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A PROFILE OF TENANTS AND LANDLORDS, AND THEIR EXPERIENCES IN THE MALTESE RENTAL MARKET

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BOX 2: A PROFILE OF TENANTS AND LANDLORDS, AND THEIR EXPERIENCES IN THE MALTESE RENTAL MARKET¹

This box summarises the main results of a study of the demographic and socio-economic profiles of landlords and tenants in Malta, and their experiences in the rental market as well as their awareness of rent regulations, following the introduction of the Private Residential Leases Act in January 2020.² The study involved the collection of primary data from tenants and landlords using computer-assisted telephone interviews, with quantitative data being analysed with statistical methods. A total of 800 participants (400 tenants and 400 landlords) of various nationalities were interviewed during the second quarter of 2023.

A demographic profile of landlords in Malta

In examining the data on landlords in Malta, the headline indicator is that practically all landlords are Maltese (97%), with only 2% coming from other EU countries and 1% being third-country nationals (TCN). The average age of landlords in Malta was 53.7 years, exceeding the average age of the general population which stood at 41.7 years according to the 2021 Census for Malta (NSO, 2023).³ Indeed, over half the landlords interviewed (55%) were aged 51 years or older. Reflecting this, while most landlords (60%) were active in the labour market, working either full-time or on a reduced hour/part-time basis, almost a third (30%) were retired. Around 70% of landlords had a low or medium level of education, which is very close to that of the general population, which stood at 72% in 2023 (Eurostat, 2024).⁴

The average number of rental properties owned by a landlord stood at 2.7 properties. Landlords who owned only one rental property amounted to 42% (see Table 1). One in five landlords (23%) had two properties while 13% had three properties rented out. A further

Table 1
PROPERTIES BY LANDLORD⁽¹⁾

Number of properties	Share of landlords (<i>percentage</i>)
One	42.1
Two	22.5
Three	13.1
Four	6.2
More than four	13.1

Source: Authors' calculations.

⁽¹⁾ Shares do not add up to 100% as a number of landlords did not disclose how many properties they held.

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² Briguglio, M., Micallef, B. and Gauci, T. (2024), "Tenant and Landlord Experiences of the Maltese Residential Rental Market: Three Years after the Introduction of the Residential Leases Act", Housing Authority.

³ NSO (2023), *Census of Population and Housing 2021: Final Report: Population, migration and other social characteristics* (Volume 1). Valletta: National Statistics Office.

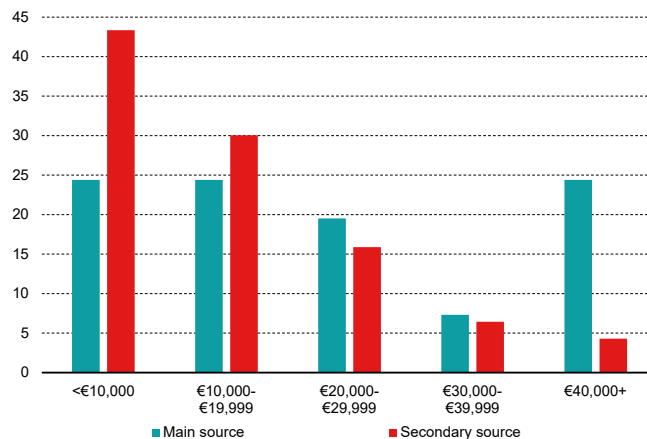
⁴ Eurostat (2024), *Population by educational attainment level, sex and age (%) – annual data* [Data Set]. This figure refers to tertiary educational attainment among the 18 to 74 years age group.

6% had four properties. The share of landlords with five or more properties stood at only 13%. Between them, this 13% of landlords managed 43% of all properties rented. As would be expected, older landlords managed a greater number of properties than the younger cohorts. In fact, landlords over 50 years of age managed almost 65% of rental properties indicating that they have a greater share of the rental market.

