

Attitudes and potential behavioural responses to the Alternative Cash Offer and Voluntary Purchase Scheme

Independent qualitative research for the
Department for Transport

November 2014

Foreword

Foreword from Robert Goodwill, Parliamentary Under Secretary of State for Transport

I am taking this opportunity to thank all the people who made this report possible by giving up their time so generously and expressing their views so openly. That commitment has helped shape and will continue to help shape how HS2 Ltd engages with those living and working along the line of route.

From 8 July to 30 September 2014 the government consulted on two new discretionary cash payment schemes: the alternative cash offer (now called the 'cash offer') and the homeowner payment. These are part of a broader package of discretionary property schemes that demonstrate our continued commitment to going beyond what is required by law in order to support owner occupiers.

We recognise that communities thrive when families put down roots, when children are settled in school, when businesses can build up a customer base, when friendships grow over years. That is why the cash offer provides an incentive for owner-occupiers to stay and keep that community cohesion alive by giving them the option of taking 10% of the value of their property instead of selling their home to the government.

It is also an innovative and untested policy. So alongside the consultation we commissioned Brook Lyndhurst, an independent social research company, to carry out in-depth interviews with owner-occupiers eligible for the cash offer. Those interviews are summarised in this report.

We have listened to what people have said in these interviews and noted the desire expressed by participants in the research to have more detailed information specific to their particular circumstances, and ideally delivered by HS2 Ltd. We realise that we need to do more to ensure that we communicate clearly and helpfully with those who are concerned about what HS2 will mean for their homes and their communities. We have already worked to streamline and clarify the guidance and application process for discretionary property schemes.

That is why I am happy to say that the Residents' Charter, developed by HS2 Ltd, will help ensure residents are informed of developments relating to land and property matters fairly, efficiently and clearly.

January 2015

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Executive Summary

Introduction

- This report presents the findings from independent research to understand attitudes and potential behavioural responses towards two proposed schemes for the owner-occupiers of properties in rural areas outside safeguarding but within 120m of the HS2 Phase One line – that is, within the ‘Rural Support Zone’:
 - under the Voluntary Purchase Scheme (VPS) eligible property owners will be able to sell their property to the Government for its un-blighted value
 - under the Alternative Cash Offer (ACO) they would be able to receive 10% of the un-blighted value of their property and remain living there
- The aim of the research was to provide an in-depth understanding of the perceptions, attitudes and intentions of eligible property owners, rather than to generate statistical data.
- 42 qualitative interviews – involving 70 respondents – were undertaken with property owners potentially eligible for the schemes. There are an estimated total of 225-275 eligible properties in the Rural Support Zone. Property owners on the north, middle and south sections of the proposed HS2 Phase One line were all represented in the research.
- The interview respondents were predominantly couples aged 40 and over, living in properties with an estimated un-blighted value of £250,000 or more. Some had children still living at home while others did not, and the sample was split between those who were working and retirees.

Attitudes towards the ACO and VPS

- Awareness of the two schemes was high. The basic features of both were typically already known to respondents, although awareness of the proposed process for applying for them was more mixed.
- Views towards the ACO and VPS were shaped by the attitudes respondents had to HS2 more generally, which included feelings of frustration, anger, uncertainty and perceived loss of personal control.
- Respondents generally endorsed the reasoning behind the ACO and welcomed it on that basis. But its potential value in protecting community cohesion was thought to be undermined by impacts on communities already being felt. Some, already cynical towards HS2, questioned the motives behind its introduction.
- Respondents could recognise benefits of the ACO, in terms of the flexibility it potentially offered them, but these were off-set by some perceived risks they could foresee if they were to accept it initially and later wanted to sell their property. In comparison, the VPS was perceived as the “safe” option in that it guaranteed a return on the value of their property.
- Respondents stated that they did not consider either scheme to offer sufficient compensation. The ACO was not thought to adequately off-set the expected impacts of HS2 on the value of their property and their quality of life if they stayed in their current property.
- Regarding the VPS, property owners were unhappy that they would have to meet moving costs

themselves if they sold their property through the scheme. In addition, several respondents stated that neither scheme reflected the negative impacts they felt they had already experienced since the announcement of the line.

- Reflections on the proposed process for applying for the two schemes were generally positive. Respondents thought it was logical and appreciated the opportunity to have a free valuation before making a decision. However, there were some concerns – and a desire for greater reassurance – around the proposed valuation process itself.

Potential behavioural responses to the ACO and VPS

- Respondents primarily conceived of their future behaviour as being a choice between staying at their current property or selling and moving out, rather than a choice between the VPS and ACO.
- There was no clear default for intended behaviour. The largest group in the sample were respondents who said they were undecided about what they were going to do, while others were split between those either intending to stay or leave.
- A number of competing factors were influencing respondents' intentions to stay or leave, principle amongst these being the expected impacts of HS2 on their quality of life and their attachment to their current location.
- The ACO was not seen as a strong motivation for people to stay if it was introduced; while the VPS was seen as an enabling factor for people intending to leave.
- The high level of indecision amongst respondents about future intentions reflected a number of uncertainties and gaps in knowledge about what the impacts of HS2 would be. In the absence of definitive information there was a tendency to fear the worst about the severity of these impacts.
- Most respondents were adopting a 'wait-and-see' approach, and said they would not decide whether to leave or stay until details of the line have been confirmed, more information about its impacts has become available and, in some cases, until construction of the line has started.
- There was a significant appetite for more specific, detailed and trusted information about the impacts of the line on individual households to enable property owners to make informed decisions about their future. Respondents thought this should come from HS2 Ltd, and ideally be delivered face-to-face.
- The ACO could potentially play a greater role in supporting home owners who wish to stay if perceptions about the impacts of the line change over time, and if the scheme and the application process have the flexibility to support the wait-and-see approach many are currently intending.

1 Introduction

Brook Lyndhurst was commissioned by the Department for Transport to undertake independent research to understand attitudes and potential behavioural responses towards two schemes for property owners affected by HS2: the Voluntary Purchase Scheme (VPS) and the Alternative Cash Offer (ACO). This report presents the findings from the research.

- This report presents the findings from independent research to understand attitudes and potential behavioural responses towards two proposed schemes for the owner-occupiers of properties in rural areas outside safeguarding but within 120m of the HS2 Phase One line – that is, within the ‘Rural Support Zone’:
 - under the Voluntary Purchase Scheme (VPS) eligible property owners will be able to sell their property to the Government for its un-blighted value
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- The interview respondents were predominantly couples aged 40 and over, living in properties with an estimated un-blighted value of £250,000 or more. Some had children still living at home while others did not, and the sample was split between those who were working and retirees.

1.1 Context

In April 2014 the Government announced a package of measures to help property owners affected by the proposed HS2 phase one route, including the intention to introduce the VPS by the end of the year. It also announced an intention to consult separately over the summer on the ACO – a new scheme that had not been consulted on previously. The purpose of this research was to complement the consultation and provide additional insight into attitudes and likely behavioural responses to the ACO if it was introduced in addition to the VPS.

The VPS and ACO are both intended for rural owner-occupiers¹ whose properties are outside safeguarding and within 120 metres of the proposed HS2 Phase One line – that is, within the Rural Support Zone (RSZ). In order to be eligible they must have purchased their property before 10th March 2010.

- Under the VPS eligible property owners will be able to sell their property to the Government for its un-blighted value, that is for the value it would have had if there had been no plans for HS2.

¹ As defined in the Town and Country Planning Act 1990. Residential owner occupiers, owner-occupiers of small businesses (up to an annual rateable value of £34,800) and owner-occupiers of agricultural units are potentially eligible.

- Under the ACO eligible property owners would be able to receive a lump sum payment equivalent to 10% of the un-blighted value of their property, with a minimum threshold of £30,000 and a maximum of £100,000.

The ACO proposal was developed in response to a concern raised in previous consultations that other discretionary compensation schemes on offer, such as the VPS, did not help those who wanted to stay in their property rather than sell it to the Government. The ACO proposal also has the potential advantage of protecting community cohesion along the HS2 line by supporting property owners who do not wish to move.

1.2 Aims

The overarching aims of the research were to understand:

- What property owners think of the ACO and VPS; and why
- How they are likely to behave in response to the two schemes; and why

1.3 Methodology

This was a qualitative piece of research designed to generate detailed insights into the perceptions, attitudes and intentions of property owners potentially eligible for the two schemes. It was not designed to generate numerical data.

The main methodological challenge for the research was identifying and securing the participation of a reasonable sample of respondents to take part. The addresses of 331 potentially eligible properties from a HS2 Ltd database (based on Ordnance Survey Address Layer 2 point data) were provided to the research team. The data did not include details of who lives or works in these properties, their personal characteristics or whether they own or rent the property (the latter are not eligible for either the VPS or ACO). There was also a concern around the extent people would be willing to participate in the research given the subject matter.

In light of these challenges, it was agreed with DfT that quotas would not be set for recruiting a predetermined number of respondents with certain characteristics such as age, occupation or household circumstances. However, the socio-demographic profile of the interview sample was closely monitored by the research team and DfT during the fieldwork and, as illustrated in section 1.4, the final sample of achieved interviews includes a reasonable level of variation in the characteristics of those interviewed.

The approach adopted to recruiting respondents was to hand-deliver postcard invitations to participate in the research to potentially eligible addresses from the HS2 Ltd dataset². Two members of the research team then spent a week on different sections of the line interviewing eligible property owners who had responded to the postcard invitation and recruiting additional respondents using face-to-face methods. In order to maximise participation, respondents were also paid an incentive for taking part in the research – £50 for a single interview and £75 for a paired interview – and given assurances that their anonymity would

² It was beyond the scope of the research to comprehensively audit every address provided to the research team but based on observations made during this process, it is likely the number of eligible properties is some way below 331. Firstly, some addresses could not be physically located and others were found to be derelict or boarded up properties. Secondly, as expected some addresses were being rented and as such were ineligible. Thirdly, some owner-occupiers living at addresses in the database said they thought their property was not in the RSZ, based on the latest correspondence they'd had with HS2 Ltd. Taking this all into account the number of eligible properties is, as a rough estimate, likely to lie somewhere between 225 and 275.

be protected in the reporting of the findings. The interviews were digitally recorded, with the respondents' informed consent, and subsequently transcribed.

