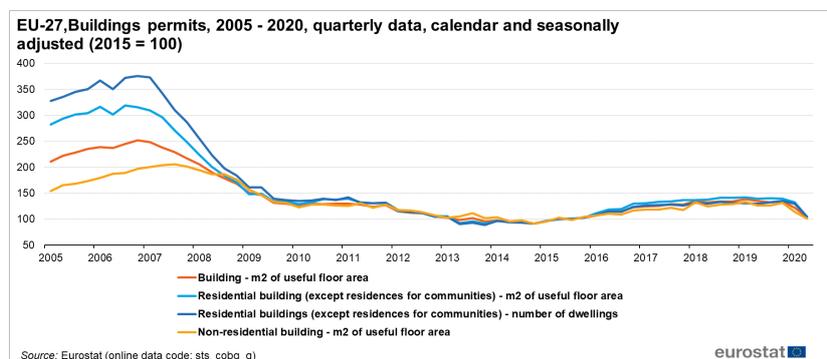


# Construction permit index overview

Statistics Explained

Data extracted in October 2020.  
Planned article update: October 2021.



EU-27, Buildings permits, 2005 - 2020, quarterly data, calendar and seasonally adjusted (2015 = 100) - Source: Eurostat (sts\_cobp\_q)

The indices for construction/building permits are [business cycle](#) indicators providing information on the development of granted building permits in the [European Union \(EU\)](#) .

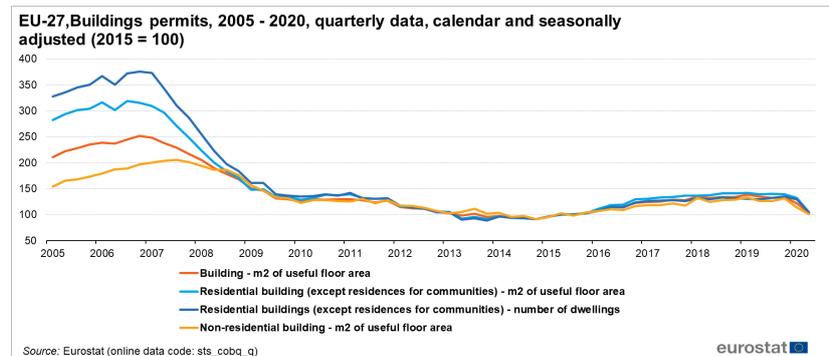
[Short-term statistics](#) provide two types of indices for building permits. The so-called "dwelling index" simply reflects the evolution in terms of the number of [dwellings](#) . A second indicator, the "floor area index" reflects the development of the useful floor area for which the building permits are issued (where the useful floor area cannot be ascertained, an alternative size measure may be used).

The building permits index for the number of permits covers one-dwelling [residential buildings](#) and residential buildings with two or more dwellings but not residential buildings for communities (e.g. residences for the elderly) (see [Classification of types of construction \(CC\)](#) ). The building permits index of useful floor area covers all types of residential buildings and also other buildings, for example hotels, shops, warehouses, industrial buildings, schools and hospitals.

## General overview

The building permit indices for the EU peaked in late 2006 / early 2007 and then began a continuous and rapid downturn which lasted 2 years. During the years 2010 and 2011 the index level remained relatively stable, in the following years it decreased again although by far not as dramatically as before. During the years 2015 to 2017 the index levels increased slightly. Since then the index levels have remained stable. In the summer of 2019 the level was still at the level to which it had dropped during the financial and economic crisis. In the first half of 2020 the index dropped again (probably as a consequence of the Covid-19 crisis) but by far not to the extent during the years 2007 – 2009.

Figure 1 shows that both indicators for residential buildings (excluding buildings for communities), i.e. the indicator for the number of dwellings, and the indicator for the floor area develop in a very similar fashion. Figure 1 also presents the area-index for **non-residential buildings** . This indicator reacts with a certain delay compared with the indicators for residential buildings.



**Figure 1:EU-27, Buildings permits, 2005 - 2020, quarterly data, calendar and seasonally adjusted (2015 = 100) - Source: Eurostat (sts\_cobp\_q)**

The development of building permits is rather heterogeneous at the level of the individual Member States. Between 2010 and 2019 the index for the number of new buildings increased in almost all Member States (the only exception being Luxembourg), in a large number of countries the index more than doubled. The index for the useful floor area developed in a broadly similar fashion.

