

26 March 2020

House rental statistics at local level

2<sup>nd</sup> Semester of 2019

## **Baixo Alentejo, Alto Tâmega, Alentejo Central and Médio Tejo, scored an increase of the number of new lease agreements, compared to the same period in the previous year**

In the 2<sup>nd</sup> semester of 2019, compared to the same semester in the previous year, the median house rental value of new lease agreements of dwellings in Portugal increased 10.8% (9.2% in the previous semester), settling at 5.32 €/m<sup>2</sup>. The number of new lease agreements of dwellings decreased 6.4%, compared to the 2<sup>nd</sup> semester of 2018 (-10.5% in the previous semester). For the first time since the beginning of this series (2<sup>nd</sup> semester of 2017), four NUTS 3 sub-regions increased the number of new lease agreements, compared to the same period in the previous year: Baixo Alentejo (+9.0%), Alto Tâmega (+8.7%), Alentejo Central (+5.1%) and Médio Tejo (+0.8%).

In the period under review, 39 municipalities, mainly located in Área Metropolitana de Lisboa and in Algarve, scored rents of new lease agreements above the national value. The municipality of Lisboa scored the highest rent of the country (11.96 €/m<sup>2</sup>) and with values equal to or above 7 €/m<sup>2</sup>, the municipalities of Cascais (10.71 €/m<sup>2</sup>), Oeiras (10.18 €/m<sup>2</sup>), Porto (8.83 €/m<sup>2</sup>), Amadora (8.33 €/m<sup>2</sup>), Almada (7.77 €/m<sup>2</sup>), Odivelas (7.67 €/m<sup>2</sup>), Matosinhos (7.55 €/m<sup>2</sup>), Loures (7.24 €/m<sup>2</sup>), Loulé and Albufeira (both 7.03 €/m<sup>2</sup>), three more municipalities than the number listed in the previous semester.

In Lisboa, the parishes of Misericórdia (14.49 €/m<sup>2</sup>), Santo António (14.25 €/m<sup>2</sup>), Estrela (14.00 €/m<sup>2</sup>), Campo de Ourique (13.98 €/m<sup>2</sup>), Santa Maria Maior (13.90 €/m<sup>2</sup>) and Parque das Nações (13.55 €/m<sup>2</sup>) scored rental values above 13.50 €/m<sup>2</sup>. In Porto, União das freguesias de Aldoar, Foz do Douro e Nevogilde registered the highest rental value (9.50 €/m<sup>2</sup>) and Campanhã scored the highest year-on-year rate of change (+21.8%) but the lowest value (7.54 €/m<sup>2</sup>).

The information in this press release does not yet reflect the current situation determined by the pandemic Covid19. It is expected that the analyzed trends will change substantially. Nonetheless, the information available today is useful to establish a reference to assess future developments. Despite the circumstances, Statistics Portugal will try to maintain the statistical production and release calendar, although some adjustments might occur associated with the impact of the pandemic in obtaining primary information.

For this reason, Statistics Portugal asks for the best collaboration by firms, households and public entities in answering to Statistics Portugal's requests to obtain information, using Internet and telephone as alternative channels to face-to-face contacts. In fact, the quality of official statistics, particularly its ability to identify the impacts of the Covid19 pandemic, depends crucially on this collaboration that Statistics Portugal is grateful for in advance.

As in the previous edition, in the house rental statistics at local level (see technical note at the end of this press release), all values presented, unless otherwise specified, refer to **median** (value that separates the sorted set of rents per square meter in two equal parts) of house rental of **new lease agreements** of dwellings (€/m<sup>2</sup>). The median is determined in the annual period ending in each semester. The number of new lease agreements also refers to contracts signed in the last 12 months. In addition to the results presented in this press release, additional data is available at [www.ine.pt](http://www.ine.pt), by clicking on Products, Statistical data, Database (links to the indicators at the end of this press release).

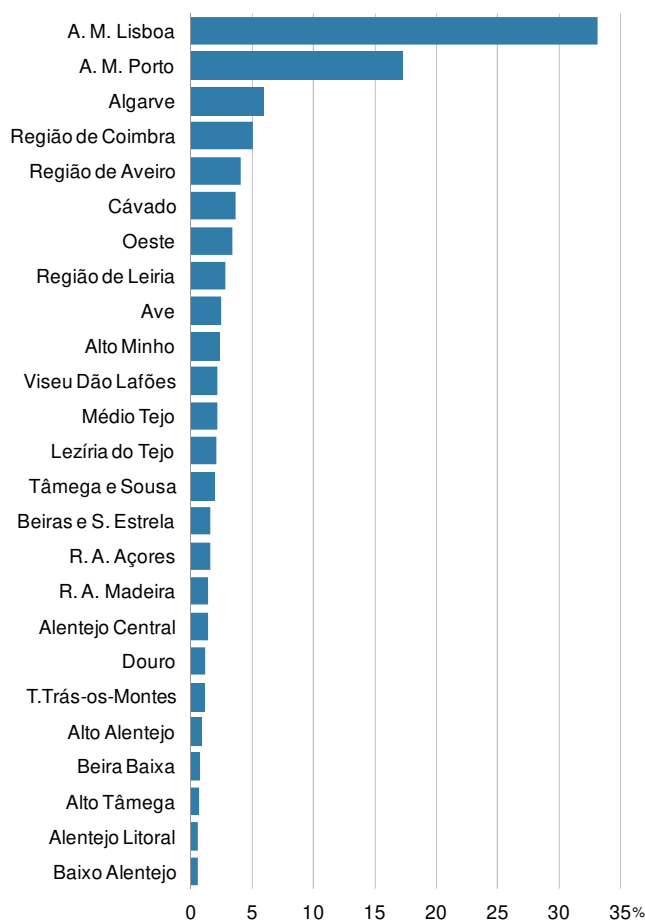
*The NUTS 3 Baixo Alentejo, Alto Tâmega, Alentejo Central and Médio Tejo scored an increase of the number of new lease agreements, compared to the same period in the previous year*

In the 2<sup>nd</sup> semester of 2019 (last 12 months), the median house rental value of the 72 788 new lease agreements of dwellings in Portugal was 5.32 €/m<sup>2</sup>, +10.8% increase compared to the same period in the previous year. In previous semester that rate was 9.2%. However, there was a decrease of 6.4% in the number of new lease agreements compared to the same period in the previous year (-10.5% in the semester before).

