

# Property Policies: Information Paper

## Expanding Heathrow

We recognise that people who live in or own property near Heathrow airport could be affected by its expansion. To construct and operate an expanded Heathrow we will need to acquire areas of land which currently include residential, commercial and agricultural properties. We also recognise that homeowners living near to the new boundary of the expanded airport could be affected. We have therefore developed a number of discretionary property compensation schemes for which owners or occupiers of affected properties may be eligible.

The schemes are set out in our draft Property Policies, which we are consulting on. We have prepared these draft policies to help those whose properties are potentially within the area most affected by the proposed expansion to understand our offer. We explain our general approach to buying properties and land and set out the enhanced compensation offers for eligible properties.

These discretionary offers are intended to enhance the terms available under Statutory Compensation Code for eligible properties, but do not change your statutory rights. The policies are what we think are fair and reasonable. They reflect public statements that we have made, and also reflect what the Government has said it expects of us as the promoter of the third runway.

This information paper explains who may be eligible for compensation as a result of the construction and operation of a third runway at Heathrow and explains where you can find more information.

We are asking for your views on these draft Property Policies. You can find the questions we are asking in the Heathrow Expansion Consultation Document in section 4.1

## Our Approach

We recognise the uncertainty and impact our proposals may have on local communities, particularly on those whose homes are potentially affected. We are committed to engaging with property owners throughout the process.

Our draft policies are intended to help property and land owners know what to expect. We have developed our enhanced compensation offers to help homeowners continue to live in their homes until the project is given planning consent and until we proceed with construction. Our offers are intended to support the regular functioning of the property market, enabling homes and land to be sold in the open market before planning consent is given.

We will work with property and landowners to purchase properties by agreement rather than compulsorily. We will however apply for powers to compulsorily acquire the land within the CPZ as part of our application for development consent but only exercise those powers where we have been unable to reach agreement.

It is our intention to protect the most vulnerable and we have already introduced an interim Property Hardship Scheme to enable those with a compelling need to move, but who are unable to sell their house on the open market, to apply to Heathrow to purchase their home early.

## Our Property Policies

We have developed our draft Land Acquisition and Compensation Policies following informal consultation we undertook with local communities during the Airports Commission's consideration of our proposals and based on our experience of how similar policies we have operated have been received.

We have the following draft policies for:

1. Residential Property,
2. Agricultural Land and Property,
3. Commercial Property,
4. (Interim) Property Hardship Scheme, and
5. Professional Fees.

Our Residential Property covers properties within a zone that would be subject to Compulsory Purchase and a wider zone that covers those who live close to the new boundary of the expanded airport.



Our policy for Agricultural Land and Property sets out our approach for owners of agricultural land and associated farmhouses. Our Commercial Property policy sets out the approach for larger commercial interests as well as our offer for those with small business interests.

The Property Hardship Scheme operates in relation to residential, agricultural and small business categories, where owners have a compelling need to sell their properties but have been unable to do so due to the proposed expansion of Heathrow.

There is a separate policy about Professional Fees associated with the compulsory purchase process. Please refer to that policy document for further detail and bear in mind that all costs that you may expect Heathrow to reimburse must be agreed with us before you spend them.

### Which policies should I read to find out more?

The table below gives an indication of which policies you should read to find out more information based on the location of your property and your interest in that property.

### When will the new policies start to apply, and for how long?

The Property Hardship Scheme is already up and running on an interim basis. We have already received and processed some applications. This scheme (or as amended by this consultation) will remain in operation until the proposed new runway has been consented and construction of it has begun.

All the other policies start to apply from the point that we publish them as final policies, which will be after we have considered any views expressed on them as part of this consultation. They will continue to apply until the start of the examination into our application for development consent – a type of planning permission – for the new runway. Currently we expect this to be around the middle of 2020.

Although we will try and agree terms for purchasing the property in advance of our planning application, we do not expect to complete the purchase of properties until the project receives development consent and a decision to begin construction has been taken by us.

If consent is granted, we anticipate that this would occur in 2021 and until that time property owners and occupiers will be able to remain as owners or occupiers of their property.

For further information and a full understanding of all the terms that would apply, please refer to the specific policy document.

