**Remarks to RICS Conference**

**By Premier Hon. Alden McLaughlin, MBE, JP, MLA**

**8:30 a.m., Friday, 24 February, 2017**

**Marriot Beach Resort**

Good morning and welcome to the 2017 Royal Institute of Chartered Surveyors Cayman Islands Property and Construction Conference.

This is the third such conference and I understand it is another sell-out event.

I am pleased to have been invited to speak in support of what is the Third Pillar of our Cayman Islands economy, the Construction and Real Estate industry.

The theme of this year’s conference is “Global Real Estate and its impact on the Cayman Islands”.

In the International arena, the focus for the Cayman Islands is usually on the performance of our Financial and Tourism industries. But underpinning both of these is the quality of the infrastructure that supports them, and that comes straight down to the standards and professionalism of those who represent our Construction and Real Estate Industry.

Indeed at a conference similar to this Former Prime Minister Margaret Thatcher was reported to have said that “You and I come by road or rail, but economists travel by infrastructure”.

As a small tri-island country, we are proud of our broad horizons and forward thinking. We listen, and we look to see the best ways of doing things, adapting them from around the world to suit our local environment. Otherwise we risk losing our edge and falling behind our many international competitors.

From the moment we disembark our flights at the airport; the infrastructure we travel along, the quality of the hotels our visitors stay at, the standard of office buildings our world-leading financial and legal services operate from and the availability of good standard residential accommodation,which is compliant with world leading safety and energy efficient regulations.

These all represent the product of this ‘Third Pillar’ of the Cayman economy of which we are proud.

As there are no direct taxes in Cayman, a buoyant construction and real estate market provides a key source of income to our local economy, from the duty levied on building materials, the fees levied on work permit fees, right through to all the wages that buy local goods and services.

And the stronger the property market, of course, the more stamp duty is received. It is from that and our indirect taxation model that we have our income streams so that we are able to invest in our Islands’ future.

When I was addressing the Conference here two years ago, my Government was beginning to roll out our plans to develop the public infrastructure essential for encouraging and supporting new private investment.

We have embarked on that journey, and are delivering the promised infrastructure improvements, which are key to promoting and sustaining our Island’s future:

• The Owen Roberts Terminal expansion is well under way.

• Cayman Brac Airport Terminal has been upgraded.

• Widening the Esterley Tibbetts and Linford Pearson highways in to four-lane carriageways is under way and will improve local transportation links.

• The widening of Godfrey Nixon Way and Smith Road in George Town is complete and we are looking at pedestrianizing parts of the waterfront.

• Developing a modern Integrated Solid Waste Management System is critical for the Cayman Islands and is currently out to procurement. This will include composting and recycling components as well as a waste to energy plant.

This Government is committed to investing in these infrastructure improvements and through these we are seeing corresponding investment from the private sector:

• Leading the way, Dart is constructing, in partnership with Government, the new section of the Esterley Tibbetts Highway, including the upgrade to two lanes each way. The Kimpton Seafire Hotel has opened and the Dart organization has exciting new hotel plans, including niche ‘eco-friendly’ hotels that will help differentiate the Cayman Islands from many of our Caribbean competitors.

• Cayman Enterprise City has secured a large South Sound site for building its permanent base.

• Health City Hospital is set to expand.

• Of course property on the 7 Mile strip remains in high demand, but we have major schemes like Vela on South Sound working on Phase 2, the Beach Bay and the Ironwood development proposal coming nearer to fruition. On South Church Street luxury condominiums Tides and Fin-Cayman are going up.

• And Cricket Square in George Town has broken ground on a new phase of commercial development

So we understand full well the necessity for upgrading our infrastructure. Both for the public and private sector. And we also understand that these projects create needed jobs for Caymanians and help grow the economy.

I was pleased to also hear President Donald Trump highlight a similar belief as he articulated his own thoughts on infrastructure improvements. A major project of his will apparently be a great wall that will be built along the Mexico / US border. I am not here to pass judgement on the merit or otherwise of a wall. Neither will I pass judgement on the potential effectiveness of such a wall. But I understand that President Trump has taken note that over 2000 years ago China built a great border wall and as far anyone is aware to date no Mexicans have climbed over it! So perhaps a wall will be built. We will see.

But let me return to the theme of this conference, “Global Real Estate and its impact on the Cayman Islands”.

For the Cayman Islands to be truly competitive we must look to the longer term, and to our continued sustainability. We are working hard to provide a framework for this, encouraging developers to look beyond ‘making a quick buck’ and working to secure the longer-term future of our Islands.

There are three specific matters I want to touch upon:

We legislated to protect the parts of our Islands that actually make them special with the recent implementation of the final parts of the National Conservation Law.

A process is now in place for a National Conservation Council to review the impact of proposed schemes – whether by Government or the private sector – to ensure that what’s important to our heritage is not simply destroyed forever. Our Government has set aside funds to buy lands that are identified as being of critical importance so they can be protected.

We recently saved a piece of land adjacent to Smith’s Barcadere from development, ensuring that generations of Caymanians can continue to have access to that property and the beach.

Secondly, the Builders Law is being rolled out to regulate the industry. This dates back to Hurricane Ivan, which created vast amounts of work for builders, drawing in an unqualified and inexperienced workforce.

This new Law will ensure that all categories of builders are licensed as being suitably experienced and competent, and will also require them to operate within the wider framework of building codes and employee pensions and healthcare. It will provide a reviewing body for complaints.

This will help ensure that standards of workmanship are maintained right across our construction industry so our buildings may last longer.

Thirdly, this Government is bringing forward legislative amendments in the current session of the Legislative Assembly that when implemented will facilitate the registration of Volumetric Parcels. These should be seen as three Dimensional land Parcels derived from a Base Parcel by way of subdivision, and possessing all the rights associated with absolute ownership of land in the Cayman Islands. This will facilitate significant structures that can be constructed to span public roads, and enable multiple storey construction in differing ownerships but outside the Strata Titles Registration Law. A key component of this legislation is the introduction of positive covenants that will run with the land and be enforceable. It is this Government’s view that the introduction of the Volumetric Parcel legal mechanism will provide the construction industry with the necessary framework from which it can commit further significant investment into imaginative modern real estate development projects in the Cayman Islands. By adopting these legislative proposals, the Cayman Islands shows itself to be forward thinking, competitive and willing to embrace new concepts and ideas.

The Cayman Islands may be three small dots in the vast Caribbean sea, but we attract property buyers and renters from around the globe, in both the commercial and residential sectors. And when we are competing on this world-wide platform, we must be offering a high quality product, and we evidently are.

We recognize that the RICS members here in Cayman play an important part in the local industry, maintaining the latest standards and promoting best practice. And being a world-wide organization, the RICS members are ideally placed to observe and share this wherever they work.

This conference provides an opportunity to share knowledge and experience across the sector.

So again, thank you for allowing me to deliver these brief remarks and I hope you enjoy the conference.

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