



25th May 2023

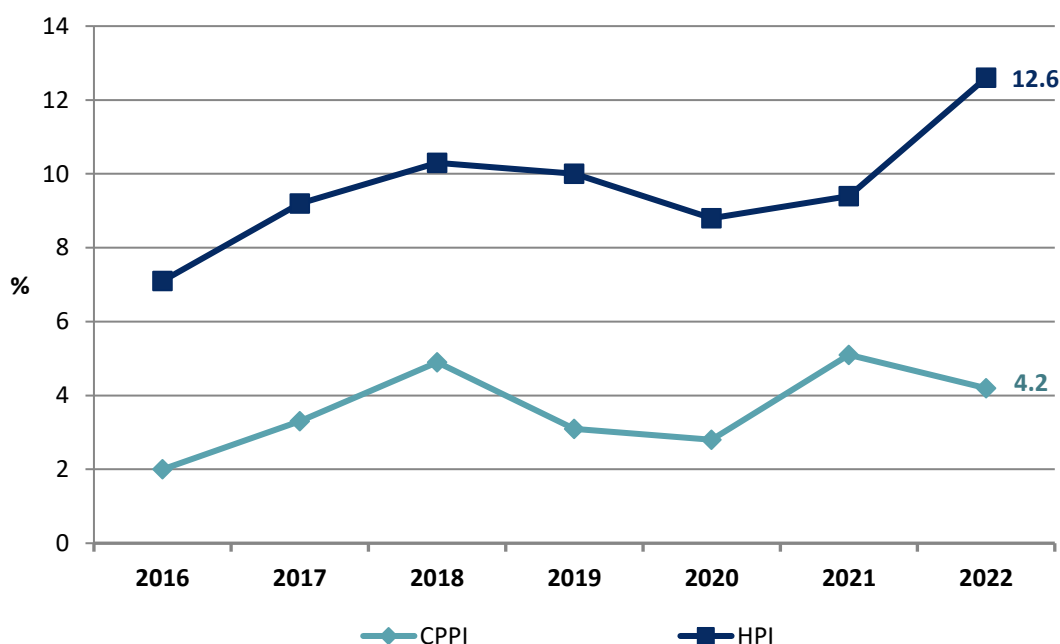
COMMERCIAL PROPERTY PRICE INDEX
2022

PRICES OF COMMERCIAL PROPERTIES INCREASED 4.2% IN 2022

The Commercial Property Price Index (CPPI) increased by 4.2% in 2022, 0.9 percentage points (pp) less than in 2021. As has been the case since 2016, commercial property prices grew at a lower rate than that observed in the housing market (12.6% in 2022).

In 2022, the prices of commercial properties maintained the growth trajectory started in 2014. Last year, the CPPI registered an annual rate of change of 4.2%, 0.9 pp below the growth observed in 2021. The following figure illustrates the yearly rates of change for the last seven years of the two main national real estate market price indicators.

Figure 1. Commercial Property Price Index (CPPI) and House Price Index (HPI), Yearly rate of change, 2016-2022



Source: INE, Commercial Property Price Index and House Price Index.

COMMERCIAL PROPERTY PRICE INDEX – 2022



The housing market, described by the evolution of the House Price Index (HPI), recorded a price increase higher than that of commercial properties, as has been the case in recent years. In 2022, the HPI rose 12.6%, 8.4 pp above the rate of change of the CPPI. The acceleration observed in residential property prices last year (+3.2 pp), associated with the reduction in the pace of growth of prices in the commercial property market (-0.9 pp) meant a significant increase in the difference between the growth rates of the two indicators, which rose from 4.3 p.p. in 2021 to 8.4 pp in 2022.

It should be noted that at the end of this press release it is included a box with an analysis of the acquisitions of dwellings by the Remaining Institutional Sectors (other than Households), which are not included in the calculation of the HPI.