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Which draft policies should I read to find out more information?			
Where am I?	Compulsory Purchase Zone	Wider Property Offer Zone	Outside the Wider Property Offer Zone
<b>Who am I?</b>			
<ul style="list-style-type: none"> <li>A homeowner</li> <li>An owner of a shared ownership property</li> <li>A private landlord</li> <li>A tenant</li> <li>Someone who has inherited a property</li> <li>A personal representative (of a deceased person)</li> <li>A mortgagee</li> </ul>	Residential Property Policy  Interim Property Hardship Scheme Policy  Professional Fees Policy	Residential Property Policy  Interim Property Hardship Scheme Policy	Interim Property Hardship Scheme Policy
<ul style="list-style-type: none"> <li>An owner-occupier or freeholder or leaseholder of an agricultural unit</li> </ul>	Agricultural Land and Property Policy  Interim Property Hardship Scheme Policy	Interim Property Hardship Scheme Policy	Interim Property Hardship Scheme Policy
<ul style="list-style-type: none"> <li>An owner or leaseholder of a small business (a small business has an annual rateable value not exceeding £44,200)</li> </ul>	Commercial Property Policy Interim Property Hardship Scheme Policy	Interim Property Hardship Scheme Policy	Interim Property Hardship Scheme Policy
<ul style="list-style-type: none"> <li>An owner or leaseholder of a large business (a large business has an annual rateable value exceeding £44,200)</li> </ul>	Commercial Property Policy  Professional Fees Policy		



## Locations

### Is my property within the proposed boundary of an expanded Heathrow?

Heathrow's proposed expansion we will need a large area of land which includes residential, commercial and agricultural properties. The scheme recommended to Government by the Airports Commission in their final report, highlighted an area of land, referred to as the Compulsory Purchase Zone ("CPZ") which would fall within the boundary of the expanded airport. The CPZ area can be found at the following link, allowing for some zooming in to read it in more detail: [www.heathrowexpansion.com/local-community/compensation-schemes](http://www.heathrowexpansion.com/local-community/compensation-schemes)

Within this boundary are residential properties generally located in Longford and parts of Harmondsworth, Sipson and Stanwell; agricultural units, generally between Sipson and Harmondsworth, on Harmondsworth Moor and in Stanwell; and commercial properties located along the A4, in Poyle and Colnbrook but also in Stanwell.

This consultation exercise may change the extent of the CPZ; possible options involve the inclusion of residential properties located in Stanwell Moor, Harmondsworth and Poyle, as well as other commercial and agricultural land.

### Where does the wider property offer apply?

We also recognise the impact that our proposals may have on homeowners who would also live close to the new boundary of the expanded airport. We have therefore developed a draft policy to extend to eligible homes in an area known as the Wider Property Offer Zone ("WPOZ"). The likely WPOZ is shown edged purple at the following link: [www.heathrowexpansion.com/local-community/compensation-schemes](http://www.heathrowexpansion.com/local-community/compensation-schemes)

These properties are located in Poyle, Colnbrook, Brands Hill, Harlington, Cranford Cross, Harmondsworth and Sipson.

Please refer to the link below for maps of the zones:  
[www.heathrowexpansion.com/local-community/compensation-schemes](http://www.heathrowexpansion.com/local-community/compensation-schemes)

## Our Residential Property Policy

We are proposing an enhanced compensation offer for eligible properties in the CPZ and WPOZ, which goes beyond the statutory requirements for the compulsory purchase of homes.

### If I meet the eligibility criteria for residential property, what will I be offered?

The enhanced compensation offer is:

- the unaffected open market value of the property (excluding development value), and
- an additional home loss payment calculated at 25% of the unaffected open market value of the property (excluding development value), and
- stamp duty costs for purchase of a replacement home of an equivalent value, and
- reimbursement of reasonable legal fees, moving costs and other disturbance costs incurred.

### How do I know if I am eligible for Heathrow's residential compensation offer?

You will need to:

- be an owner-occupier of an eligible property within either the CPZ or the WPOZ
- for the purposes of this policy, an "owner" is defined as either a freehold interest or a leasehold interest for a fixed term of years with at least 3 years unexpired at the date of any claim.

