



December 14<sup>th</sup>, 2023

CONSTRUCTION: BUILDING PERMITS AND COMPLETED BUILDINGS  
3<sup>rd</sup> quarter of 2023

*Revised version on December 15<sup>th</sup>, 2023*

*In the Lead, where it was read “...(+11.1% in the second quarter of 2022)”, it should be read “...(+11.1% in the second quarter of 2023).”*

## DWELLING PERMITS AND COMPLETED DWELLINGS INCREASED, DESPITE THE DECLINE IN BUILDING PERMITS AND COMPLETED WORKS

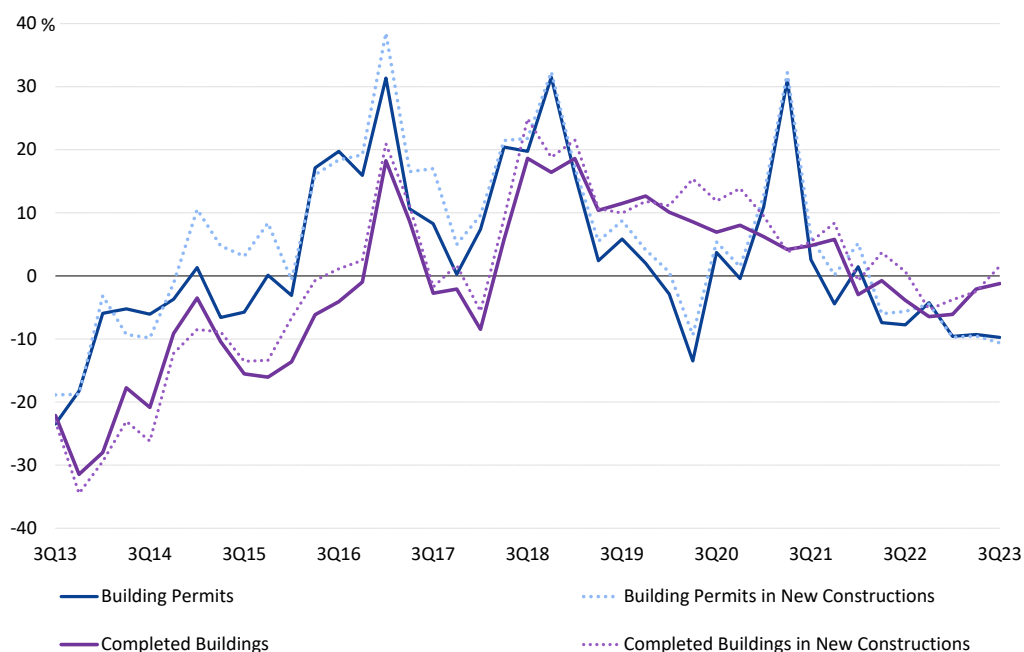
In the **3<sup>rd</sup> quarter of 2023**, 5.3 thousand buildings were granted permits, representing a decrease of 9.7% compared to the 3<sup>rd</sup> quarter of 2022 (-9.3% in the 2<sup>nd</sup> quarter of 2023) and 11.4% compared to the 3<sup>rd</sup> quarter of 2019. Buildings permits for new construction decreased by 10.6% (-9.5% in the 2<sup>nd</sup> quarter of 2023; -5.7% compared to the 3<sup>rd</sup> quarter of 2019). The number of renovation permits decreased by 8.3% (-9.2% in the 2<sup>nd</sup> quarter of 2023; -26.8% compared to the 3<sup>rd</sup> quarter of 2019).

Completed buildings decreased by 1.2% compared to the 3<sup>rd</sup> quarter of 2022 (-2.1% in the 2<sup>nd</sup> quarter of 2023), but increased by 6.5% compared to the 3<sup>rd</sup> quarter of 2019, totalling 3.9 thousand buildings.

In the residential sector, dwelling permits for new constructions grew by 7.5% in the 3<sup>rd</sup> quarter of 2023 (+0.5% in the 2<sup>nd</sup> quarter), while completed dwellings increased by 9.9% (+11.1% in the 2<sup>nd</sup> quarter of 2023).

