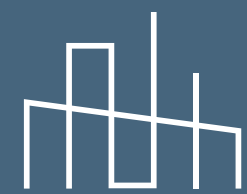




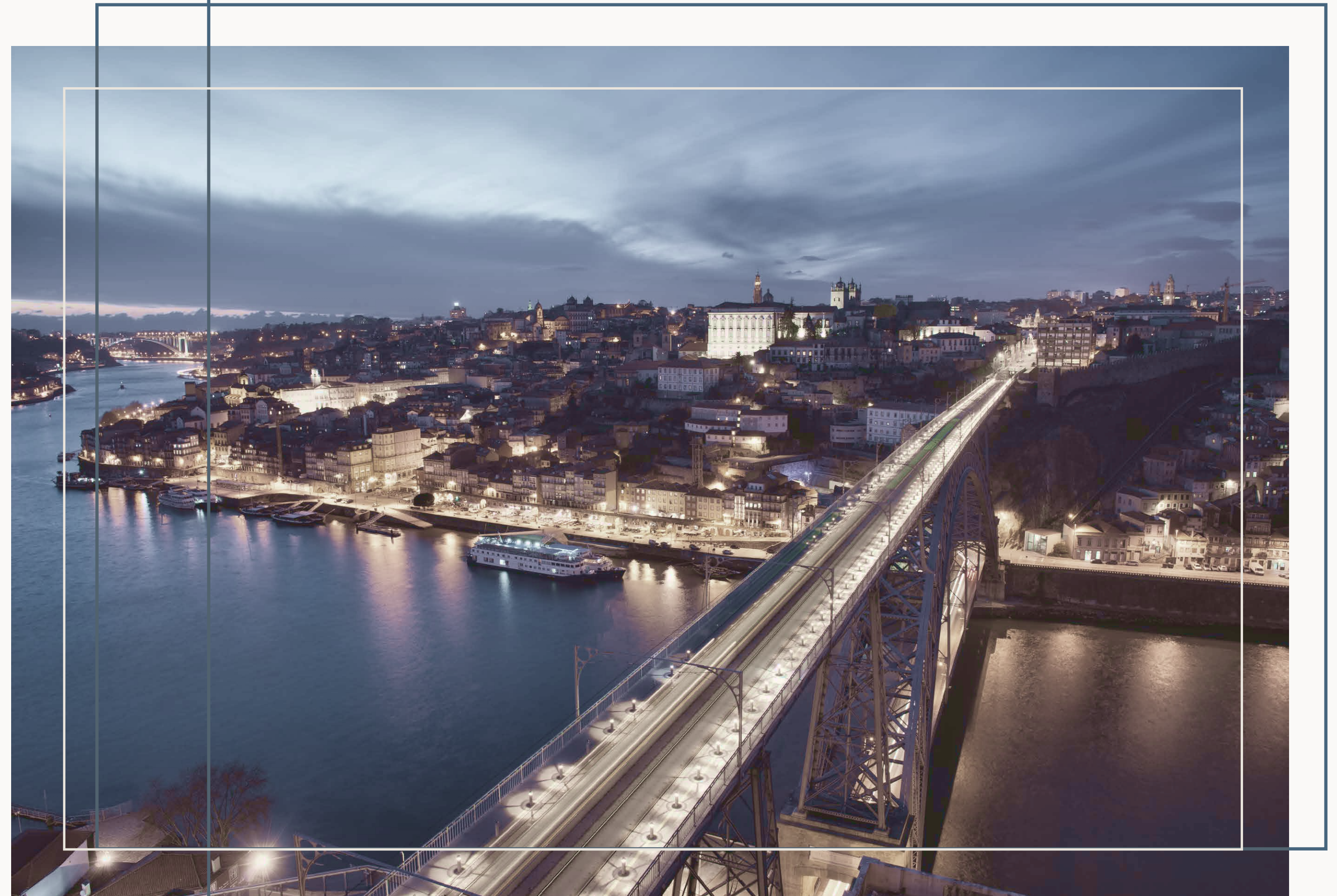
# LISBON REPORT



REINA

## OVERVIEW

Much more than a country of sun, sea and excellent gastronomy, Portugal is one of the most appealing destinations to live in. Safety, climate, quality of life, affordable prices, varied cultural and leisure offer, quality of the education system and a notoriously international business ecosystem, are all factors that are already well known and which underpin Lisbon's popularity as a residential destination.



