

## SCHEDULE 2

### COMPENSATION FOR RIGHTS OF ENTRY ETC

#### **Basis on which compensation assessed**

**5.—**(1) The following provisions have effect for the purpose of assessing the amount to be paid by way of compensation under section 78G(5).

(2) The rules set out in section 5(1) of the 1961 Act (rules for assessing compensation) have effect, so far as applicable and subject to any necessary modifications, for the purpose of assessing any such compensation as they have effect for the purpose of assessing compensation for the compulsory acquisition of an interest in land.

(3) No account is to be taken of any enhancement of the value of any interest in land, by reason of any building erected, work done or improvement or alteration made on any land in which the grantor is, or was at the time of erection, doing or making, directly or indirectly concerned, if the Lands Tribunal is satisfied that the erection of the building, the doing of the work, the making of the improvement or the alteration was not reasonably necessary and was undertaken with a view to obtaining compensation or increased compensation.

(4) In calculating the amount of any loss under paragraph 4(e), expenditure incurred in the preparation of plans or on other similar preparatory matters will be taken into account.

(5) Where the interest in respect of which compensation is to be assessed is subject to a mortgage—

- (a) the compensation will be assessed as if the interest were not subject to the mortgage; and
- (b) no compensation is payable in respect of the interest of the mortgagee (as distinct from the interest which is subject to the mortgage).

(6) Compensation under section 78G(5) must include an amount equal to the grantor's reasonable valuation and legal expenses.

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(1) Section 5 was amended by the Planning and Compensation Act 1991 (c. 43), sections 70 and 84, Schedule 15, paragraph 1 and Schedule 19, Part 3.