



23 December 2021

HOUSE PRICE INDEX

3rd quarter of 2021

HOUSE PRICES ACCELERATED TO 9.9% IN THE 3RD QUARTER OF 2021

In the 3rd quarter of 2021, the House Price Index (HPI) rose by 9.9% year-on-year, up 3.3 percentage points (pp) from the previous quarter. The price increase was more significant for existing dwellings (9.9%) compared to new dwellings (9.5%).

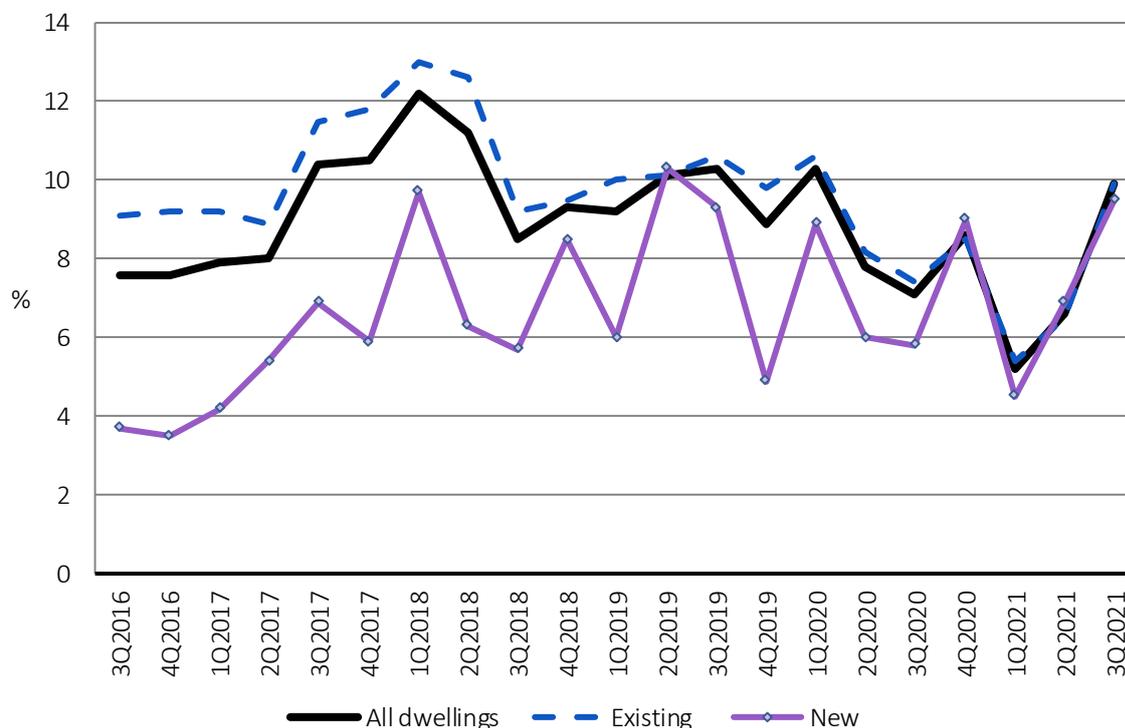
On a quarter-to-quarter basis, the HPI grew by 3.6% (2.2% in the 2nd quarter of 2021). For existing dwellings, the rate of change stood at 3.9%, 1.4 pp above the increase observed in new dwellings (2.5%).

Between July and September 2021, 56,464 dwellings were transacted, which represents an increase of 25.1% compared to the same period of 2020. In the quarter under review, there were similar rates of change throughout the different months, 26.8%, 24.5% and 23.9%, respectively, in July, August and September. The value of the transacted dwellings amounted to 9.4 billion euros, up 38.7% from the 3rd quarter of 2020.



1. House Price Index (100 = 2015)

Figure 1. House Price Index, Annual rate of change, 3Q2016-3Q2021



Source: INE, House Price Index.

In the 3rd quarter of 2021, the HPI accelerated for the second consecutive quarter, attaining a year-on-year rate of change of 9.9%, 3.3 pp above the previous quarter. In the reference quarter, the prices of existing dwellings increased by 9.9%, 0.4 pp more than new dwellings (9.5%).

