



MALTA

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PRIMARY AUTHOR Dara Turnbull
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Table 1: Housing in Malta, by tenure (primary residences, 2021)

Tenure	# of Dwellings	% of total
Social Rental	7,170	3.3
Private Rental	44,575	20.7
Owner Occupiers	161,045	74.7
Other (<i>used free of charge</i>)	2,901	1.3
Total	215,691	

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. 'Private rental' also includes homes rented from the Church (199 dwellings). Not included in the table are a substantial stock of 81,613 secondary, seasonal, or vacant dwellings.

Origins and brief historical overview

Malta was a British “Crown Colony” from 1815 until the moment of Maltese independence in 1964. The first major government interventions in the housing sector came in the interwar period, with first generation rent controls and in the immediate post-WWI period, when support was needed to rebuild, repair, or replace homes damage or destroyed during the war.¹

In 1955, British experts seconded to Malta proposed to establish a ‘Housing Authority’. This Authority was to have powers in a number of areas, including the development and promotion of public rental housing.² The Maltese Housing Authority (MHA), based on the original British proposal from the mid-1950s, was belatedly established post-independence, in October 1976. It was tasked with supporting low-income households, via both public rental housing and affordable ownership schemes.

Since its establishment, the MHA has built or offered for sale a relatively small number of homes each year.³ However, there was also some government building of social rental housing prior to the establishment of the MHA, dating back to the mid-1960s. However, these pre-MHA homes were “leased at subsidised rents and later sold to their tenant-occupiers, usually for 50% of their estimated market value”.⁴

For most of the period from the mid-1960s up until the early 1990s, much of the public policy in Malta was geared towards supporting households to become homeowners, rather than the provision of affordable rental housing. For example, public land was offered to households to build upon on a leasehold basis, with very low ground rents. While this scheme was slowly wound up, the legacy of the Maltese model of what has been called “socialised homeownership” remains.⁵ Indeed, the 2021

¹ Micallef, B. (2022). The long-lasting legacy of rent controls: Perspectives on the private rental market in Malta within the context of a dual market. *International Journal of Real Estate Studies*, 15(2), 43-54. Xerri, K. (2014). National Report for Malta. Report published as part of the TENLAW: Tenancy Law and Housing Policy in Multi-level Europe project, funded by the European Union. The report is available at: <https://www.uni-bremen.de/jura/tenlaw-tenancy-law-and-housing-policy-in-multi-level-europe/reports/reports>

² Vakili-Zad, C., & Hoekstra, J. (2011). High dwelling vacancy rate and high prices of housing in Malta a Mediterranean phenomenon. *Journal of Housing and the Built Environment*, 26, 441-455.

³ There were other initiatives in addition to the construction and sale of homes. For instance, the Homeownership scheme (HOS) was a key initiative launched by the MHA to help engaged and married couples to become homeowners. This policy, which lasted until the early 1990s, primarily consisted of parcelling government land into building plots and their allocation, free of charge, for homeownership development.

⁴ Xerri, K. (2014). National Report for Malta.

⁵ Foundation for Affordable Housing (2023). Housing Affordability In Post-Boom Malta: The case for the third sector. Valetta: Foundation for Affordable Housing

Census shows that 18,235 homeowners are still paying a ground rent on their property.⁶ While some of these ground rents are in the private sector, a large share are also held by the Housing Authority.⁷

Another important element in the history of social housing in Malta is the Catholic Church, which has been a major landowner for a long time. In 1991, more than 5,000 Church-owned properties were sold to the government, 2,168 of which were residential dwellings,⁸ with the balance being made up of plots of land, garages, and other structures. The residential dwellings that were transferred remain an important part of the rental stock used for social accommodation today.

While publicly supported owner-occupier schemes remain a strong focus of government housing policy in Malta, there has been growing support for social rental housing too. For example, in 2006 the government announced a new scheme to buy up existing properties, most of which were vacant, to boost the stock of available MHA rental housing.⁹ The MHA has also started to lease properties from the private sector, which are in turn allocated for social housing purposes. More recently, the capacity of the MHA to develop new rental schemes has also been increased. At the same time, Malta has been leveraging in available funding from the European Union to support the renovation of social housing, whilst also pushing to increase the annual delivery of affordable homes by the MHA and other publicly controlled entities. These schemes will be outlined in the following sections of this chapter.

The role of government and private actors in social housing

The main government focal point on public housing matters in Malta is the ‘Ministry for Social and Affordable Accommodation’ (*Ministeru għall-Akkomodazzjoni Soċjali u Affordabbli*). The Ministry is responsible for the public housing stock in Malta. It is also charged with creating and managing financial aid schemes—including fiscal incentives—related to the provision of housing for those in need of public support. It should be noted that, historically speaking, social and affordable accommodation has not been a ‘full’ independent Ministry in Malta. Indeed, up until January 2020, housing policy was controlled by a ‘Parliamentary Secretariat’ (the Maltese equivalent of a ‘junior’ Ministry), which sat under the ‘Ministry for the Family, Children’s Rights, and Social Solidarity’. However, the identification of a growing need for strong public interventions in housing prompted the creation of the new senior Ministry.

