



Senator F. Cohen
Planning & Environment Minister
States Offices
South Hill
St. Helier
JE2 4US.

19 May 2011

Dear Freddie ,

Esplanade Quarter

The Directors of WEB have asked me to bring to your attention our serious concerns at the potential mismatch of supply and demand of grade A commercial office space over the next ten years, particularly along the Esplanade and Broad Street.

We believe that this could have an adverse effect on the economy and will make Jersey an unattractive environment for investors, especially the international investment community. This is because an oversupply of product will lead to, at best, nil growth in rental rates and also pressure for shorter term lease periods. Investors seek an increasing income over the lease period and as long a lease as possible. Presently, they are seeking an indexed increase in rentals. Such growth compensates for inflation and provides the basis for capital growth. Currently, the institutions are less interested in investing in Jersey as they do not find the investment profiles attractive.

We estimate that there is a potential supply of circa 1.4 million square feet as shown in the attached schedule and plan. However, we also forecast a potential demand from existing Island based occupiers of c. 540,000 square feet as shown in the attached schedule. This takes no account of new business entrants to the Island but we are not aware of significant new users and, in any case, typically new entrants commence with a small presence.


Most planning authorities throughout the UK and Europe estimate future potential demand and supply, enshrine this in forward plans and limit planning permission on this basis. Jersey appears not to base consideration of a planning application on need.

THE WATERFRONT ENTERPRISE BOARD LIMITED
MANAGING DIRECTOR: S. Izall
OTHER DIRECTORS: Jurat J.C. Tibbo, Constable D. Murphy, Deputy E. Noel, P. Crasped

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We ask you to consider these issues. Particularly, in the light of current or future applications that may seriously distort the supply chain and the market and may result in schemes that currently have planning permissions not being able to be developed.

Best wishes.

Yours  sincerely

STEPHEN IZATT
Managing Director

Enc:

c.c. The Chief Minister
Minister for Treasury & Resources
A. Scate, Chief Executive, Planning & Environment Department ✓

Address	Approximate Floorspace (NIA Sq. Ft.)	Status
Former Swansons ' Hotel site	85,000	Project under construction
CI Traders Site	65,000	Application approved
Esplanade Quarter	610,000	Outline Application approved
8-9 Esplanade/10-12 Commercial St	71,600	Application Decision Pending
Lord Coutanche House	135,560	Application submitted
Le Masurier Limited, Commercial St./Broad St	320,000	No application submitted (pre-application discussion with P&E)
CI Tyre Site	67,000	No application submitted (WEB estimate)
10 - 24 Esplanade	72,250	No application submitted (WEB estimate)
Total	1,426,410	

Esplande Office - summary of demand

19/05/2011

Occupier	Size sq. ft. (up to)
Royal Bank of Canada	150,000
Barclays	35,000
Santander	40,000
Volaw	20,000
State Street	25,000
Deloitte	15,000
UBS	40,000
Standard Chartered Bank	35,000
Bedell & Cristin	35,000
Ashburton	30,000
Deutsche Bank	20,000
BNP Paribas	35,000
Lloyds TSB	25,000
Citibank	15,000
Colins Stewart	8,000
Vistra	10,000
BPP	8,000
Total	538,000