WHO CAN AFFORD THE AFFORDABLE HOUSING?

DELIVER SAFE AND SOCIAL HOUSING
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Marta Pateo Sousa
Centro de Estudos Nuno Portas, FAUP
mmsousa@arq.up.pt

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Portugal

Context

House prices

Rents have gone up 122% in 9 years

House prices have gone up 223% in 10 years

Housing stock

5.96 million houses
4.1 households

723.215 vacant and 1.1 million second residences – worst in OECD countries

2% of public stock, one of Europe's lowest

Households

Highest house price to income ration in OECD.

920€ minimum wage
1240€ median wage
23.321€ median household income per year in Portugal

In low income families, as unemployed or under 35 years old, ownership represents just 40%

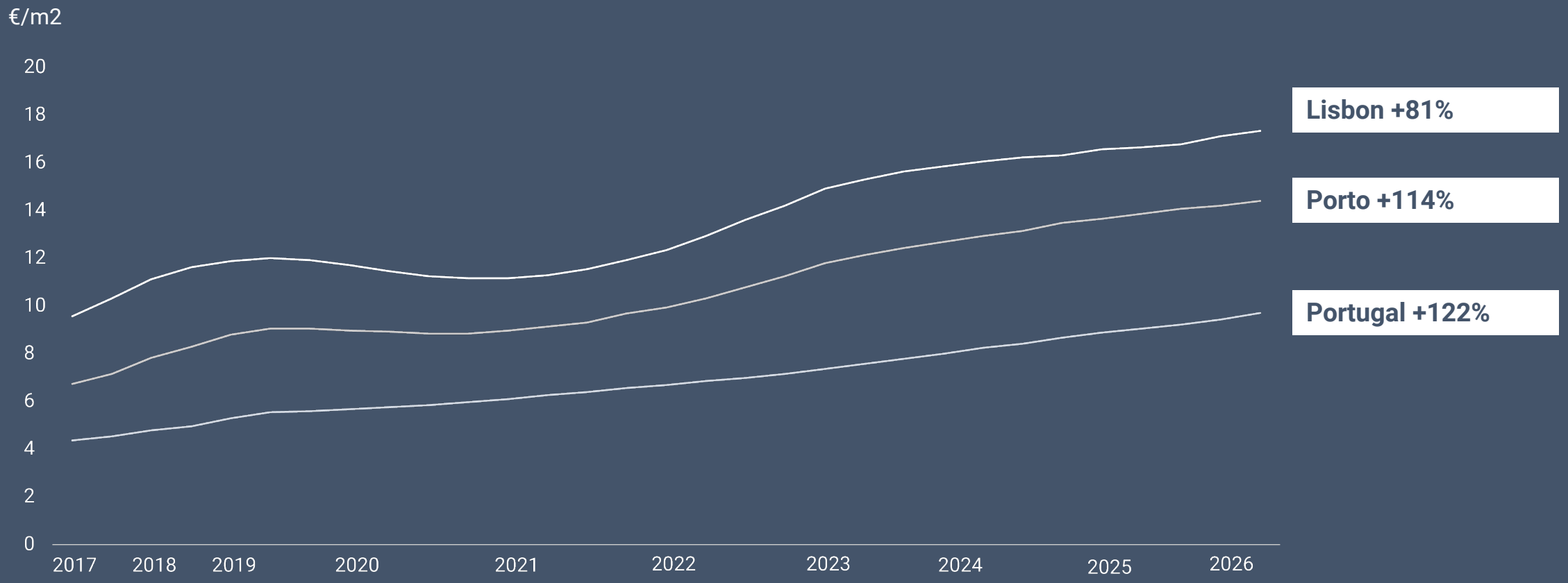
Property

70% of families are owners, half with mortgages
In Porto or Lisbon tenants reach almost 50%

Only 3,4% of the poorest 20% of the households are owners of main residence, compared to 90% on the richest 60%

Sources: National Institute of Statistics, Bank of Portugal;

