

14 December 2020

Construction: Building permits and completed buildings

3rd Quarter of 2020 – Preliminary data

Building permits and completed buildings increased by 2.8% and by 1.5%, respectively

In the **3rd quarter of 2020**, there were 5.9 thousand licensed buildings which corresponded to a 2.8% increase in comparison with the same period of the previous year (-13.8% in the 2nd quarter of 2020). Building permits for new constructions increased by 5.0% while renovation permits declined by 3.9% (-9.9% and -24.8% respectively, in the 2nd quarter of 2020). Completed buildings increased by 1.5% (-2.8% in the 2nd quarter of 2020) amounting to 3.7 thousand buildings.

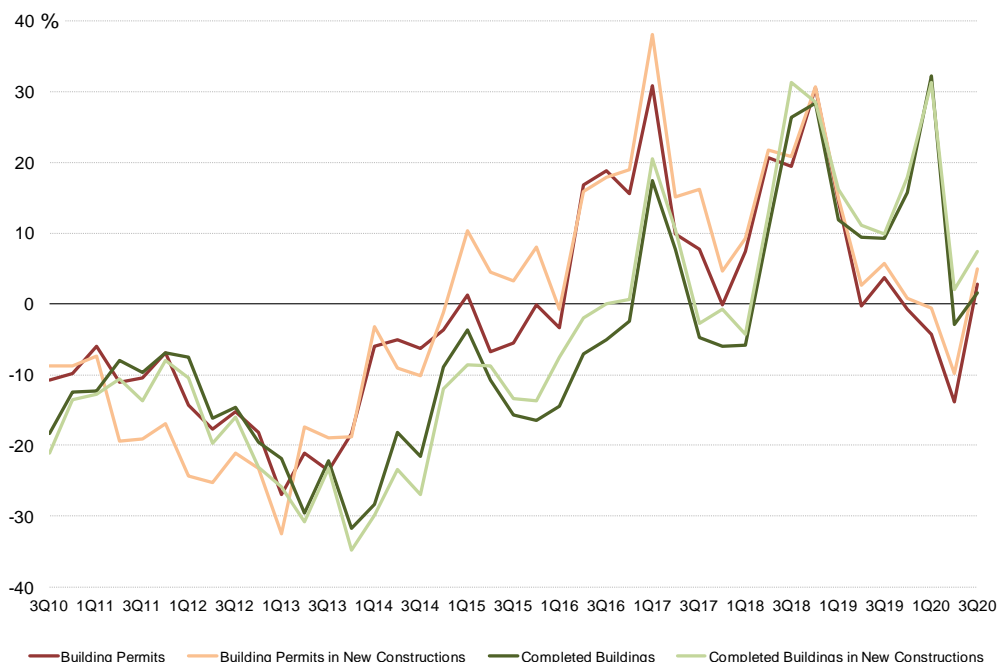
When **compared to the previous quarter**, the number of building permits grew by 17.1% (-16.4% in the 2nd quarter of 2020) and the number of completed buildings increased by 9.0% (-21.9% in the 2nd quarter of 2020).

When analysing **monthly data**, building permits, after recording increases in year-on-year terms from June to August, reversed this trend in September and October, decreasing by 2.7% and by 13.4% in the same order.

Despite the circumstances caused by the COVID-19 pandemic, Statistics Portugal calls for the best possible cooperation from enterprises, households, and public bodies in responding to Statistics Portugal's data requests. The quality of official statistics, particularly their ability to identify the impacts of the COVID-19 pandemic, crucially depends on this collaboration, which Statistics Portugal thanks in advance.

In the 3rd quarter of 2020, there were 5.9 thousand building permits and 3.7 thousand completed buildings in Portugal. Building permits increased by 2.8% compared to the 3rd quarter of 2019 (-13.8% in the 2nd quarter of 2020) and by 17.1% when compared to the previous quarter. The number of completed buildings increased by 1.5% in year-on-year terms (-2.8% in the 2nd quarter of 2020) and by 9.0% vis-à-vis the previous quarter.

