

STATES OF JERSEY

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CALEDONIA CLOSE, PIER ROAD, ST. HELIER: SALE OF PROPERTY

Lodged au Greffe on 19th April 2005
by the Housing Committee

STATES GREFFE

PROPOSITION

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

- (a) to authorise the sale with vacant possession on behalf of the Public, of the 8 one-bedroom flats, 5 garages, yard and the public right of way known as Caledonia Close, Pier Road, St. Helier, (as shown in the attached drawing dated 19th April 2005) to the Royal Yacht Group Limited for £650,000 (six hundred and fifty thousand pounds) with each party responsible for their own legal fees associated with the transaction;
- (b) to agree that the £650,000 be received by the Treasurer of the States in 2 payments to be £65,000 on passing of Contract of Sale and the balance of £585,000 on or before 30th June 2006;
- (c) to agree that the said balance of £585,000 be secured by judicial hypothec on the property which is the subject of the sale;
- (d) to authorise the proceeds of sale be paid into the Environment and Public Services Committee Vote of Credit C0904 Acquisition of Land – Major Reserve.
- (e) to approve the purchase of suitable replacement property to be used as social rented accommodation upon terms to be approved by the Finance and Economics Committee with costs to be met from the Environment and Public Services Committee Vote of Credit C0904 Acquisition of Land – Major Reserve, to a maximum value of £650,000.
- (f) to authorise the Attorney General and the Greffier of the States to pass, and the Greffier of the States to sign as appropriate, on behalf of the Public, such contracts or agreements as may be necessary.

HOUSING COMMITTEE

REPORT

Constructed in 1968 on the site of Nos. 3 and 5 Pier Road, Caledonia Close comprises 8 x 1(1)(a)-(h) bed-sit units, each measuring approximately 400 square feet, with 5 lock-up garages beneath, all under the administration of the Housing Committee. Serviced from Pier Road the accommodation is contained in 2 x three and four-storey semi-detached blocks separated by a dividing 11 feet wide, access over which the Public has the benefit of a right of way by virtue of its original purchase of 3 Pier Road. From the advice of the Law Officers' Department it is understood this strip of land is of unknown ownership though similar rights are reserved in favour of the adjacent former JMT warehouse building and in respect of the Lamplighter public house.

Though these bed-sit units provide useful accommodation for the Housing Committee, the need to undertake certain updating and re-decoration works to both blocks at an estimated cost of £40,000 has contributed to a drop in occupancy levels in recent months. It is also recognised by the Housing Committee that the demand for bed-sit units has diminished.

In November 2004 an in-principle planning permission was granted by the Environment and Public Services Committee for the redevelopment of the former JMT warehouse site situated between Caledonia Close and the Weighbridge, as an extension to the Royal Yacht Hotel. These proposals, by the Royal Yacht Group Limited, feature a contemporary designed six-storey building that will offer 77 en-suite rooms, incorporating health, conference, restaurant and beverage facilities with al-fresco areas at ground and first floor levels. Scheduled for completion towards the end of 2006 the development would hope to take advantage of the planned environmental improvements proposed for the Weighbridge by WEB in 2006/2007. Initial plans for this development depicted staff accommodation being provided within the principal hotel building.

Due to the manner in which the proposed development will be linked to the existing hotel around a central atrium, it was recognised at an early stage that the right of way in favour of the Public would need to be given careful consideration. In addition, mindful that a new hotel of the scale envisaged could potentially prejudice the residential amenity of the Caledonia Close property, the Environment and Public Services Committee has not at this stage approved the profile of the rear (north-easterly) boundary to the new hotel given its close proximity to the residential accommodation.

In view of these material considerations, the proposed sale of Caledonia Close and its associated right of way to the Royal Yacht Group Limited upon mutually acceptable terms and conditions is thought to offer a favourable solution for both the developer and the Public. In this manner the Public will derive a capital sum to be paid into the Environment and Public Services Committee Vote of Credit C0904 in order to purchase replacement residential accommodation of an equivalent value. Similarly the development of the Royal Yacht Hotel extension may proceed in accordance with the in-principle permit that has been issued. In this regard it is envisaged Caledonia Close will be used for the provision of staff accommodation, servicing and for car parking in association with the development.

Terms have therefore been agreed between the Housing Committee on behalf of the Public in respect of a sale of Caledonia Close, with vacant possession, for a total cash consideration of £650,000 with 10% payable on passing of contract with the remaining 90% balance payable on or before 30th June 2006.

