

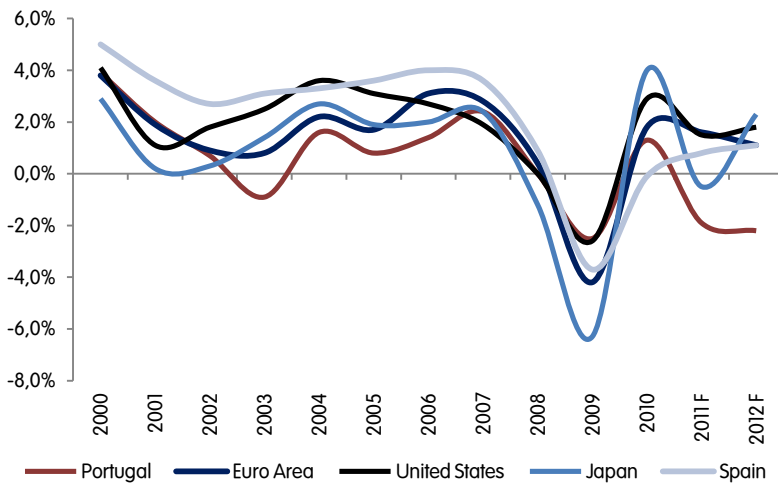


Autumn 2011

**APEMIP**

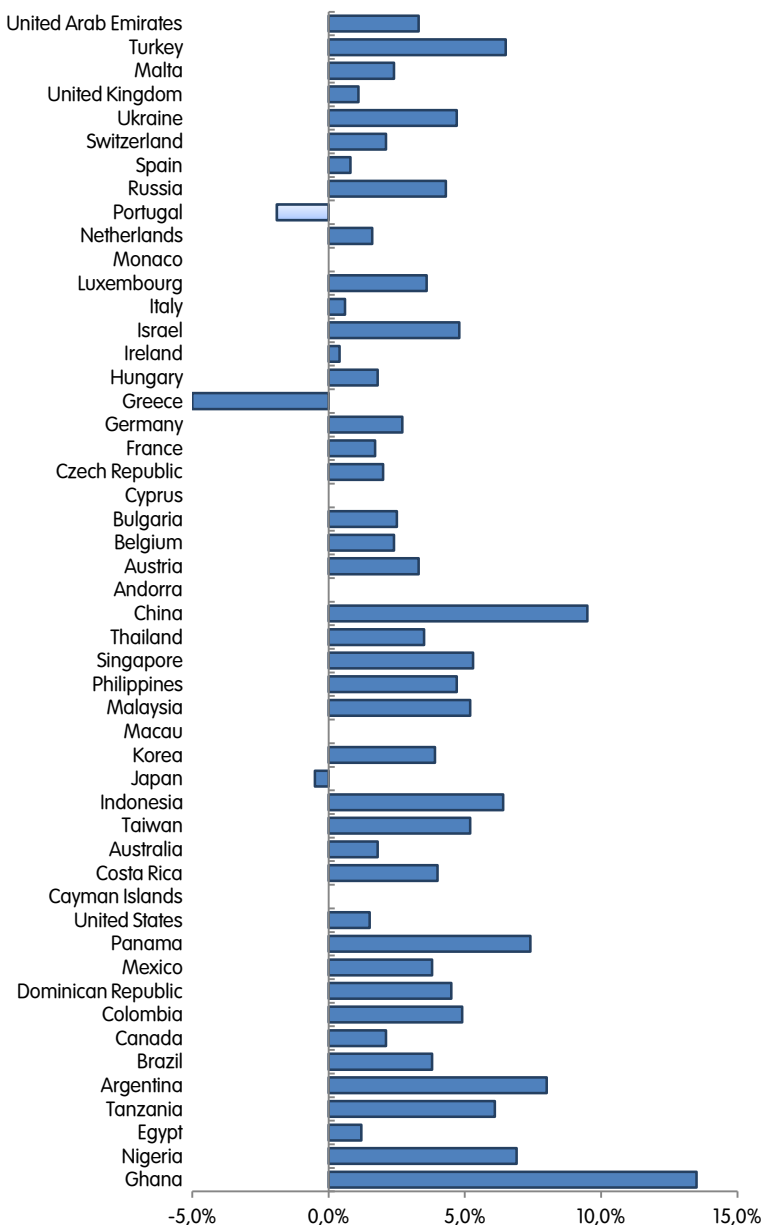
Associação dos Profissionais e Empresas de Mediação imobiliária de Portugal

### GDP Growth Rate (%)



Source: IMF | Bank of Portugal

### FIABCI Member's GDP Growth Rate (%):2011F



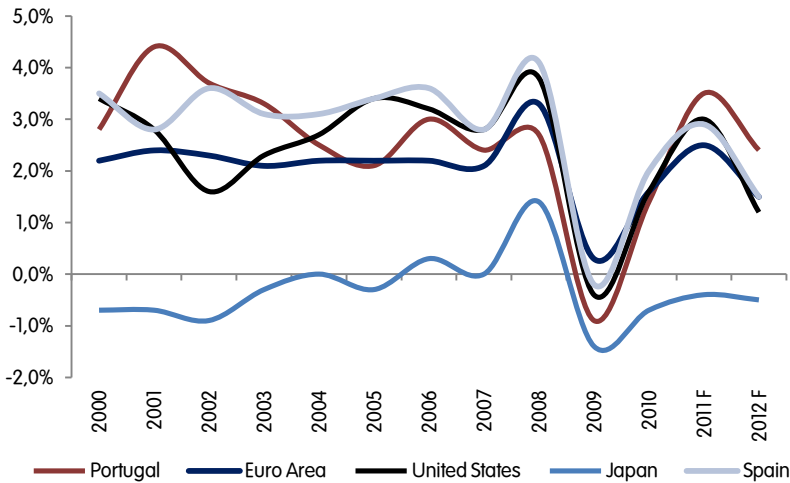
Source: IMF | Bank of Portugal

# APEMIP

During 2011 the financial volatility has increased. This was driven by multiple problems such as the developments in the euro area and the strength of global activity, especially in the United States of America. According to IMF, Real GDP growth in the major advanced economies such as the United States, Euro Area, and Japan, is forecast to rise modestly, from about ¾ percent in the first half of 2011 to about 1½ percent in 2012, as the effects of temporary disturbances abate and the fundamental drivers of expansion slowly reassert themselves. Activity will be more robust in a number of other advanced economies, particularly in those with close ties to emerging Asia. In emerging and developing economies, capacity constraints, policy tightening, and slow foreign demand are expected to dampen growth to varying extents across countries. As a result, growth in these economies will drop from about 7 percent in the first half of 2011 to about 6 percent in 2012.

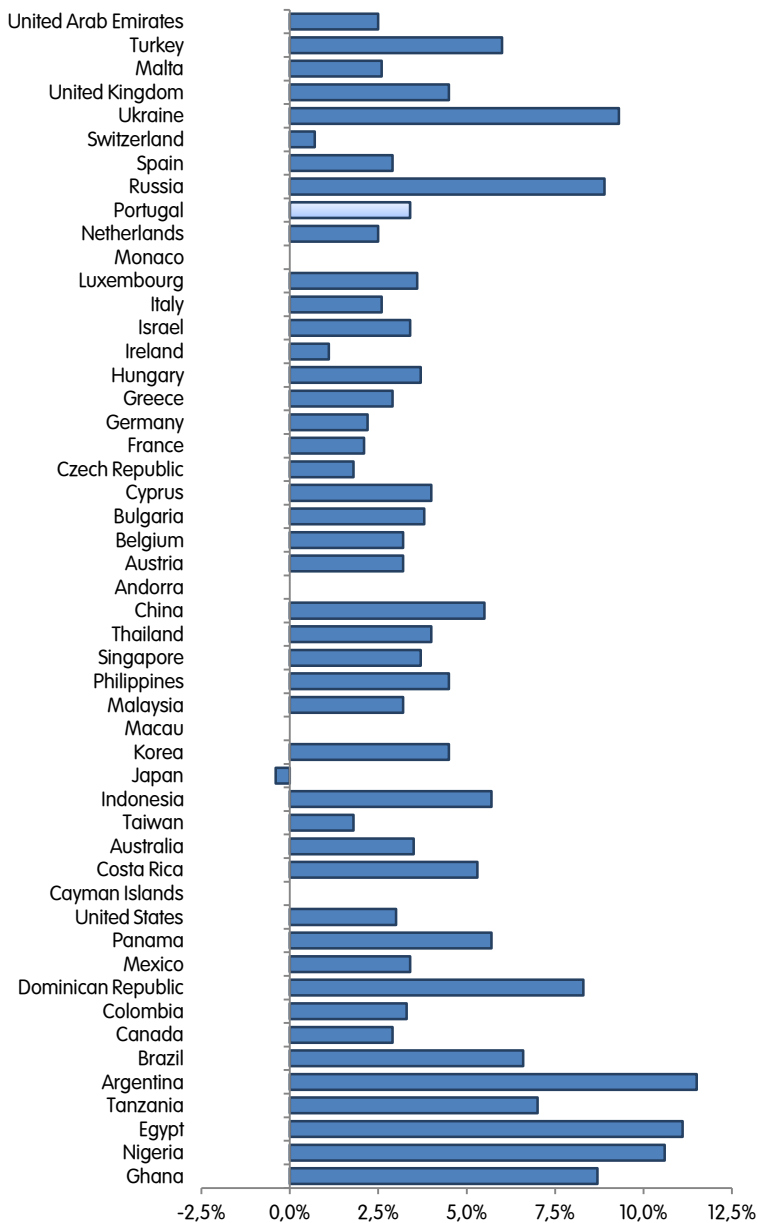
In 2011, according to IMF world economic outlook (September 2011) on major countries of FIABCI Member's, the real GDP is expected to present a positive behaviour. Accordingly, it is envisaged that the highest growth's in terms of GDP growth will be in Asian countries (mostly China), Ghana, Argentina, Panama and Niger. In some of the European economies is predicted a fragile and negative growth, mainly in the one's located in the Mediterranean and in the northwest.

