
PRESS RELEASE

Compensation regime still stacked against landowners blighted by HS2

BNP Paribas Real Estate has called for reform of the “flawed and unfair” compensation regime for landowners blighted by HS2, following today’s confirmation that work on the high speed rail line would begin next year.

BNP Paribas Real Estate said landowners, many of whom have had to contend with five years of blight since consultation on the route started in 2011, would at least welcome confirmation that the scheme was going ahead, but said government’s approach to compulsory purchase would still leave many of them out of pocket.

It called for improvements following consultation into reform of the Compensation Code to be implemented for the sake of HS2 claimants.

Chris Selway, head of the national infrastructure and compulsory purchase team at BNP Paribas Real Estate, which is handling more than £600m in claims for clients affected by the HS2 route, said:

“At least landowners know the hammer will definitely fall next year and can plan accordingly. They have had to sit and suffer the effect of general blight on their properties and business plans under the shadow of the scheme since the route consultation started back in the summer of 2011.

“That said, the Compensation Code is still badly flawed, and in my view is unfair to claimants in many ways. We will be doing our best to protect their interests, and will continue to press the need for CPO reform with government.

“The HS2 compensation reviews have rightly focused on hardship and homeowner cases but businesses deserve attention now and increasing Loss Payments and the statutory blight threshold would be quick ways to help ease their pain.”
Chris Grayling today confirmed that following Royal Assent for the HS2 Bill at the end of the year, HS2 will be funded and construction will start as planned in 2017, with a £70m package for supporting affected communities and road safety.

Chris Selway said: “It is fair to say that some businesses have found the effect of blight really tough to cope with. Banks find CPOs off-putting in terms of security for business loans and of course selling business premises is virtually impossible once they are clobbered by the route of an infrastructure project.

“The effect can be dramatic in terms of funding, investment, recruitment and retention of both customers and employees. It is a stressful process which distracts owners and managers from running their businesses.”

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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).

BNP Paribas Real Estate is a subsidiary of BNP Paribas.

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