

# Tenants Conference 2015

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# Vacant possession land on to the letting market

## New FBTs

-2,988 new units in	1997 -	278,474 acres
- 1,899 new units in	2003 -	145,547 acres
- 1,388 new units in	2004 -	106,203 acres
- 1,139 new units in	2012 -	93,127 acres
- 698 new units in	2014 -	43,838 acres

## AHA agreements

31% of all AHA that ended saw a succession

69.5% of AHAs were re let as FBTs

# Key Indicators

- There was a small increase in the area of the tenanted land 2000 acres
- There has been a virtual standstill in land let for the 12<sup>th</sup> consecutive year
- 6,300 acres of FBT lettings on land not previously let
- The average length of an FBT was 3years 6 months .
- Holdings with a house and buildings let for an average term of 8 years
- New entrants tend to be offered longer terms
- New Contract farming agreements – 66 contracts
- Grazing Agreements – 251
- Share farming - 1

# Length of term FBT

Length	Number	
	2014	2013
40 + years		1
30 -39 yrs		2
25 -29 yrs	2	2
20 -24 yrs	4	5
15 – 19 yrs	19	12
10 – 14 yrs	30	38
5 -9 yrs	49	46
5 yrs	112	168
3 -4 yrs	107	154
2 yrs	119	174

# New Regulation

## TRIG

### March 2015

# Third Party Determination

- The Deregulation Act 2015 received Royal Assent 26<sup>th</sup> March
- to allow third party expert determination
- Alternative to arbitration
- Jointly appointed third party, and this third party to have the same powers as an arbitrator.
- Except Notices to Quit
- Saving of £10,000 per case

# End of Tenancy Compensation

- This came into force on 1 October 2015.
- The Agriculture (Calculation of Value for Compensation) Regulations 1978 have been revoked
- It has removed the prescribed approach for calculating end of tenancy compensation claims
- For tenancies governed by the 1986 Act
- settle compensation claims for the improvements concerned, at values on the date the tenancy ends
- keep the land productive in the last years of their tenancy

# Repair Model Clauses

- The new Model Clauses (The Agriculture (Model Clauses for Fixed Equipment)(England) Regulation 2015) governing the maintenance, repair and insurance of fixed equipment
- Came into force on 1 October 2015.
- Model Clauses are incorporated into every agricultural tenancy agreement made under the AHA 1986, unless there is something different in writing.
- Replaces regulations first drafted in 1973 and amended in 1988.
- Fixed equipment includes buildings or structures affixed to the land

# Model clauses

- Certain things are now covered including central heating systems, the boiler and electric circuit testing
- new technologies such as solar panels, wind turbines and radon pumps
- Monetary caps have also been updated
- Now possible for tenants to carry out repairs and recover the cost later from the landlord.

# County Farms -Guidance

- ACES - the Rural Practice Branch of Association of Chief Surveyors
- Good Practice guidance for Local Authorities
- Guidance sets out asset management approach
- Help Authorities run a profitable County Farm Estate.

# NFU Tenants Service

- **Annual meetings** – in all regions covering topical issues
- **Business Guides** – guides on
  - Rent arbitration
  - Rent review procedure AHA and FBT
  - Success under AHA
- **Rural Surveyors panel**
- **Legal Assistance**

# Legal Assistance Scheme

- Tenants First Advice
  - £500 towards professional advice for a budget, gaining comparables under a rent review
  - Go through Callfirst
- Financial Year1 November 2014 – 31 October 2015.
- **29 New Cases - £22,330.20 awarded**

# L A S Tenancy Cases

- Succession - £120,437 (4 Cases)
- Other - £88,355.95 (12 Cases)
- Notice to Quit - £31,477.50 (5 Cases)
- FBTs - £5,649 (2 Cases )
- Dispute AHA Tenancy - £5,250 (1 Case)
- Rent Review Arbitration - £3,650 (2 Cases)
- End of Tenancy Compensation - £1,725 (2 Cases )
- Grazing - £1,640 (0 Cases)
- Repairing Obligations - £350