

House Price Index  
1<sup>st</sup> Quarter of 2020

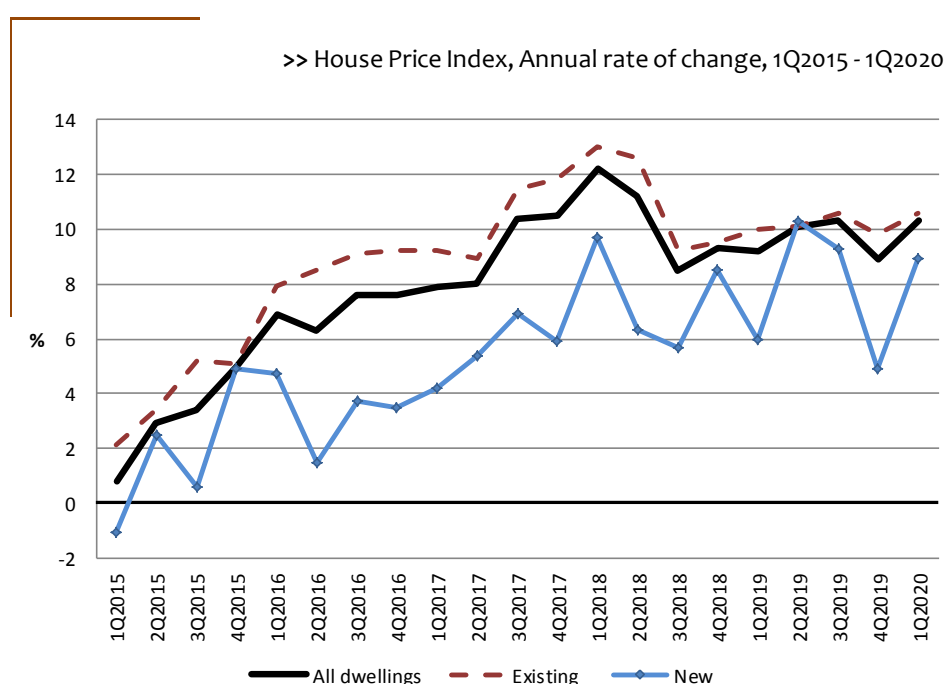
**House prices increased 10.3% in the 1<sup>st</sup> quarter of 2020**

In the 1<sup>st</sup> quarter of 2020, the House Price Index (HPI) increased 10.3%, compared to the same period of 2019, 1.4 percentage points (pp) more than in the previous quarter. In this period, the prices of existing dwellings increased at a faster rate when compared with new dwellings, 10.6% and 8.9%, respectively.

In relation to the previous quarter, the HPI grew by 4.9% (0.7% in the 4<sup>th</sup> quarter 2019). The increase in prices was observed in both categories and was more expressive in the case of the new dwellings (6.0%) compared with the existing dwellings (4.7%).

A total of 43,532 dwellings were traded in the first three months of 2020, representing a year-on-year rate of change of -0.7% and a reduction of 11.6% compared to the previous quarter. In January and February 2020, the number of transactions increased by 9.4% and 3.5%, respectively, while in March it decreased by 14.1%. In this period, the value of the transactions reached 6.8 billion euros, 10.4% more than in the 1<sup>st</sup> quarter of 2019. While January and February 2020 showed increases of 21.5% and 13.5%, by the same order, in the value of sales, March recorded a rate of change of -3.3%.

Despite the circumstances determined by the pandemic COVID-19, Statistics Portugal will try to maintain the statistical production and release calendar, although some adjustments might occur associated with the impact of the pandemic in obtaining primary information. For this reason, Statistics Portugal asks for the best collaboration by firms, households and public entities in answering to Statistics Portugal's requests to obtain information, using Internet and telephone as alternative channels to face-to-face contacts. The quality of official statistics, particularly its ability to identify the impacts of the COVID-19 pandemic, depends crucially on this collaboration that Statistics Portugal is grateful for in advance.



## 1. House Price Index

In the 1<sup>st</sup> quarter of 2020, the HPI presented a year-on-year rate of change of 10.3%, 1.4 pp more than in the previous quarter. The acceleration of residential property prices was observed in the two categories analysed. Existing dwellings registered a 10.6% rate of change, which represents an increase of 0.8 pp when compared with the previous quarter. For new dwellings, prices grew 8.9% (4.9% in the 4<sup>th</sup> quarter of 2019).

On a quarter-on-quarter basis, the HPI increased 4.9% in the first three months of 2020, while it grew by only 0.7% in the last quarter of 2019, the lower rate since the 3<sup>rd</sup> quarter of 2015. In the period under analysis, new dwellings registered a rate of change of 6.0%, 1.3 pp more than the growth observed in existing dwellings (4.7%).

