



**BAA Edinburgh** 

## Property Market Support Bond

Protecting local property values  
inside the expanded boundary  
of a potential two-runway airport

July 2005

# Application for a Property Market Support Bond Option Agreement

Form PMSBE1

This form may be completed by the applicant or by an agent on the applicant's behalf. The 'applicant' is the eligible person, and their details must be completed in all cases.

## Reference

(for insertion by BAA plc)

\_\_\_\_\_

### Applicant's details

Full name of applicant(s)

\_\_\_\_\_  
\_\_\_\_\_

Address

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Postcode

\_\_\_\_\_

Telephone no.

\_\_\_\_\_

Email

\_\_\_\_\_

### Agent's details

Name of agent

\_\_\_\_\_  
\_\_\_\_\_

Address

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Postcode

\_\_\_\_\_

Telephone no.

\_\_\_\_\_

Email

\_\_\_\_\_

### Property details

Address of property

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Postcode

\_\_\_\_\_

**(i) For owners to complete**

I/we acquired a qualifying interest in this property on the following date \_\_\_\_\_

Date of expiry of lease, if leasehold \_\_\_\_\_

**(ii) For representatives of a deceased person to complete**

I am/we are the personal representative(s) of the deceased person (name) \_\_\_\_\_

who, to the best of my/our knowledge, acquired a qualifying interest in this property on the following date \_\_\_\_\_

The deceased owned the freehold/leasehold interest. \_\_\_\_\_ Date of expiry of lease, if leasehold

**(iii) For mortgagees to complete**

I am/we are entitled as mortgage lender(s) by virtue of a power which has become exercisable to sell this interest.

To the best of our knowledge, the person(s) entitled (otherwise than as a mortgagee) to this qualifying interest,

namely \_\_\_\_\_

acquired it on the following date \_\_\_\_\_

This mortgage was entered into on the following date \_\_\_\_\_

- Note:**
- To be eligible for voluntary purchase, you must have a qualifying interest in the property. This broadly means you must be an owner of a residential property, or owner-occupier of a small commercial or agricultural property. Owners are only eligible for one property under the scheme.
  - In the case of a dwelling, then at the time BAA agrees to buy it you must;  
be living in your property and have owned it and lived there for at least six months before this date;  
**or**  
if the property is let, then you must have owned the property for at least six months before this date, and this must be the only property you own in the UK;  
**or**  
if the property is empty, it must not have been empty for more than twelve months and you must have lived there or let the property during the six months prior to it becoming empty. You will not have a qualifying interest if you are a rental leaseholder with less than three years left on your lease.
  - The rules for small commercial properties are similar to those for dwellings except that in order for it to be eligible, the property must have an annual value for rating purposes not exceeding £24,725 (2000 Valuation Roll).

**I/we therefore apply for a Property Market Support Bond Option Agreement in respect of this property.**

Signed \_\_\_\_\_

Name(s) \_\_\_\_\_

(Block capitals)

On behalf of \_\_\_\_\_ Date \_\_\_\_\_

(Where acting as agent)

## Introduction – Richard Jeffrey



Richard Jeffrey, Managing Director, BAA Edinburgh

If Edinburgh Airport builds a second, parallel runway in the future, in line with the Government's *The Future of Air Transport* White Paper proposals, a number of local properties would fall within an expanded airport boundary. This booklet contains the final detail of BAA Edinburgh's voluntary blight scheme to guarantee the value of eligible properties, now and in coming years, as well as the details of the financial assistance which we would offer if we decided to take a second parallel runway project forward.

We have developed this voluntary scheme following consultation with our neighbours – residents, community councils, local authorities, MPs, MSPs and professional bodies. Along with our colleagues at the other BAA airports who are also introducing schemes – Heathrow, Stansted, Gatwick, and Glasgow – we have looked at the suggestions, questions and concerns raised by our local communities and developed a scheme that we think is both fair and responsible.

This booklet is in two parts. The first part explains how we have done this – because we believe that it is important to be transparent. The second part sets out the details of the support we are offering; how the scheme will work; and what steps eligible applicants should take, to take advantage of it.

At this stage, we still don't know if a second parallel runway at Edinburgh will be needed. Much will depend on the future growth of air traffic and it could be many years before a decision is taken and planning permission sought. But we appreciate that this uncertainty causes a problem for property owners who may be affected by the potential runway development.

What we can do at this stage is to provide certainty that in case the development of a second parallel runway does happen, the value of properties that would have to be purchased by BAA Edinburgh will be protected in the meantime, and that property owners will be guaranteed assistance if the project goes forward.

The law does not usually provide any support or compensation until planning permission is granted. Our voluntary scheme is designed to provide support potentially years earlier than the law requires. Our scheme therefore aims to:

- guarantee the market value of affected properties, so that people can buy in the area, safe in the knowledge that when they sell, their property value should not be affected by blight
- provide voluntary support to affected property owners, years earlier than the law requires it
- enable people to sell their property to BAA Edinburgh at an unblighted market rate if we decide to apply for planning permission for a new runway
- reimburse property owners for their moving and legal costs when they sell to BAA Edinburgh, and pay them an additional home loss payment of 10% of the selling price if we get planning permission.

While this booklet contains the detail of the Property Market Support Bond Scheme, we still need a little time to put all our administrative processes in place before we can implement the scheme. **The scheme will therefore come into effect on 3 October 2005.**

The suggestions we made in the consultation paper were generally well received across the airports concerned. We are grateful to everyone who gave time to respond to the consultation. We take our responsibilities towards our neighbours very seriously and we have taken note of your comments. We have therefore tried to incorporate some new elements to the scheme which take account of your views and which will make the scheme even better. The responses were analysed by an external consultancy, Avia Solutions. We have published their report in full on the BAA website for you to read. It is at [www.edinburghairport.com/aviareport](http://www.edinburghairport.com/aviareport).