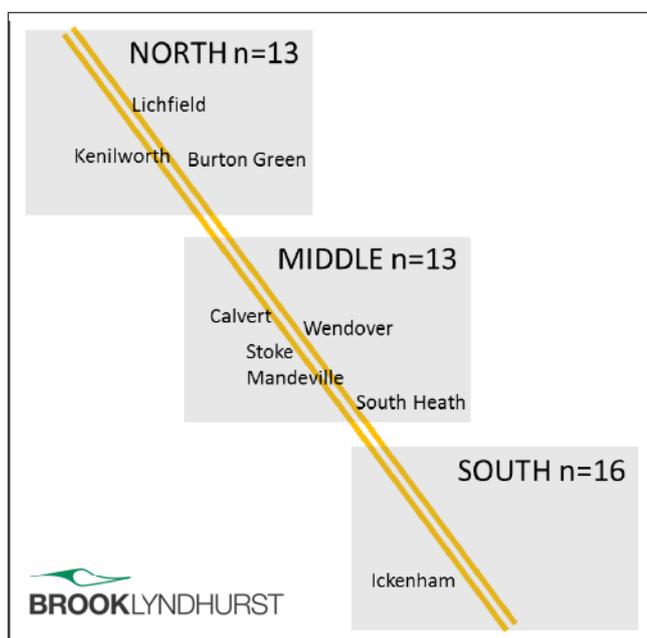
In total 42 in-depth qualitative interviews were undertaken, each lasting for around an hour. The interviews were conducted using a topic guide (see annex 1) designed by Brook Lyndhurst and agreed with DfT. There was also a deliberative element to the interviews. Respondents were presented with information (see annex 2) about the two schemes at different points during the interview in order to explore their reactions and observe whether they prompted any shift in their attitudes. In addition, follow-up calls were conducted with respondents who could be recontacted 1-2 weeks after they had been interviewed as a means of exploring any further actions, thoughts or reflections they had had in reaction to the information presented in the interview.

1.4 Sample Profile

Geography

Figure 1, below, illustrates the geographical profile of the achieved interview sample. The 'north', 'middle' and 'south' sections were designated by the research team in planning the fieldwork. A reasonable representation of interviews in each section was achieved. There are some noteworthy differences between the sections of the line, also summarised below.

Figure 1. Geographical profile of sample



- The north and middle sections of the line are predominantly rural. Eligible properties on these two sections of line are generally located either on the outskirts of small conurbations such as Wendover and Burton Green or in even more secluded locations.
- The south section of the line is suburban. Almost all of the eligible properties on this section of the line are located on a single street in Ickenham. Ickenham is on the outskirts of London and has an underground station. There is also an existing rail-line running through Ickenham which carries services into and out of London Euston.

Socio-demographics

Figure 2, below, illustrates the detailed socio-demographic profile of the sample. Two-thirds of the interviews were paired, meaning both members of a couple were interviewed together. Consequently the number of respondents in the research (70) is somewhat higher than the number of households³ represented (42).

³ Attempts were made to represent some eligible small businesses in the sample, and three of the 42 interviews were with owner-occupiers of small agricultural businesses. In the interviews it was established that they were in the process of

Figure 2. Socio-demographic profile of sample

| 42 Households | | 70 respondents | |
|--|----|---|----|
| Household composition: | | Gender: | |
| couple living on their own | 26 | female | 35 |
| couple with others in household | 13 | male | 35 |
| single living on their own | 3 | Age: | |
| Annual household income: | | 18-39 | 2 |
| £0-£29,999 | 14 | 40-59 | 23 |
| £30,000-£59,999 | 6 | 60-74 | 29 |
| £60,000-£99,999 | 10 | 75+ | 14 |
| £100,000+ | 3 | Occupation: | |
| no answer | 9 | working | 33 |
| Estimated⁴ un-blighted property value: | | looking after children | 4 |
| £0-£249,999 | 1 | retired | 33 |
| £250,000-£499,999 | 17 | Long-term illness, health problem or disability: | |
| £500,000-£999,999 | 16 | yes | 4 |
| £1 million+ | 7 | no | 66 |
| no answer | 1 | | |

These characteristics cannot be assumed to be shared by all properties and their owners who are potentially eligible for the VPS and ACO. By extension the findings from the research may not be fully applicable to this wider population. Notwithstanding this, the variation in the sample enabled the research to explore whether attitudes and intended behaviours toward the two schemes differed between key subgroups, such as households with and without children; those working and those retired; and those living in mid and high value properties. In addition, the overall coherence of the findings across the sample gives no reason to suppose that they are not indicative of the attitudes and intended behaviours of other eligible property owners in the RSZ.

1.5 Presentation of findings

The remainder of the report presents the findings from the research broken down into two chapters – the first addressing attitudes to the ACO and VPS; and the second addressing behavioural responses to the two schemes. Quotes by respondents are included to illustrate key findings in each chapter. They are presented in the following format, with respondent characteristics provided below the quote:

“Respondent quote”

gender, age, occupation, household composition, section of line

The annexes at the end of the report contain the topic guide and the stimulus material used in the interviews.

negotiating with land agents and HS2 Ltd to receive a tailored compensation package for their business’s property rather than the VPS or ACO. However, they were all also owner-occupiers of residential properties in the RSZ. As such they were included in the research in their capacity as residential owner-occupiers rather than small business owner-occupiers.

⁴ This was the estimate made by the respondent.

2 Attitudes towards the ACO and VPS

- Respondents primarily conceived of their future behaviour as being a choice between staying at their current property or selling and moving out, rather than a choice between the VPS and ACO.
- There was no clear default for intended behaviour. The largest group in the sample were respondents who said they were undecided about what they were going to do, while others were split between those either intending to stay or leave.
- A number of competing factors were influencing respondents' intentions to stay or leave, principle amongst these being the expected impacts of HS2 on their quality of life and their attachment to their current location.
- The ACO was not seen as a strong motivation for people to stay if it was introduced; while the VPS was seen as an enabling factor for people intending to leave.
- The high level of indecision amongst respondents about future intentions reflected a number of uncertainties and gaps in knowledge about what the impacts of HS2 would be. In the absence of definitive information there was a tendency to fear the worst about the severity of these impacts.
- Most respondents were adopting a 'wait-and-see' approach, and said they would not decide whether to leave or stay until details of the line have been confirmed, more information about its impacts has become available and, in some cases, until construction of the line has started.
- There was a significant appetite for more specific, detailed and trusted information about the impacts of the line on individual households to enable property owners to make informed decisions about their future. Respondents thought this should come from HS2 Ltd, and ideally be delivered face-to-face.
- The ACO could potentially play a greater role in supporting home owners who wish to stay if perceptions about the impacts of the line change over time and if it has the flexibility to support the wait-and-see approach many are currently intending.

This chapter presents the findings from the research on what respondents thought of the two schemes, in terms of: how much they knew about them; their views towards them; what they saw as the advantages and disadvantages of each; and the reflections they had on the proposed process for applying for them.

2.1 Awareness of the ACO and VPS

Overall awareness of the two schemes was high across the sample. Respondents were asked at the start of the interviews what HS2 payment schemes they thought they would potentially be able to apply for and, without any prompting, generally described the basic features of both schemes.

"The proposal is that they will buy our house for its full market value as if HS2 did not exist."

male, 75+, retired, couple living alone, middle section

“There’s an option to stay and we will get 10% value of the property as a lump sum.”

female, 18-39, looking after children, couple with children at home, south section

When respondents were prompted with the descriptions of the two schemes in stimulus A and B (see annexes) they also generally said it confirmed what they had known already. This included the basic financial terms of each offer, and in most cases the upper and lower thresholds on the ACO. This high level of awareness about the schemes was attributed by respondents to the importance that HS2, and by extension everything connected to it, had assumed in their lives.

“I’d have thought most people who are affected are aware, I mean it’s a hugely important thing in their lives.”

male, 75+, retired, couple living alone, middle section

Awareness was more mixed, and lower overall, about the proposed process for applying for the schemes. Respondents were often initially unaware, or had an inaccurate understanding, of details such as how long they would have to apply for the schemes, who would undertake the valuation, and when they would have to make a decision. When prompted with stimulus C (see annexes), which outlined current proposals for how the process will work, several acknowledged that this was “new information” or “different” to what they had previously understood. The views of respondents on the proposed process are discussed in section 2.4. In terms of why awareness of this aspect of the schemes was lower, there was some sense that respondents may be deferring any detailed consideration of the application process until a later date – i.e. once the details of the schemes have been confirmed and other current uncertainties surrounding HS2 (discussed in section 3.3) are resolved.

There were also variations in levels of awareness between respondents on different sections of the line and in different circumstances. Some respondents on the south section of the line were amongst the least well informed. This appeared to be because that section of the line had only relatively recently been designated as part of the RSZ, and consequently residents there had had less time to accumulate knowledge about the schemes they could potentially qualify for than those in the middle and north sections.

M: “We don’t know the details.”

F: “No, because it’s just been changed from urban to rural, hasn’t it?”

male & female, 75+, retired, couple living alone, south section

Exceptionally there were also respondents who were currently unsure whether their property was going to be designated as being in the Safeguarded Zone⁵ or the RSZ or had only very recently received confirmation of this. As a result some either were not fully aware of the schemes or confused them with an equivalent scheme for property owners in the Safeguarded Zone. This included a belief that – through the VPS – they may be entitled to the full un-blighted value of the property *and* an additional 10%.

