



Compulsory Purchase and Compensation

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Agenda

- **Strategic land / land with 'Hope Value' – how is market value compensation assessed?**
- **'Temporary' possessions – compensation challenges**
- **The importance of 'engagement' between acquiring authority and claimants – forced possession – an example!**

Strategic Land / Land with Hope Value

- Significant issues have arisen with such (usually agricultural) land for highway, rail, and airport expansion projects re valuation date compensation (open market value) for land within the Green Belt and/or otherwise designated as being ‘protected’.
- Sites which create issues are those which abut or are close to towns, villages or existing transport infrastructure such as an airport or motorway junction.
- Statutory ‘code’ requires a sale of the interest for a capital payment – at odds with the complexities which arise from ‘overage’ and ‘contingent arrangements.’
- Development impediments - limited highway capacity, poor air quality, environmental/ landscape protection frequently apply but the market still attaches a premium above agricultural value.

How is Strategic Land Valued?

A few cases have progressed to the Lands Tribunal, and many have been settled by agreement the general principles being applied regard being had to the following evidence:

- History of transactions price paid terms agreed on the actual site.
- Ditto on any adjoining/nearby sites
- Whether requirement for third party land for eg highway capacity improvements
- Any on-site impediments eg high pressure gas mains, water pipelines
- Planning history of refusals and reasons whether capable of being overcome?
- Generally, an outcome is 'bottom up' at 2 - 3 times ag value (£20k - £50k per acre) has been applied. No examples (yet) of any discounted 'top down' values being secured.

‘Temporary’ Possessions – an increasing requirement

- Large civil engineering projects High Speed Rail and Airport Expansion require land and rights for construction, more than that needed for eventual use
- Historically 12 – 36 months were the norm. These days anything up to 5 years sometimes longer is required.
- Statutory compensation isn’t well suited to dealing with the issues which arise in terms of loss of land and effect on retained land/premises, loss of profits, how to deal with lease and rent payments, condition on handback also sometimes temporary possession is converted to permanent with additional issues arising.
- Neighbourhood Planning Act 2017 powers to address issues – still not implemented!

Temporary Possession Case Study - Thameslink

The Wheatsheaf Pub, London Bridge

An albeit extreme example – The Wheatsheaf Pub at London Bridge required temporarily.

- Thameslink was a £6 billion project in south-east England to upgrade and expand the rail network to provide new and longer trains between a wider range of stations to the north and to the south of London. Proposed in 1991 opened in 2020.
- Complete redevelopment of London Bridge Station involving a new pair of tracks being laid on a new viaduct. Between 2013 and 2018.



The Wheatsheaf,
London Bridge

Before.....



The Wheatsheaf,
London Bridge

...and
after



Effective Engagement Case Study

Smoke Club (aka Cable Club)

The importance of 'engagement' between acquiring authority and claimants – forced possession – an example!

- 'Effective Engagement' by an acquiring authority with affected landowners and occupiers is invariably key to ensuring the best possible outcome – for both sides. Establishing the best possible rapport, understanding pressures, priorities and issues is of huge importance.
- Smoke Club aka Cable Club also at London Bridge occupied several arches for a hugely successful nightclub which contrary to what they had been told became required (in part) for construction of an emergency escape staircase.
- Network Rail decided (unsuccessfully in the time available) to go a LL&T route rather than using their compulsory purchase powers. Things came to a head in April/May 2013 and the following video clip shows what happened on the day NR took possession, forcibly.



Cable Nightclub
forced
possession

Source: [Cable
Nightclub
London
\(tumblr.com\)](#)