



DISPOSAL OF REAL ESTATE ASSETS

INTRODUCTION

This policy encompasses the prescribed procedures that guide the disposal of Government owned properties covering both solicited and unsolicited purchase offers.

MAIN OBJECTIVES

- To secure the best overall purchase offers for the Corporation's Real Estate Assets in accordance with recent valuations of the properties, as well as the intended use of the properties and the number of employment to be generated from the intended use of the properties.
- To ensure that the disposal of the Corporation's Real Estate Assets is done in a transparent manner.

POLICIES

- All sales proposals must be supported by at least one valuation Report from the National Land Agency or a Chartered Valuation Surveyor, while unsolicited proposals must also be supported by a valuation Report from a licensed appraiser.
- The recommended selling price should be based on the higher or the average of two (2) Valuations where the difference in the two (2) Valuations is 20% or less, or where the Valuation submitted by the Prospective Purchaser is greater than 20% above the Valuation obtained by FCJ. However, where the Valuation submitted by Prospective Purchaser is greater than 20% below the Valuation obtained by FCJ, a third Valuation should be obtained from a Chartered Valuation Surveyor and used as a means to benchmark the other two (2) Valuations and help to determine the recommended selling price of the property.
- Properties for sale must be advertised in the major newspapers to ensure transparency as well as to ensure that the competitive tendering process is observed. However, sales negotiated with other Government owned entities or existing tenants in good standing are exempt from this process.
- The recommended purchase offers must be endorsed by FCJ's Projects Committee or any other designated Committee, and approved by our Board of Directors.
- Properties for sale must be approved by the Cabinet of Jamaica or FCJ's Portfolio Minister in accordance with the stipulated Threshold value.



PROCEDURES

TO BE DONE BY

1	Identify the properties to be divested based on an assessment of the Return on Capital Employed in respect of each property. Alternatively, FCJ may receive unsolicited offers from prospective purchasers supported by a valuation Report from a Licensed Appraiser.	Estate Manager in collaboration with the Chief Strategic Officer and consultation with the Managing Director
2	Commission the National Land Agency (NLA) or a Chartered Valuation Surveyor to undertake a valuation of the property.	Estate Manager in collaboration with the Chief Strategic Officer
3	Thereafter, where applicable, prepare advertisement inviting purchase offers and make arrangements for same to appear in the major newspapers.	Administrative Assistant in collaboration with the Estate Manager
4	Evaluate the Purchase Offers submitted and identify the best overall purchase offer for recommendation to the Projects Committee or any other Committee designated by the Board of Directors.	Evaluation Committee to be appointed by the Managing Director
5	Prepare submission and make presentation to the PDM Committee for endorsement of the recommended Purchase Offer.	Estate Manager in collaboration with the Chief Strategic Officer
6	Present submission to FCJ's Board of Directors for approval of the Purchase Offer endorsed by the PDM Committee:	Managing Director
7	Upon Board Approval, advise the recommended purchaser of the terms of the sale and secure the purchaser's confirmation to proceed with the sale.	Estate Manager in collaboration with the Chief Strategic Officer
8	Upon receipt of confirmation from recommended purchaser, prepare draft submission and forward same to Portfolio Ministry to seek Cabinet or Ministerial Approval of the sale.	Estate Manager in collaboration with the Chief Strategic Officer and collaboration with the Managing Director
9	A submission is made to Cabinet or Portfolio Minister for final decision.	Portfolio Ministry
10	Upon receipt of Cabinet or Ministerial Approval, give instructions to FCJ's Legal Officer or external Attorneys-at-Law to take conduct of the sale.	Managing Director in consultation with the Legal Officer



OFFER TO PURCHASE

Offers are being invited for the purchase of the captioned properties. The purchase offer must contain the intended use of the property and expected scope of employment. Offers must be submitted in a sealed envelope not bearing any indication of the intended purchasers on the face of the envelope or in the franking thereon and marked:

PROPERTIES FOR SALE

Property located at

Land size approximately sm (acres)

Property located

Land size approximately hectares (acres)

All offers must be supported by written confirmation of source of funding from a registered Financial Institution. Offers not supported by written confirmation of source of funding from registered financial institution will be rejected.

Offers must be deposited in FCJ's tender box, at the address given below, no later than 1:00 p.m. on day of , 20...

Recommendation for purchase will not necessarily be based on the highest purchase price, but in respect of the best overall purchase offer. FCJ also reserves the right not to accept any of the purchase offers submitted.

