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THE EFFECTS OF RENT CONTROL IN LISBON

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Abstract: I study the rent market and the effects of rent control in Lisbon with a review on history of rent market laws and the unsuccessful rent actualizations, where the rent market represents 48% of the occupied dwellings, with old contracts representing circa 70% of the rented, with an estimated gap between old and new contracts of 394€, according to a model based on the type and date of contract and other characteristics for each Lisbon Borough. Central borough presents high levels of old population and deterioration while Lisbon is reducing its housing park and population.

Keywords:

Rent Control, Asset Pricing, House Market

I dedicate this work to my family, friends and colleagues that always supported me.
I've to thanks to my advisor and the people who kindly helped me in Instituto Nacional de Estatística, Direcção Municipal de Conservação e Reabilitação Urbana and Confidencial Imobiliário

I. General Overview

I study the Residential Rent Market in Lisbon, the most know city in Portugal and which is the typical case of an ancient town strongly facing the consequences of the rent control effects and perversions, such as outdated and very low levels of rent, with an estimated difference of 394€, population fixation, reduction and aging of the population, with more than 65 years old representing 24% of the total population, lack of buildings' maintenance, 55% of buildings needs maintenance, expropriation of property rights, lack of rent units' supply an increase current market values, with the population pushed to own a house instead, about 12 percentage points more from 1991 to 2001 while the landlord and tenant's relation was even seen as fight interests, instead of a conjugation of them. The rent market regulation was revised in 2005, with dwellings reevaluations and easing in evictions by lack of payment trying to solve the old low rents problems, but without great results, landlords doesn't have the enough incentives to take the rent updates since it could represent more taxes, expenses obligation to do the maintenance of the building in change of phasing rent updates, up to 10 years. The strongly limiting and controlling laws, imposed since the early of the century, as rent price limits, max actualization coefficients, eviction forbiddance, intended to be temporary laws to regulate and stabilize the house market during the First War, as were applied in many other developed countries, but consequently extended in Portugal, which together with many changes in the direction rent laws, as political instability, depreciation of the Portuguese currency and periods of high inflation, brought a serious imbalance, inequity and inefficiency in the Portuguese house rent market, especially for Lisbon and Oporto

where the rents were frozen for longer periods, a problem with a difficult overcoming, whose extensions and effects are even felt nowadays¹.

For Portugal, to extend of my knowledge, there is any relevant literature or studies regarding this question, they are mainly about population and demography as studies from INE or about urban planning. So the purpose of this work is to present revealing data and show the deepness of the problem, analyzing the population, the rent market structure and the evolution of the rent market in Lisbon, studying the gaps in prices and house allocation, revealing indicators of misallocation, market and people stagnation and establishing a relation between the evidence of rent control and its indirect consequences, as far as possible for each distinct borough, and build a database with relevant data for the proposed analyze.

The data is very limited, without any series of micro studies regarding urban house market, being restricted to the decennial census of population and housing from INE and also some series of indicators but without the geographic division needed and just for a few space of time, without a direct relation with the individual/families and theirs characteristics and the dwellings rented/owned where they live, the close approximation its by boroughs, with main data from the 2001 census.

II. Literature Review

Rent control is any imposition or restriction to the rent market causing impendance to attain the efficiency in detriment of another objective, as could be the transference of

¹ Accordingly to the data of European Community Household Panel (ECHP) 1994-2000, European Quality of Life Survey 2003 and 2007 (Portugal have high owing the dwelling percentage and low rent the dwelling percentage) and number eleven of the preamble of the Decree-Law n° 321-B/90 of 15th October which establishes the old RAU (Urban Rent Regime) now revoked by the Law n.º 6/2006 of 27th February which establishes the NRAU (New Urban Rent Regime)

the market's surplus to the other party or to regulate some temporary market's disturbance. Richard Arnott (1995) refers two types of rent control the "hard" or "first generation" taken during the periods of war which are the nominal rent freeze and the "second generation" that are "soft" but complex with allowable rent increases and regulated conversion, maintenance and relations.

Miller, Benjamin and North (2009) exposed the cases of Santa Monica and New York City that is typical case of rent control. Cities where ruined houses can be found close to costly ones, because owners prefers to derelict the house once the rent couldn't pay for maintenance, while new constructions is discouraged too, leading to a house gap, with families that can't find a house, where others are underusing the houses that are paying for a low price, without subletting to another by a marginal price of the housing service, there are other large families that are living in small apartments since the market doesn't have the enough freedom and flux to efficiently allocate the families, tenant mobility becomes restricted. As housing becomes a scarce good in the city, the vacancy rates are too low and landlord starts charging "key money", with large amount up-front payment for new move in's. Rent Control started to protect the market and low income people in periods of house scarcity or high levels of people mobility, as it's the case of war times, but what we have now are many landlord that lost their right to profit from theirs properties while in many cases they are poorer than theirs tenant, , as the bid for house doesn't work properly and prices are restricted who gets the house is who have more financial capacity to accomplish with the rent payments while the poorest ones becomes excluded. Regarding the question of rent distribution Gale Johnson (1951) stated that "*the vested interests of several million tenants will be so great, assuming continued inflation, that political pressures for it may be irresistible.*", also

the transfer of real income from landlords to tenants are made without regard to the income position of each one, where the less mobile elements of the renting population have fared very well, while arriving families suffered real hardships and were forced to double-up in uncontrolled units, with prices increased by the impacts of rent controls.

Friedman and Stigler (1946), addressed the case of rent control in San Francisco where rent control difficult the allocation of the population in the post-war housing shortage in 1946, while in 1906 after an earthquake each house had to shelter 40 percent more people, but without rent control the city was rebuild quickly and after a month there wasn't mention to a shortage problem. As the price rationing allows bidding up of rents, forcing the people to economize on space, there is always housing available for rent, incentives mobility and new construction, the market reacts and regulates by itself through the price system. The major criticism of the price system method is that "*better quarters go to those who have larger incomes or more wealth*", but in fact rent control doesn't solve the problem, because a man who has enough capital could purchase a desirable house in the free sales market , similarly the landlords would prefer to rent to the more wealthier to guarantee their payment, while big families have troubles to find a house whiles the house for rent becomes scarce and the spaces already rented are freely underused. Rent control implies workers loss of mobility, incentive to take in more persons and the allocated ones lost the incentive to move or double-up when they have more house service than they need. So, we could also think in inefficient allocation of the work force, affecting the productivity of the industry which could be a barrier for firms to entering in the market according to Cabral, Luis (2005).

Glaeser and Luttmer (2003), explained the undersupply in the presence of rent controls, where the lower prices generates not only a loss of efficiency by lowering the

quantities offered, as well as part of the landlords surplus is transferred to consumers, which loses too some of their surplus, due to the haphazard and arbitrary allocation that distributes the housing service randomly or by favoritism, instead for whom values it most. Comparing New York renters and the characteristics of the house services rented with another free-market city with the same housing supply and demographic compositions, assuming that the demand would be constant across localities, they found a weak relation with the income of the families and the house rented and as more time the tenants are in a house the more misallocation can be found, not only by the reasons said before, also the tastes and conditions changes over time.

Moon and Stotsky (1993) studied the effects of rent control on housing quality discussing the transference of surplus from landlords to assists low and moderate income families, where direct spending programs would be more efficient or equitable. They suggested that rent control lowers the quality of the rental housing because landlords have no incentives or financial capacity to do the maintenance of the building, although it can be offset, the low rents and the long stays incentives the tenants to do it.

Olsen (1972) estimated the market rent according to the house characteristics, with a hedonic estimate for the price index, using rent decontrolled units and characteristics of the dwelling, building and neighborhood to determine the degree to which rent control suppresses rent below market levels. Then they linked the quality changes to the suppression of rent below the market levels, it was like a subsidy for tenants, as larger was the subsidy greater is the influence in housing quality.

III. A brief history of rent control in Portugal

In 1867 the Civil Code saw rent as a temporary lease contract. In the beginning of the century the pressures with urbanization's quick growth changed the rules and rents became frozen to control the price escalate. Later during the First World War rents were frozen for all existing and new contracts and established many restrictions to regulate and guarantee allocation to everyone in a period of intense mobility.

The season was also marked by the devaluation of the Portuguese's currency which together with the frozen rents brought imbalances in the rent market, with unreal, misallocated and outdated market values.

In 1948 actualizations became frozen just for Lisbon and Oporto and in the eve of the Revolution of 1974 many of the rents are outdated since the first war. Meanwhile the old tenants' benefit was being paid at higher rent costs by the new tenants, while the housing park began to deteriorate. Instituted the Democracy, the rent regime was even more depressed, with landlords seeing their rent incomes and the property rights strangled with rents frozen and compulsive contracts for the incontrollable occupations.

Later started the attempts to rebuild the rent market discipline relieving some of the restrictions imposed, with special relevance to 1981 and 1985 when was regulated the free rent and conditional rents and stated the rent actualizations according to published coefficients. A pack of measures well accepted at the time which intended to avoid rent gaps and rent raises for new arrivals but with poor results due to the application of coefficients in to very low basis. In line, came in 1990 the Urban Rent Regime (RAU), extended in 1995 to the rents with commercial purpose, compiled the many laws and dispositions, with many corrections and framework reforms, intending to be a benchmark in the rent law and hoping to give to rent market a new dynamic.

Table 1 - Facts and Legislation from 1867 to 2006

Period	Facts and Legislation
1867 - 1910	<u>Civil Code 1867</u> - Rent saw as temporary contract lease of mobility - Limited time contracts renewed if no one dismisses it - Free rent values - Evictions in case of tenants payment failure, bad use given or convenience of the landlord - Landlords obligated to do maintenance of the building - Transmissible to successors after decease - Disobedience crime in judicial decision eviction's failure
1910 - 1914	<u>Implantation of the Republic on 5th October of 1910</u> Pressure with urbanization's quick growth - Frozen rents for one year - Advance time requirements of renewals' opposition
1914 - 1918	<u>First World War</u> (Emergency provisions effective for a year after the peace treaty) - Rents frozen to all existing and new contracts - Obligation to rent derelict buildings - Evictions by landlord convenience forbidden
1918 - 1926	<u>After War – Devaluation of Portuguese's currency</u> (Outdated market values) - 1922: Rent actualizations according to matricidal taxable income and coefficients according to contact and building date (with no effects , also outdated and many rents was in foreign currency, latter was imposed the fixation to national currency)
1926 - 1948	<u>Started the Dictatorial Regime (1926-1974)</u> - Complex rent actualizations based on matricidal values - Rent liberalizations to new vacant buildings and for tenants with another habitation - Allowed evictions by landlord convenience (rules suspended partially in 1928) -1940: Evaluations to commercial buildings allowing new rents in line
1948 - 1966	<u>Rents Frozen in Lisbon and Oporto</u> - Expropriation for public utility - Caducity and transmission by divorce an decease regulated - Rent actualizations according to matricidal values and evaluations to correct them - Except Lisbon and Oporto: Rents frozen - 1957: Allowed contract rescission to works intended to increase the capacity of the dwelling
1966 - 1974	<u>Civil Code of 1966:</u> (maintained many of the previous dispositions) - free rents to first or new contracts - evictions by landlords kept very restricted (non-temporary nature of rent contracts) - Rent actualizations up to the twelfth of matricidal value phased in 5 years with evaluations to correct it - Lisbon and Oporto rents kept frozen (in the eve of revolution many rents are outdated since the post-war)

1974 - 1976	<u>Ended the Dictatorial Regime and Started the Democracy</u> <ul style="list-style-type: none"> - Rents frozen to urban buildings - Suspension of evaluations and rent updates - Suspension of contract rescission for demolishing, expansion of the dwelling and landlord own residence - Obligation to rent and max rent values for old buildings - Heavy restrictions to Landlords with compulsive contracts for legalization of occupied (expropriated) dwellings - Measures to reallocate families in overload dwellings, injured by demolitions and the ones that couldn't pay due to framework conditions - Right of preference for tenants' cohabitants in new contracts
1976 - 1985	<u>An attempt to rebuild the rent market discipline</u> <ul style="list-style-type: none"> - Allowed evictions for landlord own residence and in some others cases - Right of tenants to buy the dwellings for own residence - 1981: Established the free rent regime without rent updates and conditional rent regime limited to 7% of the twelfth of dwelling's value and updatable according to an annual coefficient approved by the government - Revoked and reformulated the 1974 and 1975 dispositions - Extraordinary rent updates by evaluations kept suspended except for commercial rents and due to improvement works
1985 - 1990	<u>Law n° 46/85 – The Hope</u> <ul style="list-style-type: none"> - Rent actualization for all rents according to published coefficients - Corrections for rents prior to 1980 by coefficients according to building condition and last update - Improvements works could be reflected in rents - Subside to compensate the rises in rent for low income tenants - Limited duration contracts
1990 - 2006	<u>RAU – Urban Rent Regime</u> (Compilation of the many laws and dispositions, corrections of controversies and framework reforms) <ul style="list-style-type: none"> - Founded on 1985 precepts as contracts of limited duration - Seek private autonomy on rent actualizations - 1995: extended to commercial rents (DL n° 257/95) - 2000: Improvement works possibility for landlords or tenants and many others issues as rent updates, evictions, subsidies regulated

In 2006 came the New Urban Rent Regime (NRAU) where the preamble of its law project stating the same problems as the preamble of the revoked RAU, gives us an idea of the persistency of the rent issues and the inefficiency of the successive law revisions, intended to boost the paralyzed rent market, with many abandoned and crumbling buildings due to the low profitability of the old contracts and consequent lack of maintenance. With many persons forced to buy a house and running in high levels of household debt, low quality suburban housing and duplication of public infrastructures.

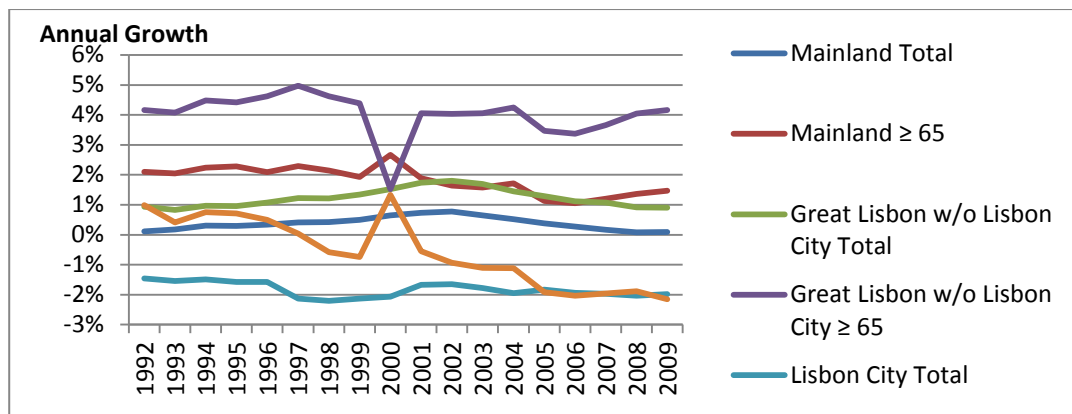
Table 2 - New Urban Rent Regime - NRAU

General Rules	
(compilation, review, easing and simplification of the many laws and disposition)	
<ul style="list-style-type: none"> - Contracts simplified in Housing and Non-Housing - Regulates all the new and existing contracts - Rent updates according to annual coefficients published - Extrajudicial resolution in case of 3 months payment failure - Tenants can terminate any type of contract announcing it within 120 days - Penalties for derelict buildings 	
Limited Duration Contracts Renovation and Termination	
<ul style="list-style-type: none"> - Initial period ≥ 5 years and < 30 years, renewed for periods of 3 years - Landlord could just oppose to renewal announcing it within 1 year advance 	
Contracts prior to NRAU	NEW Contracts
Termination in Unlimited Duration Contracts	
<ul style="list-style-type: none"> - For landlord own residence, to demolish or to do improvement works announcing it within 6 months of advance Condition: Tenant < 65 years or live there for less than 30 years (those restrictions falls after transmission) 	<ul style="list-style-type: none"> - Landlord own residence, demolish or improvement works announcing it within 6 months of advance or by convenience within 5 years of advance
Transmission	
<ul style="list-style-type: none"> - Housing: spouse, sons, stepsons and persons residing in union with the tenant - Non-Housing: successors who explores the activity for more than 3 years 	<ul style="list-style-type: none"> - Housing: for spouse or people residing in union or common economy > 1 year - Non-Housing: successors if they didn't renounce the transmission
Transitory Rules for Contracts Prior to RAU and DL 257/95:	
<u>Rent update:</u> <ul style="list-style-type: none"> - Up to the twelfth of 4% of the value of the leased, according to an evaluation in term of Municipal Property Taxation most recent than 3 years, multiplied by a factor of conservation from 0,5 to 1,2 according to conservation level in a scale of 1 to 5 - Conservation level ≤ 2: rent can't be raised, obligation to do improvement works - Tenants have the possibility to ask for evaluation and intimate the landlord to make improvement works or take the initiative of the works or even buy the dwelling - Rent subsidy for low income tenants 	
<u>Housing rent update phased:</u> <ul style="list-style-type: none"> - 5 years: General rule - 10 years: tenants ≥ 65 years old, deficiency $> 60\%$ of incapacity or annual gross income < 5 annual minimum remunerations - 2 years: non-permanent residence or annual gross income > 15 annual min. remun. 	
<u>Non-Housing rent update phased:</u> <ul style="list-style-type: none"> - 5 years: General rule - 10 years: small companies, activity of public interest or in recovery areas - 0 years: closed, without activity or after some transmission cases. 	

IV. Findings

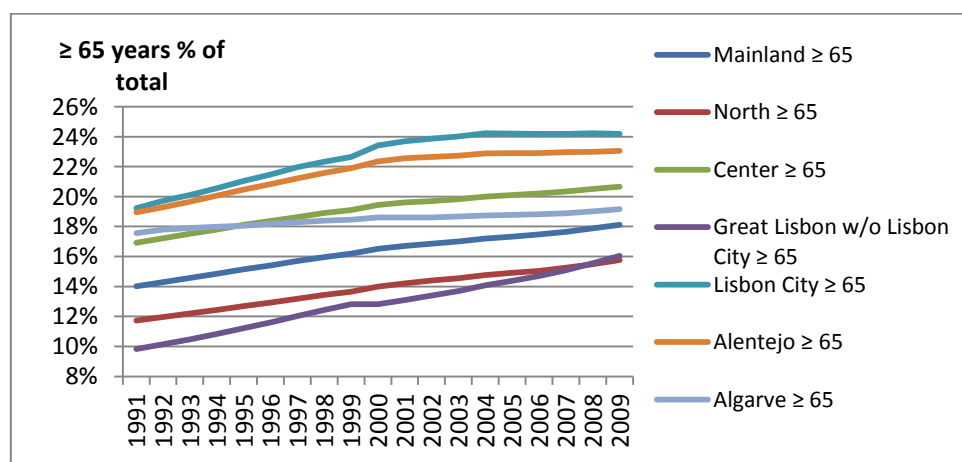
To frame the analysis, let's start to have a look over the evolution of the population since 1991 to 2009 in Portugal, Lisbon City and the peripheral municipalities of Lisbon that have a completely different behavior. Lisbon is the one that presents the greater decrease in population over time, with a special emphasis to the population with more than 65 years old that have decreased with more expression in 2001 and after 2005.

