



22<sup>nd</sup> september 2021

HOUSE PRICE INDEX

2<sup>nd</sup> quarter of 2021

## HOUSE PRICES INCREASED 6.6% IN THE 2<sup>ND</sup> QUARTER OF 2021

In the 2<sup>nd</sup> quarter of 2021, the House Price Index (HPI) grew by 6.6% when compared to the same period of 2020, 1.4 percentage points (pp) more than in the previous quarter. In this period, prices of new dwellings increased at a faster rate than those of existing dwellings, 6.9% and 6.5%, respectively.

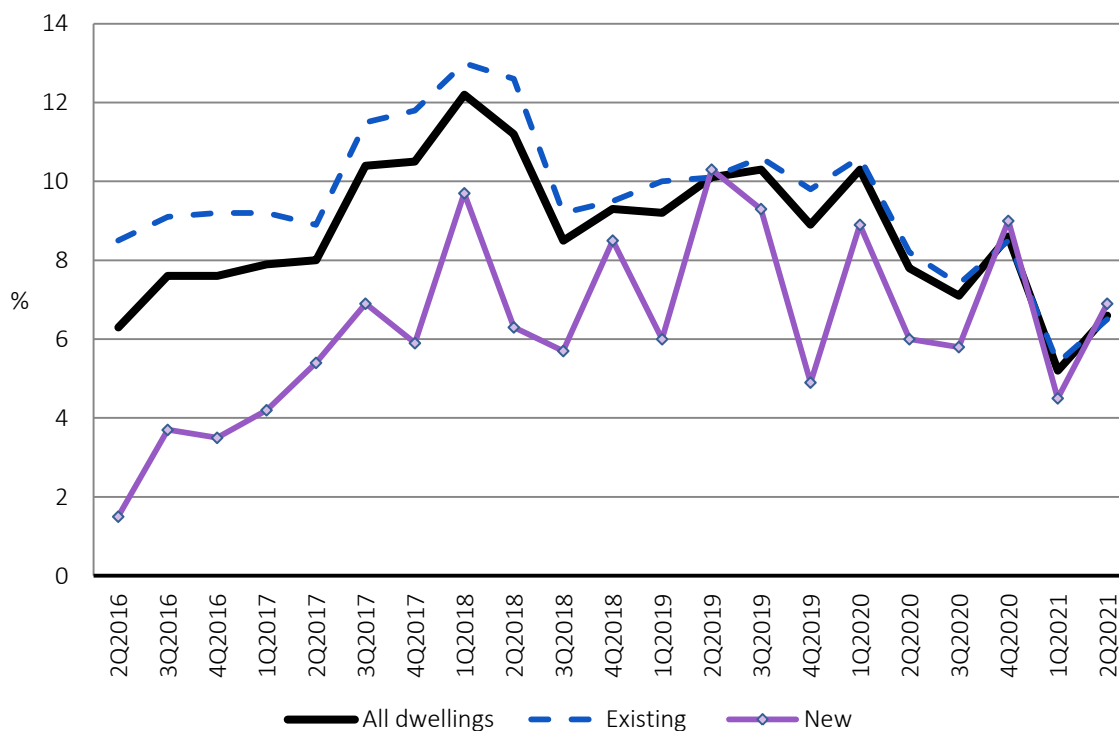
On a quarter-to-quarter basis, the HPI increased by 2.2% (1.6% in the previous quarter). By category, the price increase was more intense for new dwellings compared to existing dwellings, 3.5% and 1.8%, respectively.

Between April and June 2021, 52,855 houses were traded, 58.3% more than in the same period of the previous year. This significant increase is mainly associated to a base effect as the year-on-year comparison is made with the months April to June 2020, a period characterised by significant restrictions on economic activity due to the measures imposed to contain the COVID-19 pandemic, which determined the lowest number (and value) of transactions since the 3<sup>rd</sup> quarter of 2016. By months, the increase in the number of transactions stood at 75.1% in April, falling to just over 50% in the following two months. In value terms, in the reference quarter, transacted dwellings accounted for approximately 8.6 billion euros, representing a 66.5% year-on-year increase. April, with a year-on-year rate of 72.4%, was the month that registered the most significant growth, followed by June and May with rates of change of 64.3% and 63.9%, respectively.



