



23rd December 2022

HOUSE PRICE INDEX

3rd quarter of 2022

HOUSE PRICES INCREASED 13.1% IN THE 3RD QUARTER OF 2022

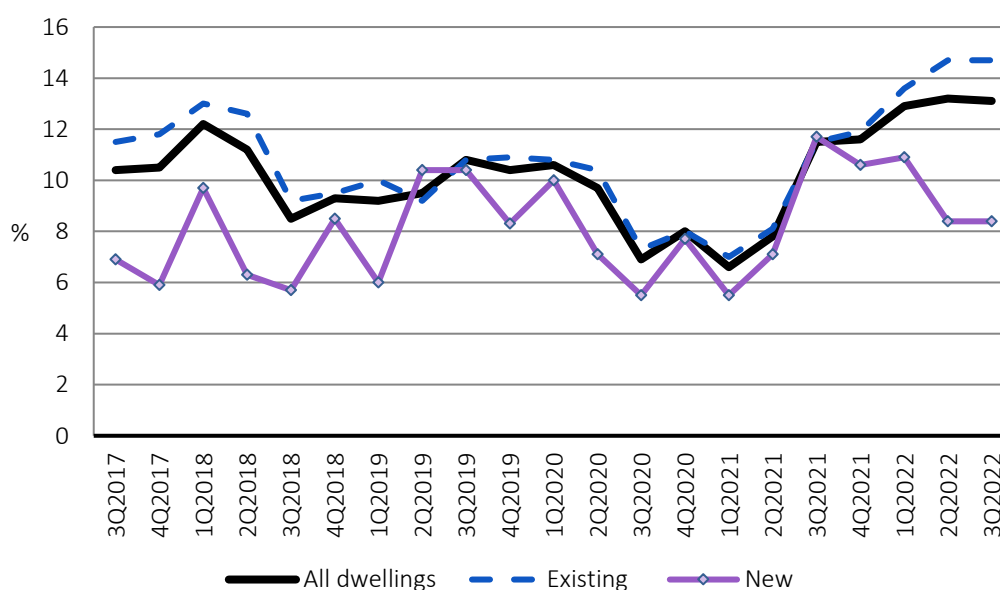
In the 3rd quarter of 2022, the House Price Index (HPI) rose 13.1% year-on-year, down by 0.1 percentage points (pp) from the previous quarter. The increase in prices of existing dwellings (14.7%) surpassed that of new dwellings (8.4%).

Compared to the previous quarter, the HPI increased by 2.9% (3.1% in the 2nd quarter of 2022). In the category of new dwellings, the rate of change stood at 4.0%, 1.4 pp above the increase observed in existing dwellings (2.6%).

Between July and September 2022, 42,223 houses were sold, which represents a year-on-year rate of change of -2.8% and a reduction of 3.2% over the previous quarter. In the reference quarter, the value of the houses transacted reached 8.1 billion euros, up by 9.6% compared to the same period of 2021.

In the 3rd quarter of 2022, the acquisitions of dwellings by Households corresponded to 36,647 units (86.8% of the total), totalling 6.9 billion euros. In the quarter under review, 2,767 dwellings were acquired by purchasers with a tax residence outside the National Territory, representing a year-on-year increase of 12.6%.

Figure 1. House Price Index, Annual rate of change, 3Q2017-3Q2022



Source: INE, House Price Index.

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1. House Price Index (100 = 2015)

In the 3rd quarter of 2022, the year-on-year rate of change of the HPI was 13.1%, 0.1 pp below the previous quarter. By category, existing dwellings recorded higher price increases than new dwellings, up 14.7% and 8.4% respectively. In both cases, the price increases registered in the 3rd quarter of 2022 were identical to those in the previous quarter.

Between the 2nd and 3rd quarters of 2022, the HPI grew by 2.9% (3.1% in the 2nd quarter of 2022 and 2.9% in the 3rd quarter of 2021). In this period, new dwellings showed an increase in prices of 4.0%, above the rate of change registered in existing dwellings (2.6%).

In the 3rd quarter of 2022, the rolling 4-quarter rate of change of the HPI was 12.7%, up by 0.4 pp from the previous quarter, which is a new maximum in the available series. In the period under review, existing dwellings showed a rate of change of 13.8%, 0.8 pp more than the previous highest value of the series, achieved in the previous quarter. In new dwellings, there was a deceleration in prices, with the rolling 4-quarter rate of change standing at 9.5% (10.4% in the 2nd quarter of 2022).

