

27 March 2019

House rental statistics at local level

2nd Semester of 2018

33 municipalities scored rents per m² above the national value

In the 2nd semester of 2018 (last 12 months), the median house rental value of new lease agreements of dwellings in Portugal was 4.80 €/m², an year-on-year increase of +9.3%. The number of new lease agreements of dwellings scored a decrease of -7.9%.

In the period under review, 33 municipalities, mainly located in the sub-regions of 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 (11.16 €/m²) and with values equal to or above 7.00 €/m², the municipalities of Cascais (9.71 €/m²), Oeiras (9.38 €/m²), Porto (7.85 €/m²), Amadora (7.19 €/m²), and Almada (7.00 €/m²) also stood out.

The parishes of Lisboa, Santo António, Misericórdia and Parque das Nações, scored median rents per m² above 13.00 €/m². The parish of União de freguesias de Aldoar, Foz do Douro e Nevogilde (8.86 €/m²) scored the highest median value in the municipality of Porto.

With this new edition of House rental statistics at local level based on administrative data (see on technical note at the end of this press release), Statistics Portugal starts releasing the results with semestral periodicity, considering the new lease agreements of dwellings registered in the last 12 months.

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) established in the period under review, which allows to remove the effect of extreme values of the rental house market analysis at the local level. Unless otherwise specified, the median is determined in the annual period ending in the reference semester of this publication, eliminating possible seasonal effects on new lease agreements behaviour, and thus increasing the geographical detail of the results.

The results for the year ended in each semester, from the 2nd semester of 2017 to the 2nd semester of 2018 (last 12 months) are available at www.ine.pt, by clicking on Statistical Information, Statistical data, Database (links to 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.

¹ Unless otherwise specified, all house rental values presented in this press release refer to median values.

Área Metropolitana de Lisboa scored the highest median rent per m² of new lease agreements (7.00 €/m²) and the highest increase (+15.5%), among the NUTS 3 sub-regions

In the 2nd semester of 2018 (last 12 months), the median house rental value of the 77 723 new lease agreements of dwellings in Portugal was 4.80 €/m², scoring an increase of +9.3% and a decrease of -7.9% in the number of new lease agreements compared to the same period in the previous year.

The median rent stood above the national value in the sub-regions of Área Metropolitana de Lisboa (7.00 €/m²), Região Autónoma da Madeira (5.84 €/m²), Algarve (5.58 €/m²) and Área Metropolitana do Porto (5.07 €/m²).

In the period under review, Área Metropolitana de Lisboa concentrated around a third of the new lease agreements of dwellings (25 916). The new lease agreements in the metropolitan areas of Lisboa and Porto together accounted for around 51% of the total number of new lease agreements in the country and Algarve 5.7%. Baixo Alentejo scored the lowest number of new lease agreements of dwellings (399).

Figure 1: Proportion of new lease agreements of dwellings in the total new lease agreements of the country, NUTS 3, 2ndS of 2018

