

House Price Index  
4<sup>th</sup> Quarter of 2019

**House prices increased 9.6% on an annual basis and 8.9% in the 4th quarter of 2019**

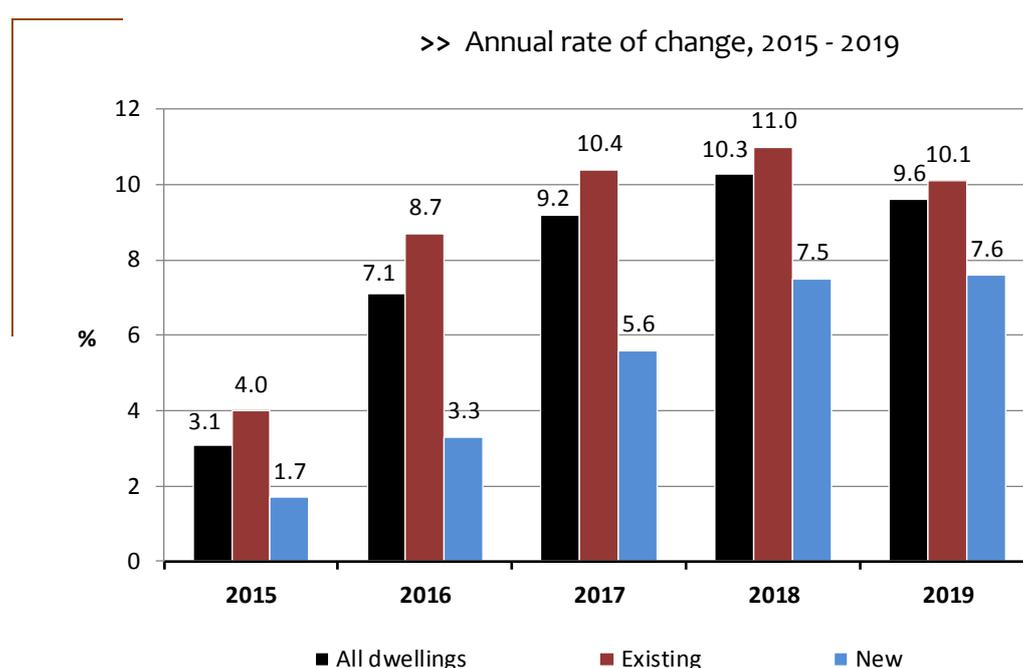
In 2019, the House Price Index (HPI) increased 9.6% when compared with the previous year. This rate of change was 0.7 percentage points (pp) lower than in 2018. The prices of existing dwellings presented an annual increase above that observed for new dwellings, 10.1% and 7.6%, respectively.

In the last quarter of 2019, the HPI year-on-year rate of change was 8.9%, 1.4 pp less when compared to the previous quarter. In the last three months of the year, the growth in prices of existing dwellings stood at 9.8%, double the rate of change observed for new dwellings (4.9%).

A total of 181,478 dwellings were transacted in 2019, which represents an increase of 1.6% compared to 2018. In this period, the value of transactions totalled 25.6 billion euros, 6.3% more than in the previous year.

In the 4th quarter of 2019, there were 49,232 transactions, resulting in a year-on-year rate of change of 6.1% and an increase of 7.4% when compared to the previous quarter. In value, the transactions totalled 6.9 billion euros, 12.2% more than in the same period of 2018.

The information in this press release does not yet reflect the current situation determined by the pandemic Covid19. It is expected that the analyzed trends will change substantially. Nonetheless, the information available today is useful to establish a reference to assess future developments. Despite the circumstances, Statistics Portugal will try to maintain the production and dissemination schedule, although some disturbance may occur on the collection of primary data due to the impact of the pandemic.



## 1. House Price Index

In 2019, continued the growth dynamic of transacted dwellings prices. The HPI presented an annual rate of change of 9.6%. For the first time in the last three years, there was a deceleration in prices, less 0.7 pp compared with the 2018 rate. The upward trend of prices was observed in both categories of dwellings being more pronounced for existing dwellings (10.1%) compared with new dwellings (7.6%). For the third consecutive year, the difference in the growth rate of prices of the two categories of dwellings was reduced, standing at 2.5 pp in 2019 (3.5 pp in 2018).

