

AGRICULTURAL LAND PRICES AND RENTS IN THE EUROPEAN UNION 1977 - 1998

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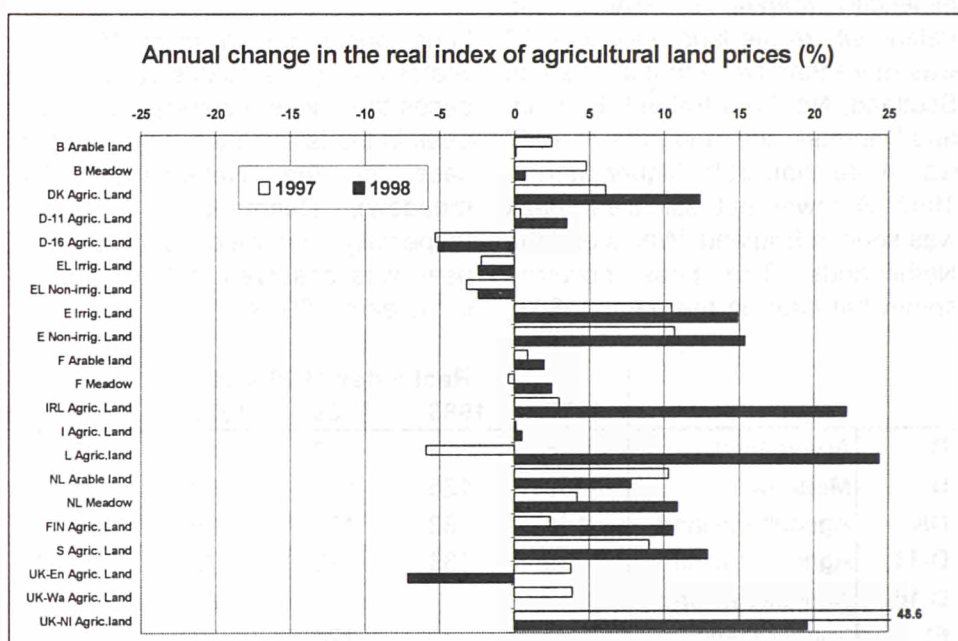
THEME 5 – 4/2000

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For 1998, data on the price of agricultural land was available for thirteen Member States (see graph). In several of these Member States, for the deflated land price (see methodological notes) notable increases were observed:- France (+2.0%, arable land; +2.5%, meadow), Germany (+3.5%, D-11¹), the Netherlands (+7.8%, arable land; +10.9%, meadow), Finland (+10.6%), Denmark (+12.4%), Sweden (+12.9%), Spain (+14.9%, irrigated land; +15.4%, non-irrigated land) and especially part of the United Kingdom (+19.6%, Northern Ireland), Ireland (+22.2%) and Luxembourg (+24.4%). There was little change in the price of land in two Member States:- Belgium (+0.1%, arable land; +0.7% meadow) and Italy (+0.5%). In contrast notable price decreases were observed in Greece (-2.4%), Germany (-5.1%, D-16) and another part of the United Kingdom (-7.1%, England).

In most Member States, the changes in the land price observed in 1998 continued the trends seen in 1997 although at different rates. However, in France (meadow) and Luxembourg the price increase in 1998 reversed the downward trend seen in 1997. In England, the price rise in 1997 (+3.8%) was followed by a fall in 1998 (-7.1%).

¹ D-11: Germany in its frontiers before Octobre 1990, eleven Länder
D-16: Germany in its frontiers after October 1990, sixteen Länder



Concerning real agricultural rents, 1998 data were available for nine Member States. Rent increases were observed in Sweden (+2.1%), France (+2.4%, arable land) and Luxembourg (+3.1%). However, rent

decreases were seen in Denmark (-0.4%), Austria (-1.5%) and Greece (-3.2%, arable land). In Belgium and the Netherlands, rents fell for meadow (-1.2% and -2.9% respectively) but rose for arable land

(+0.5% and +2.0% respectively). Within the United Kingdom, various changes were seen (-4.6%, Northern Ireland; -0.1%, England; +7.9%, Wales; +19.3%, Scotland).

