

10 September 2021

## CONSTRUCTION: BUILDING PERMITS AND COMPLETED BUILDINGS 2<sup>nd</sup> quarter of 2021

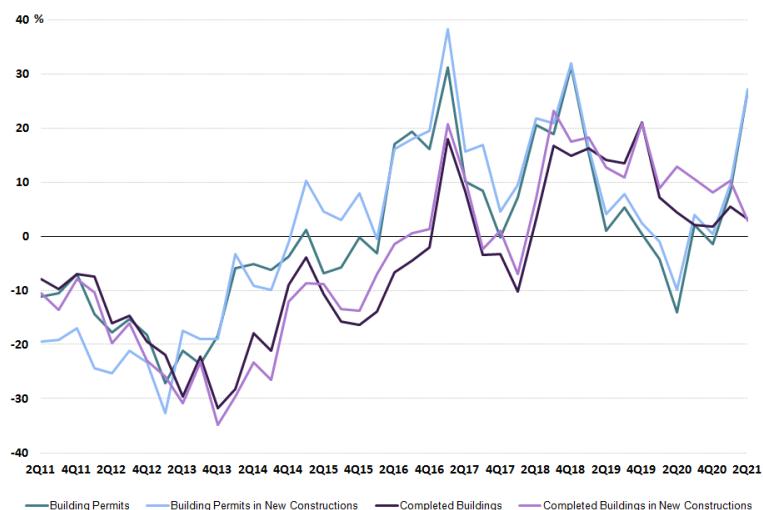
### LICENSING AND WORKS COMPLETIONS AT LEVELS ABOVE THOSE IN THE PRE-PANDEMIC PERIOD

In the **2<sup>nd</sup> quarter of 2021**, there were 6.5 thousand licensed buildings, i.e., +27.1% in comparison with the same quarter of the previous year (+8.3% in the **1<sup>st</sup> quarter of 2021**). This figure surpasses the one registered in the **2<sup>nd</sup> quarter of 2019** (pre-COVID-19 period) by 9.3%. Building permits for new constructions increased by 27.3%, i.e., +14.7% vis-à-vis the **2<sup>nd</sup> quarter of 2019** (+9.8% in the **1<sup>st</sup> quarter of 2021**). Renovation permits grew by 25.4%, representing a 6.7% decrease compared with the **2<sup>nd</sup> quarter of 2019** (+2.9% in the **1<sup>st</sup> quarter of 2021**). The number of completed buildings increased by 3.3% (+5.6% in the **1<sup>st</sup> quarter of 2021**; +7.9% when compared with the **2<sup>nd</sup> quarter of 2019**) amounting to 3.7 thousand buildings.

Compared with the **previous quarter**, the number of building permits decreased by 1.5% (+13.0% in the **1<sup>st</sup> quarter of 2021**) and the number of completed buildings decreased by 0.4% (-3.0% in the **1<sup>st</sup> quarter of 2021**).

The **monthly analysis** reveals that after the year-on-year decrease registered in January (-13.3%), the building permits grew quite significantly in March, April, and May (+45.3%, +70.5% and +22.9%, respectively). When compared to the same months of 2019, this growth is also relevant in March, April, and June (+25.2%, +27.7% and +8.8%, respectively).

Figure 1. Quarterly year-on-year rate changes (Building permits and completed buildings)



Source: Statistics of building permits and construction works completed

CONSTRUCTION: BUILDING PERMITS AND COMPLETED BUILDINGS – 2<sup>nd</sup> quarter of 2021

In the 2<sup>nd</sup> quarter of 2021, there were 6.5 thousand building permits issued and 3.7 thousand buildings completed in Portugal. The building permits grew by 27.1% compared to the 2<sup>nd</sup> quarter of 2020 (+8.3% in the 1<sup>st</sup> quarter of 2021), having decreased by 1.5% compared to the previous quarter. The number of completed buildings grew by 3.3% year-on-year (+5.6% in the 1<sup>st</sup> quarter of 2021), having decreased by 0.4% vis-à-vis the previous quarter.

