



## CONSTRUCTION AND HOUSING WITH A SIGNIFICANT GROWTH IN 2021

In 2021, 25,409 buildings were licensed in Portugal, 8.2% more compared to 2020 (-3.7% in 2020). Compared to 2019 (the pre-pandemic period), the number of licensed buildings grew by 4.3%. In the same year 36,731 dwellings were licensed in the country, corresponding to an increase of 8.7% compared to the previous year (33,806 dwellings in 2020; -3.9%).

In 2021, it is estimated that 15,262 buildings will have been completed, corresponding to an increase of 3.6% compared to the previous year (+7.8% in 2020; 14,732 buildings) and 22,384 dwellings, representing an increase of 10.2% (+27.6% in 2020, corresponding to 20,320 dwellings).

165,682 housing transactions were carried out, which represents a new maximum in the series available and a growth of 20.5% compared to 2020. The value of housing transactions in 2021 amounted to €28.1 billion, 31.1% more than in 2020. The median house price of dwellings transactions in Portugal was €1,297/m<sup>2</sup>, having increased by 9.0% compared to the previous year. The median house price remained above the national value in the sub-regions of Algarve (€2,000/m<sup>2</sup>), Área Metropolitana de Lisboa (€1,813/m<sup>2</sup>), Região Autónoma da Madeira (€1,436/m<sup>2</sup>), and Área Metropolitana do Porto (€1,370/m<sup>2</sup>).

The median house rental value of new lease agreements of dwellings in Portugal amounted to €6.04/m<sup>2</sup>, up 7.7% year-on-year (+5.5% in 2020). There was also a 9.4% increase in the number of new lease agreements of dwellings.

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Statistics Portugal makes available today the publication "Construction and Housing Statistics 2021", which provides a wide set of indicators on construction and housing in Portugal.

From the information now made available, the emphasis goes to the information from the Indicators System of Urban Operations (SIUO) on dwelling stock estimates, completed construction works, and building permits.

New information regarding building permits and completed construction works in the last 50 years is also included, and will be available in the Database of Statistics Portugal website.

This publication includes the main results of the Annual Survey on Construction Enterprises, and information on the housing market and commercial

properties: sales of residential dwellings; housing price evolution at the local level; housing bank appraisals; house rental values at the local level; the evolution of the construction costs; and commercial property price indices.





## 1. Building permits and completed construction works

In 2021, 25,409 buildings were licensed in Portugal, 8.2% more compared to 2020 (-3.7% in 2020). Compared to 2019 (the pre-pandemic period), the number of licensed buildings grew by 4.3%.

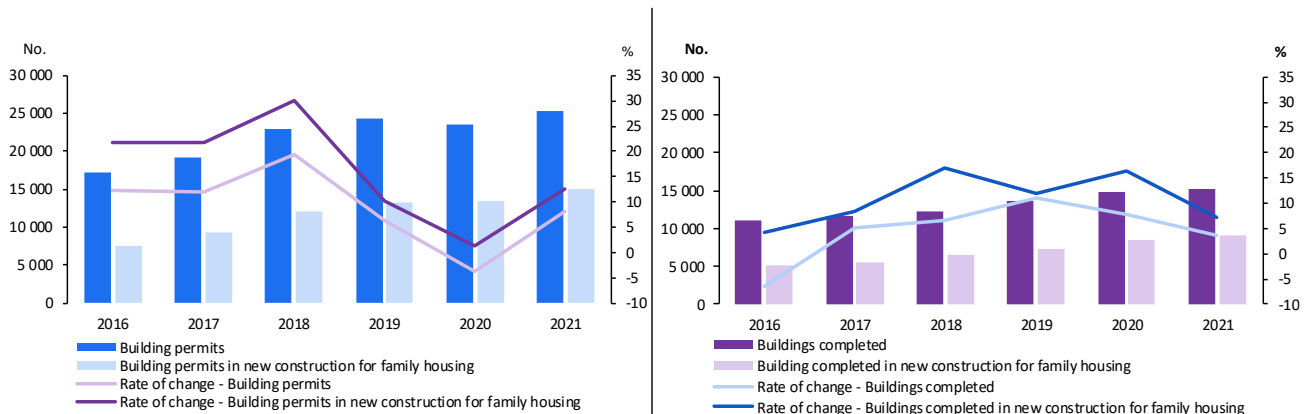
Building permits for new construction were again predominant in 2021, representing 74.6% of the total (72.7% in 2020). Demolition works corresponded to 6.1% of the building permits in 2021 (6.7% in 2020).

