

Construction: Building permits and completed buildings

1st Quarter 2020 – Preliminary data

Building permits decreased by 6.7% and completed buildings grew by 15.8%

In the **1st quarter of 2020**, there were 5.8 thousand licensed buildings which corresponded to a 6.7% decrease in comparison with the same period of the previous year (+1.8% in the 4th quarter 2019). Building permits for new constructions decreased by 3.8% while rehabilitation permits declined by 13.9% (+3.6% and -1.5% respectively, in the 4th quarter of 2019). Completed buildings increased by 15.8% (+17.6% in the 4th quarter of 2019) with a total of 4.3 thousand buildings.

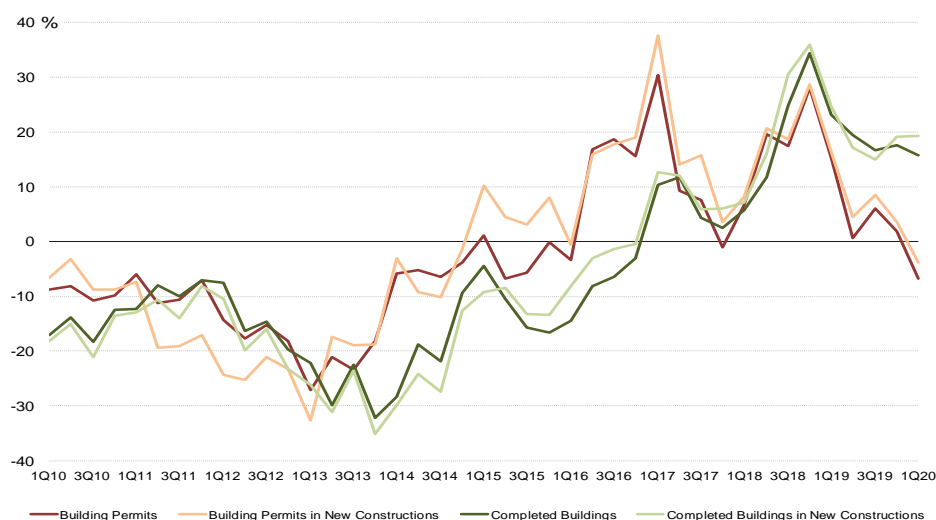
When **compared to the previous quarter**, the number of building permits increased by 1.0% (+0.9% in the 4th quarter 2019), and the number of completed buildings decreased by 1.8% (+7.3% in the 4th quarter 2019).

In a **monthly analysis** and regarding the availability of April data, building permits have been recording a downward trend since January 2020, when compared to the same month of the previous year (-0.9%). This decline was emphasized in March (-17.2%) and registered its lowest value in April (-29.8%).

Despite the constraints caused by the COVID-19 pandemic, Statistics Portugal will try to maintain its production and dissemination calendar, although some disturbances associated with the pandemic might occur in the collection of primary information. For this reason, we ask for the best collaboration by firms, households, and public entities in answering the requests of Statistics Portugal to obtain information by using the Internet and the telephone as alternative means to face-to-face contacts. The quality of official statistics depends crucially on this collaboration that Statistics Portugal is grateful for in advance.

In the 1st quarter of 2020, there were 5.8 thousand building permits and 4.3 thousand completed buildings in Portugal. Building permits decreased by 6.7% compared with the 1st quarter of 2019 (+1.8% in the 4th quarter of 2019), corresponding to an increase of 1.0% when compared to the previous quarter. The number of completed buildings increased by 15.8% in year-on-year terms (+17.6% in the 4th quarter of 2019), having decreased by 1.8% vis-à-vis the previous quarter.

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



1. Building permits

In the 1st quarter of 2020, the number of building permits issued in Portugal was 5.8 thousand, corresponding to a decrease of 6.7% vis-à-vis the 1st quarter of 2019 (+1.8% in the 4th quarter 2019).

Of the total building permits, 71.8% corresponded to new constructions, and, of these, 75.9% referred to family housing. Demolished buildings (414 units) corresponded to 7.1% of the total building permits in the 1st quarter of 2020.

Região Autónoma da Madeira and Região Autónoma dos Açores were the only regions to register a positive year-on-year rate of change in building permits (+14.9% and +7.3%, respectively). In contrast, all the regions of the mainland presented declining year-on-year rates of change, more so the Área Metropolitana de Lisboa and the Algarve (-15.6% and -24.0%, respectively).