The HPI increased 3.6% between the 2nd and 3rd quarters of 2021 (2.2% in the 2nd quarter of 2021 and 0.5% in the 3rd quarter of 2020). In the period under review, both categories presented price increases. For existing dwellings the increase was 3.9%, 1.4 pp more than new dwellings (2.5%).

The rolling 4-quarter rate of change of the HPI stood at 7.6% in the 3rd quarter of 2021. For the first time in the last five quarters, there was an acceleration in this rate, up 0.7 pp from the previous quarter. By category, the price growth was similar, 7.6% and 7.5%, respectively, for existing and new dwellings.



2. Number and value of House Transactions

In the 3rd quarter of 2021, 56,464 dwellings were transacted, 25.1% more than in the same period of 2020. In this quarter, similar rates of change were observed in the different months, ranging from 26.8% in July to 23.9% in September. Of the total number of transactions, 47,878 corresponded to existing dwellings, which represents an increase of 27.3% year-on-year. The growth of new residential property transactions was less intense, up by 14.2%, totalling 8,586 units.

Between the 2nd quarter of 2021 and the 3rd quarter of 2021, there was an increase of 6.8% in the number of dwelling transactions (20.8% in the previous quarter). Both categories of housing presented an increase in the number of transactions, 15.2% and 5.4%, respectively, in new and existing dwellings.

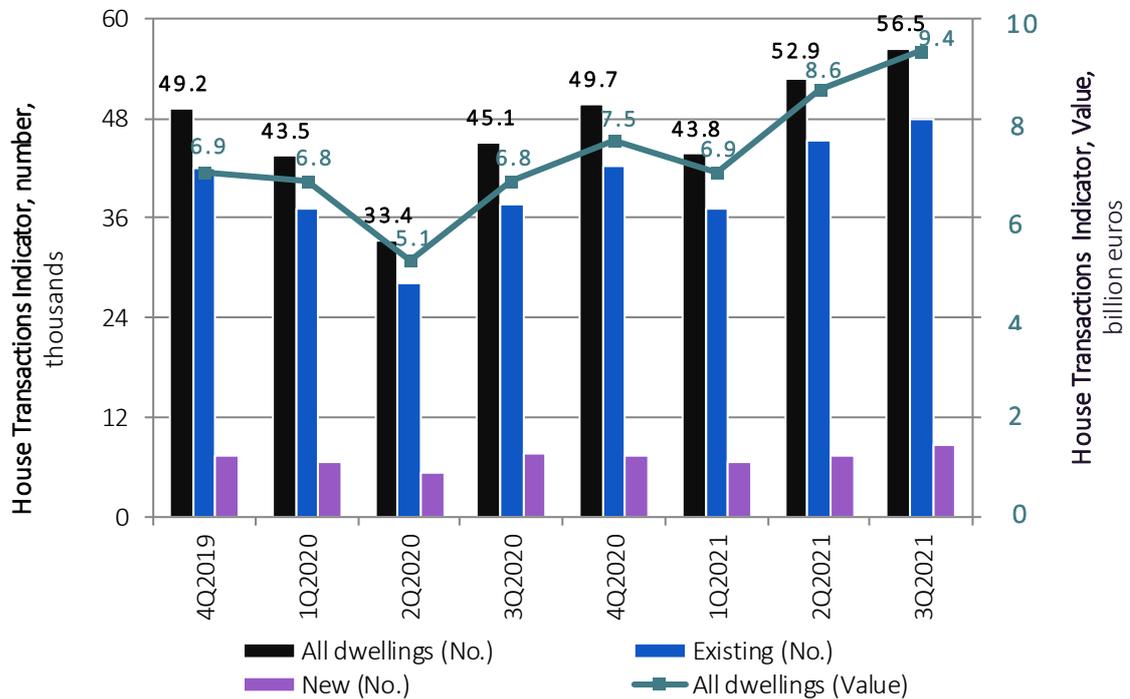
The value of transacted dwellings came close to 9.4 billion euros in the 3rd quarter of 2021, up 38.7% compared to the same period of 2020. By months, July and September were those that registered the highest rates of change, 39.5% and 39.8%, respectively, whereas in August growth was 36.4%. In the quarter under review, there was a year-on-year variation of 43.3% in the value of existing dwelling transactions, to 7.5 billion euros. Regarding new dwellings, the increase was 22.5%, adding up to 1.8 billion euros.

