

HIGH

ROAD

WEST

LOVE LANE ENHANCED LEASEHOLDER OFFER

Draft Supplementary Policy for Consultation
January 2018



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1. Introduction

This supplementary policy (“enhanced offer”) sets out Haringey Council’s commitments to leaseholders living on the Love Lane Estate, who are affected by the High Road West Regeneration Scheme.

It provides additional Council commitments, most notably relating to the rehousing options for resident leaseholders, above and beyond those set out in the Council’s Estate Renewal, Rehousing and Payments Policy (“Estate Renewal Policy”), which was subject to a public consultation process and agreed by Cabinet in October 2017. It also reflects and provides more detail to the commitments set out in the Leaseholder Guide, which was subject to consultation with Love Lane residents, and agreed by Cabinet in 2014. The enhanced offer should be read in conjunction with these documents.

This enhanced offer has been developed following two months of engagement with leaseholders on the Love Lane Estate and through a series of workshops held between November 2017 and January 2018 where leaseholders’ aspirations and concerns around the offer were discussed.

The development of the enhanced offer demonstrates our commitment to working with leaseholders and ensuring residents can stay within their community and benefit from the High Road West Regeneration Scheme, which will bring significant new facilities and opportunities to the area. This includes high quality replacement homes for residents, new community facilities including a new Library and Learning Centre and new parks and open space, a new local centre with shops, restaurants and workspace, all within a safe and welcoming neighbourhood.

We are now seeking leaseholders’ views on this draft enhanced offer, ahead of the offer being considered by the Council’s Cabinet.

Please note: For the purposes of this enhanced offer, resident and non-residents on the Love Lane Estate are defined as set out below:

- You are a resident leaseholder if you live in your property and have lived in your property since the 16 December 2014- the date the High Road West Masterplan was agreed
- You are a non-resident leaseholder if you do not live in your property and have not lived in the property since 16 December 2014

2. Commitments to all leaseholders on Love Lane

This enhanced offer sets out the payment guarantees that Haringey Council has made to resident and non-resident leaseholders living on the Love Lane Estate.

It also sets out the rehousing options that we guarantee for resident leaseholders.

The aim of this enhanced offer is to achieve the following two key commitments set out below:

- To ensure that there is an offer of a home in the High Road West area that is affordable to resident leaseholders
- To ensure that the High Road West Scheme does not disadvantage existing residents

The offer also seeks to combine the commitments the Council has set out in the Love Lane Leaseholder Guide and the Estate Renewal Policy. These commitments are set out below.

The Leaseholder Guide

The Leaseholder Guide set out a number of commitments to leaseholders, which we are still committed to. This includes:

Regular, honest communication

We will provide you with regular, honest communication about the regeneration proposals throughout the regeneration period. We will also provide you with dedicated points of contact so you know who you can go to with any questions or queries you may have.

Working together

We have been, and will continue to be, committed to working with residents to ensure that you influence and benefit from the regeneration proposals.

Dedicated officer

We will ensure that each household has a dedicated officer to help with every step of the purchasing process. The officer will meet with you on a one-to-one basis to get to know you and your family's needs and requirements, inform you of the advice you may wish to seek

and how to access this advice and answer any questions or queries you may have.

Independent advice

We will continue to fund the Independent Tenant and Leaseholder Advisor (ITLA) for the Love Lane Estate. The ITLA will continue to work with you to provide impartial advice and support about the regeneration and re-housing process. We will also ensure that you have access to the appropriate independent, professional and technical advice that you may require throughout the process - this may include valuation and legal advice.

Additional support for you and your family

We recognise the stress that the regeneration process can put on you and your family. We are therefore committed to providing additional support – beyond the dedicated Re-housing Officer and Independent Advisor, to ensure that you and your family are fully supported throughout this process. This will include organising events and activities, such as organising

for you to talk to people who have been affected by similar regeneration schemes, organising skills and training opportunities and working with other services such as schools and the health service to ensure you and your whole family are supported.

You will not be financially worse off

We are committed to the principle that leaseholders should not be in a financially worse position as a result of the regeneration scheme. As the Council will be purchasing your property it is important that you do not have to incur any costs because of the process.

Developing a range of affordable housing products

We have developed a range of rehousing options for resident leaseholders and we will ensure the High Road West Scheme delivers a range of affordable housing.

Being equitable and transparent

We are committed to being open, equitable and transparent in the process of purchasing your property.

The Estate Renewal Policy also sets out a number of commitments to resident and non-resident leaseholders, which we are committed to. These include:

All resident leaseholders and freeholders will have a guaranteed Right to Return – this means that if you are a resident leaseholder you will be able to either remain on the estate until your new home is ready, or move away and return when your new home is built.

All resident leaseholders who wish to move away will be supported to do so – this means that if you are a resident leaseholder, you will be offered practical support to find a new home on the open market. Qualifying resident leaseholders will also have the option to seek financial support to acquire a new home within the borough with an equity loan.

No resident and non-resident leaseholder will be financially worse off as a result of the estate renewal - this means leaseholders will receive the market value of their property, compensation for the loss of their property and a payments to cover relevant costs.

