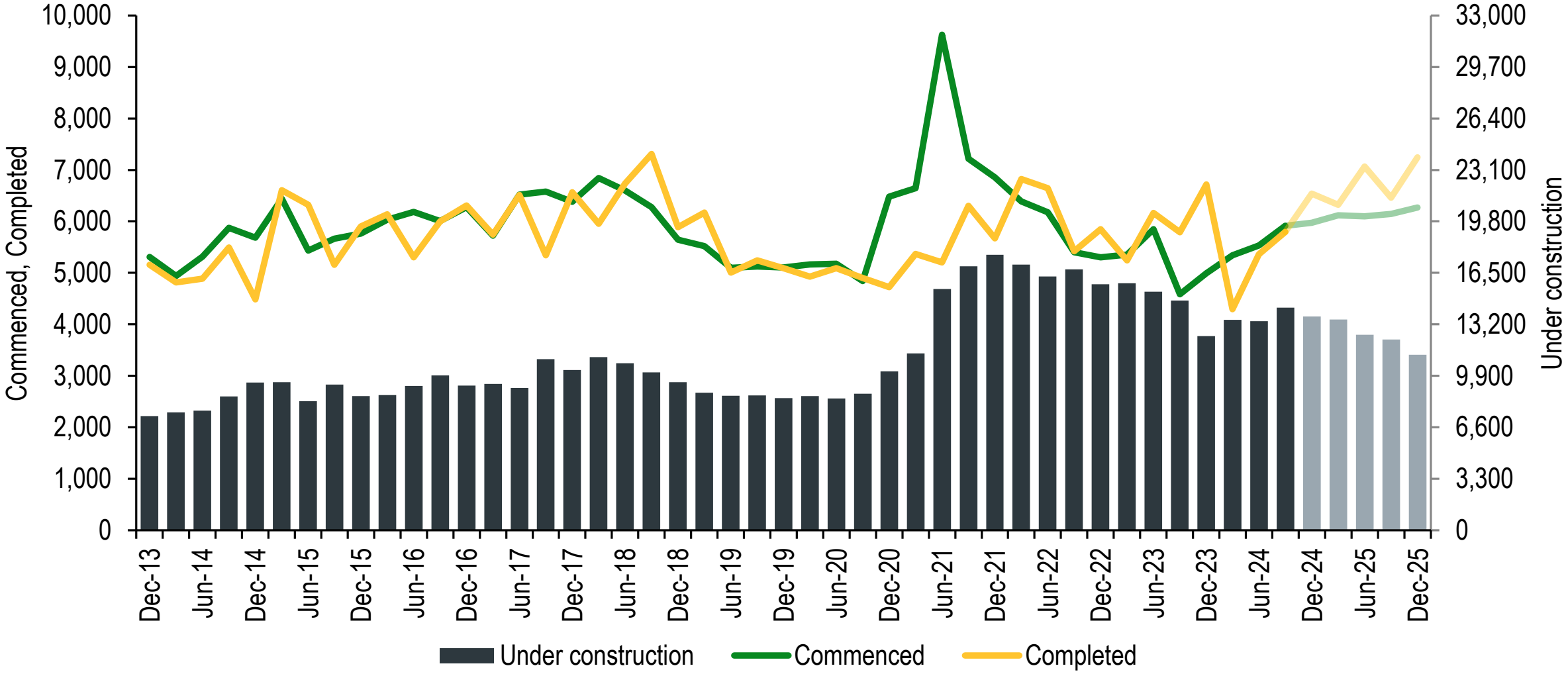

HIA
STATE OF THE NATION
RESIDENTIAL BUILDING LEADERS OUTLOOK
Tuesday 18 March
Brisbane

Download presentation

Pipeline remains elevated in QLD

HIA Forecasts: Building Activity Pipeline - QLD Houses

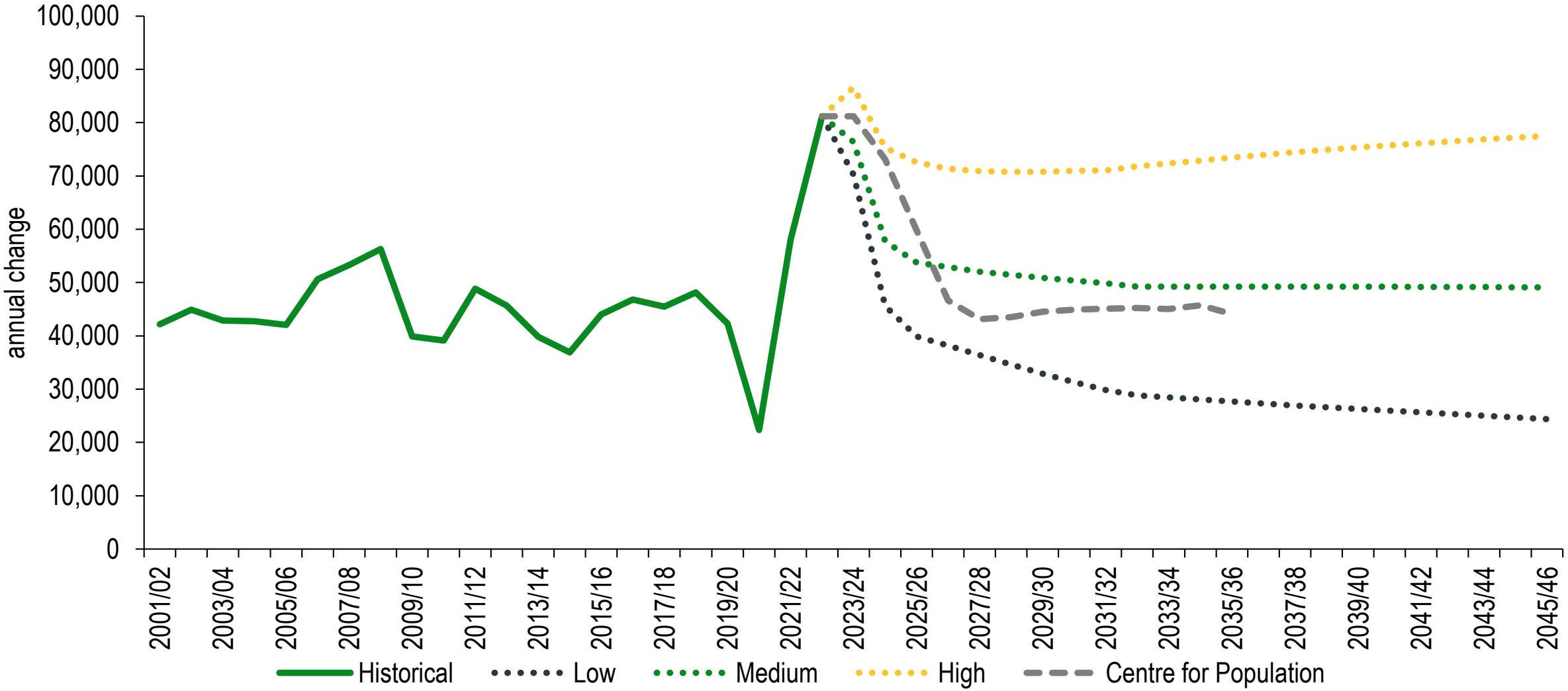
Source: HIA Economics, ABS 8752.0, ABS 8731.0



Population

QLD Government Population Projections - Greater Brisbane

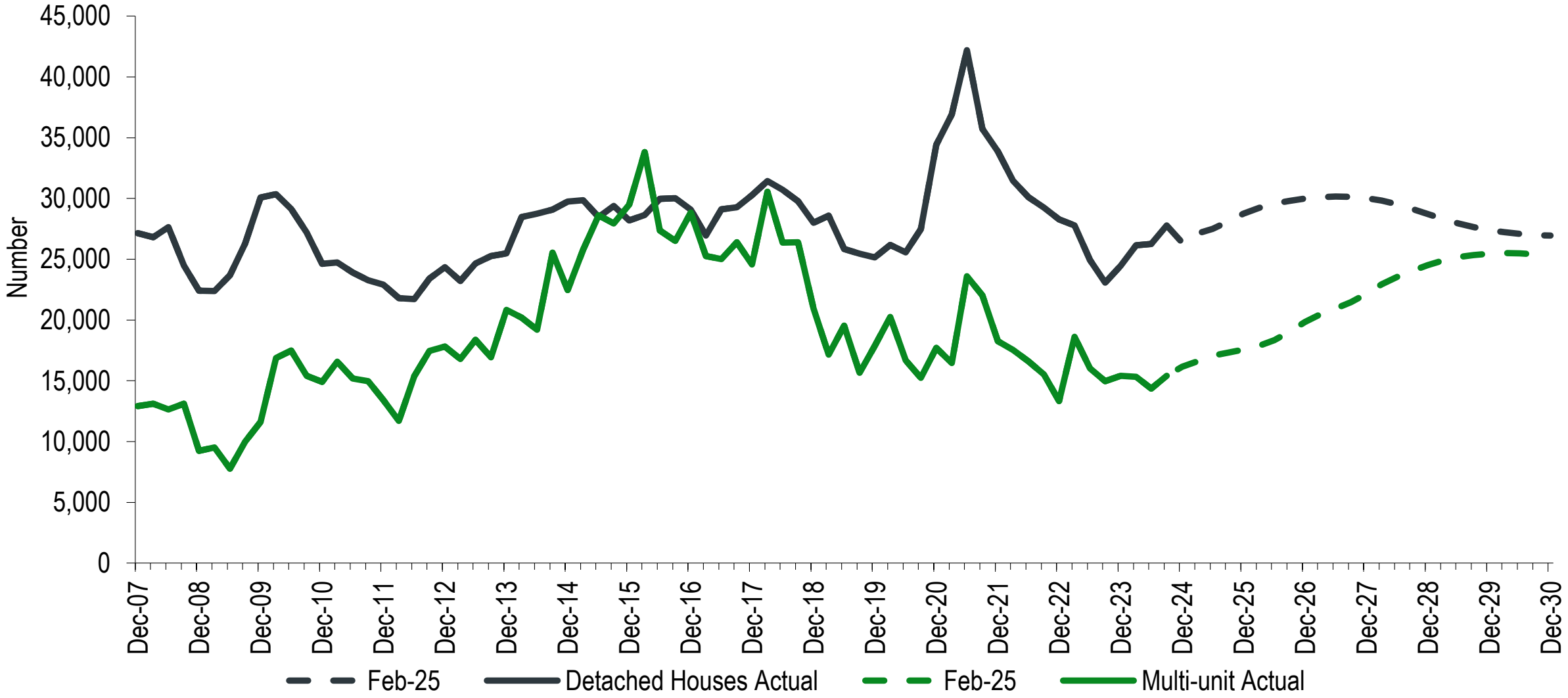
Source: Queensland Treasury Population Projections (2023 Update)



Past the worst - Except for Sydney

HIA Forecast - Australia

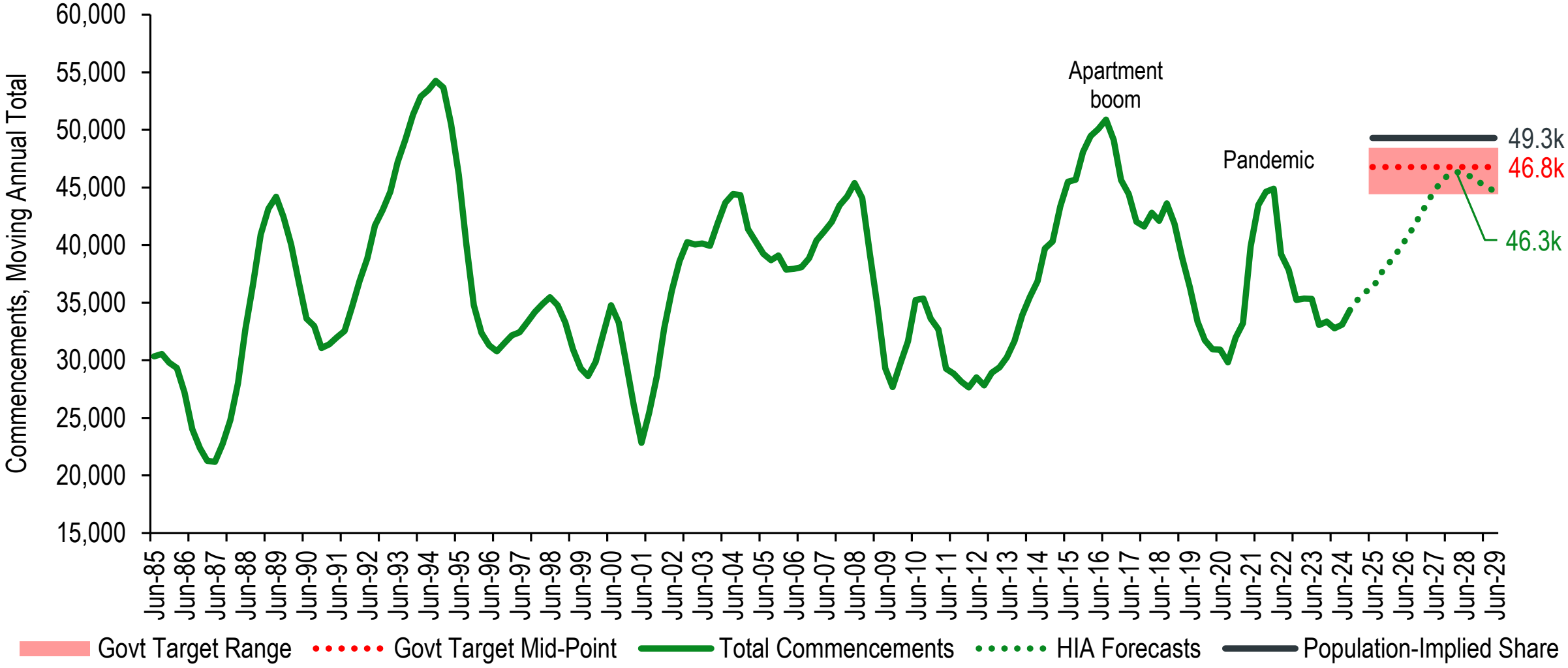
Source: HIA Economics



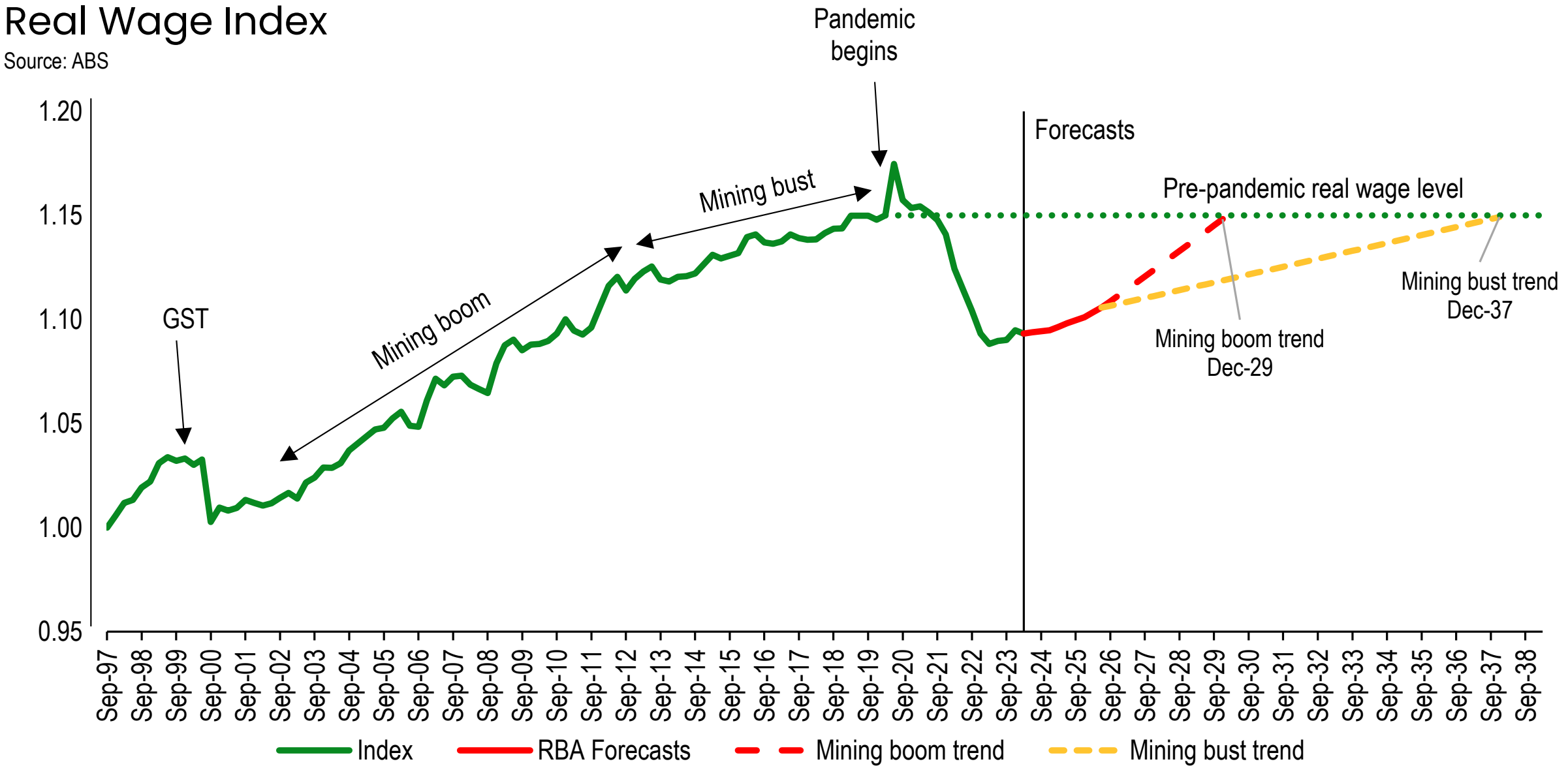
QLD needs to build an Olympic village

1.2 million homes: QLD

Source: HIA Economics

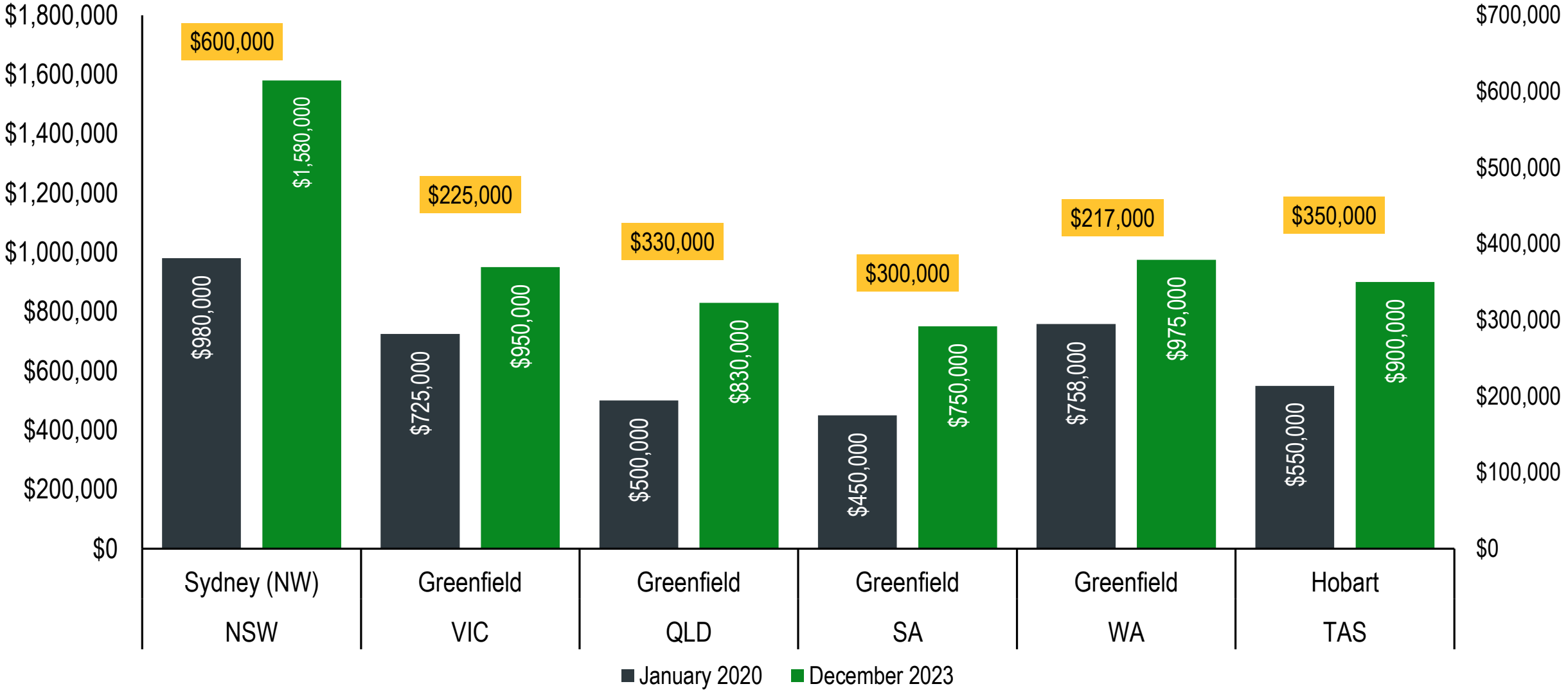


Households are in a recession



New homes are increasingly expensive!

