

What the Aylesbury estate ruling means for the future of regeneration

George Turner

Sajid Javid's refusal to allow the compulsory purchase of flats in this London estate adds welcome humanity to a savage process that forces people not just from their homes, but from their communities. But is the decision enough?



In 2014, one leaseholder on the Aylesbury estate, above, received £147,500 for a four-bedroom maisonette. The previous January, the average house price in London stood at £400,000. Photograph: Frantzesco Kangaris

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In August 2013, the national media got very excited about what was apparently central London's last home on the market for less than £100,000. A ground-floor studio flat in Brixton was being sold for £99,500. It was in such a shocking state that even the estate

I agent described it as “horrendous”. It had just 56 years left on the lease but buyers were lining up, seeing a bargain with lots of potential.

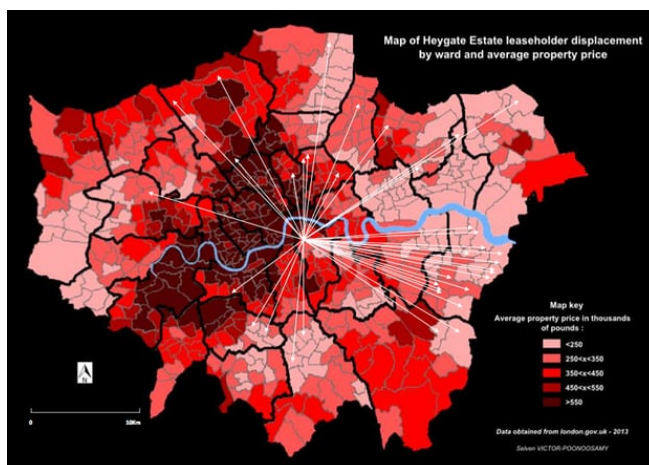
What went unreported, however, was that just a mile down the road, Southwark council had been snapping up even bigger bargains by the hundred.

The Aylesbury in Camberwell is a vast estate of about 2,700 homes, two miles from the Houses of Parliament. For more than a decade, it has been the subject of plans for a regeneration project, which is now under way. In order to move forward with the scheme, which involves demolition of the existing buildings, the council had to buy out the residents who had previously bought their homes from the council under the right-to-buy policy.

Details of the amounts paid by Southwark for these homes were obtained by campaigners under the Freedom of Information Act. In some cases, they show very low offers being made and accepted under the threat of compulsory purchase.

In September 2012, for example, Southwark council paid one leaseholder on the Aylesbury estate £75,000 for a large, 47 sq m, one-bedroom flat. In 2014, the council paid £147,500 for a four-bedroom, 97 sq m maisonette. To put this in some kind of context, by January 2013, the average house price in London had hit £400,000.

On the neighbouring Heygate estate, Southwark council paid an average of £107,000 for a two-bedroom flat. Its purchases on that estate started in 2004, but as late as 2011 the council was still paying £115,000 for a two-bed flat there.



Heygate displacement graphic by Selven Victor-Poonoosamy at the Sorbonne

Neither is it just in Southwark where councils have been forcing sales at low prices. According to Jasmin Parsons, a leaseholder at the West Hendon estate in Barnet, some leaseholders were offered just £90,000 for a one-bed flat and £130,000 for a two-bed maisonette when the council applied for the first in a series of compulsory purchase orders.

This offer was later increased after the leaseholders employed a surveyor to act on their behalf, but still fell far short of the amount required to buy an equivalent home.

Of course, some leaseholders on council estates who bought their property directly from the council would have benefited from the right-to-buy discount. Others, who had bought their property off another leaseholder, would not. But the issue is that right to buy offered a price which allowed them to move into or stay in their area. Estate regeneration has offered a price that compels them to move out.

Last week, however, the picture changed dramatically, when Sajid Javid, the secretary of state for communities and local government, refused to allow the compulsory purchase of flats on the latest phase of the Aylesbury estate's redevelopment, citing concerns about the way Southwark council was dealing with leaseholders.