Respondents said they had typically received information about the two schemes from one or more of the following sources: HS2 Ltd; local MPs; local councils; action groups; residents associations; and neighbours. Overall respondents did feel sufficient information was available on the schemes. The only complaints concerned the specificity of information currently available. HS2 Ltd and others were sometimes criticised for presenting information about some schemes that were applicable to the property owners in the RSZ and some that were not in the same document or letter. For example, respondents on one section of the line had recently received a letter from the local MP highlighting the ACO and the Homeowner Payment

⁵ This zone extends 60 metres either side of the line.

scheme. The latter is intended for property owners outside the RSZ. Respondents also wanted future information to be more definitive than it has been to date, and tell them what they *are* eligible for rather than just what they *may* be.

"It was a general letter, it wasn't to say, 'you are within 120m so you will get this', it wasn't very specific and it's never been since."

male, 40-59, retired, couple living alone, south section

This ties in to a broader issue, returned to in section 3.4, about the provision of information on other aspects of HS2 to property owners affected by the line.

2.2 Views towards the ACO and VPS

Before discussing these views it is important to first note the general attitudes respondents had to HS2 and the influence they had on their specific attitudes towards the two schemes. These general attitudes to HS2 were consistently negative, and deeply felt, across the sample. Respondents thought that there would be no benefit from HS2 for them or the local communities they lived in. They felt their interests had not been considered in the design of the line and they were critical of how they had been communicated with about it. They felt that they had lost a degree of personal freedom and choice since the line had been announced, and that they were being faced with making life-changing decisions for reasons beyond their control. In addition they had a series of concerns (but a shortage of definitive information) about how the line was going to impact on their quality of life and on the value of their property. As a consequence respondents said they felt angry and frustrated, and expressed varying degrees of cynicism and distrust towards HS2 Ltd or more generally "the Government". They also said they had felt a high level of uncertainty, "limbo", and stress since the line had been announced. These thoughts and feelings formed the wider context within which the schemes were being viewed and, where appropriate, their influence is highlighted below.

Firstly, in terms of the ACO, several respondents endorsed the stated reasoning behind it⁶ and on that basis welcomed its potential introduction. Respondents on all three sections of the line did generally feel a strong sense of local community and wanted this to be preserved.

"I agree with every word, if more people choose to stay this would potentially benefit local communities it's absolutely right."

female, 60-74, retired, couple living alone, south section

However, this positive reaction was tempered by changes some respondents said had already occurred in their local communities since the announcement of HS2. It was reported that neighbours in the Safeguarded Zone have often already sold their property to HS2 Ltd and/or that neighbours in the RSZ had also done so through the Exceptional Hardship Scheme⁷. There was a perception that local communities, particularly those made up of a mix of households in the Safeguarded Zone and RSZ, had already started to change and that the ACO may come "too late" to stop this happening.

"I mean about half of the people opposite already have moved out...[the] community is just going, you know, breaking apart."

⁶ The following explanation of this provided in stimulus A: "If more people choose to stay this would potentially benefit local communities. Communities thrive when families put down roots, when children are settled in school, when businesses can build up a customer base, when friendships grow over years. All of this can be threatened by too many individuals moving out in a short time."

⁷ The Exceptional Hardship Scheme was introduced for property owners who, for reasons of exceptional hardship, have an urgent need to sell but have not been able to, except at a substantially reduced price, as a direct result of the announcement of the HS2 line.

female, 60-74, retired, living alone, north section

Some respondents, already negatively disposed towards HS2, also questioned the motives behind the potential introduction of the ACO, perceiving it to be either a means of quelling public debate about HS2 or a money saving exercise.

"It's just like one of those offers where HS2 feels we're just going to give them something to shut their mouth."

female, 18-39, looking after children, couple with children at home, south section

The issue of fairness also frequently came up in the interviews in relation to both the ACO and VPS. Respondents stated that they did not believe either scheme was fair, and this was consistent across all socio-demographics and sections of the line. In terms of the VPS, respondents felt it was unfair that they would have to meet removal costs, solicitors fees and Stamp Duty themselves, particularly when, prior to the announcement of HS2, they had had no desire to move house.

"I don't see why it should cost us money to move when we don't want to move."

male, 40-59, working, couple with children at home, middle section

Respondents thought that the ACO was not fair because they did not believe that the proposed payment of 10% of un-blighted property value would off-set: a) the loss in the value of their property they expected as a result of HS2; and b) the negative impacts of HS2 on their quality of life they expected to experience if they stayed living at their property. These impacts on property value and quality of life were expected to be severe and sustained although, as discuss in more depth in chapter 3, respondents generally didn't feel well-informed about either.

"OK they give you 10%, but your house value is going to drop by an awful lot more than 10%."

male, 40-59, working, couple living alone, south section

"The compensation should be for the grief that goes with being in the middle of a building site...so no, I mean 10% is not close."

male, 40-59, working, couple living alone, north section

In addition, neither of the schemes were thought to reflect the uncertainty and discomfort respondents felt they have already experienced since the announcement of the line.

"There is no recognition of the four and a half years of real stress and difficulties we've had."

female, 60-74, retired, couple living alone, middle section

When asked what they would consider to be fair respondents said that in their view the VPS should include the additional costs associated with moving (solicitors fees, stamp duty, etc.) and/or an extra 10% on top of the un-blighted value of their property, as is the case under the Express Purchase Scheme for properties in the Safeguarded Zone. Respondents also said that the ACO should reflect the expected impacts of HS2 on the value of the property *and* their quality of life. The proposed 10% of the un-blighted value of their property was universally judged to be "not enough" to do this; but respondents found it hard to put a figure on what would be enough. Partly this was because they were not certain of exactly what the impacts of HS2 on property value and quality of life were going to be and partly because they found it difficult to assign a financial value to their quality of life and that of their family. Consequently responses on what

would be a fair percentage of un-blighted property value varied widely – from 20% up to 50% and even 75%. Some also suggested that the percentage should vary between properties within the RSZ depending on how severely they would be affected by HS2.

2.3 Perceived advantages and disadvantages of the ACO and VPS

Figure 3 and figure 4, below, summarise the key advantages and disadvantages of the two schemes from the perspective of the respondents.

Figure 3. Perceived advantages and disadvantages of the ACO

| Advantages | Disadvantages |
|---|---|
| <ul style="list-style-type: none"> ■ It would provide some recompense for people wishing to stay in their current property. This was cited by respondents who were considering staying and by others who were not but could still see its value in this respect. | <ul style="list-style-type: none"> ■ It was perceived that the ACO would not offer people wishing to stay living in their current property a level of recompense that they would consider to be sufficient – see section 2.2. |
| <ul style="list-style-type: none"> ■ It could, potentially, give property owners greater flexibility than the VPS – for example, to stay initially and later decide to sell or even to rent an alternative property temporarily during the construction phase of HS2 and return to their original property after this. <div data-bbox="183 1131 710 1451" style="border: 1px solid #ccc; padding: 10px; margin-top: 10px;"> <p><i>“We’d broadly welcome the cash alternative thing because it gives flexibility; we don’t have to decide whether to sell. We can see how things develop and so on.”</i></p> <p>male, 40-59, working, couple living alone, south section</p> </div> | <ul style="list-style-type: none"> ■ Some respondents thought accepting the ACO either before construction of HS2 started or early on in the process could be “risky” – they were concerned they might later want to leave and be unable to sell their property either privately or through the Need to Sell scheme. This was a widespread concern, particularly amongst those who had already tried and failed to sell their property since the announcement of HS2. ■ Respondents thought accepting the ACO could also create or prolong uncertainty – even if they were later able to sell their property privately or through the Need to Sell scheme, respondents expected this to be a protracted, stressful process. There were also uncertainties around the possibility of renting an alternative property, in terms of finding an appropriate place, being able to afford it, and moving in and out of it. On reflection, most respondents did not think accepting the ACO and renting would be a viable option for them. |

Figure 4. Perceived advantages and disadvantages of the VPS

| Advantages | Disadvantages |
|---|--|
| <ul style="list-style-type: none"> ■ It provides some form of recompense for people wishing to leave their current property. This was recognised by all respondents. | <ul style="list-style-type: none"> ■ It was perceived that the VPS does not offer people wishing to leave their current property a level of recompense that they would consider sufficient – see section 2.2. |

- It provides reassurance that they will be able to sell their property – and will get its un-blighted value in return.

“We’d definitely get a buyer if we wanted to sell. It’s guaranteed money, it’s not as if they’re going to say actually we changed our mind now...”

male, 60-74, working, couple living alone, south section

- Respondents thought it offered less potential flexibility than the ACO – in that once they had sold their property through the VPS, there would be “no going back”. For example, some respondents could envisage selling their property through the VPS and then regretting it later if it transpired that the impacts of the line on quality of life and/or property value were not as severe as they had initially anticipated.

In summary, although respondents could recognise benefits of the ACO in terms of providing some form of recompense for staying and the greater flexibility it potentially offered, these were generally off-set by the perceived risks and uncertainties which it could expose them to. In contrast the VPS was perceived as the “safe” option, in that it guaranteed a return on the value of their property, albeit at the expense of a degree of flexibility. The influence of the perceived advantages and disadvantages of each scheme on the intended behaviour of respondents is discussed in the next chapter.

2.4 Reflections on the process of applying for the ACO and VPS

Overall, responses to the proposed process for applying for the two schemes, which was presented to respondents in stimulus C, were generally positive.

“You need to have a system and that seems quite sensible.”

male, 75+, retired, couple living alone, middle section

Respondents said they thought the process was logical and appreciated the fact they would be able to have a free valuation *before* having to make a decision about which scheme they applied for. However the proposed valuation process itself attracted mixed views. Some were reassured by the description provided in stimulus C⁸ and said they thought the valuation of the un-blighted value of their property would be accurate and fair.

