

17 July 2019

Construction and Housing Statistics  
2018

## Building permits, transactions and prices increased significantly in 2018

In 2018 the number of building permits in Portugal increased by 17.6% (+11.0% in the previous year), corresponding to 22.2 thousand buildings. The total number of dwellings permits (28.3 thousand) increased by 30.3% (+19.0% in 2017). Building requalification works increased by 11.7% in 2018 (-0.1% in the previous year).

A total of 13.5 thousand buildings were completed in 2018, increasing by 19.0% vis-à-vis the previous year (+7.1% in 2017). The number of dwellings completed (around 15.6 thousand) increased by 36.3% (+13.1% in 2017). Requalification works completed increased by 10.6% in 2018 (+2.6% in the previous year).

In 2018 an increase of 16.6% was recorded in transactions of dwellings, totaling 178 691 family dwellings. In 2018, the median price of dwellings sales in Portugal was 996 €/m<sup>2</sup>, an increase of 6.9% compared to the previous year. The average value of housing bank appraisals increased by 5.8% in 2018 (+5.0% in 2017) setting at 1 192€/m<sup>2</sup>.

In 2018, the median house rental value of the 77 723 new lease agreements registered in Portugal was 4.80 €/m<sup>2</sup> (+9.3% vis-à-vis 2017).

With the publication "[Construction and Housing Statistics 2018](#)", Statistics Portugal disseminates the annual series on Construction and Housing Statistics and provides a wide range of indicators on construction and housing in Portugal, updated for 2018.

From the set of information now available, we emphasize the Dwelling Stock Estimates 2011-2018 and indicators on Completed Construction Works and Building Permits in 2018, resulting from the *Indicators System of Urban Operations (SIUO)*.

This publication includes information on Housing Market and commercial properties: sales of residential dwellings; house prices; values of housing bank appraisals; house rental values at local level;

construction costs evolution and; commercial property price index.

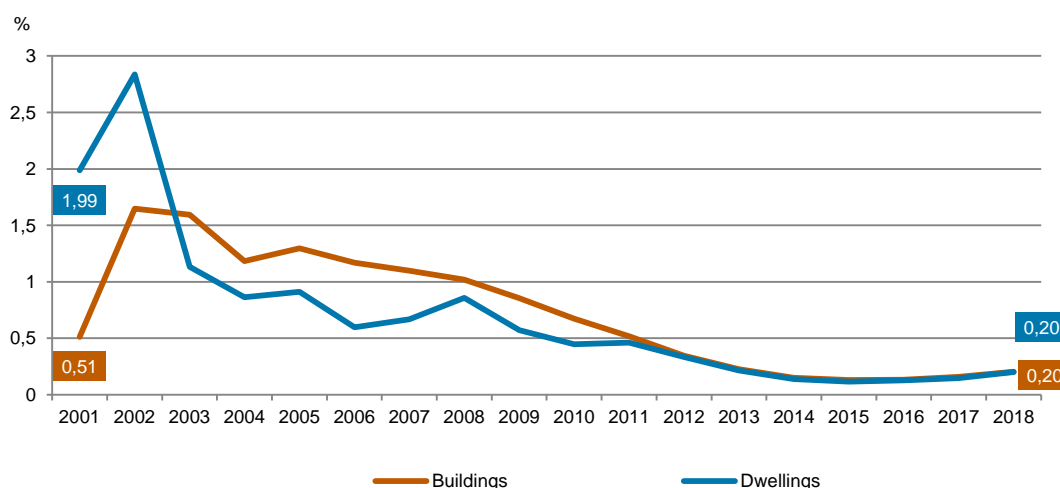


**SIOU –Indicators System of Urban Operations**

**i) Dwelling stock estimates**

In 2018 there were around 3.6 million classic residential buildings and 6.0 million family dwellings in Portugal, which corresponded to increases of 0.2% in both buildings and dwellings, vis-à-vis the previous year.