## Inflation, Consumer Prices (%)



Source: IMF | Bank of Portugal

## FIABCI Member's Inflation Consumer Prices : 2011F

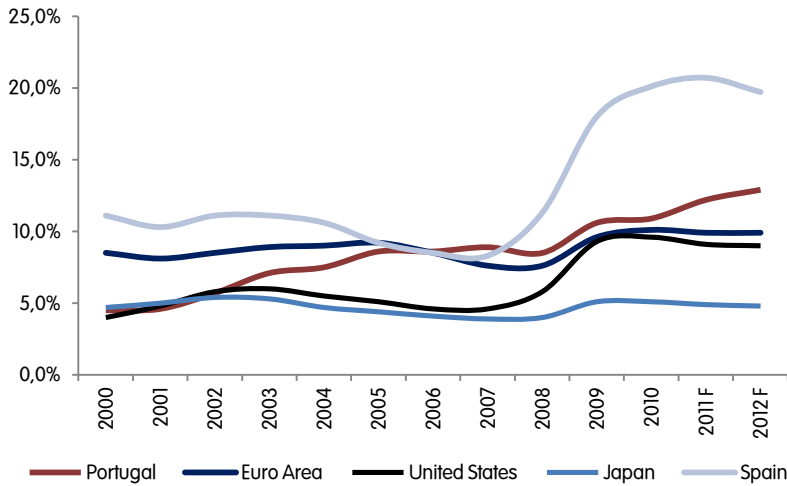


Source: IMF

Also in 2011, looking at price developments, keep inflation at lower levels continues to be one of the major concern of all countries. During the year of 2011, HICP inflation, in Euro Zone and USA is expect to be around 2,5% - 3%. Inflation. According to IMF, the markets have to pay attention to three factors, that influence the path of inflation: energy and food prices, output gaps, policy and credibility of policymakers. The bank of Portugal has forecast the raise of this indicator to values of 3,5%, mainly due to the raise of VAT and energy prices.

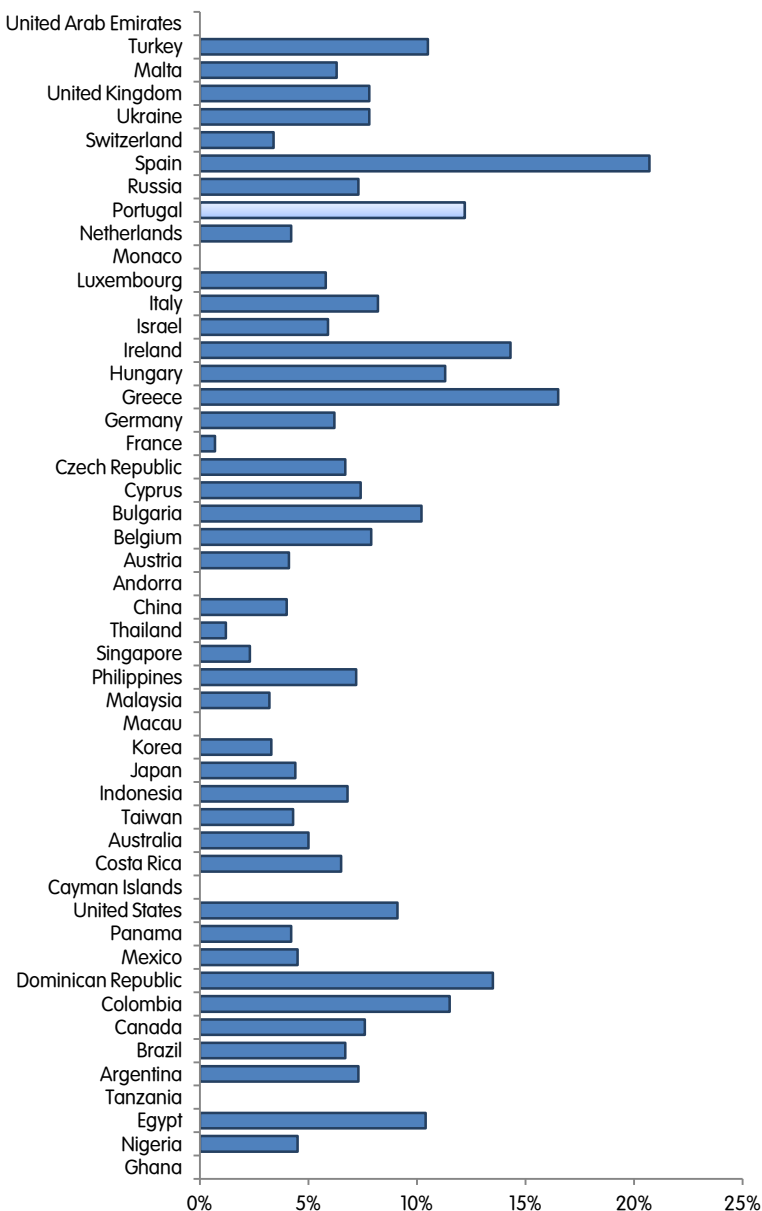
Across the FIABCI Member's countries, mainly in Africa (Nigeria, Egypt, Ghana, Tanzania), Eastern Europe (Ukraine and Russia) and in Latin America (Argentina and Dominican Republic) it seems to be expected very high values in what concerns 2011 inflation. Inflation pressures are broadening among accommodative macroeconomic policies and increasingly needing capacity constraints.

## Unemployment Rate (%)



Source: IMF

## FIABCI Member's Unemployment Rate : 2011F

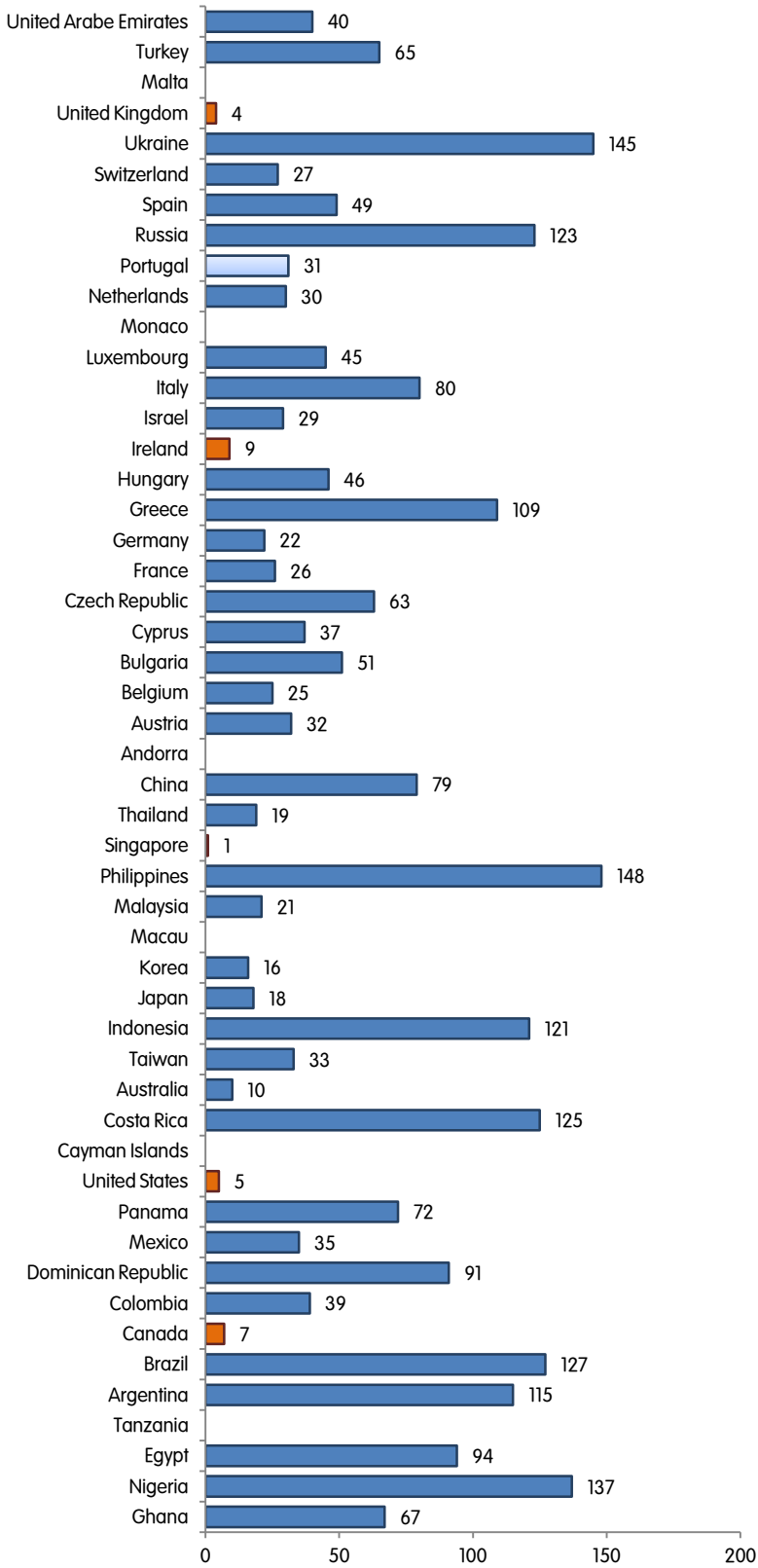


Source: IMF

Unemployment Rates are a reflex of the downturn of the economy in the last years. In 2011 it continues to achieve high values, mainly in Europe. In general, most of the countries are implementing measures to improve employment. Nevertheless the current slowdown in economic activity and the cost-cutting that is currently taking place, are delaying the recovery of the employment.