## 1. House Price Index (100 = 2015)

Figure 1. House Price Index, Annual rate of change, 2Q2016-2Q2021



Source: INE, House Price Index.

In the 2<sup>nd</sup> quarter of 2021, the HPI recorded a year-on-year increase of 6.6%, up by 1.4 pp from the previous quarter. In the reference period, the rate of change observed in the new dwellings category was 6.9%, 0.4 pp above that of existing dwellings (6.5%).

Between the 1<sup>st</sup> quarter of 2021 and the 2<sup>nd</sup> quarter of 2021, the HPI increased by 2.2% (1.6% in the 1<sup>st</sup> quarter of 2021 and 0.8% in the 2<sup>nd</sup> quarter of 2020). By category, prices of existing dwellings increased by 1.8%, up by 0.1 pp from the previous quarter. For new dwellings, the rate of change was 3.5% (1.6% in the 1<sup>st</sup> quarter of 2021).

The rolling 4-quarter rate of change of the HPI was 6.9% in the 2<sup>nd</sup> quarter of 2021, which represents a decrease of 0.2 pp when compared to the previous quarter. In average annual terms, existing dwellings showed a price increase of 6.9%, 0.4 pp more than new dwellings (6.5%).



## 2. Number and value of House Transactions

Between April and June 2021, 52,855 houses were transacted, which represents an increase of 58.3% compared to the same period in 2020. The significant year-on-year increase observed in the 2<sup>nd</sup> quarter of 2021 reflects the fact that the comparison refers to the months of April to June 2020, a period marked by the restrictions imposed under the first containment decreed in the context of the COVID-19 pandemic. It should also be noted that in the 2<sup>nd</sup> quarter of 2020, the number (and value) of dwelling transactions was the lowest recorded since the 3<sup>rd</sup> quarter of 2016. In the reference quarter, April was the month with the highest year-on-year increase, 75.1%, followed by May (52.2%) and June (51.7%), respectively. Existing dwellings represented the majority of transactions (85.9%), with a total of 45,404 units, corresponding to year-on-year growth of 61.2%. Regarding new dwellings, there were 7,451 transactions, 42.6% more compared to the 2<sup>nd</sup> quarter of 2020.

The number of transactions between the 1<sup>st</sup> quarter of 2021 and the 2<sup>nd</sup> quarter of 2021 increased by 20.8% (-12.0% in the previous quarter). The growth was observed in both categories, with growth rates of 22.0% and 14.1% for existing and new dwellings, respectively.

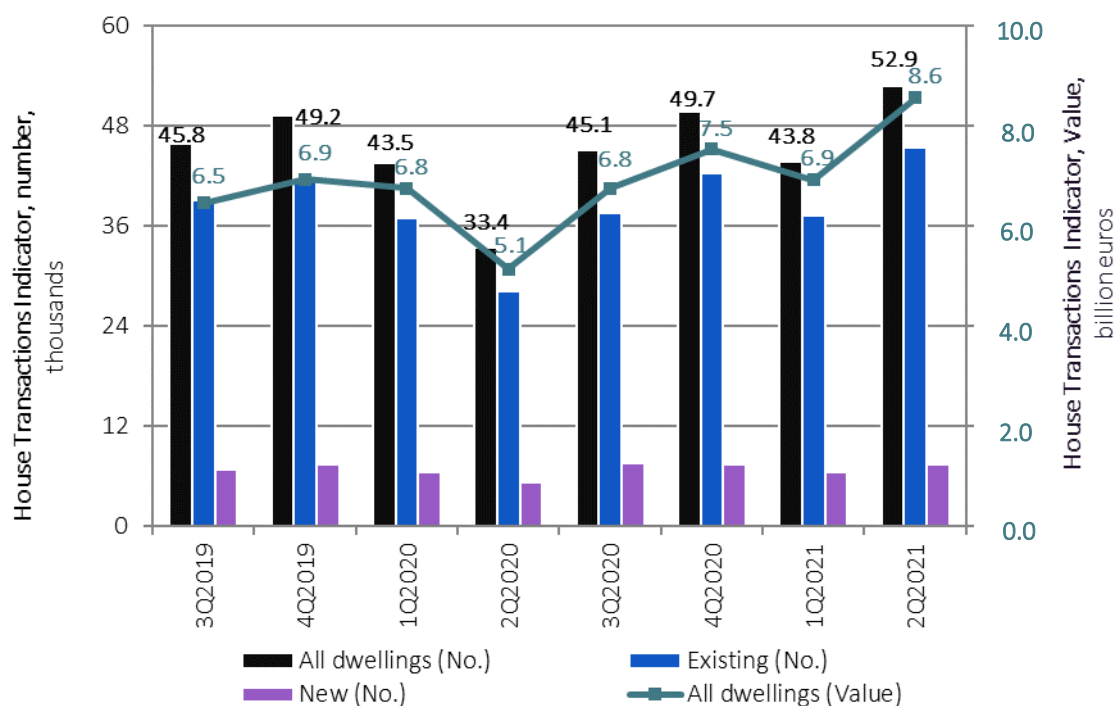
The value of transacted dwellings in the 2<sup>nd</sup> quarter of 2021 reached almost 8.6 billion euros, which represents a year-on-year increase of 66.5%. Of the total value, 7.0 billion euros corresponded to transactions of existing dwellings, a growth of 70.0% compared to the same period of 2020. In this period, new dwelling transactions registered a year-on-year increase of 53.0%, standing at 1.6 billion euros. In the reference quarter, April was the month with the most significant increase, 72.4%, followed by June (64.3%) and May (63.9%).

