HOUSING AND PLANNING ABROAD: LESSONS FOR LISBON AND PORTO

LISBON ECONOMICS L|E

Programs after a crisis, planning, transport and land



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Note · 14 November 2026, revised 15 November 2026

Executive summary

This note documents six housing programs that followed a housing crisis in developed countries. It adds two counter-examples. A second part covers metropolitan planning, orbital transport, the relocation of public jobs and the redevelopment of large disused sites abroad. The note then ranks the measures of these programs by how feasible they are in Lisbon and Porto and by their likely impact. Every figure comes from an official source, a statistical office or a research paper opened for this note.

- Vienna built some 65,000 municipal dwellings between the wars. Today about 45% of residents live in municipal or limited-profit housing. A land fund, long building leases and developer competitions keep the cost of land low and rents at cost.
- In 1953 the United Kingdom completed more than 300,000 homes, most of them built by local authorities. In 1980–2025 Right to Buy sold 2,038,589 social homes in England, and replacements stayed below sales.
- In the Netherlands, social housing rose from about 10% of the stock before the war to 35% in 1967. Since 1995 the associations have been self-financing, and a guarantee fund covers their private loans.
- In Singapore the share of land owned by the state rose from 44% in 1960 to about 90% in 2005. In FY2024, 76.0% of residents lived in public flats.
- In 2016 Auckland upzoned about three quarters of its residential land. The reform is estimated to have added 21,808 permits in the following five years. A working paper estimates that rents would be about 28% higher without the reform.
- Finland cut long-term homelessness from 2,628 people in 2012 to 1,010 in 2024 by converting shelters into homes on permanent tenancies. The number rose again to 1,306 in 2025.
- Ireland and Spain are counter-examples. Where supply is inelastic, subsidies to buyers raise prices. Subsidized homes that can be sold leave no lasting stock of affordable housing. Spain has built over 6.8 million subsidized units since 1952. Today it has about 290,000 public rental homes.
- London's Mayor prepares the spatial development strategy and directs Transport for London. The 2021 plan sets a target of 522,870 net completions in ten years. Its strategic target for affordable housing is 50% of new homes.
- The Grand Paris Express adds 200 km of metro and 68 stations that link the suburbs without passing through Paris. The lines open between 2026 and 2031.
- The United Kingdom has moved more than 24,600 government roles out of London. Studies of England, Bonn and Berlin find that additional public jobs raise private employment in local services near the new offices. The net effect on total private employment ranges from none in England in the short run to positive in Bonn and Berlin.
- Hamburg and Copenhagen redeveloped port land through public companies that reinvest land revenue, and Copenhagen used it to fund its metro. HafenCity is planned for 15,000 residents and up to 45,000 jobs.

For Lisbon and Porto three measures have the best ratio of impact to cost of implementation. The first makes every subsidized home permanently affordable. The second grants public land only in long building leases, allocated by competition on rent and quality. The third develops large disused public sites whole through a public company that reinvests land revenue, as Lisbon did at Expo 98. Moving public jobs to suburban centers served by transport is also within the State's reach. A metropolitan planning authority, a land fund and a guarantee fund for limited-profit providers need new laws and institutions.

Part I. Housing programs after a crisis

1. Vienna's municipal and limited-profit housing since the 1920s

The crisis. In 1900 Vienna had over 2 million inhabitants, and 300,000 of them had no home, as the city's housing company records. Working families lived in overcrowded and unsanitary flats.

Institutions. The city builds and holds municipal housing (Gemeindebau), managed by Wiener Wohnen. Limited-profit housing associations build most new social housing under a federal law of 1979, the WGG. The law caps profits, sets rents at cost and obliges the associations to reinvest surpluses. The municipal land fund, wohnfonds_wien, buys and services land and allocates plots. It grew out of a land provision fund created in 1985 and held nearly 3 million m² in 2024.

