

Frequently Asked Questions

AIMS OF THE PROPERTY MARKET SUPPORT BOND AND HOME OWNER SUPPORT SCHEMES

Why are you introducing the schemes?

These are voluntary initiatives by BAA Heathrow, designed to offer support to those who may be worst affected by the future operation of the proposed new runway.

We are introducing this to:

- Meet the requirements of the government's "Future of Air Transport" White Paper. This advised that the "airport operator will need to put in place a scheme to address the problem of generalised blight resulting from the runway proposal.
- Provide support to owner-occupiers by protecting the value of their houses. The guarantee that we will purchase eligible property at an index-linked value is designed to remove uncertainty and sustain confidence in the local property market.
- Help owner-occupiers who may wish to relocate prior to the opening of the new runway.

THE BAA SCHEME VERSUS LEGAL BLIGHT SCHEMES

I am eligible for the Property Market Support Bond- what is the difference between this and statutory provisions, i.e. CPO (compulsory purchase orders)

Our scheme provides assistance at a much earlier stage and terms are more generous than CPO provision. See the scheme booklet for more information – PAGE 7.

PROPERTY MARKET SUPPORT BOND AND HOME OWNER SUPPORT SCHEME BOUNDARIES

Why have you set the Home Owner Support Scheme boundary at 66 Leq?

66 Leq is the boundary for similar schemes, approved by the Department for Transport. These schemes operated within a contour that is comparable to 66 Leq.

66 Leq defines the area that the Government predicts to be the extent of medium to high levels of community annoyance from aircraft noise in the year 2030. This boundary is the most reasonable estimate of blight directly attributable to the proposed new runway.

Why do the boundaries for both schemes not include entire villages, i.e. why are some properties included and others not?

Any scheme will have a defined boundary. We have adopted the 66 Leq contour on the basis that a comparable contour has been used in other UK schemes and that it defines an area in which medium to high community annoyance from aircraft noise is predicted in the year 2030. We opted for consistency.

TIMINGS FOR BLIGHT ASSISTANCE SCHEMES

The booklet says I am eligible for the Property Market Support Bond. When can I apply for the bond?

You can apply for a Bond from October 2005. Should BAA Heathrow meet the very strict environmental targets the Government has set us and should we then apply for planning permission for a third runway, the scheme would come to an end at that point.

When will BAA Heathrow apply for planning permission?

No decision has yet been made about the future of Heathrow. The Government is conducting studies to see whether a runway would be environmentally acceptable. It is looking at air quality, noise levels and public transport. It has said it will report back on these at the end of 2006. BAA Heathrow could not apply for planning permission until all this work has been done, and only then, if the Government says a runway would be environmentally acceptable.

WHAT BAA WOULD BUY UNDER THE BLIGHT ASSISTANCE SCHEMES

Will you also purchase land – not just homes - if it is within the Property Market Support Bond boundary?

Commercial properties that have a rateable value of no more than £24,600 in the 2000 rating list are eligible. Agricultural land is also eligible.

I own land within the Property Market Support Bond boundary- can I build on this land?

Any new builds will be taken into consideration and will be subject to the same eligibility criteria. You should note the criteria on multi-property ownership and owner-occupation, i.e. to be eligible for assistance you must be the owner-occupier and it must be your only property.

INDEX LINKING EXPLAINED

In the Property Market Support Bond booklet (page 9 Q6), why is no comparable area listed for index- linking purposes?

On the index-linking mechanism, it isn't mentioned in Step 6 on page 9 because it doesn't apply at that stage: the June 2002 value is not determined by reference to the Greater London index. The June 2002 value is worked out by the RICS valuer looking at actual house sales in the area in June 2002, when they conduct their valuation. It is that price which is then inserted in the Bond.

On page 10 of the Property Market Support Bond it says that a bond holder can sell the bond to BAA "based on the index-linked value for that type of property for the most recent quarterly index published by Land Registry (for Greater London)". The index linked property price for a detached house in Greater London was £428,559 in quarter two 2002 whereas in quarter 1 2005 it was £616,997 -are you saying that is what you would base you valuation on?

