

May 2025 RICS/Ci Portuguese Housing Market Survey

Buyer demand steady over the month although near-term outlook seems to have stagnated

- **Buyer demand remains steady**
- **House prices remain on upward trajectory**
- **Mismatch between rental supply and demand persists**

Summary:

The May 2025 results of the RICS/Ci PHMS continue to signal a generally stable backdrop across the sales market. Key metrics tracking sales activity and buyer demand remain broadly neutral, consistent with recent feedback. However, while current conditions appear steady, forward-looking indicators have weakened somewhat.

New buyer enquiries remained more or less steady this month, posting a net balance of +2%, down slightly from the more upbeat +7% recorded in April. Nevertheless, this marks the sixth consecutive month of in which the reading has been above zero - a notable turnaround from the consistently negative figures seen throughout 2024. On the supply side, the flow of new properties coming to market remains subdued, evidenced by a net balance reading of -20%.

Agreed sales have slipped into neutral territory, with the net balance falling to -1% from +6% previously. Despite this decline, the indicator still suggests a broadly steady market. Looking ahead, sentiment around the near-term sales outlook has softened noticeably, dropping from a net balance of +19% previously to +3% this time around. As such, this marks the first single-digit net balance reading since August 2024.

Nevertheless, house prices continue to display strong momentum, with the price indicator holding firmly in positive territory at +30% (broadly unchanged from April's +28%). This upward trend is expected to persist over both the three-month and twelve-month horizons, as reflected in net balance readings of +23% and +64%, respectively. The strong three-month outlook is once again driven by robust expectations in Lisbon (+28%) and Porto (+27%), although sentiment in the Algarve has moderated, as the net balance slipped to zero from +11%.

In the lettings market, the persistent mismatch between tenant demand and new landlord instructions continued into May. Indeed, a net balance of +17% of respondents reported a rise in tenant demand, while the flow of supply coming onto the rental market remained firmly negative according to a net balance reading of -19%. Although rental prices are still rising, the pace of growth has moderated, with the bet balance of respondents reporting a rise easing to +19% from +33% in the previous month. Notably, rental expectations for the next three months have also softened, with the net balance falling to +3% from +12% in April.

Ricardo Guimarães, Director of Ci: "Following an exuberant phase at the end of 2024, the market has been gradually losing momentum in recent months. Transaction volumes have declined and now appear to be stabilising at a lower level. In parallel, Ci data indicates that, after peaking at an annual increase of around 16%, an easing in price growth is now present. May recorded a monthly price variation of just 0.2%, down from 2.7% in March and 1.4% in April, signalling an emerging softening trend. Instability at both national and international levels are some of the reasons that have been attributed to this slowdown according to respondents surveyed."

Tarrant Parsons, Head of Market Analytics: "Despite a minor economic contraction in Q1 2025, forecasts point to a return to growth over the remainder of 2025 and into 2026. This positive outlook is largely supported by solid wage growth and strengthened fiscal support from the EU. However, domestic political uncertainty surrounding the formation of a new minority government, along with ongoing global trade headwinds, presents downside risks to the country's near-term growth prospects."

