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HOUSING
POLICY AND
TENURE TYPES
IN THE 21ST CENTURY
A SOUTHERN
EUROPEAN
PERSPECTIVE

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HOUSING IN PORTUGAL AFTER THE ECONOMIC CRISIS: CHALLENGES FOR A NEW POLICY¹

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Summary

1. Introduction. 2. The dynamics of housing supply in response to a changing demand. 3. The housing occupancy: owner occupied and the rental market. 4. The state-led promotion of residual and territorially concentrated housing. 5. Challenges to housing in the upcoming years. 6. Conclusion.

Abstract

Housing is a central element of citizenship and the right to the city. In current society, apart from comprising a key element to achieving the minimum threshold of human needs – vital to survival -, housing has progressively been called on to fulfil a varied range of decisive requirements for the populations quality of life. In the last decade, with the economic crisis, difficulties in the access to housing have increased, housing condition have not improved and the segmentation of housing types by different social classes has deepened. In Portugal, notwithstanding the considerable improvements achieved prior to the economic crisis regarding the decrease of housing needs, there are still many problems of a structural nature that need to be overcome. At the same time, new challenges have arisen in the last decade, some deriving from the crisis itself, others from the continuation of existing tendencies (such as population

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ageing) or the appearance of new urban dynamics (namely the pressure of tourism on the housing market). In order to understand the challenges that Portugal faces in terms of housing, this chapter will explore the housing dynamics of the last decades and identify the current issues. It will start by analyzing the dynamic of the housing supply when facing a changing demand. Then, it will be discussed how this dynamic influences home ownership in the face of the decline of rental accommodations. This will be followed by an analysis of the state-led promotion of housing. Lastly, the challenges for a housing public policy will be identified.

1. Introduction

Access to housing is a fundamental right for all persons. It is essential for the wellbeing of every citizen and an important factor in the economic growth of countries. However, in the majority of European countries, a considerable number of families is still deprived of a proper home. In the last decade, with the economic crisis, difficulties in the access to housing have increased, housing condition have not improved and the segmentation of housing types by different social classes has deepened.

Consequently, housing issues have become prominent in public policies. As the European Union has no jurisdiction over this field at a national level, national governments develop their own housing policies. In this context, many countries in Europe are facing similar challenges and needs: to renew or rehabilitate their housing stock; to increase the access to housing for youths or the more underprivileged; to increase the energetic efficiency of homes; and to promote a territorial planning policy that supports better housing quality.

In Portugal, notwithstanding the considerable improvements achieved prior to the economic crisis regarding the decrease of housing needs, there are still many problems of a structural nature that need to be overcome. At the same time, new challenges have arisen in the last decade, some deriving from the crisis itself, others from the continuation of existing tendencies (such as population ageing) or the appearance of new urban dynamics (namely the pressure of tourism on the housing market).

In fact, before the crisis, the increase of housing demand, the easiness to obtain housing credit and the profitability of real estate investments were closely associated to a permissiveness in territorial planning, namely expansive policies concerning the creation of infrastructures throughout the terri-

tory. All this led to an increasing urban expansion and the economy became strongly dependent on the construction industry. The bursting of the 'real estate bubble,' and the consequent deceleration of this particular sector affected other economic sectors strongly dependent on construction, particularly in the urban and metropolitan contexts where the majority of the population resides, including the most vulnerable, and where capital and economic wealth concentrate².

The strong austerity measures introduced during the crisis were mainly supported by the inhabitants who already lived over or close to the poverty line. However, they also led to the appearance of new vulnerable groups ('the new poor'), namely homeowners with housing credits or due back payments that were either retired, recently unemployed, or families living with only one salary. The access of these families to a proper home was seriously compromised, and in the extreme led to the loss of the home and the insolvency of the family.

It should be noted that the housing policy model followed in Portugal has focused essentially on the underprivileged families; a residual model³ that excludes the households with average incomes that cannot access the market, that is, to a proper home with a cost that can be supported by the family budget.

In the post crisis, the country faces a set of demographic, social, economic and territorial challenges, resulting from the existing social inequalities and the spatial injustices. Consequently, the needs public policies have to cater to, have increased both in size and complexity, as they need to addressed not only

² T.S. Marques, F.L. Matos, *Crise e vulnerabilidade social: uma leitura territorial*, in L. Lourenço, (coord.) *Geografia Paisagens e Riscos Livro de Homenagem ao Prof. Dr. António Pedrosa*, 2016, pp. 189-214.

³ F.L. Matos, *A Habitação no Grande Porto - Uma perspectiva geográfica da evolução do mercado e da qualidade habitacional desde finais do séc. XIX até ao final do milénio*, Tese de doutoramento, Faculdade de Letras da Universidade do Porto, 2001; N. Serra, *Estado, Território e Estratégias de Habitação*, Coimbra, Quarteto, 2002; J. Allen, J. Barlow, J. Leal, T. Maloutas, L. Padovani, *Housing & Welfare in Southern Europe*, Oxford, Blackwell, 2004; I. Guerra, N. Portas, A. Mateus (coord.), *Contributo para o Plano Estratégico da Habitação 2008-2013. Relatório 2 - Políticas de Habitação*, 2008; G. Antunes, *Políticas sociais de habitação (1820-2015): espaço e tempo no concelho de Lisboa*, Tese de doutoramento, Universidade Nova de Lisboa, 2017.

the housing stock itself but complementary services, so that quality of life of citizens and the attractiveness and sustainability of the territories can improve.