Other than the national level Ministry, sub-national level competences on housing in Malta are virtually non-existent. As the smallest EU member state (316 sq/km), Malta is a highly centralised state in many areas of public policy; including housing. Indeed, a recent review of European housing policy even noted that Malta is the only Member State with “exclusive responsibility at the national level”.¹⁰

Other than the Minister, the main public body of note is the aforementioned ‘Housing Authority’ (*L-Awtorità tad-Djar*). It is a public agency, which is attached to the Ministry. Its primary responsibilities are to administer a number of government housing support schemes—which will be outlined later—and to manage the social housing stock in Malta. Since 2020, it has been entrusted with the regulation

⁶ NSO (2023). Final Report: Volume 2 : Chapter 2 – Occupied dwellings. Valetta: National Statistics office.

⁷ In addition, many of the beneficiaries of the historical subsidised ground rent model are now requesting permission from the Housing Authority to demolish the house they originally built and develop it into several apartments. The beneficiaries are required to pay 25% of the land value as established by the Housing Authority, or else take out a mortgage of the same value if the apartments are to be used by their children.

⁸ The Church remains an owner of residential property today. Census data from 2021 show that the ‘Church’ was listed as the landlord for around 200 primary residences.

⁹ Pace, S. (2006, April 2) ‘Urban Regeneration Scheme to Boost Supply of Affordable Housing’, Valetta: The Sunday Times.

¹⁰ BBSR (2022). Housing Policies in the EU. Berlin: Federal Institute for Research on Building, Urban Affairs, and Spatial Planning (BBSR).

of the private residential rental market too,¹¹ and, as the largest landlord in Malta, the MHA is heavily involved in the maintenance, regeneration and modernisation of the public stock.

In 2011, the Maltese state founded 'Malita Investments'; a state-owned public limited company. Malita is in practice a public investment fund/holding company, whose primary goal is the acquisition, development and management of immovable property on behalf of the state. While not part of its initial remit, the activities of Malita now extend to the provision of "affordable" housing.¹² For this purpose, in 2017 it acquired funding from the European Investment Bank and the Council of Europe Development Bank. The affordable rental homes produced will be offered to households eligible for social housing. The homes will be offered at market rates; though with the MHA paying a subsidy to Malita to make the rents affordable.

In 2015, the Maltese government created the National Development and Social Fund (NDSF), or *Fond Nazzjonali għall-Iżvilupp u Soċjali*. It is a sovereign wealth fund. Its creation was linked to the establishment of Malta's Individual Investor Programme (IIP); which offers foreign individuals and families the opportunity to acquire Maltese citizenship through investment. The IIP is, therefore, what is often referred to as a 'Golden Visa' programme. Funds generated from the IIP are used to capitalise the NDSF. However, the IIP revenues make up less than half of the NDSF's capitalisation, with most funding coming from direct transfers from central government (e.g., from tax revenues). The NDSF and Malita have been two of the main sources of funding for capital investment in social housing in Malta in recent years.

In 2022, the government supported the established of an additional body, the 'Foundation for Affordable Housing' (*Fondazzjoni għall-Akkomodazzjoni Affordabbli*). The Foundation is officially an independent 'social enterprise', which is primarily aimed at supporting households who find themselves stuck between the 'social' housing options offered by the state and what is being offered by the private market. For example, the Foundation has launched an affordable home loan scheme called 'LoanUp'.¹³ Looking ahead, there are plans for the Foundation to also develop around 500 units of affordable housing. Discussions on the transfer of sites currently owned by the MHA to help realise this ambition currently ongoing.

The private sector also has a role to play in the provision of 'social' housing in Malta, or rather in making available housing to the MHA for use by low-income households. For example, the MHA provides grants and financial incentives to private owners to lease homes to them (usually for a period of 10 years), which are in turn allocated to those eligible for social housing. As of end-2024, there were around 1,250 properties leased from the private sector and sub-leased for social housing via the *Nikru Bix Nassistu* (Rent to Assist) scheme. This reflects the fact that while additional capital financing is being made available to develop new social rental housing, the limited availability of developable land, the high levels of privately owned vacant housing, and the strong levels of private ownership more generally make such leasing arrangements inevitable in order to more adequately find solutions for low-income households.

