West Hendon

Leaseholder & Freeholder Question & Answers 11 March 2015

Property Purchase & Compensation	
1. When will you buy my property?	The Council's surveyor, Capita Real Estate has started discussing the purchase of properties within CPO1 i.e. 1-76 Franklin House, 11-98 Marriotts Close and 1-32 Tyrrel Way. Subject to the confirmation of the CPO it is presently estimated that your property will be acquired by autumn 2015. It is likely that properties in 33-125 Tyrrel Way and 11-72 Warner Close will be purchased in 2018. It is likely that properties in Marsh Drive and 1-10 Marriotts Close will be purchased around 2021.
2. Are the Council / Barratt Metropolitan LLP prepared to buy out properties prior to Compulsory Purchase Order?	The Council has appointed Capita to undertake private treaty negotiations with all property owners in CPO 1. It is the intention of the Council and BMLLP to conclude negotiations with all property owners before the CPO comes into force. The CPO public inquiry finished on 30 Jan 2015, with a decision expected from the Secretary of State by Autumn 2015.
3. Will those who hold out for the CPO be paid more money than those who sell earlier?	No. Compensation payable under a CPO is set down in law and there will be no incentive payments for those who wait for the CPO. The offers made by Capita will take account of the likely compensation payable under a CPO.
4. I would like to move away now. When will you buy my property?	Properties can only be purchased as and when they are required for the next phase of the development.
Shared Equity	
5. How does the shared equity scheme work?	The West Hendon shared equity scheme was designed to allow owner occupiers living on the estate prior to the cut off date on 30th September 2003 to continue living in the area by assisting them in purchasing one of the new build properties. To take up the shared equity offer an eligible owner occupier must invest the value of their existing home plus the 10% home loss payment in one of the new properties to a minimum of 50% of the new property's price. The remaining equity will be owned by MHT; the leaseholder will not pay any rent on this retained equity. The leaseholder may purchase additional equity at a minimum 15% percentage share up to 100% of the property's value, at which point the leaseholder will be sole owner of the property.

6. Will all owner-occupiers be offered the chance to buy a shared equity property?	Eligible owner occupiers in all phases will have the option of buying a shared equity property in the phase being built when their existing home is due for demolition.
7. Who is eligible for Shared Equity?	Existing owner occupiers who purchased their property on the estate on or before the 30th September 2003, it must be their only or principle home now and have occupied it for 36 calendar months during the 5 years before being made an offer under the Shared Equity Scheme.
8. Who will own the freehold of the new properties?	It is assumed a private investment company will purchase the freeholds of all of the blocks from BMLLP as they are built. At a point in the future when the development is complete all freeholds will have been sold.
9. Who will own the remaining equity in the leasehold interest?	Metropolitan will own the remaining equity share. Your lease will be with Barratt Metropolitan LLP (BMLLP).
10. What minimum and maximum percentages can be bought by leaseholders?	It is necessary to purchase a minimum 50% of the equity in the new unit to qualify for shared equity.
11. Can leaseholders buy additional equity stakes? If so, how, when and are there any restrictions?	The remaining equity can thereafter be purchased in minimum of 15% tranches up to 100%. There is no time scale or restriction on purchasing additional shares.
12. What if I can't afford the minimum 50% of a new shared equity property?	BMLLP have confirmed the prices of shared equity units currently on offer will not exceed: 1 bed - £273,000 2 bed - £395,000 The capped purchase price will ensure all eligible leaseholders in CPO1 will be able to purchase a minimum of 50% shared equity of a unit on the new development. Each owner occupier's personal and financial circumstances will be different; we will discuss the best way to address this circumstance with each owner occupier if it arises.
13. We are pensioners and could not afford another mortgage, will we have to move away?	If you do not have a mortgage now, you should not need one in the future. If you do not have a mortgage on your existing home and the value of your existing home plus the 10% home loss compensation is equal to or greater than 50% of the value in the new home you should not need a mortgage. The remaining equity will be held by MHT until you sell or until you choose to buy that equity. You will not be charged any rent on this remaining equity. If you have any questions please contact Metropolitan.
14. What is the service charge for the new properties?	The service charge on the new apartments is payable on the relative floor area of the apartment. This means the bigger your apartment the more service charge you pay.

