

Sark Property Company



Evaluating investment opportunities in Sark, with a focus on sensitive development, environmental protection, and building community.

Presentation by Swen Lorenz
to the Members of the
Sark Chamber of Commerce
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www.sarkpropertycompany.com

Personal background

Founder of Sarnia Asset Management Limited in Guernsey. Licensed by the Guernsey Financial Services Commission to create investment funds and handle third-party monies.

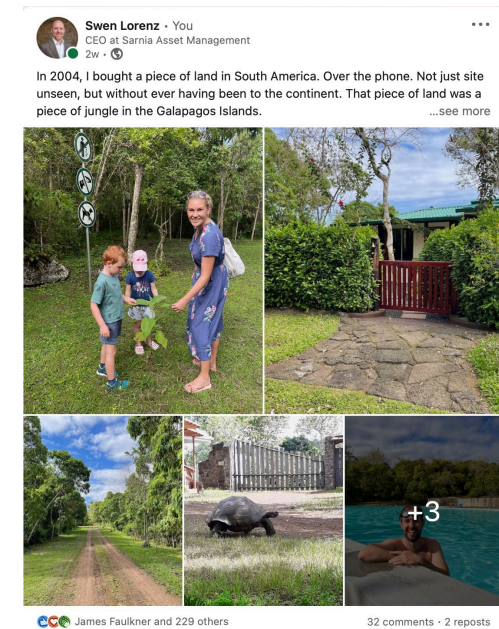
Company is owned by nine entrepreneurs from the UK, Germany, and Norway.

We are currently evaluating seven potential projects, one of which is Sark.

Sark Property Company is currently a 100% subsidiary of Sarnia AM, but intended to be run independently and in collaboration with several key partners.

Sark has similarities to some of my past projects, for example:

- Launched a residential property fund in Macau (2006), \$300m investment into housing at a time when few thought of Macau as an attractive place to invest.
- Rescued from bankruptcy and turned around a “green” neighbourhood in the Galapagos Islands (2010-today), small investment but very high impact on the community.
- Facilitated bringing the Prince’s Foundation to the Galapagos Islands to help with development codes, design codes, and master-planning (2010-14).



Brief summary and photo tour of the neighbourhood in Galapagos ([public link](#))

Does Sark need investment?

BBC Radio Guernsey, 25 April 2023:

"... that is a common theme, almost everybody thinks that more investments in infrastructure, solving housing issues is a good thing, that is a consensus."

Ben Bolgar, Senior Director
Prince's Foundation



Hurdles for investing in Sark

“Will Guernsey take over Sark?”

“Is there enough water?”

“Sark has a toxic history.”

“What does the community of existing residents think?”

“There are few career prospects for young people in Sark.”

“Market is too small.”

“Will the lights go out?”

Sark — lovely at first sight but many unresolved issues.

Mortgages as example

Land Reform made mortgages legally possible in February 2021.

26 months later, not a single bank is lending to us.

The common thread:

- *“The market is too small to bother.”*
- *“Sark is too risky.”*
- *“There is no long-term plan for Sark.”*

⇒ Many good ideas, but not enough joined-up thinking.

⇒ Is there a way to get things moving?

Saturday 21 November 2020 GUERNEY PRESS guernseypress.com/news NEWS 9

Historic land reform will see mortgages made legal in Sark

New legislation will put an end to law in place since 1611

by Helen Bowditch
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AN OVERHAUL to the way land is managed on Sark has been hailed as the most significant social, economic and political change in centuries, giving the island an important opportunity for a reversal of fortune.

The new legislation means that mortgages will be legal on Sark from February next year, instead of buyers needing to pay the full sum upfront. Landowners will also be allowed to divide up their properties and sell off parts of their land. The commencement ordinances were unanimously approved by Sark's government, Chief Pleas, on Thursday night.

Conseller William Raymond, chairman of the Land Reform Special Committee, called it a first, careful step with potential further reforms ahead.

"I think it should make it a much more appealing place to live in the financial and commercial sense. We all know that it's a delightful place to live with regards to physical appearance, but it should make it more appealing because more people will find if they acquire a freehold that they have a long-term investment in the island. And that benefits the community from a stability point of view, but also people may come here to start businesses, employ local people and provide good quality salaried employment, because we don't have very much of that at the moment."

In 1663 Sark was divided into 40 tenements, with 40 men given an acre to live off, and they were obliged to be part of a garrison and bear arms to defend the island if called upon.

However, some men started dividing up their land, which historians believe stemmed from possible gambling debts and risky mining ventures.

