

Camden's Community Investment Programme

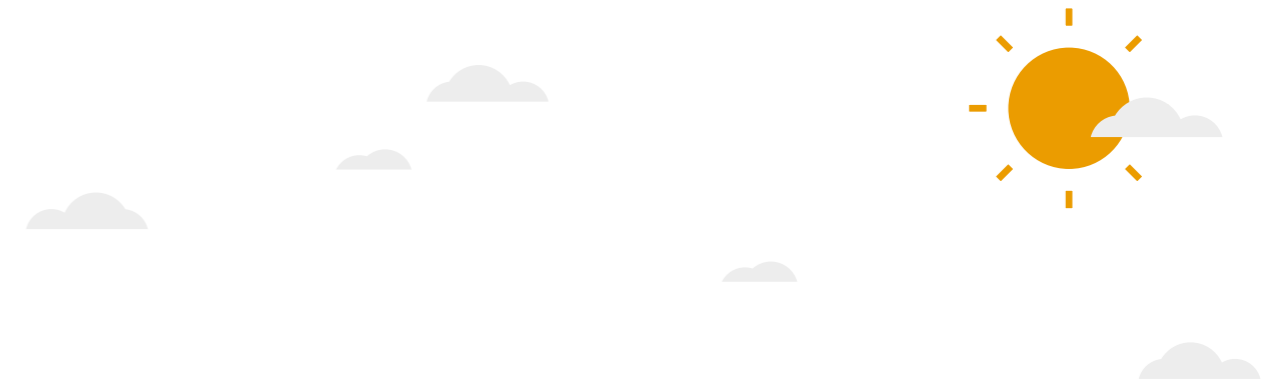


West Kentish Town Estate

REDEVELOPMENT

INFORMATION
FOR
RESIDENT
LEASEHOLDERS





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1. Introduction

This pack is a guide for leaseholders on the West Kentish Town Estate (WKTE). As part of the redevelopment project, the London Borough of Camden needs to obtain vacant possession of your property to proceed with construction. Vacant possession means that we need to buy your property from you and the property needs to be vacant of residents, tenants, and belongings. This pack is devised to enable you, as a Leaseholder, to understand the process and options available to you so that you can make informed choices.

Camden Council is dedicated to improving the existing policy offer for leaseholders in recognition of the challenge faced in the current market conditions, to provide more options for residential leaseholders to remain in the local community and to provide a consistent approach to negotiation and compulsory acquisition.

We understand that this may be an uncertain and unsettling time for many and urge you to get in touch with the Camden Development Team (contact details below) if you have any queries or would like to discuss your situation in more detail.

Background

Camden Council's Community Investment Programme Team have been speaking to residents and non-resident leaseholders since 2015 about preferences and options for your Estate. Whilst many residents like the close-knit and diverse community, and the location of the Estate, concerns were raised about the outdated construction and inaccessible buildings which are difficult to maintain. Flats currently have

no private outside space, are expensive to heat and have little or no storage. 80% of flats are 2 bedrooms or less which means that there is an overcrowding rate of almost a third across WKTE.

Issues with the overall layout of the Estate were also raised - lack of usable outside space, not family friendly, unsafe alleyways and spaces that lend themselves to anti-social behaviour.

An Options Appraisal was carried out with architects in 2019, and complete redevelopment was the preferred solution (rather than partial redevelopment, or infill). A Greater London Authority (GLA) ballot in 2020 returned a 93% 'Yes' to redevelopment on a 84.9% turnout of 287 eligible residents. The Council's Cabinet approved the way forward in 2022 and a multidisciplinary team of Masterplanners, architects, landscape designers, planning consultants and other specialists have been preparing a Planning Application which is expected to be submitted during the Summer of 2023.

This exciting scheme provides the opportunity to address the housing issues highlighted by residents, to build high quality and modern homes and work together to create a new neighbourhood where everyone can feel proud to live in and call home.

More information, including the latest exhibition boards, can be found on our webpages: camden.gov.uk/wkt

Email: wkt@camden.gov.uk or contact Dermott Mullan on **020 7974 1026** email: dermott.mullan@camden.gov.uk

2. Camden People's Regeneration Pledges for resident leaseholders

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 that fit 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.

The Council has been speaking to residents about the redevelopment of the West Kentish Town Estate since 2015, and will continue to be open and transparent with residents when it is considering developing plans 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 homes in order to deliver the maximum benefit from estate redevelopment, then we will discuss the available options with residents.



3. The Buyback Process

The Council have appointed Ardent, a firm of Chartered Surveyors, who will value your property and prepare an offer, which includes home loss and disturbance payments.

Someone from the Council's Development team will introduce you to an Ardent Surveyor. Always ask for identification before letting anyone into your home.