In order to understand the challenges that Portugal faces in terms of housing, this chapter will explore the housing dynamics of the last decades and identify the current issues. It will start by analyzing the dynamic of the housing supply when facing a changing demand. Then, it will be discussed how this dynamic influences home ownership in the face of the decline of rental accommodations. This will be followed by an analysis of the state-led promotion of housing. Lastly, the challenges for a housing public policy will be identified.

2. The dynamics of housing supply in response to a changing demand

The Portuguese housing stock presents several distinct characteristics, following the profile of the countries of Southern Europe. The families have a prominent role in the acquisition of housing: there is a predominance of owner occupied homes; the rental market is residual; there is a high number of vacant dwellings and of seasonal use; and there is an insignificant offer of public housing⁴.

The sociodemographic dynamic has strongly influenced the territorial distribution of the housing stock, but the family structures have also changed. The number of single person families has increased, and so have the number of couples without children and the families with just one parent, as the conjugal relationships gained greater informality⁵. The younger population is mainly living alone or as a couple, and the elderly are living more and more alone.

In the last decades, the number of dwellings has increased more than the number of families (Figure 1). The market evolved from a scenario of housing

⁴ FL. Matos, *A Habitação no Grande Porto - Uma perspectiva geográfica da evolução do mercado e da qualidade habitacional desde finais do séc. XIX até ao final do milénio*, Tese de doutoramento, Faculdade de Letras da Universidade do Porto, 2001; N. Serra, *Estado, Território e Estratégias de Habitação*, Coimbra, Quarteto, 2002; J. Allen, J. Barlow, J. Leal, T. Maloutas, L. Padovani, *Housing & Welfare in Southern Europe*, Oxford, Blackwell, 2004.

⁵ C. Aboim, K. Wall, "Tipos de família em Portugal: interações, valores, contextos", *Análise Social* 163 (2002), pp. 411-446; K. Wall, *Famílias em Portugal*, Lisboa, Imprensa de Ciências Sociais, 2005.

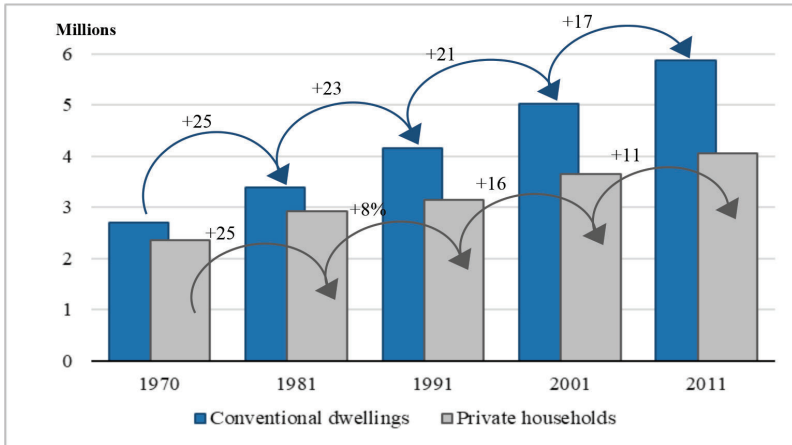


Figure 1. Evolution of conventional dwellings and private households (1970-2011).

Data source: INE, Recenseamento da População e Habitação (1970-2011).

shortage to a scenario of a high number of derelict dwellings (Figure 2). Nonetheless, the spatiality of these phenomena is not always coincident:

- The growth rate of the number of dwellings has been considerable in all regions of the country's littoral, particularly in the corridor between the Minho-Lima and the Setubal Peninsula; and to the South in the Algarve. These are also the regions that have registered a greater growth of the number of families. Therefore, vacant dwellings are a consequence of the large number of new dwellings that have been built and inserted in the market.
- In the regions of the interior of the country, the growth rates of the number of dwellings were positive, but the number of inhabitants and the number of families have diminished. Therefore, vacant dwellings are a consequence of a regressive socio-demographic dynamic.