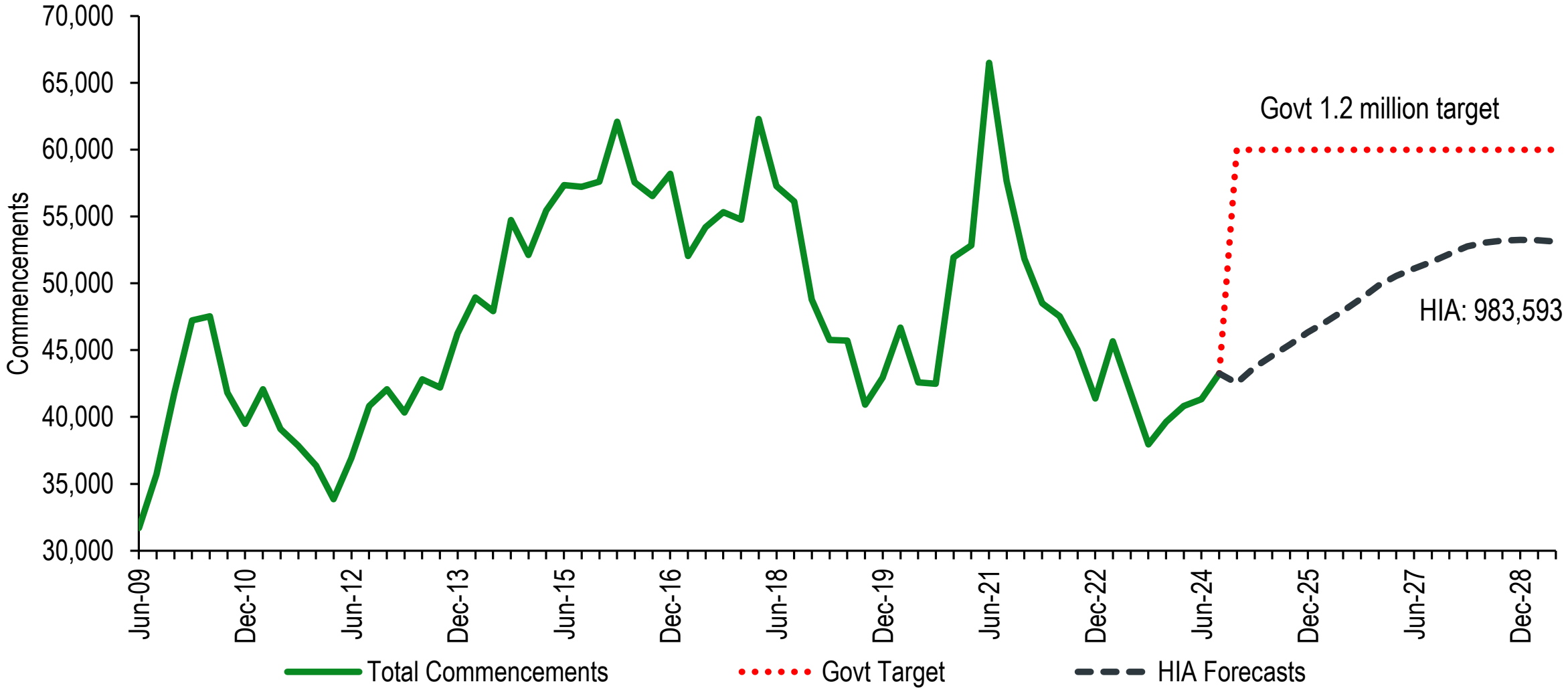
House & Land Comparison



Government policies are the problem

Govt 1.2 million homes: Actual and Target, by Quarter

Source: ABS, HIA Economics

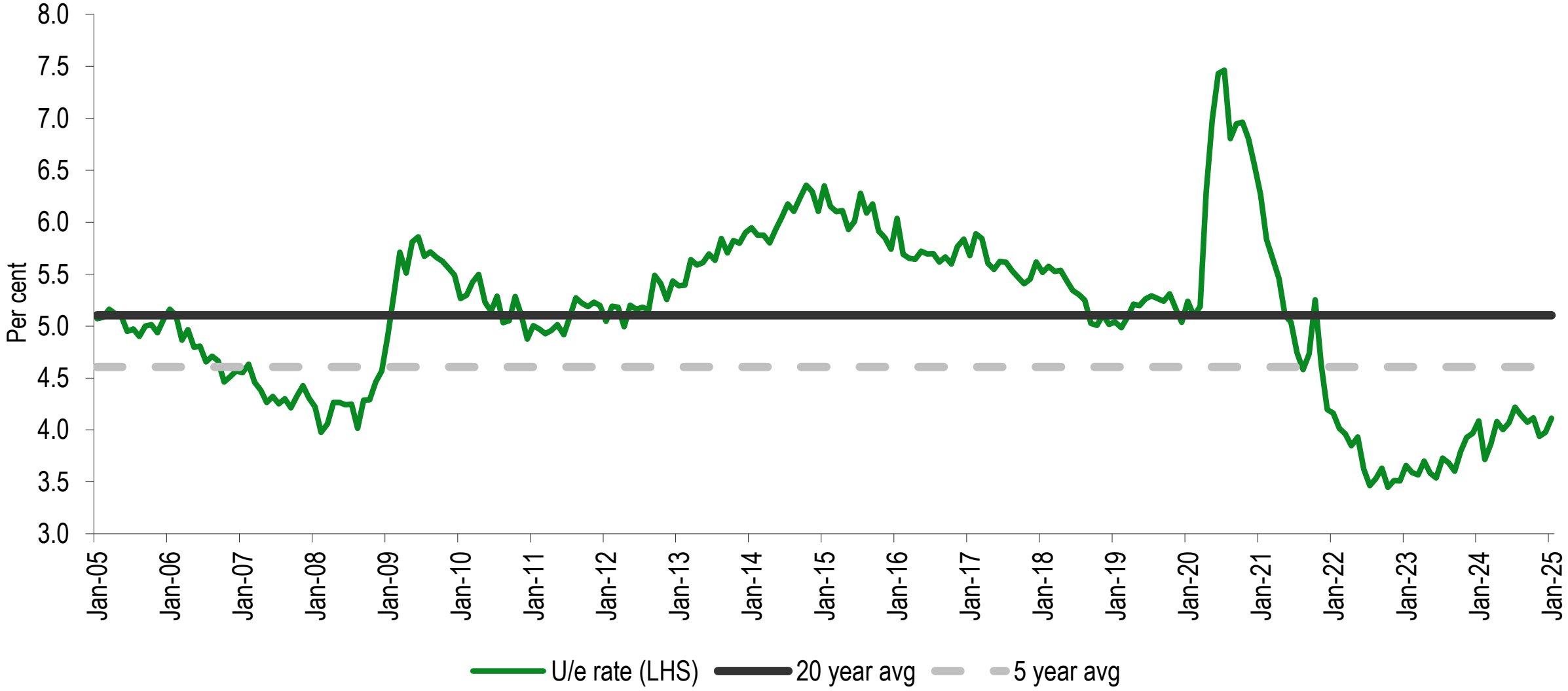


Economy

Unemployment remains very low

Unemployment Rate, Australia

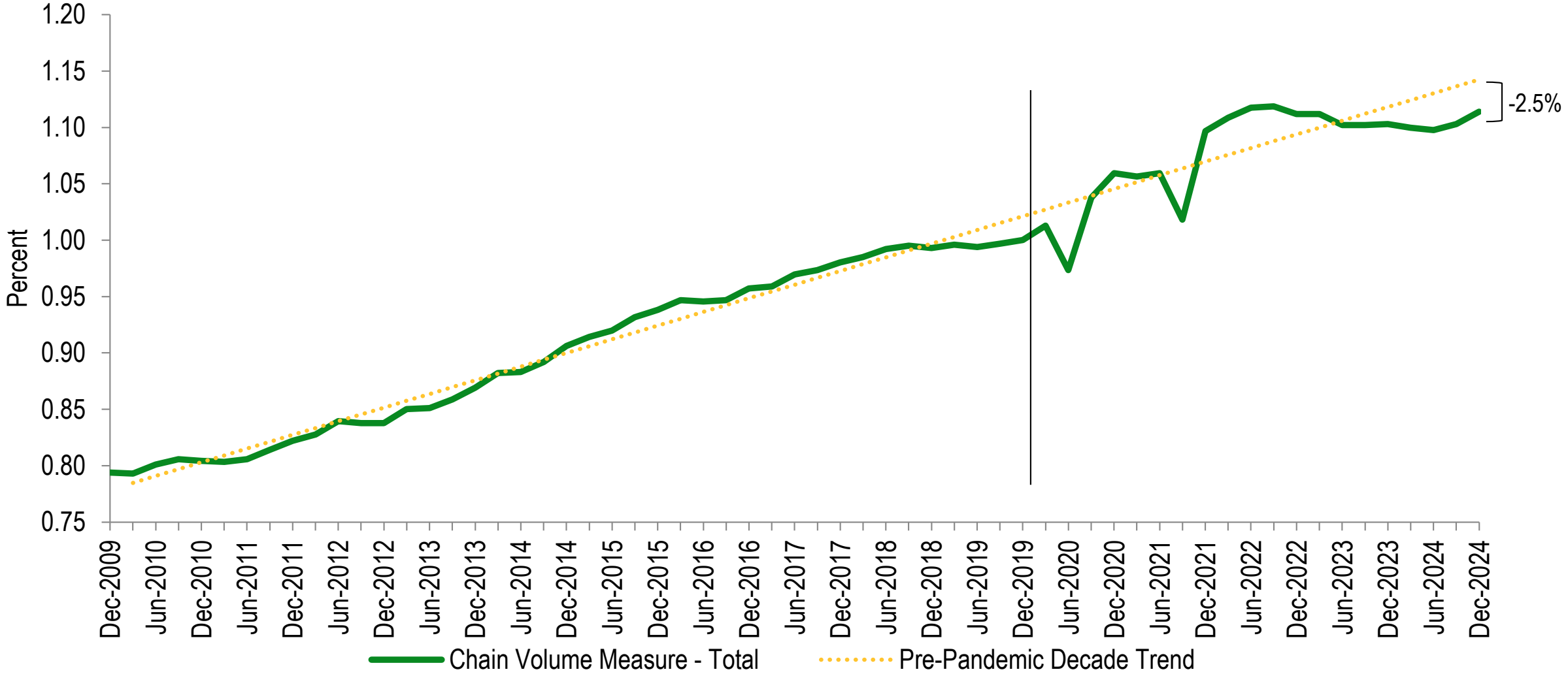
Source: ABS Labour Force



People are spending more.

Retail Trade Volumes, AUS

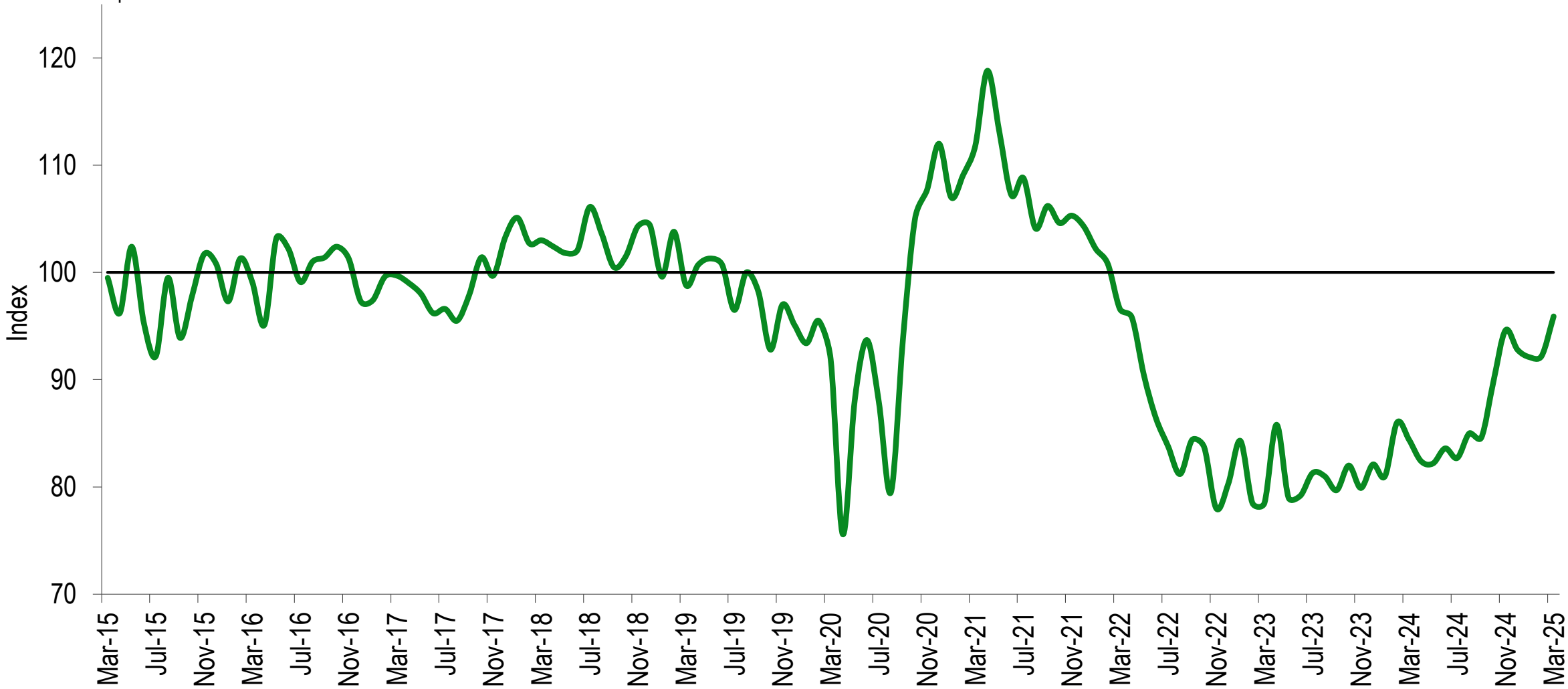
Source: ABS



All confidence measures improving.

Consumer Confidence

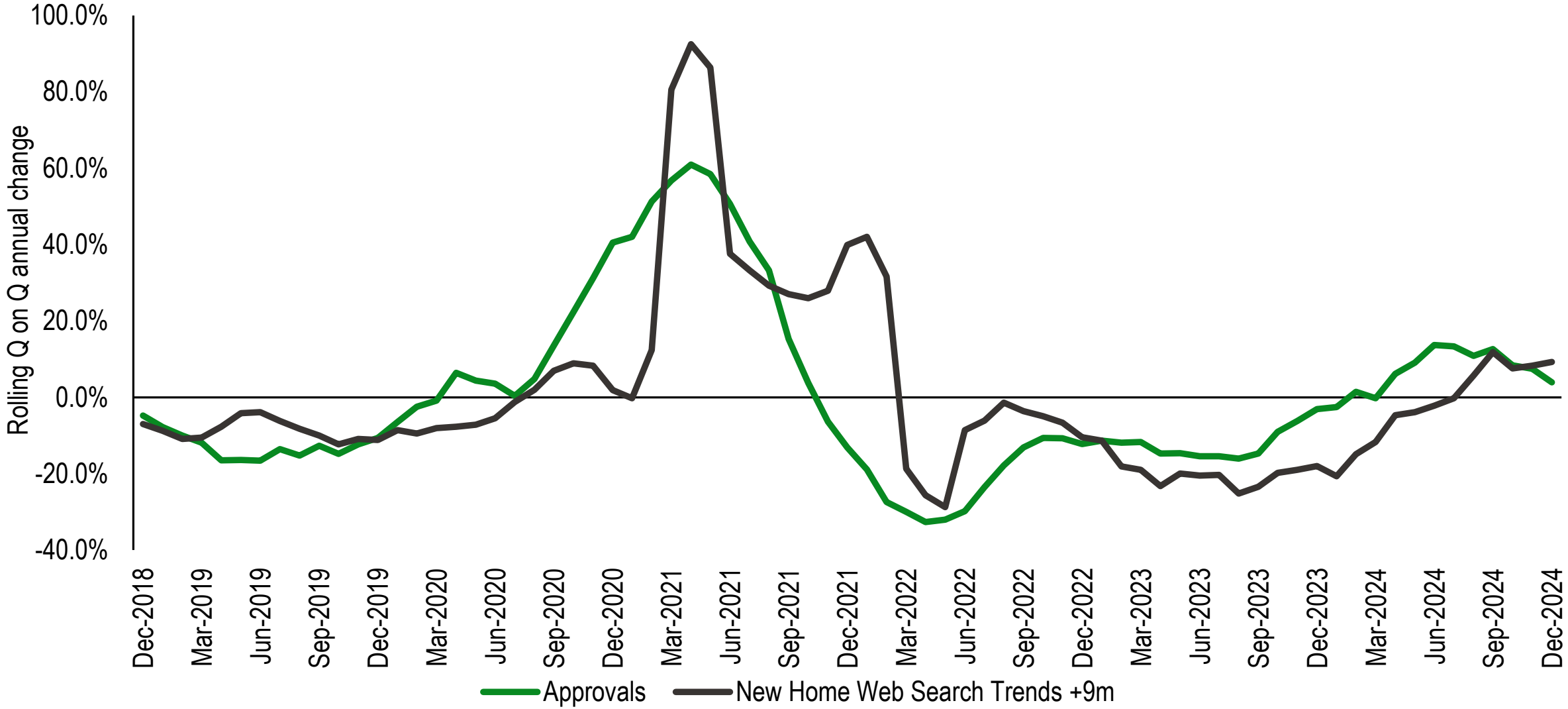
Source: Westpac-Melbourne Institute



Market confidence is returning

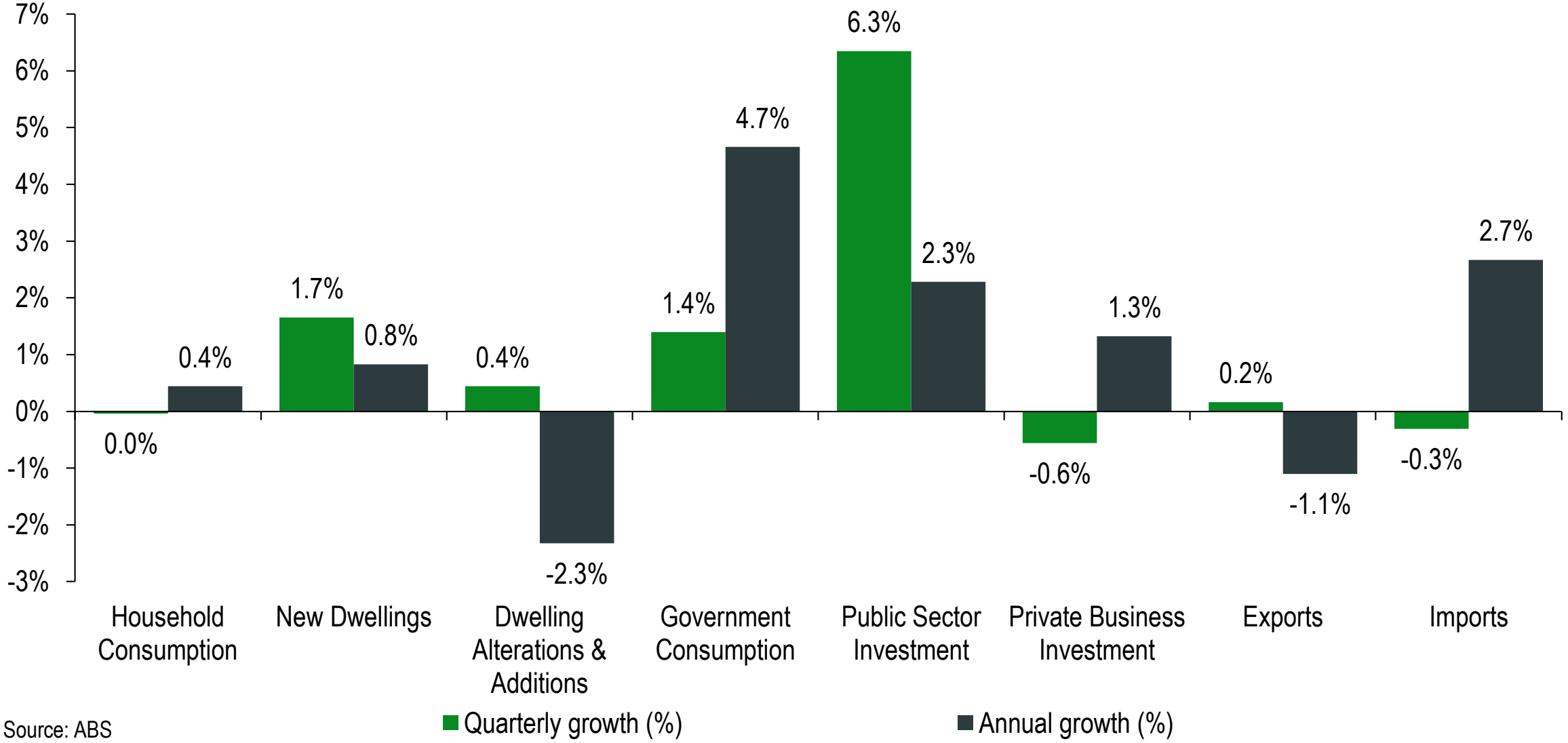
Approvals & New Home Web Search Trends - Australia

