

Construction: Building permits and completed buildings

2nd Quarter 2017 – preliminary data

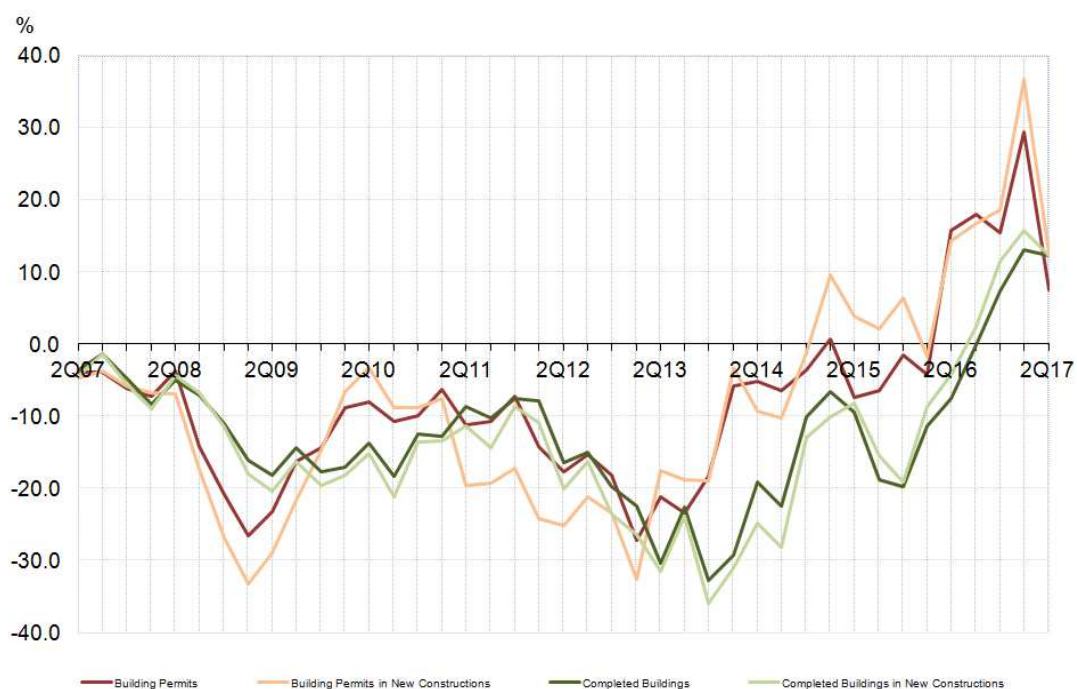
Building permits increased by 7.4% and completed buildings grew by 12.2%

In the **2nd quarter 2017**, building permits increased by 7.4% in comparison with the same period of the previous year (+29.4% in the 1st quarter 2017), corresponding to 4.6 thousand buildings. Building permits for new constructions grew by 12.4% (+36.7% in the 1st quarter 2017) while the number of rehabilitation permits decreased by 0.7% (+18.2% in the 1st quarter 2017). Completed buildings recorded a 12.2% increase (+13.1% in the 1st quarter 2017) totaling 2.9 thousand buildings.

When compared with the previous quarter, the number of building permits decreased by 6.4% (+13.1% in the 1st quarter 2017) and completed buildings recorded a rate of change of +0.2% (+3.2% in the 1st quarter 2017).

In the 2nd quarter 2017, there were 4.6 thousand building permits and 2.9 thousand completed buildings in Portugal. Building permits increased by 7.4% compared with the 2nd quarter 2016, corresponding to a 6.4% decrease vis-à-vis the previous quarter. The number of completed buildings increased by 12.2% in year-on-year terms and by 0.2% vis-à-vis the previous quarter.

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



1. Building permits

In the 2nd quarter 2017, the number of building permits issued in Portugal was 4.6 thousand, corresponding to a 7.4% increase in comparison with the 2nd quarter 2016.

Of the total building permits, 67.3% corresponded to new constructions and of these, 69.8% referred to family housing. Demolished buildings (346 units) corresponded to 7.4% of the total building permits issued in the 2nd quarter 2017.

As regards building permits, the following regions have recorded positive year-on-year rates of change: Norte (+15.3%), Área Metropolitana de Lisboa (+10.9%) and Centro (+5.4%). The Região Autónoma da Madeira has recorded the lowest rate of change (-15.3%). The regions of Algarve and Alentejo followed with -10.0% and -7.6%, respectively. The Região Autónoma dos Açores has recorded a null variation.

