

Construction: Building permits and completed buildings

4th Quarter 2019 – Preliminary data

Building permits increased by 2.7% and completed buildings grew by 17.6%

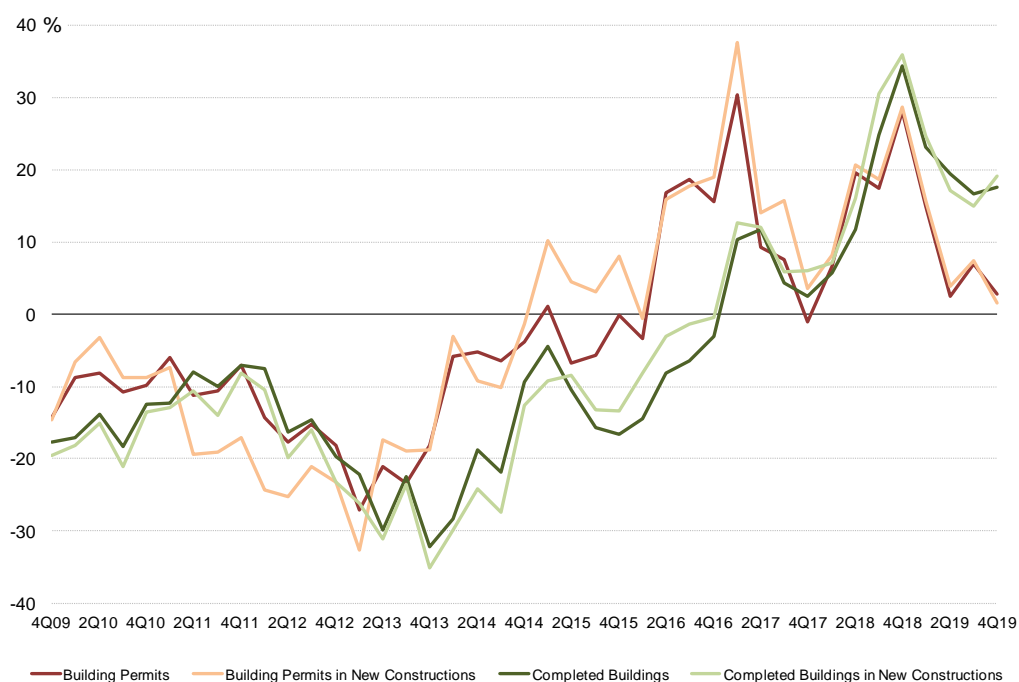
In the **4th quarter 2019**, there were 5.8 thousand licensed buildings which corresponded to a 2.7% increase in comparison with the same period of the previous year (+7.0% in the 3rd quarter 2019). Building permits for new constructions increased by 1.5% while rehabilitation permits decreased by 4.3% (+7.5% and +4.1% respectively, in the 3rd quarter 2019). Completed buildings increased by 17.6% (+16.7% in the 3rd quarter 2019) with a total of 4.4 thousand buildings.

When **compared to the previous quarter**, the number of building permits increased by 0.9% (-2.1% in the 3rd quarter 2019) and the number of completed buildings grew by 7.3% (+5.3% in the 3rd quarter 2019).

In 2019 as a whole, the number of building permits was 23.7 thousand and completed buildings ascended to 16.0 thousand, corresponding to increases of 6.7% and 19.0% respectively, vis-à-vis the previous year (+17.6% and +19.0% in the same order, in 2018).

In the 4th quarter 2019, there were 5.8 thousand building permits and 4.4 thousand completed buildings in Portugal. Building permits increased by 2.7% compared with the 4th quarter 2018 (+7.0% in the 3rd quarter 2019), corresponding to an increase of 0.9% when compared to the previous quarter. The number of completed buildings increased by 17.6% in year-on-year terms (+16.7% in the 3rd quarter 2019), having grown by 7.3% vis-à-vis the previous quarter.

