GOVERNMENT OF BERMUDA
Ministry of Housing and Municipalities

PROPOSED FRAMEWORK FOR DERELICT AND ABANDONED PROPERTIES



Public Consultation: Proposed Framework for Derelict and Abandoned Properties

Bermuda faces an urgent need to increase the supply of housing available to Bermudian families. While new housing development remains important, hundreds of existing homes and residential properties remain vacant, derelict, or otherwise underutilised due to estate disputes, unresolved ownership issues, financial barriers, or long-term neglect.

The Government's preferred approach is to help return suitable properties to productive use by supporting owners to overcome these barriers wherever possible. The framework proposed in this paper is centred on practical assistance, voluntary resolution, and community renewal, with enforcement used only where necessary and acquisition considered only as a measure of last resort in exceptional circumstances.

This consultation therefore seeks views on a proposed policy direction designed to increase housing opportunities for Bermudians, assist property owners in resolving long-standing challenges, and improve the safety and appearance of neighbourhoods across Bermuda.

1. The Challenge We Face

Bermuda is currently experiencing a severe housing crisis, driven not only by a shortage of available homes but also by the increasing difficulty for families, young professionals, key workers, employers, and seniors to access housing that is affordable and suitable for their needs. While increasing the supply of new housing remains a priority, the crisis is exacerbated by the growing number of vacant, derelict, and abandoned residential properties that could contribute to Bermuda's housing stock if restored and brought back into productive use.

Currently, there are at least 290 uninhabitable units across 218 addresses formally identified as uninhabitable, though the true number may be higher.

These vacant properties do more than just reduce our available housing supply; they drive up housing costs, create public health and safety hazards, and undermine the quality of our neighborhoods. Many derelict properties exist not because owners have intentionally neglected them, but because of complex underlying issues such as:

- unresolved estates and probate matters;
- absentee ownership;
- fragmented ownership among multiple heirs;
- uncertainty regarding title;
- financial constraints; and
- difficulties identifying or locating responsible parties.

Without a targeted approach to help families resolve these issues, these properties will remain underutilized indefinitely.

One of the three pillars of the Affordable Housing Strategy 2025–2035 is to explore the feasibility of policy, financial and legislative measures, and to establish strategic actions to address these challenges and support the rehabilitation and reuse of Bermuda's derelict housing stock.

Experience in Bermuda suggests that long-term property abandonment is often not the result of a single event or decision. Rather, it reflects the accumulation of unresolved estate matters, fragmented ownership, title uncertainties, financial constraints, administrative complexities, and, in some cases, historical record deficiencies. These systemic challenges can prevent otherwise willing families from restoring property and returning it to productive use.

Consultation Questions:

1.1 On a typical day, approximately how many derelict or abandoned residential properties do you pass or see during your travels around Bermuda?

1.2 What impacts have vacant or derelict properties had on your neighbourhood, and what outcomes would you most like to see achieved through a future derelict-property strategy?

1.3 Do your own experiences confirm that complex issues like those noted above are the primary drivers of long-term property abandonment in Bermuda?

2. Not Every Vacant Property Requires the Same Response

The Government recognises that vacant, underutilised, and derelict residential properties arise for different reasons and require different solutions. A successful framework must be flexible enough to distinguish between properties that need support, properties that require action by owners, and properties that have become trapped in long-term abandonment.

In some cases, families wish to restore a home but face barriers beyond their control, such as unresolved probate matters, uncertainty regarding ownership, missing heirs, financing challenges, or title defects. In these situations, the preferred approach is to provide practical assistance, mediation, guidance, and support to help families resolve issues and return properties to productive use.

In other cases, ownership is clear and the means to act may exist, but rehabilitation or maintenance has been delayed. In these circumstances, Government's role is not to take over the property, but to establish clear expectations, reasonable timelines, and proportionate measures that encourage owners to bring properties back into productive use.

A smaller number of properties may present a different challenge. These may be vacant for many years, pose safety concerns, remain tied up in unresolved legal difficulties, or have no identifiable party willing or able to take responsibility. In such cases, additional intervention measures may be

necessary, provided appropriate safeguards, notice requirements, opportunities for voluntary action, and due-process protections have been exhausted.

The framework proposed in this consultation paper is intended to reflect these distinctions. Its objective is not to treat all vacant properties the same, but to apply the least intrusive and most appropriate response to each circumstance.

3. Why Reform is Needed

Existing legislation provides powers relating to land acquisition, housing, public health, unsafe structures and planning enforcement. While current laws already give government the underlying power to acquire and rehabilitate derelict properties, the process is often hindered by administrative delays and rigid procedural requirements. While the existing framework provides powers relating to individual and area-based interventions, Government is considering whether legislative amendments could simplify procedures, reduce delays and improve the effectiveness of interventions involving long-term derelict properties.

The Government is therefore considering whether amendments to existing legislation may assist in:

- identifying and monitoring derelict properties through objective statutory definitions and structural verification procedures that build on the Department of Land Valuation's existing process of registering uninhabitable and unusable buildings;
- improving owner tracing and notification through modernized substituted service and international outreach;
- resolving ownership disputes;
- protecting unclaimed compensation through dedicated escrow mechanisms;
- encouraging voluntary rehabilitation;
- supporting community regeneration;
- returning suitable properties to productive use; and
- improving historical ownership verification and public access to land, probate, and related property records where appropriate.

