

Housing: we cannot wait four years...

A new strategy, a paradigm shift is a quite positive stance. But we need urgent measures that truly make the pointers move concerning more houses that the Portuguese nationals can afford! Before the new housing strategy – "**Construir Portugal**" – announced by the Government I notice a paradigm shift in the approach to the housing problem in Portugal. We shifted from an demand centered analysis to focus on the supply. And, as I have been saying, the problem mainly lies in the supply, therefore I believe that the perspective of this new strategy is most suitable.

Despite that, I must highlight some measures that are crucial for the Portuguese citizens and that are scheduled only for the end of the legislative period. That is why I must alert: **four years is too long, housing cannot wait that long, the Portuguese citizens cannot wait four more years to aspire to decent accommodation at a price they can afford.** We are talking about time, or the lack of it in this case.

And that's precisely what we must focus on: the need for an urgent and speedy action. The Government considered the housing issue in Portugal as a "National Emergency" and I would not find better words. But we must also search for an similarly urgent response. And that's were the question arises: are the announced measures sufficient to provide the urgent response that the nation and the Portuguese citizens require?

Lets take a look. Firstly, **immediate VAT reduction for 6% rate applicable to new houses should be prioritised.** This measure has the ability to promptly increase housing supply and, simultaneously, cut construction costs, positively impacting the properties' market value.

Other positive and consensual measure in the housing industry is the programme **Simplex Urbanístico**, which deployment is also urgent. We cannot wait 90 days for its revision. The placement of more houses in the market is urgently required. The revisions must be limited to minor corrections and cause no regressions or additional delays in licensing proceedings, which would be unacceptable before the urgency of the housing situation.

Another factor that will certainly contribute for increasing the number of houses in the market lies in rental. For that it is crucial to **increase trust in the rental market.** How? The 2% limit to rent increase in contracts transition and enforcement of automatic contract renovation for a minimum 3-year period must be canceled. These "flawed measures" from the "Housing Package", that only brought about less and more expensive rental houses, still scare the owners and must be repealed to reestablish the trust necessary to allow more properties available for renting.

Briefly, although some measures show potential, it is urgent to adopt swifter and more decisive steps. Construction VAT reduction, prompt implementation of Simplex

Urbanístico and creation of a rental friendly environment are three steps that I consider critical to face the housing crisis we are experiencing in Portugal and thereby tackle the needs of the Portuguese citizens, since I am sure that four years is to long to wait...