**Compared to the previous quarter**, the number of building permits decreased by 8.9% (-9.0% in the 2<sup>nd</sup> quarter of 2023), while the number of completed buildings increased by 1.8% (+3.2% in the 2<sup>nd</sup> quarter of 2023).

Figure 1. Quarterly year-on-year rates of change (Building permits and completed buildings)



Source: Statistics of building permits and construction works completed

Construction: Building Permits and Completed Buildings – 3<sup>rd</sup> quarter of 2023



## 1. Building permits

In the 3<sup>rd</sup> quarter of 2023, 5.3 thousand buildings were granted permits in Portugal, representing a decrease of 9.7% compared to the same period in 2022 (-9.3% in the 2<sup>nd</sup> quarter of 2023) and a decline of 11.4% compared to the 3<sup>rd</sup> quarter of 2019.

Of the total number of building permits, 76.3% were new constructions, with 80.7% of these for family housing. Buildings permits for demolition (306 buildings) accounted for 5.8% of the total number of granted permits in the 3<sup>rd</sup> quarter of 2023.

Região Autónoma da Madeira and Algarve were the only regions registering an increase in the total number of building permits compared to the 3<sup>rd</sup> quarter of 2022, showing increases of 12.1% and 8.2%, respectively. The most significant reductions were observed in Área Metropolitana de Lisboa, with a decrease of 17.6%, and in Norte, with a decline of 16.3%.

Regarding the types of construction, both building permits for new constructions and for renovation showed decreases compared to the 3<sup>rd</sup> quarter of 2022, with reductions of 10.6% and 8.3%, respectively. Compared to the previous quarter, these decreases were 8.2% and 11.6%. Vis-à-vis the same period in 2019, there was a decrease of 5.7% in building permits for new constructions and a more pronounced decrease of 26.8% in renovation works.

Compared to the 3<sup>rd</sup> quarter of 2022, building permits for new constructions only recorded year-on-year increases in Algarve and Região Autónoma da Madeira, of 15.1% and 6.8%, respectively. The most significant reductions were observed in Área Metropolitana de Lisboa and in the Norte (-19.0% and -16.5%, respectively).

In the 3<sup>rd</sup> quarter of 2023, 7.6 thousand dwellings in new constructions for family housing were licensed, representing an increase of 7.5% compared to the 3<sup>rd</sup> quarter of 2022 (+0.5% in the 2<sup>nd</sup> quarter of 2023) and a more significant growth compared to the same quarter in 2019 (+13.3%). Alentejo was the only region observing a decline in this indicator, with a reduction of 16.6%. All other regions observed a positive variation, with Região Autónoma da Madeira standing out with a significant increase of 114.6%, followed by the Algarve with a growth of 17.6%, compared to the same period of the previous year.

The significant increase in new dwellings for family housing in Região Autónoma da Madeira was mainly attributed to the licensing of 104 new dwellings in the municipality of Funchal (39.4% of the region's total).