Compared with the previous quarter, the value of transactions of dwellings increased by 9.3% in the 3rd quarter of 2021. In this period, the value of new dwellings increased by 14.6%, 6.6 pp above the increase recorded for the transacted value of existing dwellings (8.0%).

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, 4Q2019 – 3Q2021



Source: INE, House Price Index.

In the 3rd quarter of 2021, 18,250 dwellings were transacted in the *Área Metropolitana de Lisboa* and 15,994 in the *Norte* region. These two regions, taken together, represented 60.6% of the total number of transactions, the lowest percentage observed since the 4th quarter of 2013. Along with the *Norte*, where there was a reduction of 1.3 pp in terms of regional share compared to the 3rd quarter of 2020, the *Centro* was the other region that showed a decrease in its relative weight, -0.8 pp, representing 20.5% of total transactions. In the *Algarve*, 4,623 transactions were registered, i.e. 8.2% of the total, corresponding to an increase of 0.9 pp when compared to the same period of the previous year. The *Alentejo* and the *Região Autónoma dos Açores*, with 4,067 and 879 transactions, respectively, increased their respective regional shares by 0.1 pp, to 7.2% and 1.6%, by the same order. In the *Região Autónoma da Madeira*, residential property transactions stood at 1,068 units, representing 1.9% of the national total, with its relative regional weight remaining unchanged.

Between July and September 2021, the value of residential property transactions in the *Área Metropolitana de Lisboa* reached 4.2 billion euros, 44.6% of the total, corresponding to a year-on-year increase of 1.2 pp. In the *Norte* and *Centro* regions, transacted dwellings totalled 2.2 billion euros and 1.2 billion euros, respectively, corresponding to relative shares of 23.4% and 13.0%, by the same order. In both cases, there were reductions in the respective relative weights, 1.3 pp in the *Norte* and 0.8 pp in the *Centro*. The *Algarve*, with a total of 1.1 billion euros, recorded an increase in the regional share of 1.1 pp, reaching 11.8%. In the *Alentejo*, housing transactions recorded a total of 401 million euros, 4.3% of the total (-0.2 pp in year-on-year terms). In the

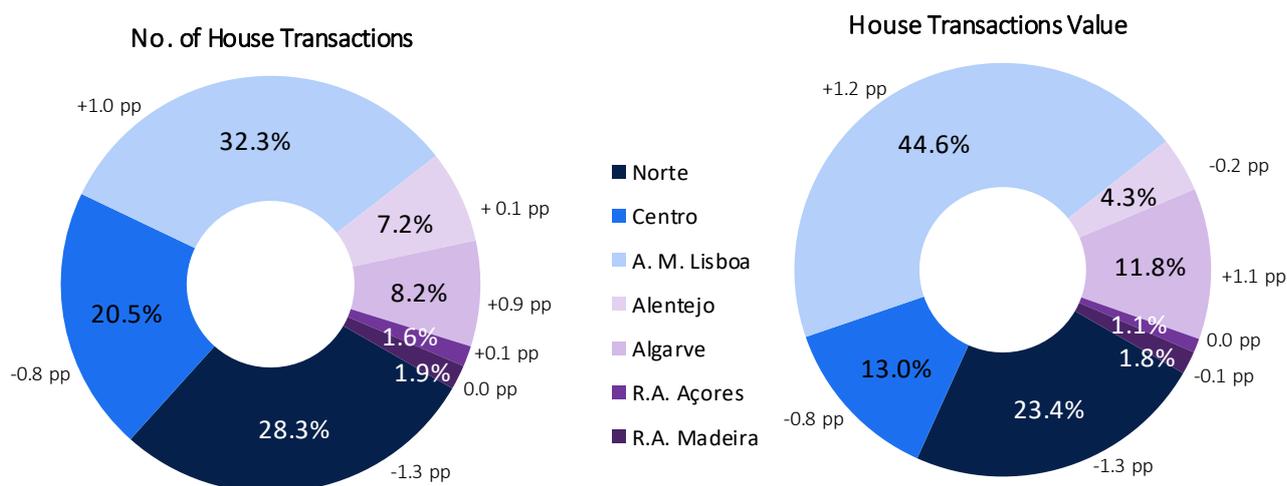
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Região Autónoma dos Açores, the value of transacted dwellings was 99 million euros, 1.1% of the total, and in the *Região Autónoma da Madeira* it amounted to 172 million euros, corresponding to a relative weight of 1.8%.