Land prices

Concerning the trends in the real price of agricultural land over the past two decades, most Member States showed a peak in the land price in the late 1970's. This was especially marked in France and Ireland where the land price in 1977 was more than twice that in 1990. In Scotland, Northern Ireland, Belgium and Denmark, the land price in 1977 was more than 50% higher than in 1990. A lower but still clear peak was seen in England, Wales and the Netherlands. The peak occurred somewhat later, in the early 1980's,

in Italy and Germany. Luxembourg was an exception among the Member States, showing no such high land prices in the late 1970's or early 1980's.

Land prices fell in most Member States during the 1980's but in some cases the prices recovered to a new peak in the late 1980's. This was the case in the Netherlands (for meadow), Denmark, and Spain (especially for irrigated land). Such a peak was observed in Luxembourg in the early 1990's.

The notable increases in land prices in 1998 relative to 1997 for most Member States have already been noted. A remarkable price rise over the last eight years was observed in Northern Ireland, where the index of the real land price in 1998 was 219 relative to 100 in 1990. In Ireland the index in 1998 was 144 relative to 100 in 1990. The lowest real land prices in 1998 relative to 1990 were seen in Greece (irrigated land, index 64; non-irrigated land, index 55) and Finland (index 54).

		Real index 1990 = 100					Real annual rate of change				
		1977	1983	1988	1993	1998	1994	1995	1996	1997	1998
B	Arable land	148	112	100	89	86	-2.5	1.4	-4.2	2.5	0.1
B	Meadow	182	125	102	90	95	0.5	-2.0	0.5	4.8	0.7
DK	Agricultural land	161	82	105	85	128	8.5	12.0	4.3	6.1	12.4
D-11	Agricultural land	99	133	99	79	82	-0.9	2.1	-2.0	0.4	3.5
D-16	Agricultural land	:	:	:	89 ¹⁾	70 ¹⁾	-3.5	-4.7	-5.4	-5.3	-5.1
EL	Irrigated land	:	:	124	75	64	-0.3	-1.9	-8.6	-2.2	-2.4
EL	Non-irrigated land	:	:	111	74	55	-7.4	-8.8	-7.3	-3.2	-2.4
E	Irrigated land	:	105	114	62	81	3.8	-3.5	3.1	10.5	14.9
E	Non-irrigated land	:	92	110	73	102	5.3	-0.9	4.8	10.7	15.4
F	Arable land	202	139	105	85	85	-2.7	0.5	-0.4	0.9	2.0
F	Meadow	231	158	106	84	81	-3.1	-0.7	-1.3	-0.4	2.5
IRL	Agricultural land	208	111	80	91	144	6.5	3.9	14.0	3.0	22.2
I	Agricultural land	129	129	100	90	87	-0.3	-1.1	-2.7	0.1	0.5
L	Agricultural land	74	41	56	91	69	-31.8	0.4	-5.2	-5.9	24.4
NL	Arable land	106	80	89	96	118	-7.4	5.7	5.8	10.3	7.8
NL	Meadow	109	84	120	97	120	-3.0	3.4	6.8	4.2	10.9
FIN	Agricultural land	:	89	110	54	54	-3.0	0.5	-8.6	2.4	10.6
S	Agricultural land	:	:	:	83 ¹⁾	110 ¹⁾	5.4	-4.4	6.3	9.0	12.9
UK-En	Agricultural land	118	117	104	70	100	9.8	10.4	22.2	3.8	-7.1
UK-Wa	Agricultural land	117	126	136	83	:	8.1	16.0	9.7	-3.9	:
UK-Sc	Agricultural land	163	157	97	88	:	-7.7	26.5	-15.0	:	:
UK-NI	Agricultural land	153	124	99	112	219	14.9	14.8	-16.4	48.6	19.6

1) 1992 = 100

Rents

Over the past twenty years, for certain Member States, there has been a downward trend in agricultural rents. This was observed for Belgium, Greece, France and Luxembourg. No such clear pattern was visible in other Member States, including Denmark, Germany, the Netherlands and the United Kingdom. (The data series

were shorter for the new Member States:- Austria, Finland and Sweden.)

