A PROFILE OF HOUSING INEQUALITY - MALTA

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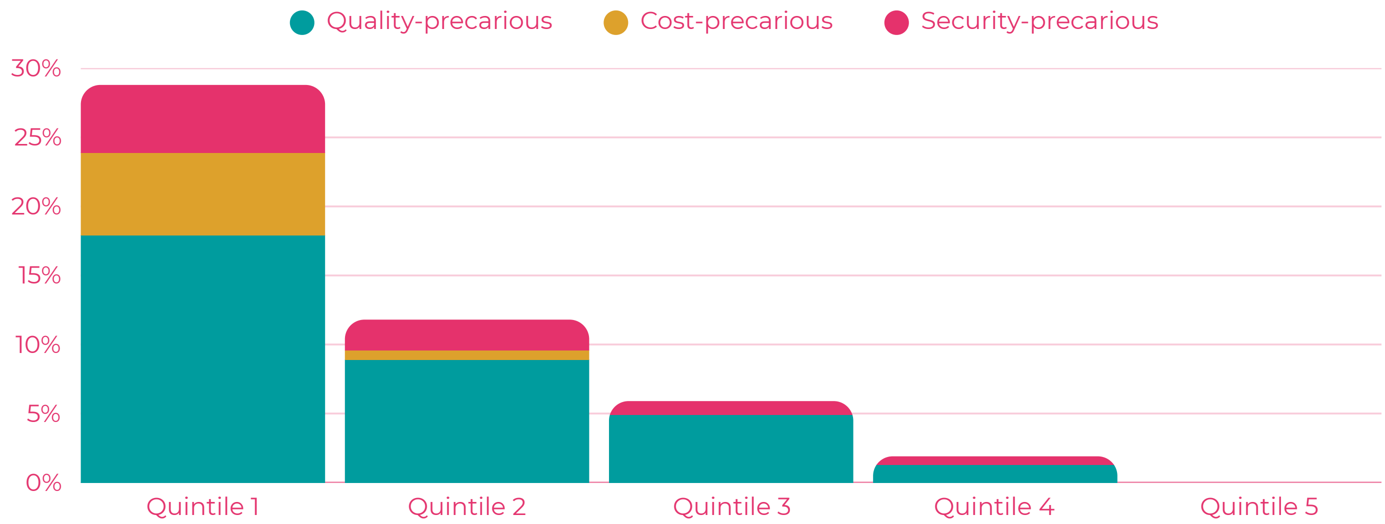
Prevalence of housing problems for 2023 (individuals, weighted %)

Affordability		Quality	Overcrowding	Security	Energy poverty	
Overburden	Subjective burden	Deprived housing		Rent / Mortgage arrears	Utility arrears	Heating unaffordability
8.9	24.9	15.3	4.0	1.5	4.9	6.8

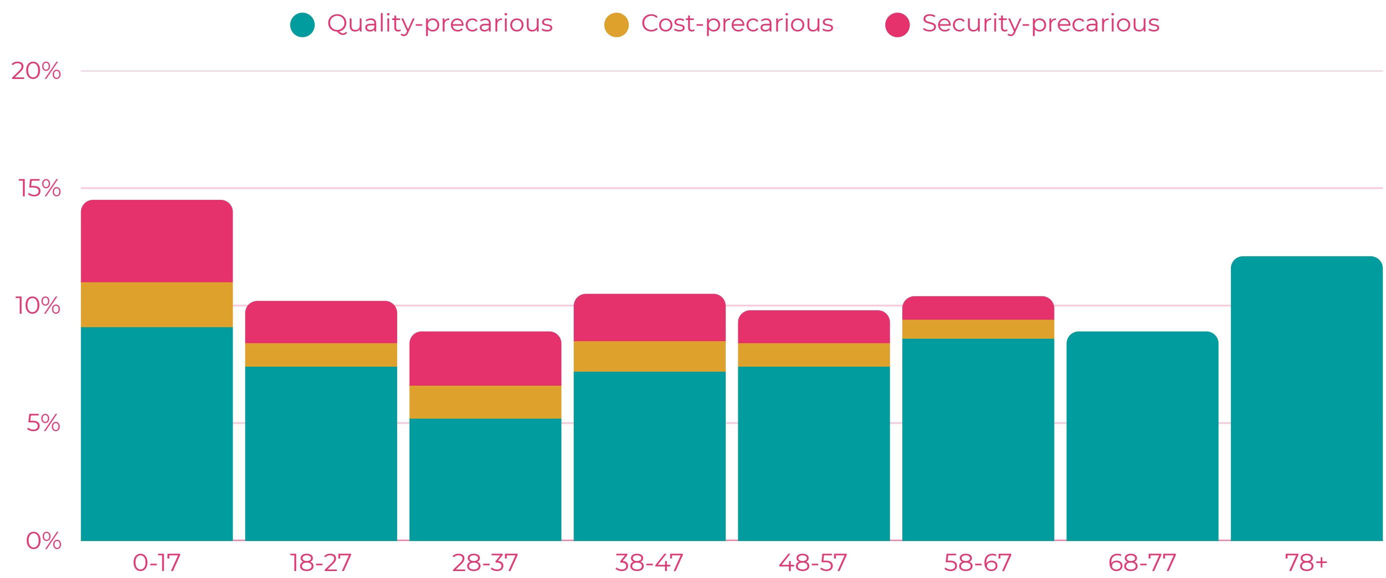
How 'precarious' is the housing situation of people in Malta?



