



CLARION
HOUSING

Offer to Resident Homeowners

**Housing options
Compensation
Support**

*Regenerating your
neighbourhood*




2

At a glance

We believe that our Residents Offer is fair and gives everyone the opportunity to stay in their neighbourhood.

Regeneration is going ahead. This means we will be knocking down and rebuilding Eastfields, High Path and parts of Ravensbury in phases over the coming years.

If you are a resident homeowner¹ we promise you the following three options

-  a new replacement home if you choose to stay, or
-  to buy your home at open market value plus 10% if you prefer to leave, or
-  a shared equity option

Plus:

-  a disturbance payment of £3,000 per household to cover the cost of moving home
-  a free and independent home valuation and up to £900² towards your own independent valuation
-  legal fees and disbursements³
-  payment towards Stamp Duty Land Tax
-  help if you need to move temporarily because of regeneration
-  new energy-efficient fridge freezer, washing machine, cooker and dishwasher if you choose to stay

¹ Our Offer depends on you being a resident homeowner. This refers to leaseholders and freeholders who were the legal owners living in the properties as their main and principal home on 27 May 2015 and continuing to do so

² This figure is subject to regular review

³ Disbursements include Land Registry searches and the cost of money transfers

This document tells you about the housing options, compensation and support you're entitled to.

The Residents Offer is designed to:

1. Keep the community together

Every resident homeowner will have the right to move into a new home in their neighbourhood.

2. Improve community and green spaces

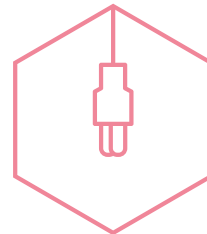
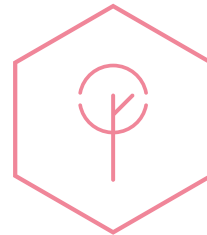
Regeneration will mean improved community and green spaces.

3. Provide new energy-efficient homes

Every resident homeowner who wants one will have the right to an energy-efficient, well-designed, safe and adaptable new home. All new homes will be at least the same size as the homes they replace. Every home will have a private garden, balcony or terrace.

4. Provide adaptable and accessible homes

All homes will be built to a high standard that can be adapted to meet your changing needs. At least 10% of the new homes will be fully wheelchair accessible.



Please contact the Merton Regeneration Team on **0300 500 8000** or **mertonregen@clarionhg.com** to get more information and advice.

Contents

5	The Residents Offer
6	The benefits of regeneration
7	Three options
8	Selling and moving
9	Replacement home
11	Shared equity
12	If you need to move temporarily
13	Valuations and compensation
14	Compulsory purchase
16	Contact us

The Residents Offer

This Offer to you depends upon you being a resident homeowner¹. You must have been a resident homeowner on 27 May 2015 when the Offer was first published.

This Offer does not apply to landlords in the three neighbourhoods. They should refer to the Offer to non-resident homeowners to see what they are entitled to.

This Offer gives you the details of what housing options, support and compensation we will give to homeowners depending on your circumstances.

¹ This refers to leaseholders and freeholders who were the legal owners living in the properties as their main and principal home on 27 May 2015 and continuing to do so

The benefits of regeneration

We're committed to upgrading all the homes and neighbourhoods we manage. In this case it's more cost effective in the longer term to replace the homes.

Regeneration is going ahead

In February 2018 the London Borough of Merton agreed that they will use their Compulsory Purchase powers to support the regeneration of High Path, Eastfields and Ravensbury.

In March 2018 the London Borough of Merton granted planning permission for the Eastfields, High Path and Ravensbury master plans.

Regeneration is an opportunity to build on and enhance the qualities of your neighbourhood, including the strong sense of community.

Regeneration will provide:

- new high-quality, energy-efficient homes
- new community spaces, play areas and better access to local transport links
- well-connected, safe and attractive streets
- new jobs, training and employment opportunities for local people.



Three options

Existing resident homeowners are leaseholders and freeholders who were the legal owners living in the property as their main and principal home on 27 May 2015¹.

