

Kingsbridge Estate

Options Appraisal-Fourth Round of Consultation

Leaseholder Information – February 2022

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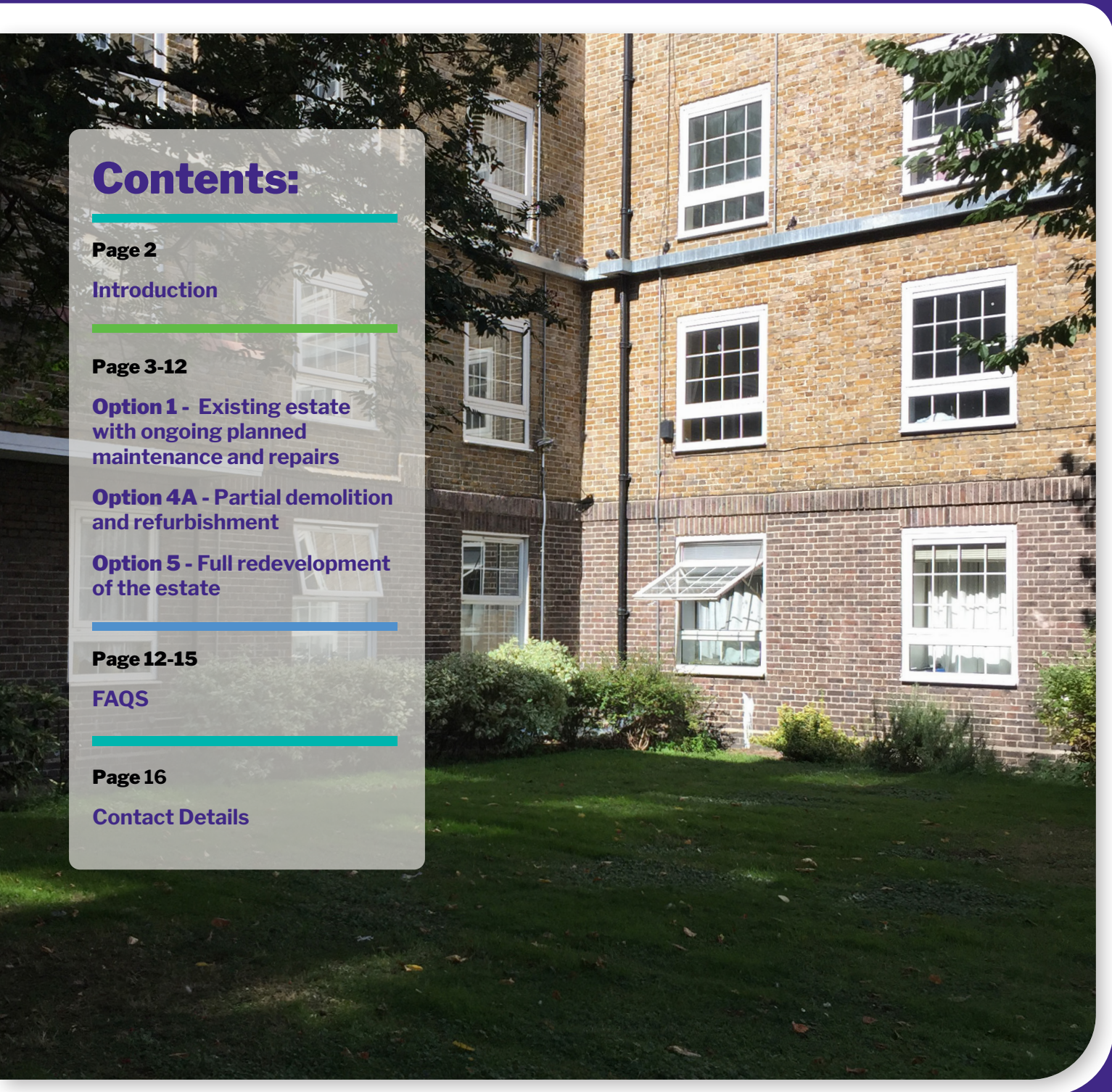
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Introduction

Since 2019 we have been consulting with the Kingsbridge Estate community about the possibility of making changes to the estate through regeneration.

