

15 March, 2016

Construction: Building permits and completed buildings

4th Quarter 2015 – preliminary data

Completed buildings and building permits with less sharp decline

In the **4th quarter 2015**, building permits declined by 4.0% in comparison with the same period of the previous year (-6.4% in the 3rd quarter 2015), totaling 3.6 thousand buildings. There was a 5.7% increase in building permits for new constructions (+1.8% in the 3rd quarter 2015) while the number of rehabilitation permits declined by 16.2% (-21.0% in the 3rd quarter 2015). Completed buildings recorded a 24.4% decline (-24.8% in the 3rd quarter 2015) with a total of 2.6 thousand buildings.

When compared with the previous quarter, the number of building permits increased by 3.4% (-5.0% in the 3rd quarter 2015) and the number of completed buildings declined by 6.0% (-3.0% in the 3rd quarter 2015).

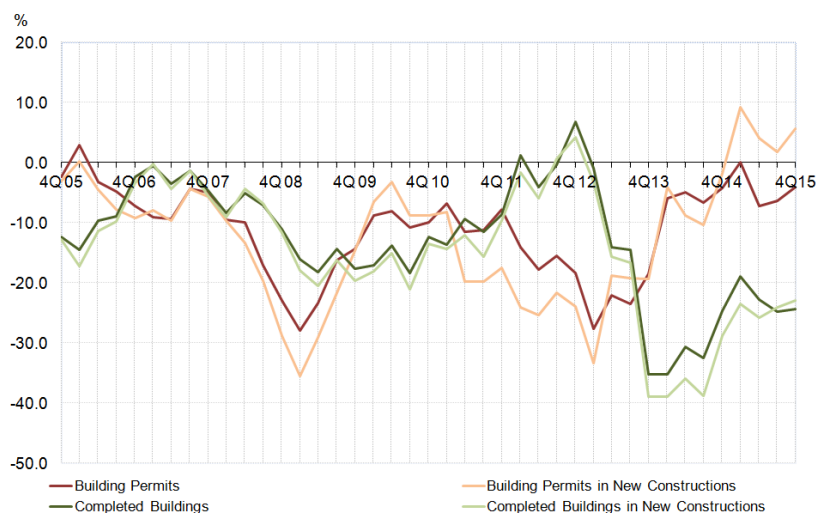
In **2015**, the number of building permits issued in Portugal reached 14.8 thousand and completed buildings settled at 11.5 thousand, which corresponded to decreases of 4.4% and 22.6% respectively, vis-à-vis 2014 (-5.5% and -31.1% in 2014).

In the 4th quarter 2015, there were 3.6 thousand building permits and 2.6 thousand completed buildings in Portugal.

Building permits declined by 4.0% compared with the 4th quarter 2014, corresponding to a less sharp decline than the one of the previous quarter (-6.4%).

The number of completed buildings continued to decline in year-on-year terms (-24.4%) but at a slower pace when compared with the previous quarter (-24.8%).

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



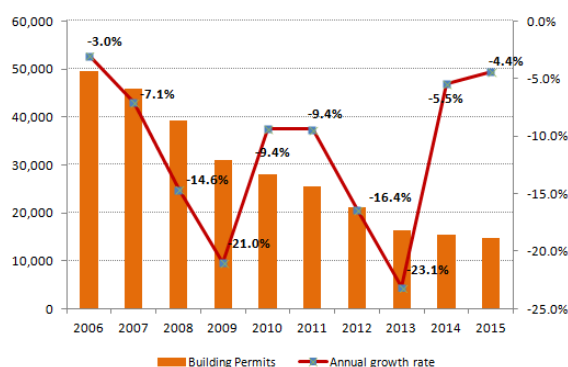
1. 2006-2015 evolution

In 2015, the number of building permits issued in Portugal reached 14.8 thousand and completed buildings settled at 11.5 thousand, corresponding to declines of 4.4% and 22.6% respectively, vis-à-vis 2014 (-5.5% and -31.1% in 2014).

In the last decade, the number of building permits recorded a reduction of 34.7 thousand buildings corresponding to a 70.1% decline (49.4 thousand building permits in 2006 vis-à-vis 14.8 thousand in 2015).

The reduction in building permits was steeper in the second half of the decade (-51.8% compared with the first half), which, in absolute terms, corresponded to 100 thousand less building permits, with the largest annual reductions having occurred in 2013 (-23.1%) and in 2009 (-21.0%).