2. Number and value of House Transactions

In the 3rd quarter of 2022, 42,223 houses were transacted, 2.8% less than in the same period of 2021. This represents the first year-on-year reduction in the number of transactions since the 1st quarter of 2021. Of the total number of transactions, 34,627 corresponded to existing dwellings, down 4.1% year-on-year. New dwellings transactions increased 3.3%, reaching 7,596 units.

The number of transactions between the 2nd and the 3rd quarter of 2022 decreased by 3.2% (0.1% in the previous quarter). In the period under analysis, the transactions of existing dwellings presented a reduction of 3.1% (-0.6% in the 2nd quarter of 2022). In new dwellings, there was a year-on-year rate of change of -3.4% in the number of transactions (3.4% in the 2nd quarter of 2022).

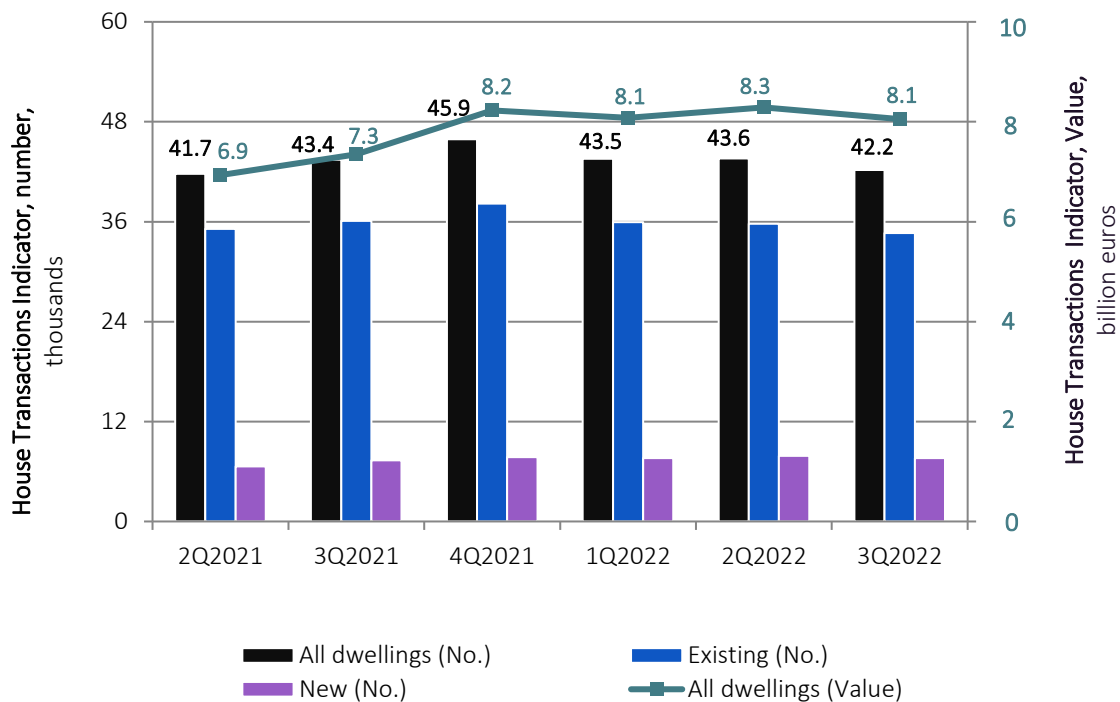
The value of transacted dwellings in the 3rd quarter of 2022 totalled 8.1 billion euros. This value represents an increase of 9.6% compared to the same quarter of 2021. In the quarter under review, there was a year-on-year rate of change of 9.4% in the value of transactions of existing dwellings, to 6.1 billion euros and an increase of 10.1% in the value of new dwellings, to 1.9 billion euros.

