

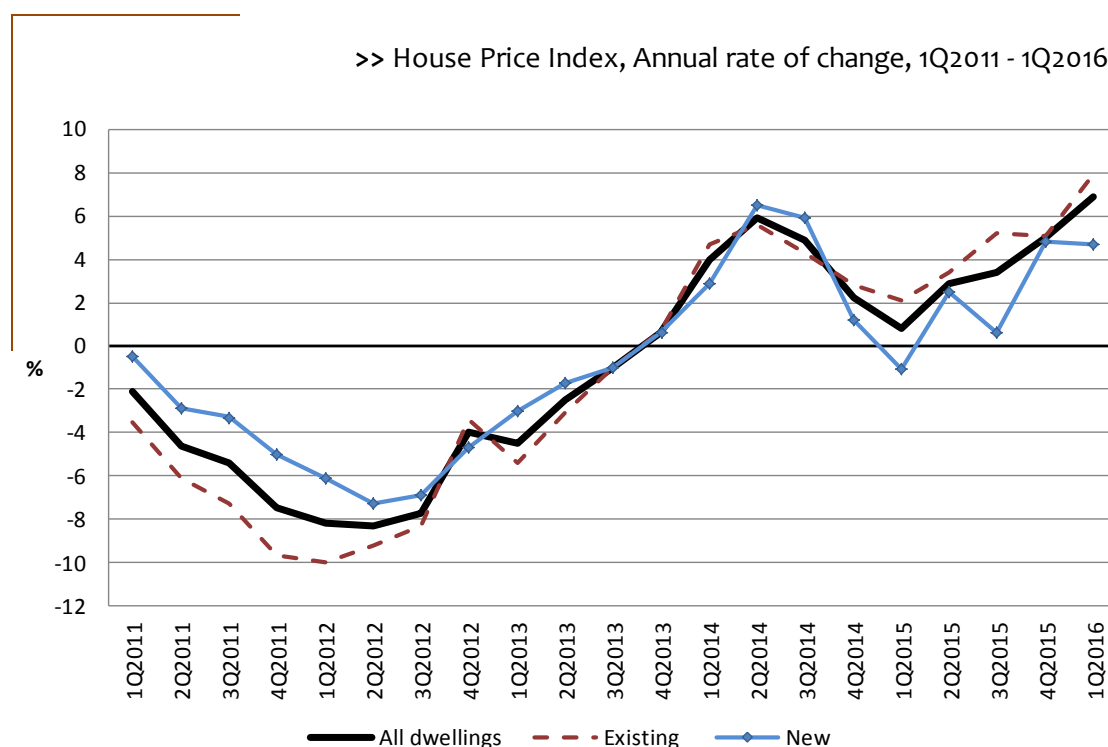
House Price Index
1st Quarter of 2016

House prices up by 6.9% on a year before

In the first quarter of 2016, the House Price Index (HPI) increased 6.9% when compared to the same period of the previous year. This is the tenth consecutive period in which the HPI presented an annual increase in prices and the highest rate of change observed for this series.

When compared to the previous quarter, the HPI rose 1.8% in the first quarter of 2016 (1.2% in the last quarter of 2015).

In the first three months of 2016, the house sales indicator accounted for a total of 29,464 residential units sold (81.3% of which were transactions of existing dwellings). In this period, the transacted dwellings were evaluated at approximately 3.4 billion Euros, 13% more than in the same period of 2015.