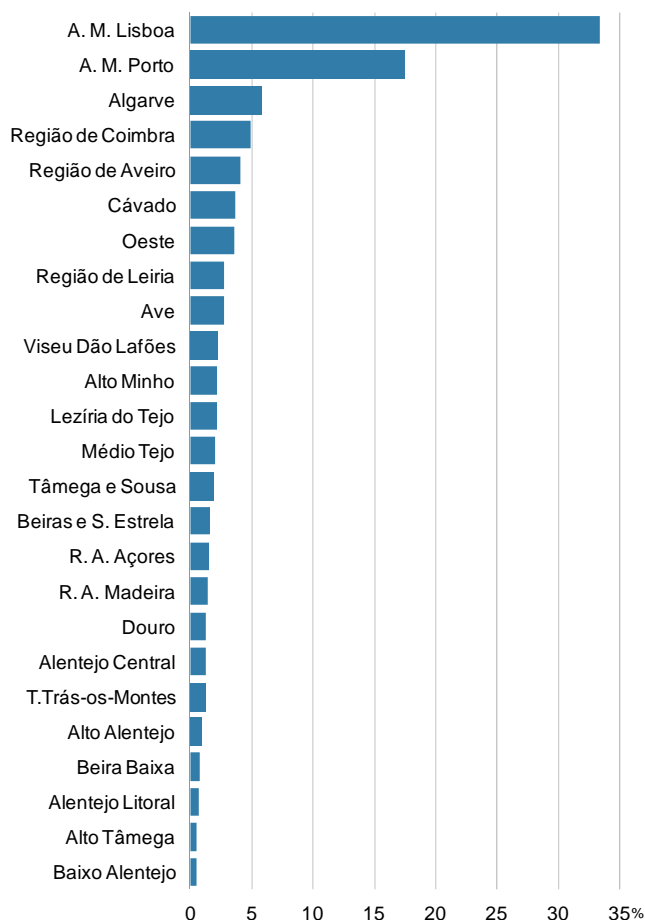
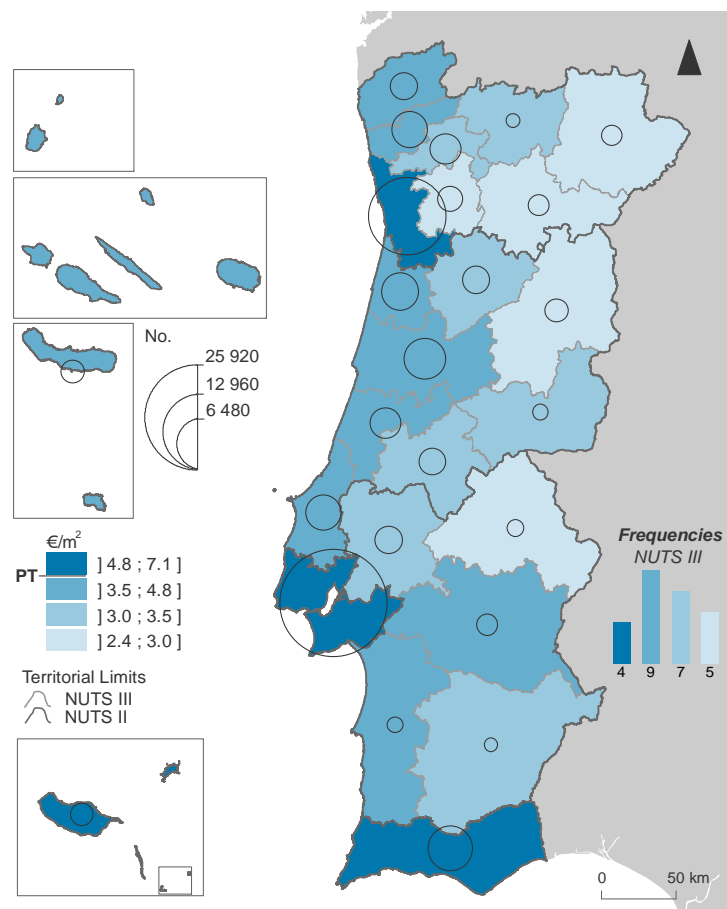
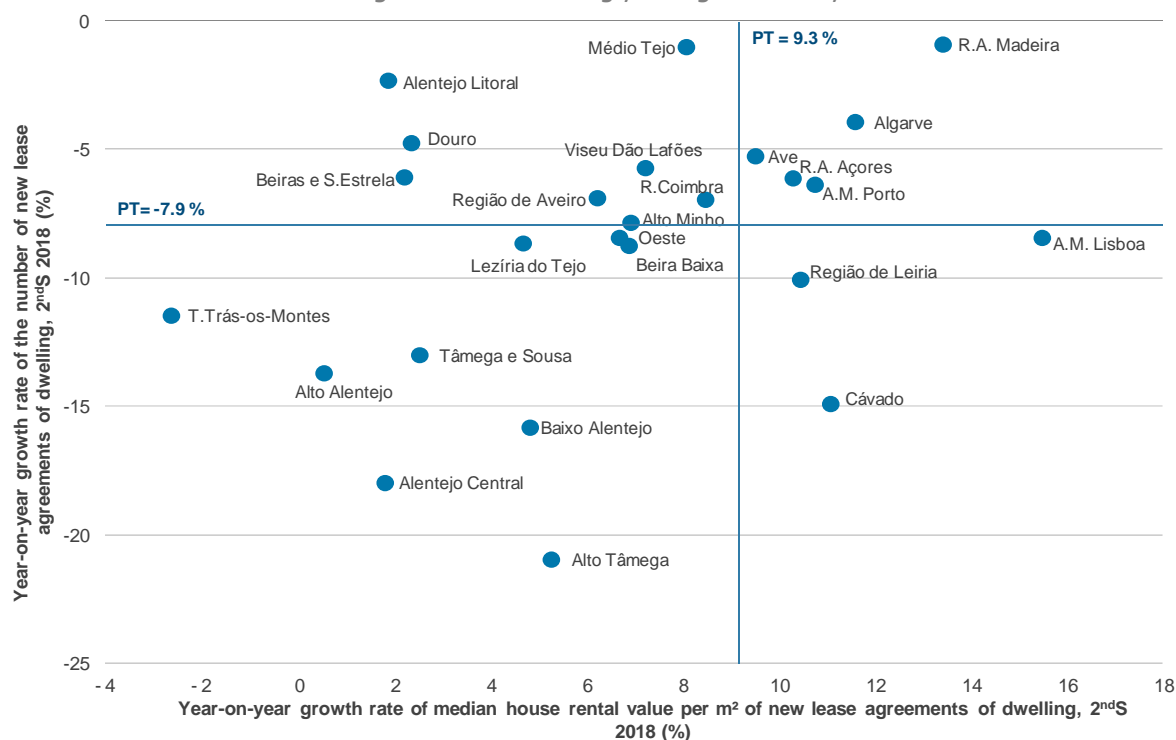


