

# MALTESE PROPERTY MARKET DURING COVID-19

Survey report based on responses obtained  
between April 24 - May 5, 2020.

Results based on 963 responses



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# INTRODUCTION

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Has the COVID-19 pandemic affected property and rent prices in Malta? Will people start investing when the pandemic is over? Do landlords believe real estate agencies can assist them? Are banks helping in this time of crisis? The answers to these questions are reported in this document.

The survey was carried out amongst a representative sample of the Maltese population (963 replies, margin of error of 4%) by data specialists, bringing the latest insights regarding the property market.

1

Demographics

2

COVID-19 impact

3

Landlord Insights

4

Bank Insights

5

Belair insights

6

Concluding remarks



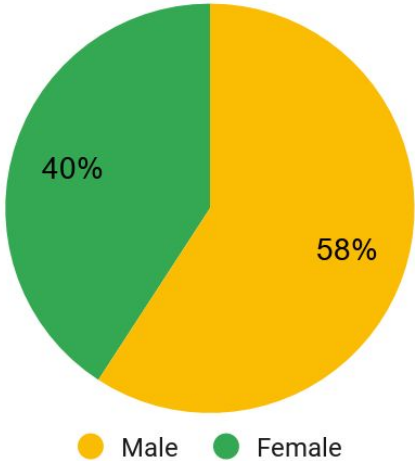
# DEMOGRAPHICS



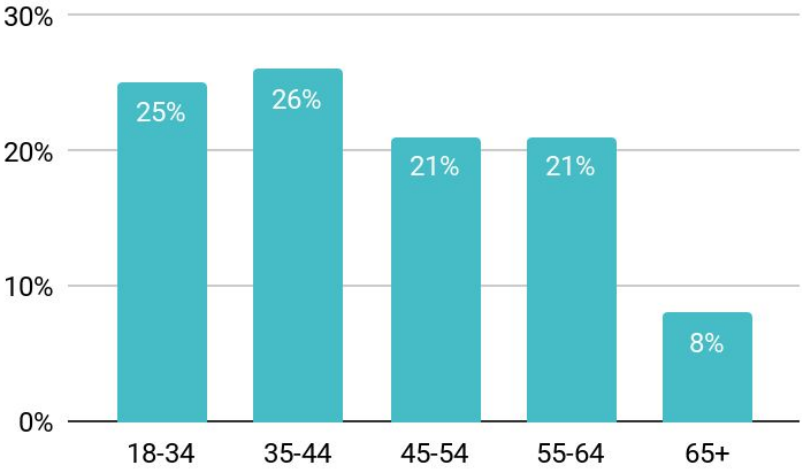
# Demographics - Personal



Gender

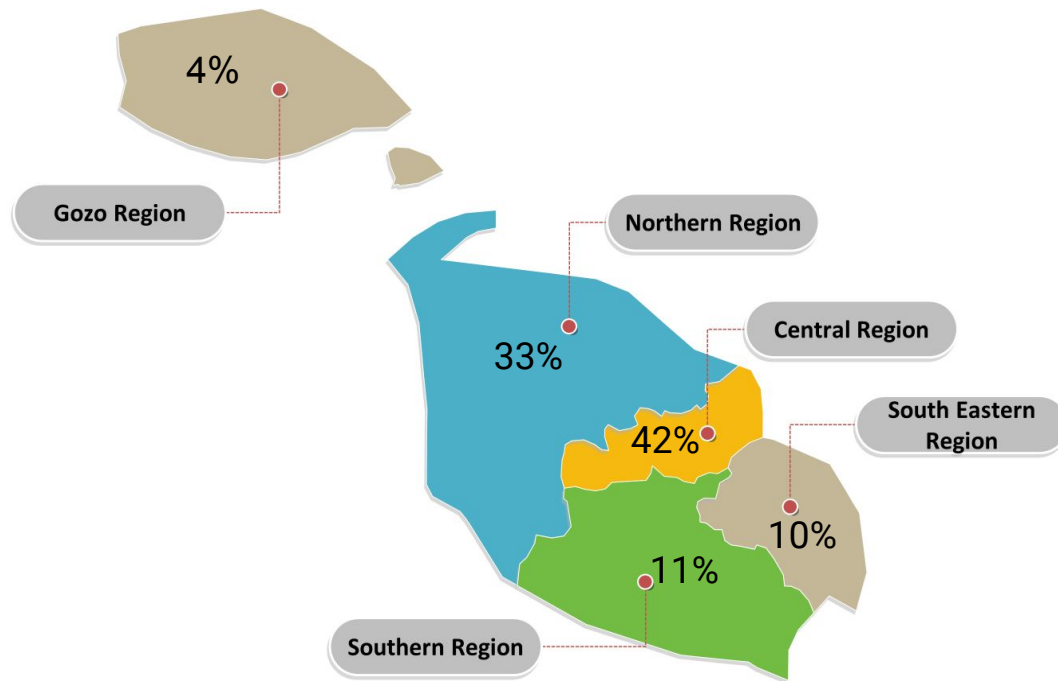


Age



# Demographics - Geographical

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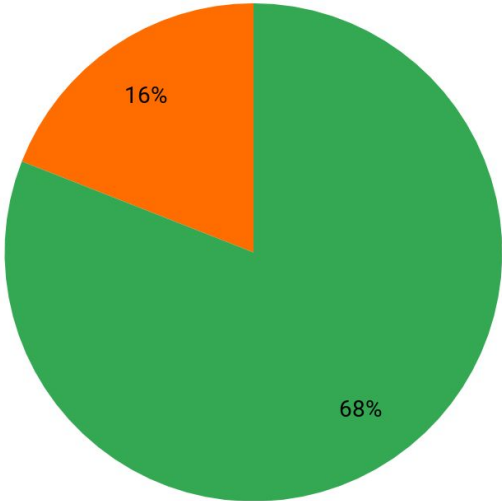


