

Construction: Building permits and completed buildings

4th Quarter 2016 – preliminary data

In 2016 building permits increased by 11.6% and completed buildings declined by 6.6% vis-à-vis 2015. In the 4th quarter 2016, the year-on-year rate of change was positive for the first time since the 3rd quarter 2005

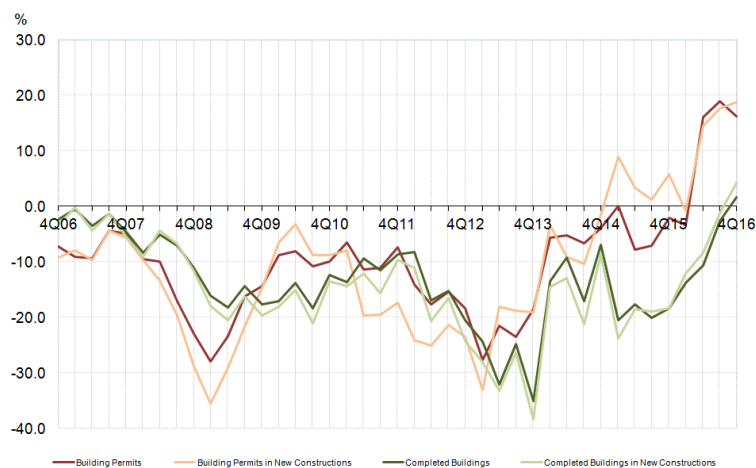
In the **4th quarter 2016**, building permits increased by 16.2% in comparison with the same period of the previous year (+18.9% in the 3rd quarter 2016), corresponding to 4.4 thousand buildings. There was a 18.8% increase in building permits for new constructions (+17.6% in the 3rd quarter 2016) while the number of rehabilitation permits increased by 12.1% (+16.7% in the 3rd quarter 2016). According to estimates, completed buildings recorded a 1.6% increase (-2.6% in the 3rd quarter 2016) totaling 2.7 thousand buildings. This was the first positive rate of change since the 3rd quarter 2005.

When compared with the previous quarter, the number of building permits increased by 4.3% (-2.9% in the 3rd quarter 2016) and there was a nil variation as regards completed buildings (+8.0% in the 3rd quarter 2016).

In **2016**, the number of building permits issued in Portugal reached 16.6 thousand and completed buildings stood at 10.3 thousand, corresponding to a 11.6% increase in building permits vis-à-vis 2015 (-4.2%) and to a 6.6% decline in completed buildings (-19.2% in 2015).

In the 4th quarter 2016, there were 4.4 thousand building permits and 2.7 thousand completed buildings in Portugal. Building permits increased by 16.2% compared with the 4th quarter 2015 (+18.9% in the 3rd quarter 2016), corresponding to a 4.3% increase vis-à-vis the previous quarter. The number of completed buildings increased by 1.6% in year-on-year terms (-2.6% in the 3rd quarter 2016), being the first year-on-year increase recorded in this variable since the 3rd quarter 2005.

