

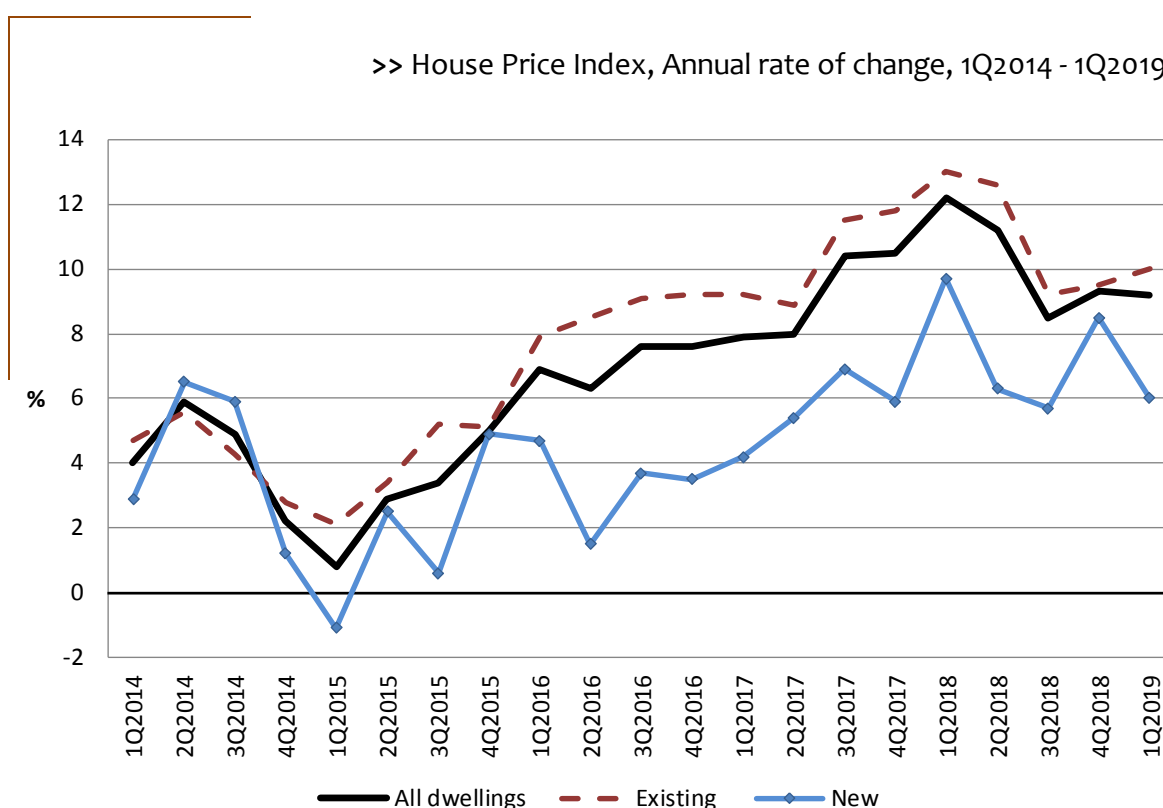
House Price Index
1st Quarter of 2019

House prices increased 9.2% in the 1st quarter of 2019

The House Price Index (HPI) increased 9.2% in the 1st quarter of 2019 when compared to the same period of the previous year, 0.1 percentage points (pp) less than the previous quarter. In this period, the increase in prices was higher for existing dwellings (10.0%) than for new dwellings (6.0%).

Comparing with the previous quarter, the HPI grew by 3.6%. By dwelling category, the prices for existing dwellings increased 4.0%, 2.0 pp above the one registered by the prices for new dwellings.

In the first three months of 2019, a total of 43 826 dwellings were traded, which represents an increase of 7.6% over the same period of 2018 and a reduction of 5.6% when compared to the previous quarter. In this period, the value of sales was set at 6.1 billion euros, 12.9% more than in the first quarter of 2018.



1. House Price Index

In the 1st quarter of 2019, the HPI grew by 9.2% when compared with the same period of the last year. This result was 0.1 pp lower than in the previous quarter. The increase in residential property prices was common to both dwelling categories. Existing dwellings registered a year-on-year rate of change of 10.0%, 0.5 pp more than in the 4th quarter of 2018. As regards new dwellings, there was a deceleration in prices (6.0% in the 1st quarter of 2019 and 8.5% in the 4th quarter of 2018).

On a quarter-on-quarter basis, the HPI increased 3.6% in the first three months of 2019, 1.6 pp more than in the previous quarter. In this period, existing dwellings registered a 4.0% growth rate (1.9% in the previous quarter). The prices of new dwellings rose by 2.0%, less 0.7 pp compared to the 4th quarter rate of change.

