

Construction: Building permits and completed buildings

4th Quarter 2018 – Preliminary data

Building permits increased by 28.8% and completed buildings grew by 18.8%

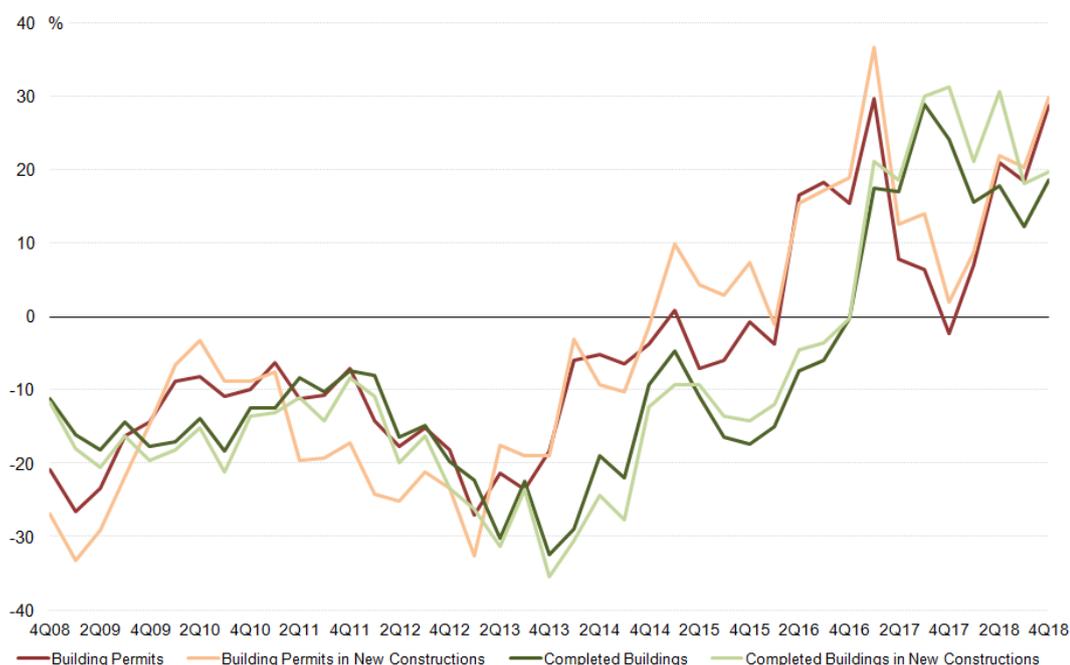
In the **4th quarter 2018**, the number of building permits increased by 28.8% in comparison with the same period of the previous year (+18.6% in the 3rd quarter 2018), corresponding to 5.6 thousand buildings. Building permits for new constructions increased by 29.9% (+20.4% in the 3rd quarter 2018) and rehabilitation permits grew by 22.4% (+8.6% in the 3rd quarter 2018). Completed buildings recorded a 18.8% increase (+12.3% in the 3rd quarter 2018) with a total of 4.0 thousand buildings.

When **compared to the previous quarter**, the number of building permits increased by 4.4% (-6.5% in the 3rd quarter 2018) and completed buildings grew by 4.8% (+8.2% in the 3rd quarter 2018).

In 2018 as a whole, the number of building permits was 22.1 thousand and completed buildings ascended to 15.0 thousand, corresponding to increases of 18.5% and 16.1%, respectively, vis-à-vis the previous year (+9.9% and +22.1%, in the same order, in 2017).

In the 4th quarter 2018, there were 5.6 thousand building permits and 4.0 thousand completed buildings in Portugal. Building permits increased by 28.8% vis-à-vis the 4th quarter 2017, corresponding to an increase of 4.4% when compared to the previous quarter. The number of completed buildings increased by 18.8% in year-on-year terms and by 4.8% vis-à-vis the 3rd quarter 2018.

