



22nd June 2023
HOUSE PRICE INDEX
1st quarter of 2023

HOUSE PRICES DECELERATED TO 8.7%

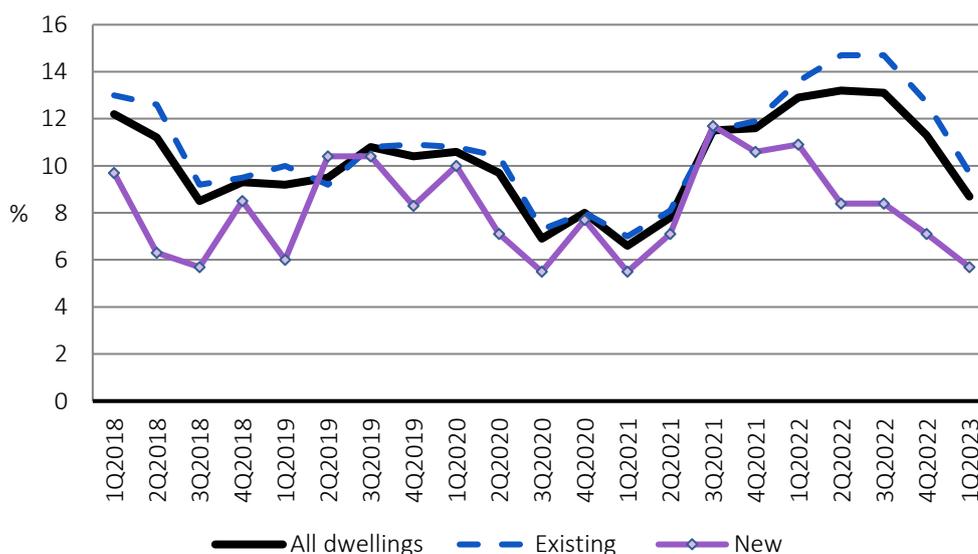
In the 1st quarter of 2023, the House Price Index (HPI) rose by 8.7% year-on-year, 2.6 percentage points (pp) lower than that recorded in the previous quarter. In this period, existing dwellings recorded a rate of change in prices of 9.7%, higher than that of new dwellings (5.7%).

Compared to the previous quarter, the HPI increased by 1.3% (1.1% in the previous quarter). The price growth of existing dwellings was higher than that of new dwellings, 1.6% and 0.5% respectively.

Between January and March 2023, 34,493 houses were sold, corresponding to a year-on-year rate of change of -20.8% (-16.0% in the previous quarter) and a quarter-on-quarter reduction of 10.5%. In the reference quarter, the value of the transacted dwellings was 6.9 billion euros, down by 15.2% compared to the same period of 2022.

In the 1st quarter of 2023, acquisitions of dwellings by Households corresponded to 29,280 units (84.9% of the total), totalling 5.8 billion euros (83.9% of the total). In this period, 7.2% of the dwellings transacted (2,492 units) were acquired by purchasers with a tax residence outside the *National Territory*, a percentage that rises to 12.7% if the transacted value is considered.

Figure 1. House Price Index, Annual rate of change, 1Q2018-1Q2023



Source: INE, House Price Index.

HOUSE PRICE INDEX – 1st quarter of 2023



1. House Price Index (100 = 2015)

In the 1st quarter of 2023, the year-on-year rate of change of the HPI was 8.7%, 2.6 pp less than the previous quarter, corresponding to the lower year-on-year increase in prices since the 2nd quarter of 2021. In the first three months of 2023, the prices of existing dwellings grew more pronouncedly compared to new dwellings, 9.7% and 5.7%, respectively.

Between the 4th quarter of 2022 and the 1st quarter of 2023, the HPI grew 1.3% (1.1% in the 4th quarter of 2022 and 3.8% in the 1st quarter of 2022). In the reference period, prices of existing dwellings increased by 1.6%, 1.1 pp above the rate of change for new dwellings (0.5%).