“I am fairly confident in the Royal Institute of Chartered Surveyors, I am pretty sure they would come up with a fair figure.”

male, 18-39, working, couple living alone, south section

“In any negotiation I think really you’ve got to come to a compromise and agreement, you can’t sit there just bluntly saying no because it just will not happen. So yes that is as good a scheme as I can think of.”

male, 60-74, retired, couple living alone, middle section

Others raised pragmatic concerns about the ability of surveyors to accurately assess the un-blighted value of their property – either because they may have insufficient knowledge of the local housing market,

⁸ Relevant text from stimulus C: “The property would be valued by two independent surveyors from the Royal Institute of Chartered Surveyors. The final valuation would be the average of the two. If the valuations differed by more than 10%, the applicant would have the choice of selecting another valuer to conduct a third valuation. The offer made would be the average of the closest two valuations.”

because of the perceived “uniqueness” of their property, or because they thought it would just be very difficult for a surveyor to overlook the effects of blight in their valuation.

“You need to understand the local area to get an idea of what things are worth...I’d want local people doing it.”

male, 40-59, working, couple living alone, middle section

There were also those who were openly suspicious that the un-blighted value of their property would be deliberately under-valued. This appeared to stem from a lack of trust in HS2 Ltd and/or the Government.

“We would not trust the people that represent the government to price the places.”

female, 75+, retired, couple living alone, north section

Exceptionally some said they had heard of cases where neighbours in the Safeguarded Zone had received what they considered an unfairly low valuation when selling their property to HS2 Ltd. However, there was at least one counter-example to this where a respondent knew of a neighbour who had received a valuation they considered fair or even generous.

In terms of other aspects of the proposed application process, two themes emerged: flexibility and speed. Firstly, some respondents understood from the explanation in stimulus C that they would have to make a decision on which scheme to apply for within one year of having their property valued⁹. They did not think this would be fair, and wanted the flexibility to not have to make a choice between the schemes within this timeframe.

“You’re showing an interest and basically the clock starts ticking and I don’t think that is fair.”

female, 40-59, working, couple living alone, south section

The other aspect of flexibility concerned the ability of property owners to initially accept the ACO and later sell their property to the Government. Under the current proposals, property owners could do so through the Need to Sell scheme if they were able to meet its criteria¹⁰. Some were reassured by this but more generally there was scepticism that they would be able to meet the criteria (often based on their own experience of previously making unsuccessful applications to the Exceptional Hardship Scheme), and a belief they should not have to if they did wish to sell their property. If the impacts of HS2 on their quality of life were so severe that they felt they had to move they perceived that this alone would be sufficient justification for them “needing to sell”.

Finally, in terms of speed, respondents wanted the process to work as quickly as possible once they had made a decision – particularly with respect to the VPS. Partly this reflected a desire of some to be able to move and “move on” with their lives as soon as was possible. Partly it also reflected concerns that if they opted for the VPS they would potentially be negotiating to buy another property in the same timeframe as selling their current one to the Government. In terms of the ACO, respondents said they would want clarity around when they would receive the lump sum payment but otherwise the speed of the process did not appear to be so critical.

⁹ It is proposed that property owners will have the option of not applying for either scheme once a year has passed since the valuation, although any further valuation of their property carried out at a later date may be at their cost.

¹⁰ These criteria had not been specified at the time of the research. In the most recent consultation, which closed on 30 September 2014, it was stated that: “Owner-occupiers are eligible for the need to sell scheme if they have a compelling reason to sell their property (for example, in order to avoid a situation of unreasonable burden in the near future) but are unable to do so other than at a significant loss due to HS2.”

3 Potential behavioural responses to the ACO and VPS

- Respondents primarily conceived of their future behaviour as being a choice between staying at their current property or selling and moving out, rather than a choice between the VPS and ACO.
- There was no clear default for intended behaviour. The largest group in the sample were respondents who said they were undecided about what they were going to do, while others were split between those either intending to stay or leave.
- A number of competing factors were influencing respondents' intentions to stay or leave, principle amongst these being the expected impacts of HS2 on their quality of life and their attachment to their current location.
- The ACO was not seen as a strong motivation for people to stay if it was introduced; while the VPS was seen as an enabling factor for people intending to leave.
- The high level of indecision amongst respondents about future intentions reflected a number of uncertainties and gaps in knowledge about what the impacts of HS2 would be. In the absence of definitive information there was a tendency to fear the worst about the severity of these impacts.
- Most respondents were adopting a 'wait-and-see' approach, and said they would not decide whether to leave or stay until details of the line have been confirmed, more information about its impacts has become available and, in some cases, until construction of the line has started.
- There was a significant appetite for more specific, detailed and trusted information about the impacts of the line on individual households to enable property owners to make informed decisions about their future. Respondents thought this should come from HS2 Ltd, and ideally be delivered face-to-face.
- The ACO could potentially play a greater role in supporting home owners who wish to stay if perceptions about the impacts of the line change over time, and if the scheme and the application process have the flexibility to support the wait-and-see approach many are currently intending.

This chapter of the report presents the findings from the research on what respondents said they intended to do in the future, in terms of: their current intended behaviour; factors influencing intentions to stay or leave; factors influencing indecision; and future decision-making.

A key finding from the research was that respondents primarily conceived of their future behaviour as being a choice between staying at their current property or selling and moving out, rather than a choice between the VPS and ACO. The two schemes were a consideration in respondents' future intentions but they were by no means a predominating one. With that in mind, the findings in the next few sections of the chapter are organised around this central choice between going and staying – with the ACO and VPS treated as an influence on this choice, alongside other influences.

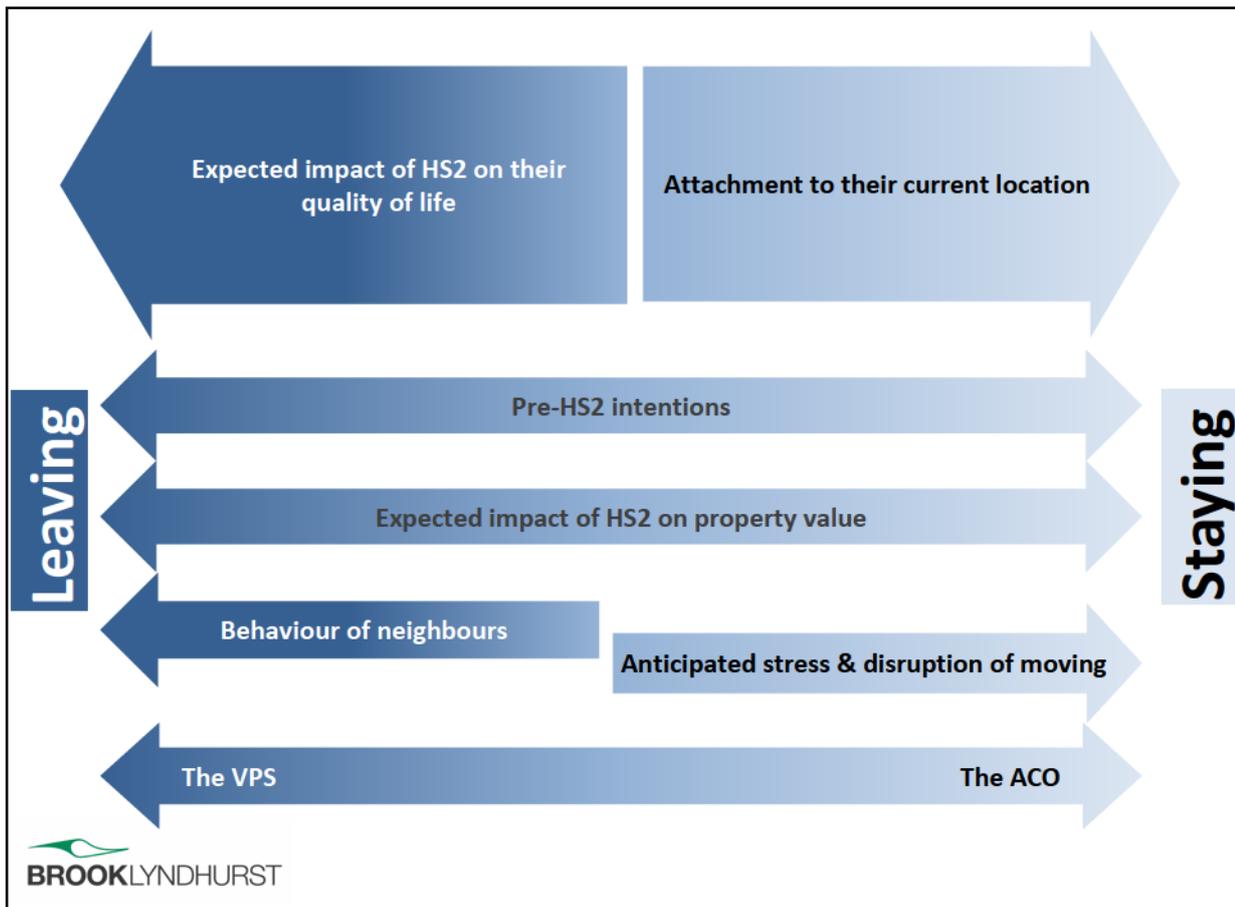
3.1 Current intended behaviour

Overall, there was no clear default for respondents' intended behaviour. They were not all intending to leave or all intending to stay. In fact, the largest group in the sample were respondents who said they were currently undecided. Amongst respondents who did have a probable or definite intention, some intended to leave and sell their property and others said they were currently intending to stay. There were also few clear patterns in the characteristics of the respondents who were either intending to stay, leave or were undecided, e.g. older people or those in higher value properties or those with children still at home did not all share the same intentions. Where variations were found between different respondent types, these are highlighted in the following sections.

3.2 Factors currently influencing intentions to stay or leave

The level of indecision within the sample was not indicative of respondents having given little thought to what they were intending to do. Respondents generally said they had given considerable thought to this and identified a range of factors influencing them to stay or leave. Figure 3, below, summarises these factors. Part of the reason (but not the whole reason) why so many were currently undecided was because there were competing factors pushing and pulling them in both directions, which they had yet to reconcile. Respondents who were intending to leave or stay were generally those for whom one factor loomed particularly large, and overrode any other factors pulling them in the opposite direction. Examples of this are provided in the more detailed descriptions of each factor which follow figure 3.