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



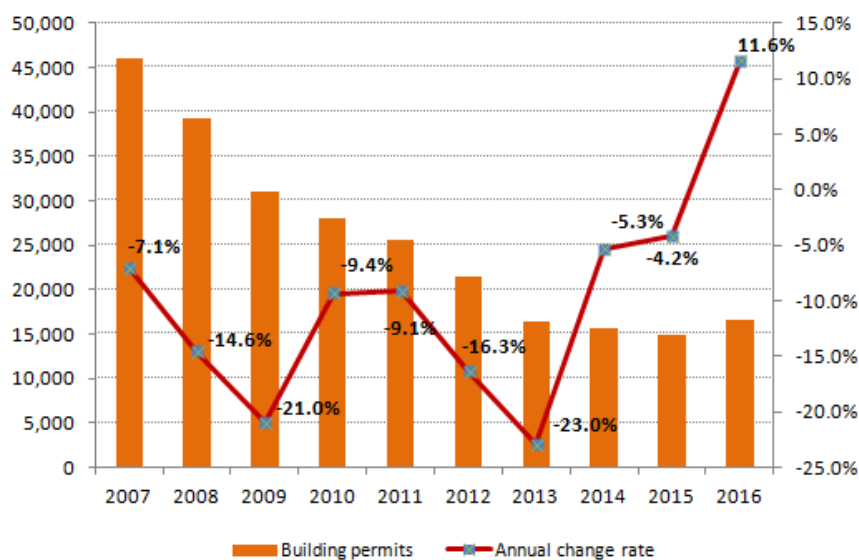
1. Annual evolution

In 2016, the number of building permits issued reached 16.6 thousand and completed buildings stood at 10.3 thousand, corresponding to a 11.6% increase in building permits compared to the previous year (-4.2% in 2015) and to a 6.6% decline in completed buildings (-19.2% in 2015).

In the last decade, the number of building permits recorded a reduction of 29.3 thousand buildings corresponding to a 63.8% decline (45.9 thousand building permits in 2007 vis-à-vis 16.6 thousand in 2016).

The reduction in building permits was steeper in the second half of the decade (-50.0% compared with the first half), which, in absolute terms, corresponded to 84.8 thousand less building permits, with the largest annual reductions having occurred in 2013 (-23.0%) and in 2009 (-21.0%).

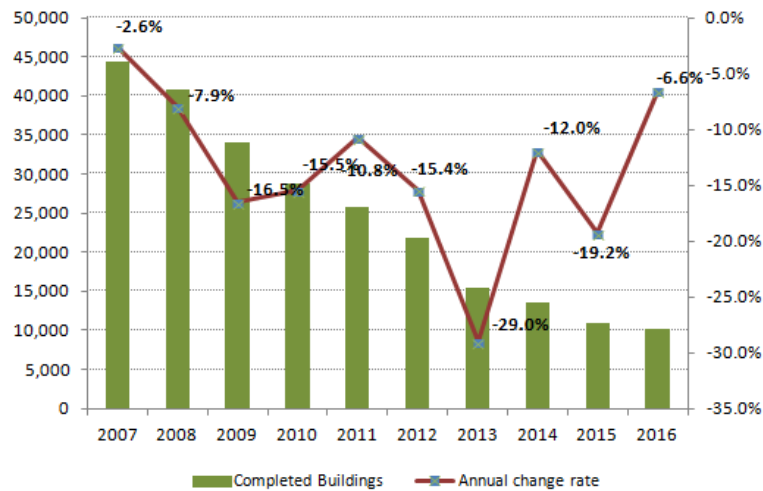
Building permits – 2007-2016 annual evolution



With regard to the number of completed buildings, there was a reduction of 76.9% in the period 2007-2016, which corresponded to 34.0 thousand less buildings (44.3 thousand buildings completed in 2007 vis-à-vis 10.3 thousand in 2016).

Similarly to the outcome in building permits, the reduction was steeper in the second half of the decade, with a 58.6% decline compared with the first half, corresponding to 101.7 thousand less buildings completed, with the largest year-on-year declines having occurred in 2013 (-29.0%) and in 2015 (-19.2%).

Completed buildings – 2007-2016 annual evolution



2. Building permits

In the 4th quarter 2016, the number of building permits issued in Portugal reached 4.4 thousand, corresponding to a 16.2% increase in comparison with the 4th quarter 2015.

Of the total building permits, 65.0% corresponded to new constructions and of these, 68.4% referred to family housing. Demolished buildings (313 units) corresponded to 7.2% of the total building permits issued in the 4th quarter 2016.

All regions in the mainland recorded positive year-on-year rates of change as regards building permits. The highest rates of change occurred in the Área Metropolitana de Lisboa (+39.7%) and in the Norte (+19.3%). The Região Autónoma da Madeira and the Região Autónoma dos Açores recorded declining year-on-year rates of change in this variable: -3.1% and -2.8% respectively.

With regard to building permits for new constructions in Portugal, there was an increase of 18.8% vis-à-vis the 4th quarter 2015, while rehabilitation works also grew by 12.1%. When compared with the previous quarter, permits for new constructions increased by 7.4% while rehabilitation works increased by 2.7%.