Financing. Between the wars an earmarked housing tax paid for the program. Today the subsidy system (Wohnbauförderung) is funded by a 1% housing levy shared by employers and employees. It lends at low interest in exchange for rent limits, ecological standards and allocation rights. The city allocates up to one third of the new subsidized flats for the subsidy period, usually 40 years.

Land policy. Since 1995 every project above 500 units goes through a developer competition (Bauträgerwettbewerb). A jury scores architecture, cost, ecology and social value. The city now prefers building leases of 50 to 100 years at a capped rent of 0.68 euro per m² a month, and homes on leased land cannot be bought by tenants. Since 2018 a social housing zone requires two thirds subsidized homes on newly rezoned large plots, with land capped at 188 euro per m².

Scale and targeting. Red Vienna built some 65,000 municipal dwellings between the wars. Since 1919 the city has completed 220,000 council flats for half a million tenants, plus 200,000 subsidized dwellings. One in four residents lives in municipal housing, and about 45% live in municipal or limited-profit housing. Eligibility is broad. The income ceiling is 4,237 euro net a month for a single person, and about 80% of residents qualify. New municipal tenants must show a housing need since 2015.

Outcomes and criticisms. The city estimates that social tenants save 670 to 770 million euro a year in rent. No causal study of the effect on market rents was found. Tenants of limited-profit flats pay an upfront equity share of 80 to 500 euro per m², about 40,000 euro for an average flat, which keeps poorer households out. Unlimited tenancies lower turnover. Land prices have risen since 2008, and a national right to buy in limited-profit housing puts part of the stock at risk.

Success factors. A century of public land and building ownership, an earmarked tax, a national law that locks in cost rents, and a land fund that buys ahead of need.

2. Council housing and New Towns in post-war Britain

The crisis and the target. After the war Britain faced shortages and overcrowding. In November 1951 the new government accepted the target of 300,000 houses that it had promised in the election. In the Commons, Harold Macmillan called it “a target which we shall aim to achieve.”

Institutions. Local authorities built and held council housing. The New Towns Act 1946 let the government designate land for new towns, each run by a development corporation. Stevenage came first, with ten others by 1955.

Scale. United Kingdom completions rose from 205,430 in 1950 to 326,820 in 1953 and 354,130 in 1954. Local authorities built 245,160 of the 1953 total. The 32 new towns created since 1945 now house about 2.8 million people. The official taskforce of 2025 notes that output has passed 300,000 only when councils and new towns built at scale.

Later lessons. Much of the housing “was put up quickly and some designs have not stood the test of time.” The town centers deteriorated, and low density lengthened trips. From 1980 Right to Buy let council tenants buy at a discount. England sold 2,038,589 homes through it up to March 2025, with a peak of 167,123 in 1982-83. From 2012 to 2025, 51,643 replacements were made against a target of 69,386. In 2024-25 there

were 7,278 sales and 3,593 replacements. Disney and Luo find that Right to Buy raised the home-ownership rate by about 15 percentage points. Council building fell to 250 completions in 2002.

Success factors. Central targets, councils with the duty and the money to build, and state-designated land for the new towns. The sources opened for this note do not say at what price the development corporations bought land.

3. Dutch housing associations, their guarantee fund and active land policy

The crisis and the institutions. The war damaged much of the stock. The state financed housing associations (woningcorporaties) on a large scale. Municipalities plan, assemble and service land, and their zoning can reserve plots for social housing. Since the 2015 Housing Act a regulator supervises the associations, and associations, municipalities and tenants sign local performance agreements.

Scale. Social housing rose from about 10% of the stock before the war to 24% in 1956 and 35% in 1967. The associations held 37% of homes in 1995. In 2024 they held 2,246,108 dwellings, 28.6% of the stock.

Financing. In 1995 the state netted its loans to the associations against the subsidies it still owed them. State subsidies and loans ended, and the associations became self-financing. Rents and sales now fund new building. Their private loans carry the guarantee of the WSW fund. 268 associations take part, 98% of the total. The fund guarantees about €88.6 billion at an average rate of 2.79% in 2023. Losses fall first on the fund, then on all associations, and last on the state and municipalities, which have never been called.

