

14 December 2017

Construction: Building permits and completed buildings

3rd Quarter 2017 – preliminary data

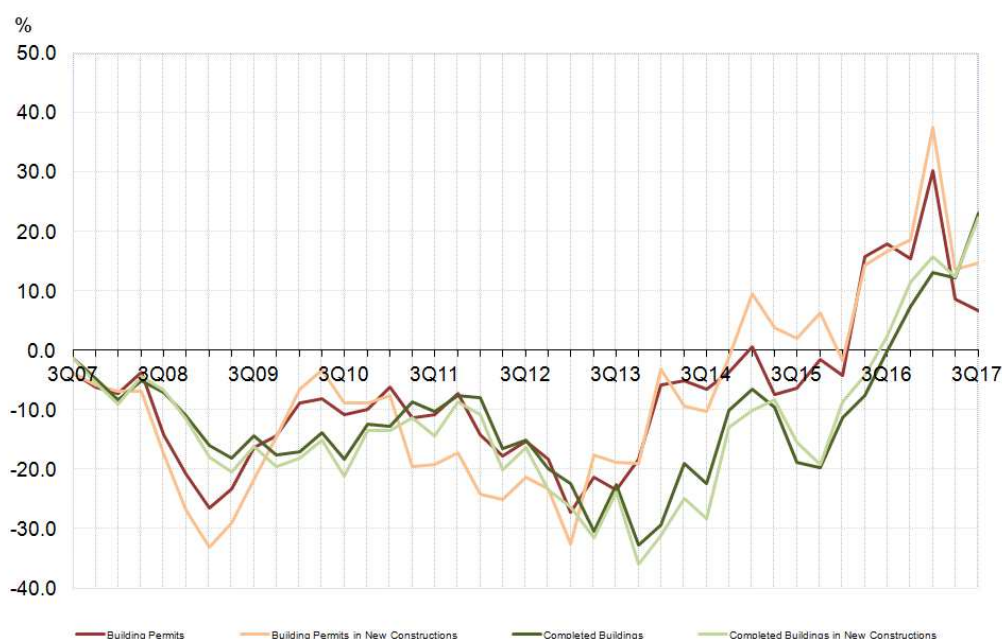
Building permits increased by 6.7% and completed buildings grew by 23.2%

In the **3rd quarter 2017**, building permits increased by 6.7% in comparison with the same period of the previous year (+8.6% in the 2nd quarter 2017), corresponding to 4.5 thousand buildings. Building permits for new constructions grew by 14.7% (+13.6% in the 2nd quarter 2017) while the number of rehabilitation permits decreased by 5.4% (-0.3% in the 2nd quarter 2017). Completed buildings recorded a 23.2% increase (+12.2% in the 2nd quarter 2017) totalling 3.3 thousand buildings.

When compared with the previous quarter, the number of building permits decreased by 4.7% (-5.9% in the 2nd quarter 2017) and completed buildings recorded a rate of change of +14.8% (+0.2% in the 2nd quarter 2017).

In the 3rd quarter 2017, there were 4.5 thousand building permits and 3.3 thousand completed buildings in Portugal. Building permits increased by 6.7% compared with the 3rd quarter 2016, corresponding to a 4.7% decrease vis-à-vis the previous quarter. The number of completed buildings increased by 23.2% in year-on-year terms and by 12.2% vis-à-vis the 2nd quarter 2017.

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



1. Building permits

In the 3rd quarter 2017, the number of building permits issued in Portugal was 4.5 thousand, corresponding to a 6.7% increase in comparison with the 3rd quarter 2016.

Of the total building permits, 68.0% corresponded to new constructions and of these, 74.2% referred to family housing. Demolished buildings (321 units) corresponded to 7.2% of the total building permits issued in the 3rd quarter 2017.

As regards building permits, the highest year-on-year rates of change were recorded in the following regions: Área Metropolitana de Lisboa (+17.1%) and Centro (+11.6%). Only two regions recorded declining rates of change: the Alentejo (-12.0%) and Região Autónoma da Madeira (-1.8%).

