

Turning the back at housing

Real estate developers and investors look forward to the conclusions adopted by the Council of Ministers that took place last week to address exclusively the subject of housing. The situation is serious, affects the Portuguese citizens, specially the lower classes and young people, and the APPII, Associação Portuguesa da dos Promotores e Investidores Imobiliários, believes that it is urgent to create measures that answer the housing crises.

But, as Shakespeare said, it was much ado about nothing. In this case, in the face of the expectations around the subject, the announced measures do not solve the housing problem in Portugal. On top of insufficient, they exclude the creation of new houses, which is the most important measure, from our perspective, to tackle this issue.

The housing crisis requires a long term regime pact. The successive announcements of changes to the legislation that provide no confidence for investors, specially for foreign investors. The first step to start to deal with this problem is to create conditions to stabilise the rental regime. The measures that were disclosed yesterday do exactly the opposite, we only see compulsive measures, compulsory works, mandatory renting. All these concepts undermines the trust of those who were still thinking about investing in renting in our country.

Furthermore we notice the absence of measures and incentives to new construction. Except for amendments in municipal licensing procedures, no measure was disclosed that promotes placing more new construction in the market. It is worth remembering that, last year, we built only a third of the 2008 construction, when the economic crisis started. Also, of the 170 thousand transacted houses in 2022, only 11% were newly built, thereby demonstrating the lack of new construction in the market. Only these

measures can truly provide a medium to long term solution for the housing problem in Portugal.

Similarly, no measures fostering house purchase by young people were included, not even measures aimed at favouring green/sustainable housing. A wasted opportunity

We are particularly concerned with the assault on tourism and foreigners in the disclosed measures to "free" local accommodation houses.

Diminishing tourism offer shall result in a reduction of external demand that will seriously impact the national economy and in an attack to the economy of the cities themselves, commerce and urban rehabilitation in our country." Now, the proposal concerning mandatory rental of vacant properties truly is an attack to private property that will do nothing to further investors trust.

Ending the grant of new Golden Visas is mind-boggling, specially when no study was forwarded to justify this decision. The decision is rash and harms the efforts to attract foreign investment and, consequently, entry of wealth in Portugal. Between 2012 and 2022 the investment drawn to Portugal in this way amounted to EUR 6.7 billion, created new jobs and brought a positive contribution to help us overcome the previous crisis. Even in 2022 the programme attracted more than EUR 650 million. It is incomprehensible how can one end such an important programme without an impact assessment, when the numbers demonstrate exactly the opposite to these measures: in 2022 the "Golden Visas" amounted to 0.6% of the total transaction volume, 1000 transactions for "Golden Visas" in a global framework of 17 thousand houses sold".

Finally, I stress once more that real estate developers and investors want to be part of the solution and are fully available to invest in building new houses as soon as the minimum requirements therefore are met, specially measures releasing from the brutal tax burden currently levied on housing.

It is time to finally face this problem with courage!