The rolling 4-quarter rate of change of the HPI was 9.5%, 0.8 pp less when compared to the 4th quarter of 2018, decelerating for the third consecutive quarter. By dwelling type, the growth of prices of existing dwellings (10.3%) exceeded that of new dwellings (6.6%).

2. Number and value of house sales

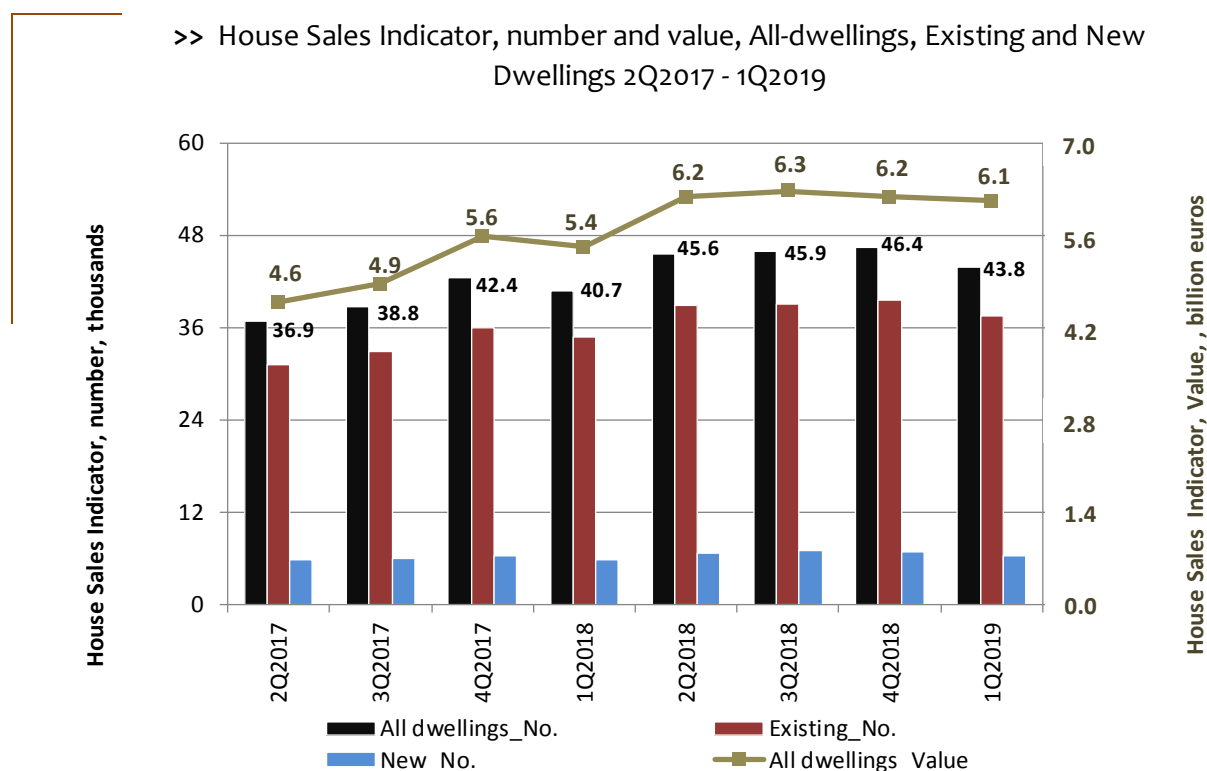
In the 1st quarter of 2019, 43,826 dwellings were transacted, 7.6% more than in the same period of 2018. This was the third consecutive quarter in which there was a slowdown in the number of house sales, and represents the lowest annual rate of change in the last 4 years. Among the transactions carried out, the existing dwellings accounted for 37,436 units, an increase of 7.5% over the first three months of 2018. New dwellings sales, which accounted for 14.6% of the total, grew by 8.4% when compared to the first three months of 2018, totalling 6,390 dwellings.

Between the last quarter of 2018 and the 1st quarter of 2019, the number of transactions decreased by 5.6% (1.1% in the 4th quarter of 2018 and 0.7% in the third quarter of 2018). By category, new dwellings presented a more intense reduction in the number of transactions, -7.4%, compared to existing dwellings, where the rate of change was -5.3%.

The dwellings transacted in the first three months of 2019 totalled approximately 6.1 billion euros. This amount represents an increase of 12.9% over the same period of 2018 (10.7% in the 4th quarter of 2018). Of the total, 5.0 billion corresponded to existing dwelling transactions and 1.1 billion to new dwelling sales, which represented year-on-year increases of 12.3% and 15.1%, respectively. This was the third consecutive quarter in which the pace of growth in the value of new dwellings exceeded that of existing dwellings.

