



GOVERNMENT OF BERMUDA  
Department of Planning

## **A Guide to the Listed Building Interest-Free Loan Scheme**

- What is it?** An interest free loan made available exclusively to the owners of buildings that have been listed as being of special architectural or historical interest under Section 30 (3) of the Development and Planning Act 1974. This special loan is to assist with the cost of major repairs, renovation, maintenance, restoration or approved alterations to a listed building. In this way the Bermuda Government and the Bank of Butterfield can directly assist in the preservation and enhancement of Bermuda's architectural heritage.
- Who can apply?** The loan is only available to owners of buildings that have been listed as being of special architectural or historical interest by the Minister of the Environment and Sports. The emphasis is on assisting the owners of residential properties but the Minister has the discretion to support any worthwhile project including one affecting a commercial building.
- For the purpose of this scheme an owner is defined as a freeholder or a leaseholder with an interest that exceeds the period for which the loan is being sought.
- What can the loan be used for?** The loan must be used to preserve or enhance a listed building. This includes:
- Major repairs, renovation or maintenance, including structural repairs. This will include work to the roof, walls, windows, window frames, shutters, external doors, porches, verandahs, steps, chimneys etc. Where repairs are not possible, replacement windows, frames, shutters and external doors should be made from a material that matches the original. This will normally be wood.

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- Restoration work or other alterations that involve the removal of unsympathetic additions or alterations and their replacement with a more appropriate scheme.
- Dependency buildings, walls and gates etc. where these are specifically included in the listing.
- The cost of architectural fees and other specialist advice associated with the eligible elements of the scheme. The amount will be calculated as a percentage, normally between 10% and 12% of the cost of the approved and eligible work.

### **The loan WILL NOT apply to:**

- Any extension or addition to the listed building that is not part of a restoration.
- Any proposal to the rest of the property that the listed building is on, such as building a swimming pool, pool house, new garage, guest cottage, etc.
- Any proposal that does not, in the opinion of the HBAC, preserve or enhance the special character of the listed building.
- The loan will not be available to projects that, at the time of the loan application, have already commenced on site and/or that the HBAC has not agreed to.

The loan will not, generally, be made available for work to the interior of the building, except for structural work. However, the HBAC has the discretion to declare internal work eligible for the loan if it relates to an exceptional interior feature such as a staircase or other fine period feature.

### **How to apply?**

If an owner is considering applying for an interest-free loan he/she is encouraged to contact the Department of Planning at the earliest opportunity to discuss the eligibility of the proposals and the requirement for planning permission and Building Code approval.

5<sup>th</sup> Floor, Dame Lois Browne-Evans Building, 58 Court Street, Hamilton HM 12, Bermuda

Phone: (441) 295-5151 Fax: (441) 295-4100

General Enquiries: (441) 297-7756 Development Control: (441) 297-7810 Building Control: (441) 297-7755

Building Inspection Requests 24-Hr. Line (441) 297-7828

Website: [www.planning.gov.bm](http://www.planning.gov.bm)

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It is advisable to obtain planning permission and Building Code approval, where they are required, prior to applying for a loan. In any event, a loan will not be approved until such permissions have been granted.

Prior to applying to the Bank for a loan, approval of the eligibility of the proposed works should first be sought from the Department of Planning. This should be done in writing enclosing details of the scope of works and at least three quotes of the estimated cost of works. The loan will likely be based on the lowest of the quotes although the owner can choose to appoint any of the contractors.

Assuming the details of the proposal are acceptable and that all the necessary permissions have been obtained the Department will issue a Loan Approval Certificate. This Certificate identifies the elements of the work that are eligible and indicates the maximum loan available to the project.

A formal application for a loan can now be made to the Bank. The Certificate must accompany the application. On approving the loan, the Bank will issue a commitment letter valid for three months. The loan becomes payable only on the owner's acceptance of the terms of the commitment letter.

### **How is the loan administered?**

The owner should notify the Department of Planning when work is scheduled to commence on site. A representative from the Department will visit the site at this time, at appropriate times during construction and at completion of the project to verify that work is being carried in accordance with the approvals. Draw-downs of the loan will be paid directly to the owner but in each case shall be subject to written approval from the Department of Planning.

Failure to complete the project in accordance with the approvals without first getting the written consent of the Department of Planning will result in the whole sum borrowed reverting to interest charged at the standard bank

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rate. Unforeseen construction problems may arise once work is underway resulting in amendments to the approved work that may affect the amount of the loan. In these circumstances, the Bank may increase the loan by any amount up to the maximum permitted subject to the agreement of the Department of Planning.

If amendments to the approved scheme are proposed that will likely result in an increased loan amount, the owner should notify the Department of Planning as soon as possible. Only eligible revisions will be approved and any increases to the loan amount will be indicated on the Loan Approval Certificate.

### **How much can be borrowed and over what term?**

The amount of interest free loan is normally limited to a maximum of \$100,000 per property per financial year. The maximum repayment term is normally 5 years. The amount and the terms of the loan may be increased only if authorized by the Government and the Bank.

### **Where can I get additional information?**

Anyone interested in securing a loan should contact the Forward Planning Section of the Department of Planning at 297-7778 for further details and additional information.

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