

People are developing a new or recently rediscovered thirst for the great outdoors after the COVID-19 pandemic saw them increasingly cooped up indoors working from home, with restaurant and bar doors closed and with people generally avoiding others at large and the accompanying threat of the virus.

According to Michael Bonello - Head



of the Real Estate Agents Section within the MDA and CEO of Alliance Real Estate – this new thirst is being reflected in the types of properties buyers are looking for these days as the effects and after-effects of the pandemic wear on with no apparent end in sight.

While the market in general has remained “buoyant” over the course of the pandemic, Mr Bonello has seen a notable shift in demand away from the top-end developments of luxury apartments sprouting up across the island, and towards a more rural lifestyle with outdoors space where one can breathe in the fresh air.

“We have seen a marked increase in demand across the board but much more so for properties with outdoor areas,” Mr Bonello explains.

“Villas and farmhouses with some external square meterage in rural areas became more popular than ever and there has also been lot of interest in standalone fields located outside development zones, to be used for family entertainment and relaxation.”

While the former could be explained by people having been increasingly trapped within the confines of their own four walls working at home as the Coronavirus continued to take hold over the last year-and-a-half or so, the latter could possibly find its inspiration in the sheer number of people who have taken to the countryside during the pandemic as a way to avoid other human beings while still finding some form of enjoyment.

Mr Bonello elaborates, “People who have small outdoor spaces or no spaces at all where they are currently living, saw that with €40,000 to €50,000 one can acquire a tumolo of recreational

land for picnics etc out in the countryside, and demand for this type of investment has increased tremendously.”

But in terms of homes, and when it comes to that “marked demand” in properties with outdoors areas Mr Bonello noted, it comes at the expense of other market segments - in this case it seems to be the luxury developments.

He elaborates, “In general, we have noticed that the relatively high demand for major luxury developments waned in favour for properties with outdoor spaces.”

“When you are constrained to live and work from home, the outdoors was the number one amenity people began looking for.”

Also factoring into the equation is the fact that, as Mr Bonello observes, “This shift has also been noticeable in short term lettings, where in the absence of international travel, Maltese people started renting more properties with outdoors space and pools, just to get away for a few days in different surroundings that are still as safe as staying at home.”

Overall, the market has bounced back from the initial shock incurred from the pandemic, a shift, Mr Bonello explains, that was “much further encouraged through the very ambitious incentives put forward by the Malta Developers Association and adopted by the government in its Economic Regeneration Plan announced in June of last year”.

These included, amongst others, incentives for people who did not qualify as first-time buyers because they were part-owners of a property or garage to now be able to qualify and; a reduction in income tax on property sales from 8% to 5% and the accompanying reduction of stamp duty to 1.5% from 5% for the first €400,000 on contracts published by the end of March 2021, which following recommendations by the MDA, the government recently agreed to extend.

These measures complement the Home Deposit Scheme launched back in June 2020, through which the government offers interest-free loans repayable over 25 years to eligible first-time buyers under 40 years of age to finance the 10% deposit promise of sale deposit for properties under €175,000.

“Malta’s real estate market has generally remained buoyant throughout most of the pandemic, mainly through first and second time Maltese buyers,” Mr Bonello explains.

“Whilst in the first few months of 2020 we were all reeling from the shock of what we were seeing on the news and everything was shut down, soon after it seems that many people started looking at improving their living environment in the immediate to very short term.”

But while Maltese appear to be moving in their hoards to the countryside, or at least what is left of it, all is not lost for luxury high-end development segment, as Mr Bonello observes, “Interest in good quality luxury properties and higher end developments still remained strong amongst foreign buyers, and amongst Maltese investors looking at the broader longer term picture.”



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