

# Residential - Portugal

## Key Performance Indicators Q1 2025

Residential Real Estate Transactions  
**€20B**  
 Change YoY: +36%

Transacted €/sqm Lisbon  
**€3,183**  
 Change YoY: +14%

Transacted €/sqm Porto  
**€2,154**  
 Change YoY: +17%

Residential Yield Portugal  
**5.1%**  
 Change YoY: -0.4 pp  
 Change QoQ: -0.35 pp

Residential Yield Lisbon  
**5.0%**  
 Change YoY: -0.24 pp  
 Change QoQ: -0.38 pp

Residential Yield Porto  
**5.1%**  
 Change YoY: -0.19 pp  
 Change QoQ: -0.37 pp

The Portuguese residential market continued to expand in 2025, following the strong momentum recorded in the previous years. In 2024, the sector reached an all-time high in transaction value, consolidating the resilience of the housing segment amid a challenging economic environment. In the first half of 2025, total transaction volume reached approximately €20 billion, representing a 36% increase year-on-year. The average price reached new record highs, standing at €3,403/sqm in Lisbon (+7% QoQ; +21% YoY) and €2,278/sqm in Porto (+6% QoQ; +16% YoY). This appreciation highlights the ongoing pressure from strong domestic and international demand on a structurally limited supply. Residential yields remained stable at 5.1% nationwide, 5.0% in Lisbon, and 5.1% in Porto, reflecting a stable relationship between asset value growth and rental market performance.

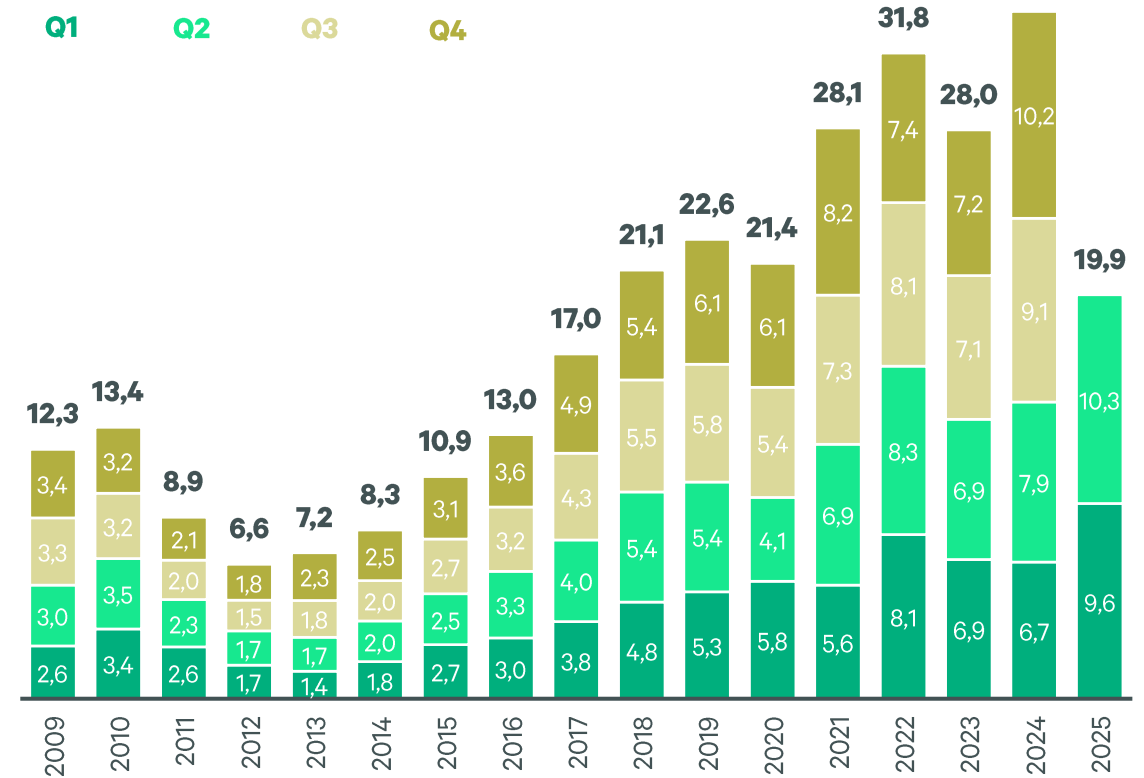
## Key Residential Market Volumes - Portugal

