

MAJOR RENOVATIONS RECOVER IN EARLY 2006

Major renovation activity recovered in New South Wales in the March 2006 quarter, pegging back some of the ground lost in a very weak end to 2005.

Commenting today on the latest release of HIA's quarterly *Renovations Monitor*, Australia's peak building industry body, HIA, said that major renovation activity (jobs carried out by licensed builders and contractors) increased by 13 per cent in NSW in the March 2006 quarter to \$365 million.

HIA's Executive Director, NSW, Mr Wayne Gersbach, said that the early 2006 result was encouraging ahead of a likely rate-rise induced softening mid year.

"Softer house prices together with ridiculously high entry costs for new housing in NSW are delivering reasonably healthy levels of expenditure on major renovations, although activity continues to be well down on the peak levels of 2002 and 2003," Mr Gersbach said.

"The interest rate rise in May and sustained higher fuel costs will take some of the shine back off renovations, as well as further dampening an already very weak new home market, in the June quarter, and overall spending on renovations will be lower this year than last," he added.

"However, the cost of new housing continues to sit at a level that is simply unaffordable for many budding home buyers in the state, and just about all home buyers in Sydney, and the NSW government is doing nothing to alleviate this situation. This environment will maintain a healthier renovations market relative to residential construction throughout the year" Mr Gersbach said.

Major renovation expenditure increased almost everywhere in the March quarter, with the strongest rises occurring in Western Australia, South Australia, and Queensland.

The average level of spending on major renovations increased for all categories with the exception of repairs and maintenance.

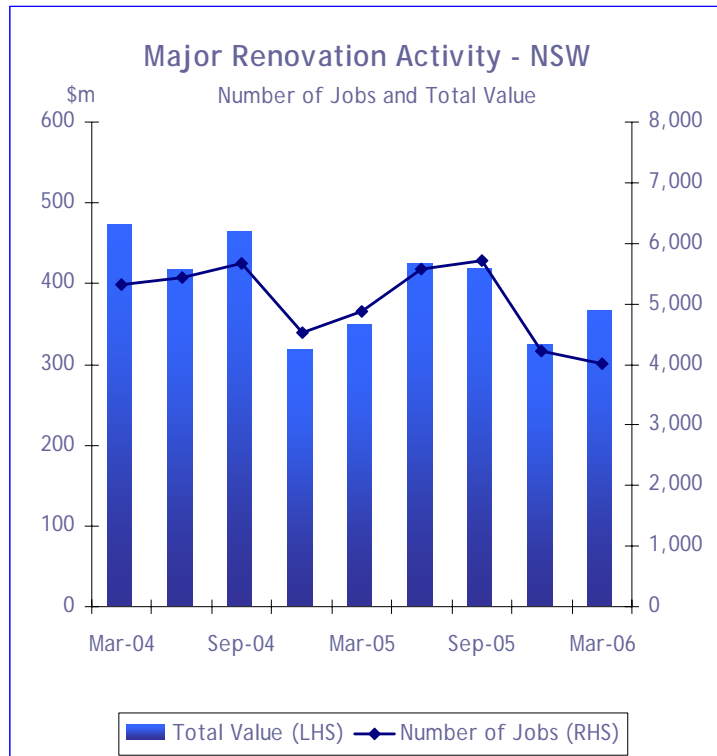
NOTES TO EDITORS

Nationally, a total of 8,458 households undertook major home renovations over the three months to March at an average value of \$92,410 for each job. The most popular major renovation over the three months was a ground floor extension valued at \$118,232 and around 67 square metres in size.

Notes:

a). The *HIA Renovations Monitor* is a quarterly review of major renovation activity. Compiled from seven years of insurance certificates from all states and territories, it splits major renovation activity into the categories of ground and second storey extensions, kitchens, bathrooms, garages, roofing and cladding, external improvements, and repairs and maintenance.

b). Market share adjustments have led to a revision to the history of the levels of major renovations expenditure and the number of major renovation jobs. The magnitudes of quarterly changes to renovation activity are little changed.



