Investment Plan
Vila Nova de Gaia

VILA NOVA DE GAIA CÂMARA MUNICIPAL

GAIURB,EM URBANISMO E HABITAÇÃO

URBACT

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Preliminary note: This Investment Plan (IP) is an **iterative document** and is therefore **likely to change** throughout the implementation of the Gaia Proof of Concept (PoC). The Investment Plan identifies opportunities for various stakeholders to invest in collaborative, inclusive and resilient housing. It brings together various experimental initiatives for the co-design and adaptation of models for creating intergenerational communities.
It also highlights various measures and strategies for leveraging new and innovative housing solutions within the local context.

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The Investment Plan in a nutshell

The Vila Nova de Gaia Investment Plan establishes a structured approach to implementing a collaborative housing model inspired by the CALICO initiative and adapted to the Portuguese national context.

The plan addresses the growing issue of limited housing access, which affects both vulnerable families and the middle classes. While the local market is highly dynamic, it does not guarantee long-term affordable and stable solutions.

The proposal is based on three pillars:

1. Affordable and intergenerational housing
2. Participatory governance and community management
3. Integration of social support and community development

The investment combines physical and non-physical components, including:

- Empowerment and engagement of residents through structured participation processes
- Implementation of social support structures via a dedicated Social & Housing Transition Team
- Development and energy-efficient adaptation of buildings aligned with PRR and post-2027 cohesion fund standards

The plan begins with a Proof of Concept (PoC) pilot in Grijó, comprising 30 housing unit, with the intention of gradually rolling it out across the municipal area.

1. Needs Analysis & Policy Responses

1.1 City profile

With 303,824 inhabitants (2021 Census), Vila Nova de Gaia is the most populous municipality in the Porto Metropolitan Area. It covers an area of 168 km² and boasts 15 km of Atlantic coastline and an extensive riverside stretch along the River Douro. Its proximity to the city of Porto reinforces its central role in the metropolitan urban system and the housing market.

These dynamics have resulted in a significant rise in prices. The average price of new homes exceeds €3,700 per square metre, placing increasing pressure on housing affordability, particularly for low and middle-income households. This increase stems from a combination of factors, including proximity to Porto, improved transport links, enhanced public spaces and growing demand from domestic and international investors.

Despite this context, Gaia's average prices remain below the Porto Metropolitan Area average, sustaining its appeal as an alternative residential location. This intermediate position has a dual effect. On the one hand, it attracts new residents and investment. On the other hand, it accelerates pressure on the market and progressively reduces affordability. The Observatório Imobiliário de Gaia provides up-to-date data on rentals, sales and development, enabling informed municipal decision-making.

1.2 Needs analysis and challenges

Vila Nova de Gaia has a well-established social housing system based on municipal housing and a social & subsidised rental scheme. Rents are adjusted according to household income, ensuring an effective response for families in vulnerable situations and fulfilling an important social protection function.

This model has been supplemented by initiatives such as the Affordable Rental Programme and the 1st Right Programme, which have strengthened public provision and broadened access to housing for new groups. The experience gained demonstrates the institutional and operational capacity to promote effective housing solutions.

However, the current situation is characterised by growing pressure to access housing. Rising purchase and rental prices have reduced the market's responsiveness, affecting not only the most vulnerable groups, but also a significant proportion of the middle classes.

This has led to increased demand for affordable housing solutions, directly impacting residential stability and households' financial burden. There is an increasing demand for solutions that provide access to housing that is affordable and stable.

The prevailing model focuses on providing housing units and does not systematically incorporate aspects such as social support, community management, or fostering close-knit relationships among residents. This limits the municipality's ability to respond to challenges such as an ageing population, social isolation, and the need for flexible, tailored housing solutions.

There are also persistent gaps in the available tools. Models that guarantee long-term accessibility, independent of market fluctuations, have yet to be established. Existing solutions rarely incorporate intergenerational components or structured mechanisms for resident involvement in space management.

