

Record year for building work in Victoria as permits nudge \$40 billion

Applications for building permits in Victoria continued at record levels in 2018, with the cost of works in permits reported to the Victorian Building Authority (VBA) reaching almost \$40 billion for the first time.

The value of building permits for the 12 months was \$39.6 billion – up 10.7 per cent, or \$3.8 billion, on the previous year's record \$35.8 billion. In addition, the number of building permits for the calendar year also was a record – 113,287, up 0.4 per cent on last year's record 112,882 permits.

Building permit data released by the VBA for 2018 shows that the value of building permits exceeded \$3 billion in 10 of the 12 months, including in August when the figure was almost \$4 billion, the highest monthly total ever. Only three years ago, in 2015, there were no months in which building permit activity reached \$3 billion during the year.

Other key breakdowns of the annual VBA data reveals that all seven building use categories and all seven regions of Victoria reported increased value of building permits. The Domestic (houses) category saw an 8.8 per cent increase in the value of building permits to \$20.2 billion – more than half the total value of building permits – and a 0.4 per cent increase in the number compared to the previous year.

Growth in both the number and value of building permits reported in the Rural regions outstripped the percentage growth in the Metropolitan region (Melbourne). The number of permits reported in the Rural region rose 4.7 per cent, while the number of permits reported in the Metropolitan region fell by 1.6 per cent. By value, Rural increased by 14.3 per cent and Metropolitan rose 9.9 per cent over 2017.

According to the VBA, the two building use categories where the strongest growth occurred were Retail, which was up 24.1 per cent, and Industrial, which climbed 22.6 per cent.

The value of building permits by building use category in 2018 compared with 2017 showed:

- Domestic (houses) increased 8.8 per cent to \$20.2 billion
- Residential rose 3.7 per cent to \$6.4 billion
- Commercial increased 19.0 per cent to \$5.3 billion
- Retail rose 24.1 per cent to \$2.2 billion
- Industrial increased 22.6 per cent to \$755 million
- Hospital/Healthcare increased 6.1 per cent to \$1.2 billion
- Public Buildings increased 16.1 per cent to \$3.5 billion.

The value of building permits by region in 2018 compared with 2017 showed:

- Inner Melbourne increased 12.0 per cent to \$18.2 billion
- Outer Melbourne increased 7.4 per cent to \$14.1 billion
- Gippsland increased 29.0 per cent to \$1.3 billion
- North Central increased 16.5 per cent to \$1.2 billion
- North East increased 13.5 per cent to \$1.0 billion
- North West increased 15.2 per cent to \$1.2 billion
- South West increased 7.3 per cent to \$2.6 billion.

Victoria's billion-dollar municipalities (by value of building permits reported)

Eleven municipalities in Victoria reported building permits with a value of more than \$1 billion in 2018:

Ranking 2018	Municipality Name	No. Permits	Reported Cost of Works (\$M)	Ranking 2017	Reported Cost of Works (\$M)
1	Melbourne	3,372	6,042.0	1	5,019.7
2	Wyndham	6,939	2,222.9	2	2,085.9
3	Casey	6,512	1,756.8	3	1,683.6
4	Greater Geelong	6,074	1,700.8	4	1,573.1
5	Monash	2,866	1,535.5	5	1,228.2
6	Hume	4,799	1,447.1	7	1,198.3
7	Stonnington	1,857	1,354.4	9	1,065.1
8	Boroondara	2,705	1,307.3	6	1,222.7
9	Whittlesea	3,455	1,138.8	11	932.1
10	Mornington Peninsula	4,067	1,097.7	10	959.2
11	Glen Eira	2,082	1,081.5	8	1,129.0

The Top 10 Rural municipalities in 2018, compared with 2017:

Ranking 2018	Municipality Name	No. Permits	Reported Cost of Works (\$M)	Ranking 2017	Reported Cost of Works (\$M)
1	Greater Geelong	6,074	1,701.0	1	1,573.1
2	Ballarat	2,255	548.8	2	481.7
3	Greater Bendigo	2,321	409.8	3	435.1
4	Surf Coast	1,337	390.1	4	288.2
5	Bass Coast	1,498	335.5	7	237.7
6	Baw Baw	1,645	319.7	6	253.8
7	Greater Shepparton	1,149	299.4	5	272.4
8	Macedon Ranges	1,190	285.1	8	210.5
9	Mitchell	1,331	279.8	9	204.5
10	Mildura	1,117	197.9	14	134.4

NOTE: 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 2018*.

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

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