

MARKET UPDATE

by: Susan Thompson



City Living!

Having spent nearly 20 years in the real estate industry, the questions asked on a weekly basis remain the same. How's the market? What's selling? What is a good investment? The shortened answer is properties priced correctly, listed with an agent that has a solid company behind him/her with available robust data and support are selling. We are seeing signs of improvement across the board, but increasingly for "special" properties such as properties with amazing views, great locations and waterfront. One of the areas of particular interest that is showing positive signs of recovery is City Living.

In 2014-2015, twenty-eight properties sold in the City of Hamilton with eight of them being residential/condos at Park Place (6 Dundonald St.), Dundonald House (10 Dundonald St.) and Atlantis (5 Parliament St.). The city living units in these developments originally sold from 2005 – 2008. Re-sales of the units during the recent downturn in the market were at approximately 30% less than the original selling prices. Recently, however, we have seen average re-sale prices begin to shift positively which creates a sense of optimism in the city market.

City living offers many conveniences including shopping, working, and entertainment within walking distance; this naturally attracts people of all ages. Hence, purchasers have been a combination of owner occupation and investors.

The rental prices in the City decreased starting in 2009, but the decrease has been less than the overall average island wide and the vacancy rates have been in the single digits, allowing owners to retain some ROI (return on investment). We have seen a high demand for city rentals with those coming on the market renting in a relatively short period of time.

It is always difficult to quote averages, but the average 1 bedroom property island wide has been renting over the past year for \$2,100. Comparatively, city units rent on average for \$3,450. So, from an investment point of view, City Living remains desirable.

We have also seen a keen interest in a new development, The Residence at the Queen of the East, on East Broadway. The development boasts parking, walk-on boat moorings, security entrance, dockside Zen gardens and private gym. Of the twelve proposed 1 and 2 bedroom units in this complex, it is our understanding that approximately one half are pre-sold.

Economic changes in the world we know have impacted many things in Bermuda, but Hamilton remains a global city with an increasingly bright future. Contact your Coldwell Banker agent to learn more about the city market or visit www.cityliving.bm <<http://www.cityliving.bm>>.