Buildings permits in new construction for family housing amounted to 15,065, i.e., increases of 12.6% compared to 2020 and 14.1% compared to 2019. Concerning the total building permits, 59.3% corresponded to buildings in new constructions for family housing, 2.3 p.p. more compared to the previous year (57.0%).

In 2021, it is estimated that 15,262 buildings will have been completed, corresponding to an increase of 3.6% compared to the previous year (+7.8% in 2020; 14,732 buildings).

It is estimated that completed works corresponding to new constructions have increased by 5.6%, corresponding to 12,250 buildings in 2021 (+13.0% in 2020; 11,596 buildings).

Figure 1. Building permits and completed construction works – Total and new construction for family housing



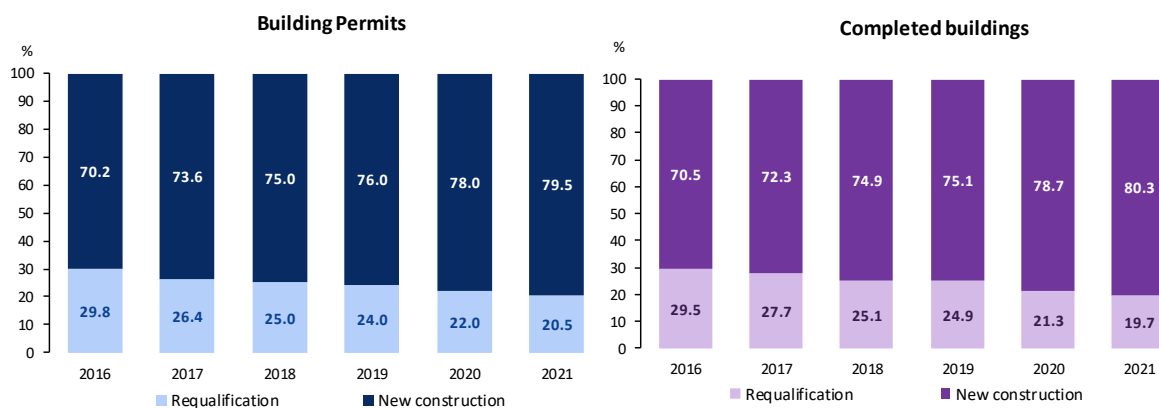
Source: INE, Construction and housing statistics – Building permits and works completed

In 2021, 4,900 buildings were licensed for renovation, 1.5% more compared to the previous year (-11.1% in 2020; 4,826 buildings). Compared to 2019, there was a 9.8% decrease in building permits for renovation.

In the last year, there was a decrease of 4.0% in the total renovation works completed compared to the previous year, totalling 3,012 buildings (-8.0% in 2020, corresponding to 3,136 buildings completed).



Figure 2. Evolution of the distribution of building permits and works completed - new construction and renovations

