

Construction: Building permits and completed buildings

2nd Quarter 2018 – Preliminary data

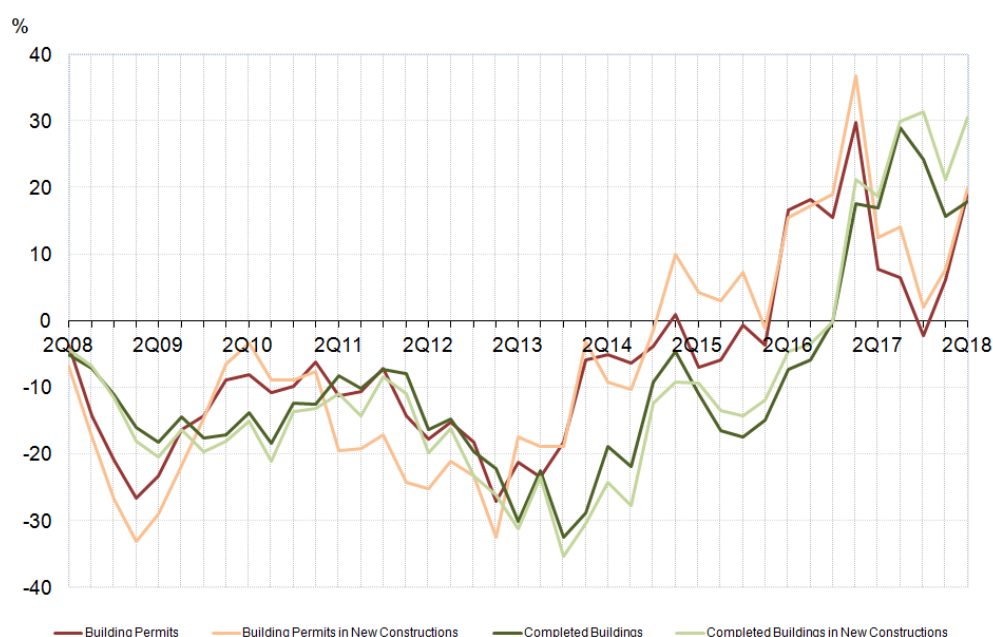
Building permits increased by 19.1% and completed buildings grew by 17.9%

In the 2nd quarter 2018, building permits increased by 19.1% in comparison with the same period of the previous year (+6.3% in the 1st quarter 2018), corresponding to 5.6 thousand buildings. Building permits for new constructions increased by 20.0% (+7.8% in the 1st quarter 2018), while the number of rehabilitation permits increased by 18.4% (-0.1% in the 1st quarter 2018). Completed buildings recorded a 17.9% increase (+15.7% in the 1st quarter 2018) with a total of 3.6 thousand buildings.

When compared with the previous quarter, the number of building permits increased by 5.4% (+23.1% in the 1st quarter 2018) while the rate of change as regards completed buildings was +3.0% (+1.7% in the 1st quarter 2018).

In the 2nd quarter 2018, there were 5.6 thousand building permits and 3.6 thousand completed buildings in Portugal. Building permits increased by 19.1% vis-à-vis the 2nd quarter 2017, corresponding to a 5.4% increase when compared with the 1st quarter 2018. Completed buildings increased by 17.9% vis-à-vis the 2nd quarter 2017, corresponding to a 3.0% increase when compared with the 1st quarter 2018.

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



1. Building permits

In the 2nd quarter 2018, the number of building permits issued in Portugal reached 5.6 thousand, corresponding to a 19.1% increase in comparison with the 2nd quarter 2017.

Of the total building permits, 67.9% corresponded to new constructions and of these, 75.1% referred to family housing. Demolished buildings (412 units) corresponded to 7.3% of the total building permits in the 2nd quarter 2018.

All regions presented a positive rate of change in the total of building permits vis-à-vis the same quarter a year earlier. The highest variations occurred in the regions of Algarve (+61.6%), Área Metropolitana de Lisboa (+43.2%) and Região Autónoma da Madeira (+42.6%). The lowest positive rate of change occurred in the region of Norte (+8.5%).

