
Urban refurbishing and commercial dynamics in eastern Lisbon (2009-2019)

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Abstract

New vectors of social and cultural development have enhanced new ways of feeling and thinking space: the wide coworking spaces, the new art galleries, the increase in holiday rentals and business focused on a more demanding type of consumer are a few examples that evidence how the administrative areas of Marvila and Beato, on the banks of the Tagus, in Lisbon, are a “lab” for a new social and cultural environment. This paper aims to analyse the dynamics in refurbishing derelict buildings and economic development as indicators of the changes taking place in that area of Lisbon between 2009 and 2019. Our work methodology - a functional census - allowed for important information to become evident. Forty-five percent of the buildings that were derelict in 2009 have been refurbished by 2019. Besides these changes, new construction has been authorized, which shows the increasing interest this riverside area has attracted in terms of real estate, in line with what has occurred in other areas of Lisbon. The results have also made it possible to assess the decrease in shops - 28% less between 2010 and 2019. There was an increase in services and a decrease in retail business. The fact that artists have chosen this area for their studios, that art galleries and that the cultural centre Fábrica Braço de Prata (which has concert and exhibition rooms) have been set up here, evidence that the eastern part of Lisbon is also an emerging area for leisure and culture.

Keywords: Eastern Lisbon; urban refurbishing; social and spatial monitoring; use of land

Introduction

In the past hundred years, the city of Lisbon has essentially extended towards the north, as planned. The city is limited by the river Tagus to the south and by the Monsanto hills to the west. The eastern part of the city gradually became more and more isolated, both from the city and from the river (Ochoa, 2005). Currently, Lisbon is a bourgeois city whose eastern side has a unique character is the result of having housed, in the 19th and 20th centuries, business activities deemed less noble (essentially activities linked to the secondary sector), whereas the western part of the city developed and its land became more and more valuable (with the exception of the Alcântara valley, where there are still important industrial areas).

Due to the decrease in industry and port activity, fostered by the closing and relocation of factories (Gaspar, 2000), new ambiguities arose as to what this area would become. Without an immediate plan against this economic change, eastern Lisbon became less and less valuable, with rundown industrial areas. Another consequence of the decrease in industry was the increase in social inequalities - unemployment and lack of political interest for this area have created a relatively negative social image of this part of the city. The urban refurbishing that took place with Expo '98 did not expand to this area and the small number of investment projects for eastern Lisbon were consecutively postponed (Alves, 2018).

Currently, economic recovery is undergoing (since 2015) and neighbourhoods which previously were not sought after are now becoming more valuable. The growing influx of tourists (which benefited from the crisis in other Mediterranean tourist destinations), the low cost flights, the good promotion of Portuguese tourism abroad, the increase in Erasmus students and the creation of the non-habitual resident status, have boosted the Lisbon real estate market, both for residence and for shops (Santos et al., 2018). Besides this, the Municipality has also contributed to this change through its focus on urban refurbishing, made evident in the revised Master Municipal Plan, approved in 2012, and in the Urban Refurbishing Strategy for Lisbon (2011-2024). According to data by the National Statistical Institute (INE), in the 4th trimester of 2018, Lisbon had the highest average price for housing in the country (3010 €/m²). In terms of the neighbourhoods, Marvila had a lower average price for housing than the city (2666 €/m²) but it was the one with the highest annual rate of change (+79,8%) (INE, 2018). The neighbourhood of Beato, though with lower average prices in sales per square metre (approximately 2300 €/m²), had the second highest annual rate of change in Lisbon (approximately +48%).

Public data that allow for this analysis are rather outdated - the list of derelict buildings dates from 2009 and business census dates from 2010. Therefore, the need for updating this information is crucial to understand the recent changes. Through an urban and functional census conducted in March 2019, we aimed to quantify the changes that have taken place in the past decade in the riverside area of Beato and Marvila. The census allowed us to 1) update the existing data on derelict buildings (2009) and on business activities (2010) and 2) quantify the impact that refurbishing derelict residential buildings has had and describe the commercial dynamics. The analysed area is 2.34km² and it is located between Avenue Infante D. Henrique (to the southeast), Av. Marechal Gomes da Costa (to the northeast), the Azambuja line (to the

northwest) and Bispo de Cochim Street (to the southwest). This area includes the main shopping areas of both neighbourhoods, such as Xabregas, Grilo, Beato and Marvila Streets.