- '000 new dwellings built
- '000 new dwellings licensed
- '000 new dwellings transacted
- '000 new rental contracts



## Value of residential real estate transactions

[Values in billions of EUR]



Source: INE Portugal

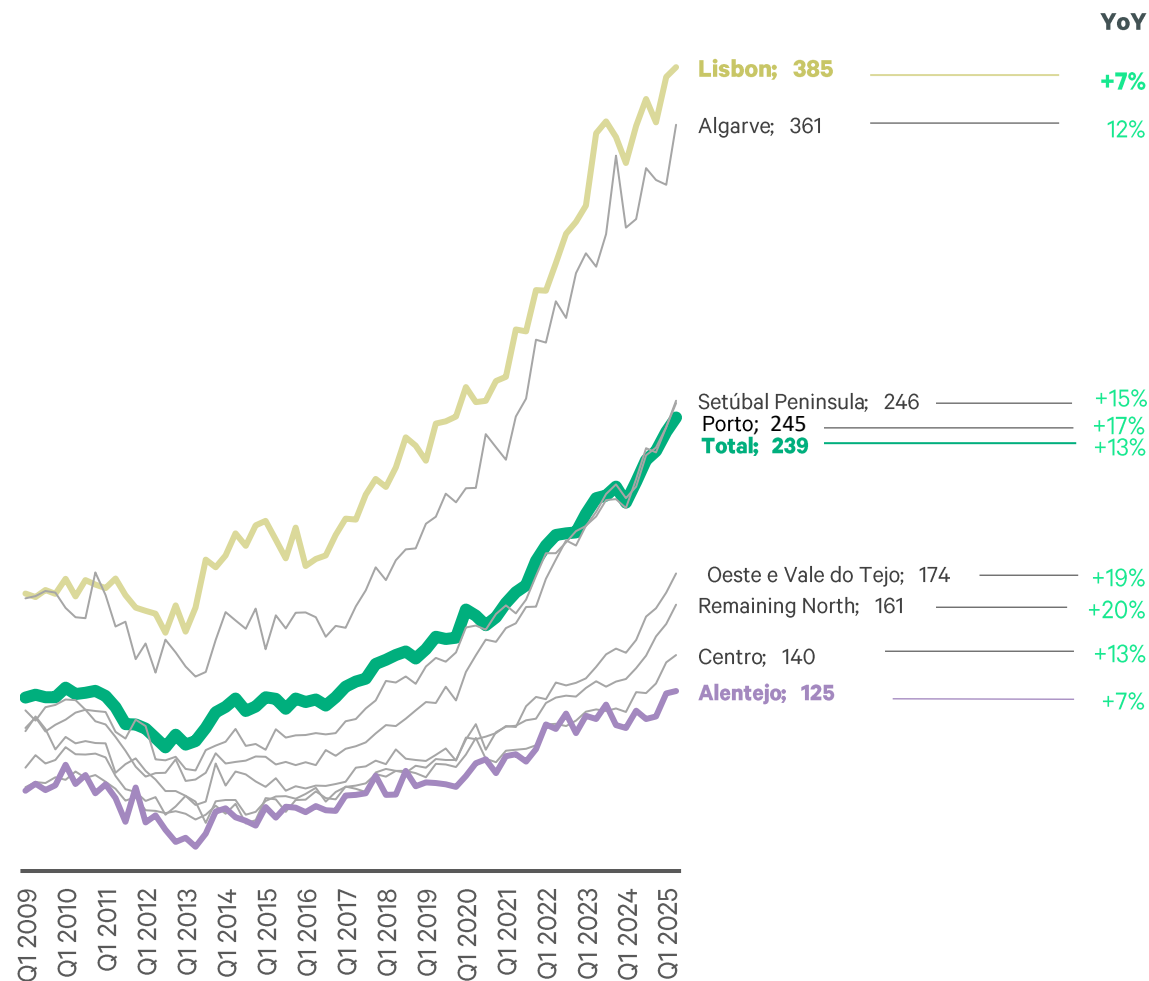
## Portugal residential prices reach €239,000 per dwelling, marking 13% YoY growth

