ROYAL MINT COURT
RESIDENTS
ROYAL MINT STREET, EAST SMITHFIELD &
ST MARY GRACES COURT
LONDON
E1 8NB

Jim Fitzpatrick MP
Member of Parliament for Poplar and Limehouse
House of Commons
London
SW1A 0AA

7th September 2018

Dear Mr Fitzpatrick,

RE: SALE OF ROYAL MINT COURT FREEHOLD LAND THE CHINESE GOVERNMENT & IMPACT ON BRITISH CITIZENS RESIDING IN HOMES ON THE LAND

1. Introduction

We would like to thank you for writing to the Crown Estate Commissioner (CEC) and Chancellor of the Exchequer on Monday 3rd September and respectfully request that you write to the Rt Hon Jeremy Hunt MP, the Foreign Secretary to ask him to engage with the Chinese Government on our behalf.

The matter you have raised with the CEC is serious and complex and we appreciate it may take some time to receive a reply. However, the associated matter of the acquisition of the Royal Mint Court (RMC) freehold by the People's Republic of China (PRC) and their proposal to build the world's largest 'fortress' style Chinese Embassy is a matter that is causing concern for us as Leasehold tenants at RMC. Officials in central government and Tower Hamlets have not communicated any information to individuals residing at RMC. This is despite the Mayor of Tower Hamlets hosting a formal welcoming event for the Chinese Ambassador and others at the RMC in May 2018[1].

We believe our fundamental human rights are not being respected by central and local government. As this is a complex legal and diplomatic matter and we do not have the experience in this area, we would like the Foreign Secretary to assist us. We have no malice and wish no offence to Her Majesty the Queen, the Chinese Government or citizens of the PRC. Our plea is for the government to protect our human rights and those of other individuals who are adversely affected by this situation.

As you know from our meetings, this is a very sensitive matter and we would like our identities to remain confidential and we are using a pseudonym. However, our group have provided our names and addresses to you and consent to you holding these details and communicating with us.

2. Background

The 5.4 acre RMC freehold land is a historically significant, listed site overlooking the Tower of London. The Crown acquired the RMC in 1539 following the dissolution of the monasteries. Substantial archaeological remains and the medieval Christian burial grounds of the Cistercian abbey of St Mary Graces (1350-1550) were uncovered in the 1980s and large parts of the Abbey Buildings are visible beneath the modern offices[2]. For centuries, this was home to the Royal Mint until 03/02/1852, when HMT sanctioned the lease of the RMC buildings and equipment to Anthony de Rothschild to manage the gold refinery. The family held the lease for over a century and retained a conveyance and licence on the Land Registry Title[3] relating to the historic walls around the site.

In 1987 the CEC commissioned 100 affordable leasehold homes and premises for small, local businesses on the site. A 127.5 year Headlease was granted to Metropolitan Housing Trust and the CEC became the Superior Landlord over all sub-Leaseholders until the site was sold to a private

[1] Chinese take over Royal Mint for new UK embassy facing Tower of London. Docklands & east London Advertiser. 22 May 2018
[2] The Cistercian Abbey of St Mary Graces. Archaeology Collections. MuseumofLondon.org.uk
[3] Rothschilds Continuation Limited licence dated 28/04/1962 registered on the RMC Freehold Title No EGL198329.

offshore property developer in 2010. We are tenants who hold 127.5 year (or less) Leases on the 100 affordable homes, a children's nursery and small shop at RMC known as *St Mary Graces Court*. Our residents include key workers, teachers, nurses, military veterans, transport and local government workers, pensioners and small children.

3. Sale of the Royal Mint Court and Decline

Prior to the CEC's sale of the freehold land in 2010, the Leaseholders at St Mary Graces Court had the CEC as their Superior Landlord and enjoyed to security and protection afforded by a public authority. The purchase of the freehold of our land by the Chinese Government makes the PRC our Superior Landlord, with various entitlements under the Head Lease covenants including the right to enter our homes and businesses and provide consent to certain activity.

Since the CEC's sale in 2010, no refurbishment took place, a high security fence was erected, the site fell into decline, became dirty and was vandalised. Since 2013, all 4 commercial offices at RMC have remained vacant and undeveloped resulting in an estimated loss of income from business rates due to Tower Hamlets of c**£31m**[4]**.**

In the same period, we have witnessed a dramatic rise in open drug dealing (every hour, on the hour); drug taking close to the nursery; rough sleeping in doorways and subways around the family homes and general street crime. Homeless individuals are primarily younger British citizens and include veterans of the British Army Royal Household Division who have resorted to begging at Tower Hill. We log crime incidents and make multiple reports to the police and occasionally come into conflict with drug abusers. This overall situation has caused tenants who have Leasehold properties at St Mary Graces Court to feel distressed and powerless to improve our community.

