

## STATEMENT BY THE GSLP/LIBERAL OPPOSITION

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The decision of the Government to put out to tender the site at Buena Vista will serve as a reminder of the fiasco that ensued the last time that the tender for the area was awarded to OEM. The Government's declared preference for small luxury houses with gardens suggests that they have learnt nothing from past mistakes given that ordinary Gibraltarian families will be unable to afford them.

It is therefore obvious that the Government's development and planning policy is not led by the social needs of Gibraltar or the wider requirements of the community. The main consideration seems to be to allow commercial entities to make as much money as possible through development projects of this kind by selling the properties at high prices and making a fortune for themselves in the process.

It will be recalled that the site at Buena Vista, together with North Gorge, was put out to tender following the 2003 general election. In June 2005, the Government announced that a company called OEM (International) Ltd was to be the preferred bidder for the project. They described OEM as being owned by "leading UK property developer with total assets valued over £200 million" and claimed that the project confirmed "the high level of confidence that major international developers have for investment of this magnitude in Gibraltar."

The project under discussion at that time included 500 so-called "affordable homes" in North Gorge, an aparthotel and what was described as "other housing". In October 2005, following the conclusion of the negotiations, it was revealed that the "other housing" was to be up to 100 high value properties which OEM would be permitted to develop at Buena Vista. The stone block would be converted into an apart-hotel. The public was also advised at that time that sites at Cumberland Terraces, Nelson's View and Bayview would also be included in this project even though they were not part of the original tender for North Gorge and Buena Vista. This

raised eyebrows at the time. A premium of £15 million was payable by OEM which included a donation of £1 million to a social project.

The manner in which the Government has dealt with the site at Buena Vista in the past raises a number of concerns now that the same tender has been issued again. The site was made available then for residential development on the basis of expensive properties which ordinary people could not afford and the Government has just signalled to developers that it would like to see the same kind of project now. This is a prime site in Gibraltar and its use should reflect the social needs of Gibraltar. The indications given by the Government of a preference for properties with gardens is remarkably similar to what was agreed with OEM in 2005 for up to 100 luxury properties including villas and town houses. It is reasonable to conclude, from what has been said, that the Government is set to make the same mistake again.

Commenting on the matter, Shadow Minister responsible for development and planning Dr Joseph Garcia said:

“The tender for Buena Vista closes on 24<sup>th</sup> September 2010 and developers are obviously free to come up with residential projects of different kinds. However, the indications given by the Government that there is demand in the market for housing which is not necessarily apartments like houses with little gardens will no doubt influence prospective tenderers when they make their bids. The Government is both the landlord of the site and it controls the planning process.

Moreover, unfolding events proved that the Government showed a complete lack of judgement in awarding the tender to OEM last time round. It will be recalled that there were strong rumours surrounding OEM at the time of the last general elections. Once the elections were over, the Government announced that it was taking the different sites back from OEM and stepping in as developer of the housing projects. The Government should learn from their mistakes because the taxpayer is the one that has to foot the bill in the end.”