

THE VOICE OF BUSINESS IN BERMUDA



Housing Presentation Foreword

The Bermuda Chamber of Commerce is pleased to share this updated presentation, building on our 12 June 2025 Deep Dive on Housing sessions. Informed by attendee feedback, new data, and additional slides, this document provides deeper insights into Bermuda's housing landscape. We've refreshed key figures for accuracy and included additional visuals and data to highlight trends and topics that have been raised to us through feedback and question and answer. We continue to listen and want to ensure we capture views where the opinions and facts may differ, along with building out reasonable solutions.

Our research team that compiled this report are all Bermudian, with expertise in relevant fields, objectively using public and fee-based public data at their own expense. The team volunteered their time without compensation, aiming to provide a neutral, fact-based analysis of Bermuda's housing landscape and the associated factors that have impacted the housing market.

We invite your feedback to continue this important dialogue. Please share your thoughts via our SLIDO platform at https://app.sli.do/event/45jepzbqjZLUq5jyBVXjTq (code #2763147), open until 31 July 2025, or by email to president@bcc.bm. Note that our polling is non-scientific and designed to spark ideas rather than provide statistical analysis. Any personal information collected will be used solely for feedback purposes and will not be shared.

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We hope this presentation informs and advances the conversation on housing in Bermuda.

The Bermuda Chamber of Commerce



COMMENTS & VIEWPOINTS

Slido.com #2763147



Housing Presentation Opening Comments - June 12th, 2025



We have lots to cover so let's jump right in.

Housing related Headlines can be seen back in 1996, 97, 98, 2000... and all the way up to today. The problem is not new.

The need for housing has changed over time and has caused different things to be seen in the headlines over time: "Crisis. Shortage. Bad behaviour. Waitlists. Homelessness. Hope. Promises. Pledges. Priority. Survey. Budgets. Limits. Deals." And then wash, rinse, repeat, the media machine starts all over again. Crisis, Shortage, Behaviour.... Etc.

Ok, so what's next? A situation exists. Then there is time for finger pointing and blame. Whose fault is it that we have a housing issue? I'll start it off with what the easy thing most of us do - it's the government. "Look at 'em them and the Civil Servants! Their fault!" But..., is it really all their fault? Is that fair? I don't think so. The truth is—each of us might need to start with a mirror. Because maybe, the issue isn't about one administration or one department. Maybe the truth is that we—Bermudians—took advantage of a moment. We got property. We encouraged international business. We opened doors, made money, built wealth. Nothing wrong with that. But it came with tradeoffs, compromises and unintended consequences. Economic and environmental pressures. Shifts in focus—from tourism to IB. Different community points of view. Different governments. Different people. Different points of view.

Here, now, today, isn't about laying blame. It's about being honest about where we are, and getting real about where we go from here. We're here to talk—not about fault—but about function. A problem exists. It's serious. It's growing. And the data, while imperfect, tells us enough. The situation is different. The context of the problem is different. The solutions available to attend to the issues are not the same as before.

Our job now is to take what we know, make sense of it, and figure out what we do about it. And as we go about it, we all need to behave. Don't just be pointing a finger. Be as critical of yourself, your family member and your loved one as you would have any other person or organization. And as we each look in the mirror, we can't be all tender and avoid the truth that exists either.

We are here for information and solutions. That's the purpose today. Not just to point fingers. But to point forward and be effective and efficient participants in the change that needs to happen. So for me - think of me as you will, but my mission is simple: we need to develop a solution for a problem where nothing today exists. I offer you no pretense but I do offer you simple truth.

Alright.., Let's go!

Marico Thomas
President, Bermuda Chamber of Commerce





Published: July 14th, 2025

Housing Presentation Mindset



The Housing Puzzle

International business, Immigration, Education, Healthcare, Finance, Cost of Living, Cost of Doing Business, Rent, Labor..., are all amongst the most discussed economic concerns by Bermuda residents. I am going to suggest to you that they all have something in common. Something else that we talk about but for which there is no sufficient solution - HOUSING

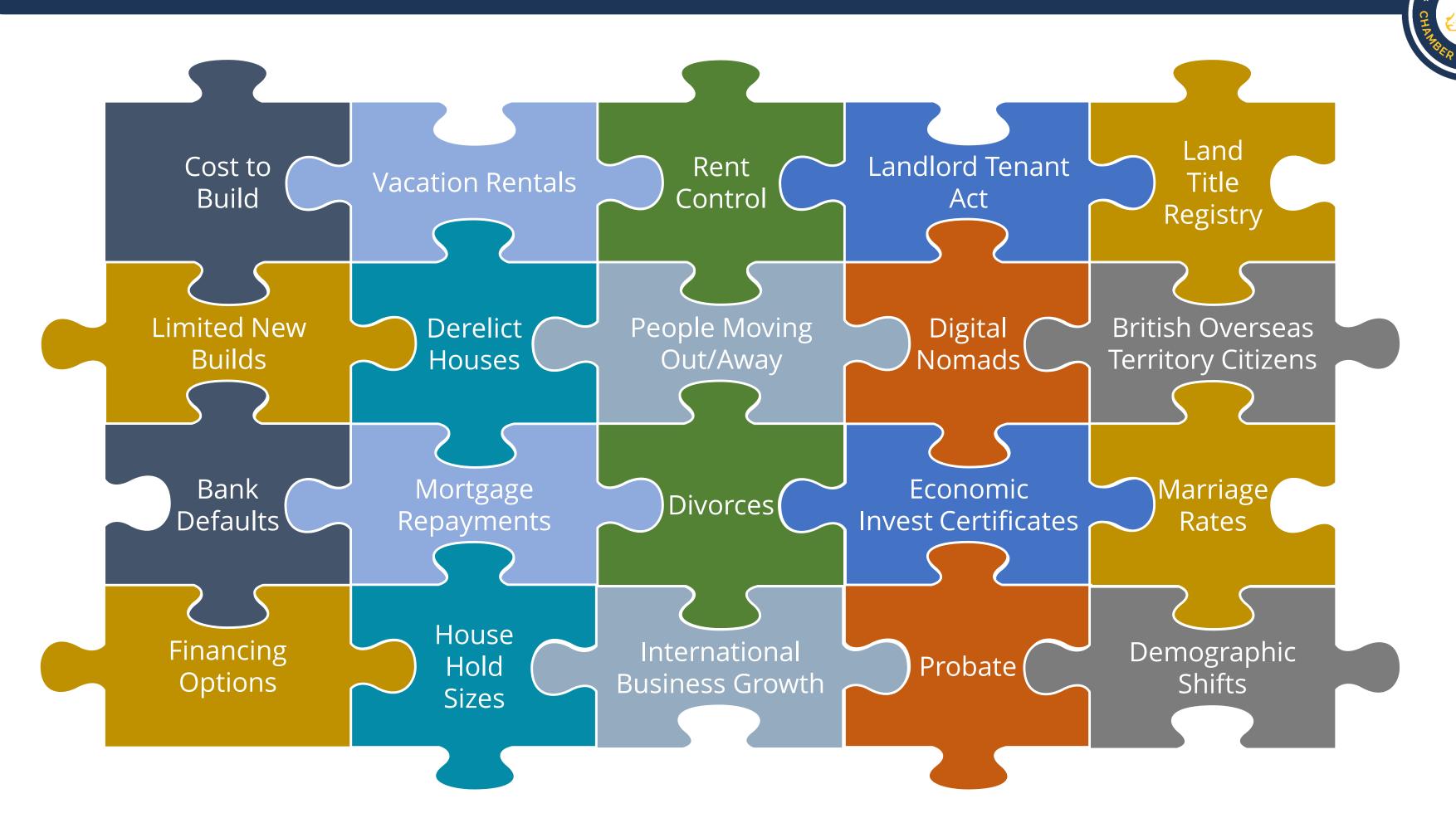
Worth thinking about:

- Why do we have a housing challenge?
- What is obvious and what is hidden?
- We are unaware of anyone having a meaningful solution.
- We have a surprising amount of information, but to be most useful we aim to provide you with both the interesting, and the technical all with sufficient common elements to be understood.

As you explore this presentation, please be open-minded.

Let's go beyond the casual conversation and the typical view based on personal experience. Allow your knowledge and opinion to be stretched as we showcase the available data around why we have a housing shortage..., and that the answers go beyond what is typically discussed.

The Bermuda Housing Puzzle – Contributing Factors



The Bermuda Housing Puzzle – Contributing Factors



The Housing Puzzle

- If we have a population decline, why do we have housing issue?
- There is a mixture of financial, policy and demographic changes that are part of the problem, with no one singular item being the whole story
- There are many pieces to the puzzle
- The prior slide shows 20 previously identified reasons. There are more.
- Not all pieces (reasons) have the same impact. Some seem big, but are insignificant, while others look tiny, but are deceptively consequential.
- We're going to dig into some truths and misunderstandings.

Audience response: "What are the biggest challenges with housing today."







Population and Demographics

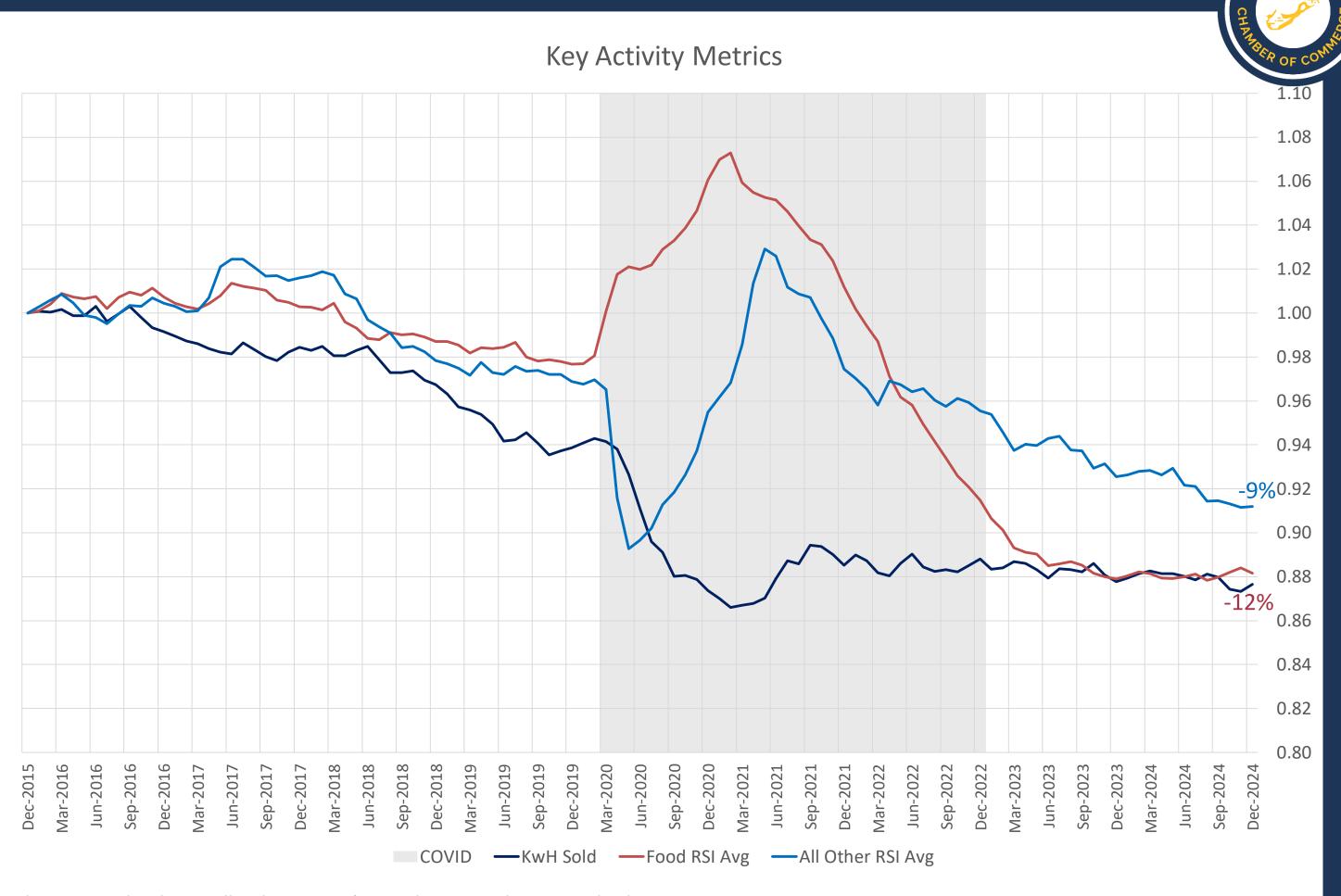


Methodology to Estimating Population Trends

- The first is to look at key economic indicators, which, in themselves could be imperfect for a number of reasons. This includes Kilowatt Hours (KwH) sold data, and Volume Retail Sales Index for Food Stores and All Other Stores. A number of the challenges we observed, include:
 - Food Stores is subject to changing buying preferences and cost management.
 - All Other includes Pharmacies, Appliance and Furniture Stores, whose operations changed through COVID.
 - KwH would reflect closures of large hotel properties and a number of properties moving to Solar.
- Food Stores activity boosted the overall Retail Sales Index during COVID (which is a topic we previously covered in detail with our Chamber Data Deep Dive). However, whilst each has some potential gaps, they are all reflective of measuring overall activity that touches each person and household. Collectively, when these measures mapped through, they all result in a similar output that shows activity measures down between 9% and 13%, averaging at a 11% reduction from the base period of May 2016. We have not focused on the COVID time period due to various restrictions which distorts these numbers.
- Secondly, we reviewed information that is available from the Digest of Statistics, specifically a table of "Total Passengers". Within this, the annual Inbound and Outbound passenger totals are provided for each year. Using this, we can calculate a net movement of residents leaving. Tourists, for example, would net at 0, as they would inbound and outbound, whereas a resident emigrating overseas would be reflected as a net departure.
- Economic indicators and passenger movement data point to a population decline of potentially up to 10% since the 2016 Census. These estimates, derived from reliable data sources and cross-validated through multiple methods, remain subject to uncertainty due to inherent data limitations and what can be viewed as unconventional, yet practical methods. Pending updated census data, they provide a foundation for informing housing-related planning and policy decisions.

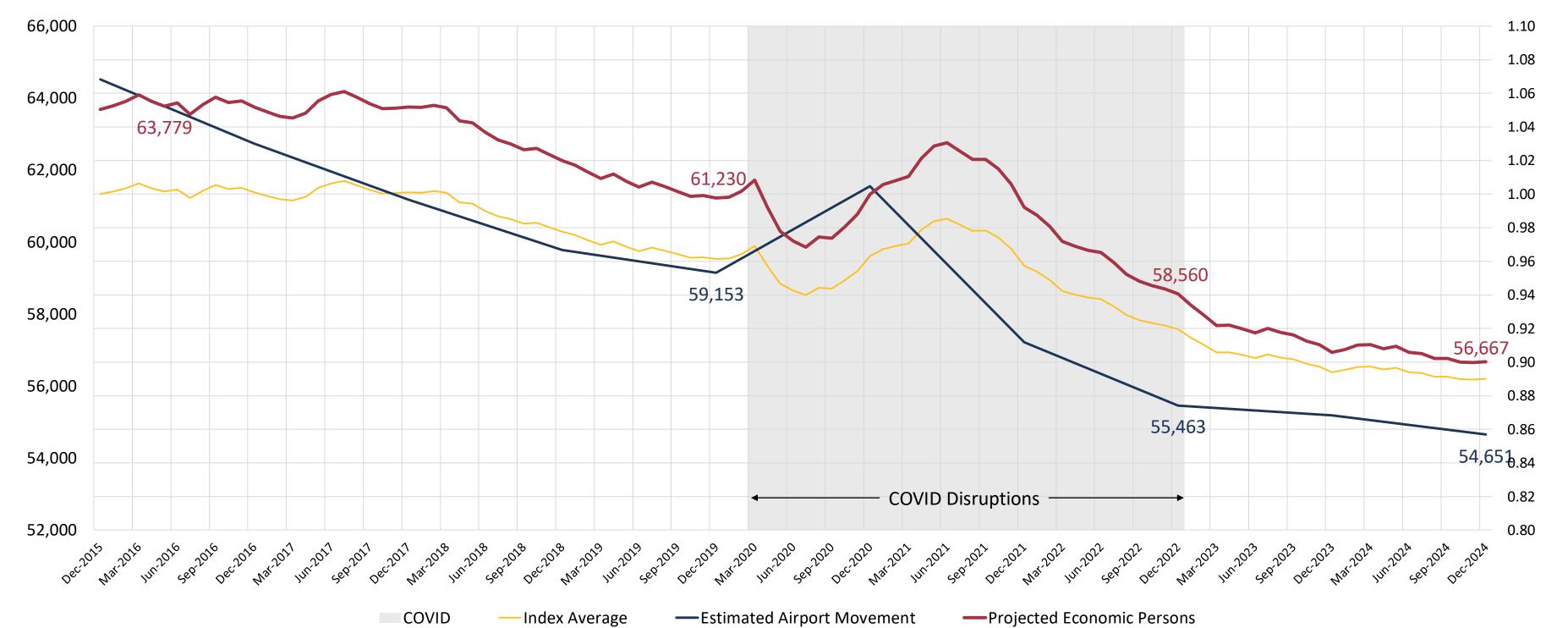
Activity Measurements from 2016 onwards

- The following shows the moving averages of the key economic indicators that were tracked, based on 12 month moving averages to adjust for seasonality fluctuations.
- The All Other Stores
 Volume Retail Sales,
 which is predominately
 driven by Pharmacies
 and Appliance/General
 stores is down 9%.
- Food Stores Volume is down 12%.
- Total electricity demand, through KwH usage, is also down around 12%.



Population Trends and Forecast

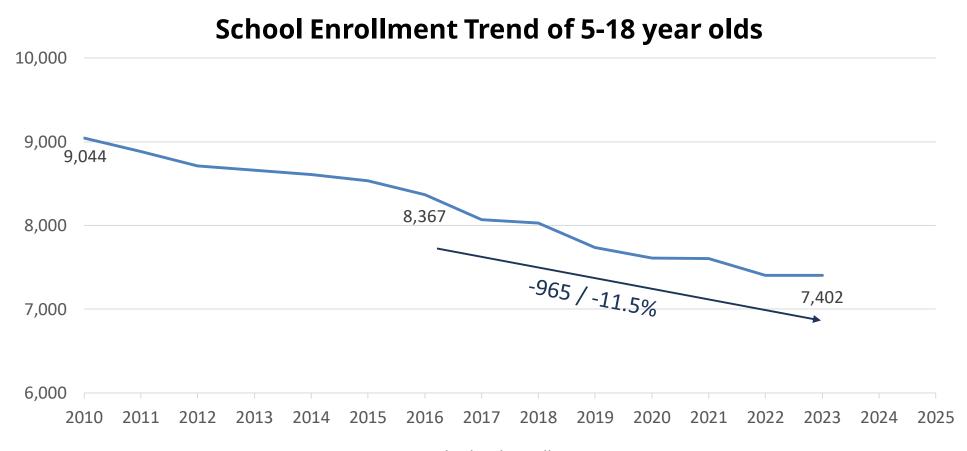
- Key point is Households fill houses, not the population number. This is a rough estimation, but provides general direction
- Economic Persons relates to the estimated activity generated by the population through retail sales and electricity activity. The actual population level could be higher, could be lower. We are just putting some economic activity to proxy for population.
- It is recognized that the population has decreased. The question that gets posed:
 - "If the population has declined, why do we have a housing shortage? Where did the housing go?"

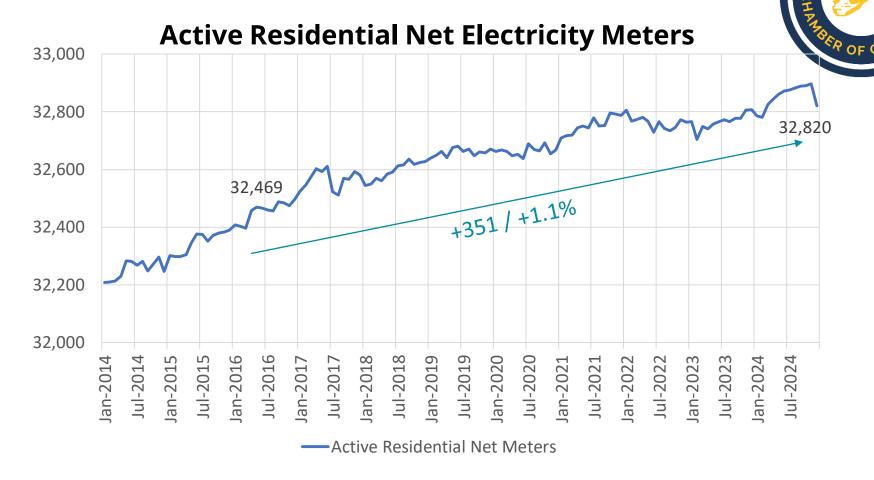


Source: Retail Sales Index reports (Volume Food Stores and Volume All Other Stores), Regulatory Authority Fuel Adjustment Rate Reports, Skyport Bermuda Inbound and Outbound passenger totals, 2016 Census

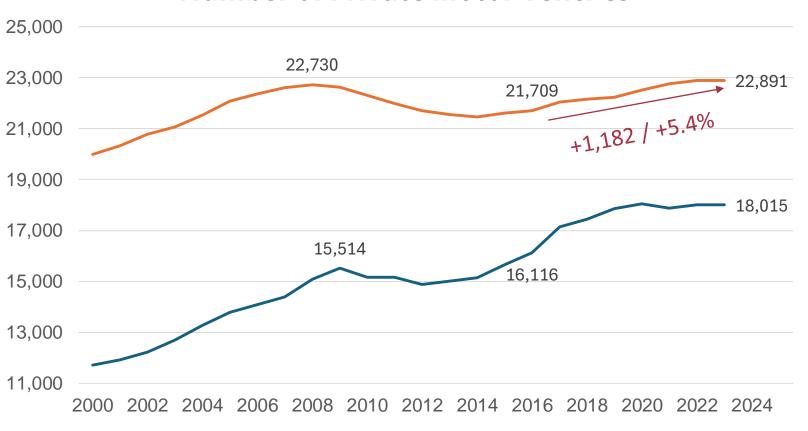
Indicators of Population and Housing

- Indicator of Population Change:
 - School Enrollment
 - Annual Birth and Death data
- Indicators of Household Change:
 - Vehicle Registrations
 - Active Residential Electricity Meters
- This shows that population can decrease, whilst the number of households can simultaneously increase



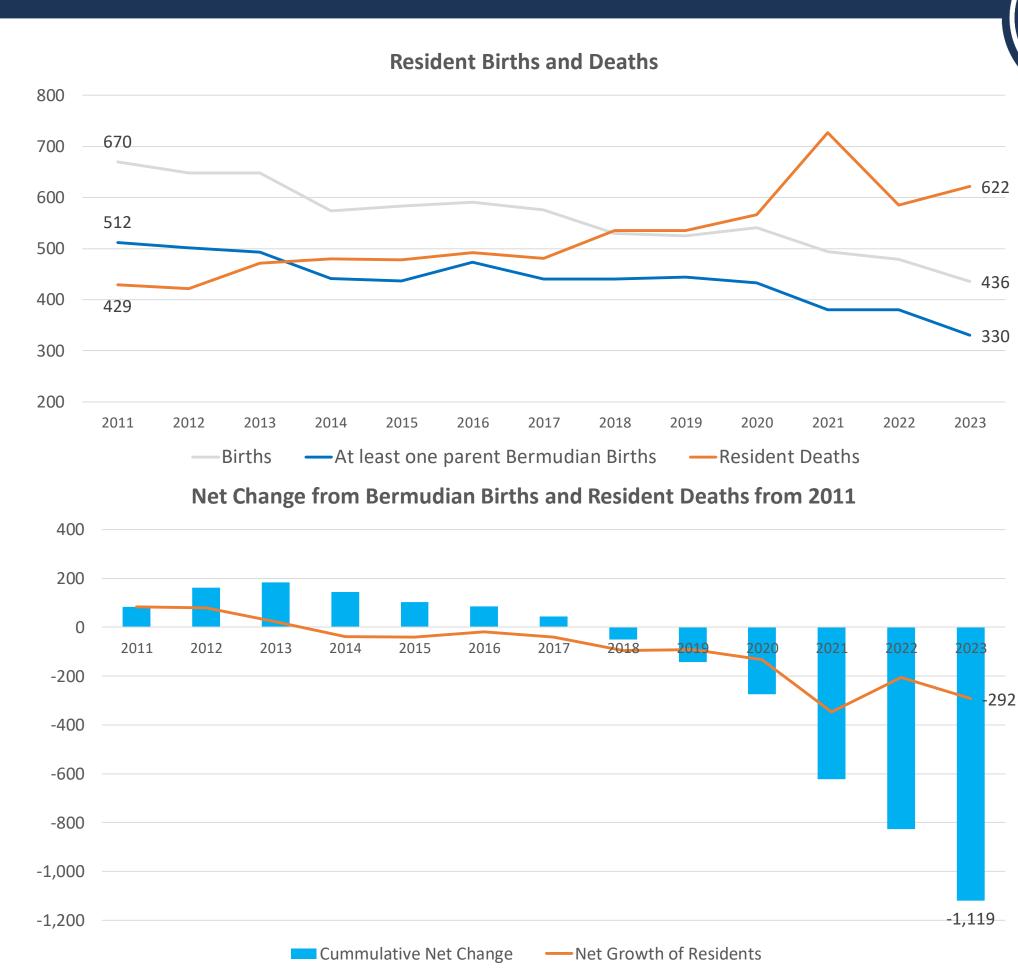


Number of Private Motor Vehciles



Changes in Birth and Death Rates

- The following shows the changes in the birth and death rates of Bermuda, in actual numbers.
- In 2023, there were 330 births with at least 1 Bermudian parent, comparable to 512 in 2011. This is approx. 78% of all births in Bermuda.
- In terms of deaths, there were 622resident deaths in 2023, comparable with 429 in 2011
- Over this 13 year time span, from 2011, the cumulative effect of the annual birth and death rate is net change of negative 1,119 residents (based on children with at least one Bermudian parent).



