

St Helier,
Friday, 11 April, 2008.

From my experience as company secretary, voluntary and unpaid, for a 3 flat house (name provided), St Helier, over the last 12 years, I have a few cogent points to put to you from the point of view of an owner-occupier of a share transfer flat. I have lived here for 18 years and the mortgage for this flat which I regard as my permanent home takes more than half my salary each month.

Following the recent trend of advertising such flats to prospective purchasers without housing qualifications who are interested in either buy to let or sheer speculative activity, I have encountered for the first time several difficulties with such sales. Firstly I have been "bypassed" by a lawyer acting for a purchaser, who approached Housing in order to have the flat in question recategorised as a J-cat, so that his client might purchase it and live in it. The three flats are all A-H. Fortunately he did not succeed in this, and luckily I became aware by mere chance of this stratagem, as the other flat owners would have been gravely disadvantaged by this.

Also I have come under severe pressure recently, including telephoned threats from a legal clerk of being taken to the Royal Court because the lending bank for a proposed purchaser was insistent that current directors alter the articles of association so that we no longer have the right to be informed of a proposed sale and so that we permanently waive the right to purchase the flat in question. In other words the bank was aggressively trying to secure what might be seen as freehold rights to the flat.

In this scenario, owner-occupiers of a traditional share transfer company might well find themselves unable to prevent a speculator or a developer or even a lending bank controlling a majority of flats in a property and thereafter taking no account of minority shareholders wishes or even of the company articles. One might very easily find one's flat embedded in what had become no more than a lodging house.

I should add that one of our flats was bought last year by a gentleman with no housing qualifications, who sold it onwards within a few months at the price of £279,000. Eighteen years ago this flat was priced at £80,000 and only a few years ago was still below the £100,000 mark. Such speculation can only harm qualified local people looking for cheaper housing. The buyers are 2 single local individuals who have had to share the purchase between them. Obviously the flat is no longer affordable for a qualified local person to buy as an individual's first purchase.

In my will, I have left my flat or more properly my shares as moveable property to my Jerseyborn daughter. Will you levy an impossible sum of money on her before you allow her to continue to occupy the home she was raised in? There is no mention of this or any inheritance questions in your proposition.

I feel that your proposition ignores the needs of ordinary local people who have traditionally occupied such properties, not because they were unqualified, but because they were cheaper than freehold properties.

By all means take a sizeable sum off the speculator who buys to let or merely to reap the profits of a rising market. He or she is unlikely to care.

But surely the young and the locally qualified who are entitled morally to find a first step on the property ladder should not be competing with such price-inflating unqualified

purchasers who are in no way committed to the good of the traditional owner-occupier share transfer company whose community of purpose they find an irksome and highly inconvenient barrier to further speculation and whose articles and procedures they hold in contempt.

I trust that you will agree with me that given our recent experience of attempted and successful speculative transactions in this one company alone in the last two years, proposition P.185/2007 may well have unintended consequences which are extremely negative and unfair to local residents. I am sure that many other similar pieces of anecdotal evidence and case studies to illustrate these quite recent trends could be found upon enquiry.

I feel that there is enough prima facie grounded theory here to warrant a short but wider case study, since the public are unlikely to have the time, opportunity or faith to conduct such a case study themselves.

Name provided