¹¹ For details on the private rental market in Malta, see: <https://housingauthority.gov.mt/wp-content/uploads/2024/12/Registered-rental-contracts-in-Malta-2024H1.pdf>

¹² See: <https://malitainvestments.com/project/housing/>

¹³ See: <https://affordablehousing.mt/loanup/?lang=en>

The funding behind Malta's social and affordable housing schemes

Table 2: Recent funding agreements to support the development of social housing

Type of funding	% of total	General comments
EIB/CEB Loans	Undefined	<ul style="list-style-type: none"> The construction of new social housing from Malita has been based on borrowing from the EIB and the CEB. The exact borrowing terms for these loans are not publicly available
Public Grant	Undefined	<ul style="list-style-type: none"> Around €60 million available for the construction of social housing made available by the NDSF This is a direct capital investment by the state, and is therefore not repayable
Private equity	Undefined	<ul style="list-style-type: none"> Malita is 80% owned by the Maltese government, but 20% owned by private investors Around €32.5 million was raised from the sale of shares in Malita¹⁴, which has then be used to fund construction

Source: Housing Europe analysis of various sources

There are two separate delivery streams for the construction of new social housing in Malta today. The first is the Housing Authority, and the second is Malita.

The Housing Authority: Actual development and oversight of delivery is completed by 'Housing Project Solutions' (HPS), which is an amalgamation of two other public entities—SPML (Special Projects Management Limited), which is responsible for project management, and HME (Housing Maintenance and Engineering), which carries out building improvement and maintenance works for the MHA.

Malita Investments plc: Since 2022, Malita has been developing new social rental projects. It does so under contract with private construction firms. Once finished, the homes are then leased to the Housing Authority. The lease is at market rates, meaning the MHA must pay the difference between the contribution of the social tenants and this market price.

Table 3: Overview of recent capital allocations for the construction of new social housing

Funding source	Details	Amount
EIB Loan (June 2017)	Loan provided to the Housing Authority for the financing of investments in social housing in the years 2016 – 2020. EIB funding will concern retrofitting and new construction of social housing and associated infrastructure facilities.	€25,000,000
CEB/EIB Loan (June 2017)	25-year co-financing from the EIB and CEB, provided to Malita . The money will provide around 680 new social housing units.	€29,000,000
NDSF Agreement (February 2019)	Agreement was found between the Housing Authority and the NDSF to finance 500 new social housing units.	€60,000,000
EIB Loan (March 2024)	Loan provided to Malita to co-finance a project that comprises the construction of some 267 new social housing units	€22,000,000
Total Funding Allocation		€136,000,000

Source: Housing Europe, based on analysis of various sources

¹⁴ Jaccarini, B. (2024). Malita's rights issue for the Affordable Housing Project. Valetta: Times of Malta.

The funding provided by the EIB and the CEB to Malita does not cover 100% of the capital investment required to complete the various new social housing projects. For example, if we look at the most recent EIB loan from March 2024, the fine detail of the agreement shows that the total cost of the investments that EIB is supporting is expected to be €44 million.¹⁵ The balance will come from other funds already acquired by Malita. In the case of the NDSF agreement, this should cover the full development of 500 new homes.¹⁶ Thus, the €136 million flagged above does not cover all of the recent capital investment in Malta in new social housing. Unfortunately, there are no publicly available data on the exact annual capital investment on new social housing.

The Housing Authority does, however, publish data on investments in renovations, improvements, and maintenance of the social stock it manages.

Table 4: Annual investment in existing social housing stock

	Embellishment / Regeneration (€)	Repairs & Maintenance (€)
2018	730,023	1,527,182
2019	1,633,092	1,983,265
2020	3,011,713	2,499,079
2021	2,595,216	3,252,355
2022	2,828,446	3,067,519
2023	3,494,383	2,801,401
2024	2,543,933	4,369,863
Total	16,836,806	19,500,666

Source: Housing Authority

As alluded to earlier, not all housing that is considered to be social housing is provided through public construction projects. Indeed, there are a number of schemes that aim to incentivise private owners to make available properties that can be used as social housing. These schemes are overseen by the MHA. In 2023, the MHA expenditure on properties leased from the private sector and Malita amounted to €7.7 million and €1 million, respectively. The MHA had annual income of €61 million in 2023. The vast majority of this came from a government operating grant (€39 million).

Table 5: Breakdown of the sources of income for the Housing Authority in 2023

Income (2023)	Amount (€)	- % of total
Government Operating Grant	39,183,661	64
Sale of property	10,807,925	18
Various ground rents ¹⁷	2,348,992	4
Rents paid by tenants	3,201,720	5
Repayment of subsidies	862,064	1
EU Grant (for regeneration of social housing)	3,888,607	6
Other income	1,102,688	2
Total income	61,395,657	

Source: Housing Europe, based on Housing Authority Annual Report – 2023

¹⁵ Details available at: <https://www.eib.org/en/projects/all/20230411>

¹⁶ In the agreement with the NDSF, there is an allowance for a possible 10% overrun in construction costs, meaning the final investment could be up to €66 million.