The region of Alentejo was the only one that presented a declining year-on-year rate of change (-3.6%) in building permits for new constructions. All the remaining regions presented positive year-on-year rates of change, with yet again the emphasis on the Área Metropolitana de Lisboa (+50.5%), followed by the Algarve (+25.3%). In what concerns permits for building rehabilitation, Região Autónoma da Madeira and Região Autónoma dos Açores were the only ones to present declining year-on-year rates of change: -18.2% and -11.5% respectively. All the remaining regions presented positive year-on-year rates of change more so the Norte (+20.4%) followed by the Área Metropolitana de Lisboa (+18.9%).

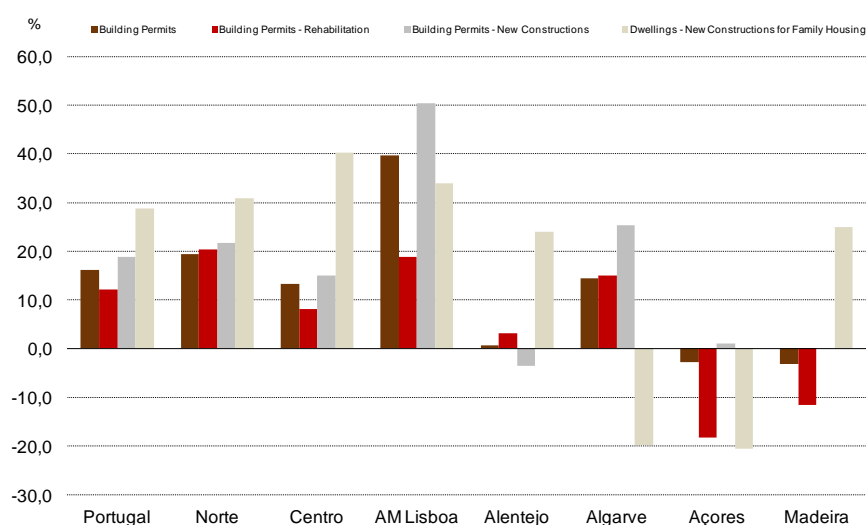
In comparison with the 4th quarter 2015, licensed dwellings in new constructions for family housing increased by 28.9%, corresponding to 11.7 p.p. less over the rate of change recorded in the previous quarter (+40.6%). The Região

Autónoma dos Açores and the Algarve presented declining year-on-year rates of change on this variable: -20.6% and -19.9% respectively.

All the remaining regions presented positive year-on-year rates of change, with the emphasis on the Centro (+40.3%), Área Metropolitana de Lisboa (+33.9%) and Norte (+31.0%).

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

(4th Quarter 2016)



When focusing the analysis on a municipality level, there is a high concentration of licensed dwellings for building works in a reduced number of municipalities, bearing in mind that 23.0% of the total dwellings in the 4th quarter 2016 were licensed in just five municipalities.

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

(4th quarter 2016)

Rank	Portugal	4 th Quarter 2016	4 th Quarter 2015	Variation (Number)	Year-on-year change rate (%)
1	Porto	4111	3142	969	30.8%
2	Lisboa	320	58	262	451.7%
3	Braga	300	182	118	64.8%
4	Barcelos	128	61	67	109.8%
5	Barcelos	99	23	76	330.4%
	Odivelas	98	32	66	206.3%