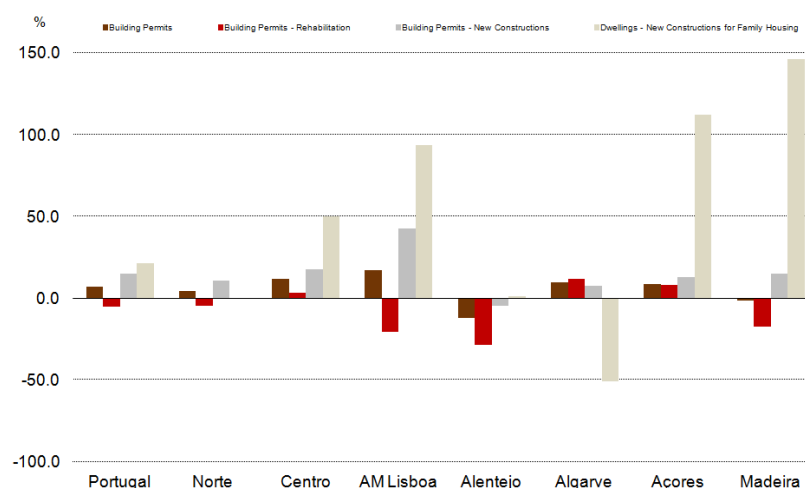
With regard to building permits for new constructions in Portugal, there was an increase of 14.7% vis-à-vis the 3rd quarter 2016, while rehabilitation works decreased by 5.4%. When compared with the previous quarter, permits for new constructions decreased by 3.8% while rehabilitation works decreased by 5.6%.

In what concerns building permits for new constructions, the emphasis was on the positive year-on-year rates of change recorded in: Área Metropolitana de Lisboa (+42.3%) and Centro (+17.4%). The Alentejo was the only region to present a decrease in this variable (-4.9%).

In what concerns permits for building rehabilitation, the Algarve recorded the highest rate of change (+11.5%), while the Área Metropolitana de Lisboa recorded the lowest rate of change (-20.6%).

In comparison with the 3rd quarter 2016, licensed dwellings in new constructions for family housing increased by 21.1%, i.e. a 9.7 p.p. increase vis-à-vis the rate of change recorded in the previous quarter (+11.4%). The Região Autónoma da Madeira presented the highest year-on-year rate of change (+145.8%, i.e. 35 more dwellings), while the Algarve presented the most negative year-on-year rate of change (-50.7%).

Buildings and dwellings permits – Quarterly year-on-year change rate
(3rd 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. Municipalities with a higher absolute variation were responsible for the licensing of 20.4% of total dwellings in the third quarter 2017: Seixal (3.8%), Odivelas (2.3%), Leiria (2.9%), Figueira da Foz (1.6%) and Lisbon (9.8%)

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

(3rd Quarter 2017)

		3rd Quarter 2017	3rd Quarter 2016	Variation (Number)	Year-on- year change rate (%)
Rank	Portugal	4770	4145	625	15,1%
1	Seixal	180	55	125	227,3%
2	Odivelas	112	19	93	489,5%
3	Leiria	138	63	75	119,0%
4	Figueira da Foz	77	21	56	266,7%
5	Lisboa	466	412	54	13,1%

In Portugal, in the 3rd quarter 2017, there was a 31.9% year-on-year increase in the total licensed area. The Região Autónoma da Madeira presented the highest positive year-on-year rate of change (+80.1%) whereas the Algarve was the region that recorded the largest decline in this variable (-28.9%).

2. Completed buildings

In the 3rd quarter 2017, the total number of completed buildings (new constructions, building enlargements, renovations and reconstructions) increased by 23.2% compared with the 3rd quarter 2016. In this period, it is estimated that 3.3 thousand buildings were completed in Portugal, mostly corresponding to new constructions (68.8%) of which 66.7% were destined to become family housing.

All regions recorded increases in the number of completed buildings, more so the Região Autónoma da Madeira (+70.7%), Área Metropolitana de Lisboa (+35.5%) and the Algarve (+31.8%).

Completed works for new constructions in Portugal increased by 22.4% compared with the 3rd quarter 2016, while rehabilitation works grew by 24.8%. When compared with the preceding quarter, completed works for new constructions increased by 15.4% while rehabilitation works grew by 13.7%.

Completed works in new constructions recorded positive year-on-year rates of change in all regions. The highest increases occurred in Região Autónoma da Madeira (+138.9%, i.e. 25 more completed buildings), Algarve (+50.0%) and in Área Metropolitana de Lisboa (+35.9%).

As regards completed works for rehabilitation, there was a growth in year-on-year terms in all regions, with the emphasis on the Norte (+38.5%) and Área Metropolitana de Lisboa (+34.4%).

