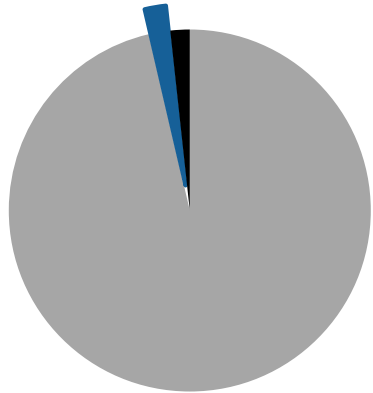


Porto.

Affordable housing

Current municipal housing stock in Porto

Affordable = 2% of public housing



Social	12853
Affordable	131
Affordable - Porto com Sentido	205
Commercial rent	230
Total	13419

Current municipal housing stock in Porto

Currently, **11%** of all dwellings in the city are public

13% of the population of the city is a tenant of the municipality

A new **Affordable Housing Policy** for the middle class

The current housing crisis is an affordability problem.
It will only have a structural solution with more supply:

Public, non-profit and private

Municipal Housing Ongoing projects

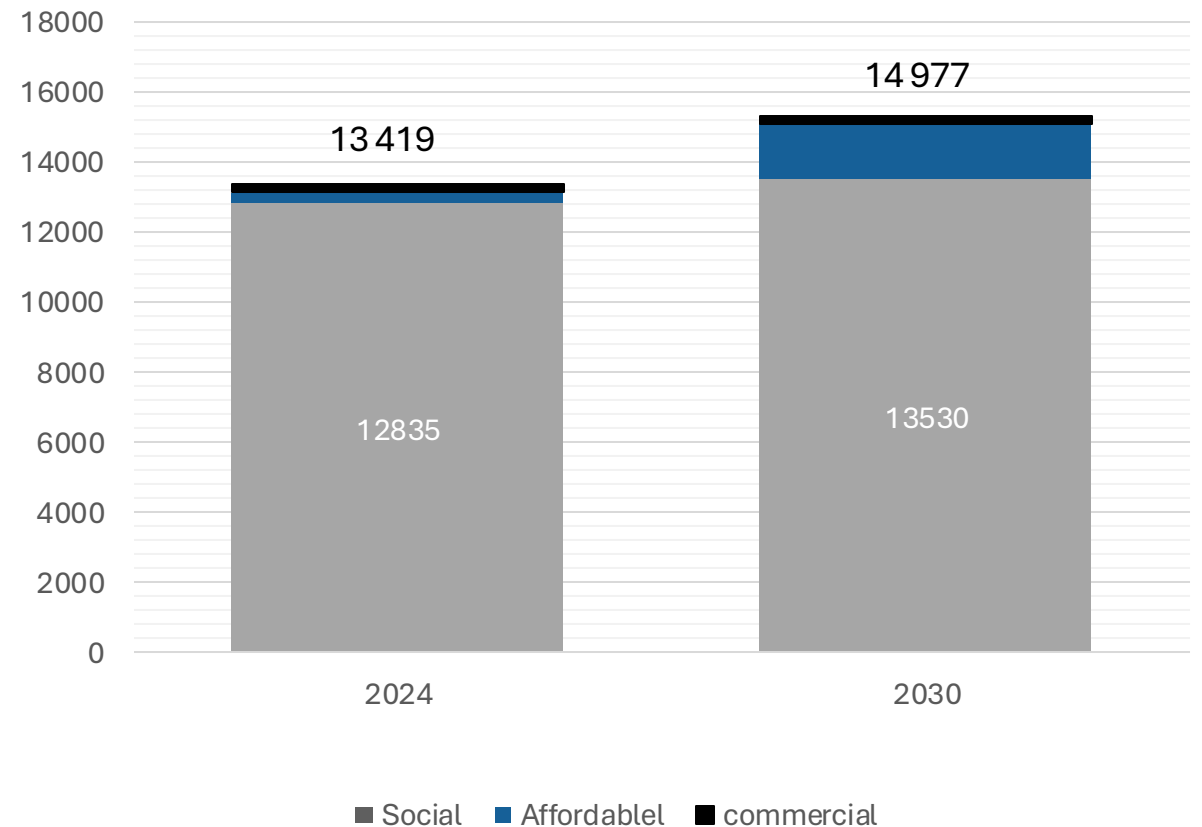
More than 1000 new dwellings are currently in the municipal pipeline in the social and affordable segments