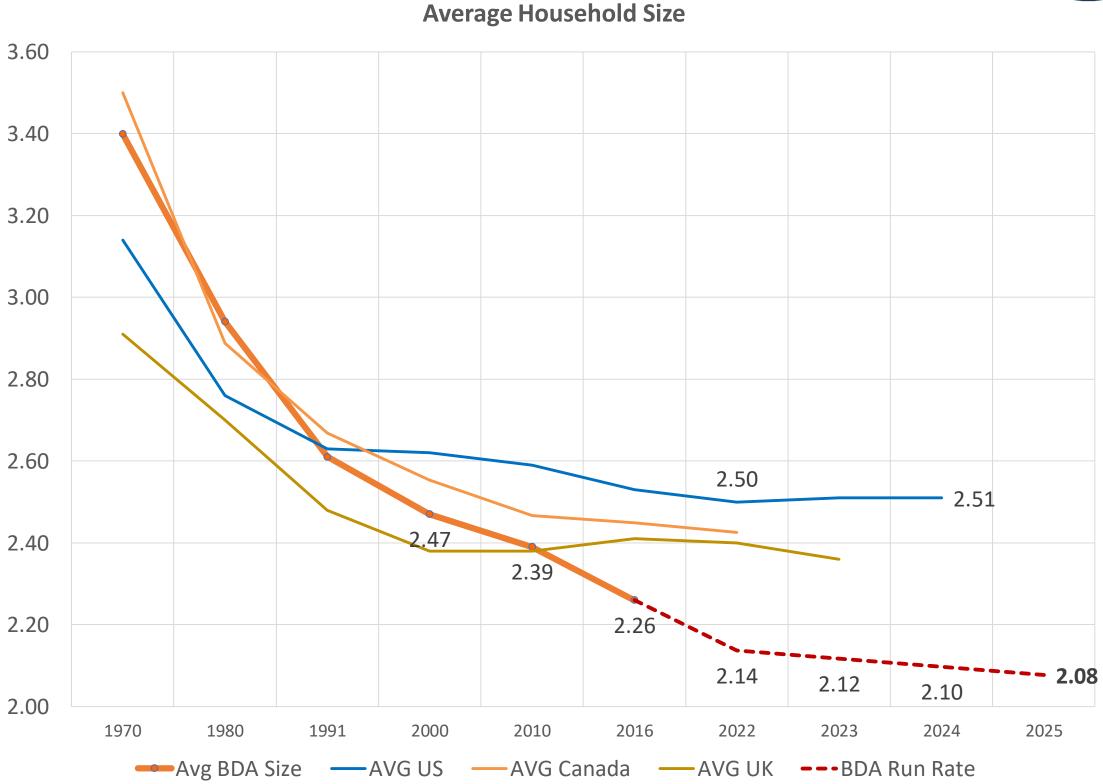
Declining Household Sizes

- The Household Size data is from 2016, so almost 10 years old at this point. Does the run rate align with other fact patterns we see?
 - Number of students enrolled in public and private school continues to decline, which will reduce household sizes. 16yrs & Under, represented 16.9% of population in 2016, vs 18.5% in 2010 and 21.5% in 2000. Overall School enrollment is down 11.5% from 2016, potentially up to 15% in 2025.
 - The number of private motor cars has increased from **2016 to 2023**, **up around 5.4%**. This can be used as a general proxy for Number of Households. The 2023 private car number is in line with historical trends when compared against Assessment Number totals, at 70% vs 72% in 2010.
- The following factors would support the notion that the household trends captured in the 2016 census have at least maintained the same pace of change, or potentially even accelerated given changes that have occurred:
 - Work from Home workers are making use of other bedrooms for offices
 - Increase in Housing Allowances will increase competition for certain units
 - Limited housing inventory of required bedrooms vs lifestyle
 - Marriage/Common Law norms some couples will sleep in separate bedrooms
 - Lifecycle changes dealing with the loss of a loved one, empty nests, housing senior family
 - Continued declining birth rate vs increased death rate, especially during COVID-19
 - Emigration Trends
 - Storage requirements

Declining Household Sizes

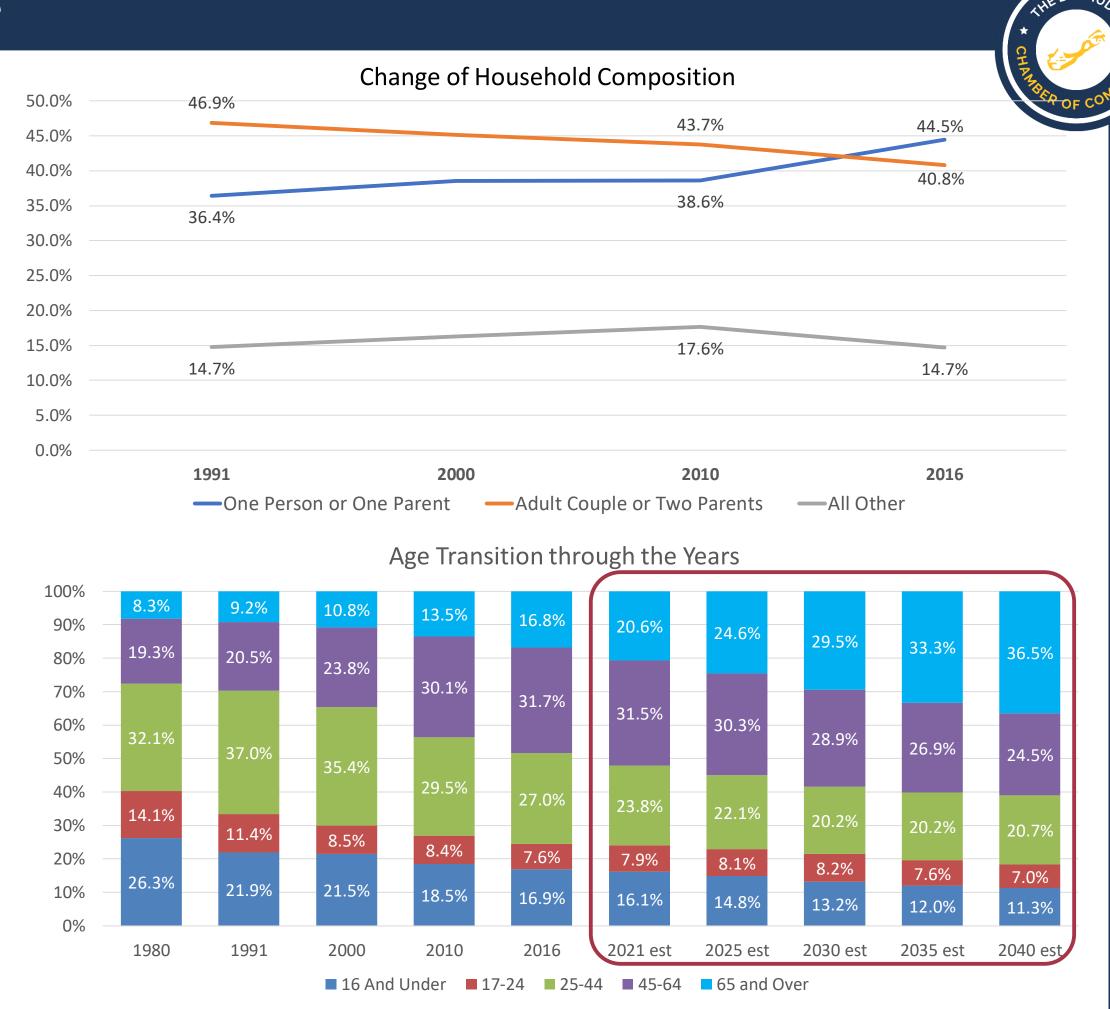
- The Chart shows the Avg Household Size trend from 1970 census to 2016 census vs US, UK & Canada.
- Chart shows that: btwn 1970-1991, Bda used to be in line with every advanced economy. Something changed 2000-2011, then big change as of 2016.
- The story here is the Bermuda Run Rate. The red line projects forward based on the observed reduced from 2010 to 2016, which is based on a 0.93% annual decline, which equates to a 0.02 drop in the Household Size.
- For every drop of **0.02** in the Household Size, it requires around **270** additional dwellings based on the 2016 census data.
- Based on the yearly run rate of -0.93% from the 2010 to 2016 census on Household Size, the forecast is 2.08 persons per household in 2025.
- Worth thinking about: even if the population decreases, we could still not have enough housing (due to progressively less people per dwelling). Even if our population were to remain steady over a 10 year period, we would need additional households due to a reduction in household size (# people/dwelling).





Changes in Household Structure

- Housing requirements have changed based on family dynamics, which shows that single person/one parent households comprise 44.5% total households, up from 36.4% in 1991.
- Additionally, there is a significant shift in the aging population numbers, with an estimated 36.5% of population being over 65% by 2040. The red box on the Age Transition chart reflects the Chamber estimates based on age modelling, with no immigration or emigration.
- Core working population (25-64 year olds) are forecasted to shift from 58.7% of the population in 2016 to 45.2% in 2040.



Population Target – Utopia of 70,000

- THE BERMUDA * BOOK * BOOK * BOOK *
- In Sep 2022, Minister of the Economy and Labor stated that Bermuda needs an additional 8,418 working people to sustain Bermuda's aging population and manage the economic impacts
- One question that presents itself from this is "what is the **actual target population"**. This is not mentioned in any of the reports on this target, just the growth required.
- As of Dec 2021, the Registry General Population Base was 63,648 (which does not include immigration and emigration but forms the administrative number).
- 63,648 (Population) + 8,418 (needed) = 72,066

• Given this, **70,000** is a utopia number the Chamber has used. It is not viewed as an absolute number, but one to be **used to focus attention and galvanize action**.

Households based on changes in Demographics

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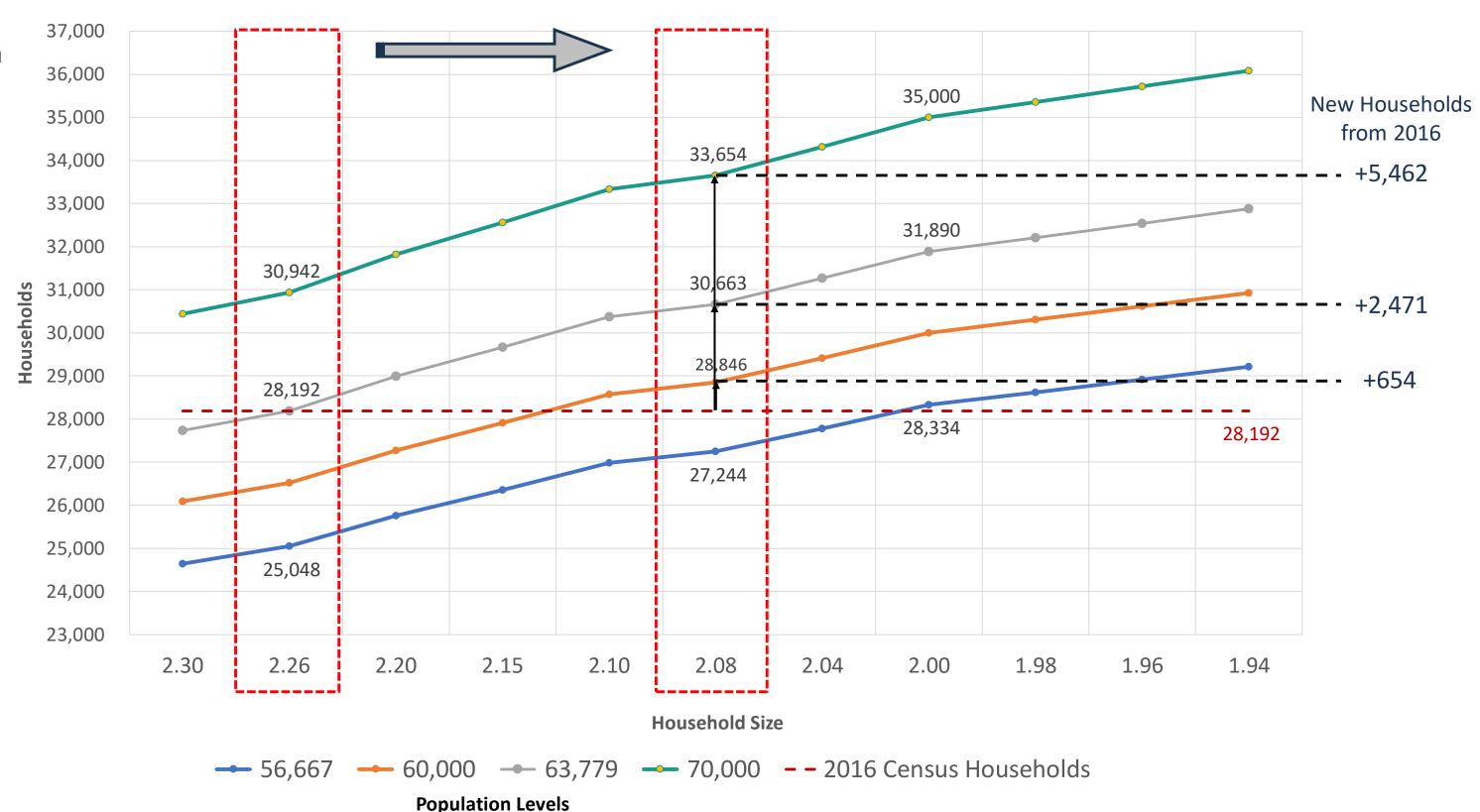
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- 1. Population of 56,667 (blue line) with household size of 2.0 requires the same housing of a population of 63,779 (grey line 2016 Census) with a household size of 2.26
- 2. If no change to our 2016 population, we would need almost 2,500 additional households (see 2,471) in 2025 based on 2.08
- 3. If the goal is a utopia population of 70,000, and if we assume a household size of 2.08, this equates to 33,654 households the housing requirement is potentially over 5,000 (see 5,462).

Note: See additional information & analysis on next slide

Household Requirements based on Population and Household Sizes



Source:2010, 2016 Bermuda Census

Households based on changes in Demographics

The purpose of this entire exercise is to challenge thought and to have a conversation about housing, not to prove every single data point. Our goal is to get us all on the same page regarding the kind of information and mindset that we need to have so that we can come up with useful solutions.

The information on the prior slide is not scientific. It has estimates but the direction and range are close enough for us to have a conversation.

Worth thinking about:

- Let's assume, current population is 56,667 and is represented by the bottom-most line (blue).
- Whether the number is 58k or 55k, we recognize that there is a number that needs to be grown.
- Lets also assume, Bermuda's Target Population is 70,000 people, represented by the top most line.
- Even though the population may have come down, it does not mean there will be more housing available. The opposite may be true. There can be an inverse relationship.
- Using estimates, for a utopia population of 70,000 people, we would need 33,654 households. Based on an estimate of current housing, Bermuda would need to build approximately 2,500 additional households based on a household size of 2.08 persons/household with everyone living in "white box" housing efficient spaces (see slide 61).



Current Housing Situation



What are the different tiers of Housing requirements?



• There are at least five categories of housing demands that we need to consider when we are thinking about solutions.