Compared with the previous quarter, the value of transacted dwellings, in the 3rd quarter of 2022, decreased by 2.9% (2.5% in the 2nd quarter of 2022). The reduction in the value of transactions was extensive to both types of housing, -2.5% in the case of existing dwellings and -3.9% in the case of new 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, 2Q2021 – 3Q2022

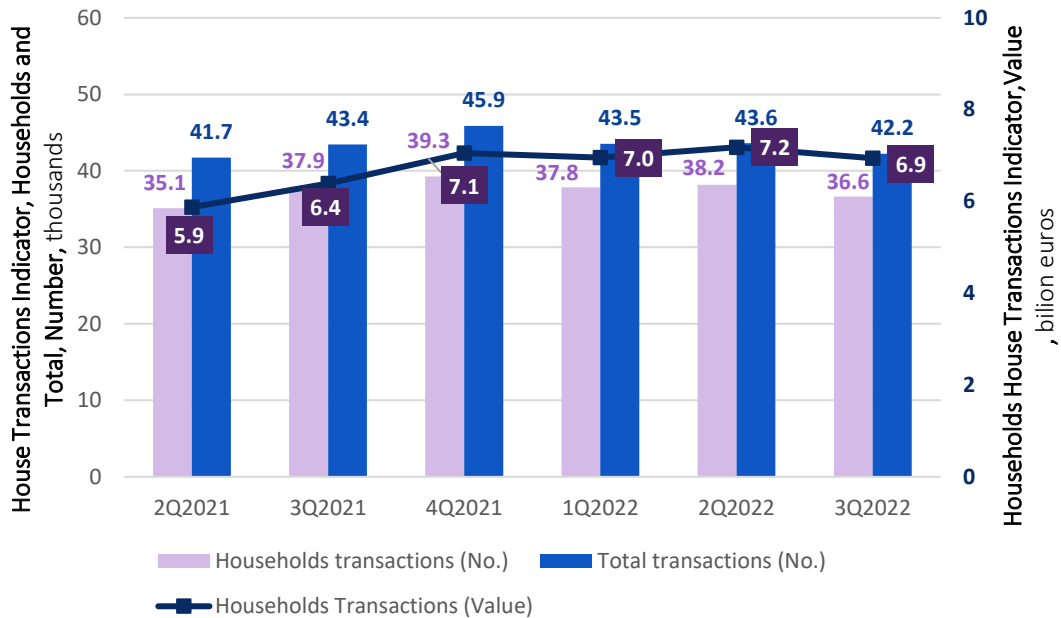


Source: INE, House Price Index.

In the 3rd quarter of 2022, Households were responsible for 36,647 housing transactions, 86.8% of total transactions. The number of transactions represents a reduction of 3.4% compared to the same period of 2021 and a rate of change of -4.0% compared to the previous quarter. The value of purchases by Households reached 6.9 billion euros, corresponding to a year-on-year growth of 8.7% and a reduction of 3.3% compared to the previous quarter.



Figure 3. House Transactions Indicator, Households and Total, Number and Value, 2Q2021 – 3Q2022

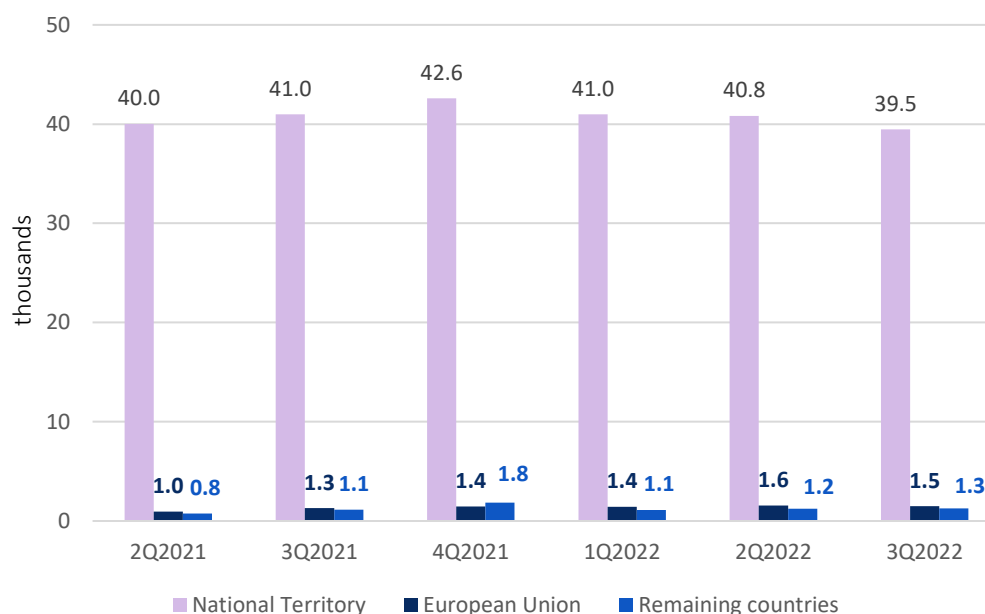


Source: INE, House Price Index.

