



27th May 2024

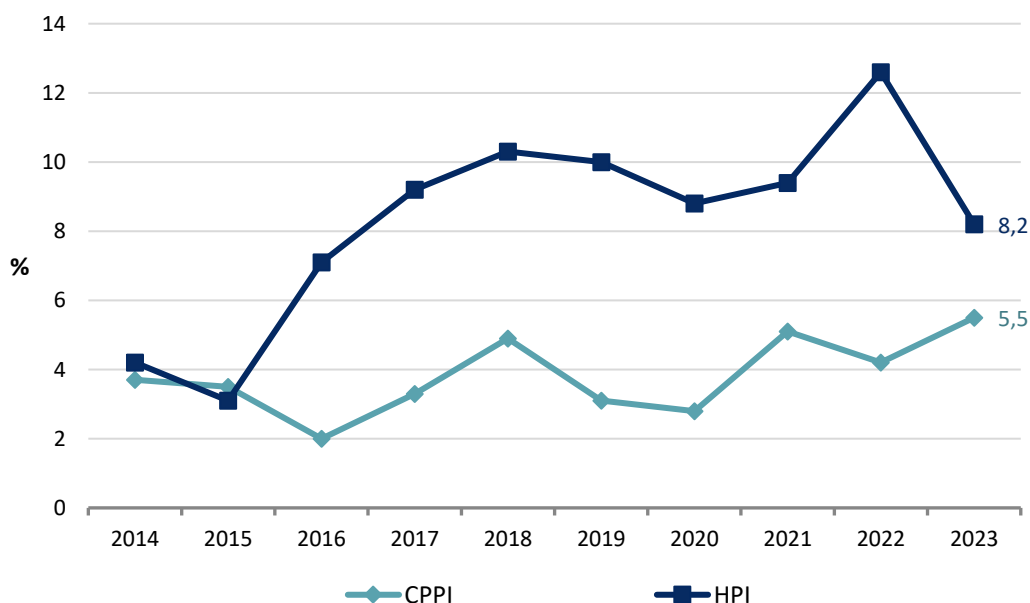
COMMERCIAL PROPERTY PRICE INDEX
2023

PRICES OF COMMERCIAL PROPERTIES INCREASED 5.5% IN 2023

In 2023, the Commercial Property Price Index recorded an annual rate of change of 5.5%, 1.3 percentage points (pp) more than in 2022. The increase in commercial property prices was 2.7 pp lower than that recorded for residential property (8.2%), resulting in the smallest difference in the evolution of prices between commercial and residential property since 2015.

In 2023, the commercial property market continued to show an upward trajectory of transaction prices. In the reference year, the Commercial Property Price Index (CPPI) grew by 5.5%, 1.3 pp above the increase seen in 2022, the highest annual rate of change in the last decade. Figure 1 shows the annual rates of change over the last ten years of the CPPI, as well as the House Price Index (HPI).

Figure 1. Commercial Property Price Index (CPPI) and House Price Index (HPI), Yearly rate of change, 2014-2023



Source: INE, Commercial Property Price Index and House Price Index.

COMMERCIAL PROPERTY PRICE INDEX – 2023



INSTITUTO NACIONAL DE ESTATÍSTICA
STATISTICS PORTUGAL

press release

DIISTAQUE

As has been observed in recent years, in 2023, the residential market, whose price evolution is described by the HPI, continued to show a higher rate of annual price growth than commercial property, 8.2% and 5.5%, respectively. The slowdown in residential property prices (-4.4 pp), combined with the increase in the pace of commercial property price growth, led to the smallest difference in the rates of change between the two indicators since 2015. In 2023, this difference stood at 2.7 pp (8.4 pp in 2022).

It should be noted that at the end of this press release it is included a box with an analysis of the acquisitions of dwellings by the Remaining Institutional Sectors (other than Households), which are not included in the calculation of the HPI.



Annex: Commercial Property Price Index (CPPI) and House Price Index (HPI), National total, 2009-2023

Year	Indexes (*)		Yearly rate of change (%)	
	CPPI	HPI	CPPI	HPI
2009	112.33	106.54	-	-
2010	110.05	107.36	-2.0	0.8
2011	105.52	102.09	-4.1	-4.9
2012	96.43	94.87	-8.6	-7.1
2013	93.15	93.09	-3.4	-1.9
2014	96.59	97.04	3.7	4.2
2015	100.00	100.00	3.5	3.1
2016	101.98	107.12	2.0	7.1
2017	105.38	117.02	3.3	9.2
2018	110.52	129.03	4.9	10.3
2019	113.94	141.88	3.1	10.0
2020	117.16	154.33	2.8	8.8
2021	123.17	168.84	5.1	9.4
2022	128.40	190.17	4.2	12.6
2023	135.47	205.76	5.5	8.2

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

Source: INE, Commercial Property Price Index and House Price Index.

