

RENT REGULATION BOARD Magistrate Dr. Charmaine Galea B.A. LL.D.

Today 10th April 2025

Application Number 183/2024

Helmut Georg Heimerdinger (K.I. 0161821A)

-VS-

Erik Seman (K.I. 0240827A) and Martin Guangua Quitumba (K.I. 0155757A)

The Board,

Having seen the sworn application submitted by **Helmut Georg Heimerdinger** on the 15th April 2024, whereby he premised and claimed:

- 1. That the plaintiff Helmut Georg Heimerdinger is the owner of the premises 93, Flat 8B, Spinola Street, St. Julians;
- 2. That by means of the contract of lease dated 8th August 2022, he rented the same premises for a period of two years to the defendants Martin Guangua Quitumba and Erik Seman and this through the agency services of Dhalia Real Estates Services Ltd.;
- 3. That the rental period was that of two years running from 1st September 2022 to 30th August 2024, and with a rent agreed between the parties of one thousand and six hundred Euros (€1,600) per month, revisable according to law (vide Dok. HGH1);
- 4. That, however, the tenants qua defendants were erratic in their monthly rent and were warned by the plaintiff to regularise themselves immediately. That not only did they fail to comply, but more months passed and they persisted in breaching the lease contract;

- 5. That the tenants had agreed to amend the contract of lease at their request so that they could sublet the premises and thus have additional income which part of it could make good for rent arrears.
- 6. That through a supplementary agreement dated 28th October 2023, which complements the original agreement, the parties have acknowledged the above, and that the rent will be adjusted to two thousand Euros (€2,000) per month from October 2023 onwards (vide Doc HGH2);
- 7. That the tenants even failed to comply with this arrangement, and by the first week of April 2024 they had accumulated a balance of rent arrears in the amount of eight thousand and seven hundred Euros ($\in 8,700$);
- 8. That the tenants are also obliged to pay electricity and water bills, which balance is ongoing and must be updated by the date of their eventual eviction;
- 9. That on the 23rd January 2024, the plaintiff had informed the tenants that he was giving notice of the termination of the lease contract due to the continued breach of the same contract by the tenants; (vide Doc HGH3)
- 10. That despite this notice of termination, the tenants remained in default and still occupy the premises without the owner's approval;
- 11. That in light of the several attempts in good faith and understandings between the contenders to regularise the tenant's position, which defendants still remained in default, there was no other remedy other than to start these judicial procedures;
- 12. That the plaintiff is cognisant of the above expounded facts and has evidence to present to prove his case. On the contrary, the defendants have no valid defense to make in relation to the recurring action given their continued default;

Therefore, in view of the necessary and opportune declaration for the reasons above stated and in dispensing from the hearing of the present case through special summary procedures as established by Law by virtue of Article 16A of Chapter 69 of the Laws of Malta, the plaintiff requests this Honourable Board to order the defendants to appear before the Board on the day and time as established by the same Board and in case the defendants are contumacious at that hearing, or otherwise if they fail to appear at that hearing and to have a valid defense that they can make to contest the claims of the plaintiff, the Rent Regulation Board should;

- 1. Declare and decide that the defendants Erik Seman and Martin Guangua Quitumba have violated the conditions of the lease contract in force dated 8th August 2022 and this by not being regular in the payment of rent and other bills;
- 2. Condemn the defendants to pay the plaintiff all those rent arrears and other dues which are now liquid, certain and due;

- 3. Condemn the defendants to pay all the rent that may become due until the date of their eventual eviction from the premises in question;
- 4. Declare and decide that the defendants must effectively evict from the rented premises in a short and peremptory time that is set by this Board;

Having seen the reply submitted by **Erik Seman et** on the 06th June 2024, whereby they pleaded:

- 1. Preliminarily, that in accordance with Article 16B of Chapter 69 of the Laws of Malta, this Honourable Board is precluded from dealing with any demand in relation to the lease agreement when such agreement was not registered in accordance with article 4 of the Private Residential Leases Act;
- 2. In subsidium and without prejudice to the foregoing preliminary plea, that plaintiff is bound to prove his title of ownership over the premises before proceeding further;
- 3. Also in subsidium and without prejudice to the foregoing pleas, plaintiff's claims should be rejected with costs against him since:
 - (i) plaintiff failed to honour his obligations at law and in accordance with the lease agreement, in which case the maxim Inadimplenti non est adimplendum applies;
 - (ii) clauses in the lease agreement which are prohibited in terms of the Private Residential Leases Act have no effect at law and are therefore inapplicable with regards to defendants;
 - (iii) defendants were constrained to take several remedial measures to attempt to make up for the plaintiff's defaults and to minimise the serious prejudice they were being subjected to in view of the faults and defects in the premises, which measures have cost them substantial amounts of money in excess of eleven thousand Euro (EUR 11,000) for which they are entitled to be reimbursed by retaining the rent due;
 - (iv) defendants were constrained to live in defective premises afflicted with several faults and defects which diminished the use thereof, including but not limited to insufficient electricity supply, including through the use of an illegal submeter leading to damages to electronic equipment, ceiling and other water leakages/flooding leading to unusable premises, and safety and repairs issues, for which an abatement of the rent is due according to law.
 - (v) in any case, defendants have not been notified according to law and therefore said notice is ineffectual.

Having seen that the Board ordered the parties to submit proof and make oral submissions about the first plea of defendants;

Having heard the evidence;

Having seen the documents submitted by the parties;

Having seen that the case has been adjourned for today for a judgement upon the first plea of the defendants.

Considers:

From the evidence submitted it results that the parties had entered into a lease agreement on the 8th August 2022 with regards to property number 93, Flat 8B, Spinola Street, St. Julians.¹ The lease was to run from the 1st September 2022 up until 30th August 2023. The property was to be used exclusively as a residence. By means of a supplementary agreement dated 28th October 2023, the parties agreed that as from 1st October 2023 the monthly rent was to increase to €2000 and the lessees were granted the right to sub-lease or re-let the premises.² By means of a letter dated 23rd January 2024, the applicant informed the defendants that he was terminating the lease agreement since the defendants were in default of their obligation to pay rent.³

When faced with the applicant's action, the defendants pleaded that this Board is precluded from considering the applicant's claims since the lease agreement was not registered in accordance with article 4 of the Private Residential Leases Act. In fact, the first part of the mentioned article reads as follows:

16B. The Board shall not deal with any demand made by either party to the lease, if the agreement, contracted after the entry into force of the Private Residential Leases Act, is not registered in accordance with article 4 of the Private Residential Leases Act:

The defendants produced a representative of the Housing Authority who declared that the lease agreement in question was not registered with the Housing Authority.

The applicant countered this plea by submitting that the nature of the lease in question was not a residential one as the defendants started renting out the property to third parties for short periods of time. In this regard the applicant

¹ Document HGH1 a fol. 9

² Document HGH2 a fol. 15

³ Dokument HGH3 a fol. 17

produced a number of reviews, which were publicly available, of guests who have stayed in the property in question.⁴ The applicant also exhibited adverts of the same property on the website airbnb.com.

The Board notes that whilst the property may have been leased to third parties for short-stays, the nature of the lease, as stipulated in the lease agreement, never changed. The use of the premises was limited to residential use. This use was not amended in the supplementary agreement notwithsdtanding that the defendants were given the right to sub-lease and re-let the premises. Hence, for all intents and purposes, the lease remained a residential one. Hence, the applicant should have registered the lease with the Housing Authority in terms of article 4 of Chapter 604 of the Laws of Malta and this within 30 days from signing of the agreement.

Hence, since the applicant did not register the residential lease agreement according to law, in terms of Article 16B of Chapter 69 of the Laws of Malta, this Board is precluded from dealing with the applicant's claims.

DECIDE

For the above reasons, the Board hereby accepts the first plea of the defendants and abstains from taking further cognisance of the requests of the applicant.

With costs against the applicant.

Dr. Charmaine Galea Magistrate

> Antonella Cassar Deputy Registrar

⁴ Document AB1 A fol. 92 et sequitur