Graph 1 - Population in Lisbon had decreased over time



Source: Author computation based on data from INE

Graph 2 - Lisbon has great levels of population with more than 65 years old



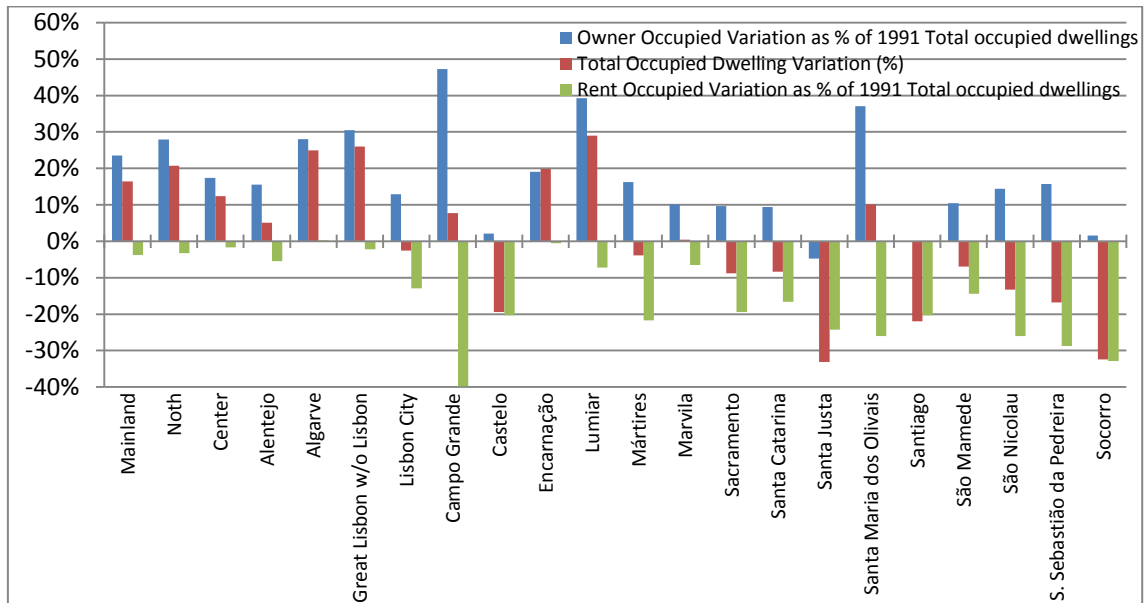
Source: Author computation based on data from INE

Lisbon is the City with the greater percentage of population with more than 65 years for all the periods, but after 2005 is the only city in the area maintaining its level of older population, while all the others have maintained its high growth levels.

As different regions and boroughs will be compared, the data will be presented as percentage of the total value for each geographic point to account for the different sizes. As Lisbon has 53 boroughs, I choose a few ones for each distinct type of borough such as Castelo, Santiago and Socorro, representing the boroughs from the hill of the Castle, where the old populations, low rent levels and low levels of population education are evident; Santa Justa, São Nicolau, Sacramento and Mártires representing the down-town of Lisbon, an area relatively more rich, with a bit higher levels of rent, but with high values of buildings crumbling; Encarnação and Santa Catarina, representing the known “Bairro Alto”, with high levels of old population; São Mamede representing a second line of boroughs around the center, where the effects of rent control aren’t so felt; Campo Grande and São Sebastião da Pedreira, representing a third line of boroughs, here the rents are relatively higher than in the other areas and where the rent units are being converted in Owner Occupied ones; Lumiar, Santa Maria dos Olivais and Marvila as peripheral areas, where predominates the owner occupied dwellings, very low rents and specially for the last one, high percentages of social rents.

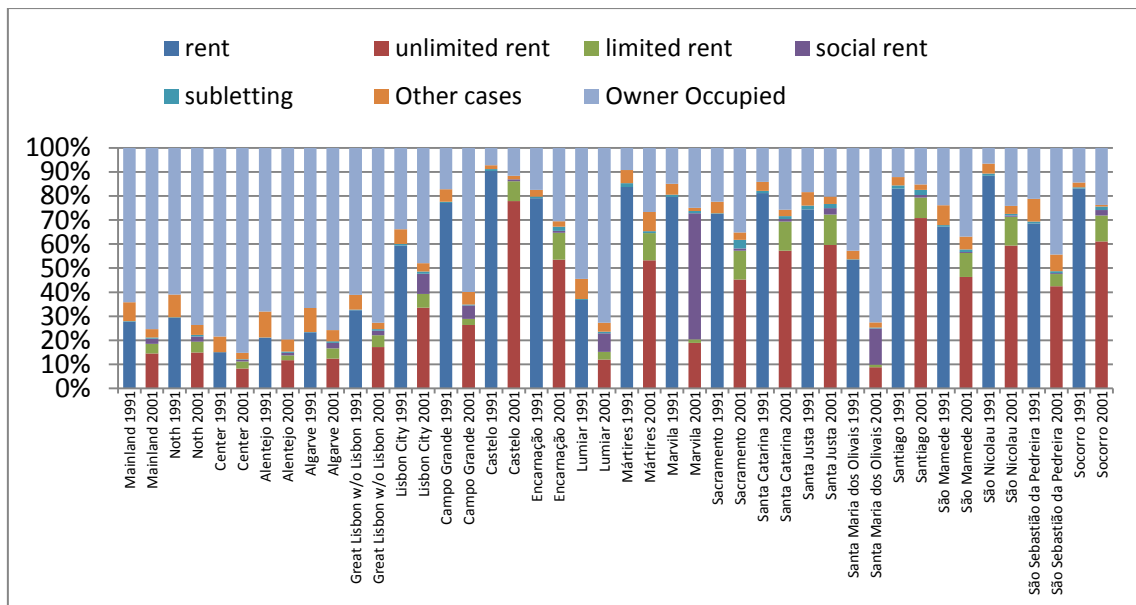
As rule for Lisbon, around 10% of the rent occupied units was being transformed in owner occupied units, with the great expression for Campo Grande and Santa Maria dos Olivais. For the peripheral areas the number of total dwellings increased, but the same doesn’t applies for the central boroughs, where the crumbling dwellings dictated a decrease in total occupied dwellings with almost none counterpart in owner occupied dwellings increase.

Graph 3 - Lisbon decrease in Rented and Total Occupied Dwellings (1991 to 2001)



Source: Author computation based on data from INE

Graph 4 - Owner Occupied are taking the position to Rent Occupied Dwellings, Central Boroughs still have a high percentage of unlimited duration rent contracts

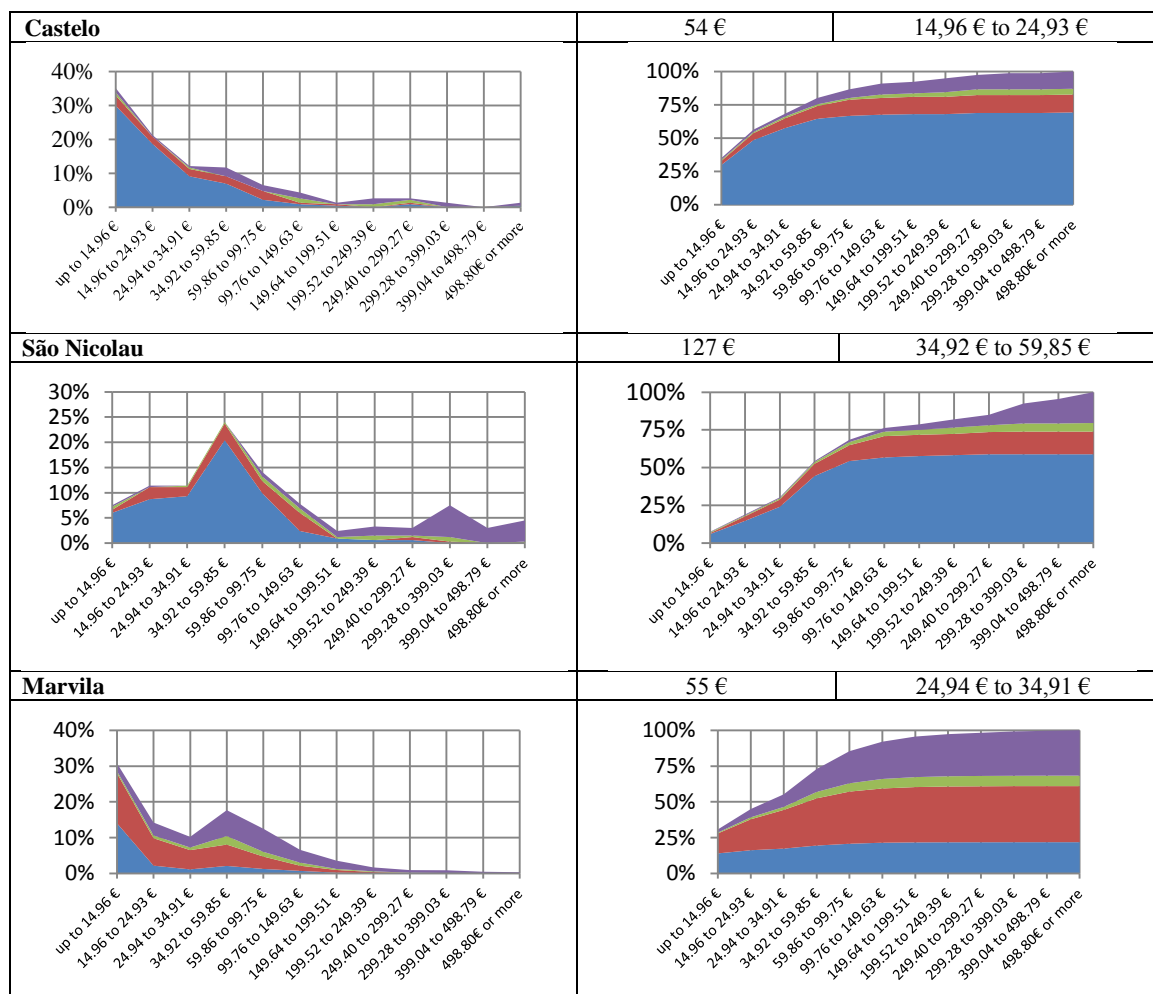


Source: Author computation based on data from INE

Lisbon is the place where are less people living in an owner occupied dwelling, so it's the place that could be more affected with rent law changes, but is also the place where the percentage of owner occupied dwellings growth more from 1991 to 2001. The boroughs of the Castle Hill are the ones that present the higher percentage of rented units, close to 70% and 80% of the total occupied units, where the unlimited duration rents represents 80% to 90% of the total rented units. For “Bairro Alto” and Down Town, the expression of rented units is not so high, and the unlimited duration contracts have a bit lower percentage. Very different are the case of peripheral boroughs with high percentages of owner occupied dwellings and where social rent represents a higher percentage of the rented units.

Table 3 – In 2001 Lisbon rents are strongly pushed to very low values with 75% of the contracts with values above the mean and 70% of contracts prior to 1986

Geographic Unit:	Mean rent:	Median rent:
Mainland	123 €	59,86 € to 99,75 €
North	114 €	59,86 € to 99,75 €
Center	135 €	99,76 € to 149,63 €
Alentejo	97 €	34,92 € to 59,85 €
Algarve	165 €	99,76 € to 149,63 €
Great Lisbon w/o Lisbon City	148 €	59,86 € to 99,75 €
Lisbon	126 €	34,92 € to 59,85 €



Source: Author computation based on data from INE

In terms of contracted rent values, Lisbon region was in 2001 one of the lowest median levels in the country, just surpassed by Alentejo. Lisbon city compared with the Great Lisbon without Lisbon has a first, second and third quartile of rent values generally in lower rent values than the others and an average rent level strictly above. Although compared to other areas, Lisbon as average rent level close to the mean of Mainland, which means that Lisbon as an high percentage of very low rents, but also some rents with high rent values.

The gap is even greater if we look inside the boroughs of Lisbon, where for central ones the quartiles correspond to very low levels of rent. Especially for the Castle borough, which has the lowest mean and median, where the rents before 1975 represents 70% of the rent contracts and are pushing the rents for very low levels. For the Down-Town boroughs such as São Nicolau, the composition are similar to the Lisbon average, with 50% of rent contracts prior to 1975, but pushing the rents for bit higher level, with the contracts after 1991 pushing the rents to higher levels. We can notice the difference between the older and the newest contracts. For peripheral boroughs such as Marvilla, the values of the rents are very low, due to the quality and type of constructions in the area and also the social rent contracts, so each period of rent contracts are distributed for all levels of rent in a close proportion.

Table 4 - High levels of old population, living with no family and having very low levels of education in the central boroughs in 2001

	Non-nuclear families	One person families with ≥ 65 years old	Population ≥ 65 year old	population without academic qualification	Population with higher education	Population living with pension %
Mainland	19.28%	8.87%	16.50%	11.38%	6.61%	20.20%
North	14.89%	6.94%	13.96%	12.06%	5.22%	17.90%
Center	19.34%	10.52%	19.45%	12.97%	5.29%	23.08%
Alentejo	21.30%	12.52%	22.34%	11.68%	4.46%	26.46%
Algarve	23.28%	9.54%	18.63%	11.19%	5.68%	20.75%
Grat Lisbon w/o Lisbon	20.46%	6.58%	12.61%	8.91%	9.58%	16.00%
Lisbon City	34.22%	14.38%	23.61%	8.47%	17.18%	26.30%
Campo Grande	35.24%	16.88%	28.57%	7.72%	18.57%	28.66%
Castelo	42.70%	24.20%	30.66%	10.56%	5.28%	37.31%
Encarnação	50.16%	20.07%	26.68%	9.59%	11.50%	29.20%
Lumiar	25.94%	5.98%	12.61%	7.01%	30.71%	14.89%
Mártires	53.33%	13.33%	23.46%	11.73%	18.77%	21.11%
Marvila	17.30%	7.29%	13.70%	11.72%	3.60%	20.24%
Sacramento	55.16%	19.51%	24.43%	9.20%	16.25%	27.16%
Santa Catarina	47.00%	20.23%	28.45%	9.02%	10.32%	32.05%
Santa Justa	49.40%	21.39%	32.43%	11.14%	6.29%	32.57%
Santiago	41.45%	21.50%	31.62%	11.20%	10.50%	34.42%
São Mamede	46.29%	18.87%	27.93%	7.26%	26.73%	28.30%
São Miguel	42.60%	19.74%	26.06%	11.82%	3.60%	32.58%
São Nicolau	53.72%	22.87%	32.51%	8.68%	9.11%	32.94%
São Sebastião da Pedreira	43.87%	18.07%	29.26%	6.78%	29.23%	24.37%
Socorro	45.97%	20.08%	25.94%	12.71%	4.71%	30.88%

Source: Author Computations based on Data from Census 2001 - INE

The consequences are evident, the boroughs with higher values of rented units, unlimited duration rent contracts and high percentages of old contracts have higher values for indicators such as the percentage of non-nuclear families, most evident for the Down-Town boroughs, while the Castle Hill presents high values of population with more than 65 years old and high percentages of families of just one person with more than 65 years old, also high levels of people living with pension. For third line boroughs such as Campo Grande, the level of old population is high, although presenting an lower level for one person families with more than 65 years old, which means that despite having an high level of old population, they are living in family, maybe because, many of the houses there are owner occupied instead. Relatively to education level, the central boroughs present high levels of population without academic qualification, although Down-Town and “Bairro Alto” also have high levels of population with higher education. It gives us an idea of the fixation of old population, but also that different population with different backgrounds was searching the area.

Despite being areas of services and commerce, the population of “Bairro Alto” and Down-Town, are not enjoying living in the same borough where they work, the levels are above the Lisbon mean, and for boroughs of Castle Hill the levels are even lower. Also revealing the fixation of population and especially for the Castle Hill, are the level of individuals living in the same borough since 1995 and individuals natural from the borough where they live, for other central boroughs those values aren't so expressive.

Regarding the occupation of the dwellings, the situations differs for each type of boroughs where for Castle Hill and Marvila where the rent level is two low, according to the index of lack of divisions, computed by the percentage of dwellings with divisions in lack times the number of divisions in lack, people are overusing the

occupied units. While for Down Town and third line boroughs, people are using dwellings with divisions in excess.

Table 5 - Population Fixation and high percentages of Derelict Buildings in the central boroughs, Divisions in lack or Excess

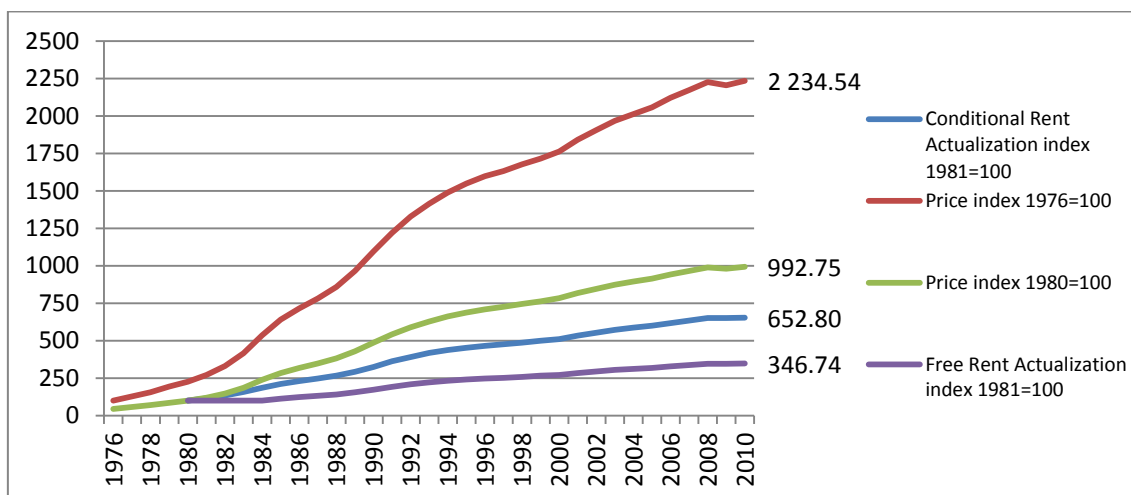
	Working or studying in the same borough	Natural from the borough where actually live	Individual that live in the same borough since 1995	Index of divisions in excess	Index of divisions in lack	Partially derelict as % of 2001 total buildings	Totally derelict as % of 2001 total buildings	Buildings needing repairs 2001
Mainland	24.88%	47.92%	78.88%	0.95	0.22			38.10%
North	24.44%	53.17%	79.34%	0.91	0.21			40.40%
Center	27.56%	59.14%	82.52%	1.21	0.12			37.30%
Alentejo	30.67%	57.16%	84.04%	1.01	0.15			35.10%
Algarve	35.21%	43.52%	76.98%	0.88	0.19			32.80%
Grat Lisbon w/o Lisbon	20.47%	27.58%	72.16%	0.71	0.21			36.18%
Lisbon City	15.35%	26.73%	77.22%	0.99	0.17	5.27%	3.52%	55.90%
Campo Grande	17.08%	24.05%	74.67%	1.27	0.12	0.48%	1.75%	36.30%
Castelo	6.81%	47.36%	90.12%	0.43	0.30	8.85%	7.96%	25.60%
Encarnação	15.93%	26.15%	76.52%	1.10	0.16	1.72%	3.02%	61.40%
Lumiar	17.03%	21.99%	69.02%	0.94	0.13	0.53%	1.44%	38.90%
Mártires	17.89%	26.69%	72.73%	1.56	0.14	26.67%	21.67%	61.60%
Marvila	19.84%	33.03%	82.27%	0.62	0.26	7.13%	4.39%	68.70%
Sacramento	15.57%	23.64%	68.98%	1.11	0.14	14.62%	2.31%	74.60%
Santa Catarina	12.72%	28.38%	79.20%	1.01	0.17	2.45%	4.29%	77.10%
Santa Justa	12.43%	19.00%	78.00%	1.09	0.15	43.92%	14.19%	78.30%
Santiago	9.68%	33.37%	87.40%	0.92	0.19	24.40%	4.17%	54.70%
São Mamede	13.72%	22.73%	73.68%	1.51	0.11	17.56%	6.54%	39.00%
São Nicolau	11.91%	20.51%	73.62%	1.46	0.11	25.62%	6.20%	57.40%
São Sebastião da Pedreira	18.99%	28.67%	75.95%	1.84	0.14	18.23%	4.70%	52.80%
Socorro	12.56%	31.21%	81.79%	0.75	0.26	4.42%	2.72%	80.70%

Source: Author Computations based on Data from Census 2001 – INE;

Derelict buildings from Direcção Municipal de Conservação e Reabilitação Urbana

It's evident for Down-Town, there are high levels of buildings crumbling or partially derelict, for Castle Hill, the value isn't so expressive, maybe because, the construction is more horizontal than vertical in the area, and as the rent values are lower, people are more responsible for their rented unit and have more incentive to make the maintenance of the building than the owner. Those values are somewhat in line with the percentage of buildings needing repair in 2001.

