

21 March 2018

House rental statistics at local level

2017

37 municipalities scored house rental values per square meter above the national value

In 2017, the median house rental value of new lease agreements of dwellings in Portugal was 4.39 euros per square meter and the municipalities that stood above this value were mainly located in Área Metropolitana de Lisboa and Algarve. The municipality of Lisboa scored the highest median rent (9.62 €/m²) and with values above 6.5 €/m², the municipalities of Cascais (8.06 €/m²), Oeiras (7.84 €/m²) and Porto (6.77 €/m²) also stood out.

The NUTS III sub-regions of Área Metropolitana de Lisboa, Região Autónoma da Madeira, Algarve and Área Metropolitana do Porto scored median rents per square meter above the national value. Together the metropolitan areas of Lisboa and Porto accounted for around 51% of the total of new lease agreements in the country.

Statistics Portugal releases, for the first time, the House rental statistics at local level based on administrative data (see the technical note at the end of this press release) of new lease agreements of dwellings in 2017.

These new statistics are part of the official statistical system development for real estate market, in particular for housing market benefiting from administrative data from public and private entities. In addition to a broad set of statistics in this area provided by Statistics Portugal (Statistics on construction works completed, House Price Index, Commercial property price index, Housing Rents Index, Statistics on house prices at local level, Survey on bank evaluation on housing, interest rates, amounts due and monthly installments associated with bank credit on housing), an additional development is now put forward on an important dimension of the real estate market.

House rental statistics at local level, in line with the Directors General of the National Statistical Institutes guidelines established in the Lisbon Memorandum (2015) on 'Indicators for the decision-making and monitoring', which aimed to make official statistical production a relevant element for the formulation of public policies, also seek to correspond to needs identified by the Secretary of State of Housing.

Thus, two indicators will be available, at least with an annual periodicity, for Portugal, up to the municipality level and for the metropolitan areas, up to the parish level, whenever the number of observations allows it (30 or more observations):

- Median house rental value per m² of new lease agreements of dwellings (€)
- New lease agreements of dwellings (No.)

These indicators reflect exclusively the dynamics of new lease agreements of dwellings, not including the lease agreements prior to the reference period.

In House rental statistics at local level, the **median**¹ (value that separates the sorted set of rents per square meter in two equal parts) is used as the reference value for rental dwellings (€/m²), which allows to remove the effect of extreme values of the rental house market analysis at the local level. In addition, the choice of an annual period allows the elimination of possible seasonal effects on rents behaviour, as well as increasing the geographical detail of the results.

The results of 2017 are available at www.ine.pt, by clicking on Statistical Information, Statistical data, Database (hyperlinks for the indicators at the end of this press release).

It should be noted that this statistical project is still under development, with tests being carried out to increase the scope of available information, particularly in terms of periodicity and of territorial detail.

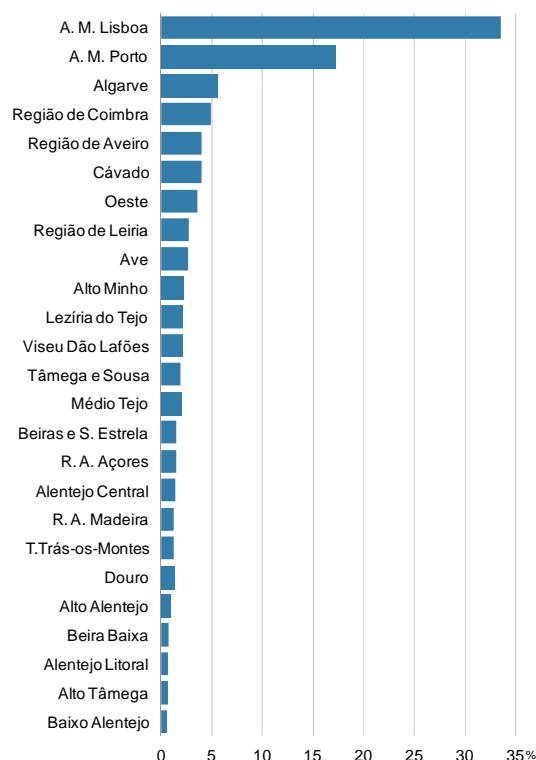
The metropolitan areas of Lisboa and Porto represented more than 50% of the total of new lease agreements of dwellings registered in Portugal