Context Median value of sqm of new signed tenancy contracts between 2017 and 2026 in Porto, Lisbon and Portugal



Sources: National Institute of Statistics

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Rents have gone up since 2017

+ 114%

To rent a 80sqm house today you need

1158€



LISBON

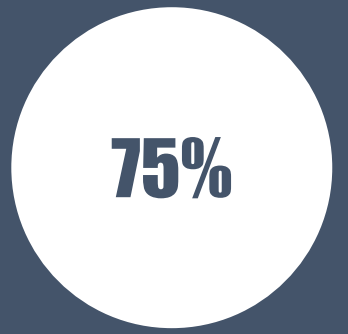
Rents have gone up since 2017

+ 81%

To rent a 80sqm house today you need

1394€

Percentage of 2 minumum wages needed
Rent to income



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Types of rent

Supported

Used on social housing, calculated according to the household income, progressively

Conditioned

Calculated of the property's specifications and the taxes paid on it

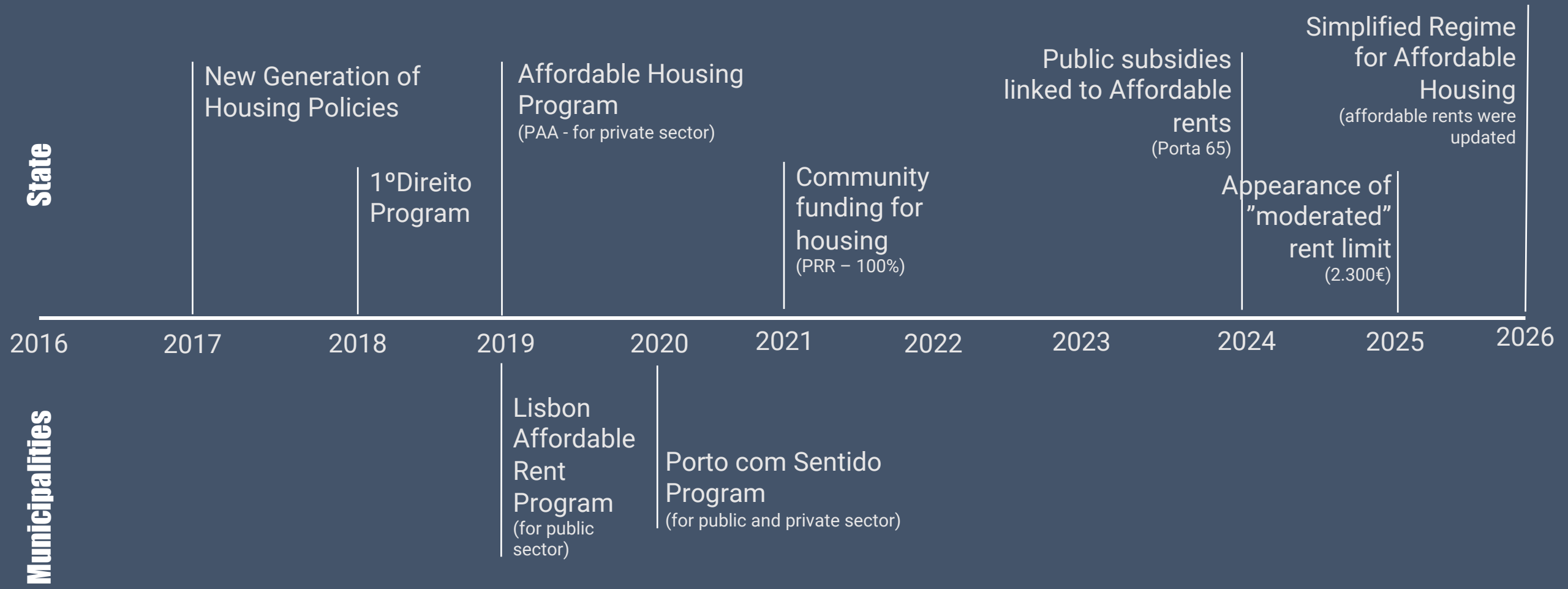
Affordable

Calculated of the market rent price for that house (20% or 30% under). With new legislation is now on fixed maximum rents per municipality. Zero taxes.

