



Sectoral Presentation 2019/2020

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SECTORAL PRESENTATION 2019-2020

Mr Speaker, I rise to make my fourth contribution to the Sectoral Debates in the life of this current parliament for the second time as Shadow Minister of Housing.

I rise Mr Speaker recognizing that I am able to do so and to speak today because of the grace and mercy of the Almighty who has given me strength and perseverance to serve the people.

Secondly Mr Speaker, I want to thank my wife and children who have stood with me over the years of my political parliamentary representation and who have allowed me the time to give to the process even at the expense of family time. Respect and nuff love Nads, Kim and Morais.

To my constituents who have given me the power to be here for this the 4th term, I thank them and pledge my continued commitment to working towards making Central St Mary a better place. To my constituency executive committee, members who are here, my Councillors , my Housing task force, my driver and my many workers and supporters and friends, I want to publicly thank you for your encouragements, your work and your support over the years.

To my Party Leader, Dr Peter Phillips, thanks for his confidence in me by assigning me this portfolio.

I want also to thank my colleagues on both side of the house for their support, their criticism at times and for the healthy banter which exist at times all aimed to make lighter of some of the mundane matters before us here in the House.

To you Mr Speaker, for your advice at times, for your counsel and although a few times we have not seen eye to eye even to the point of you calling my name as a member during a sitting when the cut and thrust of the Parliament was at a particularly high point, I commend you on your stewardship sober at times and at other times bringing hilarity to the House.

Mr Speaker, many times persons have asked me why I enter representational politics. My simple answer is to serve. Many ask what satisfaction I get from serving. My answer is that it comes in many ways. Seeing a better place for people, seeing the joy on the faces of children and adults alike when something positive happens in their schools or the community as a result of my stewardship. Meeting someone in the street and them saying ***“M.P you might not remember me but you helped me through university and I am working now”*** and too many other examples to mention. On the other side Mr Speaker some satisfaction comes from some very touching events. **I recall one such event Mr Speaker, a family of 5 had been burnt out. Fortunately, their house was sited on a concrete base and so it didn’t take much to help to rebuild a rudimentary but sufficient structure. Within two days after the fire, with the help of neighbours and local tradesmen they were back in a house. To my pleasant and still tear evoking memories, the 9 year old child presented herself to my office on her way to school about 2 days after the house was completed. She had stopped at the pharmacy to buy a card, they didn’t have a thank you card so she bought a Christmas card and wrote in it the thanks and appreciation of her parents and her siblings as well as herself for my help in assisting them in their time of need. This Mr Speaker, I found was done on her own initiative without her parents knowing. It brought tears to my eyes. It is things like this Mr Speaker which gives me the energy to continue serving in this capacity.**

INTRODUCTION

Last year in my presentation Mr. Speaker, I spoke to many areas of the Housing portfolio. In that presentation, I commented on the tardiness of the Government in which the many deliverables from this portfolio were being handled. This Mr Speaker is attributable to inadequate oversight and leadership and the Prime Minister who holds ultimate responsibility has too many irons in the fire. Mr. Speaker the most important goal that must be prioritized at this point in time by the government through the Ministry of Housing and its various agencies is to identify innovative solutions to expand affordable housing opportunities especially for the thousands of middle and low income earners who have traditionally faced the greatest barrier to home ownership in Jamaica.

Housing Mr. Speaker currently falls under the Ministry of Economic Growth and Job creation. So does Water, the UDC, NEPA, Port Authority of Jamaica and about 30 others departments and agencies. All these named agencies have had oversight problems and what we see Mr Speaker is a case typified by this phrase **“Its going to try and...serve too many masters and end up not serving any of them”**

We have had 3 Ministers without portfolio with responsibility for Housing since my presentation last year, Minister Chang, Minister Samuda and now Minister Charles. We have not had any coherent policy coming from the portfolio since this administration Mr. Speaker.

It is good and commendable and certainly something this side supports the thrust by the NHT to build more houses for the people of Jamaica with a target of 22,000 houses by 2020 but Mr. Speaker, this has to be done in a policy framework which guides the government.

