Requalifica Centro Program

Submitted By: São Paulo City Hall





Organization Profile

Organization Name: Executive Secretariat of the Watersheds Program – São Paulo City Hall

Organization Type: Subnational government

Website:
https://prefeitura.sp.gov.br/web/licenciamento

Practice Details

Country(ies): Brazil

City(ies): São Paulo

Start Year: 2021

Ongoing: Yes

End Year: N/A

Main Adequate Housing Components:



Housing Thematic Areas:



Relevant SDGs:



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Problem & Context

The central region of the city of São Paulo faces historical challenges related to the supply of housing and the underutilization of old buildings, many of which do not fulfill their social function—a situation further aggravated by the increased vacancy during the pandemic. Despite concentrating quality infrastructure, an extensive transport network, a wide range of jobs, and a diverse presence of public facilities and services, as well as numerous elements tied to the city's historical and cultural heritage, the region has experienced decades of depopulation, with a decline in residents and the worsening of social issues such as insecurity. In this context, one of the main challenges for São Paulo's urban development, including in relation to housing, is the revitalization of the central region, in order to attract new residents, stimulate the recovery of vacant buildings, and bring renewed dynamism to the area.

Solution Developed

Some of the solutions developed by the São Paulo Municipal Government to address the vacancy of old buildings in the city center were the creation of two complementary programs: (a) Requalifica Centro and (b) the Economic Subsidy. The first grants tax and building incentives to encourage the retrofit of properties built up to 1992, modernizing them without losing their architectural heritage. The second provides direct financial support for retrofit works, mainly enabling housing projects, particularly social housing. This unprecedented combination of tax benefits and public subsidies has unlocked investments, attracted developers, and expanded the housing supply in the city center, with more than 2,000 housing units already underway. The practice combines institutional innovation, sustainability, and social inclusion, ensuring that low- and middle-income families are the main beneficiaries, while also strengthening the region's economic and cultural vitality.

Implementation

Sanctioned in 2021, Requalifica Centro created tax and building incentives for retrofitting properties built up to 1992, including exemptions from property tax (IPTU), transfer tax (ITBI), municipal fees, reduced service tax (ISS), and exemption from onerous grant charges in cases of change of use. In 2023, the "Requalifica Rápido" procedure was introduced to expedite licensing, and in 2025, new ordinances simplified rules, standardizing requirements and relaxing technical parameters, which accelerated project reviews. So far, 26 buildings have been approved and 38 are under review.

The Economic Subsidy program is backed by BRL 1 billion in municipal funds allocated through public calls, of which BRL 400 million were made available between 2023 and 2025. To date, 15 buildings have benefited, including social housing projects and historic properties integrated with cultural and commercial spaces.

Implementation involves the Municipal Secretariat for Urbanism and Licensing and other city departments, responsible for legal frameworks, regulation, and technical review; the private sector, which executes the projects; and civil society organizations, engaged in social housing management. This arrangement, launched in 2021 and reinforced by subsequent regulations, has combined tax incentives, public investments, and partnerships with private and community actors, ensuring the feasibility of an innovative, inclusive, and sustainable housing policy.

Enablers & Obstacles

The main facilitators for implementation were strong political support from the City Hall and Municipal Council in approving Law No. 17,577/21, the existence of a clear regulatory framework, the extensive infrastructure available in the city center, and private investors' interest in retrofit projects. Coordination among municipal agencies, the construction sector, and social organizations also supported the solution's feasibility. Key obstacles included bureaucratic complexity in licensing, the need to adapt old buildings to contemporary safety and habitability standards, and financial challenges in making projects viable. These challenges were overcome through streamlined processes, standardized regulations, and the provision of the Economic Subsidy. This approach balanced heritage protection with the urgency of attracting new residents and investments, while also addressing sustainability issues.

Results & Impact

The initiatives generated a positive impact. Under Requalifica Centro, since 2021, 26 projects have been approved, totaling 2,271 housing units, including residential (including Social Interest Housing – HIS) and commercial units, with 6 buildings completed and 38 under review.

The Economic Subsidy program also produced significant impact: 15 projects were approved through public calls offering BRL 200 million (BRL 100 million in 2023 and BRL 100 million in 2024), and 19 new projects are under review in a new call, offering BRL 200 million. Moreover, the calls prioritize HIS-1 (up to three minimum wages) and HIS-2 (up to six minimum wages), with 60% of the funds reserved exclusively for these categories. Projects such as the buildings on Rua José Bonifácio (66 HIS-1 units) and Av. São João (over 70 HIS-1 units) show that affordable housing is being produced with a focus on inclusion.

In total, 32 buildings have been included: 26 approved under Requalifica Centro and 15 approved through the Economic Subsidy, with 9 projects integrated into both programs.

The impacts go beyond housing: reoccupying the city center revitalizes urban dynamics, strengthens the local economy, promotes sustainability, and preserves architectural heritage. The vitality and diversity of uses foster service and commercial growth and attract new residents, contributing to the transformation of a historically underused area into a vibrant, inclusive, and environmentally sustainable urban hub.

Replication & Scale Up

Requalifica and the Economic Subsidy have served as a reference for cities seeking to revitalize central areas through the rehabilitation of old buildings. In Brazil, Rio de Janeiro launched the Reviver Centro program. Internationally, cities such as Berlin and Hamburg have similar strategies to promote affordable housing, partnering with the private sector, using public land, and relaxing urban planning regulations. Key factors for replication include the effective use of tax incentives and financial support, the mobilization of private partners, and a clear regulatory framework.

Expanding the perimeter to include other areas with underutilized or historic properties; 2) diversifying uses in projects can strengthen urban vitality and attract new audiences; 3) innovative financial mechanisms can encourage more investors for retrofit projects; 4) broader partnerships with NGOs, community associations, and universities can enhance social and environmental impact; and 5) monitoring and data management technologies can improve outcome evaluation and decision-making, ensuring that expansion is efficient, inclusive, and sustainable.

Policy Uptake

This housing practice has informed or been partially integrated into policy discussions, strategies, or pilot-level policy instruments.

These initiatives are part of a comprehensive urban plan for downtown São Paulo. They are integrated into the Strategic Master Plan and urban management instruments by linking employment and housing through building rehabilitation, tax and urban incentives, simplified licensing mechanisms, and retrofit guidelines. Thus, the policy not only regulates and encourages the refurbishment of old buildings but also coordinates housing, commercial use, heritage preservation, and sustainability, establishing the practice as a structural component of urban transformation in the central area.

Lessons & Takeaways

In retrospect, lessons from Requalifica Centro and the Economic Subsidy reveal improvement opportunities. Simplifying licensing from the start could have reduced bureaucracy and sped up project execution. Diversifying financial instruments, combining municipal subsidies with private incentives or credit lines, would increase feasibility. Establishing detailed social and environmental impact indicators early would allow continuous monitoring and strategic adjustments, maximizing benefits for low-income families and the urban vitality of the central area.