

14 June 2018

Construction: Building permits and completed buildings

1st Quarter 2018 – Preliminary data

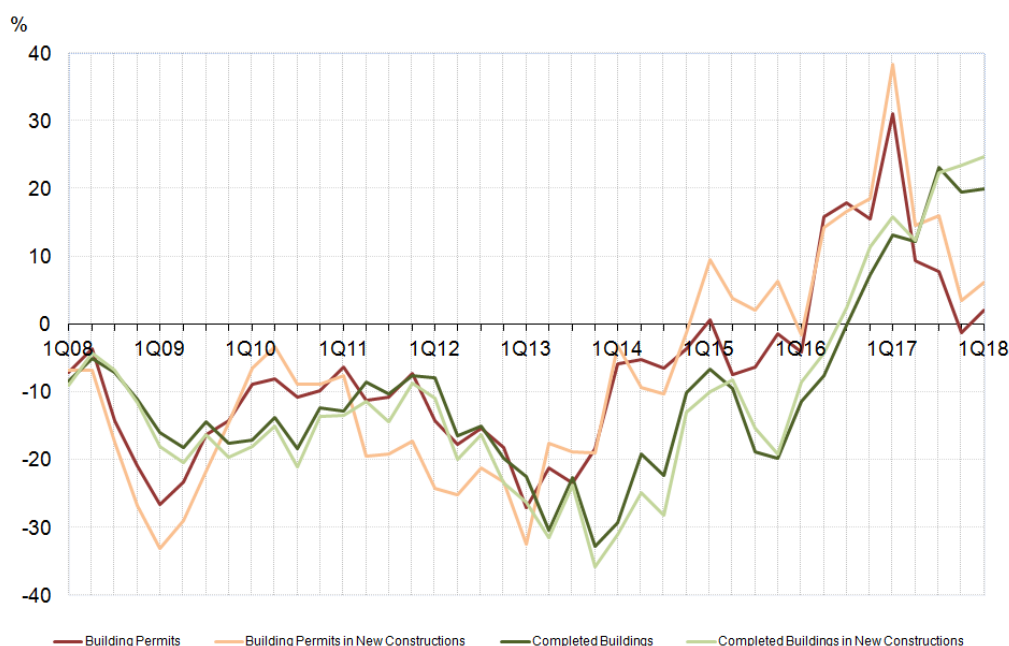
Building permits increased by 2.0% and completed buildings grew by 20.0%

In the 1st quarter 2018, building permits increased by 2.0% in comparison with the same period of the previous year (-1.3% in the 4th quarter 2017), corresponding to 5.1 thousand buildings. Building permits for new constructions increased by 6.3% (+3.5% in the 4th quarter 2017) while the number of rehabilitation permits decreased by 20.7% (-12.1% in the 4th quarter 2017). Completed buildings recorded a 20.0% increase (+19.6% in the 4th quarter 2017) with a total of 3.5 thousand buildings.

When compared with the previous quarter, the number of building permits increased by 18.3% (-4.0% in the 4th quarter 2017) while the rate of change as regards completed buildings was +3.6% (+0.7% in the 4th quarter 2017).

In the 1st quarter 2018, there were 5.1 thousand building permits and 3.5 thousand completed buildings in Portugal. Building permits increased by 2.0% vis-à-vis the 1st quarter 2017, corresponding to a 18.3% increase when compared with the previous quarter. The number of completed buildings increased by 20.0% in year-on-year terms and by 3.6% vis-à-vis the 4th quarter 2017.

Quarterly year-on-year change rate (Building permits and completed buildings)



1. Building permits

In the 1st quarter 2018, the number of building permits issued in Portugal reached 5.1 thousand, corresponding to a 2.0% increase in comparison with the 1st quarter 2017.

Of the total building permits, 70.7% corresponded to new constructions and of these, 70.3% referred to family housing. Demolished buildings (504 units) corresponded to 9.8% of the total building permits in the 1st quarter 2018.

The Centro region was the only one to present a declining rate of change in the total of building permits when compared with the same period a year earlier (-4.3%). The Algarve region accounted for a nil variation. The remaining regions presented positive rates of change as regards building permits, more so the Alentejo (+7.6%), Área Metropolitana de Lisboa (+5.4%) and Norte (+4.4%).