The Greater London index is only used to calculate the change in price from 2002 up to the date you apply for us to buy your property. This calculation is only done if you ask us to buy (should you redeem the Bond). So, if should BAA apply for planning permission, if you have a Bond and then ask Heathrow Airport Ltd (HAL) to buy your property then the price we will pay will be:

- a) the June 2002 value as stated in the Bond plus
- b) any increase /decrease as a result of movements in the average price of houses in Greater London over the intervening period (obviously, if there was a decrease, you wouldn't have to redeem the Bond - there's no obligation).
- c) plus the legal / disturbance costs and stamp duty equivalent, as set out in the booklet (page 9)
- d) plus 10% home loss payment if planning permission was given (without the £34k cap that you'd get under statutory schemes).

For example if you ask HAL to buy your house in June 2009 and the June 2002 value was agreed at say £500,000 and the house prices in Greater London have risen on average by 25% (from June 2002 to June 2009) we will pay out £500,000 + £125,000 (25% of £500k). Then if planning permission was given you'd get another £62.5k (10% of the sale price).

The advantage of this over compulsory purchase, is that all this will have been done should planning permission have been granted, rather than having to wait for permission before statutory blight provision applies. Plus, if PP is given, you get a full, uncapped 10% home loss payment (under statutory blight schemes, it's capped at £34k).

The issue is timing - it all starts if we announce we are going to apply for planning permission - no-one has to wait until planning permission is granted to receive assistance. With statutory provisions, it could be years before that happened and it might not even be granted.

WHEN WILL BAA BE BUYING PROPERTY WHICH IS LOCATED IN THE BLIGHT ASSISTANCE SCHEME BOUNDARIES

Would BAA Heathrow consider purchasing properties earlier and renting them back to residents?

We won't buy properties now because as yet no decision has been made about plans for the future of Heathrow. If we bought up the area, it could damage the local property market and community cohesion, all for a project that might not go ahead.

TYPES OF PROPERTY OWNERS – INHERITING AND RENTING

What about if I inherit a property in the area, or I want to leave it in my will to someone?

If the property has passed to you, you can apply for a bond. However, the principle is one bond per eligible applicant.

Is it worth me extending the lease on my flat?

We have written to all residents who live in affected areas to explain the options available to them. On the basis of this information, lease-holders should make their own decision about lease extension, perhaps with the advice of their solicitor.

LISTED BUILDINGS

What will happen to listed buildings?

Listed buildings will be treated the same as non-listed buildings for the purposes of valuation. They will be valued individually and accurately, as are all properties in the scheme.

INFORMATION CIRCULATING IN THE HEATHROW VILLAGES

I have received information telling me that my home will be uninhabitable/ in an enclave- why am I not included in the schemes?

Understandably, no-one has had the details of the schemes until now, and for that reason, there has been a lot of rumour.

The scheme administration team (0208 745 4929) can answer your questions, based on the facts of the each scheme.

PLANNING PERMISSION FOR A THIRD RUNWAY & CONSTRUCTION

Will there be a public enquiry?

If the Government authorises BAA Heathrow to apply for planning permission, there will be a full public enquiry as part of this process.

What is the earliest that BAA Heathrow could expect to start construction?

2015-2020, according to the Government's White Paper.

NOISE / OTHER ISSUES

I am currently affected / annoyed by aircraft noise – what about me?

BAA Heathrow runs a noise complaints line that you can call for free on 0800 344 844. The scheme administration team cannot advise you on this.

We are also launching an assistance scheme for property-owners who are affected by noise from current airfield operations- see below.

Where can I find information on noise insulation and vortex?

BAA Heathrow runs a 'vortex protection scheme' that deals with roofs that are damaged by vortex from planes. You can find out more information on this and our noise insulation scheme by calling 020 8745 7930.

ASSISTANCE FOR RESIDENTS AFFECTED BY HIGH LEVELS OF NOISE FROM CURRENT AIRPORT OPERATIONS

How was the noise contour decided?

The Government's White Paper identified the 2002 69 Leq noise contour as the area subject to high levels of noise and where noise insulation would be most effective.

What is a 69 leq noise contour?

This is the area that, averaged out over a 16 hour summer day, is affected by a level of noise that is 69 decibels of noise or more. The Government publishes noise contour maps, based on the amount of noise over the area for a single year. This 69 Leq is for the year 2002.

Do I have to move?

No. This is an entirely voluntary scheme. It is there for you to take advantage of if you want to move to a quieter area, away from the airport noise.

Can't I just take the financial package without moving?

No. The scheme is for home owners who want to move to a quieter area.

What about people who rent?

Short-term tenants are not included in the scheme, because it is designed to help home-owners realise the large financial asset that is their home, and whose moving costs are significantly higher than those of people who rent. However, longer-term leaseholders will be eligible.