Figure 2: Median house rental value per m² and number of new lease agreements of dwellings, Portugal, NUTS 3, 2ndS of 2018



In a context of a decreasing number of new lease agreements of dwellings in all the Portuguese NUTS 3 sub-regions compared to the same period in the previous year, the median house rental value increased in all sub-regions, with the exception of Terras de Trás-os-Montes. Among the 25 Portuguese NUTS 3 sub-regions, eight scored a year-on-year growth rate above the national value (+9.3%), particularly Área Metropolitana de Lisboa (+15.5%) and Região Autónoma da Madeira (+13.4%).

Figure 3: Year-on-year growth rate of median house rental value per m² of new lease agreements of dwellings and of the number of new lease agreements of dwellings, Portugal e NUTS 3, 2ndS of 2018



33 municipalities scored rents of new lease agreements for residential purpose above the national value.

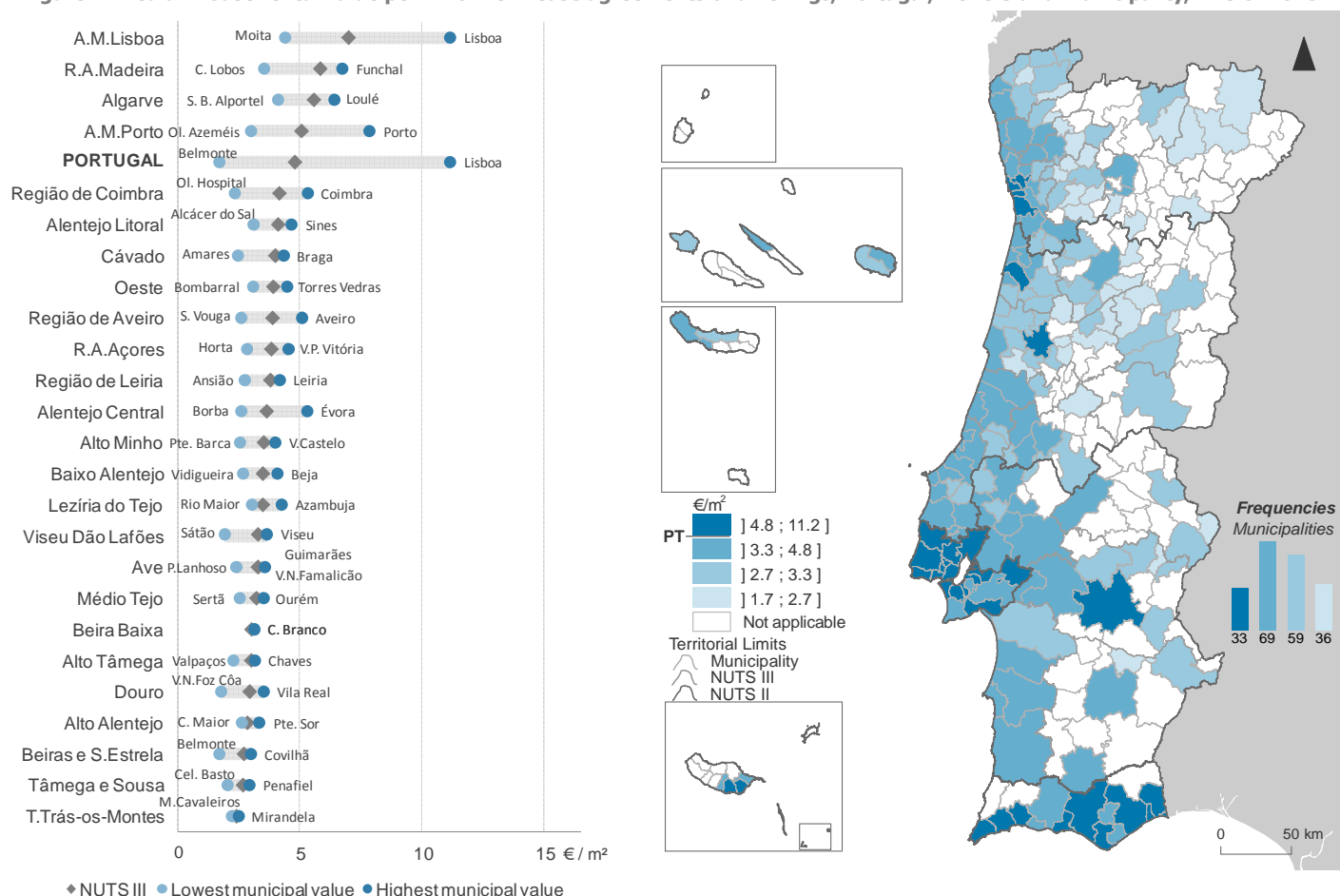
In the 2nd semester of 2018 (last 12 months), 33 municipalities scored rents of new lease agreements for residential purpose above the national value. The municipality of Lisboa registered the highest rent of the country (11.16 €/m²) and with values equal to or above 7.00 €/m², the municipalities of Cascais (9.71 €/m²), Oeiras (9.38 €/m²), Porto (7.85 €/m²), Amadora (7.19 €/m²), and Almada (7.00 €/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 3 sub-regions, the municipality of Funchal (6.74 €/m²) and Santa Cruz (5.17 €/m²) (in the Região Autónoma da Madeira), Coimbra (5.33 €/m²), Évora (5.31 €/m²) and Aveiro (5.10 €/m²) scored median rents above the national value.