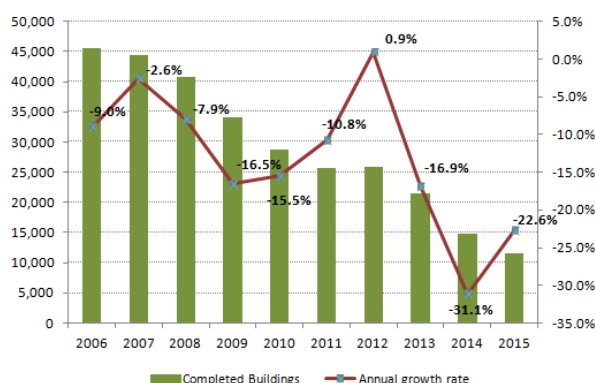
Building permits – 2006-2015 annual evolution



With regard to the number of completed buildings, there was a reduction of 74.7% in the period 2006-2015, which corresponded to 34.0 thousand less buildings (45.5 thousand buildings completed in 2006 vis-à-vis 11.5 thousand in 2015).

Similarly to the outcome in building permits, the reduction was steeper in the second half of the decade, with a 48.6% decline compared with the first half, corresponding to 93.9 thousand less buildings, with the largest year-on-year declines having occurred in 2014 (-31.1%) and in 2015 (-22.6%).

Completed buildings – 2006-2015 annual evolution



2. Building permits

In the 4th quarter 2015, the number of building permits issued in Portugal reached 3.6 thousand, corresponding to a decline of 4.0% in comparison with the 4th quarter 2014.

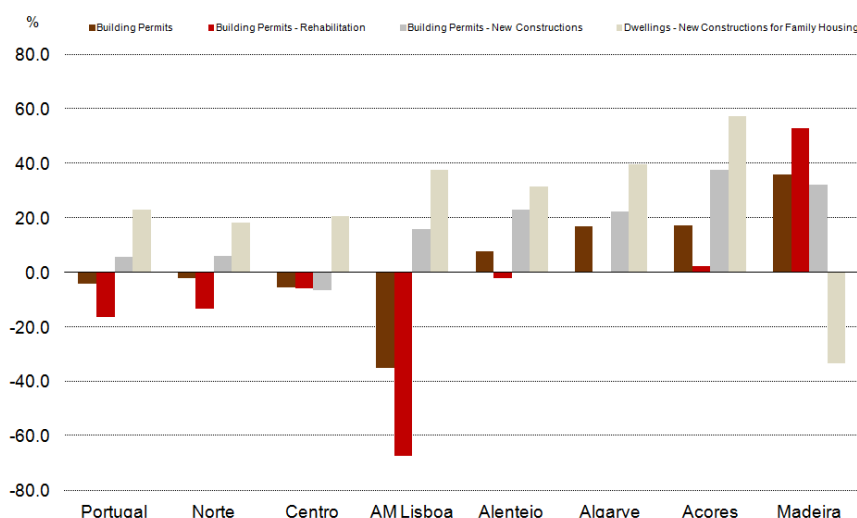
Of the total building permits, 64.6% corresponded to new constructions and of these, 64.2% referred to family housing. The Área Metropolitana de Lisboa (-35.0%), the Centro (-5.4%) and the Norte (-2.1%) regions presented declining year-on-year change rates in building permits. The remaining regions presented positive year-on-year change rates, with Região Autónoma da Madeira recording the highest change rate (+36.2%).

With regard to building permits for new constructions in Portugal, there was an increase of 5.7% vis-à-vis the 4th quarter 2014, while rehabilitation works recorded a 16.2% decrease. When compared with the previous quarter, permits for new constructions increased by 5.4% and rehabilitation works increased by 4.1%.

The region of Centro was the only one that presented a declining year-on-year change rate in building permits for new constructions (-6.5%). All the remaining regions presented positive year-on-year change rates, more so in Região Autónoma dos Açores (+37.7%) and Região Autónoma da Madeira (+32.1%). In what concerns permits for building rehabilitation, Região Autónoma da Madeira and Região Autónoma dos Açores presented positive year-on-year change rates of 52.9% and 2.3% respectively.

In comparison with the 4th quarter 2014, licensed dwellings in new constructions for family housing recorded a 23.2% increase, corresponding to a 6.4 p.p. improvement over the change rate recorded in the previous quarter (+16.8%). Região Autónoma da Madeira (-33.3%) was the only region to record a declining year-on-year change rate with regard to this variable. The highest positive change rates were recorded in Região Autónoma dos Açores (+57.5%), Algarve (+39.8%), Área Metropolitana de Lisboa (+37.6%) and Alentejo (+31.5%).

