

Ham Close regeneration



What regeneration could mean for you

A guide for RHP tenants & homeowners
Autumn 2016

Background

Ham Close has been identified as a potential regeneration project as part of Richmond Council's Uplift Programme. The Uplift Programme is designed to deliver physical, social and economic improvements to local areas.

RHP is the freeholder of the 192 flats at Ham Close and together with the Council they own much of the land in the area. The flats at Ham Close are of poor construction, with poor insulation by today's standards. Some have condensation/damp issues. In addition, there are no lifts, leaving a number of flats inaccessible to people with disabilities.

During December 2013 and January 2014 RHP, Richmond Council and The Prince's Foundation carried out a consultation with local residents, stakeholders and RHP customers, to consider the future of Ham Close. They produced a report which highlighted the principles on which any future vision for the area should be based.

The Programme Team (consisting of RHP and Richmond Council) are carrying out a high level viability appraisal, looking at two options for the site – redevelopment or stay as we are. As part of this process, a comprehensive consultation is being carried out.

To keep up to date with all the latest information on the potential regeneration visit the website dedicated to the project www.hamclose.co.uk.

RHP's offer for you (if full redevelopment goes ahead)

So that you can understand what full redevelopment might mean for you personally and your home, we've set out what an offer would look like for both tenants and homeowners if full redevelopment goes ahead.

Your new homes will be compliant with the design standards that apply to housing in London. The standards are regarded as generous and create good sized homes that work well. All new homes will have private gardens or balconies. The London Housing Design Guide states a minimum of 5 sq m of private outdoor space should be provided for 1-2 person dwellings and an extra 1 sq m should be provided for each additional occupant.

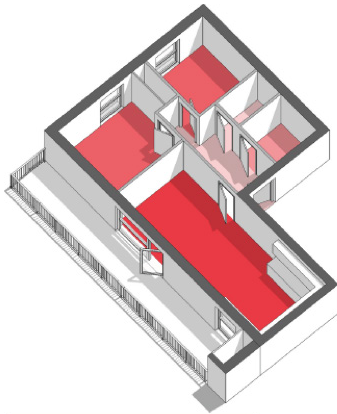
We understand that the most important information to our customers is the financial implications of full redevelopment along with the options available to stay living at Ham Close.

One-to-one support will be available to help you understand what this information might mean for you. We'll keep you up-to-date on how you

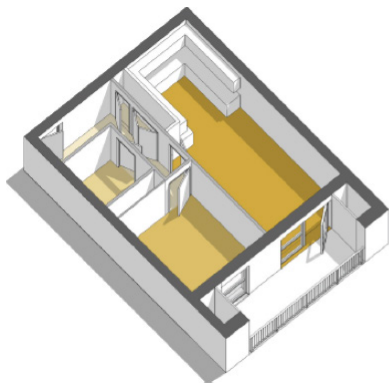
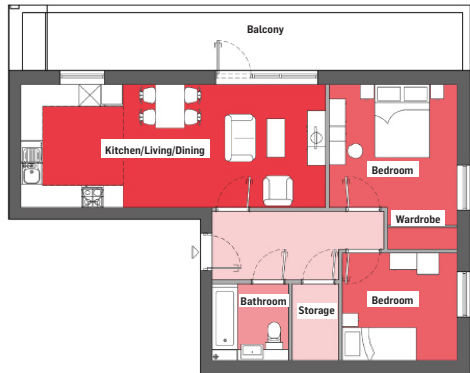
can access this support and you can find regular updates at www.hamclose.co.uk.

At this point this is a high level overview to give you as much information as we can. If full redevelopment goes ahead you'll receive a more detailed offer specific to you.

Example layouts of new homes are given below. They will be energy efficient.



Typical 2B3P Flat



Typical 1B2P Flat





Our offer for tenants

A tenant is an individual who rents a home directly from RHP. For tenants of sub-let properties please see the 'Our offer for non-resident Homeowners' section.

How much will new homes cost?

Customers currently pay differing levels of rent. This will depend on the type of tenancy you have and when you became a tenant. For example, original Council tenancies, Key Worker tenancies, and Affordable Rent tenancies, all pay different rents.

