



Urban societal risks: integration of social disadvantaged residents

Emília Malcata REBELO¹

¹ University of Porto, Territorial, Urban and Environmental Planning Division, CITTA – Research Centre for Territory, Transports and Environment, Portugal, emalcata@fe.up.pt

Abstract: The strong real-estate pressure in city centres gradually triggers sharp price rises and, consequently, engenders social risks for less-favoured disadvantaged residents. These result, on the one hand, from the strong deterioration of buildings and dwellings where they live and, on the other, from their economic and social vulnerabilities that question their permanence in the places where they have always lived (where they feel socially and culturally included).

In these communication are reported the goals, methodologies, results and conclusions of a technical, socioeconomic and financial study undertaken for the Porto municipality (Portugal). It tackles the social risks faced by Porto “islands” inhabitants. The “islands” consist in ranks of little houses built from the beginning of the 19th century on, aimed at lodging the working class that increasingly looked for urban areas in this city. Despite the analysis was pursued for all the “islands” in Porto city (Portugal), the case study herein presented centres in S. Vítor “islands”, located in the Urban Rehabilitation Area of Bonfim, just by the side of the historical centre classified as worldwide heritage by UNESCO.

The study begins by the analysis of the risks involved in these “islands”, concerning, namely, buildings’ and dwellings’ physical deterioration, accessibility shortcomings, isolation and safety shortage. This characterization resulted from local visits, population surveys and interviews. Then a rehabilitation intervention by public authorities is proposed, which consists in the rehabilitation of the current dwellings, doubling their liveable areas, and remodelling them so to increase their residents’ comfort levels. Finally this rehabilitation proposal is supported on cost and profit assessment that justify its feasibility, resorting to available financial instruments. This proves its economic and financial sustainability, and stresses its contribution to social risk reduction (namely social exclusion and economic, social and cultural collapse of its inhabitants).

Keywords: Social risks; urban rehabilitation tools; rehabilitation costs and rents; social cohesion; urban sustainability.

1. Introduction

Currently in Porto town exist 957 “islands”, considering as such the housing nuclei including four or more dwellings with independent entry that share the same door number. These “islands” (mainly privately owned) hold a total of 8265 lodgings (a percentage of 56,9% of them being occupied), where inhabit around 4900 households, corresponding to approximately 10400 people) (Breda-Vásquez and Conceição, 2015). Most of these “islands” locate in Porto’s historical centre or in its neighbourhoods, and belong to urban rehabilitation areas (ARU). An ARU consist in a territorial surface characterized by shortcomings, obsolescence or degradation in buildings, infrastructure, public spaces and collective equipment’s uses, solidity, safety, aesthetics or health, that justifies an urban rehabilitation operation, enforced through a specific territorial management instrument or through an urban rehabilitation detail plan. Specific financial instruments that support urban rehabilitation are applicable to these areas (www.portaldahabitacao.pt).

The economic and financial feasibility study herein presented shows that, within the Portuguese and Porto currently enforced urban rehabilitation and planning legislation, the application of the financial tool “Rehabilitation to rent – affordable housing”¹ - recently passed - turns possible the rehabilitation of these “islands” in a social-oriented way (Portuguese legislation). This rehabilitation intervention should be

¹ This financial tool is called “Reabilitar para Arrendar – Habitação Acessível” in Portuguese language.

mastered by municipal authorities, namely in what concerns the provision of management services, and the facilitation of trade-offs among the involved stakeholders. These authorities can further resort to structural and investment European Funds if social inclusion and regeneration of disadvantaged territories is in question. Besides assuring the required social cohesion and all citizens' equal treatment, this rehabilitation intervention is also sustainable from an economic and financial standpoint, what is more and more relevant within the current financial-crisis framework (Afonso, 2009; IHRU, 2015a).