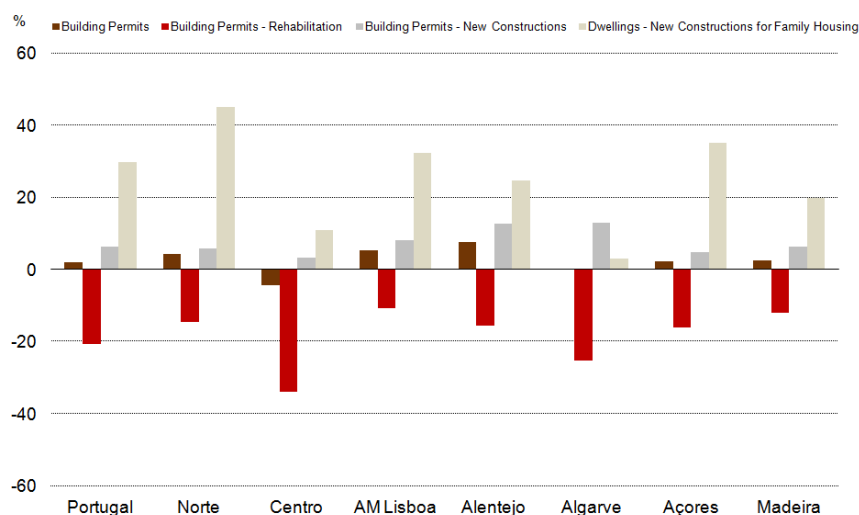
With regard to building permits for new constructions in Portugal, there was an increase of 6.3% vis-à-vis the 1st quarter 2017, while rehabilitation works declined by 20.7%. When compared with the previous quarter, permits for new constructions increased by 22.2% while rehabilitation works declined by 5.5%.

As regards building permits for new constructions, all regions presented positive rates of change more so the Algarve (+13.1%), Alentejo (+12.9%) and Área Metropolitana de Lisboa (+8.3%). In what concerns permits for building rehabilitation, all regions presented declining year-on-year rates of change, with the most declining rates having occurred in the regions of Centro (-33.9%) and Algarve (-25.3%).

In the 1st quarter 2018, the number of licensed dwellings in new constructions for family housing was 4.5 thousand, corresponding to a 29.8% increase when compared with the 1st quarter 2017, also increasing by 12.7 p.p. vis-à-vis the rate of change recorded in the preceding quarter (+17.1%). All regions presented a positive rate of change vis-à-vis the same quarter a year earlier. The Norte region presented the highest positive rate of change in this variable (+45.1%), followed by Região Autónoma dos Açores (+35.2%) and Área Metropolitana de Lisboa (+32.4%).

Buildings and dwellings permits – Quarterly year-on-year change rate

(1st quarter 2018)



When focusing the analysis on a municipality level, there is a high concentration of licensed dwellings (considering all types of construction works and purposes) in building works in a reduced number of municipalities. The municipalities with the highest absolute variation were responsible for the licensing of 20.7% of total dwellings in the 1st quarter 2018: Porto (10.9%), Vila Nova de Gaia (3.0%), Odivelas (2.3%), Lagos (2.0%) and Leiria (2.5%).

Municipalities with the highest variation in the total number of licensed dwellings in building works

(1st quarter 2018)

		1st Quarter 2018	1st Quarter 2017	Variation (Number)	Year-on- year change rate (%)
Rank	Portugal	5654	4840	814	16.8%
1	Porto	618	406	212	52.2%
2	Vila Nova de Gaia	168	46	122	265.2%
3	Odivelas	130	34	96	282.4%
4	Lagos	111	30	81	270.0%
5	Leiria	141	63	78	123.8%

In Portugal, in the 1st quarter 2018, there was a 19.4% year-on-year increase in the total licensed area. The Algarve region presented the highest positive rate of change (+32.9%) while Região Autónoma da Madeira recorded the largest decrease in this variable (-41.2%).

2. Completed buildings

In the 1st quarter 2018, the total number of completed buildings (new constructions, building enlargements, renovations and reconstructions) increased by 20.0% vis-à-vis the 1st quarter 2017. In this period, it is estimated that 3.5 thousand buildings were completed in Portugal, mostly corresponding to new constructions (72.0%) of which 69.8% were destined to become family housing.

Região Autónoma dos Açores was the only region to record a year-on-year decline in the number of completed buildings (-3.3%). This variable increased in the remaining NUTS II regions, more so in the Algarve (+48.6%), Alentejo (+28.5%) and Norte (+27.0%).

In Portugal, completed works for new constructions increased by 24.7% when compared with the 1st quarter 2017, while rehabilitation works grew by 9.5%. In comparison with the previous quarter, completed works for new constructions increased by 4.7% while rehabilitation works grew by 0.7%.