Annex: Commercial Property Price Index (CPPI) and House Price Index (HPI), National total, 2009-2022

Year	Indexes (*)		Yearly rate of change (%)	
	CPPI	HPI	CPPI	HPI
2009	112.33	106.54	-	-
2010	110.05	107.36	-2.0	0.8
2011	105.52	102.09	-4.1	-4.9
2012	96.43	94.87	-8.6	-7.1
2013	93.15	93.09	-3.4	-1.9
2014	96.59	97.04	3.7	4.2
2015	100.00	100.00	3.5	3.1
2016	101.98	107.12	2.0	7.1
2017	105.38	117.02	3.3	9.2
2018	110.52	129.03	4.9	10.3
2019	113.94	141.88	3.1	10.0
2020	117.16	154.33	2.8	8.8
2021	123.17	168.84	5.1	9.4
2022	128.40	190.17	4.2	12.6

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

Source: INE, Commercial Property Price Index and House Price Index.

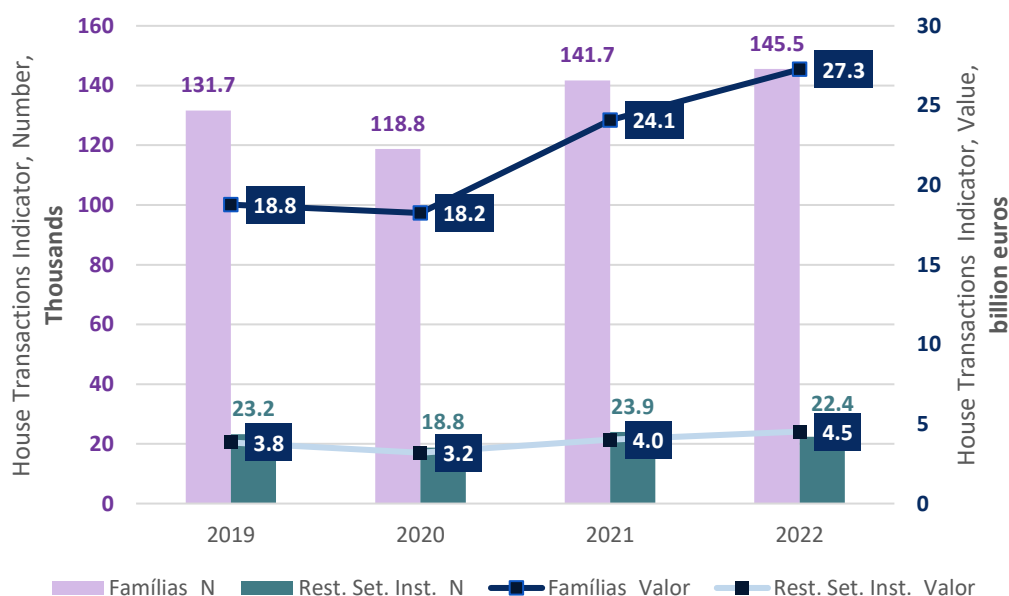


BOX: Acquisition of Dwellings by the Remaining Institutional Sectors (other than Households)

Following the publication, in 2022, of the new HPI series¹ and the respective change in scope, house acquisitions by other institutional sectors² are no longer covered by the index. Given the not neglectable importance of the dwelling purchases carried out by the Remaining Institutional Sectors, predominantly corporations, the quantification of this universe is presented below. In addition, is also available the year-on-year rate of change of a price index for house purchases by the Remaining Institutional Sectors, calculated using a methodology identical to that used in the HPI.

In 2022, of the total 167,900 dwelling transactions, 22,385 corresponded to acquisitions of dwellings by the Remaining Institutional Sectors, while Households acquired 145,515 units. These records corresponded, in the case of purchases by Households, to an increase of 2.7% compared to 2021 and to a reduction of 6.5% in purchases by the Remaining Institutional Sectors. In value, sales of dwellings to purchasers other than Households totalled 4.5 billion Euros, representing 14.2% of the total and an increase of 12.4% compared to the previous year. In the reference year, the value of housing sales to Households stood at 27.3 billion euros, up by 13.2% compared to 2021.

Figure 2. Number and value of dwelling acquisitions by Institutional Sector, 2019-2022



Source: INE, Commercial Property Price Index and House Price Index.

