



FCGM - Soc. de Med. Imob., S.A. | AMI 5086 Realtors - Med. Imob., Lda. | AMI 5070

Collection Chiado / Lumiar / Capital / Miraflores / Countryside / Master Minas Gerais, Brasil



www.siimgroup.pt

infos

JUNE 2019



SIR vs SIR RU Results

Property on offer has reduced in relation to the same period of the previous year, both in the Lisbon Metropolitan Area (LMA) and in the city of Lisbon. Curiously this occurred mainly in respect of new buildings, which may mean that new buildings are not reaching the market at the anticipated pace.

The sales of new buildings represented less than half that of one year ago: only 3% of the sample (vs 7% one year ago).

Values per sqm for used buildings are tending to stabilise or even dip slightly for the first time in the last 5 years, which may mean that we are entering a new market cycle. Taking a longer-term perspective, looking at the behaviour of average prices in this Database, we can distinguish three quite distinct cycles:

LMA	€/ sqm	Variation
2007/2008	1600	
2010-2013(H1)	from 1600 to 1100	(-31%)
2103/2018	from 1100 to 1800	(+63%)

Lisbon	€/ sqm	Variation
2007/2010	2000	
2010-2013(H1)	from 2000 to 1500	(-25%)
2103/2018	from 1500 to 3500	(+133%)

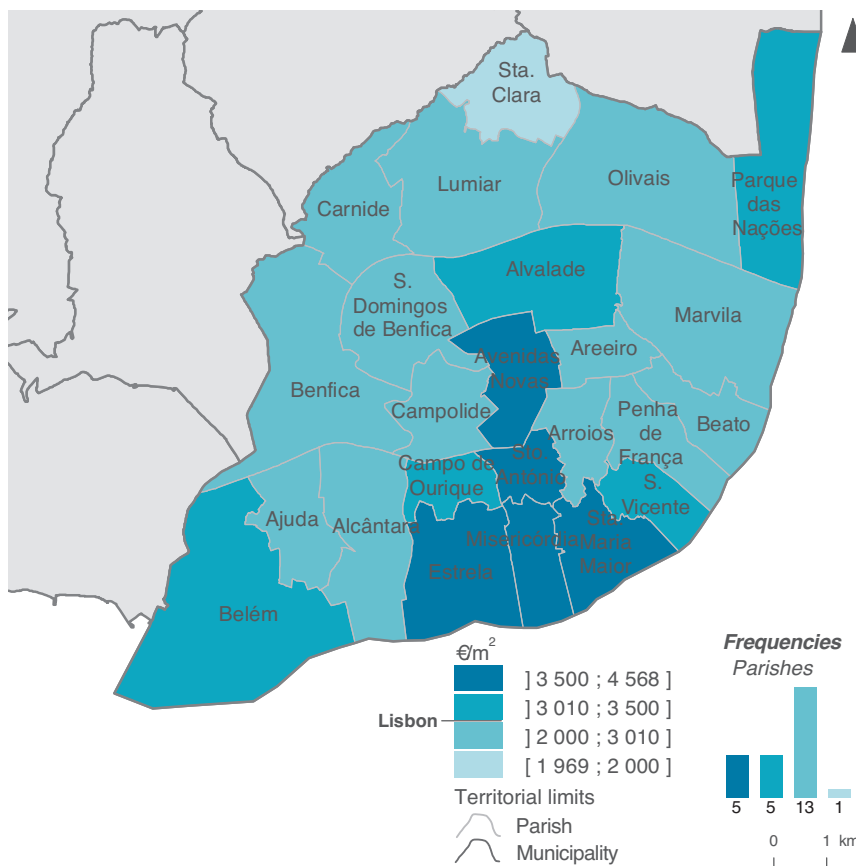
Comparing the variation in the LMA and in the municipality of Lisbon allows us to gauge the effect that foreign buyers and the investment in tourist accommodation has had on the market as a whole.

Lisbon on the route of the major European cities?

