BNP Paribas Real Estate urges HS2 compensation reform to protect business and homeowners as business rates revaluation further limits claims

- Businesses risk being forced to close or relocate without help from government,
- Business rates revaluation to make hundreds of businesses ineligible for compensation,
- Homeowners to receive just £50 compensation for having high-speed tunnels under their property.

Businesses impacted by HS2 will be forced to relocate or close with no access to compensation, property experts warned today as the first phase of the high speed line was granted Royal Assent.

BNP Paribas Real Estate has established a track record as the leading adviser for HS2 claimants, handling in excess of £600m of commercial property claims for the first phase of the scheme.

Chris Selway, head of compulsory purchase and infrastructure at BNP Paribas Real Estate, said: “There are hundreds of businesses and homes who will suffer noise, dust, dirt, vibration and restricted access, but will be left high and dry. The rules say it is only the loss of value in your property which will be eligible for compensation – not the very real losses suffered from reduced or lost business.

“This is simply wrong and I would urge the government to address it in the context of HS2. Some businesses will be forced to the wall, or at best have to relocate in order to survive, but they will get no help or recompense.”

BNP Paribas Real Estate urged additional reforms to the CPO process for HS2, to include:

- Greater support for businesses that are already adversely affected by plans for the second phase of HS2, but who at present will suffer years of blight before they can claim compensation as the extension has yet to be passed in to law,
- An increase to Statutory Loss Payments for properties that will be compulsorily purchased. These have been capped at £100,000 per property for many years and have not risen even in line with inflation,
An increase in the Rateable Value thresholds below which properties are eligible for compensation for statutory blight. This has remained at a nonsensical £34,800 for years without review or indexation, meaning the number of businesses who cannot claim will rise as result of the contentious rates revaluation for 2017.

Chris Selway said: “Unfortunately, businesses are not being looked after. I also wonder whether people realise that for having twin high-speed tunnels running underneath their homes they will receive the princely sum of £50 – probably enough to pay for a single morning commute on HS2.”

“I’m delighted that HS2 Phase 1 has at long last gained Royal Assent, particularly for our long suffering clients who have endured almost six years of blight and who can hopefully now look forward to resolution of their compensation claims and relocation costs. I look forward to Phase 2 being processed more speedily so that our northern cities can plan for regeneration and investment on the back of this new era for the UK’s rail network.

“I hope that the success of the handful of pre-powers deals we have concluded before Royal Assent paves the way for a better approach to the northern routes. Early deals save tax payers’ money, remove the need to Petition, enable claimants to plan for the impact earlier and make way for the scheme.”

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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).

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