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



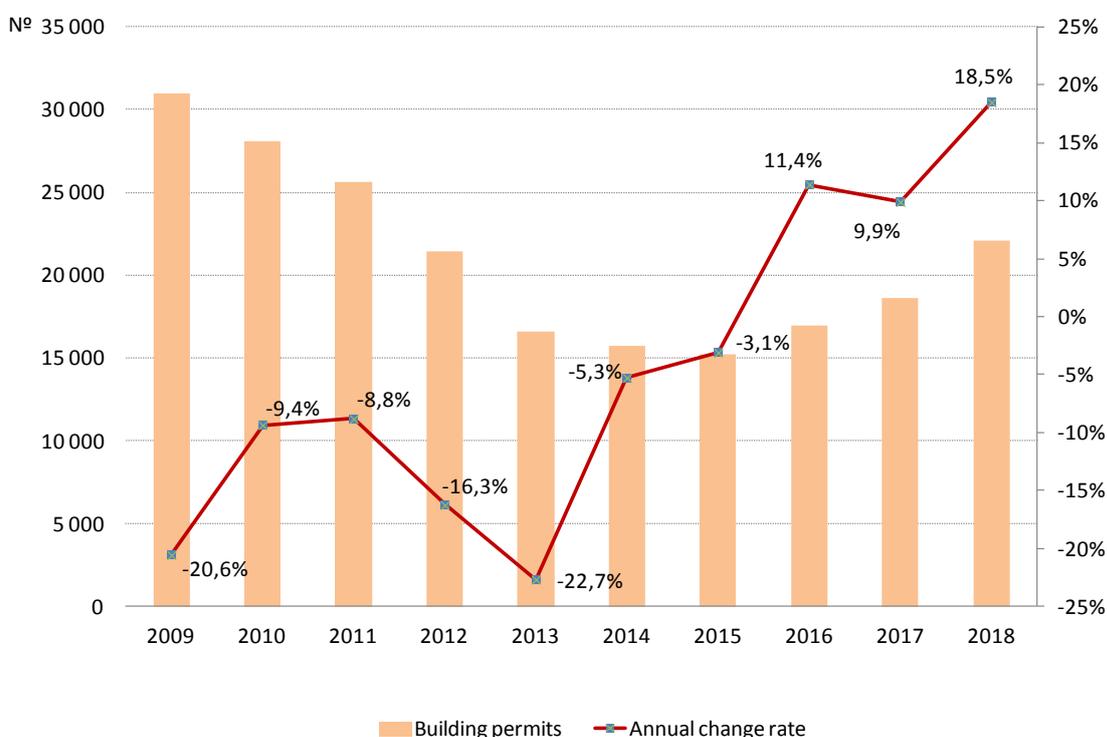
1. Annual evolution

In 2018, there were 22.1 thousand building permits and 15.0 thousand completed buildings, corresponding to increases of 18.5% and 16.1%, respectively, compared with the previous year (+9.9% and +22.1%, in the same order, in 2017).

Considering the last decade, when comparing the year 2018 with 2009, there was a decline in the number of building permits (8.9 thousand less building permits) which stood for a decrease of 28.8% (22.1 thousand building permits in 2018 compared to 31.0 thousand in 2009).

In the first half of the decade, there were successive declines in the number of building permits, with a recovery in the second half, mainly after 2015, when this variable stood at its lowest (15.2 thousand building permits). The largest annual reduction occurred in 2013 (-22.7%) and the largest increase took place in 2018 (+18.5%).