We made two very significant changes to the scheme, because of your suggestions. We explain these decisions in more detail inside the booklet, but in brief, they are:

1. We removed the requirement that to be eligible for the scheme you would have had to own the property on the day that the Government's White Paper was published (16 December 2003)
2. We have included some landlords in the scheme, if they are working away from the area and are renting out their family home.

I hope very much that you will feel that the scheme has been improved by the process, and that you will find it goes some way towards mitigating the impacts of living next to Scotland's capital airport.

Richard Jeffrey

Managing Director, BAA Edinburgh

## Our consultation

### *The Future of Air Transport White Paper*

In its White Paper, *The Future of Air Transport* (December 2003), the Government asked airport operators to consult on details of voluntary schemes to address “generalised blight” resulting from its proposals for new airport development, and to put them in place quickly.

The White Paper says that generalised blight is the wider impact on property prices arising from the prospect of airport development before statutory protection is available.

### What we consulted on

In September 2004, in the booklet *Protecting Against Blight*, we consulted with local people – residents, businesses, campaign groups, local councils and MPs – on the best way to protect the value of properties in the area where land would be required for any new runway development. The consultation was initially open for 12 weeks, and at the request of local people, was later extended by a further three weeks.

We proposed a voluntary scheme for the area where land would be required for a second parallel runway (if it went ahead). If you had been resident at the time the Government’s air transport White Paper was published, and a residential or agricultural owner-occupier or the owner of businesses premises with a rateable value of up to £24,725 (2000 Valuation Roll), you would be able to apply for a Property Market Support Bond.

This Bond would guarantee that BAA Edinburgh would buy your property, at an unblighted market rate, if BAA Edinburgh announced that it intended to apply for planning permission for a new runway. The Bond would also be transferable to subsequent buyers. We intended that the existence of this guarantee would mean that local properties could, in the meantime, be bought and sold with confidence that runway development proposals would not affect property prices, because an unblighted market price was guaranteed by BAA Edinburgh.

### Questions we asked you

We asked for general comments. We also asked for your views on some particular issues that we thought might be of concern, because we didn’t want to assume we knew the answer.

#### The questions

1. If BAA Edinburgh decided to introduce a Property Market Support Bond, would you support the scheme?
2. Is the name “Property Market Support Bond” easily understandable? Do you propose any alternative name?
3. Do you agree that BAA Edinburgh should use the June 2002 Register of Scotland’s Executive Agency values as the starting point for index-linking property values? If not, what alternative starting point would you suggest?
4. Should the scheme only be open to owner-occupiers – those who would be the most financially penalised by any development-related fall in the property market?
5. Do you agree with BAA Edinburgh’s proposal to restrict eligibility in order to prevent property speculation in the area after the White Paper was published?

### How we consulted

The aim of the consultation was to gauge the opinions of local stakeholders so that we could improve on our proposed scheme, engage with specific groups with particular concerns, and have an open line of communication with people directly affected by the Government’s proposals.

We have not made any assumptions about the views of those who didn’t respond to the consultation. As expected, some views were expressed by small numbers of people.

There are Government guidelines on the best way to conduct a consultation, which we have followed, and continue to do so:

- Consult widely throughout the process, allowing a minimum of 12 weeks for written consultation at least once during the development of the policy.
- Be clear about what your proposals are, who may be affected, what questions are being asked and the timescale for responses.
- Ensure that your consultation is clear, concise and widely accessible.
- Give feedback regarding the responses received and how the consultation process influenced the policy.
- Monitor your department’s effectiveness at consultation, including through the use of a designated consultation co-ordinator.

We consulted on two schemes to prevent property blight: the Property Market Support Bond, for people with property on the land safeguarded for a potential new runway; and the Home Owner Support Scheme, for people living outside the potential expanded airport but who would be newly affected by medium-to-high levels of noise. This booklet is only about the **Property Market Support Bond**.

The consultation paper was sent directly to 31 potentially-affected people and organisations around Edinburgh: residents, community councils, local authorities, MPs and MSPs, businesses, campaign groups and professional bodies. Additional copies were also sent, for example, to local councils for general distribution. There were 14 submissions representing a response rate of 16.1%.

To help people to respond, so that we could hear the views of as many people as possible, as well as sending the consultation document direct to homes and businesses and posting it on our website, we also publicised the consultation in the following ways:

- We generated news coverage in the local print and broadcast media
- We briefed the Edinburgh Airport Consultative Committee, whose members include representatives from local councils including the City of Edinburgh Council, West Lothian Council, Fife Council, Borders Council, Midlothian Council and Falkirk Council
- We also responded to individual requests for information, often involving detailed conversations and encouraging callers to send in their views
- We met with local residents from the Lennymuir area at a public meeting.

### How we analysed the responses

At the beginning of this booklet, Managing Director, Richard Jeffrey, emphasised the importance we place on transparency. It is important that you are able to see how we have come to the decisions that we made.

For that reason, this section sets out BAA's decision-making process. We know that this is interesting to some people, although not to everyone. It is not necessary to read this to understand how the scheme will work.

The diagram below simply sets out our process for making these decisions.



The diagram shows several groups. We need to explain who they are:

#### **Avia Solutions**

Avia Solutions is a consultancy, and was appointed by BAA to analyse the consultation responses for all the BAA airports involved. We believed it would be better for an external company to do this work, so that it could be externally verified.

