



**OLIVE HOMES.COM**  
PORTUGAL PROPERTY

## House Prices Rise Faster Than Savings - What To Do?

An interesting article from The Portugal News caught our eye this week. According to the European Central Bank (ECB), demand for property will remain at high levels in the coming months based on the fact that nearly 7% of families, with high and disposable incomes, are looking to invest in property in the coming months.



"The decision of families to buy a house depends on many factors, including their stability in employment and financial situation, their income and assets, their expectations regarding the general level of house prices and mortgage loan conditions", states a report from Christine Lagarde head of the BCE.

Household savings – which are at their highest levels in Portugal – also influence the decision to buy a house. According to the ECB's findings, savings accumulated by citizens during the pandemic "may continue to drive demand for homes in the short

term”, as around 44 percent of families committed to saving say they have “the desire to save enough money to make a big purchase in the future (such as a house or a car)”.

There are still other reasons to suggest that the demand will continue to rise for the foreseeable future. In addition to household savings, the ECB also emphasises that the housing segment has become increasingly attractive to invest in. There are also still positive expectations that mortgage loans will continue to present favourable and inviting conditions for families – with interest rates at historic lows.

While demand will help to inflate house prices, the ECB warns that the forecast for the evolution of house prices has been “much higher than the expected growth in household incomes”.

The International Monetary Fund recently highlighted that “house prices have grown faster than wages in more than half of the 35 countries” that make up the Organization for Economic Cooperation and Development (OECD).



Here at OliveHomes.com we find the question asked by most investors is when will prices stop rising? Of course, it's impossible to know. Supply of new properties is still declining and demand from local and international markets continues to grow. With new direct flights from Canada announced this week the potential for more growth

seems inevitable. Without doubt, had we known what we know now we would all have invested our savings into Portuguese assets a year ago. Is more growth predicted? It seems we are still on an upward trend with no end in sight. Have we missed the boat? Ask someone who cashed in their Bitcoins at 5000 euros. The conclusion seems to be that waiting will not help. If you are able to invest then it will only become more expensive in the future. Wages, savings won't help. To find a perfect investment for you then please get in touch.

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## Property Of The Week

### 2 bedroom Apartment in a private resort in Vilamoura



Offering superb value and views is this two bedroom apartment in a glorious part of Vilamoura. Set next to the Laguna Golf Course with a southerly exposure it's hard for us to ignore that this apartment offers a fantastic opportunity to invest. Quality finishings throughout with a private and secure condominium. This apartment also qualifies for Golden Visa investors after the recent changes. Buy now and sell in 3 years. We expect great returns on this investment strategy. Priced to sell at €399,000 with quick completion.

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## Testimonial Of The Week



We found OliveHomes to be very professional in their dealings with us. We also felt we could trust OliveHomes to do their best to sell our house, which they successfully did.

Greg

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