Residents of West Hendon estate protest against Barnet council's plans. Photograph: George Turner for the Guardian

The decision does not end the government's support for the controversial policy of "estate regeneration", and will bring little comfort for those who have gone through the financial brutality it often creates, but it may give some protection to those facing eviction in the future.

In theory, people facing compulsory purchase must be given the market value of their homes. But until now, local authorities, the government and the land tribunal have all backed an approach that has compensated leaseholders based on the average value of homes on the estate to be demolished, not the average value of homes in the wider area. That approach comes with some very obvious problems.

An estate facing demolition is generally the lowest-value housing in any given area, partly because councils will have let the buildings deteriorate, seeing little point in maintaining something that is going to be knocked down. And who wants to buy a home scheduled for demolition anyway?

Another issue facing these leaseholders is that once the council signals its intent to regenerate an estate, it kills the market in the area. That can happen years in advance of a compulsory purchase order being made. Instead, the "market value" becomes the price that leaseholders can get from a single purchaser, the council, which is also their landlord, and the body applying for compulsory purchase.

Given the approach adopted by councils, it is obvious that the amount offered to compensate leaseholders for the loss of their homes will rarely, if ever, be enough for them to afford a home in the area. Unless they can raise significantly more cash to buy back into the redeveloped and more expensive estate, or to buy more expensive

housing in the local area, they will be compelled to leave. It is “pay to stay” for leaseholders.

To account for this, councils sometimes offer residents subject to a compulsory purchase order the chance to enter a shared ownership scheme. Having had their property taken from them by compulsion, leaseholders are given the “opportunity” to buy back part of a home on the new estate with the money they have been given, and the privilege to pay rent on the remaining share.



The Aylesbury estate – just two miles from the Houses of Parliament. Photograph: Linda Nyland for the Guardian

Leaving aside the obvious inequity, for many residents these offers are simply unrealistic. At West Hendon, 85-year-old Adelaide Adams was forced to sell her home for £175,000. An equivalent home on the “regenerated” estate would be £407,000, with service charges of over £2,000 a year. To her it was obvious that, after having spent 30 years on the estate, she was no longer welcome.

However, it appears that the government has now had a change of heart. After it allowed Barnet to compulsory-purchase homes at West Hendon last year and Southwark to go ahead with compulsory purchase at the Heygate and on previous phases of the Aylesbury, it has blocked the latest compulsory purchase order at the Aylesbury.

In making her recommendation to the secretary of state to refuse the order, the inspector for the department of communities and local government noted that, although the housing options offered by the council would allow leaseholders to remain in the area, “in order to exercise this option they would need to invest considerable personal resources in addition to any compensation they would receive for their properties.”

“In this regard,” she continued, “the compulsory purchase order would not only deprive them of their dwelling but also their financial security. If they chose not to pursue this option, they would inevitably need to leave the area and this would have implications for their family life, including the lives of those dependent on them.”

The inspector concluded that this situation would lead to an unjustified breach of the leaseholders human rights, which the council could have avoided by seeking a different agreement with the leaseholders.

Sajid Javid's decision on the Aylesbury compulsory purchase order does not end the policy of estate regeneration. The inspector and the secretary of state both accepted that the scheme would benefit the area if it were allowed to go ahead, and the government still wants to bring forward plans to regenerate 100 estates across the UK.

But if it is allowed to stand, the ruling establishes an important point of principle, which is that while compulsory purchase can force people out of their homes, it cannot force them out of their communities. While for many campaigners who want to see an end to the policy, this decision does not go far enough, at the very least it promises to restore some humanity to what has become a savage process.

George Turner is an investigative journalist and researcher based in London. In 2014 he launched a one-person legal campaign to stop the redevelopment of the Shell Centre in central London into luxury flats.

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