#### **BAA Policy Review Working Group**

This is a group of managers from BAA's affected airports who work in the community liaison, property, legal and planning departments. They analysed Avia Solutions' findings, tested a range of variations to the scheme and carried out supporting research on the various options. They then made a series of policy recommendations to the BAA Protection Policies Group.

#### **BAA Protection Policies Group**

This is the more senior decision-making body. It is chaired by BAA's Chief Executive and comprises group-wide directors responsible for planning, finance, regulation and public affairs. It examined the policy recommendations and made the final decisions about the shape of the scheme.

## How we responded

This section is about the issues you raised during the consultation process and how they influenced our thinking, and ultimately, the final shape of the scheme. We briefly indicate in the boxes how we responded to the consultation responses, but the full detail is in the next section, on pages 7-11.

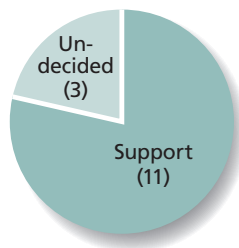
We have not identified the comments made by any single person or organisations here, for reasons of confidentiality and data protection.

### Question 1

#### General support for the Bond

Eleven out of 14 respondents to the Edinburgh Consultation would support a Property Market Support Bond. The remaining three were undecided.

While supporting the bond, one respondent said it required more money to make the scheme acceptable. Another comment made was that the scheme should be amended to address the generalised blight currently affecting their property.



#### Our response to issues in Edinburgh and elsewhere

- **Postponing the scheme?** We cannot delay implementing the scheme until the Government has made its decision. The Government's White Paper asked us to start the scheme as soon as possible, and we also feel it is important to launch a scheme to protect property values and offer certainty now.
- **Publishing a map of the affected area** We are publishing a map of the affected area in this document. We were not able to delay the consultation until a map was available.
- **Paying more than market value** Under the Land Compensation (Scotland) Act 1973, as amended by the Planning and Compensation Act 1991, for properties that have been compulsorily purchased, an additional 10% home loss payment of the property's price must be paid as compensation to the property owner, subject to a current maximum of £15,000. BAA has voluntarily decided to bring forward the 10% home loss payment to when planning permission is granted, and also to remove the £15,000 maximum cap.
- **Paying estate agents' fees** We do not agree that we should pay estate agents' fees. Property owners selling to BAA Edinburgh do not need to use estate agents as intermediaries.
- **BAA keeping its word** BAA will most definitely keep its word.

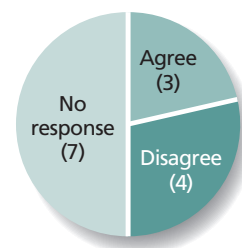
### Question 2

#### Understanding the name "Property Market Support Bond"

Three respondents agreed that the name "Property Market Support Bond" was easily understandable, while four disagreed and seven did not respond. Of the seven respondents who were undecided or did not answer, one commented on the need for further information on or clarification of the scheme.

Some alternative names were suggested, including the "Blight Compensation Bond" and "Edinburgh Airport Compensation Bond (Blight)"

One respondent argued that it should not just be a bond but offer real cash support for all factors blighted by the proposed airport development.



#### Our response to issues in Edinburgh and elsewhere

- **The scheme's name** We have not changed the name of the scheme, as the overall majority who responded felt that the name was understandable. The aim of the Bond is to support the local property market, and so we feel that this name is the most appropriate. We will work hard to ensure that the scheme is well understood.

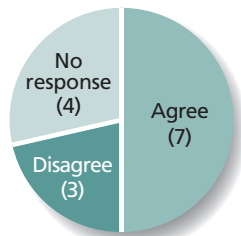
### Question 3

#### Using the 2002 Register of Scotland's Executive Agency index as a starting point for index-linking property values

Seven respondents agreed using the Register of Scotland's Executive Agency 2002 values as the starting point for index linking property values. Three respondents disagreed and four did not respond. Four respondents were unsure about the definition of "Local" in relation to house prices. Their concern seemed to be that this will be drawn in a way which disadvantages them.

One resident commented in favour of using the most up-to-date Registers of Scotland values and another felt it would be fairer to investigate prices prior to 2002 to establish when any blight began to take effect.

One resident argued that Government values were understated and should be supplemented with information about local values compared to those of similar unblighted areas.



#### Our response to issues in Edinburgh and elsewhere

- Using Register of Scotland's Executive Agency 2002 index as a benchmark** We will keep the Register of Scotland's Executive Agency 2002 index as the starting point for index-linking property prices once we have valued a property. We understand that there is a range of views about when airport development-related blight may have begun in the area, but having considered the matter, we feel that June 2002 remains a good benchmark.

### Question 4

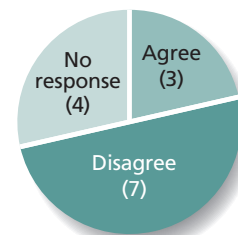
#### Opening the scheme to owner-occupiers only

At Edinburgh, only three respondents said the scheme should be open only to owner occupiers; seven respondents disagreed and four did not respond.

One respondent commented that owners of small businesses should also be covered under the scheme. Another referred to landlords as being equally affected by the proposals.

Two respondents asked that long-term tenants (including local authority tenants) be included.

One respondent pointed out that restricting the scheme to owner-occupiers would exclude a number of potential purchasers from the market and give rise to additional blight.



#### Our response to issues in Edinburgh and elsewhere

- Landlords joining the scheme** We did not agree that commercial landlords with multiple properties should be eligible for the scheme. We also did not agree that they would experience a fall in their rental income because of the possibility of a second parallel runway being built in 10-15 years' time.
- Exceptions** However, we recognised some circumstances in which some landlords could be eligible. For instance, someone may own a property in the area but is working away and renting out the family home. We therefore decided to open the scheme up to such landlords, providing that this is their only UK property. Our principle will be one person, one property, one bond.