# Demographics - Rent



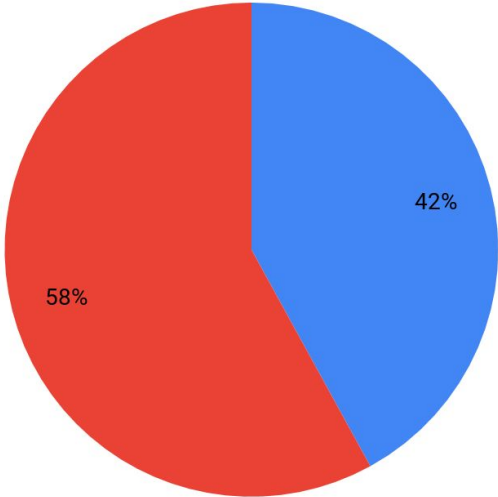
% of people paying rent or owning

● Owning the property   ● Renting the property



% of people renting their own property

● Owning rental property   ● Not renting



68 %

Of respondents own the property they are living in





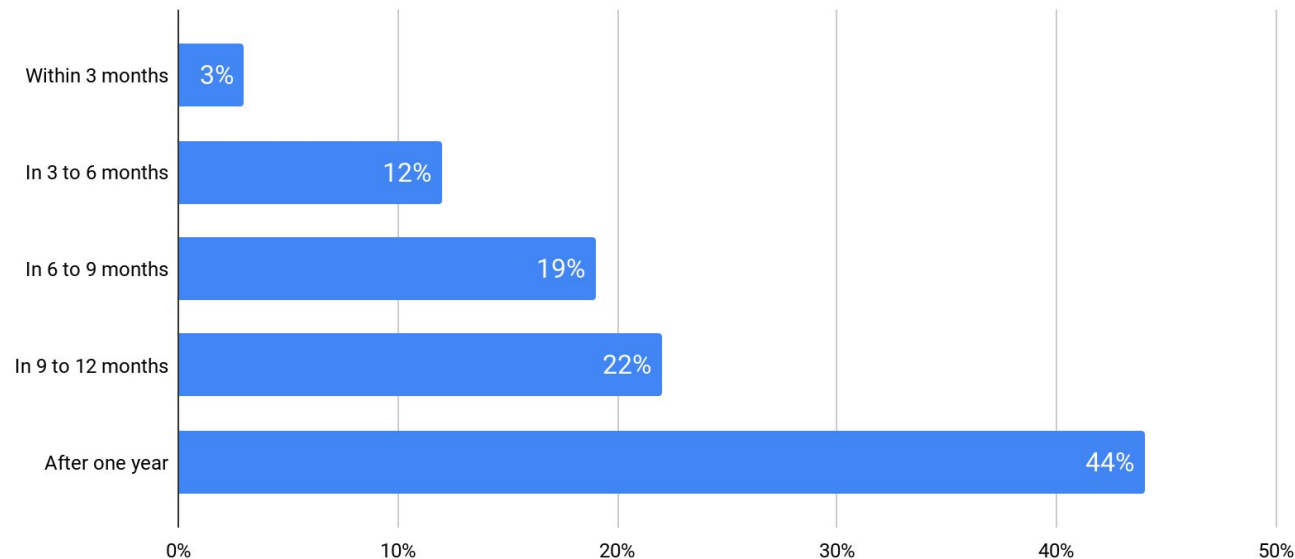
# COVID-19 IMPACT



# Almost half of respondents are sceptical about the Maltese economy recovering soon after COVID-19.

## Expected return to normality<sup>1</sup>

Percent of respondents



44 %

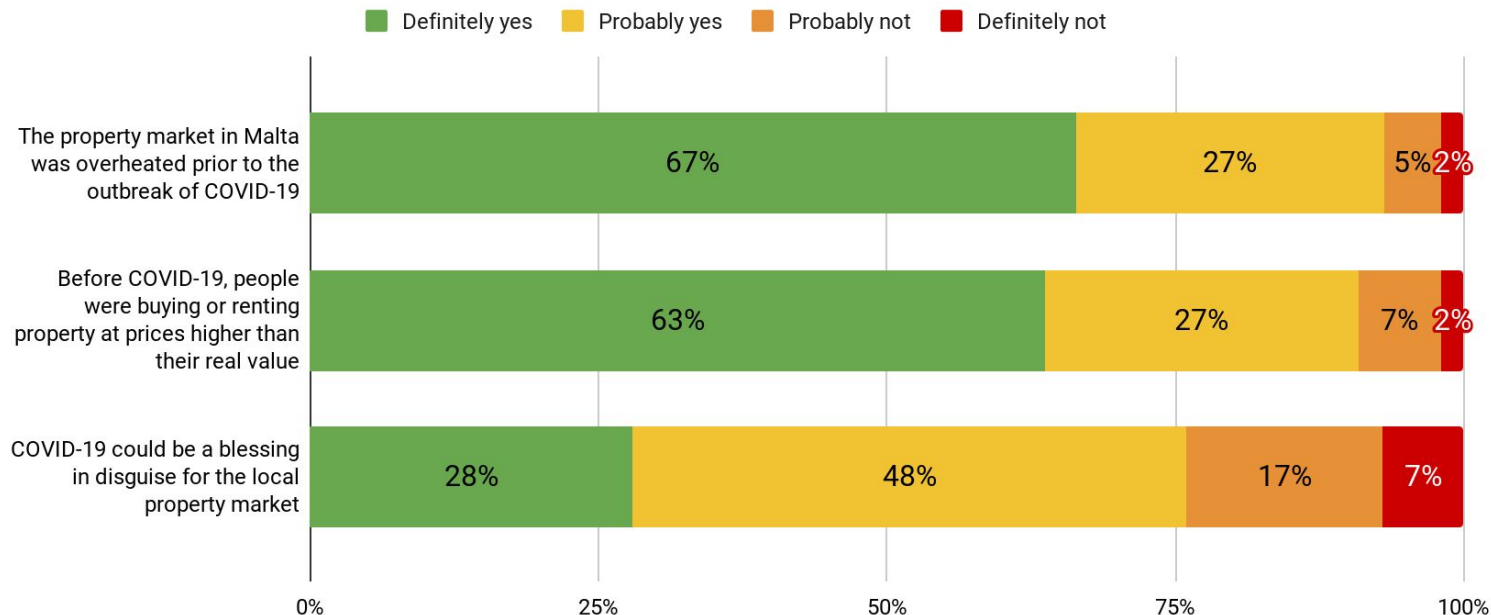
Believe it will take more than a year for the economy to go back to normal.

