

Construction and Housing Statistics  
2014

**Deceleration of the downward trend in construction activity, except in works completed**

In 2014 the number of building permits issued in Portugal decreased by 5.5% vis-à-vis the previous year (-23.2% in 2013), which means that 15,458 building permits were approved, corresponding to a deceleration in the downward trend displayed since 2000. The number of dwelling permits in all types of works decreased by 1.2% vis-à-vis 2013, corresponding to 11,455 dwellings (11,595 in 2013).

In 2014 the number of works completed (based on the estimates for works completed during the period 2012-2014) decreased by 31.1% vis-à-vis the previous year (-16.9% in 2013), corresponding to 14,846 buildings. The number of dwellings completed (around 14 thousand) has also decreased 42.3% in 2014 (-29.7% in 2013). Dwellings completed in new constructions for family housing decreased by 45.9% (-31.3% in 2013).

Data available for 2014 concerning House sales and House price index, shows that the upward trend in terms of the number of dwelling sales, started in 2013, was maintained: year-on-year change rate of +9.8% in 2014 and +6.5% in 2013, vis-à-vis -18.4% in 2012 and -28.0% in 2011.

With the publication "**Construction and Housing Statistics 2014**", Statistics Portugal disseminates the annual series on Construction and Housing Statistics and provides a wide range of indicators on construction and housing in Portugal, updated for 2014.

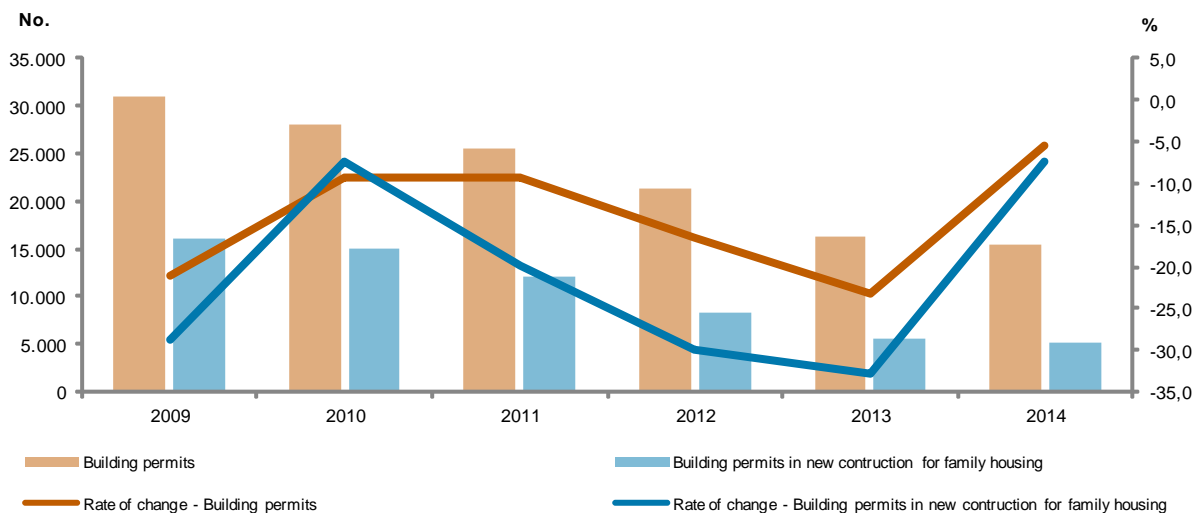


### ***Building permits with less intense reduction***

In 2014 the number of building permits issued in Portugal decreased by 5.5% vis-à-vis the previous year (-23.2% in 2013), which means that 15,458 building permits were approved, corresponding to a deceleration in the downward trend displayed since 2000.

As in previous years, the majority of building permits aimed at new constructions, representing 57.9% of total permits in 2014. In 2012 and 2013 this proportion represented 58.5% of total permits, which highlights stabilization in the types of building permits. Building requalification works (alterations, enlargements and reconstructions) represented 34.1% of total permits, both in 2013 and 2014.

