

14 December 2018

Construction: Building permits and completed buildings

3rd Quarter 2018 – Preliminary data

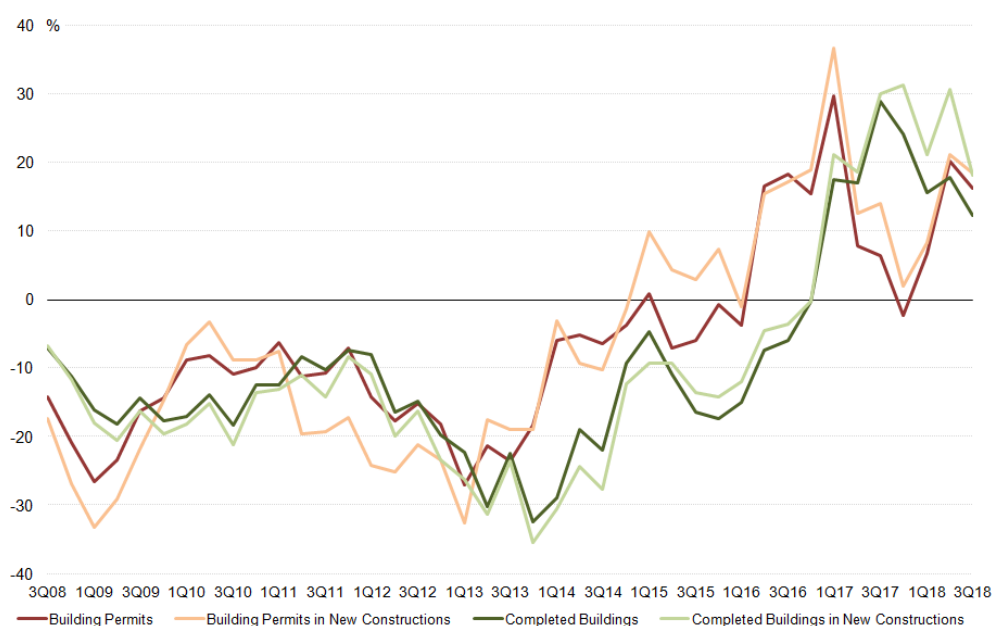
Building permits increased by 16.3% and completed buildings grew by 12.3%

In the 3rd quarter 2018, the number of building permits increased by 16.3% in comparison with the same period of the previous year (+20.3% in the 2nd quarter 2018), corresponding to 5.3 thousand buildings. Building permits for new constructions increased by 18.6% (+21.3% in the 2nd quarter 2018), while the number of rehabilitation permits increased by 6.0% (+18.9% in the 2nd quarter 2018). Completed buildings increased by 12.3% (+17.9% in the 2nd quarter 2018) totalling 3.9 thousand buildings.

When compared to the previous quarter, the number of building permits decreased by 7.7% (+5.9% in the 2nd quarter 2018) while the rate of change as regards the number of completed buildings was +8.2% (+3.0% in the 2nd quarter 2018).

In the 3rd quarter 2018, there were 5.3 thousand building permits and 3.9 thousand completed buildings in Portugal. Building permits increased by 16.3% vis-à-vis the 3rd quarter 2017, corresponding to a decrease of 7.7% when compared to the previous quarter. Completed buildings increased by 12.3% vis-à-vis the 3rd quarter 2017, also increasing by 8.2% compared to the 2nd quarter 2018.

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



1. Building permits

In the 3rd quarter 2018, the number of building permits issued in Portugal was 5.3 thousand, corresponding to a 16.3% increase vis-à-vis the 3rd quarter 2017.

Of the overall building permits, 69.4% corresponded to new constructions and, of these, 74.8% referred to family housing. Demolished buildings (428 units) corresponded to 8.1% of total building permits in the 3rd quarter 2018.

All regions presented a positive rate of change in the total of building permits vis-à-vis the same quarter a year earlier. The highest variations occurred in the regions of Região Autónoma da Madeira (+41.1%), Região Autónoma dos Açores (+32.0%) and Área Metropolitana de Lisboa (+23.6%). The lowest positive rate of change occurred in the region of Alentejo (+10.2%).

The number of building permits for new constructions in Portugal increased by 18.6% vis-à-vis the 3rd quarter 2017, while rehabilitation works increased by 6.0%. When compared to the previous quarter, permits for new constructions decreased by 5.7% and rehabilitation works reduced by 15.9%.

