



infosiiimgroup

www.siiimgroup.pt

Monthly Report | Real Estate Market | February 2021



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



Sale of houses in 2020 fell by around 8%, Lisbon most affected

Although the National Statistical Institute's (INE) final report in relation to the sales of dwellings in 2020 is expected only on 23 March, the forecasts currently point to a fall of between 5 and 10% relative to the almost 174,000 residential properties sold in 2019. It should be noted that, in 2019, the 4th quarter was absolutely exceptional, with a quarterly maximum of 49,232 properties sold, well above the quarterly average of recent years (+/- 45,000) and so this fall only reflects a 2nd quarter that was highly conditioned by the pandemic.

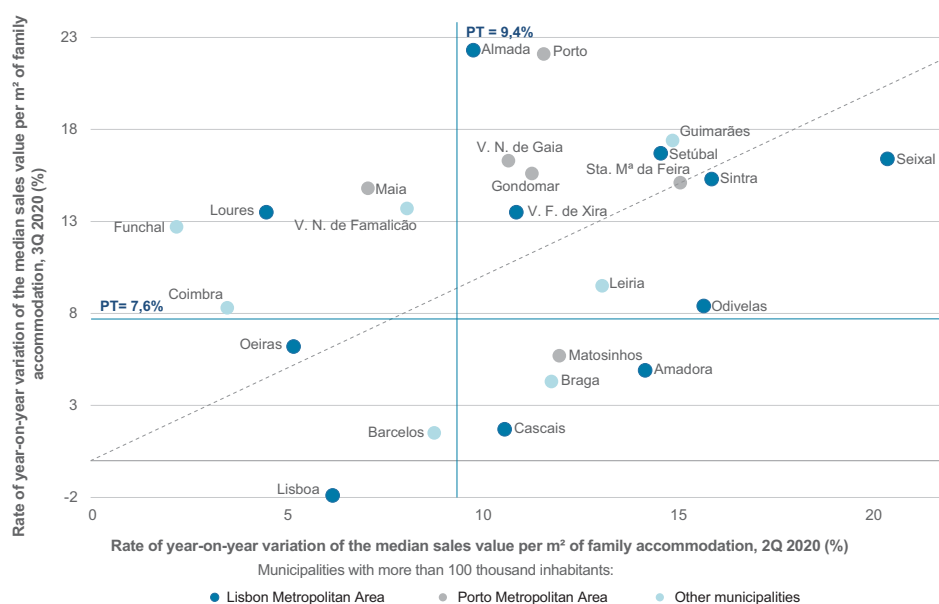
More accentuated variations are expected for Lisbon and Porto at this time, with a drop in sales in Lisbon of close to 20%, a likely effect of the limited presence of foreign buyers.

≈ **20%**

fall of sales in
Lisbon

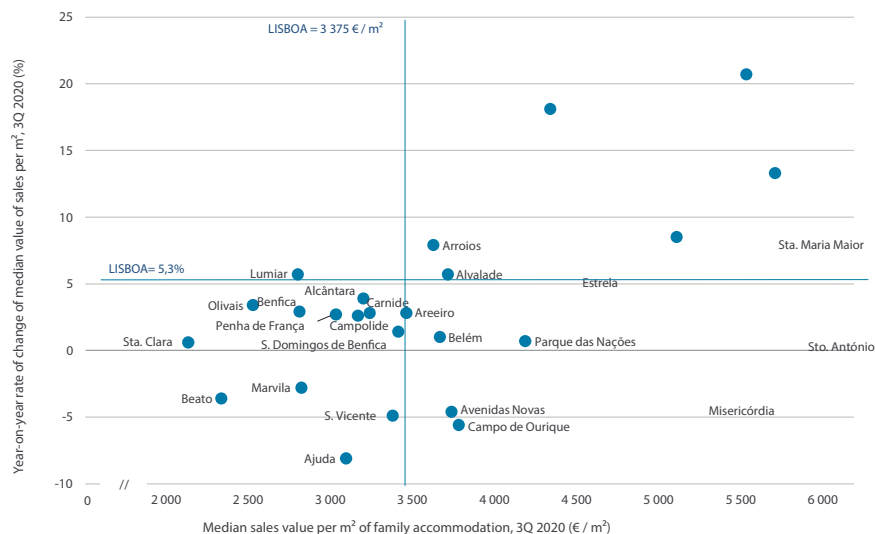
INE report - 3rd quarter of 2020 values published on 2/2/2021

In the 3rd quarter of 2020, Lisbon was the only one of the 24 municipalities with more than 100 thousand inhabitants with a year-on-year contraction of house prices (-1.8%).