## 1. Building permits

In the 2<sup>nd</sup> quarter of 2021, the number of building permits issued in Portugal was 6.5 thousand, corresponding to a 27.1% increase in comparison with the 2<sup>nd</sup> quarter of 2020 (+8.3% in the 1<sup>st</sup> quarter of 2021). This figure surpasses by 9.3% the buildings licensed in the 2<sup>nd</sup> quarter of 2019 (pre-pandemic COVID-19 period).

Of the total building permits, 74.1% corresponded to new constructions, and, of these, 78.7% referred to family housing. Demolished buildings (423 units) corresponded to 6.5% of the total building permits in the 2<sup>nd</sup> quarter of 2021.

All regions presented positive year-on-year rates of change concerning the number of building permits. The regions that stood out were Área Metropolitana de Lisboa (+41.8%), Algarve (+38.4%), Centro (+33.5%), and Região Autónoma dos Açores (+30.2%).

The number of building permits for new constructions grew by 27.3% compared to the 2<sup>nd</sup> quarter of 2020, with renovation permits also increasing by 25.4%. When compared to the previous quarter, the number of permits for new constructions decreased by 0.4% while renovation works declined by 5.5%. Compared to the 2<sup>nd</sup> quarter of 2019, licensing for new constructions increased by 14.7%, while rehabilitation works decreased by 6.7%.

Except for Alentejo (-1.9%), all the regions of the country recorded year-on-year increases in building permits for new constructions, with the emphasis on Algarve (+45.6%), Área Metropolitana de Lisboa (+39.1%), and Centro (+36.9%).

In the 2<sup>nd</sup> quarter of 2021, 7.1 thousand dwellings in new construction for family housing were licensed. This value reflects an increase of 20.8%, compared to the 2<sup>nd</sup> quarter of 2020 (+10.0% in the 1<sup>st</sup> quarter of 2021). Compared to the 2<sup>nd</sup> quarter of 2019, dwellings in new construction increased by 21.1%.

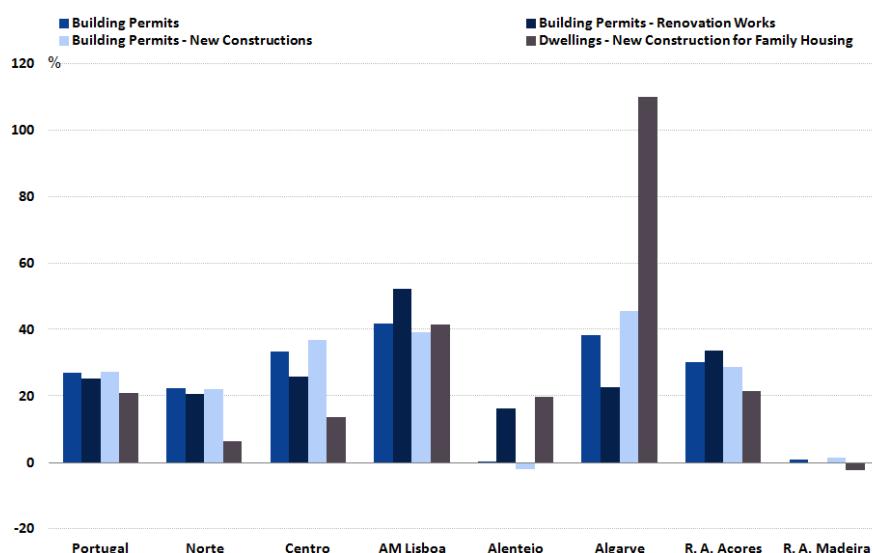
Região Autónoma da Madeira was the only region to register a declining year-on-year rate of change in this variable (-2.3%). All the other regions recorded a growth in this variable. The most significant increases were registered in Algarve (+110.0%) due to the licensing of several real estate projects particularly in the municipalities of Lagos, Albufeira, Tavira, and Loulé, and Área Metropolitana de Lisboa (+41.7%) partly due to the increase in real estate projects in the municipalities of Lisboa and Oeiras.