The methodology is pursued through the following steps: (a) collection of local quantitative data (concerning the number of "islands", number of buildings and dwellings in each one, respective average surfaces, keeping condition, as well as the number of resident families), and population surveys (in order to grasp what they feel in relation to the place where they live, how they deal with neighbours, their social inclusion, main problems they face, willingness to remain in the same housing); (b) proposal of a physical intervention in dwelling rehabilitation providing resident families with a warranted surface between 50 and 60 square meters ², and assuring as far as possible that most families remain in the "islands" where they currently live; (c) assessment of the intervention costs, according to dwellings' keeping condition; (d) assessment of the financial burden to be supported by dwelling owners according to the financial tool recently enforced and aimed at the rehabilitation of private dwellings "Reabilitar para Arrendar" (IHRU, 2015b); (e) anticipation of the rents according to the enforced legislation, (f) resort to structural and investment European funds to support part of the rehabilitation costs, and (g) comparison between cost burdens and incomes, keeping in the "island" the deprived families that traditionally have lived there.

2. Case study

Bonfim urban rehabilitation area started its town planning process in the middle of the 19th century. Their uses were traditionally diversified (housing, industry, trade and services), but it embodied conditions that have especially favoured the housing function. It includes many public parks and wooden streets, and some important heritage reference buildings, such as its Municipal Library and the Fine Arts Faculty. This area historically experienced a progressive abandonment by its population (with the subsequent ageing of its resident population), and is currently characterized by a concentration of "islands"³ in S. Vítor quarter (www.portaldahabitacao.pt), that holds 22 "islands" in all. All of them reveal problems both at housing nuclei and dwelling grounds. The former refer to building degradation, lack of internal accessibility, and troubles accruing from respective vacancy and abandonment. The later, by their turn, may refer to dwelling degradation, over occupation or equipment shortages, to location and neighbourhood troubles, or even to isolation. These problems aggravate whenever two or more problems overlap.

The dimension of the "islands" dwellings and its average occupation rate justifies an intervention that increases their gross building surfaces, which subsequently impacts on housing quality and comfort for its current and future residents.

So the most important goal of the current proposal consisted in the provision of reconstructed dwellings with 50 m² to 60 m², keeping the previous total gross built area of the "island". Together with this goal, and after the estimation of the number of resident households in each housing nucleus, it was also considered – for social cohesion reasons, and according to residents' wishes, expressed in the pursued surveys – that it would be important to assure the stay in the "island" of most of its current resident households (Conceição and Breda-Vásquez, 2015).

As far as the S. Vítor "islands" are concerned, the main outcomes of this work point out the proposal to reconvert the initial 244 dwellings – currently inhabited by 154 families - into 153 new dwellings⁴. These circumstances require the ultimate rehousing of 3 families (Table 1).

² The average surface of an "island" dwelling is currently around 35 square meters.

³ This information was collected through local direct observation of housing nuclei, complemented with a socioeconomic survey directed to respective population (Breda-Vásquez and Conceição, 2015).

⁴ The morphological typology was the one adopted by the Porto Municipality in 2001 population census. So, and specifically for the case of S. Vítor quarter, 1.1. represents "pattern islands" ("islands" that develop in depth, perpendicularly to the road network, and the internal entries are in straight lines), 1.2. depicts "islands with variable

Table 1 – Proposal for the physical intervention in the “islands” of S. Vítor quarter

