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Monthly Report | Real Estate Market | April & May 2021



Lisboa | Linha de Cascais | Ribatejo | Master Minas Gerais, Brasil



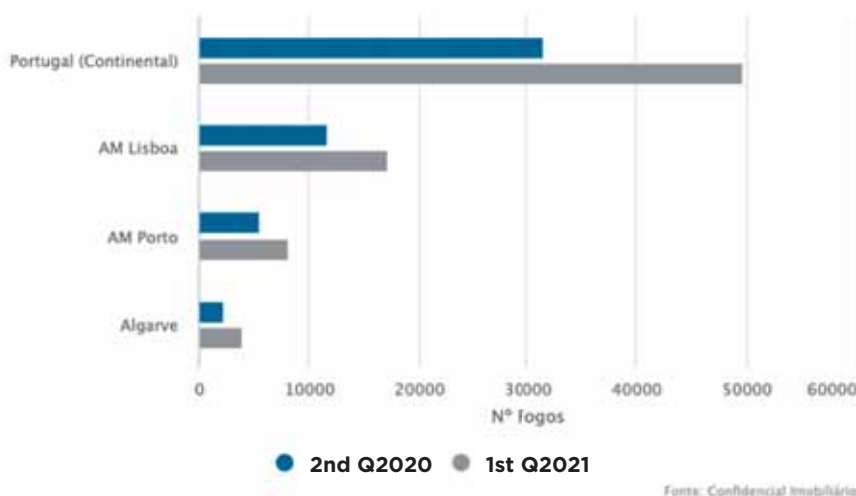
Confidence index turns positive again!

Portuguese Housing Market - Confidencial Imobiliário

After a year of the pandemic, the expectations of property developers and intermediaries regarding the evolution of the sales and prices in the residential market were positive again, shows the Portuguese Housing Market Survey (PHMS) for March.



The Real Estate Market in the 1st quarter of 2021





Also at the end of April, Confidencial Imobiliário's Webinar on the 1st quarter of 2021 led to some surprising conclusions:

- Housing sales in Portugal grew 57% between the two confinements (2nd quarter of 2020 and 1st quarter 2021)
- The Lisbon Metropolitan Area maintained dynamic growth in prices. Cascais and Loures were the exceptions, but with negligible negative variations. Lisbon saw almost no price variation
- Despite the fall in the number of transactions in Lisbon and, within this, the strong fall in sales in new developments (-35%) this variation did not have any effect on prices. In fact, and despite the diversity of situations per segment, there was even an increase in the higher percentiles and in new construction, developers were able to adjust prices upwards as construction progressed.
- Purchases by foreigners were surprising and fell less than average reinforcing its share in the Lisbon Urban Renewal Area (from 27% to 30%)

+57%

Housing sales in Portugal GREW between the two confinements!

Purchases by foreigners fell less than in other markets

House price statistics at local level 4th quarter of 2020 (INE)

