

Media Release

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Record \$32.8b building work in Victoria in 2016-17 – rural growth outstrips metropolitan

The value of building in Victoria in the financial year 2016-17 reached a record \$32.8 billion, according to the latest building permit data from the Victorian Building Authority (VBA).

Across the state, regional and rural Victoria performed better growth-wise than metropolitan Melbourne with the value of building permits outside Melbourne up 6.9 per cent from the 2015-16 value to \$5.8 billion. Inner and outer Melbourne rose a combined 3.4 per cent to \$27 billion.

VBA Chief Executive Officer Prue Digby said that the value of domestic building permits (houses) for the year was a record \$17.3 billion – almost 7 per cent higher than the previous record of \$16.2 billion in 2015-16.

Meanwhile, residential building permits (including apartments) fell 11 per cent to \$5.3 billion when compared to the previous financial year – still the second highest value on record for this building use category.

Ms Digby said that by local government area, the City of Melbourne remained the number one municipality in the state, with \$3.9 billion of building work, followed by the City of Wyndham (\$1.8 billion, almost 20 per cent above the 2015-16 level) and the City of Casey (\$1.6 billion, also almost 20 per cent higher). The City of Greater Geelong was the number four municipality in the state at \$1.4 billion, a rise of 12.8 per cent over 2015-16. Eight of the top 10 municipalities reported works of more than \$1 billion in 2016-17.

The biggest building permit issued in metropolitan Melbourne (and Victoria overall) in 2016-17 was for a mixed use Commercial development at Narre Warren valued at \$98 million. In rural Victoria, an aged care facility at Armstrong Creek in the Greater Geelong municipality accounted for the highest cost of work, at \$28.6 million.

By building use category, the value of building permits in 2016-17 compared with 2015-16 showed:

- Domestic (houses) increased 6.9 per cent to \$17.3 billion
- Residential (including apartments) fell 11.0 per cent to \$5.3 billion
- Commercial rose 11.8 per cent to \$4.1 billion
- Retail fell 12.2 per cent to \$1.7 billion
- Industrial rose 11.5 per cent to \$614 million
- Public buildings rose 31.9 per cent to 2.7 billion.

By region, the value of building permits in 2016-17 compared with 2015-16 showed:

- Inner Melbourne increased 0.8 per cent to \$14.8 billion
- Outer Melbourne rose 6.8 per cent to \$12.2 billion
- Gippsland fell 0.4 per cent to \$884 million
- North Central fell 9.0 per cent to \$953 million
- North East rose 14.0 per cent to \$838 million
- North West rose 8.9 per cent to \$974 million
- South West rose 15.7 per cent to \$2.1 billion.

Building surveyors submit information relating to their building permit functions to the VBA each month. The information provided by the VBA is drawn from and is reliant on this information.

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