CPO guide for leaseholders on estates earmarked for demolition.

ESTATE WATCH (www.estatewatch.london)

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Contents

Introduction

An increasing number of London's council and housing association estates are being earmarked for re-development. Our research puts the current number at over 100 and with London's housing shortage, pressure on estates is mounting.

A report presented to the government by real estate consultants Savills, estimated that estate redevelopment could provide an extra 360,000 homes in London.

Completing London's Streets

Savills Research Report to the Cabinet Office

savills

2.1 Local Authority Housing Estate land can provide more and better housing and secure affordability

- We estimate that approximately 1,750 hectares of London's 8,500 hectares of LAHEs might be capable of 'Complete Streets' regeneration with the potential to provide somewhere between 190,000 – 500,000 homes, depending on the densification achieved. Between 54,000 and 360,000 of these would be additional homes, over and above the existing housing provision.

Figure 1: Extract from Savills report to Cabinet on the potential of estate regeneration in London

At the same time, councils and housing associations are seeing estate redevelopment as an alternative to refurbishment, with more grant funding available for redevelopment than refurbishment. Cross subsidy from building private market homes provides a further incentive and local authorities can also be tempted by the increased council-tax base and local spend opportunities associated with redevelopment.

Figure 2: Low density estate overlooked by new high-density housing at Elephant & Castle, Southwark

The importance of leaseholders being included and sharing in the benefits of regeneration

The Savills report praises these perceived benefits of estate redevelopment, but it also emphasises the importance of ensuring that residents affected by redevelopment benefit equally and are guaranteed the right to be re-housed on site in an 'equivalent or better home under the same terms'.

> "We state clearly that successful estate regeneration must start by engaging with existing estate residents at the very outset and that 100% of existing residents would have the right to be re-housed on site in an equivalent or better home under the same terms. It is important to read this report in this context."

In 2018, London-centred business campaign group 'London First' produced a report which similarly highlighted the potential for London's estates in providing new homes and growth opportunties. It also highlighted the importance of leaseholders sharing in the benefits of regeneration:

> "In deciding whether to support estate regeneration residents will rightly consider how it may benefit them and balance this against their current circumstances. Therefore, the offer made to residents is crucial and in effect a deal must be struck between residents and the organisation undertaking the regeneration. The details of resident deals will vary by scheme, but there are overarching principles which can be adopted to help create a fair deal including: residents must have a genuine share in the benefits of estate regeneration. The deal must work for residents as whole, seeking to minimise impact and disruption, noting that the wider benefits delivered by re-generation will bring about individual challenges such as the ability of leaseholders/freeholders to purchase a home in the new development."

The Mayor's official policy guidance on estate regeneration is entitled 'Better Homes for Local People', which says that *"When done well, estate regeneration can offer existing tenants and leaseholders better homes."* It also suggests a number of options (see pg 19) for leaseholders including shared-equity ownership of a new home or a home swap. We look closer at these in Chapter 2 of this guide.

The government's national guidance on estate regeneration similarly promotes the importance of ensuring existing leaseholders are provided with new homes on site when their estate is redeveloped. It also suggests offering a shared equity deal or a straight home swap - albeit with the requirement that the new home is not sold within 7 years.

There is clearly a policy intention for leaseholders to be re-housed in new homes on site and for them not to be any worse off financially as a result. Some local authorities have argued that this represents 'betterment' and that leaseholders should take out second mortgages or pay rent on the unowned share of any new home.

This misses the point that betterment is the policy intention - i.e. the whole idea is that by using grant funding and leveraging land value, estate regeneration can provide new homes for existing tenants and leaseholders without them being left worse off.

This is also supported by legislation. Section 233 of the TCPA 1990 says that a leaseholder on land being redeveloped for planning purposes must be given *"an opportunity to obtain accommodation on the land in question which is suitable to his reasonable requirements on terms settled with due regard to the price at which any such land has been acquired from him."*

You will also find by looking through council reports and policy documents that councils explicitly intend their estate regeneration schemes to benefit existing residients.

The reality - leaseholders forced to relocate elsewhere

Unfortunately the reality is quite different. Very few schemes have offered the home-swap model and the vast majority of shared-equity schemes are being gatekept behind shared ownership (paying a proportion of rent) or accompanied by caveats in the small print which would leave leaseholders worse off.

The result is that leaseholders are being forced to re-locate away from their local area with inadequate levels of compensation, to areas where property prices are lower - often referred to as gentrification. See research by Professor Loretta Lees from the University of Leicester for more information on this.

