

13 September 2019

Construction: Building permits and completed buildings

2<sup>nd</sup> Quarter 2019 – Preliminary data

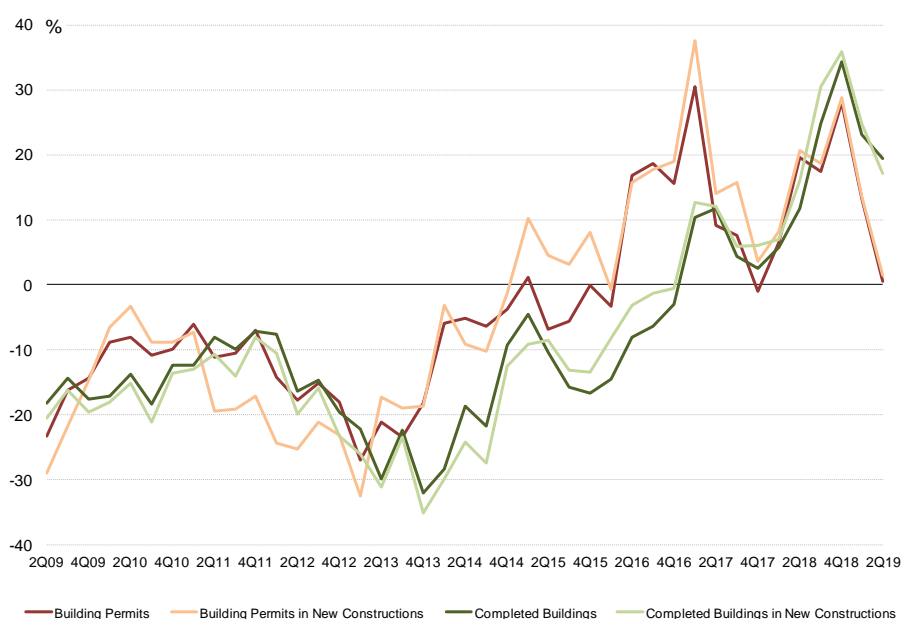
**Building permits increased by 0.5% and completed buildings grew by 19.4%**

**In the 2<sup>nd</sup> quarter 2019**, the number of building permits was 5.8 thousand, i.e. an increase of 0.5% compared to the same period of the previous year but slowing down vis-à-vis the 1<sup>st</sup> quarter 2019 (+13.3%). Building permits for new constructions increased by 1.5% and rehabilitation permits decreased by 12.5% (+13.5% and +9.0%, respectively, in the 1<sup>st</sup> quarter 2019). Completed buildings increased by 19.4% (+23.1% in the 1<sup>st</sup> quarter 2019) totaling 3.9 thousand buildings.

**When compared to the previous quarter**, the number of building permits decreased by 5.8% (+8.4% in the 1<sup>st</sup> quarter 2019) and the number of completed buildings increased by 4.3% (-0.2% in the 1<sup>st</sup> quarter 2019).

In the 2<sup>nd</sup> quarter 2019, there were 5.8 thousand building permits and 3.9 thousand completed buildings in Portugal. Building permits increased by 0.5% vis-à-vis the 2<sup>nd</sup> quarter 2018 (+13.3% in the 1<sup>st</sup> quarter 2019), corresponding to a decrease of 5.8% when compared to the previous quarter. Completed buildings increased by 19.4% in year-on-year terms (+23.1% in the 1<sup>st</sup> quarter 2019) and grew by 4.3% vis-à-vis the 1<sup>st</sup> quarter 2019.

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



## 1. Building permits

In the 2<sup>nd</sup> quarter 2019, the number of building permits issued in Portugal was 5.8 thousand, corresponding to an increase of 0.5% vis-à-vis the 2<sup>nd</sup> quarter 2018 (+13.3% in the 1<sup>st</sup> quarter 2019).

Of the overall building permits, 68.8% corresponded to new constructions and, of these, 77.0% referred to family housing. Demolished buildings (575 units) corresponded to 9.9% of the total building permits in the 2<sup>nd</sup> quarter 2019.

The regions of Área Metropolitana de Lisboa and Norte were the only regions presenting an increased rate of change regarding the total number of buildings permits: +8.0% and +2.3%, respectively. The remaining regions presented negative variations compared to the same period a year earlier, especially the Algarve (-10.7%) and the Região Autónoma dos Açores (-8.2%).

