

JDA REAL ESTATE WEBINAR

“BUILDING FOR THE FUTURE”

COSTS, RISKS, AND RESILIENCE POST-MELISSA



Presented By Mr. Courtney Wynter
December 2, 2025



- JMB's History and Mandate
- Understanding Cost
- Expectations Post-Melissa
- Q & A

BRIEF HISTORY

- The Bank was established on June 2, 1971 as a private liability company
- On June 5, 1973, an act of Parliament converted the Bank to a statutory corporation.

JMB's MANDATE

Nell's Cottage, Clarendon



- To Finance safe and affordable housing so that all Jamaicans will have access to home ownership.
 - Provide Financing in the Primary Market
 - Provide Financing in the Secondary Market
- Manage the Government of Jamaica's Mortgage Insurance Plan



Facilitating Home Ownership, the Cornerstone of Nation Building

PRIMARY MARKET PERFORMANCE

Island-wide

Beaconfield, St. Andrew



| Project | Location | Project | Location |
|-----------------------|--------------|------------------------|---------------|
| 1 Llandillo | Westmoreland | 29 Emerald Apartments | St. Mary |
| 2 Little Bay | Negril | 30 Rio Nuevo | St. Mary |
| 3 Negril Estate | Negril | 31 Huddersfield | St. Mary |
| 4 Catherine Hall | St. James | 32 Providence | Manchester |
| 5 Mango Walk | St. James | 33 Phoenix Park | St. Elizabeth |
| 6 Venetian | St. James | 34 Genesis Manor | St. Elizabeth |
| 7 Lola Gardens | St. James | 35 White Water Meadows | St. Catherine |
| 8 Hague | Trelawny | 36 Magil Palms | St. Catherine |
| 9 Stone Brook | Trelawny | 37 Braeton | Portmore |
| 10 Discovery Point | St. Ann | 38 Marine Park | Portmore |
| 11 Moneague | St. Ann | 39 Passage Fort | Portmore |
| 12 Mansfield Park | Ocho Rios | 40 West Cumberland | Portmore |
| 13 Blue Castle | St. Andrew | 41 Angel's Plaza | Spanish Town |
| 14 Mannings Manor | St. Andrew | 42 Long Mountain | St. Andrew |
| 15 UWI Dorms – 1000+ | UWI | 43 Cooreville Gardens | St. Andrew |
| 16 Richesse Chateaux | St. Andrew | 44 Upland Manor | St. Andrew |
| 17 Edinburgh | St. Andrew | 45 Hamptons at Fairway | St. Andrew |
| 18 Sherlock Manor | St. Andrew | 46 Hughenden | St. Andrew |
| 19 Beaconfield | St. Andrew | 47 Mayfair Manor | St. Andrew |
| 20 Nell's Cottage | Clarendon | 48 Sunrise Manor | St. Thomas |
| 21 Kensington Gates | St. Andrew | 49 Portview Manor | St. Andrew |
| 22 Hughenden Apts | St. Andrew | 50 Beaconfield Apts | St. Andrew |
| 23 Genesis 28 | St. Andrew | 51 Harmony Court | St. Andrew |
| 24 Forest Gates | St. Andrew | 52 London Apt | St. Andrew |
| 25 Jewels of Sinclair | St. Andrew | 53 The Edbury | St. Andrew |
| 26 Comfort Apmnts | St. Andrew | 54 Mayfair Close Apt | St. Andrew |
| 27 Nitram of Wareloo | St. Andrew | 55 The Sanctum | St. Andrew |
| 28 Westkale | St. Andrew | 56 The Dulwich | St. Andrew |

JMB Facilitating Home Ownership in the 1970s

Blue Castle St. Andrew



"Home is the place your heart resides"

JMB Restricted JMB/IDA Webinar-04-12-2025
-Aisha Patterson

Cooreville Gardens St. Andrew



Another good housing scheme for Jamaicans

JMB Restricted, JMB/JDA Webinar-04-12-2025

Garweymead St. Catherine



“Home is the womb that holds the soul”

JMB Restricted JMB/IDA Webinar-04-12-2025
Aisha Patterson

Garveymead St. Catherine



“Home is the womb that holds the soul”

JMB Restricted JMB/IDA Webinar-04-12-2025

Aisha Patterson

Braeton

St. Catherine



*"No more from that cottage again will I roam;
Be it ever so humble, there's no place like home" - John Howard Payne*