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



1. Building permits

In the 3rd quarter of 2020, the number of building permits issued in Portugal was 5.9 thousand, corresponding to an increase of 2.8% vis-à-vis the 3rd quarter of 2019 (-13.8% in the 2nd quarter 2020).

Of the total building permits, 72.2% corresponded to new constructions, and, of these, 78.0% referred to family housing. Demolished buildings (408 units) corresponded to 6.9% of the total building permits in the 3rd quarter of 2020.

Algarve, Região Autónoma dos Açores, and Alentejo were the regions that registered declining year-on-year rates of change in terms of building permits (-12.7%, -6.2% and -2.2% respectively). All the remaining regions presented positive year-on-year rates of change, clearly more so Região Autónoma da Madeira (+32.6%).

The number of building permits for new constructions in Portugal grew by 5.0% vis-à-vis the 3rd quarter of 2019, and renovation permits declined by 3.9%. When compared to the previous quarter, the permits for new constructions declined by 15.0% and renovation works increased by 22.5%.

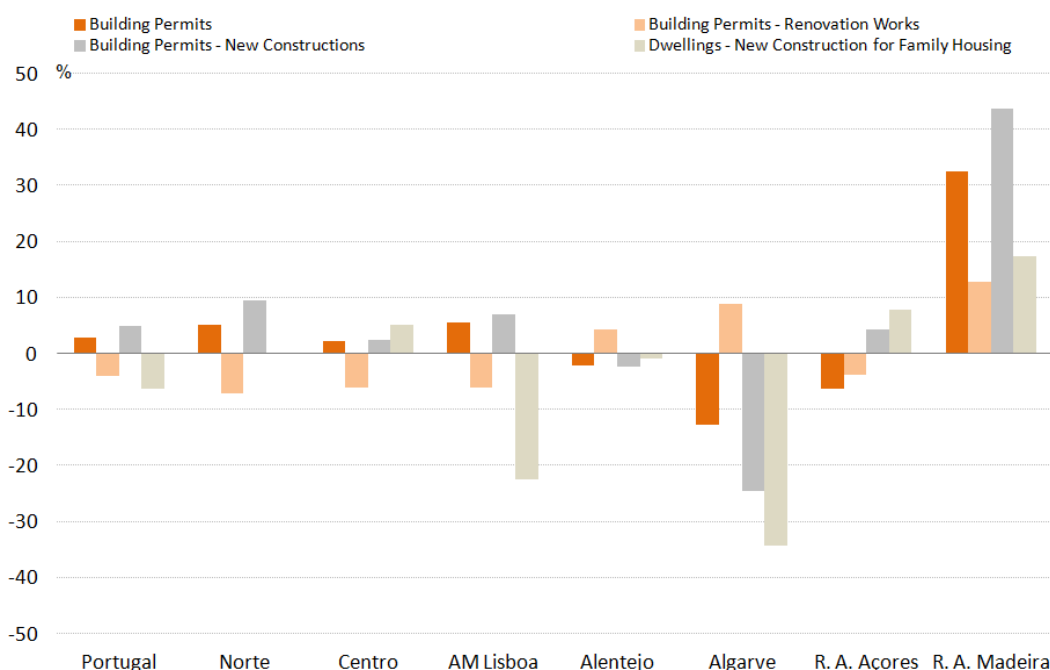
As regards building permits for new constructions, there was a declining variation compared to the same period of the previous year in Algarve (-24.4%) and Alentejo (-2.2%). All the remaining regions recorded positive year-on-year rates of change, with the emphasis on Região Autónoma da Madeira (+43.9%), Norte (+9.5%) and Área Metropolitana de Lisboa (+7.0%). Concerning permits for building renovations, the regions that presented declining year-on-year rates of change were the Norte (-7.1%), Área Metropolitana de Lisboa (-6.1%), Centro (-5.9%) and Região Autónoma dos Açores (-3.8%). There were positive rates of change in Região Autónoma da Madeira (+12.9%), Algarve (+9.0%), and Alentejo (+4.3%).