Compared with the previous quarter, the value of transacted dwellings, in the 2<sup>nd</sup> quarter of 2021, grew by 23.7% (-8.1% in the 1<sup>st</sup> quarter of 2021). The growth in the value of new dwellings exceeded that of existing dwellings, 24.1% and 23.6%, respectively.

The following figure depicts the evolution of the number and value of transactions of dwellings in the last eight quarters.



Figure 2. House Transactions Indicator, number and value, All-dwellings, Existing and New Dwellings, 3Q2019 – 2Q2021



Source: INE, House Price Index.

In the 2<sup>nd</sup> quarter of 2021, 17,454 dwellings were transacted in the *Área Metropolitana de Lisboa*. This region concentrated 33.0% of the total number of transactions, 2.1 pp less than in the same period of the previous year. In the *Norte*, 14,830 transactions were registered, corresponding to 28.1% of the total. After a period of four consecutive quarters of increases, the *Norte* registered a reduction in the respective regional share, down by 0.6 pp. The *Centro*, with 10,763 transactions was the region with the highest increase in relative weight, 1.3 pp more, settling at 20.4%. *Algarve* and *Alentejo* presented very close records in the number of transactions, 4,020 and 3,834, respectively, which corresponded to a relative weight of 7.6% and 7.3%, by the same order. The number of dwelling transactions in the *Região Autónoma da Madeira* reached 1,131 units, 2.1% of the total (+0.5 pp). In the *Região Autónoma dos Açores* there were 823 transactions and a reduction of 0.1 pp, in the relative weight, standing at 1.6%.

Between April and June 2021, transactions of dwellings located in the *Área Metropolitana de Lisboa* accounted for 45.9% of the total value, the highest percentage of the last year, but still 0.8 pp less than in the 2<sup>nd</sup> quarter of 2020. The value of transactions in the *Norte* amounted to approximately 2.0 billion euros, while in the *Centro* it reached 1.1 billion euros. In both regions there were reductions in the respective relative weights, -1.5 pp and -0.2 pp, respectively. The *Algarve*, with a total value of 902 million euros, was the region where the

