

# Homeowners guide

A guide to choosing your new home



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## Introduction

The Aylesbury is being redeveloped. You can read more about this and how residents told us they would like the regeneration to happen in the Aylesbury Area Action Plan at [www.southwark.gov.uk/aylesbury](http://www.southwark.gov.uk/aylesbury)



Working with our development partner Notting Hill Housing Trust, our aim is to build new homes for local people and new residents, improve the area and the quality of life for all residents.

In order to do this, we need to purchase all privately owned properties on the estate from homeowners. This guide is for those homeowners (both leaseholders and freeholders) and provides an overview of how we will purchase your property, how you can find a new home and what support we may be able to provide.

We know that this can be a challenging process, but we will do our best to give you the support and information you need to make it as straightforward as possible. Our officers can explain the process in detail and answer any questions you might have. Their contact details are on page 17 of this guide.

## Overview of the purchase process for homeowners

Once it is agreed that your block is part of an active rehousing phase, a council surveyor will contact you to arrange a visit to your home, inspect your property and carry out a valuation. Resident homeowners will also be contacted to discuss whether they would like any council support in finding a new home.

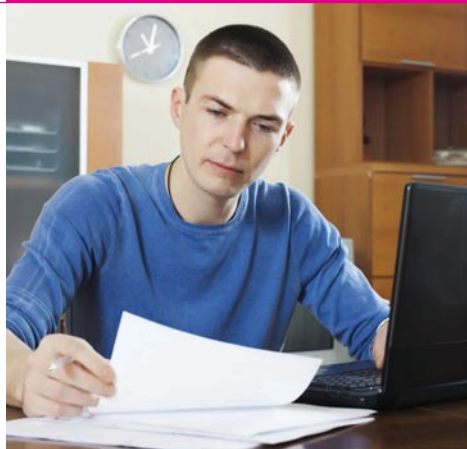
A team of council officers will be working with you through the process, including:

- An Aylesbury neighbourhood housing officer, who will be your first contact point for any general concerns or questions that you may have
- A surveyor to discuss the valuation and statutory home loss compensation and disturbance payments
- A home ownership officer, who will help you to find a new council home, if you wish to apply for the council's rehousing assistance scheme.



## Buying back your property

The first stage in the purchase process is the valuation of your property. A council surveyor will inspect your property to assess the market value. We will then write to you with an offer and the terms on which we will buy the property.



Once you receive the offer you can obtain advice from an independent chartered surveyor, who will advise you and negotiate with us on your behalf. If terms are agreed and we purchase the lease or freehold of your property, we will then reimburse the surveyor's reasonable and agreed costs. We can provide you with details of independent chartered surveyors if needed or you can find surveyors at [www.ricsfirms.com](http://www.ricsfirms.com)

The market value of your home will take into account the different factors that impact on the value of a property, such as its construction, size, location and condition. The valuation does not take into account the redevelopment plans and any impact on value that this may have.

When the valuation is agreed, we will purchase your property.

When we complete the purchase you will need to leave your home and make rehousing arrangements for yourself and anyone else living in the property. Any outstanding payments due to us, for example service charges, will be deducted from the proceeds prior to the money being transferred to your solicitor.

We are only able to pay the current market value for your home and by law we are not able to offer higher values.

# Compensation

We reimburse reasonable solicitors' fees for the sale of your Aylesbury property.

We will also assess what home loss compensation and disturbance payments you are entitled to as a result of the acquisition of your property and your move.

You are entitled to the market value of the property plus either a basic loss or home loss payment as follows:

## **Basic loss payment, for non resident homeowners**

Basic loss is a payment of 7.5 per cent of the market value of the property and is paid where the owner does not live in the property.



## Home loss payment, for resident homeowners only

Home loss is a payment of 10 per cent of the market value of the property and is paid where the owners have been living at the property for at least one year as their main or only residence before we buy it.



## Disturbance costs, for resident homeowners only

Resident homeowners who qualify for a home loss payment will also receive disturbance payments. These are reasonable expenses arising as a direct consequence of the council's purchase of your property, for example your telephone being reconnected to your new address and removal costs.

## Other financial assistance

There is a limited right for non-resident homeowners to the reasonable incidental costs of buying an alternative property in the UK within 12 months.

All homeowners must take steps to minimise their costs. If costs are increased as a result of your actions, or lack of them, you may not receive disturbance for these increased losses. Please keep all relevant documentary evidence such as receipts, invoices and fee quotes to support your claim and show that you have taken steps to minimise your losses.

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## Compulsory Purchase Orders

We aim to negotiate the purchase of all properties by agreement. However, to ensure the redevelopment can proceed we will, if necessary, make a Compulsory Purchase Order (CPO). This will allow the council to buy properties without the agreement of the owner. We are likely to start this process about 12 months before the planned redevelopment of a particular phase and we will inform all homeowners by letter that this is proposed.