¹⁷ Includes income from Home Ownership Scheme (HOS) plot developments

The Housing Authority uses its funds to finance several different schemes. These schemes can be grouped into three broad categories:

- 1) **Schemes to facilitate homeownership**; e.g., 10% Deposit scheme (DSS), the equity sharing scheme (ESS), New Hope scheme, Social Loan scheme (SOL) and the Sir Sid Darek scheme (SSD);¹⁸
- 2) **Schemes to make rents more affordable**; e.g., the Housing Benefit Scheme (HBS) and the pre-1995 Leasehold Property Subsidy Scheme (SKP);¹⁹
- 3) **Schemes to boost the purchasing power of homeowners and improve the quality of the housing by covering property refurbishment expenses**; e.g., the First-Time Buyer scheme (FTB), the Grant on First Residence scheme (GFR), the Subsidy on Adaptation Works scheme (ADP), the Adaptation of Pre-95 Properties (SSP), and the scheme for Persons with Disability (DIS).²⁰

There are also the leasing agreements with private owners. There are currently two ‘social leasing’ schemes open for applications; the Rent to Assist Scheme (NIK), and the Restoration of Vacant Rental Housing (RVU) scheme. The former is an extension of an earlier scheme, *Skema Kiri*, and by end-2024, it had attracted around 1,250 properties. Indeed, the high level of vacant homes in Malta means that there is great potential for schemes that aim to bring such properties back into use to provide additional social housing. Since 2022, the MHA has also been leasing properties from Malita Investments plc.

Table 6: Overview of funding schemes administered by the Maltese Housing Authority

Scheme name (Maltese)	Scheme name (English)	Summary of the scheme	Funding provided by the MHA in 2023 (€)
Skema ta' Rranġar u Titjib (ADP)	Subsidy on Adaptation Works Scheme	Through this scheme, owners and tenants, both of private and Government properties, can be given a grant of up to a maximum of €21,000 to carry out renovation and improvement works in their residence.	659,756
Skema għal Persuni b'Diżabilità (DIS)	Disability Scheme	This scheme is intended for households with a member who has a disability or limited mobility. It will finance retrofitting to improve accessibility (e.g., a stairlift/elevator).	2,288,599
Skema ta' Strutturi Perikolużi (SSP)	Adaptation of Pre-95 Properties Scheme	The scheme provides a subsidy to assist tenants/leaseholders to eliminate dangerous structures in their residences, which have been rented or leased to them by the private sector before 1 June 1995	86,771
Skema ta' Benefiċċju tal-Kera (HBS)	Housing Benefit Scheme (Rent Benefit Scheme)	A rent supplement paid to eligible households, based on the income and number of inhabitants of a household	9,559,129
Skema ta' Sussidju fuq Proprjetà mikrija qabel 1995 (SKP)	Pre-1995 Rent Subsidy Scheme	Older residents (over the age of 65) who risk eviction from their home as a result of higher rents resulting from recent amendments to rent regulations can receive a rental support payment to cover all or part of the rent increase	4,862,128

¹⁸ See Micallef, B. and Schembri, J. (2024). *The Housing Authority's homeownership schemes*. Housing Authority publication, September 2024. Available from: <https://housingauthority.gov.mt/wp-content/uploads/2024/09/The-Housing-Authoritys-Homeownership-Schemes.pdf>

¹⁹ See Micallef, B. and Schembri, J. (2024). *The Housing Authority's rental affordability schemes*. Housing Authority publication, November 2024. Available from: <https://housingauthority.gov.mt/wp-content/uploads/2024/11/The-Housing-Authoritys-Rental-Affordability.pdf>

²⁰ See Micallef, B. and Schembri, J. (2025). *The Housing Authority's schemes to boost the purchasing power of homeowners and improve the quality of housing*. Housing Authority publication, forthcoming.