3.1 When will this happen?

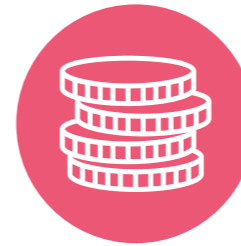
The Council has allocated funding to enable leaseholders in the initial phases to sell their property back to the Council in line with the phasing programme. We will secure funding for later phases as we move through the scheme. You will be contacted when the Council is starting to acquire properties in your phase.

If your property is not in these phases and you have an urgent need to sell your property back to the Council, we will be developing an 'Early Acquisitions Hardship Policy' which may enable you to sell to us early, subject to budgets being available and specific criteria being met. Please contact the Council's surveyor at Ardent Management if you would like to discuss this.

3.2 The financial offer

The Council will make you an offer in line with what you would be entitled to if there were a Compulsory Purchase Order (CPO) in place and so is guided by the relevant legislation.

There are 3 elements to your claim:



3.3 Market value

The market value of your property will need to be established by a registered Valuer who is a member of the Royal Institution of Chartered Surveyors (RICS). The Valuers report will be prepared in accordance with RICS Valuation – Global Standards ('Red Book Global Standards') issued January 2022 and the UK Valuation Practice Guidance Application (VPGA) 16 - Valuations for compulsory purchase and statutory compensation

The Council's appointed Valuer will always act in accordance with the mandatory RICS professional statement – 'Surveyors advising in response of compulsory purchase and statutory compensation';

In assessing the value of your property, the Valuer will consider, but not be limited, to the following factors:

- Length of Lease
- Any restriction on the leasehold title
- Type of property (Flat/Maisonette/House)
- Internal condition
- Type, condition and size of external space (e.g. a garden or balcony)
- Size of property (number of bedrooms/gross internal area)
- Location of the property
- The floor/s the property is on
- Amenities within the area (e.g. transport links, shops and services)
- Construction type (brick/concrete panel)

To reach a valuation figure, Ardent 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 that your property would achieve on the open market 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. The Valuer does not rely on offer prices or repossession sales as these do not necessarily reflect the values of completed market sales.

The Valuer will be instructed to use a 'special assumption' that disregards the redevelopment plans and any positive or negative effect that might exist because of the redevelopment.



3.4 Home loss payments

As a resident property owner, The Land Compensation Act 1973 says that you are entitled to a statutory Home Loss payment equivalent to 10% of the market value of your existing property.

The Home Loss Payments (Prescribed Amounts) (England) Regulations 2022 (Statutory Instrument 2022 No.793) came into force on 1 October 2022. This sets out the maximum and minimum thresholds for payments to owner-occupiers and are amended from time to time by the Government. These are amended from time to time by the Government.



3.5 Disturbance

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:

- reasonable legal, surveyor and mortgage fees associated with cost of selling your home
- reasonable removal fees
- reasonable legal fees associated with the cost of buying a new home or selling your existing home
- stamp duty arising from the cost of buying a new home up to the market value agreed of your existing home
- reasonable 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). This is the reimbursement of reasonable costs directly incurred because of the need for you to sell your current property and acquire and move into a replacement property.

Please liaise with Ardent to discuss any costs that you wish to claim before incurring them so we can confirm that they are agreed.

All reasonably agreed costs will be reimbursed on completion of your sale providing satisfactory evidence has been provided. i.e., invoices and/or proof of payment.

All costs you wish to claim for must be reasonable and you must be able to provide evidence that the money has been spent. i.e., Invoices and proof of payment. Evidence should be submitted to your solicitor so that the funds can be reimbursed on completion of your sale.

When employing contractors to move gas or electrical appliances, you must use suitably qualified engineers and be able to show evidence of this when you submit your claim. For example, gas cookers must be disconnected and reconnected by an engineer who is 'Gas Safe' registered.



3.6 How to Challenge the offer

If you do not agree with the Market Value reached by the Valuer, then you should speak to the Council's surveyor at Ardent who is dealing with your case about any concerns you have.

If you remain unsatisfied and wish to seek a second opinion, you should look on the RICS website (www.ricsfirms.com) for a Registered Valuer to provide you with your own valuation. The Council will reimburse the reasonable cost of their fees on completion of the sale (subject to prior approval).

Importantly, when instructing a firm, you need to ensure that they are CPO specialists as there are specific assumptions which should be used for the valuation and other items of claim.

Upon receipt of the second valuation report, Ardent will review the report in particular the comparable evidence used by both parties to check their validity and likeness to the subject property, they will discuss this with your Valuer with the aim to reach a mutually agreed value.

After a period of negotiation, if the two Registered Valuers cannot reach an agreement, Ardent will discuss the options with you and the Council team and may talk to you about using RICS CPO Alternative Dispute Resolution (ADR) service.