In the 4th quarter of 2019, the HPI recorded a year-on-year rate of change of 8.9%, the lowest rate of the whole year (10.3% in the 3rd quarter of 2019). In this period, existing dwellings registered a higher price increase than new dwellings, 9.8% and 4.9% respectively.

Between the 3rd and 4th quarter of 2019, HPI grew 0.7%, which is roughly half the magnitude of the increase observed in the previous quarter (1.2%). By category, existing dwellings showed a price increase of 1.2%, while in new dwellings there was a negative rate of change of 1.5%.

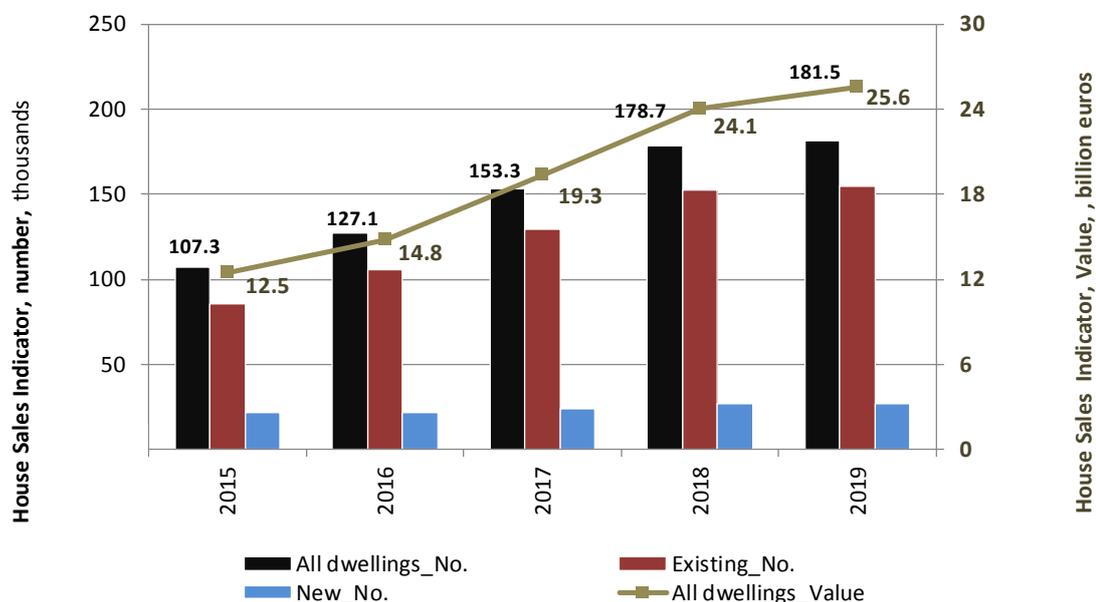
## 2. Number and value of house sales

In 2019, a total of 181,478 dwellings were transacted, which represents a new maximum in the available series. Compared to the previous year, there was an increase of 1.6% in the number of transactions, the lowest rate of change since 2013. Existing dwellings continued to account for the majority of transactions, 85.3%, 0.1 pp more than in the previous year. By category, existing dwellings presented a more intense increase in the number of transactions, 1.7% compared to new dwellings, where the rate of change was 0.6%.

The value of transacted dwellings totalled 25.6 billion euros in 2019, an increase of 1.5 billion euros (6.3%) compared to the previous year. Of the total value, 20.7 billion corresponded to sales of existing dwellings and 4.9 billion euros to new dwellings. In the last five years, while the total sales value more than doubled (105.1%), the number of transactions grew 69.1%.

The following figure depicts the evolution of the number and value of sales of dwellings in the last five years.