—Informal/Transitional/Emergency Housing

Subsidized Housing

–Middle-Income Housing

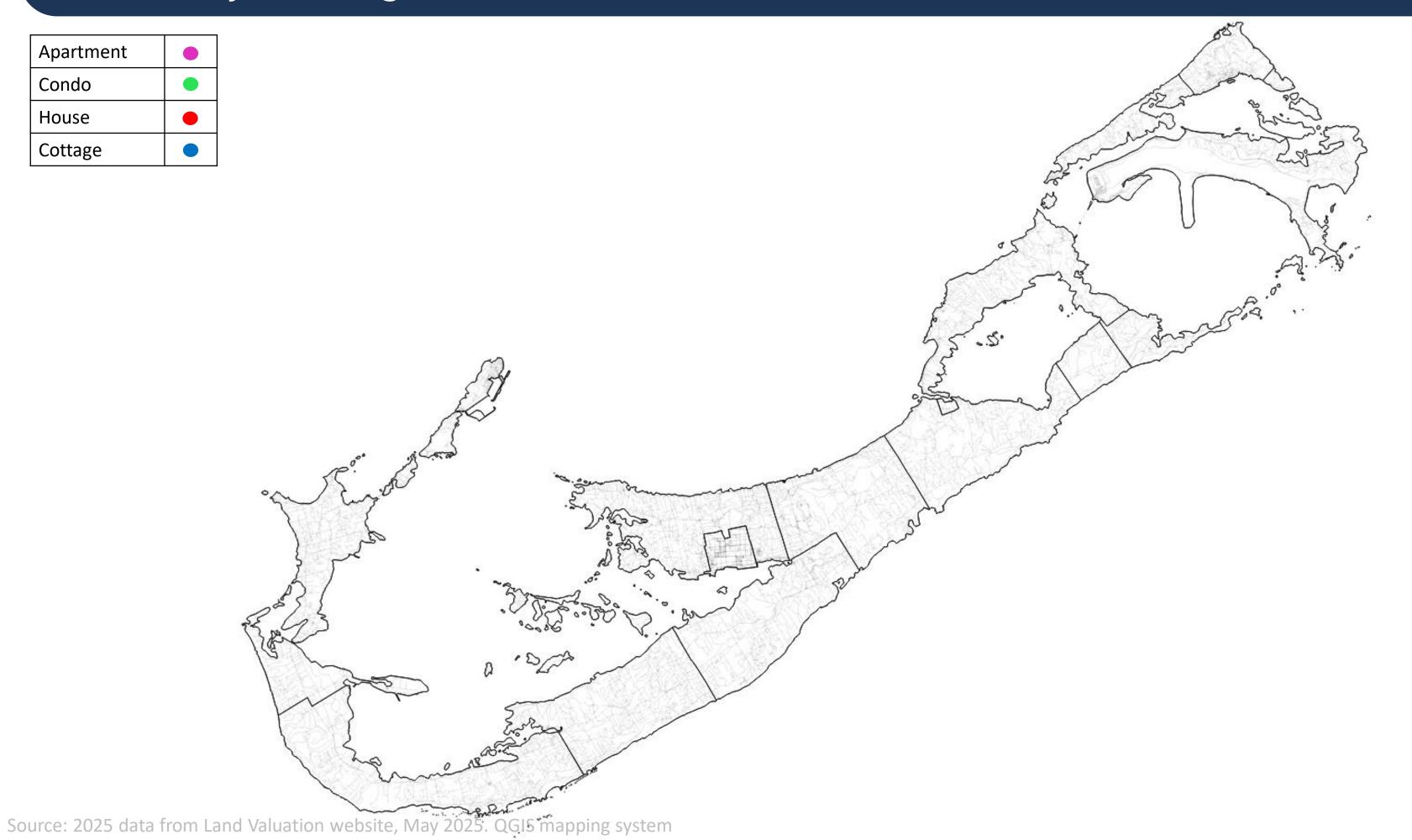
—Higher-Income/Luxury Housing

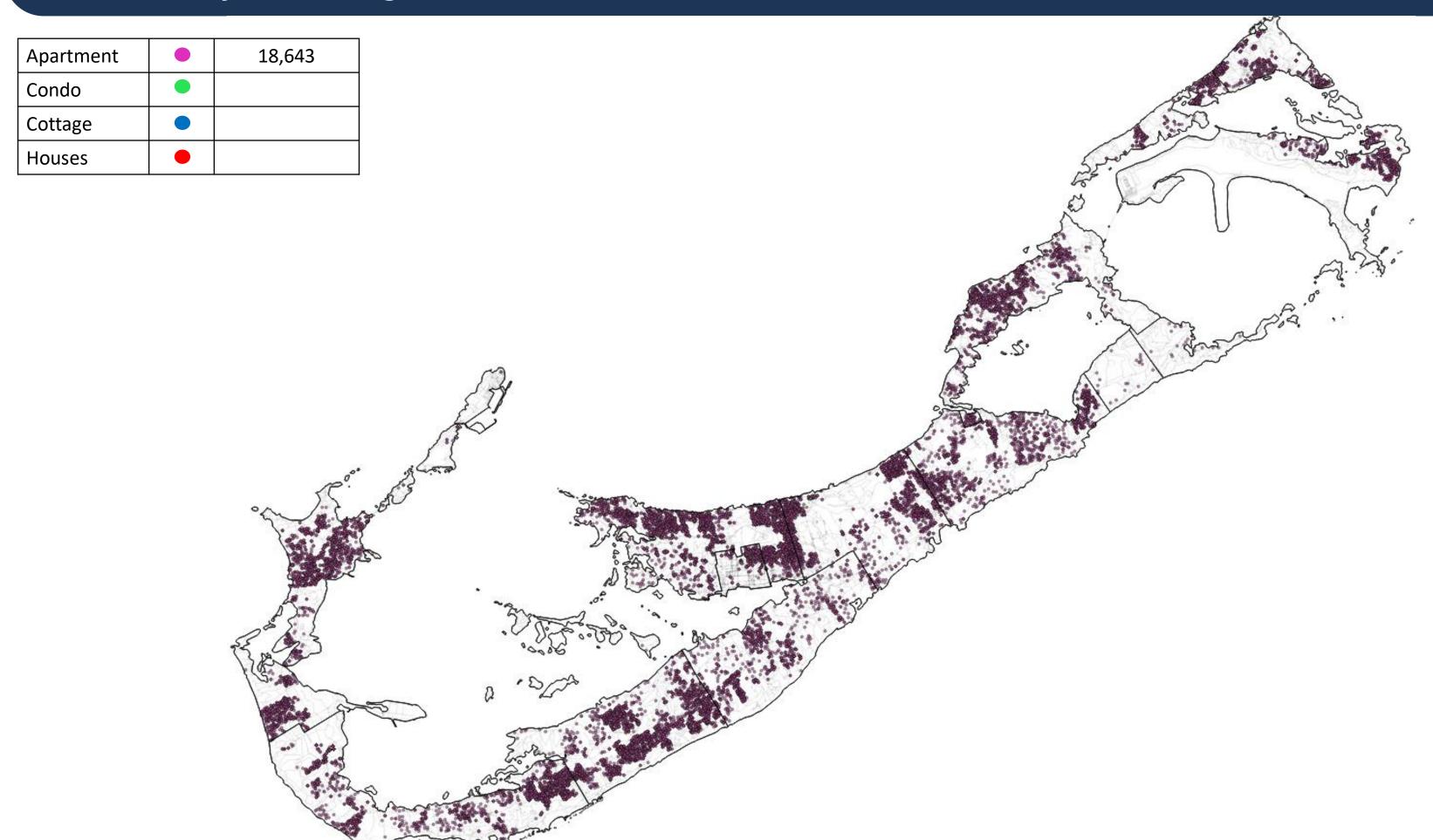
-Tourist Properties

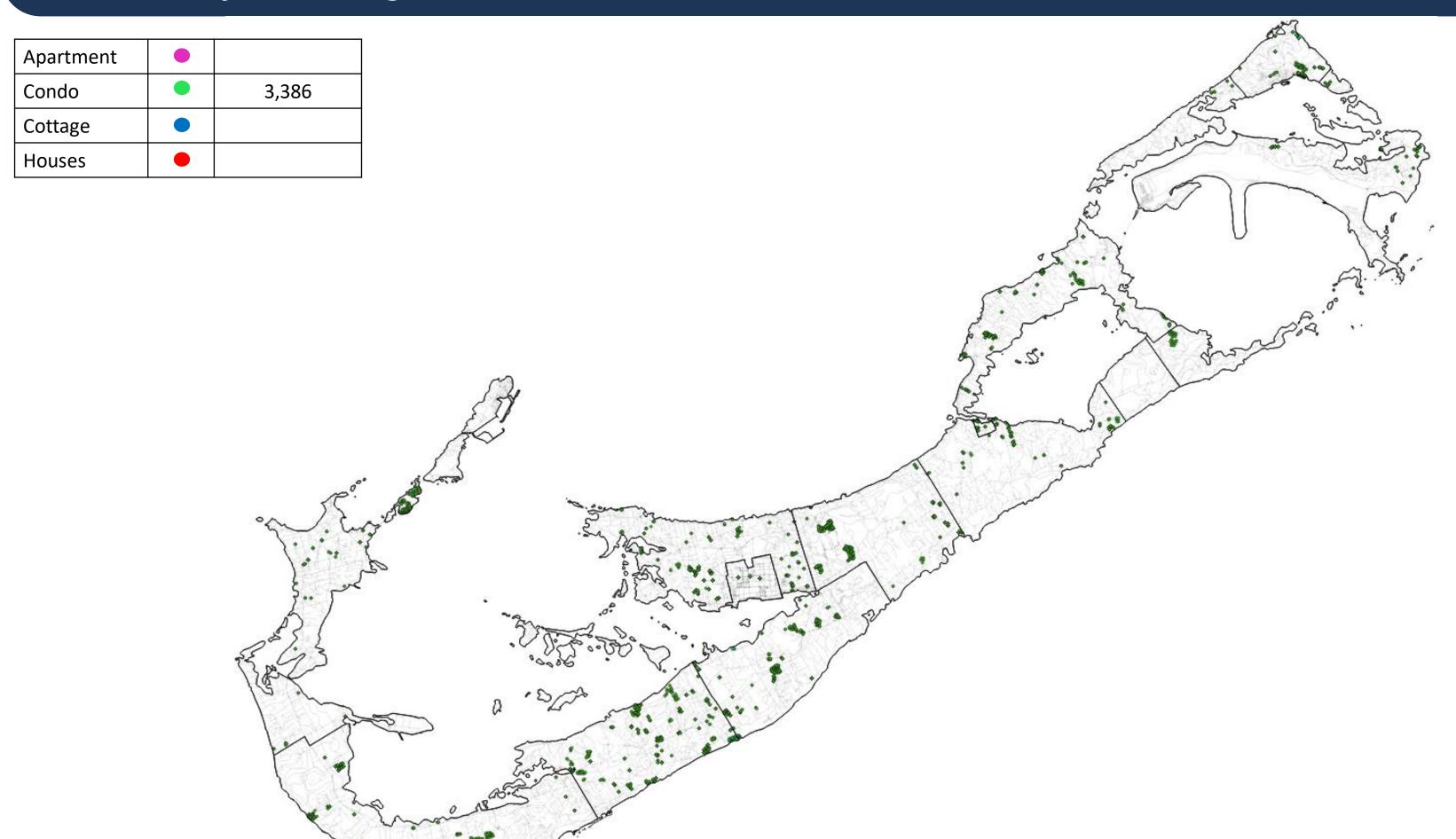




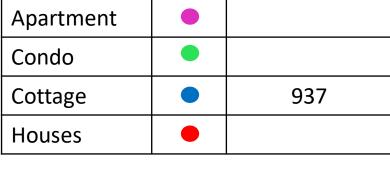
Apartment	
Condo	
House	
Cottage	

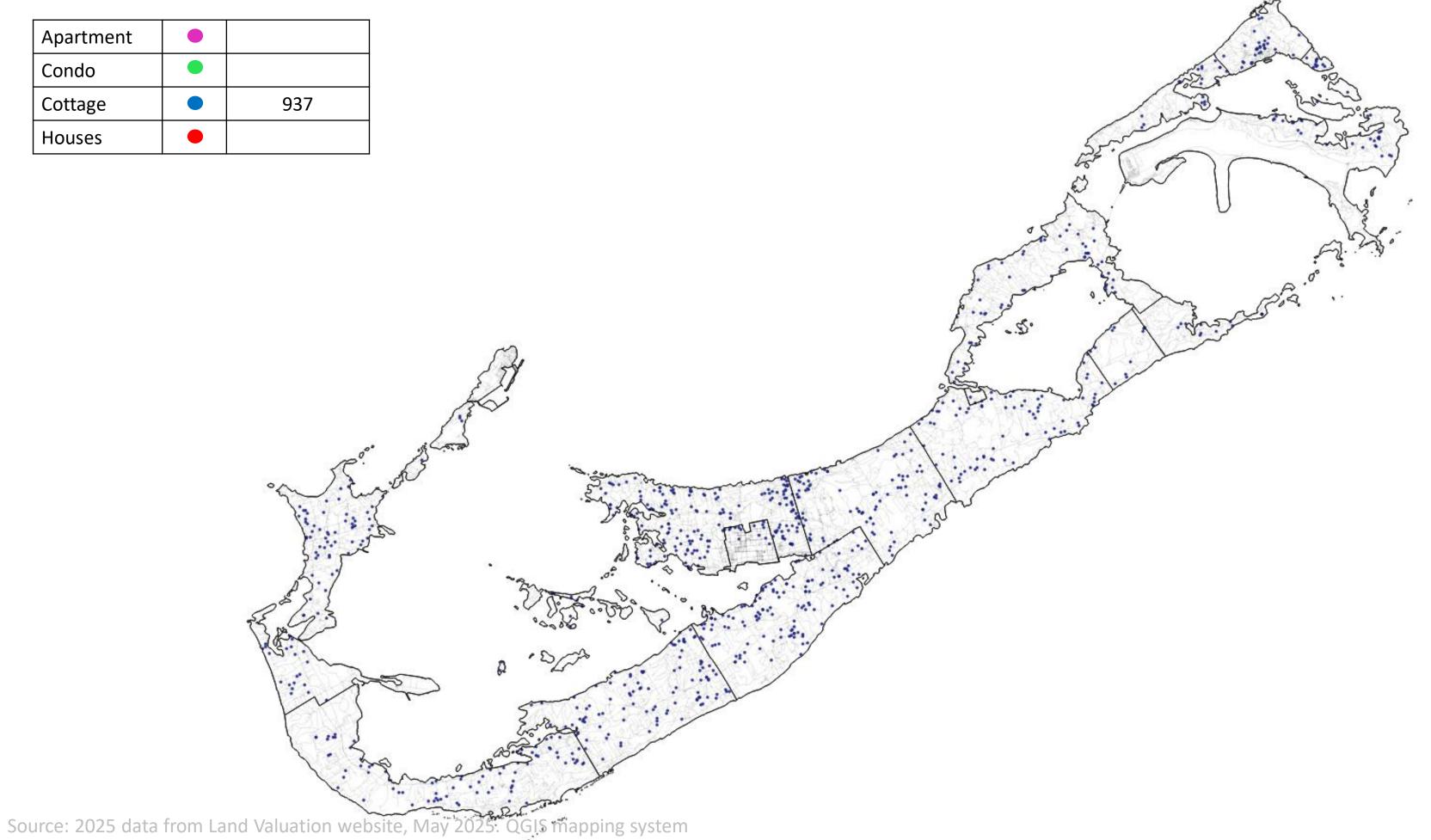


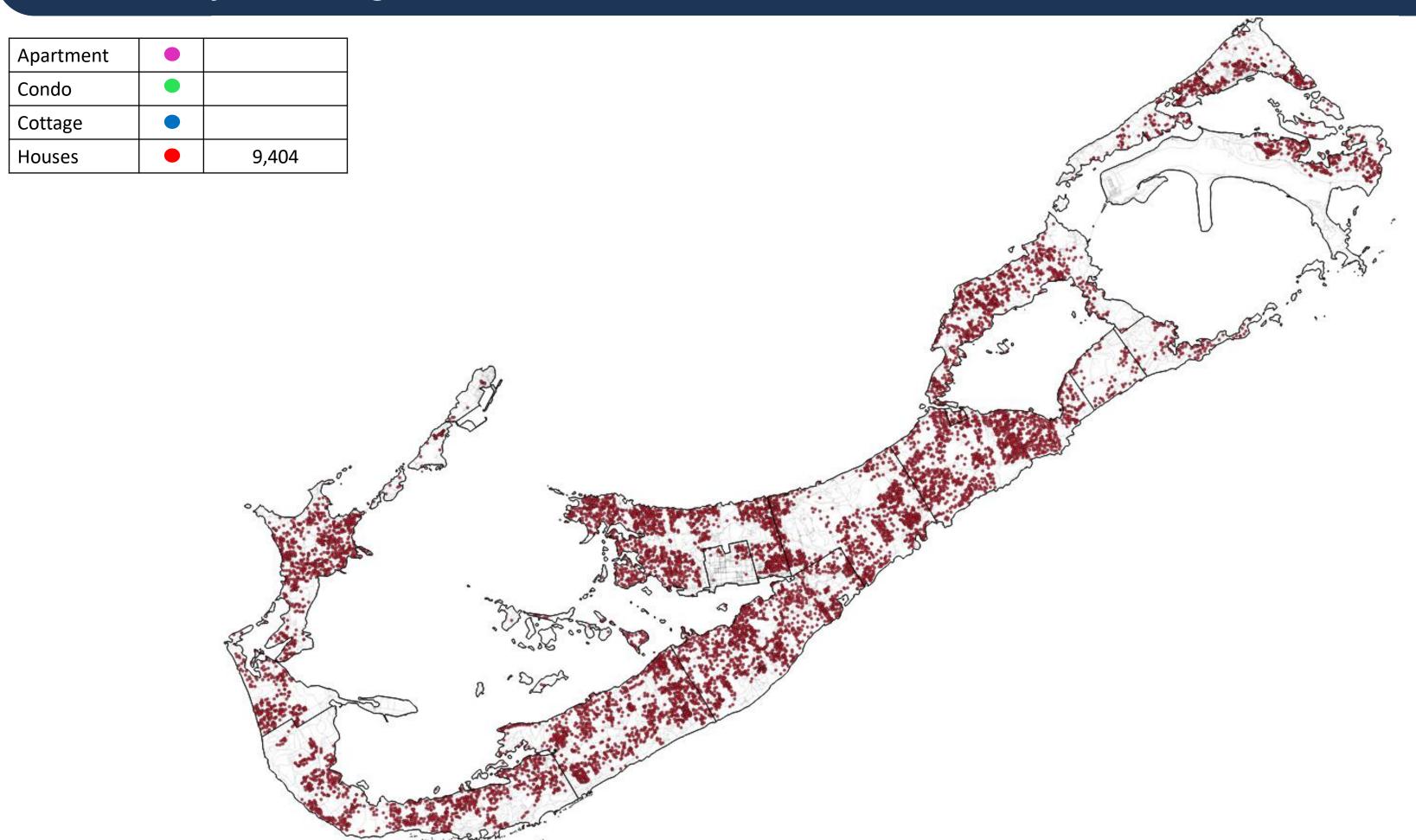


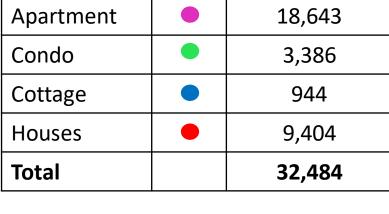














2016 Housing Stock and Census

2016 Listing and Census

									# per		% Rent
	Apartment	House	Condo	Cottage	Townhouse	Total	Households	Population	Household	Occupancy	Control
Devonshire	1,976	879	410	83	6	3,354	3,010	7,087	2.35	89.7%	62.2%
Hamilton	1,506	782	346	59	2	2,695	2,440	5,584	2.29	90.5%	44.9%
Paget	1,116	1,222	409	112	8	2,867	2,641	5,899	2.23	92.1%	34.9%
Pembroke	3,408	1,358	365	162	10	5,303	5,121	11,160	2.18	87.0%	64.0%
City of Hamilton	368	62	130	13	9	582					69.2%
Sandys	2,057	1,052	222	83	29	3,443	2,968	6,983	2.35	86.2%	61.7%
Smiths	1,512	1,140	161	71	4	2,888	2,578	5,984	2.32	89.3%	38.0%
Southampton	1,948	903	272	73	4	3,200	2,970	6,421	2.16	92.8%	52.4%
St. George's	1,133	651	181	69	9	2,043	2,452	5,659	2.31	86.0%	60.9%
Town of St. George	457	169	152	31	0	809					68.5%
Warwick	2,762	1,122	675	118	9	4,686	4,012	9,002	2.24	85.6%	54.8%
Total	18,243	9,340	3,323	874	90	31,870	28,192	63,779	2.26	88.5%	54.6%

- Total accomodations: 31,870 Households: 28,192 = **3,678 accomodations unaccounted for**
- As of May 2025, the total residential dwellings/assessment numbers was 32,484, a net total increase of 614 from 2016. 1.9% increase.
- There were 88 "Hotel Condo" units built from 2016 (which was 0 in 2016), however, we have not counted these in our assessment
- Not all these units should be considered as available dwellings. This can be due to several reasons, some well discussed and some lesser known:
 - 58 units are referred to as Pool Houses
 - 950 apartments are attached to a House with an ARV of \$50,000 or greater (top 10% of Houses), which represents 3% of all units
 - Around 550 to 600 vacation rental properties
 - These 3 points alone account for up to 1,608 units, which is 5% of dwelling units.
- ARV's of all units above \$60,000 account for 8.5% of the total units, but accounted for 65% of all net new units from 2016 to 2025

Rent Control Facts:

- Covers 54.6% of all dwellings, of which 1.3% are at \$0 ARV. City of Hamilton is 71% of units, and Town of St George is 67%, whilst Smiths is 37% and Paget 33%
- 76% of Apartments and 76% of Cottages are under Rent Control. Condos are at 29% and Houses are only at 12% under Rent Control.
- Units within the Rent Control ARV of \$22,800 are 28 units lower in 2025 than in 2016 and 44 less \$0 ARV units, a total of 72 units less



May 2025 Housing Stock Changes from 2016

	Apartment	House	Condo	Cottage	Town- house	Total	Unin- Habitable
Devonshire	1,976	879	410	83	6	3,354	20
Hamilton	1,506	782	346	59	2	2,695	21
Paget	1,116	1,222	409	112	8	2,867	13
Pembroke	3,408	1,358	365	162	10	5,303	57
City of Hamilton	368	62	130	13	9	582	14
Sandys	2,057	1,052	222	83	29	3,443	25
Smiths	1,512	1,140	161	71	4	2,888	12
Southampton	1,948	903	272	73	4	3,200	4
St. George's	1,133	651	181	69	9	2,043	13
Town of St. George	457	169	152	31	0	809	9
Warwick	2,762	1,122	675	118	9	4,686	18
Total	18,243	9,340	3,323	874	90	31,870	206
		_					

	Apartment	House	Condo	Cottage	Town- house	Total	\$0 ARV Units
Devonshire	1,548	128	326	68	0	2,070	21
Hamilton	1,067	69	20	45	0	1,201	9
Paget	793	69	19	73	0	954	50
Pembroke	2,824	288	109	135	0	3,356	41
City of Hamilton	353	36	0	12	9	410	7
Sandys	1,620	286	113	71	20	2,110	39
Smiths	996	36	10	49	0	1,091	5
Southampton	1,363	64	78	58	0	1,563	116
St. George's	892	148	87	60	0	1,187	59
Town of St. George	374	55	94	26	0	549	7
Warwick	2,207	143	119	94	0	2,563	8
Total	14,037	1,322	975	691	29	17,054	362

Apartment	House	Condo	Cottage	Town-house	Total	Unin- Habitable
1,976	892	410	90	6	3,374	29
1,554	807	361	68	2	2,792	21
1,169	1,240	410	129	10	2,958	12
3,451	1,364	396	172	14	5,397	69
368	51	130	14	9	572	22
2,122	1,015	231	87	31	3,486	38
1,566	1,157	167	79	9	2,978	15
2,001	924	272	81	9	3,287	16
1,166	649	181	75	13	2,084	30
464	170	152	31	0	817	9
2,806	1,135	676	111	11	4,739	31
18,643	9,404	3,386	937	114	32,484	292
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Apartment	House	Condo	Cottage	Town-house	Total	\$0 ARV Units
1,530	123	326	73	0	2,052	19
1,070	64	33	48	0	1,215	4
819	63	18	82	0	982	44
2,839	273	109	134	0	3,355	32
353	31	0	13	9	406	2
1,638	232	113	73	20	2,076	31
1,015	32	10	54	0	1,111	4
1,381	52	77	58	0	1,568	113
901	128	87	59	0	1,175	58
373	52	93	26	0	544	5
2,208	127	119	88	0	2,542	6
14,127	1,177	985	708	29	17,026	318

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Apartment	House	Condo	Cottage	Town-house	Total	Unin- Habitable
0	13	0	7	0	20	9
48	25	15	9	0	97	0
53	18	1	17	2	91	-1
43	6	31	10	4	94	12
0	-11	0	1	0	-10	8
65	-37	9	4	2	43	13
54	17	6	8	5	90	3
53	21	0	8	5	87	12
33	-2	0	6	4	41	17
7	1	0	0	0	8	0
44	13	1	-7	2	53	13
400	64	63	63	24	614	86
	R	ent Cont	trol Chang	ge		
Apartment	House	Condo	Cottage	Town-house	Total	\$0 ARV Units
-18	-5	0	5	0	-18	-2
3	-5	13	3	0	14	-5
26	-6	-1	9	0	28	-6
15	-15	0	-1	0	-1	-9
0	-5	0	1	0	-4	-5
18	-54	0	2	0	-34	-8

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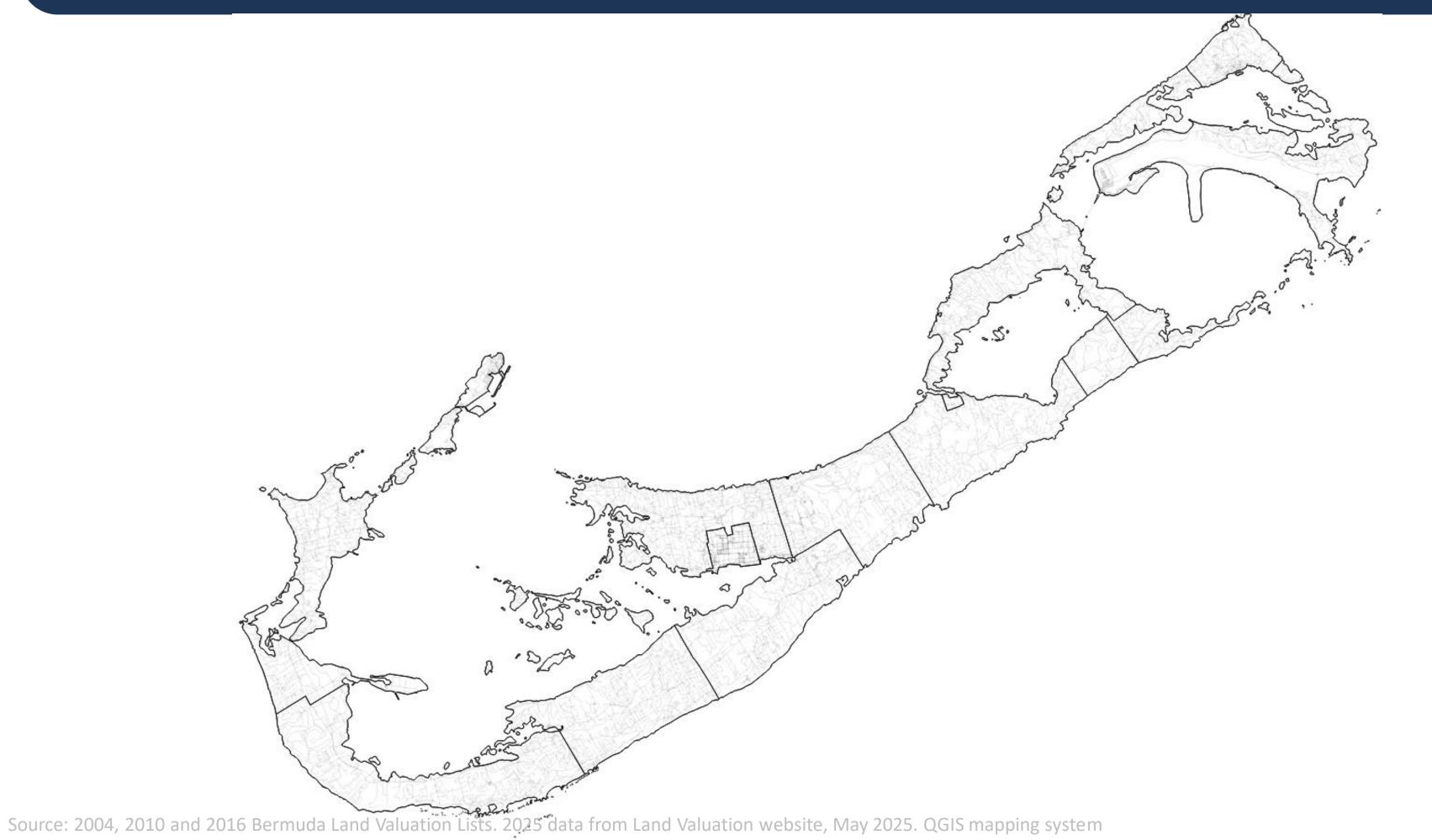
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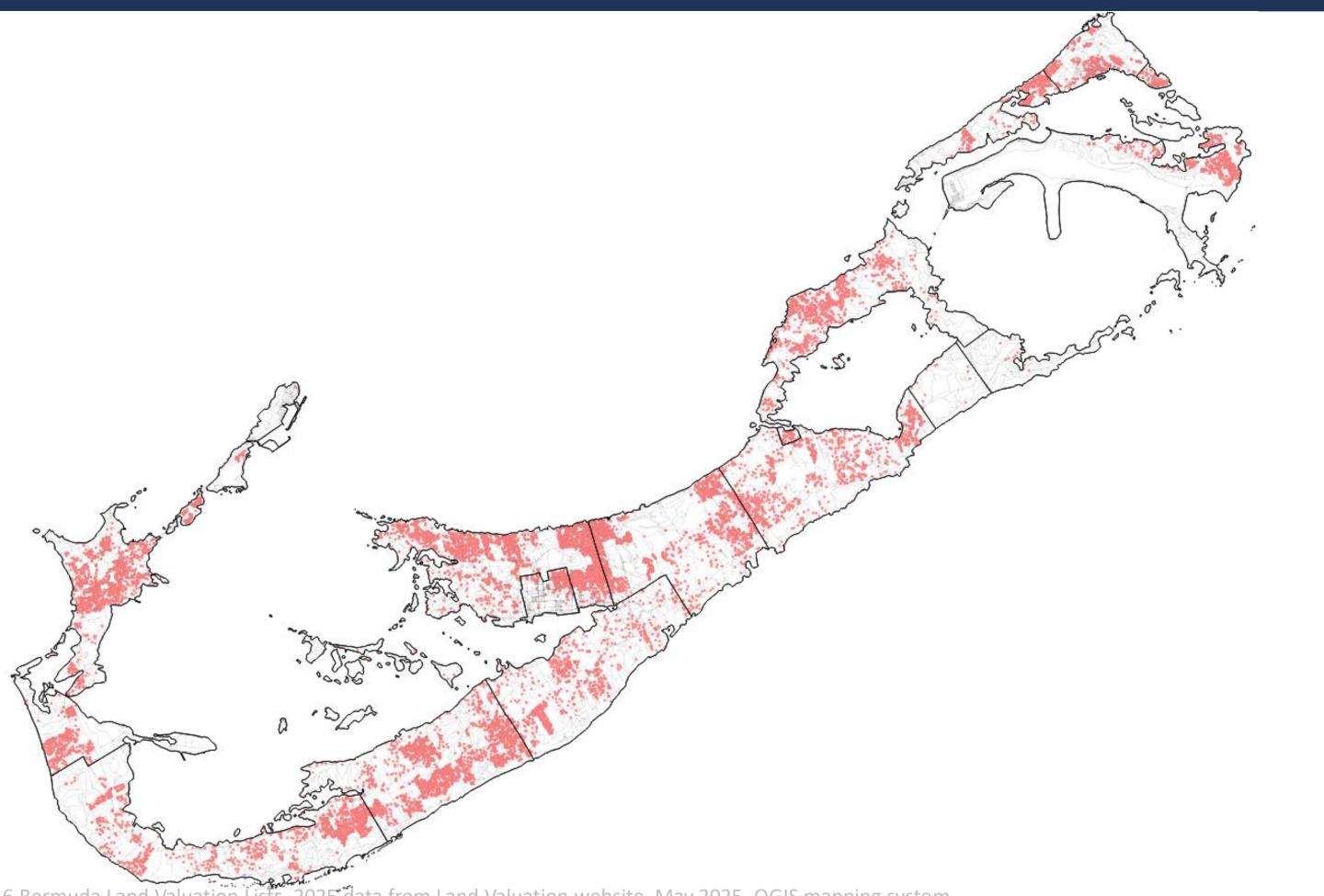
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Rent Control numbers show all units with an ARV between \$1 and \$22,800, with \$0 ARV units showing those at \$0 are are not classified as Uninhabitable.
Uninhabitable Units are not counted in the Total Dwelling numbers, whilst \$0 ARV units are included in the Total Dwellings, but not in the Rent Control total.

