



# North Queensland

Tim Reardon, HIA Chief Economist

May 2021, Mackay

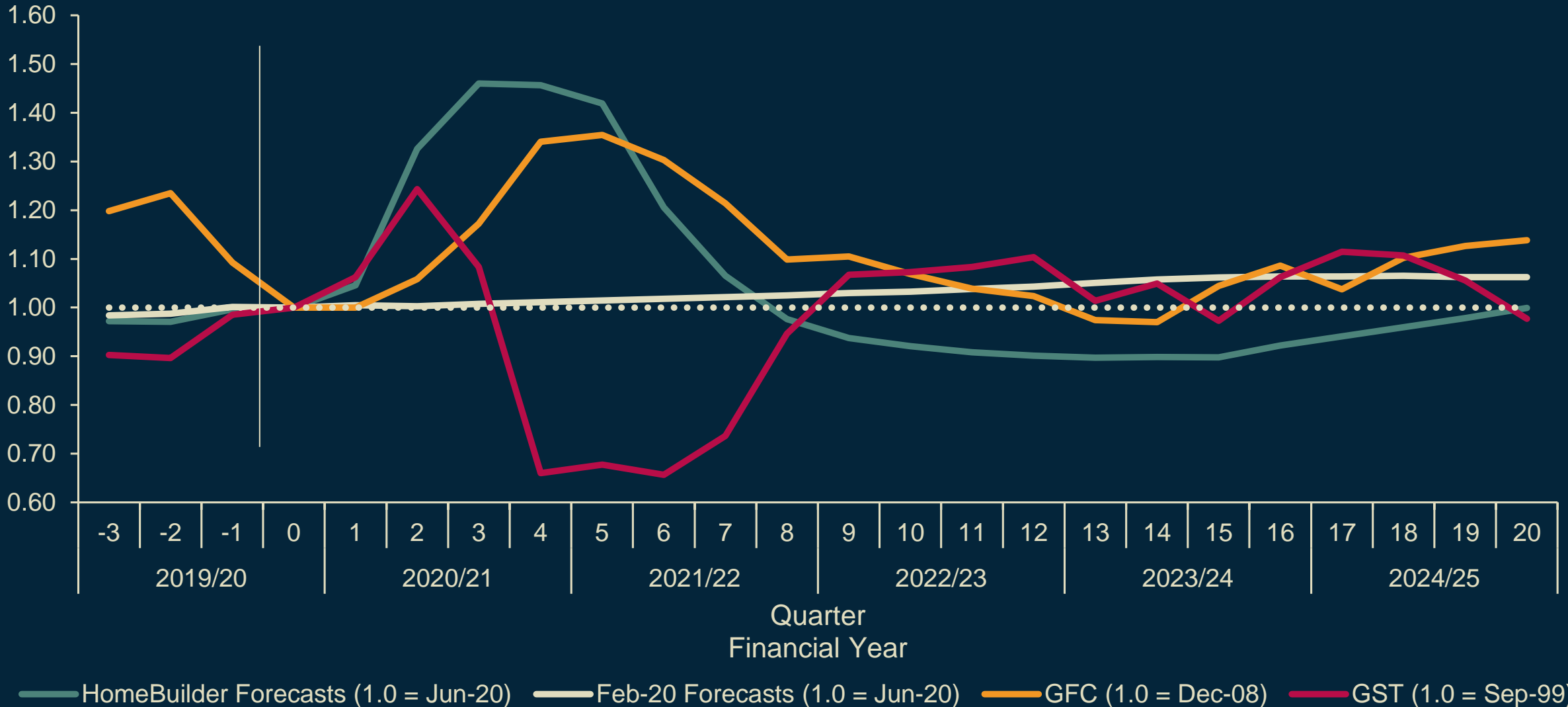


ECONOMICS