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



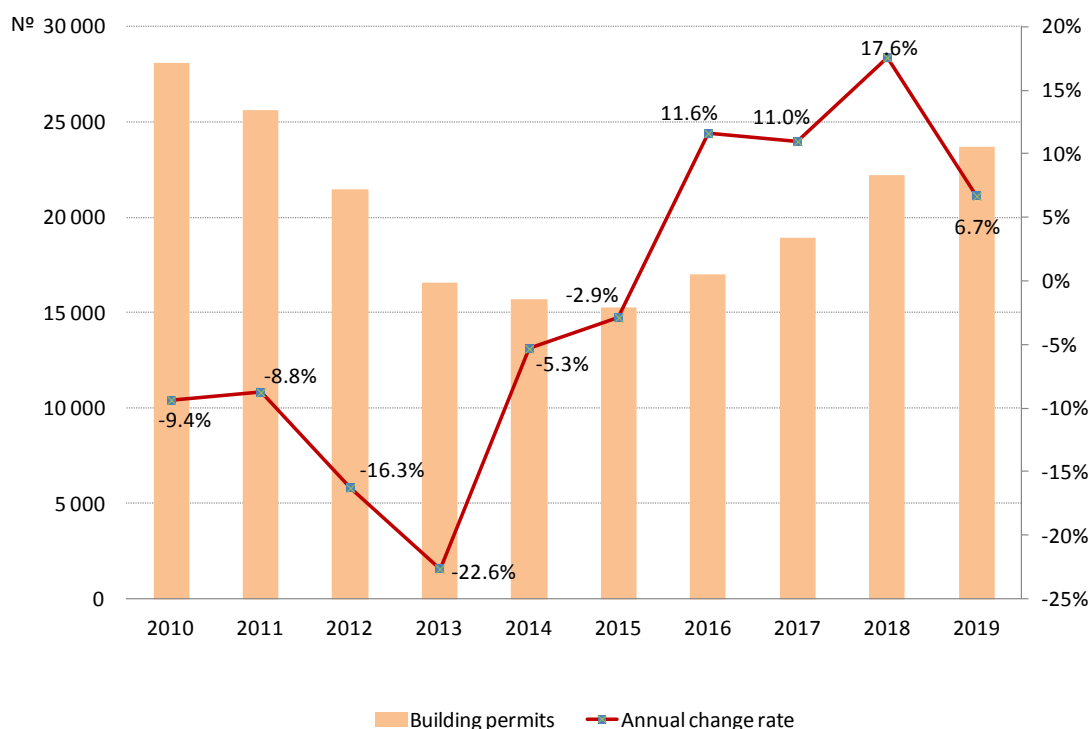
1. Annual evolution

In 2019, there were 23.7 thousand building permits and 16.0 thousand completed buildings, corresponding to increases of 6.7% and 19.0%, respectively, compared with the previous year (+17.6% and +19.0%, in the same order, in 2018).

Considering the last decade, when comparing the year 2019 with 2010, there was a decline in the number of building permits (4.4 thousand less building permits) which stood for a decrease of 15.6% (23.7 thousand building permits in 2019 compared to 28.1 thousand in 2010).

In the first half of the decade, there were successive declines in the number of building permits, with a recovery in the second half, mainly after 2015, when this variable stood at its lowest (15.3 thousand building permits). The largest annual reduction occurred in 2013 (-22.6%) and the largest increase occurred in 2018 (+17.6%).

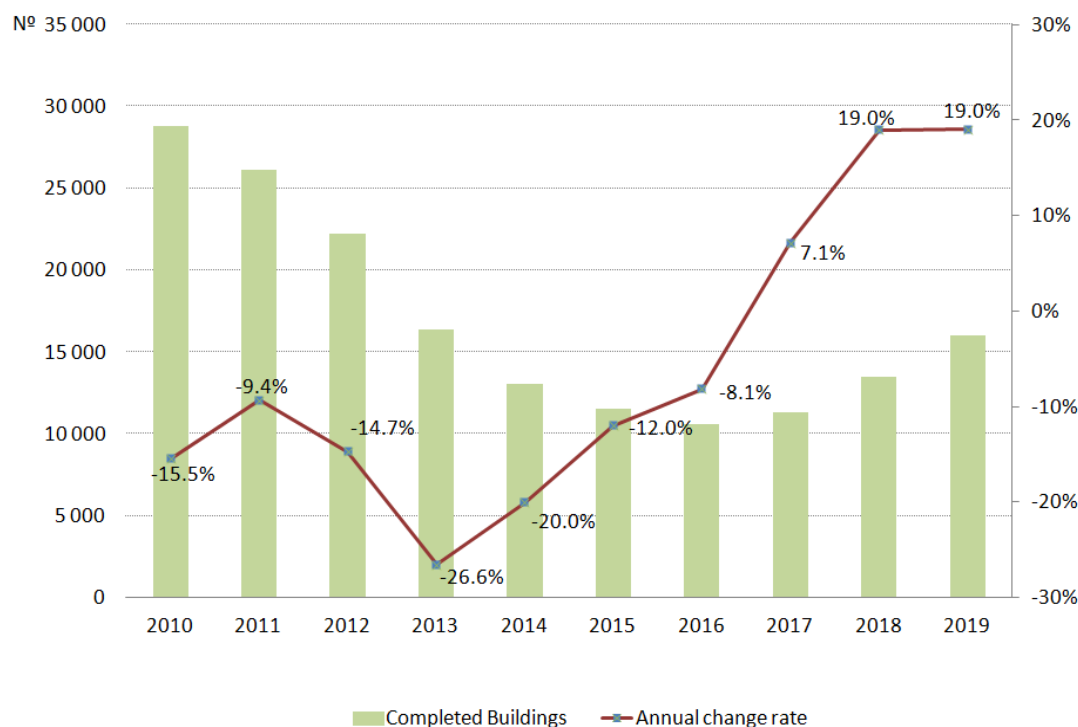
Building permits – 2010-2019 annual evolution