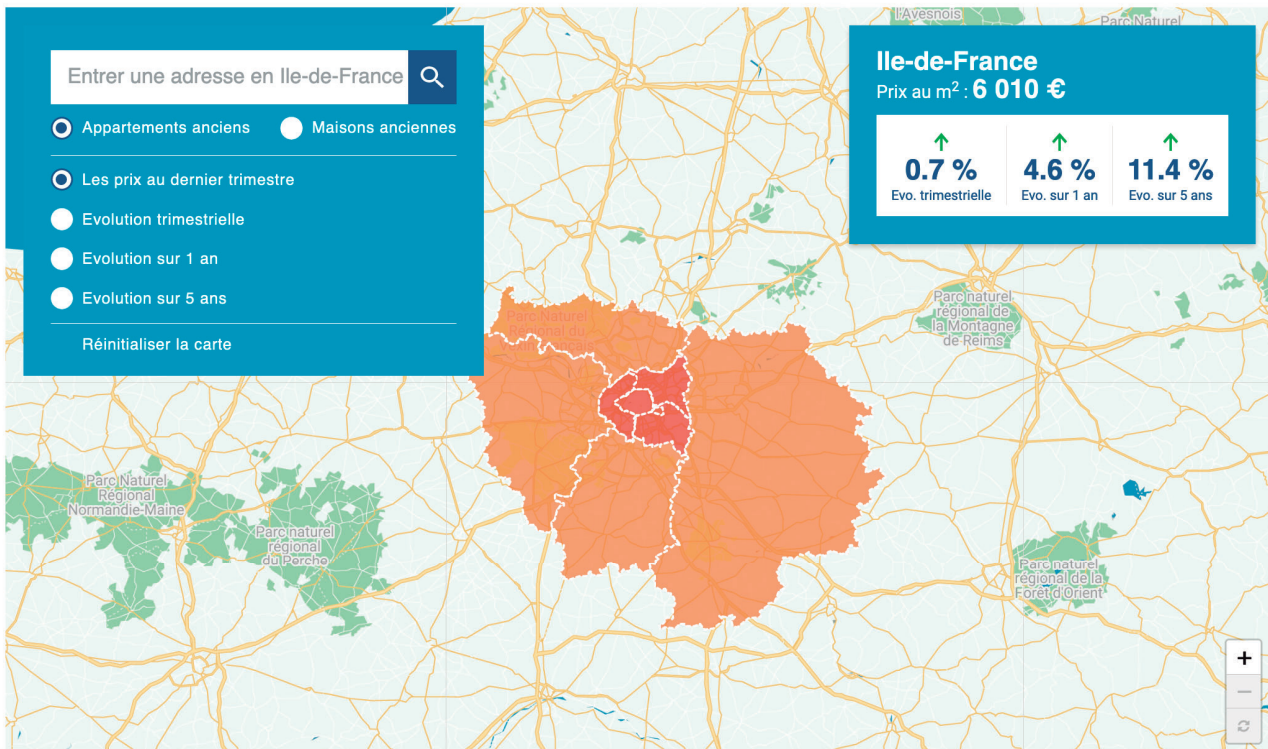
After Siimgroup's presence in the SIIP, now is a good time to compare the median of prices in Lisbon with Paris and some other French cities (Lyon/Bordeaux). After we showed prices in Lisbon by parish in the last Infosiiimgroup Report (May), we now publish identical maps for those cities.

This allows us to see that Lisbon, after a 5 year cycle of growth, has similar values to those of Lyon, a little below Bordeaux and with values of around 1/3 of the values found in Paris.

