

# The controversial captain

The life of developer and contractor

**Angelo Xuereb** is hectic and fraught with controversy. It is also a life he finds very satisfying. MARIO SCHEMBRI WISMAYER talks with this captain of the building industry

I ASK MR XUEREb how long he has been in the construction business. "28 years ago I started with very modest beginnings. I had been given Lm200 as a wedding gift. My father issued a life policy for me and I had to pay the premium and when I told my wife I owed Lm110 she said 'What?'"

"Then I told her that I was going to quit my job. I used to work with my father but I wanted to go into the construction business, which he never wanted me to do. I began to pave the way from before I got married but a week after my wedding I went my own way."

So what was the family business? "Developing. Not direct construction but real estate in the days before companies like Frank Salt. I was still at school during the boom but I followed in my father's footsteps. I was always with him. He even had a farm and I used to help him there too. I am used to hard physical labour."

I ask how he first got involved in construction. "As I told you, I had advertised for construction work before my wedding and a man from Sliema asked me to erect a room on his roof. This was the day after my wedding and the man shooed me out when he found I was a newlywed and that my wife was waiting downstairs."

"My first contract was a Lm200 pavement laying in St Anthony Street, Balzan for which I employed two people for two weeks. I had to struggle to ensure I got more contracts in order to pay them. At first I used to work alongside the workers. I got some jobs for retaining walls and within a year I began to land contracts of Lm5,000."

"My father kept opposing me over the first three years but after that he realised that I was doing well and he relaxed. I had even bought ready mix trucks and I was only the third person in Malta to do so at the time."

How much did a ready mix truck cost in those days? "Around Lm1,000 for a second-hand one."

Did Mr Xuereb always have the driving ambition that helped him get to where he is today?

"Yes. From when I was still very young, when people used to ask me what I wanted to do, I used to reply that I wanted to become one of the biggest businessmen in Malta. Later I realised that I wanted to get involved in construction and by 16 or 17 I knew exactly what I wanted to do."

"I used to love making plans, which, incidentally, is one of my hobbies."

I ask for his reaction to the statement that Malta is being over-developed. "This has been said over and over again. I remember how a 70-year-old architect once said that when he was still a university student an old architect had told him that he was wasting time studying architecture - Malta was already built up!"

"In the 60s Malta was badly dam-

aged by uncontrolled building practices. In the 80s there was another boom. However, construction brings progress because without buildings you can't develop. Building is one of the barometers of industry. If it slows down the effect is felt in the rest of the industries two years later."

"The Maltese construction industry is picking up at the moment, but it is always cyclical and after a period of development the government pulls in the reins. Unfortunately, politicians always realise a little too late and the tweaking of the industry happens a little after it's really needed. But it is very difficult to pick up these things quickly. It is easier said than done."

So doesn't Mr Xuereb think that Malta has reached a saturation point? "No. A lot remains to be done. I agree with MEPA in that we should limit activity to areas in which building has already been taking place."

"I am proud to say that I am developer. However, I also love the environment and, as such I am a firm believer in sustainable development. Construction will cause some local damage, but it is about keeping a balance. The land should be utilised as efficiently as possible."

"The Sliema front, for example, is a case of poor planning - the skyline looks like a broken denture. The concept of plot ratio basis was not properly used. In fact, only those living right on the front have a view. The same can be said for Bugibba and Qawra. Towers should be allowed to be erected in places like that because otherwise the pressure for buildings would increase elsewhere. Obviously you're not going to build towers in the middle of a village. We need to ensure that there is sustainable development. Don't forget that, in the long run, cheap is expensive and expensive is cheap."

"Maltese stone is so beautiful but we should use it more sparingly such as in cladding on frame structures. Architects are full of ideas for mixing different stone, yet all we do is build with the traditional *kantun*. We would be making far better use of our resources if we had to use our stone more sparingly."

I ask for Mr Xuereb's opinion on whether new building zones and projects should be limited. "Yes, I agree but you can't stop it completely because certain developments have



to occur outside established zones, such as schools. Prices are shooting up and will continue to rise. It is all about supply and demand but somewhere the lines have to cross."

"The government also has to address the problem of rent laws and vacant properties. Rent laws should be brought up to scratch over 20 years. A rental market would alleviate the pressure of building in new areas all the time. Renting makes sense because families can move according to their varying needs; as the family grows and eventually shrinks again."