In terms of FIABCI Member's, European countries in 2011, have the highest unemployment rates, e.g Spain, Ireland, Greece. For Portugal its forecast to achieve in 2011 and 2012 values around 12%-13%, still below the countries above mentioned.

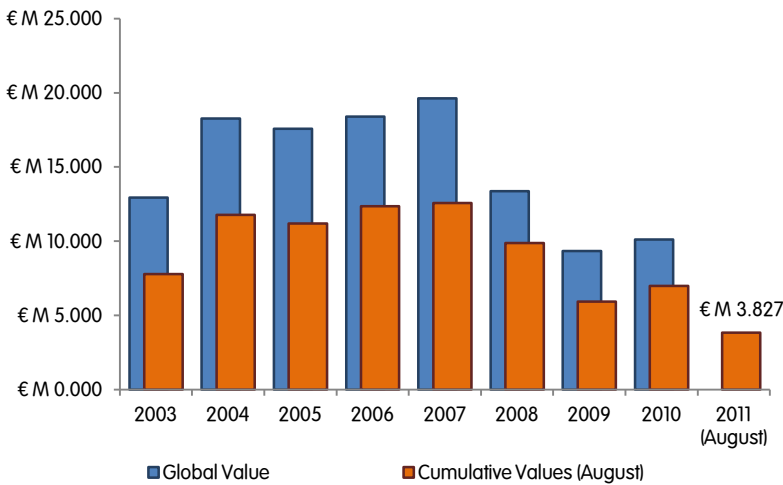
## FIABCI Member's : Doing Business Rank (2011)



Source: World Bank

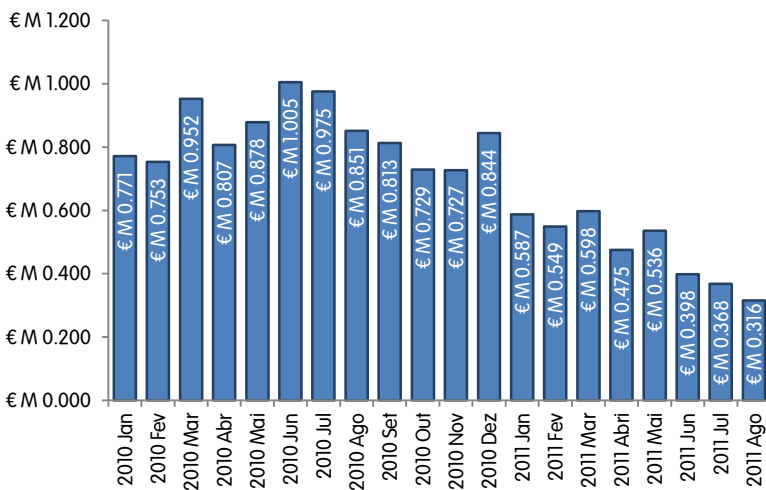
According to doing business 2011, Globally, doing business remains easiest in OECD high-income economies. In the ranking, of the 183 economies of the study, Singapore retains the first place on the ease of doing business, followed by Hong Kong, New Zealand, the United Kingdom, the United States, Denmark, Canada, Norway, Ireland and Australia. Portugal has rank 31, improving two places since 2010.

## Portugal New House Loans: Value



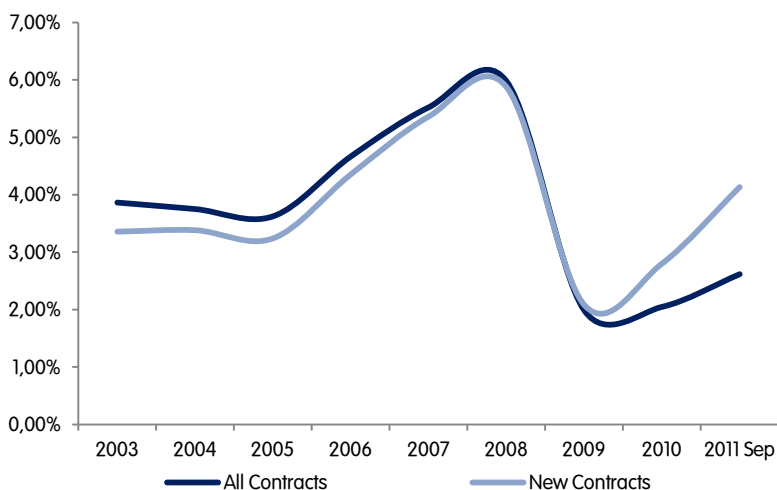
Source: Bank of Portugal

## Portugal New House Loans: Month Value



Source: Bank of Portugal

## Interest Rate: Housing

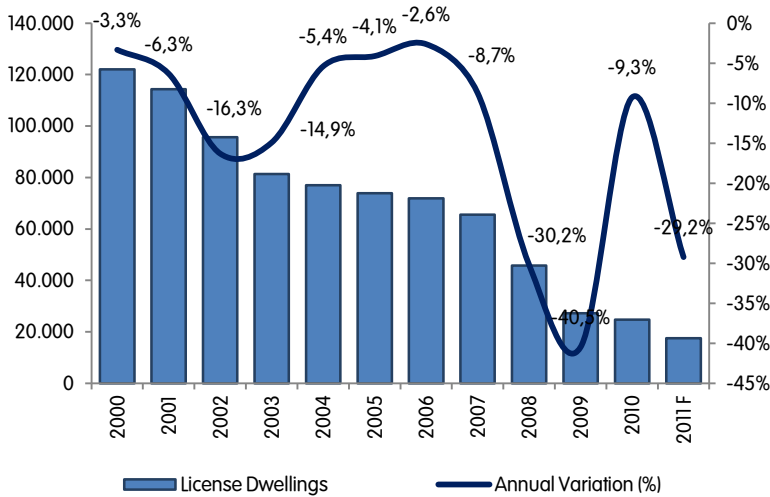


Source: APEMIPI INE

The global effects of the crises, has pressure the Portuguese economy, with several effects in the market, such as the residential. According to data compiled by Bank of Portugal, in the first eight months of 2011, house loans have achieve the value of € 3.827 million, decreasing 45,3% when compared to the same period in 2010.

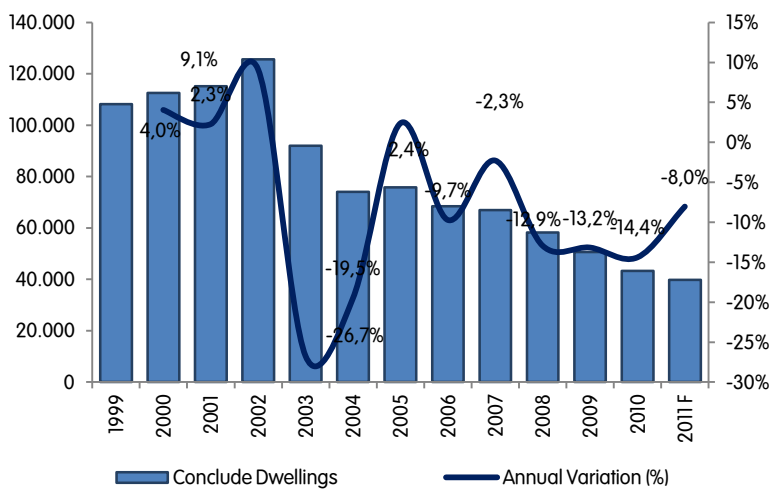
According to INE database, interest rates for new loans (last tree months) have achieved values of 4,13%, and for all the contracts the values round 2,61%. In November the Governing Council decided to reduce the key ECB interest rates by 25 basis points. This decrease could have an effect in all and the new contacts in the short run reducing the values of the rates.