The increase in the number of dwellings is also expressed in the growth of dwellings of seasonal use (an increase of 23% between 2001 and 2011), which result both from the acquisition of homes for self-use, and the expansion of the offer for the tourism market. In relative terms, the Algarve and the interior of the country appear most prominently (Figure 3). The Algarve is in fact the region

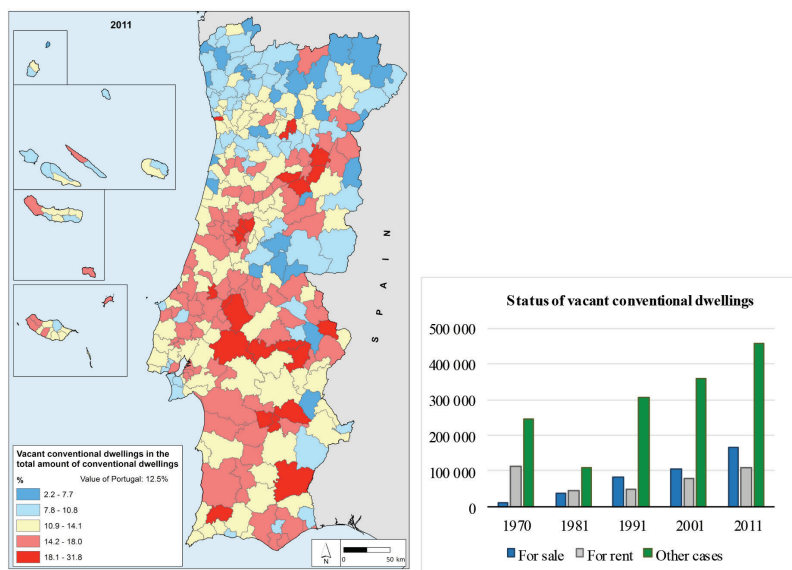


Figure 2. Proportion of vacant conventional dwellings, by municipality (2011) and status of vacant conventional dwellings (1970-2011).

Data source: INE, Recenseamento da População e Habitação (1970-2011).

with the greatest increase, in absolute terms, of secondary homes from 2001 to 2011 (an increase of 42,946 dwellings). This tendency reflects the impact of the tourism activity in the construction industry and in the housing market.

Today, Portugal is witnessing a process of population decline that will have impacts on the housing market. The demographic projections for the next decades foresee a decline of the resident population, a decline in the average size of private households, and an increase of the elderly population⁶. These tendencies will have implications in the housing demand, particularly in the most vulnerable areas. It is not foreseeable that the high number of derelict dwellings will be occupied, particularly those that are located in rural areas. The population ageing is related to an increase of the number of elderly living alone, to the loss of the mo-

⁶ INE (2014), *Projeções de População Residente 2012-2060*.

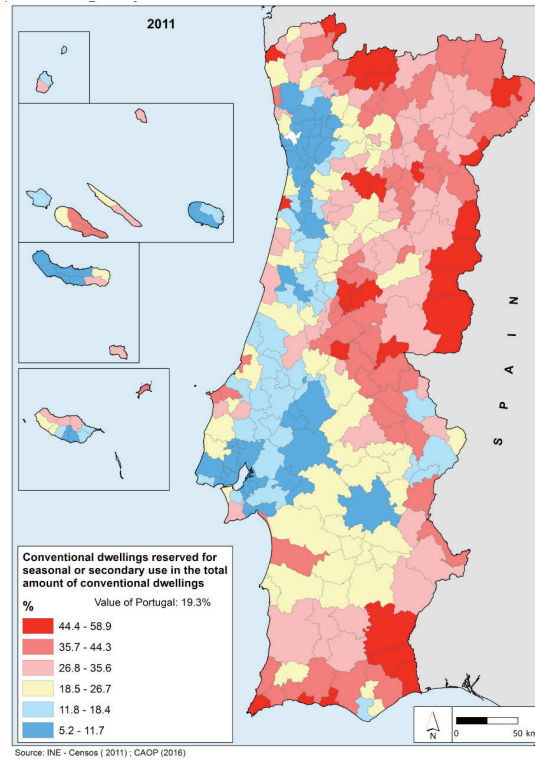


Figure 3. Proportion of conventional dwellings reserved for seasonal or secondary use in the total amount of conventional dwellings, by municipality (2011).
Data source: INE, Recenseamento da População e Habitação (2011).

bility potential of an increasing number of citizens, and to the need of adapting the homes to the new types of residents.

The adjustment of the housing market to the demand will imply a greater equilibrium between the supply of dwellings, the number of families and the diversity of the family models. The greater changeability in the composition of families, associated to a potential increase in the residential mobility according to the employment market, should generate a greater flexibility in the housing market. However, the rental market, more easily adaptable and flexible to the individual and family options, remains with a weak expression.

3. The housing occupancy: owner occupied and the rental market

The dynamic of the construction industry has particularly privileged the metropolitan and urban contexts, as well as some municipalities in the littoral of the country, and has been dominantly set on new construction and the owner occupied market (Figure 4). In 1981, 56,6% of dwellings were owner occupied, but in 2011 this number was 73,2%.

Before the economic-financial crisis, family savings were strongly channeled to first and second homes, as they were a safe investment and an attractive financial application. Families benefited from a subsidized credit rate for permanent housing⁷, and between 1987 and 2011, 73% of the State support was destined for subsidizing the purchase of own homes. The amount spent on programs for promoting social housing (14,1%), supporting rentals (8,4%) or rehabilitation (1,7%) was considerably inferior⁸.