Graph 5 - Rent Actualizations Grew above the Price index since 1980, Price index Grew 50% and 185% more



Source: Author Computations based on Data from INE.

Actualization coefficients computed from factors in "Portal Habitação"

Rent actualizations was allowed in 1981 for conditional rent, while the free rent regime doesn't have, the situation was corrected in 1985 when was stated the actualization for all contracts, although the free rents had already missed the actualizations in a period of high inflation, nevertheless the free rents could be less outdate at the time than the conditional rent. Even so the index of actualization since 1980 was above the price index for the same period and if we go back a while the difference is enormous. The reason for comparing the price index with the next year actualization index is because it is the one that incorporates the previous year inflation.

Extraordinary rent actualizations where stated to correct the prior to 1980 contracts, to the current date, at the time 1986, and then were update according to the annual coefficients published. But those factors aren't in line with the inflation index from the same year until 1986. And the value of the factor for the first year was in farthest years about half of the factor in this table and in the next years the update is done according to

one plus half of the annual coefficient published. The actualization became well short of the necessary.

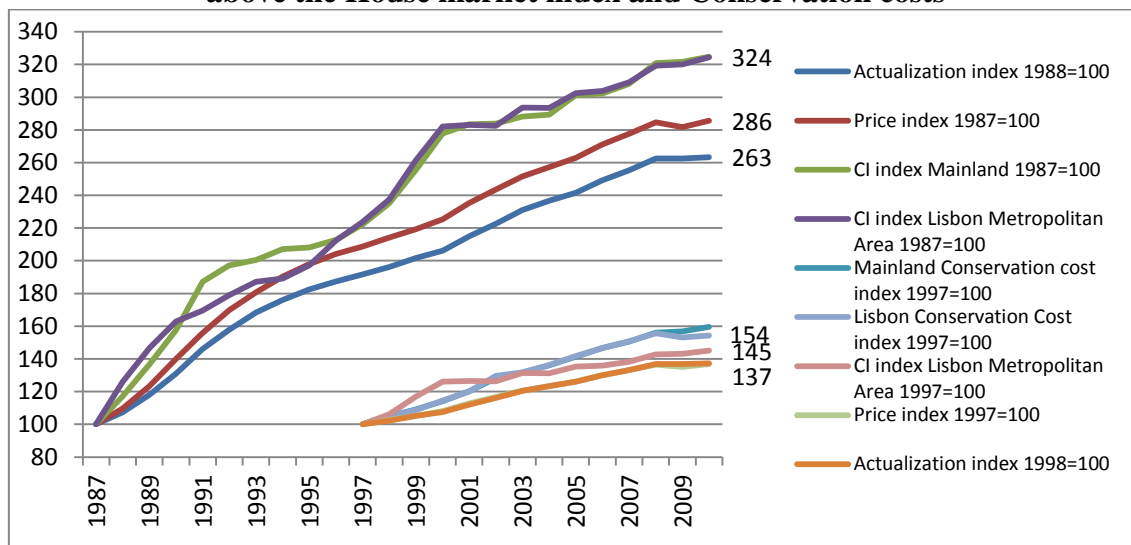
Graph 6 - For contracts prior to 1980 the extraordinary actualization was insufficient for the early years, for the farthest the factor to apply in the first year was about half of the global factor

Global correction coefficients to apply in 1986						
year of last rent fixation	Municipalities of Lisbon and Oporto				Others Municipalities	Inflation Index Until 1986
	w/o gate and w/o lift	w/o gate and w/ lift	w/ gate and w/o lift	w/ gate and w/ lift		
Before 1955	6.51	7.15	7.79	8.42		
1955 to 1959	5.98	6.51	7.05	7.57		
1960	5.58	6.04	6.49	6.49		
1961	4.9	5.22	5.54	5.86		4.091
1962	4.63	4.9	5.16	5.42		4.077
1963	4.62	4.89	5.14	5.4	3.48	4.07
1964	4.35	4.5	4.77	4.97		4.064
1965	3.97	4.12	4.28	4.43		4.044
1966	3.43	3.51	3.59	3.67		4.005
1967			3.18			3.952
1968			2.99			3.913
1969			2.94		3.46	3.896
1970			2.65		3.12	3.822
1971			2.64		3.11	3.804
1972			2.52		2.97	3.754
1973			2.32		2.73	3.676
1974			2.12		2.24	3.581
1975			1.65		1.65	3.392
1976			1.47		1.47	3.23
1977			1.31		1.31	3.067
1978			1.27		1.27	2.793
1979			1.21		1.21	2.573

Source: Inflation Index Author Computations based on Inflation excluding Housing Data from INE until 1977, before from Inflation Data from Google.
Actualization coefficients from Law n° 46/86

Although growing in line with price index since 1987, actualization index grew above the CI index, which accounts for the growth of the House market prices, also above the conservation costs, so if the rent was insufficient to cover the costs, then it became worse.

Graph 7 - Rent Actualizations Grew in line with the Price index since 1987, but above the House market index and Conservation costs



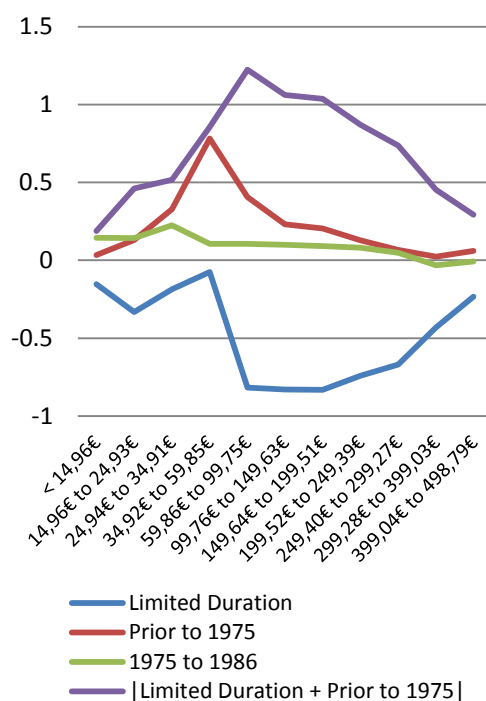
Source: Price Index and Conservation Costs - Author Computations based on Data from INE.
 Actualization coefficients computed from factors in "Portal Habitação"
 CI index Author computations based on data from Confidencial Imobiliário

I will explain next is how the characteristics of the dwellings, boroughs, buildings and contracts could explain the average rent price and the accumulated percentage of buildings up to each rent level. Regressing for each corresponding rent level and the average the accumulate percentage of usual classic familiar residence rented or subleased dwellings falling before that level for each borough (53 observations). I used this method because I don't have a detailed data, just the number of contracts falling in each rent level for each borough, so I can't estimate a hedonic price model for the controlled and uncontrolled market, instead I've to estimate both together and verify whether having a greater percentage of old and unlimited contracts influences the number of houses falling before each rent quartile. The idea is to evaluate how the explanatory variables influence the accumulate level of dwellings falling before that rent level, so as great is the accumulate percentage for that level the more dwellings are falling before that rent level, so lower will be the rent (an increase in accumulate value

is equal to a decrease in rents value). Accordingly as higher is the accumulate value compared to other boroughs, the lower are the rents in that borough.

Table 6 - Model for the average borough rent value based on rent type, buildings' date and n° of dwellings, n° of divisions and contract date, Graph with coefficients based on the same model for each accumulated level of rent percentage

		mean	t-scores
Constant		33.92	0.644
% of rent and sublet occupied as usual residence	Limited Duration	298.12	4.082
	Social Rent	-103.45	-3.581
	Sublet	60.47	0.272
% of buildings by building date	Prior to 1919	21.19	0.899
	1919 to 1945	37.53	1.905
	1946 to 1960	40.59	1.533
	1960 to 1970	89.30	2.480
	1971 to 1980	-24.15	-0.853
	1981 to 1990	164.81	2.497
% of buildings by n° of dwellings	5 to 9 Dwellings	0.00	0.000
	10 to 15 Dwel.	101.19	2.688
	> 15 Dwellings	12.54	0.254
% of occupied as usual residence	3 to 4 Divisions	25.62	0.627
	5 to 6 Divisions	108.34	3.579
	7 to 8 Divisions	91.91	0.962
	9 or more Div.	288.63	2.311
% of occupied as usual residence dwellings by contract date	Prior to 1975	-95.88	-2.302
	1975 to 1986	-27.18	-0.574
	1987 to 1991	154.41	0.896
R2		0.9406	
Adjusted R2		0.9064	



Source: Author Computations based on Data from INE

Each explanatory variable was expressed as percentage of the total of the belonging group, with different values for each borough, where each group has an omitted variable, so each of the coefficients should be compared with the omitted variable. So what we have is that an percentage point increase in the limited duration rent contracts, will increase the average rent by 2.98 €. If we imagine an universe of one unlimited rent with a contract prior to 1976, updating it for an limited rent in those days, the rent should be 298.12€ plus 95.88€, 394€ higher. In the graph we have the same model

applied to the percentage of houses falling before each rent level, where we can see that the contracts prior to 1975 are influencing the rent for contracts in lower levels of rent, while the limited duration rent contracts, with value closer to the market, are pushing the rents for higher values. Higher rent levels could be attained by transforming the contracts prior to 1975 in unlimited contracts, being more effective pushing the rent for levels greater than 24,94 € since many of the previous are explained by social rent contracts.

V. Conclusion

Old rent control laws established the rules on today rent market. Lisbon being one of expensive Portuguese cities, have high percentage of actual rent contracts falling in very low levels of monthly rent, and the results are known, the center of the cities is crumbling as owners don't have incentive and economical capacity to keep subsidizing the old tenant with perverted and outdated rent contracts. Where to update the value of rents the landlords, already without economic capacity have to make the needing repairs and even revaluated its property in terms of municipal tax payment, to account for a 5 or more probably 10 years phased rent update, due to high percentage individuals with more than 65 years.

Landlords are sawing their property rights expropriated, without capacity to avoid the dilapidation and crumbling of their "valuable" goods. The NRAU was insufficient to solve the problems of the outdated rents, according to a recent news of Jornal de Negócios on 30th May, estimated that just 2000 rents were updated according to the reevaluation provided by the NRAU, a very small number, due to the bureaucracy of the

processes, municipal taxes increases in line with the reevaluation, high phasing time of the update and the landlord could be obligated to do maintenance works before increasing the rent.

Sawing the question in the other way, currently it's easier to evict a tenant due to the non-payment of the rents or even to do structural works in the building. But the lack of rent units in the market, also established high prices for new contracts, having a look to currently square meter price for rent from CI data, the most inflicted by the rent controls boroughs are the ones where the prices are higher, such as Down-Town and Castle which is leading the table, a contrast with the very low rents evidenced. It is just to say that evicted tenants don't have an alternative.

The solution which I propose, in line with the agreement with the "Troika", is to obligate evaluations and rent updates, with subsidies to tenants instead of phasing updates. The equality in the rent market should be restored and it will allow the convergence of the high prices charged in the market lowering them as well the old lower rents converge to higher values and then the market should work by itself

An efficient rent market could even be part of the solution for the Portuguese crisis, many families are indebted with the purchase of own house and then the increase of the interest rates. It was even a point of debate in April 2011 by the IMF, increasing the house prices (for sell) and liberalizes the rent market to stop the indebtedness of the families. Creating an alternative for the families, stimulating the mobility and cleaning the image of a long landlord and tenant relation of conflicts.

Note 1 - For Further Studies

It will be interesting to analyze again when the data for census 2011 were released. The expected result for 2011 is a decrease in limited rent contract effect since they become more usual and with more weight while Unlimited rent contracts should become more close to the market conditions and to evaluation of the dwellings. With the date of contract becoming less related with the unlimited rent contract and so more expressive in explaining the lower rent levels.

It will be also interesting to analyze the effects of rent control losses on the population's mobility, unsound and derelict buildings and current market prices. Also the especial rent updates in terms of the NRAU, analyzing the amplitude of rent update according to the conditions of the contract, I asked this data, but I had no answer.

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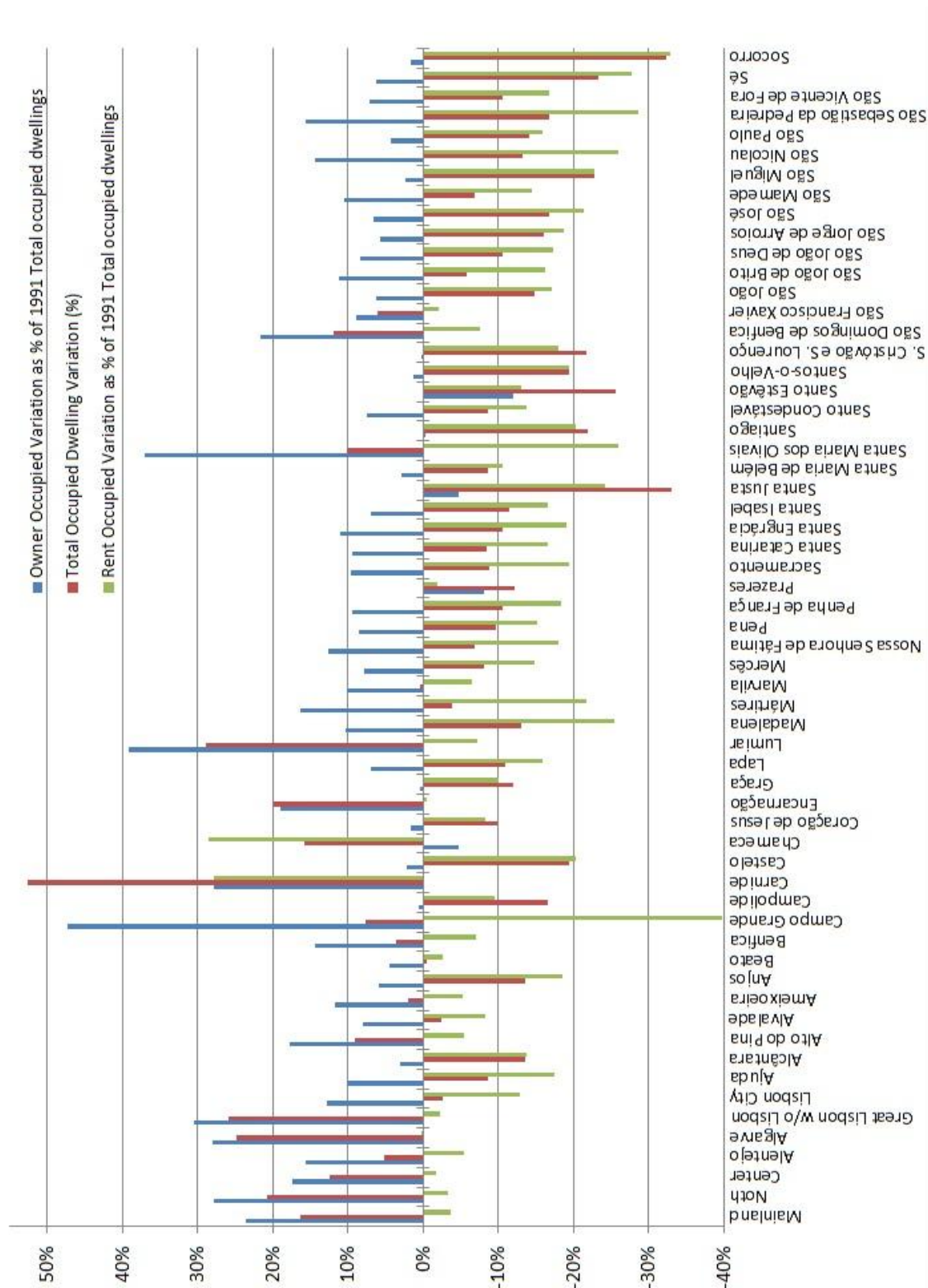
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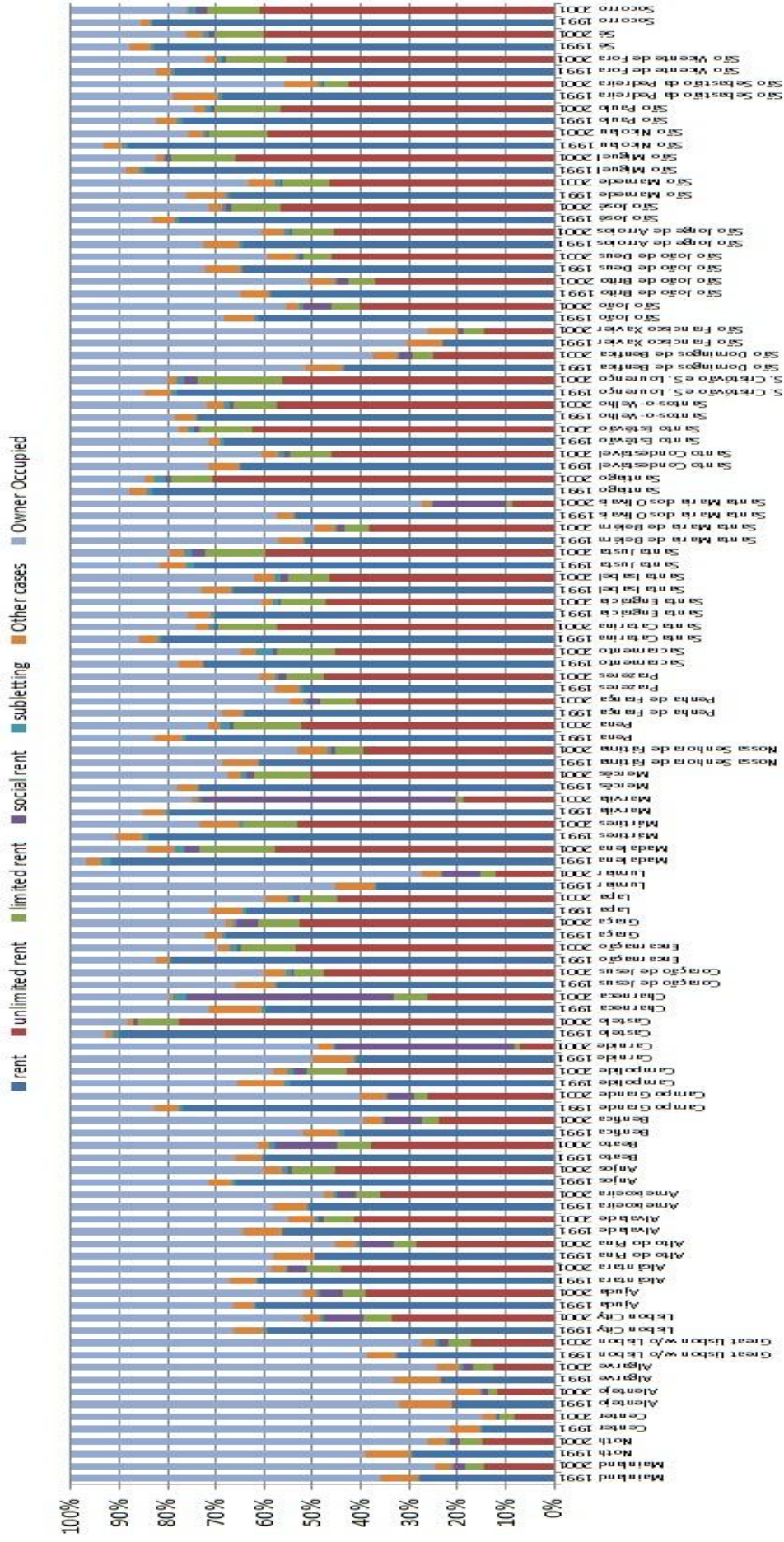
Annex III