Land policy and VINEX. National covenants for 1995–2005 (VINEX) set about 650,000 new dwellings, 460,000 of them in the city regions. The stock grew by 680,000, 105% of the target, but the city regions built 417,000, 43,000 short. Only 55% of the large extension sites were built in the period. Municipalities first left land to developers and turned to active land policy, buying and servicing land, where targets were at risk.

Criticisms. Weak oversight after 1995 led to commercial ventures and the Vestia derivatives losses. An EU state aid case led to income limits for access in 2011, and a levy on large landlords cut investment capacity. VINEX built mostly single-family homes for sale and few social rentals.

4. Singapore's Housing & Development Board since 1960

The crisis. Before independence the city had slums and squatter settlements, and the colonial trust housed 8.8% of the population by 1959. In May 1961 a fire at Bukit Ho Swee left about 16,000 people homeless.

Institutions and land. The Housing & Development Board (HDB), a statutory board, plans, builds, sells, lends and manages. The Land Acquisition Act 1966 lets the state acquire land for any public, residential, commercial or industrial purpose. From 1973 compensation was fixed at 1973 values for about 14 years. Since 2007 it is market value. The share of land owned by the state rose from 44% in 1960 to 76% in 1985 and to about 90% in 2005. Acquired land also went to industrial estates and schools.

Financing. From 1968 workers could use their Central Provident Fund (CPF) savings to buy HDB flats. Contributions were 10% of wages in 1955. In 2016 employees paid 20% and employers 17%. HDB lends up to 80% of the price at the CPF savings rate, and government grants cover its deficits.

Scale and targeting. HDB built 53,777 dwellings in 1960–1965 and 1,277,918 by March 2025. Home ownership rose from 29% in 1970 to 88% in 1990. Flats were for rent at first and for sale on 99-year leases from 1964, priced for incomes up to S$800 a month. Income ceilings still apply to new flats, and ethnic quotas apply by block since 1989.

Criticisms. A leasehold flat loses its value as the lease runs out. Retirement income depends on rising flat prices. New flats cost about 6 times annual income by 2011, which contributed to an electoral swing. Ethnic quotas distort resale prices.

5. The 2016 upzoning in Auckland

The reform. Housing had become unaffordable. In 2016 the Auckland Unitary Plan upzoned about three quarters of residential land and trebled the number of homes that could be built. The additional supply comes from private builders. There is no public builder and no targeting.

Evidence. Greenaway-McGrevy and Phillips (2023) estimate 21,808 additional permits in the five years after the reform, about 4.11% of the stock, and permits were still rising in 2021. A later working paper finds that upzoning about doubled permits per head within five years. After seven years there were 52,200 more permits, 46% of the 112,300 issued. A third paper estimates that rents would be about 28% higher without the reform. The rent result is still a working paper and changed across versions.

Success factors. One plan for the whole region, adopted at once, a capable private building sector, and strong demand.

6. Housing First and the national homelessness programs in Finland

The crisis. In 1987 Finland counted 17,110 homeless single people and 1,370 families. By 2008 the count was 7,960 single people, but people with long-term homelessness and high needs stayed in shelters.

Institutions and money. The Ministry of the Environment ran the programs with ARA, the state housing finance center, the Slot Machine Association and ten cities. The Y-Foundation, a nonprofit landlord since 1985, buys and builds flats and sublets them to municipalities and charities. It held 19,065 flats in 58 localities in 2024. In 2012–2013 the state granted about €21 million for construction and €13.6 million for services.

Programs. PAAVO I (2008–2011) aimed to halve long-term homelessness and to replace shared shelters with homes on permanent tenancies. It delivered 1,519 units, and long-term homelessness fell by 28%. PAAVO I and II together provided about 2,500 new homes. AUNE (2016–2019) added prevention and planned 2,500 more units.

Outcomes and criticisms. Long-term homelessness fell from 2,628 in 2012 to 1,010 in 2024 and rose to 1,306 in 2025. People living alone without a home rose from 3,806 to 4,579 in 2025. Most homelessness is hidden. In 2016, 82% of lone homeless adults stayed with friends or family. Communal Housing First units are criticized as close to institutions.