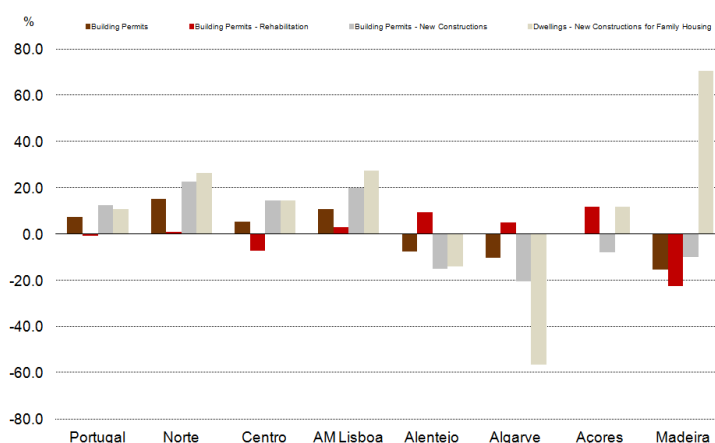
With regard to building permits for new constructions in Portugal, there was an increase of 12.4% vis-à-vis the 2nd quarter 2016, while rehabilitation works decreased by 0.7%. When compared with the previous quarter, permits for new constructions decreased by 7.2% while rehabilitation works have reduced 5.9%.

In what concerns building permits for new constructions, the following regions have presented positive year-on-year rates of change: Norte (+22.7%), Área Metropolitana de Lisboa (+19.9%) and Centro (+14.5%). All other regions presented negative year-on-year rates of change, with emphasis in the Algarve (-20.5%).

In what concerns permits for building rehabilitation, the Região Autónoma dos Açores has recorded the highest rate of change (+11.9%), while the Região Autónoma da Madeira has recorded the lowest rate of change (-22.6%).

In comparison with the 2nd quarter 2016, licensed dwellings in new constructions for family housing increased by 10.8%, corresponding to a 39.5 p.p. decrease vis-à-vis the rate of change recorded in the previous quarter (+50.3%). The Região Autónoma da Madeira presented the highest positive year-on-year rate of change (+70.8%), while the Algarve presented the most negative year-on-year rate of change (-56.3%).

Buildings and dwellings permits – Quarterly year-on-year change rate
(2nd 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 27.3% of the total dwellings in the 2nd quarter 2017 were licensed in just five municipalities.

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

(2nd Quarter 2017)

		2 nd Quarter 2017	2 nd Quarter 2016	Variation (Number)	Year-on- year change rate (%)
Rank	Portugal	5024	4463	561	12,6%
1	Lisboa	582	327	255	78,0%
2	Porto	383	297	86	29,0%
3	Odivelas	163	35	128	365,7%
4	Braga	128	128	0	0,0%
5	Guimarães	114	97	17	17,5%

In Portugal, in the 2nd quarter 2017, there was a 23.7% year-on-year increase in the total licensed area. The Centro presented the highest positive year-on-year rate of change (+52.9%). The Região Autónoma dos Açores was the only region to present a decline on this variable (-35.7%).

2. Completed buildings

In the 2nd quarter 2017, the total number of completed buildings (new constructions, building enlargements, renovations and reconstructions) increased by 12.2% compared with the 2nd quarter 2016. In this period, it is estimated that 2.9 thousand buildings were completed in Portugal, mostly corresponding to new constructions (68.5%) of which 68.4% 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 +34.7%, followed by Região Autónoma dos Açores with +30.5%.

Completed works for new constructions in Portugal increased by 12.3% compared with the 2nd quarter 2016, while rehabilitation works grew by 12.0%. When compared with the preceding quarter, completed works for new constructions decreased by 1.0% while rehabilitation works grew by 3.0%.

Completed works in new constructions recorded the highest increases on the Região Autónoma dos Açores (+57.8%) and in the Área Metropolitana de Lisboa (+30.9%). There were decreases on the Região Autónoma da Madeira (-10.0%) and Alentejo (-3.0%).

As regards completed works for rehabilitation, the emphasis went to the year-on-year growth recorded in Região Autónoma da Madeira (+100,0%) and Área Metropolitana de Lisboa (+44,4%). The Região Autónoma dos Açores was the only region to record declining year-on-year rates of change on this variable (-12.2%).

