

FCJ NEWS

FCJ is offloading 27 properties located throughout 9 parishes. These assets are a mixture of vacant lands and factory/industrial spaces.

In 2018 the Ministry of Finance and Public Service(MOFPS) directed Factories Corporation of Jamaica Limited (FCJ) to divest 15% of its non-performing assets to supplement the Government’s debt reduction strategy. These assets are non-performing or marginally performing properties that are being maintained at a cost to the company and in most instances are in excess of the revenues being generated from them.

Since the beginning of the process, a total of 12 properties have been divested at a sale value of \$183.7M. Currently there are four properties which are up for sale that has already received Cabinet/Ministerial approval. The total sale value for these properties is \$142M and they are at various stages of completion.

The net proceeds of sale from the divestment are not retained by FCJ, in others words, the funds do not go in to the company’s purse. They are paid directly to the Government of Jamaica (GOJ) to help with debt reduction. In terms of the debt reduction, when there is a divestment, the money helps to reduce Jamaica’s debt and allows more funds to be available to go into other areas such as education, health, road, etc. The divestment also benefits the economy as the properties that were previously non-performing or marginally performing are repurposed by the new owners, which will then help to create additional jobs and other economic opportunities.



Estate Manager Trouy Stanberry (L) and Chief Strategic Officer Desmond Sicard

15%

DIVESTMENT

<p>CLARENDON Denbigh Clarendon Lionel Town May Pen SIC</p> <hr/> <p>HANOVER Lot 179 Haughton Court</p> <hr/> <p>KINGSTON 121 Duke Street 1 225 1/2 Marcus Garvey Dr 2a Torrington Road 25 Slipe Pen Rd Bumperhall Kingston Pen - Lot 3 New Port East</p> <hr/> <p>MANCHESTER Christiana ITC Grey Ground</p> <hr/> <p>ST. ANDREW Above Rocks Salisbury Plain Nanse Pen Lot 7</p> <hr/> <p>ST. CATHERINE Central Village</p>	<p>Lot 5 White Marl 1 Valdez Road Corletts Road Lot (2) Rodens Pen Twickenham Park Lot 4a Valdez Road Lot 38 Woodlands, Old Harbour</p> <hr/> <p>ST. MARY Gibraltar Estate Lot (6)</p> <hr/> <p>ST. THOMAS Eleven Miles Bull Bay Lots 4 Lyssons Port Morant ITC East Albion Lot 154 Lyssons Lot 5 Yallahs IE Lot 9</p> <hr/> <p>ST. JAMES Glendevon SIC (2) Glendevon Lot (7)</p> <hr/> <p>TRELAWNY Hague - Lot (4) Westmoreland Culloden Lot (9)</p>
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The Primary Functions of the Estate Department

The Department's main function is to manage the company's real estate assets. This includes property leases, management of the company's general insurance portfolio for the properties and asset management. The company's real estate assets are valued annually to determine fair market value at which the property will be listed in the company's books in keeping with the International Financial Reporting Standards (IFRS). The department also manages the 15% Land Divestment Policy.

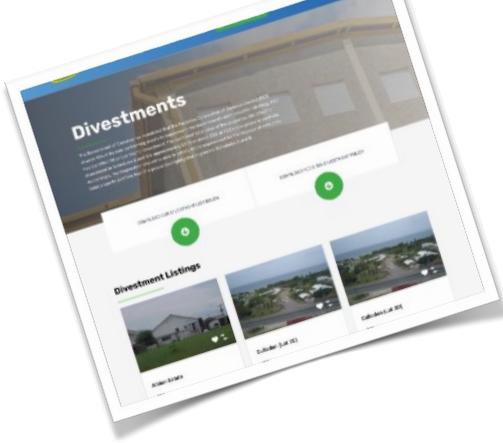
The yearly valuation of the company's assets also contributes to the profitability of the company in the form of unrealised gains. This means the increase in value of an asset prior to its valuation the previous year.

The Estate Department works closely with the Legal Department, Client Services Department and also the Marketing and Communications Department. A part of FCJ's lease agreement with our clients, is that the company is responsible for the maintenance of all the properties, which includes their water supply. There are monthly water meter readings, which ensure that the client's usage corresponds with what is being reported. These checks are conducted with the Client Services team to manage it.

The organisation's new Estate Manager is Trouy Stanbury. Joined the organisation in December 2021. Before his appointment, Chief Strategic Officer Desmond Sicard headed that department. The department is supported by Administrative Assistant Janice Gordon and Paralegal Assistant Tiffany Bradshaw.



(L-R) Estate Manager Trouy Stanbury, Chief Strategic Officer Desmond Sicard, Paralegal Assistant Tiffany Bradshaw and Administrative Assistant Janice Gordon.



The Process

The FCJ Divestment Policy is used to guide the divestment/sale of these properties, which can be found on the company's website www.fcj.gov.jm. The Policy sets out how the process is managed. Prospective purchasers are required to make an offer, which must be supported by a current valuation report. Once such an offer is received, FCJ would engage the National Land Agency (NLA) or a chartered surveyor.

The property is then advertised in the print media to ensure transparency as well as that the competitive tendering process is observed. The purchase offers received are accessed by the internal valuation committee with consideration given to;

- the type of businesses that will be operated
- number of employees or potential employment
- the offer price submitted
- their business standing and reputation
- relationship to property
- project sustainability
- finance and development timeline and regulatory compliance.

The purchase offer with the best overall score is then recommended to FCJ Project's Committee for endorsement and then to the Board of Directors for approval. A submission is then made to FCJ's portfolio ministry to seek ministerial or cabinet approval depending on the sale value of the property.