

**WRITTEN QUESTION TO THE MINISTER FOR TREASURY AND RESOURCES
BY THE DEPUTY OF ST. OUEN
ANSWER TO BE TABLED ON TUESDAY 14TH NOVEMBER 2017**

Question

In relation to the proposed development of 280 apartments at Horizon, La Rue de l'Etiau, planned by the States of Jersey Development Company, will the Minister, as shareholder representative, advise –

- (a) whether the apartments will be marketed and sold as flying freehold or share transfer units; and
- (b) what factors have been taken into account by the Company in reaching a decision on the method of sale of the apartments and whether the Minister has been consulted on the matter?

Answer

- a) The apartments will be marketed as share transfer units.
- b) There are several reasons why share transfer structures are used on almost all large residential apartment developments in Jersey:-
 - i) Share Transfer enables the developer (in this case SoJDC) to enter into binding / enforceable agreements on share purchases (this is restricted on flying freehold to a damages recourse). This is particularly important for SoJDC as one of the main risk mitigation measures set down by the States Assembly was securing a sufficient level of pre-sales prior to commencing construction.
 - ii) Transactional flexibility that share transfer structures provide – not being tied to Friday for completions before the Royal Court is an advantage when dealing with such a large number of units, with staged / phased completion dates; and
 - iii) While the underlying flying freehold structure establishes the division of the properties, the share transfer overlay enables each of the owners within each individual block to add their own occupation regulations (or rules) in perpetuity.

The Minister for Treasury and Resources considered such matters to be operational and as such it is up to the management and the Board of the States of Jersey Development Company to determine the appropriate legal structure for its various developments.