## Dwellings' Permits



Source: APEMIP | INE

## Conclude Dwellings



Source: APEMIP | INE

## Most Dynamic Municipalities - Top 10 Transactions

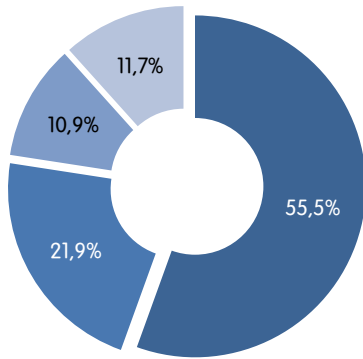
Most Dynamic Municipalities	National Relevance
Lisboa	4,74%
Sintra	2,51%
Porto	2,42%
Vila Nova de Gaia	1,46%
Leiria	1,48%
Cascais	1,44%
Braga	1,42%
Coimbra	1,38%
Matosinhos	1,29%
Oeiras	1,26%

Source: APEMIP | www.casayes.pt

The Portuguese Residential Market is feeling the crises effects as in all the European countries. As showed before, interest rates have risen allied with restrictive bank policies, retraction of the residential supply and demand and deterioration of consumer confidence (influenced by the high levels of unemployment rates and instability of the labour market). According to this scenario, the number of license and conclude dwellings are expected to decreased in 2011 to avoid an oversupply in the residential market.

Facing the downturn of the economy the number of transactions in the real estate sector in 2011, are expected to decreased. In the first eight months the number of transactions expected varied between 130.000 to 135.000. According to APEMIP's forecast during July and August 2011, the top three dynamic municipalities in terms of transactions were Lisbon, Sintra and Porto.

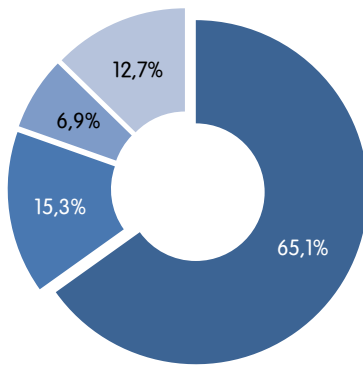
### Supply by Type: Portugal



- Flats/Apartments
- House/Villas
- Farms/Plots/Estates
- Commercial Buildings

Source: APEMIP | [www.casayes.pt](http://www.casayes.pt)

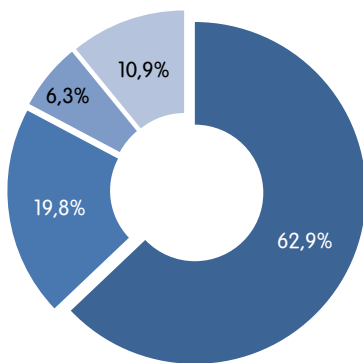
### Supply by Type: Greater Porto



- Flats/Apartments
- House/Villas
- Farms/Plots/Estates
- Commercial Buildings

Source: APEMIP | [www.casayes.pt](http://www.casayes.pt)

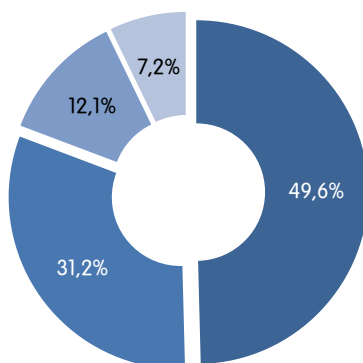
### Supply by Type: Greater Lisbon



- Flats/Apartments
- House/Villas
- Farms/Plots/Estates
- Commercial Buildings

Source: APEMIP | [www.casayes.pt](http://www.casayes.pt)

### Supply by Type: Algarve



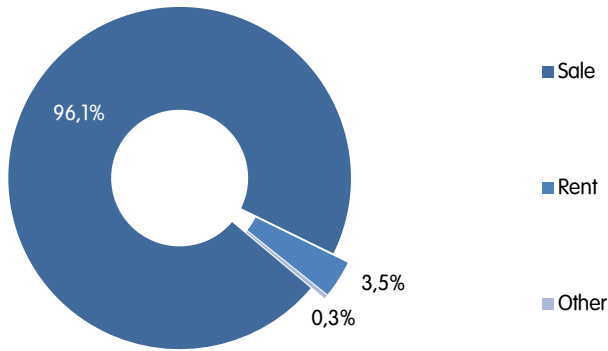
- Flats/Apartments
- House/Villas
- Farms/Plots/Estates
- Commercial Buildings

Source: APEMIP | [www.casayes.pt](http://www.casayes.pt)

# APEMIP

According to data based on CasaYES Portal (September 2011), in terms of supply by type, 55,5% are flats and 21,9% houses. In Greater Porto and Lisbon the weight of the flats is in evidence. In Algarve there's seems to be a balance between the supply of flats and houses.

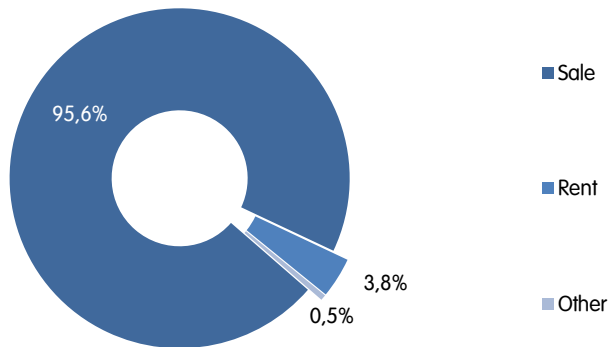
## Residential Supply by Use: Portugal



Source: APEMIP | [www.casayes.pt](http://www.casayes.pt)

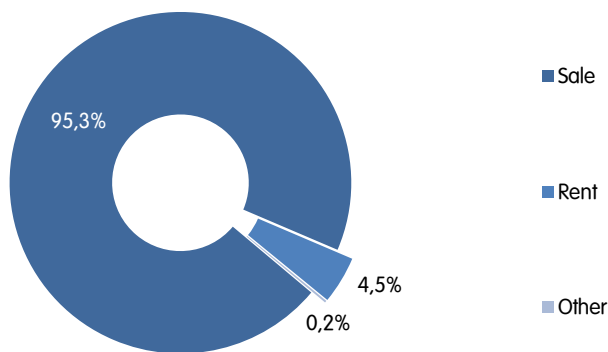
In Portugal according to preliminary census results in 2011, 19,7% of the Portuguese population had a rented house. Nowadays many residents, facing the economy downturns and all the financial and social restrictions, are trying to let a house. Nevertheless, although demand is rising an imbalance seems to take place. As showed in the figures, on September 2011, most of the supply, in 90% of the cases, is oriented to sales. In the Greater Porto and Lisbon, the supply to let is above the national average.

## Residential Supply by Use: Greater Porto



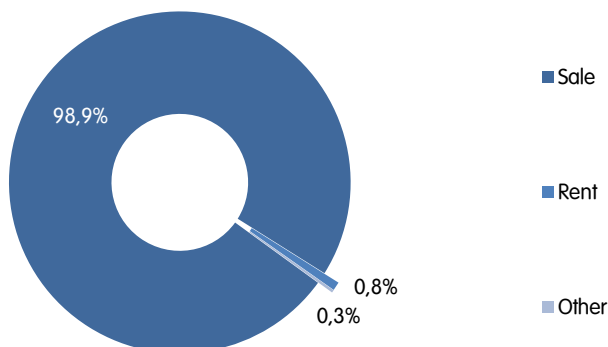
Source: APEMIP | [www.casayes.pt](http://www.casayes.pt)

## Residential Supply by Use: Greater Lisbon



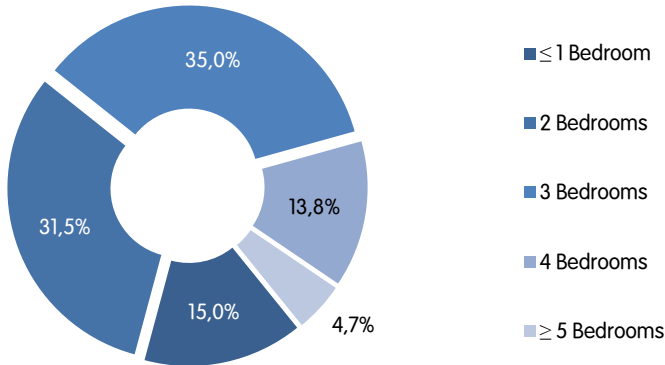
Source: APEMIP | [www.casayes.pt](http://www.casayes.pt)

## Residential Supply by Use: Algarve



Source: APEMIP | [www.casayes.pt](http://www.casayes.pt)

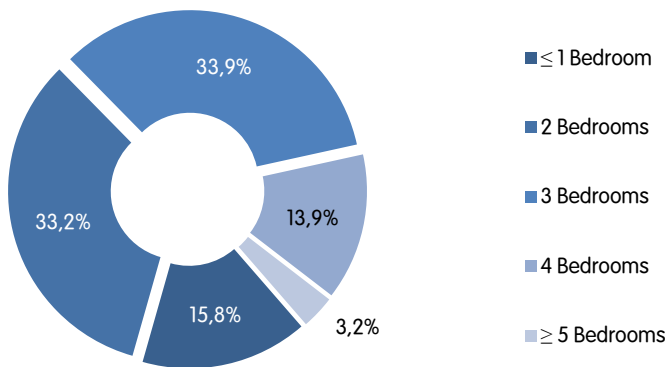
### Supply by Number of Bedrooms: Portugal



Source: APEMIP | www.casayes.pt

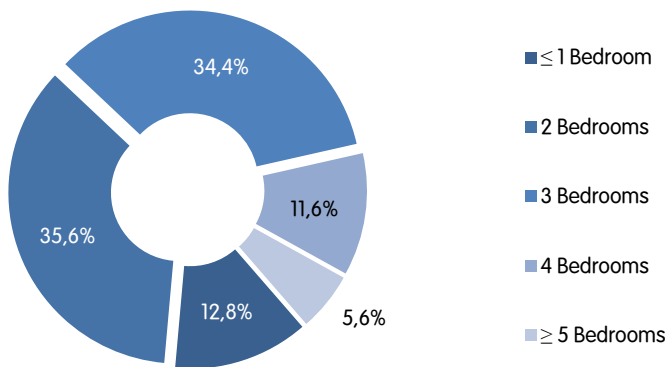
In average, according to the September data of CasaYES, 31,5% of the supply refers to two bedrooms and 35,0% to three bedrooms. In Greater Porto Area 67% of the residential supply on CasaYes Portal is 2 and 3 bedroom, in Greater Lisbon it represent 70%. In Algarve, the one bedroom apartments represent already 20,4% of the total supply, the 2 and 3 bedroom together stand for 62,6% of the current supply.