3.6 Vacant Possession

To complete the sale of your property, the Council will require you to provide vacant possession, which means that the property must be cleared of all occupants, appliances, furniture and possessions.

4. Your sale options as a resident leaseholder

If you own and live in your home at WKTE, and we need to purchase it to demolish, you will have a number of options.

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 separate information 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 you the full market value of your property, plus a discretionary 10% Home Loss payment of the agreed purchase price of your home. This will be paid to you upon completion of the sale of your property to the Council. Reasonable disturbance costs can also be claimed (evidenced and pre-agreed).

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

Option 2



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:

Example: Amount	Equity Percentage	
Payment for existing 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 home	£400,000	100%
Leaseholder pays	£300,000	82.5%
Investment of home loss	£30,000	
Shared retained by Camden	£70,000	17.5%
At point of future resale (house prices increase)		
Future value of home	£500,000	100%
Leaseholder receives	£412,500	82.5%
Camden receives	£87,500	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%

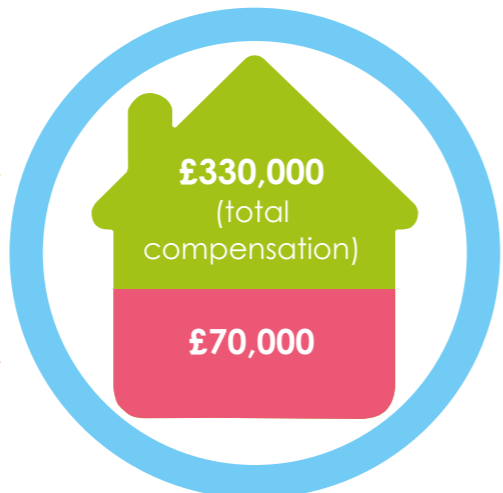
You must invest the full amount of your home loss payment.

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.



Example: Shared equity scheme

Agreed value of existing home £300,000 (Market Value)
£30,000 (10% Home Loss)



82.5%

Council Equity Payment



17.5%

New Build Property Price £400,000 (100%)

Example: At point of future resale (house prices increase)

Leaseholder Receives



82.5%

Council Equity Payment



17.5%

Future Value of Home (increase) £500,000 (100%)

Example: At point of future resale (house prices decrease)

Leaseholder Receives



82.5%

Council Receives



17.5%

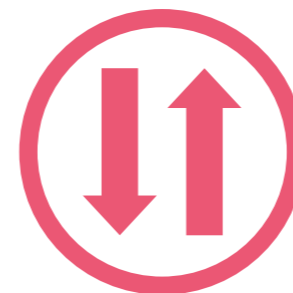
Future Value of Home(decrease) £300,000 (100%)

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



Benefit from any increase in value if you choose to sell your home – but remember that values can go down as well as up



Live in a warm, modern and high quality property which you will have the opportunity to be involved in the design of



Have the security of having Camden Council as your equity partner – a financially secure, regulated local authority



Be financially compensated – you will receive full market value for your existing home plus an extra 10% home loss payment

5. The conveyancing process

Once agreement is reached you will need to appoint a solicitor to deal with the sale. This is known as conveyancing. This process usually takes 2-3 months.

A fee estimate must be provided to Ardent or the allocated Council case office for all fees to be approved before your solicitor starts any work. The reasonable solicitor fees will be reimbursed on the date of completion of the sale of your property to the Council.

The council's legal services team will undertake the conveyancing process on behalf of the Council. An information pack will be sent out including a number of forms to fill in and return. The solicitors will then draft a contract for sale to be sent to your appointed solicitor who will advise you of the details included within the draft contract.

6. Local lettings plan

The Council will allocate all new homes fairly in accordance with an agreed Local Lettings Plan. This will be when the first homes are under construction.

7. Hardship policy/ exceptions panel

The estate regeneration programme is expected to progress over a significant number of years and there may be occasions when property owners need to sell their property ahead of the time when their property is required.

The Council is developing an Early Acquisition Hardship Policy which will

set out the circumstance in which early acquisition can be considered.

8. Compulsory purchase order

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 will seek 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 take possession of your property, leaving the level of compensation to be settled later. If necessary, a reference may be made to the Upper Tribunal (Lands Chamber), an independent body with the power to determine the amount of compensation payable for property compulsorily purchased.

A CPO is a legal power which is used as a measure of last resort to allow a local authority to buy land or property even if the owner does not wish to sell. These powers are only granted when there is a 'compelling case in the public interest' and in accordance with statutory powers.

To facilitate delivery of the new development, the Council will be applying to the Secretary of State for the making of a CPO alongside its negotiations with property and landowners to safeguard any delays caused by those who do not engage in negotiations or are unwilling to sell.

