

### **How can AI help in placing more new houses in Portugal?**

Google Bard, Google's AI, Portuguese speaking Chatbot was recently launched to compete with ChatGPT. I have been checking this subject for some time now, specially how the technology evolution might impact our life.

Right now I cannot answer my own provocative question in the title of this article. But I trust that this technology, as other technologies developed over time, will surely help to process more information with a most radical swiftness and also help in the creation of new products and solutions for the real estate industry.

Lets go back to Google Bard... The curiosity settled and I decided to ask a few questions, which answers I share here - as they were presented to me - by Google Bard on July 18th, 2023.

#### **Question: Why don't they build more houses in Portugal?**

Answer:

"There are several reasons why there aren't more houses built in Portugal. Some of the main reasons include:

- It is difficult to obtain construction permits. The procedure to obtain construction permits in Portugal is often lengthy and bureaucracy-riddled, thereby discouraging real estate developers from building new houses.
- Rising costs in construction. Residential construction costs in Portugal have been rising in the past years due to an increase in the construction materials and labour costs, as well as taxes.
- Lack of land for construction. The lack of land available for construction is a growing problem in Portugal, specially in the major cities.
- House demand increase. House demand has been increasing in Portugal in the past few years due to economic growth and immigration.

All these factors have been contributing to increase housing prices in Portugal, thereby making it more difficult for low income families to be able to have a home.

#### **Next question: What is required to build more houses in Portugal?**

Answer:

"There are several steps that can be taken to build more houses in Portugal. Some of the key measures include:

- Simplify the procedures to obtain construction permits. The procedure to obtain construction permits in Portugal is often lengthy and bureaucracy-riddled, thereby discouraging real estate developers from building new houses. The Government can simplify this procedure by making it more efficient and transparent.
- Lowering construction costs. Residential construction costs in Portugal have been rising in the past years due to an increase in the construction materials and labour costs, as well as taxes. The Government may reduce these costs by offering tax incentives to the real estate developers and private individuals who build new houses.
- Make more land available for construction. The lack of land available for construction is a growing problem in Portugal, specially in the major cities. The Government can make more land available for construction through partnerships with private entities or construction in public land.
- Encourage housing construction at affordable prices. The Government can encourage housing construction at affordable prices by offering tax incentives to real estate developers willing to build houses at affordable prices. The Government may also create social housing programmes, that supply houses at affordable prices to low income families.

These measures may help to increase housing supply in Portugal, thereby contributing to lower houses prices and making it easier for low income families to be able to have a home."

#### Findings:

Google's AI tool summarised the housing problem in Portugal under four items and managed just as easily to draw some solutions. I believe there is no point in commenting the thoroughness, detail or possible redundancy of the answers, but rather that the factors giving rise to the housing crisis in Portugal are clearly identified, so that they can be immediately listed by such a tool.

The question that still has no answers is, unfortunately: How to overcome the housing crisis in Portugal? I believe there are no true and efficient answers and, those that are already known, are still a project or a plan. It is urgent to tackle this problem, which is probably the most relevant social, economic and political problem our country is currently experiencing.