

Property protection scheme

Central Railway has pioneered its own Property Protection Scheme (PPS) to address the issue of possible blight for line-side property. The PPS operates in areas along the route where Central Railway proposes constructing new railway.

The PPS goes well beyond minimum UK statutory requirements in terms of level and type of compensation. In particular, it covers line-side properties the value of which could be affected rather than just those that have to be purchased for construction. For much of the route, the company's proposal is to improve existing railway or restore former railway lines. This means that relatively few properties would need to be demolished bearing in mind the length of the route overall, although in some cases adding track to existing railway corridors may involve acquiring some additional land.

The PPS works to prevent the problem of 'blight' faced by property owners in advance of the project proceeding. It gives householders a transferable option from the date it is agreed by Central Railway. This enables them to sell their property at any time they wish with the guarantee that if the railway is built the value of the property will be protected. It acts like an insurance policy and gives the owner complete control over whether or not to exercise the option. In particular as it is pre-agreed it gives property owners something of value now rather than something undefined in the future. As the option price is agreed when the agreement is drawn up and is then automatically indexlinked upwards only, the property owner knows at anytime the value of this protection.

More than 1,100 homeowners have taken up PPS agreements with Central Railway. Central Railway deals regularly with home-owners as well as prospective purchasers and their solicitors and estate agents along the route and the PPS is effective in helping with the sale of properties. In fact the company is aware that

over 35% of properties which have an option have been put on the market and subsequently sold or have been re-mortgaged. It should be noted that the fact that a property has been given an option does not necessarily mean that it is for sale.

The PPS has been widely acclaimed and commended. A 1997 study from the then Department of Environment, Transport and the Regions into the effects of blight thought that the PPS came closer than any other scheme to addressing the issue of blight.

The scheme acts as a template for all types of property, including agricultural and business premises which may be directly affected by the construction of the railway. In practice, the proposed railway would affect few commercial properties, but for those properties directly affected, the company intends working with local authorities to facilitate the provision of alternative premises. For agricultural land, the company wishes to establish a code of practice to agree with landowners.

How the PPS works:

- An option agreement gives the owners the right to sell their property to Central Railway at an agreed price. This right can be exercised once construction work has started in the owner's area.
- The agreed price is based on the fair open market value of the property, ignoring any possible effect of Central Railway. This agreed price is index-linked upwards only to Halifax PLC's "Existing Houses" index for the relevant region. This means that if house

prices go up then so will the price at which Central Railway would buy the house. However, even if property prices fall after the agreement is signed, the owner will never receive less than the price stated in the agreement. Where the homeowner has subsequently carried out improvements, which have added value to the property, Central Railway has agreed to increase the price to reflect this.

- The option agreement is automatically transferable with the property. If an owner sells the property then these rights go to the new owner. It should be noted that as the option agreement is one-way Central Railway cannot use the PPS to force homeowners to sell their properties to the company.
- The PPS does not affect the owner's statutory rights and leaves them free to pursue their other rights to compensation. However if they receive other compensation they cannot then exercise their rights under the PPS.
- The agreement lasts for the legal maximum of 21 years and property owners have complete discretion as to whether and when they exercise their rights.
- In addition to the option price itself, the homeowner also receives an allowance to help with moving costs and an additional sum for the stamp duty on the alternative property purchased.

How to apply

Central Railway's PPS covers in general lineside properties that are adjacent to where the company is proposing to construct new railway. The scheme does not operate where the railway would be in tunnel. People who believe that they may be eligible for the PPS should write to the company's property department at Central Railway PLC, 17 Cockspur Street, London SW1Y 5BL. The company reviews each application case by case and, if appropriate, it will make the PPS available to the current owner or purchaser.

Minimising noise

Central Railway is studying the potential noise effects of its proposals and these will be reported in an Environmental Statement. Current analysis of the freight market indicates that the railway will operate mostly by day - rather than by night - as this is when there is most demand.

Since the proposed railway will, for the most part, run along transport corridors already subject to significant noise impacts, the main concern of nearby residents is likely to be how much additional noise they might experience due to intensification of use. Central Railway intends to mitigate noise by putting noise barriers in place and it has made provision in its budget for these and associated landscaping in built-up areas. Pilot studies have shown that with noise barriers in place, the majority of properties nearby will not experience a significant increase in noise. In some instances noise levels will in fact decrease. This is because new barriers that will mitigate the noise from existing railway traffic as well as that from Central Railway's trains.

There is an additional legal requirement for Central Railway to provide compensation where noise levels exceed a statutory threshold. Normal practice is for compensation to be dealt with once the railway is open. Preliminary investigations have shown that between 1% and 2% of properties within 300 metres are likely to experience additional noise above the compensation threshold.

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