



# Agricultural Holdings Act 1986

## 1986 CHAPTER 5

### PART II

#### PROVISIONS AFFECTING TENANCY DURING ITS CONTINUANCE

##### *Variation of rent*

#### **<sup>F1</sup>12 Arbitration [<sup>F1</sup>or third party determination] of rent.**

(1) Subject to the provisions of Schedule 2 to this Act, the landlord or tenant of an agricultural holding may by notice in writing served on the other demand that the rent to be payable in respect of the holding as from the next termination date shall be <sup>F2</sup>... [<sup>F2</sup>determined in accordance with this section].

<sup>F3</sup>(1A) Where a notice under subsection (1) is served, the question of how much rent is to be payable in respect of the holding as from the next termination date—

- (a) may be required by the landlord or tenant to be determined by arbitration under this Act (see section 84), or
- (b) may be referred by the landlord and tenant for third party determination under this Act (see section 84A).]

(2) On a reference under this section the arbitrator [<sup>F4</sup>or third party] shall determine what rent should be properly payable in respect of the holding at the [<sup>F5</sup>next termination date following the date of the <sup>F6</sup>... [<sup>F6</sup>notice under subsection (1)] and accordingly shall, with effect from that next termination date], increase or reduce the rent previously payable or direct that it shall continue unchanged.

(3) A <sup>F7</sup>... [<sup>F7</sup>notice under subsection (1)] shall cease to be effective for the purposes of this section on the next termination date following the date of <sup>F8</sup>... [<sup>F8</sup>the notice] unless before the said termination date—

- (a) an arbitrator [<sup>F9</sup>or third party] has been appointed by agreement between the parties, or
- (b) an application has been made <sup>F10</sup>... [<sup>F10</sup>under section 84 for the appointment of an arbitrator].

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- (4) References in this section (and in Schedule 2 to this Act) <sup>F11</sup>...<sup>[F12]</sup> with respect to the rent of any holding, to the next termination date following the date of <sup>F13</sup>... <sup>[F13]</sup>a notice under subsection (1)] are references to the next day following the date of <sup>F14</sup>... <sup>[F14]</sup>the notice] on which the tenancy of the holding could have been determined by notice to quit given at the date of <sup>F15</sup>... <sup>[F15]</sup>the notice under subsection (1)].
- (5) Schedule 2 to this Act shall have effect for supplementing this section.

#### Textual Amendments

- F1** Words in s. 12 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. 8\(5\)](#)
- F2** Words in s. 12(1) substituted (11.11.2020 for specified purposes, 11.1.2021 in so far as not already in force) by [Agriculture Act 2020 \(c. 21\)](#), s. 57(1)(b)(c)(6), [Sch. 3 para. 2\(2\)](#)
- F3** S. 12(1A) substituted (11.11.2020 for specified purposes, 11.1.2021 in so far as not already in force) by [Agriculture Act 2020 \(c. 21\)](#), s. 57(1)(b)(c)(6), [Sch. 3 para. 2\(3\)](#)
- F4** Words in s. 12(2) 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. 8\(3\)\(a\)](#)
- F5** Words in s. 12(2) substituted (19.10.2006) by [The Regulatory Reform \(Agricultural Tenancies\) \(England and Wales\) Order 2006 \(S.I. 2006/2805\)](#), [art. 3](#) (with [art. 10](#))
- F6** Words in s. 12(2) substituted (11.11.2020 for specified purposes, 11.1.2021 in so far as not already in force) by [Agriculture Act 2020 \(c. 21\)](#), s. 57(1)(b)(c)(6), [Sch. 3 para. 2\(4\)](#)
- F7** Words in s. 12(3) substituted (11.11.2020 for specified purposes, 11.1.2021 in so far as not already in force) by [Agriculture Act 2020 \(c. 21\)](#), s. 57(1)(b)(c)(6), [Sch. 3 para. 2\(5\)\(a\)](#)
- F8** Words in s. 12(3) substituted (11.11.2020 for specified purposes, 11.1.2021 in so far as not already in force) by [Agriculture Act 2020 \(c. 21\)](#), s. 57(1)(b)(c)(6), [Sch. 3 para. 2\(5\)\(b\)](#)
- F9** Words in s. 12(3)(a) inserted (11.11.2020 for specified purposes, 11.1.2021 in so far as not already in force) by [Agriculture Act 2020 \(c. 21\)](#), s. 57(1)(b)(c)(6), [Sch. 3 para. 2\(5\)\(c\)](#)
- F10** Words in s. 12(3)(b) substituted (11.11.2020 for specified purposes, 11.1.2021 in so far as not already in force) by [Agriculture Act 2020 \(c. 21\)](#), s. 57(1)(b)(c)(6), [Sch. 3 para. 4](#)
- F11** Words in s. 12(4) omitted (11.11.2020 for specified purposes, 11.1.2021 in so far as not already in force) by virtue of [Agriculture Act 2020 \(c. 21\)](#), s. 57(1)(b)(c)(6), [Sch. 3 para. 2\(6\)\(a\)](#)
- F12** Words in s. 12(4) 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. 8\(4\)\(a\)](#)
- F13** Words in s. 12(4) substituted (11.11.2020 for specified purposes, 11.1.2021 in so far as not already in force) by [Agriculture Act 2020 \(c. 21\)](#), s. 57(1)(b)(c)(6), [Sch. 3 para. 2\(6\)\(b\)](#)
- F14** Words in s. 12(4) substituted (11.11.2020 for specified purposes, 11.1.2021 in so far as not already in force) by [Agriculture Act 2020 \(c. 21\)](#), s. 57(1)(b)(c)(6), [Sch. 3 para. 2\(6\)\(c\)](#)
- F15** Words in s. 12(4) substituted (11.11.2020 for specified purposes, 11.1.2021 in so far as not already in force) by [Agriculture Act 2020 \(c. 21\)](#), s. 57(1)(b)(c)(6), [Sch. 3 para. 2\(6\)\(d\)](#)