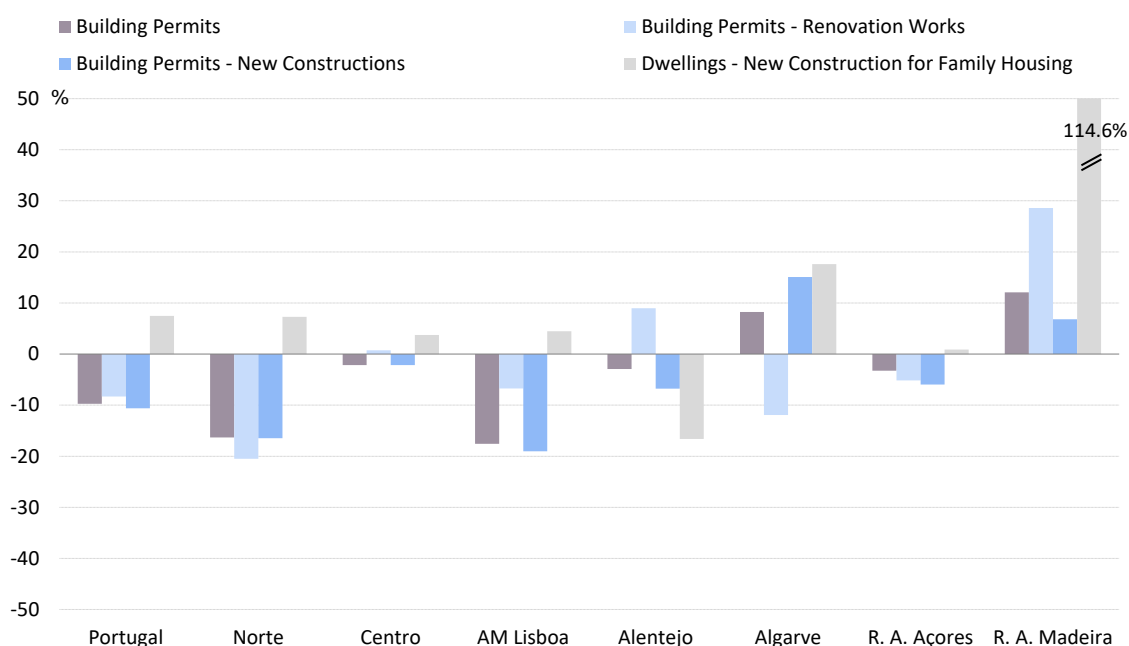
In Portugal, in the 3<sup>rd</sup> quarter of 2023, there was a reduction of 0.2% in the total licensed area compared to the same period of the previous year (+0.5% in the 2<sup>nd</sup> quarter of 2023). Área Metropolitana de Lisboa, Algarve, Centro, and Norte recorded negative variations in the total area, with declines of -8.0%, -6.7%, -4.9%, and -0.6%, respectively. The remaining regions registered increases, with Região Autónoma da Madeira standing out due to a significant growth of 178.5%, resulting from the increase in the number of licensed dwellings in new constructions for family housing.



Norte remained the key contributor in all indicators, standing out with 36.4% of building permits, 36.8% of new constructions, 35.1% of buildings intended for renovation, and 48.7% of licensed dwellings in new constructions for family housing. Centro holds the second position both in building permits (28.6%) and new constructions (28.3%), as well as in buildings for renovation (29.8%). Regarding licensed dwellings in new constructions for family housing, Área Metropolitana de Lisboa, with 18.8%, takes the second position, following the Norte region.

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

(3<sup>rd</sup> quarter 2023)



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

In the 3<sup>rd</sup> quarter of 2023, the five municipalities that recorded the highest positive absolute variation in the number of licensed dwellings in building permits, compared to the same quarter of the previous year, accounted for 24.4% of the total licensed dwellings. Taken together, these municipalities observed an increase of 127.6%, which corresponds to more 908 dwellings.

The five municipalities with the highest negative absolute variation recorded a decrease of 73.2% in the number of licensed dwellings, representing a reduction of 896 dwellings compared to the same period of the previous year.



Table 1. Municipalities with the highest absolute variation in the total number of licensed dwellings in building works

(3<sup>d</sup> quarter of 2023)

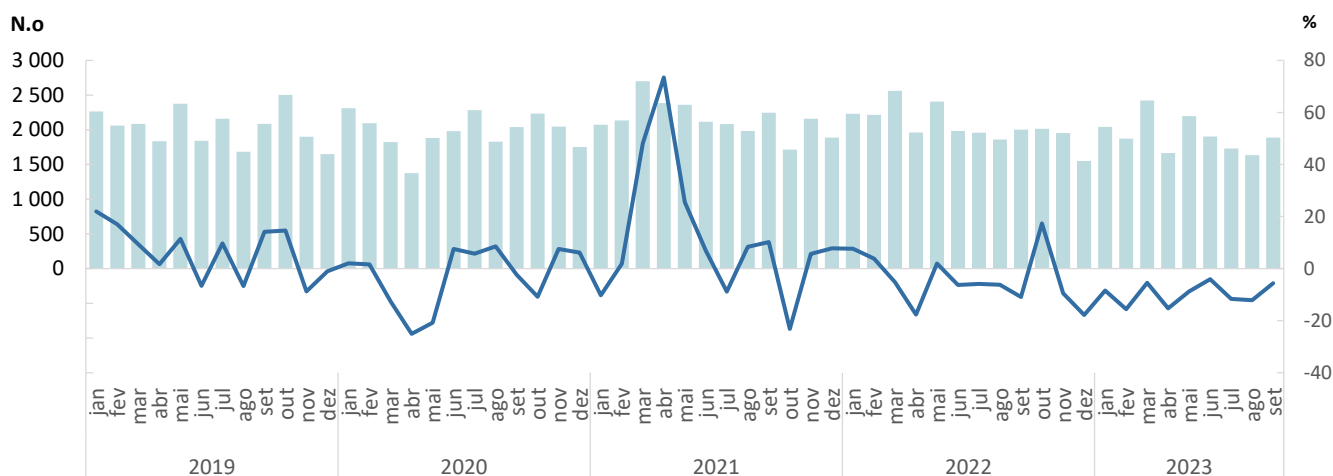
Rank	Municipality	3 <sup>rd</sup> Quarter		Variation	Year-on-year rate of change
		2023	2022	(Number)	(%)
<b>PORTUGAL</b>		<b>8470</b>	<b>8231</b>	<b>239</b>	<b>2.9</b>
<b>+</b>					
1	Vila Nova de Gaia	1122	501	621	124.0
2	Loures	305	73	232	317.8
3	Guimarães	255	133	122	91.7
4	Barcelos	191	97	94	96.9
5	Cascais	194	104	90	86.5
<b>-</b>					
1	Matosinhos	50	470	-420	-89.4
2	Maia	57	195	-138	-70.8
3	Lisboa	116	241	-125	-51.9
4	Barreiro	28	143	-115	-80.4
5	Vila do Conde	77	175	-98	-56.0