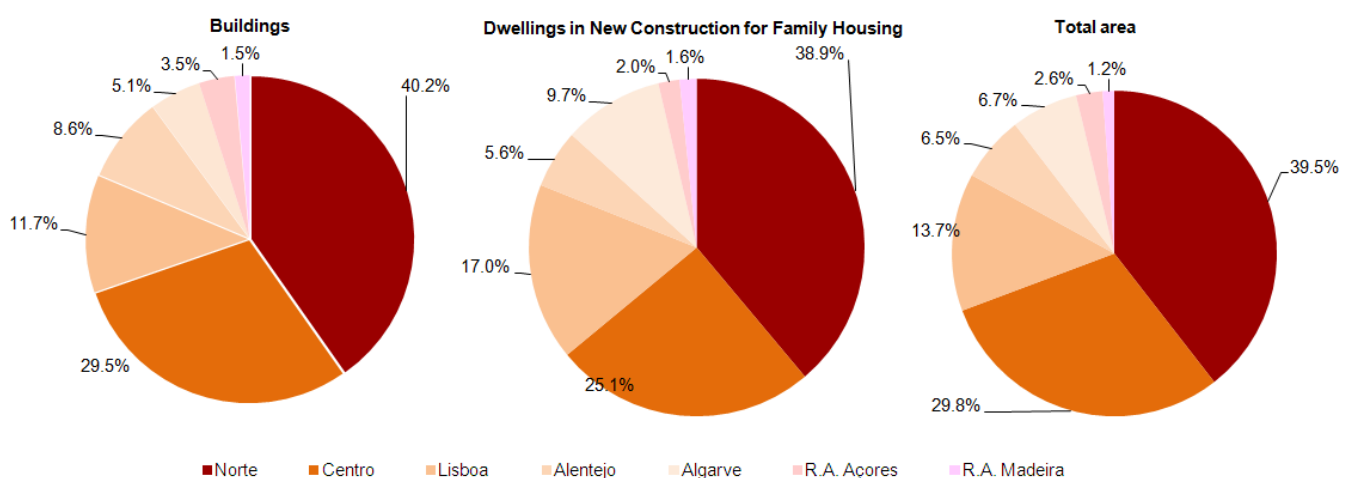
In Portugal, in the 4th quarter 2016, there was a 16.4% year-on-year increase in the total licensed area. All regions presented increases in this variable, more so the Algarve (+75.7%).

In 2016, the Norte region was responsible for 40.2% of the total building permits and for 38.9% of dwellings in new constructions for family housing in the country. Together with the Centro region, both stood for 69.7% of building permits and 64.0% of dwellings in new constructions for family housing.

Building permits in the Área Metropolitana de Lisboa represented 11.7% of the country's total value, corresponding to 17.0% of the total number of licensed dwellings in new constructions for family housing.

Regional breakdown of buildings, dwellings and total licensed area

(2016)



3. Completed buildings

In the 4th quarter 2016, the total number of completed buildings (new constructions, building enlargements, renovations and reconstructions) increased by 1.6% compared with the 4th quarter 2015. In this period, it is estimated that 2.7 thousand buildings were completed in Portugal, mostly corresponding to new constructions (68.3%) of which 63.9% were destined to become family housing.

The regions of Área Metropolitana de Lisboa, Alentejo, Região Autónoma dos Açores and Algarve had increases in the number of completed buildings: +35.2%, +11.6%, +7.4%, and +4.8% respectively. The Região Autónoma da Madeira recorded a nil rate of change. The regions of Centro and Norte recorded declines on this variable: -5.4% and -2.1% respectively.

Completed works for new constructions in Portugal increased by 4.3% compared with the 4th quarter 2015 while rehabilitation works declined by 3.7%. Completed works for new constructions increased by 0.1% and rehabilitation works declined by 0.1%, in comparison with the previous quarter.

Completed works in new constructions have increased in Área Metropolitana de Lisboa (+38.7%), Região Autónoma dos Açores (+21.3%), Alentejo (+12.0%) and in Algarve (+4.0%). The remaining regions presented declining year-on-year rates of change, with the emphasis on the Região Autónoma da Madeira (-10.8%).

Completed works for rehabilitation presented positive rates of change in the Área Metropolitana de Lisboa (+26.8%), Região Autónoma da Madeira (+21.1%), Alentejo (+10.7%) and Algarve (+5.5%). There were declines in the Região Autónoma dos Açores (-15.2%), Centro (-14.7%) and in the Norte (-3.4%).

