KERA B'DINJITÀ U STABBILTÀ

GVERN TA' MALTA
MINISTERU GĦALL-AKKOMODAZZJONI SOĊJALI U AFFORDABBLI

HOUSING AUTHORITY

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The Reform on Private Residential Leases

Legislative Changes – Part 1

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Amendments to the Private Residential Leases Act

- Through the amendments to Chapter 604 of the Laws of Malta, the 2024 Regulations on the Limitation of the Number of Residents in Rented Houses will also come into effect.
- These regulations will limit the number of tenants (shared) in private residential leases.
- This law does not apply to families.
- A house with more than five (5) bedrooms cannot be rented out.

Permitted Number of Residents	Number of Bedrooms	Minimum Number of Bathrooms
2	1	1
4	2	
6	3	

In exceptional cases where houses have more than three (3) bedrooms

8	4	2
10	5	

Resident Limit

- The property owner shall declare the number of bedrooms in the rented house.
- Based on this declaration, the owner must adhere to the resident limit when renting out their property, in line with the approval of the Authority.

Extension of the Registration Period

- Currently stands at ten (10) days and will now be extended to thirty (30) days.
- The registration process will be conducted entirely online.
- Significant advancements in the system to establish a digital repository.
- The registration process will be streamlined and will provide sufficient time for individuals.

Stabilizing the Rental Contract Period in Case of Renewal

- The law will stabilise rental agreements, even in cases of renewal — whether express or tacit — such that there will be a mandatory period during which the agreement between the parties remains in effect

Express Renewal, Substitution, Addition or Removal of a Lessee

- These amendments will simplify the processes related to express renewals, tenant substitutions, the addition of tenants, and consensual terminations between landlords and tenants.

Enforcement Procedure

- The amendments aim to strengthen the administrative procedures so that the Housing Authority will have another means to enforce and reduce abuse.
- The Housing Authority will continue strengthening its Compliance Unit, which will have the necessary tools to enforce these legislative changes. The Housing Authority will be granted the power to administer administrative penalties in cases where a person is found guilty of an offense, namely when:
    - ✓ Individuals are occupying a property without a valid lease title; or
    - ✓ There is overcrowding in violation of the law; or
    - ✓ In the case of false, misleading, or incorrect declarations.

Enforcement Procedure

- When the Authority becomes aware that any of these violations, it will notify the suspected individual with a written notice.

- A person accused of such an offense could face a fine of up to €10,000.

Extending the Competence of the Arbitration Panel

The amendments will extend the competence of the Arbitration Panel to resolve disputes related to private residential leases more efficiently. Further building on the successes that this Panel has already achieved.

Pre-September 2024	Post-September 2024
<€5,000	Rent arrears, including arrears for electricity and water services
Maintenance and repairs	Compensation in tcase of occupation by the tenant after the expiry of the agreement
Security deposit	Compensation for loss of income that the landlord would have suffered if the property had not been occupied during a period of inactivity
	Issues regarding the supply of electricity and water services – concerning the recognition of the number of people or tenant access to account details
	Expenses related to the ordinary maintenance of common areas
	Damages resulting from violations of provisions of the Act

Register of Defaulters

- As part of the Housing Authority's commitment to address abuses in the private residential rental sector, provisions regarding the blacklist are being strengthened.
- The list will include both landlords and tenants who have been found guilty by the Panel and who have failed to honour rulings made by the Arbitration Panel.
- Through this blacklist, landlords and tenants entering into private residential rental agreements will have the facility to check whether the person they are entering into an agreement with is on the list.

Transitory Period

- Leases that commenced before the Act came into force will continue to be regulated by the laws that were in effect at the time the lease was commenced

- Leases that remain in effect until 31/08/2025, regardless of their commencement date, must comply with the laws and regulations that stipulate the limitation on the number of residents who can occupy a property at the same time

Questions?

Legislative Changes – Part 1

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The Enhanced Online Registration Process

Operational & Systemic Changes – Part 2

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Introduction

The scope of legal registration is foundational, providing **validity** to contracts.

Having a regularized online platform is an important tool in today's technology where everything is auditable, safe and secure through **Smart Contracts**.

The main stakeholders are the parties who maintain it and every action taken is visible to **all** parties involved.

Key Platform updates of the Online Legal Processes

Look-Up Address Validation

The platform includes an **address look-up feature** that minimizes abuse by ensuring accurate address information. This prevents users from bypassing property and contract validations.

Resident Limits

Lessors or sub-lessors must declare the number of residents through a **self-declaration** form.

Resident Limit Restrictions

Individual Class Types:

- A maximum of **10 residents** in total.
- **2 residents per bedroom.**

Family Class Types:

- No specific resident limits.
- However, properties cannot mix individuals and family class types on the same active contract.

Automated **validation rules** will be triggered upon every new submission.

Key Platform updates of the Online Legal Processes

Shared Space Leasing

Users can now register **shared residential leases** for **1-year** or **6-month terms**. Automated validations regulated by law ensure compliance with **resident capping** rules

Substitution or Management of Lessees

The platform now supports **adding, substituting, or removing lessees** from existing contracts entered after 1st September 2024 or pre-1st September 2024 which are in their original duration (non-renewed).

