

December 2024 RICS/Ci Portuguese Housing Market Survey

Feedback points to noticeable improvement in sales market conditions with expectations also picking up

- **Buyer demand improves**
- **House prices continue to gain momentum**
- **Letting demand remains strong**

Summary:

The December 2024 edition of the RICS/Ci PHMS presents a slightly more optimistic outlook when compared to recent iterations of the survey, with a modest increase in both transaction levels and demand. Furthermore, expectations within both the sales and lettings market have risen in a similar fashion.

Starting with new buyer enquiries, the net balance has moved into the positive zone from -2% last month to +6% this month, although this remains close enough to 0 to be regarded as a relatively neutral trend. On the supply side, the level of new instructions coming to market has shown a further deterioration, with the net balance becoming more negative, moving from -16% to -28% this month.

Moving over to the volume of sales, this metric has also turned positive with the latest reading of +10% marking an 11pp increase from November. Looking forward, sales expectations over the next 3 months have strengthened, as the net balance for December came in at +22%, an increase from last month's +12%. At the regional level, both Porto and Lisbon exhibit more upbeat sales expectations this time around. Indeed, in the case of the latter, a more substantial movement from +19% to +32% was recorded for sales expectations, whilst the net balance rose uplift from +7% to +15% in Porto.

House price growth continues to gain momentum, evidenced by the latest reading of +29% increasing from November's +16%. Similarly, price expectations over a three-month period have also risen firmly with December's net balance of +31% marking a 19pp increase from last month.

Looking at the lettings market, tenant demand growth appears to have picked up with a net balance of +31% of respondents reporting a rise (noticeably higher than last month's +9%). Elsewhere, despite a slightly less downbeat net balance for new instructions being registered (-16% this month vs -24% last month), the figure remains deeply in negative territory and continues the prolonged weak trend seen in previous months. The growth in demand and continued lack of new instructions coming to market is driving an increase in rental prices, with the net balance now in firmly positive territory at +21% compared to +9% last month. The increase in rents is not expected to dissipate over coming months, with the net balance for rental expectations coming in at +25%, a strong rise from the +7% seen in November.

Ricardo Guimarães, Director of Ci: "The year ended with an 11% year on year price increase, resulting from a sharp rise in transaction activity. Comparing Q4 2024 to Q4 2023 shows that the number of sales has increased a remarkable 27%, exhibiting the demand pressures felt in the market and the quick response from both families and investors to the fall in interest rates. The survey results indicate that both prices and sales expectations have reached new highs since the inflationary crisis that began in H2 2022."

Tarrant Parsons, RICS Head of Market Analytics: "Portugal's robust economic growth, driven by strong domestic demand and a booming tourism sector, is expected to persist and outperform the struggling Eurozone this year. With macroeconomic headwinds easing and policy rates likely to be lowered, the nation is well-positioned to maintain its solid performance. This optimism is reflected in the latest housing market data, which continues to show a generally positive outlook. However, potential risks remain, including the Trump administration's tariff threats and broader geopolitical and economic uncertainties that could warrant a more cautious outlook."

