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Are Electricity Pylons a Compensation Opportunity?

Chartered surveyor **Ben Lenton** comments

Many landlords are unaware of their rights when it comes to the effect of utility infrastructure schemes on the value and use of their properties. Such schemes could be new water mains, sewers, gas mains, underground electricity cables or overhead power lines, for example. The different schemes and compensation paid are governed by different legislation. If you are affected by such a scheme it is important to consider your options as early as possible and these may include persuading the utility company to take a different route over your property or on neighbouring property. Landlords must ensure they claim full compensation for the impact on their property and the works undertaken.

New utility schemes like this are likely to only affect landlords who own large plots or additional land over which a new route for a utility is likely to be needed. However, for the more standard buy to let residential property there is one surprising opportunity available in respect of overhead power lines that landlords will not be aware of. In summary, most people know that power lines devalue properties but they may not know that they could be entitled to

substantial compensation for this, even if they bought the property many years after the line was installed or if the property was constructed at a later date.

For background, overhead power lines come in different sizes and construction types. In summary steel pylon lines come in voltages of 400kv, 275kv, 132kv, 66kv and 33kv. The size of pylons varies considerably. There are also wooden pole lines of 33kv and 11kv. The vast majority of these lines will have been installed between the 1930s and 1970s.

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The devaluation caused to residential property by these lines is generally well known and is mainly a result of visual impact and perceptions about unproven effects on health. The loss in value varies significantly and depends on many factors including distances to the line, its size and orientation to the property. In summary it can range anywhere between 0% and up to approximately 30% of the property value. Most claims I deal with range between £3,000 and £20,000.

The ability to claim for this loss in value depends on various qualifying factors. In summary, the equipment must cross over the boundaries, exist on a terminable wayleave agreement and be close enough to cause a loss in value. The first factor is easy to establish and a property will qualify even if there are just cables that only swing over the boundaries temporarily in severe weather. The second factor can be

established fairly easily too by a specialist surveyor. For the last factor, a claim is usually worth undertaking if cables cross over the boundaries and within approximately 150-200m of the house for the highest voltage lines. If there is a pylon on the property, the claim can usually work at a further distance of up to 350m for the largest pylons (200-250m for smaller pylons). Every case is different but for a buy to let residential property the typical scenario will be cables crossing over the garden, or possibly over the roof.

So what is a wayleave agreement? Wayleave agreements were used by the Electricity Boards when they wanted to install electricity lines at minimal cost and before there was much concern about loss of property values. They can be terminated and in such an instance the current electricity company will have to remove the line from the property or apply to the Secretary of State to keep it. It is very difficult to get a line removed and if a line is to stay compensation must be paid.

The claims industry in respect of these kinds of matters is getting smaller and only a very small percentage of housing stock would have a claim of this nature. Virtually every owner occupier claim has been completed over the last 15 or so years as well as many rental property claims. However, buy to let landlords who think they are yet to claim and have been unaware of their rights are well advised to investigate the possibility. The amounts due could be similar to a year's rental income. What is really important is that a specialist firm is used with experience of undertaking these claims and dealing with the electricity companies. There are pitfalls to avoid and the agent must act on a strict no win no fee basis so for a property owner there is nothing to lose. **FIN**

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