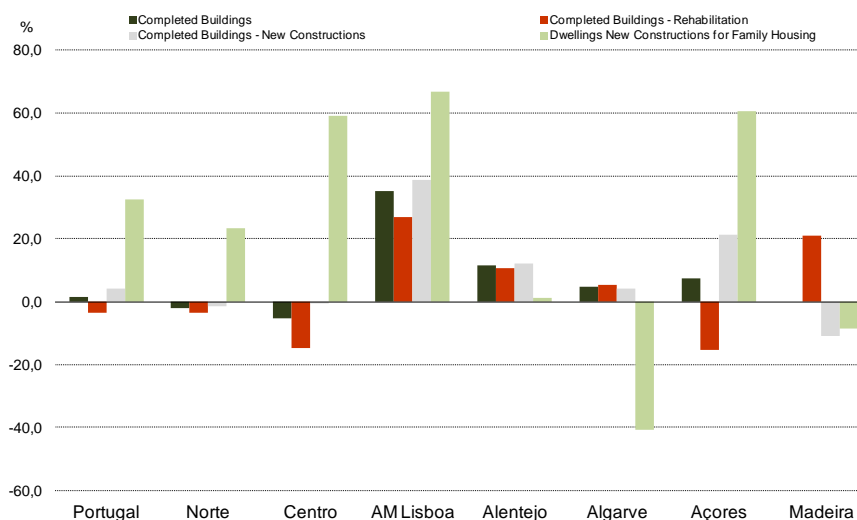
In the 4th quarter 2016, the number of completed dwellings in new constructions for family housing recorded an increase of 32.6%, corresponding to a 19.9 p.p. increase vis-à-vis the change rate recorded in the previous quarter (+12.7%). There were declining year-on-year rates of change in the regions of Algarve (-40.9%) and in Região Autónoma da Madeira (-8.6%). All the remaining regions presented positive year-on-year rates, more so in the cases of Área Metropolitana de Lisboa (+66.7%), Região Autónoma dos Açores (+60.5%) and Centro (+59.2%).

Of the total buildings completed in the 4th quarter 2016, 68.9% were located in the regions of Norte and Centro, with a corresponding 71.4% of the total completed dwellings. The Norte region accounted for a 37.7% weight in buildings and 39.1% in completed dwellings in the whole country. The works completed in Área Metropolitana de Lisboa corresponded to 9.8% of the total buildings and 15.3% of the total dwellings completed.

In the 4th quarter 2016, there was a 12.6% decline in the total completed construction area in Portugal compared with the same period of 2015. Região Autónoma da Madeira, Área Metropolitana de Lisboa and Alentejo presented increases on this variable: +152.1%, +66.6% and +2.0% respectively. In the remaining regions, there were declines, more so in the Algarve (-64.8%).

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

(4th quarter 2016)

