

11 September 2020

Construction: Building permits and completed buildings

2nd Quarter of 2020 – Preliminary data

Building permits and completed buildings decreased by 14.7% and by 2.8%, respectively

In the **2nd quarter of 2020**, there were 5.0 thousand licensed buildings which corresponded to a 14.7% decrease in comparison with the same period of the previous year (-5.5% in the 1st quarter of 2020). Building permits for new constructions decreased by 12.0% and rehabilitation permits declined by 21.6% (-2.2% and -11.2% respectively, in the 1st quarter of 2020). Completed buildings decreased by 2.8% (+32.2% in the 1st quarter of 2020) with a total of 3.4 thousand buildings.

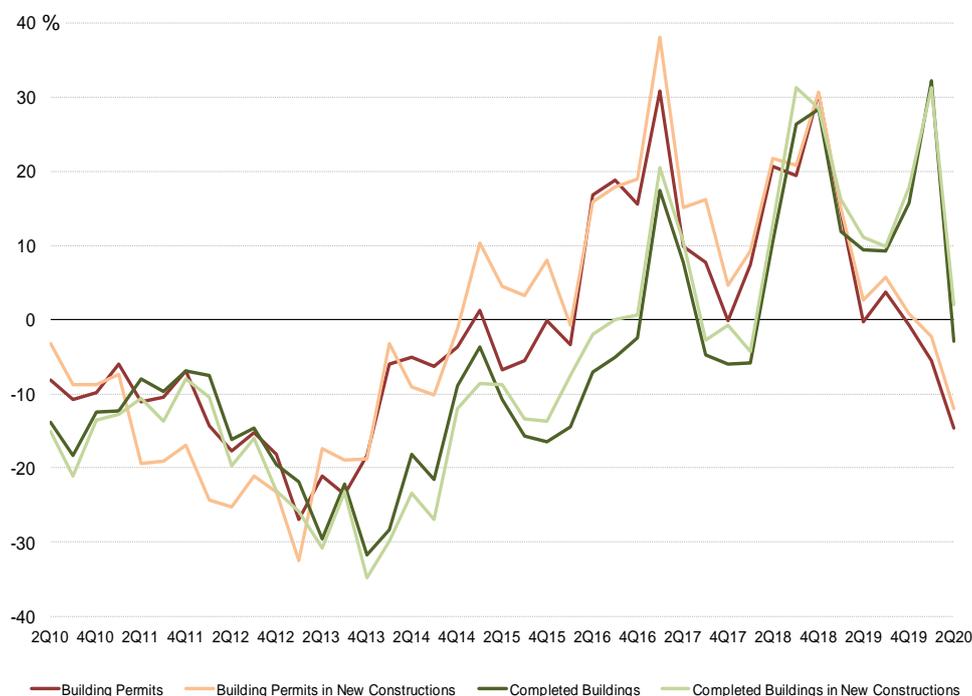
When **compared to the previous quarter**, the number of building permits decreased by 16.0% (+2.4% in the 1st quarter of 2020), and the number of completed buildings declined by 21.9% (+11.5% in the 1st quarter of 2020).

When analysing **monthly** data, building permits have been recording a downward trend in year-on-year terms from January to May 2020, with a reversal in June (+7.5%) and July (+2.8%).

Despite the circumstances determined by the COVID-19 pandemic, Statistics Portugal calls for the best collaboration by companies, families and public entities in responding to Statistics Portugal's data requests. The quality of official statistics, particularly its ability to identify the impacts of the COVID-19 pandemic, crucially depends on this collaboration, which Statistics Portugal thanks in advance.

In the 2nd quarter of 2020, there were 5.0 thousand building permits and 3.4 thousand completed buildings in Portugal. Building permits declined by 14.7% compared to the 2nd quarter of 2019 (-5.5% in the 1st quarter of 2020), corresponding to a decrease of 16.0% when compared to the previous quarter. The number of completed buildings decreased by 2.8% in year-on-year terms (+32.2% in the 1st quarter of 2020), having declined by 21.9% vis-à-vis the previous quarter.

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



1. Building permits

In the 2nd quarter of 2020, the number of building permits issued in Portugal was 5.0 thousand, corresponding to a decrease of 14.7% vis-à-vis the 2nd quarter of 2019 (-5.5% in the 1st quarter 2020).