In the next sections we will describe the data and methodologies used and will discuss the main results of our work.

Data and processing method

Our work started with collecting the existing information on derelict buildings and business activities. We used the geo-referenced data available in the platform *Lisboa Aberta* of Lisbon Town Council for information on the economic structure (geo-referenced census of all the business activities according to CAE-Rev3, last updated in 2010). Other data on construction licensing (2018), holiday rentals (2019) and classification of architecture heritage were also used, again resorting to the platform *Lisboa Aberta* and later to the Directorate-General for Cultural Heritage. The information on derelict buildings was collected from a list made available by the Lisbon Town Council in 2009 and geo-referenced by Santos et al., 2015.

After defining the geographic area of the derelict buildings and the business activities at ground-floor level based on the information collected, we made an urban and functional census on 4, 5 and 6 March 2019, so as to identify the major changes. From a technical perspective, the census was organized so that we could simultaneously collect the information on the derelict buildings and on the business activities. Therefore, two vector files were created (one for the derelict buildings and another for the business activities) in SIG to include the new features. In regards to the derelict buildings, we collected data on its current conservation status, the number of floors (above and below the ground), the year of construction, whether they are still available in the market and the name of the company responsible for its refurbishment, in case it was under construction. In terms of the businesses, we collected information on their current conditions (derelict or new) and on the business activity they are involved according to CAE-Rev3, which allowed for a coherent comparative analysis with the data collected in 2010. The final step was to interpret and represent the geographic information collected: the results were processed using SIG and the data analysis was represented as thematic cartography.

Results and discussion

Derelict buildings

The new trends in real estate have partially been the result of unique refurbishing dynamics in the whole of Lisbon. According to Santos et al. (2018), the boost in refurbishing derelict buildings, by the State and by private individuals, arose after the



economic stagnation period which started at the end of the past decade and ended when the financial bailouts stopped. In this scenario, we can see two types of buildings being refurbished for two types of investors: on the one hand, Lisbon has more and more foreign inhabitants who, for several reasons, want to invest in the city; on the other hand, holiday housing rentals tend to occupy refurbished buildings (previously derelict), either using the whole building or only some of its houses. The result of the census on derelict buildings referenced in 2009 by Lisbon Town Council is evidenced in Table 1.

		BEATO		MARVILA	
2009	Derelict	49		37	
2019	Derelict	24	49%	19	51%
	Refurbished	23	47%	16	43%
	Under construction	1	2%	1	3%
	Demolished	1	2%	1	3%

Table 1 - Update on derelict buildings; source: LU, 2019; CML, 2009

Besides the quantitative data in the table, this census allows to visualize the places where change has occurred (figure 1.). The most dynamic areas are Xabregas Street and Grilo Street.

When analysing the data globally, we can see that, in 2009, 5% (86) of the buildings were derelict. Today, the numbers are very different - only 2% (43) buildings are in those conditions, since more than half of them have been refurbished. We believe those numbers will be even lower in the next years, with the approval of the Housing Act, which lays down that derelict residential buildings belonging to the State are to be refurbished to become residential buildings at affordable prices.

Urban planning operations

In order to confirm the dynamics of refurbishing derelict buildings, we aimed to understand how this trend expanded to the remaining buildings (including those who were inhabitable), and to closely analyse which types of licensing have been issued by Lisbon Town Council in terms of construction. We have realized that, between April 2005 and February 2018, in the area of Lisbon we are studying, 82 licenses were issued for construction in Beato and 41 in Marvila (Table 2).

Figure 2 shows the space distribution of these two urban planning operations per type of licensing. Changes refer to “alterations in the physical features of an existing building or house, namely its resistant structure, the number of houses or rooms, the nature and colour of its exterior cladding, with no increase in terms of square footage or area.” (Legal Regime on Urbanization and Construction – RJUE, Decree-Law n.º 555/99 of 16 December, amended by Decree-Law n.º 177/2001, of 4 July).

