

Scotland's Rural College

Rural Land Market Data Report

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First published: 13/05/2022

Document Version

Publisher's PDF, also known as Version of record

[Link to publication](#)

Citation for published version (APA):

Thomson, SG., McMorran, R., & Glendinning, JPG. (2022). *Rural Land Market Data Report: Analysis of land sales data and proposals for improving future reporting of land market transactions A report to the Scottish Land Commission*. Scottish Land Commission.

https://www.landcommission.gov.scot/downloads/62baf1c63b6e6_20220628%20Rural%20Land%20Market%20Data%20Analysis%20Report.pdf

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Rural Land Market Data Report

Analysis of land sales data and proposals for
improving future reporting of land market transactions

A report to the Scottish Land Commission

May 2022



Rural Land Market Data Report

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This report should be cited as:

McMorran, R., Thomson, S. and Glendinning, J. (2022) Rural Land Market Data Report. Scottish Land Commission, Commissioned Report.

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EXECUTIVE SUMMARY

Background

This summary presents the findings of the second stage of a two-stage research project commissioned by the Scottish Land Commission, on improving reporting of land market transactions in Scotland. The first stage¹ aimed to identify current trends within Scotland's rural land market to provide an up-to-date picture of buyer and seller motivations, with a specific focus on understanding how increased demand for natural capital investment is driving activity in the land market. The second phase of work set out in this report, undertook data collation on land sales from Registers of Scotland and incorporated supplementary data² from Strutt and Parker, to develop a quantitative assessment of land market activity and land values in Scotland (for the Scottish farmland, forestry and estates markets) for the 2020-2021 period. Additionally, this Phase 2 report identifies challenges for longer term land market assessment and sets out options for future collation of quantitative and qualitative data and reporting on land market activity.

Method and approach

The methodology used in this report incorporated three main components: i) collation and analysis of Registers of Scotland land values data; ii) consultation with land agents to obtain additional data on land sales/acquisitions; and iii) data synthesis and developing proposals for a long-term approach to assessing rural land market activity. The final analysis was based primarily on collation and analysis of data from Registers of Scotland and data provided by our project partners Strutt and Parker. The collation of data on land sales from individual land agencies in Scotland was largely unsuccessful, due primarily to agent concerns around client confidentiality, the perceived commercial value of land sales data and the commercial sensitivity of pricing information, particularly for off-market sales. The final approach developed here has been designed to be repeated or adapted for future land market assessments, to facilitate increased transparency in the rural land market and identify longer term trends in market activity and key drivers for land sales and acquisitions.

Data collated from Registers of Scotland (RoS) was reduced and focused by excluding registration information and related cadastral (title) parcels information below 25 hectares and not in rural areas and selecting specific data categories within the Registers of Scotland dataset for further interrogation (including the forestry, land and agriculture classifications). All collated RoS data was cross-checked against two additional databases provided by Strutt and Parker on estate sales and farm sales in 2020 and 2021, with the final analysis related

¹ McMorran, R., Glendinning, J and Glass, J. [Rural Land Markets Insights Report](#). Scottish Land Commission, Commissioned Report.

² All data supplied by Strutt & Parker was supplied subject to a data sharing agreement. This specified: i) how data provided by Strutt and Parker would be stored securely, how data would be shared, and timescales for deletion; and ii) anonymisation of data (i.e. specific private sales) used in project outputs. Strutt and Parker did not share information on buyer and seller identity and in many cases the final sales price was withheld from the estates data (with only the marketed/list price provided) due to confidentiality requirements. The data provided by Strutt and Parker was not shared beyond the SRUC research team.

primarily to sales which were identifiable within the Registers of Scotland data with the exception of the estates dataset, which used a hybrid approach to incorporate some area and sales price data from the Strutt and Parker estates data.

This combined data collation and reduction process resulted in final datasets being created for farmland, forestry and estate sales in Scotland, which included a minority of listings (unknowns) where area was not identifiable but where a consideration (sale price) was shown in the RoS data. The total number of final titles/sales identified for further analysis in each category are shown in Table 1 below.

Table 1 Final number of combined titles/sales used for market analysis in the different land market categories

| | 2020 | 2021 | Combined |
|--|------|------|----------|
| Combined farmland titles (known and unknown area) | 101 | 146 | 247 |
| Combined forestry and woodland titles (known and unknown area) | 74 | 77 | 151 |
| Combined total estate sales used for estates market analysis | 31 | 31 | 62 |

Market analysis caveats

There are several important caveats and related challenges to undertaking market assessments based on RoS data and/or merging RoS data with land sales information from other sources. Key specific caveats include: i) the difference in timescales between completion of registrations and land sales actually occurring, which can result in a RoS based analysis excluding more recent sales due to pending registrations; ii) the difficulty in assigning area (hectareage) to all land sales due to delays in cadastral parcel mapping which has resulted in some recoded registrations being excluded from any area based analysis; iii) and a lack of specific additional data relating to forest/farm type and buyer type and missing sales price information in some cases, which has resulted in the 2021 estates market assessment being a considerable underestimate in terms of market value and average price.

Key findings

Farmland market analysis

- **A total of 85 farmland sales were identified in 2020 and 122 in 2021** where the area of the sale was known, with a further 16 sales in 2020 and 24 in 2021 with unknown area. This equated to a **total area of farmland recorded as sold in 2020 of 7,252 hectares and a total area of 12,491 hectares in 2021**. This represents an increase on the number of sales and the total area identified in recent farmland market reviews (which identified 50 farms in 2020 and 74 in 2021), due to the inclusion of smaller part-holdings and off-market sales in the analysis for this report.
- **Combined farmland sales averaged 95 hectares in size**, with a lower average size in 2020 (85ha) compared to 2021 (102ha). Most farmland sales were under 150ha with only 12% over 150ha in 2020 and 2021 combined.
- **The total value for all farmland sales for 2020 and 2021 combined was £253M**, or £226M when sales with no known area were excluded, with total 2021 sales (£163M) substantially higher than for 2020 (£89.9M). These figures strongly reflect

previous Scottish farmland market reports. Sale price varies considerably, with 17 farms sold for over £3M (12 in 2021), six of which sold for over £4M (five in 2021).

- Analysis of all farmland data (2020/2021) identified **an average per/ha value of £11,466 (or £4,640 per/acre)**, with per/ha values varying widely in relation to region and farm type, with higher values evident for farms in the 75-150ha farm size range and in productive and arable farming regions and considerably lower per/ha values (and a lower market share by area) in the Highlands and Islands. This analysis indicates a slightly lower overall per/ha value than some previous assessments.

Forest and woodland market analysis

- **In total 151 forest and woodland sales were identified in Scotland in 2020-2021**, with the area confirmed for 114 of these, with 63 of these in 2020 and 51 in 2021. **A larger total area (14,663 hectares) of sales was identified for 2020, compared to 2021 (8,320 hectares)**. The number of sales and area of forest land broadly correspond to (or are slightly higher than) recent forest market reports.
- **All (2020 and 2021) forest and woodland sales averaged 201 hectares in size**, with a lower average size in 2021 (161ha) compared to 2020 (233ha). **Most forest sales in 2020-2021 were under 250 hectares** (97 of the 114 sales for which area was known), with some large sales (400-800ha) also evident in both 2020 and 2021.
- The **total market value recorded for forest and woodland sales was nearly £162M for all Scottish sales in 2020 and nearly £127M in 2021**. These findings broadly reflect findings from recent relevant forest market reports.
- Forest and woodland sale prices vary across a wide range (from £2,500 to over £28M), with the **overall average sale price ranging from around £1.6-£2.4M** compared to a median value of £595,000.
- Analysis of all forest and woodland sales (2020/2021) data identified **an average per/ha value of £11,769 and a median per/ha value of £9,583, with higher per/ha values evident in 2021 (£15,113)**. Both 2020 and 2021 included sales with much higher per/ha values, with eleven sales recording per/ha values of over £20,000 in 2021 (five of which were over £30,000 per/ha) and fourteen sales over £20,000 per/ha in 2020 (five were over £30,000 per/ha). Per/ha values were highest in eastern Scotland and south-west Scotland. Notably, the per/ha values calculated here do not account for net productive (planted) area of forest land.

Estates market analysis

- The estates analysis (due to data gaps for 2021) used a hybrid approach to developing a dataset for market analysis. This resulted in **31 estate sales being identified for 2020 and a further 31 for 2021**, which is broadly comparable with the 28 (2021) and 24 (2020) estate sales identified in recent estate market reviews.
- A larger **area (37,193 hectares) was identified as sold in 2020 than 2021 (33,181 hectares)**. The 2020 figure was higher than the area recorded in the Strutt and Parker estates review for 2020 (29,137 hectares), but the area identified for 2021 was considerably lower than the area identified in the 2021 review (43,706 hectares).
- **The average size of estates sold in 2020 was 1,283ha compared to 1,144ha in 2021**, with the overall median estate size (546) considerably lower than the average.

- The **total recorded market value for estate sales was £122M (with an average sale price of £3.9M) in 2020 and £125M in 2021 (with an average sale price of £4M)**. The 2020 values broadly reflect previous market assessments, but **the 2021 values represent a considerable underestimate in terms of total market value and average price** (which was reported as £247M and £8.8M in the Strutt and Parker estates market review for 2021). This is due to the inclusion of price information for some estates based on list price (as opposed to actual sale price which in some cases may have been considerably higher) and the exclusion of some potentially high value estate sales with no known price information.
- An analysis of estate sales by buyer motivations identified **the most common motivation for purchase relates to acquisition of a family home** (22 estates and the most common buyer motivation for smaller estate purchases), followed by natural capital (12 estates), with investment in forestry (3), agriculture (3) and general land-based investment (3) important for a smaller group of purchasers. Traditional sporting motivations were identified as a primary motivation for only a minority of purchasers, which contrasts with historical motivations for estate ownership

Conclusions

The RoS based approach offers a feasible means of longer-term market assessment but can be challenging to implement in practice and is predominantly suited to quantitative assessment of the number, area and value of sales, as opposed to more segmented analyses by buyer or holding type and data gaps are a challenge in relation to assigning the correct area to all land sales. Future work should attempt to enrich data and undertake analysis to determine variation by buyer type and farm type and between on and off-market sales for farmland, forest and estates sales. In broad terms, the RoS based approach has facilitated a robust market analysis which reflects recent land market reports and confirms recent rapid growth in land values, with particularly strong per/ha values for larger forests in accessible regions and productive agricultural land, in addition to growth in estate values.

Recommendations and future options

It is important that the additionality of any future independent market assessments is clearly identified and that opportunities for joint-working to achieve joined-up aims are identified and capitalised on where feasible (to avoid duplicated effort). Considering these points, four potential longer-term options have been proposed which are not mutually exclusive and any final approach to longer term assessment may incorporate elements from more than one option. The four main options are: i) an ongoing annual or bi-annual land agent survey and short report, to identify key current market drivers, recent market shifts and potential future market trends; ii) a bi-annual market report based on analysis of RoS data (as presented here) and supplemented by a rapid agent survey with a confirmed panel of land agent respondents to generate both qualitative and quantitative data; iii) collaboration between key stakeholders including the Scottish Land Commission, Registers of Scotland, the UK Forestry Market Report (Tilhill and John Clegg and Co.) and Strutt and Parker to identify opportunities to inform and support the development of future land market reports which are increasingly comprehensive and targeted to increase overall land market transparency.

1 INTRODUCTION AND BACKGROUND

The research presented in this report was commissioned by the Scottish Land Commission as part of a two-stage project on improving reporting of land market transactions in Scotland. The findings presented in this report build on the work undertaken for the phase one report (Rural Land Market Insights Report³), which provides additional background, a review of existing market evidence and an in-depth qualitative analysis (based on land agent interviews) of patterns of activity in the land market, key market drivers (seller and buyer motivations), the influence of natural capital investment and possible future market trends. This report presents findings from the second stage, which involved collation and analysis of rural land sales data from Registers of Scotland (RoS) for 2020 and 2021 to quantify land market activity and value in three main areas: i) farmland markets; ii) forest and woodland sales; and iii) Scottish estates. The project has benefitted from a collaboration between Scotland's Rural College (SRUC) and Savills and Strutt and Parker.

1.1 Project objectives

The methodology set out in Section 2 of this report has been designed to address both of the original project aims for this work (Phase 1 and 2), which were:

1. To analyse and report on the current pattern of activity within Scotland's rural land market to provide an accurate, up to date picture of buyer and seller motivations, with a specific focus on understanding how increased demand for natural capital investment is driving activity in the land market.
2. To develop and apply a replicable methodology for gathering robust quantitative and qualitative data about land market activity in the future.

It should be noted that the first objective has been addressed in some detail in the Phase 1 report (Rural Land Market Insights Report) and the qualitative component of the second objective above has also been addressed in Phase 1. This report therefore takes a quantitative (data driven) approach to develop a comprehensive and up to date assessment of recent land market activity, in addition to identifying key challenges and options for applying a replicable method to gathering robust land market data in the future. The specific objectives developed to address this Phase 2 focus were to:

1. Identify and collate available data on rural land sales (and values) in Scotland during 2020-2021 from relevant land agencies and Registers of Scotland;
2. Assess collated land sales data to identify trends in land market activity and land values during this period (including variability in market activity by region etc.)
3. Identify key data gaps and challenges for longer term land market assessment and set out proposals (or alternative options) for future collation of quantitative and qualitative data and reporting on land market activity.