There is formal process that must be followed, and you will receive notices from the Council as we progress our application but please be assured that these powers are always used as an absolute last resort.

Appendices

1) FAQs

2) Glossary of terms

FAQs

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 home 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.

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 shared equity property, you will need to serve a notice on the Council so that a valuation of the Council's share in the property can be determined. The valuation will then be valid for a certain number of months so the sale will need to take place within this timeframe. Upon completion of the sale, the Council will need to be repaid for its share in accordance with the valuation.

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.

Glossary of terms

Compulsory Purchase Order (CPO) These are powers which enable ('enabling powers') public bodies on which they are conferred to acquire land compulsorily. The public body (known as an 'Acquiring Authority') will seek these powers in order to obtain land or property for the public benefit. Compulsory Purchase Orders may be used for new roads, developments and urban regeneration including estate regeneration. The Acquiring Authority must demonstrate to the Secretary of State that the order is required in the best interest of the general public.

Conveyancing This is the legal process of transferring a property or piece of land from one owner to another.

Equity The difference between the market value and unpaid mortgage or debt secured on a property. If there is no mortgage or other charge on a home, all of the value in the home will be equity.

Disturbance Payment These are payments made to compensate for the reasonable expenses incurred in moving homes, for example, removal expenses, postal redirections, etc.

Home Loss Payment Under the Land Compensation Act 1973, Resident Leaseholders/Freeholders who have held the property as their only or principal home for the 12 months prior are entitled to 'home loss payment' which is 10% of the value of the property being purchased under a Compulsory Purchase Order (subject to a cap which is regularly changed).

Freeholder A company or a person which owns the freehold title of a piece of land or property. They are responsible for the maintenance and repair of the land and any buildings on it.

Leaseholder A person or company who has the right to use a property under the terms of a lease. Leases are typically for a fixed period of 99, 125 or 999 years.

Local Searches A local land charges search gives information held by the council (in the area you are purchasing) about a property and anything that might affect it. It is used by buyers and mortgage lenders when buying, leasing or valuing land or property.

Market Value The amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently, and without compulsion.

Non-resident A leaseholder or freeholder who does not reside in the property they own as their only or principal home. Also referred to as an investor landlord as they usually rent their property to tenants.

Resident A leaseholder or freeholder who resides at their property as their only or principal home.

Reasonable Costs should be within the bounds of common sense, fair and not excessive. When employing services in connection with your move you should be able to demonstrate that you have taken step to ensure that you are getting the best price that you can and not just employing someone without considering the cost.

The Royal Institution of Chartered Surveyors (RICS) is an independent, representative professional body which regulates property professionals and surveyors in the United Kingdom. RICS provides education and training standards, protects consumers with strict codes of practice and advises governments and businesses. RICS provides expertise in matters involving fixed assets, including but not limited to land and real property.

RICS CPO Alternative Dispute Resolution (ADR) A service provided by RICS which is designed to help resolve disputes in compulsory purchase claims as an alternative to a time-consuming and potentially costly referral to the Upper Tribunal (Lands Chamber).

RICS Professional Statement A document that provides members with mandatory requirements or a rule that a member or firm is expected to adhere to. This term also encompasses practice statements, Red Book professional standards, global valuation practice statements, regulatory rules, RICS Rules of Conduct and government codes of practice. The document can be found here: [rics.org/profession-standards/rics-standards-and-guidance](https://www.rics.org/profession-standards/rics-standards-and-guidance)

Registered Valuer (Valuer) A person qualified and registered with RICS that is authorised to determine the value of a property.

Service charge Leaseholders contribute toward the cost of managing, maintaining and servicing the communal areas and external areas of their block and estate by way of a service charge. Other management charges and a contribution to a sinking fund are included in the service charge.

Staircasing This is the process of purchasing further shares in your property – including up to outright ownership.

Stamp Duty If you buy a property in the UK over a certain price, you have to pay Stamp Duty Land Tax (SDLT). This is charged on all purchases of houses, flats and other land and buildings. The SDLT rate depends on the purchase price of the property. For current SDLT rates visit www.gov.uk/stamp-duty-land-tax/residential-property-rates.

Upper Tribunal (Lands Chamber) The tribunal has the statutory power to deal with various types of dispute involving land or property.

Vacant Possession On completion of a sale a seller is obliged to deliver the property with vacant possession, which means clear of occupants and of objects which are not included in the sale.

Contact us

Email: wkt@camden.gov.uk

Dermott Mullan

Strategic Re-Housing Lead

T: 020 7974 1026

E: dermott.mullan@camden.gov.uk

Rebecca Ellis

Strategic Development Lead

T: 020 7974 3878

E: rebecca.ellis@camden.gov.uk



West Kentish Town Estate