Chart 1: Sales market indicators

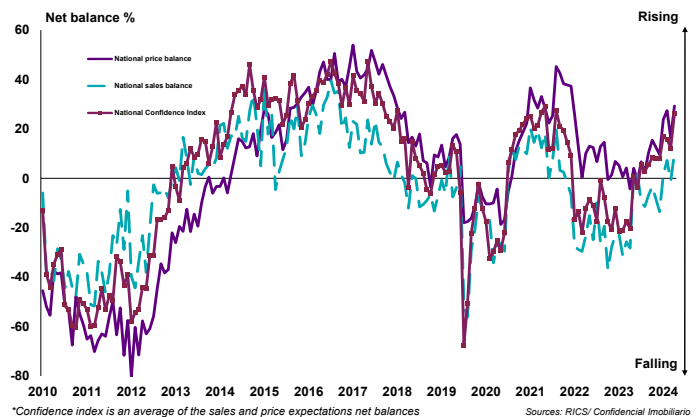
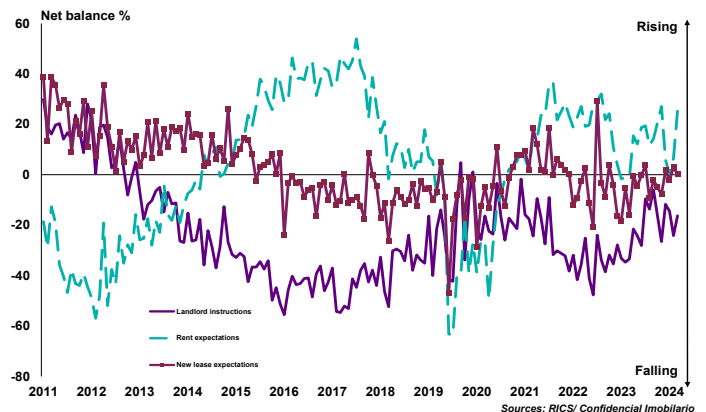


Chart 2: Lettings market indicators



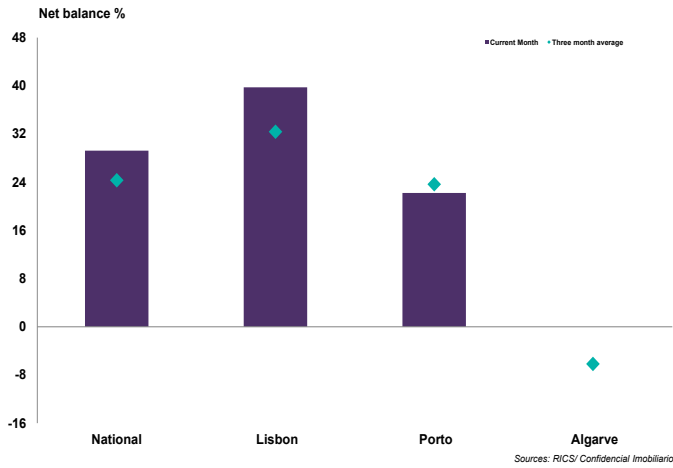
The RICS/Ci Portuguese Housing Market Survey (PHMS) provides a qualitative monthly assessment of the sales and lettings sectors based on around 100 regular responses. The PHMS contains a regional breakdown covering Lisbon, Porto and the Algarve.

To be put on the automatic press release distribution list for receipt on the morning of the embargo date e: tparsons@rics.org

Sponsored by:

Sales Market Charts

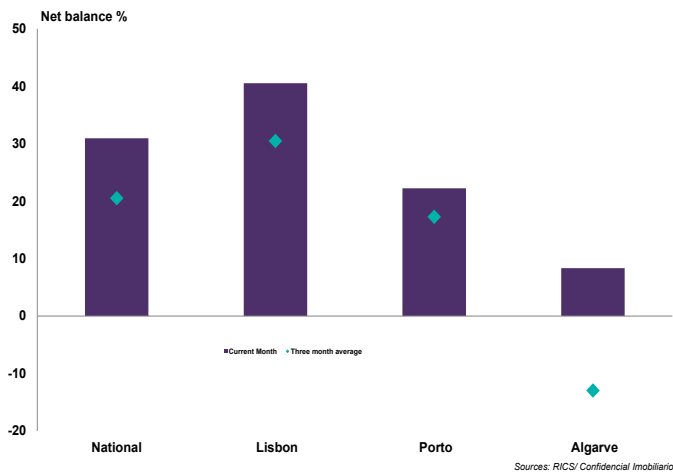
Prices (last three months) by Region



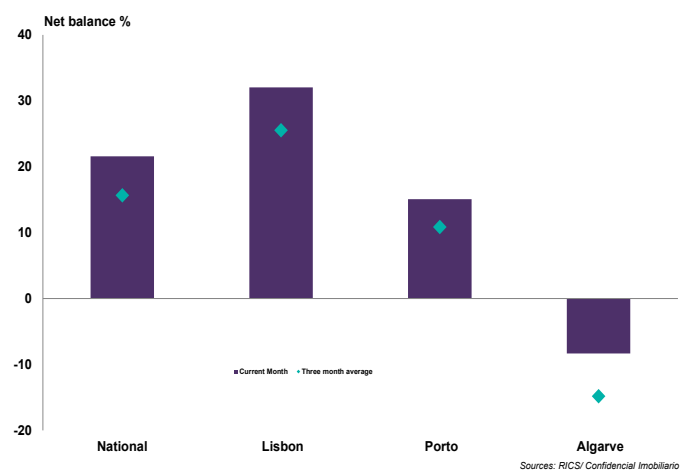
Promised Sales (past month) by Region



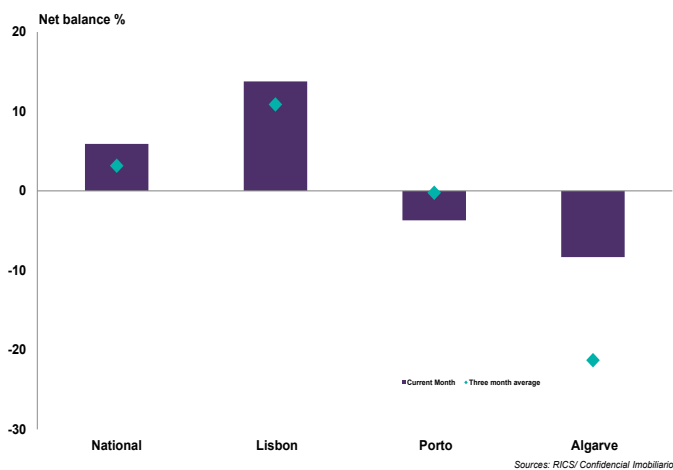
Price Expectations (next three months) by Region



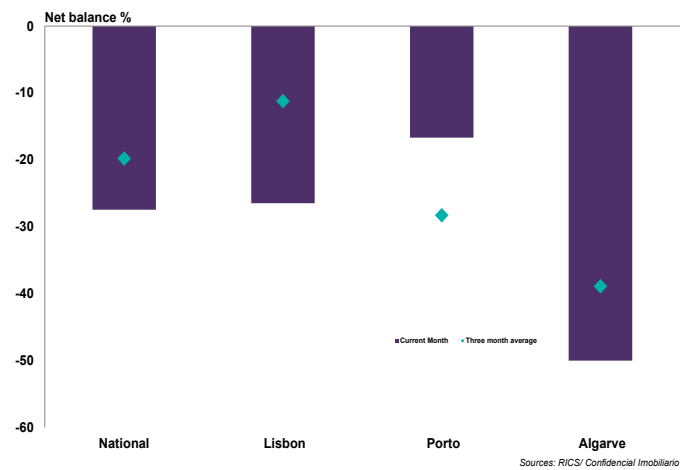
Sales Expectations (next three months) by Region



New Buyer Enquiries (past month) by Region



New Instructions to Sell (past month) by Region



Information

For further information please contact:

Ci Press Office: Ricardo Guimarães

Tel: +351 22 208 50 09/+351 93 222 24 84

Email: rguimaraes@confidencialimobiliario.com

RICS Press Office (Portugal): Eulalia Pensado

Tel: +351 91 3705119

Email: epensado@rics.org

Management:

Tarrant Parsons

Tel: +44 (0)20 7695 1585

Email: tparsons@rics.org

About RICS

RICS is a global professional body. We promote and enforce the highest professional qualification and standards in the development and management of land, real estate, construction and infrastructure. Our name promises the consistent delivery of standards – bringing confidence to the markets we serve. The work of our professionals creates a safer world: we are proud of our profession's reputation and we guard it fiercely.

