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Old Amersham
Buckinghamshire
HP7 0DQ
27 November 2012

Alison Munro
Chief Executive
High Speed 2 Ltd
Eland House
Bressenden Place
London
SW1E 5DU
Dear Ms Munro

Guidance on eligibility for the Exceptional Hardship Scheme

I am writing to you to express my concern on the management of the Exceptional Hardship Scheme (EHS).

In order to be eligible for EHS, a potential applicant must have marketed their home for 3 months and received no offer within 15% of the '*current unaffected open market value*'. It seems that there is confusion on what constitutes meeting this test.

At the Chalfont St Peter road-show on 26 November 2012 about the proposed new compensation arrangements, we were told that HS2 Ltd were now attributing a different meaning to '*current unaffected open market value*' for a property from that given in the guidance accompanying the EHS application form.

We were informed by several of HS2 Ltd's staff, including Maya Tung, that the expression means 'the price at which a potential applicant has been advised (by estate agents) to market their property'. For the sake of clarity we will call this the 'asking price'

As is well known an 'asking price' is often higher than its actual worth as it is pitched to take account of offers.

We believe that this interpretation is contrary to the meaning given to '*current unaffected open market value*' in the FAQ's issued in January 2011, which we were told was withdrawn because it was incorrect. This is puzzling as the current (July 2012) application form has unchanged wording, being:

'..... the current unaffected open market value for the property (that is the price it would most likely have achieved other than for the announcement of the route)'

This plainly means the expected market realisation (or sale price) were HS2 not to have been announced – not the price at which it is marketed ie the 'asking price'.

Further the reason offered by Maya Tung for the 15% reduction to the '*current unaffected open market value*' in the test of eligibility, was that CBRE (your retained property experts) had advised that most house sales are made within 15% of the asking

price. In effect supporting the interpretation that its 15% below the 'asking price' and not 15% below the 'expected market realisation'.

This was an entirely new explanation of the 15%. Previously it has been defended severally as a criterion for discernible difference in value; in line with other similar schemes like Crossrail; and if you are trying to sell a property you might be prepared to accept a lower offer in particular if it's proving hard to sell.

There is clearly some issue about what test is to be applied. Could you please clarify? I would add that Martin Wells and another lady (possibly from DfT) were also party to this discussion along with Maya Tung and myself. There also seemed to be some dispute as to whether you had changed your policy from the early days.

Given that this 15% threshold is repeated in your proposals for a long term hardship scheme, its significance is not restricted to EHS.

Yours sincerely,

A handwritten signature in black ink, reading "Hilary Wharf.", enclosed in a thin black rectangular border.

Hilary Wharf
Director, HS2 Action Alliance
cc
Maya Tung