For four out of five landlords (80%), rental income was a secondary source of income. When asked about how much they earned in rental income only 68% of landlords provided an answer. Chart 1 shows the distribution of gross yearly rental income declared by these landlords, according to whether rent is the main or secondary source of income.⁵ For the majority (73%) of those who declared that rental income was a secondary source of revenue, the figure of rental revenue did not exceed €20,000. For those landlords who declared rental income as their main source of income, this share stood at 49%. On the other hand, the share of landlords reporting a rental income of €40,000 or more stood at 24% for those who reported rental income as their main source of income as opposed to 4% for those where rental income was a secondary source of revenue. On average, gross rental income for landlords who declared rental income as their main source of income amounted to almost €30,000 in 2022. For those who declared that rental income was a secondary source of revenue, average yearly rental income stood around €15,000.

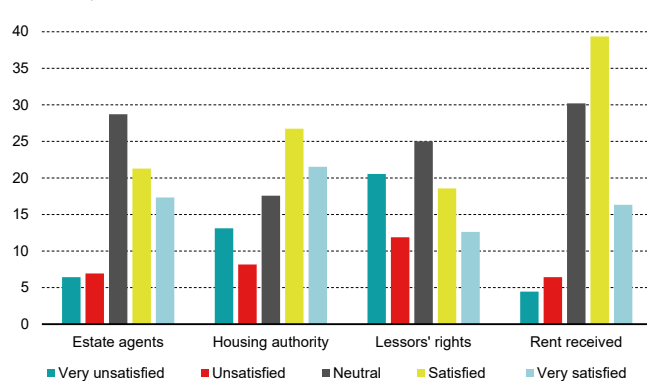
When asked about their satisfaction with the rent they received as compared to the quality of the property they let, the majority of landlords (56%) were happy with the rent received (see Chart 2). Around one in three were neither satisfied

Chart 1
GROSS YEARLY RENTAL INCOMES BY SOURCE OF INCOME
(percentages)



Source: Authors' calculations.

Chart 2
LANDLORDS' SATISFACTION WITH AGENTS, AUTHORITIES, RIGHTS PROTECTION AND RENT⁽¹⁾
(percentage)

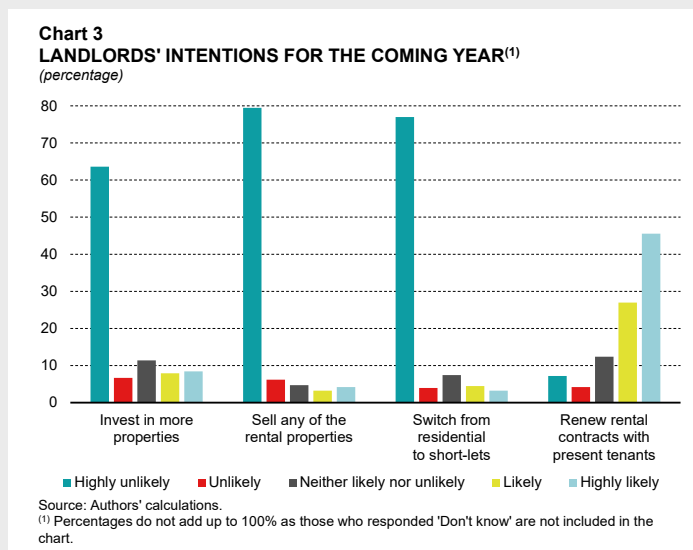


Source: Authors' calculations.

⁽¹⁾ Percentages do not add up to 100% as those who responded 'Don't know' are not included in the chart.

⁵ Figures are worked out as a share of the number of respondents who provided an answer. Given that the non-response rate to this question was high, responses should be treated with caution.

nor dissatisfied while 11% were dissatisfied. Chart 2 also displays landlords' satisfaction with the service offered by real estate agents, by the Housing Authority, as well as their satisfaction with the way their rights are protected in the rental sector. Overall, landlords were satisfied with the service received by agents as well as with the service of the Housing Authority. This is less so when it comes to the way their rights are protected in the rental market with around a third reporting that they were dissatisfied.



