Lisbon Urban Tourism Policies & Sustainability

LISBON MUNICIPALITY

VERA PAIS
Lisbon
Urban Tourism Policies & Sustainability

1. General framework of the city of Lisbon
2. Reversal of a process
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4. How to deal with success? What is being studied, thought and done
   a. National measures
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In 50 years the city of Lisbon lost about **300,000 inhabitants**. There was a progressive loss of the resident population, along with the displacement of the population to the periphery.

This decline was particularly pronounced in the parishes of the Historic Center of the City.
As a consequence of this progressive loss of population, in 2011, out of a total of 325,000 households in Lisbon, about 50,000 were vacant.

DATA: Censos 2011
SOURCE: Atlas Social 2017
On the other hand we also witness the progressive aging of the population. About 25% of the population is currently over 65 years old.

The municipality of Lisbon has the highest aging rate in the entire metropolitan area, as well as the lowest proportion of young population, which translates into a negative natural growth rate.

DATA: Censos 2011
SOURCE: Atlas Social 2017
The freezing policy of rentals has virtually eliminated the rental market in our country. Between 1981 and 1991, leased real estate fell almost 50%.
And the inevitable bad general condition of the built heritage in the city, especially in the Historic Center.

The entire consolidated city lacked conservation or rehabilitation, having an estimated value of 8,000 M€ been calculated for the rehabilitation of the private building of Lisbon, in 2012.

Finally, in 2008 the Lehman Brothers real estate crisis hurls Portugal and Lisbon into a deep financial crisis.

DATA: Censos 2011
SOURCE: Atlas Social 2017
URBAN REHABILITATION AREA (ARU)

In 2012, the Lisbon Urban Rehabilitation Strategy was approved and the Urban Rehabilitation Area now covers almost the entire municipal territory. In the Area of Urban Rehabilitation the owners can now benefit from a wide range of tax benefits in the accomplishment of works.
In 2012, a Lisbon Master Plan, based on a new urban paradigm, is approved.

The whole city of Lisbon is classified as historic and the Urban Rehabilitation is considered the first priority.

The Lisbon Master Plan is assumed as the Master Plan of the 3 R's: Reuse, Rehabilitate, Regenerate.
During the last 10 years more than 60 Detail Plans covering all strategic areas have been developed. Rules of intervention were created and concepts of intervention clarified, essential in the promotion of private investment.

In September 2012, the Portuguese Government took measures to start the progressive liberalization of the rental market.
Meanwhile, the tourism sector worldwide has achieved a strong dynamism, and new records are broken every year. Lisbon followed this trend, with exponential increases in tourism growth.
Lisbon
Reversal of a process

LISBON EASILY ALLOWS ACCESS TO 750 MILLION CONSUMERS
ATRÁS DE LISBOA, ACEDE-SE FACILMENTE A 750 MÍLIOES DE CONSUMIDORES
Lisbon
Reversal of a process

The Lisbon Municipality is now investing on the promotion of the quality of the public space and the integration of soft means in the transportation network, such as share bicycles, which make the city even more attractive.
As main **positive** points:

**Source of income**

In 2016, tourism generated in Portugal close to 11.5 thousand million euros which accounts for:
- 12.5% of the national GDP;
- 7% of the added gross value generated by the economy as a whole.

Looking at the **region of Lisbon**, the wealth generated by tourism was:
- **2005** - 3.9 thousand million euros;
- **2015** - 8.4 thousand million euros.

Representing the increase of more than 100% in 10 years.
According to a study by the consulting firm Deloitte conducted in 2017 on Tourism in Lisbon, the estimated impact of Tourism in the city of Lisbon is 6.3 thousand million euros:
- 1,997 million euros of direct impact;
- 4,270 million euros of indirect impact.
Most of the wealth generated in the city of Lisbon (42%) comes from the housing, restaurants and similar sectors. This is followed by transport and warehousing (17%), wholesale and retail trade (12%).
The number of guests in the city increased from:

2005 - 2.4 million;
2015 - 4.9 million.

Almost a quarter of the guests (1.1 million) already choose to stay in local accommodation.

In this period, Lisbon registered an \textbf{average annual growth of 9.1\%} in the number of overnight stays, which is "the largest when compared to the main European cities".