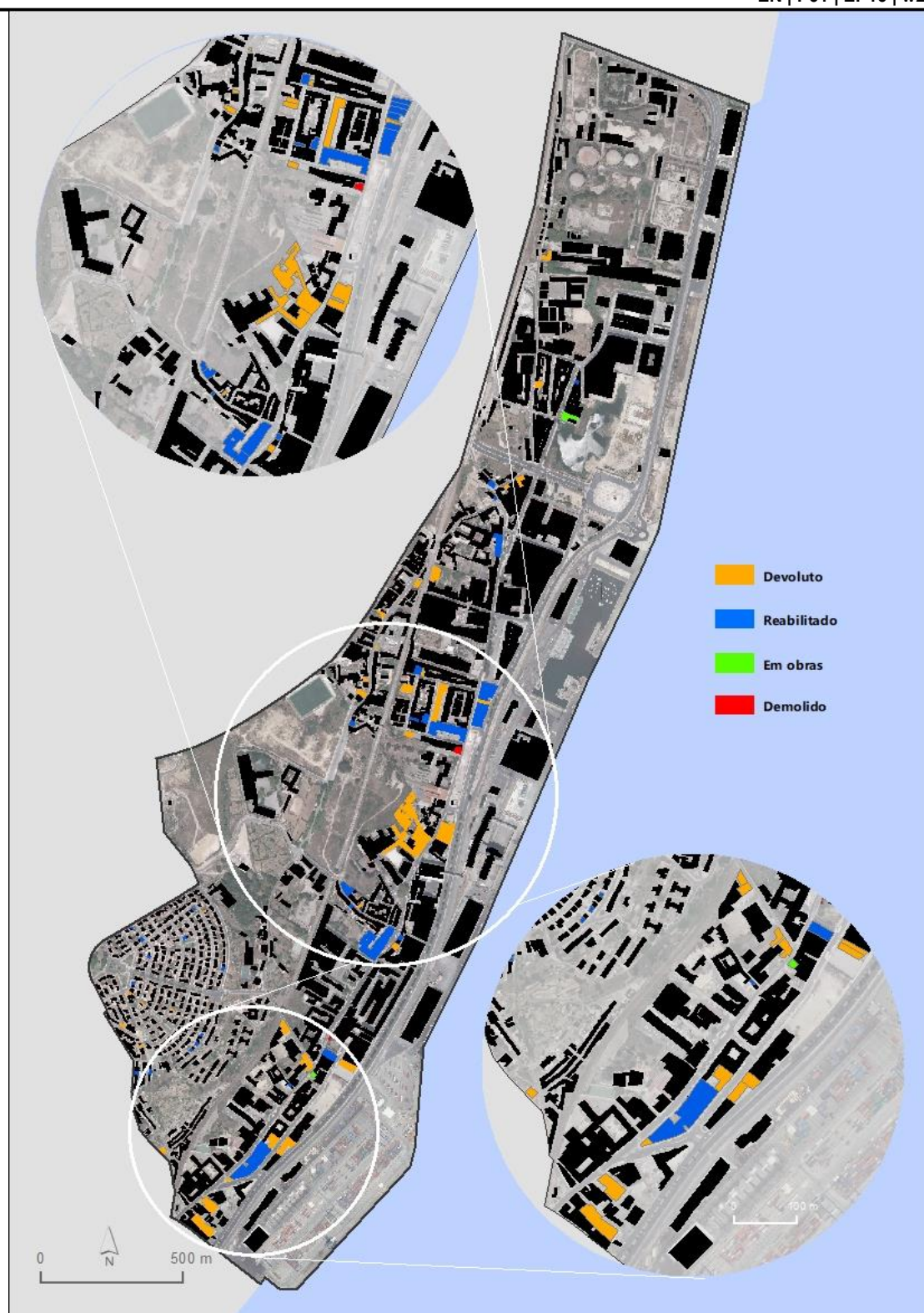


Table 1 - Update on derelict buildings. Source: LU, 2019; CML, 2009.