As set out in the Estate Renewal Policy, we committed to ensuring that no resident should be financially worse off as a result of the regeneration scheme. But this does not necessarily mean that every leaseholder will pay exactly the same housing costs after the move as they did before the move. More information on this can be found in section 7.



3. The valuation and property purchase process

As set out in the Estate Renewal Policy, all leaseholders will be entitled to receive the full market value of their property. The Council will enter into negotiations with leaseholders to seek a voluntary arrangement to buy their home. During the process of negotiation, it is expected that in many cases the following will also be discussed and decided on:

- The rehousing options available to resident leaseholders
- The financial advice and general support available to help assess those options (to the extent available)
- Compensation entitlements and how to claim them
- The Council's procedures for acquiring properties

Leaseholders will be given sufficient time to consider their options and will be advised of any dates by which they need to decide if they want to sell their property by agreement. All offers relating to this enhanced offer will be set out in writing and the leaseholder will need to accept or reject them. Resident leaseholders will be given reasonable time to decide which rehousing option they prefer.

Who will value my property?

The Council will appoint a qualified independent valuer to act on its behalf to undertake a valuation of the property on the Love Lane Estate to determine the market value. The appointment of an independent valuer/s will be made through an open and transparent process.

Leaseholders can also appoint a qualified valuer to act on their behalf and reasonable costs associated with this will be reimbursed by Haringey Council.

Valuations will take into account any improvement works undertaken before the valuation date and are on the basis of open market valuations which, in effect, do not take into account any increase or decrease attributable to the estate renewal or the fact that the purchase is, or may be, compulsory.

What happens if there is no agreement on the valuation?

If the Council valuer and leaseholder valuer cannot reach agreement the matter may be referred for dispute resolution.

If the leaseholder does not accept the valuation agreed between their valuer and the Council's valuer, or the valuation following any dispute resolution, they will be determined to have rejected the Council's offer to buy by agreement. They will in these circumstances have the statutory right to have the matter referred to Lands Chamber of the Upper Tribunal. Information on the Lands Chamber of the Upper Tribunal can be found at www.gov.uk/courts-tribunals/upper-tribunal-lands-chamber



4. Compensation

The amount of compensation you will receive will depend on whether you are a resident or a non-resident leaseholder. The boxes below summarise the compensation available.

If you are a resident leaseholder, you will be able to claim:

- Market value of your property
- A 10% Home Loss Payment
- Disturbance payment - to cover the costs of your move
- Additional Disturbance Payments (see page 9)
- Decent Homes works compensation (where applicable)

Non-Resident leaseholders will be able to claim:

- The market value of your home
- 7.5 % Basic Loss Payment
- Compensation for any reasonable costs incurred as a result of purchasing a new property in the UK
- Decent Homes works compensation (where applicable)

What is a Home Loss Payment?

Resident leaseholders are entitled to receive a Home Loss Payment to compensate them for the loss of their home. This figure is set by the government and is currently assessed at 10% of the market value of the property, with a minimum of £6,100 and a maximum payment of £61,000 as at January 2018.

To claim home loss compensation, you must have lived in your property as your sole and principal home since 16 December 2014.

Where a leaseholder does not qualify for a statutory Home Loss payment, for example, because the property has not been their only or main residence since 16 December 2014, the Council may, in exceptional circumstances, make a discretionary Home Loss payment not exceeding the statutory amount.

What is a Basic Loss Payment?

Non-resident leaseholders are entitled to receive a basic loss payment of 7.5% of the agreed value of the property, up to a maximum of £75,000 as at January 2018.

How will these Payments be made to me?

The Home Loss and Basic Loss Payments will be made in the following way:

- Payments will be made directly to leaseholder
- Claims can be made for up to six years after the offer of accommodation, and must be paid within three months of receiving the claim. Under the Land Compensation Act 1973, there is a right of appeal to the Lands Tribunal
- Payments will normally be made only after the return of keys to the property the tenant is vacating and, for leaseholders and freeholders, the sale completion. However, an earlier advance payment of at least part of the total payment may be considered in exceptional cases of financial hardship
- All arrears will normally be offset against these payments. This includes service charge or major works arrears. Deductions may also be made for any Council Tax arrears.

What is the Disturbance Payment?

Disturbance Payments are made to financially compensate resident leaseholders for expenses associated with the need to move. Disturbance Payments will be made under the Land Compensation Act 1973.

The list below, sets out the items which will be covered by the Disturbance Payment and are considered reasonable under the Land Compensation Act 1973:

- Removal costs from the current home to the new home, which will be paid directly to the Council's approved removal firm or to the tenant/leaseholder's removal firm where the tenant/leaseholder obtains two estimates which have been approved by the Council prior to the move. For vulnerable residents, this might include additional support, such as furniture packing and unpacking
- Redirection of mail for each authorised surname living at the address