Figure 1 >> Building permits - Total and in new construction for family housing (2009 - 2014)



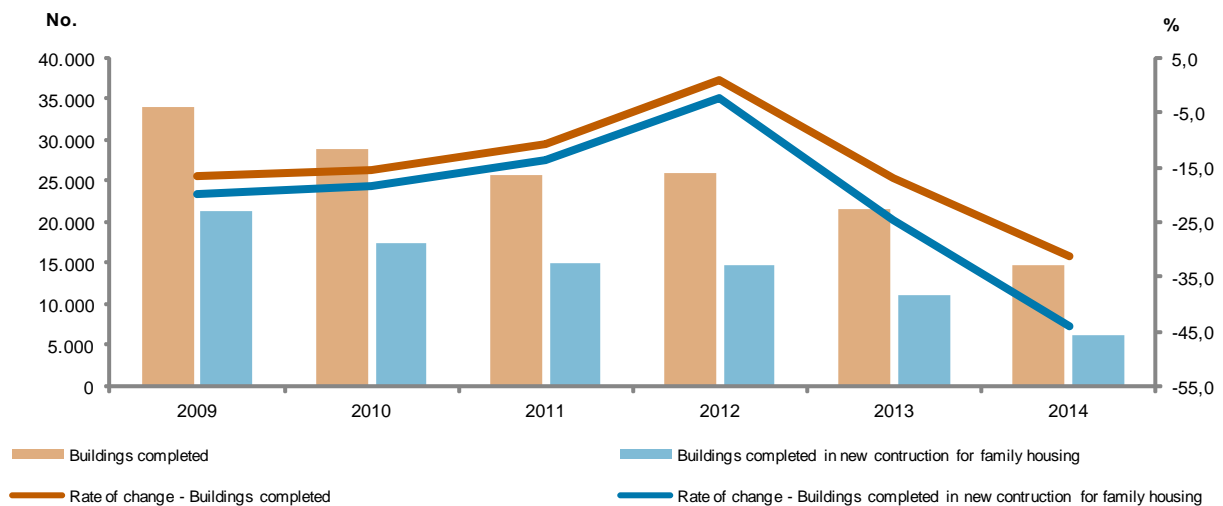
Source: Statistics Portugal, Projects of Building Constructions and Demolitions Survey

In 2014 the number of dwelling permits in all types of works decreased by 1.2% vis-à-vis 2013, corresponding to 11,455 dwellings (11,595 in 2013). The new residential dwelling permits issued decreased by 7.3% over 2013, corresponding to 6,785 dwelling permits in 2014 (-35.6% in 2013). The characteristics of the new dwellings remained unchanged regarding the number of rooms (5 rooms and T3 typology), except for the region of Algarve, where T2 typology dominates.

**Works completed continued to decrease**

The number of works completed (based on the estimates for works completed during the period 2012-2014) decreased by 31.1% vis-à-vis the previous year (-16.9% in 2013), corresponding to 14,846 buildings. The majority were residential buildings (around 61%), of which 68.6% referred to new constructions.

Figure 2 >> Buildings completed - Total and in new construction for family housing (2009 - 2014)



Source: Statistics Portugal, Statistics on Construction Works Completed

Note: Data for 2012-2014 is based on completed works estimations.

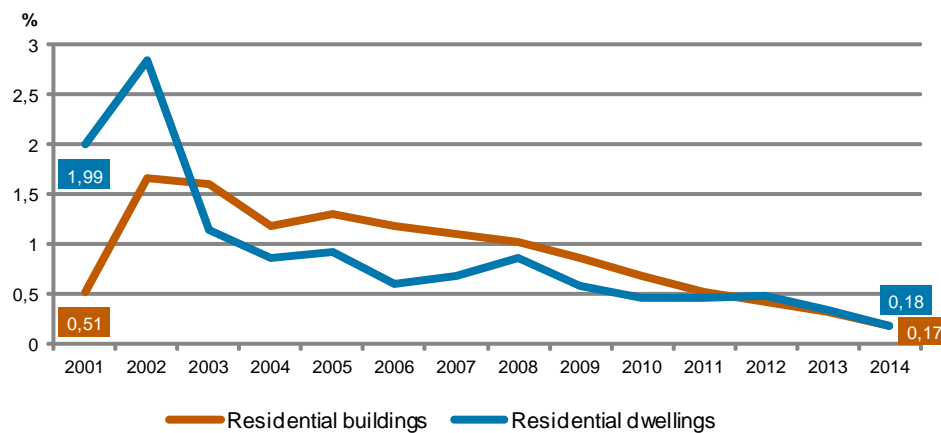
The number of dwellings completed (around 14 thousand) has also decreased by 42.3% in 2014 (-29.7% in 2013). Dwellings completed in new constructions for family housing decreased by 45.9% (-31.3% in 2013). They have, in general, kept their characteristics and T3 typology continued to be the most common, except for the region of Algarve, where T2 typology dominated.

