

Construction: Building permits and completed buildings

1st Quarter 2017 – preliminary data

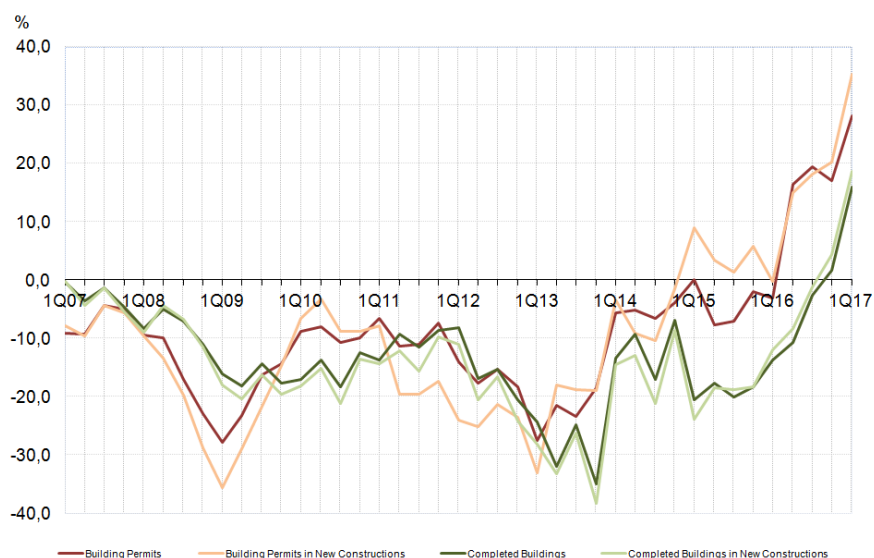
Building permits increased by 28.1% and completed buildings grew by 15.9%

In the **1st quarter 2017**, building permits increased by 28.1% in comparison with the same period of the previous year (+17.0% in the 4th quarter 2016), corresponding to 4.9 thousand buildings. Building permits for new constructions grew by 35.3% (+20.2% in the 4th quarter 2016) while the number of rehabilitation permits increased by 17.3% (+11.6% in the 4th quarter 2016). Completed buildings recorded a 15.9% increase (+1.6% in the 4th quarter 2016) totaling 2.9 thousand buildings.

When compared with the previous quarter, the number of building permits increased by 11.9% (+4.7% in the 4th quarter 2016) and completed buildings recorded a rate of change of +8.9% (there was a nil variation in the 4th quarter 2016).

In the 1st quarter 2017, there were 4.9 thousand building permits and 2.9 thousand completed buildings in Portugal. Building permits increased by 28.1% compared with the 1st quarter 2016, corresponding to a 11.9% increase vis-à-vis the previous quarter. In year-on-year terms, the number of completed buildings increased by 15.9% while in the last quarter the growth stood at 1.6%.

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



1. Building permits

In the 1st quarter 2017, the number of building permits issued in Portugal was 4.9 thousand, corresponding to a 28.1% increase in comparison with the 1st quarter 2016.

Of the total building permits, 67.8% corresponded to new constructions and of these, 67.0% referred to family housing. Demolished buildings (342 units) corresponded to 7.0% of the total building permits issued in the 1st quarter 2017.

As regards building permits, all regions recorded positive year-on-year rates of change. The highest rate of change occurred in the Área Metropolitana de Lisboa (68.8%) and the lowest, although positive, occurred in the Algarve (6.1%).

With regard to building permits for new constructions in Portugal, there was an increase of 35.3% vis-à-vis the 1st quarter 2016, while rehabilitation works grew by 17.3%. When compared with the previous quarter, permits for new constructions grew by 16.4% while rehabilitation works increased by 2.7%.

