

2024: What kind of housing do we want in Portugal?

By this time of the year it has become a cliché to make plans with predictions flooding many mass medias' opinion notes, and, in this space, shall I also abide by this rationale? Yes, specially because, despite seemingly a mere incident, it is crucial for the future to look into the expiring year and draw as many lessons as possible so that we can plan ahead, organise and guide more efficiently this coming year.

So, while we make the countdown to 2024, we are also making a countdown to another pivotal point in our country, another moment of parliamentary elections. Simultaneously, it is also time to extensively reflect about how we want to look into housing matters from now on, and which actions are we willing to assume in order to alter the critical reality that has been settling in Portugal.

Throughout the year, we, APPII, have been assuming that the scarcity of dwelling units is undoubtedly the root of the problem, the supply deficit in the face of the demand naturally entails an increase in housing prices, thereby hampering the existence of houses that the Portuguese citizens can afford. Now, this carries us to a simple rationale: build more for more affordable houses. Why are we not doing it yet? Because, in truth- and this is the reality- the measures already taken are still not enough. These lack incentives, more simple licensing proceeding and a suitable tax burden...

While the context looks challenging, the APPII considers that there are motives to face 2024 with hope, expecting that it represents the much needed turning point for housing in our country. For that, there must be a serious commitment between the public and private sector to approach key issues that feed the housing crisis. The attention paid, at a political level, this year to the issue marks an acknowledgement of the pressing need to act, which was positive indeed. But we need more: More initiatives that strive to boost affordable and sustainable housing construction, because these are major steps in the right direction.

It is important no to lose sight of other aspects that the APPII has been advocating as being crucial for the future cities. Here, it is essential to consider a sustainable development of urban areas together with an intelligent urban planning, which might not only relieve the pressure on the real estate markets in the metropolitan areas, but also create more equitable and resilient communities.

But, getting back to the moment of reflection, I wonder: which challenges did we experience in 2023 and want to see solved in 2024?

Regarding challenges experienced this year, the APPII highlights the uncertainty towards the government position in the face of the housing crisis, and whether we will have a government in favour or against real estate investment. It is most important to understand that real estate production in our country shrank in this past decade. It has been meeting and shall certainly meet at the beginning of the new year, several obstacles which I allocate to three major pillars: firstly

the instability and legislative unpredictability, the sluggish licensing proceedings and the excessive and complex tax burden. Here, it is relevant to mention also the hostile environment towards investors. All this combined with breakthroughs and setbacks in governance measures, which precludes the birth of new projects, thereby delaying, naturally, the progress of the industry.

What do we want to settle in **2024**? This whole housing crisis in our country. For that it is necessary to start building the solutions, "place the first stone) and never start to "build the house from the roof down". The solution for the problem lays in the base: More construction, for More Housing at affordable prices. I would say that it looks simple, but it has proved a true herculean effort. We shall cautiously wait for the new year, but hoping for a good government with good decisions!