EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations prescribe the decapitalisation rate to be applied when valuing lands and heritages in Scotland in accordance with the contractor's basis for the purposes of any valuation roll which comes into force on or after 1st April 2005. The contractor's basis is the method of ascertaining the net annual value of lands and heritages by reference to their cost of construction or provision or to their capital value.

The decapitalisation rate prescribed is 3.33 per cent in the case of certain MoD property, church property, healthcare property and educational establishments (as defined in regulation 2) and 5 per cent in any other case.

Regulation 5 revokes earlier regulations but makes savings so that they continue to have effect for the purposes of the valuation, before 1st April 2005, of any lands and heritages as those regulations had effect for that purpose immediately before that date.