Deregistering a Registered Lease Agreement

Lessor Users in a registered contract can deregister an active online registration when:

a) All parties mutually agree to terminate the lease prior to its original end date.
b) The lessee(s) leave the property without notice.

The Registration Journey

1. **Fixed Address Validation**:
    a) Includes self-declared information on **bedrooms** and **bathrooms**.

2. **Resident Count**:
    a) Family Class Type.
    b) Individual Class Type.

3. **Lease Type**:
    a) Whole Dwelling.
    b) Shared Space.

4. **Contract Duration**:
    a) 6 or 12 months for shared spaces.
    b) 12 months or more for long-term lets.

The Lookup Address – The Main Validation

1. **Prevention of Manipulation**
   Ensures accurate and reliable information by eliminating the possibility of tampering with property addresses.

2. **Validation of Existing Properties**
   Confirms that only legitimate and verifiable property addresses can be used, ensuring compliance with regulations.

3. **Uniqueness of Property Address**
   The **Smart Contract Validation Tool** enforces key checks.

Key Checks

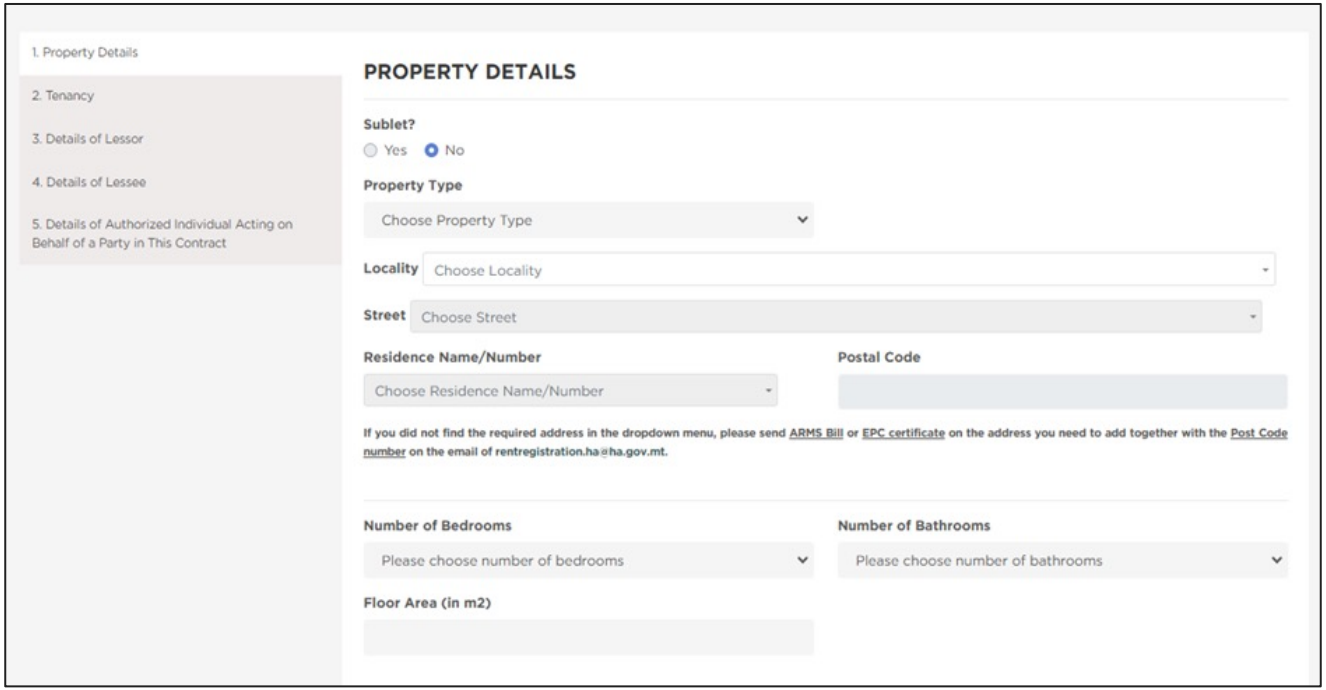
1. **Resident Count**: Automated validations ensure resident limits are adhered to.

2. **Lease & Contract Duration Type**: Differentiates between Individual, Family, Shared Space & Whole Dwelling.

