



**I focus**  
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# A country of developers?

In a press release about property sales issued last Monday, the Malta Developers Association (MDA) stated that “despite the doom and gloom of some media quarters, the figures for February show that these have exceeded expectations and beaten all forecasts.”

**T**he MDA added that “Malta’s favourable climate and lifestyle contribute to its growing popularity as a relocation destination, and the positive outlook is expected to continue in the coming years. Property in Malta will remain the best investment opportunity for those looking to invest in a stable and thriving market.”

In its press release, the MDA referred to the Housing in Europe Report 2022 interactive edition, and mentioned various reasons why Malta and its property market “are so attractive.” These include affordability, energy efficiency and the “highest number of persons per household in the whole European Union.”

With respect to the above, it seems that there are parallel worlds in the tiniest and most congested member-state of the EU. In the news headlines, we witness ruinous development and negative public reactions to it. Yet statistics show that, to date, there is no loss of appetite towards investment in the property sector.

Which reminds me of a fellow Sliema resident I was talking to some years ago, where in the space of a few seconds he complained against development going on next to his residence, but queried about his own rights as a developer elsewhere. Just like this fellow resident, there are many more persons in Malta who occupy these two roles simultaneously. Hence, you might lament the destruction of the environment, but at the



same time be someone who invests in the property sector.

In this regard, I do not agree with voices in the public sphere whose analyses reduce Malta’s property sector to the ‘greed of a few’, a sort of 1% which is exploiting the remaining 99%. I think reality is far more nuanced than that. Indeed, for many people, property remains the safest form of investment. These same people may be concerned with environmental destruction, but they do not put their money where their mouth is, also because of a lack of alternative economic opportunities.

On the other hand, I do see challenges – and big ones at that – related to Malta’s property market. I needn’t write about the environmental risks, as these get ample coverage in the media and the public sphere, and rightly so. What I would like to emphasize in this short article are social class and demography.

I believe that Malta’s current political economy is one which has enabled many people, and not just the big developers, to earn extra revenue, for example, by building extra storeys on their properties, which in turn can be rented out or sold. In a

country with a relatively high percentage of home-ownership – around 80% – some working-class people have thus become ‘small’ developers themselves, courtesy of permissive development policies.

At the same time, however, there are other working and middle class people who are being priced out of the property market, particularly if they do not own property themselves. Hence they may remain living with relatives, reduce their expectations, or engage in impossible work-practices to generate the income required for property costs.

In the meantime, the demand for property to buy or rent remains very strong, and this is very much dependent on the massive increase in Malta’s population. Let us keep in mind that according to the most recent national census, Malta’s population experienced a 20% increase in a decade, courtesy of foreigners relocating to Malta. Some have the money to buy or rent pricey properties, whilst others work in precarious jobs and share residence with other workers.

These class and demographic dynamics may become sharper as Malta is facing challenges such as increased cost of living, public finance and corporate tax.