



Agricultural Tenancies Act 1995

1995 CHAPTER 8

PART I

GENERAL PROVISIONS

Farm business tenancies

1 Meaning of “farm business tenancy”

- (1) A tenancy is a “farm business tenancy” for the purposes of this Act if—
 - (a) it meets the business conditions together with either the agriculture condition or the notice conditions, and
 - (b) it is not a tenancy which, by virtue of section 2 of this Act, cannot be a farm business tenancy.
- (2) The business conditions are—
 - (a) that all or part of the land comprised in the tenancy is farmed for the purposes of a trade or business, and
 - (b) that, since the beginning of the tenancy, all or part of the land so comprised has been so farmed.
- (3) The agriculture condition is that, having regard to—
 - (a) the terms of the tenancy,
 - (b) the use of the land comprised in the tenancy,
 - (c) the nature of any commercial activities carried on on that land, and
 - (d) any other relevant circumstances,the character of the tenancy is primarily or wholly agricultural.
- (4) The notice conditions are—
 - (a) that, on or before the relevant day, the landlord and the tenant each gave the other a written notice—
 - (i) identifying (by name or otherwise) the land to be comprised in the tenancy or proposed tenancy, and

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- (ii) containing a statement to the effect that the person giving the notice intends that the tenancy or proposed tenancy is to be, and remain, a farm business tenancy, and
 - (b) that, at the beginning of the tenancy, having regard to the terms of the tenancy and any other relevant circumstances, the character of the tenancy was primarily or wholly agricultural.
- (5) In subsection (4) above “the relevant day” means whichever is the earlier of the following—
 - (a) the day on which the parties enter into any instrument creating the tenancy, other than an agreement to enter into a tenancy on a future date, or
 - (b) the beginning of the tenancy.
- (6) The written notice referred to in subsection (4) above must not be included in any instrument creating the tenancy.
- (7) If in any proceedings—
 - (a) any question arises as to whether a tenancy was a farm business tenancy at any time, and
 - (b) it is proved that all or part of the land comprised in the tenancy was farmed for the purposes of a trade or business at that time,
 it shall be presumed, unless the contrary is proved, that all or part of the land so comprised has been so farmed since the beginning of the tenancy.
- (8) Any use of land in breach of the terms of the tenancy, any commercial activities carried on in breach of those terms, and any cessation of such activities in breach of those terms, shall be disregarded in determining whether at any time the tenancy meets the business conditions or the agriculture condition, unless the landlord or his predecessor in title has consented to the breach or the landlord has acquiesced in the breach.

2 Tenancies which cannot be farm business tenancies

- (1) A tenancy cannot be a farm business tenancy for the purposes of this Act if—
 - (a) the tenancy begins before 1st September 1995, or
 - (b) it is a tenancy of an agricultural holding beginning on or after that date with respect to which, by virtue of section 4 of this Act, the Agricultural Holdings Act 1986 applies.
- (2) In this section “agricultural holding” has the same meaning as in the Agricultural Holdings Act 1986.

3 Compliance with notice conditions in cases of surrender and re-grant

- (1) This section applies where—
 - (a) a tenancy (“the new tenancy”) is granted to a person who, immediately before the grant, was the tenant under a farm business tenancy (“the old tenancy”) which met the notice conditions specified in section 1(4) of this Act,
 - (b) the condition in subsection (2) below or the condition in subsection (3) below is met, and
 - (c) except as respects the matters mentioned in subsections (2) and (3) below and matters consequential on them, the terms of the new tenancy are substantially the same as the terms of the old tenancy.

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- (2) The first condition referred to in subsection (1)(b) above is that the land comprised in the new tenancy is the same as the land comprised in the old tenancy, apart from any changes in area which are small in relation to the size of the holding and do not affect the character of the holding.
- (3) The second condition referred to in subsection (1)(b) above is that the old tenancy and the new tenancy are both fixed term tenancies, but the term date under the new tenancy is earlier than the term date under the old tenancy.
- (4) Where this section applies, the new tenancy shall be taken for the purposes of this Act to meet the notice conditions specified in section 1(4) of this Act.
- (5) In subsection (3) above, “the term date”, in relation to a fixed term tenancy, means the date fixed for the expiry of the term.

Exclusion of Agricultural Holdings Act 1986

4 Agricultural Holdings Act 1986 not to apply in relation to new tenancies except in special cases

- (1) The Agricultural Holdings Act 1986 (in this section referred to as “the 1986 Act”) shall not apply in relation to any tenancy beginning on or after 1st September 1995 (including any agreement to which section 2 of that Act would otherwise apply beginning on or after that date), except any tenancy of an agricultural holding which—
 - (a) is granted by a written contract of tenancy entered into before 1st September 1995 and indicating (in whatever terms) that the 1986 Act is to apply in relation to the tenancy,
 - (b) is obtained by virtue of a direction of an Agricultural Land Tribunal under section 39 or 53 of the 1986 Act,
 - (c) is granted (following a direction under section 39 of that Act) in circumstances falling within section 45(6) of that Act,
 - (d) is granted on an agreed succession by a written contract of tenancy indicating (in whatever terms) that Part IV of the 1986 Act is to apply in relation to the tenancy,
 - (e) is created by the acceptance of a tenant, in accordance with the provisions as to compensation known as the “Evesham custom” and set out in subsections (3) to (5) of section 80 of the 1986 Act, on the terms and conditions of the previous tenancy, or
 - (f) is granted to a person who, immediately before the grant of the tenancy, was the tenant of the holding, or of any agricultural holding which comprised the whole or a substantial part of the land comprised in the holding, under a tenancy in relation to which the 1986 Act applied (“the previous tenancy”) and is so granted merely because a purported variation of the previous tenancy (not being an agreement expressed to take effect as a new tenancy between the parties) has effect as an implied surrender followed by the grant of the tenancy.
- (2) For the purposes of subsection (1)(d) above, a tenancy (“the current tenancy”) is granted on an agreed succession if, and only if,—
 - (a) the previous tenancy of the holding or a related holding was a tenancy in relation to which Part IV of the 1986 Act applied, and

