BUILDING ACTIVITY IN SYDNEY AND MELBOURNE

INTRODUCTION

This article provides a comparison of building activity for Sydney and Melbourne Statistical Divisions from 1993–94 to 2000–01. The data were obtained from the quarterly Building Activity Survey.

In both cities, the proportion of new houses completed has decreased in favour of other residential dwellings (e.g. semi-detached buildings, flats, units, apartments). In Sydney the proportion of houses to total dwelling units completed has dropped to below 50%, and in Melbourne the proportion has fallen to about 70%.

HOUSES AND OTHER RESIDENTIAL DWELLINGS

The table below shows that the proportion of houses to total dwelling units is greater in Melbourne than Sydney, but the trend is declining for both capital cities. Sydney recorded a decrease in the proportion of houses built from 52.2% in 1993–94 to 44.9% in 2000–01 whereas Melbourne decreased from 86.5% to 70.8%, with much of the decrease occurring in 1996–97.

Overall, the number of dwelling units completed has been slightly higher in Sydney than Melbourne in recent years. However, the number of houses built is significantly higher in Melbourne, whereas the number of other residential dwellings is much greater in Sydney.

DWELLING UNITS COMPLETED, By capital city

	New houses		*New other residential buildings*		*Total new dwelling units*
Period	no.	%	no.	%	no.
SYDNEY					
1993–94	12 255	52.2	11 235	47.8	23 490
1994–95	13 592	52.7	12 220	47.3	25 812
1995–96	12 643	45.7	14 998	54.3	27 641
1996–97	11 438	45.9	13 502	54.1	24 940
1997–98	12 904	50.1	12 863	49.9	25 767
1998–99	13 910	44.9	17 066	55.1	30 976
1999–00	14 977	45.1	18 218	54.9	33 195
2000–01	12 933	44.9	15 766	55.1	28 599
MELBOURNE					
1993–94	17 543	86.5	2 732	13.5	20 275
1994–95	18 449	87.7	2 599	12.3	21 048
1995–96	14 970	84.8	2 682	15.2	17 652
1996–97	11 768	69.4	5 191	30.6	16 959
1997–98	16 086	72.6	6 060	27.4	22 146
1998–99	18 955	74.5	6 484	25.5	25 439
1999–00	22 411	74.9	7 520	25.1	29 931
2000–01	20 591	70.8	8 497	29.2	29 088

The trend away from houses to other residential dwellings is expected to continue in the next few years, as evidenced by approvals and commencement data since 2000–01.

OTHER RESIDENTIAL DWELLINGS—NUMBER OF STOREYS

There has been a clear trend towards flats, units or apartments in buildings of four or more storeys. The table below shows that this category has trended strongly upwards in Sydney from 5.1% of all dwelling units completed in 1993–94 to 26.5% in 2000–01, whereas in Melbourne there has been a more gradual increase from 2.0% to 11.4%.

Over the same period, both semi-detached buildings of one storey, and flats, units or apartments of one or two storeys, have trended downwards in Sydney, but there are no strong trends for these categories in Melbourne.

The trend towards other residential dwellings in buildings of four or more storeys is expected to continue in the next few years as evidenced by approvals and commencements data since 2000–01.