The absence of community management structures also hinders social cohesion and reduces the potential for social enhancement in housing projects. Furthermore, heavy reliance on traditional public models restricts diversification of solutions and mobilisation of new stakeholders.
In this context, the municipality recognises the need to transition to a new generation of housing policies that can respond to broader demands and a more complex social reality.

This new cycle involves:
- Increasing the supply of affordable housing, including for middle-income households
- Mobilising private and cooperative investment in partnership with the public sector
- Integrating social, community, and support functions into housing projects
- Developing models for participatory management and resident involvement
- Ensuring mechanisms that guarantee accessibility and long-term stability.

1.3 Local Policy Framework

Vila Nova de Gaia has developed a comprehensive set of housing policies and measures, demonstrating strong institutional capacity and practical experience in implementing municipal-level solutions.

Renovation of the Vila D'Este Housing Neighbourhood
Between 2009 and 2013, the municipality undertook the renovation of the Vila D’Este Housing Estate, investing approximately €12 million. The project focused on improving the buildings' energy performance and indoor air quality, as well as enhancing the neighbourhood's architecture and urban environment.
A participatory approach was incorporated into the project, involving residents and local associations throughout the process. This strategy strengthened residents’ sense of ownership of the spaces and contributed to the neighbourhood's social transformation.
The project resulted in a significant improvement in living conditions, integrating the housing estate into the urban fabric and reducing previously identified situations of vulnerability.

Local Affordable Rental Scheme
The council has introduced the Affordable Rental Scheme with the aim of increasing the availability of housing at rents that are affordable for households, with a particular focus on those with middle incomes.
The programme involves providing council housing, including flats in mixed-ownership buildings, and applying transparent selection criteria using a scoring system tailored to applicants' needs.
To date, seven housing allocation competitions have been held. The three most recent competitions were carried out as part of the Cities 4 Co-Housing project, enabling cluster organisation models to be tested and collaborative housing principles to be introduced.

Programme 1st Right to housing and expansion of the social housing stock
The 1st Right Programme has strengthened the public housing stock by carrying out interventions that combine refurbishing the existing housing stock with acquiring new homes on the market.
This initiative has made it possible to:

- improve living conditions for families in social housing
- increase the supply of public housing
- mobilise funding for housing development

This set of policies provides a solid foundation for developing next-generation housing solutions in the municipality, capable of scaling the response to housing demand, diversifying solutions for different population profiles, and integrating social and community dimensions in a structured manner.

2. Investment Proposal

2.1 Vision

The Investment Plan establishes a structured pathway to implement a collaborative housing model in Vila Nova de Gaia. The aim of this model is to ensure access to housing at prices that are affordable, strengthen social cohesion, and contribute to long-term urban sustainability.

Building on existing approaches, the vision introduces a structured dimension of community, participation and shared management. Rather than being seen merely as a physical product, housing becomes part of a system that brings together space, people and services. The concept of 'Housing versus Habitat' broadens the scope of action and promotes a more comprehensive approach, ensuring the creation of bonds between residents and the development of synergies with the surrounding area.

2.2 Strategic Rationale and CALICO framework

Vila Nova de Gaia's involvement in the Innovation Transfer Network stems from the necessity to trial and adapt solutions that tackle the current housing access challenges in a more comprehensive manner.

The CALICO model, developed in Brussels, provides a concrete and proven benchmark. It combines affordability, resident participation, and shared governance models. It incorporates intergenerational housing, promotes social inclusion, and enables the development of long-term, collective management solutions.

This model is compatible with the local context through integration with public ownership and affordable rental schemes, and alignment with existing municipal policies. Adapting it enhances the impact of public investment by directing it towards solutions that generate lasting social and environmental value.