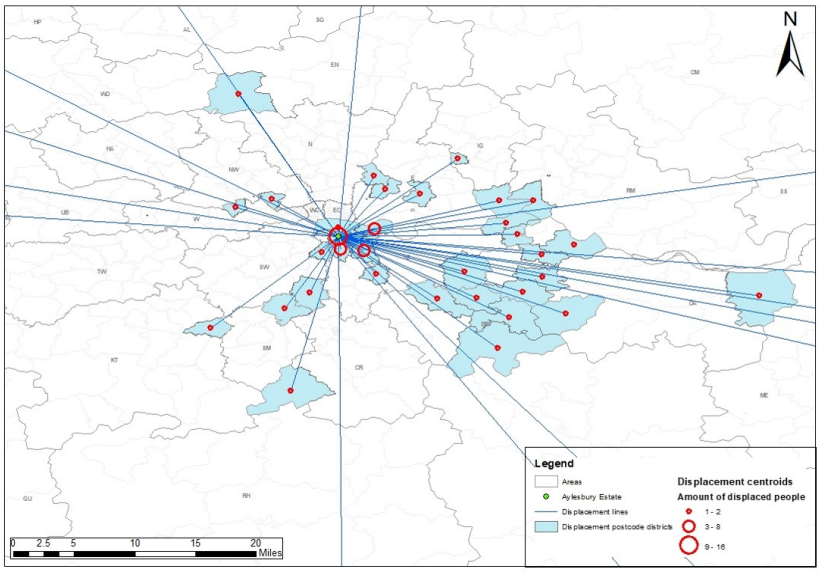


Figure 3: Displacement map of leaseholders from the Aylesbury estate (L.Lees, 2018)

What can leaseholders do make sure they are included in the regeneration?

In section 1 we look at the pros and cons of the various types of re-housing options and how to go about securing the best option. In section 2 we examine the CPO process and how it relates to the re-housing offer. In section 3 we look at the separate issue of valuations.

It is important to note that the CPO process and re-housing issues are connected, whilst the issue of valuations is separate - even if some local authorities will (unlawfully) try to oblige leaseholders to accept their valuation as a condition of being made a re-housing offer. The law is very clear on the fact that accepting any kind of re-housing offer should not oblige a leaseholder to accept a given valuation. One is entitled to accept a re-housing offer and then refer the disputed valuation to the Lands Tribunal for independent determination.

The CPO process and re-housing issue are connected but the valuation process is separate. The only way it relates to the CPO is by virtue of the fact that the compensation offered will be insufficient to enable you to re-house yourself in **suitable** accommodation in the local area on **equivalent terms**.

Note that if you are a non-resident leaseholder sections 1 and 2 don't apply and you can skip straight to section 3 (Valuations).

1 Types of re-housing offer

1.1 Home Swap

This is by far the most equitable of options available for homeowers, as they are put back in a position of owning 100% of their home - not just part of it.

The home-swap model is promted in both the Mayor's estate regeneration guidance and the government's Estate Regeneration National Strategy, albeit the latter imposes a condition that the leaseholder must reside in the replacement home for at least 7 years.

Figure 4: Extract from the government's Estate Regeneration National Strategy

Several schemes offer this home-swap model - Poplar HARCA's schemes in Tower Hamlets (see more info here), Clarion's schemes in Merton (see more info [here]) and all of Sutton Council's estate regeneration schemes (see here (Option B, page 65).

They all impose some kind of condition requiring the leaseholder to reside in the replacement home for a number of years before they obtain full ownership. Sutton's schemes require a minimum of 10 years, while Merton's schemes require a minimum of 11 years and Poplar HARCA's schemes require 7 years.