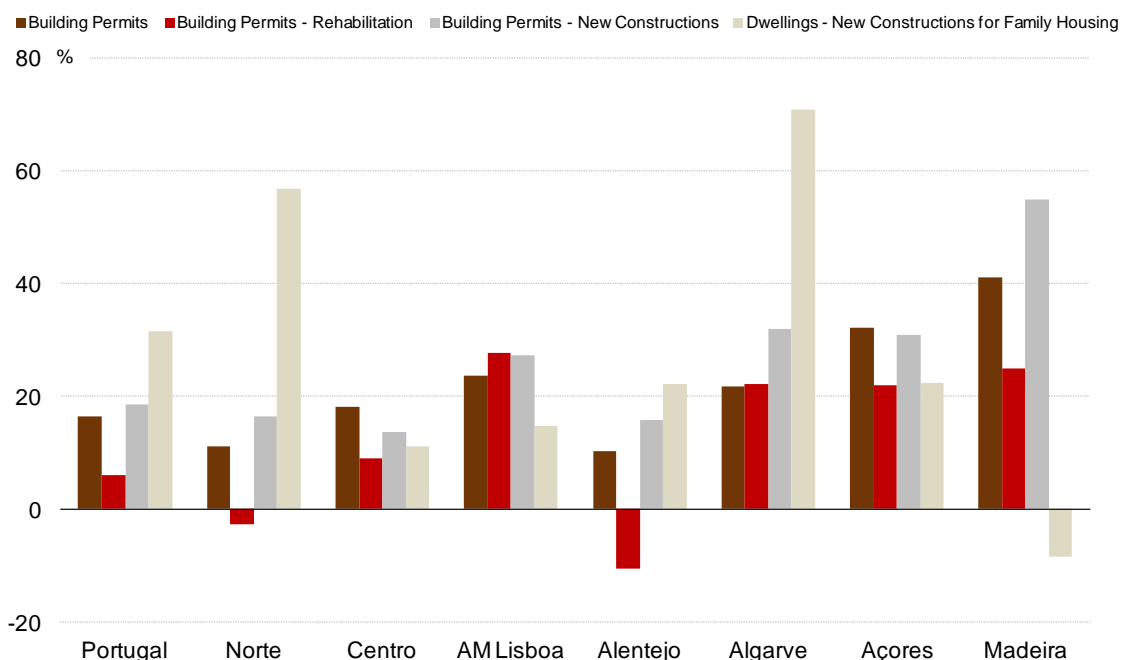
As regards building permits for new constructions, all regions presented positive rates of change more so the Região Autónoma da Madeira (+54.8%), Algarve (+31.9%) and Região Autónoma dos Açores (+30.8%). In what concerns permits for building rehabilitation, the regions of Alentejo and Norte presented declining year-on-year rates of change: -10.5% and -2.8% respectively. The remaining regions recorded positive rates of change, with the highest variations having occurred in Área Metropolitana de Lisboa (+27.7%) and in Região Autónoma da Madeira (+25.0%).

In the 3rd quarter 2018, the number of licensed dwellings in new constructions for family housing was 4.6 thousand, i.e. +31.4% compared to the 3rd quarter 2017, -14.8 p.p. vis-à-vis the rate of change recorded in the preceding quarter. Região Autónoma da Madeira was the only region that presented a reduction in this variable when compared to the same quarter of the previous year (-8.5%).

All other regions presented a positive rate of change in this indicator, vis-à-vis the same quarter a year earlier, with the emphasis on the regions of Algarve (+70.8%) and Norte (+56.9%). The variation observed in the number of licensed dwellings in the Algarve is mainly due to the decrease in this indicator in the 3rd quarter 2017.

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

(3rd quarter 2018)



When focusing the analysis on a municipality level, remains the high concentration of the total number of licensed dwellings (considering all types of construction works and purposes) in a reduced number of municipalities. The municipalities with the highest absolute variation compared to the 3rd quarter 2017 were responsible for the licensing of 13.5% of total dwellings in the 3rd quarter 2018: Braga (4.8%), Vila Nova de Gaia (3.3%), Barcelos (2.4%), Maia (1.8%) and Portimão (1.2%).