- Telephone and internet disconnection and reconnection, including additional lines
- Disconnection of any television aerials or satellite dishes connected either to an existing television or that allows the proper operation of television equipment. Reconnection will only apply with the express approval of the landlord at the new address. New homes may have television aerials and systems installed as part of the specification
- Washing machine, cooker, dishwasher and plumbed fridge disconnection and reconnections to be carried out by the removal firm's operatives (who must be suitably qualified to the appropriate trade standards). In some cases, payments may also be made for replacing white goods or furnishings owned by the tenant where the existing white goods/furnishing do not fit into the new property
- Curtain and carpets
- Special locks and alarm refitting if these are currently fitted at the old property. They must be dismantled and refitted by a qualified locksmith or recognised alarm company and all locks and alarms must meet the relevant British standard for security. Front door and window grilles would not be covered
- Dismantling and re-fitting of fitted resident owned furniture (such as kitchen units and wardrobes)
- Any extra costs of new school uniform if moved to a different area, which necessitates a change of school (supported by letters from the respective schools)
- Reimbursements for wage or salary loss on the day of the removal, provided loss of earnings is certified by the employer, for up to two members of the household
- Reasonable costs incurred by the tenant/leaseholder if approved in writing by the Council prior to the cost being incurred, for example travel to viewings, replacement of sheds, additional childcare paid for pre-school children on the day of the move and outside furniture which cannot be dismantled, etc. Redecoration may also be payable in particular circumstances and that this will be considered on a case by case basis. In the unlikely event that a leaseholder needs to move off the Love Lane Estate before moving to their new home in High Road West, the Disturbance Payments may need to be paid twice

For leaseholders not moving into one of the new home in the High Road West area, Disturbance Payments will need to be claimed within one year of their property being acquired unless there are exceptional circumstances.

Non-resident leaseholders and freeholders are not entitled to any disturbance payments.

How will the Disturbance Payment be made to me?

Disturbance payments will be made directly to the leaseholder. Disturbance payments will only be made in respect of one replacement property so in cases where joint leaseholders are not purchasing another property together, they will need to decide who will claim.

Resident leaseholders will be offered two payment method options:

Option 1- A claim option

Resident leaseholders using this option can claim disturbance payments by submitting a Disturbance Payment claim form for any legitimate expenses they incur in relation to moving home, enclosing receipts or proof of expenses.

All disturbance claims must be supported by receipts and invoices bearing the name and address of the company providing such receipts and invoices, the details of which will be verified by the Council.

Claimants should note that the level of payment assessed by the Council may be less than the "fixed payment" quoted under the Fixed Payment option below.

Payments listed as "Additional payments available to resident Leaseholders" will need to be claimed through receipts regardless of whether a fixed payment has been requested for all other costs.



Option 2- A fixed payment option

Resident leaseholders can also choose to receive a fixed sum payment instead of claiming for each expense.

Payment levels are based on the size of the property being vacated, updated periodically. These fixed payments do not cover the "additional payments available to resident Leaseholders/Freeholders" which will need to be claimed separately through the "claim option" described above.

The current fixed payment levels (as of September 2014) are set out below:

- One-bedroom property - £1,650
- Two-bedroom property - £2,000
- Three-bedroom property - £2,400

For all three-bedroom plus properties £380 will be added to the 3-bedroom figure above (i.e. £2,400) for each additional bedroom.

- In some cases, payment for replacing white goods or furnishings owned by the leaseholder where the existing white goods/furnishings do not fit into the new property
- Removal and reinstatement of disabled adaptations as agreed by Haringey Council's Occupational Therapist

In addition to these payments, additional support may be available to assist in the purchase of a new home.

What if I need payment upfront?

Emergency payments may be made available to those who will need this payment to secure a new home. If the leaseholder is moving into one of the replacement homes within the High Road West area, Disturbance Payments may include expenses associated with moving twice if this involves first living in temporary housing. This will not apply if the leaseholder has chosen to move into and fund their own temporary housing, because they want to return to a particular block or location and in these circumstances Haringey Council will only fund costs relating to one move.

The Leaseholder Guide mentioned Decent Homes Work reimbursements- is this still available?

Yes. Leaseholders will be able to claim for compensation for Decent Homes Work which was carried out before the Council's Cabinet agreed to demolish the Love Lane Estate in December 2014 and is not captured in the valuation of your property. The compensation will be calculated on a sliding scale, for example if leaseholders paid £18k for new windows which were due to last 30 years, but the leaseholder only had the enjoyment of the windows for ten years they will be compensated for the twenty-year loss, i.e., paid back £12k.

What if I want to appeal against the payments made to me?

The Council has a two-stage complaints process, which can be used in relation to appeals against the application of this policy.

Where the appeal is regarding the compensation payment in respect of property acquired, leaseholders and freeholders have the statutory right to apply to a specialist tribunal to determine the appropriate level of compensation. Further advice on this can be provided by the Independent Tenant Advisor appointed to the renewal scheme.

Please note: where payments set out in this offer are made in advance of completion of a transaction, and the transaction does not take place, payments received will need to be returned to the Council within three months.

Can I receive any additional disturbance payments?

Yes, resident leaseholders can claim for 'Additional Disturbance Payments' in addition to the Disturbance Payment listed above. Additional Payments are any additional costs associated with selling their current property and purchasing a new one. The new home can be outside the renewal area, but must be within the UK and the property must be purchased and the claim made, within one year of the Council purchasing the property on the Love Lane Estate, to be eligible for this payment.