The rolling 4-quarter rate of change of the HPI was 11.5% in the 1st quarter of 2023, down 1.1 pp from the previous quarter. By category, the growth in prices of existing dwellings (12.8%) was more intense than that observed in new dwellings (7.4%).

2. Number and value of House Transactions

Between January and March 2023, 34,493 houses were transacted, 20.8% less than the same period of 2022. For the third consecutive quarter, the year-on-year rate of change of the number of transactions was negative and with increasing pace (-2.8% in the 3rd quarter of 2022, -16.0% in the 4th quarter of 2022 and -20.8% in the 1st quarter of 2023). Of the total number of transactions, 6,970 were for new dwellings, a reduction of 8.3% compared to the 1st quarter of 2022. Sales of existing dwellings represented the majority of the transactions (79.8% of the total), reaching 27,523 units, 23.4% less than the same period of 2022.

The number of transactions between the 4th quarter of 2022 and the 1st quarter of 2023 decreased by 10.5% (-8.8%, in the previous quarter), with the number of transactions for existing dwellings diminishing by 13.0%, while in the category of new dwellings there was a rate of change of 1.4%.

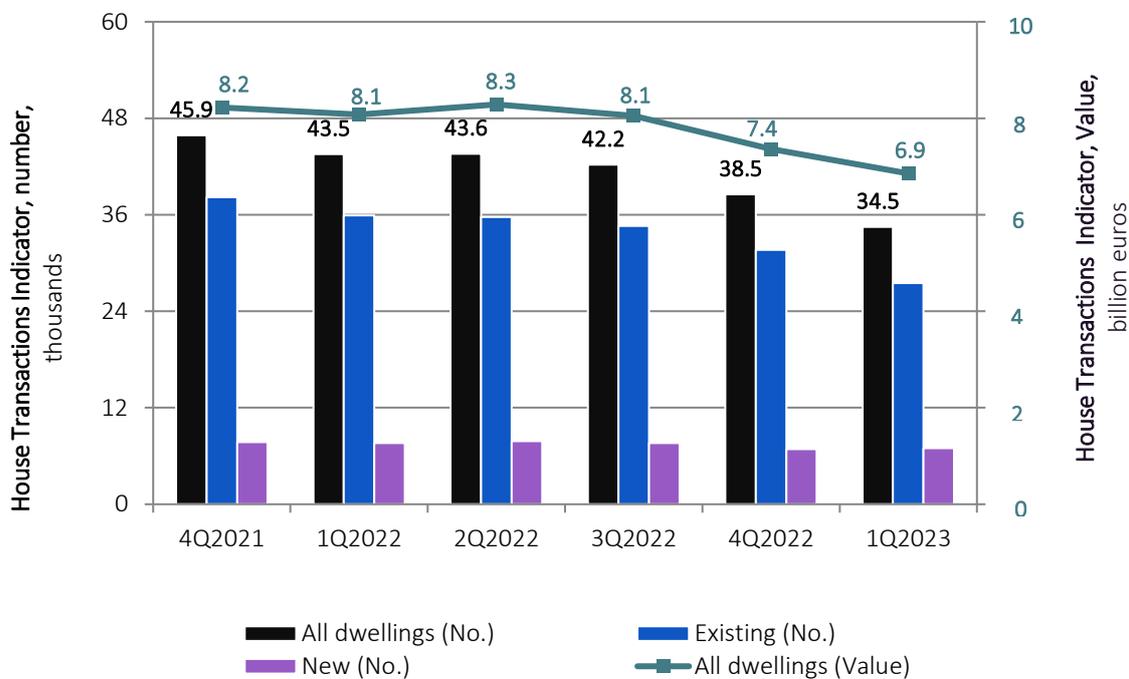
In the 1st quarter of 2023, the value of the transacted dwellings was 6.9 billion euros, 15.2% less compared to the same period of 2022. In the reference quarter, there was a year-on-year rate of change of -18.2% in the value of transactions of existing dwellings, to 5.0 billion euros and a reduction of 5.7% in the value of new dwellings, to 1.9 billion euros.

