



Agricultural Tenancies Act 1995

1995 CHAPTER 8

PART III

COMPENSATION ON TERMINATION OF FARM BUSINESS TENANCY

Tenant's entitlement to compensation

15 Meaning of “tenant’s improvement”.

For the purposes of this Part of this Act a “tenant’s improvement”, in relation to any farm business tenancy, means—

- (a) any physical improvement which is made on the holding by the tenant by his own effort or wholly or partly at his own expense, or
- (b) any intangible advantage which—
 - (i) is obtained for the holding by the tenant by his own effort or wholly or partly at his own expense, and
 - (ii) becomes attached to the holding,

and references to the provision of a tenant’s improvement are references to the making by the tenant of any physical improvement falling within paragraph (a) above or the obtaining by the tenant of any intangible advantage falling within paragraph (b) above.

16 Tenant’s right to compensation for tenant’s improvement.

- (1) The tenant under a farm business tenancy shall, subject to the provisions of this Part of this Act, be entitled on the termination of the tenancy, on quitting the holding, to obtain from his landlord compensation in respect of any tenant’s improvement.
- (2) A tenant shall not be entitled to compensation under this section in respect of—
 - (a) any physical improvement which is removed from the holding, or
 - (b) any intangible advantage which does not remain attached to the holding.
- (3) Section 13 of, and Schedule 1 to, the ^{M1}Agriculture Act 1986 (compensation to outgoing tenants for milk quota) shall not apply in relation to a farm business tenancy.

Changes to legislation: *Agricultural Tenancies Act 1995, Cross Heading: Tenant's entitlement to compensation is up to date with all changes known to be in force on or before 20 March 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) [View outstanding changes](#)*

Marginal Citations

M1 [1986 c. 49](#).

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Changes and effects yet to be applied to the whole Act associated Parts and Chapters:

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- s. 8A inserted by [2023 asc 4 s. 24\(4\)](#)
- s. 28(5)(za) inserted by [2023 asc 4 s. 24\(5\)](#)
- s. 36A inserted by [2023 asc 4 s. 24\(6\)](#)