

## (MOWH) J.V. FACILITATION PROGRAMME

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MINISTRY OF WATER AND HOUSING  
FACILITATION PROGRAMME

### Presentation Overview

- Definition of Programme.
- Two modalities.
- Difference in the modalities.
- Incentives under the Programme.
- Roles and responsibilities.
- Steps involved – how do we partner with MWH?
- Challenges.
- Conclusion – project portfolio.

### Joint Venture Programme

- Is a mechanism for ensuring that the comparative advantages of the different stakeholders in the shelter process are exploited in a mutually-supportive way i.e. that the strengths and weaknesses of the public and private sector are harmonized so that maximum use is made of the strengths, while minimizing the potential for inefficiency for the respective weaknesses.

### Two Modalities

- **Direct Joint Venture** – the land is owned by the Government
- **Private Sector Facilitation** – the land is owned by the private developer.

### Differences - Within the Facilitation Programme :-

- The Ministry does not take a share of profits.
- Administrative fees paid by the developer to the Ministry is less.
- Land can be used as collateral for financing.
- The Development Company and the project is registered with the Real Estate Board.
- Incentives Under the Programme

### Benefits to the Developer:-

- Easier access to lands suitable for housing development.
- Reduction in the timeline of the approval process.
- Quicker access to the production of titles.

- On a case by case basis, waiver of taxes on importation of specific materials and equipment related to the project. (MoFP)

#### **Benefits to the Purchaser:-**

- Waiver of transfer taxes, stamp duties and registration fees; resulting a more affordable home. This built in subsidy represents approximately 13% savings to the homeowner.
- Indirectly, facilitating more providers in the market, fosters competition which has resulted in an improved end product for the homeowner.

#### **Benefits to the Ministry:-**

- Investment opportunity for the Government to invest its capital (land).
- Provides a vehicle for the realization of our mission without undue pressure on public expenditure.
- Generation of revenue for the Housing Fund to finance future housing needs or programmes.

#### **The Company will be required to:-**

- Be registered as a Company duly incorporated under the laws of Jamaica and submit proof of same.
- Cause to be prepared all technical drawings and receive all the required comments/approvals from the regulatory agencies.
- Enter into an agreement using the FIDIC of JIC Standard Form of Contract with a contractor for the works described in the Agreement.
- To provide collateral and secure interim financing.
- Commence work within three (3) months of signing.
- Nominate three (3) representatives for the Joint Venture Committee. Complete the development on time and within budget.
- Undertake the marketing and sale of the solutions.
- Honour contractual obligations relating to payment schedule of fees to accrue to the Ministry.
- Hand over of infrastructure to the relevant authorities within 12 months after completion of works.
- Commission final audit and present final statement of accounts to Ministry; if lands are owned by the Govt.

#### **Minister is required to:-**

- Declare project lands a Housing Area under the provisions of the Housing Act.
- Use his best efforts to assist Developer with procurement of regulatory approvals/comments.
- Provide administrative/legal support during life of project.
- Nominate three (3) representatives to sit on the Joint Venture Committee.
- Ensure that Govt-owned project lands are free from physical and legal encumbrances.
- Facilitate the production of titles.

#### **How Do We Partner with MWH?**

- Submission of a letter of interest to the Permanent Secretary.
- Meeting – Preliminary discussion with MWH.

- Suitability of Partner is assessed.
- Receipt of title for evaluation.
- Joint site visit is performed.
- Preliminary comments solicited from Agencies.
- On receipt of positive comments, land is declared.
- Developer prepares detailed proposal and technical drawings.
- Detailed drawings submitted to Agencies for approvals/comments. Negotiation of terms and conditions of Agreement.
- Preparation of a Cabinet Submission/ Note.
- Receipt of Agency approvals/comments and final development budget.
- Execution of Agreement and Final Approval under the Housing Act.
- Finalize financing arrangements (if necessary).
- Finalize transfer of lands to the Minister.
- Registration of Company/Project with the Real Estate Board.
- Commencement of Construction
- Committee meetings.
- Hand over of project infrastructure to Authorities.
- Audit of books of account (if necessary).

### **Challenges Encountered**

- Ensuring an adequate supply of land housing development.
- Establishing a sound financial environment to encourage private investment in shelter, maintaining market interest rates to avoid undue subsidies, and ensuring access to sufficient housing finance for low-income groups on terms they can afford;
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### **Project Portfolio JV PROJECTS JV Projects Contact Information**

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