

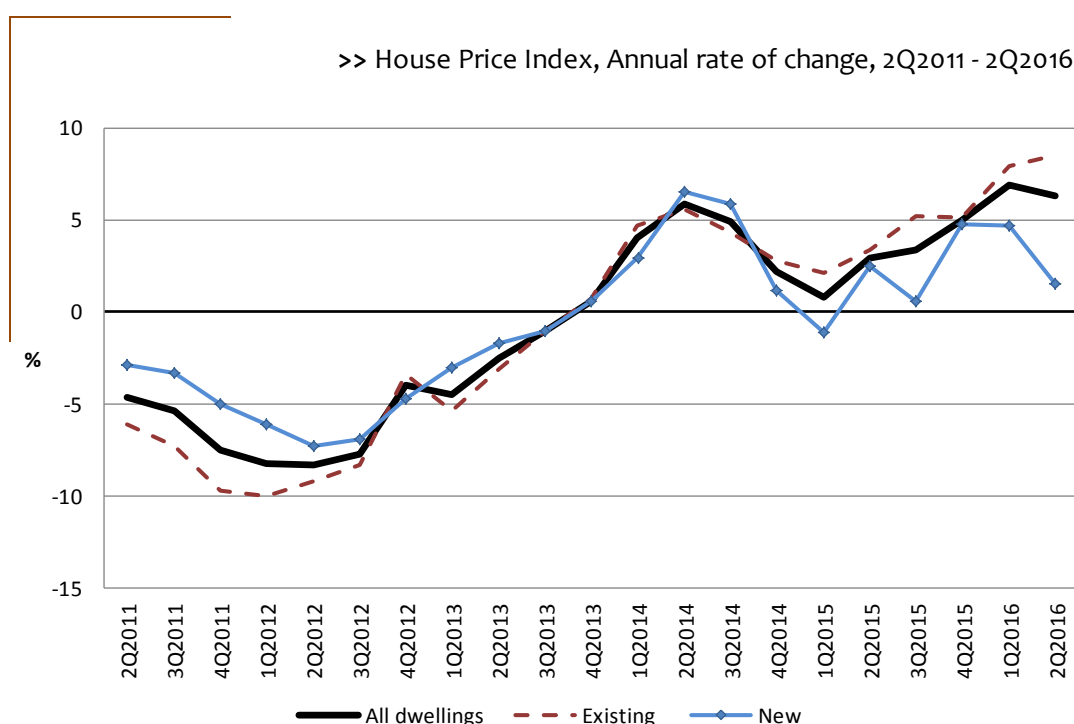
House Price Index 2nd Quarter of 2016

House prices up by 6.3% on a year before

In the second quarter of 2016, the House Price Index (HPI) registered an increase of 6.3% when compared to the same period of the previous year. This rate of change was 0.6 percentage points (p.p.) lower than in the first quarter of 2016 and represents the second highest rate of change observed for this series.

When compared to the first quarter of the year, the HPI increased by 3.1%, 1.3 p.p. higher than in the previous period.

From April to June 2016, a total of 31,768 dwellings were traded, 29.6% more than in the same period of 2015. The total sales value slightly exceeded the 3.7 billion Euros, 76.6% of which pertaining to transactions of existing dwellings.