In 2030:

+ 12% municipal housing stock

+ 2,6% social housing

+ 530% affordable rent

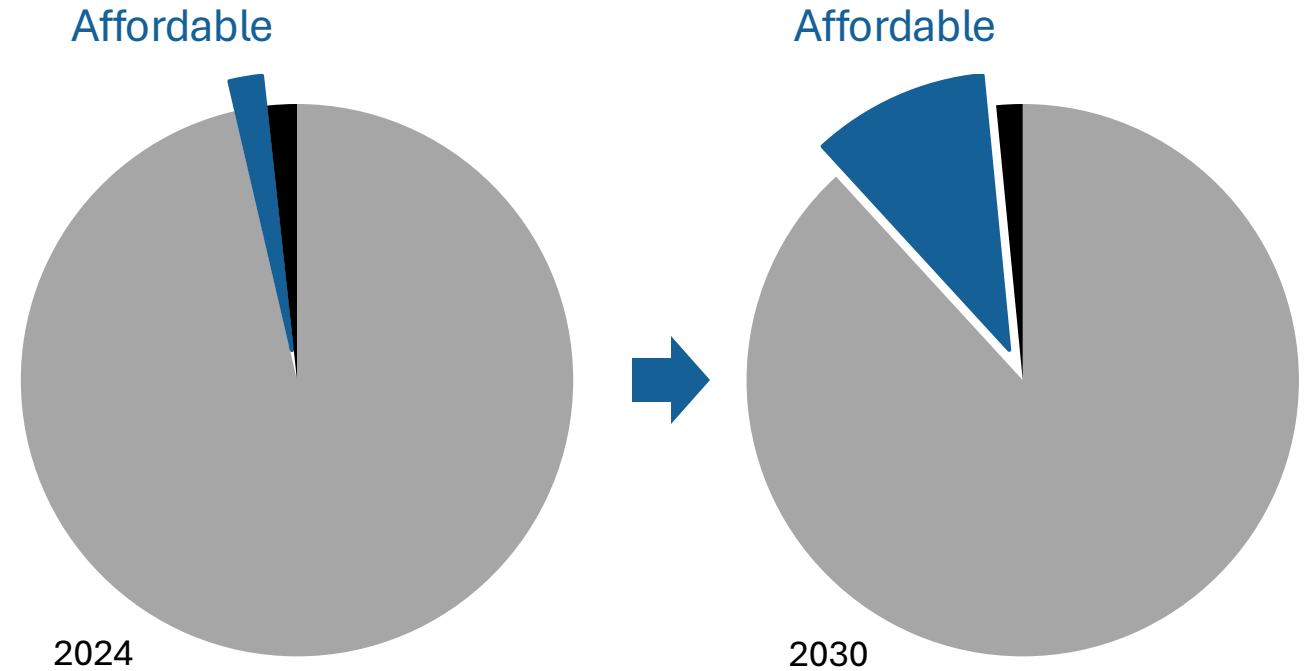


Municipal Housing

Ongoing projects

In 2030:

The affordable rent will account for **10%** of the total municipal housing stock by 2030, a significant increase from the current 2%