Buildings and dwellings permits – Quarterly year-on-year change rates, 4th Quarter 2015

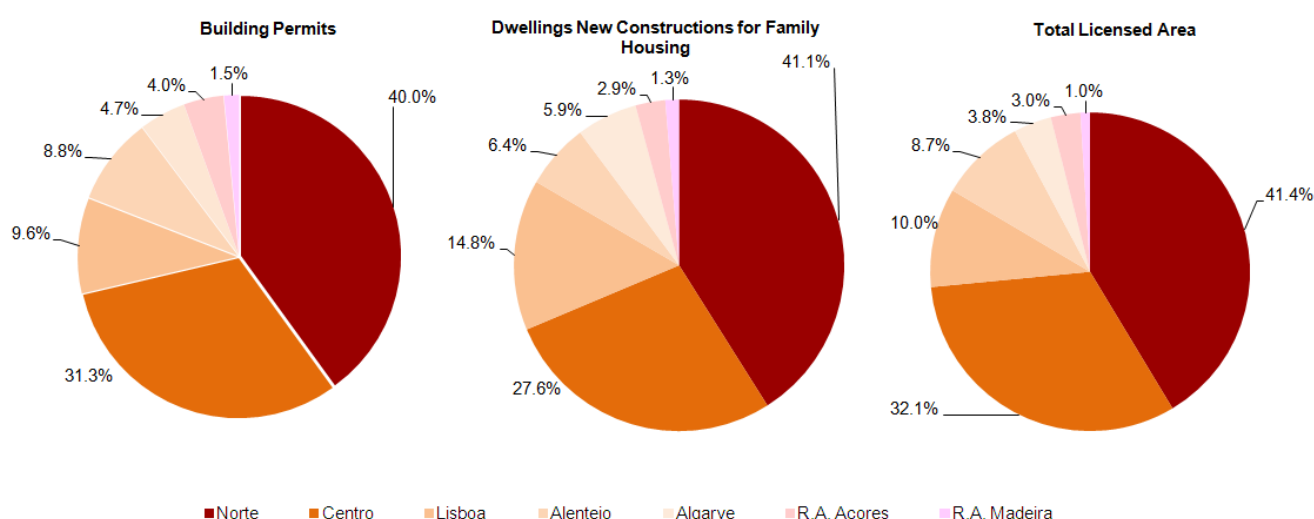


In Portugal, in the 4th quarter 2015, there was a 17.9% year-on-year increase in the total licensed area. Região Autónoma dos Açores and Área Metropolitana de Lisboa recorded declining year-on-year change rates regarding this variable (-33.4% and -1.1% respectively). In all the remaining regions, this variable recorded increases, with the highest rates being recorded in Alentejo (+33.1%) and Norte (+33.0%).

In 2015, the Norte region was responsible for 40.0% of the total building permits and for 41.1% of dwellings in new constructions for family housing in the country. Together with the Centro region, both stood for 71.3% of building permits and 68.7% of dwellings in new constructions for family housing.

Building permits in the Área Metropolitana de Lisboa represented 9.6% of the country's total value, corresponding to 14.8% of the total number of licensed dwellings in new constructions for family housing.

Regional breakdown of buildings, dwellings and total licensed area, 2015



3. Completed buildings

In the 4th quarter 2015, the total number of completed buildings (new constructions, building enlargements, alterations and reconstructions) decreased by 24.4% compared with the 4th quarter 2014. In this period, it is estimated that 2.6 thousand buildings were completed in Portugal, mostly corresponding to new constructions (66.4%) of which 59.7% referred to family housing.

The number of completed buildings declined in all regions, more so in Alentejo (-29.1%) and Centro (-28.3%).

Completed works for new constructions in Portugal declined by 22.9% compared with the 4th quarter 2014 and rehabilitation works recorded a 27.3% decrease. Completed works for new constructions decreased by 4.3% and rehabilitation works declined by 9.2%, in comparison with the previous quarter.

