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Message by the Interdiocesan Commission for the Environment (KA) on the occasion of World Town Planning Day, 8th November 2016

In December 2015 the Interdiocesan Commission for the Environment (KA) proposed some points for reflection and action by Maltese citizens and Government so that as a Maltese nation we do our part to care for our common home. The proposals followed the publication of Pope Francis' Encyclical *Laudato Si'*.

On World Town Planning Day 2016 the KA would like to focus on one recommendation that dealt with a **national study on property**. The proposal invited Government to “*fund a long overdue and truly national study on the demand and supply of Maltese properties and the fiscal and economic environment that has a bearing on them. The terms of reference for such study should be issued for public consultation and enjoy the widest agreement possible by all stakeholders*”.

The KA has reiterated the need for such study in its opinion paper on high-rise buildings *Is the gain of the few rising above the common good?* (12th August 2016) Subsequently, this invitation was renewed prior to the presentation of the 2017 Budget. Since no mention was made of such a study in the Budget Speech, the KA is once again inviting Government to fund such a study and its updates. The driving forces behind the mechanisms of the property market need to be studied, analysed and made public, so that informed policy decisions can be taken. The approval of certain development proposals and design of certain planning policies make one doubt whether the bigger picture, that is the common good, is being looked at or whether very narrow segmental interests are being given more importance.

Generic statements such as “*the economy is growing*” are simply not enough to explain or justify the increase in buildings which at the end may still be hard to occupy or even be detrimental to the common good. Other statements such as “*Government should not interfere in the property market*”, besides being dangerous, are not helpful either in the search for policy options because in its essence, development planning is a desirable intervention in a market which would otherwise make the country a very unpleasant place to live in for most people. With respect to high-rise buildings, statements to the effect that building upwards is the only alternative to avoid urban sprawl would only hold water if (i) all existing buildings in our islands are being effectively utilized, (ii) it is proven that the standard of living in our islands will improve thanks to these high rise buildings and (iii) absolutely no building activity is in fact being carried out beyond development

zones.¹ Unfortunately, through a very ill-advised policy design and contrary to statements that “*higher is better than urban sprawl*”, old ruins in the countryside are being resuscitated to become dwellings.

The proposed study on property affects the whole nation and should be treated as such, and when finalised, such a study should be published entirely. The implications of such a study for planning purposes, the safeguarding of the environment and truly affordable housing are widespread. This study, when completed, should be updated regularly and be an important source for the Strategic Plan for Environment and Development (SPED) and the Local Plans. Otherwise, decisions related to the built environment are not going to be informed as they are expected to be, especially in the case of a densely-populated country like ours. It is imperative that the study, its publication, its ownership and its updating is a transparent process. The study should be entrusted to the responsibility of an independent body that would have representatives (whose names should be made public) of all stakeholders.

The KA is of the opinion that such a study has now assumed even greater urgency since it was first proposed in December of last year, given that approvals and more proposals of high-rise buildings have occurred. Some of these projects do not guarantee that the local communities will not suffer both in the short-term and in the long-term. Moreover, such projects raise doubts on whether the national property market will actually benefit from them.

The success of a property market cannot just be measured exclusively by how much property prices (both purchase and rental prices) rise, but also by (1) how affordable are the prices (selling or renting and whether commercial or residential) and (2) how significant is the contribution of any property in question to an effective increase in the quality of life of the users of such property and that of the local community.

Every now and then concerns about the property market in Malta are raised. The exposure that local banks have to such a market is well-known. The thriving of such a market due to the presence of particular industries is also known. It is also common knowledge that changes in the regulatory environment of such industries, that may not necessarily originate directly from Malta, may cause such industries to relocate elsewhere thus creating a negative impact on the property market. An oversupply of property which may arise partly due to mismatch of demand and supply may eventually force the government to adopt measures (fiscal or otherwise) to protect developers from financial problems. Such measures may have an adverse effect on the property market or, indeed, on the economy of the whole country.²

¹ *Is the gain of the few rising above the common good?* Kummissjoni Interdjoċesana Ambjent - 12th August 2016

² Ibid.

Not all policy measures that intervene in the property market are desirable even if such measures are intended to provide affordable housing or for social housing purposes. The 500-year old Macchiavellian statement that the end justifies the means, should be handled with great caution, because it may lead to consequences which are more unjust than the injustices it may aim to address. What Pope Francis mentioned in *Laudato Si`* about technological solutions to address pollution and waste may well apply to planning and fiscal measures to address certain issues relating to property: “*Technology, which, linked to business interests, is presented as the only way of solving these problems, in fact proves incapable of seeing the mysterious network of relations between things, and so sometimes solves one problem only to create others*” (*Laudato Si`*, par. 20).

Interventions in the property market through planning policies, and fiscal measures and the approval of projects emanating from such policies and measures, need to be better substantiated by information which is transparent, reliable and available to everyone. The KA firmly believes that a national study on the property market will assist in contributing to a culture where decisions are taken in the interest of the common good. In the words of Pope Francis, *The common good, on the other hand, is much more than the sum of individual interests. It moves from “what is best for me” to “what is best for everyone”*³

7th November 2016

³ Meeting with Civil Authorities, La Paz Cathedral, Bolivia - Pope Francis, 8th July 2015