- (b) the current tenancy is granted otherwise than as mentioned in paragraph (b) or (c) of subsection (1) above but in such circumstances that if—
 - (i) Part IV of the 1986 Act applied in relation to the current tenancy, and
 - (ii) a sole (or sole surviving) tenant under the current tenancy were to die and be survived by a close relative of his,the occasion on which the current tenancy is granted would for the purposes of subsection (1) of section 37 of the 1986 Act be taken to be an occasion falling within paragraph (a) or (b) of that subsection.
- (3) In this section—
 - (a) “agricultural holding” and “contract of tenancy” have the same meaning as in the 1986 Act, and
 - (b) “close relative” and “related holding” have the meaning given by section 35(2) of that Act.

Termination of the tenancy

5 Tenancies for more than two years to continue from year to year unless terminated by notice

- (1) A farm business tenancy for a term of more than two years shall, instead of terminating on the term date, continue (as from that date) as a tenancy from year to year, but otherwise on the terms of the original tenancy so far as applicable, unless at least twelve months but less than twenty-four months before the term date a written notice has been given by either party to the other of his intention to terminate the tenancy.
- (2) In subsection (1) above “the term date”, in relation to a fixed term tenancy, means the date fixed for the expiry of the term.
- (3) For the purposes of section 140 of the Law of Property Act 1925 (apportionment of conditions on severance of reversion), a notice under subsection (1) above shall be taken to be a notice to quit.
- (4) This section has effect notwithstanding any agreement to the contrary.

6 Length of notice to quit

- (1) Where a farm business tenancy is a tenancy from year to year, a notice to quit the holding or part of the holding shall (notwithstanding any provision to the contrary in the tenancy) be invalid unless—
 - (a) it is in writing,
 - (b) it is to take effect at the end of a year of the tenancy, and
 - (c) it is given at least twelve months but less than twenty-four months before the date on which it is to take effect.
- (2) Where, by virtue of section 5(1) of this Act, a farm business tenancy for a term of more than two years is to continue (as from the term date) as a tenancy from year to year, a notice to quit which complies with subsection (1) above and which is to take effect on the first anniversary of the term date shall not be invalid merely because it is given before the term date; and in this subsection “the term date” has the meaning given by section 5(2) of this Act.

- (3) Subsection (1) above does not apply in relation to a counter-notice given by the tenant by virtue of subsection (2) of section 140 of the Law of Property Act 1925 (apportionment of conditions on severance of reversion).

7 Notice required for exercise of option to terminate tenancy or resume possession of part

- (1) Where a farm business tenancy is a tenancy for a term of more than two years, any notice to quit the holding or part of the holding given in pursuance of any provision of the tenancy shall (notwithstanding any provision to the contrary in the tenancy) be invalid unless it is in writing and is given at least twelve months but less than twenty-four months before the date on which it is to take effect.
- (2) Subsection (1) above does not apply in relation to a counter-notice given by the tenant by virtue of subsection (2) of section 140 of the Law of Property Act 1925 (apportionment of conditions on severance of reversion).
- (3) Subsection (1) above does not apply to a tenancy which, by virtue of subsection (6) of section 149 of the Law of Property Act 1925 (lease for life or lives or for a term determinable with life or lives or on the marriage of the lessee), takes effect as such a term of years as is mentioned in that subsection.

Tenant's right to remove fixtures and buildings

8 Tenant's right to remove fixtures and buildings

- (1) Subject to the provisions of this section—
- (a) any fixture (of whatever description) affixed, whether for the purposes of agriculture or not, to the holding by the tenant under a farm business tenancy, and
 - (b) any building erected by him on the holding,
- may be removed by the tenant at any time during the continuance of the tenancy or at any time after the termination of the tenancy when he remains in possession as tenant (whether or not under a new tenancy), and shall remain his property so long as he may remove it by virtue of this subsection.
- (2) Subsection (1) above shall not apply—
- (a) to a fixture affixed or a building erected in pursuance of some obligation,
 - (b) to a fixture affixed or a building erected instead of some fixture or building belonging to the landlord,
 - (c) to a fixture or building in respect of which the tenant has obtained compensation under section 16 of this Act or otherwise, or
 - (d) to a fixture or building in respect of which the landlord has given his consent under section 17 of this Act on condition that the tenant agrees not to remove it and which the tenant has agreed not to remove.
- (3) In the removal of a fixture or building by virtue of subsection (1) above, the tenant shall not do any avoidable damage to the holding.
- (4) Immediately after removing a fixture or building by virtue of subsection (1) above, the tenant shall make good all damage to the holding that is occasioned by the removal.

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- (5) This section applies to a fixture or building acquired by a tenant as it applies to a fixture or building affixed or erected by him.
- (6) Except as provided by subsection (2)(d) above, this section has effect notwithstanding any agreement or custom to the contrary.
- (7) No right to remove fixtures that subsists otherwise than by virtue of this section shall be exercisable by the tenant under a farm business tenancy.