

Appendix 2

Homeowners report

Homeowners report

Summary

1. This report is based on a survey conducted on over 100 owners of leasehold and freehold properties on the Aylesbury Estate.
2. The survey was carried out in October 2012 and the findings of the survey indicate that:
 - In the region of 30% of these properties are owned by investors
 - Of the resident leaseholders over 62% are interested in selling back their properties now
 - One third of these owners are over 60 years old
 - Many owners may need some kind of support in finding new homes, due to either their age or their financial position or both.
3. The detailed analysis of the survey results are set out in this report and the appendices and are as recorded in October 2012.

Introduction

4. The Aylesbury Estate was built between 1966 and 1977 and initially consisted of 2,750 units for social rent, distributed within blocks of differing sizes on 28.5 hectares of land.
5. In 1980 the Government introduced Right to Buy legislation allowing council tenants the right to buy their council home.
6. During the 1980s, 1990s and 2000s around 500 residential units on the estate were sold to tenants. In 1997 the discount available to tenants was reduced and the number of tenants exercising this right has been in slow decline since this time.
7. At the start of the Aylesbury regeneration in 2007, there were 510 leasehold and freehold owners on the estate.

8. In order for the estate to be regenerated it is necessary for all of these properties to be purchased and the council has approached this by purchasing properties as they became part of active phases and through early buy back (out of phase) schemes.
9. In 2006 the council took the decision to acquire all 24 leasehold interests in phase 1a with an additional 7 hardship cases on the wider estate. There have been two further schemes agreeing the early acquisition of interests on the estate before the buy back phasing plan of the Aylesbury Area Action Plan (AAP) became policy. An accelerated scheme where 28 units were purchased in the financial year to March 2009 and a second scheme where 50 units were acquired in the financial year to March 2010.
10. The council has paid the owners the market value of their property, home loss and their reasonable disturbance costs.
11. The current government has introduced new discount thresholds that are likely to make Right to Buy more attractive to council tenants. The council is proposing to limit the impact of this on the estate by issuing demolition notices on phases 2 and 3 (that will deter further Right to Buy completions in these phases).
12. The council is considering introducing a new early buy back scheme in 2013, which will be targeted towards allowing older and more vulnerable owner occupiers the option of moving out of phase.

Objectives and methodology

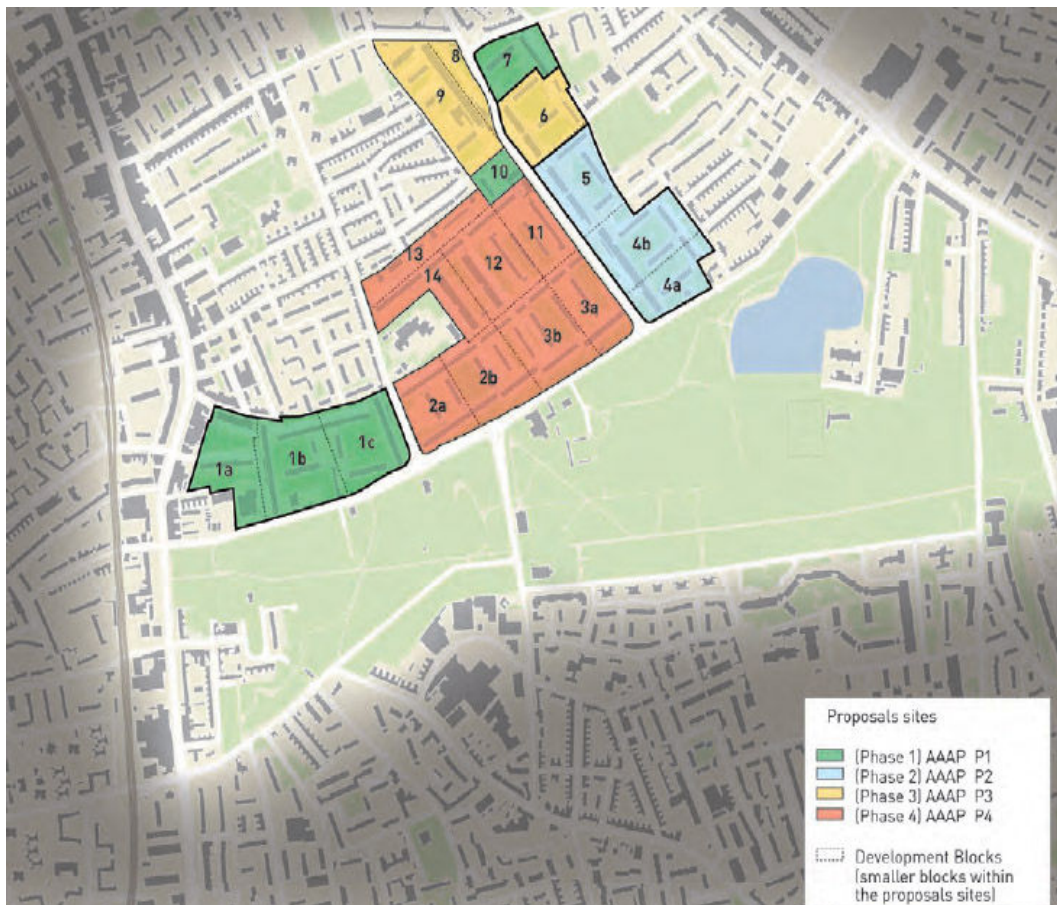
13. To help with planning of the buy back of leasehold interests, the council wanted more information about the homeowners on the Estate and whether an early buy back scheme would be attractive to them.
14. A postal survey was carried out in partnership with the Creation Trust in October 2012.
15. There were two aspects to this survey:

- Quantitative - for example how many leaseholders and freeholders were owner occupiers and the average outstanding mortgage
 - Qualitative - for example where residents would wish to move.
16. The questionnaire is attached at annex 1.
17. The objectives of the survey was to explore and understand the following:
- The overall interest in early buyback
 - The balance between resident homeowners and investors
 - Age profile of residents in each phase
 - Re- housing need including preferred location
 - Identification of re-housing need
 - Preferences on housing options
 - Average outstanding mortgage.
18. The survey was sent out by post to all 379 leasehold and freehold properties listed on the council internal database.
19. 106 surveys in total were returned. This represents a 28% sample and this level of response may be considered representative of the views across the estate.
20. The survey results were collated by the council and Creation Trust members. These members also contacted some of the homeowners who had not completed the survey, explaining the importance of a representative view and offering to carry our surveys over the phone or in person.
21. The charts below show information in respect of the following areas based on questions from the questionnaire:
- Distribution of ownership
 - Distribution of owners that completed the survey

- Residency of owners
- Period of ownership
- Age of owners and financial position
- Early sale to the council.

Background information

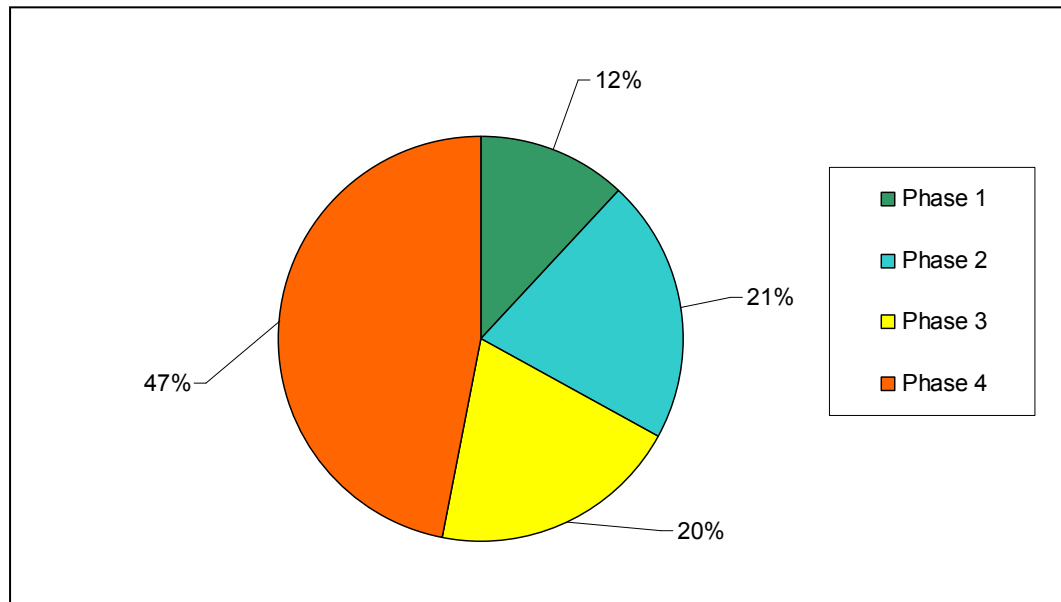
22. The council's database shows that out of these 379 units, 278 (73%) are occupied by resident homeowners and 101 (27%) owned by investors. This analysis is based on whether the service charge bills are sent to the property or another address.
23. The estate is divided into four phases in the AAAP and this report follows these phases shown below:



24. The freehold and leasehold distribution across the estate can be seen in the table below. There are six freeholds.

Phase	Leaseholds	Freeholds	Total units
Phase 1	46	0	46
Phase 2	81	1	82
Phase 3	69	0	69
Phase 4	177	5	182
Total	98.4%	1.6%	379

25. The chart below shows the distribution of non- council owned residential properties on the estate by phase according to the council's service charge database:



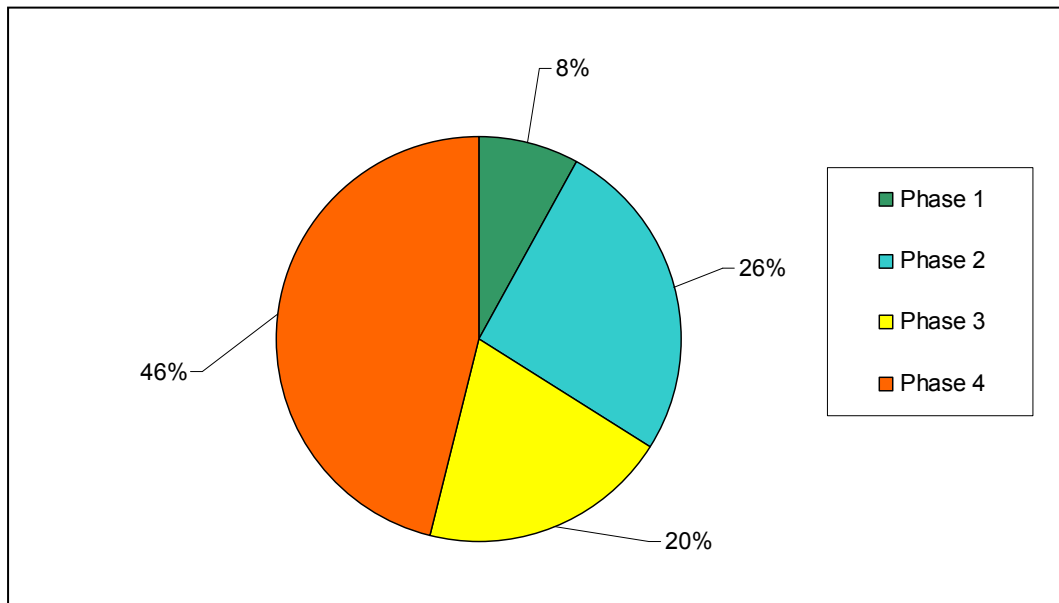
Distribution of ownership

26. The majority of non-council owned properties are in phase 4.

27. The distribution of ownership by block and phase is set out at annex 2.

Distribution of ownership

28. The chart below shows the distribution of the leaseholders and freeholders who completed the survey. This shows that the return was representative across all phases.