Housing options

As an existing resident homeowner living in the neighbourhood you have three options:



A new replacement home in the regenerated neighbourhood.

To qualify for the replacement home offer you must pay the full value of your existing home and the additional 10% from us into the new home



Sell us your home at market value plus 10% and move away



A shared equity option.

The shared equity option is available if you do not own all of the equity in your existing home to transfer into the replacement home.

¹ If you completed the purchase of your home after 27 May 2015 and live in it as your main and principal home you won't be entitled to a replacement home. You will qualify for a new home on a shared equity basis. See page 14

Selling and moving

Market value plus 10%

If you decide to sell us your existing home and move out of the area, we'll offer you the market value of your home plus an additional 10%. This 10% payment will be up to a maximum of £81,000¹. For details of how this valuation is calculated, please see page 13.

You can sell us your home when you want to move, without having to wait until we need your home for regeneration.

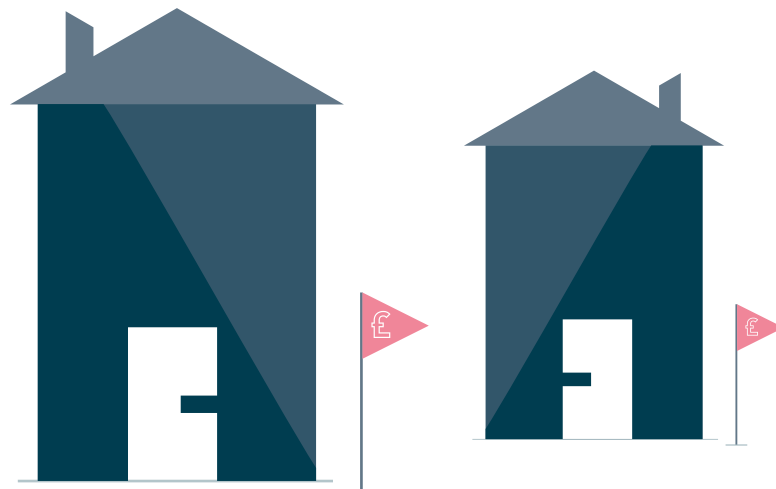
We'll arrange for an independent valuation of your home. Valuations are valid for 90 days from the date that we send it to you. If you do not agree with our valuation you can arrange your own independent valuation (see page 13).

We'll pay up to £900² plus VAT for your chosen surveyor to undertake a valuation. They must:

- be RICS registered
- provide an industry standard RICS red-book valuation

If you buy a new home within 12 months of selling your current home to us we'll also reimburse:

- legal conveyancing costs³ incurred for buying the new home up to a maximum of £1,100 plus VAT
- disbursements incurred in buying your new home⁴
- mortgage arrangement fees
- Stamp Duty Land Tax on your new home up to a maximum of the market value of the home you are selling to us, plus the additional 10%
- survey costs for either a building or mortgage valuation to buy a new home.



¹ This figure is based on the Department for Levelling Up, Housing and Communities' (DLUHC) compensation guidance to residential owners and occupiers. It is subject to regular review. Visit www.gov.uk for the most up to date information.

² This figure is subject to an annual review every April

³ The new property must be in the United Kingdom for us to reimburse the legal costs

⁴ Disbursements include Land Registry searches and the cost to transfer money

A new replacement home

We have a replacement home option for resident homeowners who wish to remain in their neighbourhood.

A new replacement home may be the option for you if:

- you own your home outright
- have a mortgage that you can transfer to the replacement home
- you can obtain a mortgage for the same amount as your existing mortgage.

You'll own your home outright from the start:

- if you are a freeholder you will be offered a new freehold
- if you are a leaseholder you will be offered a new 125 year lease, even if you have less than that on your current lease.

You will be offered a new home with the same number of bedrooms as your current home had when it was first built.

If you sell your replacement home within 11 years of signing the offer contract you'll need to repay some or all of the difference in the value between your existing and your new replacement home.

How the replacement home option works

To qualify for the replacement home option you must pay the value of your existing home and the additional 10% that we pay you into the new home.

We'll arrange for an independent valuation of your existing home and agree a price with you.

