



We have taken major steps to move the Aylesbury regeneration programme forward since the decision was made to redevelop the estate in 2005.

Achievements to date include the adoption of rehousing and home owner policies for residents, construction beginning on the first units of off site housing for Aylesbury tenants to move into, and most recently we have appointed a firm to undertake a masterplan for the estate, outlining how the new area will be developed. We have also started the search for a housing association that will design, build and then manage the first 260 new homes in the southwest corner of the estate. Aylesbury residents have been involved in all these processes and I would like to thank them, and the rehousing sub-group that have been involved with the production of this pack.

As part of the regeneration plans for the Aylesbury, we will need to buy back your property. A comprehensive policy has been adopted for home owners which is detailed in this pack, there is also important information on the compensation you will receive, and the regeneration plans for the estate. As more information becomes available we will send you updated pages, which can be inserted into your folders, so please hang on to them!

Please take the time to read this information and if you have any queries feel free to contact the Aylesbury Regeneration Team!

Best wishes,

Councillor Richard Thomas
Executive Member for regeneration



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For specific home owner enquiries

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SE1 6BD

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The Aylesbury Rehousing Group

This pack was put together with the assistance of the Aylesbury Rehousing Group.

The group comprises resident representatives and NDC and council officers. It meets on a fortnightly basis to guide decisions around the rehousing of Aylesbury residents, as part of the regeneration scheme. The rehousing group was instrumental in developing the rehousing and leaseholder policies and in the production of this pack.

Housing Support Team

The Aylesbury New Deal for Communities have appointed Solon Community Network to provide an independent housing support service to tenants and homeowners on the estate.

Contact Solon on freephone 0800 169 4406.

Why is the Aylesbury Estate being redeveloped?

On September 27, 2005 Southwark Council's executive committee made the decision to demolish the Aylesbury Estate in stages and replace it with homes for rent under housing association control and homes for sale or shared ownership. The new area will also feature new or upgraded health and medical, educational, and youth facilities and open spaces. This decision was made to improve the quality of life for all residents.

How will the estate be redeveloped?

The Aylesbury will be developed in stages to ensure minimum disruption to you. The first area of the estate to be developed is known as the southwest corner.

The first part of the southwest corner to be redeveloped (known as phase 1a) will include the following blocks: **'Little' Bradenham (1-41), 1-12 Red Lion Close**, the commercial units at **6-28 Westmoreland Road** and the current Aylesbury Day Centre. (**Please note:** a new Aylesbury Resource Centre will be built before this is demolished). Once residents in this area have been rehoused, in around two to three years time, 260 new homes, a new Aylesbury Resource Centre (to replace the day centre), and some commercial units will be constructed on this site.

The next area that will be developed (known as phase 1b) is likely to include the following blocks: **Big Bradenham (numbers 42-256), Chartridge, Arklow, Chiltern and Ellison House. Residents in these buildings will move in around three to four years time.** Once people from the southwest corner have moved, the buildings will be demolished and new homes will be constructed to rehouse Aylesbury residents living in the next area of the estate earmarked for demolition. The rest of the estate will be developed in this rolling manner.

Council tenants on the Aylesbury Estate will move to new homes that are being constructed for them by housing associations (also known as registered social landlords).

As part of the regeneration of the Aylesbury Estate the council will need to buy back all privately owned properties, this includes both leasehold and freehold properties. For home owners – owners of private property – the redevelopment plans mean that the council needs back your current interest which is typically the remaining years of a 125-year leasehold interest. Leaseholders and freeholders are described as home owners throughout this pack. More details on how we will buy back your property and the options available to you are outlined in more detail on the following pages.

Detailed below is a programme of development for the very first phase of the southwest corner.

KEY**Site A:** Green**Site B:** Blue 'Little' Bradenham (1-46)**Site C:** Orange Westmoreland Road (6-28) and Red Lion Close (1-12)**Site D:** Purple Aylesbury Day Centre**Site E:** Red Rest of southwest corner





The first stage of the estate to be developed (phase 1a) will affect residents in **Little Bradenham** and **Red Lion Close**. We will be seeking to purchase home owner's properties in these blocks in the next financial year – from April 2007 onwards.

