



St Helena Government

Land Disposal Policy

1. Introduction

This document sets out the St Helena Government's (SHG's) policy on the disposal of Crown Land and built assets.

Investment in land ownership and development will play a key part in realising the vision for development of St Helena. However, as the major landowner on St Helena, SHG recognises that this must be balanced in a way that meets with the island's targets for sustainable growth.

The Estates Strategy Panel has responsibility for the oversight of the Land Disposal Policy. The intention of the policy is to:

“establish a framework for the disposal of Crown Land in support of the St. Helena Government's principles of economic growth through Investment and Tourism development. SHG will make Crown Land and Buildings available for private and commercial use, so far as it is consistent with the overall need to secure the optimum sustainable use of St. Helena's natural resources”.

The Land Disposal Policy (2012) takes effect from 1st April 2012 and replaces the Land Disposal Policy (2008).

2. General Principles

The general principles for the disposal of Crown land are as follows:

1. The Crown Estates Manager, in accordance with the Estates Strategy, shall have the authority to release Crown Land onto the market except in the case of land for significant developments¹ which shall be referred to the Estates Strategy Panel for approval, who shall have regard to both the Estates Strategy and the Sustainable Economic Development Plan.
2. Land will be sold or leased in accordance with the categorization of the specific area of land under consideration (see Section 4 below).
3. The general method for disposal of Crown land, unless otherwise specified, shall be on a freehold basis.
4. Unless otherwise specified, when land is made available on a leasehold basis, SHG will specify the requisite annual rent and the duration of the lease based on the determination of the Crown Estates Manager. Bids will be invited via either a tender or an auction process for the lease premium. All leases will provide for rent reviews at appropriate periods as determined within the conditions of contract.
5. Land for disposal may be serviced or unserviced.
6. Land will be sold or leased only after development permission has been applied for and granted. This does not preclude the granting of option agreements or conditional contracts. Applicants should note that existing and proposed Development Plan policies require that development permission will not be granted unless land is either:
 - a) already fully serviced including practicable vehicular and pedestrian access, or
 - b) capable of being provided with full services including practicable vehicular and pedestrian access, in which case the terms of the development permission will ensure that they shall be so provided before the development is occupied, and
 - c) where off-site services and access, including off-site works such as highway improvements, cannot be provided wholly by SHG they will be required to be

¹Significant developments shall mean: (1) All significant historic buildings (being those buildings or assets classified as grade I or II under the Crallen report, or equivalent within the Historic Environment Record), (2) Sites over 2 acres for commercial development (including those sites where the predominant commercial activity is the development of residential units)

provided by the developer through an agreement under Section 40 of the Planning Ordinance, such agreement to be a condition-precedent to the grant of development permission.

7. The operation of the Land Disposals Policy shall be consistent with the promotion and support of a competitive market in land.
8. Nothing in this policy obliges SHG to sell or lease any land.

3. Land Disposal Mechanisms

Introduction

This section of the policy addresses the mechanisms to be followed if:

1. SHG identifies land for release onto the market
2. An individual identifies land and requests its release onto the market
3. A land transfer is requested/initiated by SHG.

Land Released onto the Market by SHG

SHG will, at its discretion, release land onto the market. The Crown Estates Manager will actively seek to identify sites for release, having regard to:

- the policies and practices of the Land Planning & Development Control Board;
- the current or foreseeable availability of essential services;
- the needs of Government Directorates in relation to land use and management; and/or
- the Estates Strategy.

The specific method of sale or lease will depend on the categorisation of the area of land under consideration (see Section 4 below). However, the general principles with respect of land released onto the market will be:

- The land or building will be advertised on the local and international market, as appropriate.
- A register will be established to contain a listing of all land and buildings released onto the market. This register will be readily available to the public via the Lands and Buildings Section of the Directorate of Infrastructure and Utilities and via the SHG website.
- If there is more than one applicant, the land or building will be made available via a tender, auction, or private treaty process: the applicable method will be determined by the Crown Estates Manager in each individual case. Bids will be assessed, and all transactions processed, by the multi-disciplinary Disposals Team which will comprise of senior SHG officials, with a combination of appropriate legal, financial and lands skills.

- In the case of a significant development or asset the Governor in Council will assess the bids against SHG's own valuation of the land or building.
- SHG reserves the right not to accept any single tender and to re-advertise the land if it so chooses.