Address	Number	Parish	Morphological typology	Number of dwellings	Dwelling average surface according to morphological typology	Operational intervention proposal						
						Total dwelling gross surface	Number of dwellings with a total gross surface of 60 m ²	Percentage of occupied dwellings	Number of occupied dwellings	Proposed number of dwellings	Proposed new dwellings' surface	Number of new dwellings - number of occupied dwellings
PRAC ALEGRIA	76	BONFIM	1.1	12	34,1	408,8	6,8	58,3	7	7	58,4	0
PRAC ALEGRIA	85	BONFIM	1.2	8	35,9	287,0	4,8	52,1	5	5	57,4	0
RUA BARAO S COSME	35	BONFIM	2.3	11	43,5	479,0	8,0	53,5	6	8	59,9	2
RUA DUQUE DE SALDANHA	188	BONFIM	1.1	7	34,1	238,5	4,0	58,3	5	4	59,6	-1
RUA DUQUE DE SALDANHA	212	BONFIM	1.1	5	34,1	170,4	2,8	58,3	3	3	56,8	0
RUA GOMES FREIRE	9 e 1	BONFIM	2.5	27	37,6	1014,2	16,9	67,2	19	19	53,4	0
RUA GOMES FREIRE	94	BONFIM	1.1	6	34,1	204,4	3,4	58,3	4	4	51,1	0
RUA GOMES FREIRE	65	BONFIM	1.1	16	34,1	545,1	9,1	58,3	10	10	54,5	0
RUA S VITOR	184	BONFIM	1.2	8	35,9	287,0	4,8	52,1	5	5	57,4	0
RUA S VITOR	113	BONFIM	1.1	5	34,1	170,4	2,8	58,3	3	3	56,8	0
RUA S VITOR	172	BONFIM	1.1	12	34,1	408,8	6,8	58,3	7	7	58,4	0
RUA S VITOR	116	BONFIM	1.1	17	34,1	579,2	9,7	58,3	10	10	57,9	0
RUA S VITOR	48	BONFIM	1.1	7	34,1	238,5	4,0	58,3	5	4	59,6	-1
RUA S VITOR	62	BONFIM	1.1	11	34,1	374,8	6,2	58,3	7	7	53,5	0
RUA S VITOR	68A	BONFIM	1.1	17	34,1	579,2	9,7	58,3	10	10	57,9	0
RUA S VITOR	76	BONFIM	1.1	19	34,1	647,3	10,8	58,3	12	12	53,9	0
RUA S VITOR	99A	BONFIM	1.1	9	34,1	306,6	5,1	58,3	6	6	51,1	0
RUA S VITOR	49	BONFIM	1.1	9	34,1	306,6	5,1	58,3	6	6	51,1	0
RUA S VITOR	80	BONFIM	1.1	4	34,1	136,3	2,3	58,3	3	2	68,1	-1
RUA S VITOR	104	BONFIM	1.1	22	34,1	749,6	12,5	58,3	13	13	57,7	0
TRAV S VITOR	22	BONFIM	1.1	6	34,1	204,4	3,4	58,3	4	4	51,1	0
RUA S VITOR	62 Tr.	BONFIM	2.3	6	43,5	261,3	4,4	53,5	4	4	65,3	0
				244					154	153		

The rehabilitation costs were estimated according to the rehabilitation experience of the works execution nuclei of Porto Vivo – Urban Rehabilitation Society - according to their Urban Development Fund proposal for buildings in good, reasonable or bad maintenance keeping. Within this scope, costs of 100 €/m², 300 €/m², and 700 €/m² were taken for light, medium or deep rehabilitation works, respectively.

Considering that the proposal of physical intervention will express through an increase in dwellings' gross surfaces – what implies more complex building operations and so higher costs – it was assumed that the percentage weight of lodgings in bad maintenance's costs should be higher than the weight of the costs of lodgings in reasonable maintenance. So the attribution of the costs in each nucleus is computed in relation to its total surface in the following proportion: to half of the surfaces of the dwellings in reasonable maintenance are attributed light costs, to double of the surfaces of the dwellings in medium maintenance are imputed average costs, and to the surfaces of the dwellings in ruin are assigned high costs.