³ This report should be read in conjunction with the final Phase 1 report: McMorran, R., Glendinning, J and Glass, J. [Rural Land Markets Insights Report](#). Scottish Land Commission, Commissioned Report.

The focus taken throughout this report and the previous Phase 1 report, has been on assessing land market activity in rural areas and specifically landholdings generally above 25 hectares in size. This size cut-off was applied to reduce the potential for residential properties with large gardens and equestrian properties (which represented a different and higher value market segment) to be included to allow for a more specific focus on farming, forestry and estate land markets. While some of the estate and farm holdings included in this review may incorporate residential property, housing and smaller plots of land have not been part of the specific focus of this research. Importantly, this Phase 2 report is predominantly an assessment of the scale and value of relevant land markets, with the Phase 1 report representing a more comprehensive qualitative review of key current influences and drivers for land market activity in different sectors.

1.2 Developing evidence for improving understanding of land markets

Understanding levels of land market activity, the volume of on- and off-market sales, current and projected land values, longer term trends and the factors influencing and driving land markets, represent critical aspects of understanding how markets operate and how this might affect access to land for individuals, communities and businesses. Several property indexes and market reports currently exist, which offer valuable insights into rural land markets in Scotland, including Strutt and Parker's Scottish Estate and Farmland Market Reviews⁴, the Knight Frank Farmland Index⁵ and The UK Forest Market Report⁶ (see the Phase 1 report⁷ for a review of existing market evidence). Nevertheless, uncertainty remains around the total volume of sales (including all off-market transactions). Previous UK land market surveys⁸ have also generally had low uptake in Scotland. While measures are underway to improve the transparency of information relating to landownership, including the development of a new digital land register for Scotland⁹, information on landownership and the sale of holdings remains challenging and costly to collate in practice¹⁰.

In recognition of these challenges, one of the Scottish Land Commission's current four priority work areas focuses on: '*reforming land markets – to improve the efficiency and equity of land markets to support a fair and productive economy*¹¹'. Addressing this priority requires the development of an enhanced evidence base, to ensure the effects of any measures taken to increase transparency or regulate markets to improve their efficiency can be assessed over the longer term. In addition, developing a clear picture of current land market activity can help improve understanding of how effectively land markets are working in relation to transparency and limiting barriers to people, communities and businesses acquiring land in the future.

⁴ Strutt and Parker [Scottish Estate Market Review](#) and [Scottish Farmland Market Review](#)

⁵ Knight Frank [Scottish Farmland Index](#)

⁶ Tilhill and John Clegg & Co (2021) [UK Forest Market Report](#)

⁷ See footnote 1

⁸ The [RICs/RAU Land Market Survey](#) which ran until 2018.

⁹ See: Geissler, M. 2021. [Who owns Scotland? Mapping the land in our towns and cities - BBC News](#).

¹⁰ See: Poppea, D. 2018. [Towards Landownership Transparency in Scotland](#). Community Land Scotland.

¹¹ Scottish Land Commission (2020) [Our Strategic Plan 2020-2023](#).

2 METHODOLOGY

The methodology used in this report incorporated three main components: i) collation and analysis of Registers of Scotland land values data; ii) consultation with land agents to obtain additional data on land sales/acquisitions; and iii) data synthesis and developing proposals for a long-term approach to assessing rural land market activity. The results set out in Sections 3-5 are based primarily on collation and analysis of data from Registers of Scotland and data provided by our project partners Strutt and Parker. The collation of data on land sales from individual land agencies in Scotland envisioned at the outset of the project was largely unsuccessful, due primarily to agent concerns around client confidentiality and the perceived commercial value and sensitivity of sales data (see below). The approach has been designed to be repeated or adapted for future land market assessments, to facilitate increased transparency in the rural land market and identify longer term trends in market activity and key drivers for land sales and acquisitions.

2.1 Survey and data scoping

At the outset of the project scoping meetings were held with Registers of Scotland and RICS to ensure their involvement at an early stage in relation to refining the method and accessing the most relevant and current data, including data on off-market transactions. This phase also included discussions between SRUC and project partners Strutt and Parker and Savills, to identify opportunities for data sharing and to obtain advice and guidance on how best to approach and acquire data from relevant land agencies in Scotland. In addition to creating awareness and increasing potential buy-in to the project, these early discussions allowed for clarification of what existing data is available, in what formats and over what timescales.

2.2 Land agency sales data and data sharing constraints

In addition to the collation of Registers of Scotland data on land market activity, land agencies consulted during the first phase of this research (see Phase 1 report) were asked to provide data (number of transactions, size, sold price etc.) on the land sales and purchases they have overseen in rural Scotland during the 2020-2021 period. While land agencies generally agreed to participate in the interviews for the phase 1 research, these agencies were generally unable to participate in the additional data sharing component. The main reasons for agencies declining to share sales data can be summarised as:

1. Several agencies hold their own databases of land sales which they use for identifying comparable sales for undertaking valuations. These databases have been developed over time, requiring considerable staff input and are used as the basis for undertaking (commercial/paid) valuations, which represent an important source of business. As such, the sales data collated in these databases was viewed as commercially valuable and sharing data was seen as counter-productive for future business from valuations and more generally.
2. Some other agencies referred to the challenge of collating their own Scottish sales data as they did not collate data across all land categories as a separate database

within their organisations. This required that an internal collation of sales information would need to be specifically undertaken to input data to this project.

3. Land values (sales price) data was seen as commercially sensitive, with several agents expressing concerns relating to sharing data due to the potential for their competitors to gain a competitive advantage in the marketplace (in relation to future land sales). This reflected an important driver of off-market sales, which were seen by some buying agents as increasing their competitive advantage due to minimising the buyer pool and reducing wider availability of pricing information.
4. Several agents expressed concerns relating to client confidentiality and uncertainty around whether they could or should release data on lands sales to a third party. This related to concerns around buyers or sellers being identifiable within the data (and concerns around privacy) and general uncertainty around what data would be acceptable to share and in what form (e.g. if sales occurred off-market agents were more concerned around sharing the related sales data).

The reluctance on the part of most land agencies to share sales data suggests that any future approach to assessing the land market based solely on data collation from land agencies, is unlikely to result in a comprehensive market assessment¹² (without considerable further ground work being done to increase agency buy-in and support for the process). Additionally, as some agents expressed concerns around sharing data relating to off-market transactions, this component of the market remains challenging to assess based on a land agency survey approach.

2.3 Strutt and Parker farm and estates sales data

Additional data on land sales was provided by our project partners Strutt and Parker from their farm and estate sales databases (which collate data on publicly marketed land sales over 100 acres), subject to a data sharing agreement¹³. This represented a valuable source for cross-checking Registers of Scotland land values data. The farm sales data provided by Strutt and Parker included 144 sales, with 62 from 2020 and 82 from 2021. This amounted to 11,563 hectares sold in 2020 (with a value of £94.6M) and 11,872 hectares in 2021 (with a value of £151M). This data included the farm name, holding size, price information (either the final sale price or list price), farm type, sale status, region of sale and the selling agent.

Ten of these farm sale listings were subsequently re-categorised as estates (as some overlapped listings in the Strutt and Parker estates database or were identified as estates in the Registers of Scotland data). This reduced the total combined area for 2020-2021 in the Strutt and Parker farmland data from 23,437 hectares to 18,329 hectares and reduced the combined (2020 and 2021) market value from £245.6M to £218M. This is broadly comparable to the totals identified in the final analysis presented for farmland in this report

¹² Importantly, most land agencies were agreeable to broader participation in the process of assessing the land market, including undertaking a short annual interview or survey on market trends.

¹³ To account for: i) how data provided by Strutt and Parker would be stored securely, how data would be shared, and timescales for deletion; and ii) anonymisation of data (i.e. specific private sales) used in project outputs. Strutt and Parker did not share information on buyer and seller identity and in many cases the final sales price was withheld from the estates data (with only the marketed/list price provided) due to confidentiality requirements. The data provided by Strutt and Parker was not shared beyond the SRUC research team.

based on Registers of Scotland data, which totalled 19,742 hectares and a combined (2020 and 2021) market value of £226M for farms where the area was known and £253M when farm sales with unknown area were included (see Section 3 for further detail).

The estate sales data provided by Strutt and Parker included 53 separate estate sales, with 25 from 2020 and 28 from 2021, with a small number of additional listings subsequently transferred from the farm sales listings (see above). In addition to the data categories provided for the farm sales data (estate name, size, list price, region of sale etc.) the estates data also included an indication of the primary buyer motivation as recorded/indicated by Strutt and Parker. Importantly, for many of the estate listings the price represented the listed/marketed price or 'offers over' price, as opposed to the confirmed sale price and no price information was included for 10 of the estates. In some cases it was possible to obtain this from the Registers of Scotland but only where the estate sale was listed in the Registers of Scotland data, which was not the case for several of the 2021 estate sales due to the timescales for registrations to be completed.

As specified below, the Strutt and Parker farmland data was primarily used to cross reference Registers of Scotland data and source additional relevant listings with the Registers of Scotland data. Registers of Scotland data was therefore the baseline for the farmland market analysis presented in this report and only farm sales included in the Registers of Scotland data have been included in the final farmland market analysis. This is also the case for forestry and woodland sales as no substantive additional forestry and woodland sales data was obtained from Strutt and Parker. Some additional data on Forestry and Land Scotland acquisitions and disposals was provided by Forestry and Land Scotland (three disposals and eleven acquisitions) and these were included in the final forestry analysis where the registration was identifiable within the Registers of Scotland data. In relation to estates, due to limited availability of registrations in the RoS data relating to 2021 sales, a hybrid approach which uses RoS data and some supplementary data from Strutt and Parker has been used in the estates market analysis shown in Section 5.

2.3 Registers of Scotland data collation

As the basis for a comprehensive quantitative assessment of land market activity, data was sourced by the Scottish Land Commission (under a data sharing agreement) from Registers of Scotland on all non-residential transactions in rural Scotland during 2020 and 2021, where a change of registration has been recorded. The data included a categorisation of all registrations (see Table 1), with the primary focus for this market review relating to the A (agriculture) and F (forestry) categories, with some additional relevant listings also identified within the L (land category) and a small number of relevant listings in the O (other) and C (commercial) categories. The raw data provided by Registers of Scotland included 33,935 data rows in total (14,624 for 2020 and 19,335 for 2021) which related to 29,815 unique title numbers/registrations once duplicates and dual registrations etc. were accounted for. The majority related to smaller parcels of land (e.g. building plots or commercial property) and only a much smaller subset was directly relevant to this land market review.

Table 2.1 Data categories¹⁴ in Registers of Scotland non-residential land values data

| Land use | Guidance note |
|-----------------|--|
| Commercial (C) | Transaction over an existing building, office, shop etc. used as a place of business (also includes Commercial + Residential; Commercial + Land; and Commercial + Other) and multiple commercial (M) |
| Land (L) | Transaction over land not for agricultural or forestry use; e.g. a house plot, a site for housing or other building development, area(s) of garden ground, etc. (also includes Land + Other) |
| Agriculture (A) | A sale of land, a farm (e.g. a farm house with 2 hectares of land or over) or farm buildings for agricultural use. |
| Forestry (F) | Sale of existing woodland/forestry plantation. |
| Other (O) | A transaction that does not fall into the above e.g. lock-up garage; car parking spaces; lochs and rivers. |

The data acquired from Registers of Scotland (in most cases) included the price paid ('consideration') for the land related to the specific registration, or the value provided by the submitting agent if the price paid was not a monetary consideration or not the true market value of the property. This included on and off-market transactions as well as changes in registration where there was no monetary consideration (e.g. land was gifted or willed to a family member resulting in a change in registration etc.). Notably, the exclusion of a monetary consideration does not necessarily confirm the registration did not relate to a monetary sale as this information may be withheld in some cases. Additional information provided in the data included geographic (XY) coordinates relating to the centroid of the relevant cadastral land parcel (i.e. the mapped title)¹⁵. All listings included a specific title number (with included a county identifier) and a parent title number where the registration relates to a land sale of a portion of an existing parent title/holding. Additional data was also provided relating to the address of the title holder where this was a commercial entity. The total area of the land relating to the title change was often provided in the 'Full Subjects' field, although area was not included for all registrations and area was not included as a separate data column. In many cases the area of the title was not included in the RoS data.

2.3.1 Identifying registrations relating to the rural land market

To address the fact that not all titles in the RoS data included information on the area of the related land sale further work was undertaken to reduce the dataset to identify both the most relevant registrations and identify an area (hectares) relating to the final list of registrations wherever possible. To address the main objective of this review of the rural land market, this stage of work aimed to remove registrations relating to land transactions under 25 hectares and land transactions in urban locations. Identifying the area for relevant registrations required several stages, including initially reducing the dataset to allow for a subset of the

¹⁴ For further information on the Registers of Scotland categories and the process of completing the online registration process for applicants see: <https://kb.ros.gov.uk/land-and-property-registration/the-application-form/application-form-guide>

¹⁵ These relate specifically to the Registers of Scotland cadastral parcels which can be downloaded here: <https://ros.locationcentre.co.uk/inspire/>

data to be assessed and the area identified in the full subjects text¹⁶ column and then recorded in a new area (hectares) column.