The value of housing transactions decreased by 6.9% in the 1st quarter of 2023 compared to the preceding quarter (-8.6% in the 4th quarter of 2022). By category, there was an increase of 6.1% in the value of transactions for new dwellings and a rate of change of -10.9% 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, 4Q2021 – 1Q2023

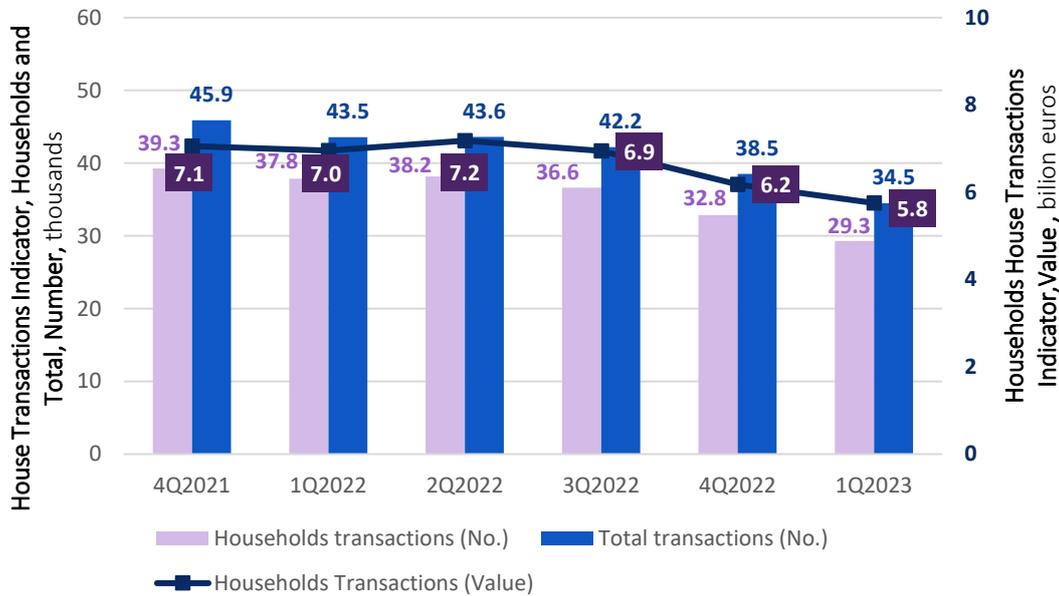


Source: INE, House Price Index.

In the 1st quarter of 2023, Households acquired 29,280 dwellings, 84.9% of the total, the lowest percentage since the 2nd quarter of 2021. This represents a year-on-year reduction of 22.6% in the number of transactions and a quarter-on-quarter rate of change of -10.9%. The value of houses purchased by Households decreased by 17.3% year-on-year to 5.8 billion euros, 83.9% of the total, which represents a reduction of 6.9% compared to the previous quarter, approximately half the amplitude observed in the previous quarter (-11.0%).



Figure 3. House Transactions Indicator, Households and Total, Number and Value, 4Q2021 – 1Q2023



