



16 July 2021  
Construction and Housing Statistics  
2020

## CONSTRUCTION AND HOUSING REVEALED RESILIENCE IN 2020

In 2020 23,068 buildings and 33,065 dwellings were licensed in Portugal, respectively -4.3% and -4.1% than in 2019 (+5.5% and +15.0%, in 2019 compared to 2018, in the same order). It is estimated that in 2020, 14,580 buildings and 19,900 dwellings were completed, representing increases of 3.8% and 18.8%, respectively (+3.8% and +24.4% in 2019).

Housing transactions decreased by 5.3% in number (for the first time since 2012) but increased by 2.4% in value. In 2020, the median price of family dwelling in Portugal was 1,188 €/m<sup>2</sup>. The median price of housing remained above the national value in the Algarve (1 771 €/m<sup>2</sup>), Área Metropolitana de Lisboa (1 630 €/m<sup>2</sup>), Região Autónoma da Madeira (1 322 €/m<sup>2</sup>) and Área Metropolitana do Porto (1 240 €/m<sup>2</sup>).

The median housing rental of the 79 878 new rental contracts for family dwellings in Portugal reached 5.61 €/m<sup>2</sup>, increasing by 5.5% over the same period of the previous year. Compared to the previous year, there was also an increase of 9.7% in the number of new contracts.

Statistics Portugal makes available today the publication "Construction and Housing Statistics 2020", which provides a wide set of indicators on construction and housing in Portugal.

From the information now made available, the emphasis goes to the information from the Indicators System of Urban Operations (SIUO) on dwelling stock estimates, completed construction works, and building permits.

This publication includes the main results of the Annual Survey on Construction Enterprises, information on Real Estate Operations and information on the housing market and commercial properties: sales of residential dwellings; housing price and housing price

evolution at the local level; housing bank appraisals; house rental values at the local level; the evolution of the construction costs; and commercial property price indices.

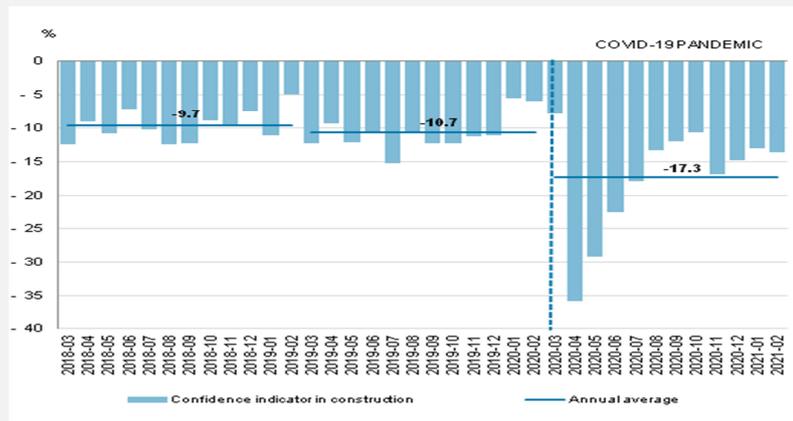




## 1. Impact of a one-year pandemic on the Construction and Housing sector

In this edition, a chapter is included, where, based on information available between March 2020 and February 2021, the construction activity performance is evaluated during a year in which the country was affected by the COVID-19 pandemic. Although with less intensity than that observed in other sectors covered by Statistics Portugal qualitative surveys, there was also a reduction in the construction confidence levels, which on average was -17.3 points in this period compared to the previous year.