To reduce the RoS dataset the full INSPIRE Cadastral Parcels database for all Scottish regions (approximately 1.4 million land parcels) was downloaded from the INSPIRE download service and the area of all title parcels was calculated in Arcview. All parcels under ten hectares were excluded from the INSPIRE parcels dataset at this point to reduce the dataset to a more manageable size (leaving 160,000 rows of data). The RoS registrations datasets (2020 and 2021) were then converted to two shapefile point layers based on the geographic coordinates provided in the RoS data. These points represented the centroids of their related INSPIRE cadastral parcels and were subsequently joined in Arcview to their related INSPIRE parcels, which allowed for a specific parcel area (in hectares) to be assigned to all of the registrations provided in the RoS registrations data.

Notably, as the land parcel information was often not up to date (particularly for more recent 2021 registrations) with recent title changes to the cadastral parcels often pending¹⁷, the parcel areas assigned to the 2020-2021 registrations were not always correct and further work was required to refine the dataset and confirm or correct the size of the recorded land sale wherever possible. Nevertheless, the assigned parcel area was a useful reference point and was used to exclude all registrations in the RoS data located in cadastral parcels under 25 hectares to create a merged INSPIRE parcels and registrations dataset (Land>25Ha).

To further focus the dataset all land parcels located in rural areas were identified through overlaying the Land>25Ha dataset with the Scottish Government's Rural/Urban classification in Arcview and excluding all land parcels and related title registrations not in areas classified as rural. This resulted in a reduced dataset (Rural>25Ha) of 4,936 registrations/titles (see Table 2). To focus on the most relevant registration classifications, only registrations classified as A (agriculture), F (forestry), L (land) and O (other) were retained in the dataset at this point. In most cases (as confirmed by Registers of Scotland) rural sales of farm and forestry land over 25 hectares are recorded in the A and F RoS categories. Nevertheless, some estates and a minority of farm or forestry sales were also noted as occurring in other RoS categories and some additional searches of these categories was undertaken.

To ensure that only titles with an identifiable price were included (for an effective market analysis), all titles with no consideration or a £0 consideration were also excluded at this stage¹⁸, resulting in a reduced list of 1,510 titles (Table 2). At this stage, the 'Full Subjects'¹⁹ field of all remaining registrations was reviewed and wherever this noted the area (ha) of the sale, this was recorded in a separate data column. Any listings with an area noted in the

¹⁶ The full subjects field often included a considerable amount of text which needed to be assessed to extract the recorded area of the sale in hectares where this was provided within the text.

¹⁷ This is particularly relevant to first registration and transfer of part applications for which a cadastral plan has to be created. In addition, INSPIRE is updated on a quarterly basis, so completed applications will not be added to the dataset immediately. This is further compounded by the overall timescale for registrations, with RoS data and cadastral parcel information effectively lagging the actual land market by 6-12 months.

¹⁸ This may have excluded some registrations where there was a sale value but where this information has been withheld/excluded from the registration.

¹⁹ The standard data provided by Registers of Scotland limits the text of the 'Full Subjects' field to 125 characters. However, as the recorded area (ha) often occurred later in the Full Subjects text the full text for the subjects fields was requested and provided by RoS to assess these fields for recorded area of the registration where available.

subjects as being below 25 hectares was subsequently excluded. All remaining listings with unknown area and the term 'plot' in the subjects field were also removed as they appeared to primarily relate to house or building plots and were often relatively small in size.

Table 2.2 Stages for focusing the RoS dataset on rural land sales over 25 hectares

| Data reduction/analysis stage | Resulting dataset |
|--|---|
| Exclusion of all registrations where the geographic centroid was located in an INSPIRE cadastral parcel which was under 25 hectares and exclusion of parcels within urban locations. | Reduced the RoS data from 29,815 titles to 4,936 [Rural >25 hectares]. |
| The remaining registrations were filtered in Excel to only include land classes AFLO and only registrations which listed a consideration (price) >£0. | This reduced the list to 1510 titles. |
| All listings with an area shown in the 'full subjects' field were identified and where this was <25ha the listing was removed. All remaining listings with unknown area and 'plot' in the subjects fields were also removed. | This resulted in a final list of 986 titles (245 agriculture (A), 171 forestry (F), 450 land (L) and 120 other (O)). |

To further focus the listings on market relevant properties titles where the consideration was under £1,000 were also excluded and several lower value properties identified as crofts were also excluded at this stage (approximately 15 properties), to focus the analysis specifically on the conventional farmland, forestry and estates land markets²⁰. Duplicate/dual registrations were also excluded at this stage and lotted sales (i.e. 2-3 sales with different values in the same timescale from the same parent title) were combined where they clearly related to the same property and the combined value was clear. In several cases lotted properties in the forestry dataset were not combined as the area of the individual lots and overall sale was unknown. All listings were categorised at this stage as forestry, farmland or estates, as the basis for the market analysis undertaken for this review.

The remaining titles from the Land (L) and Other (O) categories were also searched and area (ha) added in a separate column from the 'Full Subjects' field where this was available. This process resulted in a number of additional registrations being identified (mainly in the Land category) which were over 25 hectares and identified as farms or farmland in the subjects fields. These categories and the wider RoS data was also searched for the term 'estate' to identify additional relevant registrations relating to estate sales.

2.3.2 Cross checking RoS listings with Strutt and Parker sales data

To cross check the final farmland dataset derived from the RoS data this list was cross checked against the farmland sales data provided by Strutt and Parker. All sales in the Strutt and Parker dataset were assigned a RoS title number where this was available in the 2020-2021 RoS data. Several of the sales identified in the Strutt and Parker data were not

²⁰ A full and comprehensive analysis of croft titles and related land sales was beyond the scope of this work which was primarily focused on the conventional forestry, farmland and estates markets. However, a full analysis of the crofting land market is worthy of further assessment in its own right.

identified in the RoS titles data or on SCOTLis²¹ (due to differences in the timescales for recording an open-market land sale and the completion of a registration and updating of the title on SCOTLis). However, 38 additional sales were identified from the Strutt and Parker sales data which were identifiable in the Registers of Scotland raw data which had not been identified previously. These listings were added to the final RoS dataset with RoS title number, land area and sale price where this information was available. A similar process was applied to the estates dataset, but with a greater reliance on integrating data provided by Strutt and Parker on estate sales, particularly for 2021, due to several estate sales from 2021 not yet appearing as completed title changes within the Registers of Scotland data.

This combined process resulted in final datasets for farmland, forestry and estate sales being produced, which included a minority of listings where area was not identifiable but where a consideration (sale price) was shown in the RoS data. These 'unknowns' were retained in the dataset to allow for their inclusion in any total market value calculations but excluded from any area-based calculations. All duplicate entries across the three market datasets were identified and retained in only one category and a simplified region identifier based on the four NUTS II regions²² for Scotland was added as an additional column for regional analysis. The final total numbers of identified titles for each of the three main land market categories assessed in this report are shown in Table 3.

Table 2.3 Number of titles/sales included in final dataset for market analysis in the different land market categories

| Farm and farmland titles | 2020 | 2021 | Combined |
|--|-------------|-------------|-----------------|
| Farmland titles (area known) | 85 | 122 | 207 |
| Additional farmland titles with unknown area | 16 | 24 | 40 |
| Combined farmland (known and unknown area) | 101 | 146 | 247 |
| Forestry and woodland titles | | | |
| Forestry and woodland titles (area known) | 63 | 51 | 114 |
| Additional forestry/woodland titles with unknown area | 11 | 26 | 37 |
| Combined forestry and woodland titles (known and unknown area) | 74 | 77 | 151 |
| Estate titles/sales | | | |
| Estate sales with price and area known | 28 | 16 | 44 |
| Additional estate sales with unknown area | 2 | 2 | 4 |
| Additional estate sales from Strutt and Parker data (including price) with no completed RoS title change | 1 | 13 | 14 |
| Combined total estate sales used for market analysis* | 31 | 31 | 62 |

*A further additional ten estate sales were identified either in RoS data or Strutt and Parker sales data with no confirmed sale price/where consideration was shown as 0 or £1, with nine of these in 2021.

²¹ The Scottish Land Registers public information search service for property titles: <https://scotlis.ros.gov.uk/>

²² See Appendix 1 for a map of the NUTS (Nomenclature of Territorial Units for Statistics) II regions for Scotland and their related local authority areas.

A summary analysis of the collated data has been undertaken to characterise the size of the market in each category, number of sales, average holding size, total market value, per/ha and per/acre values and regional variability where relevant. Some additional analysis of buyer motivation has also been incorporated in the estates section based on Strutt and Parker data, with a similar limited analysis of farm types based on Strutt and Parker data in the farmland market section. Where relevant, some additional comparison with relevant recent land market reports has been included to show variation between this analysis and wider reporting of land market activity. Throughout the analysis hectares have been used as the main unit of area measurement, with per/acre figures also added for some aspects of the farmland analysis to allow for comparison with wider farmland market reviews.

2.4 Market analysis caveats and data limitations

Notably, as apparent from the methodology and as referred to more specifically in the results sections, there are several important limitations relating to the data used for this analysis. These include but are not limited to the following key caveats in particular:

- i) The analysis presented here uses Registers of Scotland titles data (i.e. title changes with a monetary consideration) to assess the land market. The timescale for completing registrations and updating the title register is variable but often lags actual land market activity (i.e. confirmed sales), particularly where a registration change requires a change to the underlying cadastral land parcel (map). For assessing more recent market activity (e.g. the 2021 market) this results in data gaps where title registrations have not yet been completed or have been delayed. Basing annual market assessments on RoS data can therefore result in a market analysis which relates to a different timeline than a market assessment based on recording open-market transactions and sales. As apparent from this analysis, this results in some sales from the last 6-12 months not appearing on the register or registrations appearing but with no confirmed area as the related cadastral parcel mapping changes have not yet been completed.
- ii) In practice, this registration time-lag may result in the market analysis figures from a RoS based analysis not fully aligning with wider farmland, forestry and estates market reports for the same time period. Nevertheless, despite these limitations, the forestry and farmland analyses presented in Sections 3 and 4 of this report broadly reflect wider market reports for the 2020-2021 period in terms of market value (with a greater degree of alignment apparent for 2020), although some of the underlying sales may actually differ. This is one reason why the 2021 estates market analysis presented in this report is an under-estimate (in addition to price data being unavailable for some recent sales).
- iii) The RoS data, while comprehensive in terms of capturing land sales, is specifically collated as part of the legal requirements relating to title registrations. As such, it is not specifically designed for undertaking land market assessments and while the registration categories (Agriculture, Forestry etc.) provide a useful basis for segmenting large volumes of title data, there are examples of farm sales and forestry sales occurring in other categories (e.g. Commercial, Other and Land), due to how the sale was categorised at the point of registration. Identifying a distinct subset of

- sales data (e.g. estate sales) can be relatively time consuming as a result. This complexity is exacerbated by 'lotted' properties, with some larger estate or forestry sales often occurring in multiple lots (with the related registrations not necessarily completing at the same time).
- iv) Additionally, area data is not recorded as a distinct category (data column) within RoS data for land sales (with area occurring within the text of the 'full subjects' column but not for all registrations). As the area of a title also relates specifically to the underlying cadastral parcel, titles requiring re-mapping are likely to take longer to complete the registration process. Attaching actual area (hectares) to land sales, particularly more recent sales can therefore be relatively complex and can result in an incomplete land values dataset in terms of area data.
 - v) While many listed sales in the forestry and agriculture categories relate mainly to land, based on details in the 'Full subjects' and the per/ha value of certain holdings, it is apparent that some farm holding sale values include residential property (e.g. a farmhouse). This potentially inflates average sale and average per/ha land values in some regions/categories and per/ha values (when based on smaller sample sizes) should be treated with caution. Additionally, while RoS data contains price information for the majority of registrations, some title changes do not include price information, or price information has not yet been added.
 - vi) Additionally, it is not possible to comprehensively categorise farm or forestry sales by farm type or forest/woodland (e.g. commercial, amenity etc.) type or to categorise listings as on or off-market sales based on the RoS data listings alone. Any more comprehensive market assessment by holding type and on/off-market sales status therefore requires that RoS data be enriched using other data sources (e.g. land agent data or online sales particulars for properties where available). This approach is likely to be time consuming and require ongoing data gathering and market assessment.
 - vii) While per/hectare (or per/acre) values are useful for identifying variation in value (e.g. by region or by holding type), the relatively small sample sizes in most cases and the variability in properties coming to the market, suggests that short term changes in per/hectare values should not necessarily be taken as conclusive evidence of a market trend.

3 FARMLAND MARKET ANALYSIS

3.1 Number of farmland sales and area of land sold

A total of 247 titles were identified from the RoS data relating to whole farms, part-farms and areas of farmland (referred to hereafter collectively as farmland sales). A larger number of sales with price data were identified for 2021 (146) compared to 2020 (101) (Table 3.1), reflecting a decline in market activity during the pandemic. The number of sales in Table 3.1 represents an increase on the number identified in Strutt and Parker Scottish Farmland Market Reviews²³ of 50 farms in 2020 and 74 in 2021 (and a five-year average of 86). This difference can be attributed to three factors: i) the Strutt and Parker database focuses on whole farms over 100 acres whereas the RoS data includes part holdings/holdings over 25 hectares; ii) the RoS analysis includes off-market sales which are not reported in the Strutt and Parker reviews; and; iii) the time lag for registrations can result in sales being assigned to different years relative to recording sales as they occur on the open market.