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"Lisbon is a sophisticated city that stands out for the quality of its universities, infrastructure and security, for its access to private capital, for having a stable local government and for being a sustainable city"

**- 21 PLACES OF THE FUTURE**

R E I N A

**NUMBERS**

2.8 MILLION  
INHABITANTS

IN THE LISBON REGION

354,000  
COMPANIES

OF WHICH 111,000 ARE  
IN LISBON CITY

36% WEIGHT  
OF THE GDP

OF THE LISBON REGION  
IN THE NATIONAL GDP

53%  
POPULATION

IN THE LISBON REGION

76% PRIMARY  
RESIDENCE

IN LISBON CITY

5 MILLION  
GUESTS PER YEAR

MORE THAN HALF  
FROM EXTERNAL MARKETS

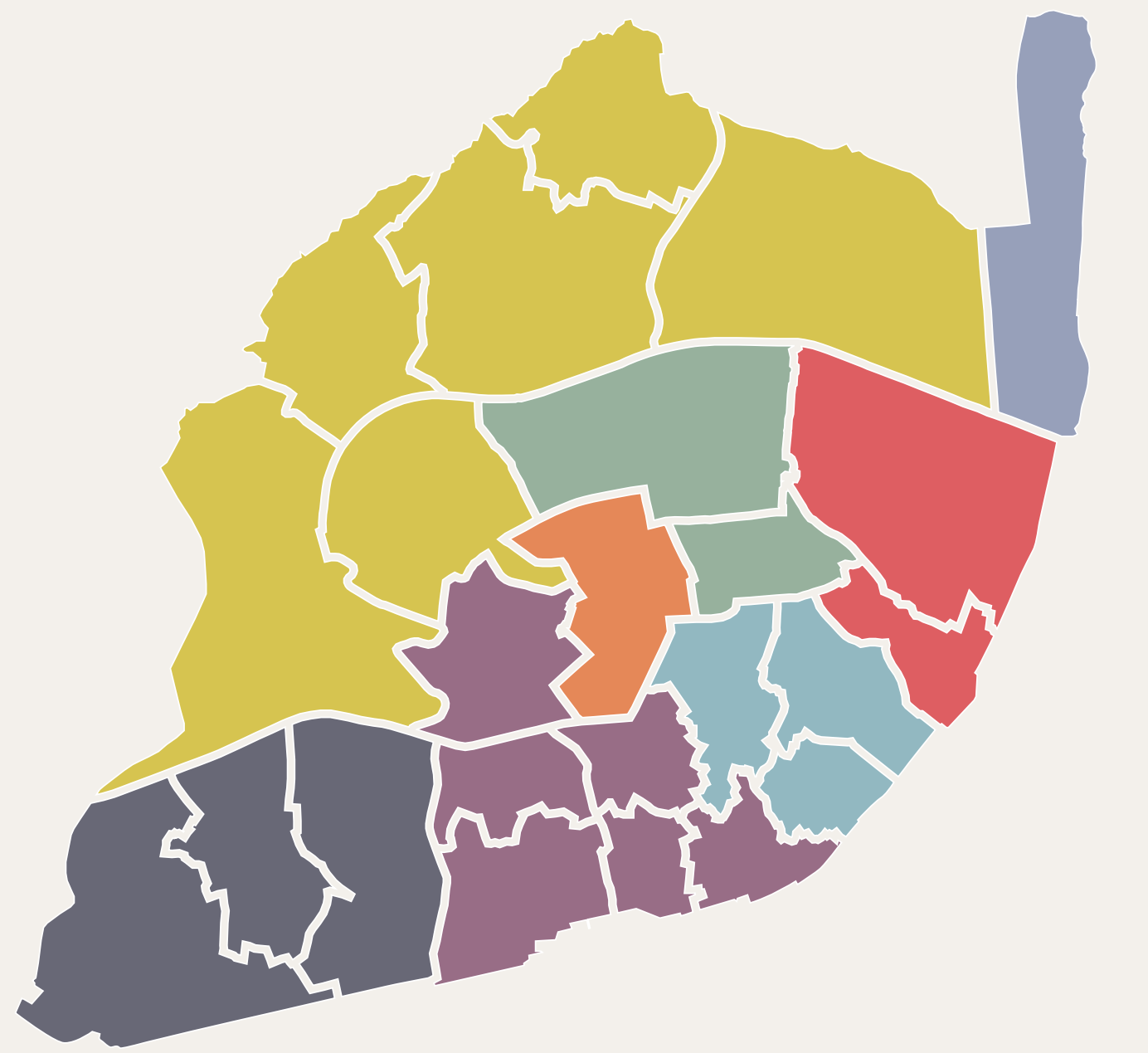


Reborn after a long and profound process of urban regeneration, the city of Lisbon has undergone socio-demographic and economic changes that have completely modified its dynamics, turning it into a modern and innovative urban metropolis of the world.