Figure 1. Monthly confidence indicator in construction



Source: INE, Monthly Economic Survey

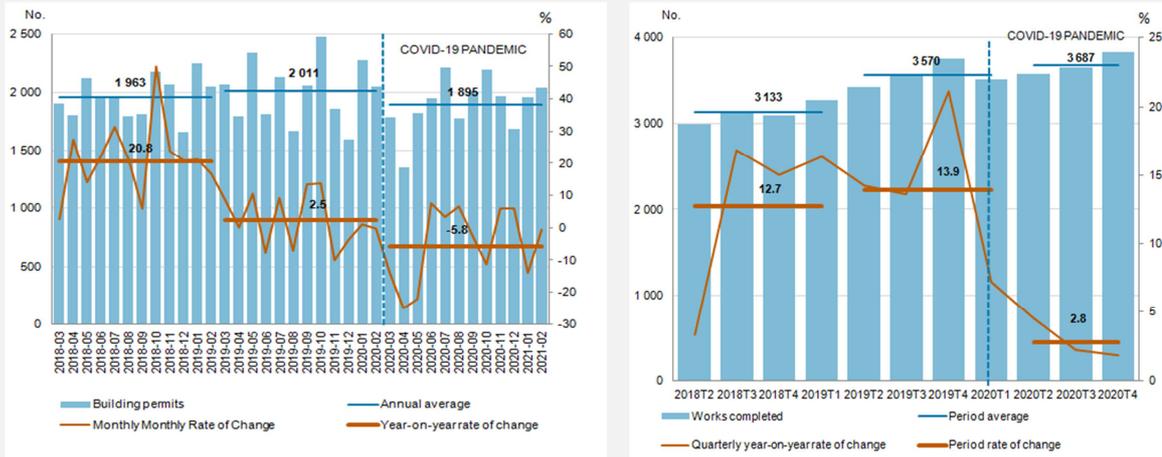
However, the construction sector has shown some resilience, recording average values for building permits very close to the average for the 12 months prior to the pandemic, and even estimating an increase in completed buildings. The value of dwelling transactions also continued to increase although at a lower rate and prices maintained a positive trend.

Employment in the Construction sector<sup>1</sup> increased by 3.8% in this period, and the total gross earnings grew by 5.7% (+7.7% and +10.9%, in the same pre-pandemic period). The gross monthly average earnings per employee was €969, corresponding to an increase compared to the pre-pandemic period (€952).

<sup>1</sup> Persons employed - Statistics Portugal calculations based on the Monthly Declaration of Social Security Remuneration and on the Contribution List of Caixa Geral de Aposentações; Section F - Construction of CAE-Rev.3



Figure 2. Building permits and works completed

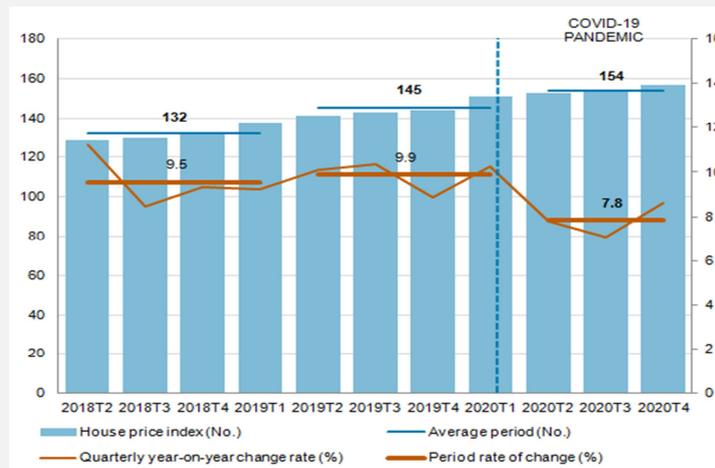


Source: INE, Statistics on Building permits and works completed

The House Price Index that indicates the average price change per square meter controlling quality changes of the dwellings transacted, grew over this period, reaching its maximum value in the fourth quarter of 2020, while in terms of rate of change, the lowest average value was observed in the pandemic period, corresponding to 7.8% compared to 9.9% in the previous period.

In 2020, despite the unfavorable context resulting from the restrictions imposed under the COVID-19 pandemic, a growth dynamic was maintained in the prices of transacted dwellings.