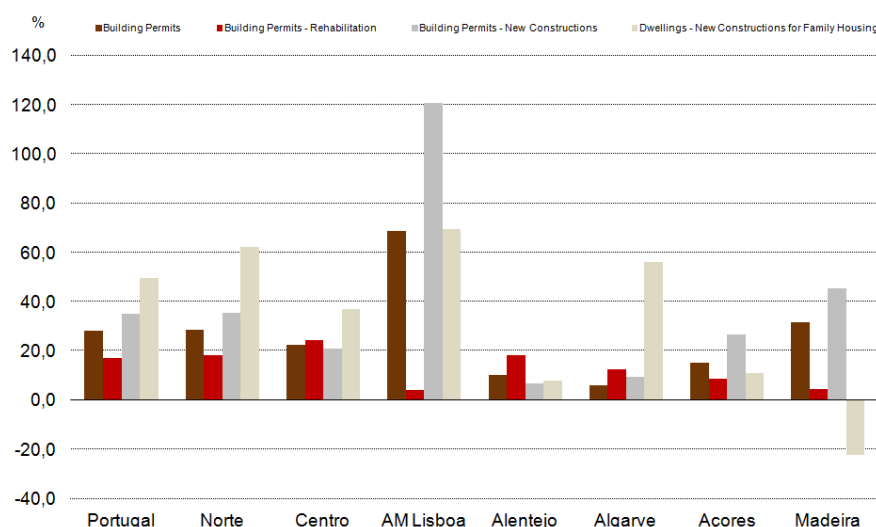
All regions presented positive year-on-year rates of change in building permits for new constructions, with yet again the emphasis on the Área Metropolitana de Lisboa with +120.9%. Housing was the main purpose behind this increase which corresponded to 62.8% (331 buildings) and Tourism accounted for 23.1% (122 buildings) of total building permits for new constructions in the Área Metropolitana de Lisboa in the 1st quarter 2017.

In what concerns permits for building rehabilitation, all regions recorded positive rates of change, more so the regions of Centro (24.3%) and Norte (18.4%).

In comparison with the 1st quarter 2016, licensed dwellings in new constructions for family housing increased by 49.7%, corresponding to a 19.3 p.p. increase vis-à-vis the rate of change recorded in the previous quarter (30.4%). The Região Autónoma da Madeira was the only region to record a declining year-on-year rate of change (-22.4%). All the remaining regions presented positive year-on-year rates of change, with yet again the emphasis on the Área Metropolitana de Lisboa (69.5%) and Norte (62.3%).

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

(1st Quarter 2017)



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 23.6% of the total dwellings in the 1st quarter 2017 were licensed in just five municipalities.

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

(1st Quarter 2017)

		1 st Quarter 2017	1 st Quarter 2016	Variation (Number)	Year-on- year change rate (%)
Rank	Portugal	4704	3182	1522	47,8%
1	Lisboa	435	310	125	40,3%
2	Porto	320	86	234	272,1%
3	Guimarães	138	71	67	94,4%
4	Braga	133	84	49	58,3%
5	Sintra	83	24	59	245,8%

In Portugal, in the 1st quarter 2017, there was a 13.3% year-on-year increase in the total licensed area. The Área Metropolitana de Lisboa presented the highest positive year-on-year rate of change (64.4%). The Algarve was the only region to present a decline on this variable (-61.9%), due to the steep increase recorded in the 1st quarter 2016 which resulted from the licensing of new commercial spaces in the region.

2. Completed buildings

In the 1st quarter 2017, the total number of completed buildings (new constructions, building enlargements, renovations and reconstructions) increased by 15.9% compared with the 1st quarter 2016. In this period, it is estimated that 2.9 thousand buildings were completed in Portugal, mostly corresponding to new constructions (69.2%) of which 67.0% were destined to become family housing.

All regions recorded increases in the number of completed buildings, more so the Área Metropolitana de Lisboa with a year-on-year rate of change of +65.7%. The Região Autónoma da Madeira followed with a 31.1% growth in year-on-year terms.

Completed works for new constructions in Portugal increased by 18.6% compared with the 1st quarter 2016 while rehabilitation works grew by 10.3%. When compared with the preceding quarter, completed works for new constructions increased by 10.4% and rehabilitation works grew by 5.6%.

Completed works in new constructions have increased in all regions, with the emphasis on the Área Metropolitana de Lisboa (67.7%), followed by Região Autónoma da Madeira (52.0%).

As regards completed works for rehabilitation, the emphasis went to the year-on-year growth recorded in the Área Metropolitana de Lisboa (60.4%). The Região Autónoma dos Açores and the Algarve were the only regions to record declining year-on-year rates of change on this variable (-30.6% and -4.5% respectively).