**Annual rate of change on residential buildings and dwellings (stock house estimates) continued to decrease**

The analysis of the stock house estimates suggests that, in 2014, there were about 3.6 million classic residential buildings in Portugal.

As for the number of classic residential dwellings and according to the estimates, there were about 5.9 million dwellings in Portugal in 2014.

Figure 3 >> Annual rate of change on residential buildings and dwellings - Portugal (2001-2014)



Source: Statistics Portugal, Buildings and Dwellings Stock Estimates.

Note 1: From 2002 to 2005, data for the municipalities of Lisboa and Seia was underestimated since only information given by construction owners was taken into account.

Note 2: Data for 2012-2014 is based on completed works estimations.

### ***Weight of works performed in buildings increased vis-à-vis 2012, which did not occur since 2007***

Value of works performed by construction enterprises employing 20 and more persons decreased by 20.9% in 2013 (-21.2% in 2012), mainly due to the decrease of 24.3% in Civil Engineering Works, especially in works in Motorways, Roads and Pathways (-45.8%, corresponding to EUR -1,362 million), which in 2012 declined by 20.6% (-23.2% in the category Motorways, Roads and Pathways).

Works performed in Buildings also decreased by 15.1% in 2013 (-22.1% in 2012), but in terms of value it was lower than the decrease registered in Civil Engineering Works (EUR -706 million comparing to EUR -1,930 million in Civil Engineering Works). This reduction occurred both in Residential (-20.2%, corresponding to EUR -238 million) and Non-residential Buildings (-13.4%, corresponding to EUR -468 million). In 2013 only works performed in Buildings and Installations for Transports and Communications and Other Non-Residential Buildings increased vis-à-vis 2012 (respectively +44.4% and +2.7%).

The breakdown of values for works performed by enterprises employing 20 and more persons, by type of construction work, remained almost unchanged between 2012 and 2013, however it is important to highlight the increase in the weight of works performed in Buildings (39.7%, +2.7 p.p. vis-à-vis 2012), which did not occur since 2007.

Figure 4 >> Value and breakdown of value of performed works by enterprises whit 20 and more employed persons by type of project - Portugal (2012 and 2013)

Type of project	2012		2013	
	EUR 10 <sup>3</sup>	%	EUR 10 <sup>3</sup>	%
<b>Total</b>	<b>12 628 308</b>	<b>100.0</b>	<b>9 991 989</b>	<b>100.0</b>
<b>Buildings</b>	<b>4 675 522</b>	<b>46.1</b>	<b>3 969 629</b>	<b>39.7</b>
Residential buildings	1 178 396	15.2	940 301	9.4
Non-residential buildings	3 497 127	30.9	3 029 328	30.3
<b>Civil engineering works</b>	<b>7 952 786</b>	<b>53.9</b>	<b>6 022 360</b>	<b>60.3</b>
Transport infrastructures (highway, railway, air and sea), dams and irrigation systems	5 090 046	30.5	3 432 197	34.3
Pipelines, lines for communication and electricity conveyance	1 027 458	5.8	1 088 917	10.9
Installations and constructions on industrial sites	383 357	2.5	413 686	4.1
Other civil engineering works	1 451 924	15.2	1 087 559	10.9

Source: Statistics Portugal, Annual Survey on Construction Enterprises

### ***Number of mortgage contracts decreased by 5.1% in 2013, following a reduction of around 50% in 2012***

Concerning the loan agreements with conventional mortgage, the number of mortgage contracts decreased by 5.1% in 2013, while in 2012 the reduction was around 50%. The mean value of real estate mortgaged, which in 2012 registered an increase of EUR 12 thousand, in 2013 decreased almost in the same amount (from EUR 139 thousand in 2012 to EUR 128 thousand in 2013).