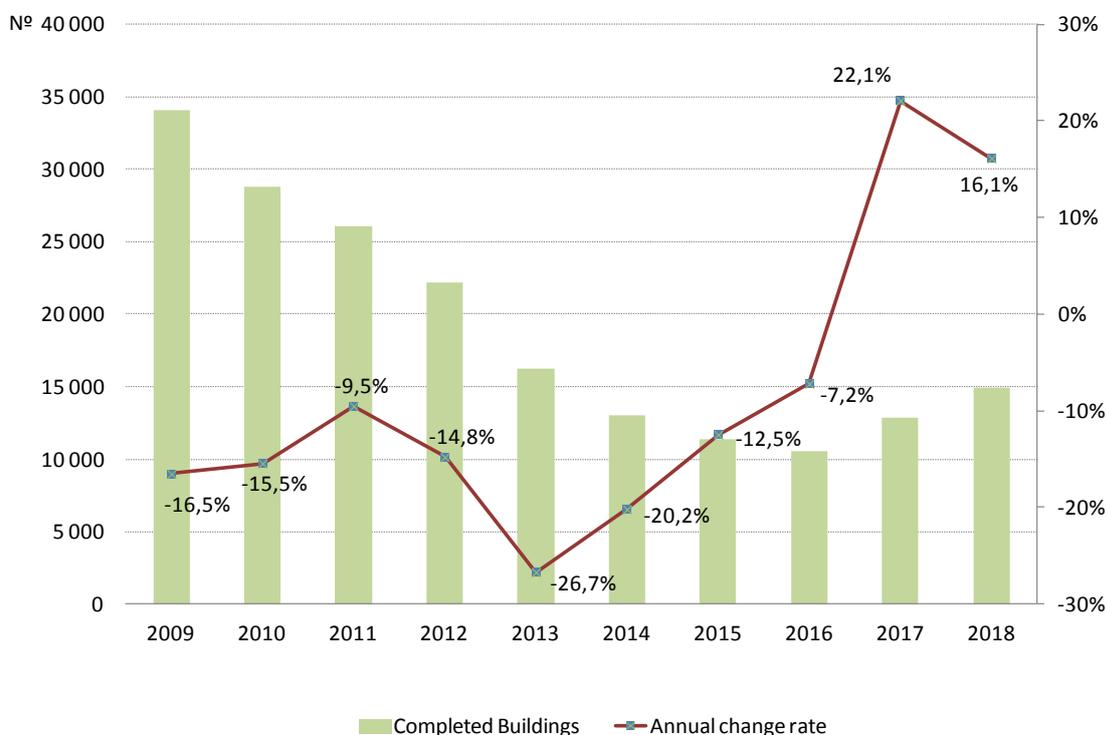
Building permits – 2009-2018 annual evolution



With regard to completed buildings, in what concerns the year 2018, there was an estimated reduction of 56.1% compared with 2009, corresponding to 19.1 thousand less buildings (14.9 thousand completed buildings in 2018 vis-à-vis 34.1 thousand in 2009).

The number of completed buildings also recorded successive declines since 2009, which lasted until 2016, the year when this variable reached its minimum value (10.5 thousand completed buildings). The largest annual reduction also occurred in 2013 (-26.7%), with the largest increase having occurred in 2017 (+22.1%).

Completed buildings – 2009-2018 annual evolution



2. Building permits

In the 4th quarter 2018, the number of building permits issued in Portugal reached 5.6 thousand, corresponding to a 28.8% increase vis-à-vis the 4th quarter 2017 (+18.6% in the 3rd quarter 2018).

Of the total building permits, 69.0% corresponded to new constructions and, of these, 76.3% referred to family housing. Demolished buildings (438 units) corresponded to 7.8% of the total building permits in the 4th quarter 2018.

All regions presented a positive rate of change in the total building permits vis-à-vis the same quarter a year earlier. The highest variations occurred in the regions of Região Autónoma da Madeira (+98.0%), Área Metropolitana de Lisboa (+71.7%) and Algarve (+38.7%). The lowest positive year-on-year rate of change occurred in Região Autónoma dos Açores (+8.1%).

The number of building permits for new constructions in Portugal increased by 29.9% vis-à-vis the 4th quarter 2017, while rehabilitation works increased by 22.4%. When compared to the previous quarter, permits for new constructions increased by 4.2% and rehabilitation works grew by 7.5%.

