

WEB RELEASE from:

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CAUGHT IN THE ACT?



Hamiltons Chartered Surveyors, a long established firm dealing with agricultural landlord and tenant relationships, are raising awareness of farm tenancy rights – especially those tenancies pre-dating 1995 – as there have been a number of cases recently where people have prejudiced themselves through not fully knowing their rights.

Tenancies already in existence before 1st September 1995 continue to be protected by the Agricultural Holdings Act 1986 (the '1986 Act'), and as such benefit from lifetime security of tenure, up to two generations succession rights, a statutory rent review formula, and numerous other measures during and on termination of the tenancy.

As an added incentive to landowners, the Finance Act 1995 extended agricultural property relief from Inheritance Tax to all post 1st September 1995 agricultural tenancies, conferring 100% relief as opposed to the 50% available on existing tenancies. Not only have these measures motivated the new letting of farmland, but they have also encouraged landlords to attempt to convert pre-1995 agreements into new ones, with potentially very serious consequences for the tenant's security of tenure and rent, because the new tenancy might be deemed to have been granted under the 1995 Act.

Speaking for the firm, Charles Daniell commented: "If the tenant of an agricultural holding dies, an eligible successor has to meet very strict time limits to apply to stay on. Problems can also arise if a rent payment is missed, the terms of lease are misinterpreted, or advice is not taken early enough".

It is therefore essential that both landlord and tenant should fully understand the terms and conditions of their tenancy agreement before signing any document and you are strongly advised not to enter any firm agreement for a farm business tenancy without taking professional advice.

As soon as you think you might have an issue, don't deal with it alone. Take advice from specialists in Agricultural Tenancy Law.

If you have anything you would like to discuss, please contact Hamiltons Chartered Surveyors on 01452 331134.