The value of mortgage credit granted by loan agreements with conventional mortgage decreased by 3.6% in 2013, after a reduction to less than half in 2012 (-52.9%) and -54.0% in 2011. The credit granted to debtors domiciled abroad increased by 11,0%, corresponding to EUR 90 million in 2013, while in 2010 this credit accounted for EUR 351 million (annual change rates of -54.2% in 2012 and -49.5% in 2011).

### ***Number of purchase and sale contracts of real estate stabilized in number, despite the increase in the mean value of trade***

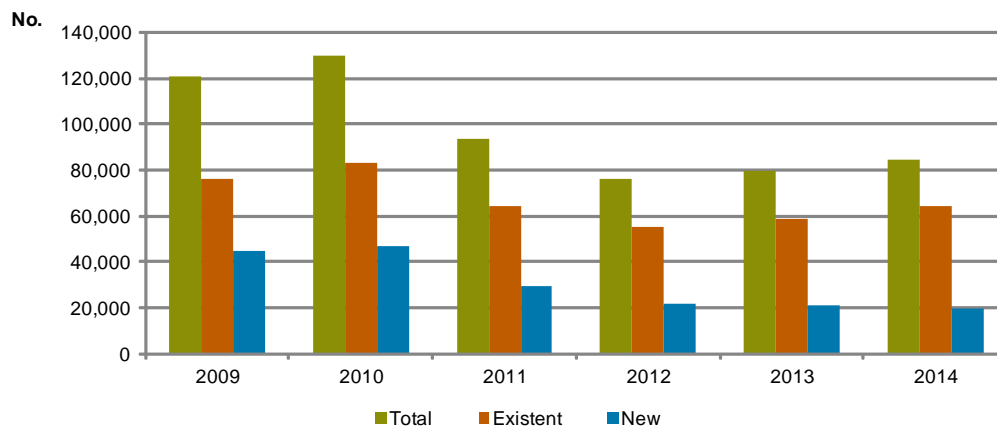
The number of purchase and sale contracts of real estate registered a slight decrease of 0.2% vis-à-vis 2012, despite the increase in the mean value of real estate traded (from EUR 67 thousand in 2012 to EUR 75 thousand in 2013).

Transactions of urban estate increased both in number (+4.7%) and value (+9.7%). The increase in the mean value of real estate traded in 2013 is in line with the evolutions in the House price index and in the Average value of housing bank appraisals, which in 2013 started an upward trend, maintained in 2014.

**The upward trend in the number of dwelling sales, started in 2013, was maintained in 2014**

Data available for 2014 concerning House sales and House price index, shows that the upward trend in terms of the number of dwelling sales was maintained: year-on-year change rate of +9.8% in 2014 and +6.5% in 2013, vis-à-vis -18.4% in 2012 and -28.0% in 2011.

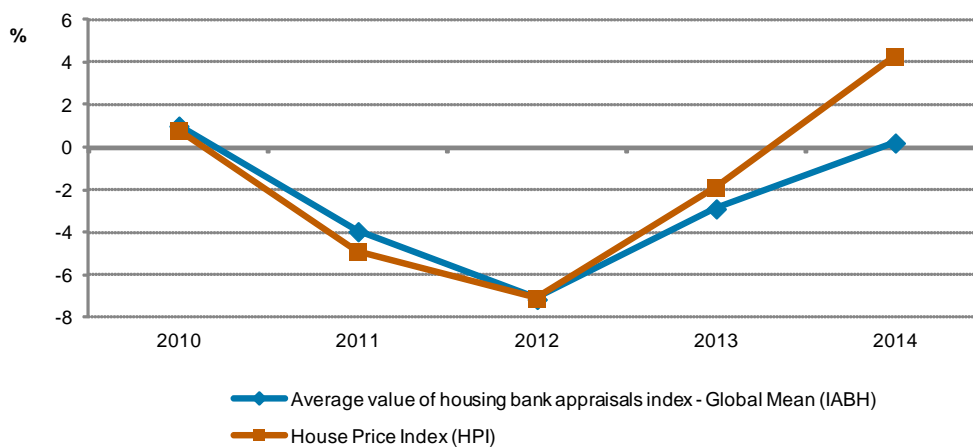
Figure 5 >> Number of dwelling sales - Total, existent and new (2009-2014)