In Portugal, in the 2<sup>nd</sup> quarter of 2021, the total licensed area increased by 27.4% year-on-year (+6.8% in the 1<sup>st</sup> quarter of 2021). The region of Centro was the only one registering a declining year-on-year rate of

change in this indicator (-1.4%). The remaining regions presented positive rates of change, more so Alentejo (+132.4%) linked to the licensing of general use buildings in the municipality of Azambuja.

Figure 2. Building and dwelling permits – Quarterly year-on-year rate of change

(2<sup>nd</sup> quarter of 2021)



Source: Building permits – Projects of building constructions and demolitions survey (Q3)

The analysis by municipality shows that in the 2<sup>nd</sup> quarter of 2021, the 5 municipalities with the highest absolute variation, compared to the same quarter of the previous year, were responsible for the licensing of 19.5% of the total number of dwellings in building works in the country (considering all types of works and all destinations). Taken together, these municipalities recorded an increase of 70.8% over the previous year (+711 dwellings).

Together, the municipalities with the greatest decreasing rates of change registered a 49.6% decrease in the number of dwellings licensed for construction in comparison with the same quarter of the previous year (-526 dwellings).

Figure 3. Municipalities with the highest absolute variation in the total number of licensed dwellings in building works  
(2<sup>nd</sup> quarter of 2021)

Rank	Municipality	2 <sup>nd</sup> Quarter		Variation (Number)	Year-on-year change rate (%)	Unit: No.
		2021	2020			
	PORUGAL	8781	7079	1702	24,0	
+						
1	Vila Nova de Gaia	419	209	210	100,5	
2	Lisboa	678	531	147	27,7	
3	Loures	221	82	139	169,5	
4	Vila Nova de Famalicão	222	114	108	94,7	
5	Oeiras	175	68	107	157,4	
-						
1	Porto	261	486	-225	-46,3	
2	Vila do Conde	94	174	-80	-46,0	
3	Aveiro	63	140	-77	-55,0	
4	Seixal	99	175	-76	-43,4	
5	Barreiro	17	85	-68	-80,0	

Source: Building permits – Projects of building constructions and demolitions survey (Q3)

In January 2021, which still compares with a month without pandemic in 2020, there was a negative rate of change in the number of buildings permits compared to the same month of the previous year (-13.3%). After a null variation observed in February, the months of March, April, and May (months in which, more intensely, the impacts of the pandemic were felt in 2020, with some Municipalities closing their services to the public) registered very significant growths compared to 2020 (+45.3%, +70.5%, and +22.9%, respectively). The months of March and April of 2021 exceeded the levels recorded in the same months of 2019, presenting rates of change of +25.2% and +27.7%, respectively. Compared to 2020, preliminary information available so far, points to a more tenuous growth in June (+1.0%). Compared to June 2019, it translates into a growth of 8.8%.

In the first half of 2021, building permits grew by 16.9% compared to 2020, and by 6.4% compared to the same period in 2019.

Figure 4. Building permits – monthly information

Month	Unit: No.					
	Building Permits (No.)			Growth Rate (%)		
	2019	2020	2021	2020/2019	2021/2020	2021/2019
<b>TOTAL</b>	<b>24,117</b>	<b>23,068</b>	<b>13,121</b>	<b>-4.3</b>	<b>16.9</b>	<b>6.4</b>
January	2,248	2,272	1,970	1.1	-13.3	-12.4
February	2,052	2,048	2,049	-0.2	0.0	-0.1
March	2,071	1,784	2,592	-13.9	45.3	25.2
April	1,800	1,348	2,298	-25.1	70.5	27.7
May	2,341	1,821	2,238	-22.2	22.9	-4.4
June	1,815	1,954	1,974	7.7	1.0	8.8
July	2,135	2,210				
August	1,668	1,776				
September	2,056	2,003				
October	2,475	2,193				
November	1,859	1,969				
December	1,597	1,690				