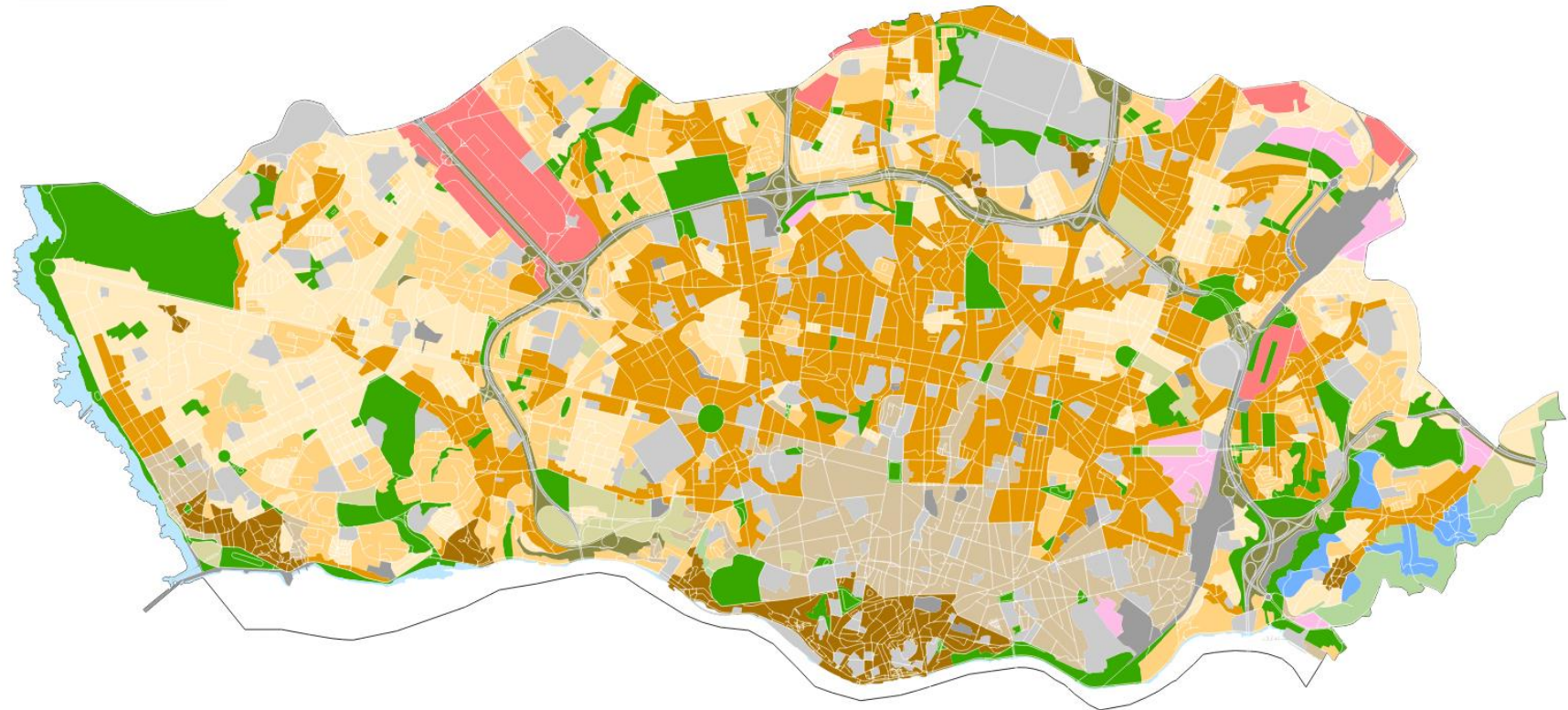


Private Investment

PDM - City Masterplan

A pro-development Plan

- # Urban rehabilitation
- # Benefits for affordable housing
- # Strategic plans for specific areas
- # Densification and infilling
- # Economic activity zones
- # Green and blue structure



