



23 June 2022

HOUSE PRICE INDEX

1<sup>st</sup> quarter of 2022

## HOUSE PRICES ACCELERATED TO 12.9% IN THE 1<sup>ST</sup> QUARTER OF 2022

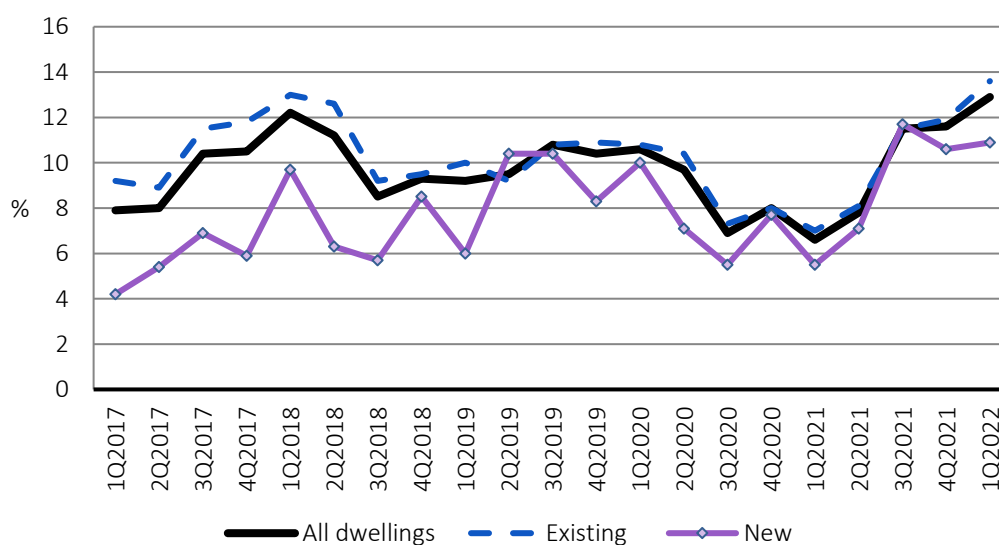
In the 1<sup>st</sup> quarter of 2022, the House Price Index (HPI) grew by 12.9% year-on-year, up 1.3 percentage points (pp) from the previous quarter. In this period, prices of existing dwellings increased at a higher pace than new dwellings, by 13.6% and 10.9%, respectively.

Compared to the previous quarter, the HPI increased by 3.8% (2.7% in the previous quarter). By category, prices of existing dwellings increased by 4.4%, higher than that of new dwellings (1.8%).

Between January and March, 43,544 dwellings were sold, representing a year-on-year growth rate of 25.8% (17.2% in the previous quarter) and a quarter-on-quarter decrease of 5.1% (reduction of 11.6% in the same quarter of 2021). In the reference quarter, the value of the transacted dwellings reached approximately 8.1 billion euros, 44.4% more than in the same period of 2021.

In the reference quarter, dwellings acquired by Households corresponded to 37,840 units (86.9% of the total), totalling 7.0 billion euros (86.1% of the total). In this period, 5.9% of the total number of transactions (2 556 dwellings) involved buyers with a tax residence outside the *National Territory*, a percentage that rises to 10.4% if the transacted value is considered.

Figure 1. House Price Index, Annual rate of change, 1Q2017-1Q2022



Source: INE, House Price Index.



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

In the 1<sup>st</sup> quarter of 2022, the year-on-year rate of change of the HPI was 12.9%, 1.3 pp above the previous quarter. This result was the most significant price increase recorded since the beginning of the HPI series, in the 1<sup>st</sup> quarter of 2010. In the first three months of 2022, the prices of existing dwellings grew more strongly in comparison with new dwellings, by 13.6% and 10.9%, respectively.

The HPI rose by 3.8% between the 4<sup>th</sup> quarter of 2021 and the 1<sup>st</sup> quarter of 2022, (2.7% in the 4<sup>th</sup> quarter of 2021 and 2.5% in the 1<sup>st</sup> quarter of 2021). By category, prices of existing dwellings increased by 4.4%, up 1.3 pp compared to the previous quarter. For new dwellings, the rate of change was 1.8% (1.7% in the 4<sup>th</sup> quarter of 2021).