Market

No limits, but with special taxes for rents under 2.300€

Timeline of the affordable housing appearance



Sources: Diário da República – State and municipalities official documents

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Affordable
"believed to be within one's financial means"

In Portugal, affordable rents are not linked to household incomes, but to market values

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Porto

Municipal affordable housing program – *Porto com Sentido*

+18 years old
Maximum income:
38.632€ (3.219€ month) if one person
48.632€ (4.053€ month) if two persons
48.632€ (4.053€ month) plus 5.000€ per year per extra person

Rent is calculated on the maximum and people can access a subsidy:

Typology	Maximum rent	Minimum income families need to have	Maximum subsidy
T0	536,76€	1073,52€ (one adult)	161€
T1	562,32€	1124,64€ (one adult)	169€
T2	848,59€	1697,18€ (one children)	255€
T3 +	971,28€	1942,56€ (two children)	291€

Sources: Porto Vivo's oficial documents, 2026

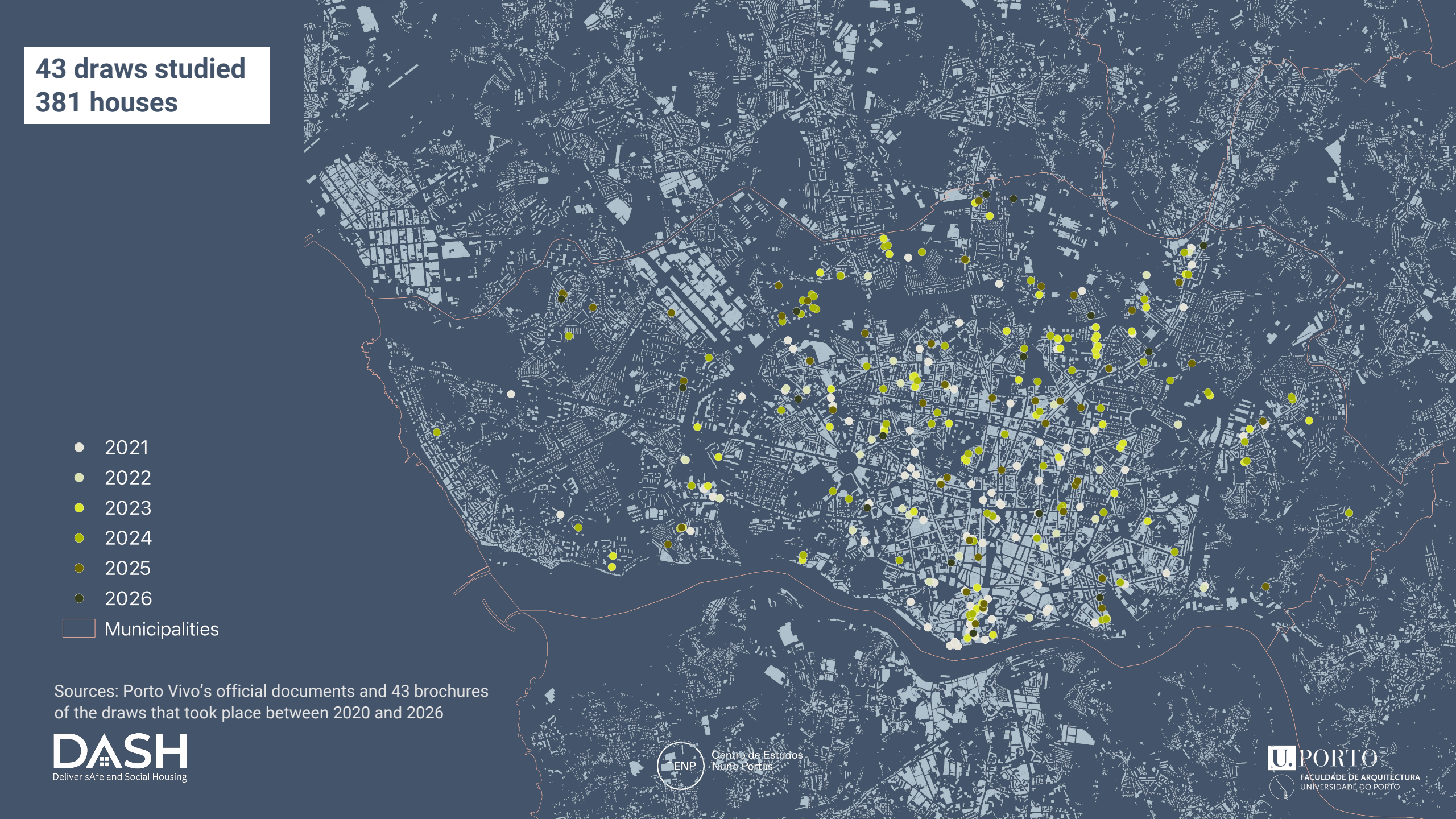
Porto

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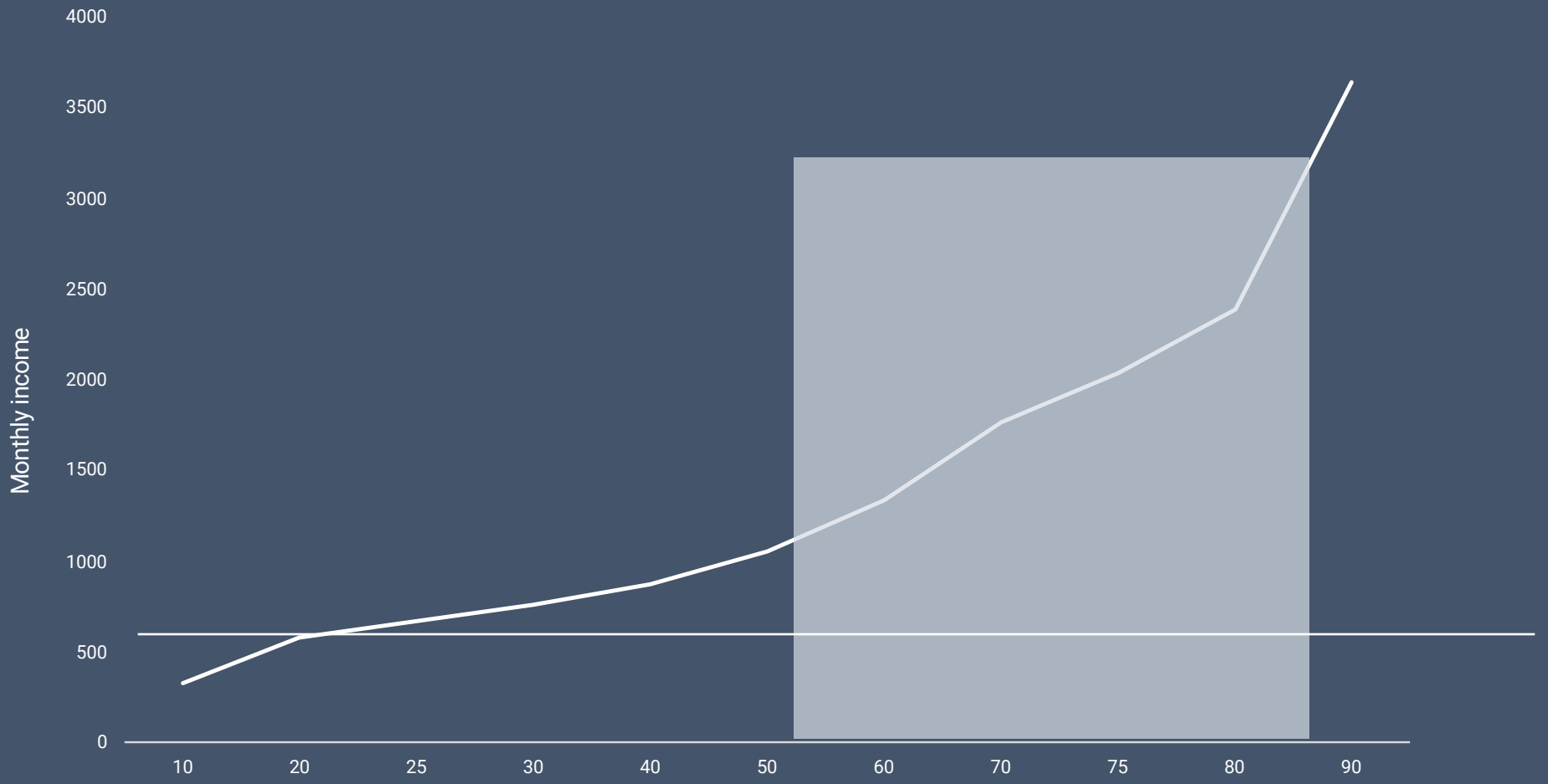
43 draws studied
381 houses