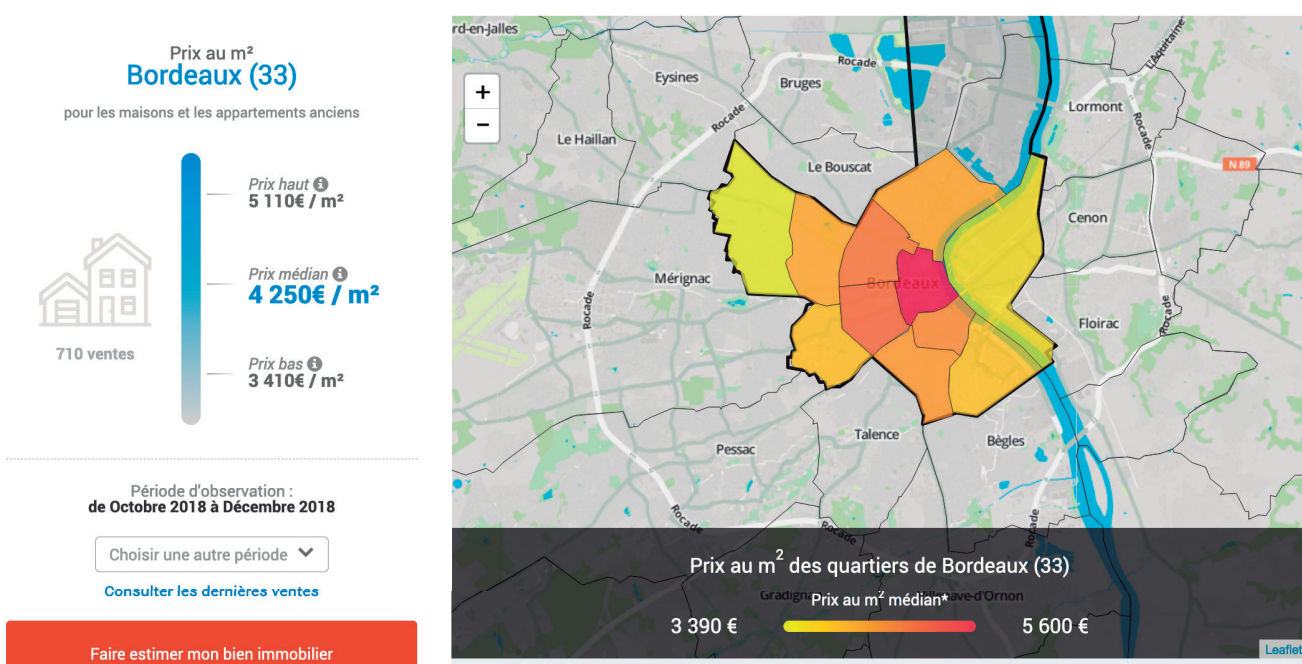
Lisbon



Paris



Bordeaux



Lyon

Prix au m² Lyon (69)

pour les maisons et les appartements anciens



1 199 ventes



Prix haut €
4 850€ / m²

Prix médian €
4 020€ / m²

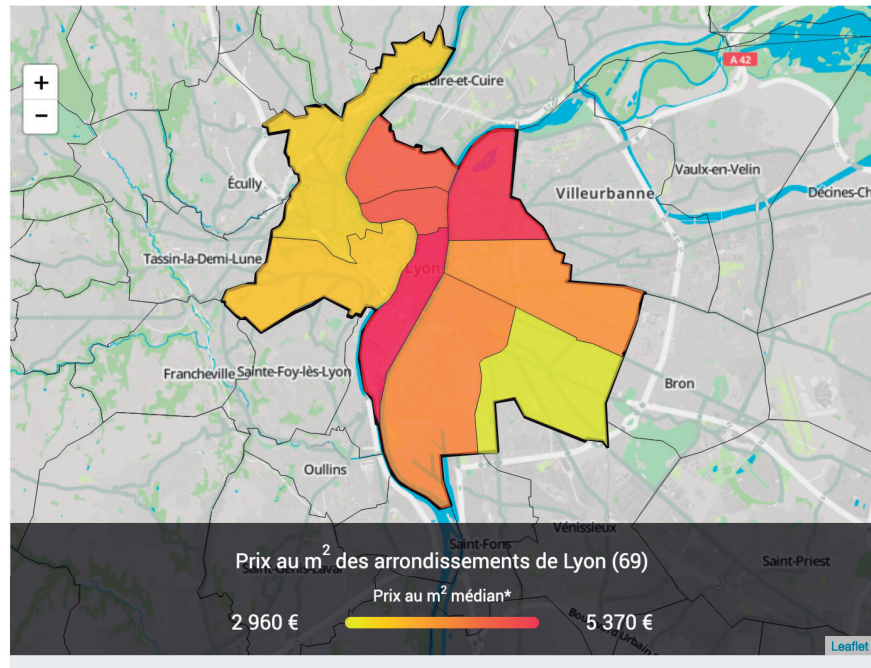
Prix bas €
3 310€ / m²

Période d'observation :
de **Octobre 2018** à **Décembre 2018**

Choisir une autre période ▼

[Consulter les dernières ventes](#)

[Faire estimer mon bien immobilier](#)



A comparison with other average-sized European cities shows that there is a degree of balance with market prices in Lisbon, but with a clear divergence in terms of average income.

	Lisbon	Barcelona	Berlin	Paris	London
€/ sqm – Centre	4.165 €	4.654 €	5.642 €	10.681 €	14.736 €
€/ sqm - Outside of the Centre	2.222 €	3.089 €	3.897 €	7.906 €	8.374 €
Yield - Centre	4,84%	4,36%	3,43%	2,60%	2,92%
Yields - Outside of the Centre	5,95%	4,82%	3,61%	2,48%	3,44%
Salary Net of taxation	902 €	1.438 €	2.231 €	2.307 €	2.583 €
Price to income	17,71€	13,31€	11 €	20,36€	22,41€

Law for Affordable Rent Program launched in May

Decree Law no. 68/2019, of 22 May

Created the Affordable Rent Program.

