

Barratt Metropolitan Limited Liability Partnership

**The London Borough of Barnet (West Hendon
Regeneration Area) Compulsory Purchase Order
(No. 3) 2018**

Appendices to Proof of Evidence

Mr Nathan Smith

5 July 2019

NPCU ref : APP/PCU/CPOP/N5090/3218378

Appendix 1

Table of Phase 5 & 6 preconditions

| | Pre-condition | Satisfaction requirement | Waiver ? | Comments |
|---|--|-------------------------------------|-----------------|---|
| a | Confirmation that the Council has been consulted in accordance with the Consultation Protocol on the transfer of Phase 4 | Council to confirm | n/a | The Developer will consult with the Council as required. This pre-condition has been satisfied for all previous phases. |
| b | Developer has obtained detailed Planning Permission and/or Reserved Matters Approval(s) relating to siting and massing pursuant to the Planning Permission for Phase 5 & 6 all in a form satisfactory to Developer (acting reasonably) | Reserved Matters obtained | n/a | The Developer submitted reserved matters applications on 22 December 2017 and permission was granted on 25 June 2018 |
| c | Such Planning Permission and/or Reserved Matters Approval(s) are beyond legal challenge with any Challenge Period having expired (i.e. JR period has expired) | Challenge Period has expired | n/a | No challenges have been made |
| d | The Developer has confirmed to the Council in writing that it is satisfied the phase can be funded on terms satisfactory to the Developer | Written confirmation from Developer | n/a | As set out in paragraph 7.25 the Developer has funding available for the Project, and will provide confirmation to the Council when required. |
| e | Provision of a | Design certificate | n/a | Design certificates |

Table of Phase 5 & 6 preconditions

| | | | | |
|---|---|----------------------------------|-----|--|
| | Design Certificate in respect of Phase 4 | to be provided | | have been provided for all previous phases and the Developer will ensure it is provided for Phase 5 & 6 |
| f | Confirmation by the Council that the Compulsory Purchase Order and the exercise by the Council of its steps for appropriation (as referred to in clause 7) have been completed in relation to Phase 5 & 6 both in a form satisfactory to the Council and Developer acting reasonably | Council to confirm | n/a | The Developer is working with the Council to assist in the making of the Orders. This pre-condition was satisfied for Phases 3 and 4, and the Developer does not foresee any issue in it being achieved for Phase 5 & 6. |
| g | The Third Party Interests Acquisition Date has been achieved in relation to Phases 5 & 6 | Date achieved | | Third Party Acquisition Date has been achieved for all phases to date, and the Developer is working with the Council to achieve it for Phases 5& 6 |
| h | The Secretary of State's Consent for Phase 5 & 6 remains valid and satisfactory to Developer (acting reasonably) or new Secretary of State's Consent has been obtained for Phase 5 & 6 (or Further Secretary of State's Consents have been obtained pursuant to clause 7.8 on terms satisfactory to Developer (acting reasonably)). | Secretary of State consent valid | n/a | Secretary of State consent has been received for all phases to date and Developer does not foresee any issue with obtaining for this phase |

Table of Phase 5 & 6 preconditions

| | | | | |
|---|---|--------------------------------------|----------------------|--|
| i | The Ground 10A Consultation having taken place in relation to that Development Phase, consisting only of information or material consistent with the obligations of the parties under the provisions of this Agreement unless otherwise agreed between the parties. | Ground 10A consultation completed | n/a | Ground 10A consultation has been undertaken and completed in respect of all secure tenants within Phase 5 & 6 |
| j | The Consent of the DCLG being issued to the Ground 10A Consultation in a form satisfactory to the Council and Developer acting reasonably. | DCLG Consent obtained | n/a | Ground 10A consultation has been undertaken in respect of all secure tenants within phase 5 & 6 and approved by DCLG. |
| k | Developer has served a draft amended Master Programme to the Council and the Council has approved such amendments to the Master Programme | Master Programme served and approved | n/a | Master Programmes have been served and approved for phases to date, and no difficulties are foreseen for future phases. |
| l | MVHT has if required entered into a Nomination Rights Deed in respect of Phase 5 & 6 | Nomination Rights Deed if required | LBB/Developer waiver | The Developer will ensure a Nominations Rights Deed is entered into by MHT if required. |
| m | Where clause 14.4(b) applies, the Overage Phase Projected Construction Costs for the relevant | Costs agreed | n/a | Developer will provide Overage Phase Projected Construction Costs as required, and if they are not agreed, will be determined in accordance with clause 14.10 – Expert |

