

# **Lease Conditions for Properties Allocated for Social Accommodation**

The following policy shall apply for properties allocated for social accommodation after 1st January 2022, including through a recognition or exchange of existing Government dwelling. An exception shall be made for tenants who exchange their dwelling with a smaller one.

- Allocations shall be for a period of four years, followed by another four years and a final period of two years. The last period shall be adjusted as necessary for properties leased from third parties to ensure that the lease with the tenants expires before that with the owner.
- Tenants may not purchase their residence.
- Rent due shall be revised before the commencement of each new lease period. The rent stipulated in the lease agreement shall be valid throughout the lease. Exceptions shall only be made if the tenants' situation changes drastically, such as through loss of employment or retirement.
- Assets shall be verified at the lapse of the second four-year period. Tenants who exceed the means testing criteria indicated in annex 1 shall be requested to vacate property. This condition is without prejudice to the Authority's right to verify tenants' assets at any time, and to revoke the allocation if it transpires that they had concealed their wealth prior to the allocation of the property.
- Rent shall be paid by direct debit. Exceptions shall only be made for tenants who have received a garnishee order.
- Requests for recognitions shall be made through a formal application form and shall only be accepted if the following conditions are adhered to:
  - The application is submitted after the demise of the recognised tenants.
  - The person requesting recognition had lived with the tenants for the last five years prior to their death.
  - The person requesting recognition does not exceed the means testing indicated in annex 1.
- Requests for exchange may only be submitted prior to the lapse of the third year from the date of allocation so that they may be considered prior to the signing of the new lease agreement after four years. They shall only be accepted if a valid reason is provided.
- Income shall be calculated according to the criteria used to assess eligibility; ie children's allowance and supplements for disability and illnesses shall not be taken into consideration.
- Rent shall be calculated as a percentage of the income as follows, but shall in no circumstances be less than the minimum rent stipulated in Chapter 158 of the Code of Laws for properties leased before 1st June 1995:

<b>Income</b>	<b>General Rate</b>	<b>High Demand Locations - Refer to Annex 2</b>
<b>€0 - €6000 (€8000 for tenants aged 65+)</b>	<b>8%</b>	<b>10%</b>
<b>€6001 - €12000</b>	<b>16%</b>	<b>18%</b>
<b>More than €12000</b>	<b>23%</b>	<b>25%</b>

### Annex 2 - List of Localities in High Demand

<b>Age</b>	<b>Capital Assets</b>
<b>&lt; 35 years</b>	<b>€60,000</b>
<b>35 - 44 years</b>	<b>€90,000</b>
<b>45 - 54 years</b>	<b>€185,000</b>
<b>55 - 64 years</b>	<b>€213,000</b>
<b>65 - 74 years</b>	<b>€245,000</b>
<b>75 years and above</b>	<b>€600,000</b>

### Annex 2 - List of Localities in High Demand

Attard  
Balzan  
Birgu (properties not within housing blocks only)  
Birkirkara  
Gharghur  
Gzira  
Isla (properties not within housing blocks only)  
Iklin  
Kalkara (properties not within housing blocks only)  
Lija  
Mosta  
Msida

Mdina  
Naxxar  
Pembroke  
Pieta'  
San Giljan  
San Gwann  
Santa Venera  
Sliema  
Swieqi  
Ta' Xbiex  
Valletta (properties not within housing blocks only)