

Assessment of Victorian Building Authority Permit Data

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Introduction

The Victorian Building Authority is responsible for registering building practitioners and administering residential building.

As part of this process every building permit issued in Victoria is required to be registered with the VBA and a registration levy paid. The permits capture data on a range of matters which is available in the public domain. The data provided in relation to each building permit is not always complete but in general includes:

Building Classification (Class 1 to 10)
Materials for the floor
Materials for the frame
Materials for the roof
Materials for the wall
Work activity (New, Extension, Alteration)

To track the level of steel framing penetration in the Victorian market an analysis has been undertaken of the VBA data for the Calendar years 2017 – 2022.

The search criteria used were:

Building Classification – covering Class 1A and Class 1Ai – Detached houses
Materials for the frame – sorted for all materials including Steel and Timber
Work activity – New Building
Permit stage – 0 reflecting single project

Market share comparisons have been undertaken on net total projects basis where projects with no framing material listed have been deleted.

- Permits have a category for Class 1A which in theory could pick up both detached (1Ai) and town houses (1Aii). it has been assumed 1A is detached homes and combined the sort with 1Ai to arrive at detached homes permits.

The VBA data should represent 100% of permits issued as all permits need to be lodged with the VBA and a permit fee paid and the data sets reconcile well with the ABS housing starts data.

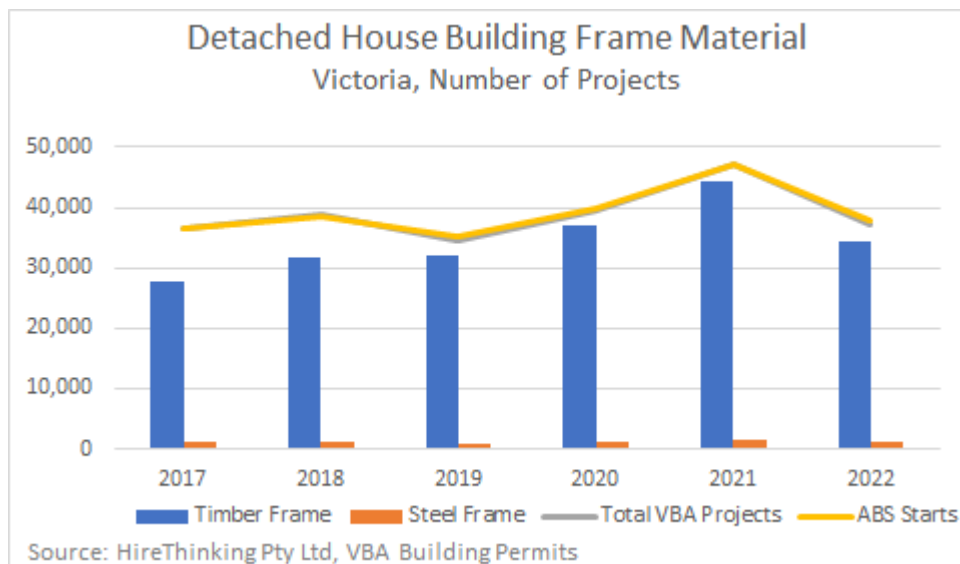
Data Reconciliation

Detached Houses	Total VBA Projects	ABS Starts
2017	36588	36609
2018	38810	38405
2019	34550	35346
2020	39498	40010
2021	47270	47038
2022	37114	37724

Results

Market Share

Over the past 6 years the relative market share has remained relatively stable.



Detached Houses	No Material	Total VBA Projects	Net Total	Timber	Steel	Timber % share	Steel % share
2017	7573	36588	29015	27738	1059	95.6%	3.6%
2018	5727	38810	33083	31689	1162	95.8%	3.5%
2019	884	34550	33666	32067	1005	95.3%	3.0%
2020	831	39498	38667	37035	1187	95.8%	3.1%
2021	1153	47270	46117	44279	1438	96.0%	3.1%
2022	865	37114	36249	34326	1280	94.7%	3.5%

BIS Oxford Home Improvements & New Dwellings research 2023

Report published by FWPA

Survey profile n=251

Respondents, by profession, 2022

	Total	New South Wales			Victoria			Queensland			SA	WA
		Total	Metro	Regional	Total	Metro	Regional	Total	Metro	Regional	Total	Total
Builders												
Respondents	191	49	36	13	54	35	19	43	29	14	17	28
%	76	69	77	54	79	74	90	78	85	67	81	78
Architects												
Respondents	30	6	4	2	11	9	2	5	3	2	4	4
%	12	8	9	8	16	19	10	9	9	10	19	11
Designers												
Respondents	30	16	7	9	3	3	0	7	2	5	0	4
%	12	23	15	38	4	6	0	13	6	24	0	11
Total	251	71	47	24	68	47	21	55	34	21	21	36
%	100	100	100	100	100	100	100	100	100	100	100	100

Note: NSW metro includes ACT.