That led to fears people would not be able to properly support themselves on smaller plots and it threatened the strength and integrity of the garrison.

So in 1611 a law was introduced to prohibit the dividing up of properties and land on Sark.

That law stood the test of time until Thursday night and Conseller Raymond said it was remarkable it had stayed in place so long.

"If nothing has been done since 1611 it is quite extraordinary. It will make, I think, a substantial change over a period of time. It's not going to be instantaneous, but it's enabling legislation which will affect the evolution of the island"

Conseller William Raymond, chairman of the Land Reform Special Committee



Sark conseller William Raymond, chairman of the Land Reform Special Committee, said the overhaul should make the island 'a much more appealing place to live in the financial and commercial sense'.

es providing stable employment, and the inability of young families to even aspire to own their own homes.

A leasehold system has been in operation in Sark, with the most common time period for the leases set at about 50 years.

10 points our company believes in

1. Any significant investment in Sark needs to be done WITH the community, not against the community.
2. There are some basics that Sark cannot do without, which most likely includes:
 - Affordable housing.
 - On-island education.
 - Quality health care.
3. No one will ever donate money to make Sark work. We are out here by ourselves. It has to be commercially viable, or else nothing will happen.
4. Sark has to remain independent.
5. Sark's unique beauty needs to be preserved.
6. Sark needs more people, e.g. right now it cannot even operate a bakery or a butchery.
7. It is vital that the Crown is broadly in agreement with any long-term plans.
8. Sark has the potential to become a truly unique place, and one that the rest of the world can learn from.
9. Investment can support Sark in resolving long-standing issues, such as:
 - Affordable energy production.
 - Harbour improvement.
 - Affordable housing.
10. The perfect timing for this is NOW, because:
 - "Work from home" trend.
 - Trouble in the world and Sark as a safe haven.
 - Backlog of properties potentially available for purchase.

What we are working on

Mobilised investment to purchase ≈£100m of real estate on Sark. We can (and will) engage with ANY potential vendor. We also have the wherewithal to mobilise follow-on investment.

Pay for a master plan that the community agrees with, and which our company voluntarily submits to. Chief Pleas adopting the master plan is optional (recommended by us, but optional).

Build a company that has the financial resources and the expertise to carry out multi-generational investments in Sark.

Phase 1: Initial 12-36 months for planning.

Phase 2: Initial 10-20 years for investment (phased construction).

Phase 3: Operating in perpetuity.

Ensure that:

- Key stakeholders agree with the concept.
- We are transparent along the entire process.
- We are always clear that we may decide to not do anything.

Sark is the only Channel Island without a master plan discussion



Source: Guernsey Press, 18 October 2021

Sark – how the community benefits



More shops, cafés, restaurants, bars, and other businesses to serve the community; including during the off-season.



More affordable housing for different income groups, and facilities to match.



Lower electricity costs and 'green' energy from wind, solar or tidal power.



Lower prices for other day-to-day services, through improved economies of scale.



Enhanced port and marina facilities, with better transport options.



Ability to get onto the housing ladder using SPC-backed mortgages.



More career opportunities for young people.



Removal of the current doubts about the future of the island. This will attract investment and permanent residents to contribute to the island's community, both financially and culturally.



Sark businesses – benefits and needs

Many Sark businesses seem to suffer under a lack of critical mass. Too few residents to keep key businesses alive.

Difficulty of finding staff, often due to lack of affordable housing.

Not enough business opportunities outside of the main tourist season.

No access to business loans, equity investment, or expert advice.

Too little in terms of joint marketing and media / PR.

Access to new markets, e.g. visitors from France.

Local produce sold elsewhere, e.g. Sark meat going off island.



Our schedule

Now – September 2023:

- Evaluation of the opportunity and its challenges.
- Drawing in experts (e.g. harbour).
- Engaging key local stakeholders, e.g. Chief Pleas regarding affordable housing strategy.
- Speaking to further land owners.
- Publishing the report of the Prince's Foundation (scheduled for July).
- Expanding [our website](#) to keep you informed (sign-up function coming soon).

Circa Autumn 2023:

- Decision whether we can go ahead or not, and what exactly it is that we are going ahead with.
- Potential significant effect on Chief Pleas' annual tax income in 2024 (3.8% "PTT" on £100m ?).
- If we do not get involved, we will leave behind our learnings for the public's benefit.



Your input is vital!

Let us know what you think:

- Your ideas, and your worries. What do you like, what do you dislike about our plans?
- What does your business need?
- Could you use a mortgage?
- What information would you like us to make available to you?
- Would you like to sell a property?
- How to better communicate on Sark?
- Ideas for small events?

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