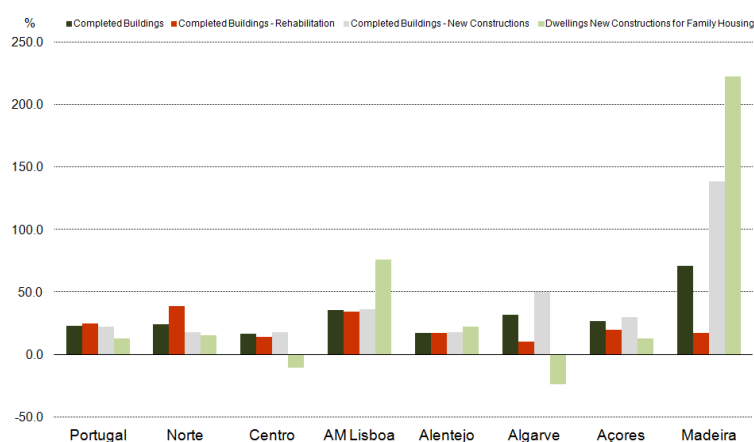
In the 3rd quarter 2017, the number of completed dwellings in new constructions for family housing recorded an increase of 12.7%, corresponding to a 1.7 p.p. decline vis-à-vis the rate of change recorded in the previous quarter (+14.4%). There were declining year-on-year rates of change in the regions of Algarve (-24.1%) and Centro (-10.6%). All the remaining regions presented positive year-on-year rates of change, more so in the case of Região Autónoma da Madeira (+223.1%, i.e. 29 more dwellings completed) and Área Metropolitana de Lisboa (+75.8%).

Of the total buildings completed in the 3rd quarter 2017, 69.3% were located in the regions of Norte and Centro, with a corresponding 63.1% of the total completed dwellings in new constructions for family housing. The Norte region accounted for 38.9% of buildings and 38.6% of completed dwellings in the whole country. The works completed in Área Metropolitana de Lisboa corresponded to 9.8% of the total buildings and 18.3% of the total dwellings.

In the 3rd quarter 2017, there was a 31.9% increase in the total completed construction area in Portugal compared with the 3rd quarter 2016. Região Autónoma da Madeira and Região Autónoma dos Açores presented declines in this variable of 25.9% and 4.1% respectively. All the remaining regions recorded increases compared with the same quarter a year earlier, with the emphasis on the Norte region (+41.2%).

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

(3rd Quarter 2017)



Construction: Building Permits	Building Permits**					Quarterly year-on- year change rate (3 rd Q)*
	3 rd Q- 2016	4 th Q- 2016	1 st Q- 2017	2 nd Q- 2017	3 rd Q- 2017	
	Number					
Portugal						
Building Permits	4 191	4 389	4 990	4 694	4 472	6.7
Rehabilitation	1 175	1 204	1 251	1 177	1 111	-5.4
New Construction	2 651	2 864	3 387	3 161	3 040	14.7
for Family Housing	1 856	1 949	2 252	2 196	2 257	21.6
Dwellings	2 829	2 999	3 438	3 638	3 426	21.1
Total area (m ²)	1 479 253	1 682 597	1 721 873	1 833 319	1 820 779	23.1
Norte						
Building Permits	1 709	1 804	1 997	1 972	1 782	4.3
Rehabilitation	488	484	500	490	465	-4.7
New Construction	1 079	1 211	1 385	1 353	1 196	10.8
for Family Housing	785	818	975	966	872	11.1
Dwellings	1 198	1 194	1 426	1 450	1 191	-0.6
Total area (m ²)	542 831	630 310	733 265	746 905	839 526	54.7
Centro						
Building Permits	1 191	1 347	1 416	1 357	1 329	11.6
Rehabilitation	328	372	372	333	338	3.0
New Construction	776	873	934	936	911	17.4
for Family Housing	522	576	588	582	658	26.1
Dwellings	644	936	821	824	966	50.0
Total area (m ²)	463 663	559 870	497 881	578 923	517 734	11.7
Area Metropolitana de Lisboa						
Building Permits	508	483	732	582	595	17.1
Rehabilitation	126	109	130	128	100	-20.6
New Construction	298	321	531	383	424	42.3
for Family Housing	224	260	333	317	355	58.5
Dwellings	390	508	670	823	754	93.3
Total area (m ²)	253 837	220 427	249 406	241 354	259 783	2.3
Alentejo						
Building Permits	391	328	353	371	344	-12.0
Rehabilitation	105	95	96	92	75	-28.6
New Construction	267	217	241	253	254	-4.9
for Family Housing	160	123	141	137	159	-0.6
Dwellings	178	150	150	151	180	1.1
Total area (m ²)	104 165	120 171	97 221	115 507	95 072	-8.7
Algarve						
Building Permits	195	225	235	199	214	9.7
Rehabilitation	61	85	78	63	68	11.5
New Construction	110	108	126	105	118	7.3
for Family Housing	94	92	104	94	106	12.8
Dwellings	345	120	256	203	170	-50.7
Total area (m ²)	66 825	95 464	67 672	80 553	47 535	-28.9
R.A. Açores						
Building Permits	140	140	182	152	152	8.6
Rehabilitation	38	36	50	47	41	7.9
New Construction	94	97	123	94	106	12.8
for Family Housing	50	49	70	69	80	44.6
Dwellings	50	51	71	76	106	112.0
Total area (m ²)	37 298	41 123	46 385	32 635	41 978	12.5
R.A. Madeira						
Building Permits	57	62	75	61	56	-1.8
Rehabilitation	29	23	25	24	24	-17.2
New Construction	27	37	47	37	31	14.8
for Family Housing	21	31	41	31	27	28.6
Dwellings	24	40	44	111	59	145.8
Total area (m ²)	10 634	15 232	30 043	37 442	19 151	80.1