>> House Sales Indicator, number and value, All-dwellings, Existing and New Dwellings, 2015 - 2019



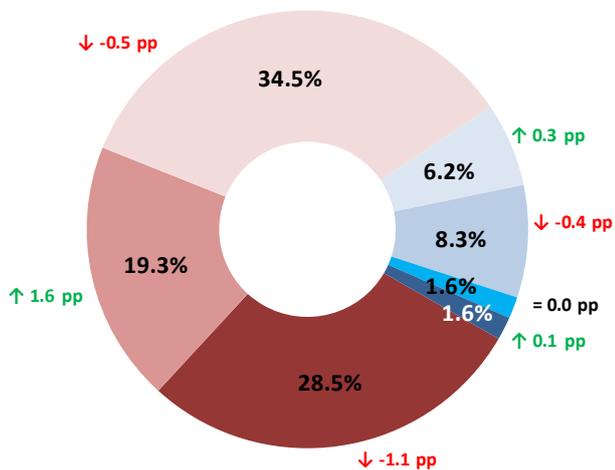
In 2019, the *Área Metropolitana de Lisboa* and the *Norte* region concentrated 63.0% of the total number of transactions. For the first time since 2013, these two regions together had a decrease in their relative weight. The *Centro*, with a total of 35,024 transactions and the *Alentejo* with 11,279 dwellings sold, were the two national regions that grew the most in terms of relative regional shares, 1.6 pp and 0.3 pp respectively.

In the last year, the value of the transactions carried out in the *Área Metropolitana de Lisboa* was approximately 12.0 billion euros (46.6% of the total). This was the second consecutive year in which this region recorded a reduction in its relative weight in the total value of house sales, 0.2 pp in 2018 and 1.4 pp in 2019. The *Norte* was the other region that also presented a decrease in its relative weight, -0.2 pp, standing at 23.4%. On the other hand, *Centro* and *Alentejo* regions and the *Região Autónoma dos Açores*, which together accounted for 17.5% of the total value of transactions, increased their relative sales value importance by 1.3 pp, 0.2 pp and 0.1 pp, in the same order.

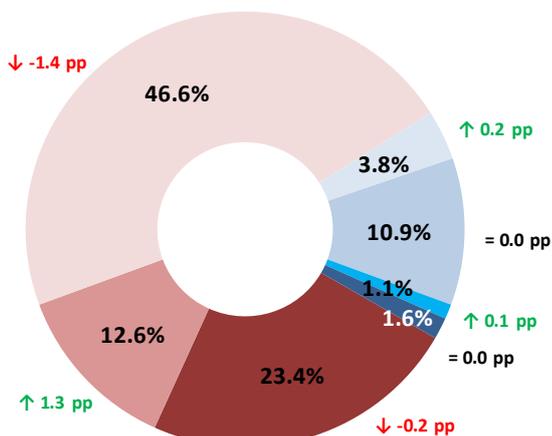
The next figure shows the distribution of the number and value of house sales by NUTS II region for 2019.

>> Percentage distribution of the number and value of house sales, by NUTS II, 2019  
(percentage points difference compared with 2018)

### No. of House Sales



### House Sales Values



## EXPLANATORY NOTES

### House Price Index

The House Price Index (HPI) measures the evolution of the acquisition prices of the dwellings purchased in the residential market in Portugal. The HPI is compiled using anonymized fiscal administrative information provided by the Tax and Customs Authority on the Municipal Property Transfer Tax (IMT) and the Municipal Property Tax (IMI).

The HPI is derived through the estimation of a functional relationship between the logarithm of the transaction prices of dwellings and their characteristics (e.g., area, location), being included in the probabilistic models of hedonic prices. The estimation is performed quarterly with data from two adjacent quarters. With this approach, it is possible to estimate the rate of change of prices controlling for changes in the quality of dwellings.

The HPI is a chained index with base 100 = 2015. The followed methodology enables the weighting structure to be updated annually with information on the value of dwelling transactions in the year immediately preceding the year in which the index refers.

### Quarterly rate

The quarterly rate is the change in the index of a certain quarter compared with the index of the previous quarter expressed as a percentage. Although up-to-date, this measure can be affected by seasonal and other effects.

### Annual rate

The annual rate is the change in the index of a certain quarter compared with the index of the same quarter in the previous year expressed as a percentage. In the presence of a stable seasonal pattern, seasonal effects do not influence this measure.