At a regional level, Lisbon (€385,000 per dwelling) and the Algarve (€361,000) remain the most expensive areas in the country, with year-on-year growth of +7% and +12%, respectively. The Setúbal Peninsula and Porto MA also recorded strong increases of +15%, supported by growing suburban demand and relative affordability compared to Lisbon. The Oeste and Tagus Valley (+19%) and Remaining North (+20%) were the fastest-growing regions.

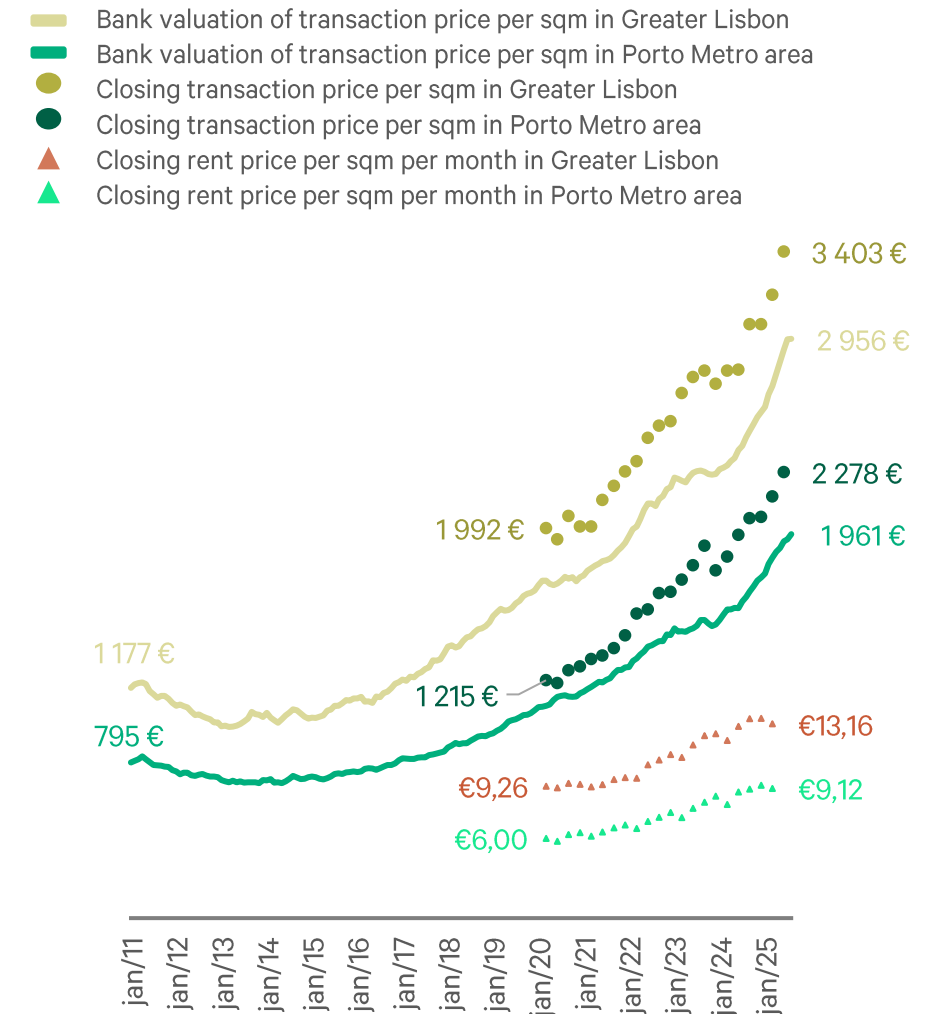
Bank valuations and market closing prices continue to move upwards, confirming credibility of pricing dynamics, however, there is still a valuation discount when compared to the transaction value in Lisbon and in Porto. Meanwhile, rental values have also risen, particularly in Lisbon, where the average rent reached €13.16/m<sup>2</sup> per month, versus €9.12/m<sup>2</sup> in Porto, further evidencing the imbalance between demand and supply in both cities.