The recent report shows the national market share for timber declining from 95% to 90%.

	2016	2018	
	Total	Total	Total
Timber	95	87	90
Steel	5	13	10
Total	100	100	100

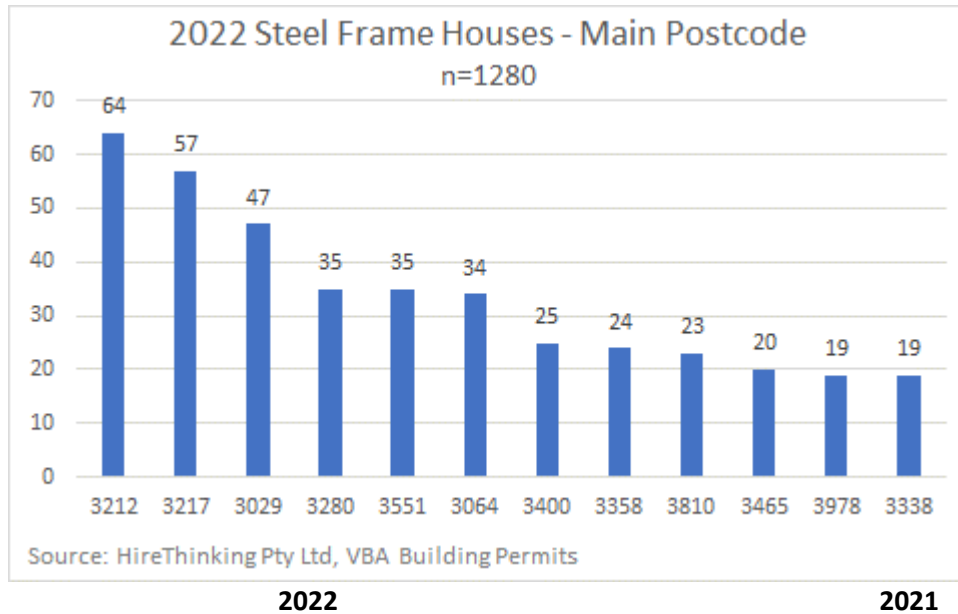
The break down by states for 2022 shows Queensland with the largest uptake of steel framing at 16%.

2022											
Total	New South Wales			Victoria			Queensland			SA	WA
	Total	Metro	Regional	Total	Metro	Regional	Total	Metro	Regional	Total	Total
90	90	89	92	92	93	92	84	86	81	93	92
10	10	11	8	8	7	8	16	14	19	7	8
100	100	100	100	100	100	100	100	100	100	100	100

The Victorian data shows steel penetration slightly higher (8%) than the VBA official data for 2022 (3.5%).

Projects by major postcodes

Building projects using steel framing is concentrated in a small number of areas. A comparison between 2022 and 2021 by postcode shows the highest concentration in regional growth centres.



Postcode	Frequency		Postcode	Frequency
3212	64		3350	66
3217	57	←	3217	64
3029	47	←	3064	53
3280	35	←	3029	41
3551	35	←	3551	40
3064	34	←	3631	38
3400	25		3844	37
3358	24		3030	31
3810	23		3280	25
3465	20	←	3977	23
3978	19		3810	22
3338	19		3305	19
			3465	19
			3630	19

3217 Armstrong Creek City of Greater Geelong
 3029 Truganina City of Wyndham
 3280 Warrnambool City of Warrnambool
 3551 Epsom City of Greater Bendigo
 3064 Mickleham City of Whittlesea
 3465 Maryborough Shire of Central Goldfields

Attachment 1 - HIA/ACI 2015 Survey Results

The HIA/ACI report indicates that building work undertaken by the survey respondents accounted for around 11.2 per cent of detached houses (Class 1) built in 2015. Specifically for Victoria the HIA/ACI survey covered 8.8% of detached houses (2,926 homes out of 33,211 house starts).

