



# infosiiimgroup

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Monthly Report | Real Estate Market | January 2021



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



## Housing market in 2020

In spite of all the contingencies that conditioned 2020, and which worsened at the end of the 4th quarter, the total volume traded for the year should have been above the 2018 value (INE 24.1 M€) and just below 2019 (25.6M€), being estimated at over 24.5M€. At the end of the 3rd quarter the used home market was already approaching 2019 values while new buildings were finding it harder to recover.

For 2021, everything indicates that the 1st semester will continue with the same constraints on travel and economic uncertainty. However, the promoters of many of the large large-scale housing projects in the city of Lisbon, aimed at the national market, continue to be very dynamic and so the offer in this segment will certainly increase throughout the year.

New projects for senior homes and student accommodation will start (this market is temporarily suffering with the limitations on travel and the increase in distance learning but it is believed that it will make a strong comeback with vaccination).

The monetary policy and enormous liquidity in the market will be maintained so that real estate investment can continue, even in a context of uncertainty.

Housing loans are still available and at low cost and bank evaluations continue to rise, although at lower rates, which reflects what has been happening in the market throughout 2020.

^ **24,5M€**

Esstimated Volume  
Traded in 2020

**+ Offer  
Lisbon**

Promoters of large housing  
projects remain dynamic

**+ Projects**

Start-up of new Senior  
Homes and Student  
Accommodation projects

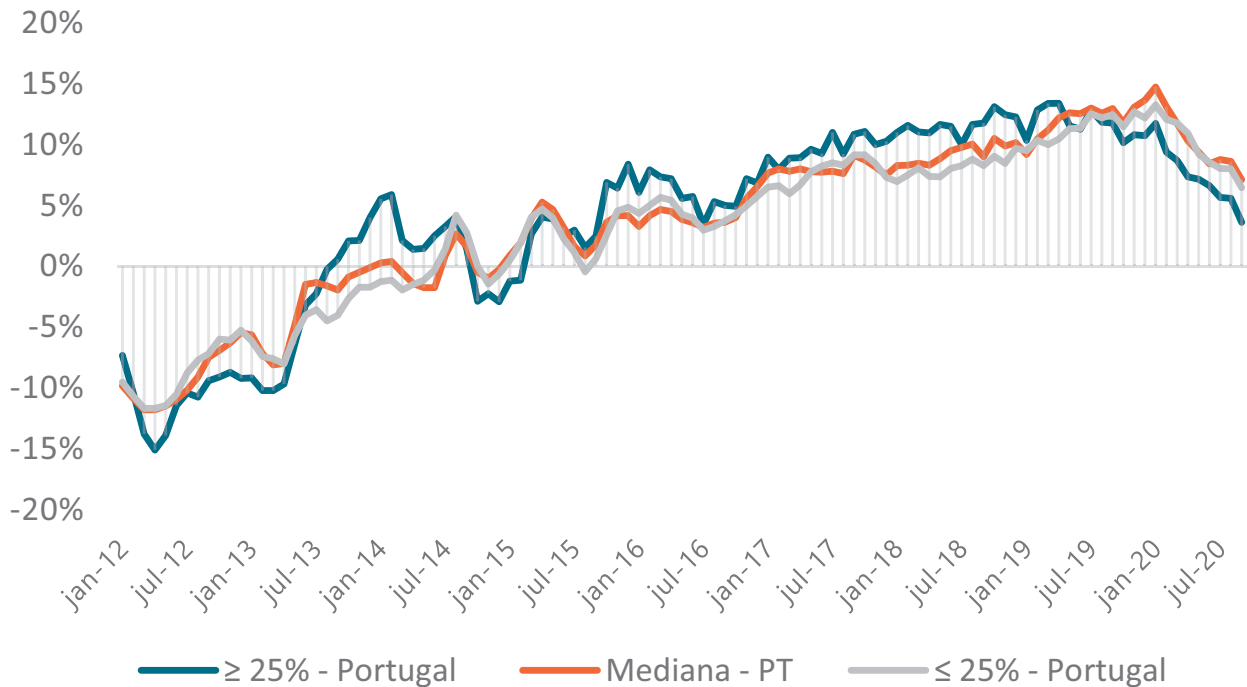
Market Liquidity



Conditions for  
investment in real estate  
remain



**Bank assessment value | Apartments | Year-on-year variation (%)**



As factors for leveraging more supply, we also have the continuing crisis in the tourism sector in general and the short term rental sector in particular, with many operators being unable to withstand a 2nd year with practically no income, with little chance of a return to near normality during the 2nd and 3rd quarters.

