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Monthly Report | Real Estate Market | January 2023



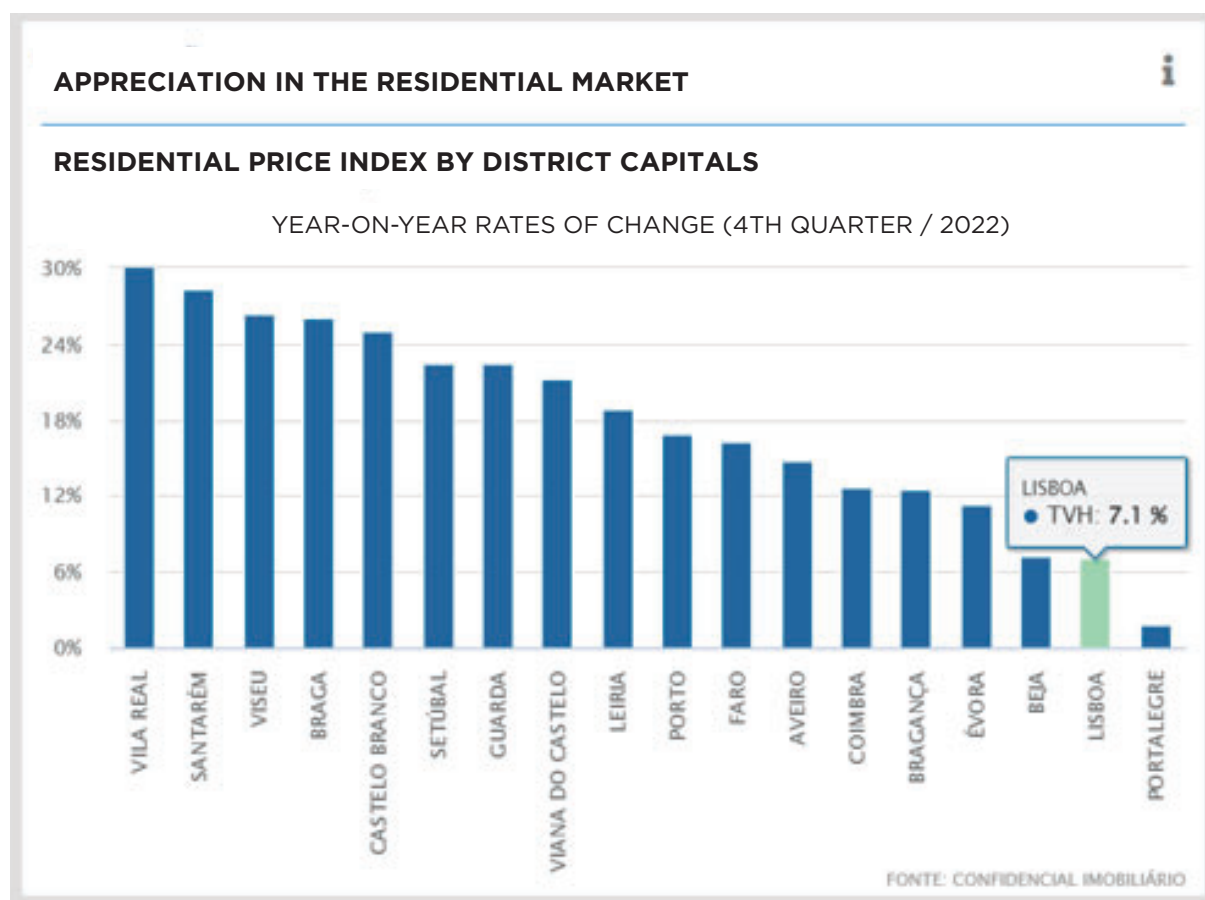
Lisboa | Linha de Cascais | Ribatejo | Master Minas Gerais, Brasil



## RESIDENTIAL PRICE INDEX BY DISTRICT CAPITALS

The year 2022 ended with a record increase in the Confidencial Imobiliário price index, but Lisbon and Porto were among those which increased least.

