



Recommendations by the Malta Employers' Association on the LONG TERM RENOVATION STRATEGY 2050

3rd June 2021

The Malta Employers' Association welcomes the document: 'Long Term Renovation Strategy 2050' launched by Government. It is a positive consultation document that sheds light on the current situation concerning buildings in Malta and also identifies significant trends in terms of building types, ownership and features which are important for a critical approach to reach the EU targets of a transition from the current state to net zero by 2050. This is, without question, an ambitious target for Malta which requires action and a general re-thinking of the manner in which buildings are designed and used in the coming decades. The EU target puts pressure on our construction industry but is necessary at the same time as the achievements of these targets will translate into lower energy consumption together with an improvement of Maltese citizens' well-being.

Although the document focuses on energy, it is recommended that perhaps a more comprehensive strategy, given Malta's particular constraints, would be an accompanying document that analyses the issue of water consumption, given that our water supply in itself is strongly dependent on energy.

Certainly one salient item is the projections being stipulated in the Strategy report – with the analysis showing that the building stock is expected to keep on increasing for the next 15 years, and that the increase is driven by population changes and by economic growth. This model may present serious sustainability issues and give rise to serious socio-economic challenges that MEA had highlighted in its document ['Malta's Demographic Challenges'](#) which was issued in 2017.

Strategies should not work in silos, and the document should also include an analysis about the manner in which the construction industry is influencing other sectors such as tourism; quality of life of residents; property prices and the residents' affordability. The MEA is emphasising that if strategies like the one being presented is not considering economic growth and quality of life simultaneously, we risk facing an unsustainable future. This will also have repercussions on the labour market through increased dependence of foreign workers, and the re-skilling of employees to be able to apply new techniques and standards of more eco-friendly buildings.

The Association suggests **discussion between academia and industry** to ensure the supply and demand of the labour market. As mentioned in Chapter 3 of the report, the traditional types of dwelling are changing in Malta – from terraced houses to apartments. Industry can provide new energy technologies to accommodate the new needs such as RES generated technologies to cover whole blocks rather individual dwellings. Furthermore, investment in **reskilling is needed** to address new niches being created as part of a green jobs strategy. The continuous upgrade of curricula will ensure a skilled labour force ready to mitigate the proposed changes.

Building supply and prices have an impact on the labour market. The document refers to an increase in the percentage of building that is rented, which currently stands at 16.5%. If more Maltese are renting properties rather than buying, there could be short term consequences in through a demand for higher wages to cover rental costs. In the long term, pensioners still having to pay rent may face severe financial difficulties and be driven into poverty. As indicated in the document, the percentage of persons living in buildings which they own fell from 76% in 2011 to 71% in 2017. Although still high compared to other EU states, this trend is a cause of concern.

One could also look into a poverty cycle in the diffusion of environmentally friendly technology in buildings. People with a low disposable income have less to invest in such technology. Consequently they have higher energy consumption, leading to higher energy bills that drain their disposable income further. The LTRS should address this phenomenon.

Collective measures rather than targeted and isolated initiatives could be more beneficial. This refers to both the planning and implementation stages e.g., incentivising contractors to build sustainable building blocks; providing grants to industrial parks to install RES technologies; sustained grants for domestic use to invest in roof gardens; etc. Furthermore, more grants should be made available, rather than offering loans and audits. **Public private partnerships between companies offering RES technologies and government** should be considered to ensure competitive prices.

According to the 'Long Term Renovation Strategy 2050' report, the current minimum standards set for non-residential buildings are not sufficiently ambitious. The Malta Employers' Association suggests that instead of focusing on recommendations, government should focus **more on enforcement and regulations** such as making stricter criteria for energy performance certificates. A proper and sustainable strategy plan must be in place to secure urban open spaces, retain sites rich in environmental elements, and guarantee alternative reliable energy options.

Historical buildings such as auberges, palaces and other buildings with historical background, currently being occupied by government entities should be given better use – e.g. cultural purposes - and restored into their formal state, in order to avoid *“any alterations to the building appearance”*. These buildings will increase our cultural and historical attractions, thus being able to **offer a more enhanced cultural experience** for tourists and residents alike. As a solution to this, governmental offices should move into one location to be more accessible by the general public, using energy efficient buildings. This will set an example for others to follow.

As an overall reaction to the Strategy published, the MEA believes that short-term and medium-term strategies should be followed by **more concrete and tangible action plans**.

Thinking proactively rather than adopting a reactive attitude would be beneficial. It was difficult for Malta to reach the 2020 EU objectives on carbon neutrality, and the 2050 targets being proposed as part of the Green Deal are more ambitious. Having a pro-active attitude will **help businesses to plan and invest in a sustainable manner. For this reason, we strongly recommend that this strategy will have to incorporate a series of targeted incentives to enterprises to make regeneration programmes more effective, in view of the fact that any benefits of many of the initiatives mentioned will materialise in the long term.**