Unit: No.

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

In a **monthly analysis**, there has been a downward trend in building permits, particularly starting from 2021 and that has taken on more negative proportions since November 2022. Throughout the year 2023, the largest reductions compared to the same month of the previous year occurred in February (-15.6%) and April (-15.2%), while the smallest decreases were recorded in June (-4.0%), March (-5.4%), and September (-5.6%).

Figure 3. Building permits – Monthly information (total and year-on-year rate of change)



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



## 2. Completed buildings

In the 3<sup>rd</sup> quarter of 2023, it is estimated that 3.9 thousand buildings were completed in Portugal, including new constructions, building enlargements, renovations, and reconstructions which corresponds to a reduction of 1.2% compared to the 3<sup>rd</sup> quarter of 2022 (-2.1% in the 2<sup>nd</sup> quarter of 2023) and an increase of 6.5% compared to the 3<sup>rd</sup> quarter of 2019. Most completed buildings were new constructions (84.0%), with 80.6% of these for family housing.

In Área Metropolitana de Lisboa, Região Autónoma da Madeira and Região Autónoma dos Açores, there was an increase in the number of completed buildings (+15.3%, +13.5%, and +10.4%, respectively). Among the regions that registered a year-on-year decline in this variable, the Algarve (-15.2%) and the Centro (-11.5%) stand out.

Compared to the 3<sup>rd</sup> quarter of 2022, the number of completed works in new constructions increase by 1.6%, representing a growth of 4.1 percentage points vis-à-vis the previous quarter. The Algarve and the Centro recorded declines in the number of completed new constructions (-14.0% and -9.6%, respectively). The remaining regions presented an increase in this indicator, with important rises in Área Metropolitana de Lisboa (+20.2%) and Região Autónoma da Madeira (+10.1%)

In the 3<sup>rd</sup> quarter of 2023, completed works for renovations decreased by 13.7% (-9.0% compared to the previous quarter). Only Região Autónoma dos Açores and Região Autónoma da Madeira recorded a positive variation in this indicator (+30.0% and +25.0%, respectively). All other regions observed decreases, with particular focus on Área Metropolitana de Lisboa (-21.9%) and Centro (-20.8%), which observed the most significant decreases.