Building permits, number and useful floor area, annual rates of change, unadjusted data, 2010-2019

	Building permits for residential buildings, except residences for communities									
	Number of dwellings					m <sup>2</sup> of useful floor area				
	2015	2016	2017	2018	2019	2015	2016	2017	2018	2019
EU-27	7.0	14.9	9.9	3.6	0.5	6.4	19.5	11.3	4.3	0.5
EA-19	4.6	13.4	9.6	4.5	1.2	4.3	19.2	11.3	5.3	1.0
Belgium	-16.0	11.4	-1.3	23.7	-10.7	-12.9	5.2	-7.4	15.7	-8.9
Bulgaria	8.9	5.2	37.5	42.3	-7.7	12.5	6.0	33.1	38.1	-7.8
Czechia	10.0	4.2	18.0	3.4	19.8	5.8	4.2	17.4	1.6	18.2
Denmark	39.7	29.6	-1.2	20.5	-14.6	38.5	20.9	0.7	18.7	-12.4
Germany	7.3	15.6	-2.2	2.0	3.5	7.0	10.9	-3.7	1.4	3.3
Estonia	41.8	7.7	30.9	-11.3	14.8	24.2	8.7	23.0	-11.0	12.0
Ireland	76.1	22.3	30.3	40.1	38.3	57.2	18.4	25.2	30.6	17.9
Greece	-4.4	3.5	19.7	42.0	33.3	-4.4	5.1	20.6	33.1	22.8
Spain	8.2	23.7	24.8	24.2	12.8	11.4	107.8	33.6	22.1	7.3
France	7.4	14.7	6.5	-6.7	-4.0	5.4	13.0	7.0	-5.8	-2.5
Croatia	-10.8	33.1	34.9	-6.0	30.8	-8.1	34.7	34.8	-1.4	24.4
Italy	-8.3	3.9	16.3	5.5	0.1	-7.6	5.4	14.2	5.8	1.6
Cyprus	12.0	14.1	35.4	25.6	55.2	13.8	22.6	33.3	18.1	63.5
Latvia	-10.8	22.0	17.3	17.1	0.1	-22.4	11.5	46.6	13.3	-4.2
Lithuania	20.5	22.0	-2.1	2.6	-7.1	15.5	24.8	-12.0	-0.9	-6.3
Luxembourg	-31.4	20.6	2.5	11.1	-1.8	-19.9	2.3	13.3	4.6	-1.7
Hungary	29.2	157.1	21.5	-3.2	-3.7	31.6	138.7	23.4	-3.8	-1.3
Malta	34.4	90.2	30.8	31.2	-3.1	19.2	64.4	24.8	-7.6	-0.7
Netherlands	36.1	-2.3	28.9	2.7	-19.0	33.5	2.1	31.0	1.4	-20.6
Austria	4.3	15.6	12.5	-16.8	12.6	0.9	12.3	10.9	-17.4	11.2
Poland	21.2	12.2	19.3	3.3	4.6	17.9	11.4	16.5	4.5	4.4
Portugal	17.8	39.2	23.9	42.5	17.0	14.8	27.2	25.1	45.7	8.0
Romania	3.8	-1.2	7.7	2.6	-0.4	9.8	13.1	9.4	9.5	2.8
Slovenia	0.7	9.2	7.0	16.6	-10.3	3.1	3.8	8.4	13.7	-9.9
Slovakia	23.3	14.6	-8.6	11.4	-0.9	18.6	18.8	-6.7	9.7	-0.2
Finland	5.8	26.2	19.4	-10.5	-10.7	-2.4	15.6	16.2	-10.1	-7.2
Sweden	31.6	23.4	9.2	-17.2	-10.9	27.6	21.4	6.7	-19.4	-11.7
United Kingdom	5.9	4.8	4.8	0.5	-4.1	21.5	6.9	3.5	12.7	1.6
Norway	4.0	17.7	3.1	-2.9	-13.0	3.8	12.1	3.7	-5.7	-6.9
Montenegro	1.6	0.4	47.7	-47.3	-32.4	-3.7	5.5	37.4	-54.8	-33.4
North Macedonia	13.1	26.9	1.3	-8.7	-17.4	4.1	29.6	3.5	-14.9	-17.3
Albania		514.6	76.3	46.2	-5.3		302.3	153.6	64.0	27.8
Serbia	29.2	26.0	34.0	9.4	29.1	37.7	18.5	37.6	14.1	27.8
Turkey	-13.0	12.2	39.4	-52.6	-51.5	-16.9	11.1	39.8	-52.3	-52.1
Bosnia and Herzegovina	23.8	6.6	9.2	4.9	8.6					