2.3 Strategic objectives

The Investment Plan aims to:

- Adapt the CALICO model to the Portuguese legal and institutional framework
- Increase the supply of affordable housing, including for middle-income groups
- Integrate housing with social and community support
- Promote intergenerational and socially diverse communities
- Reduce public expenditure linked to social vulnerability
- Develop a scalable, replicable and transferable model for broader municipal application

2.4 Intervention logic

Problem	Increasing pressure on access to housing, affecting both vulnerable and middle-income households
Response	Collaborative housing as a public innovation and policy tool
Implementation	Proof of Concept pilot in Grijó; governance structures; operational models tested through participatory processes
Outputs	Validated governance model; allocation policy framework; participatory design; operational social support structure
Outcomes	Improved housing stability; increased social cohesion; more efficient use of public resources
Impact	A more resilient, inclusive, and sustainable housing system — replicable across the municipality and transferable to other contexts

“A home is not just four walls and a roof. It is safety, warmth, a place for family and friends. It is belonging. But for too many Europeans today, home has become a source of anxiety.”
President Ursula von der Leyen, 10 September 2025

2.5 Investment focus

The Investment Plan goes beyond on housing provision. It focuses on building an integrated system that includes participatory governance models, continuous social support structures, and mechanisms ensuring long-term accessibility

The objective is to create communities, not just housing units. Energy efficiency and high environmental performance standards (Action 3) are key enablers for accessing dedicated PRR envelopes and post-2027 cohesion funding streams, making sustainability not only a policy ambition but a financial lever.

3. Integrated approach and participative practice

3.1 Adaptation of the CALICO modules

The Investment Plan adapts key components of the CALICO model (Figure 1) across three integrated dimensions:

Governance and social support
Development of co-management structures and a Social & Housing Transition Team

Social
Implementation of intergenerational allocation mechanisms and community-building processes

Buildings
Participatory design of housing units and shared spaces with high energy performance standards

The legal-financial dimension (CLT) is not implemented at this stage due to regulatory constraints but will be explored as a future development pathway.

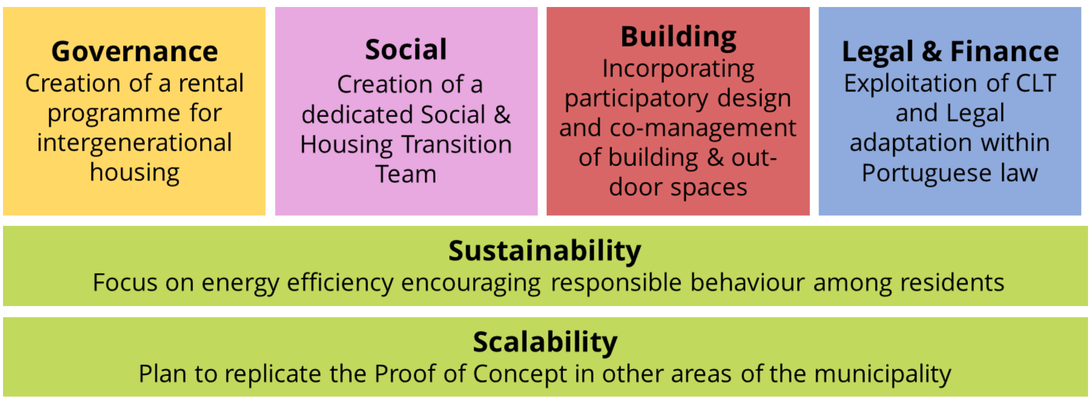

Figure 1: Approach to the CALICO modules

3.2 Participative practice and ULG

The participatory approach is structured through the Urbact Local Group (ULG), operating across two phases:

– Phase 1: A broad stakeholder group including municipal departments, public entities and local actors contributed to the strategic definition.
– Phase 2: A focused group centred on residents of the PoC site in Grijó supports co-design and model testing.

Ongoing experimental actions include: definition of allocation criteria; participatory design processes; governance model development; and community support mechanisms. This approach ensures alignment with real needs, strengthens residents' commitment, and validates solutions before wider replication.

4. Investment Actions

The Investment Plan is structured around a Proof of Concept (PoC) in Grijó, wich allows real-life testing and validation of assumptions, as well the progressive consolidation of a scalable model. By focusing on this PoC in Grijó, the IP minimizes institutional risk while testing innovative allocation and sustainability performance models that can be later codified into municipal policy.