Figure 3. House price index – Total



Source: INE, House price index



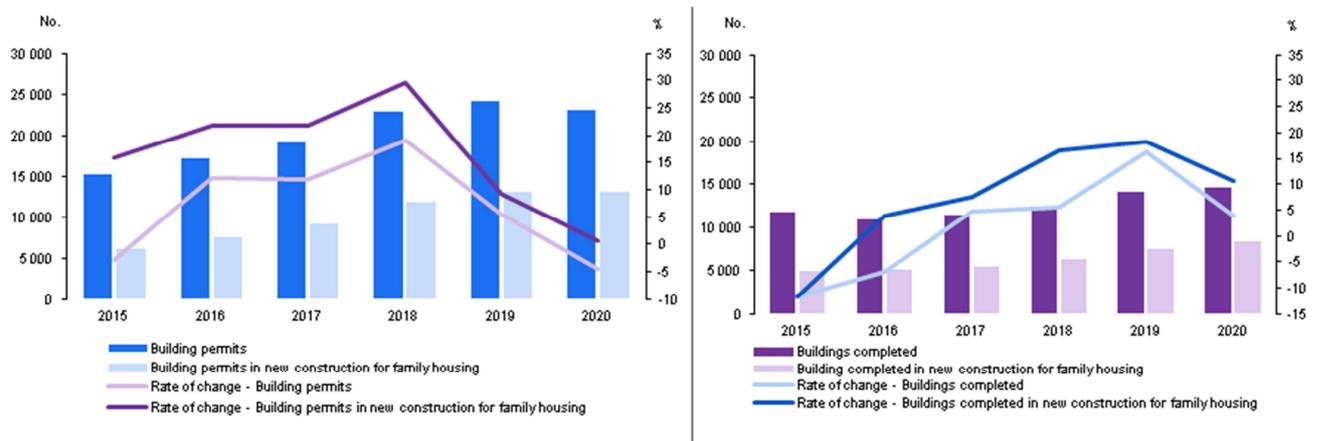
## 2. Building permits and Works completed

In 2020, 23,068 buildings were licensed in Portugal, corresponding to a decrease of 4.3% vis-à-vis the previous year (+5.5% in 2019). It is estimated that 14,580 buildings were completed in 2020. This value represents an increase of 3.8% compared to 2019 (+16.3% in 2019).

Buildings licensed for new construction remained dominant in 2020, representing 72.7% of all buildings licensed (70.6% in 2019). In 2020, 13,101 buildings were licensed in new construction for family housing, an increase of 0.6% when compared to 2019. Of the total number of licensed buildings, 56.8% corresponded to buildings in new construction for family housing, standing for an increase of 2.8 p.p. vis-à-vis the previous year (54.0% in 2019).

New buildings also continued to be predominant in completed works, representing 79.2% of total works completed in 2020 (74.7% in 2019). Works completed in new constructions for family housing corresponded to 57.5% of the completed buildings, an increase of 3.5% compared to the previous year.

Figure 4. Building permits and Works completed – Total and new construction for family housing  
Portugal (2015-2020)

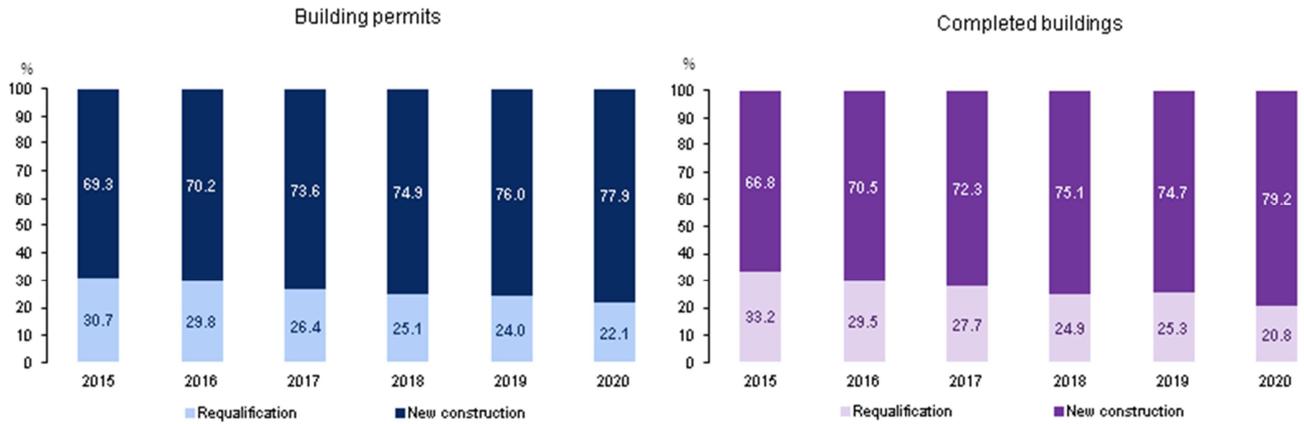


Source: INE, Construction and housing statistics – Building permits and works completed

In 2020, 4,747 buildings were licensed for rehabilitation works, a decrease of 11.9% over the previous year (+1.9% in 2019; 5 387 buildings). In the total of rehabilitation works in 2020 there was a decrease of 14.7% compared to the previous year, totalling 3,031 completed buildings (+18.1% in 2019, corresponding to 3,555 completed buildings). In contrast to the decrease observed in completed works for rehabilitation, there was an increase in completed works in new constructions, with an estimated 11,549 buildings completed in 2020, +10.1% (+15.7% in 2019; 10 488 buildings).