The number of building permits for new constructions in Portugal decreased by 3.8% vis-à-vis the 1st quarter of 2019, while rehabilitation works declined by 13.9%. When compared to the previous quarter, the permits for new constructions increased by 3.1% while rehabilitation works declined by 4.4%.

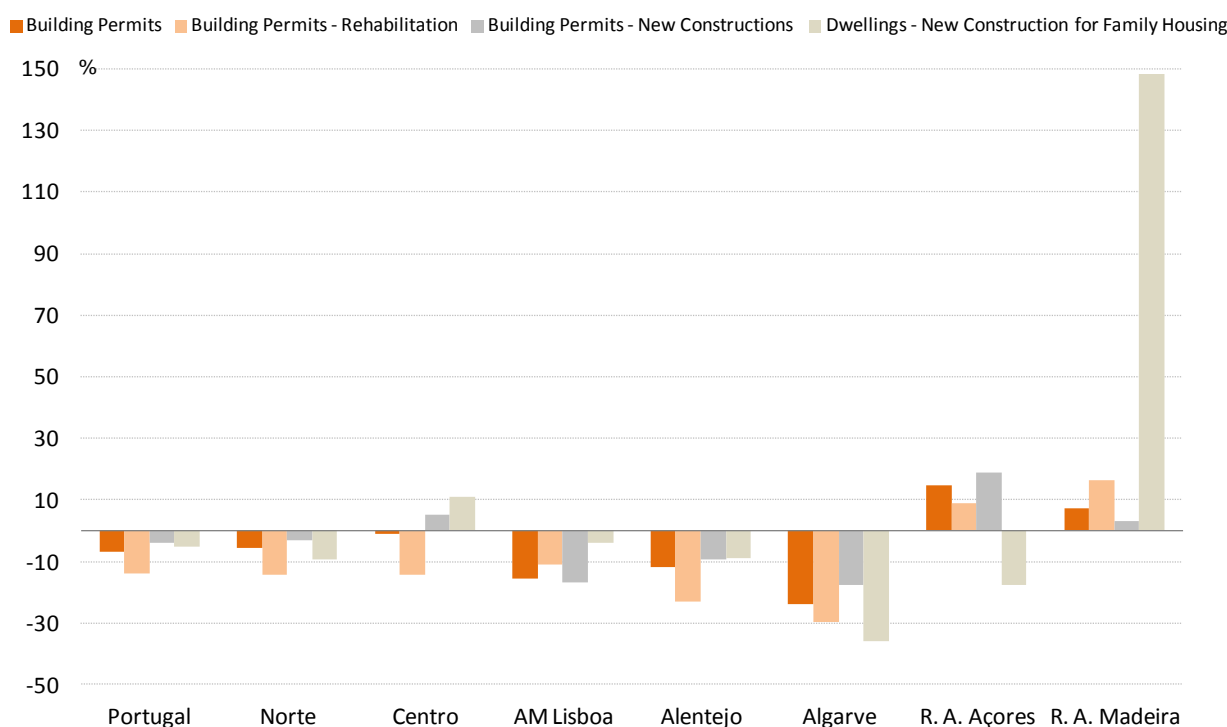
As regards building permits for new constructions, there was a positive variation compared with the same period a year earlier in the regions of Região Autónoma dos Açores (+18.7%), Centro (+5.0%) and Região Autónoma da Madeira (+3.0%). The remaining regions recorded declining year-on-year rates of change, with the emphasis on the regions of the Algarve (-17.8%) and Área Metropolitana de Lisboa (-16.9%). Concerning permits for building rehabilitation, Região Autónoma da Madeira and Região Autónoma dos Açores presented positive variations vis-à-vis the 1st quarter of 2019 (+16.3% and +8.9%, respectively). All regions of the mainland presented declining year-on-year rates of change being noteworthy those recorded in the Algarve (-29.7%) and the Alentejo (-22.9%).

In the 1st quarter of 2020, the number of licensed dwellings in new constructions for family housing was 5.9 thousand, corresponding to a decrease of 5.1% vis-à-vis the 1st quarter of 2019 (+9.3% in the 4th quarter of 2019). The Região Autónoma da Madeira and the Centro were the only two regions that presented a positive year-on-year rate of change in this variable (+148.5% and +10.9%, respectively). The growth occurred in the Região Autónoma da Madeira was due to the licensing of a building with 108 dwellings in the municipality of Funchal. The remaining regions presented declining rates of change, more so the Algarve (-35.9%).