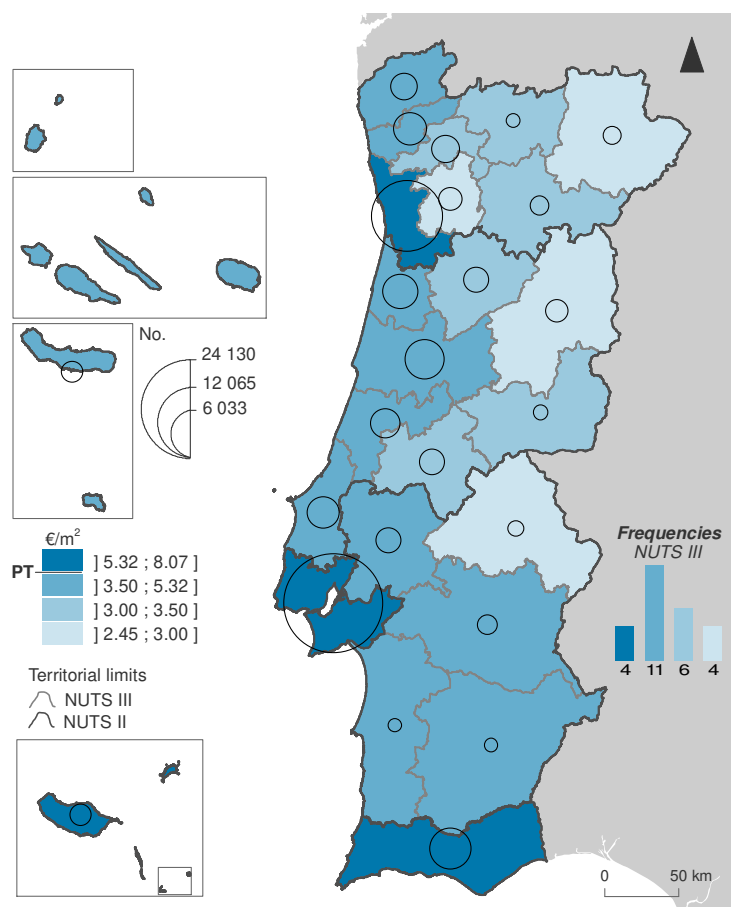
The median rent stood above the national value in the sub-regions of Área Metropolitana de Lisboa (8.07 €/m<sup>2</sup>), Algarve (6.25 €/m<sup>2</sup>), Região Autónoma da Madeira (5.99 €/m<sup>2</sup>), and Área Metropolitana do Porto (5.75 €/m<sup>2</sup>).

As in the previous semesters, Área Metropolitana de Lisboa concentrated around a third of the new lease agreements of dwellings (24 129). The new lease agreements in the metropolitan areas of Lisboa and Porto together accounted 50% of the total number of new lease agreements in the country and Algarve 5.9%. Baixo Alentejo scored the lowest number of new lease agreements of dwellings (435).

**Figure 1: Proportion of new lease agreements of dwellings in the total new lease agreements of the country, NUTS 3, 2<sup>nd</sup>S of 2019**



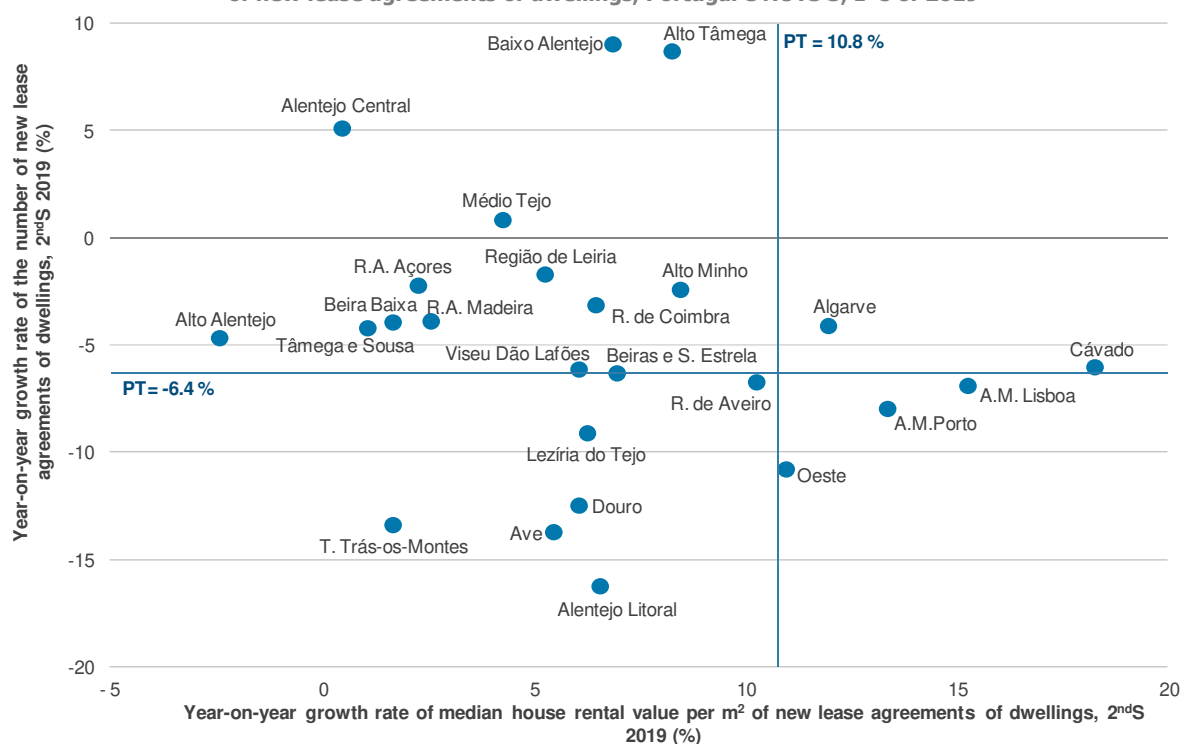
**Figure 2: Median house rental value per m<sup>2</sup> and number of new lease agreements of dwellings, Portugal, NUTS 3, 2<sup>nd</sup>S of 2019**



In the 2<sup>nd</sup> semester of 2019 (last 12 months), the NUTS 3 sub-regions Baixo Alentejo (+9.0%), Alto Tâmega (+8.7%), Alentejo Central (+5.1%) and Médio Tejo (+0.8%) registered an increase of the number of new lease agreements, compared to the same period in the previous year, reversing the decreasing number of new lease agreements of dwellings in all NUTS 3 registered since the beginning of the House rental statistics at local level series (2<sup>nd</sup> semester of 2017).

