

Homeowner's Buyback (Early Acquisition) Frequently Asked Questions (FAQ's)

Autumn 2013

www.southwark.gov.uk

General FAQ's:

Q1. Will you process the applications as they come in or you are going to wait the 1st November?

A. We will start with an administrative process of checking the applications as they come in but no one will be disadvantaged if they do not submit and accept their valuation until the 1st November. All applicants have up to this date to send back the documentation.

Q2. When will applicants who want to accept their offer be told whether or not they are going to be bought back?

A. Applicants not requiring re-housing will, if they have accepted the Council's offer, generally be advised as soon as possible after the 1st November that the Council is willing to purchase their properties (subject to the successful completion of legal processes).

Q3. Do applicants have to return their notices of intent back to Creation?

A. All forms must be returned directly to the Council using the freepost address that has been provided. Alternatively forms can be brought to the Area Office under the Taplow block.

Q4. Can these forms be emailed to the Council?

A. We are aware that some individuals have emailed their signed Notice of Intention and these have been accepted. We would recommend that you follow the advice set out in Q3 above.

Q5. Will the Council be providing solicitors?

A. No. Leaseholders will need to provide their own solicitor / lawyer, but the Creation Trust is available for independent advice, and Council officers can direct you to independent agencies who can give you advice on this matter.

Q6. Why do you want the name of lawyer so soon in the process?

A. If you have accepted the valuation, it is important that we have the name of your solicitor / lawyer so that we can send them any relevant paperwork to discuss with you.

Q7. What is the difference between the notice of intent date and completion date?

A. The notice of intention is simply telling us that you wish to accept the valuation. The completion date relates to the actual day on which the legal process of buying your property is completed, and you physically leave the property.

Q8. Can I negotiate the valuation price?

A. The valuation price is not negotiable.

Q9. Will applicants who don't accept the offer be made homeless by the Council?

A. No. If you do not wish to accept the valuation and do not return the documents, we will assume that you no longer wish to participate in the early acquisition scheme. You will not be required to leave your home.

Q10. Will applicants have to leave their properties by 30th January 2014?

A. Whilst we are keen for this process to be completed as quickly as possible, we are aware of some of the difficulties that can arise. The Council will not force anyone to leave their property on 30th January.

Q11. What will happen if applicants have not yet finished repaying major works or other charges?

A. The Council will deduct all monies owed, from the money paid to the leaseholder when the purchase is completed. For example;

Value of property		£100,000
Homes Loss		£10,000
Reimbursement of legal fees		<u>£500</u>
		£110,500
Less service charges outstanding	£1,000	
Council Tax outstanding	<u>£500</u>	<u>£1,500</u>
Net sum payable on completion		£109,000

Q12. Will the Council pay any Stamp Duty Land Tax (SDLT) due on surrender?

A. Yes. SDLT is the responsibility of the purchaser. (In this case the Council)

Q13. If the Council are paying a contribution towards the costs of a related purchase, will the council also pay a contribution towards the costs of renting i.e.: agents fees / deposit etc?

A. Yes, if you are renting, or gaining re-housing assistance via the Council then such costs can be agreed, but they must be reasonable.

Q14. As SDLT is payable only on the property element of the consideration, would it be possible to apportion (divide up) the amount paid for the property from that paid for carpets and other fixtures and fittings etc?

A. The Council will meet the SDLT on the purchase, but it is not appropriate to apportion further.

Q15. Can you clarify what contribution tenants will be expected to pay towards works scheduled / completed / billed – the service charge team should be able to prepare this per property

A. The Council have agreed that where a service charge has been billed (and is still outstanding) it has to be paid in full when the property is bought back - but if the charge has not been billed at the time of the buy back then it will not be raised.

Re-housing and moving FAQ's:

Southwark can assist up to a maximum of 15 resident homeowners with re-housing assistance as part of the 'early buy back' scheme. We have a record of those who have expressed an interest

Q1. What does re-housing support mean?

A. Resident homeowners can apply for help via this programme, to see if they qualify to find a new home from the Council (as either a tenant or shared owner). A financial assessment is made to determine who may be eligible.

Q2. Will applicants be re-housed if they accept the valuation?

A. Yes. If an applicant is assessed as qualifying for re-housing assistance, they will be re-housed.

Q3. Can I become a tenant?

A. This will depend on the financial circumstances of applying applicants and the outcome of any re-housing assessment

Q4. When will applicants know if they are one of the 15 selected for re-housing assistance?

A. After all of the applications have been received on the 1st November, we will make an assessment of those who have requested re-housing assistance. You will generally be notified by the 30th November.

Q5. Can applicants that did not apply for re-housing assistance do so now?

A. No. We will not be able to accept any retrospective applications at this stage.

Q6. If I'm eligible for re-housing assistance, can I stay in my property when the council buys it back?

A. No. You will be required to leave.

Q7. If I get re-housed by the council does this affect my valuation?

A. No.

Q8. Can I get re-housing assistance if I don't live in the property?

A. No

Q9. Will applicants have the right to stay within the Walworth area if they are eligible for re-housing through the Council?

A. Successful applicants will be placed on the Council's choice based letting scheme, were they are able to bid on properties in their preferred areas.

Q10. What are disturbance costs?

A. This is a payment that covers reasonable expenses which may have occurred as a direct consequence of the Council's purchase of the property. E.g. Installation of washing machines, telephone reconnections etc. You will need to provide a VAT receipt.

Q11. Why does the Council only pay out 10% or 7.5% compensation to applicants?

A. This is a statutory payment, and the figure is set according to whether you are a resident or non resident leaseholder.

Q12. Will applicants have to leave their curtains behind?

A. No.