With regard to building permits for new constructions in Portugal, there was an increase of 20.0% vis-à-vis the 2nd quarter 2017, while rehabilitation works increased by 18.4%. When compared with the previous quarter, permits for new constructions increased by 4.0% and rehabilitation works grew by 10.7%.

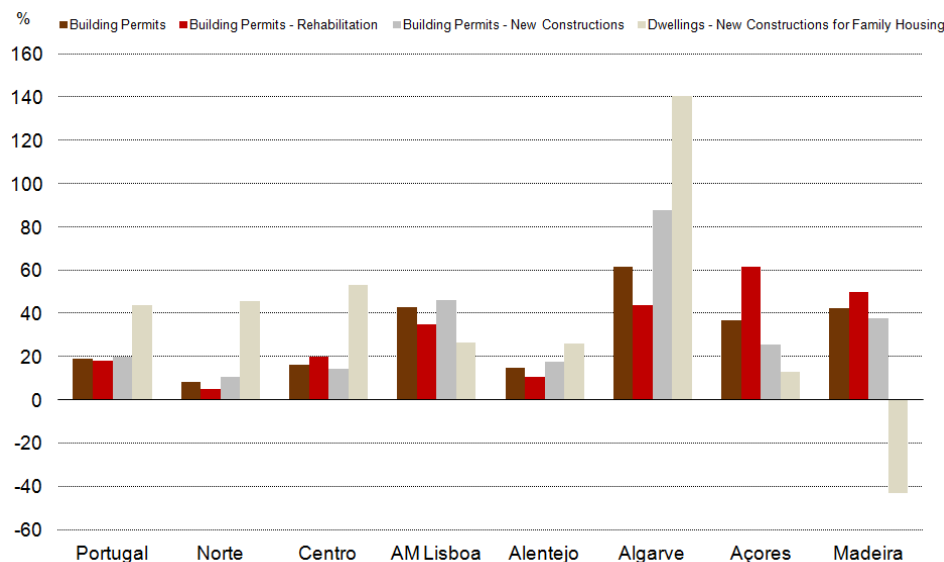
As regards building permits for new constructions, all regions presented positive rates of change more so the Algarve (+87.7%) and Área Metropolitana de Lisboa (+46.3%). In what concerns permits for building rehabilitation, all regions presented increasing year-on-year rates of change, with the highest variations having occurred in Região Autónoma dos Açores (+61.7%), Região Autónoma da Madeira (+50.0%) and Algarve (+43.9%).

In the 2nd quarter 2018, the number of licensed dwellings in new constructions for family housing was 5.3 thousand, corresponding to a 44.1% increase when compared with the 2nd quarter 2017, +13.1 p.p. vis-à-vis the rate of change recorded in the preceding quarter (+31.0%). Região Autónoma da Madeira was the only one to present reduction in this variable when compared to the same quarter of the previous year (-43.2%). It should be noted that in the 2nd quarter 2017 there was an increase in dwellings in new construction for family housing in Região Autónoma da Madeira, explained partly by the licensing of 75 new dwellings in the municipality of Funchal.

All other regions presented a positive rate of change in this indicator, vis-à-vis the same quarter a year earlier, with an emphasis on the regions of Algarve (+140.9%), Centro (+53.1%) and Norte (+45.6%).

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

(2nd quarter 2018)



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 19.8% of total dwellings in the 2nd quarter 2018: Porto (8.9%), Braga (4.1%), Guimarães (3.3%), Alcobaça (1.9%) and Olhão (1.6%).