In Portugal, in the 1st quarter of 2020, the total licensed area increased by 0.4% compared to the 1st quarter of 2019. The regions of the Algarve and the Norte were the only ones to present declining year-on-year rates of change (-27.7% and -5.8%, respectively). The remaining regions presented positive rates of change in this variable, with the emphasis on the Região Autónoma da Madeira and Região Autónoma dos Açores: +136.5% and +36.7%, respectively.

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

(1st quarter of 2020)



In the 1st quarter of 2020, 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 9.3% of the total dwellings.

Municipalities with the highest variation in the total number of licensed dwellings in building works (1st quarter of 2020)

		1 st Quarter 2020	1 st Quarter 2019	Variation (Number)	Year-on- year change rate (%)
Rank	Portugal	7 956	8 292	-336	-4.1%
1	Cascais	183	81	102	125.9%
2	Vila do Conde	143	49	94	191.8%
3	Funchal	144	55	89	161.8%
4	Caldas da Rainha	96	24	72	300.0%
5	Barcelos	173	104	69	66.3%

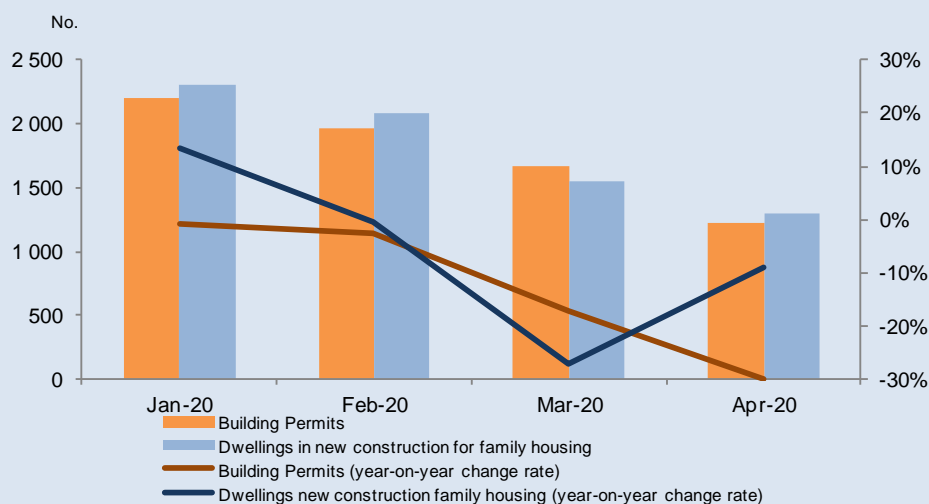
2. January to April 2020: Building and Dwelling permits in New Constructions for Family Housing

Building permits have been recording a downward trend since January 2020 when compared with the same month of the previous year (-0.9%). This decline accelerated from March on (-17.2%) and registered its lowest value in April (-29.8%)

	Jan-20		Feb-20		Mar-20		Apr-20	
	Number	Year-on- year change rate (%)	Number	Year-on- year change rate (%)	Number	Year-on- year change rate (%)	Number	Year-on- year change rate (%)
Building Permits	2196	-0.9%	1965	-2.7%	1665	-17.2%	1226	-29.8%
Dwellings in new construction for family housing	2307	13.3%	2078	-0.6%	1545	-27.2%	1293	-9.0%

When analysing dwelling permits in new constructions for family housing, it showed that in January 2020 this variable was increasing by 13.3% vis-à-vis January 2019. From February on, a decline started compared with the same months of the year before. The largest decline occurred in March 2020 (-27.2%).

Building permits and dwelling permits in new constructions for family housing (January to April 2020)



3. Completed buildings

In the 1st quarter of 2020, the total number of completed buildings (new constructions, building enlargements, renovations, and reconstructions) increased by 15.8% vis-à-vis the 1st quarter of 2019 (+17.6% in the 4th quarter of 2019). In this period, it is estimated that 4.3 thousand buildings were completed in Portugal, mostly corresponding to new constructions (75.6%), of which 76.4% were meant to become family housing.

