

Global Farmland

Rural - UK - Autumn 2026

savills

KEY STATS



5%

AVERAGE GLOBAL
FARMLAND VALUE
GROWTH (2025)



10%

AVERAGE COMPOUND
ANNUAL GROWTH
SINCE 2002



9%

RISE IN AVERAGE
VALUES IN CENTRAL
EUROPE (2025)



10%

RISE IN AVERAGE
VALUES IN
AUSTRALASIA (2025)

Continued growth in global farmland values

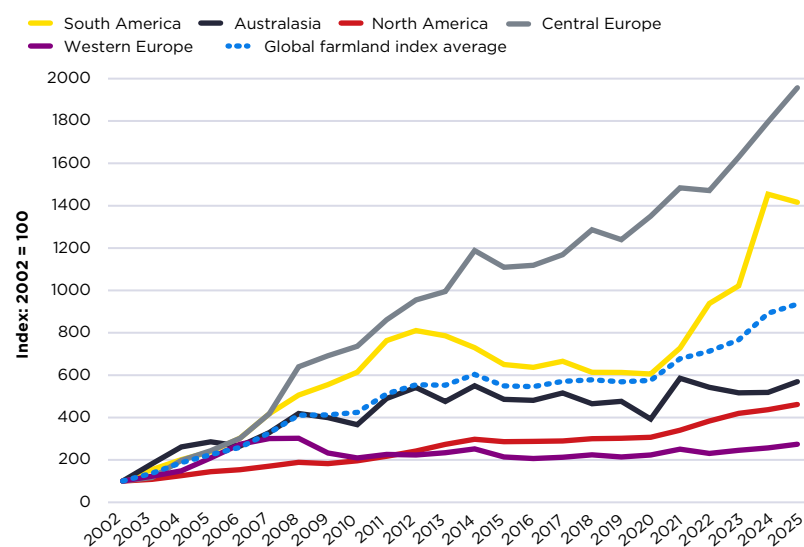
This Market in Minutes provides an update on the performance of global farmland values during 2025. It also reviews the rising pressure from agricultural production and human consumption on water resources, highlighting how sustainable land management in Portugal is helping to balance these competing demands, improve resource efficiency and support long-term farmland value growth.

Global farmland performance

Since 2002, the Savills Global Farmland Index has tracked capital value performance of prime farmland across key agricultural investment markets worldwide (Figure 1). The index highlights the long-term strength of farmland as an asset class, with average global farmland values increasing more than ninefold since 2002, equivalent to a compound annual growth of 10.2%.

Over the period, farmland has benefited from finite supply, rising demand for food production alongside natural capital services and growing investor interest in productive real assets.

FIGURE 1: GLOBAL FARMLAND INDEX



Source: Savills Research, USDA, REINZ and other data sources and estimates

Savills Global Farmland Index

The Savills Global Farmland Index is based on the average value of prime farmland in USD per hectare in 15 key farmland investment markets: Argentina, Australia, Brazil, Canada, Denmark, France, Germany, Ireland, New Zealand, Poland, Romania, Spain, the United Kingdom, the United States and Uruguay. These are grouped into five major geographical regions of Western Europe, Central Europe, Australasia, North America and South America.

Converting domestic currencies to USD gives potential investors a good starting point for comparable analysis, as a common denominator that corresponds to the currency of global markets.

However, this does mean that exchange rate fluctuations can also impact a country's performance within the index. Land values are indexed relative to those in 2002 (2002 = 100).

By necessity, average values are used. It should be noted that within countries there can be significant local and/or regional variations.



Average values

Average values continued to rise in 2025, increasing by 5% year-on-year. Although below the exceptionally strong growth of 16.5% recorded in 2024, performance remained well above long-term inflation rates, reflecting continued demand for productive land and the scarcity of high-quality agricultural assets.

Regional performance

Global farmland values are impacted by a combination of environmental, economic and policy factors, including climate and soil quality, water availability, farm profitability, market accessibility, government intervention and investor demand.

These influences vary by region. As a result, while average farmland values have risen across all major agricultural regions since 2002, the pace and pattern of value growth have differed considerably.