	Two leaseholders who have one bedroom apartments will pay a different service charge if one apartment is bigger than the other. Estimated average Service Charges are: 1 bed - £1,683 2 bed - £2,332 3 bed - £2,711
15. Will there be a service charge subsidy?	BMLLP has created the Service Charge Endowment Fund to provide a subsidy for existing secure tenants and eligible leaseholders moving to a new home on West Hendon for a period of 10 years. During the first 5 years of occupation the subsidy will mean that the service charge payable will not be any higher than the service charge payable to Barnet Homes. The amount payable will be indexed linked. From Year 6 to 10 the service charge subsidy will reduce in equal increments until in year 11 the full service charge for the home you live in is payable.
16. Are indicative council tax bands and costs known yet? If so what/how much are they and will the leaseholder pay the entire cost or a percentage matching their equity stake?	Council tax banding is dealt by the Valuation Office Agency (VOA). The VOA has confirmed council tax banding will not be possible prior to completion of the new flats. As a guideline the VOA have stated that in NW9, the bandings on similar properties are generally as follows: 1 bed band C 2 bed band D 3 bed band E Existing owner occupiers could look at LB Barnet web site for Council tax bands. The shared equity leaseholder will be liable for 100% of the Council tax.
17. Will the stamp duty payable on the purchase of an equity stake be payable on the purchase price paid for the percentage taken or on the total value of the property?	SDLT will be payable on the total value of the property. Under compulsory purchase compensation, this is a disturbance cost which is to be reimbursed as part of your compensation claim .
18. With leaseholders receiving three payments (purchase price, loss compensation and potentially pre-agreed disturbance compensation), are there any requirements that all or some of these have to be put into a shared equity property (if one is bought?)	The purchase price and home loss payment must be used to purchase the property. There is no requirement for disturbance to be put forward as equity for the new property, as this relates to the reasonable costs of you moving to the new property.

19. Can a mortgage be taken to support a purchase?	The shared equity product on offer is mortgageable. The availability of mortgages will depend on leaseholders' individual circumstances. Any leaseholders who propose to transfer their existing mortgage will need to speak to their mortgage provider. Leaseholders may also wish to take independent financial/mortgage advice. The developer has identified a number of suitable qualified people and is happy to arrange meetings at the request of the leaseholder.
20. If I opt to use a mortgage broker will the fees be covered?	All eligible leaseholders will be reimbursed for Mortgage/ Broker/Surveyor fees as a disturbance payment
21. If I have to pay a redemption fee to come out of my existing mortgage, will this be covered as a disturbance cost?	Any redemption penalty as a result of coming out of your existing mortgage is also covered as a disturbance cost.
22. If a mortgage is taken, will Metropolitan as the owner of the remaining equity have a legal charge which is placed above the mortgage charge?	No.
23. If this is the case will this charge provide that the owner of the remaining equity receives their percentage back when sold or their percentage subject to a minimum payment?	The charge relating to the remaining equity sits behind the lender's charge. The equity loan will be based on the value of the retained share at the time of the sale.
24. Can the leaseholder sell their percentage in the future on the open market? If so, what if any requirements (additional payments) would be made and by whom?	Yes, the leaseholder can sell the property, and retrieve the equivalent to the equity stake they have purchased. Administration and legal fees will be payable. For example, if the leaseholder owns 50% of the equity and the property is sold for £200,000 they will receive £100,000 and MHT will receive £100,000. Any outstanding mortgage will be deducted from the leaseholders equity
25. Can the leaseholder pass their percentage onto someone else through a will or probate? If so, what if any requirements (additional payments) would be made and by whom?	The West Hendon Shared Equity Scheme can be passed on once, to the family members of the existing owner occupier (spouse or civil partner, parent, grandparent, child, grandchild, brother, sister, uncle, aunt, nephew or niece) for whom the property was their principal or only home on the 1st November 2014. The succeeding family member must provide evidence of living in the property for 36 months of the 5 years preceding the inheritance and it must be his/her only or principal home. If they inherit or are assigned the property the leaseholder would have to meet their own legal costs.
26. Is there any more detailed information on these properties and more exact prices that can be provided?	BMLLP have confirmed the shared equity units currently on offer will not exceed: 1 bed - £273,000 2 bed - £395,000

