

These notes refer to the Planning and Compulsory Purchase Act 2004 (c.5) which received Royal Assent on 13th May 2004

PLANNING AND COMPULSORY PURCHASE ACT 2004

EXPLANATORY NOTES

COMMENTARY ON SECTIONS

Part 8: Compulsory Purchase

Section 106: Basic loss payment

139. **Section 106** introduces a new section 33A to the Land Compensation Act 1973. This new section provides that a person who is an owner or tenant of property that is compulsorily acquired (and who has held that interest for no less than a year) is entitled to a payment called a “basic loss payment”. This payment will be made in addition to the compensation paid for the value of his or her interest in the property and his or her disturbance costs. The amount of this payment is to be assessed at the rate of 7.5% of the value of the person’s interest, subject to a maximum of £75,000. If the person is entitled to a home loss payment in respect of any part of the property which is a dwelling, the value of the interest in the dwelling part of the property must be deducted from the value of the interest in the whole when assessing the basic loss payment.
140. The basic loss payment will not be available in respect of compulsory acquisitions which are made before these provisions of the Act are brought into force.