The computations performed point out an average rehabilitation cost of 15.632 euros per dwelling, and a total rehabilitation cost for all the “islands” located in this urban rehabilitation area of 2 403 195 euros (Table 2).

development” (the internal accesses in these islands are in straight lines, and the underlying plot may or may not develop in depth perpendicularly to the road network); 2.3. stands for shared houses (the whole lodgings add up to one or more bigger, generally two-stored houses, that have been divided); and 2.5. represents situations where different sections coexist, where at least one of them falls within the concept “island” or “atypical island” (Breda-Vásquez and Conceição, 2015).

Table 2 – Systematization of the operation costs per dwelling and per “island” for the “islands” located in S. Vítor quarter for the physical intervention in the “islands” of S. Vítor quarter

Address	Number	Parish	Morphological typology	Number of dwellings	Dwelling average surface according to morphological typology	Operational intervention proposal			Number of dwellings in reasonable repair, bad repair or in ruin			Division of intervention costs				Gross surface of the new dwellings according to the maintenance state			Rehabilitation cost	
						Proposed number of dwellings	Proposed new dwellings surface	Reasonable repair	Bad repair	Ruin	Total gross surface of the new proposed dwellings	Percentage of dwellings in reasonable repair	Percentage of dwellings in bad repair	Percentage of dwellings in ruin	Reasonable repair	Bad repair	Ruin	Cost per rehabilitated dwelling	Total cost of the intervention	
PRAC ALEGRIA	76	BONFIM	1.1	12	34,1	7	58,4	5	6	1	408,8	16,1%	77,4%	6,5%	66	317	26	17.145	120.017	
PRAC ALEGRIA	85	BONFIM	1.2	8	35,9	5	57,4	3	5	0	287,0	13,0%	87,0%	0,0%	37	250	0	15.724	78.621	
RUA BARAO S COSME	35	BONFIM	2.3	11	43,5	8	59,9	0	11	0	479,0	0,0%	100,0%	0,0%	0	479	0	17.961	143.691	
RUA DUQUE DE SALDANHA	188	BONFIM	1.1	7	34,1	4	59,6	7	0	0	238,5	100,0%	0,0%	0,0%	238	0	0	5.962	23.849	
RUA DUQUE DE SALDANHA	212	BONFIM	1.1	5	34,1	3	56,8	5	0	0	170,4	100,0%	0,0%	0,0%	170	0	0	5.678	17.035	
RUA GOMES FREIRE	9 e 1	BONFIM	2.5	27	37,6	19	53,4	20	6	1	1014,2	43,5%	52,2%	4,3%	441	529	44	12.300	233.705	
RUA GOMES FREIRE	94	BONFIM	1.1	6	34,1	4	51,1	3	1	2	204,4	27,3%	36,4%	36,4%	56	74	74	19.978	79.911	
RUA GOMES FREIRE	65	BONFIM	1.1	16	34,1	10	54,5	1	2	13	545,1	2,9%	22,9%	74,3%	16	125	405	32.241	322.406	
RUA S VITOR	184	BONFIM	1.2	8	35,9	5	57,4	0	7	1	287,0	0,0%	93,3%	6,7%	0	268	19	18.753	93.763	
RUA S VITOR	113	BONFIM	1.1	5	34,1	3	56,8	1	0	0	170,4	100,0%	0,0%	0,0%	170	0	0	5.678	17.035	
RUA S VITOR	172	BONFIM	1.1	12	34,1	7	58,4	3	7	2	408,8	8,6%	80,0%	11,4%	35	327	47	19.191	134.336	
RUA S VITOR	116	BONFIM	1.1	17	34,1	10	57,9	3	12	2	579,2	5,5%	87,3%	7,3%	32	505	42	18.429	184.291	
RUA S VITOR	48	BONFIM	1.1	7	34,1	4	59,6	3	4	0	238,5	15,8%	84,2%	0,0%	38	201	0	16.004	64.017	
RUA S VITOR	62	BONFIM	1.1	11	34,1	7	53,5	2	9	0	374,8	5,3%	94,7%	0,0%	20	355	0	15.498	108.488	
RUA S VITOR	68A	BONFIM	1.1	17	34,1	10	57,9	14	3	0	579,2	53,8%	46,2%	0,0%	312	267	0	11.138	111.385	
RUA S VITOR	76	BONFIM	1.1	19	34,1	12	53,9	17	1	0	647,3	81,0%	19,0%	0,0%	524	123	0	7.450	89.395	
RUA S VITOR	99A	BONFIM	1.1	9	34,1	6	51,1	3	6	0	306,6	11,1%	88,9%	0,0%	34	273	0	14.196	85.177	
RUA S VITOR	49	BONFIM	1.1	9	34,1	6	51,1	6	3	0	306,6	33,3%	66,7%	0,0%	102	204	0	11.925	71.548	
RUA S VITOR	80	BONFIM	1.1	4	34,1	2	68,1	1	2	1	136,3	9,1%	72,7%	18,2%	12	99	25	24.159	48.318	
RUA S VITOR	104	BONFIM	1.1	22	34,1	13	57,7	2	19	1	749,6	2,5%	95,0%	2,5%	19	712	19	17.586	228.614	
TRAV S VITOR	22	BONFIM	1.1	6	34,1	4	51,1	4	2	0	204,4	33,3%	66,7%	0,0%	68	136	0	11.925	47.699	
RUA S VITOR	62 Tr.	BONFIM	2.3	6	43,5	4	65,3	1	3	2	261,3	5,9%	70,6%	23,5%	15	184	61	24.973	99.892	
AVERAGE AND TOTAL REHABILITATION COST (per scenario)																	15.632	2.403.195		

