

The Future of Hayes Town Centre Estate

A GUIDE FOR LEASEHOLDERS



Looking to the future for Hayes Town Centre Estate

Hillingdon Council wants to ensure that Hayes Town Centre Estate is a good place to live for existing residents and future generations.

Following initial consultation with residents over the summer of 2020 the majority of residents wanted the council to explore a redevelopment option and the council is therefore developing designs for a new estate, in consultation with residents. When finalised residents will be able to vote on whether they want the proposals for redevelopment to go ahead.

No decision will be made to go ahead with the redevelopment proposals until the result of the ballot is known.

What this might mean for leaseholders if there is a yes vote

If residents vote yes, and the council approves the redevelopment proposal, the council will want to buy back all leasehold homes to allow the development to take place.

The council understands that this can be an unsettling time but wants to reassure leaseholders that it will provide timely information, including plenty of notice of any key dates that need to be planned for, and that they will be treated fairly and in line with good practice at all times.

Although some leaseholders may wish to make their own arrangements to buy alternative property elsewhere when they are bought out, the council will make sure that there are affordable options for resident leaseholders to purchase one of the new homes to stay on the estate if they wish.

4th March 2021



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The leasehold buy back process

Compensation

The council will pay leaseholders compensation on top of the market value of their property, in line with the statutory requirements, as set out below.

If you are a **resident leaseholder**, that is a leaseholder who has been resident in the property for more than 12 months:

1. you will be entitled to the full market value of your property **plus a 'homeloss' payment which is set at 10%** of the value of your home, subject to a maximum of £65,000. The maximum amount is set by the government on an annual basis every October.
2. the Council will also pay for other **reasonable costs that you incur when moving home**. These are known as 'disturbance costs' and might include:
 - Surveyor's fees
 - Legal fees in connection with the sale of your property to the council
 - Legal fees incurred in connection with the purchase of the home that you move to
 - Stamp Duty Land Tax (SDLT) payable on the purchase of the new home, up to the amount that would be payable on an equivalent home
 - Removal costs
 - The costs of any fixtures and fittings or electrical items which cannot be moved and it is reasonable to replace
 - Costs transferring utilities/mortgage etc

If you are a **non-resident leaseholder**:

You will be entitled to the full market value for your property and a basic loss compensation payment of 7.5% of the value up to a maximum compensation amount of £65,000, plus the reasonable costs of re-investment and professional fees.

Agreeing the market value

The council will instruct an independent qualified surveyor, who is a member of the Royal Institution of Chartered Surveyors (RICS) to prepare a valuation of your home. Typically, the council will start the process of buying back your property approximately 18 months before the redevelopment of your block begins or earlier in certain circumstances (see section 'Timing of buy backs' below).

The council's valuer will visit to inspect the property at a time to suit you and you will be contacted in advance to ensure that the visit is covid-secure. The valuer will take into account the internal condition and any internal improvements to the property such as new bathrooms and kitchens. You will then receive a written offer from the council.

If you disagree with its valuation the council will reimburse you for the reasonable costs of appointing your own independent RICS valuer to get a second opinion.

Purchasing by agreement

The council's objective is to purchase leasehold property **by agreement** where possible and will work with leaseholders to find a solution that is mutually acceptable. However, if residents vote in favour of redevelopment, the Council may pursue compulsory purchase powers to use as a fall back to ensure that the new development can be achieved.

Timing of buy backs

Any redevelopment of the estate will be phased over a number of years. If there is a yes vote and council approval for redevelopment, the council intends to purchase leasehold properties in phase one first, by agreement, starting in Summer 2021.

If you are in a later phase the council will approach you to purchase your property approximately 18 months before it is needed.

However, if you are a resident leaseholder in a later phase who wants to sell your property in 2021 the council will agree to that request and will move to complete the purchase as quickly as the valuation and legal process will allow, if that is your preference.



A FAIR DEAL AND OPTIONS TO STAY ON THE ESTATE

Making it affordable for resident leaseholders to stay on the estate

Many leaseholders will wish to make their own arrangements when they have agreed a valuation for their existing home and simply purchase a replacement property on the open market in the borough or elsewhere.

However, the council would like resident leaseholders to be able to remain on the estate and move into one of the new properties if they wish. The council will provide assistance in the form of **shared equity** or **shared ownership** properties for those current **resident leaseholders** who would otherwise find it difficult to buy one of the new properties outright.

Shared Equity

Where the value of your existing home is less than the value of a similarly sized new home on the estate, as a resident leaseholder you will still have the opportunity to buy a new home on a **shared equity** basis. This is where a resident re-invests the value of their

current home, plus any homeloss payment, into one of the new properties and the council invests the balance. You will not pay any rent on the council's share. The council receives the value of its share when you sell the property, based on the value of the property at the time.

Shared Ownership

Should a change in financial circumstances mean that a resident leaseholder is unable to re-invest the full value of their current flat the Council may offer the alternative option of **shared ownership**. This will mean a resident can invest a smaller percentage, to a minimum of 25%, but this does mean that the council will need to charge a standard shared ownership rent on its share.

In exceptional cases the council will consider offering council tenancies to eligible leaseholders, particularly in the case of vulnerable residents.

IMPORTANT INFORMATION



The Ballot

Hillingdon Council will undertake a ballot of residents in the spring which will be run in line with the Greater London Authority (GLA) requirements for resident ballots. The design proposals and re-housing offer will be set out in a written Landlord Offer and eligible residents will vote yes or no to the proposals. Once the Landlord Offer is issued you will have 5 weeks to consider it before you have to cast your vote.

The following residents will be eligible to vote if they live in a block that is part of the planned redevelopment programme:

- An existing secure or assured tenant named on the tenancy agreement,
- A resident on the estate who has been on the housing register for at least 12 months prior to the vote
- A resident homeowner, named on the lease, who has been resident on the estate for at least 12 months before the vote

In line with GLA requirements the ballot is being run entirely independently from the council by Civicas (formerly Electoral Reform Services). They will issue and collect the ballot papers and confirm the result. You will be able to vote by post, phone or online.

Independent Tenant and Leaseholder Advisor

All residents have access to an 'Independent Tenant and Leaseholder Advisor' who have experience of the issues that arise for both tenants and leaseholders in this situation and can give independent advice. They can be contacted on:

0800 169 8677

info@publicvoice.london

Contacting us

If you would like further information please contact the team on:

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