Lisbon decrease in Rented and Total Occupied Dwellings



Source: Author computation based on data from INE

Annex IV - Dwellings Occupied as Usual Residence weights by type of occupation



Source: Author computation based on data from INE

Annex V
Percentage of Owner and Rent Occupied Dwellings,
Percentage Point Variation and Total Occupied Dwelling
Variation from 1991 to 2001

Geographic Unit	Occupied Dwellings Weight in 2001 (% of Lisbon - Value: 221868)	Owner Occupied Dwellings		Variation of the weight (P.P.)	Total Occupied Dwelling Variation (%)	Rent Occupied Dwellings		
		Weight 1991 (%)	Weight 2001 (%)			Variation of the weight (P.P.)	Weight 1991 (%)	Weight 2001 (%)
Mainland	1537	64.21	75.38	11.17	16.39	-7.12	27.74	20.62
Noth	532	60.97	73.62	12.65	20.74	-7.76	29.36	21.60
Center	373	78.41	85.25	6.84	12.39	-3.13	15.06	11.93
Alentejo	128	68.08	79.58	11.50	5.11	-6.22	21.10	14.88
Algarve	64	66.59	75.70	9.11	24.92	-4.46	23.34	18.89
Great Lisbon w/o Lisbon City	221	61.14	72.73	11.59	25.96	-8.47	32.49	24.02
Lisbon City	100	33.83	47.91	14.08	-2.53	-11.70	59.42	47.72
Ajuda	3.19	33.66	47.93	14.28	-8.67	-13.25	61.72	48.47
Alcântara	2.81	32.73	41.42	8.68	-13.54	-6.39	61.27	54.88
Alto do Pina	1.87	41.96	54.80	12.84	9.03	-9.10	49.44	40.34
Alvalade	1.90	35.70	44.82	9.13	-2.48	-7.08	56.06	48.98
Ameixoeira	1.57	41.79	52.51	10.72	2.08	-6.12	50.91	44.79
Anjos	1.89	28.62	39.97	11.36	-13.62	-11.03	66.05	55.02
Beato	2.59	34.05	38.70	4.64	-0.42	-2.36	59.98	57.62
Benfica	7.48	48.24	60.51	12.27	3.59	-8.33	43.38	35.05
Campo Grande	1.98	17.25	59.91	42.66	7.72	-42.45	77.00	34.54
Campolide	2.78	34.28	41.87	7.59	-16.61	-0.55	54.55	54.01
Carnide	2.83	49.98	50.99	1.02	52.72	4.12	41.04	45.16
Castelo	0.12	7.27	11.65	4.38	-19.39	-3.46	90.30	86.84
Charneca	1.13	28.39	20.38	-8.01	15.89	16.37	59.89	76.26
Coração de Jesus	0.84	34.11	39.72	5.61	-9.85	-2.85	57.21	54.36
Encarnação	0.62	17.48	30.48	13.00	19.83	-13.51	79.04	65.53
Graça	1.34	27.75	31.95	4.20	-11.94	-2.20	67.88	65.69
Lapa	1.60	29.01	40.30	11.29	-10.94	-9.97	63.70	53.74
Lumiar	6.11	54.52	72.71	18.19	28.94	-13.86	36.79	22.92
Madalena	0.07	3.24	15.53	12.28	-12.97	-15.49	91.89	76.40
Mártires	0.06	9.30	26.61	17.31	-3.88	-19.20	83.72	64.52
Marvila	5.35	14.97	24.95	9.99	0.41	-6.82	79.61	72.80
Mercês	1.00	22.02	32.49	10.47	-8.03	-9.76	73.26	63.50
Nossa Sra. de Fátima	2.83	31.15	47.09	15.94	-6.83	-14.83	60.87	46.04
Pena	1.17	17.33	28.62	11.29	-9.64	-8.68	75.93	67.25
Penha de França	2.70	31.24	45.46	14.22	-10.53	-12.93	63.90	50.97
Prazeres	1.47	42.34	38.93	-3.41	-12.13	4.98	51.85	56.83
Sacramento	0.18	22.40	35.19	12.79	-8.78	-14.29	72.52	58.23

Santa Catarina	0.81	14.16	25.71	11.54	-8.38	-10.75	81.17	70.42
Santa Engrácia	1.16	24.42	39.58	15.16	-10.49	-13.05	70.13	57.08
Santa Isabel	1.41	26.82	38.11	11.29	-11.39	-10.07	66.54	56.47
Santa Justa	0.13	18.37	20.34	1.97	-33.11	0.54	74.38	74.92
Santa Maria de Belém	1.72	42.94	50.24	7.30	-8.61	-6.67	51.48	44.80
Santa Maria dos Olivais	7.75	42.69	72.49	29.79	10.07	-28.49	53.39	24.90
Santiago	0.17	12.13	15.28	3.15	-21.97	-2.63	83.05	80.43
Santo Condestável	3.46	28.44	39.38	10.94	-8.57	-9.00	64.93	55.92
Santo Estêvão	0.45	28.69	22.52	-6.17	-25.56	6.07	68.41	74.47
Santos-o-Velho	0.78	21.51	28.37	6.86	-19.41	-6.42	73.59	67.17
S. Cristóvão	0.35	15.46	20.15	4.69	-21.79	-1.38	78.01	76.64
S. Lourenço								
S. Domingos de Benfica	6.13	48.33	62.53	14.20	11.97	-11.33	43.38	32.06
São Francisco Xavier	1.38	69.48	73.89	4.41	6.13	-3.26	23.03	19.78
São João	3.03	31.82	44.64	12.82	-14.80	-9.50	61.36	51.86
São João de Brito	2.47	35.12	49.13	14.01	-5.78	-13.73	58.48	44.75
São João de Deus	2.12	27.80	40.52	12.72	-10.57	-11.71	64.48	52.77
São Jorge de Arroios	3.43	27.43	39.58	12.15	-16.12	-9.86	64.49	54.64
São José	0.66	16.96	28.38	11.42	-16.85	-10.02	77.82	67.80
São Mamede	1.14	23.88	36.92	13.04	-6.92	-10.46	67.18	56.72
São Miguel	0.36	11.29	17.62	6.33	-22.87	-4.51	84.78	80.27
São Nicolau	0.21	6.55	24.19	17.64	-13.30	-16.47	88.39	71.92
São Paulo	0.67	17.50	25.47	7.97	-14.10	-5.94	76.91	70.98
S. Sebastião Pedreira	1.10	21.20	44.33	23.13	-16.76	-20.66	68.60	47.95
São Vicente de Fora	0.87	17.74	27.89	10.14	-10.60	-9.43	78.29	68.87
Sé	0.23	12.09	23.93	11.84	-23.28	-11.09	82.69	71.60
Socorro	0.52	14.48	23.75	9.27	-32.40	-8.83	83.01	74.18

Source: Author computation based on data from INE

Annex VI

Accumulated percentage of Dwellings by monthly rent value in 2001 (€)

	less than 14,96	14,96 to 24,93	24,94 to 34,91	34,92 to 59,85	59,86 to 99,75	99,76 to 149,63	149,64 to 199,51	199,52 to 249,39	249,40 to 299,27	299,28 to 399,03	399,04 to 498,79	Average monthly rent (€)
Mainland	15.81	25.53	34.52	48.24	59.38	68.47	76.72	83.51	89.11	95.80	98.11	123
North	15.30	24.58	33.99	45.99	57.07	68.89	79.49	87.43	93.01	98.17	99.31	114
Center	15.46	23.07	29.58	38.83	47.94	59.53	71.78	82.31	90.53	97.81	99.39	135
Lisbon	14.78	25.75	35.58	53.32	66.04	72.06	76.76	80.98	85.17	92.63	96.35	126
Alentejo	27.40	37.99	46.23	57.16	65.79	74.49	82.24	88.36	93.20	97.91	99.26	97
Algarve	14.42	21.81	28.46	37.79	44.58	50.83	59.61	69.46	81.13	95.46	98.53	165
Great Lisbon w/o Lisbon	11.23	21.02	31.28	46.94	58.57	64.17	69.51	74.93	80.76	91.81	96.61	148
Lisbon City	15.01	<u>25.16</u>	<u>33.87</u>	<u>55.34</u>	<u>71.38</u>	<u>78.63</u>	82.52	85.23	87.51	91.30	94.56	118
Ajuda	18.90	35.82	46.69	72.01	81.36	85.21	88.38	90.62	92.66	95.97	98.45	81
Alcântara	13.64	23.00	33.53	61.34	75.84	80.74	84.55	86.97	89.10	92.76	96.22	106
Alto do Pina	6.87	17.03	25.43	52.20	69.35	76.34	80.04	82.03	84.50	87.90	91.96	136
Alvalade	2.82	6.70	14.88	42.78	65.89	76.22	79.95	82.58	84.11	87.13	90.96	147
Ameixoeira	32.00	42.33	51.53	68.44	76.08	79.65	82.59	86.98	90.23	95.80	98.06	91
Anjos	7.36	16.58	24.96	46.02	66.33	74.53	78.47	81.22	84.48	88.75	93.95	138
Beato	19.16	31.35	41.62	64.97	77.04	81.48	84.16	86.69	88.61	93.64	97.53	99
Benfica	8.16	18.76	27.41	56.28	74.67	80.26	82.94	84.97	86.91	90.73	94.90	118
Campo Grande	7.90	12.86	18.60	35.44	73.37	81.79	85.05	87.14	88.84	90.73	92.89	126
Campolide	16.85	27.02	36.84	55.07	68.39	77.04	82.74	86.59	88.83	92.65	95.97	114
Carnide	30.75	44.10	53.25	71.58	84.56	90.33	94.02	95.58	96.28	97.39	98.05	64
Castelo	35.06	56.28	68.40	80.09	86.58	90.91	92.21	94.81	97.40	98.70	98.70	54
Charneca	26.08	41.50	50.43	63.98	74.78	83.16	88.38	92.95	96.25	99.59	100.0	75
Coração de Jesus	6.90	15.06	23.71	41.69	65.01	74.44	80.56	83.97	86.01	89.89	92.81	138
Encarnação	13.17	23.00	34.13	51.84	64.04	70.52	75.92	79.37	83.05	90.17	95.25	136
Graça	16.46	26.98	37.04	59.86	73.42	78.56	82.57	85.37	87.35	92.07	96.34	111
Lapa	9.25	18.96	25.55	44.05	63.52	72.92	77.16	79.71	81.81	85.39	88.71	155
Lumiar	23.84	29.32	34.76	51.81	65.43	73.84	77.28	79.94	81.70	84.29	87.08	150
Madalena	12.70	23.02	32.54	42.86	60.32	69.05	73.81	78.57	82.54	88.89	93.65	147
Mártires	4.94	9.88	22.22	39.51	58.02	70.37	76.54	81.48	83.95	86.42	91.36	155
Marvila	30.79	45.05	55.26	72.94	85.43	91.98	95.56	97.25	98.19	99.09	99.59	55
Mercês	13.53	23.80	35.25	53.30	66.83	74.32	78.42	82.44	85.84	89.94	94.17	129
Nossa Sra. de Fátima	5.22	10.84	17.18	40.30	60.62	70.54	76.24	79.17	81.62	85.54	89.12	161
Pena	12.89	23.37	32.06	48.93	62.50	69.11	73.49	77.19	81.84	89.18	93.50	146
Penha de França	13.23	23.81	31.62	56.21	73.15	77.93	81.09	83.64	85.64	91.13	96.45	118
Prazeres	18.53	30.24	39.72	59.42	73.38	79.13	82.85	84.88	87.49	91.75	94.46	113
Sacramento	9.02	20.08	31.15	49.18	54.92	67.21	72.95	76.64	80.33	88.11	93.44	154
Santa Catarina	13.78	27.55	37.69	54.02	66.10	72.29	76.32	80.88	85.29	91.10	95.90	128
Santa Engrácia	11.68	21.03	31.84	59.61	70.89	75.37	78.44	81.31	84.05	91.99	97.40	121
Santa Isabel	11.55	20.28	27.73	46.46	64.64	73.43	78.18	81.88	84.86	88.73	92.21	140

Santa Justa	18.58	30.09	44.25	59.29	74.78	80.09	82.74	84.96	88.50	93.81	97.35	104
Santa Maria de Belém	16.17	27.01	36.58	65.04	76.64	81.86	84.64	86.78	89.28	92.06	95.13	105
Santa Maria dos Olivais	24.40	39.00	49.19	68.01	80.17	87.23	90.37	92.80	93.95	95.53	97.23	79
Santiago	17.21	32.47	42.21	66.23	79.87	85.39	88.64	91.23	93.51	96.10	97.73	84
Santo Condestável	14.21	22.79	29.96	50.79	70.09	76.96	80.15	82.52	85.10	89.48	93.29	130
Santo Estêvão	25.07	40.50	51.72	64.38	74.14	79.82	84.96	89.45	93.27	97.36	99.21	86
Santos-o-Velho S. Cristóvão e S. Lourenço	17.67	28.66	39.39	57.31	70.75	77.77	81.83	84.28	86.73	91.80	94.93	116
São Domingos de Benfica	23.15	35.47	43.35	59.93	68.47	73.89	79.80	85.22	89.49	94.58	96.55	110
São Francisco Xavier	5.55	12.04	19.26	50.86	68.22	76.03	78.69	81.10	82.61	86.83	91.84	143
São João	4.40	7.01	9.79	29.20	51.71	65.58	67.86	70.47	72.27	75.53	78.96	214
São João de Brito	10.15	19.29	28.45	56.40	73.99	79.45	82.65	85.04	87.35	92.13	96.51	114
São João de Deus	5.97	11.97	20.76	48.37	70.70	76.74	81.74	83.43	85.13	88.19	91.09	137
São João de Arce	2.23	6.46	11.97	28.80	57.88	72.80	77.78	80.73	83.01	85.96	88.71	165
São Jorge de Arroios	5.57	13.36	19.66	38.54	60.57	72.18	77.17	80.18	82.55	86.29	91.09	155
São José	9.94	20.68	30.12	49.50	64.31	71.47	75.84	79.22	83.50	90.95	95.33	137
São Mamede	7.26	13.76	20.60	39.70	58.18	68.45	72.96	76.18	78.51	82.34	85.56	177
São Miguel	24.39	37.12	47.24	62.27	70.09	77.45	82.36	86.66	93.40	97.24	98.62	95
São Nicolau	7.44	18.75	30.06	53.87	67.86	75.89	78.27	81.55	84.52	92.56	95.54	127
São Paulo	12.93	24.28	35.44	53.77	65.21	71.91	75.91	79.35	83.63	90.98	96.19	131
S. Sebastião da Pedreira	6.23	11.29	16.26	28.81	51.81	67.90	75.82	80.45	83.32	85.43	87.87	171
São Vicente de Fora	20.04	30.77	39.57	57.47	67.68	73.89	78.40	82.03	85.87	93.42	97.04	118
Sé	16.62	29.22	36.73	53.62	68.10	76.14	80.16	83.38	85.79	91.42	94.64	123
Socorro	18.84	31.96	42.24	59.70	70.55	76.60	82.19	85.05	89.84	96.35	99.09	102

Source: Author Computations based on Data from Census 2001 - INE

Annex VII Population and Families

	Non-nuclear families	One person families with ≥ 65 years old	Population ≥ 65 year old	population without academic qualification	Population with higher education	Population living with pension %
Mainland	19.28%	8.87%	16.50%	11.38%	6.61%	20.20%
North	14.89%	6.94%	13.96%	12.06%	5.22%	17.90%
Center	19.34%	10.52%	19.45%	12.97%	5.29%	23.08%
Lisbon	23.33%	8.64%	15.40%	8.97%	10.47%	18.94%
Alentejo	21.30%	12.52%	22.34%	11.68%	4.46%	26.46%
Algarve	23.28%	9.54%	18.63%	11.19%	5.68%	20.75%
Grat Lisbon w/o Lisbon	20.46%	6.58%	12.61%	8.91%	9.58%	16.00%
Lisbon City	34.22%	14.38%	23.61%	8.47%	17.18%	26.30%
Ajuda	31.55%	14.24%	25.52%	9.45%	7.67%	31.45%
Alcântara	37.33%	16.78%	29.00%	8.53%	13.37%	33.51%
Alto do Pina	34.74%	14.32%	22.51%	8.06%	23.12%	23.34%
Alvalade	38.54%	20.60%	35.27%	5.59%	28.61%	31.54%
Ameixoeira	23.71%	6.68%	12.86%	10.28%	14.70%	17.34%
Anjos	43.74%	19.15%	28.85%	8.32%	14.74%	30.75%
Beato	31.77%	13.99%	23.16%	9.42%	9.65%	29.65%
Benfica	29.99%	10.90%	21.15%	7.35%	18.34%	25.20%
Campo Grande	35.24%	16.88%	28.57%	7.72%	18.57%	28.66%
Campolide	35.57%	15.22%	23.95%	8.89%	11.72%	26.81%
Carnide	21.41%	6.74%	13.48%	9.54%	16.86%	17.16%
Castelo	42.70%	24.20%	30.66%	10.56%	5.28%	37.31%
Charneca	17.60%	7.65%	12.56%	12.96%	1.35%	16.87%
Coração de Jesus	54.43%	18.62%	27.48%	7.50%	19.19%	28.48%
Encarnação	50.16%	20.07%	26.68%	9.59%	11.50%	29.20%
Graça	38.42%	17.47%	29.63%	8.69%	11.25%	33.48%
Lapa	38.16%	17.25%	27.94%	8.12%	25.21%	27.17%
Lumiar	25.94%	5.98%	12.61%	7.01%	30.71%	14.89%
Madalena	51.53%	17.86%	27.11%	7.37%	12.37%	29.21%
Mártires	53.33%	13.33%	23.46%	11.73%	18.77%	21.11%
Marvila	17.30%	7.29%	13.70%	11.72%	3.60%	20.24%
Mercês	48.61%	21.24%	27.19%	9.46%	16.16%	29.28%
Nossa Sra. de Fátima	40.81%	15.79%	27.20%	6.79%	26.62%	25.47%
Pena	51.58%	19.19%	27.37%	9.71%	12.41%	29.65%
Penha de França	39.91%	18.62%	29.67%	9.62%	12.22%	33.05%
Prazeres	39.58%	15.29%	24.58%	8.71%	20.08%	27.18%
Sacramento	55.16%	19.51%	24.43%	9.20%	16.25%	27.16%
Santa Catarina	47.00%	20.23%	28.45%	9.02%	10.32%	32.05%

