

16 March 2018

Construction: Building permits and completed buildings

4th Quarter 2017 – preliminary data

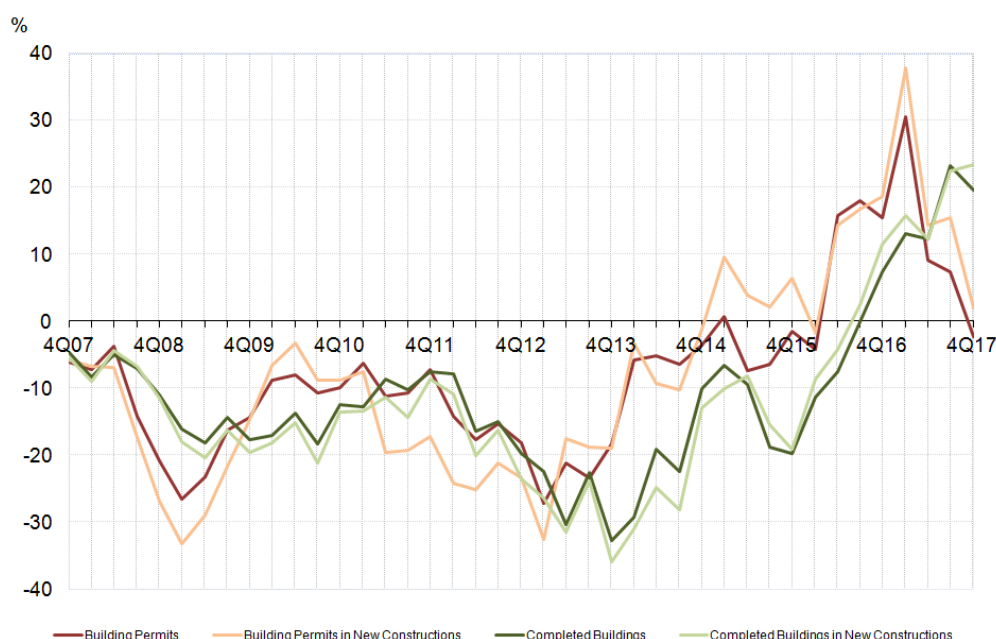
Building permits declined by 2.4% and completed buildings increased by 19.6%

In the 4th quarter 2017, building permits declined by 2.4% in comparison with the same period of the previous year (+7.3% in the 3rd quarter 2017), corresponding to 4.3 thousand buildings. Building permits for new constructions increased by 2.0% (+15.4% in the 3rd quarter 2017) while the number of rehabilitation permits decreased by 12.4% (-5.4% in the 3rd quarter 2017). Completed buildings recorded a 19.6% increase (+23.2% in the 3rd quarter 2017) with a total of 3.4 thousand buildings.

When compared with the previous quarter, the number of building permits decreased by 4.8% (-4.6% in the 3rd quarter 2017) while the rate of change as regards completed buildings was +0.7% (+14.8% in the 3rd quarter 2017).

In the 4th quarter 2017, there were 4.3 thousand building permits and 3.4 thousand completed buildings in Portugal. Building permits declined by 2.4% vis-à-vis the 4th quarter 2016, corresponding to a 4.8% decrease when compared with the previous quarter. The number of completed buildings increased by 19.6% in year-on-year terms and by 0.7% vis-à-vis the 3rd quarter 2017.

