

March 2025 RICS/Ci Portuguese Housing Market Survey

Sales market gains further momentum

- **Buyer demand rises markedly**
- **House prices continue to increase firmly**
- **Mismatch between tenant supply and demand widens**

Summary:

The feedback to the March 2025 iteration of the RICS/Ci PHMS continues to point towards a strengthening sales market with several metrics showing upwards movement compared to last month. Elsewhere, the rental market appears to have picked up slightly with respect to current conditions, however, forward-looking sentiment continues to display a softer trend.

New buyer enquiries saw a noticeable increase in March, with the net balance rising to +19%, up from +4% last month. Moreover, this marks the fourth consecutive month of positive readings - a clear reversal from the consistently negative figures recorded throughout much of 2024. On the supply side however, the flow of new instructions to the market shows no improvement, with the net balance holding steady at -13% and still firmly in negative territory.

Moving over to the volume of sales, this month's net balance of +18% marks the third successive expansion in this metric. Looking ahead, sales expectations remain robust over a three-month time horizon, as evidenced by the latest reading of +14% being largely in line with the figures observed over recent months.

House prices continue to gain momentum, with March's net balance rising by 10pp to +32%, marking the strongest reading since August 2022. When disaggregating this figure by region, the headline increase was primarily been driven by Lisbon, where the net balance rose markedly from +22% to +38%. Over the next twelve months, this upward trend is expected to grow stronger still, with a headline net balance of +61% of respondents foreseeing prices moving higher (a 9pp rise from the reading last month).

Across the lettings market, tenant demand remains on a positive trajectory, with the latest reading of +19% sitting comfortably in expansionary territory (and slightly up from last month's +15%). Alongside this, issues related to the supply of new properties coming onto the rental market persist, with March's net balance of -10% unchanged from February. It is therefore unsurprising that the widening gap between supply and demand has caused upwards pressure on rents, with the latest net balance reading (tracking recent movements in rental prices) coming in at +21%.

Ricardo Guimarães, Director of Ci: "Prices continue to increase and are rising at a faster pace. March's HPI was already up by 15.8% yoy, with Q1 2025 seeing one of the strongest increases over the last 20 years. There are no signs of a new market cycle which is more balanced and able to respond to demand related pressure. Therefore, despite the price exuberance, neither a boost in supply nor an easing of demand is visible. Lack of affordable housing is, once again, the main claim from the agents that try to find a solution for the families looking to enter the market. Despite the political uncertainty, the interest rates reduction is adding further pressure to an already hot market."

Tarrant Parsons, Head of Market Analytics: "Portugal's economy remains steady, with growth outpacing the broader Eurozone and the labour market continuing to show solid momentum. This strength is also reflected in the latest edition of the housing monitor, which reports an upbeat picture across the sales market and positive expectations regarding the near-term outlook. However, trade tensions between the US and the EU present a potential headwinds for Portugal's trade outlook, which could weigh on growth in the longer term."

Chart 1: Sales market indicators

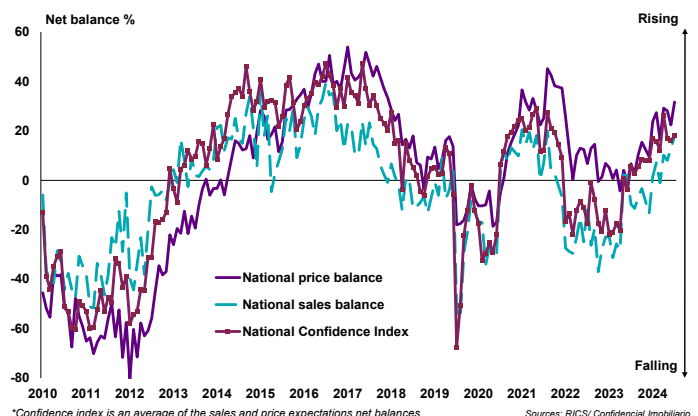
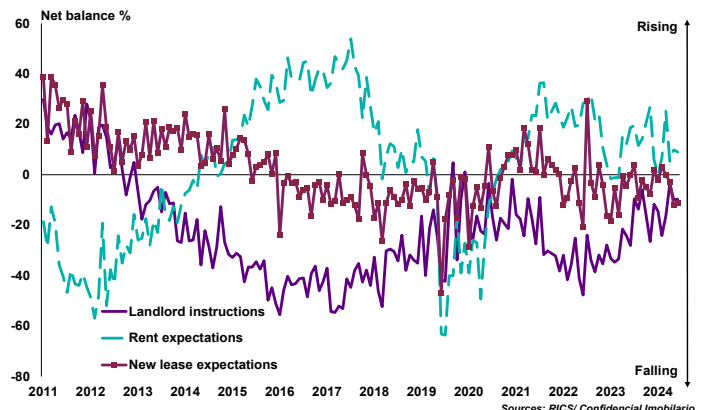


Chart 2: Lettings market indicators



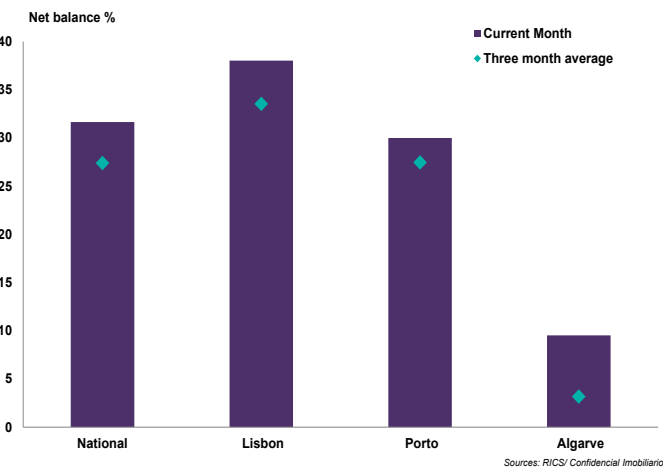
The RICS/Ci Portuguese Housing Market Survey (PHMS) provides a qualitative monthly assessment of the sales and lettings sectors based on around 100 regular responses. The PHMS contains a regional breakdown covering Lisbon, Porto and the Algarve.