In 2017, the median house rental value of the 84 383 new lease agreements registered in Portugal was 4.39 €/m². The median rent stood above the national value in the sub-regions of Área Metropolitana de Lisboa (6.06 €/m²), Região Autónoma da Madeira (5.15 €/m²), Algarve (5.00 €/m²) and Área Metropolitana do Porto (4.58 €/m²).

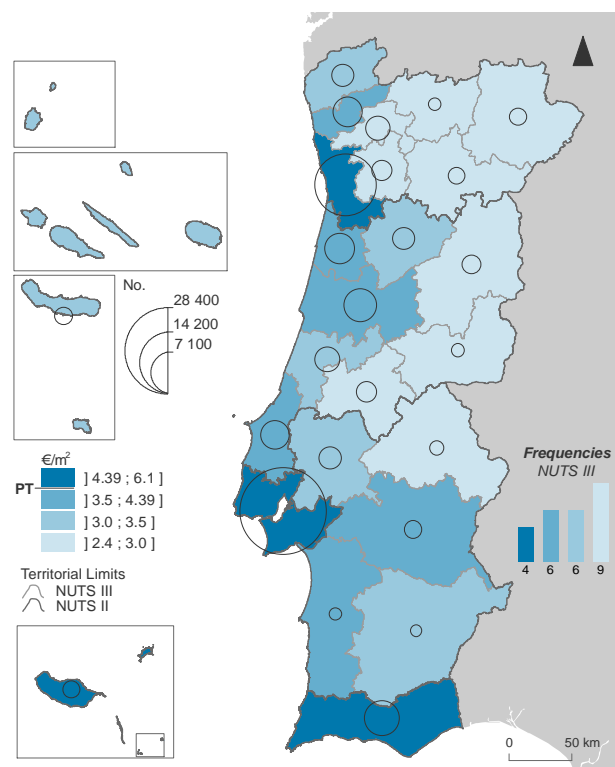
In 2017, Área Metropolitana de Lisboa concentrated around a third of the new lease agreements of dwellings (28 305) and the new lease agreements registered in the metropolitan areas of Lisboa and Porto together accounted for around 51% of the total number of new lease agreements of dwellings in the country. On the other hand, Baixo Alentejo scored the lowest number of new lease agreements of dwellings (474).

¹ Unless otherwise specified, all house rental values presented in this press release refer to median values.
House rental statistics at local level – 2017

Proportion of new lease agreements of dwellings in the total new lease agreements of the country by NUTS III, 2017



Median house rental value per m² and number of new lease agreements of dwellings, Portugal and NUTS III, 2017



Área Metropolitana de Lisboa scored a median rent differential between municipalities higher than 5 €/m²