The next group of leasehold properties to be bought back by the council will be those located in the next stage of the development (phase 1b). These include leasehold properties in Chartridge, Chiltern and Big Bradenham and Arklow House. We expect to be in a position to begin purchasing these properties in around two years time.

We will not be purchasing any other properties on the estate until a detailed phasing plan for the estate has been completed as part of the masterplan in the second half of 2007. The masterplan is a blueprint showing how the estate will be developed. This will indicate when each block will be demolished. **Once we have this information we will send you a detailed plan indicating when you will have to move, to add to your pack.**

Please note: exceptions will be made for 'hardship' cases. We are currently working with the Aylesbury Home Owner Group to identify and define cases of hardship and will send this information once it has been clarified.

This document provides information to residential home owners on the Aylesbury Estate. The acquisition of commercial and retail leasehold interest are dealt with in a slightly different way.

Please note: Home owner issues will be dealt with on a one-to-one, case-by-case basis and we will cover the cost of paid advisers (as discussed later in this document).



We will always seek to buy your property back with your agreement. As a last resort, if an agreement cannot be reached, the council will use its compulsory purchase powers to buy back your property. This is done by making a Compulsory Purchase Order (CPO).

Most Aylesbury home owners will be entitled to payments under the terms of a CPO, which are outlined below in the home owner compensation section.

If you would like more detailed information regarding Compulsory Purchase legislation please visit the communities and local government website <http://www.communities.gov.uk>, where you can download compulsory purchase and legislation booklets.

Please note: You will not be entitled to the market value of your property, home loss payments or disturbance costs if you are rehoused under option e – becoming a council tenant.

Home owner compensation

Compensation is based on the principle of equivalence. This means that you should be no worse off in financial terms after the council has bought your property, than you were before. Likewise you should not be any better off.

Home owners are entitled to the market value of the property, and either a home loss or basic loss payment of either 10% or 7.5% (see flowchart on page 18) of the market value respectively.

Home loss: (10 per cent) is paid where the owner has lived at the property for at least one year as their main residence before the council buys it back.

When two or more people are entitled to make a claim for a home-loss payment for the same property (eg: a husband and wife who are joint owner-occupiers or owners who share the same home) the payment is divided equally between each party.

Basic loss: (7.5 per cent) is paid where the owner does not live at the property, and has owned it for more than one year.

Home loss and disturbance cost payments are subject to statutory limits.



Market value

Market value is the amount of money that your property would achieve if put to sale on the open market (a freely competitive environment operating without any restrictions) Any positive or negative effects on value caused by the scheme are not taken into consideration.

We will reimburse you for reasonable surveyors and legal fees, when the sale of your property has been finalised. This ensures that a home owner is professionally represented in the matter of valuation and also the disturbance claim. Before employing a surveyor or a lawyer it is wise to ensure both you and the council agree a reasonable basis for calculating fees.

If the parties cannot agree the valuation then the matter is referred to the Lands Tribunal who make an independent assessment of the compensation based on the evidence provided by the council's surveyor and the owner's surveyor.

Disturbance costs

Home owners who have lived at their property for more than one year will also be entitled to 'disturbance costs' – these are reasonable costs that you have had to pay for the council to buy back your property.

For the most part the right to disturbance compensation is restricted to occupiers (people who live in the property). There is however a limited right for investment owners to recover their costs of reinvestment in a reasonably comparable property, provided it is bought within a year of selling the property.