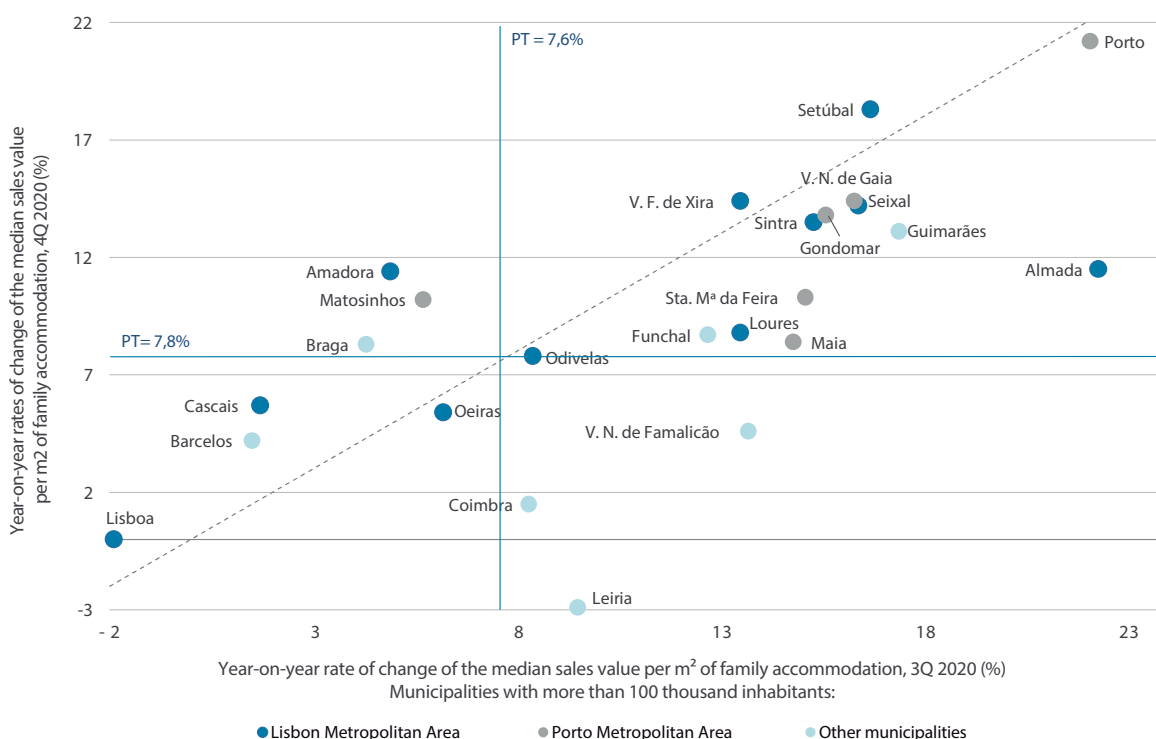
After the National Statistics Institute (INE) surprised the market with the disclosure that total sales in 2020 were higher than expected by the agents in the market (see INFOSIIMGROUP March) the publication in May of "House price statistics at local level: 4th quarter of 2020" (Study for cities with more than 100,000 inhabitants) gives us a more detailed reading. It should be recalled that the statistics of the INE are based on the median of the values of the deeds concluded. This choice of the median means that the indicator is less influenced by the extreme values of the universe of transactions.



Therefore, sometimes the reading may be different from the average published by other sources.

In the Lisbon Metropolitan Area, Lisbon was the municipality which felt the effects of the Pandemic the most. Porto, by contrast, continued to show high growth rates, which may be linked to the above-mentioned lag in the completion of deeds, as the city's redevelopment activity has always lagged behind that of Lisbon.

Year-on-year rates of change of the median sales value per m² of family accommodation, Portugal and municipalities with more than 100 thousand inhabitants, 3Q 2020 and 4Q 2020