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

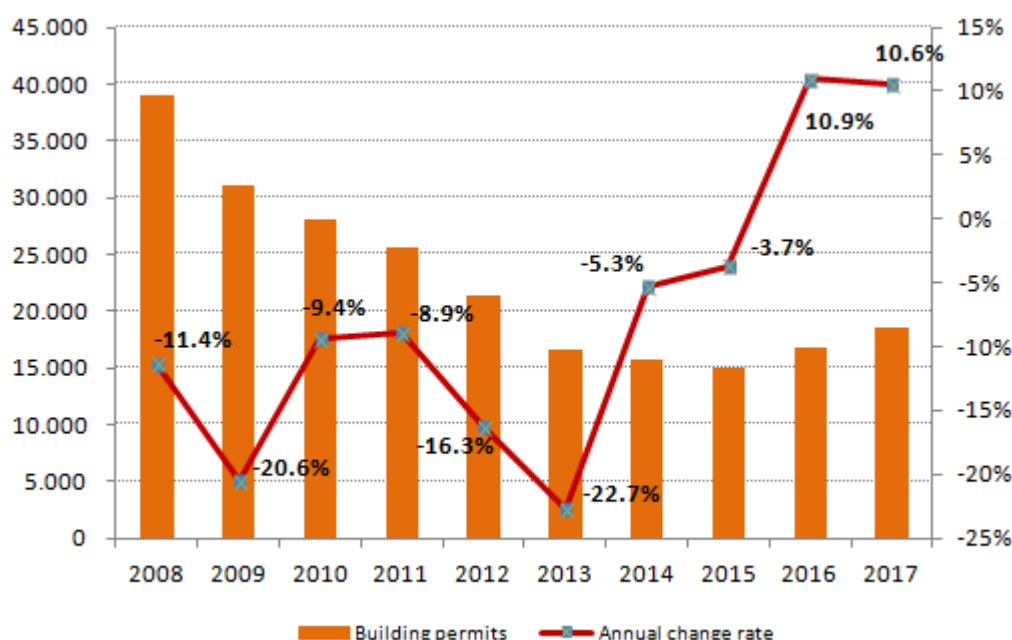


1. Annual evolution

In 2017, the number of building permits issued was 18.5 thousand and completed buildings stood at 12.4 thousand, corresponding to a 10.6% increase in building permits compared to the previous year (+10.9% in 2016) and to a 17.1% increase in completed buildings (-3.2% in 2016).

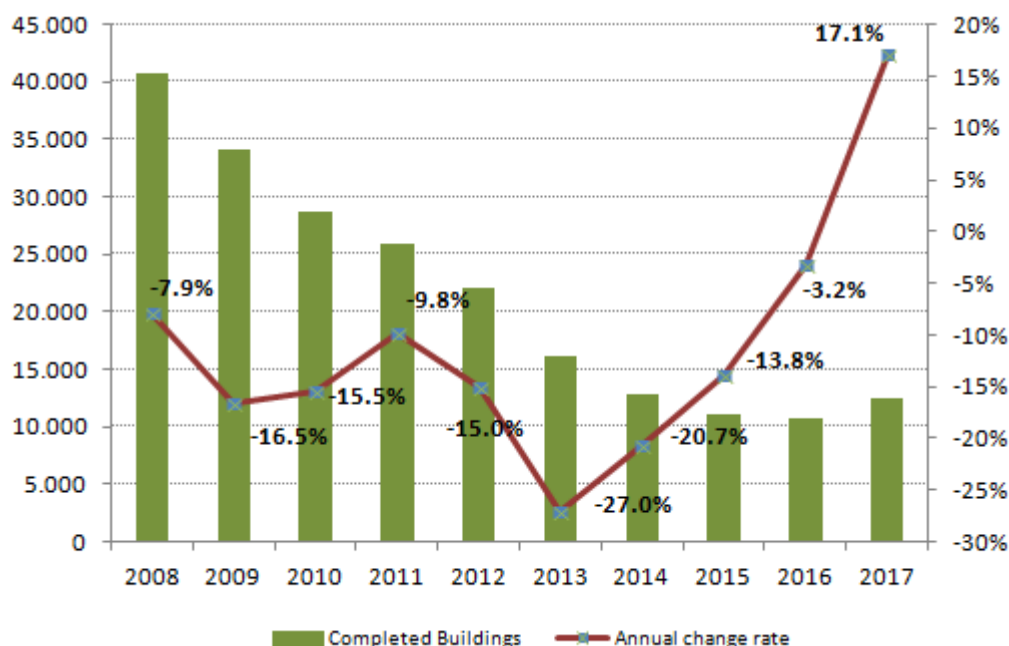
In the last decade, the number of building permits recorded a reduction of 20.5 thousand buildings corresponding to a 52.6% decline (39.0 thousand building permits in 2008 vis-à-vis 18.5 thousand in 2017). In the second half of the decade (2013 to 2017) the reduction was 43.1% when compared with the first half of the decade which, in absolute terms, corresponded to 62.5 thousand less building permits. The largest annual reduction occurred in 2013 (-22.7%).

Building permits – 2008-2017 annual evolution



With regard to the number of completed buildings, between 2008 and 2017, there was a reduction of 69.4% which corresponded to 28.3 thousand less buildings (40.8 thousand buildings completed in 2008 vis-à-vis 12.5 thousand in 2017). In the second half of the decade the reduction in building permits stood at 58.4% when compared with the first half of the decade, corresponding to 88.7 thousand less completed buildings. As regards this variable, the largest year-on-year decline also occurred in 2013 (-27.0%).