Disturbance costs include:

- removal expenses
- legal fees arising from the acquisition of an equivalent replacement property
- stamp duty arising from the acquisition of an equivalent replacement property
- surveyor's fees arising from the acquisition of an equivalent replacement property
- survey fee and costs in connection with the transfer of an existing mortgage or raising a new one
- special adaptations of the replacement premises
- altering soft furnishings and moveable fittings and fixtures to fit your new home

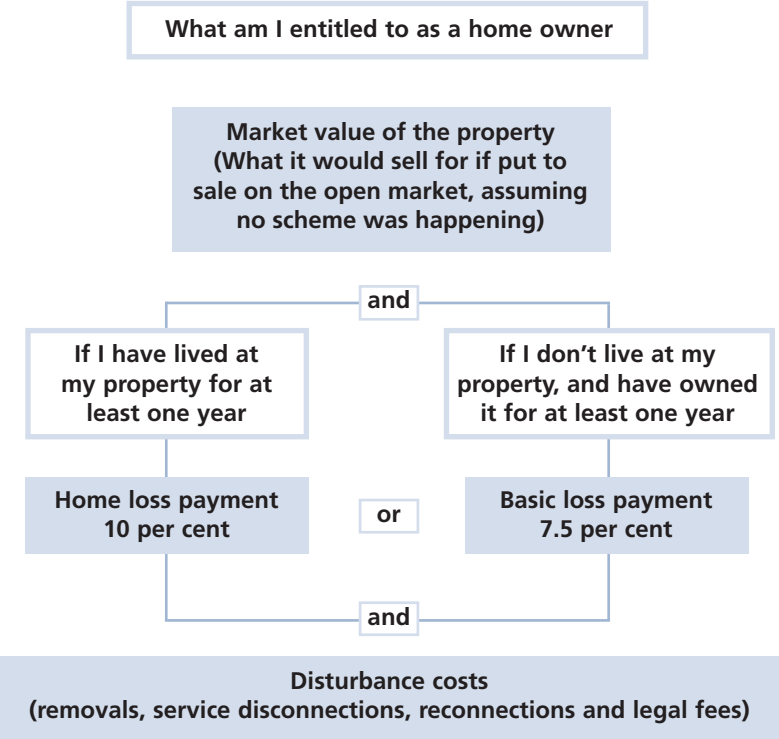
- disconnection and reconnection of services (telephone, electricity, etc)
- forwarding of post (for a reasonable period)
- incidental costs of acquiring replacement property

Other costs may be considered, if they are a natural, direct and reasonable consequence of being moved. It is up to home owners to prove that they should be compensated for these additional costs..

Home owners must also take steps to 'minimise their losses'. If losses are increased as a result of your actions (or lack of them) you will not receive compensation for these increased losses. For example, you may need to employ a removals firm to assist with your move. If so, you should obtain quotes from three reputable firms. Assuming all three are the same service you should instruct the cheapest in order to minimise your loss.

It is very important that you keep a detailed record of losses sustained and costs incurred in connection with the acquisition of your property. You should keep all relevant documentary evidence such as receipts, invoices and fee quotes. You should also keep a record of the amount of time you have spent on matters relating to the compulsory purchase of your property.

Home owner compensation diagram





Home owner information gathering

To form a picture on the level of likely housing need, we will need to undertake a comprehensive information gathering exercise over the coming months. We will provide you with more information on this shortly.





On September 26, 2006 Southwark Council adopted a comprehensive policy for home owners. This was developed in consultation with the Aylesbury Leaseholder Group, a resident based group established to represent home owners interests.

The following options are available for home owners:

- (a) Buying a property on the open market – the ‘do it yourself’ option
- (b) Buying a shared ownership unit – the part buy / part rent option
- (c) Buying a retained equity unit – the part buy option
- (d) Comparative value transaction – the ‘property swap’ option
- (e) Sitting tenant option – the ‘below market value’ option
- (f) Becoming an RSL or council tenant – the ‘safety net’ option

The council will need to purchase all leaseholders’ and freeholders’ properties as part of the regeneration scheme. The way the council will go about this is covered elsewhere in the pack; but we have responded to residents’ requests to come up with a range of different opportunities, and particularly ways of enabling people to stay in the area. The council as a housing authority has a legal obligation to rehouse a person who has been displaced from their home, due to the local authority acquiring their land using compulsory purchase powers.

For anyone not in a financial position to be able to take up option a (the council buying back your property at open market value, paying you compensation, and you finding alternative accommodation), there are a range of options (listed below) that will be offered to you in order ie: from option b to option e.

