

SCHEDULES

SCHEDULE 5

Section 37(3)

OTHER COMPENSATION

Application of this Schedule

- 1 This Schedule applies to every kind of statutory transfer or grant.

Compensation payable

- 2 (1) The buyer must pay a person (“P”) reasonable compensation for—
- (a) any diminution in value of any interest of P in other property resulting from the statutory transfer or grant, and
 - (b) any other loss or damage which results from the statutory transfer or grant to the extent that it is referable to P’s ownership of any interest in other property.
- (2) Sub-paragraph (1)(b) includes loss of development value in relation to the newly owned premises to the extent that it is referable to P’s ownership of any interest in other property.
- (3) In the case of the collective enfranchisement of a building under the LRHUDA 1993, in determining the amount of compensation payable under this Schedule it is not material that—
- (a) loss or damage suffered by the freeholder could to any extent be avoided or reduced by the grant of a relevant leaseback to the freeholder, and
 - (b) the freeholder is not requiring the nominee purchaser to grant a relevant leaseback.
- (4) In this paragraph—
- “development value”, in relation to the newly owned premises, means any increase in the value of P’s interest in the premises which is attributable to the possibility of demolishing, reconstructing or carrying out substantial works of construction on, the whole or a substantial part of the premises;
 - “other property” means any property other than the newly owned premises;
 - “relevant leaseback” means a lease granted under Part 3 of Schedule 9 to the LRHUDA 1993 in accordance with section 36 of, and Schedule 9 to, that Act.