The rolling 4-quarter rate of change of the HPI increased to 11.0% in the 1<sup>st</sup> quarter of 2022, 1.6 pp above the rate recorded in the previous quarter. In this period, the rate of change in the prices of existing dwellings (11.3%) exceeded that recorded by new dwellings (10.1%).

## 2. Number and value of House Transactions

Between January and March 2022, 43,544 houses were transacted, which represents an increase of 25.8% compared to the same period of the previous year. February, with a rate of change of 33.7%, was the month with the most intense year-on-year growth, while January and March registered increases of 26.2% and 20.0%, respectively. Amongst the traded houses, 35,941 corresponded to the existing category and 7,603 to the new category, equivalent to year-on-year increases of 25.2% and 28.7%, in the same order.

The number of transactions decreased by 5.1% between the 4<sup>th</sup> quarter of 2021 and the 1<sup>st</sup> quarter of 2022 (-11.6% in the 1<sup>st</sup> quarter of 2021). In this period, transactions of existing dwellings showed a more significant reduction than new dwellings (rates of change of -5.8% and -1.4%, respectively).

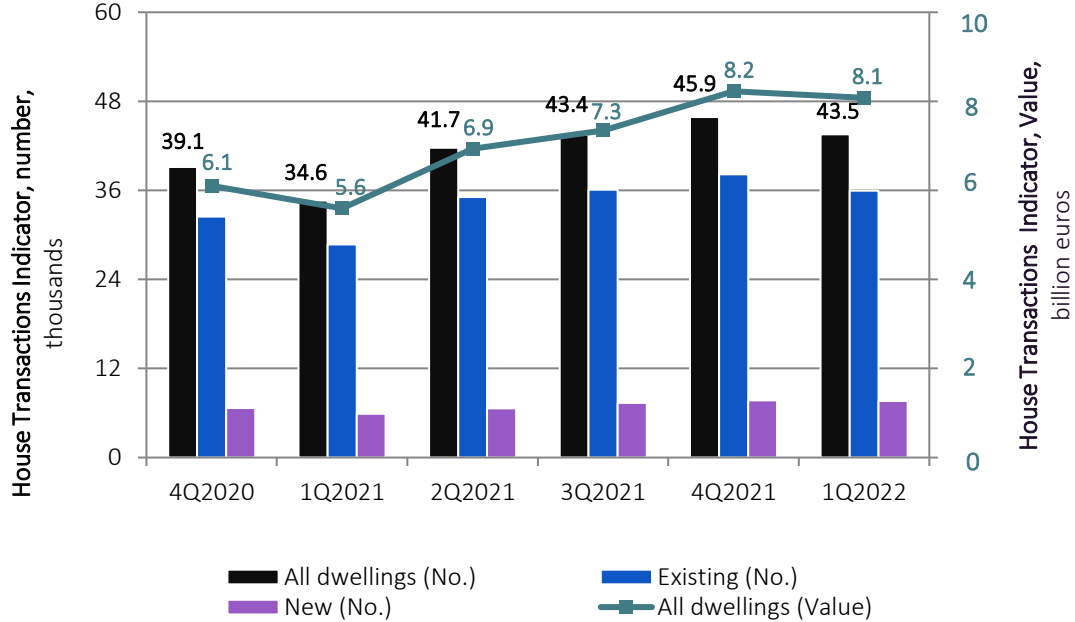
In the 1<sup>st</sup> quarter of 2022, the value of housing transactions was close to 8.1 billion euros, of which 6.1 billion euros related to existing dwellings, which represents 75.5% of the total. Compared to the same period in 2021, the values calculated for 2022 represent increases of 44.4%, in the case of the total value and of 41.8% and 53.4%, in the value of existing dwellings and new dwellings, respectively. By months, the most significant year-on-year increase in the value of sales was in January, 50.7%, followed by February (49.3%) and March (36.5%).