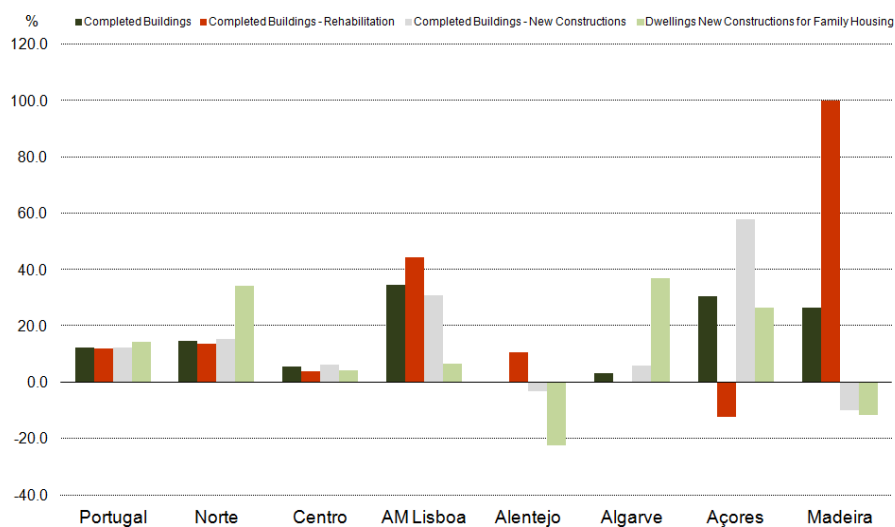
In the 2nd quarter 2017, the number of completed dwellings in new constructions for family housing recorded an increase of 14.4%, corresponding to a 7.4 p.p. decline vis-à-vis the rate of change recorded in the previous quarter (+21.8%). There were declining year-on-year rates of change in the regions of Alentejo (-22.5%) and Região Autónoma da Madeira (-11.5%). All the remaining regions presented positive year-on-year rates of change, more so in the case of Algarve (+37,0%) and Norte (+34.3%).

Of the total buildings completed in the 2nd quarter 2017, 71.1% were located in the regions of Norte and Centro, with a corresponding 68.1% of the total completed dwellings. The Norte region accounted for 41.2% of buildings and 40.2% of completed dwellings in the whole country. The works completed in Área Metropolitana de Lisboa corresponded to 8.8% of the total buildings and 12.6% of the total dwellings completed.

In the 2nd quarter 2017, there was a 1.6% increase in the total completed construction area in Portugal compared with the same period of 2016. The regions of Centro and Alentejo were the only ones to record a decline on this variable: -17.5% and -16.8%, respectively. All the remaining regions recorded increases compared with the same quarter a year earlier, with the emphasis on the Região Autónoma dos Açores (+81.1%).

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

(2nd Quarter 2017)



Construction: Building Permits	Building Permits**					Quaterly year-on-year change rate (2 nd Q)*
	2 nd Q- 2016	3 rd Q- 2016	4 th Q- 2016	1 st Q- 2017	2 nd Q- 2017	
	Number					
Portugal						
Building Permits	4 324	4 191	4 389	4 963	4 646	7.4
Rehabilitation	1 180	1 175	1 204	1 246	1 172	-0.7
New Construction	2 782	2 651	2 864	3 369	3 128	12.4
for Family Housing	1 922	1 856	1 949	2 244	2 182	13.5
Dwellings	3 265	2 829	2 999	3 426	3 617	10.8
Total area (m ²)	1 522 192	1 479 253	1 682 597	1 732 619	1 882 379	23.7
Norte						
Building Permits	1 697	1 709	1 804	1 987	1 957	15.3
Rehabilitation	477	488	484	497	482	1.0
New Construction	1 099	1 079	1 211	1 379	1 348	22.7
for Family Housing	769	785	818	973	963	25.2
Dwellings	1 145	1 198	1 194	1 425	1 448	26.5
Total area (m ²)	633 963	542 831	630 310	732 695	749 059	18.2
Centro						
Building Permits	1 267	1 191	1 347	1 403	1 335	5.4
Rehabilitation	361	328	372	371	335	-7.2
New Construction	802	776	873	925	918	14.5
for Family Housing	519	522	576	584	575	10.8
Dwellings	705	644	936	812	809	14.8
Total area (m ²)	411 590	463 663	559 870	509 488	629 153	52.9
Area Metropolitana de Lisboa						
Building Permits	522	508	483	728	579	10.9
Rehabilitation	125	126	109	128	129	3.2
New Construction	316	298	321	529	379	19.9
for Family Housing	257	224	260	332	315	22.6
Dwellings	644	390	508	669	821	27.5
Total area (m ²)	225 919	253 837	220 427	249 202	238 752	5.7
Alentejo						
Building Permits	395	391	328	353	365	-7.6
Rehabilitation	85	105	95	96	93	9.4
New Construction	290	267	217	241	247	-14.8
for Family Housing	156	160	123	141	135	-13.5
Dwellings	173	178	150	150	149	-13.9
Total area (m ²)	98 956	104 165	120 171	97 310	115 097	16.3
Algarve						
Building Permits	219	195	225	235	197	-10.0
Rehabilitation	59	61	85	79	62	5.1
New Construction	132	110	108	125	105	-20.5
for Family Housing	119	94	92	103	94	-21.0
Dwellings	465	345	120	255	203	-56.3
Total area (m ²)	75 934	66 825	95 464	67 496	80 241	5.7
R.A. Açores						
Building Permits	152	140	140	182	152	0.0
Rehabilitation	42	38	36	50	47	11.9
New Construction	102	94	97	123	94	-7.8
for Family Housing	65	50	49	70	69	14.9
Dwellings	68	50	51	71	76	11.8
Total area (m ²)	50 746	37 298	41 123	46 385	32 635	-35.7
R.A. Madeira						
Building Permits	72	57	62	75	61	-15.3
Rehabilitation	31	29	23	25	24	-22.6
New Construction	41	27	37	47	37	-9.8
for Family Housing	37	21	31	41	31	-16.2
Dwellings	65	24	40	44	111	70.8
Total area (m ²)	25 084	10 634	15 232	30 043	37 442	49.3