1. When do you expect levels of economic activity to get back to some form of normality?

# People believe the property market was overheated before the outbreak; They are optimistic that COVID-19 might solve the issue.

## Sentiment on property market before/after the pandemic<sup>1,2,3</sup>

Percent of respondents

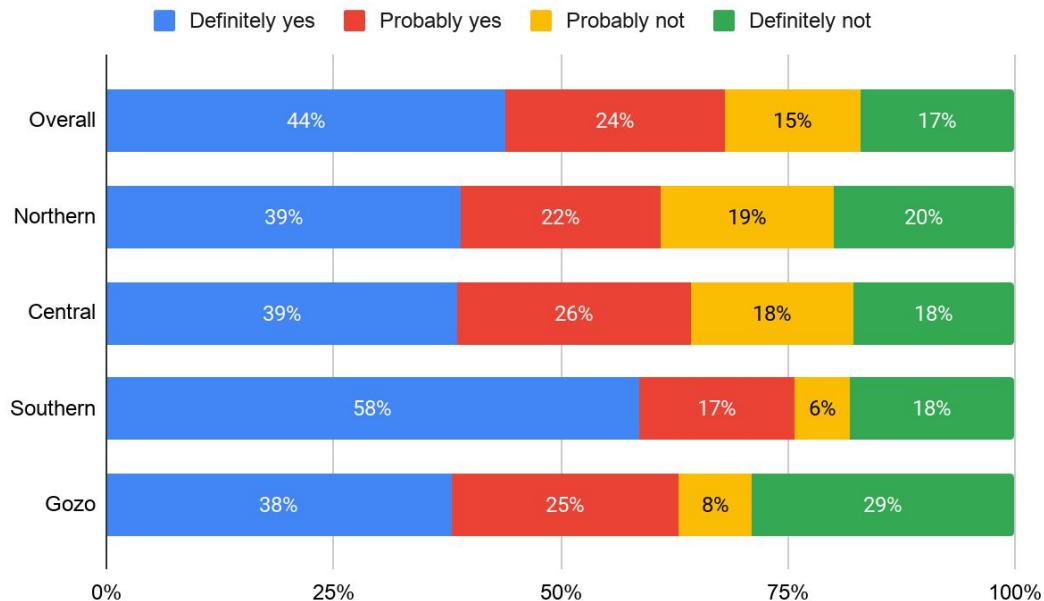


1. Do you feel the property market in Malta was overheated prior to the outbreak of COVID-19?
2. Do you think that before COVID-19, people were buying or renting property at prices higher than their real value?
3. Do you feel COVID-19 could be a blessing in disguise for the local property market, given the pace over recent years?

