

**THE LONDON BOROUGH OF BARNET
(WEST HENDON REGENERATION AREA)
CPO No 1 2014**

**SUMMARY STATEMENT OF EVIDENCE
OF
PAUL WATLING BSc MRICS**

(CAPITA Surveyors on behalf of the London Borough of Barnet)

PLANNING INSPECTORATE REF: APP/NPCU/CPO/N5090/74016

PAUL WATLING SUMMARY STATEMENT

1. INTRODUCTION

- 1.1 My name is Paul Watling. I am a Member of the RICS, a Registered Valuer and have 28 years experience in valuation of residential and commercial property assets throughout the UK. I currently head the Valuation Division at Capita.
- 1.2 In February 2014, Capita was instructed by the London Borough of Barnet to negotiate the acquisition of property interests identified within the Compulsory Purchase Order that is requested to be confirmed by the Secretary of State to enable the development of Phase 3 of the West Hendon Regeneration Project.
- 1.3 My proof addresses the following matters:
 - The land and interests acquired by private treaty negotiations to date;
 - The approach to the negotiations
 - The progress in those negotiations to date
 - Commercial relocation
 - Comment upon objections relevant to the issues covered in this Proof.

2. LAND AND INTERESTS ACQUIRED BY PRIVATE TREATY NEGOTIATIONS

- 2.1 The Regeneration Project was publicised in 2003. In the expectation of compulsory purchase powers being granted, Metropolitan Housing Trust entered negotiations with leaseholders of properties on the West Hendon Estate and in West Hendon Broadway. This resulted in 31 property acquisitions between July 2004 and September 2008, including 7 properties located in the current Order Land.

3. LAND & INTERESTS TO BE ACQUIRED BY THE COUNCIL

- 3.1 The properties to be acquired by Capita on the Council's behalf comprise:
 - Long leasehold residential interests in Franklin House, Tyrrel Way and Marriotts Close. These comprise 'the Estate Properties' held by 'leaseholders'. These properties were, in the main, acquired by leaseholders under the Right to Buy scheme.
 - Freehold investment interests (subject to leases) and subsidiary long leasehold interests in properties at 181/ 197 West Hendon Broadway (odd numbers). Referred to as 'the Broadway Properties', these comprise the ground floor and basement commercial interests and those upper floor flats where long leaseholds have been granted by the freeholder.
- 3.2 In addition, as part of Phase 3, Capita was required to assist the Council in the acquisition of land and rights to facilitate the construction of a cycle and pedestrian bridge over the Welsh Harp Reservoir at Cool Oak Lane.
- 3.3 Finally, Capita was required to assist in the acquisition of a strip of land comprising part of the former 'Deerfields' social club to facilitate the widening of Station Road required in connection with a later phase of the scheme.

4. NEGOTIATIONS TO DATE

- 4.1 Negotiations have been conducted by myself and my colleague, Rosie Moore.

CAPITA

- 4.2 On 5th March 2014 Capita sent introductory letters to parties with compensatable land interests; the leaseholders of the Estate Properties and the freeholders and long leaseholders of the Broadway Properties.
- 4.3 The letters explained rights to compensation, the heads of claim and rights to professional representation with recovery of reasonable fees. They also stated the date by which vacant possession would be required.
- 4.4 Capita advised that its surveyors would be visiting the Estate to undertake inspections on Thursdays and Fridays, commencing on 20th March 2014.
- 4.5 Inspections were primarily focussed upon the Estate Properties, although we also inspected 181 West Hendon Broadway at the request of the freeholder. This was undertaken jointly with the freeholder's representative.
- 4.6 While specific arrangements were made where requested, the majority of inspections were undertaken on an ad-hoc basis.
- 4.7 Capita's surveyors explained the CPO procedure and enquired whether leaseholders would be interested in pursuing the Developer's Share Equity option.
- 4.8 At the date of this Inquiry, Capita has made contact with all owners of compensatable land interests, or their agents, within the Order Land.
- Prepare an Estimate of Value
- 4.9 Following inspections, Capita prepared an estimate of Market Value of all compensatable land interests within the Order Land. In accordance with the Compensation Code, this was assessed in a 'no scheme' scenario where the landowner is entitled to the Market Value of its property plus a statutory loss payment, disturbance and reimbursement of reasonable professional fees.
- 4.10 Capita continues to review evidence and I will amend our estimate of Market Value if appropriate to keep in line with market fluctuations.
- Agree Fees with Agents
- 4.11 Hourly fee rates have been agreed with agents acting on behalf of affected parties. The exceptions are Robert Clifford of Richard John Clarke and Adrian Rose of Tanner Rose. Fee submissions will be subject to approval of time sheets by Capita.
- Initial Offers to Acquire the Estate Properties
- 4.12 On 4th June 2014, Capita submitted offers to leaseholders of Estate Properties. The offers were in respect of the Market Value element only.
- 4.13 Negotiations in respect of the CRT land and the land at Station Road were conducted separately.
- Progress in Negotiations
- 4.14 Save for two leaseholders of Estate Properties, all owners of compensatable land interests have appointed surveyors.
- 4.15 Capita has sought to engage with agents throughout. Rosie Moore and I have endeavoured to respond promptly to points raised, queries and counter-offers.
- 4.16 Negotiations have been conducted by letter, email and telephone and are recorded in the Negotiation Schedule at Appendix 6 to my Proof.

