

## MAJOR RENOVATION ACTIVITY BOUNCES IN EARLY 2005

Following a disappointing drop off late last year, major renovation activity in New South Wales recovered, to an extent, in the first quarter of 2005.

Commenting today on the latest release of HIA's quarterly *Renovations Monitor*, Australia's peak building industry body, HIA, said that activity increased in the March 2005 quarter by 11.9 per cent to over \$330 million. Compared to twelve months ago, however, activity was down by 26 per cent.

HIA's Executive Director, New South Wales, Mr Wayne Gersbach, said that a recovery in early 2005 was encouraging but that overall the major renovation market was lining up with other indicators for the housing industry in confirming a cooling in housing conditions since mid 2004.

"For the renovation sector, a stabilisation in the house price cycle has taken the heat out of the market. Total dollars spent are down significantly on the heady levels of the three years through to mid last year," Mr Gersbach said.

"Nevertheless the fact that house prices aren't falling sharply means that the individual dollar values spent on major renovation jobs are still historically high. We expect this situation to continue through 2005/06," he added.

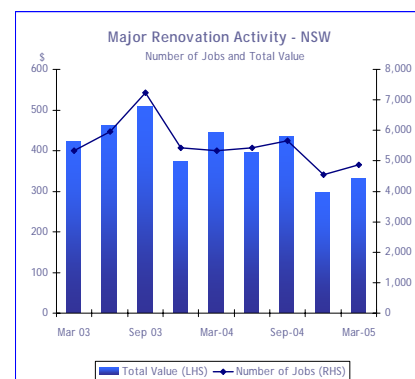
"Some evidence of an easing in the availability of tradespeople was apparent via a reduction in completion times across all major renovation categories, with the exception of ground and second floor extensions. Continuing structural reforms on the skills training front are the only way to ensure that this trend continues."

"Within an outlook for relatively stable house prices over the next couple of years major renovation demand is expected to hold up reasonably well. Nevertheless activity will remain weaker than the record levels seen in recent years for some time to come," Mr Gersbach said.

### For further information, please contact :

Mr Wayne Gersbach, Executive Director HIA  
New South Wales on 0410 697 404 Please  
note that other state based releases or a copy  
of the 11 page report are also available by  
contacting Kirsten Lewis on (02) 6245 1393.

Note: 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.



## MAJOR RENOVATION ACTIVITY BOUNCES IN EARLY 2005

Following a disappointing drop off late last year, major renovation activity in Victoria recovered, to an extent, in the first quarter of 2005.

Commenting today on the latest release of HIA's quarterly *Renovations Monitor*, Australia's peak building industry body, HIA, said that activity increased in the March 2005 quarter by 10.3 per cent to \$636 million. Compared to twelve months ago, however, activity was down by 22 per cent.

HIA's Executive Director, Victoria, Mr Graham Wolfe, said that a recovery in early 2005 was encouraging but that overall the major renovation market was lining up with other indicators for the housing industry in confirming a cooling in housing conditions since mid 2004.

"For the renovation sector, a stabilisation in the house price cycle has taken the heat out of the market. Total dollars spent are down significantly on the heady levels of the three years through to mid last year," Mr Wolfe said.

"Nevertheless the fact that house prices aren't falling sharply means that the individual dollar values spent on major renovation jobs are still historically high. We expect this situation to continue through 2005/06," he added.

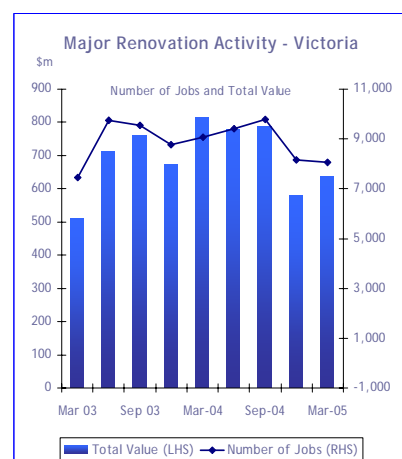
"Within an outlook for relatively stable house prices over the next couple of years major renovation demand is expected to hold up reasonably well. Nevertheless activity will remain weaker than the record levels seen in recent years for some time to come," Mr Wolfe said.

A total of 8,055 households undertook major home renovations in Victoria over the three months to March at an average value of \$93,597 for each job. The most popular major renovation over the three months was a ground floor extension valued at \$116,799 and around 66 square metres in size.