Land Identified by Individuals

None of the above precludes individuals² expressing interest in the purchase/lease of specific areas of Crown Land. However, SHG reserves the right to determine whether the land will be disposed of at that particular time, in accordance with the Estates Strategy. If agreed, SHG will enter into negotiations with the party expressing interest in the land. A single tender/bid will then be assessed against SHG's own valuation of the land. SHG reserves the right not to accept any single tender and to re-advertise the land if it so chooses.

If SHG decides not to dispose of the identified land at that particular point in time, SHG may subsequently decide to release it onto the market. In such cases, the mechanism for the release of land onto the market will apply and the land will be advertised for lease/sale as described above. In such cases, previous expressions of interest in the lease/purchase of the land do not constitute a right to 'first come, first served'.

Land Transfers

The above mechanisms do not preclude SHG and an individual undertaking a land transfer, provided that such land transfer is in SHG's interests and is in accordance with the principles of the Estates Strategy.

² This includes all legal bodies including companies, joint ventures, social enterprises.

4. Categorisation of Land

Introduction

This section sets out the different categories of Crown Land and the sale/lease mechanism applicable in each case.

Agricultural/Forestry Land

This category covers Crown land identified by the Agriculture and Natural Resources Directorate specifically as arable, pasture and forestry land.

Agriculture is a key sector for the island and SHG has given a commitment within the 2011/12 Policy Framework to supporting growth in this sector. In order to promote sustainable growth in this sector through ensuring that land is available for agricultural purposes, SHG will not release the freehold of agricultural/forestry land but will instead make land within this category available on a lease or licence system as follows:

- Pasture land will be available on a licence basis.
- Arable land will be available on a medium-term lease basis unless there is a desire by the tenant to undertake a major investment into the land and its services in which case a longer term lease may be considered.
- Forest land will be available on a medium-term lease basis, with the possibility of negotiating long-term leases depending on the specified use of the land.

As a further measure to support growth in the agricultural sector, SHG will not require a premium for the leasing/licencing of agricultural/forestry land but will instead employ a system of annual rents, as determined by the Crown Estates Manager and the Director of Agriculture and Natural Resources.

Conditions will be built into the lease/licence agreements to ensure that the land is in productive use. There will be a presumption in favour of continued renewal of the lease/licence, with no limit on the number of successive lease/licence agreements, as long as the land is in productive use.

Virgin Land for a Construction of a Single Dwelling

Plots of virgin land for the purpose of a single owner-occupied dwelling will be made available on a leasehold basis in the first instance, with the option to purchase the freehold of the property once the development is complete.

Bids for rental/premium will be sought via a tender or auction process and shall be no less than that calculated by the Crown Estates Manager.

The freehold price shall be the market value of the land at the time of acquisition.

SHG has given a commitment to ensuring access to affordable housing for the local housing market. This is set out in the adopted Housing Strategy.

Virgin Land for All Other Purposes

Virgin land for all other purposes will generally be made available on a freehold or leasehold basis, with leasehold terms of up to 150 years, according to market demand. This will include land in the Comprehensive Development Areas.

Exclusions will apply to:

- Land over 2 acres for commercial development (except where that activity is the commercial development of predominantly residential units such as in Comprehensive Development Areas³), where disposal shall be by way of a leasehold interest for a term of up to 150 years
- land designated as Coastal Village Areas⁴ where disposal shall be by way of a leasehold interest for a term of up to 150 years.

The freehold price, rental level or premium will be sought through a competitive process, including private treaty, tender or auction.

A leasehold interest can contain a provision for a single renewal, provided that the total potential maximum term is less than 150 years.

Built Assets

Built assets (excluding significant historic buildings⁵) that are no longer required by SHG will be made available on a freehold or leasehold basis for up to 150 years.

The freehold price, rental level or premium will be sought through a competitive process, including private treaty, tender or auction.

In recognition of the need to promote investment and business growth, incentives may be available at the commencement of a lease, as recommended by the Crown Estates Manager.

Significant historic buildings that are no longer required by SHG will be made available on a leasehold basis for up to 150 years. In recognition of the importance of conserving heritage

³ Comprehensive Development Areas defined in the Land Development Control Plan 2012-2022

⁴ Coastal Village Areas as defined in the Land Development Control Plan 2012-2022

⁵ Significant historic buildings are defined as being those buildings or assets classified as grade I or II under the Crallen report, or equivalent within the Historic Environment Record

assets, the terms of the lease will be such as to ensure that these buildings are conserved and enhanced.

A leasehold interest can contain a provision for a single renewal, provided that the total potential maximum term is less than 150 years.