When compared to the previous quarter, the value of house sales in the first quarter of 2019 decreased by 0.9%, with only new dwellings presenting a decrease in the transaction value (-5.5%). The category of existing dwellings registered a slight growth of 0.2%.

The following figure depicts the evolution of the number and value of sales over the last eight quarters.

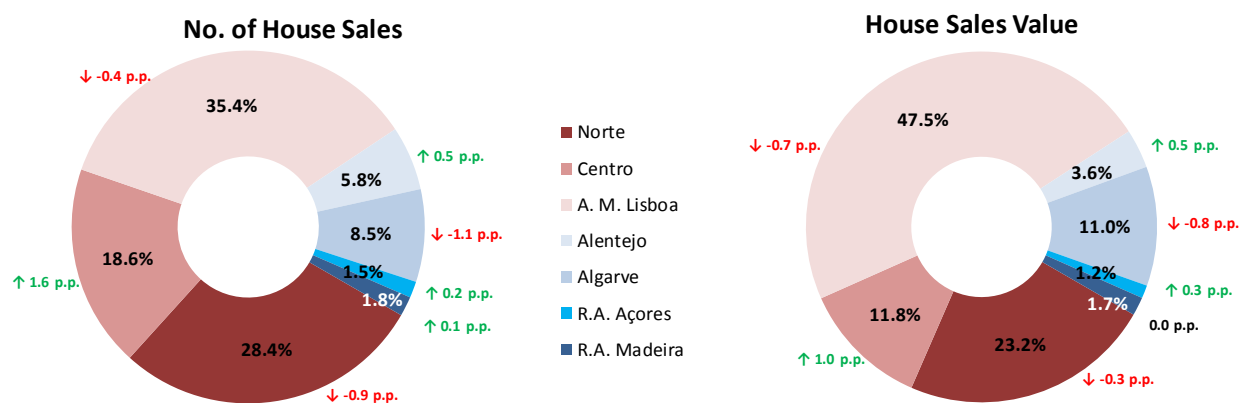


In the first three months of 2019, 15,506 dwellings were transacted in the *Área Metropolitana de Lisboa* and 12,428 in the *Norte*, representing 63.8% of the total. On a year-on-year basis, the two regions with the highest concentration of housing sales presented a reduction in their relative regional shares of -0.9 pp in the case of the *Norte* region and -0.4 pp in the *Área Metropolitana de Lisboa*. The *Algarve*, with a total of 3,724 transactions, was the other region that presented a decrease in its regional relative weight (-1.1 pp). The *Centro* region, the *Alentejo*, the *Região Autónoma dos Açores* and the *Região Autónoma da Madeira* observed increases of 1.6 pp, 0.5 pp, 0.2 pp and 0.1 pp, respectively, in their respective shares.

In the period under review, the value of house sales in the *Área Metropolitana de Lisboa* reached 2.9 billion euros (47.5% of the total), while in the North region slightly exceeded 1.4 billion euros. Both regions recorded reductions in their relative weights. The *Centro* region with a total of 725 million euros and the *Algarve* with 672 million euros were the regions that followed with the highest sales figures. This was the second consecutive quarter in which the *Centro* region registered an increase above 1.0 pp in its relative quota, and the fourth consecutive quarter in which the relative weight of the *Algarve* diminished. Finally, housing transactions in the *Alentejo*, the *Região Autónoma da Madeira* and the *Região Autónoma dos Açores* accounted for approximately 400 million euros.

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

>> Percentage distribution of the number and value of house sales, by NUTS II, 1st quarter 2019
(percentage points difference compared with the same period in the previous year)



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 = 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 2nd quarter of 2019 is expected to be released on September 20th, 2019.

Annex I: House Price Index and House Sales Indicator

All dwellings, 1st quarter 2013 - 1st quarter 2019

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
1Q2013	92.45	90.72	95.13	-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	92.25	91.51	93.36	-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	92.75	92.01	93.85	0.5	0.5	0.5	-1.0	-1.0	-1.0	-3.0	-3.2	-2.7	20,295	14,984	5,311
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	17,163	7,112
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	13,743	4,847
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	14,667	4,970
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	15,808	4,646
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	20,093	5,441
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	20,162	5,554
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	19,576	4,936
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	24,067	5,768
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

Notes: (*) HPI base 100 = 2015. 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 2019

**Annex II: Value (*) and number of dwelling sales
National and regional totals, 1st quarter 2013 - 1st quarter 2019**

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												
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
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

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