

Camden's Community
Investment Programme

Information for Resident Leaseholders



Estate Regeneration, Gospel Oak and Haverstock



What regeneration means for you – resident leaseholder

Camden People's Regeneration Pledge for resident leaseholder – key points

- Resident leaseholders will be considered every step of the way through an estate regeneration project
- If you wish to remain living on your estate once redevelopment has occurred, you will be given the opportunity to do so
- We will work with you to offer you a range of financial options suiting your personal circumstances to help you make a decision that suits you and your family
- We will work with you to minimise any disturbance to you and your family
- You will be involved every step of the way in designing the new homes and neighbourhood, from the layout of new flats to the design of open spaces

- You will receive compensation for having to move home and the Council will reimburse you for the costs of moving

We will make sure that all leaseholders get a fair deal from the regeneration of council housing estates.

When will I be told what is happening to my estate?

The Council will be open and transparent with residents when it is considering developing plans for the regeneration of an estate. This is not only to allow people as much time as possible to plan, but also so that all residents can be involved in the design of new homes and other new facilities such as play spaces and landscaping.

Where the Council is considering demolishing some homes in order to deliver the maximum benefit from estate regeneration, then we will discuss the available options with residents.

Where a proposed scheme is large, for example building over 150 homes and demolishing

existing council homes, the Council will carry out a ballot of all estate residents. If a majority of the residents who vote are in favour of the proposals, then regeneration will proceed. For more information on ballots please see the separate leaflet.

The timing of when the Council will start looking to acquire leaseholder properties on an estate will be linked to the regeneration programme for that estate. We will keep you informed of progress on the regeneration programme to enable you to plan ahead.

Your sale options as a resident leaseholder

If you own your home on a Camden Council estate, and we need to purchase it either to demolish it or to refurbish it, you will have a number of options. These depend upon whether you are a resident (living in the property) or non-resident leaseholder.

In order to qualify for the options for resident leaseholders, you will need to prove that you bought and have lived in your home for

at least 12 months before taking up one of the options available to you.

If you are a non-resident leaseholder, we have a separate booklet outlining the options available to you, and your rights and responsibilities for any private tenants living in the home.

Option 1 - Sell your home to Camden Council

If you wish to sell your home to Camden Council, we will pay full market value plus 10% for your home as negotiated and agreed between valuers acting for the Council and you. The 10% will represent your statutory home loss payment. This will only be paid to you once.

In this circumstance you will be responsible for finding alternative accommodation to move to once you have sold your home.



Option 2a – Equity ownership on the new development

If you are a resident leaseholder, you are eligible for equity ownership of a newly built home on your new estate once it is redeveloped. As a resident leaseholder you can apply to purchase a new property with the same number of bedrooms as you currently own. If you are currently under occupying, you may be eligible for a smaller home.

Equity ownership means re-investing the full value of your current property plus your home loss payment into a new build home. The newly built homes are likely to cost more than the value of the sale of your current home. Equity ownership means that the difference in value (between your current and the new home) will be retained by the Council. The Council will register a charge on the unsold equity on the new property, but you will not pay any additional rent or interest payments on the share that you didn't buy. This share would not need to be repaid until you choose to sell

the property at a future date. As a leaseholder on the new estate you will be responsible for all the service charges, and these may change or increase from your existing property. If you currently have a mortgage, you will need to renew or replace this mortgage, so that you can put the full market value of your existing property into the new property.

Example:

	Amount	Equity Percentage
Payment for old home		
Value of existing home	£300,000	
Home loss at 10%	£30,000	
Leaseholder receives	£330,000	
Payment for new homes		
Total market value of new homes	£400,000	100%
Leaseholder pays	£300,000	82.5%
Investment of home loss	£30,000	
Share retained by Camden	£70,000	17.5%
At point of future resale (house prices decrease)		
Future value of home	£500,000	100%
Leaseholder receives	£412,500	82.5%
Camden receives	£87,000	17.5%
At point of future resale (house prices decrease)		
Future value of home	£300,000	100%
Leaseholder receives	£247,500	82.5%
Camden receives	£52,500	17.5%

You must invest the full amount of your home loss payment. You will be able to purchase additional percentage shares of the property at any point, including at the outset, based on the market value of the home at that time.

Option 2(b) – purchase through the London Help to Buy scheme

This is similar to Option 2a above, however on some properties you may be able to receive national government help-to-buy funds to increase your equity share of the property. In this option you have the opportunity to invest the proceeds of the sale of your home to Camden Council (at market sale value plus 10%) in a new build home on the estate or anywhere else that is part of the London Help to Buy scheme.

