# Portugal tops real estate charts as global market falls

*Portugal's real house prices rose 15.2% in the first quarter of 2026 while global prices fell, fuelled by foreign investment and a booming luxury market.*



Portugal's real estate market tops global charts according to new data

LISBON, PORTUGAL, September 10, 2026 /EINPresswire.com/ -- Portugal recorded the world's largest rise in real house prices in the first quarter of 2026, even as prices fell across most of the globe.

Real house prices worldwide dropped 1.2% at the start of the year, according to the Bank for International Settlements (BIS), a steeper fall than the 0.5% drop recorded at the end of 2025.

Portugal's real house prices rose 15.2% year on year, the largest increase among the 57 economies in the BIS study. North Macedonia followed at 12.5%, then Bulgaria at 10.8%. The eurozone grew just 2.6% over the same period.

The BIS said the rise reflects a persistent gap between housing demand and supply. Portugal's government has cut VAT on construction to 6% and simplified planning permissions under a revised framework known as RJUE, though the BIS said the impact would not be felt in the short term.

Separate research from Property Market-Index examined why Portugal's market continues to outperform. It found new-build completions have averaged only around 21,000 homes a year between 2020 and 2024, down from roughly 104,000 a year in the early 2000s.

Total real estate investment volume in Portugal rose 51% in 2024, Property Market-Index said, with foreign investors accounting for 81% of that total. Portugal attracted €13.2 billion in foreign direct investment that year, of which €3.5 billion went into real estate.

Luxury new-build property was identified as one of the fastest-growing segments of the market. Property Market-Index's luxury-weighted national growth rate stood at 12% in 2025, while individual hotspots outperformed that figure. Tróia and Comporta each recorded 18% growth in 2025, with a further 9% forecast by the end of 2026. In Lisbon, new-build luxury prices in the Avenida da Liberdade area have reached up to €12,000 per square metre.

"Portugal's property market is defying the global trend because the fundamentals here are structurally different," said Amanda Collinson, spokesperson for Property Market-Index. "Demand from international buyers, particularly for luxury new homes, continues to outstrip a limited supply."

Property Market-Index forecasts growth across Portugal's leading hotspots will run at more than double the rate expected across the EU, UK and North America until at least 2027.

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