About Ci

Ci - Confidencial Imobiliário is an independent company dedicated to supplying real estate market professionals with the statistical information required for their investment and strategic decision making. Ci specializes in producing market intelligence indicators, indices and exclusive databases on the housing market, covering both supply and transactions, typically in high geographical detail. One of its main products is the Index Ci, which is the most referred to house price index in Portugal. Given its credibility and independence, the Index Ci is used by entities like the European Central Bank, the Bank of Portugal and the Portuguese Government.

Survey sponsors

Both RICS and Ci are grateful to BPI, IMPIC and Millennium bcp for supporting the survey.

Notes to editors

About:

- The RICS/Ci Portuguese Housing Market Survey is a monthly sentiment survey of estate agents and developers who operate in the Portuguese residential sales market.

Regions:

- Three regions make up the national (headline) readings: Lisbon Metropolitan Area, Oporto Metropolitan Area and the Algarve. The data is regionally weighted and operator (agent/developer) weighted.

Questions asked:

1. How have house prices have changed over the **last three months**? – Net balance
2. Over the **last month** how did the number of 'promised' sales change? – Net balance
3. Over the **last month** how have the number of new enquiries changed? – Net balance
4. Over the last month how has the number of new instructions changed? – Net balance
5. Over the **next three months** how do you expect house price levels to change? – Net balance
6. Over the **next three months** how do you expect the number of agreed sales to change? – Net balance
7. Over the **next twelve months** how do you expect house price levels to change – Point estimate
8. Over the **next five years** how do you expect house price levels to change (average per year) – Point estimate
9. Over the **last month** how has tenant demand for rented accommodation changed? – Net balance
10. Over the **last month** how have new instructions to let rented accommodation changed? – Net balance
11. Over the **last month** how have residential rents changed? Net balance
12. Over the **next three months** how do you expect residential rents to change? – Net balance
13. Over the **next three months** how do you expect residential rental transactions to change? – Net balance

Net balance data:

- **Net balance = Proportion of surveyors reporting a rise in prices minus those reporting a fall (if 30% reported a rise and 5% reported a fall, the net balance will be 25%).**
- Net balance data is opinion based; it does not quantify actual changes in an underlying variable.
- Net balance data can range from -100 to +100.
- A positive net balance implies that more respondents are seeing increases than decreases (in the underlying variable), a negative net balance implies that more respondents are seeing decreases than increases and a zero net balance implies an equal number of respondents are seeing increases and decreases.
- Therefore, a -100 reading implies that no respondents are seeing increases (or no change), and a +100 reading

implies that no respondents are seeing decreases (or no change).

- In the case of the RICS/Ci price balance, a reading of +10 should not be interpreted as RICS/Ci are saying that house prices are going up by 10%, but that 10% more surveyors reported increases rather than decreases in prices (over the last three months).
- A change from +30 to +60 does not mean that the variable grew by 30% in one period and by 60% in the next period, but it does indicate that twice as many surveyors reported an increase compared to a decrease than in the previous period.
- Likewise, if we get a reading dropping from +90 to +5, this still means that more respondents are reporting increases than decreases overall, but the breadth of those reporting increases has fallen dramatically; meanwhile, a shift in the reading from -90 to -5 still means that more respondents are reporting decreases than increases overall, but the breadth of those reporting decreases has fallen dramatically.

Seasonal adjustments:

- The RICS/Ci Portuguese Housing Market Survey data is not seasonally adjusted.

RICS/ Ci Confidence Index:

- The RICS/ Ci Confidence Index is an average of the Sales Expectations net balance and Price Expectations net balance.
- This is intended as a summary measure of confidence overall.

Third party distributors:

- The RICS/ Ci PHMS national data set is available to users of Macrobond.

Delivering confidence

We are RICS. Everything we do is designed to effect positive change in the built and natural environments. Through our respected global standards, leading professional progression and our trusted data and insight, we promote and enforce the highest professional standards in the development and management of land, real estate, construction and infrastructure. Our work with others provides a foundation for confident markets, pioneers better places to live and work and is a force for positive social impact.

Americas, Europe, Middle East & Africa

aemea@rics.org

Asia Pacific

apac@rics.org

United Kingdom & Ireland

contactrics@rics.org



rics.org