The Região Autónoma dos Açores and the Centro presented declining year-on-year rates of change as regards completed buildings: -1.8% and -1.1% respectively. The remaining regions registered positive year-on-year rates of change, with the emphasis on the Algarve (+42.2%), Área Metropolitana de Lisboa (+41.2%) and Região Autónoma da Madeira (+31.0%).

In Portugal, completed works for new constructions increased by 19.3% compared with the 1st quarter 2019 and rehabilitation works grew by 6.2%. Completed works for new constructions decreased by 0.3% and rehabilitation works declined by 5.9%, vis-à-vis the previous quarter.

The regions of Alentejo and Região Autónoma dos Açores presented a nil variation in terms of completed works for new constructions. All the other regions presented positive variations with the emphasis on the regions of Área Metropolitana de Lisboa (+57.4%), Algarve (+55.4%) and Região Autónoma da Madeira (+41.5%).

In what concerns completed works for rehabilitation, the regions of Área Metropolitana de Lisboa, Região Autónoma dos Açores and Centro presented declining year-on-year rates of change: -12.2%, -6.3% and -5.4% respectively. The remaining regions recorded positive year-on-year rates of change, more so the Algarve (+24.6%) and the Alentejo (+22.5%).

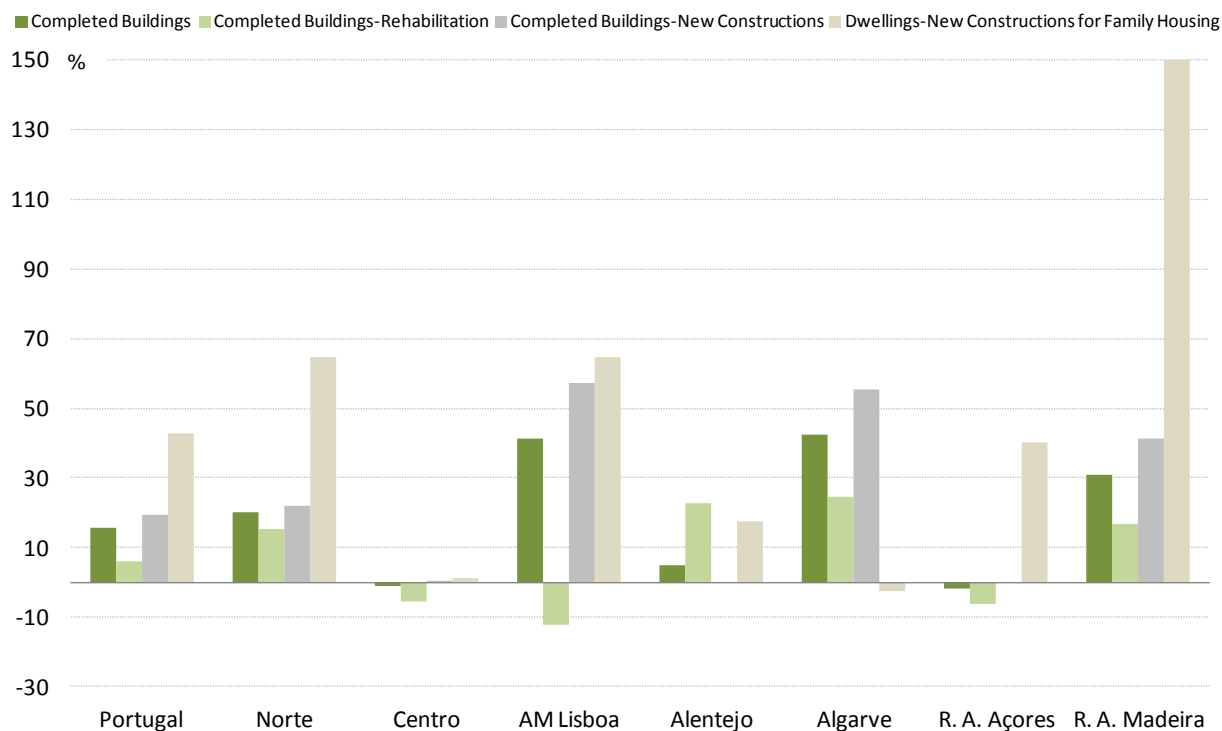
In the 1st quarter of 2020, the number of completed dwellings in new constructions for family housing stood at 4.3 thousand, increasing by 42.6% when compared with the 1st quarter of 2019 (+33.5% in the 4th quarter of 2019). The Algarve was the only region to present a declining year-on-year rate of change (-2.6%). All the remaining regions presented positive performances regarding this variable, with the emphasis on the Região Autónoma da Madeira (+150.0%), mostly as a result of the effective conclusion of some new large-sized buildings for family housing in the municipality of Funchal. The regions of the Norte (+64.8%), Área Metropolitana de Lisboa (+64.5%) and Região Autónoma dos Açores (+40.2%) are also worth mentioning.

