

# Victoria recorded \$19.3 billion worth of building permits during 2008-09.

## 2008-09 building permits report

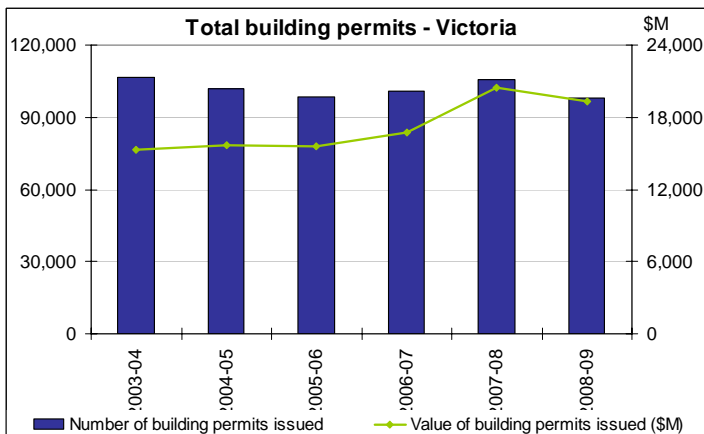
### Victorian building permits overview

The Building Commission collects information from building surveyors on the number, value and type of building permits issued each month.

Building permit data showed Victorian building activity continued to perform strongly in 2008-09, despite being lower than the 2007-08 record breaking levels.

### Victoria's building permits remained strong with \$19.3b worth of permits issued

The value of building permits issued in Victoria reached \$19.3 billion, from 98,113 building permits. Compared with 2007-08, the value of building permits issued eased 6 per cent, and the number issued by 7 per cent. The decrease is due to the economic downturn particularly in the commercial sector.



The recent economic stimulus and a strong first home buyer market has positively influenced July 2009 with a 16 per cent increase in the value of building permits issued compared to July 2008.

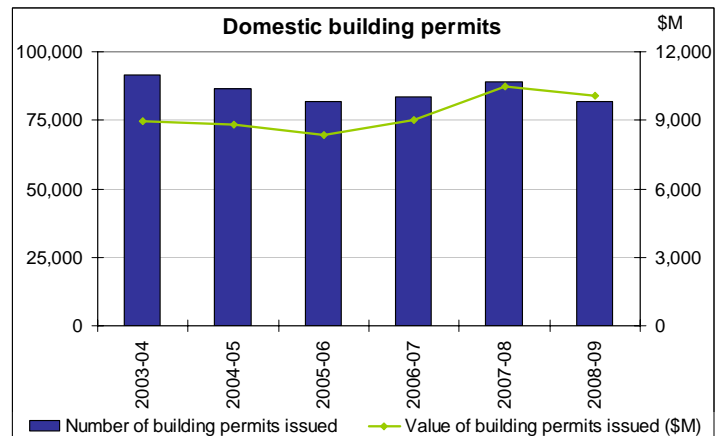
[Link to building permits summary table.](#)

Building permits can be categorised based on the Building Codes of Australia (BCA). Where the building permit is for building work involving more than one building code it is categorised into the main code.

Definitions of building uses can be found on the [terminology](#) page of the pulse° website.

### Domestic building permits

In 2008-09, Domestic building permits represented just over half the value of all building permits issued, reaching \$10.1 billion, down 4 per cent from 2007-08.



With \$756.2 million, the North Central region of Victoria reported a 5 per cent increase in the value of Domestic building permits. There were four building permits valued above \$1 million each in the Shire of Macedon Ranges, two in the Shire of Campaspe, and one each in the Rural City Council of Swan Hill and the Shire of Mount Alexander.

Domestic building permits issued in Outer Melbourne increased by 3 per cent to \$6.7 billion, where 133 building permits were valued at \$1 million or more. The Shire of Mornington Peninsula recorded 43

and the City of Kingston reported 14 building permits valued at \$1 million or more.

The Gippsland region recorded 2 per cent more Domestic building permits to record \$780.0 million. There were seven building permits valued at \$1 million or more, including two in the City of Latrobe and two in the Shire of Bass Coast.

Domestic building permits issued in Inner Melbourne, North East, North West, and the South West regions eased in 2008-09.

Inner Melbourne, which recorded 284 Domestic building permits \$1 million and above, declined by 13 per cent to \$2.7 billion for 2008-09.

The North East region declined by 16 per cent to \$380.2 million and the North West region recorded an 8 per cent drop to \$404.4 million worth of Domestic building permits in 2008-09. There were two \$1 million and above building permits in the North East region, and six in the North West region.

