



## **RENT REFORM: A DECLARATION OF PRINCIPLES**

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# RENT REFORM: A DECLARATION OF PRINCIPLES

The present regime governing controlled rent is one poorly designed to address the post war housing shortage which has long outlived any utility it may have had 60 years ago, and has created the market distortion which justified its own perpetuation, and the multiplication of legal amendments made on the subject until today. In a situation of an extraordinary, documented, housing surplus, its continued existence is an intolerable injustice, a danger to the economy and a principal cause of environmental damage affecting both the quality of life of Maltese citizens and the natural assets which are a source of present and future income.

In seeking to bring about a reform of the rent laws The Green Party not only addresses a long-standing social injustice and unjustified environmental harm but also has in mind the wider issue of the rational use of resources available in Malta to present and future generations.

In the process it has identified the following guiding principles which should be binding on any authority addressing this issue:

1. Every person is entitled to an adequate dwelling. In a country having an extraordinary housing surplus it is the duty of every government to create the conditions favouring a natural coincidence between supply and demand and to discourage every distortion adding to the artificial scarcity engendered by the existence of controlled rents for many decades.
2. The transition from a massively distorted property market to one that finds its own levels free of legislative intervention must be carefully regulated in order to avoid unacceptable social and economic impacts.
3. Having in mind the principles enshrined in the constitution safeguarding the property rights of citizens as well as the principles of social solidarity which are endorsed by the vast majority of Maltese citizens it is an anomaly that a category of citizens chosen at random is obliged to carry not only a disproportionate burden of responsibility for social housing which should be borne by the state but also an additional

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burden of housing provision which would not otherwise qualify for financial support from the state.

4. In view of the fact that the financial prejudice suffered by the owners of controlled properties over the last 60 years is not likely ever to be quantified or much less compensated, it is mandatory to end the harm suffered at the earliest possible time and any cost for transition must be borne by the state.
5. Rent reform alone will not create a functioning property market and any reform must include measures designed to induce the offer of vacant properties for rent in a free rental market in which the different categories of properties should be distinguished only by the inherent qualities of these properties and not by a plethora of legal hurdles.
6. In view of the existence of far more properties than can be bought or rented it is wholly unnecessary for the state to retain the function of social housing property developer, a species it has driven to extinction 60 years ago. The target of any reform must be to arrive at a situation in which the intervention of the state in ensuring adequate housing for those facing socio-economic difficulties should be in the form of financial assistance and not in the acquisition by government of title of any kind over private property and much less of the construction of further housing by government which is objectively unnecessary.
7. In view of the longstanding anomaly of the rent laws recognized as a source of distortion and inefficient use of resources in the Structure Plan for the Maltese Islands as long ago as 1992 a wide ranging and profound reform should be carried out regulating housing, commercial, industrial and rural properties aimed at ensuring a rational use of resources giving due value and safeguard to the natural and architectural assets of the country while ensuring a fair and fruitful employment of them for the benefit of all.