



# The Housing Authority's Schemes to Boost the Purchasing Power of Homeowners and Improve the Quality of Housing

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# The Housing Authority's Schemes to Boost the Purchasing Power of Homeowners and Improve the Quality of Housing

**Dr Brian Micallef and Jamil Schembri<sup>1</sup>**

This report is the third instalment in a three-part series focusing on the Housing Authority's schemes designed to enhance homeowners' purchasing power and improve housing quality by covering property refurbishment expenses, making these homes more comfortable and liveable.<sup>2</sup> This category comprises five schemes: the First-Time Buyer scheme (FTB), the Grant on First Residence scheme (GFR), the Subsidy on Adaptation Works scheme (ADP), the Adaptation of Pre-95 Properties (SSP), and the scheme for Persons with Disability (DIS). For the purpose of this report, the latter also incorporates beneficiaries of the SensAbility scheme. The main characteristics of these schemes are outlined in box 1.

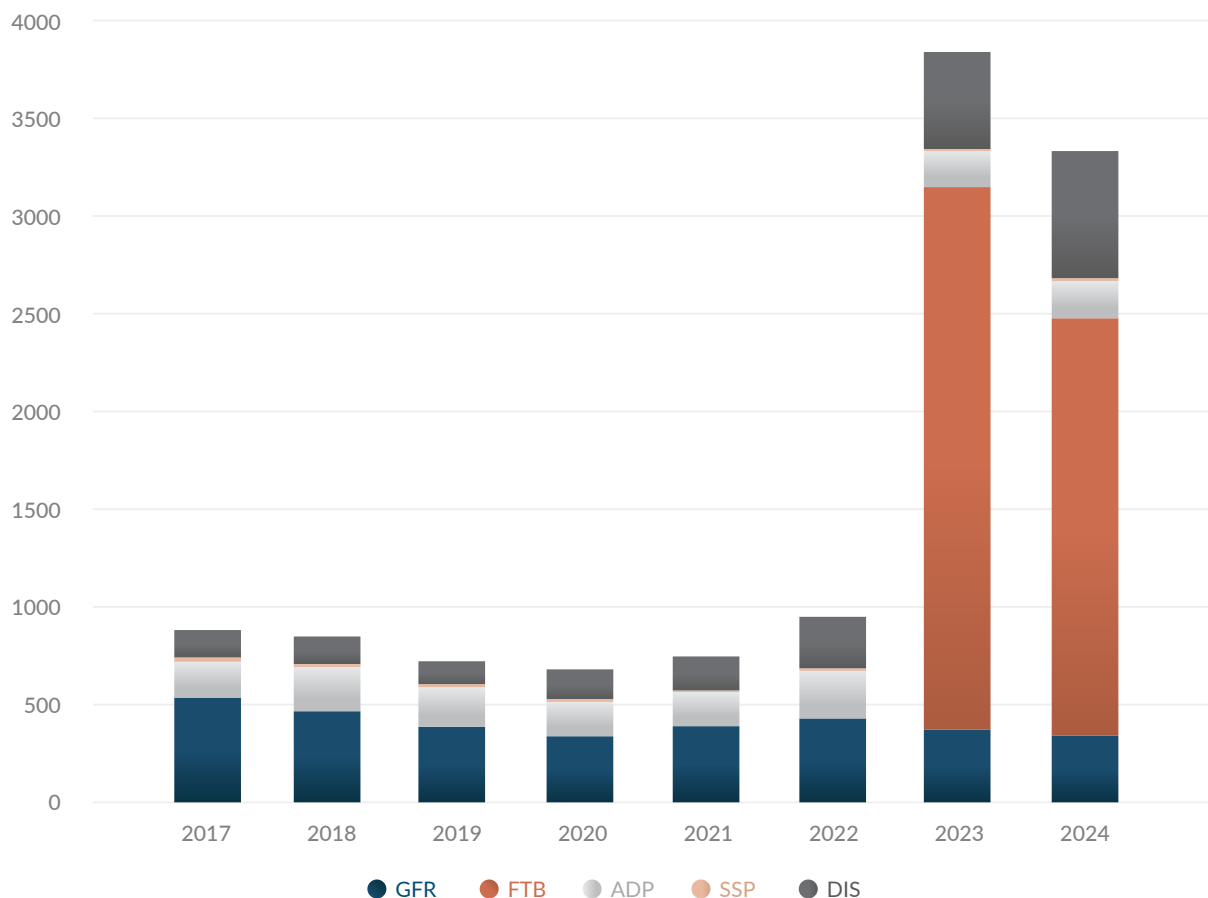
**Excluding the FTB scheme, which was only introduced in 2023, the beneficiaries from GFR, ADP, SSP and DIS schemes amounted to 7,108 households between 2017 and 2024—this equates to more than two**

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<sup>2</sup> The first report focuses on the Authority's schemes to facilitate homeownership in Malta, while the second report dealt with those schemes intended to make rents more affordable. Apart from the schemes mentioned in this report, the Housing Authority also has other initiatives targeting housing quality improvement, such as the Rehabilitation of Vacant Dwellings scheme, refurbishment of Common Parts, and Renovation of Housing Estates.

**Figure 1:** Number of households that benefitted from these schemes (2017-2024)

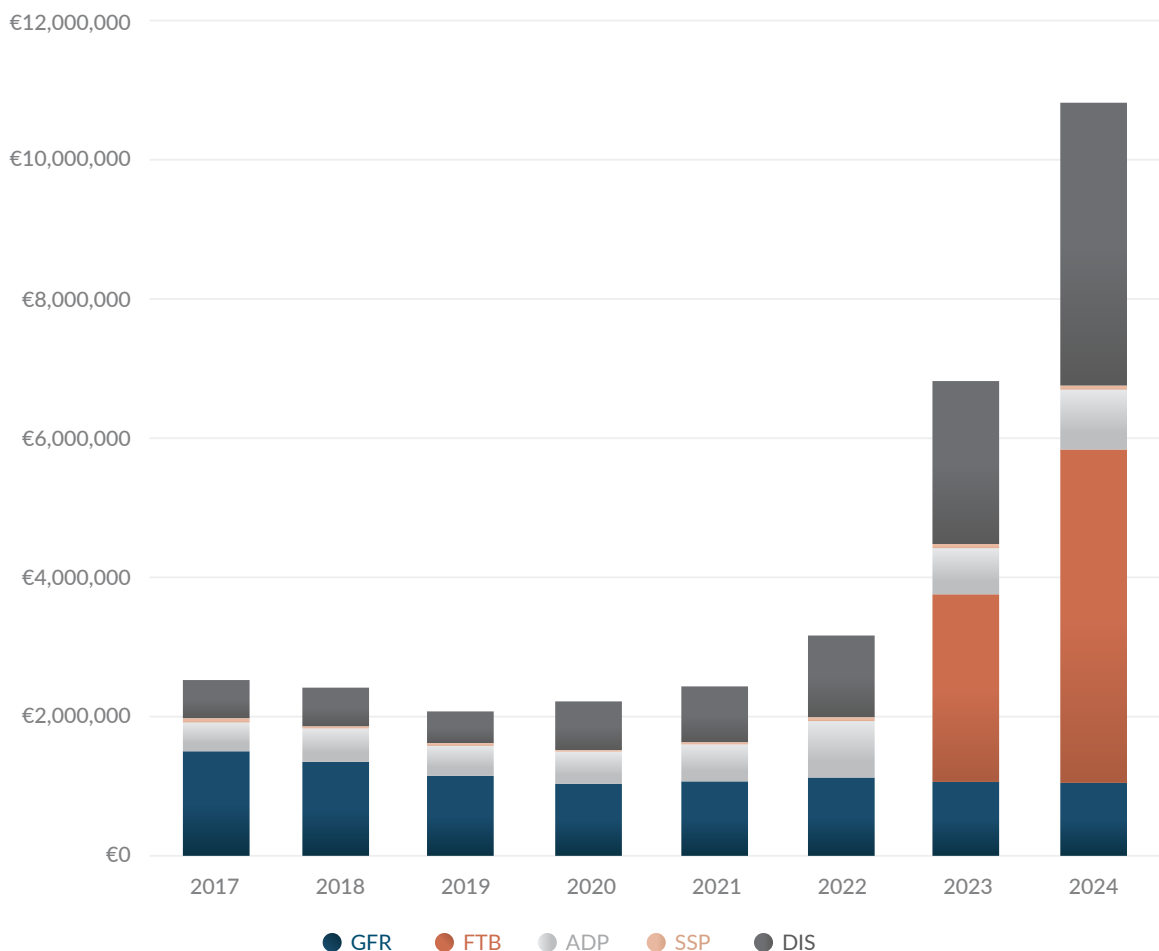


**households assisted per day** (see fig. 1). Since 2017, 3,290 households have benefitted from the GFR scheme, 1,581 from the ADP scheme, 75 from the SSP scheme, and 2,162 from the DIS scheme. Of the DIS scheme beneficiaries, 64 households benefitted directly from the SensAbility scheme.

