

The number (and index) of **building permits** or **construction permits** is a [leading indicator](#) in the [business cycle](#) which provides some information about the workload of the construction industry in the near future.

A building permit is the final authorisation to start work on a building project. It is granted by public authorities in response to an application by a principal and based on a specific building plan. There are differences in the rules and procedures according to which such permits are granted in the [European Union \(EU\)](#) Member States, but in none of the countries does the permit imply an obligation to start the construction; as a result, some permits might not be used by the builders. Therefore the index for building permits might overestimate future actual building projects.

There are two indices for building permits, representing different aspects:

- the number of [dwellings](#) ;
- the square metres of useful floor area (or alternative size measures).

The first index refers only to residential buildings (dwellings), the second also includes non-residential buildings, i.e. hotels, office buildings, industrial buildings etc.

## Further information

- [Classification of Types of Constructions \(CC 1998\)](#)

## Related concepts

- [Building](#)

## Statistical data

- [Building permit index overview](#)