

## May 2024 RICS/Ci Portuguese Housing Market Survey

### Market backdrop remains steady

- Buyer enquiries remain steady
- House prices edge higher
- Tenant demand continues to rise

#### Summary:

The May 2024 iteration of the RICS/Ci PHMS points to a largely steady picture across the sales market, with most metrics remaining in and around neutral territory. Elsewhere, the rising trend in demand across the rental market appears to have been maintained, while a lack of new rental properties being listed also continues to be cited.

Starting with new buyer enquiries, the latest reading came in at zero, which is little changed from last month's -2%. As such, this again points to a stable picture for demand within the sales market. New instructions have also remained generally flat, with the net balance reading for May seeing only a 1pp fall from last month's figure of -4%.

Moving onto the volume of sales, this indicator has shown a slight decrease in negativity, posting net balance reading of -7% in May, up from April's -11%. As expressed in previous months, there remains a deviation between the current sales picture and expectations for sales over the next 3-months. Indeed, the forward-looking sales metric registered a reading of +12% this time around, marking the third consecutive monthly increase in the net balance for this indicator.

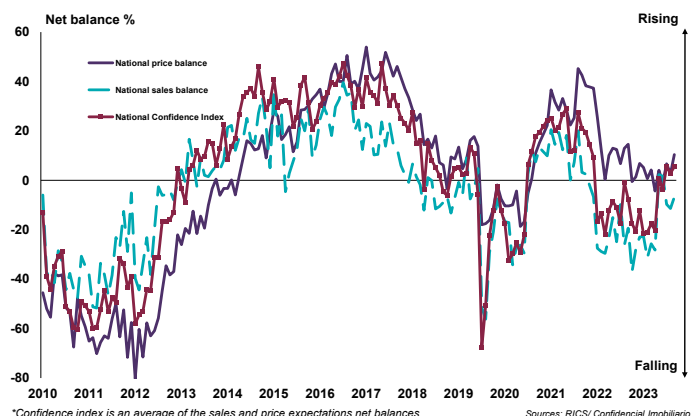
Alongside this, the net balance for house prices saw a slight increase from +3% to +10% in May, signalling there has been a modest upward trend emerging of late. Looking at price expectations over the next 3 months, however, suggests the outlook is relatively flat in the near-term given this net balance remains in neutral territory at -1%. At a 12-month time horizon though, the outlook for house prices remains clearly positive, with a net balance of +36% of respondents anticipating an uplift.

In the lettings market, tenant demand rose at a firm pace, in net balance terms, recording a reading of +33% (marginally higher than last month's +30%). At the same time, rental prices increased according to a net balance of +18% of contributors, up from a reading of +13% beforehand. That said, rental growth expectations for the coming three-months turned a little more moderate, posting a net balance of +12% compared to last month's figure of +19%.

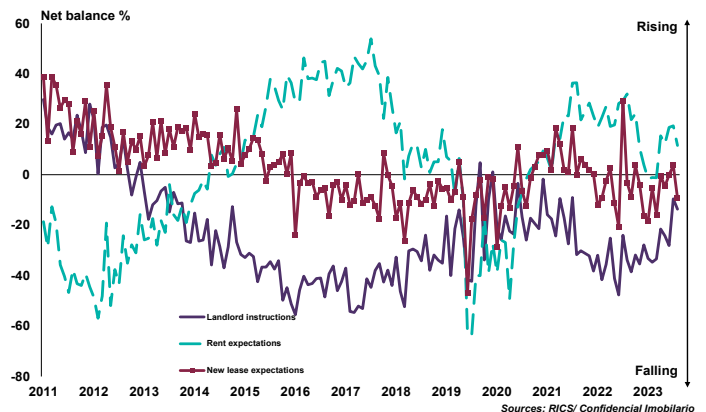
**Ricardo Guimarães, Director of Ci:** "The market is facing a phase of instability. On one hand, future expectations are positive, driven by an improved interest rate climate and favourable economic outlook, especially at the national level. However, on the other hand, the sentiment around past activity points to a small decline in transaction levels, contradicting past and present expectations. Some players mention that the new governmental package of measures are causing buyers to postpone their investment decisions as they wait for those policies to be implemented. This is a case of good news causing harm."

**Tarrant Parsons, RICS Senior Economist:** "Having displayed solid momentum of late, Portugal's economic growth is expected to comfortably surpass the Eurozone average this year. The recent improvement is largely due to rising disposable incomes and strengthening consumer confidence. Going forward, financial conditions are anticipated to ease if further policy interest rate cuts are delivered by the ECB later this year. The positive expectations exhibited within the property market echoes the general steadiness of economic conditions in the country as macroeconomic headwinds dissipate."