It is likely that rents will increase slightly as the value of your new home will increase, however you will stay on the same rent structure with the same tenancy rights that you currently have.

Will I be entitled to compensation?

All tenants will receive a home-loss payment of £5,800 per household (as of the first of October 2016).

You'll be entitled to this payment if you've lived in your home as your main residence for at least one year prior to the date of having to move.

Joint tenants will qualify for one home-loss payment which can be divided between them.

Will I still receive a home-loss payment if I'm in rent arrears?

Yes. If you're in arrears RHP is entitled to offset any home-loss payment against the arrears due.

Will I be entitled to help with the cost of moving?

All tenants are entitled to a disturbance payment. Disturbance payments will cover removal and other costs such as redirecting post, disconnecting and reconnecting appliances, new curtains and carpets or the re-fitting or altering of carpets and curtains. An amount will be paid up to a maximum of £5,000 after we receive the relevant receipts.

I want to stay living at Ham Close

The majority of our existing tenants have made it very clear that they wish to remain living in Ham. We've listened to this and are committed to keeping the existing community together as much as possible. If you're an existing RHP tenant you'll be able to remain in Ham and will be offered a new home at Ham Close. Any redevelopment would happen in phases with the aim that people would only have to make one move (i.e. straight from their current home into their new one), although this is not guaranteed.



Our offer for Homeowners

A homeowner is an individual who owns an RHP home and lives there as their main residence.

I want to stay living at Ham Close

The majority of our existing homeowners have made it very clear that they wish to remain living in Ham Close. We've listened to this and are committed to keeping the existing community together as much as possible. If you're a homeowner you'll be able to remain in Ham Close and will be offered a new home.

How much will I get for my existing home?

To move forward with the redevelopment proposals, we'll first need to establish market-value for your existing home. This is carried out as the construction site evolves and is done through a Royal Institute of Chartered Surveyor (RICS) valuation.

What if I don't agree with your valuation?

If you don't agree with our valuation we'll pay the cost of your nominated surveyor to carry out a further valuation. The surveyor must be a member of RICS. They will agree the market value of your home.

Will I be entitled to compensation?

In addition to the market value, we'll also pay a home-loss payment. This payment is as follows:

Owner occupiers will receive a payment equivalent to 10% of market value (with a minimum of £5,800 up to a maximum of £58,000 as of October 2016).

To be entitled to a statutory home-loss payment, you must have lived in your home as your only or main residence for at least one year before the date of having to move.

We've drawn up an example of how this would work below.

Example 1: Owner Occupier

Home is valued at	£300,000
Plus 10% home-loss payment	£30,000
Total amount	£330,000

This is the equivalent amount as payable with Compulsory Purchase Order.

Value of your current home £300k

Homeless
payment
£30k

Total value £330k

Will I get a new lease?

Yes. All new homes would have a 125 year lease at no additional cost.

Will I be entitled to help with the cost of moving?

As a Homeowner you're also entitled to a disturbance payment, which pays for other reasonable costs when moving home. These include removals and other costs such as redirecting post, disconnecting and reconnecting appliances and new carpets and curtains. It can also include solicitors and surveyors fees and Stamp Duty Land Tax for a replacement home.

An agreement will be reached between yourself and RHP on the amount of disturbance payment made. Payment will be made after receiving the relevant receipts.

What happens if my new home is worth more than my current one?

As part of our commitment to offer everyone the opportunity to remain in their community we'll offer a Shared Equity scheme for a new flat on a like-for-like basis i.e. the same number of bedrooms as your current home. The current market value of your home will be converted into a percentage of your new home.

This means that if you're a current homeowner of a one bedroom home currently worth £300,000, we'll offer you a new one bedroom home. This new home may be worth £400,000. You would own 82.5% of the new home and RHP will own 17.5% (Example on the following page). **You would not be expected to pay rent or interest on RHP's share.**

You would be expected to put in your home-loss payment (10% of market value) towards the equity share you purchase.

We've drawn up an example of how this would work below:

Example 2:

Current home value: £300,000

Plus home-loss of 10%: £30,000

Your total contribution: £330,000

New home value: £400,000

Your contribution from previous home + home-loss (£330,000) = 82.5% (your share of the equity) The remaining £70,000 = 17.5% (RHP's share of the equity)

There will be no rent payable on RHP's Shared Equity element.