The regions of Norte and Centro continued to stand out as regards the total number of completed buildings (63.8% of the total completed buildings in the country, in the 1st quarter of 2020). Concerning the total completed dwellings in new constructions for family housing, the Norte region remains predominant with 40.7% of the total followed by Área Metropolitana de Lisboa (25.9%) and the Centro (18.0%).

In the 1st quarter of 2020, there was an increase of 14.1% in the total completed construction area in Portugal compared to the 1st quarter of 2019. The region of Alentejo was the only one that presented a declining variation regarding this indicator (-13.9%). The remaining regions recorded positive year-on-year rates of change in the total construction area, with the emphasis on the Área Metropolitana de Lisboa (+25.7%) and Região Autónoma da Madeira (+23.4%).

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

(1st quarter of 2020)



Construction: Building Permits	Building Permits**					Quarterly year-on-year change rate (1 st Q)*
	1 st Q- 2019	2 nd Q- 2019	3 rd Q- 2019	4 th Q- 2019	1 st Q- 2020	
	Number					
Portugal						
Building Permits	6 246	5 787	5 713	5 767	5 826	-6.7
Rehabilitation	1 430	1 302	1 271	1 287	1 231	-13.9
New Construction	4 348	4 096	4 046	4 054	4 181	-3.8
for Family Housing	3 299	3 148	3 080	3 081	3 172	-3.8
Dwellings	6 248	5 498	6 279	6 006	5 930	-5.1
Total area (m2)	2 374 798	2 219 496	2 246 016	2 508 173	2 383 885	0.4
Norte						
Building Permits	2 471	2 169	2 172	2 202	2 333	-5.6
Rehabilitation	566	490	517	464	486	-14.1
New Construction	1 741	1 565	1 534	1 617	1 685	-3.2
for Family Housing	1 345	1 219	1 199	1 266	1 323	-1.6
Dwellings	2 776	2 051	2 681	2 776	2 517	-9.3
Total area (m2)	1 031 665	967 344	976 668	1 069 190	971 497	-5.8
Centro						
Building Permits	1 634	1 601	1 613	1 576	1 615	-1.2
Rehabilitation	379	375	337	373	324	-14.5
New Construction	1 129	1 103	1 167	1 097	1 186	5.0
for Family Housing	775	796	826	780	834	7.6
Dwellings	1 124	1 253	1 278	1 113	1 246	10.9
Total area (m2)	592 890	627 055	589 089	702 325	595 856	0.5
Área Metropolitana de Lisboa						
Building Permits	1 044	1 005	868	917	881	-15.6
Rehabilitation	166	157	130	152	148	-10.8
New Construction	765	761	658	651	636	-16.9
for Family Housing	656	642	560	523	532	-18.9
Dwellings	1 406	1 396	1 457	1 199	1 352	-3.8
Total area (m2)	419 622	347 563	351 912	366 156	434 954	3.7
Alentejo						
Building Permits	466	437	462	483	410	-12.0
Rehabilitation	109	97	115	110	84	-22.9
New Construction	339	314	318	341	308	-9.1
for Family Housing	207	199	187	215	191	-7.7
Dwellings	228	249	226	282	208	-8.8
Total area (m2)	136 099	115 344	128 976	134 779	172 607	26.8
Algarve						
Building Permits	333	296	299	283	253	-24.0
Rehabilitation	111	83	89	92	78	-29.7
New Construction	185	182	176	157	152	-17.8
for Family Housing	158	153	156	139	129	-18.4
Dwellings	496	277	441	401	318	-35.9
Total area (m2)	123 446	88 372	128 690	130 072	89 222	-27.7
R.A. Açores						
Building Permits	188	192	210	208	216	14.9
Rehabilitation	56	64	52	70	61	8.9
New Construction	123	120	136	119	146	18.7
for Family Housing	100	93	105	96	112	14.4
Dwellings	152	158	127	116	125	-17.8
Total area (m2)	48 433	47 058	45 140	50 767	66 203	36.7
R.A. Madeira						
Building Permits	110	87	89	98	118	7.3
Rehabilitation	43	36	31	26	50	16.3
New Construction	66	51	57	72	68	3.0
for Family Housing	58	46	47	62	51	-12.1
Dwellings	66	114	69	119	164	148.5
Total area (m2)	22 643	26 760	25 541	54 884	53 546	136.5

