

**Address by the Most Hon. Portia Simpson Miller ON, MP**

**12th Jamaica Stock Exchange Regional Investment and Capital markets  
Conference**

**Thursday, January 26, 2017**

**Jamaica Pegasus Hotel**

**'Easy Access to Affordable Housing: The Missing Component to Wealth Creation for the Citizenry, Job Creation, Social Stability and Sustainable Economic Growth'**

Salutations

Good afternoon!

Let me begin by congratulating the Jamaica Stock Exchange on today's important 12th Regional Investment and Capital Markets Conference.

This event that brings together both local and international expertise in global capital markets and finance.

The Jamaica Stock Exchange has distinguished itself internationally as the fastest growing Stock Exchange in the World in 2015.

It has thrived under sound policies and macro-economic stability during my Administration under an IMF supported programme.

I therefore take great personal pride in your accomplishments and the creativity and innovation of market participants and advisory firms, which have driven new listings and financing on the Exchange.

These listings have broadened the market and permitted many small and medium-sized businesses to retool, increase production and efficiency while expanding markets locally and internationally.

It has also brought wealth to many investors who are being provided with more options to diversify risk and improve returns.

Our economic policies promoted Jamaica's development and the vibrancy of our Stock Exchange, Financial Institutions and the wider participation of stakeholders in our economy.

The result is improved national competitiveness; a critical factor for developing the national wealth.

Together, we have changed Jamaica's economic direction and established durable foundations for sustained economic growth, development and wealth creation.

Initiatives relating to economic stability and growth are only one aspect of our broader quest for national development; which must be comprehensive and inclusive.

Importantly, they must positively impact the lives and well-being of all our people, not just a few.

As Leader of the Opposition and President of the Peoples National Party, I can state unequivocally that we remain committed to the ideals of our founding fathers - that growth and development must benefit all the people and should be a shared ideal of all Jamaicans.

As I address the issue of affordable housing, permit me to speak briefly on one aspect of the role of Government in economic growth and development.

That role is to create the infrastructure, such as ports and roads and promote laws, regulations and conditions for strategic investments that are geared towards the development of new industries and the expansion of existing ones.

Such investments drive growth and income opportunities for all our citizens.

When my Administration pursued highway developments on the South and North Coasts; we intended to build first world infrastructure in order to attract investments and create jobs.

This also brought about new opportunities for trade expansion, real estate developments, particularly housing and tourism investments along those corridors.

As a result, the housing development industry and construction employment grew rapidly; as did the opportunities for private sector wealth creation.

We took the opportunity not only to put roads in place, but to provide sewerage systems and other amenities to facilitate private sector involvement in the provision of affordable housing.

This was guided by the National Spatial Planning objectives to place housing within “planned communities” that included facilities for education, recreation, business and other facilities.

The plan was to promote harmonious interactions among citizens and for better family life.

Economic growth as measured by GDP, does not of itself guarantee social stability or economic mobility.

Even though poverty levels in general have been falling globally, according to the World Bank and other international agencies; the income and wealth gap between the rich and the poor remains a serious cause for concern.

It can be argued that the deficit of affordable housing, has impacted greatly on our nation’s ability to develop rapidly and our citizens’ ability to narrow the wealth gap.

In this regard the notion of the social economy as a third economic sector between the public and private sector, is relevant to an integrated approach to affordable housing.

This sector relates to Cooperatives, Non-Profit Organizations, Charities and Social Enterprises and their activity in promoting social causes; such as housing for the poor and vulnerable which is not principally for profit.

For example, in Jamaica a large number of affordable housing solutions have been provided by the Food for The Poor Organization, which plays an important role in complementing the affordable housing solutions provided by government agencies and the private sector.

Organizations that operate in this Social Economy satisfy a deep social need that people and families have for shelter, social protection, a feeling of security and safety and pride in ownership of real estate assets.

I note that some of the businesses listed on the JSE are actively involved in this Social Sector, through their Foundations and Corporate Social Responsibility programs and are to be highly commended for the contribution which they are making.

On the road to national development, we must do several things at the same time, including providing opportunities for affordable housing, even as we stabilize and grow the economy.

This requires the allocation of government resources to the housing sector, in addition to many other critical areas such as health, education and public safety, that also contribute to sustainable national development and the welfare of our People.

The discussion of affordable housing pivots on people's need to be housed. This impacts a wide cross-section of our society.