With regard to completed buildings, in what concerns the year 2019, there was an estimated reduction of 44.3% compared with 2010, corresponding to 12.7 thousand less buildings (16.0 thousand completed buildings in 2019 vis-à-vis 28.8 thousand in 2010).

The number of completed buildings also recorded successive declines since 2010, which lasted until 2016, the year when this variable reached its minimum value (10.6 thousand completed buildings). The largest annual reduction also occurred in 2013 (-26.6%), with the largest increases having occurred in 2018 and 2019, both recording a year-on-year rate change of +19.0%.

Completed buildings – 2010-2019 annual evolution



2. Building permits

In the 4th quarter 2019, the number of building permits issued in Portugal was 5.8 thousand, corresponding to a 2.7% increase vis-à-vis the 4th quarter 2018 (+7.0% in the 3rd quarter 2019).

Of the total building permits, 68.3% corresponded to new constructions and, of these, 76.3% referred to family housing. Demolished buildings (594 units) corresponded to 10.2% of the total building permits in the 4th quarter 2019.

The regions of Área Metropolitana de Lisboa, Centro and Algarve presented declining year-on-year rate changes in the number of building permits (-5.4%, -1.0% and -0.4% respectively). The Região Autónoma da Madeira recorded a nil variation in this variable. The remaining regions of the country recorded positive variations vis-à-vis the same period a year ago, more so in the Alentejo (+27.7%) and in Região Autónoma dos Açores (+18.9%).

The number of building permits for new constructions in Portugal increased by 1.5% vis-à-vis the 4th quarter 2018, while rehabilitation works decreased by 4.3%. When compared to the previous quarter, both permits for new constructions and rehabilitation works declined by 0.9%.

As regards building permits for new constructions, there were declining variations compared with the same period a year before in the regions of Área Metropolitana de Lisboa (-10.8%), Algarve (-6.0%) and Norte (-0.6%). In the Região Autónoma dos Açores, there was a nil variation. The remaining regions recorded positive year-on-year rates of change, with the emphasis on the region of the Alentejo (+26.6%) and Região Autónoma da Madeira (+14.3%). In what concerns permits for building rehabilitation, the Região Autónoma da Madeira presented the highest declining