The actions are organised into three stages:

Stage 1 – Testing: implementation of pilot actions within the C4CH framework
Stage 2 – Consolidation: evaluation and refinement of models and tools
Stage 3 – Replication: expansion to new developments and integration into municipal policy

Action 1: Integrated Governance and Social Transition Model	
CALICO Module	Modules I and II – Governance & Social Support
Timeline	M6 - M48
Responsible	Municipality of Vila Nova de Gaia, Gaiurb, ULG
Challenge	Absence of structured governance frameworks and social support mechanisms for collaborative housing.
Action	Develop and test a model combining co-management governance, community management and social support, operationalised through a Social & Housing Transition Team.
Key Implementation Steps	– define access criteria and social mix principles for the pilot community
	– co-create a Community Charter of Values
	– develop governance rules and participatory decision-making mechanisms
	– implement resident training programmes on co-management and rights
	– establish and operationalise the Social & Housing Transition Team
	– provide continuous support to residents through community facilitation
Expected results	– validated co-management governance model , documented for replication
	– adopted Community Charter of Values
	– operational Social & Housing Transition Team
	– training programme framework adaptable to other sites
Estimated Cost	€220.000 – €360.000

Action 2: Intergenerational Allocation Model	
CALICO Module	Modules I and II – Governance & Social
Timeline	M3 – M24
Responsible	Municipality of Vila Nova de Gaia, Gaiurb
Challenge	Ensuring of a structured, criteria-based mechanism for ensuring a balanced, stable and diverse residential community
Action	Develop, test and implement a structured housing allocation model integrating

	social, economic, and demographic criteria to produce an intergenerational and socially mixed community
Key Implementation Steps	– define eligibility and prioritisation criteria (income, age, household type, vulnerability)
	– develop and validate the allocation methodology
	– select residents for the pilot through a transparent, scored process
	– formalise lease contracts with embedded community obligations
	– activate social support mechanisms from the first month of occupancy
Expected results	– allocation policy framework document, ready for municipal adoption
	– diverse and balanced resident community at pilot site
	– formalised contract templates adaptable to future sites
Estimated Cost	€60.000 – €120.000

Action 3: Participatory Design Model for Buildings and Spaces	
CALICO Module	Module IV– Building
Timeline	M6 – M36
Responsible	Municipality of Vila Nova de Gaia, Gaiurb, Design Team, ULG
Challenge	Mismatch between standard design solutions and the actual functional and social needs of future residents, as well as suboptimal energy & environmental performance in publicly owned stock
Action	Develop architectural solutions through participatory design processes involving future residents integrated with high energy & Environmental performance standards
Key Implementation Steps	– conduct 2–3 co-design sessions with residents on private and shared spaces
	– define shared spaces, uses, and management responsibilities
	– integrate resident input into the architectural execution project
	– develop a post-occupancy maintenance and performance monitoring plan
Expected results	– validated functional programme, co-designed with residents
	– user-oriented architectural design with documented energy & sustainability performance target
	– maintenance and monitoring plan
	– at least 3 resident-originated proposals incorporated into the final design
Estimated Cost	€60.000 – €120.000

Scaling strategy and project Pipeline

After validation of the pilot, the model will be replicated in 2–3 new neighbourhoods and integrated into municipal housing programmes, applicable to both rehabilitation and new construction.

Short term (PoC)	Grijó | 30 housing units | 79 residents
Medium term	2-3 additional sites | 60-120housing units | 150-300 residents
Long term	Integration into municipal housing strategy | Application across municipal housing stock

5. Funding case, costing and budget

5.1 Workplan

During the Cities 4 Co-Housing project, the focus is on the development of pilot initiatives and testing as part of the Proof of Concept. After the project concludes, activities shift to the consolidation of models, the start of replication, and, in the medium term, expansion to new neighbourhoods alongside integration into municipal policies.

