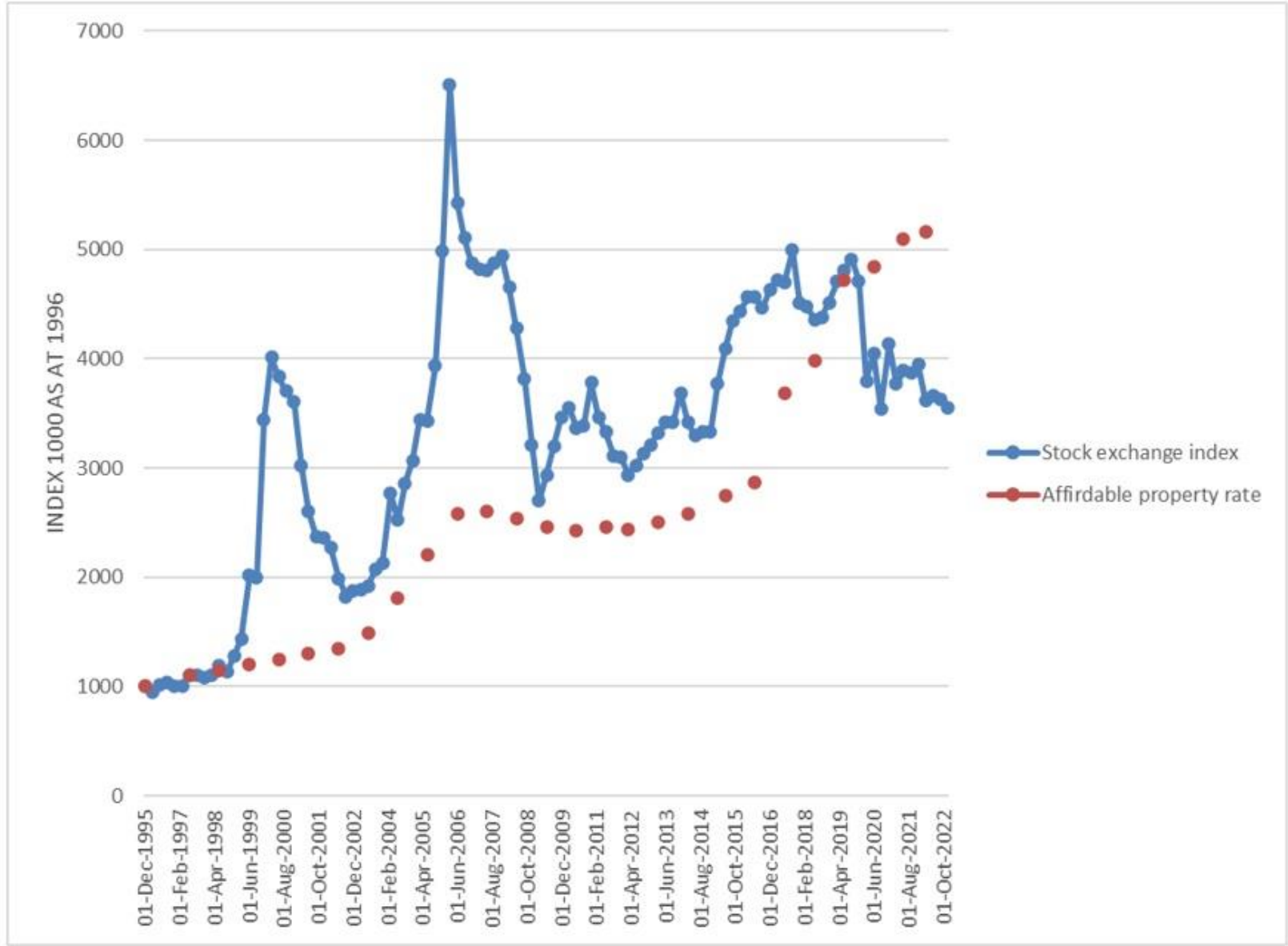


Property Valuation: A Practical Approach
MARKET VALUE & PRUDENT VALUE EXPLAINED
A workshop with Nick French.
April 2023.