The payment of these additional costs is dependent on the option taken by each individual leaseholder and freeholder in regards to rehousing, and can include:

- Early mortgage redemption fees at the existing property
- Conveyancing costs
- Mortgage and lender fees arising from the purchase of a replacement property
- Stamp duty land tax arising from the purchase of a replacement property
- Solicitor/legal fees arising from the purchase of a replacement property

5. Rehousing options for resident leaseholders

Within the Leaseholder Guide and the Estate Renewal Policy the Council has set out a number of rehousing options for residents to ensure that leaseholders' choice is maximised and that resident leaseholders who want to remain in the regeneration area are able to do so.

The rehousing choices for residents are summarised below:

- 1. Purchase a new home within the High Road West regeneration area with financial support from the Council** - the Council's equity loan offer allows all resident leaseholders to have access to a new home within the regeneration area. The equity loan arrangements are set out in detail below
- 2. Complete a Leasehold swap** - leaseholders can swap their property for an existing council owned property of equivalent size and value
- 3. Purchase a home within the borough on the open market with financial support from the Council** - qualifying leaseholders can receive financial support in the form of an equity loan to acquire a new home within Haringey

- 4. Purchase a new home within the High Road West area without Council financial support** - leaseholders can use the money from the sale of their property to buy a property within the High Road West area without an equity loan from the Council
- 5. Purchase a property outside of the regeneration on the open market within Haringey** - leaseholders can use the money from the sale of their property to buy a property within Haringey on the open market without an equity loan from the Council
- 6. Purchase a property outside of Haringey on the open market** - leaseholders can use the money from the sale of their property to buy a property on the open market without an equity loan from the Council

Please note:

The Leaseholder Guide makes reference to leaseholders being able to purchase a low-cost ownership home built by the Council as part of its new build programme. The Council is reviewing its new build programme but will keep residents informed if and when new properties become available.

Option one - purchase a new home in the regeneration area (with an equity loan from the Council)

As set out in the Estate Renewal Policy, the Council has committed to providing financial support in the form of an equity loan to you, if you require help to purchase a new home in the regeneration area.

The equity loan means:

- The Council will contribute money to help the leaseholder buy their new home
- You will NOT have to pay any rent or interest on this loan
- The loan is only repaid when the home is sold or transferred to another owner, unless inherited by a resident partner
- For example, if the Council has contributed 10% of the price paid for the home when you acquired it, then you will need to pay the Council 10% of the value of the property when you sell it.

The Estate Renewal Policy offers an equity loan option for

leaseholders purchasing a new property in the High Road West area providing the following two criteria are met:

- The full market value of the leaseholder's existing property and the Home Loss Payment are put into the new property
- The share held by the leaseholder equates to at least 60% of the value of the new property

Following recent engagement with leaseholders, this draft enhanced offer suggests more flexibility on both these criteria. This is to reassure any leaseholders whose circumstances have changed or who may struggle to raise a mortgage for the same value as their current mortgage that the Council will take their circumstance into account and adjust the level of equity share offered accordingly.

This enhanced offer proposes that all leaseholders will qualify for an equity loan offer providing that they put in the same amount they received from the sale of their



home on the Love Lane Estate plus their Home Loss Payment.

Where a leaseholder is unable to invest the full amount received for their existing home and their Home Loss Payment (e.g. because of a change in financial circumstances), the maximum amount they can reasonably contribute towards the new home will be determined by an independent financial advisor. Providing this amount is put into the new property the Council will provide an interest free equity loan for the remainder.

In exceptional circumstances, where the maximum amount the leaseholder could reasonably contribute towards the new home is extremely low (less than 25% of

the value of the new property) then an assessment will be made on that leaseholder's individual circumstance, to find the most appropriate way of enabling the resident to stay in the area without adversely affecting their financial situation.

The financial advisor will be there to support and advice leaseholders. They will be able to support the leaseholder determine how much they can afford, including how much mortgage they could afford and provide help in accessing mortgages.

More information on the equity loan can be found in section six of this document.



Example One A - A new home within High Road West with an equity loan

- Mr and Mrs Osman live on the Love Lane Estate
- They are in their 80's
- They have no mortgage on their home
- They want to stay in the High Road West area to be near their community and the local shops



Their property is valued at £350k
They receive £35k in homeloss



They use the £385k to buy the new home in the scheme

+



The Council will put in £115k



Mr & Mrs Osman decide to sell their home in 2030.
The home is valued at £550k and sold for that amount.
The Council receive their 23% share (£126.5k)
Mr & Mrs Osman receive their 77% share (£423.5k)