Applications for accommodation under the Affordable Rent Program are registered upon the provision of information and presentation of the documents defined in the ordinance contemplated in article 12(1).

Decree Law no. 69/2019, of 22 May

Established the special regime of accessible rental insurance contracts under the Affordable Rent Program.

It included the following types, according to the guarantees covered:

- a) «Lack of payment of rent», with regard to the guarantee contemplated in line a) of the previous article;
- b) «Involuntary drop in income», with regard to the guarantee contemplated in line b) of the previous article;
- c) «Damage to the leased premises», with regard to the guarantee contemplated in line c)

Residents' association considers filing legal action against the Portugália Plaza Project

The Vizinhos residents' association in Lisbon may press ahead with legal action against the redevelopment project of the Portugália city block, which contemplates the construction of a 60-metre high building with 16 floors.

The Vizinhos association in Lisbon argued that the future undertaking will "jeopardise the environment and people's quality of life", stressing that residents are assessing the "possibility of bringing a temporary injunction that would question the legitimacy and legality of the project".

This association is a collective which includes Vizinhos do Areeiro, Penha de França, Alvalade, Avenidas Novas and Arroios.

RESIDENTIAL REPORT



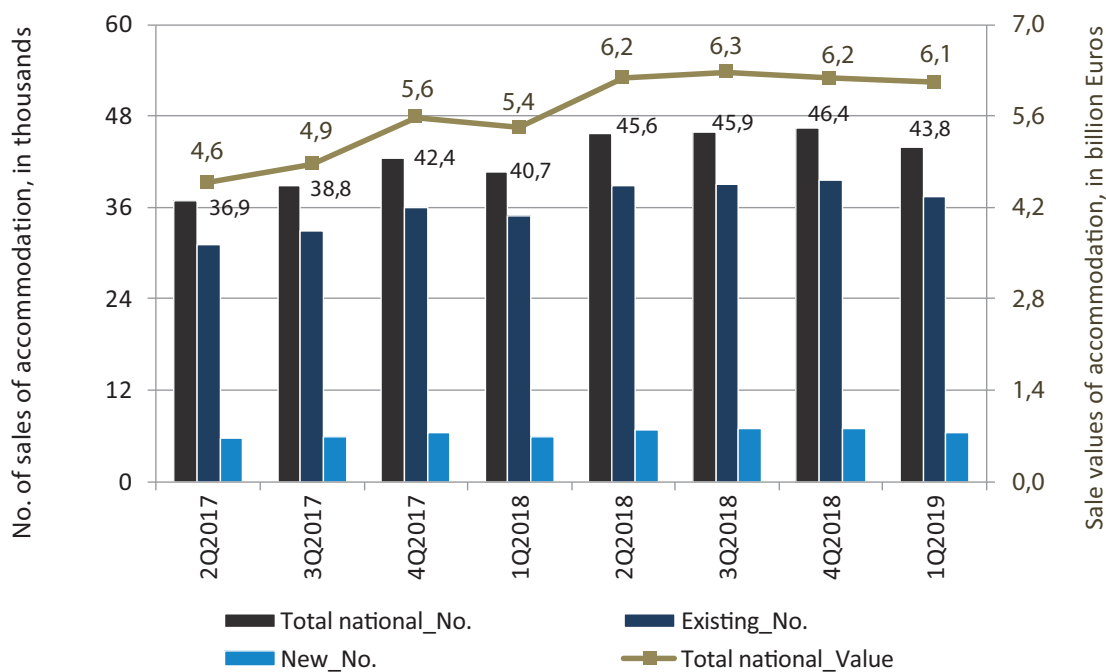
Housing prices confirm slowdown but no. of transactions remains at a high level in the LMA

After a significant slowdown in transactions in the last quarter of 2018 in the LMA (taking seasonality into account) the 1st quarter turned out to be stronger than expected, having even increased in terms of total value compared with the previous quarter.