### Supply by Number of Bedrooms: Greater Porto



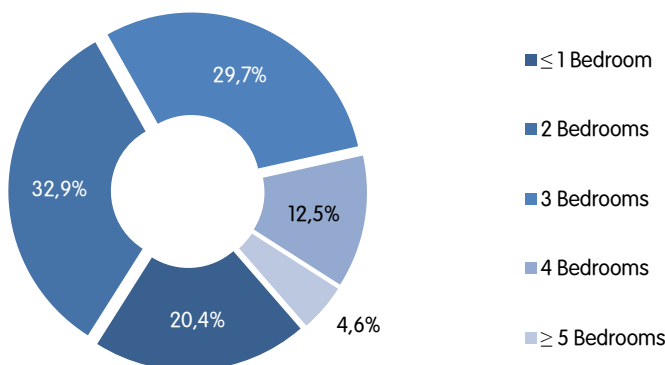
Source: APEMIP | www.casayes.pt

### Supply by Number of Bedrooms: Greater Lisbon



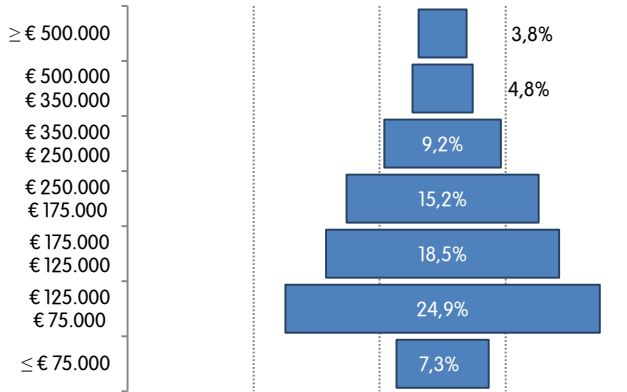
Source: APEMIP | www.casayes.pt

### Supply by Number of Bedrooms: Algarve



Source: APEMIP | www.casayes.pt

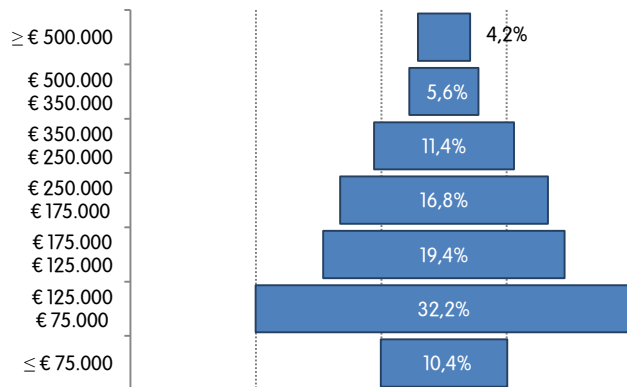
## Portugal Supply: Asking Values



Source: APEMIP | www.casayes.pt

Analyzing the sales value structure, 24,9% of the residential stock available on CasaYES Portal, varies between €75.000 and €125.000 and 18,5% between €125.000 to €175.000. In Greater Porto and Lisbon area the price structure of the supply side is similar to the national. In fact, in Greater Porto, 32,2% of the supply range from €75.000 to €125.000 and 19,4% from €125.000 to €175.000.

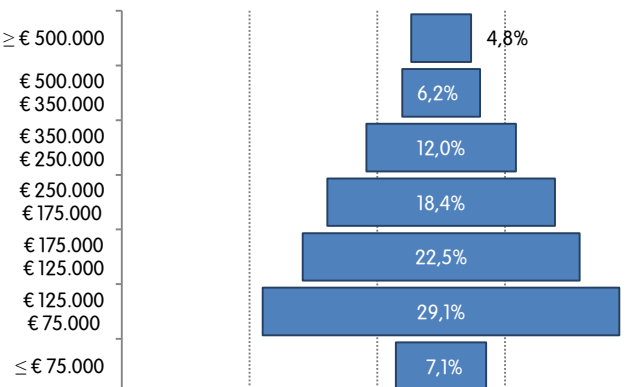
## Greater Porto Supply: Asking Values



Source: APEMIP | www.casayes.pt

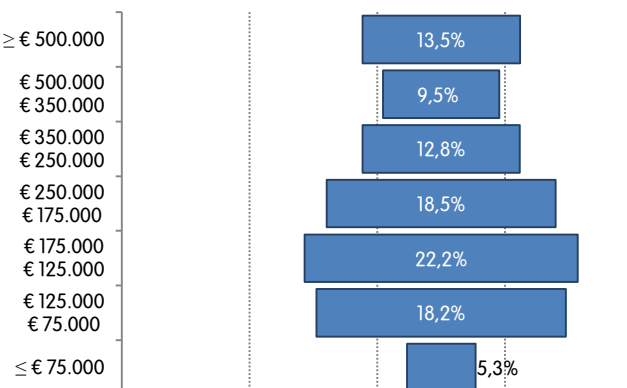
In Greater Lisbon area 29,1% of the supply it range from €75.000 to €125.000, and 22,5% between €125.000 to €175.000. In Algarve the price structure continues to evidence a difference, with an higher price structure. In fact 22,2% of the supply are between €125.000 to €175.000 and 18,5% between €175.000 to €250.000. This market has a high share of second homes to sell in the national and international market, the asking price structure, in the month of the analyses has this in consideration.

## Greater Lisbon Supply: Asking Values



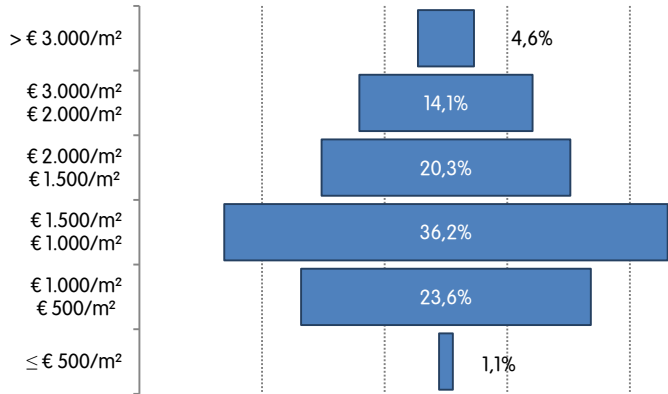
Source: APEMIP | www.casayes.pt

## Algarve Supply: Asking Values



Source: APEMIP | www.casayes.pt

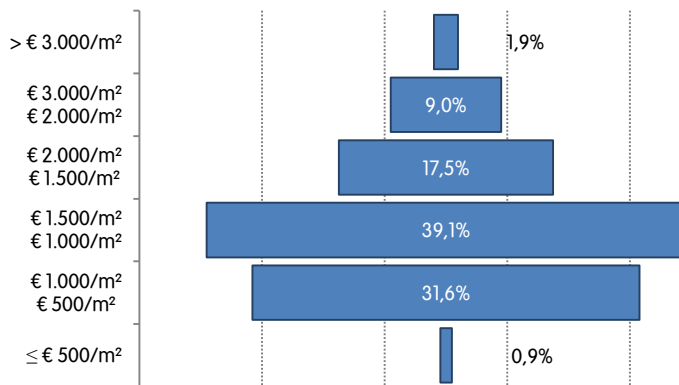
## Portugal Supply: Asking Values per sq m



Source: APEMIP | www.casayes.pt

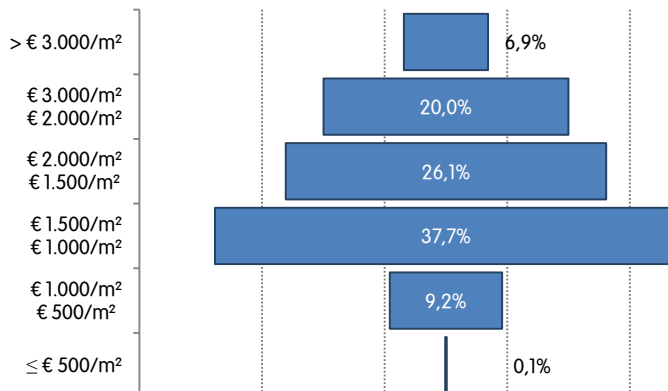
Analyzing supply by sq m, in Portugal, according to CasaYes Portal, 36,2% of the supply of the residential market vary between €1.000/sq m and €1.500/sq m and 23,6% between €500 to €1.000/sq m. The Greater Lisbon and Porto areas follow the national average, exception for Algarve with 25,4% of the values range between €1.500 to €2.000/sq m, and 25,3% from €2.000/sq m to €3.000/sq m.

