

SCHEDULES

SCHEDULE 1

DETERMINATION OF AMOUNT OF DEPRECIATION PAYMENTS

Basis of valuation

- 2 (1) For any purposes of section 10 or 11 of this Act, the value of a unit of property at any time shall be taken to be the amount which it might be expected to realise in the state in which it is at that time on a sale effected at that time.
- (2) In the case of property comprising land or buildings the sale referred to in sub-paragraph (1) above is a sale of the fee simple in the open market and with vacant possession, subject to—
- (a) any restrictive covenant, easement, quasi-easement or other right inuring for the benefit of other land;
 - (b) any public right of way, right of common or other right inuring for the benefit of the public or any section of the public; and
 - (c) any restriction imposed by or under any enactment,
- to which the property is subject at the time of the sale, but free from any other incumbrance.
- (3) In the case of property within sub-paragraph (2) above, the value shall be determined without regard to any liability of the property to become subject after the time of the sale to any restriction by virtue of any enactment other than—
- (a) a demolition or closing order made under housing clearance powers; or
 - (b) where the property is situated in England and Wales, the declaration of an area to be a clearance area under such powers.
- (4) In the case of a unit of property consisting of or comprising property of a kind not normally the subject of sales in the open market, provision may be made by regulations made by the Secretary of State for ascertaining the value of the property in any state by reference to such matters as may be specified in the regulations.
- (5) In determining for the purposes of the preceding provisions of this paragraph the value of any property which has been affected by subsidence damage, any right to a depreciation payment in respect of that damage shall be disregarded.
- (6) In the application of this paragraph to Scotland—
- “fee simple” means, in the case of feudal property, the estate or interest of the proprietor of the *dominium utile* or, in the case of property other than feudal property, the estate or interest of the owner;
 - “incumbrance” means any ground annual or other incumbrance or any liability to pay feuduty; and
 - “easement” means servitude.