Completed buildings – 2008-2017 annual evolution



2. Building permits

In the 4th quarter 2017, the number of building permits issued in Portugal reached 4.3 thousand, corresponding to a 2.4% decline in comparison with the 4th quarter 2016.

Of the total building permits, 68.2% corresponded to new constructions and of these, 71.2% referred to family housing. Demolished buildings (309 units) corresponded to 7.2% of the total building permits in the 4th quarter 2017.

As regards building permits, the NUTS II regions that recorded positive year-on-year rates of change vis-à-vis the 4th quarter 2016 were Região Autónoma dos Açores (+15.0%), Área Metropolitana de Lisboa (+11.8%) and Norte (+3.2%). The remaining regions recorded declining year-on-year rates of change, more so Região Autónoma da Madeira with -21.0%.

With regard to building permits for new constructions in Portugal, there was an increase of 2.0% vis-à-vis the 4th quarter 2016, while rehabilitation works declined by 12.4%. When compared with the previous quarter, permits for new constructions declined by 4.5% while rehabilitation works also declined by 5.0%.

As regards building permits for new constructions, the positive rates of change recorded in Região Autónoma dos Açores (+19.6%) and in Área Metropolitana de Lisboa (+14.0%) stood out. The most declining rate of change regarding this variable occurred in Região Autónoma da Madeira (-29.7%).

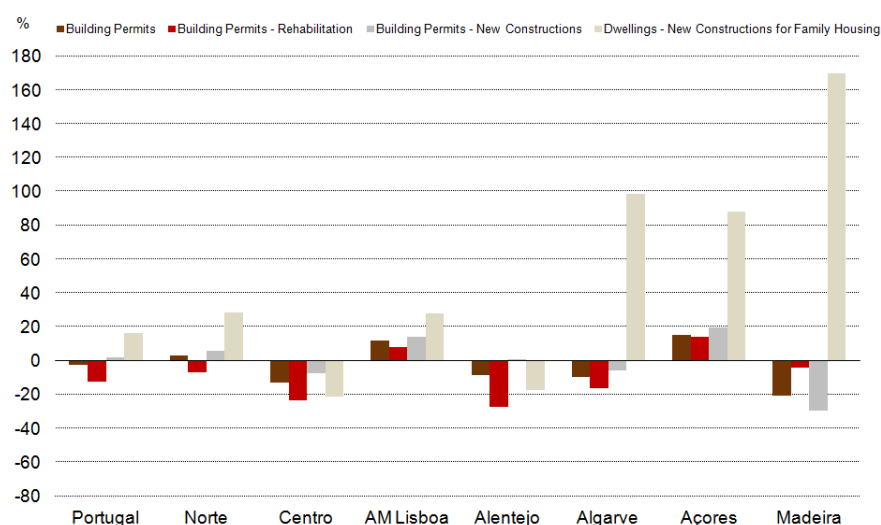
In what concerns permits for building rehabilitation, Região Autónoma dos Açores presented the highest positive rate of change (+13.9%) while Alentejo recorded the most declining rate of change (-27.4%).

In the 4th quarter 2017, the number of licensed dwellings in new constructions for family housing was 3.5 thousand, increasing by 16.3% compared with the 4th quarter 2016 and declining by 5.6 p.p. vis-à-vis the rate of change recorded

in the preceding quarter (+21.8%). Região Autónoma da Madeira presented the highest positive rate of change in this variable (+170.0% corresponding to 68 more dwellings, 48 of which situated in the municipality of Funchal, mainly in licensed buildings with three or more dwellings), followed by Algarve with a 98.3% growth (118 more dwellings, of which 104 were in licensed buildings with three or more dwellings, in the municipalities of Albufeira (46), Tavira (30) and Lagos (28)). The Centro region presented the most declining rate of change (-21.2%).

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

(4th Quarter 2017)



When focusing the analysis on a municipality level, there is a high concentration of licensed dwellings (considering all types of construction works and purposes) in building works in a reduced number of municipalities. The municipalities with the highest absolute variation were responsible for the licensing of 20.1% of total dwellings in the 4th quarter 2017: Vila Nova de Gaia (3.0%), Braga (4.5%), Setúbal (2.2%), Mafra (2.4%) and Porto (8.1%).