Figure 5. Evolution of the distribution of licensed and completed works - new construction and requalification  
Portugal (2015-2020)

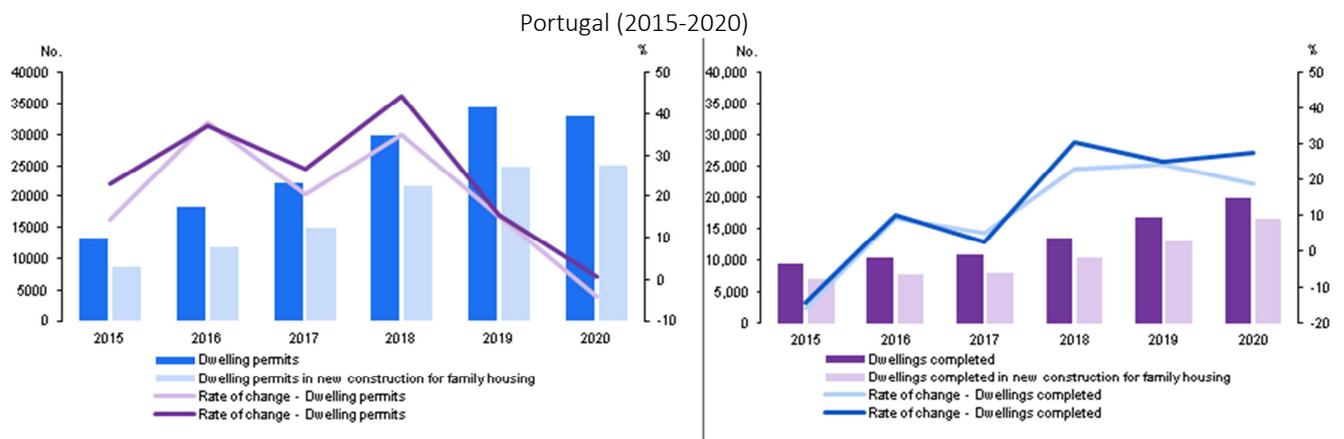


Source: INE, Construction and housing statistics – Building permits and works completed

In 2020, 33,065 dwellings were licensed in the country, a decrease of 4.1% over the previous year (+15.0% in 2019; 34 475 dwellings). The number of new constructions for family housing was 25,083, increasing by 0.7% vis-à-vis the previous year (+15.4% in 2019; 24 905 dwellings).

The number of dwellings completed in 2020 was estimated at 19,900, an increase of 18.8% over the previous year (+24.4% vis-à-vis 2019; 16 754 dwellings). In new constructions for family housing, the number of completed dwellings totalled 16,710, an increase of 27.6% over the previous year (+25.2% in 2019; 13 092 dwellings).

Figure 6 – Dwelling permits and dwellings completed – Total and new construction for family housing



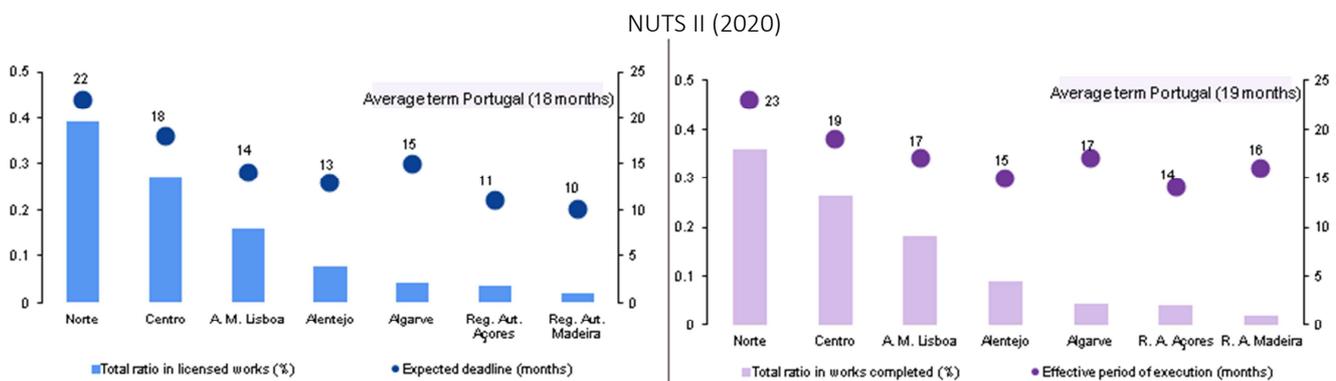
Source: INE, Construction and housing statistics – Building permits and works completed