For further information please contact :

Wayne Gersbach, HIA Executive Director, NSW on 0410 697 404.

For State based releases or a copy of the full report (media only) please contact
Kirsten Lewis (02) 6245 1393 or k.lewis@hia.com.au

MAJOR RENOVATIONS IN VIC RECOVER IN EARLY 2006

Major renovation activity recovered in the March 2006 quarter, pegging back all of the ground lost in a weaker end to 2005.

Commenting today on the latest release of HIA's quarterly *Renovations Monitor*, Australia's peak building industry body, HIA, said that major renovation activity (jobs carried out by licensed builders and contractors) in Victoria increased by 13 per cent in the March 2006 quarter to \$261 million.

HIA's Executive Director Victoria, Mr Graham Wolfe, said that the early 2006 result was encouraging ahead of a likely rate-rise induced softening mid year.

"Relatively stable house prices and continuing strong labour markets are delivering reasonably healthy levels of expenditure on major renovations, although activity continues to be down on the peak levels of 2002 and 2003," Mr Wolfe said.

"The interest rate rise in May and sustained higher fuel costs will take some of the shine off renovations, as well as the new home market, in the June quarter, and overall spending on renovations will be lower this year than last," he added.

"However, the cost of new housing continues to creep higher as the state government fails to address the substantial cost burden they themselves are imposing. This environment will maintain a healthier renovations market relative to residential construction throughout the year."

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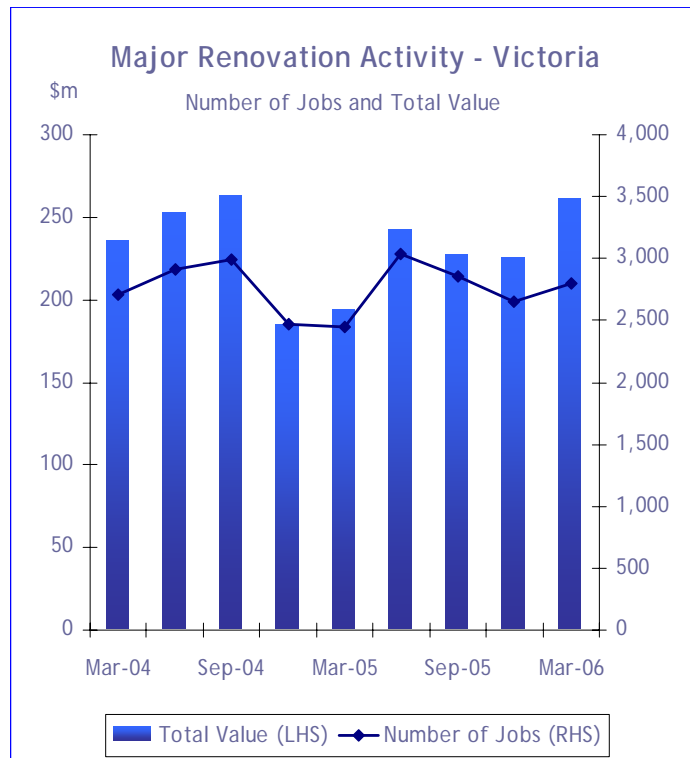
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For further information please contact :

Graham Wolfe, HIA Executive Director VIC, on 0419 751 188.

For State based releases or a copy of the full report (media only) please contact

Kirsten Lewis (02) 6245 1393 or k.lewis@hia.com.au

MAJOR RENOVATIONS IN QLD INCREASE FURTHER IN EARLY 2006

Major renovation activity increased further in the March 2006 quarter, as the major renovations boom in Queensland continued.

Commenting today on the latest release of HIA's quarterly *Renovations Monitor*, Australia's peak building industry body, HIA, said that major renovation activity (jobs carried out by licensed builders and contractors) in Queensland increased by 15 per cent in the March 2006 quarter to \$430 million.

