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Malta MALTA Development Association

Construction Industry and Property Market Report 2025

9
EDITION



This study was commissioned by Malta Development Association (MDA), and sponsored by Bank of Valletta p.l.c., BNF Bank p.l.c., FCM Bank Ltd., HSBC Bank Malta p.l.c., and Property Malta Foundation.



Important information about this report

This deliverable is addressed to Mr. Michael Stivala, President of the Malta Development Association (hereafter also referred to as 'MDA' or as 'the Association'), and to the sponsors of this report, namely: Property Malta Foundation; Bank of Valletta p.l.c.; BNF Bank p.l.c., FCM Bank Ltd., and HSBC Bank Malta p.l.c. and has been prepared in accordance with our terms of engagement as per our letter dated 14th July 2025.

Nothing in this deliverable shall be construed as meaning that we undertake any advocacy services or managerial function for the MDA. Any decisions and/or positions taken are solely those of the Association. Our duties in relation to this deliverable are owed solely to the Association and accordingly we do not accept any responsibility for loss occasioned to any third party acting or refraining from action as a result of this deliverable. We understand and acknowledge that our final report may be distributed and released into the public domain, in complete or summary form. Our consent for the whole or part of our reports to be copied or disclosed to any third party other than the MDA, or otherwise quoted or referred to, in whole or in part, is on the basis that we do not owe such third parties any duty of care as a result of giving such consent.

We have indicated in our report the sources of the information presented. We have not sought to establish the reliability of these sources by reference to information independent of the Association, but where any relevant information has been obtained, this has been indicated in our report. We have, however, satisfied ourselves, as far as possible, that the information presented is consistent with other information that was made available to us in the course of our work in accordance with the terms of the engagement letter.

Throughout this document, reference is made to comments received from industry operators during a series of consultation meetings. The views expressed by such industry operators do not necessarily reflect our own. Our inclusion of any such comments or views expressed by industry sources should not be interpreted as an endorsement of such views, or as an acknowledgement or otherwise of the veracity of such views.

In providing our services, we may have referred to and quoted from laws, regulations, directives or rules issued by regulatory bodies. We may have also commented on their general or specific applicability to the subject of our engagement. We have done so in the context of providing you with additional insights relevant to the subject at hand, and should not be construed in any way as the provision of legal services. We must emphasise that the scope of the work required in connection with this engagement is different from that required for an audit carried out in accordance with International Standards on Auditing and cannot therefore be relied upon to provide the same level of assurance as an audit of financial statements prepared in accordance with those standards.

Our deliverable is also based upon publicly sourced information. Our reliance on and the use of this unaudited information should not be construed as an expression of our opinion on it except as, and to the extent that, we may otherwise indicate in our report. We do not accept any responsibility or liability for the impact on our conclusions of any inaccuracies in such information.

There exists a significant degree of judgement involved in selecting methods and basis for arriving at our opinions and recommendations, and a significant number of items may be subjectively considered when arriving at such opinion. It follows therefore that, whilst our opinion will be one which we consider to be both reasonable and defensible, others may arrive at a different conclusion.

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Foreword

Dear readers,

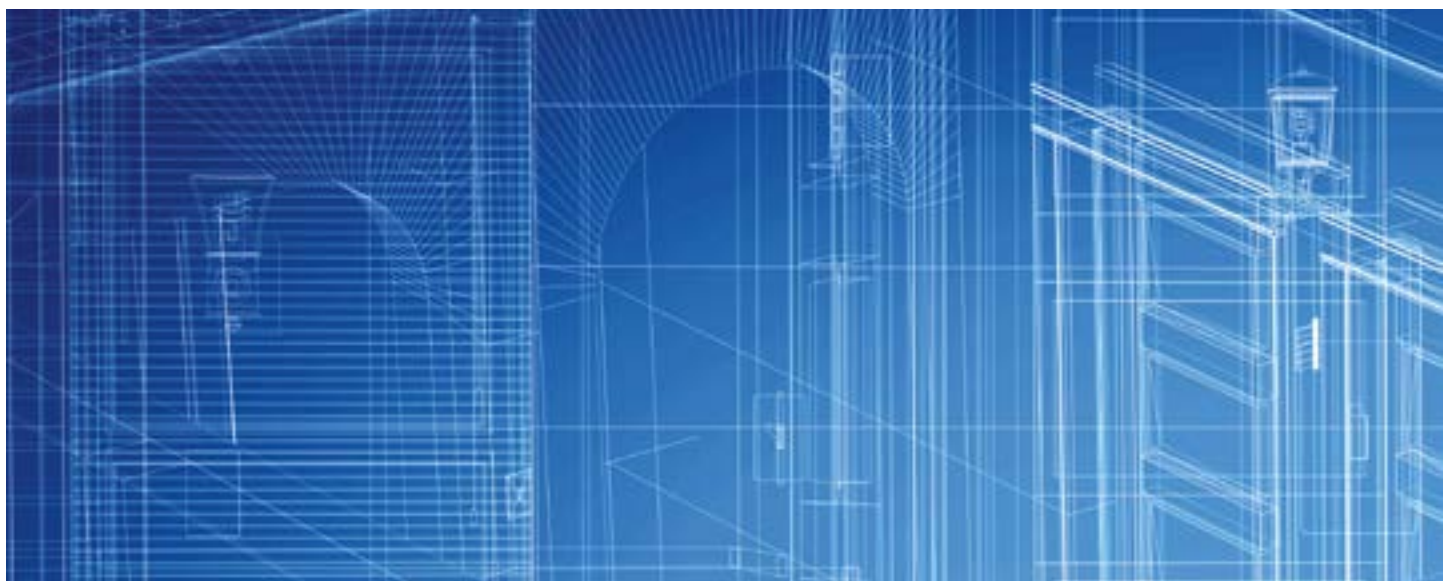
It is with great pleasure that I present to you the 2025 edition of the “**Construction Industry and Property Market Report**” - the ninth edition of this annual publication. Over nearly a decade, this report has evolved into a reference point for industry professionals, investors, and policymakers seeking a clear, data-driven understanding of Malta’s construction and real estate landscape.

This year’s edition is anchored around two central themes - Raising Standards and Building Trust - reflecting both the micro and macro dimensions that define the industry’s future.

Raising Standards speaks to the need to elevate quality at every level of the construction process. It is about cultivating craftsmanship, strengthening skills, and adopting cleaner, more efficient technologies. This theme focuses on the *how*, that is on the precision of workmanship, the competence of our manpower, and the professionalisation of the trades that shape our built environment. By improving the way we build (through skill cards, builder’s licences, and a culture of excellence) we not only enhance structural quality but also contribute to the industry’s integrity, safety, and reliability.

Building Trust, in turn, shifts the lens to the broader sustainability of the industry. It encompasses the long-term commitment to a property market that serves future generations. One that provides affordable, accessible, and quality housing for all segments of society, from students and young families to foreign workers and retirees. Building trust means ensuring that development responds to social needs, economic realities, and environmental imperatives alike. It is about fostering confidence that the sector is evolving responsibly, inclusively, and with foresight.

From an economic standpoint, the industry continues to play a pivotal role in Malta’s prosperity. Construction and real estate collectively account for around 9% of Gross Value Added (GVA) when considering direct effects alone, rising to approximately 14% once indirect linkages are factored in. The sector continues to employ thousands of full-time equivalents, underlining its enduring relevance to Malta’s economy.



Yet, by its very nature, construction remains a highly visible industry, and it is incumbent upon all stakeholders to minimise the negative externalities that accompany demolition, excavation, and building activity. Limiting dust, noise, and visual disruption is part of the responsibility that comes with visibility.

At the same time, property remains a cornerstone of wealth creation and financial security in Malta. Prices have continued to rise at a healthy pace, reinforcing property's role as a preferred store of value. However, this growth has outpaced income increases, placing downward pressure on affordability metrics. While Malta's home-ownership rate remains robust, exceeding 80% for Maltese families, and around half of borrowers are single borrowers, structural pressures persist. More than a third of first-time buyers still rely on parental donations or family assistance, and unless wage growth and housing supply evolve more in step with demand, an increasing share of society may find it difficult to purchase a decent home without significant compromise.

As we look ahead, the call to action is clear: we must build better - and build trust. The way forward lies in professionalising the sector, improving standards of workmanship, embracing sustainable technologies, and ensuring that growth in the property market remains inclusive, balanced, and environmentally responsible.

On behalf of the team behind this publication, I invite you to explore the findings presented in this year's report and to join the ongoing dialogue as we continue to shape the future of Malta's built environment. Together, through collaboration and commitment, we can foster a construction industry that delivers excellence, earns public trust, and safeguards quality of life for generations to come.

Sincerely,

Steve Stivala

**Director
Advisory Services**



Executive Summary

Construction Industry and Property Market in 2025 – 2-Minute Soundbite

The construction and property industry in 2025 continues to demonstrate resilience and stability. Its contribution to Malta's Gross Value Added has remained steady, signalling that construction activity is sustaining its role as a key economic driver without crowding out other forms of productive activity. Both residential deeds and permits have registered steady, healthy growth, reflecting ongoing confidence and investment momentum within the sector. Property prices and rental rates have also continued to rise at a somewhat elevated yet robust pace - positive news for existing owners and investors, but more challenging for those still striving to enter the market, particularly given the slower rate of income growth. Affordability levels remain broadly healthy, yet monitoring is warranted to ensure that everyone, from first-time buyers to lower-income households, retains access to decent housing without significant compromise. Meanwhile, on the commercial property front, 2025 marks a decline in rental rates after two years of recorded growth, confirming what many stakeholders had already anticipated: the market is now feeling the effects of a supply glut that has been building in recent years.

Methodology



24

stakeholders consulted



c. 8,638

data points related to
residential property sales



9th annual report



**Multiple
data sources**

including data from NSO,
Eurostat, CBM

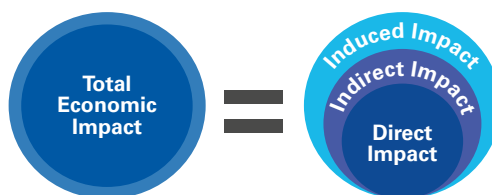
Multiplier analysis

Construction industry:

A €1 increase in demand for construction contributes €0.78 to GVA in terms of direct, indirect, and induced effect.

Real estate activities:

A €1 increase in demand for real estate is expected to generate €0.85 towards GVA in terms of direct, indirect, and induced effect.



Employment in construction and related activities as of March 2025

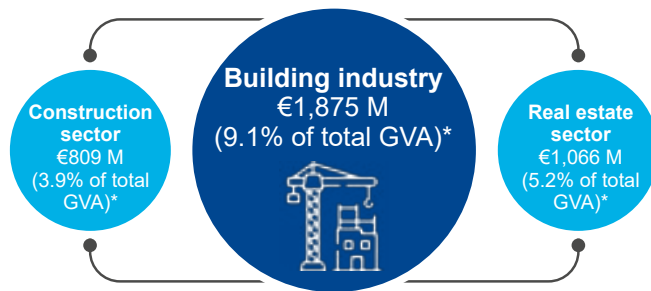
Direct	Direct + Indirect	
21,465	31,641	FTEs in the construction sector
4,514	8,824	FTEs in the real estate sector
25,979	40,465	

7.8% direct employment out of the total FTEs in the economy

2.2%

over March 2024

GVA of the building industry as of 2024



*Direct effects only.
Percentages do not add up due to rounding.

Industry nominal growth in 2024

Construction - NACE Category F

Construction GVA

6% 2024 growth

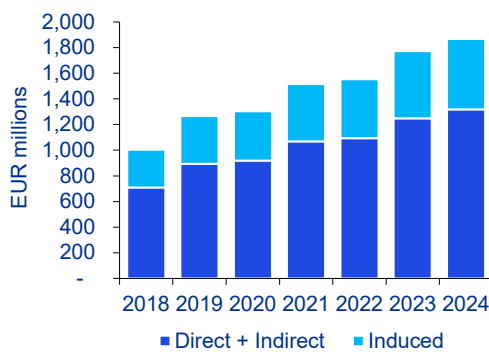
Real estate - NACE Category L

Real estate GVA*

17.0% 2024 growth

*Excluding imputed rents.

Value added multipliers of construction



Construction industry multipliers

€1.87 bln.

of value added in 2024
covering direct, indirect
and induced impacts.

Real estate activities multipliers

€2.07 bln.

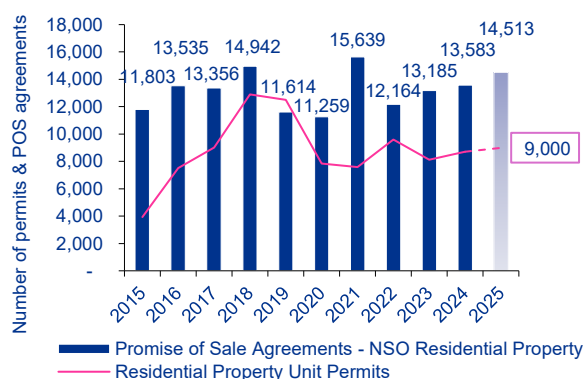
of value added in 2024
covering direct, indirect
and induced impacts.

more than **55,000** FTEs in 2024

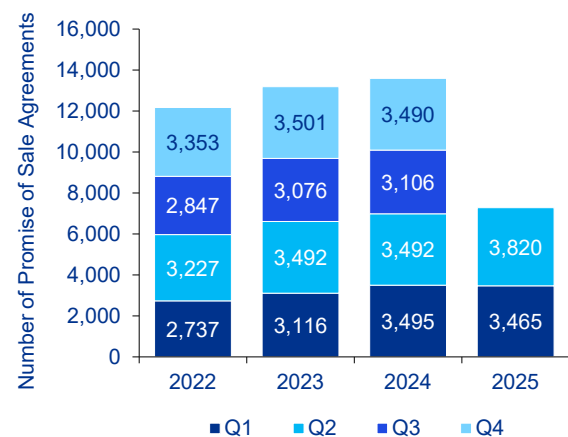
supported by the industry

Direct + Indirect + Induced

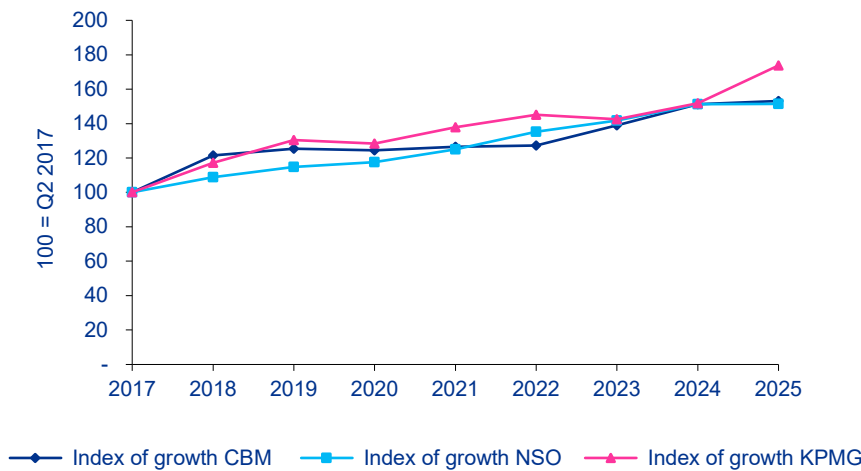
Residential property unit permits in comparison to Promise of Sale agreements for all residency types



Promise of Sale agreements

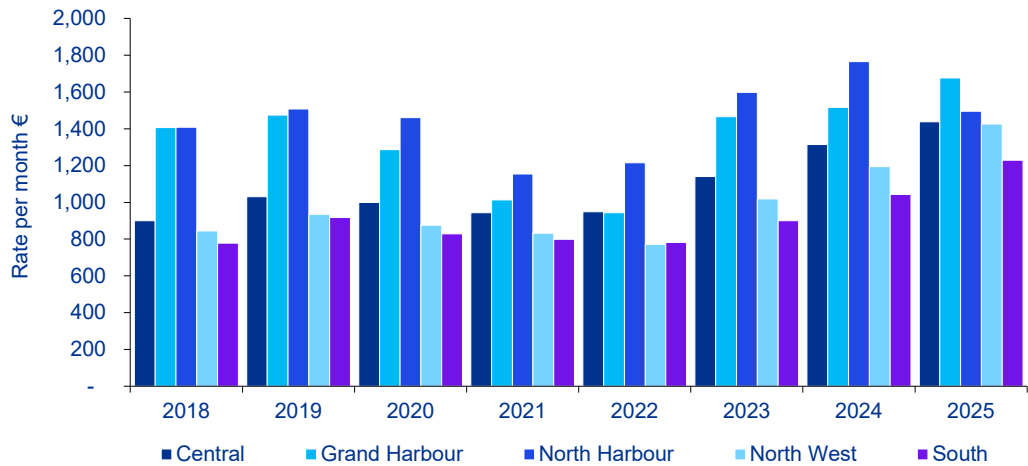


Property price movements - Apartments



6.0% growth per annum on average, over 8 years.

Apartment rental rates by region*



*Reflects all apartments within our sample.



BOV SME Grow

Supporting Your Vision

- » **Variable interest rate of 3.80%***
- » Low contribution
- » Low collateral requirements



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*Business Lending Bank Base Rate presently at 2.15%, Interest Margin and EIF Guarantee Fee.

The BOV SME Grow and the BOV SME Grow Green are funded by the European Union through the European Regional Development Fund with the financial backing of the Republic of Malta under the InvestEU Member State Compartment for Malta. All loans are subject to normal bank lending criteria and final approval from the Bank. Issued by Bank of Valletta p.l.c., 58, Triq San Żakkarija, il-Belt Valletta, VLT 1130. Bank of Valletta p.l.c. is a public limited company regulated by the MFSA and is licenced to carry out the business of banking in terms of the Banking Act (Cap. 371 of the laws of Malta).

Introduction

The construction and property industry remains one of Malta's most vital economic pillars, spanning the full spectrum from groundwork and design to development, sale, and occupation. Its significance, however, extends well beyond financial metrics. The industry shapes the physical, social, and environmental fabric of the nation, influencing not only economic performance but also the quality of life and long-term well-being of communities across the islands.

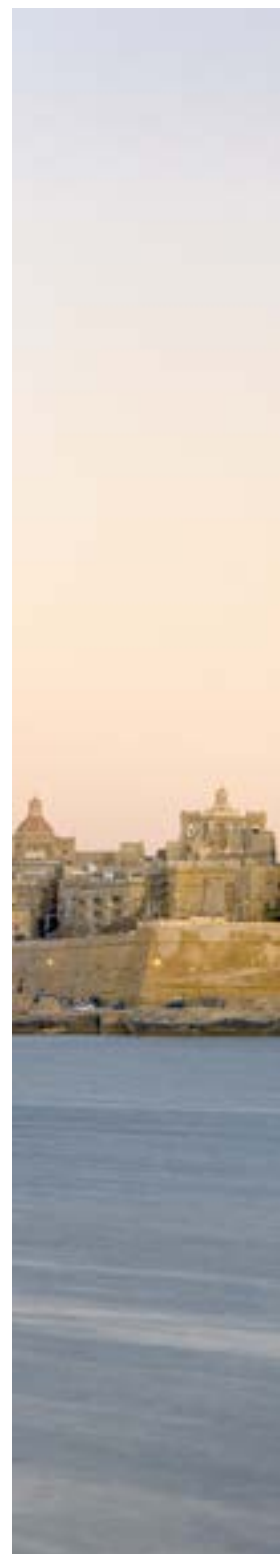
From an economic perspective, construction continues to exert strong interlinkages with a broad range of supporting sectors, from raw materials and manufacturing to professional services, logistics, and finance. Property itself remains a core component of household and corporate wealth, serving as both an investment and a key form of collateral. This interconnectedness means that the sector's performance both reflects and amplifies wider economic conditions, acting as a barometer of Malta's growth momentum.

From a societal standpoint, the industry's visibility brings both opportunity and responsibility. Every project, from the smallest refurbishment to the largest development, leaves a mark on our streetscapes, on our environment, and on our sense of place. As such, construction activity must increasingly align with sustainability principles and community expectations, reducing negative externalities while contributing positively to the built environment.

This year's edition, the ninth in this series, is framed around two interrelated themes: Raising Standards and Building Trust. Raising Standards focuses on the micro dimension of the industry, referring to the quality of workmanship, the skill and professionalism of the workforce, and the adoption of cleaner and more efficient building technologies. Building Trust on the other hand, looks at the macro dimension, which is the need to ensure that the industry evolves sustainably, delivers affordable housing for diverse segments of society, and continues to serve as a reliable foundation for future generations.

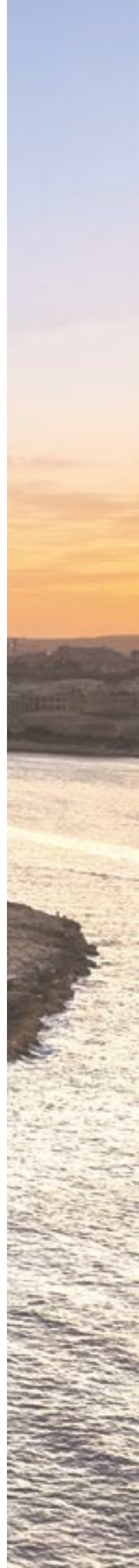
In keeping with the tradition of previous editions, this report provides both quantitative and qualitative insights into the evolving dynamics of Malta's construction and property sectors. It combines analysis of official data sources with market intelligence and stakeholder perspectives, offering an integrated view of sectoral performance, structural shifts, and emerging challenges.

Our aim remains consistent: to contribute to informed debate and evidence-based decision-making in an industry that continues to define Malta's economic and social landscape.





Characterisation of the industry



1.1 Measuring industry size

Our methodology for assessing the size of the industry follows a structured, building-block approach. We begin by defining the core of the industry, in this case, the construction sector based on its formal definition. We then extend this framework to include related economic activities, thereby capturing a broader spectrum of activity, which we refer to collectively as the Building Industry.

A key metric commonly used to measure industry size is Gross Value Added (GVA). GVA reflects the total value of goods and services produced within an economy or a particular sector, providing a clear indication of its economic contribution.

For this study, we employed two complementary methods to demonstrate the role and contribution of specific sectors to the wider economy. Firstly, the output approach considers the total sales made by all firms in a particular industry, less any intermediate consumption¹. Therefore, GVA for an economy, or a specific industry, is calculated as:

$$\text{Gross Value Added} = \text{Total Sales} - \text{Intermediate Consumption}$$

Secondly, the income approach can be calculated as the increase in the value of goods and services that arises as a direct result of the production process, and can be calculated as:

$$\text{GVA} = \text{CFC} + \text{COE} + \text{T} - \text{S} + \text{NOS}$$

Where:

- CFC = Consumption of fixed capital
- COE = Compensation of employees
- T = Taxes on production
- S = Subsidies on production
- NOS = Net operating surplus

Both approaches should yield identical results – one considers expenditure, the other considers payments to the factors of production.

¹ Intermediate consumption measures the value of goods and services that are consumed as inputs by a process of production. These goods and services are supplied to the downstream firm and may either be transformed or used up during the production process.

1.2 Defining the building industry

Official statistics are compiled by national authorities in line with the NACE classification system. Under this framework, construction-related activities are grouped within Section F (NACE Category F: Construction). However, the scope of the Building Industry extends beyond this category. Certain activities that are closely connected to construction are classified under other sections, such as Real Estate Activities (NACE L) or Mining and Quarrying (NACE B). For the purposes of this report, the Building Industry is defined more specifically to encompass two principal sectors: the Construction sector (NACE F) and the Real Estate sector (NACE L), as set out in the official classifications of the National Statistics Office (NSO). Sectors and subsectors included in these two industries are highlighted in colour, while those shaded in grey, though potentially relevant to the building industry, are not included in our definition².

Figure 1.1: Composition of the building industry



² The definition of the building industry has been modified slightly from previous editions, for simplification purposes and to better align with official NSO statistics. Lack of data granularity has also been considered as a factor for omitting certain sectors.

1.3 Putting it all together – Gross Value Added

To estimate the size of the building industry, we aggregated the statistics reported by the NSO³ into two main categories:

- The Construction sector (F)
- The Real estate sector (L)

The construction sector classification considered here is kept in line with NSO's NACE group F categorisation, and includes the following:

- Construction of buildings (NACE 41) *
- Civil engineering (NACE 42) *
- Specialised construction activities (NACE 43) *

The Construction of Buildings (NACE 41) reflects economic activity resulting from the development of building projects and the construction of residential and non-residential buildings and tends to be the largest of the three core segments in terms of output. The second largest component is Specialised Construction Activities (NACE 43), which covers activities considered as special trades, that take place in the construction of buildings and infrastructural projects⁴. The smallest segment is Civil Engineering which revolves around heavy construction projects like the repair or new build of infrastructural works (NACE 42).

The real estate sector classification considered in our definition of the building industry is kept in line with NSO's NACE group L categorisation, and includes the following:

- Real estate activities (excluding imputed rents) (NACE 68) *

Other sectors that are associated with the construction and property market, but were not included in this edition's metrics, are:

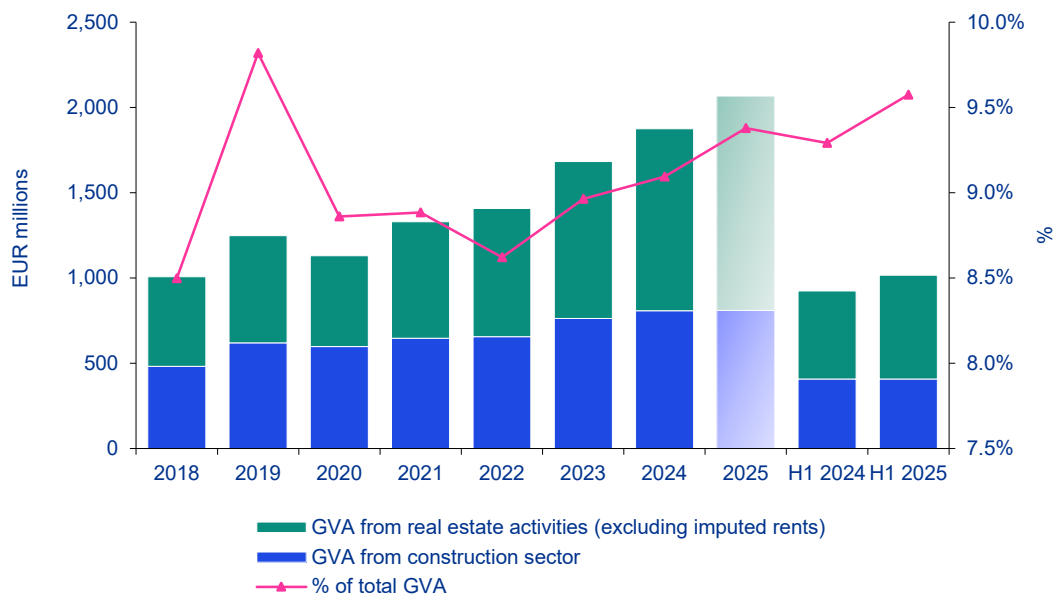
- Architectural and engineering activities, technical testing, and analysis (NACE 71) *
- Manufacturing of fabricated metal products (NACE 25) *
- Mining and quarrying (NACE 08) **
- Manufacturing of wood and products of wood and cork (NACE 16) **
- Manufacturing of other non-metallic mineral products (NACE 23) **
- Services to buildings and landscape activities (NACE 81) **

As a result, the final figures for the Building Industry are likely to be understated under the premise that the building industry would have also benefitted from the economic growth experienced by the sectors for which data was unavailable.

³ Data was only available for sectors marked with an asterisk (*). For those marked with a double asterisk (**), data pertaining to these items are not provided by the NSO on the basis of confidentiality.

⁴ Eurostat's NACE Rev.2 document details all activities that fall under this category, which among others includes pile-driving, foundation work, carcass work, concrete work, brick laying, stone setting, scaffolding, roof covering etc. Finishing works and completion activities is also included, as is installation of all kinds of utilities including, but not limited to, plumbing, installation of heating and air-conditioning systems, antennas, alarm systems and other electrical work, sprinkler systems, elevators, and escalators, etc.

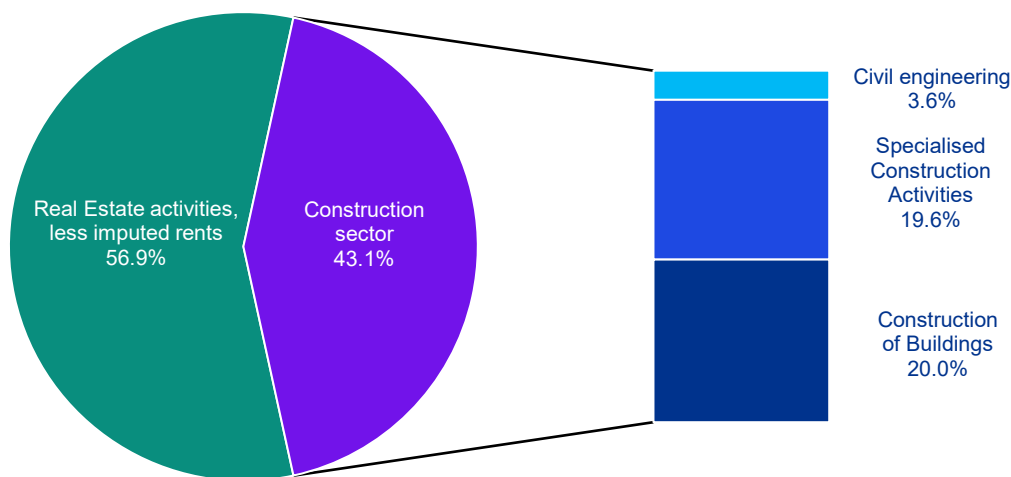
Figure 1.2: Gross Value Added from the construction sector and real estate activities



Source: NSO data; KPMG analysis

Figure 1.2 shows the composition of the building industry as of 2024. The full-year forecast for 2025 has been derived by extrapolating data from the first half of 2025 (H1 2025), and applying the percentage growth observed between the H1 and H2 of 2024. This approach assumes that the growth trend evident in 2024 will continue throughout 2025. Should this assumption hold, the overall GVA of both real estate activities and the construction sector is expected to maintain a positive trajectory, as reflected in their proportion of total GVA.

Figure 1.3: Composition of the building industry in 2024⁵



Source: NSO data; KPMG analysis

⁵ Amounts may not add up exactly in table due to rounding.

Figure 1.3 indicates that the construction sector accounted for 43.1% of the Building Industry, as defined earlier, while Real Estate activities (excluding imputed rents) constituted the remaining 56.9%. Compared to the previous year, activity within the Construction sector declined, while activity within the Real Estate sector increased. In 2023, the Construction sector contributed approximately 45.3% to the industry, whereas the Real Estate sector accounted for around 54.7%⁶.

Nominal GVA for the first half of 2025 is compared against the first half of 2024 for both sectors. The Construction sector (NACE F) has so far generated around €407.9 million in the first half of 2025 - 3.8% of the entire economy, similar to the €407.8 million generated in the first half of 2024 (approx. 4.1% of total GVA during H1 2024⁷). Real Estate Activities less imputed rents (NACE L) generated about €609.3 million in the first half of 2025, which make up 5.7% of national GVA (less imputed rents). This is up from €516.0 million in the same period in 2024, when it commanded 5.2% of total H1 2024 GVA. Estimating the share of the building industry in the whole economy in H1 2025, the figure stands at 9.6% of national GVA (less imputed rents), or €1,017.2 million. This is up from €923.7 million (9.3% of national GVA) in H1 2024.

In 2024, the GVA of the construction sector declined by 1.6% between the H1 and H2, while the GVA of the real estate sector increased by 6.6%. This indicates that the real estate sector outperformed the construction sector in terms of growth. Consequently, the building industry's overall contribution to Malta's total GVA was lower in the second half of 2024 compared with the first half.

Under this definition, the building industry's contribution to GVA is depicted in the table below:

Table 1.1: GVA from the building industry

	2020 (€ millions)	2021 (€ millions)	2022 (€ millions)	2023 (€ millions)	2024 (€ millions)	H1 2024 (€ millions)	H1 2025 (€ millions)
GVA from construction sector	598	647	655	763	809	408	408
GVA from real estate activities (excluding imputed rents)	533	683	753	920	1,066	516	609
Total GVA from construction sector and real estate activities	1,131	1,330	1,408	1,683	1,875	924	1,017
Total GVA less imputed rents	12,762	14,976	16,336	18,779	20,617	9,942	10,623
% of total GVA	8.9%	8.9%	8.6%	9.0%	9.1%	9.3%	9.6%

Source: NSO data; KPMG analysis

We reiterate that even though we estimate the total GVA from the building industry to be €1.02 billion for the first half of 2025, and €1.88 billion for 2024 (full year), the actual figure is likely to be higher. This is due to the exclusion of certain goods and services related to the building industry that could not be included due to unavailability of data.