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

(4th quarter 2017)

		4th Quarter 2017	4th Quarter 2016	Variation (Number)	Year-on- year change rate (%)
Rank	Portugal	4628	4183	445	10,6%
1	Vila Nova de Gaia	137	49	125	227,3%
2	Braga	209	128	93	489,5%
3	Setúbal	100	28	75	119,0%
4	Mafra	109	44	56	266,7%
5	Porto	377	318	54	13,1%

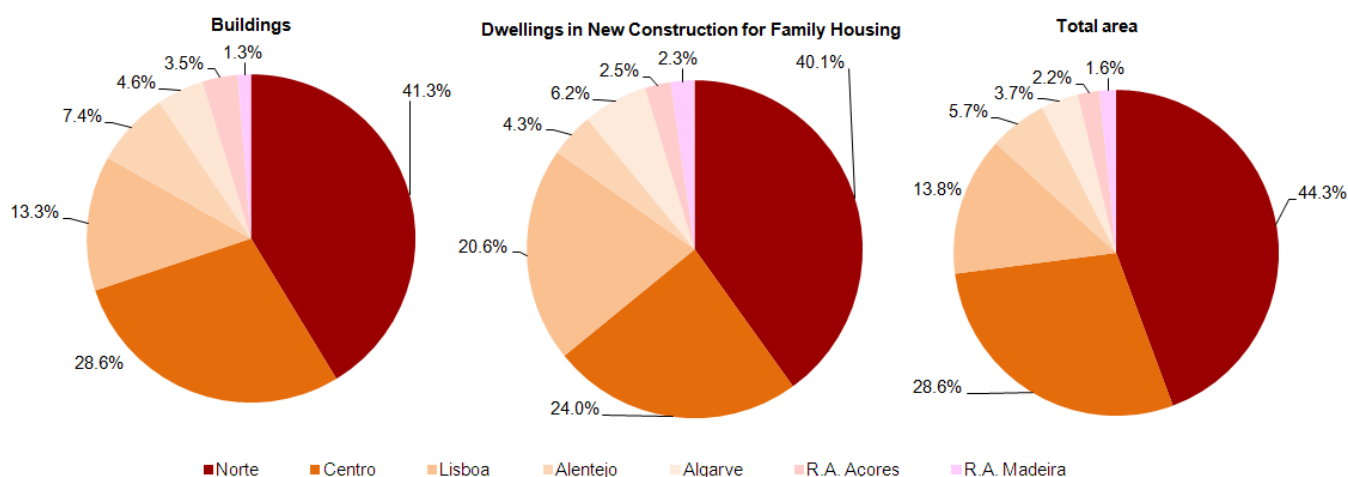
In Portugal, in the 4th quarter 2017, there was a 8.2% year-on-year increase in the total licensed area. Região Autónoma da Madeira presented the highest positive rate of change (+113.3%) mainly related to the increase in the licensed dwellings in the municipality of Funchal, while the region of the Algarve recorded the largest decrease in this variable (-25.0%).

In 2017, the Norte region was responsible for 41.3% of the total building permits and for 40.1% of dwellings in new constructions for family housing in Portugal. The Norte region, together with the Centro region, stood for 69.9% of building permits and 64.1% of licensed dwellings in new constructions for family housing.

Building permits in the Área Metropolitana de Lisboa represented 13.3% of the country's total value, corresponding to 20.6% of the total number of licensed dwellings in new constructions for family housing.

Regional breakdown of buildings, dwellings and total licensed area

(2017)



3. Completed buildings

In the 4th quarter 2017, the total number of completed buildings (new constructions, building enlargements, renovations and reconstructions) increased by 19.6% compared with the 4th quarter 2016. In this period, it is estimated that 3.4 thousand buildings were completed in Portugal, mostly corresponding to new constructions (71.2%) of which 67.3% were destined to become family housing.

Região Autónoma dos Açores was the only region to record a year-on-year decline in the number of completed buildings (-19.7%). This variable increased in the remaining NUTS II regions, more so in Região Autónoma da Madeira (+43.9%), Algarve (+39.8%) and Área Metropolitana de Lisboa (+34.2%).

In Portugal, completed works for new constructions increased by 23.4% when compared with the 4th quarter 2016, while rehabilitation works grew by 10.9%. In comparison with the previous quarter, completed works for new constructions increased by 4.2% while rehabilitation works declined by 7.2%.