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

(3rd quarter 2018)

		3rd Quarter 2018	3rd Quarter 2017	Variation (Number)	Year-on- year change rate (%)
Rank	Portugal	5 822	4 863	959	19.7%
1	Braga	280	105	175	166.7%
2	Vila Nova de Gaia	192	103	89	86.4%
3	Barcelos	142	58	84	144.8%
4	Maia	103	26	77	296.2%
5	Portimão	70	5	65	1300.0%

In Portugal, in the 3rd quarter 2018, there was a 16.0% year-on-year increase in the total licensed area. All regions presented positive year-on-year rates of change regarding this variable, with the emphasis on the Algarve (+104.4%) partly justified by the licensing of a new tourist resort in the municipality of Portimão.

2. Completed buildings

In the 3rd quarter 2018, the total number of completed buildings (new constructions, building enlargements, renovations and reconstructions) increased by 12.3% vis-à-vis the 3rd quarter 2017. In this period, it is estimated that 3.9 thousand buildings were completed in Portugal, mostly corresponding to new constructions (73.1%) of which 71.8% were destined to become family housing.

All regions presented a positive rate of change vis-à-vis the same quarter a year earlier, more so in Área Metropolitana de Lisboa (+43.6%) and Região Autónoma da Madeira (+21.7%).

In Portugal, completed works for new constructions increased by 18.2% when compared to the 3rd quarter 2017 while rehabilitation works decreased by 1.0%. In comparison with the previous quarter, completed works for new constructions increased by 2.7% while rehabilitation works grew by 26.5%.

The region of Algarve recorded a declining year-on-year rate of change (-2.8%) as regards completed works for new constructions. The remaining regions presented positive year-on-year rates of change, with the emphasis on the Área Metropolitana de Lisboa (+60.0%), Região Autónoma da Madeira (+29.7%) and Norte (+21.2%).

In what concerns completed works for rehabilitation, only the regions of Alentejo and Norte presented declining year-on-year rates of change: -12.2% and -8.5%, respectively. The remaining regions recorded positive year-on-year rates of change, being highlighted the Região Autónoma dos Açores (+47.5%).

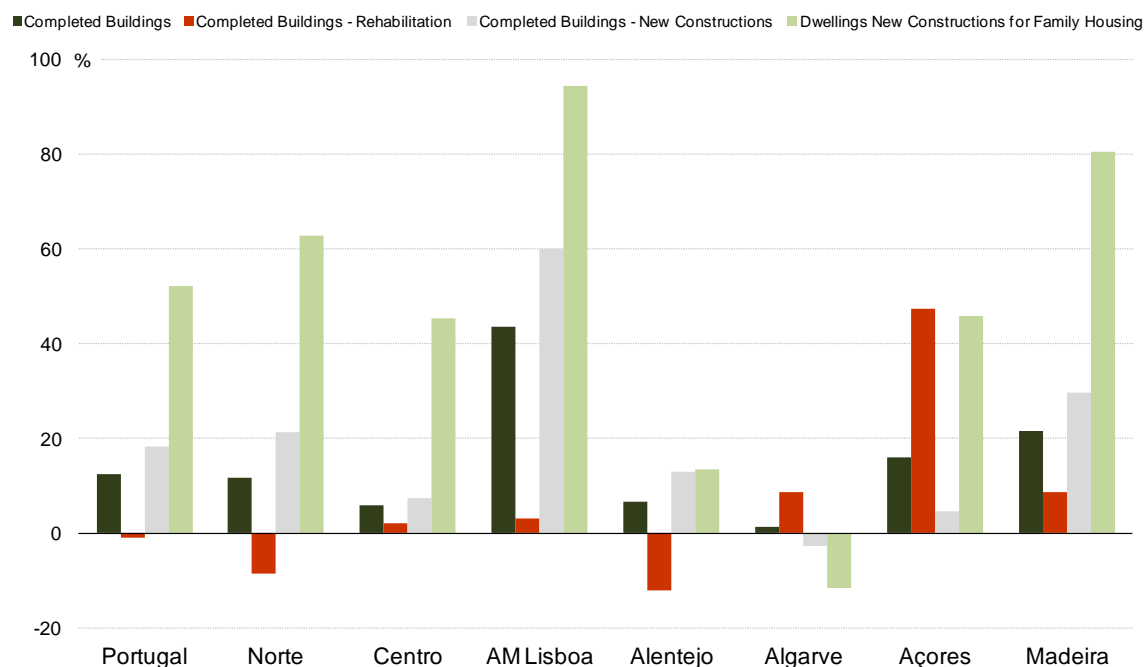
In the 3rd quarter 2018, the number of completed dwellings in new constructions for family housing stood at 3.3 thousand, increasing by 52.3% when compared with the 3rd quarter 2017 (+40.4% in the 2nd quarter 2018). With the exception of the Algarve (-11.5%), all regions presented positive year-on-year rates of change, more so Área Metropolitana de Lisboa (+94.5%), Região Autónoma da Madeira (+80.6%) and Norte (+62.8%).