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 (2 rd Q)*
	3 rd Q- 2016	4 th Q- 2016	1 st Q- 2017	2 nd Q- 2017	3 rd Q- 2017	
	Number					
Portugal						
Completed Buildings	2 707	2 807	2 896	2 903	3 334	23.2
Rehabilitation	833	870	888	915	1 040	24.8
New Construction	1 874	1 937	2 008	1 988	2 294	22.4
for Family Housing	1 241	1 266	1 346	1 360	1 529	23.2
Dwellings	1 864	2 113	1 987	1 886	2 101	12.7
Total area (m ²)	988 526	1 037 170	1 653 304	1 007 225	1 303 553	31.9
Norte						
Completed Buildings	1 047	1 083	1 119	1 195	1 298	24.0
Rehabilitation	301	344	356	387	417	38.5
New Construction	746	739	763	808	881	18.1
for Family Housing	516	495	526	567	602	16.7
Dwellings	703	869	700	759	812	15.5
Total area (m ²)	393 038	414 693	477 122	438 082	554 986	41.2
Centro						
Completed Buildings	870	846	943	869	1 014	16.6
Rehabilitation	283	259	277	258	323	14.1
New Construction	587	587	666	611	691	17.7
for Family Housing	377	370	438	390	435	15.4
Dwellings	574	594	646	525	513	-10.6
Total area (m ²)	303 618	313 111	803 420	301 385	423 734	39.6
Area Metropolitana de Lisboa						
Completed Buildings	242	278	300	256	328	35.5
Rehabilitation	61	63	79	78	82	34.4
New Construction	181	215	221	178	246	35.9
for Family Housing	133	163	162	136	190	42.9
Dwellings	219	350	311	237	385	75.8
Total area (m ²)	113 131	134 866	160 947	94 501	141 564	25.1
Alentejo						
Completed Buildings	263	278	246	264	309	17.5
Rehabilitation	75	80	77	73	88	17.3
New Construction	188	198	169	191	221	17.6
for Family Housing	103	98	92	118	123	19.4
Dwellings	123	99	95	138	150	22.0
Total area (m ²)	81 175	81 803	80 116	68 662	90 104	11.0
Algarve						
Completed Buildings	110	118	107	125	145	31.8
Rehabilitation	50	57	42	53	55	10.0
New Construction	60	61	65	72	90	50.0
for Family Housing	45	47	51	62	74	64.4
Dwellings	170	88	111	137	129	-24.1
Total area (m ²)	39 348	32 029	78 204	47 449	40 716	3.5
R.A. Açores						
Completed Buildings	134	147	122	137	170	26.9
Rehabilitation	40	46	35	36	48	20.0
New Construction	94	101	87	101	122	29.8
for Family Housing	55	65	44	65	68	23.6
Dwellings	62	78	49	67	70	12.9
Total area (m ²)	42 699	34 159	30 065	46 934	40 958	-4.1
R.A. Madeira						
Completed Buildings	41	57	59	57	70	70.7
Rehabilitation	23	21	22	30	27	17.4
New Construction	18	36	37	27	43	138.9
for Family Housing	12	28	33	22	37	208.3
Dwellings	13	35	75	23	42	223.1
Total area (m ²)	15 517	26 509	23 430	10 212	11 491	-25.9

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	
	2 nd Quarter 2017	
Previous publication	Previous publication	Current Publication
Building Permits	7.4%	8.6%
Licensed Dwellings	10.8%	11.4%

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).

The series is updated for the years 2011 and following, according to the SIUO 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 October 2017 can be found.

DATE OF NEXT PRESS RELEASE: **March 16, 2018.**