### Evolution of residential prices per dwelling in Portugal

[Values in '000 EUR]



### Market Prices per sqm



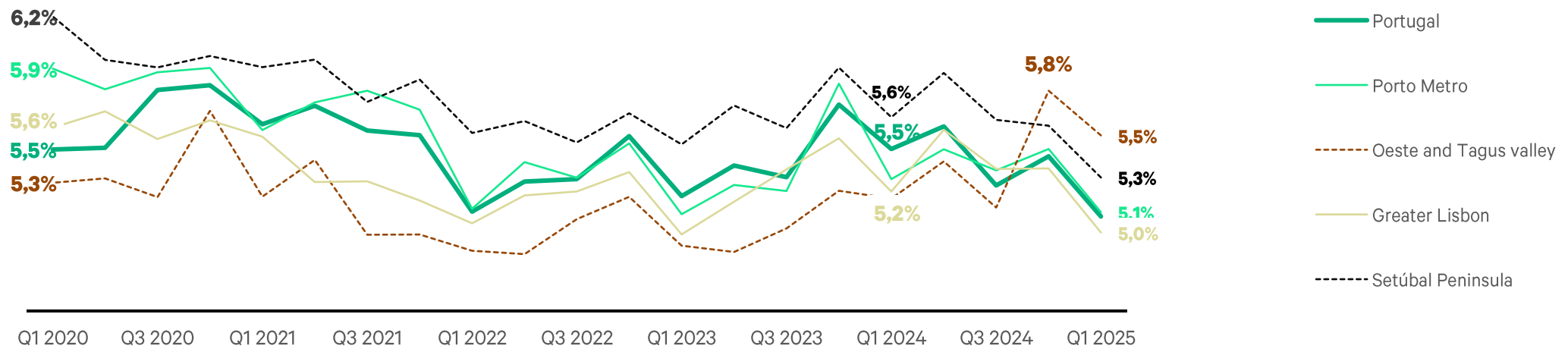
Source: INE Portugal

## Residential yields in Portugal slightly softened in Q1 2025

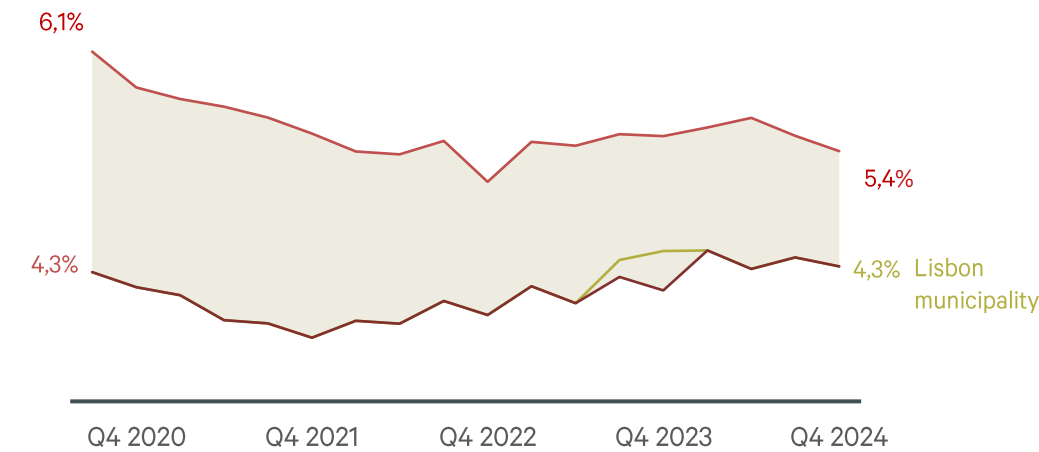
Residential yields in Portugal softened slightly in Q1 2025, following the moderate upward trend recorded throughout 2024. At the national level, the average residential yield stood at 5.1%, down from 5.4% in Q4 2024. In Greater Lisbon, yields declined to 5.0%, while in Greater Porto they reached 5.1%, both registering a modest