When asked about their intentions for the coming year, most landlords did not plan to change their real estate portfolio in the next twelve months. Indeed, 70% replied that it is unlikely that they would invest in further property with the intention of renting it out (see Chart 3). Of the remaining 30%, around half (16%) said that it is likely that they would increase their portfolio size. The latter included both established landlords as well as those who had only one property rented out, in almost equal shares.

Furthermore, around 86% of respondents indicated that they were unlikely to sell their rental properties in the coming year. Most landlords (81%) stated they intended to keep their rental properties for long-term residential purposes, with only 8% stating they intended to switch property from residential to tourism rentals in the near future.

Most landlords (73%) were satisfied with their tenants and planned to renew the lease for another year.

When asked about their preferred tenant demographic (open-ended), responses were mixed. While some landlords expressed no preference, many landlords favoured couples and families without pets. On balance, landlords preferred to rent to foreigners (particularly Europeans), but some landlords explicitly mentioned a preference to rent to Maltese tenants.

A demographic profile of tenants in Malta

According to the survey results, only 10% of tenants are Maltese, with the shares of EU and TCN tenants standing at 17% and 74%, respectively.⁶ In terms of gender composition,

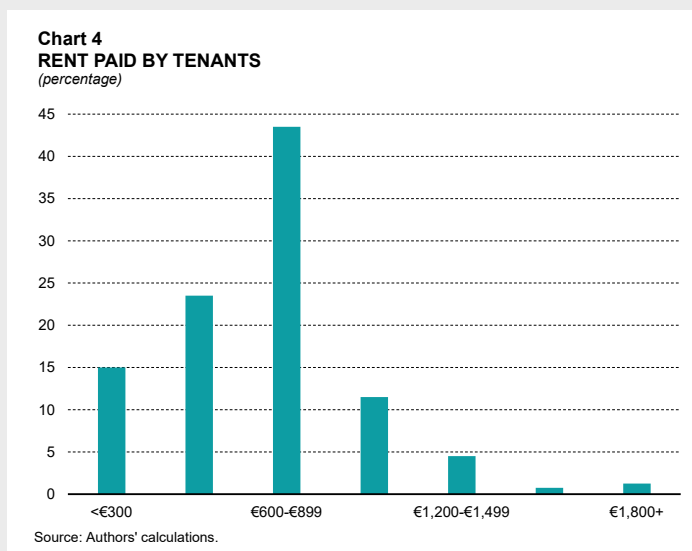
⁶ It bears mention that Maltese tenants on social housing arrangements and those holding pre-1995 leases do not form part of the residential rent registry. The registry could also be missing some (post-1995) leases involving EU/Maltese tenants. This illegal practice is less likely to occur among TCNs given work-permit requirements which oblige them to present a registered address.

almost 64% of tenants identified as males, similar to landlords' profile. On the other hand, the average tenant was younger than the average population with an average age of 36.8 years. As expected, over 91% of tenants were active in the labour market, mainly working on a full-time basis. Only 3% of tenants were pensioners while another 2% were students. Almost half of tenants (46%) had a tertiary level of education, which is significantly higher than the share of landlords and of the general population. Among the latter, only 29% had a tertiary education in 2023 (Eurostat, 2024).⁷

In terms of districts, over 40% of tenants live in the Northern Harbour region. Between them, Sliema, St Julian's and Msida absorb around 20% of tenants. One in four tenants resided in the Northern region, with St Paul's Bay occupying the top position for the locality hosting the largest number of tenants. The latter is broadly consistent with the analysis of the spatial distribution of rental contracts across the Maltese Islands (Housing Authority, 2023).⁸

Three out of every four (74%) tenants had a rental contract of just one year, with most of the remaining tenants having a contract of two years or more. Around 17% of tenants surveyed said that they lived on their own with the remaining sharing the residence with other family members. Furthermore, four out of every ten (40%) of tenants shared their residence with others, besides their family. This was mainly true for foreigners, in particular TCNs. In case of the latter, almost half (49%) of TCNs co-shared their residence with other tenants who did not form part of their family.