Source: ABS, HIA, Google



GDP is growing: Driven by Gov't spending

Components of GDP Growth, September Quarter 2024

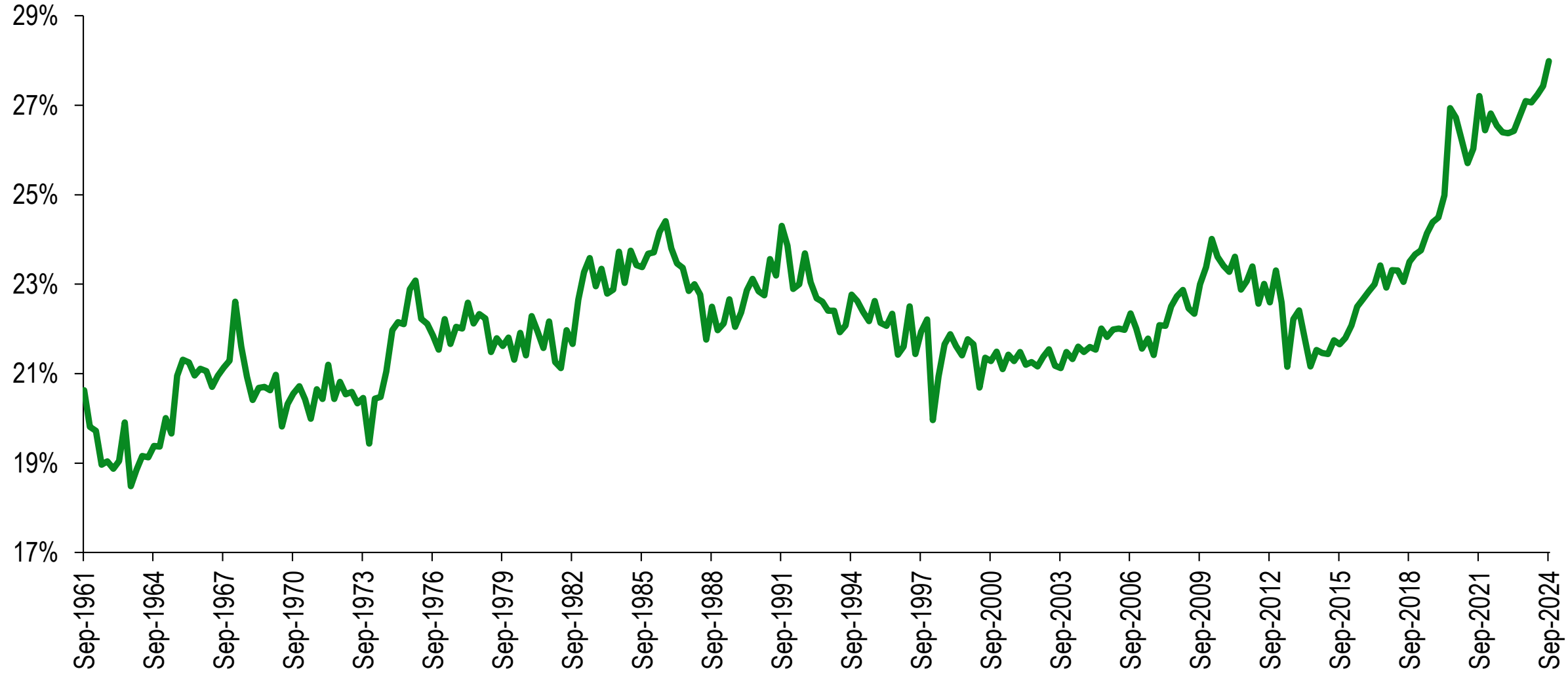


Source: ABS

Expenditure is rising and as a share of GDP

Government spending as a share of GDP

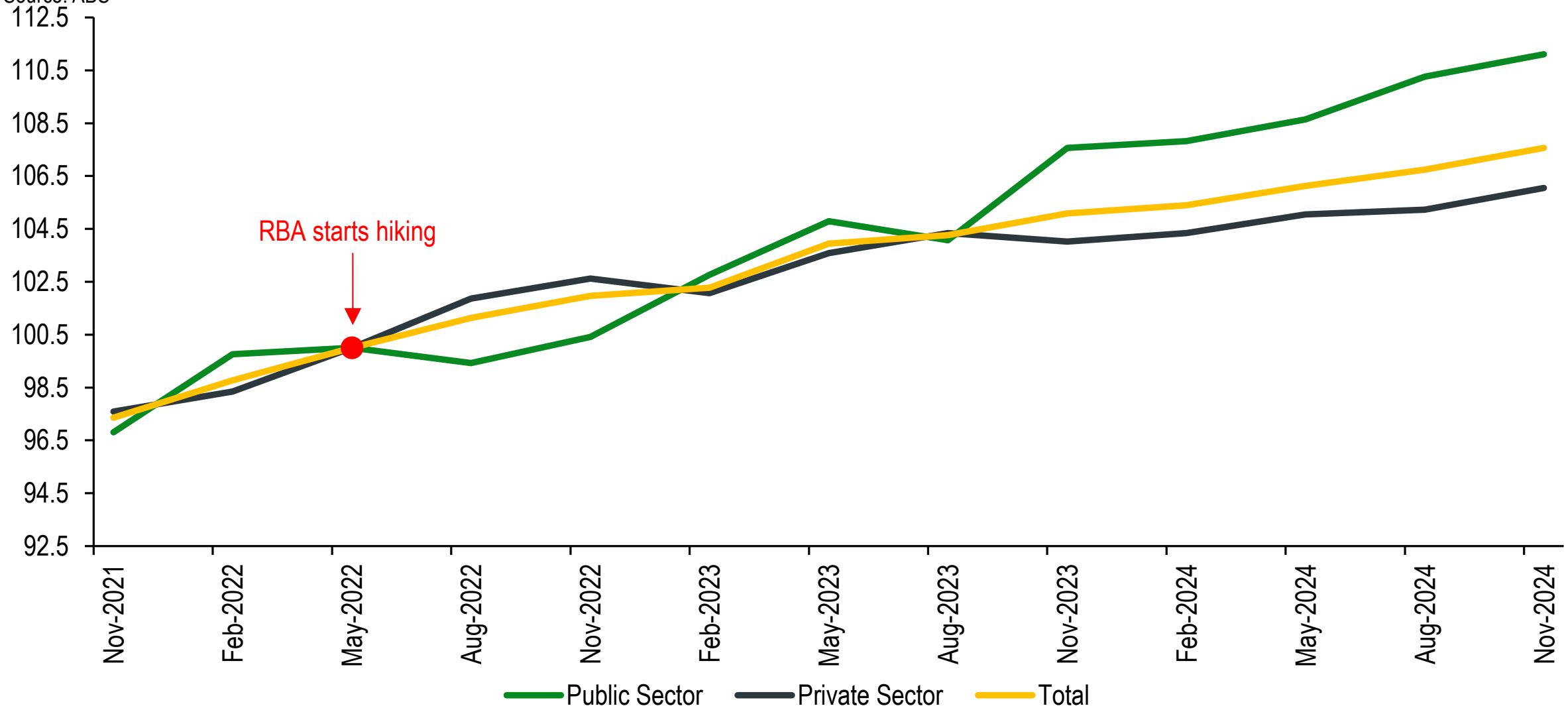
Source: ABS



Even if it's a government job

Employment by Sector, Index, Australia

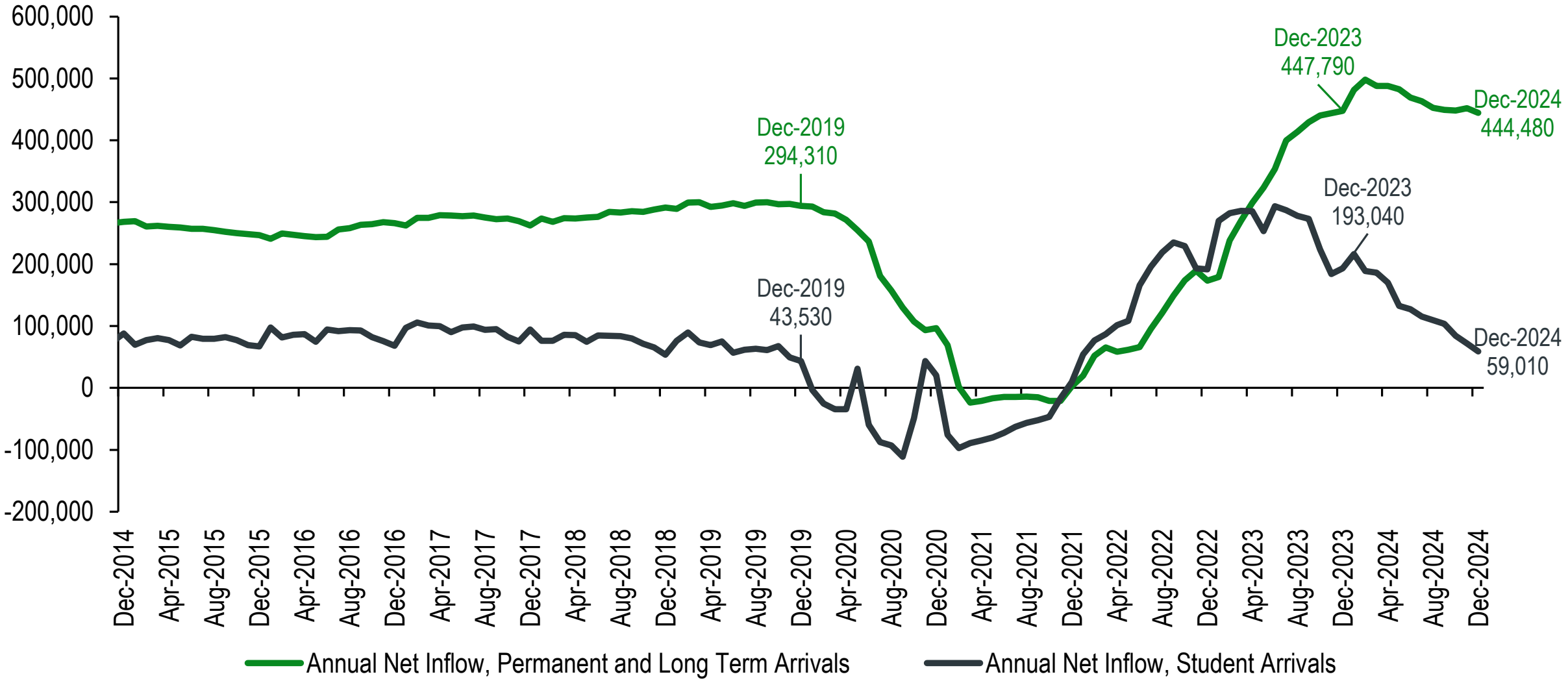
Source: ABS



Population growth is a problem: stable + reliable

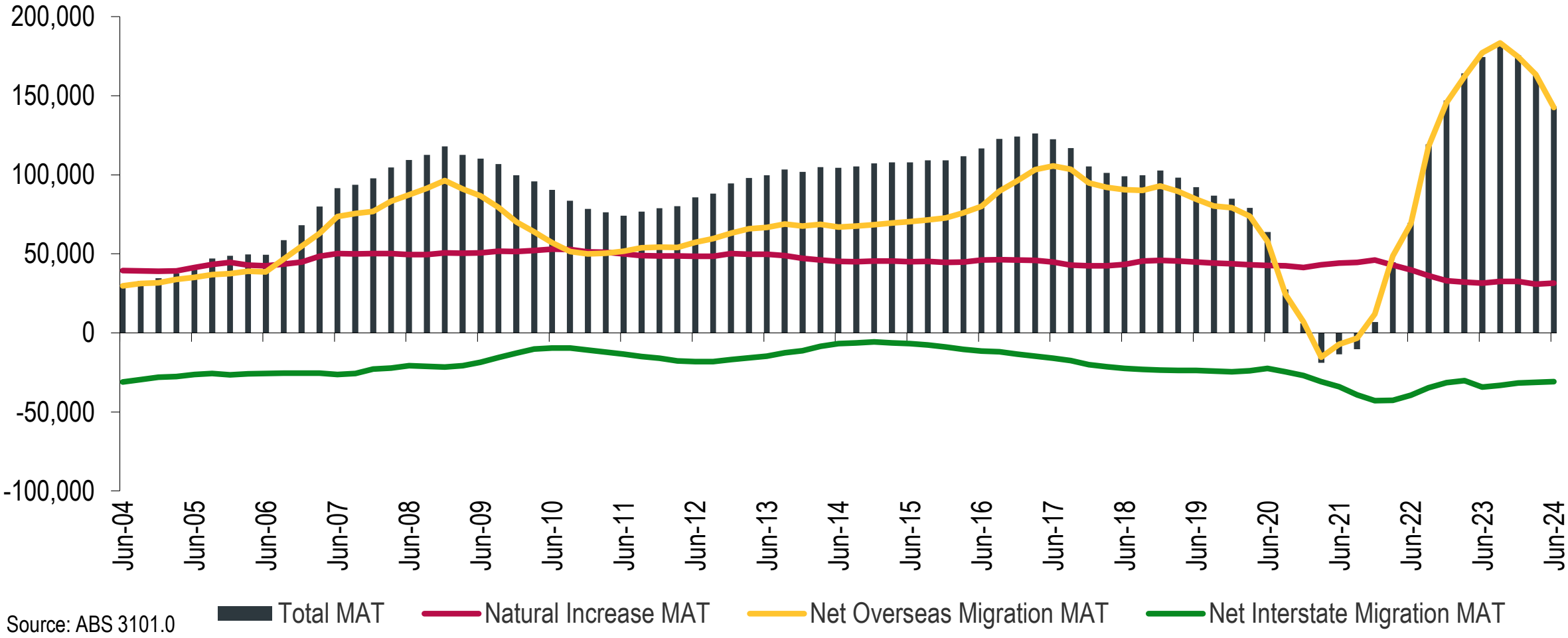
Annual Net Arrivals

Source: ABS



NSW Population

New South Wales Population Growth by Component - Moving Annual Total

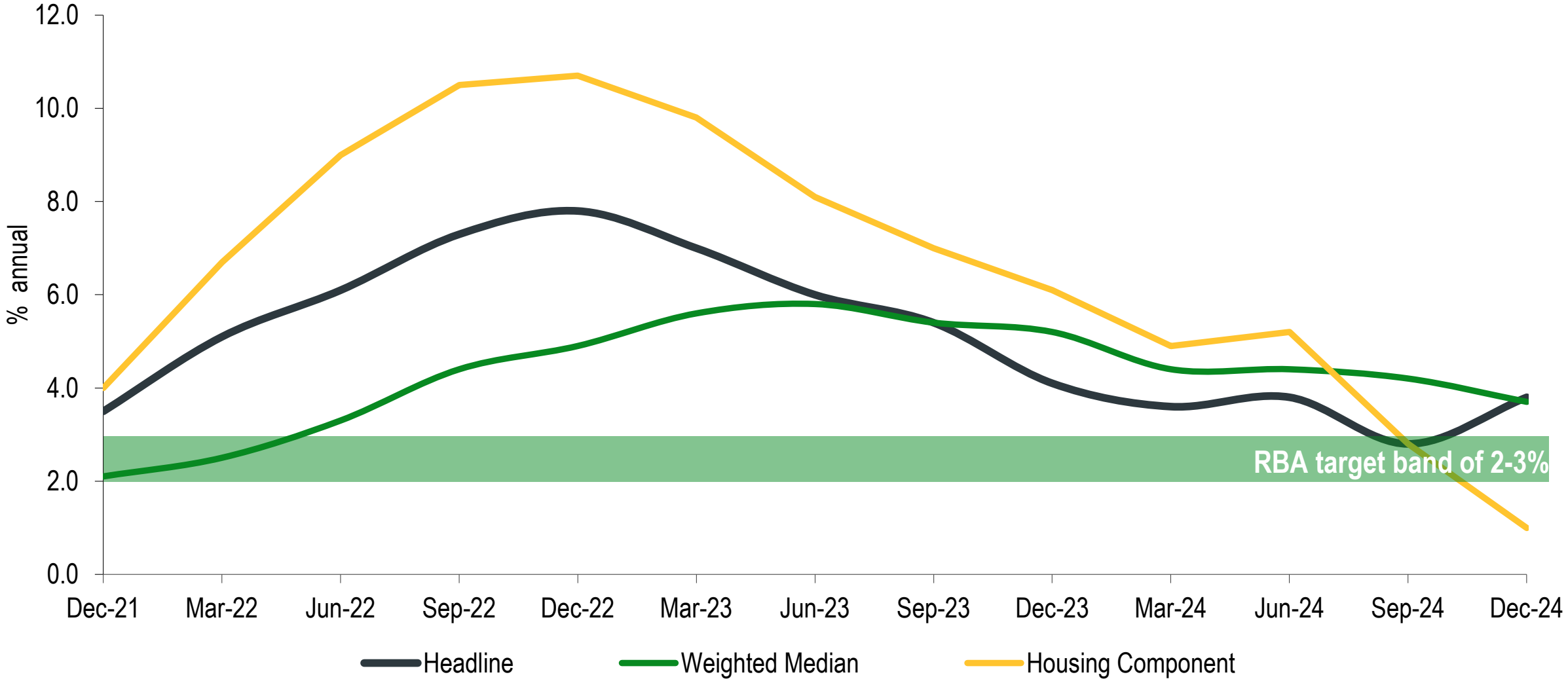


Source: ABS 3101.0

CPI surprisingly low

Consumer Price Index

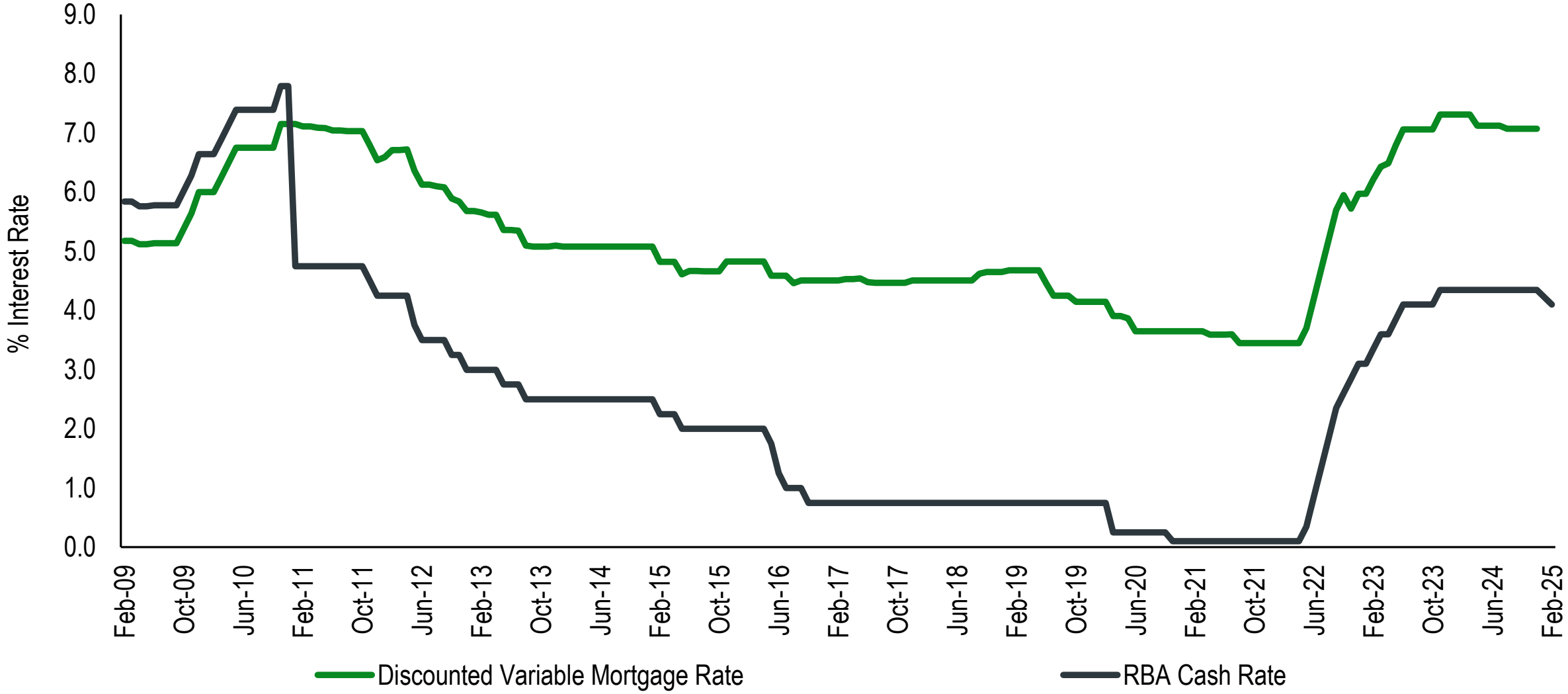
Source: ABS 6401; Reserve Bank of Australia



The elephant in the market is interest rates!

Interest Rates, Australia

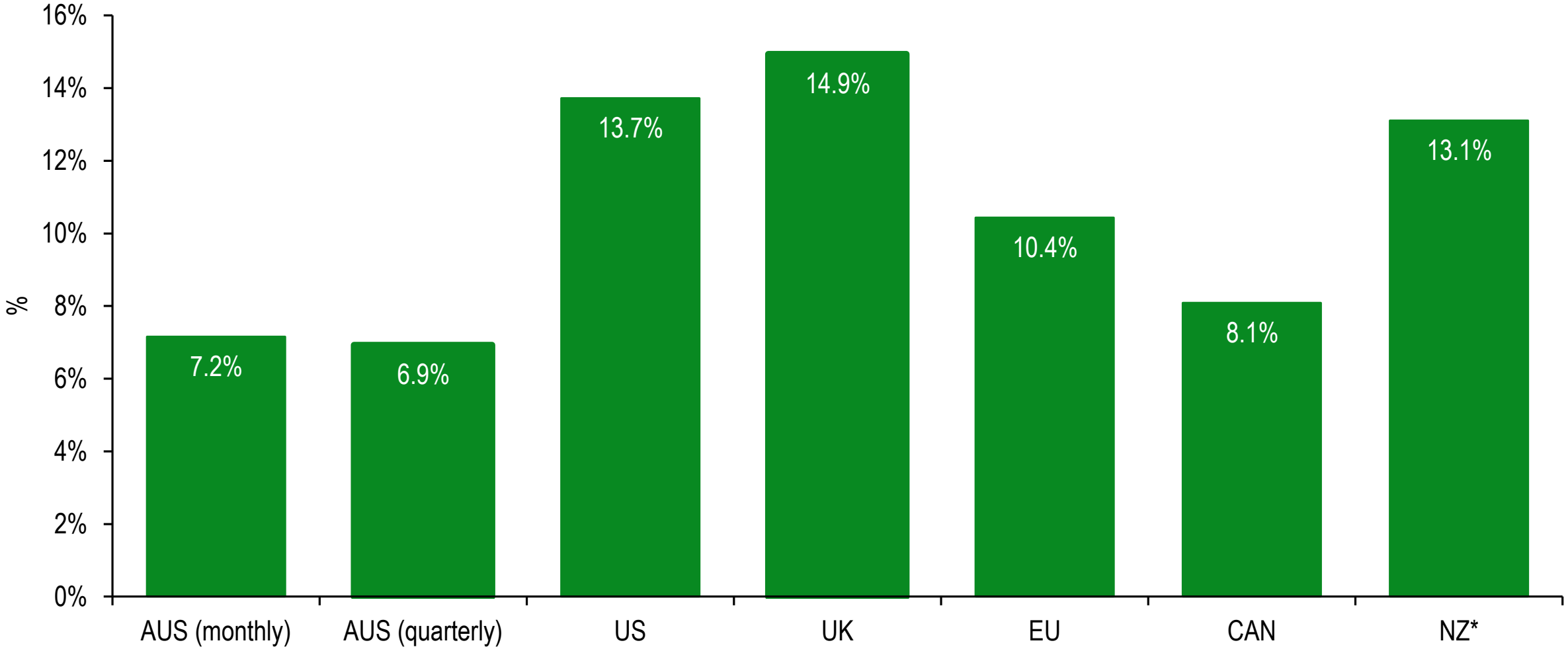
Source: HIA Economics, RBA



Productivity and inflation are linked

Cumulative excess inflation since 2019, by Country

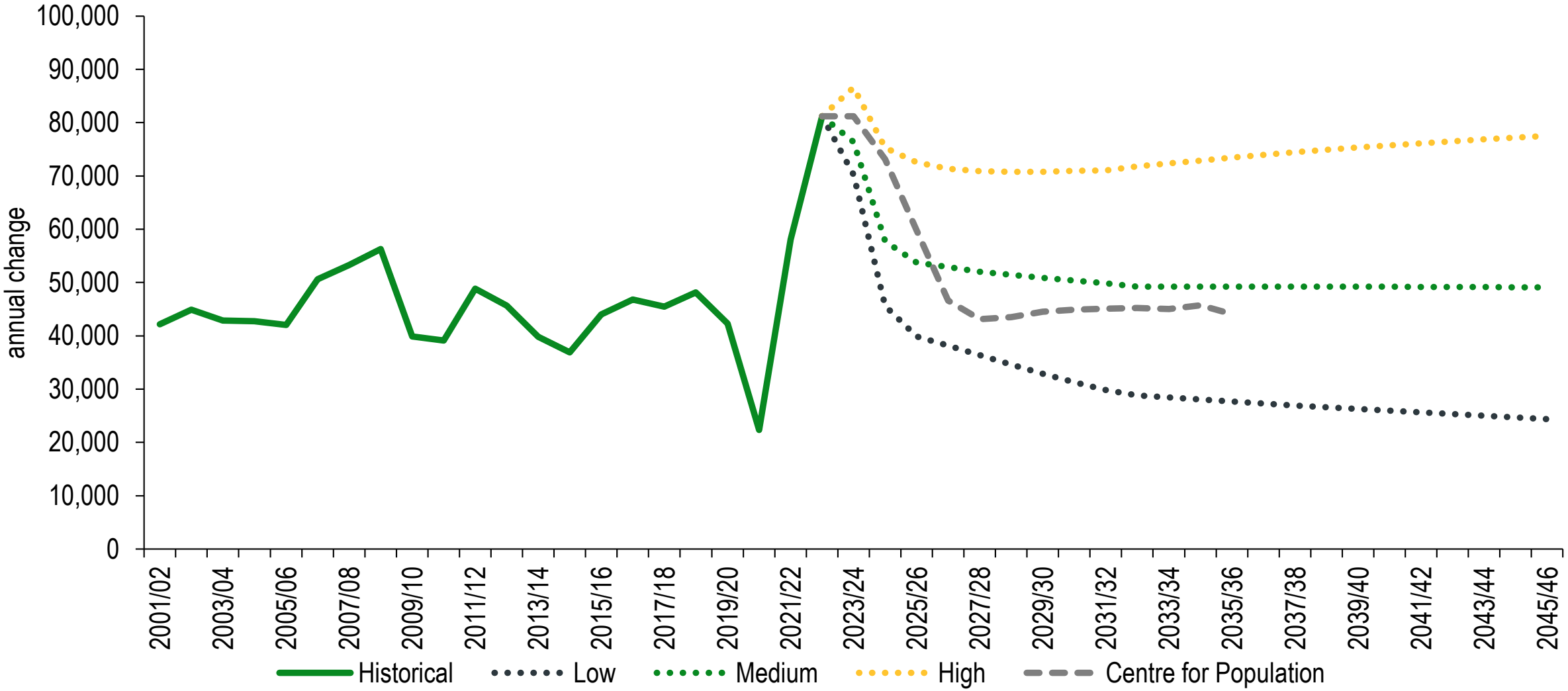
Source: ABS, Bank of Canada, US Fed Reserve, ECB, ONS, Stats NZ



Population

QLD Government Population Projections - Greater Brisbane

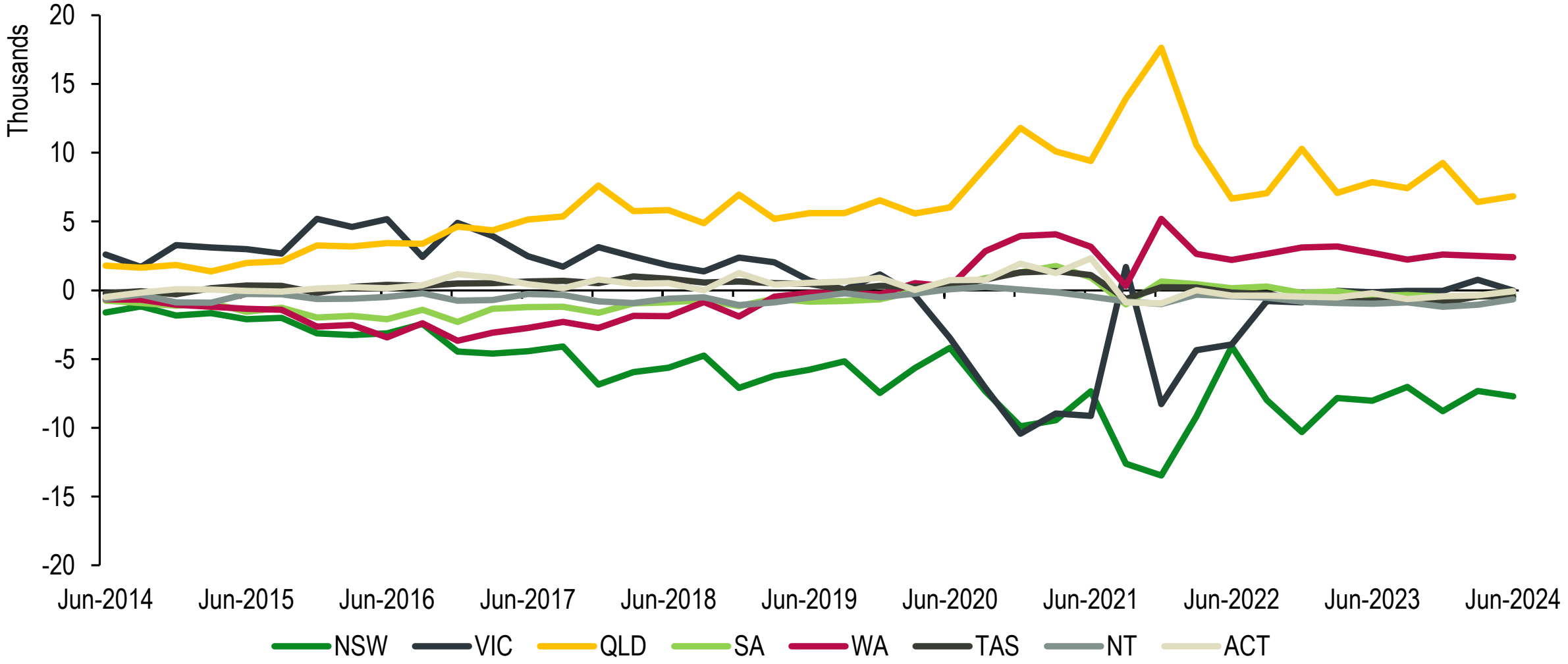
Source: Queensland Treasury Population Projections (2023 Update)



Still getting NSW exodus

Net Interstate Migration, by State, by Quarter

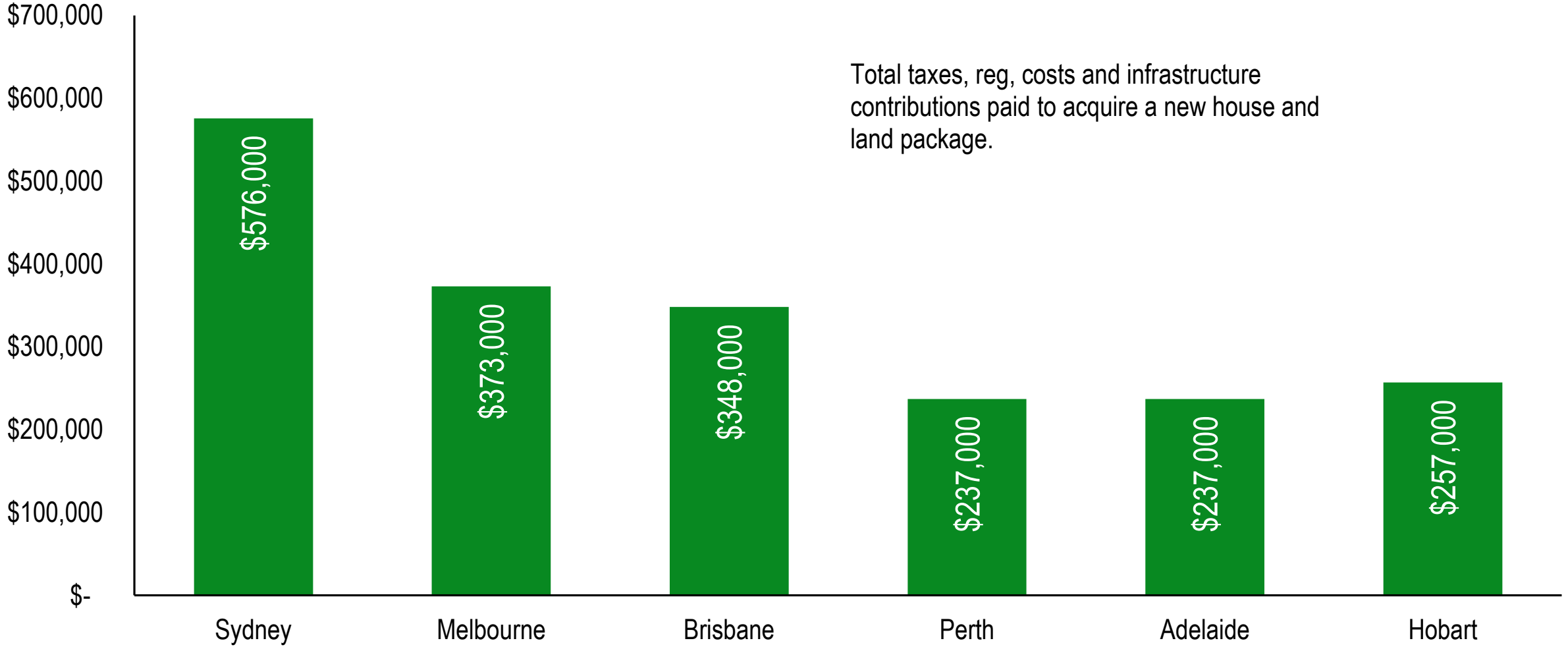
Source: ABS 3101.0, HIA Economics



Tax and House Package

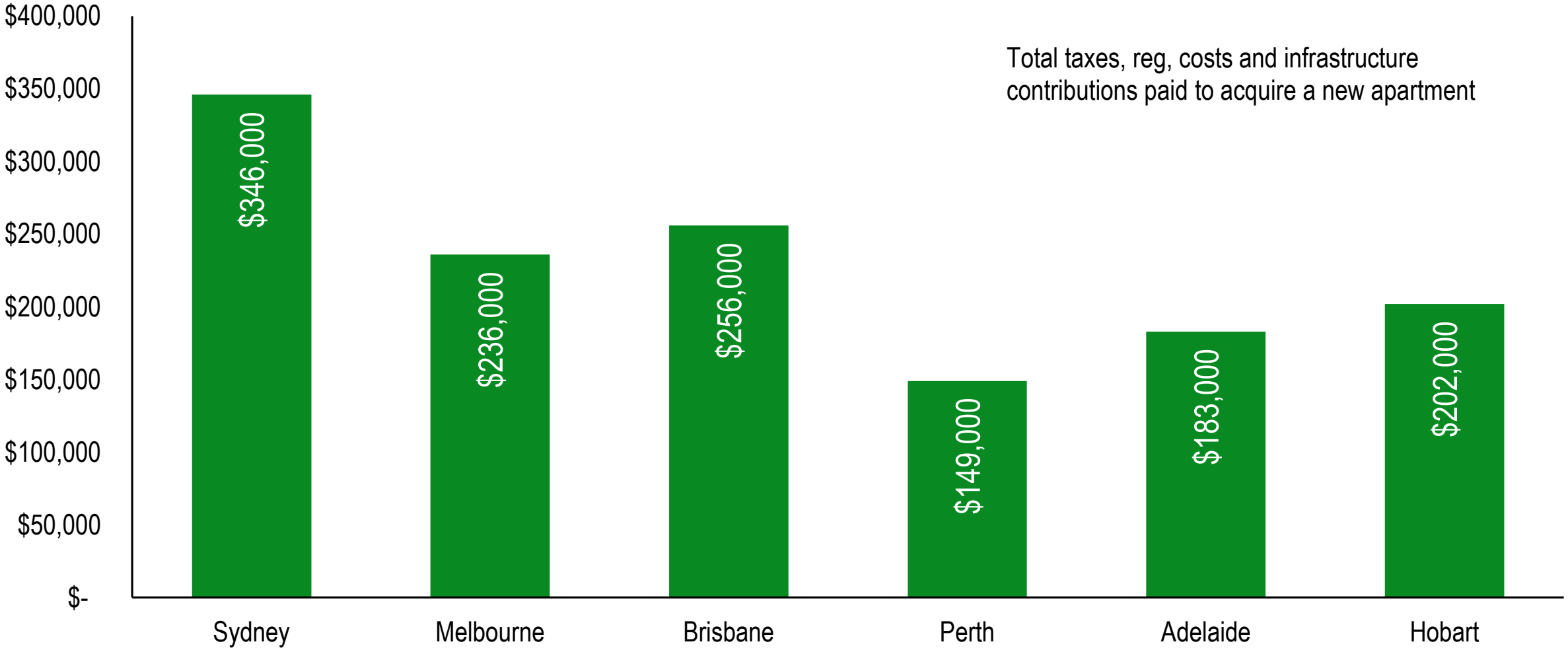
Half a million in tax on a new home

Statutory taxes, regulatory costs and infrastructure charges for greenfield houses



