

National Action Plan against Substandard Housing

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1. Introduction:

Malta, an archipelago consisting of mainland Malta, the sister island of Gozo and the small island of Comino, is situated at the crossroads of the Mediterranean, 93 kilometres south of Sicily and 290 kilometres away from North Africa. The islands have a combined landmass of 316 square kilometres and a resident population (including foreigners who reside in Malta for at least a year) of over 400,000 ¹. With 1282 persons per square metre, Malta is one of the most densely populated countries in the world

1.1 Housing Tenure in Malta

Year	1948	1957	1967	1985	1995	2007
Owner Occupied	23.1%	26.1%	32%	53.9%	68%	74%
Rented*	76.9%	73.9%	68%	46.1%	32%	26%

* Rented includes also social housing

Source: Camilleri, D., 1999 as cited in Vakili-Zad, C., 2007

1.2 Vacant Units in Malta

Location	Partially vacant (Summer Residences)		Vacant Permanently		Total Number of Vacant Units	
	No.	%	No.	%	No.	%
Maltese Islands	12,967	8.4%	22,756	14.7%	35,273	100

Source: 1995 Census

Research indicates that approximately 26,309 units or 75 percent of vacant properties are newly constructed and are in a good state of repair. More than 15,000 of these are flats. The situation with vacant houses is that people are buying old buildings as an investment. Another phenomena that is emerging in the Maltese Islands is that a number of units are going through gentrification by both local people as well as foreigners.

¹ As at 2005 the population of the Maltese Islands was estimated at 404,039 of whom 49.7% were males, and 50.3% were females.

1.3 Population 16 years and over, classified by marital status & type of private house ownership: 1995

Marital Status	Owner Occupied	Rented Unfurnished	Rented Furnished	Free	Substandard Dwellings	Total Number
Married females	73.0%	22.3%	1.9%	2.8%	2.7%	91177
Married males	73.1%	22.2%	1.9%	2.8%	2.7%	90335
Separated/ Annulled/ divorced-females	41.3%	47.0%	7.1%	4.7%	7.9%	2797
Separated/ Annulled/ divorced-females	47.8%	40.8%	6.7%	4.7%	10.0%	2230
Remarried females	63.5%	27.2%	5.6%	3.8%	5.3%	342
Remarried males	68.3%	23.1%	5.3%	3.3%	3.6%	360
Single females	65.8%	28.1%	2.3%	3.7%	8.4%	38108
Single males	64.6%	29.9%	2.4%	3.0%	7.7%	42999
Widows	56.9%	36.7%	2.4%	4.0%	10.8%	12458
Widowers	60.6%	34.1%	2.0%	3.3%	11.1%	3477

Source: COS (Malta) 1999

2. The French Experience

The French experience portrays a methodology which addresses the issues related with sub-standard housing holistically and effectively. The results produced from this commitment which is adopted by the French state are definite and represent a good practice to other countries which share problems related to substandard housing.

France gives a definition to substandard housing and this in itself is paramount in policy-making, since it sets a direction towards finding criteria, indicators and eventually targets which are measurable, comparable, and feasible to reach.

In addition, France does not only attach legal implications to the definition of substandard housing. It gives reference to the security and physical quality of the housing with the objective to create a healthy environment for the inhabitants. Whilst acknowledging that it is quite difficult to objectively and uniformly assess dignity vis-a-vis substandard housing in a standardised manner, the French State appears to be effectively addressing the problem of substandard housing. In Malta there is no specific definition of substandard housing, although there are legal implications and criteria which determine whether a house conforms to sanitary regulations. In the absence of standard criteria and indicators to define substandard housing, the terms *substandard housing* and *inadequate housing* are often used interchangeably, notwithstanding the fact that they hold distinctly different implications. Inadequate accommodation is not necessarily sub-standard since such a house may be of relatively high standards yet its layout unsuitable for the needs of the people living therein. The concept of inadequate housing can thus significantly converge with the issue of dignity, since the physical characteristics of the house may not be conducive to sustaining or promoting the dignity of the people living therein.