Table 3.1 Farm and farmland sales in Scotland in 2020 and 2021

| Number of titles/farmland sales | 2020 | 2021 | Combined |
|--|------|------|----------|
| Total number of farmland sales (area known) | 85 | 122 | 207 |
| Additional farmland sales with unknown area | 16 | 24 | 40 |
| All identified farmland sales (known and unknown area) | 101 | 146 | 247 |

The trend of more sales in 2021 was also evident in relation to the total area of farmland marketed in 2021 (12,491 hectares) compared to 2020 (7,252), with these figures both higher than the equivalent areas recorded in the Strutt and Parker Reviews for 2020 (6,111 hectares) and 2021 (11,048 hectares), although the RoS based 2021 sales figure is very similar to the overall five year farmland sales average reported by Strutt and Parker in Spring of 2022 of 12,343 hectares. The increase in the total area of farmland sold in 2021 equates to a 72% increase on 2020. Combined farmland sales averaged 95 hectares in size, with a lower average size in 2020 (85ha) compared to 2021 (102ha) (Table 3.2). The median size was lower than the mean in 2020 and 2021, which was influenced by several larger sales (outliers), particularly in 2021 (with four sales over 350 hectares in 2021 and none in 2020).

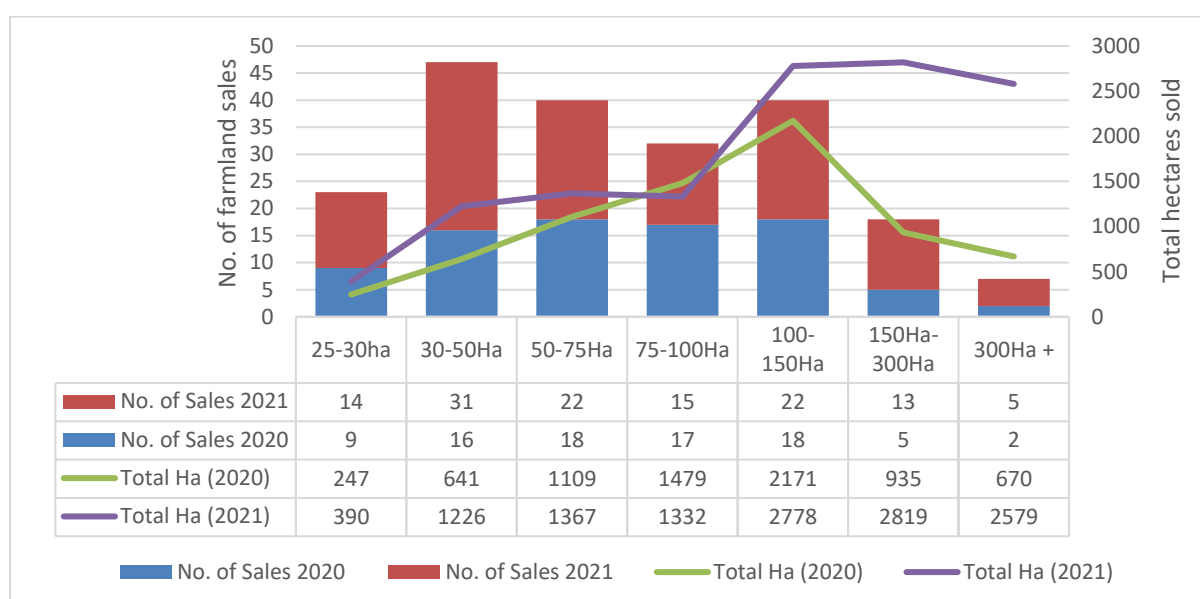
Table 3.2 Area of farm and farmland sales in 2020 and 2021

| Area (Ha) and size of farmland sales | 2020 | 2021 | Combined |
|--|--------------|---------------|---------------|
| Total area (Ha) (excluding sales with unknown area) | 7,252 | 12,491 | 19,742 |
| Average size (Ha) | 85 | 102 | 95 |
| Minimum size (Ha) | 25 | 26 | 25 |
| First quartile (Ha) | 46 | 41 | 42 |
| Median (Ha) | 74 | 66 | 69 |
| 3rd Quartile (Ha) | 108 | 119 | 112 |
| Maximum size (Ha) | 344 | 829 | 829 |

²³ Strutt and Parker's [2020](#) and [2021](#) Scottish Farmland Market Reviews.

As shown in Figure 3.1, most farmland sales were under 150 hectares, with only 25 (12%) farmland sales (for which the area was known) in 2020 and 2021 larger than 150 hectares. In addition, 69% of all combined farmland sales in 2020 and 2021 were under 100 hectares. In terms of total area sold, the 100-150 hectares size category accounts for the largest area component relative to the other size categories, with forty farms sold in this category in 2020 and 2021 combined (Figure 3.1). The larger farm size categories (150-300 and over 300 hectares) represented a far more important component of the total area of farmland sold in 2021, accounting for 5,398 hectares (on 18 farms) or 43% of the farmland market, compared to seven farms sold in these categories in 2020 totalling 1,605 hectares.

Figure 3.1 Number and area of farmland sales in 2020 and 2021 by size category



3.2 Farm and farmland market value

The total value for all farmland sales with price information recorded in the RoS data for 2020-2021 was £253M, or £226M when sales with no known area were excluded. The 2021 total market value (£163M) represents almost a doubling of the total market value for 2020 (£89.9M), although in some cases 2021 sales may be delayed sales from 2020 due to pandemic restrictions, making any clear predictions for the 2022 market more challenging. These figures reflect previous market assessments based on reported figures for the area of farmland marketed in 2020 and 2021 and reported average per/acre figures²⁴, which suggest a total market value of around £160M for Scottish farmland in 2021 and £85-90M in 2020.

²⁴ These figures for farmland market value are calculated based on a reported marketed area for Scottish farmland of 15,100 acres (6,111 hectares) in 2020 and 27,300 acres (11,048 hectares) in 2021 (from Strutt and Parkers [2020](#) and [2021](#) Scottish Farmland Market Reviews) and the average per/acre price for all farmland types in Scotland of £5,920 reported by Savills in their [UK Farmland Market](#) report for 2021.

Sale price varies considerably across the dataset, with 17 farms sold for over £3M (12 in 2021), six of which sold for over £4M (five in 2021). At the lower end of the market there were 16 sales in 2020-2021 for under £100,000 (eight of which had no known area and may therefore have been under 25 hectares), with these lower value sales relatively evenly split between 2020 and 2021. The median sale value was considerably lower than the average for both years (Table 3.3), due to some comparatively high value sales (outliers) in the high end of the distribution of sales values. Most farm sales were for a value below the average value, making the median value more representative of the wider dataset.

Table 3.3 Total market value and average sale price for 2020-2021 farmland sales

| Market value | 2020 | 2021 | Combined |
|--|-------------|--------------|--------------|
| Market value of sales with known area (n=207) | £83,565,214 | £142,797,604 | £226,362,818 |
| Market value including sales with unknown area (n=247) | £89,964,327 | £163,046,754 | £253,011,081 |
| Average price (excluding unknown area sales) | £983,120 | £1,170,472 | £1,093,540 |
| Average price (all sales) | £890,736 | £1,116,759 | £1,024,336 |
| Median (all sales) | £555,000 | £711,500 | £630,000 |

Table 3.4 shows the average, median and maximum and minimum per/hectare values for all farmland sales (where area was known). The per/ha values are similar for 2020 and 2021, with a slight decline in 2021, which may simply be the result of a larger number and wider range of properties being sold in 2021 as opposed to any actual overall decline in value (with per/ha values very variable across the dataset, reflecting differences in farm type etc.).

Table 3.4 Average and median per/ha (and per/acre) values for farmland sales (n=207)

| Per/Ha values (Per/acre values in brackets) | 2020 | 2021 | Combined |
|---|----------------------|----------------------|----------------------|
| Average farmland Per/ha value | £11,524 (£4,663) | £11,432 (£4,627) | £11,466 (£4,640) |
| Minimum Per/ha value | £228 (£92) | £312 (£114) | £228 (£92) |
| Median Per/ha value | £9,517 (3,852) | £10,854 (£3,960) | £10,275 (£4,158) |
| Maximum Per/ha value | £61,054 (£24,708) | £49,599 (£18,095) | £61,054 (£24,708) |

The per/ha values shown in Table 3.4 broadly reflect previous market assessments but indicate a lower overall per/ha value than the average per/ha value reported by Savills for Scottish farmland values (all types) of £14,628 (reported as £5,920 per/acre) in 2021. This may be due to the inclusion of some very low value properties in our analysis and the inclusion of smaller areas of farmland (i.e. not whole farms). The average per/ha values were higher than the median values in both years. Figure 3.2 illustrates the overall spread of farmland sales by sale price and holding size, showing the outlying high value farm sales by broad size category.

Figure 3.2 Scatterplot of farmland sale price and farmland sale size (all 2020 and 2021 data for which area was known n=207)



As Figure 3.3 shows, the bulk of farmland market value related to sales between 75 and 300 hectares, with larger properties accounting for a much larger proportion of total market value in 2021. Average per/ha sale values are relatively high in most of the smaller farmland size categories, with per/ha values peaking for 75-100 hectare properties in 2021 and for 100-150 hectare properties in 2020.

Figure 3.3 Market share and average per/ha sale value by farmland sale size category

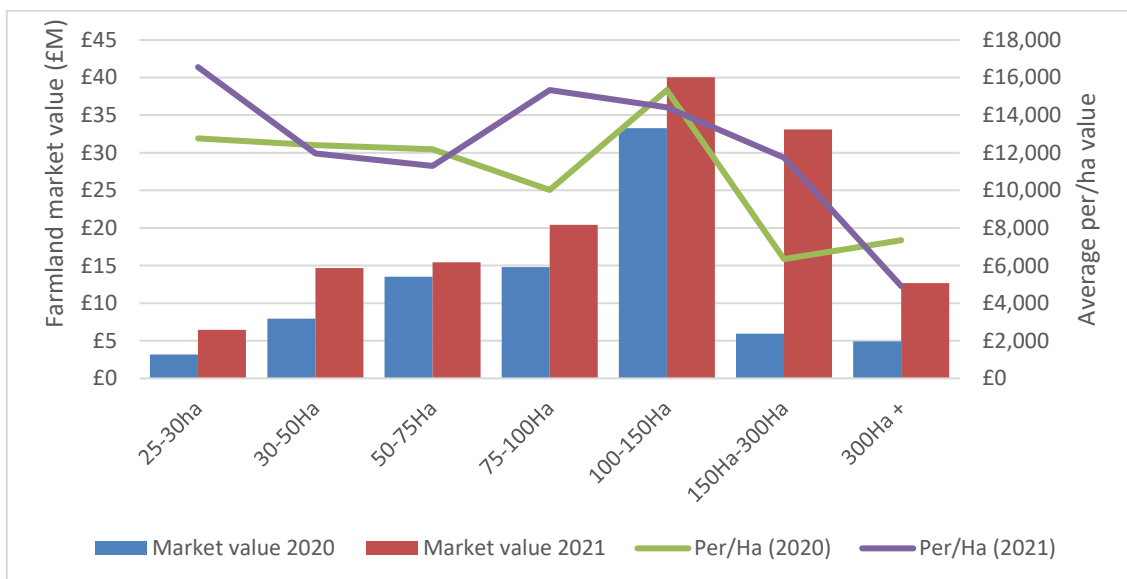


Table 3.5 shows an additional summary analysis of a subset of farm sales from Strutt and Parker data for 2020 and 2021 combined, for which farm type was indicated. This is a useful indicator of variation in per/ha values by type, demonstrating the influence of arable capacity on value at the upper end of the market and the lower comparative values for hill ground.

Table 3. 5 Farmland type by average per/ha and per/acre value from a subset of Strutt and Parker farm sales data (n=51)

| Farm type | No of farms | Area (Ha) | Market value | Average per/ha | Average per/acre |
|-------------------------------------|-------------|-------------|--------------------|----------------|------------------|
| Cereals (Farm) | 15 | 1,892 | £37,467,341 | 19,798 | 8,012 |
| Dairy (Farm) | 3 | 434 | £7,114,744 | 16,395 | 6,635 |
| Grazing Livestock LFA / Hill (Farm) | 10 | 906 | £5,986,370 | 6,607 | 2,674 |
| Grazing Livestock Lowland (Farm) | 14 | 1,082 | £13,370,000 | 12,356 | 5,000 |
| Mixed (Farm) | 9 | 1,425 | £16,999,126 | 11,933 | 4,829 |
| Totals | 51 | 5800 | £82,560,581 | 14,235 | 5,761 |

3.3 Regional analysis of farm and farmland sales

A summary regional market analysis (based on NUTS II regions) is shown in Table 3.5 and summarised in Figure 3.3. Per/ha values were lowest in the Highlands and Islands in 2020 and 2021, with the combined (2020/2021) per/ha value for the Highlands and Islands (£6,479) less than 60% of the value for all combined 2020 and 2021 sales (£11,466). The Highlands and Islands region also had the smallest market share by value overall and the lowest market share by area in 2020 and second smallest market share by area in 2021. This reflects the lower number of holdings sold but also the lower land capability in the Highlands and Islands relative to high productivity areas in the south and east of Scotland.

