BUSINESSES SET TO LOSE OUT AGAIN AS LEGAL SAFEGUARDS PUT ON PROPOSED SECOND PHASE OF HS2

Landowners promoting new developments along the HS2’s northern route facing losing millions in compensation payments after ministers today ‘safeguarded’ the proposed route without prior consultation.

The move, contained in documents published by government today, means that planning applications for new development will almost certainly be refused, and that landowners will receive a fraction of the compensation they would have been due had the new development gone ahead.

Compulsory purchase experts said the “draconian approach”, adding to the lack of any new compensation package for businesses, was a missed opportunity to win the hearts and minds of those who already face at least six years of blight before being compensated.

Chris Selway, head of the national infrastructure and compulsory purchase team at BNP Paribas Real Estate, which has represented landowners on more than £750m of claims relating to HS2, said: “Now safeguarding is in place, HS2 has effectively become part of planning policy. This will lead to new developments being refused that could otherwise have been granted, effectively reducing the compensation payable to those who had development or redevelopment plans in preparation long before HS2 came along.

“It even affects applications already lodged but not determined. The costs those claimants have borne will be largely abortive. Safeguarding without consultation just looks like an underhand way to save time and costs at the expense of the business and commercial claimants who will be clobbered by the scheme.

“Alongside the total lack of anything new for SME’s and larger businesses affected, it means the same old ‘Scrooge package’ for Christmas in terms of compensation. Add to that the insult of just £50 for running high speed tunnels under your property and it’s a shame that hearts and minds can’t be won by a little less of a draconian approach towards those who are going to face at least six years of blight before being compensated.”

The government today announced the route for the second phase of HS2, from Crewe to Manchester and the West Midlands to Leeds.

However, the plan does not include a final decision over where to site a new station in or near Sheffield. The government’s preferred option is for the main HS2 route to run east of Sheffield, but for a spur to take passengers to Sheffield city centre.
**Chris Selway** said: “Details of the route into Sheffield are to be developed further, and it is in the interests of those who think they now may be affected to lodge any planning applications as soon as possible – once the route is determined it looks certain that safeguarding won’t be subject to consultation.”

BNP Paribas Real Estate’s national infrastructure and compulsory purchase team is holding workshops for affected landowners in Sheffield on November 16 and in London on November 25 in tandem with lawyers Nabarro and forensic accountants Grant Thornton. See [here](#) for details.

Notes to editors:

Contained in the [impact assessment](#) published today is the justification for safeguarding, which reads:

> “Safeguarding has been determined by HS2 Ltd’s current engineering plans, where developments have the potential to impact on the construction or operation of HS2. Safeguarding directions will require LPAs to consult HS2 Ltd on planning applications they receive in relation to land within the zone, including those undetermined when safeguarding directions for the preferred route are issued. This provides certainty to developers and ensures that conflicting development is not pursued.”

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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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