The existing legislation governing land acquisition includes:

The Acquisition of Land Act 1970, which has historically been utilized for public infrastructure (like roads and utilities) rather than housing regeneration. While Section 2(1)(a) allows acquisition for any purpose authorized by Parliament, the Act's traditional notice provisions create operational delays when dealing with properties tied up in complex probate or owned by untraceable overseas parties. The Government is consulting on whether amendments relating to notice procedures, owner tracing, compensation protections, and other procedural matters could improve the effectiveness of the existing framework when dealing with properties affected by complex ownership or estate issues.

The Bermuda Housing Act 1980, explicitly grants the Bermuda Housing Corporation powers to acquire, repair, and improve dwellings. While the Act already provides mechanisms intended to support housing improvement and regeneration, Government has identified a number of procedural and administrative challenges that may limit the timely resolution of long-term vacant and derelict properties. The Government is therefore seeking feedback on whether targeted amendments could streamline existing processes, improve flexibility, and support more effective intervention in appropriate cases.

Consultation Question:

3.1 Do you support amending the Bermuda Housing Act 1980 to simplify and streamline the process for addressing long-term vacant and derelict residential properties, while maintaining appropriate safeguards for property owners? Similarly, do you support updating the Acquisition of Land Act 1970 to modernise notification procedures, owner-tracing mechanisms, and compensation arrangements where beneficiaries cannot be located?

4. International Best Practice Examples

Bermuda is not unique in facing challenges associated with vacant and derelict residential properties. Many jurisdictions experiencing housing shortages have adopted targeted measures to return abandoned and underutilised housing stock to productive use while balancing constitutional and property-rights considerations.

The review of international practices demonstrates a common pattern: jurisdictions typically employ a graduated approach based on assistance, incentives, mediation, enforcement and only then acquisition as a measure of last resort.

United Kingdom: Empty Homes and Management Orders

The United Kingdom has developed a range of measures aimed at bringing long-term vacant dwellings back into use. Local authorities routinely work with owners through advice, grants, loans and voluntary programmes before pursuing enforcement measures. The Housing Act 2004 introduced Empty Dwelling Management Orders ("EDMOs"), which permit local authorities, with tribunal oversight, to temporarily assume management of long-term vacant residential properties where voluntary efforts have failed. Importantly, EDMOs do not transfer ownership and were designed as a "last resort" tool after extensive owner engagement.

Key lessons include:

- early owner engagement is critical;
- incentives are generally more effective than enforcement alone;
- independent tribunal oversight strengthens procedural fairness; and

- intervention powers are most effective when used sparingly and supported by strong due-process protections.

United States: Land Banks and Vacant Property Authorities

Across the United States, more than 300 land banks and land-banking programmes have been established to manage vacant, abandoned and deteriorated properties. Land banks are public entities specifically designed to acquire, hold, rehabilitate and return problem properties to productive use in accordance with community-development objectives.

Many land banks prioritise:

- title clarification;
- removal of legal encumbrances;
- rehabilitation of deteriorated housing;
- owner-occupancy opportunities;
- neighbourhood revitalisation; and
- affordable housing outcomes.

Experience from jurisdictions such as Michigan, Ohio, New York and Pennsylvania suggests that dedicated entities focused solely on vacant properties can accelerate redevelopment, improve transparency and create long-term housing benefits when combined with clear governance structures.

Ireland: Vacant Property Rehabilitation Incentives

Ireland has recently expanded its Vacant Property Refurbishment Grant programme to encourage owners to bring vacant and derelict properties back into use. The programme provides financial assistance of up to €50,000 for vacant properties and up to €70,000 where properties are classified as derelict. Additional support is available for converting older commercial buildings into residential accommodation.

The Irish approach demonstrates the importance of pairing enforcement powers with meaningful incentives that assist owners in overcoming financial barriers to rehabilitation.

Lessons for Bermuda

The international evidence suggests that successful policy frameworks generally include:

- clear statutory definitions of vacancy and dereliction;
- strong owner-notification requirements;

- voluntary rehabilitation incentives;
- mediation and dispute-resolution mechanisms;
- independent oversight;
- transparent governance structures;
- land-bank or redevelopment entities where necessary; and
- compulsory acquisition powers only in exceptional circumstances.

These principles have informed the framework proposed in this consultation paper.

5. Policy Approaches Under Consideration

The Government is consulting on a framework based on the following principles:

How the Framework Would Work

1. Property identified and verified.
2. Owners, heirs and interested parties traced and notified.
3. Assistance offered, including mediation and title/probate support.
4. Owner-led action plan agreed.
5. Progress monitored against milestones.
6. Enforcement used only where necessary.
7. Temporary management powers considered where appropriate.
8. Acquisition considered only as a final option.
9. Property returned to productive use.

Support First

The preferred starting point is to encourage voluntary action by owners wherever possible.

Potential measures could include:

- information and technical assistance;
- estate resolution support
- planning and development guidance;
- financial incentives where appropriate;
- expedited regulatory processes;
- referral to existing housing/community development programmes; and

Improved Identification and Notification

The Government is considering whether notification requirements should be strengthened to better locate and engage owners and heirs.

Potential approaches may include:

- enhanced publication requirements including local Gazette and targeted foreign jurisdiction publication;
- physical site notices;
- electronic notification methods;
- social media outreach;
- international tracing efforts where appropriate; and
- additional measures to ensure affected parties receive notice.
- modernized substituted service protocols to allow court execution of conveyances where owners remain untraceable after statutory notice windows.