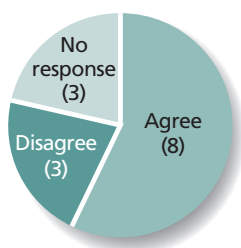
### Question 5

#### Using eligibility restrictions to prevent property speculation

Eight respondents indicated support for restricting eligibility. Three respondents did not support it and three did not respond.

One respondent stated that the eligibility period should be for a minimum of one year. Another felt that this kind of restriction further blighted the area by discouraging potential purchasers from the market.

One professional body supported the scheme but felt that the 'minimum period property marketed' figures were unrealistic because price did not determine how long a property took to sell. The same time period should be set for all properties.



#### Our response to issues in Edinburgh and elsewhere

- **A date of occupancy to be eligible** We have removed the need to have owned your property on the date of the White Paper's publication (16 December 2003). Instead, eligibility will now relate to occupancy of the property at the time the Bond is exercised.

### Question 6

#### Other comments

Other comments included:

A local MP commented that the £24,725 business rate eligibility limit was unreasonable and unfair and that the compensation plans should be amended.

One respondent wished to see road traffic noise and nuisance included in the definition of blight. Another stated that the scheme was insufficient to protect against blight, especially with the long period of uncertainty between now and the scheme coming into force. A quick decision was needed.

Another respondent commented that the scheme must treat all parties as favourably as schemes put forward at other airports.

One local authority noted that the consultation document used some English phraseology and referred to legislation which did not apply to Scotland.

BAA was asked to clarify whether the consultation covered the southern expansion land identified and, if not, how that area was to be dealt with.

#### Our response to issues in Edinburgh and elsewhere

- We are writing separately to the owner-occupiers of five residential properties which fall within the extended airport boundary but where the expansion of the boundary is unrelated to any new runway. We will clarify for them our intentions in respect of the southern expansion.

# Details of the BAA Edinburgh Property Market Support Bond

This section contains the detail of the Property Market Support Bond scheme, which includes information on:

- Legal support and compensation
- What the scheme is designed to do
- The area where the scheme applies
- Who is eligible for the scheme
- What you will get from the scheme, and when
- How the scheme works
- What you need to do next.

## 1. Legal support and compensation

Where land and properties need to be bought by a public body, statutory undertaker or infrastructure provider (such as BAA Edinburgh), the law allows that organisation to apply for a **Compulsory Purchase Order**, normally during the planning application process or after planning approval has been given.

Under a Compulsory Purchase Order, the land and property have to be bought by the developer at a fair, unblighted market price (ie as if no development had been proposed and no reduction in value had occurred). Eligible property owners are therefore **guaranteed** compensation under law for loss of their property.

However, this compensation is only paid **once the developer has bought the property**.

In the event that a second parallel runway goes ahead at Edinburgh, it is likely to be many years before planning approval is granted and properties will have to be bought. In the meantime, there is no legal obligation to provide any support, although property values could be affected in the years before Compulsory Purchase Orders are granted.

However, in the years leading up to any compulsory purchase, it is recognised that an assurance of this later statutory compensation is not always enough to keep a property marketable. To allow for this, owner occupiers may have an entitlement in law to serve a **Blight Notice**, allowing them to require the promoter to purchase their property. These provisions only apply in tightly-defined circumstances, and are set out in sections 100-122 of the Town and Country Planning (Scotland) Act 1997.

## 2. Aims of the Property Market Support Bond

In order to support the local property market in the years before eligible property owners could receive any statutory support, we have developed a voluntary scheme, which aims to do two things:

- First, to make sure that properties in the area where land would be needed for any new runway development can be bought and sold at normal market rates in the years before any development takes place. This is to counter any negative impact on property prices caused by the Government's proposals for possible runway development.
- Second, to enable people who take part in the scheme to sell their property to BAA Edinburgh, if BAA Edinburgh announces its intention to apply for planning permission for a new runway.

Our voluntary scheme means that people **won't have to wait until planning permission is granted for any support or compensation** against blight, as they would generally have to if BAA Edinburgh only fulfilled its legal obligations.

## 3. The area where the scheme applies

The scheme applies to the area where land would be required by BAA Edinburgh for a new runway development. We indicate this area in the **map at the back** of this document. The Government asked us to develop the map of this area as part of our Outline Airport Master Plan, which was published in May 2005. It is not necessary to read it to understand this scheme. **Everything you need is in this booklet.**

### Non-BAA schemes

It is possible that at a later date development would be proposed by other developers outside this boundary, such as by the Scottish Executive or Transport Initiatives Edinburgh for new transport infrastructure. Any scheme to address the impact on properties by such additional development would be the responsibility of the appropriate developer, and would not be covered by BAA Edinburgh's voluntary scheme. However, BAA Edinburgh will make sure that the local community is kept fully up to date with any such proposals.

#### 4. Who is eligible for the scheme?

You will need to meet some qualifying criteria in order to exercise the right to require BAA Edinburgh to buy your property under the scheme. The list of criteria is below, and the diagram below helps to explain who is eligible. The overarching principle is that the scheme is only open to **one property per eligible applicant**.

**Your eligibility only applies at the point when you ask BAA Edinburgh to buy your property.**

Therefore, we will only seek to verify your eligibility at that point, and not when you apply to BAA Edinburgh for a Bond. You can apply for a Bond at any time, but you must meet the eligibility criteria when you wish to exercise your Bond.

There are two main criteria: the type of property and your "interest" in it (whether you own, it, rent it out or are a tenant); and how long you have lived there.