# 68% of respondents want the property prices to fall during & post COVID-19; most commonly people in the South of Malta.

## Expected change in property prices<sup>1,2</sup>

Percent of respondents



52 %

Of young respondents want the property prices to fall during & post COVID-19

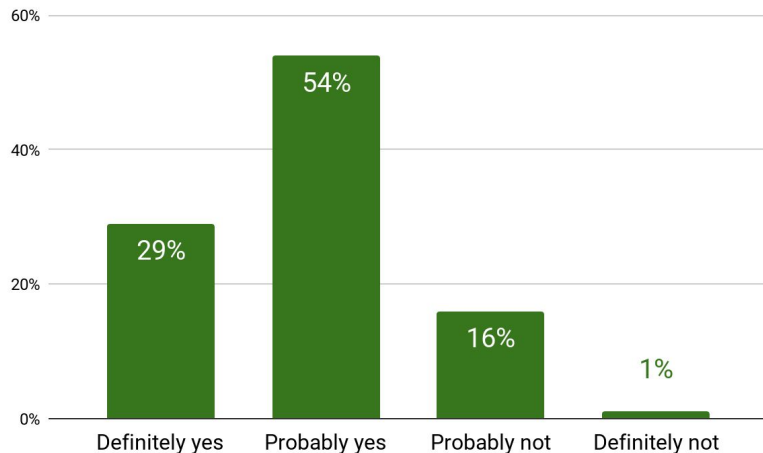
1. Do you want property prices to fall during & post COVID-19?
2. Would you expect a property prices to fall in all areas, or depending on locations?

# 83% of respondents believe that the number of foreign workers will decrease after COVID-19.

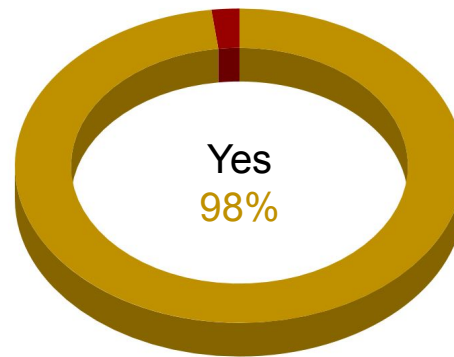
## Expected change in the number of foreign workers<sup>1,2</sup>

Percent of respondents

### Will the number of foreign workers decrease?



### Will the decrease in foreign workers impact rental market?



1. Do you think that the number of foreign workers will reduce substantially locally due to COVID-19?

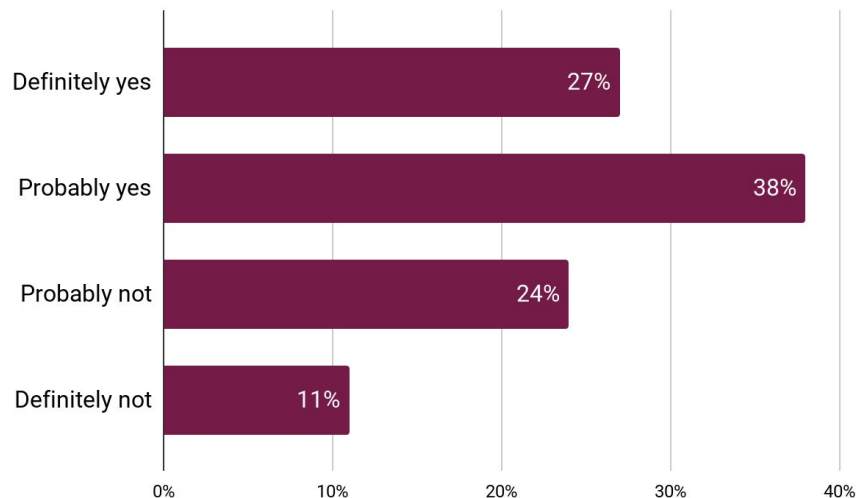
2. Do you feel a decrease in foreign workers will impact the rental market?