Of the total building permits, 72.6% corresponded to new constructions, and, of these, 82.6% referred to family housing. Demolished buildings (320 units) corresponded to 6.4% of the total building permits in the 2nd quarter of 2020.

Região Autónoma da Madeira and Região Autónoma dos Açores were the only regions to register a positive year-on-year rate of change in building permits (+13.8% and +5.2%, respectively). In contrast, all the regions of the mainland presented declining year-on-year rates of change, more so the Algarve and Área Metropolitana de Lisboa (-30.7% and -27.0%, respectively).

The number of building permits for new constructions in Portugal decreased by 12.0% vis-à-vis the 2nd quarter of 2019, and rehabilitation works declined by 21.6%. When compared to the previous quarter, the permits for new constructions declined by 15.2% and rehabilitation works decreased by 18.5%.

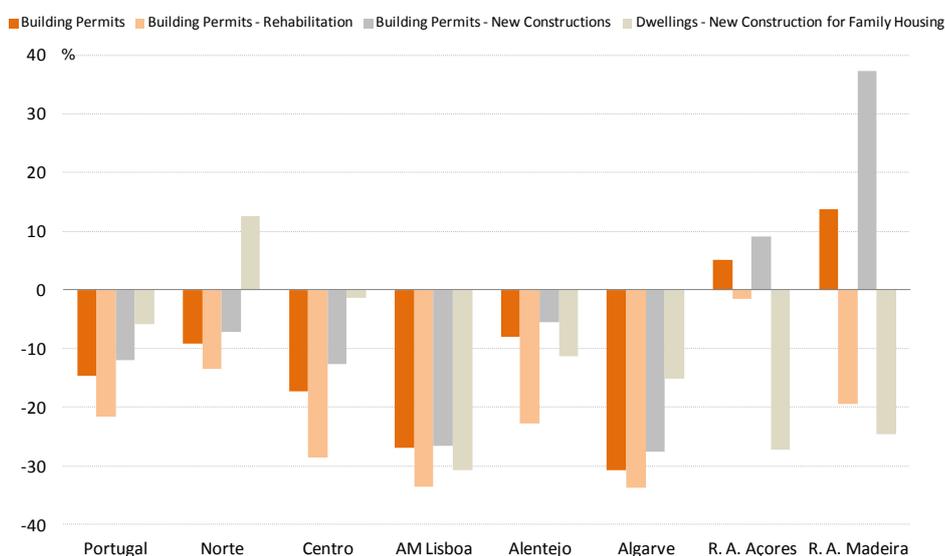
As regards building permits for new constructions, there was a positive variation compared to the same period of the previous year in Região Autónoma da Madeira (+37.3%) and Região Autónoma dos Açores (+9.2%). All the mainland regions recorded declining year-on-year rates of change, with the emphasis on Algarve (-27.5%) and Área Metropolitana de Lisboa (-26.6%). Concerning permits for building rehabilitation, all regions presented declining year-on-year rates of change, with the emphasis on Algarve (-33.7%) and Área Metropolitana de Lisboa (-33.5%).

In the 2nd quarter of 2020, the number of licensed dwellings in new constructions for family housing was 5.2 thousand, corresponding to a decrease of 5.7% vis-à-vis the 2nd quarter of 2019 (-1.5% in the 1st quarter of 2020). The Norte region was the only one to record a positive year-on-year rate of change in this variable (+12.6%). All the remaining regions presented declining rates of change, more so Área Metropolitana de Lisboa (-30.6%), Região Autónoma dos Açores (-27.2%) and Região Autónoma da Madeira (-24.6%).

In Portugal, in the 2nd quarter of 2020, the total licensed area decreased by 10.5% compared to the 2nd quarter of 2019 (+1.6% in the 1st quarter of 2020). Área Metropolitana de Lisboa was the only region to record a positive year-on-year rate of change in this indicator (+2.9%). The remaining regions presented declining year-on-year rates of change, with the emphasis on the Algarve and Norte (-20.4% and -19.4%, respectively).