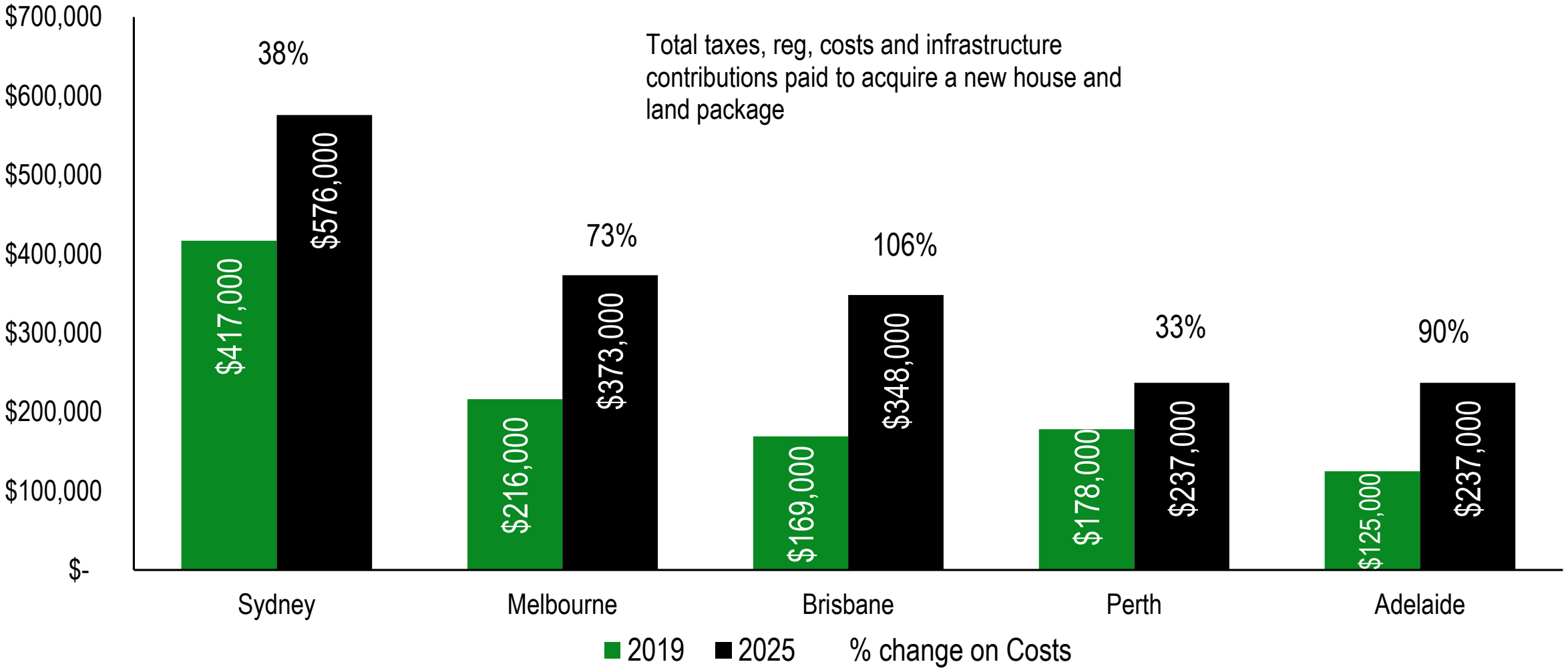
Apartments have been taxed our of the market

Statutory taxes, regulatory costs and infrastructure charges for infill apartments



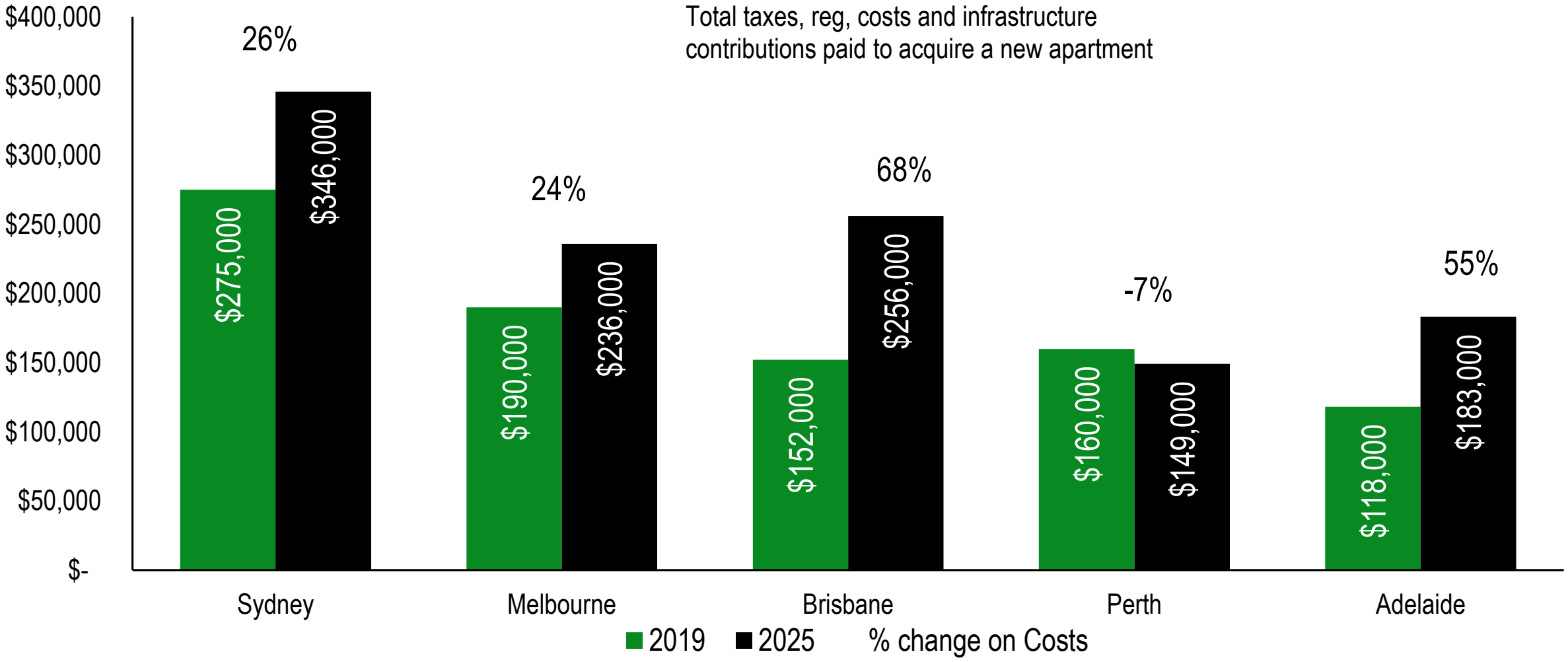
100% increase in taxes on houses in 5 yrs

Statutory taxes, regulatory costs and infrastructure charges for greenfield houses



We can not tax our way to higher density

Statutory taxes, regulatory costs and infrastructure charges for infill apartments



Longer time for approvals = Higher costs

Greenfield development: time taken for each step

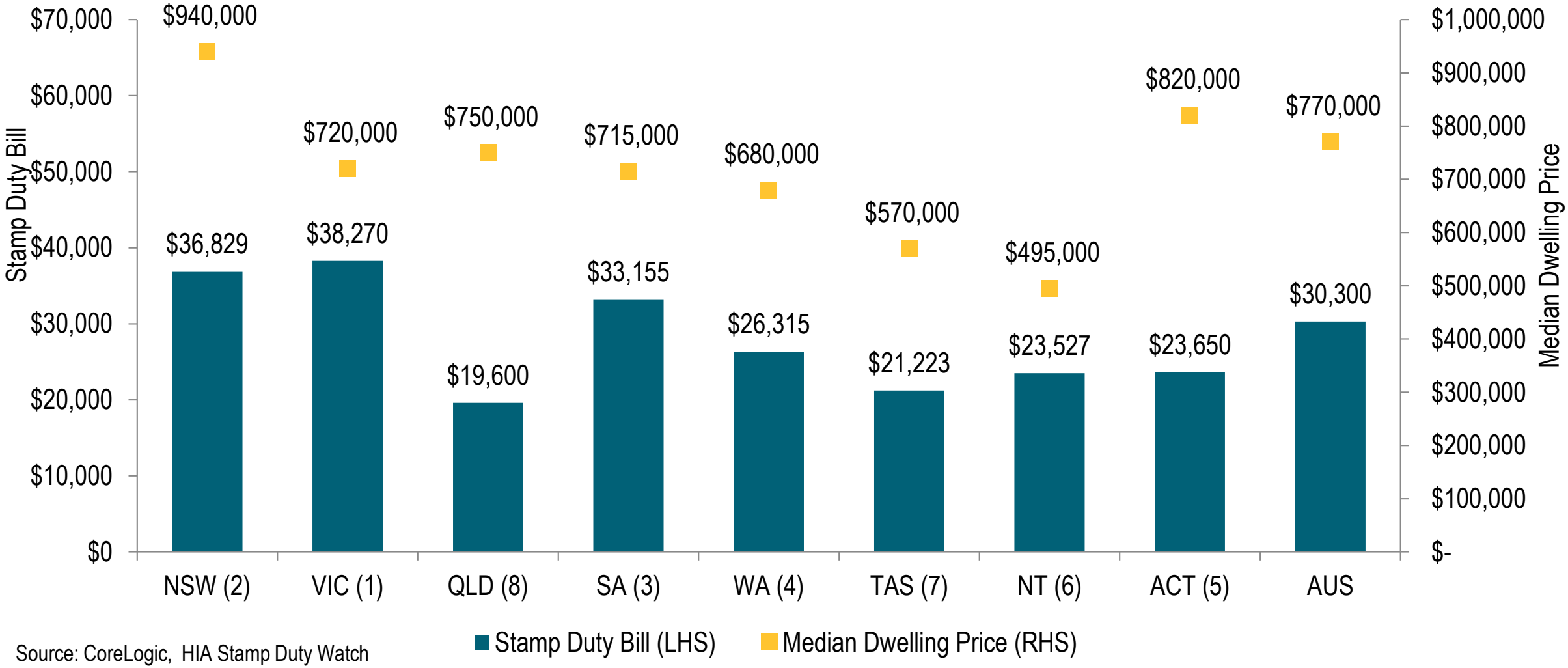
Phase		Sydney	Melbourne	Brisbane	Perth	Adelaide	Hobart	Canberra
					Month			
DA for subdivision	Necessary	8	8	8	8	8	8	8
	Delay	7	4	4	4	4	4	4
Land dev.	Necessary	4	4	4	4	4	4	4
House construction *	Necessary	6.2	5.4	4.2	11.6	8.1	5.8	7.9
Total time		25.2	21.4	20.2	27.6	24.1	21.8	23.9

* this is based on the average time from commencement to completion of house construction from ABS Building Activity, Australia for June 2024 (available at https://www.abs.gov.au/statistics/industry/building-and-construction/building-activity-australia/latest-release#data-downloads) minus the assumed time taken for land development (4 months)

Source: CIE consultations

HIA Stamp Duty Watch

Stamp Duty Bill and Median Prices for Owner Occupiers (Non-FHB), November 2024

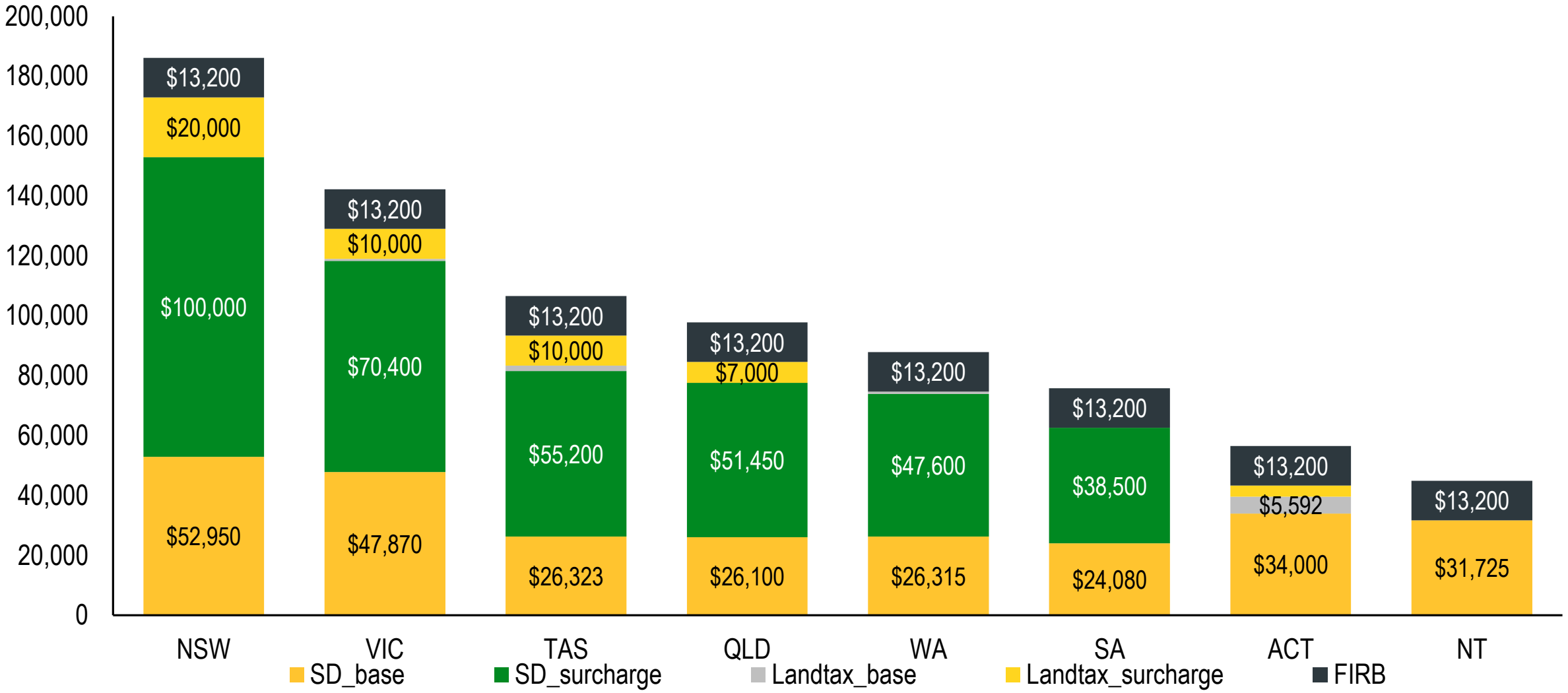


Source: CoreLogic, HIA Stamp Duty Watch

Some taxes are not included in this data

Estimated taxes on foreign housing investors

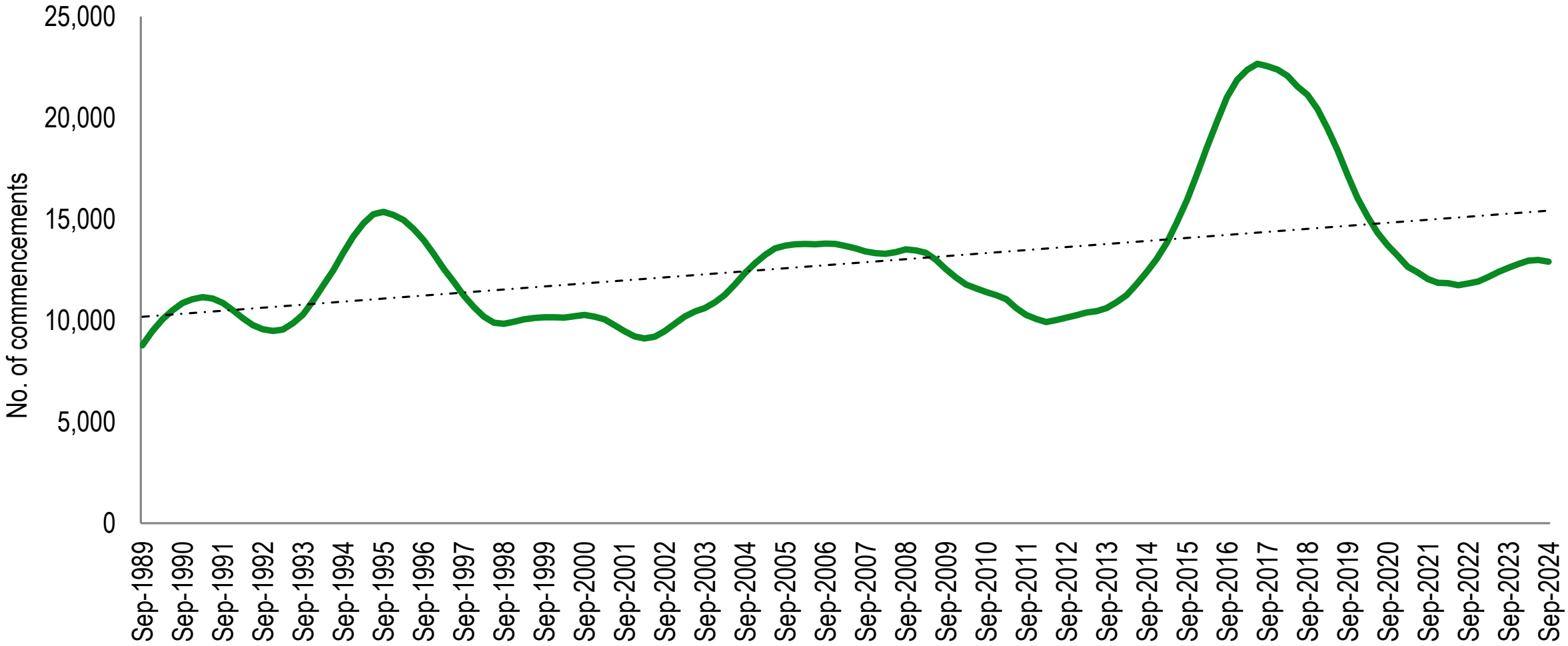
Source: CoreLogic, State Government, HIA



Apartments have stalled due to tax imposts

Multi Units starts: 3 Year rolling average - QLD

Source: ABS 8752 Qtr, HIA

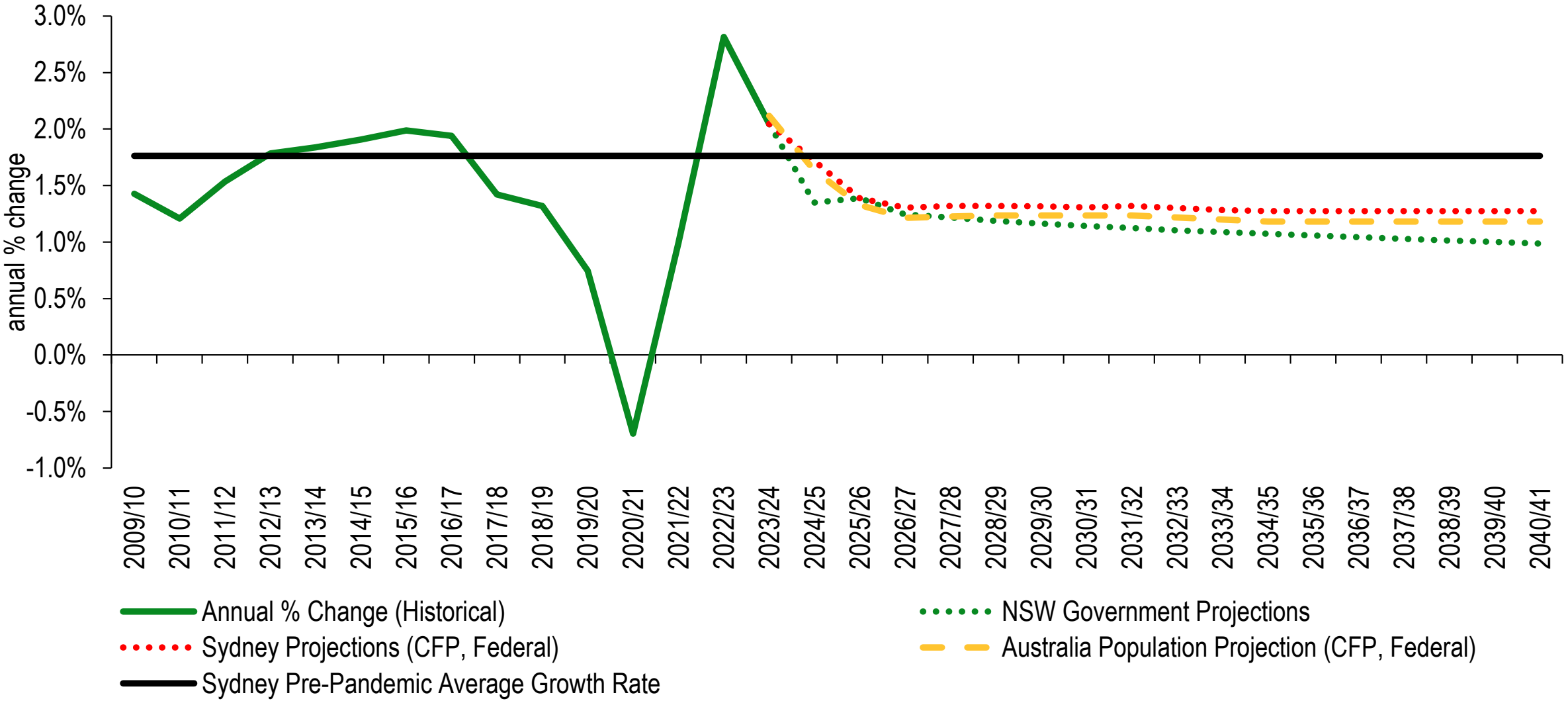


Planning for the future

The plan is: Sydney to be in recession till 2040

NSW Government Population Projections, 2024 - Greater Sydney

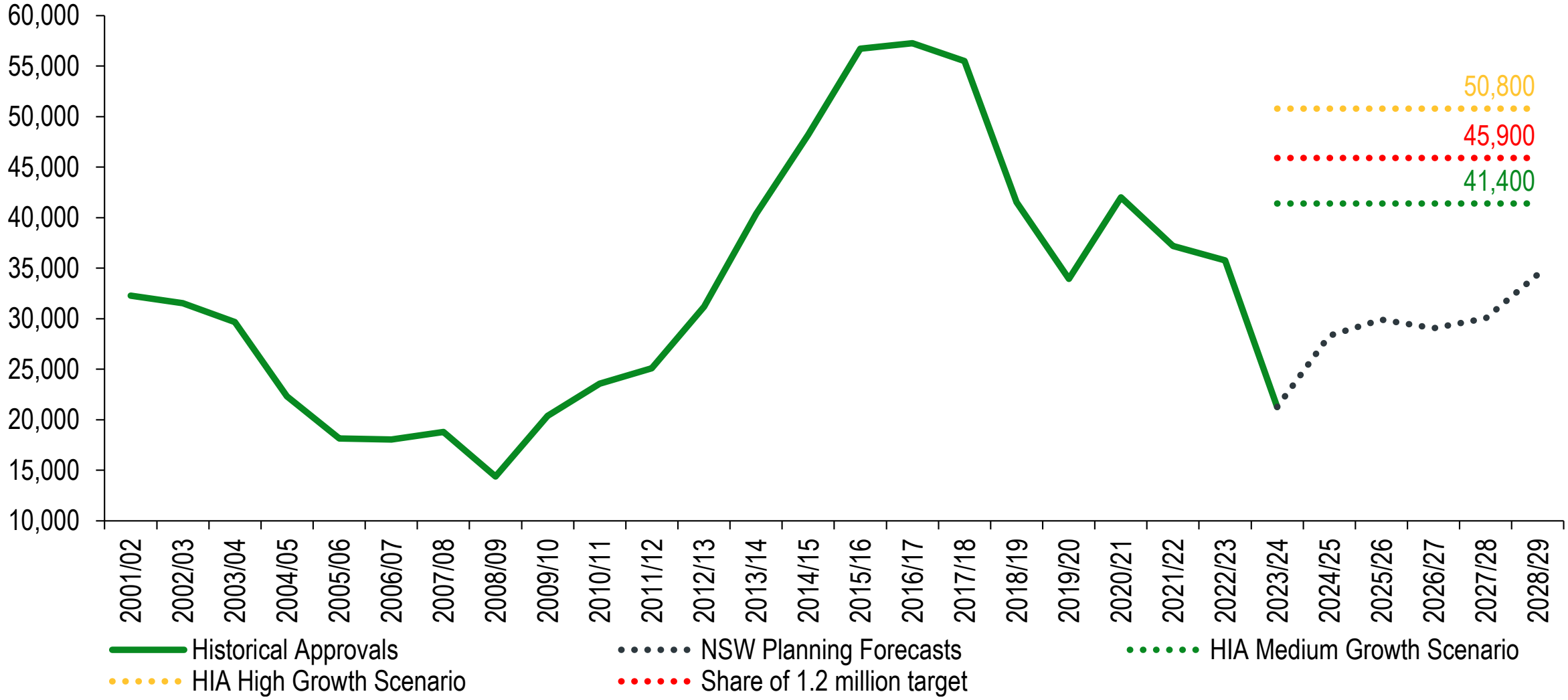
Source: NSW Department of Planning, Housing and Infrastructure, Centre for Population



Interest rate won't solve the problem

NSW Forecasts, Approvals and Housing Need - Sydney

Source: NSW Department of Planning, Housing and Infrastructure, ABS, HIA Economics

