THE LONDON BOROUGH OF HARINGEY (HIGH ROAD WEST PHASE A) COMPULSORY PURCHASE ORDER 2023

DOCUMENT CD 10.6

WITNESS 5: JAMES FRANKLIN, CBRE

REBUTTAL

1. **Introduction**

- 1.1 My name is James Franklin. Details of my qualifications and experience are set out in my main proof of evidence [CD 9.9].
- 1.2 In this short rebuttal statement ("**Rebuttal**") I adopt the same references and abbreviations as I used in my first proof [**CD 9.9**] (my "**Main Proof**").
- 1.3 This Rebuttal has been prepared to respond to the proof of evidence ("PoE") submitted by Alecos Tryfonos [CD 9.17] submitted in respect of the Order on behalf of the Tryfonos Obejctors.
- 1.4 This is not intended to be an exhaustive rebuttal of the contentions made in the PoE of Mr Tryfonos. This document only deals with certain points where it is considered appropriate and helpful to respond in writing. Where specific points have not been dealt with, this does not mean that those points are accepted. They may be dealt with further at the Inquiry and/or in writing.
- 1.5 Before responding to the PoE of Mr Tryfonos, I can confirm that Council and Lendlease have agreed terms with the Nail Group [**Obj-10**] which has facilitated the removal of the Nail Group's objection to the Order.
- 1.6 I also attach to this Rebuttal the current version of the Strettons report listing available commercial properties in the vicinity of the Scheme [CD 10.7.1]. This replaces the version referred to at paragraph 4.35 of my Main Proof and attached thereto at CD 9.10.1.

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2. Alecos Tryfonos's Proof of Evidence

2.1 This Rebuttal responds to the following matters raised within Mr Tryfonos' PoE predominantly regarding negotiations and engagement and relocation options for the relocation of Mr Tryfonos' business, Chick King.

Negotiations and Engagement

- 2.2 Paragraph 9 of Mr Tryfonos' PoE states "that negotiations to acquire our properties by agreement had barely begun when the CPO was made, and that the Council has made only limited attempts to engage with us between the granting of the Planning Permission and the making of the CPO".
- 2.3 I disagree with this statement.
- The engagement log annexed to my Main Proof [CD 9.10.3] evidences the extensive engagement which has been undertaken with the Tryfonos Family. Considerable attempts were made to progress negotiations with the Tryfonos Objectors in advance of making the CPO. I note that during the early discussions with Mr Tryfonos, Mr Tryfonos made it clear that detailed negotiations would not be appropriate until the Scheme was further advanced. As such, following the Council's decision to progress with the Scheme and following the outcome of the residents ballot and submission of the planning application for the Scheme, extensive efforts were undertaken to engage with the Tryfonos Objectors as evidenced by the communication contained within CD 9.10.3.
- 2.5 Paragraph 23 of Mr Tryfonos' PoE states that, "No offer has been made in relation to the residential relocation needs to Kate, Kyriacos and Maria Tryfonos, despite such offer being made to leaseholders on the Love Lane Estate".
- As noted at paragraph 24 of Mr Tryfonos' PoE, the Council has offered an equity loan option to the resident owner-occupiers of 755a High Road (Kate Tryfonos) and 757a High Road (Kyriacos and Maria Tryfonos). The offer is made on the same terms as that set out in the Council's Love Lane Leaseholder Offer. The offer was confirmed within my letter to Town Legal LLP of 6 October 2023 contained at page 150 of **CD 9.10.3**. See also paragraphs 6.12.1, 6.12.2 and 6.19 of the PoE of Peter O'Brien [**CD 9.1**].

Relocation Options

- 2.7 Paragraphs 26 to 33 of Mr Tryfonos' PoE refer to the relocation of the Chick King business. Mr Tryfonos' position is that "..to date no discussion, meeting or other engagement has provided a meaningful relocation offer for us to consider" and that the "..Council and Lendlease have entirely failed to provide an offer or relocation of the Chick King business on any reasonable specific terms..."²
- 2.8 I respectfully disagree with the above statements.