Marine Park St. Catherine



"Home is the place your heart resides"

JMB Restricted JMB/IDA Webinar-04-12-2025
-Aisha Patterson

Passage Fort St. Catherine



"Home is the womb that holds the soul"

JMB Restricted JMB/IDA Webinar-04-12-2025
Aisha Patterson



JMB Facilitating Home Ownership in the 1980s

Catherine Hall

St. James



"No more from that cottage again will I roam;
Be it ever so humble, there's no place like home." - **John Howard Payne**

Moneague St. Ann

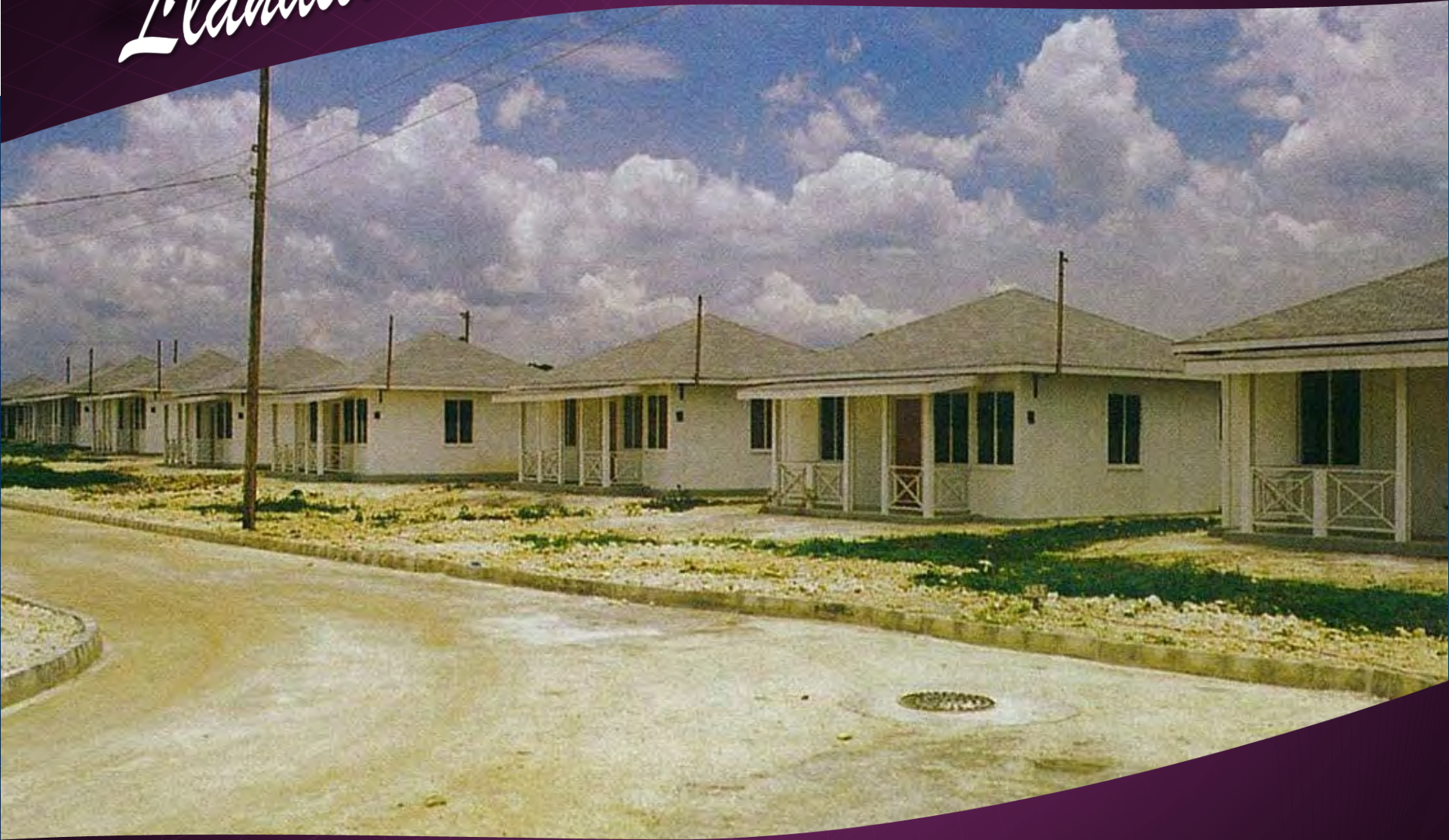


“Home is the womb that holds the soul”

JMB Restricted, JMB/IDA Webinar-04-12-2025

Aisha Patterson

Llandilo Westmoreland



*"Pleasures and palaces though we may roam,
Be it ever so humble, there's no place like home"* **John Howard Payne**

Hague Trelawny



"Home is the place your heart resides"

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-Aisha Patterson

Mansfield Park **St. Ann (Ocho Rios)**



"But give me, oh, give me, the pleasures of home."