Chart 1: Sales market indicators

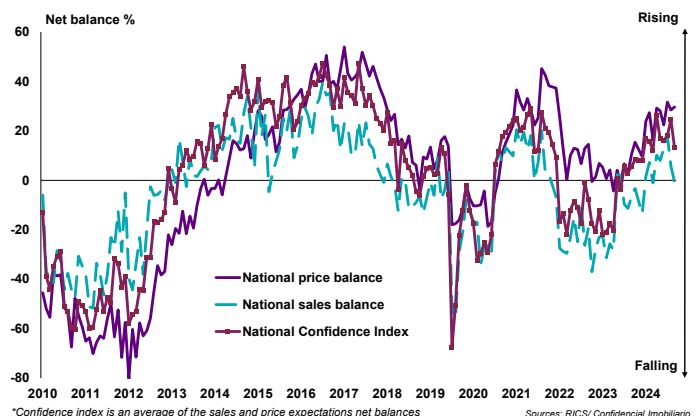
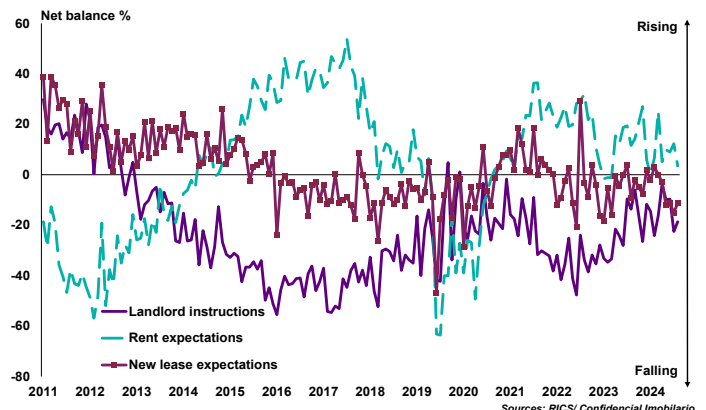


Chart 2: Lettings market indicators



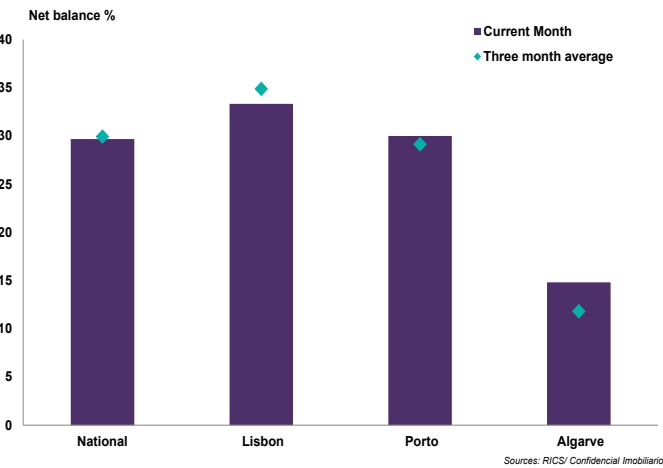
The RICS/Ci Portuguese Housing Market Survey (PHMS) provides a qualitative monthly assessment of the sales and lettings sectors based on around 100 regular responses. The PHMS contains a regional breakdown covering Lisbon, Porto and the Algarve.

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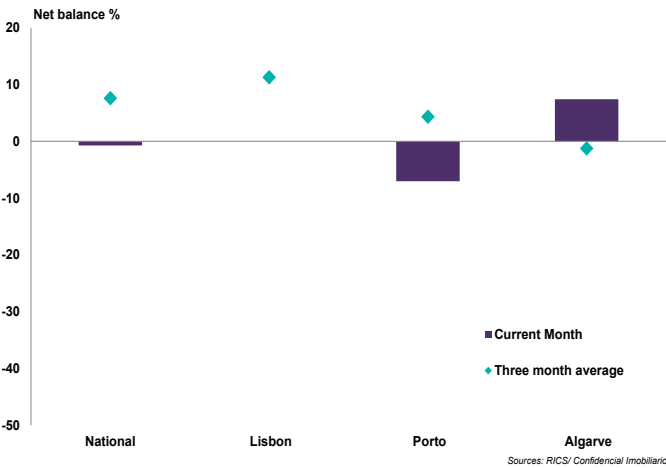
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Sales Market Charts