"Eligible Properties" are properties which were occupied by their owner-occupier on 17 December 2013. If you were living in your home on that date and still live there, it follows that you will be the owner of an eligible property. Also, if you have bought an "eligible property" since 17 December 2013, then you should also be able to apply for the compensation offer.

If you are not eligible for Heathrow's compensation offer you will be compensated in accordance with the Statutory Compensation Code that applies in all cases of compulsory purchase.

## When will I be able to agree to the offer and sell my house?

Heathrow's compensation offer in this policy is proposed to be formalised in a contract called a 'bond agreement' to be entered into by Heathrow and the owner-occupier before the start of the examination into Heathrow's development consent order application for the project, currently expected to start in 2020.

We would expect to buy properties in the CPZ under these agreements or by compulsory purchase once development consent has been granted and we proceed with construction.

For owners of homes in the WPOZ, houses can be sold under the bond agreement once we proceed with construction, up until one year after the new north-west runway has begun operating.

Please refer to our draft Land Acquisition and Compensation Policy for Residential Property to see further details including eligibility and conditions of the offer.

## Our Agricultural Land and Property Policy

We are proposing an enhanced compensation offer, which goes beyond the statutory requirements for the owners of eligible agricultural land and property.

If I meet the eligibility criteria for agricultural property, what will I be offered?

- the unaffected open market value of the property (excluding development value), and
- an additional loss payment calculated at 25% of the unaffected open market value of the farmhouse (excluding development value), and
- a statutory loss payment calculated at 10% of the open market value of the land (excluding the farmhouse and development value) and capped at £100,000, and
- costs associated with the purchase of replacement unit of an equivalent value, and

- reimbursement of reasonable legal fees and relocation or other disturbance costs incurred: plus
- to purchase the whole agricultural unit (even if we do not need it all) where the owner requests and would otherwise be left with less than 25% (in land area) of the unit outside the area identified for acquisition by Heathrow.

## How do I know if I am eligible for Heathrow's agricultural compensation offer?

You will need to:

- be an owner-occupier of an eligible agricultural unit within the CPZ, and
- have an 'owner's interest' in the unit, being a freehold interest or a leasehold interest for a fixed term of years with at least 3 years unexpired at the date of any claim.

"Eligible Agricultural Units" are units which were being operated by their owner on 17 December 2013. If you were carrying on an agricultural enterprise on the land on that date and still do so, it follows that you will be the owner of an eligible agricultural unit.

Heathrow's compensation offer in this draft policy is proposed to be formalised in a legal agreement to be entered into by Heathrow and the owner-occupier before the start of the examination into Heathrow's development consent order application for the project.

If you are not eligible for Heathrow's compensation offer you will be compensated in accordance with the Statutory Compensation Code.

Please refer to our draft Land Acquisition and Compensation Policy for Agricultural Land and Property to see further details including eligibility and conditions of the offer.

## Our Commercial Property Policy

We are proposing an enhanced compensation offer for eligible small business, which goes beyond the statutory requirements for the owners of eligible commercial property.



## Large Commercial Property Compensation Scheme

### If I meet the criteria for large commercial property, what will I be offered?

Affected owners and occupiers of large commercial properties:

- will be compensated in accordance with the Statutory Compensation Code;
- to support large businesses in their relocation plans, Heathrow will work with owners and occupiers of large commercial properties to agree terms of purchase before the start of the examination into the Development Consent Order application;
- wherever practicable, Heathrow will aim to provide more than the minimum three months' notice;
- discretionary financial support in terms of timing to assist with relocation
- reasonable professional costs (see draft policy Professional Fees)
- Heathrow is also considering the option of establishing an agency service to help businesses ascertain their property requirements and provide information on appropriate alternatives.

### Am I a large commercial property owner?

A large commercial property owner will be :

- be an owner-occupier of business premises within the CPZ
- with an annual rateable value exceeding £44,200.

Please refer to our draft Land Acquisition and Compensation Policy for Commercial Property to see further details about the conditions for large commercial properties, including those noted above.

- Heathrow's compensation offer in this policy is proposed to be formalised in a legal agreement to be entered into by Heathrow and the owner-occupier before the start of the examination into Heathrow's development consent order application for the project.