### 13 Increases of rent for landlord's improvements.

- (1) Where the landlord of an agricultural holding has carried out on the holding any improvement to which this section applies he may by notice in writing served on the tenant within six months from the completion of the improvement increase the rent of the holding as from the completion of the improvement by an amount equal to the increase in the rental value of the holding attributable to the carrying out of the improvement.
- (2) This section applies to—
- (a) an improvement carried out at the request of, or in agreement with, the tenant,

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- (b) an improvement carried out in compliance with a direction given by the Tribunal under section 11 above,
  - (c) an improvement carried out in pursuance of a notice served by the landlord under section 67(5) below,
  - (d) an improvement carried out in compliance with a direction given by the Minister under powers conferred on him by or under any enactment,
  - (e) works executed on the holding for the purpose of complying with the requirements of a notice under section 3 of the <sup>M1</sup>Agriculture (Safety, Health and Welfare Provisions) Act 1956 (provision of sanitary conveniences and washing facilities),
  - (f) an improvement carried out in compliance with an improvement notice served, or an undertaking accepted, under Part VII of the <sup>M2</sup>Housing Act 1985 or Part VIII of the <sup>M3</sup>Housing Act 1974.
- (3) No increase of rent shall be made under subsection (1) above in respect of an improvement within paragraph (a), (b) or (f) of subsection (2) above if within six months from its completion the landlord and tenant agree on any increase of rent or other benefit to the landlord in respect of the improvement.
- (4) The increase in rent provided for by subsection (1) above shall be reduced proportionately—
- (a) in the case of an improvement within paragraph (b) of subsection (2) above, where a grant has been made to the landlord in respect of the improvement out of money provided by Parliament,
  - (b) in the case of an improvement within any other paragraph of that subsection, where a grant has been made to the landlord in respect of the improvement out of money provided by Parliament or local government funds, and
  - (c) in the case of an improvement within paragraph (f) of that subsection, where the tenant has contributed to the cost incurred by his landlord in carrying out the improvement.
- (5) Where, on the failure of a landlord to carry out an improvement specified in such a direction as is referred to in subsection (2)(b) above, the tenant has himself carried out the improvement, the provisions of this section shall apply as if the improvement had been carried out by the landlord and as if any grant made to the tenant in respect of the improvement out of money provided by Parliament had been made to the landlord.
- (6) No increase in rent shall take effect by virtue of subsection (5) above until the tenant has recovered from the landlord the reasonable cost of the improvement reduced by the amount of any grant made to the tenant in respect of the improvement out of money provided by Parliament.
- (7) Any dispute arising between the landlord and the tenant of the holding under this section shall be determined by arbitration under this Act.
- [<sup>F16</sup>(7A) Notwithstanding subsection (7) above, the landlord and the tenant may instead refer the dispute for third party determination under this Act.]
- (8) This section applies to an improvement whether or not it is one for the carrying out of which compensation is provided under Part V or VI of this Act.

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**Textual Amendments**

**F16** S. 13(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. 9**

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

**C1** S. 13 modified by [Opencast Coal Act 1958 \(c. 69, SIF 86\)](#), s. 14(7) as substituted by [Housing and Planning Act 1986 \(c. 63, SIF 86\)](#), s. 39(3), **Sch. 8 para. 5**

**Marginal Citations**

**M1** 1956 c. 49.

**M2** 1985 c. 68.

**M3** 1974 c. 44.

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