Private Investment

Licencing

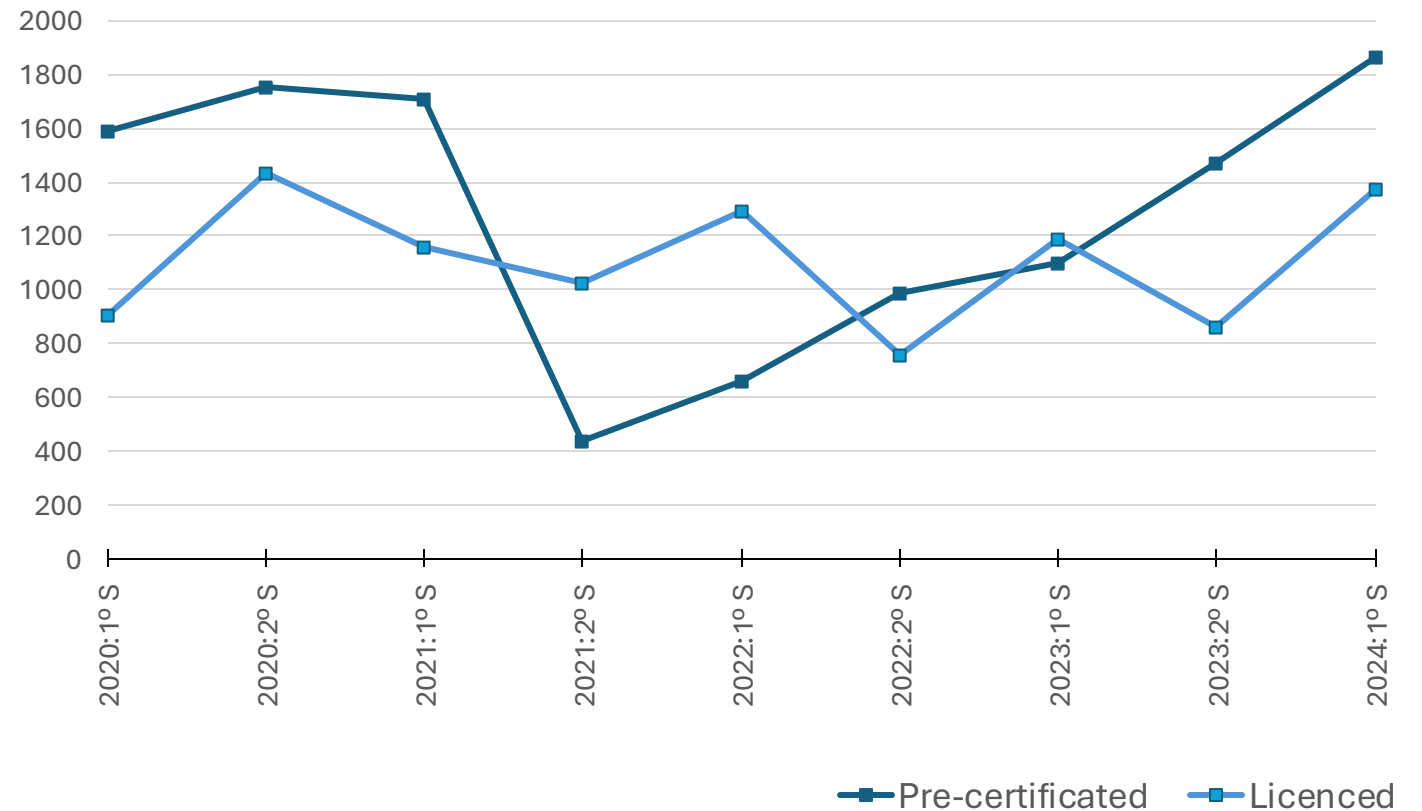
2035 new dwellings in 2023

Porto is a top performer nationwide in licencing new houses.

Porto accounted for the **highest number of licensed dwellings** in the country in the first semester 2024

1373 new dwellings licensed until June 2024

Housing pipeline - number of new dwellings



Pre-certificates: source Confidencial Imobiliário / ADENE
Licences: source Confidencial Imobiliário / CM Porto

Private Investment

What's next for Porto?

Ongoing plans for strategic expansion areas

600 000 m² of new construction area

23 000 new housing units



Private Investment

What's next for Porto?

