

# Approved Hamilton Residential Schemes (AHRS)



## GUIDELINES:

# Submitting Applications For Approved Hamilton Residential Schemes

## Background

The Bermuda Government is focused on stimulating economic expansion, with the construction of housing in the capital city of Hamilton being a crucial element.

A thriving core that integrates homes, employment, and recreational attractions, augmented by top-tier public spaces, fosters a dynamic and sustainable urban centre conducive to fostering economic progress. This vision for the City of Hamilton aligns with the Economic Development Strategy 2023-2027 which supports growing the residential population of the island's capital as it recognises the role residential development plays in revitalising the City.

The Department of Planning is in the final stages of implementing a new City Plan which will set out the policies used to determine the acceptability of development proposals within the City. The Plan advocates for appropriately designed residential developments in the City in recognition of the economic benefits that would ensue for existing businesses, and with a view to encouraging future businesses to locate within the City.

## Approved Hamilton Residential Schemes

To this end, the Bermuda Government launched the Approved Hamilton Residential Scheme (AHRS) to encourage investment in residential properties within the City of Hamilton, excluding the Economic Empowerment Zones (EEZs). (This should not be mistaken for the Approved EEZ Residential Scheme, which targets residential developments within the EEZs and offers different benefits.)

Ultimately, an increase in Hamilton's resident numbers can boost investment in complementary services such as shopping, dining and entertainment, thus enhancing the prospects that investors will see positive returns on their city investments.

The AHRS came into force through an amendment to the Economic Development Act 1968 (the Act) in April 2024 and includes four key components.

First, the AHRS allows restricted persons – non-Bermudians, exempted companies, overseas or exempted partnerships – to participate in Hamilton's residential property market by developing residential dwelling units. It facilitates foreign direct investment and reinforces the City as the island's international business, retail and recreational hub.

Secondly, once granted, an AHRS approval under the Act remains in effect indefinitely. Such permanence of approval protects against revocation and expropriation risks. Furthermore, it guarantees that the ownership of any subsequently bought residential unit will be unaffected by the immigration status of the buyer.

Third, the Act provides a 'sunset clause' for AHRS applications to be submitted, which is 31 March 2028.

Fourth, the Act sets out the application process for approved schemes. Furthermore, it allows the responsible Minister to publish supplementary guidelines regarding the factors to be evaluated in the designation of a project as an AHRS.

For the avoidance of doubt, existing projects within the City which pre-date 1 April 2024, are not yet completed and include, wholly or in part, residential dwellings, can be considered for AHRS status.

## Application Process

All AHRS applications must be made in writing to the responsible Minister on the required application form with supplementary attachments as necessary, including but not limited to the following information:

1. the name of the owner and developer of the proposed development;
2. details of the proposed scheme, and confirmation:
  - i) the planning permission in principle has been granted under the Development Planning Act 1975; or
  - ii) that an application has been made for a special development order under section 15 of that Act;
3. details of the holdings and business interests of the owner and developer;
4. statements of the business history of the owner and developer for the previous five years;
5. a business plan, and such information as may be necessary to satisfy the Minister as to the financial viability of both the developer and the development; and,
6. any such other information as the Minister may reasonably require.

\* It will be of critical importance to contact the Department of Planning at the inception of your project to determine the planning merits of any proposed development activity before progressing with an Approved Hamilton Residential Scheme.



