

## January 2025 RICS/Ci Portuguese Housing Market Survey

### Feedback points to continued strength in sales market conditions

- **New instructions pick up**
- **House prices remain on an upward trajectory**
- **Tenant demand appears to cool**

#### Summary:

The feedback from the January 2025 edition of the RICS/Ci PHMS aligns closely with the sentiment observed in the previous survey. Notably, the sales market continuing to gain momentum, with positive expectations also evident. In contrast, the rental market looks to be seeing a bit of a cooldown, with both current conditions and future expectations showing a somewhat softer trend.

New buyer enquiries have seen a slight uptick, with the net balance increasing from +6% last month to +9% this month. On the supply side, there has been a significant rise in new instructions coming to market, with the net balance shifting from -28% last month to a positive +7% this month. This pick-up in instructions has been largely driven by a stronger performance in Lisbon, where the net balance rose from -34% to +10%.

Looking at the volume of sales, growth remains largely consistent with last month's picture, as evidenced by the net balance moving from +10% to +8%. Looking forward over the next three months, sales expectations remain solid albeit slightly cooled, with the latest reading of +13% marking a slight fall from December's +22%.

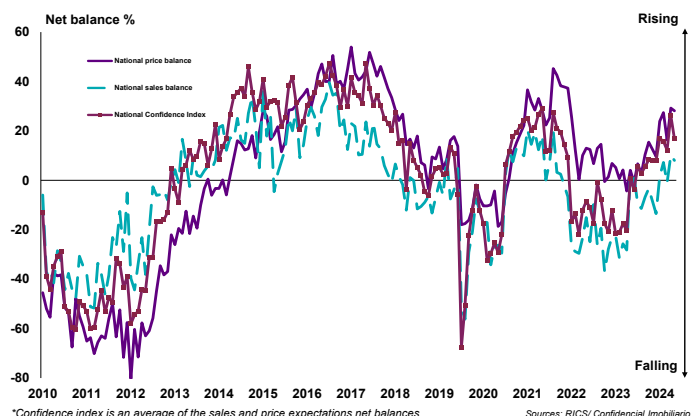
House price growth remains strong, as indicated by January's net balance of +28% being firmly in positive territory and almost unchanged from last month's +29%. Over a twelve-month time horizon, price expectations also remain elevated despite a 9pp from last month to +52% this month.

Across the lettings market, although still in positive territory, the tenant demand measure has eased noticeably, with the net balance dropping to +16% from +31% in December. Interestingly, it appears as though the mismatch between supply and demand in the rental market has narrowed with landlord instructions moving closer to neutral territory with a -4% net balance — an improvement from the strongly negative readings seen in recent months. This change in market dynamics may explain the stabilisation of rental prices, with January's net balance of zero, down from +21% last month (and ending the trend of consistently ascending rents). Rental expectations have also been pared back, posting a reading of +5% for December 2024, down from the +25% seen in the preceding month and signalling a more mellow outlook going forward.

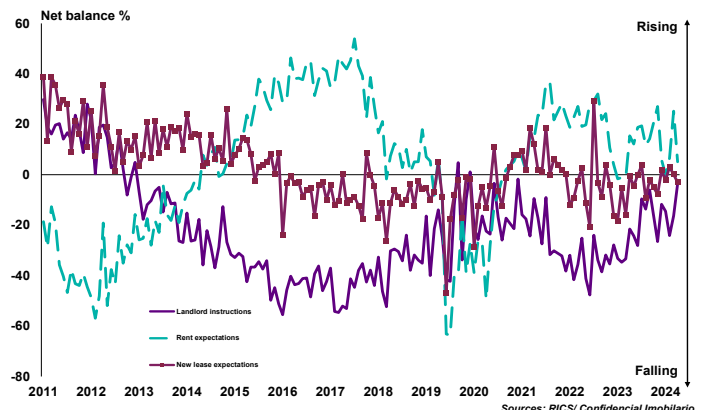
**Ricardo Guimarães, Director of Ci:** "Now more than ever, uncertainty appears to be the only thing that can be taken as certain according to comments from those in the market. Nevertheless, the market figures remain very strong and positive, with the number of transactions estimated to have continued increasing in January when compared to December, according to the SIR database. The same can be said about prices which are accelerating again, with January's Confidencial Imobiliário HPI reaching a yoy variation of 11.9%, surpassing the 11% mark for the fourth consecutive month."

**Tarrant Parsons, Head of Market Analytics:** "Portugal's strong economic performance in the latter part of 2024 exceeded growth projections, leading to upward revisions for 2025 forecasts. This is evident in housing market dynamics, particularly in the sales sector, which continues to gain positive momentum. However, the anticipated tariffs by the Trump administration, along with any potential reciprocal measures taken by the EU, could present challenges to the country's trade outlook."