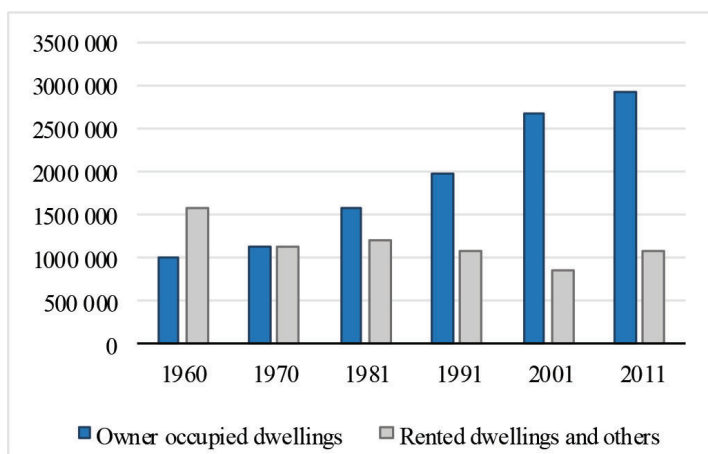


Figure 4. Family dwellings according to the type of occupancy (1970-2011).

Data source: INE, Recenseamentos da População e Habitação (1960-2011).

⁷ The subsidized credit rate for new housing contracts ended in 2002 (Law n° 16-A/2002, of May 31st, Article 5). It was only prolonged for proponents with ages over 18 and bearers of a proven handicap with a degree of incapacity equal or superior to 60%.

⁸ IHRU (2015). *1987-2011- 25 anos de esforço do Orçamento do Estado com a habitação*. Available in: <http://www.portaldahabitacao.pt/openscms/export/sites/porta/pt/porta/publicacoes/estudos/Esforco-do-Estado-em-Habitacao.pdf>.

The easiness of access to bank credit set in motion a wide-scale indebtedness of Portuguese families. In 2001, 43% of home owners had housing loans of an average monthly value of € 395. This value has since increase around 36%. The home is therefore not entirely owned, as a significant part of Portuguese homeowners was and is still paying mortgage to banks. Nonetheless, it is also true that the housing assets are steadily increasing in value, thus allowing for important increases in the value of the patrimonial assets of families.

During the austerity period, housing incomes considerably dropped, and banking debts lead to the insolvency of a great number of families. With the crisis, the allowance of housing credit stagnated, as the criteria for acceptance became more demanding. The vulnerability of owners to banking loans and varying interest rates, along with the retraction of economic growth and of available family incomes, lead to the stagnation of the purchase and sale housing market.

Recently however, the market was witnessed a recovery, much related to foreign investment⁹. In fact, the number of contracts of purchase and sale of properties, in 2015, registered an increase of 17% in relation to 2014. This was due to the increase of the average value of buildings (rural or urban) transacted, of 82 thousand euros in 2014 to 87 thousand euros in 2015 (+6,8%). Property sales to foreigners increased 21% in number and 14% in value from 2014 to 2015. In that year, 7,5% of properties were sold to foreigners (14% of the total value) of which 8% had a unit value above € 500.000 (40% of the total value)¹⁰.

On the contrary, the rental market practically does not exist (Figure 4). It has been diminishing since 1960, with serious implications to families and investors. In 2011, rented dwellings corresponded only to 11% of the total amount of conventional family dwellings. Therefore, on one hand families cannot access the ownership market, particularly those with lower incomes, and have no viable alternatives in the rental market. On the other hand, the inexistence of a rental market has negative impacts on the mobility of the population, particularly those with working age. For owners and investors,

⁹ This investment is due, in part, to the fact that Portuguese authorities attribute special visas of residence in Portugal for investment activities to citizens from countries outside the EU, if they acquire real estate assets with a value equal or superior to 500 thousand Euros (article 3rd of Law 29/2012 of August 9th).

¹⁰ INE, *Estatísticas da Construção e Habitação*, 2016.

the prolonged processes of rent freezing¹¹ have created the perception of low profitability in this market, and a progressive disinvestment in the maintenance of buildings and dwellings, leading them to dereliction. Faced with the strong investments in the home ownership market, the rental market was not able to become sufficiently attractive, because rent values were comparatively higher than the monthly payments of housing loans to banks.

It is also important to stress the impact in the rental market of the recent rise of tourist demand for temporary lodging in the cities of Lisbon and Porto. A great number of dwellings have been diverted from the rental market for residents to the tourism market, with the consequence being an increase in the prices of rented dwellings. According to the latest data from INE (2018)¹², the average renting price of the new renting contracts for family dwellings in Portugal has been € 4,39 /m². The Metropolitan Area of Lisbon (€ 6, 06/m²), the autonomous region of Madeira (€ 5,15/m²), the Algarve (€ 5,00/m²) and the Metropolitan Area of Porto (€ 4,5 8/m²) all present values above the national average.

