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Monthly Report | Real Estate Market | August/September 2021



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

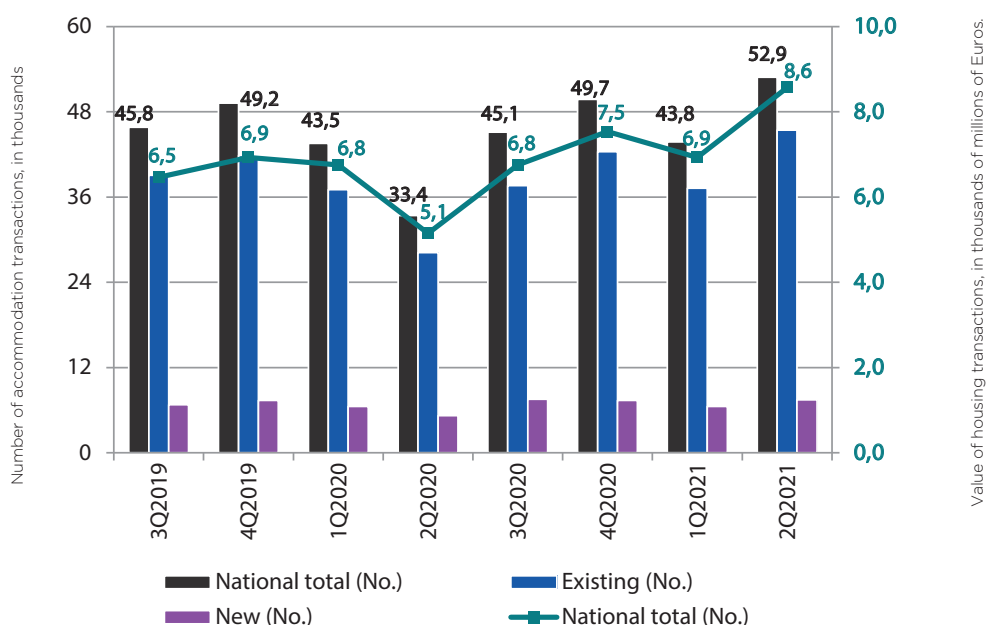


Another quarter, another record...

Another quarter, another record in terms of the number and value of housing transactions... and this time an absolute maximum!

Between April and June 2021, 52 855 dwellings were traded, in Portugal, which represents an increase of 58% by comparison with the identical period of 2020 and an increase of +24% compared to 2019. In the Lisbon Metropolitan Area (LMA) these values were slightly lower (+49% vs 2020, +19% vs 2019) and, in value, the increases were 40% up on 2019.

Indicator of the number and value of housing transactions, national total, existing and new, 3Q2019-2Q2021