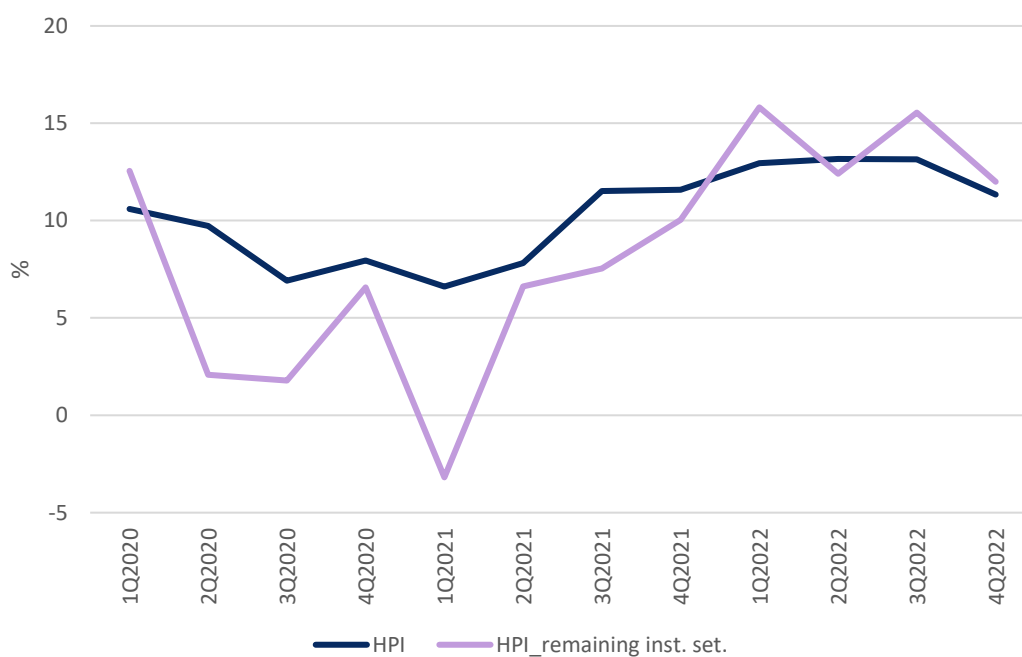
¹ For further information regarding the revision of the HPI series, please refer to the release for the 4th quarter of 2021, available on the website of [Statistics Portugal](https://inec.pt).

² Includes the Financial sector, Non-Financial Corporations, General Government, Non-profit institutions serving households and Rest of the world sectors.



In 2022, with the exception of the 2nd quarter, the year-on-year growth in the prices of dwellings acquired by the Remaining Institutional Sectors³ was more intense than the growth recorded for the HPI. In the 1st and 3rd quarters, the difference in the rates of change between the two indicators was greater than 2.0 pp, having fallen to 0.7 pp in the final quarter of the year.

Figure 3. HPI and Prices of dwellings purchased by the remaining institutional sectors, Annual rate of change, 1Q2020-4Q2022



Source: INE, Commercial Property Price Index and House Price Index.

³ The price index of dwellings acquired by the remaining institutional sectors was calculated on the basis of a methodology identical to that used for the Housing Price Index, which can be consulted on the website of the [National Statistics Institute](https://inec.pt) (available only in Portuguese language).



METHODOLOGICAL NOTES

Commercial Property Price Index

The Commercial Property Price Index (CPPI) measures the price developments of the commercial properties transacted in Portugal. As the House Price Index (HPI), which is being published since July 2014, the CPPI is compiled using anonymized fiscal administrative information provided by the Tax and Customs Authority (AT) on the Municipal Property Transfer Tax (IMT) and the Municipal Property Tax (IMI). The IMT and IMI information is provided on a monthly basis to Statistics Portugal under a data transmission protocol that was signed between the two institutions. Statistics Portugal thanks the collaboration of AT in this area.

The CPPI is derived through the estimation of a functional relationship between the logarithm of the transaction prices of commercial properties and their price-determining characteristics such as area or location. With this approach (i.e., hedonic price model), it is possible to estimate the price change controlling for changes in the quality of commercial properties.

The CPPI is a chained index with base 100 in 2015. This compilation methodology enables the weighting structure to be updated annually with information on the value of commercial property transactions in the year immediately preceding the year in which the index refers.

ACRONYMS AND DESIGNATIONS

Yearly change rate

Change rate that displays the variation between two annual values (year t and year $t-1$) of a certain variable.

Annual change rate

The annual change 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.

Commercial property

A commercial property is an urban property that consists of a building (or a structure) that has been licensed for commercial purposes or that, in the absence of a license, is used for commercial purposes.

Additional information

Further methodological information on the CPPI is available on the [National Statistics Institute website](#).

Date of next the press release - 24th May 2024