HIA's Executive Director Queensland, Mr Warwick Temby, said that the early 2006 result was encouraging ahead of a likely rate-rise induced softening mid year.

"Modest house price growth and continuing strong labour markets are delivering reasonably healthy levels of expenditure on major renovations," Mr Temby said.

"In the March quarter Queensland enjoyed the third fastest growth in major renovations in the country," Mr Temby said.

"The interest rate rise in May and sustained higher fuel costs will take some of the shine off renovations, as well as the new home market, in the June quarter," he added.

"However, the cost of new housing continues to creep higher as governments fail to address the substantial cost burden they themselves are imposing."

"This environment will maintain a healthier renovations market relative to residential construction throughout the year."

Major renovation expenditure increased almost everywhere in the March quarter, with the strongest rises occurring in Western Australia, South Australia, in addition to Queensland.

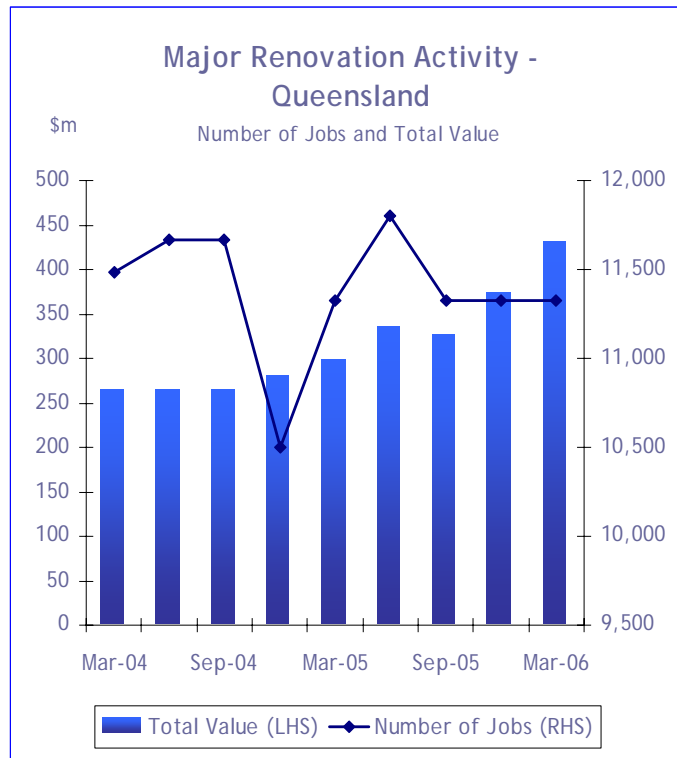
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For further information please contact :

Warwick Temby, HIA Executive Director QLD on 0407 692 241.

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Kirsten Lewis (02) 6245 1393 or k.lewis@hia.com.au

MAJOR RENOVATIONS IN SA RECOVER IN EARLY 2006

Major renovation activity recovered in the March 2006 quarter, pegging back all of the ground lost in a weaker end to 2005.

Commenting today on the latest release of HIA's quarterly *Renovations Monitor*, Australia's peak building industry body, HIA, said that major renovation activity (jobs carried out by licensed builders and contractors) in South Australia increased by 16 per cent in the March 2006 quarter to \$47 million, the second strongest rise in Australia.

HIA's Executive Director South Australia, Mr Robert Harding, said that the early 2006 result was encouraging ahead of a likely rate-rise induced softening mid year.

"Relatively stable house prices and continuing strong labour markets are delivering healthy levels of expenditure on major renovations," Mr Harding said.

"The interest rate rise in May and sustained higher fuel costs will take some of the shine off renovations, as well as the new home market, in the June quarter, and overall spending on renovations will be lower this year than last," he added.