HOUSE PRICE INDEX – 2<sup>nd</sup> quarter of 2021

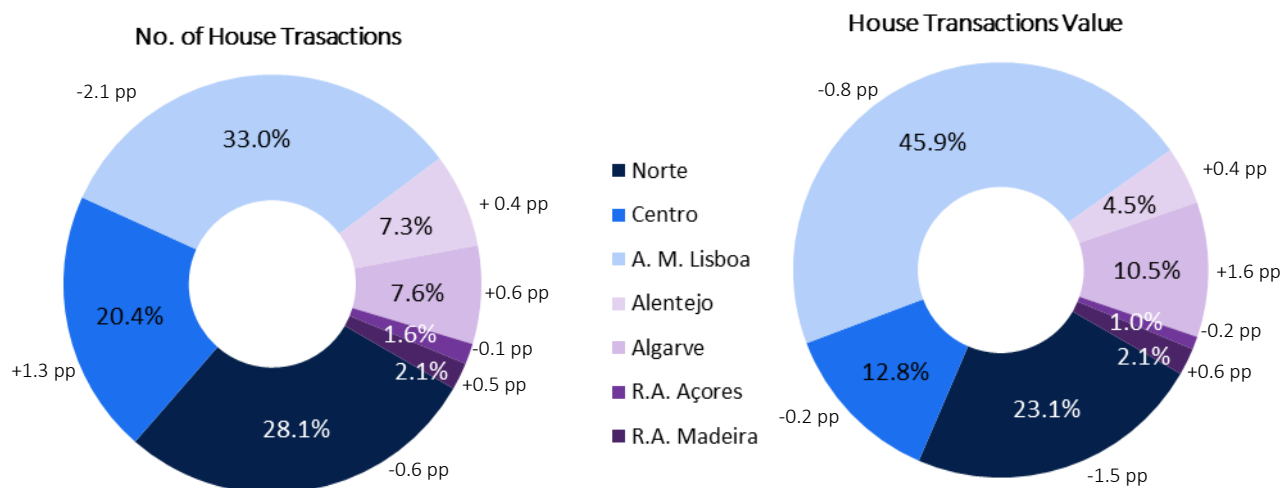


largest increase in the regional share was observed, 1.6 pp, to a total of 10.5%. In the Alentejo, the houses transacted totalled 386 million euros, representing 4.5% of the total (+0.4 pp in year-on-year terms). In the *Região Autónoma da Madeira*, the transacted dwellings accounted for 183 million euros, roughly twice as much as in the *Região Autónoma dos Açores* (89 million euros). While in the former case, the value obtained corresponded to an increase of 0.6 pp in the respective relative weight, in the latter case, there was a 0.2 pp reduction in the regional quota.

The next figure shows the distribution of the number and value of house transactions by NUTS II region for the 2<sup>nd</sup> quarter of 2021.

Figure 3. Percentage distribution of the number and value of house transactions, by NUTS II, 2<sup>nd</sup> quarter of 2021

(percentage points difference compared with the same period in the previous year)



Source: INE, House Price Index.



## Annex 1: House Price Index and House Transactions Indicator - All dwellings, 2<sup>nd</sup> quarter 2015 - 2<sup>nd</sup> quarter 2021