Each of the options will have separate qualification criteria. These criteria will be based on your circumstances, including the funds you have available to you, such as savings and assets, and your ability to raise mortgage finance. We will also take into account any existing mortgage you have and what you would be left with when you pay it off when the council buys your property. Your circumstances will be compared with these criteria, and an assessment made against each option in turn. It is intended that if you are not eligible for option b) , the process will move on to option c) and so on. We are still working out the various criteria for each of the options and will send you an update to your pack once these have been agreed. It is possible as the result of the work we are doing that the options may be worked through in a different order to the sequence above.

Options b, c, d, e, and f will only be available to leaseholders who bought or applied to buy their property before September 27 2005 (when it was announced the Aylesbury would be demolished) and who have lived at their property for at least one year as their main residence before the council buys back the lease.



Option a

Buying a property on the open market

The council buys your property from you at market value, you receive compensation and make your own housing arrangements.

This option is intended for home owners who can afford to buy a property on the open market after the sale price for their current home has been agreed. If you follow this option, there will be no need for an assessment of your personal circumstances



Council buys your home



You find your own accommodation

Option b

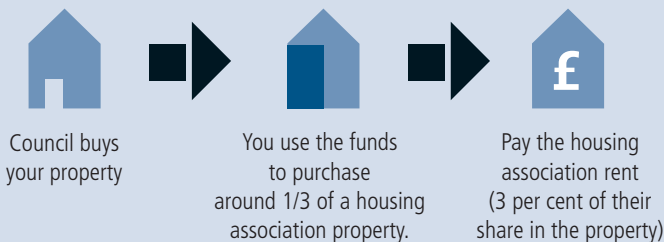
Buying a shared ownership unit

The council buys back your property, you purchase half a share in a housing association (HA) property, you then pay the housing association rent on their share of the property(normally around 3 per cent of the value of the housing association share), and any relevant service charges.

Option b aims to assist home owners who wish to own a share in a property within the immediate area built as part of the regeneration scheme. This option involves the council acquiring the homeowner's current property for market value. Loss payments and disturbance payments will also be paid. These funds will be used to purchase part of a housing association property (around 30 per cent.) The remainder of the property will be owned by the housing association and you will pay rent to them. The sum of this rent will be approximately three per cent of the value of the housing association's share of the property.

We will work with our housing association partners to produce schemes to allow people to increase equity (the share they own in the property) if they want.

In order to qualify for this option the household would have to meet the earnings criteria set out by the housing association. For example, a minimum earnings income level is usually required (dependent on the size of unit), which prospective purchasers must meet. There will also be an expectation that the household will not be committing more than one third of their total income to payment of the mortgage, rent and service charge. This will also take into account the money from the council buying your property. It is likely that when you come to sell you may have to offer first refusal to the housing association.



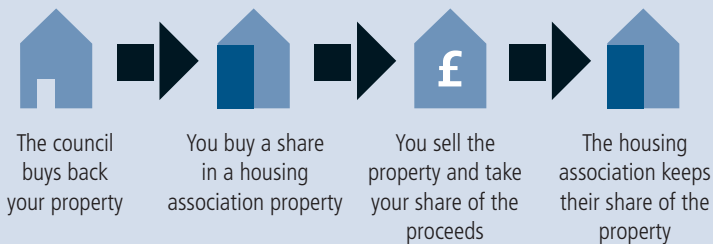
Option c

Retained equity unit

This option involves the compensation you receive from the council being used to purchase a share of a new property being built as part of the Aylesbury redevelopment scheme. You would not pay rent on the outstanding share of the property, rather a charge would be put on the property, so that at the time of a future sale, the market value of the percentage of the property owned by the housing provider would be paid to them. You would pay relevant service charges.

The percentage of the property that would have to be purchased by leaseholders will need to be negotiated with housing associations by the council, but unlike the shared ownership option the percentage of the property that would have to be purchased by the home owner is likely to be significantly higher as no rent would be received by the housing association.

The ability of a home owner to be able to qualify for this route is dependent on the outcome an affordability assessment.



Option d

Comparative value transaction

The council buys your property, you use the money to buy another council property found for you by the council.