Only \textbf{Istanbul} is near Lisbon, with an annual growth of around 9\%. \textbf{Berlin} is growing at around 8\%.
In 2017 the Lisbon airport registered a total movement of 26 M passengers.
In terms of employment, it is estimated that, in 2015, the tourism sector employed 81,000 people in the city of Lisbon, the majority of which (56%) in activities related to hotel and food and beverage. The metropolitan area of Lisbon employed 150,000 people.

In 2010, the decline in employment was notable: falling 11.6% when compared to 2005 in the city of Lisbon and 4.8% in the Lisbon metropolitan area.

In the following years, and as a result of the very positive evolution of Tourism, employment in Lisbon grew 14.9% in the metropolitan area and 21% in the city of Lisbon.

In 2017, the Local Accommodation Association estimates that Local Accommodation is by itself responsible for about 10,000 direct and indirect jobs in the city of Lisbon.
In the city of Lisbon, the number of hotels increased from 137 in 2010, to 213 in 2017, with the hotel capacity rising from 39,000 to around 50,000.
The occupancy rate of the rooms rose from 61% to 75.3%. The average price per room went from 73.5 euros to 84.2 euros and RevPAR (revenue per available room) rose from 44.8 euros to 63.4 euros.
Regarding the Local Accommodation in the city of Lisbon, it went from a little above 50 Local Accommodation facilities to about 11,000 at the end of 2017, with a total capacity of 61,500.
The great concentration of Local Accommodation is in the Historic Center, exactly in the parishes with fewer and older people, where buildings were more degraded.
The tourist capacity in Local Accommodation already exceeds the tourist capacity of the hotel sector.

<table>
<thead>
<tr>
<th>Year</th>
<th>HOTEL - Capacity</th>
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<tr>
<td>até 2010 inclusive</td>
<td>39 064</td>
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<tr>
<td>2011</td>
<td>39 572</td>
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<tr>
<td>2012</td>
<td>41 129</td>
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<tr>
<td>2016</td>
<td>47 881</td>
</tr>
<tr>
<td>2017</td>
<td>48 184</td>
</tr>
</tbody>
</table>

Source: GESLIS/DMEI.
IMPROVEMENT OF THE STATE OF CONSERVATION OF THE BUILDING

In the city we have witnessed a clear increase in private works, particularly in rehabilitation. Today the building improvement and the revitalization of the center of the city are notorious.
IMPROVEMENT OF THE STATE OF CONSERVATION OF THE BUILDING

It is estimated that between 2013 and 2017 the value of private investment in rehabilitation amounts to 1 thousand million Euros, being notorious the increase particularly since 2015.
IMPROVEMENT OF THE STATE OF CONSERVATION OF THE BUILDING

There is a great increase of processes entered in the City Hall of Lisbon.
IMPROVEMENT OF THE STATE OF CONSERVATION OF THE BUILDING

The parishes for which there is a greater increase of processes are those belonging to the historical center where the Local Accommodation is more centered.
IMPROVEMENT OF THE STATE OF CONSERVATION OF THE BUILDING

In the period between 2007 and 2017, from a universe of 5,600 buildings declared empty, 37% were subject to intervention and ceased to be vacant.
As main negative points:
Price increase per square meter sale and income.
Comparing the values between 2007 and 2016, according to data from the National Institute of Statistics (INE), the price of homes sold in Portugal had a **7.6% increase**, in Lisbon, with more than 15% increase in sales, of the parishes in the Historical Center.

**Gentrification** - The Lisbon Master Plan considers that all municipal territory is of mixed usage and equates the use of hotels with housing use.
As main negative points:

The greater concentration of Local Accommodation in the Historic Center is creating serious imbalances as a result of the inflation of rents, precarious rental contracts, expulsion of residents and dominance of land use by tourism.
Lisbon
Tourism

As main negative points:

Overload in the city’s basic infrastructures: airport, transport, urban waste
Lisbon
How to deal with success?

Goals:

- Defending housing use
- Protect and enhance traditional trade
- To qualify and value the offer of tourist accommodation
- Avoid the tourist overload of the Historic Center
- Mitigate the negative impact in public transport, in urban waste and in the occupation of the public space
National Measures:

New Local Accommodation legal framework (under discussion at the National Parliament);

New national housing policy (under public discussion):

- Tax benefits for long-term contracts;
- Restrictions on evictions.
LOCAL MEASURES:

**Tourist tax** - The municipal tourist tax for overnight stay started in 2016 and is charged by hotels and local accommodation establishments to their guests.