"However, the cost of new housing continues to creep higher as governments fail to address the substantial cost burden they themselves are imposing. This environment will maintain a healthier renovations market relative to residential construction throughout the year."

Major renovation expenditure increased almost everywhere in the March quarter, with the strongest rises occurring in Western Australia and Queensland, in addition to South Australia.

The average level of spending on major renovations increased for all categories with the exception of repairs and maintenance.

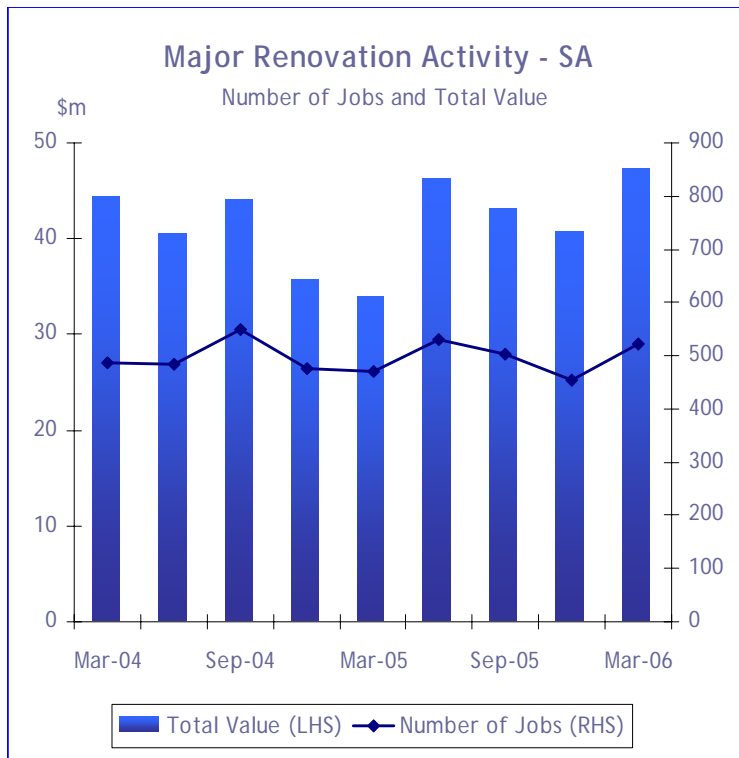
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For further information please contact :

Robert Harding, HIA Executive Director SA, on 0408 084 768.

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Kirsten Lewis (02) 6245 1393 or k.lewis@hia.com.au

MAJOR RENOVATIONS IN WA SURGE HIGHER IN EARLY 2006

Major renovation activity in Western Australia surged higher in the March 2006 quarter, pegging back all of the ground lost in a weaker end to 2005.

Commenting today on the latest release of HIA's quarterly *Renovations Monitor*, Australia's peak building industry body, HIA, said that major renovation activity (jobs carried out by licensed builders and contractors) in Western Australia increased by 22 per cent in the March 2006 quarter to \$56 million.

HIA's WA Regional Director, Mr John Dastlik, said that the early 2006 result marked a very strong start to the year for the major renovations market.

"Growth in major renovations was faster in WA than in any other state in the March quarter this year," Mr Dastlik said.

"Rapid house price growth and continuing strong labour markets are delivering very healthy levels of expenditure on major renovations, and this situation will continue throughout 2006," Mr Dastlik said.

"Spending on major renovations was at its highest quarterly level in March since the September quarter of 2004," he added.

"The March quarter was also the first time that the average level of expenditure exceeded \$100,000, with the average value of a major renovation coming in at over \$105,000, second only to the ACT."

"With economic conditions set to remain healthy throughout the year, the major renovations market will remain a vibrant one."

Major renovation expenditure increased almost everywhere in the March quarter, with the next strongest rises after WA coming from South Australia and Queensland.

The average level of spending on major renovations increased for all categories with the exception of repairs and maintenance.

