

## **Further Information – Compulsory Purchase Order (CPO)**

### **Market valuation of your property**

You will receive the open market value for your property and any effect on value as a result of the underlying redevelopment scheme and proposed CPO is disregarded. This is called a 'no-scheme principle' and is applicable to all valuations undertaken at Hanover Court and Princess Court by a registered valuer. This is in line with the latest edition of the Royal Institution of Chartered Surveyors (RICS) Valuation – Professional Standards Manual, also known as 'the Red Book'.

Please contact us to request a 'Leasehold Information Form' if you would like to start this process. Once received, the Council will instruct a local valuer on your behalf and they will contact you to arrange a mutually convenient time to inspect your property. You will be sent a copy of the valuation report once complete and given time to consider the Council's offer. You are under no obligation to accept this offer.

If you disagree with the valuation report, there is the option to approach a valuer of your choosing for an independent valuation. In this instance we ask that you contact us before you issue any formal instruction to your chosen valuer. This means that we can confirm the cost with you (and payment by the Council) before you proceed.

As a last stage in the valuation process, the Council can approach the District Valuer Service (part of the Valuation Office Agency) for a third and final valuation. This is in cases where there has not been any agreement based on the two valuation reports received to date.

### **Home loss payments**

If you are the owner of a residential lease and you are currently living at the leasehold property (and have been for the 12 months prior to 14<sup>th</sup> March 2023), you are entitled to 10 per cent of the agreed market value.

### **Basic loss payments**

If you do not live in your leasehold property (and were not resident for the 12 months prior to 14<sup>th</sup> March 2023), you are entitled to 7.5 per cent of the agreed market value.

### **Disturbance payments**

You are eligible for payment of disturbance costs as a leaseholder. This means that the Council will pay any reasonable costs incurred by you for the sale of your property back to the Council and the reasonable costs incurred in purchasing a replacement property within 12 months of the Council completing on the purchase of your existing property.

Examples of disturbance costs are as follows: -

- Surveyor costs for making a valuation of the property
- Legal costs for surrendering your lease to the Council and the legal costs on the purchase of a replacement property (to include solicitor costs, search fees and bank transfer fees)
- Stamp duty on the purchase of a replacement property (not to exceed the amount of stamp duty payable by the Council in connection with the purchase of your existing property)
- Administration fees or mortgage redemption charges
- The cost of a standard survey for the replacement property

We recommend that whenever possible you consult with the Council in advance to agree your expenses. In all cases evidence will need to be provided to support payment of your expenses by the Council. Please ensure you keep hold of any receipts, invoices and any advance estimate of fees.

### **Negotiation of costs**

Your first point of contact for any questions regarding the market valuation process and any reasonable costs that you incur is the Regeneration Officer. We understand, however, that you may prefer for the valuer to carry out any negotiations with the Council on your behalf alongside undertaking a market valuation of the property. If this is the case, please inform us from the outset that you will be appointing your own RICS registered valuer for this purpose.

A directory of RICS valuers can be found at <https://www.ricsfirms.com/residential/legal-issues/compulsory-purchase/rics-consumer-guide-compulsory-purchase/>. The RICS Consumer Guide to the Compulsory Purchase Order process can be downloaded for your reference although a copy has been emailed to you for convenience. If you would like to contact a valuer, please make it clear that your property is likely to be subject to a CPO and you would like them to make a valuation and carry out negotiations with the Council on your behalf.

### **Surrender of lease**

Once a market valuation figure has been agreed, we ask that you instruct a solicitor to undertake the conveyancing process and confirm these details with the Council. Both parties will then proceed towards a mutually agreed completion date. The lease surrender process takes on average 8-12 weeks.