But what can be done to better utilise vacant buildings, I ask? "Altering the rent laws should make a big difference. Half the empty buildings would be filled within five years if this had to happen. The situation is creating a very unfair state of affairs in that the people that rent don't have to worry about accommodation, while others have to sweat their guts out to make the money to build. This would force them to sac-

rific their standard of living while they save for a house. Meanwhile those that have rented accommodation have much more disposable income at their disposal."

"This can be redressed by saying that those who are renting buildings that are of a certain age have to have their rent upgraded. Millions would be released for development if the rent laws had to be upgraded."

I ask Mr Xuereb for his reaction when one weighs building against the cost to the environment. "This is the multi-million dollar question. You have to create sustainable development with less damage to the environment. This is very difficult and will involve a lot of sacrifice. Some damage is always going to happen - if you need an airport, for example, you have to build it. This is the biggest challenge that MEPA faces."

What are Mr Xuereb's views on MEPA? "MEPA was a greatly needed authority. . . I have had some permits pending with them for over 10 years such as the Duke of Edinburgh, Verdala and others - millions of pounds simply just lying there. With me they are not very fair but then again, other developers say the same thing as well. However, when I see developments being approved after just three months, I do become offended. It seems to be a case of two weights and two measures. I wouldn't mind if it were equal for everyone."

"Having said that, MEPA has great difficulties because there are many people within it who understand things differently and this has a bearing on your permit applications. You

get a different reaction depending on whose desk your application lands. Having said that, they have improved a lot recently, learning from their own mistakes. The Maltese people in general do not really know what MEPA does. They generate a lot of reports about which people have no idea."

"Another irony is that when you prepare a very detailed report, such as the one that I prepared on the golf course, you will not easily find people who will have read the whole report. So when people react to things like the golf course, they would not be well informed, yet they do not hesitate to air their views publicly, with all the damage that that can cause. Under some previous administrations the opposite was true in that people did exactly what they liked, but I'm not saying that this was a good thing."

I point out that the golf course has raised a lot of controversy. It would seem that the bottom line is that church property can only be developed for social purposes, which a golf course is not. What does Mr Xuereb think the final outcome will be?

"First of all, the agreement took place between the Vatican and the Government. When the agreement was signed a lot of lawyers were involved and there are many ways of interpreting this. There are clauses within it that say what has to happen if there is a lack of agreement between parties. There are whole paragraphs that specify what has to happen in the case of disagreement. Also there are areas of development

## On MEPA:

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# of the building industry

## Fact File

**Born:** 15.06.52

**Educated at** Stella Maris College

**Milestones:** The construction of the Suncrest Hotel in the political climate of the time

**Married to** Josephine

**Children** Richard, 27, Claire, 26 and Denise aged 17.

**Hobbies:** Golf, cycling, walking, boating and planning

that are actually touching the area being proposed. Does this mean that this land will never be developed? What will the picture be in thirty or forty years time? Will buildings go up around this land and never touch it? What about the fact that many properties of the joint office have been sold for development? One of my own developments is such an example! The Verdala was sold on a temporary emphyteusis.

"The micro enterprise scheme of Edwin Vassallo, for example, will actively utilise land of the joint office. Land should be used in the most profitable way possible – for the nation's benefit. If you have industry you're going to increase jobs and work, while a golf course will generate about Lm7 million a year and many families will find employment. So in that light the golf course does have a social dimension. The Verdala alone will employ 800 people. Golf will also upgrade tourism.

"About the agricultural aspect – it will remain an agricultural concern; after all, the course is made of soil and grass. Rubble walls would be fixed and thus stop the soil from running into the sea. One third of the area would be employed for the growing of vines, which is a better yielding produce. The farmers have been invited to form a co-op, keeping one third of the land to use to grow grapes – they would make more money this way than they are making now, which cannot be in excess Lm90,000 pounds a year. With viticulture the income would shoot up to Lm180,000 from one third of the land. I am saying that the farmers will make more money than they are now. One third of the land will remain free, which means that the framers who choose to will be able to keep the land. That means that those who have fragmented plots will be able to acquire consolidated property in compensation.

"I would even be in a position to actually implement the growing of vines on the land. I already have agreements with different concerns to take care of this. In Malta we can produce better wine than in Italy. We also have the advantage that our grapes ripen before theirs. Also, vines would make the summer look greener.

"Another viable money-making option is the growing of olives. In my young days we used to sell 100 kilos of potatoes for Lm100. These prices have hardly changed 30 years later; that is how hard the farmers'

lot is. They should concentrate on growing produce that renders higher profits. While carrying out an environment impact assessment on the area, we found that hardly any of the children of the farmers are likely to follow in the footsteps of their parents and that most of them are part-timers.