Additional Legal Mechanisms Under Consideration

The Government recognises that, in some cases, owners, heirs, beneficiaries, or other interested parties may remain untraceable despite exhaustive tracing and notification efforts. For these situations, the Government is considering whether legislative amendments may be required to provide additional court-supervised mechanisms to address ownership and conveyancing challenges while preserving due-process rights and opportunities to challenge decisions.

Any such measures would only be considered after reasonable efforts to identify and contact interested parties have been exhausted and would be subject to appropriate legal safeguards, judicial oversight, and statutory notice requirements.

Property Resolution Board

Many derelict properties are linked to unresolved inheritance, probate, and ownership disputes. In a number of jurisdictions, governments have established mediation services, dispute-resolution bodies, or other support mechanisms to help families navigate these challenges and return properties to productive use.

Some jurisdictions utilise mediation and support services to assist families in navigating ownership, inheritance, probate, and estate-administration challenges that may contribute to long-term vacancy and dereliction. For consultation purposes, the Government envisages a Board whose primary role would be mediation, facilitation and advisory support. It would not replace the courts, determine legal ownership, adjudicate title disputes, or exercise judicial powers.

The Government is seeking feedback on whether a similar approach may be beneficial in Bermuda. A Property Resolution Board or similar mechanism could help:

- assist parties in identifying and pursuing appropriate pathways to resolve ownership and estate-administration issues;

- provide guidance regarding available legal and administrative processes;
- encourage voluntary resolution; and
- reduce situations in which properties remain vacant due to unresolved disputes.

The Government has not reached any conclusions regarding the most appropriate approach and is seeking feedback on whether a mechanism of this nature would be beneficial in Bermuda, what functions it should perform, and what safeguards or limitations should apply.

Mortages, Liens and Other Encumbrances

Many long-term vacant and derelict properties may be subject to mortgages, banking charges, tax arrears, statutory liens, judgment debts, or other legal encumbrances that can complicate rehabilitation, transfer, or redevelopment efforts. The Government recognises that any future framework would need to carefully balance the interests of property owners, heirs, lenders, secured creditors, and public authorities.

The Government is therefore seeking feedback on whether additional measures, processes, or safeguards may be required to facilitate the rehabilitation and productive reuse of properties affected by such encumbrances while ensuring that existing legal rights and financial interests are appropriately protected.

Graduated Enforcement Measures

The Government is also considering whether additional compliance and enforcement tools may be required for situations involving significant deterioration or public safety concerns.

The Government is also seeking feedback on whether a temporary management arrangement may be appropriate in limited circumstances involving long-term vacant properties. Under such an approach, ownership would remain with the owner while a designated authority temporarily manages the property, subject to statutory safeguards and oversight, in order to facilitate occupation, maintenance, or rehabilitation.

Potential tools may include:

- improvement notices;
- repair notices;
- compliance orders;
- cost recovery mechanisms; and
- other proportionate interventions.

Any future framework would need to establish clear criteria governing when escalation may occur. These criteria could include the severity of deterioration, risks to public health or safety, the length of vacancy, whether meaningful steps are being taken to address identified issues, and whether barriers arise from genuine hardship, legal disputes, or an unwillingness to act.

Any such measures would be designed to encourage remediation while providing appropriate procedural protections.

Government Leadership and Policy Alignment

The Government recognises that addressing derelict and underutilised residential properties requires leadership within the public sector as well as action by private property owners. As part of this broader effort, consideration should be given to the rehabilitation, redevelopment, and productive reuse of government-owned vacant and underutilised properties wherever feasible.

The Government also recognises the importance of ensuring that existing policies, administrative practices, and regulatory arrangements support, rather than inadvertently discourage, the return of vacant residential properties to productive use. This may include reviewing existing procedures, incentives, exemptions, and administrative requirements to identify opportunities to better align public policy with the objectives of neighbourhood revitalisation and increased housing supply.

Land Bank Framework

One approach used in a number of jurisdictions to address long-term vacancy, dereliction, title uncertainty, and underutilised property is the establishment of a Land Bank. Broadly speaking, a Land Bank is a public entity that acts as a temporary custodian of vacant or distressed properties, helping to resolve the legal, financial, and physical barriers that prevent them from being returned to productive use. Unlike traditional property ownership, its purpose is not to accumulate land, but to facilitate rehabilitation, redevelopment, and disposition in support of clearly defined public objectives such as housing supply, neighbourhood revitalisation, and community regeneration.

Any Bermuda Land Bank framework would need to operate within a clear governance and accountability structure. The Government is not considering a body with broad discretionary powers, but rather a transparent mechanism with clearly defined responsibilities, independent oversight, conflict-of-interest safeguards, public reporting obligations, and statutory limits on how properties may be acquired, managed, rehabilitated, and ultimately returned to productive use.

International experience suggests that Land Banks can be particularly effective where properties are trapped by complex ownership arrangements, unresolved estates, absentee ownership, title defects, or other barriers that private owners may struggle to resolve on their own. Examples of international best practice and related regeneration models are provided in Annex I for illustrative purposes. These examples are intended to inform discussion and do not represent a Government decision or preferred approach.