Table of Phase 5 & 6 preconditions

| | | | | |
|---|---|--------------------------------|------------------|--|
| | Overage Phase have either been approved in writing between the Council and Developer or determined in accordance with clause 14.10. | | | Determination |
| n | The Project Test and/or the Phase Test is satisfied in respect of Phase 5 & 6 | Phase / Project Test satisfied | Developer waiver | As set out at paragraph 4.19, phases 5 & 6 meet the phase test as they provide a financial return to the Developer that provides the financial incentive to complete the Scheme. |

Appendix 2

West Hendon Shared Equity Scheme Summary Note for CPO3

5 July 2019

Shared Equity Scheme

The West Hendon shared equity scheme has been designed to assist eligible owner-occupiers living on the estate move in to a new home within the development. The shared equity scheme enables eligible owner-occupiers to own 100 per cent of their new home.

As the new homes are worth more than the existing homes, Metropolitan provide a secure equity loan to assist. Unlike a traditional loan or mortgage Metropolitan do not charge any rent or interest on the equity loan and no regular payments are due.

When the shared equity home is sold Metropolitan recover the equity loan in full. As the equity loan is held against a share of the property, rather than a fixed cash amount, Metropolitan recover the market value of their share. An example of how the shared equity scheme works is provided at appendix 1.1

Eligibility Criteria

Owner occupiers are entitled to apply for a shared equity property if:

- they are an existing owner occupier who purchased their property on the estate on, or before, 30th September 2003; and
- the property is their only or principal home now and they have occupied the property for 36 calendar months during the 5 years before being made an offer under the Shared Equity Scheme

Of the remaining 38 leaseholders in CPO3, our records suggest that 29 are eligible for shared equity. Owner-occupiers are required to use all of the equity they receive from the sale of their existing property plus their Home Loss payment to purchase a new shared equity home.

It is necessary to purchase a minimum of 50 per cent equity in the new home to qualify for shared equity.

Availability

Barratt Metropolitan LLP is committed to ensuring a wide range of different property types are available for eligible owner-occupiers. Eligible owner-occupiers in CPO3 were given the opportunity to move early, if they wished, taking advantage of the eight surplus shared equity homes provided for residents in CPO2. To date these eight properties have been purchased. Remaining eligible owner-occupiers will be able to move in to one of the new shared equity homes being built in phase 4.

Affordability

Barratt Metropolitan LLP will ensure that an affordable shared equity home with a comparable number of bedrooms is available for all eligible owner-occupiers (including parking if required) in CPO3. This is subject to the eligible owner-occupier using all of the equity they receive from the sale of their existing property plus their Home Loss payment to purchase a minimum of 50 per cent equity in the new home.

Service Charge Subsidies

The Principal Development Agreement (PDA) requires Barratt Metropolitan LLP to subsidise residents moving in to their new homes to ensure that the amount of service charge they pay is comparable to the average residential service charge of Council and Registered Social Landlords within the LB of Barnet. This is higher than the existing service charge paid by residents living on the West Hendon estate.

The established Service Charge Endowment Trust Fund (SCETF) goes further than the PDA requires ensuring that residents re-housed in the scheme pay a comparable service charge to the existing service charge for properties on the West Hendon estate. This is maintained for a five year period before the service charge is gradually brought in line with the service charge for the new development over a further five year period.

In addition the SCETF provides an energy centre standing charge and a ground rent subsidy. Residents re-housed within the earlier phases of the development receive the SCETF subsidies annually.