##### i. Type of property and your "interest" in it

You are eligible for the scheme if, on the date when the Bond is exercised:

- you are the owner-occupier of a residential home or an agricultural property
- or**
- you are the owner of a house and renting out your property, and this is the only property that you own

in the UK. (Note that we will require a statutory declaration, witnessed by a solicitor, that this is your sole UK property. We may wish to see some evidence of tax status for those working abroad.)

**or**

- you are a long-term rental leaseholder with at least three years left on your lease

**or**

- you are the owner of a commercial property with a non-domestic rateable value of not more than £24,725 in the year 2000 Valuation Roll.

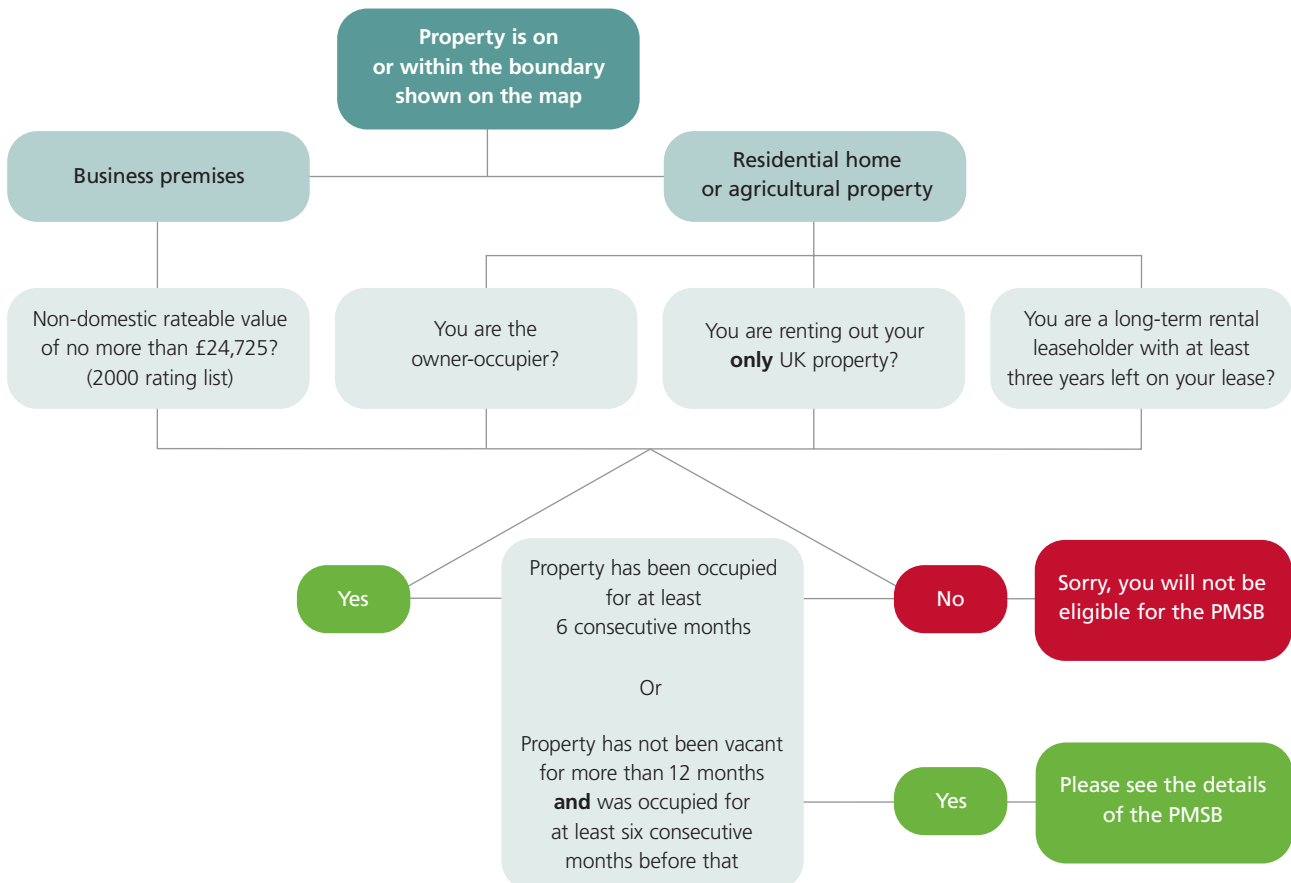
**and**

##### ii. Length of time you have owned or lived in the property

You are eligible for the scheme if, on the date when the Bond is exercised:

- you have lived in the property for at least six consecutive months
- or**
- you have rented out the property as a landlord for at least six consecutive months
- or**
- the property has not been empty for more than 12 months and was lived in for at least six consecutive months before it became empty.

If BAA Edinburgh announces it is applying for planning permission, you can ask them to buy your property if:



## 5. What you will get from the scheme, and when

While this booklet contains the detail of the Property Market Support Bond scheme, we still need a little time to put all our administrative processes in place before we can implement the scheme. **The scheme will therefore come into effect on 3 October 2005.**

This section explains what you will receive when it comes into effect

### i. Before BAA Edinburgh announces that it will apply for planning permission

If you join the Property Market Support Bond scheme, we will give you a Bond. This is a guarantee that if BAA Edinburgh announces its intention to apply for planning permission for a second parallel runway, we will buy your property at a price which is index-linked to June 2002 property prices, provided you meet the eligibility criteria at the time you exercise the Bond. You can apply for a Bond at any time from 3 October 2005 until BAA Edinburgh receives planning permission for a new runway.

You can transfer the Bond, so if you sell your property, it will transfer to the new owner.

