

CITY LIVING UPDATE

From Bermuda's Real Estate Company – 2013



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LIFESTYLE TREND

City living is still a very attractive option for local home ownership. Although re-sales on city units have been disappointing compared to rental returns, the value of these units is strong.

Economic changes in the world we live in have impacted many things in Bermuda, but Hamilton remains a global city with many registered offshore companies selecting Bermuda as their primary domicile. These companies primarily are major international reinsurance companies who employ both local and international professionals.

Young local professionals are eager to gain experience in their chosen professions and tend to work longer hours than normal; so city living affords them many conveniences such as walking to work, grabbing a bite to eat on the way home or dining out with clients or with their peers. Networking is extremely important in the international business world.

At another level, a high percentage of executives also tend to prefer city living. Extensive travel is a major part of their job so the safety and convenience of locking their door and leaving the island on short notice is very appealing. Many have families that do not reside in Bermuda and therefore mainly stay in the city during the week and go overseas for the weekends.

On a social level, city living gives people the opportunity to meet other people of different cultures and backgrounds. There is an emerging trend showing more women are now seeking city accommodation. Typically, they are more safety conscious than ever and like the fact that most city buildings have fantastic security such as camera's, onsite parking, and keyed entrances. All of these features coupled with the excitement of being within walking distance to movies, shopping, restaurants, grocery stores, gyms, parks, etc. are very appealing to today's busy lifestyles.



Great opportunity in the City! Eight storey complex with 52 mixed suites overlooks Victoria Park.

Currently five units listed for sale with Coldwell Banker Bermuda Realty. Starting at \$650,000.

Call today for details on these and more city properties 292-1793!

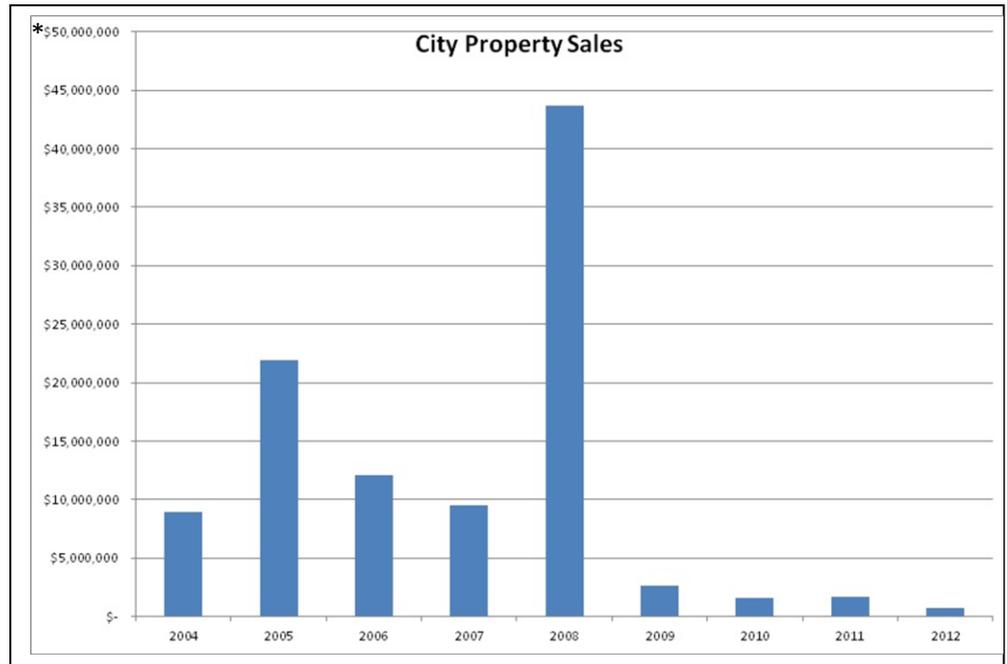


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SALES TREND

Following years of negligible residential development in the City of Hamilton, the iconic residential development of Atlantis in 2004/5 proved to be somewhat a re-awakening for our City. This resurgence of city housing was followed in relative short order by 2 additional residential developments providing modern, contemporary city living. The community ultimately embraced this new form of housing product with the initial demand for occupancy emanating predominantly from international business people resulting in ready made investments for Bermudian buyers.



**Total dollar value of city properties sold*

As indicated by our graph (above) the figures for 2012 confirm that the number of closed sales in the City of Hamilton has been reduced year over year since 2008 following the general trend in the Bermudian economy. Sadly, most of us have been either directly or indirectly impacted by the significant changes in the job market with a number of exempt companies relocating to other jurisdictions, local companies downsizing, retail business closures, etc. All of these factors have resulted in a drastic decrease in income for many families. The 'knock on' effect has been a softening of the rental market, mortgages falling into default and the necessity to cut back on one's overall spending habits.

What does this mean for city living? Prior to the downturn in the economy many Bermudian's bought city residential units for investment purposes. More liberal lending policies provided many with the opportunity to purchase a unit and rent to executives and other international business people and returns were significant. Investment purchases have been few in the more recent period as people were nervous about their ability to secure a good tenant. Others expressed a desire to wait to see the results of the recent 2012 election.

For those who currently own a city unit, do not despair, city units have held their rental value much better than units located in other areas on the Island and although returns are down, units that are rented are still maintaining their value. The major issue is demand by both buyers and tenants. With the number of international business people who have left Bermuda, demand by work permit holders is significantly lower than previously seen.

Now that we have crossed over into the New Year, we are hopeful that policies currently under review will assist the various market segments to collaborate and inject some new energy into the economy overall, providing a boost in confidence to those who are in a position to take advantage of excellent prices for city units currently on the market. There are approximately nine units for sale within the larger complexes with a number of other units located in smaller developments on the outskirts of the city limits. This offers a wide range of opportunities; please call 292-1793 for further information.