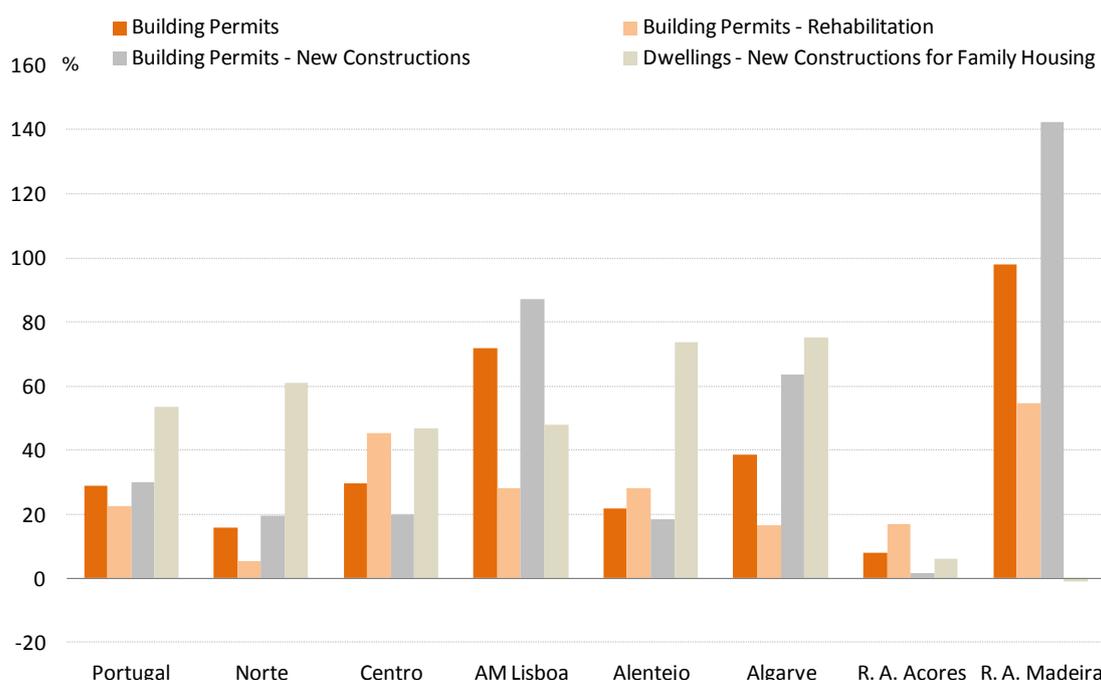
As regards building permits for new constructions, all regions also presented positive year-on-year rates of change, more so Região Autónoma da Madeira (+142.3%, i.e. 37 more buildings), Área Metropolitana de Lisboa (+87.3%; i.e. 324 more buildings) and the Algarve region (+63.7%; i.e. 65 more buildings). Likewise, in what concerns permits for building rehabilitation, all regions presented positive year-on-year rate changes, with the emphasis on Região Autónoma da Madeira (+54.5%) and the Centro region (+45.4%).

In the 4th quarter 2018, the number of licensed dwellings in new constructions for family housing was 5.4 thousand, i.e. +53.5% compared with the 4th quarter 2017 and stood for +19.0 p.p. vis-à-vis the rate of change recorded in the preceding quarter. Região Autónoma da Madeira was the only region that presented a reduction in this variable (-0.9%) when compared to the same quarter of the previous year. The remaining regions presented positive rates of change, more so the Algarve (+75.2%), Alentejo (+73.6%) and Norte (+61.1%).

In Portugal, in the 4th quarter 2018, there was a 31.8% increase in the total licensed area compared to the 4th quarter 2017. All regions presented a positive rate of change in the total licensed area, with the emphasis on the Algarve (+64.2%) and Área Metropolitana de Lisboa (+40.0%).

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

(4th quarter 2018)



In the 4th quarter 2018, 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 16.9% of the total dwellings.

Hence, the municipalities that contributed the most for the absolute variation in the total number of licensed dwellings were: Vila Nova de Gaia (7.6% of the total variation), Lisboa (6.1%), Leiria (5.3%), Vila do Conde (4.7%) and Loulé (4.4%).

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

(4th quarter 2018)

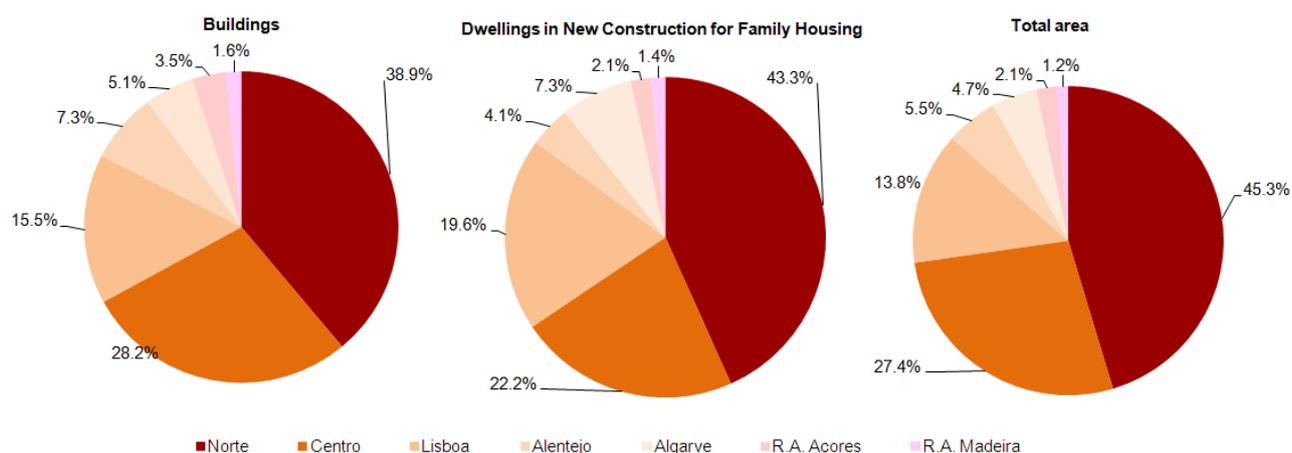
Rank	Portugal	4 th Quarter 2018	4 th Quarter 2017	Variation (Number)	Year-on-year change rate (%)
	Portugal	6 810	4 677	2 133	45.6%
1	Vila Nova de Gaia	301	139	162	116.5%
2	Lisboa	445	314	131	41.7%
3	Leiria	180	66	114	172.7%
4	Vila do Conde	107	7	100	1428.6%
5	Loulé	117	23	94	408.7%