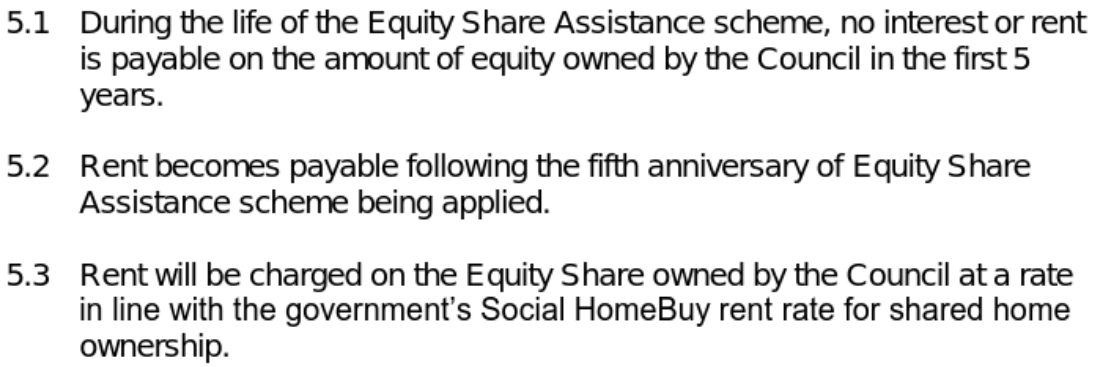
1.2 Shared Equity

This is the most common kind of re-housing model currently offered to leaseholders. But these schemes can differ from one another significantly and there are a number of problems associated with them.

Some schemes are means tested and subject to a degree of 'gatekeeping' - i.e. leaseholders are asked to fill out a financial assessment and are only offered shared equity if they can show that they can't afford shared ownership (paying rent on the unowned shared).

Others require rent to be paid on the unowned share after a certain number of years regardless. For

example, the small print in Ealing Council's Shared Equity scheme requires leaseholders to take out a mortgage and pay rent on the unowned share after 5 years:



5.1 During the life of the Equity Share Assistance scheme, no interest or rent is payable on the amount of equity owned by the Council in the first 5 years.

5.2 Rent becomes payable following the fifth anniversary of Equity Share Assistance scheme being applied.

5.3 Rent will be charged on the Equity Share owned by the Council at a rate in line with the government's Social HomeBuy rent rate for shared home ownership.

Figure 5: Extract from Ealing Council's shared equity scheme

Some councils require leaseholders to sink their personal savings into the scheme or take out a new mortgage if it is deemed they can afford it. Others have high minimum thresholds which have the same effect i.e. requiring the leaseholder to be able to afford at least 50% or sometimes as much as 80% minimum equity.

Some schemes don't allow the equity share to be passed on to descendants and some require the leaseholder to pay the landlord's share of any major works charges (i.e. the leaseholder is forced to pay for the increase in value of the landlord's asset).

A further complication is that leaseholders are often obliged to accept the landlord's valuation of their current home and that of the replacement home, which is a breach of the compulsory purchase code and prevents them from exercising their statutory right to challenge the valuation of their current home at Tribunal.

In addition, some shared equity schemes contain pre-emptive clauses meaning that should they wish to sell then they either need to offer the housing association or council first refusal or are obliged to sell the property only to households eligible for shared ownership.

So it's important to read the small print very carefully and ensure that any shared equity scheme includes the following guarantees as a minimum:

1. The required minimum equity share is not higher than 25%.
2. The leaseholder is not means tested or obliged to sink savings or their homeloss payment into the scheme or re-mortgage.
3. The equity share agreement can be inherited by a spouse or descendant.
4. Any future Major Works charges are apportioned to the percentage share owned.

5. The Council/Landlord instructs the District Valuer Service to conduct its valuations and agrees to pay leaseholders to instruct an independent surveyor to conduct their own valuations of their existing homes and the replacement home offered under shared equity.
6. Any disagreement about the valuation of the existing homes or the proposed replacements is referred to a suitably qualified mediation service at the full cost of the Council/Landlord, while leaseholders reserve their statutory right to challenge the valuation at Tribunal should the mediation be unsuccessful.

Ultimately, the 'home-swap' option avoids all of these complications because it is a simple swap - a replacement home for the one that is being demolished.

You should use this to lobby your landlord and argue that you own 100% of your home now and that you should be entitled to a 'home swap' which will allow you to own 100% of a new home on the estate.

1.3 Re-housing as a tenant

The Compulsory Purchase Code says that there is a statutory minimum duty on Councils to rehouse people subjected to compulsory purchase (see section 39 of the Land Compensation Act 1973).

This may be a better option for those who can't afford other options or where any shared equity offer is inadequate or the phasing of the scheme doesn't enable it.

The government's compulsory purchase code says that being re-housed as a tenant must not affect the level of compensation you will receive for your home:

> "If you are rehoused this will not affect the amount of compensation which the acquiring authority pays and an authority must not seek to make a reduction to reflect rehousing." (para 76)

Don't forget all of the re-housing options are subject to statutory overcrowding legislation in the Housing Act 1985, so you must be offered a property that is large enough to meet your housing needs, regardless of whether you are overcrowded in your current home.