quarterly decrease. However, regional and local variations exist: the Oeste and Tagus valley record the highest yield levels at 5.5%, followed by the Setubal peninsula at 5.3%, reflecting stronger returns in more affordable markets outside the prime urban cores.

Within the main cities, yields in the Lisbon municipality compressed further to 4.3%, compared to 5.4% across the wider metropolitan area. In Porto, yields stood at 4.4% in the municipality and 5.0% in the metropolitan area, both marginally below Q4 2024 levels.

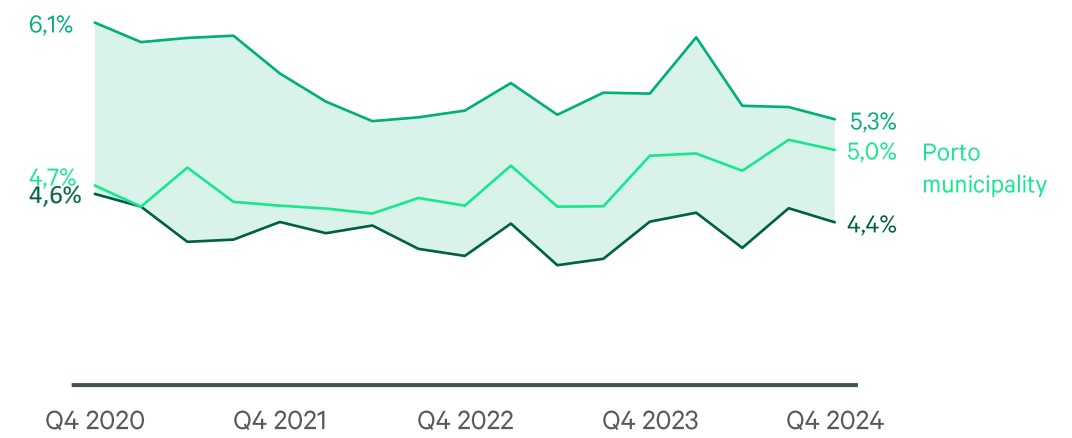
### Evolution of residential Yields in Portugal



