HIGH SPEED 2 – FAST TRACK CHANGES WHICH MAY AFFECT YOUR BUSINESS

There have been significant changes to the proposed HS2 route, including a new tunnelling section through Ruislip, according to BNP Paribas Real Estate, the leading property adviser.

Transport Secretary Patrick McLoughlin has reaffirmed the government’s commitment to High Speed Rail and HS2 Ltd has just issued consultation letters on safeguarding and compensation in relation to Phase 1 of the project between Birmingham and London. The deadline for responses is 31 January 2013 – so there’s not much time to act.

Once the route is safeguarded in 2013, the statutory blight process may be of benefit to some landowners. However, those potentially affected need to understand how to respond to the consultation and how to protect the value of their business. They may be entitled to compensation - but how much should you get and when?

The shadow period before a CPO brings blight and uncertainty, so damage limitation measures are needed at boardroom level, as business planning and investment decisions will be affected. However, solutions may not become clear until after consultation on blight and safeguarding has closed and the definitive plans are published.

General ‘blight’ has no statutory basis for claim – the Government recognised this in the ‘Review of Property Issues’, creating a widespread fear that the Government will not do enough to prevent blight and protect property values.

However, those occupiers whose businesses have to be relocated or are totally extinguished can claim the value as owner for non-property losses. Conditional contracts for acquisition are frequently negotiated in the shadow of a CPO.

Chris Selway, Director at BNP Paribas Real Estate, who has 34 years’ experience in the property industry specialising in CPO and the rail sector, commented: “HS2 is coming, so seek professional advice and check how you are affected. If you are affected, contact HS2 and respond to the blight and safeguarding consultation.”
“It is crucial to formulate your strategy to protect your position – keep formal notes and monitor property values. Don’t stop repairs or redecoration and maintain your property’s value. I would also advise owners to keep detailed records of expenditure, losses or write downs,” concluded Selway.

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