**Since its introduction in 2023, 4,909 households have benefitted from the FTB scheme.** These are first-time buyers who have purchased their properties with a home loan in 2022 and 2023. FTB beneficiaries receive a €1,000 annual grant over 10 years or as long as they are eligible. Of these households, 2,136 beneficiaries received one payment, while 2,773 received two payments.

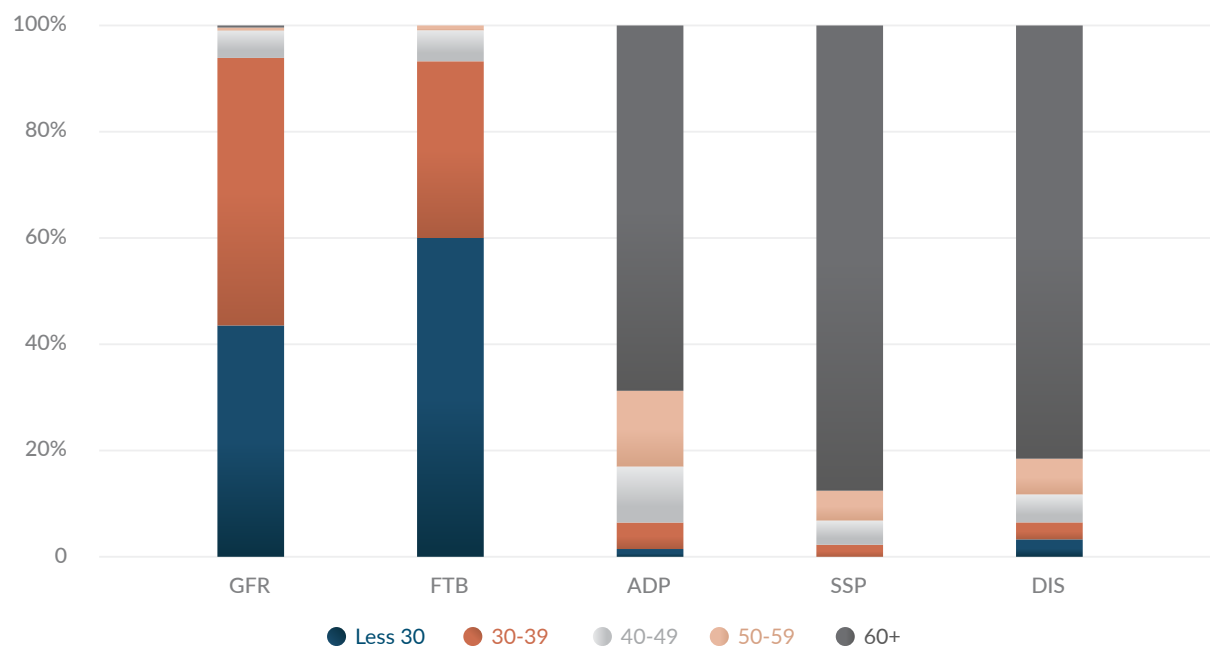
**The Housing Authority's expenditure on these schemes between 2017 and 2024 amounted to €31,714,830** (see fig. 2). Most of this expenditure was driven by the GFR and DIS schemes, which together accounted for almost 62% of this expenditure. Furthermore, in just two years, the FTB scheme accounted for 23% of the total expenditure between 2017 and 2024 and almost 45% of the 2024 expenditure alone.

**Figure 2:** Expenditure on these schemes (2017-2024)



**Beneficiaries of the FTB and GFR schemes tend to be younger compared to those benefiting from the ADP, DIS, and SSP schemes** (see fig. 3). Over 90% of the FTB and GFR beneficiaries are under 40, with the FTB scheme having a higher proportion of beneficiaries under 30. This is expected, as these schemes are specifically designed to assist individuals in purchasing their first property. In contrast, beneficiaries of the ADP, DIS, and SSP schemes are generally older, with the majority being over 60. Hence, through these five schemes, the Housing Authority supports a broad spectrum of households—ranging from younger beneficiaries purchasing their first residence to older beneficiaries seeking to adapt their residences to better suit their changing needs, ensuring homes are safe, habitable, and conducive to independent living.

**Figure 3: Age of the Beneficiaries**



### **Box 1: Main characteristics of these five schemes**

**First-Time Buyer (FTB) Scheme:** This scheme provides a one-time grant of €10,000 paid over a period of 10 years, with annual instalments of €1,000, to those who have purchased their first property with a bank loan. In the case of joint applications, where only one of the applicants is a first-time buyer, the allocated grant is €5,000, paid in yearly instalments of €500. This scheme was introduced in 2023.

**Grant on First Residence (GFR) Scheme:** This scheme covers a percentage of the fiscal receipts submitted by first-time buyers aged over 24 years for construction or finishing works related to the completion of their first residence. This grant covers mainly two categories:

- (i) expenditures related to dwellings constructed and completed after 1st January 1999; and
- (ii) expenditures related to dwellings built before 1st January 1990, of which works were carried out after 1st January 1999.

The maximum grant is €5,824, with the latter category qualifying for an additional €1,165 for the rehabilitation or reconstruction of their dwelling. Additionally, the grant payment takes place over two separate instalments, with the first covering expenses related to shell works and the second covering expenses related to finishing works.

**Subsidy on Adaptation Works (ADP) Scheme:** This scheme provides financial assistance to refurbish old dwellings deemed in a sub-standard condition by the Housing Authority to render them in a habitable and acceptable condition. Individuals who own their dwelling can receive up

to €21,000 to cover structural and finishing work expenses. Tenants may receive up to €15,000 to cover finishing refurbishment costs, while landlords renting their property can receive up to €6,000 to carry out structural work to eliminate dangerous structures.

Table 1a shows the percentage of ADP subsidies payable to applicants based on their household annual income and composition. The subsidy percentage differs according to two categories, with the first referring to families with four members or less, and the second comprises families with five members or more. The latter families receive relatively more assistance than the former.

**Table 1a: Household Income Thresholds for the ADP scheme**

Household Annual Income	Percentage of Subsidy Payable	Percentage of Subsidy Payable
€	Up to 4 members	5 members +
€0 – €13,635.60	100%	100%
€13,635.61 – €17,635.60	70%	80%
€17,635.61 – €21,635.60	50%	60%
€21,635.61 – €25,635.60	30%	40%
€25,635.61 – €27,635.60	10%	20%
€27,635.61 and more	–	–

**Scheme for Persons with Disability (DIS):** This scheme provides financial assistance to individuals with disabilities or elderly persons with limited mobility to complete the necessary works in their residence to render it adequate for

their needs, thereby ensuring safety and mobility for independent living. Before providing this assistance, the Housing Authority employs an occupational therapist to provide technical advice on the necessary adaptation works that will best benefit the applicant.

The maximum grant available under the DIS scheme is €28,000, which covers works related to accessibility, bathrooms, kitchens, water/electricity, building conversion/extension, and lifts. Following the amendment in this scheme in 2022, applicants are no longer subject to asset or income restrictions; however, they must reside in the adapted dwelling for at least 10 years after receiving the grant. Applicants who transfer the property before the 10-year period has elapsed must refund the full grant. Through this amendment, the Housing Authority experienced a significant increase in DIS applications in 2023, doubling its expenditure on this scheme compared to 2022. Furthermore, the most popular work carried out by this scheme's beneficiaries was stairlifts, followed by bathroom adaptations.

For the purpose of this report, the **SensAbility Scheme** is included within this category. The SensAbility Scheme offers financial support to help cover part of the expenses for equipping a sensory room for persons with sensory issues, such as autism. Similar to the DIS Scheme, an occupational therapist conducts a home visit to assess the applicant's needs and recommends the works to be funded. The maximum grant available is €6,000, with no income limit or means testing requirements. This scheme was introduced in 2020.



**Adaptation of Pre-1995 Properties (SSP):** This scheme provides financial support to households living in properties leased before June 1995 to conduct structural repairs and adaptations to their residence. This scheme aims to ensure that all properties leased before 1995 are habitable and meet an acceptable standard. The maximum grant allocated under this scheme is €25,000. For tenants to qualify for this scheme, their household annual income must not exceed €27,635.48 and hold assets worth less than €60,000. Tenants aged 65 years or older are exempt from means testing.