JMB Restricted, JMB/IDA-W/001/04-12-2025
John Howard Payne



JMB Facilitating Home Ownership in the 1990s

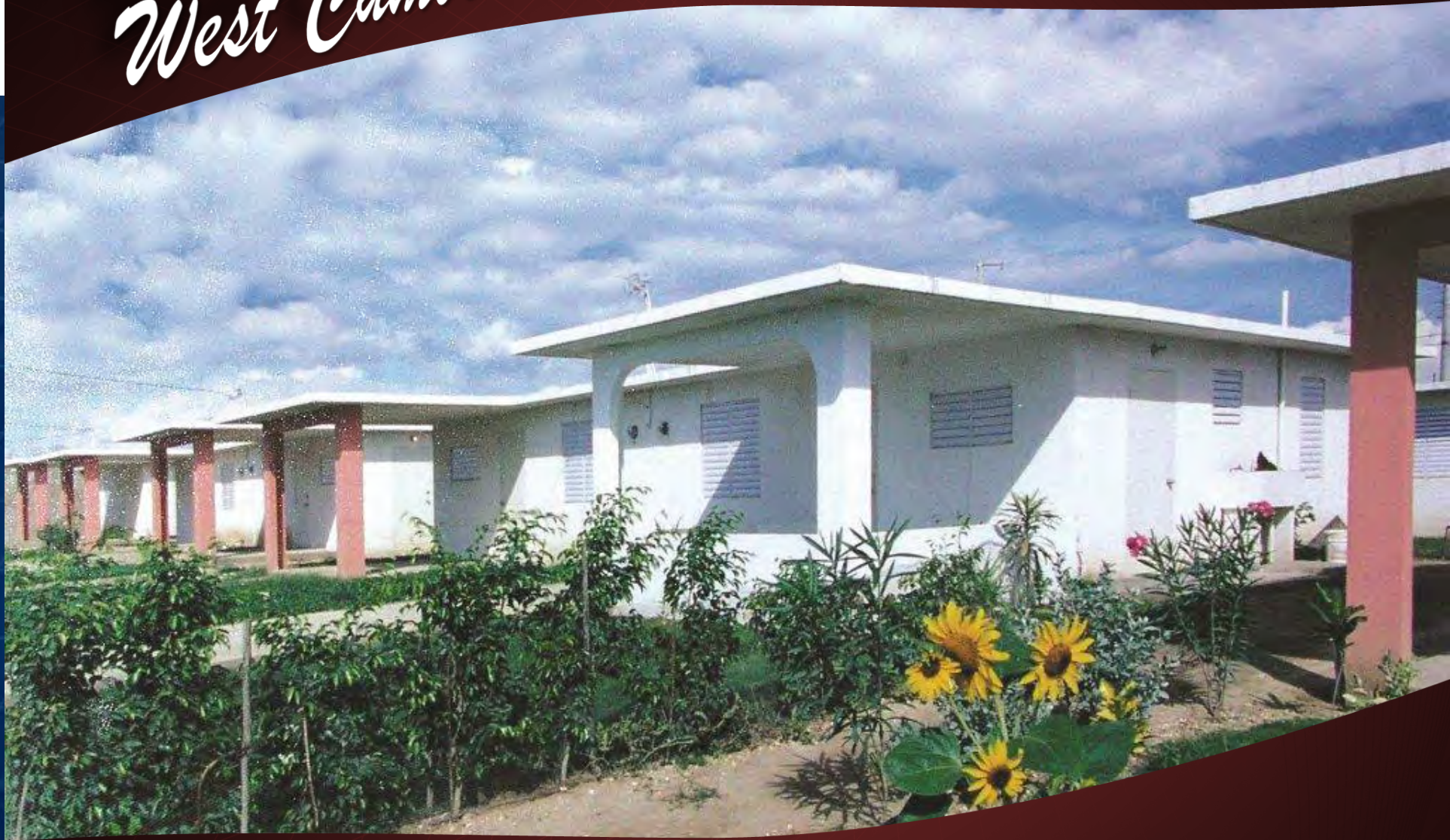
Rio Nuevo St. Mary



*"Pleasures and palaces though we may roam,
Be it ever so humble, there's no place like home"* - John Howard Payne