The process of urban regeneration, responsible for the change of use of office buildings and residential buildings for tourism purposes, together with a very expressive increase in new residential projects aimed at the high-end and luxury market, has gradually made it more difficult for Portuguese families on average incomes to settle in the city centre.

As the city increases its notoriety and visibility in the global context, being the headquarters of many international companies and the stage for international events, it is also becoming a magnet for new nationalities of buyers and residents who are playing an active role in changing the city. The city centre has become increasingly attractive to foreign buyers, boosted by fiscal mechanisms such as the Golden Visa and Non Habitual Resident Regime, which have made it possible for foreign investors to be granted residence permits to purchase property, contributing to Lisbon's rise in value and placing it in the international rankings of best cities to live in.

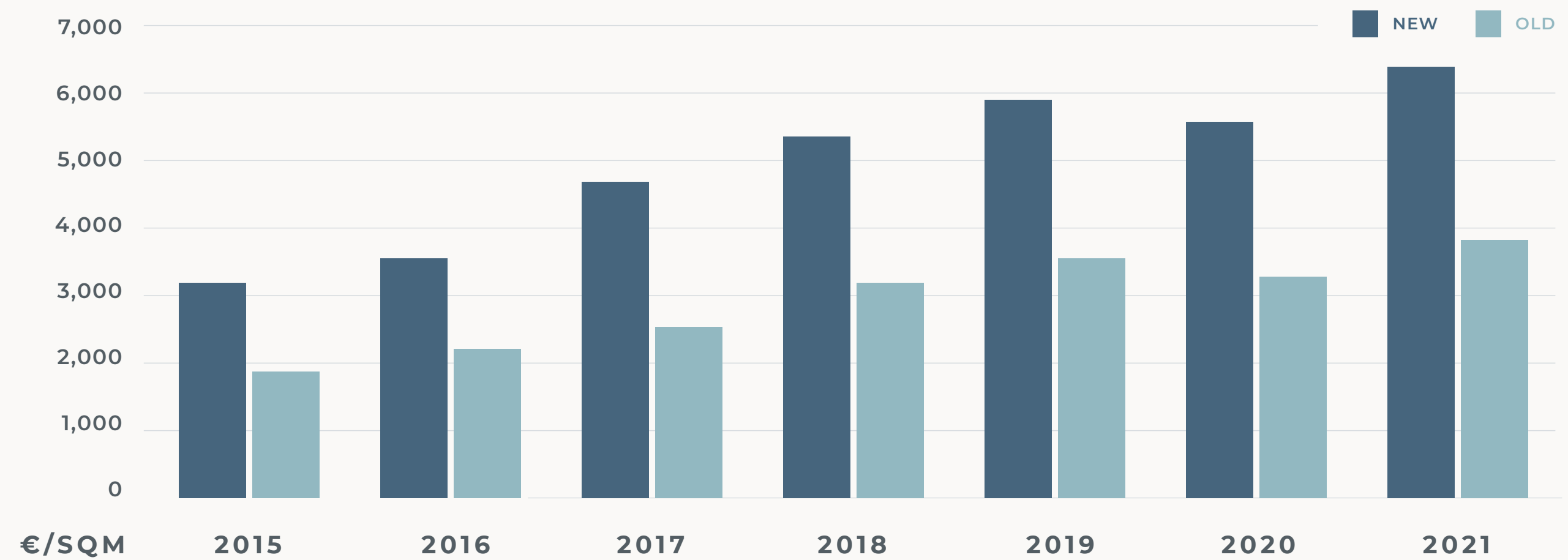
## TRENDS



## HOUSE PRICES

In 2021, the average sale price/sqm in Lisbon was € 3,973/sqm, the highest value of the last five years, representing an increase of 4% compared to 2020 and an increase of 6% compared to 2019, before the pandemic. The number of sales also accompanied the rise in average sale prices, with more than 11,000 dwellings sold, a growth of 17% compared to 2020 and a very residual decrease of 1% compared to 2019.