The number of building permits for new constructions in Portugal increased by 1.5% vis-à-vis the 2<sup>nd</sup> quarter 2018 and rehabilitation works decreased by 12.5%. When compared to the previous quarter, permits for new constructions decreased by 6.3% and rehabilitation works declined by 10.9%.

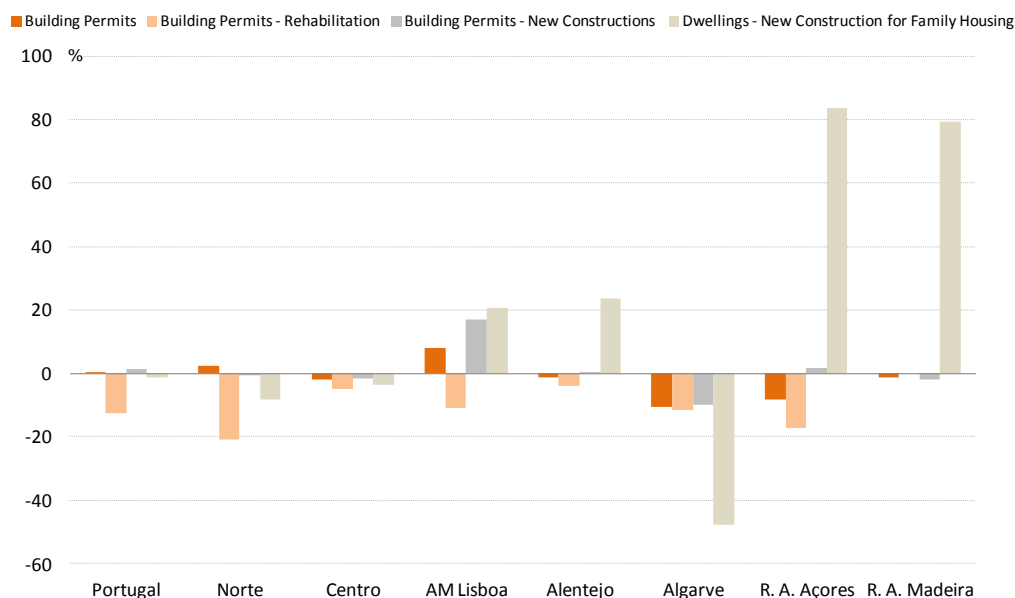
The building permits for new constructions, recorded positive changes in the same period of the previous year in the following regions: Área Metropolitana de Lisboa (+17.1%), Região Autónoma dos Açores (+1.7%) and Alentejo (+0.3%). The remaining regions presented negative rates of change, more so for the region of Algarve (-10.1%). In what concerns permits for building rehabilitation, the Região Autónoma da Madeira presented a null rate of change, while the remaining regions recorded negative rates of change, with the emphasis on the Norte (-20.7%).

In the 2<sup>nd</sup> quarter 2019, the number of licensed dwellings in new constructions for family housing was 5.3 thousand, i.e. -1.1% compared to the 2<sup>nd</sup> quarter 2018 (+32.5% in the 1<sup>st</sup> quarter 2019). Presented a negative rate of change in this indicator the regions of Algarve (-47.8%), Norte (-8.3%) and Centro (-3.6%). The remaining regions recorded a positive rate of change in this indicator, with the emphasis on the Região Autónoma dos Açores (+83.7%) and Região Autónoma da Madeira (+79.4%).

In Portugal, in the 2<sup>nd</sup> quarter 2019, there was a year-on-year decrease of 4.4% in the total licensed area. The Alentejo, Região Autónoma da Madeira and Área Metropolitana de Lisboa recorded the highest year-on-year increase in this variable: +9.1%, +8.3% and +5.0%, respectively. The remaining regions recorded negative rates of change, with the emphasis on the Algarve (-18.9%).

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

(2<sup>nd</sup> quarter 2019)



In the 2<sup>nd</sup> quarter 2019, when focusing the analysis on a municipality level, the five municipalities with the highest absolute variation in the total number of licensed dwellings (considering all types of works and purposes) were responsible for the licensing of 9.2% of the total dwellings.