### Evolution of residential Yields in Lisbon Municipalities



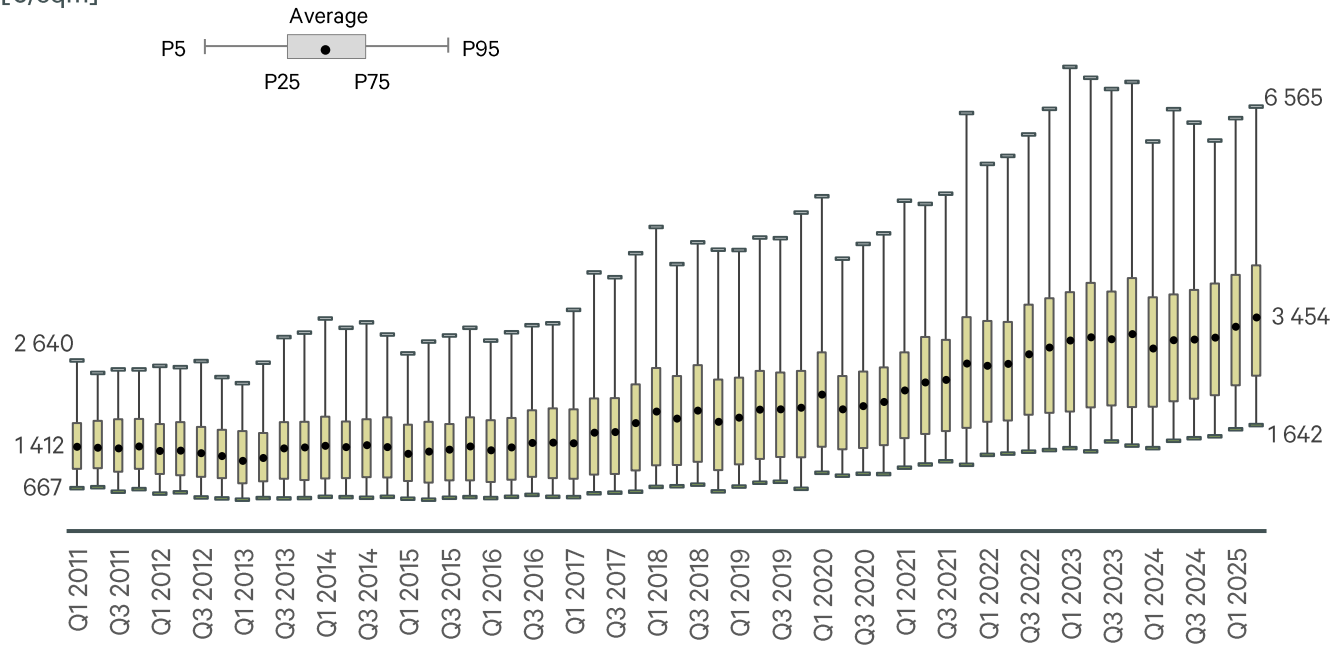
### Evolution of residential Yields in Porto Municipalities



Source: INE Portugal

### Price evolution of housing transactions in Lisbon Metropolitan Area

[€/sqm]



### In tracking the boom: price evolution of residential real estate in Portugal's two main metropolitan areas

The **Lisbon** market is characterized by a pronounced and sustained price escalation. Following a period of relative stability between 2011 and 2015, prices entered a period of continuous, sharp appreciation.

The average price has more than doubled, soaring from approximately €1,412/sqm in Q3 2011 to around €3,454/sqm by Q1 2025. The overall price distribution has widened significantly, with the upper extreme (Percentile 95) reaching approximately €6,565/sqm in Q1 2025. This indicates strong growth in the luxury segment and increased price dispersion across the market.