Compared with the previous quarter, the value of transacted dwellings, in the 1<sup>st</sup> quarter of 2022, decreased by 1.7% (-8.3% in the 1<sup>st</sup> quarter of 2021). By category, there was an increase of 4.5% in the transaction value of new dwellings and a rate of change of -3.6% in the indicator for existing dwellings.

The following figure depicts the evolution of the number and value of sales of dwellings in the last six quarters.



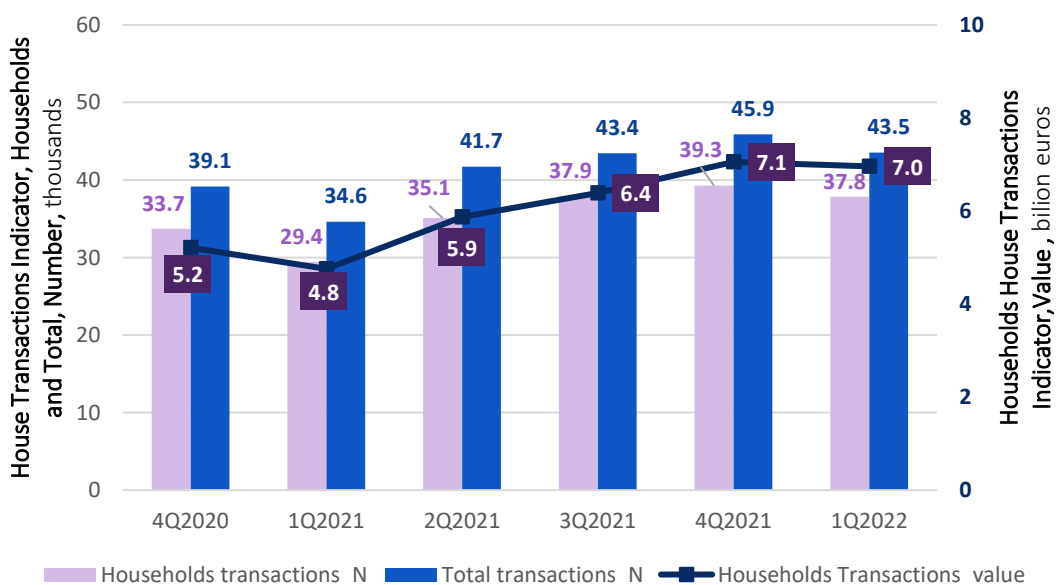
Figure 2. House Transactions Indicator, number and value, All-dwellings, Existing and New Dwellings, 4Q2020 – 1Q2022



Source: INE, House Price Index.

In the 1<sup>st</sup> quarter of 2022, dwellings acquired by Households corresponded to 37,840 units, 86.9% of the total (85.6% in the 4<sup>th</sup> quarter of 2021). In this period, transactions involving purchasers from Households increased by 28.6% year-on-year in number and 46.3% in value to a total of 7,0 billion euros.

Figure 3. House Transactions Indicator, Households and Total, Number and Value, 4Q2020 – 1Q2022

