



Jornal Público (12.05.2021), Hugo Santos Ferreira

### Let's discuss housing

The first Advisors meeting of the Conselho Nacional da Habitação (National Housing Council) took place and APPII had the honour to attend it. Hope this is a good omen and a foreshadow that the subject will finally be addressed in a serious and reflected way, checking all legitimate stakeholders; and specially that all documents and initiatives coming out from it may actually bear fruit, considering the several housing "packages" created until now eventually turned out to be just small, hollow boxes, failing to present any visible, actual content, affecting specially the Portuguese families, who still have no decent house to live, suited for their abilities and needs.

The array of legislation on housing created until now is insufficient in many aspects, and this is made evident by the absence of any impact in the national housing market, specially because it lacked the necessary impact studies, market research, and because no one listened to the stakeholders, associations, companies, businessmen, professionals and other persons who take part of the housing "ecosystem" in every aspect, in new building and rehabilitation, as also in sale or renting. Thus, the creation of this National Council has at least the merit of listening to all stakeholders, allowing space and time for everyone to speaking up, and this is rather positive for now.

For our part, we declare that APPII and real estate promoters are engaged in achieving this national goal, that is elimination or mitigation of the housing deficiency in Portugal, and look forward to enable more and more projects to build homes for the Portuguese.

On the other hand, we also noticed with joy, the creation last week of the Housing Municipal Council of Setúbal, in which APPII is Permanent Adviser. Congratulations Setúbal, for this step. It is a sign that it is not just for the Central Government to worry about housing, but also for the municipalities, who should get actively involved, both in advance and later on, in addressing this countrywide problem, that is the shortage of housing supply and consequent high real estate prices.

This is the basic issue. **The largest problem under the subject housing has to do with, indeed, with the rising prices, and the main reason for this arises when the demand exceeds the supply.** That is where we have to work, always on the supply side and not

on the demand side, as one tried to do until now to no avail. Quite on the contrary. Take Berlin for instance. Here the rents of buildings prior to 2014 were frozen, favoring only who already lived in those houses and triggering a huge increase in rental prices for the remainder apartments, and a huge decrease of the supply. Big mistake.

We must focus on rising the supply and for that it is urgent to offer more raw material (buildings for rehabilitation and plots for building), and the State must "play along", offering its vast public property for sale to private entities to a limited extent, dedicated to affordable housing and affordable renting; with simple, clear programs allowing the development of economically sound projects, which has not happened yet. But one must also boost the development of vacant urban public land, in order to raise the supply of land in those centers under more pressure due to the shortage and consequent rising prices. We must also keep reducing time and streamline urban planning licensing, otherwise the "product" becomes scarce and, consequently, more expensive. We must also to create an investment favourable environment, with an attractive and durable legal and tax framework, possibly aiming to create a legislative and tax, parliamentary and cross-party regime's pact (I know, this is difficult to reach in the current politic context, but we cannot stop demanding that from out politicians for the good of our country and our people, whom should be served by them) stable, trustworthy, and, specially regarding renting, allowing investors to finally believe in our country's legislation and legislative practice, hugely discrediting Portugal as an investment destination. Finally, we must improve our justice's turnaround time and action.

With the proper public measures we will achieve a large investment attraction; **as occurred with urban rehabilitation since 2014**, in which the State had no need to apply one Euro. Thus, besides most certainly solving the housing problem once and for all, we will still have a strong boosting and economic recovery drive for our country in a post-pandemic context.