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

(2nd quarter of 2020)



In the 2nd quarter of 2020, when focusing the analysis on a municipality level, the five municipalities with the highest absolute variation vis-à-vis the same quarter a year earlier, as regards the total number of licensed dwellings (considering all types of construction works and purposes), were responsible for the licensing of 21.3% of the total dwellings.

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

(2nd quarter 2020)

Rank	Portugal	2 nd Quarter 2020	2 nd Quarter 2019	Variation (Number)	Year-on-year change rate (%)
	Portugal	6 835	7 164	- 329	-4,6%
1	Porto	770	421	349	82,9%
2	Matosinhos	285	56	229	408,9%
3	Aveiro	140	54	86	159,3%
4	Vila do Conde	173	90	83	92,2%
5	Barreiro	85	30	55	183,3%

2. January to July 2020: building permits and licensed dwellings in new constructions for family housing

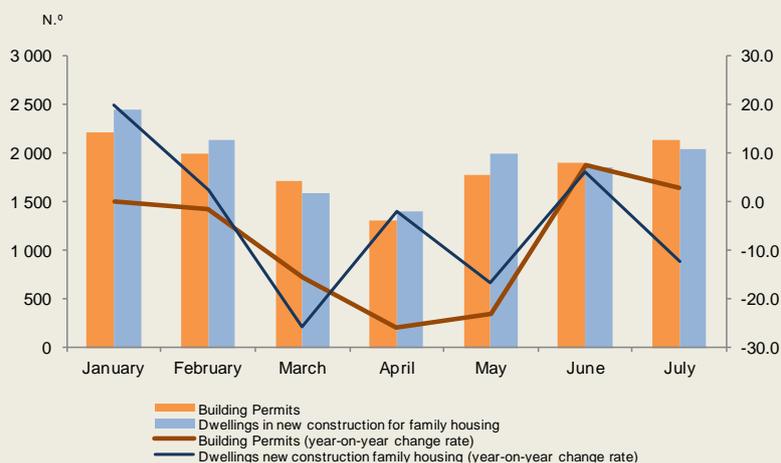
Building permits have been recording a downward trend from January to May 2020, when compared with the same month of the previous year. This trend accelerated from March to May, with the most negative year-on-year rate of change being recorded in April (-25.8%). In June and July 2020, there were positive year-on-year rates of change of 7.5% and 2.8%, respectively.

Monthly Information								
Month	Building Permits				Licensed Dwellings New construction for family housing			
	Total (number)		Growth Rate (%)		Total (number)		Growth Rate (%)	
	2019	2020	Year-on-year	Month-to-month	2019	2020	Year-on-year	Month-to-month
TOTAL	23,608	13,043			24,148	13,456		
January	2,223	2,221	-0.1	42.1	2,039	2,445	19.9	67.7
February	2,021	1,993	-1.4	-10.3	2,092	2,140	2.3	-12.5
March	2,028	1,712	-15.6	-14.1	2,135	1,588	-25.6	-25.8
April	1,756	1,303	-25.8	-23.9	1,423	1,395	-2.0	-12.2
May	2,308	1,775	-23.1	36.2	2,392	1,991	-16.8	42.7
June	1,765	1,897	7.5	6.9	1,747	1,857	6.3	-6.7
July	2,083	2,142	2.8	12.9	2,326	2,040	-12.3	9.9
August	1,628				1,768			
September	2,011				2,191			
October	2,417				2,710			
November	1,805				1,867			
December	1,563				1,458			

The licensed dwellings in new constructions for family housing performed differently by growing in January (+19.9%) and February (+2.3%), but decreasing, in year-on-year terms, in the months most affected by the COVID-19 pandemic. In June 2020, there was a growth (+6.3% compared to June 2019) but in July the number of dwellings decreased again vis-à-vis the same month of 2019 (-12.3%). This outcome was partly due to the increase in the number of building permits with a single dwelling in July 2020.

Building permits (total) and licensed dwellings in new constructions for family housing

(January to July 2020)



3. Completed buildings

In the 2nd quarter of 2020, the total number of completed buildings (new constructions, building enlargements, renovations and reconstructions) decreased by 2.8% vis-à-vis the 2nd quarter of 2019 (+32.2% in the 1st quarter of 2020). In this period, it is estimated that 3.4 thousand buildings were completed in Portugal, mostly corresponding to new constructions (78.7%), of which 78.2% were meant to become family housing.