⁶ Please note that these figures are not directly comparable with those presented in the previous edition of this report, owing to retrospective revisions.

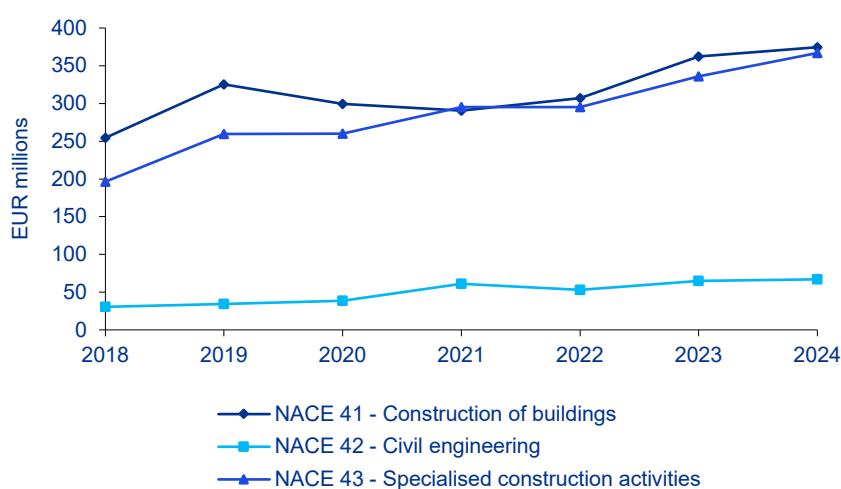
⁷ Ibid.

1.4 Industry performance

Within the construction sector, the category Construction of Buildings has consistently generated the highest Gross Value Added (GVA), rising steadily from just around €255 million in 2018 to more than €374 million in 2024. Specialised Construction Activities displayed a similar upward trend, increasing from slightly above €196 million in 2018 to just over €367 million in 2024. Although Civil Engineering recorded the lowest GVA among the three categories, it nonetheless grew significantly, from €30.6 million in 2018 to €67.2 million in 2024.

In terms of year-on-year performance (2023/24), Specialised Construction Activities registered the strongest growth in nominal terms, at 9.3%, compared with 3.4% for Construction of Buildings and 3.2% for Civil Engineering.

Figure 1.4: Gross Value Added in nominal terms



Source: NSO data

In 2024, annual nominal growth within the construction sector was recorded at 6.0%, notably below the overall nominal Gross Value Added (GVA) growth of 9.0% registered across the wider economy. The trend continued into the first half of 2025, when the construction sector reported a marginal nominal growth of just 0.02%, in sharp contrast to the 6.0% overall GVA growth achieved by the economy during the same period.

Turning to Real Estate Activities⁸ (NACE L), GVA has seemingly performed comparatively better to the construction sector, with the sector's nominal GVA having expanded by 3.9% in nominal terms in H1 2025 over the same period in the prior year. The sector's nominal GVA in 2024 increased by 17.0% in nominal terms, marking the highest year-on-year increase among all economic sectors⁹.

⁸ This is inclusive of imputed rents as calculation is based off published GDP data as disaggregated by NSO.

⁹ The large growth in real estate activities from 2022 to 2023 is partly attributed to a change in methodology in the calculation of imputed rents. For more information please refer to Section 2.7 of the Benchmark Revision 2024, published by NSO in August 2024.

Table 1.2 below shows movements in nominal GVA across sectors. Comparing 2024 with 2023, 'Mining and quarrying; Electricity, gas, steam and air conditioning supply; Water supply; sewerage, waste management and remediation activities' was the only industry that registered a decline. 'Financial and insurance activities' was the only sector to contract between H1 2025 and the corresponding period in 2024.

Table 1.2: Changes in nominal GVA between 2023 and 2024 and between H1 2024 and H1 2025

	NACE Group	2023 (€ 000's)	2024 (€ 000's)	% Change	H1 2024 (€ 000's)	H1 2025 (€ 000's)	% Change
Gross Value Added (GVA) by Sector							
Agriculture, forestry and fishing	A	11,158	51,925	365.3%	37,433	39,828	6.4%
Mining and quarrying; electricity, gas, steam and air conditioning supply; water supply; sewerage, waste management and remediation activities	B + D + E	333,040	324,118	-2.7%	135,772	161,265	18.8%
Manufacturing	C	1,222,553	1,327,331	8.6%	627,695	631,533	0.6%
Construction	F	763,195	809,014	6.0%	407,756	407,854	0.02%
Wholesale and retail trade; repair of motor vehicles and motorcycles; transportation and storage; accommodation and food service activities	G + H + I	3,485,618	3,905,387	12.0%	1,811,260	1,952,136	7.8%
Information and communication	J	2,390,636	2,678,987	12.1%	1,316,324	1,451,437	10.3%
Financial and insurance activities	K	1,614,437	1,729,864	7.1%	876,441	820,045	-6.4%
Real estate	L	1,562,036	1,826,869	17.0%	903,942	939,148	3.9%
Professional, scientific and technical activities; administrative and support service activities	M + N	3,496,963	3,665,644	4.8%	1,806,429	1,890,339	4.6%
Public administration and defence; compulsory social security; education; human health and social work activities	O + P + Q	2,796,749	3,231,111	15.5%	1,492,011	1,701,666	14.1%
Arts, entertainment and recreation, repair of household goods and other services	R + S + T + U	1,744,026	1,827,969	4.8%	914,754	958,038	4.7%
Total GVA		19,420,410	21,378,220	10.1%	10,329,817	10,953,290	6.0%
Add Taxes on products		1,860,027	2,021,941	8.7%	1,038,135	1,065,821	2.7%
Less Subsidies on products		369,286	329,174	-10.9%	126,513	147,793	16.8%
GDP		20,911,152	23,070,988	10.3%	11,241,438	11,871,318	5.6%

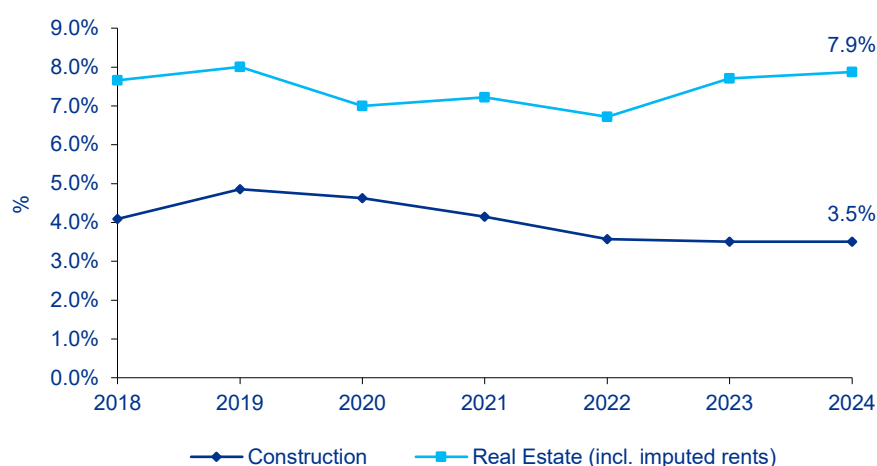
Source: NSO data; KPMG analysis



The growth of GVA in real terms diverges from the nominal figures presented in Table 1.2. Once adjusted for price changes, the construction sector recorded a real expansion of 5.0% in 2024 compared with the previous year. Similarly, the real estate sector, inclusive of imputed rents, registered a real growth rate of 7.4% over the same period. As overall GVA growth in real terms amounted to 5.1% in 2024, this suggests that both sectors have performed well compared to the national average¹⁰.

In real terms, the contribution of the construction sector to total GVA remained broadly unchanged at 3.5% in 2024, compared with the previous year. By contrast, the share of the real estate sector, inclusive of imputed rents, rose slightly from 7.7% to 7.9% over the same period. Despite recording positive real growth in 2024, the construction sector's share of overall GVA continues to be relatively modest, representing its lowest proportion in 2023. This trend highlights the sector's diminishing share within the broader economy, suggesting that whilst expanding in absolute terms, the sector has not kept pace with the growth of other sectors. Conversely, the steady increase in the real estate sector's share points to its rising importance in national value-added, reflecting both sustained activity in property markets and the continued significance of housing services captured through imputed rents.

Figure 1.5: Share of Gross Value Added in real terms



Source: NSO data; KPMG analysis

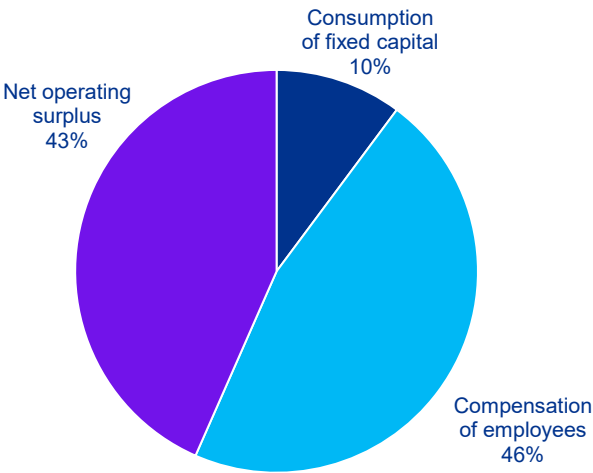
¹⁰ Note that this is based on NSO's Q2 GDP newsletter (NR 155/2025), released on 28 August 2025.

A detailed breakdown of the Construction sector’s nominal GVA between 2023 and 2024 indicates that the largest increase was in employee compensation, which rose by nearly €29.7 million (8.8%). This was followed by an increase of €9.1 million (2.6%) in net operating surplus, and €6.0 million rise (7.9%) in consumption of fixed capital.

During the first half of 2025, compared to the same period in 2024, net operating surplus recorded a decrease of €6.7 million (-3.7%), representing the only negative change. Employee compensation saw an increase of €6.7 million (3.7%), while consumption of fixed capital grew by €0.2 million (0.5%).

Figure 1.4 presents the composition of GVA for the construction sector in the first half of 2025. Compensation of employees accounted for the largest share, representing 46% of total GVA. The distribution of components shows variation compared with the first half of 2024¹¹.

Figure 1.6: Gross Value Added for the construction sector (NACE F) in H1 2025



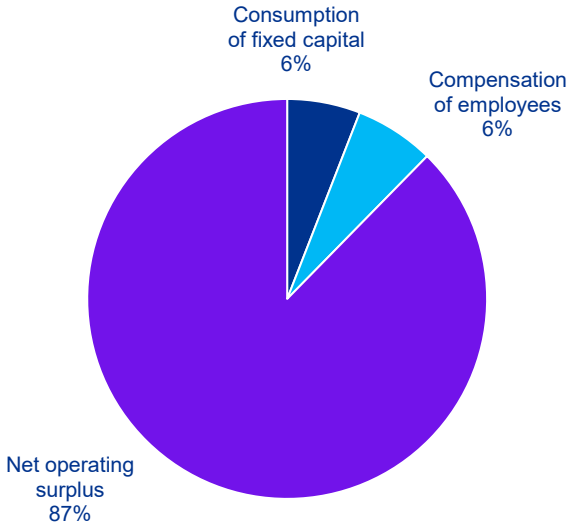
Source: NSO data; KPMG analysis

The component with the most significant absolute change in the Real Estate sector (excluding imputed rents) between 2023 and 2024 was net operating surplus, which increased by €126.0 million (an increase of 15.8% over the previous year). This was followed by a €9.9 million increase in consumption of fixed capital (18.0%). The smallest increase was seen in employee compensation, which grew by €9.2 million (14.2%).

A similar trend was observed in the first half of 2025 compared to the same period in 2024, with net operating surplus increasing by €86.2 million (19.3%). Employee compensation and consumption of fixed capital also rose by €3.2 million (8.9%) and €4.0 million (12.6%), respectively.

In Figure 1.5, a depiction of the share of the GVA components as of H1 2025 is provided. Net Operating Surplus commands the largest share of the nominal GVA at 87%. The share of the GVA components has stayed largely the same since H1 2024¹².

Figure 1.7: Gross Value Added for the real estate sector (NACE L) in H1 2025



Source: NSO data; KPMG analysis

¹¹ Note that values for H1 2024 may not be identical to previous editions of the report due to retrospective changes in data.
¹² Ibid.

1.5 Employment and compensation of employees

Between the end of 2023 and the end of 2024, the number of full-time equivalents (FTEs) in the construction sector grew by 1.8%, while the Real Estate sector saw an increase of 10.4%.

As of December 2024, the construction sector directly employed an estimated 21,202 FTEs, compared with 20,832 in 2023. This represented approximately 6.4% of total employment in the economy, marginally lower than the 6.5% recorded in the previous year. The upward trend in construction employment persisted into 2025, with the number of FTEs rising to 21,465 by March, thereby maintaining a stable share of 6.4% of the national total FTEs.

In the real estate sector, direct employment stood at an estimated 4,352 FTEs in December 2024, up from 3,943 in 2023. Growth in this segment also continued into 2025, with the workforce expanding to 4,514 FTEs by March, an increase of 447 compared with the same period in the previous year. This trajectory highlights both sectors' ongoing capacity to generate employment, though the construction sector maintains a comparatively larger role in overall labour absorption.

As of March 2025, the building industry, which includes both the construction and real estate sectors, employed a combined total of 25,979 FTEs, accounting for 7.8% of all gainfully employed individuals in Malta.

Between 2023 and 2024, employee compensation in the construction sector increased by 8.8%. Over the same period, the sector's GVA rose by 6.0%, indicating that the rate of growth in employee compensation outpaced the overall expansion of GVA within construction. In contrast, the real estate sector recorded a 14.2% rise in employee compensation compared with 2023. However, this growth was lower than the 17.0% increase in GVA (excluding imputed rents) observed in the sector during the same period.

The national average compensation per employee was €25,283¹³ in 2018, rising to €29,620 by 2024, reflecting an average annual growth of 2.7%. In the construction sector, average compensation per employee stood at €14,453 in 2018 and

increased to €17,309 by 2024, corresponding to an annual average increase of 3.1%. In 2024, average compensation in this sector grew by 4.0% compared to the previous year, as the rise in total compensation (8.8%) outpaced the growth in FTEs (1.8%).

In the real estate sector, average compensation per employee declined from €22,748 in 2018 to €17,476 in 2024, reflecting an average annual decrease of 4.3%. It should be noted, however, that 2018 represents an exceptional year, as compensation levels were significantly higher than those recorded in adjacent years. As such, 2018 may be considered an outlier for comparative purposes. When using 2019 as the reference point, the average annual growth in employee compensation between 2019 and 2024 is 0.8%, providing a more representative measure of the underlying trend. Additionally, in 2024, average compensation per employee increased by 4.1% compared with 2023.

It should be noted that the reported employee compensation figures do not include payments made to individuals operating as self-employed. Data for NACE codes 41-43, corresponding to the Construction sector, indicate that in 2024 an average of 21% of workers were self-employed¹⁴. In comparison, for NACE code 68, representing the Real Estate sector, the proportion of self-employed individuals was 42%¹⁵. It may be anticipated that the average compensation for self-employed individuals would exceed the average compensation figures presented in Figure 1.8, as their income is typically derived from business profits rather than fixed wages or salaries.

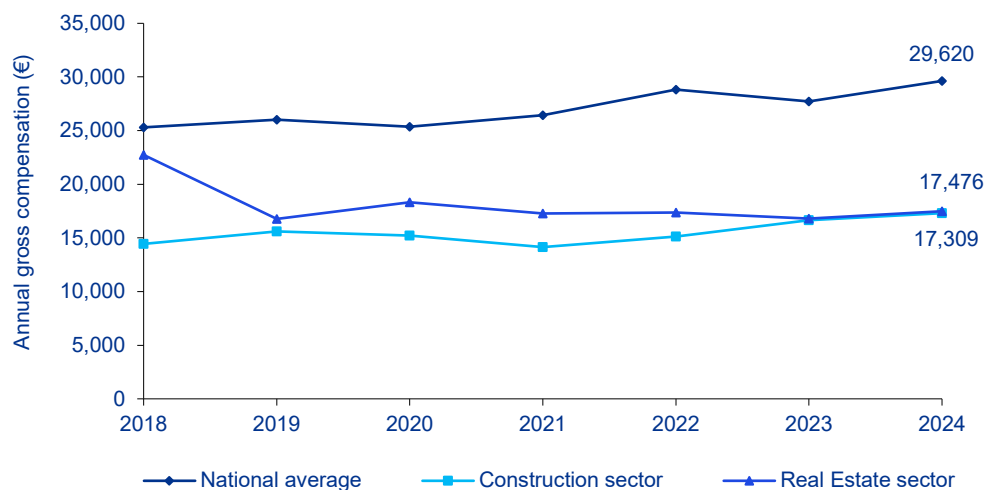


¹³ Calculated as total compensation of employees divided by total FTEs.

¹⁴ National Statistics Office - Registered Employment: April 2025. News release 165/2025 published on the 19th of September 2025.

¹⁵ Ibid.

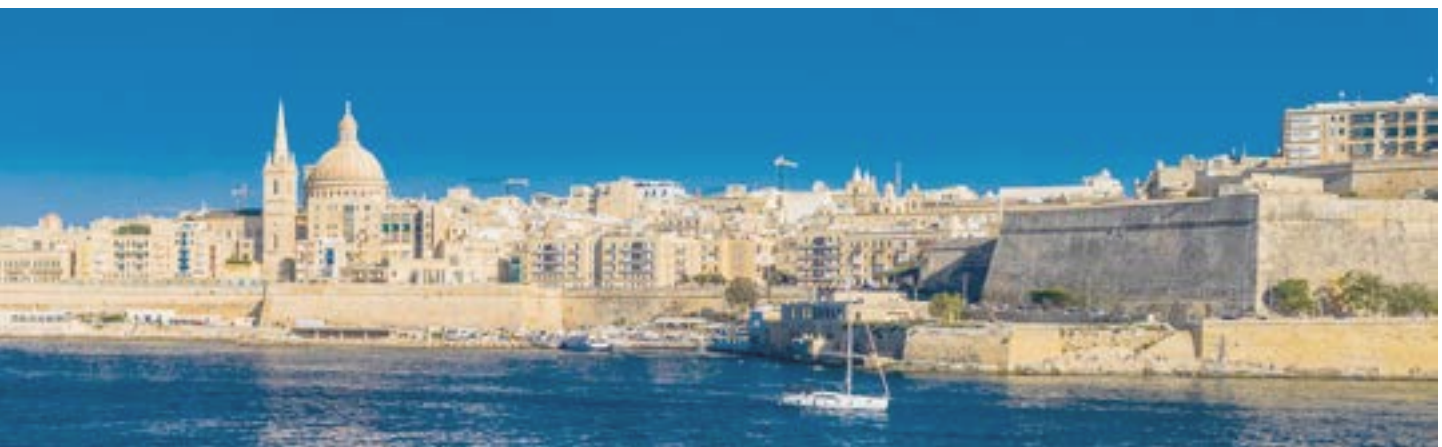
Figure 1.8: Trends in average compensation of employees



Source: NSO data; KPMG analysis

In 2024, the increase in individual employee compensation within both the construction and real estate sectors remained below the national average, which rose by 6.8% compared with 2023. This marked a contrast from the previous year, when the national average increase was lower than the growth in compensation observed in these two separate sectors. Across the economy, compensation grew by 12.6%, outpacing the 5.4% average increase in total FTEs. This suggests that average compensation growth in the construction and real estate sectors was stronger compared to other sectors in the economy.

In the construction sector, such earnings are classified under net operating surplus, which rose by 41.7% between 2018 and 2024, corresponding to an average annual increase of 6.0%. This development may indicate a growing prevalence of self-employment within the sector. However, over 2023, the net operating surplus for this sector recorded only a modest increase of 2.6%.



1.6 Estimating a more comprehensive view of the building industry

The previous section estimated that the building industry accounts for approximately 9.6% of the total nominal GVA in the local economy, based on figures from the first half of 2025. This figure includes the GVA from the construction and real estate sectors, as defined by the NSO. However, it does not capture the GVA contributions from other sectors mentioned in Section 1.2, nor from sectors not directly related to construction but generating economic output due to construction activities (such as auditing services for construction companies, legal services, or the manufacturing and sale of office furniture).

To estimate the direct and indirect economic impact of the supply of goods and services which are related to construction and real estate (as the two main components of the building industry) we use the latest Type 1 Value Added Multipliers published by the Central Bank of Malta (based on the 2015 Symmetric Input-Output Table)¹⁶.

Table 1.3: Estimation of GVA contribution from the broader construction industry, 2024¹⁷

Source of GVA contribution	€ millions	% of total GVA
Construction		
Output from construction	2,395	
Construction Type 1 Value Added multiplier	0.55	
Value added from construction	1,317	6.16%
Real estate		
Output from real estate (incl. imputed rents)	2,438	
Real estate Type 1 Value Added multiplier	0.78	
Value added from real estate	1,901	8.89%
Value added from construction and real estate	3,219	
Less inter-industry linkages	(216)	-1.01%
Estimated contribution to total GVA by construction and real estate	3,002	14.04%

Source: NSO data; KPMG analysis

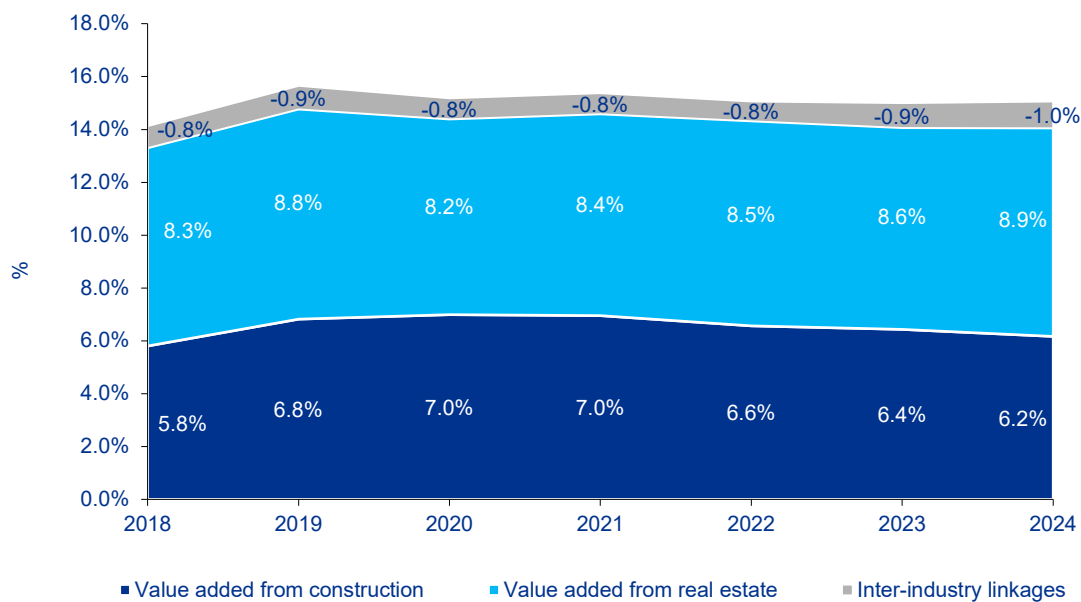
The results indicate that in 2024, the building industry in Malta generated an estimated €3 billion in GVA, accounting for 14.0% of the national total. Nonetheless, the sector's share of overall GVA registered a slight decline compared with 2023, suggesting that broader economic growth marginally outpaced that of the building industry.

¹⁶ Multipliers should be interpreted with caution in that the hypothetical marginal change in final demand and the resultant impact in direct, indirect and induced impacts, are underpinned by a number of assumptions which may not hold true in real life, such as assumptions on relative prices and supply constraints.

¹⁷ Amounts may not add up exactly in table due to rounding.

The chart below presents the sector’s contribution to total GVA over the period 2018-2024.

Figure 1.9: Estimation of the GVA contribution from the wider building industry



Source: NSO data; KPMG analysis

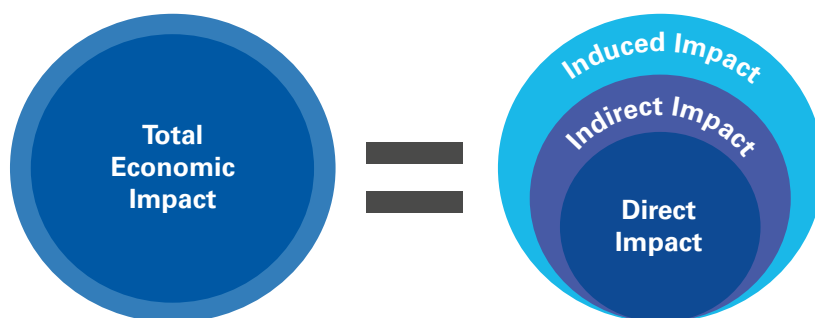
1.7 Multiplier analysis

Whenever a consumer buys a product or service, the economic effect goes beyond the amount they spent. This is known as the economic multiplier.

Economic multipliers help estimate the overall economic impact generated by an initial expenditure. A more detailed explanation of multiplier analysis can be found in Appendix D.1. The essential concepts and terminology relevant to this section are outlined below:

- **Direct impact** – This is the initial spend made by a final consumer. Official statistics on output by economic sectors are a reflection of the direct impact attributable to those sectors.
- **Indirect impact** – This reflects the ‘second round’ of spending. For example, the demand created upstream to purchase raw materials needed to produce goods sold.
- **Induced impact** – This reflects all subsequent rounds of spending. For example, the spending by employees of the company supplying the goods initially purchased which can be linked to the original direct spend.
- **Type I Multiplier** – An estimate which captures both direct and indirect impact.
- **Type II Multiplier** – An estimate which captures direct, indirect, and induced impacts.

To take the construction industry as an example, the Type I multiplier for this industry is approximately 1.77. This means that a marginal change in spend of €1 will result in a direct and indirect economic impact (output) of €1.77 (€1 direct impact + €0.77 indirect impact). As it stands, we are using the latest multipliers which are based on 2015 figures, the latest ones available for such analysis of the Maltese economy.



The following section examines the total output generated by the construction and real estate sectors in 2024, using two types of economic multipliers to estimate the overall economic impact of activities in each sector. It is important to clarify that these figures should not be seen as representing the sectors' percentage contribution to the economy, which was covered in the previous section. Instead, the multipliers (also known as simple or modelling multipliers) indicate the effect on value-added, and employment resulting from a marginal change in final demand within each industry.

Figures for previous years have been recalculated to incorporate updates in official statistics.

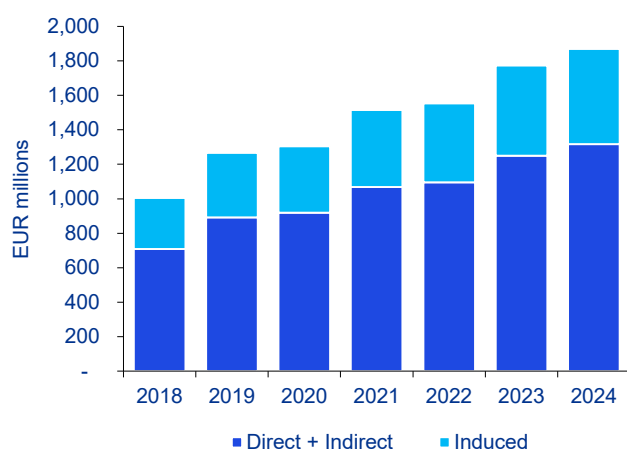


1.7.1 Value added multipliers

Value added multipliers measure the extent to which an increase in output generates value added in the economy. By value added we are referring to the creation of wealth in the economy, measured from the income side by compensation to employees, gross operating surplus, and consumption of fixed assets. All figures are in nominal terms. The Type I and Type II value added multipliers associated with the quarrying and construction industry are 0.55 and 0.78, whereas the Type I and Type II value added multipliers associated with real estate activities are 0.78 and 0.85.

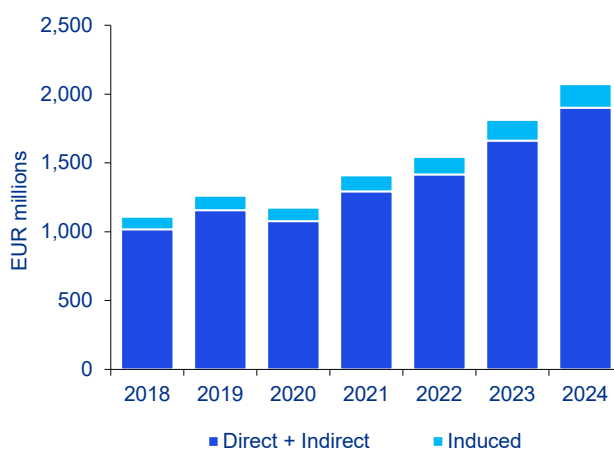
This means that the output generated in 2024 for the construction industry would be expected to have led to around €1.32 billion in direct and indirect value added, with an additional €0.55 billion in induced value added, for a total of €1.87 billion. As for the real estate sector (inclusive of imputed rents), output effectively generated around €1.90 billion in direct and indirect value added, with an additional €0.17 billion in induced value added, for a total of €2.07 billion.

Figure 1.10: Value added multipliers: Construction



Source: KPMG analysis

Figure 1.11: Value added multipliers: Real estate activities



Source: KPMG analysis

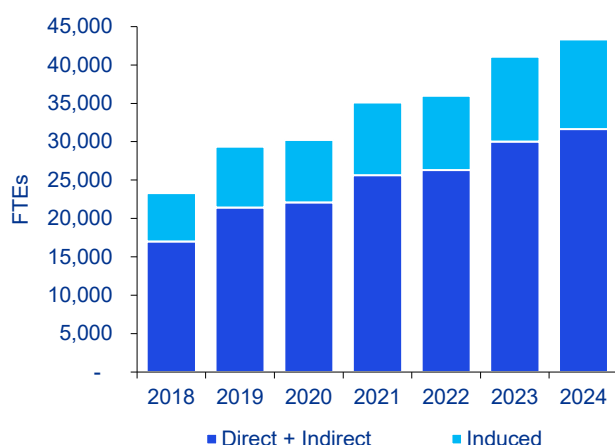
1.7.2 Employment multipliers

Employment multipliers estimate the number of jobs created as a result of a €1m increase in demand in a particular sector. For the construction sector, the Type I employment multiplier is 13.21, and the Type II employment multiplier is 18.09¹⁸. The results of the Type 1 multiplier should be interpreted as the minimum number of jobs likely to be generated as a result of the direct output generated by the construction industry, while the results of the Type 2 multiplier should be interpreted as the likely maximum number of jobs generated. Hence in reality, the construction industry most likely contributes to the creation of a number of jobs within this range. The same applies for the employment multipliers for the real estate sector, where the Type I employment was estimated at 3.62 and the Type II employment multiplier was estimated at 5.09.

Based on the 2024 figures, it is estimated that the construction industry supported approximately 31,641 direct and indirect jobs. Direct jobs include roles within the construction industry itself (e.g., manual labourers employed by construction companies), while indirect jobs are those generated through the industry's intermediate demand (e.g., a labourer working at a quarry supplying raw materials to construction firms). Meanwhile, the real estate sector supported an estimated 8,824 direct and indirect jobs.

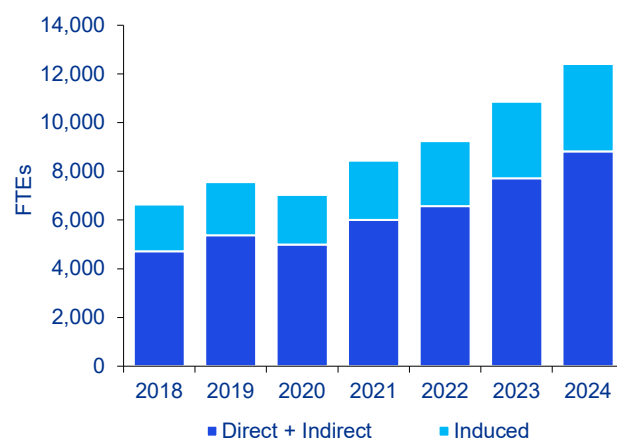
In terms of induced jobs, it is estimated that the construction industry supported an additional 11,689 jobs (bringing the total to 43,329). Similarly, the real estate sector supported a further 3,583 induced jobs (bringing the total to 12,407). Induced jobs arise from additional spending by employees in the construction and real estate sectors, respectively.