As previously mentioned, in Portugal the renting market is small. The touristic demand has had important impacts in the rehabilitation of a large number of residential buildings, increasing the dwelling offer in the market. However, local lodging establishments have proliferated, which also heavily contributed to the rise in housing prices. Therefore, public policies need to regulate these processes, contradicting phenomena of specialization that drive residents away from city centers.

4. The state-led promotion of residual and territorially concentrated housing

Article 65 of the Portuguese Constitution recognizes housing as a fundamental right, because all "have right, for themselves and their family, to a home of proper size, with hygiene and comfort conditions that preserve personal

¹¹ The freezing of rents was instituted at a national scale after 1974 and was maintained until 1985. The liberalization of the rental market – only for new contracts – was only implemented in 1995. It was only with Law 31/12 (the New Law for Urban Renting) in 2012 that the unfreezing of rents finally occurred.

¹² INE, *Estatísticas de Rendias da Habitação ao nível local – 2017, 2018*.

intimacy and family privacy” (Constitution of the Republic, 2005, paragraph 1 of Article 65). However, Portugal does not have a National Law on Housing, which could provide, by developing the constitutional precepts, a more appropriate legal framework through a set of principles and general rules for guiding the subsequent laws and the performance of public and private powers. On the contrary, the Portuguese system is characterized by the existence of a set of laws and programs only approved to respond to specific and urgent situations and with a strong dependency on the budget available. A long term vision is thus not guaranteed.

Portugal has had some policies that were considered innovative and pioneering, such as the program SAAL¹³, launched after the revolution of April 25th 1974; the support programs to housing cooperatives (which had an important role in the production of controlled cost housing between 1976 and 1995) and the first national program in support of rehabilitation (PRU, Dispatch n.º 4 /SEHU/85 of February 4th 1985). However, only in 2007 was a Strategic Plan for Housing published (in this case for the period between 2008-2013) which would never be approved. In 2015, it was followed by the National Housing Strategy for the period of 2015-2031 (Resolution of the Council of Ministers n.º 48/2015, of July 15th) which due to the economic crisis and the subsequent austerity policy had very little expression.

Recently the Portuguese government has launched a New Generation of Housing Policies (NGPH- Resolution of the Council of Ministers of October 4th, 2017)¹⁴, which defines a set of measures concerning the social housing offer, as well as the promotion of the rental and rehabilitation market. Cur-

¹³ SAAL (Local Service of Ambulatory Support) had as main goals the recovery and renovation of buildings through the involvement of the resident population. The residents were organized in various associations so that, with technical support, they could self-construct and reconstruct their homes. SAAL was an innovative process, as the population had an active participation in the construction process (Portas, N. (1986). O processo SAAL entre o Estado e o Poder Local, *Revista Crítica de Ciências Sociais*, n.º 18/19/20, pp. 635-644; M. Coelho, “Uma Experiência de Transformação no sector habitacional do Estado SAAL - 1974-1996”, *Revista Crítica de Ciências Sociais*, 18/19/20 (1986), pp. 619-634).

¹⁴ Secretaria de Estado da Habitação (2017) - Nova Geração de Políticas de Habitação. Resolução do Conselho de Ministros, de 4 de outubro de 2017.

rently, the National Assembly, by initiative of the socialist party, is developing a new Basic Law for Housing Policy.

Considering the national context so far described, the most socially vulnerable families have had great difficulty in accessing the housing market, and the public policy has chosen to allocate social housing dwellings to suppress the most pressing housing needs. However, as previously discussed, the state-led promotion of social housing is residual, representing only 2% of the housing stock, and the investment is likewise insignificant, representing 16% of all the investment made between 1987 and 2011¹⁵.

With the economic crisis and subsequent austerity, the budget allocation to public housing policies diminished year by year or even vanished, at the same time that quality of life conditions and the incomes of many family households diminished.

The liberalization of rent values carried out from 2012 onwards with the approval of the new law of urban rents created an additional pressure on some families, which took a greater toll in urban areas along with the attractiveness of new economic sectors, local lodgings and the external real estate demand, as previously mentioned. The inequalities in the access to housing increased and affect not only the most vulnerable, but also the medium classes.

Between 1985 and 2005 the state built around 61 thousand dwellings of social housing; an average of 4 thousand dwellings per year¹⁶. Between 2001 and 2011, the number of dwellings owned by the local public administration (public companies and municipalities) registered an increase of 51,1% and 47,1% respectively. In contrast to this tendency, the number of lodgings belonging to the central State (autonomous public institutes) and non-profit organizations diminished by 38%.

The state-led offer also stagnated in the middle of the economic crisis. Between 2012 and 2015, the number of dwellings was kept almost constant (an

¹⁵ IHRU, 1987-2011- *25 anos de esforço do Orçamento do Estado com a habitação*, 2015. Available in: <http://www.portaldahabitacao.pt/opencms/export/sites/porta1/pt/porta1/publicacoes/estudos/Esforco-do-Estado-em-Habitacao.pdf>.