HOUSING POLICY

As I said last year Mr Speaker and will iterate again, the Housing Policy is languishing in the ministry. This is what I said last year, “When we left Office in 2016, we left a final draft of that policy. We would expect that with the new administration, there would be some changes, but it cannot be that the changes have been so monumental that it has taken upwards of two years to achieve these amendments. The then Minister without portfolio with responsibility for Housing in his sectoral presentation in 2016 committed to the House to have this National Housing Policy in a short period of time. To date, two years down the road, Mr. Speaker, this policy has not been laid”. That Mr Speaker was last year, we are now in 2019 and still no inkling of what is to happen. Again I call on the Minister, the Prime Minister to put some urgency to this matter.

NATIONAL HOUSING TRUST

Coupled with that Mr Speaker, In the Throne Speech of 2018-2019, this is what the Governor General said “The strategic review of the National Housing Trust was completed in November 2017. The review will be brought to Parliament in the first quarter of this fiscal year for discussions and implementation of accepted recommendations within the context of our Vision 2030 goals should begin soon thereafter.”

The Prime Minister tabled the NHT Strategic Review in March 2018 and committed to a debate in the House of the recommendations which would form the new policy of the NHT going forward. On October 3, 2018 at the ground breaking of the Maxfield Park Housing Development Project he committed to have this debate done in the House before the end of the year. This is what he said ***“It is already a very packed Parliamentary agenda, but I believe we should go into next year with a decided vision, both Government and Opposition, as to what will be the future of the NHT,”*** Nothing done in furtherance of that.

We note again the Governor General in the Throne Speech this year 2019-2020 said that the strategic review will be debated this year ***“The NHT Strategic Review, which was already tabled, will be debated in this Honourable House this year, to strategically inform the approach to the housing sector.”*** but Mr Speaker two years of promises. It is now hoped that it will be done this budget year. We just cannot wait any longer on this slow paced approach and therefore urge the Prime Minister to have this debate so the final directive on the future of the NHT can have bipartisan support.

Mr Speaker, we note the Prime Minister’s announcement since last year and reinforced this year of the outreach activity of the NHT to build police stations, repair existing ones, doing other projects in areas nearby to existing schemes; the Minister of Local Government thanking the NHT for infirmary refurbishing and installation of standby generators and whilst this is a welcomed move and one which ought to be supported Mr Speaker, and certainly one which this side supports, our concern is whether the laws governing the operations of the NHT are being breached. The NHT board of 2012-2016, in the last PNP administration in an effort to utilize NHT funds to repair a ward in an infirmary as well as other public sector projects was presented with a legal opinion that it would not have been possible under the present law and what would be needed was an amendment of the statute to allow for that. This Mr. Speaker would be analogous to the amendment for the requirement to get the \$5 billion for the Education Transformation Programme in 2005 and further amendment in 2013 for the amount of \$11.5 billion yearly for 4 years and second amendment for a further 4 years in 2017 for the same amount each year for fiscal consolidation as per the National Housing Trust (Amendment) (Special Provision) Acts of 2013 and 2017.

Certainly Mr. Speaker, these proposed construction activities do not fall in the category of fiscal consolidation and nothing in the present laws would allow for that. If there are provisions, Mr Speaker we would like the Prime Minister to present to the House the legal opinion and if none to bring an amendment to the Act to allow for these spending activities. Certainly Mr. Speaker, this House would not want the government to break the laws for expediency and whether this speaks to the Machiavellian approach this government has taken to governance.

The decision of the further amendment in 2017 means Mr. Speaker, the total take for the NHT for the 4 plus 4 years, between 2013 and 2021, would be a total of 90 billion dollars. The Government of the day in 2013 came under pressure for this withdrawal but had legislated it to last 4 years as a part of the conditionality of the IMF Extended Fund Facility Programme of 2013-2017. With the successor programme of 2017, the Stand by Arrangement, though the additional funds were technically not needed, the government again tapped the NHT for another 45 Billion over the succeeding 4 years.

Calculations have shown Mr. Speaker that by 2021, diverted funds will average around 30% of the total contributions paid into the NHT since its inception. Having said that, I will echo the warning of the danger of us drifting further and further from the Trust's mandate and in the process committing a grave social injustice against the thousands of regular contributors who have yet to access mortgages for either home construction, repair, upgrade or purchase.

