



Case Study: The Former Heygate estate

A Guardian investigation into the Elephant Park development on what used to be the Heygate Estate showed that Savills had factored in an 'acceptable level of profit' at 25 per cent. As a result the site which had once been home to 1,194 social-rented homes would now only have 74.¹⁹⁹ A 25 per cent profit margin was deemed to be excessive by the district value service reviewing the assessment and could have been reduced to increase the social housing on offer; however this was not carried through.

Many original residents who bought their council homes under the right to buy scheme in the 1980s were forced to leave the area as the new property on offer is far beyond the compensation they were given; some of these figures were as low as £80,000.²⁰⁰

"The purchase order will result in us being dispossessed of our homes and permanently priced out of central London. Residents are being displaced and the housing is being replaced with a citadel of luxury housing we won't be able to afford."

Adrian Glasspool

Spokesman for the Heygate Leaseholders Group²⁰¹

Prices start in Elephant Park at £569,000 for a studio flat and go higher than £1 million, meaning the homes are out of reach to those on the average Southwark wage of £34,139. The homes on offer in the new development were being marketed as assets to global investors with adverts seen in China, Malaysia, and Hong Kong.²⁰² Due to these high prices and extensive marketing, sales of homes in the development have been dominated by overseas investors.

Land Registry data confirm that the initial off-plan sales in the development²⁰³ are dominated by overseas investors: all current beneficiaries listed have their address listed as 'care of 2 Tower St, London WC2H 9NP', which is the address of Riseamsharples, a property firm who lists its business aim as "to specialise in advising Asian and other offshore investors in purchasing London property".²⁰⁴

Terry Redpath, a former Southwark housing officer, lived on the estate since 1974 but had to move to Sidcup using his £45,000 life savings. "I feel I have been forced to give up my home to accommodate the building of homes for overseas investors," he said.²⁰⁵

¹⁹⁹ <https://www.theguardian.com/cities/2015/jun/25/london-developers-viability-planning-affordable-social-housing-regeneration-oliver-wainwright> [Accessed 23 January 2017]

²⁰⁰ <http://www.standard.co.uk/news/london/residents-of-the-heygate-estate-forced-to-move-out-of-london-8743216.html> [Accessed 23 January 2017]

²⁰¹ <http://www.bbc.co.uk/news/uk-england-london-19371334> [Accessed 23 January 2017]

²⁰² <http://www.independent.co.uk/news/uk/home-news/end-of-an-area-for-notorious-heygate-estate-social-housing-gives-way-for-high-rise-in-prices-8929998.html> [Accessed 23 January 2017]

²⁰³ As of November 2016 representing a block of 51 of 350 units in the South Gardens phase of the development.

²⁰⁴ <http://www.riseamsharples.com/about-us> [Accessed 23 January 2017]

²⁰⁵ <http://heygatewashome.org/img/examples/PROPWK170513.pdf> [Accessed 23 January 2017]