

Navigating the Housing Crisis in Portugal*

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Abstract

The housing crisis has become a major challenge across Europe, with certain countries disproportionately affected — Portugal is among the hardest hit and ranks among the most vulnerable EU countries in terms of energy poverty, primarily due to the prevalence of poor-quality housing requiring higher energy consumption to meet basic needs. Using data from the Household Finance and Consumption Survey and EU statistics on income and living conditions, supplemented by other data from the Bank of Portugal and Instituto Nacional de Estatística, the chapter uses standard indicators to describe the main features and effects of the housing crisis in Portugal, as well as the main housing policy measures developed to respond to it. The country has experienced significant changes in its housing system, particularly in terms of tenure, affordability, and deprivation, driven by rising housing costs and high energy and heating costs that impact low-income families and young people in particular. This research contributes to housing policy in three keyways. First, it offers an assessment of the link between energy and heating costs and the housing crisis in Portugal. Second, it highlights the limited effectiveness of recent policy measures in mitigating the crisis. Finally, it provides insights for other Southern European countries with similar housing systems, broadening the understanding of the wider implications of energy costs within the housing sector.

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