Figure 1.12: Employment multipliers: Construction



Source: KPMG analysis

Figure 1.13: Employment multipliers: Real estate activities



Source: KPMG analysis

¹⁸ Note that employment multipliers changed drastically from the ones calculated from the 2010 SIOT. The previous employment multipliers, used in previous editions of the report, were 27 for Type 1, and 32 for Type 2.



Property market analysis

This section provides a comprehensive analysis of prevailing trends across both the residential and commercial real estate markets. Within the residential segment, particular attention is given to a wide spectrum of property types, including apartments, penthouses, maisonettes, terraced houses, and comparable dwellings. The analysis draws on our proprietary database, further supplemented with data from National Statistics Office and the Central Bank of Malta.

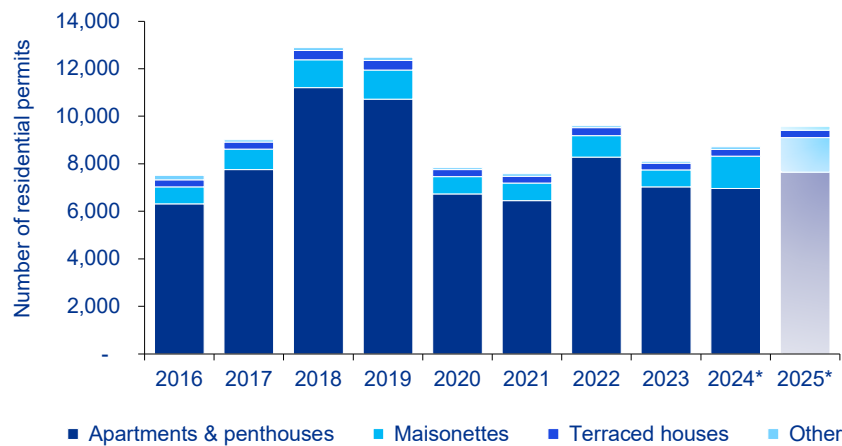
Turning to the commercial sphere, the section concentrates primarily on offices and retail spaces, offering insights into their current performance and emerging patterns within the broader property landscape.

2.1 Residential permits

According to data published by the NSO, a total of 8,716 residential units were granted approval in 2024, representing a 7.4% increase compared with 2023 (Figure 2.1). This growth followed a contraction in 2023, suggesting that new unit supply for residential property regained momentum in 2024. Early indications for 2025 also point towards continued expansion. Between January and June 2025, 5,170 permits were sanctioned, reflecting a significant year-on-year increase of 9.7%. Should this upward trend persist in the latter half of the year, the total number of permits approved in 2025 is expected to surpass the levels recorded in 2024.

Similar to previous periods, during the first half of 2025, apartments made up 71.3% of approved units followed by maisonettes at 15.1%, and penthouses at 9.2%¹⁹. While expectations for the full-year total may not fully align with Figure 2.1, given that only data for the first half of 2025 is currently available, projections for the full year are based on the assumption that the growth observed in the first six months will continue in the latter half. Apartments and penthouses continue to account for the majority of residential permits, followed by maisonettes.

Figure 2.1: Residential permits by property type



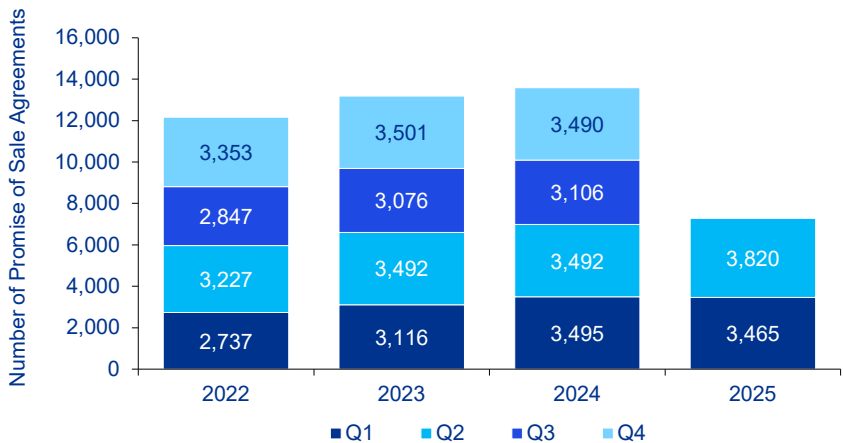
Source: NSO data; KPMG analysis

¹⁹ Permit data was retrieved from NSO News releases and from the Central Bank of Malta Development Permits for Dwellings, by Type.
* Data for these years combine Apartments and Penthouses collectively.

2.2 Promise of Sale agreements²⁰

After the decline recorded in 2022, Promise of Sale agreements experienced a rebound in both 2023 and 2024. This upward trajectory continued into the first half of 2025, which registered a 4.5% increase in agreements compared with the same period of the previous year. Should this momentum be sustained in the latter half of 2025, the post-2022 recovery is expected to further continue.

Figure 2.2: Promise of Sale agreements²¹



Source: NSO data

When evaluating Promise of Sale agreements, it is worth noting the proportion of potential buyers represented by households. During the first half of 2025, an average of 90% of potential buyers were households making up the majority of potential buyers. This figure is similar to last year (91%).

Figure 2.3 presents a comparison between Promise of Sale data and permit data. It is important to note that the NSO data does not categorise Promise of Sale agreements by property type, meaning that the figures include non-residential properties such as garages, land plots, boathouses, and airspaces. Based on data from prior editions of this report, it can be observed that between 50% and 55% of POSs relate to residential property types which match the categories within residential permit data.

A key consideration in the following analysis is that the data for 2025 only covers the first half of the year. To facilitate comparisons with previous years, a simple forecasting approach was used, where the average share of H1 POS and permits data from the total annual figures over the last three years was applied to project the full-year figure for 2024, using the H1 data. While this assumption may not hold true, it offers a cautious basis for comparing Promise of Sale agreements and permits against previous years.

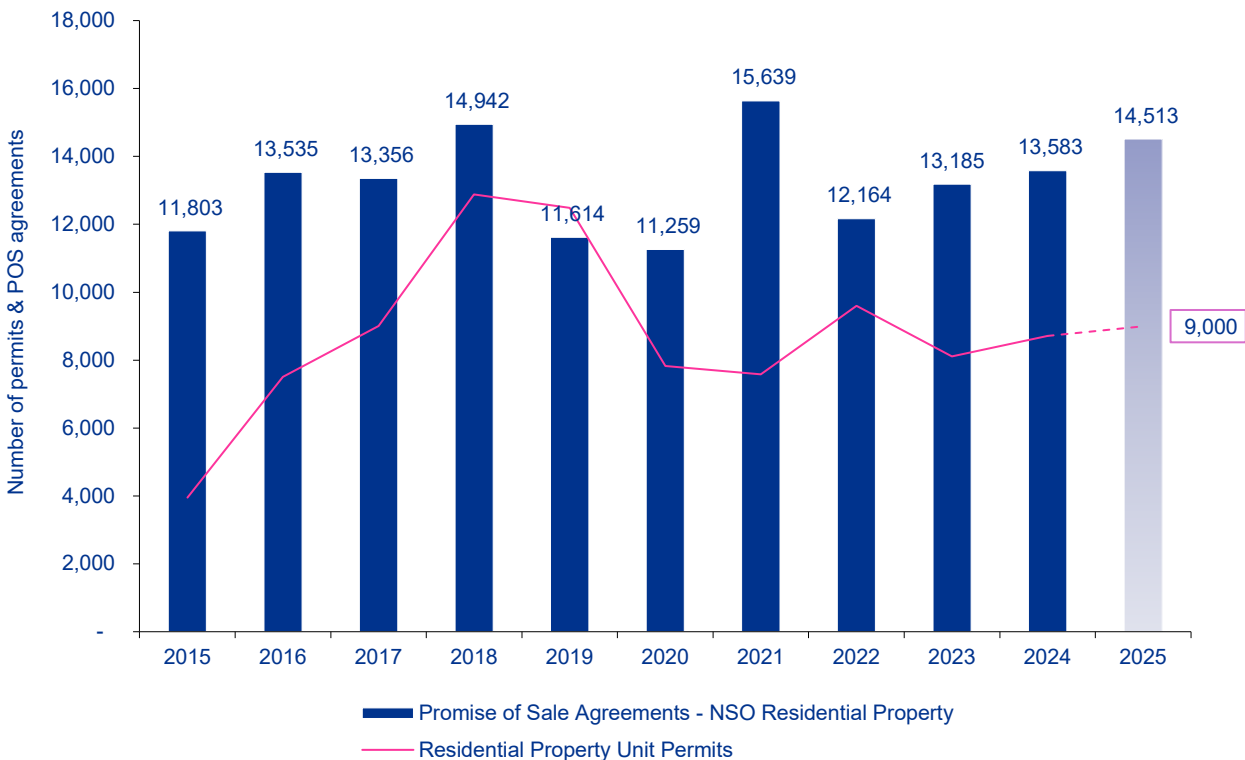
²⁰ The composition of the datasets under analysis significantly influences the outcomes we derive. Consequently, some of the fluctuations in our results from one year to the next can be attributed, in part, to alterations in the dataset's composition, as well as shifts in market dynamics.

²¹ Please note that these figures are not directly comparable with those presented in the previous edition of this report, owing to retrospective revisions.

According to NSO data, a total of 87,667 permits for residential property units were issued between 2015 and 2024, exclusively for apartments, penthouses, maisonettes, terraced houses, and other residential categories such as bungalows, farmhouses, and villas. During the same period, there were a total of 131,080 Promise of Sale agreements, of which an estimated 72,041²² would be expected to correspond to these residential categories.

In the first half of 2025, a total of 5,710 permits were issued and 7,285 Promise of Sale agreements were registered, of which approximately 4,002 pertained to comparable residential property types. This is higher than H1 of 2024, with 4,714 issues permits and 6,992 Promise of Sale agreements. When restricted to these categories, the data indicates that the number of residential permits exceeded the corresponding number of promises of sale agreements during this period.

Figure 2.3: Residential property unit permits in comparison to Promise of Sale agreements for all residency types



Source: NSO data; KPMG analysis

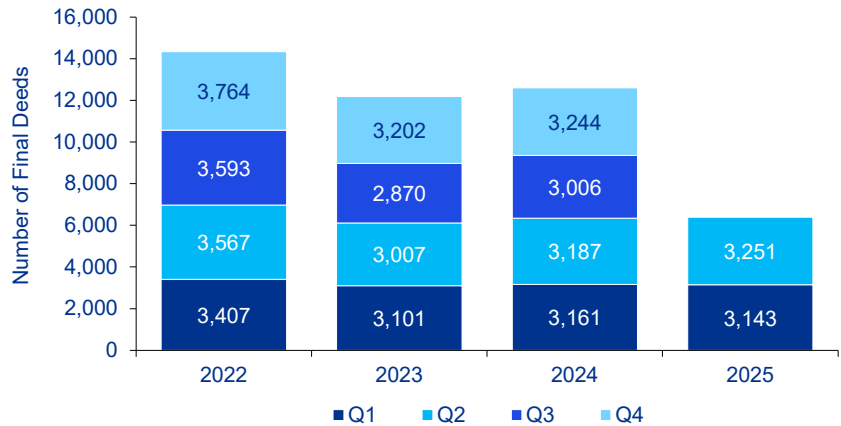
²² Based on a 50% - 55% share, representing the average proportion observed between 2015 and 2024 using 2024 data.

2.3 Residential Final Deeds of Sale

This analysis is based on data published by the NSO and considers the number of final deeds recorded up to August 2025. For consistency, however, the scope is confined to transactions concluded in the first half of the year. It is important to note that, in certain instances, a single final deed of sale may encompass multiple properties. As a result, the number of final deeds does not necessarily reflect the exact volume of properties transacted. This figure, however, includes non-residential properties such as garages, plots of land, and other categories such as airspace, boathouses, gardens, and urban tenements.

In the first half of 2025, a total of 6,394 final deeds were registered, representing a modest increase of 0.7% compared with the same period in 2024, but a decline of 4.7% relative to the first half of 2023. Of these transactions, approximately 91% involved individual buyers, typically households. Final deeds involving households fell by 0.8% when comparing the first half of 2025 with the corresponding period in 2024. Should this pattern continue in the latter half of the year, the total number of deeds involving households is expected to be comparable to 2024 by year-end.

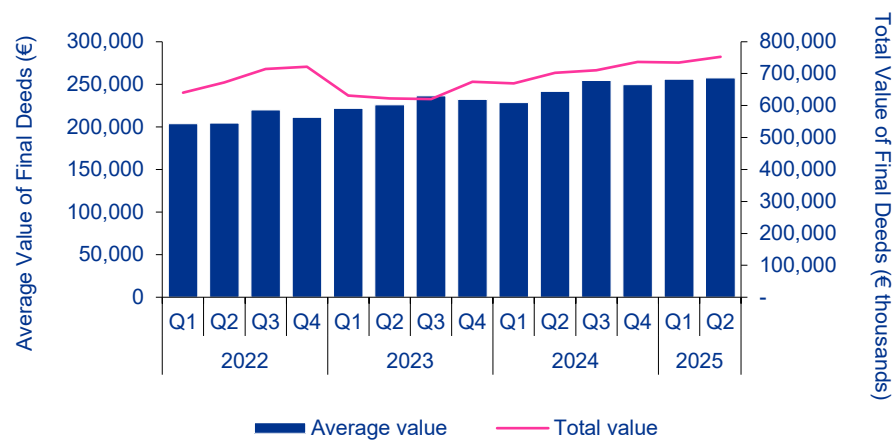
Figure 2.4: Final deeds



Source: NSO data

When it comes to final deeds involving individual buyers (households), the average value from 2022 to the first half of 2025 was €231,585²³. In the first half of 2025, the total value of these final deeds rose by 8.3% compared to the same period in 2024. This could be indicative of a general increase in property values transacted from 2024, while allowing for any potential impact of shifts in the make-up of the underlying deeds between 2024 and 2025.

Figure 2.5: Value of final deeds involving households



Source: NSO data; KPMG analysis

²³ Note that based on the previous caveat, the number of properties transacted through Final Deeds of Sale is higher than the number of deeds themselves, as a single deed may cover multiple properties. Consequently, the average value per property is likely to be lower.

2.4 The demand and supply for different property types

In this section, final deeds data are matched with approved permits for various property types to gain insights into market demand and supply patterns. More specifically, final deeds are a direct reflection of effective demand as they represent the completion of a sale. This analysis covers apartments and penthouses, maisonettes, and houses, which includes terraced houses, bungalows, farmhouses, and villas. Due to differing categorisations of property types between the permits and final deeds databases, it was not possible to distinguish between types of houses, leading to their combined analysis.

Presented below is the count of final deeds compared to issued permits for specific property categories up to 2025. It is key to note that data for full-year 2025 has been proxied to facilitate a proper comparison. The assumption made is that the first half of 2025 represents the same proportion of the annual total as the average of the past two years (2023-2024). This same ratio was applied to extrapolate the full-year figures for 2025, for both final deeds and permits separately. Moreover, the analysis is done in light of the potential lag between permit issuance and Final Deeds of Sale. Both caveats remain relevant for the entire examination.

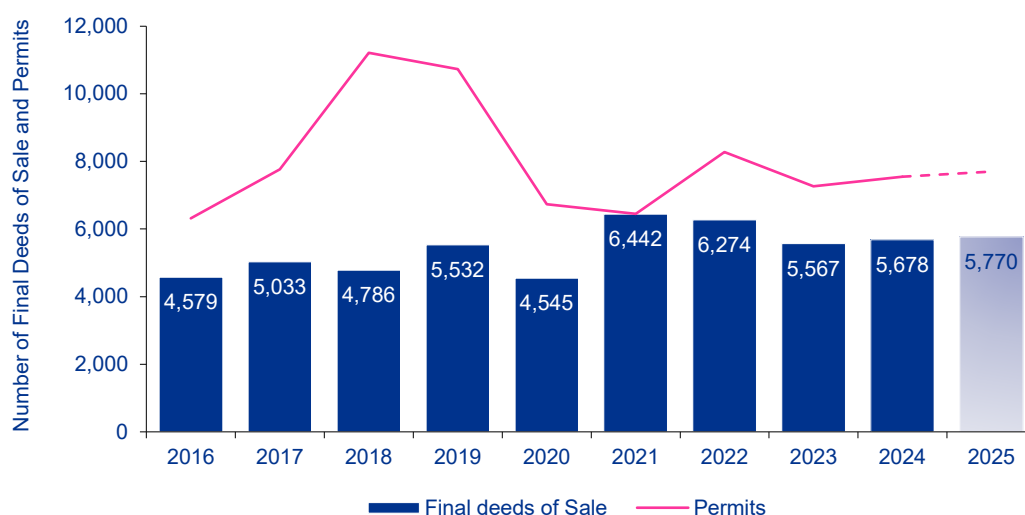
2.4.1 Apartments and penthouses



In the first half of 2025, apartments and penthouses continued to dominate the market, accounting for 71.3% and 15.1% of transactions, respectively. During this period, permits rose by 9.0%, while Final Deeds of Sale registered a slight decline of 0.5% compared with the first half of 2024. This suggests that the effective supply of new apartments and penthouses expanded at a faster pace than demand.

Assuming the ratio of activity between the first and second halves of the year follows the average pattern observed over the past two years, permits for apartments and penthouses are projected to increase by around 2.0% by year-end. This would represent a more moderate expansion compared with the 3.9% growth registered between 2023 and 2024. On the demand side, final deeds are expected to record a 1.6% annual increase, signalling a marginally smaller increase than that observed in the previous year.

Figure 2.6: Apartments and penthouses



Source: NSO data; KPMG analysis

The table below presents permits and final deeds for apartments and penthouses separately during the first half of 2024 and 2025.

The data clearly shows that both potential new unit supply (permits) and effective demand (final deeds) for apartments remain significantly higher than for penthouses, consistent with their relative prevalence in the market. In the first half of 2025, permits increased by 9.7% for apartments and 5.8% for penthouses compared with the same period in 2024. On the demand side, Final Deeds of Sale for apartments rose modestly by 0.8%, while penthouses registered a notable decline of 8.8%.

Table 2.1: Final Deeds of Sale and permits for apartments and penthouses

Type	Final Deeds of Sale		Permits	
	H1 2023	H1 2024	H1 2023	H1 2024
Apartments	2,542	2,562	3,363	3,688
Penthouses	397	362	736	779

Source: NSO data; KPMG analysis



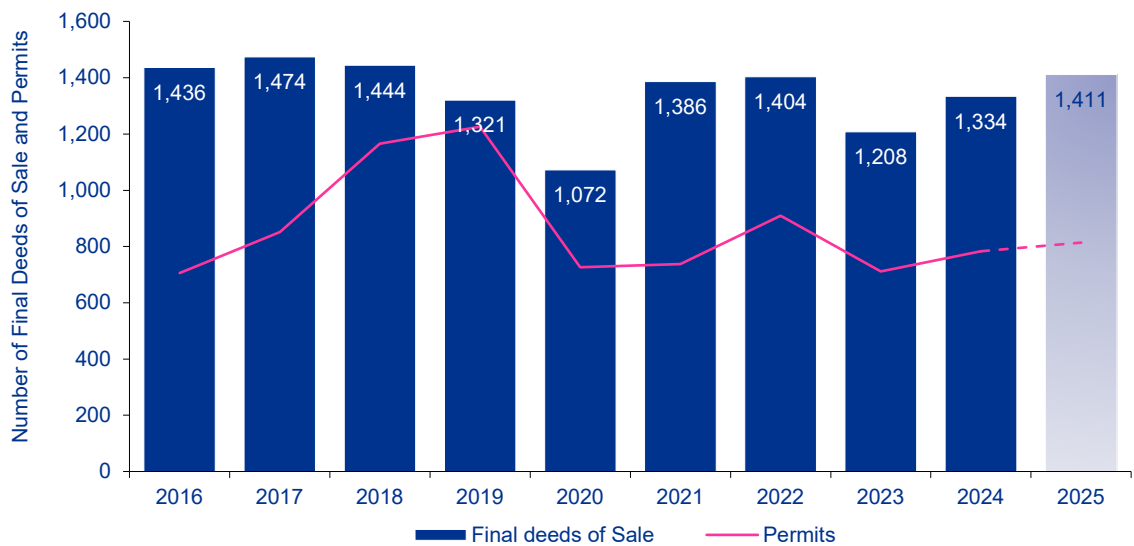
2.4.2 Maisonettes



Assuming the H1:H2 ratio for 2025 follows the average pattern observed over the past two years, permits for maisonettes are projected to rise by 4.0% year-on-year. Under the same assumption, signed deeds of sale are expected to increase by 5.8% in 2025, building on the stronger 10.4% growth recorded between 2023 and 2024.

When comparing the first half of 2025 with the corresponding period in 2024, permits rose by 12.3%, while Final Deeds of Sale increased by 7.9%, with a total of 683 transactions concluded for maisonettes.

Figure 2.7: Maisonettes



Source: NSO data; KPMG analysis

2.4.3 Terraced houses, bungalows, farmhouses, and villas



These properties typically command a significant price premium, and as expected, such properties comprise a smaller part of the property market. In recent years, a consistent trend has emerged wherein effective demand consistently surpasses potential new unit supply, as evidenced by the number of permits issued and Final Deeds of Sale signed.

Assuming the H1:H2 ratio for 2025 is consistent with the average of the past two years, permits for these dwelling types are projected to increase by 11.5%, while the number of Final Deeds of Sale is expected to decline by 4.4%. Although the total number of deeds continues to exceed permits, their growth trajectory appears weaker for year-end 2025.

Comparing the first half of 2025 with the corresponding period in 2024, permits rose by 19.4%, whereas final deeds decreased by 3.0%. This divergence points to an expansion in potential new unit supply alongside a contraction in effective demand. The disparity between permits issued and Final Deeds of Sale can be interpreted as buying and selling activity of existing stock. We do not have data which suggests whether such terraced houses are bought to be lived in as is, or to be refurbished, or to be redeveloped in apartments. Nevertheless, it is important to note that transaction volumes in this segment remain relatively low compared with apartments and maisonettes, meaning that even modest changes in absolute numbers can translate into significant percentage variations.

Figure 2.8: Terraced houses, bungalows, farmhouses, and villas



Source: NSO data; KPMG analysis

2.5 Property price movements

KPMG maintains an extensive real estate database that undergoes annual updates. This comprehensive database includes details such as property type, location, floor area (both internal and external measurements), the number of bedrooms and bathrooms, view type, and the property's overall condition. Each entry in the database is tagged with the year it was recorded.

It's worth noting that the KPMG database primarily captures advertised average asking prices for properties. While these asking prices serve as valuable indicators of a property's market value and general price trends, it is important to recognise that actual sale prices can vary and may be negotiated downwards (or, in exceptional cases, upwards) during the transaction process. The degree to which a seller is willing to negotiate on price is influenced by various factors, including the availability of similar properties on the market, the property's condition, prevailing market conditions, the number of potential buyers, and the specific circumstances of both the buyer and seller.

For the purposes of this analysis, we consider the dataset collected between July and August 2025. A total of 18,106 data points (each representing a residential or commercial property available for sale or rent) were available for analysis.



As shown in Figure 2.9, the analysis of property price fluctuations for apartments includes three distinct datasets: the KPMG database featuring average asking prices from local real estate agents' websites²⁴, the Property Price Index from the National Statistics Office²⁵, which is based on transaction values, and the Property Price Index provided by the Central Bank of Malta²⁶, which relies on advertised prices.

The makeup of our dataset significantly influences the outcomes we derive. Therefore, certain fluctuations in our results from year to year can be attributed, in part, to alterations in the dataset's composition, in addition to broader market trends. Since our data is drawn from real estate listings, this shifting composition is a crucial factor to acknowledge, as it sheds light on supply dynamics within the market.

All three datasets have been compiled independently using different methodologies. While the KPMG dataset shows a somewhat higher property index in 2025 compared with other public sources, this variation aligns with insights gathered through our stakeholder consultations. These findings may reflect differing market expectations and on-the-ground sentiment captured during our engagement process. Between 2017 and 2025, apartment prices have increased by approximately 59%²⁷. Consequently, a property valued at €200,000 in 2017 would be expected to be worth around €318,000 in 2025. This represents an average capital appreciation of roughly €14,867 per year, equivalent to a compounded annual growth rate (CAGR) of 6.0%.

Figure 2.9: Property price movements - Apartments



Source: NSO data; CBM data; KPMG analysis

²⁴ Latest data available – August 2025.

²⁵ Latest data available – Q2 2025.

²⁶ Latest data available – Q2 2025.

²⁷ This average is calculated by taking the growth for the indicated period across all three indices.



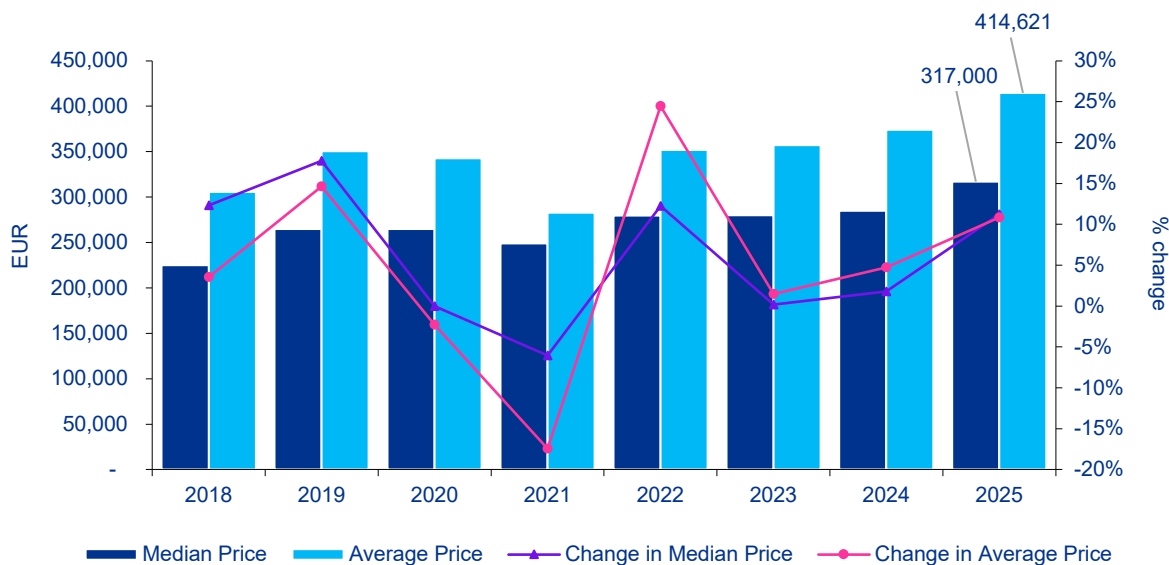
Apartments

Between Q2 2024 and Q2 2025, the average asking price of all the apartments across all localities in our database increased by approximately 10.8 %, based on advertised prices. The median asking price experienced a slightly higher rise of 11.2%. This upward trend aligns with stakeholder observations indicating a notable appreciation in property values, a point that will be discussed in greater detail in subsequent sections of this report.

This pronounced increase may also represent a market correction following the relatively modest price growth observed over the preceding two years. It is worth noting that, when expressed on a price-per-square-metre basis, the overall increase is more substantial at around 14.4%. This suggests that average apartment sizes are decreasing, a pattern consistent with findings highlighted in previous editions of this report.

The overall average price for apartments within the sample stood at €414,621 in 2025 from €374,070 in 2024, with a corresponding median of €317,000 in 2025 from €285,000 in 2024.

Figure 2.10: Asking prices for apartments

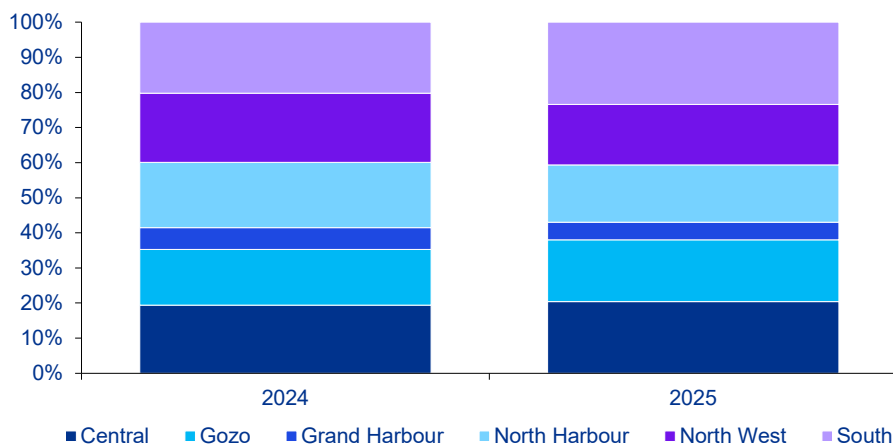


Source: KPMG analysis

When examining the regional distribution of different property types, we aim to assess the prevalence of these property types in different regions. This analysis provides insights into the regional distribution of each property type, highlighting where they are most abundant and where they are relatively scarce.

With respect to apartments, the regional distribution within our 2025 sample remains largely consistent with the pattern observed in 2024, indicating an even spread across the country. The Southern region accounts for the largest share, representing 23.4% of all apartments in the dataset. This is followed by the Central region, Gozo, the North West, and the North Harbour regions. The Grand Harbour region remains the least represented, comprising only 5.0% of the total apartment stock.

Figure 2.11: Regional distribution of apartments



Source: KPMG analysis

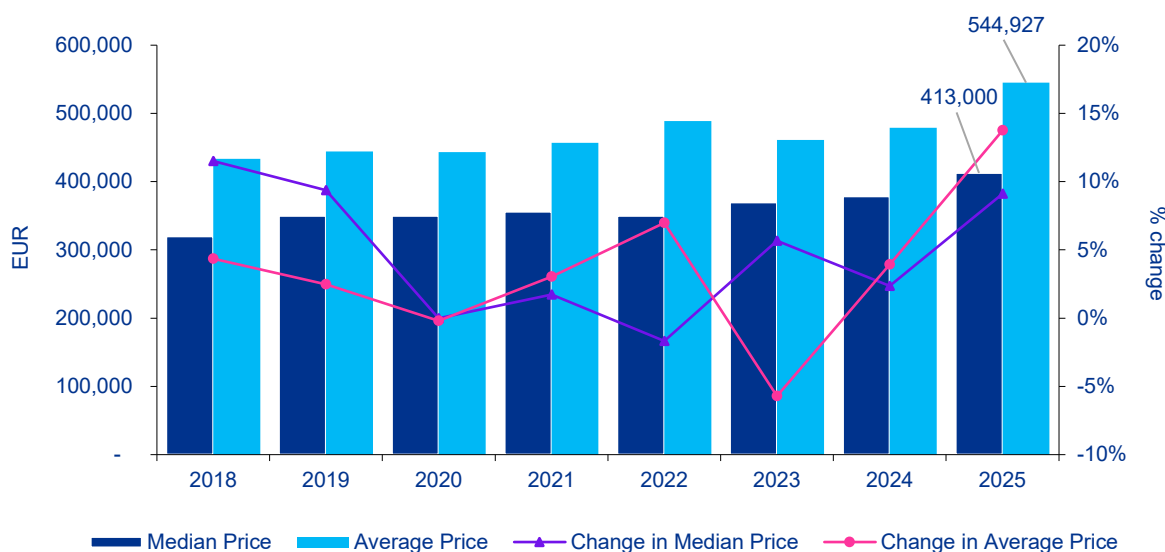
Penthouses

The average and median asking prices for penthouses documented in our database exhibited a similar increase. The average price experienced growth of 13.8%, while the median price saw an increase of 9.1%. Specifically, the average price for penthouses stood at €554,927, while the median is at €413,000.