JMB Restricted, JMB/IDA Webmar: 04/12/2025

West Cumberland **St. Catherine**



*"Pleasures and palaces though we may roam,
Be it ever so humble, there's no place like home"* - **John Howard Payne**



JMB Facilitating Home Ownership in the 21st Century

Dewsbury St. Andrew



"Home is the womb that holds the soul"

Aisha Patterson

JMB Restricted, JMB/IDA Website 02-12-2025

Emerald Apartments St. Mary



"Home is the place where your heart will stay"

Aisha Patterson

JMB Restrictive, JMB/JMA Website 04-12-2025

Greenwich Estate St. Ann



*"No more from that cottage again will I roam;
Be it ever so humble, there's no place like home."* **John Howard Payne**

Long Mountain Country Club

St. Andrew



"Home is the place your heart resides"

JMB Restricted JMB/IDA Webinar-04-12-2025
-Aisha Patterson

Mannings Manor

St. Andrew



*"Pleasures and palaces though we may roam,
Be it ever so humble, there's no place like home"* - **John Howard Payne**

Monte Cristo St. Andrew



"Home is the womb that holds the soul"

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Pleasant Valley

St. Andrew



"Home is the place where your heart will stay"

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Aisha Patterson

Stone Brook Trelawny



"Home is the place your heart resides"

JMB Restricted, JMB/IDA Webinar-04-12-2025

-Aisha Patterson

The Venetian St. James



In the heart of Jamaica's second city, this beautiful residential complex was built.

JMB Residential, Inc. JMB Residential, Inc. 04-12-2025

La Ventura St. Andrew



Providing a window of opportunity for Jamaicans to own a home

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The Shores St. James



*"Pleasures and palaces though we may roam,
Be it ever so humble, there's no place like home" -John Howard Payne*