In Bermuda, a Land Bank could potentially provide a mechanism to help unlock long-vacant properties, facilitate the resolution of ownership and inheritance issues, reduce redevelopment risk, and return underutilised housing assets to productive use. It may also offer a means of increasing housing supply, supporting affordable housing opportunities, encouraging neighbourhood revitalisation, and ensuring that properties once considered too difficult or risky to rehabilitate can once again contribute to Bermuda's housing stock. The Government welcomes feedback on whether a model of this nature may be beneficial, what functions it should perform, and what safeguards would be necessary to ensure public confidence and respect for property rights.

The Government is also seeking feedback on how the success of any future Land Bank framework should be measured. Possible performance measures could include the number of homes returned to productive use, owner-led resolutions achieved through mediation and support, the time required to resolve complex cases, affordability outcomes, and the extent to which proceeds from rehabilitated properties are reinvested into additional housing initiatives.

Governance and Accountability

The Government recognises that public confidence would be essential to the success of any future Land Bank framework. Accordingly, consideration would need to be given to governance arrangements such as:

- independent oversight and board governance;
- conflict-of-interest and disclosure requirements;
- transparent criteria for property acquisition, rehabilitation, and disposition;
- annual public reporting and audited financial statements;
- protection of personal and family information where appropriate; and
- independent review mechanisms separate from operational decisions regarding property intervention.

Metrics for success could include:

- homes returned to use;
- owner-led resolutions;
- average case duration;

- affordability outcomes.

The Government has not reached any conclusions on these matters and is seeking public feedback regarding the most appropriate governance arrangements for Bermuda.

Consultation Questions:

5.1 Many vacant and derelict properties are linked to unresolved estates, inheritance issues, absentee ownership, or disagreements among family members. What types of assistance, support services, or dispute-resolution processes would be most helpful in enabling families to bring these properties back into productive use?

5.2 What financial assistance, tax incentives, technical support or regulatory changes would most effectively encourage owners to repair, renovate, or redevelop vacant and derelict residential properties while ensuring fairness and due process?

5.3 In situations where owners, heirs, or beneficiaries cannot be located, what additional steps should Government be permitted to take to identify and contact interested parties while ensuring fairness and due process?

5.4 In some jurisdictions, dedicated public bodies are authorised to coordinate owner engagement, facilitate mediation, support title and estate-resolution processes, oversee rehabilitation programmes, and in limited circumstances manage or redevelop long-term vacant properties. What advantages, concerns, or safeguards would you identify with this type of approach in Bermuda?

5.5 At what point, if ever, do you believe Government should be able to intervene when a residential property has remained vacant, derelict, unsafe, or legally unresolved for many years and is negatively affecting neighbouring properties or communities?

5.6 How important is it that Government prioritises the rehabilitation and productive reuse of its own vacant and underutilised properties?

5.7 Are there existing Government policies, administrative practices or regulatory requirements that may unintentionally discourage rehabilitation and reuse of vacant properties?

5.8 To what extent do unresolved title issues, missing ownership records, incomplete estate administration, or difficulties establishing legal ownership contribute to long-term property abandonment in Bermuda?

5.9 Some vacant and derelict properties may possess cultural, historical, architectural, or community significance. Do you have any thoughts on how future policy should balance housing objectives with heritage preservation and community identity?

5.10 What challenges, safeguards, or legal considerations should be addressed where vacant or derelict properties are subject to mortgages, banking charges, tax arrears, statutory liens, judgment debts, or other encumbrances?

6. Protecting Property Rights

The Government acutely understands Bermuda's painful legacy regarding land dispossession. Historically, compulsory acquisition powers were most commonly exercised to facilitate major public infrastructure projects such as roads, public facilities, utility corridors, and projects deemed at the time to be in the national interest, like the development of tourism properties. Typically, acquisition involved larger geographic areas and affected multiple property owners simultaneously. The framework proposed in this paper is explicitly designed to ensure that history is not repeated, while addressing a very different problem: the persistent existence of long-term derelict and abandoned properties that have become trapped in cycles of vacancy, ownership uncertainty, unresolved estates or severe deterioration, often for decades.

Public confidence in any future framework will depend on transparent decision-making, clearly defined statutory criteria, independent oversight, accessible review mechanisms, and meaningful opportunities for objection and appeal.

The objective is not to expand public ownership of land, or to acquire functioning property, or to displace responsible owners. Rather, the objective is to assist in returning long-abandoned residential properties to productive use and increasing the supply of housing available to Bermudians.

Several features distinguish the proposed framework from historic acquisition models:

- **Individual Property Focus**: Any intervention would focus on specific properties that meet clearly defined statutory criteria relating to abandonment, dereliction, public safety concerns, prolonged vacancy, or unresolved ownership issues, and would only be undertaken where a clearly defined public purpose exists, such as increasing housing supply, addressing significant public safety risks, supporting neighbourhood revitalisation, or facilitating the return of long-term vacant properties to productive use.
- **Resolution Before Acquisition:** The proposed framework is intended to prioritise voluntary solutions at every stage.
- **Enhanced Notice Requirements:** A central feature of the proposed framework is ensuring that owners, heirs and beneficiaries are provided with meaningful opportunities to participate in this process. Enhanced notice procedures would include title investigations,

owner-tracing efforts, local publication, overseas notification where appropriate, electronic communication methods and court-approved substituted service where reasonable efforts to locate interested parties have failed.