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

(2<sup>nd</sup> quarter 2019)

Rank	Portugal	2 <sup>nd</sup> Quarter 2019	2 <sup>nd</sup> Quarter 2018	Variation (Number)	Year-on-year change rate (%)
	<b>Portugal</b>	<b>6 627</b>	<b>6 992</b>	<b>-365</b>	<b>-5.2%</b>
1	Alcochete	123	14	109	778.6%
2	Vila Nova de Gaia	245	148	97	65.5%
3	Santa Cruz	73	20	53	265.0%
4	Oliveira de Azeméis	81	31	50	161.3%
5	Ponta Delgada	86	39	47	120.5%

## 2. Completed buildings

In the 2<sup>nd</sup> quarter 2019, the total number of completed buildings (new constructions, building enlargements, renovations and reconstructions) increased by 19.4% vis-à-vis the 2<sup>nd</sup> quarter 2018 (+23.1% in the 1<sup>st</sup> quarter 2019). In this period, it is estimated that 3.9 thousand buildings were completed in Portugal, mostly corresponding to new constructions (71.9%) of which 74.8% were destined to become family housing.

The region of Algarve presented declining year-on-year rate of change as completed buildings: -13.0%. The remaining regions recorded positive rates of change, more so the Área Metropolitana de Lisboa (+47.3%), Região Autónoma dos Açores (+42.0%) and Região Autónoma da Madeira (+33.3%).

In Portugal, completed works for new constructions increased by 17.2% when compared to the 2<sup>nd</sup> quarter 2018 and rehabilitation works grew by 25.6%. In comparison with the previous quarter, completed works for new constructions increased by 2.2% and rehabilitation works grew by 10.1%.

As regards completed works for new constructions, there was declining year-on-year rate of change in the region of Algarve (-22.1%). The remaining regions presented positive year-on-year rates of change, with the emphasis on Região Autónoma da Madeira (+51.6%) and Área Metropolitana de Lisboa (+39.0%).

In what concerns completed works for rehabilitation, the Alentejo region was the only one presenting a declining year-on-year rate of change (-18.3%). The highest positive rates of change were recorded in Área Metropolitana de Lisboa (+79.7%) and Região Autónoma dos Açores (+47.7%).

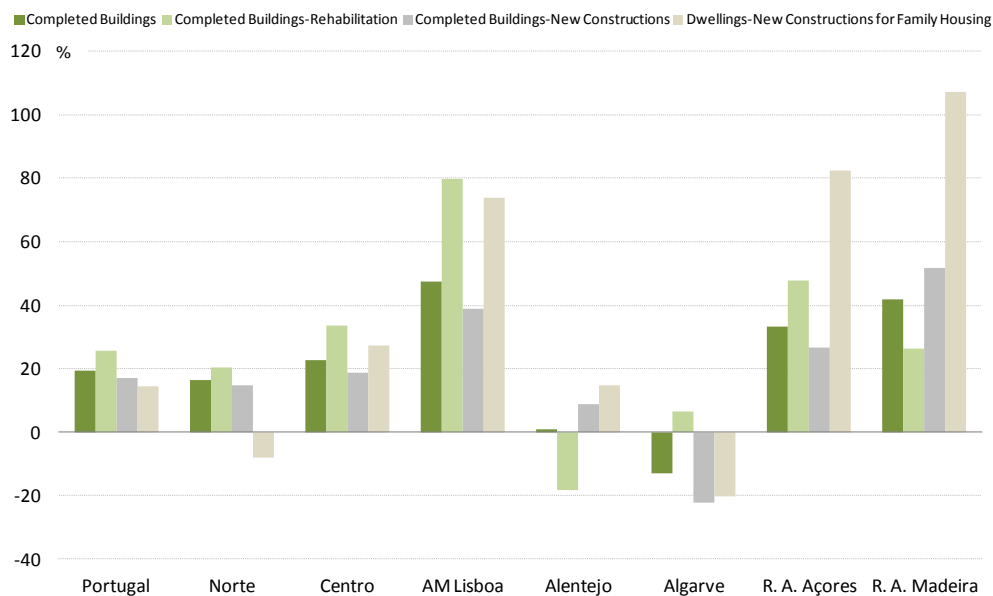
In the 2<sup>nd</sup> quarter 2019, the number of completed dwellings in new constructions for family housing stood at 3.3 thousand, increasing by 14.6% when compared with the 2<sup>nd</sup> quarter 2018 (+20.2% in the 1<sup>st</sup> quarter 2019). With the exception of the Algarve (-20.2%) and Norte (-8.1%), the remaining regions presented positive year-on-year rates of change, more so the Região Autónoma da Madeira (+107.1%, i.e. 30 more dwellings), the Região Autónoma dos Açores (+82.5%; +47 dwellings) and Área Metropolitana de Lisboa (+74.0%, i.e. +302 dwellings).