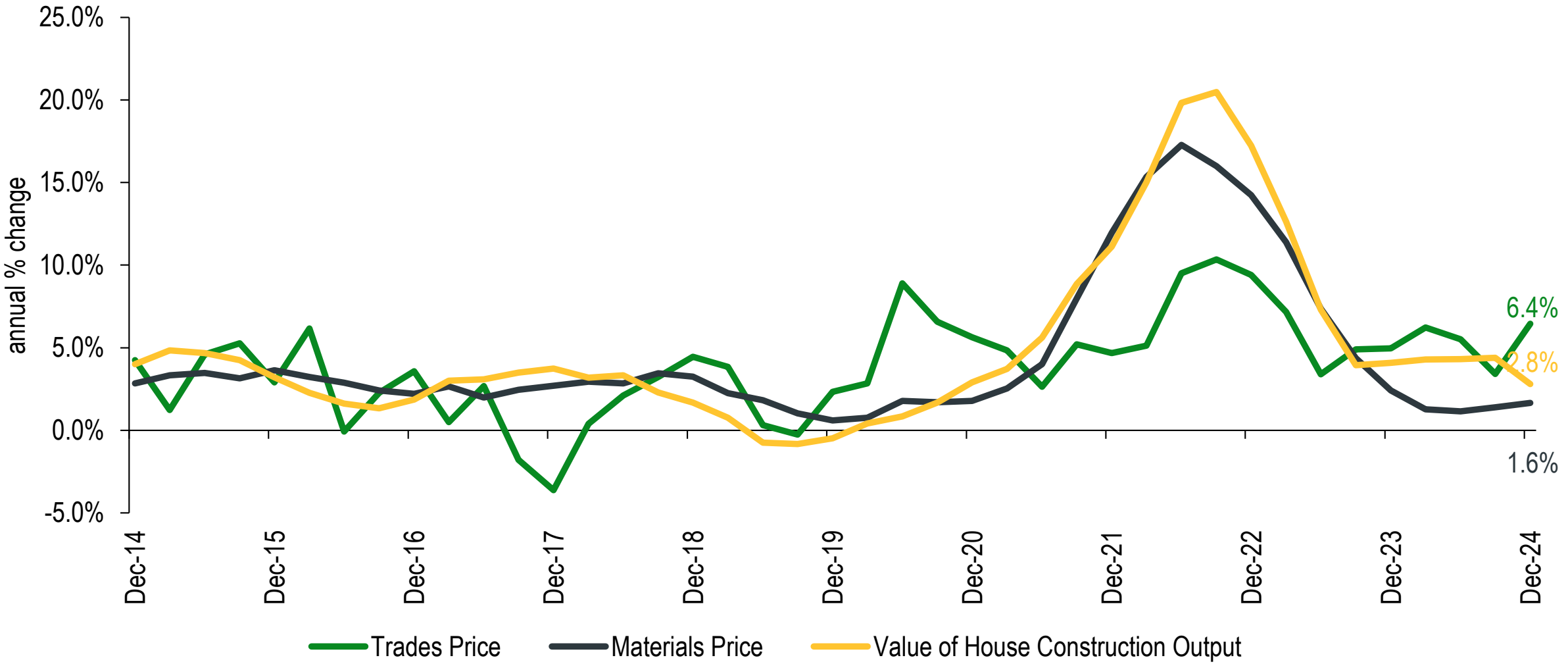


Home building

Chat GPT can not build homes

Skilled trades, materials prices and output

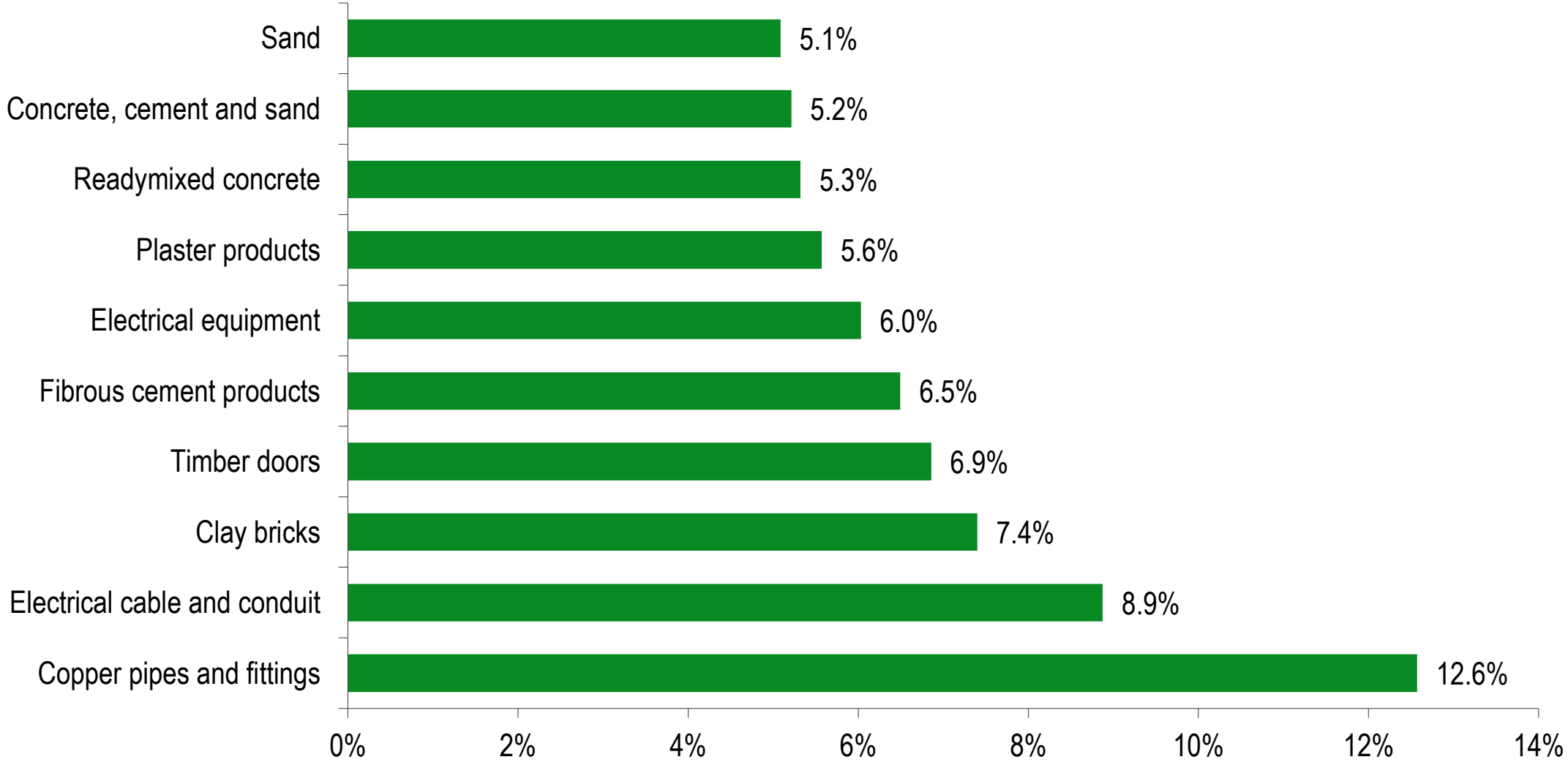
Source: HIA Economics, ABS



Materials price growth slowing

Largest annual increases in materials prices - December 2024

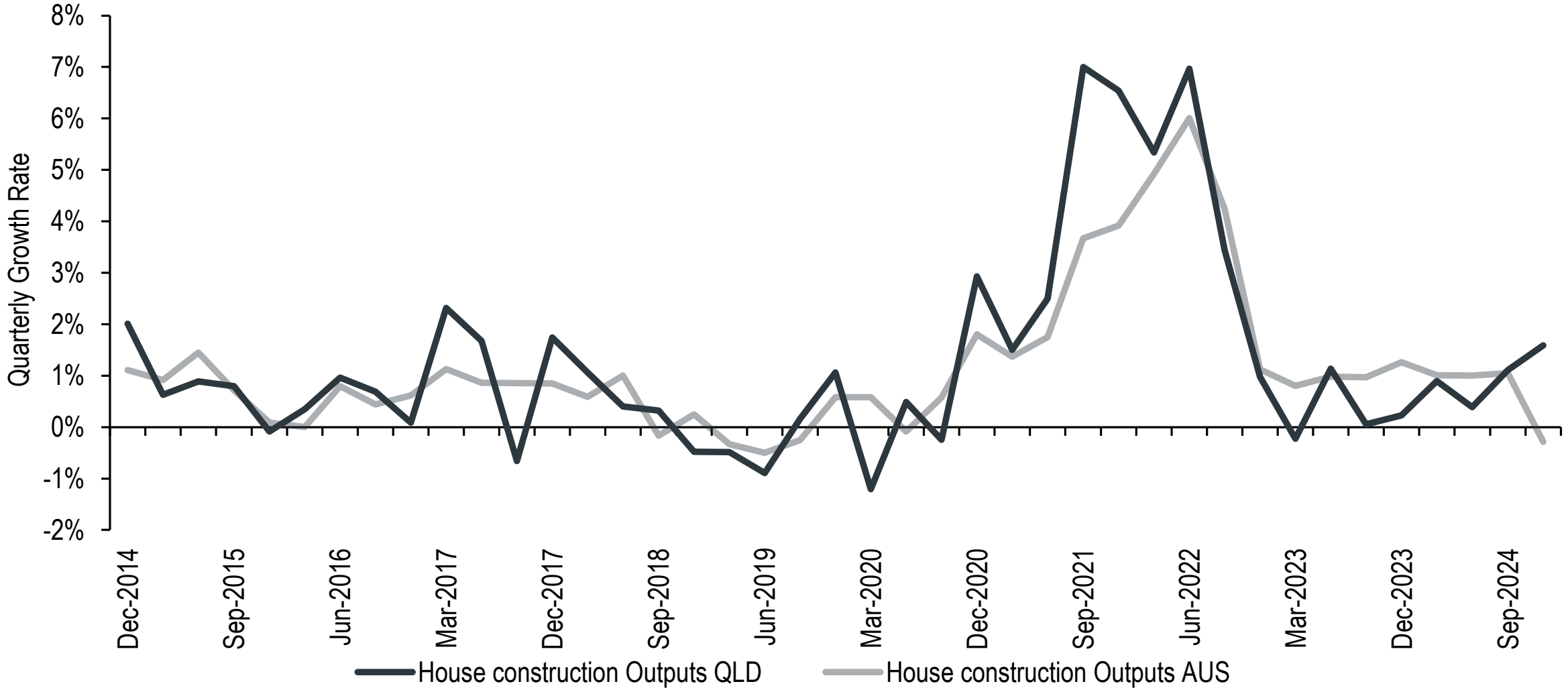
Source: ABS



QLD more expensive than the average.

House Construction Output Price Indexes, QLD vs AUS

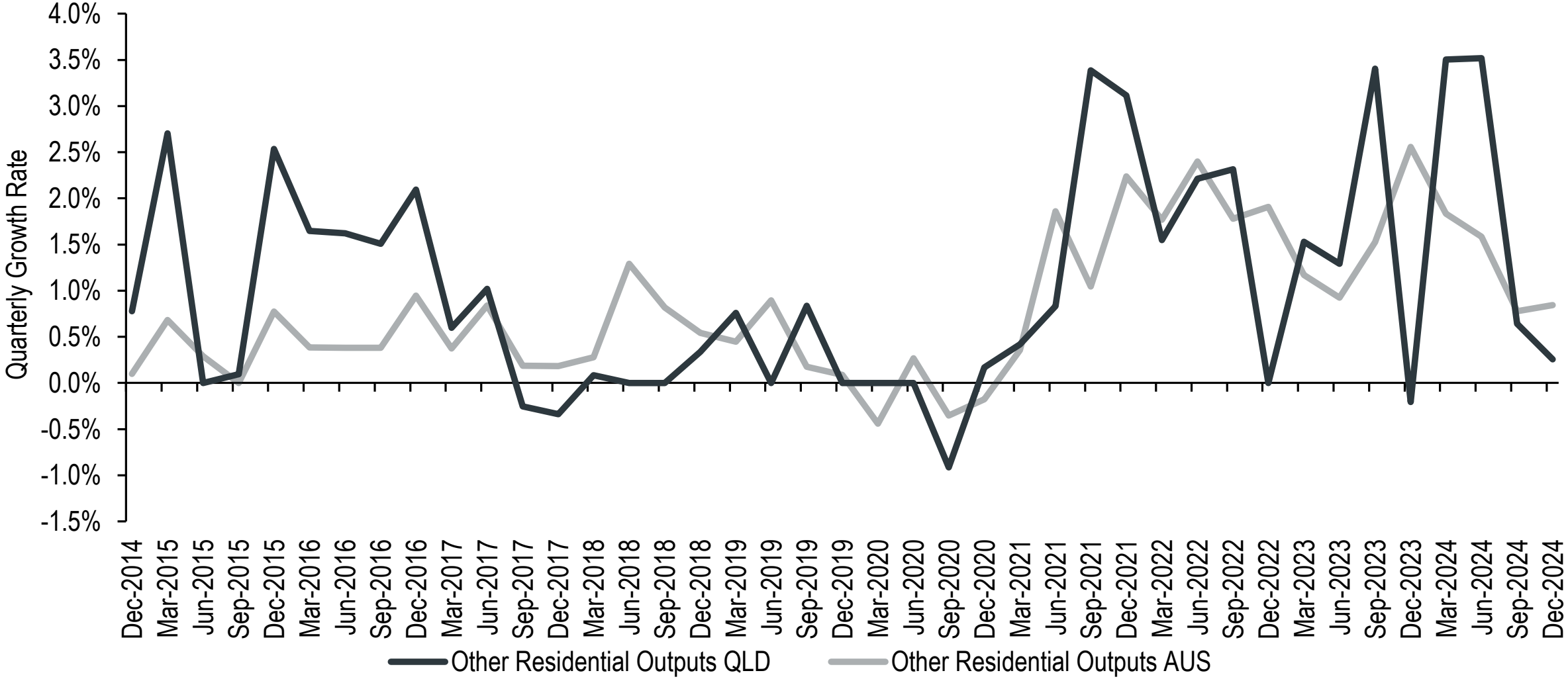
Source: ABS



Apartment cost blowouts in QLD

Apartment Construction Output Price Indexes, QLD vs AUS

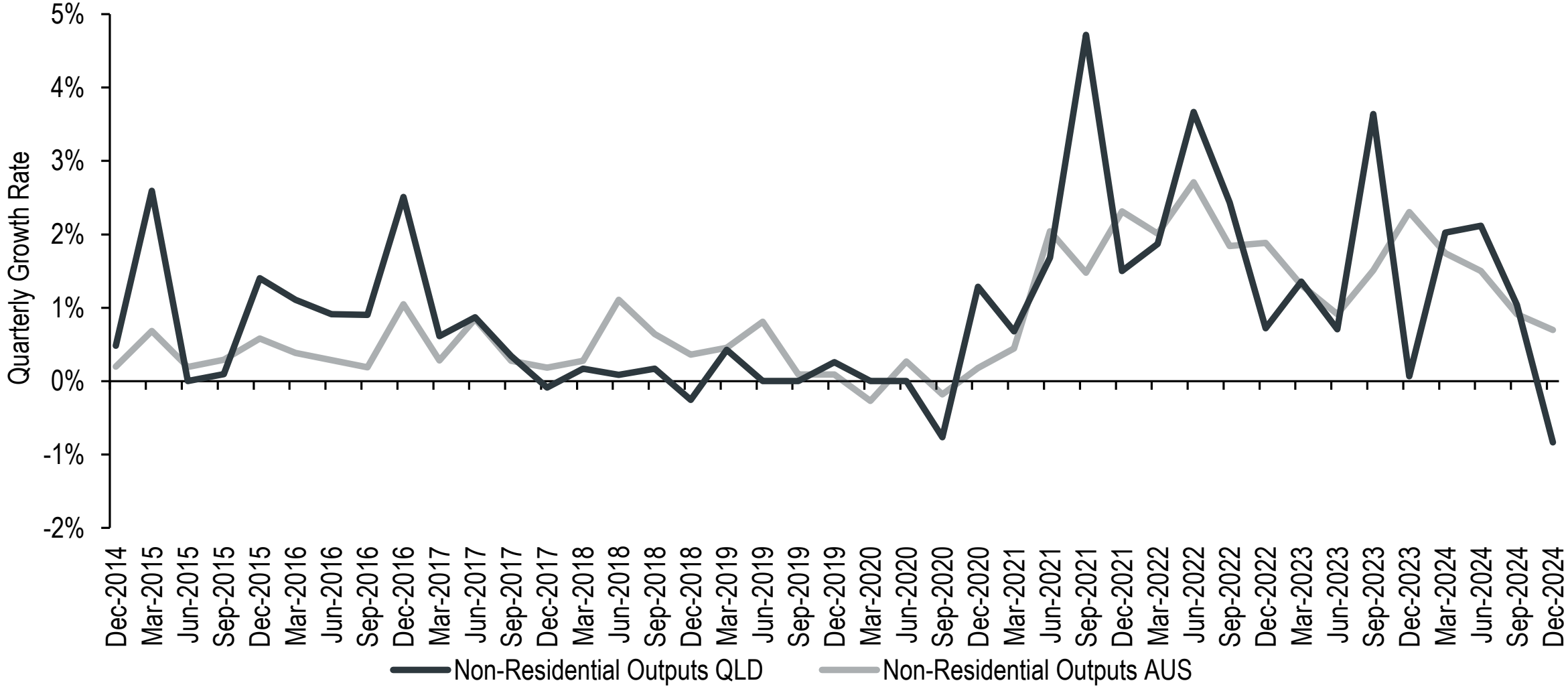
Source: ABS



Non-residential heading in right direction?

Non-Residential Construction Output Price Indexes, QLD vs AUS

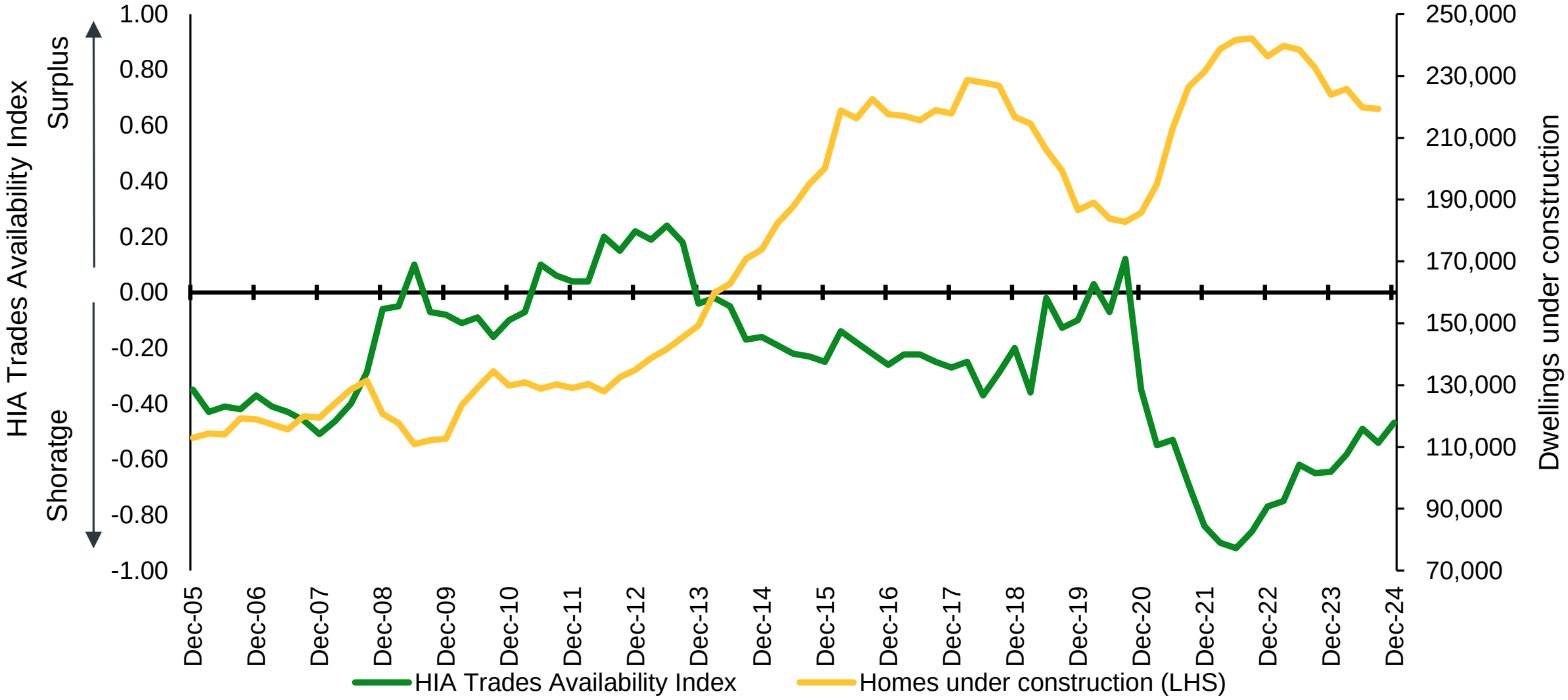
Source: ABS



Trades availability: as good as it gets

Trades availability and dwellings under construction

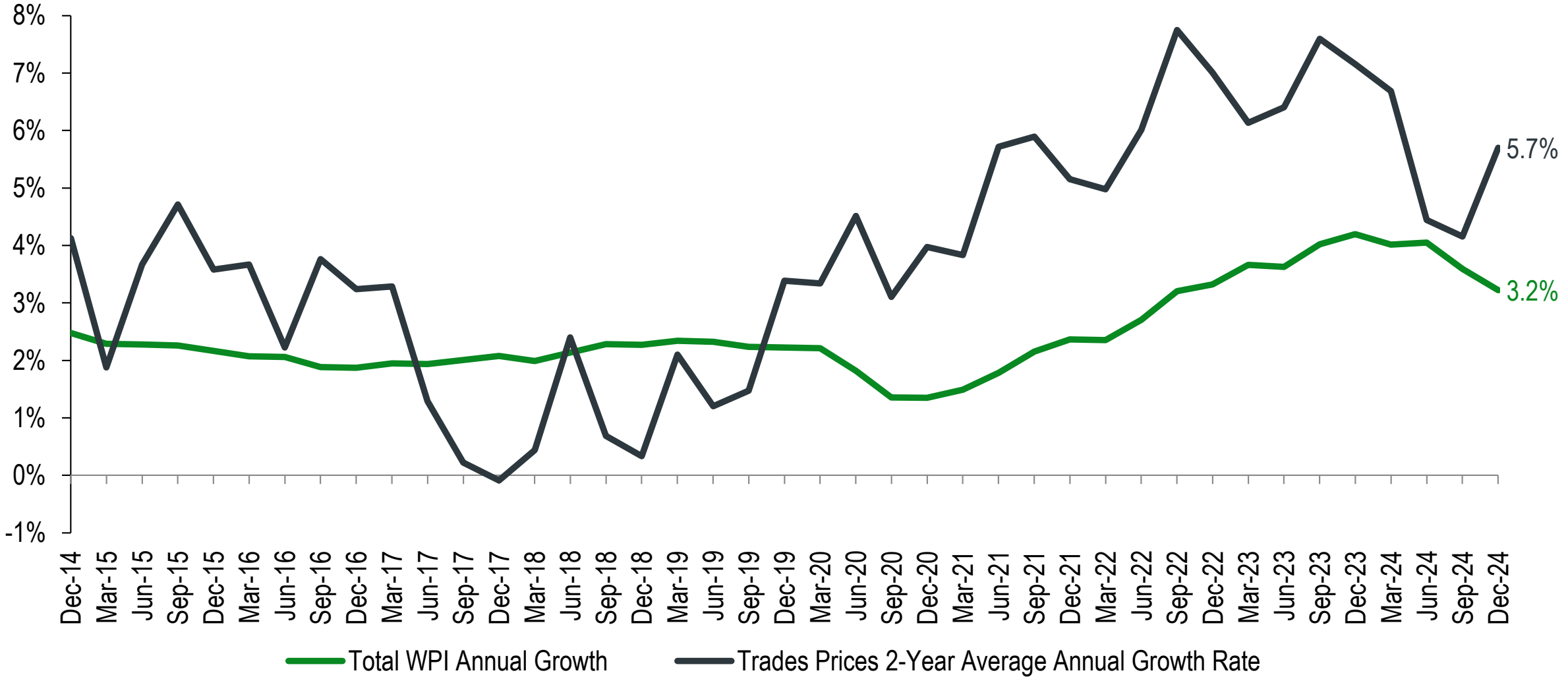
Source: HIA, ABS



Trades prices elevated but moderating

Wage Price Index vs Trades Prices, Australia

Source: ABS



Chat GPT can't build houses

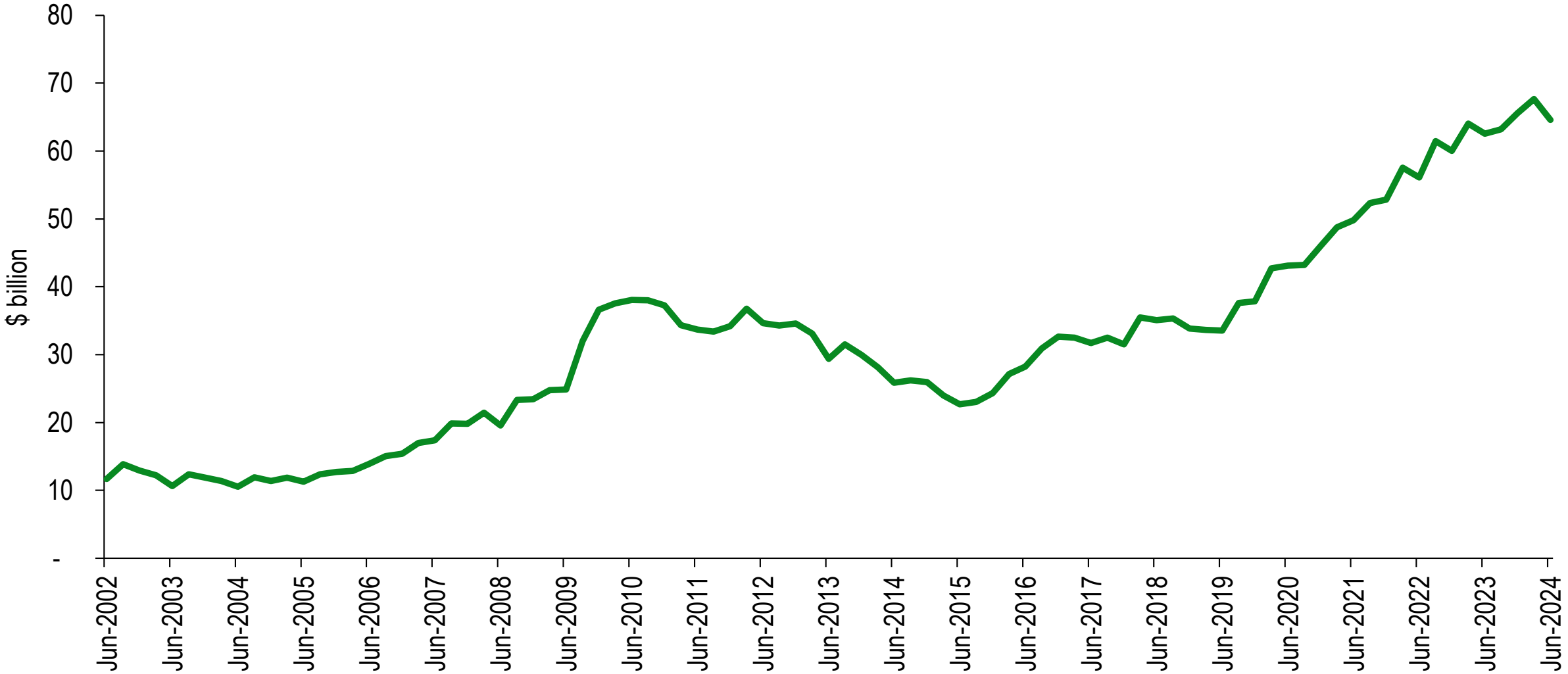
	Current number of workers	Additional workers required
Carpenter	73,399	22,020
Electrician	57,723	17,317
Plumber	39,663	11,899
Painter	26,774	8,032
Bricklayer	15,059	4,518
Cabinetmaker	14,693	4,408
Plasterer	11,826	3,548
Tiler	11,405	3,421
Concreter	10,421	3,126
Roof Tiler	6,384	1,915
Floor Finisher	6,016	1,805
Glazier	4,465	1,339
Total	**277,827**	**83,348**

Source: HIA

Infrastructure building is part of the problem.

