

Are we really going to have more houses?

There is currently no doubt that housing is one major problem in our country, a true obstacle to progress. I must say that for many years APPII has been drawing attention of different entities to this problem. However, so far, no ruler had truly looked into this issue and, even though I largely disagree to the measures in the "Mais Habitação" package, in fact this is the first step to face the problem, although I still believe this is not the required and ultimate step to take.

Therefore, and quite immediately, the issue is raised: will these measures disclosed by the Government effectively bring more houses for the Portuguese citizens? And give back such a basic right as housing to the people?

Although I wish I hadn't, I have no doubt that this problem is the result of a decades long absence of public policies encouraging housing promotion for sale or rental. The truth is, the measures in the "Mais Habitação" package are nowhere near solving the housing crisis, nonetheless I admit that some of the measures may prove to be advantageous for the national economic development in general and specifically for the Portuguese citizens. I here recall the measure Built to Rent that - if it happens to correspond to a well devised programme - might answer to a large portion of the housing problem. By creating a compromise solution between the State and private investors, the idea of built to rent allows to place in the market, within a short time period (lets say three years just as reference, provided we also benefit of swift licensing, which is fundamental), dwelling units built, designed and set up specifically for affordable rental market, in which the investment is taken over by private entities by closing a contract with the State.

I stand by the idea that building to rent may, in fact, be part of the solution, and for that it is important to regulate it in a simple way ("keep it simple") with clear basic implementation parameters and the investors are open to this.

By streamlining rental construction licensing procedures, a huge step is taken towards effectively creating more housing. Undoubtedly, it would be advantageous to give priority to licensing for new constructions to boost the investment that was applied in those and, thus, allow us to put in the market the required houses.

The construction of new dwelling units is also connected to the financing issue. With the increasing raise in construction costs, I think we are also in dire need of funding lines with the guarantee of the State and that can be managed through banks or the Development Bank. This solution may also find leverage through equity financing with Golden Visa investors, just like in hospitality industry. In this way we can draw more foreign investors to build new dwelling units in Portugal in the scope of this package that are rental oriented and, partially, for instance, affordable renting.

Both cases stated above prove that the parties can dialogue and that only this way it is possible for all the parties to join forces and bring more housing to the Portuguese citizens. Since February the APPII has been holding talks with the Government, thereby bridging the gap towards our associates to overcome the housing crisis. We have been reaching great progress, small victories I would add. Our goal is to stay on this path, provided the conditions are met and there is political courage to proceed to do what must be done, so that Portugal shall effectively have more housing!