Área Metropolitana de Lisboa was the NUTS 3 sub-region with the highest house rental value range among its municipalities (6.75 €/m²): the lowest value was registered in Moita (4.40 €/m²) and the highest in Lisboa (11.16 €/m²). The NUTS 3 sub-regions of Área Metropolitana do Porto and Região Autónoma da Madeira also scored a rent differential between municipalities higher than 3.00 €/m².

The municipality of Lisboa registered the highest number of new lease agreements of dwellings in the country, 6 643 new agreements celebrated, -4.8% 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 Sintra (3 116), Porto (3 110) and Vila Nova de Gaia (2 534).

Figure 4: Median house rental value per m² of new lease agreements of dwellings, Portugal, NUTS 3 and municipality, 2ndS of 2018



Note: The lowest and the highest municipal values in the NUTS 3 sub-regions refer to municipalities with 30 or more observations.

In Lisboa, the parishes of Santo António, Misericórdia and Parque das Nações scored median house rental value per m² of new lease agreements of dwellings above 13.00 €/m².

In the 2nd semester of 2018 (last 12 months), three out of the 24 parishes of Lisboa scored median house rental values of new lease agreements of dwellings above 13.00 €/m². Santo António (14.10 €/m²), Misericórdia (13.38 €/m²) and Parque das Nações (13.12 €/m²). On the other hand, the parishes of Santa Clara (8.31 €/m²) and Marvila (9.00 €/m²) registered the lowest values.

The parish of Santo António stood out for scoring, simultaneously, the highest year-on-year growth rate (+27.3%) and the highest median rent of new lease agreements, among the parishes of Lisboa's municipality. Besides Santo António, also the parishes of Estrela, Avenidas Novas, Campolide, São Vicente, Santa Maria Maior and Alvalade registered, simultaneously, rents of new lease agreements of dwellings above the one scored in the municipality of Lisboa

(11.16 €/m²) and change rates, compared to the same period in the previous year, more significant than the one registered in the municipality of Lisboa (+16.0%).

The parishes of Marvila, Beato, Benfica, Lumiar and Areeiro scored, in the 2nd semester of 2018, house rental values and rates of change compared to the same period in the previous year below the same values registered in Lisboa's municipality.

In the 2nd semester of 2018 (last 12 months), as in the same period in the previous year, Arroios scored the highest number of new lease agreements of dwellings (619 lease agreements celebrated) and Marvila scored the lowest (65).

Figure 5: Median value and year-on-year growth rate of median house value per m² of new lease agreements of dwellings, Lisboa and parishes, 2ndS of 2018