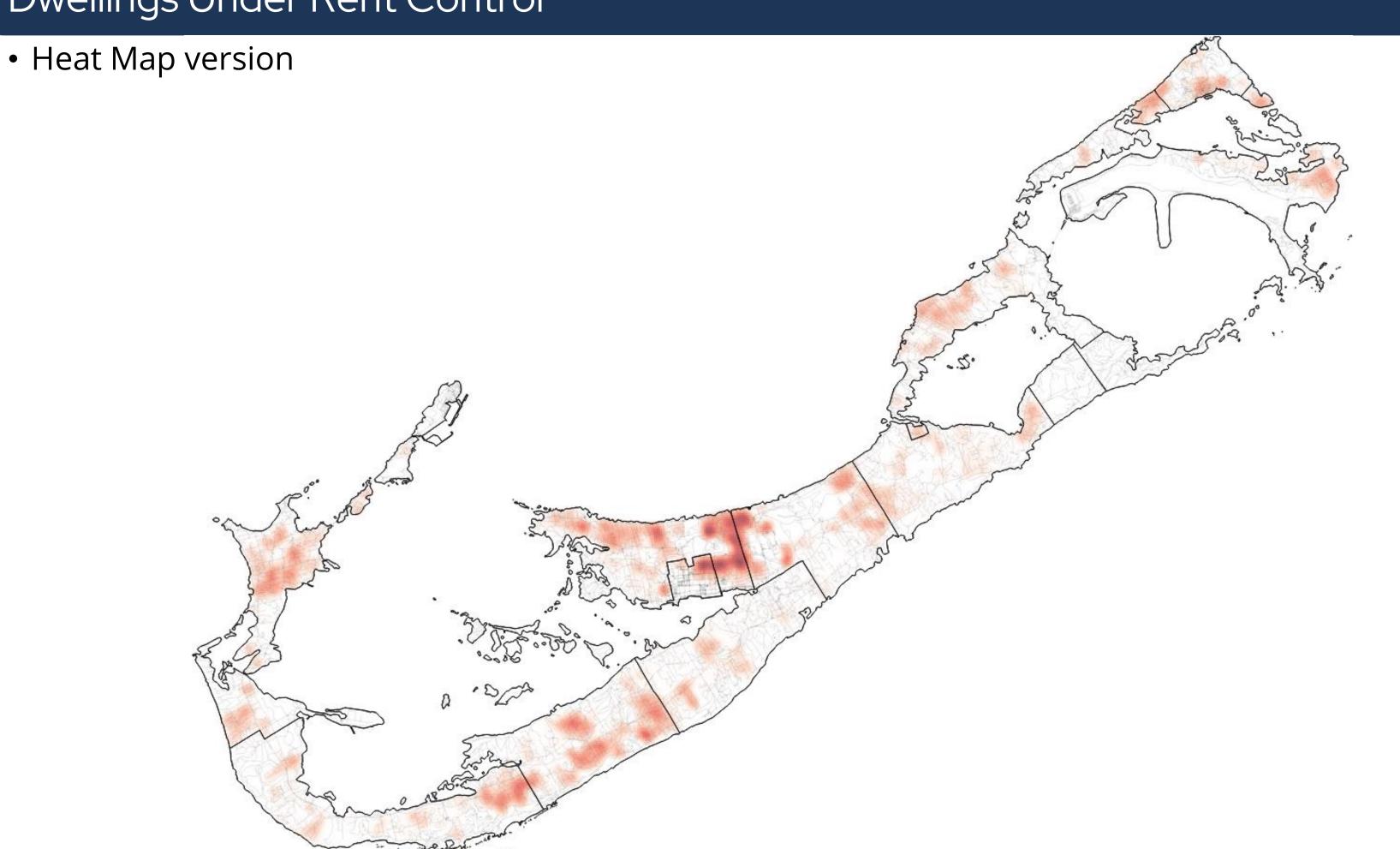
Dwellings Under Rent Control



Dwellings Under Rent Control

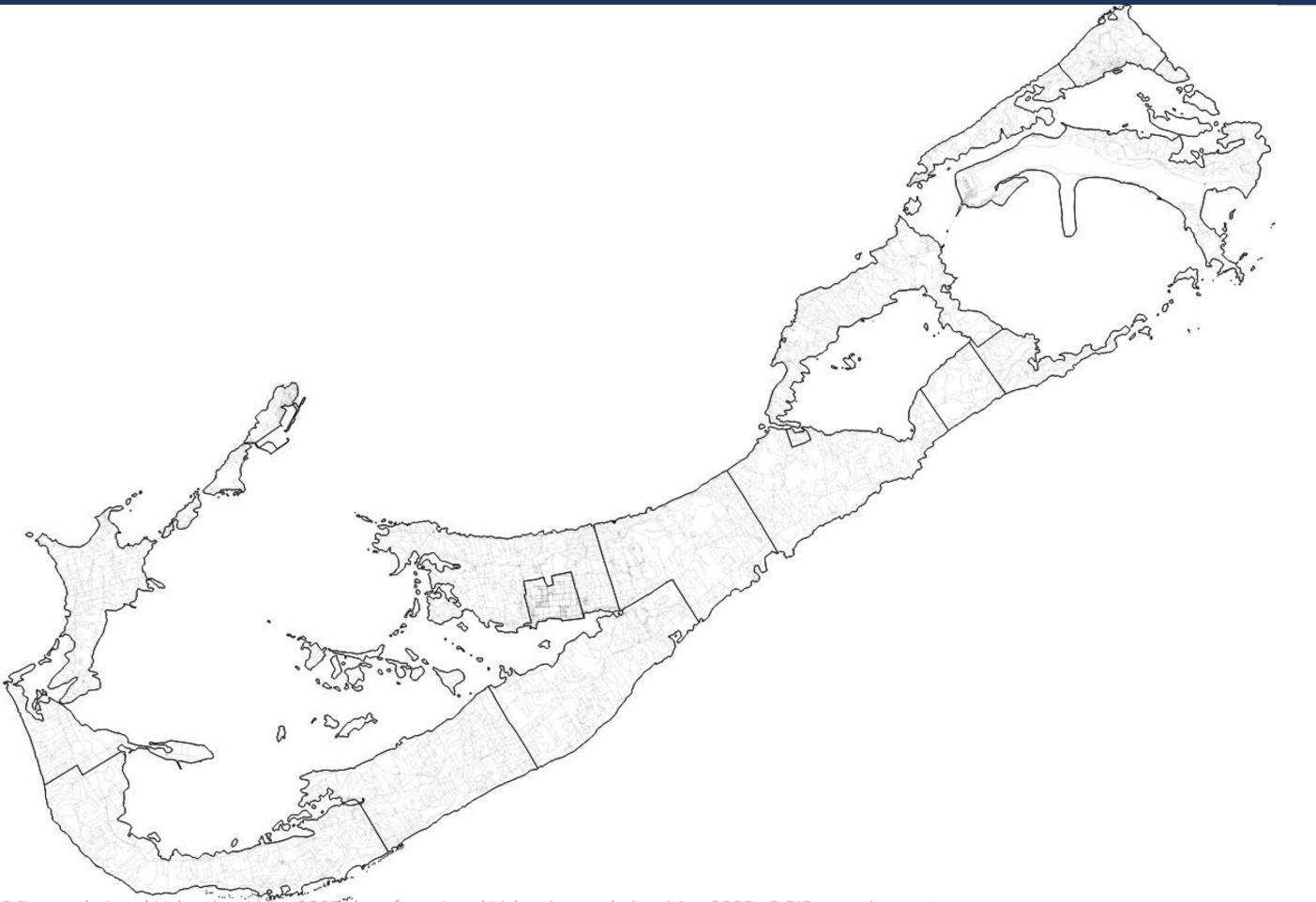


Dwellings Under Rent Control

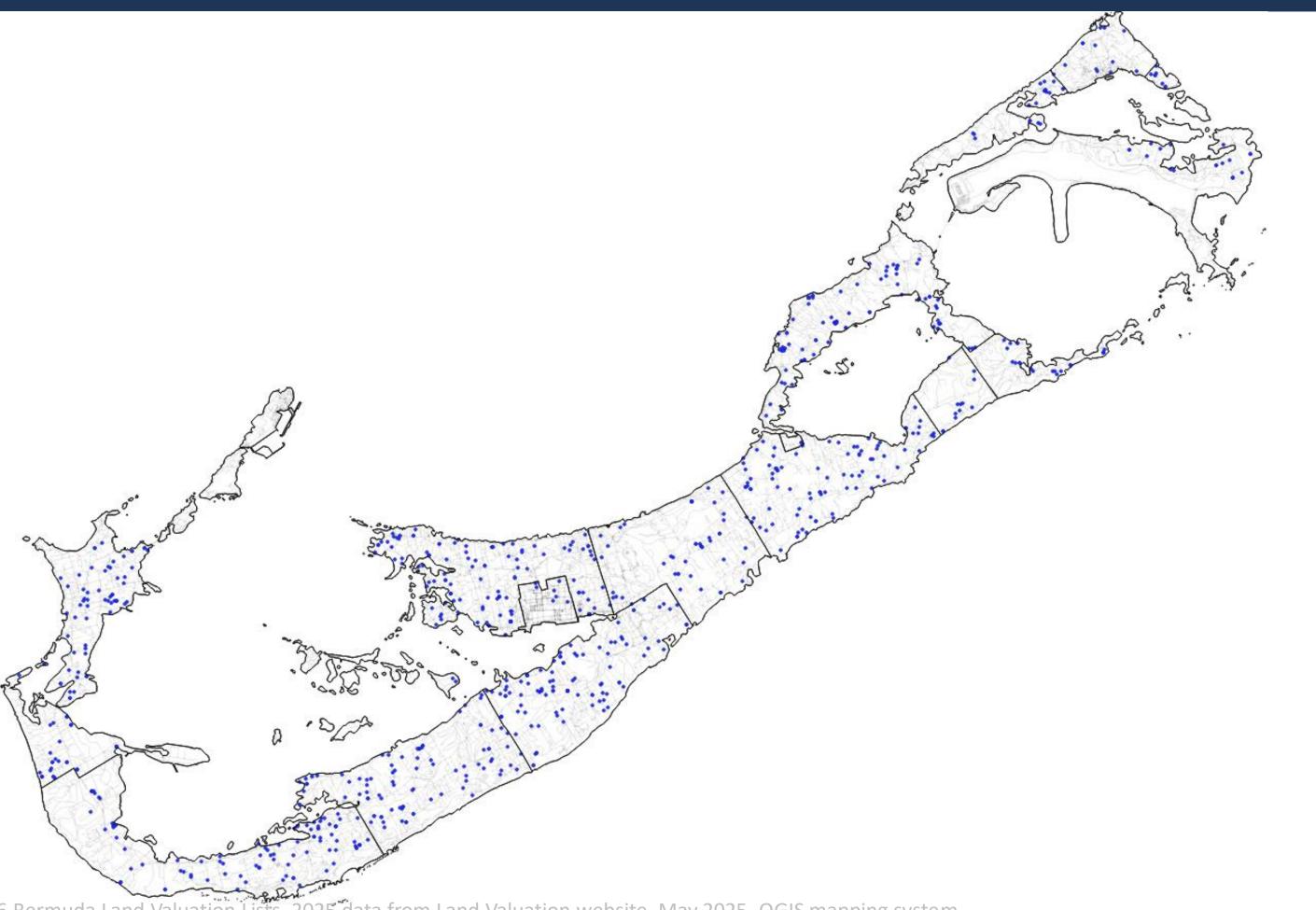




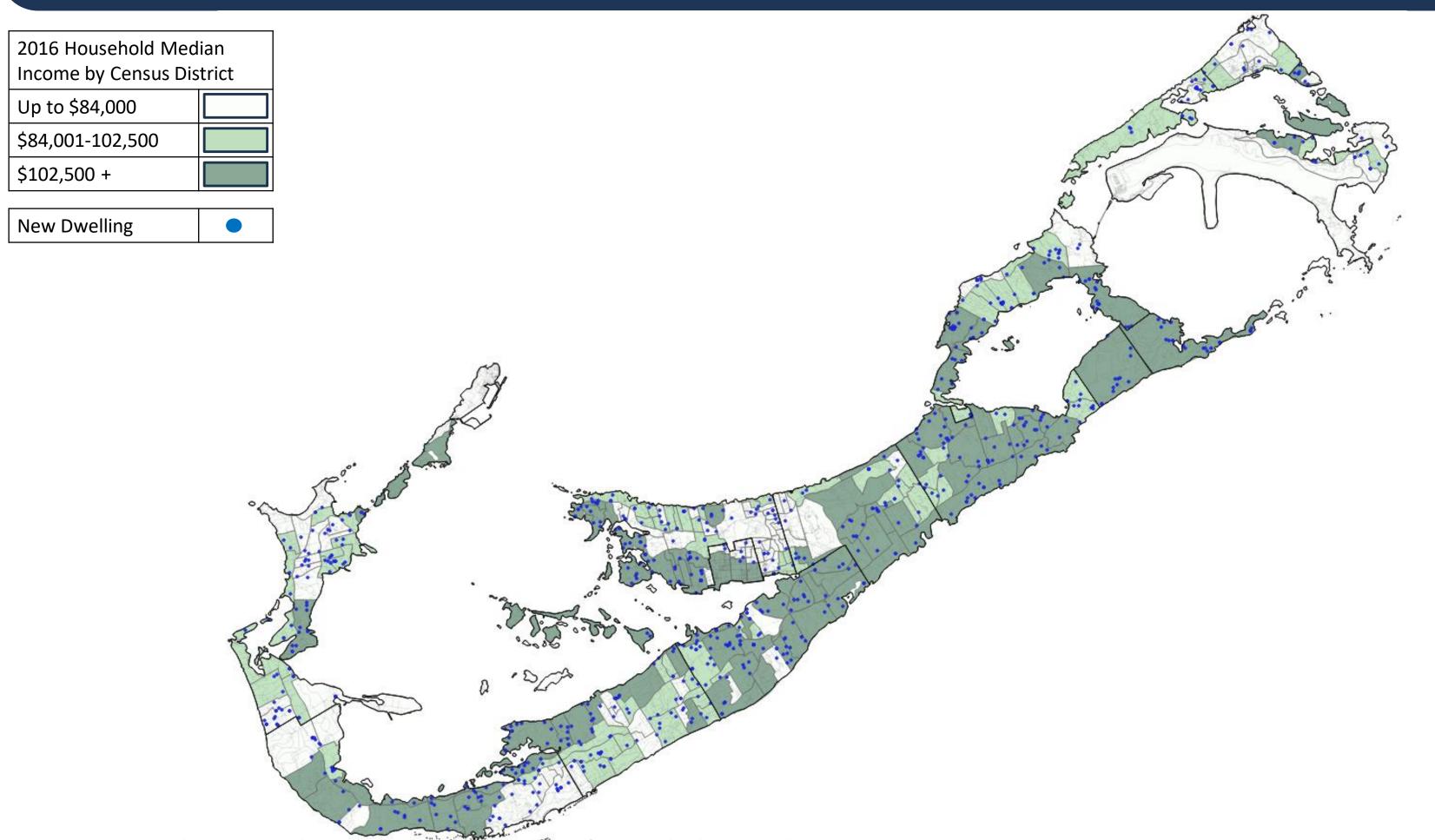
Where have the new dwellings since 2016 been built?



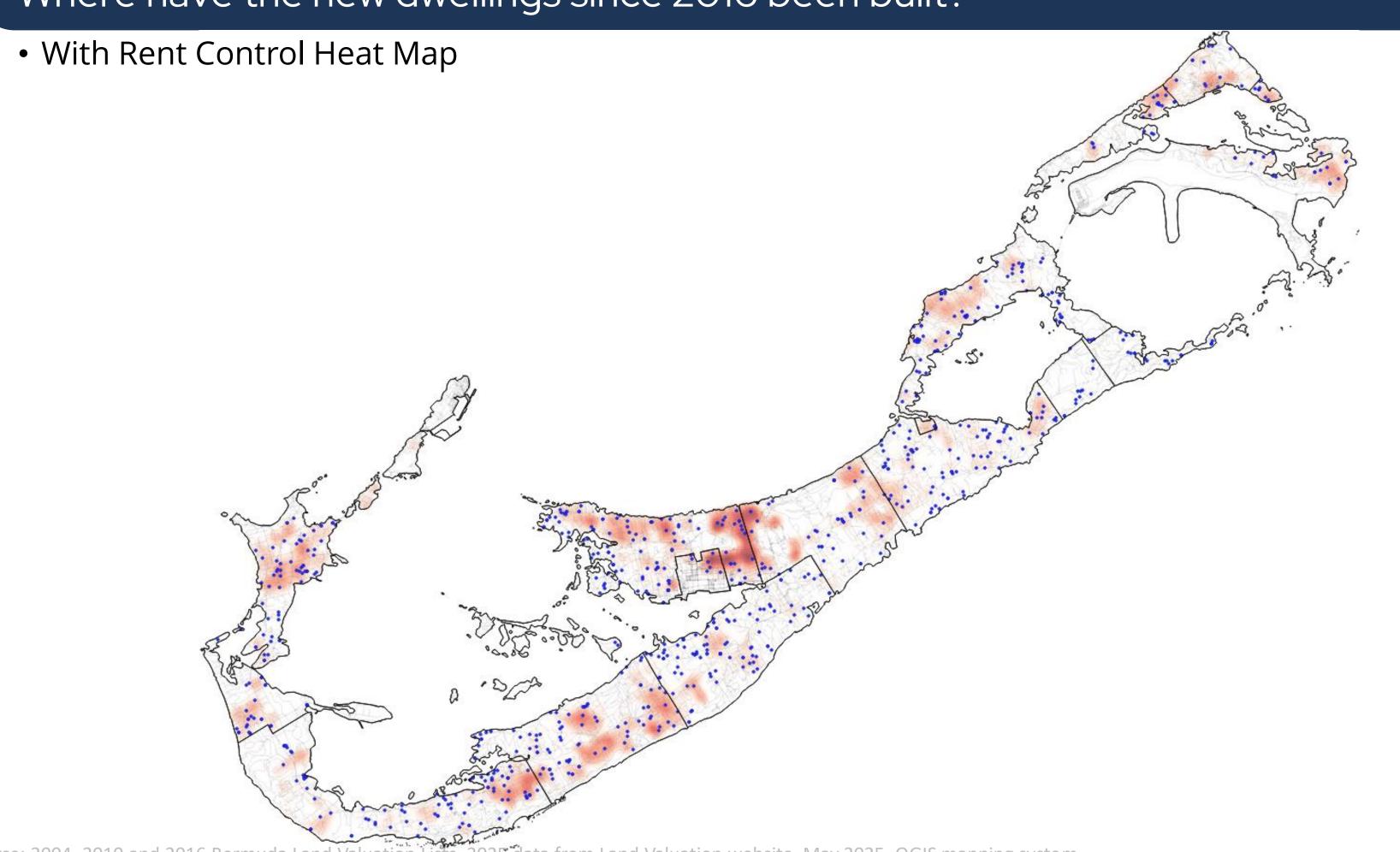
Where have the new dwellings since 2016 been built?



Where have the new dwellings since 2016 been built?

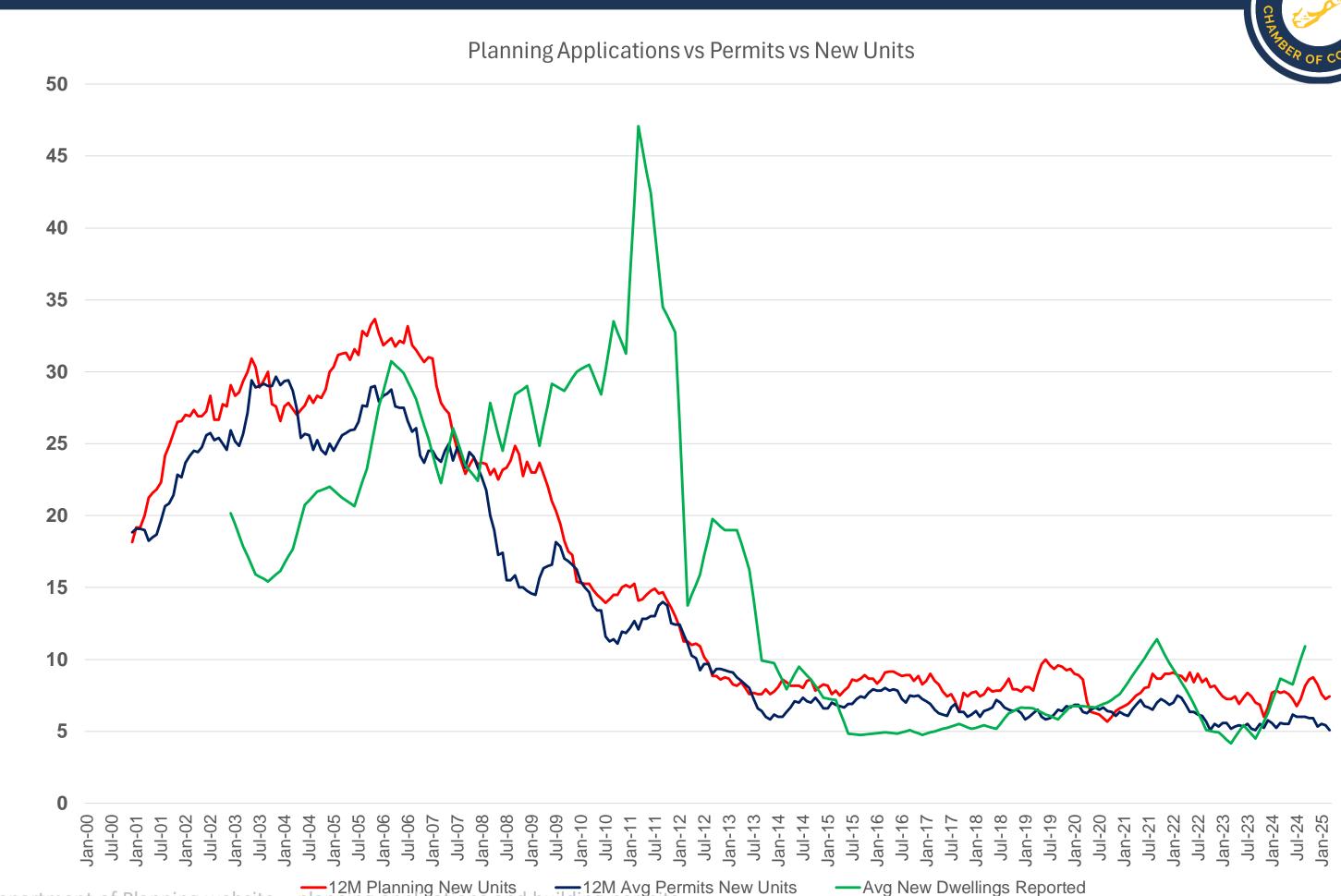


Where have the new dwellings since 2016 been built?



Are we building our way out of it?

- If we target 70,000 population and need 33,654 households, how do we build 5,000+ if we are 28,192 in 2016?
- Building permits are currently at historically low levels for New Builds, with around 5 issued per month, and Planning Applications still remain at low levels, with less than 10.
- Current new dwellings built per month is around 7 per month over past 10 years. Is this enough?
- Note: See additional information & analysis on next slide



Are we building our way out of it? Comments.

Using estimates, for a utopia population of 70,000 people, we would need 33,654 households. Based on an estimate of current housing, Bermuda would need to build approximately 2,500 additional households, based on a household size of 2.08 persons/household, with everyone living in "white box" housing-efficient spaces (see slide 61).

Current new dwelling builds are approx. 7 per month.

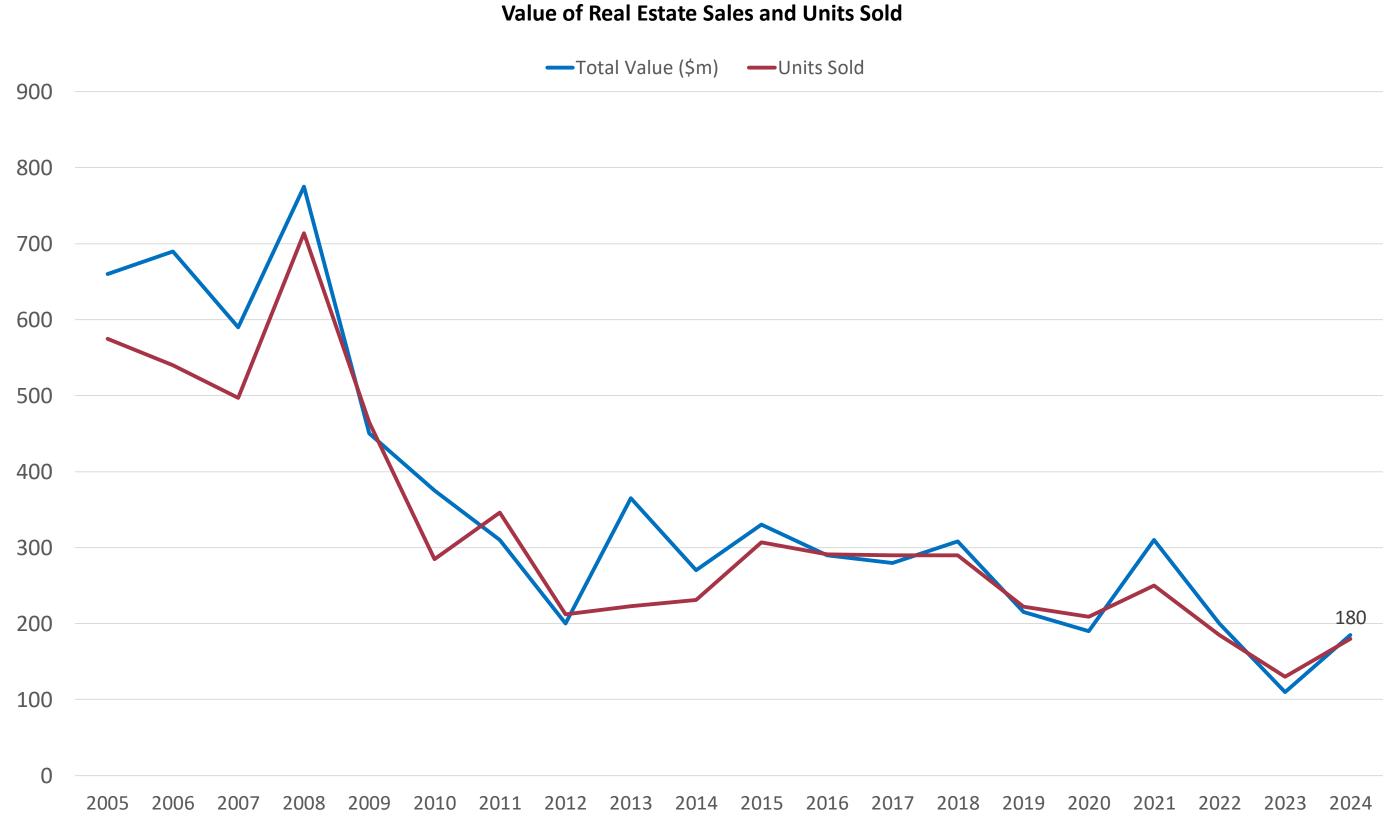
Worth thinking about:

- The demand for households is increasing. We need to either free up inventory that is locked away or unavailable.
- A Planning Application does not automatically imply someone will do something. Building Permits are a better indicator. Total number of Building Permits (the green line), is at a historic low.
- Can we build our way out? Our current pipeline is insufficient:
 - -7mths x 12 mths = 84 dwellings/yr.
 - 2500 units/84 dwellings/yr = 30 years
- Not all studio/one bedroom will be put on the market immediately (eg. kids returning home, etc.)
- Easy answer to housing problem is to build more units however: cost to build/renovate is very high, bank lending is tight, and building is not occurring fast enough.

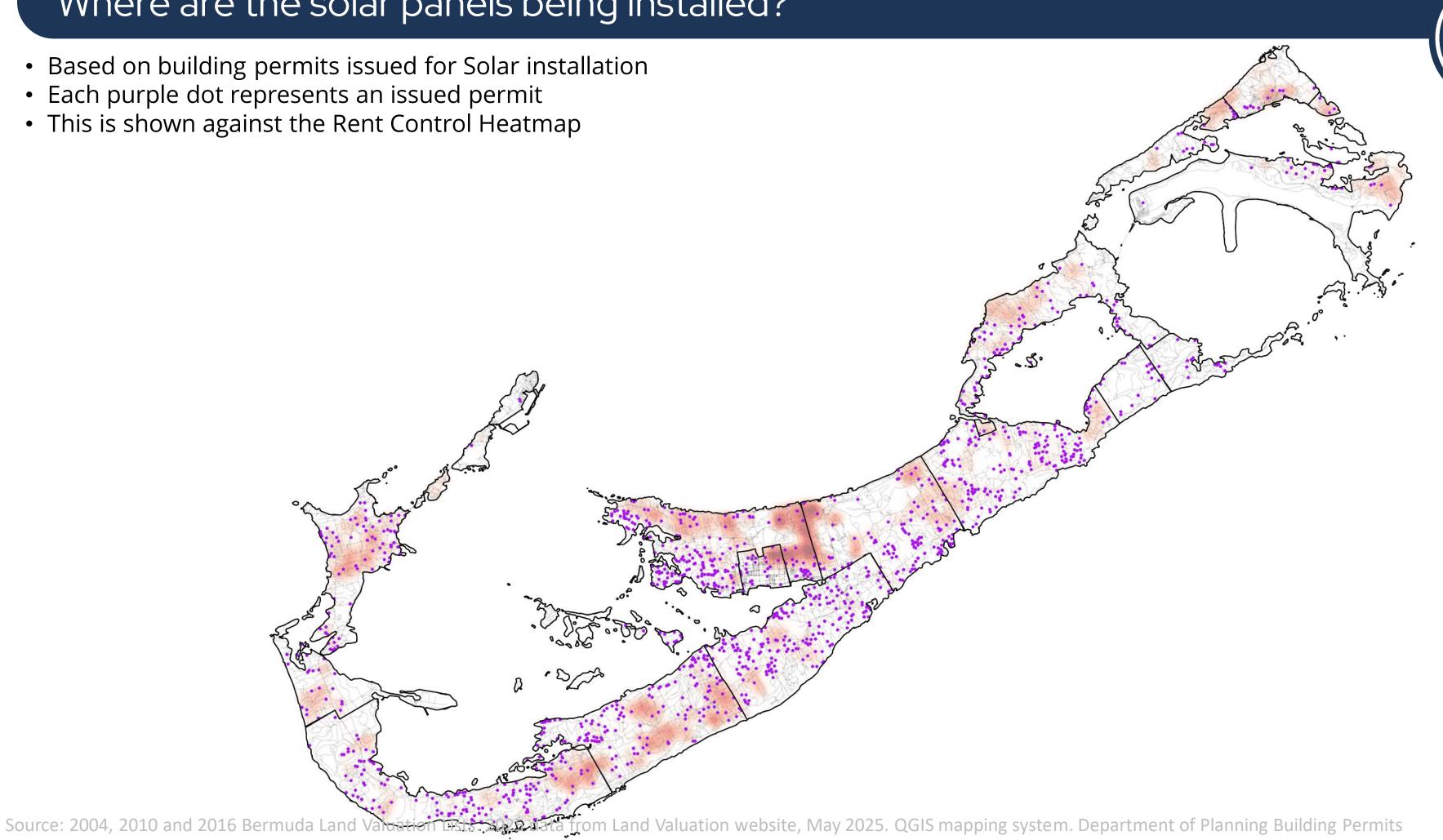
Real Estate Activity

- As per the information provided by Bermuda Realty Coldwell Banker, the trend over the past 20 years of the property market has been a negative decline
- Activity in each of the past 3 years estimated at less than 200 units sold
- Despite expected housing appreciation in values, the total market value of property sold also follows a similar trend

Total Real Estate Activity Value of Real Estate Sales and Units Sold

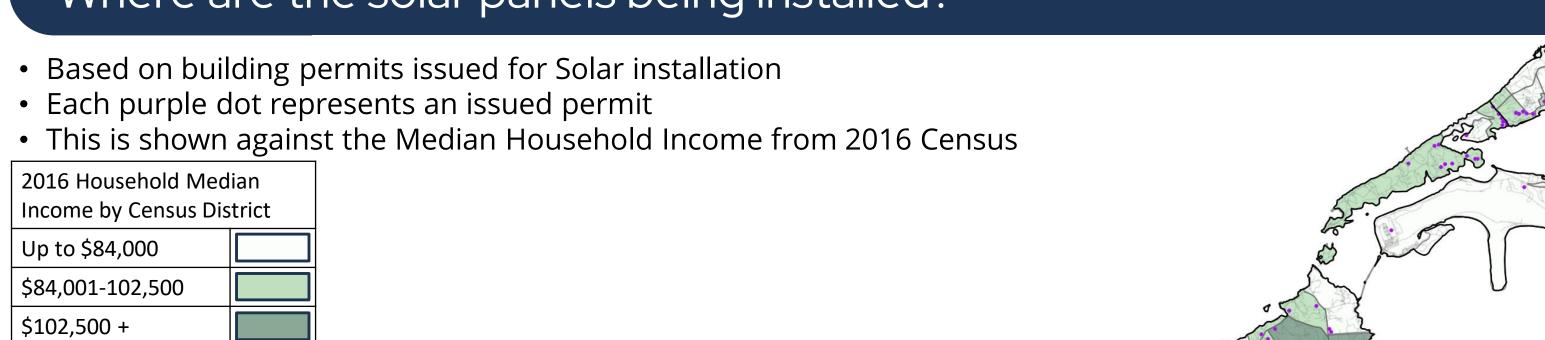


Where are the solar panels being installed?



Where are the solar panels being installed?

Solar Permit



Source: 2004, 2010 and 2016 Bermuda Land Valuation Lists. 2023 data from Land Valuation website, May 2025. QGIS mapping system. Department of Planning Building Permits

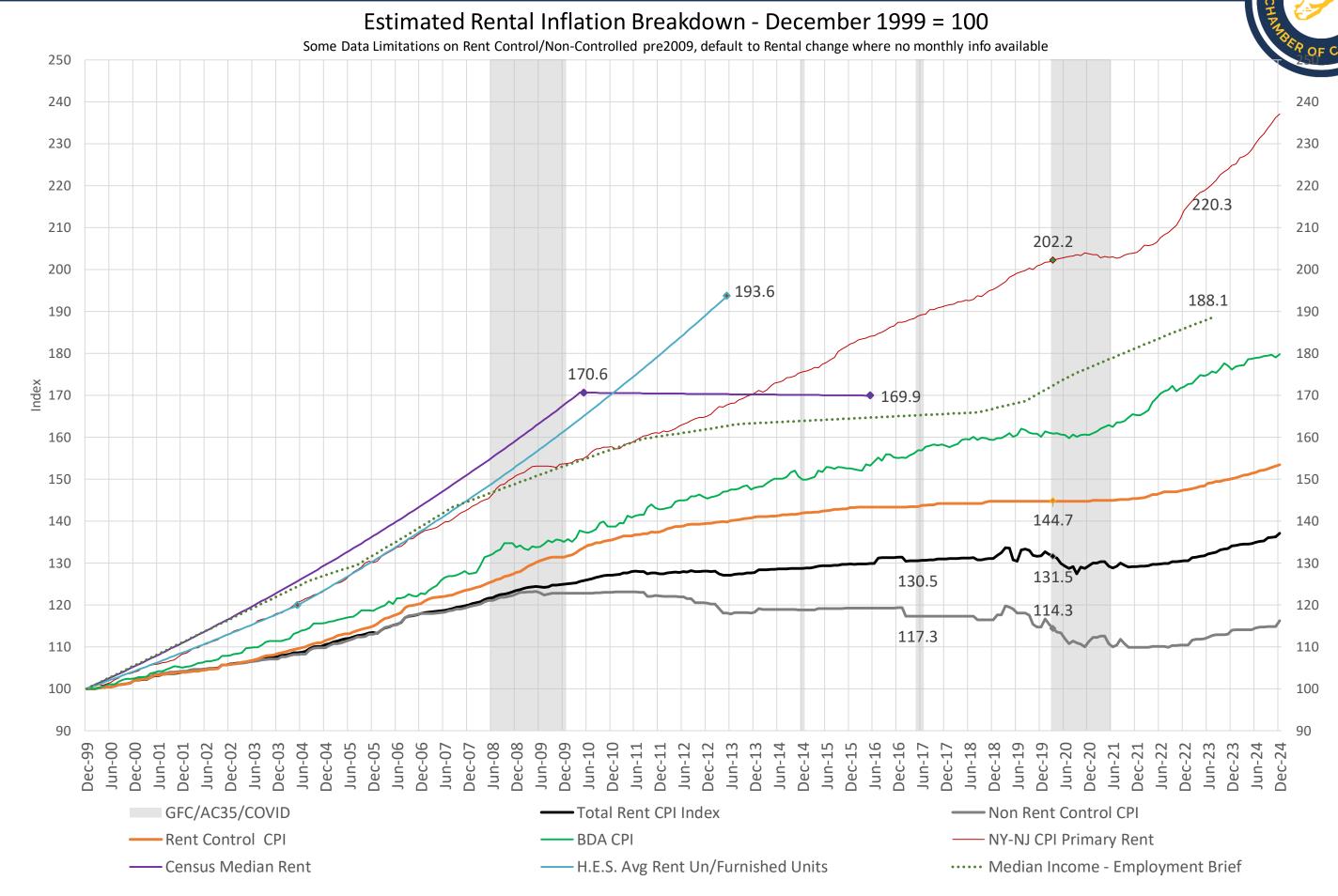


Housing Inflation



Housing Costs – Housing CPI

- The following is an estimate of the Rental CPI movements from 2000 to current.
- The Red line represents New York area Primary Rent CPI, to provide a benchmark of different housing market, that has various sub-markets within that area.
- Rental CPI estimate (2000– present): Jan 2025 CPI: Rent CPI Index at 106.0 (Apr 2015 = 100.0).
- Rent-controlled properties: 113.0; non-rent-controlled: 97.5.
- Market rents above rent control are lower in Jan 2025 than Apr 2015 according to CPI.
- Comparison of CPI against the Census Median Rents and HES Average Rents is shown in this chart.