Based on EU-SILC; Income is standardised yearly net household income.

Researcher's comment: *"In Malta, precarious housing conditions are relatively rare compared to other Southern-European countries. Moreover, the precarious situations that do occur are relatively light, in the sense that they are often limited to concerns of housing quality and mostly exclude cost and security issues. Nonetheless, as is the case everywhere, precarious housing conditions are much more prevalent amongst lower incomes and young age groups (families with children), especially when they include cost and security problems."*

Note: 'Precariousness' metrics are derived from a set of seven pooled EU-SILC waves (2010-2023)



Based on EU-SILC; Income is standardised yearly net household income.

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Percentage of 31-35 year olds who are homeowners, by income group and time period

Income Group / Time Period Average	2005-2007	2008-2011	2012-2015	2016-2019	2020-2023
Low	76.4	68.2	58.9	59.0	42.2
Middle	52.3	51.8	54.7	53.4	47.7
High	68.1	68.9	67.6	70.7	59.0

Based on EU-SILC; Income is personal income.

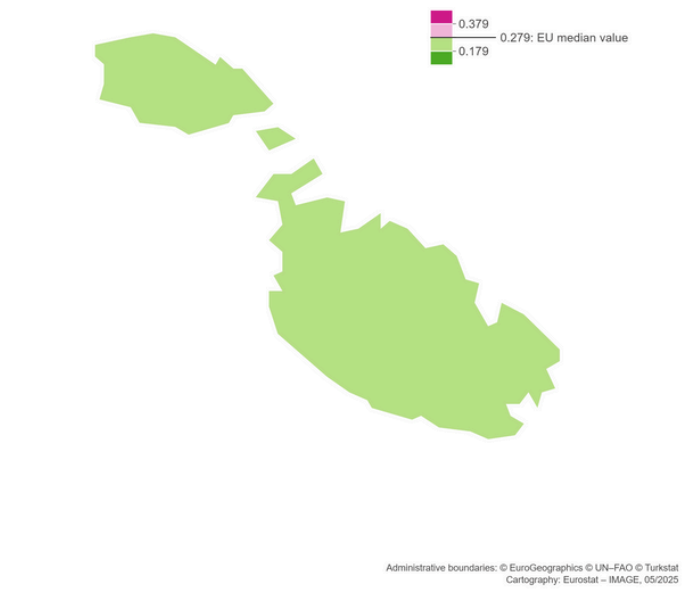
Concentration of (gross) housing wealth (%, all households, by income quintile)

Quintile 1 Quintile 2 Quintile 3 Quintile 4 Quintile 5

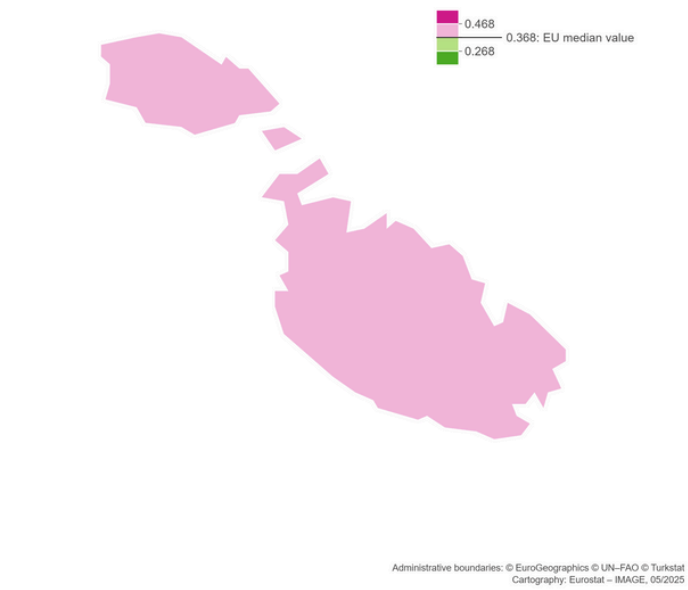
Explainer: *The graphic shows what percentage of overall gross housing wealth is held by each income quintile.*
Source: *Based on Household Finance and Consumption Survey (HFCS); Income is standardised yearly gross household income.*

Does housing precarity align with labour market precarity?

