



ST PIERRE DU BOIS SALLE PAROISSIALE

Introduction

Development of Salle Paroissiale

Following an impasse on discussions over the maintenance and development of parish properties a sub committee was formed to set out a road map for the whole of the property portfolio, being:

Maison de la Cure; Rectory; Salle Paroissiale; Community Hut; Post Office

Whilst there are a number of possibilities, given the current tenancy situation of the Rectory and the Post Office, the poor working conditions within the Salle Paroissiale (SP) was deemed the property in most need of urgent attention.

Back in May 2022 planning permission was gained for converting the upper floor to a two bedroom flat and the ground floor to be upgraded to include a toilet and kitchen facility. The plans for this remain on display at the Salle Paroissiale.

The matter was raised at the November 2025 Parish Meeting and although there was no conclusive decision on whether to progress or not, it was agreed that further research would be done as to the costs and how this may be funded.

We have set out three considerations for the Parish to discuss and have included supporting documentation. There is obviously no certainty to the costs etc. especially in light of recent events, but should provide enough of a picture to make a decision.

Considerations

Following the additional research, we now believe that there are the following possibilities for the redevelopment of the SP:

1. One solution is to utilise some parish reserves, obtain a 20 year mortgage and proceed with the development. Surveyors have estimated the cost to be £420,000; estate agents have estimated rental income of £2,200 per month initially. On that basis we estimate that the cost to each rate payer would start at £5.41 in year one reducing gradually and after year 7 nil. (see calculations under Finance).
2. Alternatively, the parish could look at only doing the ground floor works. The estimated cost for the ground floor alone is £138,000 for the internal works plus there would be an element of the external work quoted namely connection to main drain and temporary drainage at a cost of £2,350 and £6,250 respectively making a total cost of £146,600. This could be funded from existing reserves, but those reserves would have to be replenished over time. For example £20,000 per annum would cost each rate payer £20 per year for the next 7 to 8 years.
3. The default proposition would be no change/minimal improvements. There will still be costs incurred relating to the ongoing basic maintenance i.e. there is damp in the upper floor that needs addressing, we also need to ensure that the existing offices are fit for purpose.

It is recommended that a small cost be incurred to maintain the planning permission (which expired on 22 May 2026) rather than allowing it to lapse.

The Douzaine at its last meeting agreed to continue with Option 3 for the time being while the whole portfolio is reviewed for the long-term benefit of the Parish.

Value of Salle Paroissiale Pre and Post development

At the beginning of this process we were advised that the value of the SP was £650,00 (as of 27/9/2024) and that with the development this would increase the value to excess of £1m.

However, the following verbal* valuations paint a different picture.

Values	Cooper Brouard	Lovells	Savills	Watts
Pre Development	350,000	450,000	3-400,000	Not given
Post Development	550,000	525,000	600,000	525,000
Office Only	100,000	100,000	100,000	100,000
Flat only	450,000	425,000	500,000	425,000
Real income	24,000 pa	26,400 pa	24,000 pa	

* Verbal valuations obtained at no costs, written valuations would have cost £1,500 per valuation

Cost of Development

WT Partnership (Quantity Surveyors) were approached to provide a quotation for the work involved. A summary of the quotation is as below, this, at the time of quotation had some inflation built into the costs:

Indicative Estimate as at February 2026 arranged as a 'Shopping List'

Allowances for

A.	<u>Externally</u>	£	31,000
	<u>Internally</u>		
B.	Ground floor	£	138,000
C.	First floor	<u>£</u>	<u>141,000</u>
		£	310,000
D.	Preliminaries	<u>£</u>	<u>50,000</u>
		£	360,000
E.	Contingency and Design Risk	<u>£</u>	<u>40,000</u>
	TOTAL INDICATIVE ESTIMATE AS OF FEBRUARY 2026	<u>£</u>	<u>400,000</u>
	Cost per square metre	<u>£</u>	<u>3,030</u>
	Cost per square foot	<u>£</u>	<u>281.52</u>

Please note: The above costings assume contemporary plain plastered finishes. Should you wish to restore the 'traditional' features of the office accommodation we suggest you budget a further £20,000.

Contrary to our earlier assumptions, it would appear that the upper floor would cost marginally more than the ground floor. For the purposes of working out the finances we will use the £400,000 plus the £20,000 noted to keep the original features, so **£420,000**.

The costs quoted reflect the work required for a protected building.

Finance

Borrowing

The Parish is a small one and does not have, nor would it be permitted to hold, large reserves and so for this size of development a loan would be required.

The Sub-Committee approached SPF, Real Estate Debt Advisor, for help in acquiring finance for this development, and they approached three lenders of which The Bank of Butterfield was recommended as the more attractive. The loan would be on the following lines:

- 20 year repayment term with an initial 5 year fixed term
- Security to be a general bond over the property portfolio with no personal recourse
- Interest margin of 3% above base rate, current fixed rate would be 6.5% (floating rate currently 6.75%)
- Arrangement fee of 1% of which SPF would earn 0.5% as arranger
- Bank would need to be satisfied with regard to the robustness of the cost of the proposed works

Parish Finances

As of December 2025 the Parish is holding general reserves of £69,043 and £155,288 in the Reserve fund.

The recommendation would be to suffer the cost of the arrangement out of general reserves and to make a contribution of £100,000 from the Reserve Fund (subject to Royal Court Approval) thus reducing the amount to be borrowed to £320,000.

Finance (Continued)

Using a simple loan calculator below is an illustration of how the loan might be serviced by the rental income.

Calculations assume a 3% annual rent increase, 10% of income retained for maintenance and interest at 6.5%.

Cost of Development	£420,000	Montly Rental	£2,200
Less Parish Contribution	£(100,000)	Annual Income	£26,400
Net Loan	£320,000	Retained	10%
Loan Period	20 Years	Annual Inflation	3%
Monthly Payments	£2,386		
Total Interest	£252,600		
Total Cost of loan	£572,600		

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
Annual Repayment	£28,630	£28,630	£28,630	£28,630	£28,630	£28,630	£28,630
Gross Income	£26,400	£27,192	£28,008	£28,848	£29,713	£30,605	£31,523
Contingency Retained	£(2,640)	£(2,719)	£(2,801)	£(2,885)	£(2,971)	£(3,060)	£(3,152)
Net Income	£23,760	£24,473	£25,207	£25,963	£26,742	£27,544	£28,371
	£4,870	£4,157	£3,423	£2,667	£1,888	£1,086	£259
Cost to ratepayers	900	£5.41	£4.62	£3.80	£2.96	£2.10	£1.21
							£0.29

Finance Continued

Proceeding with the project in full and in the long term the project would be profitable and make a contribution to the running costs of the parish.

Value of Property	£350,000
New Value of Property	<u>£550,000</u>
Increase in value	<u>£200,000</u>
Cost of Loan [^]	(£572,600)
Reduction in Reserve	(£100,000)
Rental Income *	<u>£709,352</u>
	<u>£36,752</u>

[^] 20 year Mortgage base on current rates

* 20 years rental at 3% inflation increase per annum