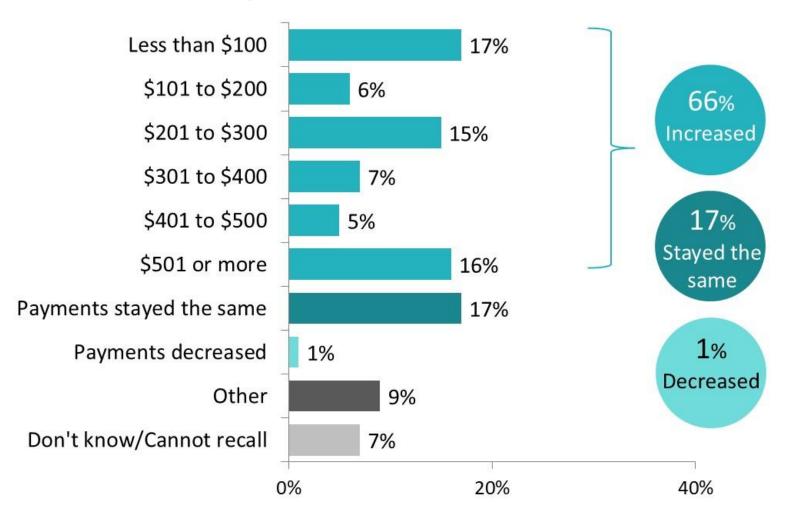


Housing Cost Survey – December 2024

- Commissioned by the Chamber in December 2024 to measure changes in Housing Costs.
- Chart provides a snapshot of the changes that respondents had, comparing 2024 against both 2022 and 2019, pre-Covid.
- Worth noting: Whether you rent or own, over 65% say their rent or mortgage payment had increased

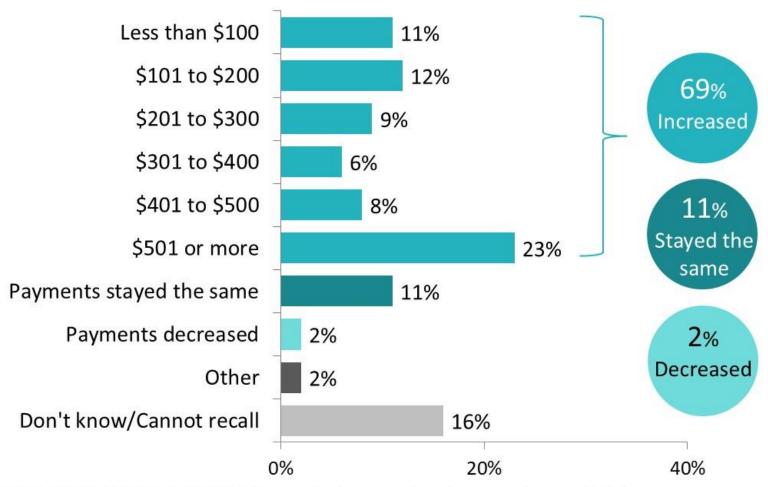
Increase in Monthly Rent Payment in 2024 Compared with 2019

Among Those Who Rent Home



Increase in Monthly Mortgage Payment in 2024 Compared with 2019

Among Those Who Own Their Home with a Mortgage



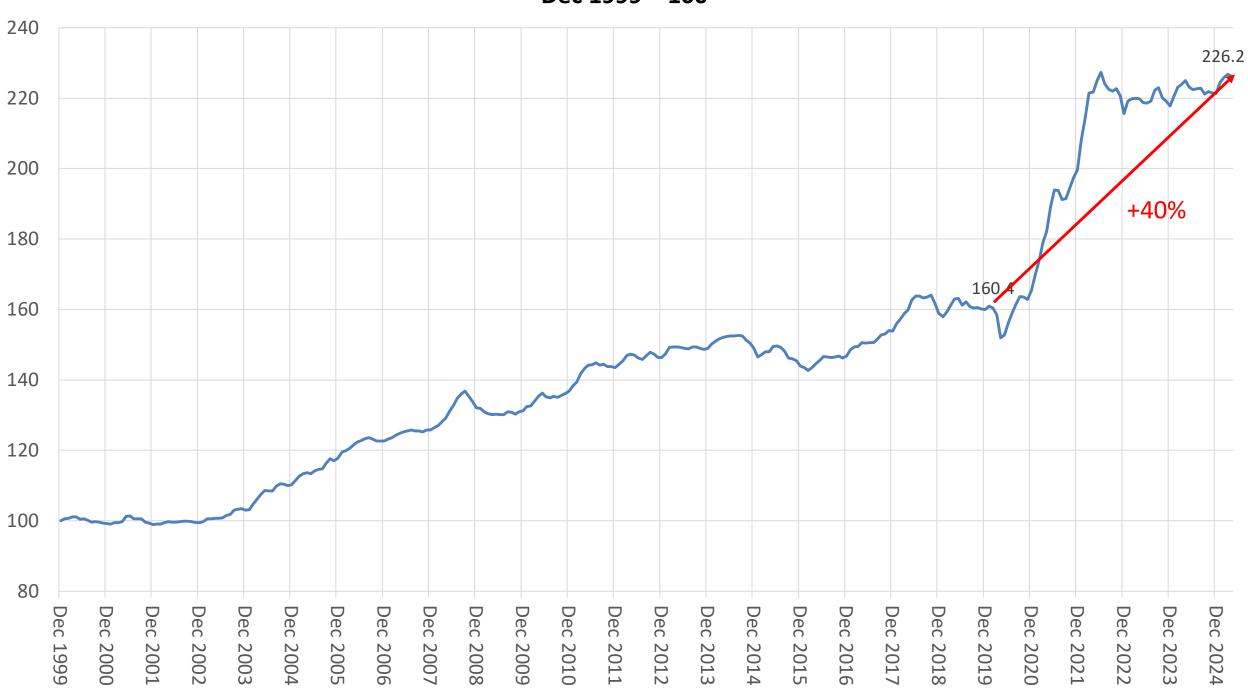
Q.C2b: [IF 'OWN WITH A MORTAGE' IN Q.C1A] Thinking again about your housing costs, how much did your rent or mortgage increase in 2024 compared with 5 years ago – that is 2019 or pre-COVID. Did your monthly costs increase by....? (n=102)

Construction Costs



- Significant growth of Residential Construction costs in USA, up 40%+ from 2019 levels.
- Given the Bermuda supply chains and complexities, this would also amplify the costs more.
- The general average is expected to be in the range of \$700~\$750 per sq foot and up.
- Currently, replacement costs/sum insured amounts can be over 20% more than the market value of a property – meaning it is cheaper to buy a property than to build it.

US Produce Price Index - Net Inputs to Residential Construction, Goods Dec 1999 = 100



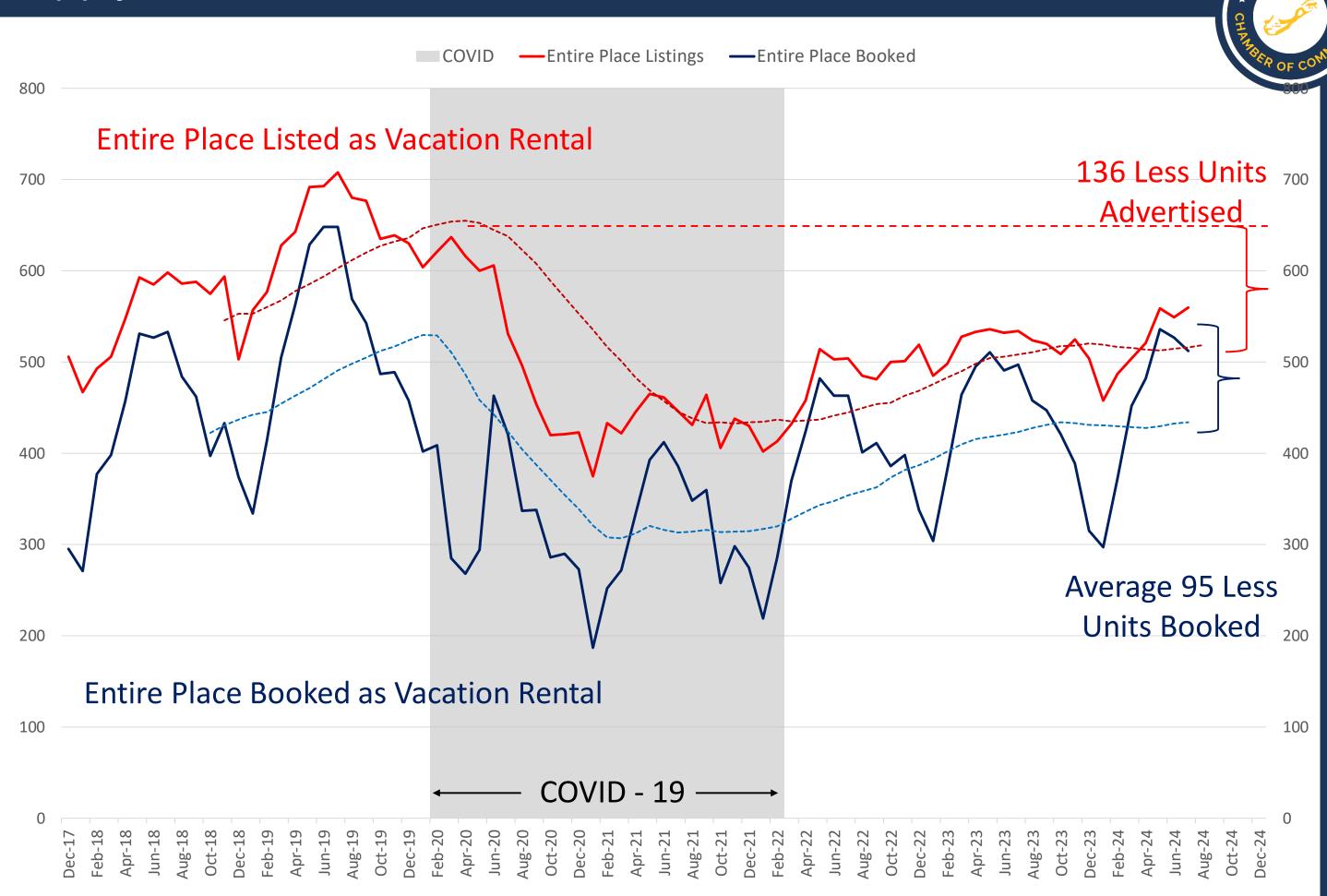


Other Factors Impacting Housing



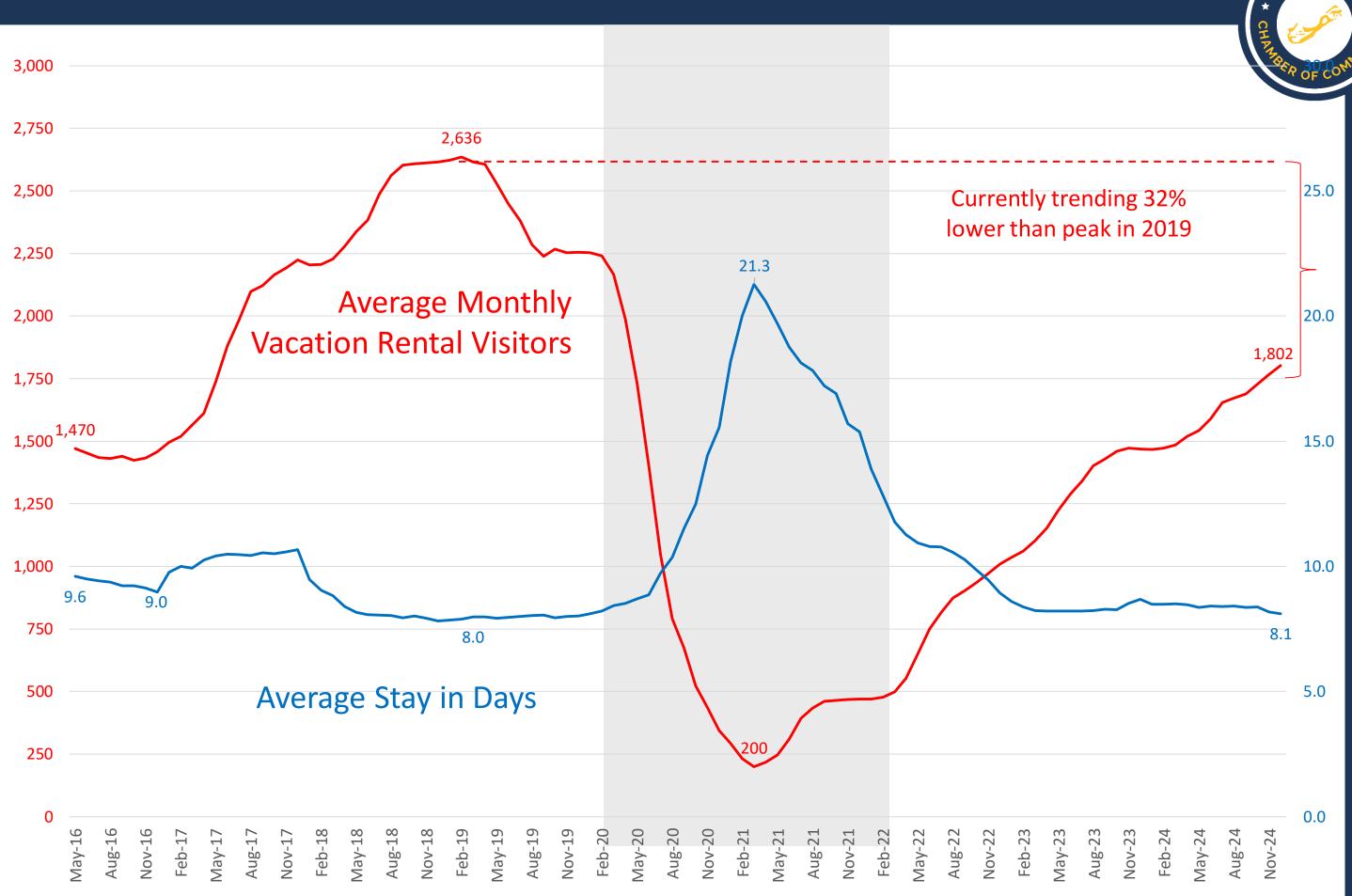
Vacation Rentals Supply

- Over the past several years, the number of listed Entire Places (ie. houses and apartments), shows 136 less listings, and on average 95 less places booked per month.
- Overall, less vacation rentals on the market today than in 2019. Likely driven by constraints during COVID, introduction of new taxes, as well as ongoing support costs to manage a vacation rental.
- Data from AirDNA, (AirBnB and VBRO)



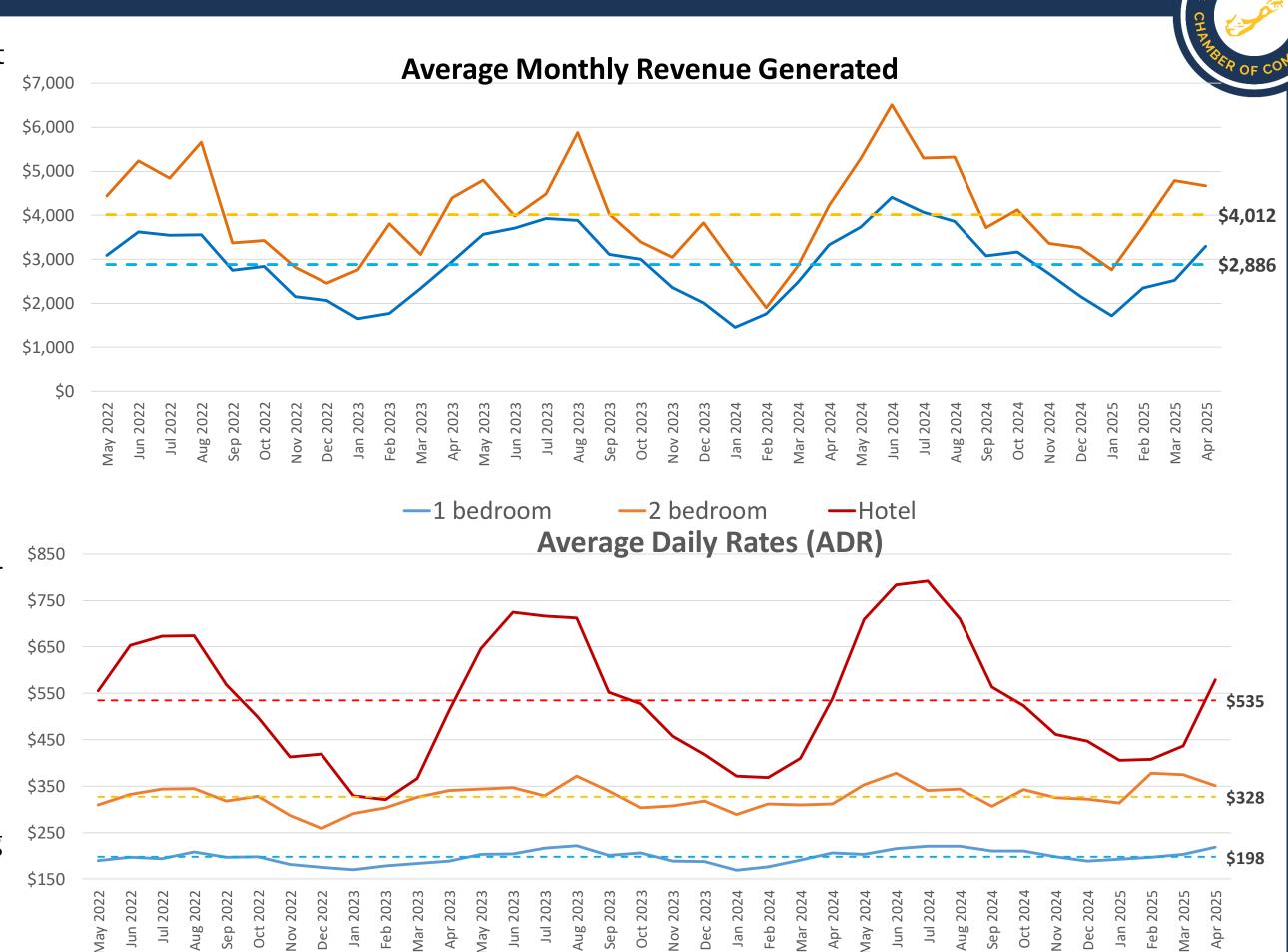
Vacation Rental Demand

- Vacation rental visitor numbers are back to May 2016 levels, based on arrival form data.
- Impacts from AC35 and COVID are evident, with average stays shorter than in 2016.



How much money is in Vacation Rentals?

- Vacation rentals remain an important part of overall tourism product for Bermuda.
- The approximate Average Daily Rates (ADR) rates of \$198 and \$328 are comparable against the Bermuda Hotels ADR of \$535.
- Using AirDNA data, we have assessed the average monthly revenue generated for 1 and 2 bedroom vacation rentals.
- 1 bedrooms on average are 66% of vacation rentals booked, and 2 bedrooms are 18%, accounting for 84% of the total market.
- 1 Bedrooms on average collect \$2,886 per month, and 2 bedrooms \$4,012 per month.
- Given the returns seen, along with license fee's of up to \$2,500 per year, this implies that a number of the rentals are for flexibility rather than profit.
- This does not take into account operating costs, such as replacement costs, cleaning costs, management of bookings, etc.



Uninhabitable Properties

- Properties deemed "unlivable" get a \$0 Annual Rental Value. This = major disrepair, eg. collapsed roofs/ floors, or a combo of serious issues that make the place unfit for tenants.
- Minor fixes like new windows or rewiring are not able to be classified as Uninhabitable.
- Consider: 'Uninhabitable' =
 deemed not capable of
 beneficial occupation) vs.
 'Derelict' = dilapidated, but could
 be occupied.
- Uninhabitable refers to being technically uninhabitable, not visually uninhabitable. Being designated as "uninhabitable" is an administrative process with the government.
- Uninhabitable homes are rare, but real—292 assessment numbers as of May 2025, however, this represents less than 0.9% of the total housing market.
- Additionally, there are around 300 properties that have been removed from the valuation listing, such as demolished, between 2016 and 2025.

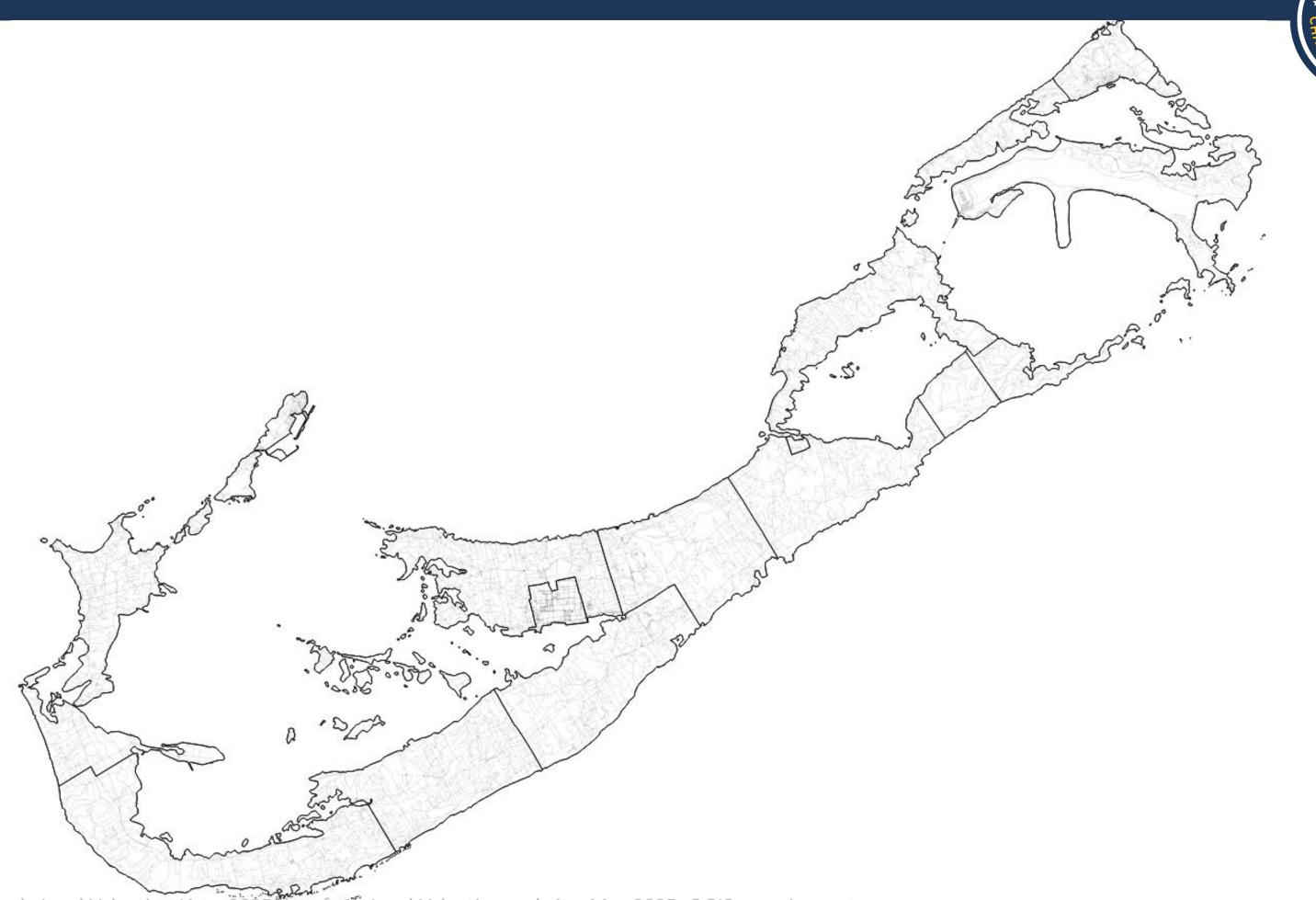
Uninhabited % of Assessment Numbers



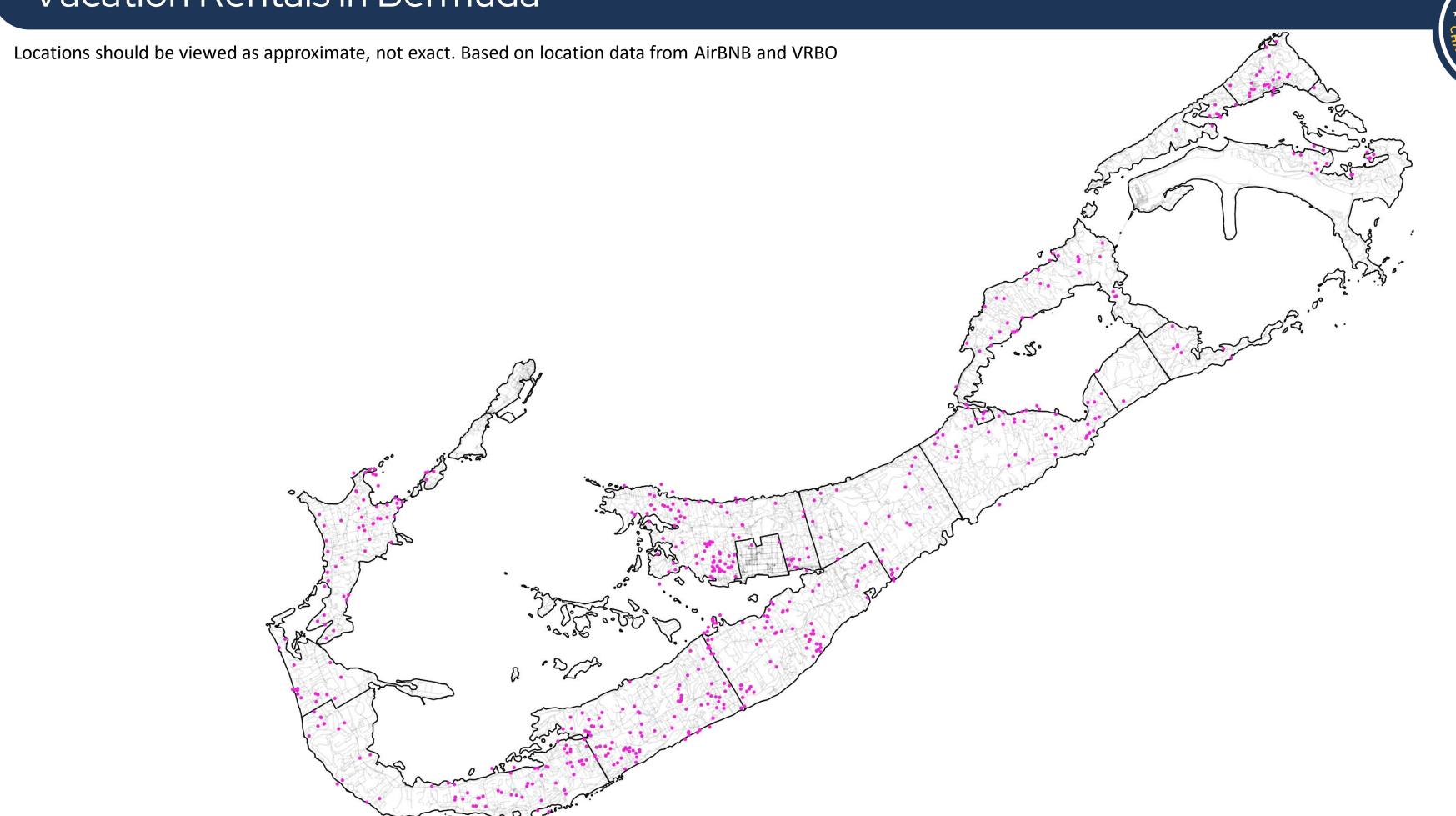
Where are the Vacation Rentals and Uninhabitable Dwellings?



Where are the Vacation Rentals?