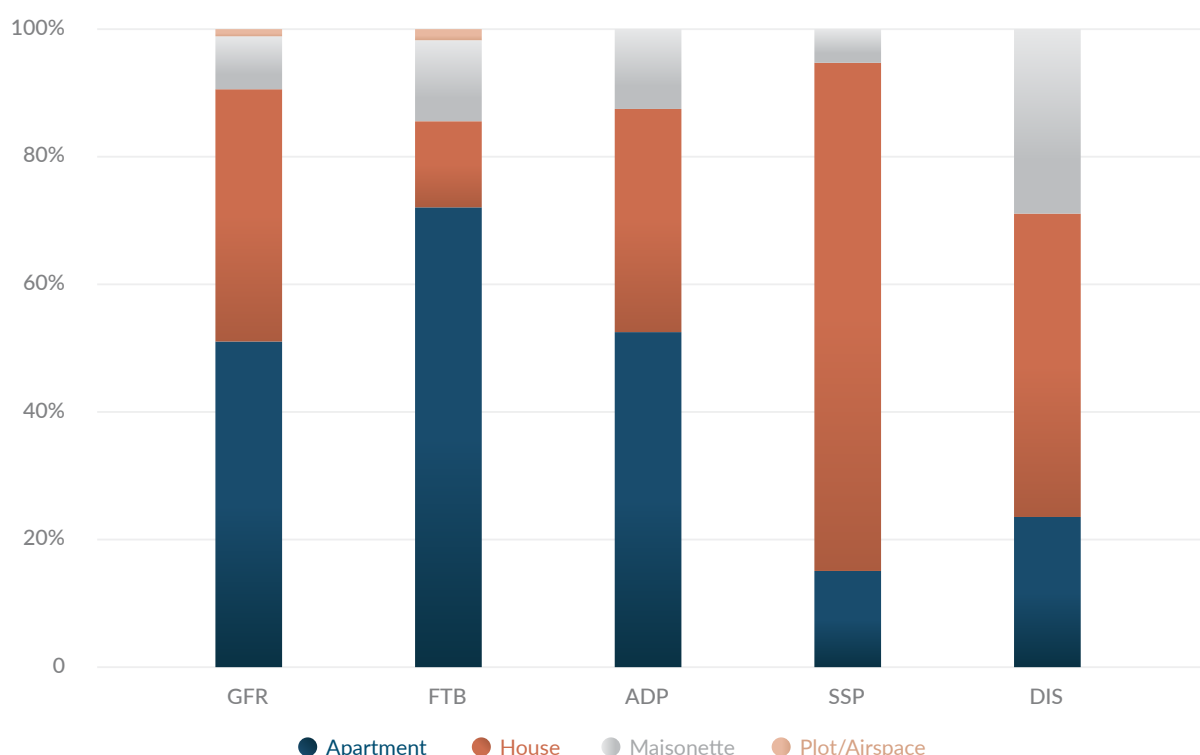
Table 1b displays the percentage of SSP subsidies payable to applicants according to their household annual income.

**Table 1b: Household Income Thresholds for the SSP scheme**

Household Annual Income	Percentage of Subsidy Payable
€	
€0 - €13,635.48	100%
€13,635.49 - €17,635.48	80%
€17,635.49 - €21,635.48	60%
€21,635.49 - €26,635.48	40%
€26,635.49 - €27,635.48	20%
€27,635.49 and more	-

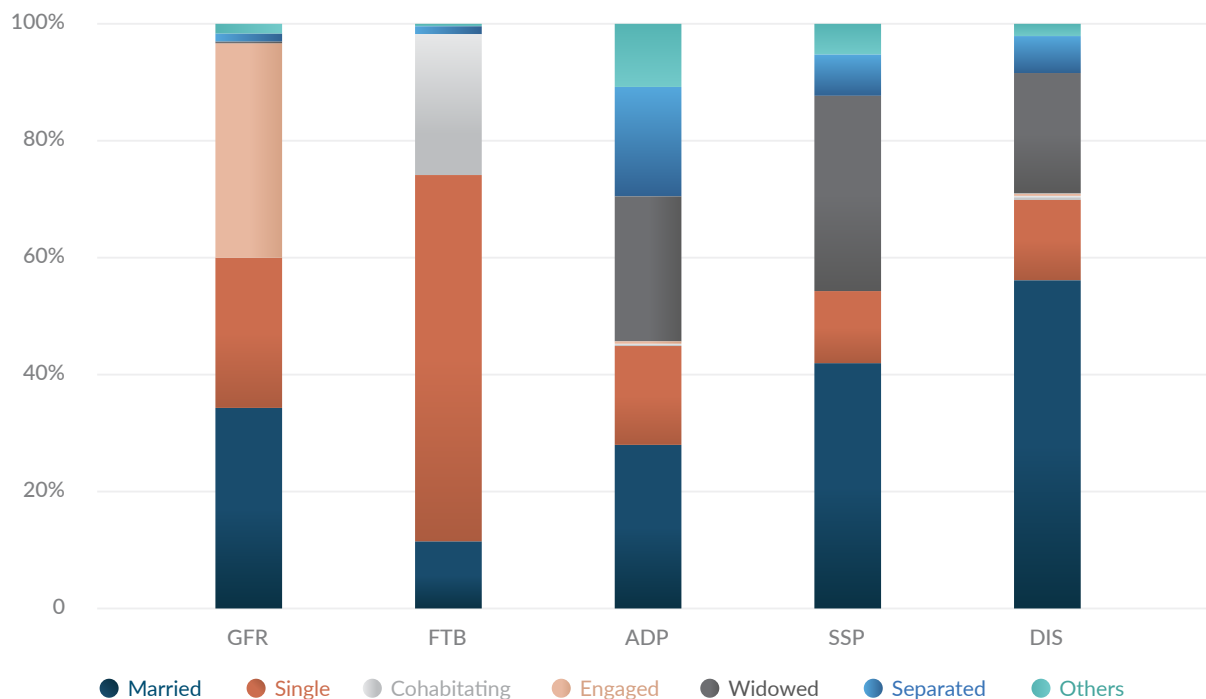
**Apartments are the most common property type among beneficiaries of the GFR, FTB, and ADP schemes, while houses are more prevalent among those benefitting from the SSP and DIS schemes** (see fig. 4). Around 72% of households benefitting from the FTB scheme have purchased apartments. Although houses are the second most popular property type after apartments in the FTB, GFR and ADP schemes, their share varies significantly across these programs. Houses account for 35–40% of properties in the GFR and ADP schemes but represent only 13% in the FTB scheme. In contrast, houses dominate the SSP and DIS schemes, making up around 80% and 48% of properties, respectively. Maisonettes were the third most popular property type for the GFR, FTB, ADP, and SSP schemes, while they rank as the second most popular property type for the DIS scheme.