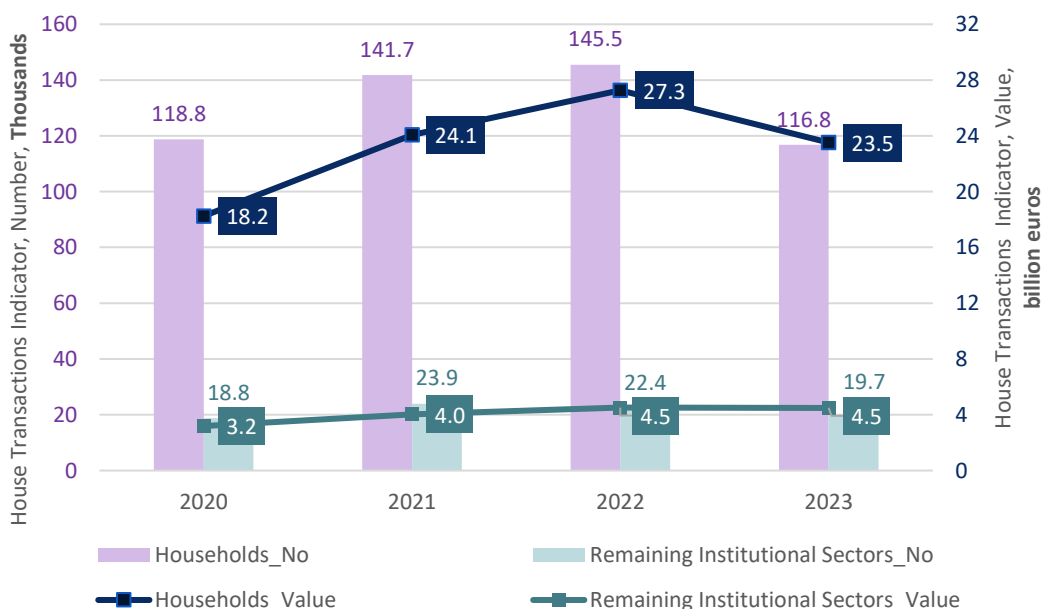


BOX: Acquisition of Dwellings by the Remaining Institutional Sectors (other than Households)

Following the publication, in 2022, of the new HPI series and the respective change in scope, house acquisitions by other institutional sectors¹ are no longer covered by the index. Given the non-negligible importance of the dwelling purchases carried out by the Remaining Institutional Sectors, predominantly corporations, the quantification of this universe is presented below. In addition, is also available the year-on-year rate of change of a price index for house purchases by the Remaining Institutional Sectors, calculated using a methodology identical to that used in the HPI.

In 2023, purchases by the Remaining Institutional Sectors accounted for 14.5% and 16.1% of the total number and value of transactions of residential properties, respectively, being, in both cases, higher percentages than observed in 2022 (13.3% and 14.2%, by the same order). In the reference year, transactions carried out by the Remaining Institutional Sectors totalled 19,747 units, for a total of 4.5 billion euros. These records meant reductions compared to 2022 of 11.8% and 0.5%, by the same order. Regarding sales of dwellings to Households, in 2023, there was a reduction of 19.8% compared to 2022, amounting to 116,752 units. In value terms, transactions involving buyers from the Household institutional sector totalled 23.5 billion euros, down 13.8% from the previous year.

