

Are we going to solve Portugal's housing problem? Yes or not?

On the verge of a new elections, issues connected to our country's structural problems are always raised. However, sadly, one of the essential goods contemplated in the Portuguese Constitution has been left lagging behind the expectations and needs of the Portuguese citizens: Housing.

Actually, never before has there been so much talk about housing as in 2023. We saw new major steps being taken, such as the urban licensing simples, however these were not enough to solve the housing problem, because there is only one way to take and this is to swiftly put on the market more new houses.

Housing has been present in the media agenda and, as such, naturally became one of the touchstones of most electoral programmes. **From among all the produced programmes, one must understand which are the proposals to tackle this scourge. Taking a pragmatic look at the problem, I think that it is positive that the programmes include private initiative as part of the solution. We have always been available to contribute with our means and knowledge to tackle this issue.** Here one must pay attention to who suggests public-private partnerships to boost large scale construction and rehabilitation capacity; who provides a solution based on public land and properties use for housing; who stands by the reversion of the Mais Habitação measures that turned out to be wrong, such as, for instance, forced renting, rents freeze, extraordinary levy on local accommodation and expiry of local accommodation permits issued before the programme.

The tax burden on construction is also included in the agenda. Here I believe that it is crucial to change the VAT rate from 23% to 6% for new construction intended for affordable sale or renting. Urban planning Simplex, even though it came into force in March, is yet to be fully settled and, therefore, still is suitably present in a few programmes (there is still much to do), specifically advocating a reduction of time and obstacles to housing property licensing. Let's not forget that the longer a property waits for a license, the more costly it becomes. Another key measure suggests the elimination of the municipal property tax additional (AIMI).

The creation of the Built-to-rent regime is reflected in at least two electoral programmes, a truly constructive measure for housing in Portugal. The common focus in this approach stresses the need to increase the housing stock, to supply more houses at lower prices. Simple logic: law of supply and demand, that is where we find the key to start solving this problem. **Building more houses under the correct legal and tax environment.**

I also agree with proposals that foresee youth support, one of the population segments that struggles the most to access housing, for many young people the first house is just a dream. Therefore, I believe in tangible measures: public guarantee that facilitates bank loans covering the full price of the first house for young people, including IMT and Stamp Tax exemption also for this group.

The question we should ask is whether we want to perpetuate the path we have already been taking for years without solution. A closer look into, for instance, the narrative of the solutions put forward by the governments during the past decade allows me to state that in general it is quite ideological and vague, in truth many of the measures are not enough. Insists in perpetuating the solution from the demand perspective, failing to encourage a more significant placement of more houses in the market. Finally, it tends to punish instead of boosting confidence in the market, for fewer costs and more houses.

All measures announced might be feasible in theory, but if we do not have a 10-year transitional regime and a regime's pact ensuring stability and confidence in the market, isolated measures will be completely worthless. I just leave here a reflection: Do we want proposals that effectively and actually address the problem of access to housing in Portugal? Yes or not?