- **A Partner, Not an Adversary:** The Government is seeking feedback on the prospect of establishing a **Property Resolution Board**. Because many of these homes are linked to family, inheritance, probate, or ownership disputes, such a Board could provide a neutral and supportive mechanism to help families resolve issues before enforcement action is considered.
- **Housing Benefit and Community Outcomes:** The Government is seeking feedback on whether any rehabilitated properties should:
    - be offered first to Bermudians;
    - prioritise first-time homebuyers;
    - include owner-occupancy requirements;
    - include affordability protections; and
    - recycle proceeds into further housing initiatives.
- **Independent Oversight:** Unlike historical acquisition frameworks that were primarily administrative in nature, the proposed framework would incorporate multiple levels of review and oversight. Potential safeguards include:
    - Property Resolution Board Review;
    - Independent valuation processes;
    - Statutory objection periods;
    - Appeal mechanisms; and
    - Court supervision where required.

Protection of Compensation Rights: The Government recognizes that unresolved ownership disputes often prevent compensation from being distributed even when compensation has been assessed. For this reason, the proposed framework would seek to strengthen compensation protections through independent valuation, fair market compensation principles, escrow or trust arrangements where beneficiaries cannot immediately be identified, and preservation of compensation claims for future beneficiaries and heirs. Where ownership, beneficial entitlement, probate status, or competing claims remain unresolved, any compensation payable may be preserved in a secure escrow or trust arrangement pending judicial determination or lawful resolution of ownership.

- **Constitutional Guarantees:** Any future legislative amendments would be subject to the requirements of Section 13 of the Bermuda Constitution, including applicable protections relating to property rights, compensation, and access to the courts. **Constitutional Safeguards May Include:**

    - compensation requirements;
    - access to the courts; and
    - rights of legal review and challenge.

Consultation Questions:

6.1 What specific procedural protections and independent oversight mechanisms (such as statutory objection periods, valuation reviews, or court supervision) should be included to ensure absolute fairness?

6.2 Do you support legislative measures that allow fair compensation to be held in secure trust or escrow accounts where ownership or probate disputes prevent immediate payment?

7. Compulsory Acquisition

The issue of compulsory acquisition raises understandable concerns and was a significant topic during stakeholder consultations. The Government wishes to emphasize that no decision has been made regarding additional compulsory-acquisition powers. However, international experience demonstrates that addressing chronic abandonment invariably requires balancing private property rights with the broader public interest in neighborhood revitalization and housing supply.

The Government explicitly recognizes that any discussion of state-backed acquisition evokes deeply sensitive local memories of historical displacement, most notably the forced acquisitions in Tucker's Town and St. David's. It is vital to draw a clear, unequivocal distinction between those historic actions and a modern derelict property framework:

- **Purpose and Beneficiaries:** Historic displacements involved acquiring land from generational local families to facilitate land reclamation, the United States' Naval Air Station, the airport, exclusive resort development and private enclaves that largely excluded the public. A modern derelict property framework has the inverse objective: to untangle vacant assets and return them directly to local families, first-time homebuyers, and community-focused public uses.
- **Condition of the Property:** Historic acquisitions frequently involved occupied lands and established communities. By contrast, the framework contemplated in this paper would focus only on long-term vacant, abandoned, or severely deteriorated properties meeting clearly defined statutory criteria, with intervention considered only after voluntary and supportive measures have been exhausted.
- **Measure of Last Resort:** Rather than pre-empting private rights for external commercial gain, modern compulsory acquisition functions strictly as a backstop. It is deployed only after all other avenues—such as private sales, family estate resolution, and remediation assistance—have been exhausted.

To inform this sensitive policy discussion, the Government is seeking views on:

- **Sufficiency of Existing Frameworks:** Whether current statutory powers are adequate to address long-term dereliction, or if legal bottlenecks remain too restrictive to protect community health.

- **Safeguards and Protections:** Whether additional procedural, judicial, or legislative safeguards are necessary to protect property owners and ensure absolute transparency.
- **Principle of Application:** Whether compulsory acquisition or state-backed receivership should ever be used as a tool of last resort for properties blighting neighborhoods.
- **Operational Thresholds:** If used, under what specific, tightly defined circumstances it should be considered (e.g., protracted structural abandonment, imminent safety hazards, or unresolvable estate gridlock).

Any future proposal would be strictly subject to constitutional protections, due process and oversight, and fair, prompt compensation requirements, thereby ensuring individual rights are rigorously safeguarded.

Consultation Questions:

7.1 Should compulsory acquisition or Government-backed receivership ever form part of a framework for addressing long-term derelict properties that blight neighborhoods?

7.2 How should Government balance the rights of individual property owners with the broader public interest in increasing housing supply, improving neighbourhoods, and reducing long-term property abandonment?

7.3 If used strictly as a measure of last resort, what tight operational thresholds, constitutional protections, and conditions must be in place before such powers could be exercised?

8. Potential Governance and Delivery Models

Successfully addressing long-term vacant and derelict properties may require new governance, coordination, and delivery arrangements. International experience demonstrates that jurisdictions have adopted a range of approaches, including dedicated land banks, property redevelopment agencies, community land trusts, mediation bodies, and enhanced governmental coordination mechanisms.

The Government has not made any decisions regarding whether a new entity, authority, board, trust, or programme should be established in Bermuda. However, it is seeking public feedback regarding what governance and delivery arrangements may be most effective in addressing the challenges associated with vacant and derelict properties.

Bermuda's experience demonstrates that unresolved ownership, estate title, and record-related issues can persist for decades. Any future governance model should therefore be capable of helping families resolve complex property situations in a transparent, fair, and efficient manner. Our future framework would need to balance:

- respect for private property rights;
- transparency and accountability;
- support for families experiencing ownership and inheritance challenges;
- neighbourhood revitalisation;
- affordability and housing supply objectives; and
- appropriate oversight and public confidence.