Skema Nikru biex Nassistu (NIK)	Nikru biex Nassistu Scheme	The Nikru Biex Nassistu Scheme is an opportunity for landlords and owners of vacant property to lease residential property with one, two or three bedrooms to the Housing Authority. In return, the rent increases by 2% a year, and income earned is tax free. There are around 1,250 properties from this scheme at the end of 2024.	7,648,277
Malita		Leasing of properties from Malita Investments plc to be used for social housing purposes.	999,494
Skema ta' Restawr ta' Djar Battala għall-Kiri (RVU)	Rehabilitation of Vacant Dwellings Scheme	The Restoration is intended to encourage owners of vacant properties to invest in their restoration so that they can be leased to the Housing Authority for the purpose of providing social housing. Once the property is renovated and fit for habitation, it will be leased to the Housing Authority for a period of ten years.	87,752
Skema Sir Sid Darek (SSD)	Sir Sid Darek Scheme	Sitting social housing tenants can purchase their home, with a subsidy (i.e., so the purchase price is below the market value of the property). The home must be used as the primary residence for at least 10 years. If it sold or transferred before this, then the subsidy will be repaid. The subsidy granted by the Housing Authority has amounted to more than €11 million since 2022, with nearly 300 social tenants purchasing their home. Any tenant taking up a social lease from 2022 onwards will not have the option to purchase their home.	3,710,759
Skema ta' Għotja għall-ewwel Residenza (GFR)	Grant on First Residence Scheme	The grant under this scheme is intended to offset part of the cost of construction or completion or renovation work on a first dwelling. Owners of a first residence, who due to an increase in the number of family members need to add rooms or make alterations to the residence, may benefit from this grant.	1,035,619
Skema Equity Sharing (ESS)	Equity Sharing Scheme	This scheme applies to persons over thirty years of age who are encouraged to purchase their own home by purchasing no less than half of the property price while the remainder must be purchased at a later date. The Housing Authority, for its part, purchases the share not acquired by the applicants, which share will be of no more than one hundred thousand euros (€100,000).	4,258,461
Skema Social Loan (SOL)	Social Loan Scheme	The Social Loan – 'Home Assist' scheme provides a social loan of up to a maximum of €120,000 is granted for the purchase of a property of up to a maximum of €140,000. Under this scheme the MHA assists by subsidising up to a maximum of €167 per month as a grant on the repayment of a loan	247,815
Skema tad-Depożitu (DPS)	10% Deposit Payment Scheme	The scheme is aimed at people who are acquiring their first residence. The aim is to assist people who, despite being eligible for a home loan, do not have the necessary liquidity to pay the required 10% deposit. It applies to people between the ages of twenty-one (21) and thirty-nine (39).	2,545,040
Skema First-time Buyers (FTB)	First-time Buyers Scheme	This scheme is intended for persons who acquired their first property after 1 January 2022. This grant, amounting to ten thousand euros (€10,000), will be given over a period of ten (10) years to the applicant who has acquired a property. The grant will be given through payments of one thousand euros (€1,000) which will be given once a year.	2,631,000
Skema ta' Installazzjoni ta' Lifts (LFT)	Installation of Lifts Scheme	A scheme to retrofit social housing buildings to make them more accessible for those with limited mobility, so that they can continue to live in their home	7,590,000 ²¹

²¹ The figure for 2023 includes deferred payments for work conducted in previous years. The average expenditure on lifts from the LFT scheme amounted to €3.55 million per annum between 2019 and 2024.

Skema New Hope (NHS)	New Hope Scheme	This is a new scheme, launched in 2023. This scheme was launched to provide an effective remedy to people who are in some way hindered from accessing the property market despite being eligible to finance a bank loan. The main obstacle for these people is obtaining a life insurance policy (e.g., due to pre-existing health issues)	27,779
Skema Roġs fit-Taxxa (TAX)	Tax Reduction Scheme	The aim of the scheme is to provide a tax rebate on the sale of property to the tenant and this on the first €200,000 of the property that has been rented at an affordable rent for more than three (3) years as well as the sale of property rented to the Housing Authority. Thus, it gives the opportunity for tenants of residences rented to the Housing Authority under various leasing arrangements to become owners of their home	0
Funding total in 2023			48,238,379

Source: Housing Europe analysis of the Annual Report (2023) of the Housing Authority

Accessing social housing in Malta

Access to social rental housing in Malta is limited to low-income households, and a number of “priority” households with a need for it.²² Of these priority categories, applicants living in housing that is overcrowded is the most commonly cited.²³ Other groups who may avail of priority allocations include those with disabilities, those experiencing or at risk of homelessness, or victims of domestic violence.

Since 2022, social rental contracts are offered for an initial period of four years, but this may be extended for an additional four years, followed by a final two years. If at the end of a rental contract a household no longer meets the criteria to access social housing, then their lease will not be renewed. It is also the case that social tenants signing a lease with the Housing Authority from 2022 onwards will no longer have the option to buy their home in the future. Thus, Malta has effectively ended the long-established right-to-buy policy used for many decades. This reflects a need to preserve and grow the social stock for the benefit of future generations.

Notwithstanding the categories for ‘priority’ allocations, income is the main factor determining eligibility. For example, a single-person household must not have an income that exceeds €10,000 per year.²⁴ For couples or single parents, the household income must not exceed €12,000 (with an additional allowance of €700 per child).²⁵ For some context, the average monthly basic salary for employees in Malta in Q3 2024 was €1,964;²⁶ giving an annualised rate of €23,565. The income thresholds are fixed by the government, and do not vary by location.

In addition to income, there are limits on the current assets of applicants, which in all cases cannot exceed €28,000. Finally, there is a requirement for at least one member of the applicant household to

²² An overview of the allocation policy has been produced by the Housing Authority. It can be viewed at: <https://housingauthority.gov.mt/wp-content/uploads/2022/08/Lease-Conditions-for-Properties-Allocated-for-Social-Accommodation.pdf>

²³ MHA (2024). Annual Report – 2023. Valetta: Housing Authority.

²⁴ Social benefits like children’s allowance and supplements for disability and illnesses are not taken into consideration for the calculation of the household income.