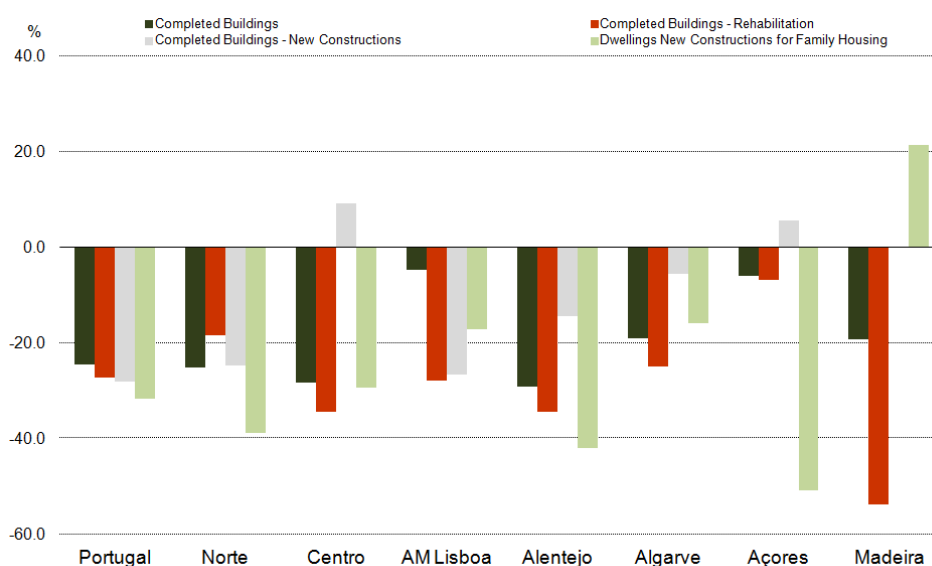
Completed works in new constructions have increased in Área Metropolitana de Lisboa (+9.2%) and in Região Autónoma da Madeira (+5.6%). The remaining regions presented declining year-on-year change rates, with the emphasis on the regions of Norte (-28.1%), Alentejo (-26.5%) and Centro (-24.6%). There were reductions in the number of completed rehabilitation works in all regions, more so in Região Autónoma da Madeira (-53.8%), Alentejo (-34.5%) and Centro (-34.3%).

In the 4th quarter 2015, the number of completed dwellings in new constructions for family housing recorded a year-on-year change rate of -31.6%, corresponding to a 4.8 p.p. decline vis-à-vis the change rate recorded in the previous quarter (-26.8%). Região Autónoma da Madeira was the only region presenting a positive year-on-year change rate (+21.4%). All the remaining regions presented declining rates, more so in the cases of Região Autónoma dos Açores (-50.8%) and Alentejo (-41.9%).

Of the total buildings completed in the 4th quarter 2015, 72.4% were located in the regions of Norte and Centro, with a corresponding 64.9% of the total completed dwellings. The Norte region accounted for a 39.0% weight in buildings and 38.0% in completed dwellings in the whole country. The works completed in Área Metropolitana de Lisboa corresponded to 7.6% of the total buildings and 13.3% of the total dwellings completed in Portugal in this period.

In the 4th quarter 2015, there was a 27.8% decline in the total completed construction area in Portugal compared with the same period of 2014. All regions recorded declines in this variable, in particular Região Autónoma da Madeira (-55.5%), Algarve (-55.4%) and Centro (-40.5%).

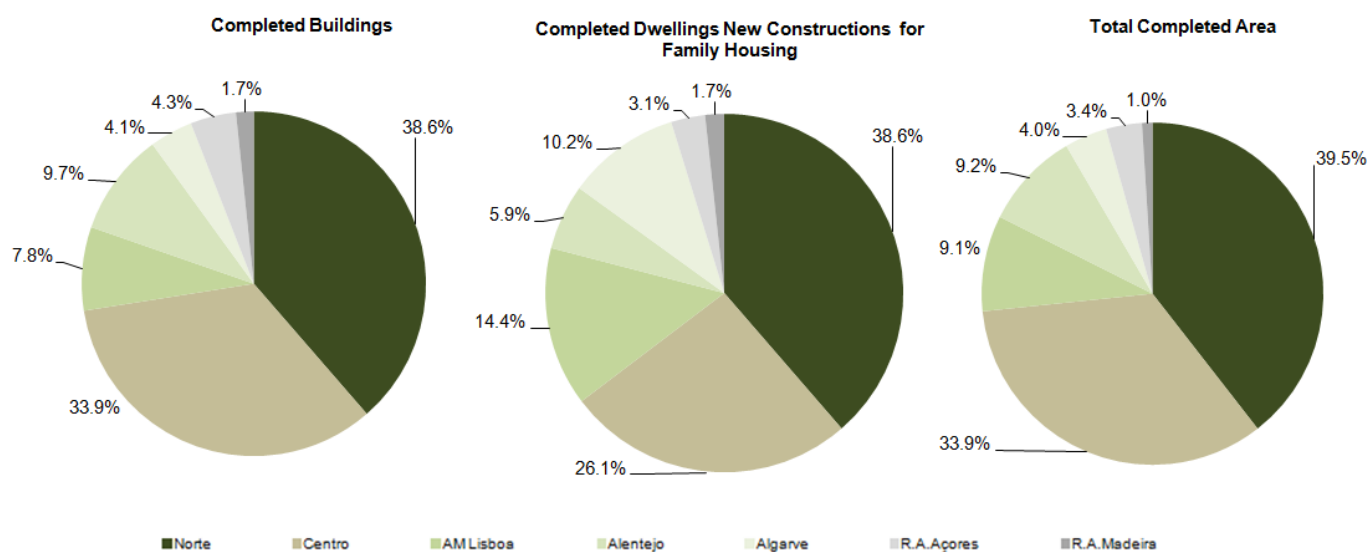
Completed buildings and dwellings – Quarterly year-on-year change rates, 4th Quarter 2015