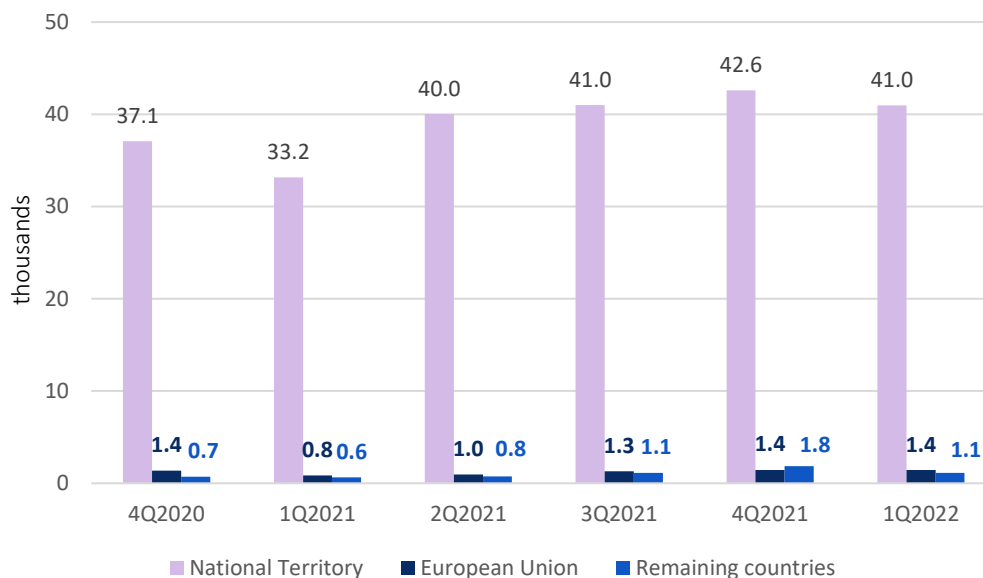


Source: INE, House Price Index.



Between January and March 2022, 2,556 transactions involved buyers with tax residence outside the *National Territory*, of which 1,435 corresponded to the *European Union* and 1,121 to *Remaining Countries*. These transactions corresponded to 5.9% of the total number of transacted dwellings (3.3% refers to the *European Union* and 2.6% to *Remaining Countries*). In the quarter under review, the *Remaining Countries* category showed a growth of 79.1% compared to the same period in 2021, while transactions with buyers with tax residence in the *European Union* increased 72.3%, in both cases, above buyers from the *National Territory* (23.6%).

Figure 4. House Transactions Indicator, Number, by tax residence of the purchaser, 4Q2020 – 1Q2022



Source: INE, House Price Index.

In the 1<sup>st</sup> quarter of 2022, 13,464 dwellings were transacted in the *Área Metropolitana de Lisboa* (30.9% of the total number). For the second consecutive quarter, this region recorded a reduction, relative to the same period of the previous year, of its relative weight, -0.9 pp. The *Norte* and *Centro* regions, with 12,371 and 8,721 transactions respectively, also registered decreases in their respective regional shares, -0.9 pp and -0.2 pp, respectively. In the *Algarve*, residential property transactions reached 4 129 units, that is, 9.5% of the total. This was the region that grew the most in terms of relative regional weight, up 1.5 pp. The number of dwellings transacted in the *Alentejo* amounted to 3,113, above the 1,024 registered in the *Região Autónoma da Madeira* and the 722 transacted in the *Região Autónoma dos Açores*. The *Região Autónoma da Madeira* and the *Região Autónoma dos Açores* recorded increases of 0.2 pp in the respective relative shares, to 2.4% and 1.7%, in the same order, while the *Alentejo* region maintained its relative weight unchanged (7.1%).

