



[Farms outperform commercial market for third year, says IPD](#)

London, 22nd June 2010: Farmland property has outperformed commercial markets for the third consecutive year, delivering 8.2% last year, according to the **IPD UK Rural Property Investment Index**.

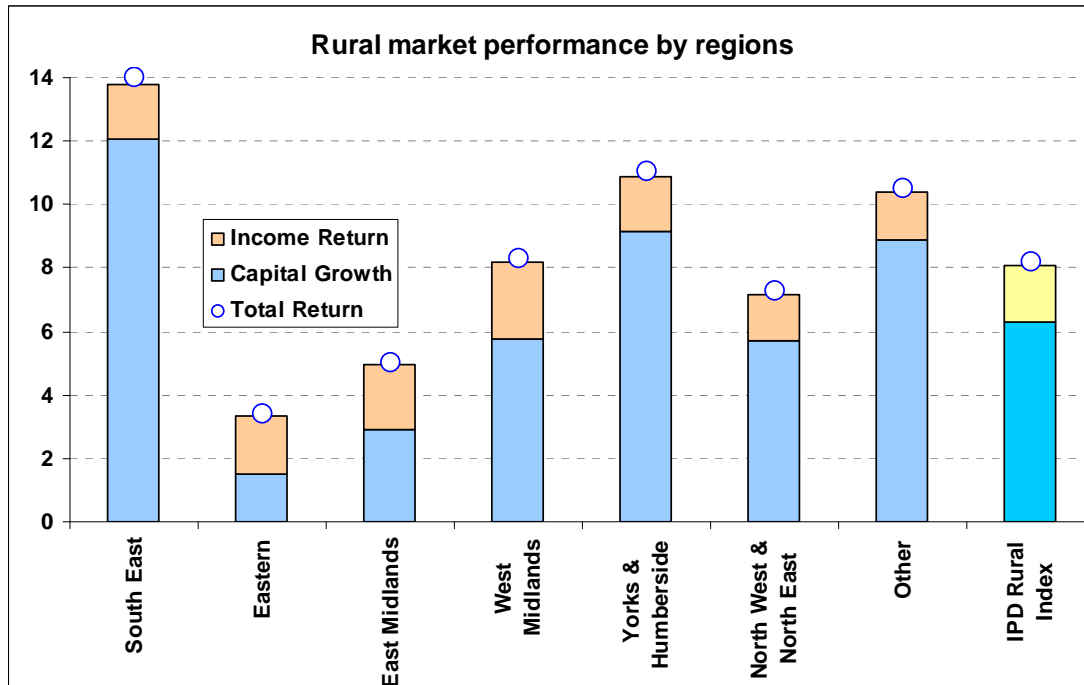
The annual return is more than double the 3.5% delivered by commercial property, and considerably improved on 2008's 10-year low of 1.7%. This improvement has been driven by capital growth, pulled back from 40 basis points depreciation in 2008 to 6.3% last year.

The index, which is IPD's first established valuation-based index and has a 29-year history, measures the ungeared performance of a tenanted farm land worth just under £2bn compiled from valuation and management records for individual farms and estates held by institutional and private investors.

Sector Performance

All regions delivered positive total returns in 2009, led by the South East which saw double-digit performance, at 14.0%. The biggest year-on-year improvement was in the North West & North East which in 2008 saw -5.0%, the lowest total return recorded by any region since 1991. Performance bounced back with strong capital growth, to return 7.3% in 2009.

The West Midlands saw the strongest income return, 60 basis points above the all UK average, at 2.4%. Despite a strong performance in 2009, returning 11.0% and second only to the South East, Yorks & Humberside saw the highest volume of net disinvestment in the UK, at 5.7% of year end capital value.