UOPG1 Nun'Álvares

176 000 m2 of new construction area

1 620 new housing units

Currently undergoing the Environmental impact assessment process.

Allotment to be aproved in 2025.



Private Investment

What's next for Porto?

UOPG5 Aleixo

71 000 m2 of new construction area

497 new housing units

Public consultation concluded in August
Approval of the plan expected until the
end of 2024.



Private Investment

What's next for Porto?

UOPG3 Aldoar

50 450 m2 construction area

348 new housing units

Approvement of the Development Unit
expected in 2025.



Private Investment

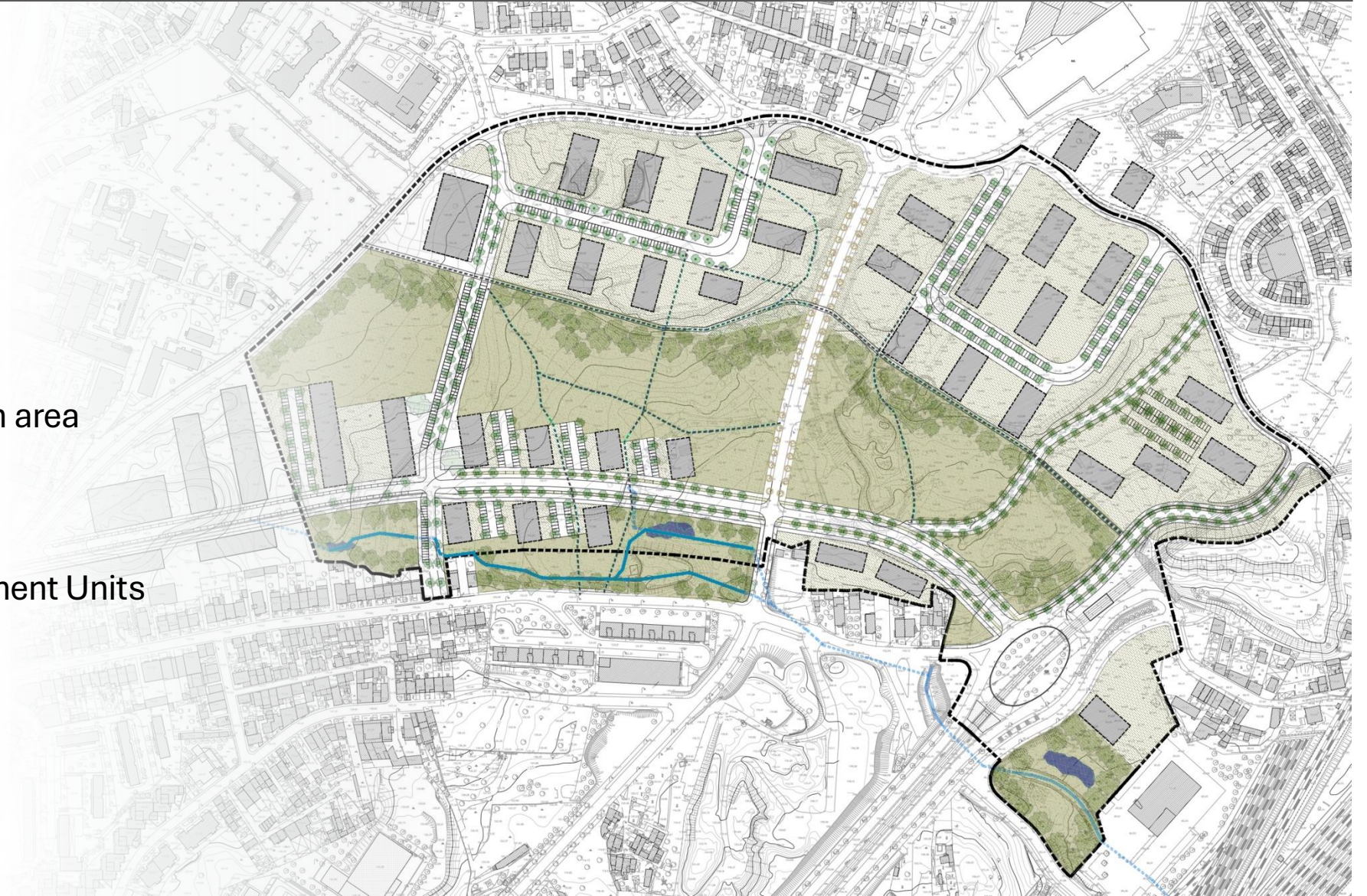
What's next for Porto?