[Link to domestic building permits table by region](#)

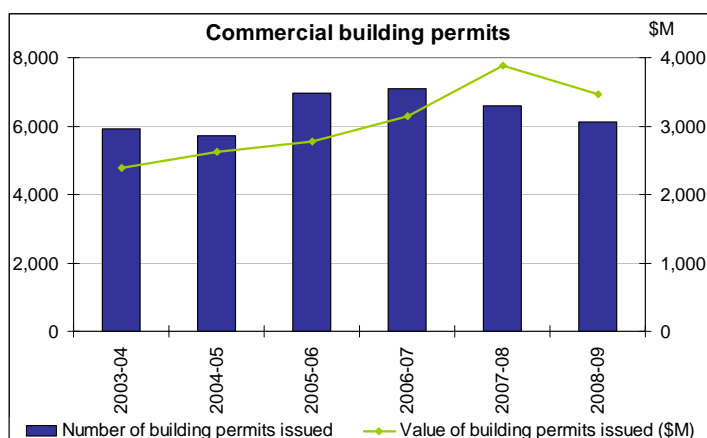
In terms of value, Domestic building permits consisted of 84 per cent New Buildings and 14 per cent Extensions/Alterations. The remaining building permits were made up of Demolitions, Re-erections, Change of Use and Other building permits.

The value of Domestic New Building permits eased slightly by 2 per cent to \$8.5 billion and Domestic building permits for Extensions/Alterations fell 14 per cent to \$1.5 billion in 2008-09.

[Link to domestic building permits table by nature of work](#)

## Commercial building permits

Commercial building permits totalled \$3.5 billion, down 11 per cent on 2007-08. This decrease came off a 23 per cent increase recorded in 2007-08.



Commercial growth was strong in the North Central and the Gippsland regions with growth above 30 per cent each to \$59.9 million and \$52.2 million respectively. There was also a 21 per cent increase in the value of Commercial building permits issued in the North West region with \$81.5 million.

The increased Commercial building permits in the North Central region was attributed to a \$10 million new police station in the City of Swan Hill, and a \$6.1 million administration and medical school building in the City of Greater Bendigo.

The growth in Gippsland included a \$3.2 million Commercial building permit for the demolition of existing and construction of educational facilities in the Shire of Wellington and a \$2.5 million building permit for a community health services building in the City of Latrobe.

The North West region reported a \$9.4 million Commercial building permit for an office/residential building in the Rural City of Mildura, and an office in the City of Ballarat valued at \$3.5 million.

Inner and Outer Melbourne building activity had a large impact on the negative commercial result for 2008-09. Commercial building permits issued in Inner Melbourne fell by 8 per cent to \$2.3 billion, and Outer Melbourne declined 25 per cent to \$736.1 million compared to 2007-08.

Major commercial building permits in Metropolitan Melbourne included \$341 million (from 12 separate building permits) for a new office building in The City of Melbourne and a retail store in the City of Greater Dandenong valued at \$93.9 million.

There was a 30 per cent decline in Commercial building permits in the North East region to \$34.4 million and a 2 per cent fall in the South West region to \$148.0 million.

[Link to commercial building permits table by region](#)

[Link to commercial building permits table by value range](#)

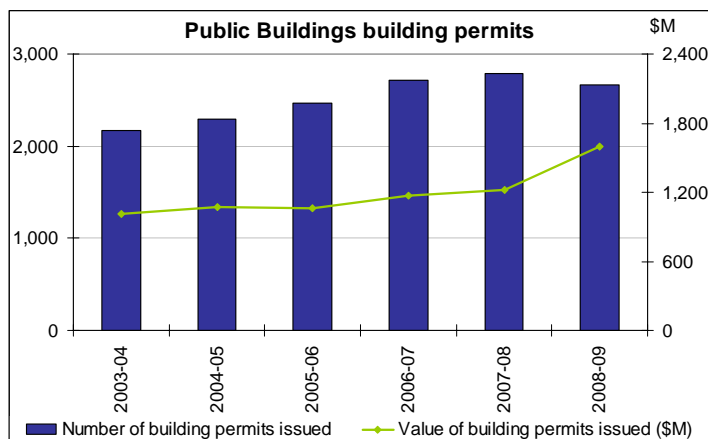
## Public Buildings building permits

Public Buildings was an area of growth in 2008-09. There was \$1.6 billion worth of Public Buildings building permits, up 31 per cent on 2007-08. However, the number of building permits issued eased by 4 per cent.

Growth was recorded in all but the South West region, which fell 10 per cent to \$104.9 million.

The North Central region reported a 150 per cent increase in Public Buildings building permits to \$96.4 million in 2008-09. This included building work at two schools valued at \$21.3 million (from two building permits) and \$19.3 million in the City of Greater Bendigo.