2 The CPO Process - the last resort!

2.1 Exhaust other possibilities first!

It's best to start pushing to secure the best possible re-housing offer as early as possible, well before the CPO process begins. Start making your demands heard early - ideally prior to any ballot and drafting of any landlord offer.

If your landlord is a local authority there will be a number of Council meetings convened to discuss the redevelopment of your estate. The Council will need to draft a leaseholder policy and later on will need to approve a resolution to commence CPO proceedings, as well as reside over any planning applications. Attend these meetings and make representations setting out how the home-swap option is not just best practice used in other schemes but also included in the government's estate regeneration guidance.

Go knocking on doors and get organised with other leaseholders on the estate. You can find out which other properties on the estate are leaseholders using the Land Registry's online service.

Form a group, set up a Facebook or Whatsapp group and start lobbying your landlord for the home swap option. If your landlord is a local authority get in touch with and lobby your local ward councillors. Pick a name for your group and set up a website detailing your plight. The more visible and vocal you are as a group, the less you will be ignored.

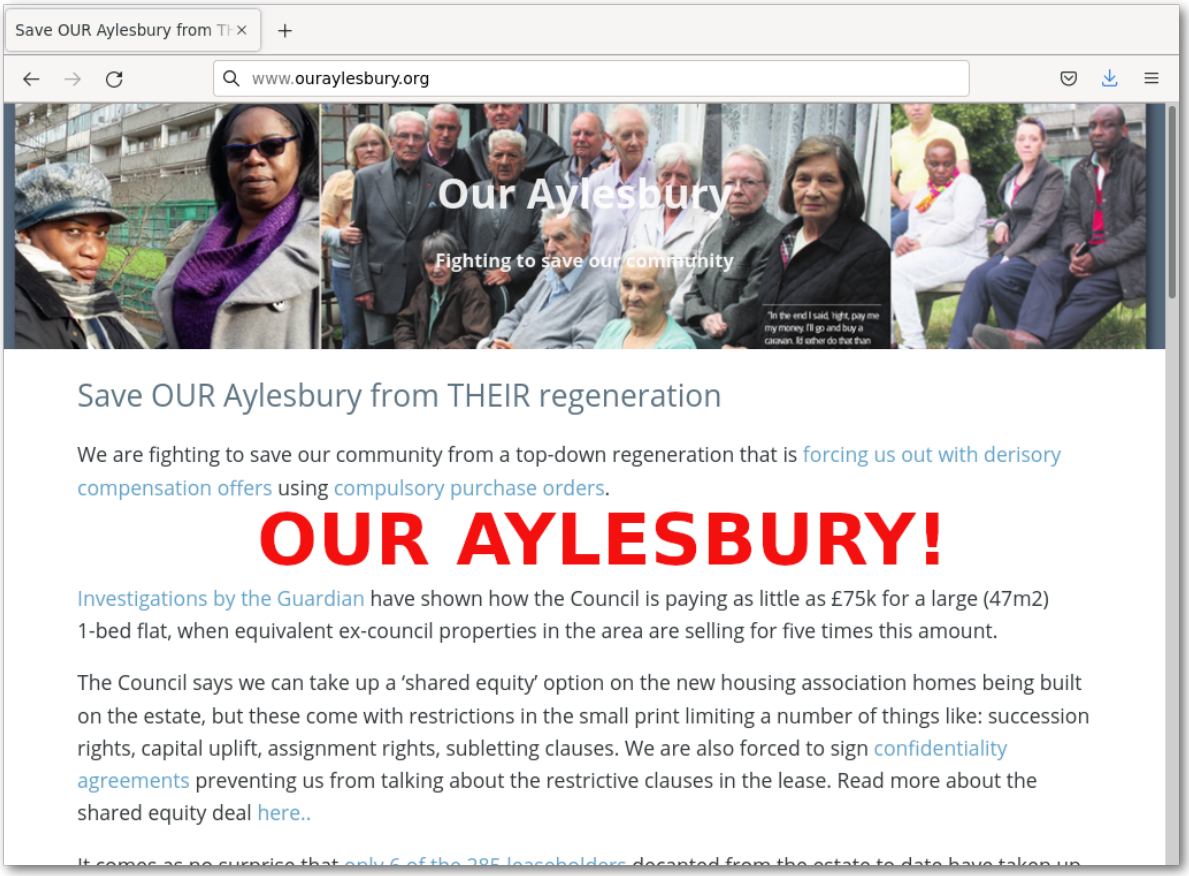


Figure 6: Website created by Aylesbury estate leaseholders in 2018.