Figure 2. Number and value of dwelling acquisitions by Institutional Sector, 2020-2023



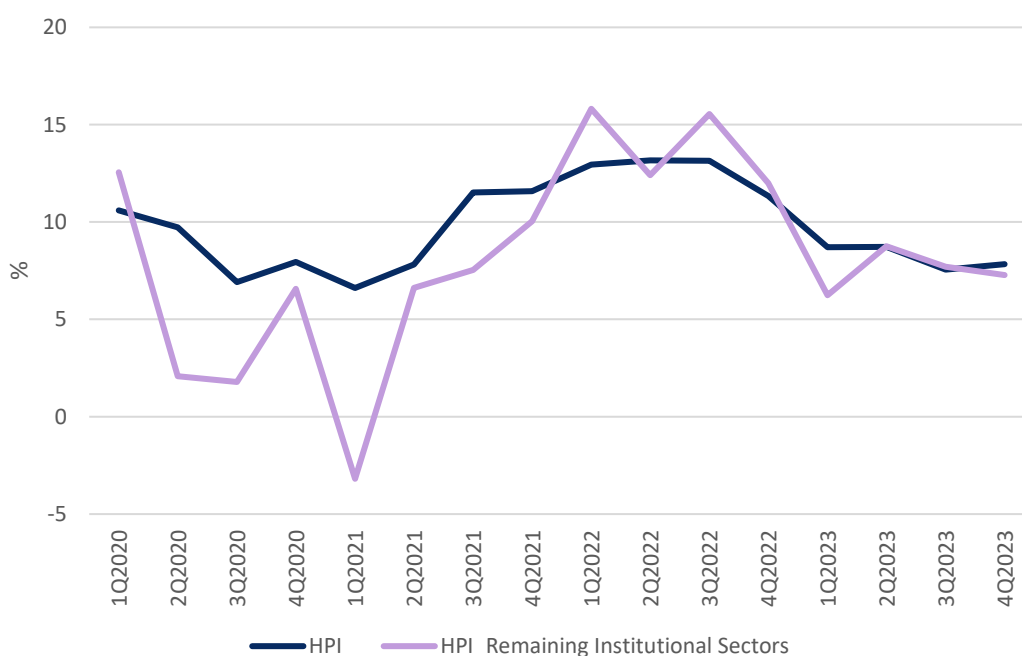
Source: INE, Commercial Property Price Index and House Price Index.

¹ Includes the Financial sector, Non-Financial Corporations, General Government, Non-profit institutions serving households and Rest of the world sectors.



In 2023, the prices of dwellings purchased by the Remaining Institutional Sectors² and the HPI showed similar behaviour and amplitudes in terms of year-on-year rates of change. Both indicators presented less marked increases in prices compared to the previous year. In the first two quarters of 2023, the HPI registered year-on-year increases of 8.7%, while the prices of dwellings purchased by the Remaining Institutional Sectors rose by 6.2% and 8.8%, in the 1st and 2nd quarters, respectively. In the 3rd and 4th quarters of 2023, the pace of price growth, in both indicators, was between 7% and 8%, substantially below the rates of 2022.

Figure 3. HPI and Prices of dwellings purchased by the remaining institutional sectors, Annual rate of change, 1Q2020-4Q2023



Source: INE, Commercial Property Price Index and House Price Index.

² The price index of dwellings acquired by the remaining institutional sectors was calculated on the basis of a methodology identical to that used for the Housing Price Index, which can be consulted on the website of the [National Statistics Institute](https://ine.pt) (available only in Portuguese language).



METHODOLOGICAL NOTES

Commercial Property Price Index

The Commercial Property Price Index (CPPI) measures the price developments of the commercial properties transacted in Portugal. As the House Price Index (HPI), which is being published since July 2014, the CPPI is compiled using anonymized fiscal administrative information provided by the Tax and Customs Authority (AT) on the Municipal Property Transfer Tax (IMT) and the Municipal Property Tax (IMI). The IMT and IMI information is provided on a monthly basis to Statistics Portugal under a data transmission protocol that was signed between the two institutions. Statistics Portugal thanks the collaboration of AT in this area.

The CPPI is derived through the estimation of a functional relationship between the logarithm of the transaction prices of commercial properties and their price-determining characteristics such as area or location. With this approach (i.e., hedonic price model), it is possible to estimate the price change controlling for changes in the quality of commercial properties.

The CPPI is a chained index with base 100 in 2015. This compilation methodology enables the weighting structure to be updated annually with information on the value of commercial property transactions in the year immediately preceding the year in which the index refers.

ACRONYMS AND DESIGNATIONS

Yearly change rate

Change rate that displays the variation between two annual values (year t and year $t-1$) of a certain variable.

Annual change rate

The annual change 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.

Commercial property

A commercial property is an urban property that consists of a building (or a structure) that has been licensed for commercial purposes or that, in the absence of a license, is used for commercial purposes.

Additional information

Further methodological information on the CPPI is available on the [National Statistics Institute website](#).

Date of next the press release - 26th May 2025