Quarter	Indexes			Quarterly rate of change (%)			Annual rate of change (%)			Rolling 4-quarter average rate of change (%)			House transactions (n <sup>o</sup> )		
	All dwellings	Existing	New	All dwellings	Existing	New	All dwellings	Existing	New	All dwellings	Existing	New	All dwellings	Existing	New
<b>2Q2015</b>	<b>100.57</b>	99.89	101.90	<b>3.7</b>	3.0	5.3	<b>2.9</b>	3.4	2.5	<b>2.7</b>	3.1	2.1	<b>24,512</b>	19,576	4,936
<b>3Q2015</b>	<b>100.65</b>	100.96	100.04	<b>0.1</b>	1.1	-1.8	<b>3.4</b>	5.2	0.6	<b>2.4</b>	3.4	0.8	<b>27,239</b>	22,094	5,145
<b>4Q2015</b>	<b>101.84</b>	102.14	101.26	<b>1.2</b>	1.2	1.2	<b>5.0</b>	5.1	4.9	<b>3.1</b>	4.0	1.7	<b>29,835</b>	24,067	5,768
<b>1Q2016</b>	<b>103.67</b>	104.66	101.34	<b>1.8</b>	2.5	0.1	<b>6.9</b>	7.9	4.7	<b>4.6</b>	5.4	3.1	<b>29,464</b>	23,956	5,508
<b>2Q2016</b>	<b>106.91</b>	108.34	103.46	<b>3.1</b>	3.5	2.1	<b>6.3</b>	8.5	1.5	<b>5.4</b>	6.7	2.9	<b>31,768</b>	26,329	5,439
<b>3Q2016</b>	<b>108.31</b>	110.18	103.76	<b>1.3</b>	1.7	0.3	<b>7.6</b>	9.1	3.7	<b>6.5</b>	7.7	3.7	<b>31,535</b>	26,341	5,194
<b>4Q2016</b>	<b>109.57</b>	111.53	104.77	<b>1.2</b>	1.2	1.0	<b>7.6</b>	9.2	3.5	<b>7.1</b>	8.7	3.3	<b>34,339</b>	28,876	5,463
<b>1Q2017</b>	<b>111.89</b>	114.34	105.58	<b>2.1</b>	2.5	0.8	<b>7.9</b>	9.2	4.2	<b>7.4</b>	9.0	3.2	<b>35,178</b>	29,511	5,667
<b>2Q2017</b>	<b>115.51</b>	118.03	109.02	<b>3.2</b>	3.2	3.3	<b>8.0</b>	8.9	5.4	<b>7.8</b>	9.1	4.2	<b>36,886</b>	31,150	5,736
<b>3Q2017</b>	<b>119.60</b>	122.82	110.92	<b>3.5</b>	4.1	1.7	<b>10.4</b>	11.5	6.9	<b>8.5</b>	9.7	5.0	<b>38,783</b>	32,864	5,919
<b>4Q2017</b>	<b>121.06</b>	124.72	110.96	<b>1.2</b>	1.5	0.0	<b>10.5</b>	11.8	5.9	<b>9.2</b>	10.4	5.6	<b>42,445</b>	36,040	6,405
<b>1Q2018</b>	<b>125.58</b>	129.18	115.80	<b>3.7</b>	3.6	4.4	<b>12.2</b>	13.0	9.7	<b>10.3</b>	11.3	7.0	<b>40,716</b>	34,822	5,894
<b>2Q2018</b>	<b>128.49</b>	132.90	115.86	<b>2.3</b>	2.9	0.1	<b>11.2</b>	12.6	6.3	<b>11.1</b>	12.2	7.2	<b>45,619</b>	38,880	6,739
<b>3Q2018</b>	<b>129.72</b>	134.11	117.19	<b>1.0</b>	0.9	1.1	<b>8.5</b>	9.2	5.7	<b>10.6</b>	11.6	6.9	<b>45,935</b>	38,988	6,947
<b>4Q2018</b>	<b>132.34</b>	136.60	120.34	<b>2.0</b>	1.9	2.7	<b>9.3</b>	9.5	8.5	<b>10.3</b>	11.0	7.5	<b>46,421</b>	39,522	6,899
<b>1Q2019</b>	<b>137.14</b>	142.08	122.76	<b>3.6</b>	4.0	2.0	<b>9.2</b>	10.0	6.0	<b>9.5</b>	10.3	6.6	<b>43,826</b>	37,436	6,390
<b>2Q2019</b>	<b>141.49</b>	146.30	127.74	<b>3.2</b>	3.0	4.1	<b>10.1</b>	10.1	10.3	<b>9.3</b>	9.7	7.6	<b>42,590</b>	36,483	6,107
<b>3Q2019</b>	<b>143.12</b>	148.29	128.08	<b>1.2</b>	1.4	0.3	<b>10.3</b>	10.6	9.3	<b>9.8</b>	10.1	8.5	<b>45,830</b>	39,054	6,776
<b>4Q2019</b>	<b>144.10</b>	150.05	126.22	<b>0.7</b>	1.2	-1.5	<b>8.9</b>	9.8	4.9	<b>9.6</b>	10.1	7.6	<b>49,232</b>	41,861	7,371
<b>1Q2020</b>	<b>151.23</b>	157.13	133.74	<b>4.9</b>	4.7	6.0	<b>10.3</b>	10.6	8.9	<b>9.9</b>	10.3	8.3	<b>43,532</b>	37,019	6,513
<b>2Q2020</b>	<b>152.50</b>	158.30	135.37	<b>0.8</b>	0.7	1.2	<b>7.8</b>	8.2	6.0	<b>9.3</b>	9.8	7.2	<b>33,398</b>	28,172	5,226
<b>3Q2020</b>	<b>153.27</b>	159.26	135.50	<b>0.5</b>	0.6	0.1	<b>7.1</b>	7.4	5.8	<b>8.5</b>	9.0	6.4	<b>45,136</b>	37,618	7,518
<b>4Q2020</b>	<b>156.53</b>	162.87	137.59	<b>2.1</b>	2.3	1.5	<b>8.6</b>	8.5	9.0	<b>8.4</b>	8.7	7.4	<b>49,734</b>	42,372	7,362
<b>1Q2021</b>	<b>159.10</b>	165.56	139.77	<b>1.6</b>	1.7	1.6	<b>5.2</b>	5.4	4.5	<b>7.1</b>	7.3	6.3	<b>43,757</b>	37,227	6,530
<b>2Q2021</b>	<b>162.54</b>	168.56	144.70	<b>2.2</b>	1.8	3.5	<b>6.6</b>	6.5	6.9	<b>6.9</b>	6.9	6.5	<b>52,855</b>	45,404	7,451