EVOLUTION OF AVERAGE SALE PRICE PER SQM - LISBON CITY MARKET



# PRIME MARKET



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## PRIME MARKET

Although with some price contractions during the pandemic due to a natural fall in activity in the international market, Lisbon's prime residential market has excelled by its stability and extreme resilience, being an attractive and safe investment, resistant to economic fluctuations.

In the Lisbon city market, the supply for sale in the parishes of Santo António and Misericórdia, integrated into the Prime Zone and the parish of Avenidas Novas (Central Zone) maintains the highest values/sqm, close to €6,000/sqm, also maintaining an upward trajectory and rapid recovery compared to the values observed in the pre-pandemic period.

By the end of 2021, Lisbon had a supply of new homes close to 6,000 units, which represents 35% of the supply available in the capital, with the

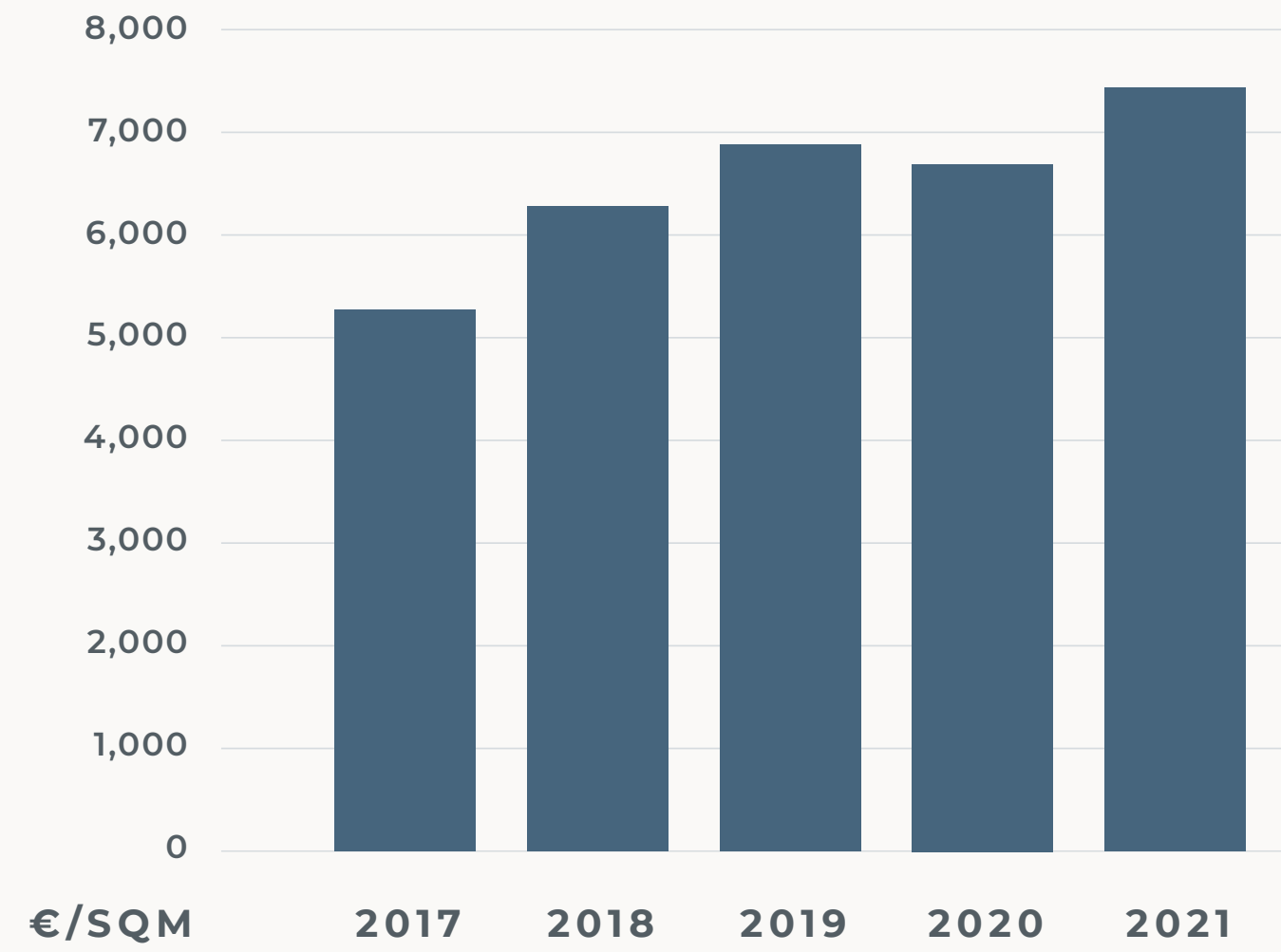
Prime Zone having the largest share of available supply with 33%. Compared to the year 2020, the number of units decreased by about 25% supporting the buyers' preference to direct their investments to the city of Lisbon. The cosmopolitan urban centre, with good accessibility and transport, health and technology infrastructures are key factors for Lisbon's success as an international residential destination.