Public sector construction pipeline

Source: ABS 8752.0, 8762.0

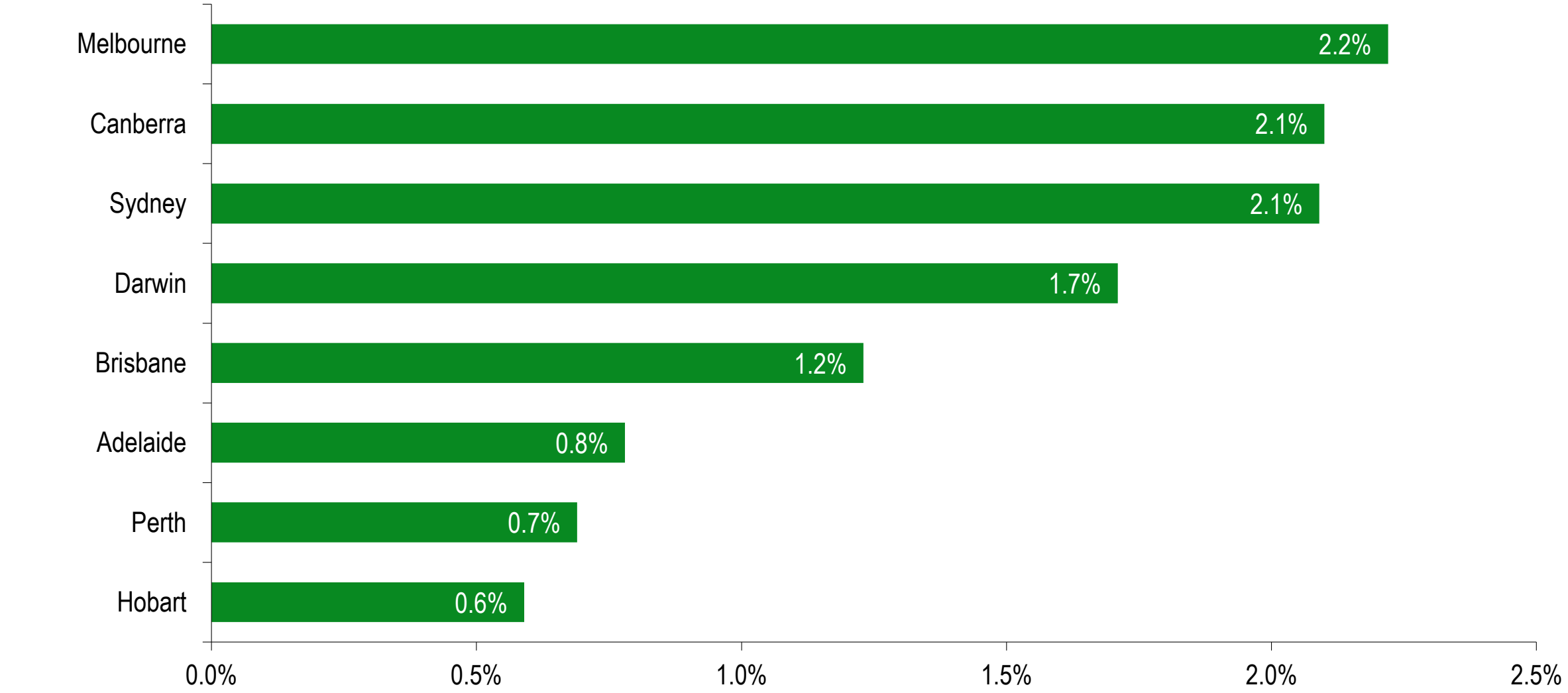


Recent data

The goal should be 3% rental vacancy

Capital City Vacancy Rates, Dec-24

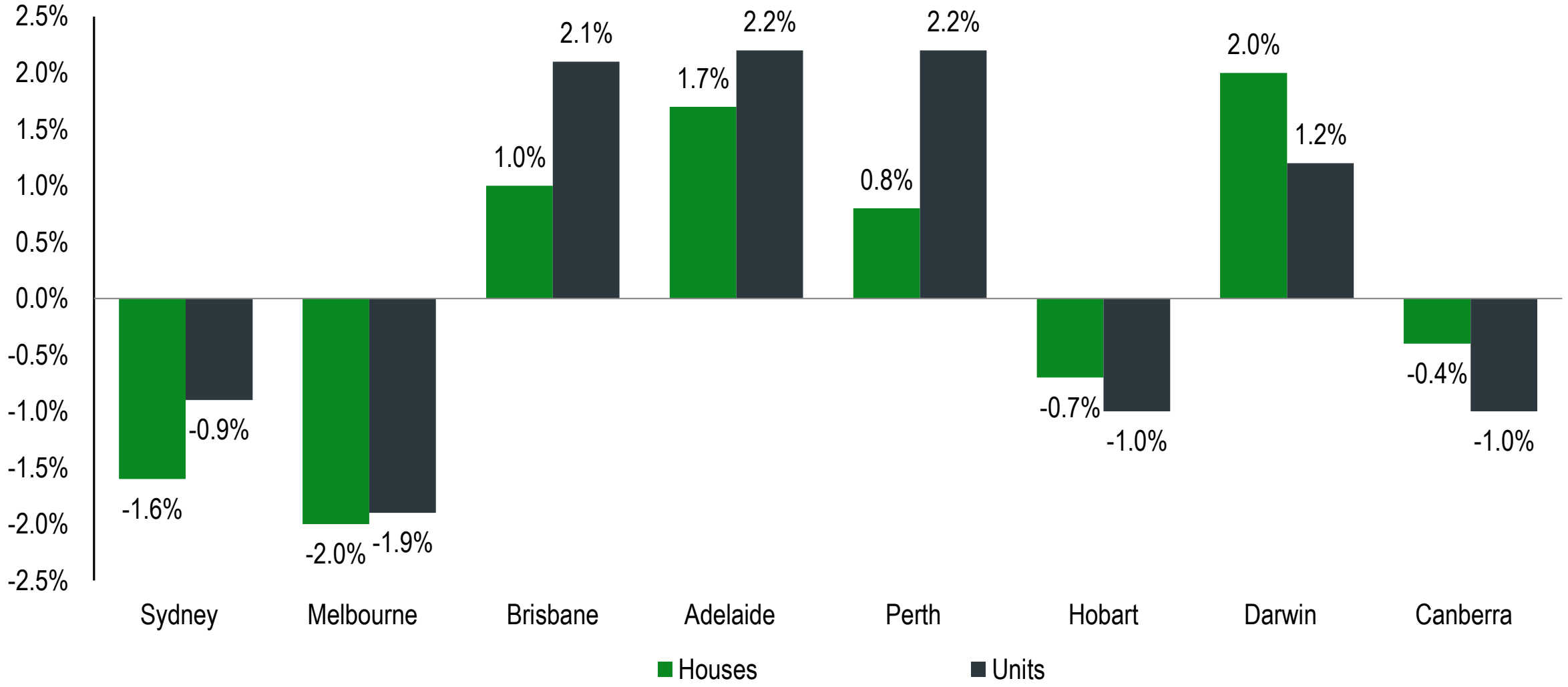
Source: SQM Research



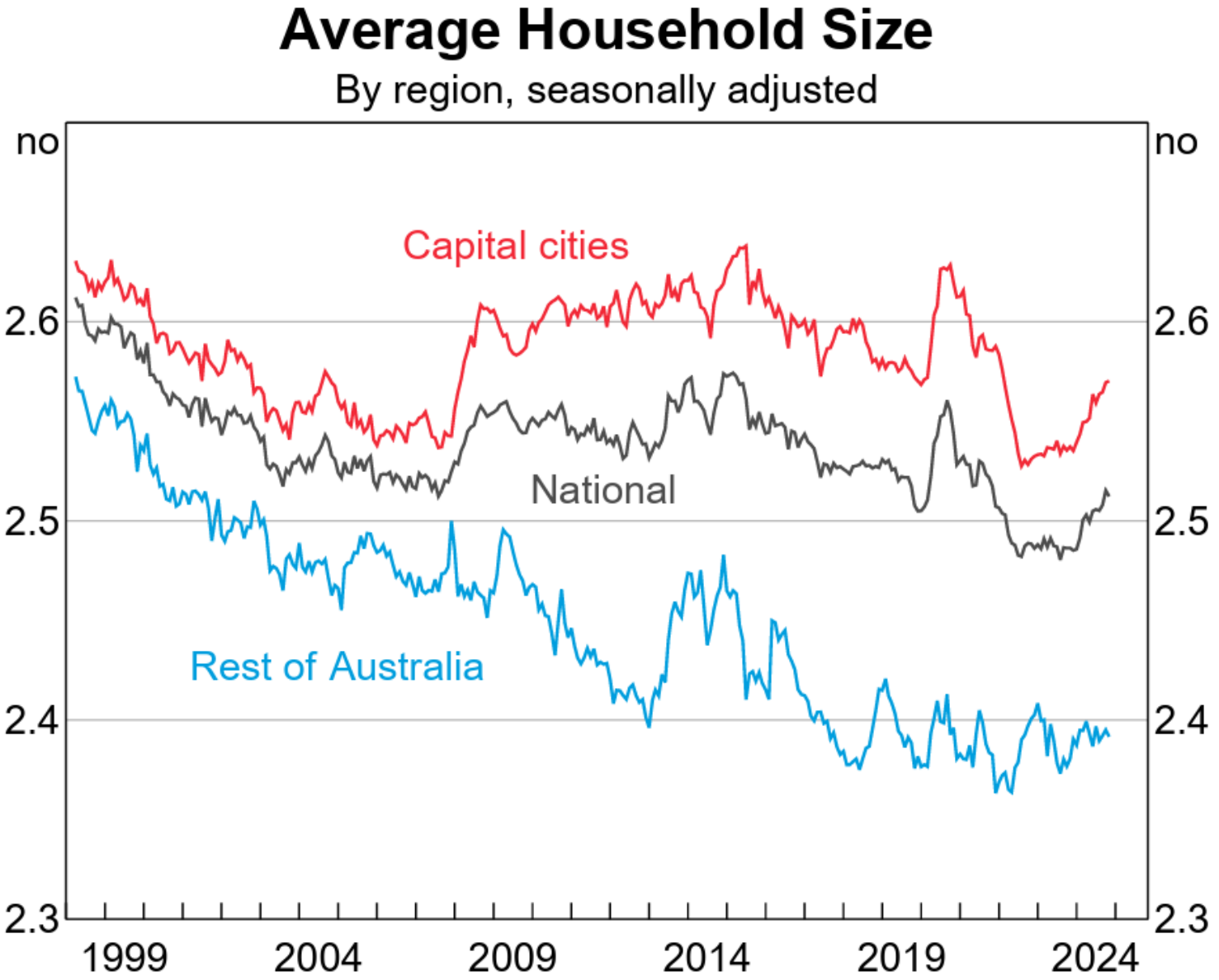
House price growth slowing and patchy

Change in House Values - 3 months to - January 2025

Source: CoreLogic



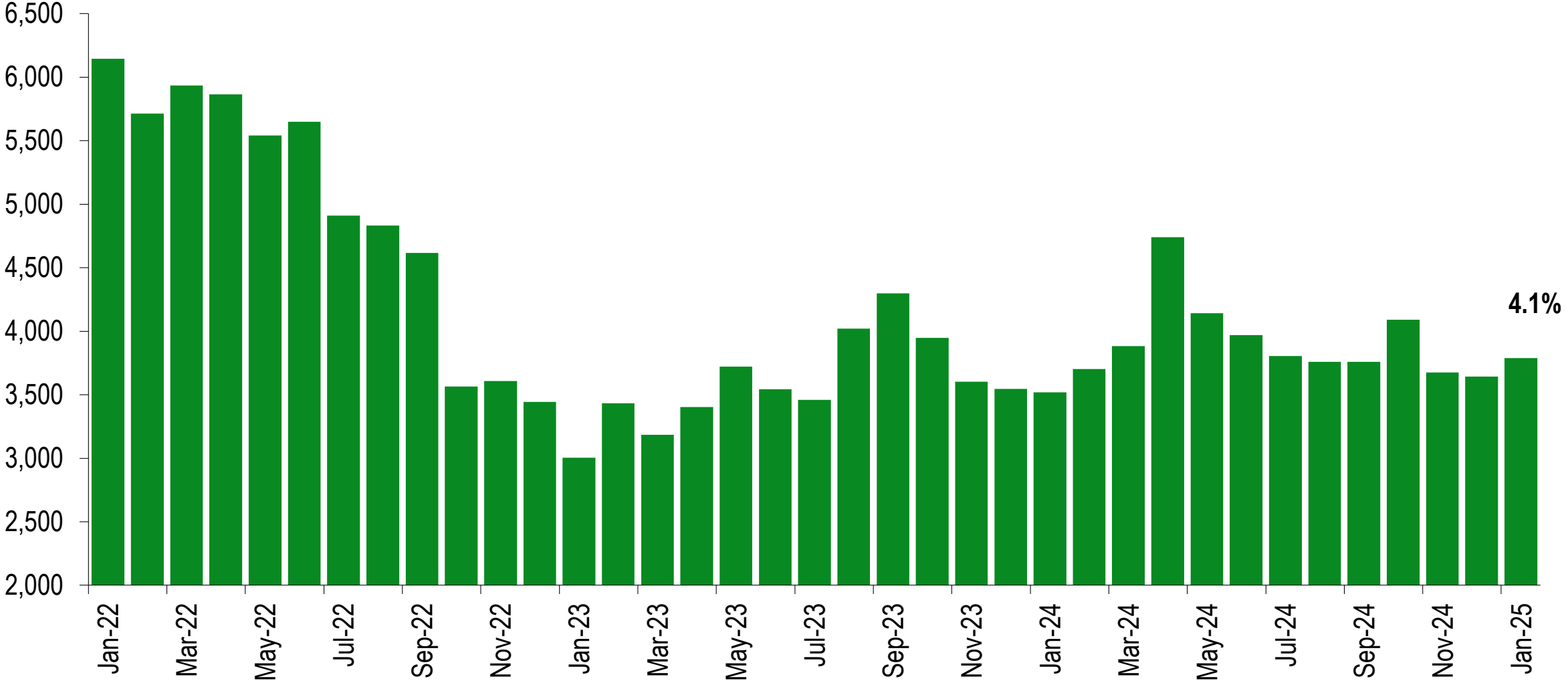
More people per home in 2025



Sources: ABS; RBA.

National New Home Sales: 22% below 2019

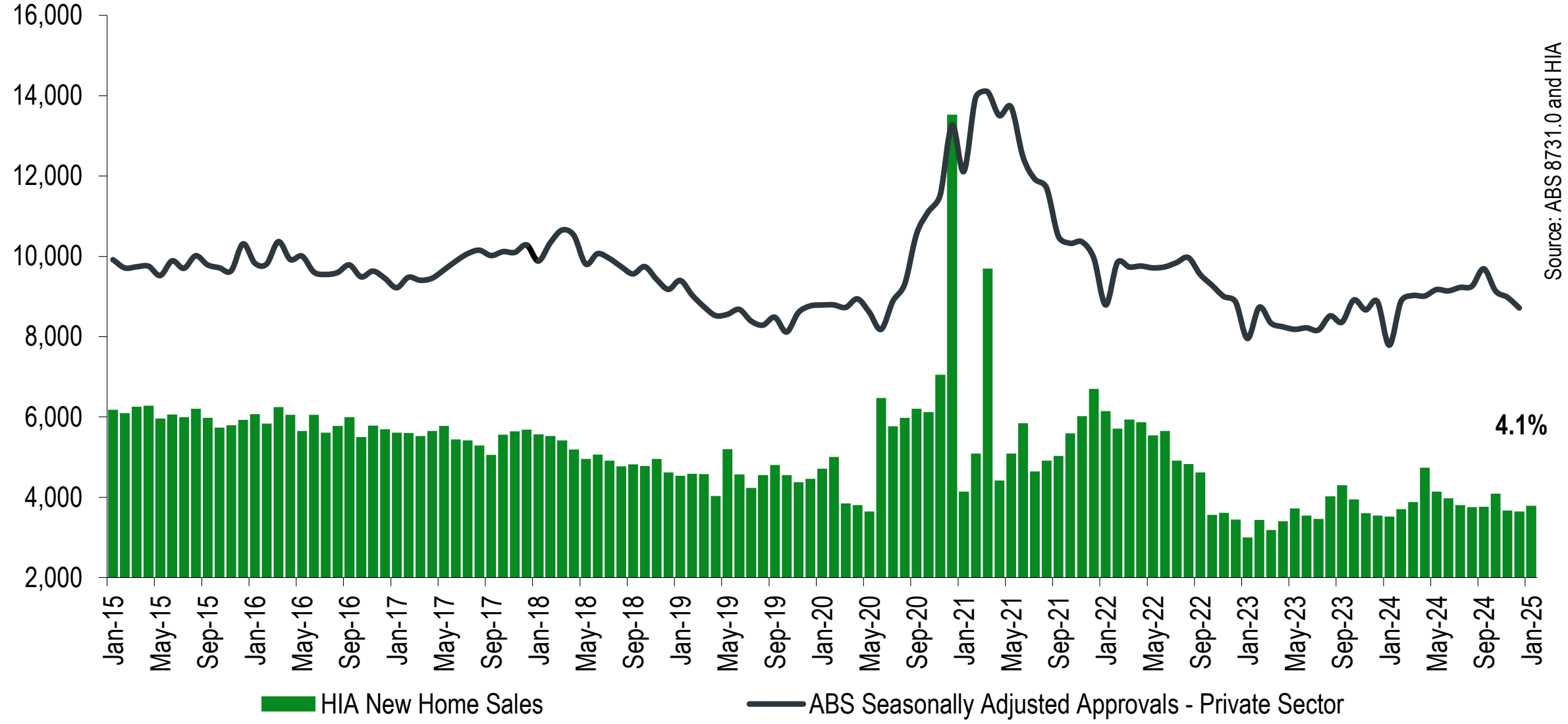
Private New House Sales - Australia (SEASONALLY ADJUSTED)



Source: HIA New Home Sales Report

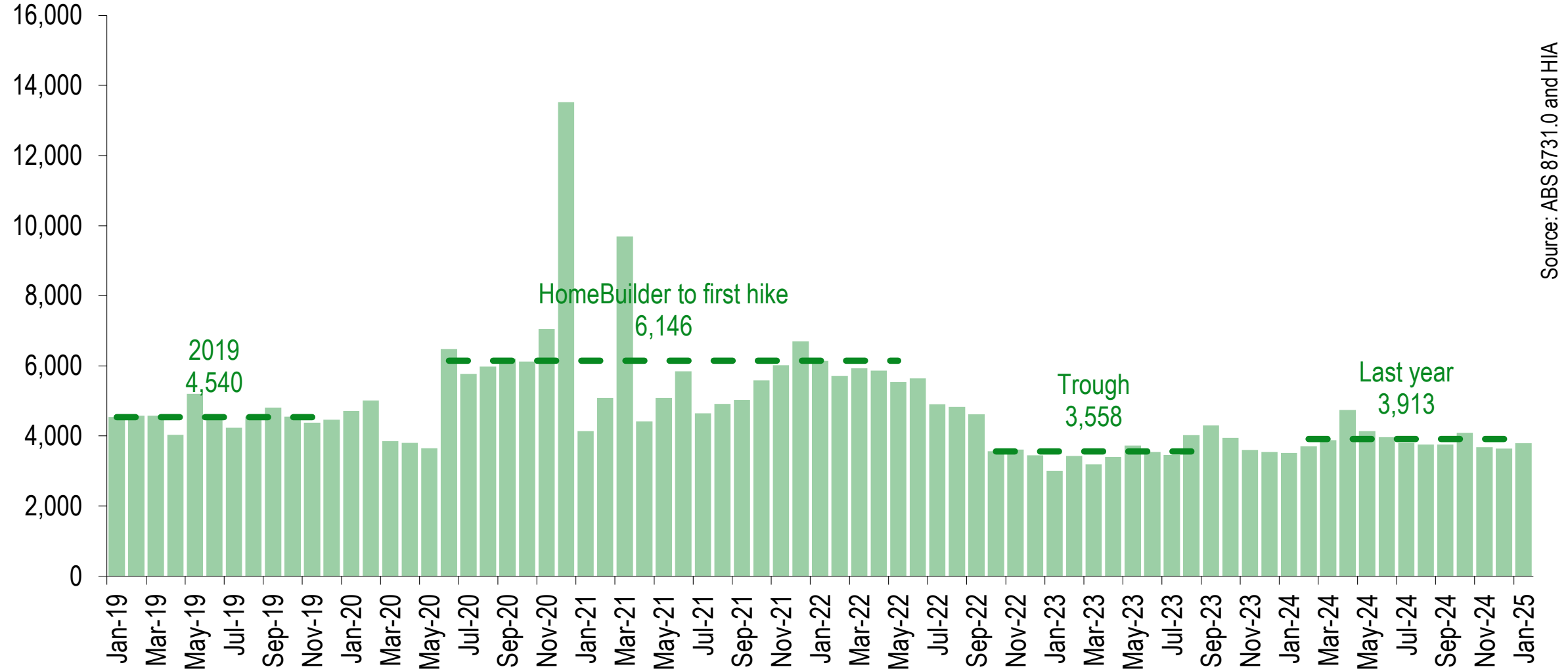
HIA New Home Sales

Private New House Sales - Australia (SEASONALLY ADJUSTED)



New Home Sales picking up

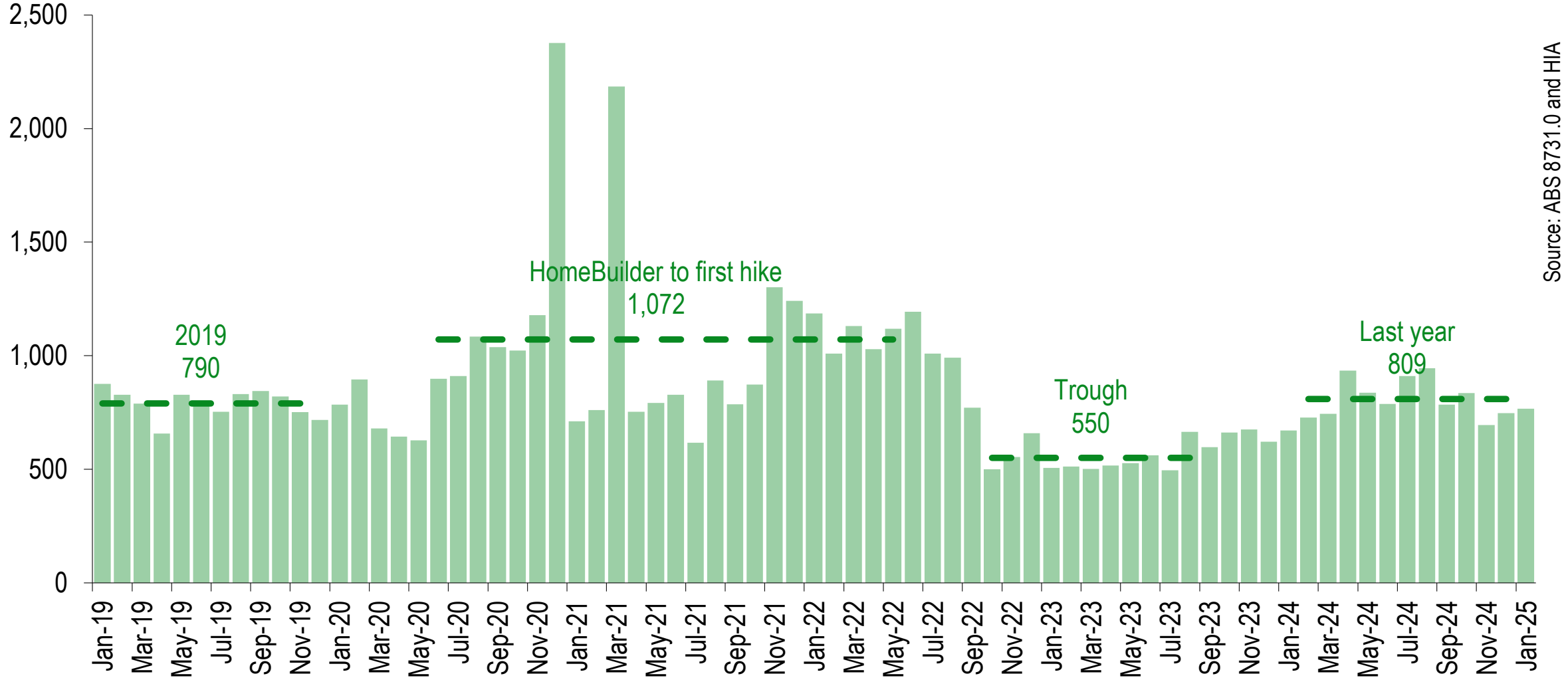
Private New House Sales - Australia (SEASONALLY ADJUSTED)



Source: ABS 8731.0 and HIA

Especially QLD

Private New House Sales - Queensland (SEASONALLY ADJUSTED)