# Bigger than the GST or GFC

Detached HIA Forecasts compared to Feb-20, GFC and GST, AUS

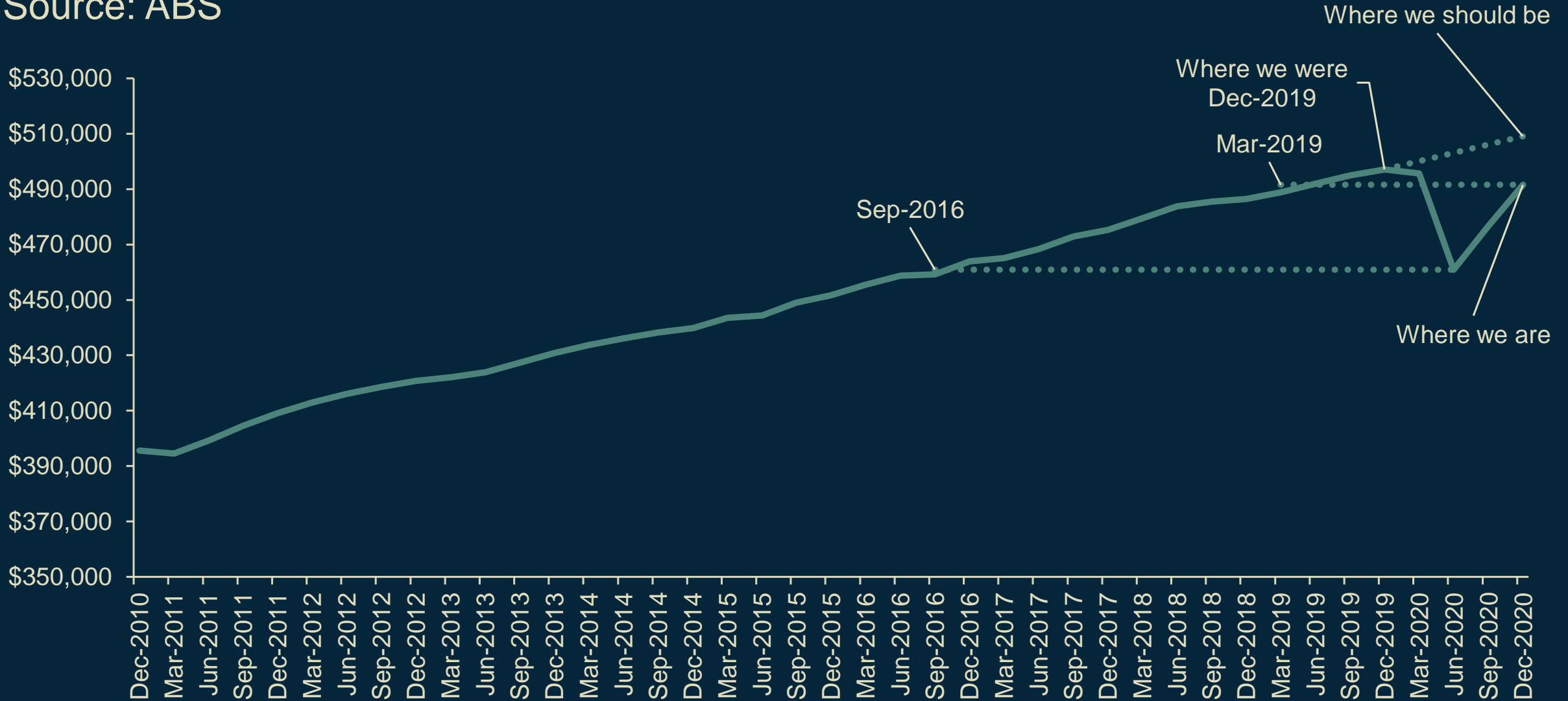
Source: ABS