Stamp Duty

When purchasing a shared equity property it is necessary to pay SDLT based on 100 per cent of the value of the property at the point of sale. Barratt Metropolitan LLP paid the full SDLT liability for owner-occupiers who purchased a comparable shared equity home in CPO1 and CPO2 and will do the same in CPO3.

Parking

Barratt Metropolitan LLP is providing 0.8 parking bays per new property built on the West Hendon scheme. Residents purchasing a shared equity home can purchase a parking space, subject to availability. Priority will be given to residents purchasing larger properties (2 bed+).

Allocations

Shared equity homes are allocated in line with the MHT Allocation Policy. Top priority is given to eligible owner-occupiers who have agreed Heads of Terms for the sale of their current property by Private Treaty. The allocation policy is attached at appendix 1.2.

Succession Rights

Eligible owner-occupiers purchasing a shared equity home are entitled to succession rights, these are set out in the attached successions policy at appendix 1.3.

Appendix 1.1 – Shared Equity Scheme Example

Step 1

Leaseholder sells existing property through private treaty for £200k, plus £20k Home Loss payment = £220k



Metropolitan provide secure equity loan (£220k - 50 per cent share). No rent or interest is charged.



Step 2

Leaseholder purchases a new shared equity home for £440k (Leaseholder provides £220k - 50 per cent share)



Step 3 (Time Passes)



Leaseholder sells the shared equity home for £600k



Leaseholder receives £300k (50 per cent share)



Metropolitan recovers equity loan of £300k (50 per cent share)

NB – Indicative values for illustration only

Appendix 1.2 - Leaseholders & Freeholders Allocations Protocol for the new West Hendon Shared Equity Homes.

1. Introduction

- 1.1. This protocol applies to all new Shared Equity Homes built on the West Hendon Regeneration Scheme and to eligible leaseholders and freeholders of the scheme.
- 1.2. A dedicated West Hendon Team will process the sale of the new homes.

2. Priority of Allocations

- 2.1. Priority will be given as follows:
 - b) Leaseholders who have agreed Heads of Terms for the sale of their current property by Private Treaty. Allocations made on this basis will be required to exchange contracts for sale and purchase within 28 days of agreed Heads of Terms
 - b) Leaseholders and Freeholders with medical needs in accordance with a medical professional assessment.
 - c) Leaseholders and Freeholders who have children attending secondary school.
 - d) Leaseholders and Freeholders with children currently attending nursery or primary school.
 - f) The length of time the Leaseholder has owned the lease interest in the property.
 - g) Suitability of the property in terms of household size

I have read and understood the information provided.

I have received a copy of Metropolitan’s Allocation Policy.

Applicant: Signed..... Date.....

Metropolitan: Signed..... Date.....

Please complete all sections below:

Applicant Name(s).....

Address:

..... **Post Code**

Telephone: Home: Work

Mobile: Email.....



Single or Joint Application? **Number of Children**

Please circle the preferred mode of contact

First Preference: (Flat/Plot No)

Second Preference: (Flat/Plot No)

For Office Use Only

Property Offered

Anticipated Exchange date

Anticipated completion date

Appendix 1.2 – West Hendon Shared Equity

Succession Policy

- The Existing Owner Occupier who takes up the shared equity product will be able to pass on the shared equity only once through their will to a Family Member (as defined in the PDA). To be eligible to inherit the shared equity the Family Member must:
 - have been in occupation in the property as their principal home when the shared equity offer was first made to CPO3 leaseholders; and
 - at the date of inheritance the property must be their principal home and have been so for 36 months out of the previous 5 years.
- If a Family Member is not eligible they will have to reimburse Metropolitan their equity, either with cash/mortgage or by selling the property.
- Family Members are defined as:

such a person is a member of another's family if:

 - (a) he/she is the spouse or civil partner of that person or he/she and that person live together as if he was; or
 - (b) he/she is that person's parent, grandparent, child, grandchild, brother, sister, uncle, aunt, nephew or niece;
 - (c) for the purposes of this definition then:
 - (i) a relationship by marriage or civil partnership shall be treated as a relationship by blood;
 - (ii) a relationship of the half-blood shall be treated as a relationship of the whole blood.