The rolling 4-quarter rate of change of the HPI was 9.9% (9.6% in the 4<sup>th</sup> quarter of 2019). By category, existing dwellings presented a more intense price growth compared to new dwellings, 10.3% and 8.3% respectively.

## 2. Number and value of house sales

In the 1<sup>st</sup> quarter of 2020, 43,532 dwellings were transacted, 0.7% less than in the same period in 2019 (6.1% in the 4<sup>th</sup> quarter of 2019). The performance observed in this quarter was influenced by the restrictions imposed by the state of emergency, decreed on March 19, in the context of COVID-19 pandemic. In the first two months of the quarter, the number of transactions increased by 9.4% and 3.5%, respectively, while in March it decreased by 14.1%. In this period, different behaviors were observed in the two dwelling categories. Existing dwellings transactions corresponded to 37,019 units, representing a reduction of 1.1% compared to the first three months of 2019. Sales of new dwellings which accounted for 15.0% of the total, recorded a year-on-year increase of 1.9%.

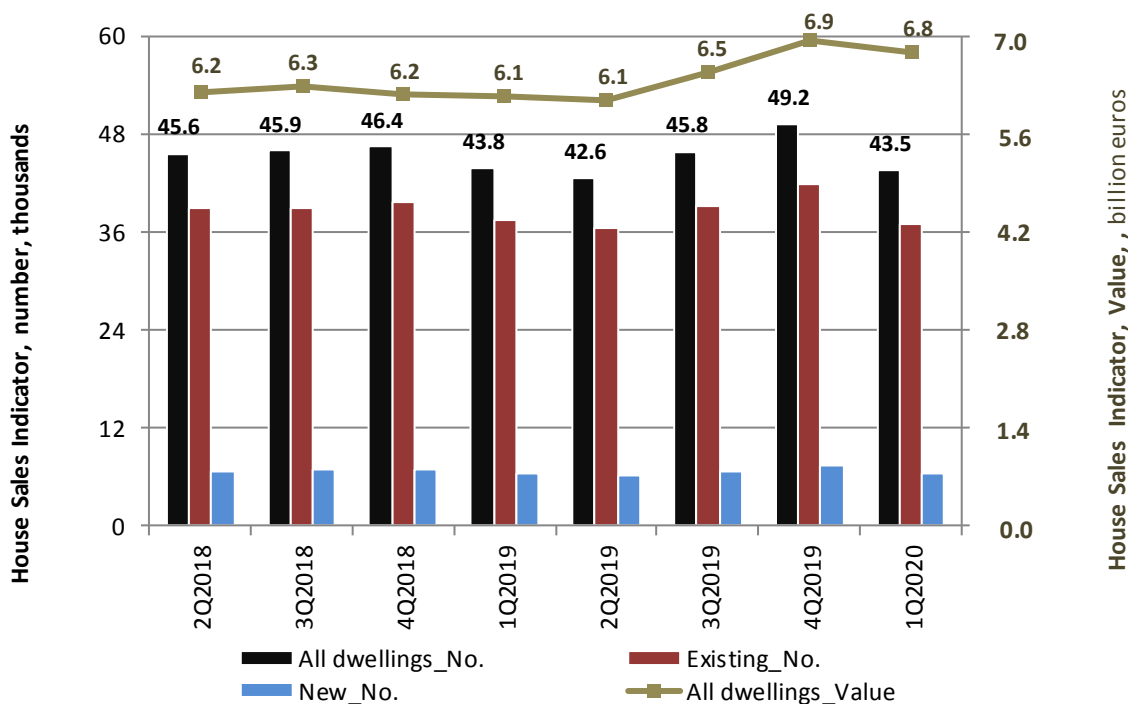
Between the last quarter of 2019 and the first quarter of 2020, the number of transactions dropped by 11.6% (7.4% in the 4<sup>th</sup> quarter of 2019), the largest chain reduction registered since the 1<sup>st</sup> quarter of 2014. The rate of change of the number of transactions was identical for new and existing dwellings.

In the first three months of 2020, the value of house sales totaled approximately 6.8 billion euros, of which 5.4 billion corresponded to transactions of existing dwellings and 1.4 billion to new dwellings. Compared to the same period of 2019, the values calculated for the 1<sup>st</sup> quarter of 2020, in contrast to the number of transactions, represented an increase of 10.4% for the total value and 15.7% and 9.1% in the value of new and existing dwellings, respectively.

On a quarterly basis, the value of transactions in the 1<sup>st</sup> quarter of 2020 showed a rate of change of -2.5%. In this period, the reduction in the value of house sales was stronger in the case of existing dwellings, -3.1%, compared to new dwellings that presented a residual variation rate (-0.1%).