### 4-quarter average rate

The rolling 4-quarter average rate is the change in the average index of one year compared with the average index of the previous year expressed as a percentage. This moving average is less sensitive to transient changes in prices.

### New dwellings

Dwellings that, at the time of the transaction, had never been used for residential purposes.

### Existing dwellings

Dwellings that, at the time of the transaction, had already been used for residential purposes.

## **House Sales Indicator**

Indicator that estimates the number of housing transactions carried out in a quarter for the national total and the segments of new homes and existing homes. The compilation of this statistic is based on information from the IMT and is based on transactions of urban articles. In calculating this indicator are not considered, similarly to what happens with the estimation of the rate of change in prices between two successive quarters, transaction parts of dwellings (i.e., are considered only transactions of dwellings in full).

The number of sales is available for the whole country and for the second level of geographical breakdown, as defined by the Nomenclature of Territorial Units for Statistics (NUTS II).

## **House Value Indicator**

As the indicator of the number of sales, this statistic is based on information taken from the IMT on paid real estate tax. Following what was defined for the house sales indicator, the total value of transactions does not cover transactions of parts of dwellings.

The value of sales is also available to the second level of geographical breakdown, as defined by NUTS II.

## **Additional information**

Further methodological information on the HPI is available on the National Statistics Institute website <http://smi.ine.pt/DocumentacaoMetodologica/Detalhes/1464>; available only in Portuguese).

## **Next press release**

The HPI of the 1<sup>st</sup> quarter of 2020 is expected to be released on June 23<sup>rd</sup>, 2020.

**Annex I: House Price Index and House Sales Indicator**  
**All dwellings, 4th quarter 2013 - 4th quarter 2019**

Quarter	Indexes			Quarterly rate of change (%)			Annual rate of change (%)			Rolling 4-quarter average rate of change (%)			House sales (n <sup>o</sup> )		
