

## February 2024 RICS/Ci Portuguese Housing Market Survey

### Near-term outlook remains fairly subdued but twelve month expectations strengthen

- Buyer demand loses momentum slightly
- Near-term sales outlook appears flat
- 12-month price expectations pick-up

#### Summary:

The results of the February 2024 RICS/Ci PHMS point to a broadly steady backdrop across the sales market, with many indicators sitting in neutral territory for this month. In the lettings market, tenant demand growth appears to have lost a bit of steam, although the lack of supply continues to drive a modest increase in rents.

Looking at new buyer enquiries, the latest net balance reading fell slightly from +2% last month to -10% this month, moving back into negative territory after January's first positive reading since 2022. Meanwhile, the net balance for new instructions, at -5%, is signalling a generally flat picture for fresh listing over the month.

Moving on to the volume of sales, this metric posted an identical net balance to last month's +2%, again pointing to a steady trend in sales activity. A similar trend can be observed when looking at sales expectations over the next 3 months. Indeed, whilst there was a slight decline in this net balance (+7% last month to +1% this month), the metric remains consistent with a slightly more upbeat view going forward than was the case throughout much of last year.

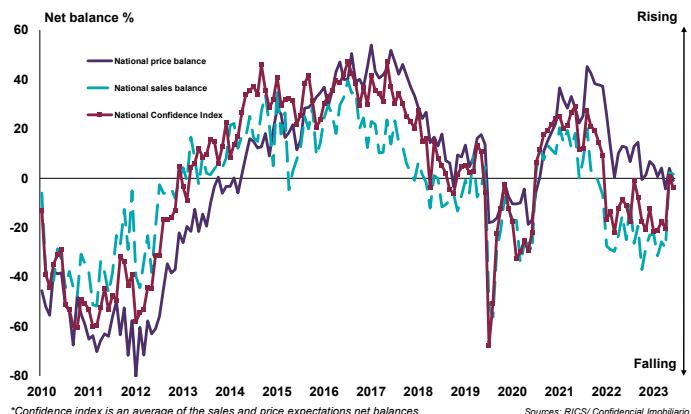
Alongside this, the net balance for prices moved to -1% from last month's +4%. Nevertheless, with both net balances very close to zero, this suggests house prices have seen minimal change of late. For the coming twelve months however, a net balance of +33% of respondents now foresee prices rising at the headline level (up from a reading of +27% last month).

Looking at the lettings market, the net balance for tenant demand has shown a 10pp decrease from +28% last month to +18% this month, suggesting the pace of demand growth is moderating. Nevertheless, the ongoing trend of weak momentum in new rental properties coming to the market persists, with another firmly negative net balance reading of -24% (marginally more negative than last month's -22%). The mismatch between supply and demand within the rental market continues to drive positive rent expectations with a net balance of +12% being recorded.

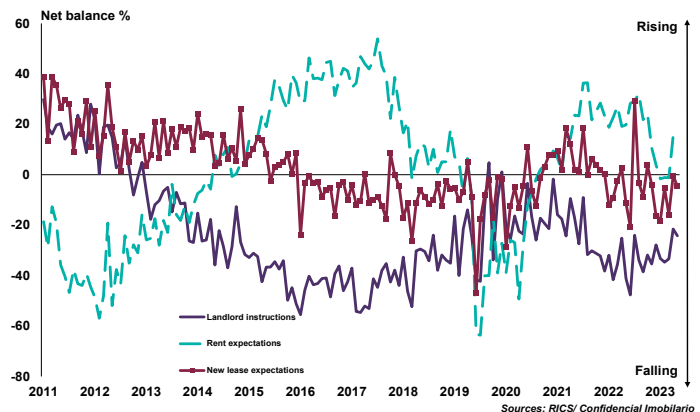
**Ricardo Guimarães, Director of Ci:** "In February, Confidencial Imobiliário's House Price Index showed a 0.6% price increase. This result is consistent with the smoothing pattern registered in recent months, with the annual growth rate decreasing from 17% to 11% during the last 12 months. Despite that, over the last three months, the index inverted its short-term path reaching a quarterly variation of +3.6%, after being at just +0.4% in October. Those numbers support the survey's latest results, reflecting more positive demand behaviour, in turn bringing sales expectations into positive territory. Interest rates are expected to start falling in the coming months, and that is improving buyers' confidence, which is putting additional pressure on prices."