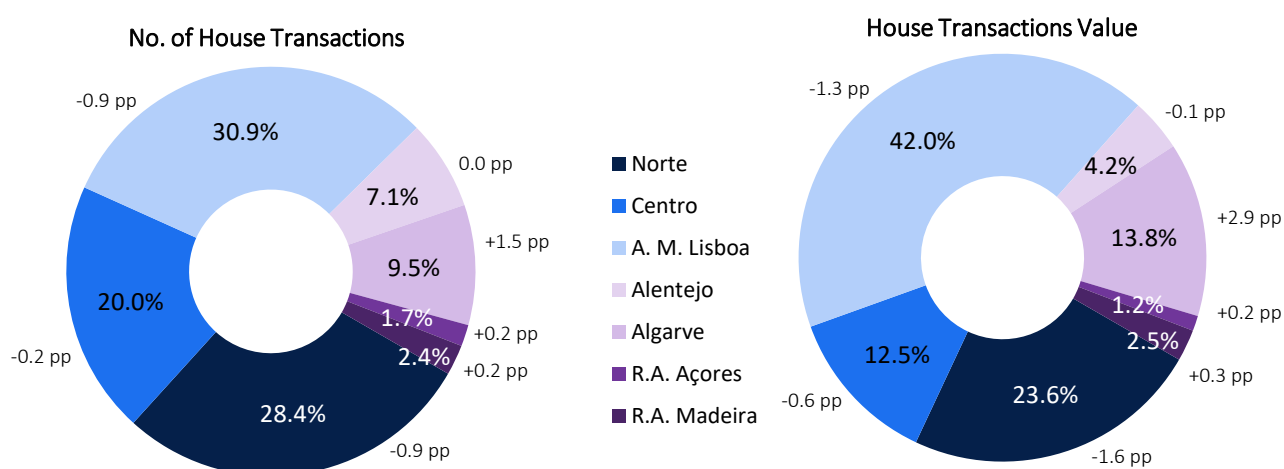


Between January and March 2022, the *Área Metropolitana de Lisboa* accounted for 42.0% of the total value of dwellings transacted, 1.3 pp less than in the same period of 2021. Transactions of dwellings located in the *Norte* region totalled 1.9 billion euros, while in the *Centro* they were approximately 1 billion euros. In both cases, there were reductions in the respective relative weights, -1.6 pp and -0.6 pp, respectively. The *Algarve* registered a value of transactions of 1.1 billion euros, corresponding to 13.8% of the regional share, 2.9 pp more than in the same period of 2021. In *Alentejo*, the value of housing transactions (340 million euros) corresponded to 4.2% of the total, 0.1 pp less in annual terms. In the *Região Autónoma da Madeira*, the value of transacted dwellings amounted to 205 million euros (2.5% of the total), roughly twice the value observed in the *Região Autónoma dos Açores* (1.2% of the total).

The next figure shows the distribution of the number and value of house transactions by NUTS II region for the 1<sup>st</sup> quarter of 2022.

Figure 5. Percentage distribution of the number and value of house transactions, by NUTS II, 1<sup>st</sup> quarter of 2022

(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, 1<sup>st</sup> quarter 2016 - 1<sup>st</sup> quarter 2022

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
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	24,926	19,759	5,167
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	26,890	21,803	5,087
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	26,675	21,807	4,868
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	28,999	23,935	5,064
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	29,975	24,571	5,404
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	31,197	25,827	5,370
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	32,722	27,183	5,539
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	35,940	29,907	6,033
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	34,449	28,878	5,571
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	38,730	32,409	6,321
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	38,964	32,381	6,583
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	39,066	32,633	6,433
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	36,954	31,321	5,633
2Q2019	140.65	145.19	127.88	2.6	2.2	4.2	9.5	9.2	10.4	9.1	9.5	7.6	36,681	31,116	5,565
3Q2019	143.67	148.63	129.43	2.1	2.4	1.2	10.8	10.8	10.4	9.7	9.9	8.8	39,554	33,233	6,321
4Q2019	146.07	151.48	130.27	1.7	1.9	0.6	10.4	10.9	8.3	10.0	10.2	8.8	41,676	34,951	6,725
1Q2020	151.67	157.37	134.99	3.8	3.9	3.6	10.6	10.8	10.0	10.3	10.4	9.7	36,399	30,489	5,910
2Q2020	154.34	160.28	136.94	1.8	1.8	1.4	9.7	10.4	7.1	10.4	10.7	8.9	26,379	21,355	5,024
3Q2020	153.61	159.44	136.57	-0.5	-0.5	-0.3	6.9	7.3	5.5	9.4	9.8	7.7	35,596	28,767	6,829
4Q2020	157.69	163.64	140.27	2.7	2.6	2.7	8.0	8.0	7.7	8.8	9.1	7.5	39,139	32,458	6,681
1Q2021	161.70	168.40	142.35	2.5	2.9	1.5	6.6	7.0	5.5	7.8	8.1	6.4	34,614	28,704	5,910
2Q2021	166.40	173.24	146.63	2.9	2.9	3.0	7.8	8.1	7.1	7.3	7.6	6.4	41,736	35,119	6,617
3Q2021	171.30	177.71	152.50	2.9	2.6	4.0	11.5	11.5	11.7	8.5	8.7	8.0	43,447	36,092	7,355
4Q2021	175.96	183.18	155.12	2.7	3.1	1.7	11.6	11.9	10.6	9.4	9.6	8.7	45,885	38,173	7,712
1Q2022	182.64	191.26	157.93	3.8	4.4	1.8	12.9	13.6	10.9	11.0	11.3	10.1	43,544	35,941	7,603