Chart 4 shows the monthly rent paid by tenants. This does not necessarily indicate the total rent being charged for the residence given that this figure refers solely to the amount paid by the tenant answering the survey. The median rent being paid by tenants was €650 per month. Almost half of the tenants (44%) were paying between €600 and €899 in rent. Around 39% of the respondents were paying less than €600 per month while the remaining 18% were paying in excess of €900. Just over 15% of tenants received housing benefits from the government, including one in every three Maltese tenants sampled.

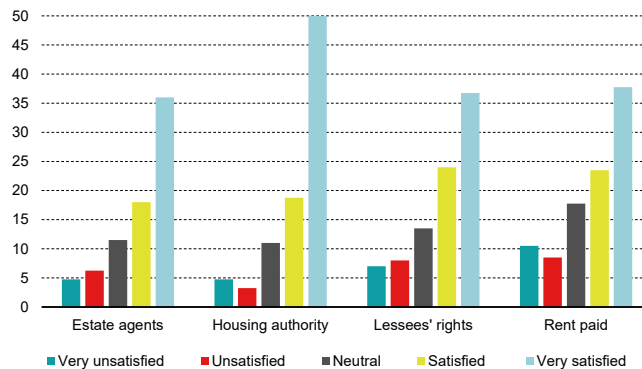


⁷ Eurostat (2024), *Population by educational attainment level, sex and age (%) – annual data* [Data Set]. This figure refers to tertiary educational attainment amongst the 18 to 74 years age group. Looking at the educational attainment of the general population aged between 35 and 44 years, which is the age cohort that captures the average age of tenants, tertiary educational attainment stood at 34%.

⁸ Housing Authority (2023), *Registered rental contracts in Malta: 2023H1 update*. Malta: Malta Housing Authority.

When asked about their satisfaction with the rent they paid as compared to the quality of the property they rented, the majority of tenants (61%) were happy with the rent paid (see Chart 5). Around 18% were neither satisfied nor dissatisfied, while 19% were dissatisfied. Tenants were also asked about their satisfaction with the service offered by real estate agents, by the Housing Authority and with the way their rights are protected in the rental sector. Most tenants (69%) were satisfied or very satisfied with the service received by the Housing Authority and by the way their rights are protected in the rental market (61%). Satisfaction with the service received by agents stood at 54%.

Chart 5
TENANTS' SATISFACTION WITH AGENTS, AUTHORITIES, RIGHTS PROTECTION AND RENT⁽¹⁾
(percentage)

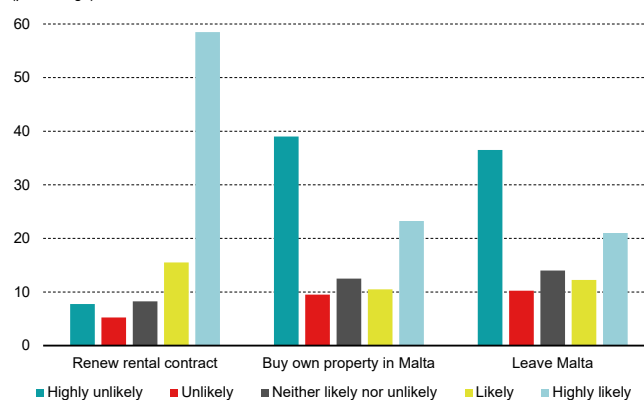


Source: Authors' calculations.
⁽¹⁾ Percentages do not add up to 100% as those who responded 'Don't know' are not included in the chart.

The survey also asked respondents whether they owned a residence besides renting. Two out of every three (67%) tenants stated that they did not own a residence. Only a small share of tenants (5%) replied that they own a residence in Malta yet almost 30% owned a residence overseas. Results show that one in every five (21%) EU tenants own a residence overseas, compared with one in every three (34%) TCNs.