We have been working through a process known as an options appraisal, which narrows down a variety of regeneration options based on resident feedback, financial viability and planning policy requirements.

The options appraisal process began with five options that ranged from leaving the estate as it is at the

moment, through to full demolition and rebuilding the estate.

Throughout the previous rounds of consultation, the options have been narrowed down to three which have been presented in the Cycle 4 consultation booklet delivered to residents in November 2021.

The remaining options are:

Option 1 – Existing estate with ongoing planned maintenance and repairs

Option 4A – Demolish & replace Michigan House and refurbish Montrose House and Montcalm House

Option 5 – Everything changes: demolish and replace all blocks with newly constructed buildings

We have now reached a stage in the process where we are able to provide leaseholders with some more specific information on how these remaining options could affect them. This booklet is intended to provide you with that information and to encourage further discussion on how these possible options could work for the existing leaseholders of the Kingsbridge Estate.

Everything in this booklet should be considered a proposal at this stage and could change depending on further

analysis and feedback received from the community.

In addition to resident feedback, the remaining options will be subject to further viability testing (checking the proposals meet planning regulations, checking costs and community benefit), with the intention of selecting a final preferred option for regeneration in the Spring of 2022. This option will then be put to a resident's ballot. Before the ballot a 'Landlord Offer' will be sent to all residents, which would

contain information and commitments on what you can expect from One Housing should the regeneration go ahead.

This document should be read alongside the Cycle 4 consultation booklet

which explains the proposals in more detail. Over the next few pages, we will summarise the three remaining options, highlight key considerations and detail the proposed offers to be made to leaseholders.

Proposals **Option 1**

In this option there would be no immediate upgrades or changes to the estate but One Housing would continue to work to improve the

existing repairs and planned maintenance service. Planned maintenance to the buildings would happen in the long-term through

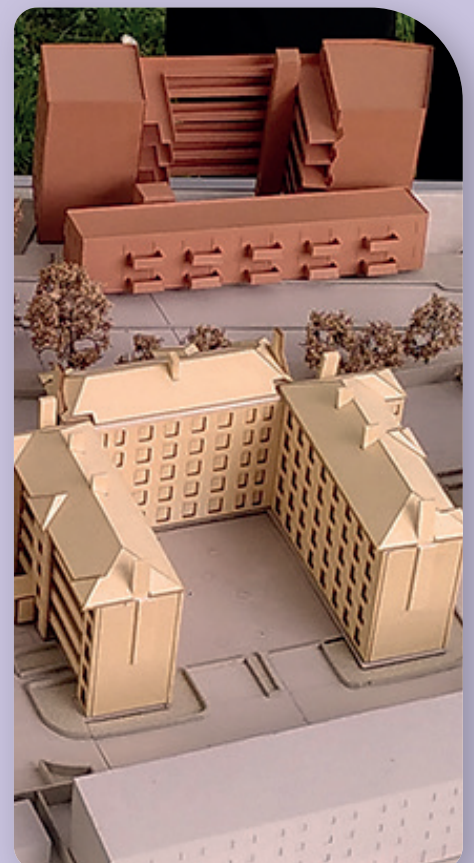
a 30-year planned maintenance strategy. For both resident and non-resident leaseholders it would be 'business as usual.'

Proposals **Option 4A**

In this option Michigan House is demolished and replaced with a new building built to current construction and housing standards. Montrose House and Montcalm House are refurbished. Additional new homes would be required to pay for the new replacement homes and refurbishment. The residents of Michigan House would be temporarily re-housed elsewhere while their block is demolished and will have a right to return

to the new building once complete. Residents from Montrose House and Montcalm House would then be temporarily moved into the new building to allow their blocks to be refurbished.

The following paragraphs detail key considerations and proposed offers for leaseholders in Michigan House, Montcalm House and Montrose House relating to the Option 4A proposal.



Key considerations for resident leaseholders in Michigan House **Moving away**

Resident leaseholders in Michigan House would need to move out so that the building can be demolished, and a new block constructed

in its place. Resident leaseholders would then have the option to return to a new property in the new building. We would likely cover

the cost of resident leaseholders' temporary accommodation while the new block is being constructed.