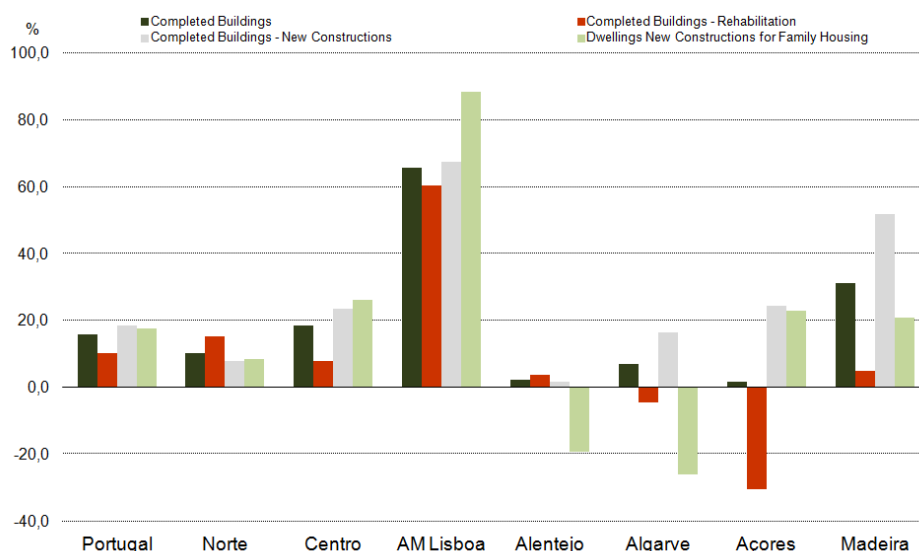
In the 1st quarter 2017, the number of completed dwellings in new constructions for family housing recorded an increase of 17.5%, corresponding to a 15.1 p.p. decline vis-à-vis the rate of change recorded in the previous quarter (32.6%). There were declining year-on-year rates of change in the regions of Algarve (-26.1%) and in the Alentejo (-19.2%). All the remaining regions presented positive year-on-year rates of change, more so in the case of Área Metropolitana de Lisboa (+88.6%).

Of the total buildings completed in the 1st quarter 2017, 70.9% were located in the regions of Norte and Centro, with a corresponding 67.0% of the total completed dwellings. The Norte region accounted for 38.4% of buildings and 34.7% of completed dwellings in the whole country. The works completed in Área Metropolitana de Lisboa corresponded to 10.4% of the total buildings and 16.0% of the total dwellings completed.

In the 1st quarter 2017, there was a 38.1% increase in the total completed construction area in Portugal compared with the same period of 2016. The region of Alentejo was the only one to record a decline on this variable (-23.4%). All the remaining regions recorded increases compared with the same quarter a year earlier, with the emphasis on Área Metropolitana de Lisboa and Algarve with rates of change of 161.4% and 105.0% respectively. In Área Metropolitana de Lisboa this increase is spread into different destinations for the works, while in the Algarve the recorded increase was mostly concentrated in works for Commercial Services.

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

(1st Quarter 2017)



Construction: Building Permits	Building Permits**					Quarterly year-on-year change rate (1 st Q)*
	1 st Q- 2016	2 nd Q- 2016	3 rd Q- 2016	4 th Q- 2016	1 st Q- 2017	
	Number					
Portugal						
Building Permits	3 832	4 316	4 189	4 385	4 908	28.1
Rehabilitation	1 054	1 182	1 176	1 204	1 236	17.3
New Construction	2 462	2 774	2 649	2 862	3 330	35.3
for Family Housing	1 604	1 918	1 856	1 948	2 232	39.2
Dwellings	2 277	3 262	2 829	2 987	3 408	49.7
Total area (m ²)	1 521 981	1 516 737	1 479 798	1 687 817	1 724 874	13.3
Norte						
Building Permits	1 521	1 694	1 707	1 800	1 957	28.7
Rehabilitation	407	479	489	484	482	18.4
New Construction	1 012	1 096	1 077	1 209	1 369	35.3
for Family Housing	664	767	785	817	968	45.8
Dwellings	871	1 143	1 198	1 182	1 414	62.3
Total area (m ²)	638 467	633 894	543 293	635 487	731 572	14.6
Centro						
Building Permits	1 132	1 263	1 191	1 347	1 387	22.5
Rehabilitation	300	361	328	372	373	24.3
New Construction	752	798	776	873	908	20.7
for Family Housing	466	517	522	576	579	24.2
Dwellings	589	704	644	936	807	37.0
Total area (m ²)	419 583	405 832	463 663	559 870	504 635	20.3
Area Metropolitana de Lisboa						
Building Permits	432	522	508	483	729	68.8
Rehabilitation	125	125	126	109	130	4.0
New Construction	239	316	298	321	528	120.9
for Family Housing	191	257	224	260	331	73.3
Dwellings	394	644	390	508	668	69.5
Total area (m ²)	150 773	225 919	253 837	220 427	247 870	64.4
Alentejo						
Building Permits	320	394	391	328	353	10.3
Rehabilitation	82	85	105	95	97	18.3
New Construction	225	289	267	217	240	6.7
for Family Housing	119	156	160	123	141	18.5
Dwellings	139	173	178	150	150	7.9
Total area (m ²)	80 769	99 328	104 248	120 214	97 714	21.0
Algarve						
Building Permits	212	219	195	225	225	6.1
Rehabilitation	71	59	61	85	80	12.7
New Construction	104	132	110	108	114	9.6
for Family Housing	77	119	94	92	101	31.2
Dwellings	162	465	345	120	253	56.2
Total area (m ²)	174 971	75 934	66 825	95 464	66 655	-61.9
R.A. Açores						
Building Permits	158	152	140	140	182	15.2
Rehabilitation	46	42	38	36	50	8.7
New Construction	97	102	94	97	123	26.8
for Family Housing	60	65	50	49	70	14.3
Dwellings	64	68	50	51	71	10.9
Total area (m ²)	35 515	50 746	37 298	41 123	46 385	30.6
R.A. Madeira						
Building Permits	57	72	57	62	75	31.6
Rehabilitation	23	31	29	23	24	4.3
New Construction	33	41	27	37	48	45.5
for Family Housing	27	37	21	31	42	55.6
Dwellings	58	65	24	40	45	-22.4
Total area (m ²)	21 903	25 084	10 634	15 232	30 043	37.2

