



HS2: Property owners must act as government announces high-speed compensation and safeguarding consultation.

Property owners likely to be affected by the controversial London-to-Birmingham high-speed rail link (HS2) now have the chance to comment on the government's new proposed discretionary compensation schemes.

The Department for Transport has today (25 October) announced its long-awaited proposals for a series of schemes (listed below) that, it claims, will help restore confidence to the property market along the route of [HS2](#) and make it easier for those affected to claim compensation.

The proposed Discretionary Schemes go beyond the Statutory Compensation Schemes that the government is legally obliged to comply with.

A consultation on the proposed "Safeguarding" zone along the route, which generally extends to 60 metres either side of the track, has also been announced. Safeguarding is the technical term for the planning mechanism that protects large-scale public infrastructure projects from conflicting developments nearby.

Both consultations will close on 31 January, 2013.

Under the proposals, affected property owners may choose to be treated via one of the Discretionary Schemes, depending upon the type and location of their property, each brings a subtly different entitlement to compensation.

Zone	Proposed compensation package
Those whose owner occupied, residential property will actually need to be demolished	A sale-and-rent back scheme Homeowners can sell their property to the government when they wish but remain in their homes as tenants until their land is actually needed for construction. Full compensation, including moving costs, Home Loss Payment (10% of sale price up to £47,000) Stamp Duty and professional fees
Those with properties within, or partly within, the "safeguarded" zone – generally 60m either side of the route	Streamlined system of advanced purchase Owner-occupiers of residential properties and owners of commercial properties (with a rateable value not exceeding £34,800) can ask the government to purchase their property under compulsory terms at a time of their choosing after safeguarding directions are made (expected Spring 2013). They will receive the un-blighted open market value of the property, a Home Loss Payment (10% of the value of the property, up to £47,000) and disturbance costs (such as fees, removal costs and stamp duty on a new property of equivalent value).
Those within a new Voluntary Purchase Zone (VPZ) – 120m either side of the route (except above tunnels) in rural areas	Streamlined voluntary purchase system Owner-occupiers of residential property or owners of commercial property (with a rateable value not exceeding £34,800) can ask the government to purchase their property for its un-blighted open market value. Home Loss Payments, Fees, Stamp Duty and Removal Costs would not be paid.
Those outside the VPZ who need to sell their properties, but cannot achieve an acceptable price because of HS2.	A new hardship scheme Those with blighted properties who need to move home or face "hardship" can sell them to the government for their un-blighted market value, subject to satisfying specified criteria.
Those living above tunnels	Measures to provide peace of mind for property owners above tunnels Before and after surveys at government expense and a 'settlement deed' which will guarantee that HS2 would be liable for any damage caused by tunnelling, in perpetuity



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James Del Mar, head of Knight Frank's HS2 team, said: "The first thing affected property owners should do is find out which zone their property is in.

"Once they have established that, they can find out which Discretionary Compensation Scheme may be relevant. This will allow them to either respond to the consultation if they feel the packages are inadequate or start to plan for which packages they should apply for. Alternatively, they may conclude it will be better to make a claim based on existing legislation such as Statutory Blight and Compulsory Purchase Orders.

"We will be looking very carefully at the details once they are finalised before advising our clients whether to take advantage of them or not.

"Farmers and rural landowners will need to plan particularly carefully and take expert advice because they are likely to own a number of affected property types – farmland, commercial buildings and residential property – that fall within the various zones and could be eligible for a number of the different compensation packages.

"It does seem unfair that commercial property with a rateable value over £34,800 will not qualify for the new schemes. This could penalise those farmers who have created successful diversification enterprises.

"Whether the 60m safeguarding strip will be adequate along the entire route is debatable, but it does seem wrong that the "sale-and-leaseback" scheme only applies to those whose houses will need to be actually demolished. Other properties should also qualify."

"There are still going to be many people who will not qualify for any form of compensation for the loss in value of their homes caused by HS2 until one year after the line has been operational. That strikes me as iniquitous, particularly to those who live outside the Voluntary Purchase Zone and want to move home, but will not qualify for the revised hardship scheme even though HS2 has reduced the value of their homes."

Full consultation details

[Knight Frank and HS2](#)

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 Channel Tunnel Rail Link (HS1), the M25 and Stansted Airport. 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 the team on the numbers below. More details and the latest scheme updates are also available at www.knightfrank.co.uk/hs2 and you can follow us on Twitter at www.twitter.com/knightfrankhs2

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Current HS2 timetable

10 January 2012	HS2 approved by Transport minister Justine Greening
Spring 2012	Government receives HS2 Ltd advice on phase 2 (Birmingham to Manchester and Leeds) route options
Spring 2012	Engagement programme along phase 1 (London-to-Birmingham) route on Environmental Impact Assessment issues
25 October 2012	Consultation with statutory bodies on the safeguarding zone and Public consultation on property compensation proposals for phase 1
Autumn 2012	Engagement programme on phase 2 preferred route, to discuss local views and concerns
3 December 2012	Eight-day judicial review opens
Spring 2013	Consultation on draft Environmental Statement for phase 1 including design refinements
End of 2013	Introduction of a hybrid bill to provide necessary powers to construct and operate phase 1 of the railway
Early 2014	Consultation on preferred route for phase 2
Late 2014	Government's announcement of the chosen route for phase 2
2015	Target date for Royal Assent for the Hybrid Bill, containing legal powers to construct HS2
2017-2025	Construction period (starts and ends at different times and at different points along the route)
2024-2026	Commissioning and testing
2026	Phase 1 line opens to passengers