	BEATO	MARVILA
Change	25	10
Change during construction	13	2
Expansion	28	21
Construction	9	5
Demolition	6	2
Autonomous demolition	1	1

Table 2 - Licensed operations between April 2005 and February 2018. Source: CML, 2019.

These operations mostly occurred in huge industrial areas (e.g. the block near Açúcar Street). The operations of “change during the construction work” imply changes in the architecture project that were authorized by the City Council Department responsible for construction licensing, pursuant to Article 83 of RJUE. This type of operation is seen in new residential buildings (e.g. Marvila Street). Extension work means alterations “that lead to an increase in the square footage of the houses or the dimension of an existing building” and they are evident mostly in industrial buildings (e.g. Açúcar Street). Construction work means new buildings, as is visible to the north of the area we are studying, in the block between Infante D. Henrique Av., Cintura do Porto and Fernando Palha Streets. A real estate project has been designed for that area - *Prata Living Concept* - which includes 12 buildings and green areas by the river. Up to now only one of the residential buildings is ready. There are also two other buildings in that area which have been demolished and, near 25 de Abril Square, there is another building that suffered autonomous demolition, for which there is no reconstruction project.

When you observe the area under analysis, you realize that 7% of all buildings suffered some work in the period between 2005 and 2018, or there was a license issued for such work. 24% of construction licenses referred to changes in construction, 12% to changes during the reconstruction, 40% to expansion work, 11% to construction work, 7% to demolition work and 2% to autonomous demolition work. Noteworthy is also the fact that of a total of 85 buildings that had some changes or expansion work done top them, the urban survey allowed us to realize that 21 are now (partially or totally) used for holiday rentals. This evidences an improvement in the conditions of existing buildings and the interest this area has for tourism. Assessing these operations requires a comparative analysis with what has occurred in other areas of Lisbon.

Retrieving geo-referenced information provided by the Departamento de Monitorização do Espaço Público in Lisbon Town Council, we can see that, between 2012 and 2017, only a few streets in Madreus neighbourhood suffered street paving repair work. Within the scope of the project “Uma Praça em cada Bairro” (a square in each neighbourhood), integrated in one of the axis for the government of the city (2013/2017), there were plans for Beato Av., which included changing the use of the ground floors of buildings, pedestrianisation of streets, defining heights, materials and colours.

