

NEWS RELEASE
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Tenants advised to guard against turbulent times

As a consequence of unpredictability of the economy and the perception of farmland as a safe investment, the Scottish Tenant Farmers Association is advising tenant farmers to exercise their right to register an interest in buying their farms with the Registers of Scotland. The 2003 Agricultural Holdings Act gave tenants with a 1991 Act lease the chance to have first refusal in buying their farms should their landlord decide to sell, providing they have first registered their interest in doing so.

To date over 1100 out of a potential of 6,000 tenants have registered their interest in buying their land but STFA chairman Angus McCall believes that all eligible tenants should consider registration. "In today's fast changing economic climate tenants in common with other business people must look at managing risk and should be ready to cope with any eventuality which may arise. Fortunes can change overnight and for one reason or another a landlord may suddenly decide to sell his assets and tenants must be able to protect themselves. The pre-emptive right to buy land has now been in existence for nearly five years and should never be seen by a landlord as confrontational but rather as a precautionary commonsense act on the part of a tenant.

"Registration is a simple and cheap process which can be done at any time giving the tenant peace of mind that he is not going to wake up one morning to discover he has a new landlord and has missed out on the chance to buy his farm. Even if the price of purchase is beyond the means of the tenant, registration of his interest will deter speculators and will ensure he will be consulted if a sale is contemplated. I am only too well aware of tenants who now bitterly regret not having registered their interest in time", added Angus McCall.

Whilst the UK is experiencing a slump in the housing market estate agents are reporting continuing strong interest in agricultural land. Although little tenanted land has been sold since 2003 some landowners may be tempted to put land on the market to take advantage of the current boom, particularly where a tenant has not registered his interest in buying his land. Conversely, there may be some investment-based landlords who are forced to sell due to the credit crunch. In either case, tenants are well advised to safeguard their interests through registration.

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