In the 3rd quarter of 2020, the number of licensed dwellings in new constructions for family housing was 5.9 thousand, corresponding to a decrease of 6.3% vis-à-vis the 3rd quarter of 2019 (+1.5% in the 2nd quarter of 2020). Região Autónoma da Madeira, Região Autónoma dos Açores and Centro were the only regions to record a positive year-on-year rate of change in this variable (+17.4%, +7.9% and +5.2%, respectively). The Norte region presented a nil variation compared to the same period a year earlier. The remaining regions recorded declining rates of change, more so the Algarve (-34.2%) and Área Metropolitana de Lisboa (-22.5%).

In Portugal, in the 3rd quarter of 2020, the total licensed area increased by 0.5% compared to the 3rd quarter of 2019 (-8.3% in the 2nd quarter of 2020). The regions of Algarve, Alentejo and Área Metropolitana de Lisboa recorded declining year-on-year rates of change in this indicator (-25.4%, -12.7% and -11.5%, respectively). The remaining regions presented positive year-on-year rates of change, with the emphasis on Região Autónoma da Madeira (+22.4%), followed by Região Autónoma dos Açores (+7.5%), Centro (+6.1%) and Norte (+5.7%).

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

(3rd quarter of 2020)



In the 3rd 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 14.0% of the total dwellings in the country. Together, these municipalities accounted for an increase of 68.9% compared to the previous year (+429 dwellings).

Similarly, the municipalities with the highest declining variation recorded a 42.8% decrease in the number of dwellings licensed for building compared to the same quarter last year (-567 dwellings).

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

(3rd quarter of 2020)

		3 rd Quarter 2020	3 rd Quarter 2019	Variation (Number)	Year-on- year change rate (%)	
Rank	PORTUGAL	7 511	7 797	- 286	-3.7%	
+	1	Guimarães	278	121	157	129.8%
	2	Cascais	204	107	97	90.7%
	3	Aveiro	162	102	60	58.8%
	4	Matosinhos	326	267	59	22.1%
	5	Póvoa de Varzim	82	26	56	215.4%
-	1	Porto	355	528	-173	-32.8%
	2	Lisboa	363	489	-126	-25.8%
	3	Vila Real	20	115	-95	-82.6%
	4	Portimão	12	102	-90	-88.2%
	5	Amadora	8	91	-83	-91.2%

Building permits have been recording a downward trend from February to May 2020, when compared with the same month of the previous year. This trend accelerated from March to May, with the most negative year-on-year rate of change being recorded in April (-25.7%). In June, July, and August 2020, there were positive year-on-year rates of change of 9.3%, 4.5% and 7.7%, respectively. In September and October there was again a decrease in building permits, with October registering the largest decline with a rate of change of -13.4%.

Monthly Information				
Month	Building Permits			
	Total (number)		Growth Rate (%)	
	2019	2020	Year-on-year	Month-to-month
TOTAL	23,608	19,010		
January	2,223	2,243	0.9	43.5
February	2,021	2,015	-0.3	-10.2
March	2,028	1,749	-13.8	-13.2
April	1,756	1,305	-25.7	-25.4
May	2,308	1,790	-22.4	37.2
June	1,765	1,929	9.3	7.8
July	2,083	2,176	4.5	12.8
August	1,628	1,753	7.7	-19.4
September	2,011	1,956	-2.7	11.6
October	2,417	2,094	-13.4	7.1
November	1,805			
December	1,563			

2. Completed buildings

In the 3rd quarter of 2020, the total number of completed buildings (new constructions, building enlargements, renovations and reconstructions) increased by 1.5% vis-à-vis the 3rd quarter of 2019 (-2.8% in the 2nd quarter of 2020). In this period, it is estimated that 3.7 thousand buildings were completed in Portugal, mostly corresponding to new constructions (80.0%), of which 73.5% were meant to become family housing.

The regions of Algarve, Região Autónoma da Madeira and Norte presented declining year-on-year rates of change concerning completed buildings: -29.2%, -19.0% and -10.4% respectively. The Alentejo region presented a nil variation. The remaining regions registered positive year-on-year rates of change, with the emphasis on Área Metropolitana de Lisboa (+39.4%) and Região Autónoma dos Açores (+20.9%).