A significant proportion of advertised penthouses are priced between €300,000 and €400,000, with approximately 405 properties in this range, representing 28.0% of all penthouse listings. However, the number of penthouses within the €200,000 to €300,000 price bracket has been steadily declining since 2022. Similarly, the €400,000 to €500,000 range experienced a modest decrease, while listings priced between €500,000 and €600,000 recorded an increase. This upward shift in price distribution likely contributes to the overall rise in the average asking price for this property type.



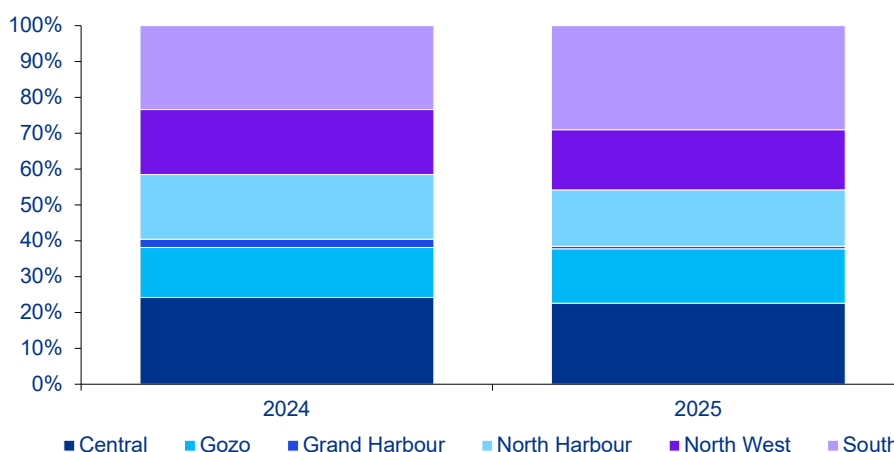
Figure 2.12: Asking prices for penthouses



Source: KPMG analysis

Listed penthouses are primarily concentrated in the Southern region, which accounts for 29.1% of total penthouse listings, followed by the Central region with 22.6%. Compared to 2024, these proportions have remained largely stable, with a slight increase observed in the Southern region and a corresponding decrease in the Central region.

Figure 2.13: Regional distribution of penthouses



Source: KPMG analysis

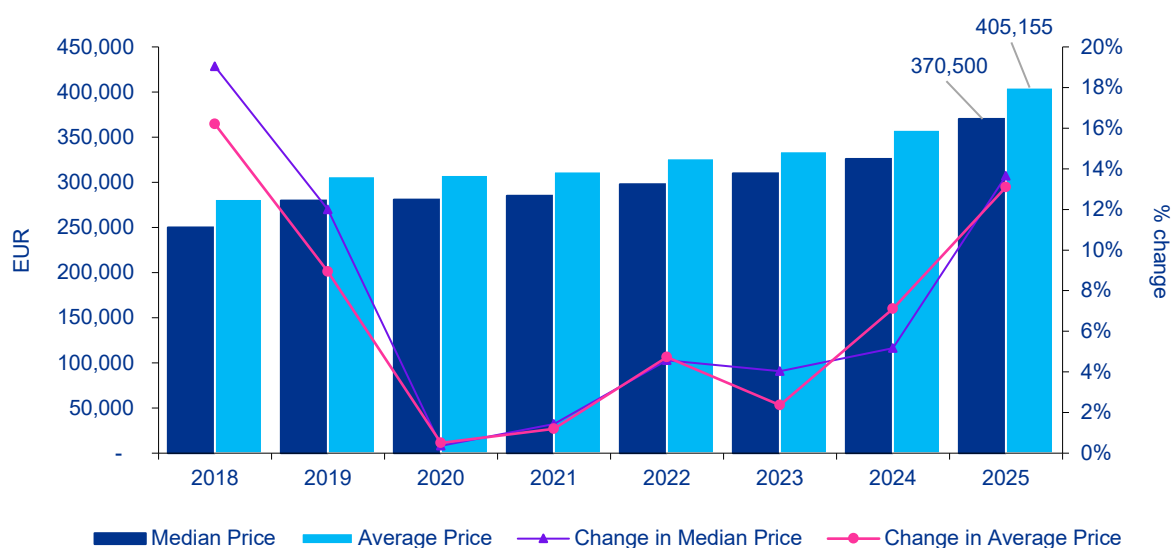
Maisonettes

Between Q2 2024 and Q2 2025, both the average and median asking prices of maisonettes listed in our database recorded substantial increases of 13.1% and 13.7%, respectively. The average asking price reached €405,155 in the latest sample, while the median price rose to €370,500.

Furthermore, 35.2% of maisonettes now fall within the €300,000 to €400,000 price bracket, up from 31.6% in the previous year. This shift highlights the upward movement in property values observed during in Q2 2025, suggesting that maisonettes, once considered a more accessible property type, are increasingly moving beyond the financial reach of a wider segment of prospective buyers.



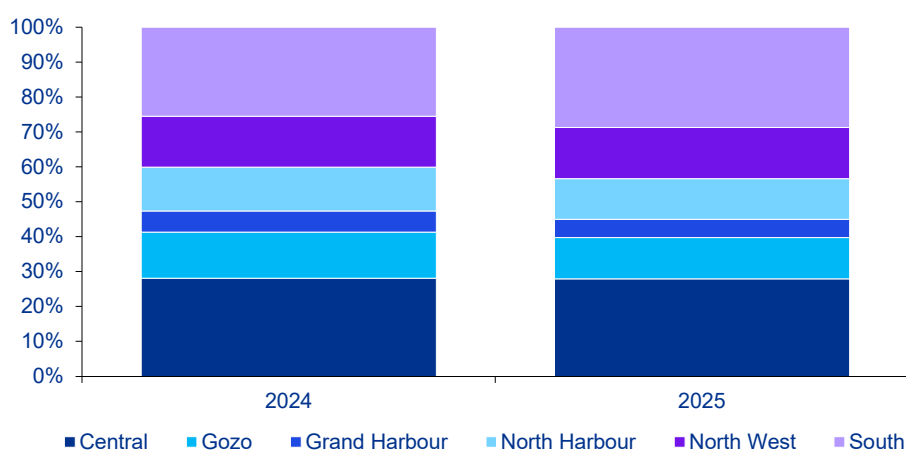
Figure 2.14: Asking prices for maisonettes



Source: KPMG analysis

In contrast to the other property types analysed in this section, the sample size of maisonettes has expanded compared to the previous year, resulting in an overall increase in listings across most regions, particularly in the Southern region. Notably, the Southern region now accounts for 28.7% of all maisonette listings, up from 25.5% in 2024. This growth is primarily attributable to a decline in the proportion of maisonettes recorded in Gozo, the Central region, the Grand Harbour, and the North Harbour regions.

Figure 2.15: Regional distribution of maisonettes



Source: KPMG analysis

Terraced houses²⁸

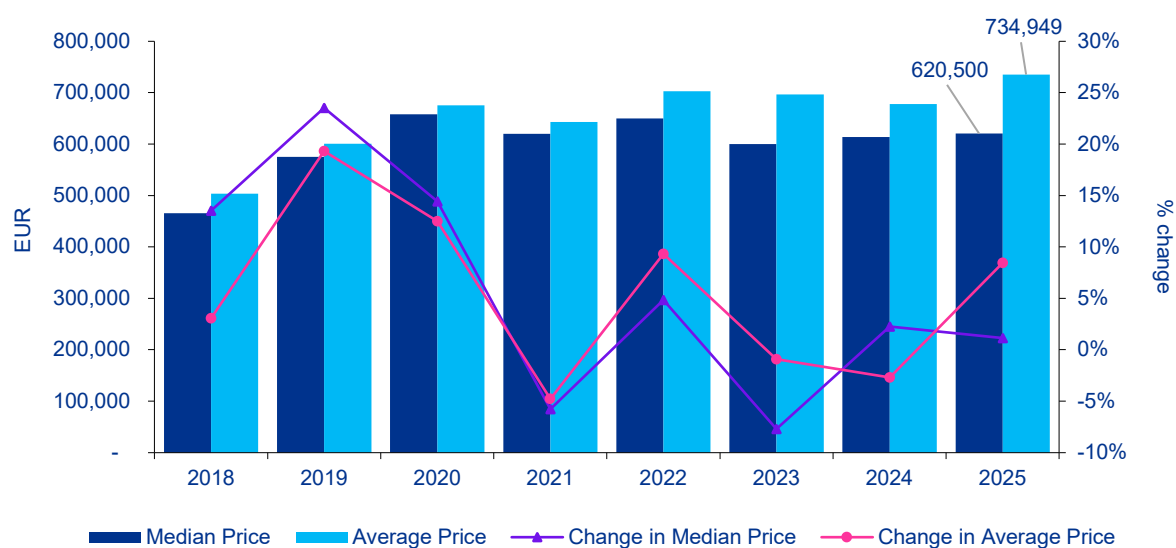
Throughout 2025, the average asking price for terraced houses increased by approximately 8.5%, while the median asking price rose by a more modest 1.1%. Consequently, the average and median asking prices reached €734,949 and €620,500, respectively.

A detailed analysis of the price distribution indicates that the majority of listings fall within the €500,000 to €600,000 range, reflecting a continued market preference for higher-priced properties. Listings priced below €400,000 accounted for 17.7% of the total in 2025, up from 16.4% in 2024. Despite this slight increase in lower-priced properties, more than half of all terraced house listings remain priced above €600,000, highlighting the overall strength of prices within this segment.



²⁸ Within the KPMG database, the category of terraced houses includes both existing terraced properties and plots of land designated for conversion into terraced housing. This classification impacts the reported average and median prices for terraced houses, as the inclusion of development plots broadens the price range. Ordinarily, it would be expected that completed terraced houses occupy a higher position within the overall price bracket.

Figure 2.16: Asking prices for terraced houses

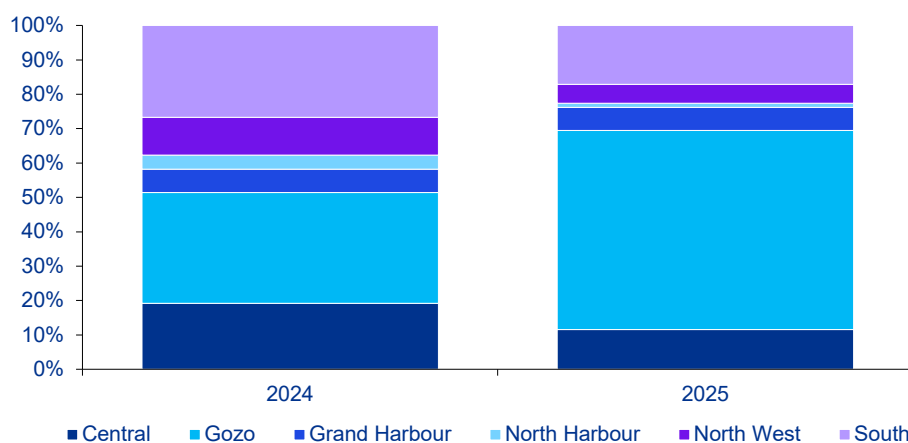


Source: KPMG analysis

In the 2025 sample, the majority of terraced house listings (57.9%) were located in Gozo, followed by the Southern region, which accounted for 17.1%. The expansion of Gozo's share is particularly noteworthy, having risen significantly in the last two years from 18.4% in 2023. Conversely, the Central region experienced a decline in its share from 19.2% in 2024 to 11.6% in 2025, potentially reflecting increased redevelopment activity in that area. The North Harbour region remains minimally represented, accounting for just 1.2% of listings.

As in previous years, these regional variations within our database are likely indicative of broader shifts in the property supply across the market. The geographic rebalancing observed in the 2025 sample appears to have contributed, among other factors, to the fluctuations in average asking prices for terraced houses.

Figure 2.17: Regional distribution of terraced houses



Source: KPMG analysis

Villas

In 2025, villas accounted for 1.7% of our total sample, consistent with previous years. The average asking price of villas declined by 2.1%, while the median asking price recorded a more pronounced decrease of 17.4%. Consequently, the average and median asking prices now stand at €2,025,594 and €1,545,000, respectively. It is also noteworthy that only one unconverted villa in the dataset were listed below €700,000, highlighting the generally high-value nature of this property segment.



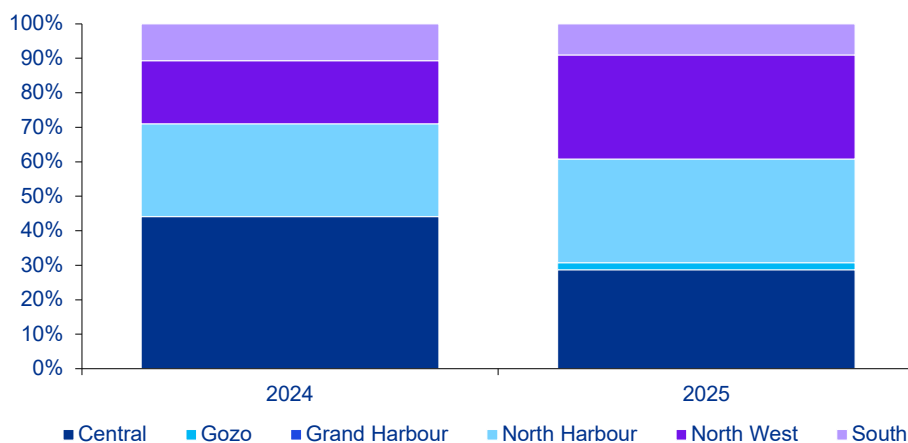
Figure 2.18: Asking prices for villas



Source: KPMG analysis

The regional distribution of villas has shifted compared to 2024. The Central region no longer holds the largest share, with both the North Harbour and North West regions each accounting for 29.9% of all villa listings. No villas were recorded in the Grand Harbour region, while Gozo represented 2.8% of the total villa listings in this year's sample.

Figure 2.19: Regional distribution of villas



Source: KPMG analysis

2.6 By region

In this section, we examine two key aspects related to the price per square metre of an apartment across different regions in Malta. First, we assess which regions are demonstrating convergence towards the Central region, which serves as our reference point. Secondly, we analyse the price appreciation across regions to determine where property values are appreciating most.

For the purposes of the first analysis, the Central region has been designated as the benchmark, with its price per square metre normalised to a value of 1. This approach allows for direct

comparison between regions, highlighting relative price levels and investment performance. The Central region was selected as the reference point based on its strategic location and sustained demand. According to market stakeholders, it is regarded as the most desirable area due to its accessibility to all four corners of Malta, its proximity to key employment hubs, and its appeal to both first-time buyers and expatriates seeking convenience and connectivity.

By setting the Central region as the base, we can identify which areas are narrowing the price gap, indicating market convergence.



Regional Disparity – Convergence or Divergence?

As outlined above, the first question focuses on regional affordability in relation to the Central region. For this analysis, the Central region's price per square metre has been normalised to a value of 1, serving as the benchmark for comparison. Under this assumption, Gozo, the North West, and South regions all exhibit lower price ratios, indicating that they are more affordable relative to the Central region. Conversely, the Grand Harbour and North Harbour regions record price levels (price per square metre) approximately 9.4% and 36.2% higher than those recorded in the Central region, respectively, highlighting their premium positioning within the national property market.

When compared with the previous year, all regions have exhibited some degree of change in their price differentials relative to the Central region's benchmark. At first glance, this might suggest that overall market convergence towards the Central region has weakened; however, this is not uniformly the case across all regions.

Table 2.2: Ratios of apartment price per sqm by region relative to the Central region (Baseline)^{29, 30}

	2018	2019	2020	2021	2022	2023	2024	2025	Change from 2018 - 2025
Central	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	
Gozo	0.67	0.65	0.92	0.70	0.73	0.75	0.71	0.81	21%
Grand Harbour	1.55	1.34	1.53	1.29	1.51	1.18	1.06	1.09	-30%
North Harbour	1.42	1.38	1.36	1.25	1.25	1.21	1.21	1.36	-4%
North West	1.07	1.09	1.04	1.10	0.92	0.92	0.96	0.93	-13%
South	0.80	0.84	0.86	0.87	0.82	0.86	0.85	0.88	10%

Source: KPMG database

²⁹ Please note that a decline in the ratio between 2018 and 2025 does not necessarily indicate that the average price per sqm in that region has fallen. Rather, it reflects a decrease in the growth of that region's price per sqm relative to that of the Central region. This suggests that apartment prices in the Central region have likely increased at a faster rate over the period.

³⁰ It is also important to note that the property mix within the KPMG sample may have influenced the ratios of apartment price per square metre.

Regions that were previously more affordable relative to the Central region have experienced price increases, bringing their average price per square metre closer to that of the Central region. This movement indicates a degree of convergence, suggesting that property values in these areas are catching up with the Central region (our reference point in this exercise). Similarly, regions that were already priced above the Central region have continued to register further price appreciation; however, relative to the Central region, the gap is converging towards the benchmark. These findings highlight the continued affordability challenges for low-income earners as increase in property prices are extending beyond the traditional urban core.

2 Investment

The second question we seek to address is which region has appreciated the most. To illustrate this, we assume that an apartment was advertised in 2018 at a price of €200,000. The objective is to estimate how much this same apartment would be worth in 2025 across different regions. For this analysis, it is assumed that the apartment's value would have increased in line with the regional change in the average asking price per square metre. By applying the respective percentage change in price per square metre from 2018 to 2025 to the original advertised price, we derive a hypothetical 2025 value for the apartment in each region.

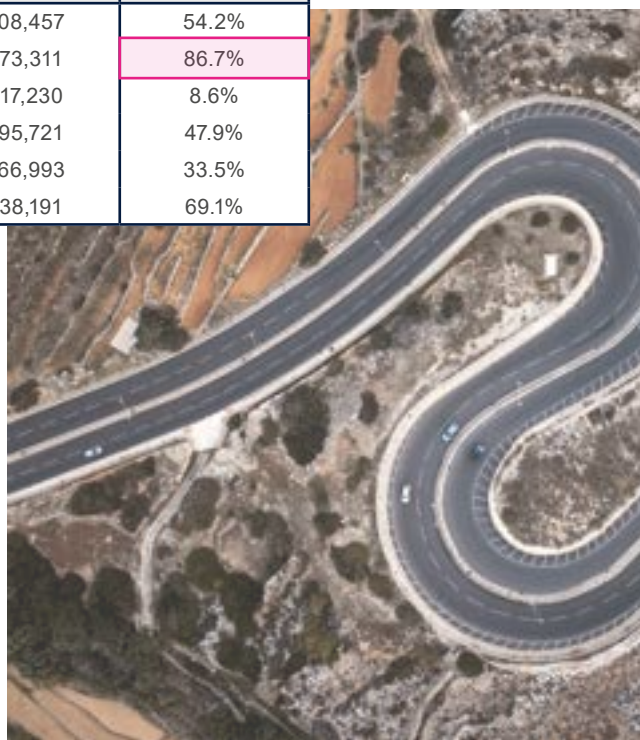
Table 2.3 presents these calculated values alongside their corresponding appreciation percentages. The data indicates that the most substantial price appreciation would have been realised by buyers who purchased property in Gozo, followed by those who invested in the Southern region. This suggests that these areas have experienced comparatively stronger growth in property values over the analysed period.

Table 2.3: Increase in value across regions

	2018	2025*	Increase in value
Central	200,000	308,457	54.2%
Gozo	200,000	373,311	86.7%
Grand Harbour	200,000	217,230	8.6%
North Harbour	200,000	295,721	47.9%
North West	200,000	266,993	33.5%
South	200,000	338,191	69.1%

Source: KPMG database

* Hypothetical prices based on observed price growth.



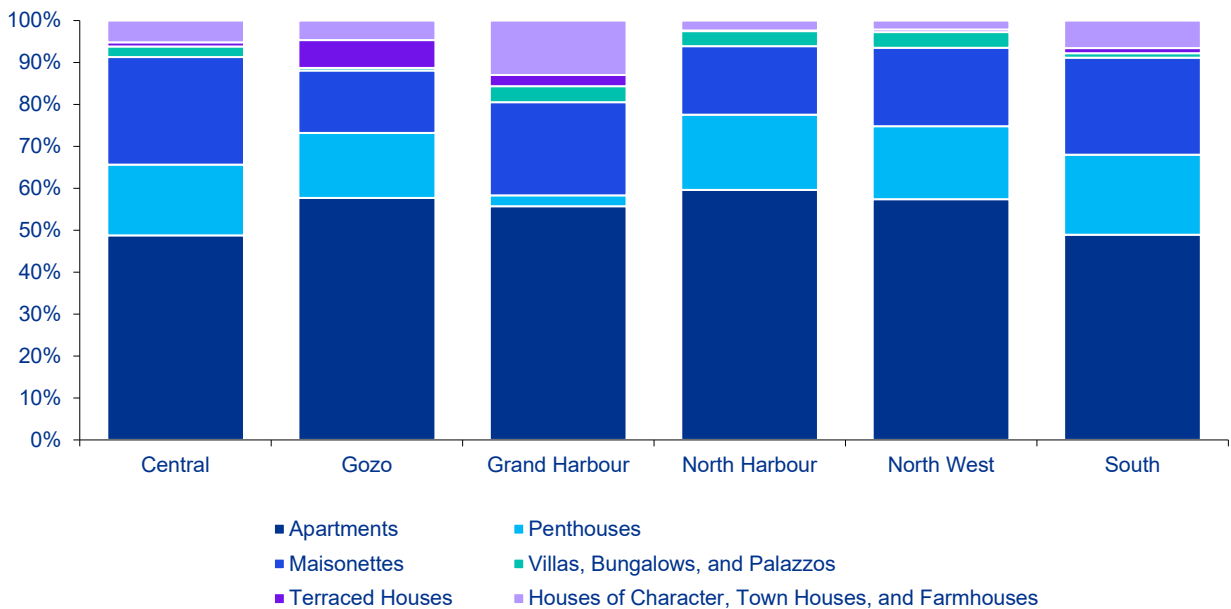
2.6.1 Regional mix

The analysis of property listings recorded in our database for the year 2025 indicates that apartments continue to dominate the market, accounting for 53.6% of all listings. Apartments also represent the largest proportion of property types across all regions, reaching as high as 59.6% in the North Harbour and 57.4% in the North West region.

The Grand Harbour region retains its reputation of having a more traditional property landscape, with approximately 13.0% of all properties classified as houses of character, townhouses, or farmhouses. This reflects a comparatively lower level of property redevelopment within the area relative to other regions. Nevertheless, apartments have grown significantly in popularity, now constituting 55.7% of all properties in the region.

In Gozo, villas accounted for only 0.6% of the properties observed in this year’s dataset. Conversely, apartments, penthouses, and maisonettes now collectively represent 88.0% of all advertised properties on the island.

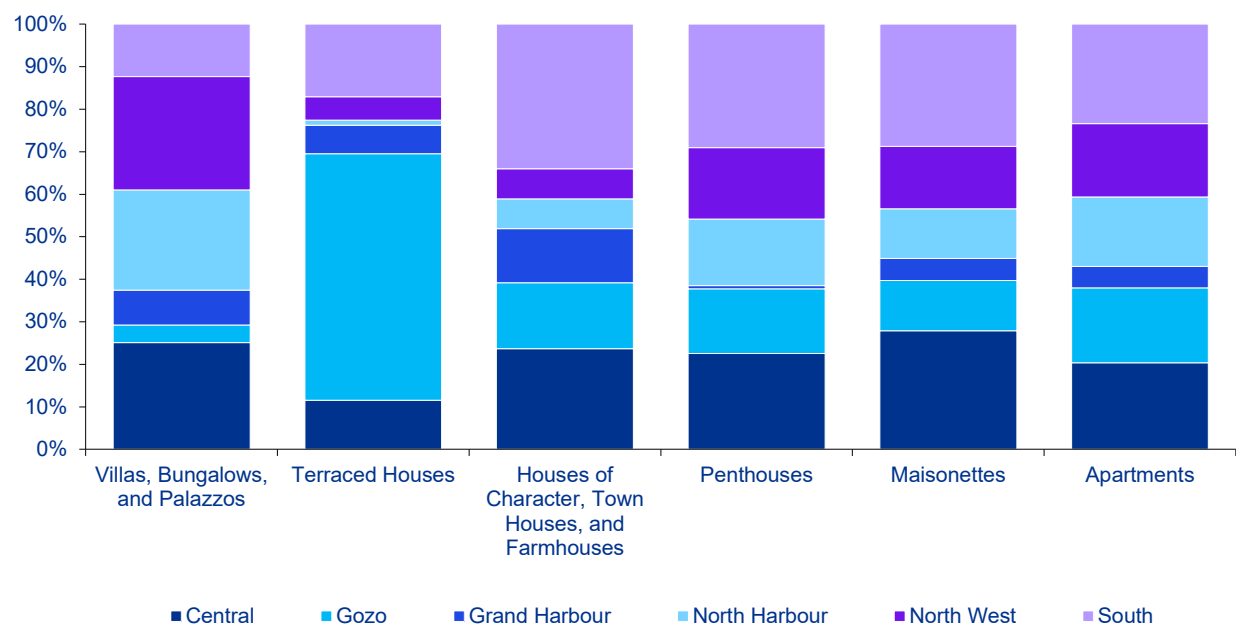
Figure 2.20: Regional mix of properties for 2025



Source: KPMG analysis

Another facet of this analysis examines the distribution of each property type within each region.

Figure 2.21: Proportion of property types by region



Source: KPMG analysis

2.6.2 Property mix

The regional distribution of properties within our database exhibited only modest variations between 2024 and 2025. The Southern region recorded the most notable change, with its share of total listings increasing by 3.8% points. This growth was largely the result of declines observed in the North Harbour, North West, and Grand Harbour regions. The Central region and Gozo experienced minor increases of 0.3% and 1.0% points, respectively.

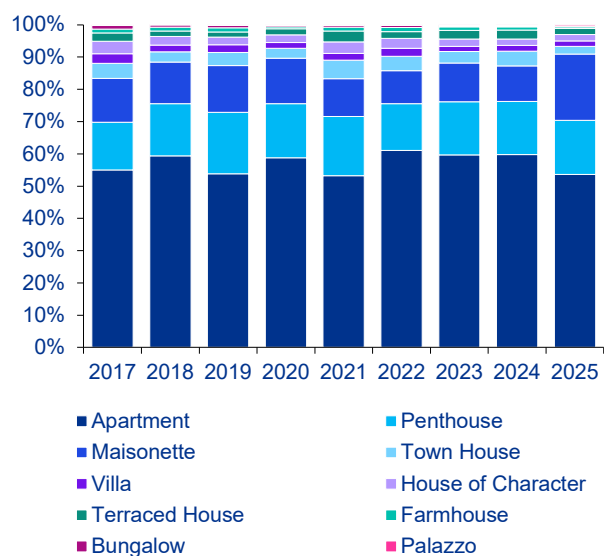
Following these adjustments, the Southern region now accounts for the largest proportion of listings in our dataset at 25.6%. This marks a shift from the previous year, when the Central region held the largest share. The Central region now represents 22.4% of total listings, ranking as the second most active region. Meanwhile, the Grand Harbour region continues to exhibit the lowest representation, comprising 4.8% of all listings.

The observed regional shifts may have a marginal influence on overall property price trends. Properties located in the Southern region and Gozo generally command lower average asking prices compared with those in other regions, whereas properties in the North Harbour region tend to attract a premium. Average asking prices in the Central region typically align with the national average.

It should also be noted that other compositional factors, including property condition, views, and additional value-enhancing attributes, may contribute to movements in both average and median asking prices.

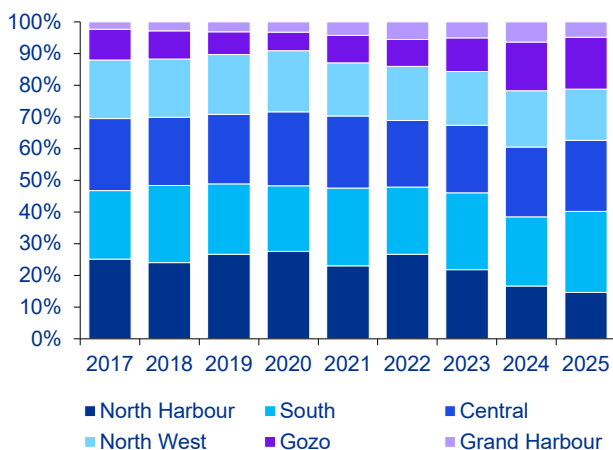
The composition of property types within our database remained broadly stable between 2024 and 2025. Apartments continued to represent the largest share of listings, accounting for 53.6% of the total. This, however, reflects a decline of approximately 6.2% points compared with the previous year's proportion. Maisonettes recorded the most notable increase, rising by 9.6% points to account for 20.6% of all listings, making them the second most common property type in the dataset. Penthouses followed, comprising 16.8% of total listings.

Figure 2.23: Mix of properties by type



Source: KPMG analysis

Figure 2.22: Mix of properties by region



Source: KPMG analysis

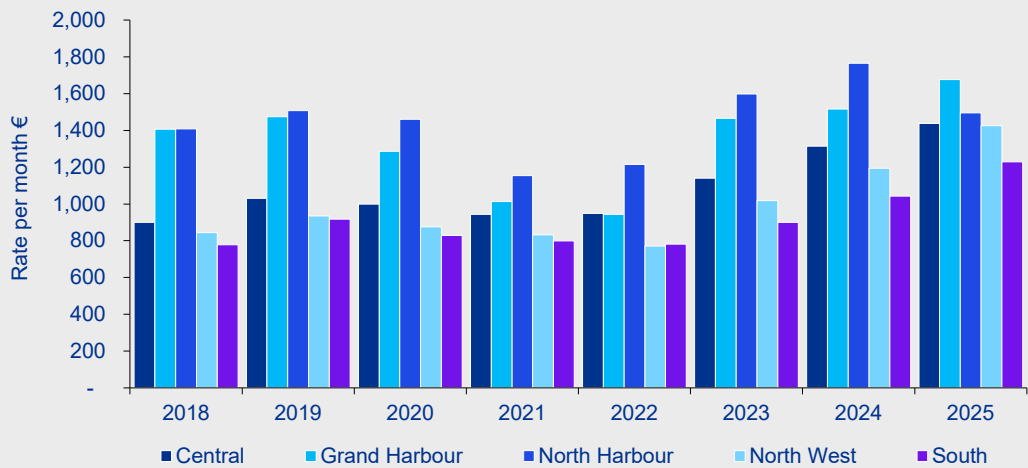
2.7 Property prices – Residential property for rent³¹

Apartments

Average asking rental rates for apartments recorded a general increase across all regions, with the exception of the North Harbour, which registered a decline of 15.3%. It is important to note that this year’s sample size is smaller than that of the previous year, owing to additional data cleansing processes carried out.

The most pronounced growth was observed in the North West, where average rental rates rose by 19.5%, reaching €1,426 compared to €1,194 in 2024. The Central, Grand Harbour, and Southern regions also recorded notable increases of 9.5%, 10.6% and 17.8%, respectively. The highest average asking rate was observed in the Grand Harbour region, at €1,678, whereas the South continued to register the lowest average at €1,228.

Figure 2.24: Apartment rental by region



Source: KPMG analysis

It should be noted that, although these growth rates appear relatively strong, they are generally consistent with the trends observed in our database for 2024. Furthermore, this growth aligns with insights gathered through consultations with key stakeholders (discussed in the following chapter), who emphasised the continued strength of the rental market, driven primarily by sustained demand for housing among expatriate workers.

Gozo has been excluded from this analysis due to an insufficient sample size, which limits the reliability of any derived insights. As highlighted in previous sections, part of the observed variation in average asking rental rates may also reflect shifts in the underlying sample composition and methodological adjustments applied to the dataset.

³¹ KPMG’s real estate database aims to collect consistent data for both properties listed for sale and rental. However, variations in how real estate agents handle these listings sometimes result in differences in the level of available information. For the purpose of this analysis, we utilised a dataset comprising 7,479 data points.