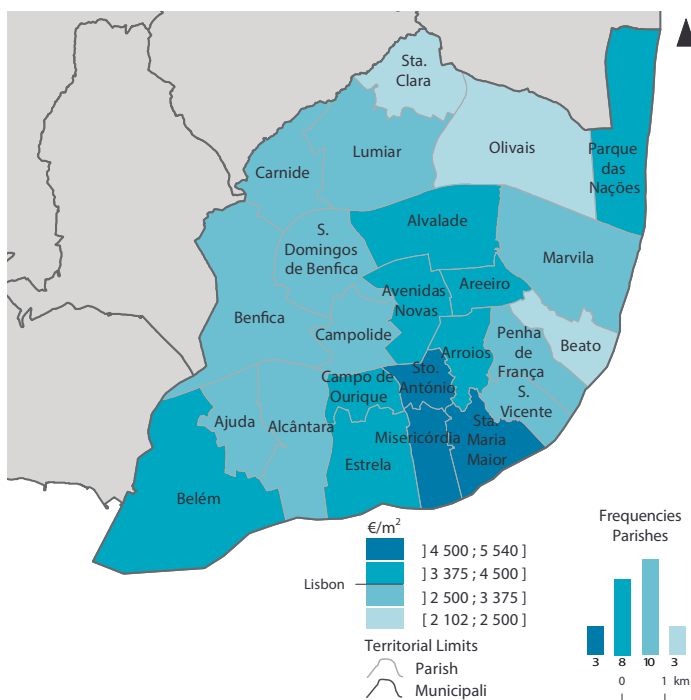


Median value and rate of year-on-year variation of the median sales value per m², Lisbon and parishes, 3Q 2020

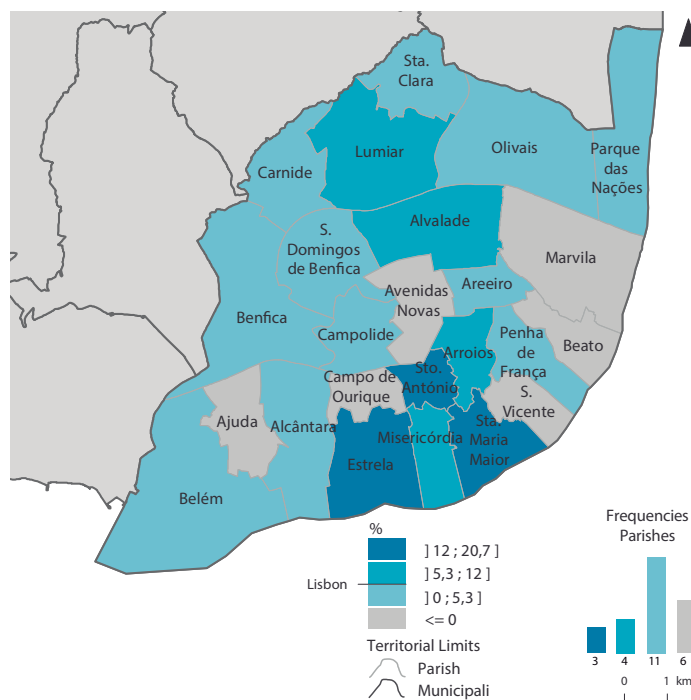


The geography has changed:

Median sales value per m², Lisbon and parishes, 3Q 2020



Rate of year-on-year variation of the median sales value per m², Lisbon and parishes, 3Q 2020





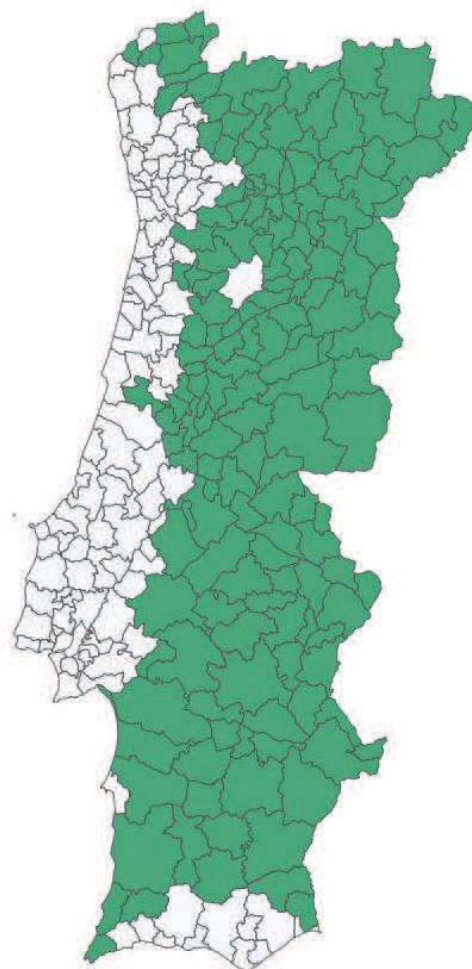
Changes to the ARI/ GoldenVisa scheme

With the approval of Decree Law no. 14/2021 specifically the amendment of art. 3(4), the amendments provided for in this regime will be implemented. According to the text of Law:

“4 - Buildings acquired in the terms contemplated in sublines iii) and iv) of line d) of no. 1 which are intended for habitation, only allow access to this regime if they are located in the Autonomous Regions of the Azores and Madeira or in inland territories, identified in the annex to the Ordinance no. 208/2017, of 13 July.”

3 important points:

- (i) The alterations come into force only on 1.1.2022, that is, 6 months later than announced;
- (ii) The alterations only apply to residential properties.
- (iii) The ceilings remain unchanged as announced, so the minimum investment remains at 500,000€.



Government approves Long-term Strategy for Building Renovation

Under the Clean Energy Package, through Resolution of the Council of Ministers 8-A/2021, of 3 February, the Government approved the Long-term Strategy for Building Renovation (ELPRE), which aims, by 2050, to support the renewal of residential and non-residential buildings, both public and private, to convert to decarbonised and high energy efficiency real estate.

It should be recalled that, in this context, the “More Sustainable Buildings” Program, which began in September 2020 and closed its first phase in December, is already in force with 4,234 applications having used up the 4.5 million Euros planned. Applications will reopen in early March 2021.



Central Axis of Lisbon with several Projects in the Launch Phase: 600 new homes on the market

3 major projects are going ahead in the zone between Campo Pequeno and 2ª Circular (ring road):

The Lumino Development - a Project that includes habitation (4 buildings in the 1st phase - 97 fractions, +4 in a 2nd stage) and a student residence building, with 360 units planned.



Project in the area of the former grounds of Alvalade Stadium

Mixed housing and services project, comprising around 200 apartments and 5 office buildings.

At the same time, a twin building of the NOS headquarters will be erected on the land where the bus station used to be.





Project for the grounds of the Feira Popular - mixed housing and services project

The following was approved in an extraordinary session of Lisbon City Hall of 18 February:

“Approve the issue of favourable prior information, subject to conditions, regarding the feasibility of carrying out a construction project in Plot B2, resulting from Municipal Building Permit no. 2018/04, in Case no. e-EDI/2020/333. In accordance with the presentation made by the local authority in 2018, the project would have 700 affordable housing units (in buildings acquired from the Social Security in Avenida da República and on the land next to Avenida das Forças Armadas - a building already under construction) and 279 freehold dwellings, which would be built on Plot B. Note also for the construction of the new Fidelidade headquarters on an already levelled site near Entrecampos train station





Investment market remains very dynamic, Portugal on investors' radar

The **British investment fund River Crown** sold its 99% stake (purchased 15 months ago for around € 100M and with a profitability of 20%) in the Maxirent closed-end real estate fund, which includes 17 assets in Portugal, to a fund listed in Singapore (source: Property EU). The portfolio sold also **includes assets in Lisbon, Cascais, Sintra, Albufeira and Setúbal.**

In January, **BPI** completed the sale of a portfolio of Non Performance Loans (NPL) with a total gross value of around **300 million Euros**, corresponding to around 30,000 credit agreements to funds managed by LX Investment Partners SARL.

Sonangol, through its subsidiary Puaça, **sold** a building in Avenida da República, near Saldanha, to the British company Signal Capital Partners for around 30 million Euros, (source: Worx). The building, in **numbers 5 to 7 of the Avenida da República**, on the central axis of Lisbon, construction of which was interrupted several years ago, has a gross construction area above ground of around 14,500 m2 and had been put up for urgent sale in 2019.

The **American investment fund HIG Capital concluded the purchase of three residential buildings in the centre of Lisbon.** HIG Capital's first acquisitions in Portugal date back to 2015, when it invested more than 110 million Euros in the purchase of 77 property assets and 114 loans guaranteed to Finangeste.

Smart Studios has three co-living projects under preparation in Lisbon. These concern a residence with 630 units in Alta de Lisboa, in the licensing process for two years; 270 apartments in Areeiro, and also a new project near Complex 2 of the University of Lisbon, with 290 units

River Crown sells stake of

99%

with profitability of

+20%

Sonangol sells nr. 5 to 7 of the

Avenida da República

HIG Capital concludes purchase

3 residential buildings

Smart Studios with

3 co-living

projects