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

(2nd quarter 2018)

Rank	Portugal	2 nd Quarter 2018	2 nd Quarter 2017	Variation (Number)	Year-on-year change rate (%)
1	Porto	6872	5134	1738	33.9%
2	Braga	612	414	198	47.8%
3	Guimarães	282	129	153	118.6%
4	Alcobaça	228	114	114	100.0%
5	Olhão	131	18	113	627.8%
	Olhão	110	17	93	547.1%

In Portugal, in the 2nd quarter 2018, there was a 19.1% year-on-year increase in the total licensed area. Região Autónoma da Madeira and Alentejo have recorded year-on-year negative rates of change: -34.3% and -7.1%, respectively. The remaining regions presented a positive rate of change vis-à-vis the same quarter a year earlier, with highlight to the Região Autónoma dos Açores (+67.6%) and Algarve (+34.7%).

2. Completed buildings

In the 2nd quarter 2018, the total number of completed buildings (new constructions, building enlargements, renovations and reconstructions) increased by 17.9% vis-à-vis the 2nd quarter 2017. In this period, it is estimated that 3.6 thousand buildings were completed in Portugal, mostly corresponding to new constructions (77.0%) of which 72.2% were destined to become family housing.

All regions presented a positive rate of change vis-à-vis the same quarter a year earlier, more so in Área Metropolitana de Lisboa (+48.6%) and Algarve (+32.1%).

In Portugal, completed works for new constructions increased by 30.7% when compared with the 2nd quarter 2017 and rehabilitation works decreased by 11.3%. In comparison with the previous quarter, completed works for new constructions increased by 9.1% while rehabilitation works decreased by 13.2%.

All regions presented positive year-on-year rates of change in completed works for new constructions, with the emphasis on the Área Metropolitana de Lisboa (+67.0%) and Algarve (+50.6%).

In what concerns completed works for rehabilitation, only the regions of Algarve and Área Metropolitana de Lisboa presented positive rates of change: +3.8% and +2.5%, respectively. The remaining regions recorded negative year-on-year rates of change, with the highest decreases in Região Autónoma dos Açores (-25.0%) and Região Autónoma da Madeira (-19.0%).

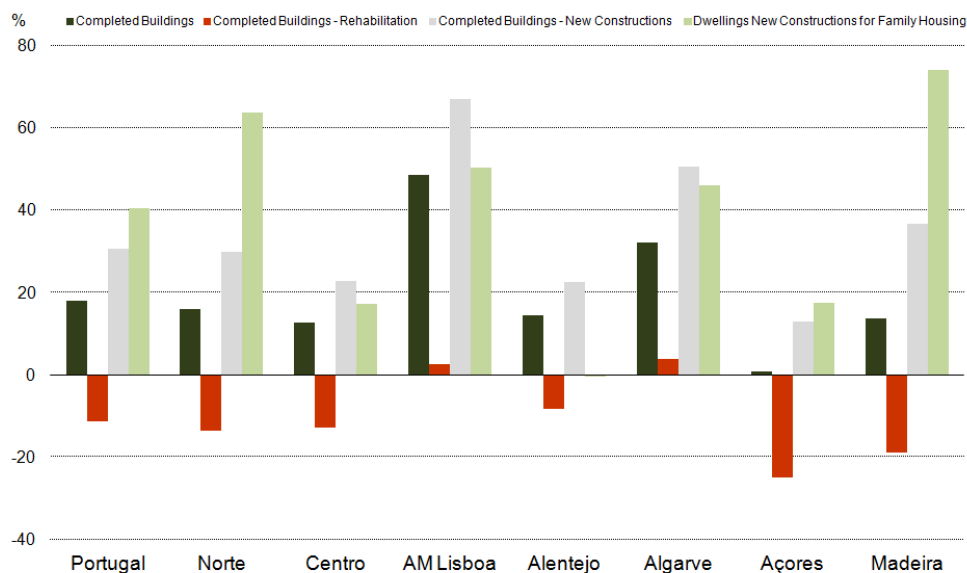
In the 2nd quarter 2018, the number of completed dwellings in new constructions for family housing stood at 2.9 thousand, increasing by 40.4% when compared with the 2nd quarter 2017 (+34.7% in the 1st quarter 2018). The only region that presented a declining year-on-year rate of change in this variable was Alentejo (-0.6%). The remaining regions had positive year-on-year rates of change, more so Região Autónoma da Madeira (+74.1%), Norte (+63.8%), Área Metropolitana de Lisboa (+50.5%) and Algarve (+46.2%).