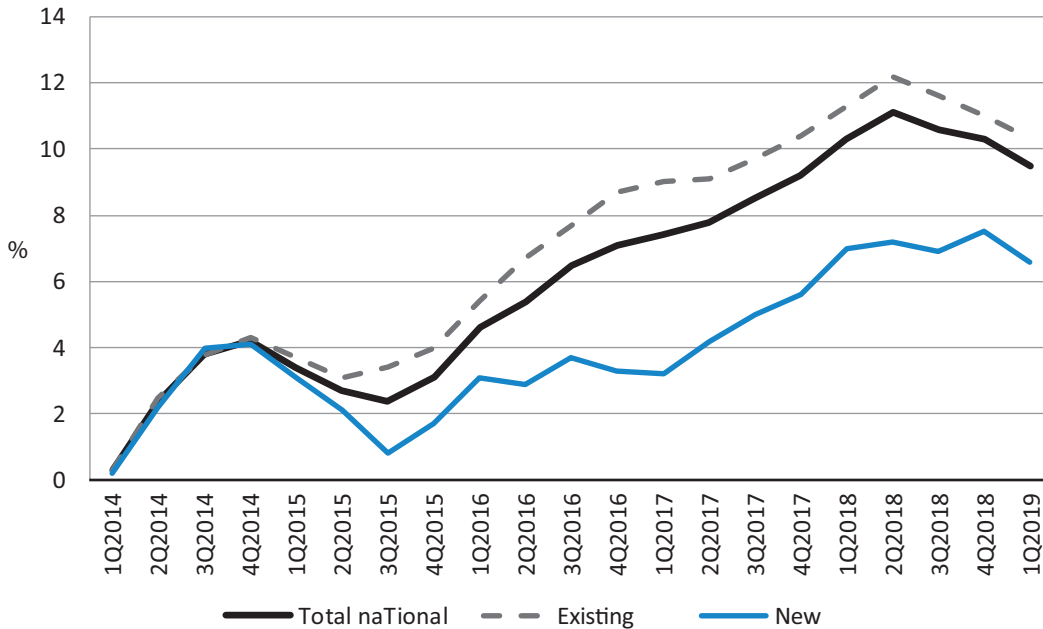
With regard to total sales in Portugal, in the 1st quarter of 2019, 43 826 dwellings were traded, 7.6% more than in the same period of 2018. This was the third consecutive quarter in which a slowdown was observed in the number of sales of dwellings, and was the one with the lowest rate of year-on-year variation in the last 4 years.

In relation to the price index in the 1st quarter of 2019, the House Price Index (HPI) grew 9.2% compared with the identical period of the previous year, which was 0.1 p.p. lower than that observed in the previous quarter.

Indicator of the number and sale values of accommodation, total national, existing and new, 2Q2017 - 1Q2019



Average variation of the HPI, 1Q2014 - 1Q2019



Real Estate “Out of The Box” – with Gonçalo Nascimento Rodrigues

On 27 June, RE/MAX Siimgroup organised a talk for real estate professionals with Gonçalo Nascimento Rodrigues on the cycles of the real estate market in Portugal, including a brief analysis of the real estate market in the last 25 years in Portugal.

“Where do we come from? Has Portugal been through a property bubble? Where are we, how did we get here and where are we going? What risks did we run and what are the main changes in our market? Remembering the past in order to understand it and anticipate the future.”

Gonçalo has been a consultant in Real Estate Finance since 1998. He started work in the company Essentia (ex-RDPE) as a financial consultant. He moved to E&Y as a consultant in Corporate Finance and to Colliers International where he was Head of Corporate Services. He has been an real estate appraiser of buildings since 2009, registered in the CMVM (Securities and Exchange Commission) and is a member of ANAI - National Association of Real Estate Appraisers. He has worked freelance since 2007 and currently works in the Portuguese real estate market as financial consultant specialising in real estate assets. He also teaches several training courses in property investments, fundamentally in the real estate brokerage sector.

The Bank of Portugal issued several warnings in its Financial Stability Report - June 2019

"A reassessment of risk premiums internationally can have adverse effects on financial stability, in as much as it abruptly affects external demand for the Portuguese economy, whether regarding the export of tourism services or direct investment in property. In fact, the transactions carried out by non-residents has made an important contribution towards the high level of dynamism of the Portuguese real estate market, which has shown signs of overvaluation in the residential segment since the second half of 2017.

Portuguese banks continue to be materially exposed to developments in the real estate market, having benefitted from its recent buoyancy. It should be noted, however, that, in contrast with other European countries, the valuation of property assets in Portugal has coexisted with a continuous reduction in the stock of loans to individuals for home purchase."

In fact, although the levels of credit granted continues to be high in relation to the recent past, and values have reached new monthly highs, the rate of year-on-year variation of the value /m² continues to be well below the valuation of the underlying assets (7.9% vs 33%) and the ECB's policy of low interest has enabled a rapid repayment of housing loans which remain close to €93 MM.