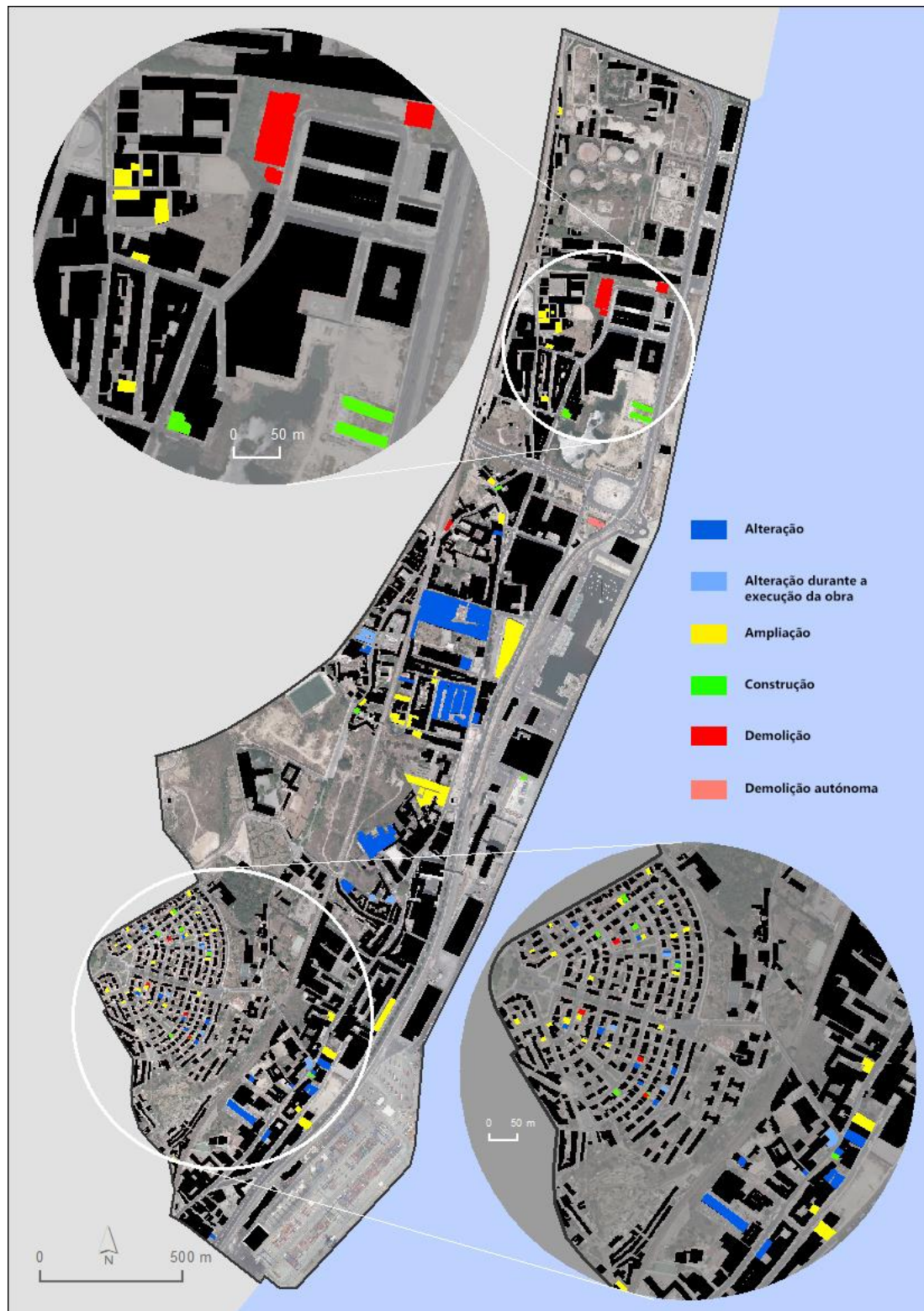


Figure 2 - Licensed urban planning operations. Source: Geodados, 2019.

Shops and other economic activities

The results from the survey conducted in March 2019 allow us to assess the changes in the quantity and diversity of economic activities carried out in the area of Lisbon under analysis.

Since 1991, when the Lisbon Town Council conducted the first survey on business activities, the number of shops has suffered fluctuation. In 1991, there were 95 shops from Bispo de Cochim Street to the top of the old gas factory belonging to Galp. In comparison with 2000, the number almost doubled - there were 220 shops - retail commerce had been reinforced, as well as shops dedicated to catering. This increase was almost similar throughout the area in question, though especially in Zófimo Pedroso Street, in the southern half of Grilo Street and in Xabregas Street (near the shopping centre). Between 2000 and 2010, the number of shops remained almost the same (it decreased from 220 to 216), only four shops dedicated to retail closed. The changes in the economic structure were more striking between 2010 and 2019, when there was a 28% decrease in the number of shops. Currently, there are 155 shops in this area, 80 of which maintain the same economic activity reported in 2010, 13 that changes their activity and 62 that are new shops.

In terms of retail business (26 shops), mainly car repair shops (12), grocery shops (9), bakeries (4) and clothes shops (4) disappeared. The closed shops are more striking in the streets along the railway in the neighbourhood of Marvila (Direita de Marvila street and the nearby streets). Capitão Leitão Street and at Afonso Annes Penedo Street (perpendicular to the first street) also lost three car repair shops. In terms of catering, 36 shops closed, mainly restaurants (17), cafés (9) snack bars (6) and other shops (4). Among the new shops and those that remained open or changed activity, we can identify four more important types (figure 4). From north to south, the first type of shop can be found in the blocks between Fernando Palha and Vale Formoso Streets. Here there is a high density of activities linked with CAE G45 - sales, maintenance and repair of cars and motorcycles - many brand car dealerships and car repair shops which have been running for many years, some from generation to generation.

