

An expensive glut

Finally, 'several' property developers (as reported by Herman Grech, The Times, January 12) are admitting that, with over 30,000 vacant properties in these islands and with thousands (some 3,300) apartments to be developed in the next few years on the site of former hotels (such as Crowne Plaza, Mistra Village and Galaxy Hotel) or even restaurants (Ta' Cassia) or vintage Sliema houses, housing supply is far exceeding demand.

Mr Grech also reports that there are 60 pending applications with MEPA for the construction of apartments. Even sites previously earmarked for non-residential development, such as White Rocks, will now have a residential component - are we steeling ourselves for a massive population influx?

These avant-garde developers spoke through an unnamed local property negotiator. Why is it anathema for any aspiring or accomplished politician, businessman or property negotiator to call a spade a spade and openly admit that construction at current levels is unsustainable and should be reined in? The answer is obvious... because of the obvious ties between the two major political parties and the construction industry. The Diocesan Commission for Justice and Peace certainly did not mince words when, in its paper issued on January 5, it expressed concern about the "endemic and uncontrollable speculative practices" in the property market.

Minister Dolores Christina, while reportedly welcoming the paper, poured cold water over the commission's call for the urgent need to revise the rent laws and lauded Government's Lm2.76 million social housing expenditure this year. While this is a significant increase on previous years, it would have been useful to also give the percentage (of young couples looking for their first property) constituted by the recipient couples and the percentage (of the total cost of property every year) constituted by the Lm2.76 million. This would have shown that such social expenditure, albeit a commendable venture, remains a drop in the ocean.

In his article "Malta's real estate growth vis-à-vis house affordability" (The Sunday Times, December 31, 2006), Denis H. Camilleri states that, although it was known that EU membership would bring about a surge in property prices, inadequate action was taken. Upmarket property prices in Malta (which can fetch even Lm2,000/m²) are on a par with those of Madrid and Sydney, where salaries are much higher.

Against this backdrop, you might be forgiven if you thought that there was a consensus about the need to rein in development and property prices. But such a consensus does not exist... a few months back, I recall being interviewed for a TV programme (Doksa) dealing with the relationship between property prices and supply and demand.

My argument that property prices in Malta are not adhering to conventional 'rules' of economics, whereby they are not driven by supply and demand (unlike the UK, for example, where a shortage of property supply is being experienced), was refuted by part of the panel. Politicians with backbone could be defined by their willingness to embark on any of these recommendations:

- A permit condition for any new development should be that the same dwelling is inhabited within six months of completion to avoid speculation;
- Yet another condition should be that any new dwelling cannot be demolished for at least 20 years, to avoid the sinful waste of non-renewable construction material, as rightly stressed by the Church Commission;
- There should be a ceiling on new properties to be purchased and on the sums of money invested in property by individuals to induce them (since they are shaping property prices at the end of the day) to invest part of their capital in banks and other business enterprises and thus keep away from speculative activity. Economist Edward Scicluna (MaltaToday, December 17, 2006) stated that the dramatic increase in the number of apartments, accompanied by skyrocketing prices, indicates that black money is being washed in the Maltese property market.

Vacant property should be taxed, with a distinction to be made obviously between single and multiple properties - for example, a couple having two children can be allowed to possess two tax-free properties, etc. Other incentives should be given to owners of vacant property to release them onto the market, as rightly recommended by Architect Camilleri in his article. The recent online survey by The Times sought to find out whom the Maltese blame for high property prices - 66.7 per cent stated that real estate agents, the authorities and owners are all responsible.

In his article "MEPA - who is accountable for what" (The Sunday Times, January 14), BICC chairman Robert Musumeci rightly decries excessive bureaucracy at MEPA - however, I disagree with him when he exhorts MEPA's top brass to give specific directions so that "applications for development are not stifled" - what exactly does he mean by "development"? This term is usually abused locally so as to render urbanisation and over-development more palatable. In addition, Mr Musumeci states that case officers too frequently pepper their reports with negative recommendations, which are then frequently rebutted at the decision stage. Such a scenario, in which case officers' re-commendations are ignored at an astounding rate, is also anomalous since it is effectively making their role redundant, so as to get more development applications 'approved'.

The mooted rise in local bank interest rates could help siphon off part of the cash currently being invested in property, although no definite guarantee for this exists - in fact, the recent rise in the Bank of England interest rates did not dent the surge of the UK property market. However, there is an indication that property price growth in the UK is no longer accelerating - the first time since March - which in turn may signal that inflation may start to ease in the coming months.

Developers and property negotiators are pinning their hopes on hordes of foreigners taking up permanent residence in Malta. The path is, in fact, already being paved for them, as testified by the recent addition of Busietta Gardens to the list of five other SDAs (Specially Designated Areas) which will allow non-residents to buy property in the luxury Madiena complex without the need to apply for a permit, by the advent of low-cost airlines and Malta's accession to the Eurozone in 2008.

