THE STATE OF HOUSING IN EUROPE – 2025

MALTA

	# OF DWELLINGS	% OF TOTAL
Social Housing	7,170	3.3
Rental market (incl. rent-controlled regime)	44,575	20.7
Owner Occupiers	161,045	74.7
Other	2,901	1.3
Total	215,691	

SOURCE: Source: National Statistics Office (NSO) – Results of Census 2021.
NOTES: According to more up to date information, the social housing stock in Malta at the end of 2024 was around 7,800 units. Rental market also includes homes rented from the Church (199 dwellings) and the rent-controlled regime in place before 1995 (7,345 dwellings). Data for owner occupiers is influenced by the large influx of migrant workers in the population. The homeownership rate among the Maltese population stood at 82.1% in 2024. Not included in the table are a substantial stock of 81,613 secondary, seasonal, or vacant dwellings.

THE ROLE OF PUBLIC, COOPERATIVE, AND SOCIAL HOUSING PROVIDERS

In Malta, social housing is provided by the Government. Established in 1976, the Malta Housing Authority operates under the Ministry for Social and Affordable Housing. The Housing Authority is responsible for the provision and management of social housing, as well as the administration of a wide range of schemes and incentives aimed at improving housing affordability. It also oversees the renovation and modernisation of the existing social housing stock and, since 2020, has served as the regulator of Malta's private residential rental market.

In 2022, the Foundation for Affordable Housing was established as a social enterprise between the Archdiocese of Malta and the Government of Malta, marking the first instance of third-sector involvement in the Maltese housing market. At present, there are no other housing cooperatives or similar associations operating in Malta.

DYNAMICS OF HOUSING SUPPLY

In recent years, the government has launched a major social housing construction programme, the largest of its kind since the 1980s. This initiative involves the development of new social housing units across 14 localities, with the objective of significantly expanding the national housing stock to meet rising demand. Construction is being undertaken by Malita Investments and the Housing Authority, in collaboration with Housing Project Solutions. A total of 442 social housing units were completed between 2022 and 2024. Current projections indicate the delivery of approximately 820 additional units between 2025 and 2028, along with 260 affordable units developed by the Foundation for Affordable Housing.

At the end of 2024, Malta's social housing stock comprised approximately 7,800 units. This figure includes around 1,300 dwellings leased directly from the private sector through the *Nikru Biex Nassistu* scheme, which are then allocated for social accommodation purposes.[1]

The sharp increase in housing demand, driven primarily by strong growth in labour migration and tourism, has also prompted substantial expansion in Malta's overall housing supply over the past decade. Between the 2011 and 2021 census years, the total dwelling stock increased by 41%. Since 2020, residential dwelling permits have averaged around 8,400 per year, marginally above the long-term historical average. The peak was recorded in 2018–2019, when permits reached approximately 12,700 annually.

HOUSING NEEDS TODAY

The Housing Authority's waiting list for social housing totalled 1,679 applicants at the end of 2024. From a longer-term perspective, the list has been reduced by half since 2017, although a slight increase has been observed since 2022.

Housing needs in Malta continue to be shaped by several key trends: shrinking household sizes driven by low fertility rates and relationship breakdowns; a sharp rise in labour migration, which is largely dependent on the private rental market; and an ageing population, with the proportion of people aged 65+ doubling over the past 30 years.

Beyond the provision of social housing units, the Housing Authority administers a broad range of schemes and incentives aimed at improving housing affordability. These initiatives can be grouped into four main categories: rent subsidies to support affordability; schemes facilitating access to homeownership;

1 _ Housing Authority (2025). *Beyond Walls: A social housing story from post-war beginnings to modern communities.* Horizon Publications.

incentives that strengthen buyers' purchasing power post-acquisition; and adaptation schemes improving accessibility and adequacy of housing, particularly for older residents, to support independent living. Spending on these schemes increased from €18.7 million in 2020 to €40.8 million in 2024. Moreover, the Authority continues to invest in the maintenance and modernisation of its social housing stock, including lift installations which have become increasingly crucial due to the ageing demographic profile.

In recent years, the Housing Authority has also introduced specialised housing programmes and established an intergenerational residence in Valletta. These initiatives reflect a shift away from a one-size-fits-all approach, focusing instead on the specific needs of vulnerable groups such as inmates nearing release, single mothers with mental health challenges, and LGBTIQ+ individuals facing housing distress.

RECENT DEVELOPMENTS IN HOUSING

Legal amendments came into effect on 1 September 2024 concerning the private rental market. These reforms are intended to reduce bureaucracy, curb abuse, and introduce minimum occupancy standards for shared rental contracts in response to growing concerns about overcrowding.

In 2025, the Housing Authority finalised the transfer of land across four sites in Malta to the Foundation for Affordable Housing. This initiative will lead to the development of approximately 260 dwellings, priced at around 30% below current market rates.

Housing featured prominently in the 2026 Budget, with the Minister for Finance announcing several measures aimed at increasing affordability. These include additional funding for the NIK Scheme; the extension of the Equity Sharing Scheme to individuals aged 25 and over, as well as an increased maximum property value threshold for separated individuals seeking to purchase their matrimonial home; an increase in the Deposit Guarantee Scheme ceiling to €250,000; a revamp of the Social Loan Scheme for low-income households; and the extension of the First-Time Buyers' Scheme, which grants €1,000 per annum for 10 years. Additionally, the stamp duty exemption for first-time buyers on the first €200,000 has now been permanently codified into law, rather than renewed on an annual basis.

POLICY GUIDELINES FOR PUBLIC, COOPERATIVE, AND SOCIAL HOUSING

- **Increase the supply of social and affordable housing in Malta**
- **Diversification of the housing supply to better align with the housing needs**
- **Better financing instruments to help third sector providers deliver affordable housing solutions**
- **Collaboration with NGOs to increase the stock of specialized and intergenerational housing**
- **Incentives to rehabilitate vacant and dilapidated dwellings**
- **Encourage alternative housing providers in Malta**

THE EU'S ROLE IN BETTER SUPPORTING THE SECTOR

- **Better clarity on State Aid for affordable housing**
- **Use of EU funding to increase supply, modernize and improve the energy efficiency of social housing**
- **EU-wide observatory to monitor the sector, collect comparable data and support evidence-based policymaking**