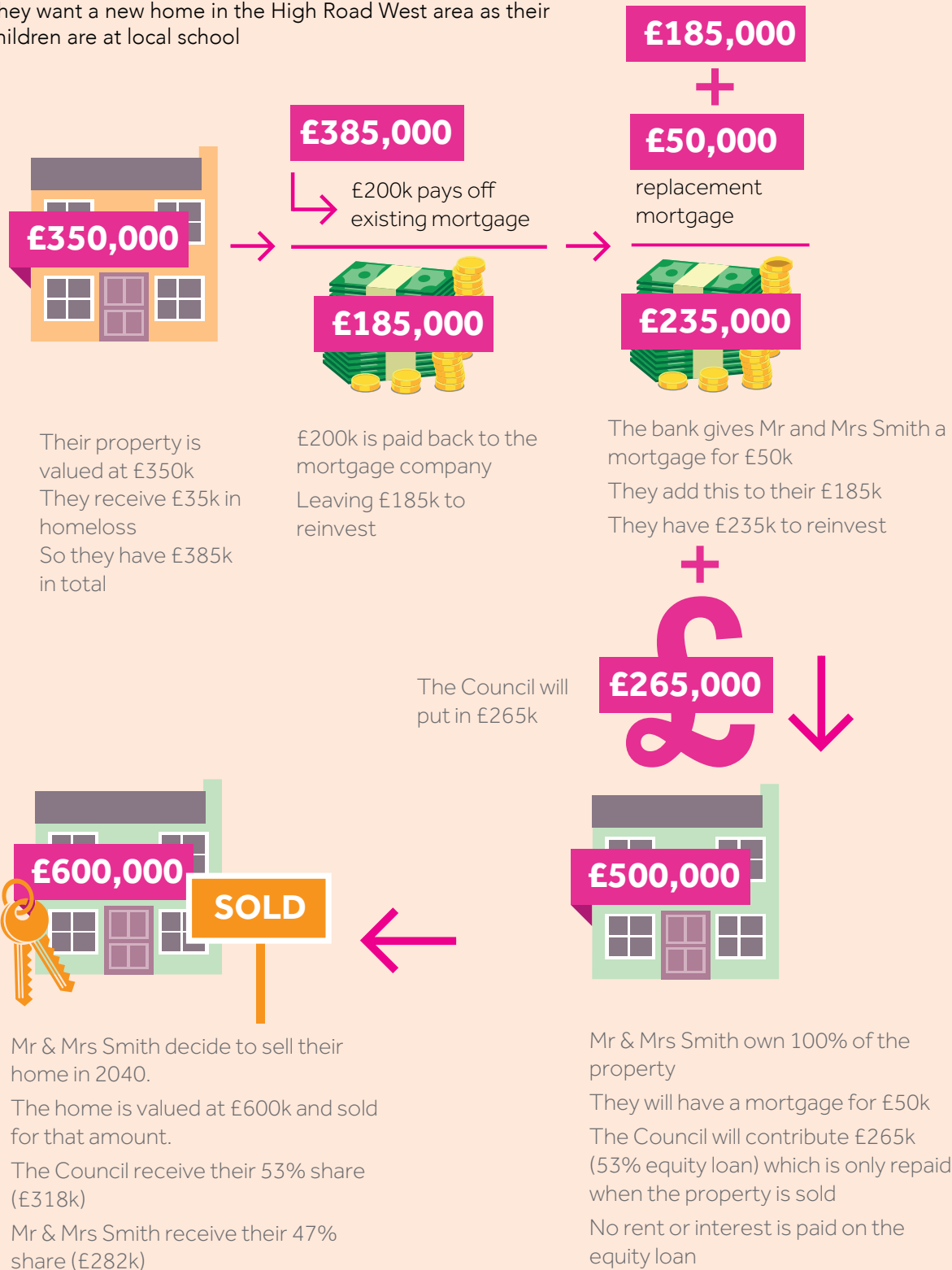


Mr & Mrs Osman own 100% of the property
They will have no mortgage
They Council will contribute £115k (a 23% equity loan) which is only repaid when the property is sold
No rent or interest is paid on the equity loan

Please note the values used in all the examples are indicative, not real life examples

Example One B - A new home within High Road West with an equity loan

- Mr and Mrs Smith have a mortgage for £200k
- Mrs Smith is no longer working and therefore their income has reduced
- They can now only get a new mortgage for £50k
- They want a new home in the High Road West area as their children are at local school



Please note the values used in all the examples are indicative, not real life examples



Option two - purchase a home within the borough on the open market with financial support from the Council

As set out in the Estate Renewal Policy you will be able to acquire a new home within the borough with financial support from the Council in the form of an equity loan.

The equity loan means:

- The Council will contribute money to help the leaseholder buy their new home
- You will NOT have to pay any rent or interest on this loan
- The loan is only repaid when the home is sold or transferred to another owner, unless inherited by a resident partner.
- For example, if the Council has contributed 10% of the price paid for the home when you acquired it, then you will need to pay the Council 10% of the value of the property when you sell it

To qualify for this equity loan, the resident leaseholder must:

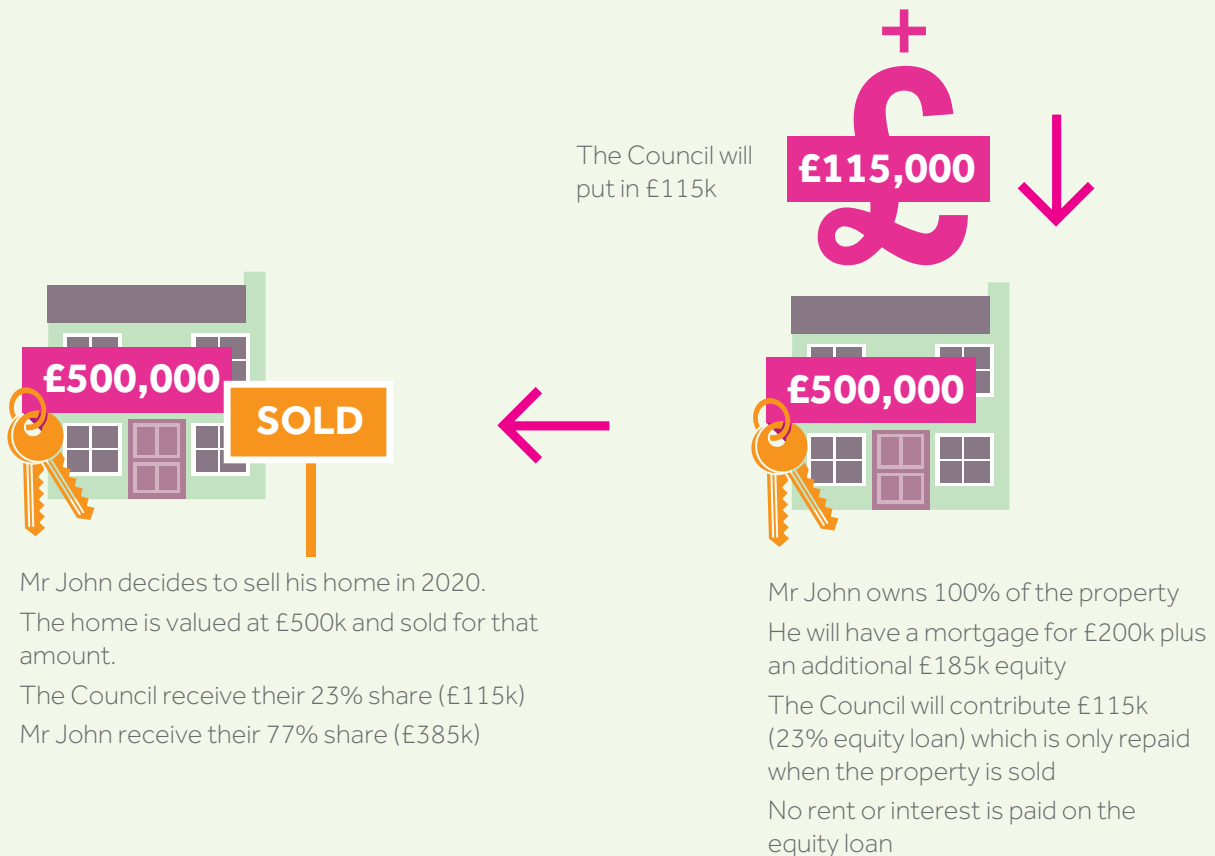
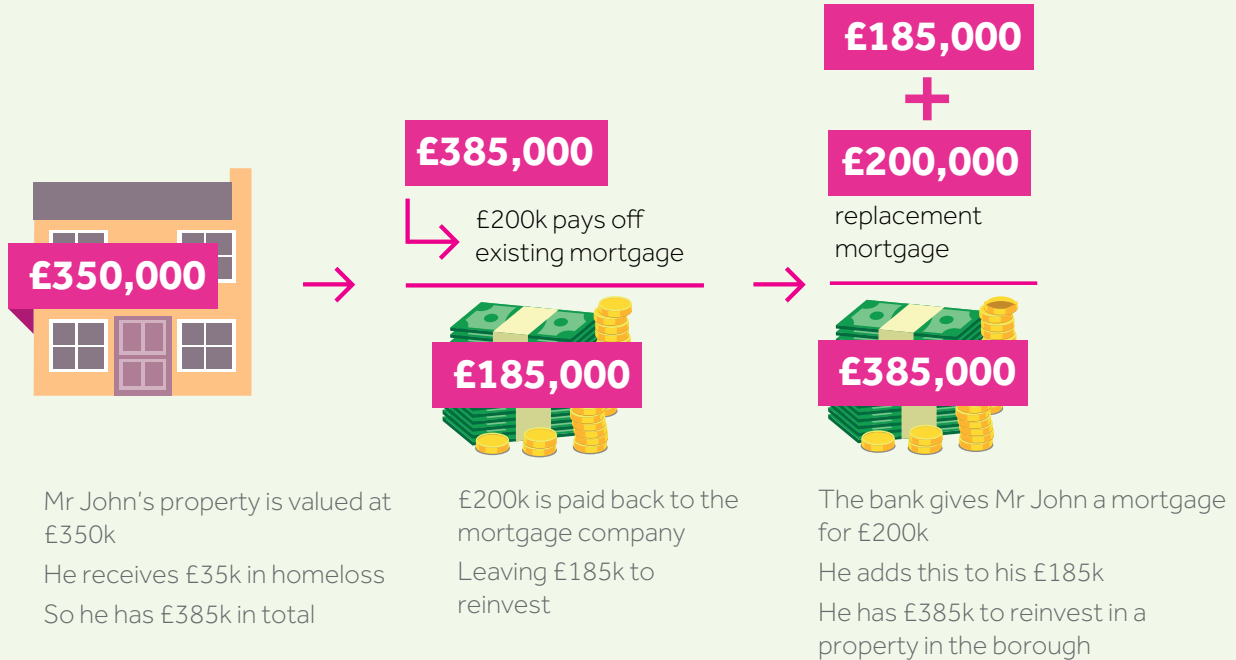
- Find a property on the open market in Haringey that is no more than 1.83 times the value of their current property or the value of the replacement property they would be offered on the new development (whichever is lower). This is because these loans are not intended to help purchase more expensive properties off the estate or to be used to fund very high value properties. There is therefore a double cap on the value of the replacement home
- Invest the same amount of money as they received for the value of their home on the Love Lane Estate and the 10% Home Loss Payment

More information on the equity loan can be found in section six of this document.