Asked about their intentions going forward, three out of every four (74%) tenants expressed their wish to renew their contract with their present landlord (see Chart 6). When asked about the possibility of buying their own property in Malta, almost half (49%) of tenants stated that it was unlikely that they will purchase their own property in Malta. However, one in three (34%) stated that is likely or very likely that they will be purchasing their own property in Malta in the coming year. The majority of those with

Chart 6
TENANTS' INTENTIONS FOR THE COMING YEAR⁽¹⁾
(percentage)



Source: Authors' calculations.
⁽¹⁾ Percentages do not add up to 100% as those who responded 'Don't know' are not included in the chart.

intentions to buy were TCNs with a medium or high level of education. When asked about their ability to afford to buy a residence in Malta, one in every three respondents (34%) said that it is likely that they would be able to carry out the transaction. On the other hand, 40% stated that they would not afford it.

Tenants were also asked about the likelihood of leaving Malta in the coming year. Almost half (47%) said it is unlikely that they would leave soon while one in three (33%) stated that it is likely or very likely that they will be moving on within a year. This is broadly in line with findings in other studies which found that the length of stay of foreign workers in Malta is short with around half of foreigners engaged in the Maltese labour market exiting within the first year or two years later than the year of engagement (Borg, 2019).⁹

Landlords and tenants – Rent regulation awareness

The questionnaire included a 12-question test to assess the knowledge of landlords and tenants in several aspects of rent regulations in Malta including knowledge about lease duration, lease termination, rent increments, utilities and fees as well as about the adjudication panel (see Table 2).

Table 2
RESIDENTIAL RENT LAWS KNOWLEDGE TEST

	Questions	Correct answer
Duration	1. What is the shortest duration allowed for a long-let residential lease?	1 year
	2. In one-year lease, how long must the tenant stay as a minimum?	6 months
	3. When tenants rent a room in a shared space, how long must the contract be?	6 months
Termination	4. Do emails by the landlord/tenants count as notification to terminate the lease?	No
	5. If tenants get no notice from the landlord, is their lease renewed?	Yes
Rent	6. When renewing the same contract, what is the maximum % landlords can increase rent?	5%
	7. When signing a new contract with same tenants, what is the maximum % landlords can increase rent?	Any
Utilities, Fees, Damage	8. Are landlords obliged to show the water and electricity bill to tenants?	Yes
	9. May landlords ask for insurance and condominium fees in the contract?	Yes
	10. If something gets damaged by wear and tear must the landlord replace it?	Yes
Adjudication	11. Is there an adjudication panel for private residential leases?	Yes
	12. Can landlords change the lock if a tenant fails to pay or stays on?	No

⁹ Borg, I. (2019), [The length of stay of foreign workers in Malta](#). Central Bank of Malta *Policy Note* January 2019.

Charts 7 and 8 illustrate the share of correct and incorrect results from the 12 different questions, making a distinction between landlords and tenants. The questions with the most correct results were those concerning utility bills, wear and tear, and automatic renewals, while those with the least correct answers were the questions on the duration of shared spaces and the rent increases for new contracts.

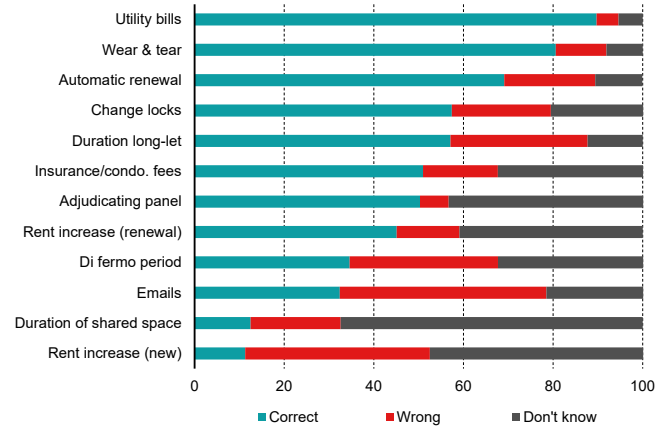
In general, landlords obtained a higher share of correct questions in all 12 questions compared to tenants. The largest differences in correct answers between the two groups were on the awareness of the adjudicating panel (51% landlords vs. 17% tenants) and the minimum duration for a long-let contracts (57% landlords vs. 28% tenants).

