

MEMORANDUM for the CABINET
by the Hon. Minister of Justice &
Parliamentary Affairs.

Subject:- Funds for the programme of
the Housing Department for
the Third Five-Year Plan
1969/74.

1. The last two years have shown a mounting interest on the part of the public for the solution of the housing problem which has been greatly aggravated by the influx of foreign residents who are acquiring most of the houses available, raising prices of those not taken, making it difficult for the local population to compete for the acquisition of residences by way of letting, purchase or other title.

2. In view of this situation Government has decided to launch a massive building programme to produce a sufficiency of houses and flats which can be let to Maltese citizens at rentals which they can afford. The Housing Secretary has been directed in this context to plan for the production of these housing units and a Commission was set up to recommend sites on Government-owned land for the erection of Housing Estates. In August, 1967, this Cabinet agreed to the erection of Housing Estates in all electoral districts, preference to be given in allocation to persons normally residing in the respective district.

3. Following this directive the Commission above mentioned forthwith made its recommendations with regard to sites and the Housing Secretary immediately entered into a plan in collaboration with the Director of Public Works for the development of several sites.

In this connection it was decided to insert a new vote in the Estimates for 1968/69 - Government Housing Estate - to replace the old vote, Rental Housing, with a greater say in planning by this Ministry. The Housing Secretary went into the details of the matter and raised the following points:

- (1) The increase in demand for houses by engaged couples;

- (ii) The necessity to find accommodation for people who were not sufficiently well housed;
- (iii) The rising outcry with regard to the slum areas in the city;
- (iv) The problem of expiring emphyteuses.

With regard to (i) and (ii) there is little point in belabouring the issue as the insistence in the press and in parliament is sufficient evidence of the need for the building programme planned.

The point at (iii) is a glaring issue which did not need the underlining and publicity being given to it by the Students' Committee.

On point (iv) the Housing Secretary is basing himself on figures resulting from the Public Registry. These figures show that 1376 emphyteuses will have expired by the year 1974. The bulk of these will be expiring in the four-year period 1969/1972.

4. The Economic Planning Division of the O.P.M. have commented thus on the planning of the Housing Secretary:-

"The proposal for 1500 units was, it should be stressed, not justified by the Department, in the sense that it was not related to any specific demonstration of need for that number of houses".

In this comment the Economic Planning Division shows complete unawareness not only of the situation resulting from the public outcry on the subject and from the figures above quoted but also of the policies approved by Government on which the Housing Department is to execute its requisitioning and allocation powers.

It has been agreed for some time that requisitioning of privately-owned premises should be resorted to only where absolutely necessary. It is, in fact, only resorted to for the housing of evictees from houses affected by Government development or road projects, the few Government employees who are required to reside in a specific town or village, or for persons

/ suffering

suffering from tuberculosis requiring better environment.

It is impossible for these policies to be followed if Government-owned houses are not provided, and this in a sufficient quantity.

It is futile to say that the inadequately housed elements of the population are getting to be less and less in number. The fact remains that with the decontrol law in operation and the liberal policy of allowing house owners to speculate to a certain degree on the tourist potential, a very great number of persons are finding it impossible to find accommodation because they cannot afford to compete with outsiders in acquiring a dwelling.

Economic Planning's contention that it is making adequate provision for housing in allowing for 500 units over the five-year period, because this is three times as large as the provision for the current five-year plan is, if one may say so, extremely illogical reasoning.

When the current five-year plan was being drawn up, that is about six years ago, much of what is happening now was not even on the horizon then. The "property dollar" expedient in the U.K., which has sent British developers and prospective house-owners rushing to acquire property on this Island had not even been thought of. Had it been possible to foresee this development of the situation the current five-year plan would have had the proposals being made now by the Department and the situation with regard to Housing would not have deteriorated to the extent that is now being witnessed.

Furthermore, the assertion by Economical Planning that the cost of a housing unit should be more realistically assessed at £1700 has been proved fallacious by the results of several calls for tenders by contractors. Figures quoted by tenders oscillate between £2000 and £2400.

The Economic Planning Division has cut down to one-third the proposals by the Housing Department under the Home Ownership Scheme.

Again this is based on an average worked out on the last three years. This too is not correct reasoning.

The Home Ownership Scheme went off very slowly at first but applications received in the course of the last year show that there is a heavy demand from the public for benefit under this Scheme. In fact, while in 1966 plots were available to the public on a "first come, first served" basis, such was the lack of interest in this form of development, the situation had worsened so rapidly that by mid-1967 there were over 300 applicants when 17 plots were put up for applications and there were over 500 applicants in a recent call for applications for other sets of plots. It is evident that one cannot work on a system of averages for the last three years under these circumstances.

The situation has, in fact, caused the Housing Secretary to revise his original proposals for the third Five Year Plan to cover the grant of 120 plots per annum instead of 80 as he had originally proposed.

The Housing Secretary has suggested a change in the benefit policy, effecting a reduction of £150 in the grant in each case and increasing the loan by the same amount.

5. Hon. Ministers may, therefore, wish to agree that the proposals of the Housing Secretary, as revised with regard to the Home Ownership Scheme should stand.

26th October, 1968.