²⁵ <https://housingauthority.gov.mt/services/social-accomodation/social-housing/>

²⁶ Based on the results of the Maltese Labour Force Survey (Q3-2024). See: <https://nso.gov.mt/labour-force-survey-q3-2024/>

be an EU citizen or to have refugee status, and to have lived in Malta for at least 12 consecutive months during the last 18 months.

The rent paid for social housing depends on the income of the applicant household and the location of the social housing being rented. In all cases, the rent is a fixed percentage of the household's income, ranging from 8-23% in 'normal' allocations, or 10%-25% in high-demand areas.

Table 7: Social Rent Determination, Malta

Income	General Social Rent	High Demand Locations
€0 - €6000 (€8000 for tenants aged 65+)	8%	10%
€6001 - €12000	16%	18%
More than €12000	23%	25%

Source: Housing Authority

Notes: The figures and rates were those that were applicable in January, 2025

Once a household takes up a social rental contract with the Housing Authority, they do have the option to request to move to another social dwelling (e.g., if their current home no longer fits their needs). However, this can only be done after three years of having lived in the current social accommodation.²⁷ Tenants seeking a transfer must also not have any outstanding arrears related to their current home.

It should be noted that for a very long time the private rental market in Malta (or at least parts of it) had some of the same characteristics that we would expect from social housing. Up until 2020, Malta had a 'split' private rental market, whereby rental contracts signed before the 1st of June 1995 were governed by a mechanism that granted life-long security of tenure and artificially low (e.g., below market) rents,²⁸ a situation that was constantly deemed to be in violation of the rights of the landlord to enjoy his own property.²⁹ In 2009, reforms allowing the gradual increase of pre-1995 rental prices towards 'fair market' levels were introduced. However, this was to happen gradually, and by some estimates it could take several decades for the prices of many properties to reach market levels.³⁰ Prior to the 2009 reforms, it had been acknowledged that the system of keeping pre-1995 rents so low was in fact an attempt by the Maltese state to "shift the burden of social housing from the government to the private sector".³¹

Additional reforms to the rent-controlled regime were introduced in 2018 and 2021. These reforms provided a mechanism for landlords to have the rent payable by the tenant increased up to a maximum of 2% per annum of the freehold value of the home on the open market, subject to the tenant satisfying the means test criteria.³² In order to minimise the potential adverse impacts for low-income tenants, it was decided that the state—via the MHA—should cover some or all of the difference between the pre-

²⁷ See: <https://housingauthority.gov.mt/services/social-accomodation/exchange-of-social-accommodation/>

²⁸ The rent-controlled regime consists of rents that fall under the Reletting of Urban Property (Regulation) Ordinance, Chapter 69 of the Laws of Malta and the Housing (Decontrol) Ordinance Chapter 158 of the Laws of Malta. The former relate to pre-1995 leases whilst the latter relates to pre-1995 leases in a dwelling that is decontrolled and to temporary emphyteusis entered into before 1995, which upon their expiry were changed into a lease.

²⁹ Rental contracts signed after 1995 were governed by a far more 'liberal' regime, characterised by a quasi-complete deregulation, with no strict controls with regard to rent increases or the minimum duration of contracts.

³⁰ For more detailed discussion of this, see: Micallef, B. (2021). The Long-Lasting Legacy of Rent Controls: Perspectives on the Private Rental Market in Malta within the Context of a Dual Market. *International Journal of Real Estate Studies*, 15(2), 43-54.

³¹ Micallef, B. (2021). The Long-Lasting Legacy of Rent Controls: Perspectives on the Private Rental Market in Malta within the Context of a Dual Market. *International Journal of Real Estate Studies*, 15(2), 43-54.

³² See Attard, J., Micallef, B., Bartolo, B. B. and Cutajar, M. (2025). *The residential rental market in Gozo*. Discussion Paper Gozo Regional Development Authority. Available from: <https://housingauthority.gov.mt/wp-content/uploads/2025/01/The-Residential-Rental-Market-in-Gozo.pdf>

1995 rent being paid and the new market-based rent.³³ Thus, the Maltese state is now ‘absorbing’ the cost of keeping many low-income households (especially pensioners) in private housing that was previously offered at below market rents.

Thus, in effect, Malta finds itself in a situation in which a part of the private rental sector has effectively been ‘leveraged in’ to pick up some of the slack of the social housing sector. This unofficial ‘blurring’ of the lines between private and public is in addition to the social leasing schemes mentioned earlier, which make far more explicit the co-opting of private resources to deliver on public social housing ambitions in Malta.