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 (1 st Q)*
	1 st Q- 2019	2 nd Q- 2019	3 rd Q- 2019	4 th Q- 2019	1 st Q- 2020	
	Number					
Portugal						
Completed Buildings	3 715	3 875	4 081	4 379	4 302	15.8
Rehabilitation	988	1 088	1 066	1 115	1 049	6.2
New Construction	2 727	2 787	3 015	3 264	3 253	19.3
for Family Housing	1 998	2 084	2 273	2 487	2 486	24.4
Dwellings	3 005	3 327	3 809	4 225	4 285	42.6
Total area (m2)	1 639 016	1 643 788	1 769 906	2 013 237	1 870 872	14.1
Norte						
Completed Buildings	1 387	1 537	1 567	1 686	1 666	20.1
Rehabilitation	368	421	412	434	424	15.2
New Construction	1 019	1 116	1 155	1 252	1 242	21.9
for Family Housing	777	838	881	957	957	23.2
Dwellings	1 058	1 218	1 452	1 677	1 744	64.8
Total area (m2)	690 857	605 579	807 406	877 267	794 015	14.9
Centro						
Completed Buildings	1 089	1 129	1 103	1 157	1 077	-1.1
Rehabilitation	279	321	300	303	264	-5.4
New Construction	810	808	803	854	813	0.4
for Family Housing	546	573	575	605	568	4.0
Dwellings	763	864	869	892	772	1.2
Total area (m2)	469 532	532 096	462 998	495 273	534 321	13.8
Área Metropolitana de Lisboa						
Completed Buildings	527	498	609	686	744	41.2
Rehabilitation	123	124	109	132	108	-12.2
New Construction	404	374	500	554	636	57.4
for Family Housing	339	325	404	484	533	57.2
Dwellings	674	710	824	982	1 109	64.5
Total area (m2)	247 097	248 086	231 577	272 391	310 565	25.7
Alentejo						
Completed Buildings	315	288	362	387	331	5.1
Rehabilitation	71	67	96	88	87	22.5
New Construction	244	221	266	299	244	0.0
for Family Housing	141	133	177	186	161	14.2
Dwellings	171	164	197	202	201	17.5
Total area (m2)	109 265	140 468	115 724	106 005	94 110	-13.9
Algarve						
Completed Buildings	161	168	201	179	229	42.2
Rehabilitation	69	66	69	60	86	24.6
New Construction	92	102	132	119	143	55.4
for Family Housing	74	86	111	104	124	67.6
Dwellings	192	209	321	219	187	-2.6
Total area (m2)	50 757	55 526	96 431	54 433	58 628	15.5
R.A. Açores						
Completed Buildings	165	184	140	193	162	-1.8
Rehabilitation	48	65	43	58	45	-6.3
New Construction	117	119	97	135	117	0.0
for Family Housing	84	89	72	101	89	6.0
Dwellings	87	104	73	105	122	40.2
Total area (m2)	39 319	39 699	32 402	56 438	39 506	0.5
R.A. Madeira						
Completed Buildings	71	71	99	91	93	31.0
Rehabilitation	30	24	37	40	35	16.7
New Construction	41	47	62	51	58	41.5
for Family Housing	37	40	53	50	54	45.9
Dwellings	60	58	73	148	150	150.0
Total area (m2)	32 189	22 334	23 368	151 430	39 727	23.4

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 (SIUO).

Estimates on Completed Works – Methodological note

Data on Completed Works are based on a methodology that allows 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	
	4 th Quarter 2019	
	Previous publication	Current Publication
Building Permits	2.7%	1.8%
Licensed Dwellings	7.7%	9.3%

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 APRIL 2020 can be found.

DATE OF NEXT PRESS RELEASE: **11 SEPTEMBER 2020.**