¹⁶ I. Guerra, N. Portas, A. Mateus (coord.), *Contributo para o Plano Estratégico da Habitação 2008-2013. Relatório 2 – Políticas de Habitação*, 2008.

increase of only 0,1%). In 2015 there were 120 thousand dwellings of social housing located mainly in the two metropolitan areas of Lisbon and Porto, in some medium sized cities, and also in the autonomous region of Madeira (the area with the greatest number of social housing dwellings per thousand inhabitants; 21.4)¹⁷ (Figure 5).

In 2015, 35% of poor families lived in unacceptable situations and were facing the risk of losing their mortgages¹⁸, 11% of people living in poverty also had severe housing needs and almost 10,3% lived in overcrowding conditions. According to the NGPH (2017) report, the percentage of families with an overload of monthly expenses with housing is 35%, which represents over one third of families. The lack of social housing capable of facing these demand needs and the waiting list often lead to the overcrowding of homes.

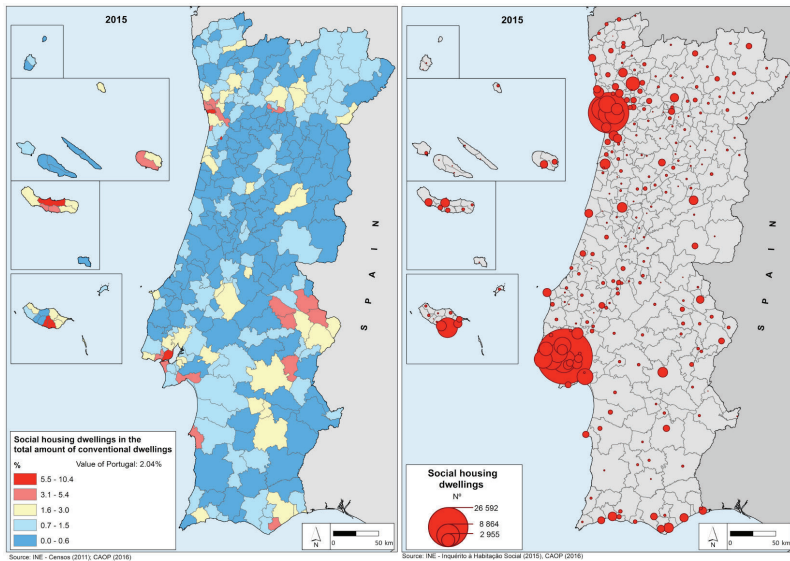


Figure 5. Social housing dwellings, by municipality (2015).

Data source: INE, Inquérito à Caracterização da Habitação Social (2016).

¹⁷ INE, *Inquérito à Caracterização da Habitação Social em Portugal – 2015*, 2016.

¹⁸ A. Pittini *et al.*, *The State of Housing in the EU 2017*, Housing Europe, The European Federation of Public, Cooperative and Social Housing, 2017, Disponível em: <http://www.housingeurope.eu/resource-1000/the-state-of-housing-in-the-eu-2017>.

At the same time, the concentration of social housing in specific urban contexts created real social ghettos, great geographical concentration of social housing where extremely socially vulnerable population reside (unemployed, beneficiaries of the Social Integration Income, low salary workers, people with little studies and migrants, mainly from the former colonies).

According to the latest data available¹⁹ here are 25.762 families that have clearly unsatisfactory housing conditions. There is a strong concentration of housing needs in the Metropolitan Areas of Lisbon (54%) and Porto (20%), which displays the scope of the social vulnerability of some families, despite the Special Rehousing Program (PER, created in 1993 but not yet completely finished)²⁰ having already acted in these areas (Figure 6). However, in relation to the nineties, there has been a reduction of housing wants in Portugal (around 39% of the total registered by PER). The most predominant type of want in the metropolitan area of Lisbon is the existence of shacks and other precarious constructions (45,42%), whilst in Porto is the number of dwellings without proper conditions in consolidated or derelict urban contexts (70,28%). This difference represents the territorial specificity of housing needs and the localized existence of certain types of occupation, such as the so called ‘islands’²¹ in Porto.

¹⁹ IHRU, *Levantamento Nacional das Necessidades de Realojamento Habitacional*, 2018. Available in: https://www.portaldahabitacao.pt/opencms/export/sites/portugal/pt/portugal/habitacao/levantamento_necessidades_habitacionais/Relatorio_Final_Necessidades_Realojamento.pdf.

²⁰ This housing program, created in 1993 (Law-Decree 163/93 of May 7th) had as the main goal to eradicate shacks and other precarious lodgings in the two metropolitan areas of Lisbon and Porto, and relocate families to controlled cost housing until the year 2000. Since 2009, as a result of the massive budget cuts the Portuguese state had to perform, the budget available to execute the remainder of program PER has also been cut. This problem persists to this day.

²¹ The *ilhas* (islands) are small houses (mostly built from the XIX century until the 1960s), usually with only one floor and around 16 m² of private area, distributed in rows along the backside of plots of middle class homeowners, located near the city center. The access is made through a narrow central (or side) corridor that has a direct connection to the street. Although a number of *ilhas* have been demolished over the years, they still remain part of the city fabric.