It was then computed the value of the loan resulting from the operational intervention proposed for each “island” – considering the intervention costs previously computed – using the financial tool already referred to. Rehousing costs⁵ add to these burdens, considering they amount to about 200 euros per family, supposing the city council have enough social housing units at its disposal. It was further considered a possible curtailment of about 10% of the intervention costs in the linkage to infrastructure networks (electricity, water, sanitation and gas), architecture projects and municipal fees’ exemption. The global costs for owner result from the algebraic sum of these three parcels: loan, rehousing costs, and cost reduction casually provided by the city council.

The net present value of these global costs to be supported by dwellings’ public or private owners was computed considering a present rate of 4,5% per annum⁶, and the payment of the interest liabilities at the end of each year, with the redemption of the whole loaned capital (90%) at the end of the 15th year, paying the 10% of own capital at the beginning of the intervention.

The same present rate was used in the computation of the net present value of rents, considering the rent flows take place at the end of each year during the loan period (fifteen years). The average provisional rent per dwelling – according to the urban rent law, the real estate municipal tax code, and the statements of the financial tool “Reabilitar para arrendar” – amounts to about 236 euros, what means an average value of 1 622 euros per “island” and a total amount of 35 685 euros resulting from the whole rehabilitation intervention (Table 3).

⁵ Rehousing costs refer to provisional costs during the rehabilitation works or to permanent costs for the few cases where it doesn’t seem possible to keep some families in their “island”.

⁶ This rate matches the average capital cost rate provided by financial institutions.

Table 3 – Systematization of the burdens and rents and of respective net present values per dwelling and per “island” in S. Vítor quarter