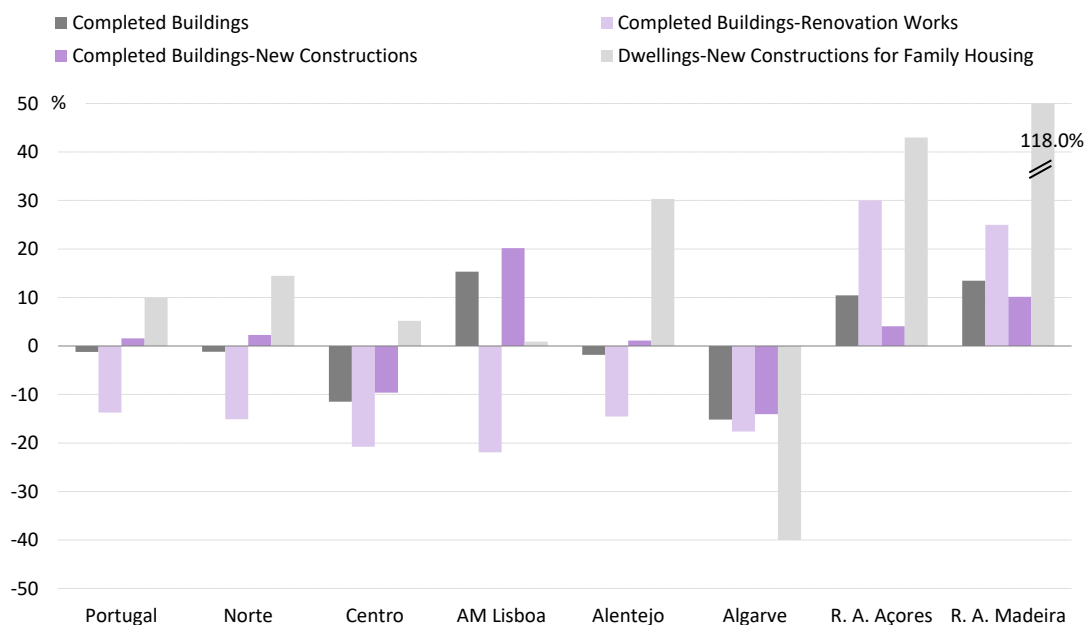
During the same period, 5.6 thousand dwellings were completed in new constructions for family housing, marking a +9.9% growth compared to the 3<sup>rd</sup> quarter of 2022 (+11.1% in the 2<sup>nd</sup> quarter of 2023). The Algarve was the only that observed a negative performance in this indicator, registering a decrease of 40.0%, equivalent to -108 dwellings. In the remaining regions, there was an increase in this indicator, notably Região Autónoma da Madeira, Região Autónoma dos Açores, and Alentejo, which recorded growths of 118.0% (+118 dwellings), 43.0% (+46 dwellings), and 30.3% (+64 dwellings), respectively.

The most significant increase observed in Região Autónoma da Madeira is mainly due to dwellings declared as completed in the municipalities of Funchal and Câmara de Lobos. The reduction observed in Algarve is attributed to a base effect, as in the same quarter of the previous year, there was a higher number of dwellings declared as completed. In the 3<sup>rd</sup> quarter of 2022, the municipalities of Albufeira, Loulé, Silves, Tavira, and Lagos significantly contributed to the observed increase.



Figure 4. Completed buildings and dwellings – Quarterly year-on-year rate of change

(3<sup>rd</sup> quarter of 2023)



Source: Completed Works Estimations

In the 3<sup>rd</sup> quarter of 2023, Norte and Centro, together, continued to stand out, contributing 61.9% of the total completed buildings and representing 65.2% of the total completed dwellings in new constructions for family housing. Norte continued to lead in both completed buildings (36.7%) and completed dwellings in new constructions for family housing (45.2%). Centro ranked second concerning the number of completed buildings (25.2%) and Área Metropolitana de Lisboa regarding the completed dwellings in new constructions for family housing (20.3%).

In the same quarter completed construction area in Portugal increased by 1.1% compared to the same period in 2022. However, there were important decreases in the Algarve region (-63.4%) and Área Metropolitana de Lisboa (-12.8%). The intense decline in Algarve is directly associated with the reduction in the number of completed dwellings in new constructions for family housing compared to the same quarter of the previous year. Região Autónoma da Madeira and Região Autónoma dos Açores stood out with the major positive variations in this indicator, presenting +69.0% and +17.9%, respectively. These variations are directly related to the increase in the number of completed dwellings in new constructions for family housing.