PROPERTY VS STOCK EXCHANGE INDEX 1996 – 2022



**TABLE 2- FLORIANA OFFICE BLOCK -
REVALUATIONS**

Year	Discount Rate	Initial Yield	Risk Free Rate
1988	14.00%	7.00%	11.00%
1992	11.00%	7.00%	7.25%
1998	10.75%	6.25%	7.75%
2001	9.75%	5.75%	6.75%
2004	8.00%	5.25%	5.00%
2007*	8.00%	5.25%	5.00%
2010	8.00%	5.00%	4.75%
2014*	7.75%	4.50%	4.50%
2018	6.25%	4.75%	2.25%
2020**	6.75%	4.85%	2.25%
* Global financial meltdown			
** Covid Year			

40 YEARS _ HOUSING AFFORDABILITY INDEX FOR THE MALTESE ISLANDS – HAI_Dhi

Year	Malta Rate €/m ²	Mortgage Rate - %	Mortgage years	Down Payment Deposit	Mortgage Monthly Payment		Medium Monthly Household Income**	Qualifying Monthly Income		HAI*		House Price: Earnings Ratio
					3-bed/r	2-bed/r		3-bed/r	2-bed/r	3-bed/r	2-bed/r	
1982	€ 163	8.00	25	20%	€ 136	€ 95	€ 429	€ 544	€ 380	79	113	4.27
1987	€ 212	7.00	25	20%	€ 162	€ 114	€ 564	€ 648	€ 456	87	124	4.23
1992	€ 349	6.50	25	20%	€ 255	€ 169	€ 745	€ 1,020	€ 592	73	126	5.27
1997	€ 512	6.00	25	20%	€ 356	€ 238	€ 995	€ 1,424	€ 952	70	105	5.79
2002	€ 629	5.75	25	10%	€ 481	€ 321	€ 1,215	€ 1,684	€ 1,124	72	108	5.82
2006	€ 1,202	5.53	40	10%	€ 673	€ 458	€ 1,665	€ 2,356	€ 1,603	71	104	7.22
2007	€ 1,211	5.32	40	10%	€ 658	€ 461	€ 1,738	€ 2,303	€ 1,614	75	108	6.97
2008	€ 1,183	5.12	40	10%	€ 626	€ 426	€ 1,798	€ 2,191	€ 1,491	82	121	6.58
2011	€ 1,146	3.44	40	10%	€ 455	€ 323	€ 1,959	€ 1,594	€ 1,131	123	173	5.61
2012	€ 1,134	3.41	40	10%	€ 448	€ 318	€ 2,058	€ 1,568	€ 1,113	131	185	5.28
2014	€ 1,203	3.29	40	10%	€ 467	€ 331	€ 2,237	€ 1,635	€ 1,159	137	193	5.15
2015	€ 1,282	3.19	40	10%	€ 490	€ 366	€ 2,325	€ 1,715	€ 1,281	136	181	5.28
2016	€ 1,336	3.16	40	10%	€ 508	€ 380	€ 2,354	€ 1,778	€ 1,330	132	177	5.44
2017	€ 1,718	3.14	40	10%	€ 623	€ 486	€ 2,521	€ 2,179	€ 1,701	116	148	6.25
2018	€ 1,856	3.11	35	10%	€ 718	€ 561	€ 2,575	€ 2,513	€ 1,964	102	131	6.61
2019	€ 2,210	3.06	35	10%	€ 849	€ 663	€ 2,644	€ 2,972	€ 2,321	89	114	7.66
2020	€ 2,256	3.01	35	10%	€ 861	€ 673	€ 2,690	€ 3,014	€ 2,356	89	114	7.69
2021	€ 2,376	2.87	35	10%	€ 889	€ 695	€ 2,737	€ 3,112	€ 2,433	88	113	7.96
2022	€ 2,403	2.75	35	10%	€ 882	€ 690	€ 2,836	€ 3,087	€ 2,415	92	117	7.77

EU Malta Accession - doubling of market rate

Global Financial Meltdown _ improved HAI

worsening HAI _ buy to let MV surge.

COVID _ no effect on MV.

AVG HAI

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MALTA AFFORDABLE PROPERTY IN €/M² OVER THE PAST 41 YEARS