	Average rent T0 e T1	Average rent T2	Average rent T3	Average rent T4
Public owned - Porto Vivo managed (86)	49 houses	30 houses	7 houses	0
	406,15 €	684,47 €	819,43 €	-
Private (295)	108 houses	109 houses	78 houses	11 houses
	486,40 €	700,50 €	830,44 €	901,36 €

Sources: Porto Vivo's oficial documents and 43 brochures of the draws that took place between 2020 and 2026


43 draws studied
381 houses
2021
2022
2023
2024
2025
2026
Municipalities
Sources: Porto Vivo's official documents and 43 brochures of the draws that took place between 2020 and 2026
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Households that can afford a one bedroom apartment with affordable rent in Porto



Eligibility with income between 1.073€ and 3.219€

With a minimum wage, 61% of income goes to rent

562,32€ - one bedroom

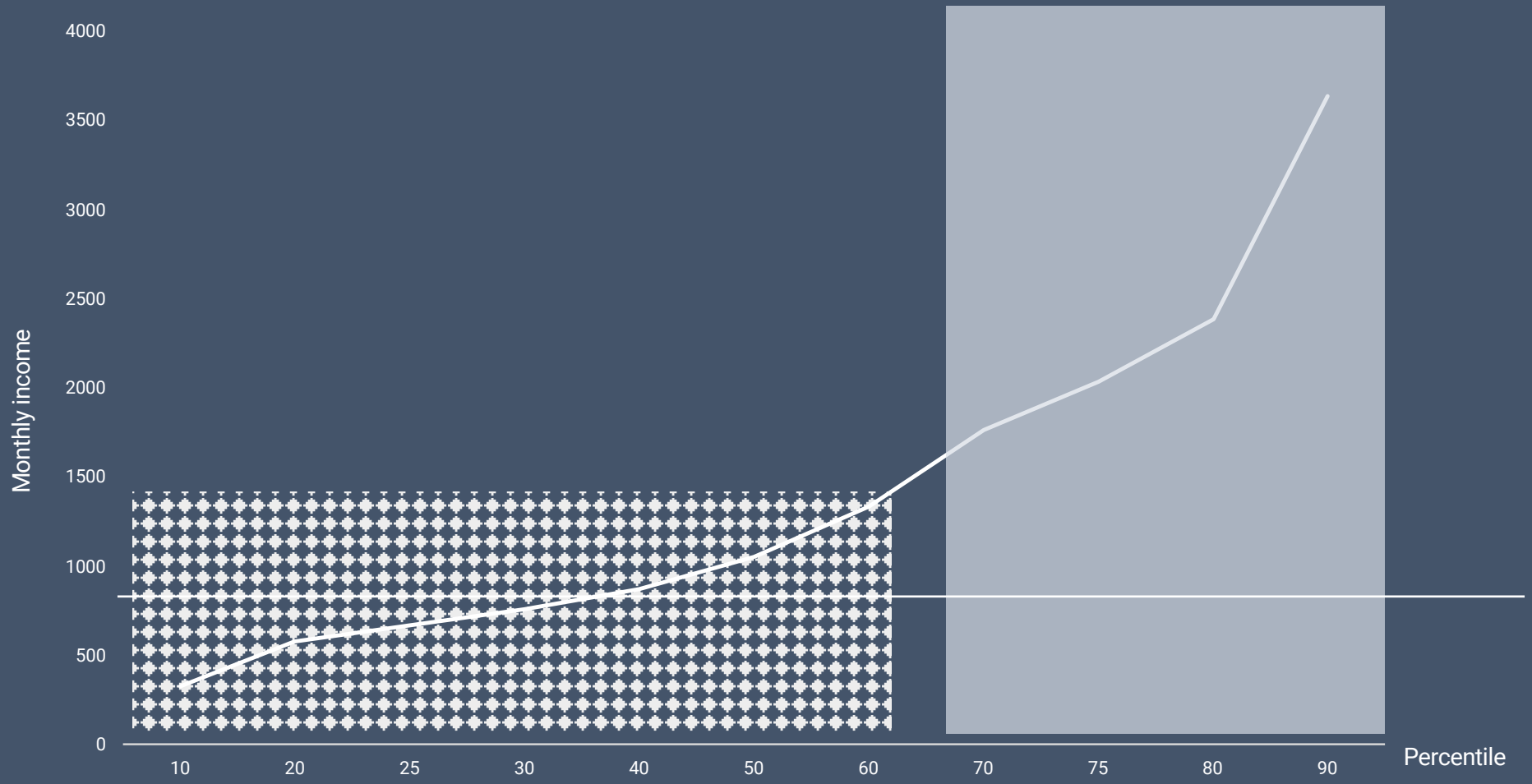
Sources: Gross income after taxes - National Institute of Statistics, Bank of Portugal, 2024; Affordable rents and eligibility criteria - Porto Vivo's official documents;

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Households that can afford a two bedroom apartment with affordable rent in Porto



