

## Compulsory Purchase: Home Loss Payments On The Rise

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From 1 October 2015 the thresholds for home loss payments payable to residential property owners in England and Wales who are displaced as a result of a compulsory purchase order will increase.

The current levels of home loss payments are set at a minimum amount of £4,700 and a maximum sum of £49,000. The changes will see the minimum payment amount rise to £5,300 and the maximum sum to £53,000.

Under section 30(1) of the Land Compensation Act 1973, a freehold or long leasehold owner of a residential property in England & Wales who is in occupation at the date the property is compulsorily acquired is entitled to receive payment of a home loss payment.

The amount of the home loss payment payable by the acquiring authority is calculated as a percentage of the market value of the property at the date the property is acquired, subject to the minimum and maximum amounts. From October, affected property owners could therefore see a rise in the amount of home loss payment they received when their residential property is compulsorily acquired.

Of course, home loss payments form just one part of the amount of compensation typically payable to a qualifying residential property owner when their property is compulsory purchased. Home owners are typically also entitled to receive a payment equivalent to the market value of the property, together with any associated disturbance costs, such as reasonable moving costs, legal fees for acquiring a new property and costs of transferring a mortgage to a new property.

Depending on the circumstances, additional compensation payments may also be available and property owners faced with the prospect of having their home compulsorily acquired should always seek specialist advice.

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