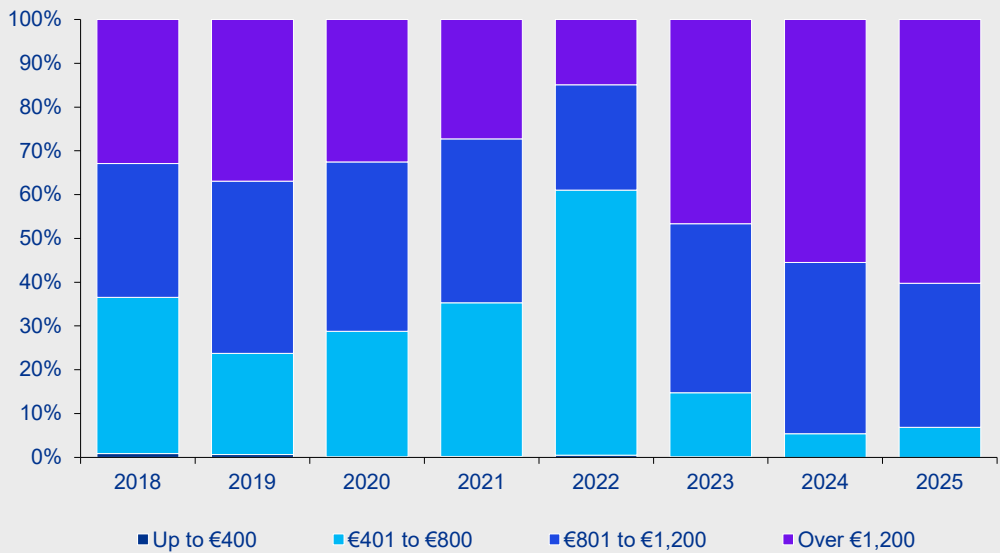
Inflation in the rental market

A more detailed examination of the rental properties contained within our database provides insight into the distribution of listings across different price brackets and regions.

A comparison of the rental market composition between 2024 and 2025 reveals a continuation of previous trends. The proportion of properties with monthly rental rates between €400 and €800 has marginally increased, while the largest concentration of listings now falls within the category exceeding €1,200. This shift indicates an overall upward movement in rental prices. Notably, the share of properties with asking rents above €1,200 now accounts for 60.2% of all listings in 2025, compared to 55.5% in the previous year.

This trend may be partly explained by the persistent shortage of available residential rental properties relative to demand. Additionally, variations in the sample composition of the database compared to prior years may have also contributed to these observed changes.

Figure 2.25: Composition of rental market by rate per month



Source: KPMG analysis

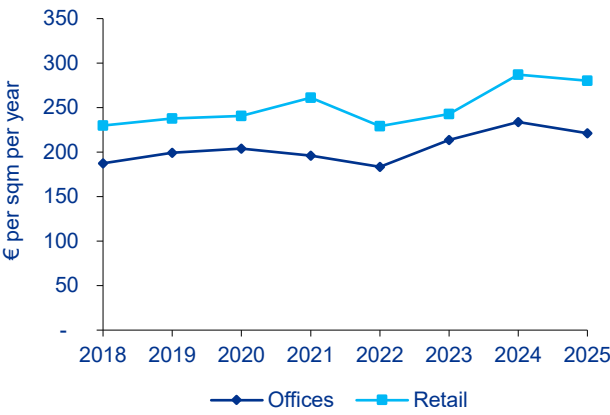
2.8 Commercial property³²

2.8.1 Commercial property for rent

The majority of commercial property on the market is available on a rental basis rather than being offered for sale. The average asking rental rates for office space was €221/sqm in 2025, slightly down from €234/sqm in 2024, while average asking rental rates for retail properties reached €280/sqm, down from €294/sqm).

Rental data for office space confirms the generally sluggish environment as expressed by industry players during our consultations. Feedback from stakeholders suggests a prevailing view that market activity remains subdued, characterised by weak demand and limited transactional momentum. It is also key to note that as these are advertised prices, they will fail to capture the extent of negotiating that is likely to occur, which given these market conditions may be expected to be substantial.

Figure 2.26: Average asking rental rates for commercial property

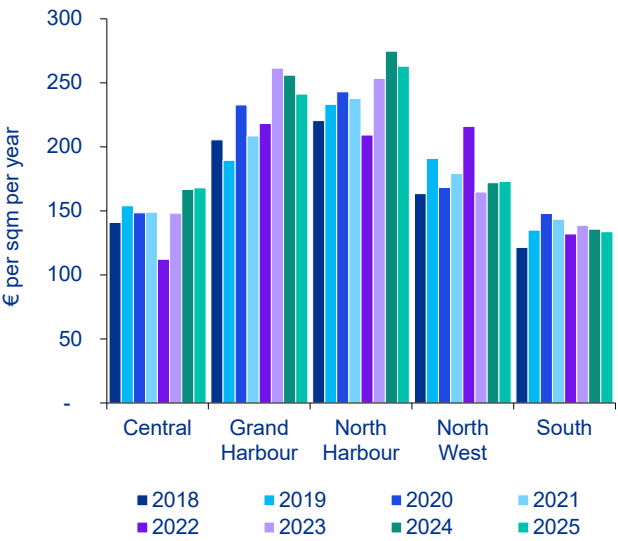


Source: KPMG analysis

2.8.2 Rental rates by region

The figure below outlines the average rental rates per square metre, categorised by region, to facilitate the monitoring of price fluctuations across different areas. The Central region recorded modest growth of 0.7%, reaching €168 per sqm (2024: €167). The North Harbour region continues to command the highest rental rate for office space at €263 per square metre, while the Southern region remains the most affordable, with an average rate of €134 per square metre. Data for the Grand Harbour, North Harbour, and Southern regions resulted in declines in office rental rates of 5.7%, 4.2%, and 1.5%, respectively. Gozo has been excluded from this analysis due to an insufficient sample size to produce statistically meaningful results.

Figure 2.27: Average asking rental rates for offices by region

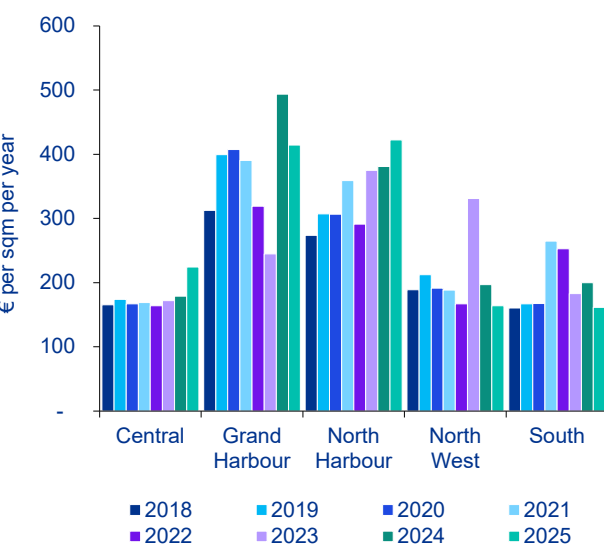


Source: KPMG analysis

³² KPMG’s real estate database seeks to cover data for properties available for sale or rent. Our objective is to provide an in-depth examination of prominent trends in the commercial property market, with a specific emphasis on both rental and sales for offices and retail properties. Variations in how real estate agents handle these listings can lead to disparities in available information. Notably, rental property listings often lack detailed metrics like floor area when compared to listings for properties being sold. In this analysis, a dataset comprising 459 data points for commercial sale properties and 1,514 data points for commercial rental properties, were considered.

In relation to retail properties for rent, the most pronounced increase in average rental rates was recorded in the North Harbour region, where average asking prices for retail space rose by 10.9% in 2025, reaching €422 per sqm. This development positions the North Harbour as the most expensive retail location. The Grand Harbour region ranks second, with an average rate of €414 per sqm, despite experiencing a decline of 16.1% compared to 2024. The North West and Southern regions remain the least expensive areas for retail space, at €164 per sqm and €161 per sqm respectively, both registering modest growth over the prior year. The declines observed across several regions are likely attributable to sample limitations within the previous year's dataset. As with earlier analyses, Gozo has been excluded due to an insufficient sample size to derive meaningful insights.

Figure 2.28: Average asking rental rates for retail space by region

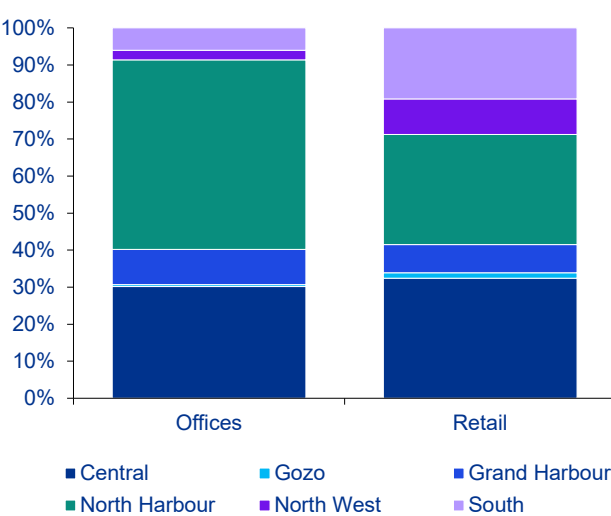


Source: KPMG analysis

2.8.3 Regional availability of commercial space for rent

An analysis of property locations within the 2025 database indicates that the Northern Harbour region accounts for the highest proportion of office properties, representing 51.1% of all listings, followed by the Central region at 30.2%. In the case of retail properties, the North Harbour and Central regions similarly dominate the market, comprising 29.7% and 32.4% of total listings, respectively.

Figure 2.29: Availability of commercial property for rent



Source: KPMG analysis

2.8.4 Office size and rental rates in selected localities

This section presents an updated analysis of the variations in office size and rental rates across selected localities in Malta. The selected localities are Birkirkara, Mrieħel, Sliema and Valletta. The results from our analysis are that each locality featured tends to have its own characteristics as described below.

- Birkirkara:** Median asking rental rates are similar to Mrieħel, but less than those in Sliema and Valletta. Property sizes tend to cover a wide spectrum, but median office size in Birkirkara is greater than both Sliema and Valletta.
- Mrieħel:** Median asking rates are similar to Birkirkara, and fairly consistent across our listings. Available listings include properties of substantially larger sizes than in the other localities considered.
- Sliema:** Pricing tends to be more expensive than the other localities considered, and the sizes of listings tend to be smaller than in Birkirkara.
- Valletta:** Pricing is slightly less than those noted in Sliema, while property sizes tend to be the smallest from the localities considered.

The median size and asking rate per square metre one could expect from offices across the four different localities was also computed and is presented in the table below. Note that as this analysis considers the median, this represents the middle property both in terms of size and price. Half of all results would be larger and more expensive, and half would also be smaller and cheaper.

Table 2.4: Median size and rates for office space

Location	2024		2025	
	Median size (sqm)	Median price (€/sqm)	Median size (sqm)	Median price (€/sqm)
Birkirkara	255	143	188	150
Mrieħel	377	169	300	160
Sliema	171	240	179	226
Valletta	112	250	111	245

Source: KPMG analysis

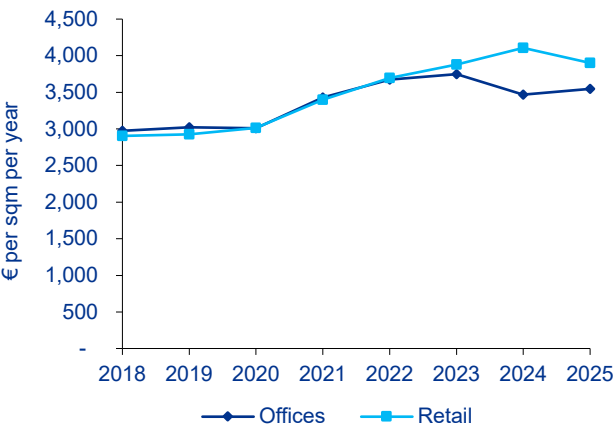
As discussed in earlier sections concerning office space for rent, the decline in asking rental rates reflect the consultations held with stakeholders in the industry.

2.8.5 Commercial property for sale

The market for commercial property sales exhibited contrasting dynamics between the retail and office segments. In 2025, the average asking price for office space rose by 2.3% to €3,548 per sqm, compared with €3,470 per sqm in 2024. Conversely, retail properties experienced a decline of approximately 3.3%, with average prices falling to €3,972 per sqm from €4,109 per sqm in the previous year.

Despite the increase in office prices, as shown in the accompanying figure, the current average aligns closely with the levels observed over the past three years. This upward adjustment may therefore be interpreted as a market correction following the previous year's decline, although stakeholders continue to characterise the office market as subdued.

Figure 2.30: Average asking prices for commercial property for sale

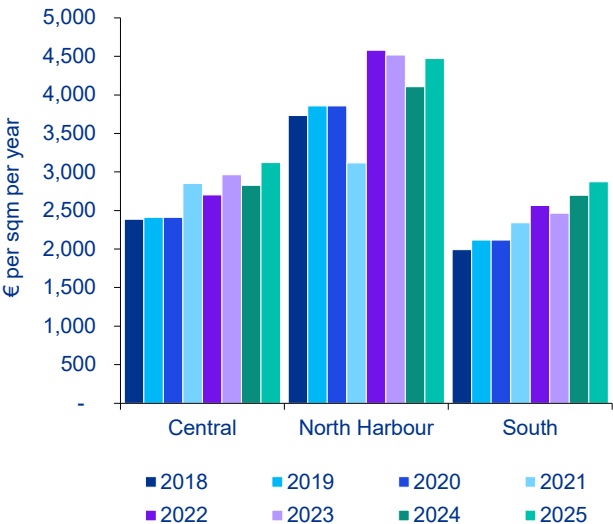


Source: KPMG analysis

2.8.6 Asking prices by region

Average asking prices for office space increased across several regions, with the most notable growth recorded in the Central, Northern Harbour, and Southern regions, where prices rose by 10.5%, 8.9%, and 6.5%, respectively. The Northern Harbour region registered the highest average asking price at €4,474 per sqm (2024: €4,107 per sqm). In contrast, the most affordable office spaces were observed in the Southern region at €2,875 per sqm, followed by the Central region at €3,121 per sqm. Gozo, the North West, and Grand Harbour regions were excluded from this analysis due to insufficient sample sizes to provide statistically meaningful conclusions.

Figure 2.31: Average asking prices for offices by region

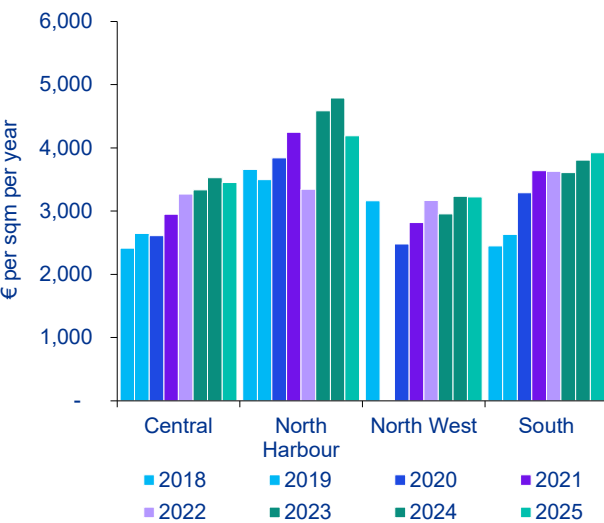


Source: KPMG analysis

The market for retail properties for sale exhibited a moderate overall decline across most of the regions analysed. Average asking prices increased by 3.1% in the Southern region, reaching €3,923 per sqm (2024: €3,805 per sqm), making it the second most expensive region among those included in the analysis. The Grand Harbour region recorded a higher average; however, it has been excluded due to an insufficient sample size.

Decreases in average asking prices were observed in the Northern Harbour, Central, and North West regions, where values fell by 12.5%, 2.2%, and 0.3%, respectively. Average asking prices reached €4,198 per sqm in the Northern Harbour region and €3,451 per sqm in the Central region, with the former region remaining the most expensive location. The North West region recorded the lowest average price at €3,224 per sqm (2024: €3,235 per sqm). Gozo and the Grand Harbour were again excluded from the analysis due to limited sample sizes that preclude statistically meaningful conclusions.

Figure 2.32: Average asking prices for retail space by region



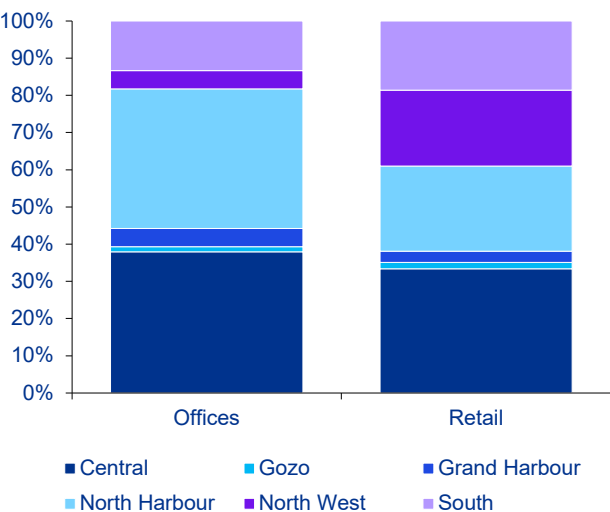
Source: KPMG analysis

2.8.7 Regional availability of commercial space for sale

An analysis of properties listed for sale in 2025 indicates that the majority of office listings were concentrated in the Central region, accounting for 37.9% of total listings, followed closely by the Northern Harbour region with 37.5%.

In the case of retail properties, the Central region also recorded the highest proportion of listings at 33.2%, although this represents a decrease of approximately 12.0% compared with the previous year. Approximately 20% of retail properties for sale were located in the Northern Harbour region, followed closely by the North West and Southern regions.

Figure 2.33: Availability of commercial property for sale



Source: KPMG analysis



Our multi-disciplinary team of professionals have a technical, financial, economic and in-depth understanding of the real estate industry, with access to a comprehensive real estate database and a global network. We are closely monitoring developments within the sector and bring to the table extensive experience aimed at maximising value for our clients.

Real estate valuations

Our appraisal of market values for individual properties, portfolios and real estate companies covers a wide spectrum of residential and commercial real estate, taking into account the requirements of financial reporting standards whilst also serving as a pertinent tool for aspects such as the optimisation of financing mix and the investment decision-making process.

Feasibility studies and capital raising

We are well positioned to help analyse the expected financial returns of specific real estate projects based on the parameters of the project. Our experience encompasses a suite of developments ranging from small-scale hospitality and commercial ventures to large mixed-use development projects, wherein we can also assist in the determination of a financing strategy for a project and raising the necessary capital in the form of equity and/or debt.

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Succession planning

Real estate regularly forms a core part of the succession planning journey for local family businesses. At this important juncture of a company's development, our expertise in the real estate sector as well as succession planning processes will ensure the smooth handling of all corporate, financial and tax matters, in line with your objectives.

Industry analysis & market assessment

We are the leading consultancy firm in Malta carrying out a comprehensive annual study on the Construction Industry and Property Market, covering aspects such as housing affordability, industry economic impact, and property price dynamics, amongst other themes.

KPMG Malta real estate database

We have developed a benchmarking tool that contains a volume of property price observations across multiple localities in Malta and Gozo. The Database, which encompasses both the sale and rental market, has been collated and updated on an annual basis since 2011 and provides insights into aspects such as pricing trends, view premiums, and property mix distribution, amongst others.

The background of the slide is a collage of four aerial photographs of a coastal city, likely Beirut, Lebanon. The top-left photo shows a dense urban area built on a hillside overlooking a harbor. The top-right photo shows a harbor filled with many sailboats and a city skyline in the background. The bottom-left photo shows a large, modern building complex with a parking lot and a harbor with many sailboats. The bottom-right photo shows a harbor with many sailboats and a city skyline in the background.

Stakeholder analysis

A consultation process was initiated with major stakeholders to gather first-hand insight on the state of affairs pertaining to the building industry and the property market. Interviews were conducted with a variety of stakeholders including developers, contractors, real estate agents, regulators, and representatives from major banks and relevant public entities.

This section seeks to present:

- The stakeholders' thoughts and observations on a variety of topical subjects
- Suggestions offered by the relevant stakeholders
- KPMG's point of view on the subject

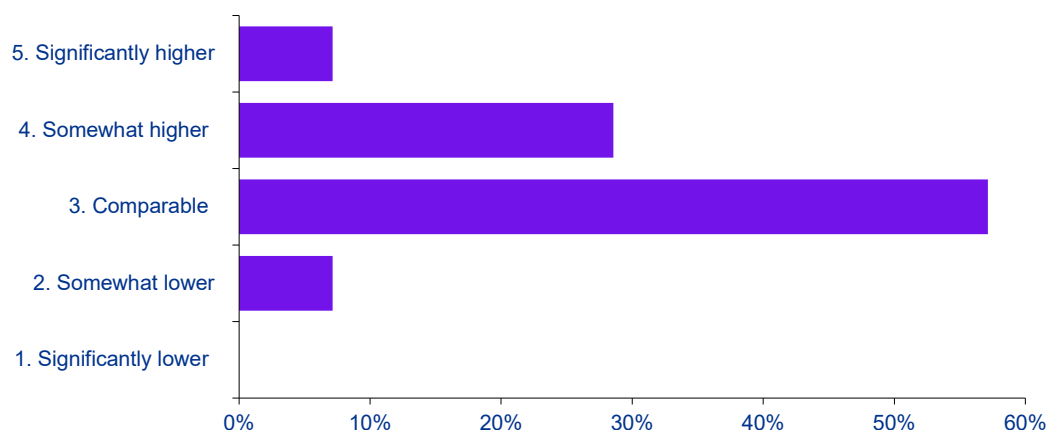


3.1 Market demand

3.1.1 Comments from interviewees

- Stakeholders have largely agreed that demand in the residential property market has remained healthy this year compared to 2024, with many also observing clear strengthening in the sector overall.
- However, the stronger parts of the sector largely centre around the lower price segments, where properties under or around €300,000 tend to be sold very quickly.
- The selling process is proving more challenging for properties in higher price brackets (up to €700,000) citing affordability issues and lack of willing buyers. Properties here take much more time to sell.
- Linked to the above, stakeholder feedback points to a notable gap in the residential property market around the €700,000 price point. This segment largely represents households seeking to upgrade from mid-range apartments (typically valued around €300,000) to larger, higher-quality homes, such as terraced houses or semi-detached units. However, buyers within this budget bracket are encountering limited options. Properties priced around €700,000 often consist of high-end apartments rather than a tangible step up to house ownership, while terraced houses within this range typically require substantial investment in renovation to meet modern living standards.
- Concurrently, the stock of such properties is diminishing as developers increasingly acquire traditional terraced houses for redevelopment into multi-unit apartment blocks. This trend is contributing to a structural mismatch between demand and supply in the mid-to-upper market, constraining mobility within the housing ladder and limiting opportunities for organic progression among middle-income households.
- The high-end market remains stable, but rising prices, lack of high-quality properties, and increases in finishing costs means performance in this segment is not as strong as prior years.
- The rental market has remained very strong in 2025. This was mainly supported by the presence of expats, albeit an uptick in Maltese seeking more living flexibility is being observed as well.
- The commercial office market continues to be sluggish, with most stakeholders not optimistic in the short term. There is also some scepticism around the large commercial retail market, particularly when it comes to shopping malls for their lack of innovation in attracting customers. However, other segments like supermarkets, street retail, industrial and warehouse segments of the market remain very strong.
- Outlook by stakeholders in the property market is positive, with many expressing that both the culture psyche in owning a home and the consumer confidence in investing in a property is indicative of an encouraging future.

Figure 3.1: Stakeholder sentiment on overall demand for residential property compared to 2024



Source: Stakeholder consultations; KPMG analysis

3.1.2 Suggestions put forward by stakeholders

- Several stakeholders believe that while the property sector remains strong, more attention should be paid towards ensuring the sector remains attractive by building robust regulatory frameworks that increase standards and quality, on par with more mature property sectors across Europe.
- There is scope to incentivise the development of more varied residential projects to meet the evolving needs of the population. This can range from supplying smaller homes that are easier and cheaper to maintain, and innovative projects that bring people together through semi-independent living without compromising on privacy and dignity. The Housing Authority have long supported these types of projects for their value in providing ideal living conditions for specific target groups, while enhancing a sense of community and belonging.
- In this edition, stakeholders have reiterated a point regarding the repurposing of vacant office space. Stakeholders highlighted the potential to convert vacant or underutilised large office buildings into small residential units, particularly for individuals and families struggling to access affordable rental housing. Such conversions could generate cashflow for property owners while addressing unmet demand for lower-cost accommodation.
- However, while this idea has been raised repeatedly in previous discussions, stakeholders acknowledged the practical difficulties of implementation. Key barriers include the significant capital already invested in office-specific infrastructure, making conversion economically challenging, as well as the location of many such offices (e.g. in Mrieħel and other business districts) which may not be ideal for residential use. Despite these constraints, repurposing commercial properties remains an idea worth exploring, especially within broader strategies to improve housing supply elasticity, make better use of the existing built stock, and reduce long-term vacancy rates.

3.1.3 KPMG point of view



There remains strong public confidence in property ownership as a sound and rational long-term economic decision. However, intensifying competition in the lower segment of the market is making it increasingly difficult for first-time buyers to identify affordable entry-level properties. To address this, Government should ensure that appropriate incentives are in place to enable the industry to supply housing that aligns with the purchasing power of different household segments, while continuing to prioritise support schemes that effectively assist those most in need of help to access the property ladder.



3.2 Property pricing and affordability

3.2.1 Comments from interviewees

- Property prices have largely followed an upward trend, with many stakeholders saying they observed a year-on-year growth in the high single digits.
- Still very much a sellers' market, where negotiations on properties tend to be quite minimal.
- While many recognise that the current market is not in a state of crisis, there are affordability issues, which the Government should continue to play a part to help address.
- Donations from parents remain a common and often crucial source of financing for young people seeking to purchase property. Recent research confirms that wealth transfers significantly influence homeownership rates in Malta. Households receiving gifts or inheritances are around 15% more likely to own their home compared to those without such support³³.
- These transfers also affect market dynamics, as recipients tend to purchase properties that are on average 30% more expensive according to the CBM study, reflecting stronger purchasing power enabled by intergenerational assistance.
- It can therefore be argued that the growing dependence on parental wealth highlights widening affordability gaps and reinforces the importance of intergenerational equity considerations in housing policy. It also suggests that access to homeownership is increasingly linked to family wealth rather than solely to income or saving capacity.
- The issue is also more pronounced because first time buyers are increasingly individuals, as also confirmed by research by the Foundation for Affordable Housing, who are far more limited when buying properties.
- Interviewees also note that the phenomenon of decreasing affordability is very common across Europe, and this trend is likely to continue. Many speculate that the gradual trend from buying to renting among locals will likely become more widespread in the future.

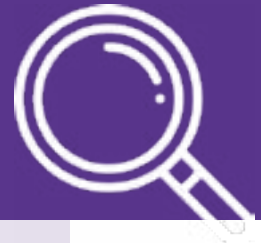
3.2.2 Suggestions put forward by stakeholders

- A common suggestion was for planning regulations to allow smaller properties to be built. It was highlighted that many cities in Europe allow for 1-bedrooms to be smaller than currently mandated in Malta. Industry players note that properties which are closer to 35sqm are cheaper to build and maintain, and arguably sufficient for individual buyers.
- Some have suggested that Government should provide schemes to help people to switch to larger properties over time, thereby incentivising people to buy smaller at first, and move up to bigger homes when the household grows or their financial situation improves.
- Other solutions mentioned involve the government being more actively involved in co-owning properties with individuals to reduce the cost of investment for individuals

³³ Central Bank of Malta (2025). Wealth Transfers and Home Ownership in Malta. Working Paper WP/02/2025, by Valentina Antonaroli, Warren Deguara and Valerio Sergio Castaldo. Valletta: Central Bank of Malta.

- The proposal for smaller property sizes, including an increased supply of one-bedroom units, has been a recurring theme in these consultations. Changing buyer demographics - including more single-person households - support the viability of such options. However, Government should remain mindful of the potential long-term implications for household quality of life.
- Stakeholders remain broadly supportive of proactive government intervention through creative housing solutions and targeted financial assistance. Such measures are seen as valuable tools in promoting market accessibility. To maximise their impact, these policies should be developed through ongoing dialogue with all market players, ensuring that interventions protect buyer interests, enhance market transparency, and uphold fairness for all participants.
- Ensuring that incomes grow in line with property prices is essential to sustaining long-term housing affordability. This requires more than housing policy alone; it depends on advancing Malta's economic competitiveness by fostering high-value industries and specialised sectors that attract quality foreign direct investment (FDI). Such investments can create better-paid employment opportunities, helping households keep pace with the cost of home ownership while strengthening the wider economy.

3.2.3 KPMG point of view



3.3 Labour market

3.3.1 Comments from interviewees

- Stakeholders echoed their concerns on the labour market from prior years, in that the industry has a severe shortage of skilled workers. This is result of an ageing pool of experienced Maltese tradespeople who are not being replaced by younger generations aspiring to follow in their footsteps.
- There is heavy reliance being placed on third country nationals (TCNs) who are willing to take on construction roles. However, stakeholders report that expats tend not to have the right skillset for the job at hand and are characterised with lower retention rates.
- High turnover rates are particularly detrimental considering the extent of training they are usually provided by the contractor.
- The shortage in workers is causing wages in the industry to rise dramatically, contributing to increased property prices.
- Contractors also continue to express frustration with the neglect for safety that some expat workers tend to exhibit, even as they are provided equipment and training to perform their duties. In these instances, stakeholders call for more shared responsibility with workers to urge more compliance with safety standards.
- Stakeholders are also concerned that steps to increase restrictions on incoming third country nationals might serve to put more pressure on the labour market and increase shortages.

3.3.2 Suggestions put forward by stakeholders

- There is a need to revitalise the local base of construction workers (and associated tradesman) in Malta to ensure the long-term sustainability of the industry. To this end, many stakeholders agree that Malta should make a significant push to attract as many young people as possible to tradesmanship, by way of empowering trade schools to be less like a university and more focused on skill development. Favourable income tax incentives should also be considered for people who enter this sector.
- At the same time, it is also recognised that the flow of expats to the industry is essential in the short-term due to significant shortages. In the medium-term, more focus on retention is needed to break the cycle of constant hiring and training.

3.3.3 KPMG point of view



- A clear gap exists in the domestic labour market for skilled workers in construction and related trades. Despite the sector's capacity to offer competitive wages and stable career prospects, the supply of locally trained personnel remains limited. This imbalance not only increases reliance on imported labour but also represents a missed opportunity to channel more young people into well-remunerated, in-demand roles that could support both economic growth and higher industry standards.
- Enhancing stability in the construction sector will require deliberate action to improve workforce retention, particularly among TCNs who now make up a significant share of the industry. Among other things, this entails fostering a more respectful and inclusive working environment, supporting integration measures that make workers and their families feel welcome, and providing greater certainty around their residency. By creating conditions that encourage TCNs to view Malta as a stable, long-term base, the industry can attract and retain higher quality, committed workers, reducing turnover and improving overall productivity.
- Ongoing regulatory measures such as the Building and Construction Authority's (BCA) skill card system and the contractor licensing regime represent important steps toward improving professional standards within the sector. These initiatives are helping to formalise skills recognition, ensure that workers possess the necessary competencies for their roles, and encourage continuous upskilling. Over time, such measures are expected to enhance workmanship quality, improve safety outcomes, and elevate the overall reputation and sustainability of the construction industry.

3.4 Regulation and safety

3.4.1 Comments from interviewees

- Stakeholders find the rising volume of bureaucracy and delays very costly which in turn is reflected in property prices, although some also note that processes, notably with respect to BCA's operations, have improved over prior year.
- It was noted that the BCA should remain focused on ensuring the industry increases its standards and controls to achieve progress and break old mentalities. Education and enforcement are key to ensuring contractors instil a culture shift in their works and organisations.
- Most stakeholders have called for more effective enforcement although they recognise this is improving. Some have insisted that more effort has to be made to ensure all developers are operating on a level playing field to eliminate any perceptions of preferential treatment.
- Stakeholders mentioned that the contractor's licence was a good initiative to raise standards in the industry although many recognise that without major enforcement and a cultural shift, the law alone is not enough.
- The introduction of licensing requirements for real estate agents represents a positive development towards greater professionalism and accountability within the sector. However, stakeholders noted that the implementation process remains ongoing, with some applicants still awaiting the issuance of their licences and with enforcement of the new regulatory framework yet to reach its full effectiveness. To this end, more resources and support may need to be directed to the Property Market Agency to help in this effort.

3.4.2 Suggestions put forward by stakeholders

- Stakeholders call for responsibility to be shared fairly among all parties when rules are not properly adhered to. This includes penalties on workers who ignore safety guidelines, contractors who fail to oversee them appropriately, and developers who appoint contractors to execute the works.
- Some market players find that the way to improve standards and quality in the sector is to only allow firms that have the financial capacity to invest robustly in safer, less disruptive and more sustainable construction methods and materials.