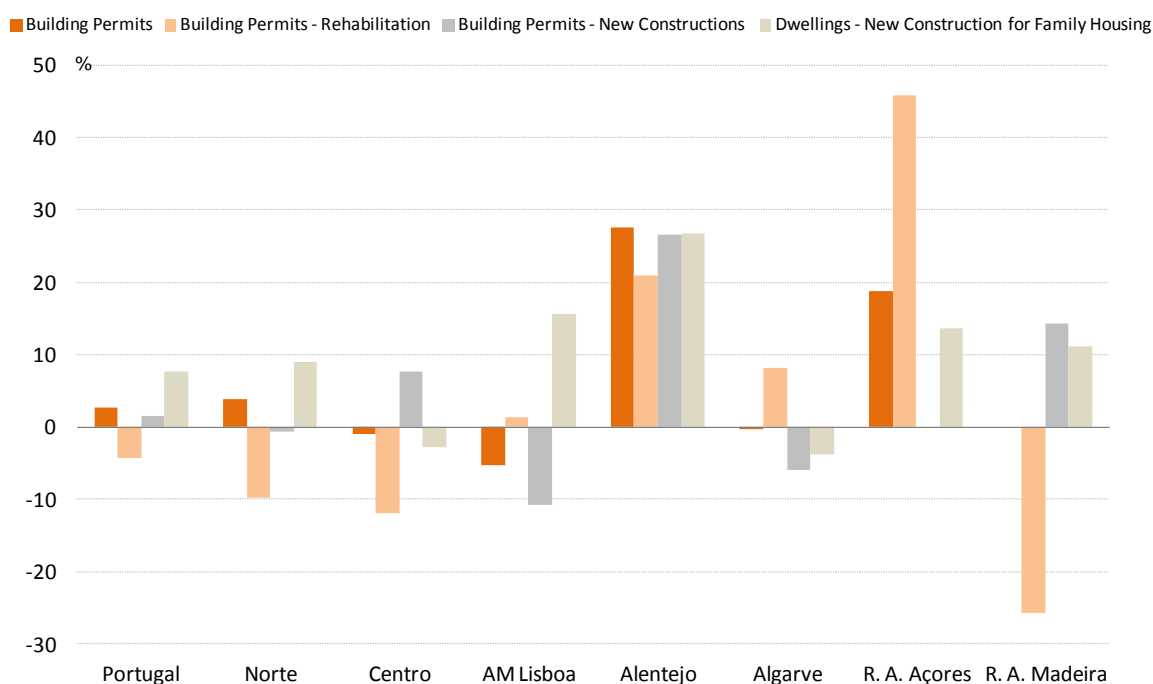
variation (-25.7%), followed by the Centro and the Norte (-12.0% and -9.8% respectively). The remaining regions presented positive year-on-year rate changes, more so the Região Autónoma dos Açores (+45.8%) and the Alentejo (+20.9%).

In the 4th quarter 2019, the number of licensed dwellings in new constructions for family housing was 5.9 thousand, corresponding to a 7.7% increase vis-à-vis the 4th quarter 2018 (+32.7% in the 3rd quarter 2019). The regions of the Algarve and the Centro had a declining variation concerning this indicator compared with the same period a year before: -3.8% and -2.8% respectively. The remaining regions presented positive rates of change, more so the Alentejo (+26.7%) and Área Metropolitana de Lisboa (+15.7%).

In Portugal, in the 4th quarter 2019, there was a nil variation in the total licensed area compared to the 4th quarter 2018. The region of the Norte was the only one to present a negative year-on-year rate change (-10.8%). The remaining regions presented positive rates of change in the total licensed area, with the emphasis on the Região Autónoma dos Açores and Região Autónoma da Madeira: +33.5% and +29.3%, respectively.

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

(4th quarter 2019)



In the 4th quarter 2019, when focusing the analysis on a municipality level, the five municipalities with the highest absolute variation vis-à-vis the same quarter a year earlier, as regards the total number of licensed dwellings (considering all types of construction works and purposes), were responsible for the licensing of 22.7% of the total dwellings.

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

(4th quarter 2019)