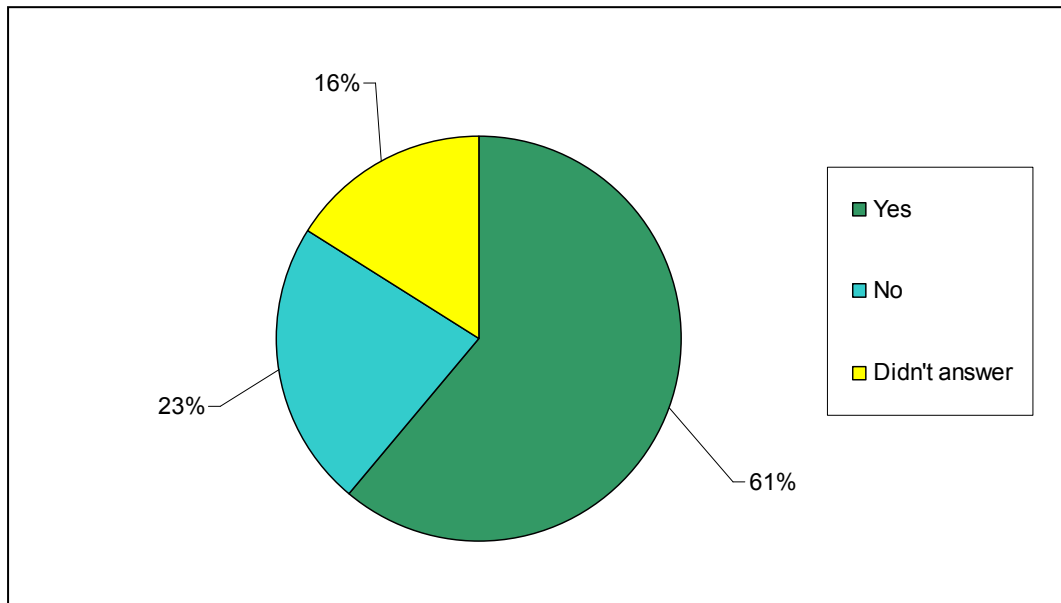


Distribution of owners that completed the survey

29. The highest response rate to the survey was from phase 4 with 46% of the people completing the survey. This is also the largest phase on the estate. It is different in character to the rest of the estate in that it has the lowest density with no large barrier blocks.

Residency

30. The chart below shows residency of owners. 61% of respondents stated they live in their property, 23% are not the residents and the remainder (16%) did not respond to this question, which could indicate they're investment properties.

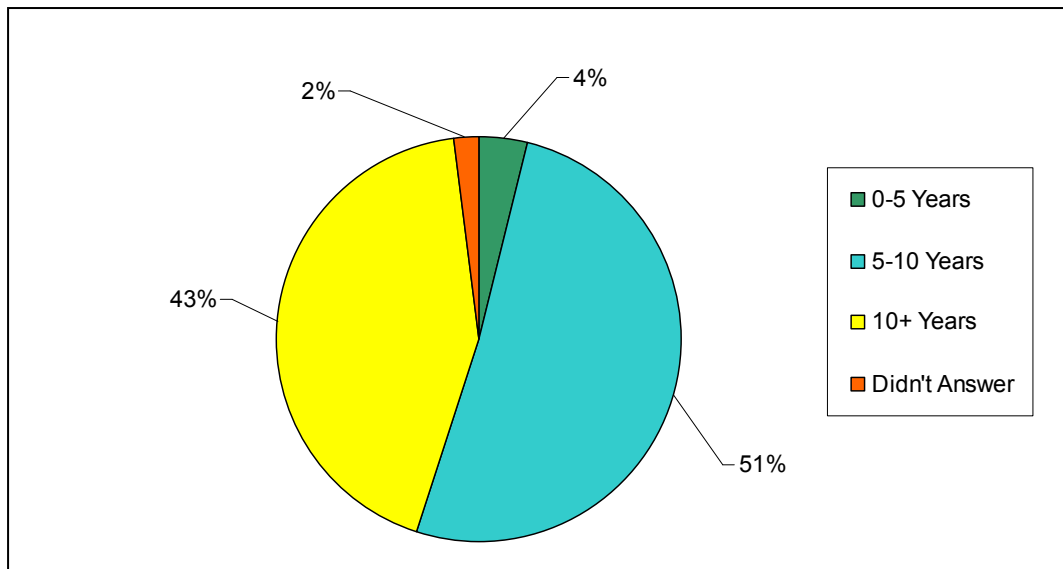


Residency of homeowners

31. This chart above may indicate that there are more investors on the estate than the council's records would seem to suggest (i.e. up to 39%).