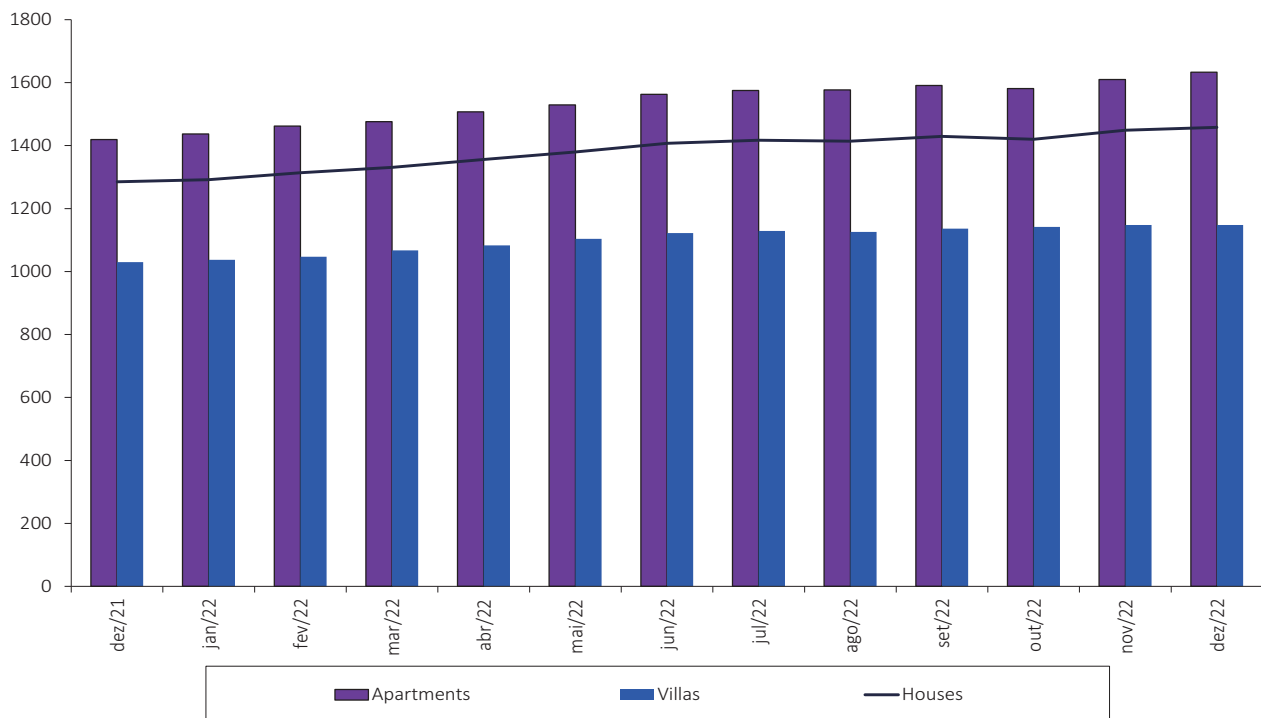
The 7% appreciation in prices in Lisbon means that, for the first time in the last 10 years, the value of buildings (after inflation) was negative in real terms.



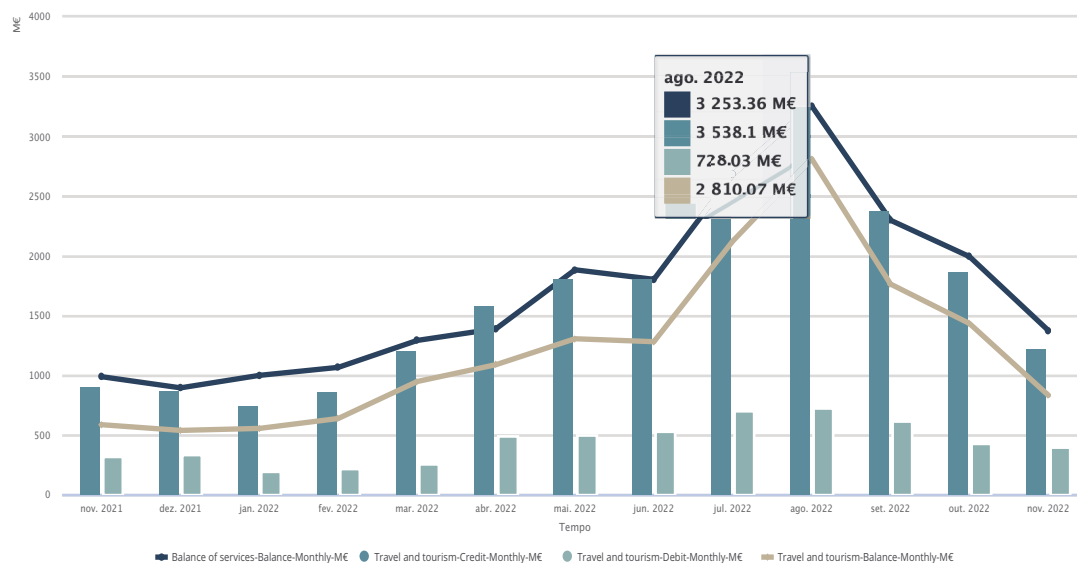


The average bank valuation of residential property was 1 458 Euros in December, 9 Euros more than in the previous month. On a year-on-year basis, the rate of change settled at 13.5% (13.9% in November). It should be noted that the number of bank valuations considered reduced for the seventh consecutive month, standing at around 24.2 thousand, which represents a reduction of 20.2% compared to the same period of the previous year and 27.0% less than in May last, the month which recorded the maximum of the series.

