

## AGRICULTURAL TENANCIES (SCOTLAND) - FACTSHEET

- The **Agricultural Holdings (Scotland) Act 2003** came into force in December 2004 after some years of discussions between the various stakeholders.
- The object of the Act is to encourage and promote the tenanted sector and to modernise the existing legislation, namely the **Agricultural Holdings (Scotland) Act 1991**.
- The 2003 Act introduced limited duration and short limited duration tenancies aimed at giving tenants strong security of tenure whilst enabling landlords to manage their land with greater certainty than they enjoyed under previous statutory tenancies.
- The areas of diversification and end of tenancy compensation were modernised and simpler dispute resolution arrangements between landlord and tenant were introduced.
- Under the 2003 Act tenants whose tenancy is governed by the 1991 Act will have the right to buy their farm if the landlord decides to sell.
- The Crown Estates has decided to convert its limited partner tenancies to the new forms introduced by the Act.
- Crofting is also governed by **The Crofters (Scotland) Act 1955** and its later additions. Consultation on the reform of this legislation is under way with the aim of simplifying and modernising the legislation along similar lines to the Agricultural Holdings (Scotland) Act 2003.
- The insurance needs of a tenant should be checked very carefully and written clarification obtained from the landlord or his agent in cases of doubt.