In Portugal, completed works for new constructions increased by 7.4% compared to the 3rd quarter of 2019, while renovation works decreased by 16.9%. Completed works for new constructions increased by 10.8% and renovation works grew by 2.4%, vis-à-vis the previous quarter.

The regions of Algarve, Região Autónoma da Madeira and Norte presented declining year-on-year rates of change in terms of completed works for new constructions (-31.6%, -18.2% and -7.1%, respectively). The remaining regions recorded increases, more so Área Metropolitana de Lisboa (+53.7%) and Região Autónoma dos Açores (+20.2%).

Concerning completed works for renovation, the Região Autónoma dos Açores was the only to present a positive year-on-year rate of change (+22.7%). The remaining regions recorded declining year-on-year rates of change in this variable, with the emphasis on Área Metropolitana de Lisboa (-25.5%), Algarve (-23.2%) and Norte (-20.9%).

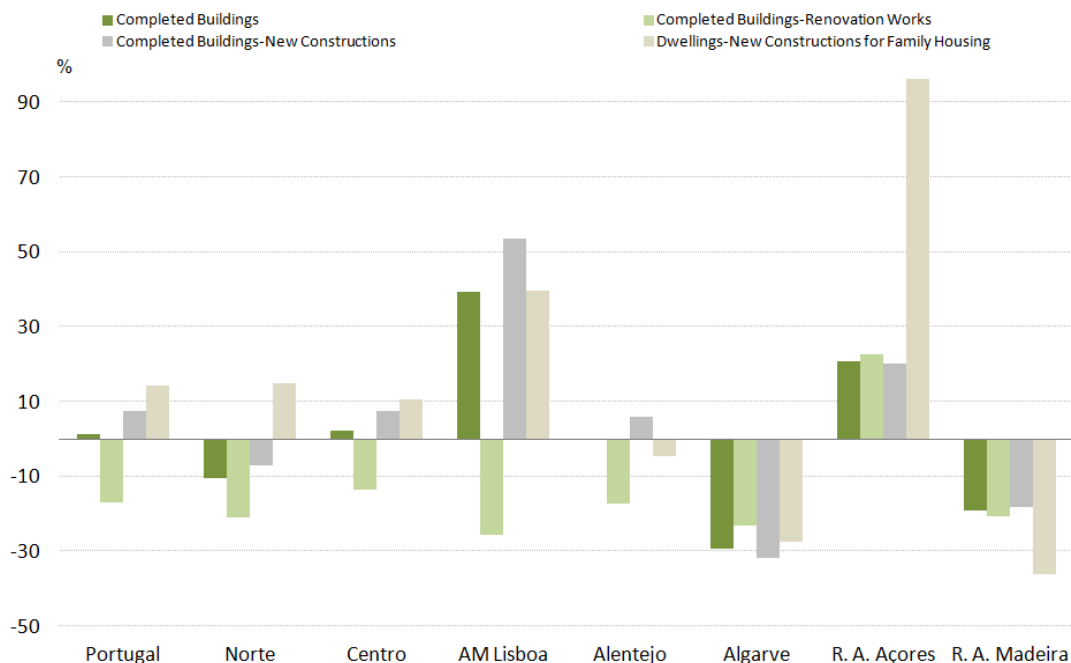
In the 3rd quarter of 2020, the number of completed dwellings in new constructions for family housing amounted to 4.3 thousand, increasing by 14.4% when compared to the 3rd quarter of 2019 (+21.1% in the 2nd quarter of 2020). Região Autónoma da Madeira (-36.1%), Algarve (-27.5%) and Alentejo (-4.5%) recorded declining results. The remaining regions presented positive year-on-year rates of change, with the emphasis on Região Autónoma dos Açores (+96.4%) and Área Metropolitana de Lisboa (+39.6%).

The regions of Norte and Centro continued to stand out as regards the total number of completed buildings (60.2% of the total completed buildings in the country in the 3rd quarter of 2020). Concerning the total completed dwellings in new constructions for family housing, the Norte region remains predominant with 40.0% of the total, followed by Área Metropolitana de Lisboa (23.0%) and Centro (21.6%).