Table 3.5 Farmland sales (2020-2021) in Scotland by region (n=207)

| | Eastern Scotland and the Borders | Highlands and Islands | North East Scotland | South West Scotland |
|---|----------------------------------|-----------------------|---------------------|---------------------|
| 2020 | | | | |
| No. of farmland sales | 29 | 8 | 10 | 38 |
| Total farmland area (Ha) 2020 | 2661 | 794 | 1084 | 2713 |
| Market value 2020 | £37,562,107 | £3,503,000 | £13,034,854 | £29,465,253 |
| Mean per/ha value | £14,115 | £4,413 | £12,024 | £10,863 |
| Mean holding size (Ha) | 92 | 99 | 108 | 71 |
| 2021 | | | | |
| No. of titles | 38 | 20 | 21 | 43 |
| Total farmland area (Ha) 2021 | 2937 | 2817 | 2167 | 4570 |
| Market value 2021 | £48,300,630 | £19,890,437 | £28,472,375 | £46,134,162 |
| Mean per/ha value | £16,448 | £7,061 | £13,140 | £10,095 |
| Mean holding size (Ha) | 77 | 141 | 103 | 106 |
| Combined Market (2020/2021) | | | | |
| Average per/ha value (per/acre value in brackets) | £15,339 (£6,207) | £6,479 (£2,622) | £12,768 (£5,167) | £10,381 (£4,201) |
| Average farmland sale size (Ha) | 84 | 129 | 105 | 90 |

Higher per hectare values are evident in both years in eastern Scotland and the Borders (which includes the Lothians) and this region had the lowest overall average farm size and the largest market share by value in both years. The average farmland sale size was largest in the Highlands and Islands in 2021 and second largest in 2020, with eastern Scotland showing the reverse trend, with comparatively higher per/ha values in both years relative to low average property size.

Figure 3.4 Average farmland sale size and average per/ha value by region (2020-2021)

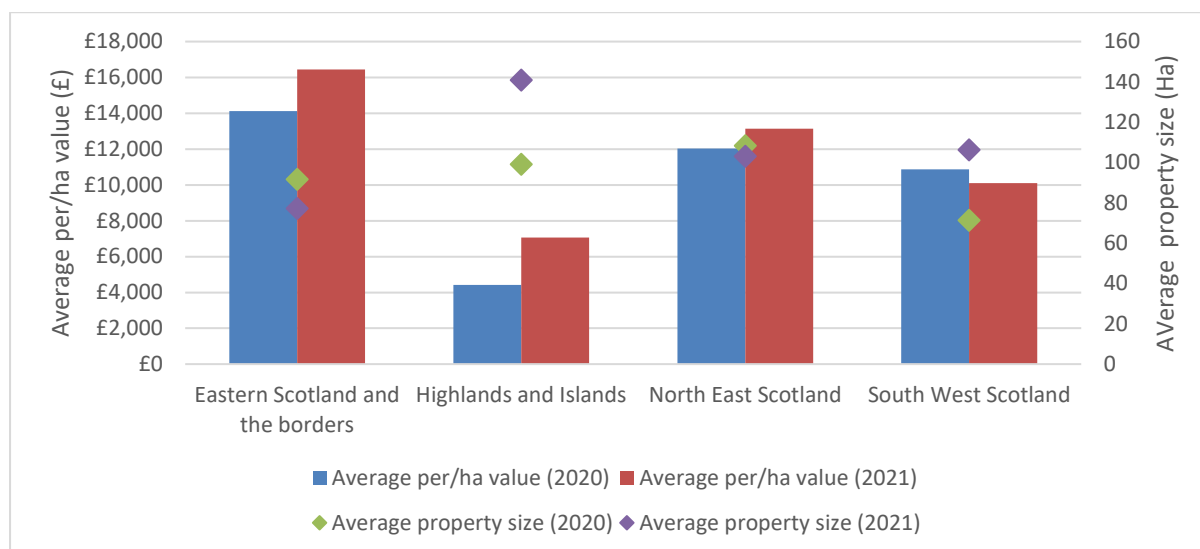
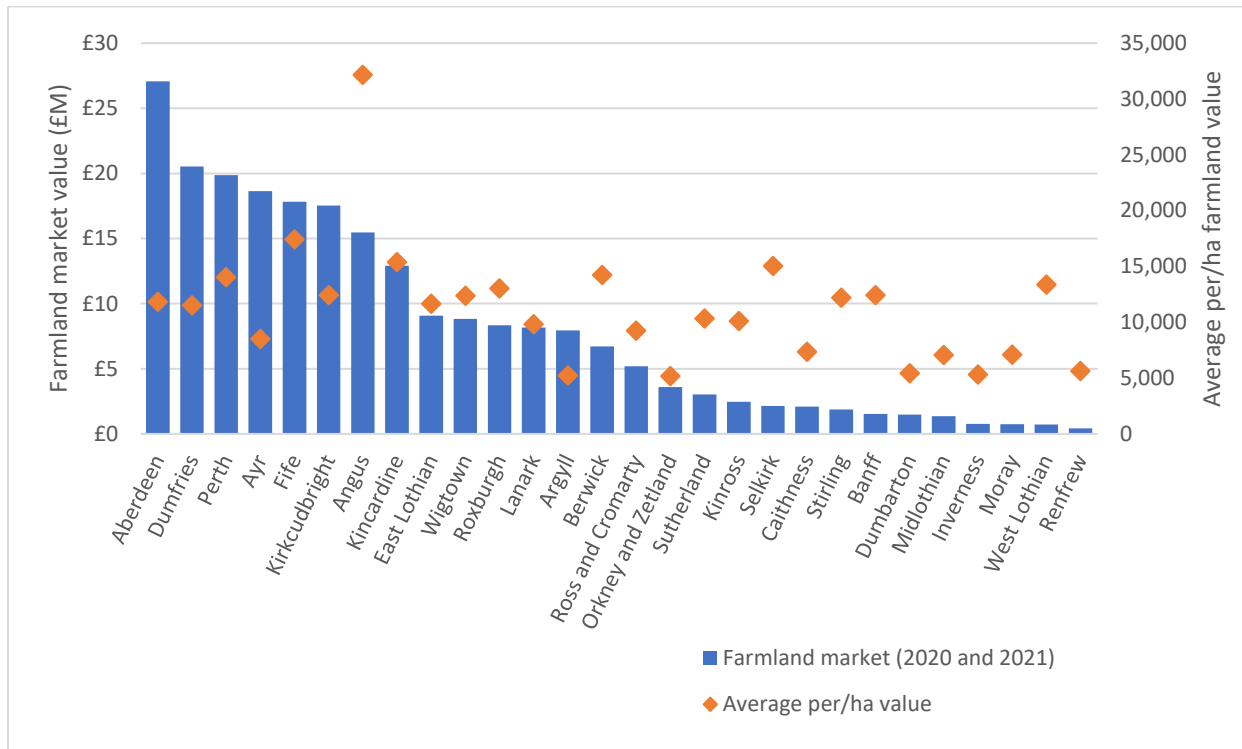


Figure 3.5 summarises all farmland sales (2020 and 2021 combined) by Scottish county, which illustrates a degree of concentration of the farmland market in 6-7 counties, with particularly large market shares evident in Aberdeenshire, Dumfriesshire, Perthshire, Ayrshire, Fife, Kirkcudbright and Angus (all of which have productive farming sectors). The average per/ha values at county level also show considerable variation, with particularly high values evident in Angus, Fife, Kincardineshire, Berwick, Selkirk and West Lothian, which reflects some areas with a higher degree of arable land. However, as these values are generally based on very small sample sizes they may also be skewed by other factors, including the sale of a single high value farm property which may include residential property (and the size of the county).

Figure 3.5 Farmland market value and average per/ha value by Scottish county



4 FOREST AND WOODLAND MARKET ANALYSIS

4.1 Number of forest and woodland sales and area of land sold

In total 151 titles were identified with price information from the RoS data as relating to forest or woodland sales in Scotland in 2020-2021, with the area confirmed for 114 of these, with 63 registered in 2020 and 51 in 2021 (Table 4.1). Notably, 28 of the sales with unknown area related to the sale of seven larger properties (i.e. properties with a single parent title) as 28 individual lots, six of which sold in 2021. The overall number of identified sales broadly reflects UK Forest Market Report figures²⁵, which listed 67 commercial forestry sales and 36 mixed/native woodland sales in 2021 and 61 commercial and 30 mixed/native woodland sales in 2020, with around two thirds of these occurring in Scotland. This suggests a total of around 70-75 forest and woodland sales in Scotland annually²⁶. The lower number of sales identified in our analysis for 2021 is likely to be an underestimate due to the reliance on RoS data and the time lag in registrations being completed relative to actual land market activity.

Table 4.1 Forestry and woodland sales in Scotland in 2020 and 2021

| Number of titles/sales | 2020 | 2021 | Combined |
|---|------|------|----------|
| Total number of forest and woodland sales (area known) | 63 | 51 | 114 |
| Additional sales with unknown area | 11 | 26 | 37 |
| All identified forest and woodland sales (known and unknown area) | 74 | 77 | 151 |

Table 4.2 summarises the area of forest and woodland sales where area was known, with a larger area (14,663 hectares) of sales recorded for 2020, compared to 2021 (8,320 hectares). This reflects the trend shown in the UK Forest Market Reports (which recorded a decline in the total area sold in 2021 relative to 2020). However, the overall total for 2020 in our analysis is higher than the total reported for the whole of the UK for all commercial and native woodlands by the UK Forestry Market Report (13,292 hectares). All (2020 and 2021) forest and woodland sales averaged 201 hectares in size, with a lower average size in 2021 (161ha) compared to 2020 (233ha). The median size was lower than the mean in 2020 and 2021 (Table 4.2), which was influenced by several outlying larger sales in the dataset (with a maximum sale of 4,305 hectares in 2020 and 776 hectares in 2021).

Table 4.2 Area of forest and woodland sales in 2020 and 2021

| Area (Ha) of forest and woodland sales | 2020 | 2021 | Combined |
|--|--------|-------|----------|
| Total (Ha) (excluding sales with unknown area) | 14,663 | 8,230 | 22,893 |
| Average size (Ha) | 233 | 161 | 201 |
| Median size (Ha) | 128 | 105 | 116 |

As Figure 4.1 shows, most forest sales in 2020-2021 were under 250 hectares (97 of the 114 sales for which area was known). A much smaller proportion (17) were over 250

²⁵ See the [2021 UK Forest Market Report](#).

²⁶ These UK Forest Market Report figures may not include all off-market sales or all smaller woodland sales. Additionally, the RoS based analysis excluded all land sales under 25 hectares (see Section 2).

hectares, with only two sales over 1,000 hectares (both in 2020), with these two sales accounting for over a third of the area of forest land recorded as sold in Scotland in 2020.

Figure 4.1 Number and area of forest sales in 2020 and 2021 by size category



4.2 Forest and woodland market values

Table 4.3 shows the total market value for forestry and woodland sales in 2020 and 2021 and the average sale price, both for properties where area was known, and additional properties identified in the RoS dataset for which no exact area could be confirmed. The total market value of nearly £162M for all sales in 2020 and nearly £127M in 2021 broadly reflects findings from the UK Forest Market Report, which recorded a total of around £200M in UK forest sales for both 2020 and 2021, with around three quarters of commercial UK forestry sales occurring in Scotland. Sale price varies across a wide range (from £2,500 to over £28M), with the average ranging from around £1.6-£2.4M depending on the year and whether sales with unknown area (which included some lower value sales) were included.

Table 4.3 Market value and per/ha values for 2020-2021 forest and woodland sales

| Market value | 2020 | 2021 | Combined |
|---|--------------|--------------|--------------|
| Market value of sales with known area (114) | £145,061,898 | £124,373,281 | £269,435,179 |
| Market value including unknown area sales (151) | £151,900,039 | £126,866,604 | £278,766,643 |
| Average price (excluding unknown area sales) | £2,302,570 | £2,438,692 | £2,363,466 |
| Average price (all sales) | £2,052,703 | £1,647,618 | £1,846,137 |
| Minimum (all sales) | £2,500 | £18,375 | £2,500 |
| Median (all sales) | £1,137,500 | £351,000 | 595,000 |
| Maximum (all sales) | £23,500,000 | 28,505,800 | 28,505,800 |

The median sale value for forest and woodland sales in 2020 and 2021 is lower than the average (Table 4.3), with a larger gap between the average and median in 2021, due to the occurrence of a small number of very high value sales in the dataset, with two particularly high value sales in 2021 and one high value sale in 2020. Across all the data only 40 of the 151 sales sold for a value above the combined average, with only 16 sales above the average in 2021, making the median value more representative of the dataset.