¹ Paragraph 25 of Alecos Tryfonos' proof of evidence [CD 9.17]

² Paragraph 32 of Alecos Tryfonos' proof of evidence [CD 9.17]

- 2.9 The engagement log annexed to my Main Proof [**CD 9.10.3**] alongside the additional correspondence with Tryfonos Objectors sent and received in the intervening period demonstrate the extensive engagement and effort undertaken by the Council and Lendlease to agree a suitable relocation offer with the Tryfonos Objectors in respect of both the Chick King and K&M Stores businesses.
- 2.10 Rather than respond to each point raised within paragraphs 26 to 33 of Mr Tryfonos' PoE I set out below a summary of the current offers presented to the Tryfonos Objectors. The information summarised below is contained within the correspondence contained within CD 9.10.3 and the additional correspondence appended to this Rebuttal [CD 10.7.2 and 10.7.3]. It should be noted that Mr Gupta has confirmed to me that although the letter dated 17 October 2023 from Town Legal LLP appended to this Rebuttal is marked as 'without prejudice', it should be treated as open correspondence.

Option 1 - Acquisition of properties with Vacant Possession

- 2.11 An offer has been made to acquire all of the properties owned by the Tryfonos Objectors with vacant possession.
- 2.12 The offer values the Tryfonos Objectors' properties at £4,733,837.
- 2.13 The offer excludes any value of the existing Chick King and K&M Stores businesses. The value attributable for the existing businesses would be paid in addition to the value stated above and agreed depending on whether the businesses were relocated or closed.

Option 2 – Acquisition of premises now but continue to occupy the residential properties and operate the businesses on a rent free basis until vacant possession is required

2.14 An offer has been made to acquire all of the properties owned by the Tryfonos Objectors now, but with the Tryfonos Objectors able to remain in occupation of their properties, rent free, until vacant possession of the properties is required for the Scheme.

Residential

- 2.15 The residential properties currently occupied by the Tryfonos Objectors (755a High Road and 757a High Road) could remain occupied rent free until vacant possession is required.
- 2.16 Once vacant possession is required the relevant owner-occupiers (Kate, Kyriacos and Maria Tryfonos) would have the ability to benefit from the equity loan offer contained within the Council's Love Lane Leaseholder Offer (see paragraph 2.6 above).

Commercial

2.17 In relation to the Chick King and K&M Stores, the offer acknowledges that vacant possession of the properties will not be sought in advance of Q2 2026. The offer notes that the period prior to Q2 2026 enables an opportunity for the parties to discuss suitable relocation options for the Chick King and K&M Stores businesses within the Scheme.

- 2.18 With a view to arriving at an agreed position, various potential relocation options within the Scheme have been provided for consideration by the Tryfonos Objectors. These include:
 - (a) two units facing Moselle Square the location of these units was included within the pack of information sent to the Tryfonos Objectors in May 2023 (page 101 of CD 9.10.3); and
 - (b) two units facing the THFC Stadium the location of these units was set out within the documents enclosed with the letter to Town Legal LLP dated 23 October 2023 [CD 10.7.4].
- 2.19 As stated within my letter to Town Legal LLP dated 23 October 2023, the units facing Moselle Square were originally proposed on the basis that they appeared to be the right location for the Chick King and K&M Stores business because:
 - (a) Moselle Square will be at the heart of the Scheme with high footfall located on a key route between the Station and THFC Stadium; and
 - (b) the existing businesses could be relocated to the proposed units in a single move.
- 2.20 However, in responding to the recent correspondence from Town Legal LLP, within which it was made clear that the Tryfonos Objectors would only be willing to consider relocating the Chick King business opposite the THFC Stadium, Lendlease has proposed two units within Plot C2 which will be located on the High Road and directly opposite the THFC Stadium.
- 2.21 As to the terms upon which the proposed units would be provided, the offer confirms the following:
 - (a) <u>Size</u> that the proposed units will have at least equivalent floorspace to the existing Chick King and K&M Stores units. If the Tryfonos Objectors require larger units Lendlease and the Council have confirmed that they are willing to discuss and offer such space.
 - (b) <u>Lease term</u> the leases for the proposed units would be inside the security of tenure provisions of the Landlord and Tenant Act 1954 for a term to be agreed.
 - Alternatively, Lendlease and the Council are willing to discuss the sale of a long lease for the proposed units, the duration of which would need to reflect the length of lease that the Council will be granting to Lendlease (250 years).
 - (c) <u>Rent</u> in line with Lendlease's commitments within Schedule 11 of the Section 106 Agreement [**CD 4.29**], where an occupational lease is in place a reduced rent would be available over the first five years as set out below:

Year 1 – Rent Free

Year 2 (Market Rental Value - 40%) x NIA

Year 3 (Market Rental Value - 30%) x NIA

Year 4 (Market Rental Value – 20%) x NIA

Year 5 (Market Rental Value - 10%) x NIA

Year 6 onwards Review of Market Rental Value

In addition, the Tryfonos Objectors have been informed that they may elect to forgo the discounted rent and alternatively receive an incentive of potential equivalence.

- (d) <u>Fit Out</u> the units would be provided to a shell and core finish, with a shopfront or equivalent frontage where appropriate, in readiness to be fitted out to the Tryfonos Objectors' specific requirements. The Tryfonos Objectors have been informed that if they wish to consider an alternative approach to fit out, Lendlease and the Council would be keen to discuss this further.
- (e) <u>Timing</u> if one or both of the proposed units facing Moselle Square were selected, the existing businesses could relocate via a single move. This is one of the reasons why the units were originally presented to the Tryfonos Objectors.

If one or both of the proposed units facing the THFC Stadium were selected there would be a period between the existing businesses ceasing trading from their current premises and the businesses re-opening in the new units. On the basis of the current delivery programme, this period would be approximately 15 months.

The Council and Lendlease have confirmed that they would be willing to support the Tryfonos Objectors during this period and develop meanwhile/temporary options for the businesses to continue trading. Furthermore, the Council and Lendlease have confirmed their willingness to consider compensating the Tryfonos Objectors in respect of any lost or reduced profit during this period, subject to having first been provided within the accounts of the businesses.

- 2.22 Within the letter from Town Legal LLP dated 22 September 2023, it is stated that "Chick King is willing to consider relocation with the scheme in a unit facing the football stadium conditional on planning and satisfactory servicing arrangements being agreed and being offered an acceptable leave (which would either be a long lease) or a lease inside the Landlord and Tenant Act 1954."
- 2.23 As set out above, the Tryfonos Objectors have been offered:
 - (a) various units within the Scheme, including opposite the THFC Stadium; and
 - (b) long leases or leases inside the Landlord and Tenant Act 1954.
- 2.24 Furthermore, and notwithstanding the fact that both the Town Legal letter and Alecos Tryfonos' PoE appear to focus on the Chick King business, the above offer extends to both the Chick King and K&M Stores businesses.
- 2.25 It is therefore considered that the current offers provide a reasonable basis upon which an agreement can be reached between the parties.

- 2.26 In light of this, in my letter to Town Legal LLP dated 23 October 2023 [CD 10.7.3] I proposed various dates for a further meeting between the parties to discuss and agree a proposal. An update on the progress of such discussions will be provided at Inquiry.
- 2.27 In summary, I consider that the Council and Lendlease have made reasonable offers to acquire the Tryfonos Objector properties. I am of the view that the existing offers go further than what is required pursuant to the Compensation Code and respond to all of the requests made by the Tryfonos Objectors. As such, I believe that the position adopted opposite the Tryfonos Objectors accords with the 2019 Guidance in undertaking genuine attempts to acquire the properties by agreement in advance of the Order.

3. Statement of Truth and Declaration

- 3.1 I confirm that I have made clear which facts and matters referred to in this Rebuttal are within my own knowledge and which are not. Those that are within my own knowledge I confirm to be true. The opinions I have expressed represent my true and complete professional opinions on the matters to which they refer.
- 3.2 In preparing this Rebuttal, I confirm that:
 - (a) I have drawn attention to all material facts which are relevant and have affected my professional opinion;
 - (b) I understand and have complied my duty to the Inquiry as an expert witness which overrides any duty to those instructing or paying me, that I have understood this duty and complied with it in preparing my evidence impartially and objectively, and I will continue to comply with that duty as required;
 - (c) I am not instructed under any conditional or other success-based fee arrangement;
 - (d) I have no conflicts of interest; and
 - (e) I am aware of and have complied with the requirements of the rules, protocols and directions of the Inquiry.

James Franklin BSc (Hons) MRICS

31 October 2023