The North West region increased by 47 per cent in 2008-09 to record \$61.5 million worth of Public Buildings building permits. This increase was largely due to significant building permits at schools in the City of Mildura, City of Ballarat and the City of Moorabool which were valued at around \$5 million each.



Inner and Outer Melbourne recorded increases in Public Building work of 41 per cent and 15 per cent to \$784.9 million and \$420.1 million respectively. Major building permits included \$133.4 million (from two building permits) for stadium works and \$23.5 million for a conference hall in the City of Melbourne. There was also \$57.6 million for work at a university in the City of Maribyrnong and \$22.2 million for an aquatic and leisure centre in The City of Casey.

The North East region increased by 34 per cent to \$75.2 million assisted by an education building in the City of Wangaratta valued at \$16.3 million. Also, there was a \$7.3 million Public Buildings building permit for alterations to a university and a \$7.2 million building permit for a new prison in the City of Shepparton.

Public Buildings building permits issued in the Gippsland region increased by 18 per cent to \$7.5 million. Major building permits included two building permits at schools in the Shire of Wellington and the Shire of Bass Coast worth \$3.5 million each.

[Link to Public Buildings building permits table by region](#)

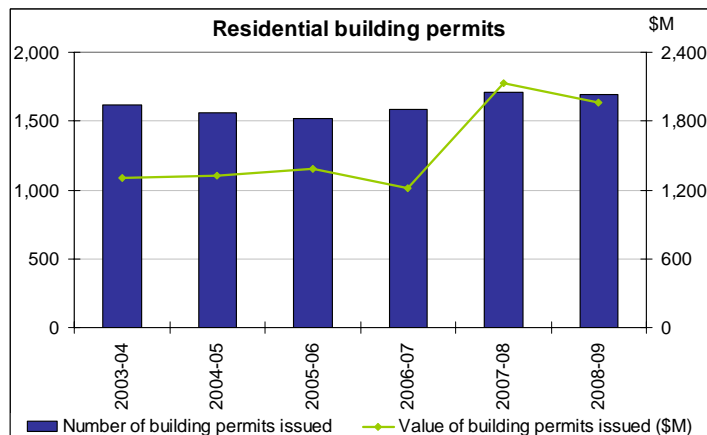
## Residential building permits

Residential building permits eased by 7 per cent to nearly \$2 billion in 2008-09 after a remarkable 76 per cent increase in 2007-08.

Having a large negative impact on Residential building permits was the Outer Melbourne region. In 2008-09 the region recorded a 47 per cent decrease in the value of Residential building permits to \$148.2 million.

The South West and the North West regions reported growth in Residential building permits with 121 per cent and 87 per cent

increases to \$71.0 million and \$25.5 million respectively. Major building permits contributing to these increases included a residential development in the City of Ararat valued at \$11.4 million and another in the City of Mildura valued at \$5.5 million



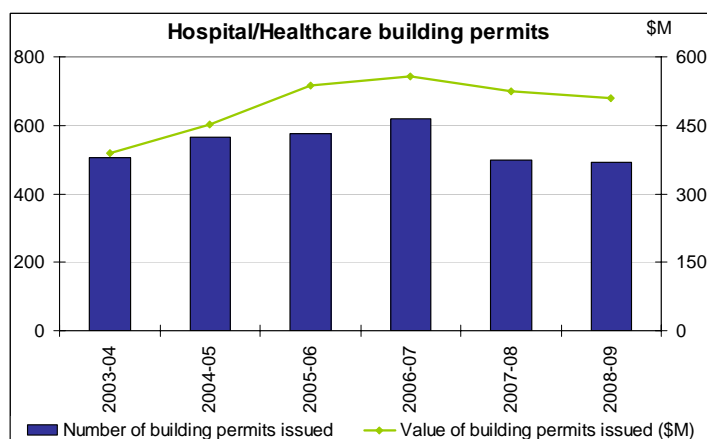
Inner Melbourne eased by 3 per cent to \$1.7 billion, the North East region fell by 62 per cent to \$22.4 million, Gippsland decreased by 14 per cent to \$26.9 million and there were 8 per cent fewer building permits issued in the North Central region with \$8.8 million.

Major Residential building permits issued were in Inner Melbourne where 16 building permits were issued with a value of \$20 million or above each.

[Link to Residential building permits table by region](#)

## Hospital/Healthcare building permits

Hospital/Healthcare building permits remained stable in 2008-09, easing 3 per cent to record \$510.0 million worth of building permits.



The North Central region reported a 131 per cent increase in the value of building permits issued for Hospital/Healthcare building permits. Aged care facilities were the main contributor to the

increase, with a new \$10.0 million facility in The City of Greater Bendigo, an \$8.2 million addition in The Shire of Campaspe and a \$6.6 million new facility in the Shire of Mitchell.