We'll offer you market value for your home plus an additional 10% up to a maximum of £81,000. You'll then use all of this to buy a replacement home.

We'll pay legal conveyancing costs and disbursements connected with the purchase.

We will also pay the Stamp Duty Land Tax on your new replacement home.

If you sell your new replacement home

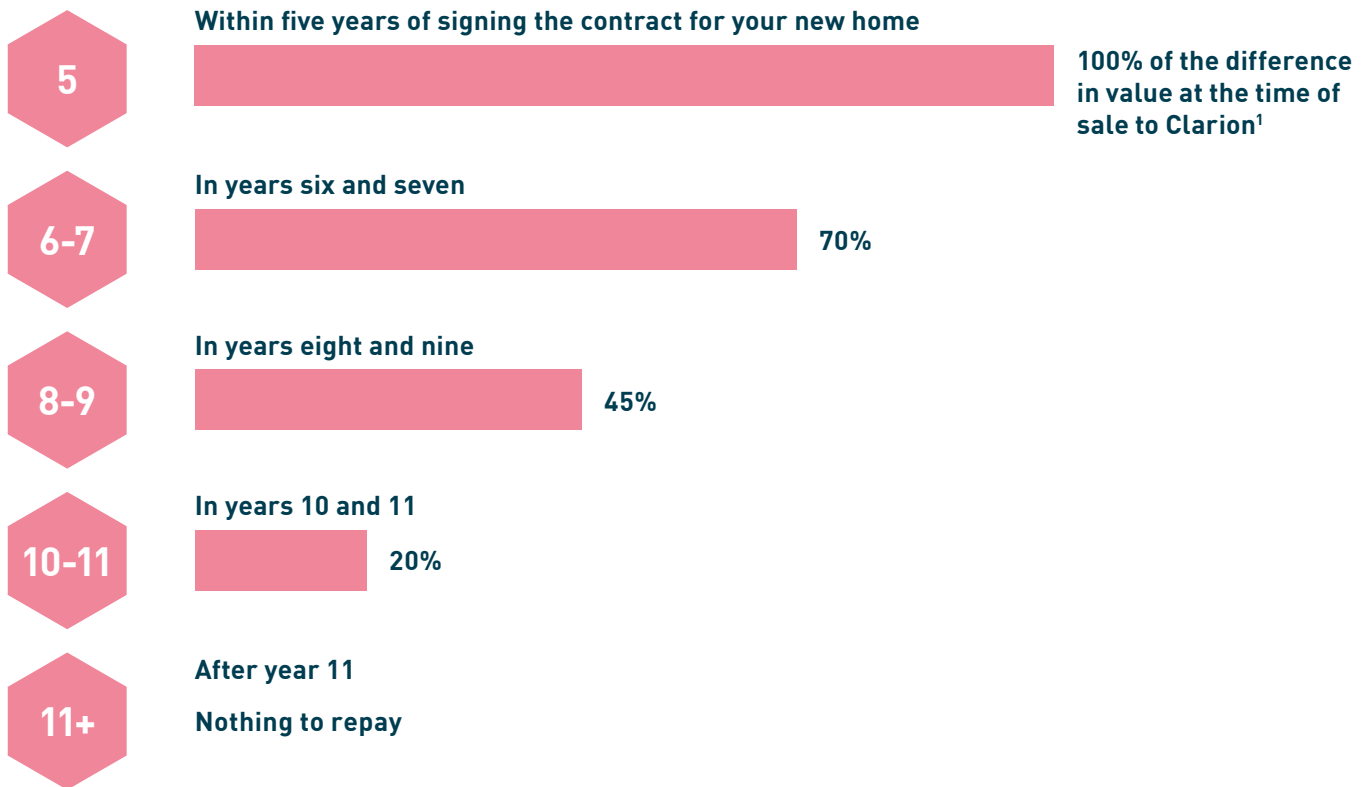
A new replacement home is likely to be worth more than your existing home. If you sell your new home within 11 years of signing the offer contract you'll have to pay us a proportion of the difference between the value of your new replacement home and existing home. This proportion is fixed at the date of contract and reduces over time (see page 10).