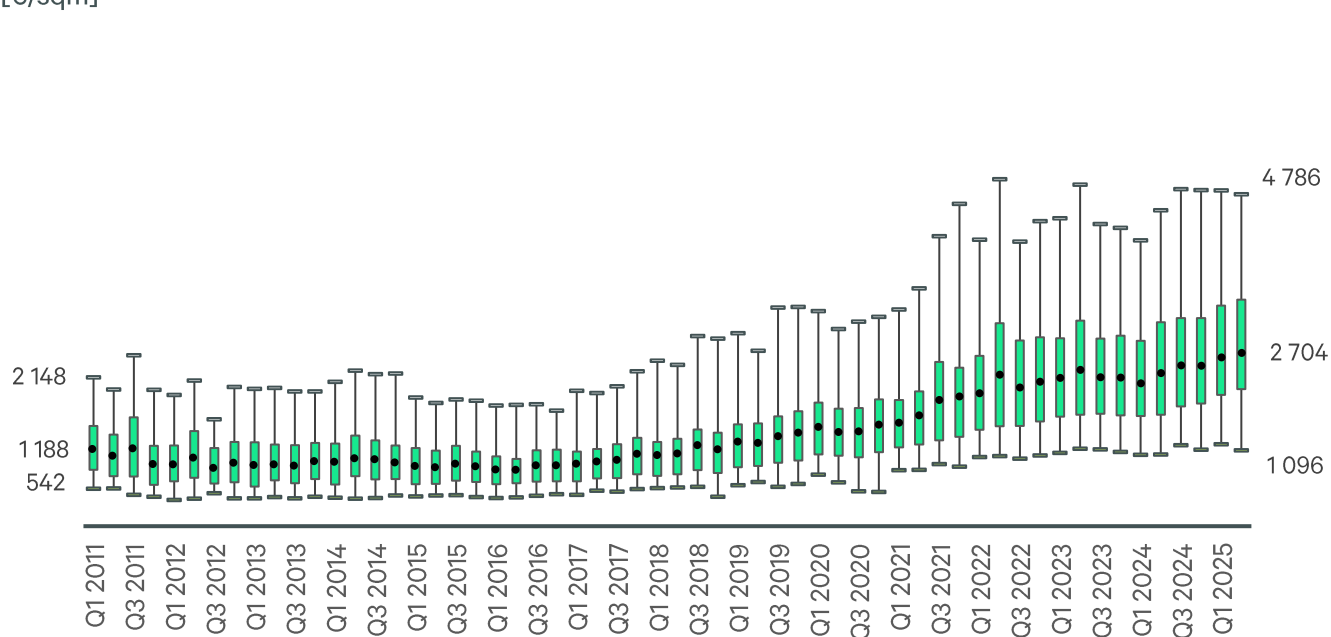
The **Porto** market exhibited a slower start but recorded an extremely sharp acceleration in valuation, particularly from 2017 onward.

The average price remained relatively stable until 2017/2018, hovering near 1,096€/sqm. Since then, however, growth has been expressive, reaching approximately €2,704/sqm in Q1 2025. Like in Lisbon, the high-end segment has experienced significant growth, with the 95<sup>th</sup> percentile climbing to about €4,786/sqm by the end of the period, reflecting a rapidly expanding premium market.

In absolute terms, Lisbon maintains a considerably higher price level, with its median price in Q1 2025 exceeding that of Porto by over €750/sqm. However, Porto demonstrates a more aggressive rate of appreciation in the latter half of the series, suggesting a faster and more intense valuation process that is rapidly narrowing the historical price gap with the capital. The evolution in both metropolitan areas confirms the consolidation of residential real estate as a highly valued asset in Portugal.

### Price evolution of housing transactions in Porto Metropolitan Area

[€/sqm]



Source: Confidencial Imobiliário

## Porto Outpaces Lisbon as Portugal's New Housing Construction

The data pertaining to completed dwellings in new family housing construction projects demonstrate a clear pattern of robust recovery and expansion within Portugal's construction sector.

This growth culminated in the country reaching a new maximum for completed dwellings in 2024 since 2011. The national total for completed dwellings reached 25,311 in 2024. While this figure is slightly below the cited 26,382 maximum, it represents a substantial increase over the previous year (23,085 in 2023).

A regional examination highlights the Porto district as a principal engine of this expansion. The region recorded a notably accelerated increase, with completed dwellings rising from 4,158 in 2023 to 5,132 in 2024. This represents a significant year-on-year growth rate of 23%

In contrast, Lisbon exhibited a markedly more stable and contained pace of new construction. With 2,888 dwellings completed in 2024, the growth over the previous year (2,871 in 2023) was minimal, amounting to only 1%.