The writing is on the wall for a new Hong Kong-style Malta, where the already stifling population density is augmented by significant numbers of foreigners and where our uncontrollable construction debris is dumped unceremoniously into the sea as part of "land reclamation" schemes in which the same magnates who generated the waste will own companies which profit from its disposal. And the construction wheel keeps turning...

No 'green' medals

I was among the thousands who visited the Auberge de Castille as part of *Notte Magica*. Making my way through the majestic rooms, I saw the exhibition of personal profiles of MOM (Medal of Merit) recipients. A whole kaleidoscope of recipients was included, ranging from statesmen to composers, from sportsmen to philanthropists and social workers, and from folk singers to florists.

Needless to say, such individuals shone in their respective professions and hence are worthy of such recognition. What struck me, however, was that no individual involved in the local environmental field figured among the recipients. Is it possible that none of the many who selflessly dedicated their time to safeguard the natural heritage have been nominated for the Republic Day honours?

Troubled Calypso, again

It seems that the developer's axe hovers perennially over our sister island, like the sword of Damocles. "Castelain" (The Sunday Times, January 7) writes: "Sites for the building of a golf course in Gozo have also been suggested by MEPA. One should also study possible sites for the building of yacht marinas." This came after the writer called for an extension to the existing runway in Gozo. So, in one breath, three different, large-scale projects are being urged - how can the writer expect readers to take his earlier statement - "Projects planned for Gozo by the private sector should not be harmful to the environment and we must preserve what we haven't lost so far since whatever we lose now will be lost forever" - seriously?

One gets the impression that such a statement was included as an afterthought, since calls to respect the environment always appeal to readers.

"Castelain" starts by lamenting that there has always been a disparity between the growth rates and standard of living of Malta and Gozo. What about quality of life, which has nosedived in many urbanised parts of Malta?

To appreciate the higher quality of life that Gozitans enjoy, they should visit the Inner Harbour area of Malta or the main street in Victoria, Gozo, which has taken the semblances of just another Maltese town. Quality of life and standard of living are not synonymous, and, as a result of the Maltese *modus operandi*, the quest for the latter will lead Gozitans to forfeit the former.

Proponents of such mega projects should take a leaf out of the following contributions, recently made at an international conference organised by Heritage Malta in Gozo:

Dr Luciano Mulè Stagno, the new CEO of Heritage Malta, announced that his vision is to enhance the discrete identity of Gozo - then there's everything else about Gozitan life, the atmospherics, the aura that allows the MTA to promote it as a cultural destination... not a resort.

Minister Francis Zammit Dimech said about Gozo: "We don't need to create something we haven't got" (this could be construed to be referring to golf courses, for example).

Bishop Grech challenged the emphasis on sustainable tourism, which means to be able to continue to make a profit, suggesting rather that ethical tourism should be the goal.

MEPA's toothlessness

Mtarfa - at a site along Mtarfa Bypass at Tal-Marg (Wied il-Hmesija) in an Area of High Landscape Value (AHLV), an individual has been loading soil on trucks, presumably to sell it - this infringement was repeatedly reported by Nature Trust - in fact, the same site is already hit by enforcement action and the site was sealed by MEPA on various occasions.

Moreover PA 4632/05 submitted on site by applicant (to replace soil that has been washed out and construct a rubble retaining wall) was dismissed by DCC in terms of Art 52 (7) of the DPA since the stop notice was breached by further works. It is very cheeky of the applicant to state that soil has been lost - soil is actually being loaded away. Despite MEPA's actions, infringements continue, sometimes even during the night and on weekends.

On another note, MEPA issued enforcement notice ECF756/06 against the Works Division on December 20, 2006 against "Enclosure of area with chain wire fence and placing of containers and site office" at Wied Hoxt - will the Works Division respect such an enforcement notice this time round?

In view of this and a plethora of other cases, MEPA's enforcement powers should be bolstered, both in terms of manpower and in terms of facilities.

Silver linings

TECOM - With commercial and residential buildings in Dubai currently consuming more than 75 per cent of the emirate's electricity and water, TECOM Investments, through its recently launched Renewable Energy Division, is spearheading the development of 'Green' buildings to tackle the growing problem of resource waste.

Under the auspices of the company's Sustainable Development Policy, all new TECOM-owned buildings, both locally and internationally, will be designed, constructed and operated to the US Green Building Council's 'Leadership in Energy and Environmental Design' (LEED®) silver guidelines - the world's premier certification programme for sustainable buildings. In addition, all current structures will be brought up to certification in the next five years, allowing TECOM Investments to reduce its Specific Energy Consumption (kWh/sq. ft) by 25 per cent in the next five years. The company also believes that, through the adaptation of innovative new technologies, it can ease its present Specific Water Consumption by 30 per cent in the next three years. Teachers' gesture - A small group of teachers at Erin Serracino Inglott Girls Secondary School recently planted a tree instead of giving the usual presents at Christmas. The chosen tree was the national tree, Gharghar. This initiative is in keeping with the Ekoskola project which has been very active at the school.