The French experience shows that there is a Ministry for Housing which is responsible for taking decisions on all issues relating to the housing conditions of citizens and for the implementation of these decisions. Besides this authority responsible for housing there are several actors involved. Inter-ministerial and inter-institutional participation including the police force and social workers amongst others are an important element towards the minimization of substandard-housing and towards addressing the hurdles which affect adversely the French society. Such collaboration offers a holistic vision to address the issue of housing since it addresses the matter from different perspectives that directly or indirectly relate housing.

The success of adequate legal documents and the implementation of their provisions reflect commitment and could serve as guidelines for further developing the Maltese system. Malta has a sanitary law which safeguards healthy and safe housing conditions. This can be found in Chapter 10 Code of Police Laws (Sect. 85 – 120) together with other criteria. However there is no particular law which deals directly with Substandard Housing.

3. The Maltese Experience

Even though the welfare state of Malta has similar characteristics to the French welfare state, with both countries belonging to the Southern-European model group, there are some differences which make it difficult for both countries to adopt the same measures and to address the situation in the same time. Priorities, culture and different expectations all play a determining role when it comes to decision-making. Therefore, while Malta may actively consider adopting the French concept of having a definition for substandard housing, it may not transfer a carbon copy of the definition *per se*, since the needs, expectations and cultures of the Maltese may differ significantly from those of the French.

The National Report on Strategies for Social Protection and Social Inclusion 2006-2008 together with various other documents including the Pre-Budget Document 2008 – *Families Growing Stronger* - mention various initiatives and proposals to address issues relating to housing with a view to help enhance the quality of life of different vulnerable groups of people whose life prospects are rendered more bleak by the circumstances arising from Substandard Housing. In Malta, *affordability* is a priority issue and closely linked to it is the issue of *adequacy*. Through the various implemented and planned measures together with studies being conducted in the field of social welfare, the Maltese state is increasingly committing itself to making sure that families have a home that suits their needs, and which is affordable to them. The Housing Authority which is the entity responsible for housing issues in the Maltese Islands clearly depicts this message in its mission statement, which states, '*Decent housing strengthens communities and provides a better setting in which to raise our children*'.

Statistical figures have to be analysed. However, unless there is a set of criteria, indicators and variables which are realistic and uniform, it is difficult to come up with an objective stocktake of housing, and to look at the picture holistically. Therefore it is important that an objective definition of substandard housing be adopted so as to facilitate the identification of substandard housing and assist with the establishment of feasible targets that can help us address housing issues even more efficiently and effectively. This exercise would also help Malta adopt its own classification system that reflects its national realities as well as the culture and expectations of its people. This classification would also assist Malta in its commitment to promote affordable housing.

The Maltese housing system focuses on other aspects apart from those relating to the physical aspects. These include social, cultural and economic dimensions. The Government of Malta is focusing upon the development of a national strategy that safeguards the individual and society comprehensively. Despite, its small size, Malta has a number of administrative structures that deal with the various issues relating to housing. On a government level there are the Ministry for the Family and Social Solidarity (whose remit incorporates the Housing Authority, the Department of Housing Construction and Maintenance and the Department for Social Housing – all entities that are exclusively focused on housing), and the Malta Environment and Planning Authority, which is responsible for issuing regulations on the development of buildings and for enforcing sanitary endorsements. Furthermore, there are various voluntary organisations that focus on issues relating to housing, including issues of substandard housing and homelessness.

The legal obligation deriving from the Housing Authority Act is to improve housing conditions in Malta. Due to the fact that a high percentage of low-income households are living in older dwellings, adaptation and repair works are a major concern. To address this issue the Housing Authority developed policies, which are based on the premise that it is more environmentally sound to 'recycle' rather than build from scratch. This is often the less costly solution, with the exception of historically valuable sites, and has the advantage that it enables the home owner to continue living in the same dwelling.