# National Economy

# GDP: The Bungy Effect

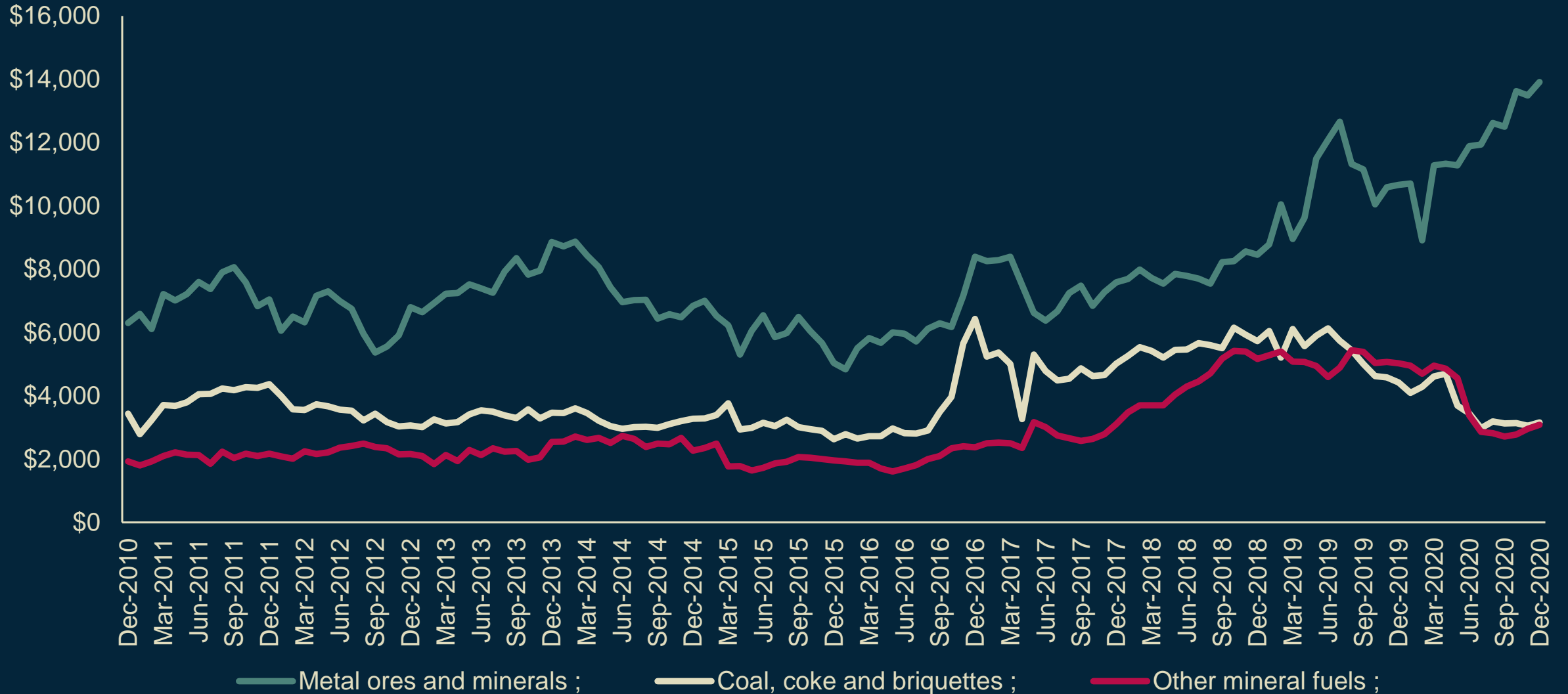
Gross Domestic Product, Quarterly  
Source: ABS