Of the total buildings completed in the 2nd quarter 2018, about 69.1% were located in the regions of Norte and Centro, with a corresponding 67.5% of the total completed dwellings in new constructions for family housing. The Norte region accounted for a 40.6% share in buildings and 43.0% in completed dwellings in the whole country. The works completed in Área Metropolitana de Lisboa corresponded to 11.7% of the total buildings and 16.1% of the total dwellings.

In the 2nd quarter 2018, there was a 30.0% increase in the total completed construction area in Portugal compared with the 2nd quarter 2017. The only region presenting a year-on-year declining rate was Região Autónoma dos Açores (-31.6%). The highest increase was registered in Centro (+41.0%).

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

(2nd quarter 2018)



Construction: Building Permits	Building Permits**					Quarterly year-on-year change rate (2 nd Q)*
	2 nd Q- 2017	3 rd Q- 2017	4 th Q- 2017	1 st Q- 2018	2 nd Q- 2018	
	Number					
Portugal						
Building Permits	4 731	4 517	4 342	5 347	5 636	19.1
Rehabilitation	1 178	1 111	1 059	1 260	1 395	18.4
New Construction	3 192	3 077	2 971	3 681	3 829	20.0
for Family Housing	2 215	2 279	2 105	2 714	2 877	29.9
Dwellings	3 660	3 472	3 528	4 561	5 275	44.1
Total area (m ²)	1 837 948	1 824 711	1 811 729	2 115 654	2 189 276	19.1
Norte						
Building Permits	1 987	1 802	1 884	2 144	2 155	8.5
Rehabilitation	489	463	452	530	514	5.1
New Construction	1 367	1 214	1 304	1 483	1 512	10.6
for Family Housing	971	883	917	1 107	1 141	17.5
Dwellings	1 460	1 215	1 532	2 088	2 126	45.6
Total area (m ²)	745 055	842 901	881 004	972 677	948 995	27.4
Centro						
Building Permits	1 370	1 335	1 195	1 434	1 593	16.3
Rehabilitation	332	338	284	328	399	20.2
New Construction	950	917	830	992	1 088	14.5
for Family Housing	595	663	560	664	775	30.3
Dwellings	830	980	757	948	1 271	53.1
Total area (m ²)	586 817	514 760	454 947	592 784	636 741	8.5
Area Metropolitana de Lisboa						
Building Permits	581	602	544	852	832	43.2
Rehabilitation	128	101	117	150	173	35.2
New Construction	382	429	371	600	559	46.3
for Family Housing	317	359	315	507	476	50.2
Dwellings	828	764	672	914	1 048	26.6
Total area (m ²)	239 835	262 464	231 210	291 866	308 185	28.5
Alentejo						
Building Permits	377	352	305	395	433	14.9
Rehabilitation	92	76	71	97	102	10.9
New Construction	256	260	222	277	302	18.0
for Family Housing	138	159	124	180	179	29.7
Dwellings	152	176	125	190	192	26.3
Total area (m ²)	115 406	95 307	105 725	104 108	107 242	-7.1
Algarve						
Building Permits	203	217	204	246	328	61.6
Rehabilitation	66	68	72	70	95	43.9
New Construction	106	119	102	147	199	87.7
for Family Housing	94	107	84	119	176	87.2
Dwellings	203	171	238	267	489	140.9
Total area (m ²)	80 758	47 919	70 472	90 449	108 816	34.7
R.A. Açores						
Building Permits	152	153	161	195	208	36.8
Rehabilitation	47	41	41	56	76	61.7
New Construction	94	107	116	131	118	25.5
for Family Housing	69	81	82	93	84	36.0
Dwellings	76	107	96	100	86	13.2
Total area (m ²)	32 635	42 209	35 881	45 765	54 689	67.6
R.A. Madeira						
Building Permits	61	56	49	81	87	42.6
Rehabilitation	24	24	22	29	36	50.0
New Construction	37	31	26	51	51	37.8
for Family Housing	31	27	23	44	46	48.4
Dwellings	111	59	108	54	63	-43.2
Total area (m ²)	37 442	19 151	32 490	18 005	24 608	-34.3