Figure 3. Key factors influencing intentions to stay or leave



Expected impact of HS2 on their quality of life

This emerged as the most pervasive and important factor currently motivating respondents to sell their property and leave – although as discussed in more detail in section 3.3, these expectations were based on incomplete knowledge of exactly what these impacts on quality of life were going to be. Respondents generally expected their quality of life was going to be severely affected by HS2 – especially during the construction of the line but also afterwards once it was in operation. There were a number of different dimensions to this expected impact on quality of life during the construction phase, including: physical blight; noise; vibrations; dust; light pollution; environmental degradation; increased road traffic (and resultant air pollution); and an influx of construction workers.

“In my mind it’s going to be like living next to a motorway construction site...big swathes of construction with lorries up and down, lights 24 hours a day, massive noise, literally just by your garden.”

male, 40-59, working, couple living alone, middle section

The expected impacts on quality of life once the line is operational overlap with some of the above but were generally more focused around the expected noise and potential vibration from trains using the line.

Concerns about these expected quality of life impacts were pervasive across the sample, in the sense that all respondents cited them as a factor pushing them towards leaving. However, there were variations between respondents in terms of how severely they expected to be affected. Firstly, some respondents lived in properties within the 60-120 metre span of the RSZ that were simply closer than others to the proposed line and, linked to that, some may have an unbroken view of it while others will have another property or other physical buffer between them and the line. Secondly, respondents’ expectations of the nature and extent of the construction work varied along different sections of the line. Respondents on the middle and northern sections often said they were not just anticipating the construction of the line itself but also the creation of nearby sites to support the construction; the temporary or permanent loss of local amenities; and the closure or rerouting of local roads.

“The field over there is going to be a building site and the road’s going to be diverted and then our road is going to be cut off, and so we feel as if we’re sitting besieged.”

female, 40-59, working, couple with children at home, middle section

In addition, respondents on the middle and north sections of the line were typically living in rural, secluded areas often surrounded by countryside, meaning, in relative terms, that the impacts of noise and physical blight were perhaps being more acutely anticipated than in the more suburban south section.

“We wanted to have a rural-ish sort of place that is quiet and everything and that will all be gone. It would be really depressing... I think it’s just better just to go.”

female, 40-59, working, couple living alone, middle section

These differences may help to explain why most of the respondents who had a definite intention to leave were from the middle and north sections of the line. Their concerns were so great they perceived they had little option but to leave.

“I don’t feel we have a choice. I think it’s going to be horrendous.”

male, 60-74, retired, couple living alone, middle section

Conversely, most of the small number of respondents with a definite intention to stay were living on the south section of the line. Although they too were anticipating negative impacts on their quality of life during the construction and operation of the line, other factors (particularly their attachment to their current location and the expected stress and disruption of moving) appeared to have overridden these concerns.

Attachment to their current location

This was the strongest and most pervasive factor currently motivating respondents to stay, across all sections of the line. These were both practical attachments (e.g. to local amenities) and emotional attachments (to their home, nearby family and friends, and the local community in general).

"We built this home and we're happy here."

male, 40-59, working, couple living alone, south section

"I don't want to move... all my ties are here. My son lives a couple of miles away and I look after my grandson."

female, 60-74, retired, couple living alone, south section

"We don't want to move, no, we love it here, it's a lovely community."

female, 40-59, working, couple living alone, north section

Although there were variations in the nature of these attachments between different respondent types in the sample, overall they appeared to exercise a similar influence. For example, older respondents emphasised the importance of the easy access they currently had to hospitals and shops in their current location. Younger, working age respondents with children by contrast emphasised the importance of local schools or jobs. Emotional attachments were fairly universally reported across different respondent types and sections of the line, and even between respondents who had lived at their property for 20 or more years and those who had moved there more recently. The following quote is from a respondent who had moved to their current property shortly before the announcement of the HS2 line.

"It's an area that we have fallen in love with and we mean to stay."

male, 75+, retired, couple living alone, south section

Typically it was these attachments, on the one hand, and the expected impacts of HS2 on their quality of life, on the other, that respondents were currently trying to reconcile.

"I would like to up and go now but then again on the other hand schools, friends, community, everyone you know..."

female, 18-39, looking after children, couple with children at home, south section

Respondents who said they were intending to stay all cited their strong attachment to their current location (based on a combination of practical and emotional ties) as the principle reason for this.

Pre-HS2 intentions

Most respondents in the sample said they had intended to stay living in their current property for the foreseeable future before HS2 was announced. In particular, some older respondents indicated they had originally bought their current property with little expectation of ever leaving it for another property.

“This was it, when we moved in here, all those years ago. It was, well this is where we’re going to stay.”

female, 75+, retired, couple living alone, south section

As such, these prior intentions acted as a strong motivation for some respondents to stay despite their concerns about the impacts of the line. In contrast, a minority of respondents had been planning to move at the time of the HS2 announcement. These were typically respondents intending to down-size to a smaller, more manageable property. They had often tried and failed to sell their property privately and through the Exceptional Hardship Scheme since the announcement. Their future intentions were fairly clear – they planned to sell their property and leave as soon as they can once the VPS had been introduced.

Anticipated stress and disruption of moving

This was cited as a reason why some respondents were reluctant to sell their property and leave – particularly older retired respondents who felt very settled in their current property and had little appetite for moving at this late stage in their life – but also by some working-age respondents who had young children in school.

“I couldn’t think of a worse scenario than moving property at our age.”

female, 75+, retired, couple living alone, south section

However, more generally across the sample, concerns about the potential stress and disruption respondents expected to experience during the construction phase if they stayed largely out-weighed the more time-limited stress and disruption associated with moving house.

Behaviour of neighbours

Some respondents were concerned about their neighbours leaving and the potentially negative implications this would have for their local community, particularly in areas where this was already seen to have started to happen (see section 2.2). Their specific concerns were that properties were going to lie vacant or that private renters or council tenants, with no prior ties to the area, were going to move in. Some were also concerned this would have the knock-on impact of further devaluing their property.

“The people who come in are only renting, they are here for a short time so they have the loud music on and park in the wrong places and don’t support the local community and all sorts.”

male, 60-74, working, couple living alone, north section

“If the whole street is going to go downhill and not going to be worth a bean then that would bother me.”

female, 60-74, retired, couple living alone, south section

There was no direct evidence of any social norming effect, at least not currently. Respondents said the decision to stay or leave would ultimately be made by themselves and that they would not be swayed by the behaviour of those around them. However, that is not to say that norms will not emerge and start to play a role once the schemes are introduced and neighbours in the RSZ start to make decisions about their future. Most respondents made it clear that they do talk to their neighbours about HS2 and were conscious of changes already starting to occur in their local area more generally, outside the bounds of the RSZ.

Expected impact of HS2 on property value

Respondents all said they expected that the value of their property would be negatively affected by HS2 in the immediate future and, as noted in section 2.2, by more than 10%.

"I expect it could halve. If your house is worth half a mill it's going to be a quarter, isn't it?"

female, 40-59, working, couple with children at home, middle section

Respondents were also generally sceptical about property values recovering significantly after the construction of the line. This had the effect of making the option of leaving and receiving the full un-blighted value of their property through the VPS more attractive than staying, particularly for older retired respondents. They typically described their property as their largest and/or only financial asset, which was also potentially going to make up the bulk of the inheritance for their children. The possibility of their property recovering its value after the construction of the line was also not particularly salient to older respondents because many thought it was feasible that they would not live that long. More exceptionally, a smaller number of respondents were optimistic that the value of their property would "bounce back" once the line was up and running, and that they would still be around to potentially benefit from it.

"It remains a desirable area and the area is still very, very active. It might take five or ten years but it would recover in the end."

male, 40-59, working, couple with children at home, middle section

As such they were at least more open to considering the option of staying in the current property rather than leaving. It is also worth noting that, more generally, respondents were basing their expectations of the impacts of HS2 on property value on incomplete knowledge (see section 3.3). Perceptions of these impacts could change in the future in response to new information.

The ACO and VPS

Section 2.3 outlined the perceived advantages and disadvantages of the two schemes, but when respondents talked about their *actual intentions* it was evident these were not currently as important an influence as some of the other factors discussed above. This was particularly apparent with respect to the ACO. Concerns about the expected impacts of HS2 and attachments to a local area were often seen to override or render redundant the lump sum payment potentially on offer through the ACO.

"There are things that are more important to me than that. I'm not going to live somewhere that makes me really miserable for the sake of 80 grand."

female, 40-59, working, couple with children at home, middle section

"It [their intention to stay] isn't particularly because we shall get some compensation, we want to stay here."

male, 75+, retired, couple living alone, north section

Respondents who were intending to leave did not think the introduction of the ACO would change their mind, and respondents intending to stay indicated they planned to do this even if the ACO was not introduced. However, in the middle-ground there were some undecided respondents who indicated the ACO could be a consideration in their decision to stay or leave in the future – once existing uncertainties and gaps in their knowledge about the impacts of HS2 had been addressed.

“It’s very difficult to say til we see what happens...but it [the ACO] weighs on the staying side definitely.”

male, 40-59, working, couple living alone, south section

In terms of the VPS, there was more evidence of this influencing, or at least making possible, respondents’ intentions to leave. While the payment of the un-blighted value of their property was not cited as an active motivation for doing this, respondents did acknowledge it would provide them with a means of selling their property, when the only immediate alternative was to try to sell it privately at what they expected to be a considerable loss.