Key considerations for all leaseholders of Montcalm House and Montrose House. **Legal consent would be required from all leaseholders of homes to be refurbished**

The refurbishment items shown in the cycle 4 consultation booklet (other than those highlighted in green) require unanimous agreement from both resident and non-resident leaseholders to be taken forward. This is because

we would require your consent to enter your homes and carry out the works that would affect and benefit the entire building. What this means is that we would require all leaseholders with properties in Montcalm House and Montrose

House to agree in writing for the works to take place before this could be considered. This written consent would be required prior to a preferred option being taken to ballot.

Requirement to move away for all leaseholders of homes to be refurbished

We expect that resident leaseholders in Montrose House and Montcalm House may have to move out for the refurbishment works to take place, particularly residents on the top floors of these buildings. Resident leaseholders

in Montrose House and Montcalm House would be offered temporary accommodation in the new Michigan House for the period during which their homes are uninhabitable, we expect we would be able to cover the cost of the rent.

Non-resident leaseholders of Montrose House and Montcalm House would be responsible for ensuring their properties are vacant for the refurbishment works to take place.

Key considerations for all leaseholders in all blocks

Time Scale

If this option is taken forward, we expect an estimated time scale to be as follows:

- Resident ballot – Summer 2022
- Detailed design & Planning Application – September 2022 – September 2023
- Target date for demolition of Michigan House – Early 2024
- Target date for completion of new Michigan House – 2026

- Refurbishment and roof extensions to Montrose House and Montcalm House – 2026-2028.

The full length of time for Option 4A to be completed will be approximately 6 years from now, and all of the time scales noted here are estimates.



Proposed offer for non-resident leaseholders in Michigan House

In this option, you would be able to sell your property to us for the full open market value (plus a 7.5% statutory home loss payment), as determined by an independent surveyor who is a member of the Royal Institute of Chartered Surveyors. We will also reimburse you for the reasonable cost of your own independent valuer, legal

fees, stamp duty, financial advice and removal costs. Reimbursed costs to be agreed before they are incurred through the provision of quotes. You will not be automatically entitled to a property within a new development, although you could purchase a new property on the open market once the development is complete.



Proposed offers for resident Leaseholders in Michigan House (Outright sale)

One Housing will purchase your property for the full open market value (plus a 10% statutory home loss payment), as determined by an independent surveyor who is a member of the Royal Institute of Chartered Surveyors. We will also reimburse you for the reasonable cost of your own independent valuer, legal fees, stamp duty, financial advice

relating to the sale and removal costs. Reimbursed costs to be agreed before they are incurred through the provision of quotes. If you take this option, you would not be automatically entitled to a property within the new development. The buyback process must commence at least 18 months before the expected start on site date.

Full Ownership Through an Equity Loan

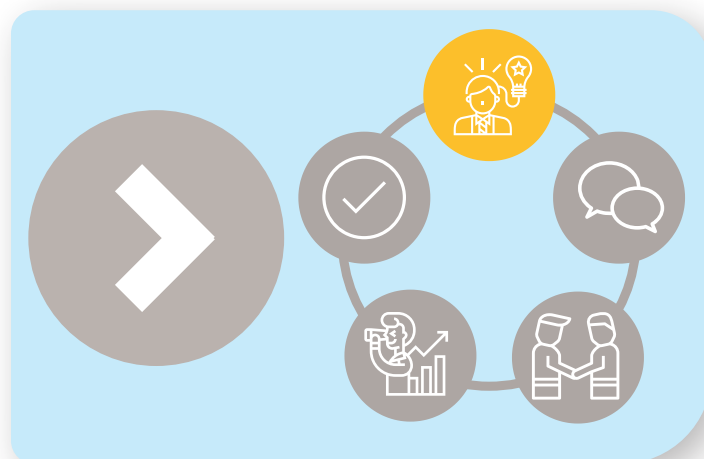
This option allows you to gain full ownership of a new home within the development with an interest free loan arrangement with One Housing if required (an equity loan). You invest the full market value of your current home, plus your 10% home loss payment (less £7,100 that can be retained – this being equivalent to the tenants home-loss payment) into a new property within the upcoming development area.