The second type of activity can be found from the northern top of Açúcar Street and around David Leandro da Silva Square. We can see about a dozen new activities, mainly related to catering (CAE I56 – catering and similar activities) and to leisure (CAE R93 - sports activities, entertainment, and recreation). *Workhub lx* has also been founded there - a coworking area in the old building of the company Sociedade Comercial Abel Pereira da Fonseca, which specialized in wine production and export and closed in 1993. *The Royal Rawness*, a new company which deals in coffee and bakery, is located in the same building.

The third type of activity, present in the middle of Grilo Street, is retail (CAE G47 – retail, excluding cars and motorcycles, i.e., food, electronic equipment, clothes, books and others). A significant part of these shops opened on the ground floor of the refurbished buildings. The last type of activity is present near the shopping centre Galeria Comercial, in Xabregas Street. Here, some shops have disappeared, there is an evident number of restaurants, groceries, convenient stores, some of which owned by immigrants from Asia, who provide their shops with products from their home countries.

Structurally, the eastern strip of Lisbon, as occurs in other areas of the city, namely in the axis Almirante Reis – Palma Street, or Republica Av. and Duque de Ávila Av. (Santos et al., 2017; Santos et al, 2019) keeps much of its retail businesses (CAE G47) and catering businesses (CAE I56), which represent 32% and 35% of the total number of shops, respectively. All activities connected with the automotive sector (CAE G45) are also well represented. The number of companies that work in the service and leisure sector is still small, when compared to the activities we previously mentioned. However, this sector has been more and more present, as there was a 9% increase when compared to the 2010 business census and the 2019 urban survey. The fact that artists have chosen this area for their studios, that art galleries, such as *Underdogs*, and the cultural centre Fábrica Braço de Prata (which has concert and exhibition rooms) have been set up here evidences that the eastern part of Lisbon is also an emerging area for leisure and culture.