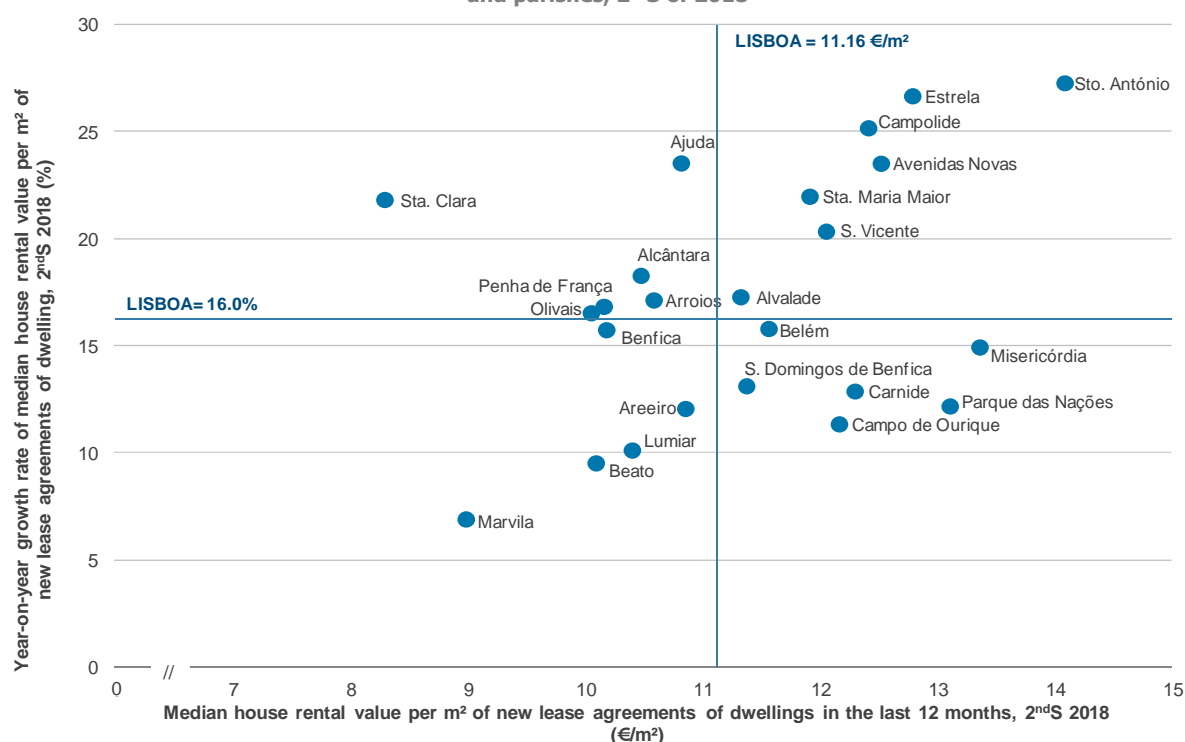


Figure 6: Median house rental value per m² of new lease agreements of dwellings, Lisboa and parishes, 2ndS of 2018

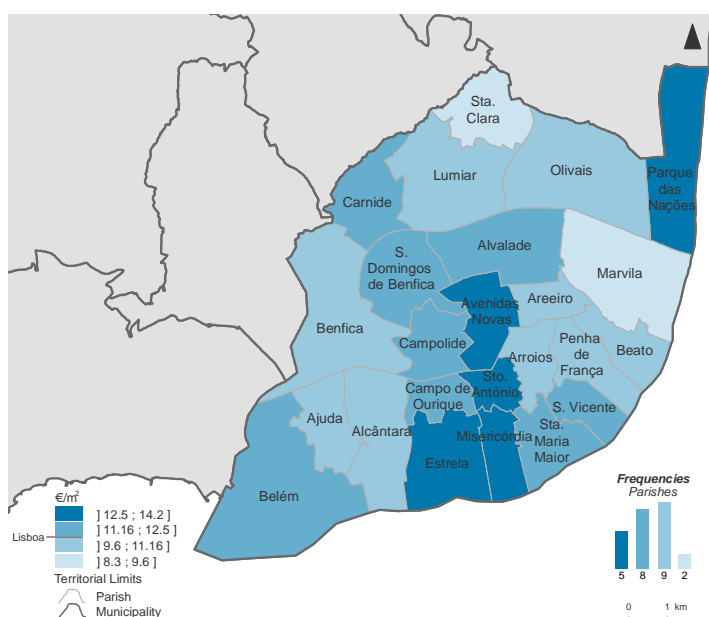
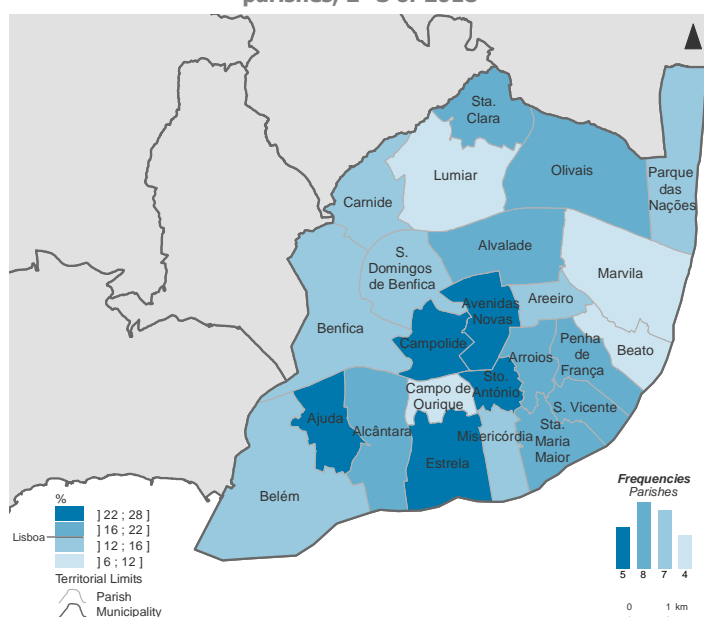