Eligibility with income between 1.697€ and 4.053€

With two minimum wages, 46% of income goes to rent

848,59€ - two bedroom

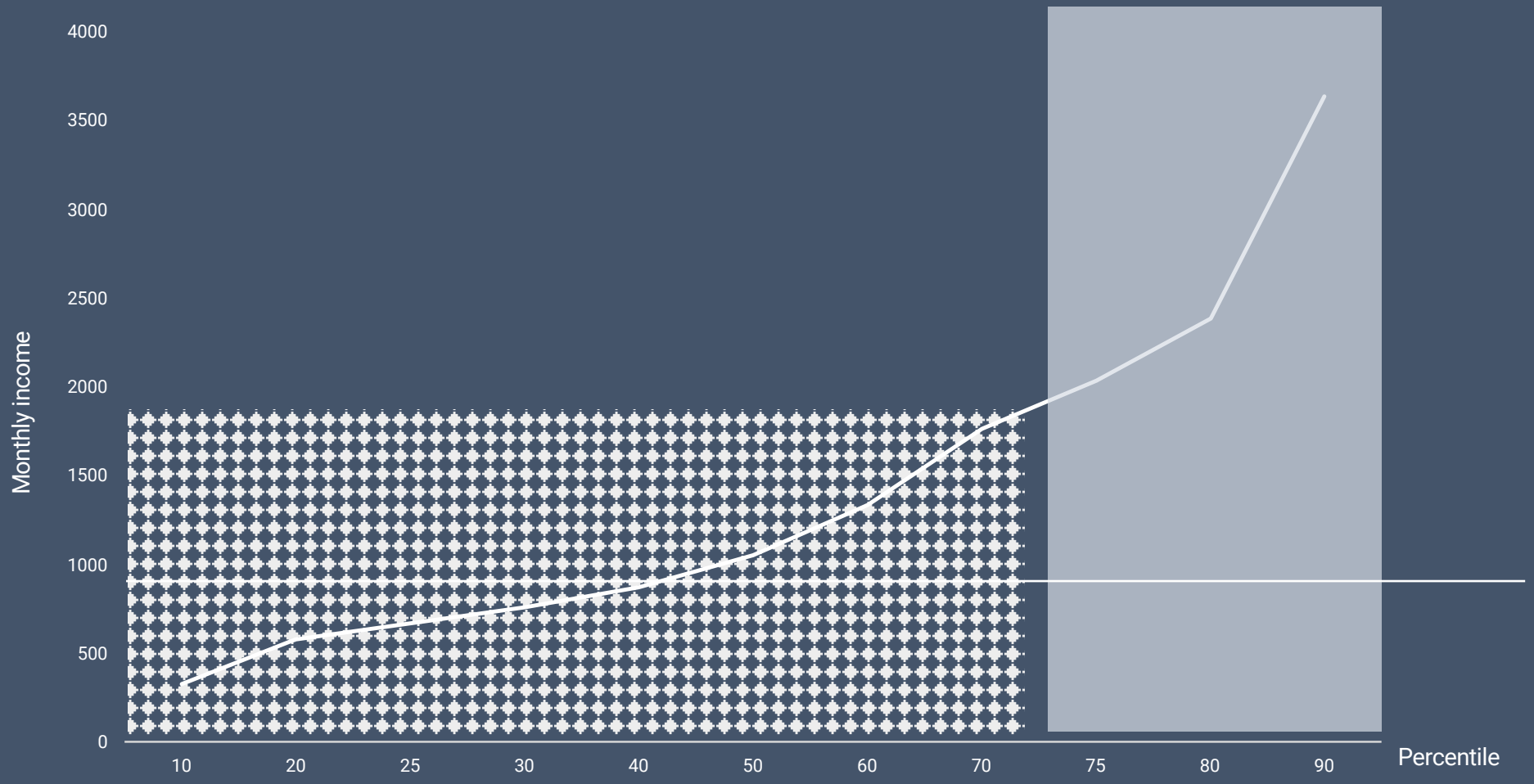
Sources: Gross income after taxes - National Institute of Statistics, Bank of Portugal, 2024; Affordable rents and eligibility criteria - Porto Vivo's official documents;

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Households that can afford a three bedroom apartment with affordable rent in Porto



Eligibility with income between 1.942€ and 4.886€

With two minimum wages cannot apply

971.28€ - three bedroom

Sources: Gross income after taxes - National Institute of Statistics, Bank of Portugal, 2024; Affordable rents and eligibility criteria - Porto Vivo's official documents;