JMB Restricted, JMB/IDA Webinar 04-12-2025



JMB Facilitating Home Ownership in the 21st Century and Beyond

Hillview

St. Andrew



Stonebrook Trelawny



The Riveria St. Andrew



2007 State of the Art Dorms



2007 State of the Art Dorms



Knightsdale

St. Andrew



Abu Dhabi

St. Andrew



Little Bay Country Club

Negril, Westmoreland



Meadowbridge

St. Andrew



Huddersfield

St. Mary



The Colleges St. Andrew



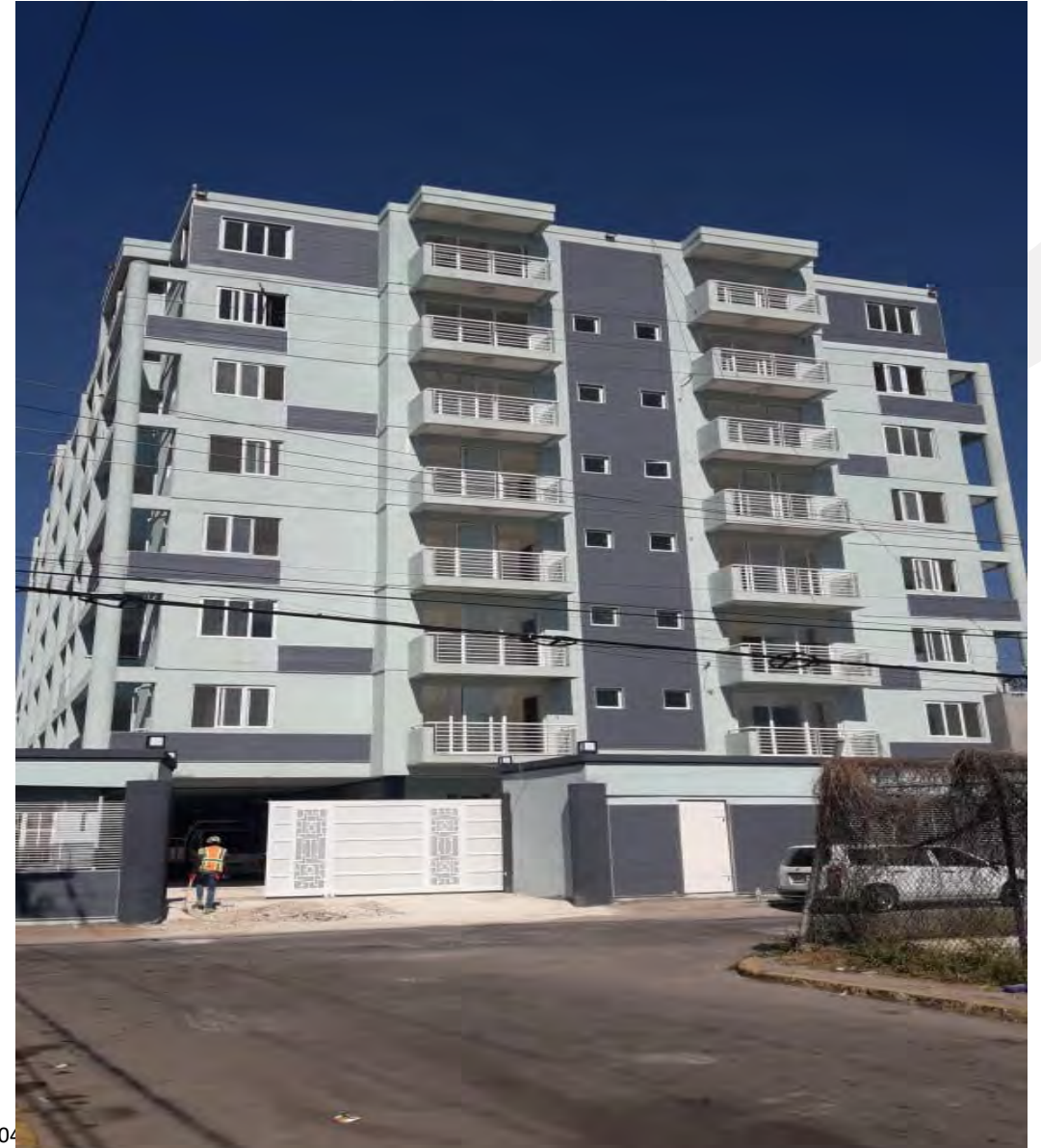


*Thanks to all who have helped us
help Jamaicans
achieve home ownership!*

JMB's PERFORMANCE DATA (10 YEARS)

Kensington Gates, St. Andrew

- # of Projects Financed Island-Wide: >60
- Project Cost Value: Approx. \$29B
- # of Projects successfully completed->56
- Delivered over 2,700 solutions (Units & lots)
- Pre-COVID, the Construction industry, primarily residential was robust.
- Post COVID we have seen a slight slowing evident of the PIOJ reports of 8 consecutive quarters of negative growth JMB has set yet another record.



UNDERSTANDING THE FULL COST OF R.E. DEVELOPMENT-BANKER'S PERSPECTIVE

| Major Project Cost Components | % of Project. Cost | Equity | Construction | Other |
|--------------------------------|--------------------|--------|--------------|-------|
| Land Cost | 4% | 4% | | |
| Construction Cost | 66% | | 66% | |
| Professional Fees & Regulatory | 4% | 4% | | |
| Financing Costs | 20% | 20% | | |
| Conveyancing Costs | 4% | 0% | | 4% |
| Marketing costs | 2% | 0% | | 2% |
| Total | 100% | 28% | 66% | 6% |

MOST LENDERS WILL REQUIRE BETWEEN 30 % to 50% EQUITY (SHOWING STAKE IN THE GAME) AS WELL AS A RISK MITIGATION STRATEGY

EACH CONSTRUCTION LOAN STRUCTURING IS UNIQUE DEPENDING ON THE VARIABLES INVOLVED

UNDERSTANDING THE FULL COST OF R.E. DEVELOPMENT-BANKER'S PERSPECTIVE

1. Land Cost-4% to 5%

- Developer submits a valuation of development land
Appraised value is verified by the bank
Land MUST be free and clear (No Mortgage)
Land MUST be owned by the development company or Joint Venture
- Most banks will not finance the land acquisition
Adds another layer of risk to the bank's balance sheet

UNDERSTANDING THE FULL COST OF R.E. DEVELOPMENT-BANKER'S PERSPECTIVE

Professional Fees and Regulatory-4 %

- Architect, Engineer, Surveyor, Quantity Surveyor, Legal, Advisors e.t.c
- The cost of registering and securitizing the loan value, other security elements and other regulatory requirement
 - Debenture over the development company
 - Personal guarantees
 - Additional collaterals
 - Others