Of the total completed buildings in 2015, were located in the Norte region 38.6% of completed buildings and 38.6% of completed dwellings in new constructions for family housing of the country's total. Together with the Centro region, both stood for 72.5% of completed buildings and for 64.7% of completed dwellings in new constructions for family housing.

Completed buildings in Área Metropolitana de Lisboa represented 7.8% of the country's total, corresponding to 14.4% of the total number of completed dwellings in new constructions for family housing.

Regional breakdown of buildings, dwellings and total completed area, 2015



Construction: Building Permits	Building Permits**					Quarterly year-on- year change rate (4th Q)*
	4 th Q - 2014	1 st Q - 2015	2 nd Q - 2015	3 rd Q - 2015	4 th Q - 2015	
	Number					
Portugal						
Building Permits	3 789	3 930	3 700	3 516	3 637	-4.0
Rehabilitation	1 248	1 180	994	1 005	1 046	-16.2
New Construction	2 224	2 441	2 400	2 231	2 351	5.7
for Family Housing	1 372	1 493	1 508	1 445	1 510	10.1
Dwellings	1 834	1 864	1 993	2 036	2 260	23.2
Total area (m ²)	1 165 348	1 212 861	1 164 957	1 110 323	1 373 966	17.9
Norte						
Building Permits	1 502	1 560	1 504	1 380	1 471	-2.1
Rehabilitation	457	391	372	360	397	-13.1
New Construction	909	1 048	1 018	915	966	6.3
for Family Housing	596	672	650	612	616	3.4
Dwellings	742	824	857	789	877	18.2
Total area (m ²)	442 066	505 710	483 209	434 143	587 827	33.0
Centro						
Building Permits	1 243	1 184	1 153	1 116	1 176	-5.4
Rehabilitation	375	345	310	325	353	-5.9
New Construction	790	765	757	725	739	-6.5
for Family Housing	443	435	467	424	457	3.2
Dwellings	533	519	546	543	643	20.6
Total area (m ²)	405 967	377 138	366 707	367 039	450 587	11.0
Area Metropolitana de Lisboa						
Building Permits	409	437	352	369	266	-35.0
Rehabilitation	190	209	113	110	62	-67.4
New Construction	176	170	185	193	204	15.9
for Family Housing	139	129	142	148	166	19.4
Dwellings	271	230	236	364	373	37.6
Total area (m ²)	124 322	125 519	114 676	124 451	122 936	-1.1
Alentejo						
Building Permits	300	338	337	301	323	7.7
Rehabilitation	93	82	73	80	91	-2.2
New Construction	181	238	239	208	223	23.2
for Family Housing	83	93	115	129	119	43.4
Dwellings	92	98	152	150	121	31.5
Total area (m ²)	85 969	101 247	101 769	105 015	114 463	33.1
Algarve						
Building Permits	166	179	171	149	194	16.9
Rehabilitation	73	70	60	59	73	0.0
New Construction	71	88	90	71	87	22.5
for Family Housing	56	75	72	56	68	21.4
Dwellings	108	97	136	101	151	39.8
Total area (m ²)	47 735	39 798	61 331	31 257	54 241	13.6
R.A. Açores						
Building Permits	122	167	138	148	143	17.2
Rehabilitation	43	55	53	49	44	2.3
New Construction	69	97	79	89	95	37.7
for Family Housing	32	62	42	52	54	58.5
Dwellings	40	66	44	64	63	57.5
Total area (m ²)	46 874	52 489	29 758	32 277	31 237	-33.4
R.A. Madeira						
Building Permits	47	65	45	53	64	36.2
Rehabilitation	17	28	13	22	26	52.9
New Construction	28	35	32	30	37	32.1
for Family Housing	23	27	20	24	30	30.4
Dwellings	48	30	22	25	32	-33.3
Total area (m ²)	12 415	10 960	7 507	16 141	12 675	2.1