### ii.

If BAA Edinburgh is granted planning permission, the voluntary scheme would close and the statutory blight provisions would apply.

### iii. If BAA Edinburgh announces that it will apply for planning permission

If BAA Edinburgh announces that it intends to apply for planning permission for a new runway development, you can then redeem your Bond (if you are eligible), if you choose to. Once you sell your property to BAA Edinburgh and vacate it, BAA Edinburgh would then pay you:

- an unblighted price for the property, which includes curtains, carpets, fixtures and fittings, worked out by index-linking the value since June 2002, including any allowance for substantial home improvements you have made since June 2002 (not including decorating)

**plus** reasonable disturbance costs linked to the move. This might include removals, utilities connections, and redirecting your post for three months

**plus** reasonable legal costs for the sale and for buying somewhere new

**plus** a lump-sum equivalent to the Stamp Duty of the property you are selling, if you purchase a replacement property

**plus** once BAA Edinburgh is granted planning permission, an extra voluntary home loss payment of 10% of the value of your property. This would be written into your contract when you sell your property to BAA Edinburgh. This is consistent with statutory compensation (under the Land Compensation [Scotland] Act 1973 and the Planning and Compensation Act 1991), for properties that have been compulsorily purchased, an additional 10% of the property's price must be paid as compensation to the property owner, subject to a current maximum of £15,000. However, BAA has removed the £15,000 maximum cap.)

## 6. How the scheme works

There are three main stages to the process:

**Stage 1** Applying for a Property Market Support Bond

**Stage 2** Valuing your property

**Stage 3** Selling your property.

The diagram on page 10 will take you through these stages step by step.

### Stage 1

#### Applying for a Property Market Support Bond

You can apply any time from 3 October 2005 until BAA Edinburgh is given planning permission for a new runway development. At that stage, the statutory provisions would apply and BAA Edinburgh may use a Compulsory Purchase Order to buy your home if it falls within the final area where land is required for new runway development.

If you wish to apply for a Bond, see page 11 (What you need to do next).

### Stage 2

#### Valuing your property

The following steps explain the process for valuing your property. The diagram below will help you to understand this process.

**Step 1** BAA Edinburgh's RICS-qualified (Royal Institute of Chartered Surveyors, the chartered surveyors' professional body) valuer will visit your property in order to assess what its value was in June 2002, before the Government made any proposals for new runway development in the area. The valuer will be an expert and very experienced in property valuation.

**Step 2** If our valuer thinks that a structural or other type of survey is needed before an accurate valuation can be given, then the valuer will tell both you and us.

**Step 3** If you want to, you can appoint your own RICS-qualified valuer. We will pay your valuer's reasonable costs, but to qualify for this your valuer would need to carry out the valuation in accordance with BAA Edinburgh's formal instructions.

**Step 4** The valuer will give the valuation to us and we will also send a copy to you.

**Step 5** If your valuer's valuation is within 10% of our valuer's valuation, then the value will be the average of the two valuations. If the difference between them is more than 10%, we will arrange a third valuation, and the value will be the average of the closest two.

**Step 6** We will issue you with a signed Property Market Support Bond which includes the valuation. You should keep this Bond with your Deeds, and append a copy to sales details and homebuyers packs.

### Stage 3

#### Selling your property

To another person:

Before BAA Edinburgh announces it intends to apply for planning permission you can attach the Property Market Support Bond to your sales details. The rights that accompany the Bond will then be transferred to the new owner, subject to meeting the eligibility criteria set out above.

To BAA Edinburgh:

If and when BAA Edinburgh announces it intends to apply for planning permission you can require us to buy your property, under the Property Market Support Bond scheme, subject to meeting the eligibility criteria set out above.

You can do this at any time from the announcement until planning permission is granted, at which point the statutory provisions will apply and BAA Edinburgh may use a Compulsory Purchase Order to buy your home if it falls within the final area where land is required for the new runway development.

These are the steps you would take:

**Step 1** Contact BAA Edinburgh and ask us to buy your property, under the scheme.

**Step 2** BAA Edinburgh will verify your eligibility.

**Step 3** BAA Edinburgh will update the valuation of your property, based on the index-linked value for that type of property for the most recent quarterly report

published by the Register of Scotland's Executive Agency for the Lothian area. We may ask to see the property, to check whether there has been any deterioration since we first valued it. If that has happened, we reserve the right to get a revaluation. You can ask us to take any substantial improvements you have made to the property into account (for example, an extension, or a fully refitted kitchen or bathroom, but not redecoration).