The next figure shows the distribution of the number and value of house transactions by NUTS II region for the 3rd quarter of 2021.

Figure 3. Percentage distribution of the number and value of house transactions, by NUTS II, 3rd 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, 3rd quarter 2015 – 3rd quarter 2021

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
3Q2015	100.65	100.96	100.04	0.1	1.1	-1.8	3.4	5.2	0.6	2.4	3.4	0.8	27,239	22,094	5,145
4Q2015	101.84	102.14	101.26	1.2	1.2	1.2	5.0	5.1	4.9	3.1	4.0	1.7	29,835	24,067	5,768
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	29,464	23,956	5,508
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	31,768	26,329	5,439
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	31,535	26,341	5,194
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	34,339	28,876	5,463
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	35,178	29,511	5,667
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	36,886	31,150	5,736
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	38,783	32,864	5,919
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	42,445	36,040	6,405
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	40,716	34,822	5,894
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	45,619	38,880	6,739
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	45,935	38,988	6,947
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	46,421	39,522	6,899
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	43,826	37,436	6,390
2Q2019	141.49	146.30	127.74	3.2	3.0	4.1	10.1	10.1	10.3	9.3	9.7	7.6	42,590	36,483	6,107
3Q2019	143.12	148.29	128.08	1.2	1.4	0.3	10.3	10.6	9.3	9.8	10.1	8.5	45,830	39,054	6,776
4Q2019	144.10	150.05	126.22	0.7	1.2	-1.5	8.9	9.8	4.9	9.6	10.1	7.6	49,232	41,861	7,371
1Q2020	151.23	157.13	133.74	4.9	4.7	6.0	10.3	10.6	8.9	9.9	10.3	8.3	43,532	37,019	6,513
2Q2020	152.50	158.30	135.37	0.8	0.7	1.2	7.8	8.2	6.0	9.3	9.8	7.2	33,398	28,172	5,226
3Q2020	153.27	159.26	135.50	0.5	0.6	0.1	7.1	7.4	5.8	8.5	9.0	6.4	45,136	37,618	7,518
4Q2020	156.53	162.87	137.59	2.1	2.3	1.5	8.6	8.5	9.0	8.4	8.7	7.4	49,734	42,372	7,362
1Q2021	159.10	165.56	139.77	1.6	1.7	1.6	5.2	5.4	4.5	7.1	7.3	6.3	43,757	37,227	6,530
2Q2021	162.54	168.56	144.70	2.2	1.8	3.5	6.6	6.5	6.9	6.9	6.9	6.5	52,855	45,404	7,451
3Q2021	168.38	175.08	148.36	3.6	3.9	2.5	9.9	9.9	9.5	7.6	7.6	7.5	56,464	47,878	8,586

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.



An nex 2: Value (*) and number of house transactions - National and regional totals, 3rd quarter 2015 – 3rd quarter 2021

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 .				
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
3Q2021	9,362,792	56,464	2,193,213	15,994	1,400,658	8,766	1,216,900	11,583	4,176,456	18,250

(continues)



Annex 2: Value (*) and number of house transactions - National and regional totals, 3rd quarter 2015 - 3rd quarter 2021

(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 .
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
3Q2021	9,362,792	56,464	401,407	4,067	1,103,378	4,623	99,255	879	172,183	1,068

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.



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 - 23rd March 2022