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 dwelling transactions - National and regional totals, 1<sup>st</sup> quarter 2016 - 1<sup>st</sup> quarter 2022

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> .				
1Q2016	3,001,077	24,926	696,618	7,328	444,792	4,168	354,092	4,229	1,321,003	8,533
2Q2016	3,267,885	26,890	738,477	7,580	479,140	4,461	402,628	4,670	1,450,411	9,184
3Q2016	3,173,236	26,675	757,252	7,952	476,650	4,460	393,483	4,836	1,413,768	8,805
4Q2016	3,551,512	28,999	795,329	8,333	506,171	4,710	432,186	5,076	1,598,668	9,657
1Q2017	3,800,102	29,975	883,458	8,716	581,210	5,168	453,144	5,241	1,730,750	10,090
2Q2017	4,021,419	31,197	915,581	8,997	613,395	5,411	475,805	5,340	1,836,945	10,750
3Q2017	4,258,992	32,722	1,006,657	9,788	659,671	5,603	535,866	5,989	1,906,726	10,771
4Q2017	4,898,678	35,940	1,111,659	10,295	701,207	5,790	603,926	6,459	2,196,924	12,124
1Q2018	4,755,125	34,449	1,139,059	9,982	757,956	5,865	552,719	5,966	2,155,713	11,867
2Q2018	5,425,227	38,730	1,281,421	11,308	851,254	6,619	655,759	6,862	2,472,932	13,281
3Q2018	5,512,302	38,964	1,316,688	11,574	863,338	6,585	663,300	7,072	2,538,294	13,313
4Q2018	5,414,883	39,066	1,334,767	11,798	852,547	6,661	695,985	7,412	2,372,709	12,517
1Q2019	5,261,090	36,954	1,234,131	10,487	828,137	6,123	634,533	6,877	2,373,597	12,631
2Q2019	5,414,806	36,681	1,258,564	10,413	829,917	5,977	670,927	6,923	2,454,345	12,419
3Q2019	5,800,028	39,554	1,365,258	11,433	886,422	6,457	764,888	7,811	2,578,065	12,819
4Q2019	6,136,268	41,676	1,444,479	11,849	956,244	6,778	783,052	8,239	2,721,914	13,674
1Q2020	5,785,538	36,399	1,372,712	10,347	934,823	6,171	681,927	6,723	2,624,921	12,287
2Q2020	4,125,502	26,379	1,051,789	7,784	690,425	4,534	559,245	5,226	1,809,754	8,630
3Q2020	5,427,603	35,596	1,354,648	10,669	848,134	5,634	772,951	7,707	2,221,756	10,527
4Q2020	6,098,441	39,139	1,522,354	11,313	964,424	6,139	832,067	8,282	2,560,729	11,942
1Q2021	5,595,240	34,614	1,410,222	10,127	936,545	5,826	731,655	6,991	2,420,153	11,018
2Q2021	6,933,006	41,736	1,634,272	11,887	1,074,740	6,828	910,777	8,664	3,011,748	12,971
3Q2021	7,345,978	43,447	1,758,824	12,527	1,122,062	6,881	971,245	8,951	3,070,490	13,073
4Q2021	8,225,207	45,885	1,927,112	13,158	1,262,394	7,300	1,027,219	9,279	3,459,817	13,952
1Q2022	8,081,797	43,544	1,910,902	12,371	1,246,115	6,830	1,013,389	8,721	3,398,060	13,464

(continues)



## Annex 2: Value (\*) and number of dwelling transactions - National and regional totals, 1<sup>st</sup> quarter 2016 - 1<sup>st</sup> quarter 2022

