

BAASTANSTEDHOMEVALUEGUARANTEESHEME

GUIDELINES

27 January 2004

Introduction

In order to build a new runway at Stansted Airport, once planning permission has been granted, land and property will be needed. The area of land which may be required for a runway has been drawn on a map (attached to these Guidelines), which enables home owners to see whether their properties will be affected by the new runway scheme. This area is known as the Proposed Expanded Airport Boundary.

BAA has not yet applied for planning consent for the new runway, but we recognise that home owners living within the Proposed Expanded Airport Boundary may feel that the uncertainty of living with the potential impact of the new runway is unsatisfactory and that they may wish to sell their properties. BAA will offer to buy these properties on the terms set out in these guidelines.

These guidelines explain how the Home Value Guarantee Scheme works and what you should do if your property falls within the Proposed Expanded Airport Boundary and you would like BAA to purchase it.

Do you qualify?

You must have a "qualifying interest" at the date of application, in any residential, small commercial or agricultural property in the Proposed Expanded Airport Boundary. This means you must be an owner-occupier of one of these types of property. You will not have a qualifying interest if the property is let by you or if you are a tenant.

In the case of all property, at the time BAA agrees to buy the property you must either:

have owned it and lived there for at least six months before this date; or

if the property is empty, it must not have been empty for more than 12 months and you must have lived there during the six months prior to it becoming empty. You will not have a qualifying interest if the property is let by you or if you are a tenant.

The guidelines for commercial properties are the same, except that, in order for it to be eligible, the property must have an annual value for rating purposes of no more than £24,600 (2000 Rating List).

Will your property be eligible?

If your property, or any part of it, falls within the Proposed Expanded Airport Boundary then BAA will offer to purchase your property upon the terms set out in this booklet.

How much will BAA pay for your property and will you get additional compensation?

BAA will pay the market value of your property. This is the price that it would have sold for if the new runway had never been proposed. The valuation will, of course, take into account the condition of your property, its existing location and surroundings, as well as the effects of the existing airport, but it will remove any negative effect of the proposed new runway.

The price BAA will offer to you will include a separate amount relating to the curtains and carpets, and fittings in situ in the property, which will be agreed with you as part of the valuation.

If BAA buys your home because it is within the Proposed Expanded Airport Boundary, BAA will agree to pay, where appropriate:

- Reasonable disturbance costs associated with your move. These might include, for example, removal costs, the costs of disconnecting and reconnecting utilities and services, three months' redirection of post, and changes to stationery, but NOT temporary accommodation.
- Reasonable legal costs associated with the sale of your home and the purchase of alternative accommodation.
- If you are purchasing an alternative or replacement property, BAA will pay you an amount equivalent to the Stamp Duty payable by BAA on the purchase of your existing home.
- An ex-gratia home loss payment of 10% of the value of your home, which will be paid at the time that BAA is granted planning permission for the new runway. This will form part of the contract for sale of your property, should BAA purchase it.

Market Value

BAA will obtain a valuation to assess the value of your property as it was at June 2002, before the Government's consultation paper was published. This figure will be index-linked to the Land Registry's published record of house price movements in Essex, to ensure that your property keeps up with changes in house prices since June 2002. If you apply to sell your property to BAA under this scheme, the value will be based on the index-linked value for your type of property for the three months before the date of the offer.

For example, if an offer is made on a detached property in Molehill Green in August 2004, the market value as at June 2002 will be index-linked to the Land Registry's published record of house price movements for detached properties in Essex for the quarter April - June 2004 compared with April - June 2002.

These figures are available to view on the Land Registry website on
www.landreg.gov.uk

You may also appoint a valuer, whose reasonable costs will be borne by BAA should you proceed with the sale. This valuer must be a qualified member of the Royal Institution of Chartered Surveyors and must carry out the evaluation in accordance with the BAA Basis of Instructions – Residential Properties, which are available on request. Such firms familiar with the housing market in the area include (but are not limited to):

- Sworders – 01279815300
- Mullucks Wells – 01279755400
- FPDSavills – 01279655575
- Gearing and Co – 01279758758
- Snow Walker Associates – 01799521761
- Lloyd Williams – 01992560561

BAA's valuer will also advise both you and BAA if a structural or other survey of the property is required before a valuation can be arrived at. The valuation reports will be submitted to BAA and then copied to you.

BAA's offer will be based on the mid-point of these two valuations, provided that they are not more than 10% apart. If the valuations are more than 10% apart, then BAA will refer the valuation to a third valuer, which may be the District Valuer. The average of the closest two of three valuations will then be the offer price.

For Agricultural and Commercial properties, the valuation instructions will similarly seek to arrive at the market value as if the Government had not proposed a new runway.

How to Apply for the Home Value Guarantee Scheme

Use the copy of Form 1A attached as Appendix 2 of these Guidelines. When you, or your agent, have completed it, send it to:

FAO: Mrs Deborah Fazan
Home Owners Guarantee Scheme
Property Office
Enterprise House
Stansted Airport
Stansted
Essex CM241QW

Telephone: 01279663112

Appendix 1: Plan of the Proposed Expanded Airport Boundary.
Appendix 2: Form 1A