Note: * Quaterly 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 (2 nd Q)*
	2 nd Q- 2016	3 rd Q- 2016	4 th Q- 2016	1 st Q- 2017	2 nd Q- 2017	
	Number					
Portugal						
Completed Buildings	2 587	2 707	2 807	2 896	2 903	12.2
Rehabilitation	817	833	870	888	915	12.0
New Construction	1 770	1 874	1 937	2 008	1 988	12.3
for Family Housing	1 121	1 241	1 266	1 346	1 360	21.3
Dwellings	1 648	1 864	2 113	1 987	1 886	14.4
Total area (m ²)	991 054	1 047 826	1 037 170	1 653 304	1 007 225	1.6
Norte						
Completed Buildings	1 040	1 047	1 083	1 119	1 195	14.9
Rehabilitation	340	301	344	356	387	13.8
New Construction	700	746	739	763	808	15.4
for Family Housing	461	516	495	526	567	23.0
Dwellings	565	703	869	700	759	34.3
Total area (m ²)	390 560	393 038	414 693	477 122	438 082	12.2
Centro						
Completed Buildings	823	870	846	943	869	5.6
Rehabilitation	248	283	259	277	258	4.0
New Construction	575	587	587	666	611	6.3
for Family Housing	353	377	370	438	390	10.5
Dwellings	504	574	594	646	525	4.2
Total area (m ²)	365 408	303 618	313 111	803 420	301 385	-17.5
Area Metropolitana de Lisboa						
Completed Buildings	190	242	278	300	256	34.7
Rehabilitation	54	61	63	79	78	44.4
New Construction	136	181	215	221	178	30.9
for Family Housing	100	133	163	162	136	36.0
Dwellings	222	219	350	311	237	6.8
Total area (m ²)	78 732	113 131	134 866	160 947	94 501	20.0
Alentejo						
Completed Buildings	263	263	278	246	264	0.4
Rehabilitation	66	75	80	77	73	10.6
New Construction	197	188	198	169	191	-3.0
for Family Housing	93	103	98	92	118	26.9
Dwellings	178	123	99	95	138	-22.5
Total area (m ²)	82 489	81 175	81 803	80 116	94 501	-16.8
Algarve						
Completed Buildings	121	110	118	107	125	3.3
Rehabilitation	53	50	57	42	53	0.0
New Construction	68	60	61	65	72	5.9
for Family Housing	48	45	47	51	62	29.2
Dwellings	100	170	88	111	137	37.0
Total area (m ²)	38 142	39 348	32 029	78 204	68 662	24.4
R.A. Açores						
Completed Buildings	105	134	147	122	137	30.5
Rehabilitation	41	40	46	35	36	-12.2
New Construction	64	94	101	87	101	57.8
for Family Housing	41	55	65	44	65	58.5
Dwellings	53	62	78	49	67	26.4
Total area (m ²)	25 919	42 699	34 159	30 065	47 449	81.1
R.A. Madeira						
Completed Buildings	45	41	57	59	57	26.7
Rehabilitation	15	23	21	22	30	100.0
New Construction	30	18	36	37	27	-10.0
for Family Housing	25	12	28	33	22	-12.0
Dwellings	26	13	35	75	23	-11.5
Total area (m ²)	9 804	74 817	26 509	23 430	10 212	4.2

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 (SIOU).

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	
	1 st Quarter 2017	
Previous publication	Previous publication	Current Publication
Building Permits	28.1%	29.4%
Licensed Dwellings	49.7%	50.3%

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).

The series is updated for the years 2011 and following, according to the SIOU Revisions Policy defined for the period between Housing Census.

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 July 2017 can be found.

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