Completed works in new constructions have declined in Região Autónoma dos Açores (-5.7%) and in Região Autónoma da Madeira (-2.7%). All the remaining regions presented positive year-on-year rates of change, with the emphasis on the Algarve (+67.7%), Alentejo (+45.6%) and Norte (+32.4%).

In what concerns completed works for rehabilitation, the largest increases were registered in the Algarve (+19.0%), Região Autónoma da Madeira (+18.2%) and Norte (+15.4%) with only the Alentejo recording a decline (-9.1%).

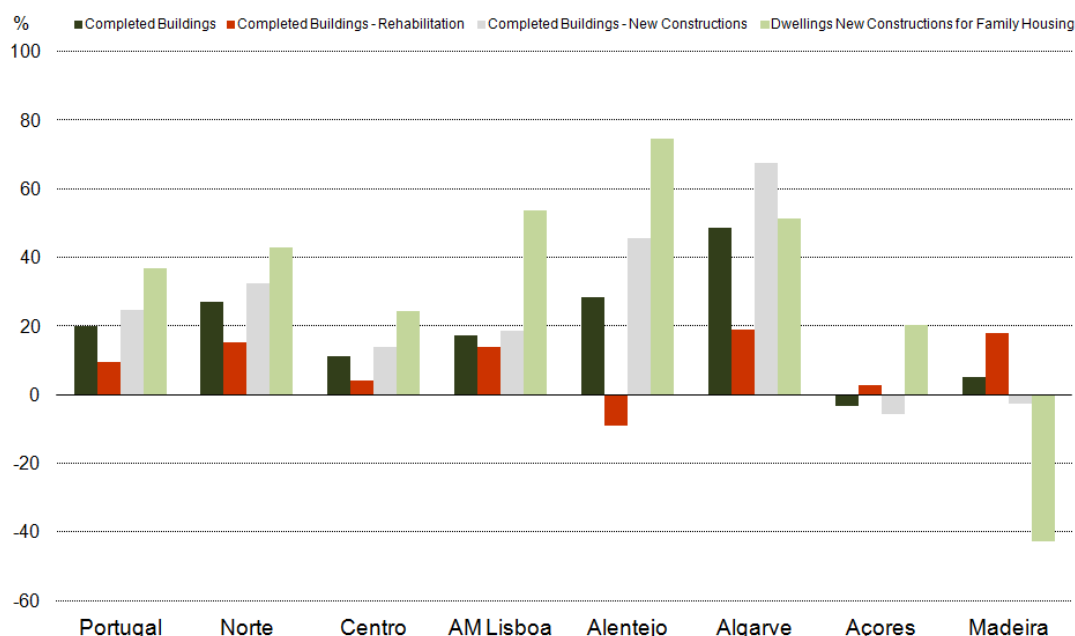
In the 1st quarter 2018, the number of completed dwellings in new constructions for family housing stood at 2.7 thousand, increasing by 36.8% when compared with the 1st quarter 2017 (+26.0% in the 4th quarter 2017). The only region that presented a declining year-on-year rate of change in this variable was Região Autónoma da Madeira (-42.7%). The remaining regions had positive year-on-year rates of change, more so the Alentejo (+74.7%), Área Metropolitana de Lisboa (+53.7%) and Algarve (+51.4%).

Of the total buildings completed in the 1st quarter 2018, about 71.0% were located in the regions of Norte and Centro, with a corresponding 66.4% of the total completed dwellings in new constructions for family housing. The Norte region accounted for a 40.9% share in buildings and 36.9% in completed dwellings in the whole country. The works completed in Área Metropolitana de Lisboa corresponded to 10.1% of the total buildings and 17.6% of the total dwellings.

In the 1st quarter 2018, there was a 10.8% decline in the total completed construction area in Portugal compared with the 1st quarter 2017. The main contribution for this outcome came from the decline in this variable observed in the regions of Algarve (-41.6%), Centro (-39.4%) and Região Autónoma da Madeira (-16.7%).

