

Record year for building work in Victoria – 112,900 permits valued at \$36 billion

The value and number of building permits reported to the Victoria Building Authority (VBA) in 2017 was at record levels, with a total of 112,882 permits issued for work valued at \$35.8 billion.

At \$35.8 billion, the value of building permits was 11.7 per cent or \$3.8 billion above last year's record total of \$32.0 billion. It means that in the past decade, the value of building permits in Victoria has doubled from \$18 billion reported in 2007.

The previous highest number of building permits issued in Victoria was 112,420 in 2010. The 2017 total is 2.9 per cent higher than the number for 2016.

Releasing the building permit data for 2017, the VBA notes that in eight of the 12 months the value of the building work was \$3 billion or more, compared with only three months in 2016.

Other key breakdowns of the annual data reveals that all building use categories, except Retail, reported an increased number and value of those building permits. The Domestic (houses) category continued its growth path, rising 10.6 per cent from 2016 levels to reach \$18.6 billion, which represents almost half the value of all building permits reported.

All regions of the state recorded increased building permit activity compared with the previous year, with the growth in both the number and value of building permits in Rural Victoria outstripping growth in the Metropolitan region. The value of building permits outside Melbourne grew 17.3 per cent year-on-year, compared with the Metropolitan region's growth of 10.6 per cent.

According to the VBA, the two building use categories where the strongest growth occurred were Public Buildings, which was up 32.9 per cent and Hospital/Healthcare, which climbed 17 per cent.

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

- Domestic (houses) increased 10.6 per cent to \$18.6 billion
- Residential rose 12.6 per cent to \$6.2 billion
- Commercial increased 6.6 per cent to \$4.5 billion
- Retail rose 5.7 per cent to \$1.8 billion
- Industrial decreased 1.3 per cent to \$615 million
- Hospital/Healthcare increased 17.0 per cent to \$1.1 billion
- Public Buildings increased 32.9 per cent to \$3.0 billion.

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

- Inner Melbourne increased 11.5 per cent to \$16.3 billion
- Outer Melbourne increased 9.5 per cent to \$13.1 billion
- Gippsland decreased 17.5 per cent to \$969 million
- North Central increased 13.2 per cent to \$1.1 billion
- North East increased 18.8 per cent to \$911 million
- North West increased 12.5 per cent to \$1.0 billion
- South West increased 20.8 per cent to \$2.4 billion.

Top 10 municipalities in Victoria by value of building permits reported

Nine of the top 10 municipalities in Victoria reported building permits with a value of more than \$1 billion in 2017:

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|------------------------------------|--|
| 1. Melbourne (\$5.02 billion) | 6. Boroondara (\$1.22 billion) |
| 2. Wyndham (\$2.1 billion) | 7. Hume (\$1.20 billion) |
| 3. Casey (\$1.68 billion) | 8. Glen Eira (\$1.13 billion) |
| 4. Greater Geelong (\$1.6 billion) | 9. Stonnington (\$1.07 billion) |
| 5. Monash (\$1.23 billion) | 10. Mornington Peninsula (\$959 million) |

This 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 2006.

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

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