Example Two

- Mr John wants to move closer to his family in Wood Green
- He wants to live in a house with a garden
- He has an existing mortgage of £250k
- His bank have agreed to give him a new mortgage for £200k



Please note the values used in all the examples are indicative, not real life examples

Option three - leasehold swap

As set out in the Leaseholder Guide, you will be able to complete a leasehold swap with an existing Council owned property.

The new property will need to be the same size, or smaller, than the existing property and be of equivalent value.

If the values are significantly different, then that difference in value will need to be funded by the you or refunded by the Council - depending on whether the new property is

more or less expensive than the existing one.

To access the leasehold swap, you will need to complete a leasehold swap assessment form with their Rehousing Officer. Once completed leaseholders will be given access to suitable properties. A valuation of their existing property and any property they successfully select will need to take place.

Example Three

- Ms Ivy wants to do a leasehold swap
- She has found a Council property in a block next to her daughter
- Mrs Ivy does not have a mortgage



Her property is valued at £350k
She receives £35k in homeloss
So has £385k in total

The Council property Ms Ivy would like to move to, is valued in the same way as her existing property
The property is also valued at £350k

Ms Ivy owns 100% of the property
Ms Ivy keeps her homeloss payment



Option four, five and six - leasehold swap

Options four, five and six - purchase a new home on the open market within the High Road West Regeneration area, or within Haringey or within the UK without an equity loan from the Council.

As set out in the Estate Renewal Policy you can choose to use the full market value you receive for your property on the Love Lane Estate and the compensation to buy a new property on the open market.

However, you should note that the costs of purchasing a new home will only be met if the replacement property is in the UK.

As also set out in the Estate Renewal Policy, leaseholders wanting to acquire a property on the open market can receive the following:

- **Practical help with buying another property outside Haringey** - the Council can provide practical, non-financial help to assist leaseholders buy another property outside of Haringey. The need for this will be assessed on a case by case basis and will be limited to information on how to purchase a property on the open market such as finding solicitors, surveyors etc.
- **Practical help with buying a property in another part of Haringey** - the level of help to be provided will be assessed on a case by case basis, in accordance with individual needs, and may include (but is neither guaranteed to include nor restricted to) the provision of:
 - Information on how to purchase a property on the open market such as finding solicitors etc.
 - Information on any other leasehold properties Haringey Council knows are for sale
 - Advice on intermediate housing options in Haringey
- **Additional Support to purchase a new property in another part of Haringey** - additional, more intensive support may be provided where the Council assesses that you would have difficulty purchasing a new home on the open market – for example, if you have support needs. This support may include practical assistance and help in arranging a new mortgage, arranging surveys and providing advice and support on the legal steps needed to complete a purchase. In exceptional cases, and where required, the Council may purchase a property on behalf of the leaseholder. Any offer of

additional support and the level of support given will be at the Council's discretion

What if I can't raise enough funds to acquire a home?

Where a resident leaseholder is unable to raise sufficient funds to qualify for an equity loan the Council will sympathetically review the options available to each leaseholder to provide the most suitable offer they can afford. This may include alternative financing, smaller properties or a rental offer on the estate renewal scheme.

Where a rental offer is required to enable a resident leaseholder to remain in the renewal area, their application will be assessed in line with the Council's Housing Allocations Policy in force at the time of the assessment.

The application of any income or savings thresholds, or restrictions preventing leaseholders or home owners from joining the Housing Register, will be considered as necessary by the Estate Renewal Rehousing and Payments Discretion Panel. Rental offers will not normally be made outside of the renewal area unless the applicants meet the income and saving thresholds, and restrictions on home ownership. Any temporary moves off the estate will be held under a license.

Tenants can ask for a review of the property allocated to them under the Choice Based Lettings scheme or as a direct offer. This review will follow the procedure laid out in the Housing Allocations Policy. There will be no further right of appeal from the decision on review.

6. Equity loans

If I take an equity loan to either by a property within the High Road West area, or within the borough, will I own and be responsible for the property?

Yes. Properties bought using an equity loan are generally leasehold properties, meaning that there is a lease for a fixed period of time. As the leaseholder, you will be responsible for repairs, service charges and all other costs associated with the new property, but there is no interest payable on the equity retained by the provider.

You will be able to repay part of the equity loan at any time. In order to do so a new valuation of the property will need to be obtained and each partial repayment of the loan must be for at least 10% of the property's current value. This valuation, and any associated administrative costs, will be the responsibility of the leaseholder.

Under the equity loan arrangement, you will be the sole legal owner and are able to sublet the property subject to the usual requirements to notify the freeholder or any other relevant terms in the lease.

In addition to the value of my existing home and my Home Loss Payment can I contribute other funds I have to acquiring a new property and an equity loan?