7. Two counter-examples from Ireland and Spain

Ireland after 2008. The 2016 plan aimed at 25,000 new homes a year by 2020 and 50,000 social units by 2021. It missed its targets every year, a shortfall of 41,000 units by 2020. Help to Buy, a tax rebate for buyers of new homes, had approved 33,035 claims worth €630.9 million by May 2022. The official review found that almost half the spending went to buyers who would have bought without the scheme and that the scheme was poorly targeted and regressive. It found no definitive evidence of higher new-home prices. The social rental stock stayed at about 254,000 dwellings from 2010 to 2016. In London, the English Help to Buy raised prices with no detectable effect on construction (Carozzi, Hilber and Yu, 2024).

Spain after 2008. Spain built over 6.8 million subsidized units between 1952 and 2016, mostly for sale. In some regions protected homes are rented for 10 years and then sold at market prices. Public rental housing is about 290,000 homes, 1.5% of primary residences. Sareb, the asset management company for problem bank assets, received about €40 billion of assets in 2012, and by July 2023 it offered 14,000 homes for social rent.

The lesson. With inelastic supply, subsidies to buyers pass mainly into prices. Subsidized homes whose status expires or that can be sold leave no lasting stock of affordable housing.

Part II. Planning, transport and land abroad

8. A metropolitan planning authority in London and Copenhagen

The problem. A metropolitan area needs land use, transport and housing planned together. In Portugal the law gives the AML and the AMP only the task to take part in plans and investments and to ensure coordination between the municipalities and the central government (Lei 75/2013, art. 67, as verified for the working paper).

Institutions in London. Under the Greater London Authority Act 1999, the Mayor prepares the spatial development strategy, with the general policies for the development and use of land in Greater London (s. 334). Transport for London acts under the Mayor's guidance and directions (s. 154). The London Plan of 2021 is that strategy. It is legally part of each borough's development plan, and local plans must be in general conformity with it. Planning is shared by the Mayor, the 32 boroughs, the City of London and two Mayoral Development Corporations.

Scale and targets. The plan sets ten-year targets for net housing completions by borough, 522,870 homes for 2019/20 to 2028/29. Its strategic target is that 50% of all new homes be genuinely affordable, and public land should deliver at least 50% affordable housing on each site. The plan also says London needs 66,000 new homes a year, so the target follows land capacity and stays below need.

Copenhagen. The Finger Plan, drawn up in 1945–1947, has guided the growth of the region for more than 70 years and kept it from sprawling (Sørensen and Torfing 2019). It survived two revisions, in 2017 and 2019, under a government that deregulated planning (Olesen 2021).

Evidence and conditions. The working paper found no evaluation of the London Plan's effect on supply. In both cases the outcome rests on an authority with powers over land and transport across the whole metropolitan area, and a plan that municipal plans must follow.

9. Orbital transport and complete suburbs in Paris, London and Stockholm

The problem. Radial networks force trips between suburbs through the center, and dormitory suburbs send their residents to the capital every day. From the 1960s France built new towns around Paris and adopted policies to stem the inflow of population to the capital (Wilson 1986).

The Grand Paris Express. The Société des grands projets, created by the State as project owner, is building 200 km of metro and 68 stations, 80% of them with connections, in four new lines (15, 16, 17 and 18). The network links the main places of living and work in the suburbs without passing through Paris. The lines open between 2026 and 2031, and close to 3 million passengers a day are expected. The extension of line 14, open since 2024, carries 800,000 passengers a day. The page read gives no cost or financing.

Complete suburbs. The London Plan makes town centers accessible and inclusive hubs with commerce, civic, community and residential uses, and the places for housing-led intensification (Policy SD6). Stockholm's Vällingby, planned around 1950, grouped neighborhoods around a main center with cultural, social and commercial activities (Hall 2005).

