**REPLY OF PORTUGAL TO THE QUESTIONNAIRE ON HOUSING FINANCING POLICIES AND PROGRAMMES BY THE SPECIAL RAPPORTEUR ON ADEQUATE HOUSING AS A COMPONENT OF THE RIGHT TO AN ADEQUATE STANDARD OF LIVING, AND ON THE RIGHT TO NON-DISCRIMINATION IN THIS REGARD PURSUANT HUMAN RIGHTS COUNCIL RESOLUTION 15/8**

**Question 1: Is your country promoting finance policies or programmes aiming to enable access to homeownership and/or other affordable housing by the poorest segments of society, by providing credit through financial institutions (public, private or quasi-private)?**

Yes. The Portuguese Government has been adopting and implementing various policies and programmes in this regard, among which the Relocation Programmes (PROHABITA[[1]](#footnote-1) and Special Re-Housing Programme - PER[[2]](#footnote-2)) and the Programme of Solidarity and Support for Recovery Housing (SOLARH)[[3]](#footnote-3). These Programmes are indexed to household income and are aimed at an audience with limited economic returns.

Reference should be also made to the relevant role of housing stock owned by the Institute for Housing and Urban Rehabilitation (IHRU)[[4]](#footnote-4), in supporting families with low income.

The National Action Plan for Inclusion (PNAI) following the European Strategy for Social Protection and Social Inclusion for 2008-2010 defines a set of objectives for the area of housing.

1. **Please indicate whether these policies or programmes involve public subsidies, tax exemptions or other public financing.**

Yes, they do.

The Institute for Housing and Urban Rehabilitation (HRU) manages the following financial assistance programmes:

* **PER and PER-families** - specific re-housing programmes, launched in the 1990’s. These programmes aimed at re-housing population living in slums and effectively led to the end of slums in Portugal’s two major cities (Lisbon and Porto);
* **PROHABITA** – a national programme that finances and grants housing solutions for families with housing difficulties.

PROHABIT envisages meeting the following objectives laid down in the abovementioned National Action Plan for Inclusion (PNAI) for the area of housing: 1) Promoting cost-controlled housing within Cooperative Promotion. 2) Reinforcing retrofitting. 3) Constructing or transforming buildings into social facilities in social housing neighborhoods. 4) Proportionate direct financial support to family households so as to ensure their re-housing in case of natural disasters or emergency situations. This programme also enables municipalities to construct, buy, rehabilitate or rent houses.

* **RECRIA** – a rehabilitation programme to support, through the grant of public incentives, upkeep work and the improvement of degraded real estate and dwellings.
* **SOLARH** – a programme intended to finance, through interest free loans, works and improvements to permanent own housing and vacant housing owned by individual or public entities, common parts of buildings included;
* **Door 65** – Youth –grants young people from 18 to 30 years old, direct subsidies to access the rental housing market. This programme envisages meeting the following objectives laid down in the abovementioned National Action Plan for Inclusion (PNAI) for the area of housing: i) promoting rent controlled housing for young people (from 18 to 30 years); ii) promoting housing benefits and mobility, making available public and private property for direct or mediated rent through housing stock; iii) Management and proximity: supporting the management of the public rental stock by establishing contracts with local authorities previously certified; iv) Supported housing (Cohousing): promoting a support instrument to entities which rent collective housing for population groups with permanent or temporary specific needs.
* **Housing Comfort Programme for the Elderly (PCHI)**: Improves the basic residential and accessibility conditions of the elderly in partnership with Municipalities.

**-Other measures:**

* *Reduction of the Maximum Municipal Property Tax “IMI”*: reduction of the maximum municipal tax from 0.8% to 0.7% for “not recently avaluated” property and from 0.5% to 0.4% for “recently evaluated” property within CIMI.
* *Extension of the exemption period for residential urban buildings or apartments*: from 6 to 8 years (until 157.500 Euros); from 3 to 4 years (between 157.500 and 236.250 Euros).
* *Increase of expenses with housing in tax deductions (rates and amortization*).(amendment of Art. 85 of CIRS)
1. **Please indicate whether these policies or programmes involve the participation of one or more following international finance institutions:**
* **International financial institutions (Word bank Group, International Monetary Fund, etc.)**
* **Regional development banks (IDB, ADB (Asian), ADB (African), etc.)**
* **International private financial actors (commercial banks, investments funds, etc.)**