You keep your share of any rise or fall in the value of your replacement home during the 11 years.

¹ This figure is based on the Department for Levelling Up, Housing and Communities (DLUHC) compensation guidance to residential owners and occupiers. It is subject to regular review. Visit www.gov.uk for the most up to date information.

Selling within 11 years

This table shows the difference you would have to repay between the values of your new replacement home and existing home. This only applies if you sell your replacement home.



If a resident homeowner dies before the 11-year taper ends any adult children living in the replacement home will be able to remain in the home on a shared equity basis.

A bigger or smaller home

You may be able to move to a replacement home with more or fewer bedrooms than your existing home had when it was first built if one is available.

If you'd like to move to a new replacement home that is smaller than your existing home we'll pay you **£5,000** for each bedroom you give up.

You can also choose a home with more bedrooms than you have now if one is available. For example, if you have a two-bedroom home but want to buy a new three-bedroom home. You'll have to pay the difference in price between the value of a two-bedroom replacement home and the sale price of the larger three-bedroom home upfront. This is not part of the amount that you would need to pay back if you sell within 11 years.

¹ This applies to the difference in value of the existing home and the new home at the point a resident moved in. Residents will retain any uplift in value during the five years.

Shared equity

We have a shared equity option for resident homeowners who wish to remain in their neighbourhood.

If you do not have all of the equity in your existing home to transfer into a replacement home you can buy a share in a new home in your neighbourhood. Clarion Housing will own the remaining share.

This may be the case if:

- a share of your home is owned by someone else who does not live there
- you have secured a loan other than a mortgage against your home
- you can't transfer your existing mortgage or obtain a new mortgage for the same amount as your existing mortgage.

If you are unsure about your circumstances please contact your regeneration manager.

How the shared equity option works

Shared equity means buying a share in a new home with all of the equity you do own, plus the 10% we give you. The more equity you own, the greater your share in your new home. We will own the remainder of the equity in the new home.

We will pay all of the Stamp Duty Land Tax on your new home.

We will pay legal conveyancing costs and disbursements¹ connected with the purchase.

You do not have to pay rent or interest on our share. You can increase your ownership in stages by buying more equity if you want to. There is no time limit on this.

If you prefer a smaller new home

A smaller home could mean you're able to afford a larger share of the equity.

If you sell your shared equity home

If you decide to sell your new home, you'll keep your share of the proceeds from the sale and we'll keep our share.

Any increase or decrease in value would be shared between you and Clarion Housing. For example, if you sell a shared equity home where you own 75%, you would keep 75% of the sale price, including 75% of any change in value.

¹ Disbursements include Land Registry searches and the cost to transfer money

If you need to move temporarily

We'll always try to move you straight into your new home. For a small number of existing resident homeowners this might not be possible.

For example, if your existing home has to be demolished before your new replacement home is ready.

We'll help you find a temporary home that's suitable and as close as possible to schools, workplaces, doctor's surgery or hospital if that's what you need.

We won't charge you any rent for this temporary home, as long as you agree to the following:

- the market value of your existing home and 10% additional payment would be paid into a special account on your behalf (this is called an escrow account). The escrow account would not pay you any interest
- the cost of your new home would be fixed at this point, so that the difference in value between your existing home and your new replacement home does not change
- you live in your temporary home as an assured shorthold tenant¹ or on a licence until your new home is ready.

You'll set up and pay all relevant household bills for living in your temporary home, including Council Tax and service charge.

If you live in your temporary home for one year or longer, you'll be entitled to a further £3,000 disturbance payment to help with your moving costs when you move into your new replacement home.

Practical help and support

If you are moving to temporary accommodation or to your replacement home we can help with removals, including packing materials and a packing service if you need it.

For older and vulnerable residents, we'll offer help with things like re-hanging curtains and fitting light bulbs.

If you have any extra needs connected with your move, we can offer support or refer you to specialist services.

Changing your mind

If you're in a temporary home but decide not to buy a home in the regenerated neighbourhood, the funds in the escrow account will be released to you when you move out. You can still claim legal fees, disbursements and Stamp Duty Land Tax associated with purchase of a property elsewhere in the UK. This claim must be made within one year of leaving your temporary home.