Of the total buildings completed in the 2<sup>nd</sup> quarter 2019, 68.8% were located in the regions of the Norte and Centro, where 62.6% of the total completed dwellings in new constructions for family housing in the country were located. The Norte region accounted for a 39.7% share in buildings and 36.6% in completed dwellings. The works completed in Área Metropolitana de Lisboa corresponded to 12.9% of the total buildings and 21.3% of the total dwellings in the country.

In the 2<sup>nd</sup> quarter 2019, there was a 20.3% increase in the total completed construction area in Portugal. With the exception of the Algarve (-17.0%) and Norte (-2.4%), all other regions grew in terms of total construction area compared to the same period a year earlier. Região Autónoma da Madeira, Alentejo and Área Metropolitana de Lisboa recorded the largest relative increases: +97.4%, +71.7%, and +61.0%, respectively.

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

(2<sup>nd</sup> quarter 2019)



Construction: Building Permits	Building Permits**					Quarterly year-on-year change rate (2 <sup>nd</sup> Q)*
	2 <sup>nd</sup> Q- 2018	3 <sup>rd</sup> Q- 2018	4 <sup>th</sup> Q- 2018	1 <sup>st</sup> Q- 2019	2 <sup>nd</sup> Q- 2019	
	Number					
<b>Portugal</b>						
Building Permits	5 750	5 392	5 663	6 138	5 780	0.5
Rehabilitation	1 404	1 211	1 306	1 380	1 229	-12.5
New Construction	3 918	3 731	3 914	4 244	3 976	1.5
for Family Housing	2 937	2 787	2 980	3 215	3 060	4.2
Dwellings	5 393	4 697	5 496	6 119	5 332	-1.1
Total area (m2)	2 207 998	2 245 507	2 414 718	2 330 827	2 111 942	-4.4
<b>Norte</b>						
Building Permits	2 188	2 073	2 214	2 444	2 239	2.3
Rehabilitation	522	480	480	522	414	-20.7
New Construction	1 533	1 447	1 582	1 709	1 522	-0.7
for Family Housing	1 149	1 100	1 197	1 327	1 195	4.0
Dwellings	2 168	1 962	2 524	2 734	1 989	-8.3
Total area (m2)	955 845	1 045 044	1 135 501	1 006 909	878 130	-8.1
<b>Centro</b>						
Building Permits	1 618	1 603	1 564	1 621	1 586	-2.0
Rehabilitation	396	375	417	380	376	-5.1
New Construction	1 105	1 050	1 003	1 116	1 089	-1.4
for Family Housing	787	733	717	765	787	0.0
Dwellings	1 289	1 091	1 112	1 111	1 243	-3.6
Total area (m2)	642 359	579 362	623 238	591 120	624 171	-2.8
<b>Área Metropolitana de Lisboa</b>						
Building Permits	879	776	952	987	949	8.0
Rehabilitation	176	127	150	162	157	-10.8
New Construction	602	580	713	712	705	17.1
for Family Housing	516	480	598	604	590	14.3
Dwellings	1 098	952	1 013	1 335	1 325	20.7
Total area (m2)	317 007	300 172	326 079	403 301	332 941	5.0
<b>Alentejo</b>						
Building Permits	442	392	376	462	436	-1.4
Rehabilitation	103	70	91	109	99	-3.9
New Construction	310	303	267	335	311	0.3
for Family Housing	181	173	171	205	200	10.5
Dwellings	202	216	221	226	250	23.8
Total area (m2)	106 533	149 707	133 405	135 645	116 198	9.1
<b>Algarve</b>						
Building Permits	328	266	284	328	293	-10.7
Rehabilitation	95	78	85	109	84	-11.6
New Construction	199	163	167	184	179	-10.1
for Family Housing	174	146	146	157	150	-13.8
Dwellings	487	291	417	496	254	-47.8
Total area (m2)	106 919	97 573	116 024	123 346	86 674	-18.9
<b>R.A. Açores</b>						
Building Permits	208	202	175	188	191	-8.2
Rehabilitation	76	50	48	56	63	-17.1
New Construction	118	140	119	123	120	1.7
for Family Housing	84	115	93	100	93	4.4
Dwellings	86	131	102	152	158	83.7
Total area (m2)	54 727	52 357	38 028	48 324	47 178	-13.8
<b>R.A. Madeira</b>						
Building Permits	87	80	98	108	86	-1.1
Rehabilitation	36	31	35	42	36	0.0
New Construction	51	48	63	65	50	-2.0
for Family Housing	46	40	58	57	45	-2.2
Dwellings	63	54	107	65	113	79.4
Total area (m2)	24 608	21 292	42 443	22 182	26 650	8.3