More detailed information on the formal CPO process can be found in a guide produced by the Department of Communities and Local Government at [www.communities.gov.uk/documents/planningandbuilding/pdf/147639.pdf](http://www.communities.gov.uk/documents/planningandbuilding/pdf/147639.pdf)

## Finding a new home

We want to work with all resident homeowners in the active phases to help them to find a new home that meets their needs and is affordable.

There are three main options that you should consider, depending upon your particular circumstances:

### **Option 1: purchasing a new property on the open market**

You may be able to purchase a new property on the open market. There are many national websites, such as [www.rightmove.co.uk](http://www.rightmove.co.uk), that provide information about properties available nationwide.



**Option 2: purchasing a new property through a low cost home ownership scheme with Notting Hill Housing Trust, or shared ownership with another housing association**

You may be able to buy a property through a low cost home ownership scheme. This is where you buy a

share of a new property, while the remainder of the property is owned by a housing association (also known as a Registered Provider “RP” or a Registered Social Landlord “RSL”). In most cases rent is paid on the part of the property which is still owned by the housing association. However as part of the Aylesbury Development Partnership Agreement with the council, Notting Hill Housing Trust will be offering a number of new low cost home ownership properties on the Aylesbury footprint to existing resident Aylesbury homeowners on terms tailored to meet the needs and the financial circumstances of individual leaseholders.



If you are interested in new low cost home ownership with Notting Hill Housing Trust please email [aylesburyteam@southwark.gov.uk](mailto:aylesburyteam@southwark.gov.uk)

If you are interested in low cost home ownership with any other housing association you will need to apply through a national scheme called Share to Buy, [www.shareto-buy.co.uk](http://www.shareto-buy.co.uk). If you are interested in a property in London, then the agent is called First Steps, [www.firststepslondon.org](http://www.firststepslondon.org). To purchase a property through Share to Buy you will need to meet the earnings criteria set out by the particular housing association.

We will be happy to help you to understand how these schemes work, as the terms can vary considerably.

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### **Option 3: seeking rehousing assistance from the council**

We may be able to offer you council rehousing, depending on your housing needs and financial circumstances (see page 12). There are three categories of assistance that you may be eligible for:

- **Shared ownership with the council:** This is when you purchase a minimum of a 25 per cent share of a vacant council property, although you can buy a larger portion of the property of up to 75 per cent initially. You will need to pay rent on the portion of the property that you do not purchase and an apportioned service charge on the portion you do purchase.
- **Shared equity with the council:** This is when you purchase a minimum of 50 per cent of the property, although you can buy a larger portion of the property of up to 90 per cent initially. With shared equity you will be required to purchase up to the nearest 10 per cent tranche that you are able to afford. The main distinction between shared equity and shared ownership is that no rent is payable with shared equity. The table on page 11 outlines some of the other differences between these two types of ownership.
- **Tenancy with the council or a housing association:** If the outcome of your assessment is that you are unable to afford either of the two ownership options outlined above, our recommendation will be the offer of a tenancy.

With all three of these assistance categories, the method for locating a new home is the council's choice based lettings system – Homesearch. More information on using Homesearch can be found on page 13.

	Shared Ownership	Shared Equity
Minimum initial purchase level	25%	50%
Maximum initial purchase level	75%	90%
Initial ownership levels available	25%, 50% and 75%	50%, 60%, 70%, 80% and 90%
Staircasing allowed?	Yes	Yes
Choice of ownership level?	Yes, as long as the purchase is affordable	No, the purchaser must purchase up to the nearest affordable 10% tranche
Ground rent	£50 per annum	£200 per annum for the first 25 years, rising by £100 every 25 years
Service charge liability (major works)	Apportioned to owned share	
Service charge liability (other)	Full payment for buildings insurance, ground rent and communal heating/ hot water (if provided), payment for all other services apportioned to owned share	Full payment for all services
Right of first refusal	Yes, as long as ownership is less than 100% and for a maximum of 21 years from the completion date	
Inheritance	Share can be inherited	Inheritors must staircase up to full ownership within the first anniversary of the death of the last remaining owner
Subletting	Prohibited while ownership is less than 100%	
Term	125 years (or remainder of term less five days where the council is not the freeholder)	

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## Applying for council rehousing assistance

If you want to seek council rehousing assistance, you will need to make an application. We will only accept applications from homeowners who:

- Currently live in their property as their sole or main home and have done so for a full 12 months before applying for rehousing assistance; and
- Either submitted a successful claim for the Right to Buy the property before 27 September 2005; or
- Bought the property from another homeowner before 27 September 2005.