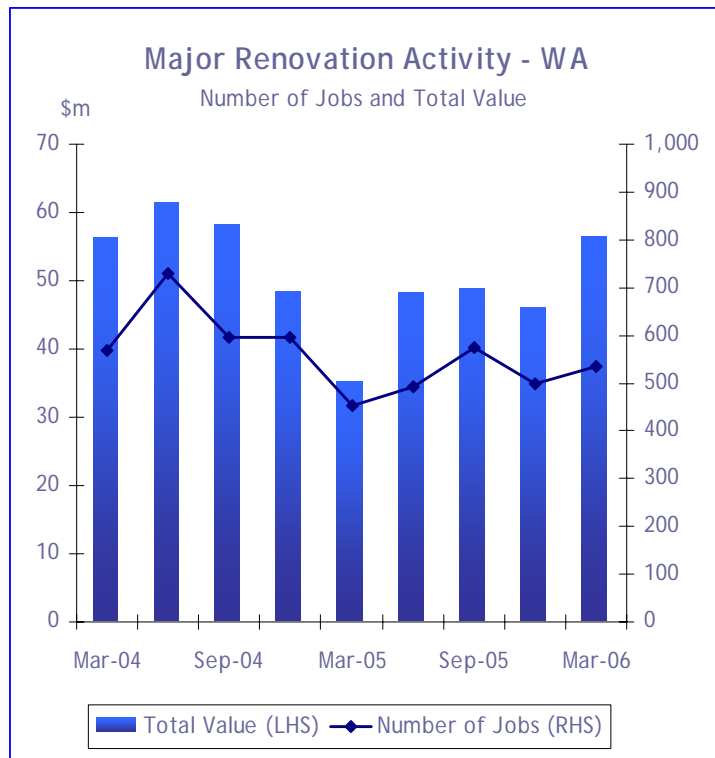
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For further information please contact :

John Dastlik, Executive Director, WA , on 0417 983 639.

For State based releases or a copy of the full report (media only) please contact

Kirsten Lewis (02) 6245 1393 or k.lewis@hia.com.au

5 June 2006

MAJOR RENOVATIONS DIP IN EARLY 2006

Expenditure on major renovations in Tasmania fell back in the March 2006 quarter following a very strong year in 2005.

Commenting today on the latest release of HIA's quarterly *Renovations Monitor*, Australia's peak building industry body, HIA, said that in Tasmania major renovation activity (jobs carried out by licensed builders and contractors) fell by 20.3 per cent to \$17.4 million in the March quarter of 2006.

HIA's Regional Director, Tasmania, Mr Stuart Clues, said that after a stellar 2005, major renovation activity came off the boil early in the New Year.

"Spending on major renovations in Tasmania out-performed the rest of Australia throughout last year, but has subsequently lost momentum," Mr Clues said.

"Even allowing for the sharp dip at the start of this year, major renovation expenditure was still 7.5 per cent higher than in the March 2005 quarter," Mr Clues added.

"Relatively stable house prices and continuing strong labour markets are delivering what are still healthy levels of expenditure on major renovations," Mr Clues said.

"The interest rate rise in May and sustained higher fuel costs will take some more shine off renovations, as well as the new home market, in the June quarter, and overall spending on renovations will be lower this year than last," he added.

"However, the cost of new housing continues to creep higher as the state government fails to address the substantial cost burden they themselves are imposing. This environment will maintain a healthier renovations market relative to residential construction throughout the year."

Elsewhere in Australia, major renovation expenditure increased almost everywhere in the March quarter, with the strongest rises occurring in Western Australia, South Australia, and Queensland.