Completed works in new constructions have declined in Região Autónoma dos Açores (-12.9%). The remaining regions presented positive year-on-year rates of change, with the emphasis on Algarve (+82.0%) and Área Metropolitana de Lisboa (+33.5%).

In what concerns completed works for rehabilitation, the greatest increases were registered in Região Autónoma da Madeira (+71.4%) and Área Metropolitana de Lisboa (+36.5%).

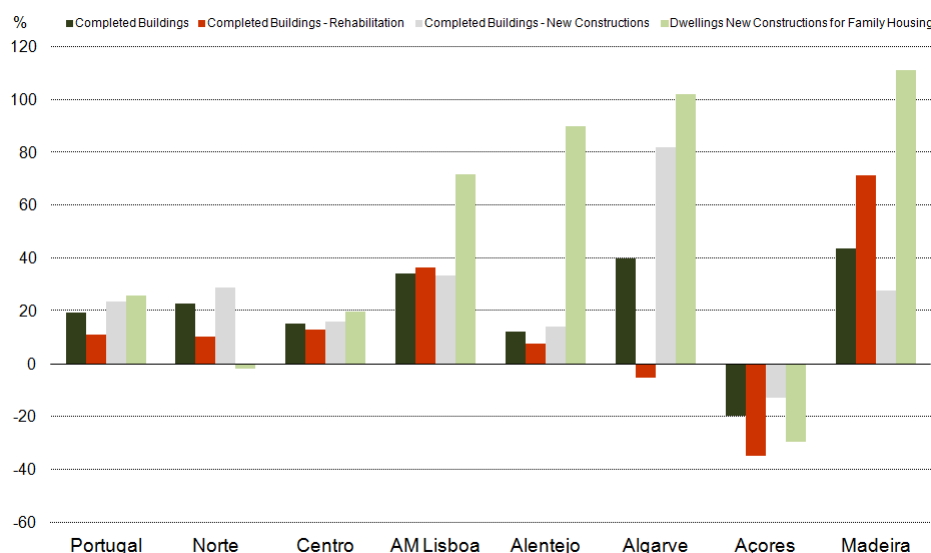
In the 4th quarter 2017, the number of completed dwellings in new constructions for family housing stood at 2.7 thousand, increasing by 26.0% when compared with the 4th quarter 2016 (+12.7% in the 3rd quarter 2017). The only regions that presented declining year-on-year rates of change in this variable were Região Autónoma dos Açores (-29.5%) and Norte (-1.7%). The remaining regions had positive year-on-year rates of change, more so Região Autónoma da Madeira (+111.4%, i.e. 39 more completed dwellings) and the Algarve (+102.3%, i.e. 90 more dwellings).

Of the total buildings completed in the 4th quarter 2017, about 68.7% were located in the regions of Norte and Centro, with a corresponding 58.8% of the total completed dwellings in new constructions for family housing. The Norte region accounted for a 39.7% share in buildings and 32.1% in completed dwellings in the whole country. The works completed in Área Metropolitana de Lisboa corresponded to 11.1% of the total buildings and 22.6% of the total dwellings completed.

In the 4th quarter 2017, there was a 53.2% increase in the total completed construction area in Portugal compared with the same period of 2016. The Região Autónoma dos Açores presented a decline of 2.3% in this variable. There were increases in the remaining regions compared with the same quarter a year earlier, more so the Algarve region (+506.9%). This growth is mainly due to the conclusion of the construction of a shopping center and of two other large-sized commercial units in the region.

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

(4th quarter 2017)

