

Mill Farm Close Leaseholder Consultation Meeting

NOTES

25 February 2009

Leaseholder Representatives in attendance: Attendance sheet not available

Harrow Council: Alison Pegg

First Call: Louis Blair

Catalyst Housing Group: Murray Crawford, Harj Banger from Dunphys (Chartered Surveyors)

	Action
<p>1. Notes of last meeting and Matters Arising</p> <p>The notes of the last meeting had been posted to leaseholders with a Frequently Asked Questions leaflet and a copy of the latest newsletters (to non resident leaseholders only).</p> <p>A question was raised about whether mortgage penalties were included within the 10% home loss payment or part of the disturbance payment. AP/LB confirmed this is part of the disturbance payments and therefore additional to the Home Loss.</p>	
<p>2. Presentation from Harj Banger, Dunphys on the Valuation process</p> <p>HB introduced himself. He is a chartered surveyor and member of the RICS. The key component in valuing properties is comparables from values of other properties in the local area. The value is based on what the property will go for on the open market. Photo's are taken internally and externally of the property to provide evidence to the client of the assessed value.</p> <p>The comparable has to be in the same area eg the HA5 postcode. The best comparable is the sale of a similar property in the area. Other sales will generate an upper and lower value range. The internal condition of the property is taken into account eg a modern kitchen would have a higher value than one that hasn't been refurbished.</p> <p>Question: how many bands do you value in? It is not a question of banding but of a value for the specific property based on what comparable sales in the area.</p> <p>The value is based on the property being sold in the normal way with an assumed 3-6 month marketing period. There will be an individual valuation for each property.</p> <p>Question: does the valuation reflect any maintenance liability on the property? No. An example was given of an estate that had roof problems (Beaver estate, Hounslow) but the property was valued on the basis the roof was in good order.</p> <p>There are strict guidelines from the RICS on the use of comparables – the valuer has to justify the reasons for the comparables they use.</p> <p>Comment was made that the area in which comparables are looked for on Mill Farm may have to be widened and certainly bigger than just the estate.</p> <p>HB advised that the RICS website is useful for explanation of the professional guidance www.rics.org.</p> <p>MC confirmed that the surveyor must be independent. On other schemes there have been a number of valuers who can be instructed. Valuers could be jointly</p>	

instructed by Catalyst and the Resident Steering Group at Mill Farm. If leaseholders are not happy with a valuation they can challenge it with their own evidence.

Question: Could there be a choice of 3 valuers? MC agreed and the leaseholder could decide who to use.

Question: Will the valuer use actual sales values as the comparables as many lenders downvalue properties when making mortgage valuations? HB confirmed they look at actual sales values as they are not valuing for mortgage security purposes.

As stated earlier the valuer assumes a normal property marketing process and therefore repossession values are not included as they are not market sales but forced sales. When looking at comparable sales the valuer makes enquiries to see the reasons why the properties have been sold.

Question: Would the lease length affect the value eg a 97 year lease versus a 110 year lease? HB confirmed that any lease over 80 years is treated the same for valuation purposes and all the leases at Mill Farm are for more than 80 years.

Question: Is Catalyst offering any extra enhancement over the statutory compensation payments? Yes. MC confirmed that all leaseholders regardless of whether resident or not will be offered home loss payments of open market value plus 10%.

Question: will the leaseholder need to provide a HIP/Energy Performance assessment when selling to Catalyst? No

Question: When will Catalyst start buying properties? MC confirmed this would start at the point that Catalyst owns the estate. As the design of the estate is worked up there will be more details about the phasing plan and therefore the timescales by which Catalyst will need to buy individual properties will be clearer.

They would aim to complete purchases within 3 months but can be quicker if all the paperwork on both sides is in order.

Question: Do different valuers agree together what the values for certain properties are? HB advised that each valuer is independent and must make their own valuation based on actual evidence.

There was a discussion about the best way for the Valuers to be selected for valuation work on Mill Farm. The options discussed were:

1. The resident group select their preferred valuer from a panel of three
2. Individual leaseholders choose their preferred valuer from a panel of three

It was agreed that MC would come back with a proposal to the next meeting.

Question: Can a solicitor act for both parties? No. But the leaseholders legal costs can be claimed as part of the disturbance payment.

MC

4. Next Meeting

Tuesday 21st April 2009 at 7.30 pm

Topic: Proposals on selecting independent valuers, More details on compensation and disturbance, Service charges and management costs

Venue: Pinner Hill Hall