

WOODVILLE HOTEL SITE, ST. HELIER: SALE OF FLATS

**Lodged au Greffe on 7th August 2001
by the Housing Committee**



STATES OF JERSEY

STATES GREFFE

180

2001

P.123

Price code: A

PROPOSITION

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

- (a) to authorise the sale by the public to first-time buyers on the Housing Committee's "first-time buyer waiting list", on a flying freehold basis and upon completion, of 55 two-bedroom and four one-bedroom flats on the site of the former Woodville Hotel, St. Helier, at such prices, and otherwise upon such terms and conditions, as shall be agreed by the Housing and Finance and Economics Committees;
- (b) to authorise the Attorney General and the Greffier of the States to pass the necessary contracts on behalf of the States.

HOUSING COMMITTEE

Note: The Finance and Economics Committee's comments are to follow.

Report

On 8th May 2000 the Finance and Economics Committee, under delegated powers, approved a proposal of the Housing Committee to purchase the Woodville Hotel site from Dandara Jersey Limited and enter into a building contract for the same company for development of the site to provide 55 two-bedroom and four one-bedroom flats. The Finance and Economics Committee authorised bridging finance to cover the following -

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Purchase price	2,735,143
Building contract	6,918,581
Supervisory and other charges	150,000
Finance charges (estimated)	550,000
Estimated total project cost	10,350,000

The site was purchased and the building contract signed on 30th June 2000. The contracted project completion date is 31st October 2001 although earlier completion is anticipated.

The Committee proposed that the development should be made available to first-time buyers at a price to be agreed by the Finance and Economics Committee, with the shortfall between the return from sales and the gross cost of the development to be met from the Housing Development Fund. This proposal was approved by the Finance and Economics Committee on 8th May 2000. At that time, the potential estimated contribution from the Housing Development Fund was over £2 million.

The development is now nearing completion and the Housing Committee has commissioned an independent valuer to assess sale prices for the flats based on their availability only to first-time buyers both now and in perpetuity. The valuer has assessed individually the sale price of the one-bedroom flats at between £100,000 and £105,000 and the two-bedroom flats at between £140,000 and £190,000. Completed sales at these prices will generate a total return of £9,442,000, which would indicate a potential contribution from the Housing Development Fund of less than £1 million. The actual contribution from the Housing Development Fund will, however, depend not only on sale prices but also the speed at which sales are completed in order to reduce interest charges on the outstanding capital expenditure.

The Committee seeks the approval of the States to sell the Woodville flats to first-time buyers on the first-time buyer waiting list within the price ranges outlined above and subject to conditions that the dwellings may only be sold on to first-time buyers.

The financial implications are as outlined above and this proposition has no manpower implications for the States.