Source: Building permits – Projects of building constructions and demolitions survey (Q3)

## 2. Completed buildings

In the 2<sup>nd</sup> quarter of 2021, the total number of completed buildings (new constructions, building enlargements, renovations, and reconstructions) increased by 3.3% compared to the 2<sup>nd</sup> quarter of 2020 (+5.6% in the 1<sup>st</sup> quarter of 2021). Compared to the 2<sup>nd</sup> quarter of 2019, completed buildings increased by 7.9%.

In this period, it is estimated that 3.7 thousand buildings have been completed in Portugal, mostly corresponding to new constructions (79.6%), and of these, 77.0% were intended for family housing.

The regions of Área Metropolitana de Lisboa, Algarve, and Alentejo presented a year-on-year decline in the number of completed buildings (-13.0%, -2.4%, and -1.0%, respectively). The remaining regions showed positive year-on-year rates of change, namely Região Autónoma da Madeira (+37.1%).

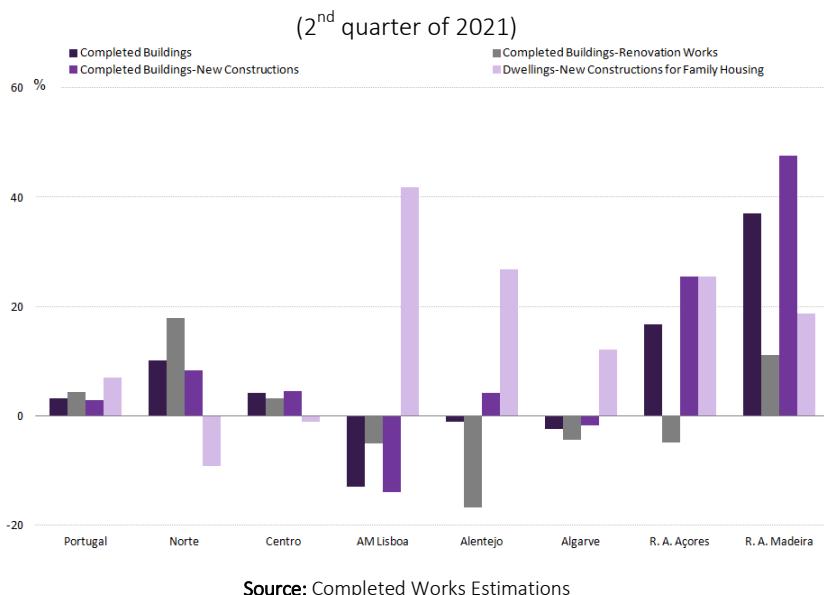
There were increases of 3.0% in completed works to new constructions and 4.4% in renovation works, vis-à-vis the 2<sup>nd</sup> quarter of 2020. Compared with the previous quarter, the rates of change were -1.5% and +4.3%, respectively.

Área Metropolitana de Lisboa and Algarve presented decreases in what concerns completed works for new constructions (-14.0% and -1.7%, respectively). Conversely, the remaining regions registered increases in this variable, more so Região Autónoma da Madeira (+47.7%) and Açores (+25.5%).

There was a 4.4% increase in completed works for renovation due to the growths in the regions of Norte (+17.9%), Região Autónoma da Madeira (+11.1%), and Centro (+3.3%). There were declines in the other regions, with the emphasis on Alentejo (-16.7%).

In the 2<sup>nd</sup> quarter of 2021, completed dwellings in new construction for family housing amounted to 4.5 thousand, corresponding to an increase of 7.1% compared to the 2<sup>nd</sup> quarter of 2020 (+28.1% in the 1<sup>st</sup> quarter of 2021). It is estimated that this growth has been extended to Área Metropolitana de Lisboa (+41.9%), Alentejo (+26.9%), Região Autónoma dos Açores (+25.6%), Região Autónoma da Madeira (+18.8%), and Algarve (+12.2%). The regions of Norte and Centro would have registered declines in this indicator: -9.1% and -1.0%, respectively.