Of the total buildings completed in the 3rd quarter 2018, 69.0% were located in the regions Norte and Centro, corresponding to 63.9% of total completed dwellings in new constructions for family housing in the whole country. The Norte region accounted for a 39.5% share in buildings and 40.1% in completed dwellings. The works completed in Área Metropolitana de Lisboa corresponded to 12.3% of the total buildings and 20.0% of the total dwellings in the country.

In the 3rd quarter 2018, there was a 12.5% increase in the total completed construction area in Portugal compared to the 3rd quarter 2017. The Algarve was the only region presenting a year-on-year declining rate in this variable (-23.4%). The largest increases were recorded in Região Autónoma da Madeira and Área Metropolitana de Lisboa: +82.9% and +76.3%, respectively.

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

(3rd quarter 2018)



Construction: Building Permits	Building Permits**					Quarterly year-on- year change rate (3 rd Q)*
	3 rd Q- 2017	4 th Q- 2017	1 st Q- 2018	2 nd Q- 2018	3 rd Q- 2018	
	Number					
Portugal						
Building Permits	4 517	4 342	5 373	5 691	5 255	16.3
Rehabilitation	1 111	1 059	1 262	1 401	1 178	6.0
New Construction	3 077	2 971	3 702	3 871	3 649	18.6
for Family Housing	2 279	2 105	2 730	2 906	2 730	19.8
Dwellings	3 472	3 528	4 580	5 351	4 563	31.4
Total area (m ²)	1 824 711	1 811 729	2 127 422	2 189 789	2 116 539	16.0
Norte						
Building Permits	1 802	1 884	2 149	2 176	2 002	11.1
Rehabilitation	463	452	533	519	450	-2.8
New Construction	1 214	1 304	1 484	1 524	1 414	16.5
for Family Housing	883	917	1 108	1 146	1 082	22.5
Dwellings	1 215	1 532	2 089	2 163	1 906	56.9
Total area (m ²)	842 901	881 004	974 061	950 412	930 672	10.4
Centro						
Building Permits	1 335	1 195	1 444	1 604	1 576	18.1
Rehabilitation	338	284	326	394	368	8.9
New Construction	917	830	1 002	1 102	1 043	13.7
for Family Housing	663	560	670	786	731	10.3
Dwellings	980	757	954	1 288	1 089	11.1
Total area (m ²)	514 760	454 947	592 765	634 411	579 223	12.5
Area Metropolitana de Lisboa						
Building Permits	602	544	859	850	744	23.6
Rehabilitation	101	117	150	176	129	27.7
New Construction	429	371	607	573	546	27.3
for Family Housing	359	315	514	489	448	24.8
Dwellings	764	672	924	1 062	876	14.7
Total area (m ²)	262 464	231 210	294 439	312 305	286 126	9.0
Alentejo						
Building Permits	352	305	398	438	388	10.2
Rehabilitation	76	71	97	105	68	-10.5
New Construction	260	222	280	304	301	15.8
for Family Housing	159	124	182	179	172	8.2
Dwellings	176	125	192	200	215	22.2
Total area (m ²)	95 307	105 725	105 115	105 613	149 004	56.3
Algarve						
Building Permits	217	204	247	328	264	21.7
Rehabilitation	68	72	71	95	83	22.1
New Construction	119	102	147	199	157	31.9
for Family Housing	107	84	119	176	142	32.7
Dwellings	171	238	267	489	292	70.8
Total area (m ²)	47 919	70 472	97 272	107 713	97 950	104.4
R.A. Açores						
Building Permits	153	161	195	208	202	32.0
Rehabilitation	41	41	56	76	50	22.0
New Construction	107	116	131	118	140	30.8
for Family Housing	81	82	93	84	115	41.7
Dwellings	107	96	100	86	131	22.4
Total area (m ²)	42 209	35 881	45 765	54 727	52 357	24.0
R.A. Madeira						
Building Permits	56	49	81	87	79	41.1
Rehabilitation	24	22	29	36	30	25.0
New Construction	31	26	51	51	48	54.8
for Family Housing	27	23	44	46	40	48.1
Dwellings	59	108	54	63	54	-8.5
Total area (m ²)	19 151	32 490	18 005	24 608	21 207	10.7