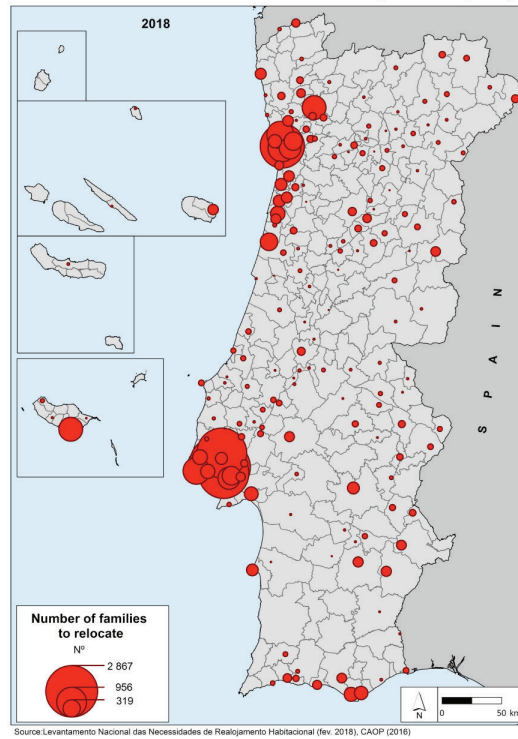


Figure 6. Number of families to relocate, by municipality (2018).

Data source: IHRU, Levantamento Nacional das Necessidades de Realojamento Habitacional (fev. 2018).

In the past, public policies have chosen to increase the offer of social housing, instead of a social policy for housing aimed at solving the problems of persons or groups with specific wants. Besides, the policies have not directed the housing market to develop an offer more aimed at a diversified demand, namely to the social classes with lower classes of income.

Currently, the management of the public housing stock faces challenges at various levels, both in terms of urban rehabilitation and social developments, and in term of financial management. The urban regeneration projects of underprivileged communities should imply the development of programs of urban integration which promote social justice and environmental sustainability.

5. Challenges to housing in the upcoming years

Considering what so far has been discussed, it should be recognized that in the upcoming years the population ageing, the climate changes and the shortness of public resources will have an impact that should be taken into account in terms of housing policies. The municipalities are responsible for managing the territory in these terms, and hence they are better positioned to develop an integrated housing policy. This policy should contribute to the containment of land-use, the reinforcement of building rehabilitation, and to a greater balance between supply and demand, where housing, proximity services and urban mobility should be integrated.

Ageing will determine the increase of the number of citizens with ‘reduced mobility’, a group to which housing conditions constitute one of the fundamental elements of quality of life. According to data from 2011, 59% of the population with 15 or more years of age who has difficulty in performing daily chores due to health or age problems, lived in buildings with three or more family dwellings without elevator, and 62% lived in buildings which had an entrance not accessible to wheelchairs. If we consider that the population over 65, of which a considerable number has mobility handicaps (half of them has some sort of handicap) we can estimate the pressing need to adjust housing to the characteristics of a population that is growing older and has more problems of locomotion.

Climate changes²² constitute yet another important challenge to housing policies. Of all EU Member-States (Figure 7), Portugal is the country where there is the greatest amount of population, in terms of percentage, with difficulties in maintaining the house warm during the winter. Almost half of the Portuguese population (46,6%, in 2012) lives in these conditions against an EU-28 average of 12,9%. If we consider the population living in a context of severe material deprivation, these values rise to 70%. Data from 2015 (EU, 2016), indicate that 23,8% of the population has difficulties in maintaining the house warm (almost three times than in the remaining countries of EU-28). This is even more alarming when we consider the reality that, in Portugal, there are

²² A. Monteiro (coord.), *Plano Metropolitano de Adaptação às Alterações Climáticas da Área Metropolitana do Porto*, AMP, MAPIS, FLUP, 2018.

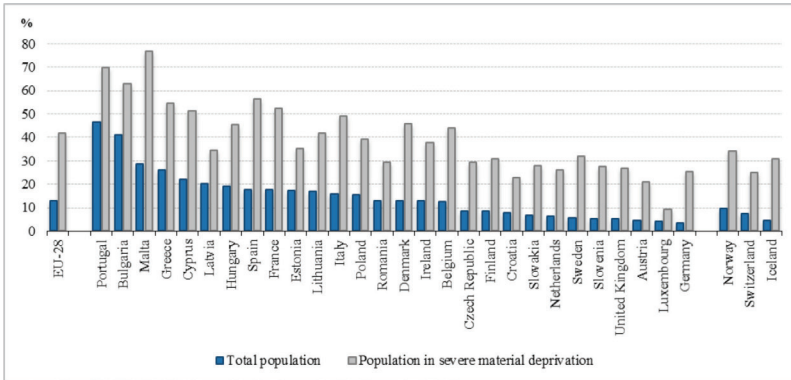


Figure 7.Percentage of the population that does not live in a home with thermal comfort during the winter (2012).