2.2 Arm yourselves with info about profits and public subsidy

Get hold of the financial figures behind the redevelopment scheme, which show how much profit the landlord stands to make. According to the Mayor's new policy, viability assessments must be made public for every planning application.

By obtaining these financial figures, leaseholders on the Aylesbury estate in Southwark were able to show that the housing association redeveloping the estate was set to earn over £163m profit from the scheme and that the Council had a profit share agreement, so it was also set to profit from the compulsory appropriation.

Revenue	FDS Units	FDS Appraisal	Masterplan units - inc. FDS	Masterplan Appraisal
Private	365	£126,747,123	1708	£768,950,806
Affordable Housing	403	£84,508,174	1793	£257,890,698
Market Rent	47	£14,559,884	47	£14,559,804
Carparking	99	£1,485,000	766	£11,340,000
Total Revenue		**£227,300,181**		**£1,052,741,308**
Costs				
Acquisition		£17,523,000		£51,028,558
Construction		£145,694,204		£656,815,128
Prof. Fees &S106		£26,401,120		£119,011,929
Marketing & Lettings Fees		£5,128,565		£30,817,432
Disposal Fees		inc.above		inc.above
Finance		£5,724,484		£31,251,833
Total Costs		**£200,471,373**		**£888,924,880**
Profit		£ 26,828,808		£ 163,816,428
Profit on PS GDV%		21%		21%
Note: Profit is 21% of private sales income including car parking				

Figure 7: FOI request reveals profit forecasts for Aylesbury estate scheme.

Aylesbury leaseholders used this to argue that some of this profit should be used to give them a better deal, which would allow them to remain on the estate without being left out of pocket. They also pointed out the huge public subsidies being channeled into the scheme (over £400m!), that tenants were benefitting from replacement homes at no extra cost and argued that they should share equally in the benefits of the scheme. This was after all the Council's intention! The argument was very compelling and when the question was put to each of the Council's witnesses during the public inquiry, not one witness disagreed that the leaseholders should share in a more equal distribution of the profits.

You don't need to rely on just FOI requests to obtain information about scheme profits. These can be found in the publicly available planning documents (look for 'financial viability assessments') - these are a requirement of the planning process which underpin affordable housing and other contributions.

There is also financial information available publically online. For example, developers and housing associations both publish annual financial statements online. Companies House records show that the development partnership behind the South Acton estate redevelopment has made £100m profit from the scheme over the past 5 years.

> Use the information obtained about public subsidy and profits to argue that they should be shared more equally between tenants and leaseholders. Tenants are entitled to be rehoused in new homes on the same terms they currently enjoy, you should be entitled to the same!

Checklist of info to request via FOI:

1. All Equalities Impact Assessments that have been produced in relation to the scheme.
2. How many leaseholders have been decanted to date, how many of these have been rehoused in new homes on the estate footprint and postcode data showing where the others have moved to.
3. How many tenants have been decanted to date, how many of these have been rehoused in new homes on the estate and postcode data showing where the others have moved to.
4. Ethnicity data from the Council's tenancy management system showing the ethnic make-up of the estate's tenants, as well as any data it holds showing the ethnicity of leaseholders.
5. How much the Council has spent on the scheme to date.
6. Any cost/benefit analysis or options appraisal that has been undertaken comparing the estimated costs of redevelopment versus refurbishment.
7. A copy of all communications between the Council and its development partner for a given period (usually you can't ask for more than a 6-month period).

2.3 Mediation, mediation, mediation!

If the Council hasn't engaged with your lobbying efforts and won't meaningfully engage with you on negotiating a sensible re-housing offer, you have one last chance to try and force them to do so through mediation before it gets to CPO stage. You should point out to the Council that the compulsory purchase code requires it to offer mediation prior to any compulsory purchase proceedings.

