
Status: This is the original version (as it was originally enacted). This item of legislation is currently only available in its original format.

SCHEDULES

SIXTH SCHEDULE

REDUCTION OR EXTINGUISHMENT OF UNEXPENDED BALANCE OF ESTABLISHED DEVELOPMENT VALUE

PART II

SPECIAL PROVISIONS FOR APPORTIONMENT IN ENGLAND AND WALES

Determination of relevant area

- 6 (1) Where, in the case of a compulsory acquisition to which section one of this Act applies, any area of the relevant land which, immediately before the service of the notice to treat, has an unexpended balance of established development value does not satisfy the conditions set out in the next following sub-paragraph, that area shall be treated as divided into as many separate areas as may be requisite to ensure that each of those separate areas satisfies those conditions.
- (2) The conditions referred to in the preceding sub-paragraph are—
- (a) that all the interests (other than excepted interests) subsisting in the area in question subsist in the whole thereof; and
 - (b) that any rentcharge charged on the area in question is charged on the whole thereof.
- (3) Any area of the relevant land which has an unexpended balance of established development value and which complies with the conditions set out in the last preceding sub-paragraph is in this Part of this Schedule referred to, in relation to the interests subsisting therein, as "the relevant area", and the subsequent provisions of this Part of this Schedule shall have effect separately in relation to each relevant area.

Preliminary calculations

- 7 There shall be calculated the amount referable to the relevant area of the rent which might reasonably be expected to be reserved if the relevant land were to be let on terms prohibiting the carrying out of any new development but permitting the carrying out of any other development; and the amount so calculated is in this Part of this Schedule referred to as "the existing use rent".
- 8 (1) If in the case of an interest in fee simple which is subject to a rentcharge, or in the case of a tenancy, so much of the rent reserved under the rentcharge or tenancy as is referable to the relevant area exceeds the existing use rent, there shall be calculated the capital value of the right to receive, for the period of the remainder of the term of the rentcharge or tenancy, an annual payment equal to the excess; and any amount so calculated in the case of any interest is in this Part of this Schedule referred to as "the rental liability" of that interest.

*Status: This is the original version (as it was originally enacted). This
 item of legislation is currently only available in its original format.*

- (2) Where the interest in fee simple is subject to more than one rentcharge, then, for the purposes of the preceding sub-paragraph, as respects any period included in the term of two or more of those rentcharges, those two or more rentcharges shall be treated as a single rentcharge charged on the relevant area for the duration of that period with a rent reserved thereunder of an amount equal to the aggregate of so much of their respective rents as is referable to the relevant area.
- 9 In the case of any interest in reversion—
- (a) there shall be calculated the capital value, as at the time immediately before the service of the notice to treat, of the right to receive a sum equal to the unexpended balance of established development value of the relevant area at that time, but payable at the end of the tenancy upon the termination of which the interest in question is immediately expectant; and the amount so calculated in the case of any interest is in this Part of this Schedule referred to as " the reversionary development value" of that interest;
 - (b) if so much of the rent reserved under the said tenancy as is referable to the relevant area exceeds the existing use rent, there shall also be calculated the capital value as at the said time of the right to receive, for the period of the remainder of the term of that tenancy, an annual payment equal to the excess ; and any amount so determined in the case of any interest is in this Part of this Schedule referred to as " the rental increment" of that interest.

Apportionment of unexpended balance between interests

- 10 Where two or more interests (other than excepted interests) subsist in the relevant area, the portion of the unexpended balance of established development value of the relevant area attributable to each respectively of those interests shall be taken to be the following, that is to say—
- (a) in the case of the interest in fee simple, an amount equal to the reversionary development value of that interest, less the amount (if any) by which any rental liability of that interest exceeds any rental increment thereof;
 - (b) in the case of a tenancy in reversion, an amount equal to the reversionary development value of that tenancy, less the aggregate of—
 - (i) the reversionary development value of the interest in reversion immediately expectant upon the termination of that tenancy, and
 - (ii) the amount (if any) by which any rental liability of that tenancy exceeds any rental increment thereof;
 - (c) in the case of a tenancy other than a tenancy in reversion, the remainder (if any) of the said balance after the deduction of the aggregate of—
 - (i) the reversionary development value of the interest in reversion immediately expectant upon the termination of that tenancy, and
 - (ii) any rental liability of that tenancy.

Interpretation

- 11 In this Part of this Schedule—
- (a) " tenancy " does not include an excepted interest;
 - (b) any reference to an interest or tenancy in reversion does not include an interest or tenancy in reversion immediately expectant upon the termination of an excepted interest;

*Status: This is the original version (as it was originally enacted). This
item of legislation is currently only available in its original format.*

- (c) " new development" means any development other than development of a
class specified in the Third Schedule to the Act of 1947.

12 This Part of this Schedule shall not apply to Scotland.