Notes: (\*) HPI base 100 = 2015. The definition of the rates of change used in this table are available in the explanatory notes.

Source: INE, House Price Index.



Annex 2: Value (\*) and number of house transactions - National and regional totals, 2<sup>nd</sup> quarter 2015 - 2<sup>nd</sup> quarter 2021

Quarter	PORTUGAL		Norte				Centro		Área Metropolitana de Lisboa	
	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> .				
2Q2015	2,872,690	24,512	655,968	7,192	441,380	4,192	341,419	4,432	1,329,323	8,173
3Q2015	3,077,389	27,239	697,899	8,057	450,137	4,418	374,228	4,910	1,401,297	8,994
4Q2015	3,493,876	29,835	794,859	8,727	521,209	4,984	411,796	5,403	1,616,789	9,981
1Q2016	3,424,551	29,464	798,707	8,735	524,767	5,035	395,615	4,980	1,581,665	10,453
2Q2016	3,718,224	31,768	830,684	8,980	546,089	5,348	433,710	5,425	1,747,666	11,311
3Q2016	3,617,902	31,535	853,133	9,518	554,316	5,398	428,306	5,664	1,714,917	10,756
4Q2016	4,047,495	34,339	906,377	9,923	585,498	5,620	483,225	6,040	1,914,969	11,791
1Q2017	4,312,982	35,178	982,350	10,236	651,996	6,090	479,122	5,976	2,089,822	12,381
2Q2017	4,585,612	36,886	1,038,860	10,752	706,207	6,494	519,017	6,219	2,209,146	13,111
3Q2017	4,861,127	38,783	1,139,491	11,714	755,137	6,719	582,644	7,014	2,306,796	13,140
4Q2017	5,578,682	42,445	1,221,644	12,180	787,526	6,891	634,826	7,394	2,721,083	15,030
1Q2018	5,423,303	40,716	1,276,502	11,898	854,284	6,969	587,377	6,888	2,616,261	14,548
2Q2018	6,186,741	45,619	1,445,835	13,269	977,266	7,801	690,591	7,848	2,978,350	16,331
3Q2018	6,275,433	45,935	1,445,922	13,699	958,393	7,654	689,406	8,180	3,115,083	16,188
4Q2018	6,176,220	46,421	1,486,664	13,968	969,359	8,026	767,286	8,674	2,847,492	15,422
1Q2019	6,120,645	43,826	1,422,875	12,428	952,690	7,183	724,584	8,132	2,908,390	15,506
2Q2019	6,066,934	42,590	1,405,650	12,043	916,874	6,842	756,928	8,050	2,809,530	14,804
3Q2019	6,465,515	45,830	1,530,197	13,302	989,446	7,420	851,920	9,079	3,015,927	15,489
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
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
2Q2020	5,144,974	33,398	1,263,120	9,592	832,511	5,572	670,514	6,392	2,400,515	11,713
3Q2020	6,752,214	45,136	1,666,732	13,351	1,058,033	7,063	933,811	9,631	2,931,634	14,141
4Q2020	7,534,124	49,734	1,853,869	14,142	1,189,846	7,675	1,010,114	10,349	3,334,064	16,184
1Q2021	6,927,233	43,757	1,741,654	12,713	1,169,199	7,291	871,177	8,541	3,160,541	14,713
2Q2021	8,567,343	52,855	1,976,591	14,830	1,301,734	8,445	1,094,975	10,763	3,936,366	17,454

(continues)