This option is suitable for home owners who wish to continue to own a property of equivalent value within the borough. This option involves the council buying their existing property at Aylesbury, and then selling the homeowner, a leasehold interest in a vacant council property.

The criteria applying to this option will be based on the following:

- The home owner has first explored options a, b and c, and none of these is suitable.
- The transactions are on a like-for-like basis i.e. the two properties are of equivalent value.
- There is a property available that the council think is suitable for the home owner according to the information provided by them. The value comparison work will only be undertaken for one alternative property.
- A home owner may be considered for an alternative property up to one bedroom more than their assessed housing need subject to the criteria of the offer and valuation considerations.
- Properties that are particularly useful for meeting lettings needs, for example ground floor properties will not normally be used as alternatives.
- Only general needs properties will normally be used as alternatives, ie: not specialist properties like sheltered accommodation. The lease will be in the form currently used for new leasehold disposals but of equivalent term as the lease being surrendered at the Aylesbury.



- The council's obligations in respect of best consideration are met, ie: the council is acting responsibly regarding values and other financial matters.
- The council's assessment of the alternative property will include providing information to estimate the costs that you will have to pay for future repairs.
- All outstanding sums owed by the tenant to the council (eg: major works or service charges) will be deducted from the value of your existing property as part of the transaction.



The council buys your property



You purchase another council property of similar value found for you by the council



Option e

Sitting tenant option

The council purchases your property at a reduced rate, you don't receive compensation, you become a housing association or council tenant.

This option will apply to home owners who can not afford to buy another property on the open market in Southwark, a shared ownership home, or a retained equity unit.

For Aylesbury residents in this position, alternative acquisition at "sitting tenant" value will be available at the earliest option. This means the council will purchase your property at two thirds of its market value. From this point you will cease being a leaseholder and a secure tenancy will be created. You will not be paid a home loss payment or disturbance costs. You will be guaranteed the offer of a housing association or council dwelling elsewhere ie: rehousing in the same way as tenants of the estate. This option will be available only up to the point that the council seeks a Compulsory Purchase Order (CPO) on your property ie: you have not agreed to sell your property and they are seeking a court order to obtain your property.



The council buys your property for 2/3rds of the market value, and you do not receive additional compensation



You become a council/housing association tenant.

Option f

Becoming a housing association or council tenant

Following the assessment of housing needs if none of options a to e work for you because of your financial circumstances, Southwark Council will buy back your property at full market value, you will receive homeloss and disturbance payments. You will be guaranteed the offer of a housing association or council dwelling elsewhere ie: rehousing in the same way as tenants of the estate.



The council buys your property at full market value, plus home loss and disturbance costs

You become a housing association or council tenant



Payment plan

Southwark Council is committed to maintaining all buildings on the estate throughout the regeneration process. We have money earmarked to continue to do this and will consider the limited life of buildings in relation to maintenance work. Home owners will be expected to contribute to these works.

In regards to the outstanding fees that home owners have to pay on their properties the council will develop a package of flexible payment methods recognising that different methods of payment will need to fit the individuals' ability to pay. We will seek agreement to deduct outstanding amounts from any compensation to be paid for properties. This will include any charge made on the property in favour of the council as described below in options b and c, and any outstanding service charge accounts.

The council is aware that some home owners are not in a position to settle their major works charges within a relatively short period of time as set down in the terms of their lease. Various payment schemes to help home owners are therefore on offer, these are:

- a) payment of the major works invoice by interest free monthly instalments over a period of 36 months. If payments do not commence promptly upon receipt of the



invoice and if any payment is missed then this scheme will no longer be available and the full sum will become due and payable immediately;

- b) discretionary service charge loan, which helps home owners to settle major works invoice(s) by monthly instalments over a period of up to 25 years at an interest rate of 1.5% above the base rate of the National Westminster Bank plc, provided there is sufficient equity in the property to cover the loan. There is an application fee of £430.00 which covers the council's costs in securing the loan against the property, this amount can be added to the loan;
- c) discretionary voluntary charge loan to enable the council to secure the major works invoice(s) as a charge over the property provided there is sufficient equity in the property to cover the debt and interest. Interest on the debt accrues at 2% above the base rate of the National Westminster Bank plc. There is an application fee of £430.00, which covers the council's costs in setting up the charge and securing it against the property, again this amount can be added to the charge.