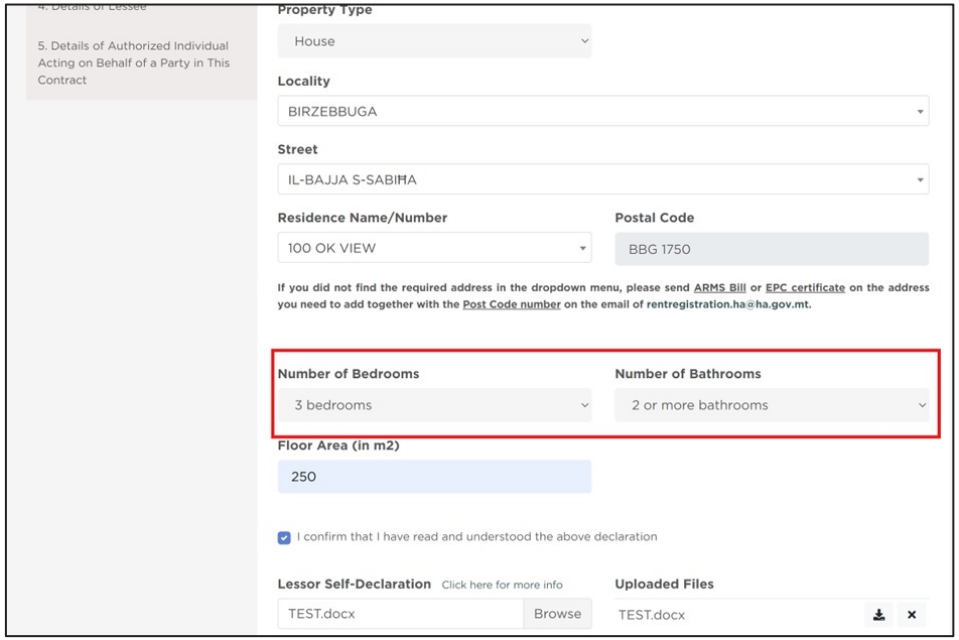
3. **Self-Declared Details**: Validates consistency of bedrooms and bathrooms data provided.

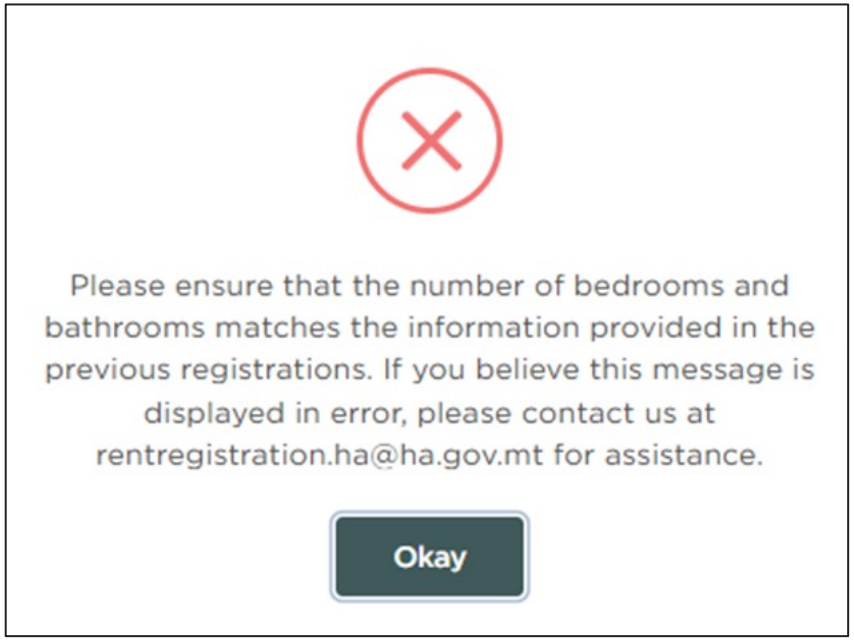
4. **Contract Duration**: Aligns the contract term with predefined rules.