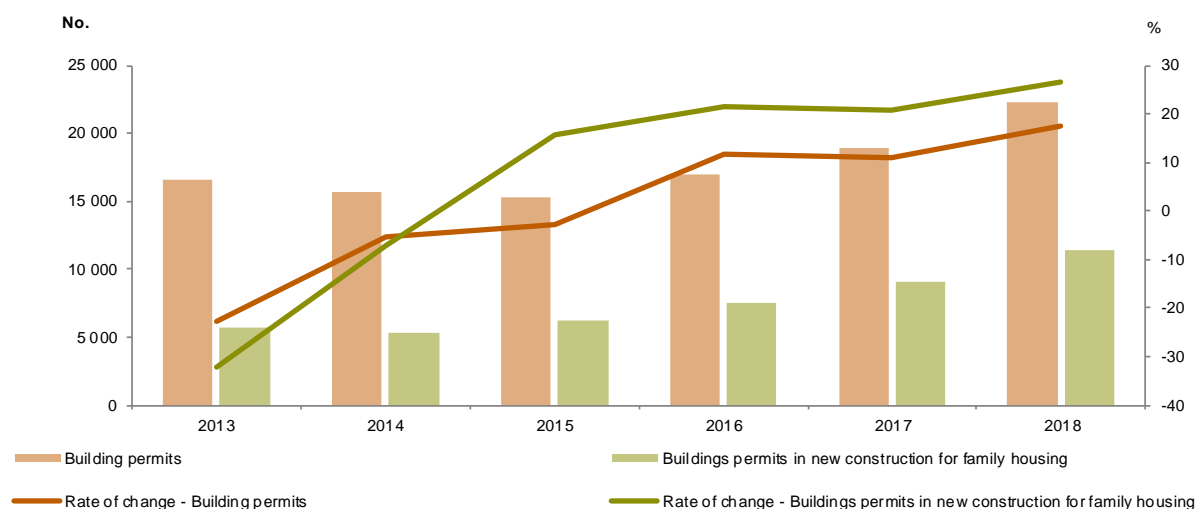
**Figure 1 – Annual rate of change on residential buildings and dwellings Portugal (2001-2018)**



**ii) Building permits**

The number of building permits in Portugal increased by 17.6% over the previous year (+11.0% in 2017), corresponding to 22,223 buildings. The building permits for new construction were even more predominant in 2018, representing 68.9% of total building permits (+0.7 percentage points (p.p.) vis-à-vis 2017).

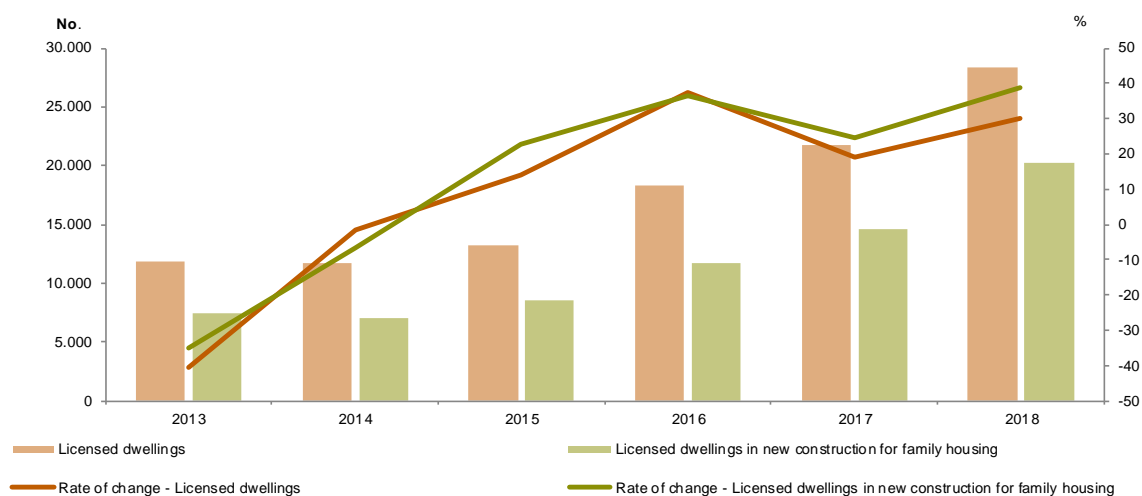
**Figure 2 – Building permits – Total and in new construction for family housing Portugal (2013-2018)**



Building requalification works (alteration, enlargement and reconstruction) increased by 11.7% (-0.1% in 2017), representing 25.3% of total permits in 2018 (26.5% in 2017).