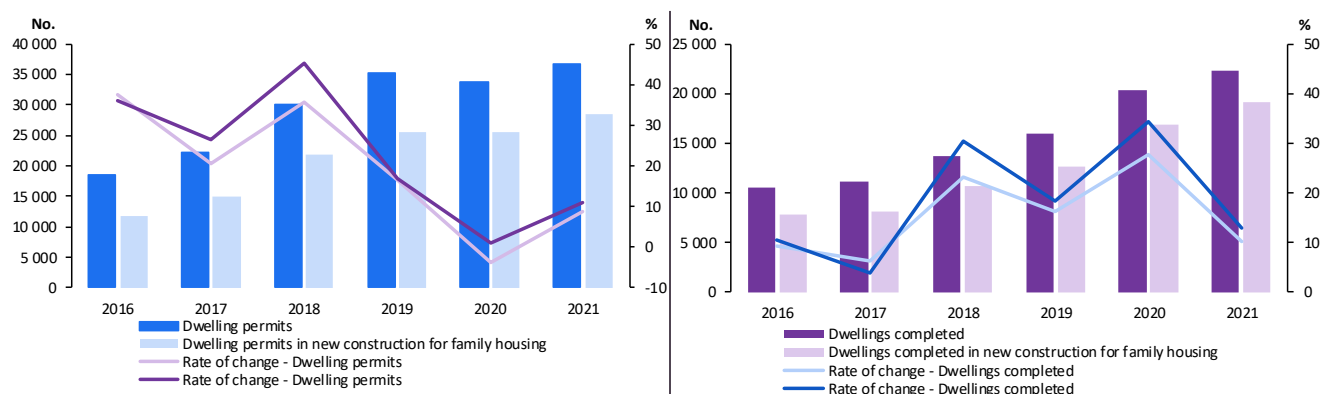


Source: INE, Construction and housing statistics – Building permits and works completed

In 2021, 36,731 dwellings were licensed in the country, corresponding to an increase of 8.7% compared to the previous year (33,806 dwellings in 2020; -3.9%). The number of dwellings in new constructions for family housing was 28,508, increasing by 11.0% (+0.9% in 2020; 25,684 dwellings).

In 2021, it is estimated that 22,384 dwellings will have been completed in the country, representing an increase of 10.2% (+27.6% in 2020, corresponding to 20,320 dwellings). In new constructions for family housing, the number of dwellings amounted 19,081, i.e., an increase of 12.8% (+34.3% in 2020; 16,914 dwellings).

Figure 3 – Dwelling permits and dwellings completed – Total and new construction for family housing



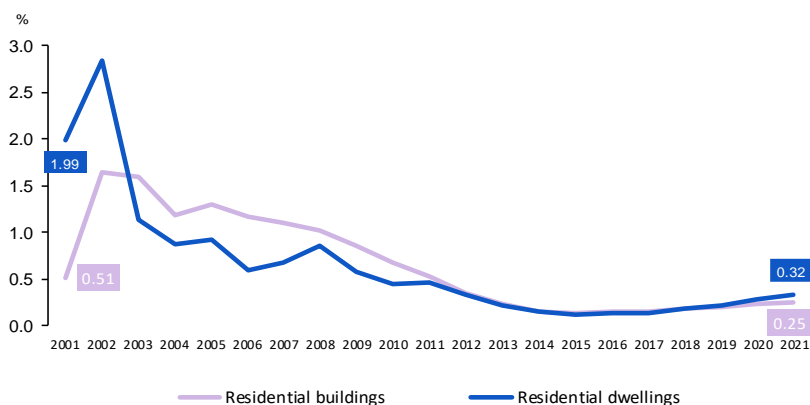
Source: INE, Construction and housing statistics – Building permits and works completed



## 2. Housing stock

In 2021, the Portuguese housing stock was estimated at 3,619,109 buildings and 6,002,874 dwellings, which corresponds to increases of 0.25% and 0.32%, respectively, compared to 2020 and an absolute increase of 9,131 buildings and 19,628 dwellings.