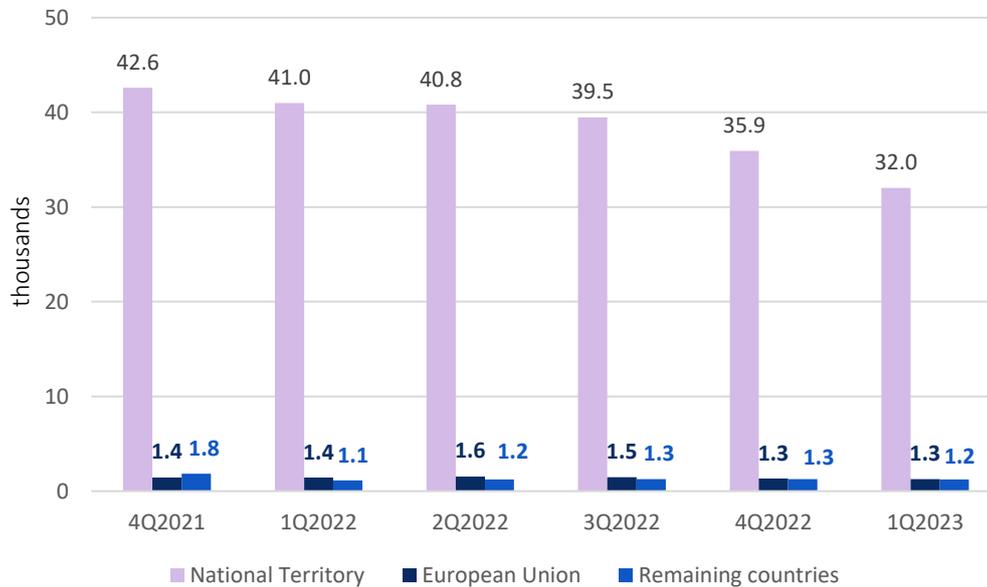
Source: INE, House Price Index.

In the first three months of 2023, dwelling acquisitions by buyers with tax residence in the *National Territory* decreased by 21.9% year-on-year, to a total of 32,001 units. This record represents 92.8% of the total number of transactions¹, the lowest relative weight of the series started in the 1st quarter of 2019. In the reference quarter, the transactions of purchasers with tax residence outside the *National Territory*, stood at 2,492 dwellings, representing a reduction of 2.5% compared to the same period of 2022. Among the transactions related to purchasers with tax residence outside the *National Territory*, the *European Union* category, with a total of 1,269 transactions, registered a year-on-year rate of change of -11.6%, while the tax residence category *Remaining Countries* increased the number of transactions by 9.1%, to 1,223 units.

¹ This percentage (92.8%) was also observed in the 4th quarter of 2021.



Figure 4. House Transactions Indicator, Number, by tax residence of the purchaser, 4Q2021 – 1Q2023



Source: INE, House Price Index.

In the 1st quarter of 2023, 9,924 houses were sold in the *Norte* region, 28.8% of the total, 0.4 pp more than in the same period of the previous year. In the *Área Metropolitana de Lisboa*, 9,761 transactions were registered, which, except for the 2nd quarter of 2020, under the influence of the COVID-19 pandemic, constitutes the lowest number of sales in this region since the 4th quarter of 2016. The relative weight of dwelling transactions in the *Área Metropolitana de Lisboa* diminished by 2.6 pp to 28.3%. Besides the *Norte*, the *Centro*, with a total of 7,654 transactions, was one of the regions that presented a year-on-year increase in the relative weight, +2.2 pp, representing 22.2% of the universe of transactions. In the *Algarve*, residential property transactions totalled 3,080 units, i.e. 8.9% of the total, which is 0.6 pp less than the same period in 2022. The *Alentejo* and the *Região Autónoma da Madeira*, with 2,577 and 898 transactions respectively, were the other regions that registered year-on-year increases in their respective relative shares, 0.4 pp and 0.2 pp, by the same order. In the *Região Autónoma dos Açores* 599 transactions were recorded, resulting in a regional share of 1.7%, unchanged from the percentage of 2022.