**Figure 4:** Distribution of Property Types among these schemes' Beneficiaries



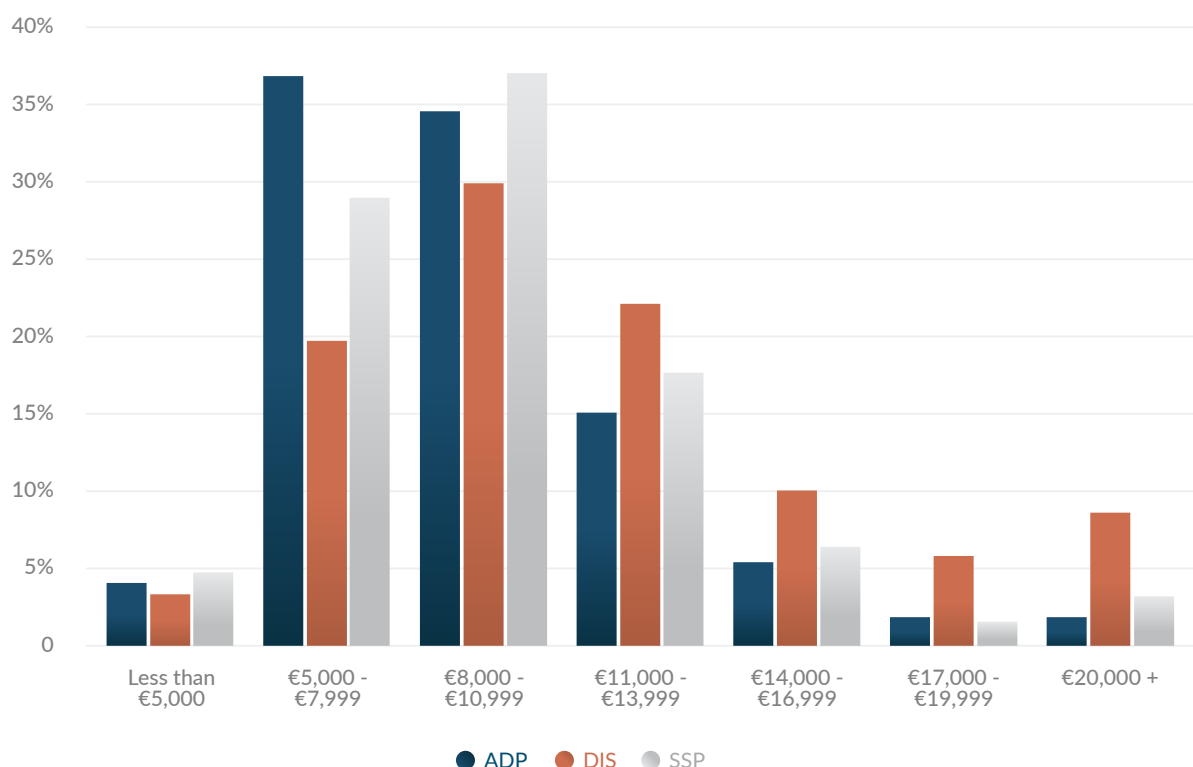
**These five schemes reflect a wide range of household compositions** (see fig. 5). The marital status profiles of beneficiaries under the ADP, SSP, and DIS schemes were mainly similar, with the majority being married. These three schemes also included a notable proportion of single and widowed beneficiaries. Notably, the ADP has a relatively high percentage of separated beneficiaries, at 19%, which is less common in the other schemes. In contrast, the FTB scheme predominantly comprised single beneficiaries (including those in a relationship), followed by cohabitating and married individuals. Lastly, around 37% of the individuals who benefitted from the GFR scheme were engaged, followed by 34% who were married and 26% who were single.

**Figure 5:** Marital Status of Beneficiaries



**The beneficiaries of the DIS generally have higher household incomes compared to those of the ADP and SSP** (see fig. 6). Around 52% of the DIS beneficiaries reported incomes between €8,000 and €13,999, with an additional 25% earned over €14,000. SSP beneficiaries also tend to have slightly higher incomes than ADP beneficiaries, with most falling within the €8,000–€10,999 range, followed by those earning between €5,000–€7,999 and €11,000–€13,999. In contrast, the majority of ADP beneficiaries earn between €5,000 and €7,999, with the second largest group earning between €8,000 and €10,999. Only 9% of ADP beneficiaries reported incomes exceeding €14,000. For the FTB and GFR schemes, the Housing Authority does not collect household income data, as these schemes do not impose income restrictions on applicants. As a result, income information for these two schemes was not available for analysis in this report.

**Figure 6:** Income of ADP, DIS & SSP Beneficiaries

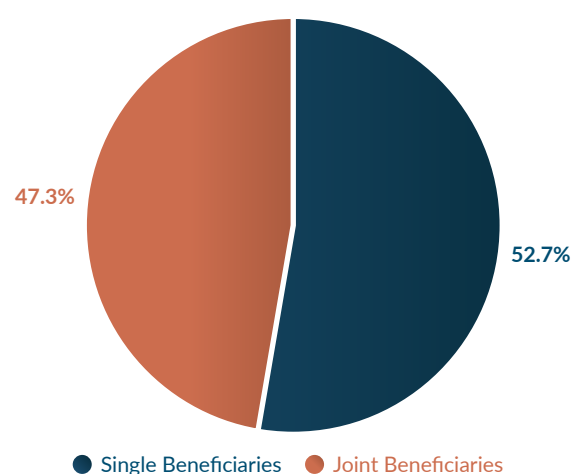


## Other features of the First-Time Buyer Scheme

**Despite rising property prices, more than half of the beneficiaries purchased their property alone** (see fig. 7). Around 53% of the FTB beneficiaries have purchased a property on their own, with the remaining being joint borrowers. This finding is consistent with the Housing Authority's earlier publication in 2023.<sup>3</sup>

**Most beneficiaries who purchased their property in 2022 and 2023 qualified for the full grant.** There were 2,773 FTBs who purchased their property in 2022 and 2,136 in 2023. More than 90% of the beneficiaries qualified for the full amount, while around 9% qualified for half of it due to only one applicant in a joint application being a first-time buyer. By the end of 2024, 2,773 FTBs received their second payment, while the remaining beneficiaries received their first payment.

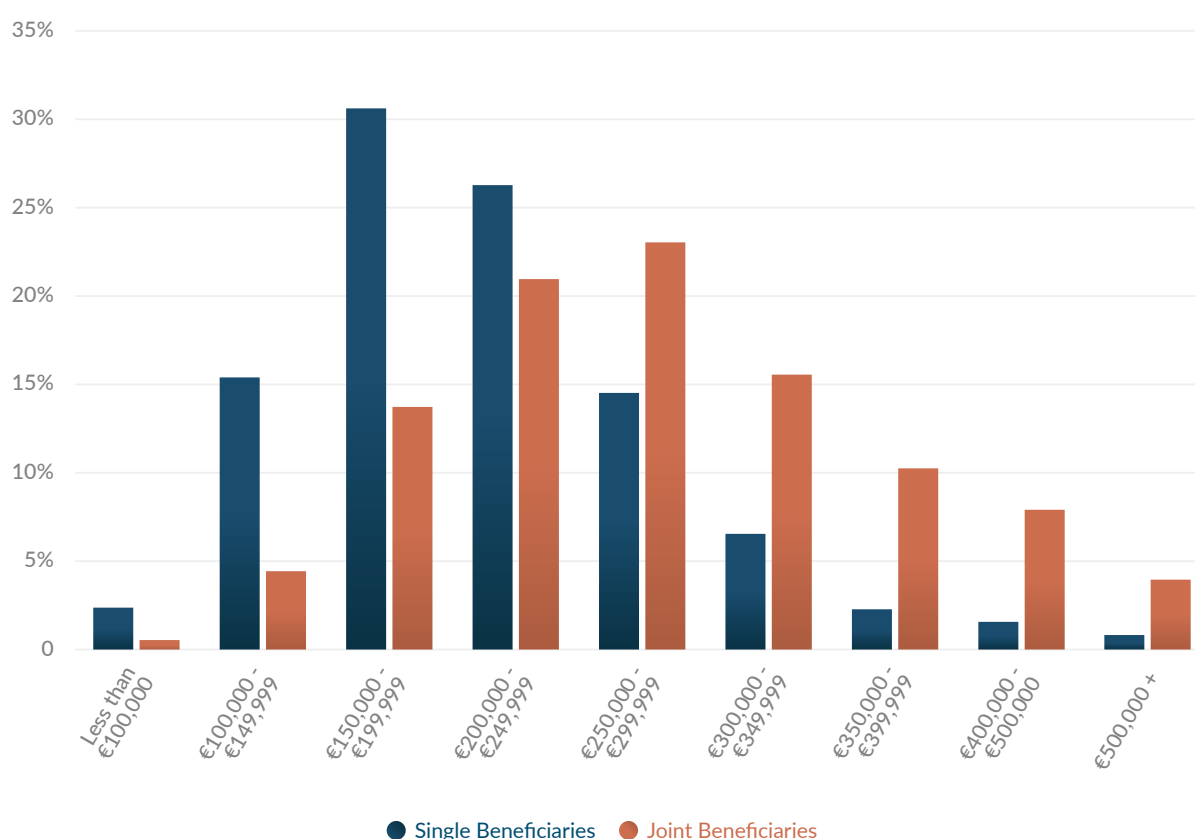
**Figure 7:** Composition of FTB Beneficiaries



<sup>3</sup> <https://housingauthority.gov.mt/wp-content/uploads/2023/11/The-First-Time-Buyer-Market-in-Malta.pdf>