1. House Price Index (100 = 2010)

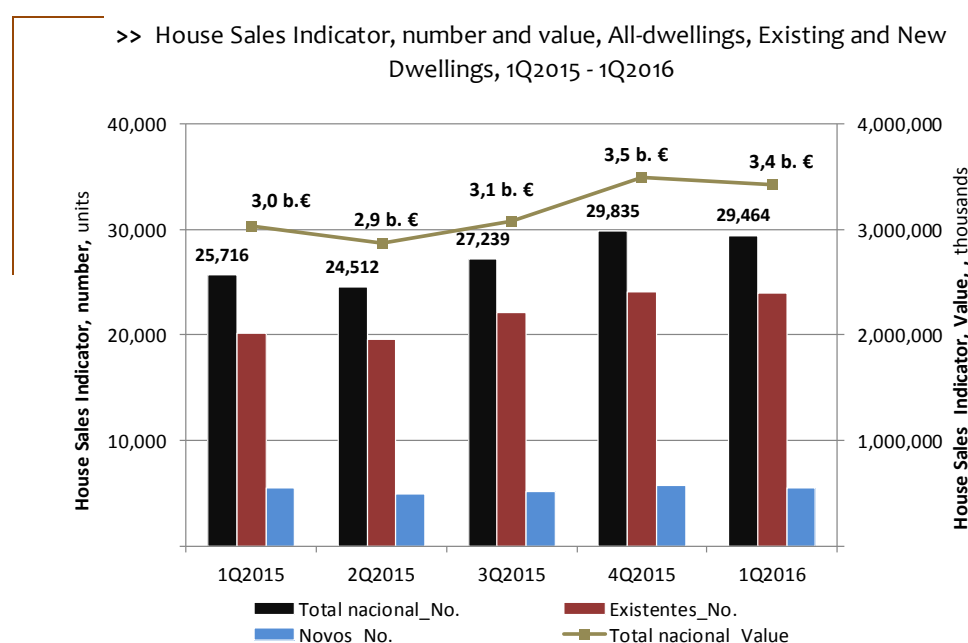
In the first quarter of 2016, the HPI presented a 6.9% annual change, a result that is 1.9 percentage points (p.p.) higher than in the previous quarter. The prices of existing dwellings (7.9%) increased more than the prices of new dwellings (4.7%), a situation observed since the last quarter of 2014.

On a quarter-to-quarter basis, the HPI displayed a 1.8% rate of change in the first three months of 2016. This was the fourth consecutive quarter in which the HPI showed a quarterly increase. Price increases were most felt in existing dwellings, with this market segment observing a 2.5% price change (as compared with the 0.1% price change, which was observed for new dwellings).

The rolling 4-quarter average rate of change of the HPI was 4.6% in the first quarter of 2016, which represents an increase of 1.5 percentage points when compared to the observed in the previous quarter. Both new and existing dwellings registered positive average growth rates (5.4% and 3.1%, respectively).

2. Number and value of house sales

A total of 29,464 dwellings were traded in the first three months of 2016, 23,956 of which were related to sales of existing dwellings (81.3% of total number of sales). In this period, transactions represented a total value of 3.4 billion Euros, more 400 million when compared with the same quarter of the previous year.

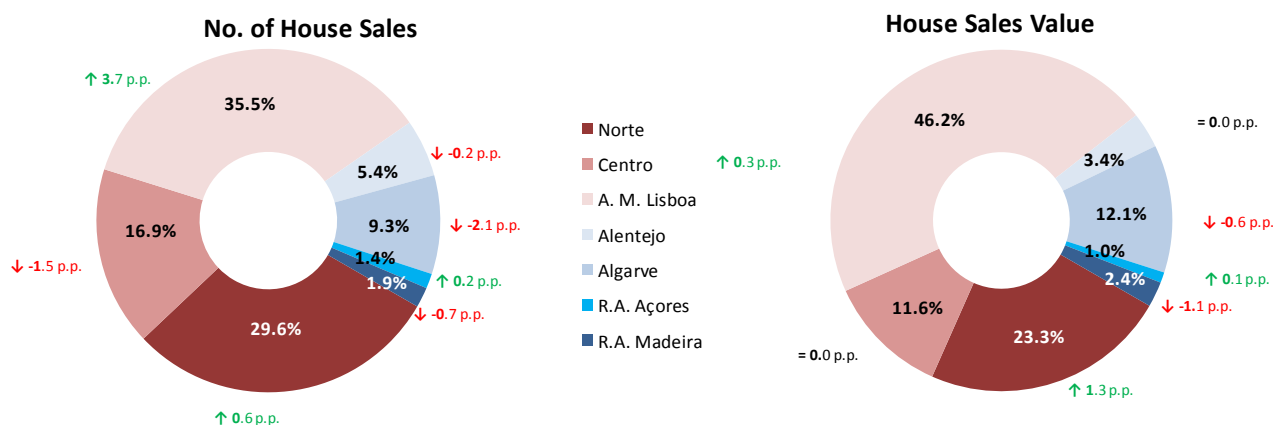


When compared with the same period of the last year, the number of transactions rose 14.6% in the first quarter of 2016. While sales of existing dwellings increased 18.8% in the first quarter of 2016, the number of new dwellings transacted over the same period was reduced by 0.8%. In relation to the last period of 2015, the number of house sales decreased -1.2%. This decrease in sales numbers was more significant for new dwellings (-4.5%) than for existing dwellings (-0.5%).

In the first quarter of 2016, 69.5% of the national house sales value (65.1% in terms of number of transactions) was concentrated on the Área Metropolitana de Lisboa (46.2%) and the Norte Region (23.3%).

The next figure shows the distribution of the number and value of house sales by NUTS II region for the first quarter of 2016.

