

PORTUGAL

Recent data on homelessness

There is no official data on homelessness at national level in Portugal. Nonetheless, work is ongoing to consolidate and standardise the data collected at local level by the entities responsible for the national strategy to fight homelessness (ENPISA).

In 2009, a study by Portugal's Institute of Social Security identified 2,133 homeless people on one night in Portugal, of whom 922 were sleeping rough (ETHOS 1.1), 1,088 were in emergency accommodation (ETHOS 2.1), 43 were in institutions (prisons or mental health centres (ETHOS 6.1 and 6.2)) and 80 were in uncategorised situations. 63% of all people surveyed were in Porto and Lisbon. 82% were men, 82% were Portuguese nationals, and more than 60% were aged between 30 and 40 years. 28% had drug addiction problems, 19% suffered from alcoholism, and 11% had mental health problems.

In Lisbon, according to a flash survey held on one night in 2015 by the responsible for social action in Lisbon, 431 people were counted on the streets and 387 were in night shelters (ETHOS 1 and 2). In Porto a one-night survey carried out in 2013 showed that 300 people were sleeping rough and 1,300 were counted in temporary accommodation.

Housing market situation in Portugal

In Portugal, 74.7% of the population own their own home (37% with an ongoing mortgage or property loan, 37% without an outstanding mortgage) and 25.3% are tenants (13% at market price, 12% free or at a reduced rental price).⁴⁶ This is one of the highest rates of property ownership in Europe and is a result of generous government aid since the 1990s. The social housing

Total population on 1 January 2017:
10,309,573 people

GDP/resident in 2017 (purchasing power parity – Index: EU 28 = 100): 77

Number of homeless people known: 2,133
homeless people in one night in 2009.

Percentage of poor households: 18.3%

Sources: Eurostat/EU-SILC 2017 & FEANTSA

sector is very limited, standing at about 3% of the market as a whole and 16% of the rental market.

The 2008 recession had a major effect on the Portuguese property market with purchase prices falling dramatically between 2007 and 2009, and again between 2010 and 2014. Prices started booming again from 2014 and their increase was among the strongest in Europe in 2018 (9.5%).⁴⁷ The demand for housing, from both domestic and international sources, has increased rapidly: between the third quarter of 2016 and the third quarter of 2017, the total number of residential transactions increased by 23% and the value of these transactions increased by 34% on the same period, reaching EUR 4.86 billion.⁴⁸ Transaction costs are cheaper in Portugal than in other European countries and there are no restrictions on ownership for foreign investors, which makes the Portuguese property market very attractive to these buyers. Specific incentivising measures have been established to attract foreign investors: the government committed to issuing five-year residency permits to non-EU nationals who buy a property for a minimum value of EUR 500,000; the permit enables the bearer to work or study, to travel in the Schengen Area and to apply for permanent residency after five years. In 2017, a new wealth tax⁴⁹ applicable to high-end property owners

46

Eurostat/EUSILC, 2017.

47

<http://www.theportugalnews.com/news/portugal-on-track-for-biggest-property-price-rise-in-europe/46741>

48

Statistics Portugal, January 2018, available at https://www.ine.pt/xportal/xmain?xpgid=ine_main&xpid=INE

49

Adicional Imposto Municipal Sobre Imóveis (AIMI).

(property valued at over EUR 600,000) was introduced and this has had an insignificant impact on the luxury property market. The rate of vacant properties in Portugal is among the highest in Europe. In 2011, 32% of conventional dwellings were unoccupied (i.e. vacant or only for seasonal/secondary use) across the country which is more than one in four homes not being used as such.

The recession also had a significant impact on construction activity, which declined by 90% between 2007 (65,650 housing units built) and 2014 (6,785 housing units built). There have been signs of recovery in recent years, but the level is still far from sufficient to meet growing demand. Mortgage interest rates have been in continuous decline since 2012 and are currently exceptionally low (1.017% in November 2017). The Portuguese mortgage market is extremely sensitive to interest rate changes. According to the European Mortgage Federation (EMF), more than 93% of new mortgages taken are set at variable interest rates or an initial fixed period that is less than one year. Despite this, property loans have been falling since 2011.

Between 2008 and 2010, evictions due to non-payment of rent have increased by about 9.7%. A law was passed by the government in August 2012 in order to offer protection and extra rights to property owners;⁵⁰ this law introduced fast-track rental evictions, and a clause suspending existing five-year rent controls thereby liberalising rental contracts. This 2012 reform of the rental market was one of the conditions of getting the national bailout (that followed the 2008 recession and amounted to EUR 78 billion) from the IMF, ECB and the European Commission. Following the measures imposed by the Troika, there were many cuts to social supports – unemployment benefits, minimum wage and more specific benefits such as

those provided to lone mothers – which meant a section of the population quickly became more vulnerable.

In principle, Portugal adopted for the first time, an integration through housing approach within its framework for the national strategy for integration of homeless people (ENIPSSA) for the period 2017-2023. It affirms that people should not stay in temporary accommodation for long periods and that permanent housing solutions must be found. The implementation of this strategy now must be put into practice. Housing First initiatives are also being developed in Portugal. In Lisbon, a partnership programme launched in 2009 has produced excellent results: in 2012, 85%-90% of the 65 residents with mental health problems were still in the housing given to them at the outset of the project⁵¹.

50

For more, see <https://www.globalpropertyguide.com/Europe/Portugal/Price-History>

51

FEANTSA's Country Profile for Portugal 2018, available at: <https://www.feantsa.org/en/country-profile/2016/10/19/country-profile-portugal?bcParent=27>

● **Key statistics on housing exclusion and changes between 2007 and 2017**

General population			
Indicator	2017	2007-2017 change	2016-2017 change
Housing cost overburden rate	Total: 6.7% Poor: 26%	Total: -9% Poor: +18%	Total: -11% Poor: -11%
Total cost of housing (€ PPP/month)	Total: € 255 PPP/month Poor: € 210.8 PPP/month	Total: 0% Poor: +27%	Total: -2% Poor: -9%
Mortgage/rent arrears	Total: 3.6% Poor: 8.7%	Total: +16% Poor: +32%	Total: 0% Poor: +7%
Overcrowding	Total: 9.3% Poor: 17.7%	Total: -42% Poor: -17%	Total: -8% Poor: -11%
Severe housing deprivation	Total: 4% Poor: 9.3%	Total: -47% Poor: -31%	Total: -18% Poor: -18%
Experiencing difficulty in maintaining adequate household temperature	Total: 20.4% Poor: 38.9%	Total: -51% Poor: -40%	Total: -9% Poor: -9%
Young people aged between 18 and 24 years			
Indicator	2017	2007-2017 change	2016-2017 change
Housing cost overburden rate	Total: 9.1% Poor: 26%	Total: +36% Poor: +18%	Total: -4% Poor: -11%
Children under 18 years			
Indicator	2017	2007-2017 change	2016-2017 change
Overcrowding	Total: 15.8% Poor: 30.7%	Total: -32% Poor: -20%	Total: -7% Poor: -6%

Price indicators (housing cost overburden rate, total housing costs) remain below the European average in Portugal, despite more than one quarter of poor households being overburdened by housing costs and an increase between 2007 and 2017 of the number of households in arrears.

The Portuguese population remains particularly vulnerable to a form of fuel poverty – that of having financial difficulty in maintaining adequate household temperatures – although the percentages fell between 2007 and 2017.

