

Non-Resident Leaseholders Guide – New Barnsbury

Introduction

This reflects Newlon's approach for managing acquisition of properties under a phased programme for Non-resident Leaseholders. It reflects commitments given in the offer document and Residents' Charter. A Non-resident Leaseholder is one who does not live in the property as their main or principal home.

New Barnsbury estate is made up of Adrian House, Aldrick House, Amory House, Blackmore House, Charlotte Terrace, Crispe House, Ewen House, Kenwick House, Jocelin House, Mavor House, Messiter House, Molton House, Redmond House, Ritson House, Thorpe House, Thurston House and Venn House. If you own a property in one of these blocks, then you are a New Barnsbury Leaseholder.

Newlon has selected Mount Anvil as the preferred developer partner to take forward the transformation of the Barnsbury Estate. Mount Anvil have a proven track record of creating high quality homes across London. Newlon will have greater control over the project with a development partner, rather than a building contractor, and will be in a better position to protect and enhance residents' interests and deliver the transformation objectives. Together with our design team we will continue to put residents first to create homes that meet their needs.

The buy-back of leasehold properties on New Barnsbury estate will be done in phases as each home is positioned in the development programme. We will be in a position to provide a more accurate timescale once a detailed phasing plan is agreed with our development partners setting out the order in which each part of the new Barnsbury estate will be transformed.

Principles

- Development will proceed in phases with all buildings being vacated, demolished and new homes built on their site;
- Homes Loss payments will be made equivalent to 7.5% up to a maximum of £71,000
- Limited disturbance payments may be claimed for incidental charges or expenses incurred in acquiring of a replacement investment property within one year of the move.

Phasing

The first phase of the development is the demolition of Blackmore House followed by Messiter House, Molton House and Jocelin House. These three blocks will be demolished to complete phase 1 of the development. Further phasing is still to be

confirmed. Buy backs will generally proceed according to Phase. Some homes may be purchased out of order at our absolute discretion.

Buy back Process

The process for non-resident and resident Leaseholders will be the same. It is subject to a formal process with independent valuation, meeting reasonable costs and referral to Expert Determination. If necessary we will use powers under Compulsory Purchase Order, but we would prefer to reach agreement with Leaseholders without recourse to legal action. Non-resident Leaseholders on New Barnsbury estate are not eligible for the Shared Equity option. We will seek to buy-back your property by agreement. You will be offered:

- The market value of the property
- A basic Home Loss payment of 7.5% of the market value up to the current statutory maximum amount. This amount is set by the government and is subject to change. To claim Home Loss payment, you will need to provide sufficient proof that you own the property.
- You may be entitled to limited Disturbance payments towards the acquisition of a replacement property incurred within one year of completing the sale of your Barnsbury property. We will require evidence to confirm your expenditure claim.

It is important to note that at no time will Newlon be under any formal obligation to rehouse any tenant or other occupant in your property. Buy-back of your property will only be concluded upon the Leaseholder providing vacant possession of the property on completion.

Valuation Process

You will be contacted when we need to acquire your home following the phasing plan which will show when vacant possession of each block is required. We will give you as much notice as possible of the date we will require vacant possession of your existing home. You will be given all the assistance, support and advice that you need throughout the buyback process in order to reach an amicable settlement to avoid using Compulsory Purchase Order powers.

The Market Value will be assessed for each Leaseholder's property by an independent Royal Institute of Chartered Surveyors (RICS) Valuer instructed by Newlon. You will have the option to choose from a list of independent RICS Valuers. The value of your existing home will be based on the price it is believed your property would achieve if it were to change between a willing buyer and a willing seller at the time of valuation.

To determine the Open Market Value, the surveyor will carry out detailed research of the local property market and analyse sales information from comparable properties. It will be assessed on the assumption that the transformation is not proceeding and the principle is that you should not be better or worse off than before the transformation proposals. The surveyor will also take into account the internal and external condition of the property as at the date of valuation, the external and structural condition of the

building identified in our planned programme of works, any internal improvements allowed, subject to evidencing the required consent as set out in your lease, location of the property, amenities in the local area, and the state of housing market at the time.