In the 3rd quarter of 2020, there was an increase of 3.8% in the total completed construction area in Portugal, compared to the 3rd quarter of 2019. Região Autónoma dos Açores and Alentejo presented the highest positive variations regarding this indicator (+53.8% and +52.1%, respectively), while the Algarve recorded the largest decline (-13.0%).

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

(3rd quarter of 2020)



Construction: Building Permits	Building Permits**					Quarterly year-on-year change rate (3 rd Q)*
	3 rd Q- 2019	4 th Q- 2019	1 st Q- 2020	2 nd Q- 2020	3 rd Q- 2020	
	Number					
Portugal						
Building Permits	5 722	5 785	6 007	5 024	5 885	2,8
Renovation Works	1 276	1 294	1 283	1 001	1 226	-3,9
New Construction	4 049	4 060	4 334	3 698	4 251	5,0
for Family Housing	3 084	3 087	3 298	2 974	3 314	7,5
Dwellings	6 285	6 035	6 282	5 647	5 892	-6,3
Total area (m2)	2 248 052	2 513 738	2 453 473	2 053 682	2 259 227	0,5
Norte						
Building Permits	2 176	2 209	2 404	2 017	2 287	5,1
Renovation Works	521	467	537	403	484	-7,1
New Construction	1 534	1 620	1 735	1 510	1 679	9,5
for Family Housing	1 199	1 269	1 361	1 262	1 333	11,2
Dwellings	2 681	2 802	2 741	2 455	2 681	0,0
Total area (m2)	976 755	1 071 996	1 024 060	826 739	1 032 453	5,7
Centro						
Building Permits	1 613	1 578	1 641	1 328	1 649	2,2
Renovation Works	337	373	325	269	317	-5,9
New Construction	1 167	1 098	1 208	966	1 197	2,6
for Family Housing	826	781	848	720	880	6,5
Dwellings	1 278	1 114	1 260	1 236	1 345	5,2
Total area (m2)	589 089	702 814	588 987	615 076	625 222	6,1
Área Metropolitana de Lisboa						
Building Permits	872	925	953	766	920	5,5
Renovation Works	131	155	147	105	123	-6,1
New Construction	660	653	708	589	706	7,0
for Family Housing	563	525	601	506	613	8,9
Dwellings	1 462	1 201	1 439	1 296	1 133	-22,5
Total area (m2)	353 773	368 441	451 442	373 137	313 008	-11,5
Alentejo						
Building Permits	463	484	416	402	453	-2,2
Renovation Works	115	111	86	74	120	4,3
New Construction	319	341	310	298	312	-2,2
for Family Housing	188	215	193	202	201	6,9
Dwellings	227	282	210	222	225	-0,9
Total area (m2)	129 064	134 764	172 420	103 048	112 732	-12,7
Algarve						
Building Permits	299	283	254	208	261	-12,7
Renovation Works	89	92	77	57	97	9,0
New Construction	176	157	154	133	133	-24,4
for Family Housing	156	139	131	123	117	-25,0
Dwellings	441	401	337	236	290	-34,2
Total area (m2)	128 690	130 072	89 549	70 676	96 035	-25,4
R.A. Açores						
Building Permits	210	208	219	202	197	-6,2
Renovation Works	52	70	61	63	50	-3,8
New Construction	136	119	149	131	142	4,4
for Family Housing	105	96	113	98	106	1,0
Dwellings	127	116	131	115	137	7,9
Total area (m2)	45 140	50 767	72 695	38 915	48 524	7,5
R.A. Madeira						
Building Permits	89	98	120	101	118	32,6
Renovation Works	31	26	50	30	35	12,9
New Construction	57	72	70	71	82	43,9
for Family Housing	47	62	51	63	64	36,2
Dwellings	69	119	164	87	81	17,4
Total area (m2)	25 541	54 884	54 320	26 091	31 253	22,4