Figure 2: Timeline of Investment Plan

5.2 Governance

The governance model ensures coordination, participation, and technical support across all levels of implementation.

Actor	**Role**
Municipality of Vila Nova de Gaia	Strategic direction and funding
Gaiurb	Operational coordination
URBACT Local Group (ULG)	Co-creation and validation
Social & Housing Transition Team	Implementation and mediation
External experts and specialised partners	Technical support

5.3 Risk Analysis

The risk analysis table identifies potential threats to the project, assesses their likelihood and potential impact and determines the necessary mitigation actions. It enables teams to classify risks by priority and implement strategies of prevention, mitigation, transfer or acceptance.

Risk	Likelihood	Impact	Mitigation Strategy
Legal Constraints:limitations in applying innovative models	moderate	high	Pilot-based testing and phased regulatory adaptation; early legal mapping
Institutional Resistance: difficulty changing established practices	low	moderate	Continuous political alignment and technical capacity-building
Community Management: low participation or resident conflicts	moderate	high	Structured facilitation, community charter, resident training programmes
Financial sustainability:dependence on public funding	high	high	Diversification of funding sources: EU, PRR, municipal budget, cooperative investment
Scalability: difficulty in replication across sites	high	high	Development of toolkits and standardised operational models

5.4 Funding and Resourcing

The investment structure spans three cost categories:

- Capital Expenditure: Construction and rehabilitation; energy efficiency measures and shared spaces
- Soft Costs & Innovation: Participatory design processes; legal adaptation (CLT exploration); community-building activities
- Operational & Social Costs: Social & Housing Transition Team; community management and support services

Revenue and cost recovery mechanisms include affordable rents and the long-term reduction of social and housing-related public costs through preventive intervention.

Funding sources:

- EU funds, including PRR and dedicated housing envelopes — energy performance compliance (Action 3) is a key lever for accessing these streams
- Municipal budget
- National housing and social programmes
- Cooperative and third-sector investment (future phases)

6. Evaluation and Monitoring

6.1 Cross Cutting Issues

To ensure that the collaborative housing model is inclusive, accessible, and sustainable over time, cross-cutting priorities are integrated into all actions of the Investment Plan. These priorities are operationalised through concrete measures embedded in the design, implementation and monitoring of these actions.

Gender Equality

A gender-sensitive approach is incorporated into all phases of the plan to ensure balanced participation and equal access to opportunities. This includes ensuring balanced representation in the ULG and participatory sessions; integrating gender considerations into the design of shared spaces for safety, accessibility and usability; and monitoring participation levels with gender-disaggregated data.

Social Inclusion

Social inclusion is a central component of all actions. Key measures include prioritising access for vulnerable and middle-income households; promoting intergenerational models; ensuring active resident participation in design, governance and management; and providing continuous support through the Social & Housing Transition Team.

Digital inclusion

This participatory approach is designed to minimise barriers related to digital access and skills, through prioritising in-person meetings, providing materials in accessible formats, and communicating technical and legal information in plain language. All stakeholders, regardless of digital literacy level, can actively contribute.

Environmental sustainability

Environmental considerations are a priority across all building-related actions. Key measures include applying energy efficiency standards; promoting efficient use of resources in shared spaces; integrating New European Bauhaus principles; ensuring compliance with the 'Do No Significant Harm' (DNSH) principle; and enabling access to PRR and cohesion fund envelopes through demonstrated energy performance.

