

SCHEDULES

SCHEDULE 6

PURCHASE PRICE PAYABLE BY NOMINEE PURCHASER

PART II

FREEHOLD OF SPECIFIED PREMISES

Freeholder's share of marriage value

- 4 (1) The marriage value is the amount referred to in sub-paragraph (2), and the freeholder's share of the marriage value is—
- (a) such proportion of that amount as is determined by agreement between the reversioner and the nominee purchaser or, in default of agreement, as is determined by a leasehold valuation tribunal to be the proportion which in its opinion would have been determined by an agreement made at the valuation date between the parties on a sale on the open market by a willing seller, or
 - (b) 50 per cent. of that amount,
- whichever is the greater.
- (2) The marriage value is any increase in the aggregate value of the freehold and every intermediate leasehold interest in the specified premises, when regarded as being (in consequence of their being acquired by the nominee purchaser) interests under the control of the participating tenants, as compared with the aggregate value of those interests when held by the persons from whom they are to be so acquired, being an increase in value—
- (a) which is attributable to the potential ability of the participating tenants, once those interests have been so acquired, to have new leases granted to them without payment of any premium and without restriction as to length of term, and
 - (b) which, if those interests were being sold to the nominee purchaser on the open market by willing sellers, the nominee purchaser would have to agree to share with the sellers in order to reach agreement as to price.
- (3) For the purposes of sub-paragraph (2) the value of the freehold or any intermediate leasehold interest in the specified premises when held by the person from whom it is to be acquired by the nominee purchaser and its value when acquired by the nominee purchaser—
- (a) shall be determined on the same basis as the value of the interest is determined for the purposes of paragraph 2(1)(a) or (as the case may be) paragraph 6(1)(b)(i); and
 - (b) shall be so determined as at the valuation date.
- (4) Accordingly, in so determining the value of an interest when acquired by the nominee purchaser—

Status: This is the original version (as it was originally enacted).

- (a) the same assumptions shall be made under paragraph 3(1) (or, as the case may be, under paragraph 3(1) as applied by paragraph 7(1)) as are to be made under that provision in determining the value of the interest when held by the person from whom it is to be acquired by the nominee purchaser; and
- (b) any merger or other circumstances affecting the interest on its acquisition by the nominee purchaser shall be disregarded.