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

>> House Sales Indicator, number and value, All-dwellings, Existing and New Dwellings 2Q2018 - 1Q2020

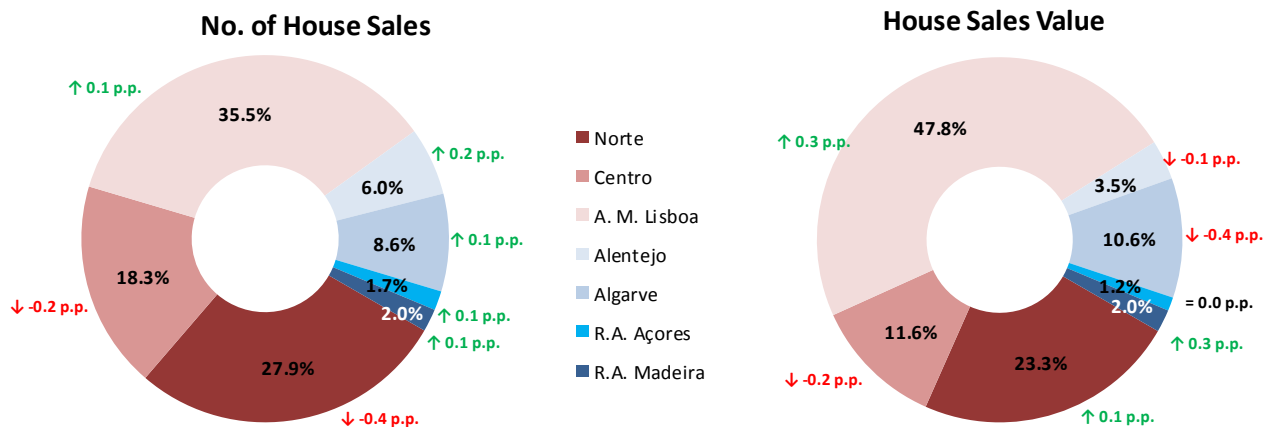


In the 1<sup>st</sup> quarter of 2020, 15,433 dwellings were transacted in *Área Metropolitana de Lisboa*, representing 35.5% of the total number (+0.1 pp compared to the same period in 2019) and the highest regional relative weight since the 2<sup>nd</sup> quarter of 2018. The *Norte* region, with 12,168 sales, accounted for 27.9% of the transactions, reducing 0.4 pp its regional share year-on-year. The *Centro* (7,974 transactions) was, together with Norte, the other region where there was a decline in its relative weight (-0.2 pp). The regions of *Alentejo* (6.0%), *Algarve* (8.6%), *Região Autónoma dos Açores* (1.7%) and *Região Autónoma da Madeira* (2.0%) maintained their relative shares practically unchanged, with an increase of 0.2 pp in Alentejo and 0.1 pp in the remaining regions.

The value of house sales in the *Área Metropolitana de Lisboa* totalled 3.2 billion euros (47.8% of the total) in the 1<sup>st</sup> quarter of 2020, the highest amount in this region in the series. In the *Norte*, the transactions value stood at 1.6 billion euros, corresponding to a regional relative weight of 23.3%. The combined relative share of these two regions was 71.1%, the highest percentage since the 3<sup>rd</sup> quarter of 2018. The *Centro* region (786 million euros), the *Algarve* (713 million euros) and the *Alentejo* (235 million euros) were the regions that followed with the highest sales figures. In these three regions there were reductions of 0.2 p.p., 0.4 p.p. and 0.1 p.p. respectively in their regional quotas. In the *Região Autónoma dos Açores* and in the *Região Autónoma da Madeira* the value of the transactions amounted to 81 million euros and 134 million euros, by the same order.

The next figure shows the distribution of the number and value of house sales by NUTS II region for the 1<sup>st</sup> quarter of 2020.

>> Percentage distribution of the number and value of house sales, by NUTS II, 1<sup>st</sup> quarter 2020  
(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 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 2<sup>nd</sup> quarter of 2020 is expected to be released on September 22<sup>nd</sup>, 2020.

**Annex I: House Price Index and House Sales Indicator**  
**All dwellings, 1st quarter 2014 - 1st quarter 2020**

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
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
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
1Q2020	151.23	157.13	133.74	4.9	4.7	6.0	10.3	10.6	8.9	9.9	10.3	8.3	43,532	37,019	6,513

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



## Annex II: Value (\*) and number of dwelling sales

### National and regional totals, 1st quarter 2014 - 1st quarter 2020

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>	Value (10 <sup>3</sup> euros)	N <sup>o</sup>	Value (10 <sup>3</sup> euros)	N <sup>o</sup>	Value (10 <sup>3</sup> euros)	N <sup>o</sup>	Value (10 <sup>3</sup> euros)	N <sup>o</sup>
					Value (10 <sup>3</sup> euros)	N <sup>o</sup>												
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
1Q2020	6,755,222	43,532	1,575,152	12,168	1,074,384	7,209	786,142	7,974	3,230,951	15,433	235,456	2,623	713,319	3,746	80,502	735	133,701	853

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