Figure 5. Completed buildings and dwellings – Quarterly year-on-year rate of change



Together, the Norte and Centro regions continued to stand out concerning the number of completed buildings (63.7% of the total) and completed dwellings in new construction for family housing (57.2%), in the 2<sup>nd</sup> quarter of 2021. The Norte region kept being predominant in the number of completed buildings and dwellings (37.8% and 38.9%, respectively), followed by Centro in terms of completed buildings (25.9%). Área Metropolitana de Lisboa followed the Norte region in terms of completed dwellings, given that 27.4% of completed dwellings in new constructions for family housing were in this region.

In the 2<sup>nd</sup> quarter of 2021, there was an 11.0% increase in the total completed construction area in Portugal, compared to the same period of the previous year. It is estimated that the Norte region was the only region to show a declining rate of change (-7.8%). In all the other regions there was an increase in this indicator, with Região Autónoma da Madeira showing the most significant positive rate of change (+195.6%). For this growth, the effective conclusion of a non-residential building in the municipality of Funchal, intended for commerce, will have contributed.

Construction: Building Permits	Building Permits**					Quaterly year-on-year change rate (2 <sup>nd</sup> Q)*	Unit: No.
	2 <sup>nd</sup> Q- 2020	3 <sup>rd</sup> Q- 2020	4 <sup>th</sup> Q- 2020	1 <sup>st</sup> Q- 2021	2 <sup>nd</sup> Q- 2021		
	%						
<b>Portugal</b>							
Building Permits	5 123	5 989	5 852	6 611	6 510	27.1	
Renovation Works	1 005	1 232	1 214	1 333	1 260	25.4	
New Construction	3 791	4 349	4 208	4 845	4 827	27.3	
for Family Housing	3 035	3 396	3 302	3 890	3 797	25.1	
Dwellings	5 912	6 179	6 604	7 026	7 144	20.8	
Total area (m <sup>2</sup> )	2 109 296	2 311 198	2 432 719	2 644 613	2 687 670	27.4	
<b>Norte</b>							
Building Permits	2 034	2 325	2 236	2 600	2 490	22.4	
Renovation Works	403	490	460	522	486	20.6	
New Construction	1 526	1 711	1 651	1 949	1 862	22.0	
for Family Housing	1 274	1 360	1 308	1 580	1 504	18.1	
Dwellings	2 641	2 874	3 037	3 157	2 811	6.4	
Total area (m <sup>2</sup> )	846 672	1 067 796	1 018 294	1 169 757	1 028 392	21.5	
<b>Centro</b>							
Building Permits	1 343	1 679	1 584	1 764	1 793	33.5	
Renovation Works	271	318	322	367	341	25.8	
New Construction	978	1 226	1 133	1 279	1 339	36.9	
for Family Housing	729	901	849	994	985	35.1	
Dwellings	1 269	1 388	1 208	1 399	1 444	13.8	
Total area (m <sup>2</sup> )	625 792	633 109	594 908	644 640	617 182	-1.4	
<b>Área Metropolitana de Lisboa</b>							
Building Permits	801	948	979	1 140	1 136	41.8	
Renovation Works	105	122	169	162	160	52.4	
New Construction	624	735	697	863	868	39.1	
for Family Housing	538	641	605	755	729	35.5	
Dwellings	1 334	1 168	1 432	1 333	1 890	41.7	
Total area (m <sup>2</sup> )	385 557	318 761	475 273	409 729	545 081	41.4	
<b>Alentejo</b>							
Building Permits	428	456	455	475	430	0.5	
Renovation Works	74	120	99	102	86	16.2	
New Construction	324	315	336	346	318	-1.9	
for Family Housing	206	203	218	215	222	7.8	
Dwellings	226	227	250	233	271	19.9	
Total area (m <sup>2</sup> )	114 453	112 556	158 153	169 477	265 954	132.4	
<b>Algarve</b>							
Building Permits	211	263	272	278	292	38.4	
Renovation Works	57	97	73	80	70	22.8	
New Construction	136	135	166	163	198	45.6	
for Family Housing	126	119	149	149	172	36.5	
Dwellings	239	301	383	584	502	110.0	
Total area (m <sup>2</sup> )	71 085	98 498	96 504	159 921	125 799	77.0	
<b>R.A. Açores</b>							
Building Permits	205	200	213	227	267	30.2	
Renovation Works	65	50	54	64	87	33.8	
New Construction	132	145	149	155	170	28.8	
for Family Housing	99	108	116	120	121	22.2	
Dwellings	116	140	150	163	141	21.6	
Total area (m <sup>2</sup> )	39 646	49 225	48 068	49 651	73 144	84.5	
<b>R.A. Madeira</b>							
Building Permits	101	118	113	127	102	1.0	
Renovation Works	30	35	37	36	30	0.0	
New Construction	71	82	76	90	72	1.4	
for Family Housing	63	64	57	77	64	1.6	
Dwellings	87	81	144	157	85	-2.3	
Total area (m <sup>2</sup> )	26 091	31 253	41 519	41 438	32 118	23.1	