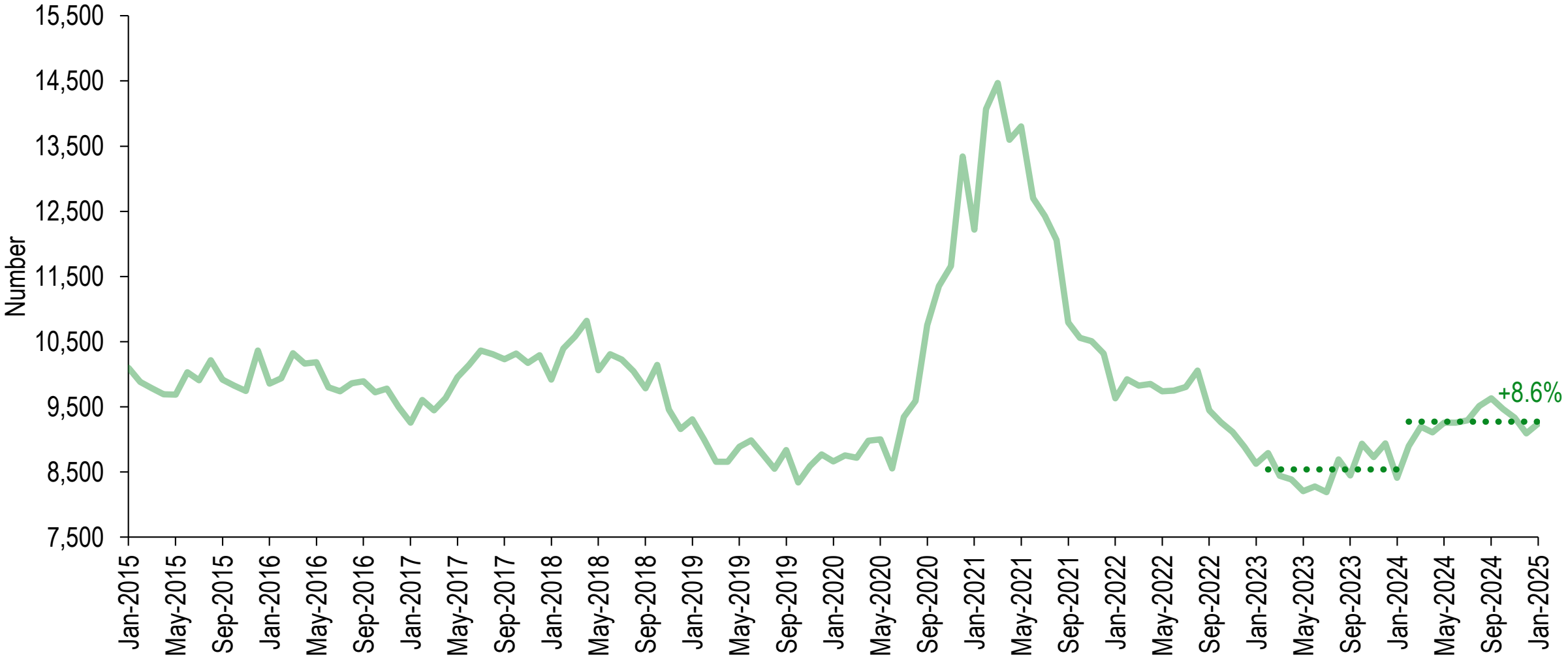


Source: ABS 8731.0 and HIA

Approvals followed suit

House Approvals, Australia

Source: ABS 8731.0



Especially QLD

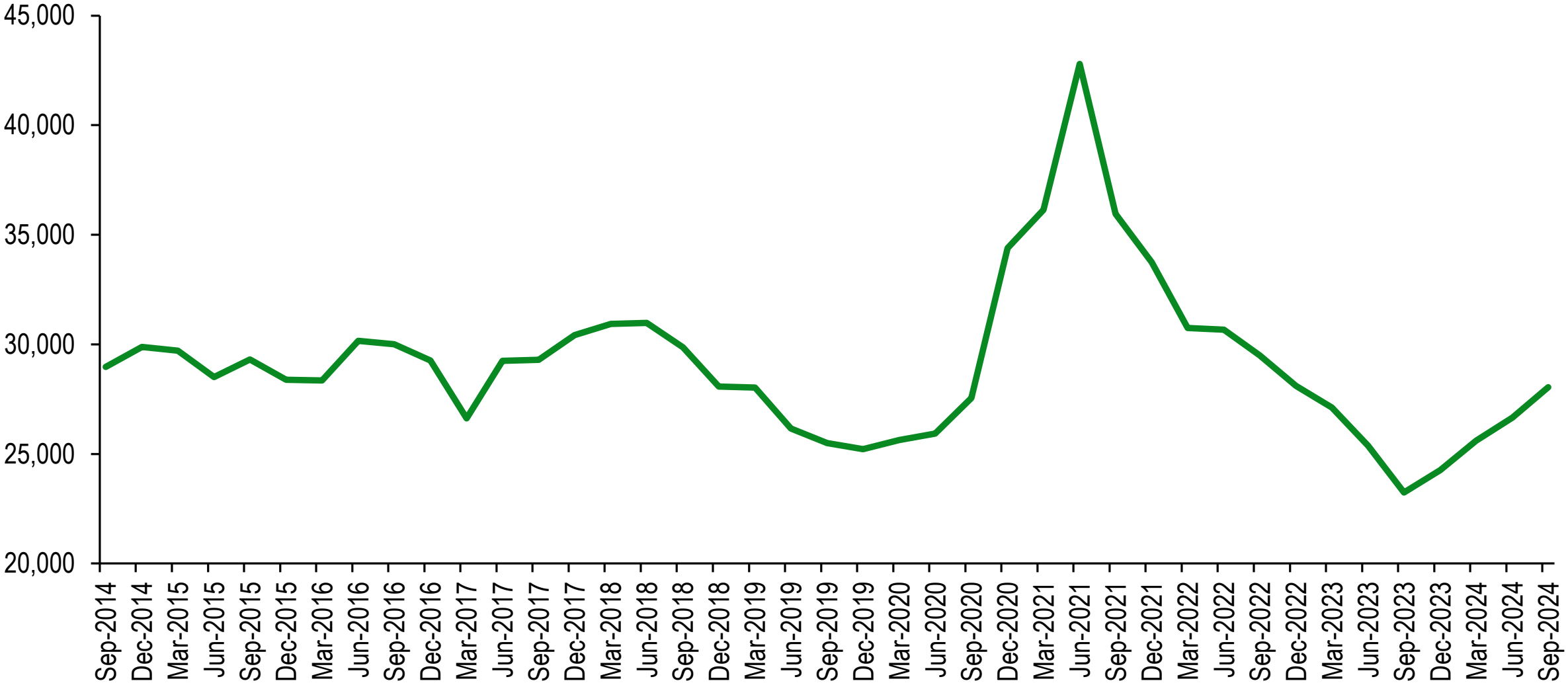
House Approvals, Queensland

Source: ABS 8731.0

And now commencements

Detached Houses Commencements, Australia

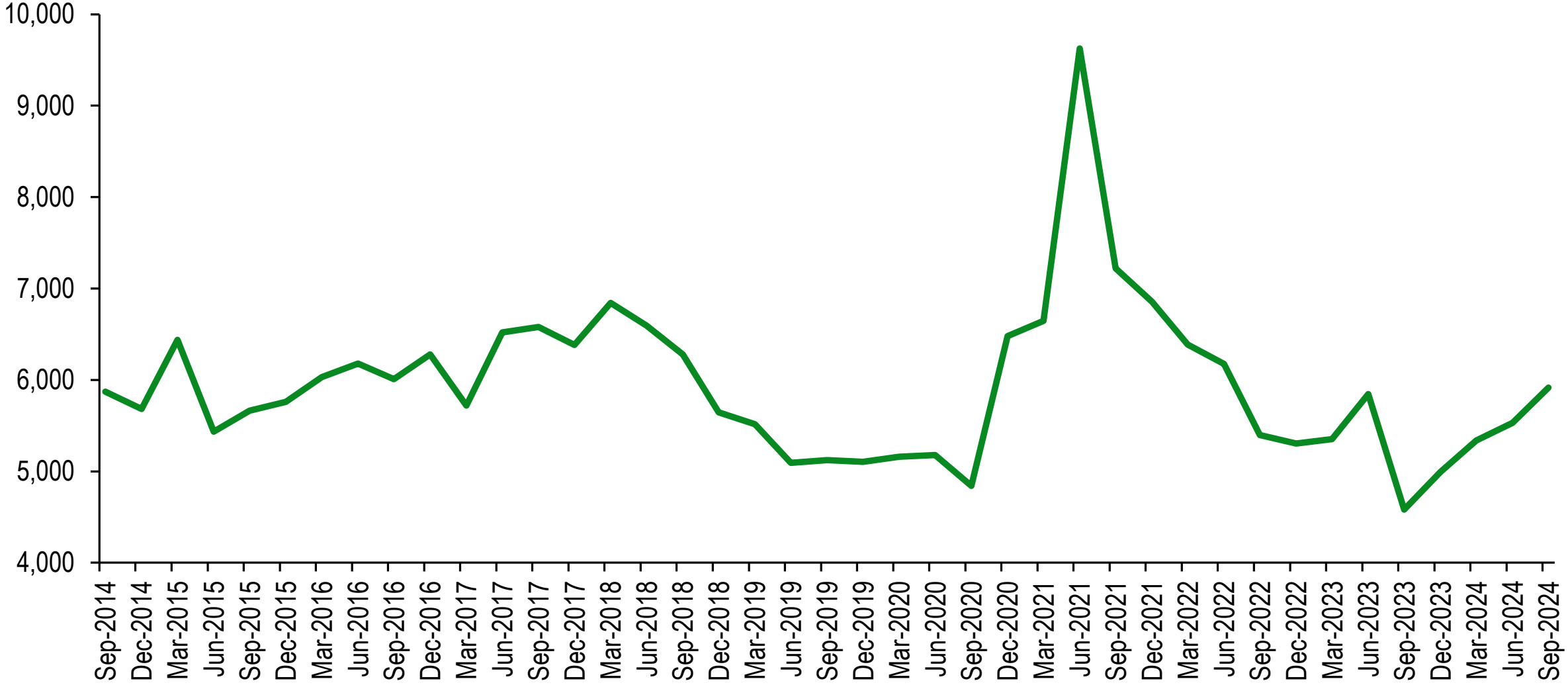
Source: ABS 8752.0



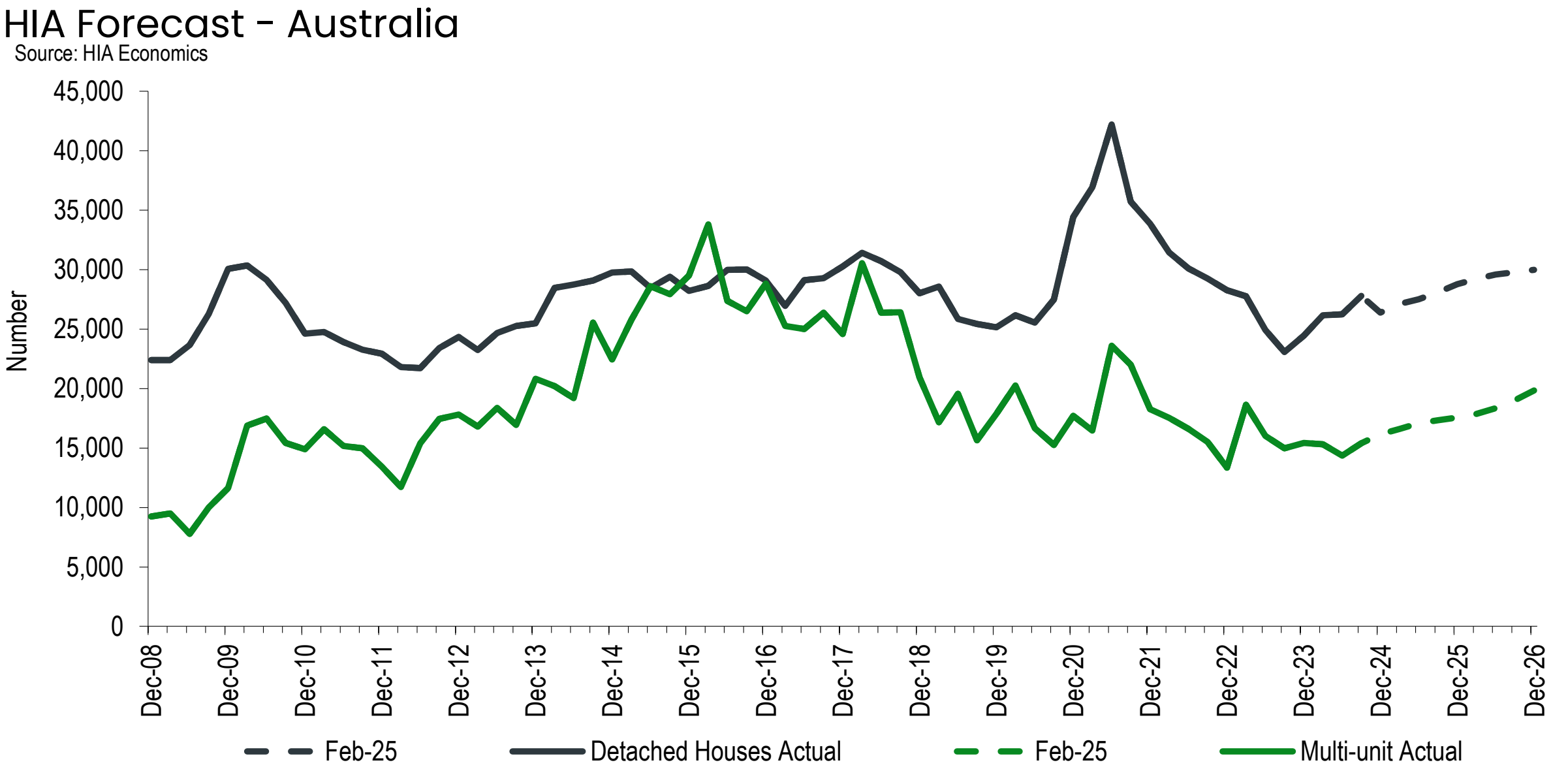
And in QLD

Detached Houses Commencements, Queensland

Source: ABS 8752.0



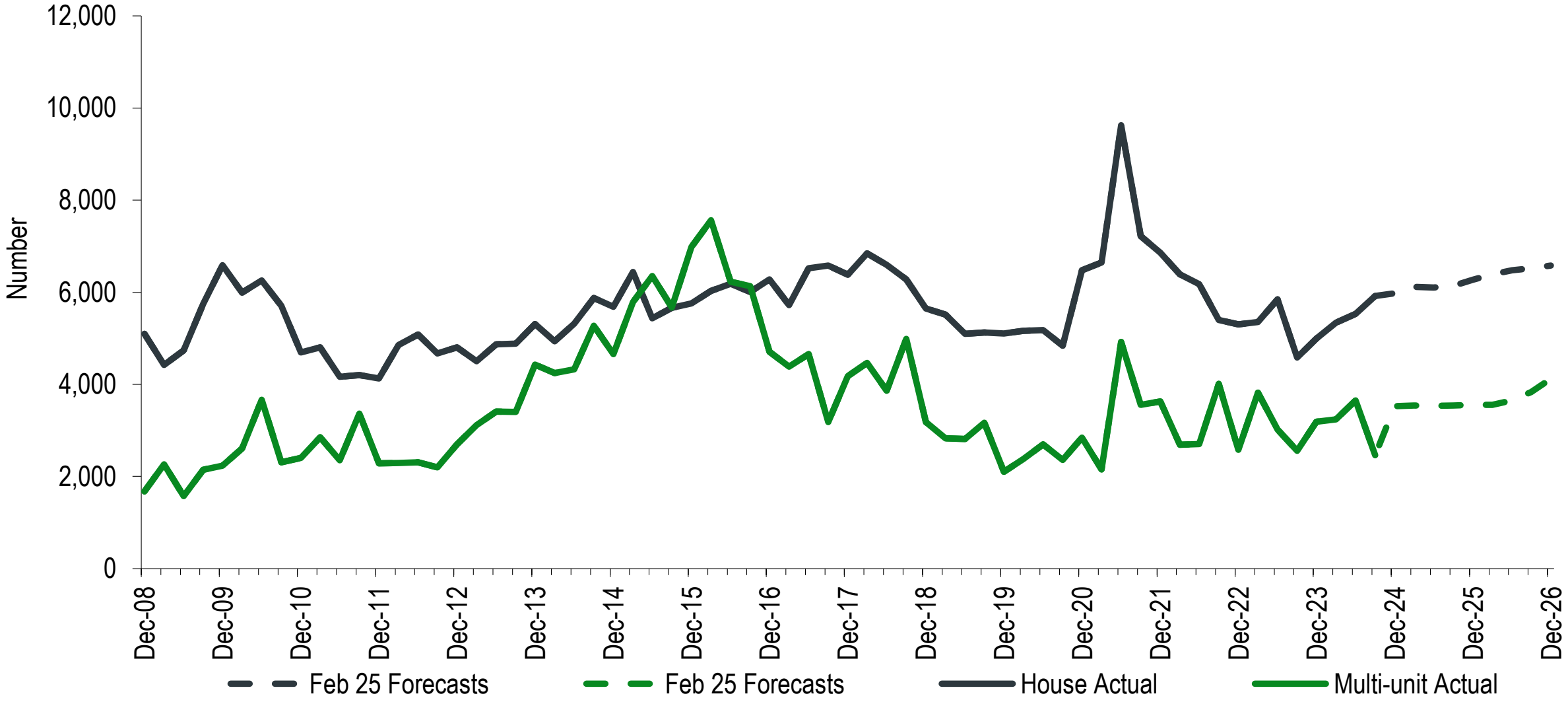
New forecasts!