Inner Melbourne also recorded growth in Hospital/Healthcare building permits, with a 56 per cent increase, to \$356.1 million. This growth was largely due to an office, carpark, laboratory Hospital/Healthcare building in the City of Melbourne valued at \$103.8 million.

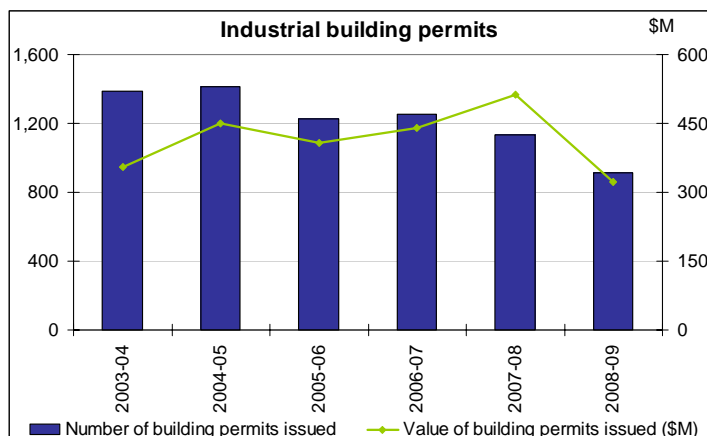
Other regions did not fare as well in Hospital/Healthcare building permits during 2008-09. Gippsland fell 82 per cent to \$3.0 million, North West declined 81 per cent to \$8.9 million, North East decreased by 71 per cent to \$9.2 million, Outer Melbourne eased 56 per cent to \$61.6 million and the South West region fell by 51 per cent to 22.0 million worth of building permits.

Gippsland decreased for two years in a row after doubling in 2006-07, likewise the South West region reported large increases in 2004-05 and 2005-06 and has declined each year since. Outer Melbourne and the North East region come off a large increase in 2007-08.

[Link to Hospital/Healthcare building permits table by region](#)

## Industrial building permits

Industrial building permits declined by 37 per cent to \$322.3 million, in 2008-09, after a 17 per cent increase the previous financial year.



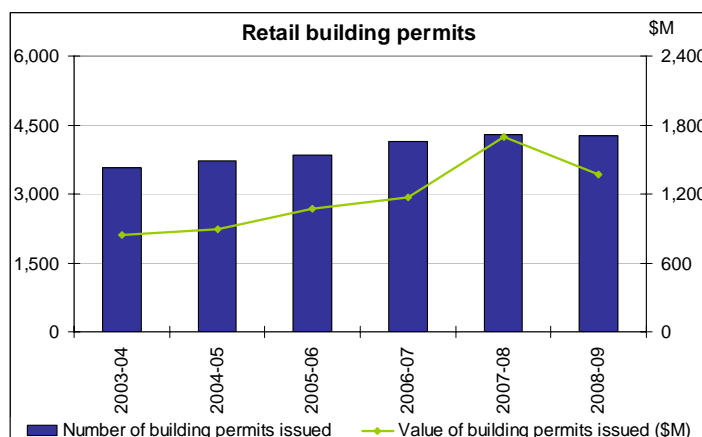
All regions reported a decline in the value of Industrial building permits issued for 2008-09, except for Gippsland who recorded a 1 per cent increase.

Major building permits issued for Industrial building work included an \$18.0 million factory and office building in the City of Knox and a \$16.0 million multi-functional building in the City of Melbourne. Major building permits outside Metropolitan Melbourne included a \$11.6 million industrial building in the Shire of Golden Plains.

[Link to Industrial building permits table by region](#)

## Retail building permits

Retail building permits, while reporting a 20 per cent decline to \$1.4 billion in 2008-09, came off a 45 per cent increase reported in 2007-08.



Despite the overall decline, Inner Melbourne, the North Central and Gippsland regions reported increases in the value of Retail building permits.

Inner Melbourne increased by 40 per cent with \$714.7 million following on from a 37 per cent increase in 2007-08.

Major Retail building permits in Inner Melbourne included a five building permits for shopping centre works in the City of Stonnington in excess of \$10 million each. Six building permits issued for a building comprising of retail, residential and carpark aspects in the City of Melbourne were issued, valued at a \$58.2 million in total. Three Retail building permits were issued for a new retail, carpark and residential building totalling \$39.7 million.

The North Central region increased by 6 per cent to \$56.0 million, largely due to three retail building permits issued in the City of Greater Bendigo valued at \$9.1 million, \$7.3 million and \$3.6 million for Retail building work.