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: BUILDING PERMITS AND COMPLETED BUILDINGS – 2<sup>nd</sup> quarter of 2021

Unit: No.

Construction: Completed Buildings	Completed Buildings					Quarterly year-on-year change rate (2 <sup>nd</sup> Q)*
	2 <sup>nd</sup> Q- 2020	3 <sup>rd</sup> Q- 2020	4 <sup>th</sup> Q- 2020	1 <sup>st</sup> Q- 2021	2 <sup>nd</sup> Q- 2021	
%						
<b>Portugal</b>						
Completed Buildings	3 584	3 650	3 828	3 715	3 701	3.3
Renovation Works	724	734	766	725	756	4.4
New Construction	2 860	2 916	3 062	2 990	2 945	3.0
for Family Housing	2 069	2 135	2 231	2 376	2 268	9.6
Dwellings	4 196	4 386	4 372	4 811	4 492	7.1
Total area (m <sup>2</sup> )	1 628 037	1 723 879	1 657 845	1 618 366	1 806 853	11.0
<b>Norte</b>						
Completed Buildings	1 270	1 321	1 374	1 409	1 400	10.2
Renovation Works	246	273	262	284	290	17.9
New Construction	1 024	1 048	1 112	1 125	1 110	8.4
for Family Housing	782	775	807	906	871	11.4
Dwellings	1 920	1 844	1 893	1 931	1 746	-9.1
Total area (m <sup>2</sup> )	742 113	764 626	715 229	676 524	684 403	-7.8
<b>Centro</b>						
Completed Buildings	920	1 002	1 041	934	959	4.2
Renovation Works	215	197	228	180	222	3.3
New Construction	705	805	813	754	737	4.5
for Family Housing	474	529	527	562	512	8.0
Dwellings	831	980	1 061	840	823	-1.0
Total area (m <sup>2</sup> )	437 422	437 165	418 074	371 028	506 371	15.8
<b>Área Metropolitana de Lisboa</b>						
Completed Buildings	710	643	646	671	618	-13.0
Renovation Works	80	80	71	63	76	-5.0
New Construction	630	563	575	608	542	-14.0
for Family Housing	446	466	482	528	457	2.5
Dwellings	869	949	790	1 450	1 233	41.9
Total area (m <sup>2</sup> )	236 593	266 043	295 620	358 728	347 842	47.0
<b>Alentejo</b>						
Completed Buildings	313	301	357	304	310	-1.0
Renovation Works	78	63	73	75	65	-16.7
New Construction	235	238	284	229	245	4.3
for Family Housing	143	155	175	143	170	18.9
Dwellings	193	205	215	177	245	26.9
Total area (m <sup>2</sup> )	99 948	121 976	113 348	82 183	108 669	8.7
<b>Algarve</b>						
Completed Buildings	166	153	154	140	162	-2.4
Renovation Works	46	48	49	44	44	-4.3
New Construction	120	105	105	96	118	-1.7
for Family Housing	108	94	90	89	107	-0.9
Dwellings	237	219	214	190	266	12.2
Total area (m <sup>2</sup> )	59 058	56 300	58 782	43 291	73 364	24.2
<b>R.A. Açores</b>						
Completed Buildings	143	172	172	168	167	16.8
Renovation Works	41	57	58	58	39	-4.9
New Construction	102	115	114	110	128	25.5
for Family Housing	80	80	98	89	98	22.5
Dwellings	82	145	106	98	103	25.6
Total area (m <sup>2</sup> )	37 217	51 222	30 474	51 648	39 844	7.1
<b>R.A. Madeira</b>						
Completed Buildings	62	58	84	89	85	37.1
Renovation Works	18	16	25	21	20	11.1
New Construction	44	42	59	68	65	47.7
for Family Housing	36	36	52	59	53	47.2
Dwellings	64	44	93	125	76	18.8
Total area (m <sup>2</sup> )	15 686	26 547	26 318	34 964	46 360	195.6