Camden Council will support you to access information and disturbance costs advice to proceed with a Help to Buy process.

Help to Buy – please note that this is a national scheme that might be withdrawn as a result



of a change in Government policy in which case Camden Council would not be required to provide an alternative scheme offering the same benefit.

Benefits of shared equity home ownership

Investing in a shared equity home means you will:

- Be able to stay or return and continue living on your estate – even if you can't afford to buy a new home outright
- Live in a warm, modern and high quality property which you will have the opportunity to be involved in the design of
- Be financially compensated – you will receive full market value for your existing home plus an extra 10% home loss payment
- Benefit from any increase in value if you choose to sell your home – but remember that values can go down as well as up
- Have the security of having Camden Council as your equity partner – a financially

secure, regulated local authority

When is the value of my home determined?

If you are simply selling your home to the Council and not taking up the equity exchange, then the valuation will take place when you seek to proceed to sell your home or when the Council seeks to acquire your home. If you wish to take up Option 2(a) and exchange your existing home for a new home, then both existing and new homes will be valued at the same point in time; unless you are otherwise notified, then this point in time will coincide with the Council securing planning permission for the regeneration of your estate.

Properties will all be valued by a Royal Institute of Chartered Surveyors (RICS) valuation surveyor instructed by Camden Council. You are also entitled to instruct a surveyor if you would like a second opinion. The Council will pay for you to have your own independent legal and valuation advice as

part of this process, to support you in ensuring you obtain a fair deal. Any costs associated with the surveying and selling of your home will be reimbursed by the Council.

To reach a valuation figure, the surveyor instructed by the Council will carry out detailed research of the local property market and analyse sales information from comparable properties. The figure offered to you is known as the market value based on the price it is believed your property would achieve if it were to change between a willing buyer and a willing seller, neither being under any compulsion to buy or sell and having reasonable knowledge of the relevant facts. The valuation reflects the value of your property at the time of valuation and assumes that you will not be better off or worse off than before the regeneration proposals. Most valuations are valid for three months.

If you do not agree with the valuation the Council can pay for your own surveyor to carry out a further valuation. Please

keep in mind that the surveyor must be a member of the RICS. If there is any difference between the valuation figures, the two surveyors will negotiate and normally reach an agreement to produce a final valuation. In most similar cases to-date an agreement has been reached at this stage.

Will I be able to choose my new home?

The Council will work with residents on an estate to develop a way to allocate the new build homes fairly to tenants and leaseholders. This will take into consideration any special needs and would likely factor in how long you have been living on the estate.

Support to find a temporary home

If you wish to purchase a new home on your estate and return once the redevelopment has occurred, the Council will provide support to you in finding alternative accommodation during the redevelopment if this is required. Ideally you will be able to move straight from



your current to a new home, but this will be dependent on the phasing of the development.

Support to find temporary accommodation does not include access for leaseholders to bid for Camden Council properties as accommodation during the redevelopment. The rent and cost of living in a temporary home, from the point of moving out of your existing home to moving into your new home, will be your responsibility.

Leaseholders facing significant hardship

In exceptional circumstances, you could choose to become a social housing tenant either in the regeneration scheme or another part of the borough. This would only apply where you are experiencing severe hardship or are unable to choose any other option.

The Council will offer 25% of the full property value to you in return for facilitating the swap to a secure tenancy as set by Government guidelines.

Costs of moving and buying a new home

In addition to a statutory home loss payment, you are entitled to disturbance payments representing the costs of moving. You will be able to claim back any reasonable costs associated with your move including:

- legal, surveyor and mortgage fees associated with cost of selling your home
- removal expenses
- legal fees associated with the cost of buying a new home within 12 months of selling your existing home
- stamp duty arising from the costs of buying a new home
- surveyors and survey fees associated with buying a new home
- costs of special adaptations to a new home to make it suitable for your health needs (this may need to be confirmed through a health assessment)

Where you are required to move into a temporary home whilst your new home is built, the Council will pay the costs of two moves but these costs will need to be agreed with the Council in advance.

Can I pass the shared equity property on?

You would be able to purchase an equity stake as tenants in common. This may apply where spouses wish to purchase together or where an adult son or daughter lives with you. Each circumstance would be assessed individually. However, there will be no succession rights to the equity share after the initial transaction.

Can I sub-let the shared equity property?

No, the Shared Equity Ownership property cannot be sublet as the properties receive subsidy and are meant to be used as homes and not investments.

