



Republic of Macedonia
Ministry of agriculture, forestry and water economy



5th International Workshop Skopje

21-24 April 2013

Agricultural land leasing in the UK
by **Simon KEITH**
formerly Senior Land Tenure Officer in FAO & Assistant Chief Valuer in UK Valuation Office



LANDNET

5th International Workshop on Land Market Development and Land Consolidation – Skopje, 21-24 April 2013

The history of 20th century

Protecting tenants

- i) Statutory rent control
- ii) Security of tenure beyond the leasehold term
- iii) Different laws in UK for residential, business and agricultural properties

Agricultural tenancies in UK before 1948

- No statutory control
- Booms and slumps
- 1930s agricultural depression
- Effect of 1939-45 war
- Need for food security

Agricultural holdings Act 1948

- Life time security of tenure (in most circumstances)
- Rent revisions every 3 years by arbitration if no agreement
- Freedom of cropping
- Compensation for improvements made by tenant at the end of the tenancy
- Landlord can claim delapidations if holding damaged

Merits of Agricultural Holdings Act

Very comprehensive law covering
many issues

Security for tenants

The defects

Too much security

Almost no land coming on the market
to let

Rents well under free market levels

Capital value half vacant possession

The situation since 1995

Three types of tenancies

- Existing tenancies on the old basis
- 'Farm business tenancies'. *Without any rent control under a new law*
- Seasonal grazing tenancies

Present situation

- About 35% of the land let
- Rents for old tenancies about £270 (€320) per ha
- Rents from farm business tenancies about £330 (€390) per ha
- Rents from seasonal grazing very variable but about £150 (€180) per ha