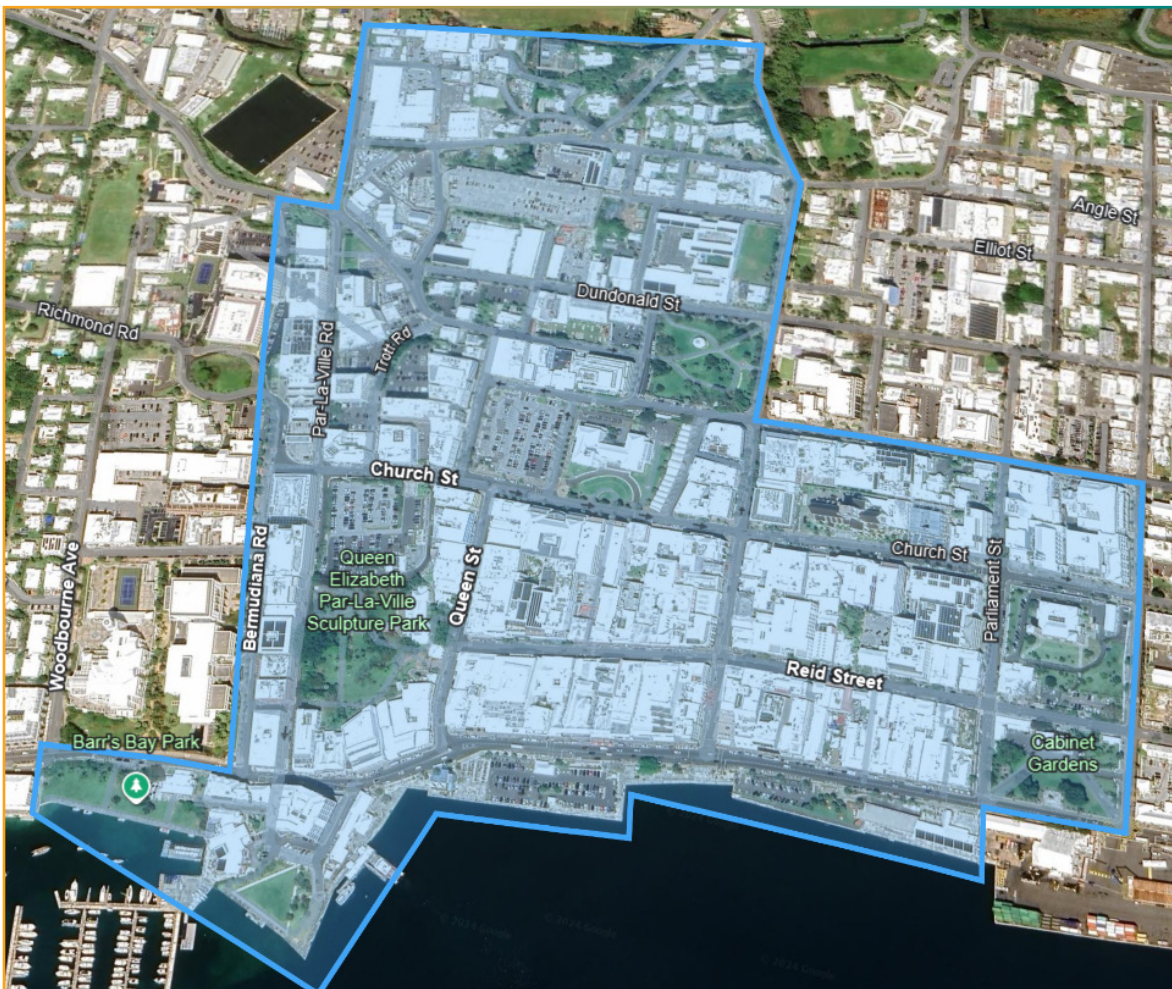
## Additional Information

Additional information and criteria to be considered by the Minister are listed below.

- a) A business plan that includes feasibility data, project costs, details of the development team involved, legal structure, financing required, anticipated financier, projected revenue, customer market, economic impact and any other relevant details.
- b) Details of the proposed development scheme including anticipated benefits to the Corporation of Hamilton, its stakeholders, and Bermuda, and addressing socio-economic factors within the municipality such as affordability for tenants and residents and the prevention of displacement.
- c) If applicable, details on the estimated number of jobs which will be created by the approved scheme.
- d) Details on the estimated number of Bermudian workers involved in the development's construction, including Bermudian apprentices.
- e) Details of any requests for Government concessions and exemptions.
- f) If the owner and/or developer is an existing local company or exempted company operating in Bermuda, confirmation of meeting the Bermuda Government's current benefits obligations (e.g. taxes, social insurance, pension, health insurance, etc.).
- g) If the owner and/or developer is an existing local company or exempted company operating in Bermuda, confirmation of meeting Bermuda Government's current fiduciary obligations (e.g. annual filings, beneficial ownership, economic substance, etc.).
- h) Such other information as the Minister may reasonably require.

Applications must be submitted to the Economic Development Department, Sofia House, 48 Church Street, Hamilton HM12

## The Municipal Area of The City of Hamilton – (excluding the Northeast Hamilton EEZ)



AHRs are restricted to the City of Hamilton, excluding the North-East Hamilton EEZ. (Source: City of Hamilton Plan 2001)



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