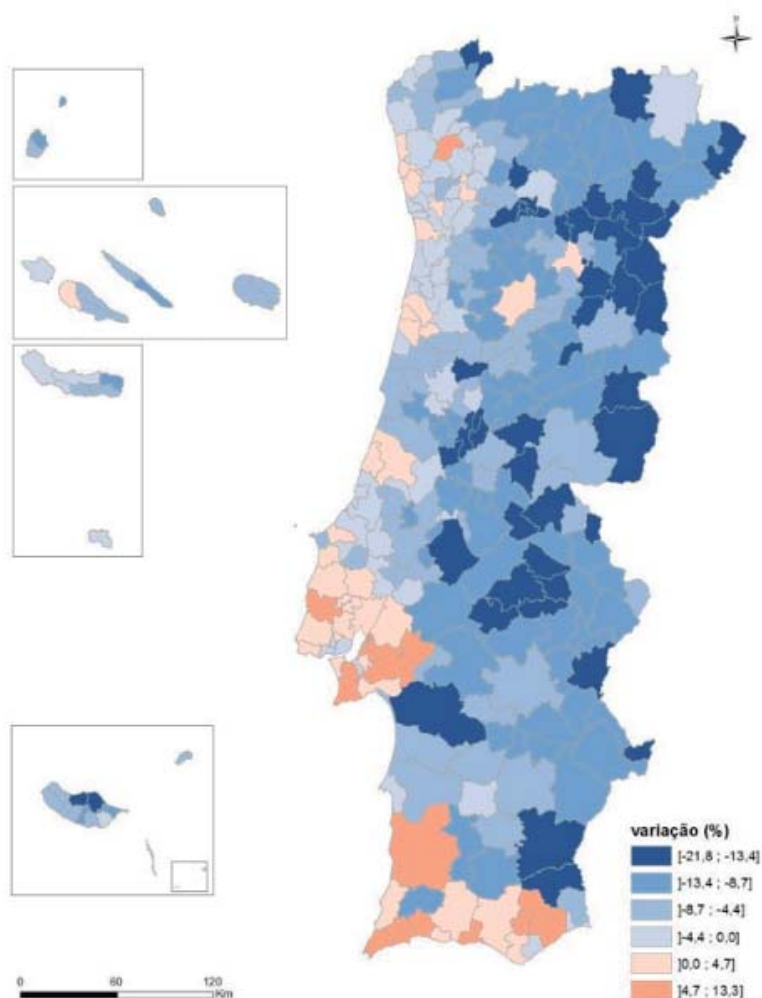
Fonte: INE, Housing Price Index.

This explosive increase partly stems from the postponement of some transactions from the 1st to the 2nd quarter, but more so from the improved health outlook, and the continued expansion of credit.



Despite the reduction in Population, the total number of households grew (but not in Lisbon...)

In the last decade Portugal has accentuated the pattern of coastalisation and concentration of the population near the capital. The Algarve and the Lisbon Metropolitan Area are the only regions to have recorded a growth in population. These **migratory movements partly explain why the decrease in population does not have a uniform impact on housing supply/demand but rather tends to aggravate the mismatch between supply and demand.**