**For further information, please contact:**

Mr Graham Wolfe, Executive Director HIA Victoria on 0419 751 188. Please note that other state based releases or a copy of the 11 page report are also available by contacting Kirsten Lewis on (02) 6245 1393.

Note: 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.



## MAJOR RENOVATION ACTIVITY BOUNCES IN EARLY 2005

Following a disappointing drop off late last year, major renovation activity in Queensland recovered, to an extent, in the first quarter of 2005.

Commenting today on the latest release of HIA's quarterly *Renovations Monitor*, Australia's peak building industry body, HIA, said that activity increased in the March 2005 quarter by 6.2 per cent to \$297 million. Expenditure was flat in Queensland compared to twelve months previously, a healthy outcome compared to the rest of the country.

HIA's Regional Director, Queensland, Mr Rick Wiley, said that a recovery in early 2005 was encouraging but that overall the major renovation market was lining up with other indicators for the housing industry in confirming a cooling in housing conditions.

"For the renovation sector, a stabilisation in the house price cycle has taken the heat out of the major renovations market," Mr Wiley said.

"Nevertheless the fact that house prices aren't falling sharply means that the individual dollar values spent on major renovation jobs are still historically high. We expect this situation to continue through 2005/06," he added.

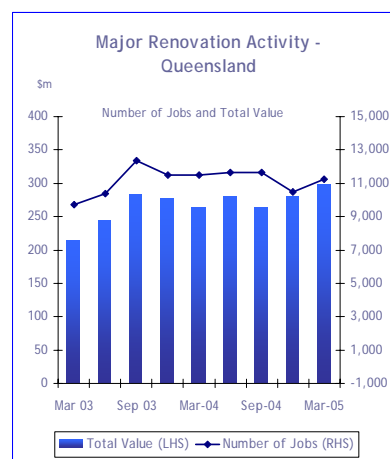
"Within an outlook for relatively stable house prices over the next couple of years major renovation demand is expected to hold up reasonably well. Nevertheless activity will be weaker than the record levels seen in recent years for some time to come," Mr Wiley said.

The most popular major renovation over the three months was a ground floor extension valued at \$116,799 and around 66 square metres in size.

### For further information, please contact :

Mr Rick Wiley, Executive Director HIA Queensland on 0419 751 195. Please note that other state based releases or a copy of the 11 page report are also available by contacting Kirsten Lewis on (02) 6245 1393.

Note: 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.



## MAJOR RENOVATION ACTIVITY FALLS MODERATELY IN SOUTH AUSTRALIA

Major renovation activity in South Australia failed to recover from a weak end to 2004, falling moderately further in the first three months of this year.

Commenting today on the latest release of HIA's quarterly *Renovations Monitor*, Australia's peak building industry body, HIA, said that activity fell in the March 2005 quarter by 3.5 per cent to over \$32 million. Activity was down by 23 per cent compared to twelve months previously.

HIA's Executive Director, South Australia, Mr Brenton Gardner, said that the major renovation market was lining up with other indicators for the housing industry in confirming a cooling in housing conditions.

"For the renovation sector, moderating house price growth is taking the heat out of the market. Total dollars spent are down significantly on the heady levels of the three years through to mid last year," Mr Gardner said.

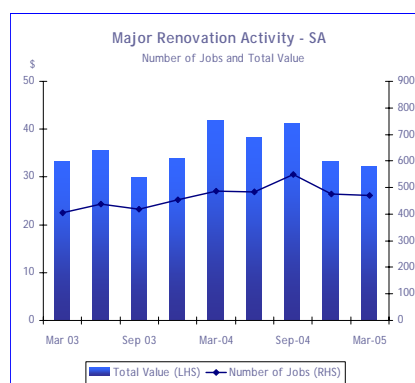
"Nevertheless the fact that house prices are still growing, albeit at a moderating pace, means that the individual dollar values spent on major renovation jobs are still historically high. We expect this situation to continue through 2005/06 even when house prices have stabilised," he added.

"Within an outlook for relatively stable house prices over the next couple of years major renovation demand is expected to hold up reasonably well. Nevertheless activity will remain weaker than the record levels seen in recent years for some time to come" Mr Gardner said.

A total of 470 households undertook major home renovations over the three months to March at an average value of \$80,954 for each job. The most popular major renovation over the three months was a ground floor extension valued at about \$103,000 and around 66 square metres in size.

