



Local Government Act 1948

1948 CHAPTER 26

PART IV

VALUATION OF DWELLING-HOUSES.

Ascertainment of gross values by reference to 1938 cost.

75 Scope of principle that gross value is to be ascertained by 1938 cost.

- (1) Subject to the provisions of this section, the gross values of the following dwelling-houses, that is to say—
- (a) post-1918 local authority or housing association dwelling-houses, including flats and maisonettes ; and
 - (b) to the extent hereinafter specified, small post-1918 dwelling-houses, not being local authority or housing association dwelling-houses and not being flats or maisonettes,

shall be ascertained in the manner provided by the subsequent provisions of this Part of this Act by reference to the hypothetical 1938 cost of construction, and the hypothetical 1938 site cost, as defined in the two next succeeding sections, of those dwelling-houses or the buildings of which they form part :

Provided that the preceding provisions of this subsection shall not apply to any dwelling-house to which section seventy-two of the Local Government Act, 1929 (which relates to agricultural dwelling-houses) applies, and references to dwelling-houses in the subsequent provisions of this Part of this Act relating to the ascertainment of gross values by reference to the matters mentioned in this subsection or either of them do not include references to any dwelling-house to which the said section seventy-two applies.

- (2) Any reference in this Part of this Act to a local authority or housing association dwelling-house shall be construed as a reference to—

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- (a) a dwelling-house erected by, or by arrangement with, a local authority or by a housing association as defined for the purposes of the Housing Act, 1936, and owned by a local authority or such a housing association as aforesaid ; or
 - (b) a structure made available under section one of the Housing (Temporary Accommodation) Act, 1944, for use by a local authority for the provision of temporary housing accommodation ; or
 - (c) any other structure of a temporary nature used as a dwelling-house by virtue of any tenancy under or licence from a local authority.
- (3) Any reference in this Part of this Act to a flat or maisonette shall be construed as a reference to a dwelling-house which forms part of a larger building :

Provided that—

- (a) in considering for the purpose of this section whether or not a dwelling-house forms part of a larger building, garages, outhouses, gardens, yards, courts, forecourts and other appurtenances shall be left out of account ; and
 - (b) a semi-detached house or a house in a row of houses forming a terrace shall not be treated for the purpose of this section as forming part of a larger building.
- (4) Any reference in this Part of this Act to a post-1918 dwelling-house shall be construed as a reference to a dwelling-house consisting of, or of part of, a building which was erected after, or in course of erection on, the second day of April, nineteen hundred and nineteen, or which has been since that date, or was at that date being, bona fide reconstructed by way of conversion into two or more separate and self-contained flats or tenements.
- (5) Any reference in this Part of this Act to a small dwellinghouse shall be construed as a reference to a dwelling-house of which the rateable value on the appropriate day did not exceed—
- (a) in the case of a dwelling-house in the Metropolitan Police District or the City of London, one hundred pounds; and
 - (b) in the case of any other dwelling-house, seventy-five pounds.
- (6) In the last preceding subsection, the expression " rateable value on the appropriate day " has the meaning assigned to it by section seven of the Rent and Mortgage Interest Restrictions Act, 1939, and that section shall apply accordingly for the purposes of this subsection :

Provided that—

- (i) where the rateable value on the appropriate day of a dwelling-house falls under subsection (2) of that section to be determined by an apportionment and no apportionment has been made by the county court, the valuation officer or, on appeal, any court or arbitrator concerned, shall himself or themselves make the necessary apportionment for the purposes of this subsection ;
- (ii) if the dwelling-house has not been separately assessed and does not form part of some other property which has been separately assessed, the valuation officer, court or arbitrator shall treat the dwelling-house as being, or as not being, a small dwelling-house according as the net annual value thereof, calculated as if it were a small dwelling-house, does or does not exceed, in the case of a dwelling-house in the Metropolitan Police District or the City of London, one hundred pounds and, in any other case, seventy-five pounds.

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76 Meaning of " hypothetical 1938 cost of construction ".

- (1) References in this Part of this Act to the hypothetical 1938 cost of construction of a dwelling-house or building shall be construed in accordance with the provisions of this section.
- (2) The Minister shall prepare, for each rating area, after consultation with the rating authority for the area, a statement which—
 - (a) embodies specifications, set out in such detail as he thinks fit, of houses and buildings of such types as he thinks fit; and
 - (b) determines, in relation to each specification, the sum which is to be taken for the purposes of this section as the 1938 cost of constructing a house or building conforming to that specification.
- (3) In compiling the said statements, the Minister shall be guided by the costs actually incurred by local authorities in either or both of the years nineteen hundred and thirty-seven and nineteen hundred and thirty-eight in constructing houses and buildings either in the rating area in question or in nearby comparable rating areas, but nothing in this subsection shall be construed as requiring the Minister, in selecting the specifications, to confine himself to houses and buildings of types actually constructed by local authorities in those or any other areas in those years :

Provided that, if the Minister is satisfied in relation to any local authority that the costs actually incurred by that authority, compared with the costs incurred by other authorities in constructing houses and buildings affording comparable accommodation, were substantially greater than they would otherwise have been by reason of exceptional circumstances existing in the rating area in question, he may for the purposes of this subsection treat those costs as being diminished by so much thereof as appears to him to be due to those exceptional circumstances.