Evidence and conditions. No evaluation was found for the London town-center policy or for the Grand Paris Express, which is still being built. By 1986 the French new towns program had run its course, with problems and successes (Wilson 1986). Both need a national or metropolitan agency in charge, and stations placed where people live and work.

10. Moving public jobs out of the capital in the United Kingdom and Germany

The problem. Public jobs concentrated in the capital add to its demand for housing and offices. The United Kingdom. The Lyons review of 2004 found more than 27,000 jobs that could leave London and the South East, up to 20,000 of them in a first tranche (as verified for the working paper). The Places for Growth program has relocated more than 24,600 government roles from London. It aims at 50% of UK-based senior civil servants outside London by 2030, a share that has risen from 26% to 36.6%, and at £1.1 billion in salary

and estate savings by 2030 (GOV.UK, updated 29 October 2026). Germany. The federal government settled in Bonn in 1949 and moved to Berlin in 1999.

Evidence. In England in 2003–2007, each additional public job created 0.5 private jobs in nontradables, construction and services, and removed 0.4 in tradables, with no identifiable effect on total private employment. Over 1999–2007 the authors find crowding out of total private employment (Faggio and Overman 2014). In Bonn, each public job destroyed about 0.2 jobs in industry and created just over one elsewhere in the private sector (Becker, Heblich and Sturm 2021). In Berlin after 1999 the local multiplier was 1.32 to 1.35, mostly in services and strongest within 300 m of a relocation site (Faggio, Schlüter and vom Berge 2025). The moves reallocated private employment toward local services more than they raised total employment.

Conditions. The State decides where its offices go, and the gains are local, close to the new offices, so the offices should go to planned centers near transport.

11. Large disused sites in Hamburg, Copenhagen, London and Lisbon

HafenCity. Hamburg conceived HafenCity in 1996 to reclaim its under-used port waterfront. Landis (2022) calls it Europe's largest urban redevelopment project. When completed in the mid-2020s it will house 15,000 residents and up to 45,000 jobs, and it already hosts 750 companies and institutions. Its lessons are complete site control from the start, a robust model to finance infrastructure, and a special-purpose company of experienced developers.

Copenhagen. Both cities used state-owned companies and revolving funds that reinvest land revenue in later development. Copenhagen's municipal government was relatively poor, and its immediate aim in redeveloping Ørestad and the harbor districts was to fund a citywide metro. Hamburg aimed at port modernization and a stronger city center (Bruns-Berentelg, Noring and Grydehøj 2022).

Battersea. The Battersea Power Station site in south London is a privately owned development, a premise of this note not checked here. Vijay (2018) reads its placemaking language as a narrative that deflects political criticism of public-private regeneration.

Lisbon. Expo 98 led to the regeneration of a depressed area on Lisbon's eastern waterfront and reconnected it to the Tagus, and its public art program shaped later waterfront policy (Ochoa 2022). This note has no verified figures on the site's area, homes or financing.

Conditions. Public control of the whole site, a dedicated development company, and land revenue that pays for the infrastructure.

12. The measures compared

Case	Who plans and builds	Land	Money	Who is served	Scale	Stock kept
Vienna	City; limited-profit associations	Land fund, leases, competitions	1% levy, cheap loans	About 80% eligible	About 45% of residents	Yes; cost rents
UK 1945–1979	Councils; new town corporations	State designation	Central grants	Broad	326,820 homes in 1953	Partly; 2,038,589 sold
Netherlands	Associations; municipalities	Active land policy, VINEX	Self-financing, WSW guarantee	Broad, income limits since 2011	35% in 1967	Mostly; some sales
Singapore	HDB	Compulsory purchase, 90% state land	CPF savings, HDB loans	Income ceilings	76.0% of residents	As 99-year leases
Auckland	Private builders	Upzoning of three quarters	Private	None	21,808 extra permits	Not applicable
Finland	State, cities, NGOs	Shelters converted	State grants	Long-term homeless	About 2,500 homes	Yes
Ireland	Private; local	No change	Buyer rebate	Buyers of new	33,035 claims	Social stock flat

