

The Private Residential Leases Act, 2019

The Private Residential Leases Act, 2019 was enacted on 8 November 2019. This document provides an overview of the enacted rules relating to long and short private residential leases as well as shared residential space.

	Long Private Residential Lease	Short Private Residential Lease	Shared Residential Space
Definitions and Applicability	<p>The Private Residential Leases Act, 2019 does not apply to:</p> <ul style="list-style-type: none"> ▪ Tenements not let for a primary residential purpose (e.g. Commercial) ▪ Pre-1995 leases – i.e. Leases entered into before 1 June 1995 ▪ Leasing to tourists for tourism purposes (for less than 1 consecutive year) ▪ Tenements owned by the Government of Malta (other than through private foundations) 		
	<p>Residence: a tenement let for a primary residential purpose (e.g. guest houses and dormitories are not considered to be residences).</p>		
	<p>Any lease negotiated for:</p> <ul style="list-style-type: none"> ▪ A Primary Residential Purpose; ▪ Not a short Private Residential Lease. 	<p>Any lease negotiated for a duration of 6 months where the lessee is:</p> <ul style="list-style-type: none"> ▪ A non-resident worker employed for a period of less than 6 months or expected to complete a task within 6 months; ▪ Non-resident students enrolled in courses for less than 6 months; ▪ Residents who need an alternative primary residence for less than 6 months; ▪ Non-residents who need to rent for 6 months who would not be looking to establish their long term residence in Malta. 	<p>Letting of any separate space in an apartment or building, with shared amenities (e.g. kitchen, bathroom facilities).</p>
Contractual Requisites <i>ad validitatem</i>	<p>All lease contracts are to be in writing and are to include the following details:</p> <ul style="list-style-type: none"> ▪ the tenement to be leased; ▪ the agreed use of the tenement let; ▪ the period for which that tenement shall be let; ▪ whether such lease may be extended and in what manner; ▪ the amount of rent and the manner of payment; ▪ details of any amount deposited by the lessee as security; ▪ an inventory attesting the condition of the tenement and the state of any furniture and domestic appliances supplied by the lessor. 		

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Specific Requirements	N/A	Documentation showing why a lease is considered to be a short private residential lease is to be appended to the contract.	N/A
Registration with the Housing Authority	<ul style="list-style-type: none"> ▪ Lessor is to register any lease entered into after 1 January 2020 with the Housing Authority within 10 days of the commencement of the lease; ▪ Renewals of leases after 1 January 2020 are to be registered too; ▪ Leases post-1995 and pre-2020 shall be registered by 1st January 2021 if still in force - upon registration the contract will become subject to the provisions of the Act; ▪ A separate registration is to be done for each residential lease; ▪ Registration is to indicate the amount of deposit being held, and an inventory; ▪ Administrative fee to be paid by Lessor upon registration. 		
Prohibited Clauses	<p>Any of the following clauses will be deemed to be without effect if adopted:</p> <ul style="list-style-type: none"> ▪ Clause providing for the automatic termination unless this is in relation to: <ul style="list-style-type: none"> A. Requiring the lessee to act as a bonus paterfamilias; B. Requiring the lessee to pay the rent; C. Unlawful use or non-use of the tenement; D. Sub-letting the tenement; ▪ Clauses which authorise the lessor to reduce (without consideration) any benefits stipulated in the contract; ▪ Clauses which exempt the lessor from liability from his obligations, including: <ul style="list-style-type: none"> A. Where the lessor is liable to rectify defects which diminish or reduce the lessee's enjoyment of the tenement; or B. In the event of there being latent defects. ▪ Clauses which impose the payment of additional considerations, other than the rent, deposit, insurance on the contents of the tenement; and any other payments required by the Condominium Act; ▪ Clauses which impose on the lessee any additional consideration for the use of movables, beyond the payment of rent; ▪ Clauses which stipulate the payment of a fixed amount for the payment of water, electricity, or other utility services, unless these reflect the actual consumption incurred; ▪ Clauses which limit the use of the residence. 		
Term of the Contract	1 year or more	6 months	6 months
Termination	Contract terminates automatically provided that lessor sends a registered letter 3 months prior to termination - otherwise automatically renewed for 1 year	Contract terminates automatically upon the expiration of the term of the contract	Contract terminates automatically upon the expiration of the term of the contract

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Early termination possibilities	<p>Lessee can withdraw:</p> <ul style="list-style-type: none"> ▪ after 6 months where a lease is for a period of less than 2 years and by giving 1 month prior notice by registered letter; ▪ after 9 months where a lease is for a period of more than 2 years but less than 3 years and by giving 2 months prior notice by registered letter; ▪ after 12 months where a lease is for more than 3 years and by giving 3 months prior notice by registered letter. <p>Lessor can retain the value of 1 months' rent from the deposit if lessee withdraws earlier.</p>	<p>Lessee can withdraw at any time after the expiration of 1 month from the lease by giving the lessor 1 week prior notice by registered letter.</p>	<p>Lessee can withdraw at any time by giving 1 week prior notice by registered letter.</p>
Permissible increases in rent	<p>Increases in rent cannot exceed the higher of:</p> <ul style="list-style-type: none"> ▪ the variations in the Property Price Index; and ▪ 5% per annum. 	N/A	N/A
Water and Electricity Services	<p>Lessor is bound to ensure:</p> <ul style="list-style-type: none"> ▪ an adequate supply of water and electricity; ▪ to acknowledge the number of persons residing in the tenement for the purpose of calculating the correct tariff. <p>Lessor will be liable for any additional amounts incurred by lessee if lessor does not adhere to these obligations (and lessee may withhold any such amounts from the rent due).</p> <p>Non-payment of water and electricity bills by lessee shall entitle the lessor to demand the dissolution of the lease.</p> <p>The tenant will not be bound to pay the utility services unless he is provided with a copy of the bill.</p>		