Changes in agricultural rents in 1998 relative to 1997 for several Member States have already been noted. Rent increases were observed about as frequently as decreases. Relative to 1990 when

the real index was 100, the index was low in Greece (75) but high in Scotland (120) and Wales (130). All other Member States for which data were available showed a more moderate trend, and the 1998 rent index ranged from 96 in Belgium to 110 in the Netherlands (arable land).

		Real index 1990=100					Real annual rate of change				
		1977	1983	1988	1993	1998	1994	1995	1996	1997	1998
B	Arable land	118	103	104	95	101	-0.8	2.4	2.9	0.8	0.5
B	Meadow	121	106	105	94	96	0.8	0.7	2.0	-0.5	-1.2
DK	Agricultural land	83	103 ¹⁾	:	96	106	6.2	-1.0	6.5	-0.1	-0.4
D-11	All agricultural land	86	101	101 ³⁾	90	93 ⁵⁾	:	-3.5	:	5.1	:
D-11	New leases	:	102	96 ³⁾	91	77 ⁵⁾	:	-2.9	:	-5.3	:
EL	Arable land	117	123	113	82	75	-1.2	-0.2	-1.9	-2.3	-3.2
F	Arable land	125	114	103	98	101	0.1	-0.2	-0.1	0.9	2.4
L	Agricultural land	143	120	114	91	89	-3.0	0.4	-2.5	-0.3	3.1
NL	Arable land	74	89	103	94	110	3.2	1.0	4.2	5.8	2.0
NL	Meadow	77	88	103	112	108	-2.7	-5.8	3.3	5.7	-2.9
A	Agricultural land	:	:	:	100 ⁴⁾	97	:	-1.5	0.9	-1.3	-1.5
FIN	Agricultural land	:	:	103	94	77 ⁵⁾	0.3	-10.2	-2.6	-7.3	:
S	Agricultural land	:	:	:	93	102	0.9	-1.6	4.5	4.4	2.1
UK-En	Agricultural land	84	108	114	89	101	-0.4	1.4	9.2	3.5	-0.1
UK-Wa	Agricultural land	81	105	109	95	130	4.4	4.8	11.1	4.0	7.9
UK-Sc	Agricultural land	79	112	116	92	120	6.6	1.2	0.3	1.2	19.3
UK-NI	Agricultural land	:	129 ²⁾	107	90	96	6.6	4.5	7.5	-5.8	-4.6

1) 1982; 2) 1984; 3) 1987; 4) 1994; 5) 1997

➤ ESSENTIAL INFORMATION – METHODOLOGICAL NOTES

Deflation: The indices of agricultural land prices and rents are available in Eurostat's database in both nominal and deflated form. Using the deflated indices avoids the distortions caused by different inflation rates in the Member States. The nominal indices are deflated by means of the implicit deflator of gross domestic product for each Member State. This replaces the previous use of the consumer price index as a deflator. The implicit deflator of gross domestic product is more appropriate for the deflation of the

prices of factors of production such as land or its use. The terms "deflated" and "real" are used synonymously in this report.

Type of index: The land prices and rents by Member States are expressed as a percentage of the levels in 1990 (i.e. 1990 = 100). These price relatives, or indices, allow trends to be compared among Member States. Because of differences in methodology, these indices cannot be aggregated across the Member States to

provide a single indicator for the European Union.

Germany: Land price data are available for Germany in its boundaries before October 1990 (D-11, eleven Länder) and after this date (D-16, sixteen Länder). However data on agricultural rents are only available for Germany in its previous frontiers (D-11). The various series for the former Germany (D-11) allow comparisons over a relatively long period.

Further information:

➤ Reference publications

Title Agricultural land prices and rents in the EU – Data 1977-1998
 Catalogue No CA-26-99-546-3A-C Price EUR 26,5

➤ Databases

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