Between July and September 2022, 39,456 transactions were recorded involving buyers with tax residence in the *National Territory*, a year-on-year decrease of 3.7%. In the reference quarter, the transactions of buyers with tax residence outside the *National Territory*, totalled 2,767 units, 6.6% of the total, resulting in a rate of change of 12.6% compared to the same period in 2021. Amongst the transactions related to purchasers with tax residency outside the *National Territory*, the *European Union* category, with a total of 1 486 units, was the one that grew the most in year-on-year terms, 12.9%. The *Remaining Countries* tax residence category totalled 1,281 transactions and an increase of 12.2%.



Figure 4. House Transactions Indicator, Number, by tax residence of the purchaser, 2Q2021 – 3Q2022



Source: INE, House Price Index.

In the 3rd quarter of 2022, 12,461 dwellings were transacted in the *Área Metropolitana de Lisboa*. This region concentrated 29.5% of the total number of transactions, 0.6 pp less than the same period of the previous year, being the second time in the series, since the 1st quarter of 2013, that this region registers a relative weight below 30%. In the *Norte*, 11,995 transactions were registered, corresponding to 28.4% of the total, 0.4 pp less than in the 3rd quarter of 2021. The *Centro*, with 9,091 transactions was the region with the biggest increase in relative weight (+0.9 pp), making up 21.5% of the total. *Algarve* and *Alentejo* presented relatively close records in the number of transactions, 3,666 and 3,087, respectively, which corresponded to a relative weight of 8.7% and 7.3%, by the same order. Both regions decreased in terms of regional weight, -0.2 pp in the *Alentejo* and -0.6 pp in the *Algarve*. In the *Região Autónoma da Madeira* there was an increase of 0.8 pp in the respective relative weight, representing 2.8% of the total, totalling 1,180 transactions. In the *Região Autónoma dos Açores* 743 houses were sold, corresponding to a regional share of 1.8%, 0.1 pp more than in the same period of the previous year.

In the quarter under review, the *Área Metropolitana de Lisboa* accounted for 42.1% of the total value of housing transactions, 3.4 billion euros, resulting in a year-on-year increase of 0.3 pp in its relative regional share. The value of the houses transacted in the *Norte* amounted to approximately 1.9 billion euros, while in the *Centro* it reached 1.1 billion euros. In these two regions, the amounts obtained represented 23.3% and 13.3%, by the same order, of the total value of transactions, which, in the first case, represented a reduction in the relative weight of 0.6 pp, and an increase of 0,1 pp, in the second case. The *Algarve*, with a total value of one billion euros, was the region where the largest reduction in the regional share was observed, -0.8 pp, to a total of