Construction: Building Permits	Building Permits**					Unit: No.
	4 <sup>th</sup> Q- 2022	1 <sup>st</sup> Q- 2023	2 <sup>nd</sup> Q- 2023	2 <sup>nd</sup> Q- 2023	3 <sup>rd</sup> Q- 2023	Quarterly year-on-year change rate
	%					
<b>Portugal</b>						
Building Permits	5 819	5 517	6 335	5 763	5 252	-9.7
Renovation Works	1 024	1 039	1 143	1 062	939	-8.3
New Construction	4 483	4 155	4 826	4 363	4 007	-10.6
for Family Housing	3 639	3 349	3 950	3 486	3 232	-11.2
Dwellings	7 030	7 213	8 945	7 863	7 554	7.5
Total area (m2)	2 391 871	2 607 013	3 041 878	2 717 102	2 386 260	-0.2
<b>Norte</b>						
Building Permits	2 286	2 118	2 465	2 233	1 913	-16.3
Renovation Works	415	406	468	391	330	-20.5
New Construction	1 766	1 611	1 878	1 721	1 475	-16.5
for Family Housing	1 459	1 318	1 566	1 401	1 220	-16.4
Dwellings	3 429	2 836	4 215	3 660	3 679	7.3
Total area (m2)	1 122 968	1 017 102	1 236 055	1 259 554	1 115 864	-0.6
<b>Centro</b>						
Building Permits	1 535	1 503	1 660	1 605	1 502	-2.1
Renovation Works	278	279	274	292	280	0.7
New Construction	1 158	1 112	1 279	1 213	1 133	-2.2
for Family Housing	871	830	974	921	858	-1.5
Dwellings	1 316	1 243	1 794	1 418	1 365	3.7
Total area (m2)	544 655	539 904	800 447	574 660	517 798	-4.9
<b>Área Metropolitana de Lisboa</b>						
Building Permits	1 007	923	1 072	915	830	-17.6
Renovation Works	104	98	124	106	97	-6.7
New Construction	836	756	875	742	677	-19.0
for Family Housing	752	649	775	661	601	-20.1
Dwellings	1 361	1 862	1 694	1 647	1 422	4.5
Total area (m2)	405 917	573 379	617 138	485 912	373 494	-8.0
<b>Alentejo</b>						
Building Permits	408	410	477	466	396	-2.9
Renovation Works	67	95	99	118	73	9.0
New Construction	325	303	355	320	303	-6.8
for Family Housing	233	223	239	192	200	-14.2
Dwellings	289	305	267	258	241	-16.6
Total area (m2)	114 986	240 279	131 625	176 857	122 735	6.7
<b>Algarve</b>						
Building Permits	243	243	325	204	263	8.2
Renovation Works	67	67	79	48	59	-11.9
New Construction	159	157	215	145	183	15.1
for Family Housing	143	144	201	129	166	16.1
Dwellings	398	606	499	395	468	17.6
Total area (m2)	119 831	129 771	131 222	93 599	111 799	-6.7
<b>R.A. Açores</b>						
Building Permits	216	211	208	216	209	-3.2
Renovation Works	58	62	63	68	55	-5.2
New Construction	151	140	132	138	142	-6.0
for Family Housing	104	113	107	108	108	3.8
Dwellings	114	181	129	132	115	0.9
Total area (m2)	52 487	63 458	49 717	39 934	58 162	10.8
<b>R.A. Madeira</b>						
Building Permits	124	109	128	124	139	12.1
Renovation Works	35	32	36	39	45	28.6
New Construction	88	76	92	84	94	6.8
for Family Housing	77	72	88	74	79	2.6
Dwellings	123	180	347	353	264	114.6
Total area (m2)	31 027	43 120	75 674	86 586	86 408	178.5

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, renovation works (enlargements, alterations and reconstructions) and building demolitions



Unit: No.