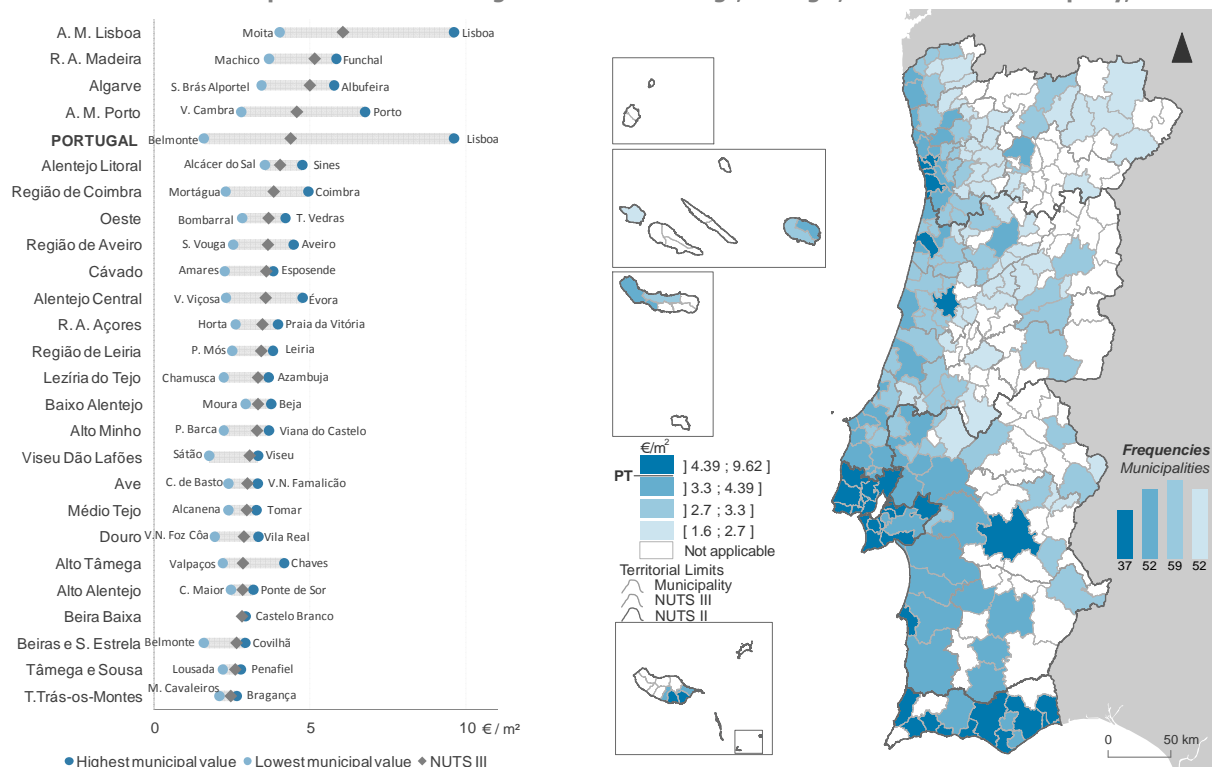
In the period under review, 37 municipalities scored rents of new lease agreements above the national value. The municipality of Lisboa scored the highest rent of the country (9.62 €/m²) and with values equal to or above 6 €/m², the municipalities of Cascais (8.06 €/m²), Oeiras (7.84 €/m²), Porto (6.77 €/m²), Amadora (6.43 €/m²), Odivelas (6.17 €/m²) and Almada (6.00 €/m²) also stood out.

The analysis of the territorial pattern of the median rents per m² of new lease agreements highlights, with higher values, the municipalities of Área Metropolitana de Lisboa, Algarve and Área Metropolitana do Porto. In the remaining NUTS III sub-regions, the municipality of Coimbra (Região de Coimbra), the municipalities of Funchal and Santa Cruz in Região Autónoma da Madeira, and the municipalities of Évora (Alentejo Central), Sines (Alentejo Litoral) and Aveiro (Região de Aveiro) also scored median rents above the national value.

Área Metropolitana de Lisboa was the NUTS III sub-region with the highest house rental value range among its municipalities: the lowest value was registered in Moita (4.03 €/m²) and the highest was registered in Lisboa (9.62 €/m²). The sub-regions of Área Metropolitana do Porto and Coimbra also scored a rent differential between municipalities higher than 2.50 €/m². On the other hand, Terras de Trás-os-Montes registered the lowest rent range among its municipalities: 2.66 €/m² in Bragança and 2.10 €/m² in Macedo de Cavaleiros.

The municipality of Lisboa scored the highest number of new lease agreements of dwellings of the country (6 980), and with more than 2 500 lease agreements, the municipalities of Sintra (3 516), Porto (3 177) and Vila Nova de Gaia (2 687) also stood out.

Median house rental value per m² of new lease agreements of dwellings, Portugal, NUTS III and municipality, 2017



Note: The lowest and the highest municipal values in the NUTS III sub-regions refer to municipalities with 30 or more observations.