Glossary

Basic loss payment – compensation equalling 7.5 per cent of the market value of the property. This is paid where the owner does not live at the property, and has owned it for more than one year.

Compulsory Purchase Order – legislation that allows local authorities to acquire land needed to help deliver social and economic change

Disturbance costs – reasonable costs that you have had to pay as a consequence of the council buying your property.

Freeholder – a person who has a freehold interest in a property, which is to hold a piece of property outright with no other claims on it.

Home loss payment – compensation equalling 10 per cent of the market value of the property. This is paid where the owner has lived at the property for at least one year as their main residence before the council buys it back.

Home owners – both leaseholders and freeholders who own property on the Aylesbury Estate.

Housing associations/Registered Social Landlords – Independent not-for-profit landlords that provide homes for people in housing need.

Leaseholder – a tenant who holds a lease. Leasehold is a form of property tenure where one party buys the right to occupy land or a building for a given length of time, for a consideration payable to the owner thereby creating a leasehold estate. At the end of the lease period (often measured in decades – a 125 year lease is quite common) the property reverts to the owner. Terms of the agreement are spelled out in a lease.

Market value – the amount of money that your property would achieve if put to sale on the open market (a freely competitive environment operating without any restrictions).

Masterplan – a document outlining how the Aylesbury Estate is going to be developed.

Phasing plan – a document within the masterplan that outlines when residents will have to move and when each block will be demolished.

Useful contacts

For specific home owner queries:

Chris Le May
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Chiltern
Portland Street
London
SE17 3SH

T: 020 7525 5480 E: xxxxx.xxxxx@xxxxxxxxx.xxx.uk

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Southwark Housing Regeneration
9 Larcom Street
London
SE17 1RX

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Cathie McIver
Aylesbury Leaseholder Group
Unit 6 Thurlow Street
London
SE17 2UZ

T: 020 7358 4143

Aylesbury New Deal for Communities Team

Unit 8 Thurlow Street

London

SE17 2UZ

T: 020 7358 4143

Aylesbury regeneration team

Level 3, Coburg House

63-67 Newington Causeway

London

SE1 6BD

T: 020 7525 4922

Home ownership unit

113 Lorrimore Road

London

SE17 3NZ

T: 020 7525 1400

Ward members

The Aylesbury Estate is within the Faraday ward and your local councillors are:

Paul Bates 020 7277 3484

Abdul Mohamed 020 7639 7079

Lorraine Lauder 020 7252 4753

One Stop Shop – Walworth

151 Walworth Road

London

SE17 1RY

T: 020 7525 2008

Opening hours: Mon-Fri: 9am to 5pm



Other advice**Blackfriars Advice Centre (BAC)**

199 Walworth Road

London

SE17 1RL

T: 020 7701 3999

Opening hours: Walk-in: Mon, Wed, Fri: 10am to 12pm

Advice lines: Mon, Thurs, Fri: 2.30 to 4.30pm

Tues: 10.30am to 12.30pm

Irish tel advice: Thurs: 12-2pm

Appointments: Mon, Tues, Fri: 10am to 4.30pm

Reception Service: Mon to Fri: 10am to 12pm, 2 to 4.30pm

Cambridge House Legal Centre

137 Camberwell Road

London

SE5 0HF

T: 020 7703 3051

Opening hours: Mon-Fri 9.30am to 1pm and 2 to 5pm

Walk-in for general information or to make an appointment

Elephant Angels

Aylesbury Drop-in Centre
17 Brandon Street
London
SE17 1NA

T: 020 7252 6870 or 020 7921 0360

The Royal Institute of Chartered Surveyors

Surveyor Court
Westwood Way
Coventry
CV4 8JE

T: 0870 3333 1600
www.rics.org

Further information on the Aylesbury regeneration programme can be obtained from:

Southwark Council's main website at www.southwark.gov.uk