Forecasts for QLD

HIA Forecast - QLD

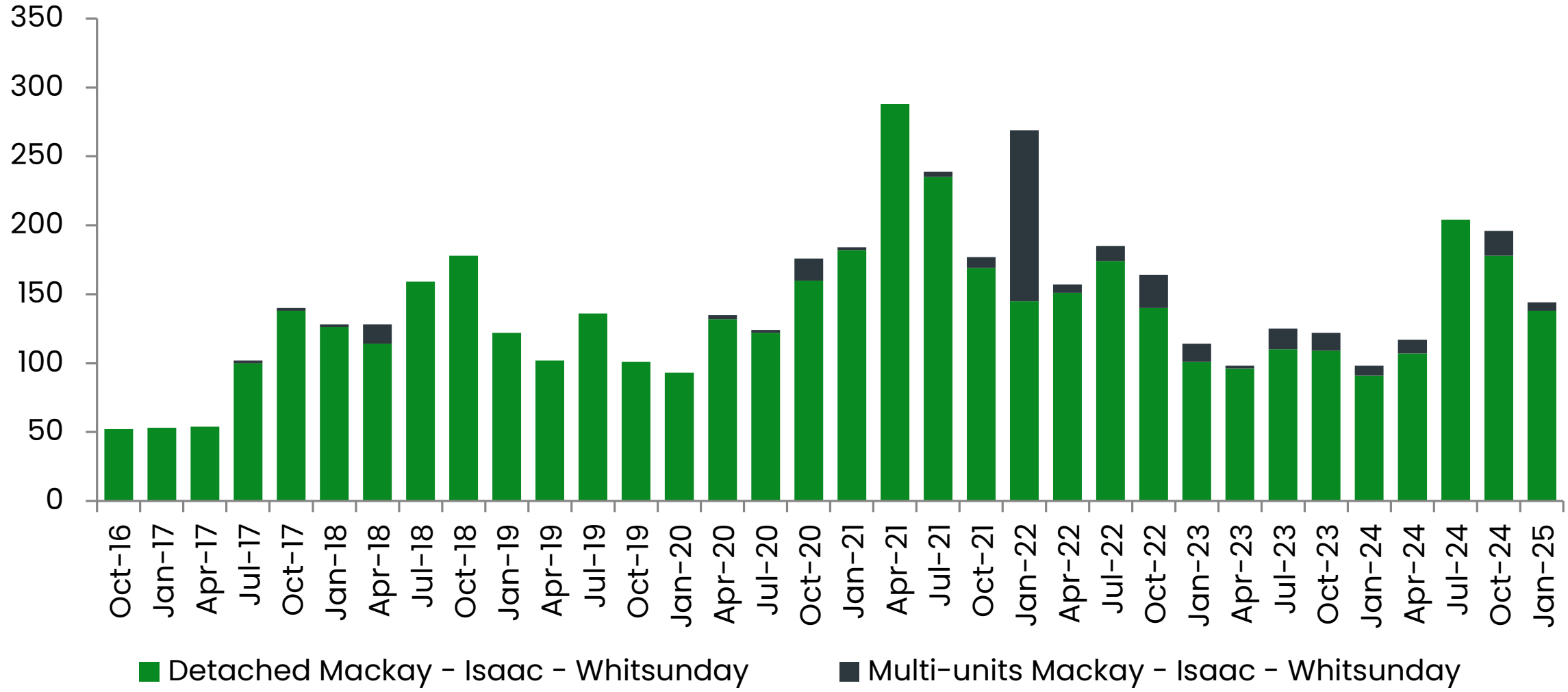
Source: HIA Economics



Local region

Quarterly Building Approvals, Mackay - Isaac - Whitsunday

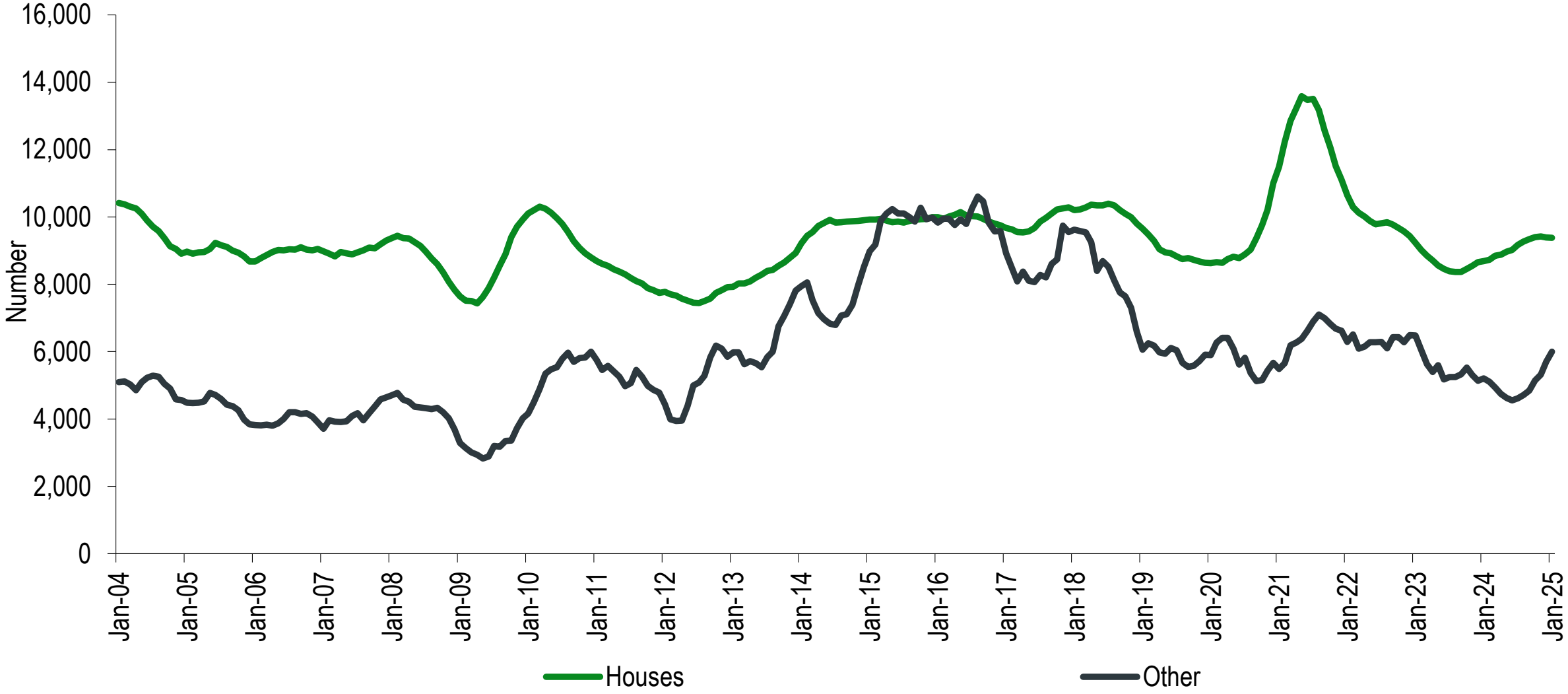
Source: HIA



Nationally building Approvals tracking up

Monthly Building Approvals - Australia, 6 Month rolling average

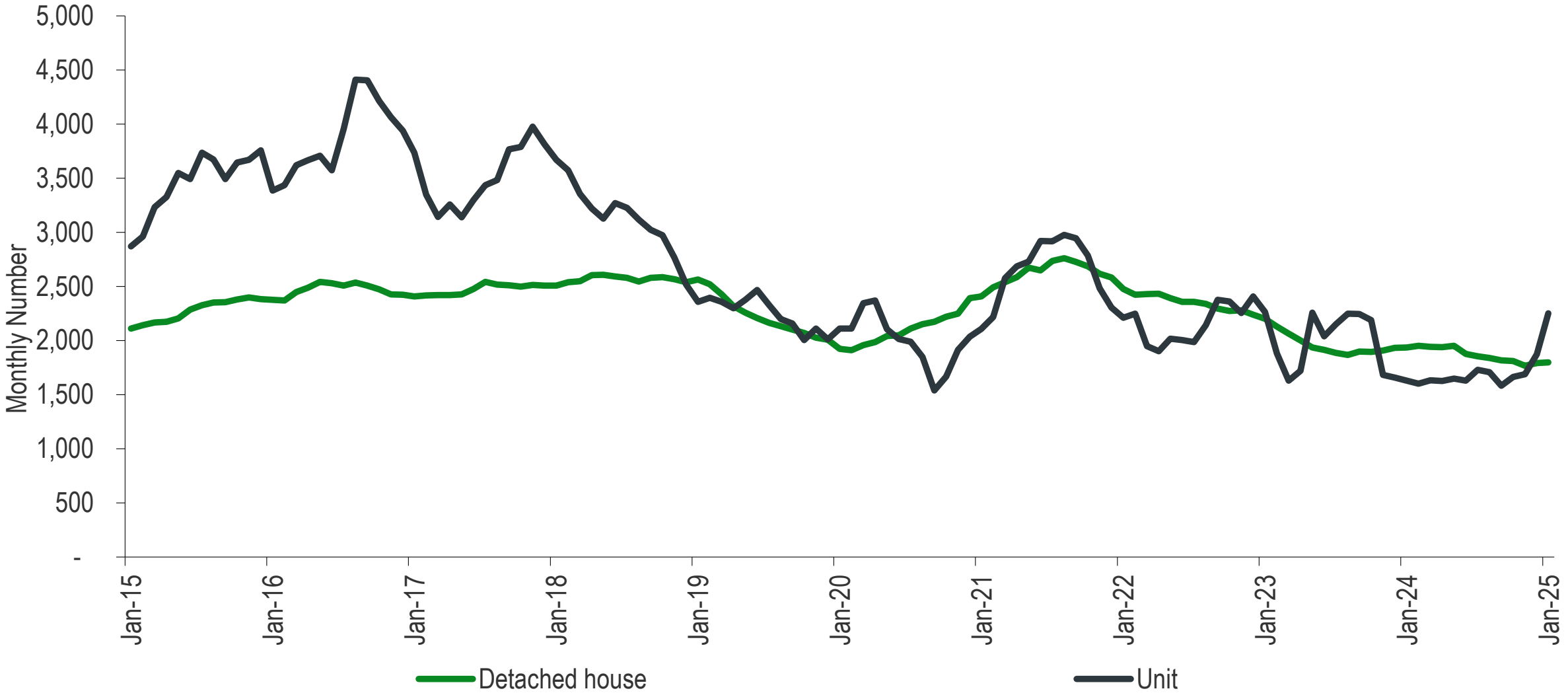
Source: ABS 8731



Building Approvals: NSW

Building Approvals NSW - 6 months rolling average

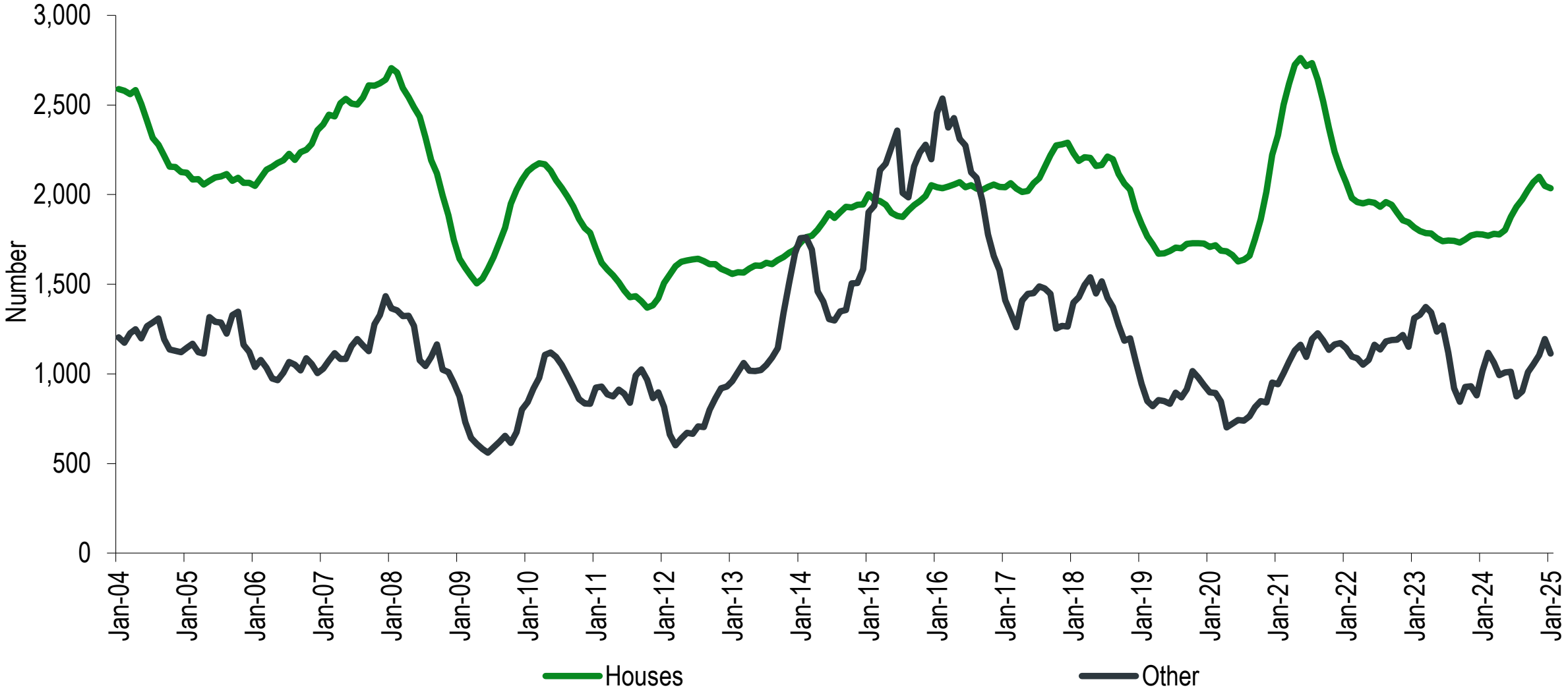
Source: ABS Building Approvals



Building Approvals: QLD

Monthly Building Approvals - QLD, 6 Month rolling average

Source: ABS 8731

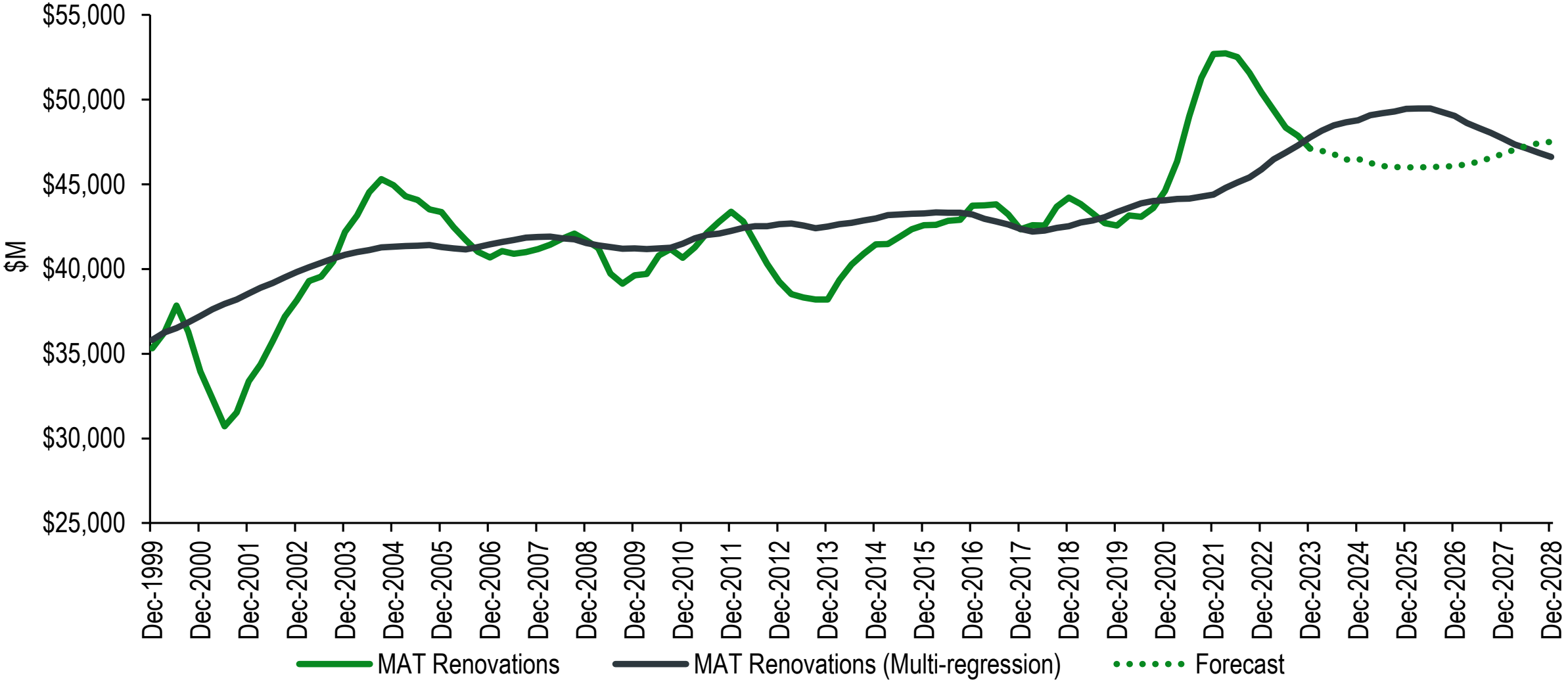


Forecasts

Renos slowing from record boom

Renovations vs Housing Stock, Moving Annual Total, Australia

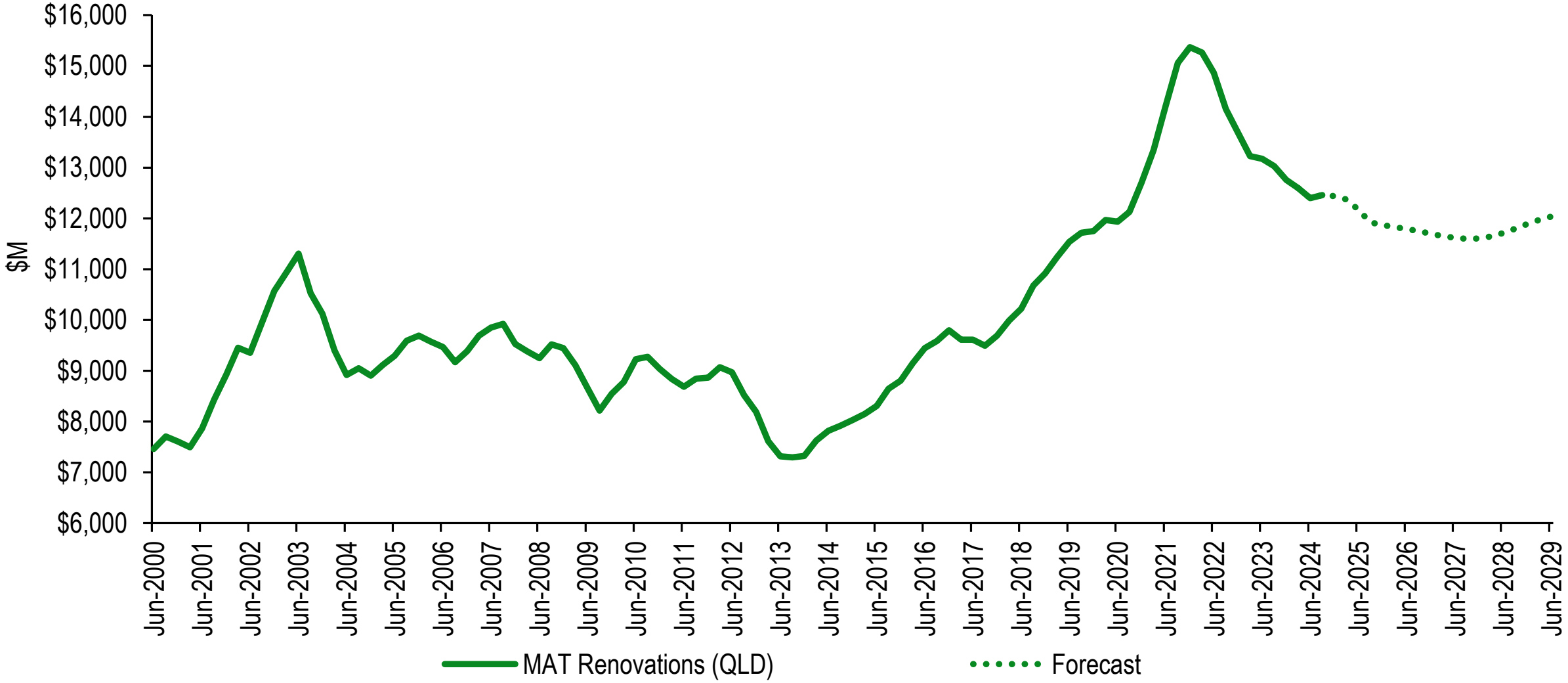
Source: ABS, HIA



QLD especially

Renovations, Moving Annual Total, QLD

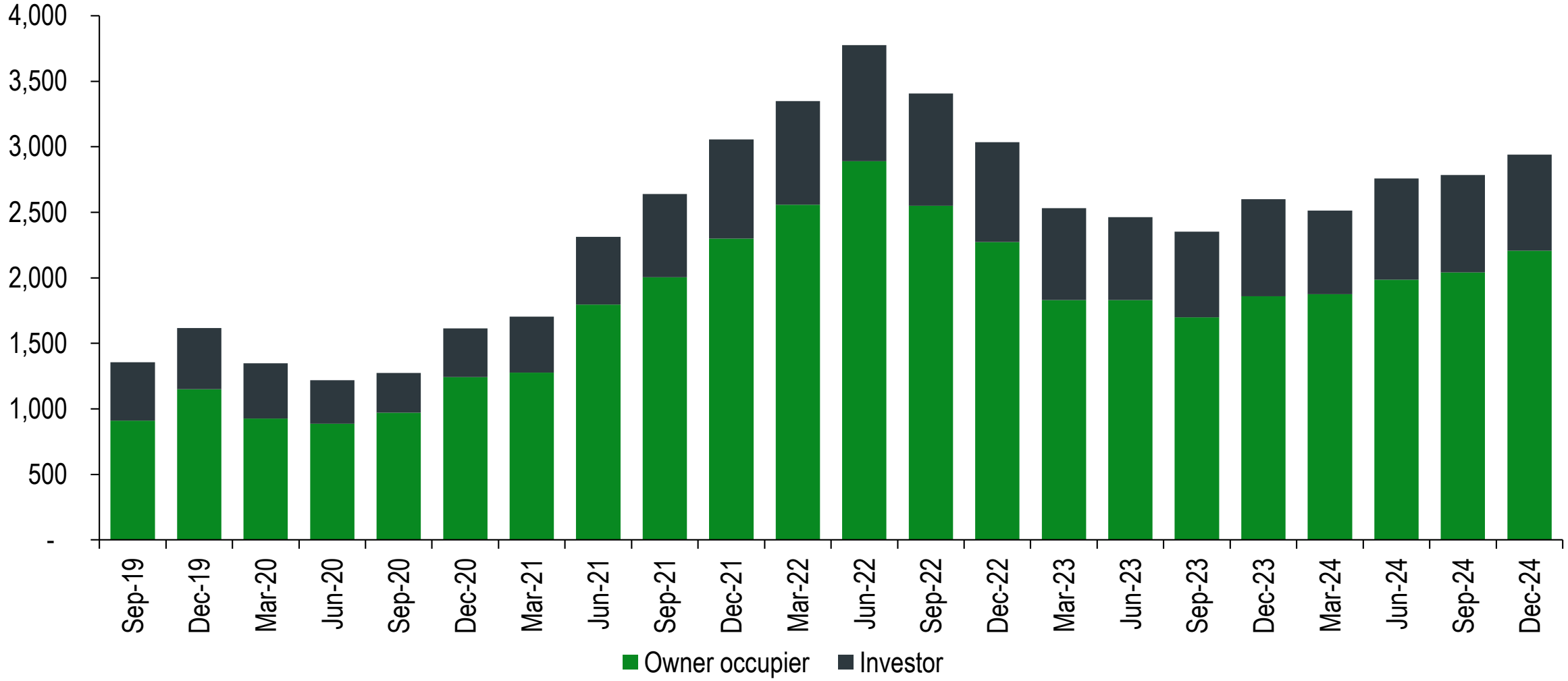
Source: ABS, HIA



Especially larger renovations projects

Number of Loans for Renovations, QLD

Source: ABS

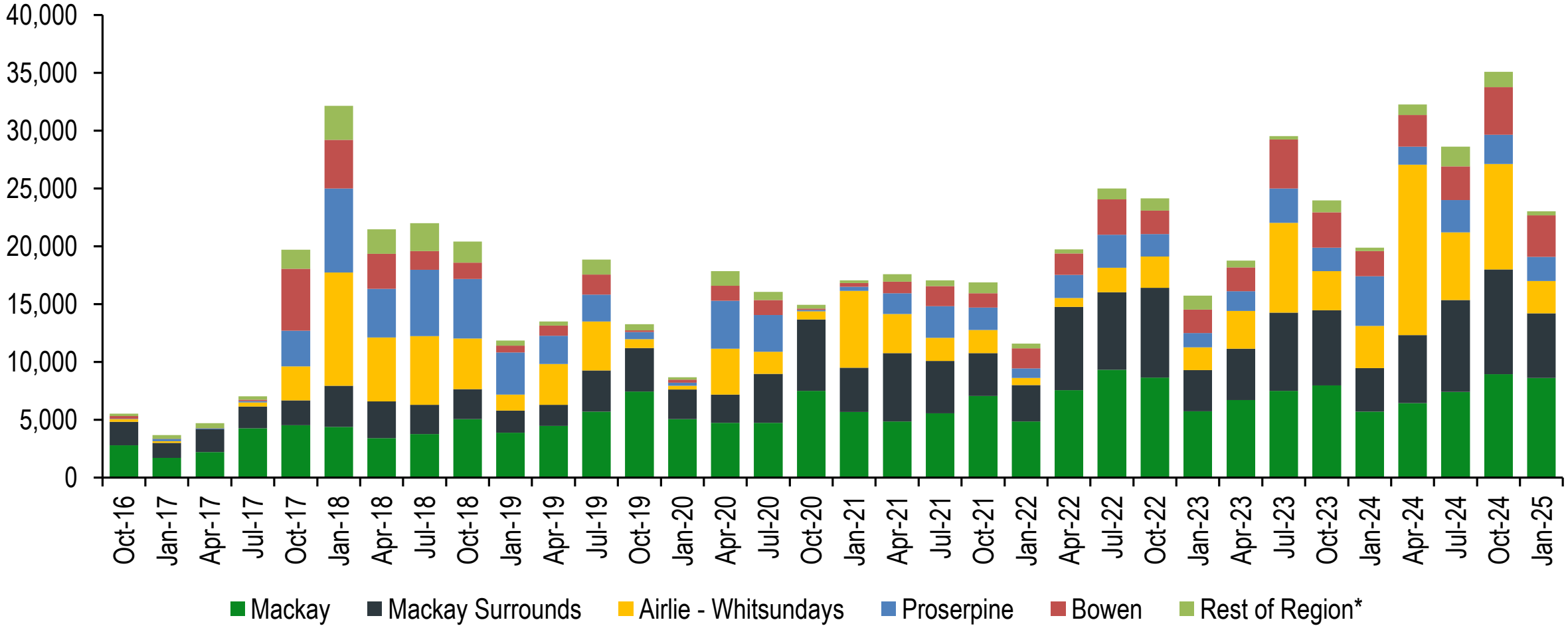


Local area too

Approvals for Renovations, Mackay - Isaac - Whitsunday, $000s

Source: ABS

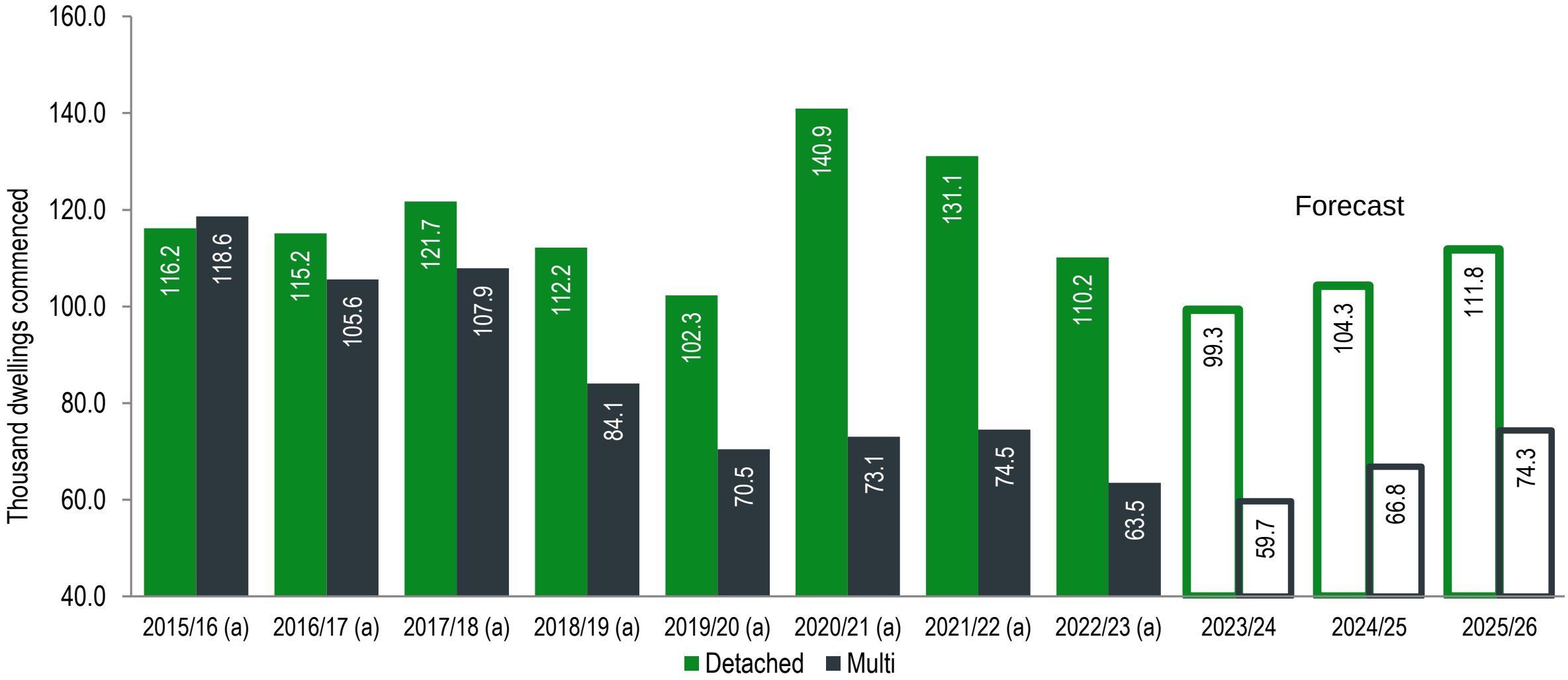
* Collinsville, Broadsound - Nebo, Moranbah, Clermont



HIA Forecasts

Australia HIA Housing Starts Forecasts

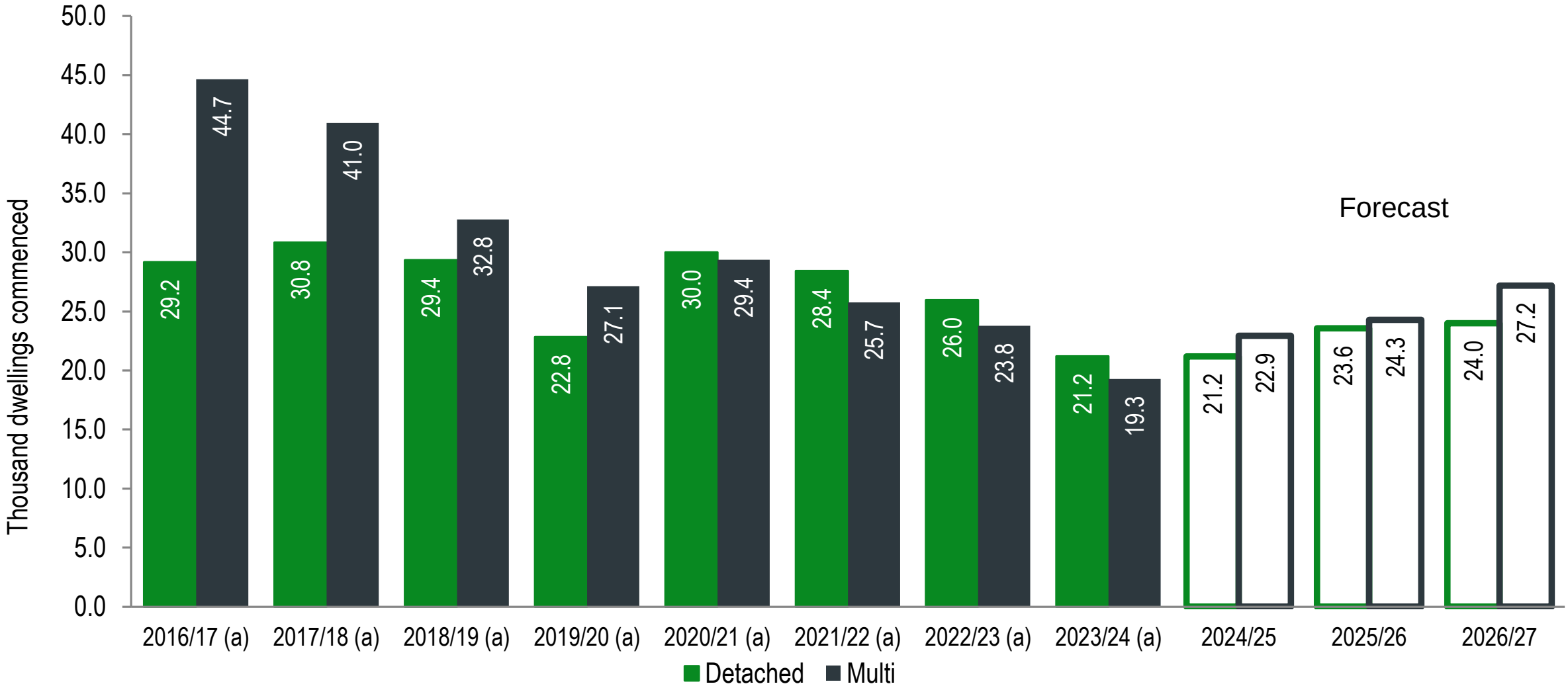
Source: HIA Economics



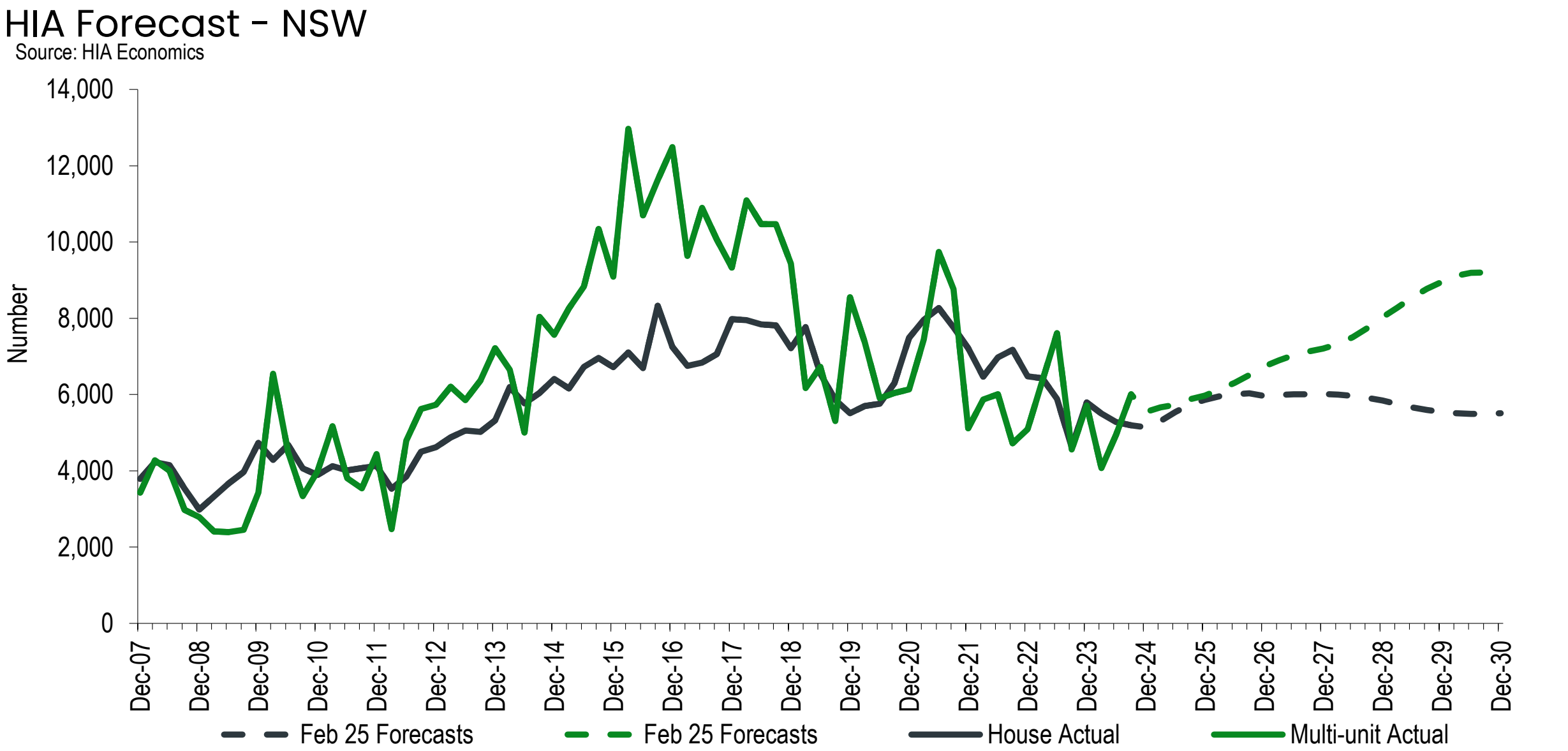
NSW: Housing Forecast

NSW HIA Housing Starts Forecasts

Source: HIA Economics



HIA Forecasts: NSW

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thank You

Tim Reardon, HIA Chief Economist, March 2025