Period of ownership

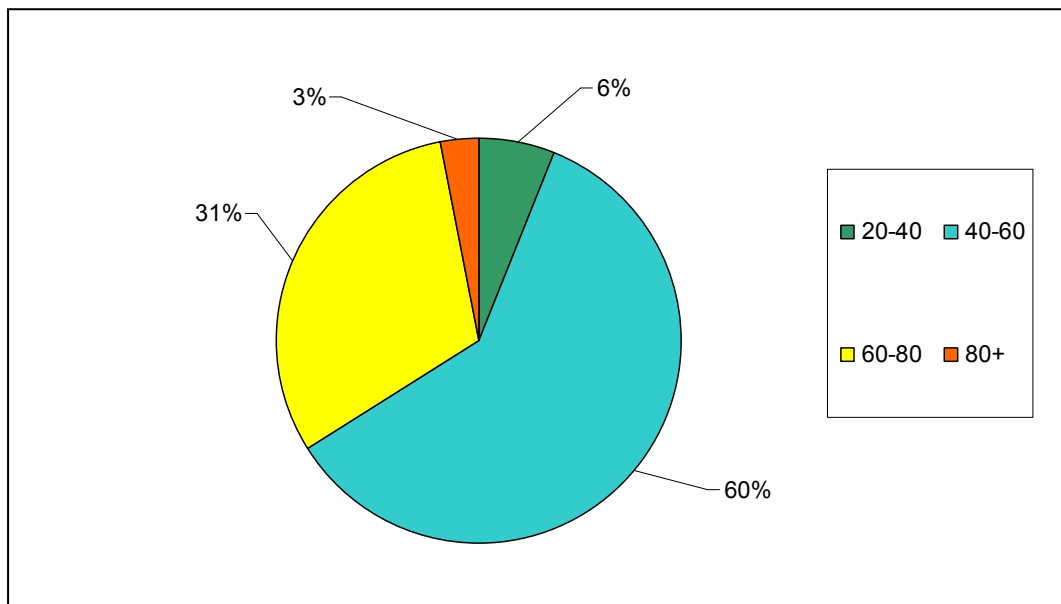
32. Over 90% of homeowners have owned their properties for over five years.
33. Just over half (51%) have owned their property for between five and ten years.
34. Although Right to Buy purchases have declined in the last 15 years, this group of homeowners may include people that bought their property on the open market from the original Right to Buy owner or even third or fourth hand. Some of these people are clearly investors buying to let and these sales have added to the numbers of investor owners on the estate.



Period of home ownership

Age of owners and financial position

35. The age spread of the respondents shows that 94% are over 40 years old and 34% are over 60 years old. The group of owners over 60 years old are more likely to require additional help with re-housing.