You must invest the full value of your property, less any mandatory deductions from the agreed value (for service charge arrears or other personal debts for example) and any existing mortgage must be ported across.

You will not pay any rent on the remaining equity. One Housing will fund the difference in value and secure it against the value of the property

(in effect an interest free loan). If the property is sold in the future One Housing would be entitled to receive the same proportion of sale revenue as they originally provided. The lease may be passed on once to an immediate family member as a succession.

At the point of a second succession One Housing's share of equity must be repaid through the sale of the property.



Gain partial ownership of a new home within the development with One Housing as partner (Shared ownership)

This option allows you to part own and part rent a newly built home within the new development. This option is for homeowners who wish to have the option to 'buy out' One Housing's equity share over time.

You will be asked to pay rent on the unpurchased portion of the property up to the lower of 50 per cent of the value of the new property, or the full market value agreed for your existing property.

You will be required to invest your full home loss payment, in order to get as close as possible to either of the two

above thresholds (whichever is the lower). You are required to purchase a minimum of 25 per cent of the value of the new property.

Rent will be charged at 2.75% on the difference between the share purchase price and the full market value or 50% of the value of the new property, whichever is lower. Any existing mortgage must be ported across to the new property.

You can pay off a proportion (or all) of One Housing's share at any time, subject to a market evaluation at that time. This is often referred to as 'staircasing'.

Proposed offer to leaseholders of Montrose House and Montcalm House

Cost to all leaseholders of homes to be refurbished

If this option were to be taken forward, One Housing proposes to absorb 100% of the cost of the refurbishment works that would be required, and neither resident leaseholders nor non-resident leaseholders would be required to contribute financially to the cost of the refurbishment works.

You would however, be required to give One Housing signed consent to access your property to complete the works.



Option 5

In this option all blocks are demolished and replaced with new blocks built to current housing standards.

Additional new homes would be required to pay for the new replacement homes. If the existing blocks are demolished, the resident leaseholders will have several options available to them - depending on whether they wish to return to a new home on the regenerated estate or wish to move

away permanently. The options typically offered to resident leaseholders are set out below. Non-resident leaseholders are typically offered the opportunity to sell their property to the housing association at an open market value and more information on this can also be found in the section below.

Key considerations for non-resident leaseholders

Compensation

Non-resident Leaseholders are entitled to a statutory home loss payment of 7.5% of the market value of their property.



Key considerations for resident leaseholders

Requirement to Move Away

All existing resident leaseholders would be required to move out of their existing homes. Resident leaseholders in Michigan House would need to move out for the duration of the first phase of construction until the new Michigan building has reached completion. Residents would have the option to return to a new property in the new Michigan building.

Resident leaseholders in Montrose House would need to move out prior to the second phase of construction. Residents would have the option to move into the new Michigan building or may be able to return to a new property in the replacement Montrose building

upon completion of the works.

Resident leaseholders in Montcalm House would need to move out prior to the third phase of construction.

Residents would have the option to move into one of the newly constructed buildings or may be able to return to a new property in the replacement Montcalm building upon completion of the works.

We intend to phase the project in a way that resident leaseholders can move straight into a new home. If this is not possible, we will discuss the options available to the affected resident leaseholder on a case-by-case basis.

Compensation

Resident leaseholders are entitled to a statutory home loss payment of 10% of the market value of their property.



Key consideration for all leaseholders

Time Scale

If this option is taken forward, we expect an estimated time scale to be as follows:

- Resident ballot – Summer 2022
- Detailed design & Planning Application – September 2022 – September 2023
- Target date for demolition of Michigan House – Early 2024
- Target date for completion of new Michigan House – 2026

- Demolition of existing Montrose House construction and completion of new Montrose House – 2026-2027
- Demolition of existing Montcalm House construction and completion of new Montcalm House – 2028-2029

The full length of time for Option 5 to be completed would take approximately 7 - 8 years from now, and all of the time scales noted here are estimates.