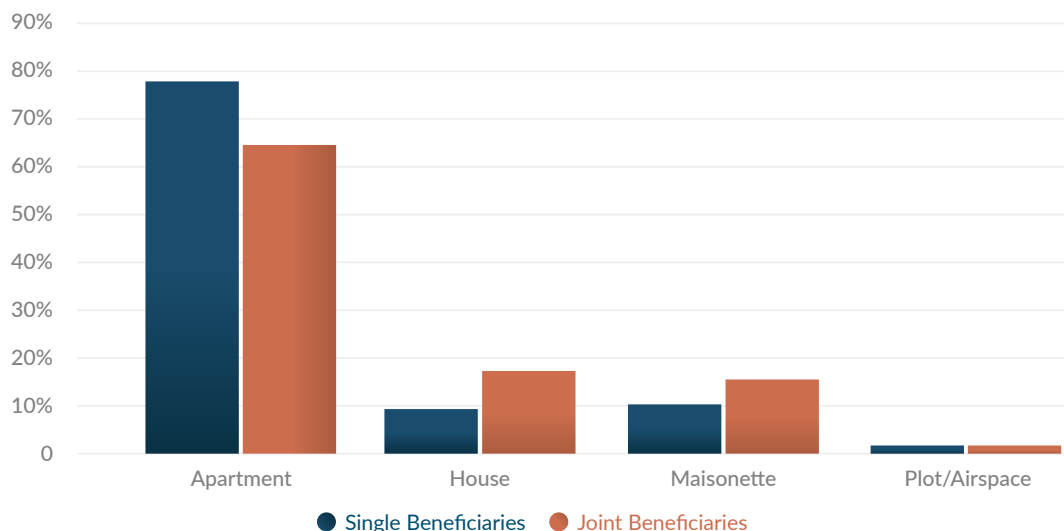
**Properties purchased by joint beneficiaries tend to be more expensive than those bought by single beneficiaries, reflecting different financial capacities** (see fig. 8). The average property value was €247,841, with a median value of €230,000. For single beneficiaries, the average property price was €212,454 (median: €200,000), whereas joint beneficiaries had an average property price of €286,643 (median: €270,000). Around 60% of the properties purchased by joint beneficiaries were valued above €250,000, compared to just 26% of properties bought by single beneficiaries. Conversely, properties under €200,000 were more common among single beneficiaries (48%) than joint beneficiaries (19%). Additionally, 22% of joint beneficiaries purchased properties exceeding €350,000, compared to only 5% of single beneficiaries. Across all beneficiaries, the most common price range was €200,000–€249,999, representing about 24% of all properties purchased. Approximately 24% of properties were valued at over €300,000, reflecting the diverse budgets and preferences among applicants.

**Figure 8:** Distribution of Property Values among FTB Beneficiaries

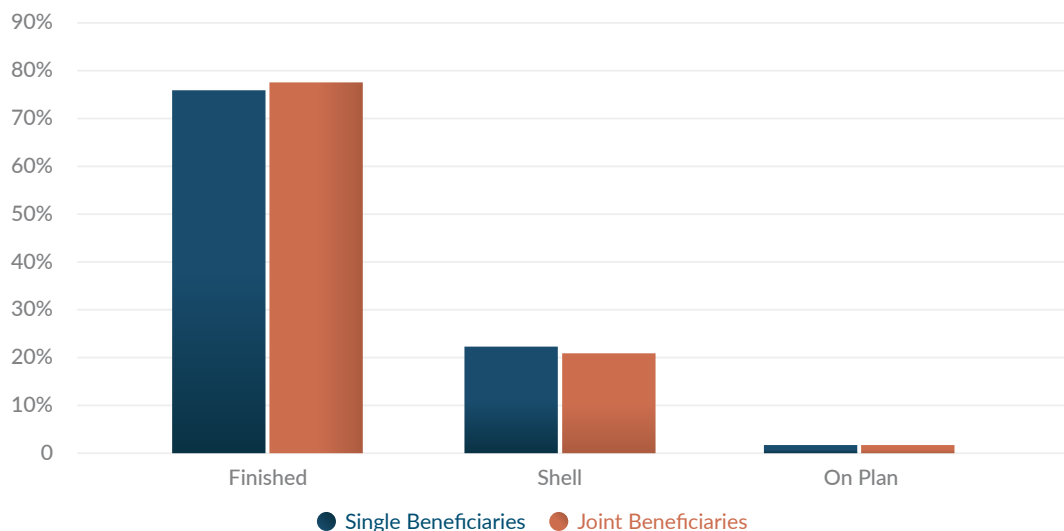


**Single FTB beneficiaries were more likely to purchase apartments compared to joint beneficiaries, though property finishes were mainly similar between the two groups** (see figs. 9 & 10). While apartments were the most common property type among all FTB beneficiaries, they accounted for approximately 79% of purchases by single beneficiaries, compared to 65% for joint beneficiaries. In contrast, joint beneficiaries showed a higher preference for houses and maisonettes, reflecting the greater financial flexibility typically afforded by dual-income households. In terms of property finishes, both single and joint beneficiaries purchased over 76% of properties in a finished state, more than 21% in a shell state, with the remaining properties acquired on plan.

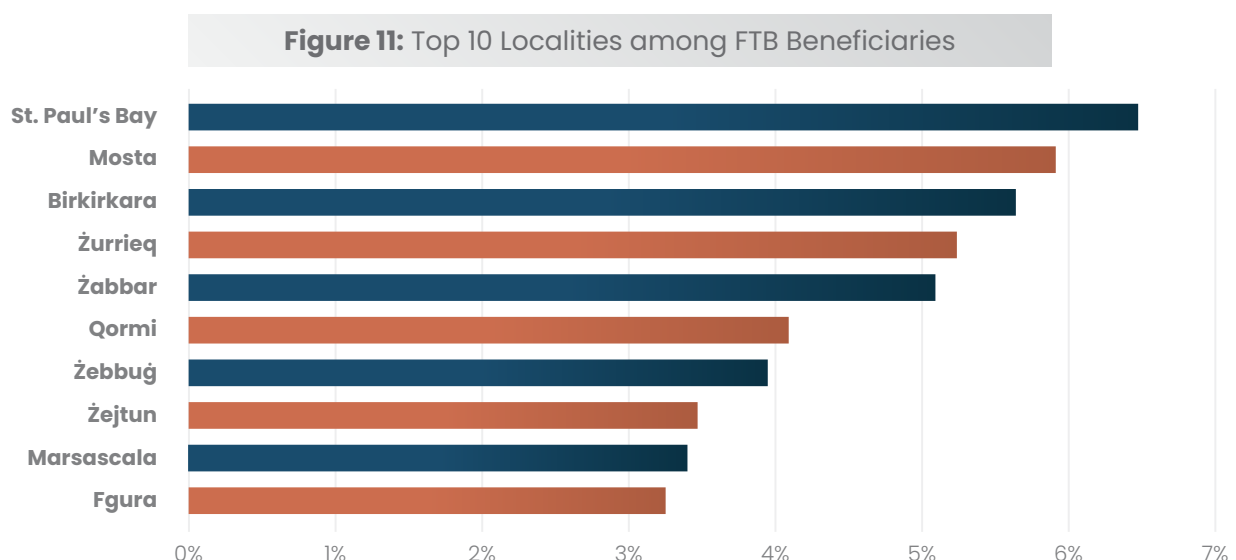
**Figure 9: Types of Properties Purchased by FTB Beneficiaries**



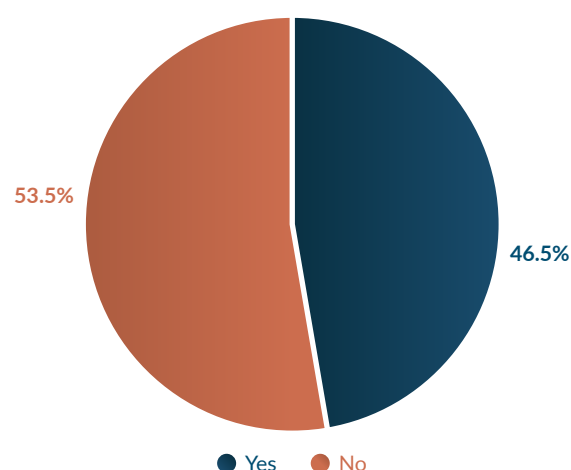
**Figure 10: Status of Properties Purchased by FTB Beneficiaries.**



**FTB beneficiaries purchased properties across 65 different localities in Malta and Gozo, with a strong preference for buying in the locality they grew up or previously lived in** (see figs. 11 & 12). The most common locality for FTB purchases was St. Paul's Bay, accounting for around 7% of all purchases, followed by Mosta and Birkirkara. Notably, around 47% of the households benefitting from this scheme purchased properties in the same locality where they had previously resided, highlighting the strong inclination of FTBs to remain in familiar areas. This trend was even more pronounced among joint beneficiaries, with 52% choosing properties in the locality of their previous address compared to 41% of single beneficiaries. The lower percentage among single beneficiaries likely reflects the greater trade-offs they face due to their relatively smaller budgets (see fig. 13).