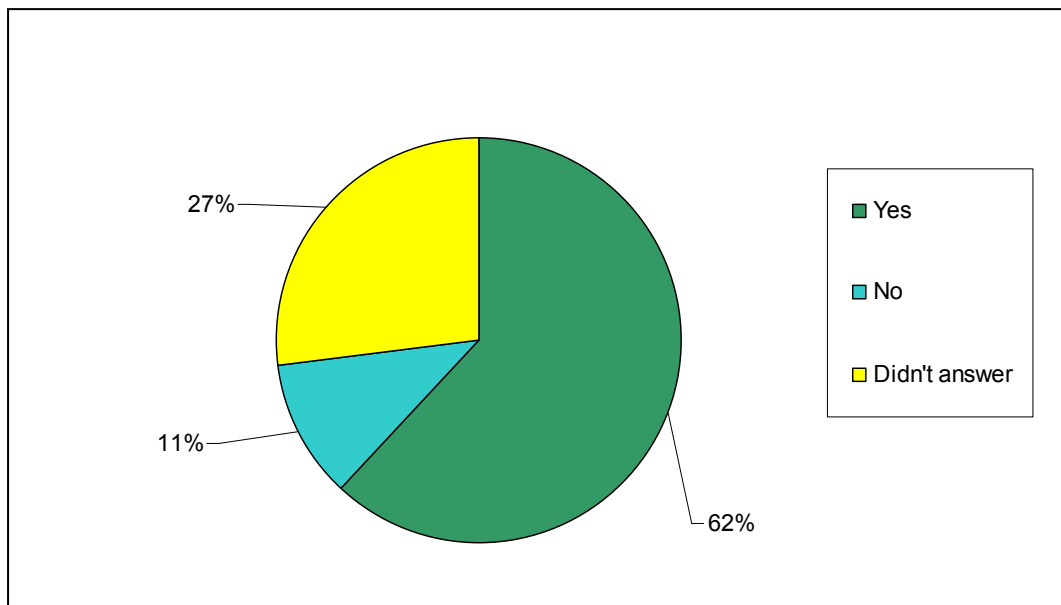
Age of homeowners

36. The average outstanding mortgage amount (for those who provided this information) is approximately £100,000 with 15 years remaining. This amount

is relatively high as a proportion of the market value of their properties and could indicate that the average homeowner only has a small amount of equity in their property.

Interest in moving

37. When asked if they would like to sell their property to the council now, an average of 62% of the owners wishes to sell their property to the council ahead of the phasing plan. 68% of homeowners in phase 4 said yes to move earlier and 71% in phase 2 said yes to moving earlier.



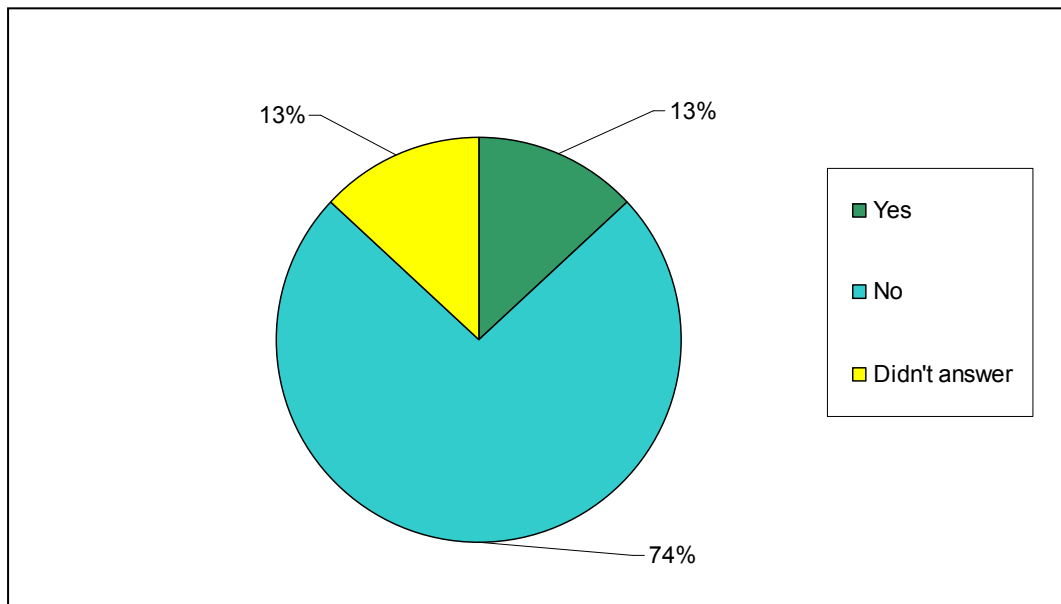
Early sale to the council

38. 11% did not want to be purchased at all.
39. A more detailed breakdown of responses from each of the phases in respect of all these areas as set out in annex 3.