One possible approach could involve the creation of a dedicated entity responsible for coordinating property identification, owner engagement, mediation, title resolution, rehabilitation support, and, where necessary, facilitating the return of long-term vacant properties to productive use. Alternatively, these functions could be delivered through existing institutions, enhanced inter-agency coordination, or other governance arrangements.

To assist discussion, Annex II provides an illustrative example of one possible governance and delivery model, drawing on international examples and potential adaptations for Bermuda. The annex is intended solely to stimulate discussion and does not represent a Government decision or preferred option. Respondents are invited to comment on the concepts presented, suggest alternatives, and identify any additional safeguards or governance arrangements that should be considered

Consultation Questions:

8.1 If Government were to establish a future framework for addressing vacant and derelict properties, what outcomes should it prioritise?

For example:

- increasing housing supply;
- helping families resolve ownership and inheritance issues;
- improving neighbourhood safety and appearance;
- protecting historic buildings;
- encouraging private investment and redevelopment; or
- supporting affordable homeownership and rental opportunities.

8.2 What governance, transparency, and accountability measures would be necessary to maintain public trust in any future framework?

8.3 How should Government balance housing, community regeneration, property rights, and due process when developing a future approach?

8.4 What safeguards would you expect to see before any public authority or agency is given powers to intervene in long-term vacant or derelict properties?

9. How to Submit Your Feedback

- The Government Consultation Forum Portal (TBC)
- Direct email submissions to housing@gov.bm (TBC)
- Scheduled community focus group discussions across local parishes (TBC)

ANNEX I: Examples of International Best Practices for Land Banks

Genessee County Land Bank, Michigan

An example of best international practice is the Genesee County Land Bank in Michigan, USA. It is widely regarded as one of the most innovative and successful land bank models worldwide, because it was created specifically to deal with large numbers of vacant, abandoned and deteriorating properties while maintaining a high degree of transparency and focusing on neighbourhood revitalization.

Genesee County includes Flint, Michigan, which had experienced decades of population decline, property abandonment, tax delinquency, housing deterioration leading up to the year 2000. By the early 2000's, local authorities were facing thousands of vacant and deteriorated properties that private markets were unable or unwilling to address. The Land Bank was established in 2002 and became one of the first modern land banks in the US. Its mission resonates with what the Government is seeking to achieve, and focused not on acquisition but on:

- clearing title issues;
- stabilizing neighbourhoods;
- rehabilitating housing;
- demolition of unsafe structures where appropriate; and
- returning properties to productive ownership.

What made Genesee County's model successful is that it solved legal problems that private owners could not. Its greatest value was not in construction or physical works accomplished, but in its capabilities to solve problems. Just as in Bermuda, many abandoned properties were trapped by unclear title, unpaid taxes, absentee ownership, estate disputes, and liens and encumbrances. The Genesee Land Bank could take control of these properties, clear legal obstacles, and prepare them for redevelopment. Its focus was on stabilizing properties, improving them, and transferring them back into productive use. That basic mission helped reduce concerns about government accumulation of land and kept attention focused on neighbourhood outcomes rather than property acquisition.

Over 20 years, the Genesee county Land Bank became one of the largest and most active land banks in North America. Over its history it has managed more than 20,000 properties, with thousands returned to private ownership. Key to its success has been its ability to attract external redevelopment funding and private investment. By assembling sites, removing title defects, clearing liens and remediating blighted properties, the Genesee Land Bank created conditions under which private investors and homeowners were willing to reinvest in properties that previously had been considered too risky.

The experience of the Genesee County Land Bank Authority in Michigan demonstrates the potential effectiveness of a dedicated vacant-property institution. Between 2002 and

2015, the Authority has facilitated the reuse of more than 4,000 tax-foreclosed properties. Independent analysis found that only approximately 0.5% of properties transferred through the Land Bank subsequently re-entered tax foreclosure, compared with approximately 57% of properties sold through traditional tax auctions. It has been particularly effective in its housing initiatives: it has created or preserved 640 housing units with 446 properties developed directly into housing, health care facilities, food access projects and parks. Over time, the proportion of Land Bank properties classified as being in poor condition fell by 56%, and thousands of properties were returned to productive ownership and occupancy. The model illustrates how a specialised entity can resolve ownership barriers, rehabilitate housing assets and generate lasting community benefits while avoiding the repeated cycles of abandonment often associated with conventional disposal mechanisms.

Germany's Circular Land Use Management

An alternative model of best international practice is found in Germany's statutory **urban renewal and municipal land policy framework**. It is widely regarded as one of the most structurally integrated land management regimes worldwide, because it relies on federal building laws to systematically control urban sprawl, remediate derelict industrial land, and mandate high degrees of social equity and transparency in neighborhood revitalization.