Housing conditions are improved through:

- **Grants for tenants living in government owned property to carry out adaptation and repair works (Scheme W)** – These may include the replacement of old water and electricity installations, improvements of bathrooms, laying of floor tiles, repairs to old drainage systems or their substitution, repairs to external doors and apertures, provision of water-proofing, improvements and damp-proofing and construction of additional rooms. This service is means tested and the maximum grant payable under this scheme is Lm 3,000 / € 6,988.12;
- **Grants for tenants living in leased privately owned properties for adaptation and repair works (Scheme 5)** - These may include repairs of dangerous structures and the works listed above. This service is means tested and the maximum amount granted is Lm 3,000 / € 6,988.12. However in case of a dangerous structure the grant can go up to Lm 5,000 / € 11,646.87. When works involved consist solely of the adaptation or installation of a bathroom, financial assistance is not to exceed Lm 500 / € 1164.69. The value of the property should not exceed Lm 40,000 / € 93,174.94 before works are started;
- **Grants for properties that are privately owned or about to become privately owned to provide assistance for adaptation and improvements (Scheme Z)** - These may include the same works as listed above. This service is means tested and the prospective beneficiary is bound to live exclusively in the property for which financial assistance is granted. The maximum amount granted is Lm 3,000 / € 6,988.12, in case of a dangerous structure Lm 5,000 / € 11,646.87. The value of the property is not to exceed Lm 60,000 / € 139,762.40 before works are started. Newly introduced is the system that a hypothec will be registered on the same property amounting to the subsidy granted. In case the property is sold the full subsidy enjoyed will be refunded to the Housing Authority.

Since June 2007 the Housing Authority reimburses between Lm 50 / € 116.47 and Lm 150 / € 349.40 for professional services and MEPA fees in cases where a MEPA permit is required.

With the aim to reach out to the most vulnerable members of our society and to ensure that they receive the help they are entitled to, in 2002 the Housing Authority introduced the 'Care and Repair' service. This holistic service supports clients who are eligible to repair grants, yet would not be able to manage the works themselves: An officer from the 'Care and Repair' section and a technical officer of the Housing Authority discuss the required repairs with the applicants, help with the application and deal with the contractor; an architect of the Housing Authority and technical officers supervise the works.

4. The Way Forward

Since housing is a fundamental right and because housing cannot be seen in isolation from other sectors, the Maltese state is committed to improve standards and to have schemes that render housing more affordable.

The National Action Plan Inclusion report (2006-2008) shows that social welfare services are being linked also with urban regeneration projects so that the refurbishing of dilapidated housing in selected areas not only increases the availability of affordable and adequate housing but also promotes the prospects and social well-being of residents. The Housing Authority within the Ministry for the Family and Social Solidarity has launched a new scheme of Urban Regeneration with the objective of buying existing and older housing preferably in urban areas which can then be redeveloped and eventually allocated under shared ownership, sheltered housing or social housing for rent. This urban regeneration process is also being consolidated through other measures to promote adequate and affordable housing such as repair schemes, subsidies on rent, and shared ownership opportunities.

In terms of housing, Malta's budgetary measures for the year 2008 propose that reviews are undergone with regard:

- Tax on the transfer of property of residence that is currently being paid by the surviving spouse; and
- Tax payable on property in the case of a gratuitous transfer of same property between family members and when the said property is or shall be used as or for the construction of a sole ordinary residence.

Furthermore, it is being proposed that:

- The rent subsidy scheme administered by the Housing Authority and the rent benefit element which is granted according to the Social Security Act are amalgamated, which benefit is envisaged to be means-tested in order to ensure that only those who are in need will be eligible for assistance from this scheme.
- Interest subsidies on house loans for first time buyers or those considered by the Housing Authority to be eligible for social purposes are introduced. Improved interest

subsidies are being considered for the duration of house loans which in the majority of cases are payable over a period of 35 years.

- The present Housing Authority public equity share scheme will be also extended for implementation by the private sector. Through such a scheme, property sellers would be able to keep an equity share in their property sales to first time home buyers and charge an interest rate on the value of their equity share in such properties.
- A scheme is introduced to assist owners of privately owned apartments to install lifts for persons with a disability.

The transfer of concepts and practices of the French experience, as and where relevant and possible, together with the ongoing commitments and services outlined above should help Malta to continue improving housing adequacy and affordability in general and to reduce the incidence of sub-standard housing in particular.