The works licensed in 2020 are expected to take about 18 months to be completed in global average terms. The region Norte has the longest expected execution period (22 months), followed by the region of Centro (18 months). In the Região Autónoma dos Açores and Região Autónoma da Madeira, it is expected that, on average, the works that were licensed in 2020 will be completed in 11 and 10 months, respectively.

In terms of effective execution deadlines, the works completed in 2020 took around 19 months to be executed in Portugal. In the region of Norte, the effective execution period of completed works was longer (23 months), followed by the region of Centro, which presented an average period of 19 months. In the Região Autónoma dos Açores, the shortest duration for completion of works was recorded (14 months).

Figure 7 – Expected deadline and effective period of execution (months)



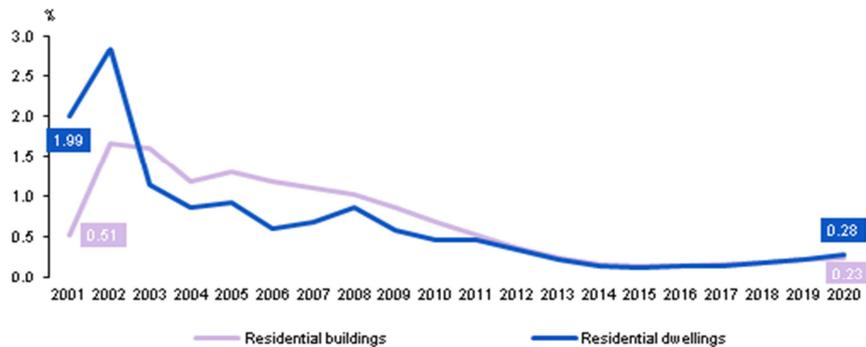
Source: INE, Construction and housing statistics – Building permits and works completed



### 3. Housing stock estimates

In 2020, the Portuguese housing stock was estimated at 3,619,739 buildings and 5,983,402 dwellings, corresponding to increases of 0.23% and 0.28%, respectively, compared to 2019 and an absolute increase of 8,417 buildings and 16,866 dwellings.

Figure 8 - Average annual change in the number of Residential Buildings and Residential dwellings  
Portugal (2001-2020)



Source: INE, Housing stock estimates

### 4. Housing Transactions

The value of transacted dwellings stood at 26.2 billion euros in 2020, translating into an increase of 2.4% over the previous year. By category, 20.8 billion euros corresponded to sales of existing dwellings (+0.7% compared to 2019) and 5.4 billion euros to new dwellings (+9.3% compared to 2019). Between 2014 and 2020, the value of dwellings transacted recorded an average annual growth of 18.3%, 5.7 p.p. above that observed in the number of transactions, 12.6%.

The transactions carried out totalled 145,181, 6.2% less than in 2019. Regarding new housing, there were 26,619 transactions, about the same number as in the previous year (-0.1% compared to 2019). For the first time, in the available series, the transactions of new dwellings had a better performance in the market compared to existing dwellings, which in 2020 resulted in a comparatively less expressive reduction in the number of transactions.