>> Percentage distribution of the number and value of house sales, by NUTS II, 1st quarter 2016 (percentage points difference compared with the same period in the previous year)



When compared with the same period of the last year, the Área Metropolitana de Lisboa, the Norte region and the Região Autónoma dos Açores increased their relative weights both in relation to the number and value of house sales (see figure above).

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 anonymised 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 = 2010. 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/1269>; available only in Portuguese).

Next press release

The HPI of the 2nd quarter of 2016 is expected to be released on September 20th, 2016.

Annex I: House Price Index and House Sales Indicator

All dwellings, 1st quarter 2010 - 1st quarter 2016

Quarter	Indexes			Quarterly rate of change (%)			Annual rate of change (%)			Rolling 4-quarter average rate of change (%)			House sales (n ^o)		
	All dwellings	Existing	New	All dwellings	Existing	New	All dwellings	Existing	New	All dwellings	Existing	New	All dwellings	Existing	New
1Q2010	100.36	100.79	99.88	0.6	0.3	0.8	2.0	3.3	0.5	-	-	-	32,849	20,386	12,463
2Q2010	100.75	101.07	100.39	0.4	0.3	0.5	1.4	2.0	0.8	-	-	-	33,805	21,495	12,310
3Q2010	99.96	99.85	100.09	-0.8	-1.2	-0.3	0.6	0.2	1.0	-	-	-	31,487	20,478	11,009
4Q2010	98.93	98.29	99.64	-1.0	-1.6	-0.4	-0.9	-2.2	0.6	0.8	0.8	0.7	31,809	20,583	11,226
1Q2011	98.23	97.24	99.34	-0.7	-1.1	-0.3	-2.1	-3.5	-0.5	-0.3	-0.9	0.4	25,430	16,944	8,486
2Q2011	96.11	94.93	97.44	-2.2	-2.4	-1.9	-4.6	-6.1	-2.9	-1.8	-2.9	-0.5	23,676	16,360	7,316
3Q2011	94.53	92.54	96.82	-1.6	-2.5	-0.6	-5.4	-7.3	-3.3	-3.3	-4.8	-1.5	21,313	14,682	6,631
4Q2011	91.51	88.80	94.65	-3.2	-4.0	-2.2	-7.5	-9.7	-5.0	-4.9	-6.6	-2.9	23,199	16,005	7,194
1Q2012	90.21	87.55	93.28	-1.4	-1.4	-1.4	-8.2	-10.0	-6.1	-6.4	-8.2	-4.3	18,440	13,370	5,070
2Q2012	88.16	86.17	90.31	-2.3	-1.6	-3.2	-8.3	-9.2	-7.3	-7.3	-9.0	-5.4	19,100	13,401	5,699
3Q2012	87.28	84.82	90.10	-1.0	-1.6	-0.2	-7.7	-8.3	-6.9	-7.9	-9.3	-6.3	18,755	13,422	5,333
4Q2012	87.85	85.75	90.16	0.7	1.1	0.1	-4.0	-3.4	-4.7	-7.1	-7.8	-6.3	20,103	14,768	5,335
1Q2013	86.11	82.81	90.44	-2.0	-3.4	0.3	-4.5	-5.4	-3.0	-6.2	-6.7	-5.5	15,927	11,891	4,036
2Q2013	85.93	83.53	88.76	-0.2	0.9	-1.9	-2.5	-3.1	-1.7	-4.7	-5.1	-4.2	19,278	14,522	4,756
3Q2013	86.39	83.99	89.23	0.5	0.6	0.5	-1.0	-1.0	-1.0	-3.0	-3.2	-2.6	20,295	14,984	5,311
4Q2013	88.39	86.31	90.68	2.3	2.8	1.6	0.6	0.7	0.6	-1.9	-2.2	-1.3	24,275	17,163	7,112
1Q2014	89.57	86.74	93.09	1.3	0.5	2.7	4.0	4.7	2.9	0.3	0.3	0.2	18,590	13,743	4,847
2Q2014	91.01	88.18	94.51	1.6	1.7	1.5	5.9	5.6	6.5	2.4	2.5	2.2	19,637	14,667	4,970
3Q2014	90.64	87.59	94.52	-0.4	-0.7	0.0	4.9	4.3	5.9	3.8	3.8	4.0	20,454	15,808	4,646
4Q2014	90.34	88.72	91.81	-0.3	1.3	-2.9	2.2	2.8	1.2	4.3	4.3	4.1	25,534	20,093	5,441
1Q2015	90.30	88.55	92.02	0.0	-0.2	0.2	0.8	2.1	-1.1	3.4	3.7	3.1	25,716	20,162	5,554
2Q2015	93.68	91.18	96.88	3.7	3.0	5.3	2.9	3.4	2.5	2.7	3.1	2.1	24,512	19,576	4,936
3Q2015	93.75	92.16	95.11	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	94.86	93.23	96.26	1.2	1.2	1.2	5.0	5.1	4.8	3.1	4.0	1.7	29,835	24,067	5,768
1Q2016	96.56	95.53	96.34	1.8	2.5	0.1	6.9	7.9	4.7	4.6	5.4	3.1	29,464	23,956	5,508