Address	Number	Parish	Morphological typology	Number of dwellings	Dwelling average surface according to morphological typology	Operational intervention proposal		Rehabilitation cost		Rehabilitation burden for the private owner		Number of occupied dwellings	Rehousing costs	Cost reduction in linkages to infrastructure networks and municipal fee exemption		Net present value's global cost		Number of new dwellings - number of occupied dwellings	New situation				Net present value of the new rents	
						Proposed number of dwellings	Proposed surface	Cost per rehabilitated dwelling	Total cost of the intervention	Burden per rehabilitated dwelling	Total burden of the intervention			Cost per rehabilitated dwelling	Total cost of the intervention	Cost per rehabilitated dwelling	Total cost of the intervention		Value per m ²	New rent per m ²	New rent per dwelling	New rent per "island"	Net present value per dwelling	Net present value of the intervention
RUA S VÍTOR	184	BONFIM	1.2	8	35.9	5	57.4	18.753	93.763	15.853	79.263	5	1.000	-1.875	-9.376	14.177	70.886	0	747,1	4,2	238	1.191	30.707	153.536
RUA DUQUE DE SALDANHA	188	BONFIM	1.1	7	34.1	4	59.6	5.962	23.849	5.040	20.161	5	1.000	-596	-2.385	4.644	18.776	-1	747,1	4,2	247	990	31.893	127.574
RUA DUQUE DE SALDANHA	212	BONFIM	1.1	5	34.1	3	56.8	5.678	17.035	4.800	14.401	3	600	-568	-1.704	4.432	13.297	0	747,1	4,2	236	707	30.375	91.124
RUA GOMES FREIRE	9 e 1	BONFIM	2.5	27	37.6	19	53.4	12.300	233.705	10.398	197.563	19	3.800	-1.230	-23.371	9.368	177.992	0	747,1	4,2	222	4.210	28.553	542.505
RUA GOMES FREIRE	94	BONFIM	1.1	6	34.1	4	51.1	19.978	79.911	16.888	67.553	4	800	-1.998	-7.991	15.090	60.362	0	747,1	4,2	212	848	27.337	109.349
PRAC ALEGRIA	76	BONFIM	1.1	12	34.1	7	58.4	17.145	120.017	14.494	101.456	7	1.400	-1.715	-12.002	12.979	90.855	0	747,1	4,2	242	1.697	31.243	218.698
RUA BARAO S COSME	35	BONFIM	2.3	11	43.5	8	59.9	17.961	143.691	15.184	121.469	6	1.200	-1.796	-14.369	13.587	108.300	2	747,1	4,2	249	1.988	32.026	256.207
RUA S VÍTOR	113	BONFIM	1.1	5	34.1	3	56.8	5.678	17.035	4.800	14.401	3	600	-568	-1.704	4.432	13.297	0	747,1	4,2	236	707	30.375	91.124
RUA S VÍTOR	172	BONFIM	1.1	12	34.1	7	58.4	19.191	134.336	16.223	113.561	7	1.400	-1.919	-13.434	14.504	101.527	0	747,1	4,2	242	1.697	31.243	218.698
RUA S VÍTOR	116	BONFIM	1.1	17	34.1	10	57.9	18.429	184.291	15.579	155.791	10	2.000	-1.843	-18.429	13.936	139.362	0	747,1	4,2	240	2.404	30.982	309.823
RUA S VÍTOR	48	BONFIM	1.1	7	34.1	4	59.6	16.004	64.017	13.529	54.117	5	1.000	-1.600	-6.402	12.129	48.715	-1	747,1	4,2	247	990	31.893	127.574
RUA S VÍTOR	62	BONFIM	1.1	11	34.1	7	53.5	15.498	108.488	13.102	91.711	7	1.400	-1.550	-10.849	11.752	82.262	0	747,1	4,2	222	1.556	28.639	200.473
RUA S VÍTOR	68A	BONFIM	1.1	17	34.1	10	57.9	11.138	111.385	9.416	94.159	10	2.000	-1.114	-11.138	8.502	85.021	0	747,1	4,2	240	2.404	30.982	309.823
RUA S VÍTOR	76	BONFIM	1.1	19	34.1	12	53.9	7.450	89.395	6.298	75.570	12	2.400	-745	-8.939	5.753	69.031	0	747,1	4,2	224	2.687	28.856	346.272
RUA S VÍTOR	99A	BONFIM	1.1	9	34.1	6	51.1	14.196	85.177	12.001	72.004	6	1.200	-1.420	-8.518	10.781	64.686	0	747,1	4,2	212	1.273	27.337	164.024
PRAC ALEGRIA	85	BONFIM	1.2	8	35.9	5	57.4	15.724	78.621	13.292	66.462	5	1.000	-1.572	-7.862	11.920	59.600	0	747,1	4,2	238	1.191	30.707	153.536
RUA GOMES FREIRE	65	BONFIM	1.1	16	34.1	10	54.5	32.241	322.406	27.255	272.546	10	2.000	-3.224	-32.241	24.231	242.305	0	747,1	4,2	226	2.263	29.160	291.598
RUA S VÍTOR	49	BONFIM	1.1	9	34.1	6	51.1	11.925	71.548	10.081	60.483	6	1.200	-1.192	-7.155	9.088	54.529	0	747,1	4,2	212	1.273	27.337	164.024
RUA S VÍTOR	80	BONFIM	1.1	4	34.1	2	68.1	24.159	48.318	20.423	40.846	3	600	-2.416	-4.832	18.207	36.614	-1	747,1	4,2	283	566	36.450	72.899
RUA S VÍTOR	104	BONFIM	1.1	22	34.1	13	57.7	17.586	228.614	14.866	193.259	13	2.600	-1.759	-22.861	13.308	172.998	0	747,1	4,2	239	3.111	30.842	400.947
TRAV S VÍTOR	22	BONFIM	1.1	6	34.1	4	51.1	11.925	47.699	10.081	40.322	4	800	-1.192	-4.770	9.088	36.352	0	747,1	4,2	212	848	27.337	109.349
RUA S VÍTOR	62 Tr.	BONFIM	2.3	6	43.5	4	65.3	24.973	99.892	21.111	84.444	4	800	-2.497	-9.989	18.814	75.254	0	747,1	4,2	271	1.084	34.937	139.749
TOTAL AND AVERAGE INTERVENTION COST AND INCOME								15.632	2.403.195	13.214	2.031.542	154	30.800	-1.563	-240.319	11.851	1.822.023	-1			236	1.622	30.419	209.041