**Chart 1: Sales market indicators**



**Chart 2: Lettings market indicators**



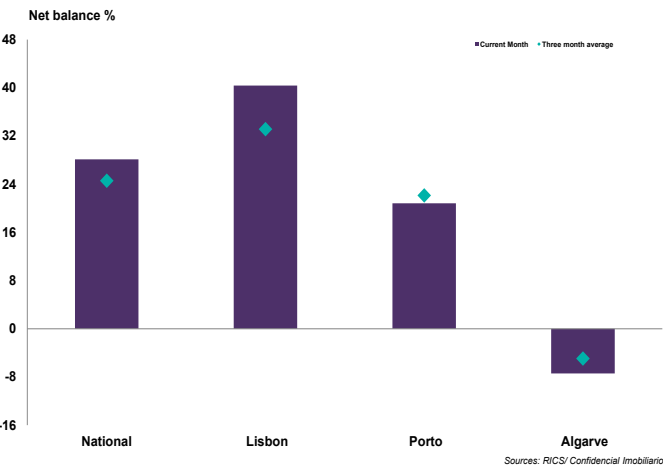
The RICS/Ci Portuguese Housing Market Survey (PHMS) provides a qualitative monthly assessment of the sales and lettings sectors based on around 100 regular responses. The PHMS contains a regional breakdown covering Lisbon, Porto and the Algarve.

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)

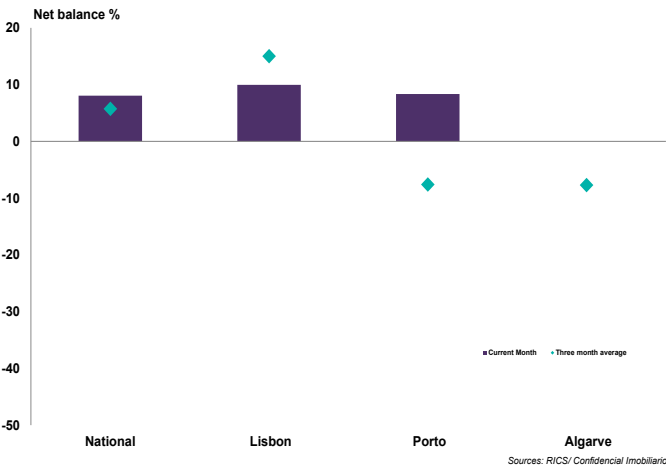
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# Sales Market Charts

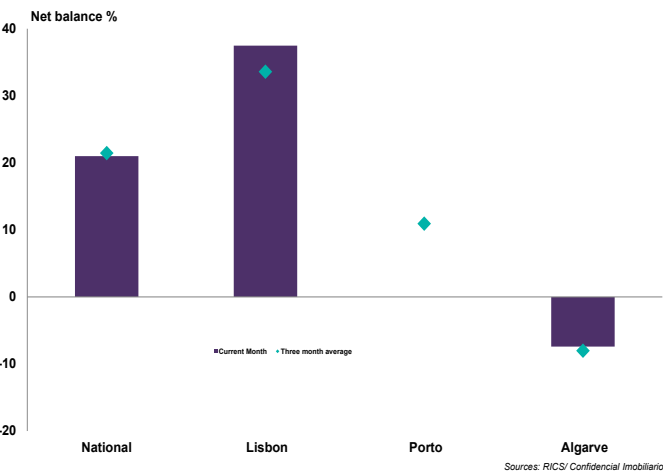
Prices (last three months) by Region



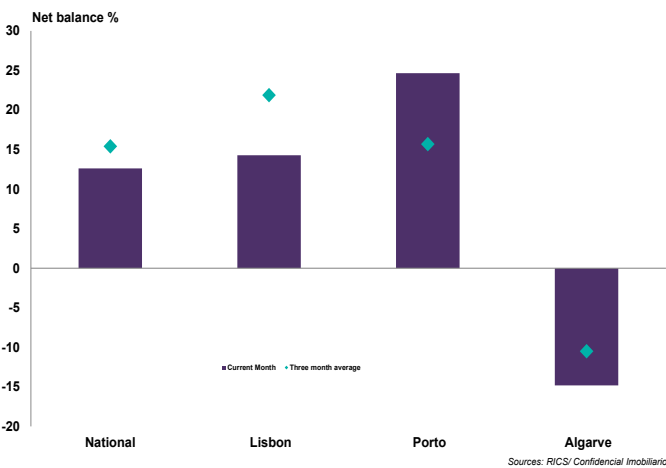
Promised Sales (past month) by Region



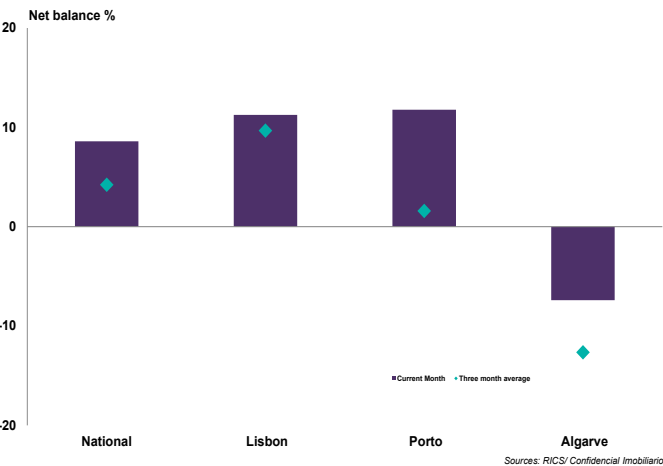
Price Expectations (next three months) by Region



Sales Expectations (next three months) by Region



New Buyer Enquiries (past month) by Region



New Instructions to Sell (past month) by Region



# Information

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## Survey sponsors

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

## 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.

# 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.

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