Figure 9 - House transactions indicator number, All dwellings, Existing and New Dwellings, 2014 – 2020



Source: INE, House price index

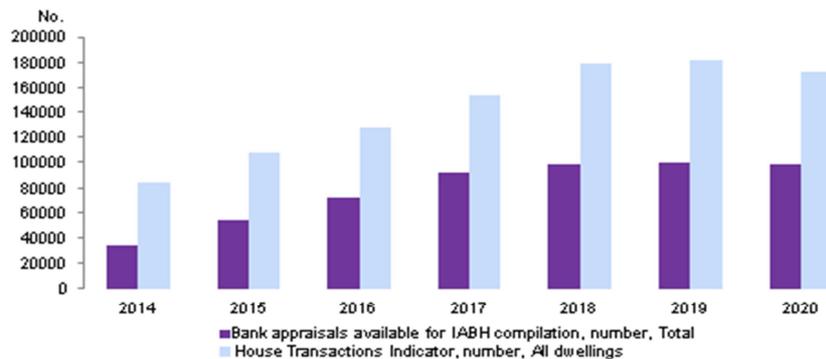
## 5. Bank appraisals

In 2020, the number of bank appraisals made by experts employed by bank institutions within the scope of granting mortgage loans was approximately 99 000. This record represented a reduction, the first since 2013, of 1.6% compared to 2019, and a rate of change of smaller amplitude compared to that observed in the number of dwelling transactions (-5.3%).

In the same year, the relative weight of the number of bank appraisals compared to the number of dwelling transactions increased to 57.5%, reversing the downward trend registered in the two previous years.

The median value of bank appraisals on housing kept, in 2020, an upward trend, with a rate of change of +7.7%.

Figure 10 – Number of bank appraisals and number of dwelling sales, 2014 – 2020



Source: INE, House Price Index and INE, Survey on bank appraisals on housing

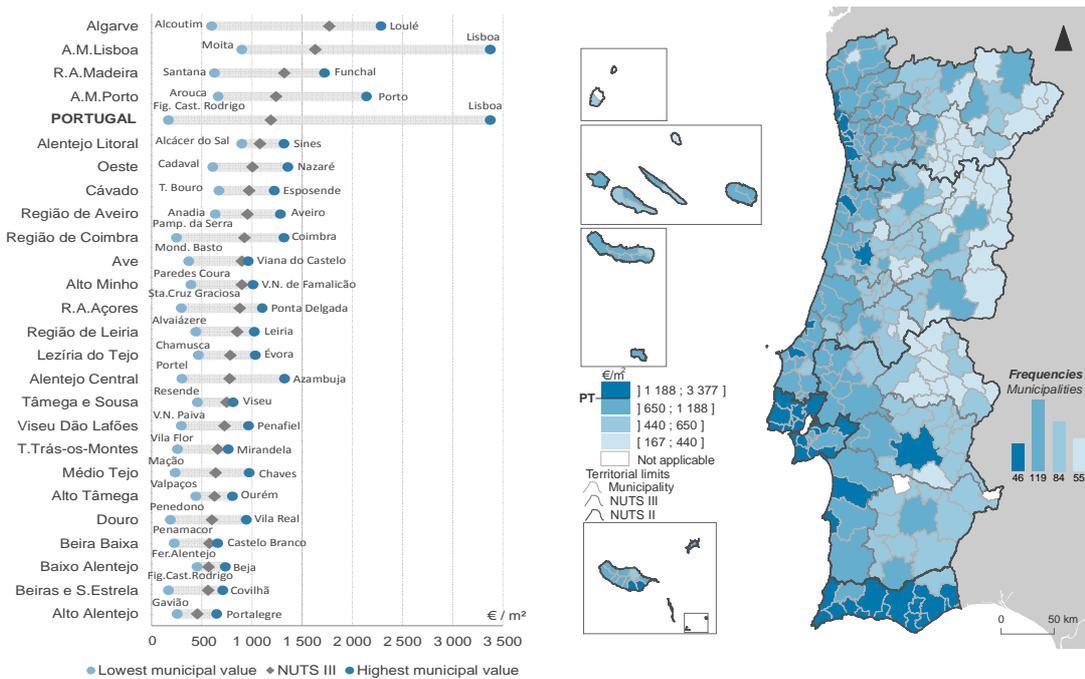


## 6. Housing prices at the local level

In 2020, the median price of family dwellings in Portugal was 1,188 €/m<sup>2</sup>, increasing by 9.9% compared to the previous year. The median price of housing remained above the national value in the Algarve (1 771 €/m<sup>2</sup>), Área Metropolitana de Lisboa (1 630 €/m<sup>2</sup>), Região Autónoma da Madeira (1 322 €/m<sup>2</sup>) and Área Metropolitana do Porto (1,240 €/m<sup>2</sup>).