**For further information, please contact:**  
 Mr Brenton Gardner, Executive Director HIA South Australia on 0418 500 663. Please note that other state based releases or a copy of the 11 page report are also available by contacting Kirsten Lewis on (02) 6245 1393.

Note: 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.



## MAJOR RENOVATION ACTIVITY CONTINUES TO FALL

Major renovation activity fell further in Western Australia in early 2005 as the overall boom conditions of the housing industry continued to stretch resources.

Commenting today on the latest release of HIA's quarterly *Renovations Monitor*, Australia's peak building industry body, HIA, said that activity fell in the March 2005 quarter by 26.1 per cent to nearly \$33 million. Compared to 12 months ago, activity was down by 37 per cent.

HIA's Regional Director, Western Australia, Mr John Dastlik, said that a sharp fall in the number of major renovation jobs was reflected in a large drop in total money spent.

"With the overall housing industry running so strongly in WA the strain this is placing on both labour and materials appears to be having an aggregate negative impact on the major renovations market," Mr Dastlik said.

"Average completion times for major renovation work in WA have increased whereas these times have fallen everywhere else in the country," Mr Dastlik added.

"Looking at the actual amount of work being done, however, the average dollars spent by households is very, very high. The average value of a major renovation in WA was sitting at \$87,109 in the March quarter, the third highest in the country."

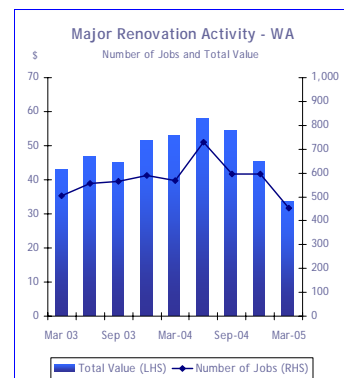
"Looking ahead, renovation demand is still likely to mount a partial recovery. However, the unprecedented strength in renovations we witnessed through to mid last year is unlikely to be repeated for quite some time," Mr Dastlik said.

A total of 496 households undertook major home renovations over the three months to March, a drop of 24 per cent on the end of last year. The most popular major renovation over the three months was a ground floor extension valued at \$116,799 and around 66 square metres in size.

### For further information, please contact:

Mr John Dastlik, Executive Director HIA Western Australia on 0417 983 639. Please note that other state based releases or a copy of the 11 page report are also available by contacting Kirsten Lewis on (02) 6245 1393.

Note: 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.



## MAJOR RENOVATION ACTIVITY FALLS A LITTLE FURTHER IN MARCH QUARTER

After a sustained run of strong growth, activity in the major renovation market in Tasmania has fallen away in recent quarters.

Commenting today on the latest release of HIA's quarterly *Renovations Monitor*, Australia's peak building industry body, HIA, said that activity in Tasmania fell by a moderate 2.6 per cent in the March 2005 quarter to \$15.3 million. Compared to twelve months ago activity was down by 5.4 per cent, the second best profile in the country behind only Queensland.

HIA's Regional Director, Tasmania, Mr Tim Reardon, said that overall the major renovation market was lining up with other indicators for the housing industry in confirming a cooling in housing conditions ahead.

"Nevertheless, while we have seen some pull-back in spending on major renovations, this segment of the housing market is still performing better overall in Tasmania than is the case in the rest of the country, Queensland notwithstanding," Mr Reardon said.

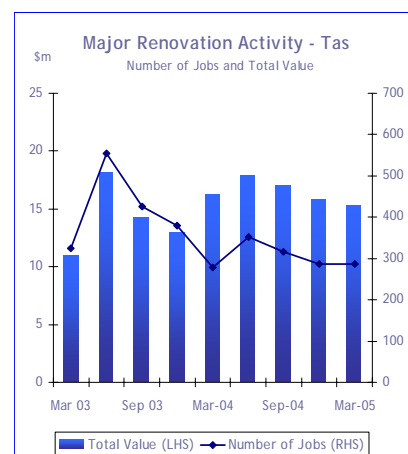
"The fact that house prices aren't falling sharply means that the individual dollar values spent on major renovation jobs are still historically high. We expect this situation to continue through 2005/06," he added.

"So, within an outlook for relatively stable house prices over the next couple of years major renovation demand is expected to hold up reasonably well. Nevertheless activity will remain weaker than the record levels seen in recent years for some time to come," Mr Reardon said.