**Tarrant Parsons, RICS Senior Economist:** "Portugal's political climate continues to create uncertainty around the outlook for the economy. This is perhaps being reflected in sentiment across the housing market which has been set back slightly compared to the preceding month. Nevertheless, improving global economic conditions, falling inflation rates and expectations for loosening ECB monetary policy should support the residential property market going forward."

#### Chart 1: Sales market indicators



#### Chart 2: Lettings market indicators



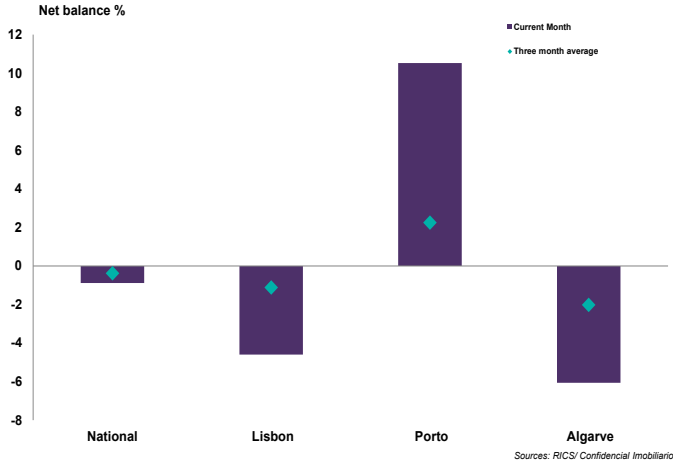
The RICS/Ci Portuguese Housing Market Survey (PHMS) provides a qualitative monthly assessment of the sales and lettings sectors based on around 100 regular responses. The PHMS contains a regional breakdown covering Lisbon, Porto and the Algarve.

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)

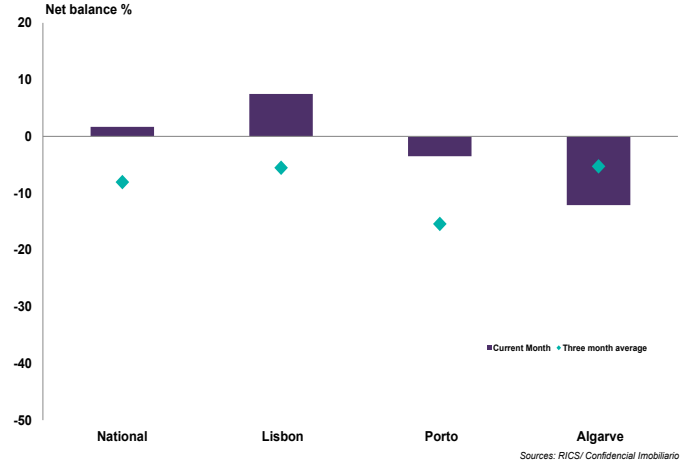
Sponsored by:

# Sales Market Charts

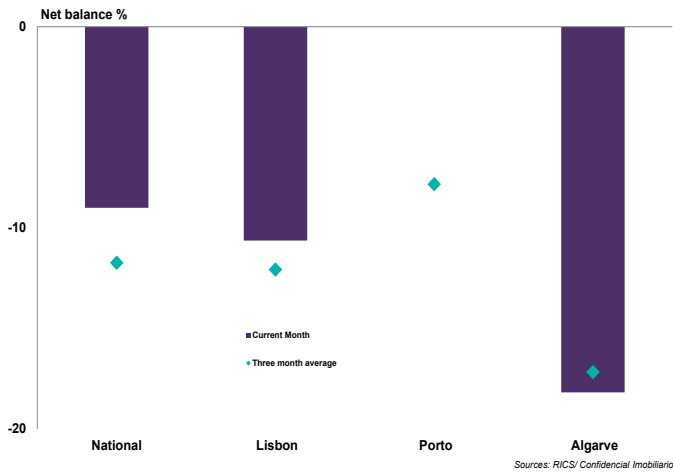
Prices (last three months) by Region



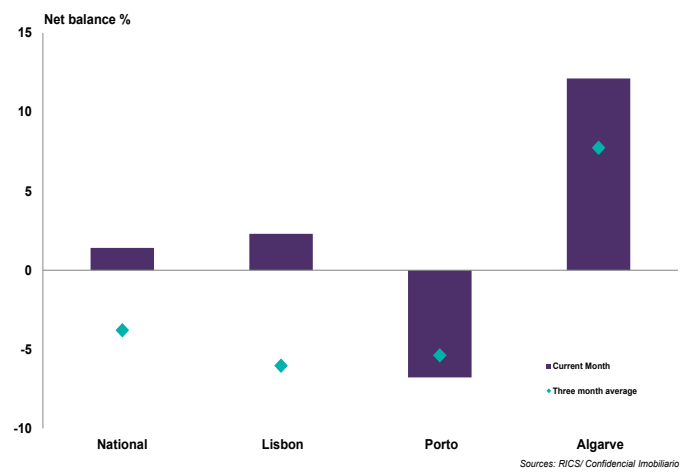
Promised Sales (past month) by Region



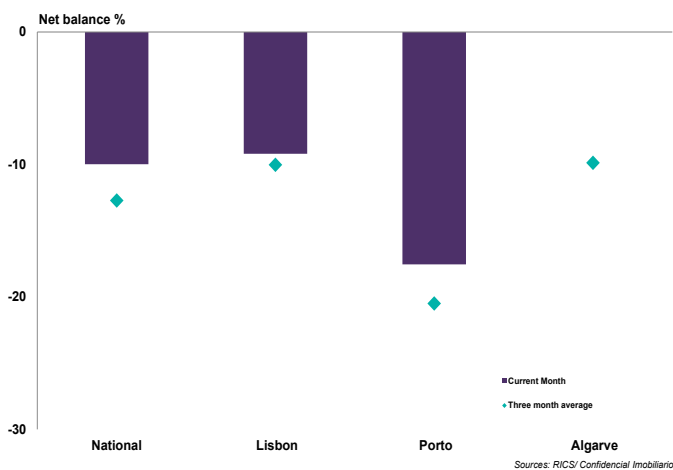
Price Expectations (next three months) by Region



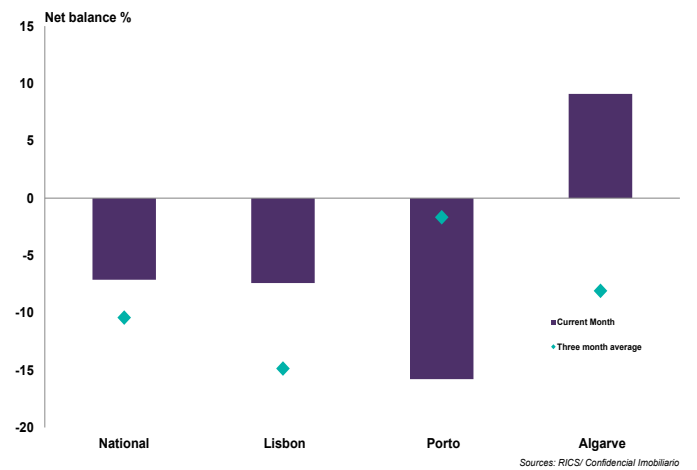
Sales Expectations (next three months) by Region



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)