

June 2025 RICS/Ci Portuguese Housing Market Survey

Sales market activity reportedly flat over the month

- **Aggregate buyer demand holds steady but regional variations persist**
- **House price growth remains solid despite cooling slightly**
- **Tenant demand continues to outpace supply**

Summary:

The June 2025 iteration of the RICS/Ci PHMS continues to reflect a flat picture across the sales market at present, with forward-looking indicators also remaining somewhat subdued. In the rental market, the imbalance between supply and demand persists, with little indication of any near-term easing.

Within the sales market, new buyer enquiries remained flat for a second consecutive month, with the latest reading of +3% largely unchanged from +2% in the previous month. However, a regional breakdown reveals a mixed picture. Indeed, while the demand measure has gained momentum in Lisbon, rising from a net balance of +3% to +14%, it has deteriorated in both Porto (from zero to -11%) and the Algarve (from 0% to -15%). On the supply side, new instructions remain notably weak, with June 2025 recording another deeply negative reading of -33% in net balance terms.

Alongside this, agreed sales remain steady, with the latest net balance seeing minimal change at +1% (compared to -1% last month). Looking ahead, sales expectations over the next three months remain soft, posting a net balance of zero - down marginally from +3% in May.

House price growth remains solid, with the latest net balance firmly in positive territory at +20%. That said, this is slightly less elevated than the figure of +30% seen in the previous month. This upward pressure on prices is expected to persist over both the next three and twelve months, as indicated by net balances of +16% and +64% respectively for forward-looking indicators. Even so, it should be noted that this three-month outlook is a little softer than the readings recorded in April (+30%) and May (+23%).

Turning to the lettings market, tenant demand has strengthened further, with a net balance of +27% of respondents reporting an increase - up from +17% the previous month. On the supply side, the flow of new rental properties entering the market remains firmly negative, recording a net balance of -13%. While this represents a slight improvement from May's -19%, the persistent imbalance between supply and demand continues to put upward pressure on rents. Reflecting this trend, the indicator tracking current rental price growth rose to a net balance of +24%, up from +19% last month. Rental expectations have also picked up to a certain extent, with the net balance rising from +3% to +11%.

Ricardo Guimarães, Director of Ci: "Tariff fluctuations appear to be overshadowing market expectations. Beyond their impact on economic growth and employment, there is growing concern amongst market players that we may be entering a new cycle of high interest rates - once again constraining consumers' purchasing power. These fears are dampening developers' willingness to launch new projects, especially those oriented towards middle-class families and affordable housing. Despite this, the lack of housing inventory continues to drive upward pressure on prices which is posing challenges for both developers and buyers. The main beneficiaries are those with existing inventory available for sale."

Tarrant Parsons, Head of Market Analytics: "Although the economy contracted slightly in Q1, recent income tax cuts and pension top-up payments are expected to support Portugal's growth outlook moving forward. In addition, the recent easing of interest rates, coupled with rising disposable incomes and persistently low housing supply, may help explain the continued house price growth observed in the survey. Although the recent trade agreement between the US and the EU should remove some level of uncertainty, these higher tariffs are expected to reduce GDP growth slightly across the continent."

Chart 1: Sales market indicators

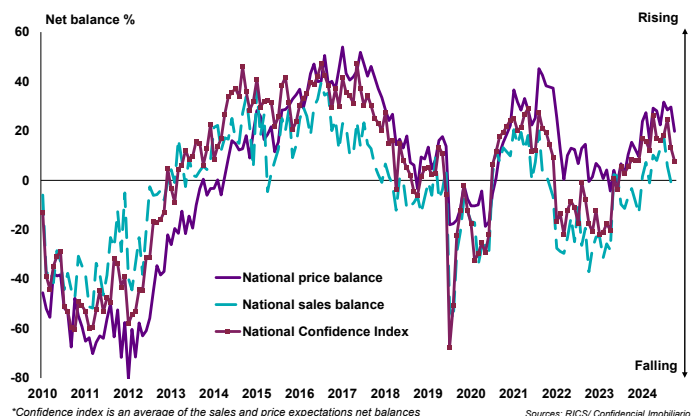
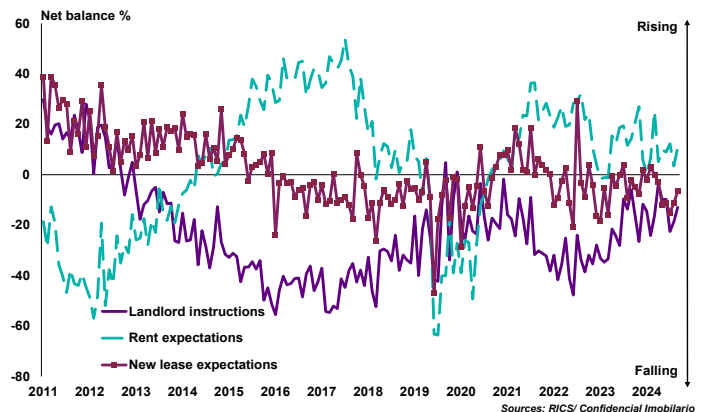