A total of 287 households undertook major home renovations over the three months to March at an average value of \$63,132 for each job.

**For further information, please contact:**  
 Mr Tim Reardon, Executive Director HIA  
 Tasmania on 0423 141 031. Please note that other state based releases or a copy of the 11 page report are also available by contacting Kirsten Lewis on (02) 6245 1393.

Note: 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 activity are little changed.



## MAJOR RENOVATION ACTIVITY IN THE HUNTER MOUNTS STRONG RECOVERY IN EARLY 2005

Following a disappointing drop off late last year, major renovation activity in the Hunter Region recovered strongly in the first quarter of 2005.

Commenting today on the latest release of HIA's quarterly *Renovations Monitor*, Australia's peak building industry body, HIA, said that activity in the Hunter jumped up by 26.3 per cent in the March 2005 quarter to \$45.3 million. That rise was the second strongest in the country.

HIA's Executive Director for the Hunter Region, Mr Steve Jeffries, said that the recovery in early 2005 was very encouraging but that overall the major renovation market looked set to ease back over the next couple of years.

"For the renovation sector, stabilisation in house prices will take the heat out of the market. Total dollars spent are already down some 15 per cent on early 2004," Mr Jeffries said.

"Nevertheless the fact that house prices won't fall sharply means that the individual dollar amounts spent on major renovation jobs will remain historically high through 2005/06," he added.

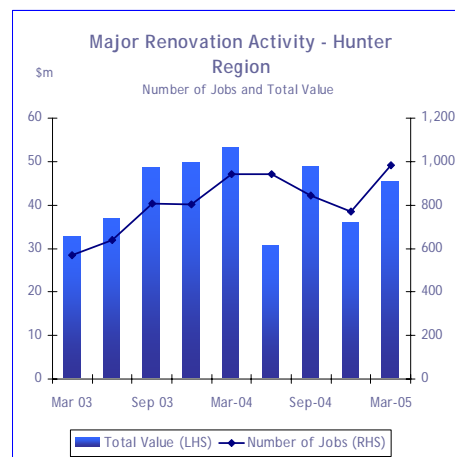
"So, within an outlook for relatively stable house prices over the next couple of years major renovation demand is expected to hold up reasonably well. It just won't be as strong as we have become accustomed to in recent years," Mr Jeffries said.

A total of 983 households undertook major home renovations over the three months to March at an average value of \$55,540 for each job.

### For further information, please contact:

Mr Steve Jeffries, Executive Director HIA Hunter Region on 0417 696 546. Please note that other state based releases or a copy of the 11 page report are also available by contacting Kirsten Lewis on (02) 6245 1393.

Note: 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.



## MAJOR RENOVATION ACTIVITY IN THE ACT MAKES A STRONG RECOVERY IN MARCH QUARTER

Following a disappointing drop off late last year, major renovation activity came roaring back in the Australian Capital Territory in the first quarter of 2005.

Commenting today on the latest release of HIA's quarterly *Renovations Monitor*, Australia's peak building industry body, HIA, said that activity shot up by 39.3 per cent to \$40 million, the strongest rise in the country. Compared to twelve months ago, however, activity was still down by 17 per cent.

HIA's Regional Director, Australian Capital Territory, Ms Caroline Lemezina, said that a big recovery in early 2005 was very encouraging but the overall strength of major renovations seen in recent years was unlikely to be maintained.

"For the renovation sector, a stabilisation in the house price cycle will take the heat out of the market. Nevertheless a large increase in early 2005 shows that there is still plenty of life in this segment of the housing industry," Ms Lemezina said.

"Plus the fact that house prices aren't falling sharply means that the individual dollar values spent on major renovation jobs are still historically high. We expect this situation to continue through 2005/06," she added.

"Within an outlook for relatively stable house prices over the next couple of years major renovation demand is expected to hold up reasonably well. Nevertheless activity will be weaker than the record levels seen in recent years," Ms Lemezina said.

A total of 410 households undertook major home renovations over the three months to March at an average value of \$115,555 for each job, still the highest average value in Australia by some distance.

### For further information, please contact:

Ms Caroline Lemezina, Executive Director HIA ACT Southern New South Wales on 0439 447 860. Please note that other state based releases or a copy of the 11 page report are also available by contacting Kirsten Lewis on (02) 6245 1393.

Note: 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.

