

Building records tumble in Victoria – 114,800 permits worth \$38.4 billion in 2017-18

Victoria recorded its highest-ever number of building permits and highest-ever value of building work in a year during the 12 months to 30 June 2018.

Victorian Building Authority (VBA) data shows that a record 114,803 building permits, for building work valued at \$38.4 billion, were reported across the state in the 2017-18 financial year.

At \$38.4 billion, the value of building work during the 12 months was 17.3 per cent higher than the \$32.8 billion recorded in the previous financial year. The previous highest number of building permits in a financial year was 113,669 reported in 2009-10, one per cent fewer than this year's total.

The 2017-18 data shows the cost of building work reported in all building use categories was higher than that reported for the categories in 2016-17. In the Domestic (houses) category, the cost of work reported was a record \$19.8 billion, 14.4 per cent higher than the previous financial year and the number of permits jumped by 4.7 per cent to 94,412.

The cost of work reported in the Residential category (including apartments) also rose during the financial year to \$6.5 billion, up 22.4 per cent on the 2016-17 financial year. The two building use categories with the strongest growth in the cost of works reported were Public Buildings (up 29.7 per cent on 2016-17) and Hospital and Healthcare (up 26.9 per cent).

For the second financial year in a row, percentage growth year-on-year by value of building permits reported in Rural Victoria outstripped that in Metropolitan Melbourne. Gippsland led the growth in the Rural region, with the value of building permits reported jumping almost 27.5 per cent from the previous year.

The value of building permits by building use category in 2017-18 compared with 2016-17 showed:

- Domestic (houses) increased 14.4 per cent to \$19.8 billion
- Residential (including apartments) rose 22.4 per cent to \$6.5 billion
- Commercial increased 13.9 per cent to \$4.7 billion
- Retail rose 17.8 per cent to \$2.0 billion
- Industrial increased 8.8 per cent to \$668 million
- Hospital/Healthcare jumped 26.9 per cent to \$1.2 billion
- Public Buildings increased 29.7 per cent to \$3.5 billion.

The value of building permits by region in 2017-18 compared with 2016-17 showed:

- Inner Melbourne increased 18.0 per cent to \$17.4 billion
- Outer Melbourne increased 15.2 per cent to \$14.1 billion
- Gippsland increased 27.5 per cent to \$1.1 billion
- North Central rose 23.0 per cent to \$1.2 billion
- North East increased 11.4 per cent to \$933 million
- North West increased 17.2 per cent to \$1.1 billion
- South West increased 20.4 per cent to \$2.6 billion.

On a municipality basis, the value of building permits reported in the City of Melbourne in 2017-18 increased by 44.5 per cent compared with 2016-17, while in the City of Greater Geelong the increase year-on-year was 28 per cent. A total of 12 municipalities reported building permit activity of more than \$1 billion during the 12 months, with 11 of these in Metropolitan Melbourne.

The following tables show the top 10 municipalities in Metropolitan Melbourne and Rural Victoria by value of building permits reported to the VBA in 2017-18:

Top 10 Metropolitan municipalities by total reported cost of work

Ranking 2017-18	Municipality Name	No permits	Reported Cost of Works \$M	Ranking 2016-17	Reported Cost of Works \$M
1	Melbourne	3,406	5,691.3	1	3,939.1
2	Wyndham	7,231	2,292.6	2	1,788.9
3	Casey	6,852	1,838.6	3	1,608.7
4	Hume	4,936	1,390.4	6	1,041.0
5	Monash	2,976	1,360.9	7	1,011.5
6	Boroondara	2,915	1,318.2	5	1,137.6
7	Stonnington	1,827	1,206.1	4	1,252.8
8	Glen Eira	2,231	1,090.8	10	929.0
9	Mornington Peninsula	4,092	1,062.7	11	910.9
10	Whittlesea	3,387	1,040.6	8	995.4

Top 10 Rural municipalities by total reported cost of work

Ranking 2017-18	Municipality Name	No permits	Reported Cost of Works \$M	Ranking 2016-17	Reported Cost of Works \$M
1	Greater Geelong	5,928	1,733.0	1	1,355.8
2	Ballarat	2,108	495.1	2	430.5
3	Greater Bendigo	2,384	449.0	3	393.4
4	Surf Coast	1,296	335.4	4	265.2
5	Bass Coast	1,485	329.7	6	214.0
6	Baw Baw	1,498	263.9	7	213.2
7	Mitchell	1,251	249.9	10	162.6
8	Macedon Ranges	1,212	232.3	9	174.5
9	Greater Shepparton	1,154	221.4	5	244.3
10	Wodonga	1,082	211.4	8	210.8

NOTE: The above information is drawn from and reliant upon information provided to the VBA by building surveyors who submit information relating to their building permit functions in accordance with the requirements of the *Building Act 1993* and the *Building Regulations 2018*.

For more information visit www.vba.vic.gov.au

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