BROWNFIELD DEVELOPMENT BOOST WELCOME BUT MUST OFFER FAIR DEAL FOR LANDOWNERS

- BNP Paribas Real Estate urges higher CPO payments and proper compensation to address ‘blight burden’ from large-scale regeneration

Plans to reform the compulsory purchase regime to unlock brownfield land for housing must address the “inadequate” compensation granted to landowners, BNP Paribas Real Estate said today.

The leading global property adviser urged government to increase the compensation to people whose land is bought by the state by 10% to reflect the ‘blight burden’

Responding to ‘Fixing the Foundations: Creating a more prosperous nation’, the government’s 90-page blueprint to boost productivity, Chris Selway, Senior Director at BNP Paribas Real Estate, said: “Compulsory purchase powers are a vital tool to assist developers and unlock opportunities for private investment. They are too little utilised by local authorities and we would urge government to make the regime faster and fairer when it is reformed in the autumn.

“However, the compensation review must also be fair to claimants, as larger schemes and complex infrastructure projects create years of general blight in the ‘shadow’ period before the land is acquired, with no current remedy for affected owners.

“Statutory loss payments are also inadequate and the right to serve blight notices is capped at a ridiculous figure of £34,800 a year. A fairer system would be to remove these, and add 10% to the gross compensation to recognise claimants are forced to sell for the greater good.”

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About BNP Paribas Real Estate

BNP Paribas Real Estate, one of the leading international real estate providers, offers its clients a comprehensive range of services that span the entire real estate lifecycle: property development, transaction, consulting, valuation, property management and investment management.

BNP Paribas Real Estate has local expertise on a global scale through its presence in 37 countries with approximately 180 offices and 3,800 employees (16 wholly owned and 21 by its Alliance network that represents today more than 3,000 people). BNP Paribas Real Estate is a subsidiary of BNP Paribas. For more information: www.realestate.bnpparibas.com

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