To conclude on the NHT Mr Speaker, let me highlight once again what seems to be a practice that has always bothered me where each time the NHT increases the maximum beneficiary amounts the prices of a standard 2 bedroom house increases. When the ceiling was \$4.5million per contributor, with a couple getting \$9 million the value of the said unit was around \$10 million. When it went to \$5.5 the value of that referenced unit went to \$12-13 million. Now we see the benefits going to \$6.5 and the prices for those same type houses are reaching \$14-16 million. In fact Mr. Speaker we could go back even further to the benefits at \$3.5 and see the same pattern. There has never been a situation where these types of units have been built and not been able to be sold. So it begs the question as to whether the developers are jacking up the prices based on the NHT setting the tone. Is the NHT unwittingly causing the price of houses to their beneficiaries to be increased?

The economist will answer that by saying that pricing is determined by demand and supply but Mr. Speaker I would want the NHT to commission a study on this particularly because of their potential culpability. We need to know which is the chicken is and which is the egg.

Probably at this time Mr. Speaker with the level of priority being placed on a sector as critical to national development as housing, a thought for serious consideration, also given the enormity of the settlement challenges in the country, I feel it is time that the Ministry of Housing revert to the stand alone ministry and the portfolio minister be given carriage and full responsibility for the NHT as well as the other agencies within the portfolio. The synergies would be very significant and proper oversight would undoubtedly be realized.

SOCIAL HOUSING

Mr Speaker, whilst the government is with full dispatch building houses with an estimated target of 23,000 by 2021 through the NHT, the plight of the poorest in the country is being neglected.

When the contract to construct low income houses between JEEP and Food for the Poor came to an end in September 2017, the country was promised first that the contract would have been renewed. JIS reported on May 30, 2017 at a meeting with the Prime Minister and officials from FFP that the Prime Minister committed to continuing the programme. The Prime Minister said then that the:

“Government values the partnership with Food For the Poor. This partnership has my full support as it affords needy Jamaicans a home with modern amenities which is delivered well below market rate at no cost to the recipient. At present it costs US\$6,400 to deliver a unit with government providing US\$3,200 of the amount and FFP providing the remaining portion,”

To date Mr Speaker, nothing. But what we see is just hopscotching.

We were told subsequently that a Government Programme was being launched to build houses under the HOPE Programme utilizing individuals trained under the HEART Programme. The Prime Minister announced that in his budget speech in March this year and said then Minister Samuda would speak to it but that Minister is currently superintending Education and again nothing to date. Apart from what

was said in the Throne Speech and the Prime Minister mentioning it, nothing has been said in the House further about the programme.

But Mr. Speaker, the Parliament has been disrespected when the only other information available was the exclusive story carried in the Jamaica Observer of June 7, 2019 , four days ago, of plans by the newly appointed national director to roll out the programme. Mr. Speaker, the members of this House, certainly the members on this side of the House feel slighted and demand that the Prime Minister immediately advise this house about his Social Housing Programme. We need to hear what is planned for the indigent and poor within the society.

We have lost 2 years of housing provisions for this sector Mr Speaker. Is this how we treat that segment of the population who depend on the support of the State to survive? As a country are we being true to the International Conventions we have signed unto declaring the right to housing as a fundamental human right? **Is this what we call prosperity?** But then again Mr. Speaker we were reminded in 2018 that ‘prosperity begins in the mind”

But having said that Mr Speaker, though the full details of the Programme have not been revealed, there is sufficient evidence based on utterances that this will be undertaken by HOPE with a strong emphasis on graduates of the NYS/HEART Programme. I couldn’t help but reflecting on the last 2 PNP manifestos which speak to a youth build Programme of 2011 and a parish based construction brigade of 2016 drawn from HEART trained student with requisite qualification. If it is so Mr Speaker, the the implementation is welcomed and adoption of the proposal is sound and demonstrates that good ideas can cross political administrations

RENT ACT

Mr Speaker, inertia in the portfolio is further compounded by the wait for 3 years for the amendment to the Rent Restriction Act. Mr. Speaker I spearheaded significant work on that, revising the Act leading up to the change of government in 2016 but to date no Bill has been tabled in the Parliament.

In fact, In 2016 Minister Chang spoke to the 'modernization' of the Rent Restriction Act .