Completed buildings and dwellings – Quarterly year-on-year change rate

(1st quarter 2018)



Construction: Building Permits	Building Permits**					Quarterly year-on- year change rate (1 st Q)*
	1 st Q- 2017	2 nd Q- 2017	3 rd Q- 2017	4 th Q- 2017	1 st Q- 2018	
	Number					
Portugal						
Building Permits	5 026	4 729	4 516	4 334	5 127	2.0
Rehabilitation	1 261	1 178	1 111	1 058	1 000	-20.7
New Construction	3 409	3 190	3 076	2 965	3 623	6.3
for Family Housing	2 270	2 214	2 278	2 099	2 546	12.2
Dwellings	3 480	3 659	3 470	3 511	4 516	29.8
Total area (m ²)	1 741 454	1 836 200	1 871 774	1 805 872	2 079 047	19.4
Norte						
Building Permits	2 007	1 986	1 802	1 885	2 096	4.4
Rehabilitation	505	488	463	452	431	-14.7
New Construction	1 389	1 367	1 214	1 305	1 471	5.9
for Family Housing	979	971	883	918	972	-0.7
Dwellings	1 432	1 460	1 215	1 533	2 078	45.1
Total area (m ²)	734 178	745 125	842 541	879 687	968 144	31.9
Centro						
Building Permits	1 431	1 369	1 335	1 188	1 370	-4.3
Rehabilitation	375	333	338	283	248	-33.9
New Construction	945	948	917	825	976	3.3
for Family Housing	596	594	663	555	655	9.9
Dwellings	850	829	980	752	943	10.9
Total area (m ²)	508 851	585 060	562 565	453 024	572 017	12.4
Area Metropolitana de Lisboa						
Building Permits	734	581	601	542	774	5.4
Rehabilitation	130	128	101	117	116	-10.8
New Construction	533	382	428	369	577	8.3
for Family Housing	335	317	358	313	487	45.4
Dwellings	672	828	762	659	890	32.4
Total area (m ²)	251 638	239 835	262 082	228 660	281 292	11.8
Alentejo						
Building Permits	356	377	352	305	383	7.6
Rehabilitation	97	92	76	71	82	-15.5
New Construction	241	256	260	222	272	12.9
for Family Housing	140	138	159	124	177	26.4
Dwellings	150	152	176	125	187	24.7
Total area (m ²)	102 202	115 345	95 307	105 731	104 142	1.9
Algarve						
Building Permits	240	203	217	204	240	0.0
Rehabilitation	79	66	68	72	59	-25.3
New Construction	130	106	119	102	147	13.1
for Family Housing	108	94	107	84	120	11.1
Dwellings	260	203	171	238	268	3.1
Total area (m ²)	68 474	80 758	47 919	70 396	90 970	32.9
R.A. Açores						
Building Permits	182	152	153	161	186	2.2
Rehabilitation	50	47	41	41	42	-16.0
New Construction	123	94	107	116	129	4.9
for Family Housing	70	69	81	82	91	24.0
Dwellings	71	76	107	96	96	35.2
Total area (m ²)	45 923	32 635	42 209	35 884	44 737	-2.6
R.A. Madeira						
Building Permits	76	61	56	49	78	2.6
Rehabilitation	25	24	24	22	22	-12.0
New Construction	48	37	31	26	51	6.3
for Family Housing	42	31	27	23	44	4.8
Dwellings	45	111	59	108	54	20.0
Total area (m ²)	30 188	37 442	19 151	32 490	17 745	-41.2

Note: * Quarterly year-on-year change rate: compares the change between the current quarter and the same quarter of the previous year. **Preliminary data

The total building permits includes new construction works, rehabilitation (enlargements, alterations and reconstructions) and building demolitions