Gippsland also reported an increase with a 2 per cent rise to \$47.9 million worth of Retail building permits. There were two large Extensions/Alterations building permits for the Shire of Wellington and the City of Latrobe valued at \$4.1 and \$4.0 million.

Outer Melbourne recorded a 48 per cent decline in 2008-09 to \$404.8 million, after a 48 per cent increase the previous financial year.

The value of Retail building permits issued in the South West region declined by 71 per cent to \$64.2 million, after reporting a 113 per cent increase in 2007-08.

The North East and the North West regions both recorded declines in Retail building permits. The North East region fell 7 per cent to \$40.9 million and the North West region declined 6 per cent to \$37.0 million in 2008-09.

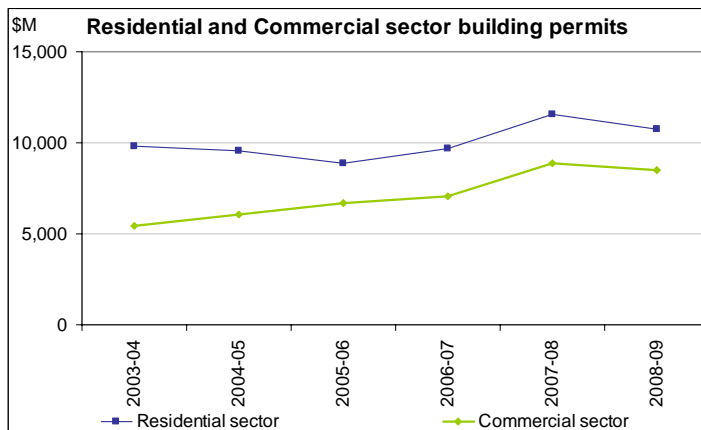
[Link to Retail building permits table by region](#)

## Residential and Commercial sector building permits

The Residential and Commercial sectors are derived by combining Domestic and the smaller Residential projects (up to 4 stories high). The Commercial sector includes all other building permits including Residential over 4 stories high. *More information on this classification can be found on the [terminology](#) page of the pulse° website.*

The Residential sector fell by 7 per cent in 2008-09 to record \$10.8 billion worth of building permits. This follows a 20 per cent increase the previous financial year.

The Commercial sector also recorded a decline in 2008-09. There were 4 per cent fewer building permits in terms of value with \$8.5 billion, following a 26 per cent increase in 2007-08.



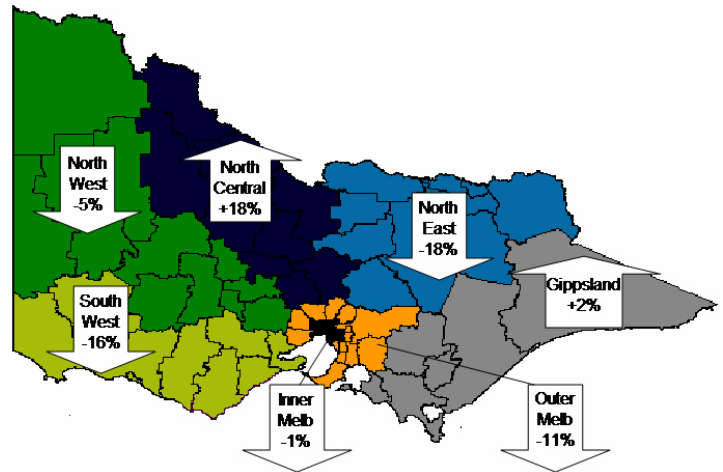
The Residential sector made up 56 per cent of all Victorian building permits while the Commercial sector contributed 44 per cent. These levels are consistent with recent years, however differs from 2003-04 where 64 per cent was Residential and 36 per cent was Commercial.

## Rural and metropolitan building permits

Exploring the regions of Victoria showed all but two regions recorded declines in the value of building permits during 2008-09.

Inner Melbourne was almost level with \$8.6 billion, 1 per cent fewer than in 2007-08, while Outer Melbourne fell by 11 per cent to \$6.7 billion. Regionally, the South West region eased by 16 per cent to \$1.2 billion and the North East region fell by 18 per cent to \$579.7

million. The North Central region increased by 18 per cent to \$756.2 million and Gippsland remained stable with a 2 per cent increase to report \$780.0 million worth of building permits.



The North Central region increase was largely due to increases in Public Buildings, Hospital/Healthcare and Commercial building activity. Public Buildings building permits increased by 150 per cent to record \$96.4 million, Hospital/Healthcare reported a 131 per cent increase with \$49.3 million and Commercial building permits increased by 38 per cent with \$59.9 million.