Our assessment will take into consideration:

- 1. Housing assessment:** This will tell us what your housing requirements are, such as the number of bedrooms you need.
- 2. Financial assessment:** This will tell us whether or not you are able to afford a new home that meets your needs.

Our home ownership team will meet you to explain the assessment process in detail and leave a copy of the financial assessment form with you. When you return the completed form to us, don't forget to include a comprehensive set of original documents that confirm the information you give in the declaration forms.

If you have any difficulties in completing the forms or providing the necessary documentation, please contact a home ownership officer. They can assist you in person, over the telephone or by email, or they can arrange a home visit if you are unable to go to their offices. An interpreter can also be arranged if you need one.



Once we have established whether or not you qualify for rehousing assistance an officer will contact you to arrange an appointment to give you a written outcome of the assessment. This is so that you have the opportunity to ask us questions about it.

Should you wish to appeal the outcome of the assessment, you will have a period of ten days to do so. Your appeal must be in writing and state the grounds for appealing the decision and include any relevant documentation in support of the appeal.

## Using Southwark's Homesearch system

If our rehousing assessment process concludes that you are eligible for assistance – either a council tenancy, shared ownership or shared equity, then you will need to be registered on our Homesearch system to find a new home.

Homesearch is a choice based letting system where you can bid for properties. There are different properties available including new

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and existing homes built by housing associations as well as existing council properties.

When your block becomes part of an active phase, you will be given the highest priority status on Homesearch (known as band one). The sooner you apply for assistance, the sooner you can be registered on Homesearch and the better chance you will have of securing the new home that you want. That is because, where there are multiple people in band one bidding for a property, priority is given to those who have been registered the longest. This is why it's important that homeowners in a live rehousing phase are proactive and make a rehousing assistance application as soon as possible.

Subject to the outcome of your rehousing assessment, we suggest that you start viewing new homes on Homesearch and placing bids on those that interest you as soon as possible, to prevent you from missing out on any properties that would be suitable for your household requirements.

In 2014 the council introduced a new process for allocating council homes. This was to ensure our homes are let to households in housing need as quickly as possible. You must now accept one of the first three properties you have successfully bid for or the council can suspend you from bidding for twelve months. Further details are available at **[www.southwark.gov.uk/homesearch](http://www.southwark.gov.uk/homesearch)**

## Case study

### Supporting an Aylesbury homeowner to find a new home

Mr Drummond\* owned his property on the Aylesbury outright and his income was made up of both state and private pensions.

The council assisted Mr Drummond to purchase a council home within 1/4 mile of his Aylesbury property on a shared ownership basis.

Mr Drummond sold his existing Aylesbury home to the council and re-invested some of this money into another Southwark Council property which had been advertised through the choice based letting system Homesearch.

The market value of this property was £200,000 and Mr Drummond had the option of buying a minimum 25 per cent share (£50,000), 50 per cent (£100,000), or 75 per cent (£150,000).

Mr Drummond decided to purchase the minimum share of 25 per cent with Southwark Council retaining 75 per cent.

Mr Drummond pays rent on the share that he does not own plus reduced/apportioned service charge and major work costs meaning that his total outgoing for rent and service charges are just under £550 per month.

If he had chosen to invest all of the money he received for his property these monthly costs would have been reduced by approximately £250 per month.

When Mr Drummond wishes to sell the shared ownership property the sale proceeds will be split 25 per cent to him and 75 per cent to Southwark Council.

\*Name has been changed



# Creation



**creation** Trust is a charity dedicated to residents on the Aylesbury estate.

We work to make sure that residents receive the benefits of the regeneration, not just through new homes, but by improving health, safety, well being and employment.

Our employment programme, **SE17 Working**, has had great success finding jobs for unemployed residents. If you live on the Aylesbury estate and would like assistance to find employment, please contact Patrischia **020 7703 8923**.

Visit [www.SE17working.org](http://www.SE17working.org) for latest job vacancies.

We also have a **Resident Support Service**, which is a dedicated service for any resident needing some support around issues such as benefit advice, housing, self esteem, leaseholder support and health issues. Please contact Dambile or Natasha 020 7703 8923 to see how they might be able to assist you.

All our services are free, confidential and available to anyone living on the Aylesbury estate.

[www.creationtrust.org](http://www.creationtrust.org) | **020 7703 8923** | [info@creationtrust.org](mailto:info@creationtrust.org) | [Twitter@creationSE17](https://twitter.com/creationSE17)



## Useful contacts

For any general enquiries please contact your housing officer from the Aylesbury neighbourhood team. They will be available to provide a liaison and support role to assist homeowners understanding of the process, and the procedures that are being undertaken by the council.