However, there are many other important issues that deserve further reflection. On the one hand, the tabulated net present values of rents represent respective upper limits, but if the current inhabitants are

kept, these are strongly constrained by legal bounds and by their incomes. On the other hand, the owner's costs may also be aggravated, namely by fiscal and insurance burdens that, in practice, may reach values correspondent to about five monthly rents. The net present value of the new conditioned rents amounts to 30 117 euros per dwelling and amounts to about 209 thousand euros per "island". This scenario assumes that the available dwellings will have housing uses, but should they be used for trade or services, the income value will increase substantially, namely in what concerns the new unoccupied dwellings that become available from the rehabilitation intervention.

There are additional financial incentives associated to the Portuguese planning of Structural and Investment European Funds (FEEI) between 2014 and 2020, and to their thematic and regional components - namely the Regional Operational Program North 2014-2020 - the municipality should resort to, namely the ones directly applicable to urban rehabilitation areas, many of them covering non-reimbursable expenses⁷. The balanced management of these different financial instruments should render the whole operation sustainable both from economic/financial and social standpoints.

3. Conclusions

This study stresses how urban rehabilitation interventions can strongly encourage and support an honourable social cohesion and integration – namely on housing quality and comfort grounds – in order to shoulder social needs, resorting to appropriate already existent financial systems at European, national or regional/local levels.

It clearly shows that the sketch of proper financial instruments turns rehabilitation interventions sustainable from an economic and financial perspective, thus strengthening their social impact. And it supports the achievement of the most important goal of this kind of intervention: to provide deprived families better housing conditions, still assuring their social inclusion in the centre of cities, where they have always traditionally lived and where they mainly want to remain.

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⁷ These financial systems refer, namely, to investment priorities concerning energetic efficiency, town revitalization and urban environment, social inclusion, social innovation, regeneration of disadvantaged territories and/or institutional empowerment.