Compared to the same period in the previous year, in the 2<sup>nd</sup> semester of 2019 the median house rental value increased in 24 out of 25 sub-regions, decreasing only in Alto Alentejo (-2.4%). Cávado (+18.3%), Área Metropolitana de Lisboa (+15.3%) and Área Metropolitana do Porto (+13.4%) scored the highest year-on-year growth rates of house rental values. The sub-regions Algarve (+12.0%) and Oeste (+11.0%) also stood out by performing year-on-year growth rates above the national value (+10.8%).

**Figure 3: Year-on-year growth rate of median house rental value per m<sup>2</sup> of new lease agreements of dwellings and of the number of new lease agreements of dwellings, Portugal e NUTS 3, 2<sup>nd</sup>S of 2019**



*Eleven municipalities scored house rental values of new lease agreements above 7 €/m<sup>2</sup>, three more municipalities than the number listed in the previous semester*

In the 2<sup>nd</sup> semester of 2019 (last 12 months), 39 municipalities scored house rental values of new lease agreements above the national value. The municipality of Lisboa registered the highest rent of the country (11.96 €/m<sup>2</sup>) and with values equal to or above 7 €/m<sup>2</sup>, the municipalities of Cascais (10.71 €/m<sup>2</sup>), Oeiras (10.18 €/m<sup>2</sup>), Porto (8.83 €/m<sup>2</sup>), Amadora (8.33 €/m<sup>2</sup>), Almada (7.77 €/m<sup>2</sup>), Odivelas (7.67 €/m<sup>2</sup>), Matosinhos (7.55 €/m<sup>2</sup>), Loures (7.24 €/m<sup>2</sup>), Loulé and Albufeira (both 7.03 €/m<sup>2</sup>), three more municipalities than the number listed in the previous semester.

The territorial pattern of the median rents per m<sup>2</sup> of new lease agreements highlights, with higher values, the municipalities of Área Metropolitana de Lisboa (17 out of 18 municipalities), Algarve (12 out of 16) and Área Metropolitana do Porto (5 out of 17). In the remaining NUTS 3, the municipality of Funchal (6.82 €/m<sup>2</sup>) and Santa Cruz (5.40 €/m<sup>2</sup>) (in

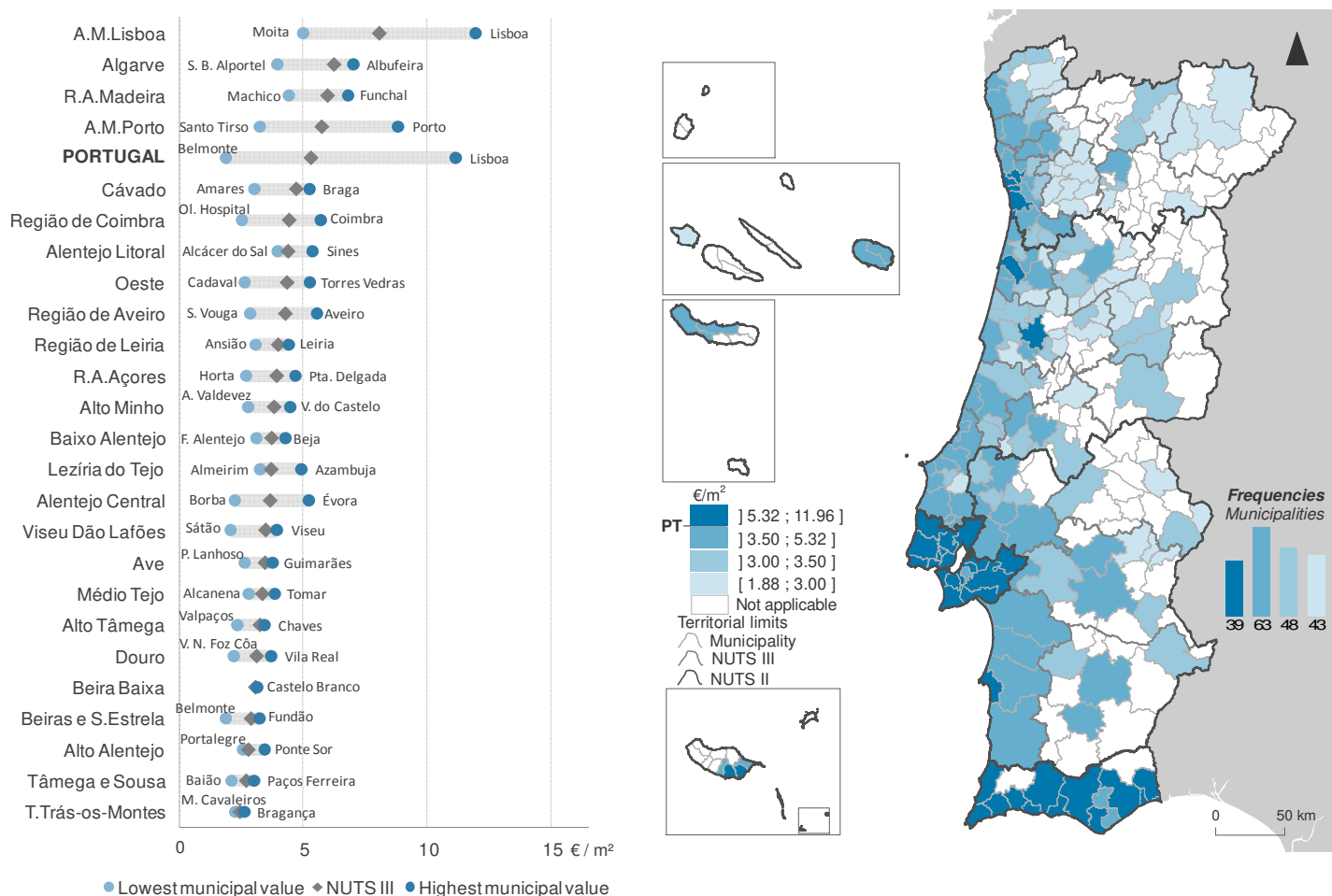
the Região Autónoma da Madeira), Coimbra (5.71 €/m<sup>2</sup>), Aveiro (5.56 €/m<sup>2</sup>) and Sines (5.38 €/m<sup>2</sup>) scored median rents above the national value.