Look Up Adress – Property Details

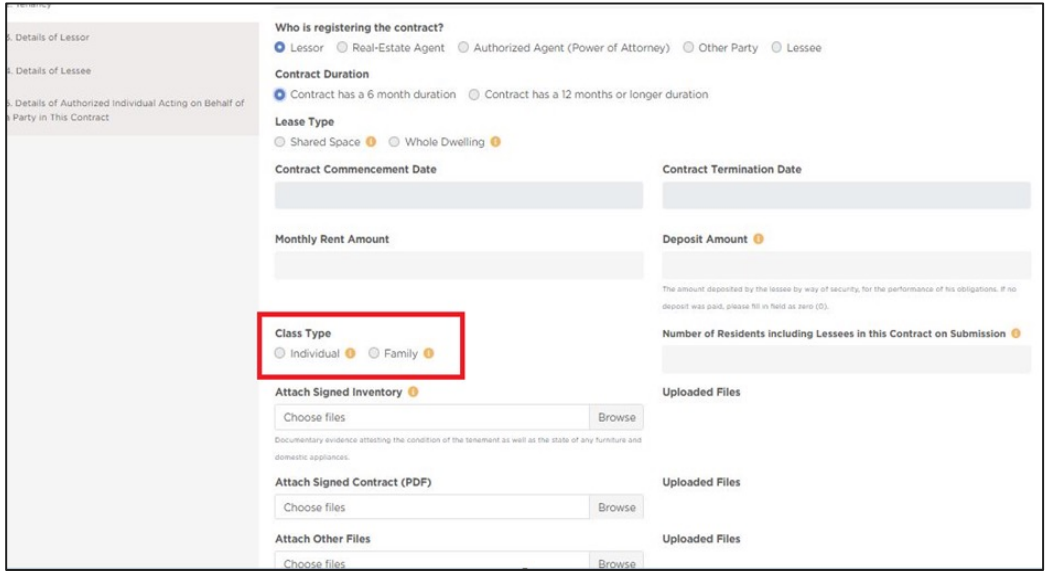


The Self Declaration– Property Details Page



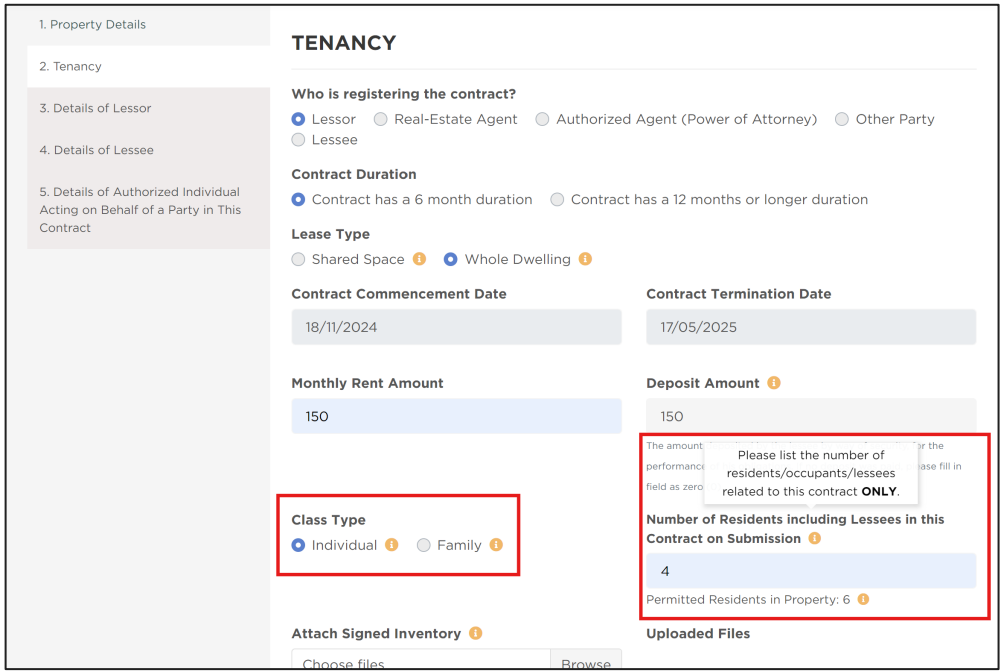


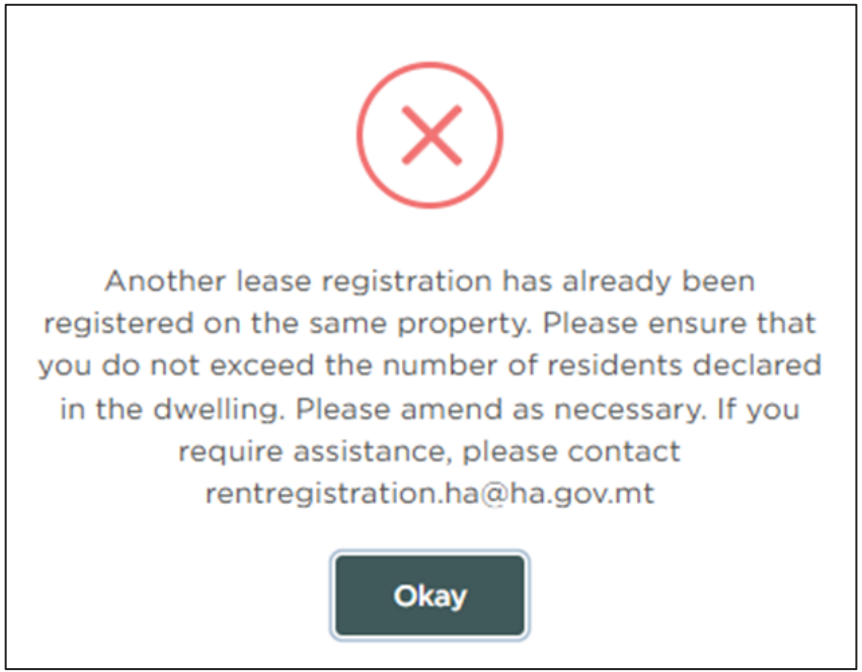
The Resident Count – Class Type



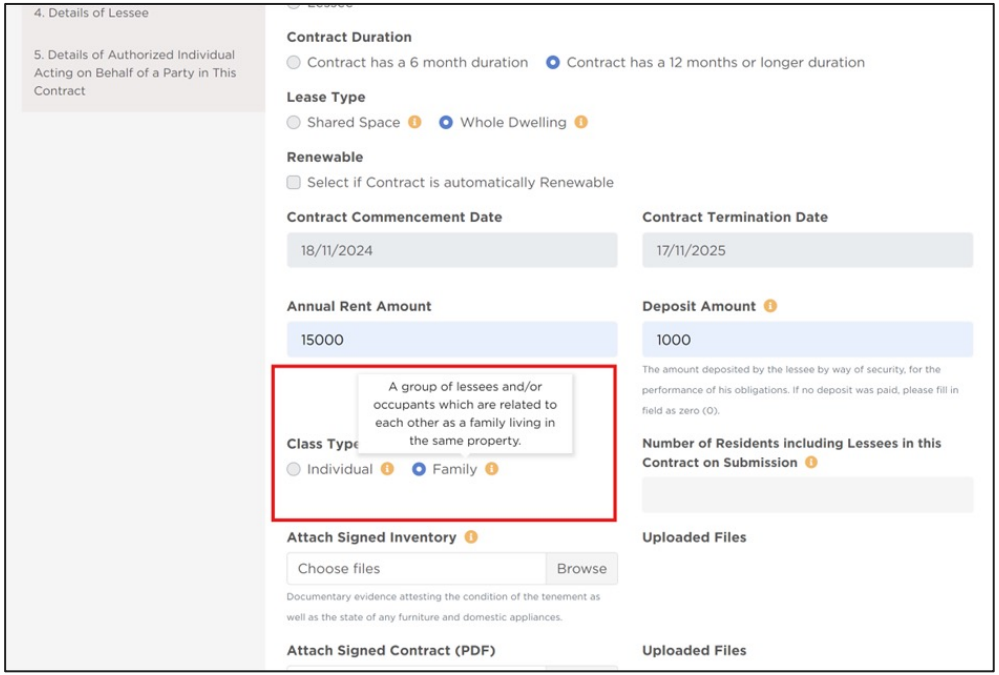
Permitted Residents	No. of Bedrooms	No. of Bathrooms
2	1	1
4	2	
6	3	
8	4	2
10	5	