The total number of dwelling permits (28,321) increased by 30.3% vis-à-vis the previous year (+19.0% in 2017). The number of dwellings in new constructions for family housing stood at 20,205, increasing by 38.9% vis-à-vis the previous year (+24.5% in 2017).

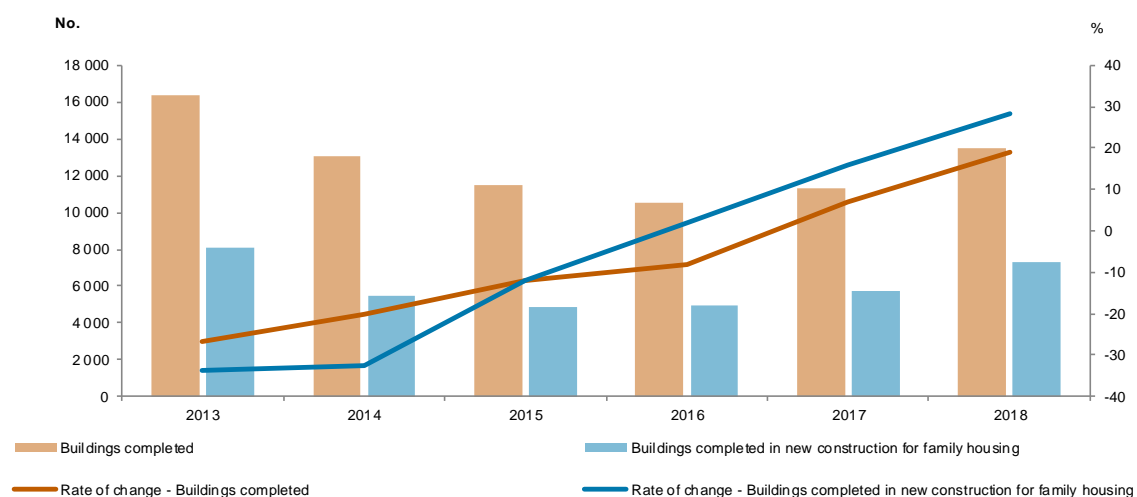
**Figure 3 – Dwellings permits – Total and in new construction for family housing**  
Portugal (2013-2018)



### iii) Completed construction works

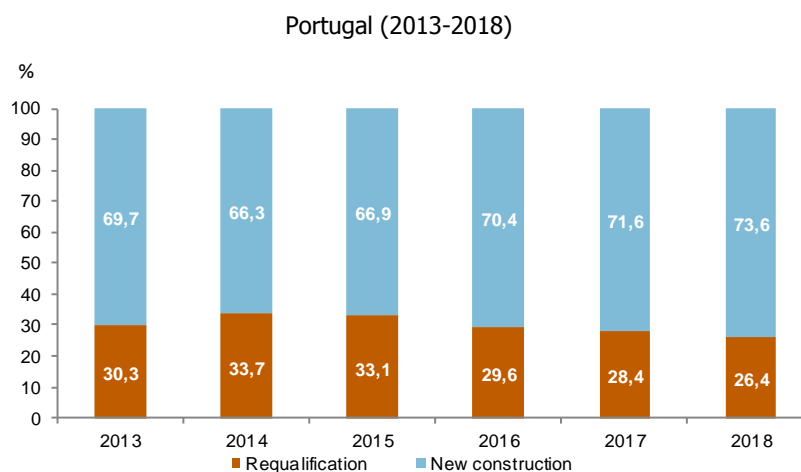
In 2018 with regard to completed construction works, the number of buildings completed increased by 19.0% vis-à-vis the previous year (+7.1% in 2017), corresponding to 13,483 buildings, most of which were new constructions (73.6%). Residential buildings represented 72.2% of the total completed buildings. The number of dwellings completed (15,570) increased by 36.3% from the previous year (+13.1% in 2017).

