



Support Services Department - Private Sector Rental Property (PSRP) Information

The Private Sector Rental Property program with Bermuda Housing Corporation helps BHC to accomplish our aim of providing adequate and affordable housing by acquiring more properties in the community. BHC also provides security to the landlord and extra support to the tenants who rent with us.

The Application Process

- Landlords contact BHC to express interest in renting their property with BHC.
- BHC rental inspectors will assess the property and make recommendations for inclusion into the private sector program.
- If selected, a renewable yearly lease agreement between BHC and the Landlord will be set up. Leases are only established when BHC confirms a sub-tenant.

Benefits for Landlord

- Guaranteed rent
- BHC is the tenant and sub-tenants are vetted
- First month, 6-month and yearly inspections conducted by Rental Inspectors
- Upon vacancy units will be returned in the same condition upon receipt (i.e., painted and in good condition.)

Landlord Considerations

- BHC's primary goal is to provide affordable and adequate housing therefore our private sector rents and units also need to be affordable and adequate for our clients. Currently, the range of rents are:
 - Studio: \$900.00 - \$1,100.00
 - 1-bedroom: \$1,100.00 - \$1,500.00
 - 2-bedroom: \$1,400.00 - \$1,900.00
 - 3-bedroom: \$1,650.00 - \$2,400.00



- Landlords are responsible for major maintenance issues and outside of the building and grounds (i.e., plumbing; electricals; property maintenance.)
- Should maintenance issues arise BHC will contact the landlord and expect the issues to be resolved in a timely manner.
- If major works must be completed to the unit BHC will return the unit to the landlord.

Rent Increase Process

BHC reserves the right to set the initial rent based on our policy and subject by rent control. Landlords may ask for an increase in rent at any time. However, BHC will only accept rent increases if the current tenant can afford the increase or if we can find another tenant who can afford that rent. This is because BHC does not subsidize the rents of tenants in private sector units.

If a landlord wants a rent increase and BHC cannot find a tenant who can afford the rent in a timely manner BHC will return the unit back to the landlord. Further, during the rent increase process BHC will ask landlords to submit a rent increase application to the Rent Commissioner to insure the asking price is within the value range of the unit. The information can be found at the Ministry of Home Affairs' web page www.gov.bm or the link below. Or you can go in person to the Department of Consumer Affairs at the D. Rego Building, 3rd Floor on 75 Reid St., Hamilton HM 12.

<https://www.gov.bm/rent-increase-information-tenants-and-landlords>

FAQ

1. BHC is the Landlord's tenant. Does that mean the Tenant pays BHC the rent and then BHC pays the Landlord?
Yes. BHC pays the Landlord even if the sub-tenant does not pay us.
2. Does BHC and the Tenant sign the lease agreement or is it only signed by BHC?
BHC signs a tenant agreement with sub-tenants. BHC (Tenant) also signs a Private Sector Rental Agreement with the Landlord.
3. If the Tenant stops paying their rent or if the lease is for a year and the Tenant breaks it by moving out does BHC continue paying rent until the lease agreement expires? Is that what guaranteed rent means?

Guaranteed rent means the same as in question 1. If the Sub-Tenant stops paying rent, BHC will continue to and is responsible for taking them to court to either recover the monies or have them evicted. Should a sub-tenant break their lease for whatever reason, BHC will continue to be the tenant and we will find a new sub-tenant to occupy the unit. All leases are renewable if the Landlord agrees. Typically, if BHC was to give notice to the Landlord, it is done a minimum of 3- months prior to the expiration of the lease. If there are challenges with the Landlord not taking care of their responsibility, we will contact regarding the issues with hope that it is rectified.

4. If damage is done to the property by the tenant whether it be major or minor who pays for it BHC or the Tenant?

If damage is done to the property, the sub-tenant will be responsible for repairing it or to pay for it. There are clauses in our lease agreements indicating the responsibility of the tenant and the landlord. Landlord is responsible for major works, i.e., plumbing, electrical, roof and exterior painting, etc. BHC will ensure that the unit is put back in good order prior to and at the time when the unit is handed back.

5. How long would it take BHC to find a suitable Tenant if an apartment is turned over to them? And if a suitable Tenant is not found by BHC can the Landlord who entered into an agreement with BHC go ahead and find a Tenant for the apartment themselves? BHC has a waitlist of applicants, and the goal is to have people who are suitable for all our units. We do our best to screen individuals to ensure that their behavior, financial ability, and housekeeping is adequate. Sometimes it depends on the amount of rent of the unit, or it might be that a person on a waitlist must give notice to a current landlord. BHC begins the lease the day a tenant is to move in. However, if it takes too long then the Landlord can on his own, find a tenant.
6. What does BHC "does not subsidize rents for Tenants in private sector units" mean? BHC has a ceiling of rents for Private Sector units, so that means that we will not pay an extra amount more than the maximum rent. For example, if a landlord with a 2-bedroom wanted to increase the rent from \$1900 - \$2000, BHC could give notice to vacate the unit because the sub-tenant can only pay the maximum rent. We will not subsidize the additional \$100.