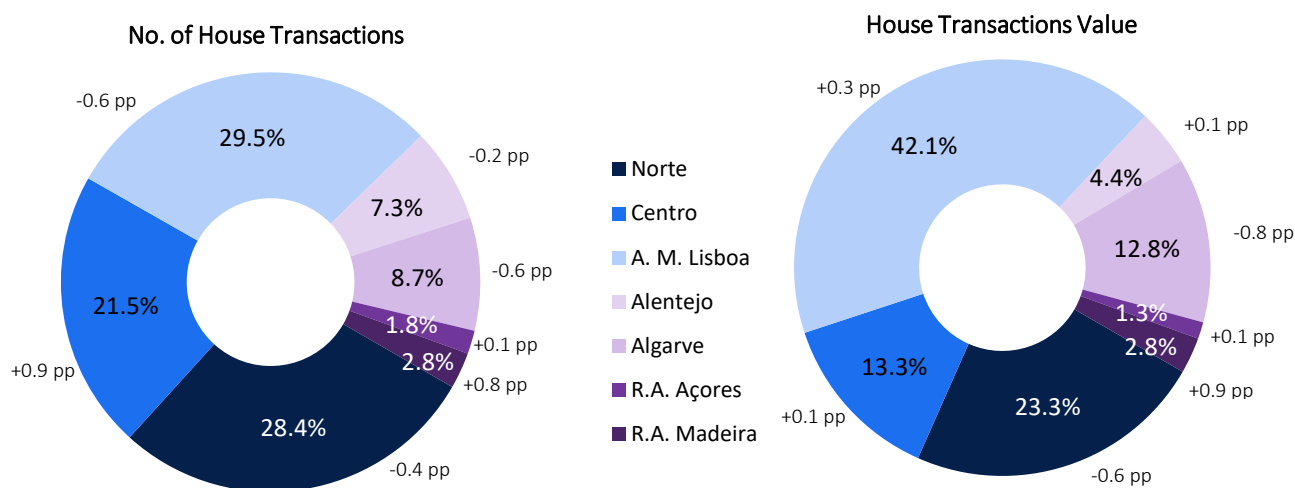
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12.8%. In *Alentejo*, the dwellings transacted totalled 353 million euros, representing 4.4% of the total (+0.1 pp in year-on-year terms). In the *Região Autónoma da Madeira*, the value of the houses sold was 229 million euros, roughly twice as high as in the *Região Autónoma dos Açores* (108 million euros). In both regions, the values obtained generated year-on-year increases in the relative weights, up 0.9 pp and 0.1 pp, in the same order.

The next figure shows the distribution of the number and value of house transactions by NUTS II region for the 3rd quarter of 2022.

Figure 5. Percentage distribution of the number and value of house transactions, by NUTS II, 3rd 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, 3rd quarter 2016 – 3rd quarter 2022

| Quarter | Indexes | | | Quarterly rate of change (%) | | | Annual rate of change (%) | | | Rolling 4-quarter average rate of change (%) | | | House transactions (n ^o) | | |
|---------------|---------------|----------|--------|------------------------------|----------|------|---------------------------|----------|------|--|----------|------|--------------------------------------|----------|-------|
| | All dwellings | Existing | New | All dwellings | Existing | New | All dwellings | Existing | New | All dwellings | Existing | New | All dwellings | Existing | New |
| 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 |
| 2Q2022 | 188.31 | 198.66 | 158.91 | 3.1 | 3.9 | 0.6 | 13.2 | 14.7 | 8.4 | 12.3 | 13.0 | 10.4 | 43,607 | 35,742 | 7,865 |
| 3Q2022 | 193.82 | 203.82 | 165.31 | 2.9 | 2.6 | 4.0 | 13.1 | 14.7 | 8.4 | 12.7 | 13.8 | 9.5 | 42,223 | 34,627 | 7,596 |

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, 3rd quarter 2016 - 3rd quarter 2022

| Quarter | PORTUGAL | | Norte | | | | Centro | | Área Metropolitana de Lisboa | |
|---------|-------------------------------|--------|-------------------------------|--------|--|-------|-------------------------------|-------|-------------------------------|--------|
| | 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 | | | | |
| 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 |
| 2Q2022 | 8,287,705 | 43,607 | 1,851,936 | 11,967 | 1,180,017 | 6,469 | 1,068,621 | 9,014 | 3,477,414 | 13,336 |
| 3Q2022 | 8,051,492 | 42,223 | 1,876,987 | 11,995 | 1,171,357 | 6,264 | 1,068,341 | 9,091 | 3,387,875 | 12,461 |

(continues)



Annex 2: Value (*) and number of dwelling transactions - National and regional totals, 3rd quarter 2016 - 3rd quarter 2022

(continuation)

| Quarter | PORTUGAL | | Alentejo | | Algarve | | Região Autónoma dos Açores | | Região Autónoma da Madeira | |
|---------|-------------------------------|--------|-------------------------------|-------|-------------------------------|-------|-------------------------------|-----|-------------------------------|-------|
| | 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 |
| 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 |
| 2Q2022 | 8,287,705 | 43,607 | 368,955 | 3,322 | 1,197,651 | 4,166 | 95,860 | 702 | 227,268 | 1,100 |
| 3Q2022 | 8,051,492 | 42,223 | 352,528 | 3,087 | 1,028,325 | 3,666 | 108,289 | 743 | 229,148 | 1,180 |

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, depending on the available information on dwelling attributes, 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.

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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 – 22nd March 2023
