

### **Housing: Madrid, setting an example**

We should always highlight good examples for what they represent and for everything we can learn with by them. What I am sharing focus on the *Comunidad de Madrid*, where I was hosted last week by the *Viceconsejero de Vivienda, Transportes y Infraestructuras da Comunidad de Madrid*, José María García Gomez and the *Directora General de Vivienda y Rehabilitación*, María José PiccioMarchetti Prado, who, in turn, will be our guests in the next edition of the COPIP – the Large Conference on Real Estate Development in Portugal, that will be taking place in June of this year. This was a thrilling visit as I was able to testify in the field the good results and the success that the autonomous community of Madrid is managing to implement to deliver more houses to the population at affordable prices.

The *Comunidad de Madrid* put in place several measures to face challenges connected to housing to make more affordable. One of the key initiatives was the *Plan Vive Madrid* aiming at improving access to housing through several programmes and initiatives. Amongst the main steps of the *Plan Vive* are promotion for construction of new housing units at affordable prices, support for old buildings and degraded areas rehabilitation and supply of subsidies to rent, buy or rehabilitate properties.

**One important feature of the *Plan Vive* is its comprehensive approach, striving to involve different players, such as the regional government, municipalities, private sector and the civil society.** This allows for an effective co-operation to face the different aspects of the housing problem, from supply of detached houses to the regulation of the real estate market and protection of the tenants' rights. Besides this, the *Plan Vive* also includes specific steps to face the needs of vulnerable groups, such as young people up to 35 years of age, elderly people, low income families and disabled people. It is expected to impact 13,000 tenants. In terms of economic development, it is expected to create 14,000 direct jobs, 28,000 indirect jobs with an impact in the GDP of EUR 2,400 million.

The concrete actions announced by *Plan Vive*, which I find most relevant, foresee expansion of the urban perimeter for house building; provision of public land for house building under public-private partnership schemes, through lease; with concession contracts; and in the field of licensing very interesting tax programmes are being prepared to encourage, beyond any doubt, affordable housing construction targeting above all a reduction of licensing time.

This is a plan that has been delivering good results, which are worth an attentive look. Note that in only three years (as of launching *Plan Vive*) 8,000 homes for affordable rental are already under construction, of which more than twenty were already delivered to the new tenants. More construction, simply through the law of the market (raising the supply to face the demand) is able to naturally lower the prices (or limit its increase). The key, also for Portugal, as I have been saying, lays specially in *Built to rent*.

Casting an attentive look, we understand that the issues experienced in our neighbour country are not much different from those experienced in Portugal as regards to housing. Therefore, I defend that we must learn with good examples, check the best of what is being done on behalf of more and affordable housing. In this case it is evident that we should follow Madrid's good example, demonstrating that it is possible to build more to have cheaper houses.