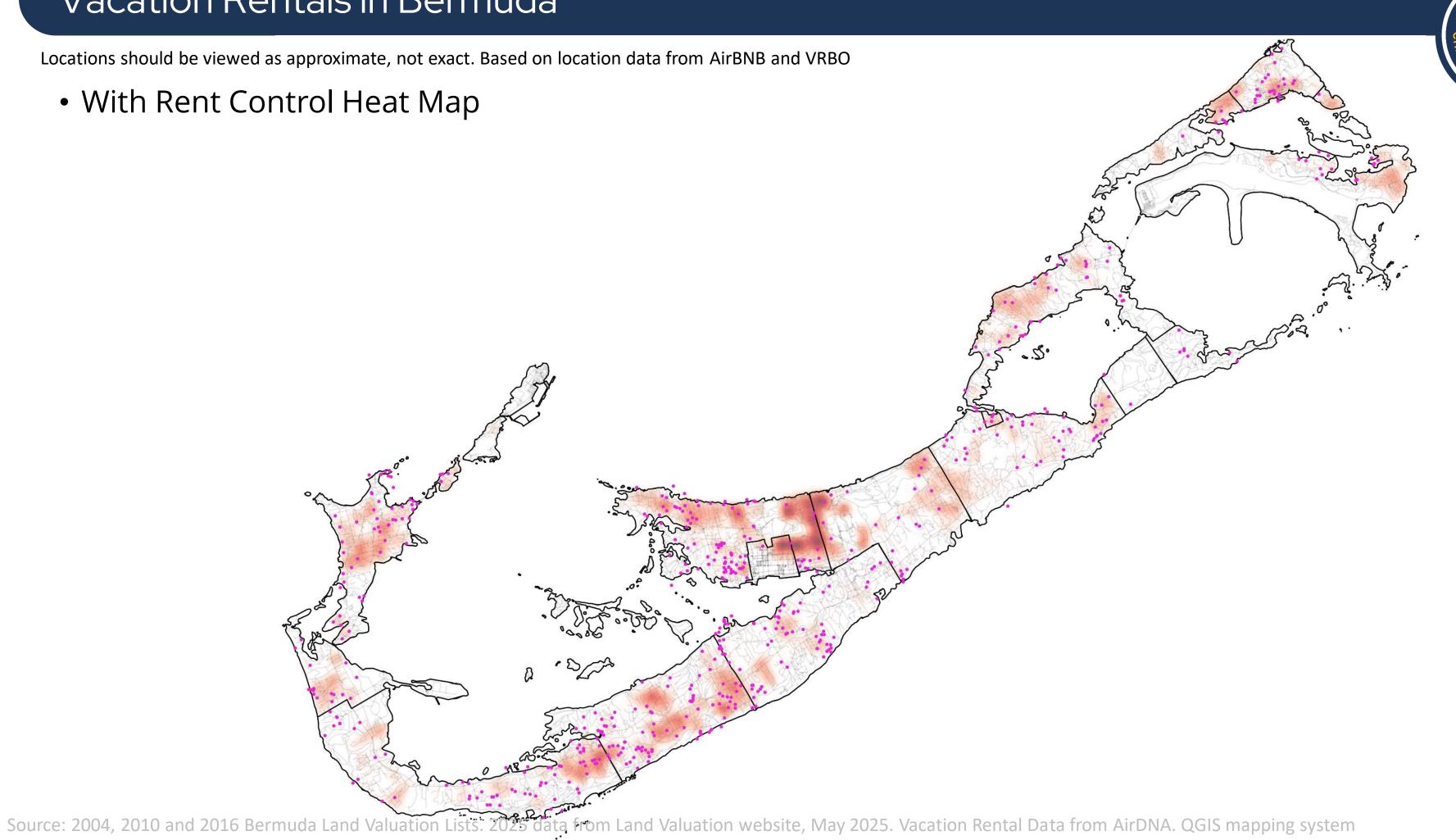
Vacation Rentals in Bermuda



Vacation Rentals in Bermuda

Locations should be viewed as approximate, not exact. Based on location data from AirBNB and VRBO 2016 Household Median Income by Census District Up to \$84,000 \$84,001-102,500 \$102,500 +

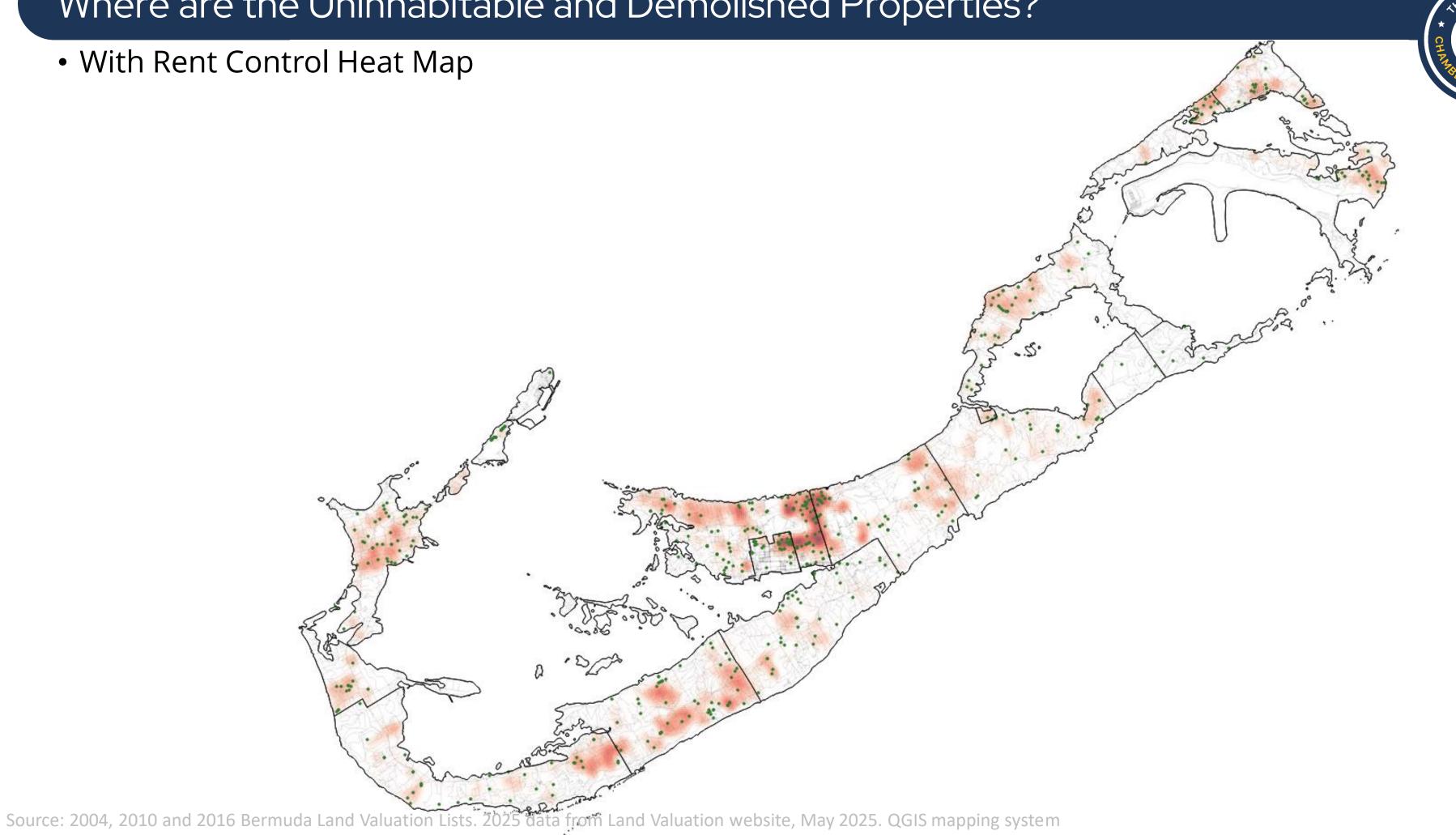
Vacation Rentals in Bermuda



Where are the Uninhabitable and Demolished Properties?



Where are the Uninhabitable and Demolished Properties?



Household Efficiency

 Household Efficiency is viewed as the Household Size vs number of Bedrooms in that Household.

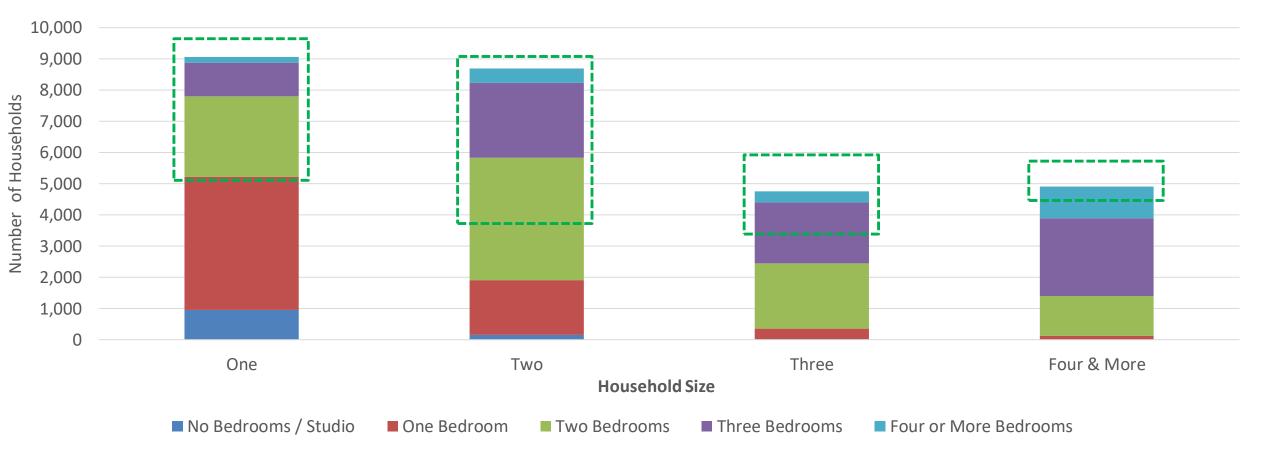
•	The trends seen here are also
	in alignment with the decline
	of Household Size

- Household Size 2 or less: 17,746
- Studios and One Bedrooms: 7,614
- Households with 2 or less currently use 10,617 properties with 2 or more bedrooms
- Potentially up to 43% of Households of 4 or less have excess space/bedrooms
- Note: See additional information & analysis on next slide

		Household Size						THAT ARE D	
Bedrooms vs Household 2016		One	Two	Three	Four	Five	Six	Seven+	Total Bedroom
	No Bedrooms / Studio	961	160	20	4	0	0	0	1,145
	One Bedroom	4,253	1,755	344	104	9	3	1	6,469
Bedrooms	Two Bedrooms	2,585	3,909	2,086	979	228	54	16	9,857
	Three Bedrooms	1,077	2,404	1,948	1,686	601	149	63	7,928
	Four or More Bedrooms	182	460	363	527	298	119	69	2,018
	Total Households	9,058	8,688	4,761	3,300	1,136	325	149	27,417

	One	Two	Three	Four	Total
Potentially Excess Bedroom Use	3,844	4,819	2,380	264	11,306
% of current Household Size	42.4%	55.5%	50.0%	8.0%	43.8%

Household Size vs Number of Bedrooms in Use



Source: Bermuda 2016 Census

Household Efficiency

Chart on prior slide shows household size across the top, and bedroom size down the left Green represents excess (more housing than required)

- 1 person in a studio or one bedroom = normal
- 1 person in 2+bedrooms = excess
 - 2nd room as a guest room, den, arts & crafts room, or storage
- 2 people, 2 bedroom (the lighter green) = took 50% from our excess equation because there could be valid reasons
 - Room shares
 - Home study, or home office
- 1 person in a 4 or more
 - A senior who is twilighting
 - A empty nester
 - Maybe is the only thing that could be found on the market (eg. an IB CEO)
- 2 persons in a one bedroom or studio
 - A couple
 - A single parent with a young child

Worth thinking about:

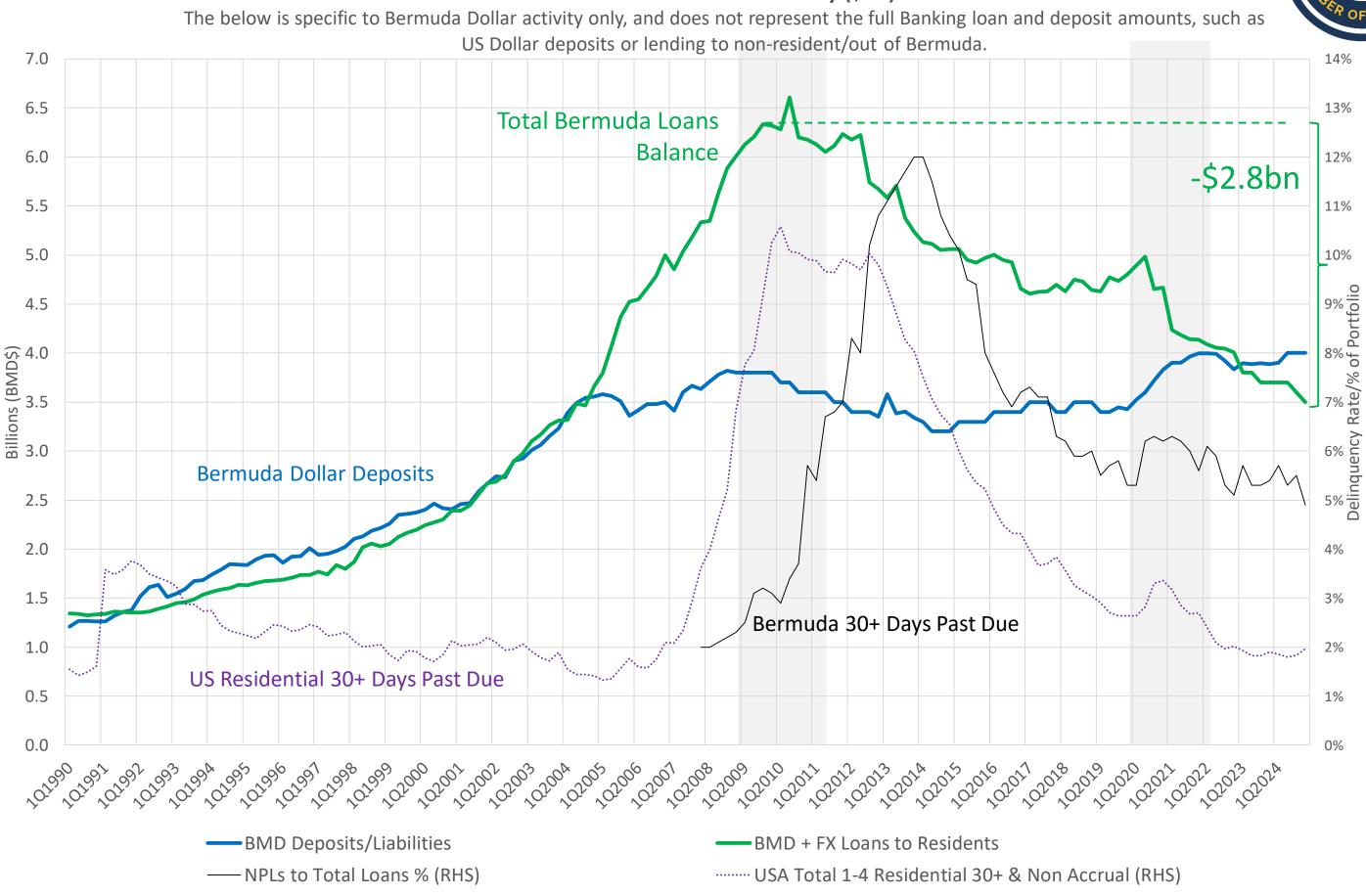
- Not every house is the same when it comes comparing ration of people to bedrooms.
- Consider if 4 people in a 3-bedroom household move out. They may be replaced with another 4 persons. It could be 3, or 2, or even a single person in that same space.
- What does this do to the number of total accommodations needed?
- There is a household efficiency challenge within the right level of housing per household size.
- Looking at the chart, housing is most efficient if everyone is in the white boxes
- Green boxes are indicating some persons have more than they need, and Red boxes are indicating maybe they don't have enough
- If one has excess cash (or a housing allowance), a person opt for a larger space. Conversely, what do we expect happens when a person cannot find a white-box space? Go into a red box? If an expat, do they leave Bermuda to live and work elsewhere?
- Ultimately, what type of housing does Bermuda need, and how much of it?
- The actual requirement of housing that we need, is driven by the household population configuration dynamics that are materially different vs. 10yrs ago.
- This information is not intended to be scientific. It is provided to give information and context intended to prompt thinking and solutions towards a very fast growing problem.



Bermuda Banking Profile

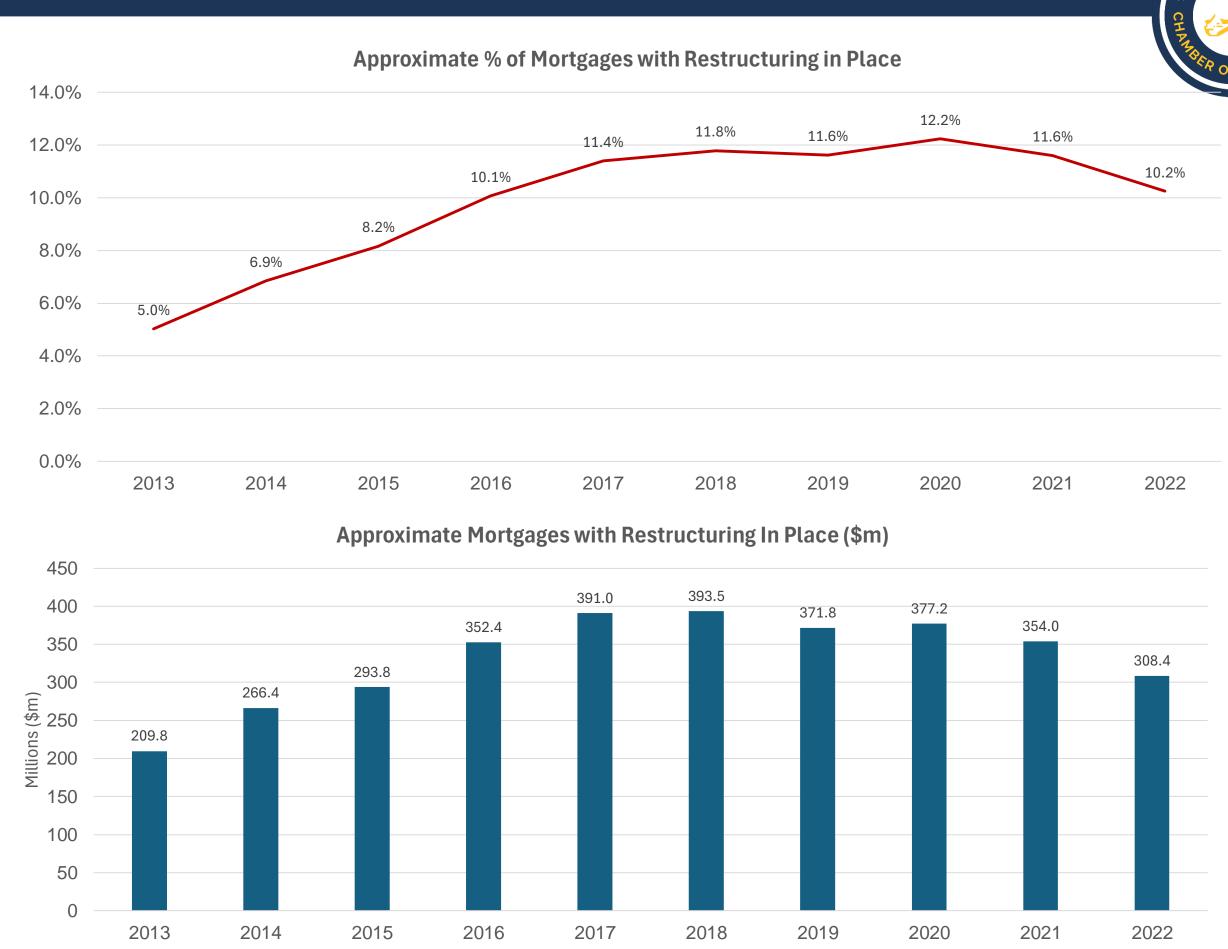
- The Banking sector remains well capitalized and able to lend.
- This snapshot only looks at the true domestic lending market, as the BMA data shows a consolidated view, that includes activity not in Bermuda.
- Another impact on housing is availability of financing. Since 2010, the total loan balances of Bermuda specific lending (BMA data – BMD Loans and FX Loans to Residents) has been on a steady paydown, down \$2.8Bn total.
- Current 30 days past due is at 4.9%, relatively higher than the 2.0% in the US market.
- Banks are lending in the market, however, criteria remains more stringent than in the 2000 to 2008 period.





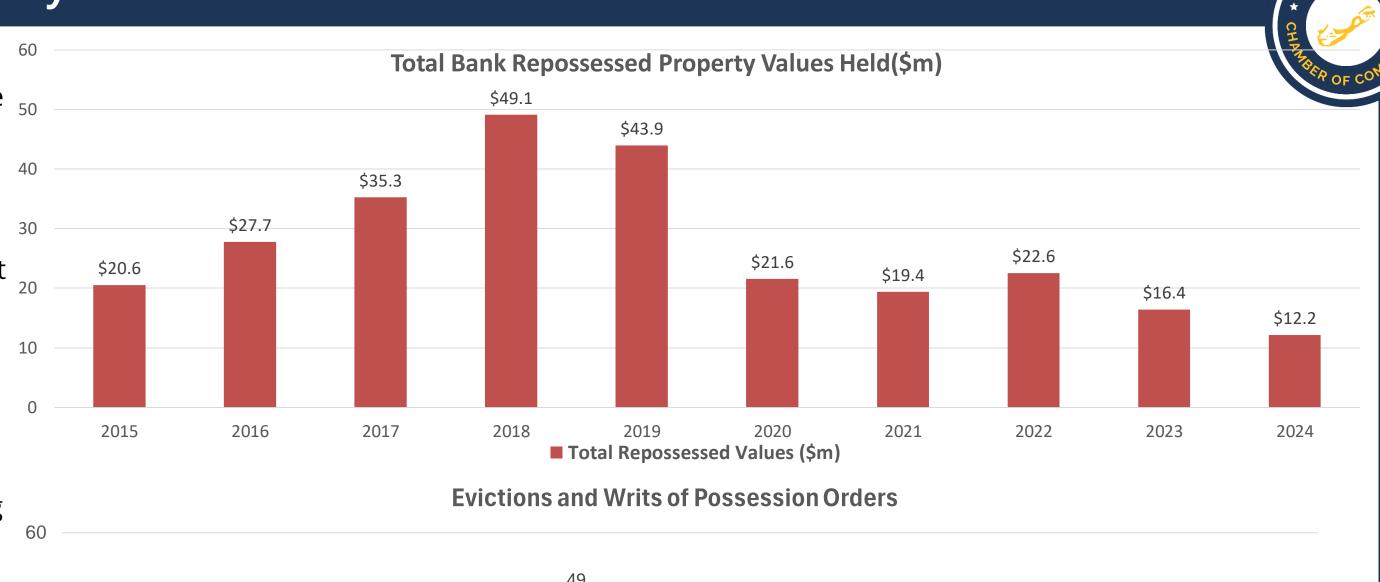
Bank and Mortgage Trouble Debt Restructures & Renegotiation

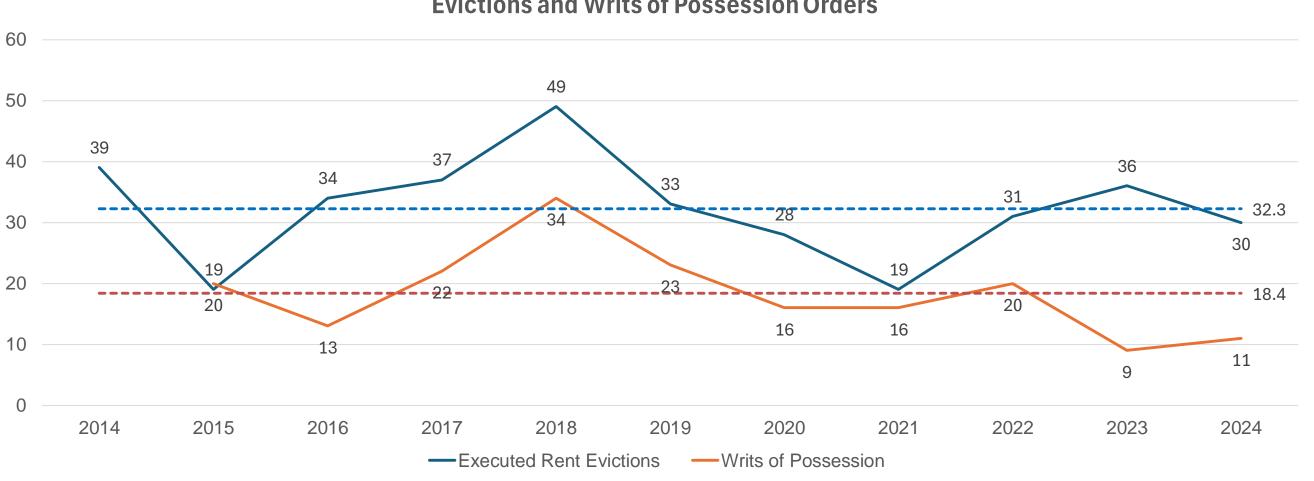
- It is often said that Banks are not in the business of holding real estate, so part of our assessment was around how much Banks have been able to help.
- Within their financials, they have items such as Trouble Debt Restructures, Renegotiated Loans and Forbearance. Different accounting standards have different treatments as well, some of which have changed through time.
- On the right, we have measured these impacts from 2013 to 2022, prior to some Banks having different accounting standards in place.
- At its peak, there was around 12% of mortgages with some restructuring in place, a total of almost \$400 million of lending.
- Due to accounting changes, 2023 onward is not cumulative and not a reasonable measurement



Repossessed Property

- This tally's the value of repossessed properties held by the Banks in Bermuda this is publicly available in the financial statements.
- The increase in 2015 to 2016 is that a net increase of \$7m of property was repossessed, not a new \$27m in that year.
- Over past 10 years, the average number of repossessions is 18.4, with the last 2 years only averaging 10. This will also include private financing, not just bank activity.
- Additionally, there is an average of 32.3 executed rental evictions a year over past 11 years.
- Generally, Banks repossessed sales represent 5% of market activity or less, considering the typical market activity will be 250-300 sales worth around \$250-300 million





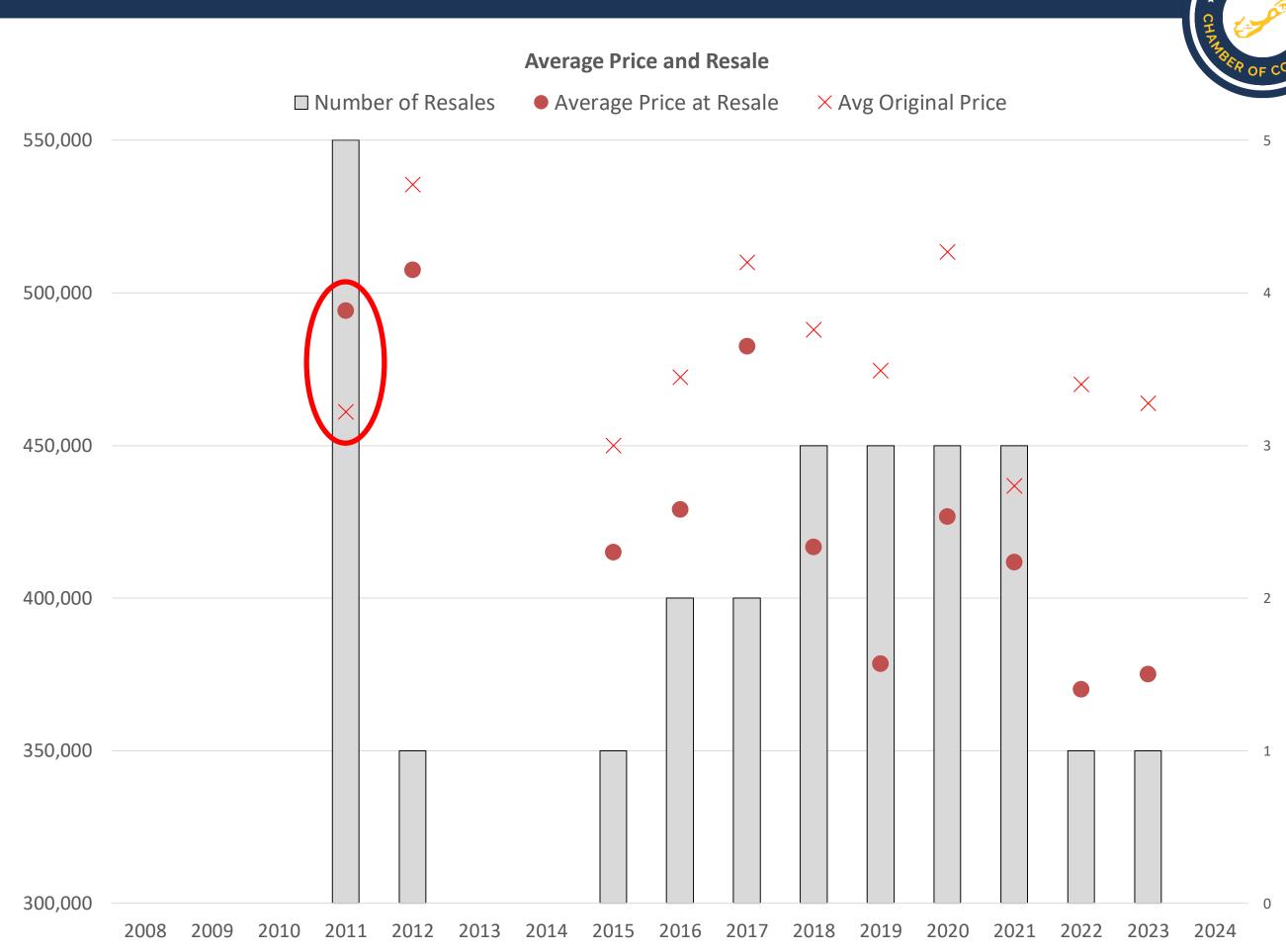
Affordable Housing



- Purpose was to assist in building generational wealth.
- Typically two schemes: rental vs purchase.
- Chart on next slide shows a purchase example.
- Purchase Goal = a chance for a person to get on the property ladder.
- With trends at the time being that property always increased in value, a person would receive generous financing, with ability to purchase at lower then market rate.
- In approx. 10 yrs time, person would build equity over time, with property loan-to-value going from 100%, to maybe 50 or 60%.
- After the permitted time that when the property was sold in the future, the seller would benefit through an
 increase of their wealth due to the property being sold at a higher market price.
- That cash would be the deposit on their new home, moving up the property ladder perhaps from a condo to a 2-3 bedroom house with a yard.
- The chart shows a selection of affordable housing units sold in the peak of the 2008-2010 market.
- The X represents the original average purchase price. The orange dot represents the average price at resale.
- Unfortunately, property does not always increase in value, and only the 2011 bar shows an orange dot on top which means that the owners of all the other units took a considerable hit when selling their property, losing at least 13%.
- The difficulty in delivering affordable housing should be noted, & even if delivered there is significant risk.