Figure 4- Average annual change in the number of Residential Buildings and residential dwellings



Source: INE, Housing stock estimates

## 3. Housing Transactions

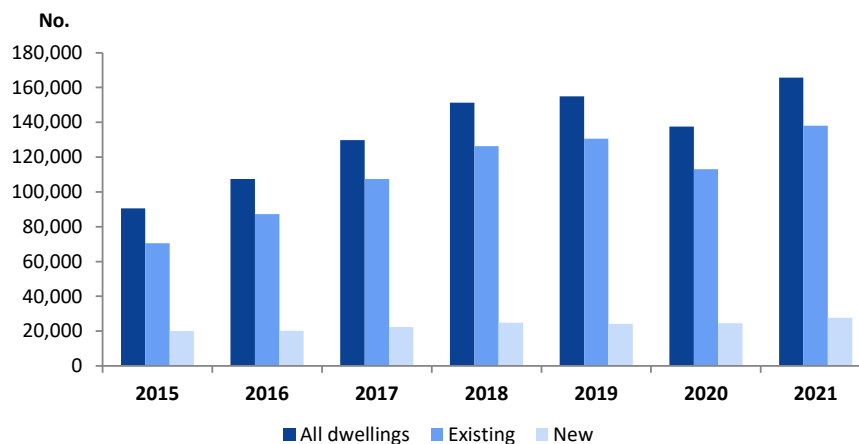
The value of housing transactions in 2021 amounted to €28.1 billion, 31.1% more than in 2020. Of the total, €21.6 billion corresponded to transactions of already existing housing (+34.2%) and €6.5 billion to new housing (+21.7%).

In 2021, 165,682 housing transactions were carried out, which represents a new maximum in the series available and a growth of 20.5% compared to 2020. By category, existing dwellings represented the majority of transactions, 138,088, compared to 27,594 new dwellings transactions. Compared to 2020, the number of transactions of existing dwellings increased at a rate that was practically double that observed in new dwellings, +22.1%, and +12.9%, respectively.

In 2021, the relative distribution of existing and new dwellings transactions' resulted in an increase in the weight of the first category, set at 83.3%, up by 1.1 p.p. when compared to 2020.



Figure 5 – Number of housing transactions , all dwellings, existing and new dwellings

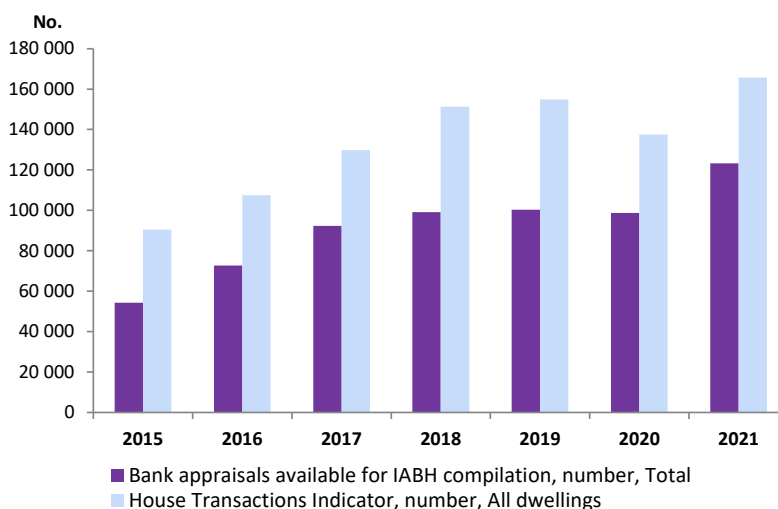


Source: INE, House price index

#### 4. Bank evaluation

In 2021, the number of bank appraisals carried out by experts at the service of banking institutions in the context of granting housing loans exceeded 123,000. This is the highest record since 2009 and reflects an increase of 24.8% compared to 2020, above the rate of change observed in the number of dwelling transactions (20.5%). For the second consecutive year, the percentage ratio between the number of appraisals and the number of housing transactions increased, from 71.8% in 2020 to 74.4% in 2021.