### How do I know if I am eligible for Heathrow's small business compensation offer?

You will need to:

- be an owner-occupier of business premises within the CPZ;
- with an annual rateable value not exceeding £44,200, and
- have an 'owner's interest' being either a freehold interest or a leasehold interest for a fixed term of years, with at least three years unexpired at the date of any claim.

"Eligible Small Commercial Properties" are business premises which were occupied by their owner on 17 December 2013. If you were an owner-occupier of the property on that date and are still occupying the property, it follows that you will be the owner of an eligible small commercial property.

If you are not eligible for Heathrow's compensation offer you will still be compensated in accordance with the Statutory Compensation Code.

Heathrow's compensation offer in this policy is proposed to be formalised in a legal agreement to be entered into by Heathrow and the owner-occupier before the start of the examination into Heathrow's development consent order application for the project currently expected to start in 2020.

Please refer to our draft Land Acquisition and Compensation Policy for Commercial Property to see further details about the offer for small commercial properties, including those noted above.

## Small Commercial Property Compensation Scheme

### If I meet the criteria for a small commercial property, what will I be offered?

- the unaffected open market value of the property (excluding development value), and
- an additional loss payment calculated at 25% of the unaffected open market value of the property (excluding development value), and
- costs associated with the purchase of replacement premises of an equivalent value, plus
- reimbursement of reasonable legal fees, moving costs and other disturbance costs incurred.

## Property Hardship Scheme

### What is the Property Hardship Scheme?

The Property Hardship Scheme is currently "interim" in nature because it was up and running before this consultation took place and is subject to change following consultation feedback which will be taken into account in the development of the final Property Hardship Scheme.

The Property Hardship Scheme aims to assist property owners who have a compelling need to sell their property but have been unable to do so, except at a substantially reduced price, because of our proposals to expand Heathrow, and as a consequence are facing significant hardship. Under the proposed Property Hardship Scheme, property owners who can demonstrate that they meet certain eligibility criteria will be able to have their property purchased by Heathrow at its unaffected open market value.



Whilst the Property Hardship Scheme enables eligible applicants to sell their property earlier, it is worth noting that the offer under the Property Hardship Scheme is different to the compensation offers in Heathrow's Land Acquisition and Compensation Policies (as summarised above), which, for example, offer eligible applicants an additional loss payment of 25% of the unaffected open market value of the property (excluding development value). This is not available under the Property Hardship Scheme.

We believe it is important to have a scheme available to assist owner occupiers currently facing significant hardship. We therefore developed an Interim Property Hardship Scheme on which we would like your feedback. This feedback will be taken into account in the development of the final Property Hardship Scheme.

#### How do I know if I am eligible?

To qualify for the Property Hardship Scheme, applicants must meet the following five criteria:

##### 1. Qualifying interest

An applicant must be an owner-occupier of private residential property, an owner-occupier of small commercial premises, an owner-occupier of an agricultural unit, a personal representative of a deceased person with a qualifying interest, a reluctant landlord (a homeowner who has had to let their property to facilitate an essential relocation and has not purchased a new property), or a mortgagee (the lender in a mortgage, typically a bank or building society).

##### 2. No prior knowledge

Applicants must have bought their property before 17 December 2013.

##### 3. Proximity to runway

The property must be close enough to the new runway that it is likely that it would be substantially negatively affected by the runway's construction or operation. Properties within the CPZ and WPOZ will automatically be considered to meet this criteria.

##### 4. Efforts to sell

An applicant must be able to provide evidence that reasonable efforts have been made to sell the property and that an offer within 15% of the property's unaffected open market value has not been received.

##### 5. Hardship

Applicants will need to demonstrate that they have a compelling need to sell their property and that they would suffer exceptional hardship if they are unable to sell as quickly as would be expected in normal circumstances.

Please refer to our Interim Property Hardship policy and Panel Guidance to see further details about the offer.

If you would like a large text or alternative format of this document, please contact us on 0800 307 7996 or send an email to us at: [info@heathrowconsultation.com](mailto:info@heathrowconsultation.com)

#### There are lots of ways you can contact us and find out more



**online** via our project website  
[www.heathrowconsultation.com](http://www.heathrowconsultation.com)



**call** our freephone number:  
0800 307 7996 (open Monday to Friday, 9am-6pm)



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