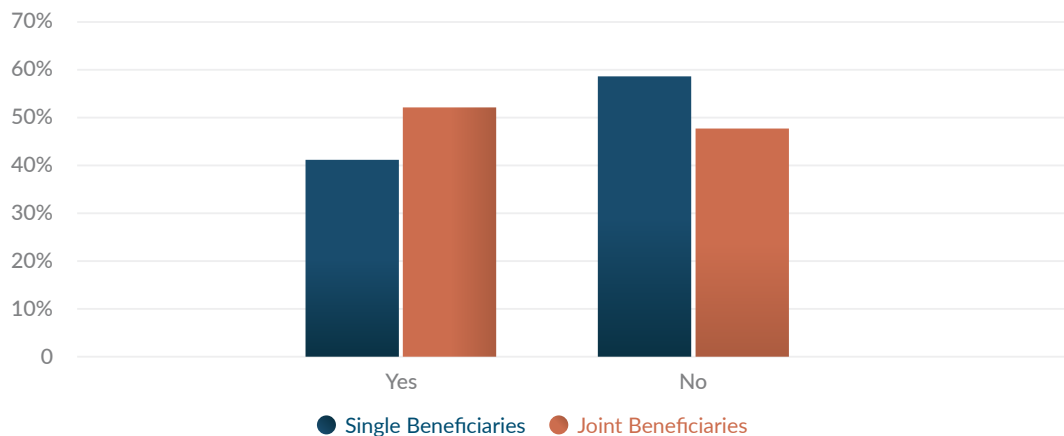


**Figure 12: Properties Purchased by FTB Beneficiaries in the Same Locality**



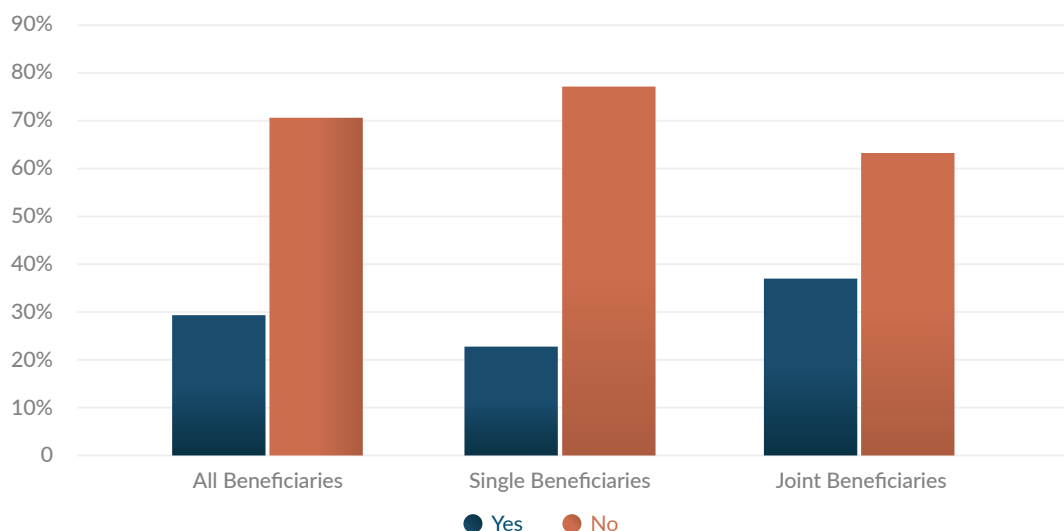


**Figure 13:** Properties Purchased by Single and Joint FTB Beneficiaries in the Same Locality



**The majority of property purchases under the FTB scheme did not include a garage; however, joint beneficiaries were more likely to purchase a property with a garage compared to single beneficiaries** (see fig. 14). While most FTB beneficiaries did not include a garage in their property purchase, joint beneficiaries exhibited a higher tendency to purchase a garage than those buying alone, with approximately 37% of joint beneficiaries and 23% of single beneficiaries opting for one.

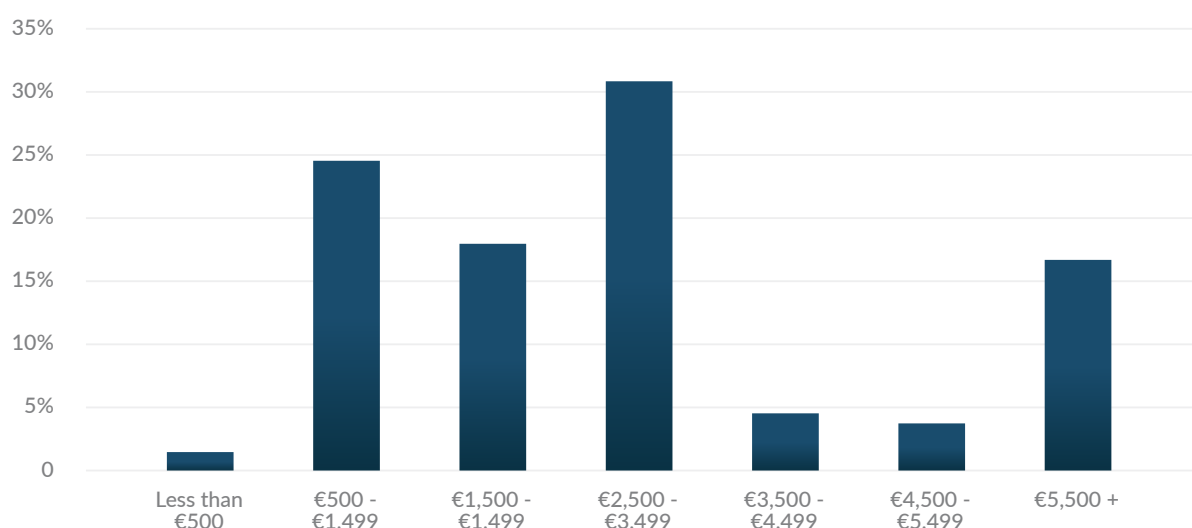
**Figure 14:** Share of FTB Beneficiaries Who Purchased a Garage with Their Property



## Other features of the Grant on First Residence Scheme

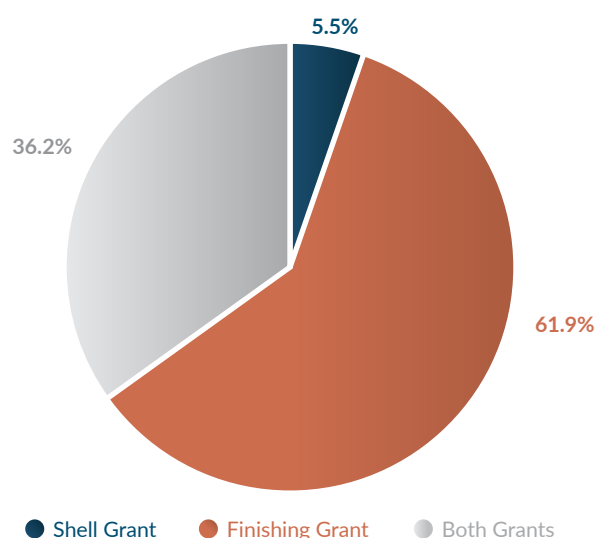
**Between 2017 and 2023, most beneficiaries under the GFR scheme received grants ranging from €2,500 to €3,499, primarily to cover finishing costs** (see figs. 15 & 16). Approximately 31% of beneficiaries fell within this range, followed by 25% who received a grant between €500 and €1,499 and 18% receiving between €1,500 and €2,499. An additional 17% benefitted from grants exceeding €5,500, while only 2% received amounts below €500.<sup>4</sup> On average, the Housing Authority provided a grant of €2,928 per household benefitting from this scheme. During this period, around 62% of beneficiaries received a grant to cover part of their finishing costs, while 36% received funding that covered both shell and finishing expenses.

**Figure 15:** Distribution of Grants Received by GFR Beneficiaries



<sup>4</sup> As the grant covering shell and finishing costs is distributed in two separate instalments, this analysis included only those received between 2017 and 2023. Furthermore, for applications that received the shell grant before 2017 and the finishing grant within the 2017-2023 period, the finishing grant was only included in the analysis. Similarly, applications that received their shell grant toward the end of this period but had not yet received the second instalment (covering finishing costs) were analysed based only on the shell grant.

