

LUC FORMULA

The following formula shall be used to determine the annual amount of the Land Use Charge payable under this Law:

(Land Value + Building Developments Value) x Relief Rate x Charge Rate:

Interpreted as,

$$\text{LUC} = [(\text{LA} \times \text{LR}) + (\text{BA} \times \text{BR} \times \text{DR}) \times \text{RR} \times \text{CR}]$$

Where:

LUC – *annual amount of Land Use Charge in Naira*

LA – *the area of the land parcel in square metres.*

LR – *the average Market Value of a Land parcel in the neighbourhood, on a per square metre basis in Naira based on the market value of the Property as determined by professional valuers appointed by the Agency for that purpose.*

BA – *the total developed floor area of building on the plot of land in square metres, or the total floor area of apartment unit in a building where the apartment has a separate ownership title.*

Where:

Continuation

- BR** – *the average construction value of medium quality buildings and improvements in the neighbourhood, on a per square metre basis in Naira based on the market value of the property as determined by professional valuers appointed by the Agency for that purpose.*
- DR** – *the Depreciation Rate for the buildings and improvements of land which accounts for the building being of higher or lower value than the average buildings in the neighbourhood and which also accounts for the degree of completion of construction of the building.*

Where:

Continuation

RR – the rate of relief from tax (if any) applicable to the owner occupier in the circumstances shall be determined by the Agency and shall be published in the State Government Official Gazette and in one or more newspapers circulating within the State and reviewed by the Agency once every five years.

CR – the annual charge rate expressed as a percentage of the assessed Market Value of the Property and vary according to use expressed below;

LAND USE CHARGE ANNUAL RATE

The Annual Land Use Charge Rates (expressed as a ratio of the Assessed Property Value per annum) to be applied to eligible Properties in Edo State shall be as follows:

- A. *Owner – Occupied Residential Property (OWNER)*
– 0.040% PER ANNUM
- B. *Commercial Residential (3rd Party Occupiers) (COMRES)*
– 0.150% PER ANNUM
- C. *Commercial Premises (COMM)* – 0.375% PER ANNUM
- D. *Industrial Premises (IND)* – 0.20% PER ANNUM

- E. Institutional Premises (INST) – 0.10% PER ANNUM**
- F. Agricultural Concerns (AGRIC) – 0.075% PER ANNUM**
- G. Vacant Building, Developing & Undeveloped Land (DEVAC)
– 0.025% PER ANNUM**
- H. Government Owned Properties (excluding rentals) (GOV)
– EXEMPTED**
- I. Senior Citizens Owner Occupied Residential (70 yrs & Above)
– EXEMPTED**

LAND USE CHARGE (DEPRECIATION RATE)

2. Age of building as a determinant of Depreciation Rate (only buildings registered in the State Lands Registry apply. Unregistered buildings are subject to Valuer's discretion). The Depreciation Rate shall be determined by the age or depreciation rate of a building and considered in the computation of Land Use Charge for the property.

3. Calculation for Depreciation Rate.

The depreciation rate for a building shall be calculated as follows:

(I) New	5%
(ii) Good	10%
(iii) Fair	20%
(iv) Poor	30%
(v) Old	40%
(vi) Dilapidated	50%

Year of Buiding

Depreciation Rate

0 – 5	1%
6 – 10	0.9%
11 – 15	0.8%
16 – 20	0.7%
21 – 25	0.6%
26 – 30	0.5%
31 – 35	0.4%
36 – 40	0.3%
41 – 45	0.2%
46 – 50	0.1%