

Roger Hannah & Co

Compulsory Purchase October 2014

Highlights

- London Olympics CPO Compensation reaches first major decision
- Acquisitions underway at the Victoria Gate development in Leeds
- CPOs announced in Croydon
- Potential CPO sought for Anfield housing regeneration
- One New Bailey, Salford gets green light

Legal Update

London Olympics Compensation Decision:

Halpern, Gladwell, Clearun Limited & Dominion Mosaic & Tile Company Limited v Greater London Authority [2014] UKUT 116 (LC)

The Upper Tribunal (Lands Chamber) recently issued its first major decision on compensation for land acquired in Stratford, East London for the Olympic site. The claim related to a waste transfer site which was in the process of being sold at the vesting date. The issues for determination related to land value and disturbance including whether the business had totally extinguished.

Decision

Land Value:

- The reference land was not allocated for residential development but hope value was attributable which was assessed as 15% more than existing use value.
- Redevelopment would have likely occurred 7 years after the date of valuation if not for the CPO – a deduction of 40% was applied to reflect developer's risk.

Disturbance:

- The business had not totally extinguished.
- Compensation was payable for items paid by the Company including redundancy payments and pre-possession losses.
- No compensation was made for management time because no evidence was produced to demonstrate any loss.

Key Points

- Where hope value is attributable, disturbance and loss of profits can still be claimed if it can be demonstrated that the business would have continued trading. The claims however must be consistent.
- A claimant must be able to demonstrate that they have mitigated their loss.
- Evidence must be produced to support losses claimed.

This case raises important issues which may be helpful for landowners and businesses affected by HS2. Although HS2 may not come into operation until 2030, losses suffered may be recoverable. Sufficient records must be maintained to capture details of any loss of profits incurred as a result of the disruption caused by HS2.

Roger Hannah Case Studies

7-25 Eastgate, Leeds:

Hammerson's Victoria Gate is a major retail and leisure scheme in Leeds city centre. Roger Hannah & Co acted on behalf of the owners of 7-25 Eastgate, a 63,000 sq ft mixed use building at the heart of the scheme. After protracted negotiations, we agreed a significant sale price for the property investment.

Ordsall Chord, Manchester:

As part of Network Rail's plans to improve rail travel in the North, a new section of track is proposed to link Manchester's three main stations. Roger Hannah & Co. have recently agreed a compensation package for a major North West company with land affected by the Ordsall Chord. We also represented a party proposing an alternative scheme which involved the provision of valuation and compensation advice at the Public Inquiry earlier this year.



Networkrail.co.uk/OrdsallChord



New Instructions

West Hendon Regeneration Scheme – The London Borough of Barnet has recently sought CPO powers for the redevelopment of the West Hendon Estate to provide 2,000 new residential units, primary school and community/commercial buildings. Roger Hannah & Co has been instructed to negotiate compensation on behalf of a number of residential owner occupiers.

Major Tyre Depot, Trafford – Trafford Borough Council has instructed Roger Hannah & Co. in respect to the valuation of a tyre depot operated by a national retailer. Instructions include the preparation of a Section 52 Advance Payment Report and ultimately the negotiation of the compensation claim.

Preston City Council – We have recently been instructed to negotiate compensation in advance of a potential CPO for a city centre retail unit.

What's in a Word?

Equivalence: This is a key compulsory purchase principle particularly relevant in assessing loss for disturbance under Rule 6 of Section 5 of the 1961 Land Compensation Act. The principle was firmly established in Horn vs Sunderland 1941, but it dates back to Livingstone vs Rawyards Coal Company 1880, which stated the following:-

"In settling a sum of money to be given for reparation of damages, you should as nearly as possible get that sum of money, which will put the party who has been injured, in the same position as he would have been in if he had not sustained the loss"

"The principle of equivalence ... is at the root of statutory compensation, which lays it down that the owner shall be paid neither less not more than his loss."



www.west-hendon.co.uk

Our Work

We act on behalf of property owners, investors, tenants, multi-national businesses, local businesses and local authorities in compulsory purchase matters nationwide. As surveyors, we know how to effectively represent clients both in resisting a CPO and in maximising compensation rights.

Roger Hannah & Co's Compulsory Purchase Team

Roger Hannah's CPO team is headed up by Simon Cook who has over 20 years experience working on CPOs nationwide.

Earlier this year the team was expanded with Senior Surveyor Stephen Lashmar MRICS joining from Keppie Massie. Stephen has a wealth of experience dealing with regeneration projects and CPO cases, particularly acting on behalf of acquiring authorities.

Senior Surveyor Angela Connor has extensive knowledge of the CPO process and is acting on a number of high profile cases in London.

Alex Isles, currently a graduate surveyor, is involved within the department gaining experience towards his APC in the compulsory purchase field.

As a department we act on compulsory purchase cases nationwide including the highly prevalent HS2. We act for both acquiring authorities and claimants giving the department the skills to understand the CPO process from both sides of the table.



SIMON COOK
DIRECTOR

BSc (Hons) MRICS
0161 429 1666
simoncook@roger-hannah.co.uk



STEPHEN LASHMAR
SENIOR SURVEYOR

BA (Hons) MRICS
0161 429 1666
stephenlashmar@roger-hannah.co.uk



ANGELA CONNOR
SENIOR SURVEYOR

BA (Hons) MSc MRICS
0161 429 1666
angelaconnor@roger-hannah.co.uk



ALEX ISLES
GRADUATE SURVEYOR

BA (Hons) MSc
0161 429 1666
alexisles@roger-hannah.co.uk