



# Leaseholder Frequently Asked Questions (FAQs)

June 2021

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# Frequently Asked Questions

## Frequently Asked Questions (FAQs)



### Welcome

We believe FAQ sheets are a good way of communicating to everyone answers to commonly asked questions that have been raised at workshops, by telephone and by e-mail on the future of Wendling and St Stephens Close.

If you need any assistance in understanding this document or have a query or concern - our door is always open.

We welcome any enquiries or suggestions by email.

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For questions on the redevelopment process please refer to the main FAQs.

## Resident Leaseholders: FAQs



### **When will the Council approach me to buy back my property?**

Once there has been a 'Yes' vote in the ballot and that Cabinet have agreed a formal business case and phasing plan for Wendling and St Stephens Close.

It is important to note that a phasing plan must be agreed before properties can be bought back, because the buy back from leaseholders is of significant cost to the Council, therefore we can only agree this once funding is in place to develop each phase or block.



### **Will I be compensated for having to move my home?**

Yes. On top of the market value of your home, you will be compensated with an additional Home Loss Payment of 10% of the agreed value of your existing home.

In addition to a statutory Home Loss Payment, resident leaseholders are entitled to claim for any pre-agreed reasonable costs associated with your move including:

- Removal expenses
- Legal fees associated with the cost of buying a new 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 if required to make it suitable for your needs




### **Will the new homes be more expensive than sale price of my current home?**

It is likely that newly built homes will be larger with a significantly improved specification. Consequently they are likely to be priced higher than the sale price of your current property, however, there are financial options to support you. Your statutory home loss payment must be put towards the cost of a new build property if you intend to remain on the estate. In addition, you may be eligible for shared equity ownership, this means that the difference in value between your current home and your new home will be retained by the Council as the Council's equity share. The Council would then register a charge on the unsold share of the property but you would not need to pay additional rent or interest payments on the share you didn't buy. This share percentage would not need to be repaid in full until you choose to sell your home at a later date.



### ***How will the new homes be allocated for purchase by existing resident leaseholders?***

Once the design and phasing plan for the new estate have been developed with residents and agreed by the Council, we will set out the process for identifying which property in the market sale blocks you can purchase. This will take into consideration any individual needs your household may have. 



### ***If I wish to move away from the estate and sell my home, how long does a Council buy back take?***

In relation to regeneration schemes, typically, once an agreement is reached this will take a minimum of three months.



### ***Would residents get 'like for like' homes?***

In regards to the design of modern new homes, they will be built to the most recent London Housing Design guidelines. Today's guidelines require larger homes to be built than previous housing space standards.



### ***What size shared equity home would I get on a redeveloped estate?***

You would be eligible to apply for a new home with the same number of bedrooms as your existing home. If you would like to purchase a larger or smaller home you can do so subject to availability and your financial situation.



### ***What happens if there is someone in my household who is disabled or has a medical need?***

A number of wheelchair accessible properties will be built to meet planning requirements. Some of these will be for sale. If someone in your household has a disability, then this will be taken into account when considering what type of property we are able to sell to you. Adaptations will be made to your new home to meet the medical needs of your household if you require these. Wheelchair properties available for sale will be sold to resident leaseholders who want to buy an equity share property in the new estate on the same basis as non-wheelchair properties.



## ***If I move away from my estate, will I be able to move back again?***

Yes, resident leaseholders will have the option to return. If you choose to move away from the estate before you are required to do so you will be free to consider buying a new home, once available, however this will be at full market value. If you agree with the Council to buy a shared equity home on the estate but the Council asks you to move away temporarily because of construction of the estate, then the Council will agree with you the arrangements of how this will be done and how you will be compensated for the disruption.



## ***If I take up a shared equity home, will I have to pay a rent?***

No. You will not need to pay rent on the equity share retained by the Council. However, you will have to pay 100% of the service charges.



## ***What happens to my current mortgage?***

We recommend you discuss this with an independent financial advisor or mortgage provider in the first instance to understand what you can afford and any implications. It is likely that you will have options including moving your current mortgage to the new home or getting a new mortgage.



NB. Non-resident leaseholders do not have the right to vote in the ballot.



## **How will the Council value non-resident leaseholders' property?**

The Council will seek to buy back your current property at an open market value and you will receive an additional Basic Loss Payment of 7.5% of the agreed market value subject to a maximum of £75,000. This only applies if the property has not been your principal home for at least 12 months. You will also be offered reimbursement for pre-agreed reasonable costs associated with the move.



## **Can I buy a new property on the Wendling Estate?**

Yes, there will be properties available for open market sale within the new development of the Wendling Estate. However, you will not be eligible for any discount and this will be sold at full market value.



## **What will happen to non-resident leaseholders' tenants?**

If you have private tenants living in the home that you own, you are responsible as their landlord for managing their move. When you sell your home to the Council, you will need to give your private tenants notice and then provide an empty property to the Council. The Council will work with you and your tenants to give all of you adequate time to plan and move. The Council will not be able to provide accommodation for your tenants, however they are encouraged to engage with the Council's housing options team.



## **Are there any time limits in selling your existing property to claim the allowed costs associated with purchasing a replacement property?**

Yes, the time limit runs from the date that you sell your property to the Council and you must buy a replacement property within 12 months to claim the cost of the onward purchase. You will be given plenty of notice to find a new property.

NB. Non-resident leaseholders do not have the right to vote in the ballot.



## ***I will incur capital gains tax (CGT) if I sell my flat. Will I have to pay it or will the Council pay it?***

You should be able to claim CGT rollover relief under the provisions providing relief where a property is sold to an acquiring authority under compulsory purchase powers. These provisions are contained in the Taxation of Chargeable Gains Act 1992, S.247. In summary they provide that any CGT liability is moved to the new property. Therefore any CGT liability that you have will remain, but will not have to be paid and will attach to the new property.

Closer to the time when the acquisition is taking place, we will discuss your compensation claim with you. This will include matters such as CGT. The reasonable cost of seeking an accountant's advice regarding CGT will normally be a valid part of a compensation claim.

YES



NO



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