The tax of 1 Euro per night is applied to each guest, older than thirteen years old, up to 7 nights per stay.

The value of the tax is applied to projects, studies, equipment or infrastructures that have a direct or indirect impact on the promotion and quality of tourism in the city of Lisbon in a perspective of sustainable and long-term growth.

The total value charged of the municipal tourist tax in Lisbon was **12 million euros in 2016 and 13 million euros in 2017**.
**LOCAL MEASURES:**

**DIVERSIFICATION OF POINTS OF INTEREST IN THE CITY**

The great concentration of points of interest in the historic center also implies a large concentration of tourists and an overload of the infrastructures.

The diversification of points of interest and the creation of locations scattered throughout the territory is one of the executive's present strategies.

As an example:

- The new popular fair will be created in a northern parish, for the creation of a new urban center.

- The ‘One Square in Every Neighborhood’ Program - Requalification of urban spaces in the promotion of a city of Neighborhoods.
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How to deal with success?

LOCAL MEASURES:

Creation of HISTORICAL STORES - A project whose priority is to work with the traditional and historical commerce of the city of Lisbon in order to preserve and safeguard establishments and their material heritage, historical and cultural, and on the other hand, to stimulate and reactivate commercial activity, essential for its existence.

It is moved by a sense of urgency in the protection of this heritage.
**LOCAL MEASURES:**

**Affordable Income Program** – this program is aimed at creating affordable housing in Lisbon and is executed with the participation of the private sector, through the model of concession of public works in municipal lands.

**15 ÁREAS DE INTERVENÇÃO**

1. Av. Marechal Teixeira Rebelo
2. Rua de São Lázaro
3. Paço da Rainha - Rua de Sta Bárbara
4. Rua Gomes Freire
5. Av. Marechal F. Costa Gomes
6. Vale de Santo António
7. Restelo - Embaixadas
8. Rua Inácio Pardelha Sanchez
9. Rua Prof. Orlando Ribeiro
10. Bairro das Laranjeiras
11. Alto da Ajuda
12. Bairro das Furnas
13. Bairro da Flamenga
14. Qta Marquês de Abrantes
15. Bairro do Condado
Lisbon
How to deal with success?

LOCAL MEASURES:

Improvement of the transport network - Metro, bus, shared bicycle network and creation of specific routes for the tuk-tuk.
LOCAL MEASURES:

The current legal framework of the Local Accommodation in Portugal allows the creation through a mere communication to the municipality.

The proliferation of Local Accommodations in residential buildings raises neighborhood issues, but above all it raises issues related to the distribution of uses in the city.

Since the Municipality is responsible for defining a strategy for territorial planning and for economic and social development, the regulation of the distribution of tourist use by the city, specifying urban factors, can only be achieved through the Territorial Plans, in particular by the revision of the Lisbon Master Plan, by the creation of Rules for the Installation of Tourist Establishments, Tourist Transportation and the Use of Public Space.

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How to deal with success?

Integration of measures in the Territorial Plans;

In the Lisbon Master Plan specify Hotels and Local Accommodations as touristic usage;

Create restrictions to changes from housing to touristic usage;

Establishing quotas.
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How to deal with success?

LOCAL MEASURES:

Presently, the municipality of Lisbon is studying the delimitation of areas where housing is more threatened by touristic establishments. In these areas, restrictions to the opening of new touristic units, may result from the high concentration establishments.

These areas will be delimited based on the ratio between the touristic capacity and the theoretical total residential capacity per parish or fraction of parish.

This is an emergent current issue, for which the municipality of Lisbon is working hard.

We believe that sustainable tourism will only be attainable by the application of a set of rules at various levels, which will allow the cohesion of the territories in an integrated way and the preservation of the characteristics which make Lisbon such an extraordinary city.
Lisbon
How to deal with success?

LOCAL MEASURES:

But we still have many doubts regarding regulation

- What are the most effective measures to handle Tourism?
- How to regulate Local Accommodation?
- What are the most relevant indicators and which are the recommended thresholds?
- How to access up-to-date information?
THANK YOU
Vera Pais, Lisbon Municipality

Come to Portugal,
Come and visit Lisbon!