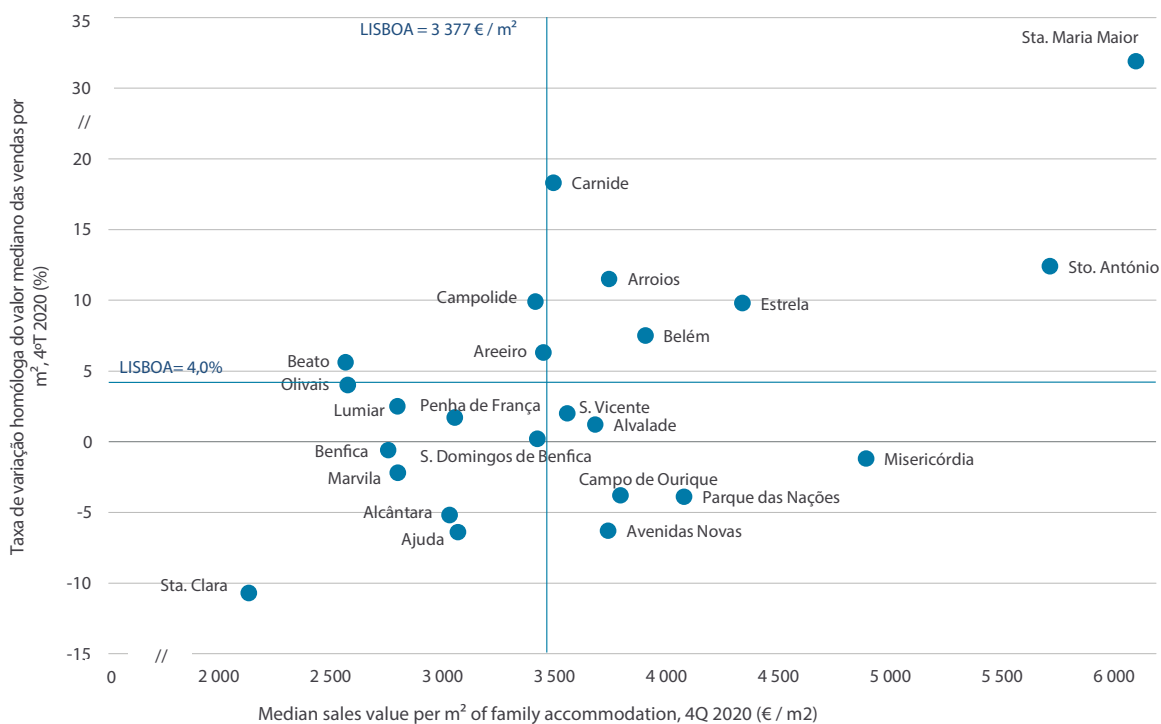


9 of the 24 parishes of Lisbon saw a year-on-year contraction of house prices: Santa Clara, Ajuda, Avenidas Novas, Alcântara, Parque das Nações, Campo de Ourique, Marvila, Misericórdia and Benfica.



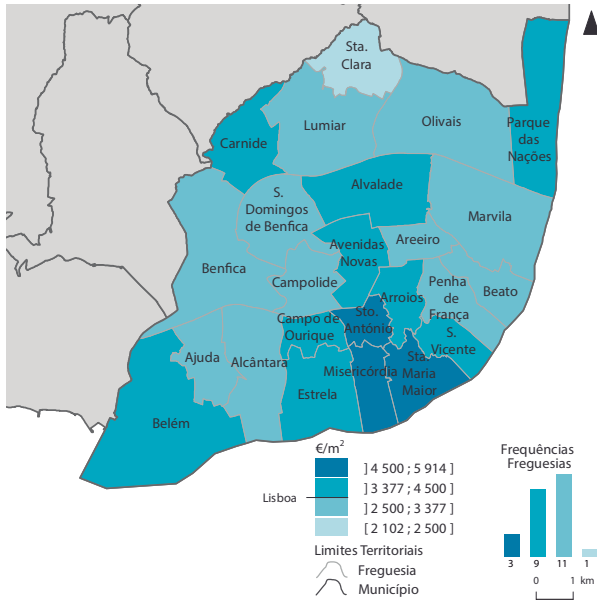
In the 4th quarter of 2020, 3 of the 24 parishes of Lisbon recorded median sales prices over 4 500 €/m²: Santa Maria Maior (5 914 €/m²) – which includes the area of Castelo and Baixa/Chiado –, Santo António (5 544 €/m²) – which includes the Avenida da Liberdade and adjacent areas – and Misericórdia (4 754 €/m²) – which includes the area of Bairro Alto and Cais do Sodré. The parishes Santa Maria Maior, Carnide, Santo António, Arroios, Estrela and Belém simultaneously recorded a median price above the value of the city of Lisbon (3 377 €/m²) and more significant year-on-year rates of change than in the city (+4.0%).

Median value and year-on-year rate of change of the median sales value per m², Lisbon and parishes, 4Q 2020