Among the parishes of the municipality of Lisboa, Parque das Nações and Misericórdia scored the highest values of new lease agreements of dwellings

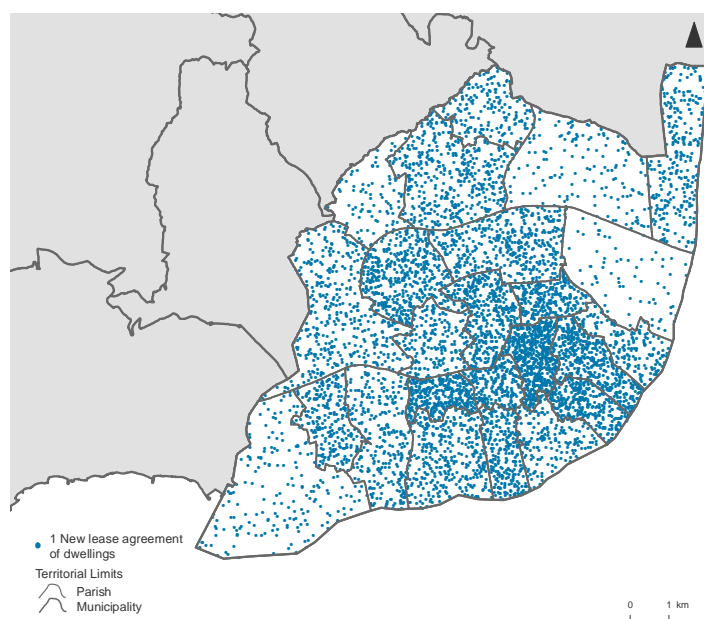
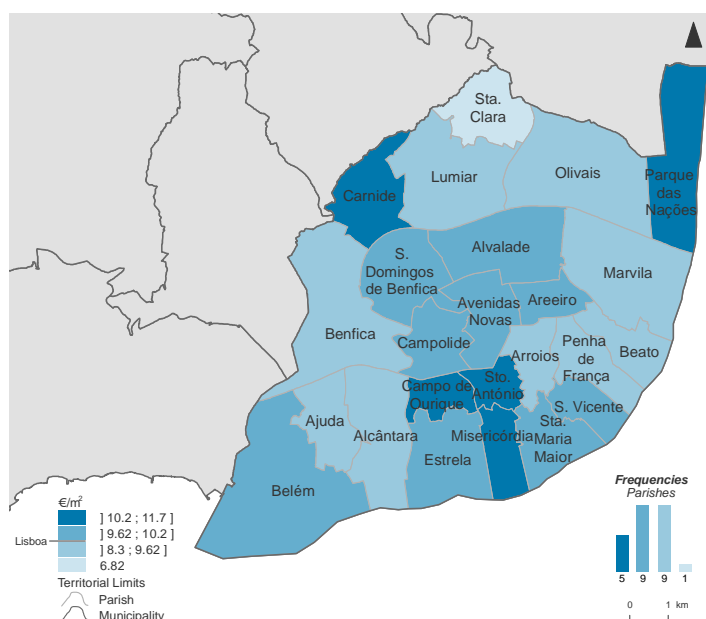
In 2017, among the 24 parishes of the municipality of Lisboa, Parque das Nações and Misericórdia (which includes the areas of Bairro Alto and Cais do Sodré) scored the highest rent of new lease agreements, 11.70 €/m² and 11.64 €/m² respectively. In contrast, the parish of Santa Clara scored the lowest rent (6.82 €/m²).

In this period, also the parishes of Santo António (11.08 €/m²), Campo de Ourique (10.94 €/m²), Carnide (10.91 €/m²), Avenidas Novas (10.15 €/m²), Estrela (10.11 €/m²), São Domingos de Benfica (10.07 €/m²), São Vicente (10.03 €/m²) and Belém (10.00 €/m²), scored rents of new lease agreements of dwellings higher or equal to 10 €/m².

In 2017, among the 24 parishes of the municipality of Lisboa, the parish of Arroios scored the highest number of new lease agreements of dwellings (612) and Marvila scored the lowest number (68).