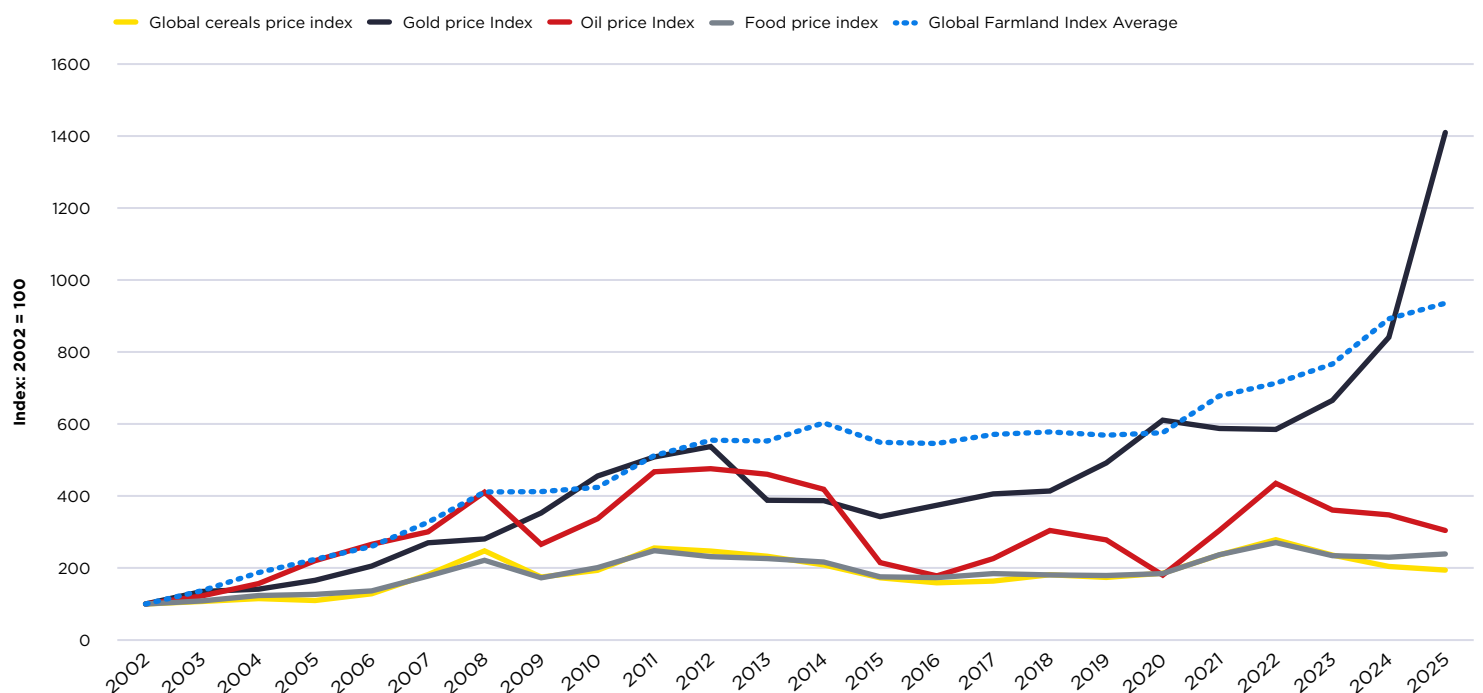
Central Europe recorded a 9% rise in average farmland values during 2025. Supported by continued market development and investor interest, the region has delivered the highest cumulative capital growth of all the markets tracked by the index since 2002.

South America has also achieved significant long-term appreciation, although growth eased in 2025 following the exceptional gains recorded during 2024.

Western Europe has seen more moderate value growth over the past two decades, reflecting the relatively mature nature of its farmland markets and higher starting values. North America has delivered consistent, steady long-term gains. In contrast, Australasia led annual performance during 2025 with average farmland values rising by 10%.

While commodity prices have shown significant volatility since 2002, global farmland values have followed a more consistent long-term upward trend (Figure 2).

FIGURE 2: GLOBAL FARMLAND INDEX AND KEY COMMODITY RETURNS



Water security and farmland resilience

Investing in water infrastructure: irrigation modernisation in Portugal's Algarve

While global farmland values have risen since 2002, future performance is likely to depend increasingly on access to natural resources, particularly water. As water scarcity becomes a growing constraint on agricultural production, access to secure supplies is emerging as a key determinant of farmland resilience and value.

As climate pressures intensify and competition for water grows, regions that can secure reliable supplies and improve irrigation efficiency may be better positioned to support agricultural productivity and sustain long-term farmland values.

The Algarve provides a clear example of these challenges. The region abstracts roughly 220 million m³ of water annually across urban, agriculture and tourism uses.

Agriculture is the largest water user. In 2023, the latest year with published data,

it consumed about 135 million m³, compared with 74 million m³ supplied for public use. Following a prolonged drought, reservoir storage remained below 50% of capacity from mid-2022 and fell to a record low of 25% in January 2024. In response, authorities introduced temporary mandatory restrictions, requiring agricultural consumption to fall by 25% and urban use by 15% compared with 2023 levels.

Alongside temporary restrictions, investment is increasingly focused on improving irrigation efficiency. The €15 million first phase of the Alvor-Bravura modernisation project will upgrade the Alvor Hydro-agricultural development in western Algarve.

This will replace ageing open canals with a closed pipe network and add a reservoir, pumping station and filtration plant, with photovoltaic capacity to power the pumping system.



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Access to water is an increasingly important differentiator between farmland markets

Once completed, the scheme is expected to save around 19 million m³ of water per year, equivalent to approximately 60% of current system use.

The project highlights how targeted strategic investment in water infrastructure can strengthen agricultural resilience, improve resource efficiency and help safeguard agricultural productivity. As water availability becomes an increasingly important differentiator between farmland markets, investments of this nature are likely to play a growing role in supporting long-term land values.

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Institutional investment capital is increasingly drawn to farmland as a natural capital play, attracted by the multiplicity of land uses and revenue streams that can be stacked on assets, alongside farmland's history of delivering relatively stable, uncorrelated returns.

ED HORTON, SAVILLS INVESTMENT MANAGEMENT



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