(-) not available  
Source: Eurostat (online data code: sts\_cobp\_a)



Table 1: Building permits, number and useful floor area, annual rates of change, unadjusted data, 2010-2019, Source: Eurostat (sts\_cobpgr\_a)

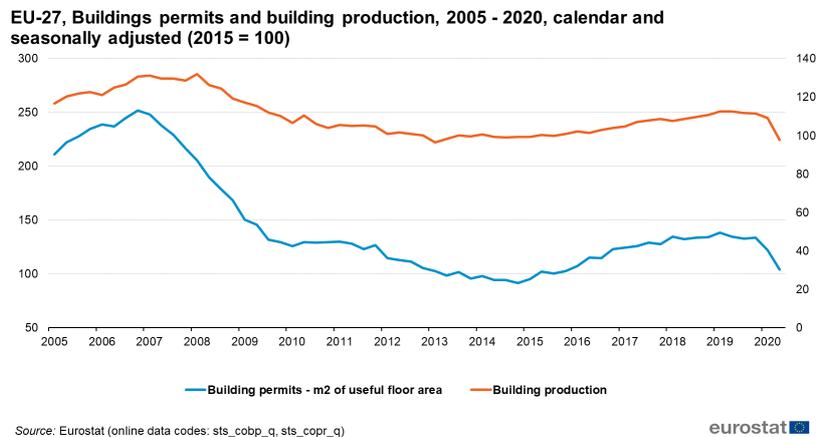


Figure 2: EU-27, Building permits and construction production 2005 - 2020, quarterly data, calendar and seasonally adjusted (2015=100), Source: Eurostat (sts\_cobp\_q) and (sts\_copr\_q)

### Data sources

Information on building permits is generally collected from the authorities who issue the permits (often municipalities). As the collection of information is exhaustive, questions of sample sizes, weighting etc. do not apply. The mandatory reference period under the Short-term statistics Regulation (EC) No 1165/98 is at least one quarter. Several Member States provide data on a monthly basis. The data are generally available 3 months after the end of the reference period.

## Context

A building permit is granted by public authorities in response to an application and based on a specific building plan. It is the final administrative authorisation to start work on a concrete building project and one of the last steps before actual construction work starts. Works for which no permit is required will generally be rather limited. Therefore the development of the indicator of building permits is largely comparable to the development of actual work (Figure 2). However, the [leading indicator](#) quality of the permits has to be interpreted with some care as there is no immediate link between the two. In none of the countries covered by the short-term statistics regulation does the permit imply an obligation to start the construction. Therefore, some permits might not be used by the builders and the index for building permits might overestimate future building activities. Moreover, the time between the issue of the permit and the start of the construction work can vary depending e.g. on the type of construction, on the business cycle or the country. Even if there was a regular delay between the permit and the start of the construction work the statistical connection between development of permits and development of construction output could still vary depending on how fast or slow the construction work proceeds. In cases where a building permit is withdrawn the indicator will not be adjusted for this effect. There might also be some double counting if the same construction project is recommenced later with a new permit, the first permit having expired.

The financial crisis of 2007 – 2010 which was triggered by the downturn of the US housing market and which resulted in substantial losses of construction output highlighted the need for more information on the housing market. The building permit indices were therefore integrated into the list of ' [Principal European economic indicators](#) ' or 'PEEI' (together with residential property prices and house sales).

## Other articles

- [All articles on short-term business statistics](#)
- [Industrial production \(volume\) index overview](#)

## Tables

- [Short-term business statistics \(t\\_sts\)](#) , see:

Construction, building and civil engineering (NACE F) (t\_sts\_cons)

Building permits (teis540)

## Database

- [Short-term business statistics \(sts\)](#) , see:

Construction, building and civil engineering (NACE F) (sts\_cons)

Building permits – index (sts\_cons\_per)

## Dedicated section

- [Short-term business statistics](#)

## Publications

- [An analysis of building construction based on building permits statistics, Statistics in focus, 55/2010](#)

## Methodology

- [Methodology of short-term business statistics – interpretation and guidelines](#)
- [Methodology of short-term business statistics – associated documents](#)
- [Short-term business statistics - Metadata in SDMX format \(ESMS metadata file — sts\\_esms\)](#)
- [More information on Metadata in Eurostat](#)