Reminder, a Mortgage is an Investment

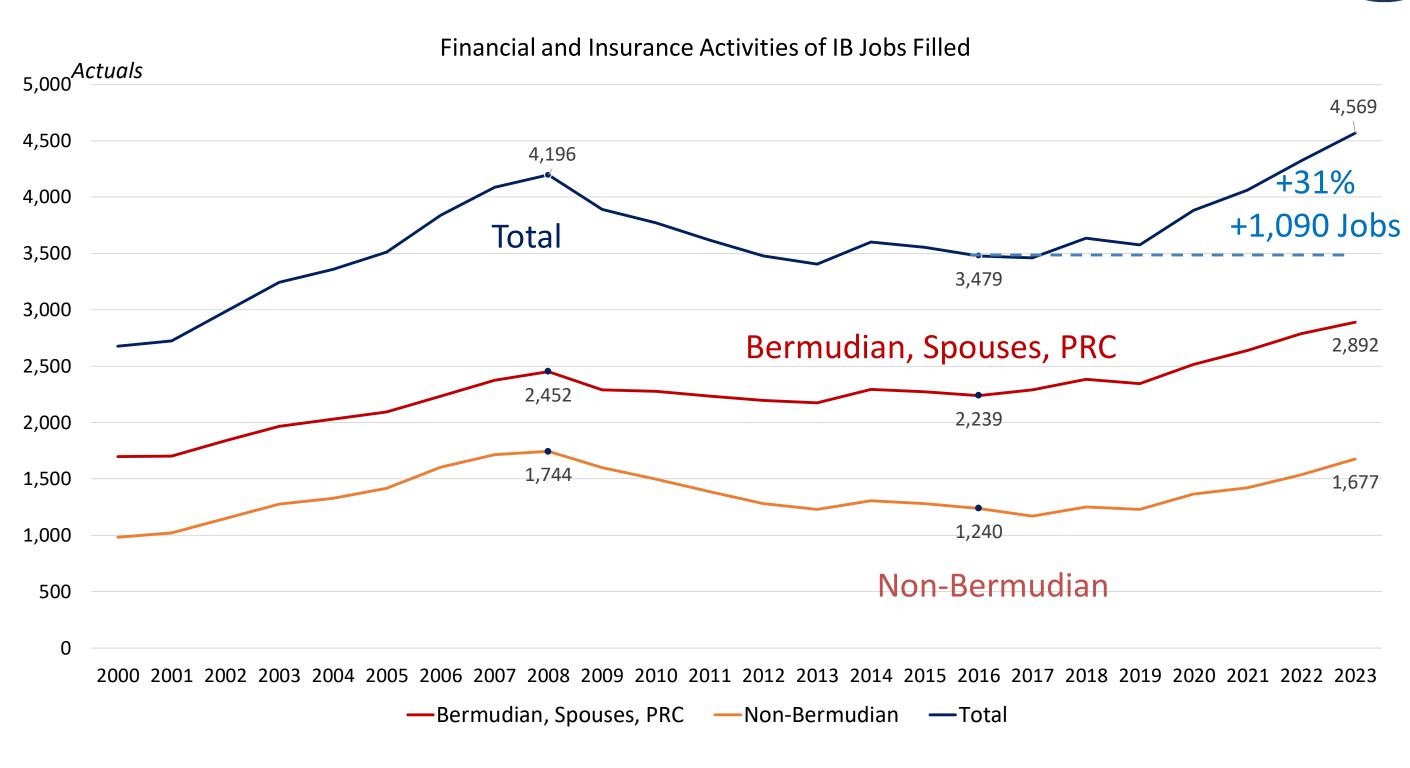
- This is a selection of housing units that were sold in the peak of the 2008-2010 market, that were billed as being affordable housing. This data has been compiled through various sources on the original sales amounts along with any resales.
- The orange X represents the original average purchase price, with the orange dot as the price received, and covers a mixture of 2 and 3 bedrooms.
- Units that have sold in recent years have taken a considerable hit vs the original purchase price, with approx. reduction of at least 13%.
- This shows that care must be taken when looking to use pension funds for housing or have loose credit underwriting standards.



Growth of International Business

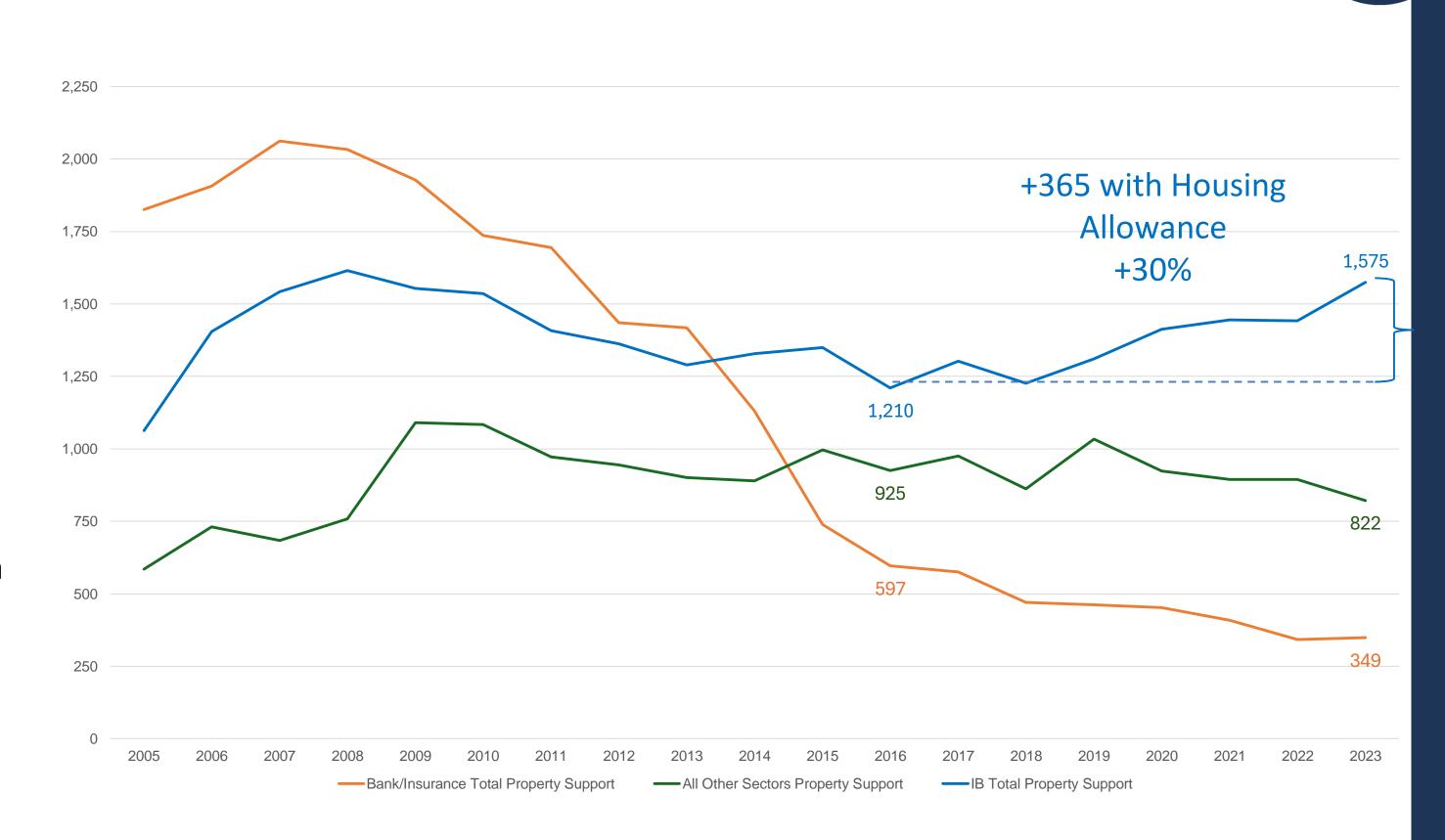
THE BERMUDA * BURNER OF COMM

- There has been a significant growth in International Business, specifically the "Financial and Insurance Activities of IB" from 2016 through to 2023.
- Red + Orange line together = the blue line.
- Chart shows an IB segment with 2/3 of jobs filled by Bermudians.
- There has been a total of 1,090 jobs, or 31% growth since 2016, with 437 Non-Bermudian jobs, or 35% growth
- Additionally, the number of Bermudians (and Spouses and PRCs) is up 653, or 29% growth.



Housing Allowance and Subsidies

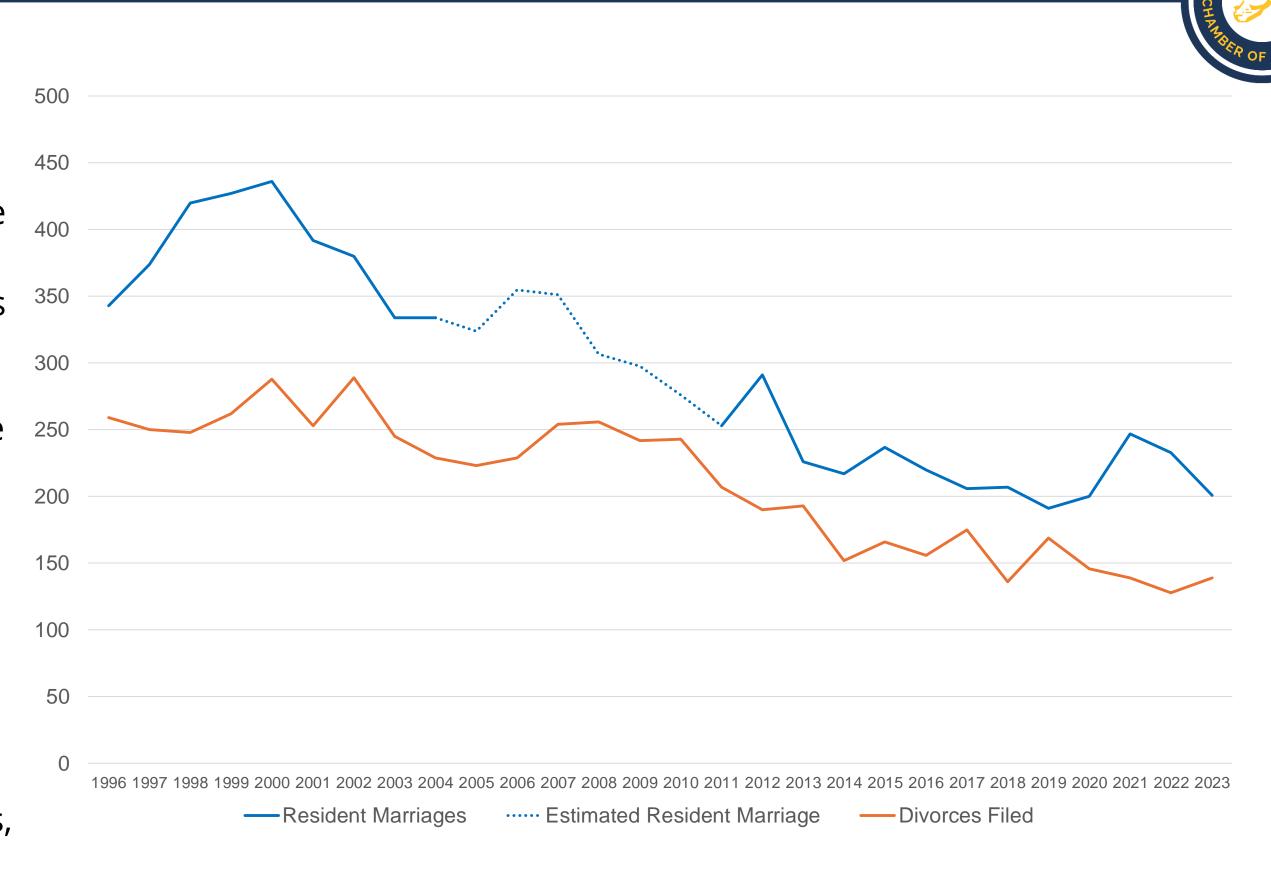
- Mortgage Subsidies from Financial Intermediaries has been reduced dramatically over the past 15 years
- The blue line shows that housing support within IB has grown in line with IB job growth (+30%), while banks,
- All other sectors (local insurance companies, and other sectors (the orange and green lines)) have seen a decline of in housing support offered of approx. 11%.





Number of Marriages and Divorces

- Marriage norms and values
 have changed through the
 years, so this chart is not
 around the long term change,
 however, it is interesting to note
 the various through the years
- We view marriages and divorces as a very rough measure of households combining and splitting, as this can cause some housing impacts.
- However, given the changes of lifestyles, a number of marriages have already cohabituated for a period. Additionally, divorces does not capture separation.
- From the data though, divorces are lower than historically levels, whilst marriages with residents did see a post-covid spike.



The Social Safety Net

Bermuda Housing Corporation waitlist

- Feb 2007: 583

- May 2025: 375

Bermuda Housing Trust waitlist

-2001:106

- 2005: 182

- May 2025: 100

HOME findings

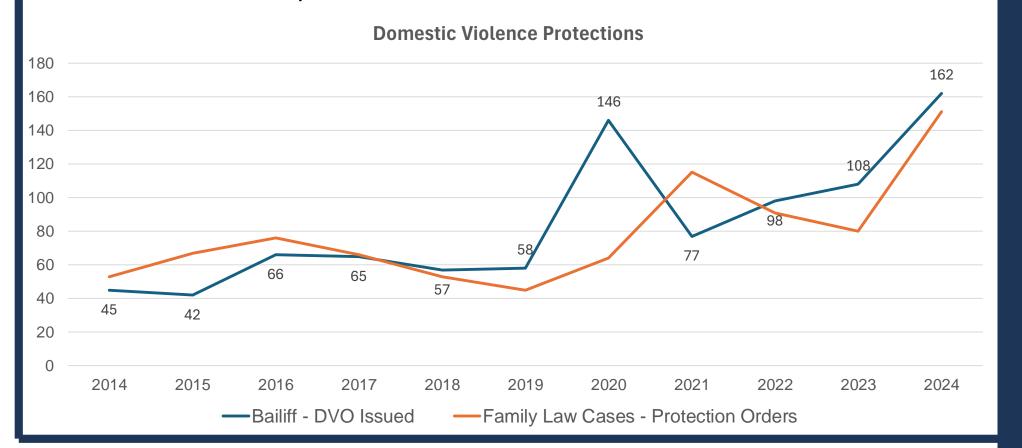
- 2024: 1,101 experiencing some form of homeliness
 - 128 living in insecure accommodation
 - 114 living in unfit housing.
 - 70 living in non-conventional structures

Health Care Challenges on Housing

- Sept 2014: New Acute Care Wing opens.
- March 2015: Hospital is "residence for seniors". 36 patients who could be discharged if safe alternatives could be found
- March 2017: Every single bed in the hospital's emergency department and the new acute care wing is full
- July 2024: 26 patients medically fit but no nursing home or housing for them available
- Dec 2024: 42 out of 90 beds in use by patients medically stable but no where safe to stay, with average age of 76
- March 2025: 34 waiting for a bed at KEMH, 40 medically fit but not discharged

Domestic Violence impacts on Housing

Many Domestic Violence Orders will be in place on couples that have shared accommodation. This in turn creates an emergency housing issue for at least one of the parties, potentially along with kids or other persons in the same household. There is a disturbing rise in domestic violence, both in terms of Family Law cases and Domestic Violence Orders issued by the Bailiffs.



Population Experiencing Homelessness

 The following is from HOME Bermuda and their research on the population experiencing homelessness, along with outlining and defining the various types and forms of homelessness.

Identified homeless population

	Operational category	2024	2023	2022	2021	Living situation	Generic definition	
Roofless	People living rough	149	98	68	70	Public space or external space	 Living in the streets or public spaces, without a shelter that can be defined as living quarters 	
	People staying in a night shelter	95	74	46	33	Night shelter	People with no usual place of residence who make use of overnight shelter, low-threshold shelter	
Homeless	People in accommodation for the homeless	208	174	169	166	 Homeless hostel Temporary accommodation Transitional supported accommodation	Where the period of stay is intended to be short-term	
	People in a women's shelter	32	12	10	3	Women's shelter accommodation	Women accommodated due to experience of domestic violence and where the period of stay is intended to be short-term	
	People in accommodation for immigrants	24	18	17	2	 Temporary accommodation, reception centres Migrant workers' accommodation 	• Immigrants in reception or short-term accommodation due to their immigrant status	
	People due to be released from institutions	94	78	65	60	Penal institutions	 No housing available prior to release No housing identified (e.g. by 18th birthday) Stay longer than needed due to lack of housing 	
	People receiving longer-term support (due to homelessness)	66	44	37	20	 Residential care for older homeless people Supported accommodation for formerly homeless person 	Long-stay accommodation with care for formerly homeless people (normally more than one year)	
Insecure	People living in insecure accommodation	128	117	90	85	Temporarily with family/friendsNo legal (sub) tenancyIllegal occupation of land	 Living in conventional housing but not the usual or place of residence due to lack of housing Occupation of dwelling with no legal tenancy Illegal occupation of a dwelling Occupation of land with no legal rights 	
	People living under threat of eviction	63	40	15	21	Legal orders enforced (rented)Repossession orders (owned)	Where orders for eviction are operativeWhere mortgagee has legal order to re-possess	
	People living under threat of violence	9	7	4	5	 Police recorded incidents Perpetrators of violence Victims of violence Persons exiting a life of criminal activity 	Where police action is taken to ensure place of safety for victims of domestic violence	
nadequat	People living in temporary/ non- conventional structures	70	38	29	20	 Mobile homes Non-conventional building Temporary structure	 Not intended as place of usual residence Makeshift shelter, shack or shanty Semi-permanent structure, hut or cabin 	
	People living in unfit housing	114	73	64	50	Occupied dwelling unfit for habitation	Defined as unfit for habitation by national legislation or building regulations	
	People living in extreme overcrowding	49	38	36	20	Highest national norm of overcrowding	Defined as exceeding national density standard for floor space or useable rooms	
	TOTAL	1 101	811	650	555	Note: Short stay is defined as normally less than o	one year: long stay is defined as more than one year	

Note: Short stay is defined as normally less than one year; long stay is defined as more than one year.



HOUSING...

An Inconvenient Truth of HEALTHCARE



Every day, people who no longer need hospital care remain in medical beds. This isn't a provision of healthcare failure. It's a housing issue.

A COSTLY MISUSE OF MEDICAL SPACE

Housing Shortages→ Healthcare Costs→ Public Burden

IF	THEN
No ED beds available	Longer time in ED Waiting room
No ACW beds available	Patients in ED hallway beds
No ACW or hallway beds available	Have to wait for surgery
Surgeries delayed = patients go overseas	Higher activity cost = health insurance premiums rise
Blocked hospital beds = lower system revenue	Government subsidy increase → higher taxes

7



HOUSING...

An Inconvenient Truth of HEALTHCARE

COMPOUNDING THE CRISIS Hospital As Default Housing

When homes don't exist, hospitals become housing.

Healthcare Situation	Summary
No Place To Go	Can't go home- unaffordable, unsustainable, or unsupported. Insufficient 3rd party medical space
Housing Barriers	Rising rent, cost to build/operate facility, tight lending, NIMBY
Hospital as Housing	Resources misused/wasted, ED care & surgery compromised, Costs up
Healthcare Housing Continuum	Insufficient mid-intensity options
Longevity	More living longer; more with chromic &/or complex needs
Demographics	Families working more, rising demand for care housing
Families Not Filling Gap	Costs up, less time/capacity
Misuse of Medical Space	Blocked beds = delayed service & higher taxes; Delayed surgery = premiums up



Brainstorming & Solutions

Housing impacts us socially, financially, medically, commercially.

Whether seen as an opportunity or a problem, something needs to be done.

We need solutions. Conservative, creative or crazy. We invite them all for consideration of viability.



Landlord Tenant Act

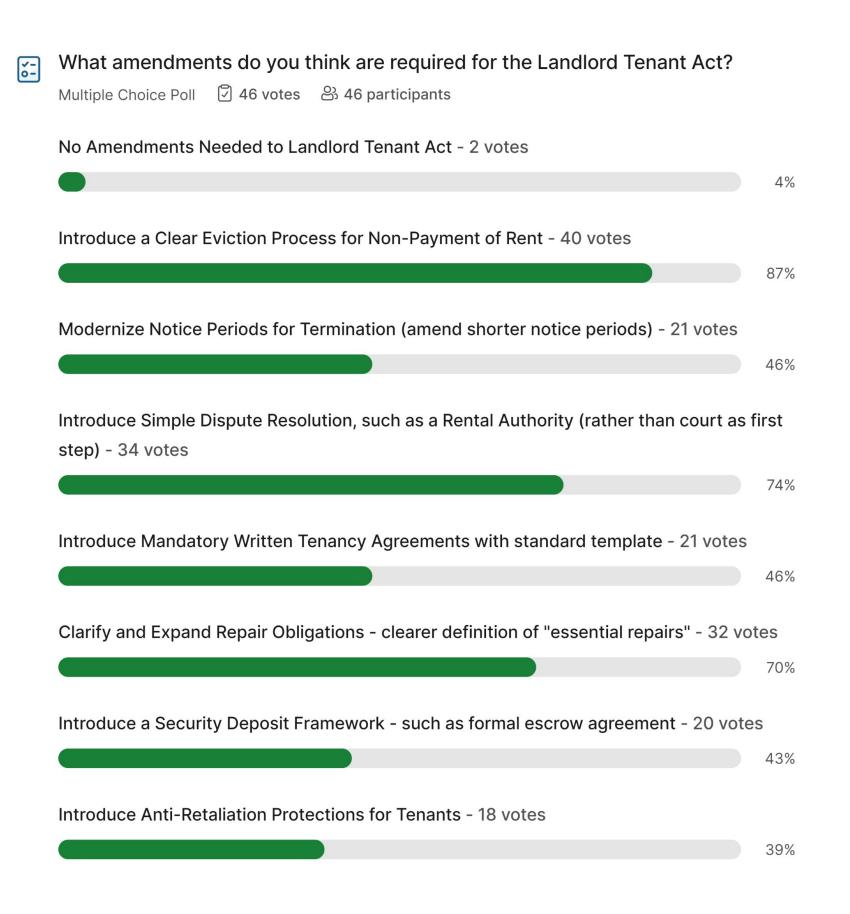
- Whilst there has been significant discussion around modernizing and updating the Landlord Tenant act, little has been shared on what exactly needs to be updated.
- What is required? Below are a few ideas in no particular order:
 - Introduce a Clear Eviction Process for Non-Payment of Rent
 - Modernize Notice Periods for Termination (amend shorter notice periods)
 - Clarify and Expand Repair Obligations clearer definition of "essential repairs"
 - Introduce Anti-Retaliation Protections for Tenants

- Introduce Simple Dispute Resolution, such as a Rental Authority (rather than court as first step)
- Introduce Mandatory Written Tenancy Agreements with standard template
- Introduce a Security Deposit
 Framework regulating deposits and ensuring held in escrow agreement

What else is needed?

Landlord Tenant Act Response Summary





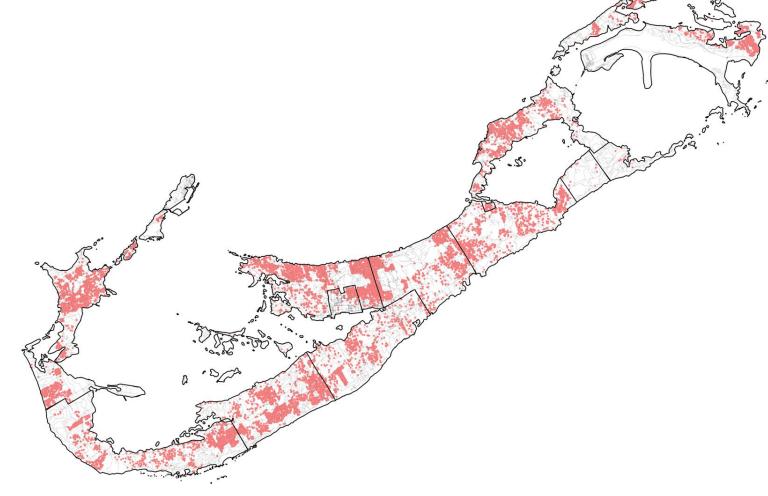


Rent Control - Rent Increases (Domestic Premises) Control Act

- Rent Control increases in 2000 and 2004 were described as temporary measures until a housing plan's was put in place. Whilst in 2016 the ARV threshold was reduced, this was in conjunction with a broad reduction in ARVs across all properties.
- Currently, 52.3% of total units fall within Rent Control, however, a deeper review shows that 76% of the Apartments fall within the ARV of Rent Control – a total of 14,128, which accounts for 83% of all rent control units.

Should the existing Rent Control act be reviewed, balancing the needs of Landlords and Tenants?