	authorities			homes		
Spain	Private developers	Public land at times	Buyer and builder aid	Buyers	6.8 million units	No; about 290,000 left
London	Mayor, boroughs, development corporations	Plan with borough targets	Not documented here	50% affordable target	522,870 homes in ten years	Not applicable
Paris	Société des grands projets	Stations in the suburbs	Not documented here	Suburban residents	200 km, 68 stations	Not applicable
UK and Germany, public jobs	Central government	Offices outside the capital	Public budget	Not applicable	24,600 roles moved (UK)	Not applicable
Hamburg, Copenhagen	State-owned development companies	Whole sites under public control	Land revenue, revolving funds	Mixed	15,000 residents, 45,000 jobs (HafenCity)	Not applicable
Lisbon, Expo 98	Expo 98 program	Eastern waterfront	Not documented here	Mixed	Not documented here	Not applicable

13. What could translate to Lisbon and Porto

The Portuguese starting point

Social rental housing is under 2% of the stock, according to the OECD. The PRR target was 26,000 homes under the 1.º Direito program. The government reported more than 28,000 delivered by the end of August 2026 and said the 1,400 million euro of PRR money proved insufficient, so the State Budget added 2,800 million. Decreto-Lei 108/2026 of 29 May revises urban licensing and the RJUE. In Campanhã, Porto signed a memorandum with private developers towards a partnership for 331 affordable rental homes, to be managed by the city through Porto Vivo, SRU.

Five further conditions affect the transfer of the measures. These are premises of this note and were not checked here. The AML and the AMP have limited powers. IHRU and Estamo hold State land and buildings. Lisbon holds municipal land in the east and the north. Cooperatives were strong in the 1970s and 1980s. Labor and materials are tight because of the large public investment programs.

The measures ranked

The table ranks each measure by feasibility under Portuguese institutions and by impact on affordable supply. The last column lists what each needs among a law, money, land, an institution and time.

Rank	Measure	Cases	Feasibility	Impact	Needs
1	Every subsidized home stays affordable for good, with no expiry, no sale to tenants and cost rents	Vienna; Spain and UK as warnings	High	High over time	Law
2	Public land in long leases, allocated by competition on rent and quality	Vienna	High	Medium to high	Land, institution, time
3	Large disused public sites developed whole by a public company that reinvests land	Hamburg, Copenhagen, Lisbon Expo 98	Medium to high	High	Land, institution, seed money, time

	revenue				
4	Public jobs moved to suburban centers near transport	UK, Bonn, Berlin	High	Medium, mostly local services	Government decision, buildings, time
5	Housing First with a dedicated nonprofit landlord	Finland	High	High for homelessness, small for the market	Money, institution
6	A metropolitan authority with powers over land use, transport and housing	London, Copenhagen	Medium to low	High	Law, institution
7	A metropolitan land fund that buys ahead of need and recycles proceeds	Vienna, Netherlands, Singapore	Medium	High	Institution, money, law
8	Limited-profit and cooperative providers financed through a guarantee fund with a state backstop	Netherlands, Vienna	Medium	High, slowly	Law, institution, money, time
9	Suburban town centers planned as mixed hubs with housing	London, Stockholm	Medium	Medium	Plan revision, time
10	More homes allowed by right near transport, region-wide	Auckland	Medium to low	High	Law, time
11	Orbital rail links between suburbs	Paris	Low	High, late	Money, institution, labor, time
12	Planned extensions or new towns with transport, run by a development company	UK, Netherlands, Singapore	Low to medium	High, late	Land, money, institution, time
13	Fast mass public building	UK 1950s	Low today	High with capacity	Money, labor, materials
Avoid	Subsidies to buyers in a rigid market	Ireland, England, Spain	None	Negative	None