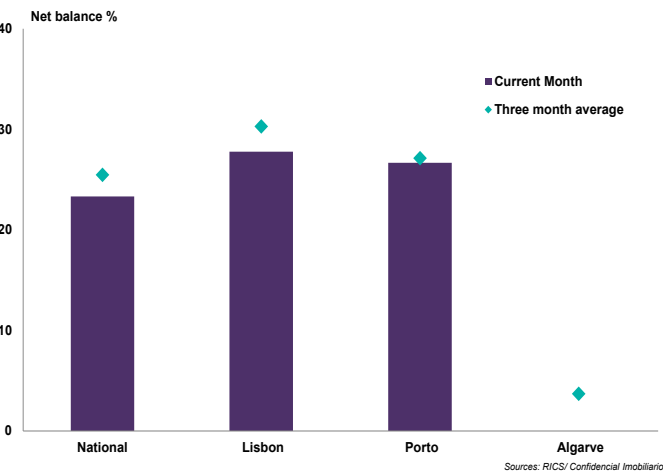
Prices (last three months) by Region



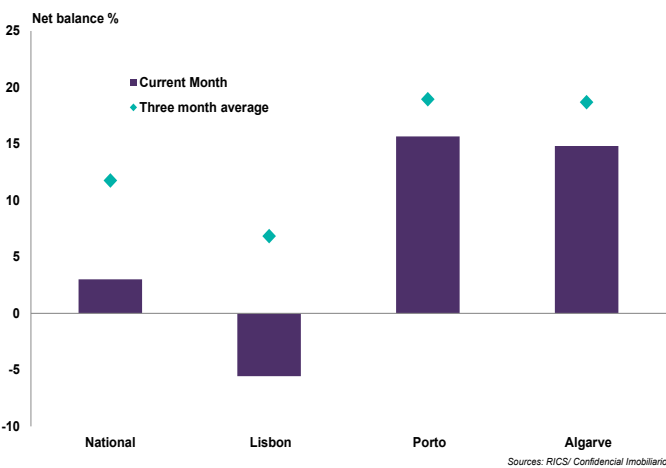
Promised Sales (past month) by Region



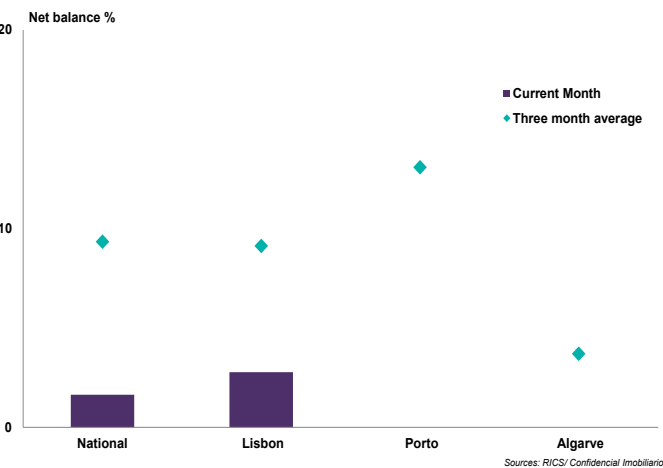
Price Expectations (next three months) by Region



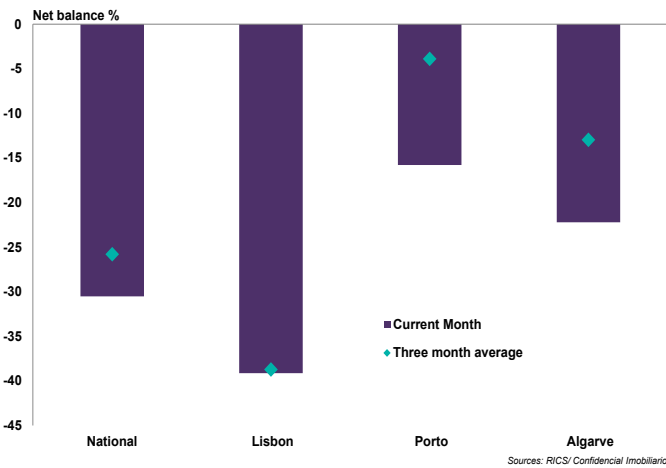
Sales Expectations (next three months) by Region



New Buyer Enquiries (past month) by Region



New Instructions to Sell (past month) by Region



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

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.

Americas, Europe, Middle East & Africa
aemea@rics.org

Asia Pacific
apac@rics.org

United Kingdom & Ireland
contactrics@rics.org



rics.org