- It is our understanding that the relevant authorities, including the BCA, are taking the necessary steps towards achieving regulatory improvements to streamline administrative procedures. By reducing project delays and compliance costs, without compromising safety standards, the industry attains improved industry efficiency and competitiveness.
- Enhancing collaboration between regulatory bodies, contractors, and developers could support a more consistent interpretation and implementation of safety and quality standards across the sector. This would help ensure that compliance efforts are not only enforced but also understood and integrated into daily operations, fostering a proactive culture of safety and accountability.

3.4.3 KPMG point of view

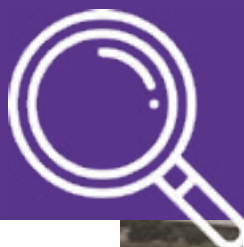


3.5 Vision for the industry

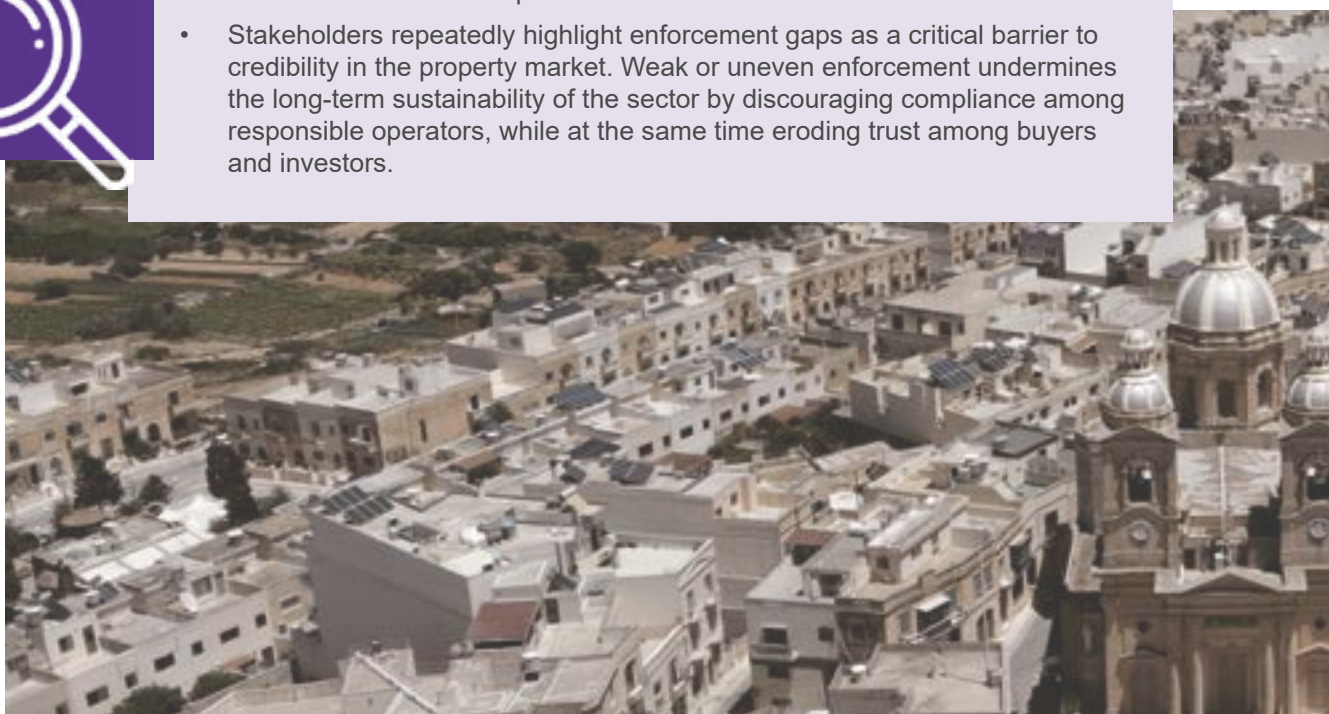
3.5.1 Comments from interviewees

- There is wide acknowledgement among stakeholders that planning policies have to be calibrated to accommodate current and future needs, by namely safeguarding green and open spaces which improve the quality of life in urban areas.
- The property market should operate within planning policies that are clear, transparent, tailored to each area's needs and designation, and aligned with the country's holistic vision.
- A vision which increases quality in the property market must be accompanied by a comprehensive strategy that improves standards across all sectors and domestic issues, including tourism, cleanliness, and crime prevention.
- The property market must fulfil the social aspect by providing more affordable properties, which could be accomplished by continued government intervention and formulating policies that allow for the supply of smaller, lower cost housing.
- The construction industry must constantly seek higher standards. The classification of contractors could help with improving building methods.
- Many stakeholders stressed that the future of the property market depends on stronger and more consistent enforcement. Eliminating infringements is essential for restoring public trust and improving the sector's overall reputation.
- The property market should also make room for protecting the Maltese aesthetic which forms part of our identity. Planning policies must go to greater lengths to safeguard the village core, protect townhouses and potentially even allow space for incentives to dissuade demolishing terrace houses.

3.5.2 KPMG point of view



- There is a consistent concern among stakeholders about improving the overall quality of life for residents by raising building standards and protecting the urban environment. This suggests that the long-term sustainability of the industry will ultimately hinge on whether residents and visitors find the places we build desirable and liveable. From a policy perspective, this indicates that government has scope to take a bolder stance in shaping planning policies to ensure the sector develops in a sustainable and attractive manner.
- Stakeholders repeatedly highlight enforcement gaps as a critical barrier to credibility in the property market. Weak or uneven enforcement undermines the long-term sustainability of the sector by discouraging compliance among responsible operators, while at the same time eroding trust among buyers and investors.



3.6 Construction activity and costs

3.6.1 Comments from interviewees

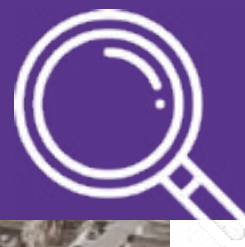
- The price of land has continued to soar as sellers have better market information and tend to prefer to hold onto property rather than cut their asking price. The scarcity and cost of available plots for development is arguably impacting construction activity.
- Overall, stakeholders say that construction activity has not decreased from prior year, which was partially supported by a boost in infrastructure projects. However, bureaucratic delays in the development process have slowed down the start and completion of projects.
- Most stakeholders have mentioned that cost of materials, finishings, and professional fees have remained stable or increased.
- Bartering still a very common practice among market players, albeit several stakeholders also stay away from the practice.

3.6.2 Suggestions put forward by stakeholders

- Most are of the view that the outlook on construction activity depends on how the country wants to move forward. Many argue there is still plenty of work that still needs to be done, including the modernising of our current infrastructure and rebuilding derelict buildings, although many accept that this industry is getting harder and more expensive to operate in.
- There is scope for more support by government to incentivise sustainability in construction. One option the BCA is exploring is allowing recycling materials brought into quarries. Moreover, while sustainable materials are pricier, there needs to be more education surrounding their long-term savings.

The construction sector is reaching a point where growth alone can no longer define success. There is increased recognition for the need for a more targeted approach - one that focuses on regenerating sites, addressing infrastructure gaps, and delivering projects of higher quality. A shift towards construction that enhances quality of life, through better design, sustainability, and integration of quality-of-life features, would not only align with national objectives such as Vision 2050 but also secure the sector's long-term social licence to operate.

3.6.3 KPMG point of view



3.7 Threats and opportunities

3.7.1 Threats identified by stakeholders

- Issues related to labour supply in the construction industry remains a stubborn, and almost existential challenge to the sector. The government must take steps to grow the skill base within the local economy, which has the potential to offer attractive remuneration while reducing the long-term risks to this sector.
- Popular sentiment for the industry is partly dependent on the people's ability to continue to buy homes where to live. Increasing cost of living and soaring prices need to be addressed with a constant supply affordable housing options and a steady rise in incomes that are brought about by a concentrated effort to attract high value-add economic niches.
- The government must constantly take steps to ensure the sector is a positive contribution to communities and other economic sectors, particularly tourism. This includes working towards modernising the industry to be as least disruptive on people's lives as possible and strengthening policies that enhances the Maltese urban identity.

3.7.2 Opportunities identified by stakeholders

- The rental market remains seen as an attractive investment opportunity within the property market. It has witnessed notable growth in strength and stakeholders remain optimistic in outlook, particularly as Malta is still seen as an attractive place to work for expats seeking various career opportunities coupled with a Mediterranean lifestyle. Many people continue to express confidence in the buy to let market, offering buyers a secondary income and investment vehicle.
- Although Malta's small size is often cited as a disadvantage, its ability to be agile and flexible is an asset when addressing ongoing challenges. Malta also finds itself in a healthy economic position which is helpful when a country needs to take bold decisions.



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Housing affordability

4.1 Defining housing affordability

No single measure adequately represents the complexity of factors affecting households' access to appropriate and affordable housing³⁴. Broadly, housing affordability refers to the capacity of individuals or households to comfortably and sustainably cover housing expenses without compromising other essential needs or their standard of living. These costs typically include rent or mortgage payments, property taxes, insurance, utilities, maintenance, and other associated expenses.

In this report, we adopt a more focused definition of housing affordability, concentrating on households' capacity to purchase property through mortgage financing, which remains the predominant means of acquiring a home. The primary emphasis of this analysis is on the ability of first-time buyers to access housing that satisfies fundamental living requirements, rather than on the capacity of existing homeowners to upgrade to larger or higher-value properties. It is important to recognise, however, that affordability is not uniform and varies substantially across locations and according to the qualitative attributes of individual properties.

Given the multifaceted nature of housing affordability, a thorough examination must consider a wide range of economic, social, and demographic determinants. Consequently, a combination of analytical approaches is required to develop a comprehensive understanding of the factors influencing this issue.

In this chapter, our goal is to:

Highlight the importance of housing affordability	Housing affordability is a critical determinant of economic and social well-being, as it influences ability to secure stable housing without compromising ability to meet other essential needs.
Provide an overview of key indicators of housing affordability in Malta	Several indicators are used to assess housing affordability in Malta including the price-to-income ratio (PIR), the housing cost overburden rate, and the mortgage-to-income ratio.
Provide a high-level analysis of trends in housing affordability in Malta	Housing affordability in Malta has shifted over time in response to several factors, including changes in property prices, wage growth, and lending conditions.

4.2 Importance of housing affordability

Housing affordability is a fundamental component of societal well-being and economic stability. It directly influences living standards, financial security, and social inclusion. When housing costs are proportionate to income levels, households are better able to meet other essential needs such as food, healthcare, education, and savings. This contributes to greater financial resilience, improved health outcomes, and enhanced overall quality of life. On the contrary, rising housing costs often place disproportionate pressure on lower- and middle-income households, exacerbating inequality and limiting upward mobility.

For governments, addressing housing affordability is not only a social imperative but also an economic necessity. Strategic investment in affordable housing can create employment and generate long-term fiscal benefits through more stable communities and reduced reliance on social welfare systems.

Ensuring access to affordable housing should therefore remain a central policy priority. By implementing well-designed housing frameworks that balance supply and demand, support vulnerable populations, and encourage sustainable urban development, policymakers can lay the foundation for more equitable, resilient, and prosperous societies.

³⁴ OECD (2021). HC.1.5. Overview of affordable housing indicators last updated 27/01/202. Accessed on 9/10/2025.

4.3 Housing affordability indicators

Given that there is no single definition of housing affordability, the following is an analysis of the most common indicators of housing affordability, given data availability.

4.3.1 Price-to-income ratio (PIR)

The price-to-income ratio (PIR) is a widely used indicator of housing affordability, calculated by dividing the median or average property price in a specific area or country by the median or average annual household income in the same region. When property prices rise at a faster rate than household incomes, the PIR increases, indicating that housing has become less affordable. Conversely, if household incomes grow at a faster rate than property prices, the PIR decreases, suggesting that housing has become more affordable.

The table and graph below illustrate the PIR for Malta, calculated using the median asking prices of apartments obtained from the KPMG database, divided by the median equivalised net income reported by Eurostat, covering the period from 2018 to 2024. The PIR for 2025 is based on projected income growth, as official data for that year is not yet available. In 2025, housing affordability, as indicated by the PIR, is expected to weaken slightly, reflecting an increase in median property prices that exceeds the growth in median income³⁵.

Table 4.1: Price-to-income ratio (PIR)

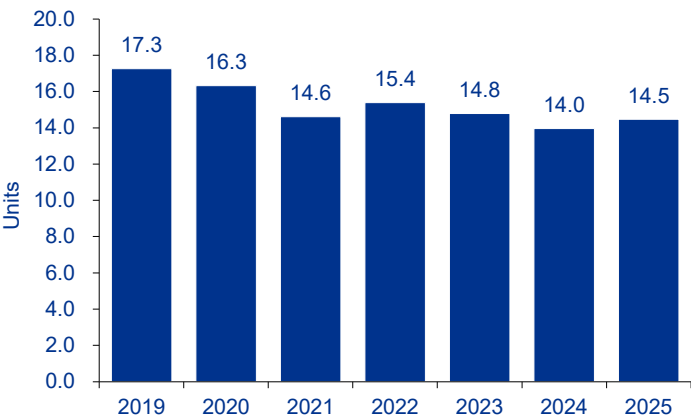
Year	Apartment - Median Price from KPMG database	Median Equivalised Net Income - Eurostat	PIR
2018	225,000	14,781	15.2
2019	265,000	15,354	17.3
2020	265,000	16,240	16.3
2021	249,000	17,036	14.6
2022	279,500	18,155	15.4
2023	280,000	18,940	14.8
2024	285,000	20,430	14.0
2025	317,000	21,901	14.5

Source: Eurostat data; KPMG property database; KPMG analysis

While the PIR is a simple and useful tool for comparing housing affordability over time and across different countries, it has notable limitations. As it relies on average property prices and household incomes, the PIR does not identify which specific segments of the population are struggling to access adequate housing, nor does it account for the size, quality, or location of housing. Additionally, the PIR does not factor in the costs and conditions of borrowing, which are critical components in assessing housing affordability.

³⁵ Note that Median Equivalised Net Income for 2025 was not available. To extrapolate the 2025 figure, we used the growth rate in average monthly basic salary for employees, after adjusting for income tax and NI. The growth rate between 2024 and 2025 was circa 7.20%.

Figure 4.1: Price-to-income ratio (PIR)



To enhance the PIR’s usefulness, it could be refined by calculating it for different regions or property types, or by focusing on different segments of the income distribution. However, the availability and reliability of such data may pose significant challenges. Despite these limitations, the PIR remains a valuable tool for identifying broad trends in housing affordability.

Source: Eurostat data; KPMG property database; KPMG analysis

4.3.2 Housing cost overburden rate

The housing cost overburden rate represents the proportion of the population residing in households where total housing expenses exceed 40% of disposable income. These housing costs include rent or mortgage interest payments, as well as utilities such as water, electricity, gas, and heating. As indicated in the following graph, the housing cost overburden rate within the Euro area in 2024 ranged from 2.4% in Cyprus to 28.9% in Greece, with the Euro area average standing at 8.5%. In Malta, 5.8% of the population was living in households where housing costs surpassed 40% of disposable income. A slight decline from the 6.0% recorded in the previous year.

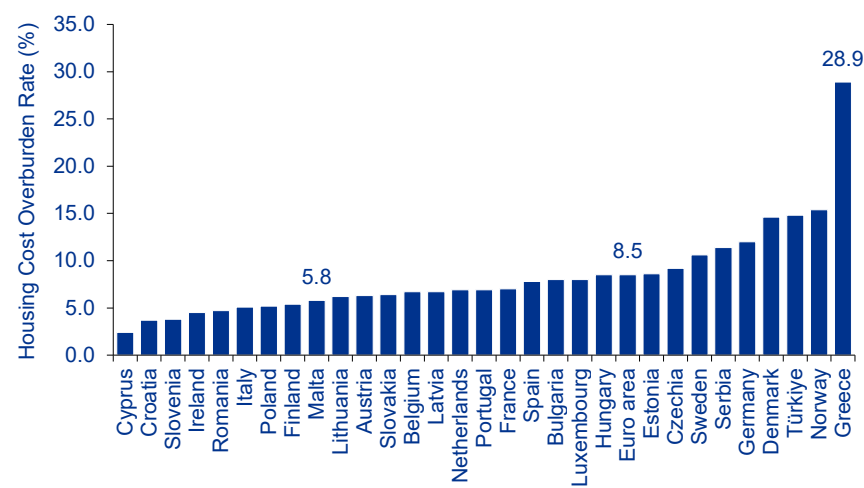
In 2024, local banks maintained stable mortgage interest rates despite fluctuations in the European Central Bank’s (ECB) key interest rates throughout 2024 and 2025. In 2025, the ECB continued to reduce interest rates in line with its objective of achieving a sustainable return of inflation to the 2% target, while refraining from committing to a specific rate trajectory³⁶. These monetary policy measures have contributed to Malta’s comparatively lower housing cost overburden rate relative to other EU member states.

A common critique of the housing cost overburden rate, along with similar expenditure-to-income indicators, concerns the arbitrary nature of the affordability thresholds on which they are based. These thresholds, typically set at 40% of disposable income, fail to account for the differing financial pressures experienced across income groups. For lower-income households, housing costs that fall within these nominal limits may nonetheless leave insufficient resources to meet other essential needs, including food, healthcare, education, and transportation. Consequently, such rigid benchmarks do not fully capture the broader financial vulnerability and economic strain faced by these populations.

³⁶ European Central Bank (2025). Monetary policy decisions.

Additionally, like the PIR, the housing cost overburden rate provides no insight into the quality or adequacy of the housing itself. Thus, while these measures can offer a broad understanding of housing affordability, they fall short in addressing the nuances of financial well-being and housing quality, making them less effective as comprehensive indicators of housing equity and security.

Figure 4.2: Housing overburden rate across EU countries: 2024



Source: Eurostat data; KPMG analysis

4.4 Mortgage eligibility

Mortgage eligibility constitutes a key factor influencing housing affordability. In Malta, 74.7%³⁷ of the population resided in owner-occupied dwellings in 2023, notably higher than the European Union average of 69.2%. The acquisition of such properties is predominantly financed through bank loans.



4.4.1 Directive 16: borrower-based measures

The Central Bank of Malta’s Directive 16³⁸ regulates the issuance of residential real estate (RRE) loans, outlining specific guidelines aimed at ensuring prudent lending practices. The directive categorises borrowers into two groups: **Category I** borrowers, who are individuals purchasing their primary residence, and **Category II** borrowers, which include all other RRE loan applicants, such as those buying secondary properties or investment real estate.

³⁷ Eurostat (2024). Housing in Europe - 2024 edition.

³⁸ Directive No 16 of the Central Bank of Malta Act (Cap 204) Regulation on Borrower-Based Measures.

Loan-to-Value Ratio at Origination (LTV-O)

Directive 16 establishes loan-to-value ratio (LTV-O) limits, which set a maximum percentage of the property's value that can be financed through borrowing. For Category I borrowers, including first-time homebuyers and those purchasing a primary residence, the LTV-O must not exceed 90%³⁹. For **Category II** borrowers, the LTV-O cap is set at 75%. These caps are designed to mitigate risk by limiting the amount of borrowing relative to the property's market value, ensuring that borrowers have sufficient equity in the property.

Debt Service-to-Income Ratio at Origination (DSTI-O)

The directive requires lenders to evaluate borrowers' ability to service their debt by applying a stressed debt service-to-income ratio (DSTI-O) of 40%⁴⁰. This assessment includes a 150 basis-point interest rate stress test, ensuring that borrowers can maintain their mortgage payments even under adverse financial conditions, such as rising interest rates. This safeguard is intended to prevent over-indebtedness and promote financial stability.

Loan Maturity

The directive also sets restrictions on the maximum duration of RRE loans. For **Category I** borrowers, the loan maturity should not exceed 40 years⁴¹ or extend beyond the borrower's official retirement age, whichever comes first. For **Category II** borrowers, the maximum loan term is 25 years or until the official retirement age. Exceptions are permitted for borrowers who demonstrate a stable income stream beyond retirement, subject to the lender's evaluation. These maturity limits are designed to ensure that borrowers can repay their loans within a realistic time frame, further reducing risk for both lenders and borrowers.

4.4.2 The impact of Directive 16 on mortgage eligibility

Prior to the implementation of Directive 16, local banks in Malta exercised considerable discretion in setting their own mortgage lending criteria. However, with the directive's introduction, most banks aligned their practices with the prescribed regulatory framework. Directive 16 has notably impacted borrowers seeking to acquire secondary homes or investment properties, such as buy-to-let purchases, by increasing the required initial capital outlay to 25% of the property's value and limiting the loan term to 25 years. These changes have effectively tightened financing conditions for Category II borrowers. Nevertheless, the affordability concerns of this borrower category fall outside the scope of this study.

Despite tightening conditions for Category II borrowers, demand for property as investment remains strong, as evidenced by the persistent rise in property prices and rental rates across the board.

However, banks have expressed valid concerns regarding the blanket application of the 40 percent debt-service-to-income (DSTI) cap and similar borrower-based metrics under Directive 16 to corporate borrowers. These parameters were designed primarily to mitigate household mortgage risks by ensuring that individuals do not over-extend their borrowing relative to income. However, applying the same thresholds to companies, particularly those engaged in property development, investment, or rental activities, can be misaligned, as corporate income structures, cash-flow patterns, and risk profiles differ fundamentally from those of households. A more proportionate and nuanced framework is therefore warranted, one that preserves the Directive's underlying prudential intent while allowing flexibility for corporate borrowers through alternative risk assessments, such as cash-flow-based evaluations or asset-backed lending criteria.

³⁹ Directive No 16 of the Central Bank of Malta Act (Cap 204) Regulation on Borrower-Based Measures.

⁴⁰ Ibid.

⁴¹ Ibid.

4.4.3 Housing affordability by borrower type

This section seeks to estimate the maximum property expenditure attainable for various households and individuals classified as **Category I** borrowers, in accordance with the lending parameters set out in Directive 16. The calculations are based on a range of standard factors that influence loan eligibility.

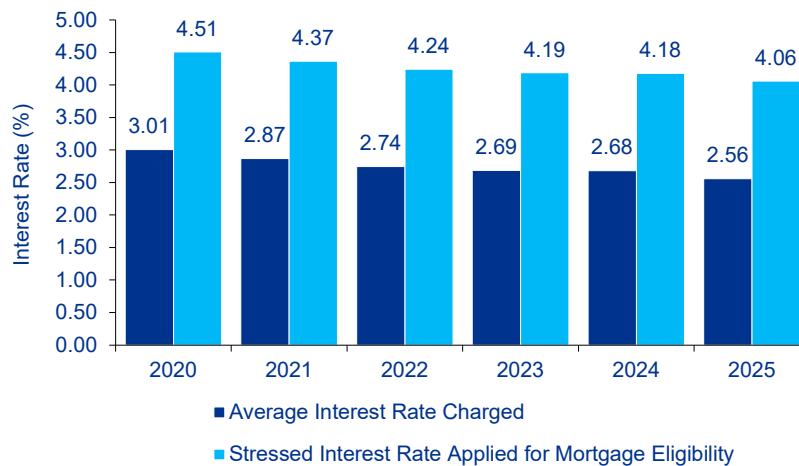
All buyer profiles are assumed to provide a 10% down payment towards the property value, in line with the LTV-O requirements established under Directive 16. The combination of this down payment and the loan amount sanctioned by the bank represents the total property value affordable to the borrower. Ancillary costs, including notarial and architect fees, insurance, and applicable taxes, are assumed to be met through the borrower's personal resources and are therefore excluded from the present calculations.

4.4.3.1 Interest rates on household loans for the purpose of house purchases

The chart below shows the average interest rate applied to household mortgages, as well as the stressed interest rate used in mortgage eligibility assessments. The stressed rate, defined in Directive 16, is calculated by adding 150 basis points to the average interest rate.

In June 2025, the European Central Bank reduced its key policy interest rate by 25 basis points⁴², marking the third rate cut of the year. Consequently, interest rates in Malta declined slightly compared to the previous year. This moderation in domestic interest rates has contributed to a modest improvement in housing affordability.

Figure 4.3: Interest rates on household loans for house purchases



Source: CBM data; KPMG analysis

⁴² European Central Bank (2025). Euro area bank interest rate statistics: June 2025.

4.4.3.2 *Increases in income*

In 2024, households derived approximately 82.8% of their total aggregated income from employment, while a further 13.9% originated from social benefits, reflecting a 5.6% increase in income generated from benefits compared to the previous year⁴³. The remaining 3.3% of household income was attributed to other sources. Given this composition, it is reasonable to infer that the gross income levels for the cases discussed in the following sections align closely with the average movements in wages and salaries, as reported in various NSO Labour Force Surveys.

Table 4.2: Change in income

Year	Average monthly income	% Change
2021	€1,491	-8.1%
2022	€1,730	16.0%
2023	€1,820	5.2%
2024	€1,953	7.3%
2025	€2,125	8.8%

Source: NSO data; KPMG analysis

⁴³ National Statistics Office - EU-SILC 2024: Salient Indicators. News Release 074/2025 dated 28th April 2025.



4.4.3.3 *Maximum housing affordability for different persona*

Young couple both in elementary jobs in their late 20s



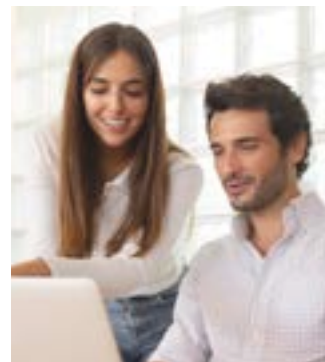
Age of oldest applicant at next birthday: 28



Loan term: 37 years



Joint gross annual income in 2025: €35,256



In 2025, borrowers with a maximum loan eligibility of €270,000 could afford to purchase a property with an asking price of up to approximately €300,000. Data from the KPMG database indicates that 31.3% of advertised finished apartments in 2025 were listed within this price range. For comparison, a couple earning €32,000 in 2024 (equivalent to €35,256 in 2025, in real terms) would have found 33.1% of advertised properties within their affordability range. This decline suggests a reduction in housing affordability for this specific income segment.

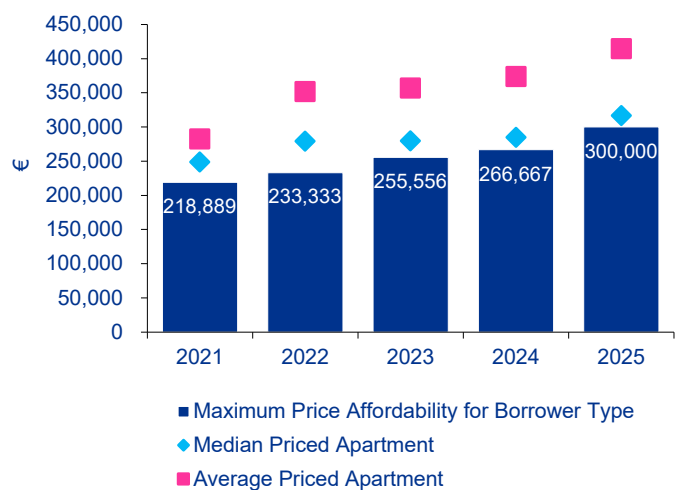
For such a couple earning a joint annual income of around €35,256, affordability has worsened to the extent that the average and median priced finished apartments are beyond reach. Housing affordability in Malta therefore remains a challenge in 2025 for a segment of the population. This is further evidenced by the continued increase in expenditure by the Government through the Housing Authority on affordable housing schemes, both in relation to home ownership and rental support⁴⁴.

Buyers considering the purchase of an unfinished property should note that additional financing would be required to bring the property to a habitable condition⁴⁵. Since banks typically issue loans based on the final appraised value of the property, the cost of finishing works would need to be deducted from the total loan eligibility of €270,000. Consequently, borrowers would either need to lower their purchase price expectations or increase their personal contribution beyond the standard minimum deposit requirement of 10%.

⁴⁴ Micallef, B., & Schembri, J. (2024). The Housing Authority's Rental Affordability Schemes. Housing Authority, Malta. Retrieved from <https://housingauthority.gov.mt/wp-content/uploads/2024/11/The-Housing-Authoritys-Rental-Affordability.pdf>.

⁴⁵ This principle is applicable to all personas discussed within this chapter of the report.

Figure 4.4: Housing affordability for a couple jointly earning the equivalent of €35,256 in 2025



Source: KPMG analysis

Since this couple can only afford approximately 31.3% of the properties listed in the KPMG database, it is valuable to analyse an ideal apartment that aligns with their financial limitations. This analysis is crucial, as while they may be unable to purchase a property priced at or near the median and average apartment prices, their affordability may improve when considering various sub-markets.

A detailed review of the KPMG database reveals that this couple’s purchasing power is notably higher when focusing on two-bedroom apartments with an average of 97sqm in the South, Northwest, and Gozo regions. These areas offer more affordable options, potentially increasing their chances of securing a suitable property within their budget.

Young couple both earning a minimum wage in their late 20s



Age of oldest applicant at next birthday: 28



Loan term: 37 years



Joint gross annual income in 2025: €23,065

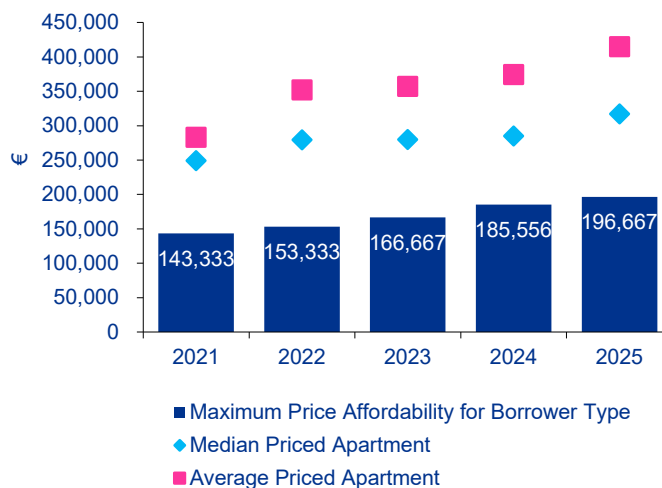


In 2025, borrowers with a maximum loan eligibility of €177,000 were able to afford properties with an asking price of up to €196,667. Data from the KPMG database indicates that only 2.2% of advertised finished apartments in 2025 were priced within this range. By comparison, in 2024, 5.7% of advertised finished apartments fell within the same affordability bracket, highlighting a decline in purchasing power and growing affordability challenges for this borrower profile.

Given these financial constraints, prospective buyers are likely to experience difficulties in securing suitable properties and may face significant trade-offs in terms of location and property size.

The chart below shows the evolution of maximum affordability for these borrowers relative to the median and average apartment prices between 2021 and 2025.

Figure 4.5: Housing affordability for a couple jointly earning the equivalent of €23,065 in 2025



Source: KPMG analysis

Given that this couple can afford only approximately 2.2% of the properties listed in the KPMG database, it is pertinent to examine the characteristics of an apartment that aligns with their financial capacity.

A detailed analysis of the KPMG database indicates that the couple's purchasing power is comparatively stronger when focusing on one-bedroom apartments averaging 62 sqm, particularly in the Gozo and South regions. These areas present more affordable housing options, thereby enhancing the likelihood of acquiring a suitable property within their budgetary constraints.

Young couple both earning average incomes in their mid-20s



Age of oldest applicant at next birthday: 25



Loan term: 40 years



Joint gross annual income in 2025: €51,000



In 2025, borrowers with a maximum loan eligibility of €403,000 were able to afford properties with an asking price of up to €447,778. Data from the KPMG database indicates that 69.8% of advertised finished apartments in 2025 were priced within this range. In comparison, the same couple earning an average income in 2024 could access 78.7% of the market based on the advertised listings recorded in the KPMG database for that year, indicating that although the couple does have a greater budget due to an increase in wages, property prices have outpaced this increase.

The chart below shows the relationship between the maximum affordability of these borrowers and the median and average apartment prices over the period 2021 to 2025.

Figure 4.6: Housing affordability for couple jointly earning the equivalent of €51,000 in 2025



Source: KPMG analysis

The potential borrowers are not considered to face affordability constraints; therefore, an analysis of alternative locations for property purchase is not deemed necessary.