Santa Engrácia	36.26%	15.96%	27.41%	8.34%	10.80%	31.45%
Santa Isabel	40.65%	18.01%	28.28%	7.79%	21.87%	28.01%
Santa Justa	49.40%	21.39%	32.43%	11.14%	6.29%	32.57%
Santa Maria de Belém	34.92%	16.69%	28.70%	7.25%	19.02%	29.91%
Santa Maria dos Olivais	22.41%	10.49%	24.23%	8.97%	12.89%	29.04%
Santiago	41.45%	21.50%	31.62%	11.20%	10.50%	34.42%
Santo Condestável	40.43%	18.77%	28.35%	8.60%	16.44%	30.11%
Santo Estêvão	45.99%	23.48%	30.58%	10.55%	6.11%	37.71%
Santos-o-Velho	41.53%	20.33%	28.13%	10.02%	13.61%	31.72%
S. Cristóvão e S. Lourenço	53.11%	21.92%	27.61%	9.99%	7.94%	31.89%
São Domingos de Benfica	32.50%	11.98%	20.82%	6.20%	27.97%	22.85%
São Francisco Xavier	27.20%	9.87%	19.52%	6.34%	33.79%	19.00%
São João	35.44%	16.98%	26.74%	9.44%	10.82%	30.24%
São João de Brito	33.95%	18.45%	33.45%	6.65%	24.76%	31.14%
São João de Deus	41.28%	21.23%	33.13%	5.39%	28.95%	29.91%
São Jorge de Arroios	46.40%	19.20%	30.00%	7.53%	19.42%	29.96%
São José	52.44%	20.43%	29.71%	9.98%	11.17%	31.76%
São Mamede	46.29%	18.87%	27.93%	7.26%	26.73%	28.30%
São Miguel	42.60%	19.74%	26.06%	11.82%	3.60%	32.58%
São Nicolau	53.72%	22.87%	32.51%	8.68%	9.11%	32.94%
São Paulo	42.29%	16.80%	24.74%	9.37%	9.86%	28.71%
São Sebastião da Pedreira	43.87%	18.07%	29.26%	6.78%	29.23%	24.37%
São Vicente de Fora	43.26%	19.27%	28.43%	9.61%	10.12%	34.45%
Sé	46.34%	19.05%	29.74%	9.31%	13.02%	33.79%
Socorro	45.97%	20.08%	25.94%	12.71%	4.71%	30.88%

Source: Author Computations based on Data from Census 2001 - INE

Annex VIII

Population Fixation, Divisions in lack or Excess and Derelict Buildings

	Working or studying in the same borough	Natural from the borough where actually live	Individual that live in the same borough since 1995	Index of divisions in excess	Index of divisions in lack	Partially derelict as % of total buildings	Totally derelict as % of total buildings	Buildings needing repairs 2001
Mainland	24.88%	47.92%	78.88%	0.95	0.22			38.10%
North	24.44%	53.17%	79.34%	0.91	0.21			40.40%
Center	27.56%	59.14%	82.52%	1.21	0.12			37.30%
Lisbon	19.92%	28.72%	73.81%	0.79	0.19			38.80%
Alentejo	30.67%	57.16%	84.04%	1.01	0.15			35.10%
Algarve	35.21%	43.52%	76.98%	0.88	0.19			32.80%
Grat Lisbon w/o Lisbon	20.47%	27.58%	72.16%	0.71	0.21			36.18%
Lisbon City	15.35%	26.73%	77.22%	0.99	0.17	5.27%	3.52%	55.90%
Ajuda	14.32%	37.60%	84.09%	0.69	0.23	0.94%	3.69%	62.10%
Alcântara	16.86%	30.55%	80.07%	0.88	0.17	1.14%	2.67%	68.00%
Alto do Pina	11.23%	21.41%	74.48%	1.09	0.15	5.25%	1.93%	61.80%
Alvalade	13.90%	21.21%	80.85%	1.36	0.12	3.95%	0.63%	66.30%
Ameixoeira	11.34%	23.42%	74.38%	0.58	0.24	0.51%	3.04%	66.30%
Anjos	11.97%	22.63%	75.27%	1.29	0.14	2.10%	5.10%	64.10%
Beato	13.26%	31.28%	82.05%	0.66	0.25	3.16%	5.03%	48.20%
Benfica	15.10%	27.29%	80.04%	0.83	0.17	1.88%	2.02%	37.20%
Campo Grande	17.08%	24.05%	74.67%	1.27	0.12	0.48%	1.75%	36.30%
Campolide	17.50%	32.22%	75.87%	0.76	0.26	0.70%	3.91%	65.00%
Carnide	14.67%	22.29%	68.96%	0.67	0.22	0.54%	1.52%	78.00%
Castelo	6.81%	47.36%	90.12%	0.43	0.30	8.85%	7.96%	25.60%
Charneca	14.60%	28.18%	62.54%	0.39	0.31	0.68%	1.03%	59.80%
Coração de Jesus	15.07%	23.20%	74.25%	1.38	0.14	5.26%	5.64%	61.80%
Encarnação	15.93%	26.15%	76.52%	1.10	0.16	1.72%	3.02%	61.40%
Graça	12.33%	26.59%	78.32%	0.99	0.16	18.75%	5.82%	53.60%
Lapa	15.47%	28.63%	77.70%	1.32	0.14	12.30%	4.86%	60.40%
Lumiar	17.03%	21.99%	69.02%	0.94	0.13	0.53%	1.44%	38.90%
Madalena	11.05%	21.05%	76.05%	1.64	0.11	31.08%	12.16%	59.40%
Mártires	17.89%	26.69%	72.73%	1.56	0.14	26.67%	21.67%	61.60%
Marvila	19.84%	33.03%	82.27%	0.62	0.26	7.13%	4.39%	68.70%
Mercês	14.39%	30.28%	77.05%	1.03	0.18	5.77%	2.04%	48.70%
Nossa Senhora de Fátima	18.50%	23.86%	74.66%	1.36	0.14	4.90%	3.80%	44.10%
Pena	11.24%	23.42%	74.98%	0.98	0.17	11.79%	3.39%	63.90%
Penha de França	13.04%	26.56%	78.69%	0.88	0.17	0.98%	0.91%	64.30%
Prazeres	17.52%	29.25%	73.82%	1.00	0.20	18.40%	9.02%	68.30%

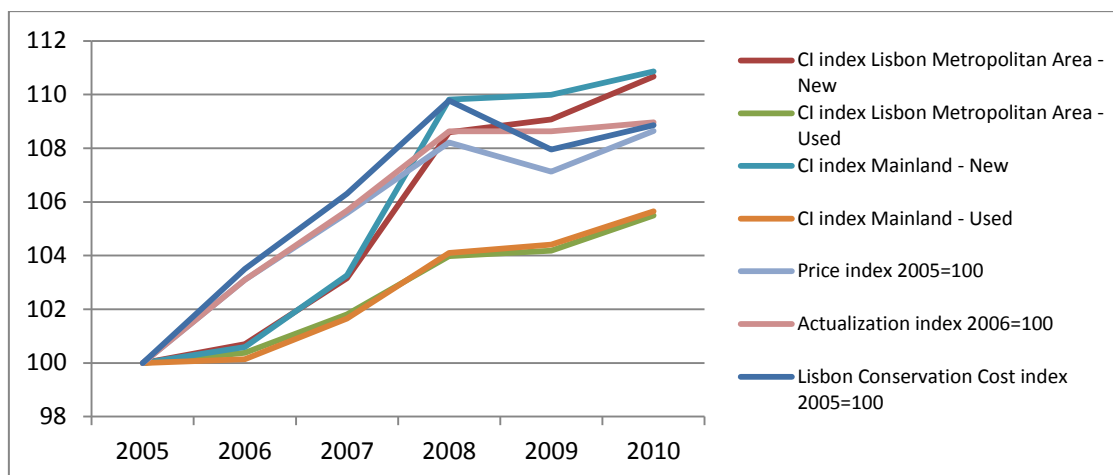
Sacramento	15.57%	23.64%	68.98%	1.11	0.14	14.62%	2.31%	74.60%
Santa Catarina	12.72%	28.38%	79.20%	1.01	0.17	2.45%	4.29%	77.10%
Santa Engrácia	8.23%	27.06%	77.82%	0.71	0.20	10.20%	2.74%	48.40%
Santa Isabel	15.27%	27.36%	75.30%	1.10	0.17	12.36%	3.60%	54.90%
Santa Justa	12.43%	19.00%	78.00%	1.09	0.15	43.92%	14.19%	78.30%
Santa Maria de Belém	17.55%	28.15%	78.64%	1.17	0.15	2.79%	5.58%	46.80%
Santa Maria dos Olivais	16.25%	24.83%	79.55%	1.05	0.16	0.39%	3.54%	38.40%
Santiago	9.68%	33.37%	87.40%	0.92	0.19	24.40%	4.17%	54.70%
Santo Condestável	16.75%	36.21%	80.81%	0.91	0.19	1.06%	1.64%	75.80%
Santo Estêvão	8.45%	35.27%	84.03%	0.57	0.26	30.73%	11.45%	77.00%
Santos-o-Velho	14.03%	39.35%	80.19%	1.12	0.18	12.23%	4.60%	58.80%
S. Cristóvão e S. Lourenço	8.37%	27.36%	75.62%	0.77	0.24	10.53%	3.83%	60.70%
São Domingos de Benfica	15.05%	20.84%	75.14%	0.94	0.15	11.65%	2.05%	42.60%
São Francisco Xavier	15.85%	20.86%	74.83%	1.40	0.10	0.10%	2.81%	25.00%
São João	12.73%	28.51%	79.95%	0.74	0.21	1.45%	1.72%	64.70%
São João de Brito	14.21%	22.72%	82.65%	1.44	0.11	10.83%	2.49%	29.70%
São João de Deus	14.68%	20.54%	78.71%	1.61	0.11	0.37%	3.05%	44.40%
São Jorge de Arroios	16.60%	23.39%	75.99%	1.35	0.13	2.93%	2.81%	62.80%
São José	12.69%	24.62%	76.94%	1.06	0.15	20.04%	7.75%	69.70%
São Mamede	13.72%	22.73%	73.68%	1.51	0.11	17.56%	6.54%	39.00%
São Miguel	9.06%	40.41%	80.87%	0.45	0.31	26.07%	3.30%	44.50%
São Nicolau	11.91%	20.51%	73.62%	1.46	0.11	25.62%	6.20%	57.40%
São Paulo	15.54%	29.20%	77.73%	1.10	0.17	19.41%	12.03%	59.00%
São Sebastião da Pedreira	18.99%	28.67%	75.95%	1.84	0.14	18.23%	4.70%	52.80%
São Vicente de Fora	13.78%	29.48%	78.46%	0.76	0.19	1.75%	3.50%	57.10%
Sé	10.60%	25.69%	77.50%	1.47	0.14	26.84%	5.79%	82.60%
Socorro	12.56%	31.21%	81.79%	0.75	0.26	4.42%	2.72%	80.70%

Source: Author Computations based on Data from Census 2001 – INE;

Derelict buildings from Direcção Municipal de Conservação e Reabilitação Urbana

Annex IX

Rent Actualizations Grew in line with the Price index and conservation costs since 2005, just above the House market index for New Houses



Source: Price Index and Conservation Costs - Author Computations based on Data from INE.
 Actualization coefficients computed from factors in "Portal Habitação"
 CI index Author computations based on data from Confidencial Imobiliário

Annex X

Correction coefficients to apply in the first update in 1986

year of last rent fixation	Municipalities of Lisbon and Oporto				Others Municipalities	Inflation Index Until 1986
	w/o gate and w/o lift	w/o gate and w/ lift	w/ gate and w/o lift	w/ gate and w/ lift		
Before 1960	3.15	3.45	3.7	4		
1060	2.95	3.2	3.45	3.7		
1961	2.6	2.75	2.95	3.1		4.091
1962	2.5	2.6	2.75	2.9		4.077
1963	2.5	2.6	2.75	2.9	2.1	4.07
1964	2.35	2.5	2.6	2.7		4.064
1965	2.25	2.3	2.4	2.5		4.044
1966	1.95	2	2.05	2.1		4.005
1967			1.9			3.952
1968			1.8			3.913
1969			1.8		2.1	3.896
1970			1.7		1.9	3.822
1971			1.7		1.9	3.804
1972			1.65		1.85	3.754
1973			1.6		1.8	3.676
1974			1.5		1.5	3.581
1975			1.45		1.45	3.392
1976			1.4		1.4	3.23
1977			1.31		1.31	3.067
1978			1.27		1.27	2.793
1979			1.21		1.21	2.573

Source: Inflation Index Author Computations based on Inflation excluding Housing Data from INE until 1977, before from Inflation Data from Google.
 Actualization coefficients from Law nº 46/86

Annex XI

Auxiliary Model to test the effects of some of the most relevant variables

	Lisbon First Quartile (up to 24,93€)				Lisbon Second Quartile (up to 59,85€)				Lisbon Third Quartile (up to 149,63€)									
	model1 t-scores	model2 t-scores	model3 t-scores	model3 t-scores	model1 t-scores	model2 t-scores	model3 t-scores	model3 t-scores	model1 t-scores	model2 t-scores	model3 t-scores	model3 t-scores						
Constant	1.5123	6.780	1.6165	6.758	1.1489	6.662	0.8976	2.978	0.8242	3.154	0.7659	2.404	1.0724	7.057	1.0337	6.494	1.0337	6.254
Limited Rent Contract	-0.9081	-2.043	-0.9321	-1.934	-0.7755	-2.338	-1.0314	-1.717	-0.3699	-0.703	-1.0519	-1.717	-1.4979	-4.946	-1.2437	-3.878	-1.5543	-4.841
Unlimited Rent Contract	-0.1574	-0.993	-0.1028	-0.595	-0.0638	-0.572	0.0157	0.073	-0.2814	-1.490	0.0475	0.231	0.1670	1.545	0.0908	0.789	0.1775	1.644
Social Rent Contract	0.2611	2.501	0.3276	2.274	0.0944	1.163	0.1039	0.736	0.5916	3.758	0.0627	0.419	0.2063	2.900	0.3637	3.793	0.2019	2.570
familiar classic dwellings	-1.7257	-1.146	-1.2189	-0.797	-2.2549	-2.082	-2.2160	-1.089	-0.1348	-0.081	-2.6313	-1.315	-0.6317	-0.616	0.1021	0.100	-0.6994	-0.667
Other Non-Owner	-2.3836	-1.949	-2.9356	-2.399	-0.2854	-0.298	-2.4161	-1.462	-3.5162	-2.630	-0.7604	-0.429	-0.4142	-0.497	-0.8202	-1.007	0.2788	0.300
Occupied Seasonal	-0.0702	-0.230	-0.1353	-0.454	0.0461	0.215	0.1814	0.440	0.0945	0.291	0.3374	0.850	-0.0567	-0.273	-0.0942	-0.475	0.0082	0.039
Unoccupied for Sale	0.8693	1.135	1.6806	1.899	0.5937	1.111	1.0076	0.974	2.4488	2.533	0.8310	0.842	0.4511	0.865	1.1307	1.920	0.3864	0.747
Unoccupied for Rent	-0.4484	-1.692	-0.5185	-1.988	-0.4077	-2.206	-0.2559	-0.715	-0.2958	-1.038	-0.2531	-0.741	-0.1383	-0.766	-0.1502	-0.865	-0.1437	-0.803
Unoccupied to Demolish	-3.7499	-2.823	-4.1956	-3.200	-3.9122	-4.187	-2.6509	-1.477	-2.6859	-1.875	-2.6415	-1.531	-1.5986	-1.767	-1.6466	-1.887	-1.6357	-1.809
Unoccupied Other	-0.0058	-0.046	-0.0847	-0.662	-0.0566	-0.621	0.0811	0.476	-0.0155	-0.111	-0.0133	-0.079	0.0588	0.685	0.0159	0.186	0.0144	0.164
Prior to 1919	-0.1586	-1.207	-0.1651	-1.286	-0.0987	-1.058	0.0357	0.201	-0.0244	-0.174	0.0319	0.185	0.0360	0.402	0.0219	0.256	0.0356	0.395
1919 to 1945	-0.2738	-2.560	-0.2924	-2.804	-0.1982	-2.499	-0.1008	-0.697	-0.1239	-1.088	-0.1309	-0.893	-0.0493	-0.677	-0.0570	-0.821	-0.0621	-0.809
1946 to 1960	-0.3492	-2.310	-0.3623	-2.406	-0.2286	-2.110	-0.0709	-0.347	-0.1367	-0.831	0.0082	0.041	0.0330	0.321	0.0263	0.263	0.0675	0.643
1960 to 1970	-0.4521	-2.464	-0.5395	-2.843	-0.3918	-2.963	-0.1329	-0.536	-0.2752	-1.327	-0.0342	-0.140	-0.0584	-0.467	-0.0935	-0.740	-0.0079	-0.062
1971 to 1980	-0.0695	-0.604	-0.0400	-0.327	-0.1138	-1.253	-0.0347	-0.224	0.0691	0.517	0.0286	0.170	0.0153	0.195	0.0297	0.365	0.0578	0.658
1981 to 1990	-0.7922	-2.417	-0.8784	-2.654	-0.4287	-1.793	-0.4902	-1.107	-0.7223	-1.998	-0.3362	-0.761	-0.4368	-1.956	-0.4854	-2.203	-0.3755	-1.622
5 to 9 Dwellings	-0.1584	-1.724	-0.2117	-2.281	-0.1006	-1.552	-0.1364	-1.099	-0.1716	-1.692	-0.1094	-0.914	-0.0191	-0.306	-0.0431	-0.698	-0.0115	-0.183
10 to 15 Dwellings	-0.0760	-0.472	-0.1500	-0.868	-0.0745	-0.660	-0.2142	-0.985	-0.5651	-2.594	-0.1981	-0.949	-0.0917	-0.836	-0.2065	-1.796	-0.0900	-0.823
More than 15 Dwellings	-0.1396	-0.604	-0.0217	-0.093	-0.1058	-0.630	0.3488	1.116	0.6003	2.340	0.5317	1.714	0.0916	0.582	0.1969	1.260	0.1716	1.056
Lisbon first quartile	0.3723	2.937	0.2897	2.217	0.4066	4.539	0.2007	1.172	0.2034	1.425	0.2257	1.364	0.1216	1.408	0.1136	1.306	0.1364	1.573
Lisbon second quartile	-0.2042	-1.082	-0.0943	-0.488	-0.1879	-1.385	-0.2002	-0.785	-0.0215	-0.102	-0.1902	-0.759	-0.1184	-0.922	-0.0585	-0.455	-0.1026	-0.781
Lisbon third quartile	0.0541	0.252	-0.0388	-0.180	0.2034	1.238	0.1467	0.506	-0.0868	-0.369	0.3049	1.004	0.0374	0.256	-0.0474	-0.330	0.0799	0.502
3 to 4 Divisions	-0.8372	-4.089	-0.9256	-4.331	-0.7398	-4.945	0.0645	0.233	-0.3031	-1.298	-0.0278	-0.101	-0.2161	-1.549	-0.3336	-2.345	-0.2658	-1.835
5 to 6 Divisions	-0.8085	-4.647	-0.8121	-4.731	-0.8807	-6.858	-0.4989	-2.122	-0.5189	-2.767	-0.6588	-2.777	-0.1825	-1.540	-0.2034	-1.781	-0.2577	-2.073
7 to 8 Divisions	-0.9676	-2.081	-1.0975	-2.335	-0.7876	-2.416	-0.3512	-0.559	-0.9787	-1.906	-0.1593	-0.265	-0.6187	-1.953	-0.8257	-2.640	-0.5392	-1.709
9 or more Div. <i>Barrough</i>	-0.2567	-0.316	-0.0912	-0.114	-0.6295	-1.073	0.3422	0.312	0.9244	1.059	-0.0430	-0.404	-0.0518	-0.093	0.1353	0.254	-0.2517	-0.443
Prior to 1975			0.0997	0.487	-0.0103	-0.607			0.9433	4.218	-0.0098	-0.313			0.3120	2.290	-0.0097	-0.594
usual residence			0.1580	0.686	-0.0522	-1.569			0.3312	1.315	-0.1150	-1.869			0.2248	1.465	-0.0554	-1.719
dwellings by			-1.8213	-2.146	0.1283	3.212			-1.2415	-1.339	-0.0068	-0.092			-0.6863	-1.215	-0.0181	-0.469
contract date																		
R2	0.9373	0.9478	0.8821	0.9733	0.9395		0.8952	0.9430	0.8711	0.9164	0.8110		0.9009	0.9213	0.8221	0.9146	0.8018	0.8070
Adjusted R2	0.8747	0.8821	0.8821	0.8821	0.8821		0.7904	0.8711	0.8711	0.8110			0.8018	0.8221	0.8070			

Source: Author Computation (Data from INE)

Annex XII - Explanation for auxiliary model

The table presents the estimates for each quartile, where for each one, was estimated 3 different models. Each explanatory variable was expressed as percentage of the total of the belonging group, with different values for each borough, where each group has an omitted variable, so each of the coefficients should be compared with the omitted variable. For example to the first group which expresses the percentage for each type of occupation on the total of occupied as usual residence familiar classic dwellings, the variable omitted is the owner occupied dwelling percentage, so each coefficient should, *ceteris paribus*, be analyzed as a trade of between the omitted variable, so an increase in the limited rent contract percentage will be at the cost of an equal decrease in the owner occupied percentage. For the percentage of familiar classic dwellings will be the percentage of occupied as usual residence. Exception to this is the Accumulated of charges with own house purchase, because all quartile values are accumulated (variable similar to the explained variable). Also for the group of variables contemplated in model 3 which are binary variables for each peripheral perimeter where the omitted variable is the central boroughs. I started the model with a greater number of variables, then excluding the groups of variables less relevant and with strange results, as house facilities, as electricity, sewage or water, since almost the percentage of dwellings without it are so low that it doesn't have the right expression in a model with aggregate percentages. Also there are some groups of variables that are related and take the effects from other group of variables, it's the case of the contract date, the borough line and the buildings date, so the first ones aren't treated together, instead they are in different models to reveal and prove some issues.