- (4) The valuation officer, or, on appeal, any court or arbitrator concerned, shall, for the purpose of arriving at the hypothetical 1938 cost of construction of a dwelling-house or building—
 - (a) assume that the cost in the year nineteen hundred and thirty-eight of constructing houses or buildings conforming with the specifications included in the statement prepared by the Minister as aforesaid for the area in which the dwelling-house or building in question is situated was in each case that which is determined in relation thereto in the statement; and
 - (b) estimate on that assumption what would have been the cost in that year of constructing a dwelling-house or building similar to the particular dwelling-house or building with which the valuation officer, court or arbitrator is dealing,

and the sum so estimated shall be deemed to be the hypothetical 1938 cost of constructing the house, or building.

- (5) In making any such estimate as is required by paragraph (b) of the last preceding subsection, the valuation officer, court or arbitrator shall take into account the cost of constructing garages, outhouses and other like appurtenances, and of paving and fencing yards, courts, forecourts and other like appurtenances, but shall not take into account the cost of providing or making up roads, or the cost of bringing to the site of the house or building drainage, water, electricity or gas, or of providing shelter from hostile attack from the air.

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- (6) A copy of the statement prepared by the Minister under subsection (2) of this section for any rating area shall be deposited at the offices of the rating authority for that area and shall be open to inspection during ordinary business hours, and any person shall be entitled to obtain from the rating authority a copy thereof for his own use upon payment to the authority of such fee as may be prescribed by regulations of the Minister.

77 Meaning of " hypothetical 1938 site cost ".

- (1) References in this Part of this Act to the hypothetical 1938 site cost of a dwelling-house or building shall be construed in accordance with the provisions of this section.
- (2) The Minister shall prepare, for each rating area, after consultation with the rating authority for the area, a statement—
- (a) specifying a particular site or particular sites in or near the area; and
 - (b) determining, in relation to that site or, as the case may be, each of those sites, the sum which is to be taken as the 1938 cost of providing that site, developed as respects roads, drainage, water, electricity and gas to the extent specified in the statement.
- (3) In preparing the said statements, the Minister shall select sites actually used by local authorities, whether in the year nineteen hundred and thirty-eight or at some other time, for the purpose of erecting dwelling-houses or buildings thereon, and shall be guided as respects the sums which he determines in relation to them by the costs incurred by local authorities in the year nineteen hundred and thirty-eight, or any other comparable period, in providing the sites or other comparable sites.
- (4) The valuation officer, or, on appeal, any court or arbitrator concerned, shall, for the purpose of arriving at the hypothetical 1938 site cost of a dwelling-house or building—
- (a) select, where necessary, that one of the sites specified in the statement prepared by the Minister as aforesaid for the area in which the dwelling-house or building is situate which appears most appropriate ; and
 - (b) starting from the assumption that the cost in the year nineteen hundred and thirty-eight of providing the site, or the selected one of the sites, specified in the statement, developed as respects the matters aforesaid to the extent specified therein, would have been that which is determined in the statement, estimate what would have been the cost in that year of providing the site which, or part of which, is occupied by the particular dwelling-house or building with which the valuation officer, court or arbitrator is dealing, developed as respects the matters aforesaid to the extent to which it is in fact developed ; and "
 - (c) where part only of the site the cost of which is estimated under paragraph (b) of this subsection is occupied by the particular dwelling-house or building with which the valuation officer, court or arbitrator is dealing, estimate the part of that cost which should properly be ascribed to the actual site of the said dwelling-house or building,

and the sum estimated under paragraph (b) or, as the case may be, paragraph (c) of this subsection shall be deemed to be the hypothetical 1938 site cost of the house or building :

Provided that if the cost estimated under paragraph (b) of this subsection exceeds fifteen hundred pounds per acre, the excess over fifteen hundred pounds per acre shall

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be disregarded, and the estimate, if any, under paragraph (c) thereof shall be made accordingly.

- (5) References in the last preceding subsection to the site or the part of the site which is occupied by the particular dwelling-house or building or to the actual site of the particular dwelling-house Or building include references to land occupied by garages, outhouses, gardens, yards, courts, forecourts and other like appurtenances forming part of the hereditament.
- (6) A copy of the statement prepared by the Minister under subsection (2) of this section for any rating area shall be deposited at the offices of the rating authority for that area and shall be open to inspection during ordinary business hours, and any person shall be entitled to obtain from the rating authority a copy thereof for his own is upon payment to the authority of such fee as may be prescribed by regulations of the Minister.