Domestic building permits in the North Central region remained strong, with a 5 per cent increase to \$470.5 million in 2008-09.

Inner and Outer Melbourne continued to account for a large proportion of Victoria's building work with 79 per cent of the total in terms of value. (Inner Melbourne 44.7 per cent and Outer Melbourne 34.7 per cent). The South West region contributed 6 per cent. Gippsland and the North Central regions reported 4 per cent each and the North East and North West regions accounted for 3 per cent each.

*More detail on reasons for the fluctuations can be found under each building use section.*

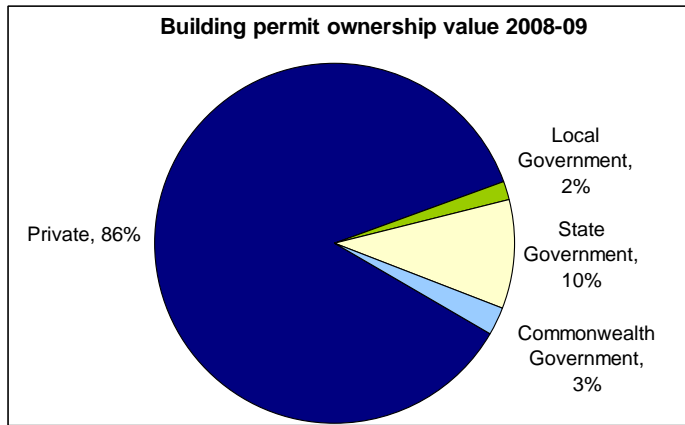
[Link to tables on building activity by region](#)

## Private and public sector building permits

### Private building permits

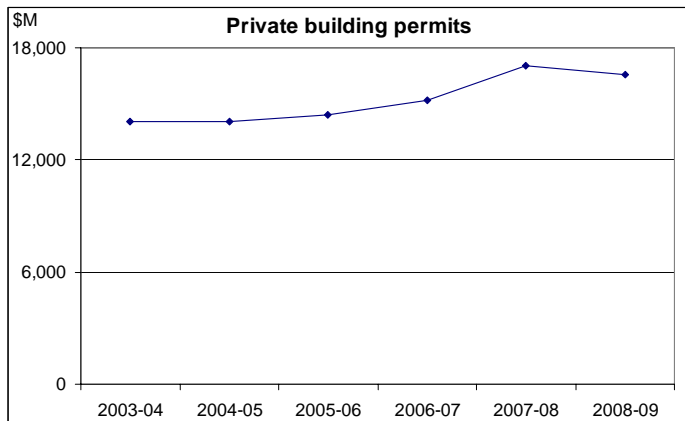
The majority of building permits by value continued to be privately owned, despite easing in 2008-09. Publicly owned building permits performed well, with all areas increasing substantially.

In 2008-09, 86 per cent of building permits were privately owned. State Government accounted for 10 per cent, Commonwealth Government 3 per cent and Local Government contributed 2 per cent during 2008-09.



Private building activity has accounted for above 90 per cent of building permits since records began in 1997. In 2008-09 however this level dropped to 86 per cent of all building permits issued to \$16.6 billion, down 3 per cent on 2007-08 levels.

The Private percentage share has decreased due to falling Private building permits and an increase in the value of Public building permits during 2008-09.



Having a large impact on Private building permits was the 18 per cent decline in Commercial building permits. There were \$2.5 billion Private Commercial building permits issued in 2008-09, compared to \$3 billion in 2007-08. The declines were mainly felt in Inner Melbourne (-20 per cent), Outer Melbourne (-21 per cent) and the North East region (-38 per cent).

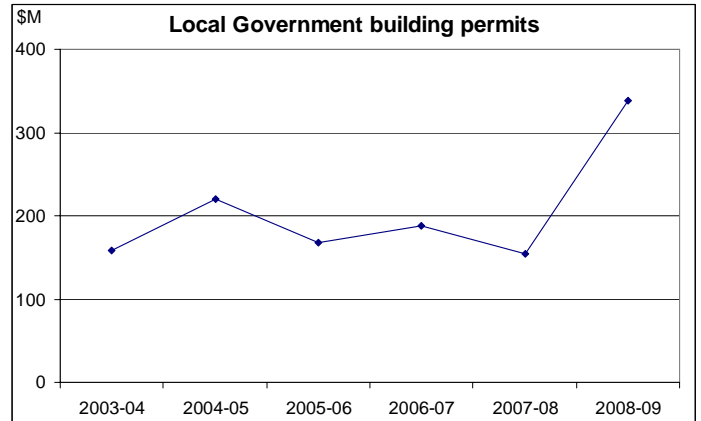
Private Industrial and Hospital/Healthcare building permits also reported large decreases in 2008-09. In value terms, there were 43 per cent fewer Industrial building permits and 32 per cent fewer Hospital/Healthcare building permits issued with \$244.3 million and 243.8 million respectively.