Data source: Eurostat 2012 ad-hoc module 'Housing conditions' (HC060).

more deaths from cold than from heat. The notion that because Portugal has a Mediterranean climate, dwellings have appropriate thermal comfort all year around is erroneous. The low energetic efficiency of homes is a consequence of the low construction quality and the incapacity of families to be able to make investments in these domains, as these are only profitable in the medium or long run.

Public policies have to continue to give special attention to the most vulnerable social groups and keep a close watch on the levels of poverty and the different forms of exclusion. In this sense, public policies should be oriented in various directions:

- Focus on the urban regeneration of the main concentrations of social housing neighborhoods (the social ghettos, designated in the Portugal 2020 Program as 'underprivileged communities'), thus promoting a better urban integration;
- Reinforce the programs aimed at citizens that have financial difficulties in accessing the rental housing market, namely the youths. With the economic crisis and the increase of job instability, many youths had to return to their parent's home, contributing to the increase of housing overcrowding. Besides, family projects are put on hold, namely having children, causing demographic impacts;

- Promote the rehabilitation of rented housing, occupied by the socially vulnerable groups of the population, through a policy that fosters controlled costs' rehabilitation.

The public policy for housing must have as a main goal the solving of the people's problems, in a wider context of the Policy for Cities and Territorial Planning, in which the physical interventions are an instrument at the service of the construction of urban spaces of social cohesion, but also of economic competitiveness and environmental quality. It is essential to create conditions that guarantee to all citizens not only a proper home (public or private) but also quality of life and social wellbeing.

6. Conclusion

In order to satisfy the existing housing needs, as housing is a constitutional right, the State has to find, according to the principles of subsidiarity, the resources and the mechanisms that allow the access to housing at the proper time, place and cost suitable to the most vulnerable social segments or those with limited solvency in relation to the market supply.

The housing needs have changed. These changes translate, in quantitative terms, in various effects with different impacts, that range from changes in income of the Portuguese population to the drop of the real cost of credit and the interest rate regimes. Other changes are more qualitative and relate to the changes in ways of life and the composition of families. Territorially, the scenarios are distinct. In the historical centers of larger cities (where renting dominates), the elderly population, with small incomes, is facing rent updates, building dereliction, and the competition from local lodgings and foreign investment. In some urban contexts, the concentration of low quality social housing, destined to the most vulnerable social segments, implies urban disintegration and social exclusion. In rural areas, the demographic abandonment resulted in the increase of the number of vacant dwelling and the housing isolation of the more elderly.

For economic, but also social reasons, the supply associated to the free market shifted from the rent regime to almost exclusively the purchase of own homes, with significant impacts particularly in the indebtedment of families, but also in the reinforcement of their patrimonial assets. The residential and tour-

istic attractiveness of some urban areas may expel the current residents and compromise residential quality, so this should be taken into account in the processes that are under way.

The direct public offer of housing, central or municipal, is insufficient (coinciding with the withdrawal of the interest rate regime), hindering the access to housing of population segments with fewer resources, plus the young or the relocated (as a consequence of the mobility associated to searching for job opportunities). The public offer, in its various forms, should be reinforced in order to promote a greater balance between the simple stimulus of low cost housing and a greater concern with social and urban integration. That is, we should move from a policy directed at the classic 'social housing neighborhoods' to a supply based on the existing housing available in the consolidated city, thus contributing to a greater regeneration and social cohesion of the urban environments.

However, the means to satisfy current housing wants is subject to strong pressures which in the Portuguese society are:

- a housing market with difficult access considering the life conditions of a significant percentage of families, hindering the access to a proper dwelling;
- the access to housing represents a very heavy financial burden to certain groups with special needs, namely the elderly population with low incomes, and the most socially vulnerable (citizens without education, unemployed and the needy);
- dwellings are improperly fitted to the needs of special groups, being that families and the persons with special needs have to support a large share of the costs associated to readapting their dwellings;
- public policies, like private initiatives, have privileged programs of new construction instead of rehabilitation;
- public policies haven't provided enough dwellings for medium and low income families, and have not supported enough the renting alternative;
- instability in the system of housing provision, and unnecessary complexity, bureaucracy and absence of control over the current public policies for housing;

- insufficient quality and dereliction of housing in many areas of the country, and a supply unsuited to the strong migratory attractiveness (both in some rural and urban areas).

Therefore, it is important to develop Local Housing Programs that may integrate principles of territorial planning, contribute to a better equilibrium between demand and supply of housing, and consider, in residential areas, the location of proximity services intent on promoting autonomy and wellbeing of the residents, namely the elderly and the most socially vulnerable. Public space intervention and mobility programs are paramount in the processes of urban integration. The housing policy should be a policy of proximity. These programs should be developed along with the population and with distinct actors, through processes of civic participation which contribute to the construction of a smarter and more collaborative territorial management, in order to reinforce overall quality of life.