## Annex 2: Value (\*) and number of house transactions - National and regional totals, 2<sup>nd</sup> quarter 2015 - 2<sup>nd</sup> quarter 2021

(continuation)

Quarter	PORTUGAL		Alentejo		Algarve		Região Autónoma dos Açores		Região Autónoma da Madeira	
	Value (10 <sup>3</sup> euros)	N.º	Value (10 <sup>3</sup> euros)	N.º	Value (10 <sup>3</sup> euros)	N.º	Value (10 <sup>3</sup> euros)	N.º	Value (10 <sup>3</sup> euros)	N.º
2Q2015	2,872,690	24,512	96,015	1,362	379,111	2,570	21,393	303	49,461	480
3Q2015	3,077,389	27,239	112,583	1,535	411,926	2,876	27,735	390	51,720	477
4Q2015	3,493,876	29,835	126,752	1,757	443,712	3,015	35,660	440	64,307	512
1Q2016	3,424,551	29,464	116,611	1,593	415,675	2,749	33,635	401	82,642	553
2Q2016	3,718,224	31,768	142,022	1,831	468,783	3,244	37,027	454	58,332	523
3Q2016	3,617,902	31,535	120,500	1,638	390,871	2,865	42,596	532	67,579	562
4Q2016	4,047,495	34,339	139,849	1,971	492,999	3,503	42,796	502	67,281	609
1Q2017	4,312,982	35,178	152,751	1,946	474,873	3,370	48,944	576	85,119	693
2Q2017	4,585,612	36,886	157,305	2,050	543,363	3,621	44,895	517	73,028	616
3Q2017	4,861,127	38,783	169,074	2,171	526,916	3,397	44,428	589	91,778	758
4Q2017	5,578,682	42,445	195,949	2,436	656,868	4,018	56,460	658	91,852	729
1Q2018	5,423,303	40,716	165,925	2,198	636,227	3,920	48,892	548	92,119	716
2Q2018	6,186,741	45,619	217,935	2,679	701,471	4,127	62,401	684	90,158	681
3Q2018	6,275,433	45,935	236,335	2,762	627,562	3,703	54,660	624	106,466	779
4Q2018	6,176,220	46,421	235,597	2,947	652,371	3,789	79,917	804	106,893	817
1Q2019	6,120,645	43,826	217,726	2,565	672,227	3,724	71,335	672	103,508	799
2Q2019	6,066,934	42,590	212,774	2,534	714,298	3,735	69,912	688	97,841	736
3Q2019	6,465,515	45,830	260,070	3,074	631,246	3,334	72,695	768	103,460	784
4Q2019	6,930,646	49,232	264,967	3,106	772,978	4,200	70,208	692	116,455	852
1Q2020	6,755,222	43,532	235,456	2,623	713,319	3,746	80,502	735	133,701	853
2Q2020	5,144,974	33,398	213,061	2,293	460,420	2,323	62,291	560	75,053	525
3Q2020	6,752,214	45,136	302,741	3,186	719,679	3,305	71,554	658	126,063	864
4Q2020	7,534,124	49,734	349,926	3,745	777,758	3,697	72,942	691	135,451	926
1Q2021	6,927,233	43,757	298,510	3,035	648,505	3,240	65,320	606	141,526	909
2Q2021	8,567,343	52,855	385,878	3,834	901,983	4,020	88,644	823	182,905	1,131

Notes: (\*) The sum of the regional values may not be exactly the same as the national total due to the presence of rounding errors.

Source: INE, House Price Index.





## METHODOLOGICAL 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.

## ACRONYMS AND DESIGNATIONS

### 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.

HOUSE PRICE INDEX – 2<sup>nd</sup> quarter of 2021



## Existing dwellings

Dwellings that, at the time of the transaction, had already been used for residential purposes.

## House Transactions 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 transactions 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 transactions, this statistic is based on information taken from the IMT on paid real estate tax. Following what was defined for the house transactions indicator, the total value of transactions does not cover transactions of parts of dwellings.

The value of transactions is also available to the second level of geographical breakdown, as defined by NUTS II.

## Presentation of data

In this press release, the descriptive analysis focuses on values rounded to one decimal place so that the sum of the disaggregated values may not correspond to the value presented for the national total.

## 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).

---

**Date of next the press release** - 23<sup>rd</sup> december 2021

---