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 (3 rd Q)*
	3 rd Q- 2019	4 th Q- 2019	1 st Q- 2020	2 nd Q- 2020	3 rd Q- 2020	
	Number					
Portugal						
Completed Buildings	3 611	3 859	4 302	3 362	3 665	1,5
Renovation Works	882	937	1 049	716	733	-16,9
New Construction	2 729	2 922	3 253	2 646	2 932	7,4
for Family Housing	2 159	2 297	2 486	2 069	2 155	-0,2
Dwellings	3 760	4 122	4 285	4 017	4 302	14,4
Total area (m2)	1 670 258	1 869 431	1 870 872	1 552 519	1 734 025	3,8
Norte						
Completed Buildings	1 360	1 497	1 666	1 250	1 219	-10,4
Renovation Works	326	365	424	261	258	-20,9
New Construction	1 034	1 132	1 242	989	961	-7,1
for Family Housing	816	898	957	786	745	-8,7
Dwellings	1 498	1 558	1 744	1 798	1 722	15,0
Total area (m2)	781 016	744 088	794 015	752 310	703 969	-9,9
Centro						
Completed Buildings	966	997	1 077	823	988	2,3
Renovation Works	247	239	264	207	214	-13,4
New Construction	719	758	813	616	774	7,6
for Family Housing	552	562	568	444	537	-2,7
Dwellings	840	918	772	783	930	10,7
Total area (m2)	439 186	477 265	534 321	359 130	429 491	-2,2
Área Metropolitana de Lisboa						
Completed Buildings	543	614	744	627	757	39,4
Renovation Works	98	116	108	72	73	-25,5
New Construction	445	498	636	555	684	53,7
for Family Housing	367	429	533	470	505	37,6
Dwellings	710	897	1 109	937	991	39,6
Total area (m2)	209 180	280 534	310 565	248 249	290 299	38,8
Alentejo						
Completed Buildings	318	332	331	323	318	0,0
Renovation Works	82	80	87	72	68	-17,1
New Construction	236	252	244	251	250	5,9
for Family Housing	176	165	161	161	152	-13,6
Dwellings	201	181	201	195	192	-4,5
Total area (m2)	106 568	91 055	94 110	96 709	162 108	52,1
Algarve						
Completed Buildings	192	163	229	129	136	-29,2
Renovation Works	56	54	86	36	43	-23,2
New Construction	136	109	143	93	93	-31,6
for Family Housing	118	97	124	84	82	-30,5
Dwellings	356	275	187	162	258	-27,5
Total area (m2)	76 698	63 525	58 628	44 973	66 698	-13,0
R.A. Açores						
Completed Buildings	148	176	162	145	179	20,9
Renovation Works	44	51	45	47	54	22,7
New Construction	104	125	117	98	125	20,2
for Family Housing	83	98	89	85	95	14,5
Dwellings	83	148	122	89	163	96,4
Total area (m2)	35 502	61 790	39 506	36 169	54 609	53,8
R.A. Madeira						
Completed Buildings	84	80	93	65	68	-19,0
Renovation Works	29	32	35	21	23	-20,7
New Construction	55	48	58	44	45	-18,2
for Family Housing	47	48	54	39	39	-17,0
Dwellings	72	145	150	53	46	-36,1
Total area (m2)	22 108	151 174	39 727	14 979	26 851	21,5

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 (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.

Monthly revisions:

Given the administrative nature of the information, the data on building permits are updated monthly throughout the year and are subject to monthly and quarterly revisions. It should be noted that in the context of the COVID-19 pandemic, there have been delays in receiving some information from the municipalities, mainly reflected in the 2nd quarter of 2020, as many of the services were closed or limited and it was not possible to send all the information to Statistics Portugal on time, which leads to extraordinary revisions to the data previously released.

	Year-on-year change rate	
	2 nd Quarter 2020	
Previous publication	Previous publication	Current Publication
Building Permits	-14.7%	-13.8%
Licensed Dwellings	-5.7%	1.5%

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 OCTOBER 2020 can be found.

DATE OF NEXT PRESS RELEASE: **15 MARCH 2021.**