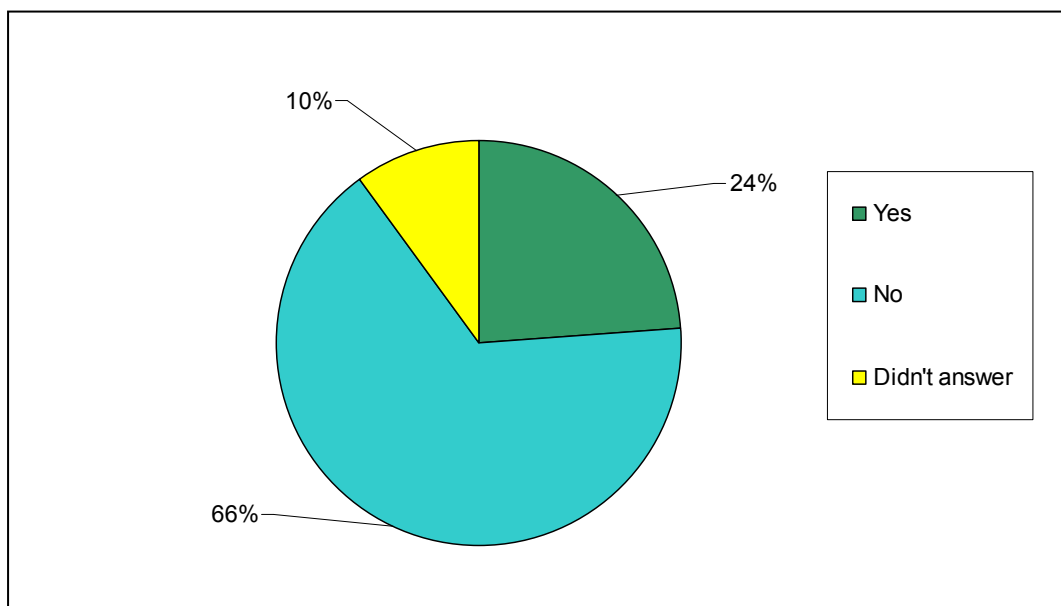
Housing needs

40. When asked where they would like to move, 64% of respondents wanted to stay in Walworth or Southwark and 36% wished to move out of Southwark.

41. The investors and resident homeowners were asked if they would consider buying a shared ownership property, where you pay rent on the share you do not own:



Attractiveness of shared ownership



Attractiveness of shared equity

42. The charts above would seem to demonstrate that although currently there is a low level of interest in shared ownership or shared equity products (possibly due to lack of familiarity) there is marginally more interest in the later.

Annex 1

Address of your property					
Your name(s)					
Your contact details	Tel: Email:				
Do you own the property	Yes	No	Are you the occupier?	Yes	No
How long have you owned your property?					
How old are you?					
Are you retired?	Yes	No	Do you have a mortgage?	Yes	No
If so, approximately how much is it for?	£		How many years are left on your mortgage?		
Where would you most like to live when you move?	In Walworth?	Elsewhere in Southwark?			
What else will be important to you in considering a new home? E.g. Ground floor? Does it need to be adapted for the less mobile? <i>Write your answer in the box below</i>					
Would you consider taking out a mortgage on another property?	Yes		No		
Would you consider buying a new property on a shared ownership basis ? (a scheme where you own a percentage of the property and pay rent and service charge on the remainder)	Yes		No		
Would you consider buying a new property on a shared equity basis ? (a scheme where you own a percentage of the property and there is no rent but where any increase in value will be shared with the landlord)	Yes		No		
It is current policy to buy back leasehold interests only in the active phases of the redevelopment programme. If it was possible to buy you out earlier , would you be interested?					
Are you interested in finding out more about the Creation Trust?				Yes	No