In 2018, the Norte region held 38.9% of the total building permits and 43.3% of licensed dwellings in new constructions for family housing in the country. Together, the Norte region and the Centro region stood for 67.1% of building permits and for 65.5% of licensed dwellings in new constructions for family housing in Portugal.

Building permits in the Área Metropolitana de Lisboa represented 15.5% of the total number in the country, corresponding to 19.6% of the total number of building permits in new constructions for family housing.

Regional breakdown of buildings, dwellings and total licensed area

(2018)



3. Completed buildings

In the 4th quarter 2018, the total number of completed buildings (new constructions, building enlargements, renovations and reconstructions) increased by 18.8% vis-à-vis the 4th quarter 2017. In this period, it is estimated that 4.0 thousand buildings were completed in Portugal, mostly corresponding to new constructions (73.2%) of which 71.4% were destined to become family housing.

The region of Algarve was the only one to present a declining year-on-year rate change (-0.6%). The remaining regions presented positive rates of change, more so Área Metropolitana de Lisboa (+42.8%) and Alentejo (+24.2%).

In Portugal, completed works for new constructions increased by 19.8% when compared to the 4th quarter 2017 while rehabilitation works grew by 16.0%. In comparison with the previous quarter, completed works for new constructions increased by 4.8% and rehabilitation works grew by 4.7%.

The region of Algarve recorded a declining year-on-year rate of change (-5.0%) as regards completed works for new constructions. The remaining regions presented positive year-on-year rates of change, with the emphasis on the Área Metropolitana de Lisboa (+54.4%), Região Autónoma da Madeira (+27.5%), Alentejo (+27.1%) and Região Autónoma dos Açores (+27.0%).

In what concerns completed works for rehabilitation, the only region that presented a declining year-on-year rate of change was Região Autónoma da Madeira (-12.9%). The remaining regions recorded positive year-on-year rates of change, more so the Norte (+20.6%), Centro (+19.3%) and Alentejo (+15.5%).