Single professional individual in their late 30s



Age of applicant at next birthday: 39



Loan term: 26 years



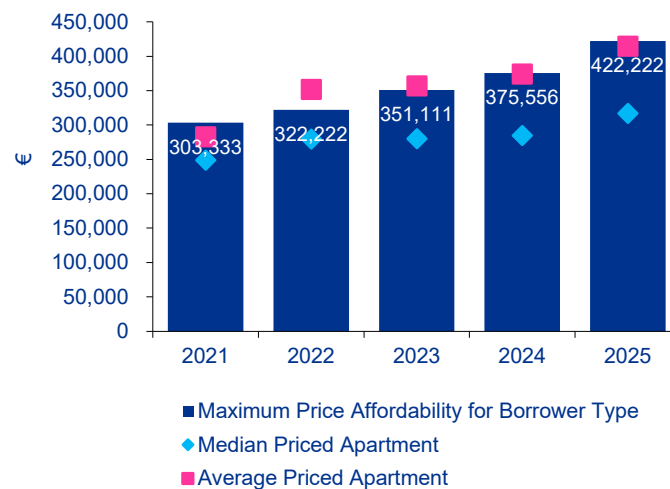
Gross annual income in 2025: €58,048



In 2025, borrowers with a maximum loan eligibility of €380,000 were able to afford properties with an asking price of up to €422,222. Data from the KPMG database shows that 66.6% of advertised finished apartments in 2025 were priced within this range. By comparison, an individual earning €53,530 in 2024 would have had access to 74.5% of advertised listings in 2024.

The chart below presents a comparison between the maximum affordability for these borrowers and the median and average apartment prices over the period 2021 to 2025.

Figure 4.7: Housing affordability for single individual earning €58,048 in 2025



Source: KPMG analysis

The potential borrower is not considered to face affordability constraints; therefore, an analysis of alternative locations for property purchase is not deemed necessary.

Single professional individual in their early 30s



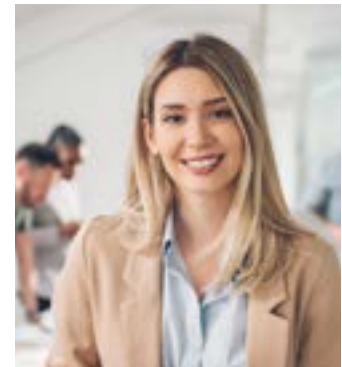
Age of applicant at next birthday: 33



Loan term: 32 years



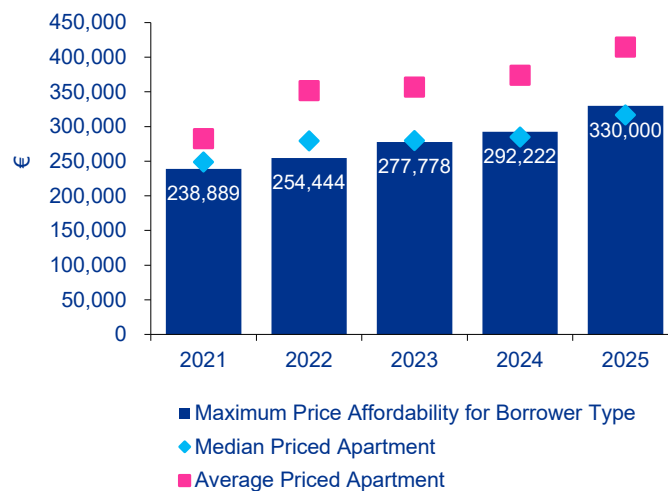
Gross annual income in 2025: €40,634



In 2025, borrowers with a maximum loan eligibility of €297,000 were able to afford properties with asking prices of up to €330,000. Based on data from the KPMG database, 41.8% of advertised finished apartments that year were listed within this price range.

The chart below shows how the maximum affordability threshold for these borrowers compares with the median and average apartment prices over the period 2021 to 2025.

Figure 4.8: Housing affordability for single individual earning €40,638 in 2025



Source: KPMG analysis

Given that this individual can afford approximately 41.8% of the properties listed in the KPMG database, it is pertinent to examine an ideal apartment that aligns with their financial capacity.

A detailed analysis of the KPMG database indicates that the individual's purchasing power is comparatively stronger when considering two- and three-bedroom apartments averaging 110 sqm in the South, Northwest, and Central regions. These areas present more competitively priced options, thereby enhancing the likelihood of securing a suitable property within their budget.

Single individual in an elementary job in their late 20s



Age of applicant at next birthday: 30



Loan term: 35 years



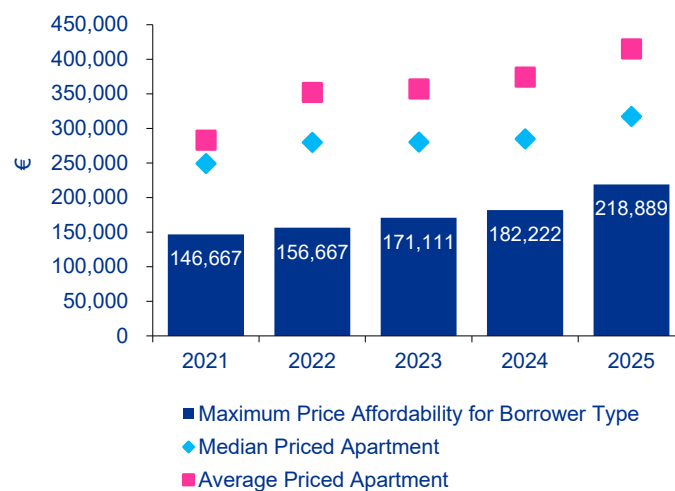
Gross annual income in 2025: €26,364



In 2025, borrowers with a maximum loan eligibility of €197,000 were able to afford properties with asking prices of up to €218,889. Data from the KPMG database indicates that only 3.1% of advertised finished apartments in 2025 were listed within this price range.

The chart below shows how the maximum affordability level for these borrowers compares with the median and average apartment prices observed between 2021 and 2025.

Figure 4.9: Housing affordability for single individual earning €26,364 in 2025



Source: KPMG analysis

Given that this individual can afford only approximately 3.1% of the properties listed in the KPMG database, it is appropriate to examine an ideal apartment that aligns with their financial constraints.

A comprehensive analysis of the KPMG database indicates that the individual's purchasing power is comparatively stronger when focusing on one-bedroom apartments averaging 62 square metres in the Gozo and South regions. These areas provide more affordable housing options, thereby improving the likelihood of acquiring a suitable property within their budget.

4.5 Cross country comparison

Malta's housing market, while characterised by its own distinct features shaped by the island's culture, limited land availability, and economic structure, can be meaningfully compared with those of a number of neighbouring countries. Despite national differences in governance, labour dynamics, and resource endowments, comparable trends emerge in areas such as rising property prices, high demand for home ownership, and increasing pressure on affordable housing.

4.5.1 House price index

In this analysis, the House Price Index (HPI) of Malta is compared to the Euro area average and to four other comparable countries: Croatia, Cyprus, Luxembourg, and Portugal. These countries have been selected due to their comparable market characteristics, and relevant socio-economic contexts, which provide valuable benchmarks for understanding Malta's housing dynamics.

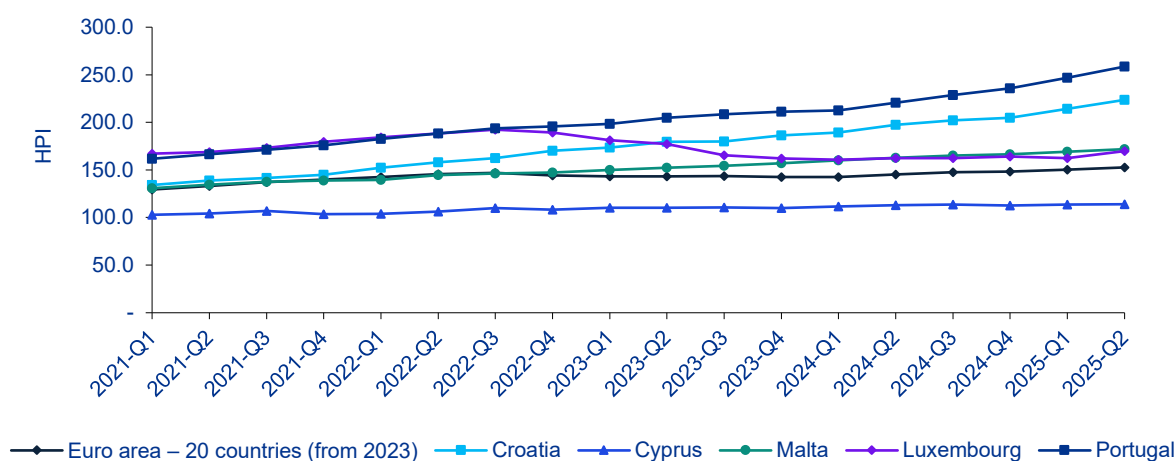
As shown in the accompanying figure, the majority of the analysed countries record HPI values above the Euro area average, indicating that residential property prices in these markets have increased at a faster rate than the broader Euro area trend. This reflects stronger housing market performance and sustained price growth across these economies.

Among the selected countries, Portugal has exhibited the most pronounced house price growth since Q4 2022. This acceleration is likely linked to robust foreign investment, a thriving tourism sector, and ongoing demand in key urban and coastal areas, all of which have exerted upward pressure on housing prices⁴⁶. In contrast, Cyprus has experienced the slowest rate of growth in property prices, potentially reflecting a more balanced supply-demand dynamic and the gradual normalisation of its real estate sector following earlier periods of volatility⁴⁷.

By Q4 2022, Portugal began to show signs of a moderation in house price growth, with its HPI intersecting with Malta's in Q1 2024 and remaining broadly aligned through to Q2 2025. This convergence suggests a stabilisation of property prices following a period of sustained expansion.

When viewed in relation to the selected comparators, Malta's HPI performance positions it in the mid-range of the group. While Malta has not recorded the strongest house price growth, its HPI remains above the Euro area average, signifying a consistently resilient housing market supported by steady demand, limited land availability, and sustained investment.

Figure 4.10: Cross-country comparison: HPI (2015=100)



Source: Eurostat data; KPMG analysis

⁴⁶ Mannion, F. (2025). Portugal House Prices Have Risen by 48% in 5 Years. Benoit Properties International. Accessed here: <https://www.benoitproperties.com/news/portugal-house-prices-have-risen-by-48-in-5-years/>.

⁴⁷ Nussupbekova, T. (2025). Cyprus's Residential Property Market Analysis 2025. Global Property Guide. Accessed here: <https://www.globalpropertyguide.com/europe/cyprus/price-history>.

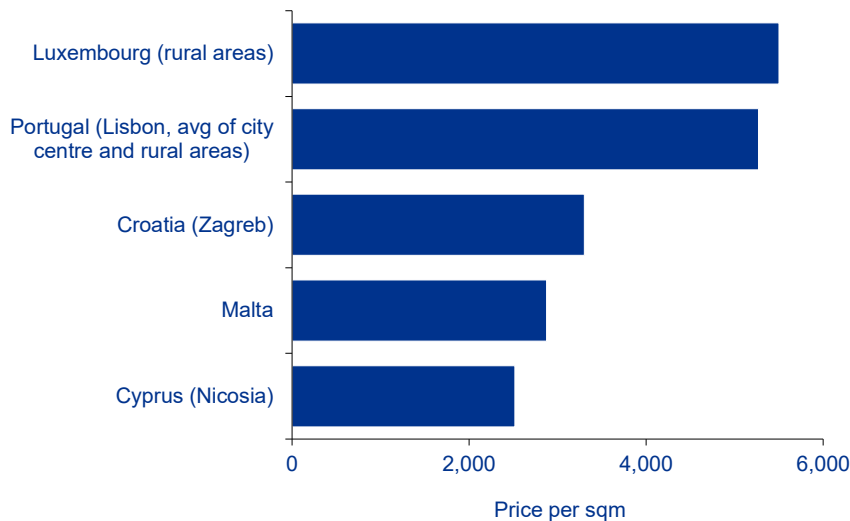
4.5.2 Price per square meter

In this section we use the price per square metre to compare apartment prices across countries since it provides a normalised way to account for differences in property sizes and to evaluate relative affordability or value.

Using price per square metre as a measure, provides a strong basis for cross-country comparisons of housing markets. It enables a like-for-like assessment of property values, independent of variations in overall property size or total price. This metric, while highly useful, must nevertheless be interpreted with care. Housing prices per square metre can differ significantly depending on factors such as geographic location, property type, urban density, and local market dynamics.

An analysis of price per sqm for the countries examined in Section 4.5.1 reveals a pattern that closely mirrors the findings from the HPI assessment. As shown in the accompanying figure, Malta's price per square metre is positioned slightly above that of Cyprus, which records the lowest value among the selected countries.

Figure 4.11: Typical price per square meter for finished apartments



Source: Investropa data; KPMG analysis

This indicates that Malta appears relatively affordable compared to countries with comparable economic structures. However, assessing affordability purely through housing prices provides only a partial perspective. Broader socioeconomic factors, most notably income levels, purchasing power, and household debt, must also be taken into account.

This observation invites a wider reflection on how affordability should be perceived. While the local population may experience mounting pressure within the domestic housing market, stepping back to view Malta within an international context offers a more balanced understanding. It highlights that perceptions of affordability are inherently relative, shaped not only by price but by economic opportunity, wage growth, and cost of living. In essence, comparing housing markets through this lens encourages a more nuanced appreciation of what “affordable” truly means in a globalised economy.

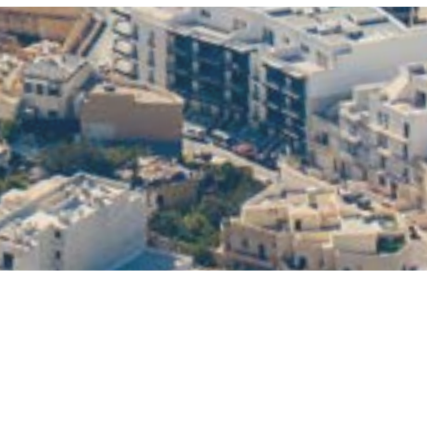
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Sustainability preferences in real estate in Malta



5.1 About the survey

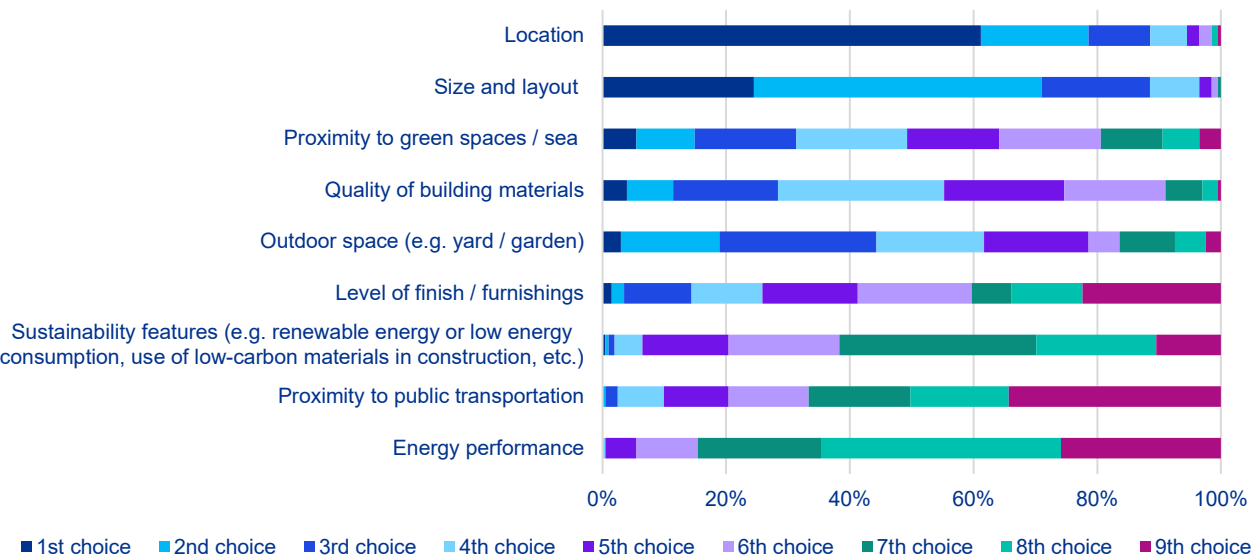
During the months of August and September 2025, we studied the sustainability preferences of current and prospective property owners, as well as renters, in the Maltese islands. This research builds upon three years of prior studies, with the objective of examining how sustainability preferences have evolved over time within the Maltese real estate sector. Through this study, we aim to understand how sustainability-related topics are influencing consumer decisions when purchasing or renting property. In the following sections we highlight some of the most important findings.

The data presented in this section was collected through a survey distributed via social media and e-mail. The survey targeted residents of Malta aged 18 and above. In total, we received 311 valid responses, achieving a sample of the Maltese population at a 90% confidence level and 5% margin of error⁴⁸. We acknowledge that the survey’s distribution method may have resulted in a bias, and we encourage readers to consider this limitation when interpreting the accompanied results.

5.2 Location, size and layout remain a priority when purchasing and renting

In our 2025 study we asked current and prospective property owners to rank the importance of factors that influenced or could influence their decision to purchase property in Malta. Price was intentionally excluded as a response option. Consistent with findings from the previous years, location and size/layout remain the top two considerations for property owners when selecting a property. Sustainability features and energy performance continue to rank low in priority. Public transport also scored low among homeowners, as illustrated in Figure 5.1. The most notable shift this year was the rise in importance of proximity to green spaces or the sea, which climbed two positions to become the third most important factor.

Figure 5.1: Relative importance of non-price factors for respondents who purchased property (N=201)



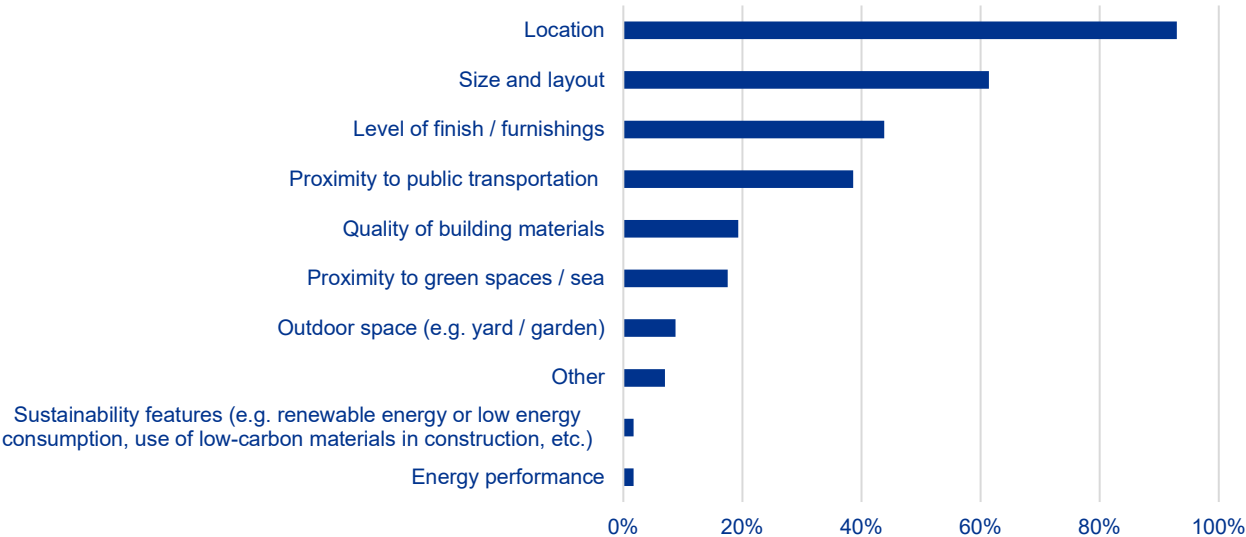
Source: KPMG analysis

⁴⁸ Calculated based on the number of inhabitants in the Maltese islands.

Prospective buyers responded in a similar manner, once again identifying location and size and layout as the primary factors influencing their property choices. Sustainability features dropped one spot to 8th place in this year's ranking, with no respondents selecting it as their most important feature. While these results show a slight variation compared to past buyers, the overall trend remains consistent: the top-ranked features continue to dominate by a significant margin, and the bottom three factors remain unchanged.

Renters also demonstrated similar priorities, which remained consistent with those observed in 2024. Location was selected by 93% of respondents, followed by size and layout, which received the second-highest number of responses at 61%. Energy performance and sustainability features continued to rank at the bottom of the list, as illustrated in Figure 5.2. A key difference from property buyers is that level of finish / furnishing and proximity to public transport are more important considerations. It is worth mentioning that 89% (N=57) of renters are non-Maltese, and may be searching for move-in ready homes with convenient access to transportation.

Figure 5.2: Features preferred by renters when selecting a property (N=57)



Source: KPMG analysis

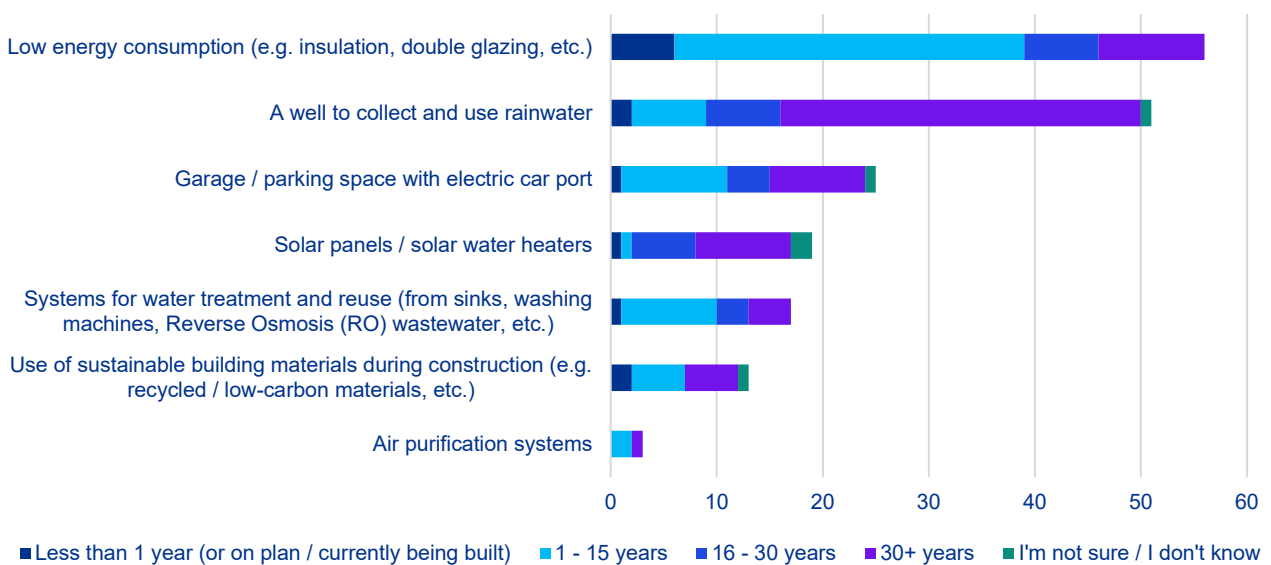
A new question was introduced in this year's survey, asking respondents to rate the availability and accessibility of green spaces in Malta. 83% considered that there is low availability of green spaces, with the average rating (on a scale of 1 to 5, where 1 means not available and 5 means highly available) being 1.8. As this aspect has been given importance when acquiring property, purchasers may be seeking to live close to nature but struggling to find suitable options. Moreover, green spaces play a key role in social aspects such as social interaction, recreation and well-being, as well as contributing to improve health⁴⁹.

⁴⁹ Scheiber, S. & Zucaro, F. (2023). Urban open and green spaces: is Malta planning and designing them to increase resilience. Tema. Journal of Land Use, Mobility and Environment, 16 (2), 331-352. <http://dx.doi.org/10.6093/1970-9870/9951>.

5.3 The prevalence and importance of sustainability features in property

Property owners were asked again this year to identify sustainability features present in their properties at the time of purchase. 58% (N=201) respondents identified at least one feature in their property. Among the features cited, low energy consumption and a well to collect and use rainwater continued to be the most common features, as seen in Figure 5.3. Excluding properties where owners were unsure about the age, sustainable features were most common in properties aged between 1 and 15 years (61%, N=69). Low energy consumption was the most identified feature, followed by garage / parking space with an electric car port. Properties older than 30 years also had a similar rate, with 58% (N=77) of them having at least one sustainability feature. In this case, the most frequently identified feature was a well to collect and use rainwater.

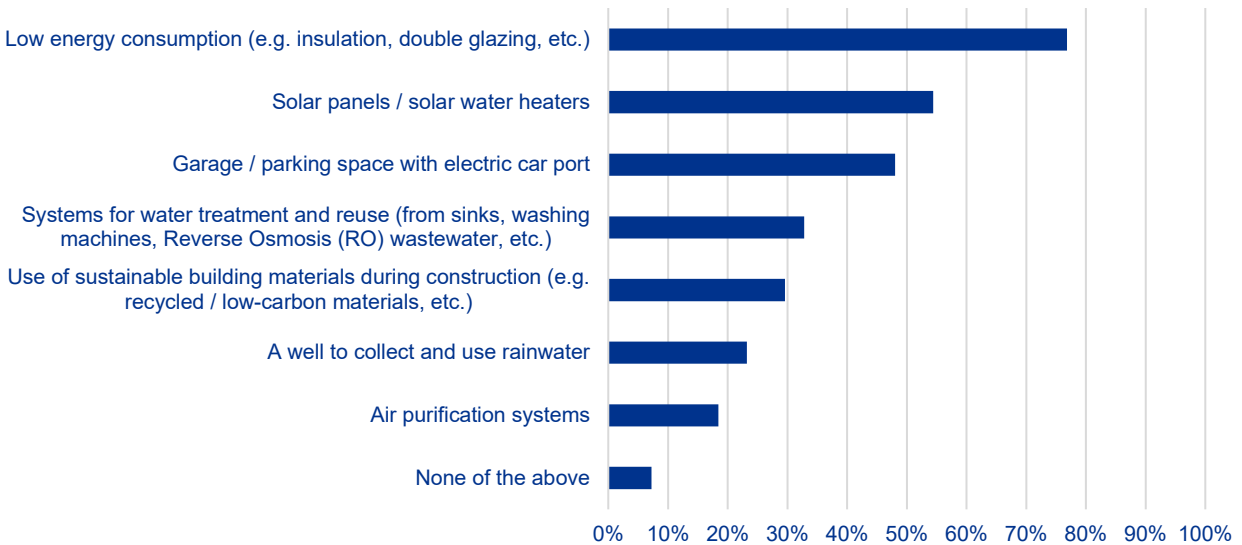
Figure 5.3: Sustainability features in purchased properties of different ages (N=201)



Source: KPMG analysis

When prospective buyers were asked to select the four most important sustainability features that they would like in their property, energy-related features remained a top priority. Low energy consumption was chosen by 77% of respondents, and solar panels / solar water heater was the second most popular choice, with a 54% pick rate (N=125), as shown in Figure 5.4. Although sustainability features and energy performance were rated low as a deciding factor when purchasing property (see Section 5.2), the data in Figure 5.4 shows that respondents are still interested in installing and having low energy consumption features in their homes.

Figure 5.4: Sustainability features desired by prospective property buyers (N=125)



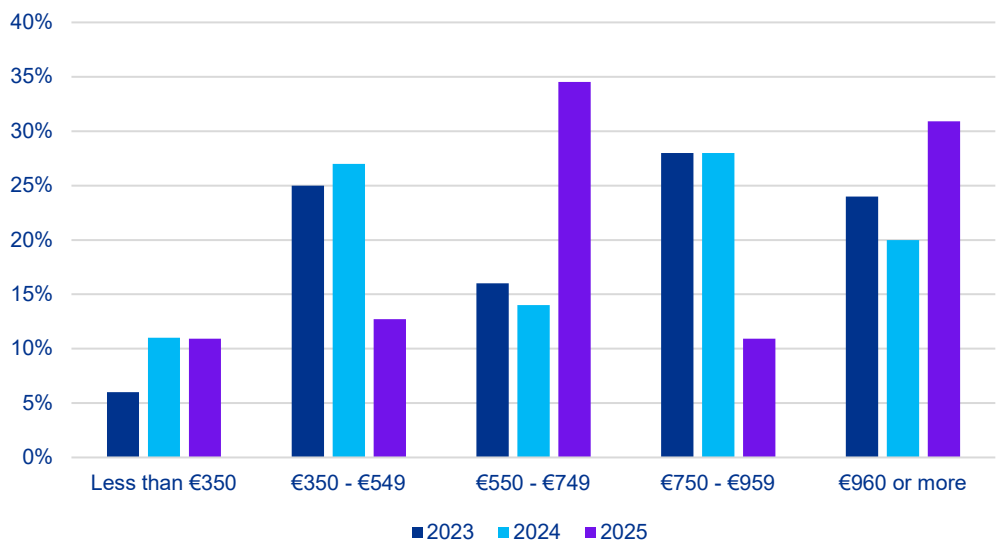
Source: KPMG analysis

When prospective buyers were asked what budget they would be willing to allocate towards sustainability features, only 12% (N=125) would not allocate an additional budget towards this. Those with a property purchase budget below €200,000 would allocate the lowest proportion of their budget towards sustainability features – an average of €8,000 (or 4% of €200,000). On the other end of the scale, prospective buyers with a budget of €300,000 to €399,999 said they would allocate an average €35,000 to sustainability features (i.e. between 9% and 11% of the total budget).



Renters' budgets need to be assessed on a monthly basis to understand their price and sustainability preferences. Figure 5.5 shows the personal monthly budget for rentals and how they have changed in the past years; this shows an increase in rental budgets in the €550 - €749 and €960+ categories. Renters were also asked whether they would be willing to pay more for a home that has been built with sustainable methods / materials, supporting a sustainable lifestyle. 54% (N=57) would consider paying extra, which is a notable increase from 43% (N=71) in 2024. Most renters were willing to pay less than €100, with 35% considering an amount under €50 and 42% willing to pay between €50 and €99. The most sought-after features in exchange for this additional cost were low energy consumption elements (e.g. insulation, double glazing) and solar panels or solar water heaters. Over time, renters may benefit from lower running costs, as sustainability features can lead to energy savings, while also contributing positively to the environment.

Figure 5.5: Monthly renting personal budget for respondents that are renting or are planning to rent in the next year 2023 (N=67), 2024 (N=71), and 2025 (N=55)



Source: KPMG analysis

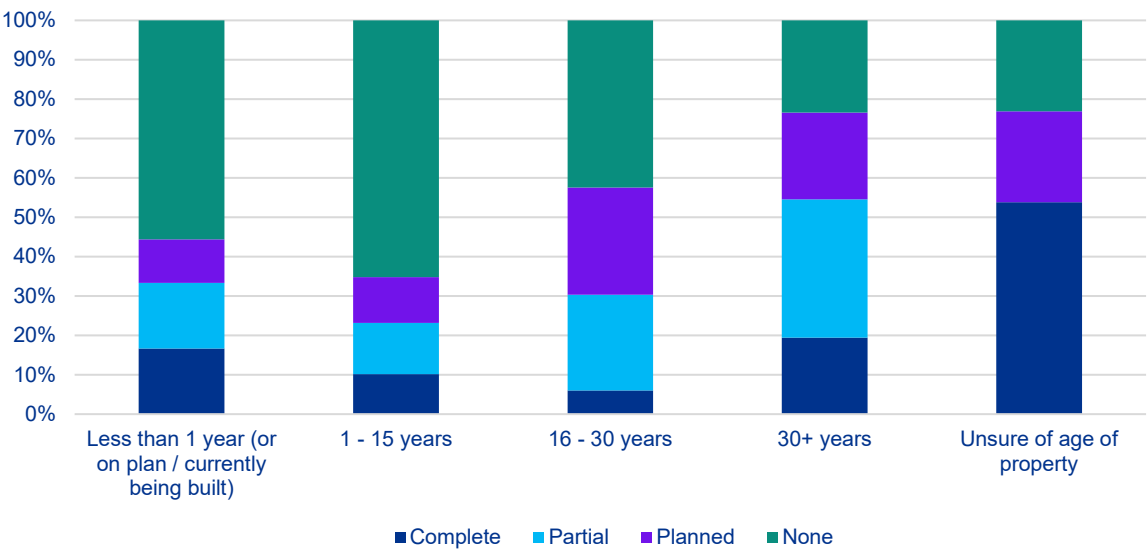


5.4 Reducing energy consumption is a top priority for retrofitting property

Building on the findings of last year’s study, this year’s research continues to explore retrofitting strategies for property owners. These strategies not only enhance the sustainability performance of existing buildings but also offer valuable insights into homeowners’ sustainability preferences and priorities. Retrofitting has emerged as a key focus area, encompassing the upgrading of structures to improve sustainability through energy efficiency, water conservation and air quality.