# 65% of respondents will/might look for property opportunities after COVID-19.

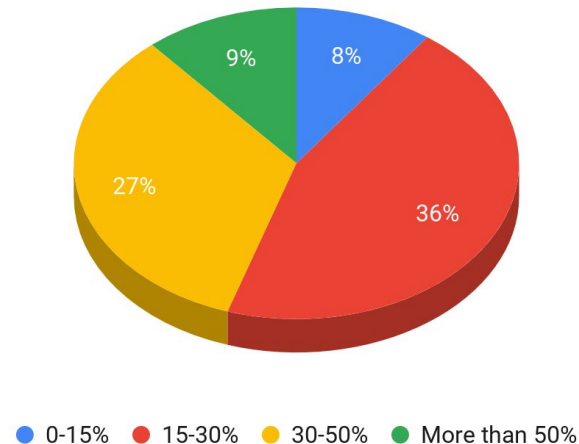
## Interest in property opportunities post COVID-19<sup>1,2</sup>

Percent of respondents

### Property opportunities, interested?



### 63% of respondents would need 15% to 50% price drop to be tempted into buying



1. Will you be looking for any property opportunities post COVID-19?

2. What % of price drops would you consider attractive to get tempted into buying a property post COVID-19?

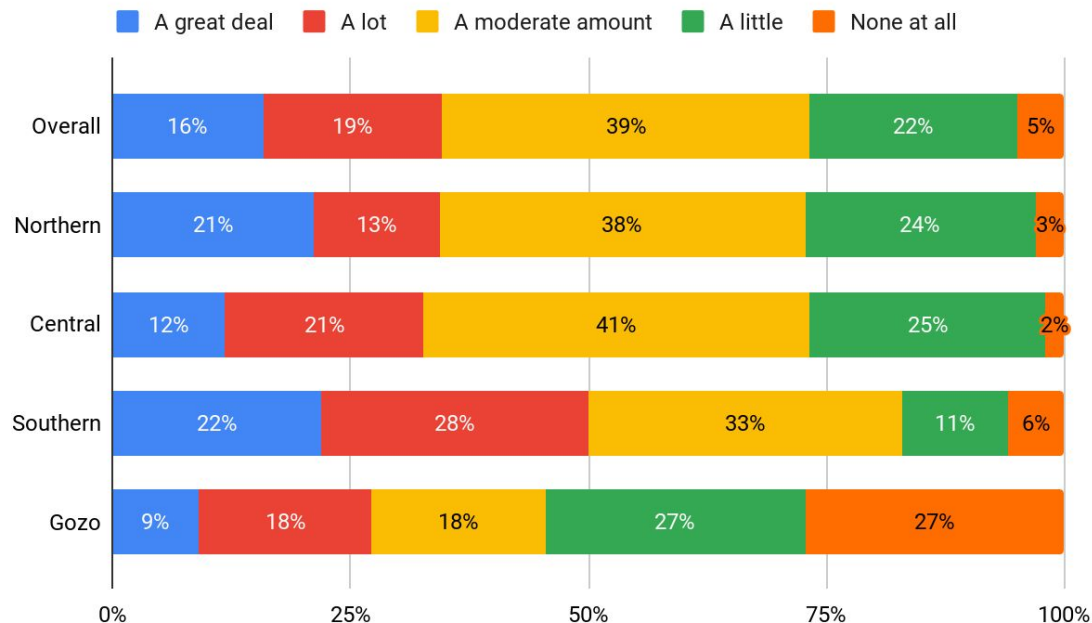
# LANDLORD INSIGHTS



# 74% of landlord respondents fear for the future of the rental market.

## Fear of landlords towards the future of the rental market<sup>1</sup>

Percent of respondents



83 %

Of respondents who live in the Southern region are scared

27 %

Of respondents who live in Gozo are not scared at all

1. As a landlord of your rental property, do you fear for the future of the rental market?

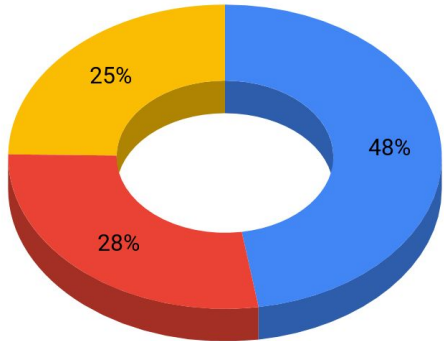


# Half landlords will wait until they will rent at their desired price, but 64% thinks lowering the price would increase the renting rate

## Expected changes in rental prices<sup>1,2</sup>

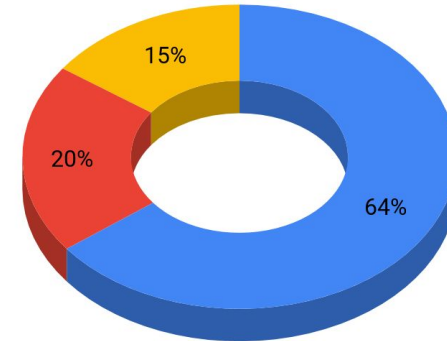
Percent of respondents

Is it just a matter of time until you rent at your desired price?



● Definitely/probably yes ● Might or might not ● Definitely/probably not

Would you lower the rental price to increase the renting rate?