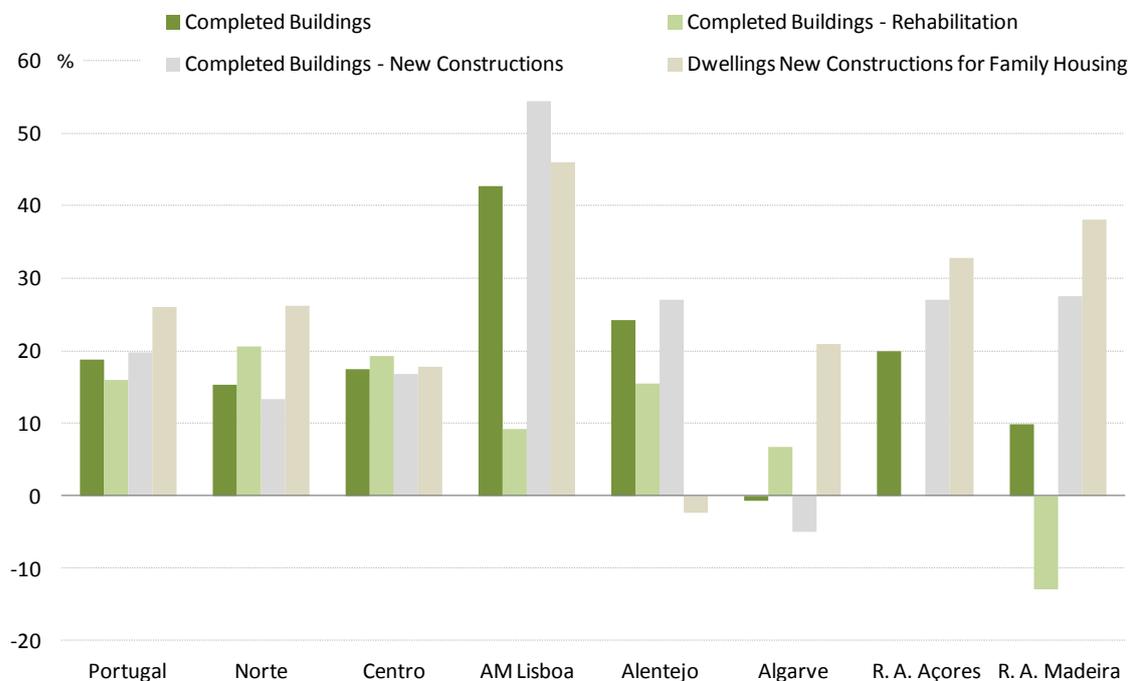
In the 4th quarter 2018, the number of completed dwellings in new constructions for family housing stood at 3.3 thousand, increasing by 26.0% when compared with the 4th quarter 2017 (+52.3% in the 3rd quarter 2018). With the exception of the Alentejo (-2.3%), all regions presented positive year-on-year rates of change, more so Área Metropolitana de Lisboa (+46.1%), Região Autónoma da Madeira (+38.1%) and Região Autónoma dos Açores (+32.8%).

Of the total buildings completed in the 4th quarter 2018, about 69.3% were located in the regions of Norte and Centro, corresponding to 61.8% of the total completed dwellings in new constructions for family housing in the whole country. The Norte region accounted for a 40.8% share in buildings and 37.1% in completed dwellings. The works completed in Área Metropolitana de Lisboa corresponded to 12.0% of the total buildings and 22.1% of the total dwellings in the country.

In the 4th quarter 2018, there was a 15.0% increase in the total completed construction area in Portugal compared to the 4th quarter 2017. The Norte and the Centro regions were the ones that grew the most in relative terms: +37.4% and +24.9%, respectively. The regions with a reduction in the total completed construction area were the Algarve (-65.3%), Alentejo (-3.8%) and Região Autónoma dos Açores (-0.6%). The steepest decline occurred in the Algarve was due to the conclusion of some commercial buildings in the same quarter a year earlier. These buildings had a large average dimension in terms of total area.

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

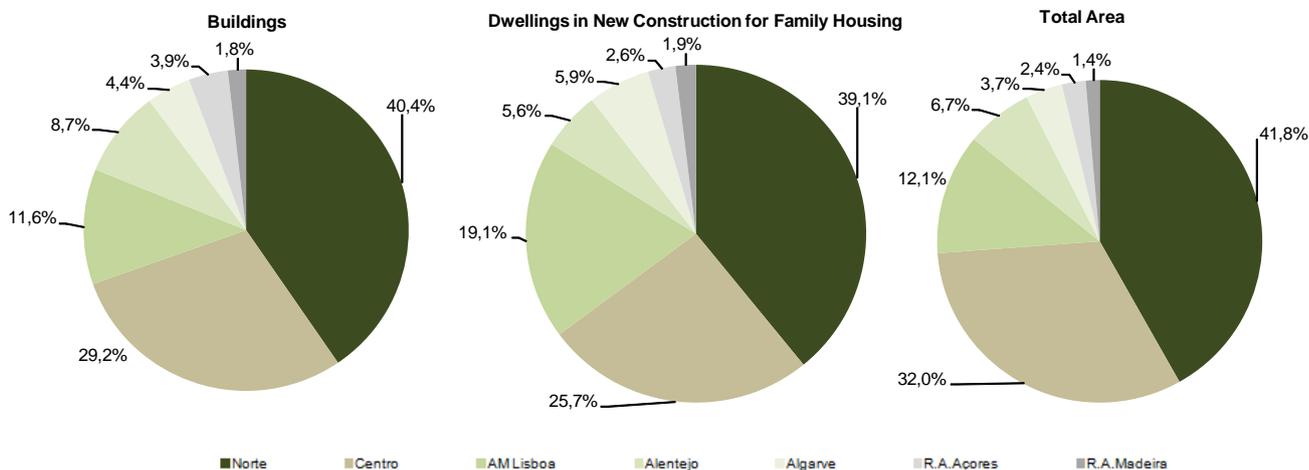
(4th quarter 2018)