UNDERSTANDING THE FULL COST OF R.E. DEVELOPMENT-BANKER'S PERSPECTIVE

Financing Cost-12% to 20%

- Interest on the life of the loan, usually payable quarterly
- Cost of acquiring the loan-Debt or Equity
 - Commitment Fees
 - Legal
 - Administrative
 - Ongoing monthly fees in the case of equity
- Capitalized Interest is an added layer of risk to the lender's balance sheet
 - Presents a liquidity issue
- Debt Service Interest Cover
 - Industry standard is between 1.25X to 1.5X

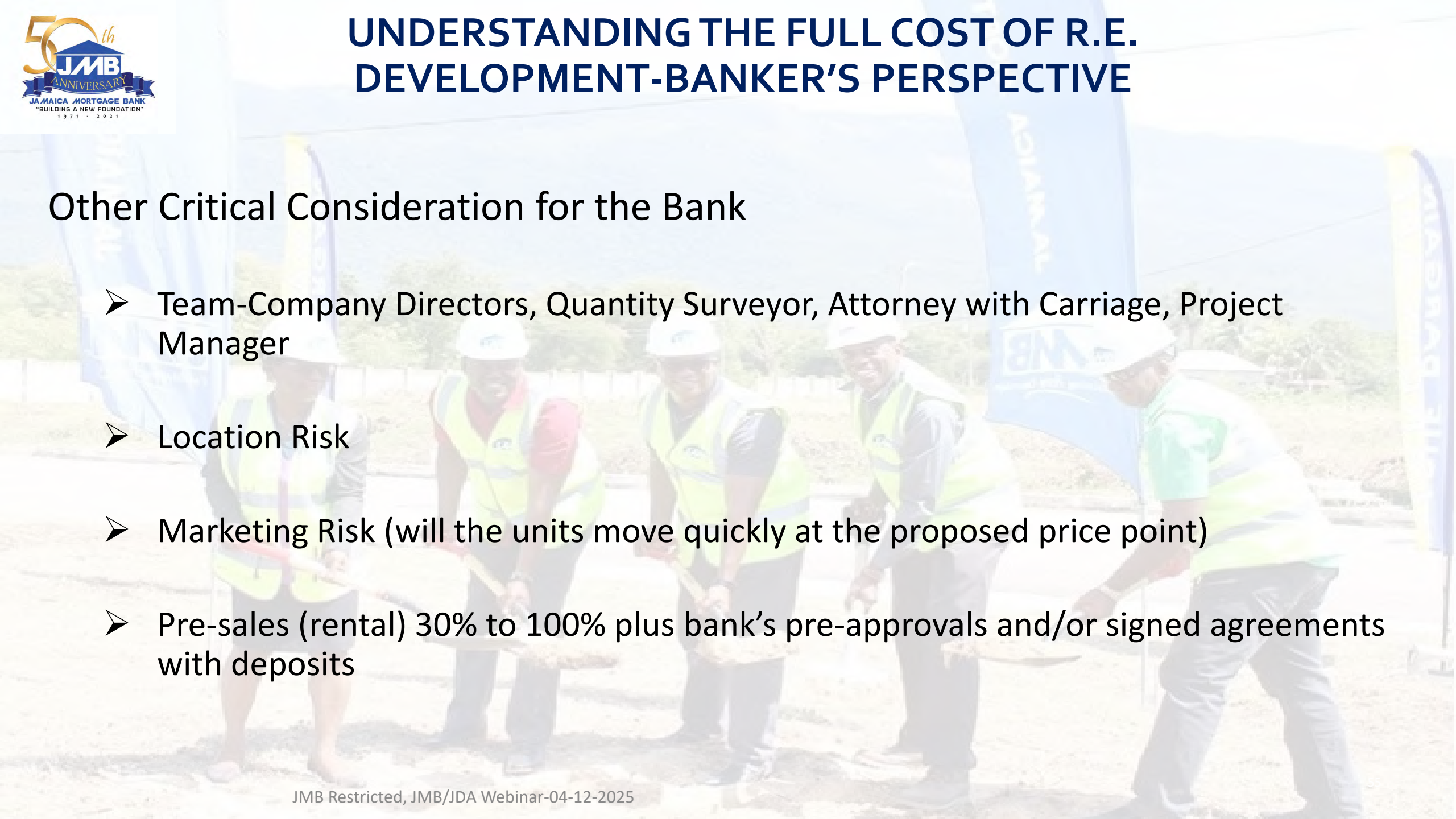
UNDERSTANDING THE FULL COST OF R.E. DEVELOPMENT-BANKER'S PERSPECTIVE

Constructions Cost-66% to 72% of Project Cost

- Infrastructure, Foundation, Superstructure, Finishes, All Risk insurance
- External Works including Amenities
- Utility connectivity (Power, Water, Fire)
- Contingency between 5% to 15% depending on complexity and size

