


## Guaranteed Purchase Programme (GPP)

The National Housing Trust, under its Guaranteed Purchase Programme, welcomes applications from public and private sector real estate developers to deliver affordable housing solutions for its contributors in its lowest income groups. The Guaranteed Purchase Programme (GPP) is an initiative between the National Housing Trust (NHT) and developers, through which the NHT agrees to purchase for its contributors all or some units in housing developments.

In this arrangement, the developer accepts all the risks associated with the planning, designing, financing and completing the housing solutions, while the NHT undertakes the marketing in respect of the agreed number of solutions.

### ELIGIBILITY CRITERIA/DOCUMENTATION FOR GPP PROPOSAL

			
<b>PROJECT PROPOSAL CHECKLIST</b>			
	<b>Documents/Information for submission of Project Proposal</b>	<b>Yes</b>	<b>No</b>
<b>Stage 1</b>	The following are minimum requirements for developers to qualify for evaluation by the NHT:		
	<ul style="list-style-type: none"> <li>➤ Completed Application Form (each Director of the Company is required to separately complete the Fit and Proper section of the form)</li> </ul>		
	<ul style="list-style-type: none"> <li>➤ Detailed Development Proposal to include copy Title (s) for project lands, name of development, duration of the construction works, delivery schedule (phased, where applicable), sizes of lots &amp; units, capacity for extension of the units, fixtures &amp; finishes, type of sewage treatment, and amenities.</li> </ul> <p>Proposed selling price(s) to the NHT, whether selling prices are subject to escalation, and the cap on escalation (note that the NHT will indicate a cap on the escalation).</p>		
	<ul style="list-style-type: none"> <li>➤ Particulars of Developer – Address, Certificate of Incorporation, Particulars of Shareholders, Directors, and of Consultants to</li> </ul>		

	include valid professional certificates, Registration with the Real Estate Board (REB) for the Developer & Project, Certificate of Incorporation/ Current Business Name Registration Certificate, Articles of Association duly certified by the Companies Office of Jamaica and Current TCC at the time of application.		
	➤ Previous experience of the company in the construction of at least two (2) developments of a similar size and nature to the proposed GPP Development. Developers with no experience in housing developments are automatically disqualified and will not be evaluated for the GPP. If the Developer is a new company, an exception may be granted where at least one Director can provide sufficient evidence of being an experienced developer on as least two (2) developments. A resume for each Director must be provided. The experience of each member of the development team must also be provided.		
	➤ A current Status Letter from Real Estate Board confirming that the developer is in good standing.		
	➤ A current Status Letter from the Companies Office of Jamaica confirming that the company is in good standing.		
	➤ Consent for a Credit Report for the Company and each Director to be conducted by the NHT.		
	➤ Police record for each Director which is to be sent directly to the NHT.		
If all documents provided are determined to be satisfactory, the NHT will request a credit report for the Company and its Directors. Thereafter, if the development proposal is deemed acceptable, the NHT will grant <b>Conditional Approval</b> to the developer.			
<b>Stage 2</b>	In addition to the qualification documents listed above, the NHT will require the following additional documents to conduct a detailed review and if accepted, make a recommendation for approval:		
	➤ Approved Subdivision Plan and Conditions of Approval from the Municipal Corporation		
	➤ Planning and Building Permits from the Municipal Corporation		
	➤ Permit & Licenses from the National Environment and Planning Agency (NEPA)		
	➤ Certified copy of Certificate(s) of Title from Titles Office evidencing ownership. The NHT will only contract with developers who are registered proprietors of the development lands.		

	<p>➤ Evidence of Financial capacity – submission of two (2) recent audited financial statements and a letter from a reputable financial institution indicating the total amount of funding being provided for the project.</p>		
--	--	--	--

**Note:**

- Information presented in the Project Proposal must correspond to the information presented in all the supporting documents, including plans/drawings.
- In the event that the applicant is not the owner of the project lands, they are required to submit a copy of the Agreement for Sale evidencing an ongoing purchase, along with the Copy Title.
- If the required approvals have not yet been granted, it is essential to provide proof of submission to the relevant authorities.

**RECOMMENDATION FOR APPROVAL**

Where the developer submits all the requisite documents for Stages 1 & 2, the NHT will conduct a single detailed evaluation of the proposal and if accepted, make a recommendation for Final Approval of the GPP Proposal.

**ADVANCE PAYMENTS**

The NHT may agree on advance payment of 5% to the developer. The guiding principle of the GPP is that the Developer must fully finance the project. However, such requests will be considered on a case by case basis based on the benefits to the contributor. The Developer must provide justification for such a request. If approved, the advance payment must be secured by way of an advance payment guarantee from a reputable financial institution acceptable to the NHT. Should a developer default on the delivery of the housing solutions to the NHT, the advance will attract interest charges at commercial rate.

**GPP Evaluation Criteria**

The assessment process for the GPP is guided by the project location, demand considerations building specifications (sizes, standards and finishes) and demonstrated capacity to deliver.

In addition to the criteria above, proposals are assessed based on their capacity to deliver solutions at benchmark selling prices which are subject to periodic reviews.

## **RESPONSIBILITY OF THE DEVELOPER**

Under the programme, the developer is responsible for:

- a. Submitting a proposal in keeping with the NHT's guidelines. This is to include at least one (1) valuation from a Chartered Valuation Surveyor, for each type of unit, which is required prior to the issuance of final approval.
- b. Sourcing the financing required for the planning, design, and construction of the development.
- c. Designing the infrastructure and housing units.
- d. Obtaining the approvals for the subdivision and building from all the relevant authorities and agencies.
- e. Construction of the development (Units & infrastructure) in its entirety as per the approved designs and requirements of all approval agencies & authorities, and to applicable standards & regulations.
- f. Provision of Certificates of Title, Government Electrical Registration Reports and Surveyor's Identification Reports, Termite Treatment Certificates, among other documents/items for completed units to the NHT and within the period specified in the GPP Agreement.
- g. Handover of the infrastructure to the relevant agencies & authorities.
- h. Repairing all defects that manifest within the Defects Liability Period and construction defects as per the agreement with the NHT.
- i. Correcting all construction related defects that manifest up to two (2) years after the expiration of the Defects Liability Period.

## **RESPONSIBILITIES OF THE NHT**

The NHT is responsible for:

- a. Accepting the risk for marketing and selling the units it purchases in the development.
- b. Monitoring the construction works for adherence to the terms of the GPP Agreement.
- c. Payment of purchase monies in accordance with the terms of the GPP Agreement.