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

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 <sup>nd</sup> Q)*
	2 <sup>nd</sup> Q- 2018	3 <sup>rd</sup> Q- 2018	4 <sup>th</sup> Q- 2018	1 <sup>st</sup> Q- 2019	2 <sup>nd</sup> Q- 2019	
	Number					
<b>Portugal</b>						
Completed Buildings	3 245	3 498	3 723	3 715	3 875	19.4
Rehabilitation	866	874	983	988	1 088	25.6
New Construction	2 379	2 624	2 740	2 727	2 787	17.2
for Family Housing	1 749	1 931	2 019	1 998	2 084	19.2
Dwellings	2 903	3 251	3 165	3 005	3 327	14.6
Total area (m2)	1 366 671	1 482 216	1 533 879	1 639 016	1 643 788	20.3
<b>Norte</b>						
Completed Buildings	1 321	1 370	1 496	1 387	1 537	16.4
Rehabilitation	350	326	402	368	421	20.3
New Construction	971	1 044	1 094	1 019	1 116	14.9
for Family Housing	730	778	801	777	838	14.8
Dwellings	1 326	1 299	1 107	1 058	1 218	-8.1
Total area (m2)	620 740	580 902	690 429	690 857	605 579	-2.4
<b>Centro</b>						
Completed Buildings	920	1 028	1 056	1 089	1 129	22.7
Rehabilitation	240	265	286	279	321	33.8
New Construction	680	763	770	810	808	18.8
for Family Housing	484	542	556	546	573	18.4
Dwellings	679	798	829	763	864	27.2
Total area (m2)	401 065	517 384	412 367	469 532	532 096	32.7
<b>Área Metropolitana de Lisboa</b>						
Completed Buildings	338	402	483	527	498	47.3
Rehabilitation	69	79	101	123	124	79.7
New Construction	269	323	382	404	374	39.0
for Family Housing	210	274	322	339	325	54.8
Dwellings	408	614	741	674	710	74.0
Total area (m2)	154 106	172 933	199 750	247 097	248 086	61.0
<b>Alentejo</b>						
Completed Buildings	285	292	338	315	288	1.1
Rehabilitation	82	64	71	71	67	-18.3
New Construction	203	228	267	244	221	8.9
for Family Housing	131	142	154	141	133	1.5
Dwellings	143	163	175	171	164	14.7
Total area (m2)	81 807	81 033	119 380	109 265	140 468	71.7
<b>Algarve</b>						
Completed Buildings	193	165	156	161	168	-13.0
Rehabilitation	62	63	67	69	66	6.5
New Construction	131	102	89	92	102	-22.1
for Family Housing	112	82	80	74	86	-23.2
Dwellings	262	186	169	192	209	-20.2
Total area (m2)	66 905	59 022	58 978	50 757	55 526	-17.0
<b>R.A. Açores</b>						
Completed Buildings	138	178	135	165	184	33.3
Rehabilitation	44	54	36	48	65	47.7
New Construction	94	124	99	117	119	26.6
for Family Housing	54	78	69	84	89	64.8
Dwellings	57	113	79	87	104	82.5
Total area (m2)	30 733	44 203	36 470	39 319	39 699	29.2
<b>R.A. Madeira</b>						
Completed Buildings	50	63	59	71	71	42.0
Rehabilitation	19	23	20	30	24	26.3
New Construction	31	40	39	41	47	51.6
for Family Housing	28	35	37	37	40	42.9
Dwellings	28	78	65	60	58	107.1
Total area (m2)	11 315	26 739	16 505	32 189	22 334	97.4

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

Data on Completed Works are based on 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 <sup>st</sup> Quarter 2019	
Previous publication	Previous publication	Current Publication
Building Permits	10.7%	13.3%
Licensed Dwellings	29.6%	32.5%

#### 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

Data presented for 2019 may be underestimated, due to the unavailability of part of the information concerning the municipality of Porto, as a result of difficulty on compilation and submission to Statistics Portugal.

For further data on Building Permits and Completed Works, please access the Statistics Portugal database at [www.ine.pt](http://www.ine.pt), where available data on Building Permits for JULY 2019 can be found.

DATE OF NEXT PRESS RELEASE: **December 12, 2019.**