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 (4th Q)*
	4 th Q - 2014	1 st Q - 2015	2 nd Q - 2015	3 rd Q - 2015	4 th Q - 2015	
	Number					
Portugal						
Completed Buildings	3 471	3 192	2 878	2 791	2 623	-24.4
Rehabilitation	1 213	1 146	1 051	971	882	-27.3
New Construction	2 258	2 046	1 827	1 820	1 741	-22.9
for Family Housing	1 313	1 224	1 072	1 116	1 040	-20.8
Dwellings	2 215	2 224	2 006	1 649	1 515	-31.6
Total area (m²)	1 581 672	1 408 964	1 211 185	1 185 138	1 142 482	-27.8
Norte						
Completed Buildings	1 365	1 199	1 104	1 108	1 023	-25.1
Rehabilitation	425	401	377	371	347	-18.4
New Construction	940	798	727	737	676	-28.1
for Family Housing	599	529	452	482	426	-28.9
Dwellings	942	824	781	675	576	-38.9
Total area (m²)	592 222	536 003	455 697	444 337	516 285	-12.8
Centro						
Completed Buildings	1 222	1 129	982	904	876	-28.3
Rehabilitation	463	412	374	330	304	-34.3
New Construction	759	717	608	574	572	-24.6
for Family Housing	383	392	327	321	324	-15.4
Dwellings	576	563	495	462	407	-29.3
Total area (m²)	557 174	486 374	412 992	446 234	331 610	-40.5
Area Metropolitana de Lisboa						
Completed Buildings	209	264	236	200	199	-4.8
Rehabilitation	79	101	97	70	57	-27.8
New Construction	130	163	139	130	142	9.2
for Family Housing	96	116	107	95	101	5.2
Dwellings	244	421	253	186	202	-17.2
Total area (m²)	155 415	147 745	81 810	107 060	111 221	-28.4
Alentejo						
Completed Buildings	361	295	275	284	256	-29.1
Rehabilitation	116	100	78	80	76	-34.5
New Construction	245	195	197	204	180	-26.5
for Family Housing	131	89	93	99	80	-38.9
Dwellings	155	110	116	121	90	-41.9
Total area (m²)	119 462	135 945	119 758	98 783	99 824	-16.4
Algarve						
Completed Buildings	136	115	112	129	110	-19.1
Rehabilitation	60	61	64	58	45	-25.0
New Construction	76	54	48	71	65	-14.5
for Family Housing	50	37	31	53	47	-6.0
Dwellings	209	238	230	113	176	-15.8
Total area (m²)	90 376	53 218	65 847	39 874	40 327	-55.4
R.A. Açores						
Completed Buildings	116	139	124	121	109	-6.0
Rehabilitation	44	43	45	46	41	-6.8
New Construction	72	96	79	75	68	-5.6
for Family Housing	34	43	40	44	30	-11.8
Dwellings	61	49	102	47	30	-50.8
Total area (m²)	46 187	41 129	57 241	35 803	33 947	-26.5
R.A. Madeira						
Completed Buildings	62	51	45	45	50	-19.4
Rehabilitation	26	28	16	16	12	-53.8
New Construction	36	23	29	29	38	5.6
for Family Housing	20	18	22	22	32	60.0
Dwellings	28	19	29	45	34	21.4
Total area (m²)	20 836	8 550	17 840	13 047	9 268	-55.5

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

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

Year on year change rate

The year on year change rate 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		
3 rd Quarter 2015		
	Previous publication	Current publication
Building Permits	-6.9%	-6.4%
Licensed Dwellings	14.8%	16.8%

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).

Rehabilitation works under the scope of the Lisbon Municipality

Data from the Lisbon Municipality with regard to rehabilitation works is underestimated due to the fact that the counting data sent by the Municipality did not include that level of breakdown.

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 January 2016 can be found.

DATE OF NEXT PRESS RELEASE: **14 June 2016.**