Annex 2

Distribution of units by phase, block, tenure and owner occupation

Site	Phase 1	Unit Total	Secure Tenants	Void Other	Leasehold Freeholders	Investor
1b	42-256 Bradenham	215	14	194	7	2
1b	Arklow House (1-30)	30	7	19	4	1
1b	Chartridge (1-105)	105	26	68	11	5
1c	Chartridge (106-149)	44	15	21	9	4
10	Missenden 300-313	14	0	14	0	0
7	Wolverton 1-59	59	0	48	10	1
1c	Chiltern (1-172)	172	64	103	5	0
	Phase 2					
4a/4b	S Wendover 241 - 471	237	213	1	23	3
4a.	Foxcote (1-30)	30	21	0	9	4
4b	Padbury (1-25)	25	16	0	9	4
4a/4b	Ravenstone (1-81)	81	71	0	10	5
4b	Winslow (1-30)	30	22	0	8	2
5	Wolverton 152-192	41	32	0	9	2
5	N Wendover 37-72, 117-156, 201-240 (N)	116	102	0	14	3
	Phase 3					
6	Wolverton 126-151	26	22	0	4	2
6	Brockley House	15	13	0	2	0

6	N Wendover 1-36, 73-116, 157-200	123	105	0	18	3
6	Wolverton 60-125	66	55	1	10	0
8	East Street (218 a-f)	6	4	0	2	0
9	East Street (184 a-f)	6	6	0	0	0
9	Northchurch (1-76)	82	67	0	15	2
9	Taplow (1-215)	215	195	2	18	6
Phase 4						
13	Chadwell House (1-8)	8	7	0	1	1
13	Darvell House (77-105)	8	6	0	2	1
13	Inville Road (51-67)	9	4	0	5	0
13	Lees House	12	11	0	1	0
11,12,14	Missenden 1-299	299	260	0	39	9
13	Soane House	35	25	0	10	5
11,12	Michael Faraday	105	78	1	26	9
13	Albany Road 198-202	5	4	0	1	0
2b	Calverton	31	27	0	4	3
3b	Danesfield	31	25	0	6	0
3a	Emberton	35	31	0	4	0
2b	Gaitskell	66	44	0	22	3
2a/2b	Gayhurst 1-162	162	140	2	20	6
2b	Hambledon 1-20	20	17	0	3	1
3a/3b	Latimer 1-141	141	103	0	38	12
Total		2705	1852	474	379	101

Annex 3

The following data shows the detailed breakdown of responses from each of the phases.

Phase 1 statistics

(The council is already buying back leasehold interests in this phase).

88% of the respondents have owned their property for over 5 years.

25% of the respondents have owned their property for over 10 years.

100% of the respondents are aged over 40 years.

50% of the respondents are aged over 60 years.

25% want the council to buy back their property sooner.

75% would consider getting a new mortgage.

25% want to stay in Walworth.

63% want to move out of Southwark.

The median outstanding mortgage is £105,000.

The median mortgage term is 18 years remaining.

Phase 2 statistics

100% of the respondents have owned their property for over 5 years.

32% of the respondents have owned their property for over 10 years.

92% of the respondents are aged over 40 years.

36% of the respondents are aged over 60 years.

71% want the council to buy back their property sooner.

32% would consider getting a new mortgage.

53% want to stay in Walworth.

25% want to move out of Southwark.

The median outstanding mortgage is £80,000.

The median mortgage term is 14.5 years remaining.

Phase 3 statistics

90% of the respondents have owned their property for over 5 years.

57% of the respondents have owned their property for over 10 years.

100% of the respondents are aged over 40 years.

29% of the respondents are aged over 60 years.

48% want the council to buy back their property sooner.

57% would consider getting a new mortgage.

57% want to stay in Walworth.

24% want to move out of Southwark.

The median outstanding mortgage is £120k.

The median mortgage term is 15 years remaining.

Phase 4 statistics

93% of the respondents have owned their property for over 5 years.

47% of the respondents have owned their property for over 10 years.

92% of the respondents are aged over 40 years.

32% of the respondents are aged over 60 years.

68% want the council to buy back their property sooner.

55% would consider getting a new mortgage.

36% want to stay in Walworth.

34% want to move out of Southwark.

The median outstanding mortgage is £110k.

The median mortgage term is 12.5 years remaining.