## Greater Porto Supply: Asking Values per sq m



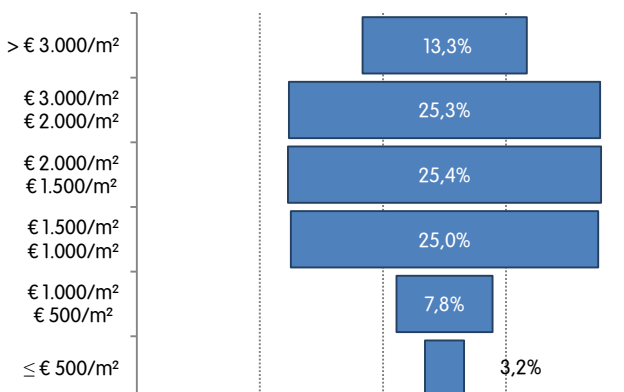
Source: APEMIP | www.casayes.pt

## Greater Lisbon Supply: Asking Values per sq m



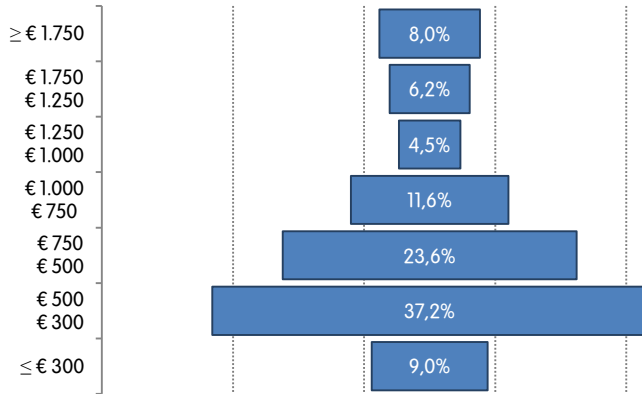
Source: APEMIP | www.casayes.pt

## Algarve Supply: Asking Values per sq m



Source: APEMIP | www.casayes.pt

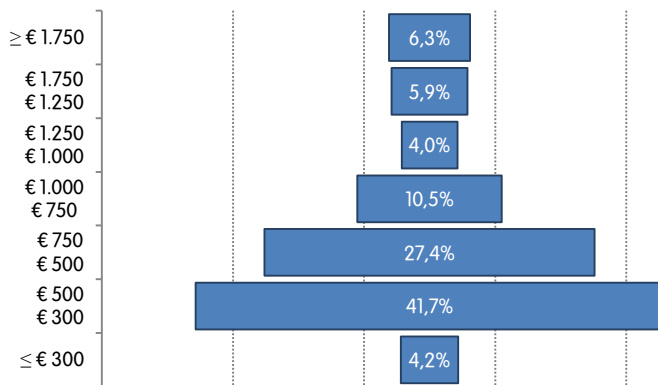
## Portugal Supply: Rent Values



Source: APEMIP | www.casayes.pt

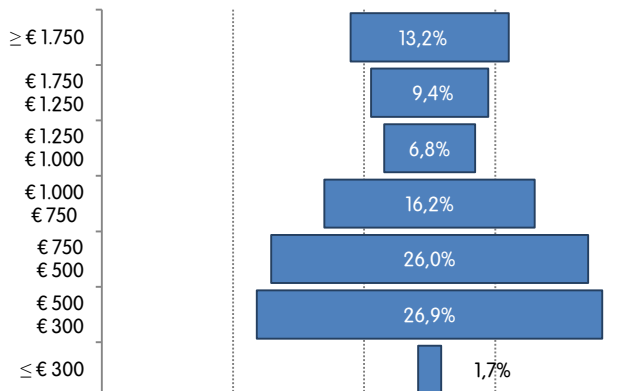
In terms of the rent market, according to the data available on CasaYes Portal on September, 60,8% of the supply range from values of €300 to €750. In all the areas — Greater Porto, Lisbon and Algarve the range values of the rent supply follow the national trend (€300 to €750). Notice that greater Lisbon can achieve higher values, in fact 16,2% of the rent supply range from €750 to €1000, and 13,2% is ≥ €1.750.

## Greater Porto: Rent Values



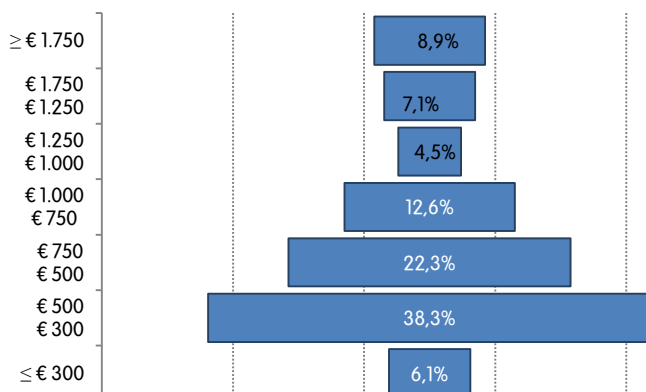
Source: APEMIP | www.casayes.pt

## Greater Lisbon: Rent Values



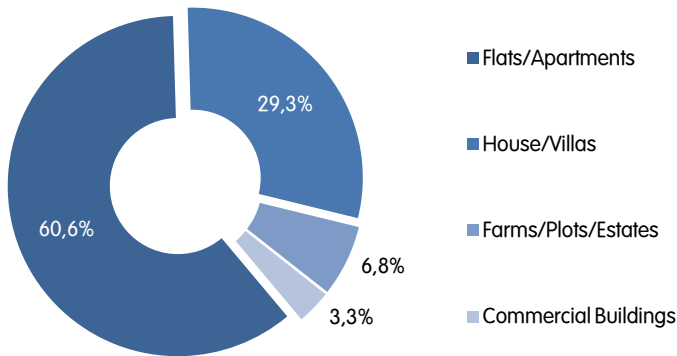
Source: APEMIP | www.casayes.pt

## Algarve: Rent Values



Source: APEMIP | www.casayes.pt

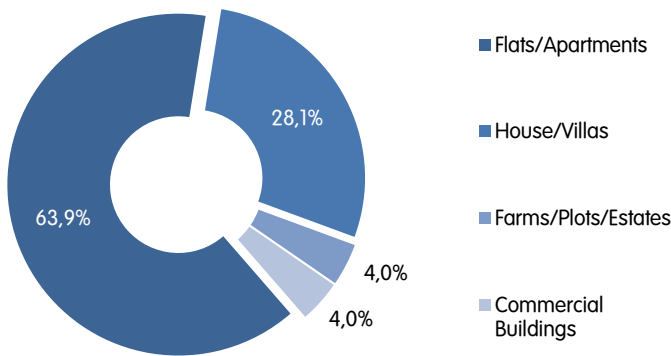
### Demand by Type: Portugal



Source: APEMIP | [www.casayes.pt](http://www.casayes.pt)

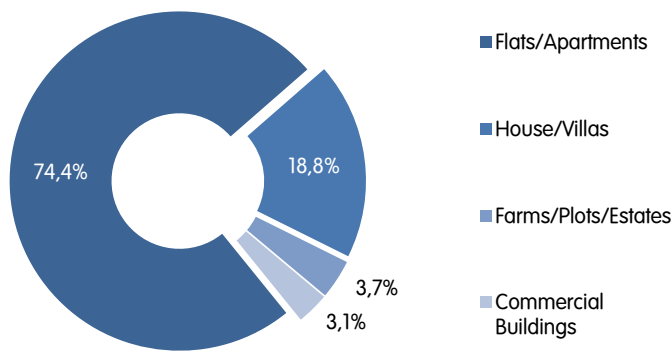
On the demand side, choosing a house has a different rhythm and alternative choices are taking into consideration. Renting a house is now a more day to day alternative. The financial restrictions along with the growing unemployment and the deterioration of the purchase power as given a new way to look at the market, considering carefully all the possible choices.