**PROHABITA** programme involves the participation of the European Investment Bank.

1. **Please indicate the period of time during which these policies and programmes have been implemented.**
* PER and PER-families – launched in 1990’s.
* PROHABITA - implemented since 2004.
* RECRIA – launched in 2000
* SOLARH – created in 1999
* Door 65 – Youth - created in 2007.
1. **Please indicate whether these programmes have been developed or implemented as part of recovery measures in the context of the global financial and economic crises that started in 2008.**

The programmes mentioned above were implemented in another scenario, but in the context of the global financial and economic crises, the Government (through Decree-Law nº 103/2009, dated 12th of May), created a special credit line for the protection of «permanent own housing». There are some conditions that must be respected in order to benefit from this credit:

* applicants must be borrowers of credit for housing (intended for acquisition, building or rehabilitation works), independent of the system of credit;
* contracts must have been signed until 19th of March 2009 (included);
* borrowers, or at least one in the household, must be unemployed for at least three months.

This facility is provided by the Directorate General of Treasury and Finance, responsible, during up to 24 months, for a grant of 50% of the monthly amount of capital and interests owed by the owner.

In this context, the Government created, as well, the Investment Fund for Rental Housing (FIIAH), an aid measure to support home ownership families with money difficulties This scheme allows families to sell their houses to an Investment Fund, with whom they celebrate a rental contract, with option to buy back the property later on (at least till 31/12/2012).

**Question 2: Please provide any available assessment of the impact of such policies and programmes on the housing situation of the poor or other categories of beneficiaries.**

**PER** and **PROHABITA**: the number of interventions in housing has increased significantly from 1 962 in 2005 to 4 000 in 2008.

**SOLARH**: In 2007 and 2008 IHRU granted loans amounting to 3 Million €, having an impact on 300 housing units.

**Doorway 65**: between 2007 and 2008, 9 499 applications were approved, benefiting 13 670 candidates.

**Specifically, please provide the following data:**

1. **The percentage of population living in informal settlements before and after the implementation of these policies.**

Under the PER, since 1993, 29 Accession Agreements have been concluded between the Central Government and Municipalities of metropolitan areas of Lisbon and Porto, for the re-housing of 48.416 households. The present execution rate amounts to 71%.

1. **The percentage of households with access to improved sanitation (including in rural areas) before and after the implementation of these policies;**

Data not available

1. **The percentage of population with access to electricity (including in rural areas) before and after the implementation of these policies.**

Data not available

**Question 3: Please also provide information on programmes or policies concerning construction of public housing for sale or rental in the country (including private or public housing). Please describe any significant reforms or developments in this sector over the last Thirty years. Please provide (in annex) any relevant documents, laws, regulations or policies.**

We can emphasize the period of low cost housing promotion, which started in 1976 and had an expressive continuity during some years. Low cost housing assumed an important role as a support tool to the personal, family and social development of the residents and the respective neighbourhoods and local communities.

Nowadays housing policy is more directed to rental and rehabilitation markets than to new construction.

1. The Decree-Law n. 135/2004 of July 3rd creates the PROHABITA program [Financial Program for Housing Access]. Later on the new Decree-Law n. 54 n/2007 of March 12th deepened its coverage of precarious housing situations. [↑](#footnote-ref-1)
2. The Special Re-Housing Programme was launched in 1993 through Decree-law 163/93, and was amended by Decree-Law no 271/2003, 28th October, with the objective of eradicating slum dwellings in the metropolitan areas of the two biggest Portuguese cities, Lisbon and Porto. [↑](#footnote-ref-2)
3. *SOLARH* ***– Aiming at***  helping older persons the Program SOLARH finances in the form of an interest-free loan, upkeep works and improvements to permanent own housing and uninhabited housing owned by individual or public entities, including common parts of buildings. [↑](#footnote-ref-3)
4. http://www.portaldahabitacao.pt/pt/ihru/ [↑](#footnote-ref-4)