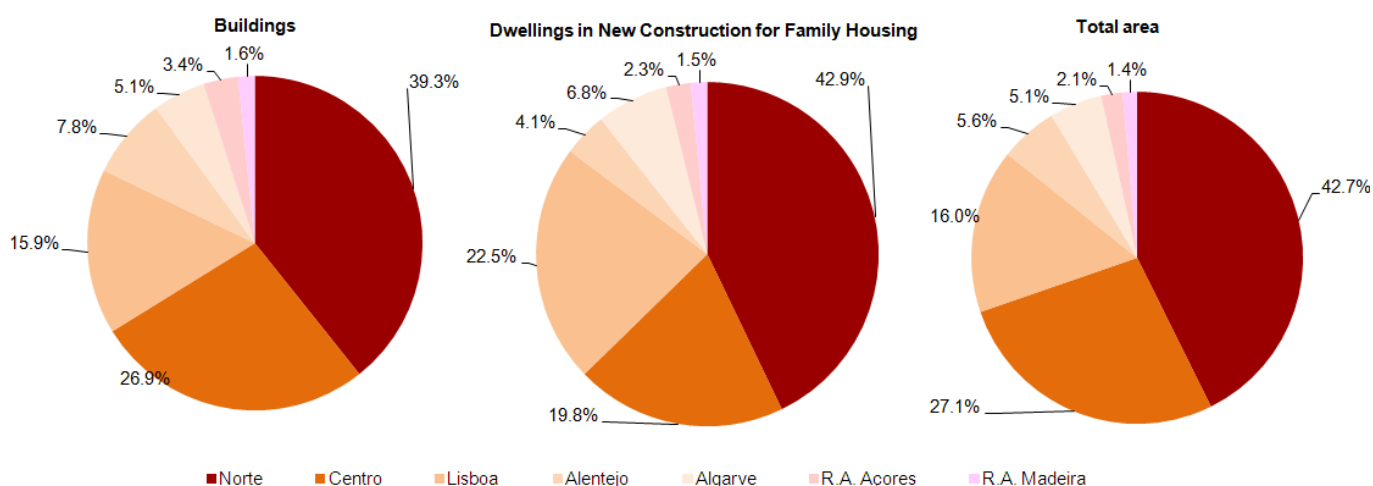
		4 th Quarter 2019	4 th Quarter 2018	Variation (Number)	Year-on- year change rate (%)
Rank	Portugal	7 592	6 901	691	10,0%
1	Lisboa	784	445	339	76,2%
2	Matosinhos	286	112	174	155,4%
3	Gondomar	171	35	136	388,6%
4	Vila Nova de Gaia	410	301	109	36,2%
5	Montijo	76	4	72	1800,0%

In 2019, the Norte region held 39.3% of the total building permits and 42.9% of licensed dwellings in new constructions for family housing in the country. Together, the Norte region and the Centro region stood for 66.2% of building permits and for 62.7% of licensed dwellings in new constructions for family housing in Portugal.

Building permits in the Área Metropolitana de Lisboa represented 15.9% of the total number in the country, corresponding to 22.5% of the total number of building permits in new constructions for family housing.

Regional breakdown of buildings, dwellings and total licensed area

(2019)



3. Completed buildings

In the 4th quarter 2019, the total number of completed buildings (new constructions, building enlargements, renovations and reconstructions) increased by 17.6% vis-à-vis the 4th quarter 2018 (+16.7% in the 3rd quarter 2019). In this period, it is estimated that 4.4 thousand buildings were completed in Portugal; mostly corresponding to new constructions (74.5%), of which 76.2% were meant to become family housing.

All regions presented positive year-on-year rates of change as regards completed buildings, with the emphasis on the Região Autónoma da Madeira (+54.2%), Região Autónoma dos Açores (+43.0%) and Área Metropolitana de Lisboa (+42.0%).

In Portugal, completed works for new constructions increased by 19.1% compared with the 4th quarter 2018 and rehabilitation works grew by 13.4%. Vis-à-vis the previous quarter, completed works for new constructions increased by 8.3% and rehabilitation works grew by 4.6%.

Completed works for new constructions presented positive year-on-year rates of change in all regions, more so in Área Metropolitana de Lisboa (+45.0%), Região Autónoma dos Açores (+36.4%), Algarve (+33.7%) and Região Autónoma da Madeira (+30.8%).

In what concerns completed works for rehabilitation, the region of the Algarve was the only region that presented a declining year-on-year rate of change (-10.4%). The remaining regions recorded positive year-on-year rates of change, more so the Região Autónoma da Madeira (+100.0%; 20 more buildings), Região Autónoma dos Açores (+61.1%) and the Área Metropolitana de Lisboa (+30.7%).