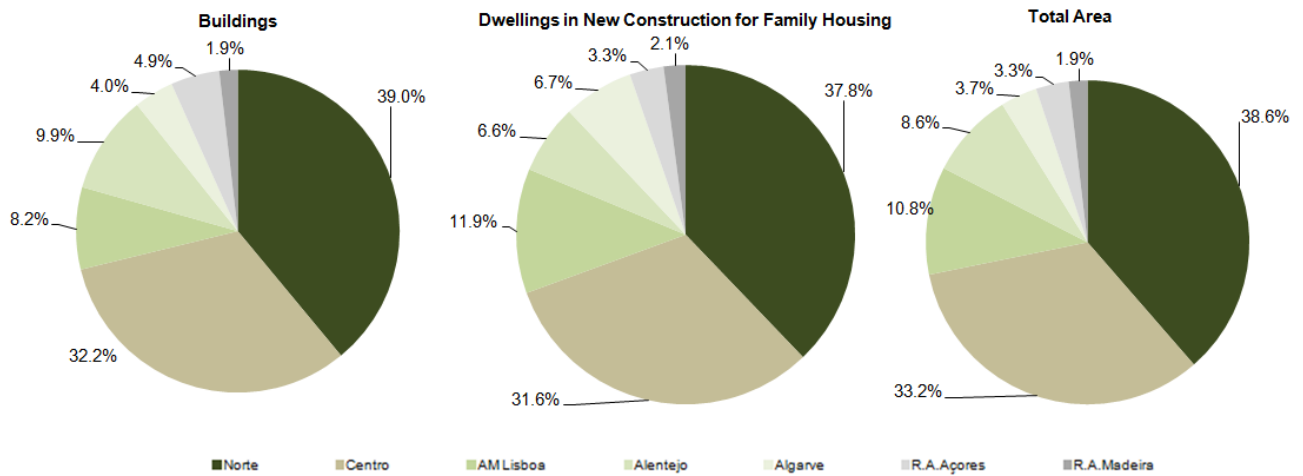


Of the total completed buildings in 2016, the region of the Norte held 39.0% of completed buildings and 37.8% of completed dwellings in new constructions for family housing in the country. Together with the Centro region, both stood for 71.2% of completed buildings and for 69.4% of completed dwellings in new constructions for family housing.

Completed buildings in Área Metropolitana de Lisboa represented 8.2% of the country's total, corresponding to 11.9% of the total number of completed dwellings in new constructions for family housing.

Regional breakdown of the number of buildings, dwellings and total completed area

(2016)



Construction: Building Permits	Building Permits**					Quarterly year-on-year change rate (4 th Q)*
	4 th Q- 2015	1 st Q- 2016	2 nd Q- 2016	3 rd Q- 2016	4 th Q- 2016	
	Number					
Portugal						
Building Permits	3 747	3 819	4 301	4 175	4 353	16.2
Rehabilitation	1 079	1 056	1 179	1 178	1 210	12.1
New Construction	2 382	2 447	2 763	2 635	2 830	18.8
for Family Housing	1 527	1 595	1 911	1 855	1 937	26.9
Dwellings	2 291	2 267	3 265	2 820	2 952	28.9
Total area (m ²)	1 460 631	1 523 501	1 515 411	1 483 167	1 700 187	16.4
Norte						
Building Permits	1 501	1 516	1 689	1 703	1 791	19.3
Rehabilitation	406	407	478	493	489	20.4
New Construction	983	1 007	1 093	1 070	1 196	21.7
for Family Housing	627	660	765	785	813	29.7
Dwellings	898	867	1 154	1 198	1 176	31.0
Total area (m ²)	592 555	636 324	631 557	544 255	643 485	8.6
Centro						
Building Permits	1 175	1 129	1 258	1 188	1 330	13.2
Rehabilitation	347	300	358	328	375	8.1
New Construction	743	749	796	774	855	15.1
for Family Housing	459	463	517	525	567	23.5
Dwellings	645	586	703	647	905	40.3
Total area (m ²)	453 390	421 601	406 210	467 810	560 659	23.7
Area Metropolitana de Lisboa						
Building Permits	345	429	521	508	482	39.7
Rehabilitation	90	124	126	126	107	18.9
New Construction	214	237	314	298	322	50.5
for Family Housing	170	191	255	224	262	54.1
Dwellings	381	393	641	383	510	33.9
Total area (m ²)	204 975	150 738	227 281	253 073	221 147	7.9
Alentejo						
Building Permits	325	319	390	388	327	0.6
Rehabilitation	93	82	84	104	96	3.2
New Construction	223	224	286	265	215	-3.6
for Family Housing	119	118	154	158	123	3.4
Dwellings	121	138	170	176	150	24.0
Total area (m ²)	111 528	81 007	98 869	104 038	123 248	10.5
Algarve						
Building Permits	194	211	220	195	222	14.4
Rehabilitation	73	74	60	62	84	15.1
New Construction	87	100	132	109	109	25.3
for Family Housing	68	76	119	94	93	36.8
Dwellings	151	161	465	345	121	-19.9
Total area (m ²)	54 271	176 413	75 951	66 824	95 369	75.7
R.A. Açores						
Building Permits	143	158	151	138	139	-2.8
Rehabilitation	44	46	42	37	36	-18.2
New Construction	95	97	101	93	96	1.1
for Family Housing	54	60	64	49	48	-21.4
Dwellings	63	64	67	49	50	-20.6
Total area (m ²)	31 237	35 515	50 459	37 155	41 047	31.4
R.A. Madeira						
Building Permits	64	57	72	55	62	-3.1
Rehabilitation	26	23	31	28	23	-11.5
New Construction	37	33	41	26	37	0.0
for Family Housing	30	27	37	20	31	3.3
Dwellings	32	58	65	22	40	25.0
Total area (m ²)	12 675	21 903	25 084	10 012	15 232	20.2