**Figure 4 – Buildings completed – Total and in new construction for family housing**  
Portugal (2013-2018)



Completed building requalification works increased by 10.6% (2.6% in 2017), its weight decreasing by 2.0 p.p., to 26.4% in 2018.

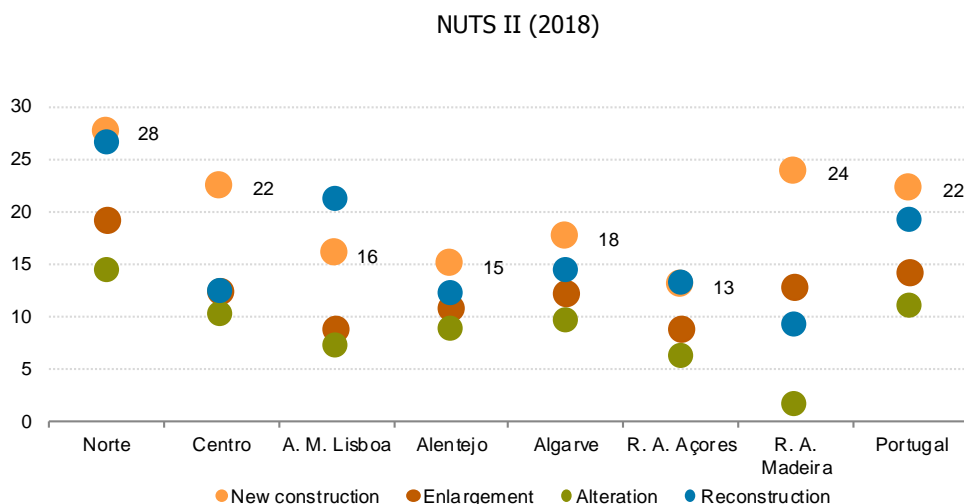
**Figure 5** – Evolution of completed works in new constructions and requalification works



By type of construction works, new construction works took longer to be executed (22 months), as opposed to requalification works (11 months).

As regards new construction works, the Norte region registered the longest effective time to be completed (28 months), while Região Autónoma dos Açores recorded the shortest time (13 months). Concerning alteration works, it was also the Norte region that emerged with the longest time to complete (14 months), while in the Região Autónoma da Madeira, the average time for the completion of this type of works was only 2 months.