Housing precariousness at the NUTS2 level
Based on a composite indicator. High values represent higher precariousness levels



Labour precariousness at the NUTS2 level
Based on a composite indicator. High values represent higher precariousness levels



Researcher's comment: *"Malta is a single-region country. Housing precariousness is below the EU median, which is rather atypical in Southern Europe, with no particular challenges in the dimensions captured by the composite indicator. The labour precariousness level is above the EU median, largely due to the high average working hours. "*

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Overview of metrics used

Affordability: We measure housing unaffordability in two ways: objective and subjective. The 'objective' measure is referred to as **'overburden'**, and a household is housing cost overburdened if it spends more than the threshold percentage of their income on housing costs. We use a variable threshold of 25% for the first income quintile, 30% for the second quintile, 40% for the third quintile, and 50% for the fourth and fifth quintiles. Housing costs are based on the monthly expenditure of households related to the dwelling including the costs of utilities, insurance, regular maintenance, compulsory charges (e.g. sewage), and taxes, following the EU definition. Rental payments (for tenants) and mortgage interest payments (for homeowners) are gross of housing benefits, i.e. the benefits are not deducted from the total housing costs, but are net of any tax relief (for homeowners). Household income is net and equivalised by number of household members and their age (modified OECD-scale). The subjective measure is referred to as **'subjective burden'**. The variable is constructed based on the question: "Please consider your total housing costs including mortgage repayment (instalment and interest) or rent, insurance and service charges (sewage removal, refuse removal, regular maintenance, repairs and other charges). To what extent are these costs a financial burden to you?". It is divided into three categories: 1) not a burden at all; 2) a slight burden; and 3) and a heavy burden.

Quality: **'Deprived housing'** occurs when a house has no or poor-quality facilities, such as a leaking roof, damp walls, floors or foundations, or rot in window frames or floors; no bath or shower; no flushing toilet; or too dark.

Overcrowding: occurs when the household does not have at its disposal a minimum number of rooms equal to: 1) one room for the household; 2) one room per couple in the household; 3) one room for each single person aged 18 or more; 4) one room per pair of single people of the same gender between 12 and 17 years of age; 5) one room for each single person between 12 and 17 years of age and not included in the previous category; or 6) one room per pair of children under 12 years of age.

Security: **'Rent / mortgage arrears'** is based on the question "In the past twelve months, has the household been in arrears, i.e. has been unable to pay on time due to financial difficulties for: (a) rent, (b) mortgage repayment for the main dwelling?".

Energy poverty: We measure energypoverty in two ways. **'Heating unaffordability'** refers to the inability to keep the dwelling warm. This is based on the question "can your household afford to keep its home adequately warm?". **'Utility arrears'** refers to whether one has had utility arrears at least once in the last twelve months.

Overview of the concept of 'precariousness'

The measures of 'precariousness' are based on pooling of eight indicators of housing problems: housing cost burden, subjective cost burden, perceived energy poverty, utility arrears, rent/mortgage arrears, overcrowding and housing deprivation. Households are then divided into different 'clusters'.

Quality-precariousness: Household in this cluster have no problems with objective cost burden, but score relatively high on energy poverty, utility arrears, and especially housing deprivation and overcrowding. Notably, while this cluster is not objectively overburdened, many still indicate their housing costs are a heavy burden, and utility arrears are relatively frequent. This implies that this group faces high costs of living outside of the housing domain relative to their income, and may compromise on housing quality to manage costs

Cost-precariousness: Households in this cluster cluster are all overburdened in terms of housing costs, in addition to a majority experiencing a heavy subjective burden, and a substantive proportion having difficulties heating their house, being in arrears on rent/mortgage and utility, and living in overcrowded and deprived living conditions.

Security-precariousness: Households in this cluster, which is the smallest overall across countries, face the greatest housing problems. All of them are in arrears, experience a heavy cost burden, and around half of them has high housing costs. This is paired with relatively high rates of utility arrears, deprivation and overcrowding. Affordability problems in this group seem to have transitioned into housing cost arrears, leaving them at a higher risk of being evicted.

Overview of homeowner income groups

In our analysis of changes in homeownership rates we develop three income groups; **'low'**, **'middle'** and **'high'**. These are based on EU-SILC's individual income components. Since several countries do not report net individual income components, we use gross individual income components. Individuals are then divided into income tertiles.

Overview of regional (NUTS2) housing and labour precariousness

Because of data limitations, the regional analysis operationalises housing precariousness slightly differently. 'Housing precariousness' pools housing cost overburden, overcrowding, severe material and social deprivation, as well as the inability to keep a home warm. 'Labour precariousness' is operationalised through four factors: the average hours worked, the share of short-term work contracts, self-employment and part-time employment.

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