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 (4 th Q)*
	4 th Q- 2015	1 st Q- 2016	2 nd Q- 2016	3 rd Q- 2016	4 th Q- 2016	
	Number					
Portugal						
Completed Buildings	2 610	2 491	2 456	2 652	2 652	1.6
Rehabilitation	873	805	786	842	841	-3.7
New Construction	1 737	1 686	1 670	1 810	1 811	4.3
for Family Housing	1 086	1 092	1 047	1 178	1 157	6.5
Dwellings	1 358	1 668	1 518	1 717	1 801	32.6
Total area (m ²)	1 102 867	936 668	1 028 064	928 307	963 524	-12.6
Norte						
Completed Buildings	1 022	1 007	980	1 007	1 001	-2.1
Rehabilitation	323	310	298	306	312	-3.4
New Construction	699	697	682	701	689	-1.4
for Family Housing	461	478	447	474	461	0.0
Dwellings	571	627	621	583	705	23.5
Total area (m ²)	508 739	390 590	381 228	345 057	371 272	-27.0
Centro						
Completed Buildings	872	793	798	887	825	-5.4
Rehabilitation	299	257	268	289	255	-14.7
New Construction	573	536	530	598	570	-0.5
for Family Housing	332	329	332	370	351	5.7
Dwellings	365	501	492	544	581	59.2
Total area (m ²)	308 529	288 316	374 661	315 484	302 217	-2.0
Area Metropolitana de Lisboa						
Completed Buildings	193	181	169	229	261	35.2
Rehabilitation	56	48	54	59	71	26.8
New Construction	137	133	115	170	190	38.7
for Family Housing	103	99	87	122	139	35.0
Dwellings	165	166	149	206	275	66.7
Total area (m ²)	75 048	63 748	130 333	96 345	125 041	66.6
Alentejo						
Completed Buildings	241	247	246	251	269	11.6
Rehabilitation	75	77	69	76	83	10.7
New Construction	166	170	177	175	186	12.0
for Family Housing	82	93	69	103	91	11.0
Dwellings	91	120	101	132	92	1.1
Total area (m ²)	77 834	106 802	70 461	75 222	79 361	2.0
Algarve						
Completed Buildings	105	99	94	106	110	4.8
Rehabilitation	55	44	42	45	58	5.5
New Construction	50	55	52	61	52	4.0
for Family Housing	38	37	38	44	38	0.0
Dwellings	93	153	63	180	55	-40.9
Total area (m ²)	77 834	38 566	26 813	48 819	27 429	-64.8
R.A. Açores						
Completed Buildings	121	119	121	131	130	7.4
Rehabilitation	46	49	41	44	39	-15.2
New Construction	75	70	80	87	91	21.3
for Family Housing	37	38	45	51	52	40.5
Dwellings	38	39	60	58	61	60.5
Total area (m ²)	44 421	29 242	32 206	33 440	31 827	-28.4
R.A. Madeira						
Completed Buildings	56	45	48	41	56	0.0
Rehabilitation	19	20	14	23	23	21.1
New Construction	37	25	34	18	33	-10.8
for Family Housing	33	18	29	14	25	-24.2
Dwellings	35	62	32	14	32	-8.6
Total area (m ²)	10 462	19 404	12 362	13 940	26 377	152.1

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 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. Given that this press release includes a series revision for the period 2011-2015, revisions of the year-on-year rate of change also reflect the corresponding changes, namely those regarding 2015.

	Year-on-year change rate	
	3 rd Quarter 2016	
Previous publication	Previous publication	Current Publication
Building Permits	15.9%	18.9%
Licensed Dwellings	39.3%	40.6%

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 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 2017 can be found.

DATE OF NEXT PRESS RELEASE: **June 14, 2017.**