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 (3 rd Q)*
	3 rd Q- 2017	4 th Q- 2017	1 st Q- 2018	2 nd Q- 2018	3 rd Q- 2018	
	Number					
Portugal						
Completed Buildings	3 437	3 407	3 466	3 570	3 861	12.3
Rehabilitation	1 047	936	945	820	1 037	-1.0
New Construction	2 390	2 471	2 521	2 750	2 824	18.2
for Family Housing	1 637	1 683	1 766	1 986	2 028	23.9
Dwellings	2 193	2 598	2 772	2 924	3 339	52.3
Total area (m ²)	1 347 555	1 514 805	1 437 040	1 464 561	1 516 630	12.5
Norte						
Completed Buildings	1 364	1 430	1 417	1 449	1 524	11.7
Rehabilitation	435	384	409	346	398	-8.5
New Construction	929	1 046	1 008	1 103	1 126	21.2
for Family Housing	650	705	695	810	813	25.1
Dwellings	823	962	1 005	1 256	1 340	62.8
Total area (m ²)	572 834	569 592	581 691	603 324	608 903	6.3
Centro						
Completed Buildings	1 078	983	1 045	1 017	1 140	5.8
Rehabilitation	322	269	277	221	329	2.2
New Construction	756	714	768	796	811	7.3
for Family Housing	484	463	528	538	543	12.2
Dwellings	546	686	844	718	793	45.2
Total area (m ²)	447 258	420 306	463 387	487 827	494 699	10.6
Area Metropolitana de Lisboa						
Completed Buildings	330	339	355	416	474	43.6
Rehabilitation	95	87	88	82	98	3.2
New Construction	235	252	267	334	376	60.0
for Family Housing	179	210	222	270	322	79.9
Dwellings	343	495	486	471	667	94.5
Total area (m ²)	107 391	177 485	182 564	171 774	189 353	76.3
Alentejo						
Completed Buildings	290	289	317	316	309	6.6
Rehabilitation	74	71	62	66	65	-12.2
New Construction	216	218	255	250	244	13.0
for Family Housing	130	130	145	162	144	10.8
Dwellings	155	175	171	175	176	13.5
Total area (m ²)	88 315	106 702	114 911	96 868	96 252	9.0
Algarve						
Completed Buildings	165	160	157	177	167	1.2
Rehabilitation	58	59	48	55	63	8.6
New Construction	107	101	109	122	104	-2.8
for Family Housing	91	84	88	106	86	-5.5
Dwellings	218	153	161	190	193	-11.5
Total area (m ²)	80 972	173 128	45 615	58 766	61 990	-23.4
R.A. Açores						
Completed Buildings	150	135	114	137	174	16.0
Rehabilitation	40	35	35	33	59	47.5
New Construction	110	100	79	104	115	4.5
for Family Housing	71	58	56	64	78	9.9
Dwellings	72	64	66	67	105	45.8
Total area (m ²)	39 897	41 054	30 584	29 302	45 515	14.1
R.A. Madeira						
Completed Buildings	60	71	61	58	73	21.7
Rehabilitation	23	31	26	17	25	8.7
New Construction	37	40	35	41	48	29.7
for Family Housing	32	33	32	36	42	31.3
Dwellings	36	63	39	47	65	80.6
Total area (m ²)	10 888	26 538	18 288	16 700	19 918	82.9

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	
	2 nd Quarter 2018	
Previous publication	Previous publication	Current Publication
Building Permits	19.1%	20.3%
Licensed Dwellings	44.1%	46.2%

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 OCTOBER 2018 can be found.

DATE OF NEXT PRESS RELEASE: **March 15, 2019.**