



## PRESS RELEASE

No: 278/2019

Date: 11th April 2019

### **Minister Sacramento's Statement to Parliament Regarding New Developments in Affordable Housing**

Mr Speaker

Thank you for an opportunity to make a statement this afternoon about the exact timing of sales of our new developments in affordable homes.

Housing is a fundamental cornerstone of our community and our Government has an unprecedented track record in providing for Gibraltar's housing needs at every level.

Providing affordable housing is a top priority for us.

Having already proved ourselves in the construction of affordable housing to a high standard, as well as building purpose built flats for the elderly in our first term, which provided in excess of 1000 new homes, we have already announced our second wave of affordable housing construction at Hassan Centenary Terraces, Bob Peliza Mews and Europort Avenue.

Additionally we will further provide 161 former MOD properties which have already been sold at tender, the completion of which will commence as from the 1st August, after the end of the Island Games. I know that a lot of families are excited about purchasing and moving into those new homes on some of the best real-estate in Gibraltar.

In respect of the 50/50 schemes, we launched our first project, the construction of Hassan Centenary Terraces in December and I am immensely satisfied at the interest that has resulted.

The deadline for applications closed at the end of January, and the response has been overwhelming. I am delighted to announce that the final figure for applications received, after having eliminated those who were ineligible, is 2341.

That is almost 4 times the number of flats available and therefore proof as to the interest in acquiring these properties.

Since then, the teams at both GRP and the Housing Department have been working together to



filter and process the applications. This process has taken a little longer than with previous developments because of the way in which we have radically changed the allocation process.

We have given a lot of thought to manner in which we will allocate these flats to ensure that the allocation process will be as fair as possible.

Mr Speaker,

I wish to share some important statistics that will demonstrate the real impact that our affordable housing strategy will have, and it is important to note that these figures relate only to Hassan Centenary Terraces, so indeed there will be further impact as we progress with our other developments.

We have given the first priority in allocation to those who are currently Government tenants and will release Government flats and there are 130 such applications. All these applicants are guaranteed a flat.

Furthermore, as a result of our carefully thought out incentive whereby unmarried couples are eligible to a 3 bedroom home if applying jointly, as opposed to otherwise acquiring two, 2 bedroom homes if applying individually, results in greater availability of 2 bedroom flats for others, and will also avoid in a resulting empty flat in the long term. We have 197 such joint applications, which would otherwise had been 394 individual applications, that means essentially that we will have a further 197 flats available. A clear benefit will therefore be gained by all the other applicants to purchase on the 1RKB list of which there are 850.

The community will see that there will be changes to the conditions of resale to ensure that these flats, which are intended to be used for owner occupation, are not purchased for speculation or any other form of profiteering. We are changing the underleases for the new developments to further tighten any possibility for abuse - something I know the whole community will want to support.

Indeed, in this respect, we have already acted by introducing a special stamp duty to prevent profiteering at Beach View Terraces and Mons Calpe Mews.

Mr Speaker, I know that there are many applicants for Hassan Centenary Terraces who are very keen to receive that important call offering them opportunity to buy one of these homes.

I can this afternoon confirm to the House that we shall commence the process of calling applicants for allocation on Wednesday the 24th April.

Finally, Mr Speaker

The next development will be Bob Peliza Mews and our final development in this wave will be at Europort Avenue.

The designs and plans for Bob Peliza Mews will be launched before the summer and the sales will take effect shortly thereafter.



Today I wish to make a further very important announcement in relation to that estate. The Government has decided that the estate will follow the model we have successfully pioneered at Mons Calpe Mews and will include a block for rental.

That block will provide purpose built accommodation for the elderly.

Not only will this result in a better quality of life for our elderly citizens, but it will also release their current, mostly Government rental accommodation, back into stock for the benefit of those members of our community who cannot purchase and who need to be able to rent from the Government.

We anticipate that these first 2 developments alone will see at least 200 housing rental properties being released and therefore made available to those on the waiting list.

This is another real advantage of our construction of affordable housing for others who may be unable to afford to purchase in these schemes.

We are therefore providing affordable housing for our community, but our process also has the important consequential effect on our provision of rental stock that we all want to see.

Mr Speaker, this is an exciting time as we continue to offer affordable housing to our community.

Thank you for allowing me to make this statement and provide this important information to the House.