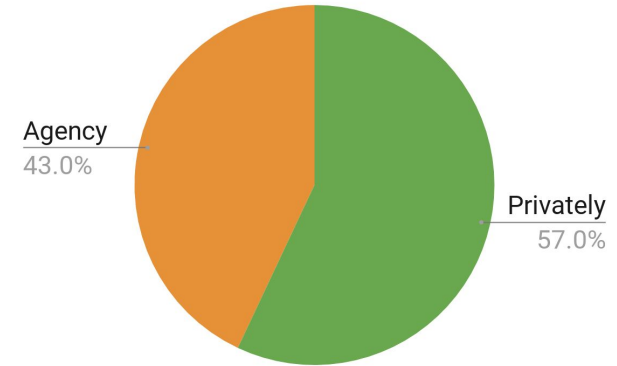
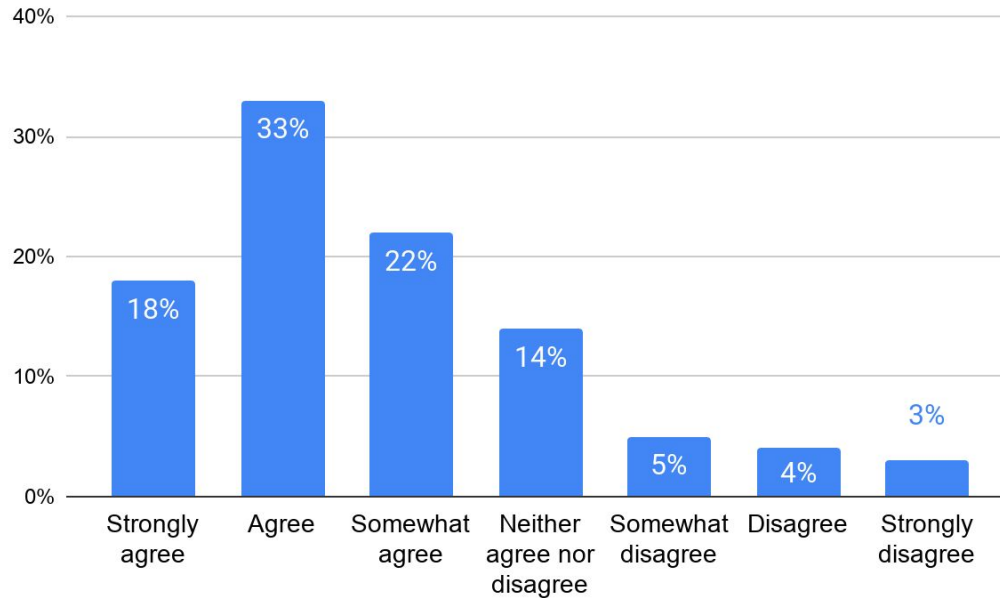
● Definitely/probably yes ● Might or might not ● Definitely/probably not

1. As a landlord of your rental property, given the current COVID-19 situation, do you believe that it is just a matter of time until you rent at your current asking price?
2. As a landlord would you consider lowering the rental price to potentially increase the rate at which you rent your property?

# 73% agree that a real estate agency would be helpful in renting or selling as fast as possible.

## Effectiveness of real estate agencies<sup>1,2</sup>

Percent of respondents



But **57%** of respondents believe they would be better finding investment opportunities without an agency.

**68%** of respondents under 45, believe a real estate agency can assist well, whereas only **39%** of respondents over 45, are of the same idea.

1. If you need to rent or sell a property as fast as possible given the current crisis, do you agree that a real-estate agent's assistance will be of high value to help you achieve this?
2. Post COVID-19 you believe there is great investment opportunities in property. Do you think you are better off finding them privately or do you think a real-estate agency can assist better?

