

**EXPECTATIONS DOCUMENT 4
For
Leaseholders in Blocks to be Demolished**

BACKGROUND

The Woodberry Down Regeneration Team (WDRT) working with members of the EDC Rehousing subcommittee has produced this expectations document. The intention is that the Council approves this document as a local policy for the regeneration of the Woodberry Down estates

The following will inform leaseholders of what they can expect in terms of standards of performance and compensation if their home is situated in a block identified for demolition. This document has been written to ensure all leaseholders are treated fairly and have confidence in the process.

Once a programme of works has been agreed and approved by Council Members, the order in which blocks are to be demolished or refurbished will be identified. Any delay caused to the project could result in severe financial penalties. Where a block is going to be demolished, the Council will need to buy homes from leaseholders using a process referred to as a Compulsory Purchase Order (CPO).

COMPULSORY PURCHASE ORDERS

Compulsory Purchase Orders would be served to ensure that the Council has the ability to buy back properties so that regeneration of the estates can take place within agreed timescales and projected costs. The notice does not require you to leave your home immediately and is a safeguard to protect the Council's interest in cases where negotiations on buying homes fail between the Council and leaseholders. In the vast majority of cases, legal proceedings do not progress beyond the issue of the first notice. **The Council will always seek to reach a voluntary agreement with all leaseholders.**

Every leaseholder will be visited at least *12 months* before their block is due for demolition. The Council Officer will explain:

- The redevelopment of the estate and why the block will be demolished.
- The process of buying the flat from the leaseholder.
- The options for the leaseholder.

VALUATION

The Council will then carry out a valuation of the Open Market Value (OMV) of the home, and make an offer to buy the property from the leaseholder. A copy of the valuation report will be made available to the leaseholder.

The leaseholder may disagree with this valuation and obtain a separate valuation from a suitably qualified independent valuer of their choice. If this valuation differs from the first, the difference will be subject to negotiation between the Council and the leaseholder. The leaseholder will get financial support to employ their own valuer.

If the Council and the leaseholder cannot agree on the price to be paid for the home, the Council will have to use its powers under compulsory purchase.

HOME LOSS PAYMENT

In addition to the agreed market value, leaseholders who have been resident in their property to be purchased for the previous 12 months are entitled to a home loss payment. The Council will make an additional home loss payment of 10% of the agreed market value of the property, up to a maximum of £15,000. Home loss will be paid by cheque when you leave the home that is being purchased.

OTHER PAYMENTS

A Disturbance Payment will also be made to cover other costs including:

- Conveyancing costs.
- Stamp duty.
- Reasonable legal and valuation costs of the leaseholder in arranging the sale of the property to the Council.

CONSULTATION

The Woodberry Down Regeneration Team will hold regular consultation meetings to involve tenants and leaseholders in the redevelopment of properties. Leaseholders will be informed of:

- Dates properties to be handed over to the developer on a phased basis and dates on which new properties will be available.
- Timetable slips.
- Schedule of works.
- Design, layout and standards of properties.

Options

During the planning for the regeneration of the estate all options will be considered by the Council to encourage leaseholders to stay on the estates. The options will include:

Find their own accommodation

In most cases the Council will buy the home and leaseholders will make their own arrangements to find accommodation.

Buy accommodation on part of the redeveloped estates

Some of the new housing provided will be housing for sale. Leaseholders will be able to buy the new housing for sale in the area as it is developed.

Equity transfer

Where new-build homes for sale or shared ownership have been built on the estate, resident leaseholders will have the option of buying the full or part of the equity in these homes. This could be in the form of an equity swap where a leaseholder agrees a valuation on their existing property, and moves to a new or refurbished property. Where the value of the new or refurbished property is greater than the value of their present home the leaseholder will hold a proportion of the equity in the new home. For example, if the existing home is valued at £70,000 and the new home is valued at £140,000, the leaseholder moves to the new home and has a 50% stake in the equity. When the leaseholder sells the home they keep 50% of the value and the Council or housing association keeps the remaining 50%.

LEASEHOLDERS IN HARDSHIP

The council has the power to purchase homes from Right to Buy leaseholders where they are in financial hardship. The leaseholders then become a tenant of the Council. The amount paid by the Council for the home in these circumstances is less than the full market value. We will investigate how these powers can be used to help leaseholders who are in financial hardship on Woodberry Down Estates.

All of the options are being considered and, if feasible, become part of the regeneration proposals.