Figure 6 – Number of bank appraisals and number of dwelling sales



Source: INE, House Price Index and INE, Survey on bank evaluation on housing



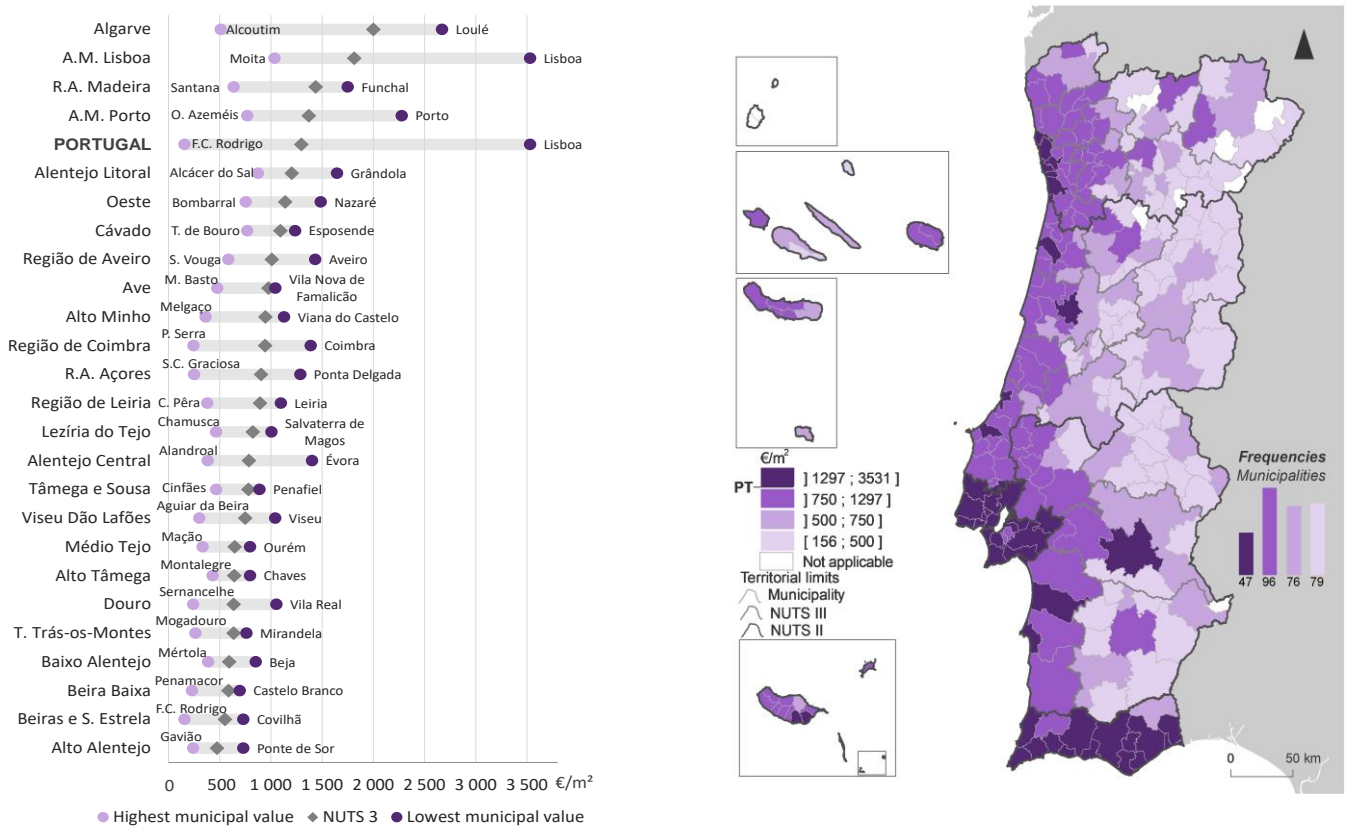
## 5. House prices at local level

In 2021, the median house price of dwellings in Portugal was €1,297/m<sup>2</sup>, having increased by 9.0% compared to the previous year. The median house price remained above the national value in the sub-regions of Algarve (€2,000/m<sup>2</sup>), Área Metropolitana de Lisboa (€1,813/m<sup>2</sup>), Região Autónoma da Madeira (€1,436/m<sup>2</sup>), and Área Metropolitana do Porto (€1,370/m<sup>2</sup>).