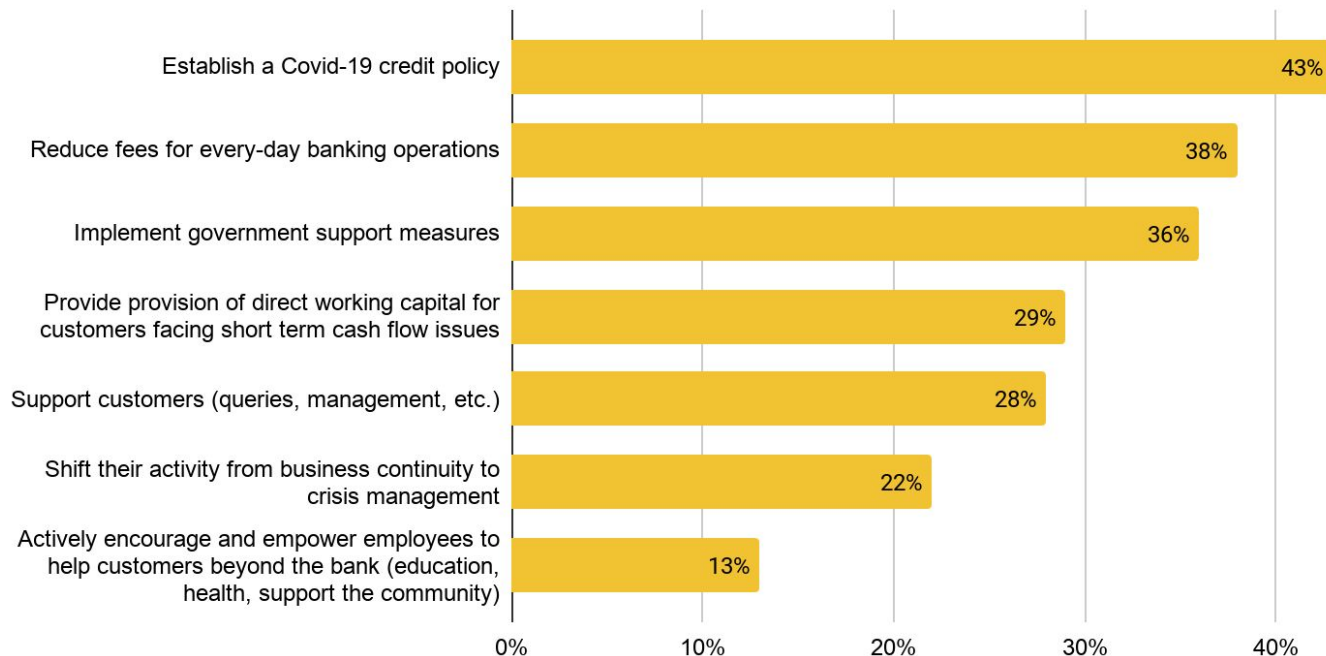
# BANK INSIGHTS



# For 43% of respondents banks should establish a COVID-19 credit policy.

## Expected initiatives by the banks<sup>1</sup>

Percent of respondents



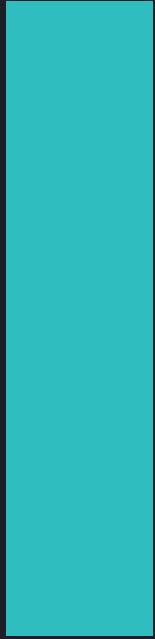
68 %

Of respondents claim they have not been supported by their bank during this crisis.

41 %

Of female respondents have been supported by their bank, males only 26%.

1. What do you think banks should be doing to help? (Select all that apply)



**BELAIR INSIGHTS**



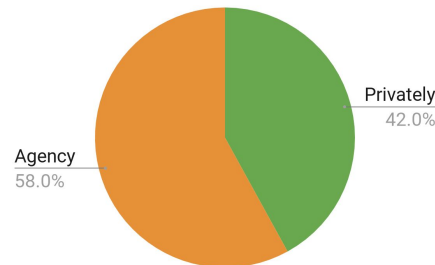
# Differences within Belair's client base\*: More males, More trust in agencies' help and believe that COVID-19 will somewhat affect the property market.

## Belair insights<sup>1,2</sup>

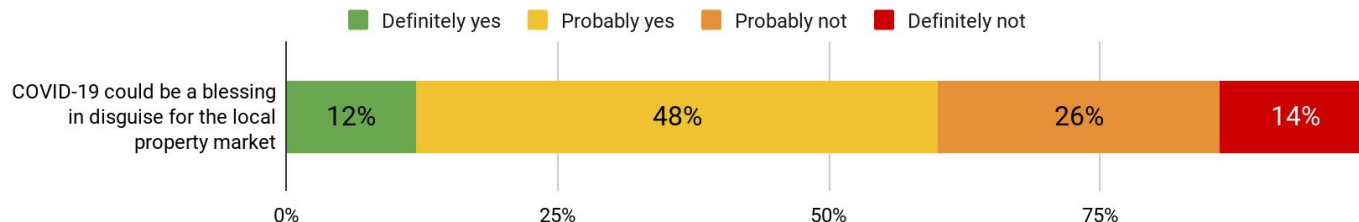
Percent of respondents

The proportion of male respondents is slightly higher in this subpopulation (63% vs. 58%)

The proportion of respondents who believe they can find investment opportunities privately is **15% less**



In the Belair subpopulation, respondents are less convinced that COVID-19 could be good for the Maltese property market