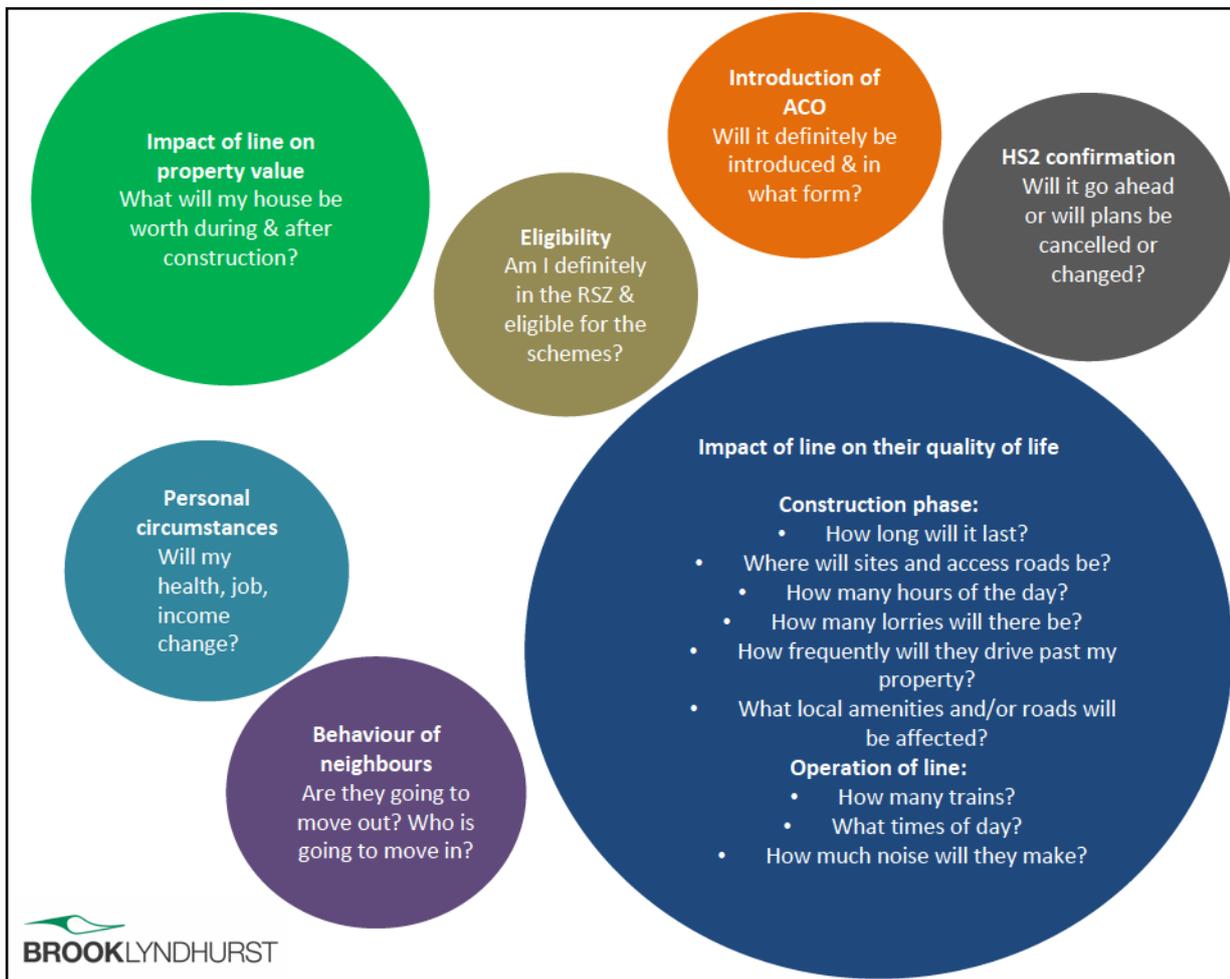
“Our preferred option if it comes to the worst is that we’d sell up and move, on the basis that we could get the money, market value for the house.”

male, 40-59, working, couple living with children, south section

3.3 Factors explaining indecision

This section addresses the question of why so many respondents in the sample were currently undecided about whether they would stay or leave. What emerged was that there were a series of uncertainties respondents were waiting to be resolved, and gaps in their existing knowledge which they felt would have to be addressed, before they felt they could make a decision. Figure 5, below, summarises these uncertainties and knowledge gaps.

Figure 5. Uncertainties and gaps in knowledge currently creating indecision



Uncertainties

The uncertainties illustrated above concerning the confirmation of the line, their personal eligibility and the introduction of the ACO were not shared by all respondents. For example, most were now fairly convinced that HS2 was going ahead and that plans were unlikely to change at this late stage but equally some were not – particularly those involved in campaigning against the line.

“There’s no guarantee it’s actually going to be built, it hasn’t got the royal assent, it hasn’t gone through the House of Lords yet, the petitions haven’t been heard.”

female, 60-74, retired, couple living alone, south section

There were also some respondents, whose property were on or close to the border between the RSZ and another zone who were still trying to resolve with HS2 Ltd which zone they were in and by extension whether they would be eligible for the VPS and ACO. In addition, some respondents said they were waiting to see if the ACO would be introduced, and if so on what terms, before giving more detailed thought to what they were going to do. The indication was that they were deferring their decision-making until these various uncertainties had been resolved.

“I suppose what I’m waiting for is after the next general election in May to see what happens. I think that will be a trigger point, so then you’ll have to make a decision.”

male, 40-59, working, couple living with children, south section

Respondents were less clear on how and when they expected uncertainties about their personal circumstances or the behaviour of neighbours to be resolved. There were no fixed trigger points for these and at this stage respondents said they were intending to “see how things develop” with regard to both.

Gaps in knowledge

Section 3.2 highlighted the importance of the expected impacts of HS2 on quality of life, and to a lesser extent property value, in informing respondents’ intentions. However, respondents generally acknowledged that they were not well-informed about exactly what the nature, severity or extent of these impacts was going to be. In the absence of greater knowledge there was an observable tendency to “fear the worst” about these impacts. Respondents often expressed their negative expectations at the same time as acknowledging their incomplete knowledge.

“We don’t know what it will be like, and to be honest, the more we think about it, the worse it seems really.”

female, 40-59, working, couple living alone, north section

“There’s no doubt about it, it will go down but by how much who knows.”

male, 40-59, retired, couple living alone, south section

The effects of this were to either push respondents further towards a decision to leave or, more often, to lead to indecision and an intention to defer any decision until they had more detailed and specific information about what these impacts were going to be.

“I have all the information in terms of what I will get paid compensation-wise, but in terms of what drives that decision, I don’t have enough information.”

female, 40-59, working, couple with children at home, middle section

“It’s a job to make the decision if you don’t have all the facts. You know you can’t make a proper decision.”

female, 60-74, retired, couple living alone, middle section

Overall, most respondents did not feel there was currently sufficient information available on either the impacts of HS2 on their quality of life or property value. Figure 6, below, summarises what information respondents had come into contact with to date with regard to quality of life impacts.

Figure 6. Current information sources on quality of life impacts

| Source | |
|--|--|
| <p>HS2 Ltd.</p> | <ul style="list-style-type: none"> <li data-bbox="328 651 1380 808">■ HS2 Ltd was the main source information on quality of life impacts for most respondents. This included published documentation they had sought out or been sent in the form of maps of the route, planning documents, noise contour maps, and the HS2 environmental statement. Several respondents had also attended HS2 Ltd roadshows and been in personal correspondence with HS2 Ltd by letter and/or telephone. <li data-bbox="328 831 1380 1182">■ Overall, the information provided by HS2 to date was viewed as insufficient in giving respondents a real understanding of the future impacts of the line. A key perceived limitation was that information was only presented at a generalised or “vague” level which respondents could not translate to their specific village, street or property. Respondents said that successive changes in the maps and plans had undermined their confidence in those currently available. Several respondents had experienced the simulation of the noise of the line at roadshow events but were critical or disbelieving of this. Noise contour maps were also felt to have limited value because they only communicated average noise levels and not peak levels. There was also a commonly voiced perception that plans for the line and construction sites had been drawn up “by someone sitting at a desk” and not based on practical knowledge of the topography of the local areas concerned. <li data-bbox="328 1205 1380 1328">■ Respondents were positive about being given the opportunity to speak directly to HS2 Ltd staff at roadshows and through correspondence but typically reported that staff had been unable to answer their specific questions about impacts of the line or gave conflicting responses. <li data-bbox="328 1350 1380 1541">■ There was some acknowledgement amongst respondents that it may have been difficult for HS2 Ltd to provide the granular level of information they wanted at this stage. While they were not happy with the information so far provided, this did not translate into a lack of trust in HS2 Ltd per se. More exceptionally, others said they believed that HS2 Ltd had deliberately sought to underplay the impacts of the line, which fed into or reinforced pre-existing feelings of anger and distrust. |
| <p>Local MPs & Local Councils</p> | <ul style="list-style-type: none"> <li data-bbox="328 1579 1380 1668">■ Respondents generally reported receiving some level of information about HS2 from their local MP and/or their local council. This included information provided through letters, surgeries, personal visits, seminars and correspondence. <li data-bbox="328 1691 1380 1814">■ Views on the value of this were mixed – predominantly they were reported to be passing on or signposting information provided by HS2 Ltd. As such, respondents were sometimes already familiar with it or felt they would have come across it anyway themselves. Others did rely on their MP or local council to keep them up to date with this kind of information. <li data-bbox="328 1836 1380 1960">■ Of the two, respondents were generally more positive about local councils, on the basis that they had been more proactive in the dissemination of information and a source of more detailed information than MPs. They were also generally trusted and viewed as relatively neutral in comparison to some other sources. |
| <p>Residents Associations</p> | <ul style="list-style-type: none"> <li data-bbox="328 2004 1380 2056">■ Not all respondents cited these as a source of information but those who did often indicated they were a valued source. |

| | |
|--|--|
| <p>& Local Action Groups</p> | <ul style="list-style-type: none"> They were praised by some for translating general information provided by HS2 Ltd into the more specific level of information respondents felt they needed to assess the impacts of HS2 on their quality of life. <p style="text-align: center;"><i>“HS2 tend to kind of say ‘oh well this is the map and this is this’ but the local action groups bring it down to how it’s actually going to affect you in your house in your road.”</i></p> <p style="text-align: center;">female, 60-74, retired, couple living alone, south section</p> <ul style="list-style-type: none"> Some groups were also reported to have used their own expertise or that of external experts to provide further information on potential impacts on local quality of life. There was however, an explicit acknowledgement from some respondents that information provided by action groups ran the risk of lacking balance. They were either choosing not to engage with information they provided or treating it with a degree of caution. There were also some respondents, particularly in the most isolated properties on the middle section of line, who simply did not have an active residents association or action group close to hand. |
| <p>Personal experience, general knowledge & hearsay</p> | <ul style="list-style-type: none"> In the absence of more detailed and trusted information on quality of life impacts, respondents also reported drawing on their own wider experiences or those of neighbours or acquaintances to inform the expectations. Examples of this included a respondent who had experience of working on large infrastructure projects and therefore said he “knew what it would be like”, as well as respondents who had spent time next to other high speed rail lines in the past. Another respondent seemed to have expectations about how the line would affect his quality of life based largely on a neighbour explaining that his house shook when a high speed train had been tested on the nearby Chiltern Line, a few years previously. The reliability of such information could clearly be questioned, and sometimes was by the respondents themselves. Even so it did often appear to have been quite influential in informing expectations of the impacts of HS2 on their quality of life. |

