



Portuguese Resorts Market Report

2019: 1st Semester



IN PARTNERSHIP WITH:



- Resorts' value increases 10.7%
- Albufeira-Loulé Resorts at 4.7 thousand euro/sqm
- British with a larger ticket and investment share

The Portuguese Resorts Market Report is the outcome of the new Resorts Information System (SIR-Resorts) launched by Confidencial Imobiliário magazine together with APR - Portuguese Resorts Association, with the support from the governmental agency, the Turismo de Portugal.

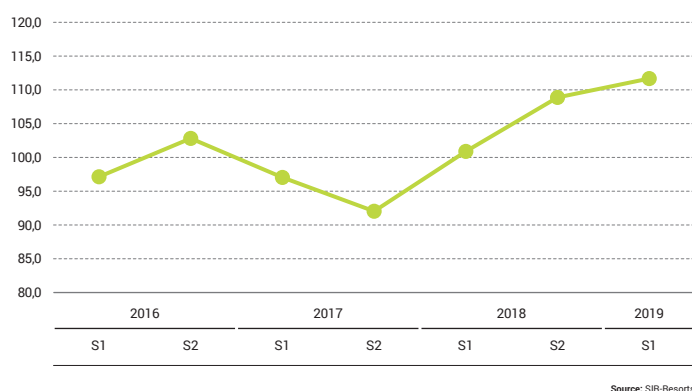
This system gathers the leading resorts in the regions of the Algarve and the Atlantic Coast, as well as the most relevant agents within those markets, who report, for statistical purposes, the details on each of the assets they have on sale and of all the sales they perform. This set of statistics makes of this system an essential tool for the market professionals, allowing them to access to reliable data about prices and sales, and thus serving their clients, buyers and sellers.

RESORTS INFORMATION SYSTEM – PARTICIPANTS:



RESORTS' VALUE INCREASES 10.7%

RESORTS HOUSE PRICE INDEX
(2016=100)

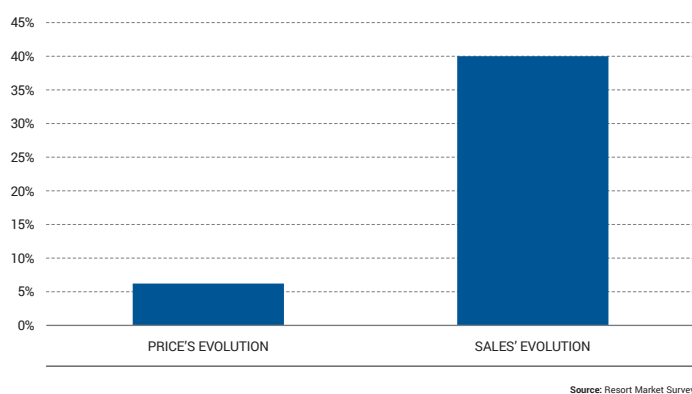


During the first semester of 2019, the resorts' house market continued the recovery cycle of sales prices started last year, despite the slower pace when compared to the end of 2018. Thus, after having reached an 18.3 % increase yoy back then, the valuation for this type of assets is now of 10.7%.

Resorts are one of the real estate markets more closely connected to the British buyers, who are among the greatest buyers for this type of assets, and on which the fluctuation of the pound tends to have a greater influence on the prices. That explains the Resorts House Price Index relative instability, alternating accelerating cycles with slow down periods, reflecting the Pound's fluctuation since the Brexit was announced, in June 2016.

POSITIVE EXPECTATIONS ABOUT PRICES AND SALES

RESORTS: 6 MONTHS MARKET EXPECTATIONS (NET BALANCE SCORES)
2019: 1ST SEMESTER



The market operators anticipate a price stabilization in the near future, according to the results from the *Resort Market Survey*, a sentiment and expectations survey compiled by Confidencial Imobiliário.

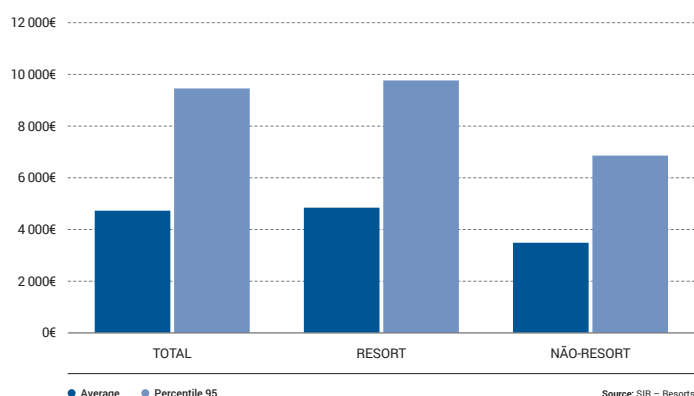
Concerning the sales' dynamic, the players' expectations remain unchanged when compared to the previous semester. Therefore, despite the feeling that there is less room for high future price increases, market operators don't expect to see a decrease in demand.