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 (2 nd Q)*
	2 nd Q- 2017	3 rd Q- 2017	4 th Q- 2017	1 st Q- 2018	2 nd Q- 2018	
	Number					
Portugal						
Completed Buildings	3 028	3 437	3 407	3 466	3 570	17.9
Rehabilitation	924	1 047	936	945	820	-11.3
New Construction	2 104	2 390	2 471	2 521	2 750	30.7
for Family Housing	1 430	1 637	1 683	1 766	1 986	38.9
Dwellings	2 082	2 193	2 598	2 772	2 924	40.4
Total area (m ²)	1 126 878	1 347 555	1 514 805	1 437 040	1 464 561	30.0
Norte						
Completed Buildings	1 249	1 364	1 430	1 417	1 449	16.0
Rehabilitation	400	435	384	409	346	-13.5
New Construction	849	929	1 046	1 008	1 103	29.9
for Family Housing	598	650	705	695	810	35.5
Dwellings	767	823	962	1 005	1 256	63.8
Total area (m ²)	459 372	572 834	569 592	581 691	603 324	31.3
Centro						
Completed Buildings	902	1 078	983	1 045	1 017	12.7
Rehabilitation	254	322	269	277	221	-13.0
New Construction	648	756	714	768	796	22.8
for Family Housing	408	484	463	528	538	31.9
Dwellings	612	546	686	844	718	17.3
Total area (m ²)	345 893	447 258	420 306	463 387	487 827	41.0
Area Metropolitana de Lisboa						
Completed Buildings	280	330	339	355	416	48.6
Rehabilitation	80	95	87	88	82	2.5
New Construction	200	235	252	267	334	67.0
for Family Housing	148	179	210	222	270	82.4
Dwellings	313	343	495	486	471	50.5
Total area (m ²)	138 480	107 391	177 485	182 564	171 774	24.0
Alentejo						
Completed Buildings	276	290	289	317	316	14.5
Rehabilitation	72	74	71	62	66	-8.3
New Construction	204	216	218	255	250	22.5
for Family Housing	127	130	130	145	162	27.6
Dwellings	176	155	175	171	175	-0.6
Total area (m ²)	75 895	88 315	106 702	114 911	96 868	27.6
Algarve						
Completed Buildings	134	165	160	157	177	32.1
Rehabilitation	53	58	59	48	55	3.8
New Construction	81	107	101	109	122	50.6
for Family Housing	70	91	84	88	106	51.4
Dwellings	130	218	153	161	190	46.2
Total area (m ²)	51 994	80 972	173 128	45 615	58 766	13.0
R.A. Açores						
Completed Buildings	136	150	135	114	137	0.7
Rehabilitation	44	40	35	35	33	-25.0
New Construction	92	110	100	79	104	13.0
for Family Housing	54	71	58	56	64	18.5
Dwellings	57	72	64	66	67	17.5
Total area (m ²)	42 867	39 897	41 054	30 584	29 302	-31.6
R.A. Madeira						
Completed Buildings	51	60	71	61	58	13.7
Rehabilitation	21	23	31	26	17	-19.0
New Construction	30	37	40	35	41	36.7
for Family Housing	25	32	33	32	36	44.0
Dwellings	27	36	63	39	47	74.1
Total area (m ²)	12 377	10 888	26 538	18 288	16 700	34.9

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 (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 2018	
Previous publication	Previous publication	Current Publication
Building Permits	2.0%	6.3%
Licensed Dwellings	29.8%	31.0%

Series revision:

The series is updated for the years 2011 and following, according to the SIOU Revisions Policy defined for the period between Housing Census. Therefore, there are changes to the quarterly figures previously disseminated.

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 2018 can be found.

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