



GRDA RESPONSE

GOZITAN CIVIL SOCIETY GROUP
'GHAL GHAWDEX' PROPOSALS
FOR GOZO ENVIRONMENTAL VISION

ISSUED BY THE
GOZO REGIONAL DEVELOPMENT AUTHORITY

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GRDA position on “Għal Għawdex” coalition 8 proposals

Response by the Gozo Regional Development Authority

1. The Gozo Regional Development Authority (GRDA) welcomes initiatives from and by the civil society in Gozo. It strongly believes in the active action of civil society and in its role in promoting discussion and in recommending action.
2. *Għal Għawdex* coalition which represent seven Gozitan entities namely *Kunsill Reġjonali Għawdex*; the Gozo Business Chamber; the Gozo Tourism Association; *Din L-Art Heliwa Għawdex*; *Għawdex*; *Wirt Għawdex* and the Gozo University Group (GUG) has published an 8-point plan on the 5th of May 2023.¹ The declared aim of this 8-point plan is to ‘ensure that the fabric of Gozitan society, and the built and natural environment are respected, while promoting the sustainable development and prosperity of the island’.
3. Through this Note, the GRDA is presenting its reactions to the proposed actions. In the first part of the Note, some general observations will be made. The second part will address specifically some of the proposals presented by *Għal Għawdex*.
4. Since its inception, the GRDA has, on a regular basis, published a number of studies focusing on the construction and real estate sector in Gozo. These included a note published in May 2021² which looked at the key drivers behind the rising supply of residential units, and a paper presented in GRDA’s annual journal, *Perspettivi*, which explored the economic factors driving the real estate market in Gozo.³ The GRDA also commissioned and published a survey on residents’ views of construction, real estate, and the property market in Gozo.⁴ These studies have allowed the Authority to prepare evidence-based policy recommendations which were published prior to the 2023 Budget.⁵ Among those proposals, the GRDA recommended the termination of the current reduced rate of stamp

¹ https://ghalghawdex.org/wp-content/uploads/bsk-pdf-manager/2023/05/2023_05_05_Ghal_Ghawdex_Press_Release_02_EN-1.pdf

² <https://grda.mt/wp-content/uploads/2021/11/A-Note-on-the-Construction-and-Real-Estate-Develop-in-Gozo-09.11.21.pdf>

³ https://grda.mt/wp-content/uploads/2022/04/Perspettivi_Issue-1.pdf

⁴ <https://grda.mt/wp-content/uploads/2022/02/Extract-2-of-3.pdf>

⁵ <https://grda.mt/wp-content/uploads/2022/09/Outlook-Pre-Budget-Document.pdf>

duty on residential properties in Gozo and instead, substitute it with a targeted measure more aligned with the socio-economic and environmental requirements of Gozo.

5. The GRDA constantly emphasizes that policies should factor in the regional dimension of Gozo as well as avoid being contradictory with each other. The latter is of particular concern, given the significant risk of not giving enough attention to unintended consequences. It is within these parameters that this Note will present its specific feedback to the proposals.
6. The GRDA fully shares **point 1** of the 8 proposals. Indeed, the GRDA believes that key to Gozo's future is the sustainment of a formula that safeguards sustainable development through optimal use of space. This requires reconciling the social and economic claims for spatial development, with Gozo's ecological and cultural functions, and therefore, contributing to a sustainable and balanced territorial development. Gozo's core needs should be addressed towards building economic success through its distinctiveness, and by engendering social cohesion through solidarity and networking. To achieve this, the GRDA believes it is necessary to develop an urban and ecological strategy framework that embraces the following overarching principles: (1) Gozo as 'an Island of Villages; (2) An Ecological Symbiosis; and (3) Resiliency through Distinction.
7. The GRDA also fully shares **point 3**. During September 2022, the Authority stated that the indiscriminate nature of the scheme (reduced stamp duty for residential property in Gozo) renders the policy objective unclear, and conflicts with GRDA's vision for Gozo in attaining sustainable development by making optimal use of the island's limited space. The GRDA recommended in September 2022 that the scheme is transformed into targeted incentives that are aligned with the achievement of policy objectives, namely: (i) encourage more upmarket property development in Gozo; (ii) limit eligibility of the scheme to dilapidated and vacant property in order to encourage restoration through specific schemes, (iii) subject small units to either higher stamp duty and/or additional fees to disincentive the construction of small, low-end units which units need to be properly defined as well; and (iv) promote green and efficient buildings.⁶
8. The GRDA fully agrees that fiscal incentives should be extended to include all properties mentioned in **point 3(c)** and **point 4**.
9. The Authority endorses **point 5**. The GRDA believes that ensuring Gozo's distinctiveness must be maintained, and for this aim, the GRDA is currently working on a paper that can be used as a step towards the adoption of a policy of context-derived design. This will include, but will not be limited to, the contextual delivery of properties and will seek to incorporate sensitive contemporary interventions within heritage urban fabrics in a way that ensures long-lasting, high quality urban environments. However, a proper definition of what constitutes '*design priority area*' is encouraged.