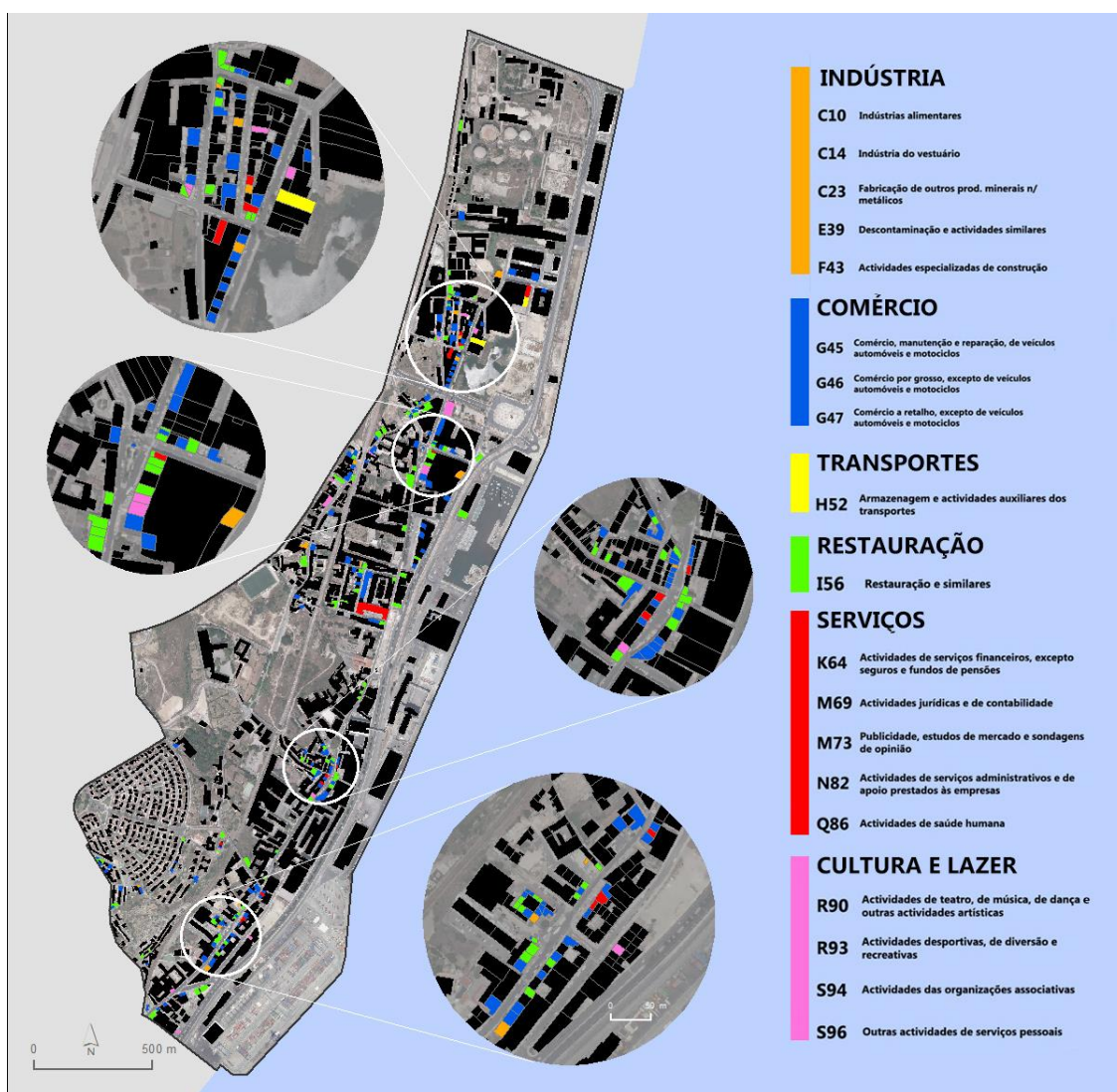


Figure 3 - Shops, according to CAE Version 3. Source: LU 2019; CML, 2010; INE 2011.

The future

In the area under analysis, there are three separate spaces where a change may occur through promoting building ventures: one includes the lots of the old factory (Sociedade Nacional de Sabões - SNS) that are isolated by Marvila Road and that are now open land. The factory was founded in 1919 through the merger of several soap companies, became insolvent in 1995 and closed in 1999. These lots, which are still owned by the Rocha dos Santos family (the owner of SNS), were included in an application to build residential buildings in 2011 by the company Obriverca SA, a project that was repealed by Lisbon Town Council.

Another area with the potential for change is that where the old Matinha gas factory was located, which was totally demobilized in 2007. An application was also made to build here 711 apartments in several buildings up to 21 floors high. The film company Filmes Oriente, current owner of 80% of this lot is ready to invest in the project once it is approved by the Lisbon Town Council. In the past, the possibility of this area becoming a green space was considered, but the Administration of the Port of Lisbon and the commission for the development of the Lisbon area (Comissão de Coordenação e Desenvolvimento Regional de Lisboa e Vale do Tejo - CCDRLVT) did not approve the proposal because it did not refer to prior decontamination of the soils (CMVM, 2015).

An area that may also lead to change in the eastern part of Lisbon is the block between Infante D. Henrique Av., Cintura do Porto Street and Fernando Palha Street. The development started in 1998 by Obriverca SA and it is now being resumed after being purchased by Austrian funds. Under the name *Prata Living Concept*, the project includes the construction of 12 buildings designed by architect Renzo Piano in an 244,000 m² gross area, divided into 12 lots. Currently, the urban layout is under deep changes (including the designing of a wide green area by the river) and the first building is almost complete and already lived in.

Conclusions

According to the urban survey we conducted, we may conclude that eastern Lisbon - Faixa Oriental de Lisboa - is undergoing urban renewal and gradually stepping away from its industrial past and using that legacy as a cultural asset with new shops being open. The alterations in the area through systematic actions, including changing the employment sector, the growth in tourism, the creation of non-habitual resident status, have led to refurbished housing, partially directed to holiday rentals, as well as to the construction of new residential buildings in industrial areas. Noteworthy is also the existence of old industrial spaces which, because of their size, may have an important role in future residential offers, as well as new areas for leisure and recreation, thus enhancing the environment and quality of living in this part of the city.

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