



**Update on the Department of Planning Statistics as an  
Indicator of the State of the Construction Industry**

**Presented by:**

**The Hon. Walter Roban, JP, MP**

**Ministry of Home Affairs**

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**Mr. Speaker,** I am pleased to take this opportunity today to inform this Honourable House of the Department of Planning statistics. The applications submitted to the Department continue to serve as an indicator of the state of the construction industry and the impact of this important industry to the economy of Bermuda during these trying times. In the first quarter of this calendar year, the statistics compiled by

the Department highlight growth in all areas; interest in new development, construction of new development and also, increased sales in the real estate sector. The Department's services directly support this growth.

**Mr. Speaker**, the planning process typically involves both a planning application and a building permit. Minor works, also known as 'Permitted Development' under the Development and Planning (General Development) Order 1999, require only a building permit known as a 'Permitted Development Permit', more commonly known as a 'PDP'.

**Mr. Speaker**, commencing with the planning application process, the statistics paint a very encouraging picture for development interest in Bermuda. Turning back to 2019, prior to the COVID-19 pandemic, one hundred and forty (140) planning applications were submitted to the department between the timeframe of January 1<sup>st</sup> - April 30<sup>th</sup>. In turn, a total of one hundred and ten (110) applications were approved. During the same period in 2020, when the virus first appeared on our shores,

submissions took a slight dip with one hundred and three (103) submissions being made with sixty seven (67) being approved.

**Mr. Speaker,** I am very pleased indeed to share that the numbers this year demonstrate that, despite the pandemic, investment and interest in development is taking off! Specifically, two hundred and thirteen (213) planning applications were submitted in the first four (4) months of this new calendar year. Within that same period, the Planning team have approved one hundred and thirty five (135) applications. Both figures are essentially doubled in comparison to what we observed in 2020.

**Mr. Speaker,** it is important to provide information regarding the types of developments that are being applied for. Whilst the majority of applications are seeking a series of renovations and additions to existing dwellings of varying size, there have been some new commercial developments also. The Department has received a number of applications for new houses for both the recently approved Riddell's Bay residential lots and also those lots approved under the Tucker's Point Special Development Order. Notable larger projects involve those

associated with the Azura Hotel and multi-unit developments across the island.

**Mr. Speaker**, whilst planning application submissions highlight initial interest in development, it is the Building Permit application process that demonstrates intent and action to proceed with construction. In the first four months of this year, both residential and commercial building permits significantly outpaced last year, with one hundred and fourteen (114) and sixty-three (63) received, respectively. This is a large increase over 2020, which saw sixty (60) residential building permits and forty six (46) commercial received.

**Mr. Speaker**, the PDP submissions is where a significant increase in the numbers can be seen. As mentioned previously, these are small scale projects; predominantly minor renovations and additions and residential solar panel installations. This work is mainly undertaken by the many small and medium size construction businesses, most of which have been adversely affected by the pandemic. In the same period in 2020, there were eighty one (81) residential PDPs and twenty-one (21)

commercial PDPs issued. In this calendar year, the Department has processed one hundred and seventy (170) residential PDP's and twenty-four (24) commercial. Of the residential permits, sixty six (66) of them are for solar PV installations. These are impressive figures, and speaks to optimism and confidence in our economy, particularly the building trades sector. Furthermore, these types of works are generally carried out by local labour resulting in reasonable employment levels for local contractors.

**Mr. Speaker,** Honourable members may believe that these years are similar and do not exceed pre-COVID years, specifically 2019. On the contrary, this year's figures still beat those of 2019, when the current pandemic state of affairs was still inconceivable. In 2019, there were one hundred and six (106) residential building permits submitted in this same calendar period, and fifty-seven (57) commercial, with one hundred and twenty-five (125) PDP's issued. Note that in 2019, PDPs were not categorised as residential or commercial.

**Mr. Speaker,** you might observe that permits do not equate to actual construction activity, but activity is demonstrated by the number of building and electrical inspections are taking place. In 2020, there were one thousand, two hundred and fifty one (1,251) inspections carried out in the first four months. In 2021 to date, the Department carried out one thousand eight hundred and fourteen (1,814), an increase of 45%. It is an encouraging signifier of the continued activity within the construction industry. Thanks to the Department's recently-implemented records management and database, 'Energov', granular information is more readily available.

**Mr. Speaker,** to the naysayers who might think that this activity only speaks of ongoing projects, we can confidently attest that ongoing works present only part of the picture. Of those eighteen hundred and fourteen (1,814) inspections carried out this year, two hundred and sixty six (266) of them were for commencement of works, which are performed at the start of a project - as compared with only one hundred and fifty four (154) out of twelve hundred and fifty one (1,251) in the preceding year.

This is excellent news, and signifies a vibrant construction industry, moving ahead with confidence and optimism.

**Mr. Speaker**, further testament to that optimism is in the number of Planning Searches, which are initiated when a property is being purchased. In 2019 and in 2020, there were two hundred and forty (240) and two hundred and sixty one (261), respectively, for the entire year. To date for this year, there have been one hundred and two (102), which is approximately 40% of the previous years' average for the whole year achieved at only the first quarter of the year. This demonstrates investor confidence in an economy that is moving in a positive direction.

**Mr. Speaker**, in light of these positive statistics, I take this moment to acknowledge and commend the Department of Planning, a critical Department within my Ministry, for all of its continuing hard work in response to this increase in applications, development, and property purchases.

Thank you, Mr. Speaker.