Before moving to the interpretation of coefficients there are one thing needing to know, a positive coefficient means that if the weight of the variable change in one percentage point the accumulated quartile (explained variable) will increase by the coefficient times one percentage point, while the accumulate quartile increases the more dwellings we have above the corresponding rent level, so as cheap are the rents. Then one negative coefficient implies a rent increase. The accumulated of charges with own house purchase have the same coefficient interpretation as others variables, but we must have in attention that when it increases means that we have lower charges.

Having a look at model1 for the first quartile of rent values (also analyzing the other eight models since some results are similar), we could see that as greater is the weight of limited rent contracts the higher will be the rent values of the first quartile for that borough the same applies to all other 8 models. This is due to the mechanism of demand and supply, as greater are the demand for rent, the higher will be the rent costs. Then we have to compare this value with the weight of unlimited rent contracts, which have a lower impact on rent increase and with a very low significance, that is due to the fact that limited contract rents are much more dynamic as unlimited rent contracts and practiced at a rent value much more updated and market reflective, while unlimited rent contracts tend to be much similar as owner occupied, due to the long use of housing service, it is almost as there was some houses less in the rent market and as it were a great percentage in the rent market, it is establishing the most of rent values, so the differences in the prices will be mainly due to other types of contracts. We could find evidence of rent control effects on those two variables, because if unlimited rent contracts have values updated close to the market as it was the limited rent contract, then both variables will have a similar value, but instead, having more rent limited houses increases the rent value. Social rent contracts are significant and as higher the percentage the lower will be the rents, which is understandable. Subletting has few significance in some models maybe because it is not so

much expressive as are rent contracts but its negative coefficient corresponds also to the demand supply mechanism, as greater is the demand of subletting the greater will be the rents and its value is very close to market value. Other Non-owner cases when significant have a great impact in rent increase since it means one less unit to rent in the market, usually from unlimited rent contracts taken to landlords own residence then used by familiars.

Then sometimes significant is unoccupied for sale with a positive value, which I believe that is due to the fact that as rent contracts are lower, owners prefer to sell the house instead of renting. Unoccupied seems to have a strange behavior, but in a market with lack of rent supply, having unoccupied rent units, means that they could be very unsound, so less dwellings are in the market and greater will be the rents, also for unoccupied to demolish, very significant since it means less supply, also it can contemplates for positive signal in rent price due to rehabilitation borough programs.

Strange could be see that old building dates percentage makes the rent price increase, but not if we understand that for older ones that increase in price is lower and that the omitted variable is building date after 1991, where the high percentage of building up was in the periphery, where the prices are lower, we can confirm that by introducing the periphery binary variables in the model, it takes some strength of those variables in detriment of a positive coefficient for peripheral boroughs meaning lower rents. The high value of increase in rent price for weights of 1981 to 1990 construction is due to the fact that the construction in that period slowed down in the peripheries being mainly in the centered in areas where the prices are higher. According to the number of dwellings in the buildings it seems that the expensive ones have 5 to 9 dwellings.

Rent prices are correlated with first quartile of charges with own house, they move together, but more expressive explaining the first quartile of rent prices. Although charges with own rent have less than proportional impact.

The number of divisions has impact on the rent value as expected, where having more than nine divisions seems to be devaluating. For first quartile seems to be proportional the number of divisions and the increase in price, for third quartile the 7 and 8 divisions are more appreciated (costly).

According to contract date when used in the model of first and third quartile it takes some strength of limited and unlimited rent contract variables, because it have a similar interpretation, for older contracts rent level is lower, another rent control evidence, for the first quartile, as it is much correlated with older contracts, they seem to have no evidence, because it is a given data of the "first quartile market" so instead of being significant, the more significant is the 1987 to 1991 rent contract date, having a positive impact in the prices. For other quartiles, are the older contract dates the ones most significant with a negative impact on rent price.

For the second quartile the evidence is for the model2, which translates the chronic situation caused by rent controls. With prior to 1975 taking all the evidence (from limited or unlimited rent contract), as well as unoccupied for sale and unoccupied to demolish, which are the chronic effects of rent control. The price of dwellings between 5 and 8 divisions, were used by the old tenants with capacity gap according to their needs, being ones of the most occupied becoming scarcer and costly. The borough 3rd line being an expensive area, have a significant impact on second and third quartile. The third quartile seem to be an extreme market, with limited rent contract having a great impact on price, unlimited contract makes the price decrease as well as social rents, while the evidence goes to 7 or 8 divisions in buildings of 10 to 15 dwellings.

Annex XIII - Model for the average borough rent value and each accumulated level of rent percentage based on rent type, buildings' date and n° of dwellings, n° of divisions and contract date

	mean t-scores	level1 t-scores	level2 t-scores	level3 t-scores	level4 t-scores	level5 t-scores	level6 t-scores	level7 t-scores	level8 t-scores	level9 t-scores	level10 t-scores	level11 t-scores												
Constant	33.92	0.644	0.763	4.046	1.0223	4.809	0.9687	4.545	0.2073	1.044	0.5762	3.865	0.8665	7.355	0.9722	9.630	1.0840	10.650	1.2027	13.327	1.1441	12.423	0.9781	9.409
% of rent and sublet occupied as usual residence	298.12	4.082	-0.154	-0.588	-0.3320	-1.126	-0.1872	-0.633	-0.0754	-0.274	-0.8169	-3.951	-0.8298	-5.080	-0.8325	-5.946	-0.7417	-5.255	-0.6690	-5.346	-0.4315	-3.379	-0.2333	-1.618
Social Rent	-103.45	-3.581	0.263	2.547	0.3740	3.208	0.4998	4.276	0.5703	5.233	0.2280	2.788	0.1523	2.356	0.1666	3.008	0.1494	2.676	0.1356	2.739	0.1092	2.163	0.0922	1.617
Sublet	60.47	0.272	-1.267	-1.595	-1.3359	-1.491	-0.8584	-0.955	-0.1153	-0.138	-0.8588	-1.366	-0.5464	-1.100	-0.0321	-0.075	-0.0945	-0.220	-0.0941	-0.247	0.0733	0.189	0.3919	0.894
Prior to 1919	21.19	0.899	-0.220	-2.603	-0.3221	-3.386	-0.3378	-3.542	-0.0725	-0.815	0.0284	0.426	-0.0219	-0.415	-0.0184	-0.407	-0.0299	-0.657	-0.0277	-0.685	-0.0257	-0.623	-0.0015	-0.032
1919 to 1945	37.53	1.905	-0.204	-2.887	-0.2900	-3.648	-0.3185	-3.995	-0.0748	-1.006	0.0109	0.195	-0.0438	-0.995	-0.0370	-0.979	-0.0599	-1.572	-0.0682	-2.021	-0.0612	-1.776	-0.0414	-1.065
1946 to 1960	40.59	1.533	-0.321	-3.386	-0.4991	-4.671	-0.5161	-4.817	-0.2008	-2.011	-0.0091	-0.121	-0.0283	-0.477	-0.0128	-0.252	-0.0354	-0.691	-0.0366	-0.806	-0.0479	-1.035	-0.0265	-0.508
% of buildings by building date 1960 to 1970	89.30	2.480	-0.345	-2.680	-0.5453	-3.752	-0.6195	-4.252	-0.2680	-1.973	-0.1251	-1.227	-0.1298	-1.612	-0.0909	-1.317	-0.0868	-1.247	-0.1227	-1.989	-0.1462	-2.323	-0.1015	-1.428
1971 to 1980	-24.15	-0.853	-0.001	-0.015	-0.1025	-0.897	-0.1131	-0.987	0.1084	1.014	0.1044	1.302	0.0132	0.208	0.0341	0.629	0.0466	0.851	0.0515	1.061	0.0601	1.214	0.0293	0.525
1981 to 1990	164.81	2.497	-0.325	-1.375	-0.5634	-2.115	-0.7384	-2.765	-0.2227	-0.894	-0.2028	-1.085	-0.2182	-1.478	-0.2192	-1.733	-0.2930	-2.297	-0.2835	-2.507	-0.2905	-2.517	-0.2685	-2.061
5 to 9 Dwellings	0.00	0.000	-0.135	-2.090	-0.1872	-2.565	-0.1864	-2.547	-0.0840	-1.232	-0.0128	-0.251	-0.0401	-0.992	-0.0026	-0.075	0.0065	0.185	0.0102	0.328	0.0285	0.902	0.0497	1.391
by n° of dwellings	101.19	2.688	-0.195	-1.446	-0.3006	-1.979	-0.4741	-3.113	-0.5818	-4.097	-0.4078	-3.827	-0.1979	-2.350	-0.1487	-2.062	-0.1073	-1.476	-0.0906	-1.405	-0.0983	-1.493	-0.0646	-0.870
> 15 Dwellings	12.54	0.254	-0.158	-0.896	-0.2689	-1.350	-0.1856	-0.929	0.1956	1.050	0.1078	0.771	0.0083	0.075	-0.0180	-0.191	-0.0218	-0.228	-0.0454	-0.537	-0.0675	-0.783	-0.0301	-0.309
3 to 4 Divisions	25.62	0.627	-0.329	-2.250	-0.3458	-2.096	-0.2754	-1.665	0.2773	1.798	0.1397	1.208	-0.0302	-0.331	-0.1339	-1.709	-0.1659	-2.099	-0.2253	-3.217	-0.0715	-1.000	0.0738	0.915
5 to 6 Divisions	108.34	3.579	-0.437	-4.039	-0.4988	-4.083	-0.5254	-4.289	-0.2688	-2.354	0.0343	0.400	-0.0139	-0.205	-0.1325	-2.284	-0.2114	-3.614	-0.2923	-5.636	-0.2333	-4.407	-0.1272	-2.129
7 to 8 Divisions	91.91	0.962	-0.078	-0.227	-0.0256	-0.066	-0.0004	-0.001	0.0653	0.181	-0.2509	-0.927	-0.2589	-1.211	-0.3102	-1.694	-0.2639	-1.429	-0.2711	-1.656	-0.0969	-0.580	-0.0770	-0.408
9 or more Div.	288.63	2.311	-1.245	-2.785	-1.8568	-3.644	-1.7893	-3.540	-0.8355	-1.773	-0.5068	-1.433	-0.3770	-1.349	-0.2402	-1.003	-0.2754	-1.141	-0.4230	-1.977	-0.5332	-2.441	-0.2874	-1.166
Prior to 1975	-95.88	-2.302	0.033	0.222	0.1299	0.773	0.3284	1.949	0.7811	4.972	0.4066	3.449	0.2317	2.488	0.2036	2.551	0.1279	1.590	0.0674	0.945	0.0224	0.308	0.0600	0.731
1975 to 1986	-27.18	-0.574	0.144	0.851	0.1417	0.742	0.2249	1.173	0.1049	0.587	0.1053	0.786	0.1000	0.944	0.0906	0.998	0.0818	0.894	0.0475	0.586	-0.0318	-0.384	-0.0085	-0.091
1987 to 1991	154.41	0.896	-1.050	-1.704	-1.2163	-1.750	-1.2313	-1.767	0.0080	0.012	-0.2253	-0.462	-0.2319	-0.602	-0.2433	-0.737	-0.3617	-1.087	-0.4408	-1.494	-0.2425	-0.805	0.0070	0.021
R2	0.9406		0.8837	0.9206	0.9349	0.9365	0.9249	0.9169	0.9270	0.9169	0.9270	0.9169	0.9270	0.9169	0.9270	0.9169	0.9270	0.9169	0.9270	0.9169	0.9270	0.9169	0.9270	0.9169
Adjusted R2	0.9064		0.8168	0.8749	0.8975	0.8999	0.8816	0.8691	0.8850	0.8691	0.8850	0.8691	0.8850	0.8691	0.8850	0.8691	0.8850	0.8691	0.8850	0.8691	0.8850	0.8691	0.8850	0.8691

Source: Author Computation (Data from INE)

Annex XIV

Market Values and 2001 Average contracted values compared

	2010 estimated values		values deflated by actualization index to 2001		average rent in 2001	difference from 0,4% of sell value in 2010 deflated	difference from rent value in 2010 deflated
	Market rent value	rent value according to the 0,4% of Dwelling for sell value	Market rent value	rent value according to the 0,4% sell value of Dwelling			
Lisbon Average	640.3736	600.7907	502.6728	471.6014	123.18	348.0916	379.163
Ajuda	564.3582	508.6218	443.0031	399.2518	81	318.2518	362.0031
Alcântara	625.6131	525.4795	491.0862	412.4845	106	306.4845	385.0862
Alto do Pina	584.0591	555.4825	458.4677	436.0359	136	300.0359	322.4677
Alvalade	612.8434	631.286	481.0624	495.5393	147	348.5393	334.0624
Ameixoeira	581.4626	540.8914	456.4295	424.5824	91	333.5824	365.4295
Anjos	508.2904	472.5537	398.9917	370.9395	138	232.9395	260.9917
Beato	499.9573	451.8746	392.4505	354.707	99	255.707	293.4505
Benfica	517.3723	525.1682	406.1207	412.2402	118	294.2402	288.1207
Campo Grande	756.2337	769.4871	593.6192	604.0227	126	478.0227	467.6192
Campolide	727.6657	671.4071	571.1943	527.033	114	413.033	457.1943
Carnide	673.8101	648.0963	528.9193	508.7348	64	444.7348	464.9193
Castelo	633.0668	479.4972	496.9371	376.3899	54	322.3899	442.9371
Charneca					75		
Coração de Jesus	784.9736	773.9703	616.1791	607.5419	138	469.5419	478.1791
Encarnação	631.1706	581.7909	495.4487	456.6872	136	320.6872	359.4487
Graça	579.0348	537.4128	454.5238	421.8518	111	310.8518	343.5238
Lapa	706.0909	672.7156	554.2587	528.0602	155	373.0602	399.2587
Lumiar	674.0177	655.1102	529.0823	514.2405	150	364.2405	379.0823
Madalena	669.0671	444.203	525.1962	348.6851	147	201.6851	378.1962
Mártires					155		
Marvila	619.3644	559.3245	486.1812	439.0518	55	384.0518	431.1812
Mercês	705.3729	602.7101	553.6951	473.1081	129	344.1081	424.6951
Nossa Senhora de Fátima	727.3393	652.4528	570.9381	512.1545	161	351.1545	409.9381
Pena	474.899	465.1443	372.7805	365.1234	146	219.1234	226.7805
Penha de França	518.8134	492.4008	407.2519	386.5189	118	268.5189	289.2519
Prazeres	588.5605	536.3375	462.0011	421.0077	113	308.0077	349.0011
Sacramento	587.8128	534.3068	461.4142	419.4137	154	265.4137	307.4142
Santa Catarina	629.9467	564.3783	494.488	443.0189	128	315.0189	366.488
Santa Engrácia	553.4683	525.1485	434.4549	412.2248	121	291.2248	313.4549
Santa Isabel	731.5048	768.6681	574.2079	603.3799	140	463.3799	434.2079
Santa Justa	1232.292	767.8449	967.3098	602.7336	104	498.7336	863.3098
Santa Maria de Belém	638.3843	583.136	501.1112	457.7431	105	352.7431	396.1112
Santa Maria dos Olivais	806.0108	672.1884	632.6927	527.6464	79	448.6464	553.6927
Santiago	485.1947	744.9643	380.8623	584.7731	84	500.7731	296.8623
Santo Condestável	569.7581	563.2524	447.2418	442.1351	130	312.1351	317.2418
Santo Estêvão	548.9006	449.9142	430.8694	353.1682	86	267.1682	344.8694
Santos-o-Velho	697.3356	649.6979	547.3861	509.992	116	393.992	431.3861
São Cristóvão e São Lourenço	584.5578	472.2536	458.8592	370.704	110	260.704	348.8592
São Domingos de Benfica	644.9558	659.5004	506.2696	517.6867	143	374.6867	363.2696
São Francisco Xavier	674.2977	691.1656	529.3021	542.5428	214	328.5428	315.3021
São João	562.8073	543.5916	441.7857	426.7019	114	312.7019	327.7857

São João de Brito	598.3511	722.8705	469.6864	567.4302	137	430.4302	332.6864
São João de Deus	532.0353	594.695	417.6306	466.8165	165	301.8165	252.6306
São Jorge de Arroios	577.8689	586.9341	453.6085	460.7245	155	305.7245	298.6085
São José	573.4419	562.8827	450.1335	441.8449	137	304.8449	313.1335
São Mamede	793.6957	921.4468	623.0257	723.3062	177	546.3062	446.0257
São Miguel	508.4675	486.7989	399.1307	382.1215	95	287.1215	304.1307
São Nicolau	1035.512	845.0814	812.8437	663.3618	127	536.3618	685.8437
São Paulo	697.0522	556.136	547.1637	436.5489	131	305.5489	416.1637
São Sebastião da Pedreira	854.7966	824.681	670.9879	647.3482	171	476.3482	499.9879
São Vicente de Fora	519.108	478.4359	407.4831	375.5569	118	257.5569	289.4831
Sé	674.5668	699.9794	529.5134	549.4614	123	426.4614	406.5134
Socorro	383.4947	416.953	301.031	327.2947	102	225.2947	199.031

Source: Average rent in 2001 from INE

Actualization coefficients computed from factors in “Portal Habitação”

Market values computed from 2010 square meter value times an average of offered area in 2010 and 2009 for apartments T1 or less from Lardocelar – Confidencia Imobiliário

Annex XV
International Monetary Fund wants houses to be more expensive

Diário de Notícias

FMI quer que casas fiquem mais caras

O Fundo Monetário Internacional (FMI) e a União Europeia (UE) vão propor alterações ao mercado da habitação em Portugal, substituindo o conceito de casa própria pelo arrendamento e "dinamizando" o mercado...