- 4.17 Following preliminary negotiations, a review of evidence submitted by leaseholders' agents and my own further investigations, I reviewed my opinion of Market Value in August / September 2014 and revised offers were submitted to leaseholders of the Estate Properties; firstly on 23rd September and then, again, on 17th November.
- 4.18 The offers made are in respect of one and two-bed units, the former differentiating between those in the high-rise Franklin House and the low-rise Marriotts Close.
- 4.19 As previously mentioned, there are two unrepresented leaseholders to whom offer letters have been sent directly. Discussions have been conducted with one of those parties, Mr Kahoul. The other, Mrs Erza-Essien, we have recommended to seek professional advice and no negotiations have been conducted with her to date.
- 4.20 Negotiations are at an advanced stage with CRT and the owner of the Deerfields site at Station Road. Heads of Terms have been drawn up and exchange of contracts is anticipated shortly.
- 4.21 I believe that the action taken demonstrates the Council's willingness to negotiate and to reach settlements by private treaty negotiations.

The Broadway Properties

- 4.22 Capita has contacted, met with, and commenced initial negotiations with all instructed agents for these properties and carried out inspections for the majority. Initial contact was made by letter on 5th March 2014 with follow-up correspondence on 29th July and 2nd October requesting engagement.
- 4.23 This correspondence advised parties of the vacant possession date in 2017 and their rights under the Compensation Code. While reasonable efforts have been made to engage with businesses in Broadway Properties, detailed discussions to date have been limited. However, Capita will continue to engage with business occupiers and will assist with relocation when appropriate.

Engagement with Leaseholders and their agents

- 4.24 Rosie Moore and I attended an open meeting at Marsh Drive Community Centre where the level of initial offers was discussed. I have also responded directly to leaseholders as a group and individually.
- 4.25 Capita remains committed to achieving settlements by private treaty negotiation, but I understand it may ultimately be necessary to exercise compulsory purchase powers if agreement cannot be reached.
- 4.26 These are difficult properties to value; there is no directly comparable evidence and the application of expert judgment is necessarily greater than when considering property where there is a more ready supply of comparable transactions. However, Capita has consistently considered 'fair' Market Value in accordance with the Compensation Code.

5. TABLE 2 NEGOTIATIONS

- 5.1 Capita sent letters to all third parties listed in Table 2 of the CPO Schedule on 10th July 2014. These advised those parties that they might suffer loss of rights to light or access and invited claims from those who felt they might be losing a compensatable right. Capita has received a number of requests for information and some applications for compensation. In all cases we have immediately responded and have advised those third parties that, in our opinion, no compensatable loss has or will be suffered.

6. COMMERCIAL RELOCATION

- 6.1 As previously mentioned, Capita has made reasonable efforts to engage with businesses in the Broadway Properties. Following the initial mailshot of 5th March 2014 and follow-up correspondence we have also provided guidance regarding assistance in business relocation.
- 6.2 As a result of those approaches, contact has been made with all commercial occupiers and the majority of properties have been inspected. We are continuing our inspection programme.
- 6.3 Details of discussions to date are set out in the Negotiations Schedule.
- 6.4 Capita has made business occupiers aware of their rights and obligations under the Compensation Code. To date, no assistance has been requested regarding business relocation. However, Capita will provide assistance when required.

7. RESPONSES TO OBJECTIONS

Lack of Negotiation

I believe that my evidence demonstrates that Capita has endeavoured to progress negotiations with affected parties and their agents throughout the process to date. There remains a divergence in opinion as to Market Value.

Initial Offers do not represent Market Value

Capita has presented its opinion of Market Value throughout the exercise. I continue to review evidence and Market Values in the area.

No Attempt to assist in Business Relocation

Capita is committed to engaging with business occupiers and to providing assistance as and when required.

8. CONCLUSION

- 8.1 I have exercised professional judgment in assessing Market Value of the respective interests throughout. I have engaged with agents and leaseholders and reacted where appropriate.
- 8.2 I believe that my evidence demonstrates that Capita has exercised reasonable endeavours to progress negotiations. Our commitment is demonstrated by the agreements already reached, subject to contract, with CRT and the owner of the Deerfields site.
- 8.3 I also believe that Capita has taken appropriate action to engage with businesses and assistance will be provided regarding relocation when it is requested or appropriate.

9. STATEMENT OF TRUTH AND DECLARATIONS

- 9.1 I confirm that I have made clear which facts and matters referred to in this report are within my own knowledge and which are not. Those that are within my own knowledge I confirm to be true.
- 9.2 The opinions I have expressed represent my true and complete professional opinions on the matters to which they refer.
- 9.3 I confirm that my report has drawn attention to all material facts which are relevant and have affected my professional opinion.
- 9.4 I confirm that I understand and have complied with my duty to the Public Inquiry as an expert witness which overrides any duty to those instructing or paying me, that I have given my evidence impartially and objectively, and that I will continue to comply with that duty as required.
- 9.5 I confirm that I am not instructed under any conditional or other success-based fee arrangement.
- 9.6 I confirm that I have no conflicts of interest.
- 9.7 I confirm that I am aware of and have complied with the requirements of the rules, protocols and directions of the Public Inquiry.
- 9.8 I confirm that my report complies with the requirements of RICS – Royal Institution of Chartered Surveyors, as set down in the RICS practice statement Surveyors acting as expert witnesses’.



Paul Watling BSc MRICS

19th December 2014