It includes the poor and vulnerable, young professionals, the working and middle classes, in rural as well as urban areas.

For each of these categories, different costs and affordability levels apply and this will mean different types of housing solutions and community environments that need to be provided, since one size does not fit all.

Some of the underlying costs relate to land acquisition, necessary infrastructure, such as access-roads and the availability of potable water.

We can readily accept that owning real estate assets and transferring these assets on to our families, creates generational wealth.

It increases the likelihood that the next generation will enjoy a better standard of living.

Real estate assets can be readily converted into cash for investments in businesses, beginning the cycle of wealth creation.

We know that there is significant pent-up demand for affordable housing in Jamaica.

This cuts across all classes, income levels and groupings.

For some, their needs can readily be satisfied by private sector initiatives or their own resources.

The Government plays a vital role in securing pools of funds and providing financing to the developers and builders and by providing housing solutions.

In doing so, the State utilizes a variety of programmes and institutions, such as the National Housing Trust (NHT), the Jamaica Mortgage Bank (JMB) and the Housing Authority of Jamaica (HAJ).

During my administration, significant financing was made available through these channels, continuing a positive trend.

Policy initiatives such as raising NHT Loan Limits and reduction of interest rates, have played an important role in the growth of NHT financed housing and “first-time” home ownership.

For the poor and vulnerable, the demand for affordable housing remains strong, but the key impediment is the lack of sufficient income to access commercial or even the subsidized programs.

We now know that under-employment is nearly as bad as no job at all, as it keeps the citizen trapped in a cycle of dependency, unable to achieve the dream of affordable housing.

Education and employment must therefore remain a priority.

We must all resolve as a Nation to seek to ensure that these families too can achieve their dream of a better Jamaica; a Jamaica in which they and their children and their children’s children can live, work, and achieve wealth and happiness.

If they are unable to do this and the gap between rich and poor continues to increase; our society may not be able to enjoy the product of wealth creation in the future; due to potential social instability.

This is an outcome we must avoid at all cost and under all circumstances.

During my administration’s term in office special emphasis was placed on land titling programmes in which tens of thousands of Jamaicans were able to own land.

Much progress has been made through different Administrations, since the Michael Manley Administration created the NHT in the 1970s.

The State must continue to play a pivotal role, working with stakeholders to create Public Private Partnerships to drive down the cost of housing in general, and for the most vulnerable in particular.

We must encourage efficiencies of scale, modern production and financing methods as well as the use of new technologies to help achieve this.

Efforts should also be made to incorporate in our designs, reductions in home operating costs; such as alternative energy and water harvesting innovations and natural disaster resilience.

We will need to consider changes to the institutional framework related to the provision of affordable housing, to include equity sharing, risk underwriting programs and other mechanisms that have been used successfully in other countries.

I make the call today for all of us to work together; across the political, class, wealth and industry divide; to solve the problem of housing affordability, thus achieving a win-win outcome.

We need our Stock Exchange to continue innovations in mobilizing financial resources to help us solve the affordable housing problem.

The Government can provide support by making Public Lands available at low cost as well as other measures to promote land development, Titling and Transfer.

Alternative forms of ownership that are consistent with the need of financiers to obtain collateral as security, must again be explored.

Increased market competition and innovation should continue to lower the price and increase the availability of low cost and affordable housing for all our citizens.

This demonstrates the key role of the Stock Exchange in providing the financial resources for the provision of affordable housing solutions, by mobilizing Investors.

We must continue to support efforts by the JSE to encourage Diaspora investment in the equities market and Affordable Housing, using appropriate technology, even as we convert more Savers into Investors.

I assure you that whether in Government or in Opposition, we will continue to work with the JSE to expand the listed companies and include more Jamaicans in share ownership.

My Vision is that we will seek to enable all our people, including the most vulnerable, to own a home and participate in the Jamaican dream of family, security, and wealth creation for themselves, their communities and our nation.

We have to make that change.

Let me close by quoting from one of my Mentors, Michael Manley's book, *The Poverty of Nations*, where he said "Any realistic vision of change must be based on the notion of empowerment of People."

Yes, we can build that Ownership Society, by empowering our citizens to provide security for their families through easy access to affordable housing; job creation, social stability and sustainable growth.

I wish for the Jamaica Stock Exchange every success.

Continue to have a productive conference.

May God Bless all of You, and Bless Jamaica Land We Love.