UNDERSTANDING THE FULL COST OF R.E. DEVELOPMENT-BANKER'S PERSPECTIVE

Other Critical Consideration for the Bank

- 
- Team-Company Directors, Quantity Surveyor, Attorney with Carriage, Project Manager
 - Location Risk
 - Marketing Risk (will the units move quickly at the proposed price point)
 - Pre-sales (rental) 30% to 100% plus bank's pre-approvals and/or signed agreements with deposits

UNDERSTANDING THE FULL COST OF R.E. DEVELOPMENT-BANKER'S PERSPECTIVE

Development Financing is a very risky Business for Banks

- Delays of 1 year of projected completion can add <15% construction cost
- Lengthier delays projected completion can add between 17% to 40% cost
- Delays not cured within a 3-4 month window has a rippling effect and add to time sensitive cost such as labor and interest cost
- Ineffective Project Management always result in additional cost especially variations

JMB PERFORMANCE DATA (10 YEARS)

Average Sqft. size
of a 2-bed apt.
unit moved from
1,334 to 935



JMB PERFORMANCE DATA (10 YEARS)

Palais de la Richesse

Avg. Cost of Construction moved from Approx. \$8,400 per sqft. to a high of \$16,320 per sqft. and rising since COVID

Construction cost ranges from \$9,471 to \$22,000 per sqft.

Project cost ranges from \$15,300 to \$34,616 per sqft.



JMB PERFORMANCE DATA (10 YEARS)

Portview Manor

- Avg. price per sqft. is approximately \$30,387
- However, Avg. Price per sqft. Ranges from \$15,643 to \$48,000
- At the higher end of the market prices are even higher.



JMB PERFORMANCE DATA (5 YEARS)

Portview Manor

- Avg. ROI on projects funded by the JMB is 21% with ROE exceeding 80%
- No Investment vehicle in Jamaica rivals this level of consistent returns.

RECOMMENDATIONS

- Ensure Bills of Quantity is costed as accurately as possible
- Ensure that all contracts are vetted properly to protect your interest
- Ensure a qualified and experience project team especially if you are a new developers
- Hire someone with excellent hands on project management skills.
- Guard against scope creep
- Be open to dialogue and recommendations that lends itself to reasonable resolution of issues.

JMB's REQUIREMENTS FOR FINANCING

Beacon Field Finishes, St. Andrew

- Title-Free and Clear with recent Valuation
- Municipality approval of drawings
- Proof of registration from RE Board
- Fire approval
- NEPA approval, if required
- NWC/WRA approval
- Project Budget, BQ, Marketing plan
- Profile of project team-Very Important
- Company registration documents



HOW DO HURRICANES AFFECT THE ECONOMY-CNBC VIEW



Economic Outlook-Melissa's Impact

Key Expectations post Hurricane Melissa:

- Negative GDP growth for the next year or two before recovery
 - 40% Jamaica's GDP (Tourism and Agriculture) took a hit.
- Short term inflation
- Further Slowing of high-end housing inventory and a significant high demand for low-income resilient housing
- Some escalation in housing material
- Temporary spike in general unemployment
- Further shortage in construction labor, thereby driving cost upward

JMB Contact

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MORTGAGE
BANK



Facilitating Every Dreamship

JAMAICA MORTGAGE BANK

THANKS

Q & A

OPTIONS FOR CONSTRUCTION FINANCING

WIN/WIN FOR GOVERNMENT-LOTS OF TAXES

- Stamp Duty on Bonds
- Stamp duty on Loan agreements
- Contractor Levy
- GCT on Construction Material
- Stamp duty on Mortgages

WIN/WIN FOR GOVERNMENT-LOTS OF TAXES

- Registration of Mortgage
- Transfer taxes on Sale
- Stamp duty on Transfer
- Increased Property Tax with the developed land