

29th October 2020

Statistics on house prices at local level

2nd quarter of 2020

The annual growth rate of median house prices decreased between the 1st and the 2nd quarter in 19 of the 24 more populated municipalities

In the 2nd quarter of 2020 (last 3 months), median house price of dwellings sales in Portugal was 1 187 €/m². Three out of 25 sub-regions NUTS III registered a median house price of dwellings above national value: Algarve (1 807 €/m²), Área Metropolitana de Lisboa (1 601 €/m²) and Região Autónoma da Madeira (1 310 €/m²).

In the context of an year-on-year growth rate reduction of median house price between the 1st and the 2nd quarter in the country (-5 p.p.), in 14 NUTS III there was also a deceleration in the underlying growth in house prices and in eight sub-regions this slowdown was greater than that observed in the country. This trend was more accentuated in the sub-regions of the Médio Tejo (-15.4 p.p.) and Lezíria do Tejo (-10.0 p.p.) but also in the Área Metropolitana do Porto (-7.2 p.p.), Região Autónoma da Madeira (-6.9 p.p.) and Área Metropolitana de Lisboa (-4.2 p.p.), the three sub-regions with higher housing prices in the country.

With reference to the 24 municipalities with more than 100 thousand inhabitants, there was a reduction in the year-on-year growth rate between the 1st and the 2nd quarter in most municipalities (19), including those from the metropolitan areas. This deceleration was higher than the national reference in 10 municipalities and has been particularly pronounced in Funchal (-15.8 p.p.), Gondomar (-15.5 p.p.) and, with some distance, in Maia (-9.0 p.p.) and Setúbal (-8.0 p.p.). Santa Maria da Feira (+7.8 p.p.), Guimarães (+7.2 p.p.), Porto (+3.1 p.p.), Seixal (+ 2.7 p.p.) and Oeiras (+1.0 p.p.) were the only municipalities with more than 100 thousand inhabitants that have registered an acceleration in housing prices growth.

In the box **"Sell/buy or rent?"** compare values practiced in the rental and purchase markets at the local level, evidencing a relative overvaluation of rental values in the majority of municipalities in metropolitan areas, being the municipality of Lisbon one of the exceptions.

In a second box, the **relationship between the values of bank appraisals** carried out by the banks for mortgage loans and **the house prices** suggests lower bank appraisals values in municipalities with median house prices above 977 € / m². In the majority of municipalities in the metropolitan areas, there were lower bank appraisal values compared to prices, with Cascais (-524 €/m² compared to the price) and Lisbon (-335 €/m²) standing out.

Technical note

Statistics on house prices at local level are released quarterly and have national coverage. The observed statistical unit is the family dwelling, and the target population is the family dwelling transactions by sales in national territory.

Statistics on house prices at local level are based on the use of administrative procedures, namely from anonymised administrative tax data provided by the Portuguese Tax and Customs Authority (AT), under an agreement signed with Statistics Portugal, on the Municipal Property Transfer Tax (IMT) and the Municipal Property Tax (IMI).

The calculation of Statistics on house prices at local level is based on the linking between the Municipal Property Transfer Tax information (from where the transaction prices are obtained) and the Municipal Property Tax information (from where identifying characteristics of the transacted dwelling are obtained). The link between these two administrative tax sources is made using the "generated article" variable.

The information on transactions sale value of family dwellings includes the Municipal Property Transfer Tax paid statement referring to "acquisition of property rights". Only transactions where the Municipal Property Transfer Tax destination code is "House" and the allocation of its information from the Municipal Property Tax that is defined as "House" are used.

Statistics Portugal is grateful for the Portuguese Tax and Customs Authority collaboration in the implementation of this project.

Taking into consideration the administrative nature of this project's data and the limitations to proceed with the administrative acts that generate this information in the current context of the COVID-19 pandemic, it is expected that the possible decrease in real estate market activity will reflect not only agents' economic options, but also limitations of the public administration arising from the current context.

