

March 2015



# **Regeneration:** what it could mean for you

A leaflet for leaseholders



THE ROYAL BOROUGH OF  
KENSINGTON  
AND CHELSEA

This leaflet is for **leaseholders** of Council owned properties in the borough. It explains what happens if your property is part of an estate or housing block that the Council decides to redevelop. It outlines the process for purchasing your property and the payments and help you will receive.

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## Why redevelop?

The Council is committed to providing good quality homes for our leaseholders and tenants. Where appropriate, we may look at demolishing housing blocks or estates to replace them with better quality homes. With a severe shortage of affordable accommodation in the borough, development can also allow us to use space more effectively and create additional new homes.

We will always consult with affected tenants and leaseholders about any plans for redevelopment and keep you informed throughout the process.

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## If redevelopment goes ahead, what can I expect?

If the Council decides to go ahead with redevelopment, we will offer to buy your property at market value. We will arrange for a surveyor to carry out a valuation and will then make you an offer. You can ask to have your own independent surveyor carry out an alternative valuation. The Council will pay for this as long as the charges are reasonable but you must get our agreement before you arrange your own valuation.

We will always aim to reach an agreement with you. If we cannot do this, then we can make a Compulsory Purchase Order (CPO). This allows us to buy properties without the prior agreement of the owner.

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## Additional payments

These are different for resident leaseholders and non-resident leaseholders. You will receive these in addition to the market value of your property.

### Resident leaseholders

You will qualify for a Home Loss Payment. This is currently ten per cent of the property value, up to a maximum of £49,000.

Resident leaseholders are also entitled to **Disturbance Payments**. These payments are to cover the reasonable costs involved in moving house. They cover things such as:

- solicitors' and surveyors' fees
- Stamp Duty Land Tax for a replacement property to approximately the same value as the original property
- removal costs
- having a telephone and washing machine disconnected and reconnected in your new home
- redirection of mail.

We will give you more information about the costs that are covered and you will need to complete a form and enclose receipts or proof of expenses.

### Non-resident leaseholders

You will receive a **basic loss payment** of seven and a half per cent of the value of your property up to a maximum of £75,000.

You will be entitled to compensation for the reasonable costs of acquiring a new investment property within one year of the date at which the Council purchases your existing property. Reasonable costs cover things such as solicitors' and surveyors' fees and Stamp Duty Land Tax.

Depending on your circumstances, Capital gains Tax may be payable. You may be eligible for Capital Gains Tax roll-over relief if you reinvest the proceeds, within three years. You should think about getting specialist advice on this.

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## Finding a new home

In cases where properties in the local area are too expensive for leaseholders to purchase using the proceeds from their original property, **resident leaseholders** may be given the option to buy a property in the new development. Options could include shared ownership, where you buy a share in a new property and pay rent on the remainder, or shared equity, where the Council owns a percentage of the property and receives its share of any future sale. Whether these options are possible will depend on the viability of each development, but the Council will always endeavour to enable existing residents to remain in the same area.

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## What happens if I have tenants living in my property?

You will need to give your tenants notice to move out. If we have to apply for a CPO, then a notice will be served on both you and the occupier.

Your tenants will not normally be entitled to Home Loss Payments. If they are unable to find alternative rented accommodation, they can contact the Council to see if they qualify for housing assistance. There is more information about this on our website.

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## What if I am unhappy with the way I am treated?

You can make a formal complaint to the Council, which will be handled through our three stage complaints process.

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## More information

The process of moving tenants and leaseholders to develop their homes is known as 'decanting'. The Council's decanting policy is available on our website.

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