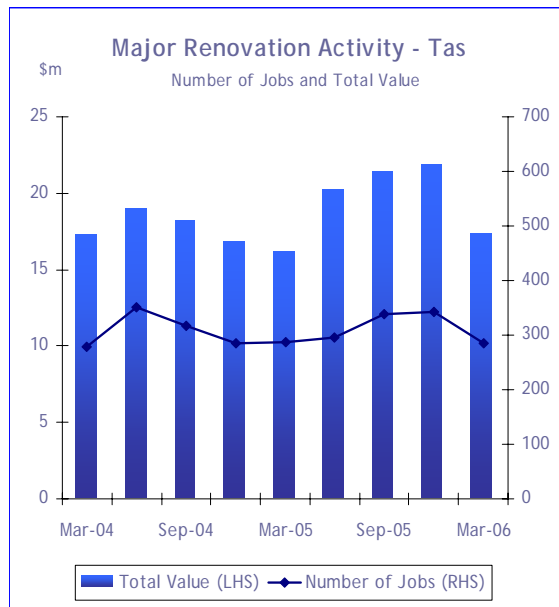
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For further information please contact :

Stuart Clues, HIA Regional Director, Tasmania on 0438 319 753.

For State based releases or a copy of the full report (media only) please contact

Kirsten Lewis (02) 6245 1393

MAJOR RENOVATIONS IN ACT RECOVER IN EARLY 2006

Major renovation activity recovered in the March 2006 quarter, pegging back some of the ground lost in a weaker end to 2005.

Commenting today on the latest release of HIA's quarterly *Renovations Monitor*, Australia's peak building industry body, HIA, said that major renovation activity (jobs carried out by licensed builders and contractors) in the ACT increased by 11 per cent in the March 2006 quarter to \$35 million.

HIA's Executive Director, ACT/Southern NSW, Ms Caroline Lemezina, said that the early 2006 result was encouraging ahead of a likely rate-rise induced softening mid year.

"Relatively stable house prices and continuing strong labour markets are delivering reasonably healthy levels of expenditure on major renovations, although activity continues to be down on the peak levels of 2002 and 2003," Ms Lemezina said.

"The interest rate rise in May and sustained higher fuel costs will take some of the shine off renovations, as well as the new home market, in the June quarter, and overall spending on renovations will be lower this year than last," she added.

"However, the cost of new housing continues to creep higher as governments fail to address the substantial cost burden they themselves are imposing. This environment will maintain a healthier renovations market relative to residential construction throughout the year."

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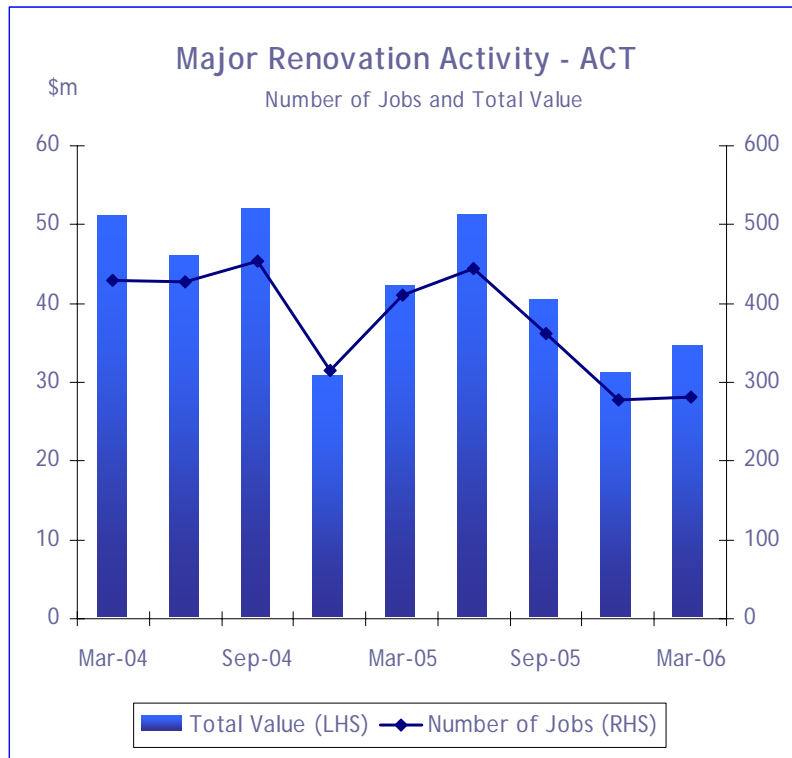
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For further information please contact :

Caroline Lemezina, HIA Executive Director, ACT on 0439 447 860.