In this period, 46 municipalities had a median price higher than the national value, located mostly in the Algarve (14 out of 16 municipalities) and Área Metropolitana de Lisboa (15 out of 18) sub-regions. The municipality of Lisbon (3 377 €/m<sup>2</sup>) registered the highest price in the country. There were also values above 2,000 €/m<sup>2</sup> in Cascais (2 787 €/m<sup>2</sup>), Oeiras (2 353 €/m<sup>2</sup>), Loulé (2 286 €/m<sup>2</sup>), Porto (2 142 €/m<sup>2</sup>), Albufeira (2026 €/m<sup>2</sup>) and Lagos (2016 €/m<sup>2</sup>), three more municipalities than in the previous year.

Figura 11 - Median value of sales per m<sup>2</sup> of family dwellings, Portugal, NUTS III and municipality, 2020



Source: INE, Housing price statistics at local level

## 7. Housing rent

In 2020, the median house rental value of the 79,878 new lease agreements registered in Portugal reached 5.61€/m<sup>2</sup>, increasing by 5.5% over the same period a year earlier. There was also an increase of 9.7% in the number of new agreements signed compared to the previous year.



The value of house rents was above the national value in the sub-regions of Área Metropolitana de Lisboa (8.57€/m<sup>2</sup>), Algarve (6.63€/m<sup>2</sup>), Área Metropolitana do Porto (6.12€/m<sup>2</sup>) and Região Autónoma da Madeira (5.99€/m<sup>2</sup>).

The region of Área Metropolitana de Lisboa centered around a third of new agreements (26,461). Together the metropolitan areas of Lisboa and Porto accounted for 50% of all new contracts in the country and the region of the Algarve for 5.9%. The region of Baixo Alentejo had the lowest number of new new agreements for renting (448).

Figure 12. Proportion of new leases of dwellings in total new leases of the country, NUTS III, 2020

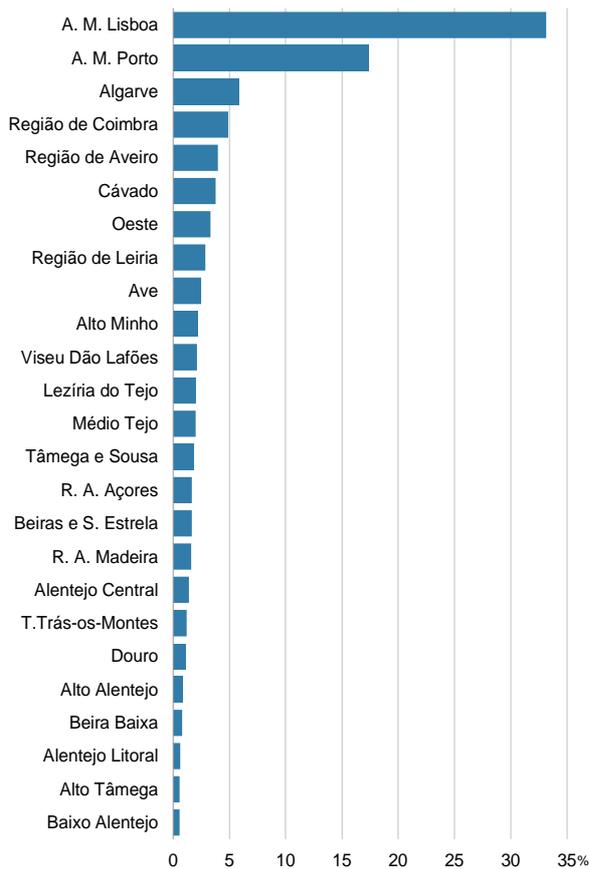
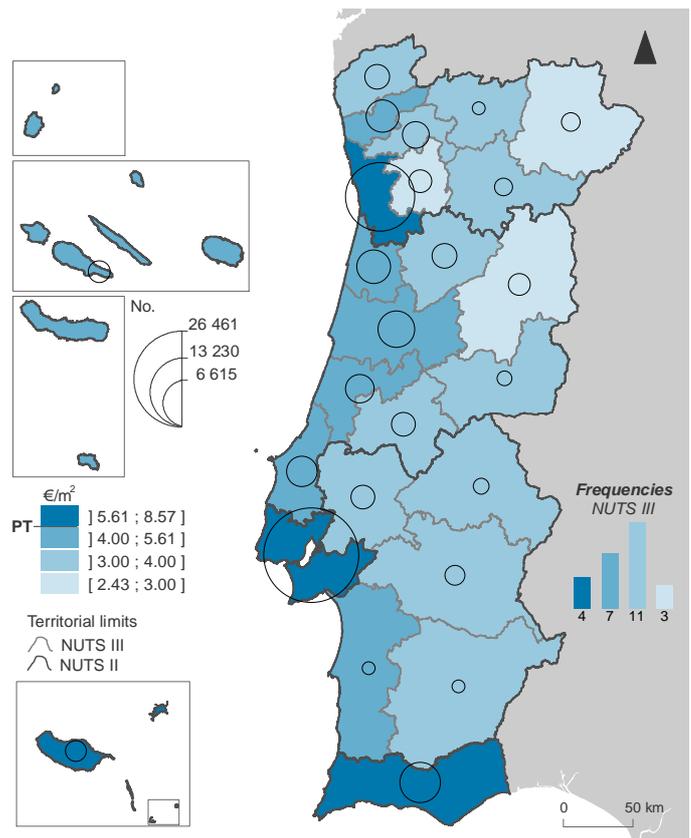