**Chart 1: Sales market indicators**



**Chart 2: Lettings market indicators**



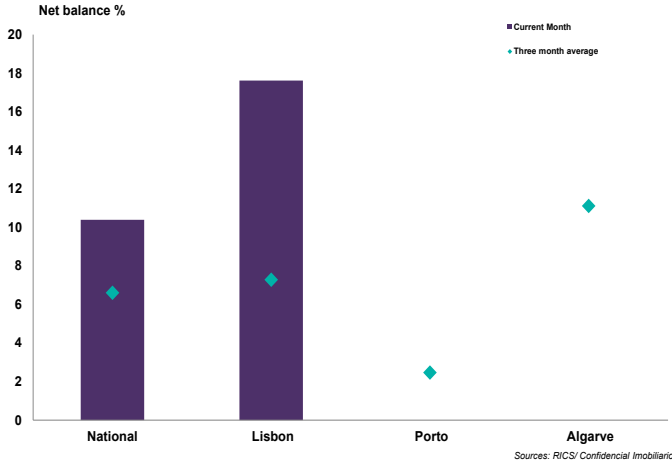
The RICS/Ci Portuguese Housing Market Survey (PHMS) provides a qualitative monthly assessment of the sales and lettings sectors based on around 100 regular responses. The PHMS contains a regional breakdown covering Lisbon, Porto and the Algarve.

To be put on the automatic press release distribution list for receipt on the morning of the embargo date e: [tparsons@rics.org](mailto:tparsons@rics.org)

Sponsored by:

# Sales Market Charts

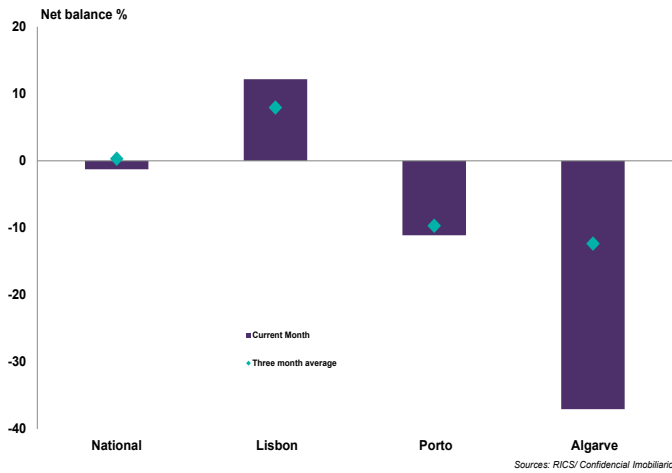
Prices (last three months) by Region



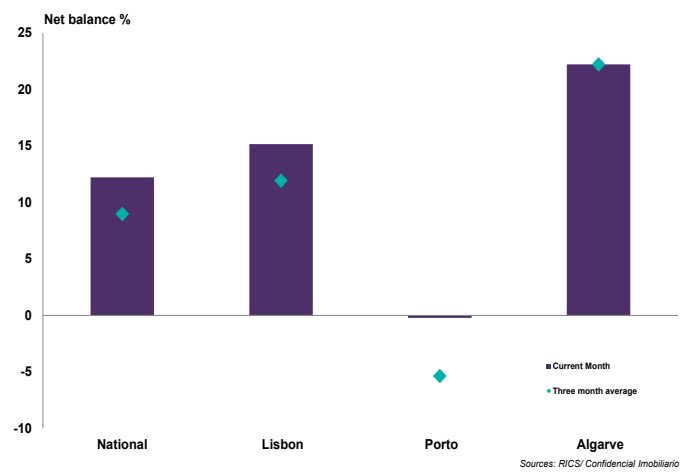
Promised Sales (past month) by Region



Price Expectations (next three months) by Region



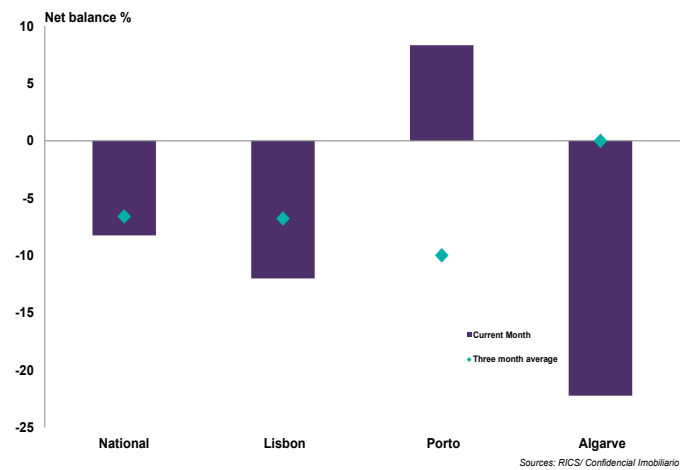
Sales Expectations (next three months) by Region



New Buyer Enquiries (past month) by Region



New Instructions to Sell (past month) by Region



# Information

## For further information please contact:

Ci Press Office: Ricardo Guimarães

Tel: +351 22 208 50 09/+351 93 222 24 84

Email: rguimaraes@ci-iberica.com

RICS Press Office (Portugal): Eulalia Pensado

Tel: +351 91 3705119

Email: epensado@rics.org

### Management:

Tarrant Parsons

Tel: +44 (0)20 7695 1585

Email: tparsons@rics.org

## About RICS

RICS is a global professional body. We promote and enforce the highest professional qualification and standards in the development and management of land, real estate, construction and infrastructure. Our name promises the consistent delivery of standards – bringing confidence to the markets we serve. The work of our professionals creates a safer world: we are proud of our profession's reputation and we guard it fiercely.