- No Amendments Needed to Rent Control
- Tiered approach between House's/Cottages and Apartments/Condos
- Lower the amount of rent control threshold
- Increase the amount of the rent control threshold
- Include provision for annual amendments to rent control levels



Rent Control Response Summary



What do you support for changes to Rent Control (the Rent Increases [Domestic Premises] Control Act)

Multiple Choice Poll 2 43 votes 43 participants No Amendments Needed to Rent Control - 1 vote 2% Tiered approach between House's/Cottages and Apartments/Condos - 24 votes 56% Lower the amount of rent control threshold - 12 votes Increase the amount of the rent control threshold - 8 votes Include provision for annual amendments to rent control levels - 31 votes 72%

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Blue-Sky Idea: Residential Development Order

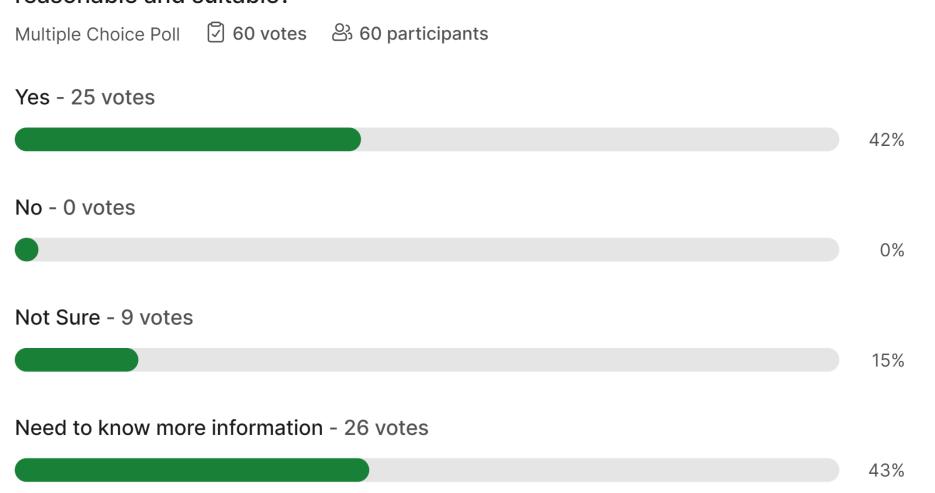
THE BERMUON * BORNANDA

- Here is a blue-sky idea to think of "what ifs"
- A similar concept to the Tourism Investment Order
- Specify for larger scale developments, say 10 or more units that are for long term rentals
- Units to be condominiumized for potential sale in the future (after land tax waiver) or if secured creditor requires
 default repayment
- Unit space/footprint can be capped to ensure they remain within a reasonable price point, rather than targeting a specific price
- To assist in reducing the cost of development:
- Allowance of up to , pick a number, 25 expedited work permits for designated contractors exclusively on the development project to support the Bermudian construction firms
- Waiving on customs duties
- To assist in reducing the repayment risks and increase investment returns
- Waiving of Land Tax for a 10 year period
- Option to be supported by a limited minimum revenue Government guarantee for a 3 year period post construction of 50-65% of the required rental income to mitigate speculation risk
- In return for the revenue guarantee, at least 10% of units to be managed by BHC in any project

Blue-Sky Idea Responses



Do you think an idea, like a Residential Development Order, or a similar initiative, is reasonable and suitable?



slido

Blue-Sky Idea: Dormitory & Bulk Housing

THE BERMUDA * BORNANDA * BORNANDA

- Quick-fix outside the box ide
- Total passenger capacity 1,230, 11 Decks
- Built in year 1996
- Asking price \$40,000,000
- The landlord could keep the ship for 5-10 years, while Bermuda housing issues are being attended to, then sell the ship and make a profit.



Blue-Sky Idea: Dormitory & Bulk Housing



Amenities

Gym

Pool

Nightclubs

Bars

Restaurants

Shopping

Auditorium

& Housing

Name & location:



Capacity: 1,230 passengers

Asking price \$40,000,0a00

\$32,520 per bedroom (any size)

Paid Off (simple math): \$900/month over 3yrs \$450/month (if double occupancy)!! Landlord could keep the ship for 5-10 years, while housing issues are being attended to, then sell and make a profit!



HOUSING...

Suggestions to ease the Healthcare Housing issue

STRATEGIC SHIFTS. We should consider:

- Incentivizing development of mid-acuity care housing
- Expanding access to lending for care facilities
- Streamling zoning & approvals
- Addressing NIMBYism via education & policy
- Increasing government subsidies & public-private partnerships

HOUSING POLICY MUST CATCH UP

Health-Informed Housing Strategy

- Build for purpose, not just headcount
- Focus on aging population & care needs
- Cross-ministry planning: Health & Housing sectors



HOUSING...

An Inconvenient Truth of HEALTHCARE



The Hidden Impact of Healthcare on Where and How We Live"

HOUSING THAT MATCHES HEALTH NEEDS

A Housing Care-Continuum Suggestion

SETTING	LEVEL OF SUPPORT
At Home	Independent
Residential Care	Light Support
Assisted Living	Moderate Support
Rest Home	24/7 Non-medical
Skilled Nursing	Medical+Rehab
Acute Hospital	Intensive Medical
Hospice	End-of-Life Care

Housing Care-Continuum Suggestion

- Bermuda would benefit from a housing ecosystem that mirrors the stages of health.
- A collective set of healthcare-related housing allows people to move smoothly as their needs change – without overwhelming up the hospital. In the previous slide, the arrow represents travelling through facilities with increasing level of care, and represents movement through the system occurs in both directions, with the the ability of persons entering into, or exiting from the system, at any level based on need.

Worth noting:

- Alternative housing should become available for hospital post-discharge.
- A continuum where housing options match levels of medical need would be useful.
- There are not enough mid-acuity or mid-intensive options.
- Right now, many people are stuck in the hospital because the rest of this chain is missing or underbuilt.



Health Care Housing General Comments



- When one ward is filled with patients who could be elsewhere, the whole hospital slows. It's an extremely expensive way to house people.
- People are living longer. People have complex health needs. Families are working more (= less care at home). Demand for care housing is rising. We must plan not just for more people but for more people who will need varying levels of care. Housing policy has to recognize that the future population is older, more medically complex, and less likely to be cared for at home.
- We often assume families will fill the care gap but some wont and many can't. They're working more, living differently, and lack the resources to adapt their homes. Families are tapped out. And so the hospital becomes permanent housing for people who don't belong there.
- When we don't have the right housing, we misuse the our most expensive real estate: hospital beds. As the system clogs, costs go up across the board and strikes every corner of society. The public pays through higher insurance, more taxes, and personal hardship. The housing backlog fuels a growing health and fiscal crisis.
- We must determine **what kind of homes** we need, **where** we build them, and **who** they serve. In this case, that means aligning housing policy directly with healthcare realities. Hospitals should be for healing, not housing. People should be cared for in the appropriate place, with the appropriate level of care, and at appropriate cost.

Action is required on multiple levels. This may include making it financially viable to build care homes, making loans easier to access, and removing red tape. And we need to address public resistance to care housing through facts, engagement, and policy reform.

With the right housing infrastructure, people can recover, age, and thrive while at the same time contributing to lower system costs and improving system outcomes.



What Other Ideas and Feedback did we receive?



Other Ideas Provided/Feedback

It is a real challenge renting to Bermudians. Just like they default on mortgage payments, they do the same with rent!

There was a question from the floor - can there be a way that Deposits can be financed as she knows people who can not afford to pay it. Say it is a \$2,000 a month Rent controlled property, that would be \$1,000. If they can't afford to pay that, they are unlikely to be able to pay their rent.

And yet they may have expensive wheels and get a manicure regularly. It's a question of priority. Also, if they don't pay a deposit - which is a damage deposit, they have no skin in the game.

There needs to be a cultural shift. I have fellow Bermudians friends who will not rent to Bermudians because of bad experience.

Also, I think there are quite a few properties being rented by owners which should be under rent control but have not been registered.

- 1) Landlords are hesitant to rent their apt. Because of landlord tenant Act that protects tenants. Streamline the process of recovery, non payment = eviction.
- 2) utilize disused properties for assisted living for retirees. As in UK they have their own apt with a connecting door to communal area. These could be leased or sold (similar to fractionals) provides independence & communal /neighborly support. Would help families with elders & provide a place for those in hospital beds who do not need to be there.
- 3) Assist Friends of Hospice in developing their new facility. Tax breaks & assistance like Gencom received, in order to provide the facility they have designed. Obvious advantages.
- 3) Bermudians struggle to pay rent & save for a deposit to purchase a home. Improve the program for Bermudians who qualify to purchase a home to do so without needing \$200k in the bank.
- 4) Teach children in school how to take care of a home. Cooking, cleaning etc. Kids lack basic life & respect /pride in their home skills which creates bad tenants. Additionally how to rent & buy a home.
- 5) Rent control. Landlords will not invest in a property if they can not recoup the funds in rent. While rent control helps in controlling affordable rents it also discourages maintenance of the units. It is not right that we encourage slum lords & are saying it's ok for those who pay less deserve old and dated homes.
- 6)Develop Morgan's Point now. Not as a housing complex but as a mini resort that appeals to a diverse community. Restaurants, grocery, spa. Provide Ferry to town.
- 7) utilize funds from wealthy investors /companies not just Govt. Look at long term return and community benefit opposed to instant profit. Also,. Leasehold of 200 years opposed to 999 years.

The amount of units that do not allow pets (dogs, cats) when animals, especially dogs are recognized as companions for persons who suffer from isolation / loneliness, depression and other mental health issues, is a problem. Support animals are encouraged for older adults and children with learning differences in other countries, but many landlords here will not allow a dog.

We have to do something with the market or we will see more locals leaving the island which will only hinder the efforts to reach the 70,000 people

We have ignored the an important fact - it requires education, wealth and resources to address this issue. Whilst we are asking people to look at their role, the average person may not have the resources nor capability. So who really is to fix this issue?

Government could have a quango or make a more concerted effort to negotiate derelict houses or houses in conflict that need resolution.

Families often fuss and cannot afford lawyers' fees to resolve problems.

Mediation may be needed.

Is there a requirement for the banks to lend a minimum amount of capital for residential development?

Flip housing program, involving all industries to build and finance for less.

Put CIT into a proper social housing initiative

Give an incentive to homeowners. Currently they are afraid to get bad tenants

Craig Simmons said that our Economy generates \$3B year in savings but that almost all of it is invested abroad. Can it be mandated that each year a certain percentage, start at say 5%, has to be invested in Bermuda/year with 1 - 2% invested in housing going up year after year?

Seed capital in exchange for ownership percent?

More young Bermudians need to learn how to build.

Land creation as was done in Dockyard/Airport
More house boat concessions
Forced MLS system
Land valuation up to date
Foreign labor for new build
Reverse mortgages

Convert current vacant commercial buildings in Hamilton and St. George's into housing. More green space / public social areas to create living cities

In Jamaica all residents must contribute to the government's National Housing Trust (NHT). This contribution is mandatory. Employers pay 3% and employees contribute 2%. As of July 2025, loans for a first time homeowner will be US\$57,000 which can be combined with a bank loan.

The Bermuda Housing Corporation could try to purchase many dilapidated properties, after verifying that there are no owners, or purchasing them at competitive prices. Some of these properties, after repairs or refurbishing, can be used for the elderly or low-income persons.



Other Ideas Provided/Feedback



Domestic abuse is not captured.

Domestic abuse is a root cause issue for mental health issues, homelessness, cruelty to animals, poor health (both acute injury and general deterioration in health), etc. Abuse it has been a feature of Bermuda community since inception with the earliest case in 1878 (murder of Anna Skeeters). 99% of all abuse cases include financial abuse of the victim/survivor (which continues after a relationship ends whether through child support, weaponising court system, etc) which renders safe parent less able to support the family. Children who are in abusive environments often suffer from ACEs adverse childhood experiences which leads to poor academic outcomes and inability to meaningfully contribute to the household.

Domestic abuse is rampant on island across all economic levels and leads to dramatic shifts in households / demand for units.

The victim/survivor will likely cite housing insecurity, financial insecurity but the underlying issue is abuse and unless we solve for the underlying cause we will continue to see issues with housing.

Combine landlord tenant act - 58 amendments previously mentioned

thought about the cruise ship as housing years ago but got thought insane

Are list to be reviewed?

Speed up probate - 3 to 5 years is too long to wait.

Schools to be converted into dormitories or assisted senior housing or emergency temporary housing

Schools converted to housing

What additional data would help to assess housing need?

Take loughland old building, and turn it into pod style housing (like UK universities) for new arrivals who are happy to live in semi shared accommodation.

Consult with developers overseas the deal in mass housing for hospitals and uni's.. Alan Paris is on island now and he is familiar with this concept. They manage and own multiple such properties across the states

Education. More educated Bermudians mean more Bermudians able to compete and secure jobs/create new businesses in BDA. Also would contribute to more meaningful households/ encourage family values and making better family choices so perhaps less families separating or feeling strain in marital relationships due to financial and social issues. Thus less distribution of families and therefore more available accommodation.

dorms for single people

Lottery format for properties that are uninhabitable but the owner wishes to sell but potential purchasers want to avoid a large up front cost.

government should be able to seize abandoned houses and make them Bermudian \$1 houses

Need to understand why existing stock is underutilized

Seniors have assets but do not have capital to fix and maintain their properties. We need a way to help them upgrade and place tenants. It's a win win.

can container-unit housing alleviate shortage in lower income areas? e.g. as done for university student housing in some countries? cost would be lower than property construction.

need to have more landlord protections

What would you expect as a rate of return on a real estate project?

THE BERMUDA * BORRES OF CONNESS

One Question we asked was if you had the opportunity to invest in a Real Estate project, what would you expected to see as your rate of return.

In asking this question, we are trying to gauge what the returns to be expected at as there is ultimately the question of how Housing is paid for. This provides some insight to the wide array of expectations and risk appetites that individuals can have.

8.5%	At least 12% (unlevered)
8%-10%	20%
For safer, steady investments, 6–8%. For riskier projects like new developments or fixer-	It depends on the investment and risk. A smaller outfit
uppers, 12–15% or more to make it worth it.	perhaps 10% or so Larger 25-30% or more
8-10%	10%
3-5x current money market returns	10-20%
Should parallel what the banks are charging in	
interest. So anywhere from 5-7% should be	7%- ish for residential
acceptable.	15%-ish for commercial
7%	Minimum 5%
At least 10% return	Depends on many factors
6 - 10 %	5%
10%	15%
8-13% depending upon whether it's a revenue	
stream or cap gain.	20% - 35%

Feedback on Government being able to use 'Eminent Domain' for derelict properties



Not Supportive	Generally Supportive with Caveats	Supportive
No - it should be publicly auctioned.	If a property has been vacant for at least 10 years, its owners have passed away without leaving behind any minor children, and no probate proceedings have been initiated, then perhaps the government could acquire and use the property to benefit the community, such as by developing affordable housing.	Yes!
Not the government but perhaps a separate entity or tribunal that helps the families deal with selling the properties that were left to multiple children.	The government should have the authority to intervene in extreme cases where derelict or abandoned properties are left for an extended number of years, but with strict safeguards: • Transparent criteria for what qualifies as "derelict" or "underused" • Fair compensation and a clear appeals process • Strong public oversight to prevent abuse and ensure developments truly serve the public.	Yes at market rates
NI -	Owners who let properties deteriorate often negatively impact surrounding neighborhoods. Eminent domain can hold them accountable. I don't believe they should take control, but there should be a faction (with financial	Yes. Thereafter, be placed on the market for the general
No	freedoms) that assist estate managers to bring it back to life	population to have the option of purchasing the property.
Unfortunately, many of the buildings needing repair and to be released are owned by the Government.	In certain very clearly defined situations. It is done in other jurisdictions so we should look at the systems/laws/regulations that are used in these places & see if they could be adapted for our circumstances	Yes, with notice of correction period with concessional financing for repairs before taking property with compensation.
No, would not be the best use of resources	For what purpose? If it is to put up more high end developments, no. Perhaps for an elder care facility, yes.	Yes
Not possession because what could they do with these? How would they manage it? Rather encourage/mandate reinvigoration of these properties	If it means resolving the issues then I'm all for it. We also need to speed up the legal process relating to probate of estates.	Yes if adequate time has been given. Best to tax undeveloped/derelict land to incentivize movement
No. Way too open to abuse and the government already owns derelict properties.	Yes with parameters in place	Yes they should or add a heafty vacancy tax.
	Yes but in extreme cases eg when it has been a derilict for 3years and alternative correction measures have not worked	absolutely. there may be the need to use a formula that compensates the owners where financial harm is possible.
	I think this is worth pursuing, subject to the owners being given the opportunity to renovate the property and / or sell it within an appropriate timeframe.	Yes, but not many exist.
	I would prefer that derelict buildings be made available at low cost to Bermudian first time home owners.	Yes. With important guardrails in place.
		Yes, provided owners are discovered and fair compensation is given. I think the challenge will be finding a mutually agreed price.

Questions and Answers

Question	Response
In Bermuda, do certain parishes or locations generate more income for vacation rentals?	Simple answer, yes, there is a difference in parishes. However, there are other factors in play, such as if there is a pool, location to beach and size of property.
How can the banks can streamline repossessing and selling defaulted properties. There are several which are vacant which could be rented or sold more timely.	Don't think the perception aligns with the reality. The number of repossessions is low, avg of 14.4 per year over past 5 years, which equates to around 7.5% of estimated units sold in that period. Whilst it would be nice to have 0, the reality is that not all mortgages will be performing.
Why are we not finding out why there are 3,500-4,000 unoccupied dwellings? Knowing the reasons will enable targeted solutions	It is unrealistic to expect 100% occupancy of all dwellings in Bermuda, for a number of reasons, some of which we articulated looking at the movements from 2016. Additionally, for an efficient property market, there is some element of vacancy that is required, and can reflect seasonal/vacation homes (not for rent), units under renovations, 1bed/studio attachments that are for family use and some that are actually poo houses. In the US, there is an estimated 5%-10% vacancy rate. Additionally, this level of unoccupied dwellings is based on assumptions from the 2016 census, which is dated and not factoring in demographic shifts.
What can be done to make the tenant removal process fair for landlords, given its challenges and costs?	Update to Landlord tenant act and reviewing the eviciation process in detail, such as does a housing tribunal or similar make sense to avoid a full court process.
How many new housing units are built on average per year in Bermuda?	Based on the assessment numbers we have tracked, there are on average 7 to 8 new units per month, so around 90 to 100 a year. This takes into account units that have been demolished/removed from the assessment list.
ls it accurate to say that 1% of properties are uninhabitable, given the 2016 valuation list is 10 yrs old & many "occupied" homes would be deemed uninhabitable	Yes, we have updated the list based on the live data from Land Valuation site as of May 2025.
How many units can Bermuda build until we reach full capacity, considering the island's small size?	That is a needs assessment that is required. Some elements that need to be considered as well is the aging population, residency status and type of units in demand. For example, units built today may be for mid income housing, but shift to senior housing over next 15 years.
How many houses are under rent control? You showed the numbers for apartments & cottages but not houses	About 12.5% of Houses and 29% of Condos fall under rent control. This is comparable against 76% of Apartments and 75% of Cottages
I find that many Bermudians can afford to pay rent; however, they cannot afford the down payment? Is there any scheme that can help with that? (like a loan)	It is important to note that being a home owner comes with a lot more responsibility, such as having to ensure the ability to fund the repairs and maintenance that is not a requirement when a homeowner. Bermuda Commercial Bank and the Government have iniated a partnership to reduce the downpayment requirement to 10%.
Is there any consideration to having a special court focused on housing matters/landlords vs tenants.	This is a topic that we have asked for feedback on with potential changes to propose.
is housing shortage greatest in rent control/lower income areas? if so, are there - or can there be - incentives to developers to build in these areas?	There are demands at all levels of housing. An example that can be seen to this is the Bermudiana Beach housing, which is already at over 30 units occupied, despite some of the feedback around price points.
It is unsustainable to build our way out of the situation. We need to resolve the underlying issues first. The problems are multidimensional.	Agreed, there is a combination of social issues to approach, along with ensuring the regulations maintain an efficient market. However, with changing demographics and changes in housing needs, there are requirements to build up.
Can we repurpose government properties (e.g. school building) for residential units?	Sure, but main issues would be around costs and ensuring the end product aligns to what is in demand.
Can re-purpose vacant commercial buildings into residential units?	Yes, however, cost to conversion are significant and can make a reasonable return on investment challenging.
Can we create Bermuda Inc., where one entity purchases at scale for all island importers. Establish a free-trade zone in St. David's to lower supply cost?	Still likely not sufficient to move the neddle, and but if there is all standard size/model of units, might have some small benefit, but would likely still be challenging to create a large scale benefit.
Can you increase the population AND fix housing? Is that realistic.	Well, it is something that we have to find a way to accomplish! We know the shifts that are coming with agining population along with what the impacts could look like and the need to house the population.
Does the uninhabitable property survey take into account Government owned properties?	As Government is one of the largest landlords, it would be expected to be included in any assessment.
ls there an analysis of economic sustainability at lower population?. The island infrastructure is strained at 70k like around 2010.	Potentially there are things that have to be done differently than they were before, and potentially ways to do things more effeciently.

Questions and Answers

Question	Response
Do the numbers include housing that is incorporated in to a commercial structure?	The data assessment covers all assessment numbers and how they are classified. Units classed in commercial activities are not included, however, if there is a residential ARV within a commercial building, these have been factored in.
Buying house vs building new: existing houses either need repairs or to be knocked down and rebuilt Is construction and it's inflated cost unavoidable?	This is one of the biggest challenges with new construction. Costs have quickly outpaced values, and to justify the investment, whether through a bank/investor or using own funds can be a difficult challenge. We are aware that rebuild costs are around 20% or more than the actual market value of properties.
When you say building costs more than buying, are you factoring in any renovation work or assuming that the house is move-in ready?	Any type of construction has had challenges with this dilemma. There are scenarios that make it work, but these usually require additional disposable incomes.
The housing problem is really linked to a real income problem. Rea incomes have not kept up with the cost of housing. Fix?	This is a challenge that is also experienced in other markets, such as US, Canada and UK. One part is to ensure that the CPI/Inflation rate is reflecting the shift of costs in an evolving market. Additionally, it is, unfortunately, a bit more of the new reality that home ownership is more of a challenge today than it was 15, 20, 30 yrs ago.
Does the research analysis include staff/client housing (run by a company or organization)?	Not in a detailed sense, we are basing on assessment numbers primarily, along with census data. Within the census data, there is categories for dorm/other type of housing, but this is a small component of the overall market.
Has a change to 'Deed in Lieu' for foreclosures where debtor hands over property to lender instead of the need for lengthy foreclosure proceedings?	The banks may have power of sale rights on a property when it is determined that action is needed, but this requires the owner to be cooperative with the process. If the owner is not cooperative or are deceased, then a repossession process is required.
Can someone speak to the equity of housing allowance within IB? Do Bermudians also get a housing allowance?	There is no standard practice for housing allowance, and will be determined based on a number of factors. This is up for the individual companies to determine. The use of housing allowances or mortgage subsidies is a means to ensure we attract and retain the top talent for our industries.
	This is a challenge for most projects. Real estate investments in Bermuda are a long term investment with little liquidity, that makes it a challenge for either a business or individual to make that decision. There are some thoughts we have put into how a long term financing structure could work, but we are still reviewing this for practicality.
Any data on the number of commercial vacancies that could be suitable for conversion?	Not in the public domain. However, this is something that can be undertaken in the future. A number of the vacant commercial buildings are vacant for a reason, and normally are very dated construction, which adds complexities when trying to keep costs managable.
Bermuda Housing Trust also tackles housing and can benefit from partnerships and donors for care continuum	Good and valid point, is still a challenge with what we see happening today, and what we know we have to plan for.
I had to take someone to court 6 years ago. They wouldn't pay or leave. I was warded 5000, they did not pay and my lawyer turned around and sued me for 20,000.	This is an example of why a housing/rent tribunal would make more sense as a first step, that has the powers to take action with less reliance on the full legal system.
Are there alternative construction methods / types to provide quality housing at better sf pricing? Are we ready to depart from the Bermuda image for new builds	This is a bigger debate. It was a topic raised in the BEDC infrastructure summit recently, and the pros and cons were discussed of this. The question would be how much of a difference can it make in costs and safety, and is it really a big enough benefit to justify? Ultimately, we have to be mindful we are in "hurricane alley" given the number of impacts in recent years, so we need to be balanced with any trade off.
does a rent to buy pathway promote stability, long-term investment, and stronger communities by helping people achieve homeownership despite mortgage barriers?	There can be a number of costs associated with Rent to Buy programs, such as an upfront premium being paid to the landlord to even start the rents, and a predetermined amounts, and may be responsible for maintenance and insurance costs as well during the rental phase. The costs and risks of these programs have not been focus of discussions to this, just the thought that it would be a simple pay rent then buy later.
With an aging population access to capital is. Challenge - how can banks fix this to enable seniors to renovate to ready properties for rent	Ultimately a bank is a business and they are also regulated and have a number of risk appetites to balance. The notion of indebting a senior more when they have limited incomes is a dilemma for how that debt would be repaid without negatively impacting that senior citizen as they age.
Have you pitched the residential development order idea to cabine yet?	t This is just a concept, to see if there is public support for an idea of that nature. That is not a final plan, just a thought process.
One block: civil servants do not actually qualify for pension deductions for mortgage. I cannot pay high rent & save the downpayment required & raise kids	This is a challenge, and unfortunately, not a unique one. It does bridge into a conversation that we generally shy away from - is homeownership in the reach of everyone? Renting is not always bad, as it allows for flexibility over time to scale up and down housing needs, but requires to provide some level of protection to the affordability and availability of units. Additionally, using pension funds for down payment has to be a carefully thought out investment choice, as the long term implications can be significant. The superannuation fund has been stated as not be part of this and it is a defined benefits plan.



Closing Thoughts



Closing Thoughts?



- Some of the key points to consider:
 - Housing in Bermuda has been a challenge for over 25 years
 - We need 8,000 more people
 - We need at least 2,500 more housing units
 - We are building around 7 a month
 - That will take 30 years to achieve
 - We have 32,000 units (assessment numbers), not all will be available housing
 - Despite a declining population, house size can still cause a housing challenge
 - Housing today may have a different purpose in 15 years have to keep in mind the household size, efficiency and age profiles, and how housing requirements will change over time
 - Are we efficient with our current housing?
 - Replacement costs can exceed market value by over 20% in some cases
 - Vacation Rentals and Uninhabitable Dwellings exist, but are the numbers meaningful?
 - Current Real Estate activity is remaining at low levels
 - Property is ultimately an investment, and can go down in value
 - The waiting lists were there in 2000 and today
 - Should the Government be able to take possession of derelict or underused property?



COMMENTS& VIEWPOINTS

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Housing Presentation Closing Comments: Marico Thomas

CHANGE BERMUDA * BURNAGE OF CONNERS

Who Am I and why would I put myself and the Chamber in the line of fire?

I think I can be described as coming from a blended background, with a corporate culture mash-up.

- * I am the child of outgoing parents with a bit of public persona
- * I grew up in grassroots Roberts Ave, then pre-teen, moved to back then, what was considered an emerging middle class area in Harrington Sound
- * Education: West Pembroke (a majority black, government primary school), then Warwick Academy (a mixed race, free but financially aided, secondary school)
- * Work: policeman, manager, entrepreneur
- * Big Picture Perspective: Service on Government boards included BEDC, Tourism, Land Development Transition (Baselands). Wearing the Chamber hat results in regular meetings with leaders of Bermuda in many regards such as Premier & Cabinet Ministers, IB, local business, the Governor, US Counsel General, etc., etc., etc., etc.,

When I walk down the street, people stop me to talk about my parents, my last name, food, delivery, mentorship, cost of living, difficulties of being in business. This is every day. The one thing that I noticed was no mater black or white, rich or poor, Bermudian or expat - inside of every discussion was a connection to housing.

Current Situation (rounded #s):

1.6 unemployment30% of Bda's workforce is expatGovt says: increase by approx 8500

The Great Mystery

31,870 assessment numbers

- -28,192 households
- = 3,678 dwellings missing

In creating this presentation, what surprised me:

- 1. Size of the problem.
- 2. The degree to which the scope was misunderstood.
- 3. People who spoke of solutions were not providing a sufficient response.
- 4. No plan exists that would address the problem.
- 5. Gathering data has been difficult.
- 6. There are those more interested in protecting their interest, than driving useful conversation and solving the problem.

Big challenges to be resolved when considering solutions include:

Affordability, Sufficiency, Cost to Build, Financing, Return On Investment, Speed to Build, Locations & Specifications

All of this helps to frame the conversation and our purpose.

A problem exists. It's serious and growing. Everyone knows that the data available is less than ideal.

Our purpose is to share what we know, explain it, tell you why it is credible, and participate in movement toward solutions.

Necessary Notables:

- For utopia Target Population of 70,000, housing required = estimated 2,500 additional units
- Current build rate: 7/mth = 30yrs to meet demand
- Cost to rent, buy or build are all increasing
- Banks are lending but repayment delinquency of borrowers is comparatively high
- Aging Population: 2026 projection = 1 in 4 persons, age 65 or older
- Discharge ready patients clogging hospital, raising insurance premiums and government taxes
- Homelessness = 1,000+







THE VOICE OF BUSINESS IN BERMUDA