In the period under analysis, 47 municipalities had a median price higher than the national value, located mostly in Algarve (14 out of 16 municipalities) and Área Metropolitana de Lisboa (16 out of 18) sub-regions. The municipality of Lisboa (€3,531/m<sup>2</sup>) recorded the highest price in the country. Values above €2,000/m<sup>2</sup> were also found in Cascais (€3,046/m<sup>2</sup>), Loulé (€2,671/m<sup>2</sup>), Oeiras (€2,644/m<sup>2</sup>), Lagos (€2,368/m<sup>2</sup>), Porto (€2,278/m<sup>2</sup>), Albufeira (€2,212/m<sup>2</sup>), Odivelas (€2,156/m<sup>2</sup>), Aljezur (€2,107/m<sup>2</sup>), Tavira (€2,083/m<sup>2</sup>), Lagoa (€2,073/m<sup>2</sup>), and Vila do Bispo (€2,028/m<sup>2</sup>).

Área Metropolitana de Lisboa and Algarve showed price differentials between municipalities of more than €2,000/ m<sup>2</sup>.

Figura 7 - Median value of family dwellings sales per m<sup>2</sup>, Portugal, NUTS III and municipality



Source: Statistics on house prices at local level



## 6. House rental

In 2021, the median house rental of the 87,349 new lease agreements of dwellings in Portugal amounted to €6.04/m<sup>2</sup>, up 7.7% year-on-year (+5.5% in 2020). There was also a 9.4% increase in the number of new lease agreements of dwellings.

The house rental value was above the national value in the sub-regions Área Metropolitana de Lisboa (€8.90/m<sup>2</sup>), Algarve (€6.85/m<sup>2</sup>), Área Metropolitana do Porto (€6.51/m<sup>2</sup>), and Região Autónoma da Madeira (€6.33/m<sup>2</sup>).

Área Metropolitana de Lisboa concentrated more than a third of new lease agreements (29,919). Área Metropolitana de Lisboa and Área Metropolitana do Porto together accounted for 52% of total new lease agreements in the country, and Algarve for 5.8%. Baixo Alentejo had the lowest number of new lease agreements (438).

Among the 308 municipalities in the country, 32 municipalities had house rental values above the national value. Lisboa had the highest value (€11.24/m<sup>2</sup>), with the emphasis also on those with values equal to or greater than €7.5/m<sup>2</sup>: Cascais (€10.95/m<sup>2</sup>), Oeiras (€10.00/m<sup>2</sup>), Amadora and Porto (both €8.85/m<sup>2</sup>), Almada (€8.58/m<sup>2</sup>), Odivelas (€8.43/m<sup>2</sup>), Loures (€7.90/m<sup>2</sup>), Matosinhos (€7.83/m<sup>2</sup>), Loulé and Albufeira (both €7.63/m<sup>2</sup>), and Lagos (€7.53/m<sup>2</sup>).

Figure 8. Proportion of new lease agreements of dwellings in total new lease agreements of the country, NUTS III, 2021