## About Ci

Ci - Confidencial Imobiliário is an independent company dedicated to supplying real estate market professionals with the statistical information required for their investment and strategic decision making. Ci specializes in producing market intelligence indicators, indices and exclusive databases on the housing market, covering both supply and transactions, typically in high geographical detail. One of its main products is the Index Ci, which is the most referred to house price index in Portugal. Given its credibility and independence, the Index Ci is used by entities like the European Central Bank, the Bank of Portugal and the Portuguese Government.

## Survey sponsors

Both RICS and Ci are grateful to BPI, IMPIC and Millennium bcp for supporting the survey.

# Notes to editors

## About:

- The RICS/Ci Portuguese Housing Market Survey is a monthly sentiment survey of estate agents and developers who operate in the Portuguese residential sales market.

## Regions:

- Three regions make up the national (headline) readings: Lisbon Metropolitan Area, Oporto Metropolitan Area and the Algarve. The data is regionally weighted and operator (agent/developer) weighted.

## Questions asked:

1. How have house prices have changed over the **last three months**? – Net balance
2. Over the **last month** how did the number of 'promised' sales change? – Net balance
3. Over the **last month** how have the number of new enquiries changed? – Net balance
4. Over the last month how has the number of new instructions changed? – Net balance
5. Over the **next three months** how do you expect house price levels to change? – Net balance
6. Over the **next three months** how do you expect the number of agreed sales to change? – Net balance
7. Over the **next twelve months** how do you expect house price levels to change – Point estimate
8. Over the **next five years** how do you expect house price levels to change (average per year) – Point estimate
9. Over the **last month** how has tenant demand for rented accommodation changed? – Net balance
10. Over the **last month** how have new instructions to let rented accommodation changed? – Net balance
11. Over the **last month** how have residential rents changed? Net balance
12. Over the **next three months** how do you expect residential rents to change? – Net balance
13. Over the **next three months** how do you expect residential rental transactions to change? – Net balance

## Net balance data:

- **Net balance = Proportion of surveyors reporting a rise in prices minus those reporting a fall (if 30% reported a rise and 5% reported a fall, the net balance will be 25%).**
- Net balance data is opinion based; it does not quantify actual changes in an underlying variable.
- Net balance data can range from -100 to +100.
- A positive net balance implies that more respondents are seeing increases than decreases (in the underlying variable), a negative net balance implies that more respondents are seeing decreases than increases and a zero net balance implies an equal number of respondents are seeing increases and decreases.
- Therefore, a -100 reading implies that no respondents are seeing increases (or no change), and a +100 reading

implies that no respondents are seeing decreases (or no change).

- In the case of the RICS/Ci price balance, a reading of +10 should not be interpreted as RICS/Ci are saying that house prices are going up by 10%, but that 10% more surveyors reported increases rather than decreases in prices (over the last three months).
- A change from +30 to +60 does not mean that the variable grew by 30% in one period and by 60% in the next period, but it does indicate that twice as many surveyors reported an increase compared to a decrease than in the previous period.
- Likewise, if we get a reading dropping from +90 to +5, this still means that more respondents are reporting increases than decreases overall, but the breadth of those reporting increases has fallen dramatically; meanwhile, a shift in the reading from -90 to -5 still means that more respondents are reporting decreases than increases overall, but the breadth of those reporting decreases has fallen dramatically.

## Seasonal adjustments:

- The RICS/Ci Portuguese Housing Market Survey data is not seasonally adjusted.

## RICS/ Ci Confidence Index:

- The RICS/ Ci Confidence Index is an average of the Sales Expectations net balance and Price Expectations net balance.
- This is intended as a summary measure of confidence overall.

## Third party distributors:

- The RICS/ Ci PHMS national data set is available to users of Macrobond.

## Delivering confidence

We are RICS. Everything we do is designed to effect positive change in the built and natural environments. Through our respected global standards, leading professional progression and our trusted data and insight, we promote and enforce the highest professional standards in the development and management of land, real estate, construction and infrastructure. Our work with others provides a foundation for confident markets, pioneers better places to live and work and is a force for positive social impact.

Americas, Europe, Middle East & Africa

[aemea@rics.org](mailto:aemea@rics.org)

Asia Pacific

[apac@rics.org](mailto:apac@rics.org)

United Kingdom & Ireland

[contactrics@rics.org](mailto:contactrics@rics.org)



[rics.org](http://rics.org)