The government's most recent guidance on the use of compulsory purchase powers says that *"Compulsory purchase is intended as a last resort"* and Acquiring Authorities are obliged *"to demonstrate that they have taken reasonable steps to acquire all of the land and rights included in the Order by agreement."* (CPO Guidance 2015, page 6)

The guidance goes further and specifically sets out mediation as one of the reasonable steps that Acquiring Authorities are expected to offer (para 18, page 15):

> "In the interests of speed and fostering good will, acquiring authorities are urged to consider offering those with concerns about a compulsory purchase order full access to alternative dispute resolution techniques. These should involve a suitably qualified independent third party and should be available wherever appropriate throughout the whole of the compulsory purchase process, from the planning and preparation stage to agreeing the compensation payable for the acquired properties. The use of alternative dispute resolution techniques can save time and money for both parties, while its relative speed and informality may also help to reduce the stress which the process inevitably places on those whose properties are affected."

This is echoed in the Government's guide to compulsory purchase and compensation:

> "There is a formal process (through the Upper Tribunal (Lands Chamber)) for dealing with disputes over compensation entitlement. However, acquiring authorities are also encouraged to offer alternative dispute resolution techniques (e.g. mediation) to those with concerns about any stage of the CPO process. These should involve a suitably qualified independent third party." (para 23)

Read your Council's constitution as well, which sometimes says things about the Council will always seek to mediate or act proportionally, or something similar.

If the Council still refuses to offer mediation, you may want to raise an official complaint using the Council's formal complaints process. Be sure to copy in the Council's CEO and any sympathetic councillors - sometimes these senior decision makers don't know what's going on in the regeneration department and can step in when they see other officers acting unreasonably.

If the Council rejects your complaint, you can then refer it to the Local Government Ombudsman who may intervene and force the Council to offer mediation.

Finally, you can also make representations to the Secretary of State requesting that any application for a compulsory purchase order is rejected or public inquiry is postponed until such time as the Council has agreed to mediation.

Mediation will involve the leaseholder being represented by a lawyer (usually a barrister specialised in CPO law), who will sit down with, discuss and agree some kind of document setting out the leaseholder's reasonable demands. A day will then be set aside for a meeting whereby an independent

lawyer will mediate between the leaseholder's barrister and the council's legal team until an agreement is reached.

It is important that the mediation is conducted by an accredited lawyer and that the leaseholder is represented by a specialist CPO lawyer with experience in this field.

2.4 The CPO process and public inquiry

A compulsory purchase order is seen as a last resort. It is important to remember that CPOs are rarely contested successfully and even when they are then the Council can just come back and serve a new one. The best you can expect from a CPO is that the Council acquiring your home improves your re-housing offer as a result of your objection.

This is why it is very important that you exhaust the re-housing options before you get to the CPO stage. The CPO inspector will want to see that you have been made a re-housing offer that will enable you (and your family) to remain housed in the local area at no economic disadvantage. It's important that you flush out the best offer from the Council well before this stage, so that you will be able to explain to the inspector why the re-housing offer is not suitable. It is no good if you find yourself sitting at the CPO inquiry and the Council is able to say Mr/Mrs X has not engaged or rejected all of our offers of re-housing.

If your lobbying and any mediation fails, you will have one last attempt to secure a better offer - when it comes to the Compulsory Purchase Order public inquiry.

At the time of writing the compulsory purchase procedures are under review as part of the new 'Levelling Up and Regeneration Bill'. This may result in objections being dealt with via written representations rather than public inquiries.

Once the local authority has agreed to commence CPO proceedings, you will receive a formal notice giving you at least 28 days to object. The notice will give you details of where to send your objection letter. It is very important that you send the objection letter before the deadline. At this point you should instruct a solicitor to draft the letter. It will look something like this with a brief summary outlining the grounds of objection.

Once the letter is received by the government's Planning Casework Unit, a Public Inquiry will be triggered but this could be anything from 6 months to a year away.

In the meantime you will need to seek legal help in drawing up your detailed statement of objection,

which will be presented to the Public Inquiry. You could try crowdfunding or approach the Bar Pro Bono Unit, https://www.lawworks.org.uk/, http://www.nationalprobonocentre.org.uk/ or http://www.thefru.org.uk/.

The statement of objection is not limited to the human rights or equalities implications of the rehousing offer but can also include other considerations, because a CPO order has to satisfy a number of tests.

The first of these is the well-being test; the local authority must demonstrate that the scheme underlying the CPO will result in an improvement in the Environmental, Social and Financial well-being of the local area. A case could be made that refurbishment would lead to better outcomes in each of these three areas - as evidence has shown.

The second is that the scheme underlying the CPO must be approved in accordance with any planning policies governing it. Very often concessions are made in meeting planning policy objectives, for example on the Mayor's affordable housing requirements, dwelling mix requirements, amenity and open space requirements, space standards, zero carbon requirements etc.