In this period, 43 municipalities scored rents of new lease agreements for residential purpose below 3 €/m<sup>2</sup> (55 municipalities in the previous semester), mainly located in NUTS 2 regions Centro (19 out of 100 municipalities) and Norte (18 out of 86).

Área Metropolitana de Lisboa was the NUTS 3 sub-region with the highest house rental value range among its municipalities (6.96 €/m<sup>2</sup>): the lowest value was registered in Moita (5.00 €/m<sup>2</sup>) and the highest in Lisboa (11.96 €/m<sup>2</sup>). The NUTS 3 Área Metropolitana do Porto (5.58 €/m<sup>2</sup>), Região de Coimbra (3.18 €/m<sup>2</sup>) and Algarve (3.07 €/m<sup>2</sup>) also scored a rent differential between municipalities higher than 3.00 €/m<sup>2</sup>.

The municipality of Lisboa registered the highest number of new lease agreements of dwellings in the country, 6 721 new agreements celebrated, +1.2% compared to the same period in the previous year. It should also be noted that the number of new lease agreements was higher than 2 500 in the municipalities of Porto (3 043) and Sintra (2 808).

**Figure 4: Median house rental value per m<sup>2</sup> of new lease agreements of dwellings, Portugal, NUTS 3 and municipality, 2<sup>nd</sup>S of 2019**



*Lisboa, Cascais, Oeiras, Funchal, Maia and Coimbra stood out, among the municipalities with more than 100 thousands inhabitants, for scoring year-on-year growth rates of house rental values lower than the value registered for Portugal*

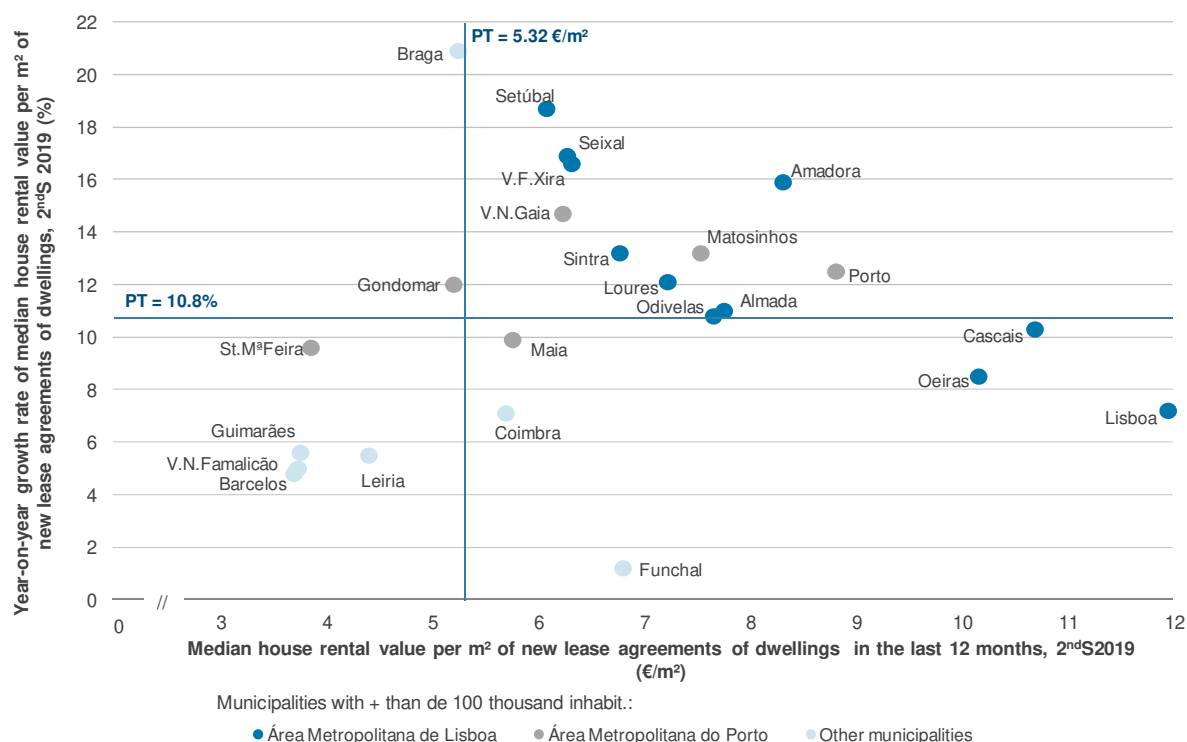
In the 2<sup>nd</sup> semester of 2019, Braga (+21.0%) and Setúbal (+18.7%) stood out, among the 24 municipalities with more than 100 thousands inhabitants, for scoring year-on-year growth rates of house rental values in new lease agreements above +18%.

Among the municipalities with more than 100 thousands inhabitants, a set of 11 stood out – Setúbal, Seixal, Vila Franca de Xira, Amadora, Vila Nova de Gaia, Matosinhos, Sintra, Porto, Loures, Almada and Odivelas – for scoring, simultaneously, a median house rental value of new lease agreements above national value (5.32 €/m<sup>2</sup>) and year-on-year growth rates higher than the one scored in Portugal (+10.8%). The municipalities Braga and Gondomar also scored growth rates (+20.9% e +12.0%, respectively) higher than the national value.

The municipalities of Lisboa, Cascais, Oeiras, Funchal, Maia and Coimbra scored year-on-year growth rates of rental values lower than the value registered for Portugal and, simultaneously, a median value higher than the national value.

In this period, Barcelos, Vila Nova de Famalicão, Leiria, Guimarães and Santa Maria da Feira were the only municipalities with more than 100 thousands inhabitants to score house rental values in new lease agreements and year-on-year growth rates below the value registered for Portugal.