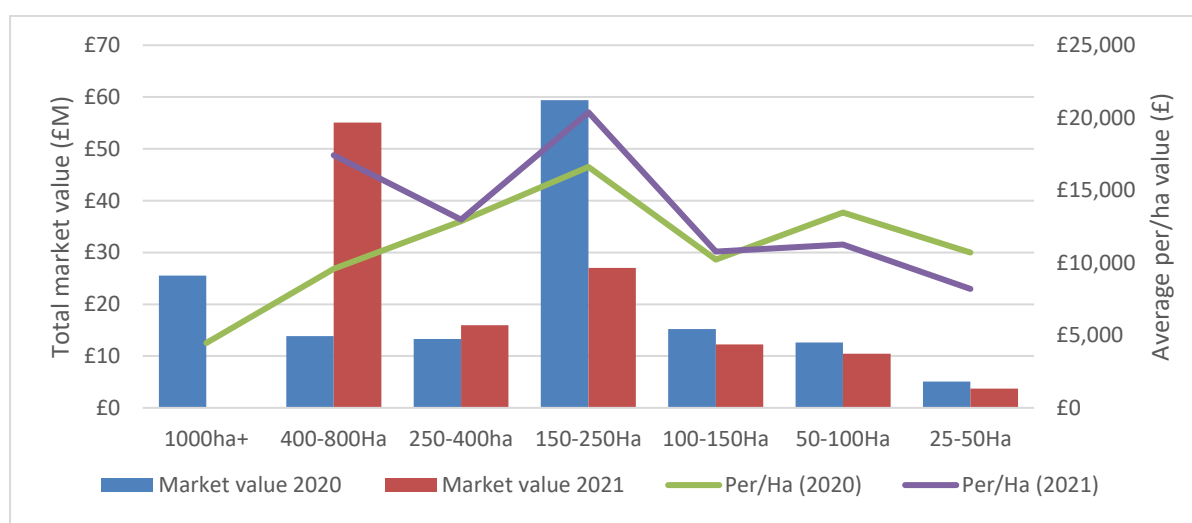
Table 4.4 shows the average, median and maximum and minimum per/hectare values for forest and woodland sales (where area was known). The higher per/ha value in 2021 was influenced by the smaller area recorded as sold in 2021 (over 6,000 hectares less than 2020) and much lower per/ha values for the largest sales in 2020 (see Figure 4.2).

Table 4.4 Average and median per/ha values for forestry and woodland sales (n=114)

| Average per/hectare sale values | 2020 | 2021 | Combined |
|---------------------------------|---------|---------|----------|
| Average per/hectare value | £9,893 | £15,113 | £11,769 |
| Minimum per/ha value | £684 | £457 | £457 |
| Median per/ha value | £9,710 | £9,456 | £9,583 |
| Maximum Per/ha value | £39,752 | £39,858 | £39,858 |

The overall per/ha values in Table 4.4 are lower than the average per/ha values for commercial forestry sales reported in the UK Forest Market Report (£19,300 in 2021 and £16,000 in 2020), however, these values (in Table 4.4) include all forestry and woodland sales (and are not based on net productive area of forest land), as it has not been possible to disaggregate woodland types based on the RoS data. As Figure 4.2 shows, per/ha values for smaller properties (below 50-100 hectares) in our dataset were lower, with some of these smaller properties likely to be amenity/non-productive woodlands (with this category reporting lower sale values of around £4,000 per/ha in the UK Forestry Market Report in 2021). Both 2020 and 2021 included sales with much higher per/ha values, with eleven sales recording per/ha values of over £20,000 in 2021 (five of which were over £30,000 per/ha), with fourteen sales over £20,000 per/ha in 2020 (five of which were over £30,000 per/ha).

Figure 4.2 Market share and average per/hectare sale value by forest size category



4.3 Regional analysis for forest and woodland sales

A summary regional market analysis (based on NUTS II regions) is shown in Table 4.5 and summarised in Figure 4.3. These show that north-east Scotland (including Aberdeenshire) accounts for a comparatively low market share relative to other regions, with only 13 forest sales in 2020 and 2021 combined. Eastern Scotland (including the Borders) exhibits the highest overall per/ha values, although this is particularly affected by a small number of very high value sales in 2021, with south-west Scotland exhibiting the highest average per/ha values in 2020 (£14,773), with a similar per/ha figure in 2021.

Table 4.5 Forest sales (2020-2021) in Scotland by region (n=114)

| | Eastern Scotland and the borders | Highlands and Islands | North-East Scotland | South-West Scotland |
|------------------------------------|----------------------------------|-----------------------|---------------------|---------------------|
| 2020 Market | | | | |
| No. of forest sales | 12 | 20 | 6 | 25 |
| Total area sold (Ha) | 6,079 | 4,067 | 1,484 | 3,033 |
| Market value | £50,871,908 | £33,211,961 | £16,173,176 | £44,804,853 |
| Average per/ha value | £8,368 | £8,165 | £10,899 | £14,773 |
| Average forest size (Ha) | 507 | 203 | 247 | 121 |
| 2021 Market | | | | |
| No. of forest sales | 10 | 17 | 7 | 17 |
| Total area sold (Ha) | 1,792 | 2,390 | 1,171 | 2,877 |
| Market value | £51,834,820 | £22,388,157 | £8,188,350 | £41,961,954 |
| Average per/ha value | £28,930 | £9,369 | £6,993 | £14,584 |
| Mean forest size (Ha) | 179 | 141 | 167 | 169 |
| Combined Market (2020/2021) | | | | |
| Average per/ha value | £13,049 | £8,611 | £9,176 | £14,681 |
| Average forest size (Ha) | 358 | 175 | 204 | 141 |

Average forest size varies between regions and between years, with eastern Scotland exhibiting the largest overall average size, although this has been heavily influenced by a small number of very large sales in 2020. The average per/ha values for forest sales in the Highlands and Islands are lower than for other regions overall, although the lowest annual average per/ha values occurred in north-east Scotland in 2021 (£6,993).

Figure 4.3 Average size and per/ha value for forest sales by region (2020-2021)

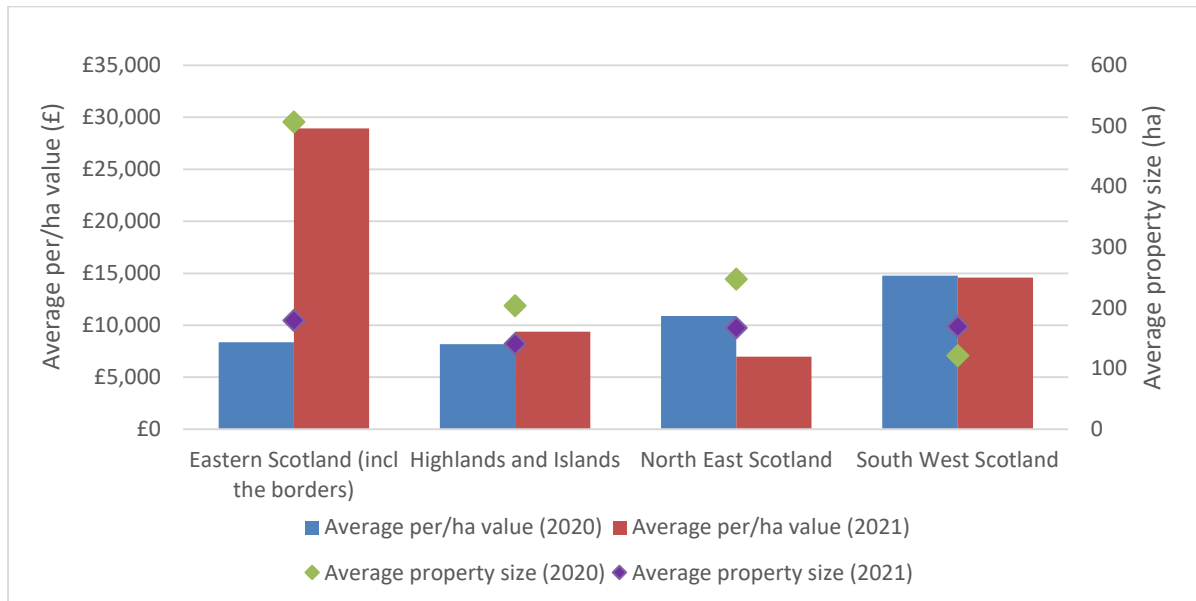
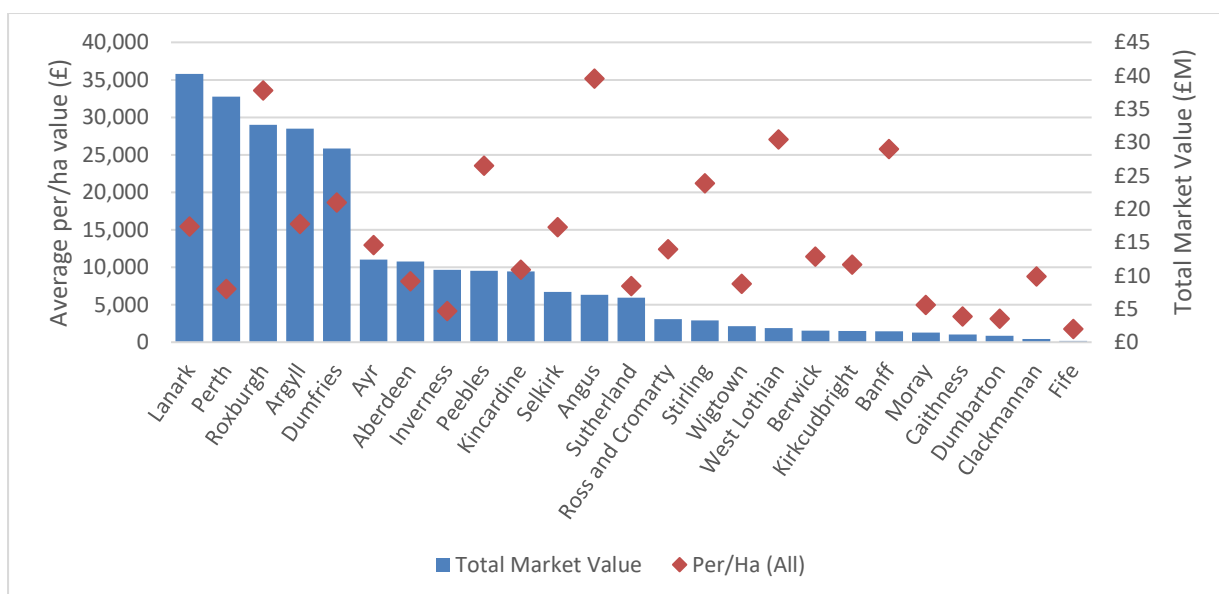


Figure 4.4 summarises forest sales (2020 and 2021 combined) by Scottish county, with the bulk of the market (in terms of value) concentrated in five counties (Lanarkshire, Perthshire, Roxburghshire, Argyll and Dumfries). Contrasting with the market share figures, the average per/ha values show a wider variation across Scottish counties, with high values evident in some counties which had a low market share in 2020-2021. Per/hectare sale values were particularly high over the 2020-2021 period (i.e. above £20,000 per hectare) in Angus, Roxburghshire, West Lothian, Banffshire and Peeblesshire. Notably, the county-based analysis often relates to very small sample sizes and/or sales in only one year.

Figure 4.4 Market value and average per/ha value of forest sales (2020 and 2021 combined) by Scottish county



5 ESTATES MARKET ANALYSIS

5.1 Number of estates and related area of estate land sold

Table 5.1 presents a summary of the number of estate sales identified from the RoS data and from reviewing supplementary data on estate sales provided by Strutt and Parker. Importantly, not all estate sales were identifiable in the RoS data (as registration had not yet been completed), particularly for 2021 estate sales. In total, thirty estate sales were identified from the RoS data which included sale price and area information, with an additional 18 estate sales (which included price information) identified from RoS data for which area was either unknown (4) or added using supplementary Strutt and Parker data (14). A further 14 estate sales were also identified from the Strutt and Parker data which had no current RoS title registration and included in the analysis (see Table 5.1).

Table 5.1 Scottish estate sales in 2020 and 2021 and data source for market analysis

| Number of estate sales/title registrations | 2020 | 2021 | Combined |
|--|-----------|-----------|-----------|
| Estate sales with price and area (ha) from RoS data | 17 | 13 | 30 |
| Additional estate sales with price from RoS data and area (ha) confirmed from Strutt and Parker data | 11 | 3 | 14 |
| Additional estate sales with price from RoS data but unknown area | 2 | 2 | 4 |
| Additional estate sales from Strutt and Parker data (including price) with no completed RoS title change | 1 | 13 | 14 |
| Combined total estate sales used for market analysis | 31 | 31 | 62 |

In some cases, these additional estate sales from the Strutt and Parker data only included a 'list' price (i.e. the price the estate was marketed at) as opposed to the final confirmed sale price. Additionally, a further seven estate sales were identified either in RoS or Strutt and Parker data with no known price and have therefore been excluded from this analysis. This overall approach to defining an estate sales dataset resulted in 31 estate sales being identified for 2020 and a further 31 for 2021, which can be compared with the 28 (2021) and 24 (2020) estate sales identified in recent Strutt and Parker Estate Market Reviews²⁷.

Table 5.2 summarises the area (hectares) of the estates for which area was known (n=58), with a larger total area (37,193 hectares) recorded as sold in 2020 than for 2021 (33,181 hectares). Notably, the area (hectares) of estates identified in our analysis for 2020 was higher than the area recorded in the Strutt and Parker Estates Market review for 2020 (29,137 hectares), but the area identified for 2021 was considerably lower than the area of estates identified as sold in the corresponding market review for 2021 (43,706 hectares). These differences in the numbers of estates sold and the reduced total area for estates sold captured in our analysis for 2021 are due to several large (and potentially high value) estate sales in 2021 having been excluded from our analysis (due to a lack of price information/no registration data) and some of the smaller 'estates' identified here could potentially be re-classified as diversified farms. Additionally, the higher overall area of land recorded in our analysis for 2020 may relate to off-market sales and potentially the inclusion of some estates

²⁷ See the [2020](#) and [2021](#) Strutt and Parker Estates Market Reviews.