6.2 Indicators

Action	Key Performance Indicator (KPI)	Definition & Measurement method	Data source	Baseline	Target (Pilot Phase)	Frequency
Action 1: Integrated Governance	**Governance Participation Index**	% of households with at least one member active in the Resident Council meetings. (attendance list + minutes)	Meeting minutes + attendance registers	0%	≥ 70% participation of households	Quarterly
	Social Mix Balance	Share of residents from targeted	Allocation records	N/A	≥ 25% 55+ / 25% Young Families	Annual

		groups: youth (18–35) and seniors (55+) relative to total allocation				
	Community Charter Adoption	Community Charter of Values formally adopted and signed by ≥ 80% of households	Signed charter document	Not adopted	Adopted – M18	Once (milestone)
	Resident Training Completion Rate	% of residents completing at least one training session on co-management	Training attendance records	0%	≥ 75%	Annual
Action 2: Allocation Model	**Affordability Gap**	Difference (%) between IP monthly rent per m² and local private market average; measured via Observatório Imobiliário de Gaia index	Municipal price records + market index	Market average	≤ 80% of local market rent	Annual
	Occupancy Rate:	% of allocated units occupied within 6 months of contract signature	Municipal rental records	0%	100% occupancy by M6 post-contract	Bi-annual
Action 3: Participatory Design	**Co-creation Integration Rate**	Number of resident orientated proposals formally integrated into the final architectural execution project	Co-design session reports	0 proposals	≥ 3 structural/use improvements	Once (Post-design phase)
	Shared Space Utilisation Rate	Average occupancy hours per week of communal	Booking log / observation record	0 h/week	> 60% of design capacity	Quarterly

		spaces vs. designed capacity				
Cross-Cutting Social Inclusion	**Social Isolation Index**	% of residents declaring they have at least one regular neighbour relationship (self-declared via survey)	Resident survey	N/A (baseline Year 1)	≥ 75% reporting at least 1 regular contact	Annual
Cross-cutting Gender Equality	**Gender Balance in ULG & Governance**	% of women participating in ULG sessions and resident council	Attendance lists (gender-disaggregated)	N/A	≥ 50% women in governance bodies	Bi-annual
Cross-cutting Environmental Sustainability	**Thermal Confort Satisfaction**	% of residents rating thermal comfort of private and shared spaces as 'Satisfied' or 'Very Satisfied' (post-occupancy survey)	Structured resident survey (5-point Likert scale)	N/A	≥ 80% satisfied	Bi-annual (Year 1 & 2 post-occupancy)

6.3 Monitoring and evaluation system

Monitoring and evaluation will be carried out throughout the implementation of the Investment Plan to ensure that actions remain aligned with their objectives, while also allowing for timely adjustments to be made when necessary.

The Municipality and Gaiurb will coordinate this process in collaboration with the project team and the ULG. This pragmatic and proportionate approach will build on existing management and reporting practices, rather than creating an additional administrative burden.

Monitoring Activities

Monitoring activities will take place regularly, particularly: after key milestones in each action; following ULG meetings and participatory sessions; and at defined checkpoints within the pilot implementation. These moments will enable the project team to assess progress against planned activities, verify whether target groups are effectively reached, and identify operational challenges or delays.

Data Collection

Data will be collected using simple, consistent tools, including: internal progress reports; indicator tracking tables; attendance lists from meetings and workshops; short feedback forms from participants; energy monitoring data from smart meters; and qualitative inputs from facilitation processes.

Stakeholder Involvement

The ULG and relevant stakeholders will play an active role in the monitoring process by providing feedback on the implementation of actions, contributing to the assessment of results, and identifying improvement opportunities based on practical experience. This participatory monitoring approach reinforces ownership and improves the quality of decision-making.

Adaptive Management

The monitoring system is designed to be pragmatic, using existing administrative workflows to provide real-time evidence for policy adjustments without creating additional bureaucratic burden. When necessary, adjustments will be introduced, including: refining implementation methods; adapting engagement strategies; improving communication approaches; and reallocating resources within actions.

Reporting and Final Evaluation

An annual internal review will summarise progress, focusing on key achievements, challenges and adjustments. A final evaluation report will be prepared at the end of the implementation period, which will: assess the performance of each action; compare baseline and final indicator values; evaluate overall effectiveness and impact; identify lessons learned and good practices; and highlight conditions for replication and scaling.

Final Statement

This Investment Plan represents a transition from traditional housing provision to an integrated housing model that combines affordability, community, and long-term sustainability.