In terms of the potential impacts of HS2 on the value of their property, respondents reported consistently low levels of existing knowledge. Respondents either said they had “no idea” or put forward estimates with varying degrees of confidence. Figure 7, below, summarises what limited information respondents had come into contact with to date on this.

Figure 7. Current information sources on property value impacts

| Source | |
|--|---|
| <p>Personal experience, general knowledge & hearsay</p> | <ul style="list-style-type: none"> Respondents relied considerably on guesswork, personal experience and local hearsay when coming to conclusions about the likely impact of HS2 on property value. Some were simply basing their expectations on a belief that “no-one” would want to buy their property because of the proximity of the HS2 line. Others had actively tried to sell their properties since HS2 was announced and received valuations from local estate agents. They were generally left disappointed as valuations and offers revealed a considerable drop in value; in some cases respondents said estate agents had declared their properties to be currently “unsaleable”. Others indicated they had dropped the asking price for their property by as much as 30% of what they considered it actual value, without finding a buyer. Such experiences had served to re-enforce respondents’ concerns of HS2 significantly devaluing their property. Several also highlighted neighbours who had tried and failed to sell their property or had obtained a valuation considerably lower than its expected value. For example, one respondent’s expectations had been informed by a neighbour who, living just outside the rural support zone, said he had seen his property value decrease by £150,000. Whilst |

| | |
|--|---|
| | another explained that their next door neighbour, who owned a similar property to their own, had only received “silly offers” when trying to sell. |
| HS2 property bond: Cost report (2014) PwC | <ul style="list-style-type: none"> Exceptionally, a small number of respondents said they had read the PwC report, which includes data on property value and blight. Their expectations, based on the report, were that property values would decrease by between 20% and 40% until 2012 - again serving to confirm concerns of HS2 having a significant impact. |

3.4 Future intended behaviour

In the face of a range of competing factors, uncertainties and imperfect knowledge of the impacts of the line, most respondents were intending to adopt a wait-and-see approach.

“I think because of the uncertainty of it all, we just sit at the moment don’t we?”

male, 60-74, retired, couple living alone, north section

“We are just holding fire to see what happens.”

female, 75+, retired, couple living alone, south section

Unpicking exactly how long respondents intended to wait, and when they would decide whether to leave or stay was difficult in the interviews. Because they did not know how various uncertainties were going to play out or when any new information about the impacts of the line was going to become available, respondents could only really speculate on this. Some, a minority, indicated they were just waiting for confirmation of the line going ahead and the introduction of one or both schemes to make their decision. These were generally those already thinking of leaving and selling their property through the VPS. Many more said they were waiting and hoping for more detailed and specific information that would enable them to make their decision. It may be that the provision of this information will act as a trigger for them to decide. There were also those who indicated that the start of the construction of the line was a notional “cut-off point” in their minds and that they were intending to leave it as close to this point as possible before deciding.

“We’re going to stay here as long as possible [but] as soon as they start construction I think we’ll have to move.”

male, 40-59, working, couple with children at home, middle section

In addition, there were some who were envisaging deferring their decision until after the construction phase had started or even beyond, on the basis that they could only really gauge the impacts of HS2 by experiencing it themselves.

“I’ll just have to wait and see...when you see it all, digging or whatever, I think that is what would convince me then.”

female, 40-59, looking after children, single living with children, middle section

“We might wait, I’m not saying we will, but we might wait until after it’s finished and running.”

male, 40-59, working, couple living alone, south section

These were generally working-age respondents who could also envisage needing to respond to changes in their personal circumstances (e.g. a change of job) during the construction phase too.

3.5 Influences on future intended behaviour

This final section of the report discusses what factors may influence the decisions of property owners going forward – focusing specifically on future information provision and the potential introduction of the ACO.

Future information provision

Respondents were fairly unanimous in saying that wanted “better” information about how HS2 was going to impact on them personally, and that when they got this it was going to have a significant influence on what they ultimately decided to do. They did not have a specific timetable in mind for when they wanted this information – either they wanted it as soon as possible or if not then at the point when their other uncertainties surrounding HS2 had been resolved. In terms of what would constitute “better” information, the number one requirement was for more detailed information on what the impacts of HS2 would be on their quality of life specifically.

“I want to know how far that road’s going to be from the back of my house, how it’s going to be shielded, what the lighting’s going to be like, you know, I want that granular level of detail.”

female, 40-59, working, couple with children at home, middle section

Respondents wanted this type of detailed information on impacts they would experience if they stayed both during the construction of the line and once the line was operational, but generally placed most emphasis on the former.

Respondents also wanted information they felt they could trust, and which was not going to be changed or superseded at a later date. Despite perceived limitations in information provided by HS2 Ltd to date (see section 3.3) respondents generally felt this information should be provided by HS2 Ltd, on the basis that only they would have the sufficiently detailed knowledge necessary to do so. In addition, respondents from all sections of the line expressed a desire for receiving information through face-to-face contact with suitably qualified staff from HS2 Ltd.

“Just talk to us, like you have come here today, come and sit with us and explain to us, that is what we want. It would have to be HS2...somebody who knows, who can answer our questions.”

male, 75+, retired, couple living alone, south section

“What we really need is a real live genuine person to come here and talk to us about our needs, us. The people next door have got their own needs, the people next door on this side have got their own needs, we need to talk to somebody that we can actually believe in and trust.”

male, 60-74, working, couple living alone, north section

Respondents could still see a need for more tailored written information alongside this direct kind of contact. There was a preference for information relevant to them and others in similar circumstances (i.e. on their section of the line and in the RSZ) to be consolidated in one, easily accessible, place. One final, more basic request from some older respondents was that future information should not just be provided online and that larger-font versions of documents and letters should also be readily available for those who need it.

The ACO

As reported in section 3.3, the potential introduction of the ACO was not currently seen to be a significant influence on respondents' future plans. Non-financial considerations about the impacts of HS2 on their quality of life and attachments to their current home were seen to be more important factors. Although it did appeal to some respondents on the basis of the flexibility it potentially offered, this was currently seen to be undermined by the perceived unfairness of the 10% level being proposed and the perceived risks of accepting it and later being unable to sell-up and leave.

However, it is feasible that perceptions towards the ACO could change as property owners gain greater knowledge about the impacts of HS2 – particularly given the current gaps in knowledge surrounding these impacts. If this information confirmed negative expectations about these impacts this may further reduce its influence on their decision-making. If the information had a positive effect on their expectations this could increase its influence.

Respondents also had their own views on what would make the ACO more attractive. Many thought it should offer more than 10% of the un-blighted value of their property. As discussed in section 2.2 there was no consensus about how much more it should offer, and again, these expectations may shift in response to new information about the impacts of the line on their quality of life and property value. One thing there was more agreement on, and which could shift the attitudes of some in the shorter-term, is the level of flexibility there will be in the application process. As discussed in section 2.4, respondents were unclear as to whether they would have to choose between the ACO and VPS within 12 months of going through the valuation process with HS2 Ltd. Some wanted the option to potentially defer their decision for longer and, if necessary, to be able to restart the process and have a further valuation (again, ideally a free one) at a later date. Any further reassurance and clarity around the flexibility property owners will have in this respect is likely to be beneficial. In addition, it was suggested that property owners should have the flexibility to be able to accept the ACO initially but later sell their property through the VPS.

"If somebody wanted the alternative cash offer to have any impact at all, I think you'd have to make it more, probably 20%, and more significantly allow people to change their mind."

male, 40-59, working, couple living alone, north section

"I think you should be able to go back to the Voluntary Purchase and the government will just knock that amount they've paid you off."

female, 40-59, working, couple living alone, south section

From the perspective of these respondents, this would remove the perceived risk element of the ACO – they could choose to stay initially and have the reassurance that if they felt they needed to leave at a later date they had a guaranteed means of doing so. As reported in section 2.4, respondents had doubts about being able to do this by selling their property privately or by qualifying for the Need to Sell scheme. However, it should be noted that this was not raised by all respondents in the sample. It was generally raised by those who were already predisposed to take a wait-and-see approach, particularly working-age respondents. Maximising the flexibility of the ACO would not appeal to all property owners in the RSZ but, amongst the many who are currently undecided, it could help to encourage more to stay initially rather than sell their property through the VPS and leave.

Annexes

1. Topic guide used to conduct interviews
2. Stimulus material presented to respondents during interviews

Annex 1. Topic guide used to conduct interviews

A topic guide, reproduced here, was used by the researchers conducting the interviews to guide the discussion and ensure coverage of key areas of enquiry. However, the topic guide was not a set script and was used flexibly in the interviews to reflect the circumstances of different individual respondents.