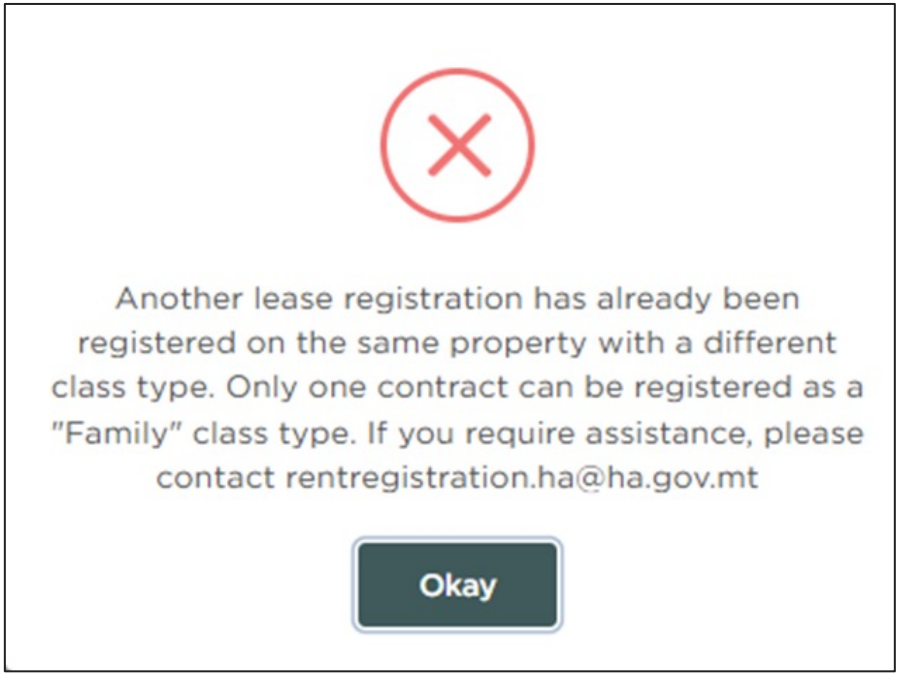
Resident Count Individuals Class Type – Tenancy Page