Construction: Completed Buildings	Completed Buildings					Quarterly year-on- year change rate (1 st Q)*
	1 st Q- 2017	2 nd Q- 2017	3 rd Q- 2017	4 th Q- 2017	1 st Q- 2018	
	Number					
Portugal						
Completed Buildings	2 896	2 903	3 334	3 356	3 476	20.0
Rehabilitation	888	915	1 040	965	972	9.5
New Construction	2 008	1 988	2 294	2 391	2 504	24.7
for Family Housing	1 346	1 360	1 529	1 609	1 749	29.9
Dwellings	1 987	1 886	2 101	2 662	2 719	36.8
Total area (m ²)	1 653 304	1 007 225	1 303 553	1 589 022	1 474 660	-10.8
Norte						
Completed Buildings	1 119	1 195	1 298	1 332	1 421	27.0
Rehabilitation	356	387	417	380	411	15.4
New Construction	763	808	881	952	1 010	32.4
for Family Housing	526	567	602	623	697	32.5
Dwellings	700	759	812	854	1 002	43.1
Total area (m ²)	477 122	438 082	554 986	521 685	589 523	23.6
Centro						
Completed Buildings	943	869	1 014	974	1 048	11.1
Rehabilitation	277	258	323	293	289	4.3
New Construction	666	611	691	681	759	14.0
for Family Housing	438	390	435	423	519	18.5
Dwellings	646	525	513	711	803	24.3
Total area (m ²)	803 420	301 385	423 734	438 920	486 479	-39.4
Area Metropolitana de Lisboa						
Completed Buildings	300	256	328	373	352	17.3
Rehabilitation	79	78	82	86	90	13.9
New Construction	221	178	246	287	262	18.6
for Family Housing	162	136	190	234	218	34.6
Dwellings	311	237	385	602	478	53.7
Total area (m ²)	160 947	94 501	141 564	252 004	187 526	16.5
Alentejo						
Completed Buildings	246	264	309	312	316	28.5
Rehabilitation	77	73	88	86	70	-9.1
New Construction	169	191	221	226	246	45.6
for Family Housing	92	118	123	142	140	52.2
Dwellings	95	138	150	188	166	74.7
Total area (m ²)	80 116	68 662	90 104	116 648	115 460	44.1
Algarve						
Completed Buildings	107	125	145	165	159	48.6
Rehabilitation	42	53	55	54	50	19.0
New Construction	65	72	90	111	109	67.7
for Family Housing	51	62	74	96	89	74.5
Dwellings	111	137	129	178	168	51.4
Total area (m ²)	78 204	47 449	40 716	194 375	45 698	-41.6
R.A. Açores						
Completed Buildings	122	137	170	118	118	-3.3
Rehabilitation	35	36	48	30	36	2.9
New Construction	87	101	122	88	82	-5.7
for Family Housing	44	65	68	52	53	20.5
Dwellings	49	67	70	55	59	20.4
Total area (m ²)	30 065	46 934	40 958	33 373	30 468	1.3
R.A. Madeira						
Completed Buildings	59	57	70	82	62	5.1
Rehabilitation	22	30	27	36	26	18.2
New Construction	37	27	43	46	36	-2.7
for Family Housing	33	22	37	39	33	0.0
Dwellings	75	23	42	74	43	-42.7
Total area (m ²)	23 430	10 212	11 491	32 017	19 506	-16.7

Note: * Quarterly year-on-year change rate: compares the change between the current quarter and the same quarter of the previous year.

Data for completed buildings is based on completed works estimations.

EXPLANATORY NOTES:

Building Permits

The goal behind this statistical operation is the gathering of data enabling to follow the evolution of the building construction sector, in a perspective of future starts in building construction. Data disseminated in this press release are based on the monthly permits issued by the 308 Municipalities across the country, under the scope of the Indicators System of Urban Operations (SIUO).

Estimates on Completed Works – Methodological note

With the introduction of the Indicators System of Urban Operations in 2002, based on the regulation of the set of urban operations subject to administrative control proceedings, the goal was to improve the accuracy of the data based on indicators and obtain data on Completed Works from the Municipalities in due time, mirroring what is currently done with regard to data on Building Permits. However, in practical terms, the aforementioned scenario was not accomplished and the data concerning completed works is mostly obtained from surveys sent to building contractors. This method of data retrieval implies substantial delays in data collection and, as a consequence, the final annual data only becomes available with considerable calendar deviations in relation to the quarterly dissemination of the provisional data. Therefore, it became necessary to rethink how to estimate results concerning Completed Works by conceiving a methodology that allows a quarterly dissemination of estimated data subject to the least possible deviation consisting of an estimation of the deadline for the conclusion of a building based on the previewed deadline (i.e., the time elapsed between the permission to build and the effective conclusion of the building, stated in the permit), based on a linear regression model, according to the different types and final use of the buildings.

Quarter-on-quarter change rate

The quarter-on-quarter rate of change compares the level of each variable with the quarter immediately before.

Year-on-year change rate

The year-on-year rate of change compares the level of each variable between the current period and the same period a year earlier. On this press release, the year-on-year change rate of data related to building permits presents revisions on both buildings and dwellings, following the corrections sent by the Municipalities.

	Year-on-year change rate	
	4 th Quarter 2017	
Previous publication	Previous publication	Current Publication
Building Permits	-2.4%	-1.3%
Licensed Dwellings	16.3%	17.1%

Series revision:

On January 1st, 2015, a new version of NUTS (NUTS 2013) was implemented. As a consequence, some adjustments had to be made in the 2002-2015 series (1st quarter 2015).

Further data

For further data on Building Permits and Completed Works, please access the Statistics Portugal database at www.ine.pt, where available data on Building Permits for APRIL 2018 can be found.

DATE OF NEXT PRESS RELEASE: **September 13, 2018.**