



#### **March 2012**

*Following on from the government's decision earlier this year to approve the London-to-Birmingham leg of the HS2 project I thought you might find it useful to see the answers to some of the questions we are currently being asked by concerned property owners, along with an updated timetable for the scheme.*

**James Del Mar, head of Knight Frank's HS2 team**

#### **Is HS2 definitely going ahead?**

We think it will happen as it has cross-party parliamentary support, but a number of campaign groups, environmental organisations and local authorities are threatening legal action. If this happens it could lead to a Judicial Review, which might severely delay or even ultimately block the scheme. Prudent property owners, however, are preparing for HS2 on the basis that it is likely.

#### **If HS2 does go ahead, will it follow the current route?**

The route has already been amended slightly to address concerns and lessen its impact. The government may make further changes before the route is "safeguarded" (see below), but these are most likely to involve additional mitigation measures such as more tunnelling and screening. However, one possible outcome of a Judicial Review could be more significant route changes. The latest route maps are available on [www.knightfrank.com/hs2](http://www.knightfrank.com/hs2).

#### **What happens now?**

Despite legal threats, the government is likely to stick to its existing timetable until ordered otherwise. Construction is due to start in 2016 and finish by 2026. Directly affected property owners are already being contacted and it is expected that the route will be "safeguarded" by winter 2012. Safeguarding is where local authorities identify exactly what land will be required to legitimately ensure planning permissions that might frustrate the development are not granted along the route.

#### **My property will be directly affected. What should I do and what compensation can I claim?**

Once the route is safeguarded, Statutory Blight claims can be made. This is relevant to properties that will need to be compulsorily purchased for the construction or use of the railway and are affected to the extent that they are incapable of being sold at anything other than a marked discount. A claim can be made for eligible properties to be acquired by the government at their unaffected market value (plus, for houses, a 10% home-loss payment and reasonable moving expenses) prior to the serving of a Compulsory Purchase Order (CPO).

It is not possible to bring a Statutory Blight claim for land that will not be needed for HS2. It is also not possible to claim for the whole of a property where only part of it will be required. This means claims for entire farms and estates are unlikely to be successful.

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In 2014 or 2015, once the enabling legislation for HS2 has been passed by parliament, CPOs will be made and “Notices to Treat” will be served on the owners of property and land required for the building of the railway that has not already been acquired via Statutory Blight claims.

Compensation claims for residential dwellings will be relatively simple, but those for businesses and farms will be more complex as they will need to consider business losses and disruption.

The government is also proposing a sale-and-rent-back scheme. This will allow homeowners to claim Statutory Blight, but continue living in their property until it is required for construction.

### **My property will not be needed for construction, but HS2 will still affect me. Can I claim compensation?**

If you have to sell your property and its value has been diminished (or it has become unsaleable) due to the proximity of HS2 you can make a claim under the Exceptional Hardship Scheme (EHS). If successful (the criteria are strict), the government will buy your house for its unaffected value.

The EHS will close once the route is safeguarded, but the government has said it plans to introduce a new discretionary hardship scheme to ensure the housing market along the route is not unduly disrupted. It will also consult on a streamlined compensation scheme for damage caused during the construction of HS2 and for property above the route’s tunnelled sections (this will include compensation for the compulsory purchase of subsoil rights). Further details of the above schemes are due to be consulted on this spring and finalised in the autumn.

Where no property is acquired, it is generally only possible to claim compensation for the diminution in value caused by noise, pollution or vibrations from HS2 once the line has been operational for a year. In these cases, however, compensation cannot be claimed for the effects of a spoiled view.

### **What can I do if I don’t think the government is offering me enough compensation?**

Compulsory Purchase and Compensation are complex and specialist subjects. The burden of proof is on the claimant, but valuations are open to negotiation, which is why it makes sense to seek professional advice from the outset.

### **If I want to take professional advice I’ve heard that the government will pay my fees. Is that true?**

Yes it is. There are restrictions, but reasonable fees for advice relating to specific compensation claims and compulsory purchase issues will be reimbursed.

### **I have also heard that HS2 will pay me £1,000 if it needs to come on my land. Can I ask for more?**

The NFU and CLA have negotiated jointly an access agreement and payment of £1,000 with HS2 Ltd that lasts for two years and includes two visits. Landowners are at liberty to negotiate a higher rate if they feel it would be justified. Further compensation for damage to crops etc will be negotiated separately and professional fees can be reclaimed.



## Current HS2 timetable

<b>10 January 2012</b>	HS2 approved
<b>Spring 2012</b>	Consultation on additional discretionary compensation schemes to open
<b>Autumn 2012</b>	Route is "safeguarded" and details of new discretionary compensation announced
<b>2012</b>	Detailed engineering works will be specified
<b>2013</b>	The legislation needed for the scheme will be put to parliament
<b>2015</b>	Hybrid bill passed
<b>2016</b>	Construction work starts
<b>2026</b>	Construction work completed
<b>Post 2026</b>	Work starts on Manchester and Leeds extensions

## I'd like to make a claim or need more advice, how can I get help?

Knight Frank has set up a dedicated HS2 team to help those affected. The team has over 100 years' combined experience dealing with other major infrastructure schemes such as the M25, Stansted Airport and the Channel Tunnel Rail Link (HS1). Unlike some other property consultants Knight Frank works only for affected property owners, not HS2 Ltd or the government, and therefore has no conflicts of interest.

Please contact either me or any of my colleagues on the numbers below. More details and the latest scheme updates are also available at [www.knightfrank.co.uk/hs2](http://www.knightfrank.co.uk/hs2) and you can follow us on Twitter at [www.twitter.com/knightfrankhs2](https://twitter.com/knightfrankhs2)

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# HS2 UPDATE >>

Professional advice you can trust

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