The regions of Área Metropolitana de Lisboa, Alentejo and Região Autónoma da Madeira presented positive year-on-year rates of change concerning completed buildings: +33.4%, +16.2% and +6.6%, respectively. The remaining regions registered declining year-on-year rates of change, with the emphasis on the Algarve (-31.4%) and Região Autónoma dos Açores (-26.8%).

In Portugal, completed works for new constructions increased by 2.0% compared to the 2nd quarter of 2019 while rehabilitation works decreased by 17.3%. Completed works for new constructions decreased by 18.7% and rehabilitation works declined by 31.7%, vis-à-vis the previous quarter.

The regions of Área Metropolitana de Lisboa, Alentejo, Região Autónoma da Madeira and Norte presented positive year-on-year rates of change in terms of completed works for new constructions (+47.6%, +16.2%, +2.3% and +0.8%, respectively). The Região Autónoma dos Açores recorded the largest decrease in this variable (-28.5%), followed by the Algarve (-19.1%) and Centro (-15.2%).

Concerning completed works for rehabilitation, the Região Autónoma da Madeira and Alentejo presented positive year-on-year rates of change: +16.7% and +16.1%, respectively. The remaining regions recorded declining year-on-year rates of change, with the emphasis on the Algarve (-50.7%), Área Metropolitana de Lisboa (-23.4%) and Região Autónoma dos Açores (-23.0%).

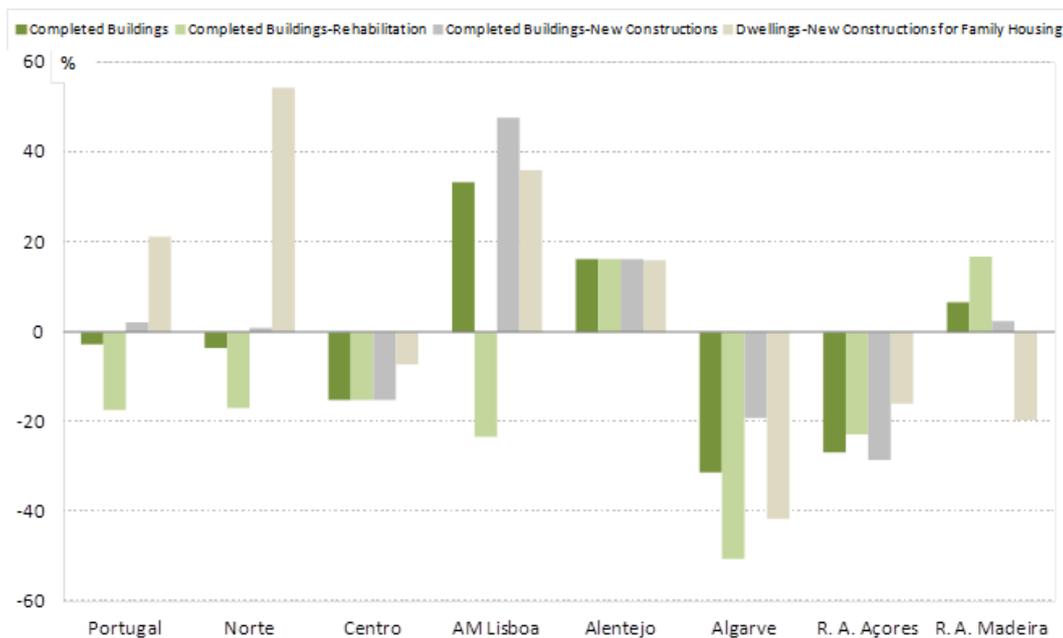
In the 2nd quarter of 2020, the number of completed dwellings in new constructions for family housing stood at 4.0 thousand, increasing by 21.1% when compared to the 2nd quarter of 2019 (+43.3% in the 1st quarter of 2020). The Norte, Área Metropolitana de Lisboa and the Alentejo were the only regions to present positive year-on-year rates of change concerning this indicator: +54.3%, +36.0% and +16.1%, respectively. All the remaining regions presented declining performances regarding this variable, with the emphasis on the Algarve (-41.7%).