**Step 4** We will make you an offer, based on the valuation.

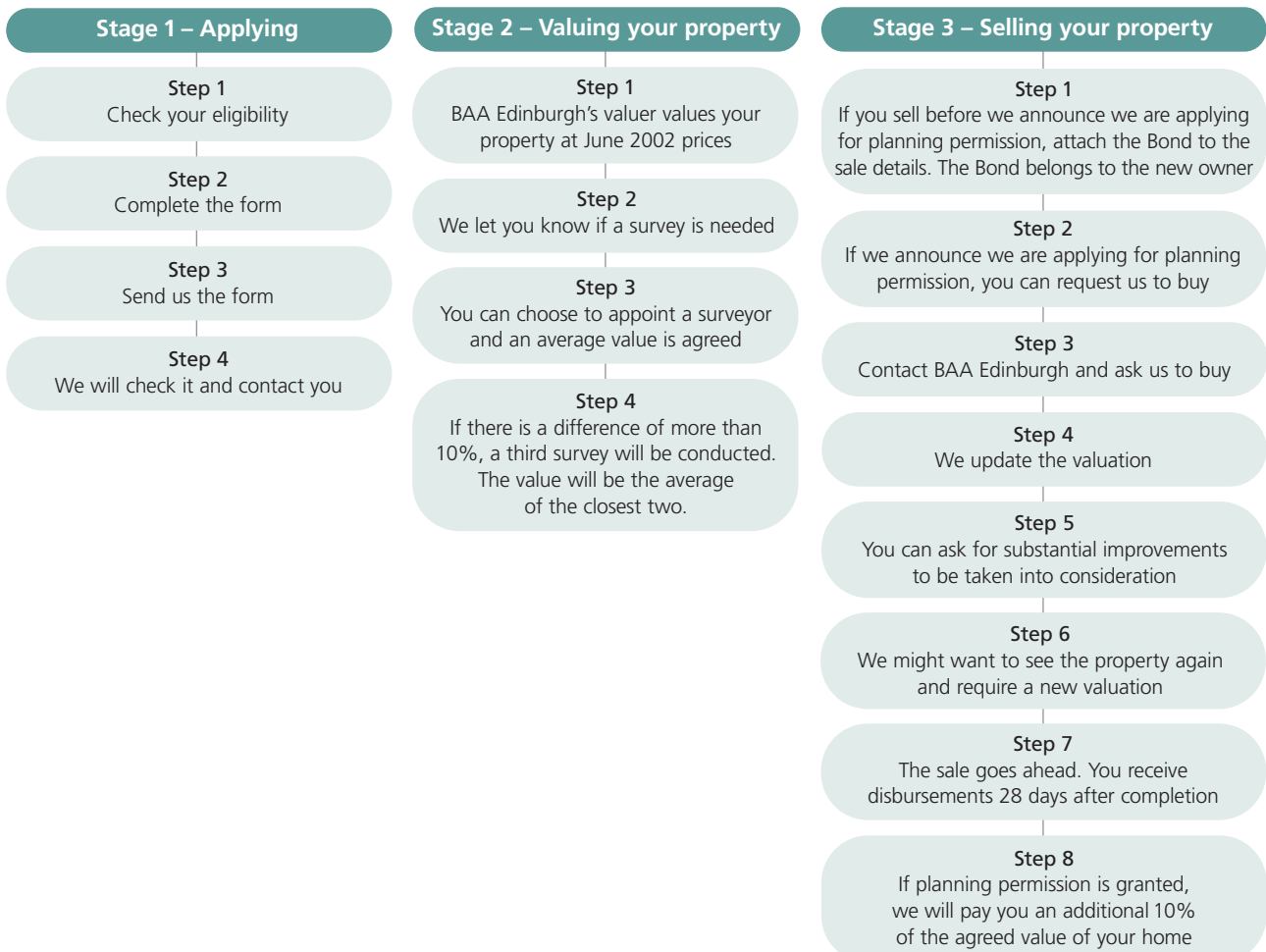
**Step 5** If you accept the offer, then you will instruct your solicitors to sell your property to BAA Edinburgh, and BAA Edinburgh will buy the property.

If you do not accept the offer, then you do not have to take part in BAA Edinburgh's voluntary scheme and can wait until the statutory scheme applies.

**Step 6** On completion of the sale, and once the property is vacated, BAA Edinburgh will pay you the reasonable legal costs, reasonable removal costs and a sum equivalent to the Stamp Duty on the property you are selling, within 28 days.

**Step 7** Once BAA Edinburgh is granted planning permission for the new runway development, we will pay you an additional 10% of the agreed value of your property as a home loss payment.

### The Property Market Support Bond process



## 7. What you need to do next

This scheme will start on 3 October 2005. You can apply for a Bond at any point from this date, until statutory provisions come into force. However, you do not need a Bond unless you wish to sell your home (to BAA Edinburgh, or to someone else).

Therefore, if you are not thinking about moving home soon, it is not necessary to apply for a Bond immediately, because this scheme will run for several years.

When you wish to apply for a Bond, you should:

- i. Check whether you are eligible (see page 8)
- ii. Complete Form PMSBE1 at the back of this booklet
- iii. Send the form to:
  - Property Market Support Bond
  - BAA Edinburgh
  - Administration Buildings
  - Edinburgh Airport
  - Edinburgh
  - EH12 9DN

BAA Edinburgh will then check the form and contact you.

If you have any questions, you can call 0131 344 3343 or email [edinburghbond@baa.com](mailto:edinburghbond@baa.com) for further information.

You can also ask for extra copies of this booklet from this number, or download a copy from the internet at [www.edinburghairport.com/bond](http://www.edinburghairport.com/bond).

## Frequently asked questions

Here are the answers to questions that you might ask. We hope you find them helpful. If you can't find the answer you are looking for here, please call 0131 344 3343.

### What about people who live outside the boundary, who do not qualify for assistance?

BAA Edinburgh is also introducing a second scheme – the Home Owner Support Scheme. This will work to prevent property blight in the area that would be newly exposed to medium-to-high levels of noise from a second parallel runway. We consulted on this at the same time as we consulted on the Property Market Support Bond. Details of the Home Owner Support Scheme are available by calling 0131 344 3343 or online at [www.edinburghairport.com/hoss](http://www.edinburghairport.com/hoss).

### I live in a semi-detached house on the boundary – are both properties included?

If part of the building is inside the boundary, the whole property will be treated as being inside.

### Why don't you just apply for planning permission now, and buy up local properties?

The Government has said that it is too early to know if a second parallel runway at Edinburgh is required. A decision on this development could be many years away and is very much dependent on how air traffic grows over forthcoming years.