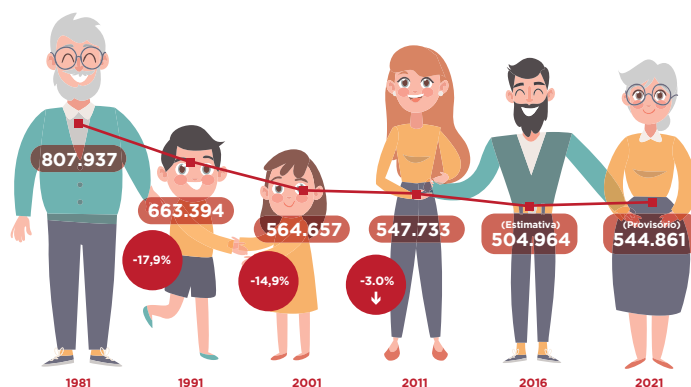




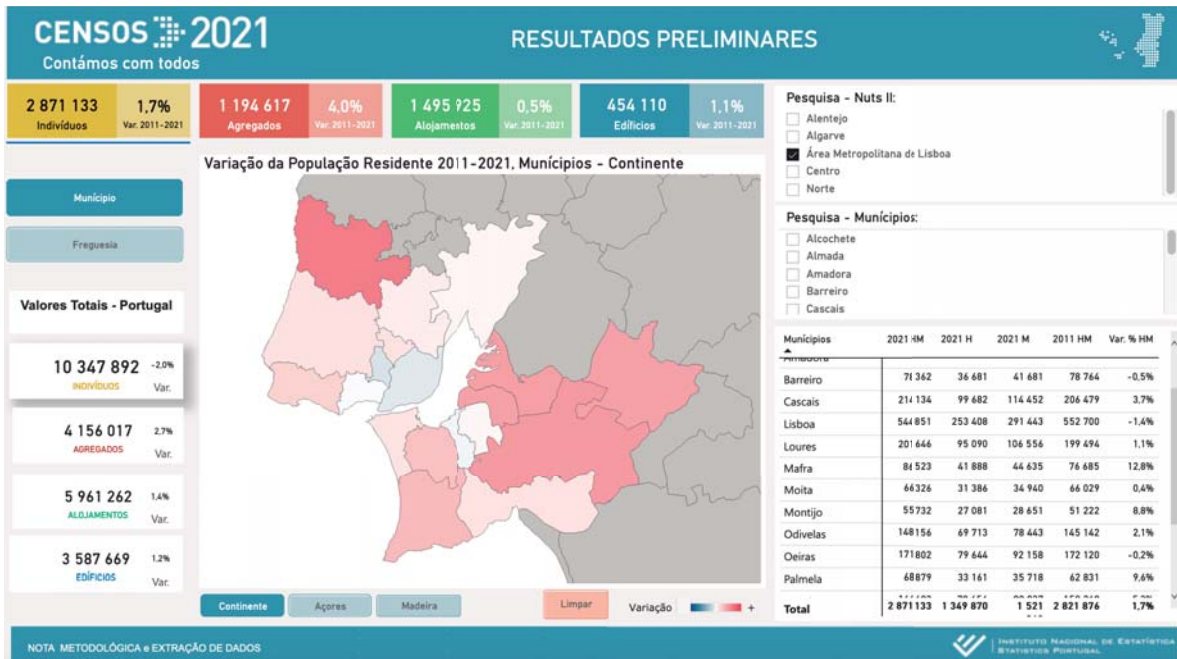
Municipalities	Resident population		Change 2011-2021	
	2011	2021	Nº	%
Lisboa	552 700	544 851	-7 849	-1,4
Sintra	377 835	385 954	8 119	2,1
Vila Nova de Gaia	302 298	304 149	1 851	0,6
Porto	237 591	231 962	-5 629	-2,4
Cascais	206 479	214 134	7 655	3,7
Loures	199 494	201 646	2 152	1,1
Braga	181 494	193 333	11 839	6,5
Almada	174 030	177 400	3 370	1,9
Matosinhos	175 478	172 669	-2 809	-1,6
Oeiras	172 120	171 802	-318	-0,2

In Lisbon, between 2011 and 2021, the reduction in residents was around 8,000 (far below what the National Statistics Institute (INE) itself predicted in 2016 - 504,000 residents and a reduction of 48,000) and that of households (representing the real demand for accommodation) of 3,600. The number of dwellings fell by 7,000 apartments (-2.1%) but is far from the number of short term rental record (>20,000, of which less than 3,000 are currently active), which confirms that a large part of these resulted from the recovery of previously vacant properties, on the one hand, and that there was possibly even an increase in residents in the second half of the decade.

Evolution of the resident population in the municipality of Lisbon between Censuses 1981 - 2011 and the estimate for 2016, no. and rate of change



Source: INE, Population and housing census - Censuses 1981, 1991, 2001, 2011; and INE, Annual estimates of resident population, 2016



Lease Market

In the 2nd quarter of 2021, there was an increase in the number of new leases compared with the same period a year earlier, in the 24 municipalities with more than 100 thousand inhabitants.

Of this group, one should note the municipalities of Porto (+115.9%), Lisbon (+87.7%) and Oeiras (+87.0%), with the highest year-on-year rates, but which simultaneously showed a reduction in the median lease (-0.2%, -3.2% and -0.8%, respectively). The city of Lisbon once again presented a negative year-on-year change for the 3rd quarter but at a lower percentage, which indicates that the market is moving towards normalisation. In view of the inverse behaviour of sale prices, new minimum levels have been reached in yields, which are now heading decisively towards 3% in the more central areas of the city.



Year-on-year rates of change of the median rent per m2 and of the number of new rental contracts for family accommodation in Portugal and Municipalities with more than 100 thousand inhabitants in 2Q 2021