**Figure 6** – Effective completion time (months) by type of work – Completed works

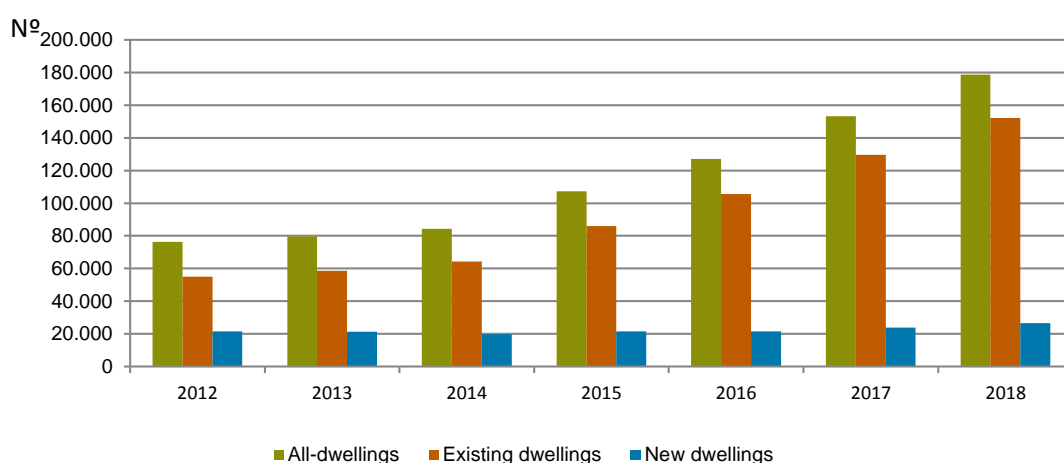


## Housing market

In 2018, 178,691 houses were sold, the largest number recorded so far in the available statistical series and corresponded to an increase of 16.6% compared to the previous year. Of these, 85.2% of the transactions made referred to existing dwellings, 0.7 p.p. more than in the previous year.

The median price of family dwellings sold in Portugal in 2018 was €996/m<sup>2</sup>, increasing by 6.9% from the previous year. The median price of housing was above the national value in the regions of the Algarve (€1,523/m<sup>2</sup>, Área Metropolitana de Lisboa (€1,333/m<sup>2</sup> and in Região Autónoma da Madeira (€1,207/m<sup>2</sup>).

**Figure 7** – House Sales Indicator, All-dwellings, Existing and New dwellings, 2012 - 2018

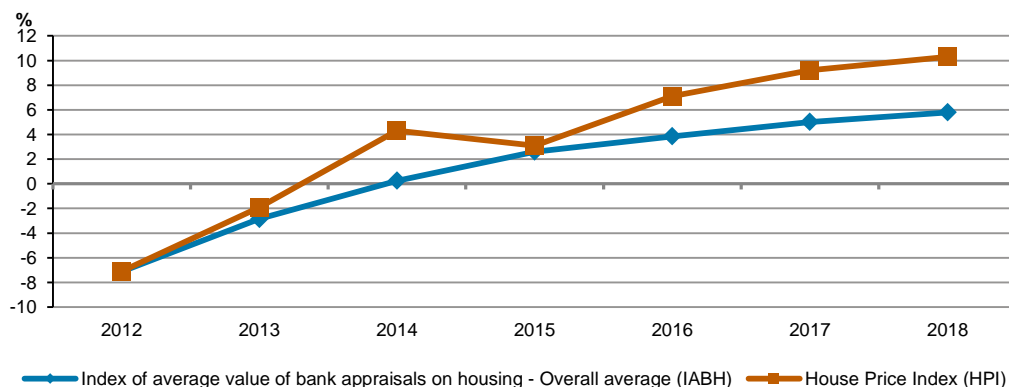


The House Price Index (HPI) continued to record, in 2018, an increase in the average level of price of housing transactions, quite above the inflation rate measured by the Consumer Price Index (CPI) change rate. In fact, the average annual rate of change was +10.3% (+1.1 p.p. compared to 2017), while the CPI annual change rate was +1.0% (-0.4 p.p. compared to the previous year). By category, prices of existing dwellings grew at a faster rate than in new dwellings (+11.0% and +7.5%, respectively).

The average value of the housing bank appraisals registered an increase of 5.8% in 2018, (+5.0% in 2017), standing at €1,192/m<sup>2</sup>. There was an increase in the value of bank appraisals in all NUTS II regions, with the Algarve and Norte regions showing higher variations (+7.4% and +7.3%, respectively).

The following figure compares the performance of the rates of change of the HPI and the average value of the bank appraisals for the last seven years. The figure shows that in 2018 and for the third consecutive year, the difference in the pace of growth of the HPI and the average value of the bank appraisals increased. In 2015, this difference was 0.5 p.p. while in 2018 it reached 4.5 p.p..