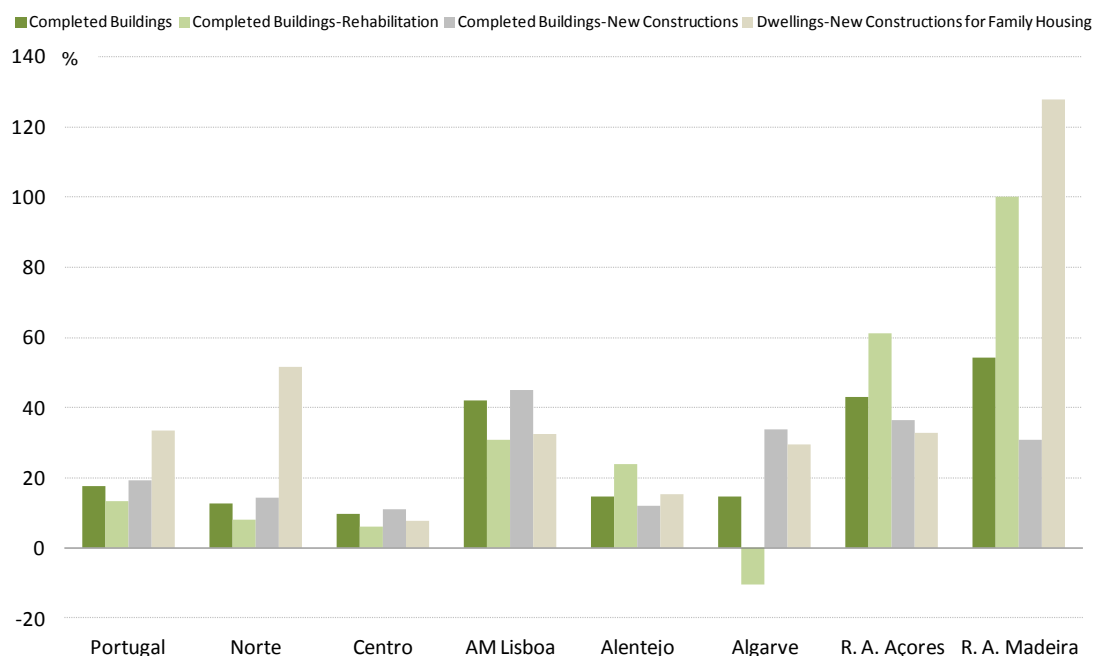
In the 4th quarter 2019, the number of completed dwellings in new constructions for family housing stood at 4.2 thousand, increasing by 33.5% when compared with the 4th quarter 2018 (+17.2% in the 3rd quarter 2019). All regions presented positive performances regarding this variable, with the emphasis on the Região Autónoma da Madeira (+127.7%), mostly as a result of the effective conclusion of some new large sized buildings for family housing in the municipality of Funchal.

As usual, the regions of Norte and Centro stood out as regards the total number of completed buildings (64.9% of the total completed buildings in the country, in the 4th quarter 2019). Concerning the total completed dwellings in new constructions for family housing, the Norte region remains predominant with 39.7% of the total but, for the first time, the Área Metropolitana de Lisboa (23.2%) surpassed the region of the Centro (21.1%).

In the 4th quarter 2019, there was a 31.3% increase in the total completed construction area in Portugal compared to the 4th quarter 2018. The regions of Alentejo and Algarve were the only ones that presented a declining variation regarding this indicator (-11.2% and -7.7% respectively). The remaining regions recorded positive year-on-year rates of change in the total construction area, with the emphasis on the Região Autónoma da Madeira that grew steeply (+817.5%). This growth was mostly due to the building conclusion of an hotel establishment.

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

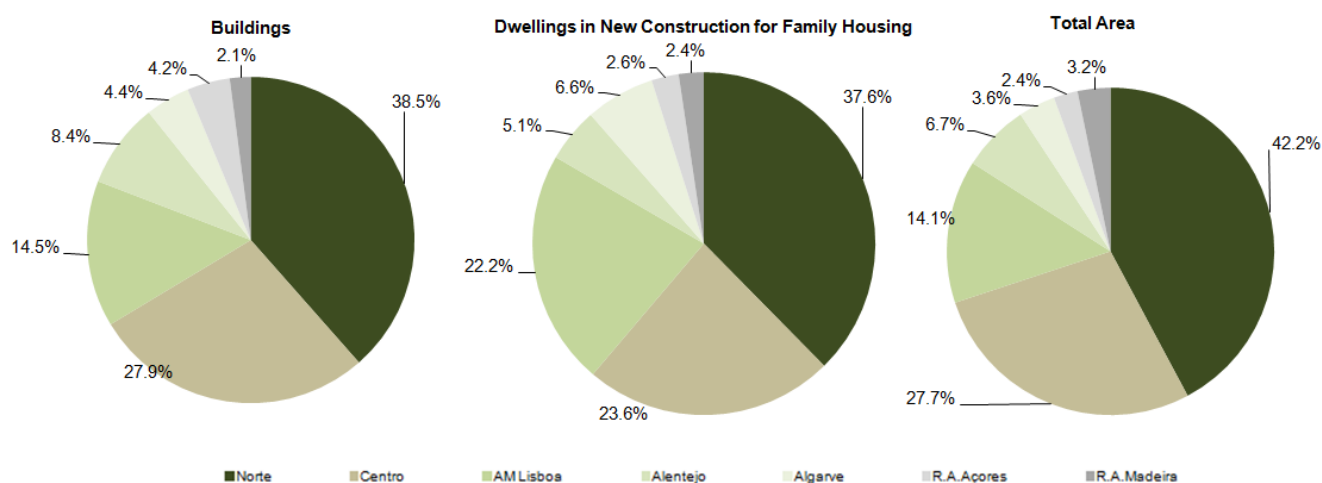
(4th quarter 2019)