### Who decides what constitutes "reasonable" in relation to disturbance and legal costs?

As this is a discretionary scheme, BAA Edinburgh will determine this. We hope that common sense will prevail on both sides, to ensure those homeowners who do move are properly reimbursed for the normal expenses associated with that move.

### Can we trust you to honour your word?

The Bond is an agreement between you and BAA Edinburgh. The scheme itself is voluntary (we did not have to do this), but we will be completely bound to honouring the Bond with you if you are eligible.

We will also make sure that if we buy your property from you under the scheme, that the contract ties us to paying you a 10% home loss payment if we receive planning permission.

### How many homes will be required inside the proposed expanded airport boundary?

We do not yet know how many homes would be required for a new runway development, which is why the scheme will cover the boundary that has been published in BAA Edinburgh's recently published Outline Master Plan. This area contains 28 properties.

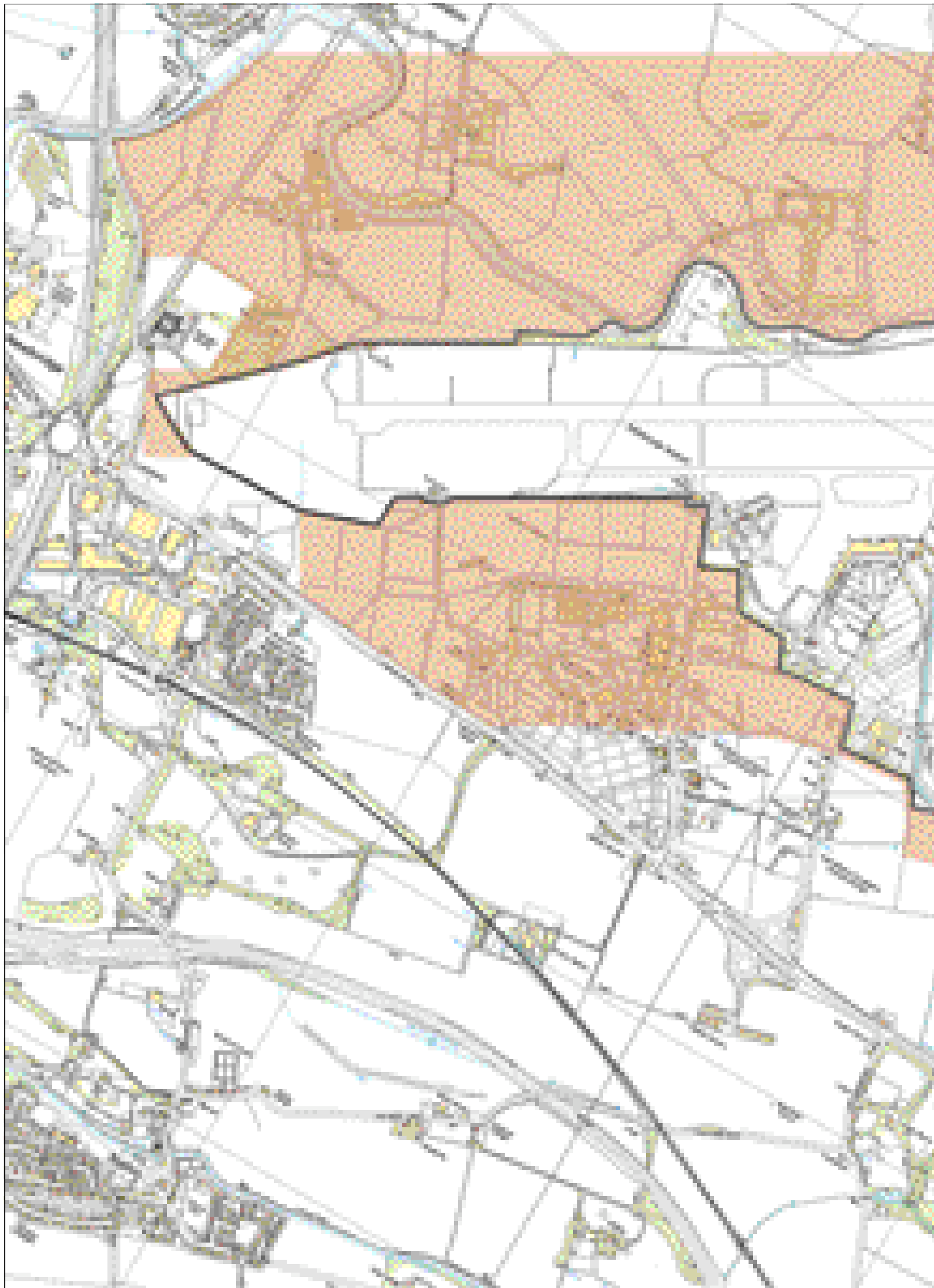
### What happens to commercial properties?

The guidelines also apply to commercial properties which have an annual value for rating purposes of no more than £24,725 (2000 Valuation Roll).

### Will you publish a list of all those properties that will be affected?

We are contacting all those affected properties in the potential new airport boundary, and sending them this booklet. We are not publishing the details of any individual property owner.







**Edinburgh Airport**  
Blight Scheme  
Property Market Support Bond

This drawing is for Planning purposes only. All dimensions are subject to confirmation and approval by Group Airside Operations and local Airfield Operations.

The information contained in this drawing has been provided in an electronic format on the understanding that the data will only be used in relation to BAA plc business. The data must not be passed to any third parties, nor any amendments undertaken, without the prior approval of BAA plc Planning and Surface Access (PSA). If the data is altered in any way then the drawing frame must be deleted and all references to PSA removed.

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**Legend**

- Existing Airport Boundary
- Property Market Support Bond scheme boundary

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➔ [www.edinburghairport.com/bond](http://www.edinburghairport.com/bond)

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