Despite these downfalls, Private Domestic building permits performed well, recording \$9.9 billion up 5 per cent on 2007-08. Outer Melbourne increased 13 per cent to \$4.7 billion, North Central

increased 15 per cent to \$460.9 million and Gippsland increased 9 per cent to \$556.6 million during 2008-09.

### Local Government building permits

Local Government building permits increased by 120 per cent in 2008-09 to record \$338.8 million worth of building permits.



Contributing to this growth were building permits in Retail, Commercial, Public Buildings and Domestic building permits.

Retail building permits commissioned by Local Government increased by 241 per cent in 2008-09 to \$21.9 million, mainly in Outer Melbourne, North West and the South West region.

Local Government Commercial building permits increased by 166 per cent to \$51.9 million. This increase was felt in the South West, Gippsland and the Inner Melbourne regions.

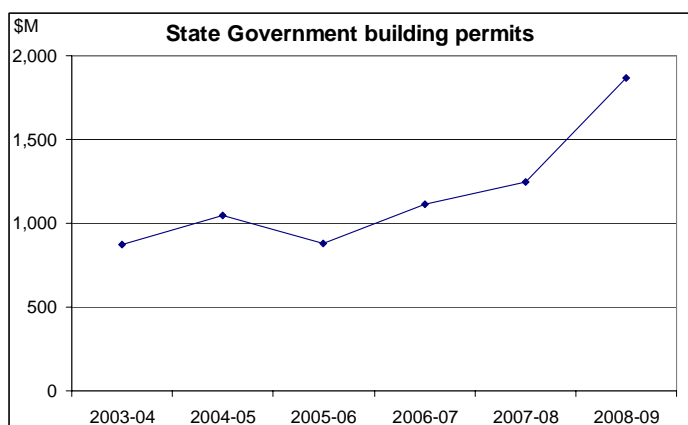
Public Buildings by Local Government recorded a 123 per cent increase to \$244.2 million, impacted by Gippsland, Outer Melbourne and the North West region.

Local Government also contributed \$18.5 million towards Domestic building permits, up 25 per cent on 2008-09, in the North Central, Gippsland and Inner Melbourne regions.

### State Government building permits

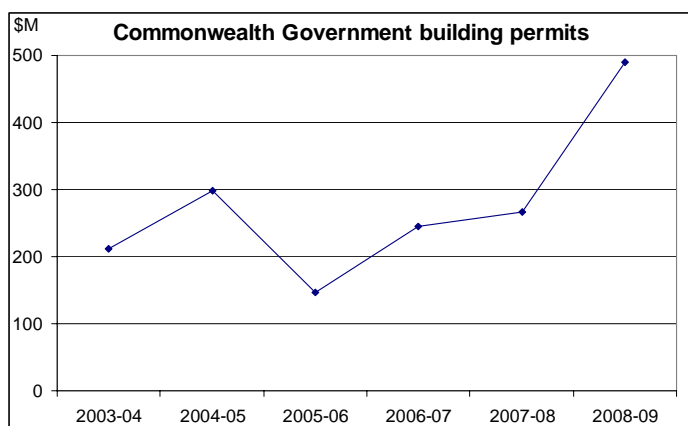
State Government building permits reported a 50 per cent increase in 2008-09 to record \$1.9 billion worth of building permits.

The State Government increase was due to increases in building permits issued for Public Buildings, Industrial, Commercial and Hospital/Healthcare building work. Public Buildings recorded the biggest change with a 133 per cent increase to \$655.9 million due to large increases in Inner Melbourne and the North Central regions.



### Commonwealth Government building permits

Commonwealth Government building permits reported an 84 per cent increase in 2008-09 to record \$490.1 million worth of building permits.



Commonwealth building permits recorded a 200 fold increase in the value of Hospital/Healthcare building permits to report \$103.8 million (all in Inner Melbourne).

Domestic Commonwealth building permits increased by 879 per cent to \$13.2 million, due to large increases in the Outer Melbourne, North West, North East and the South West regions.

Commercial Commonwealth building permits also increased significantly, with a 208 per cent increase to \$169.5 million, mainly due to increased activity in Inner Melbourne.

[Link to building permits table by ownership](#)

### Building permits by municipality

The City of Melbourne recorded the most (in value) of all municipalities in terms of building permits issued. There was a 9

per cent increase in the value of building permits issued in the municipality with \$3.4 billion during 2008-09.

The City of Wyndham also performed strongly with a 12 per cent increase to record \$1.0 billion worth of building permits for the financial year.

