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Monthly report | Real estate market | August 2020



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



Economy

Monthly Economic Summary for June 2020 (source National Statistics Institute - INE)



Reduced economic activity compared with the same period in 2019, although less than that observed in the two previous months.



With the exception of tourism, all sectors show a recovery in activity and of the level of confidence.



The construction production index registered a year-on-year reduction of 8.7%, after having dropped by 13.3% in the previous month.



The Construction and Public works confidence indicator recovered partially in May and June from the sharper decrease experienced in April.



The recovery in the last month reflected the significant positive contribution of both components, estimates on the order book and employment prospects.

Real Estate

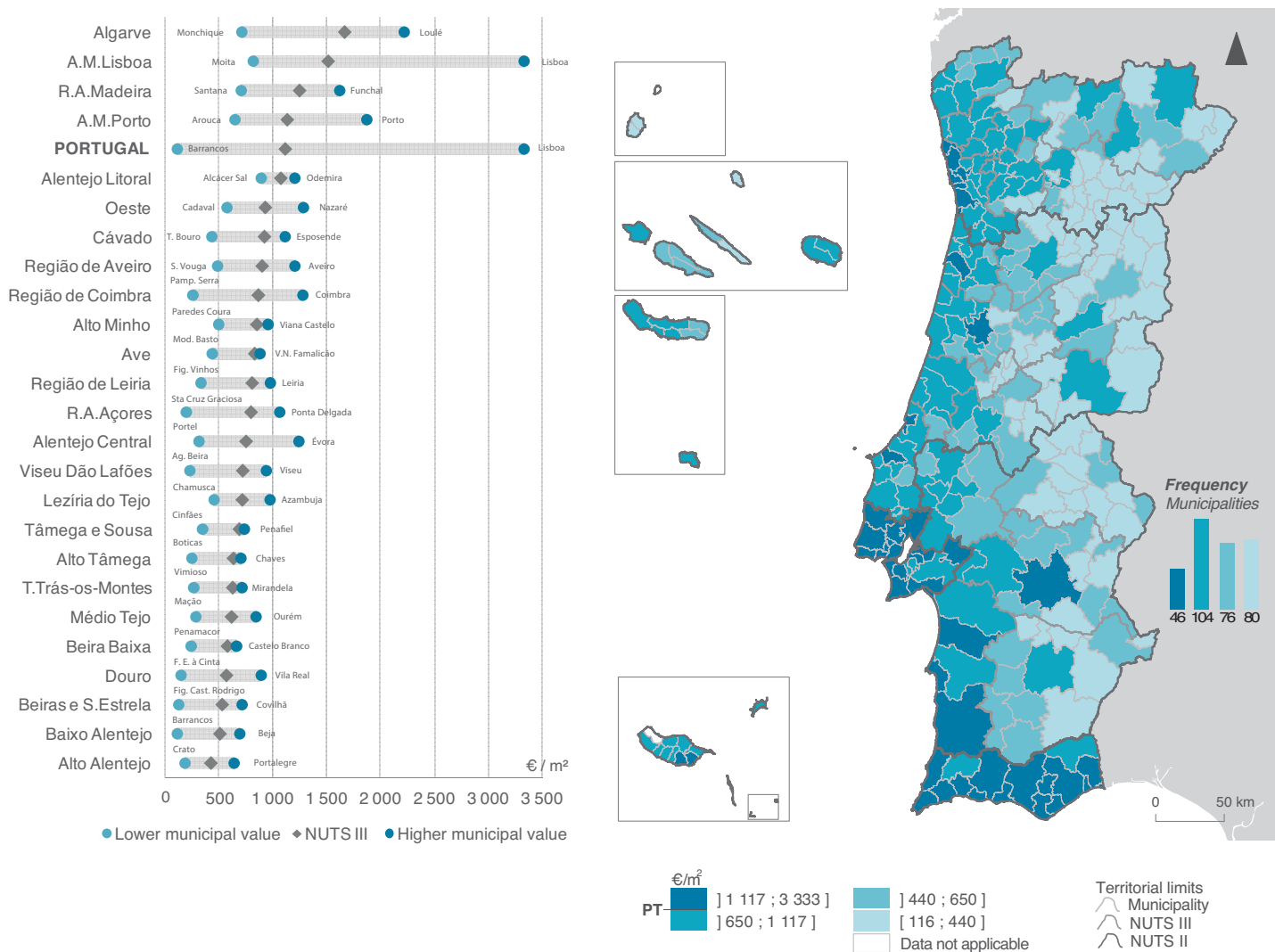


Reports were published by the INE and Confidencial Imobiliário with sales contract values relating to the 1st quarter and 2nd quarter, respectively.

Both reports will serve as a benchmark for the pre-pandemic period, seeing that, for the most part, they represent the results of business that has been closed and of promissory purchase and sale agreements before the pandemic. It will be the results of the following quarters that will reflect the new market.