Figure 13. Median rent per m<sup>2</sup> and number of new rental contracts for family accommodation in Portugal and NUTS III, 2020



Source: INE, Housing Rent Statistics at the local level



## METHODOLOGICAL NOTE

**Building permits and Works Completion Statistics** - Set of surveys that aim to produce data on building construction projects, namely regarding the titleholder, type of work, intended use, licensing date, as well as the quantification of elements for physical characterisation.

**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 building construction plans. 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 Works Completions** – Data on Works Completions 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.

**Housing Stock Estimates** - Derived statistics that provide, in inter-census periods, information on the estimates of the number of classic buildings (with at least one dwelling) and the number of classic family dwellings.

**Operations on Real Estate** - Administrative information from the Directorate-General for Justice Policy of the Ministry of Justice, compiled through the Land Registry Offices, related to Real Estate Purchase and Sale Contracts and Loan Contracts with a Voluntary Mortgage (mortgaged buildings and mortgages granted).

**Annual Survey of Construction Companies** – This survey has as its main objective the collection, compilation, and dissemination of data on the structure of purchases of materials, equipment, and land by construction companies, as well as the value of the work they carry out in function of the various types of work.

**Housing Price Index** - The main objective of the Housing Price Index (IPHab) is to measure the evolution of the prices of family dwellings purchased in the residential market in Portugal. In addition to the total index, indices for existing and new housing segments are compiled and released on a quarterly basis.

**Housing Prices at the local level** - The Housing Price Statistics at the local level result from the use of administrative sources, namely the anonymous tax data obtained from the Tax and Customs Authority (AT), relating to the Municipal Tax on Onerous Property Transactions (IMT) and the Municipal Property Tax (IMI). The calculation is based on linking the IMT information (from where the transaction prices are obtained) with that of the IMI (from which the identifying characteristics of the transacted accommodation are taken). The link between these two tax administrative sources is made using the variable “generated article”.



**Housing Rental Statistics at the Local Level** - The Housing Rental Statistics at the local level (ERHab\_Local) has as its main objective to provide, on a regular basis, results that allow to monitor the national territorial differentiation of the value and dynamics of the rental market for family housing for permanent housing, including results by parish for the metropolitan areas of Lisbon and Porto.

**New Housing Construction Cost Index** - The New Housing Construction Cost Index is a statistical study designed to monitor the evolution of the cost of new housing construction, by type of construction: Single-house residential building, or with more than one dwelling, at the level of factors of production.

**Commercial Property Price Index** - The Commercial Property Price Index (IPPCom) has as its main objective to measure the evolution of the prices of commercial properties traded in the national territory. Similar to the Housing Price Index (IPHab), released by Statistics Portugal since July 2014, the IPPCom compilation uses fiscal administrative information from the Municipal Tax on Property Transfers (IMT) and the Municipal Tax on Real Estate (IMI).

**Other information** - For more related information, please access the “Construction and Housing Statistics 2020” publication, where you can find a more detailed analysis of this information, as well as links to the main indicators, which are available in the Database of Statistics Portugal website.