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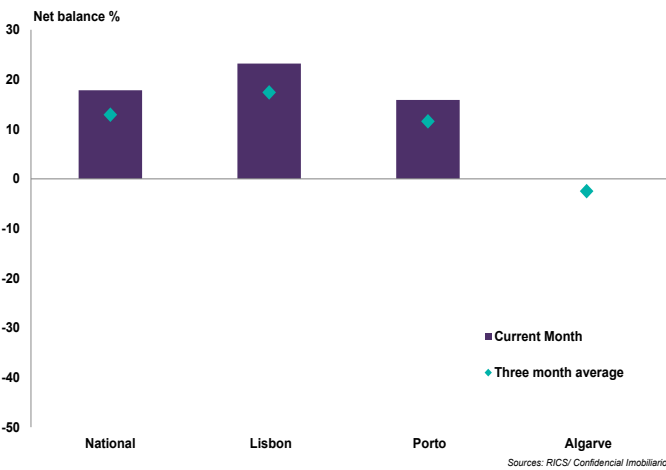
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Sales Market Charts

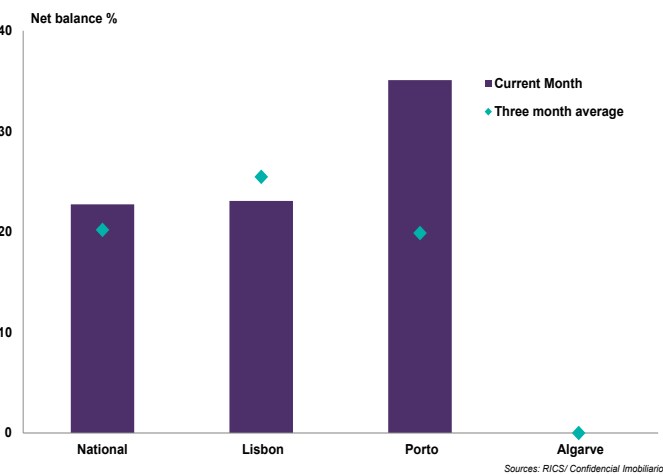
Prices (last three months) by Region



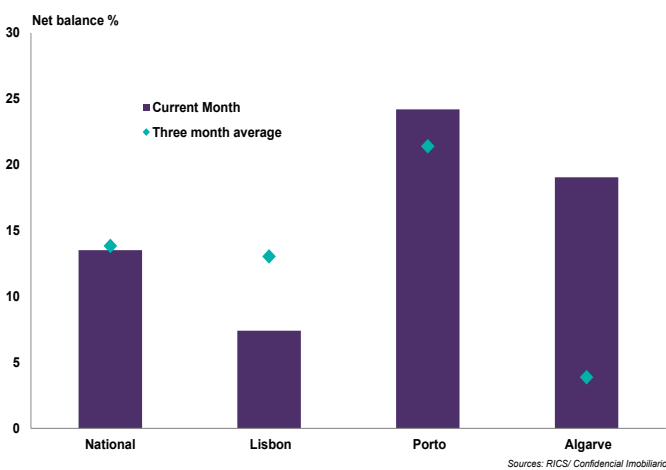
Promised Sales (past month) by Region



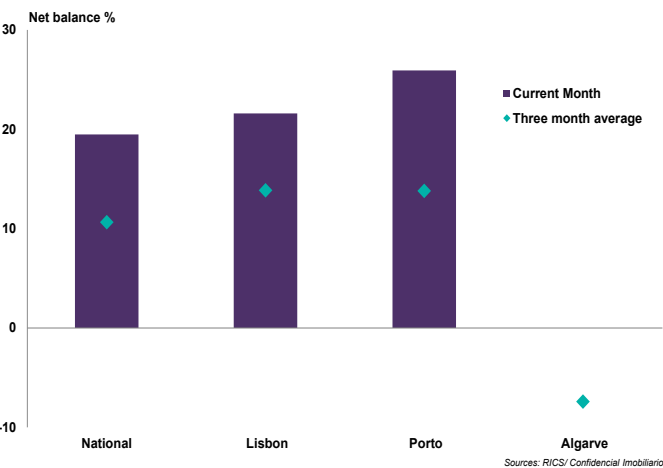
Price Expectations (next three months) by Region



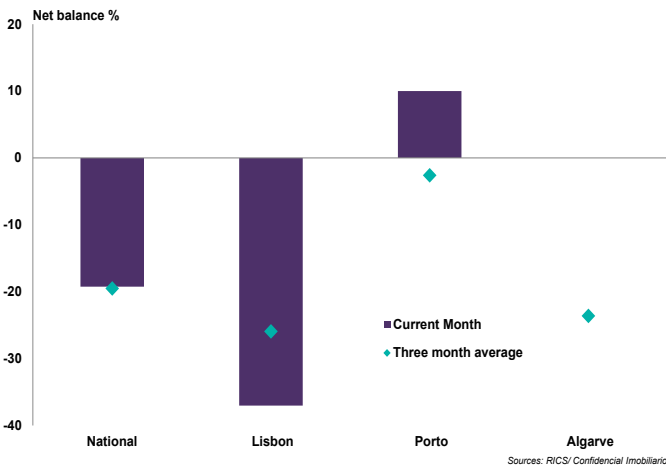
Sales Expectations (next three months) by Region



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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