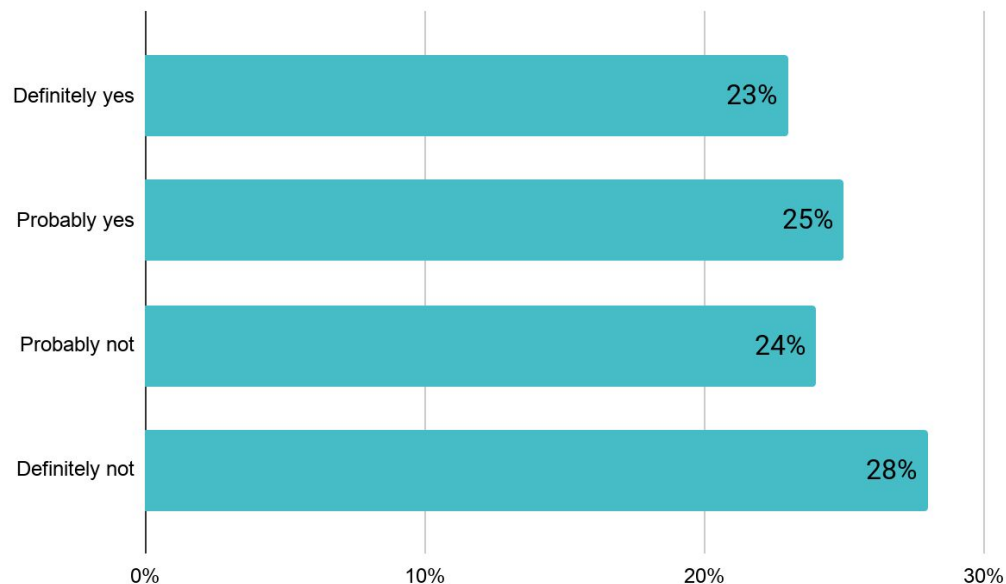


1. Post COVID-19 you believe there is great investment opportunities in property. Do you think you are better off finding them privately or do you think a real-estate agency can assist better?
2. Do you feel COVID-19 could be a blessing in disguise for the local property market, given the pace over recent years?
3. \*made up of landlords, vendors/developers & clients

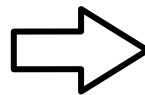
# Within Belair's client base\* less people want prices to fall, mainly due to the fact that a larger portion of respondents are already renting out their own property.

## Desire for property prices to fall<sup>1</sup>

Percent of respondents



Within Belair's client base\* **more than half of the respondents** do not want the properties prices to fall



≠

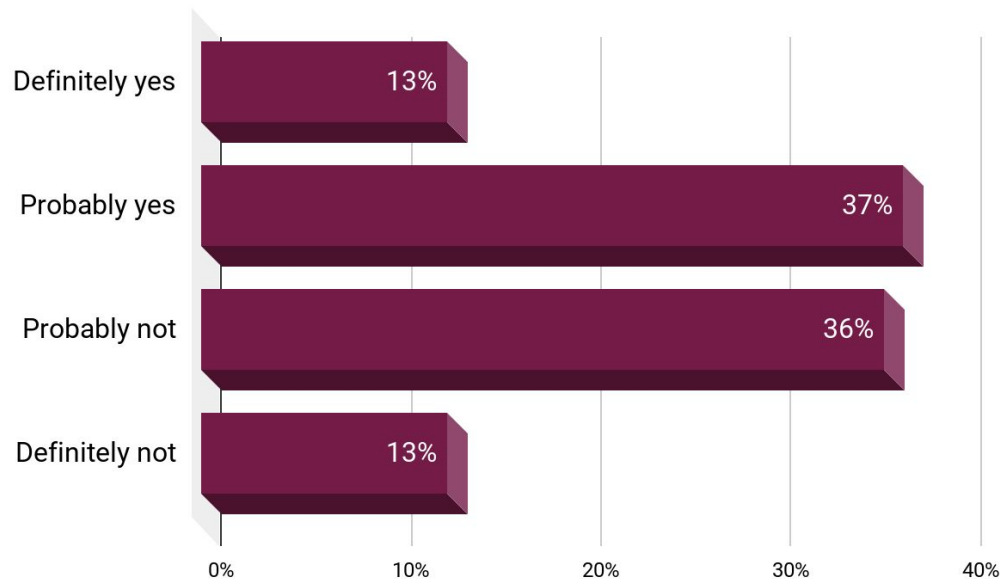
When compared to the overall respondents: almost **2/3** of the whole group want the property prices to fall

1. Do you want property prices to fall during & post COVID-19?  
2. \*made up of landlords, vendors/developers & clients

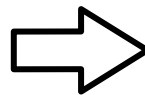
# Within Belair's client base\* less people will look for property opportunities after COVID-19, Mainly since an extra 7% of respondents already own their place of living.

## Expected property activities after the pandemic<sup>1</sup>

Percent of respondents



Within Belair's client base\* **half of the respondents** are unlikely to look for property opportunities after COVID-19



≠

In comparison to all respondents, where **2 out of 3 persons** are likely to look for property opportunities after COVID-19

1. Will you be looking for any property opportunities post COVID-19?  
2. \*made up of landlords, vendors/developers & clients



# CONCLUSIONS



## Concluding remarks



1. The general feeling about Maltese economy is that it will take **more than one year** to go back to normality. In this way the property market **will deflate**, bringing back affordable prices.
2. The number of foreign workers **is bound to decrease**, leaving many empty rooms and flats they were renting. With less demand, landlords will have to **reduce rent prices**, although many believe it is just a matter of time until they will rent again at the usual prices.
3. As the situation is quite hard, most people agree that they would rent and sell more easily **with the aid of a real estate agency**. On the other hand, for finding property opportunities, most people would do it **privately**.
4. Banks **are not helping much** people with a loan in this time of crisis. For their customers they should establish **new Covid-19 policies** and **reduce fees** for every-day banking operations.

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