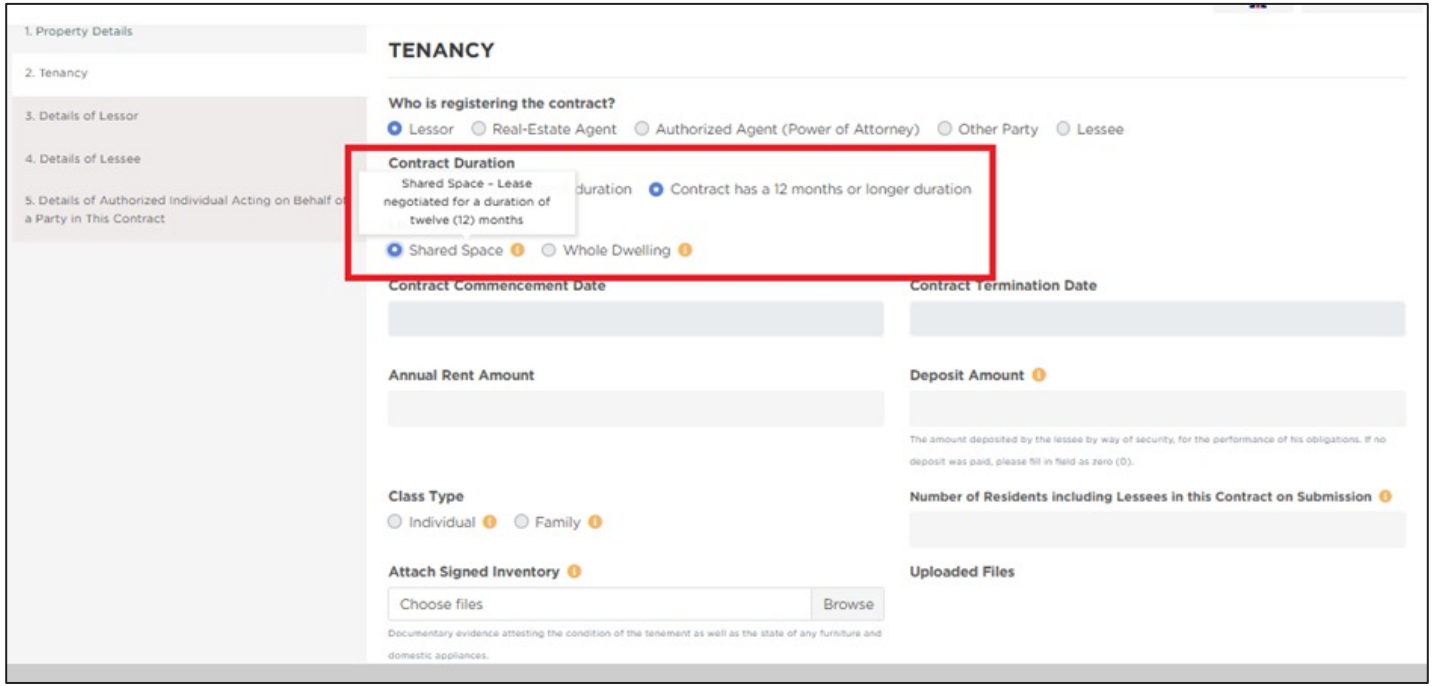


Resident Count Family Class Type – Tenancy Page

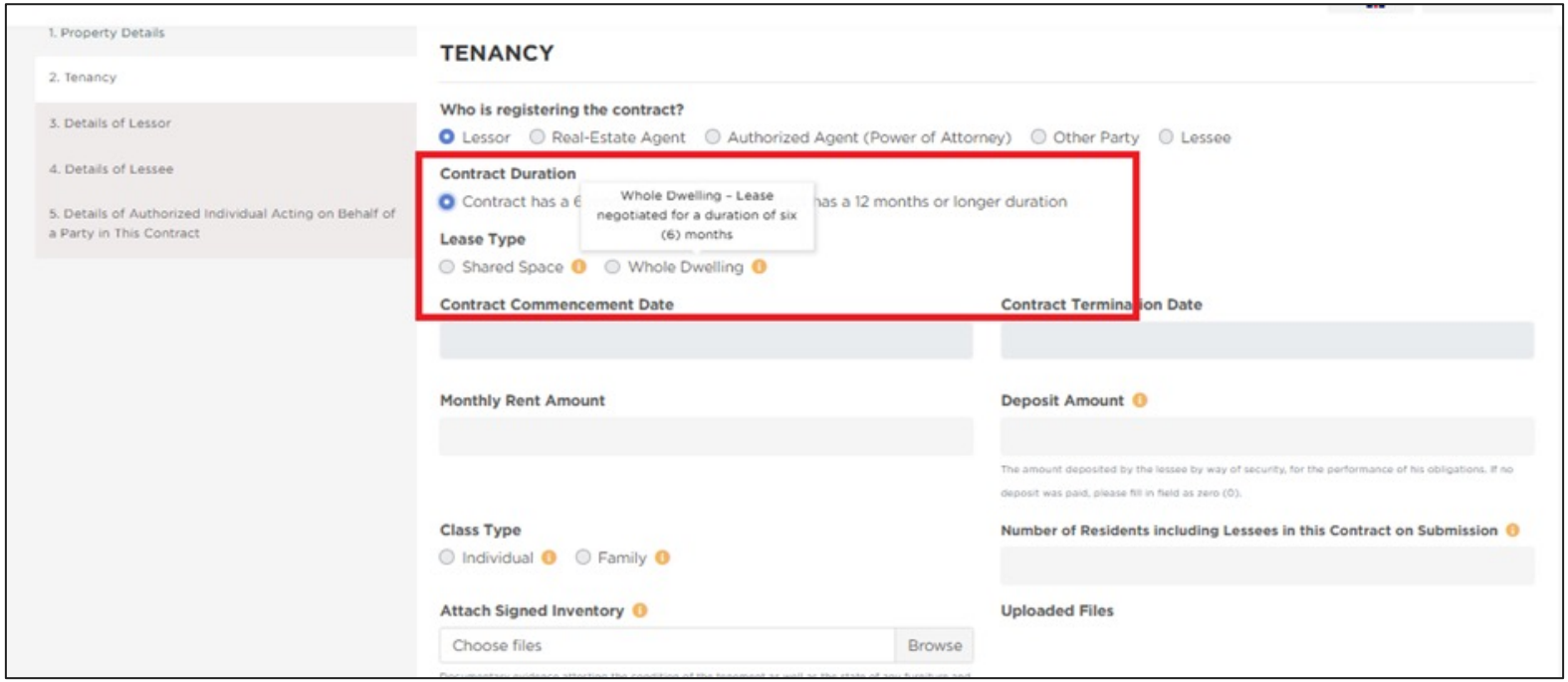




Lease Type & Contract Duration
Tenancy Page Shared Space – 6 or 12 Months Duration



Lease Type & Contract Duration Visuals - Tenancy Page
Whole Dwelling – 6 months Duration or 12 months and more



Substitution or Management of Lessees: Simplified Process

How To :

