



HS2: A New Consultation on Two Cash Alternatives for Owner-Occupiers

The Government published a consultation on 8 July 2014 on two new cash alternative schemes to enable owner-occupiers to remain in properties affected by the construction of HS2 and to receive monetary compensation. These options will potentially be in addition to the previously publicised measures to compensate owner-occupiers who will be affected by the proposed route of HS2 Phase One.

The amount of compensation will depend upon the proximity of the property to the proposed route, as described in the table below. The cash alternative schemes are being proposed in response to the 2013 consultation where many respondents argued that there should be a means of redress to property owners that does not compel them to sell to the Government,

and the community benefit of keeping local families and businesses in situ (as acknowledged in the 8 July 2014 consultation document).

Owner occupiers for these purposes will include residential properties, small business units (with an annual rateable value of up to £34,800) and agricultural units.

The distances specified in the following table are of general application in rural areas only. Maps are available at <http://www.hs2.org.uk> and should be consulted to determine the applicability of the various schemes. None of the cash alternative schemes will apply to parts of the proposed route where the line will be in a bored tunnel.

Metres from centre of proposed HS2 Phase One route	Compulsory Purchase Powers (9 April 2014 Announcement)	Proposed Cash Alternatives (8 July 2014 Consultation)
0 - 60 (<i>“surface safeguarded area” and “extended homeowner protection zone”</i>)	“Express purchase scheme” (expedited acquisition process) introduced on 9 April 2014. Properties will be bought for full unblighted market value plus 10% (capped at £47,000) plus reasonable moving expenses (including SDLT).	
60 - 120	“Voluntary purchase offer” will be available by end of 2014. Properties will be bought for full unblighted market value.	“Alternative cash offer”: a cash payment equivalent to 10% of property’s value (with a minimum payment of £30,000 and a maximum payment of £100,000).
120 - 180		Cash payment of £22,500*
180 - 240		Cash payment of £15,000*
240 - 300		Cash payment of £7,500*

* “Homeowner Payment scheme”

In addition, the “**need to sell**” and “**rent back**” schemes will still be available. The “need to sell” scheme (which will replace the “**exceptional hardship scheme**”) has no physical boundary limits and applies to owner-occupiers who have a compelling need to sell their home (i.e. job relocation or ill health) but are unable to do so because of plans to build HS2. The “**rent**

back” scheme applies where the Government has purchased property under any of the other schemes but the property is suitable for letting and the previous owner is entitled to be considered to carry on living there under a Crown tenancy.

Contacts

Philip Beer and Michael Bray are part of Burges Salmon’s leading rail property team.



Philip Beer
Partner

+44 (0)117 307 6904
philip.beer@burges-salmon.com



Michael Bray
Senior Associate

+44 (0)117 939 2290
michael.bray@burges-salmon.com

Burges Salmon LLP, One Glass Wharf, Bristol BS2 0ZX Tel: +44 (0) 117 939 2000 Fax: +44 (0) 117 902 4400
6 New Street Square, London EC4A 3BF Tel: +44 (0) 20 7685 1200 Fax: +44 (0) 20 7980 4966

www.burges-salmon.com

Burges Salmon LLP is a Limited Liability Partnership registered in England and Wales (LLP number OC307212) and is authorised and regulated by the Solicitors Regulation Authority. A list of members, all of whom are solicitors, may be inspected at our registered office: One Glass Wharf, Bristol BS2 0ZX.

© Burges Salmon LLP 2014. All rights reserved. Extracts may be reproduced with our prior consent, provided that the source is acknowledged. Disclaimer: This briefing gives general information only and is not intended to be an exhaustive statement of the law. Although we have taken care over the information, you should not rely on it as legal advice. We do not accept any liability to anyone who does rely on its content.

Data Protection: Your details are processed and kept securely in accordance with the Data Protection Act 1998. We may use your personal information to send information to you about our products and services, newsletters and legal updates; to invite you to our training seminars and other events; and for analysis including generation of marketing reports. To help us keep our database up to date, please let us know if your contact details change or if you do not want to receive any further marketing material by contacting marketing@burges-salmon.com.