

## Victoria hits record levels of building permit approvals

Building permit approvals in Victoria during the last financial year were at their highest level in the past decade, new data reveals.

[Building permit data](#) collected by the Victorian Building Authority (VBA) shows that approvals totalled 123,330 in 2020-21, an increase of 18 per cent from the previous financial year (104,560) and 13 per cent more than 2018-19 (109,396).

The largest increase in approvals was in regional Victoria, which saw a 32 per cent spike in the number of building permit approvals.

Of all permits issued, those for domestic building increased more than 22 per cent, with about 19,500 more permits issued in 2020-21 than in 2019-20.

The VBA's CEO Sue Eddy said the building and construction sector remained strong throughout the pandemic.

"It has been a challenging time for all Victorians, however the resilience shown by the building and plumbing industries, and its ability to adapt, has meant Victoria has continued to grow," Ms Eddy said.

"With continued cooperation, collaboration and safety front of mind, we will hopefully see this positive trend continue through 2021-22 and beyond."

New building work accounted for more than 62 per cent of all building permits in 2020-21, with the number of permits issued for this work 24 per cent greater than a year ago. The number of permits issued for residential, retail, hospital/healthcare and public buildings each decreased more than 10 per cent.

By region, the Gippsland area had 9560 building permit approvals in 2020-21, compared to 6859 in 2019-20, a 39 per cent year-on-year increase.

The North East, North West and South West regions all saw their building permit approval figures rise by more than 30 per cent in the space of a year.

There was also plenty of building activity in outer Melbourne, with 51,422 building permit approvals in 2020-21, a 17.7 per cent increase compared to 2019-20 (43,680).

As the number of building permits issued increased, so did the cost of building works. In Victoria, total cost of works increased from \$39.1 billion in 2019-20 to \$41.9 billion in 2020-21.

Ms Eddy said the biggest cost of works increases was in regional Victoria, with Gippsland leading the way.

"There has been significant cost of works boost in regional Victoria, with a 45 per cent year-on-year increase in Gippsland, which rose from \$1.18 billion in 2019-20 to \$1.71 billion in 2020-21," she said.

By building use, the cost of works for new building work was valued at \$34.6 billion, an 11.6 per cent increase compared to 2019-20.

Extension (\$1.8 billion) and demolition (\$577 million) cost of works increased 14 and 20 per cent respectively in 2020-21 compared to 2019-20.

The Federal Government's [HomeBuilder Grant Scheme](#) further supported the building industry, generating more than 35,000 applications from Victoria, with more than 29,000 of these for new builds.