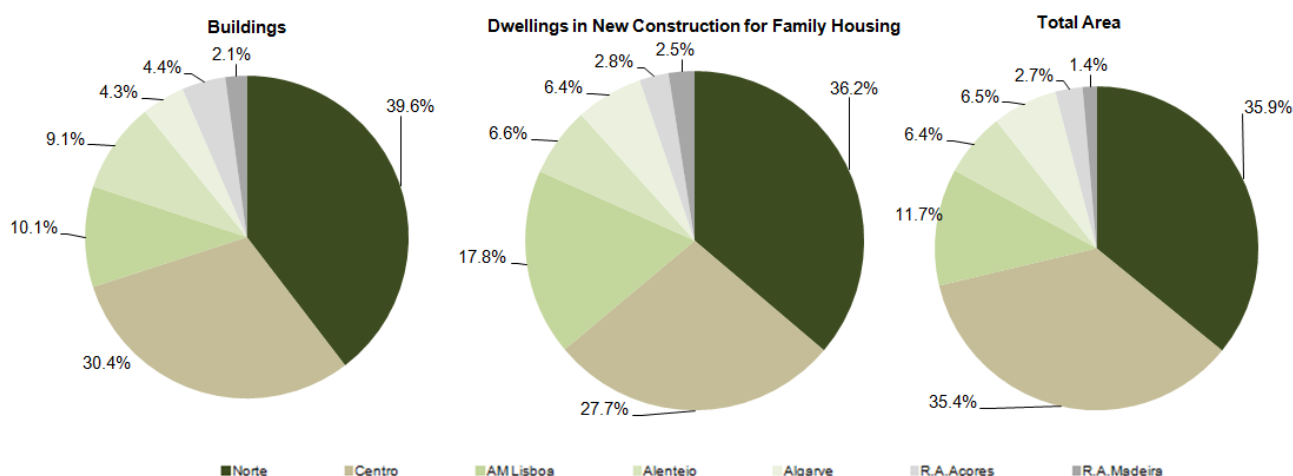


Considering the total completed buildings in 2017 in Portugal, the Norte region held 39.6% of completed buildings and 36.2% of completed dwellings in new constructions for family housing. The Norte region, together with the Centro region, stood for 70.0% of completed buildings and for 63.9% of completed dwellings in new constructions for family housing.

Completed buildings in Área Metropolitana de Lisboa represented 10.1% of the country's total, corresponding to 17.8% of the total number of completed dwellings in new constructions for family housing in Portugal.

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

(2017)



Construction: Building Permits	Building Permits**					Quarterly year-on- year change rate (4 th Q)*
	4 th Q- 2016	1 st Q- 2017	2 nd Q- 2017	3 rd Q- 2017	4 th Q- 2017	
	Number					
Portugal						
Building Permits	4 389	5 004	4 717	4 499	4 285	-2.4
Rehabilitation	1 204	1 257	1 178	1 111	1 055	-12.4
New Construction	2 864	3 394	3 182	3 060	2 921	2.0
for Family Housing	1 949	2 259	2 210	2 267	2 080	6.7
Dwellings	2 999	3 460	3 650	3 447	3 487	16.3
Total area (m ²)	1 682 597	1 722 577	1 858 840	1 817 955	1 821 278	8.2
Norte						
Building Permits	1 804	2 001	1 983	1 794	1 861	3.2
Rehabilitation	484	503	488	463	450	-7.0
New Construction	1 211	1 385	1 365	1 207	1 284	6.0
for Family Housing	818	975	970	879	916	12.0
Dwellings	1 194	1 426	1 459	1 211	1 533	28.4
Total area (m ²)	630 310	729 772	744 946	838 890	887 481	40.8
Centro						
Building Permits	1 347	1 422	1 368	1 331	1 171	-13.1
Rehabilitation	372	374	333	337	284	-23.7
New Construction	873	938	947	914	808	-7.4
for Family Housing	576	592	593	660	541	-6.1
Dwellings	936	839	828	970	738	-21.2
Total area (m ²)	559 870	500 715	606 384	511 957	447 928	-20.0
Area Metropolitana de Lisboa						
Building Permits	483	733	580	600	540	11.8
Rehabilitation	109	130	128	101	118	8.3
New Construction	321	532	381	427	366	14.0
for Family Housing	260	334	316	357	311	19.6
Dwellings	508	671	822	756	650	28.0
Total area (m ²)	220 427	251 326	241 425	262 748	239 277	8.6
Alentejo						
Building Permits	328	352	371	349	300	-8.5
Rehabilitation	95	96	92	76	69	-27.4
New Construction	217	240	253	257	219	0.9
for Family Housing	123	140	137	158	123	0.0
Dwellings	150	150	151	175	124	-17.3
Total area (m ²)	120 171	96 565	115 455	95 533	106 616	-11.3
Algarve						
Building Permits	225	238	202	217	203	-9.8
Rehabilitation	85	78	66	69	71	-16.5
New Construction	108	129	105	118	102	-5.6
for Family Housing	92	107	94	106	84	-8.7
Dwellings	120	259	203	170	238	98.3
Total area (m ²)	95 464	68 233	80 553	47 706	71 602	-25.0
R.A. Açores						
Building Permits	140	183	152	152	161	15.0
Rehabilitation	36	51	47	41	41	13.9
New Construction	97	123	94	106	116	19.6
for Family Housing	49	70	69	80	82	61.2
Dwellings	51	71	76	106	96	88.2
Total area (m ²)	41 123	45 923	32 635	41 970	35 884	-12.7
R.A. Madeira						
Building Permits	62	75	61	56	49	-21.0
Rehabilitation	23	25	24	24	22	-4.3
New Construction	37	47	37	31	26	-29.7
for Family Housing	31	41	31	27	23	-25.8
Dwellings	40	44	111	59	108	170.0
Total area (m ²)	15 232	30 043	37 442	19 151	32 490	113.3