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Kirsten Lewis (02) 6245 1393 or k.lewis@hia.com.au

MAJOR RENOVATIONS IN THE HUNTER RECOVER IN EARLY 2006

Major renovation activity recovered in the March 2006 quarter, pegging back some of the ground lost in a weaker end to 2005.

Commenting today on the latest release of HIA's quarterly *Renovations Monitor*, Australia's peak building industry body, HIA, said that major renovation activity (jobs carried out by licensed builders and contractors) in the Hunter increased by 7.3 per cent in the March 2006 quarter to \$44 million.

HIA's Hunter Regional Director, Mr Steve Jeffries, said that the early 2006 result was encouraging ahead of a likely rate-rise induced softening mid year.

"Relatively stable house prices and continuing strong labour markets are delivering reasonably healthy levels of expenditure on major renovations, although activity continues to be down on the peak levels of a year or two ago," Mr Jeffries said.

"The interest rate rise in May and sustained higher fuel costs will take some of the shine off renovations, as well as the new home market, in the June quarter, and overall spending on renovations will be lower this year than last," he added.

"However, the cost of new housing continues to creep higher as the NSW government fails to address the substantial cost burden they themselves are imposing. This environment will maintain a healthier renovations market relative to residential construction throughout the year."

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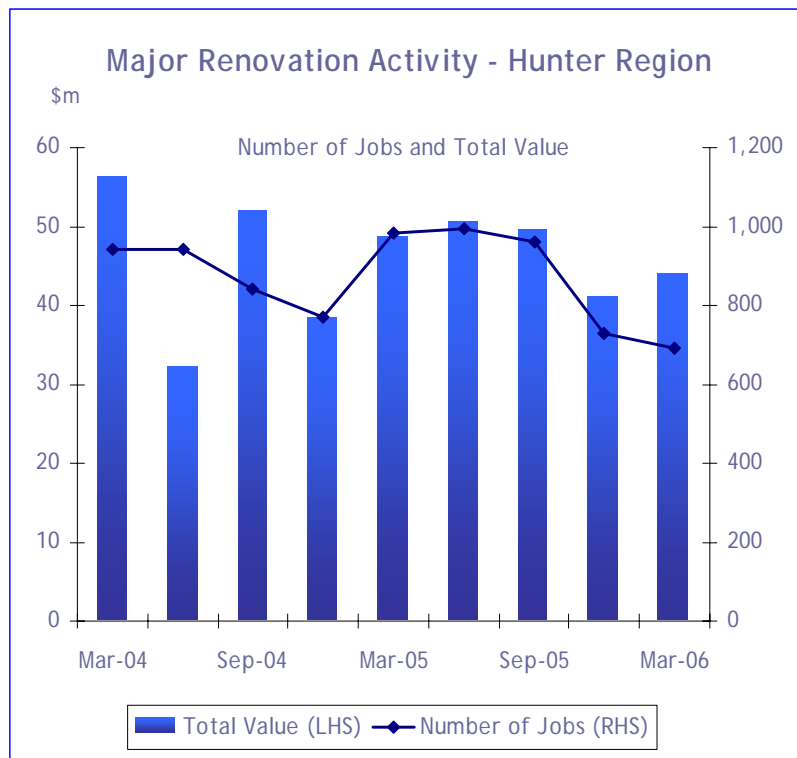
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For further information please contact :

Steve Jeffries, HIA Executive Director, Hunter on 0417 696 546.

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