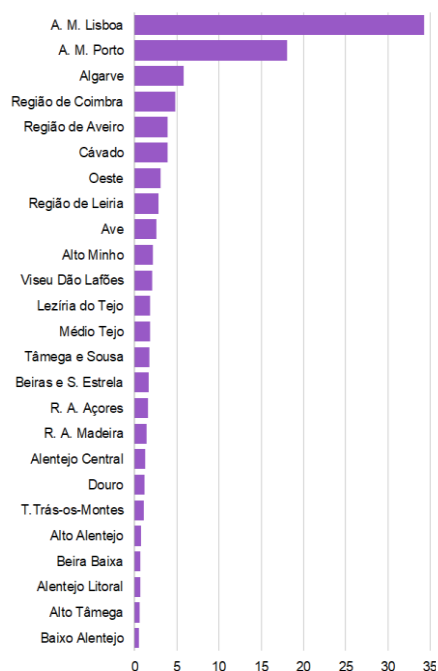
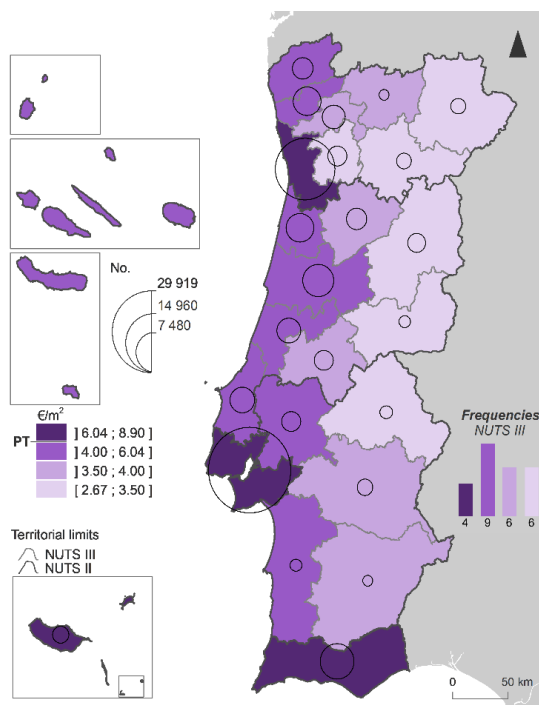


Figure 9. Median house rental per m<sup>2</sup> and number of new lease agreements for dwellings in Portugal and NUTS III, 2021



Source: House Rental Statistics at local level



## METHODOLOGICAL NOTE

**Building permits and Works Completed Statistics** - Set of surveys that aim to produce data on building construction projects, namely regarding the titleholder, type of work, intended use, licensing date, as well as the quantification of elements for physical characterisation.

**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 building construction plans. 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 Works Completed** – Data on construction works completed 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.

**Housing Stock Estimates** - Derived statistics that provide, in inter-census periods, information on the estimates of the number of classic buildings (with at least one dwelling) and the number of classic family dwellings. The Housing Stock Estimates based on information from the 2021 Census will be released after the final results of this statistical operation are available.

**Annual Survey of Construction Companies** — This survey has as its main objective the collection, compilation, and dissemination of data on the structure of purchases of materials, equipment, and land by construction companies, as well as the value of the work they carry out in function of the various types of work.

**Housing Price Index** - The main objective of the Housing Price Index (IPHab) is to measure the evolution of the prices of family dwellings purchased in the residential market in Portugal. In addition to the total index, indices for existing and new housing segments are compiled and released on a quarterly basis.

**House Prices at local level** - The Statistics on House Prices at local level result from the use of administrative sources, namely the anonymous tax data obtained from the Tax and Customs Authority (AT), relating to the Municipal Tax on Onerous Property Transactions (IMT) and the Municipal Property Tax (IMI). The calculation is based on linking the IMT information (from where the transaction prices are obtained) with that of the IMI (from which the identifying characteristics of the transacted accommodation are taken). The link between these two tax administrative sources is made using the variable “generated article”.

**House Rental Statistics at local level** - The House Rental Statistics at local level has as its main objective to provide, on a regular basis, results that allow to monitor the national territorial differentiation of the value and dynamics of the rental market for family housing for permanent housing, including results by parish for the metropolitan areas of Lisboa and Porto.





**New Housing Construction Cost Index** - The New Housing Construction Cost Index is a statistical study designed to monitor the evolution of the cost of new housing construction, by type of construction: Single-house residential building, or with more than one dwelling, at the level of production factors.

**Commercial Property Price Index** - The Commercial Property Price Index (IPPCom) has as its main objective to measure the evolution of the prices of commercial properties traded in the national territory. Similar to the Housing Price Index (IPHab), released by Statistics Portugal since July 2014, the IPPCom compilation uses fiscal administrative information from the Municipal Tax on Property Transfers (IMT) and the Municipal Tax on Real Estate (IMI).

**Other information** - For more related information, please access the “Construction and Housing Statistics 2021” publication, where more detailed analysis of this information can be found, as well as links to the main indicators, which are available in the Database of Statistics Portugal website.