What each measure would need

- 1. Permanent affordability. A clause in the 1.º Direito contracts, in PRR-funded projects and in municipal rules. Homes built with public money or on public land would stay at cost or capped rents and could not be sold to tenants. This is cheap and fast. It protects the stock now being delivered.
- 2. Long leases on public land. IHRU, Estamo and the municipalities hold land in both metropolitan areas. Lisbon's land in the east and north and the Campanhã sites can be leased for 50 to 100 years, with competitions scored on rent and quality, as Vienna does. The Campanhã memorandum is a first step. The terms should keep the homes affordable after the first contract period.
- 3. Large disused public sites. Former port, rail, industrial and military land can be developed whole by a public company that controls the site, sells or leases plots in phases and reinvests the revenue in

infrastructure and affordable homes, as in Hamburg and Copenhagen. Lisbon has done it once, at Expo 98. It needs the land, a company with a clear mandate, seed money and a decade.

- 4. Public jobs in suburban centers. The State can move offices to planned centers near rail and metro, on the Places for Growth model. The studies show that private service employment rises near the new offices, so the location matters. It needs a government decision, buildings and several years.
- 5. Housing First. A small program with a nonprofit landlord that buys scattered flats, support teams and the conversion of shelters. It needs modest money and coordination between the State, the two cities and NGOs.
- 6. A metropolitan planning authority. Lisbon and Porto would each need an authority with powers over land use, transport and housing across the metropolitan area, and a plan that municipal plans must follow, as in London. This needs a law that changes the role of the AML and the AMP, and political agreement among the mayors.
- 7. A metropolitan land fund. A fund that buys and services land ahead of need would give the AML and the AMP the tool Vienna has had since 1985. It needs a law that gives the metropolitan areas or IHRU that power, seed money, and several years before it pays back.
- 8. Limited-profit providers and a guarantee fund. A legal status for limited-profit providers, open to cooperatives, would revive a tradition of the 1970s and 1980s. A guarantee fund on the Dutch model, with the State as last backstop, would lower their borrowing costs. It needs a law, risk capital and a decade to build scale.
- 9. Mixed suburban centers. Municipal plans can name suburban centers for housing-led intensification with jobs, services, culture and green space, as the London Plan does. It needs plan revisions and time.
- 10. Upzoning. The Auckland evidence is the strongest of all cases. In Portugal zoning sits in each municipal plan, and DL 108/2026 changes licensing procedures. A national or metropolitan rule allowing more homes by right near rail and metro stations would need a law and years of plan revision.
- 11 to 13. Orbital rail, large extensions and mass building. These need money, land, a dedicated agency and time, and they compete for the same labor and materials as the public investment programs.
- What to avoid. Buyer subsidies push up prices where supply is rigid, as Ireland and London show. Compulsory purchase below market value, as in Singapore in 1973–2007, would meet constitutional limits on compensation.

What a welfare model says

A small welfare model, calibrated on the study's estimates, confirms most of the ranking of the measures. It confirms surface rights on public land by tender, above all in Lisbon. In the Lisbon suburbs, each euro of public spending yields 3.6 euros of net welfare. It confirms the full development of large disused public sites. In Lisbon city, with rents at 60% of market rents, revenue covers the cost, and net welfare is about 117 thousand euros per dwelling. It confirms limited-profit housing associations with a guarantee fund, which add dwellings at almost no public cost, as in the Netherlands. It confirms Housing First as a targeted transfer. It confirms that buyer subsidies should be avoided, since their net welfare is negative in every combination of the parameters. The model qualifies permanent affordability. This measure adds no dwellings, and its value is distributional. If affordable rent is justified, keeping it for good is justified too. Homes that are sold leave the affordable stock and stay in the total stock. The model qualifies moving public services to the suburbs, which changes prices little and brings a small gain in accessibility. It also qualifies transport links between suburbs. The accessibility gain of the Linha Violeta falls short of its cost, and its value lies in the homes it makes possible near stations, in new suburban centers. The model contradicts the place of upzoning near rail and metro stations in the note's ranking. By welfare, this measure belongs among the first, with about 847 million euros in Lisbon and 328 million in Porto, at no budget cost. The note ranks it by feasibility, which the model does not measure. The model adds two measures the note does not rank. The first is bringing vacant homes in the city back into use. Per dwelling returned to use, the vacancy tax and the two forms of rehabilitation add a similar net social welfare, and the tax also raises public revenue. The second is student residences, which, for equal public spending, are worth more than the student housing supplement.

