



# Agricultural Holdings Act 1986

## 1986 CHAPTER 5

### PART VI

#### MARKET GARDENS AND SMALLHOLDINGS

##### **Modifications etc. (not altering text)**

**C1** Pts. III–VI (ss. 25–82) excluded by [Housing Act 1988 \(c. 50, SIF 61\)](#), s. 101

- 79 Additional rights with respect to improvements for tenants of market gardens.**
- (1) Subsections (2) to (5) below apply in the case of an agricultural holding in respect of which it is agreed by an agreement in writing that the holding shall be let or treated as a market garden; and where the land to which such agreement relates consists of part of an agricultural holding only, those subsections shall apply as if that part were a separate holding.
  - (2) The provisions of this Act shall apply as if improvements of a kind specified in Schedule 10 to this Act begun on or after 1st March 1948 were included amongst the improvements specified in Part I of Schedule 8 to this Act and as if improvements begun before that day consisting of the erection or enlargement of buildings for the purpose of the trade or business of a market gardener were included amongst the improvements specified in Part II of Schedule 9 to this Act.
  - (3) In section 10 above—
    - (a) subsection (2)(c) shall not exclude that section from applying to any building erected by the tenant on the holding or acquired by him for the purposes of his trade or business as a market gardener, and
    - (b) subsection (2)(d) shall not exclude that section from applying to any building acquired by him for those purposes (whenever erected).
  - (4) It shall be lawful for the tenant to remove all fruit trees and fruit bushes planted by him on the holding and not permanently set out, but if the tenant does not remove them

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before the termination of his tenancy they shall remain the property of the landlord and the tenant shall not be entitled to any compensation in respect of them.

- (5) The right of an incoming tenant to claim compensation in respect of the whole or part of an improvement which he has purchased may be exercised although his landlord has not consented in writing to the purchase.

## **80 Power of Tribunal to direct holding to be treated as market garden.**

- (1) Where the tenant of an agricultural holding desires to make on the holding or any part of it an improvement specified in Schedule 10 to this Act and the landlord refuses, or fails within a reasonable time, to agree in writing that the holding or that part of it, as the case may be, shall be treated as a market garden, the tenant may apply to the Tribunal for a direction under subsection (2) below.
- (2) On such an application, the Tribunal may, after being satisfied that the holding or part is suitable for the purposes of market gardening, direct that subsections (2) to (5) of section 79 above shall, either in respect of all the improvements specified in the said Schedule 10 or in respect of some only of those improvements, apply to the holding or to that part of it; and the said subsections shall apply accordingly as respects any improvements executed after the date on which the direction is given.
- (3) Where a direction is given under subsection (2) above, then, if the tenancy is terminated by notice to quit given by the tenant or by reason of the tenant becoming insolvent, the tenant shall not be entitled to compensation in respect of improvements specified in the direction unless the conditions mentioned in subsection (4) below are satisfied.
- (4) Those conditions are that—
- (a) the tenant not later than one month after the date on which the notice to quit is given or the date of the insolvency, as the case may be, or such later date as may be agreed, produces to the landlord an offer in writing by a substantial and otherwise suitable person (being an offer which is to hold good for a period of three months from the date on which it is produced)—
    - (i) to accept a tenancy of the holding from the termination of the existing tenancy, and on the terms and conditions of that tenancy so far as applicable, and,
    - (ii) subject as hereinafter provided, to pay to the outgoing tenant all compensation payable under this Act or under the contract of tenancy, and
  - (b) the landlord fails to accept the offer within three months after it has been produced.
- (5) If the landlord accepts any such offer as is mentioned in subsection (4) above, the incoming tenant shall pay to the landlord on demand all sums payable to him by the outgoing tenant on the termination of the tenancy in respect of rent or breach of contract or otherwise in respect of the holding, and any amount so paid may, subject to any agreement between the outgoing tenant and incoming tenant, be deducted by the incoming tenant from any compensation payable by him to the outgoing tenant.
- (6) A direction under subsection (2) above may be given subject to such conditions (if any) for the protection of the landlord as the Tribunal think fit.

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(7) Without prejudice to the generality of subsection (6) above, where a direction relates to part only of an agricultural holding, it may, on the application of the landlord, be given subject to the condition that it shall become operative only in the event of the tenant's consenting to the division of the holding into two parts, of which one shall be that to which the direction relates, to be held at rents settled, in default of agreement, by arbitration under this Act, but otherwise on the same terms and conditions (so far as applicable) as those on which the holding is held.

[<sup>F1</sup>(7A) Notwithstanding the provision made by subsection (7) above for rents to be settled by arbitration, the landlord and tenant may instead refer those rents to be settled by third party determination under this Act.]

(8) A new tenancy created by the acceptance of a tenant in accordance with the provisions of this section on the terms and conditions of the existing tenancy shall be deemed for the purposes of Schedule 2 to this Act not to be a new tenancy.

(9) For the purposes of subsection (3) above a person has become insolvent if any of the events mentioned in section 96(2)(a) or (b) below has occurred; and the reference in subsection (4) above to the date of the insolvency is a reference to the date of the occurrence of the event in question.

#### Textual Amendments

**F1** S. 80(7A) inserted (26.3.2015 for specified purposes, 26.5.2015 in so far as not already in force) by [Deregulation Act 2015 \(c. 20\)](#), s. 115(2)(e)(3)(a), [Sch. 4 para. 19](#)

## 81 Agreements as to compensation relating to market gardens.

(1) Where an agreement in writing secures to the tenant of an agricultural holding, for an improvement for which compensation is payable by virtue of section 79 or section 80 above, fair and reasonable compensation having regard to the circumstances existing when the agreement was made, the compensation so secured shall, as respects that improvement, be substituted for compensation under this Act.

(2) The landlord and tenant of an agricultural holding who have agreed that the holding shall be let or treated as a market garden may by agreement in writing substitute, for the provisions as to compensation which would otherwise be applicable to the holding, the provisions as to compensation known as the "Evesham custom", and set out in subsections (3) to (5) of section 80 above.

## 82 Application of section 15 to smallholdings.

(1) Section 15(1) above shall not apply to a tenancy of land let as a smallholding by a smallholdings authority or by the Minister in pursuance of a scheme, approved by the Minister for the purposes of this section, which—

- (a) provides for the farming of such holdings on a co-operative basis,
- (b) provides for the disposal of the produce of such holdings, or
- (c) provides other centralised services for the use of the tenants of such holdings.

(2) Where it appears to the Minister that the provisions of any scheme approved by him for the purposes of this section are not being satisfactorily carried out, he may, in accordance with subsection (3) below, withdraw his approval to the scheme.

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- (3) Before withdrawing his approval to a scheme the Minister shall—
- (a) serve a notice on the persons responsible for the management of the scheme specifying a date (not being earlier than one month after the service of the notice) and stating that on that date his approval to the scheme will cease to have effect and that, accordingly, section 15(1) will then apply to the tenancies granted in pursuance of the scheme,
  - (b) give to those persons an opportunity of making representations to him;
- and, if the said notice is not withdrawn by the Minister before the said date, section 15(1) shall as from that date apply to the said tenancies.

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