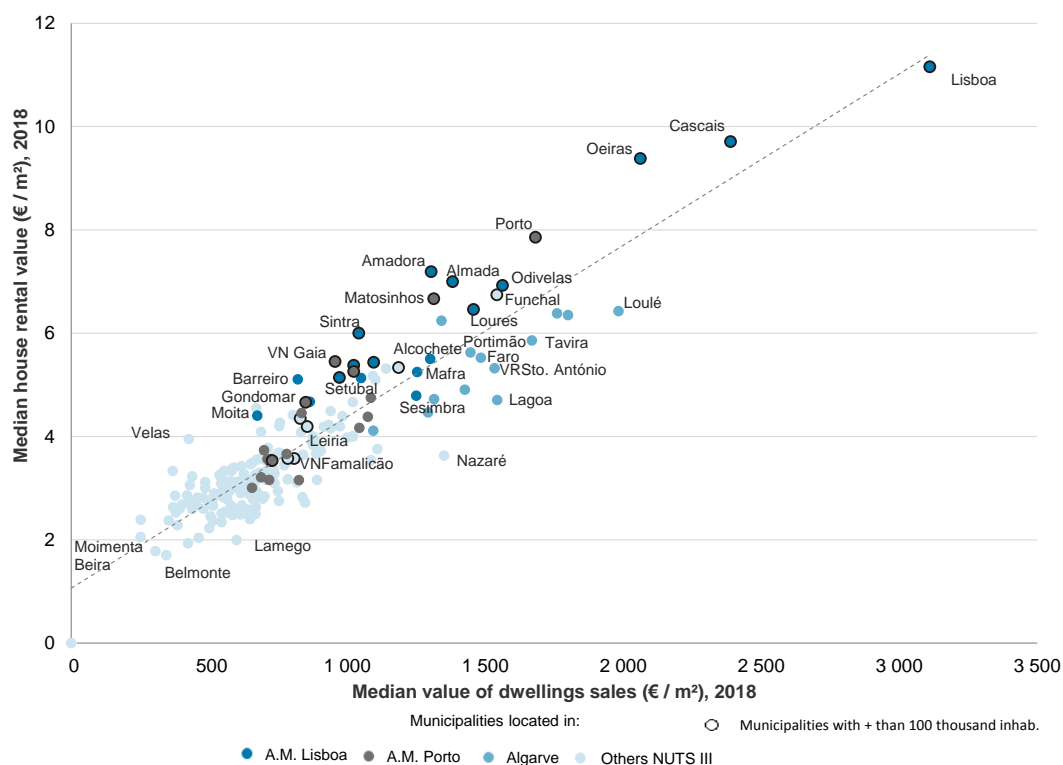
**Figure 8** – Annual rate of change for the House Price Index and the Index of average value of bank appraisals on housing, 2012-2018



The new housing construction cost index continued to increase in 2018, with an annual average rate of change of +2.3% (+1.8% in 2017). The material component and labour force cost indices registered annual increases of 1.3% and 3.7% respectively (+1.3% and +2.9% in 2017, in the same order).

The median house rental value for the 77,723 new lease agreements celebrated in 2018 in Portugal was €4.80/m<sup>2</sup> (+9.3% over the previous year). The median rent stood above the national value in Área Metropolitana de Lisboa (€ 7.00/m<sup>2</sup>), Região Autónoma da Madeira (€5.84/m<sup>2</sup>), Algarve (€5.58/m<sup>2</sup>) and in Área Metropolitana do Porto (€5.07/m<sup>2</sup>).

**Figure 9** – Median house rental value per m<sup>2</sup> of new lease agreements of family dwellings and Median value per m<sup>2</sup> of family dwellings sales, by municipality, 2018



### Commercial properties

The Commercial Property Price Index (CPPI) increased by 4.9% in 2018, 1.6 p.p. more than in 2017. This was the highest price increase since 2010 and the second consecutive year in which prices of commercial properties accelerated. Since 2016, commercial property prices have been growing less than those of residential properties, with annual rates of change of 4.9% and 10.3%, respectively. However, the difference in growth rates between the two indicators declined from 5.9 p.p. in 2017 to 5.4 p.p. in 2018.

**Figure 10** – Annual rate of change in the Commercial Property Price Index and the House Price Index,