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 (1 st Q)*
	1 st Q- 2016	2 nd Q- 2016	3 rd Q- 2016	4 th Q- 2016	1 st Q- 2017	
	Number					
Portugal						
Completed Buildings	2 491	2 456	2 652	2 652	2 887	15.9
Rehabilitation	805	786	842	841	888	10.3
New Construction	1 686	1 670	1 810	1 811	1 999	18.6
for Family Housing	1 092	1 047	1 178	1 157	1 340	22.7
Dwellings	1 668	1 518	1 717	1 801	1 960	17.5
Total area (m ²)	936 668	1 028 064	928 307	963 524	1 293 158	38.1
Norte						
Completed Buildings	1 007	980	1 007	1 001	1 109	10.1
Rehabilitation	310	298	306	312	357	15.2
New Construction	697	682	701	689	752	7.9
for Family Housing	478	447	474	461	520	8.8
Dwellings	627	621	583	705	681	8.6
Total area (m ²)	390 590	381 228	345 057	371 272	483 574	23.8
Centro						
Completed Buildings	793	798	887	825	939	18.4
Rehabilitation	257	268	289	255	277	7.8
New Construction	536	530	598	570	662	23.5
for Family Housing	329	332	370	351	434	31.9
Dwellings	501	492	544	581	633	26.3
Total area (m ²)	288 316	374 661	315 484	302 217	429 203	48.9
Area Metropolitana de Lisboa						
Completed Buildings	181	169	229	261	300	65.7
Rehabilitation	48	54	59	71	77	60.4
New Construction	133	115	170	190	223	67.7
for Family Housing	99	87	122	139	166	67.7
Dwellings	166	149	206	275	313	88.6
Total area (m ²)	63 748	130 333	96 345	125 041	166 624	161.4
Alentejo						
Completed Buildings	247	246	251	269	253	2.4
Rehabilitation	77	69	76	83	80	3.9
New Construction	170	177	175	186	173	1.8
for Family Housing	93	69	103	91	94	1.1
Dwellings	120	101	132	92	97	-19.2
Total area (m ²)	106 802	70 461	75 222	79 361	166 624	-23.4
Algarve						
Completed Buildings	99	94	106	110	106	7.1
Rehabilitation	44	42	45	58	42	-4.5
New Construction	55	52	61	52	64	16.4
for Family Housing	37	38	44	38	50	35.1
Dwellings	153	63	180	55	113	-26.1
Total area (m ²)	38 566	26 813	48 819	27 429	81 824	105.0
R.A. Açores						
Completed Buildings	119	121	131	130	121	1.7
Rehabilitation	49	41	44	39	34	-30.6
New Construction	70	80	87	91	87	24.3
for Family Housing	38	45	51	52	43	13.2
Dwellings	39	60	58	61	48	23.1
Total area (m ²)	29 242	32 206	33 440	31 827	79 053	1.2
R.A. Madeira						
Completed Buildings	45	48	41	56	59	31.1
Rehabilitation	20	14	23	23	21	5.0
New Construction	25	34	18	33	38	52.0
for Family Housing	18	29	14	25	33	83.3
Dwellings	62	32	14	32	75	21.0
Total area (m ²)	19 404	12 362	13 940	26 377	23 282	20.0

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.

	Year-on-year change rate	
	4 th Quarter 2016	
Previous publication	Previous publication	Current Publication
Building Permits	16.2%	17.0%
Licensed Dwellings	28.9%	30.4%

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 April 2017 can be found.

DATE OF NEXT PRESS RELEASE: **September 13, 2017.**