# Resource Exports Strong/Recovering

## Mining Goods Exports

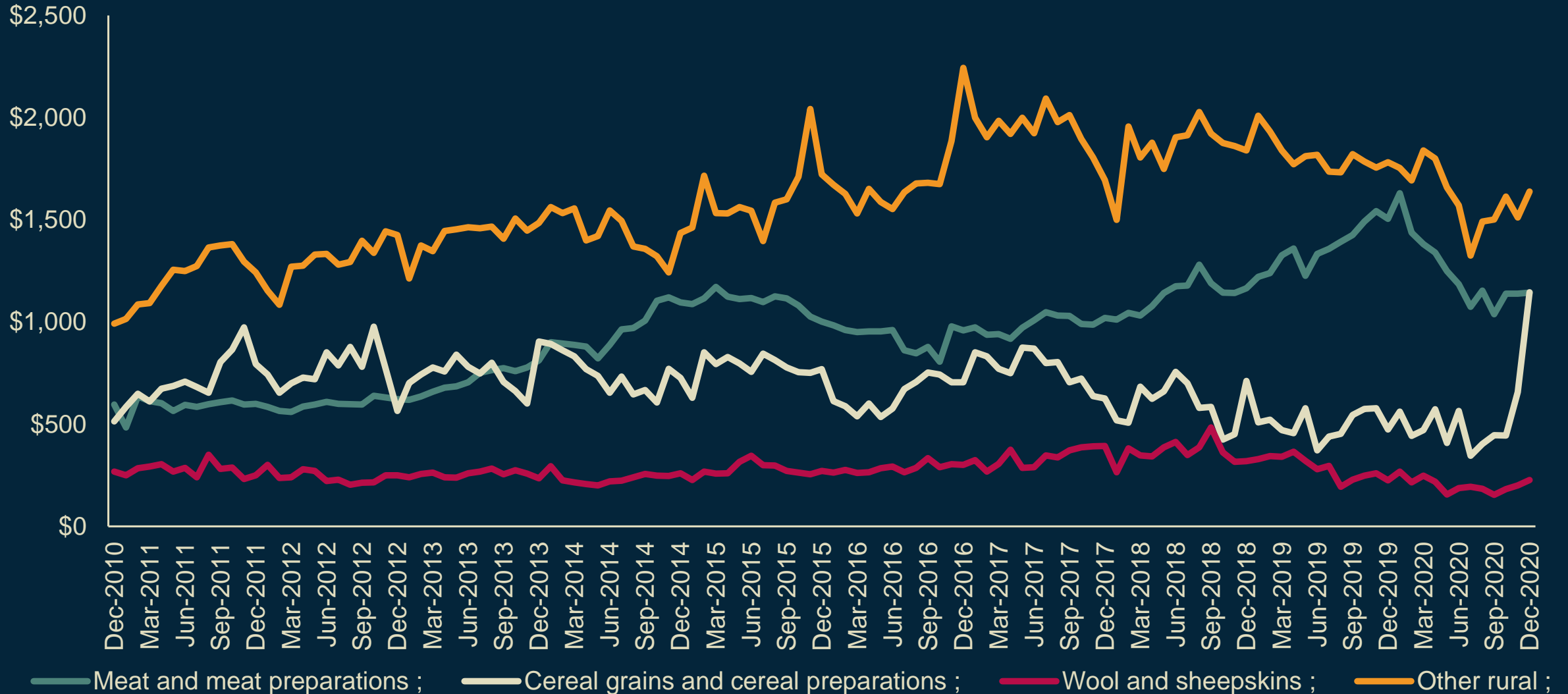
Source: ABS 5368.0



# Agricultural Exports Solid

## Rural Goods Exports

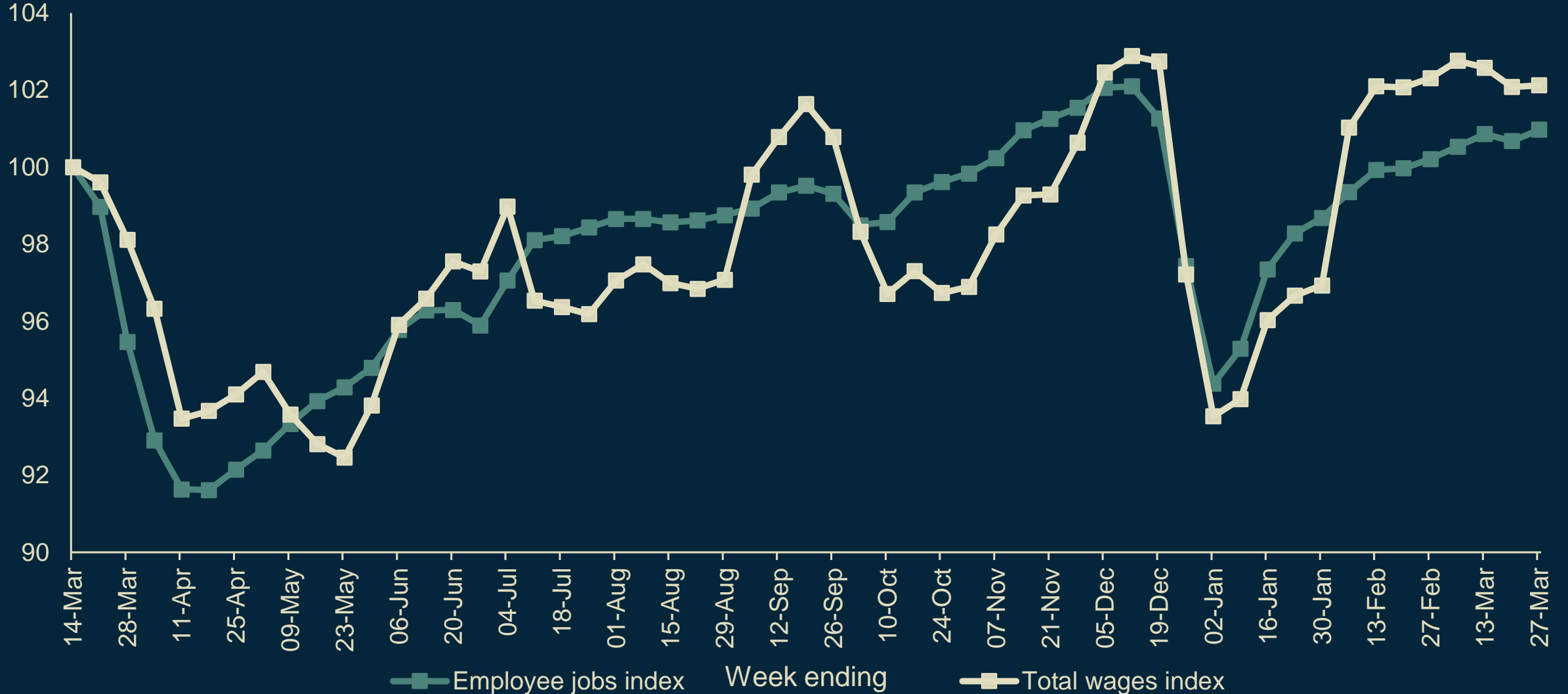
Source: ABS 5368.0