#### Average bank valuations of residential property (Amounts in euros/m2)



In a particularly difficult year for the Portuguese Trade Balance, which got certainly worse by more than 12 billion in relation to 2021 in the Balance of Goods, Tourism continued to be a lifeline for the Economy. Revenues and the balance (possibly improving by 8MM compared to 2021) reached records this year.



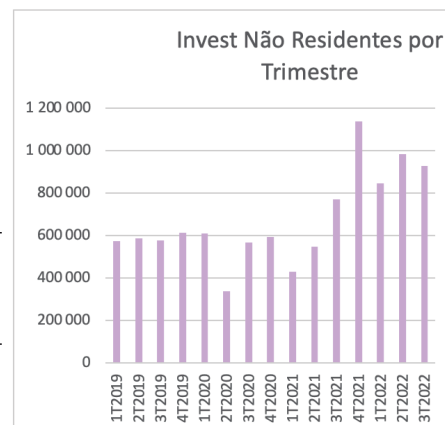
After Tourism, sale of residential real estate to non-residents (in the capital account balance) constitutes one of the main funding sources of the Portuguese economy. The “export” of real estate represents between double and triple of traditionally strong sectors of the economy such as Cork, Pulp and Paper or Textiles.

### Value (\*) and number of transactions of family dwellings - Tax residence of the purchaser National total, 1st quarter of 2019 - 3rd quarter of 2022

Período	Domicílio fiscal do comprador						Total Nresidentes
	TOTAL		Território Nacional		União Europeia	Restantes países	
	Valor (10 <sup>3</sup> euros)	Nº	Valor (10 <sup>3</sup> euros)	Nº	Valor (10 <sup>3</sup> euros)	Valor (10 <sup>3</sup> euros)	
1T2019	5 261 090	36 954	4 687 770	34 814	386 324	186 996	573 320
2T2019	5 414 806	36 681	4 829 218	34 524	366 516	219 072	585 588
3T2019	5 800 028	39 554	5 224 456	37 303	382 608	192 964	575 572
4T2019	6 136 268	41 676	5 523 805	39 413	369 930	242 533	612 463
1T2020	5 785 538	36 399	5 174 346	34 347	313 328	297 864	611 192
2T2020	4 125 502	26 379	3 787 735	25 209	159 241	178 526	337 767
3T2020	5 427 603	35 596	4 862 139	33 620	337 856	227 608	565 464
4T2020	6 098 441	39 139	5 504 167	37 083	338 217	256 057	594 274
1T2021	5 595 240	34 614	5 164 353	33 155	208 215	222 672	430 887
2T2021	6 933 006	41 736	6 385 013	40 023	245 002	302 991	547 993
3T2021	7 345 978	43 447	6 574 757	40 989	318 638	452 583	771 221
4T2021	8 225 207	45 885	7 088 832	42 592	374 368	762 007	1 136 375
1T2022	8 081 797	43 544	7 237 374	40 988	379 725	464 698	844 423
2T2022	8 287 705	43 607	7 303 238	40 824	452 747	531 720	984 467
3T2022	8 051 492	42 223	7 121 994	39 456	420 749	508 749	929 498

Nota: (\*) Por razões de arredondamento dos valores os totais podem não corresponder exatamente à soma das parcelas.

Fonte: Instituto Nacional de Estatística, Departamento de Contas Nacionais





In 2022, the concession of Golden Visas / Residence Permits for Investment generated an investment of 654.2 million Euros, 41.9% more than in 2021. The fears that the geographic limitations, which came into force this year, “would kill” this program were thus not confirmed.

1,281 Residence Permits for Investment were attributed, 0.75% of around 170,000 transactions/year. Even assuming that all of these were in the Lisbon Metropolitan Area, this would only represent 2.5%. From another angle, these also only represent around 10% of purchases by non-residents.

October marked the 10th anniversary of this program. Since its creation 11,535 Residence Permits for Investment have been attributed, 10,593 through property investment, totalling 6,041 million Euros.

**China stands out with 5,247 visas granted, followed by 1,168 for Brazil and 546 for Turkey. Mention should also be made of 537 for the United States and 507 for South Africa.**

## Relevant Transactions

Novo Banco, BCP and Caixa Geral de Depósitos concluded the sale of ECS funds to US fund Davidson Kempner Partners for around 850 million Euros, according to a statement to the CMVM.

Deka Immobilien sold the Zara shop, situated in Rua Augusta, in Lisbon. It was considered the «biggest transaction ever of a single high street shop in Portugal». The shop has an area of around 2,500 m<sup>2</sup>.