	All dwellings	Existing	New	All dwellings	Existing	New	All dwellings	Existing	New	All dwellings	Existing	New	All dwellings	Existing	New
4Q2013	94.89	94.55	95.38	2.3	2.8	1.6	0.6	0.6	0.6	-1.9	-2.2	-1.3	24,275	17,155	7,120
1Q2014	96.16	95.02	97.92	1.3	0.5	2.7	4.0	4.7	2.9	0.3	0.3	0.2	18,590	13,739	4,851
2Q2014	97.70	96.60	99.41	1.6	1.7	1.5	5.9	5.6	6.5	2.4	2.5	2.2	19,637	14,664	4,973
3Q2014	97.31	95.95	99.42	-0.4	-0.7	0.0	4.9	4.3	5.9	3.8	3.8	4.0	20,454	15,806	4,648
4Q2014	96.98	97.19	96.57	-0.3	1.3	-2.9	2.2	2.8	1.2	4.2	4.3	4.1	25,534	20,088	5,446
1Q2015	96.94	97.01	96.80	0.0	-0.2	0.2	0.8	2.1	-1.1	3.4	3.7	3.1	25,716	20,170	5,546
2Q2015	100.57	99.89	101.90	3.7	3.0	5.3	2.9	3.4	2.5	2.7	3.1	2.1	24,512	19,573	4,939
3Q2015	100.65	100.96	100.04	0.1	1.1	-1.8	3.4	5.2	0.6	2.4	3.4	0.8	27,239	22,094	5,145
4Q2015	101.84	102.14	101.26	1.2	1.2	1.2	5.0	5.1	4.9	3.1	4.0	1.7	29,835	24,069	5,766
1Q2016	103.67	104.66	101.34	1.8	2.5	0.1	6.9	7.9	4.7	4.6	5.4	3.1	29,464	23,956	5,508
2Q2016	106.91	108.34	103.46	3.1	3.5	2.1	6.3	8.5	1.5	5.4	6.7	2.9	31,768	26,329	5,439
3Q2016	108.31	110.18	103.76	1.3	1.7	0.3	7.6	9.1	3.7	6.5	7.7	3.7	31,535	26,341	5,194
4Q2016	109.57	111.53	104.77	1.2	1.2	1.0	7.6	9.2	3.5	7.1	8.7	3.3	34,339	28,876	5,463
1Q2017	111.89	114.34	105.58	2.1	2.5	0.8	7.9	9.2	4.2	7.4	9.0	3.2	35,178	29,511	5,667
2Q2017	115.51	118.03	109.02	3.2	3.2	3.3	8.0	8.9	5.4	7.8	9.1	4.2	36,886	31,150	5,736
3Q2017	119.60	122.82	110.92	3.5	4.1	1.7	10.4	11.5	6.9	8.5	9.7	5.0	38,783	32,864	5,919
4Q2017	121.06	124.72	110.96	1.2	1.5	0.0	10.5	11.8	5.9	9.2	10.4	5.6	42,445	36,040	6,405
1Q2018	125.58	129.18	115.80	3.7	3.6	4.4	12.2	13.0	9.7	10.3	11.3	7.0	40,716	34,822	5,894
2Q2018	128.49	132.90	115.86	2.3	2.9	0.1	11.2	12.6	6.3	11.1	12.2	7.2	45,619	38,880	6,739
3Q2018	129.72	134.11	117.19	1.0	0.9	1.1	8.5	9.2	5.7	10.6	11.6	6.9	45,935	38,988	6,947
4Q2018	132.34	136.60	120.34	2.0	1.9	2.7	9.3	9.5	8.5	10.3	11.0	7.5	46,421	39,522	6,899
1Q2019	137.14	142.08	122.76	3.6	4.0	2.0	9.2	10.0	6.0	9.5	10.3	6.6	43,826	37,436	6,390
2Q2019	141.49	146.30	127.74	3.2	3.0	4.1	10.1	10.1	10.3	9.3	9.7	7.6	42,590	36,483	6,107
3Q2019	143.12	148.29	128.08	1.2	1.4	0.3	10.3	10.6	9.3	9.8	10.1	8.5	45,830	39,054	6,776
4Q2019	144.10	150.05	126.22	0.7	1.2	-1.5	8.9	9.8	4.9	9.6	10.1	7.6	49,232	41,861	7,371