Figure 7: Year-on-year growth rate of median house rental value per m² of new lease agreements of dwellings, Lisboa and parishes, 2ndS of 2018



In the municipality of Porto, União de freguesias de Aldoar, Foz do Douro e Nevogilde scored the highest median house rental value of new lease agreements (8.86 €/m²)

In the 2nd semester of 2018 (last 12 months), the União das freguesias de Aldoar, Foz do Douro e Nevogilde, the União de freguesias Lordelo do Ouro e Massarelos, the União de freguesias de Cedofeita, Santo Ildefonso, Sé, Miragaia, São Nicolau e Vitória and Bonfim stood out among the seven parishes of the municipality of Porto, for scoring, simultaneously, a median house rental value per m² of new lease agreements dwellings above the Porto's municipality value (7.85 €/m²) and a year-on-year growth rate higher than the one registered in Porto (+16.0%). The União de freguesias de Aldoar, Foz do Douro e Nevogilde scored the highest median house rental value of new lease agreements (8.86 €/m²), among the seven parishes of the municipality of Porto.

In contrast, the parishes of Campanhã, Paranhos and Ramalde scored median house rental values of new lease agreements and year-on-year growth rate below the values registered in the municipality of Porto. In the period under review, the parish of Campanhã scored, simultaneously, the lowest median value of new lease agreements (6.19 €/m²) and the lowest year-on-year growth rate (+7.1%) among the parishes of the municipality of Porto.

In the period under review, the number of new lease agreements of dwellings in the parishes of the municipality of Porto ranged between 900 lease agreements, in Paranhos, and 185, in União das freguesias de Aldoar, Foz do Douro e Nevogilde.

Figure 8: Median value and year-on-year growth rate of median house value per m² of new lease agreements of dwellings, Porto and parishes, 2ndS of 2018

