



HM GOVERNMENT OF GIBRALTAR
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Ex-MOD property prices are subject to 2011 agreement

The indicative price at which Government sells former MOD properties is determined by the agreement signed between the previous administration and the Ministry of Defence in July 2011.

This agreement ascribes a value to each of the properties that is handed over by the MOD to the Government. The total value of all the lands and properties put together is expected to come to about £66 million which is the maximum amount that the Government has to spend in re-providing the MOD with houses and amenities elsewhere.

The deal, which was struck by the previous Government, essentially provides for the MOD to vacate a large area in the south of Gibraltar and to concentrate their presence in the north in Four Corners and Devil's Tower Camp.

The Government has so far raised over £12 million from the sale of former MOD residential units. This is less than a fifth of the target amount. That money is ring-fenced from normal Government revenue in the sense that it is set aside for building new assets for the MOD. The money will therefore not come to the Government for its own use. There have been flats sold from £140,000 upwards and semi-detached units from £233,000 upwards.

The Government therefore needs to raise as much money as possible from these sales in order to avoid a shortfall in revenue. Therefore the indicative price of £ 425,000 for the 16 residential units in Europa Pass Battery must be seen in the context of the deal that the previous Government entered into in 2011. While people are free to bid higher or lower amounts, the Government is bound to allocate the properties to the 16 highest bidders.