Considering the whole year 2019, the Norte region concentrated 38.5% of the total completed buildings and 37.6% of completed dwellings in new constructions for family housing in the country. The Norte and the Centro regions combined stood for 66.4% of completed buildings and 61.2% of completed dwellings in new constructions for family housing. In 2019, completed buildings in Área Metropolitana de Lisboa represented 14.5% of the total in the country, corresponding to 22.2% 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 construction area

(2019)



Construction: Building Permits	Building Permits**					Quarterly year-on- year change rate (4 th Q)*
	4 th Q- 2018	1 st Q- 2019	2 nd Q- 2019	3 rd Q- 2019	4 th Q- 2019	
	Number					
Portugal						
Building Permits	5 663	6 230	5 893	5 767	5 818	2.7
Rehabilitation	1 306	1 390	1 254	1 261	1 250	-4.3
New Construction	3 914	4 324	4 070	4 010	3 974	1.5
for Family Housing	2 980	3 278	3 128	3 060	3 034	1.8
Dwellings	5 496	6 214	5 466	6 234	5 921	7.7
Total area (m2)	2 414 718	2 358 460	2 139 956	2 234 539	2 413 616	0.0
Norte						
Building Permits	2 214	2 470	2 297	2 243	2 299	3.8
Rehabilitation	480	528	443	508	433	-9.8
New Construction	1 582	1 730	1 560	1 512	1 572	-0.6
for Family Housing	1 197	1 337	1 219	1 188	1 242	3.8
Dwellings	2 524	2 766	2 051	2 647	2 752	9.0
Total area (m2)	1 135 501	1 020 168	896 705	972 453	1 012 822	-10.8
Centro						
Building Permits	1 564	1 634	1 596	1 607	1 549	-1.0
Rehabilitation	417	379	374	337	367	-12.0
New Construction	1 003	1 129	1 099	1 162	1 080	7.7
for Family Housing	717	774	792	825	774	7.9
Dwellings	1 112	1 123	1 249	1 277	1 081	-2.8
Total area (m2)	623 238	592 800	623 927	585 864	671 861	7.8
Área Metropolitana de Lisboa						
Building Permits	952	1 031	988	859	901	-5.4
Rehabilitation	150	164	157	129	152	1.3
New Construction	713	754	744	650	636	-10.8
for Family Housing	598	645	626	552	508	-15.1
Dwellings	1 013	1 384	1 368	1 447	1 172	15.7
Total area (m2)	326 079	415 036	341 944	348 977	359 242	10.2
Alentejo						
Building Permits	376	465	437	463	480	27.7
Rehabilitation	91	109	97	116	110	20.9
New Construction	267	338	314	318	338	26.6
for Family Housing	171	207	199	187	213	24.6
Dwellings	221	228	249	226	280	26.7
Total area (m2)	133 405	136 067	115 344	129 231	133 858	0.3
Algarve						
Building Permits	284	332	296	299	283	-0.4
Rehabilitation	85	111	83	89	92	8.2
New Construction	167	184	182	176	157	-6.0
for Family Housing	146	157	153	156	139	-4.8
Dwellings	417	495	277	441	401	-3.8
Total area (m2)	116 024	123 313	88 218	128 690	130 182	12.2
R.A. Açores						
Building Permits	175	188	192	208	208	18.9
Rehabilitation	48	56	64	51	70	45.8
New Construction	119	123	120	136	119	0.0
for Family Housing	93	100	93	105	96	19.1
Dwellings	102	152	158	127	116	13.7
Total area (m2)	38 028	48 433	47 058	45 042	50 767	33.5
R.A. Madeira						
Building Permits	98	110	87	88	98	0.0
Rehabilitation	35	43	36	31	26	-25.7
New Construction	63	66	51	56	72	14.3
for Family Housing	58	58	46	47	62	6.9
Dwellings	107	66	114	69	119	11.2
Total area (m2)	42 443	22 643	26 760	24 282	54 884	29.3