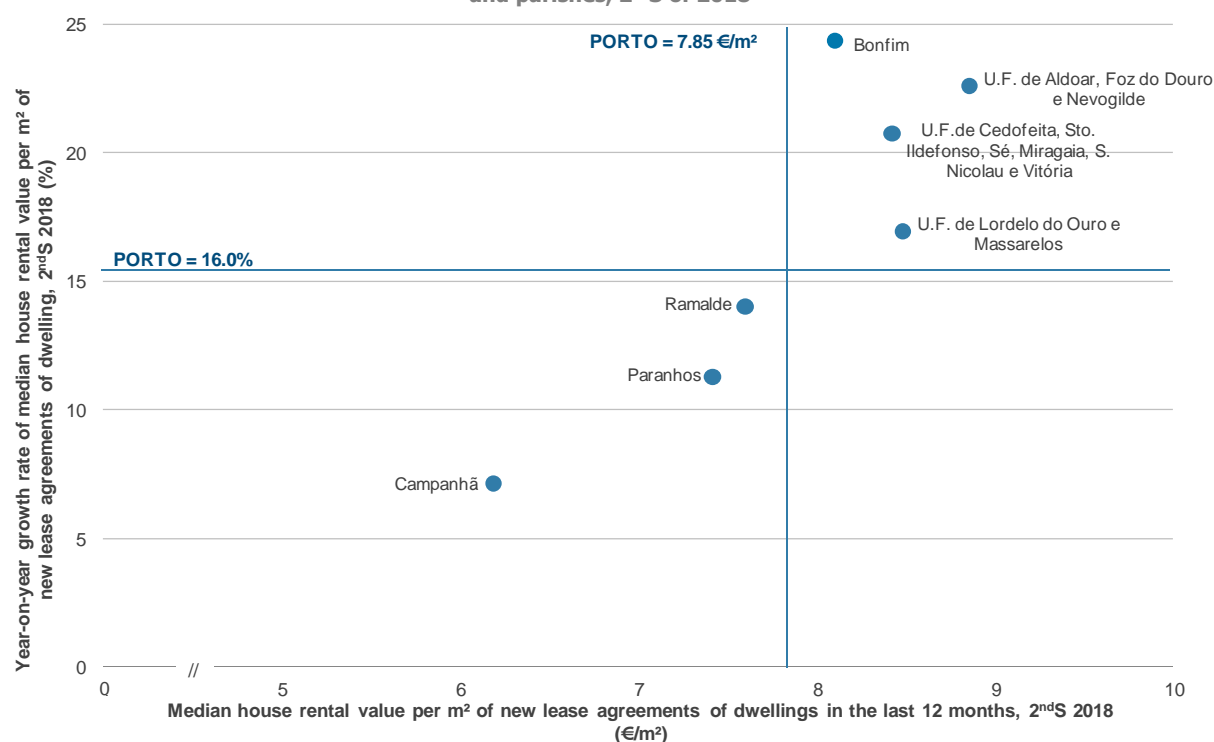


Figure 9: Median house rental value per m² of new lease agreements of dwellings, Porto and parishes, 2ndS of 2018

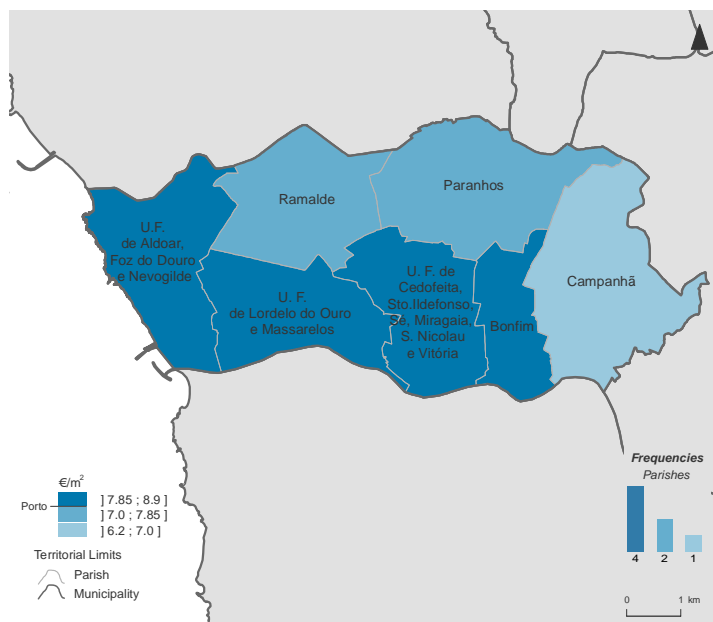
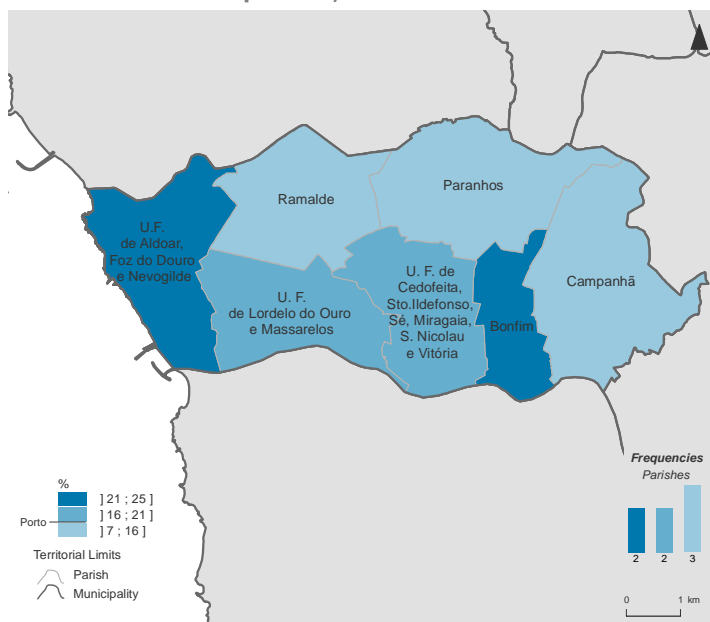


Figure 10: Year-on-year growth rate of median house rental value per m² of new lease agreements of dwellings, Porto and parishes, 2ndS of 2018