### Top ten metropolitan municipalities

Locality	Municipal building permit totals	
	Number	Value (\$,000)
Melbourne (C)	2,864	3,398,118
Wyndham (C)	4,951	1,005,167
Whittlesea (C)	3,616	717,438
Casey (C)	4,587	694,729
Boroondara (C)	2,730	642,126
Stonnington (C)	1,596	632,574
Melton (S)	3,018	564,306
Mornington Peninsula (S)	3,676	563,279
Bayside (C)	1,837	535,206
Hume (C)	2,485	479,974

C = City Council, S = Shire Council

Of the rural areas, The City of Greater Geelong again took the lion's share with \$673.0 million worth of building permits, despite falling 21 per cent. Greater Bendigo performed well, recording a 32 per cent increase with \$352.7 million.

### Top ten rural municipalities

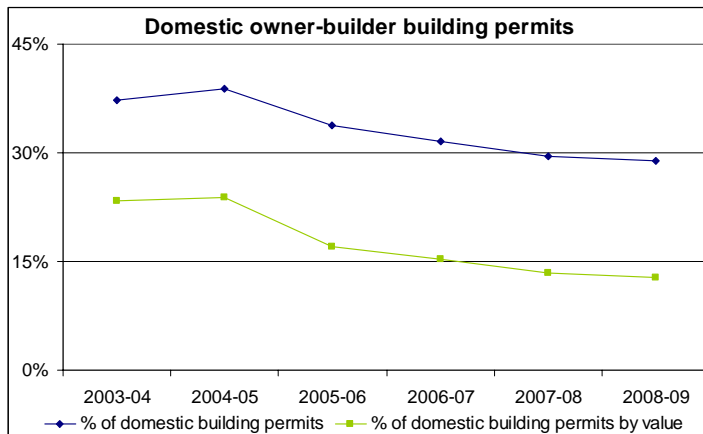
Locality	Municipal building permit totals	
	Number	Value (\$,000)
Greater Geelong (C)	4,294	673,025
Greater Bendigo (C)	2,372	352,694
Ballarat (C)	2,007	276,566
Baw Baw (S)	1,241	166,454
Latrobe (C)	1,465	160,861
Greater Shepparton (C)	1,267	159,900
Surf Coast (S)	903	151,245
Bass Coast (S)	1,172	141,522
East Gippsland (S)	1,090	120,990
Macedon Ranges (S)	936	118,114

C = City Council, S = Shire Council

[Link to building permits by municipality](#)

## Owner-builders

There were 10 per cent fewer Domestic owner-builder building permits issued in 2008-09, with 23,700 permits issued. The value of these permits fell by 9 per cent to \$1.3 billion.



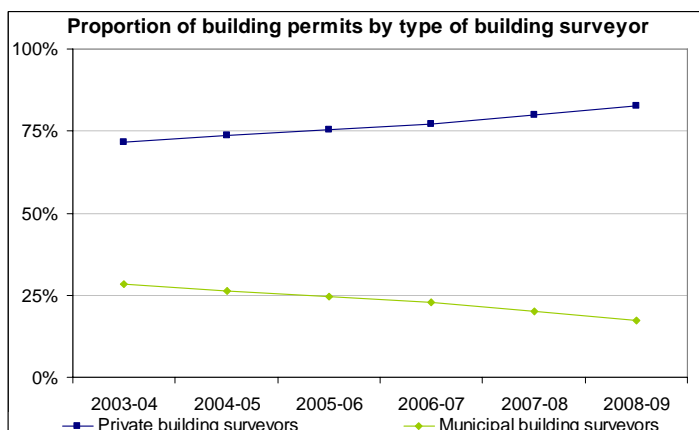
Most of these were New Buildings, \$946.4 million, and Extensions and Alterations, \$319.8 million. This equated to 29 per cent of all Domestic building permits and 13 per cent of their value.

This level has dropped since a high in 2004-05 of when 39 per cent of all Domestic building permits were owner-builder.

[Link to owner-builder table](#)

## Building permits by status of issuer

The number of building permits issued by private building surveyors has increased while the number issued by municipal building surveyors has decreased.



In 2008-09, 83 per cent of all building permits were issued by private building surveyors and 17 per cent by municipal building surveyors.

In terms of value, private building surveyors also issued the higher valued building permits. Building permits issued by private building surveyors had an average value of \$219,000 in 2008-09, whereas building permits issued by municipal building surveyors averaged at \$89,000.

[Link to building permits by status of issuer table](#)

For more information and building permit statistics visit [www.pulse.buildingcommission.com.au](http://www.pulse.buildingcommission.com.au)