

# REAL ESTATE RENTAL UPDATE

From Bermuda's Real Estate Company – March 2013



BERMUDA REALTY

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## Positive Economic Indicators

*Written by: Kenneth Richardson, Rental Representative*

In recent weeks, there seems to be a lot of optimism that the local economy will start to improve towards the second half of the year. Following positive growth in North America and stabilization in some of the European markets, we have seen improvements in local immigration policies and proposed changes in non-Bermudian licensing fees (with regards to property ownership) which should have a positive impact on growth for Bermuda. One of the early indicators that recovery is on the horizon in Bermuda is an increase in activity in the residential rental market. Our three dedicated Rental Representatives at Coldwell Banker Bermuda Realty have seen some promising signs of a coming turnaround.



Gail Aruda said that she has been noticing new personnel from International Business arrive on the island to start establishing themselves when their employment begins later in the year.

Rebecca Vieira also mentioned that she has had a number of guest worker enquiries who are planning on viewings of properties as they have recently arrived in Bermuda, and there are more scheduled in the coming months.



Since the beginning of 2013, there has been a significant amount of people, both locals and guest workers, who have been looking for new accommodations, concluded Kenneth Richardson.

Though confidence has risen, tenants are still a bit nervous over job security, with most looking for yearly leases. In addition, rental prices, though still considerably lower than what they were five years ago, have slowed in their decline. With most properties being listed at the current market value, a caveat for tenants looking at homes outside of their budget; may find themselves in an uncomfortable situation as they may discover very little room to negotiate on price. Tenants should be realistic with what they can comfortably afford though this still may be a “renter’s market”.

Our advice to property owners (Landlords) is to talk to your Real Estate Representative. They can provide you with market intelligence and help to price your property accordingly for today’s market. With prices stabilizing it is still highly recommended to price within current market range in order to get your property rented in a reasonable timeframe. Though a Realtor can only provide you with a suggest market range, ultimately the Landlord will make the final decision on the pricing of their property for rental.

Positive indicators for market recovery create some optimism in the Bermuda economy. While we cannot predict exactly when substantive improvements will occur, it is safe to say that we are moving in the right direction. It remains vital that both tenants and landlords are realistic with today’s economic situation and reasonable with regards to pricing and affordability.