New social housing and meeting targets

According to internal estimates produced by the MHA,³⁴ there were approximately 7,800 social dwellings in the country at the end of 2024. Of these, it is estimated that roughly 1,250 homes are based on private leasing arrangements, and 400 are provided by Malita. This means the number of homes provided directly by the MHA from the stock it owns is around 6,150.³⁵

The Housing Authority does not publish data on the number of new social homes completed each year. Indeed, there are actually no generalised data on either the number of completions or commencements in Malta each year for any part of the residential market. However, the MHA does note that:

*“Malita Investments has committed [to the delivery of] around 700 apartments. Since 2022, they have completed around 400 units, which are already allocated to tenants. The remaining units are planned to be completed in 2026 (there are 3 sites remaining). Through its collaboration with Housing Project Solutions (HPS), the Housing Authority is planning to add another 560 units spread around different sites in Malta. Only around 50 units have been completed thus far in 2024. The rest are projected to be completed in the period 2025-2028 (the majority of them are planned for 2027)”.*³⁶

There are currently no official estimates of the need for additional social housing in Malta, or of the unmet housing needs of the population as a whole. However, as a result of the increased delivery of social housing in recent years, as well as the social leasing arrangements with the private sector, the number of households on the social housing waiting list has decreased in recent years. According to the Annual Report of the MHA for 2023,³⁷ there were 1,576 homes still on the waiting list. This compares to 3,172 in 2018. However, more than 200 households have been on the social housing waiting list for 10 years or more.³⁸

Another important factor behind the decline in waiting lists has been a comprehensive review of applicant households in recent years. This review found that a number of applicants were on the waiting list primarily because their current ‘private’ dwelling was not adequately meeting their needs. For example, there were a number of people on the waiting list with reduced mobility, living in buildings

³³ Of course, many households who had been benefitting from the pre-1995 system are not eligible for government supports, meaning they will either have to pay the new market rent, or leave their home.

³⁴ These estimates are not published, but have been made available to the authors of this chapter.

³⁵ This estimate includes also properties owned by the Lands Authority and the Joint Office.

³⁶ This is based on a written reply received by the authors from a representative of the Housing Authority.

³⁷ Available at: <https://housingauthority.gov.mt/annual-reports/>

³⁸ Times of Malta (2023, October 31). Over 200 people have been waiting for social housing for more than a decade.

without lifts. Therefore, retrofitting or improving access to their current homes has been a way of removing their need for social housing, and thus proactively reducing waiting lists.³⁹

A similar issue was the number of older social tenants who had entered care facilities, e.g., nursing homes. The Housing Authority was able to incentivise them to give up their social lease, in return for incentives like a reduction in the cost of their on-going care. Through this, and other initiatives, 228 keys to social housing were recovered in 2022-2023, which were then re-let to households on the waiting list.⁴⁰

If we look to secondary indicators, we can also get some sense of the need for affordable housing options in Malta. For example, recent analysis has found that average young workers would not be able to afford most of the properties available to buy or to rent on the market.⁴¹ At the same time, 5% of Maltese households reported in 2023 that they were in rent or mortgage arrears during the last three months, suggesting that, for a portion of these households at least, a more affordable option is required.⁴² Finally, according to Eurostat 31.6% of low-income (60% of the median) households reported a “heavy” financial burden related to meeting their housing needs in 2023. However, this is well below the EU average rate of 47.7%.⁴³

Despite these statistics, however, the homeownership rate for Maltese households has remained quite stable over the past decade, standing at 85% in 2023.⁴⁴ Furthermore, recent statistics from the first-time buyers’ (FTB) grant suggest that slightly more than half of FTBs are single-person households.⁴⁵

Integration with social policy

The Housing Authority launched in 2022 a new ‘social care’ plan. In collaboration with experts from the University of Malta, the MHA will support social tenants who have been identified as being especially vulnerable or in need of additional supports. These tenants are identified on the basis of issues such as being in arrears in the payment of rent or electricity and water bills, anti-social behaviour, or issues in maintaining a basic level of maintenance of their home. The tenants are followed up with regularly through phone calls, emails and visits from staff, if required. As a result of a successful pilot, the social care plan is being upscaled, with households on the social housing waiting list also being eligible for support.

In recent years, the Ministry for Social and Affordable Accommodation and the MHA have introduced a specialised housing programme, which provide tailor-made solutions to target specific policy challenges and address different cohorts of society; focusing in particular on the needs of vulnerable groups. Previously vacant or derelict buildings have been rehabilitated, following a design competition with architects. These housing developments launched in 2023 and 2024 include *Dar Bla Hitan* (for

³⁹ This information was based on discussion between the author and representatives from the Housing Authority (January, 2025).

⁴⁰ *Ibid.*

⁴¹ Borg, N. (2023, November 3). Young, single and on an average wage? 95% of properties are out of your reach. Valetta: The Times of Malta.

⁴² OECD (2023). HC1.4. Subjective measures on housing. Paris: The Organisation for Economic Cooperation and Development.