The regions of Norte and Centro continued to stand out as regards the total number of completed buildings (61.7% of the total completed buildings in the country, in the 2nd quarter of 2020). Concerning the total completed dwellings in new constructions for family housing, the Norte region remains predominant with 44.8% of the total, followed by Área Metropolitana de Lisboa (23.3%) and the Centro (19.5%).

In the 2nd quarter of 2020, there was a decrease of 3.3% in the total completed construction area in Portugal compared to the 2nd quarter of 2019. The Norte region was the only one that presented a positive variation regarding this indicator (+23.9%). The remaining regions recorded declining year-on-year rates of change in the total construction area, with the emphasis on Região Autónoma da Madeira (-32.6%) and Algarve (-31.6%).

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

(2nd quarter of 2020)



Construction: Building Permits	Building Permits**					Quarterly year-on-year change rate (2 nd Q)*
	2 nd Q- 2019	3 rd Q- 2019	4 th Q- 2019	1 st Q- 2020	2 nd Q- 2020	
	Number					
Portugal						
Building Permits	5 829	5 722	5 785	5 926	4 975	-14,7
Rehabilitation	1 332	1 276	1 294	1 281	1 044	-21,6
New Construction	4 103	4 049	4 060	4 260	3 611	-12,0
for Family Housing	3 154	3 084	3 087	3 239	2 981	-5,5
Dwellings	5 562	6 285	6 035	6 173	5 243	-5,7
Total area (m2)	2 239 498	2 248 052	2 513 738	2 416 784	2 003 961	-10,5
Norte						
Building Permits	2 207	2 176	2 209	2 366	2 006	-9,1
Rehabilitation	519	521	467	535	449	-13,5
New Construction	1 570	1 534	1 620	1 702	1 457	-7,2
for Family Housing	1 223	1 199	1 269	1 336	1 224	0,1
Dwellings	2 111	2 681	2 802	2 672	2 378	12,6
Total area (m2)	984 412	976 755	1 071 996	999 314	793 552	-19,4
Centro						
Building Permits	1 601	1 613	1 578	1 633	1 324	-17,3
Rehabilitation	375	337	373	324	268	-28,5
New Construction	1 103	1 167	1 098	1 201	964	-12,6
for Family Housing	796	826	781	844	722	-9,3
Dwellings	1 253	1 278	1 114	1 258	1 237	-1,3
Total area (m2)	627 060	589 089	702 814	590 076	611 842	-2,4
Área Metropolitana de Lisboa						
Building Permits	1 009	872	925	924	737	-27,0
Rehabilitation	158	131	155	149	105	-33,5
New Construction	763	660	653	677	560	-26,6
for Family Housing	644	563	525	572	478	-25,8
Dwellings	1 400	1 462	1 201	1 402	971	-30,6
Total area (m2)	350 492	353 773	368 441	444 274	360 771	2,9
Alentejo						
Building Permits	437	463	484	413	402	-8,0
Rehabilitation	97	115	111	85	75	-22,7
New Construction	314	319	341	310	297	-5,4
for Family Housing	199	188	215	193	275	38,2
Dwellings	249	227	282	210	221	-11,2
Total area (m2)	115 344	129 064	134 764	172 012	102 876	-10,8
Algarve						
Building Permits	296	299	283	254	205	-30,7
Rehabilitation	83	89	92	77	55	-33,7
New Construction	182	176	157	154	132	-27,5
for Family Housing	153	156	139	131	122	-20,3
Dwellings	277	441	401	337	235	-15,2
Total area (m2)	88 372	128 690	130 072	89 549	70 329	-20,4
R.A. Açores						
Building Permits	192	210	208	217	202	5,2
Rehabilitation	64	52	70	61	63	-1,6
New Construction	120	136	119	147	131	9,2
for Family Housing	93	105	96	112	98	5,4
Dwellings	158	127	116	130	115	-27,2
Total area (m2)	47 058	45 140	50 767	67 664	38 847	-17,4
R.A. Madeira						
Building Permits	87	89	98	119	99	13,8
Rehabilitation	36	31	26	50	29	-19,4
New Construction	51	57	72	69	70	37,3
for Family Housing	46	47	62	51	62	34,8
Dwellings	114	69	119	164	86	-24,6
Total area (m2)	26 760	25 541	54 884	53 895	25 744	-3,8