At the 7th public consultation in July 3, 2018, Minister Samuda stated “ ***You have my 100 percent support as Minister with responsibility for the area in ensuring that whatever changes are made to this Rent Restriction Act are done so as quickly as possible.***”

At the end of April this year, Minister Charles said that the government was updating the Rent Restriction Act to create a viable rental industry and provide equity for tenants and landlords.

Mr. Speaker each time one of the three Ministers spoke to the amendment of the Act it seems as if the wheel is being reinvented. As I remarked earlier on, significant work was already done when we left office in 2016. In 2018 Mr Speaker, I spoke to the significant delay and tardiness of the government in doing the work for the tabling of the proposed Rent Act. The last board of the PNP administration made significant recommendations and these were adopted and that paved the way for public consultations.

Why has it taken in excess of three years to complete this process? This delay Mr. Speaker has significant negative impact on the potential for the Rental Market and hampers the ability of young professionals and college students to access affordable accommodation within a structured framework. One of the recommendations Mr. Speaker was that the new Act would provide equity for landlords and tenants and this could pave the way for an expansion in housing construction in the rental market. With this Mr. Speaker, coupled with a recommended state incentive policy for that sector, the construction of many more

units for the rental market would result in a massive expansion of the construction sector.

JAMAICA MORTGAGE BANK

Mr. Speaker, the Government has announced that the Jamaica Mortgage Bank is to be privatized. This agency Mr. Speaker provides a necessary service to the housing construction sector with the provisions of loans to private developers. The Bank has made a turn around since 2014 when the new board and new management assumed control. The challenge the entity faced was undercapitalization and hence restricted the reach to on lend more loans to private developers. This undercapitalization Mr. Speaker has caused the JMB to seem to be not performing as it should and which is a principal reason driving the decision to privatize. Let me caution this House again Mr. Speaker that this is a wrong move.

Efforts to capitalize it during the last administration were prevented by an inability of the Ministry of Finance to provide a government guarantee for a bond issue due to the IMF programme and hence the bank is in the position it is currently because of undercapitalization and is unable to satisfy the many private developers who come knocking at its doors.

Let me therefore suggest that to remedy that situation Mr. Speaker, other routes to keep this entity in the government should be looked at and should include the Ministry of Finance exploring the option of capitalizing the Bank with at least \$3 billion dollars based on the proposal in 2014-2015 for a bond issue.

Another proposal Mr. Speaker would be for the NHT to lend the JMB the funds it invests in the capital market at 2-3% interest based on current rates, whilst the JMB could pay them 5-6 % interest and ensuring a net of 2-3 percentage more in terms of profits for the NHT. I also suspect Mr. Speaker, there are other proposals which could be examined.

Additionally Mr. Speaker, the JMB administers the Mortgage Insurance Act as well as provides a Secondary Mortgage Market. What assurances or safeguards will be in place for the administration of these to benefit the Jamaican people were the bank to be privatized ?

PENSION FUNDS FOR HOUSING

Mr Speaker, there is around \$600 b in this market and most of it is lying in banking institutions. Interest rates are quite low now so the returns on these funds are correspondingly low. I am told that currently the regulations governing Pension Funds allow a threshold of 5 % for real estate holding. The proposal is mooted that this should be increased to 15-20% and this is something that the regulators can look into as this Mr Speaker could give a large boost to the housing sector but also Mr Speaker, bring down the prices of units to the house buyer as more houses will be on the market and the economists will then be true to form in that supply and demand will dictate prices.

The experience in Chile is that pension funds are used almost exclusively for housing and infrastructural development and that has been a driver for their growth.

Over to you Minister of Finance.

HOUSING AGENCY OF JAMAICA

This entity Mr. Speaker has been ambling along. Whilst management has been steering the entity, the overall performance of the Agency has been lacklustre. We have been told that the agency has been in a profitable mode over the past 3 years but this profitability Mr. Speaker is unsustainable if new projects are not undertaken urgently. The new found profitability of the HAJ is primarily due to the selling of units and assets which have been in the ground for some time and were not sold, the majority constructed during the previous administration.

We have been told that the long standing project at Bernard Lodge which has been at the agency for years has finally been contracted to a Chinese firm for construction. We need to know what is the current status of this project Mr. Speaker.