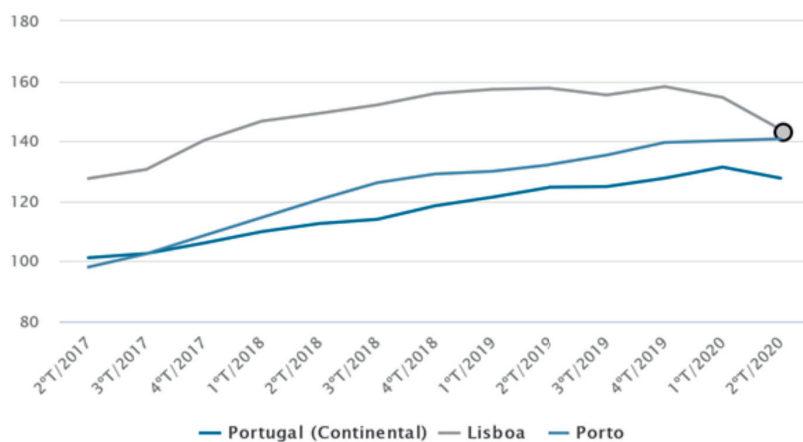
Median sales value per m2 of family accommodation, NUTS III and municipality, 1Q 2020



In Confidencial Imobiliário's index, the 2nd quarter of 2020 confirmed the trend of the 1st quarter, in which the rentals contracted had gone down by 1.8%. House rentals in Lisbon, now dropped 6.9% on a quarterly basis and 8.7% on a year-on-year basis.

RESIDENTIAL RENTAL INDEX

(2011=100)





Accessible rental

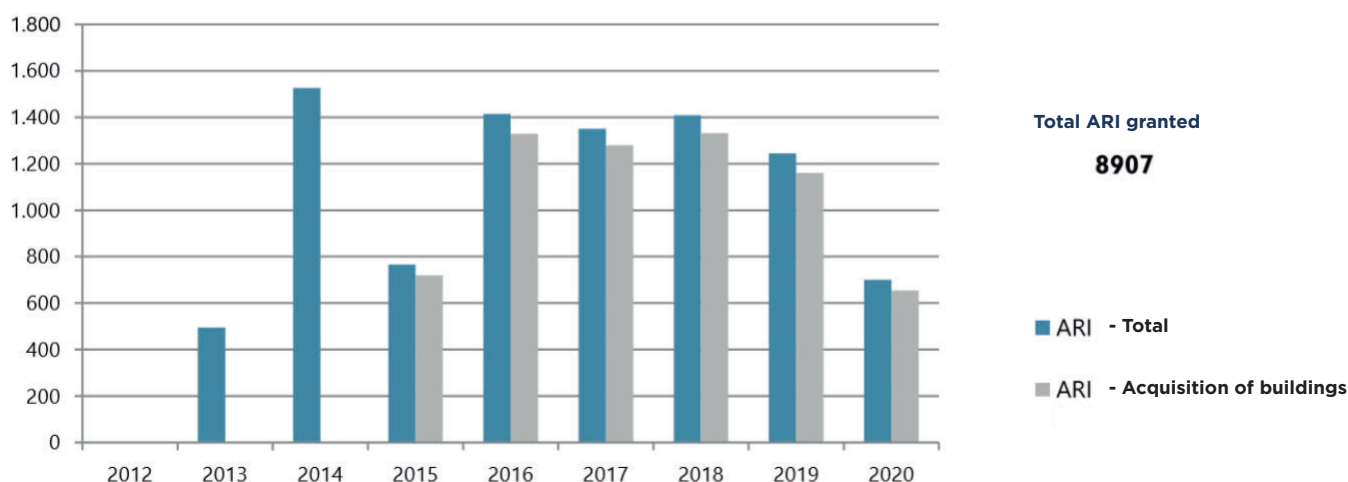
The results of the affordable rent programs promoted by the government (PAA - Affordable Rent Program) and Lisbon City Hall (PRS - Program Renda Segura) were published. The results are still below expectations considering the tax benefits attributed.

Results							
Applications						Av. No. of Contracts in free market in the same period	Properties Accepted
	Scope	Start	Properties	Tenants	No. of leases		
PAA	National	may/19	600	10400	292	6060	-
PRS	Municipal	may/20	338			560	167

Programs to attract Investment

The Golden Visa Program / ARI (Residence Permit for Investment Activity) has maintained a good pace of investment, from the point of view of cases concluded. 8,907 ARI were granted in 2020. The effects of the halt in the pace of transactions, due to the Covid 19 Pandemic, should only be seen in the 2nd semester.

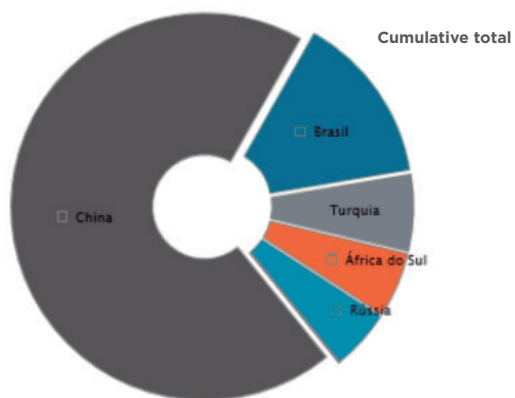
ARI granted by month and investment





ARI | Main nationalities per year

	2015	2016	2017	2018	2019	2020
China	573	848	538	485	394	164
Brazil	39	142	226	180	210	84
Turkey	0	0	0	295	85	47
South Africa	22	62	81	57	45	44
Russia	34	51	47	48	53	41



Total acumulado	
China	4.631
Brazil	947
Turkey	427
South Africa	364
Russia	337