Third is the equalities impact of the scheme. Estate regeneration schemes tend to disproportionately affect black and ethnic minority communities, because they tend to be over-represented on estates earmarked for demolition (link to evidence). This puts a further onus on the Council to demonstrate that BAME residents or any other protected groups under the Equalities Act are not adversely affected by the scheme or that any adverse affects are sufficiently mitigated. At the 2015 Aylesbury estate CPO public inquiry, the Secretary of State rejected the CPO because it would have a disproportionate adverse affect on BAME and elderly leaseholders.

You can read some of these arguments in the Aylesbury estate leaseholders' Statement of Case to their Public Inquiry in 2018.

Figure 8: Image of the Heygate CPO public inquiry in 2013

The government has produced a guide to CPO procedures here..

3 The valuation process

There are three main problems with valuations of homes on estates under threat of compulsory purchase. These are as follows:

3.1 Equality of arms

First, Equality of arms - leaseholders are poorly represented. Councils usually instruct large professional surveyors like Carter Jonas and pay fees from the bottomless pockets of Council coffers.

Leaseholders in contrast, don't have this option. Many of the large firms like Carter Jonas act only for Councils because they can charge higher fees and won't take on individual 'small fry' leaseholders.

This issue of Surveyor fees is a contentious one. The RICS Guidance on compulsory purchase is what governs the issue of fees.

Councils are obliged to re-imburse *'reasonable'* fees incurred by leaseholders instructing surveyors to negotiate their valuation. But the definition of what are 'reasonable' fees is left to the Council. In Southwark's redevelopment of the Heygate and Aylesbury estates it decided that a *'reasonable fee'* was £1,200[1]. The only way of challenging this is through the courts and this carries the risk of legal costs.

Most Councils also have a policy of offering to pay surveyors instructed by leaseholders directly. For obvious reasons, this is an extremely bad idea unless a leaseholder really can't afford to pay their surveyor up front and then re-coup the costs later.

It's probably not a good idea to take up the Council's offer of paying your surveyor directly unless you really can't afford to pay them upfront yourself. A surveyor is less likely to fight your corner if his paymaster sits in the opposite corner!

There are a number of 'claims-farm' type surveyor firms that specialise in representing leaseholders in estate redevelopments. These firms tend to send out unsolicited letters to leaseholders on estates earmarked for redevelopment. Whilst they may have the specialist expertise, their business models can often be based on small margins, high turnover and quick settlements.

In terms of tips on how to secure the best representation, one suggestion includes searching for a local surveyor (knowledge of the local market is important) using the RICS website then asking the surveyor to visit your home and provide a desktop valuation before formally instructing them to act for you. This way you get an idea of the surveyor's valuation and a feel for their expertise before committing to instruct them. RICS also has a search facility for finding a CPO qualified surveyor here but this doesn't let you search by area.

You may also want to ask the surveyor whether they have experience in compulsory purchase, whether they have represented other leaseholders on other estates and what settlements they achieved. You may also want to ask if they have ever taken a case to Tribunal and if so what the outcome was.

Once you have instructed a surveyor to value your home, they will draw up a detailed valuation report setting out the evidence for their valuation. They will then share this with the Council and enter negotiations on your behalf. It is a good idea to make sure your home is clean and tidy when the surveyor conducts the valuation. They will take photographs to include in the report and the perceived internal condition of the propertyis a major variable in the determination of the value.

It is advisable to help the surveyor as much as you can, by researching recent local property sales (locate similiar size properties in a similiar size block/estate of similar construction if possible). There

[1] See paragraph 65 of the 2014 Tribunal Decision - ref: ACQ/82/2013

are plenty of online property portals that provide this service for free, for example: https://www.rightmove.co.uk/house-prices.html

You can also use the Land Registry's free Price Paid Dataset to find local sales. Aylesbury leaseholders used this to find historic data showing that house prices on the estate before demolition was announced, were comparable to prices on surrounding estates. They were then able to show that the scheme had affected sales prices on the estate, thereby debunking the Council's argument that homes on the estate were less desirable than those on surrounding estates.

Note that the surveyors are required to value properties under what is called the 'No Scheme World' - i.e. as if the redevelopment were not taking place.

You can also make FOI requests to the Council for a list of prices they paid for neighbouring properties, be sure to ask for details of the size and address of the property, and completion date. Here is an example of a successful request made by a leaseholder on the Aylesbury estate.