Germany's industrial regions—most notably the **Ruhr Valley** (including cities like Dortmund, Essen, and Herne)—experienced massive structural transformation, job loss, and property abandonment due to the decline of heavy coal and steel industries in the late 20th century. By the 1990s and 2000s, local authorities faced thousands of hectares of contaminated brownfields and deteriorating urban cores that the private market could not independently clean up or redevelop. Rather than relying primarily on ad-hoc tax foreclosure authorities, Germany utilized the **Federal Building Code (*Baugesetzbuch*)** and large-scale joint funding programs like **Urban Development Support (*Städtebauförderung*)** to establish predictable, long-term renewal pathways. Its approach focuses on:

- **Inner urban development (*Innenentwicklung*):** legally prioritizing the reuse of existing urban footprints and brownfields over greenfield expansion;
- **Comprehensive urban development measures (*Städtebauliche Entwicklungsmaßnahmen*):** enabling municipalities to acquire transitional or neglected land at baseline value, clear contamination, and install public infrastructure;
- **Land readjustment (*Umlegung*):** legally reassembling fragmented or complex property boundaries to make them viable for modern development;
- **Cooperative land development models:** legally binding private developers and landowners to provide specific quotas (often 30% or more) of affordable or social housing; and

- **Recycling land into productive, sustainable uses:** transforming old industrial yards into mixed-use residential quarters, green energy parks, and public open spaces.

What makes Germany's model successful is that it embeds problem-solving capabilities directly into municipal sovereignty and federal law. Its greatest value lies in its proactive legal instruments to manage land supply and value capture. Just as in jurisdictions facing chronic urban stagnation, German cities often grapple with complex land assembly challenges, fragmented ownership, and environmental contamination. German municipalities can legally designate target renewal zones, implement pre-emption rights (*Vorkaufsrecht*), and orchestrate complex title and remediation processes. By absorbing the upfront costs of environmental cleanup and infrastructure planning, municipalities create conditions under which private investors and housing cooperatives are willing to reinvest in areas previously considered too risky or expensive.

Over decades, this systemic approach has transformed entire regions. Across the country, thousands of hectares of former military sites, railway yards, and heavy industrial brownfields have been successfully returned to productive civic life. Key to its success is its reliance on Gesamtmaßnahmen (big-picture integrated plans) rather than isolated project funding, backed by permanent cost-sharing partnerships between the federal government, federal states (*Länder*), and local municipalities.

The experience of German urban regeneration demonstrates the power of embedding land recycling into national legislation. Federal policy mandates a strict "circular land use" philosophy, backed by targeted financial support for demolition, decontamination, and infrastructure renewal. Independent monitoring shows that this framework successfully prevents the cycles of terminal abandonment seen elsewhere by ensuring that inner-city potential is fully exploited, affordable housing is legally protected, and decaying assets are systematically integrated into stable, long-term neighborhood economies.

UK Community Land Trust (CLT)

UK Community Land Trust ModelAnother model of best international practice is found in the United Kingdom's Community Land Trust (CLT) movement. It is widely regarded as one of the most innovative citizen-led land management models worldwide, because it was created specifically to empower local communities to tackle housing affordability crises, secure permanent stewardship over land, and drive grassroots neighborhood revitalization.

Following decades of rising housing costs, deregulation, and the loss of social housing stock through policies like the Right to Buy, rural and urban communities across the UK faced severe housing shortages and gentrification that private markets and traditional local authorities were failing to address. By the early 2000s—and supercharged by the Housing and Community Regeneration Act 2008—pioneering communities began

forming CLTs to take direct control of local assets. Its mission resonates with what the Government is seeking to achieve, and focuses not on commercial profit but on:

- **Permanently affordable housing:** holding land in trust so that homes remain affordable in perpetuity for local people, generation after generation;
- **Community stewardship:** giving local residents democratic control over decision-making and land asset management;
- **Unlocking difficult sites:** bringing small, overlooked, or publicly owned surplus parcels of land into productive use;
- **Asset retention:** ensuring that any future rise in land value benefits the community rather than private speculators; and
- **Sustainable local development:** designing homes and community spaces tailored directly to local economic and social needs.

What makes the UK CLT model successful is that it solves structural affordability and market exclusion problems that traditional private development ignores. Its greatest value is not in large-scale commercial output, but in its legal structure that separates the ownership of the land from the buildings on top of it. Just as in jurisdictions grappling with generational property stagnation or out-of-reach real estate markets, communities often see land locked up or priced beyond local means. A CLT acquires land—often through gifts, council transfers, or government brownfield grants—and places it into a legal asset lock. This ensures the land can never be sold off for private profit. By removing land cost from the equation, CLTs create conditions under which genuinely affordable homes, community hubs, and local workspaces can be built and permanently protected.

Over the past two decades, the UK CLT sector has grown from a handful of rural pilot projects into a recognized national movement with hundreds of active trusts operating across both rural villages and major urban centers like London and Bristol. Key to its success has been supportive legislative frameworks—such as the legal recognition of CLTs and dedicated government funding streams (like the Community Housing Fund)—which provide the seed capital and legal backing needed to get complex grassroots projects off the ground.

The experience of the UK Community Land Trust movement demonstrates the potential effectiveness of community-led asset ownership. Government-backed evaluations and sector data show that CLTs have successfully delivered thousands of permanently affordable homes across England and Wales. The model is particularly effective because it bridges the gap between state-provided housing and speculative private development. Independent tracking demonstrates that CLT properties maintain permanent affordability covenants, preventing the leakage of housing stock back into open-market speculation. Over time, the model illustrates how a specialized community-governed entity can resolve land access barriers, secure long-term asset stability, and generate lasting local social benefits while fostering strong civic participation.