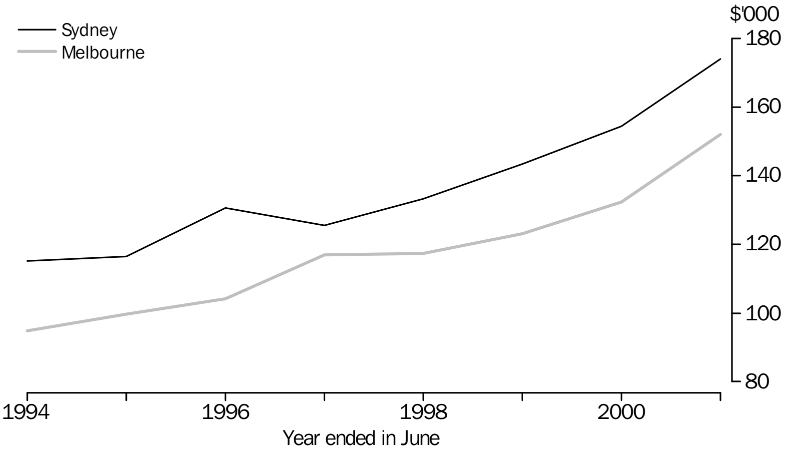
OTHER RESIDENTIAL AS PERCENTAGE OF TOTAL RESIDENTIAL DWELLINGS COMPLETED

	SEMI-DETACHED, ROW OR TERRACE HOUSE, TOWNHOUSE......		FLATS, UNITS OR APARTMENTS IN A BUILDING OF.............			
	1 Storey	*2 or more storeys*	*1 or 2 storeys*	*3 storeys*	*4 or more storeys*	*New other residential building*
Period	%	%	%	%	%	%
SYDNEY						
1993–94	17.5	7.9	12.3	5.1	5.1	47.8
1994–95	14.2	9.6	8.1	6.1	9.3	47.3
1995–96	12.4	11.7	7.1	6.6	16.5	54.3
1996–97	9.3	12.4	7.7	10.1	14.6	54.1
1997–98	6.5	12.4	7.0	10.9	13.1	49.9
1998–99	5.8	11.4	5.0	10.5	22.3	55.1
1999–00	5.1	12.6	3.2	8.2	25.7	54.9
2000–01	5.0	11.3	4.0	8.3	26.5	55.1
MELBOURNE						
1993–94	5.7	3.3	0.2	2.3	2.0	13.5
1994–95	4.9	3.6	0.8	0.8	2.2	12.3
1995–96	5.8	3.8	0.8	0.9	3.8	15.2
1996–97	12.4	5.9	1.0	1.4	9.9	30.6
1997–98	11.8	7.3	1.1	1.2	5.9	27.4
1998–99	8.8	8.0	1.5	2.0	5.2	25.5
1999–00	7.2	7.9	1.6	1.2	7.3	25.1
2000–01	6.3	8.4	1.5	1.7	11.4	29.2

AVERAGE VALUE OF HOUSES

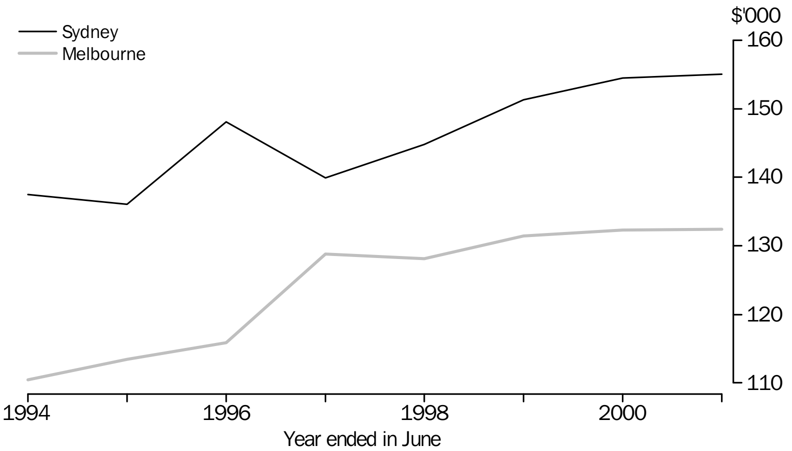
The following graph shows that the average value of new houses completed in current prices has gradually increased in both capital cities. Despite a slight drop in value in 1996–97, the average value of a new house has steadily risen for Sydney from $115,105 in 1993–94 to $174,071 in 2000–01. In Melbourne the average value has increased from $94,797 to $151,909.

AVERAGE VALUE PER NEW HOUSE COMPLETED, By capital city



The graph below presents the average value of new houses completed in chain volume terms. The chain volume estimates measure the change in value after the direct effects of price changes have been eliminated. As with the original value, Sydney has been above Melbourne but figures have remained relatively stable for both cities from 1998–99.

AVERAGE VALUE PER NEW HOUSE COMPLETED, Chain volume terms(a), By capital city

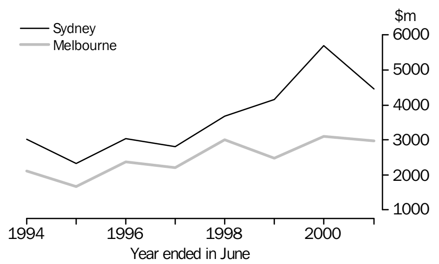


(a) Chain volume measures, reference year 1999–00.

VALUE OF NON-RESIDENTIAL BUILDING

The total value for non-residential buildings completed has been greater in Sydney than Melbourne.

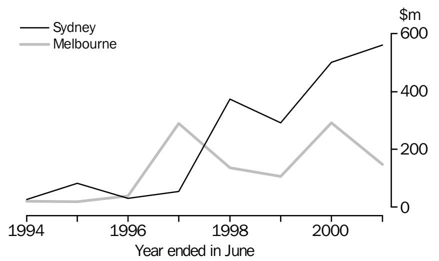
VALUE OF NON-RESIDENTIAL BUILDING



In Sydney the value of non-residential building rose strongly from 1996–97 to 1999–00 with a drop in 2000–01. Melbourne's value has steadily grown from 1994–95.

The main categories of building contributing to these movements are hotels, entertainment/recreation and offices. These are highlighted below.

VALUE OF HOTELS ETC.

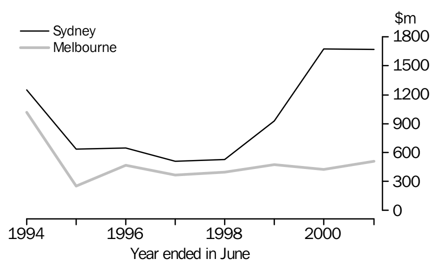


Despite a slight drop in 1998–99, the value of hotels etc. generally rose in Sydney from 1995–96. Values for Melbourne have tended to fluctuate over the period.

VALUE OF ENTERTAINMENT AND RECREATIONAL BUILDINGS

Large fluctuations in values for entertainment and recreational buildings have occurred for both capital cities. Sydney's activity increased from 1996–97 to 1999–00, which coincided with the lead up to the Olympic Games. Melbourne's activity peaked in 1997–98.

VALUE OF OFFICES



Both Sydney and Melbourne had significant declines in the value of office buildings completed in 1994–95. In Sydney, activity began to pick up in 1998–99, whereas in Melbourne it remained relatively flat.

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