



Agricultural Holdings Act 1986

1986 CHAPTER 5

PART V

COMPENSATION ON TERMINATION OF TENANCY

Compensation to landlord for deterioration of holding

71 Compensation for deterioration of particular parts of holding.

- (1) The landlord of an agricultural holding shall be entitled to recover from a tenant of the holding, on the tenant's quitting the holding on the termination of the tenancy, compensation in respect of the dilapidation or deterioration of, or damage to, any part of the holding or anything in or on the holding caused by non-fulfilment by the tenant of his responsibilities to farm in accordance with the rules of good husbandry.
- (2) Subject to subsection (5) below, the amount of the compensation payable under subsection (1) above shall be the cost, as at the date of the tenant's quitting the holding, of making good the dilapidation, deterioration or damage.
- (3) Notwithstanding anything in this Act, the landlord may, in lieu of claiming compensation under subsection (1) above, claim compensation in respect of matters specified in that subsection under and in accordance with a written contract of tenancy.
- (4) Where the landlord claims compensation in accordance with subsection (3) above—
 - (a) compensation shall be so claimed only on the tenant's quitting the holding on the termination of the tenancy, and
 - (b) compensation shall not be claimed in respect of any one holding both under such a contract as is mentioned in that subsection and under subsection (1) above;and for the purposes of paragraph (b) above any claim under section 9(1) above shall be disregarded.
- (5) The amount of the compensation payable under subsection (1) above, or in accordance with subsection (3) above, shall in no case exceed the amount (if any) by which the

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value of the landlord's reversion in the holding is diminished owing to the dilapidation, deterioration or damage in question.

72 Compensation for general deterioration of holding.

- (1) This section applies where, on the quitting of an agricultural holding by the tenant on the termination of the tenancy, the landlord shows that the value of the holding generally has been reduced by reason of any such dilapidation, deterioration or damage as is mentioned in section 71(1) above or otherwise by non-fulfilment by the tenant of his responsibilities to farm in accordance with the rules of good husbandry.
- (2) Where this section applies, the landlord shall be entitled to recover from the tenant compensation for the matter in question, in so far as the landlord is not compensated for it under subsection (1), or in accordance with subsection (3), of section 71 above.
- (3) The amount of the compensation payable under this section shall be equal to the decrease attributable to the matter in question in the value of the holding as a holding, having regard to the character and situation of the holding and the average requirements of tenants reasonably skilled in husbandry.
- (4) Compensation shall not be recoverable under this section unless the landlord has, not later than one month before the termination of the tenancy, given notice in writing to the tenant of his intention to claim such compensation.

73 Deterioration of holding: successive tenancies.

[^{F1}(1)] Where the tenant of an agricultural holding has remained on the holding [^{F2}, or on any agricultural holding which comprised the whole or a substantial part of the land comprised in the holding,] during two or more tenancies his landlord shall not be deprived of his right to compensation under section 71 or 72 above in respect of any dilapidation, deterioration or damage by reason only that the tenancy during which an act or omission occurred which in whole or in part caused the dilapidation, deterioration or damage was a tenancy other than the tenancy at the termination of which the tenant quits the holding.

[^{F3}(2) Where this Act applies in relation to any tenancy referred to in subsection (1) above by virtue of section 4(1)(g) of the Agricultural Tenancies Act 1995, the reference in that subsection to a substantial part of the land comprised in the holding means a substantial part determined by reference to either area or value.]

Textual Amendments

- F1** S. 73 re-numbered as s. 73(1) (19.10.2006) by [The Regulatory Reform \(Agricultural Tenancies\) \(England and Wales\) Order 2006 \(S.I. 2006/2805\)](#), [art. 6\(2\)](#) (with arts. 6(8), 10)
- F2** Words in s. 73(1) inserted (19.10.2006) by [The Regulatory Reform \(Agricultural Tenancies\) \(England and Wales\) Order 2006 \(S.I. 2006/2805\)](#), [art. 6\(4\)](#) (with arts. 6(8), 10)
- F3** S. 73(2) inserted (19.10.2006) by [The Regulatory Reform \(Agricultural Tenancies\) \(England and Wales\) Order 2006 \(S.I. 2006/2805\)](#), [art. 6\(5\)](#) (with arts. 6(8), 10)

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