

**NOS. 8, 12 AND 12A LEMPRIERE STREET, ST. HELIER -  
SALE TO THE CTJ HOUSING TRUST**

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**Lodged au Greffe on 3rd July 2001  
by the Housing Committee**

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**STATES OF JERSEY**

**STATES GREFFE**

180

2001

P.93

Price code: B

## **PROPOSITION**

### **THE STATES are asked to decide whether they are of opinion -**

- (a) to approve the sale of Nos. 8, 12 and 12A Lempriere Street, St. Helier to the Christians Together in Jersey Housing Trust for the sum of £400,000;
- (b) to authorise the Attorney General and the Greffier of the States to pass the necessary contracts;
- (c) to authorise the Treasurer of the States to receive the said sum when it becomes due.

### **HOUSING COMMITTEE**

Note: The Finance and Economics Committee supports the proposition of the Housing Committee to sell Nos. 8, 12 and 12a Lempriere Street, St. Helier to the CTJ Housing Trust.

## REPORT

### **Nos. 8, 12 & 12A Lempriere Street, St. Helier**

The States purchased Nos. 12 and 12A Lempriere Street in 1990 for the sum of £116,155 to provide for miscellaneous social rented accommodation. The property comprised a four-bedroomed house, a two-bedroomed cottage to the rear, and a small shop.

A major refurbishment of these premises was undertaken last year, with the shop being incorporated into the main building to enlarge the living accommodation in the house and conversion of the cottage to the rear into a more useful one-bedroomed flat. The cost of these works amounted to £185,000, including fees.

The States purchased No. 8 Lempriere Street in 1996 for a sum of £80,000 in order to provide a replacement for one of the four-bedroomed properties lost at the entrance to Clarence Court, which were demolished to provide access to the Jersey Archives Centre.

The refurbishment of this property was undertaken in 1997 to bring it up to modern day standards in the sum of just under £75,000 including fees.

The funding for these refurbishment works was made available from within the Housing Committee's capital rolling vote C1103.

The Committee proposes to sell these properties to the CTJ Housing Trust for a total of £400,000 for the realty, reflecting a development subsidy of £56,155.

### **The CTJ Housing Trust**

The Christians Together in Jersey Housing Trust (CTJ) was incorporated as an association under the Laws of Jersey entitled "Loi (1862) sur les teneures en fideicommis et l'incorporation d'associations" (the Trusts Law) in 1996.

The Trust is similar in constitution to the Jersey Homes Trust, in terms of its powers, objects, management and regulations.

The present Trustees are -

Mr. R.R. Jeune CBE, Chairman  
Mr. D. Letto  
Mr. E. Le Quesne  
Advocate C. Thacker  
Mr. A. Jelley  
Mr. J. Gottrell  
Mrs. E. C. Quénault  
Mr. P. Bailey  
Mrs. A. Le Sueur.

The States will recall from recent propositions brought before it for the sale of certain sites to the Jersey Homes Trust, of the legal and contractual arrangements which are now in place, pending the introduction of new legislation to protect the interests of tenants, trustees and the States where housing associations are involved in the provision of social rented housing. The CTJ Housing Trust will be party to those same agreements. It is intended that the primary legislation regulating housing associations will be drafted later this year, with its provisions, subject to States approval, being enforced from 2002.

The Housing Committee is committed to enhancing the role of housing associations in the provision of social rented accommodation in the Island. Members will be familiar with the work being undertaken by the F.B. Cottages Trust, the Les Vaux Housing Trust and the Jersey Homes Trust, and the Housing Committee is keen to lend its support to the development of the CTJ Housing Trust.

The Trust is keen to work with the Housing Committee in providing social rented accommodation and had previously expressed its interest in taking responsibility for ownership and management of these three properties. The Trust sees the acquisition of these properties as the first steps in it becoming a significant contributor in the provision of social rented accommodation within the Island. The sale of these properties should not be seen as a precedent for selling States rental accommodation with sitting tenants.

The Trust assisted the Committee in preparation of the refurbishment schemes and remained involved during the period of

the works. The Trust would have undertaken the refurbishment of Nos. 8, 12 and 12A Lempriere Street itself, but it was not in a financial position to do so at the time. Accordingly, the work was undertaken by the Housing Committee, in consultation with the Trust, using funds from the Committee's capital rolling vote.