What if the house is jointly owned?

You can only apply once, and for one assisted relocation package per property. Joint home owners will need to make their own arrangements for apportioning the assistance package between them, in agreement with their solicitor. They will both be treated as having applied under the scheme.

What if I am not buying another house?

That doesn't make a difference. The package is not dependent on your buying another house.

However, if you move back into the area covered by this scheme, or into the area covered by BAA Heathrow's schemes to prevent property blight, you will not be eligible for those schemes.

What if I move after 2010, when you say you will review the scheme ?

The scheme will be reviewed after 5 years, in 2010. Details of what happens then will be available at that time.

I'm an eligible tenant – what will I get?

Long-term leaseholders with at least three years left on the lease are eligible for the scheme. Rather than receive a lump sum and percentage of the sale price of the home, they'll get the lump sum and a percentage of the sale price of the lease.

Will mortgage lenders, or other people selling a property they do not live in (for example in the case of a defaulted loan, or an inherited home) be eligible?

No. The scheme is only for eligible people who are moving voluntarily away from the area affected by noise.

Does the scheme cover moving costs and stamp duty on a new home?

The aim of the scheme is to provide assistance for those eligible home owners in the 69 decibel Leq noise contour who want to move away. It is not designed to cover all moving costs, although we estimate that the package will meet the whole or most costs for a large number of home owners.

Why can't the scheme be negotiated individually?

We believe that our proposals are fair and responsible and should be applied equally to all who are eligible, rather than individually negotiated.

The scheme does recognise that each home is different, by having part of the package made up of a percentage of the sale price as well as a lump sum.

What about compensation for stress and inconvenience?

The scheme is designed to help home owners move to a quieter area if they want to: no-one has to move.

We fully appreciate the importance of a home, as well as the stress that is related to moving house. The voluntary financial assistance we are offering is intended to go some way to alleviating the cost of moving.

There is also no rush to decide whether or not to take advantage of the scheme; the scheme will be available to eligible people for at least five years, when it will be reviewed.

When does the scheme start?

We are still finalising the processes that need to be put into place to properly administer the scheme so we do not expect to be able to make any payments before October 2005.

Any eligible householder who completes their sale between the launch of the scheme (Friday 12 August 2005) and October will still be eligible for relocation assistance, but payment will not be made until October. You can apply for relocation assistance at any time until the scheme expires.

What should I do now if I am thinking of moving house?

Before you exchange contracts on the sale of your house, you can write, using the form at the back of the booklet, to the Scheme Administrator to register your interest in relocation assistance.

If you decide to sell your property and move to a quieter area, your solicitor or conveyancer can make a formal application for relocation assistance on your behalf when you complete the sale (using the second form at the back of the booklet.)

I have received noise insulation for my house from BAA Heathrow in the past.

So if it requires noise insulation, why is it not eligible for this scheme?

People are disturbed by airport noise across a wide area of London. This scheme helps people to move who are MOST affected by airport noise. The past scheme (which is unaffected and will continue) uses different criteria. The criteria for this scheme were set by the Government's White Paper (see "why 69 leq contour?" above)

NOISE INSULATION SCHEME FOR COMMUNITY BUILDINGS

Who decided on the 63 decibel Leq noise contour?

The Government's White Paper identified the 63 Leq noise contour as the area of medium-to-high levels of noise, where noise insulation would be most effective. The scheme will be reviewed in five years when there will be an opportunity to review the scheme's criteria.

Is BAA providing any alternative forms of noise mitigation for community buildings?

We are setting up a community-led body that will make decisions on priority of work, ventilation, and alternative forms of mitigation.

How will the work be prioritised?

The community-led body will make that decision, not BAA.

What areas of the buildings will be insulated?

Again, the community led body will take that decision.

What will the scheme provide?

The scheme will provide 100% of the costs of secondary glazing or high specification replacement windows in eligible rooms within noise-sensitive buildings inside the 63 Leq noise contour.

When does the scheme start?

The scheme will start as soon as the community-led body has been set up. They will contact all eligible buildings once this has been done.

GETTING EXTRA INFORMATION

- The government's white paper – www.dft.gov.uk or 020 7944 8300
- Copies of BAA Heathrow's draft interim master plan – 0800 169 5569
- Extra copies of the scheme booklets – 0800 169 5569
- Copies of the scheme booklets in an alternative format or in a community language
0800 731 4247