

GUIDANCE NOTES

Tenancy Succession

Do you have a succession tenancy?

This depends when the original tenancy was granted as succession applies to tenancies granted before 12th July 1984. Succession is applicable on death or retirement.

Do we need to plan

It is recommended that you begin planning for the succession at least 7 years beforehand. This includes setting up the farm business correctly. Succession planning is also vital for reducing your inheritance tax liability.



What is the criteria?

In order for the applicant to be considered for succession, certain criteria will need to be assessed including:

Q: Is the person eligible?

A: This essentially means that most of the applicant's income must have been derived from the farm.

Q: Is the person suitable?

A: This essentially deals with health, finances and experience.

Have the correct notices been served on retirement?

A tenant retiring must be 65 years of age on the date of retirement, unless there are medical conditions for retiring younger. The person wishing to succeed must be named on the notice.

On death

There are very strict timescales that apply to a succession on the death of a tenant and this matter is best dealt with immediately.

Who decides?

If the landlord and tenant do not come to an agreement then the matter is referred to the Agricultural Lands Tribunal and they will assess the applicant against the criteria.

Succession is a very sensitive issue and is a procedure that is easier to deal with if it has been properly planned for.

For further information, please contact Davis Meade Property Consultants on 01691 659658 (Oswestry Office) or 01492 510360 (Colwyn Bay Office).

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