### Demand by Type: Greater Porto



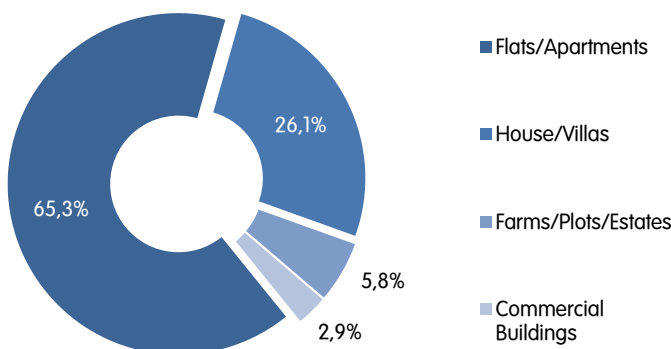
Source: APEMIP | [www.casayes.pt](http://www.casayes.pt)

### Demand by Type: Greater Lisbon



Source: APEMIP | [www.casayes.pt](http://www.casayes.pt)

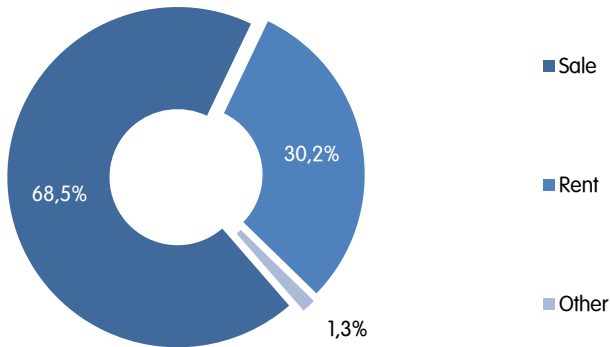
### Demand by Type: Algarve



Source: APEMIP | [www.casayes.pt](http://www.casayes.pt)

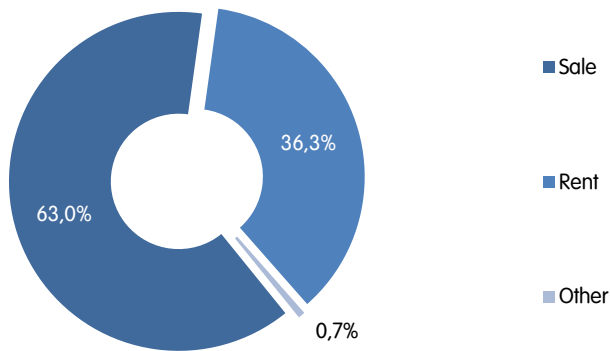
During the August and September months, the demand was mainly focus on Apartments. In fact, at a national level 60,6%, in Greater Porto 63,9%, in Greater Lisbon 74,4% and in Algarve 65,3%, of the searches in Portal CasaYES were apartments.

### Residential Demand by Use: Portugal



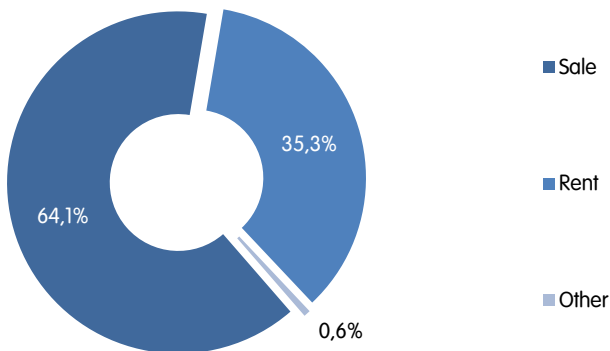
Source: APEMIP | [www.casayes.pt](http://www.casayes.pt)

### Residential Demand by Use: Greater Porto



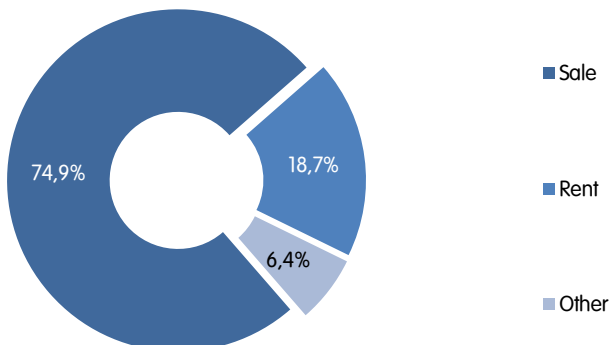
Source: APEMIP | [www.casayes.pt](http://www.casayes.pt)

### Residential Demand by Use: Greater Lisbon



Source: APEMIP | [www.casayes.pt](http://www.casayes.pt)

### Residential Demand by Use: Algarve

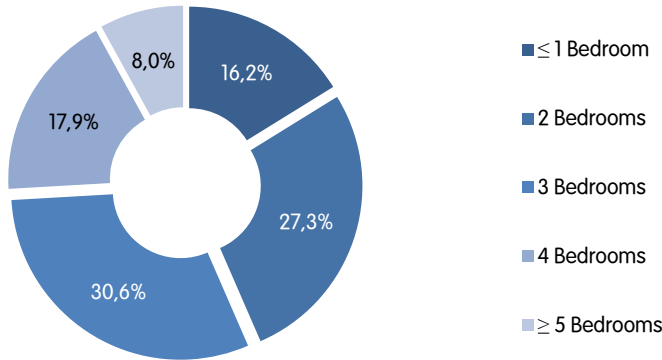


Source: APEMIP | [www.casayes.pt](http://www.casayes.pt)

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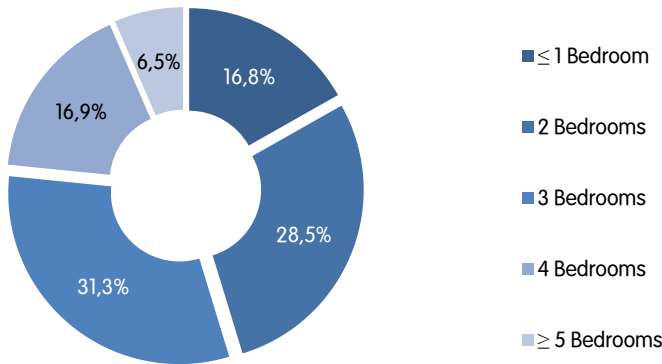
The renting market, as mentioned before, is growing and becoming an option to the sales market. In August and September months, at a national level, 30,2% of the searches were direct to the letting market, in greater areas of Porto (36,3%) and Lisbon (35,3%), this variable has reached values above the national average. In Algarve the renting market represented 18,7% of the searches.

### Demand by Number Bedrooms: Portugal



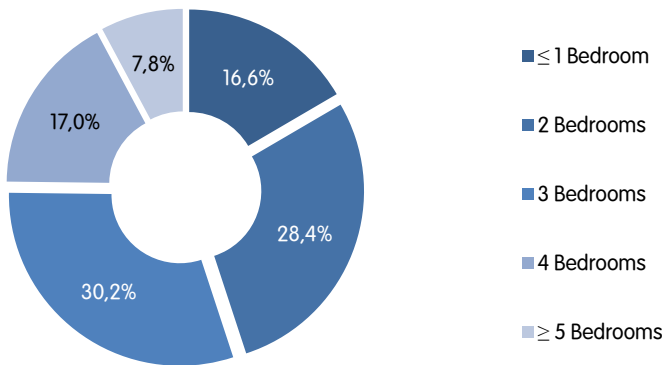
Source: APEMIP | [www.casayes.pt](http://www.casayes.pt)

### Demand by Number Bedrooms: Greater Porto



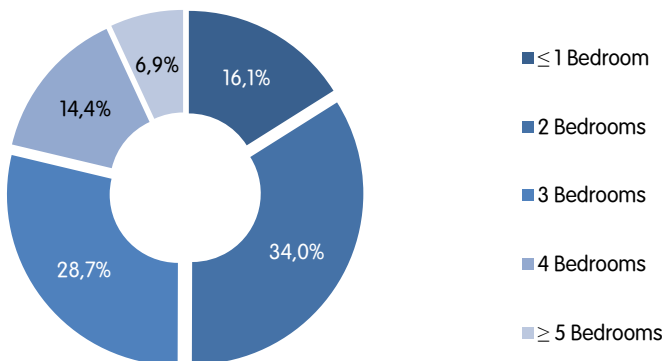
Source: APEMIP | [www.casayes.pt](http://www.casayes.pt)

### Demand by Number Bedrooms: Greater Lisbon



Source: APEMIP | [www.casayes.pt](http://www.casayes.pt)

### Demand by Number Bedrooms: Algarve

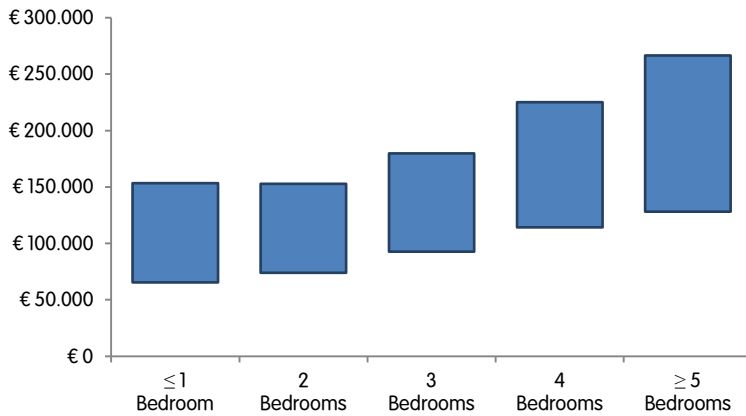


Source: APEMIP | [www.casayes.pt](http://www.casayes.pt)

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With major focus on the demand by type is interesting to notice that 57,9% of the searches, in August - September, were at a national level direct to homes with two and three bedrooms. In Greater Porto 59,8%, in Greater Lisbon 58,6% and in Algarve 62,7%, it had the same focus.