The location, with sea and river views, the quality of construction and energy efficiency, the exclusivity of the projects, whether penthouses or villas with large outdoor areas or private pools,

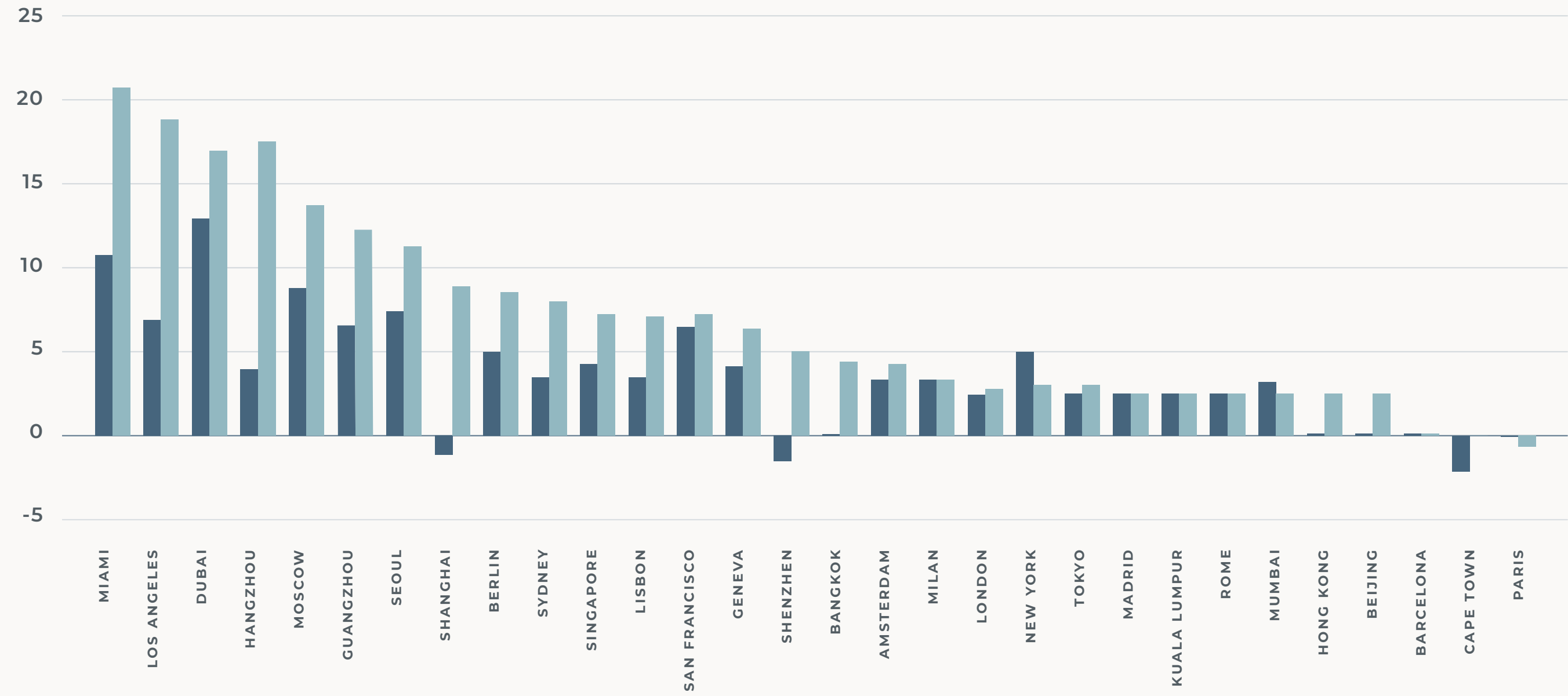
and spaces with new features such as office, gym or wellness area, are increasingly valued by prime market buyers.