1. House Price Index (100 = 2010)

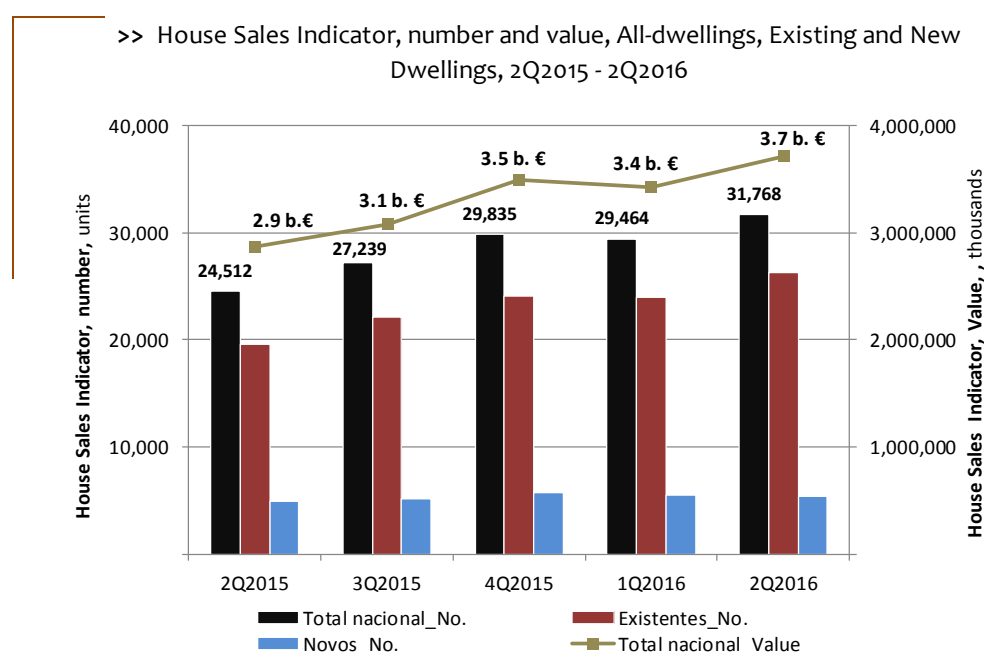
When compared to the same period of 2015, the HPI increased 6.3% in the second quarter of 2016 (6.9% in the previous quarter). Both existing dwellings and new dwellings continued to exhibit house price increases, with the former market segment showing a 8.5% increase and the latter a 1.5% change over the same period of the last year.

On a quarter-to-quarter basis, the HPI rose 3.1% (1.8% in the previous quarter). This is the second time that the HPI shows a period of five consecutive quarterly price increases (the first period in which this happened starts in the second quarter of 2009 and ends in the second quarter of 2010). In the second quarter of 2016, the indexes for existing and new dwellings increased 3.5% and 2.1%, respectively.

The rolling 4-quarter average rate of change of the HPI was 5.4% in the second quarter of 2016, 0.8 p.p. higher than in the previous quarter (4.6%). The existing dwellings and new dwellings market segments exhibited 4-quarter average rates of change of 6.7% and 2.9%, respectively.

2. Number and value of house sales

In the second quarter of 2016, the house sales indicator reached 31,768 transactions, 26,329 of which were related to sales of existing dwellings. New dwellings only represented 17.1% of the total number of sales. In this period, the value of transacted dwellings surpassed the 3.7 billion Euros, 845 million more when compared with the same quarter of the previous year. The value of transacted existing dwellings surpassed the 2.8 billion Euros, a figure that represents a new maximum in the available series.



In the second quarter of 2016, the number of transactions increased 29.6% when compared with the same period of the last year. When compared to the new dwellings market segment, existing dwellings continued to present higher rates of change in the number of sold properties (10.2% and 34.5%, respectively). This is a situation that occurs since the third quarter of 2014.

In comparison with the previous quarter, the number of house sales rose 7.8%. This behaviour was essentially driven by existing dwellings, whose sales increased 9.9% over the same period (-1.3% for new dwellings).

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

>> Percentage distribution of the number and value of house sales, by NUTS II, 2nd quarter 2016
(percentage points difference compared with the same period in the previous year)



In the second quarter of 2016, and when compared with the same period of the last year, the *Norte*, *Centro* and *Algarve* regions, together with the *Região Autónoma da Madeira*, decreased their shares in total number and value of transacted residential properties. Conversely, the *Área Metropolitana de Lisboa* constituted new maximums in the available time series, with 35.6% and 47% of the total number and value of all transactions carried out in the country (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 3rd quarter of 2016 is expected to be released on December 20th, 2016.

Annex I: House Price Index and House Sales Indicator

All dwellings, 2nd quarter 2010 - 2nd 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 |
| 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 |
| 2Q2016 | 99.58 | 98.89 | 98.36 | 3.1 | 3.5 | 2.1 | 6.3 | 8.5 | 1.5 | 5.4 | 6.7 | 2.9 | 31,768 | 26,329 | 5,439 |

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.

Annex II: Value (*) and number of dwelling sales
National and regional totals, 2nd quarter 2010 - 2nd 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 | | | | | | | | | | | | |
| 2Q2010 | 4,038,412 | 33,805 | 1029,309 | 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 |
| 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 |

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.