

OPINIONS AND LETTERS



Love Island Malta's first 10 contestants were introduced to viewers on Sunday. CREDIT: TVMI

No love on the island



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If there's one thing that gets people on this island talking, it's gossip. Not corruption, fraud or the fact that the country looks like one large favela. No: if you really want to get Maltese people talking, put a handful of young adults in a house and show them interacting for one hour a day.

It's been a few days since *Love Island Malta* started and, while I can confess I haven't actually watched any of the footage, every day, my social media feed is littered with clips, memes and not particularly quotable quotes that those with a very different sense of humour to mine seem to find hilarious.

I would say to each his own and call it a day if it weren't for the underlining strain of cruelty that I have seen in many comments under clips of the participants, both about their appearances as well as the spreading of some very damaging rumours that can leave huge impacts on an island as small as ours. The worst part is that people openly justify their nastiness by saying the participants deserve to be trashed because they signed up for the show.



Who cares about bleatings of doom when the money keeps rolling in and there's a new bombshell to ogle at?

It's pretty awful when you think about it. Here we have a bunch of people, most of them barely out of their teens, being ridiculed for mostly being young and a bit silly and, while that inevitably comes with the territory of putting yourself out there, the viciousness that I have seen online is, honestly, something else.

And don't even get me started about those demanding the participants speak in Maltese in broken Maltese sentences. Yes, in an ideal world, we would all be able to converse and write in perfect Maltese but, since the majority of the population and most of the people acting like self-appointed defenders of the Maltese language don't have those skills, I'm not sure why it's being expected of a random group of people who appear to have been solely picked for their banging bodies.

You would think that, with all the current information coming out about our hospitals, the Maltese would have more to talk about than cheques the country can't afford and the romantic dabbings of people they don't even know. And, yet, I have friends who have told me that people they know have set up whole group chats to diss and dish on what's going on in the villa.

I suppose it's much easier to remark on someone's kissing skills than acknowledge that our country is continuing to slide down the toilet at breakneck speed.

Who cares about bleatings of doom when the money keeps rolling in and there's a new bombshell to ogle at? If anything has ever deserved a reality show, it's our priorities.

By all means, have your fun: life can be extremely grey and short but, perhaps, it would also be nice to have your entertainment while not being a bully for no reason.

It might also be great to acknowledge the fact that reality TV shows often show the various realities of a country in a microcosm, which means that, ironically, in laughing at these people, you're laughing at yourself. Now, that's a joke I can get behind.

House price growth

House prices have been growing at a slower rate than they did in the four years leading to 2019. In part, this can be attributed to a growing supply of housing and slower population growth in the years impacted by the COVID-19 pandemic.

This was one of the insights I shared during a recently held event on the Maltese property market and is based on the transacted house price indices produced jointly by Grant Thornton and Dhalia.

Similar trends are observed in the advertised property price index published by the Central Bank of Malta. Since 2020, the bank's index grew by an annual average of 1.5 per cent. This is significantly lower than the average growth of 10 per cent recorded in the four years leading to 2019 and also lower than the average historical house price growth of five per cent.

In part, these developments reflect changes in the patterns of housing demand and supply. In both 2018 and 2019, the Planning Authority approved the development of more than 12,000 housing units – the highest number in the last 20 years. Since these typically come onto the market with a lag of two to three years, they have been adding to the housing stock in 2020 and 2022. This happened to be a period when growth in housing demand by foreign workers was at its lowest due to restrictions related to COVID-19.

Such developments are likely to have put downward pressure on house prices such that they have grown at a slower rate than what we were used to in the recent past (see chart).

Based on current expectations for housing demand and supply, such downward pressure on prices may persist over the next two years.

While the number of housing units approved for development between 2020 and 2022 is lower than the highs of 2018 and 2019, the numbers remain high at an average 8,000 units per annum. By comparison, between 2008 and 2017, the number of approved housing units averaged less than 5,000 per annum. Thus, we should expect significant additions to our housing stock in the years to come.

On the demand side, the Central Bank of Malta is forecasting slow growth in

employment. For several years, this has been primarily driven by foreign workers moving to Malta from abroad – many of whom stay in rented housing units. Specifically, between 2014 and 2019, employment grew by an average of 12,000 workers per year.

In contrast, the Central Bank's projected employment growth for 2024 and 2025 is two per cent – which translates into around 6,000 workers each year. While foreign workers are not the only source of housing demand, in the years leading to 2019 they were likely its biggest source.



House prices are unlikely to grow at the rates that we were used to pre-COVID-19

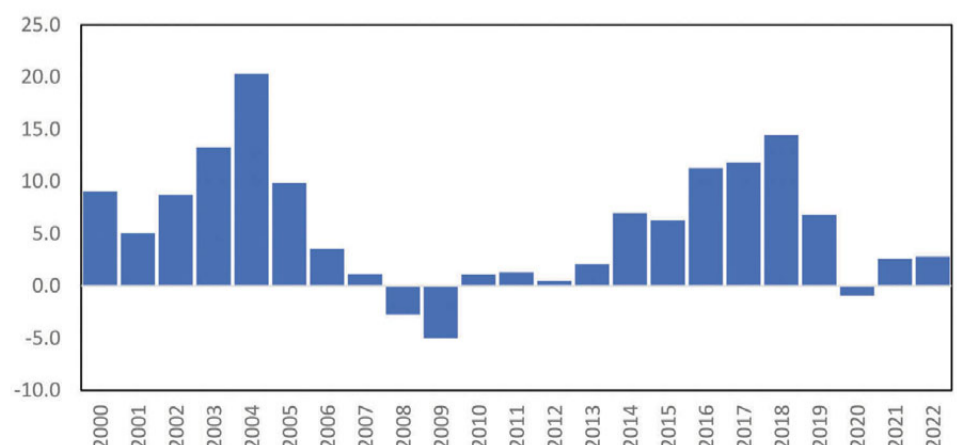
With a steady supply of housing units coming through, and slower expected growth in the employment of foreign workers, the downward pressure on house prices could persist over the next two years.

Some have misinterpreted this to mean that house prices are expected to decline. It does not. It simply means that house prices are unlikely to grow at the rates that we were used to pre-COVID-19.

And there are two qualifications. First, the downward pressure on house prices would ease if employment grows at higher rates than forecasted by the Central Bank.

Second, other forces affecting the housing market – such as interest rates, construction costs, landlords' degree of indebtedness and other factors – may reinforce or outweigh this downward pressure on prices. In case of the latter, house prices may well continue to increase.

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Property price index annual percentage growth. SOURCE: CENTRAL BANK OF MALTA