



Belair
PROPERTY

ALL YOU NEED TO KNOW

NEW RENT LAWS 2020





New Rent Laws 2020

The new rent law in brief

All private residential lease contracts after the entry into force of the Act including their renewal must be registered. All contracts of private residential leases which are not registered in accordance with the provisions of the Act shall be null and void. Any lease agreements entered into after 1st June 1995 and which would be still in force on 1st Jan 2021 must be registered.

It is the duty of the Lessor to register the contract with the Housing Authority within 10 days of the commencement of the lease and an administrative fee is to be paid. If the lessor fails to register the lease as required, the lessee shall have the right to register the contract himself and is entitled to claim the administrative fee.

A separate application fee will be required for every registration.

The registration of the lease shall include a declaration of the security deposit held by the lessor together with a presentation of an inventory.

Clauses deemed to be without effect:

The following clauses included in a lease agreement are deemed without effect:

1. Any clause which provides for automatic termination of the contract other than the non-fulfilment of the lessee's obligations;
2. Any clauses which impose the payment of additional considerations other than rent , deposit, insurance on the contents and contributions towards the condominium;
3. Any clause which stipulates the payment of a fixed amount separate from rent for the consumption of Water & Electricity or other utility if such amount does not reflect the actual consumption of such utility services by the lessee based on the primary residential use of the property and the total number of occupants residing therein



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Short private residential lease

A short private residential lease is any lease, which is negotiated for a duration of six (6) months and which is meant to satisfy the need of the following categories of lessees:

- (a) non-resident workers who are employed either for a period less than six months or only to complete a specific task within a maximum period of six (6) months;
- (b) non-resident students who are enrolled in courses for less than six months;
- (c) residents who need to rent an alternative primary residence for a period of less than six (6) months;
- (d) non-residents who need to rent a tenement for a period of less than six (6) months, provided that, they would not be seeking to establish their long residence in Malta.

A contract of short private residential lease shall identify the specific category within which the lessee falls into and attest it through attached documentation. In the absence of either of these requirements the contract shall be deemed to be a long private residential. **Any short private residential lease negotiated for a period exceeding six months shall be deemed to be a long private residential lease.** Short private residential leases may not be extended.

Termination of a short private residential lease

The **lessee may not withdraw** from a short residential lease before the lapse of one month. After the lapse of one month the lessee may withdraw at any time by giving one-week prior notice by registered letter and no penalty may be imposed on the lessee for exercising his rights of withdrawal.

Long private residential lease

A Long residential lease cannot have a duration of less than one year and shall cease to have effect upon the expiration of its term **provided that** the Lessor gives notice to the lessee at least 3 months before by registered letter.



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Termination by the lessor

In the event that the lessor does not serve the lessee with a notice of termination within 3 months before the expiry of the term the private residential lease shall be deemed to have been renewed for a further one year period and shall continue to be renewed in the absence of a notice of termination by the lessor. This does not apply to short private residential leases.

Termination by the lessee

The lessee **may not withdraw** from a long private residential lease before the lapse of:

- (a) six months in the case where the lease is for a period of less than two (2) years;
- (b) nine months in the case where the lease is for a period of two (2) years or more but less than three years; or
- (c) twelve months in the case where the lease is for a period of three (3) years or more:

In the event that the lessee withdraws from a long private residential lease **before the lapse** of the period noted above, then the lessor may retain an amount not exceeding one (1) month's rent from the deposit left by the lessee by way of security. However, that the lessor may still proceed against the lessee to collect any other amount due by him.

From the lapse of the periods mentioned above onwards, **the lessee may withdraw at any time by giving notice to the lessor by registered letter:**

- (a) at least one (1) month before in the case where the lease is for a period of less than two (2) years;
- (b) at least two (2) months before in the case where the lease is for a period of two (2) years or more but less than three (3) years; or
- (c) at least three (3) months before in the case where the lease is for a period of three (3) years or more.

No penalty can be imposed on the lessee for exercising his rights of withdrawal according to the periods stipulated above.



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Yearly price increases.

These can only take place once a year and cannot exceed the annual variations in the property price index published by the NSO. The annual variation shall be understood as the average of the previous four quarters recorded until the date of the increase and may never exceed 5%. A negative average variation shall not result in the reduction of the rent.

Shared residential space

Any contract entered into for the lease of a shared residential space shall have a duration of six (6) months and the lessee may withdraw from the lease, at any time, by giving one (1) week prior notice to the lessor by a registered letter.

Water and electricity services

The lessor is bound to acknowledge the number of persons residing in the tenement for the purpose of calculating the correct tariff applicable for electricity and water supply, and to grant the lessee access to the account details relative to the leased tenement.

The lessor's obligations shall be without prejudice to the lessee's possibility of applying for his temporary recognition as a consumer by the service provider and to assume responsibility for the payment of bills relative to the leased tenement, in his own name.

Any additional amounts incurred by the lessee as a result of the lessor's default to maintain his obligations shall be recoverable by the lessee. Provided that the lessee may retain part of the rent due for the purpose of reimbursement of such expenses.

The lessee shall ensure that no arrears for water and electricity services are pending with respect to the period of the lease. The non-payment of water and electricity bills during any period of the lease shall be considered as a partial default and it shall entitle the lessor to demand the dissolution of the contract in accordance with article 1570 of the Civil Code: **The tenant shall not be bound to pay the utility services until he is provided with a copy of the bill.**



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Over holding of the premises by the tenant

A tenant in default of his obligations, who remains in occupation of the rented tenement beyond the lapse of his title, shall be bound to pay the lessor an amount equivalent to the rent until the date of the effective eviction of the property. A demand for such compensation may be made simultaneously with the demand for termination of the lease and, or for the eviction of the lessee from the rented tenement. The lessor is not precluded from his right to seek compensation for greater damage.



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