Os peritos, Governo incluído, argumentam que os preços têm margem para subir - há muitas rendas que não reflectem o real valor das casas, o mercado está desvalorizado e as famílias estão demasiado endividadas e amarradas à prestação da casa. Isto num país onde cerca de 76% têm casa própria, um dos valores mais altos em 17 países.

A solução, segundo o FMI, passará por apostar no arrendamento e aumentar o preço das casas, para assim travar o endividamento das famílias.

[Leia mais pormenores no e-paper do DN](#)

publicado a 2011-04-14 às 01:00



PATROCÍNIO

Para mais detalhes consulte:

[http://www.dn.pt/especiais/interior.aspx?content_id=1829917&especial=Portugal pede ajuda externa&secao=ECONOMIA](http://www.dn.pt/especiais/interior.aspx?content_id=1829917&especial=Portugal+pede+ajuda+externa&secao=ECONOMIA)

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Source: Diário de Notícias

Annex XVI

Each time more difficult to pay rent and provision of house

Diário de Notícias

Cada vez mais difícil pagar renda e prestação da casa

Os portugueses inquiridos no barómetro do Centro de Estudos e Sondagens de Opinião da Universidade Católica (CESOP/UCP) relativa ao mês de Abril queixam-se de crescentes dificuldades no pagamento ao banco...

De acordo com a pesquisa, conduzido nos dias 2 e 3 de Abril (ainda antes do anúncio do pedido de ajuda de Portugal ao fundo da UE e do FMI), 23% dos 1288 inquiridos confirmou que teve dificuldades em pagar no prazo acordado. No mesmo inquérito conduzido em Outubro do ano passado, a proporção estava em 20%. Da mesma forma, a percentagem de pessoas que garantiram não ter sentido problemas com o custo da sua habitação desceu de 77% para 66% entre Outubro de 2010 e Abril deste ano. De sublinhar também que este era o ponto da situação antes de o BCE subir juros, decisão tomada no passado dia 7 de Abril. O banco central aumentou a taxa de juro directora para 1,25%. Desde Julho de 2008 que a instituição mantinha a sua taxa, o principal indexante das Euribor, num mínimo histórico de 1%.

O barómetro do CESOP/UCP mostra ainda que os portugueses ouvidos estão mais afiitos do que há seis meses no que toca ao pagamento atempado das contas da água, gás e luz: 28% confirmou isso mesmo (23% em Outubro) e 65% garantiu que estava tudo controlado (75% há seis meses). Questionados sobre o stress financeiro nos gastos com alimentação e outras mensalidades (escola, creche, lares de idosos), a tendência foi similar: este tipo de despesas também está cada vez mais difícil de cumprir.

Luis Reis Ribeiro

publicado a 2011-04-11 às 07:55

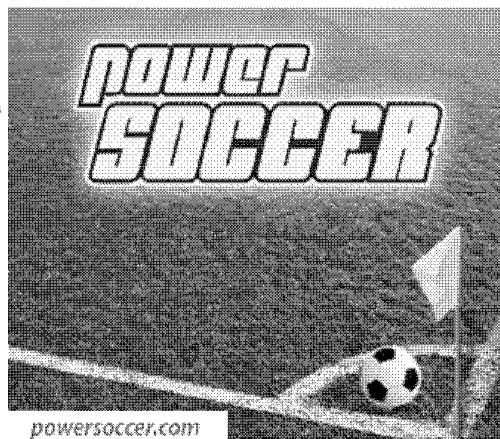
Para mais detalhes consulte:

[http://www.dn.pt/especiais/interior.aspx?content_id=1827519&especial=Portugal pede ajuda externa&seccao=ECONOMIA](http://www.dn.pt/especiais/interior.aspx?content_id=1827519&especial=Portugal+pede+ajuda+externa&seccao=ECONOMIA)

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Source: Diário de Notícias



PATROCINIO

Annex XVII

International Monetary Fund will strengthen the resurgence of the rental market

Habitação

FMI vai forçar ressurgimento da aposta no arrendamento

Sandra Almeida Simões
20/04/11 00:05

Flexibilizar o arrendamento é a solução, como sugeria o PEC IV.

"Dado o actual contexto de elevado peso do crédito habitação no endividamento total das famílias, o Governo entende ser oportuno dar um novo impulso ao mercado de arrendamento". Foi desta forma que Teixeira dos Santos comunicou ao país o fim das deduções fiscais com os juros dos novos créditos à habitação, consagrado no PEC IV. Apesar do chumbo do documento, este será também o argumento usado pela delegação do FMI, Comissão Europeia e Banco Central Europeu para impor a Portugal o ressurgimento da aposta no arrendamento.

"Os organismos internacionais pretendem que a economia portuguesa seja mais flexível para que possa crescer mais. Sabendo-se que a existência de muitas casas próprias é um obstáculo à mobilidade e flexibilidade económica, o programa de auxílio tenderá a reduzir a necessidade de aquisição de casa própria, através da flexibilização da solução de arrendamento (como aliás o PEC IV já sugeria)", defende Cristina Casalinho. A economista-chefe do BPI recorda que o excesso de crédito à habitação em Portugal resulta de "uma distorção de mercado, cuja correcção deverá fazer com que os níveis de crédito à habitação regressem, desejavelmente, a patamares mais alinhados com o passado português e com a média europeia".

Para ilustrar a distorção basta regressar a 2007, ano em que os bancos concorriam pelo melhor "spread zero" do mercado e relembrar que a lei do arrendamento urbano não vingou.[CORTE_EDIMPRESSA]

"Se o crédito está mais escasso, os custos mais elevados, as Euribor mais altas e a confiança em baixa, a maioria dos portugueses não estará muito motivado para adquirir habitação recorrendo ao crédito, pelo que as soluções de arrendamento, de partilha de habitação e de manutenção da residência habitual deverão constituir as decisões mais óbvias", sintetiza Filipe Garcia, economista da IMF.

Para promover a reabilitação urbana, o Executivo de Sócrates sugeria a simplificação dos procedimentos das operações de reabilitação dos edifícios. Por sua vez, em matéria de dinamização do mercado de arrendamento pretendia assegurar que os proprietários têm meios à sua disposição para reagir perante o incumprimento do contrato e resolver a situação em tempo justo.

2011 é o ano da mudança

Pedro Lino, CEO da Dif Broker, diz que estamos perante um "ciclo vicioso", que a ajuda externa poderá interromper. Por um lado, a subida das Euribor vai aumentar o nível de incumprimento à banca que, por seu turno, perante maiores dificuldades de financiamento, aumento do malparado e necessidade de cumprir rácios de capital, irá restringir o acesso ao crédito". O arrendamento poderá assim ser a solução, num ano em que as famílias portuguesas vão viver com orçamentos condicionados pela subida de preços, agravamento fiscal, aumento da taxa de juro do BCE, crédito escasso mais caro, cortes nas prestações sociais e desemprego galopante. A redução do rendimento disponível vai forçar mudanças nos padrões de consumo, com sérias restrições, sobretudo, para as famílias mais endividadas.

Source: Diário Económico

Annex XVIII

Portugal's Towns Crumble as Century Old Rent Controls Strangle Investment

Bloomberg

Portugal's Towns Crumble as Century-Old Rent Controls Strangle Investment

By Sharon Smyth and Jim Silver - Feb 2, 2011

Isabel Palma has been trying to sell a seven-story building in Lisbon's business district for six years. It doesn't help that the property isn't generating enough income to pay for maintenance and she can't raise rents.

The six remaining tenants, including law firms and a hostel, have had their rents frozen for years or simply don't pay anymore because they don't fear eviction, according to the landlady, whose family has owned the 1,610 square-meter (17,330 square-foot) property since 1909. She gets a total of 1,100 euros (\$1,490) a month in rent.

"I've spent six years in court and thousands of euros on lawyers trying to terminate leases with tenants who pay little or nothing," Palma, 78, said in an interview. "No one wants to buy into a problem like that."

Century-old controls on rents and evictions are stifling investment in Portuguese real estate and leaving the country with crumbling city centers as rental income fails to keep pace with maintenance costs, according to landlords and property industry groups. The government has pledged to introduce measures in March to streamline rules on rental properties as it seeks to jumpstart an economy that's had one of Europe's weakest growth rates over the last decade.

While legislation in 1981 lifted rent controls on new contracts and a 1990 law allowed landlords to set expiry dates on leases, more than half of Portugal's rentals are subject to the older restrictions. That means most owners are still coping with contracts that never expire and rates that are frozen or limited to inflation adjustments, said Miguel Marques dos Santos, an attorney specializing in real estate at the Lisbon office of Garrigues. Even death isn't always enough to break a lease because tenants can pass on a contract to their children, spouses or parents.

Legal Bottleneck

A 2006 law gave landlords more power to negotiate prices. However, they can only raise rents if municipal authorities certify that the buildings are in good shape. In four years, just 2,600 of the country's 430,000 rent-controlled properties have seen an increase, said Manuel Reis Campos, president of the Portuguese Construction and Real Estate Confederation.

Portuguese housing needs about 74 billion euros of renovation work that could generate

construction revenue of 535 million euros a year, according to an estimate by [Portugal's Association for Public Works and Construction](#), known as Aecops. Repairs on all types of structures could attract about 200 billion euros of investment, the group said.

Government Steps

The new laws will aim to simplify eviction procedures as well as the licensing process for renovation work and the mechanism for certifying that buildings are in good enough shape to justify a rent increase. The government is still on course to introduce the measures by the end of March, according to a spokesman for the Environment and Territorial Planning Ministry.

The legislation is part of a package aimed at boosting economic growth. The country faces a 1.3 percent contraction in gross domestic product this year, according to a Bank of Portugal forecast.

“What’s needed is legislation that penalizes those who don’t meet their obligations, whether it’s the tenants or the landlords,” said Romao Lavadinho, president of the Association of Lisbon Tenants. “If they’re legal, we think evictions should be dealt with rapidly.”

Lavadinho said his group supports the right to raise rents following building improvements.

“The problem is that the landlords didn’t do the improvements and they still wanted to raise rents.”

Restrictive Laws

The country had the third-most restrictive laws on eviction in 2009 among the 30 countries in the [Organization for Economic Cooperation and Development](#), trailing only Sweden and Greece, the OECD said in a report published this year. It had the ninth- toughest rent-control restrictions.

The government is raising taxes and cutting state wages to narrow a deficit that was the fourth largest as a percentage of GDP among countries sharing the euro in 2009. Portugal may become the third European Union country to receive a financial rescue package, after the Greek debt crisis caused borrowing costs to surge for indebted nations.

The difference in yield between Portuguese 10-year bonds and German bunds, Europe’s benchmark, reached a euro-era record of 484 basis points on Nov. 11. The spread was at 360 basis points today.

“The question now is not whether Portugal will be rescued in some form or other, but rather how it will fund economic recovery going forward,” Fernando Paes Afonso, general director of Aecops, said in an interview at his Lisbon office. “Rehabilitation and removing obstacles to investment in the [property market](#) are obvious ways to boost the economy.”

Construction Boost

Steps to increase renovation could revive half of the 190,000 jobs lost in the building industry since

2002, according to Reis Campos of the Construction and Real Estate Confederation.

New development still attracts the vast majority of construction investment in Portugal, with only 6.2 percent going to renovation in 2009, according to Aecops. Only Romania spends less on renovations among the 14 European countries for which data was available, the European Construction Industry Federation said. The average is 23 percent.

Owners of rent-controlled properties don't get enough income to support their upkeep, leaving Lisbon and other cities pockmarked with crumbling structures, Aecops said. It estimates that about 36 percent of the country's residential buildings are in need of repair.

"Some of these contracts date back to the 60s and pay as little as 5 euros per month for a four-bedroom apartment in the capital," Luis Menezes Leitao, president of Portugal's Association of Landlords, said in an interview.

Forced to Buy

The lack of incentives to invest in renovation has caused a chronic shortage of rental accommodation, which now represents less than 20 percent of Portugal's total housing stock, Menezes Leitao said. That has forced people to buy property instead, boosting debt and pushing up home prices.

"They couldn't rent, so they bought and borrowed too much money," he said. "It's a contributing factor in the current crisis."

Household liabilities surged to 143 percent of disposable income in 2007 from 29 percent in 1990, Bank of Portugal data shows. House prices have more than doubled since 1990, according to an index prepared by Confidencial Imobiliario, an independent Portuguese property consultant.

Helga Ribeiro, a lawyer at Rosa Amaral & Associados in Lisbon who represents landlords and property funds, says she doesn't hold out much hope for change.

"The government has used landlords to subsidize low-cost housing for a century," she said during an interview at her office in Lisbon. "It simply doesn't have the money to shoulder the financial burden if it stops, and it will have too much on its plate with other reforms."

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Annex XIX

REMAX closes deal with banking to sell seized properties

REMAX fecha acordos com a banca para vender imóveis penhorados

A rede imobiliária Remax vai comercializar (venda ou arrendamento) os imóveis executados pelos principais bancos a actuar em Portugal, e que entram no mercado com vantagens para os futuros proprietários.



A Remax assinou acordos com o Banco Popular, Banif, BES, CGD, Millennium BCP, Montepio Geral, Santander Totta e EDP, num total de 3.500 imóveis que constituem uma oportunidade única de investimento com garantias de financiamento até 100% de LTV, isenção de despesas de dossier e spreads mais competitivos.

Os imóveis estão inseridos num BD profissional, acessível apenas aos agentes Remax. Não sendo visíveis através do site da marca, podem ser consultados em qualquer agência da rede.

A Remax assinou acordos com o Banco Popular, Banif, BES, Caixa Geral de Depósitos, Millennium BCP, Montepio Geral e Santander Totta para venda dos imóveis penhorados por estas instituições bancárias.

São 3.500 os imóveis habitacionais e comerciais que entraram na carteira da Remax com condições de venda vantajosas para os futuros proprietários: descontos que vão depender do montante já liquidado ao banco aquando da execução, até 100% do valor do empréstimo, pré-avaliação do imóvel, ausência de despesas de dossier e spreads mais competitivos.

“Esta iniciativa é mais uma solução anti-crise da Remax. Por um lado, vem ajudar a banca a escoar os imóveis penhorados que prejudicam o balanço das instituições bancárias ao mesmo tempo que dá a oportunidade a novos interessados de acederem a um conjunto de imóveis com condições de venda mais competitivas, num momento em que o acesso ao crédito está mais condicionado”, refere Beatriz Rubio, presidente-executiva da Remax Portugal.

Os 3.500 imóveis executados pelos bancos incluem apartamentos, moradias, terrenos e lojas em todo o país. Estes imóveis vão agora ser inseridos numa base de dados nacional, disponível apenas para os profissionais Remax.

“Os compradores que pretendam mais informações sobre estes imóveis têm de dirigir-se às agências Remax”, sublinha Beatriz Rubio que acrescenta: “o nosso sistema tecnológico permite cruzar os interesses dos compradores com as características dos imóveis e identificar a solução mais adequada para cada caso.”

Source: Remax Portugal

Annex XX

Revaluations press the rise of old rents

CISION

JORNAL DE
negócios

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Especial Revisão do regime de arrendamento

4 dias

Segunda-feira
O impacto da nova avaliação das casas

Quarta-feira
Novas regras para transmissão de contratos

Quinta-feira
Impacto da anterior reforma no comércio

Sexta-feira
Reabilitação e rendas nos bairros históricos

Reavaliação das casas pressiona subida de rendas antigas

Proprietários vão pagar mais impostos e deverão fazer reflectir isso nas rendas. Inquilinos temem liberalização desregada e reclamam apoios

FILOMENA LANÇA
filomenalanca@negocios.pt

Com todos os imóveis reavaliados no espaço de pouco mais de um ano, para efeitos de IMI, os proprietários de casas com rendas anteriores a 1990 vão passar a pagar mais imposto. A partir daí cai por terra aquele que era o principal factor de bloqueio para a utilização, por parte dos senhorios, do mecanismo de actualização de rendas: o receio de pagarem mais impostos. Se têm a parte má, os proprietários vão querer também a parte boa. Porém, os proprietários exigem uma actualização de rendas mais célere e "livre" do que a que está prevista na actual lei e o memorando de entendimento da troika vai nesse sentido.

O documento assinado entre Governo e troika, e que mereceu o apoio de PSD e CDS-PP, prevê que sejam aprovadas medidas "para assegurar que, até finais de 2012, o valor patrimonial tributável de todos os bens imóveis se aproxima do valor de mercado".

Ora, aumentado o IMI, "não fará sentido que não seja permitido um aumento da renda", sublinha a advogada Maria José Santana, especialista em rendas. Aliás, hoje em dia a actualização do valor patrimonial dos edifícios para efeitos fiscais é precisamente uma das condições essenciais para que o proprietário possa proceder a um aumento da renda (ver texto ao lado).

Os dados estão lançados, faltando agora definir as regras, mas "aumentar o IMI sem se avançar para uma liberalização total do merca-

do seria uma situação escandalosa a nível internacional, com os proprietários a pagar mais imposto do que recebem de rendas", sustenta Luís Menezes Leitão, presidente da Associação Lisbonense de Proprietários (ALP).

Do outro lado da barricada estão os inquilinos, que rejeitam uma liberalização pura e simples do mercado e lembram que haverá pessoas que não suportarão aumentos inesperados, que não tenham em conta os seus rendimentos, sendo que "o actual subsídio de rendas, demasiado burocrático e com resultados insignificantes - há pessoas com ajudas de dois ou três euros - não resolverá a questão", afirma António Machado, da direcção da Associação de Inquilinos Lisbonense (AIL).

"Tivemos as rendas congeladas muitos anos, em simultâneo com níveis de inflação altíssimos, e agora temos inquilinos idosos, com rendimentos baixos e senhorios empobrecidos", sintetiza. E esta actualização do imposto pode mesmo abrir a porta "a incumprimentos por parte dos senhorios, com as Finanças a penhorarem imóveis e a verem-se depois a braços com os problemas", acrescenta o responsável.

Estado terá de garantir "grupos mais vulneráveis"

A quem cabe então resolver o problema de quem não tenha condições para suportar aumentos? Aqui, proprietários e inquilinos convergem: essa responsabilidade terá de caber ao Estado.

"O Código do IMI prevê excep-

Aumentar o IMI sem liberalizar o mercado seria uma situação escandalosa, com os proprietários a pagar mais imposto do que recebem de rendas.

LUÍS MENEZES LEITÃO
Presidente da ALP

ções e isenções, é aplicá-las", sugere o representante da AIL. O problema é que o acordo com a troika também prevê acabar com uma parte substantiva das actuais isenções do imposto, não se sabendo exactamente quais são as que estarão sobre a mesa.