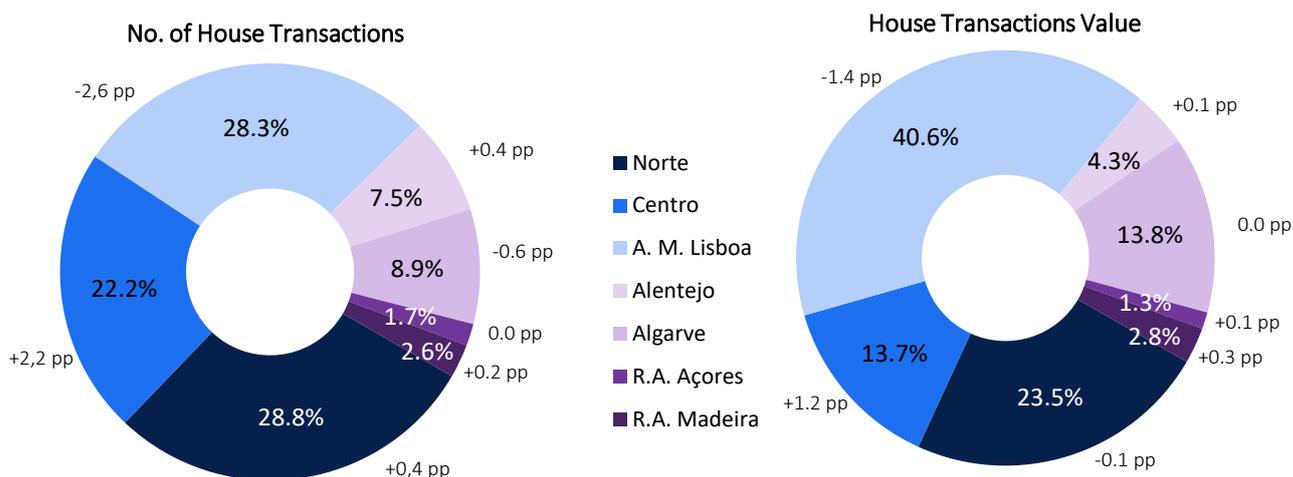
Between January and March 2023, the *Área Metropolitana de Lisboa* accounted for 40.6% of the total value of residential property transactions, followed by the *Norte* with 23.5%. In both cases, the value of transactions (approximately 2.8 and 1.6 billion euros, respectively) were the lowest of the last two years, resulting in year-on-year reductions in the respective relative shares (-1.4 pp in the *Área Metropolitana de Lisboa* and -0.1 pp in the *Norte*). The value of transactions of dwellings located in the *Algarve* was 947 million euros, which represents a relative share of 13.8%. In the *Centro*, the transactions of dwellings totalled 938 million euros, 13.7% of the total, 1.2 pp above the relative weight observed in the identical period of 2022. In *Alentejo*,



transacted dwellings reached 294 million euros, representing 4.3% of the total, an increase of 0.1 pp in the respective relative weight. In the *Região Autónoma dos Açores* and in the *Região Autónoma da Madeira*, housing transactions amounted to 87 million euros and 195 million euros, by the same order. The transaction values in these two regions represented 1.3% and 2.8% of the total, respectively, and in both cases, there were increases in the respective relative weights, 0.1 pp in the first case and 0.3 pp in the second.

The next figure shows the distribution of the number and value of house transactions by NUTS II region for the 1st quarter of 2023.

Figure 5. Percentage distribution of the number and value of house transactions, by NUTS II, 1st quarter of 2023
(percentage points difference compared with the same period in the previous year)





Annex 1: House Price Index and House Transactions Indicator - All dwellings, 1st quarter 2017 - 1st quarter 2023

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
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
4Q2022	195.91	206.38	166.10	1.1	1.3	0.5	11.3	12.7	7.1	12.6	13.9	8.7	38,526	31,652	6,874
1Q2023	198.55	209.72	166.99	1.3	1.6	0.5	8.7	9.7	5.7	11.5	12.8	7.4	34,493	27,523	6,970

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, 1st quarter 2017 - 1st quarter 2023

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				
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
4Q2022	7,362,219	38,526	1,737,340	10,970	1,088,067	5,679	1,039,498	8,690	3,002,522	10,957
1Q2023	6,857,332	34,493	1,613,625	9,924	1,035,158	5,343	938,332	7,654	2,782,680	9,761

(continues)



Annex 2: Value (*) and number of dwelling transactions - National and regional totals, 1st quarter 2017 - 1st quarter 2023

(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
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
4Q2022	7,362,219	38,526	340,576	3,130	946,037	3,162	115,774	779	180,472	838
1Q2023	6,857,332	34,493	293,599	2,577	946,956	3,080	86,800	599	195,339	898

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 – 21st September 2023