3.2 Accepting a low valuation as a condition of re-housing

Leaseholders are often forced to accept the Council's (invariably low) valuation as part of any re-housing offer by the Council, be it re-housing as a tenant or under a shared equity deal.

Note that Council's are not lawfully allowed to do this. The Compulsory Purchase Code says that acceptance of a re-housing offer must not affect a leaseholder's right to challenge the valuation at Tribunal.

This issue was raised during the Aylesbury estate CPO public inquiry, where it was ruled that leaseholders accepting the Council's shared equity offer but didn't agree to the Council's valuation of their existing home, could accept the shared equity offer on the basis of the Council's current valuation but reserve their right to refer the matter later to the Lands Tribunal.

3.3 Referring a valuation dispute for independent determination at Tribunal

Disputing the Council's valuation in court carries a significant costs risk. Any referral to the Lands Tribunal will require both a surveyor and a barrister costing tens of thousands of pounds and should only be done if your surveyor advises this course of action.

Council's tend to hire the big gun surveyors and top brass lawyers in its court cases. If a leaseholder loses their case they are obliged to pay both their own costs and the Council's inflated legal costs. One

Aylesbury estate leaseholder spent over £50,000 in bringing his case to the Tribunal [2].

Experience in referrals of both Heygate and Aylesbury estate valuations shows that Councils are not above sharp practice. In each case Southwark Council made a 'sealed offer' to settle just days before the hearing. The sealed offers would always represent an improvement on their initial low valuation but would still fall short of the opposing surveyor's valuation.

The problem with these 'sealed offers' is that they can't be shown to the Tribunal until after the judge has determined his final valuation. If the sealed offer valuation is higher than the judge's valution then the leaseholder is forced to pay all of their own costs and all of the Council's costs, which could amount to a 3-figure sum.

The practice of making last-minute offers to increase its valuation begs the question as to why, if the Council was willing to increase its valuation, why didn't it do so at the beginning of negotiations which commenced years before the Tribunal process even commenced.

A few final words of advice

Councils often start re-housing tenants long before it even starts negotiations with leaseholders. This means that they are often left scattered as the last remaining residents in sometimes completely empty blocks.

This brings difficulties like issues with anti-social behaviour, interrupted services and disrepair. Leaseholders on the Heygate and Aylesbury estates reported leaks caused by contractors removing radiators from flats above as they were vacated and then sealed shut. There were also reports of leaks and power cuts caused by metal thieves stripping pipes and electrical wiring from half-empty blocks.

Councils tend also to not prioritise repairs in blocks earmarked for demolition. Heygate and Aylesbury leaseholders had the district heating removed from their blocks, with the Council arguing that repairs weren't viable. Clauses in the lease requiring the provision of heating and hot water meant that the Council had to install individual boilers to remaining leaseholders, but this only happened after the threat of legal action.

Some leaseholders argue that it's important not to get distracted by these issues and instead focus on securing an adequate rehousing offer. Others argue that Councils should be challenged as they are required by the terms of the lease to keep the buildings in habitable condition. Some have suggested filing formal disrepair claims via solicitors specialising in these, others have suggested writing to Council CEOs or contacting the local press or publicising on social media. Leaseholders on the Aylesbury estate found that video-enabled doorbells provided extra security. Southwark Council also eventually agreed to provide private security patrols on decant phases with severe problems.

[2] See paragraph 3 of the 2014 Tribunal Decision - ref: ACQ/82/2013

Whatever you decide, don't get bogged down with these issues. Spend the majority of your time lobbying for a better re-housing deal which is not going to see you shortchanged or displaced far away.

Also, - pace yourself! estate redevelopment schemes are notorious for being subject to delays for all sorts of reasons. Keep focused on your preferred rehousing option and be persistent in pressing for it, without it distracting too much from your everday life.

Finally, many thanks to Yacob from the South Acton estate in Ealing, Adrian from the Heygate estate and Beverley from the Aylesbury estate in Southwark who all helped put this guide together.

This guide is not meant as legal advice and should not be relied on or treated as a substitute for specific advice relevant to particular circumstances.

NB. the Royal Institute of Chartered Surveyors (RICS) publishes its own detailed guide to the compulsory purchase process, which can be found here: https://www.rics.org/uk/news-insight/latest-news/news-opinion/with-infrastructure-on-the-rise–new-rics-compulsory-purchase-guide-published-to-inform-property-owners/