HIA/ACI 2015 Survey Results

Survey Result - Detached Houses by Structural Framing

		Timber	Lightweight Steel	Double Brick	Total	Dwelling Starts (CY2015)	Survey Sample
New South Wales*	Number	6,780	1,265	45	8,090	25,208	32.1%
	% of state	84%	16%	1%			
Victoria	Number	2,716	173	37	2,926	33,211	8.8%
	% of state	93%	6%	1%			
Queensland	Number	2,944	322	6	3,272	22,008	14.9%
	% of state	90%	10%	0%			
South Australia	Number	986	128	54	1,168	7,281	16.0%
	% of state	84%	11%	5%			
Western Australia	Number	54	75	162	291	20,589	1.4%
	% of state	19%	26%	56%			
Tasmania	Number	478	6	10	494	2,268	21.8%
	% of state	97%	1%	2%			
Northern Territory	Number	6	-	-	6	926	0.6%
	% of state	100%	0%	0%			
Australian Capital Territory	Number	95	0	2	97	1,151	8.4%
	% of state	98%	0%	2%			
Total	Number	14,059	1,969	317	16,345	112,642	14.5%
	% of total	86%	12%	2%			
Market size adjusted**	% of total	76%	13%	11%			

Source: ACI

*Survey sample for NSW includes additional survey of activity by large builders.

**To account for varying sample coverage in each state, survey responses for each state are weighted to reflect the state's actual market share.

The 2015 survey report included an analysis of the Building Permits issued by the VBA.

Building Permits Issued in Victoria by Frame Material (2015)

Metropolitan	Timber	Steel	Aluminium	Other	Total
Class 1	14,573	139	9	4	14,725
Class 2	117	9		2	128
Rural					
Class 1	5,761	458		9	6,228
Class 2	6	1			7
Total					
Class 1	20,334	597	9	13	20,953
Class 2	123	10		2	135

Source: ACI, Victorian Building Authority

Note: This is a count of building permits issued for the construction of Class 1 and 2 buildings of one, two and three storeys for which there was a sufficient record in the Victorian Building Authority's Building Permit Activity database for 2015. The count permits does not equate to the number of dwellings as a single permit may relate to a project with a number of dwellings

This does not fully reconcile with the current analysis undertaken of that data.

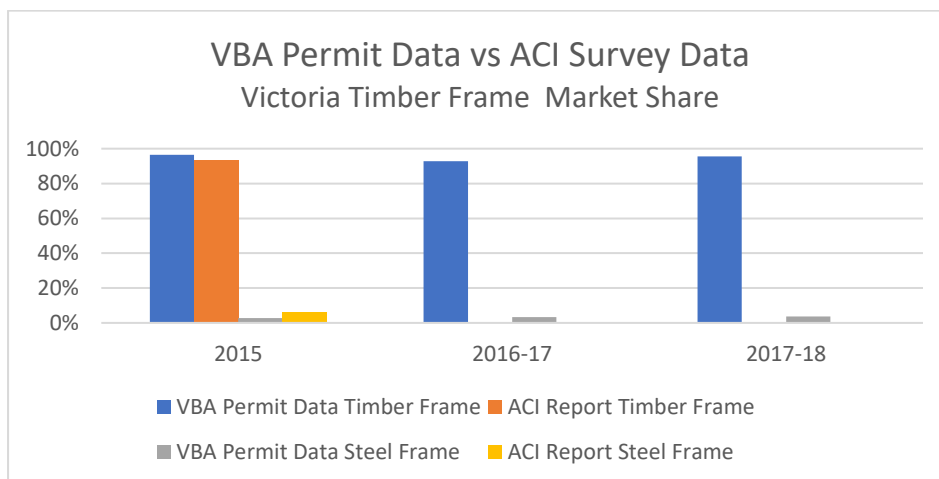
ACI Report Total Class 1 Permits	20,953
Some VBA Permit Data Class 1	24,714

Some of the variation may reflect the reality that up to 20% of the permits registered do not provide any materials information.

VBA Permit Analysis

An analysis of the VBA data shows only a minor change in framing materials usage.

ABS Approvals	2015	2016-17	2017-18
Class 1A	34430	35884	39603
VBA Permits			
VBA Class 1A	32917	35018	43144
Zero Returns	8202	7466	9323
Net Returns	24714	28378	33820
Analysis			
Timber Frame	23859	26342	32320
Steel Frame	700	960	1231
% Timber to Net	96.54%	92.83%	95.56%
% Steel to Net	2.83%	3.38%	3.64%



Based on the official permit data for Victoria Timber frame market share in 2017-18 was 95.6% a slight decline from 2015 which was 96.5%. This compares to the HIA/ACI 2015 survey which indicated Victorian timber frame market share was 93%.