The question with the highest share of incorrect answers was on the use of email as notification for the termination of the lease. This question was answered incorrectly by 56% of tenants and 46% of landlords. Finally, the questions with the highest share of 'don't know' replies for tenants were those concerning the existence of an adjudicating panel (74%) and the maximum increase permissible by landlords when signing a new contract with existing tenants (68%). For landlords, the question with the highest 'don't know' reply was that related to the duration of shared space leases (67%).

In general, landlords were more aware of rent regulations compared to tenants, but in both cases, knowledge was far from complete.¹⁰ Taken as a whole group, on average, landlords

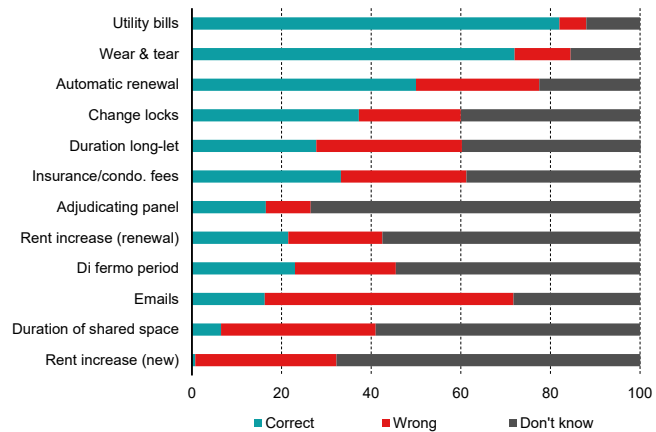
¹⁰ [Additional information on rent regulations and the procedure for registering residential leases with the Housing Authority.](#)

Chart 7
LANDLORDS' KNOWLEDGE ABOUT RENT REGULATIONS
(percentage)



Source: Authors' calculations.

Chart 8
TENANTS' KNOWLEDGE ABOUT RENT REGULATIONS
(percentage)



Source: Authors' calculations.

passed the knowledge test with a rounded-up score of 6/12 while tenants failed the test with a score of 4/12.

Conclusion

In summary, tenants and landlords have a different demographic profile. Tenants are predominantly foreign, young, with relatively higher education. Nine out of ten tenants are active in the labour market. For tenants, the experience is characterised by sharing residence with others and a tendency to move around properties. A third of the respondents are prepared to leave the island shortly, while a third have intentions to settle in Malta and purchase their own property.

On the other hand, landlords are mainly Maltese. They are older than tenants and than the Maltese population on average, and a third of them are retired. Eight out of ten landlords own fewer than five properties, and four out of ten own only one. Indeed, rental income serves as a supplement to their main income for four out of five landlords.

Tenants are more satisfied than landlords with the services offered by the Housing Authority and estate agents. Similarly, tenants expressed more satisfaction than landlords with the way their rights are protected. Nonetheless, many landlords seem satisfied with their current status, and while most of them indicated no desire to invest further in the rental market, the majority expressed no desire to shift out of the market (both to sell their properties or to shift into short lets). Furthermore, most of them indicated a willingness to renew present contracts.

Awareness about the Private Residential Leases Act is mixed, but it is higher among landlords (particularly about the existence of the Adjudication Panel and minimum contract duration). In general, respondents were aware about the obligations surrounding utility bills, wear and tear, and lease renewal. On the other hand, there is considerable confusion about the legal duration of shared spaces contracts and the possibility to raise rents in a new contract with the same tenants. Respondents are also unaware of the need to use a registered letter for contract termination.

Finally, it is necessary to outline the shortcomings of the study. Utmost care was taken to obtain a random and representative sample. Nonetheless, several who were contacted refused to take part in the interview. The resultant sample could be skewed towards those who were able to speak in English or Maltese, and who had the time and the interest to participate. The sample likely also over-represents TCNs, given that work permit requirements oblige them to present a registered lease – a necessity which is not prevalent among EU or Maltese nationals. Furthermore, errors related to understanding, recall and honesty are likely to be present.