



Government of the Republic of Trinidad and Tobago
Ministry of Housing and Urban Development

ADDRESS by

Honourable Randall Mitchell, M.P.
Minister of Housing and Urban Development

**SOD-TURNING CEREMONY – MT. HOPE
PUBLIC PRIVATE PARTNERSHIP**

Thursday November 03, 2016

3.30 p.m.

74 Eastern Main Road, Mt. Hope

Good afternoon ladies and gentlemen!

It is indeed my honour and privilege to welcome you to today's groundbreaking ceremony which celebrates the beginning of a new milestone in the Strategic Journey of the Housing Development Corporation; and, the evolution of our National Housing Policy. Today marks the launch of the first Housing Development to be constructed by this Administration using the Public Private Partnership Model.

On assuming office, we as a Ministry conducted a comprehensive assessment of our funding arrangements. It became abundantly clear that if we are to fulfill our mandate to provide quality, affordable housing to the many deserving citizens of this country, we needed to adopt a more innovative approach to financing the construction of new Developments. As a result, we decided that the Public Private Partnership procurement model was the best option to facilitate the improvement of our national housing base. This is because in a time when the resources of the State are severely strained, it allows us to harness financial and other resources including land from the private sector thereby reducing the demands on our already challenged revenue streams.

This thrust toward greater private sector engagement in the construction of housing developments and other infrastructural projects is not only timely and relevant, but is also viewed as necessary if we are to create the much needed opportunities within the economic landscape to rejuvenate our economy. As such, we believe this sod turning ceremony heralds the start of a new way forward in the construction of major infrastructural projects both in the housing and urban development sectors, the two main sectors of this Ministry's portfolio.

In January of this year, the HDC team got off the mark very quickly when we sent out requests for the first Expressions of Interests via newspaper advertisement.

By the closing date in February, an impressive number of potential partners had submitted proposals to enter into design-build-finance partnerships for the delivery of the HDC's 2016-2018 Housing Construction Programme.

Submissions were received from local and international entities, architectural and engineering firms, contractors, landowners, land developers, financial institutions, related joint ventures and consortiums.

Accordingly, these submissions offered financial injections; and presented developed and undeveloped lands for housing. The submissions also provided services for infrastructural works or design-build technical services.

Driven by the obvious benefits of collaborating with private sector players where the availability of Capital is high; the HDC Tenders Committee reviewed and classified a listing of more than 20 promising Housing Development Projects which will soon provide Housing Applicants with a wide range of Housing Opportunities.

With respect to this particular project, the HDC completed a design-build-finance tender; and, after thorough review, NH International (Caribbean) Ltd was selected as the preferred bidder. This particular project is estimated to cost 145 Million Dollars and negotiations for the start of the project should be completed by December of this year. Payment to the Contractor, NH International will be made from the proceeds of the sale of the units once they are completed and ready for distribution through mortgage arrangements facilitated by the TTMF. The HDC will however still be responsible for allocating successful applicants through the Ministry's Cabinet-approved allocation policy.

I am also pleased to inform you all today that the HDC through its affiliate the TTMF has already pre-qualified close to 1000 applicants from the HDC database who have met the requirements as prospective buyers for the units that will be built on this site. And, the soon to be expanded Affordable Mortgage Programme announced by the Minister of Finance in the Budget would make the acquisition of these units even more affordable and accessible to citizens. We expect that at least 800 new housing starts will be constructed using the PPP model in the 2016-2018 Construction Programme.

We understand that there is an unceasing demand for housing; a demand which is greatest along the East-West corridor. This development will therefore add one hundred and sixty (160) 2 bedroom and 3 bedroom apartment units to our national housing stock. I am sure that this is welcome news for those applicants on the Ministry's Applicant Database who are seeking homes along this urban corridor. With all things being equal, we anticipate that in two years, this development will provide deserving citizens with that special place to call home. The Government is therefore optimistic that this model of development will yield positive results as it has been used quite successfully both here and abroad.

Ladies and gentlemen, in 2002, the then PNM Administration created a comprehensive Housing Policy which sought to address the diverse and complex housing needs of our country at that time. Fast forward to 2016 and you will realise that not only are the needs and demands of the citizens the same; but also, that the demand for housing continues to grow.

At present, there is a proliferation of human settlement along the East West Corridor competing for space alongside industrial and commercial activity. Hard working citizens of this country desirous of finding that special place to call home are trying to acquire affordable housing near to their jobs; income generating opportunities; recreational and other modern amenities. It is also important to note that as many young persons are also trying to find housing in close vicinity of our nations tertiary level institutions as they pursue their professional dreams of qualifying to enter into their chosen professions.

Ladies and Gentlemen, Trinidad and Tobago is no different from other countries grappling with the effects of migration to urban centres, but, as a small island developing state this growth provides us with unique challenges.

Our task now is to ensure that our housing developments located along the urban corridor are well planned, developed and managed so that the residents can feel comfortable and safe.

To assist with this task, we at the level of the Government, aim to maintain continuous dialogue with all stakeholders. We are committed to engaging in meaningful partnership with private sector partners who are interested in working with the Ministry of Housing and Urban Development to provide assets which would assist us in widening our housing base to the benefit of the national community.

The Honourable Colm Imbert in his budget statement announced that there is to be a fifty percent (50%) tax break as well as other fiscal incentives geared towards private investors willing to contribute capital, land and other resources for the construction of public infrastructure such as housing. And the Private Sector Partner on this project will benefit from such an fiscal incentive. In the coming months the Ministry of Finance will share further details on these initiatives.

These measures are all designed to reduce Government expenditure and assist with the country's economic recovery by generating new and sustainable opportunities for wealth creation for private investors, Employees, downstream business concerns, potential homeowners and the state. This is definitely a win-win situation.

Since I assumed office as Minister of Housing and Urban Development, I have had the distinct pleasure of presiding over Sod Turning ceremonies for two other housing Developments. This ceremony today, represents the third. The Ministry, through the HDC, is also working assiduously on completing nineteen (19) unfinished projects, some which commenced prior to 2010 but for reasons only known to the previous government, were left abandoned and incomplete.

Ladies and gentlemen, the successful turnaround of the economy is directly hinged to Government's ability to attract private capital and other resources to the housing and urban construction sectors and we are prepared to do what is necessary to ensure this happens. The Government, through the Ministry and its implementing agency, remain focused on strengthening and expanding the nation's housing base despite the current economic challenges. In so doing, we are committed to providing quality homes for qualifying families eagerly awaiting an opportunity to realize their dream of homeownership. We also want to ensure that there is equity and transparency in our developmental policies, programmes and initiatives so that our stakeholders, their families, communities, and the economy can continue to grow.

We are doing our part.

And with these few words, Ladies and gentlemen, I thank you.