Median house rental value per m² of new lease agreements of dwellings, Lisboa and parishes, 2017

Number of new lease agreements of dwellings, Lisboa and parishes, 2017



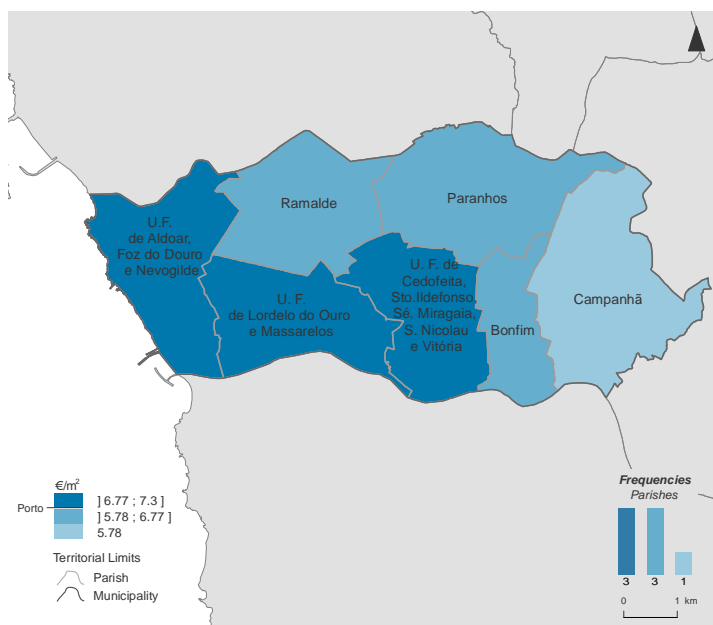
Note: The location of new lease agreements of dwellings is referenced at parish level, and its distribution within each parish is random..

Among the parishes of the municipality of Porto, the União das freguesias Lordelo do Ouro e Massarelos and the União das freguesias de Aldoar, Foz do Douro e Nevogilde scored the highest median house rental values of new lease agreements

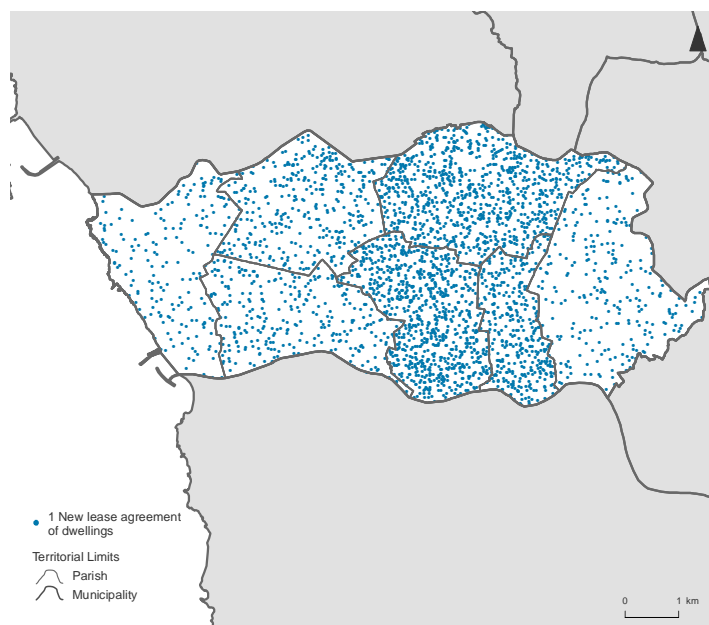
In 2017, the União de freguesias Lordelo do Ouro e Massarelos (7.26 €/m²) and the União das freguesias de Aldoar, Foz do Douro e Nevogilde (7.23 €/m²) stood out among the seven parishes of the municipality of Porto scoring the highest rents of new lease agreements of dwellings. União das freguesias de Cedofeita, Santo Ildefonso, Sé, Miragaia, São Nicolau e Vitória (6.98 €/m²) also scored a rent above the same value for the municipality of Porto (6.77 €/m²). On the other hand, the parish of Campanhã (5.78 €/m²) registered the lowest median house rental value of new dwellings lease agreements among the parishes of Porto.