Chart 2: Lettings market indicators



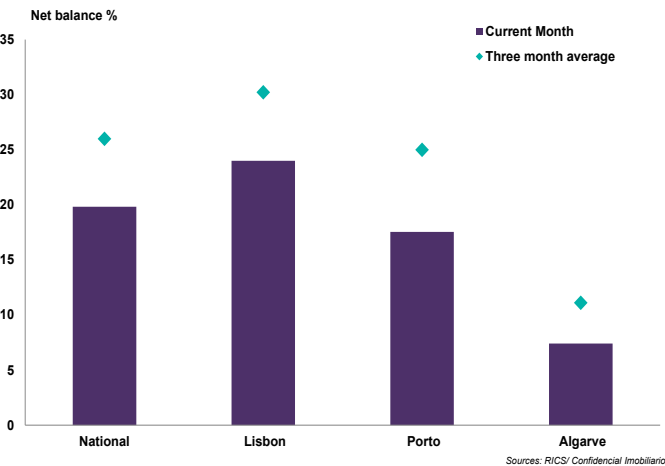
The RICS/Ci Portuguese Housing Market Survey (PHMS) provides a qualitative monthly assessment of the sales and lettings sectors based on around 100 regular responses. The PHMS contains a regional breakdown covering Lisbon, Porto and the Algarve.

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

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Sales Market Charts

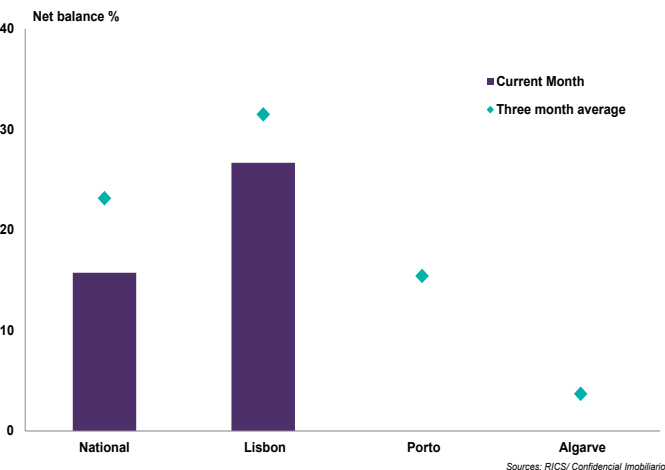
Prices (last three months) by Region



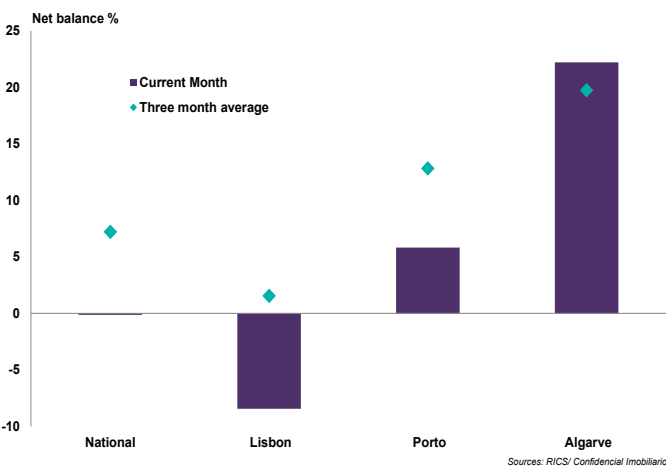
Promised Sales (past month) by Region



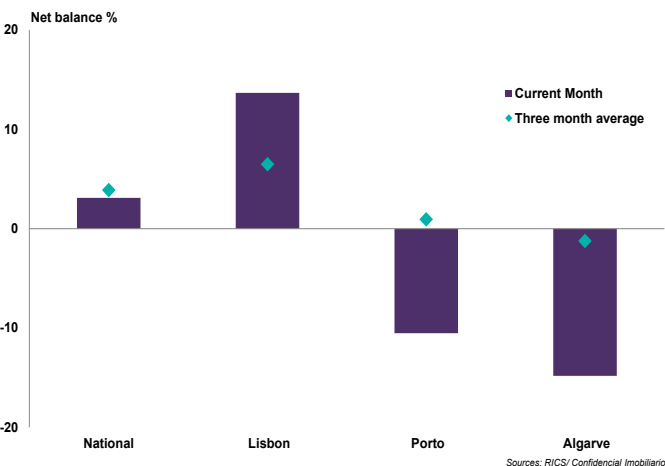
Price Expectations (next three months) by Region



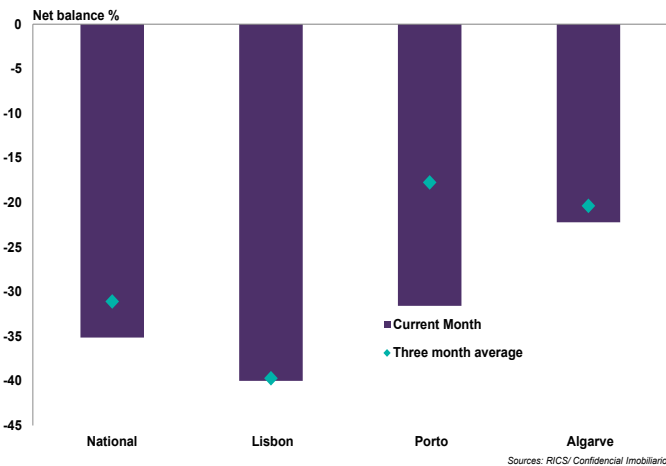
Sales Expectations (next three months) by Region



New Buyer Enquiries (past month) by Region



New Instructions to Sell (past month) by Region



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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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