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 (4 th Q)*
	4 th Q- 2018	1 st Q- 2019	2 nd Q- 2019	3 rd Q- 2019	4 th Q- 2019	
	Number					
Portugal						
Completed Buildings	3 723	3 715	3 875	4 081	4 379	17.6
Rehabilitation	983	988	1 088	1 066	1 115	13.4
New Construction	2 740	2 727	2 787	3 015	3 264	19.1
for Family Housing	2 019	1 998	2 084	2 273	2 487	23.2
Dwellings	3 165	3 005	3 327	3 809	4 225	33.5
Total area (m2)	1 533 879	1 639 016	1 643 788	1 769 906	2 013 237	31.3
Norte						
Completed Buildings	1 496	1 387	1 537	1 567	1 686	12.7
Rehabilitation	402	368	421	412	434	8.0
New Construction	1 094	1 019	1 116	1 155	1 252	14.4
for Family Housing	801	777	838	881	957	19.5
Dwellings	1 107	1 058	1 218	1 452	1 677	51.5
Total area (m2)	690 429	690 857	605 579	807 406	877 267	27.1
Centro						
Completed Buildings	1 056	1 089	1 129	1 103	1 157	9.6
Rehabilitation	286	279	321	300	303	5.9
New Construction	770	810	808	803	854	10.9
for Family Housing	556	546	573	575	605	8.8
Dwellings	829	763	864	869	892	7.6
Total area (m2)	412 367	469 532	532 096	462 998	495 273	20.1
Área Metropolitana de Lisboa						
Completed Buildings	483	527	498	609	686	42.0
Rehabilitation	101	123	124	109	132	30.7
New Construction	382	404	374	500	554	45.0
for Family Housing	322	339	325	404	484	50.3
Dwellings	741	674	710	824	982	32.5
Total area (m2)	199 750	247 097	248 086	231 577	272 391	36.4
Alentejo						
Completed Buildings	338	315	288	362	387	14.5
Rehabilitation	71	71	67	96	88	23.9
New Construction	267	244	221	266	299	12.0
for Family Housing	154	141	133	177	186	20.8
Dwellings	175	171	164	197	202	15.4
Total area (m2)	119 380	109 265	140 468	115 724	106 005	-11.2
Algarve						
Completed Buildings	156	161	168	201	179	14.7
Rehabilitation	67	69	66	69	60	-10.4
New Construction	89	92	102	132	119	33.7
for Family Housing	80	74	86	111	104	30.0
Dwellings	169	192	209	321	219	29.6
Total area (m2)	58 978	50 757	55 526	96 431	54 433	-7.7
R.A. Açores						
Completed Buildings	135	165	184	140	193	43.0
Rehabilitation	36	48	65	43	58	61.1
New Construction	99	117	119	97	135	36.4
for Family Housing	69	84	89	72	101	46.4
Dwellings	79	87	104	73	105	32.9
Total area (m2)	36 470	39 319	39 699	32 402	56 438	54.8
R.A. Madeira						
Completed Buildings	59	71	71	99	91	54.2
Rehabilitation	20	30	24	37	40	100.0
New Construction	39	41	47	62	51	30.8
for Family Housing	37	37	40	53	50	35.1
Dwellings	65	60	58	73	148	127.7
Total area (m2)	16 505	32 189	22 334	23 368	151 430	817.5

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 (SIUO).

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 rate change

The quarter-on-quarter rate of change compares the level of each variable with the quarter immediately before.

Year-on-year rate change

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 2019	
Previous publication	Previous publication	Current Publication
Building Permits	5.9%	7.0%
Licensed Dwellings	29.2%	32.7%

Further data

Data for 2019 might be under rated due to the unavailability of data regarding the municipality of Porto as a result of difficulties compiling it and sending it to Statistics Portugal.

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 2020 can be found.

DATE OF NEXT PRESS RELEASE: **09 June 2020.**