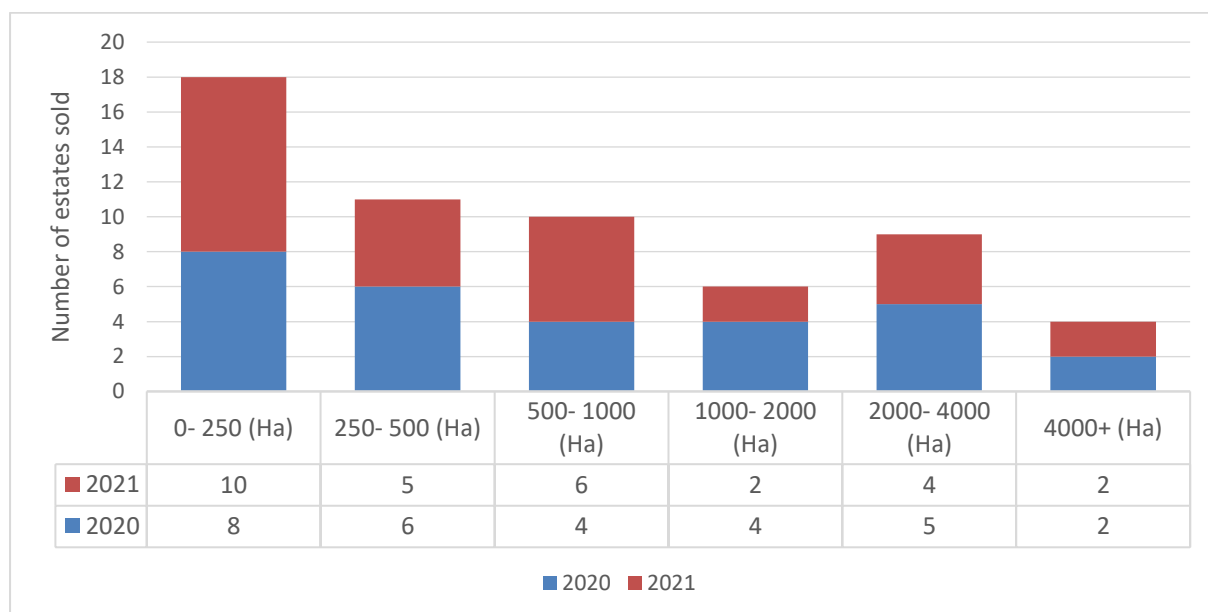
recorded in other assessments as 2019 estate sales due to delays in registration completion. The average size was also slightly smaller in 2021, although the maximum estate size was lower for 2021. The median estate sizes are considerably lower in both years, due to a small number of much larger estate sales in both 2020 and 2021 (see Figure 5.1), with the median more representative of estate sizes for the dataset as a whole.

Table 5.2 Total area and average size of estate sales in Scotland in 2020 and 2021 (area data combined from RoS and Strutt and Parker data n=58)

| Area (Ha) and size of estate sales | 2020 | 2021 | Combined |
|--|---------------|---------------|---------------|
| Total area (Ha) (excluding sales with unknown area) | 37,193 | 33,181 | 70,374 |
| Average size (Ha) | 1,283 | 1,144 | 1,213 |
| Minimum size (Ha) | 27 | 22 | 22 |
| First Quartile (Ha) | 174 | 132 | 152 |
| Median (Ha) | 624 | 498 | 546 |
| 3rd Quartile (Ha) | 1,654 | 1,227 | 1,633 |
| Maximum size (Ha) | 7,659 | 6,357 | 7,659 |

The total number of estates sold in different size categories in 2020 and 2021 are also shown in Figure 5.1 The majority of sales categorised as estates were relatively small (with 29 of the 58 estates sold under 500 hectares in size), with only four estates over 4,000 hectares in the dataset.

Figure 5.1 Number of estates sold in 2020 and 2021 by estate size categories (n=58)



5.2 Estate market values and average sale values

Table 5.3 shows the market value for estate sales in 2020 and 2021 and the average sale price for properties where area was known and additional properties for which no exact area could be confirmed. The total market value of over £122M for 2020 is slightly higher than the total market recorded in the Strutt and Parker estates review for 2020 (£113M), which may reflect the inclusion of some off-market or delayed registration 2019 sales. The average sale price for 2020 (£3.94M) is lower than the equivalent Strutt and Parker estates review figure (£4.7M), which is likely to be due to the slightly higher number of estate sales recorded in our analysis and large number of smaller estates.

In contrast, the total estates market value recorded in our analysis for 2021 (£125M) and the average estate price (£4M) are considerably lower than the equivalent figures from the Strutt and Parker estates market review for 2021 (£247M total market value and an average sale price of £8.8M). This is due to the inclusion of price information in our estates analysis which for some estates was based on list price (as opposed to actual sale price which in some cases may have been considerably higher) and the exclusion of some estates with no known price information of any kind. This has resulted in the 2021 market analysis being a considerable underestimate, as several potentially high value sales have been excluded as no price information was available from RoS or other sources at the time of reporting.

Table 5.3 Market value of Scottish estate sales (2020 and 2021) (n=62)

| Market value | 2020 | 2021 | Combined |
|--|---------------------|---------------------|---------------------|
| Market value of sales identified from RoS data (known and unknown area) | £119,933,340 | £43,924,627 | £163,857,967 |
| Market value of additional sales identified in Strutt and Parker data (i.e. list price data) | £2,350,000 | £81,695,000 | £84,045,000 |
| Combined market value (all sales) | £122,283,340 | £125,619,627 | £247,902,967 |
| Average price (all sales) | £3,944,624 | £4,052,246 | £3,998,435 |
| Minimum (all sales) | £8,000 | £60,000 | £8,000 |
| Median (all sales) | £2,880,000 | £3,325,000 | £3,006,500 |
| Maximum (all sales) | £28,854,673 | £23,000,000 | £28,854,673 |

Figure 5.2 summarises the total market value (share) and average estate sale price within different estate size categories. Average estate price generally increases with larger estate size categories, although average sale price is broadly similar for the three smallest size categories (with the exception of the average price for the smallest size category in the 2020 data which is lower). Smaller estates (i.e. under 500 hectares) represent a key component of the estates market in terms of the number of estates sold and the overall market value share, with smaller estates under 1,000 hectares accounting for nearly half the total value of the Scottish estates market in 2020-2021 (although it should be noted that the inclusion of price data for missing large estate sales would decrease this figure).

Figure 5.2 Total market value and average sale price by estate size category median estate values by size category (n=58)

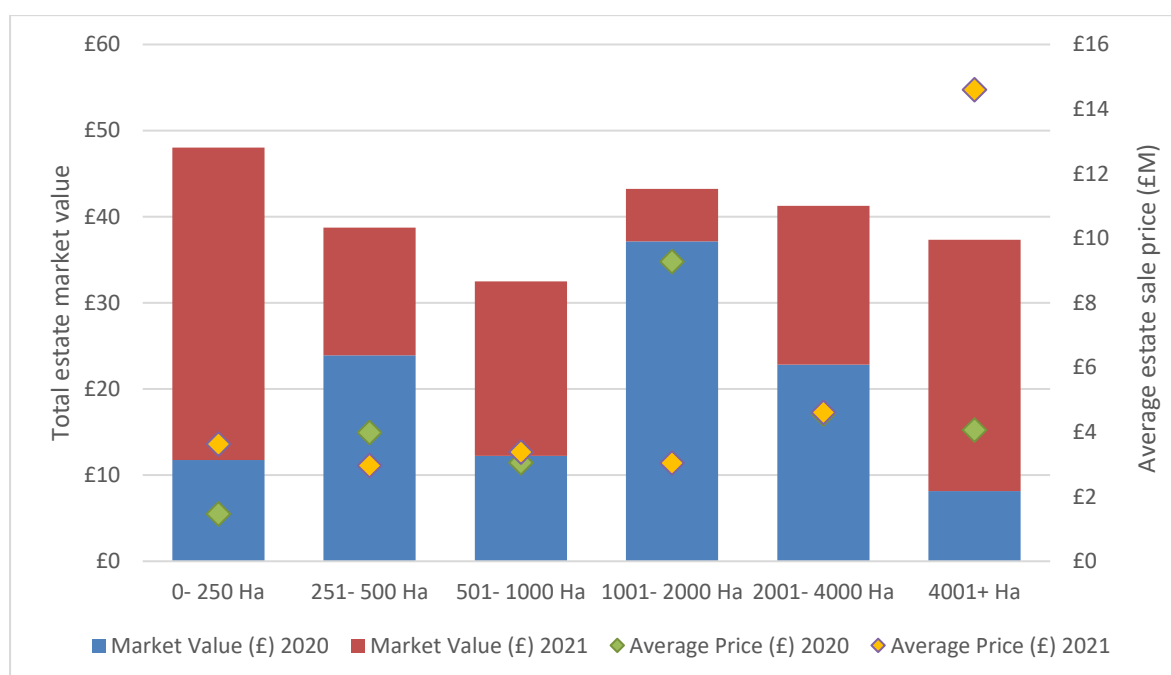


Table 5.4 provides an additional summary of estate sales in Scotland by region, which demonstrates that the bulk of the estates market (by value) in both 2020 and 2021 related to estates sold in eastern Scotland and the Borders (with Perthshire particularly important, accounting for 13 estate sales in 2020-2021). The lowest component of the market share related to estate sales in north-east Scotland in 2020, although this region increased its market share significantly in 2021.

Table 5.4 Market value and average estate price (2020-2021) by region (n=62)

| | Eastern Scotland and the borders | Highlands and Islands | North-East Scotland | South-West Scotland |
|----------------------------|----------------------------------|-----------------------|---------------------|---------------------|
| 2020 Estates market | | | | |
| Market value | £77,751,634 | £31,305,706 | £5,693,000 | £7,533,000 |
| Average sale price | £6,479,303 | £3,130,571 | £1,138,600 | £1,883,250 |
| 2021 Estates market | | | | |
| Market value | £47,299,975 | £18,925,727 | £41,845,925 | £17,548,000 |
| Average sale price | £5,255,553 | £1,720,521 | £6,974,321 | £3,509,600 |

5.3 Estate purchaser motivations

Figure 5.3. summarises data on buyer motivations for estate sales for 2020-2021. This data relates to 53 estates for which buyer motivation was indicated within the Strutt and Parker estate sales database and is therefore an overlapping but separate dataset to the dataset used for the bulk of the analysis in the preceding sub-sections. Nevertheless, this represents the majority of recent estates sales in Scotland and is a useful indicator of current key estate purchaser motivations. The most common motivation relates to acquisition of a family home (22 estates), followed by motivations relating to natural capital (12 estates) (either natural capital investment and/or broader environmental motivations and ecotourism interests), with investment in forestry (3), agriculture (3) and general land-based investment (3) important for a smaller group of purchasers. Traditional sporting motivations (hunting, shooting, fishing etc.) were identified as a primary motivation for only a minority of purchasers in 2020-2021, which contrasts with historical motivations for Scottish estate ownership.

Figure 5.3 Key motivations for estate purchases in 2020-2021 (n=53)

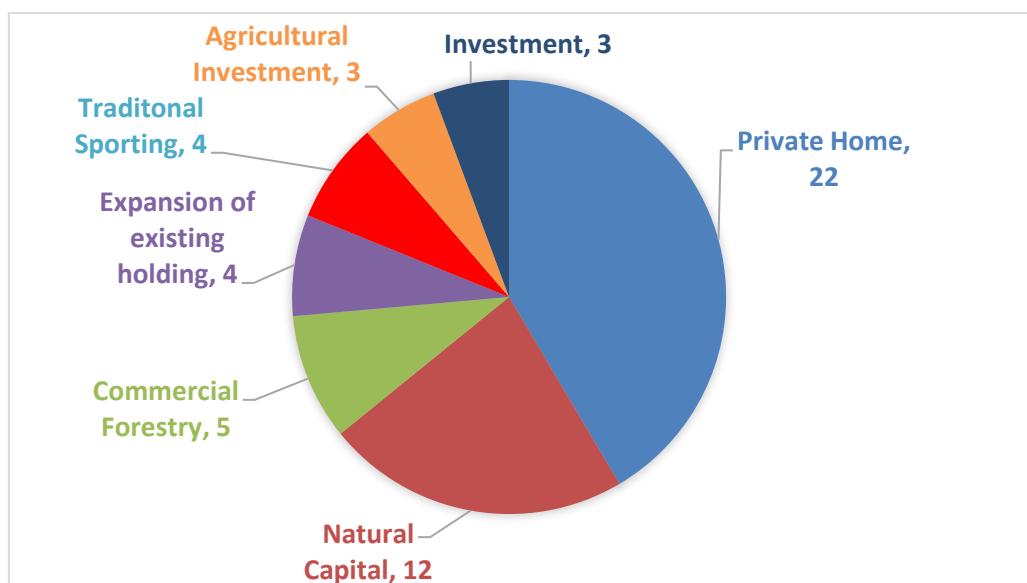
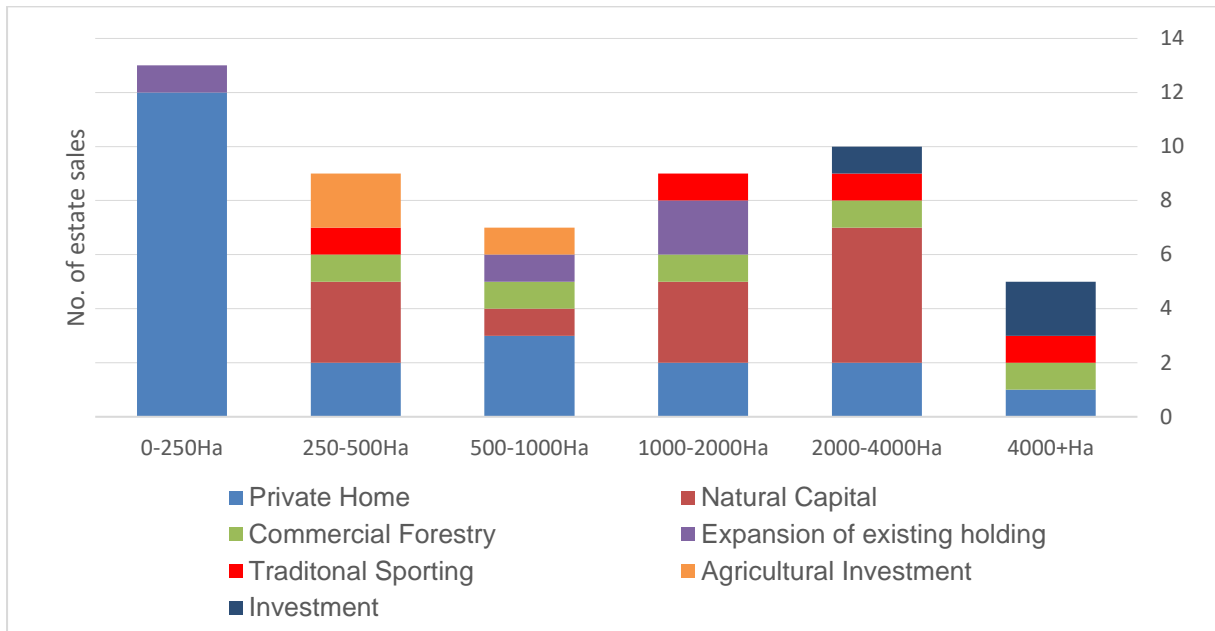