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 (2 nd Q)*
	2 nd Q- 2019	3 rd Q- 2019	4 th Q- 2019	1 st Q- 2020	2 nd Q- 2020	
	Number					%
Portugal						
Completed Buildings	3 460	3 611	3 859	4 302	3 362	-2,8
Rehabilitation	866	882	937	1 049	716	-17,3
New Construction	2 594	2 729	2 922	3 253	2 646	2,0
for Family Housing Dwellings	2 034	2 159	2 297	2 486	2 069	1,7
Dwellings	3 317	3 760	4 122	4 285	4 017	21,1
Total area (m2)	1 605 033	1 670 258	1 869 431	1 870 872	1 552 519	-3,3
Norte						
Completed Buildings	1 295	1 360	1 497	1 666	1 250	-3,5
Rehabilitation	314	326	365	424	261	-16,9
New Construction	981	1 034	1 132	1 242	989	0,8
for Family Housing Dwellings	778	816	898	957	786	1,0
Dwellings	1 165	1 498	1 558	1 744	1 798	54,3
Total area (m2)	607 002	781 016	744 088	794 015	752 310	23,9
Centro						
Completed Buildings	970	966	997	1 077	823	-15,2
Rehabilitation	244	247	239	264	207	-15,2
New Construction	726	719	758	813	616	-15,2
for Family Housing Dwellings	567	552	562	568	444	-21,7
Dwellings	845	840	918	772	783	-7,3
Total area (m2)	479 658	439 186	477 265	534 321	359 130	-25,1
Área Metropolitana de Lisboa						
Completed Buildings	470	543	614	744	627	33,4
Rehabilitation	94	98	116	108	72	-23,4
New Construction	376	445	498	636	555	47,6
for Family Housing Dwellings	324	367	429	533	470	45,1
Dwellings	689	710	897	1 109	937	36,0
Total area (m2)	248 499	209 180	280 534	310 565	248 249	-0,1
Alentejo						
Completed Buildings	278	318	332	331	323	16,2
Rehabilitation	62	82	80	87	72	16,1
New Construction	216	236	252	244	251	16,2
for Family Housing Dwellings	139	176	165	161	161	15,8
Dwellings	168	201	181	201	195	16,1
Total area (m2)	134 518	106 568	91 055	94 110	96 709	-28,1
Algarve						
Completed Buildings	188	192	163	229	129	-31,4
Rehabilitation	73	56	54	86	36	-50,7
New Construction	115	136	109	143	93	-19,1
for Family Housing Dwellings	101	118	97	124	84	-16,8
Dwellings	278	356	275	187	162	-41,7
Total area (m2)	65 792	76 698	63 525	58 628	44 973	-31,6
R.A. Açores						
Completed Buildings	198	148	176	162	145	-26,8
Rehabilitation	61	44	51	45	47	-23,0
New Construction	137	104	125	117	98	-28,5
for Family Housing Dwellings	90	83	98	89	85	-5,6
Dwellings	106	83	148	122	89	-16,0
Total area (m2)	47 353	35 502	61 790	39 506	36 169	-23,6
R.A. Madeira						
Completed Buildings	61	84	80	93	65	6,6
Rehabilitation	18	29	32	35	21	16,7
New Construction	43	55	48	58	44	2,3
for Family Housing Dwellings	35	47	48	54	39	11,4
Dwellings	66	72	145	150	53	-19,7
Total area (m2)	22 211	22 108	151 174	39 727	14 979	-32,6

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 (SIOU).

Estimates on Completed Works – Methodological note

Data on Completed Works are based on a methodology that allows 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 rate change

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

Year-on-year rate change

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	
	1 st Quarter 2020	
Previous publication	Previous publication	Current Publication
Building Permits	-6.7%	-5.5%
Licensed Dwellings	-5.1%	-1.5%

Series revision:

In this press release, the series is updated for 2011 and the following years, following the SIOU's Revision Policy for updating information in the period between Censuses. As a result, there are changes in the quarterly figures previously made available.

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 JULY 2020 can be found.

DATE OF NEXT PRESS RELEASE: **14 DECEMBER 2020.**