

3<sup>rd</sup> February 2012

Dear Resident,

### **West Kensington and Gibbs Green Estates Consultation**

The Council is currently consulting local residents about whether to include the West Kensington and Gibbs Green Estates in wider plans to redevelop the area around Earls Court by entering into a so-called "Conditional Land Sale Agreement". The consultation is currently due to last until Friday 17 February. I wrote to you in early January enclosing the Information Pack and a feedback form for this consultation exercise.

During the course of the consultation exercise, it has become increasingly apparent to the Council that some residents have concerns about the reliability of assurances that the development will proceed in full, and about the timescale, if the Conditional Land Sale Agreement is entered into with the proposed developer, EC Properties (a subsidiary of Capital and Counties Properties plc, the owner of the Earls Court buildings). Negotiations with EC Properties are continuing on these very issues, among others.

The Council has decided that in the light of the progress of those negotiations and the consultation responses we have received to date, the consultation period should be extended until **Monday 12 March 2012**. This is intended to enable local residents to respond to the following further information in this letter, which is provided by way of update and to clarify further the proposals for the Estates. The negotiation of commercial terms with the developer is ongoing and the details of the negotiations are confidential, but the agreement will include the following main points if the Conditional Land Sale Agreement is entered into.

1. As we have already made clear, residents will not be asked to move temporarily while new replacement homes are built. The "one move" promise is achievable because the Seagrave Road Car Park site provides a site for the provision of the first 200 new homes to replace existing properties on the Estates.
2. The rest of the re-provisioning of homes can then take place in phases, without residents having to move away to temporary accommodation. New properties can be built and provided to residents to replace properties that are demolished, on a phase by phase basis. Because the Council has pledged that no one will have to move more than once, the new homes must be built before those they replace are vacated. This takes time but we believe is the right way to proceed.
3. If the Conditional Land Sale Agreement proceeds, it will be a fundamental requirement of the developer, EC Properties, that it must build the necessary new homes before demolishing existing properties on the land acquired. The developer will not be able to acquire any of the land on the Estates without first having constructed new homes elsewhere in the development area, to replace those to be demolished.
4. It is envisaged that the first moves to new homes to be built on the Seagrave Road Car Park site, which the developer already owns, could take place as early as 2015. The

developer would have a maximum of five years from the date of the Conditional Land Sale Agreement in which to exercise its option to purchase the estate land.

5. The subsequent phases will be determined by agreement between the Council and the developer. Although the developer will not be legally bound to proceed with each of the subsequent phases, the developer will be paying approximately £100 million before it receives all of the land and will be unable to obtain all the commercial advantages it seeks unless it proceeds with all the phases. The Council is confident that each phase will proceed as planned.
6. The Council will have the right to require revisions to any phase of the land sale to ensure that it is satisfied that the remainder of the estate can continue to function as a place to live while that phase is developed and that replacement housing to match the needs of the residents in that phase will be available elsewhere in the development site.
7. Some residents have expressed concerns about a possible risk of the developer becoming unable to meet its financial obligations. The Council is confident that the financial capacity of the developer is robust and that it will be able to meet its obligations. The Council has already received £15 million from the developer (£5 million of which is on a non-refundable basis, and the remainder of which will amount to a down payment on the total of approximately £100 million for the Estates, if they are included in the redevelopment).
8. The overall price of approximately £100 million is already agreed in principle. The precise payment terms are still being negotiated and the negotiations are confidential. The Council anticipates that it will have received the full (approximately) £100 million by 2020, although the phases of construction and demolition may take considerably longer than that to complete, assuming that all the phases proceed as both the Council and the developer intend. The developer is seeking to negotiate the terms of any refund of part of the overall price for the land in the event that not all the phases are completed. The exact terms are still subject to negotiation.

I hope you will read this letter carefully and let us know your views by **Monday 12 March 2012**. You can give us your views by:

- Completing the feedback form and returning it in the pre-paid envelope previously sent to you (if you need another form please telephone 020-8753 5571 or 020-8753 3334)
- Logging on to the the Council's website: [www.lbhf.gov.uk/westken](http://www.lbhf.gov.uk/westken)
- Writing a letter to: Philip Morris/Sarah Lovell, Housing and Regeneration, 3<sup>rd</sup> Floor, Town Hall Extension, King Street, W6 9JU.

We look forward to hearing from you.

Yours sincerely,



Melbourne Barrett  
Executive Director, Housing and Regeneration  
London Borough of Hammersmith & Fulham

Melbourne Barrett MBA MRICS  
Executive Director of Housing and  
Regeneration