

Interview with the citizen's reasoner, Marc Vila ▶ Assessment of the purchasing power of the

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The reasoner of the citizen, Marc Vila.



## Marc Vila

Reasoner of the citizen

«If nothing changes, the situation of rental housing in Andorra will be dramatic in the winter»

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The reasoner of the citizen, Marc Vila, has the mission of safeguarding the rights and freedoms of the population before the Administration, and defending it in case of helplessness. Since coming to the institution four years ago, most of the demands have been on housing. A problem that does not stop and that, despite the Government's shock plan to improve the purchasing power of the citizens, could get worse in the coming months. Vila warns that the latest measures announced by the Executive are positive, but probably not enough.

### –What is your assessment of the Government's measures to improve the purchasing power of citizens?

–Well, it's obvious that any measure in the right direction is a good measure. I believe that every step forward must be taken into account, as well as the Government's effort to be sensitive to the people. For example, raising the minimum wage by 7% in one year is remarkable, and I'm convinced that this upward trend must be maintained, although I don't know how quickly and at what rate. The cost of living

and inflation continue to rise, not only in Andorra but throughout Europe, and this requires drastic measures.

### –And the government hasn't been drastic enough?

–As for salaries, if at the end of the legislature it is achieved that the minimum wage is 60% of the average, as recommended by the European Social Charter, it will be very good. As for the other measures, the one of free public transport seems fantastic to me because it is multi-band, it goes in the right direction of the cost of living, mobility and ecology, but it needs to be managed well, without putting endangering the economic balance of companies. Unfortunately, my main topic is housing, as complaints from people who want to be evicted or rented out disproportionately keep coming. So, bottom line is that we're really looking forward to housing and making housing more flexible. Overall, these are good measures, but I don't know if they are good enough.

### –How many complaints have you received since the beginning of the year about housing?

–Almost a hundred, which is more

than 50% of the total complaints. This is very worrying; I remember being one of the first to sound the alarm four years ago, but since then I have never had so much accumulated demand in the first four months of the year. Despite the automatic extension of rents, which is an essential measure and certainly the most effective, it is clear that the problem continues and not only that: it is getting worse, because there are fewer and fewer flats available and less room for maneuver. If nothing changes, I have no doubt that in the winter the situation of rental housing will be very complicated, to not say dramatic.

### –How do you make this forecast?

–Unfortunately, and seeing the number of complaints, I am not at all optimistic. Given the growth of the economy and the arrival of new residents with high purchasing power, the market will shrink. There is not enough supply and everything is getting harder ...

### –In his last appearance in the General Council you asked for more flats for rent between 400 and 700 euros. Is this a realistic request?

–Being realistic, I am aware that we cannot do it overnight, but initiati-

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«The burden of economic growth cannot be borne by people with less income»

ves that go in this direction can be promoted. I must say that the owners are right when they say that the costs of production, construction and land do not allow for great success in this regard and I also agree with the owners who are demanding more public works. But all this is a slow process. Which option do we have faster? Let the owners of already depreciated flats, and therefore with a certain antiquity, be aware –although I don't see it being there –and not make big price increases, so that the sector can self-regulate. The other option is to perpetuate the freeze on rents.

### –It is a vicious circle

–Yes; the later we do public promotions, the longer the rental freeze will be in effect. And if that doesn't happen, it's still a way to get more involved with the market. If we want to avoid price control, which would mean a social emergency, we need a collective awareness that there are things that cannot be done, especially in older homes. Citizen exasperation is not at all desirable for the coexistence of a country, but it cannot be that the whole burden of Andorra's economic growth is borne by people with less income or those who spend a large part

on rent. In this sense, I am satisfied with the work done by the National Housing Institute, especially its director, Josep Maria Pla, who is listening to all the agents involved and generating the debate quickly.

**-And the temporary workers?**

-I think it's an excellent idea to link the immigration permit with the employer taking care of providing them with housing, because every year, between October and November, a mess is generated and they are a real concern. I hope it can be implemented in the same winter season.

**-Do you think that reducing the number of years of residence from five to three is enough to be eligible for rent?**

-This is good, but the income threshold to be eligible for these grants goes from 1.2 to 1.3% of the LECS and I think it should be 1.5%. Raising a tenth is not enough, knowing that there is room when it comes to families with really low wages. Here the Government should be braver.

**-What do you think of the union's proposal to limit the square meter to eight euros?**

-The average is currently between 10 and 12 euros, but if the house is new you can climb up to 14. That's what I said before: if we can avoid reaching price control, it will mean that everyone has noticed which is a priority issue. And if there is no choice but to get there, regardless of whether it is 8 or 14 euros, it will be to avoid the suffering of hundreds or thousands of families.

**-But the regulation must be done well.**

-Yes. Whenever I have the opportunity, I say that the regulations are neither good nor bad at first, but there are some that are not necessary and others that are super necessary. And if Andorra has had anything so far, it is that for a long time it has maintained a certain stability and this is an asset that must be preserved.

**-Unions are also proposing to subsidize landlords who rent below this amount. Can discounting and punishing be precisely a way to regulate the market?**

-All the initiatives are good, but in order to subsidize the owners, reference indexes are needed first of all the work that the National Housing Institute has to carry out. So,



«The limit for applying for rental aid should be 1.5% of the LECS. The government should be braver»

«They would be bad politicians if they didn't see the reality. Just because it's an election year doesn't mean you can't do it»

we will have the right numbers. Acting through a bonus is another idea for a problem such as housing, which is very complex and does not require a single measure, but several that complement each other and will only be effective if they are technically well managed. And we need more flats in the market, of course.

**-You spoke before the bus companies. Have you received any complaints regarding your litigation with the Government?**

-It was a personal comment, as a citizen, not as a reasoner. But let's keep in mind that we come from a time when public transportation regulation was virtually non-existent. We are moving towards a new model of transport in which the public sector must understand that it does not have the financial means to do it alone and that, therefore, it is logical that private initiative wants a balanced contract. So, if concessions were made with certain conditions, and now they have changed, you can't just charge the concessionaires and it's very important that the changes are specified. And with all that we have on hand, we would only need public transportation companies to have

financial problems now. We already have too many open fronts that touch the pockets of the citizens and whether or not the bus is free can make a difference.

**-What do you think of the rise in the CPI on wages by law?**

-It is a novelty and a good initiative to indicate to the economic agents that if the minimum wage is raised, obviously, the next step must be raised.

**-If elections were not held, would the government have taken such measures?**

-I don't know, but they would be bad politicians if they didn't see the reality, with an overflowing inflation. Just because it's an election year doesn't mean you can't do it right.

**-Do you think politicians value your work?**

-I think that the institution of the reasoner for the political class could be more valued. In the Nordic countries, the reasoner has a level equivalent to that of parliamentarians and here we are a small institution with few resources, but we can be given the maximum powers to continue to make our work visible. ≡

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