A Land Bank for Bermuda: Translating International Best Practice into Local Action

Drawing on international insights from the US, Germany, and the UK, a tailored Land Bank framework for Bermuda would go beyond mere property holding to actively resolve the deep-seated legal, financial, and generational bottlenecks that trap local real estate. Just as Genesee County tackled title defects and absentee ownership, Germany utilized statutory land readjustment, and the UK secured permanent affordability through asset locks, a Bermudian Land Bank could be structured to address specific local realities.

Specifically, a Land Bank for Bermuda could be responsible for:

- **Unlocking Generational and Disputed Estates:** Acting as a neutral statutory custodian to untangle complex family land disputes, clear ancient title defects, resolve outstanding liens, and overcome the paralysis of intestate (no-will) estates that currently leave historic homes vacant and deteriorating.
- **Legal Interventions and Problem-Solving:** Exercising specialized statutory powers to legally acquire, stabilize, and package abandoned or derelict properties, shifting the focus away from permanent government land accumulation and onto restoration and disposition.
- **Targeted Housing Supply and Adaptive Reuse:** Channeling reclaimed properties directly into meeting Bermuda's critical housing needs—converting blighted or underutilized structures into affordable housing units, first-time homebuyer opportunities, or community assets.
- **Site Preparation and Risk Reduction:** Absorbing the complex initial burdens of legal clearance, site assembly, and structural remediation so that private citizens, local contractors, and housing cooperatives feel confident investing in historically high-risk properties.
- **Community Stewardship and Permanent Affordability:** Incorporating mechanisms inspired by Community Land Trusts—such as legal covenants or asset locks—to ensure that redeveloped properties remain permanently accessible and affordable to local residents, protecting them from speculative market flipping.
- **Strategic Urban and Neighborhood Revitalization:** Aligning property recovery with broader national planning goals, prioritizing inner-neighborhood renewal, and systematically eliminating safety hazards and visual blight to boost surrounding property values and community well-being.

The Government welcomes feedback regarding whether such an empowered framework would be beneficial, what specific legal authorities it should hold, and how it can best be tailored to address Bermuda's housing and land management challenges.

ANNEX II: An Illustrative Model for Bermuda

The following model is intentionally illustrative and is presented to assist discussion. It does not represent a Government decision, preferred structure, or proposed legislative framework.

To successfully operationalize the principles, safeguards, and multi-tiered approaches contemplated in this consultation paper, Bermuda requires a dedicated, transparent, and arms-length statutory body. Drawing on international best practices, (combining the problem-solving and title-clearing focus of the Genesee County Land Bank, the statutory integration and land readjustment principles of Germany, and the permanent community stewardship of UK Community Land Trusts) the following structural framework is proposed for public feedback.

Governance and Independence

- **Statutory Independence:** Established as an independent corporate body corporate (operating at arm's length from central government ministries) to insulate operational decisions from political interference and maintain public trust.
- **Multi-Stakeholder Board of Directors:** Governed by a diverse board representing key sectors, including real estate and legal expertise, estate planning, social housing advocates, community representatives, architectural/historic preservation specialists, and local government.
- **Transparent Accountability:** Subject to strict statutory reporting, annual public auditing, and transparent public registries tracking every property from identification to final disposition.

Operational Divisions

1. The Support & Mediation Division (Operationalizing "Support First")

- *Function:* Houses the proposed **Property Resolution Board**.
- *Responsibilities:* Serves as the front-line, non-adversarial engagement wing. It facilitates mediation and voluntary dispute-resolution services, assists families in navigating estate administration, probate, ownership, planning, and rehabilitation processes, provides information regarding legal and administrative options and referrals to appropriately qualified professionals where needed. It also offers technical guidance and case-management support to help families voluntarily resolve barriers preventing properties from being returned to productive use before any enforcement measures are considered.

2. The Legal & Title Clearing Division (Solving Ownership Gridlock)

- *Function:* The technical problem-solving engine.
- *Responsibilities:* Executes enhanced owner-tracing and international notification protocols, manages court-approved substituted service mechanisms, structures

escrow accounts for unclaimed compensation, and clears ancient title defects, liens, and encumbrances to render troubled parcels legally marketable.

3. The Acquisition, Remediation & Stewardship Division (The Temporary Custodian)

- *Function:* Manages the physical lifecycle of properties acquired strictly as a last resort.
- *Responsibilities:* Oversees structural stabilization, environmental and safety remediation, and tactical demolition where necessary. Critically, it acts only as a *temporary custodian*, packaging and transferring redeveloped assets back into productive use rather than accumulating permanent state land.

4. The Disposition & Community Housing Unit (Democratizing Housing)

- *Function:* Ensures all outputs align with national housing needs.
- *Responsibilities:* Coordinates the prioritization framework to ensure redeveloped housing units and land parcels are offered first to local families, first-time homebuyers, and community projects. Implements permanent affordability covenants, stewardship guidelines, or asset locks (inspired by CLT models) to protect housing stock from future speculative flipping.

Funding and Financial Model

- **Revolving Regeneration Fund:** Seeded initially by government appropriation, but designed to become self-sustaining over time through proceeds from property sales, cost-recovery mechanisms levied against uncooperative owners, and targeted development grants.
- **Protected Escrow Accounting:** Dedicated trust accounts held securely for any unlocatable heirs or disputed claimants, ensuring fair market compensation is preserved in perpetuity without getting lost in bureaucratic consolidation.

The Government welcomes feedback on this proposed structural model, its division of responsibilities, and how best to ensure it remains strictly accountable to the people of Bermuda.



GOVERNMENT OF BERMUDA

Ministry of Housing and Municipalities