We'll pay you:

- legal costs incurred in selling the property to us up to a maximum of £900 plus VAT and disbursements
- £900 plus VAT for legal costs incurred in buying a new home
- survey costs for either a building or mortgage valuation to buy a new home
- Stamp Duty Land Tax payable on a reasonable replacement property, up to the agreed value of the home you are selling to us, plus the 10%
- mortgage redemption fees
- mortgage arrangement fees.

¹ You will need to sign an assured shorthold tenancy because you will be in the property on a temporary basis

Valuations and compensation

Valuing your existing home

The market value of your existing home will be assessed by a Member of the Royal Institution of Chartered Surveyors (RICS). The market value of your home takes into account:

- market conditions
- any changes in the value of homes in the surrounding area
- its condition inside
- any improvements made by you or previous owners (for example, new bathrooms and kitchens)
- local amenities (for example, schools, transport links, shops and services).

We'll arrange a professional valuation of your home by a member of RICS. We'll confirm the market value in writing plus the other payments you're entitled to.

If you choose not to accept the valuation prepared by our surveyor, you can instruct a suitably qualified member of the RICS to prepare a valuation for you. If the values are different, the two surveyors will discuss the evidence that their valuations are based on. If we are unable to reach an agreement as a last resort we'll seek to acquire properties through Compulsory Purchase (see page 14).

We'll pay up to £900 plus VAT for your chosen surveyor to undertake a valuation. Please call the RICS helpline on 024 7686 8555 who will put you in contact with a local RICS qualified surveyor.

Disturbance payment

You'll get £3,000 to cover the costs of:

- packing and removals
- redirecting mail
- disconnecting and reconnecting services such as phones and internet
- other costs associated with your move.

Service charge

Service charges will continue to be set in line with the terms of your lease or freehold agreement.

Your new neighbourhood will have new facilities, green spaces and improved communal areas.

The additional homes means there will also be more people to contribute to service charges.

Right to Buy

If you completed the purchase of your home through Right to Buy before 27 May 2015 and continue to live in the property, we'll offer you a new home in the regenerated neighbourhood. Or you can choose to sell your home to us and move away.

If you purchased your home using Right to Buy after 27 May 2015, we'll offer you a new home on a shared equity basis.

When it's time to sell your home you may have to repay a percentage of the Right to Buy discount depending on how long ago you completed the purchase.



New resident homeowners

This applies to resident homeowners¹ who completed the purchase of their home after 27 May 2015, but before regeneration takes place. You have the option to:

- Sell your home to us at its full open market value
- The shared equity option

You won't be entitled to the replacement home option.

We'll pay legal conveyancing costs and disbursements². We'll also pay Stamp Duty Land Tax.

Compulsory Purchase

We'll do all we can to reach an agreement with all resident homeowners to deliver the regeneration.

If we can't reach an agreement with you, as a last resort we'll seek to acquire properties through Compulsory Purchase.

Compulsory Purchase is the legal right to buy a property without the consent of the owner.

Once a Compulsory Purchase Order is in place, the terms of the Residents Offer will be replaced with the statutory framework and your compensation will be assessed in accordance with what is commonly referred to as the Compulsory Purchase "compensation code".³

If we need to acquire your home by Compulsory Purchase, the replacement home and shared equity options will no longer be available to you.

¹ Resident homeowners are leaseholders and freeholders who are the legal owners and living in the property as their main and principal home

² Disbursements include Land Registry searches and the cost to transfer money

³ Details of the compensation code can be found at www.gov.uk

Contact us

We're here to help. Please contact the Merton Regeneration Team on **0300 500 8000** or **mertonregen@clarionhg.com**.

For the latest news about the regeneration plans, please see **www.myclarionhousing.com**

Alternative formats

If you'd like to have the Residents Offer in large print, Braille, audio or any other format or language, please call **0300 500 8000**.

For Text Relay calls from a textphone, please dial **18001** followed by the number you wish to contact.



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