CONSULTATION DOCUMENT

A Proposed Framework for a Buyers' Charter

In 2025, the Housing Authority has taken an important step towards empowering prospective homeowners through the publication of the First-Time Buyers (FTB) Guide. This Guide provides practical, step-by-step information on the home-buying journey, from financial planning and government schemes to the promise of sale, obtaining a mortgage and signing the final deed. Its purpose is to help buyers navigate each essential stage of the home-buying process.

To ensure that the FTB Guide remains relevant and up to date, the Housing Authority has also launched a dedicated online portal – https://firsthome.mt/ – which is regularly updated to reflect new schemes, initiatives and regulatory changes.

The proposed Buyers' Charter will build on this foundation but serve a broader and distinct purpose. While the FTB Guide is primarily focused on explaining the process of purchasing a home, the Buyers' Charter will establish the principles, standards and expectations that should underpin residential property transactions more generally. It is therefore proposed that the Charter should apply not only to first-time Buyers, but to ***all residential buyers***, recognising that people may enter the property market at different stages of their lives and for different reasons.

This broader scope is particularly relevant in light of the range of housing measures being introduced or proposed under the Government's Electoral Manifesto programme, which recognize that housing needs change over the course of a person's life. These measures extend beyond support for first-time buyers to include households seeking to upsize or downsize, and separated individuals seeking to purchase a new property. In some cases, these measures provide similar forms of support or concessions to different categories of buyers, including access to stamp duty benefits. The Buyers' Charter therefore provides an opportunity to establish a common framework of rights, expectations and good practices that applies across the residential property market, irrespective of whether an individual is purchasing their first home, moving to a larger or smaller property, or re-entering the housing market following a change in family circumstances.

The proposed Charter will also help address one of the key challenges facing residential property buyers: information asymmetry. Purchasing a home involves multiple actors, including developers, estate agents, banks, architects, notaries and public authorities, each with different responsibilities. While this complexity can be challenging for first-time buyers, even experienced buyers can face difficulties when navigating a significant property transaction. By bringing together key information in a single, accessible document, the Charter can help buyers understand what they should expect from the different actors involved and make informed decisions with greater confidence.

The buyers Charter will also draw on international experience in strengthening consumer protection and good practice in residential property transactions. While countries differ in their legal and institutional frameworks, a number of jurisdictions such as the UK, Canada and New Zealand have introduced consumer codes, buyer charters or quality standards aimed at reducing information asymmetries and clarifying the rights and responsibilities of Buyers' and other market participants.

Ultimately, the Buyers' Charter should aspire to become a national statement of what good practice looks like in Malta's residential property market and throughout the home-buying journey. It will translate key guiding principles into practical guidance by highlighting examples of good practice, as well as common pitfalls and issues that buyers should be aware of, helping consumers make informed decisions and navigate the purchasing process with greater confidence.

The Charter can be built around five guiding principles.

1. Transparency

Do Buyers' have the information they need?

Buying a home is one of the most significant financial decisions people make. Buyers should have access to clear, accurate and timely information throughout the purchasing journey, allowing them to make informed decisions with confidence. This includes transparency on prices and associated costs, property specifications and advertising, planning and legal information, completion timelines, warranties, ongoing obligations and any other factors that may materially influence the decision to purchase. By reducing information gaps between Buyers' and other market participants, the Charter aims to create a more balanced and trusted home-buying experience.

2. Rights and Responsibilities

Are the rights and responsibilities of all parties clearly understood?

A well-functioning residential property market requires clarity not only on the rights of buyers, but also on the responsibilities of all actors involved in the purchasing process. The Charter should promote a culture where information is communicated clearly, commitments are honoured and buyers understand both their rights and responsibilities before entering into agreements. This includes responsible marketing and communication practices, clear contractual information, accessible complaint mechanisms and appropriate avenues for resolving disputes.

3. Quality and Accountability

Will Buyers' receive what they were promised?

Buying a home should represent a commitment to quality that extends beyond the signing of the final deed. Buyers should have confidence that properties are delivered to appropriate standards and that clear responsibilities exist when expectations are not met. The Charter should promote good construction and workmanship practices, transparent pre-handover inspection processes, effective procedures for addressing defects, clear warranty arrangements and appropriate after-sales support. Quality is not only about the physical property delivered, but also about the accountability of those responsible for delivering it.

4. Shared Responsibility

Are all stakeholders contributing to a trusted market?

A transparent and trusted residential property market requires commitment from all stakeholders involved in the home-buying journey. The Charter should encourage collaboration between public authorities, developers, estate agents, architects, notaries, financial institutions, consumer organisations and Buyers' themselves. By establishing a common understanding of good practice and encouraging all participants to uphold these principles, the Charter can contribute towards a more professional, responsible and trusted residential property sector.

5. Effective Redress

What can Buyers' do when their rights are not respected?

Buyers should have access to clear and accessible mechanisms for raising concerns and seeking redress when their rights are breached or when commitments are not honoured. The Charter should clearly explain the different avenues available to buyers, depending on the nature of the dispute and the stakeholder involved. The objective should be to ensure that buyers know where to go, who is responsible, what evidence they may need and what outcomes they can reasonably expect, without unnecessarily resorting to lengthy or costly legal proceedings.

The Charter will not replace existing legal, regulatory or dispute-resolution mechanisms. Rather, it will provide buyers with a clear roadmap of the avenues available to them when concerns arise, identifying the relevant institution or mechanism depending on the nature of the issue. By making existing redress mechanisms more visible and accessible, the Charter can help ensure that consumer rights are not only clearly defined but can also be effectively exercised.

Beyond Consumer Protection

The Charter will provide tangible examples of risks experienced by buyers and what are their rights in different buying scenarios. Potential examples can include obligations related to promise of sale agreements, stamp duty and other transaction costs, and the buying of property at pre-construction stage. It will also include a common pitfalls section for buyers at different stages of the process, for instance, before signing, when buying on plan, before taking possession and when a dispute arises.

Overall, the Buyers' Charter should aspire to do more than reduce complaints or explain legal rights. It should help foster a culture of openness, professionalism and accountability throughout Malta's residential property sector.

Its broader scope also means that the Charter can provide a common framework for buyer at different stages of the housing lifecycle. A young person purchasing their first home, a family seeking a larger property, an older household downsizing, or a separated individual establishing a new home may have very different circumstances and policy needs. However, all should be able to expect the same fundamental standards of transparency, knowledge about their rights and responsibilities, quality and accountability when engaging in the residential property market.

This expanded Charter will represent a key pillar of consumer empowerment. It will explain not only how to buy a home, with practical and step-by-step assistance, but will also define what every buyer should expect throughout that journey, regardless of whether they are purchasing their first home or another residential property.