Construction: Completed Buildings	Completed Buildings					Quaterly year-on-year change rate
	2 <sup>nd</sup> Q- 2022	3 <sup>rd</sup> Q- 2022	4 <sup>th</sup> Q- 2022	1 <sup>st</sup> Q- 2023	2 <sup>nd</sup> Q- 2023	%
<b>Portugal</b>						
Completed Buildings	3 909	3 894	3 674	3 791	3 861	-1.2
Renovation Works	714	732	627	677	616	-13.7
New Construction	3 195	3 162	3 047	3 114	3 245	1.6
for Family Housing	2 366	2 376	2 349	2 507	2 617	10.6
Dwellings	5 068	5 309	5 155	5 424	5 571	9.9
Total area (m2)	1 899 377	1 921 981	1 652 499	1 809 677	1 920 058	1.1
<b>Norte</b>						
Completed Buildings	1 433	1 460	1 286	1 390	1 416	-1.2
Renovation Works	285	286	252	272	242	-15.1
New Construction	1 148	1 174	1 034	1 118	1 174	2.3
for Family Housing	861	905	821	890	962	11.7
Dwellings	2 198	2 368	2 279	2 406	2 516	14.5
Total area (m2)	759 584	830 845	720 346	756 151	841 439	10.8
<b>Centro</b>						
Completed Buildings	1 099	1 078	979	1 004	973	-11.5
Renovation Works	183	208	155	177	145	-20.8
New Construction	916	870	824	827	828	-9.6
for Family Housing	622	593	566	634	604	-2.9
Dwellings	1 061	1 053	990	1 055	1 116	5.2
Total area (m2)	425 604	474 709	378 354	419 308	450 202	5.8
<b>Área Metropolitana de Lisboa</b>						
Completed Buildings	633	613	686	664	730	15.3
Renovation Works	73	47	45	50	57	-21.9
New Construction	560	566	641	614	673	20.2
for Family Housing	468	458	541	533	586	25.2
Dwellings	1 121	1 047	1 171	1 297	1 131	0.9
Total area (m2)	352 355	278 313	314 121	377 282	307 167	-12.8
<b>Alentejo</b>						
Completed Buildings	327	314	298	305	321	-1.8
Renovation Works	62	71	55	57	53	-14.5
New Construction	265	243	243	248	268	1.1
for Family Housing	165	167	164	192	196	18.8
Dwellings	211	188	197	230	275	30.3
Total area (m2)	169 862	154 182	95 237	122 944	172 135	1.3
<b>Algarve</b>						
Completed Buildings	165	135	127	160	140	-15.2
Renovation Works	51	43	31	54	42	-17.6
New Construction	114	92	96	106	98	-14.0
for Family Housing	99	79	83	89	89	-10.1
Dwellings	270	234	291	194	162	-40.0
Total area (m2)	115 491	77 506	59 566	61 837	42 327	-63.4
<b>R.A. Açores</b>						
Completed Buildings	163	188	185	170	180	10.4
Renovation Works	40	48	52	41	52	30.0
New Construction	123	140	133	129	128	4.1
for Family Housing	90	103	102	101	107	18.9
Dwellings	107	121	136	143	153	43.0
Total area (m2)	44 007	39 769	57 620	40 125	51 900	17.9
<b>R.A. Madeira</b>						
Completed Buildings	89	106	113	98	101	13.5
Renovation Works	20	29	37	26	25	25.0
New Construction	69	77	76	72	76	10.1
for Family Housing	61	71	72	68	73	19.7
Dwellings	100	298	91	99	218	118.0
Total area (m2)	32 474	66 657	27 255	32 030	54 888	69.0

Note: \* Quaterly 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 – 3<sup>rd</sup> quarter of 2023





## 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 us 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).

**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.

**Revisions compared to the last press release:**

	Year-on-year rate of change	
	2 <sup>nd</sup> Quarter 2023	
	Previous publication	Current Publication
Building Permits	-10.2%	-9.3%
Licensed Dwellings	-3.0%	0.5%

**The 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. In 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 **October 2023** 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 \(NUTS - 2013\)](#)

## INTERACTIVE CONSTRUCTION PLATFORM:

Statistics Portugal is releasing its key annual indicators through an interactive report, aiming to facilitate the consultation and interpretation of statistics in a more dynamic and accessible manner.

The information can be accessed through the link: [Construction: Building permits and completed buildings](#)

## STATISTICAL CONCEPTS:

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

**dwelling** - part or totality of a building with independent access and made up of one or more spaces destined for habitation and 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 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** - comprises enlargement, alteration, and reconstruction works.

## DESIGNATIONS

m <sup>2</sup>	Square metres
No.	Absolute number
ns	Not specified
NUTS	Nomenclature of Territorial Units for Statistics (2013)
p.p.	Percentage points
SIUO	Indicators System of Urban Operations

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**Date of next quarterly press release** – 14 March 2024

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