Para já, uma coisa é certa: o compromisso do Estado português passa por arrecadar mais 400 milhões de euros de receita fiscal com as alterações ao IMI, ou seja, com a actualização das matrizes e com o fim das isenções. E, apesar de sublinhar que deverão ser tidos em conta "os grupos mais vulneráveis", acrescenta que o objectivo é "garantir obrigações e direitos equilibrados de senhorios e inquilinos".



Novas regras para o

Segundo o Ministério da Economia, o actual regime de actualização de rendas passará a fazer-se tendo em conta uma



Miguel Baltazar

Dois terços dos imóveis terão de ser reavaliados

Desde a reforma da tributação do património, em 2004, apenas 2,3 milhões de prédios, num universo de 7,8 milhões, foram objecto de uma reavaliação para efeitos fiscais. Isto significa que só um terço dos prédios paga imposto de acordo com os valores de mercado e que os restantes continuam a suportar um IMI anual muito mais baixo. Esta situação deverá ser invertida, com reflexos já em 2013, uma vez que todos os imóveis terão, entretanto, de ser reavaliados, uma realidade que terá reflexos directos nos casos em que há contratos de arrendamento antigos (ver texto ao lado).

Nos quatro anos que o Novo Regime de Arrendamento Urbano (NRAU) já leva, em Lisboa, apenas cerca de cinco mil casas terão tido classificação de conservação em Lisboa, cidade que concentra uma parte substancial das chamadas rendas antigas, ou seja, anteriores a 1990. A Associação Lisboense de Inquilinos (AIL), estima que, no total, terá havido cerca de dez mil coeficientes de conservação atribuídos. Estes dados, admite António Machado, da direcção da associação, não são oficiais e, por isso, podem encerrar alguma margem de erro. Mas estes são mesmo os únicos dados disponíveis, já que o Instituto da Habitação e Reabilitação Urbana (IHRU) não fornece informação. O último balanço oficial, relativo ao ano passado, indicava que tinham sido actualizadas 2.614 rendas, isto num universo que, segundo o censo de 2001, ascenderia a 429 mil rendas.

Actual regime "nunca funcionou"

A reavaliação dos imóveis para efeitos fiscais é meio caminho andado para que o proprietário possa actualizar a renda. Como se explica, então, que tão poucos o tenham aproveitado? "O mecanismo é burocrático e os senhorios temem ser obrigados a realizar obras", refere Maria José Santana, Advogada e especialista nesta área.

"A Lei manda que o senhorio se sujeite a uma arbitragem, e só para abrir o processo são precisos 400 euros. Depois, o prazo médio para a actualização é de cinco anos, muitas vezes dez, tratando-se de inquilinos com mais de 65 anos", explica Menezes Leitão, presidente da Associação Lisboense de Proprietários (ALP). "Com um retorno do investimento

num tão longo prazo, quem é que aceita fazer um investimento destes, que muitas vezes até obriga empréstimos bancários para a realização de obras de reabilitação?", questiona. "O NRAU só pode funcionar se actualizarem imediatamente as rendas e subsidiarem os inquilinos. Até agora não optaram por esse caminho e o resultado está à vista, com milhares de pessoas que não têm as rendas actualizadas, mas vivem em imóveis absolutamente degradados", lamenta o responsável da AIL.

O NRAU só pode funcionar se actualizarem as rendas e subsidiarem os inquilinos.

ANTÓNIO MACHADO
Associação de Inquilinos Lisboenses

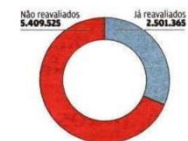
Dois mil rendas foram actualizadas por acordo

A Lei actual permite que o senhorio e inquilino se ponham de acordo para actualizar uma renda antiga, num mecanismo que não é de registo obrigatório – apenas deve ser comunicado às comissões arbitrais municipais – e que, por isso, ninguém sabe bem quantas vezes terá sido utilizado desde a entrada em vigor do NRAU. A Associação de Inquilinos Lisboenses (AIL) estima que terão sido cerca de dois mil, sendo que, nestes casos, não há a obrigação de pedir uma reavaliação do imóvel para efeitos fiscais, pelo que o proprietário mantém o mesmo nível de imposto. "Para o inquilino tem a vantagem de, apesar de pagar logo mais, não ter depois aumentos faseados, já que ao fim de cinco anos a sua renda passará a ser apenas actualizada pelo coeficiente anual. Para os proprietários, há a vantagem de não terem de suportar os custos de um processo", explica António Machado.

RETRATO

O VALOR DOS IMÓVEIS EM PORTUGAL

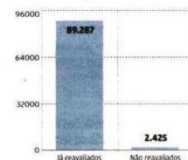
À ESPERA DE REAVALIAÇÃO SÃO QUASE 70% DO TOTAL



Fonte: Ministério das Finanças

Dois casas, no mesmo prédio, podem pagar uma factura de IMI completamente diferente, apenas porque uma foi transaccionada desde Dezembro de 2003 e a outra não. Isto porque desde que haja uma venda há sempre uma reavaliação do imóvel. No caso dos arrendados, que muito dificilmente são transaccionados, a actualização depende, por agora, de um pedido do proprietário, que raramente tem interesse em o formular.

DO OITO AO OITENTA VALOR PATRIMONIAL MÉDIO



Unidade: euros | Fonte: Ministério das Finanças

Há uma diferença abissal entre os valores patrimoniais médios dos prédios já reavaliados e dos não reavaliados. Isso reflecte-se no imposto a pagar pelos proprietários de uns e de outros. Assim, segundo as últimas estatísticas da DGCI, de 2009, entre os que pagaram imposto, a factura média foi de 145 euros para quem tem imóveis por reavaliar à luz das regras que entraram em vigor em 2004, e de 240 euros para quem transaccionou o prédio desde então.

Calcular rendas

condição de recursos. Isto significa que contarão para o cálculo, por exemplo, os valores em contas bancárias, eventuais

imóveis de que os inquilinos sejam proprietários ou prestações sociais que recebam.



Rendas antigas vão subir com reavaliação das casas

● Mais de cinco milhões de imóveis reavaliados até ao final de 2012

A reavaliação obrigatória de todos os imóveis, imposta pela troika, vai acelerar a actualização das rendas antigas. Esta reavaliação, que implica um aumento do imposto sobre imóveis, era

uma das principais razões para os senhorios não actualizarem as rendas. Agora, não resta alternativa aos proprietários, que terão regras mais favoráveis para o efeito. **Economia 32 e 33**

Annex XXI - Structural improvement of the buildings eases evictions

CISION

JORNAL DE
negócios

ID: 35323835

05-05-2011

Tragem: 16769

País: Portugal

Períod.: Diária

Âmbito: Economia, Negócios e

Pág: 28

Core: Cor

Área: 27,21 x 34,08 cm²

Corte: 1 de 2



Especial Ajuda externa

Obras estruturais facilitam despejos sem realojamento dos inquilinos

Proprietários poderão denunciar os contratos de arrendamento com um aviso prévio máximo de seis meses. Liberalização das rendas antigas também em cima da mesa

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A realização de grandes obras de renovação nos edifícios, que afetem a sua estrutura e estabilidade, deverão garantir aos proprietários a possibilidade de avançar com uma denúncia do contrato de arrendamento, sem que se fale nem na necessidade de realojar as pessoas nem de, em alternativa, as indemnizar, como agora acontece. A medida está prevista no memorando de entendimento entre o Governo e a troika constituída pelo FMI, Comissão Europeia e Banco Central europeu. Além da "garantia" que é dada aos proprietários, estes passarão a ter de avisar os seus inquilinos de que vão ser despejados com um prazo prévio máximo de seis meses. Mais uma alteração à Lei actual, que prevê um "mínimo de seis meses".

O Governo não revelou ainda pormenores sobre a medida, nem esclareceu até onde terá de ser alterada a Lei agora em vigor. A novidade, contudo, é bem vista pela Associação Lisboense de Proprietários, já que, afirma o presidente, Luís Meneses Leitão, "não haver a exigência de realojar seria um ponto positivo, ainda que a maioria dos proprietários esteja descapitalizada e não tenha dinheiro para obras de fundo".

Romeu Lavadinho, da Associação de Inquilinos Lisboense, considera que "uma medida destas ultrapassa tudo o que é eticamente possível" e salienta que os inquilinos têm direitos e que um contrato não pode ser resolvido sem um acordo entre as partes e a possibilidade de realojamento.

O representante dos inquilinos

contesta, igualmente, que se avance, "sem garantir as questões de natureza social", para uma liberalização do mercado das rendas controladas - anteriores a 1990. Esta é mais uma das medidas previstas no memorando da troika, mas não fica claro de que forma será levada a cabo. Para já, contudo, fica estabelecido que deverá haver uma "eliminação dos mecanismos de controle de rendas". Isto, acrescenta o documento, "tendo em conta situações de vulnerabilidade social".

A este respeito, Luís Carvalho Lima, presidente da Associação de Profissionais e Empresas de Mediação Imobiliária (APEMIP) faz questão de frisar que, embora considere "acertada" a medida de liberalizar as rendas de forma gradual, "há uma componente social importante que tem de ser salvaguarda".

O líder da APEMIP adiantou que o "processo de liberalização das rendas terá de ser feito ao longo de uma série de anos", deixando claro que "é muito importante que se distingam os casos das pessoas que não querem pagar daquelas que não podem".

O Governo, que apresentara recentemente um pacote de revisão da Lei das rendas, tendo em vista a aglização dos processos de despejo (ver texto ao lado), tinha posto de lado a possibilidade de mexer nas rendas antigas. Porém, havia sido ainda considerada a possibilidade de reduzir o prazo de transição, ou seja, aquele período entre o momento em que os proprietários iniciam o processo de actualização das rendas - por exemplo, realizando obras nos prédios - e o momento em que estas são efectivamente actualizadas e que actualmente poderá chegar aos dez anos, tornando o processo pouco interessante para os proprietários.

Rendas anteriores a 1990 avançam para a liberalização

LIBERALIZAÇÃO GRADUAL
O acordo ontem alcançado estabelece o objectivo de dinamizar o mercado de arrendamento através da criação de um quadro legal que proceda à abolição gradual dos mecanismos de controlo das rendas.

SITUAÇÃO SOCIAL NÃO FOI ESQUECIDA
A anunciada liberalização gradual das rendas será feita tendo em conta a situação dos "socialmente mais vulneráveis". O factor social tem sido, de resto, um dos principais óbices à liberalização total das rendas.

ALARGAMENTO DAS CONDIÇÕES DE RENEGOCIAÇÃO DO CONTRATO
O compromisso assumido estabelece um alargamento das condições em que os contratos de arrendamento sem termo podem ser renegociados.

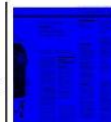
TRANSMISSÃO ENTRE PARENTES LIMITADA

No âmbito do alargamento das condições de renegociação está prevista a limitação da possibilidade de transmitir a posição contratual para parentes em primeiro grau. Actualmente em caso de morte dos inquilinos há a possibilidade de transmitir a sua posição contratual no contrato de arrendamento sem termo aos filhos deficientes ou aos filhos até aos 26 anos que se encontrem a estudar.



ALUGA

Dinamizar o mercado | O objectivo é incentivar os proprietários a investir.



Arrendamento



Miguel Bastardes

Troika valida despejo extrajudicial em três meses

Medida do PEC IV é confirmada no acordo para receber ajuda externa

No acordo alcançado entre o Governo e a troika pode ler-se que uma das medidas que "visam o equilíbrio entre os direitos e obrigações de senhorios e inquilinos" passa por promover "um procedimento extrajudicial de despejo por quebra de contrato que vise o encurtar do período do mesmo para três meses".

O processo de despejo, tal como está actualmente concebido, obriga à intervenção de um tribunal em sede de acção executiva e demora, em média, um ano e meio.

A medida, anunciada por ocasião da apresentação do PEC IV, de retirar os despejos dos tribunais e encurtar os prazos em que os mesmos seriam executados sofreu agora uma validação por parte da troika.

Aprovada no Conselho de Ministros de 17 de Março passado, e posteriormente chumbada na Assembleia da República, a intenção do Governo previa que o senhorio pudesse avançar com o processo de despejo ao fim de 30 dias sem que a renda fosse paga. O inquilino teria então um prazo de dez dias para apresentar uma justificação. Caso viesse a efectivar-se, a execução do despejo ficaria a cargo de entidades extra-judiciais, que poderiam ser os notários, as conservatórias, solicitadores ou advogados.

As condições específicas em que os despejos se passarão a desenvolver ainda estão por saber, mas fica para já claro que a reforma dos despejos é um elemento comum ao PEC IV e ao acordo ontem divulgado.

O documento alcançado entre a troika e o Governo prevê igualmente uma "redução dos prazos dos senhorios para terminar os

Processos facilitados em caso de não pagamento

INCUMPRIMENTO MAIS PENALIZADO

O não pagamento atempado das rendas, ainda que a "falha" ocorra apenas num mês, dá direito ao proprietário de avançar de imediato com um processo de despejo.

PROCESSOS FORA DOS TRIBUNAIS

O projecto já aprovado pelo Governo e agora reabilitado pela troika previa que os despejos deixassem de ser processados em tribunal, como uma acção executiva, e passassem a ser conduzidos por entidades administrativas ou por advogados.

REDUÇÃO DO PRÉ-AVISO

O memorando agora assinado com a troika prevê ainda um encurtamento do prazo de pré-aviso para a denúncia de um contrato de arrendamento.

contratos de arrendamento", assim como um "fortalecimento do uso dos procedimentos extrajudiciais existentes para os casos de divisão de propriedades herdadas".

Embora ainda algo vagas, as medidas permitem para já concluir que o equilíbrio pretendido entre inquilinos e senhorios se faz por via da atribuição a estes últimos de novos direitos que até aqui não tinham. **FCP/FL**

Novos incentivos à reabilitação

Novas medidas para simplificar obras

DESBUROCRATIZAÇÃO DE PROCEDIMENTOS

A reabilitação urbana deve ser facilitada e incentivada, considera a troika. E o memorando prevê, desde logo, a simplificação dos procedimentos administrativos para trabalhos de reabilitação de imóveis. Deverão também ser desburocratizados os "requisitos de segurança" e a "licença de utilização" depois de realizadas as obras.

OBRAS QUE VALORIZEM SÃO FACILITADAS

Da mesma forma serão facilitados e desburocratizados os procedimentos necessários para realizar determinadas obras que, uma vez terminadas, beneficiem e melhorem a qualidade e valor do edifício - por exemplo, melhorias que venham a potenciar poupanças de energia. No caso de prédios em propriedade horizontal, uma maioria dos proprietários bastará para avançar com as obras.

SIMPLIFICAÇÃO NOS REALOJAMENTOS

Sempre que os proprietários realizem obras e tenham de realojar os seus inquilinos durante esse período, verificar-se-á um aligeirar dos requisitos do alojamento. O pacote anteriormente aprovado pelo Governo previa, por exemplo, que pudessem ser realojados temporariamente em imóveis inferiores.

FIM DOS REGIMES ESPECIAIS

As medidas impostas pela troika incluem uma aplicação mais estrita da modalidade do ajuste directo na contratação pública e do fim dos regimes especiais de contratação, como os que foram elaborados para o caso das escolas. Os ajustes directos serão mais apertados (não podem ultrapassar o limite de cerca de cinco milhões de euros previsto nas directivas europeias).

PPP iniciam processo de reapreciação para poupar custos

As medidas negociadas pela troika com o Governo abrem caminho a uma reavaliação global das Parcerias Público-Privadas (PPP) que existem em Portugal, sendo que este processo irá abranger "pelo menos" as 20 maiores, sobretudo as que foram contratadas e estão no domínio da Estradas de Portugal (novas estradas).

O documento explica apenas que serão necessários estudos da Comissão Europeia e do FMI em conjunto para avaliar estes projectos, sendo que muitos de-

Todos os contratos têm que estar abertos a esta reapreciação.

TRIOKA

Acordo de ajuda a Portugal

les têm mais de 20 anos.

O Governo terá que contratar uma empresa internacional de consultoria financeira para estudar de forma aprofundada as PPP em conjugação com o INE e o Ministério das Finanças, com o principal objectivo de tentar reduzir os custos do Estado com estas PPP. A troika pretende uma renegociação das parcerias ou concessões com o objectivo de reduzir os encargos para o Estado. "Todos os contratos devem estar abertos a esta reapreciação" diz o documento.

Além disso, fica congelada a linha do TGV entre Lisboa e o Porto e não serão concedidos apoios públicos e garantias de financiamento ao Novo Aeroporto de Lisboa durante a execução do programa, segundo o documento da troika.

As PPP terão que ter ainda, que ter estudos a priori para verificar se estes contratos são os mais adequados naquele caso, sendo que a troika coloca nas mãos do Tribunal de Contas a avaliação dos custos que poderão ter para o Estado. **AN**

Annex XXII - Five years later, fiscal evaluation asked in 2 of each 100 old rents

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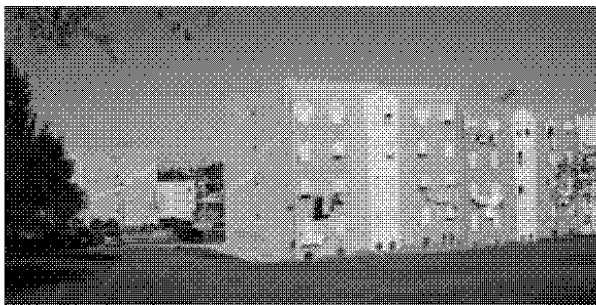
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Início >

Habitação: Cinco anos depois, pedida avaliação fiscal em duas em cada 100 rendas antigas

Sex, 02/25/2011 - 12:28

Portugal



Cinco anos depois de publicado o Novo Regime de Arrendamento Urbano (NRAU), em apenas dois em cada 100 casos foi pedida a avaliação fiscal do imóvel, essencial para calcular o aumento da renda.

Segundo dados facultados à agência Lusa pelo Instituto de Habitação e Reabilitação Urbana (IHRU), no portal criado para o efeito foram registados 8.416 pedidos de avaliação fiscal, num total de 390.000 rendas anteriores a 1990 existentes no país.

Contudo, em apenas 2.744 casos foi comunicada a atualização da renda, dados que podem ser superiores na realidade pois o proprietário não é obrigado no final do processo a cumprir a comunicação.

Os proprietários defendem que os despejos deveria estar fora da 'ação executiva', alegando que só assim poderiam ser mais rápidos.

Cinco anos depois de publicado o Novo Regime de Arrendamento Urbano (NRAU), dizem que a política nesta área foi "um falhanço total" e esperam que o Governo, nas medidas que está a preparar, contemple a agilização dos despejos, que demoram em média um a dois anos a resolver.

"O Governo veio já anunciar a agilização dos despejos, mas não explicou como o vai fazer. O ideal era o abandono da ação executiva. Se a ideia é continuar assim e reduzir apenas os prazos não se vai a lado nenhum", disse à Lusa Meneses Leitão, presidente da Associação Lisbonense de Proprietários.

Três em cada quatro pedidos de subsídio de renda foram chumbados em cinco anos do Novo Regime de Arrendamento Urbano (NRAU), segundo dados do Instituto de Habitação a que a Lusa teve acesso.

De acordo com os dados apurados até fevereiro, no total foram entregues 429 pedidos de subsídios de renda, mas apenas 112 foram efetivamente atribuídos.

A lei define que têm direito a subsídio de renda os inquilinos cujo agregado familiar receba um rendimento inferior a três salários mínimos ou com idade igual ou superior a 65 anos e cujo agregado receba um rendimento inferior a cinco salários mínimos.

Source: MaisActual.pt