Shooter's Hill was another project that was left on the books for development. What is the current status and where is the Grange Pen development for St James.?

Mr. Speaker until these projects are commenced, the HAJ will find itself in the red again and soon if there are no new developments in a timely manner.

What this means therefore, is the thrust by the government in building more houses is being hampered by the non-performance of the HAJ and the chest beating of the Prime Minister in calling himself the "builder" is faltering

TITLING PROGRAMME

Mr Speaker, the HAJ started a land Titling Programme in 2012 aimed at getting persons living in informally occupied settlements originally part of Operation Pride Project to become titled. The drive was fairly successful during the last administration. I now see where efforts are being made by the HAJ to involve Members of Parliament and Councilors in the drive to help getting the message out there. Where are we with that now Mr Speaker and what targets have been achieved?

In 2015 in my Sectoral Presentation as Minister with responsibility for Housing I committed to have a programme of distributing 15,000 titles per year from an estimated 45, 000 in the possession of the government. And this was against a background of having distributed thousands of titles in the previous years. That programme was seemingly disbanded at the change of administration in 2016. Additionally, The National Land Titling Programme also launched in 2015 with a view of coordinating all the Ministries and Agencies involved in land titling to expedite the process of getting titles to the people, but that too was abandoned by the JLP government in 2016.

Mr Speaker, We hear of a successor programme but that seems to have fallen by the wayside. In March 2018 the Prime Minister announced a spend funded by the NHT of \$2 billion to register 20,000 titles over a 3 year period. Having gone through one year, Mr Speaker nothing further has been heard of this. Prime Minister, What is the status of this programme?

REGENERATION OF KINGSTON

Mr Speaker, last year, I spoke to the Regeneration of Kingston and particularly the aspect of this development as it relates to housing. I will repeat this call this year too Mr. Speaker. In none of the grand announcements made so far has there been an effort to provide significant housing units for ALL sectors in the redevelopment of Kingston.

Recently the Prime Minister announced that 15 major construction projects are slated for Kingston and St. Andrew as part of the continued development of the Corporate Area. Interestingly though Mr Speaker, there has not been any attention directed at building more homes in those areas of Kingston which are suffering from urban blight. I have repeatedly mentioned that the costs associated with construction in those areas are significantly less than in new greenfield sites as roads, water and sewer mains are already in place. We need in the process Mr Speaker to house people in properly zoned areas with shorter commute time to work. We need to redevelop Kingston with houses and homes so we decrease the sprawl on the plains of St Catherine and nearby parishes.

LAND

Mr Speaker, I could not end my presentation without referencing the utilization of agricultural lands for housing development. I not only make reference to the New Bernard Lodge Township Development and the almost '**Nicodemus**' way in which the land was allotted to the persons/investors but also to the many arable land across the country now being encased in concrete. Mr Speaker we hear the cry of the agricultural sector in bemoaning the loss of agricultural land for housing and rightly so. We need to look at non arable land, scrubland and other areas to put houses. Mr Speaker, the constant buzz word nowadays is about climate change and correctly so but with the increasing utilization of these agricultural lands and the denuding of other areas, we run the risk of leaving an island barren of trees and water for future generations.

CONCLUSION

In closing Mr Speaker, the Housing Portfolio has operated in an environment of long delays, an environment of missed opportunities and uncertainties and haphazard manner. We need the Housing Policy to guide the sector's development

Promises and commitments made and none delivered in a timely manner. Evidence abound in the missed timelines for the debate on the NHT strategic review debate and the Rent Act

This important ministry cannot function on grand announcements with no more as evidenced in many of the pronouncements from the Minister.

The poor and indigent of the country cannot wait on a government which has forgotten them for three years as in the social housing programme.

What we have seen Mr Speaker is a series of events which have no focused bearing on the provision of a complete housing programme for the country. You know Mr Speaker, a medical colleague of mine writing in the Daily Gleaner a few days ago used the term hocus-focus. He reasons that just like the hocus-pocus (illusion) of

magic acts our hocus –focus gives the illusion of solving ‘the housing challenges’
This term typifies exactly in what the government is about Mr Speaker but good
governance demands more than this.

Housing demand more, we on this side is demanding that the government stops
this hopscotching and attend with more serious deliberations on this vital and
important sector.

I thank you Mr Speaker