Will I have to pay a service charge in my new home?

Yes – a service charge will be payable. It is a contribution

toward the cost of services, maintaining and managing the buildings and the estate. Even if you only own 50% of your shared equity property you will still pay all the service charge attributable to your home.

Can Camden Council buy my property back earlier?

Currently early buybacks are not being considered by Camden Council. Should this situation change, this will be communicated to all resident leaseholders.

How do I sell the shared equity property?

Should you decide to sell your property you are required to offer Camden Council the opportunity to purchase the property from you at the current market value. If it is not possible for the Council to purchase your property, you will be able to sell it on the open market. When you sell the property, you only receive the percentage of the total value that you own and the Council would receive its percentage share.



What if I do not want to sell my existing home?

It is Camden Council's intention to work with every household to make sure that people get an offer and an option that works for them. When an agreement can't be reached, the Council has the power to buy land and property despite the owner not wanting to sell – this is called compulsory purchase. This will only be used as a last resort.

If an agreement cannot be reached, the Council will seek a Compulsory Purchase Order (CPO) which, if confirmed by the Secretary of State, will entitle the Council to enter and take possession of your property, leaving the level of compensation to be settled later. If necessary, a reference may be made to the Lands Tribunal, an independent body with the power to determine the amount of compensation payable for property compulsorily purchased.

The Camden People's Regeneration Pledges

- **Building more social homes** - There will be no net loss of council homes in Camden - more council homes will be built under the Community Investment Programme (CIP) as well as new Living Rent homes for key workers and families on low incomes.
- **Right to Stay and Right to Return** - Camden tenants will not be moved out of the borough during regeneration and will be given priority on new council flats built. If tenants choose to stay, they will be guaranteed a home on the new estate at a social rent level with the same tenancy conditions as they have now. A housing needs assessment will ensure tenants are provided with a new home that meets their requirements whether that is wheelchair accessibility or other adaptations or more bedrooms to address overcrowding. If they move away during regeneration, they will have a right to return,

unless they move into another home newly built by Camden.

- **A fair offer for leaseholders** - Leaseholders will be compensated for loss of their property at market value plus a statutory compensation. If resident leaseholders wish to buy into the new scheme, where the new property is more expensive than the sale price of their existing home, they will be able to do so by means of a shared equity option. Thereafter, homes for sale will be marketed first to local people and key workers.
- **Support to move** - To reduce disruption to individuals and families, residents will receive financial compensation and paid reasonable disturbance costs.
- **Community-led regeneration** - Camden believes that estate regeneration schemes should proceed only with the support of the majority of estate residents. Camden is committed to ensuring that residents have a continuing opportunity to feedback and have their voice heard on schemes – this

includes opportunities to say whether they think schemes should proceed.

- **Designing your new home and neighbourhood** - Tenants and resident leaseholders will be involved every step of the way in designing their new homes and neighbourhoods, from the layout of new flats to the design of open spaces. We are committed to working together to design schemes and to involve estate residents in all aspects of developing new homes, so they are designed by residents, for residents.
- **Protecting our vibrant and mixed communities** - The private development market is failing Camden. Camden has to step-in. As a direct builder we can do more than other developers by prioritising council housing and social benefit. We are creating developments to maintain Camden's unique social mix and ensure the borough remains a place for everyone. Camden will deliver more than other developers can and



prioritise:

- Social rented housing
- Camden Living Rent,
- **Placeshaping** - As part of CIP we will also improve the wider area and as part of schemes deliver high quality new community facilities, where required.
- **Funding our building programme** - We will only build private homes to fund regeneration. All of the money raised from sales or from private renting homes through the Camden Collection will be redistributed into the building of new council and Living Rent homes, other community facilities as part of CIP or used to help fund improvements to existing council homes through our Better Homes Programme.
- **Ballots** - We will ballot residents on any estate regeneration proposals that involve the demolition of existing social rent homes and the construction of over 150 homes to ensure that everyone understands and agrees with the offer

that the Council is making to them, which will be in line with the Camden People's Regeneration Pledges.

Getting more information

This booklet is a continuation of our conversations with all residents – not the end. It does not provide all the details you will need to make an informed decision about your options and does not include the detail about the proposals for your estate.

We hope this booklet helps address some initial questions or concerns that you may have regarding the process of estate regeneration. If you have any further questions, please do not hesitate to contact the CIP development and community engagement team for your estate.

<https://www.camden.gov.uk/community-investment-programme>