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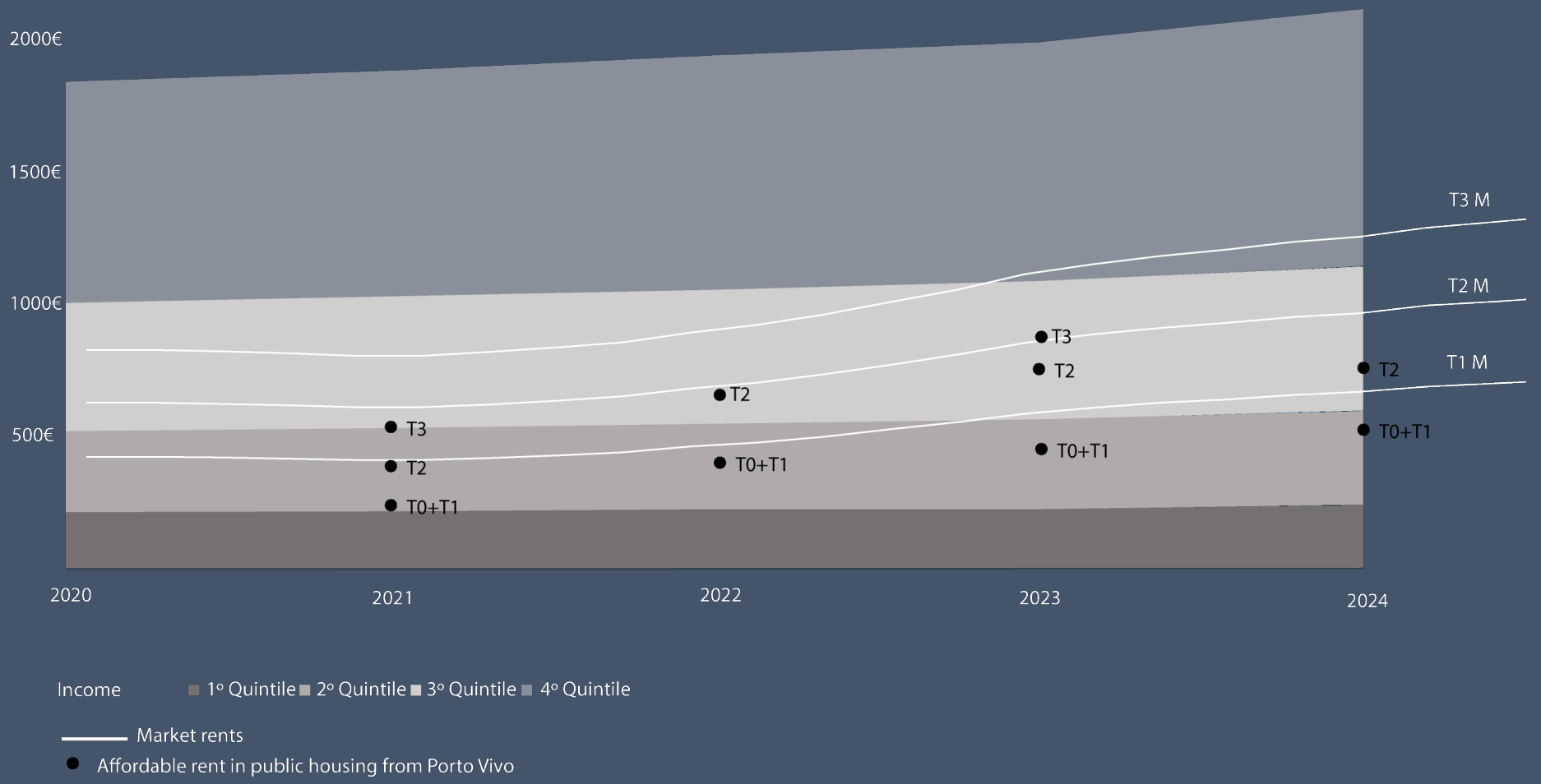
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Neither-nor families are growing

- Rents keep going up, salaries and pensions don't grow at the same speed
- More people that need housing stay out of social housing, because of scarcity and criteria
- More people are excluded every year of the housing market and of affordable housing because they cannot afford it
- Affordable housing, believed to be in the middle, according to the narrative, has no link to household incomes
- The gap - Minimum wage families are too rich for social housing and too poor for “affordable” housing

The gap keeps getting worse.

Since it has been implemented, the gap keeps getting bigger



Two bedroom apartment, same street, public property

2021	2026
535€	848€

+58%

Conditioned rent in 1ºDireito Program for similar apartment was 530€ in 2026

Sources: Gross income after taxes and rent values - National Institute of Statistics, Bank of Portugal, 2024; Affordable rents and eligibility criteria - Porto Vivo's official documents;

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Conclusions

- Affordable housing is one of many topics where the narrative shapes the way we see the solution, despite data pointing to other directions
- There’s no affordability when the prices are disconnected from the population’s financial means
- Affordable housing programs in Portugal, as we saw with the Porto’s example, are diverting public funding to an empty solution that is in fact worsening the situation
- As more and more families need a public solution, more and more families are being left out
- With this analyses we intend to make a contribution for research driven policy making, based on the populations needs and available data

THANK YOU.

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