Proposed offer for non-resident Leaseholders

In this option, you would be able to sell your property to us for the full open market value, as determined by an independent surveyor who is a member of the Royal Institute of Chartered Surveyors plus a 7.5% statutory home loss payment.

We will also reimburse you for the reasonable cost of your own independent valuer, legal fees, stamp duty, financial advice and removal costs. Reimbursed costs to be agreed before they are incurred through the provision of quotes.

You will not be automatically entitled to a property within a new development, although you could purchase a new property in the open market once the development is complete.



Proposed offer for resident Leaseholders

Outright sale

One Housing will purchase your property for the full open market value (plus a 10% statutory home loss payment), as determined by an independent surveyor who is a member of the Royal Institute of Chartered Surveyors.

We will also reimburse you for the reasonable cost of your own independent valuer, legal fees, stamp duty, financial advice relating to the sale

and removal costs. Reimbursed costs to be agreed before they are incurred through the provision of quotes.

If you take this option, you would not be automatically entitled to a property within the new development.

The buyback process must commence at least 18 months before the expected start on site date.

Full Ownership Through an Equity Loan

This option allows you to gain full ownership of a new home within the development with an interest free loan arrangement with One Housing if required (an equity loan).

You invest the full market value of your current home, plus your 10% home loss payment (less a % equivalent to tenants home-loss payment that can be retained) into a new property within the upcoming development area.

You must invest the full value of your property, less any mandatory deductions from the agreed value (for service charge arrears or other personal debts for example) and any existing mortgage must be ported across.

You will not pay any rent on the remaining equity. One Housing will fund

the difference in value and secure it against the value of the property (in effect an interest free loan).

If the property is sold in the future One Housing would be entitled to receive the same proportion of sale revenue as they originally provided.

The lease may be passed on once to an immediate family member as a succession. At the point of a second succession One Housing's share of equity must be repaid through the sale of the property.



Gain partial ownership of a new home within the development with One Housing as partner (Shared ownership)

This option allows you to part own and part rent a newly built home within the new development. This option is for homeowners who wish to have the option to 'buy out' One Housing's equity share over time.

You will be asked to pay rent on the unpurchased portion of the property up to the lower of 50 per cent of the value of the new property, or the full market value agreed for your existing property.

You will be required to invest your full home loss payment, in order to get as close as possible to either of the two above thresholds (whichever

is the lower).

You are required to purchase a minimum of 25 per cent of the value of the new property.

Rent will be charged at 2.75% on the difference between the share purchase price and the full market value or 50% of the value of the new property, whichever is lower.

Any existing mortgage must be ported across to the new property. You can pay off a proportion (or all) of One Housing's share at any time, subject to a market evaluation at that time. This is often referred to as 'staircasing'.

FAQs

If a demolition option is taken forward and I choose an option to return to a new home on the estate, will I be guaranteed a new home with river views, if I have one already?

We intend to provide the same views that you currently have unless you chose to move to another location. This will be addressed through the stage where we design the new homes with you in more detail.



What if I don't want to sell you my home?

In the event that a leaseholder does not come to agreement about the sale of their property, we will pursue Compulsory Purchase Order (CPO) as a last resort.

We would need to request this from the local authority as housing associations are not able to authorise a CPO.

Properties that are purchased through a CPO are not eligible for a home loss payment.

However, all reasonable attempts will be made to come to an agreement with a leaseholder before this route is considered and it would only be implemented if necessary.

I am not interested in any of these options, would One Housing purchase my property now?

If you are interested in selling your property, please let us know and we can discuss this on an individual basis with you.

However, you would not be entitled to the statutory compensation (7.5%-10%)

if you choose to sell your home before the regeneration ballot.

The compensation would be applicable to sales for which negotiations begin after a positive ballot.

I have made improvements to my home; will I be compensated for this?

In an option that includes the demolition of your home, any improvements that have been made will be taken into account when calculating the property's

value for both outright sale and shared equity options. Any valuations will be independently assessed and verified.



Will my service charge go up because of either of the potential options for change?

Probably. At this moment we can't say by how much because we don't know which option residents will choose.

