



# 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 Agriculture Act 1986 (compensation to outgoing tenants for milk quota) shall not apply in relation to a farm business tenancy.