**Figure 5: Median value and year-on-year growth rate of median house value per m<sup>2</sup> of new lease agreements of dwellings, municipalities with more than 100 thousands inhabitants, 2<sup>nd</sup>S 2019**



*In Lisboa, six parishes scored median house rental values above 13.50 €/m<sup>2</sup>*

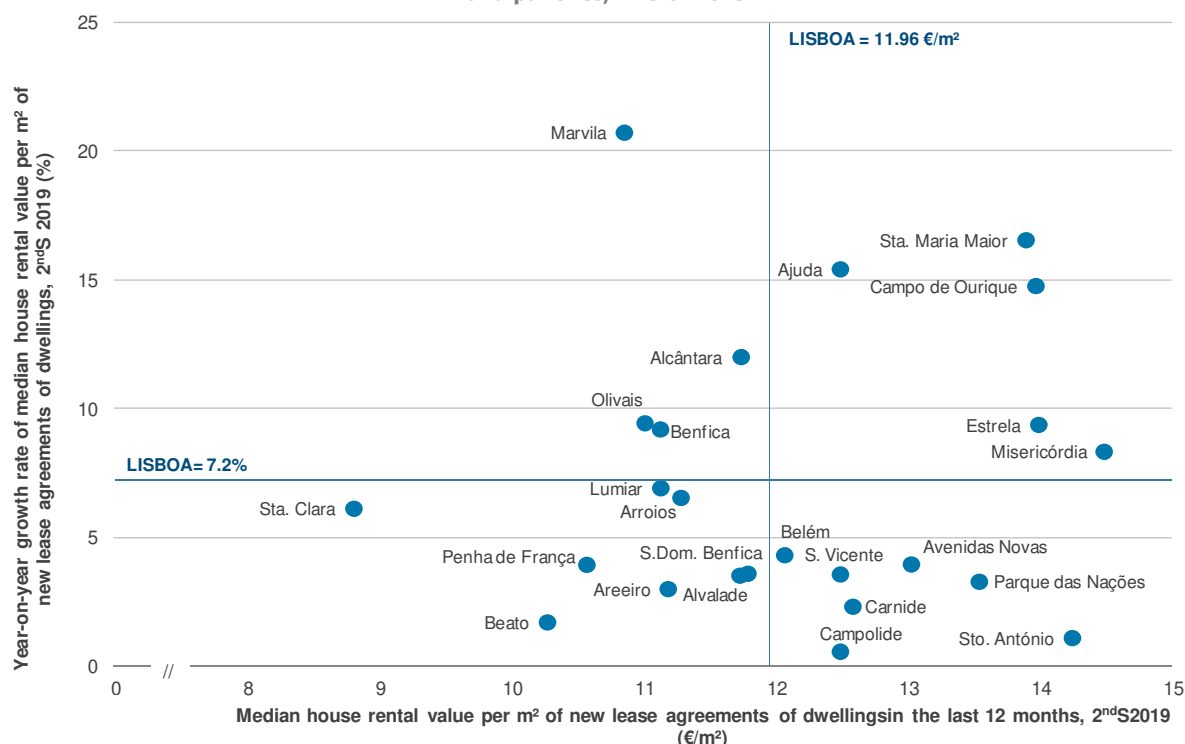
In the 2<sup>nd</sup> semester of 2019 (last 12 months), six out of the 24 parishes of Lisboa scored median house rental values of new lease agreements of dwellings above 13.50 €/m<sup>2</sup>: Misericórdia (14.49 €/m<sup>2</sup>), Santo António (14.25 €/m<sup>2</sup>), Estrela (14.00 €/m<sup>2</sup>), Campo de Ourique (13.98 €/m<sup>2</sup>), Santa Maria Maior (13.90 €/m<sup>2</sup>) and Parque das Nações (13.55 €/m<sup>2</sup>). On the other hand, the parishes of Santa Clara (8.82 €/m<sup>2</sup>) e Beato (10.28 €/m<sup>2</sup>) registered the lowest values.

In the period under review, the parishes Misericórdia, Estrela, Campo de Ourique, Santa Maria Maior and Ajuda scored, simultaneously, rent values above Lisboa municipality (11.96 €/m<sup>2</sup>) and year-on-year growth rates higher than the one registered in the municipality of Lisboa (+7.2%).

The parishes of Santa Clara, Beato, Penha de França, Lumiar, Areeiro, Arroios, Alvalade and São Domingos de Benfica scored, simultaneously in the 2<sup>nd</sup> semester of 2019, house rental values and rates of change compared to the same period in the previous year below the same values registered in Lisboa municipality.

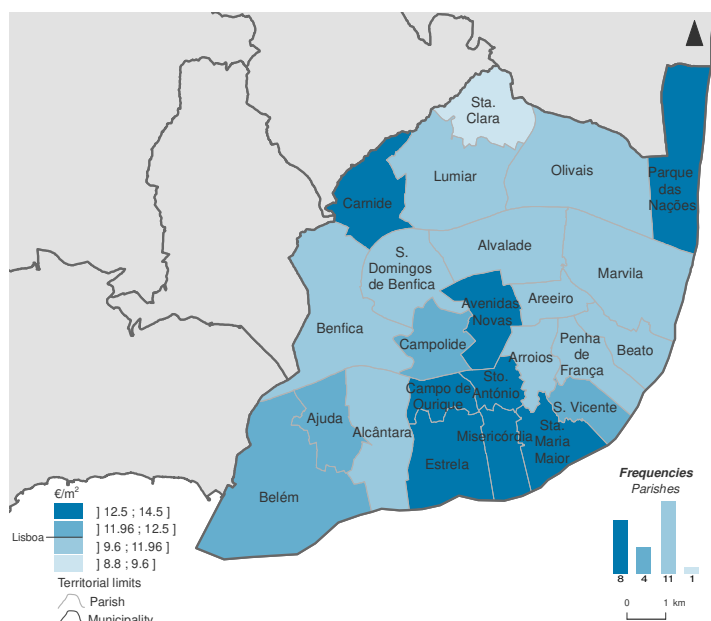
In the 2<sup>nd</sup> semester of 2019 (last 12 months), as in the same period in the previous year, Arroios scored the highest number of new lease agreements of dwellings (594 lease agreements celebrated) and Marvila scored the lowest (66).

