, estates and country house sales.

In this latest mid-term survey, predictably, the Dublin, Kildare and Wicklow region had the highest average price at just over €16,139 per acre. This is significantly up from the 2009 Knight Frank Ireland annual survey findings, which showed an overall value of €10,920 per acre. (However, this latest mid-term survey takes into account transactions that took place in County Dublin in the first half of 2010, whilst there were none in 2009).





The second average highest price paid for agricultural land was not surprisingly in the south-east region of the country, which includes counties Kilkenny, Wexford and Carlow, where the value of an acre this year averaged €13,334.

The lowest was in the north-west region (counties Donegal, Leitrim, Sligo, Mayo, Galway and Roscommon) with the average price paid was €7,039 per acre.

The country was divided up into 5 regions as per Knight Frank Ireland's previous surveys, with the findings per region as follows:

- The south-east region, which comprises counties Kilkenny, Wexford and Carlow, averaged €13,334 per acre.
- The north-east region, comprising Louth and Monaghan, averaged €11,947 per acre.
- The north-west region, comprising Donegal, Leitrim, Sligo, Mayo, Galway and Roscommon, averaged just over €7,039 per acre.
- The midland region, comprising Meath, West Meath, Offaly, Longford and Laois, averaged €8,911 per acre.
- The south-west region, comprising Cork, Tipperary, Kerry and Limerick, averaged €8,591 per acre.

These latest figures are based on a basket of 44 sales, comprising 3,181 acres, which sold for a total of €32,228,000. A mid-term review, they reflect sales that have taken place in the period 1st January to 30th June 2010.

The size of the plots of land surveyed ranged from a minimum of 20 acres up to 200. Whilst there was one significant sale in County Wexford of 1,200 acres, which realised €5.75 million, this sale was excluded in the survey due to the size of the holding. If this sale had been included, it would have brought the total up to 4,381 acres which changed hands for €37,978, or a total average of €8,886 per acre.

Commenting on the agricultural land market survey results for mid-year 2010, Knight Frank Ireland's Head of Country & Residential, Robert Ganly, says that "we are seeing agricultural land prices now

stabilising after significant drops approaching 50% in the years 2008 and 2009".

Mr. Ganly pointed out that the autumn is generally a busy sales time and "it should be emphasised", he said, "that it reflects about one third of the transactions that would be analysed normally in the full year survey. The comparison figures for 2009 were based on just over 9,693 acres and 123 sales, so we will have to wait until the end of the year to get a direct comparison".

However, he went on to say that "it is clear from the survey that land is now beginning to sell again at auction and there is still a strong demand from farmers and business people looking to acquire a good holding in prime locations at what now appear to be affordable prices".

Survey Methodology

The survey was compiled from farmland sales reported in the main national farming newspapers January – June 2010. The survey covered sales in 6 regional categories. Parcels of land under 20 acres were generally excluded, so as to eliminate any plots purchased as sites for new houses or for investment, rather than for farming purposes. However, where it was specified in the reported sale that the land had been bought by a farmer, then it was included in the survey.

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