
Changes to legislation: There are currently no known outstanding effects for the
Agricultural Holdings Act 1986, Paragraph 2. (See end of Document for details)

SCHEDULES

^{F1}SCHEDULE 2

ARBITRATION [^{F1}OR THIRD PARTY DETERMINATION] OF RENT: PROVISIONS SUPPLEMENTARY TO SECTION 12

Textual Amendments

- F1** Words in Sch. 2 heading 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. 25\(6\)](#)

Amount of rent

- 2 (1) On a reference under section 12 of this Act, the arbitrator [^{F1}or (as the case may be) the third party] shall disregard any increase in the rental value of the holding which is due to—
- (a) tenant’s improvements or fixed equipment other than improvements executed or equipment provided under an obligation imposed on the tenant by the terms of his contract of tenancy, and
 - (b) landlord’s improvements, in so far as the landlord has received or will receive grants out of money provided by Parliament or local government funds in respect of the execution of those improvements.
- (2) In this paragraph—
- (a) “tenant’s improvements” means any improvements which have been executed on the holding, in so far as they were executed wholly or partly at the expense of the tenant (whether or not that expense has been or will be reimbursed by a grant out of money provided by Parliament or local government funds) without any equivalent allowance or benefit made or given by the landlord in consideration of their execution,
 - (b) “tenant’s fixed equipment” means fixed equipment provided by the tenant, and
 - (c) “landlord’s improvements” means improvements executed on the holding by the landlord.
- (3) Where the tenant has held a previous tenancy of the holding, then—
- (a) in the definition of “tenant’s improvements” in sub-paragraph (2)(a) above, the reference to any such improvements as are there mentioned shall extend to improvements executed during that tenancy, and
 - (b) in the definition of “tenant’s fixed equipment” in sub-paragraph (2)(b), the reference to such equipment as is there mentioned shall extend to equipment provided during that tenancy,
- excluding, however, any improvement or fixed equipment so executed or provided in respect of which the tenant received any compensation on the termination of that (or any other) tenancy.

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- (4) For the purposes of sub-paragraph (2)(a) above, the continuous adoption by the tenant of a system of farming more beneficial to the holding—
- (a) than the system of farming required by the contract of tenancy, or
 - (b) in so far as no system is so required, than the system of farming normally practised on comparable agricultural holdings,
- shall be treated as an improvement executed at his expense.

Textual Amendments

- F1** Words in Sch. 2 para. 2(1) 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. 25\(3\)](#)

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