**Figure 16:** Breakdown of GFR Beneficiaries by Grant Type



**Grants for shell works are typically higher than those covering finishing works** (see fig. 17). Around 55% of beneficiaries received a shell grant exceeding €3,000. In comparison, the most common grant amount for finishing works was between €2,500 and €3,000, with 35% of beneficiaries falling within this range and only 14% receiving a finishing grant greater than €3,000. On average, the shell grant amounted to €2,462 (median: €3,029), while the average finishing grant was €2,083 (median: €2,422).

**Figure 17:** Distribution of Grants Received by GFR Beneficiaries by Grant Type

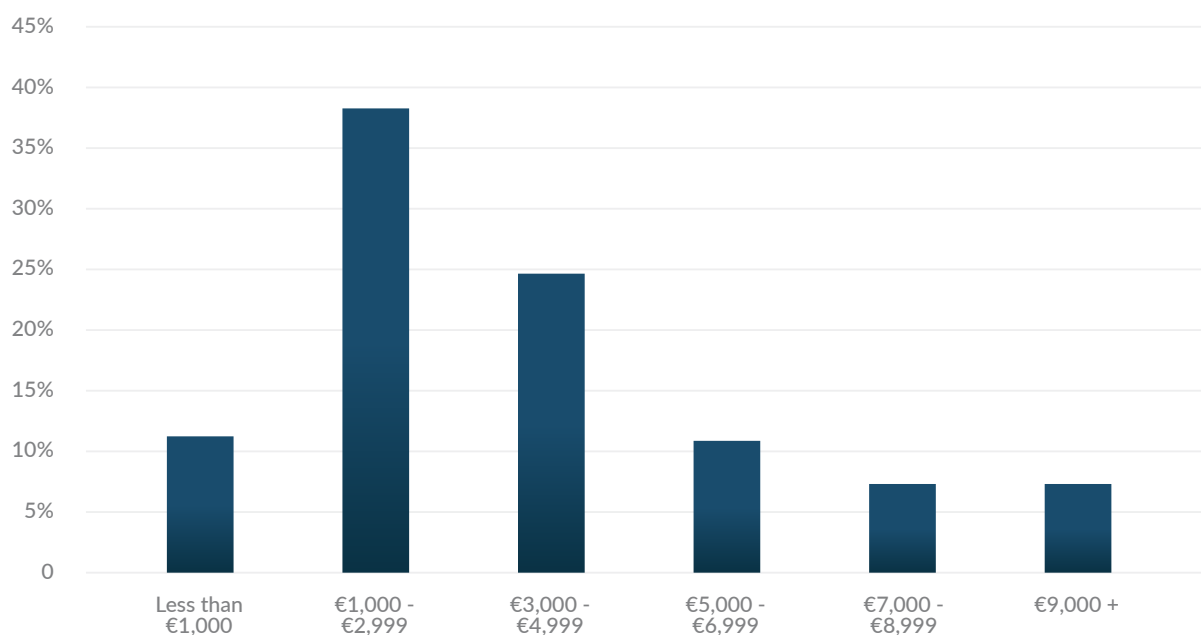


**Beneficiaries from 67 localities across Malta and Gozo carried out work on their properties.** The locality with the most properties was Mosta, followed by Birkirkara and Żebbuġ, with Xagħra being the most common locality in Gozo. The majority of beneficiaries of the GFR scheme were Maltese citizens, while a small percentage, around 1%, were EU citizens.

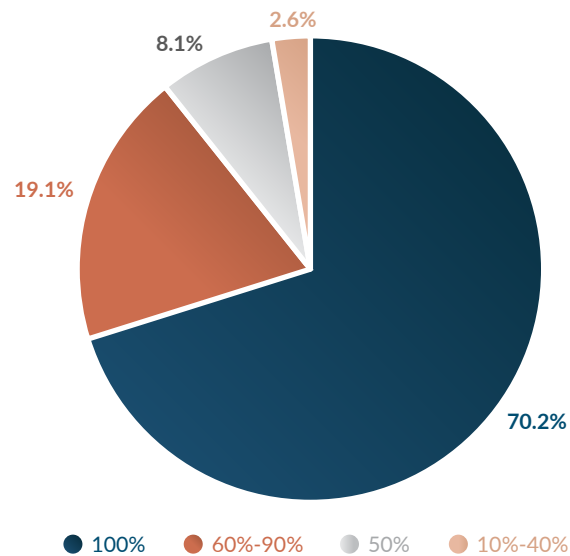
## Other features of the Subsidy on Adaptation Works Scheme

**Grants under the ADP scheme predominantly ranged between €1,000 and €4,999, with most families qualifying for the maximum subsidy percentage** (see figs. 18 & 19). Around 39% of beneficiaries received grants between €1,000 and €2,999 for adaptation works in their dwelling, followed by approximately 25% who received grants ranging from €3,000 to €4,999. Notably, 26% of beneficiaries were awarded grants exceeding €5,000, while only 11% received less than €1,000. On average, the Housing Authority provided a subsidy of €3,762 per household participating in this scheme, with 70% of beneficiaries qualifying for the maximum subsidy percentage.

**Figure 18:** Distribution of Grants Received by ADP Beneficiaries



**Figure 19: Subsidy Percentage Received by ADP Beneficiaries**



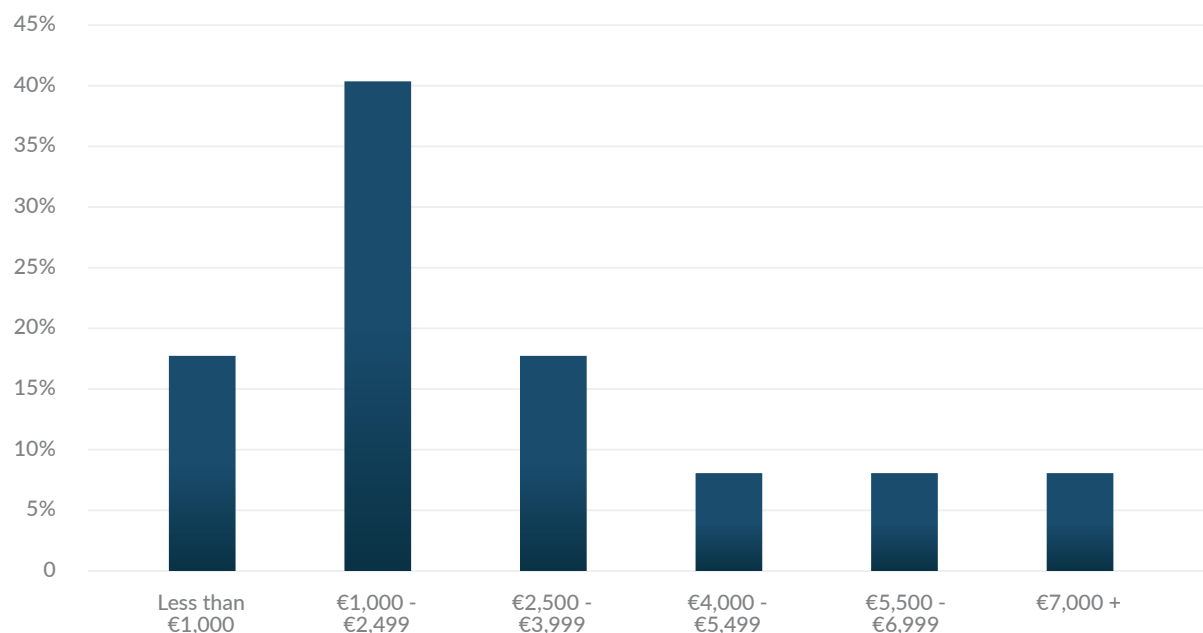
**Both households in private and government-owned dwellings benefitted from this scheme.** Over half of the beneficiaries resided in government dwellings, while 47% undertook work in private properties. A small percentage of beneficiaries lived in properties owned by the Joint Office.

**Grants for property adaptations under the ADP scheme were allocated across 60 localities in Malta and Gozo.** Among the properties where the ADP beneficiaries made improvements, those in Valletta were the most prevalent, followed by Qormi, Cospicua and Hamrun.