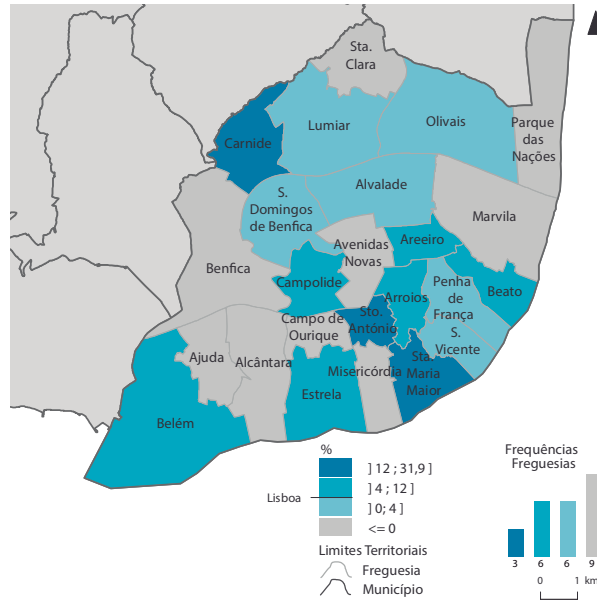




Median sales value per m², Lisbon and parishes, 4Q 2020



Year-on-year rate of change of the median sales value per m², Lisbon and parishes, 4Q 2020



EUROSTAT - House prices in Portugal and in the EU





At European level, between 2010 and 2011, rents and house prices followed a similar growth trajectory, which started to fluctuate thereafter. Between the last quarter of 2011 and the first of 2013, house prices remained relatively stable, and oscillated more in 2014. It was from then on that there were much faster rises than for rents.

From 2014, house prices rose more than rents in 18 Member States. Among the countries in the EU where house prices rose most, are Estonia, with 112.8%, Luxembourg, with 99.8%, Hungary, with 90.6% and Latvia, with 85.6%. On the other hand, the decreases were recorded by Greece (-28%), Italy (-15.2%), Spain (-5.2%) and Cyprus (-3.4%).

The highest growth in rental prices was seen in Estonia, with an increase of over 140%, Lithuania, with 109%, and Ireland, with 61%. Declines were recorded only in Greece (-25%) and Cyprus (-4.1%).

Price of Habitation > Rents

in 18 Member states

Residential pipeline in Lisbon falls 36% in the first two months of 2021

In the first two months of 2021, in Lisbon, 36 new residential projects totalling around 400 homes were submitted for licensing. This pipeline reflects the strong slowdown in activity compared to the same period of 2020, when 77 residential projects totalling 620 homes were registered.

The drop between the two periods was 36% in the number of homes and 53% in the number of projects.

The biggest drop was in new construction, with 6 new projects and 110 homes in 2021, a drop of around 60% compared to the dwellings licensed in the same period in the previous year.

36

New Residential Projects submitted for licensing



ARI/ Golden VISA

72 authorizations were granted in March of 2021. Compared with the same period a year earlier, there was an increase of around 41% and a reduction of 19% compared to the previous month. In cumulative terms, a total of EUR 5,764 million was raised, of which EUR 5,212 million corresponds to the acquisition of real estate.

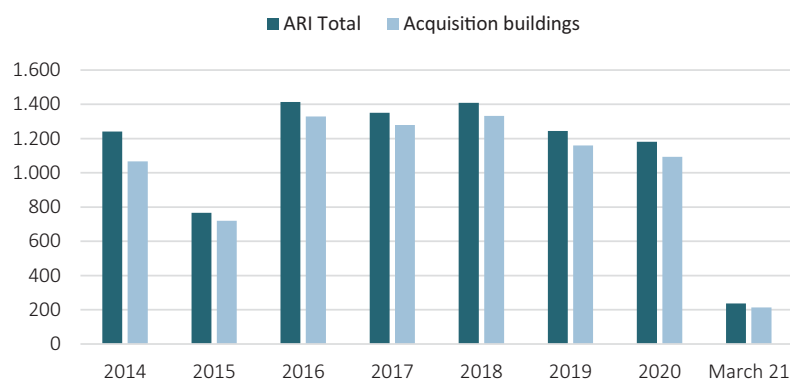
In March of 2021, the acquisition of real estate raised a total 35.3 million, which correspond to an increase of 37.8%, when compared the same period of the previous year and a monthly variation of -26%. By nationality: China (30), Brazil and USA (6), Turkey (5) and Russia (5).

In cumulative terms, China leads the allocation of visas (4,868), followed by Brazil (1,007), Turkey (461), South Africa (397) and Russia (370).