Considering the whole year 2018, the Norte region concentrated 40.4% of the total completed buildings and 39.1% of completed dwellings in new constructions for family housing in the country. The Norte and the Centro regions combined stood for 69.6% of completed buildings and 64.8% of completed dwellings in new constructions for family housing. In 2018, completed buildings in Área Metropolitana de Lisboa represented 11.6% of the total in the country, corresponding to 19.1% of the total number of completed dwellings in new constructions for family housing in Portugal.

Regional breakdown of the number of buildings, dwellings and total completed construction area

(2018)



Construction: Building Permits	Building Permits**					Quarterly year-on-year change rate (4 th Q)*
	4 th Q- 2017	1 st Q- 2018	2 nd Q- 2018	3 rd Q- 2018	4 th Q- 2018	
	Number					
Portugal						
Building Permits	4 342	5 389	5 725	5 355	5 593	28.8
Rehabilitation	1 059	1 260	1 402	1 206	1 296	22.4
New Construction	2 971	3 718	3 896	3 704	3 859	29.9
for Family Housing	2 105	2 737	2 923	2 771	2 944	39.9
Dwellings	3 528	4 589	5 371	4 669	5 417	53.5
Total area (m ²)	1 811 729	2 152 837	2 201 551	2 160 969	2 388 491	31.8
Norte						
Building Permits	1 884	2 159	2 180	2 059	2 182	15.8
Rehabilitation	452	534	519	473	476	5.3
New Construction	1 304	1 492	1 528	1 443	1 557	19.4
for Family Housing	917	1 110	1 148	1 099	1 185	29.2
Dwellings	1 532	2 091	2 165	1 961	2 468	61.1
Total area (m ²)	881 004	1 000 323	950 905	964 420	1 122 237	27.4
Centro						
Building Permits	1 195	1 449	1 617	1 596	1 551	29.8
Rehabilitation	284	327	396	374	413	45.4
New Construction	830	1 006	1 105	1 046	996	20.0
for Family Housing	560	672	787	732	714	27.5
Dwellings	757	962	1 289	1 090	1 111	46.8
Total area (m ²)	454 947	592 174	642 864	579 418	622 952	36.9
Area Metropolitana de Lisboa						
Building Permits	544	861	866	760	934	71.7
Rehabilitation	117	149	176	127	150	28.2
New Construction	371	610	589	564	695	87.3
for Family Housing	315	517	504	467	581	84.4
Dwellings	672	923	1 080	927	995	48.1
Total area (m ²)	231 210	294 103	315 477	296 505	323 681	40.0
Alentejo						
Building Permits	305	398	440	391	372	22.0
Rehabilitation	71	97	104	70	91	28.2
New Construction	222	280	307	302	263	18.5
for Family Housing	124	182	180	172	167	34.7
Dwellings	125	192	201	215	217	73.6
Total area (m ²)	105 725	105 065	106 051	149 324	124 974	18.2
Algarve						
Building Permits	204	247	327	267	283	38.7
Rehabilitation	72	69	95	81	84	16.7
New Construction	102	148	198	161	167	63.7
for Family Housing	84	119	174	146	146	73.8
Dwellings	238	267	487	291	417	75.2
Total area (m ²)	70 472	97 441	106 919	97 653	115 724	64.2
R.A. Açores						
Building Permits	161	194	208	202	174	8.1
Rehabilitation	41	55	76	50	48	17.1
New Construction	116	131	118	140	118	1.7
for Family Housing	82	93	84	115	93	21.3
Dwellings	96	100	86	131	102	6.3
Total area (m ²)	35 881	45 726	54 727	52 357	37 934	5.7
R.A. Madeira						
Building Permits	49	81	87	80	97	98.0
Rehabilitation	22	29	36	31	34	54.5
New Construction	26	51	51	48	63	142.3
for Family Housing	23	44	46	40	58	152.2
Dwellings	108	54	63	54	107	-0.9
Total area (m ²)	32 490	18 005	24 608	21 292	40 989	26.2

