



THE MALTA CHAMBER

PRESS RELEASE

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The Malta Chamber welcomes announcement of pre-1995 rent reform

The Malta Chamber welcomes the Government's announced reform which is set to absorb up to €10,000 in rent for the pre-1995 residential rental agreements. The mechanism that is set to be introduced reflects the position of the Malta Chamber in its Policy Recommendation 'Rent Reforms: Eight Years on – A Review' from 2017. In this document, the Malta Chamber had suggested to cap the rent payable at a maximum of 2% of the property's market value, as well as to provide an alternative mechanism for persons with limited means.

The announced reform introduces the principle of reasonable rent payable to landlords. It makes a distinction between pensioners and social welfare beneficiaries on the one hand, and tenants who are in full-time employment on the other. Moreover, if properties are valued at more than €500,000, the state will offer alternative accommodation to tenants who are unable to cover the rent increase. This also follows on recent Constitutional Court judgments in Malta and decisions of the European Court of Human Rights.

While the Malta Chamber welcomes this reform, it feels certain issues still require further clarification and discussion, not least on the amount budgeted for the implementation of this scheme, which the Malta Chamber deems too low. In addition, further clarification is required about the mechanisms to assess the market value of the properties concerned. The Malta Chamber also asks that the means testing of the sitting tenants be accompanied by a valuation of all their assets, including any other properties owned, and whether they effectively reside in the rented property or merely hold tenancy by virtue of the address on their identity documents. It is also unclear whether or not tenants in part-time employment will be fully subsidised.

In conclusion, over the next days, the Malta Chamber will study this proposal in greater detail and will be requesting a meeting with the Prime Minister and the Parliamentary Secretary Hon. Roderick Galdes to further discuss and possibly refine this proposal.

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