Notes: (*) HPI base 100 = 2010. The definition of the rates of change used in this table are available in the explanatory notes.

Source: Instituto Nacional de Estatística, National Accounts Department

House Price Index – 1st Quarter of 2016

**Annex II: Value (*) and number of dwelling sales
National and regional totals, 1st quarter 2010 - 1st quarter 2016**

Quarter	PORTUGAL		Norte				Centro		Área Metropolitana de Lisboa		Alentejo		Algarve		Região Autónoma dos Açores		Região Autónoma da Madeira	
	Value (10 ³ euros)	N ^o	Value (10 ³ euros)	N ^o	Área Metropolitana do Porto (NUTS III)		Value (10 ³ euros)	N ^o	Value (10 ³ euros)	N ^o	Value (10 ³ euros)	N ^o	Value (10 ³ euros)	N ^o	Value (10 ³ euros)	N ^o	Value (10 ³ euros)	N ^o
					Value (10 ³ euros)	N ^o												
1Q2010	4,003,365	32,849	997,218	9,981	646,487	5,745	608,766	6,338	1,707,076	10,993	172,262	1,886	383,617	2,518	52,718	529	81,707	604
2Q2010	4,038,412	33,805	1,029,309	10,139	665,225	5,858	611,651	6,338	1,730,080	11,633	177,235	2,068	359,716	2,436	53,739	541	76,681	650
3Q2010	3,747,199	31,487	944,266	9,526	598,061	5,254	573,309	6,241	1,569,895	10,145	172,997	1,988	354,772	2,414	48,393	533	83,567	640
4Q2010	3,811,200	31,809	952,218	9,670	603,680	5,339	529,655	5,925	1,548,254	9,980	174,666	1,936	417,948	2,558	96,871	947	91,586	793
1Q2011	3,005,938	25,430	749,940	7,642	484,763	4,310	442,010	4,855	1,223,274	7,942	124,028	1,492	313,819	2,039	62,432	686	90,436	774
2Q2011	2,694,706	23,676	672,908	7,281	436,958	4,234	401,549	4,766	1,160,160	7,569	102,257	1,378	266,299	1,841	28,353	343	63,182	498
3Q2011	2,267,907	21,313	635,411	7,153	392,970	3,830	364,821	4,581	833,256	5,709	98,032	1,331	250,802	1,721	27,500	348	58,086	470
4Q2011	2,456,555	23,199	714,007	7,610	447,364	4,066	379,893	4,663	872,095	6,326	118,318	1,383	266,917	2,128	35,884	440	69,442	649
1Q2012	1,927,800	18,440	534,762	6,021	345,025	3,260	289,763	3,722	721,841	5,231	79,095	1,049	218,245	1,625	26,210	354	57,885	438
2Q2012	1,931,395	19,100	511,833	6,198	335,840	3,616	298,372	3,769	756,247	5,559	84,895	1,209	223,617	1,756	14,942	236	41,489	373
3Q2012	1,812,249	18,755	503,694	6,211	302,311	3,259	288,799	3,919	618,789	4,828	75,548	1,038	220,352	1,603	32,147	431	72,920	725
4Q2012	2,054,821	20,103	512,317	6,167	311,625	3,264	301,635	4,166	797,669	5,734	82,341	1,232	230,153	1,754	47,730	477	82,976	573
1Q2013	1,573,794	15,927	396,866	5,013	237,398	2,694	242,576	3,232	632,626	4,770	62,109	948	169,804	1,338	16,139	231	53,675	395
2Q2013	1,922,703	19,278	477,955	5,995	302,525	3,362	276,195	3,723	804,493	5,905	77,334	1,252	224,061	1,768	18,679	234	43,985	401
3Q2013	2,117,652	20,295	523,989	6,295	330,443	3,384	269,258	3,899	909,874	5,986	74,645	1,111	267,309	2,242	25,978	373	46,597	389
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

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: Instituto Nacional de Estatística, National Accounts Department

House Price Index – 1st Quarter of 2016