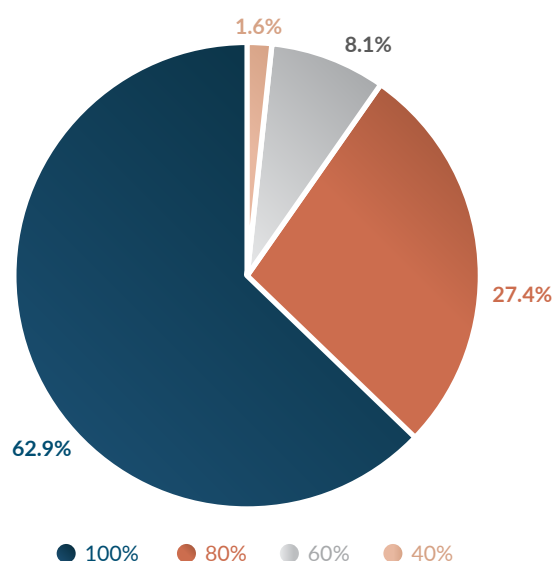
## Other features of the Adaptation of Pre-1995 Properties

**The majority of grants granted by the Housing Authority under the SSP scheme ranged from €1,000 to €2,499, with most families qualifying for the maximum subsidy percentage** (see figs. 20 & 21). Approximately 40% of this scheme's beneficiaries received grants between €1,000 and €2,499, while 18% received grants between €2,500 and €3,999. On average, the subsidy granted per household was €3,139. Among all beneficiaries, 63% received the full grant amount (i.e., 100%), 27% were awarded 80% of the subsidy, and only 2% received less than 40%.

**Figure 20:** Distribution of Grants Received by SSP Beneficiaries



**Figure 21:** Subsidy Percentage Received by SSP Beneficiaries



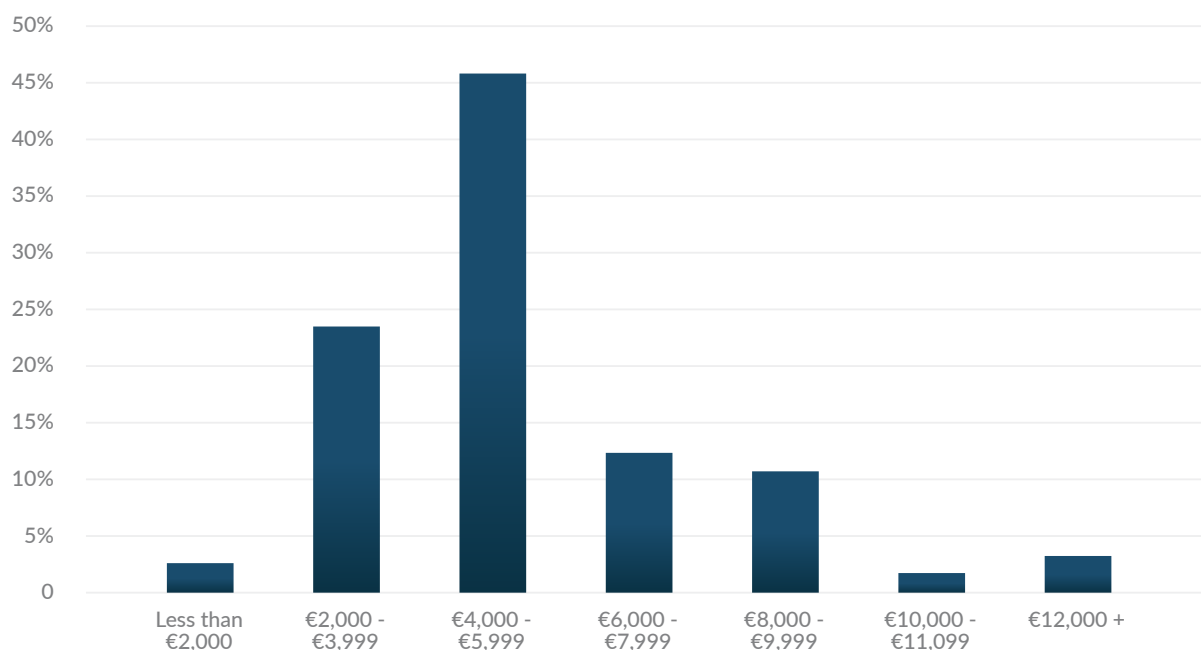
**Under the SSP scheme, works were carried out in pre-1995 properties across 25 localities in Malta and Gozo.** The most common locality where beneficiaries undertook work on their property was Qormi, followed by Ħamrun, Marsa, Sliema, and Żabbar.



## Other features of the Scheme for Persons with Disability

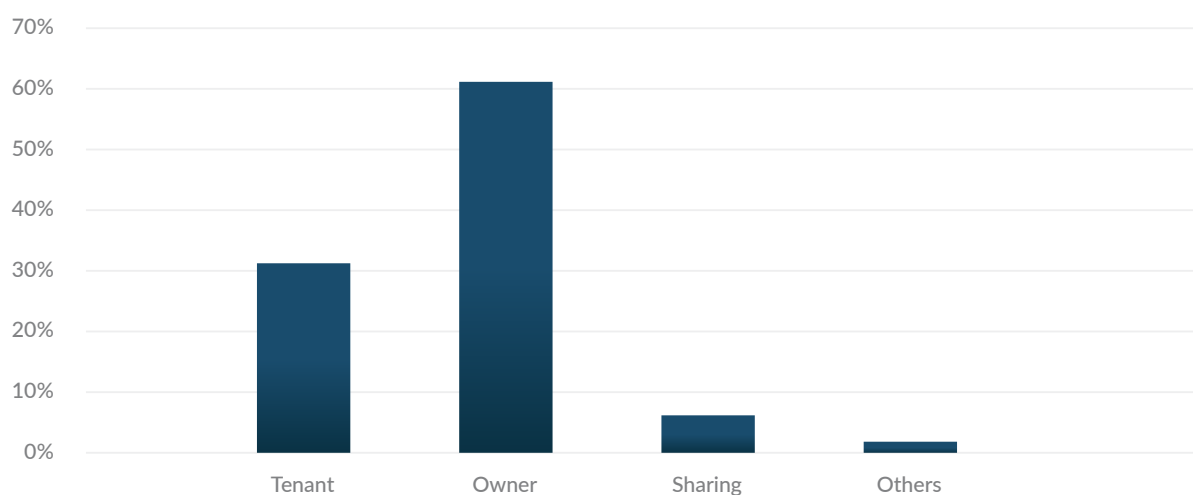
**The majority of beneficiaries under the DIS scheme received subsidies ranging from €4,000 to €5,999** (see fig. 22). Approximately 46% of beneficiaries were awarded grants within this range, followed by 24% receiving grants between €2,000 and €3,999, and 12% getting between €6,000 and €7,999. At the extremes of the distribution, 3% of applicants received grants exceeding €12,000, with another 3% receiving less than €2,000. On average, the Housing Authority provided a subsidy of €5,614 per household benefitting from this scheme. In comparison, grants under the DIS scheme are generally higher than those provided through the ADP and SSP schemes.

**Figure 22:** Distribution of Grants Received by DIS Beneficiaries



**Most beneficiaries conducted work on properties they owned** (see fig. 23). Approximately 61% of beneficiaries were property owners, while 31% were tenants. Additionally, 6% of this scheme's beneficiaries resided in shared residential spaces.

**Figure 23:** Breakdown of Dwelling Residency among DIS Beneficiaries



**Under this scheme, works were carried out in 67 different localities across Malta and Gozo.** Similar to the SSP scheme, the most common locality where beneficiaries conducted work on their property was Qormi, followed by Hamrun and Marsa.

## **Box 2: Investment in Lifts**

As part of its commitment to enhance housing quality and make homes more liveable, the Housing Authority also invests significantly in the installation of lifts in government-owned properties. This is carried out through two key initiatives: the Installation of Lifts Scheme (LFT) and the European Regional Development Fund (ERDF) programme.

**Installation of Lifts Scheme (LFT):** The LFT scheme allows tenants residing in social accommodation to apply for the installation of lifts, thereby enhancing accessibility and allowing them to remain in their homes. Properties that qualify for this scheme must be either fully owned by the government or co-owned with residents who purchased their residence from the Authority or third parties. Applications are eligible if at least one tenant has mobility issues and is recognized by the government. Additionally, all tenants in the block must form part of a Residents Association, which is responsible for the maintenance and repair of the lift, handling payments for the consumption of electricity and telephone of the lift, and other expenses related to the maintenance of the common parts.

**European Regional Development Fund (ERDF):** Apart from the lifts installed through the LFT scheme, the Housing Authority signed a preliminary agreement in October 2017 for the ERDF.08.043 project 'Riġenerazzjoni tal-Qasma Soċjali'. Part of this agreement includes the allocation of funding by the European Union Commission specifically to be used for the installation of lifts in government-owned dwellings.

**Between 2019 and 2024, the Housing Authority installed a total of 169 lifts in government-owned dwellings, benefitting 1,200 households.** This equates to one lift installed every fortnight. An additional 78 lift installations are projected for 2025. The latter excludes the installation of lifts in newly constructed residential blocks with NDSF funds.



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