How welfare was measured. A small model, calibrated on the study's estimates for the city and the suburbs, adds up in present value what each group gains or loses from each measure. The groups are tenants, owners, landlords, builders, landowners and taxpayers. A transfer from one group to another adds no welfare. The gain comes from the dwellings added or returned to use, which are worth more than they cost, and from real costs saved, such as time lost in licensing. Each euro of public spending has a social cost of 1.2 euros, which includes the efficiency loss caused by taxes. Net welfare is that gain minus the social cost of public money. The value per public euro is net welfare divided by net public spending. Programs have 10,000 dwellings, except the measures that act on the existing stock. The table shows Lisbon. Square brackets give the lowest and highest values when each parameter moves to the end of its band. The share of the shortfall closed in 10 years divides the dwellings delivered by year ten by the shortfall of about 306,850 dwellings in the metropolitan area, the sum of the shortfalls of the three Lisbon zones, each at its 2011 occupancy. Treated as one market, the metropolitan area has a shortfall of 302,878 dwellings (note «Immigrants, students and housing in Lisbon»). Dwellings arrive over ten years, after the delay of each instrument. The delays are measured in the data. They are the time from permit to completion, Lisbon's licensing time, the duration of rehabilitation works and the time of public tenders. Parentheses give the 5th and 95th percentiles of 4,000 combinations of the parameters.

No.	Measure	Dwellings added or returned	Net welfare, M€ [band]	Per public euro	Share of the shortfall closed in 10 years
1	Rehabilitation of vacant homes of poor or elderly owners and blocked inheritances (public works loan)	6,154	1,366 [823 to 1,906]	18.03	1.6% (0.6–3.2%)
2	Public rental on large public sites in the city	9,468	1,106 [645 to 1,567]	covers its cost	1.3% (0.7–3.2%)
3	Rehabilitation of vacant homes of owners with means (deadlines, forced sale or letting)	4,554	1,025 [473 to 1,573]	no public cost	1.2% (0.2–2.8%)
4	Developer credit with a guarantee fund	25,947	965 [−2 to 1,768]	49.82	6.8% (2.2–23.0%)
5	Upzoning near rail and metro stations	18,892	847 [363 to 1,611]	no public cost	3.1% (1.2–7.9%)
6	Faster licensing	2,603	449 [133 to 930]	no public cost	0.68% (0.07–1.45%)
7	Property-tax surcharge on vacant homes	1,600	393 [215 to 571]	raises revenue	0.41% (0.12–0.91%)
8	Limited-profit housing associations with a guarantee fund	8,996	354 [135 to 572]	83.26	1.3% (0.7–3.2%)
9	Surface rights on public land, by tender, with a land fund	8,996	336 [80 to 554]	3.63	1.3% (0.7–3.2%)
10	Housing cooperatives in surface rights	8,996	306 [39 to 573]	1.26	1.3% (0.7–3.2%)
11	Public rental on public land in the suburbs	8,996	304 [37 to 571]	1.19	1.3% (0.7–3.2%)
12	Social housing	8,996	208 [−59 to 475]	0.28	1.3% (0.7–3.2%)

13	Permanent affordability of subsidized homes	none	−27 [−108 to 27]	−0.20	none
14	Demand subsidies (purchase, rent, IRS Jovem)	207	−234 [−356 to −112]	−0.19	none
15	Transport link between suburbs (Linha Violeta)	none	−236 [−533 to 1,301]	−0.45	none
16	First-generation rent control	none; withdraws 66,900 homes from renting	−4,243 [−8,487 to −2,122]	no public cost; loses	none

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Quotes, page numbers and a list of the claims dropped as unverified are in the research file Project notes\Post_crisis_housing_programs_2026-11-14.md.