UOPG8 Curráis
UOPG9 Contumil

119 000 m2 construction area

832 new housing units

Approvement of the Development Units
expected in 2025.



Private Investment

What's next for Porto?

PU Campanhã

Development of the eastern part of the city with the construction of the new high-speed rail line

- New railway station
- Densification of the area around the new station

Public consultation expected in 2025



Private Investment

Build to rent

1

Signing of the promissory rental contract after approval of the property's architecture project

2

Signature of rental contract with the Municipality after the conclusion of the works

3

Security in the contractual relationship, with **no risk of default**

4

Property maintenance and condominium management, upon delivery of all fractions of a building

Private Investment

Build to rent

5

50% Reduction
of TMI

6

Tax Exemptions
IRS/IRC
IS
IMI

7

Immediate
liquidity, by
anticipating rents
of up to two years
(annual or biennial
rents modality)

8

100% occupancy for
a minimum period of
10 years

Private Investment

Build to rent

Practical example: T1 · 55m² · 5 year contract

Traditional real estate market

Monthly rent of 650€

Variables

Owner expenses

IRS (25%)

162,50 € (monthly)

IMI (Tax Asset Value: 35.000€)

105€ (annual) = 8.75€ (monthly)

Net monthly income = 478,75€ (Rent - IRS - IMI)

Add the following expenses

(direct/indirect):

- Stamp duty at the beginning of the contract
- Occupancy tax (to be guaranteed by the owner)

- Property management (possible real estate agency commission)
- Property maintenance and upkeep
- Building condominium expenses
- Possibility of tenant default
- Fire insurance (mandatory) or multi-risk insurance
- Insurance for non-payment of rent (optional, but the only way to guarantee liquidity)

Porto com Sentido

Max. monthly rent: 550€

Variables

Owner expenses

IRS (28%)

Exemption

IMI (Tax Asset Value: 35.000€)

Exemption

Net monthly income = 550€

Add the following expenses

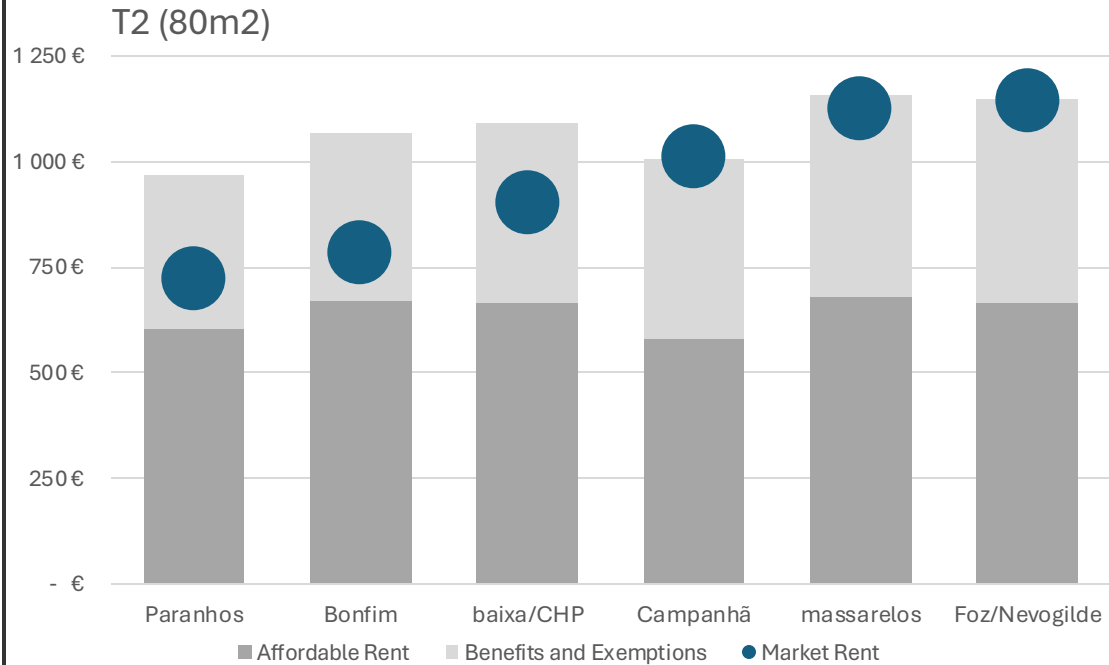
(direct/indirect):