⁶ <https://grda.mt/wp-content/uploads/2022/09/Outlook-Pre-Budget-Document.pdf>

10. The GRDA in principle supports **point 6** which calls for the strict observance of the 150-metre buffer zone around historical and scheduled buildings and monuments, respecting and not exceeding the existing height of the historical and scheduled buildings within the buffer zone. However, there are a number of implicit questions that the proposal raises. The GRDA believes these questions are very pertinent and need to be fully discussed, with a view of being addressed by the proponents, as well as by regulatory authorities. These include whether the proposal implies that within the buffer zone all construction should be restricted to the lowest building in the UCA, and what happens in the case of a one-floor historical building within such area. The proposal also needs to define concepts used in the proposal such as a 'monument' and scheduled buildings which might include sites such as 'Villa Rundle' in Victoria.
11. **Point 8** merits some comments from GRDA. The GRDA calls for consistent application of policies, rules and regulations and their respective enforcement. However, the GRDA also notes a degree of inconsistency between this point (Point 8) and the rest of the *Għal Għawdex* proposals. The GRDA's understanding is that the entire *Għal Għawdex* document implies changes in policies, but this point calls (implicitly) to keep the current policies, rules and regulations since "if properly enforced by the Planning Authority would already lead to better development within the region". Hence, in GRDA's views, clarification is needed as the *Għal Għawdex* proposals do not fully distinguish between the (i) lack of enforcement of satisfactory policies and (ii) the inadequacy of current policies, rules and regulations.
12. The GRDA does not share **Point 7**. This requires some comments. The Authority's understanding is that this point aims to address the problem of parking in some localities and areas. However, the legal requirement for the purchase of a parking space with each unit, can create unintended consequences. First of all, this is a social issue which will further price out low-income individuals and households from the ownership of property. Secondly, the legal requirement for the purchase of a parking space will add further incentives for the use of cars. The number of vehicles in Gozo is already very high, and this will continue to add pressure upon the infrastructure, and further add to traffic issues. It is also diametrically opposed to the drive towards a shift to modular transport including walking, the use of bicycles and public transport.
13. GRDA does not agree with **Point 2(a)**. This is mainly for practical reasons. The suspension of DC2015 Annex 2 regulations will create huge legal uncertainty and consequently risk shocking the entire real estate market. All of this whilst creating very few benefits, if any, as the existing blank walls will persist, and street landscapes and skylines will remain compromised. An alternative which the GRDA suggests exploring and studying is the imposition of taxes (such as higher stamp duty) on new units over a certain height. The revenue can be used by the local councils for public projects in the locality. This will partially capture some of the negative externalities created by DC2015 Annex 2.
14. GRDA has reservations about **Point 2(b)**. The extension of UCA boundaries to the 'maximum possible' is unclear and might create some of the unintended consequences listed earlier.

Notwithstanding this, the GRDA highly advocates the preservation of UCA areas and village cores, as these represent the very values of Gozitan traditional life.

15. The GRDA partially agrees with **Point 3(c)**. The GRDA strongly believes that ODZ should be preserved and hence applications for developments in such areas should generally not be considered. However, general statements such as a moratorium, might include the restoration of dilapidated buildings in the countryside and other similar structures. On the other hand, the GRDA agrees with the monitoring of long-term use and no change of use for development under the Rural Policy and Design Guidelines.

16. This feedback from the GRDA should be viewed together with other documents that GRDA publish on a regular basis. The comments in this Note should serve as a base for further discussion with civil society groups. The GRDA again stress the importance of civil society in the discussion of matters related to public policy including environmental and social issues and continues to welcome such initiatives. As a concluding point, it is being remarked that the legal Act that establishes the GRDA also include the Regional Impact Assessment Studies (RIAS). RIAS are to be carried out whenever a policy, strategy, action plan or regulation of major development is drawn up and will influence Gozo. The RIAS will ensure that the impacts of the proposed policies or actions are analysed in line with the Regional Development Strategy for Gozo, and hence falls in line with the long-term vision of the island.



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