Figure 5.3 provides an additional breakdown of buyer motivations for the same sample (n=53) by estate size category. This illustrates that the majority of smaller (0-250 hectare) estate purchases are motivated by the desire to acquire a family home, with this motivation listed as the primary motivation for 12 of the 13 estates in this category. The motivations for ownership are more diversified in the larger estate size categories, with natural capital investment a primary motivation for a total of 12 estate acquisitions across four size categories (and the most common motivation in three of the size categories). The other main motivations are relatively well spread across estate size categories, with sporting motivations occurring in four and forestry in five. Notably, while acquiring a family home occurs as a motivation in all size categories, this is the main motivation for only a minority of the estate sales in most size categories (with the exception of the 0-250 hectare category).

Figure 5.4 Primary motivations for estates purchases by estate size category (n=53)



6 CONCLUSIONS AND RECOMMENDATIONS FOR IMPROVING REPORTING OF LAND MARKET TRANSACTIONS

6.1 Key Conclusions

Taken as a whole, the RoS based approach to assessing the land market has been successful, particularly in relation to determining the number of sales, the area of land sold and market values. In relation to both farmland and forestry, the 2020 and 2021 values generated from this analysis are well aligned with previous market assessments (see Sections 3 and 4). The farmland market analysis confirms previous assessments in relation to the decline in the market in 2020 and overall market values in 2020 and 2021, while also highlighting that existing assessments are mainly based on whole farm sales (and on-market activity) and the total number of farmland sales may be higher and the overall per/ha value slightly lower than previously reported.

Overall, our findings broadly confirm the recent growth in farmland values reported elsewhere, with per/ha values broadly similar to (or slightly lower than) previous 2020 and 2021 farmland market reports, with values particularly high in productive farming regions and for farms in the 75-150 hectares size range. Notably, while the inclusion of residential properties in some sales may have skewed per/ha values in some regions, taken as a whole (and given per/ha values are slightly lower than previous assessments overall) the impact of residential property values on land values determined from this dataset may be relatively limited. Critically, any future work on farmland markets should attempt to determine variation by buyer type and farm type (including a plantable land category), and between on and off-market sales within the analysis to enhance the potential for value segmentation. Additionally, future assessments should consider activity in the crofting land market in relation to land values, the area of land sold and the extent of de-crofting and other features of the crofting land market.

Similarly to the farmland analysis, the overall trends and values from the forest and woodland market analysis broadly reflect recent market reports, in terms of the number, total area and value of forests and woodland sold in 2020-2021. While a breakdown by forest/woodland type has not been possible, the size-based analysis demonstrates a very clear differentiation between smaller woodlands and larger (generally commercial) forests. Our analysis further confirms the recent rapid growth in forest prices reported elsewhere, particularly at the larger productive end of the market and in regions closer to forestry markets (e.g. Dumfries, the Borders etc.). This reflects the current drivers for forestry investment identified in the Phase 1 report, including competitive forestry grants, net-zero commitments and carbon market development. Further assessments should consider (where feasible) segmenting buyers by buyer/investor types and assessing the impacts of forest sales and acquisitions on ownership concentration and diversification.

Importantly, while the estates market assessment has been broadly successful in determining the 2020 market, the absence of price data and other factors has resulted in the analysis presented here being an under-estimate for the total market value and average

estate sale price for 2021. In some respects, this is simply down to timescales (with additional registrations for some estates likely to be completed in future months). Nevertheless, in some cases the final sale price may be withheld from RoS data or complicated by the need to collate several lotted sales. Notably, as apparent from the analysis, smaller estates (under 500 hectares) represent an important component of the estates market in terms of overall area sold and market value. For many of these smaller estate purchases acquiring a private home remains a key driver for purchase, while the motivations for acquiring estates in the larger estate categories are more diversified, which reflects the growing emphasis identified in the Phase 1 market insights report on the role of natural capital investment (a key factor in 12 of the estate purchases in 2020-2021) and corporate buyers in the estates market in the last two years. These trends in buyer motivations are likely to reflect the change in buyer types reported on in the Phase 1 report, with an apparent decline in buyers motivated primarily by sporting interests in recent years.

As demonstrated from this analysis, undertaking land market assessments based on RoS data is a broadly feasible approach to assessing land markets over the longer term, but this approach faces several key challenges. These challenges have been set out in more detail in Section 2.4 and relate to: i) the difference in timescales between completion of registrations and land sales actually occurring; ii) the difficulty in assigning area (hectarage) to all land sales due to delays in cadastral parcel mapping; iii) the absence of area within the full subjects text for some registrations; iv) and a lack of specific additional data relating to forest/farm type and buyer type and missing sales price information in some cases. This can add to the complexity of any RoS based analysis, which may require considerable time to complete. Additionally, while some further analysis of RoS data could be undertaken (e.g. spatial mapping of sales and a possible categorisation of commercial buyer types), RoS data is primarily suited to quantitative assessments of market scale and value, as opposed to identifying qualitative factors such as buyer and seller motivations and market drivers.

A more detailed market analysis including holding types, buyer type, on/off-market sales and other factors, therefore requires that some enrichment of RoS data is undertaken using land sales data from other sources and/or separate qualitative market assessments. The use of supplementary data from Strutt and Parker in this analysis, to both enrich the RoS dataset and cross-check the listings sourced from the RoS data, has increased the overall robustness of the analysis (particularly for farmland sales).

This partnership model therefore offers scope for future land market assessments and this could be further explored with other relevant partners (e.g. Tilhill and the UK Forestry Market Report), with potential for greater consideration of market segmentation by holding type (commercial or native woodland, arable or dairy farm etc.), buyer type (private individual, corporate etc.) and on and off-market activity based on a merged data approach. This approach appears to offer greater scope than a voluntary/survey-based approach to collating land sales data directly from individual land agents, which faces significant barriers (as set out in Section 2.2). Nevertheless, an ongoing qualitative assessment of land agent opinion (on current market drivers, recent market shifts, future market trends etc.) offers considerable potential for the future and this model is broadly supported by the sector.

6.2 Opportunities and options for improving reporting of land market transactions in the future

Direct collation and analysis of Registers of Scotland (RoS) data (as undertaken for this project) allows for some of the challenges relating to collation of land sales data directly from land agencies to be addressed, due to all land sales (where a change in registration has occurred) being recorded in the RoS database. Nevertheless, as noted above, this approach also faces considerable challenges and is limited with respect to a more comprehensive assessment and segmentation of land market activity. Notably, while most existing land sales indexes and databases (see Phase 1 report) are not fully comprehensive (due to the challenge of collating off-market sales data etc.), the resulting reports generally represent useful and detailed assessments of components of the land market (e.g. the UK Forestry Market Report and Strutt and Parker's estates and farmland market reviews). This is strongly apparent from the degree of alignment between the RoS based analysis presented here (particularly for farmland and forestry) and recent forestry and farmland market reports.

It is therefore important that the additionality of any future independent market assessments is clearly identified and that opportunities for joint-working to achieve joined-up aims are identified and capitalised on where feasible (to avoid duplicated effort). Considering these points, three potential longer-term options for assessing the land market are outlined below. These represents possible alternative approaches but should not be considered as mutually exclusive, as any final approach to longer term assessment may incorporate elements from more than one option. Critically, the land market (when assessed for sales over 25 hectares) represents a relatively small market (approximately 200-250 sales a year when farmland, forestry and estate sales are combined). This represents an opportunity in terms of being able to collate sales and enrich what are effectively small annual sales datasets (e.g. relative to the housing market) and the options below reflect this potential for longer term monitoring of the market and enrichment of land sales databases.

6.2.1 Option 1 – Ongoing annual or bi-annual land agent survey and report

This option proposes a continuation of the land agent consultation approach developed for this report (using a revised version of the same materials from the Phase 1 report) as an annual or bi-annual rapid consultation of a core group of approximately twenty key agents operating in the Scottish land market. This reflects the approach taken at UK (predominantly England) level by the RAU land market survey, but with additional qualitative components. The key strengths of this approach are that an evidence base can be developed to capture key market shifts over time (e.g. changes in the extent of off-market activity, shifts in buyer types, current and future market trends etc.) and in-depth market insights can be obtained relatively quickly. Nevertheless, this requires an ongoing commitment of funding and/or staff time to implement. This could be reduced by developing a structured survey (with open ended components) for agents to complete on an annual basis. Critically, in terms of quantitative sales data, an agents interview, or survey approach is unlikely to generate a fully comprehensive market assessment, due to non-response. There is potential to increase uptake of the land sales data sharing component through further groundwork being undertaken with key agencies, although barriers to data sharing remain.

6.2.2 Option 2 - Bi-annual market report based on RoS data and agent survey

This option proposes an annual collation and analysis of RoS data and a short survey with key land agency representatives (20 nominated agents) based on a simplified survey version of the interview format used in the Phase 1 report for this work. This offers scope for a relatively comprehensive quantitative, annual (or bi-annual) assessment of land market activity, to assess shifts in land values (across land categories) over time and the general level of market activity. In addition, a rapid online/email agent survey (with participation of nominated agents agreed in advance) offers scope for developing a complementary set of qualitative findings relating to broader market trends, market shifts and possible future market activity.

Importantly, this approach requires an ongoing commitment of funding (or staff time) and the development of a longer-term data sharing agreement between the Scottish Land Commission and Registers of Scotland to ensure ongoing access to sales data with limited costs. In addition, the reporting timescales should be aligned with the availability of Registers of Scotland data to allow for calendar year market assessments. Notably, given the apparent increasing emphasis on off-market sales in the land market, (and the exclusion of sales price information from some title registrations) reducing the potential for withholding pricing information from title registrations (i.e. through legislative change) may be advisable. Some potential may also exist (based on further discussions with Registers of Scotland) for improving recording of area information (e.g. as a distinct data category as opposed to area being noted within the full subjects text) during the registration process to support ongoing land market assessments based on RoS data. This relates to an ongoing wider discussion of the potential for an open public register for recording land sales in Scotland and improving access to information relating to landownership and land acquisitions.

6.2.3 Option 3 - Collaboration with existing land market assessments

As outlined previously there are several existing annual assessments of specific components of the land market in Scotland which (as apparent from the analysis and comparisons presented in this report) provide highly useful annual assessments. This option relates to the potential for the Scottish Land Commission to liaise and collaborate with existing relevant agencies (e.g. Tilhill in relation to forestry and plantable land markets and Strutt and Parker in relation to estates and farmland market assessments) to inform and support the development of future land market reports which are increasingly comprehensive and targeted. Specific opportunities (for example) might include ii) future forestry market reports which include a Scotland specific section/report, further breakdown of buyer types and an assessment of acquisitions by buyer objective (natural capital, timber etc.); and ii) farmland and/or estate market reports which incorporate assessment of additional off-market sales based on inclusion of RoS data and buyer motivations analysis. This approach is potentially less independent than commissioning a third party not operating in the market to undertake market assessments longer term, although the integration of RoS data and a partnership approach could increase the robustness of the resulting reports. Additionally, the analysis presented in this report demonstrates that existing market reports align well with a RoS based analysis (and can therefore be considered as generally accurate assessments of the

market). One alternative option which could be explored relates to the potential for the Scottish Land Commission to work in partnership with Registers of Scotland to develop an annual bespoke quantitative report on rural land values, which could be undertaken in addition to a rapid market insights survey of nominated agents on an annual basis. In addition to providing robust ongoing market assessments, this approach also offers scope for the development of a longer-term land sales database, which is maintained and updated by Scottish Land Commission staff.

7 APPENDIX

NUTS 2 Level Boundaries used in the regional analysis for this report