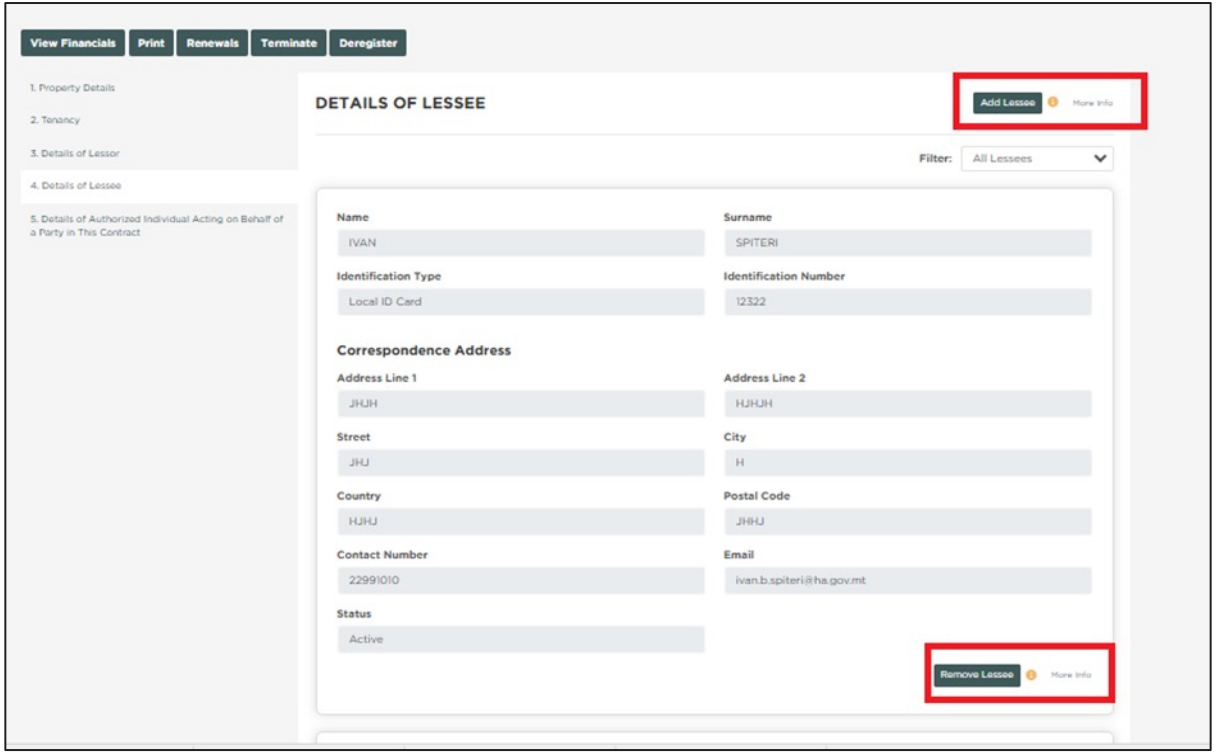
- Access the specific registration from the portal and navigate to the **Lessee Section**.
- Submit an online request free of charge utilizing the agreement templates available in the **'Forms'** section of the website *(https://rentregistration.mt/forms/)*

- **Conditions for Addition**: The addition of lessees is subject to the **resident capping rules** to ensure compliance.

- **Availability**: This option is available to existing contracts entered and submitted after 1st September 2024 or pre-1st September 2024 that are in their original duration (non-renewed).

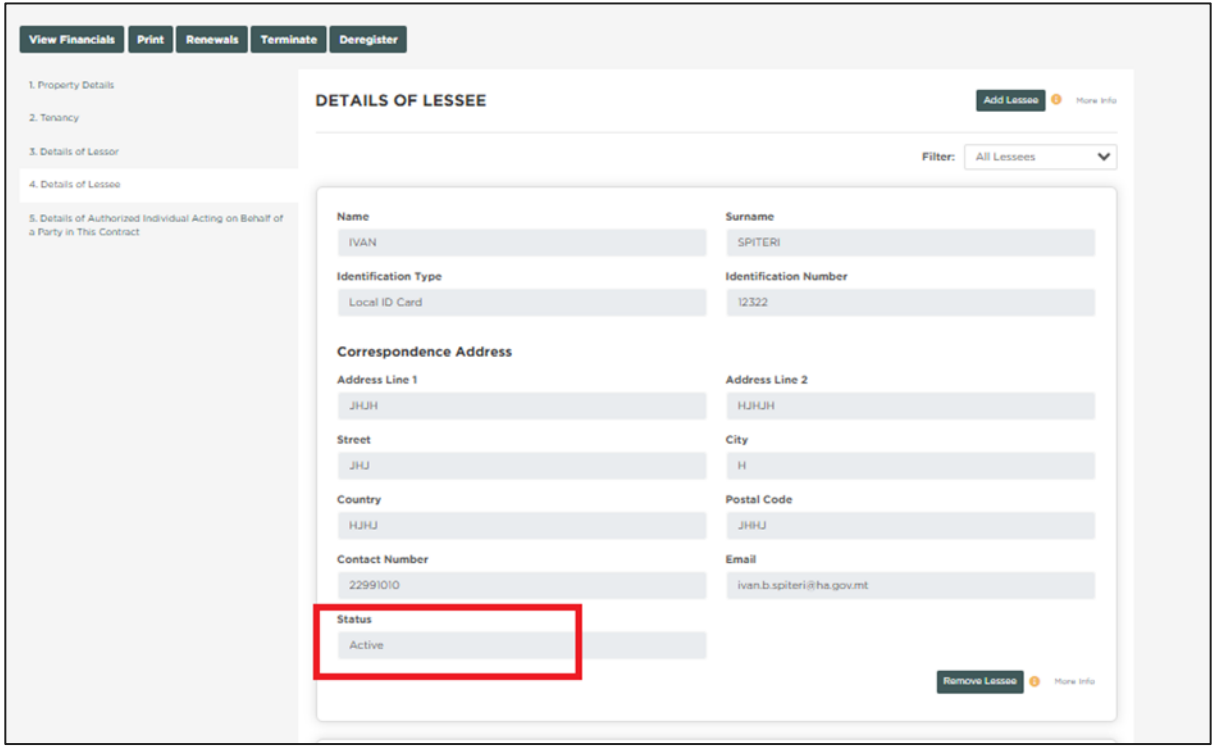
- **Approval or Refusal**: If the request is **refused,** the reason for rejection will be communicated to all parties via the registered email and a new submission is requested.