The fact that both indicators remain positive shows that operators feel that the Brexit can be an opportunity, encouraging British investors to invest in a Euro Zone market, namely in the Portuguese resort housing market.

ALBUFEIRA-LOULÉ RESORTS AT 4.7 THOUSAND EURO/SQM

ALBUFEIRA-LOULÉ MARKET

ASKING PRICES (EUROS/SQM) – 1ST HALF 2019

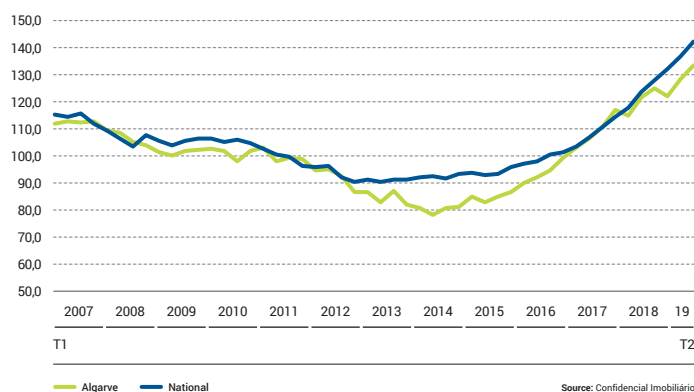


Within the resort market, it is in the axis Albufeira-Loulé that we can find the highest price per dwelling, above €7.6 million. It is followed by the Atlantic Coast, where the price per dwelling can reach €6.7 million. The results are from SIR-Resorts, which aggregates all the data concerning tourist houses' offer and sales in four geographical areas and which covers the Algarve's and Atlantic Coast's main resorts, including the Western region and the coast of Alentejo.

By sqm, the axis Albufeira-Loulé also has the highest asking prices on the market, at €4.723/sqm, reflecting a significantly higher value than the remaining areas within the Algarve (72% higher than the Sotavento and 43% higher than the Barlavento). When compared to the Atlantic Coast the prices are around 20% above. Within the market's high-end segment (95 percentile), the axis Albufeira-Loulé also has the most expensive prices, at €9.457/sqm, reaching over €11.600/sqm for houses integrated within resorts.

ALBUFEIRA LEADS VALUATION WITHIN THE ALGARVE

HOUSE PRICE INDEX (2011=100)



The Algarve Housing Prices Index compiled by Confidencial Imobiliário shows a yoy increase of 9.7% during the second quarter of 2019. This reflects a softening which was felt across all markets. During this quarter, Albufeira, Faro, Tavira and Vila Real de Santo António showed yoy increases above 10%, remaining the leaders in terms of valuation within the Algarve. Most municipalities continued to have increases of around 9%, showing a solid price increase within the region.

In the short-term, the trend is similar, with quarterly increases, in most markets, above 4% and reaching 6.8% in Albufeira.

BRITISH WITH A LARGER TICKET AND INVESTMENT SHARE

BRITISH AMONG ALBUFEIRA-LOULÉ INTERNATIONAL BUYERS



British remain the main international buyers within the Albufeira-Loulé axis, with a 56% share, the highest since 2017. On the same line, their average investment ticket (5.621 €/sqm) evolved in a positive way when compared to the previous semester and yoy (between 5.000 and 5.500 €/sqm). No other country comes close to the British quota and, although there were purchases from 13 other nationalities, all had shares between 3% and 6%, with Ireland, France and Holland standing out. China, Russia, South Africa and the USA are other countries which were active in terms of purchases.

In the Barlavento region there is a greater balance between nationalities (12 in total), with the British (27%), French (19%), Swedish (14%) and Irish (11%) standing out, and with the Swedes purchasing the most expensive houses (3.214€/sqm). The remaining countries have shares between 3% and 5%.



Confidencial Imobiliário is a data intelligence agency, specialized in the production and distribution of data bases and statistics concerning the Portuguese real estate market. Since 1988 it produces the Índice de Preços Confidencial Imobiliário (Confidencial Imobiliário Residential Price Index), used by organizations such as the Banco de Portugal (Bank of Portugal), ECB, OECD or BIS - Bank for International Settlements. The new Residential Tourism Statistics System is part of a group of systems SIR, which gather the data from the market operators for the production of statistics concerning selling prices of properties.

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