Valuations are usually valid for three months. If you do not agree with the valuation, you can seek a second valuation from an independent surveyor of your choice. Please note that the surveyor must be a member of the RICS and we will pay their costs up to a maximum of £750. If the valuations differ, the two surveyors will be asked to negotiate and try to reach an agreement to produce a final valuation. In most similar cases an agreement has been reached at this stage. If agreement cannot be reached between the two Valuers we propose that the matter is referred for independent Expert Determination. This is the process of jointly appointing an expert in the field of valuation and both parties agree to accept the decision of the Expert. Alternatively we may seek to rely on the powers of a Compulsory Purchase Order to acquire the property for redevelopment purposes, but our preference is to try and reach agreement with you.

Compensation Arrangements

Newlon is committed to paying you compensation for the acquisition of your existing home to make way for the redevelopment of the estate following the principles of the Land Compensation Act 1973. Whether your property is acquired by agreement or Compulsory Purchase Order, we will compensate Non-resident Leaseholders as set out in this guide. It is our hope that no Leaseholder in New Barnsbury will be financially worse off from having their homes acquired. Every reasonable effort will be made to ensure you get a fair deal.

Charges due to Newlon

Any outstanding charges or arrears due to Newlon for Service Charges, Cyclical Works/Major Works including any outstanding unpaid invoice amounts in respect of Estate Renewal Challenge Funds and other charges/fines due to Newlon will be deducted from the amount paid to you on completion. Your solicitor will be notified prior to completion of any amounts that are due.

Compulsory Purchase Order

A Compulsory Purchase Order (CPO) is a legal power that is used as a measure of last resort to allow certain bodies (such as Local Authorities, Housing Associations) to obtain land or property for the purpose of redevelopment even if the owner does not wish to sell.

Newlon will make every effort to buy back Leaseholders' properties by agreement, however where attempts to acquire a property by agreement is unsuccessful, we will seek to rely on the powers of CPO to acquire the property for redevelopment purposes. A CPO will be considered as a last resort. The law in this area is complex and the principle behind compensation for the compulsory acquisition of a property is that no one should be financially worse or better off as a result of the compulsory acquisition.

Updating the Guide

This guide is a continuation of our conversations with you. Newlon reserves the right to amend the guide as required in the future in its absolute discretion as a result of any matters including changes in legislation, circumstances or otherwise.

The guide is intended to assist in addressing some initial questions or concerns that you may have regarding the process. If you have any further questions, please do not hesitate to contact us by emailing NewBarnsburyLeaseholders@newlon.org.uk

Glossary of Terms

Basic Home Loss Payment: payment made in recognition of the personal distress and inconvenience suffered by residents who are displaced from their homes as a result of redevelopment or compulsory purchase. The amount is set by the government and is subject to change.

Compulsory Purchase Order (CPO): A CPO allows certain bodies to obtain land or property for purposes such as redevelopment without the consent of the owner.

Development Partner: An organisation working in partnership with another to deliver a project but each remains independent of the other. They play an important role in the development of the project.

Disturbance Payment: is payment made to compensate for reasonable expenses incurred in moving home if you are forced to vacate your property, for example removal expenses, reconnecting movable fixtures and fittings, telephone reconnection charges etc.

Expert Determination: process of jointly appointing an expert in the field of valuation to resolve valuation disputes. An expert can consider both parties' arguments and then come to a definitive conclusion about the value.

Leaseholder – Non-Resident: A Leaseholder who does not meet the Resident Leasehold criteria.

Leaseholder – Resident: A Leaseholder who resides at the property as their main or principal home at the date planning permission is granted and for a continuous period from that date until the point your home is required for the estate redevelopment. You will need to provide evidence such as driving licence, utility bills, mortgage statement or other document to evidence residency.

Market Value: The amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller.

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

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 expertise in matters involving fixed assets, including but not limited to land and real property.

Vacant Possession: On completion of a sale, a given property must be empty on the day that you complete purchase or sale of it. This means that there must be no remaining occupants or belongings at the property.