Median value per m² of dwellings sales

Median value of prices per square meter of transactions by sale of dwellings for residential purposes with private gross area between 20 m² and 600 m². The results released for each quarter correspond to the information observed for the reference quarter and the previous three quarters. Although the results are interpreted on a quarterly basis, they reflect the sales associated to the 12-month period, which reduces the impact of irregularities associated with the heterogeneity of the dwellings transacted while still reflecting the trend in the sales value per m² as well as eliminating the effect of potential seasonal fluctuations.

For the purpose of dissemination, for each territorial unit, a minimum number of 15 transactions is considered for the four quarters ending in the reference quarter.

Concepts

Dwelling: A separate and independent place which was built, rebuilt, enlarged or converted to be used as a private accommodation, and that is not totally occupied for other purposes during the reference period.

Family dwelling: Dwelling that is normally intended to accommodate only one family, on the condition that it is not being used for other purposes at the period of reference.

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.

Gross dwelling area: Total surface area measured by the outer perimeter and axes of the walls or other elements separating the building or part, including private enclosed balconies, private cellars and attics with the same use as the building or fraction.

City: Continuous population cluster with over 8 000 registered voters, disposing of at least half of the following communal facilities: hospitals with on-call medical assistance; pharmacies; fire brigade; show venue and cultural centre; museum and library; hotel establishments; preparatory and secondary education schooling facilities; pre-primary education schooling facilities and nurseries; public urban and suburban transport; public parks or gardens.

Statistical City: Territorial unit corresponding to the adjustment of the urban perimeter provided for in the legal instruments concerning land occupation, to the statistical subsections used by Statistics Portugal in the Information Reference Geographical Database (BGRI). Note: the delimitation of the statistical cities resulted from the articulation of Statistics Portugal with the municipal councils.

Municipal real estate tax: A regular municipal tax corresponding to a percentage of the value of rural and urban estates.

Statistical section: Territorial unit representing the continuous area of a single parish with approximately 300 dwellings. According to the dwellings' density, the Statistical Section is classified as: a) concentrated: all statistical subsections of the section correspond to blocks; b) scattered: all statistical subsections of the section correspond to localities not divided into blocks and/or isolated; (c) mixed concentrated: most of the statistical subsections of the section correspond to blocks; (d) mixed scattered: most of the statistical subsections of the section correspond to places not divided into blocks or isolated.

Statistical subsection: Territorial unit which identifies the smallest homogenous area, whether built-up or not, existing in the statistical section. It represents a block in urban areas, a locality or part of a locality in rural areas or to residual areas which may or may not contain dwellings.

Transaction: Operation by which the ownership of a good is transferred through a counterparty.

Transaction value: Value paid in a transaction. For the purposes of Statistics on house prices at local level, the transaction value corresponds to the value declared at the moment of payment of the Municipal Property Transfer Tax.

Indicators available at Statistics Portugal Official Website

The quarterly results for the period between the first quarter of 2016 and the second quarter of 2020 are available at www.ine.pt, in Products, Statistical data, Database.

[Median value per m² of dwellings sales \(€\) by Geographic localization \(NUTS - 2013\); Quarterly](#)

[Median value per m² of dwellings sales \(€\) by Geographic localization and Category of housing unit; Quarterly](#)

[Median value per m² of dwellings sales in flats \(€\) by Geographic localization; Quarterly](#)

[Median value per m² of dwellings sales in existing flats \(€\) by Geographic localization; Quarterly](#)

[Median value per m² of dwellings sales \(€\) by Geographic localization \(NUTS III\) and Typology; Quarterly](#)

[Median value per m² of dwellings sales \(€\) by Geographic localization and Category of housing unit; Quarterly](#)

[Median value per m² of dwellings sales in flats \(€\) by Geographic localization; Quarterly](#)

[Median value per m² of dwellings sales in existing flats \(€\) by Geographic localization; Quarterly](#)

[Median value per m² of dwellings sales \(€\) by Geographic localization \(Cities with more than 100 000 inhabitants\) and Typology; Quarterly](#)

[Methodological document – Statistics on house prices at local level](#)