Yes. You may contribute any other capital or savings, but these additional funds can only be used to reduce the size of the equity loan and cannot be used to purchase a higher value property. Equity loans will not be available for the purchase of properties that are more expensive than these limits.

It should be noted that if your existing property was purchased using a mortgage, a further mortgage to at least the same value as the one held on the existing property being purchased by Haringey Council will need to be raised before (or at the same time as) the purchase of the new property can take place. Haringey Council and the independent financial advisor can assist leaseholders in finding a new mortgage. For a new property in the High Road West Area, where an independent financial advisor confirms that the maximum mortgage available

to the leaseholder is lower than their existing one, the leaseholder will be required to obtain a mortgage for the maximum amount identified.

When do I need to repay the loan?

The equity loan only needs to be repaid upon sale of the property. Any increase or decrease in the value of the property will be apportioned between you and the Council or its appointed agent in line with their original contributions and any stair casing, which are calculated as percentages.

Prior to any sale the Council or its appointed agent will require a further valuation to be obtained so that the amount that is due to be repaid to the Council can be calculated. All of the administrative costs connected with the sale will need to be paid for by you.

Will I be able to pass on the equity loan if I die?

In the event of your death, you will be able to pass on the equity to loan to your spouse, civil partner or a person living with you as your partner, as long as your partner resided at the home with you at the time of your death and as long as they can afford to retain the same level of equity in the property as you did.

The equity loan will not be able to be passed on to anyone other than a partner and will need to be repaid in full when the property is transferred to another owner.

We understand that there may be some cases where you have an adult child living with you in the property. If this is the case, your adult child will be given 12 months to sell the property and will be able to use the proceeds to find alternative accommodation. Alternatively they could pay off the equity loan (e.g. by obtaining a mortgage for that amount) and remain living in the property as a leaseholder.



Example Four

- Mr Pressman received an equity loan from the Council for 20% of his property
- He has died and leaves his daughter, Fiona, who had been living with him
- He had no mortgage when he died and his home is now worth £400k



There is £400k equity in the property that is due to Fiona
There is £100k equity in the property that is due to the Council

12
months

Fiona has 12 months to make arrangements



Fiona sells the property and has £400k which she can use to purchase a property elsewhere

Fiona takes out a mortgage for £100k, pays off the equity loan to the council and continues living in the property as a leaseholder



7. Further information

Ensuring leaseholders are not financially worse off

As set out in the Estate Renewal Policy we committed to ensuring that no resident should be financially worse off as a result of the regeneration scheme. But this does not necessarily mean that every leaseholder will pay exactly the same housing costs after the move as they did before the move.

For resident leaseholders, it is noted that lending rates and criteria are subject to change over time, and are beyond the control of the Council, so the cost of the same value mortgage may be different at different properties. This means that housing costs will change for some leaseholders and freeholders, particularly if they move to larger or smaller homes. The commitment that no resident leaseholder will be financially worse off as a result of the High Road West Scheme is deemed as being met by the provision of Home Loss and Disturbance payments to cover the costs of moving and the commitment to ensuring there is always an offer available that is affordable to them, enabling them to stay within the original area. This offer may be open market purchase, with an equity loan either within or outside the estate renewal scheme (but within Haringey).

For leaseholders, other costs, such as utilities, insurance, service charges, Council Tax and mortgage rates will also change – some falling, some rising. The Council will work hard with Lendlease to keep service charges in particular as low as possible. But any changes in these charges, which are outside the control of the Council, are not covered in, or part of, the commitment that no tenant or leaseholder will be financially worse off a result of the renewal scheme.

For non-resident leaseholders and freeholders, the commitment that no leaseholder or freeholder will be financially worse off as a result of the renewal scheme is deemed as being met by the statutory provisions.

This offer does not seek to resolve leaseholder problems, which are not caused by the scheme itself, such as people's existing financial problems or costs that are beyond the Council's control.

The Estate Renewal Rehousing and Payments Discretion Panel

In individual cases, the Council may need to apply discretion where the application of this policy would lead to an inequitable or unfair outcome for an individual resident, or to an outcome which is not in keeping with the principles above.

Any such decision on the use of discretion will be made by the Estate Renewal Rehousing and Payments Discretion Panel, and will be at the request of the resident affected. The Panel will have authority to apply or amend the application of this policy on individual cases where the specific circumstances would lead to outcomes which are not in keeping with these principles.

Appeals

The Council has a two-stage complaints process, which can be used in relation to appeals against the application of this offer. For more information visit

www.haringey.gov.uk/contact/council-feedback/complaints-about-council

Where the appeal is regarding the compensation payment in respect of property acquired, leaseholders have the statutory right to apply to a specialist tribunal to determine the appropriate level of compensation.

Further advice on this can be provided by the Independent Tenant Advisor appointed to High Road West.

Discretion and exceptional circumstances

There may be limited circumstances when the Director of Housing & Growth, or duly delegated persons, may exercise discretion in relation to this policy due to exceptional individual circumstances and will do this by taking into account all the circumstances considered relevant.

Updating the offer

Haringey Council reserves the right to amend the policy in any way in the future as a result of any changes in legislation, circumstances or otherwise.