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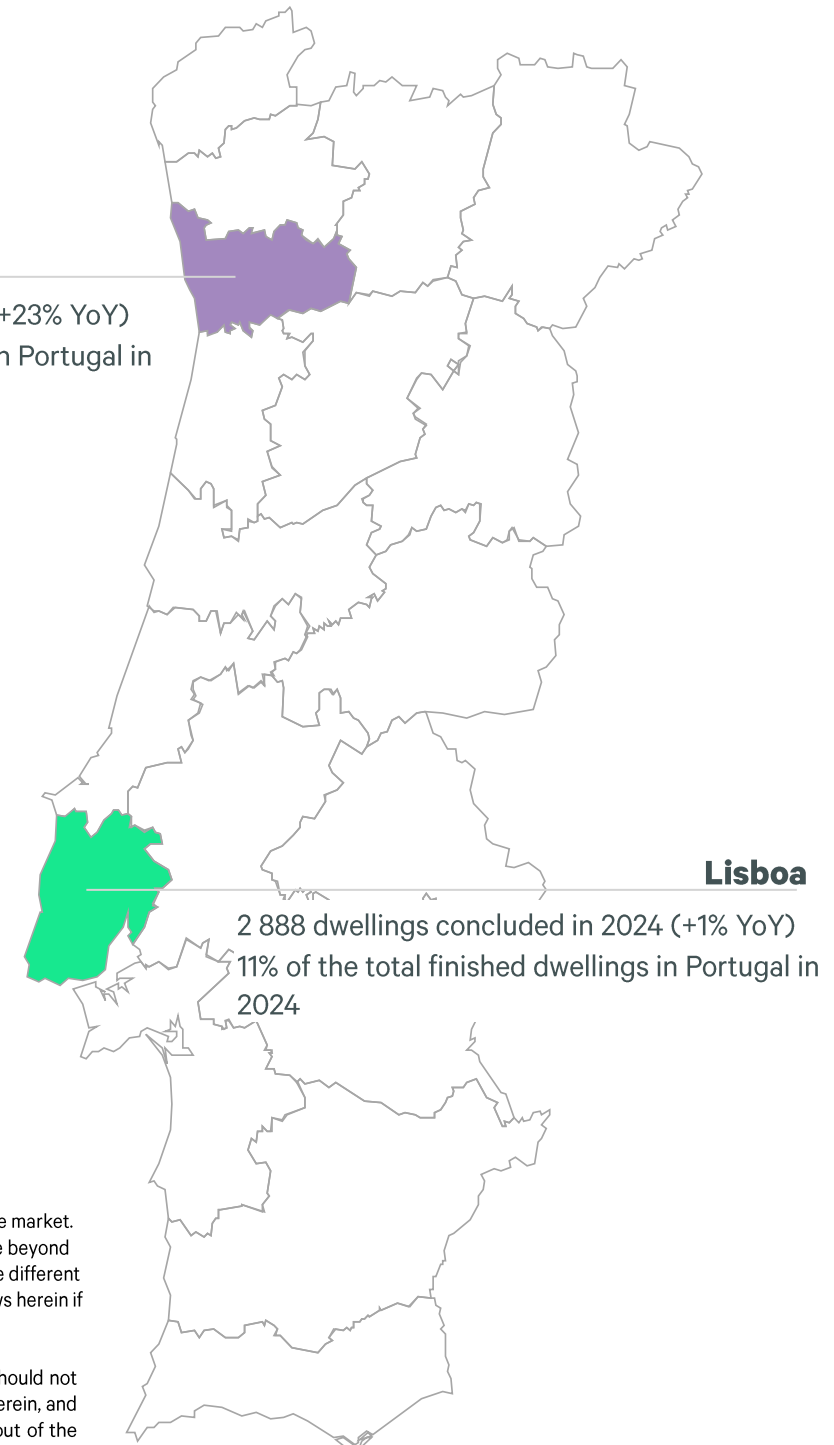
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### Porto

5 132 dwellings concluded in 2024 (+23% YoY)  
20% of the total finished dwellings in Portugal in 2024



Source: INE Portugal