⁴³ Based on Eurostat Table ‘Financial burden of the total housing cost’ [*ilc_mdcd04*]

⁴⁴ Micallef, B. and Schembri, J. (2024). The Housing Authority’s homeownership schemes. Housing Authority publication, September 2024. Available from: <https://housingauthority.gov.mt/wp-content/uploads/2024/09/The-Housing-Authoritys-Homeownership-Schemes.pdf>

⁴⁵ This scheme was introduced in 2023 whereby FTBs were given a one-time grant of €10,000 spread over 10 years. This was intended to ease the burden on FTBs and to improve their purchasing power, thereby assisting them to make their house a home. Further details on this scheme are available from: Micallef, B. (2023). An update on the profile of first-time buyers in Malta. Housing Authority publication, November 2023. Available from: <https://housingauthority.gov.mt/wp-content/uploads/2023/11/The-First-Time-Buyer-Market-in-Malta.pdf>

prisoners—and their families—in the last few months of their sentence to assist in their reintegration in society), *Dar Tereza* (for mothers dealing with mental health challenges) and *Dar Qawsalla* (for members of the LGBTIQ community that experience socio-economic challenges).

Looking beyond this, there are still a number of areas where additional efforts may be required by Maltese authorities to boost or better define their social impacts. For example, there is currently no official definition of homelessness in Malta, nor are there official estimates on the number of homeless people. However, independent charities have done some work on this topic in recent years.⁴⁶ Not surprisingly then, Housing First is not yet a developed concept in Malta.

In addition, as is admitted by the Maltese government, climate change is a real risk for many, “[a]s heatwaves become more frequent”.⁴⁷ However, this also means that “air conditioning becomes something essential for health, posing additional burdens for those struggling with energy poverty”.⁴⁸ As outlined above, the MHA has spent increasing sums in recent years on upgrading and renovating its stock of social dwellings.⁴⁹

However, upon inspection of its ‘National Energy and Climate Plan’ (published in December 2024), there is a sense that the Maltese Government is waiting to receive funds from the upcoming EU ‘Social Climate Fund’ before pushing ahead further to support energy poor and vulnerable households; including any specific additional measures for social housing tenants that may be forthcoming. Under the terms of the Social Climate Fund, Malta could stand to benefit to the tune of as much as €45.5 million in direct EU funding, which when combined with 25% co-financing from the Maltese state would amount to up to €56.9 million⁵⁰ in funds to tackle energy poverty and mitigate the impact of the push towards net zero on the most vulnerable households in the country.

Additional local context and conclusions

According to the 2021 Census, there were 7,170 social rental dwellings in Malta. However, based on the information provided by the Housing Authority it is clear that this number will climb to above 8,000 units in the very near-term. Thus, while the Census showed a social rental stock equivalent to 3.3% of primary dwellings, it seems probable that the percentage today is higher. It should be noted that even prior to the recent increase in delivery, Malta already had the highest relative share of social housing amongst its Mediterranean peers; e.g., Cyprus, Greece, Italy, Portugal, or Spain.

However, we must remember that such improvements are in the context of a country where house and rental prices have risen strongly in recent years. Indeed, residential property prices were up by 45% in real terms in the second half of 2024 from their most recent trough in mid-2013.⁵¹ Thus, the Government’s initiatives to support the supply of affordable housing are not taking place in a vacuum. In this regard, there is a narrow majority in favour (58%) of the state going further in terms of supporting

⁴⁶ See, for example: YMCA Malta (2022). Contemporary Homelessness in Malta: Quantitative Research. Valetta: Young Men’s Christian Association, Malta.

⁴⁷ Government of Malta. (2024). Malta’s National Energy and Climate Plan. Available at: https://commission.europa.eu/energy-climate-change-environment/implementation-eu-countries/energy-and-climate-governance-and-reporting/national-energy-and-climate-plans_en

⁴⁸ *Ibid.*

⁴⁹ The MHA is currently undergoing a Deep Energy Renovation Project in a residential block in Ħaż-Żabbar. As a result, the tenants will save money on electricity and water bills. This Pilot Project incorporates various measures, such as external and roof insulation, energy efficient windows, heat pumps for domestic hot water and air-conditioning, roof mounted PVs and wall mounted façade PVs.

⁵⁰ These are estimates of Housing Europe, based on information contained in Regulation (EU) 2023/955 of the European Parliament and of the Council of 10 May 2023 establishing a Social Climate Fund

⁵¹ Based on Eurostat ‘House price index, deflated - quarterly data’ [*tipsho30*]

the delivery of social housing, and related housing benefits.⁵² Although, at the same time only 5% of the population thinks the government should actually be doing less on housing.

In its 2025 'Pre-Budget Consultation Document', the current Government, which could remain in power until the next scheduled elections in 2027, stated that: "One of the main objectives of the present Government is to assist social housing cases, providing all beneficiaries with a decent and dignified home".⁵³ This sentiment does seem to be being mirrored well in current and future public spending plans.

⁵² European Commission (2023). Fairness, Inequality and Inter-Generational Mobility. *Special Eurobarometer 529, February 2023*.

⁵³ Government of Malta (2024). Pre-Budget Consultation Document – 2025. Available at: <https://finance.gov.mt/wp-content/uploads/2024/09/PRE-BUDGET-2025-DOC.pdf>