**Figure 6: Median value and year-on-year growth rate of median house value per m<sup>2</sup> of new lease agreements of dwellings, Lisboa and parishes, 2<sup>nd</sup>S of 2019**

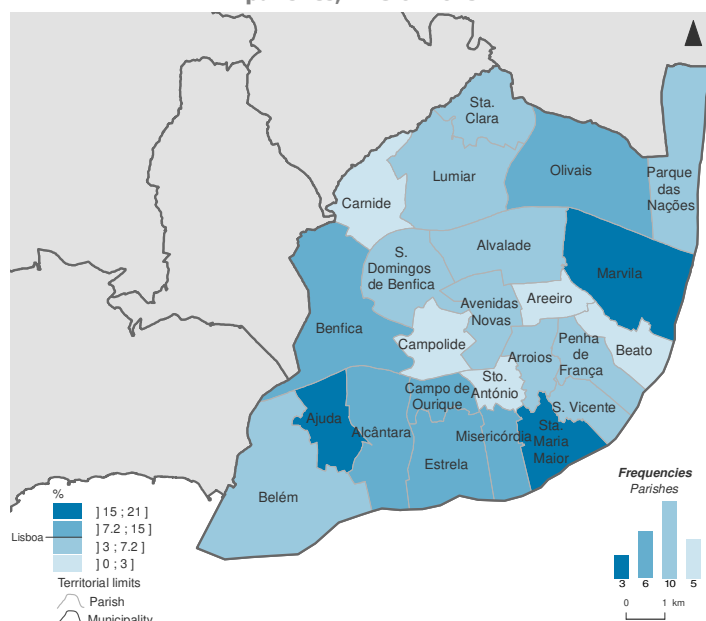




**Figure 7: Median house rental value per m<sup>2</sup> of new lease agreements of dwellings, Lisboa and parishes, 2<sup>nd</sup>S of 2019**



**Figure 8: Year-on-year growth rate of median house rental value per m<sup>2</sup> of new lease agreements of dwellings, Lisboa and parishes, 2<sup>nd</sup>S of 2019**



*In Porto, the parish of Campanhã scored, simultaneously, the highest year-on-year rate of change (+21.8%) and the lowest median house rental value of new lease agreements (7.54 €/m<sup>2</sup>)*

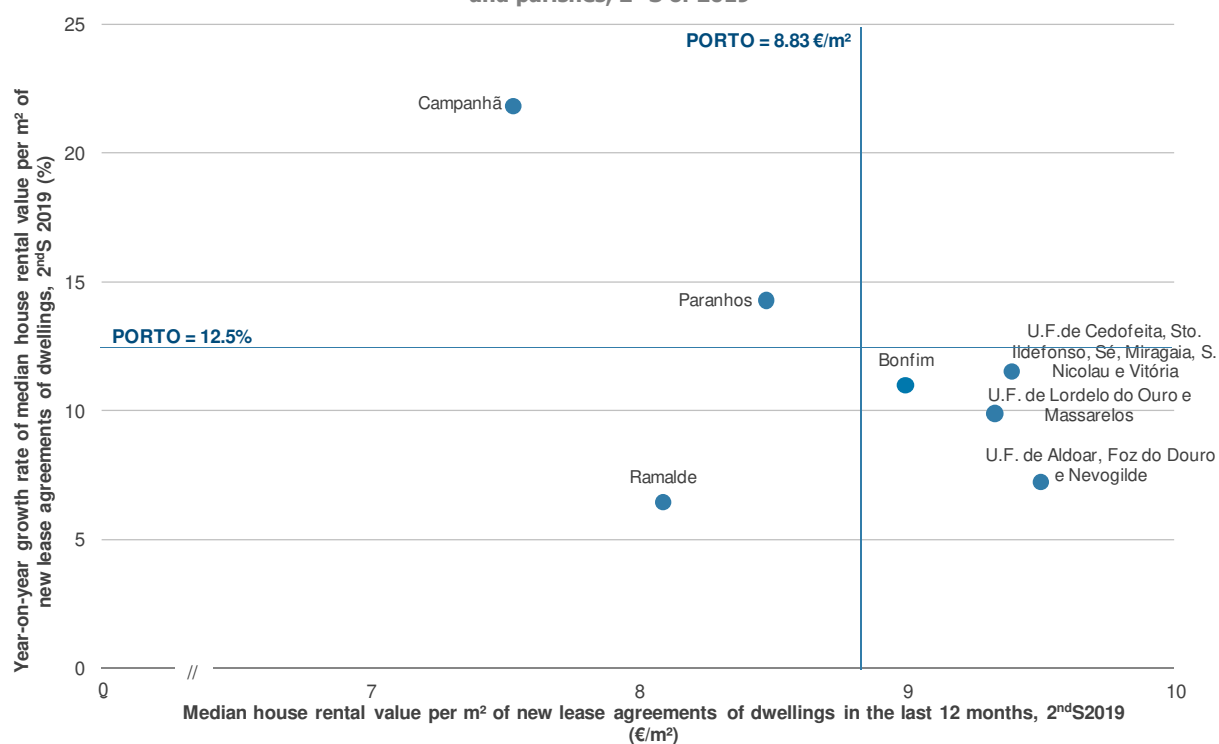
In the 2<sup>nd</sup> semester of 2019 (last 12 months), the União das freguesias de Aldoar, Foz do Douro e Nevogilde, stood out for scoring the highest rent value of new lease agreements (9.50 €/m<sup>2</sup>), among the seven parishes of Porto municipality.

The parish of Ramalde scored a rent value below the one registered in Porto (8.83 €/m<sup>2</sup>) and a year-on-year growth rate also lower than the one registered in the municipality (+12.5%). The parish of Campanhã scored, simultaneously, the highest year-on-year rate of change (+21.8%) and the lowest median house rental value of new lease agreements (7.54 €/m<sup>2</sup>) in Porto municipality.

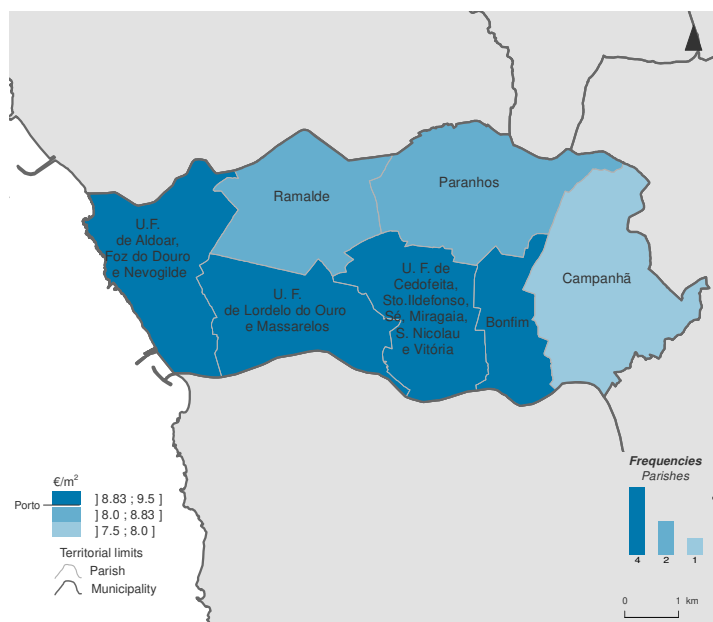
The parishes of União das freguesias de Aldoar, Foz do Douro e Nevogilde, União de freguesias de Cedofeita, Santo Ildefonso, Sé, Miragaia, São Nicolau e Vitória, União de freguesias Lordelo do Ouro e Massarelos and Bonfim scored, simultaneously, a median house rental value of new lease agreements (9.50 €/m<sup>2</sup>, 9.40 €/m<sup>2</sup>, 9.33 €/m<sup>2</sup> and 9.00 €/m<sup>2</sup>, respectively) above Porto municipality value (8.83 €/m<sup>2</sup>) and a year-on-year growth (+7.2%, +11.5%, +9.9% e +11.0%, respectively) lower than the one registered in Porto (+12.5%).