Source: Statistics Portugal, House Price Index

In 2014, a period of consecutive decreases was interrupted in House price index and Average value of housing bank appraisals (average annual change rate of +4.3% and +8.4%, respectively).

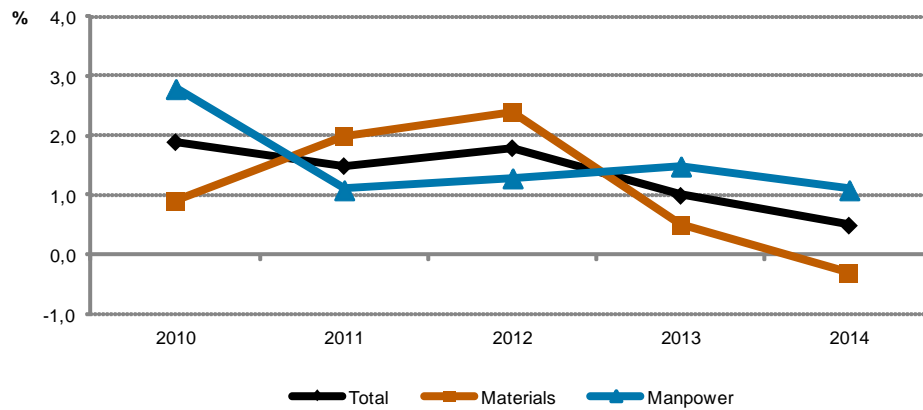
Figure 6 >> Average rate of change of HPI and Average value of housing bank appraisals (2010-2014)



Source: Statistics Portugal, House Price Index and Survey on Bank Evaluation on Housing

The new housing construction cost index registered an annual change rate of +0,5% in 2014, less 0.5 p.p. vis-à-vis 2013, mainly due to the performance of the manpower component that registered an annual change rate of +1.1% (+1.5% in 2013), since the construction materials index decreased by 0.3% (+0.5% in 2013).

Figure 7 >> New housing construction cost index - Average rate of change (2010-2014)



Source: Statistics Portugal, New Housing Construction Cost Index

## ABBREVIATIONS

- IABH – Survey on Bank Evaluation on Housing
- HPI – House Price Index
- IMT – Municipal Property Transfer Tax

## EXPLANATORY NOTES

1. Data concerning Completed Construction Works are based on estimates for the period 2012-2014, using a methodology that allows the comparison of data between different periods. The late arrival of data from the investing entities, associated with the non communication of the effectively concluded construction works to the local administration (municipalities), motivated the adoption of an estimating method for the total number of Works Completed.
2. With the new edition of Population and Housing Census for 2011 a calibration and adjustment on Dwelling Stock Estimates was needed, for the period 2001-2011, in order to guarantee the coherence between data on Census year and data for the whole decade. Data with a more refined geographical breakdown (parish) is available on the Portuguese Official Statistics Portal.
3. Data concerning dwelling sales is based on administrative data from the Municipal Property Transfer Tax (IMT), exclusively for transactions of urban estate. Transactions of parts of dwellings are not considered. The breakdown for sales of new and existent dwellings is estimated according to the available data on transactions of real estate.
4. The annual change rate of House Price Index compares the average index for the four previous quarters with the four immediately preceding quarters. The result corresponds to a moving average, less sensitive to seasonal fluctuations and to non regular changes in prices.
5. The number of bank evaluations refers to the total number of dwellings being subjected of technical evaluation, under a process of request of mortgage credit granted by loan agreement. This information is collected by Statistics Portugal via Survey on Bank Evaluation on Housing.