Introduction

- Introduce yourself and Brook Lyndhurst [emphasising independence from DfT & HS2 Ltd]
- Explain confidentiality and how interview data will be used
- Ask consent to record
- Answer any questions about the research they have

1. A bit about them and their local area [5 mins]

- How long have you lived here?
- Who else, if anyone, is currently living with you?
- How would you describe your current occupation?
 - Working? Retired? Looking after kids? Other?
- Do you have any kind of long-term illness, health problem or disability which limits your daily activities or the work you can do?
- Could you tell me a little about the local area and the people who live here?
 - Do you like living here? Why? Why not?
 - How much contact do you have with other people locally?
- Before you heard about the HS2 route, what were your plans for the future?
 - E.g. how long did you envisage living here? were you at that point thinking about moving elsewhere?
- How far away from the proposed line are you?

2. Current perceptions and attitudes – HS2 in general [10 mins]

- When did you first hear the HS2 route would pass through your area? And how did they hear about it?
- What were your initial reactions/feelings?
- How do you feel about it now?
- In general how well-informed do you currently feel about how the line is going to affect you?
- What kind of effect do you think it will have while it's being built? *probe to establish:*
 - expected impacts on quality of life (eg. noise, physical blight, traffic, influx of construction workers, being cut off from village/town, etc)
 - expected impact on property value
- What kind of effect do you think it will have once the line is up and running? *probe to establish:*
 - expected impacts on quality of life (eg. noise, physical blight, loss of local amenities, being cut off from village/town, etc)
 - expected impact on property value
- And what is your current understanding of the effects of the line based on? *probe for use of:*

- formal sources (DfT/HS2 website, consultation docs or events, ministerial statements, written correspondence, libraries, citizens advice bureau, MP/councillor)
 - media sources (local/national press, websites and TV coverage)
 - 'action group' sources (local/national action group meetings, newsletters, websites etc.)
 - informal sources (family, friends, neighbours)
 - estate agents
- What do you think about this/these sources of information? *If possible explore for each source:*
 - do they give you the information you want/need?
 - is the information in a form you can easily use/apply to your circumstances?
 - do you trust them? why? why not?
 - which source or sources do you prefer to receive information from?

3. Current perceptions and attitudes – HS2 payments [10 mins]

- What payment do you think you are potentially going to be able to receive? *[do not prompt specifically on ACO or VPS here]*
 - What form will it take?
 - How much it will be?
 - What the process for applying for it will be?
- In general how well-informed do you currently feel about the payments available?
- Where/who have you received information about payments from? *probe for use of:*
 - formal sources (DfT/HS2 website, consultation docs or events, ministerial statements, written correspondence, libraries, citizens advice bureau, MP/councillor)
 - media sources (local/national press, websites and TV coverage)
 - 'action group' sources (local/national action group meetings, newsletters, websites etc.)
 - informal sources (family, friends, neighbours)
- What do you think about this/these sources of information? *If possible explore for each source:*
 - do they give you the information you want/need?
 - is the information in a form you can easily use/apply to your circumstances?
 - do you trust them? why? why not?
 - which source or sources do you prefer to receive information from?

4. Current intended behaviour [10 mins]

- What are your plans? Have you considered what you might do? *probe to establish:*
 - whether they have already made a decision, and if so what this is
 - if they've not made a decision yet, when they think they will do
- What were/will be the main factors influencing your decision?
- What was/will be the process you go/went through to make your decision?
- Who else was/will be involved in the decision?
 - Was/will it be a joint decision? If so, who with?
- Are you aware at all of what other people in the local area are planning to do?
 - Did/will this have any influence on your decision?
- Did you/will you seek out any information to help you decide? *probe specifically for info seeking on the impact of the line on local quality of life and on their property's value*

- If so what, when and who from? Local estate agents? Engineers?
- Do you feel you had/have all the information you need to be able to make a decision?
 - If not, what information do you need?
- When do you intend to act on your decision (i.e. request a valuation)?

5A. Prompted perceptions, attitudes and behaviour [10 mins]

“OK, I’ve now got a few sheets of paper I’m going to show you which contain information from HS2 Ltd. about the payments potentially on offer for households in your circumstances. You may know some of this already but please still take a little time to read each one, then I’m going to ask a couple of questions”

[Stimulus A]

- What are your initial reactions to this information?
- Is there anything on there that you were not aware of previously?
- Is there anything on there that is different to what you previously thought/expected?
- What do you see as the advantages and disadvantages of each offer?
 - What do you think these are for you personally?
 - What do you think these are for the local community?
- Does this information have any impact on your decision about what you are going to do?
 - Why? Why not? How?
- If you were to consider applying for the Alternative Cash Offer, do you think you would...
 - ... stay living where you are during and after the construction of the line?
 - ... stay living where you are during the construction of the line then move out later?
 - ... move out during the construction of the line (eg. by renting somewhere else) then move back once it was in operation?
 - ... not make a decision until the construction and/or operation of the line has started?

If still not intending to go for ACO or undecided:

- Is there anything else that would change your thinking?
- Why? Why not? What?

5B. Prompted perceptions, attitudes and behaviour [10 mins]

“This next sheet just gives a bit more information about the level of payments you could qualify for through each of the options”

[Stimulus B]

- What are your initial reactions to this information?
- To what extent do you feel you understand the information and how it would apply to you personally?
 - Why? Why not?
- Is there anything on there that you were not aware of previously?
- Is there anything on there that is different to what you previously thought/expected?

- Does this information have any impact on your decision about what you are going to do?
 - Why? Why not? How?

If still not intending to go for ACO or undecided:

- How much would the Alternative Cash Offer have to be to change your thinking?
 - Why that much? What are you basing that on? Why not a higher/lower amount?
 - Do you think that is a realistic amount for the government to pay?

5C. Prompted perceptions, attitudes and behaviour [10 mins]

“Just to finish off, I’d like to ask you about how the two payment schemes could potentially be delivered. This hasn’t been fully decided yet but the information on this sheet describes how it is likely to work...”

[Stimulus C]

- What are your initial reactions to this information?
- Is there anything on there that you were not aware of previously?
- Is there anything on there that is different to what you previously thought/expected?
- Is there anything that concerns or worries you? What is your biggest concern?
- Does this information have any impact on your decision about what you are going to do?
 - Why? Why not? How?

If still not intending to go for ACO or undecided:

- Is there anything else, that we’ve not talked about already, that would change your thinking?
 - Why? Why not? What?

Close-Out

- Collect basic socio-demographic data
 - age: 18-39; 40-59; 60-74; 75+
 - annual household income: £0-£29,999; £30,000-£59,999; £60,000-£99,999; £100,000+
 - estimated value of property: £0-£249,999; £250,000-£499,999; £500,000-£999,999; £1m+
- Explain follow-up call and make arrangements for date and time to ring them
- For further information:
 - “If you want to know more about schemes currently available, please visit the property section of the [hs2.org.uk](https://www.hs2.org.uk) website. There are contact details for HS2 Ltd here if you have questions on schemes currently available.
 - The government response to the consultation, which this research will feed in to, will be published by the end of the year on the Department for Transport website, along with our summary of responses to the behavioural insight sessions.”
- Remind about consultation as opportunity to further express their opinion
- Thank and close

Annex 2. Stimulus material presented to respondents during interviews

A

The government is proposing to offer property owners in the Rural Support Zone the choice between two main offers:

Voluntary Purchase Offer

- Eligible owner-occupiers will be able to sell their property to the government.

Alternative Cash Offer

- The government is now also consulting on proposals that would allow eligible owner-occupiers to stay in their property and receive a lump-sum payment from the government.
- This would give eligible owner-occupiers a choice between selling their property to the government and moving on or staying in their local community and receiving a lump-sum payment.
- If more people choose to stay this would potentially benefit local communities. Communities thrive when families put down roots, when children are settled in school, when businesses can build up a customer base, when friendships grow over years. All of this can be threatened by too many individuals moving out in a short time.

B

- Under the **Voluntary Purchase Offer**, the government will buy your property for 100% of its un-blighted market value.

Example: If the value of your property would have been £240,000 had there been no plans for HS2, the government would buy it off you for £240,000 now.

- Under the **Alternative Cash Offer**, you would receive a lump-sum payment equal to 10% of the un-blighted market value of your property now (from a proposed minimum of £30,000, to a maximum of £100,000).

Example 1: If the value of your property would have been £240,000 had there been no plans for HS2, the government would give you £30,000 now (because this is the minimum).

Example 2: If the value of your property would have been £450,000 had there been no plans for HS2, the government would give you £45,000 now.

Example 3: If the value of your property would have been £1.5 million had there been no plans for HS2, the government would give you £100,000 now (because this is the maximum).

C

How the Voluntary Purchase and Alternative Cash Offer could potentially be delivered:

Step 1. If the Alternative Cash Offer is introduced, it would be introduced later this year with the Voluntary Purchase scheme. Once the two schemes had been introduced, eligible property owners would be able to ask for a free valuation of the un-blighted market value of their property. They could do this at any time until the schemes close, one year after the line has opened.



Step 2. The property would be valued by two independent surveyors from the Royal Institute of Chartered Surveyors. The final valuation would be the average of the two. If the valuations differed by more than 10%, the applicant would have the choice of selecting another valuer to conduct a third valuation. The offer made would be the average of the closest two valuations.



Step 3. The property owner would then have a year to decide whether they wanted to sell their property to the government under the Voluntary Purchase Offer and move out or stay and accept the Alternative Cash Offer.

If the property owner decided to accept the Alternative Cash Offer, it would not prevent them from applying to the Need to Sell scheme at a later date if their circumstances changed. You would be eligible for the Need to Sell scheme if you had a compelling reason to sell your property but were unable to do so other than at a significant loss due to HS2. The government would recoup the payment under the Alternative Cash Offer from the Need to Sell purchase price. However, if you sold your property on the open market, you would keep the payment you had received under the Alternative Cash Offer.

- At any point in the process property owners would also be free to sell their property themselves on the open market and not take up either of the offers.