Portugal's property market shows no signs of slowing, new Property Market-Index report reveals

Portugal continues to outperform the wider EU, UK and US property markets, according to the newly published Property Market-Index Hotspots Report 2026-2027

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LISBON, PORTUGAL, July 13, 2026 /EINPresswire.com/ -- Portugal's median property prices are up 17.9% year-on-year as demand from international buyers shows little sign of slowing down.

That's according to analysis from Property Market-Index, a global luxury real estate research firm, which has found Portugal's property market remains one of the strongest performers in Europe heading into 2026 and 2027.

Based on the latest figures, median property prices based on bank valuations reached €2,025 per square metre in October, marking a 17.9% increase compared with the same month last year — more than three times the EU average of around 5% for 2025.

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>
> *Steve Philp, Director at Portugal Pathways*

The Algarve continues to lead regional growth, with the average price per square metre reaching €3,467 in 2025, a 9.3% increase on the previous year. Meanwhile, Lisbon's most prestigious districts — including Avenida da Liberdade, Lapa and Príncipe Real — are commanding new-build prices of up to €12,000 per square metre.

Amanda Collison, spokesperson for Property Market-Index, said the imbalance between supply and demand remains the central driver of price growth.

"New-build completions have averaged just around 21,000 homes per year between 2020 and 2024, compared with roughly 104,000 per year in the early 2000s. Yet demand has far outpaced this limited supply, with around ten properties sold for every new home built in 2024. That structural shortage is what continues to push prices upward, particularly in the country's most sought-after regions, and we expect this trend to persist through 2026 and 2027."

International capital continues to flow into the country. In 2024, total real estate investment volume in Portugal rose by 51% compared with the previous year, with foreign investors accounting for 81% of that activity.

The Property Market-Index report rates the country's leading locations against eight weighted criteria — including regeneration investment, growth trends, land availability and infrastructure — to produce an index score above 100 for the strongest performers. The top-ranked hotspots for 2026-2027 are:

1. Quinta do Lago, Algarve – 194
2. Cascais, near Lisbon – 191
3. Vale do Lobo, Algarve – 189
4. Comporta, near Lisbon – 186
5. Ferragudo/Carvoeiro, Algarve – 183

Full rankings can be found within the report.

Beyond the traditional Algarve and Lisbon hotspots, the report highlights the growing momentum behind Alentejo coastal enclaves such as Comporta, Tróia and Melides, where capital growth in 2025 reached as high as 18%, alongside continued interest in northern locations around Porto and Braga.

With demand still significantly outstripping new supply, Property Market-Index forecasts overall prices in the country's leading hotspots could climb a further 5.8% in 2026, reinforcing Portugal's position as one of the strongest-performing property markets in Europe for the third consecutive year.

Steve Philp, director at Portugal Pathways, notes a notable rise in international enquiries, particularly from the UK, US, South Africa, and Brazil.

“Access to the luxury segment can be challenging, as many premium properties are transacted off-market.

“Through our network of over 250 architects, developers, and industry professionals, Portugal Pathways provides access to exclusive off-plan and off-market new home opportunities that are not widely available.”

For the full Property Market-Index Hotspots Report 2026-2027, click here.

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