"Agriculture only contributes two per cent to the economy while tourism generates 40 per cent. It is obvious which is most important of the two. It's all about priorities and it's not as if I am going to be the sole beneficiary. The nation would be better off if this had to be implemented. There is also the question of the spin-offs that this would generate."

I ask if the project would still go ahead without the golf course? "No, not the hotel. Just the apartments and the health club. I don't want any white elephants. Without the golf course I would not be able to compete with the likes of the Radisson and others. A study that tried to identify a possible site for a golf course focused specifically on that area of Rabat. While I did not make it a condition of sale, I expected to be able to achieve this objective since so many reports had identified this area specifically for a golf course. Nine days after I had bought the hotel I submitted my plan for a nine-hole golf course."

Did Mr Xuereb achieve what he had set out to achieve as mayor of Naxxar?

"Yes. One of my main aims was to instil civic pride in the residents of Naxxar. I had everybody's support and managed this without knocking on people's doors to ask for votes. I promised no favours and I expected none. I stuck to my guns and when I was convinced that something was the right thing to do I went ahead and did it. Politics was not part of the equation.

"We created 18 public gardens in the six years that I was mayor. Schoolchildren were taken out to see the sights of their locality. I enjoyed it and I do not regret that I got involved. I devoted more time than I should have, to the point that I was a little careless with my own business. But once I commit for something I give it my all."

Couldn't the building waste dumped at Maghtab be put to better use? "I had tendered to handle to all building waste dumped there. I had also suggested that building material which is inert should be thrown into disused quarries, but this was not accepted because it might have damaged the water table. This is ridiculous since this waste material could be sorted and the different by-products could be put to better use. You could have a depot from where you could buy certain waste such as soil, rubble stones and what not. These different products could be used to produce different surfaces and effects.

"Just off Malta there is Hurd's Bank, which could be reclaimed. Land reclamation immediately offshore is not really possible due to the sheer drops that there are. However, an offshore island could be used to create a wind farm or a tank-cleaning farm. It could also be used to anchor fish farms."

What does Mr Xuereb think of the alternatives to Maghtab? "I would go for a different plan. Malta is small yet the volume of waste is huge. Maghtab, which



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today is a hill, was once a valley – that is the size of the waste problem. One solution would be to use plasma – this is a very hot burning process which would not emit pollutants because of the very high heat it uses. It is an expensive solution but health should always come first."

What happened to the underground transport system that he had once proposed?

"That involved a complete overhaul of the public transport system. You cannot have a system where people have to wait for longer than five minutes, otherwise they would just use their own cars. We could use a system circulating via tal-Qroqq, Valletta, Cottonera and the proposed business centre of Marsa. From each town you would have buses that would take you straight to the monorail. Later on one would add elevated monorail systems to expand the area that could be serviced.

"The idea was to create an integrated, efficient public transport system. You have to have the vision. Everyone said it was a good idea but

everybody thought it would be too expensive to implement – around Lm100 million pounds."

I ask what had become of the plan to develop the Salina coastline.

"The idea was to develop the coastal stretch from Splash and Fun to Salina. Croatia has a similar coast and it has been developed in such a way that the coast is maximised, with all the pointed rock being made user friendly. Private operators would be allowed to take care of the area. However, the then PA did not want to allow the development because of a certain lizard that lives there."

I ask Mr Xuereb for his vision of the future of the construction industry in Malta.

"It has suffered a lot recently and it is not organised. There is also a great lack of training and profit margins have decreased a great deal. The small contractors are giving the big contractors a bad image because they do not care about standards. Then you get companies like Scania that come in from abroad and win contracts. The government treats foreign companies very differently

from the way Maltese contractors are treated. If the government of the day does not create other opportunities in other sectors, the pressure will remain on building because so many trades are linked to construction."

What is the next big project in the pipeline?

"The golf course and Verdala. The passenger terminal of Valletta was also one of my big projects."

There were plans for a golf course there in the 70s, why is this fact not mentioned?

"There have been many studies and all of them earmarked the Verdala area, besides the other plans of the PA, which also confirmed the same site."

I ask if Mr Xuereb might be a little too confrontational in dealing with issues. "No, but if I know that I am doing the right thing I push on relentlessly. I mean I have been waiting for eight years for Verdala, nine years for the Duke of Edinburgh. I am definitely not confrontational!"

Any business mistakes? "Albania was a mistake. I should have researched that one more thoroughly."