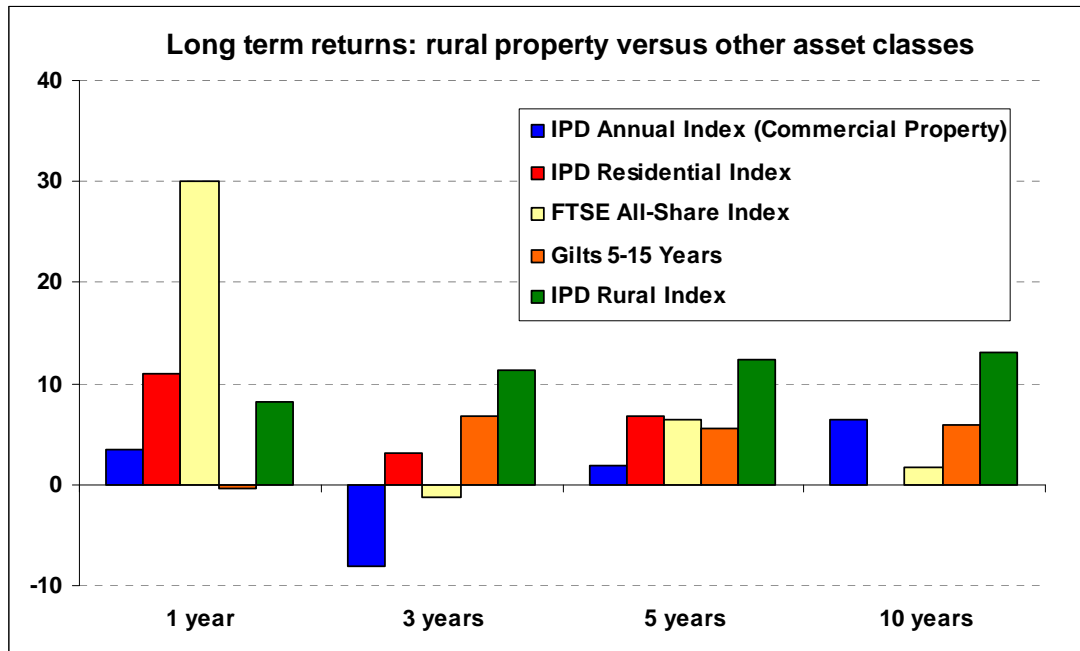


Source: IPD UK Rural Property Investment Index

There continued to be net disinvestments from tenanted farmland in 2009. Slightly down on 2008, this stood at 1.3% of year end capital value. Only three areas in the UK saw positive investment levels: the South East, West Midlands and North West & North East.

Asset Class Comparisons

Rural property outperformed the main commercial markets as well as bonds, which delivered 3.5% and -0.3%, respectively, while underperforming residential property (11.0%) and equities (30.1%). However, over the three, five and 10-year picture, rural property consistently outperformed all asset classes. See below.



Source: IPD UK Rural Property Investment Index (N.B. Residential Index series starts 2001)

The **IPD UK Rural Property Investment Index** was comprised of 515,355 acres in 223 estates with a capital value of just under £2bn. Data is collected from investors and managing agents and audited by IPD. All year-end valuations used in the index are conducted by qualified valuers working to RICS guidelines. Confidential tenant names are not disclosed to IPD.

-----ENDS-----

Notes to editors:

IPD is a global information business, dedicated to the objective measurement of commercial real estate performance. As the world's number one provider of real estate performance analysis for funds, investors, managers and occupiers, IPD offers a full range of services including research, reporting, benchmarking, conferences and indices. For further information visit www.ipd.com

For further information contact:

Emily Leader, UK Client Management at IPD



+44 (0)20 7336 9296, emily.leader@ipd.com

James Wallace, Global Press Officer

+44 (0)20 7336 4778, james.wallace@ipd.com

Tim Jones, Head of Rural Division at Carter Jonas

+44 (0)1223 346609, Tim.Jones@carterjonas.co.uk

Jason Beedell, Head of Research at Smiths Gore

+44 (0)1733 866562, jason.beedell@smithsgore.co.uk