Notes: (\*) HPI base 100 = 2015. The definition of the rates of change used in this table are available in the explanatory notes.

Source: Statistics Portugal, National Accounts Department

**Annex II: Value (\*) and number of dwelling sales  
National and regional totals, 4th quarter 2013 - 4th quarter 2019**

Quarter	PORTUGAL		Norte				Centro		Área Metropolitana de Lisboa		Alentejo		Algarve		Região Autónoma dos Açores		Região Autónoma da Madeira	
	Value (10 <sup>3</sup> euros)	N <sup>o</sup>	Value (10 <sup>3</sup> euros)	N <sup>o</sup>	Área Metropolitana do Porto (NUTS III)		Value (10 <sup>3</sup> euros)	N <sup>o</sup>										
					Value (10 <sup>3</sup> euros)	N <sup>o</sup>												
4Q2013	2,704,766	24,275	635,560	7,060	422,606	4,060	357,128	4,558	1,140,482	7,590	112,440	1,528	372,928	2,675	32,307	403	53,921	461
1Q2014	2,103,538	18,590	481,303	5,603	300,134	2,962	253,976	3,318	946,509	6,096	79,091	1,099	276,670	1,818	19,691	285	46,297	371
2Q2014	2,287,940	19,637	510,421	5,701	332,323	3,253	275,311	3,671	1,025,992	6,435	82,215	1,110	333,766	2,100	18,745	254	41,489	366
3Q2014	2,270,175	20,454	506,134	6,171	324,223	3,315	279,557	3,913	1,038,427	6,412	77,213	1,094	302,184	2,205	20,529	286	46,132	373
4Q2014	2,879,367	25,534	629,926	7,624	383,504	3,923	363,065	5,041	1,326,988	7,995	97,140	1,426	354,430	2,435	42,228	562	65,590	451
1Q2015	3,031,232	25,716	663,418	7,474	421,554	4,214	351,455	4,727	1,392,264	8,169	102,635	1,451	386,314	2,930	27,531	311	107,614	654
2Q2015	2,872,690	24,512	655,968	7,192	441,380	4,192	341,419	4,432	1,329,323	8,173	96,015	1,362	379,111	2,570	21,393	303	49,461	480
3Q2015	3,077,389	27,239	697,899	8,057	450,137	4,418	374,228	4,910	1,401,297	8,994	112,583	1,535	411,926	2,876	27,735	390	51,720	477
4Q2015	3,493,876	29,835	794,859	8,727	521,209	4,984	411,796	5,403	1,616,789	9,981	126,752	1,757	443,712	3,015	35,660	440	64,307	512
1Q2016	3,424,551	29,464	798,707	8,735	524,767	5,035	395,615	4,980	1,581,665	10,453	116,611	1,593	415,675	2,749	33,635	401	82,642	553
2Q2016	3,718,224	31,768	830,684	8,980	546,089	5,348	433,710	5,425	1,747,666	11,311	142,022	1,831	468,783	3,244	37,027	454	58,332	523
3Q2016	3,617,902	31,535	853,133	9,518	554,316	5,398	428,306	5,664	1,714,917	10,756	120,500	1,638	390,871	2,865	42,596	532	67,579	562
4Q2016	4,047,495	34,339	906,377	9,923	585,498	5,620	483,225	6,040	1,914,969	11,791	139,849	1,971	492,999	3,503	42,796	502	67,281	609
1Q2017	4,312,982	35,178	982,350	10,236	651,996	6,090	479,122	5,976	2,089,822	12,381	152,751	1,946	474,873	3,370	48,944	576	85,119	693
2Q2017	4,585,612	36,886	1,038,860	10,752	706,207	6,494	519,017	6,219	2,209,146	13,111	157,305	2,050	543,363	3,621	44,895	517	73,028	616
3Q2017	4,861,127	38,783	1,139,491	11,714	755,137	6,719	582,644	7,014	2,306,796	13,140	169,074	2,171	526,916	3,397	44,428	589	91,778	758
4Q2017	5,578,682	42,445	1,221,644	12,180	787,526	6,891	634,826	7,394	2,721,083	15,030	195,949	2,436	656,868	4,018	56,460	658	91,852	729
1Q2018	5,423,303	40,716	1,276,502	11,898	854,284	6,969	587,377	6,888	2,616,261	14,548	165,925	2,198	636,227	3,920	48,892	548	92,119	716
2Q2018	6,186,741	45,619	1,445,835	13,269	977,266	7,801	690,591	7,848	2,978,350	16,331	217,935	2,679	701,471	4,127	62,401	684	90,158	681
3Q2018	6,275,433	45,935	1,445,922	13,699	958,393	7,654	689,406	8,180	3,115,083	16,188	236,335	2,762	627,562	3,703	54,660	624	106,466	779
4Q2018	6,176,220	46,421	1,486,664	13,968	969,359	8,026	767,286	8,674	2,847,492	15,422	235,597	2,947	652,371	3,789	79,917	804	106,893	817
1Q2019	6,120,645	43,826	1,422,875	12,428	952,690	7,183	724,584	8,132	2,908,390	15,506	217,726	2,565	672,227	3,724	71,335	672	103,508	799
2Q2019	6,066,934	42,590	1,405,650	12,043	916,874	6,842	756,928	8,050	2,809,530	14,804	212,774	2,534	714,298	3,735	69,912	688	97,841	736
3Q2019	6,465,515	45,830	1,530,197	13,302	989,446	7,420	851,920	9,079	3,015,927	15,489	260,070	3,074	631,246	3,334	72,695	768	103,460	784
4Q2019	6,930,646	49,232	1,615,851	13,888	1,065,615	7,920	897,356	9,763	3,192,832	16,731	264,967	3,106	772,978	4,200	70,208	692	116,455	852

Note: (\*) The sum of the regional values may not be exactly the same as the national total due to the presence of rounding errors.

Source: Statistics Portugal, National Accounts Department