	Floor plans and sales prices will be available to discuss with Metropolitan. Floor plans will show layout and location.
27. When will new properties be ready for allocation to leaseholders?	A number of properties have been identified as being available for shared equity and will be offered to existing eligible owner occupiers by Metropolitan.
28. When will new properties be ready to move into for eligible leaseholders in CPO1?	The units are currently programmed for the second half of 2015.
29. Can I move directly from my existing home to a new build shared equity property on site?	If you live in Franklin House, 11-98 Marriotts Close or 1-32 Tyrrel Way you may have to move temporarily whilst we complete your new home. Each owner occupier's personal and financial circumstances will be different; we will discuss the best way to achieve this with each owner occupier.
30. When will the purchase prices for the shared equity properties be set and will they be index linked? If so, which index? For example, if a leaseholder puts an offer in on a property in October 2014 but can't move in until it is ready in say August 2015, will the price paid be the value at the date agreement is reached or the date that the property is ready?.	BMLLP has capped the shared equity unit prices. 1 bed - £273,000 2 bed - £395,000 The price will be fixed at the point when the sale is agreed.
31. Do leaseholders have a choice of 1, 2 or 3 bedroom properties or are they limited to matching the number of bedrooms they currently have?	Existing owner occupiers will have the opportunity to purchase a property which has the same number of bedrooms they currently have. If other property types are available for shared equity and the existing owner occupier can meet the affordability criteria e.g. minimum 50% purchase, it may be possible for them to purchase a property with a different number of bedrooms. Individual circumstances will be taken into account.
32. I would like a car parking space, can I purchase a space and what is the price.	If you purchase a 2 or 3 bedroom unit you also have the option to purchase a car parking space. The cost of a parking space is for these units is £10,000. For example, buying a car parking space with a 2 bedroom flat will increase the total cost to £405,000, meaning you will require at least £202,500 of equity Ownership of a car parking space attracts an additional service charge for its maintenance.
33. Who do leaseholders talk to, to ask questions, to arrange to see schematic drawings and any other specifications of the shared equity properties?	Sheila Morcombe at Metropolitan. Contact Number: 0203 535 4250 Despina Loizou at Metropolitan Contact number : 020 3 535 3101
34. Are there any deadlines for the	It is anticipated that agreement to purchase a shared

leaseholder to make a decision to purchase a shared equity property? If so, please provide details.	equity property will be reached as part of the private treaty process..
35. Are there any restrictions on who could live at the properties?	Yes. The property is to be the principal home of the existing owner occupier and family members.
36. If the leaseholder wanted to rent out the shared equity property in the future, would there be any restrictions? Also, would the owner of the remaining equity need to be a party to the tenancy agreement and receive part of the rent?	In general, shared equity leases do not allow sub letting. There may be circumstances in which the existing owner occupier may not be in residence for defined periods. The exact terms are to be confirmed.
Estate Management Issues	
37. Why are leaseholders being asked to pay for new works to meet Fire Risk Assessment and Health &Safety issues?	A series of fires in blocks of flats, notably the Lakanal House fire in Camberwell in July 2009, led to Barnet Homes commissioning an independent fire safety assessment of all its blocks. Barnet Council, through Barnet Homes are proposing to undertake the work under the terms of the Regulatory Reform Fire Safety Order 2005 which obliges them as landlords to ensure the fire safety of the communal areas of their buildings. BMLLP have committed to reimbursing leaseholders through the London Borough of Barnet for the electrical risers works of which the leaseholder has benefited from.
38. Who will carry out the estate management of the development?	Barratt Residential Asset Management (BRAM) will be responsible for the management of all communal spaces and maintenance all communal equipment including the lifts, communal doors and door entry. BRAM will also administer the programming and distribution of entry fobs.
39. Who is responsible for the Communal Heating Plant?	An energy services company (ESCo) will be appointed by BMLLP to manage and maintain all the equipment required to provide heating and hot water to individual properties. The ESCo will also bill the residents for their heat use. The residents will sign up to a Customer Service Agreement with the Esco and pay their heat use directly to the ESCo.