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 (4 th Q)*
	4 th Q- 2017	1 st Q- 2018	2 nd Q- 2018	3 rd Q- 2018	4 th Q- 2018	
	Number					
Portugal						
Completed Buildings	3 407	3 466	3 570	3 861	4 046	18.8
Rehabilitation	936	945	820	1 037	1 086	16.0
New Construction	2 471	2 521	2 750	2 824	2 960	19.8
for Family Housing	1 683	1 766	1 986	2 028	2 113	25.5
Dwellings	2 598	2 772	2 924	3 339	3 273	26.0
Total area (m ²)	1 514 805	1 437 040	1 464 561	1 516 630	1 741 490	15.0
Norte						
Completed Buildings	1 430	1 417	1 449	1 524	1 649	15.3
Rehabilitation	384	409	346	398	463	20.6
New Construction	1 046	1 008	1 103	1 126	1 186	13.4
for Family Housing	705	695	810	813	840	19.1
Dwellings	962	1 005	1 256	1 340	1 214	26.2
Total area (m ²)	569 592	581 691	603 324	608 903	782 890	37.4
Centro						
Completed Buildings	983	1 045	1 017	1 140	1 155	17.5
Rehabilitation	269	277	221	329	321	19.3
New Construction	714	768	796	811	834	16.8
for Family Housing	463	528	538	543	576	24.4
Dwellings	686	844	718	793	808	17.8
Total area (m ²)	420 306	463 387	487 827	494 699	524 947	24.9
Area Metropolitana de Lisboa						
Completed Buildings	339	355	416	474	484	42.8
Rehabilitation	87	88	82	98	95	9.2
New Construction	252	267	334	376	389	54.4
for Family Housing	210	222	270	322	334	59.0
Dwellings	495	486	471	667	723	46.1
Total area (m ²)	177 485	182 564	171 774	189 353	200 201	12.8
Alentejo						
Completed Buildings	289	317	316	309	359	24.2
Rehabilitation	71	62	66	65	82	15.5
New Construction	218	255	250	244	277	27.1
for Family Housing	130	145	162	144	155	19.2
Dwellings	175	171	175	176	171	-2.3
Total area (m ²)	106 702	114 911	96 868	96 252	102 629	-3.8
Algarve						
Completed Buildings	160	157	177	167	159	-0.6
Rehabilitation	59	48	55	63	63	6.8
New Construction	101	109	122	104	96	-5.0
for Family Housing	84	88	106	86	82	-2.4
Dwellings	153	161	190	193	185	20.9
Total area (m ²)	173 128	45 615	58 766	61 990	60 093	-65.3
R.A. Açores						
Completed Buildings	135	114	137	174	162	20.0
Rehabilitation	35	35	33	59	35	0.0
New Construction	100	79	104	115	127	27.0
for Family Housing	58	56	64	78	78	34.5
Dwellings	64	66	67	105	85	32.8
Total area (m ²)	41 054	30 584	29 302	45 515	40 826	-0.6
R.A. Madeira						
Completed Buildings	71	61	58	73	78	9.9
Rehabilitation	31	26	17	25	27	-12.9
New Construction	40	35	41	48	51	27.5
for Family Housing	33	32	36	42	48	45.5
Dwellings	63	39	47	65	87	38.1
Total area (m ²)	26 538	18 288	16 700	19 918	29 904	12.7

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

With the introduction of the Indicators System of Urban Operations in 2002, based on the regulation of the set of urban operations subject to administrative control proceedings, the goal was to improve the accuracy of the data based on indicators and obtain data on Completed Works from the Municipalities in due time, mirroring what is currently done with regard to data on Building Permits. However, in practical terms, the aforementioned scenario was not accomplished and the data concerning completed works is mostly obtained from surveys sent to building contractors. This method of data retrieval implies substantial delays in data collection and, as a consequence, the final annual data only becomes available with considerable calendar deviations in relation to the quarterly dissemination of the provisional data. Therefore, it became necessary to rethink how to estimate results concerning Completed Works by conceiving a methodology that allows a 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	
	3 rd Quarter 2018	
Previous publication	Previous publication	Current Publication
Building Permits	16.3%	18.6%
Licensed Dwellings	31.4%	34.5%

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 JANUARY 2019 can be found.

DATE OF NEXT PRESS RELEASE: **12 June 2019**.