This year, 57% (N=214) of property owners reported having completed or planning to retrofit a sustainability feature in their home, compared to 49% (N=206) last year. This increase is particularly evident among respondents who have already undertaken some retrofitting, but plan to carry out further improvements, rising from just 13% in 2024 to 22% in 2025. This suggests that sustainability features are regularly considered by homeowners. Figure 5.6 shows that most of the completed and planned retrofits (55% and 57% respectively) were carried out in older properties (30+ years).

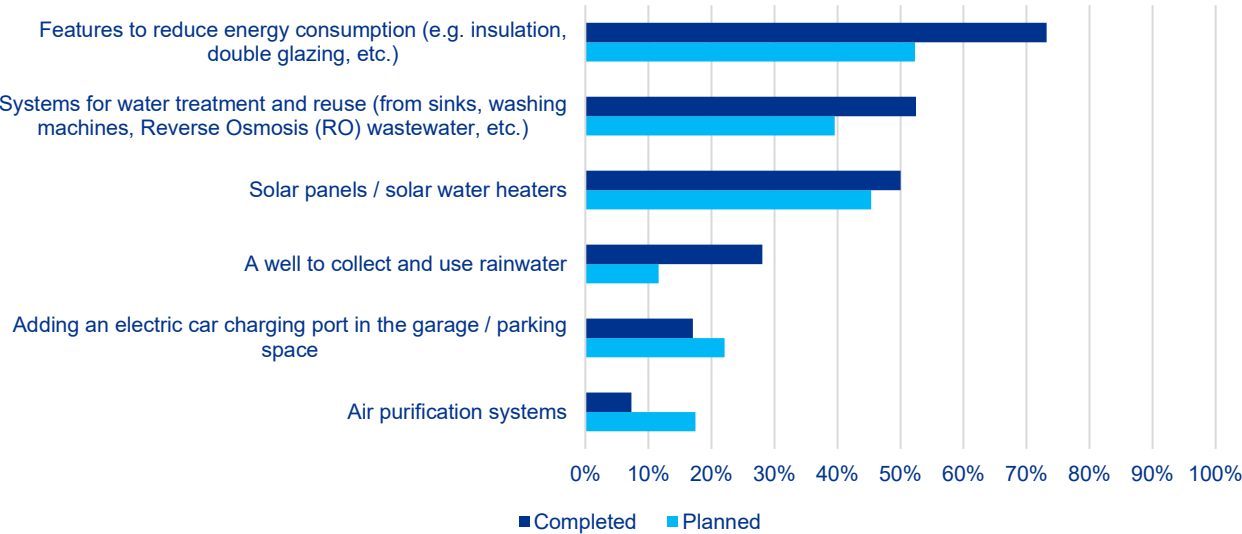
Figure 5.6: Status of retrofits by age of property (N=214)



Source: KPMG analysis

The most common retrofit, completed or planned, was installing features aimed at reducing energy consumption, selected by 73% and 52% of respondents respectively. Systems for water treatment and reuse were the second most retrofitted feature (52%), whereas for those planning future retrofits, solar panels and solar water heaters were the second most popular choice (45%), as shown in Figure 5.7. Savings in running costs through sustainability features, especially through energy-related features, may be an important driver. Another possible driver for these features may be the availability of government funding initiatives⁵⁰, with 83% of homeowners being aware of at least one such initiative. Furthermore, when asked to rate the usefulness of retrofitting incentives schemes or state-led refurbishment programs on a scale from 1 to 5 (1 being not useful and 5 being highly useful), 47% gave a score of 4 or 5 (average rating: 3.39), suggesting that such programmes have an important role to play in the transition towards sustainability.

Figure 5.7: Retrofitted sustainability features: Completed vs planned (N=118)



Source: KPMG analysis

These results highlight that energy-related features remain a top priority for property owners. In fact, 93% (N=201) of respondents have adopted strategies to reduce energy consumption, most commonly by switching to energy efficient appliances, followed by behavioural changes like turning off lights when not in use. While cost may be a motivating factor, only 11% of respondents reported limiting their use of heating or cooling due to financial constraints, which could also be a response to governmental subsidies helping to alleviate the financial burden of energy costs. Moreover, many respondents reported feeling uncomfortable during summer, with 31% (N=201) indicating they felt either very uncomfortable or somewhat uncomfortable. During winter, 23% reported similar discomfort.

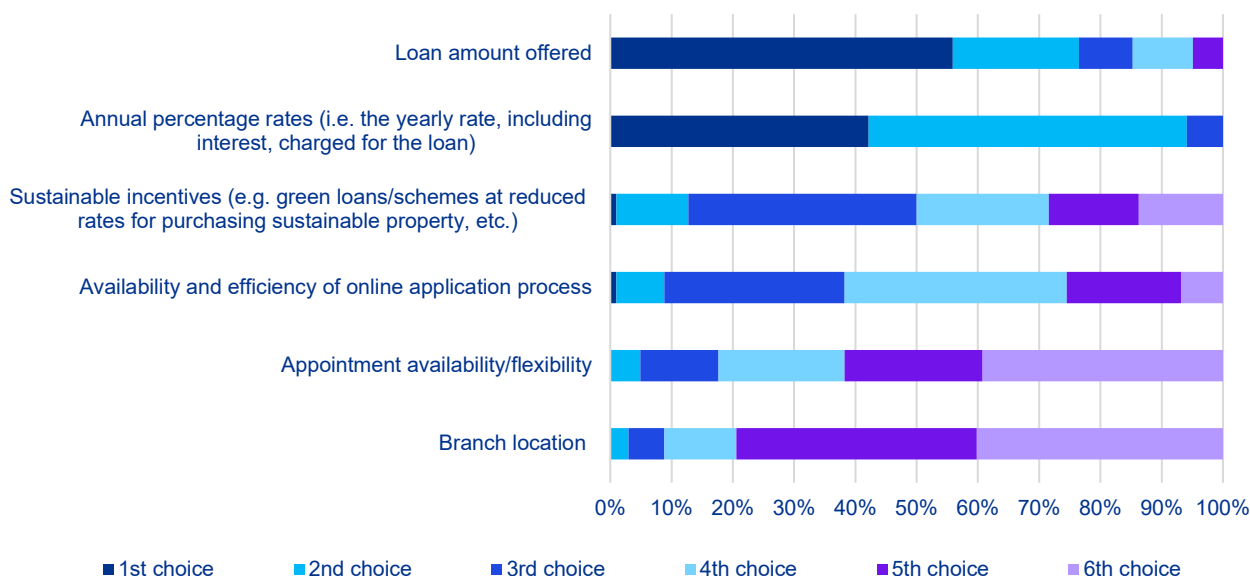
⁵⁰ The renewable energy systems in the domestic sector initiative can help private individuals to secure funds targeted at the installation of PV panels. Link: <https://www.servizz.gov.mt/en/Pages/Environment-Energy-Agriculture-and-Fisheries/Energy/Energy-and-Water-Services/WEB-04096/default.aspx>.
A grant for the purchase of activated carbon filters was opened in 2025 to cover a maximum 60% of the purchase and installation of water filtration system equipment. Link: https://www.servizz.gov.mt/en/Pages/Environment_Energy_Agriculture-and-Fisheries/Energy/Energy-and-Water-Services/WEB-04358/default.aspx.

5.5 Banks as financiers of the sustainable transition of the real estate sector

The use of loans to finance property purchases remains strong, with 82% (N=125) of prospective buyers planning to take out a loan to purchase their property, similar to 2024 (81%, N=102). Notably, the percentage of respondents who stated that they will buy property in the next 3 years was higher this year (40%, N=311) compared to last year (30%, N=336). In comparison, 33% (N=201) of property owners reported having purchased property in the past three years. When asked if they would prefer to always buy property, rent or run the numbers before deciding, a strong majority (84%, N= 311) said would prefer to buy property, citing long-term investment and increasing rent prices as key reasons.

To understand mortgage preferences, respondents planning to buy property were asked which factors were most important when choosing a bank for their loan. Figure 5.8 shows that most respondents chose the loan amount offered and annual percentage rates as the main factors. Sustainable incentives was ranked similar to the availability and efficiency of an online application process, and the difference between these two categories was statistically insignificant, indicating that prospective buyers ranked them equally. Nonetheless, while 71% (N=311) of the public is aware that some banks offer green loans for energy efficient and sustainable homes, only 8% are currently benefiting from such loans. This could be due to sustainability incentives not being a top priority for respondents when choosing a bank. For instance, if conditions for a green loan are not better than standard loans offered by other banks, there may not be sufficient incentives for property buyers to choose one.

Figure 5.8: Relative importance of factors when choosing a bank with which to take out a loan (N=102)



Source: KPMG analysis

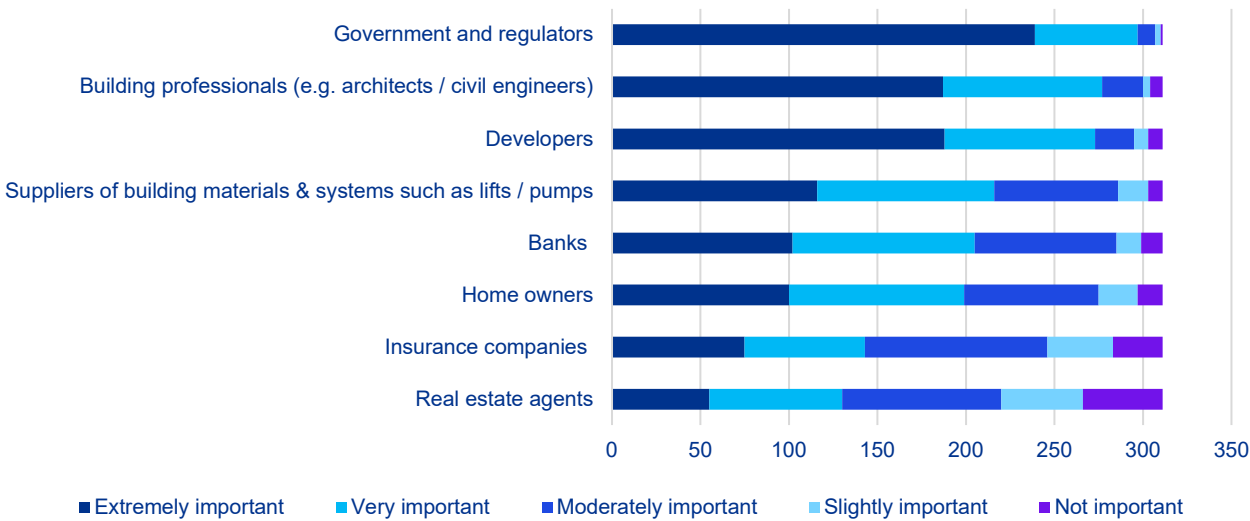
Banks continue to play an active role in advancing the sustainability agenda. In 2025, 43% (N=311) of respondents said they were aware of sustainability initiatives that banks are participating or investing in. This is a similar result to that obtained last year (42%, N=297) – but indicates potential room for improvement, since over half of the local community seems unaware of such activities.

5.6 Transforming the construction sector towards sustainability

This year, when asked “to what extent do you think that the construction sector in Malta is taking initiatives towards sustainability”, on a scale of 0 (representing not at all) to 10 (to a great extent), 75% of respondents selected a value below 5, with the average rating being 2.8 (N=311). While this data represents a minimal improvement over previous years (80% selected <5 in 2024, and the average rating was 2.7 in 2024, 1.9 in 2023 and 2.5 in 2022), the data suggests that respondents’ expectations remain high for the sector, and that residents expect further improvements and changes.

When asked about the relative importance of stakeholders in driving this transformation (Figure 5.9), respondents identified Government and regulators as playing the most critical role. This was followed closely by building professionals and developers, who were approximately at par with one another. Suppliers of building materials ranked fourth. As in previous years, these findings underscore the need for a collaborative approach towards sustainability moving forward, one that places Government and regulators at the forefront, supported by the broader ecosystem of industry stakeholders.

Figure 5.9: Relative importance of stakeholders in the transformation towards sustainability (N=311)



Source: KPMG analysis

Moreover, when asked what more the sector could be doing to advance sustainability, respondents (N=311) highlighted that responsibility lies across a range of stakeholders. They emphasised the need for collective action in promoting and supporting sustainability within the sector. Four key categories for action emerged from their responses:

Policy and Regulation

Respondents consistently pointed to the need for stronger governance and legal frameworks to move the construction sector toward sustainability. This includes:

- Embedding mandatory sustainability standards in building codes.
- Stricter permitting processes that require environmental assessments.
- Regular inspections and enforcement to ensure compliance.
- Penalties and fines for violations, especially for developers who disregard sustainability obligations.
- Local council involvement in monitoring and enforcement.

Moreover 32% of property owners were not provided with an EPC at time of purchase, and for properties bought after 2009 when it became a legal requirement, 21% of owners did not receive an EPC, showing a failure in the enforcement of the requirement. The underlying sentiment expressed by respondents is that regulation and enforcement need to be prioritised, as the market would not generate adequate conditions for sustainability. Many participants expressed frustration with the current approach and called for government-led transformation, where sustainability is not optional but a legal requirement.

Incentives and Financial Support

A significant number of respondents emphasised that financial barriers are a major obstacle to sustainable construction. They proposed:

- Tax rebates and deductions for sustainable property purchases or retrofits.
- Green loans with favourable terms for developers and homeowners.
- Direct grants and subsidies for using sustainable materials or technologies.
- Incentives for retrofitting existing buildings, especially in village cores and older urban areas.

The responses suggest that cost is a critical factor and many stakeholders are willing to adopt sustainable practices if the financial burden is reduced. Although funding opportunities are known (see Section 5.4), there's also concern that current incentives are either too limited or poorly targeted, often benefiting contractors more than end-users.

Awareness and Education

This category reflects a call for cultural and informational change. Respondents noted that:

- Sustainability is not well understood by the general public or even some professionals.
- There is a need for public awareness campaigns that explain the benefits of sustainable buildings in tangible terms (e.g. lower energy bills, healthier living environments).
- Educational curricula at vocational and university levels should integrate sustainability principles.
- Training for contractors and developers on best practices and new technologies is essential.

Respondents were clear on the knowledge gap between stakeholders, which is slowing down the adoption of sustainability within the construction and real estate sector. Improving education and awareness could be used as a route to demand a better and more sustainable construction and real estate sector within the Maltese islands.

Sustainable Practices and Materials

This was the most frequently mentioned category, with respondents offering practical, actionable suggestions such as:

- Installing solar panels, rainwater harvesting systems, and insulation.
- Using locally sourced, eco-friendly materials to reduce carbon footprints.
- Designing buildings for longevity and energy efficiency, not just aesthetics or short-term profit.
- Promoting circular economy principles, including reuse and recycling of construction materials.
- Preserving traditional architecture and repurposing existing buildings rather than demolishing them.

Although a majority of suggestions indicated that sustainable practices and materials should take a major role in the transformation of the sector, the demand for such features from buyers is still low (see Section 5.2). Many respondents criticised the overdevelopment of high-rise apartments and called for a shift toward quality over quantity, with green spaces, better planning, and respect for Malta's built heritage.

Appendices

Appendix A: Definitions

This section provides a concise definition of the products and industries presented in the input-output tables. These definitions are adapted from the Eurostat (2008) “NACE Rev.2 Structure and explanatory notes”, Eurostat Methodologies and Working Papers.

Agriculture (NACE 1-3)

This division covers the production of crop and animal products, including organic agriculture, genetically modified crops and the raising of genetically modified animals as well as the growing of crops in open fields and greenhouses. Under this heading, forestry and logging as well as fishing and aquaculture activities are included. The latter industry covers the use of fishery resources from marine, brackish or freshwater environments, with the goal of capturing or gathering fish, crustaceans, molluscs and other marine organisms and products. However, this category excludes recreational fishing.

Production (NACE 5-39)

This category includes mining and quarrying, manufacturing, electricity, gas, steam and air conditioning supply, water supply, sewerage, waste management and remediation activities.

Of which manufacturing (NACE 10-33)

This segment includes the manufacturing of food products and beverages, tobacco products, textiles, clothing, leather products, wood and paper products, coke and refined petroleum, chemicals, pharmaceuticals, rubber and plastic, glass products, metals, computer, electronics, optical products, machinery and equipment, motor vehicles, trailers and semi-trailers, furniture, and also repair and installation of machinery and equipment.

Construction (NACE 41-43)

This includes the construction of buildings, civil engineering (including the construction of roads), demolition and site preparation, electrical plumbing and other construction installation activities. It also includes building completion and finishing activities.

Distribution (NACE 45-47)

Distribution covers the wholesale, retail trade and repair of motor vehicles and motorcycles.

Transport (49-53)

This covers land, water and air transport. Specific activities applicable to Malta include taxi operations, freight transport, sea and coastal water transport services. It also includes warehousing and storage activities as well as postal and courier services.

Hotels and restaurants (NACE 55-56)

The hotels and restaurants cover hotel accommodation, holiday, short-stay, camping grounds and recreational vehicle parks. It also covers restaurants, mobile food services, beverage serving and catering activities.

Information and communication (NACE 58-63)

This section covers publishing activities, motion picture, video and television programme production, sound recording and also music publishing activities. It is also inclusive of programming and broadcasting activities, telecommunications, computer programming and consultancy services and also information service activities (such as data processing and web hosting).

Financial and insurance (NACE 64-66)

The financial and insurance segment includes monetary intermediation, central banking, and activities of holding companies, trusts, funds, financial leasing, credit granting, insurance activities, pension funding and also the administration of financial markets.

Real estate (NACE 68)

Real estate activities include the buying and selling of own real estate, renting and operating of own or leased real estate and also activities carried out by real estate agencies.

Professional (NACE 69-75)

This category includes legal, accounting, bookkeeping, auditing, tax and management consultancy services, architectural and engineering activities, scientific research and development, advertising and market research, photographic activities, translation and interpretation activities and also veterinary activities.

Administration and support (NACE 77-82)

The administration and support service activity segment includes rental and leasing activities (of motor vehicles, trucks, personal and household goods, machinery and equipment.) It also includes the activities of employment agencies, travel agencies and tour operators and security services. Furthermore, it also includes cleaning and landscaping activities, and other office administration and business support activities.

Public administration (NACE 84)

This NACE code includes all services related to public administration, defence and social security.

Education (NACE 85)

Education covers the provision of pre-primary, primary, secondary, post-secondary and tertiary education. It also includes sports and recreation education, cultural education and the activities of driving school instructors.

Health and social work (NACE 86-88)

This section covers human health related activities such as hospital activities, medical and dental activities; residential care and social work activities.

Arts, entertainment and recreation (NACE 90-93) This covers creative, arts and entertainment services, libraries, archives, museums and other cultural activities, gambling and betting activities and also sports activities.

Other services (NACE 94-96)

This includes the activities of membership organisations (business, professional, religious or political), repair of computers, personal and household goods and other personal service activities. The latter include hairdressing and beauty treatments, washing and dry cleaning services, funeral services and physical well-being services.

Households as employers (NACE 97-98)

This includes the activities of households as employers and also undifferentiated goods and services producing activities of households for own use.

Extra-territorial organisations (NACE 99)

NACE 99 covers the activities of extra-territorial organisations and bodies.

Appendix B: Scope, approach and methodology

B.1 Scope and objectives of this engagement

We have been contracted by the Malta Development Association to provide a further update to our report titled “Construction Industry and Property Market Report”, originally published in October 2017 with annual subsequent updates. These reports seek to quantify the economic relevance of the building industry and the property market in general, with the ultimate aim of gauging the impact of the building industry on the rest of the Maltese economy.

B.1.1 Data collection and desk-based research

As part of the work carried out in preparation of the first edition of this report, an exercise was carried out to define a broader scope of economic activities which could be considered to form part of the construction industry, than those captured by official statistics. These parameters were updated slightly from previous editions for better alignment with official statistics.

The first phase of this engagement involved the collection of data from public sources such as the NSO, Eurostat, and the Central Bank of Malta. Efforts were made to collect updated data on each economic sector closely linked to the construction industry, but not formally defined as part of the industry under the definitions in the NACE system. This broader definition of the construction industry was developed during consultations with the MDA at the initial stages of our work when preparing our first report. An in-depth analysis of this data, as well as data from KPMG’s internal real estate database, was then carried out. The aim of this phase was to extract summary statistics to (a) describe the current economic situation across several aspects of the construction industry and (b) analyse trends in the industry and in the property market.

More detailed explanations of the specific methodologies used for different parts of our analysis are provided throughout this report.

B.1.2 Stakeholder consultations

Even though statistics are a useful tool in industry analysis, they do not always give a comprehensive view. For this reason, it was considered imperative that insight from a sample of industry players was collected.

We have once again opted for a broader approach to stakeholder consultation by making use of interviews. As has been the case in past reports, such interviews allow us to obtain rich qualitative insights from industry experts in order to present a richer understanding of key issues presently facing the industry, as well as future challenges and opportunities.

B.2 Sources of information

The following are the main sources of information utilised in the compilation of this report:

- Economic and demographic statistics from the National Statistics Office.
- Economic and demographic statistics from Eurostat.
- Economic statistics and indicators published by the Central Bank of Malta.
- NSO, 2020, “Supply, Use and Input-Output Tables”, National Accounts Unit 2015.
- Debono, Nathaniel., & Cassar, Ian., 2021, “Estimates of Industry specific multipliers for the Maltese economy on the basis of the SIOT for 2015”, CBM.
- The KPMG Property Database.
- KPMG, 2017, “Construction Industry and Property Market Report, 2017”.
- KPMG, 2018, “Construction Industry and Property Market Report, 2018”.
- KPMG, 2019, “Construction Industry and Property Market Report, 2019”.
- KPMG, 2020, “Construction Industry and Property Market Report, 2020”.
- KPMG, 2021, “Construction Industry and Property Market Report, 2021”.
- KPMG, 2022, “Construction Industry and Property Market Report, 2022”.
- KPMG, 2023, “Construction Industry and Property Market Report, 2023”.
- KPMG, 2024, “Construction Industry and Property Market Report, 2024”.
- “Sustainability preferences in real estate in Malta” 2024 survey.
- Additional sources of information are referenced throughout the report as appropriate.

B.3 Underlying assumptions

This report is drawn on the basis of the following generic assumptions. Further case-specific assumptions are listed throughout the report's main text.

- Data received from third parties is presumed to be factual and correct as at the date of this report.
- The population frame from which the sample of new stakeholders was drawn for consultation is a comprehensive list of MDA members. Convenience sampling was used to ensure that we obtain a good mix of large influencers in the industry, and also to interview individuals who had contributed in past editions with a view to attain a level of continuity.
- The insight gathered from the stakeholder consultations were, in the main, of a qualitative nature and as such cannot be interpreted using statistical methods/techniques.

B.4 Note regarding comparability of reports

Please note that revisions to certain official statistics have been identified during the compilation of this report. In addition, in certain analyses, we have adopted updated refined data or actual published data (versus estimates previously adopted and, which since last publication, have been made available). In some instances, data sources may have changed owing to the requirements of specific pieces of analysis, with the possibility of different sources utilising methodologies which, while still correct and relevant, differ from each other. For this reason, certain figures quoted within this report may vary from those same figures as produced in our previous reports. As a result, the extent of comparability between different yearly issues of this report may be limited in certain instances.

Furthermore, as stated earlier, comparing reports on the size of the wider building industry is limited due to the revised definition in this year's edition. Additionally, the affordability analysis has also been revisited to ensure a more precise and transparent assessment. Both of these analyses have been retrospectively reworked and presented to facilitate comparability across different years.





Appendix C: Wider building industry

C.1 Definition of wider building industry

When compiling official statistics, national authorities use the NACE classification, a pan-European system of classifying economic activities. In Chapter 1, this report defines the wider building industry as being made up from the construction sector, and the real estate sector.

NACE Revision 2 groups together the following activities which are related to construction sector under Section F. These are:

- Construction of buildings (NACE 41)* – Comprises the construction of residential and non-residential buildings.
- Civil engineering (NACE 42)* – Comprises the construction of roads, motorways, bridges and tunnels, and utility projects for electricity, water, and telecoms.
- Specialised construction activities (NACE 43)* – Comprises activities such as demolition, site preparation, test drilling and boring, plumbing and electrical installations, building completion, plastering and joinery, floor and wall covering, glazing and roofing.

NACE Revision 2 categorises the real estate sector under Section L. Note that for the purposes of our analysis, we exclude imputed rent.

- Real estate activities (NACE 68) * – Which include the buying and selling of own real estate, renting and operating of own or leased real estate, the operations of real estate agencies and also the management of real estate on a fee or contract basis. It also includes the building of structures, combined with maintaining ownership of leasing of such structure.

The NACE code classification also provides for other categories which are not listed under Section F (Construction), but which are intrinsically linked to the construction industry. The industries identified as forming part of the wider building industry are replicated overleaf.

Other mining and quarrying

- Mining and quarrying, which includes the quarrying of ornamental and building stone, limestone, gypsum, chalk and slate, and extraction of peat and slate (NACE 8) **

Manufacturing of materials and equipment

- Manufacture of wood and products of wood and cork (except for furniture, straw articles and plaiting materials). This code includes sawmilling and planning of wood, manufacture of veneer sheets and wood-based panels, parquet floors, builders' carpentry and joinery and also wooden containers (NACE 16) **
- Manufacturing of other non-metallic mineral products which includes the manufacture of flat and hollow glass, glass fibres, refractory products, ceramic tiles and flags, bricks, tiles and construction products, ceramic household and ornamental articles, sanitary fixtures, ceramic insulators and insulating fittings, cement, lime, plaster, concrete, ready-mixed concrete, mortars and fibre cement, and also the cutting, shaping and finishing of stone (NACE 23) **
- Manufacture of machinery for mining, quarrying and construction (NACE 28.92) **
- Manufacture of fabricated metal products, except machinery and equipment (NACE 25) *

Wholesale of materials and equipment

- Wholesale of mining, construction and civil engineering machinery (NACE 46.63) **
- Wholesale of wood, construction materials and sanitary equipment (NACE 46.73) **
- Agents involved in the sale of timber and building materials (NACE 46.13) **

Related service activities

- Architectural and engineering activities and any related technical consultancy (NACE 71) *
- Renting and leasing of construction and civil engineering machinery and equipment (NACE 77.32) **

- Specialised design, which includes interior decoration, and industrial design (NACE 74.10) **
- Services to buildings and landscape activities (NACE 81) *

In addition to the above activities, we also identified supporting economic activities which arise, to some extent, as a result of the construction sector. These may include industrial machinery repair and maintenance, accounting services, project management, market research and technical consultancy, legal services, financial services (provision of loans) and so on. Since statistics are reported on an economic activity basis, we are not able to disentangle that portion of economic activity which is solely attributable to the construction sector. For instance, one cannot elicit the share of legal and accounting activities (NACE 69) tied to the construction industry. However, to address this issue, we consider industry inter-linkages at a high level in another section of this report.

Where available, data provided by the NSO on the above NACE codes was examined in further detail. The results of this analysis can be found in the following section⁵¹.

⁵¹ Data was only available for sectors marked with an asterisk (*). For those marked with a double asterisk (**), data pertaining to some years was confidential.

Appendix D: Specific methodologies

D.1 Multiplier analysis

When a final consumer purchases any good or service, the impact on the economy is greater than the value of the original spend.

In the first instance, the payment from buyer to seller will cover the seller's expenses. This is referred to as the 'Direct impact', or the first round of spending. It is the demand created by the final consumer.

The demand created by final consumers, creates new demand upstream for intermediate suppliers. By way of example, developers would need to engage with building contractors, who in turn must buy raw materials from suppliers further up the supply chain. This is called the 'Indirect impact' and is measured using so-called 'Type 1' multipliers.

Finally, one can also include 'Induced impacts', which arise as a direct result of additional rounds of spending by agents involved in a transaction. For instance, contractors need to pay wages to their employees. The extent to which such wages are re-injected in the economy depends on the employees' own propensity to consume. The more employees spend, the greater is the ripple effect in the economy. We measure this 'induced impact' using so-called 'Type 2' multipliers. It can be argued that the total economic impact lies somewhere between that estimated using a Type I multiplier and that using a Type II multiplier.

Economic multipliers provide a measure of the magnitude of changes in output, income and value-added levels caused by an initial demand for goods and services. A shift in aggregate expenditure (caused by an increase in demand) will cause an increase in output by a multiple of the initial increase in expenditure.

The multipliers reported by the local National Statistics Office are based on the Leontief demand driven model. The statistics office reports what is known as the "Leontief Inverse" which incorporate the notion that the production process required in order to produce a unit of output (for eventual use by final demand), requires intermediate inputs from other industries. These intermediate inputs constitute the "direct effects". Moreover, the production of these additional intermediate inputs requires further increased rounds of production. The latter are the "indirect effects". Type 1 multipliers encompass the direct and indirect effects whilst Type 2 multipliers include the direct, indirect and induced effects, as explained previously.

The column extracted from the Leontief inverse of domestic production table below shows both direct and indirect input requirements, on all other industries, which are generated by a one unit of output. In other words, adding the Leontief inverse for all the economic sectors under consideration gives the output multiplier for the relative industry. The output multiplier is the ratio of the change in total output (i.e. the impact on GDP) in all sectors of the economy in response to a direct change in the basic output of a particular sector. Taking the construction industry as a case in point, the Type 1 output multiplier is 1.77. This implies that for every €1 increase in final demand in this sector, €1.77 would be expected to be generated in direct and indirect effects.

Leontief inverse of domestic product flows

Industry	Inverse
Agriculture	0.003
Production	0.261
<i>of which: manufacturing</i>	<i>0.194</i>
Construction	1.171
Distribution	0.083
Transport	0.027
Hotels and restaurants	0.004
Information and communication	0.012
Financial and insurance	0.074
Real estate	0.013
Professional	0.039
Administration and support	0.009
Public administration	0.004
Education	0.002
Health and social work	0.000
Arts, entertainment and recreation	0.001
Other services	0.001
Households as employers	0.000
Extra-territorial organisations	0.000
Output multiplier	1.704

Source: NSO data; KPMG analysis

Appendix E: Regions

KPMG Real Estate Database - Localities in Gozo	KPMG Real Estate Database - Localities in North Harbour Region	KPMG Real Estate Database - Localities in Grand Harbour Region
Fontana Ġhajnsielem Ta' Ghammar Il-Munxar Il-Qala In-Nadur Ir-Rabat (Victoria) Ix-Xewkija Iż-Żebbuġ Ta' Kerċem L-Għarb L-Għasri Marsalforn Mġarr San Lawrenz Ta' Sannat Santa Luċija Ix-Xagħra Xlendi	Il-Blata l-Bajda Gżira High Ridge Kappara Msida Paceville Pembroke Pietà San Ġwann Sliema St. Andrew's St. Julian's Swieqi Ta' Giorni Ta' L-ibrag Ta' Xbiex The Gardens The Village	Cospicua (Bormla) Floriana Kalkara Marsa Senglea (Isla) Valletta Vittoriosa (Birgu)
KPMG Real Estate Database - Localities in North West Region	KPMG Real Estate Database - Localities in South Region	KPMG Real Estate Database - Localities in Central Region
Baħrija Bidnija Buġibba Burmarrad Buskett Dingli Ġhajn Tuffieħa L-Andrijiet Maġħtab Manikata Mdina Mellieħa Mensija Mġarr Mtahleb Mtarfa Qawra Rabat Salina St. Paul's Bay Wardija Xemxija Żebbiegħ	Bir id-Deheb Birżebbuġa Fgura Ġħaxaq Gudja Ħal Far Kalafrana Kirkop Luqa Marsascalea Marsaxlokk Mqabba Paola Qrendi Safi Santa Luċija Siġġiewi Tarxien Xgħajra Żabbar Żebbuġ Żejtun Żurrieq	Attard Baħar iċ-Ċagħaq Balzan Birguma Birkirkara Fleur-de-Lys Ġħarghur Gwardamanġa Ħamrun Lija Iklin Madliena Mosta Mrieħel Naxxar Qormi Qormi-Industrial San Pawl tat-Tarġa Santa Venera Swatar Ta' Qali Xwieki





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