Residence permit for the activity of investment, Total and Acquisition of Buildings accumulated per years

9.625	9.042
ARI Acc.Total	Acc Building purchases

	ARI total	Acquisition buildings
2014	1.241	1.066
2015	766	719
2016	1.414	1.329
2017	1.351	1.279
2018	1.409	1.332
2019	1.245	1.160
2020	1.182	1.094
March 21	236	213



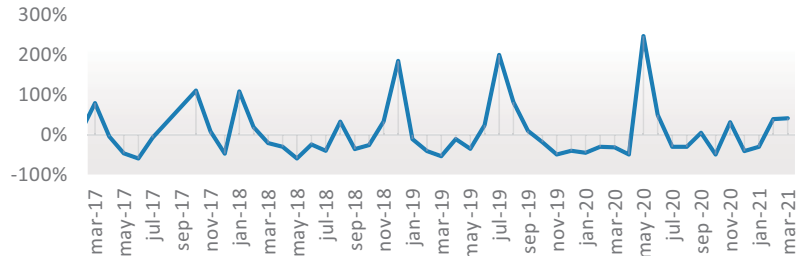


ARI via acquisition of buildings, granted by month (no.)

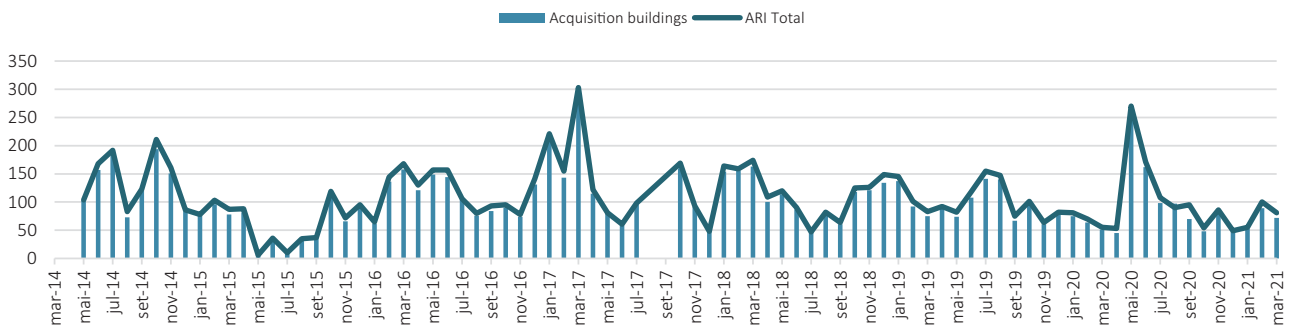
72	51	41%
March 21	March 20	YOY rate of change

	Acquisition of property	Rate of monthly change
mar-21	72	-19%
fev-21	89	71%
jan-21	52	11%
dez-20	47	-41%
nov-20	80	67%
out-20	48	-31%

Acquisition buildings – Y-O-Y rate of change (%)



ARI Total and acquisition of buildings (no.), per month



Urbanisation of the Quinta dos Ingleses

The mega-development facing Carcavelos beach and next to the Universidade Nova will be located in an area of 51 hectares, and will include residential buildings, commerce and services, a hotel, a green park and other collective equipment.

However, the authorisation of this project is being strongly contested due to the expected reduction of the green area in the zone.





Rossio will shortly have a new look!

The rehabilitation of the block known as Pombaline Rossio, in Lisbon, is about to get underway. After years of being thought of as another hotel project, the developer JCKL Portugal - Investimentos Imobiliários, Lda, 100% owned by an international Global Family Office - has chosen to transform it into a new quality commercial centre of attraction for Lisbon residents and visitors. The works have an estimated timeframe of 2 years.



It is perhaps the most emblematic project of the Downtown Pombaline area, given its centrality, scale and architectural style. The block of buildings that used to house the iconic pastry shop Suiça and Casa da Sorte, in Rossio, will be converted into a huge commercial space. The project foresees that more than half of the total area, between six to seven thousand m², will be occupied by the space. The developer, JCKL Portugal, points to the year 2023 for the end of the work.

Upcoming events:

IBERINMO
PT
EVENTS

EDIÇÃO EM FORMATO HÍBRIDO

VIII SEMANA DA REABILITAÇÃO URBANA
11 A 13 MAIO LISBOA 2021
Conferências | Tertúlias Workshops

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