

STATES OF JERSEY

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FIELDS 89, 89A, 90, 92 AND 93, LE MARAIS, ST. CLEMENT: REDEVELOPMENT- APPROVAL OF DRAWINGS

**Lodged au Greffe on 16th November 2004
by the Housing Committee**

STATES GREFFE

PROPOSITION

THE STATES are asked to decide whether they are of opinion –

- (a) to approve drawings Nos. 24001 - A, 24002, 24003, 240 04 - B, 240 - 05 - B, 240 - 06 - A, 240 - 07 - A, and 240 11 to 25 inclusive showing the redevelopment of Fields 89, 89A, 90, 92 and 93, Le Marais, St. Clement, to construct 64 threebedroom houses and 9 fourbedroom houses for social rented accommodation;
- (b) to authorise the Greffier of the States to sign the said drawings on behalf of the States;
- (c) to agree that, upon completion, the dwellings should be sold to the Christians Together in Jersey Housing Trust (CTJ), for occupation by persons in housing need, at a price to be agreed by the Finance and Economics Committee;
- (d) to authorise the Attorney General and the Greffier of the States to sign any necessary agreements and pass any necessary contracts relative thereto; and
- (e) to authorise the Treasurer of the States to receive the income from the sale of the said homes.

HOUSING COMMITTEE

- Notes:
1. The Environment and Public Services Committee supports this proposition.
 2. The Finance and Economics Committee has worked closely with both the Housing and Environment and Public Services Committees to facilitate the development of social rented housing on this site, in accordance with the objectives of the 2002 Island Plan. The Committee considers that the proposed arrangement provides excellent value for money and demonstrates that social rented housing can be delivered to the Housing Trust Sector at an affordable price with the minimum reliance on public funds. The Committee supports the proposition and will ensure that measures are in place to manage the acquisition, development and onward sale of properties to safeguard the interests of both the States of Jersey and the CTJ Housing Trust.

REPORT

In 2002 the States approved the new Island Plan. The Plan rezoned (under Policy H2) 11 sites to make provision for social rented and first-time buyer accommodation, within the first 5 years. Fields 89, 89A, 90, 92A and 93 Le Marais, St. Clement (Hodge Nurseries Phase II) were part of that rezoning.

The new Island Plan stipulated that to ensure the provision of both first-time buyer and social rented homes, all sites rezoned should provide a 55% – 45% split in tenure respectively. The development briefs for all the rezoned sites were to be completed by the Environment and Public Services Committee – these briefs were to set out clearly the expectations and standards required. However, the briefs also provided the opportunity to deliver flexibility in the tenure split between sites, provided that the overall level of provision accorded with the agreed policy. The principle was accepted by the States during the Island Plan debate.

In this instance it is proposed that the whole of this rezoned site will be for the exclusive use of social rented homes, with the balance of first-time buyer accommodation being made up elsewhere – in this case, on Fields 203, part 204 and 252, Rue de Jambart, St. Clement. Both developments will be subject to formal planning obligations, which will be drawn up by the Law Officers and approved by the Environment and Public Services Committee.

The Housing Committee supports the redevelopment of the Hodge Nurseries site for the exclusive use of social rented accommodation as the site is strategically located adjacent to Le Marais and Le Squez estates, which are currently undergoing major redevelopment. It will benefit tenants who do not intend to purchase one of the new houses at either Le Squez or Le Marais, but who need family-sized accommodation to remain living in the area. The Committee endeavours to minimise the disruption to tenants when major redevelopment schemes are undertaken. This is especially important for those with younger children who want to stay in their local school catchment area. Residents of Le Squez, in particular, have with the support of Samarès School and other agencies shown a real determination to improve their local community. The Committee hopes that that commitment and enthusiasm will be engendered on the new estate.

Approaches have been made to the Island's housing trusts to determine interest in the site. The CTJ Housing Trust has indicated that it would be willing to take on the site. However, the scale of the building project is significantly greater than any other site managed by the Trust, which recently acquired Bas du Mont Flats in Pier Road in order to undertake their refurbishment. The Housing Committee wishes to ensure that this site's contribution to the social housing requirement is achieved without delay, and has recommended that the States undertake the building project, with the completed dwellings being sold on to the CTJ Housing Trust.

In connection with the scheme, therefore, terms and conditions have been agreed by the Property Services Department with the present landowners, for the Public to purchase the site at a sum of £2,190,000 subject to contract, with each party to bear its respective professional fees. In conjunction with the purchase of the site a development agreement shall be entered into simultaneously between the Public and Alpine Estates (Jersey) Limited to construct 73 dwellings of accommodation, to an agreed specification and in accordance with any Development Permit granted by the Environment and Public Services Committee, at a cost of £9,643,000. Vehicular access to the site is provided via Le Marais Estate – as required by the planning permit, and a fee per dwelling has been deducted from the overall project cost accordingly.

The completed development will be sold to the CTJ Housing Trust, subject to contract, for a total sum of £12.88 million, to include access rights, site supervision costs, finance charges, contract insurances etc. This sum reflects the value of the completed scheme as a social rented housing project based on the rental stream generated by the homes to be built on the site. The CTJ Housing Trust has confirmed that it will be able to raise this level of private funding to purchase the completed development without the need for any States development subsidy. The detailed funding arrangements would be subject to the agreement of the Housing and Finance and Economics Committees.

The Finance and Economics Committee will be asked to provide “bridging finance” to fund the development, with the monies to be repaid upon completion and onward sale to the CTJ Housing Trust. The Trust will be issued with a Letter of Comfort, which will confirm the States' willingness to grant an interest subsidy capped at 6% for

the period of the loan.

The Housing Committee is keen to see the development of this site commence given that the developments on Le Squez and Le Marais have started. By working together with the CTJ Housing Trust, the Committee will, with States' approval, facilitate the delivery of a further 73 social rented family homes by the end of 2006.