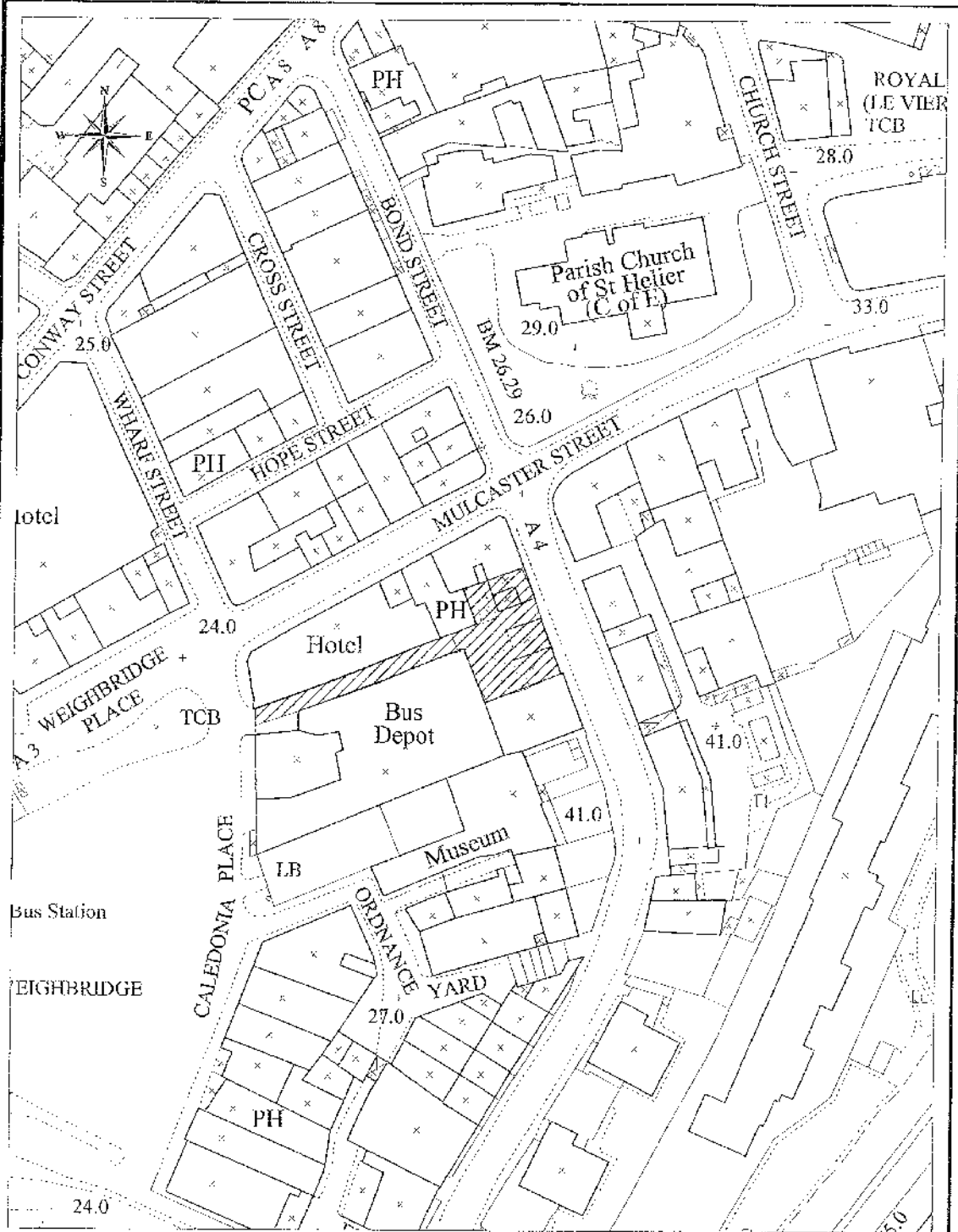
The outstanding balance will be secured on Caledonia Close by means of judicial hypothec. The effect of this is that if the balance is not repaid by or before the payment date of 30th June 2006, the Public will be entitled to institute proceedings for a discurberment (dégrévement). If this happens and the Royal Yacht Group Limited still does not pay the balance, the discurberment will take place. If any subsequent creditor claiming in the discurberment elects to take the property, that subsequent creditor will be under an obligation to pay the balance that is due to the Public. If no subsequent creditor takes the property, the Public will be entitled to take it back.

The terms of the proposed sale are in accordance with an independent valuation of Caledonia Close (December 2004) in the sum of £510,000 plus marriage value attributed to the merger of the two sites for the purposes of the hotel development.

In conveying the site of Caledonia Close, the rights relating to the strip of land between the former JMT

warehouse and the existing Royal Yacht Hotel, currently benefiting the Public will be transferred to the purchasing company.

There are no additional financial or manpower implications for the States arising from this proposition.



Caledonia Close, Pier Road, St Helier

Drawing dated 19th April 2005

Boundary Information Supplied by the States of Jersey Planning Office, but no responsibility can be accepted for error.



PLANNING & ENVIRONMENT
COMMITTEE