There is also a wider public interest issue concerning the steep decline in affordable homes since 2010 and the urgent need for social housing for key workers in London. The absence of affordable housing has hiked living costs for the less well-off and placed a heavy burden on local and national government to put more public money into housing at a time when income particularly from business rates, council taxes and corporation taxes makes public finances extremely tight.

This crisis in the social and affordable housing sector is not reflected in the private residential sector. Quite the opposite; demand from overseas investors for hotels, luxury private residential apartments and student accommodation in British cities has skyrocketed – along with prices. This delivered a windfall for corporate property investors and landlords that entered the private rental market in recent years. In 2017, one private leasehold apartment in a property owned by the Crown Estate (converted to residential) in Giltspur Street, London SW1 was sold for **£13.35m**[5].

4. Protecting the Human Rights of Individuals

Leaseholders are very concerned that the Government and Tower Hamlets have not engaged in any consultation with them or the wider public prior to the sales and purchases of the Royal Mint site. The absence of any communication and reports made in the media also give the impression that the decision to build a Chinese Embassy and Ambassador's residence on the site has been approved before a formal planning application has been submitted.

These actions and omissions by the UK Government and Tower Hamlets give grounds to suspect that public officials are failing to respect and protect the human rights of individuals who reside in Leasehold homes at St Mary Graces Court. On the face of it, it appears the Government are discriminating against us as social housing tenants and showing favouritism to the Chinese

[4] Estimated Loss of business rates to Tower Hamlets based on 566,678 sq ft (52,646m2) office space at 40% of rateable value of £300 per m2/unit giving a total rateable value of £22m per annum, and £79m over 5 years.
[5] Apartment 1, Oceanic House, 1, Cockspur Street, London, SW1Y 5BG. rightmove.co.uk

Government and PRC. Additionally, we have lost the right to the security of their homes that was afforded when the CEC was our Superior Landlord and we continue to be denied access to information that would allow us the right to exercise freedom of expression. It follows that these can be viewed as serious violations of the Principles of the European Convention on Human Rights (ECHR). It is unclear whether the Chinese Government are aware of this situation.

5. Outcome Sought

We are very saddened to see the Royal Mint site and our neighbourhood fall into such steep decline. It is also depressing to witness on a daily basis, drug crime and poverty in heart of the world's premier financial and tourist city. We would like the Government to give priority to addressing the underlying problems that cause the horrible social problems in neighbourhoods like ours, across the United Kingdom.

The outcome we are seeking in terms of our homes is one of just satisfaction by returning to Leaseholders at RMC the security of their properties that was afforded when the CEC was our Superior Landlord. The housing is conveniently divided from the commercial site by a service road and residents would like a settlement that results in either the CEC regaining ownership of the residential part of the land; or gives residents Leasehold Enfranchisement rights for a price that reflects the market price at the time the CEC sold the RMC freehold in 2010.

We do not have the legal and diplomatic expertise to deal with this matter alone and understand that major law firms are conflicted due to their work with other parties. Therefore, we would be most grateful if you would write to the Foreign Secretary to ask him to engage with the Chinese Ambassador on our behalf and to arrange expert legal representation for us.

6. The Government's Residential Leasehold Reform Programme

We thank you for the continuous support you have given to constituents in Tower Hamlets. Also, for the crucial work you, Sir Peter Bottomley MP and other members of the *All Party Parliamentary Group looking into Leasehold and Commonhold Reform* are doing to address problems that affect residential leaseholders in England & Wales. The issues outlined in this letter illustrate a few of the terrible consequences that can arise when citizens do not have freehold or commonhold rights to their homes.

On 05/03/2018, The Prime Minister delivered a speech in East London about making housing fairer[6]. She said, *"More than 70 years ago, Anthony Eden told the world that the ownership of property is not a crime or a sin, but a reward, a right and a responsibility that must be shared as equitably as possible among all our citizens".* The speech overlooks the impact of the huge growth in speculative investment in the private leasehold residential market by British and foreign investors.

Our situation also exposes why speculative property investors are attracted to Britain and so determined to maintain the Leasehold Residential system in England; it is to generate long-term personal wealth from leasehold apartments. This is at the expense of homeowners, tenants and local and national government who must pay the price for an absence of affordable housing and suffer a huge loss of income due to properties (owned by investors) not being occupied.

Yours sincerely,

George & Mary Ordinary

Royal Mint Court Residents, London E1

[6] Speech by the PM the Rt Hon Theresa May MP on making housing fairer: 5 March. Gov.uk