In this period, the number of new lease agreements of dwellings in the parishes of the municipality of Porto ranged between 913 lease agreements, in Paranhos, and 190, in União das freguesias de Aldoar, Foz do Douro e Nevogilde.

Median house rental value per m² of new lease agreements of dwellings, Porto and parishes, 2017



Number of new lease agreements of dwellings, Porto and parishes, 2017



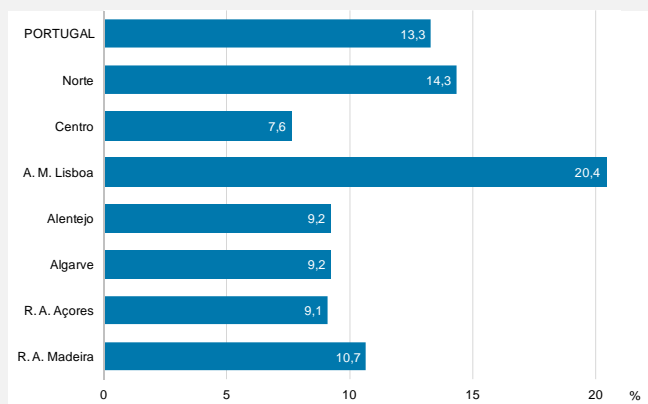
Note: The location of new lease agreements of dwellings is referenced at parish level, and its distribution within each parish is random.

The importance of new lease agreements of family dwellings in housing stock

House rental statistics at local level provide information on new lease agreements of dwellings for permanent housing registered in the reference period, at this first moment of dissemination, the year 2017. Thus, the results of these indicators reflect exclusively the dynamics of new lease agreements of dwellings, not including the lease agreements prior to the reference period, i.e., they do not cover the totality of the housing rental market.

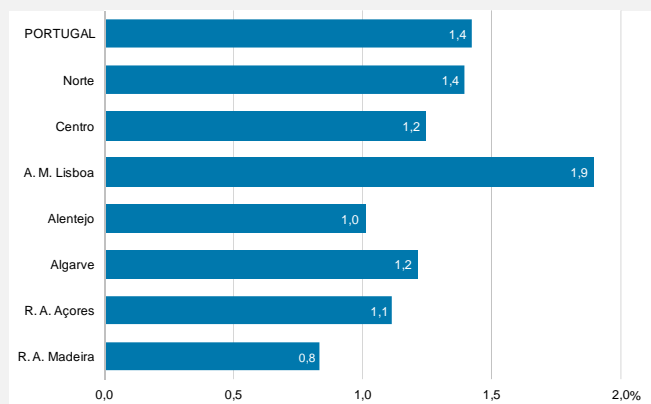
The relative importance of rented dwellings in the total housing stock can be assessed through the Population and Housing Census which accounted for 11.3% of the conventional dwellings in 2011 (Figure 1). On the other hand, Figure 2 shows the relation between new lease agreements of family dwellings, from the House rental statistics at local level, and estimates of conventional dwellings, from the Statistics of the completed works, and it is possible to see that rented dwellings in 2017, only represented about 1.4% of the housing stock.

Figure 1: Proportion of rented conventional dwellings of usual residence in the total of conventional dwellings, Portugal and NUTS II, 2011.



Source: Statistics Portugal, Population and housing census, 2011.

Figure 2: Proportion of new lease agreements of family dwellings in the total of conventional dwellings, Portugal and NUTS II



Source: Statistics Portugal, House rental statistics at local level and Statistics on construction works completed

Note: The information related to new lease agreements of dwellings refers to 2017 and the information related to conventional dwellings refers to 2016 (last available data).

Technical note

House rental statistics at local level are released 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 m² 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 m² and 600 m² 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 proposes with a gross dwelling area between 20 m² and 600 m² and with a rent value between 100 € and 4 000 €.

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

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 annual results for 2017 are available at www.ine.pt, in Statistical information, Statistical data, Database.

[Median house rental value per m2 of new lease agreements of dwellings \(€\) by Geographic localization; Annual](#)

[New lease agreements of dwellings \(No.\) by Geographic localization; Annual](#)

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