When work on each of the three units was completed, prospective tenants were met by representatives of the Trust from applicants put forward by the Housing Department from its existing waiting and transfer lists. All three families occupy their present accommodation in the knowledge that it was intended that these properties would be transferred, subject to States approvals, to the CTJ Housing Trust in due course. Each family has been contacted by the Housing Department and advised of the present position regarding the future of these properties.

The Housing Committee welcomes this commitment as it is keen to see a diversification in the providers of social rented accommodation in Jersey.

### **Funding**

The funding arrangements for these refurbished properties will follow closely the precedent set by other trust developments. Accordingly, the CTJ Housing Trust will borrow privately from the banks to finance the purchase in the sum of £400,000 and associated charges of £14,500. These borrowings to be repaid over a maximum period of 21 years (as opposed to 25 years for new build properties), subject to Letters of Comfort being issued by the Housing and Finance and Economics Committees. An interest subsidy will be granted to the Trust on any interest paid above four per cent over the period of the loan.

A copy of the Debt Redemption Model is attached for information.

### **Conclusion**

The Committee looks to the States Assembly to support this proposition which will further enhance the role of housing trusts within the Island. This sale will encourage the growth and development of the CTJ Housing Trust and the Housing Committee looks to future partnership arrangements with the CTJ Housing Trust to provide further social rented accommodation.

This proposition has no implications for manpower, or financial resources, other than those previously referred to. The ongoing maintenance of these properties will be transferred to the CTJ Housing Trust.

## NAME OF SCHEME: 8, 12 &amp; 12A LEMPRIERE STREET

**Rental projections**

<i>Type of units</i>	<i>Number of units</i>	<i>Initial fair rents £</i>	<i>Annual rental income £</i>
one-bedroom flat	1	106.00	5,512
four-bedroom house	2	200.00	20,800
Totals:	3		£26,312

**Capital investment**

	£
Sale price	400,000
Other charges	14,500
Total:	414,500

**Parameters**

Housing Association Interest Rate	4.00%
Housing Committee Interest Rate	4.00%
Overall Interest Rate	8.00%
Annual Inflation Rate	3.50%

**Expenses as a percentage of rentals**

Agents' fees	5.00%
Service charges	3.00%
Maintenance	7.00%
Voids	3.00%
Total	18.00%

<i>Year</i>	<i>Rentals</i> £	<i>Interest</i> £	<i>Expenses</i> £	<i>Net income</i> £	<i>Loan balance</i> £	<i>States subsidy</i> £
1	26,312	16,580	4,736	4,996	409,504	16,580
2	27,233	16,380	4,902	5,951	403,553	16,380
3	28,186	16,142	5,073	6,970	396,583	16,142
4	29,173	15,863	5,251	8,058	388,525	15,863
5	30,194	15,541	5,435	9,218	379,307	15,541
6	31,250	15,172	5,625	10,453	368,854	15,172
7	32,344	14,754	5,822	11,768	357,086	14,754
8	33,476	14,283	6,026	13,167	343,919	14,283
9	34,648	13,757	6,237	14,655	329,264	13,757
10	35,861	13,171	6,455	16,235	313,029	13,171
11	37,116	12,521	6,681	17,914	295,115	12,521
12	38,415	11,805	6,915	16,695	275,420	11,805
13	39,759	11,017	7,157	21,586	253,834	11,017
14	41,151	10,153	7,407	23,590	230,244	10,153
15	42,591	9,210	7,666	25,715	204,529	9,210
16	44,082	8,181	7,935	27,966	176,563	8,181
17	45,625	7,063	8,212	30,350	146,213	7,063
18	47,222	5,849	8,500	32,873	113,340	5,849
19	48,874	4,534	8,797	35,543	77,797	4,534
20	50,585	3,112	9,105	38,368	39,429	3,112
21	52,355	1,577	9,424	41,354	(1,925)	1,577

Initial rental as a percentage capital invested	6.35%	Total States Subsidy	236,664
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