78 Post-1918 local authority or housing association dwelling-houses, other than flats and maisonettes.

- (1) Subject to the provisions of this section, the gross value of a post-1918 local authority or housing association dwelling-house, not being a flat or maisonette, shall be five per cent. of the hypothetical 1938 cost of construction of the dwelling-house plus five per cent. of the hypothetical 1938 site cost thereof.
- (2) Where the state of repair or amenities of such a dwelling-house as aforesaid or the amenities of its surroundings are not as good as those of the majority of comparable dwelling-houses in the locality, being dwelling-houses to which this section applies, the gross value thereof shall be the amount ascertained under subsection (1) of this section diminished by such amount as may be just:

Provided that any factor affecting the amenities of the dwelling-house or its surroundings shall not be taken into account under this subsection in so far as it has already affected the hypothetical 1938 cost of construction of the dwelling-house or the hypothetical 1938 site cost thereof.

79 Post-1918 local authority or housing association flats or maisonettes.

- (1) Subject to the provisions of this section, the gross value of a post-1918 local authority or housing association dwelling-house, being a flat or maisonette, shall be ascertained by reference to the sum of—
 - (a) the hypothetical 1938 cost of construction of the building of which the flat or maisonette forms part ; and
 - (b) the hypothetical 1938 site cost of that building,and shall be five per cent. of so much of that sum as appears, on a just apportionment, to be properly attributable to the flat or maisonette.
- (2) Where the amenities of the surroundings of the said building are not as good as in the case of the majority of the buildings in the locality which consist of or contain post-1918 local authority or housing association dwelling-houses (whether flats or maisonettes or not) comparable to the flats or maisonettes contained in the first-mentioned building, the sum referred to in subsection (1) of this section shall be reduced by such amount as may be just :

Provided that any factor affecting the amenities of the surroundings of the building shall not be taken into account under this subsection in so far as it has already affected

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the hypothetical 1938 cost of construction of the building or the hypothetical 1938 site cost thereof.

- (3) Where the building has been destroyed in part, the hypothetical 1938 cost of the construction thereof shall be ascertained, and the apportionment referred to, in subsection (1) of this section shall be made, as if the destroyed part was still in existence.
- (4) Where the state of repair or amenities of the flat or maisonette itself are not as good as those of the majority of comparable post-1918 local authority or housing association dwelling-houses in the locality (whether flats or maisonettes or not), the gross value of the flat or maisonette shall be the amount ascertained under the previous provisions of this section diminished by such amount as may be just:

Provided that the said state of repair, and any other factor affecting the amenities, shall not be taken into account under this subsection in so far as it has already affected the hypothetical 1938 cost of construction of the building or the hypothetical 1938 site cost thereof, or has already been taken into account in making the apportionment referred to in subsection (1) of this section.

80 Other small post-1918 dwelling-houses, except flats and maisonettes.

- (1) Subject to the provisions of this section, the gross value of any small post-1918 dwelling-house which is neither a local authority or housing association dwelling-house nor a flat or maisonette shall be five per cent. of the hypothetical 1938 cost of construction of the dwelling-house plus five per cent. of the value of the site on the first day of April, nineteen hundred and forty-nine, estimated on the basis—
 - (a) that all buildings have been removed therefrom ;
 - (b) that there is no impediment (whether of a legal nature or not) to the use of the site for the construction thereon of a dwelling-house of the same general character and dimensions as the existing dwelling-house and with foundations occupying the whole, or, at the option of the builder, any part of, the ground occupied by the buildings of the existing dwelling-house ; and
 - (c) that any permission required by any statutory provision for that use of the site will be forthcoming unconditionally, and in particular, in the case of a permission under the enactments relating to town and country planning, will be forthcoming without the imposition of any development charge.
- (2) If the state of repair or amenities of the dwelling-house are not as good as those of the majority of comparable dwelling-houses in the locality, being dwelling-houses to which this section applies, the gross value of the dwelling-house shall be the amount ascertained under the preceding provisions of this section diminished by such amount as may be just.

81 Adjustment for adaptations for business purposes.

Where any part of a dwelling-house, being a dwelling-house to which one of the three last preceding sections applies, has been specially constructed or adapted for use for the purposes of any trade, business or profession, the gross value thereof, as ascertained under the relevant preceding provisions of this Part of this Act, shall be increased by such amount, if any, as may be just, having regard to any extra annual value for the time being conferred on the dwelling-house by the said special construction or adaptation thereof :

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Provided that, where the dwelling-house is a flat or maisonette, any special construction or adaptation thereof shall only be taken into account under this section if and in so far as it has not already affected the apportionment required to be made of ;the hypothetical 1938 cost, of construction, and the hypothetical 1938 site cost, of the building of which the flat or maisonette forms part.