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- 2016	1 st Q- 2017	2 nd Q- 2017	3 rd Q- 2017	4 th Q- 2017	
	Number					
Portugal						
Completed Buildings	2 807	2 896	2 903	3 334	3 356	19.6
Rehabilitation	870	888	915	1 040	965	10.9
New Construction	1 937	2 008	1 988	2 294	2 391	23.4
for Family Housing	1 266	1 346	1 360	1 529	1 609	27.1
Dwellings	2 113	1 987	1 886	2 101	2 662	26.0
Total area (m ²)	1 037 170	1 653 304	1 007 225	1 303 553	1 589 022	53.2
Norte						
Completed Buildings	1 083	1 119	1 195	1 298	1 332	23.0
Rehabilitation	344	356	387	417	380	10.5
New Construction	739	763	808	881	952	28.8
for Family Housing	495	526	567	602	623	25.9
Dwellings	869	700	759	812	854	-1.7
Total area (m ²)	414 693	477 122	438 082	554 986	521 685	25.8
Centro						
Completed Buildings	846	943	869	1 014	974	15.1
Rehabilitation	259	277	258	323	293	13.1
New Construction	587	666	611	691	681	16.0
for Family Housing	370	438	390	435	423	14.3
Dwellings	594	646	525	513	711	19.7
Total area (m ²)	313 111	803 420	301 385	423 734	438 920	40.2
Area Metropolitana de Lisboa						
Completed Buildings	278	300	256	328	373	34.2
Rehabilitation	63	79	78	82	86	36.5
New Construction	215	221	178	246	287	33.5
for Family Housing	163	162	136	190	234	43.6
Dwellings	350	311	237	385	602	72.0
Total area (m ²)	134 866	160 947	94 501	141 564	252 004	86.9
Alentejo						
Completed Buildings	278	246	264	309	312	12.2
Rehabilitation	80	77	73	88	86	7.5
New Construction	198	169	191	221	226	14.1
for Family Housing	98	92	118	123	142	44.9
Dwellings	99	95	138	150	188	89.9
Total area (m ²)	81 803	80 116	68 662	90 104	116 648	42.6
Algarve						
Completed Buildings	118	107	125	145	165	39.8
Rehabilitation	57	42	53	55	54	-5.3
New Construction	61	65	72	90	111	82.0
for Family Housing	47	51	62	74	96	104.3
Dwellings	88	111	137	129	178	102.3
Total area (m ²)	32 029	78 204	47 449	40 716	194 375	506.9
R.A. Açores						
Completed Buildings	147	122	137	170	118	-19.7
Rehabilitation	46	35	36	48	30	-34.8
New Construction	101	87	101	122	88	-12.9
for Family Housing	65	44	65	68	52	-20.0
Dwellings	78	49	67	70	55	-29.5
Total area (m ²)	34 159	30 065	46 934	40 958	33 373	-2.3
R.A. Madeira						
Completed Buildings	57	59	57	70	82	43.9
Rehabilitation	21	22	30	27	36	71.4
New Construction	36	37	27	43	46	27.8
for Family Housing	28	33	22	37	39	39.3
Dwellings	35	75	23	42	74	111.4
Total area (m ²)	26 509	23 430	10 212	11 491	32 017	20.8

Note: * Quarterly year-on-year change rate: compares the change between the current quarter and the same quarter of the previous year.

Data for completed buildings is based on completed works estimations.

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 3 rd Quarter 2017		
Previous publication	Previous publication	Current Publication
Building Permits	6.7%	7.3%
Licensed Dwellings	21.1%	21.8%

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).

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 2018 can be found.

DATE OF NEXT PRESS RELEASE: **June 14, 2018.**