- Property conservation
- Fire insurance (mandatory) or multi-risk insurance

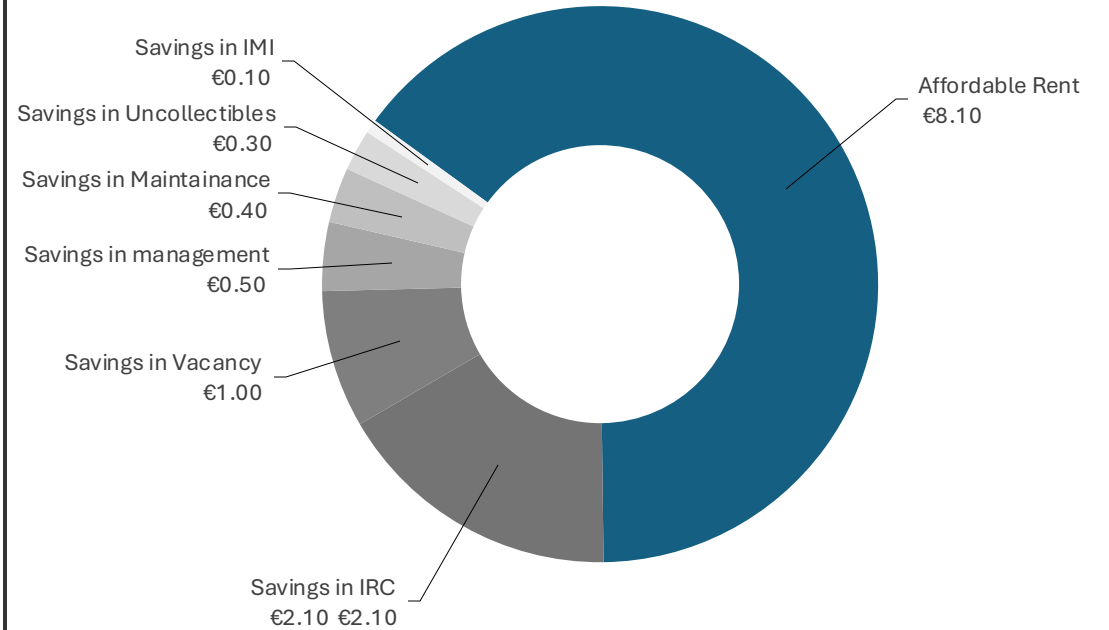
Private Investment

Build to rent

Equivalent Rent VS Market Rent

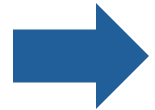


Breakdown of Equivalent Rent



Current Challenges

The current housing crisis is fundamentally an affordability problem, which will only have a structural solution through **increased supply**.



However, a **sustainable solution** requires a more adequate and **balanced supply**.

It is crucial that the current good moment in the real estate market does not jeopardize the sector's long-term economic sustainability.

A healthy real estate market largely depends on its social impact and the public's goodwill.

Porto.