# PRIME MARKET

PRIME MARKET - EVOLUTION OF AVERAGE SALE PRICES PER SQM – LISBON CITY MARKET



CAPITAL VALUE GROWTH (DEC.21) - PRIME RESIDENTIAL PRICES





## HAZARDS

It is expected that prices will continue to rise in Lisbon as demand will continue to outstrip supply. The continuous rise of the construction costs and shortage of skilled labour affecting property developers and home buyers, is also expected to impact prices.

However, the impact that the increase in interest rates will have in the prime residential market is still uncertain. In Lisbon there is a long way to go to develop the residential offer available in the market, not only in terms of quantity but also in terms of the type. There are neighbourhoods and areas in rapid development, such as Marvila or Beato, but there is still a lot of rehabilitation to be done in the more central neighbourhoods.

In Lisbon, customers are looking for products associated with lifestyle, where they can live in a community, with common spaces, and where they can also have a space

dedicated to remote working. The efficiency and sustainability levels of buildings are now also a priority for homeowners as a result of the pandemic and the growing awareness of health and quality of life.

However, Portugal continues to benefit from demand that shows no signs of slowing down, leveraged by international investors and a growing percentage of Portuguese families and investors, who recognise the attractiveness of the residential market as an income product, with more competitive returns than other classes of financial products.

The pandemic crisis also demonstrated the resilience of the national real estate market in general, but particularly of the residential market, which exceeded pre-pandemic levels in terms of number of transactions and investment volume.

# GOLDEN VISA



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## **GOLDEN VISA**

Created in 2012, the golden visa was an instrument to attract foreign investment in a period of economic recovery in Portugal after the sub-prime crisis. Between October 2012 and March 2022, 10,515 residence permits (ARI) were granted, of which 9,780 through the acquisition of real estate, for a total investment of €5,604 million.

As of January 2022, the regime of attribution of residence has undergone changes. The new rules for golden visas

will redirect investment to other areas of the country, with less density.

The regime may undergo further changes, as a possible standardisation of EU legislation. For the granting of residence visas through investment is under analysis. Although Golden Visa are no longer granted through the purchase of homes in Lisbon or Porto, there are still other forms and mechanisms that allow for the attribution of Golden Visas through

investment in the real estate market.

The Golden Visas have not been extinct, but have been subject to changes in the rules for their attribution. Thus, a foreign investor can continue to invest through the acquisition of shops or offices, Investment Units in Private Equity Funds in the minimum amount of €500,000 or through the purchase of accommodation for tourism purposes.





# SUMMARY

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## SUMMARY

Lisbon is a city that has been attracting a lot of foreigners in recent years (Europeans, Americans, but also Brazilians and Chinese in particular). This has had the effect of exerting upward pressure on prices, but also renewing the property stock, which was partially abandoned after the 2008 crisis.

Developers have to preserve the old façades stamped with “Azulejos” while restoring the interiors of the buildings, which results in very beautiful programmes with modern top-of-the-range services.





In Lisbon, property prices were up by a huge 15.2% (4.8% in real terms) in November 2022 from a year earlier, to a median price of €1,929 (US\$2,091) per sqm.

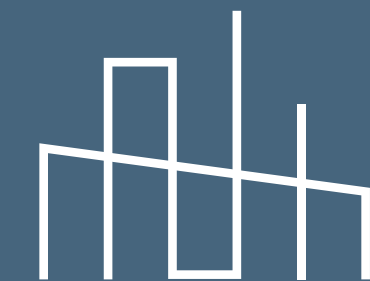
European cities rank highly with Dublin, Madrid, Lisbon and Paris set to lead the way in 2023 with 4% annual growth in Knight Frank's Prime Residential Price Forecasts for 2023.



“After two pandemic years, 2022 was the confirmation of the recovery with a very positive note of the Portuguese real estate investment market. At the end of 2022, the volume of commercial investments reached €3.3 billion. In contrast to a scenario of strong European economic and political uncertainty, the domestic market continued to prove as a safe and resilient haven for investors”.

**ALEXANDRA PORTUGAL  
GOMES, SAVILLS PORTUGAL**

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**THANK YOU**