The value of the new home that will belong to you £330k (82.5%)

Value of your current home £300k

Homeless
payment
£30k

RHP's equity
£70k (17.5%)

Total value of your new home £400k

What if I want to purchase a bigger share?

If you're an owner occupier you can purchase the remaining equity at the time of the regeneration project or later if your circumstances allow.

What if I can't arrange a new mortgage that matches my existing one?

We understand that some homeowners will find it difficult to obtain a new mortgage, even for their current amount, due to a change in their financial circumstances and the new stricter lending requirements. To help in these situations, we can help you in one of the following ways:

i. A lower equity share.

We will offer you a reduced share of equity equivalent to your maximum financial capacity of:

Existing equity, plus achievable mortgage, plus home-loss payment.
We've drawn up some examples below of how this could work:

Example 3:

If Current Home value = £300,000

Current outstanding mortgage =£100,000

Your equity = £200,000

Current value of your home = £300,000

If New Home = £400,000

You will contribute:

£200,000 equity from your current home.

£30,000 home loss payment (10% of £300,000).

£25,000 mortgage (if this is the new maximum borrowing capacity)

Total contribution from home owner = £255,000

Your shared equity = 63.75%

RHP's equity share = £145,000

Shared Equity from RHP = 36.25%

There will be no rent payable on the Shared Equity element.

The value of your current home £300k

Your equity £200k

Current outstanding mortgage £100k

The value of the new home that will belong to you £255k (63.75%)

Your equity £200k

New mortgage £25k

Homeless payment £30k

RHP's equity £145k (36.25%)

Total amount of your new home £400k

ii. Buy your home from you and offer a new affordable rent tenancy.

In the event that you cannot afford to live in a lower shared equity home we could offer to buy your existing home and offer a new home that is let at affordable rent levels.

What if I want to buy a bigger home?

You can buy a bigger home at full market value.

Our offer for non-resident Homeowners

A non-resident homeowner is an individual who owns an RHP property but does not live there and rents it out to their own tenants.

Will I be entitled to compensation?

If you're a non-resident landlord, you're entitled to a home-loss payment. Current regulations state this to be 7.5% of market value RHP will increase this to 10%.

We've drawn up an example of how this would work below:

Example 4: Non-resident Homeowner

Home is valued at	£300,000
Plus 10% Home-loss payment	£30,000
Total amount	£330,000

This is a higher amount than the amount granted for a Compulsory Purchase Order.

Value of your current home £300k

Homeless payment
£30k

Total value £330k

Will I be offered a new home?

Current regulations state that non-resident homeowners can buy a new home at full market value. RHP have decided to also offer a shared equity arrangement on a like for like basis (see example).

Example 5:

Current home value:	£300,000
Plus home-loss of 10%:	£30,000
Your total contribution:	£330,000
New home value:	£400,000

Your contribution from previous home + home-loss (£330,000) = 82.5% (your share of the equity)

The remaining £70,000 = 17.5% (RHP's share of the equity)

There will be no rent payable on RHP's Shared Equity element.

The value of the new home that will belong to you £330k (82.5%)

Value of your current home £300k

Homeless payment
£30k

RHP's equity
£70k (17.5%)

Total value of your new home £400k

What should I do about my tenants?

If you let out your property or have anyone else living in it, you'll be responsible for serving any tenancy or any other legal notices to make the property available for redevelopment. RHP has no responsibility to re-house or compensate people living in existing homes belonging to a non-resident homeowner. Your tenants can contact London Borough of Richmond for advice on re-housing.

If you'd like to know more about this offer or have any questions please contact customer.services@rhp.org.uk.

Further information

If you'd like any further information, you may find the following sites useful:

Information on London Housing Design Standards:

www.london.gov.uk

Royal Institute of chartered Surveyors:

www.rics.org/uk

Information on Compulsory Purchase Orders:

www.gov.uk

Citizens Advice:

www.citizensadvice.org.uk/housing

Information on home-loss payments:

www.legislation.gov.uk

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