

The impacts of urban regeneration companies in Portugal – The case of Porto Vivo SRU

Luis Neto
Department of Civil Engineering, University of Coimbra, Portugal
hounoz@gmail.com

Nuno Pinto
Department of Civil Engineering, University of Coimbra, Portugal
npinto@dec.uc.pt

Malcolm Burns
Center for Land Policy and Valuation, Technical University of Catalonia, Spain
malcolm.burns@upc.edu

Abstract

The situation of the historical centres in Portugal is of a progressive abandonment and physical and social degradation in the last decades, like in the rest of Europe. This phenomenon is due, among other factors, to the migration of the middle-class towards the peripheries, dragged by the relocation of services, spaces of leisure and to the installation of commercial centres in those same peripheries; to the freezing of the rents, impeding that many landlords have the necessary means to undertake rehabilitation works in their buildings; and to the increasing use of the automobile, for which the traditional urban centre is almost incompatible.

In spite of the previous efforts of the municipalities and some state and European financing fund, it was only in 2004 that a legal regime that has as main objective to enhance the urban revitalization was created, with a special focus on the historic centres (Ordinance 104/2004). It is in this scenario that the Urban

Regeneration Companies (SRUs) arise, as municipal companies consisting exclusively by public capitals and with social welfare objectives. Porto Vivo SRU, constituted in the same year of 2004, was chosen as a case study due to its set of good practices and indications of success, unique in Portugal, and for being the only one that already has relevant data already available. Its main territorial scope, denominated by Zone of High-priority for Intervention, has an area of 500ha, approximately 12% of the municipality, which includes the Historic

Centre, classified as World Heritage Site by UNESCO in 1996, and the Baixa that corresponds to the limits of the city of Porto before the Industrial Revolution.

The main objective of this investigation is focused on the assessment of the impacts that this urban renewal model based on public owned rehabilitation companies had in Portugal in the past years. The case study of Porto Vivo SRU is quite interesting for this analysis due to its perceived impact on the urban revitalization of Porto's city centre. The basic premise of this research is that urban areas that are in a spiral of decline and obsolescence need the intervention of the Public Administration in order to overcome their problems and become liveable places once again. It is also argued that such company model, emulating the private management, when mandated to administer a given territory and being fully dedicated and specialized in these processes, is more effective in delivering urban revitalization projects than the traditional mechanisms.

The methodology consists on the identification of the type of structure that is involved, its objectives, operative tools, and cash flows, proceeding with a quantitative analysis, comparing the available data in both before and after the creation of the SRU, and complementing the study with interviews performed with some of the partners of the SRU and other stakeholders that presented a profound know-how in urban revitalization and in the situation of the Baixa.

Through this research it was possible to conclude that it is difficult to quantify the contribution that Porto Vivo SRU gave to the changes in Baixa giving the very short period in which the company has been operating. The first tangible impacts, especially the renovated housing stocks, have been placed in the market only last year. There are also many exogenous

factors related to the macroeconomic context that global markets are currently facing, particularly construction and housing markets, which have a great influence in Porto's urban rehabilitation. Nonetheless, our dual approach of assessing the perception of stakeholders and of devising some indicators from available data helped to shed some light on the apparent correlation of SRU's activity with a new rehabilitation dynamic in Porto.

From what was possible to withdraw from the interviews made to stakeholders, the general opinion is that the SRU is working accordingly to its own goals and strategies, and that its success is acknowledged at a local, national, and international level. There is already a significant change on the number of issued building permits for rehabilitation in the study area when compared with the rest of the city, with the former presenting a higher increase rate. On the policy side, the Ordinance 104/2004 brought a new perspective to urban rehabilitation policy in Portugal by creating a first set of legal tools to promote rehabilitation as a top-down initiative. This represented a significant shift in national planning policy as it places declined city centres as a priority in opposition to the general trend of city expansion that underlies the majority (if not totality) of municipal land use plans in force. L. Neto, N. Pinto, M. Burns The impacts of urban regeneration companies in Portugal – The case of Porto Vivo SRU 2

There are some issues that must be addressed by national policy. Portugal has now a good legal framework for urban rehabilitation but there are some problems concerning, for example, funding. National policy must address equity among all the local authorities that are willing to start massive rehabilitation processes, especially when national funds are at stake.

The socioeconomic vector of urban revitalization is however missing on the current policy structure.

Other efforts must be made in order to promote a diversified social fabric and to avoid gentrification (which represents a severe risk when investments are only oriented towards the building stock), to attract non-local investment, and, at a higher level, to create a metropolitan policy that considers the AMP as a whole.

This research is the first stage of a broader research plan that focuses on urban revitalization problems and policies. We are now addressing different issues regarding rehabilitation models, funding, and housing within the historic centers contexts. Our approach is based on the dual use of quantitative and qualitative methods to evaluate and forecast the impacts of these programs and policies.

Keywords: Urban rehabilitation, urban regeneration, historic centres, evaluation, Porto.