

Friday 3rd February, 2023

### **Strong Demand Continues to Drive Land Price Increases**

A new report on land prices from IPAV, the Institute of Professional Auctioneers & Valuers, has found continuing price growth both for purchasing and leasing during 2022.

Some areas are now achieving as much as €25,000 an acre, while others are as low as €7,000. Prices are now averaging €12,231 an acre, up from €8,750 when the report began in 2016.

Land leasing, which has experienced unprecedented demand, has seen prices rise to as much as €500 an acre in some areas during 2022.

Commenting on the report Pat Davitt, IPAV's Chief Executive said: "While farming sees new challenges each year, be it those arising from Brexit, climate change or political volatility, it's an incredibly resilient sector and has shown itself to be very adaptable.

"This year changes taking place in the Common Agricultural Policy, in particular the non-clawback on Single Premiums, will be eagerly watched to see what impact it will have on prices."

He said the new Residential Zoned Land Tax (RZLT) is causing considerable worry for farmers with zoned land that is used for agricultural purposes.

"While we have serious reservations about this tax achieving its desired aim of incentivising the sale of land to someone who will develop homes in a timely manner, we would like to see a commitment by the Minister for Agriculture to exclude farmland from the scope of this new tax," he said.

With regard to the methodology for valuing land Mr Davitt welcomed the return to European Valuation Standards (EVS), something IPAV has championed for some time.

"This is a very welcome development. It brings the highest standard of rigour to the land valuation process. And it has the benefit of a European wide experience. The standards are regularly reviewed, tested and updated," he said.

He thanked IPAV members who helped compile the data for the latest Farming Report, along with report editor, Philip Farrell.

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