For any information about council rehousing, please contact our home ownership team:

### **Melanie Hill**

Tel: 020 7525 4342

Email: [melanie.hill@southwark.gov.uk](mailto:melanie.hill@southwark.gov.uk)

### **Lara Yusuff**

Tel: 020 7525 2710

Email: [lara.yusuff@southwark.gov.uk](mailto:lara.yusuff@southwark.gov.uk)

An officer from the home ownership team is available every Thursday and Friday at the Aylesbury Housing Office, Thurlow Street SE17 2UB from 10am to 4pm to assist you with your rehousing assistance application.

Homeowners can also contact the Aylesbury regeneration team at [aylesburyteam@southwark.gov.uk](mailto:aylesburyteam@southwark.gov.uk) for any general enquiries.

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## Glossary

**Compulsory Purchase Order** - Legislation that allows local authorities to compulsorily acquire land and property needed to help deliver social and economic change for example through major regeneration schemes.

**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). Market value can go down as well as up.

**Housing Association** – Also referred to as Registered Provider (RP) or Registered Social Landlord (RSL). These are landlords who provide social housing and are registered with the Homes and Communities Agency.

**Shared ownership in a council property** - Also referred to as 'part rent, part buy'. You buy an initial share in a council property, normally between 25 and 75 per cent, and then pay a rent to the council for the share you do not own. You can buy further shares up to full ownership as your financial circumstances change. When you sell the property you will share any of the proceeds from the sale with the council.

**Shared equity in a council property** - Shared equity is a form of sale, whereby you will be able to buy a share of a council property based on its open market value. You have to be able to afford to buy a minimum of a 50 per cent share and the rest of the equity in property will be held by the council. Unlike shared ownership, there is no rent to pay on the share you do not own.

### **Low cost home ownership for Aylesbury resident homeowners –**

A form of sale, whereby you will be able to buy a share of a Notting Hill Housing property based on its open market value. The amount you will be required to buy will be based on both the value of your existing property and the new property, taking into consideration your overall financial position. The rest of the property will be held by Notting Hill Housing who will set a rental payment for the unsold share. However, if you have a low income and/or were not previously paying a mortgage, in some case no rental payments will be required.



**Shared ownership in a housing association property** – Also referred to as ‘part rent, part buy’. You buy an initial share, normally between 25 and 75 per cent, and then pay a rent to the housing association for the share you do not own. You can buy further shares up to the maximum percentage (dependant on the housing association). When you sell the property you will share any of the proceeds from the sale with the housing association.

**Staircasing** – Once you have completed the purchase of a property under shared ownership or shared equity with either the council or a housing association you may be able to buy further shares in the property. This process is known as staircasing and enables you to own a greater proportion of your home.

If you require information in your language or in other formats such as audio or large print, please call **020 7525 5000**.

## Arabic

بحثوي هذا المنشور على معلومات عن الخدمات اللتي تقدمها بلدية سوثرك (Southwark). إذا كنت ترغب في الحصول على معلومات بلغتك الأصلية الرجاء الإتصال بالرقم المبين هنا: 020 7525 5000

## Bengali

এই বিফোল্ডটিতে সাধারণ কাউন্সিলের পরিষেবাসমূহের তথ্য দেওয়া আছে। আপনার যদি নিজের ভাষায় তথ্যের প্রয়োজন হয়, তাহলে যে টেলিফোন নম্বর দেওয়া আছে তাতে টেলিফোন করুন। টেলিফোন নম্বর: 020 7525 5000

## French

Ce dépliant contient des renseignements sur les services de Southwark Council (municipalité de Southwark). Si vous avez besoin d'obtenir ces renseignements dans votre langue, veuillez appeler le : 020 7525 5000

## Somali

Warqaddaan yar waxaa ku qoran macluumaad ku saabsan adeegyada Guddiga Dowladda Hoose ee Southwark. Haddii aad u baahan tahay macluumaad ku qoran luqaddaada, fadlan wac lambarka 020 7525 5000

## Spanish

Este folleto contiene información sobre los servicios prestados por el ayuntamiento de Southwark. Si necesitara alguna información en su propio idioma, por favor llame al 020 7525 5000

## Turkish

Bu broşür Southwark Belediyesi'nin servisleri ile ilgili bilgi içerir. Eğer kendi dilinizde bilgi edinmek isterseniz, lütfen 020 7525 5000 numaralı telefonu arayınız

## Vietnamese

Tờ rơi này cung cấp thông tin về các dịch vụ của hội đồng quận Southwark. Nếu quý vị muốn có bản dịch sang ngôn ngữ mình nói, xin vui lòng gọi số: 020 7525 5000