(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
1Q2016	3,001,077	24,926	102,476	1,369	407,173	2,581	32,783	364	86,933	523
2Q2016	3,267,885	26,890	120,656	1,587	463,655	2,976	34,767	403	57,293	489
3Q2016	3,173,236	26,675	111,433	1,457	393,631	2,666	39,424	461	64,244	499
4Q2016	3,551,512	28,999	127,884	1,714	490,298	3,221	41,282	451	65,865	547
1Q2017	3,800,102	29,975	140,039	1,724	465,015	3,071	45,833	517	81,864	616
2Q2017	4,021,419	31,197	141,919	1,749	539,459	3,366	40,934	439	70,776	556
3Q2017	4,258,992	32,722	156,540	1,883	522,682	3,130	40,069	489	90,452	673
4Q2017	4,898,678	35,940	185,812	2,127	655,522	3,712	53,436	567	91,399	656
1Q2018	4,755,125	34,449	156,406	1,938	614,718	3,591	47,585	482	88,925	623
2Q2018	5,425,227	38,730	196,880	2,334	676,893	3,771	55,470	573	85,872	600
3Q2018	5,512,302	38,964	221,102	2,408	609,153	3,309	54,434	567	109,331	722
4Q2018	5,414,883	39,066	220,382	2,599	621,717	3,371	73,350	661	95,972	709
1Q2019	5,261,090	36,954	195,766	2,262	669,517	3,438	61,573	575	91,973	684
2Q2019	5,414,806	36,681	197,788	2,264	684,034	3,461	63,818	587	85,331	614
3Q2019	5,800,028	39,554	242,412	2,781	678,547	3,274	69,958	709	100,901	727
4Q2019	6,136,268	41,676	234,206	2,717	775,392	3,807	65,570	616	111,656	774
1Q2020	5,785,538	36,399	214,573	2,300	696,205	3,322	76,583	668	118,617	752
2Q2020	4,125,502	26,379	177,188	1,892	412,644	1,968	49,832	435	65,049	444
3Q2020	5,427,603	35,596	254,581	2,605	651,496	2,807	61,424	555	110,747	726
4Q2020	6,098,441	39,139	282,421	3,034	719,731	3,177	65,370	607	115,769	784
1Q2021	5,595,240	34,614	243,206	2,457	610,304	2,757	57,361	510	122,338	754
2Q2021	6,933,006	41,736	306,933	3,117	826,780	3,453	78,564	684	163,932	960
3Q2021	7,345,978	43,447	319,299	3,253	997,596	4,040	85,609	726	142,917	877
4Q2021	8,225,207	45,885	348,316	3,400	1,170,812	4,313	109,753	803	182,178	980
1Q2022	8,081,797	43,544	340,149	3,113	1,115,974	4,129	98,743	722	204,581	1,024

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 by Households 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.

### Households

Institutional sector that consists of individuals or groups of individuals as consumers and entrepreneurs producing market goods and non-financial and financial services (market producers) provided that the production of goods and services is not by separate entities treated as quasi-corporations. It also includes individuals or groups of individuals as producers of goods and non-financial services for exclusively own final use.

### 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 Transactions Indicator

Indicator that estimates the number of dwelling transactions carried out in a quarter for the national total and the segments of new dwellings and existing dwellings. 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). For some levels of disaggregation, it is also available the breakdown between purchases by households and other institutional sectors, as well as by place of tax residence of the buyer.

## 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. For some levels of disaggregation, it is also available the breakdown between purchases by households and other institutional sectors, as well as by place of tax residence of the buyer.

## Tax residence

- a) Place of usual residence, for private or singular individuals;
- b) Place of the head office or place of effective management or, failing that, place of permanent establishment in Portugal for legal entities.

## 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 (<https://smi.ine.pt/DocumentacaoMetodologica/Detalhes/1699>; available only in Portuguese).

---

Date of next the press release - 22<sup>nd</sup> september 2022

---