New services such as a lift, CCTV or a door entry system, whether in a refurbished block or in a new block, could possibly lead to an increased charge.

One Housing will keep any increases as low as possible and residents will

be involved in deciding on what the option will be and what services will be provided.

Having said that, any refurbished or new homes should use less energy, which means energy bills may decrease.

We will provide an estimate of service charges before the ballot on the preferred option and we would gradually introduce any increase over three years.

Will my council tax go up because of the regeneration?

Probably. If the regeneration increases the value of your home, then this could lead to an increase in council tax.

Any new buildings constructed as

part of a regeneration option are likely to have a higher council tax than the current homes.

On other projects, One Housing has committed to pay some of the extra costs for the increased cost of council tax during the first three years for tenants, does this apply to resident leaseholders on the Kingsbridge Estate for both options 4a and 5?

The landlord offer document for Kingsbridge Estate has not been written yet, but we would expect that the same or similar principles will apply across our island projects.

One Housing

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Riverside



Who is eligible to vote in a resident ballot for regeneration?

The eligibility requirement for voting is set by the Mayor of London's office; The Greater London Authority (GLA).

Eligible voters are as follows:

- Social tenants named on the tenancy agreement.
- Resident leaseholders who have been living in their properties as their only or principal home for at least one year prior to the date the Landlord Offer is published and are named on the lease or freehold title for their property. This means that a household with a joint lease gets two votes and a sole lease one vote.
- Any resident whose principal home is on the estate and who has been on the local authority's housing register for at least one year prior to the date the Landlord Offer is published.

Non-resident leaseholders are not eligible to vote.

Because the voter eligibility is set by the GLA, One Housing cannot set the voter eligibility criteria for their regeneration ballots.

How will market value of leaseholder properties be calculated? When will this be completed?

The full open market value would be determined by an independent qualified surveyor at the time of negotiation which will be after the ballot but could be before planning permission is granted. The independent surveyor must be a member of the Royal Institute of Chartered Surveyors (RICS). Leaseholders can commission their own

valuation from a qualified independent surveyor if they wish (providing the surveyor is a member of RICS) and One Housing would cover the cost of this. Quotes need to be obtained and agreed with One Housing beforehand.

As a resident leaseholder, will I have the option to purchase a One Housing property, away from the estate?

The vast majority of the homes we own are affordable homes, the social housing regulator does not allow us to sell these on the open market because it would be taking away from the numbers of affordable homes in London. However, we do have some properties within our stock that are available for sale and we are happy to have conversations with individual leaseholders about what their preferences are and will do what we can to accommodate these where possible.

These principles and FAQs in this booklet are a starting point, and we understand that all leaseholders will have a unique set of personal and financial circumstances that need to be taken into consideration when discussing any proposed regeneration. As we move forward to a ballot and afterwards, we will meet with all leaseholders on an individual basis to discuss this.

All information contained in this booklet should be considered a proposal at this stage and does not constitute a full and final offer from One Housing.

The full and final offer will come in the form of the 'Landlord Offer' booklet that will be delivered to all residents shortly before the regeneration ballot.

Contact information

Please contact the project team to discuss the project, it would be great to hear from you:

One Housing

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Ken Okonkwo

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New Mill Consultants and Mike Tyrrell

Christine, Rob and Ifte from New Mill Consultants are the independent advisors. They are available to speak to you and we have provided the contact details for all three advisors below.

Christine Searle: 0776 442 1981 or

Rob Lantsbury: 0796 153 2761 or
Rob.lantsbury@newmillconsultants.com

Ifte Ahmed: 0794 656 6401 or
ifte@bia-consultants.com

Freephone:

0800 0304 588

Resident Advocate

Mike Tyrrell is the resident advocate that has been appointed to the project to support residents and represent their views and opinions. Mike can be reached on 0795 822 5416 or
mike@puttingresidentsfirst.co.uk

If you face any barriers that make sharing your opinion difficult, please make any of the project team aware of this and we will do all we can to support you.

Ifte from New Mill consultants speaks Sylheti, Bangla and Hindi. If you need translation in any other language, or know a neighbour that does, please let us know.

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