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.

CONSTRUCTION: BUILDING PERMITS AND COMPLETED BUILDINGS – 2<sup>nd</sup> quarter of 2021

## METHODOLOGICAL NOTE

**Estimates on Completed Works** – 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.

**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).

**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, 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.

### Revisions compared to the last press release:

Year-on-year rate of change		
1 <sup>st</sup> Quarter 2021		
	Previous publication	Current Publication
<b>Building Permits</b>	7.0%	8.3%
<b>Licensed Dwellings</b>	6.8%	10.0%

**Series revision:** This press release includes the update of the series for the years 2011 and following, according to the SIOU Revisions Policy of updating the information in the intercensal period. Consequently, there are changes in the quarterly figures previously disclosed.

**Year-on-year rate of 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.

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

**Further data** - 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 2021 can be found.

## INDICATORS:

- [Licensed buildings \(No.\) by Geographic localization \(NUTS - 2013\), Type of project and Project purpose;](#)
- [Licensed dwellings \(No.\) in new constructions for family housing by Geographic localization \(NUTS - 2013\) and Dwelling typology;](#)
- [Completed dwellings \(No.\) in new constructions for family housing by Geographic localization \(NUTS - 2013\)](#)

## STATISTICAL CONCEPTS:

**destination of the construction works** - the type of use given to the building, such as housing, agriculture, commerce, industry, among others.

**dwelling** - part or totality of a building with independent access and made up by one or more spaces destined to habitation and by complementary private spaces.

**urbanistic operations license** - authorisation granted by the Municipalities and before the carrying out of a set of urbanistic operations, except for those whose owner is an exempt entity.

**completed works** - works that meet the physical conditions to be inhabited or used, regardless of whether or not the license or authorisation for use has been granted.

**tipo de obra** - classificação dos trabalhos efetuados em edifícios ou terrenos segundo as seguintes modalidades: construção nova, ampliação, alteração, reconstrução e demolição.

**type of works** - classification of works carried out on buildings or land according to the following modalities: new construction, extension, alteration, reconstruction, and demolition.

**renovation works** - comprise enlargement, alteration, and reconstruction works.

## DESIGNATIONS

$m^2$	Square metres
No.	Absolute number
ns	Not specified
NUTS	Nomenclature of Territorial Units for Statistics (2013)
p.p.	Percentage points
SIOU	Indicators System of Urban Operations

---

Date of next quarterly press release – 14 December 2021

---