CONTACT
ESTATE DEPARTMENT
17 Knutsford Boulevard
Kingston 5
Tel: 929-9704



EVALUATION FORM

CRITERIA	RATING
Relationship with Property	
1. Applicant's Present Relationship with Property	
a. Lessee in good standing with tenure over ten years	20
b. Lessee in good standing with tenure six to ten years	15
c. Lessee in good standing with tenure one to five years	10
d. Entities with no current relation to the property	5
Level of Compatibility	
2. Compatibility of Proposed Use with Land Use Zoning Classification	
a. The proposed use of the property is exactly compatible with land use zoning classification	20
b. The proposed use of the property is in accordance with but not compatible with land use zoning classification	15
c. The proposed use of the property is not in accordance with but compatible with land use zoning classification	10
d. The proposed use of the property is not compatible with land use zoning classification	0
Project Sustainability	
3. Economic and Social Sustainability of the Project	
a. Project demonstrates economic and social sustainability	20
b. Project demonstrates 1 out of 2 criteria of economic and social sustainability	10
c. Project does not demonstrate economic or social sustainability	0



Planned Development Period

- | | |
|---|----|
| 4. Expected Completion Period of Proposed Project after Acquisition | |
| a. Under one year | 20 |
| b. One to three years | 15 |
| c. Four to six years | 10 |
| d. More than six years | 0 |

Finance and Development

- | | |
|---|----|
| 5. Ability to Finance the Acquisition and Development of Property | |
| a. Bank guarantee covering the full cost of the acquisition and development of property | 20 |
| b. Bank statement, including average balance over two years, confirming adequate ability to finance acquisition and development of property | 15 |
| c. Letter from a registered financial institution confirming that applicant has equity and ability to obtain financing for acquisition and development or a financial undertaking accompanied by a two-year audited financial statement | 10 |
| d. Insufficient financial information provided | 0 |

Proposed Development Plan

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| 6. The Proposed Acquisition Meets National Development Objectives | |
| a. Proposed development aligns with/meets national development objectives | 30 |
| b. Proposed development meets most (greater than 50%) of the national development objectives | 20 |
| c. Proposed development meets some (less than 50%) of the national development objectives | 10 |
| Proposed development does not align with national development objectives | 0 |



Offer Price

- | | |
|--|----|
| 7. Offer Price as a Percentage of Capital/Rental Valuation of the Property | |
| a. Percentage of Property Valuation 100% or greater | 40 |
| b. Percentage of Property Valuation 90% or greater but less than 100% | 30 |
| c. Percentage of Property Valuation 75% or greater but less than 90% | 20 |
| d. Percentage of Property Valuation less than 75% | 10 |

National/Public Interest

- | | |
|---|----|
| 8. The Development is in the Public Interest | |
| a. Beneficial and very important to the national/public interest | 20 |
| b. Project has some advantages and is in the national/public interest | 10 |
| c. Project not beneficial and not in the public interest | 0 |

Experience

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| 9. Relative Experience at Proposed Development | |
| a. Significant experience (15 years or more) | 20 |
| b. Moderate experience (more than 8 years - less than 14 years) | 15 |
| c. Some experience (more than 3 years - less than 8 years) | 10 |
| d. Inexperienced (less than 3 years) | 0 |

Regulatory Compliance

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|--|----|
| 10. Compliance with Existing Laws and Regulations | |
| a. Compliant (excellent compliance with tax laws and regulations, statutory deductions and registrar of companies; TRN, TCC) | 20 |
| b. Becoming compliant (in the process of meeting eventual compliance within three months with tax laws and regulations, statutory deductions and registrar of companies: TRN, TCC) | 10 |
| c. Not compliant | 0 |



Submission of Applicant

11. Rating Regarding Submission of Applicant

- | | |
|---|----|
| a. Applicant submitted Purchase Offer supported by a valuation not more than 6 months old from a licensed Valuation Surveyor prior to advertisement | 20 |
| b. Applicant submitted complete application within the prescribed deadline | 10 |
| c. Applicant submitted incomplete application within the prescribed deadline | 0 |

Use of Local Goods and Services (if applicable)

12. Expected Contribution to Local Employment

- | | |
|---|----|
| a. Greater than 30 persons to be employed | 20 |
| b. 15 to 30 persons to be employed | 15 |
| c. Ten to fourteen local persons to be employed | 10 |
| d. Fewer than 10 local persons employed | 5 |



SCORE SHEET

Property Name: _____

Date: _____

Name of Applicant: _____

CRITERIA	SCORE
1. Applicant's Present Relationship with Property	_____
2. Compatibility of Proposed use with Land Use Zoning Classification	_____
3. Economic and Social Sustainability of the Project	_____
4. Expected Completion Period of Proposed Project after Acquisition	_____
5. Ability of Finance the Acquisition and Development Objectives	_____
6. The Proposed Acquisition Meets National Development of Property	_____
7. Offer Price as a Percentage of Capital/Rental Valuation of the Property	_____
8. The Development is in the Public Interest	_____
9. Relative Experience at Proposed Development	_____
10. Compliance with Existing Laws and Regulations	_____
11. Rating for Submission of Application	_____
12. Proportion of Project that uses Local Goods and Services (including Employment)	_____
TOTAL SCORE OF APPLICANT	_____
MAXIMUM POSSIBLE SCORE	_____
FINAL SCORE (%)	_____

Valuator 1 _____

Valuator 2 _____

Valuator 3 _____

Valuator 4 _____

Valuator 5 _____

Valuator 6 _____