

Malta Real Estate Snubs 2008 European Downturn

Property prices on Mediterranean coastlines are still increasing in the first months of 2008 despite nervous markets elsewhere in Europe.

A recent agreement between France, Italy, Morocco and Malta is possibly helping the latest surge in real estate prices in the Mediterranean. The agreement to stop building properties within 100 meters of the coastline means no more new growth in waterfront properties. The existing homes and other real estate could continue to rise in value for months to come.

Homes and real estate on the waterfront are highly desired commodities among home buyers and investors in the Mediterranean on islands like Malta.

'Demand is likely to outstrip supply and this will push the property price up' said Foreign Property Buyer, an online community for foreign real estate investors. They agree this pledge will probably be good news for people who already own property in the new 'no-build' zones. The demand for waterfront properties will drastically increase the price of existing homes and properties.

For several years, property experts have stated that by the year 2013 the world-wide real estate market would likely see an increase of 13 percent annually. With agreements such as the one previously mentioned, that estimate could possibly be lower than reality yields. This could be especially true in popular holiday destinations, such as Malta.

Malta, along with several other Mediterranean countries, received a commendation from the World Tourism Organization in February 2008 for its tourism performance last year. In 2007, Malta's growth rate exceeded European and world averages. Malta's growth in tourist arrivals was just under 11 percent last year, more than double that of 2006. The results, according to Francis Zammit Dimech, Malta's tourism minister, are simply a reward for governmental effort - although some online travel sites say it is despite the government and not because of them that tourism has increased in Malta as they blocked the low cost airlines for so long, and are now trying to claim credit for something private enterprise has achieved, along with NGO Malta organisations like the [hotel in Malta](#) association.

The 2007 world tourism growth rate was nearly 4 percent lower than Malta's, at 6.2 percent.

'This is just another confirmation of how Malta can outperform its competitors when we all work together as a team', Dimech said. 'We agreed on a plan of action with tourism stakeholders and worked together to ensure it was implemented.' Whatever the reason, 898 million tourists stayed for at least one night in a country other than their own last year worldwide.

Malta's national airline boasts great results for a minimal number of lost bags according to the Air Transport Users Council. Losing fewer than five bags per 1,000 fliers was the lowest rate of lost baggage among all European airlines. British Airways registered at 26.5 losses per 1,000 customers and Portugal's TAP registered 27.8 losses per 1,000. Tourists agree that the amount of luggage lost worldwide is the biggest problem facing tourists. Many believe Malta's airline has set a new standard for baggage security.

Astounding results from Malta's airline, tourism on a steady and steep incline, and 'no-build' agreements help add to the demand for real estate in Malta. A relatively small country with so much to offer is enticing to real estate investors, as well as those looking for an amazing place to retire.

The implementation of a policy that keeps new properties from springing up in highly desired areas could send property prices higher. It will also help keep Mediterranean shorelines from becoming overly crowded as more people wish to own this highly sought-after property.

About the Author

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