In the 2<sup>nd</sup> semester of 2019 (last 12 months), the number of new lease agreements of dwellings in the parishes of the municipality of Porto ranged between 880 lease agreements, in Paranhos parish, and 182, in União das freguesias de Aldoar, Foz do Douro e Nevogilde.

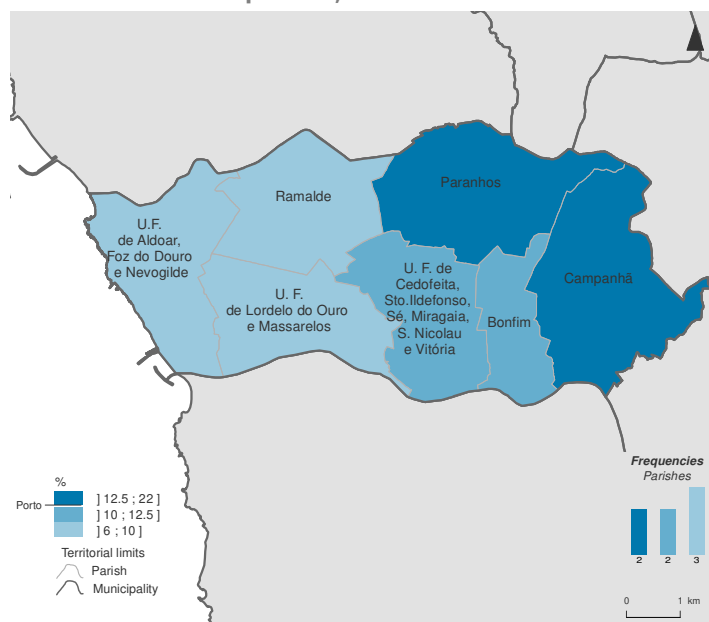
**Figure 9: Median value and year-on-year growth rate of median house value per m<sup>2</sup> of new lease agreements of dwellings, Porto and parishes, 2<sup>nd</sup>S of 2019**



**Figure 10: Median house rental value per m<sup>2</sup> of new lease agreements of dwellings, Porto and parishes, 2<sup>nd</sup>S of 2019**



**Figure 11: Year-on-year growth rate of median house rental value per m<sup>2</sup> of new lease agreements of dwellings, Porto and parishes, 2<sup>nd</sup>S of 2019**