	<b>Median</b>	<b>≤ 25%</b>	<b>≥ 25%</b>
nov-20	7,1%	6,9%	3,8%
oct-20	7,3%	7,0%	4,1%
sept-20	7,1%	6,4%	3,6%
aug-20	8,6%	8,0%	5,6%
jul-20	8,8%	8,0%	5,6%
jun-20	8,4%	8,5%	6,6%

It should be noted that the Budget for 2021 , once again, amended the conditions regarding the taxation of capital gains (potential or actual). The allocation and discontinuation of buildings as shorte term rental are no longer considered transactions and as such are no longer subject to liability for and payment of capital gains tax, which is due in the event of the actual sale of the building.



## The moratorium on rents now provides for non-repayable grants

Decree Law no. 106-A/2020, of 30 December, altered the exceptional moratorium on rent payments, approved by Law no. 4-C/2020, of 6 April, reviewing the rules applicable to housing rental.

So, in the case of low-income loan borrowers, whose effort rate intended for the payment of rent is or becomes higher than 35% and lower than 100%, the loan of the Institute for Housing and Urban Renewal may be attributed in part, and through application, by way of non-refundable financial assistance. and if the effort rate is equal to or greater than 100%, the loan may be converted, in full, into non-refundable financial assistance, or rather, which does not have to be repaid.

Support for residential tenants now depends on verification of a drop of more than 20% in their household's income compared to the income of February 2020, the previous month, or of the same period of the previous year, and it is also necessary that the effort rate of the tenant's household is or becomes higher than 30% (until now it was 35%). The latter was introduced by Law no. 75-A/2020, also published on 30 December.

Residential landlords no longer receive any financial support from the IHRU

### Effort rate

**>35% and  
<100%**

**attributed in part by** way of non-refundable financial assistance.

### Effort rate

**>100%**

**may be converted in full** into non-refundable financial assistance

## Energy efficiency of buildings with stricter rules from 1 July 2021

Decree Law no. 101-D/2020, of 7 December, was published in the Diário da República, establishing the requirements applicable to buildings for improving their energy performance and regulating the Building Energy Certification System (SCE).



**CLASSE  
ENERGÉTICA**



In order to achieve a housing stock with almost zero needs, Decree Law no. 101-D/2020 establishes requirements both for new buildings and for existing buildings subject to renovation.

These levels will be subject to periodic review, at time intervals not exceeding five years.

For existing buildings subject to renovations, the applicable requirements largely follow the requirements for new buildings, varying according to the scale of the renovation.

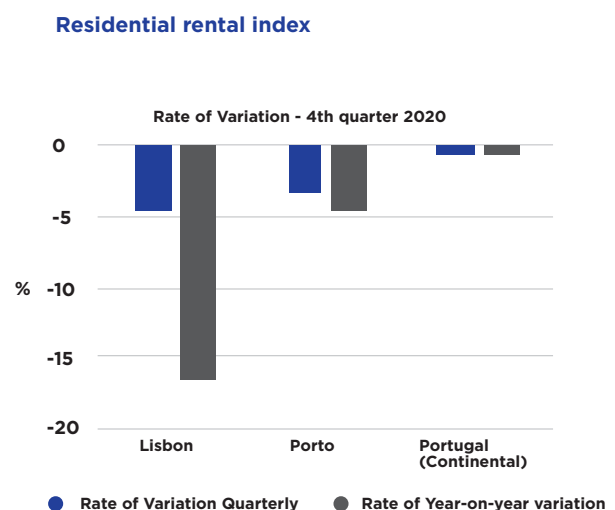
New or refurbished buildings for which the licensing procedure has started but has not been concluded before the new law came into force are exempted from the application of the requirements contemplated therein.

These requirements will be regulated until 1 July 2021.



## Rents in Lisbon fall 16.8% an return to 2017 levels

Housing rents contracted in Lisbon contracted sharply again in the 4th quarter of 2020, falling 4.8% on a quarterly basis and 16.8% year-on-year. Regardless of the time horizon used for comparison, the last quarter of 2020 was also the fourth consecutive quarter in which rents in the capital behaved negatively,





## RE/MAX Questionnaire

After having lived in a context of confinement:

# 54,7%

**are thinking about moving at the moment**



**77%**  
would like to move to a house



**78,7%**  
are reconsidering their way of living in the city

After the experience of quarantine:



**67,2%**  
would like to move to the outskirts of the city, or to somewhere less densely populated



**67,2%**  
are thinking about moving to a larger house

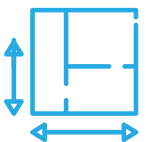
The next home must have:



**VERANDAS OR TERRACE**



**SMALL OFFICES OR STUDY AREA**



**DIVISIONS WITH BIGGER AREAS**



**70,5%**  
indicate that having a service with virtual/multimedia visits is a priority when putting the house up for sale