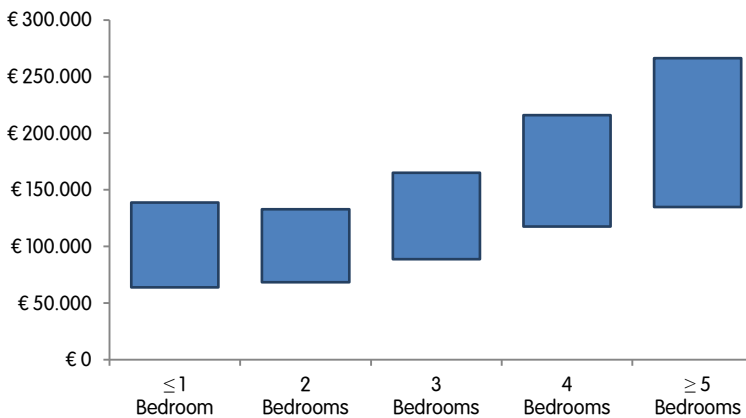
## Demand by Price - Number of Bedrooms: Portugal



Source: APEMIP | www.casayes.pt

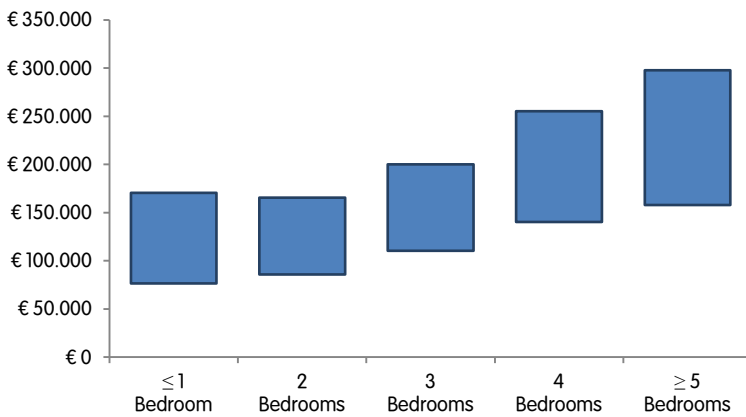
In terms of value by number of rooms, the demand side, at a national level, oriented their searches to a minimum of € 61,2 thousand and a maximum of € 294,6. In Greater Porto, the values range from € 64,0 thousand to €266,1 thousand; in Greater Lisbon from € 76,4 thousand to € 297,8 thousand; in Algarve from € 61,2 thousand to € 293,6 thousand.

## Demand by Price - No. of Bedrooms: Greater Porto



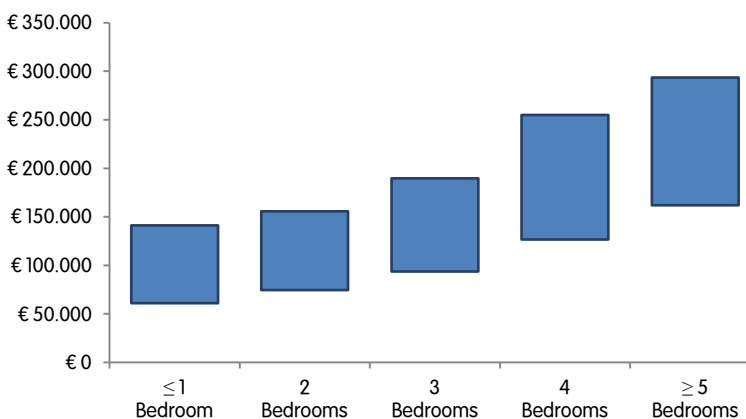
Source: APEMIP | www.casayes.pt

## Demand by Price - No. of Bedrooms: Greater Lisbon



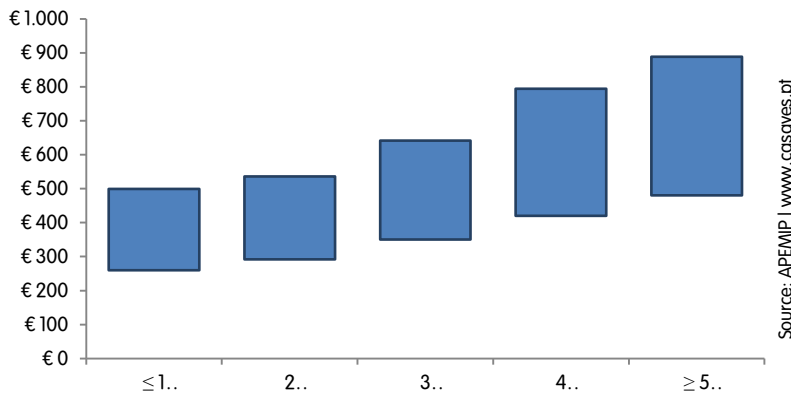
Source: APEMIP | www.casayes.pt

## Demand by Price - No. of Bedrooms: Algarve



Source: APEMIP | www.casayes.pt

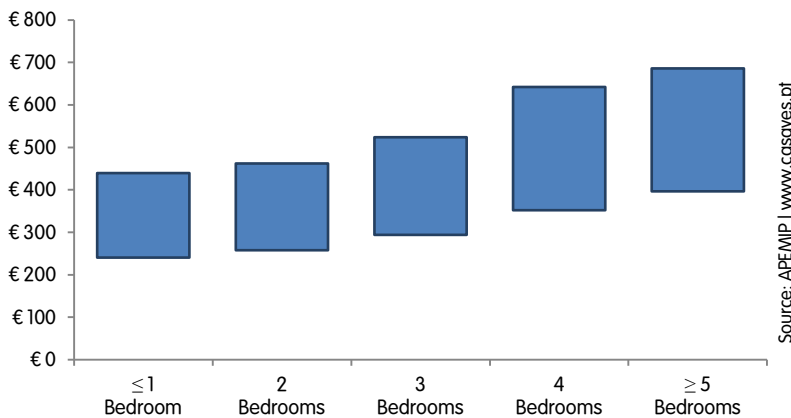
## Demand by Rent - Number of Bedrooms: Portugal



Source: APEMIP | www.casayes.pt

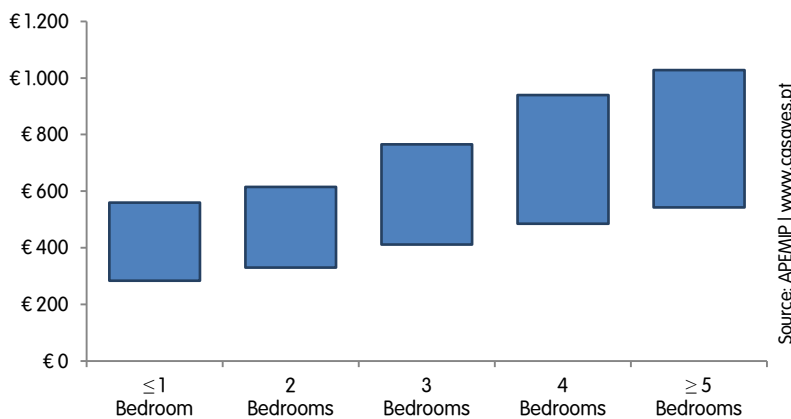
During the August and September months, in the letting market, the demand is available to offer a minimum €259,9 to one bedroom and € 888,8 to a  $\geq 5$  bedroom. In Greater Areas of Porto and Lisbon the minimum that consumers are willing to offer was € 240,7 for the first and € 283,6 for the second. The maximum values in the areas mention above were around €685,8 and €1.027,4. In Algarve, the demand is available to let an one bedroom for the minimum value of €223, and willing to give a maximum of €1.016,7 to a  $\geq 5$  bedroom.

## Demand by Rent - No. of Bedrooms: Greater Porto



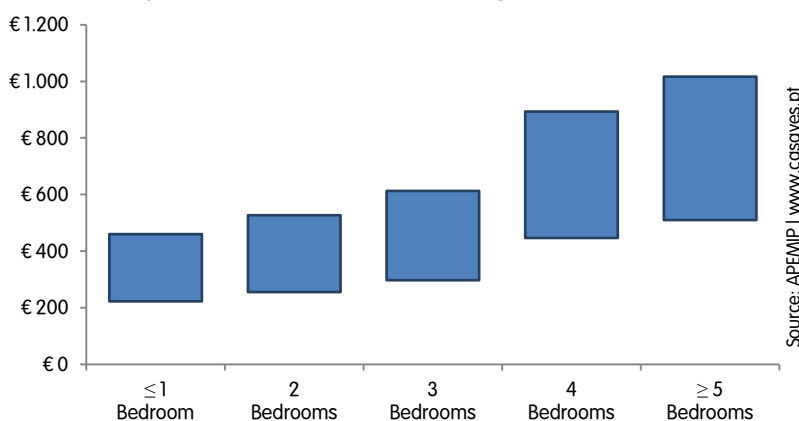
Source: APEMIP | www.casayes.pt

## Demand by Rent - No. of Bedrooms: Greater Lisbon



Source: APEMIP | www.casayes.pt

## Demand by Rent - No. of Bedrooms: Algarve



Source: APEMIP | www.casayes.pt

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## **RESEARCH DEPARTMENT**

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