



## **MINISTERIAL STATEMENT**

By:

The Hon. Jason P Hayward, JP, MP

Minister for the Ministry of Economy and Labour

### **Approved Residential Schemes Guidelines: Promoting Growth in the Economic Empowerment Zones**

Friday, July 15<sup>th</sup> 2022

Good morning, **Mr. Speaker**,

I am pleased to rise today to provide to the Members of this Honourable House an overview of the Approved Residential Schemes Guidelines (the “Guidelines”). These Guidelines will function as one of a range of economic development tools to facilitate economic development and regeneration within the Economic Empowerment Zones (the “EEZs”).

Amendments made in 2019 to the Economic Development Act 1968 allowed for the designation of Approved Residential Schemes within the EEZs as well as the removal of restrictions allowing non-Bermudians to purchase residential units forming part of an Approved Residential Scheme. The amendments now permit a restricted person, both local companies and exempted companies, to purchase any unit (freehold property, condominium, or tourist accommodation) that forms part of an Approved Residential Scheme, without restriction. This also applies to the rental of property. This increases the potential participants in the Approved Residential Scheme, and in doing so further diversifies the scope of potential demand for residential units in the EEZs through an Approved Residential Scheme development.

**Mr. Speaker,**

Approved Residential Schemes are essentially development proposals either fully comprised of residential units or mixed-uses comprised of commercial spaces and residential units. Given the most recent approval of the North-East Hamilton Local Plan 2022 prepared by the Department of Planning with partnership involvement of the Bermuda Economic Development Corporation (the “BEDC”), as now the operable plan regulating the development and use of land in North-East Hamilton, an economic development tool such as the Approved Residential Schemes provides a tangible mechanism and pathway to bring the development vision and objectives of the local plan to life within the EEZ.

In anticipation of facilitating development interest in the North East Hamilton EEZ, the BEDC has developed an online platform identifying potential properties, with supporting information, which could be ideal for development. It should be noted that a number of properties within the North East Hamilton EEZ have already been identified to be included in this program.

**Mr. Speaker,**

As further properties are identified they will be added to the online platform. Likewise, similar platforms will be developed for the Somerset and St. George’s EEZs.

A breakdown of the properties already identified within the North East Hamilton EEZ are as follows:

- i. 23 properties have been identified in total;
- ii. 11 properties are currently for sale;
- iii. 6 properties have previous planning approval for multi-storey, mixed-used, or residential development; and

- iv. 6 properties are in derelict or vacant condition which could be ideal for redevelopment.

**Mr. Speaker,**

One of the identified barriers which prevented previous approved development projects as identified above from progressing past the planning approval stage, was access to the right supportive economic development tools and processes to facilitate conversion of developer interest into reality. We believe that the implementation of the Approved Residential Schemes will assist in removing those barriers.

The Guidelines set out the policy for Approved Residential Schemes and the process for applying to the Minister for a development project. To offset the potential negative impact of the EEZ regeneration, when reviewing an application the Minister shall consider affordability as well as how the development project will prevent the displacement of current lower income residents and persons currently operating businesses in the area.

**Mr. Speaker,**

The Guidelines were approved by Cabinet last week and the BEDC is in the process of commencing formal public outreach and a PR campaign with community stakeholders, the public, and developers/investors to progress the creation of key development projects. The BEDC has also been informally meeting with developers and arranging site visits to highlight the identified opportunity properties since 2021 with referrals and connections from the Economic Development Department and the Bermuda Business Development Agency. In this regard, the Uptown Development Project Team with private sector experts in real estate, development, architecture, design, planning, property valuation, mapping, and Geographic Information Systems has been formed since May 2022 to assist BEDC in moving this initiative forward. Along with

the BEDC team, the project team has already commenced engagement with stakeholders and any property owner, business owner, resident, or interested developer can contact the team at [uptowndevelopment@bedc.bm](mailto:uptowndevelopment@bedc.bm).

**Mr. Speaker,**

It is also important for the BEDC and the project team to establish physical presences in all 3 EEZs as a clear indicator of the Government's commitment to continued economic growth and regeneration of the zones. As such, the BEDC has undertaken significant renovations over the last year in creating new branch offices and startup incubator hubs in the EEZs. These hubs will also be the epicenters for the project team to be embedded in the zones to connect with the communities they are assisting in regenerating and facilitate the hands-on interactions with investors and developers mere steps from identified development opportunity sites. Formal launches of these hubs will be in August 2022.

I wish to reiterate that this Ministry is resolute that this initiative will prevent the displacement of current residents and business owners in the EEZs and that rents and the costs of doing business will remain affordable for tenants and residents.

The Ministry would like to take this opportunity to thank the Members of this Honourable House for the opportunity to address them in this regard.

Thank you, **Mr. Speaker.**