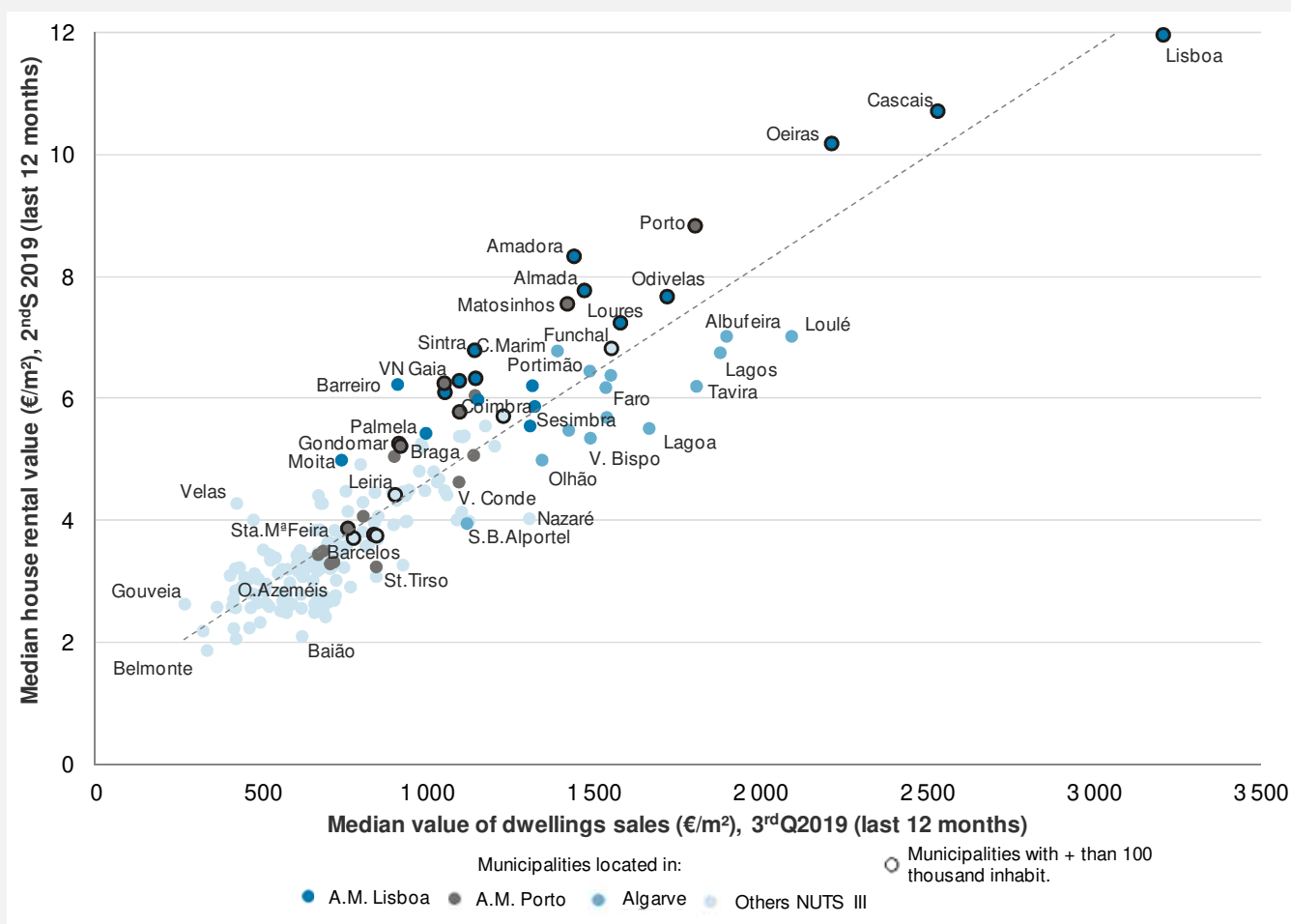




### Rents and purchase prices per m<sup>2</sup>

Figure 12 represents the municipalities' score in a referential that combines the value per m<sup>2</sup> of rents of new lease agreements with the price per m<sup>2</sup> of house purchase. Three municipalities continue to stand out with the highest values per m<sup>2</sup> in comparison with the rest of the country: Lisboa, Cascais and Oeiras. Having the trend line as reference, there is an apparent overvaluation of the rental values, in relation to house prices values, in most of the municipalities of Área Metropolitana de Lisboa – except the municipalities of Lisboa and Sesimbra –, in most of the municipalities of Área Metropolitana do Porto and, generally, in most of the municipalities with more than 100 thousand inhabitants. In contrast, there is a relative undervaluation of rents in most of the municipalities of the Algarve.

**Figure 12: Median house rental value per m<sup>2</sup> of new lease agreements of family dwellings and Median value per m<sup>2</sup> of family dwellings sales, by municipality**



Source: Statistics Portugal, House rental statistics at local level and Statistics on house prices at local level.

Note: The information regarding new lease agreements of dwellings refers to the 2<sup>nd</sup> semester of 2019 (last 12 months) and the information regarding dwellings sales refers to the 3<sup>rd</sup> Quarter of 2019 (last 12 months). The figure shows the 198 municipalities with information in the House rental statistics at local level.

## Technical note

'House rental statistics at local level' are released semi-annually and have national coverage. The observed statistical unit is the family dwelling, and the target population is the family dwelling with new lease agreements for residential purposes.

House rental statistics at local level are based on the use of administrative procedures, namely from anonymised administrative tax data provided by the Portuguese Tax and Customs Authority (AT), under an agreement signed with Statistics Portugal, on the Statement of Stamp Duty Model 2 - Communication of lease agreements (Model 2) and the Municipal Property Tax (IMI). Statistics Portugal is grateful for the Portuguese Tax and Customs Authority collaboration in the implementation of this project.

The calculation of House rental statistics at local level is based on the linking between Model 2 information (from where the house rental value of new lease agreements of dwellings are obtained) and the Municipal Property Tax information (from where identifying characteristics of the rented dwelling are obtained). The link between these two administrative tax sources is made using the "generated article" variable.

The information on house rental value of new lease agreements of family dwellings includes the Model 2 paid statements regarding the communication of lease agreements. Only the first declarations of new lease agreements of family dwellings for urban buildings, with a monthly rent period, for which the purpose is permanent housing, and the associated information from the Municipal Property Tax defined as "Housing" are used.

### Median house rental value per m<sup>2</sup> of new lease agreements of family dwellings

Median house rental value per square meter of new lease agreements of dwellings for residential purposes with a gross dwelling area between 20 m<sup>2</sup> and 600 m<sup>2</sup> and with a rent value between 100 € and 4 000 €.

### New lease agreements (No.) of family dwellings

Number of new lease agreements of dwellings for residential purposes with a gross dwelling area between 20 m<sup>2</sup> and 600 m<sup>2</sup> and with a rent value between 100 € and 4 000 €.

The results released in each semester correspond to the information observed for the reference semester and the previous semester. Although the results are released semi-annually, they reflect the rents and the number of new lease agreements with the 12 months period, allowing to reduce the impact of the irregularities associated with the heterogeneity of the leased properties while reflecting the trend of evolution of the value and number of new lease agreements, as well as eliminating the effect of potential seasonal fluctuations.

*For the purpose of dissemination a minimum number of 30 transactions is considered for each stratum.*

## Concepts

**Dwelling:** A separate and independent place which was built, rebuilt, enlarged or converted to be used as a private accommodation, and that is not totally occupied for other purposes during the reference period.

**Family dwelling:** Dwelling that is normally intended to accommodate only one family, on the condition that it is not being used for other purposes at the period of reference.

**Gross dwelling area:** Total surface area measured by the outer perimeter and axes of the walls or other elements separating the building or part, including private enclosed balconies, private cellars and attics with the same use as the building or fraction.

**Letting:** Type of lease contract. A lease of real estate is referred to as a letting contract, i.e. the contract under which 1 person provides another person the right to temporarily benefit of real estate in exchange for a retribution (the rent). Letting can be rural, urban or mixed, depending on the rural or urban nature of the building and its final use.

**Urban lease agreement:** Agreement by which one of the parties grants to the other the temporary use of an urban building, in whole or in part, by means of a retribution

**Municipal real estate tax:** A regular municipal tax corresponding to a percentage of the value of rural and urban estates.

**Estate:** Any fraction of territory, including waters, plantations, buildings and constructions of any kind based there permanently

**Urban building:** Building that has the following characteristics: is licensed or is intended for residential, commercial, industrial or service purposes; whether it is land for construction situated inside or outside an urban agglomeration, for which a license or authorization of a subdivision or construction operation has been granted, and also for which has been declared as such in the acquisition title, with the exception of the land for which the competent entities exclude any of those operations, namely that located in green zones, protected areas or that, according to municipal spatial planning, is affected by spaces, infrastructures or public equipments.

**Rent:** A periodical payment that a tenant (in a lease contract) is obliged to make to a landlord.

**Housing rent:** Quantitative due monthly to the landlord for the use of dwelling for residential purposes.

**Dwelling rent:** See HOUSING RENT.

### Indicators available at Statistics Portugal Official Website

The semi-annually results for the period between the second semester of 2017 and the second semester of 2019 (last 12 months) are available at [www.ine.pt](http://www.ine.pt), in Statistical information, Statistical data, Database.

#### Indicators with semestral periodicity, last 12 months (2<sup>nd</sup> semester 2017 to 2<sup>nd</sup> semester 2019):

[Median house rental value per m<sup>2</sup> of new lease agreements of dwellings in the last 12 months \(€\) by Geographic localization; Semi-annual](#)

[New lease agreements of dwellings in the last 12 months by Geographic localization; Semi-annual](#)

[Methodological document of House rental statistics at local level](#)