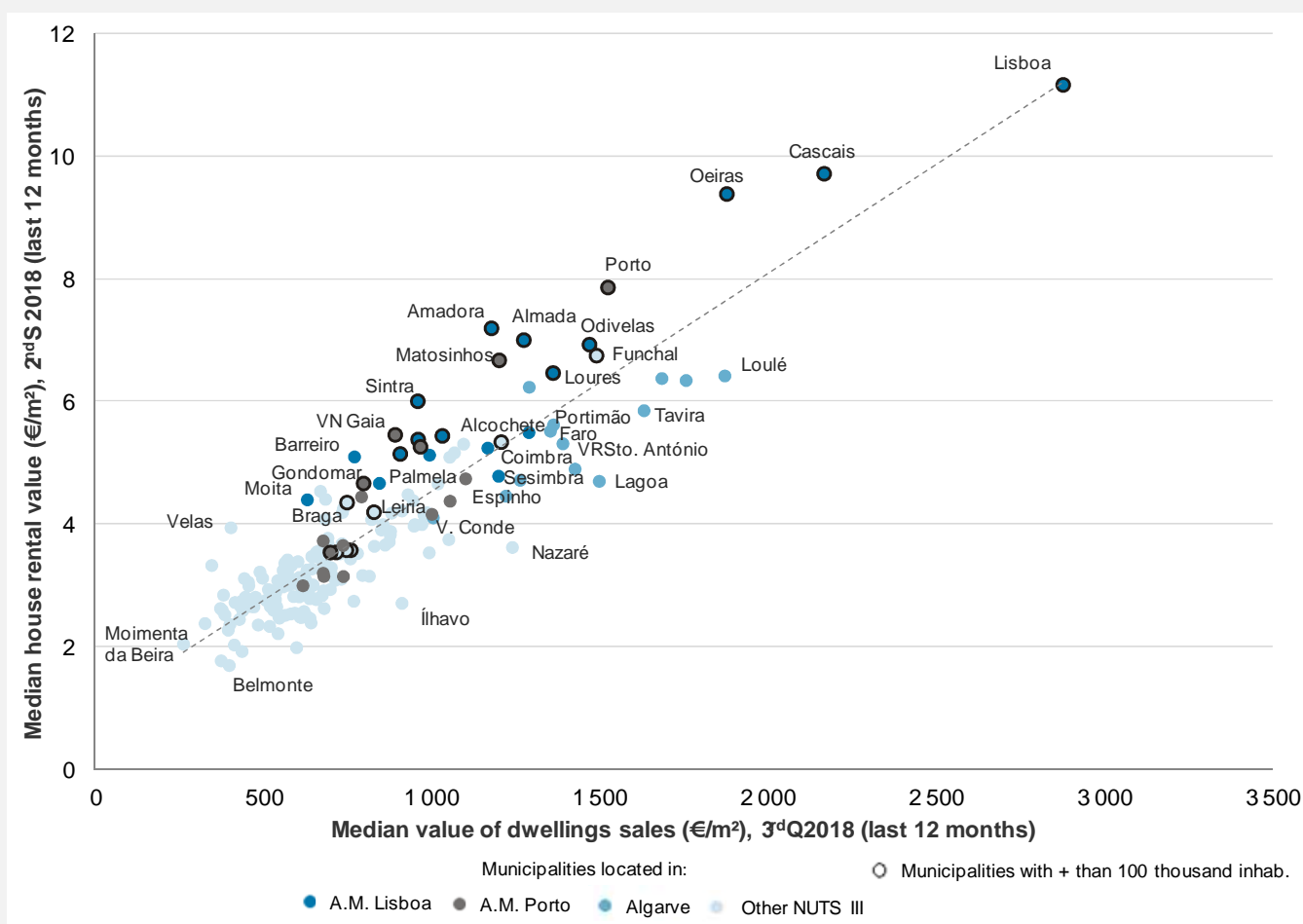


Relation between rents per m² and price per m² of dwellings sales

The rental market and the house transactions market of residential properties have a distinct nature, particularly, different options in access to housing.

Figure 11 represents the municipalities' score in a referential that combines rents per m² with the price per m² of dwelling sales. It is worth to highlight the 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 Alcochete (on the trend line) and Sesimbra –, in most of the municipalities of Área Metropolitana do Porto and, in general in 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 11: Median house rental value per m² of new lease agreements of family dwellings and Median value per m² 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 2nd semester of 2018 (last 12 months) and the information regarding dwellings sales refers to the 3rd Quarter of 2018 (last 12 months). The figure shows the 197 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 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.

Change of dissemination periodicity from annually to semi-annually

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.

With this new edition of House rental statistics at local level based on administrative data, Statistics Portugal starts releasing the results with semestral periodicity, considering the new lease agreements of dwellings registered in the last 12 months. Thus, the results published in this press release related to the 2nd semester of 2018 (last 12 months) are directly comparable with the previously results, released for the year of 2017, on March 21st of 2018.

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 2018 (last 12 months) are available at www.ine.pt, in Statistical information, Statistical data, Database.

Indicators with semestral periodicity, last 12 months (2nd semester 2017 to 2nd semester 2018):

[Median house rental value per m² 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](#)