Addition or Removal of a Lessee – Lessee Page



Status of Addition or Removal of a Lessee – Lessee Page

Status of Addition or Removal of a Lessee Frontend User – Lessee Page



New Feature: Substitution of a Lessee

What It Is: This feature allows for the **substitution of a lessee** when one lessee moves out of the property and other joins at the same time in agreement.

Availability: This option is available to existing contracts entered and submitted after 1st September 2024 or pre-1st September 2024 that are in their original duration (non-renewed).

Submission Process & Required Documentation: A template form available in the **'Forms'** section of the website *(https://rentregistration.mt/forms/)*

How to Submit: Substitution requests are to be send on the email of the rentregistration.ha@ha.gov.mt.

Notification System: Approval is communicated to all parties via the registered email on the platform.

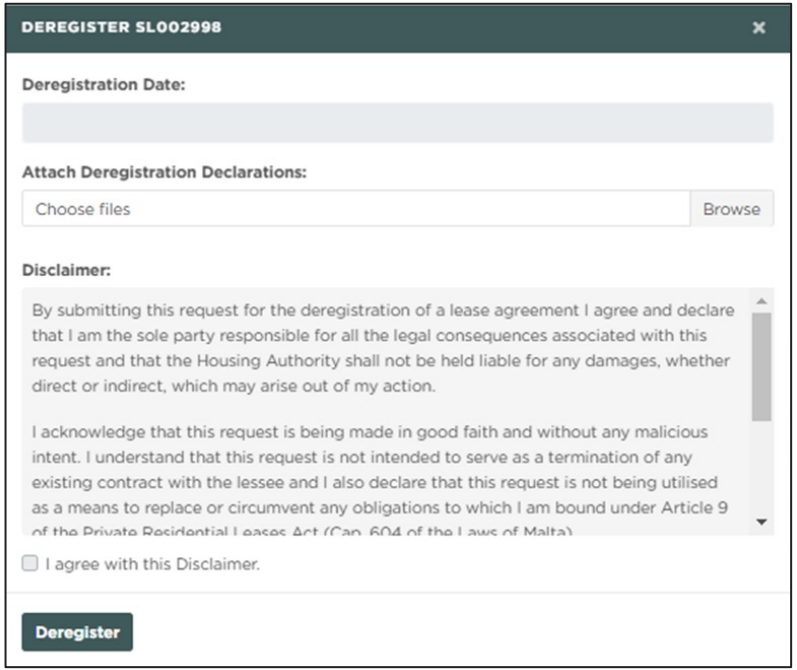
Deregistering a Registered Lease

Procedures for Deregistration: Deregistration takes effect online, it can be initiated **with immediate effect, backdated** or **scheduled date**.

Specific templates and forms: A template forms are available in the **'Forms'** section of the website *(https://rentregistration.mt/forms/)* to complete the process, ensuring compliance with regulations.

Notification System: Approval is communicated to all parties via the registered email on the platform.

Deregistering a Registered Lease



Key Benefits of the Enhanced Online Platform's Features

1. **Simplified Processes**:

   Streamlined procedures for **lessee addition, removal, substitution and deregistration**, reducing administrative burdens for lessors and tenants.

   Automated validations ensure compliance without manual intervention.

2. **Cost and Time Efficiency**:

   Free of charge requests for additions, removals, and substitutions save users money.

   Eliminates the need for creating new contracts, **reducing administrative delays.**

3. **Support for the New Trend in Leasing Needs**:

   Introduction of **shared space leasing** with defined durations provides flexibility for diverse rental scenarios.

   Accommodates evolving market demands with features tailored to both individuals' and families' classes.

Conclusion

In conclusion, these amendments represent a significant leap forward for our legal system.

They promise greater transparency, efficiency, and security, fostering a legal environment that aligns with the demands of our rapidly evolving rental market.

Your feedback and questions help us improve!

Questions?

Legislative Changes – Part 2

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HOUSING AUTHORITY

22 Pietro Floriani Il-Furjana, FRN1060, Malta | Tel: +356 2299 1000 | www.housingauthority.gov.mt

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