# Unemployment = 5.5%

## Indexed number of employee jobs and total employee wages, AUS

Source: ABS



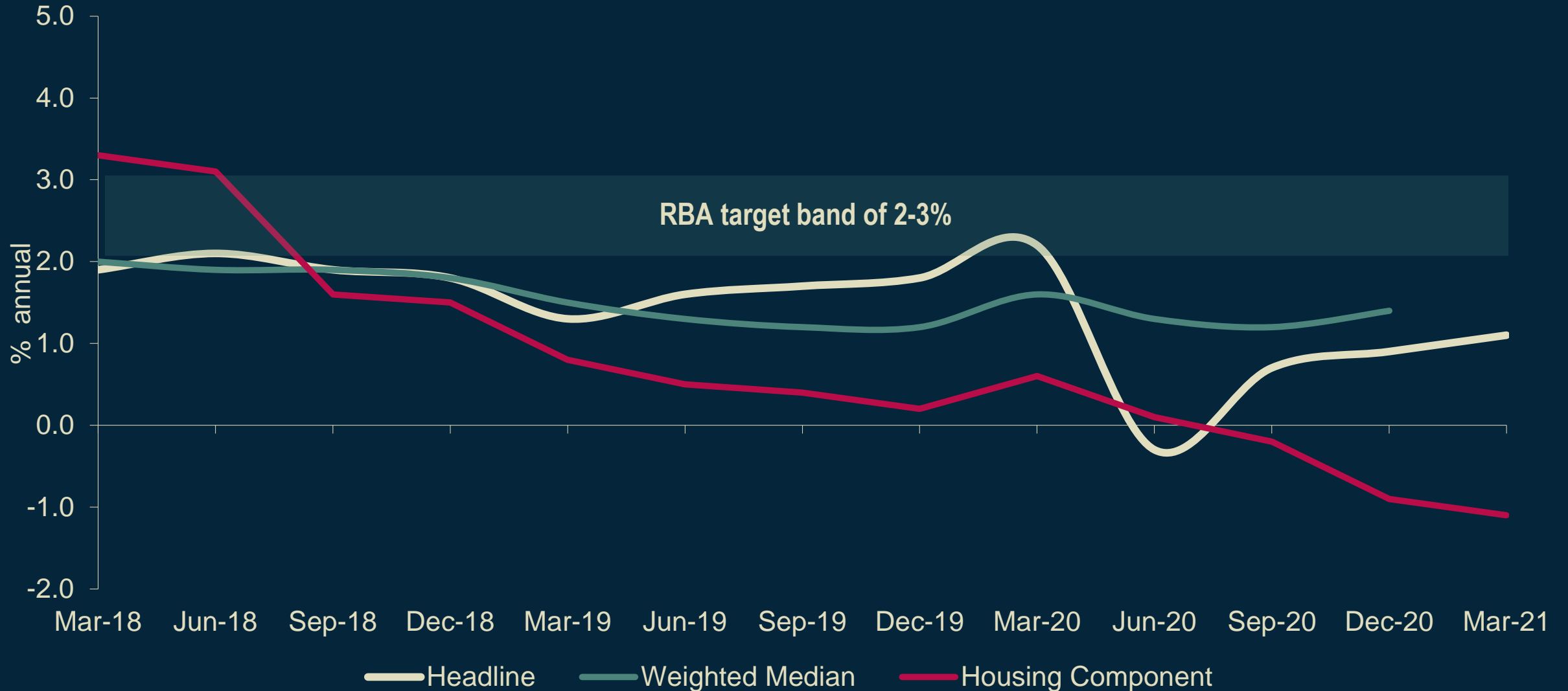


# 0% interest rates till 2024 says RBA



## Consumer Price Index

Source: ABS 6401; Reserve Bank of Australia



# 2021 Federal Election is possible

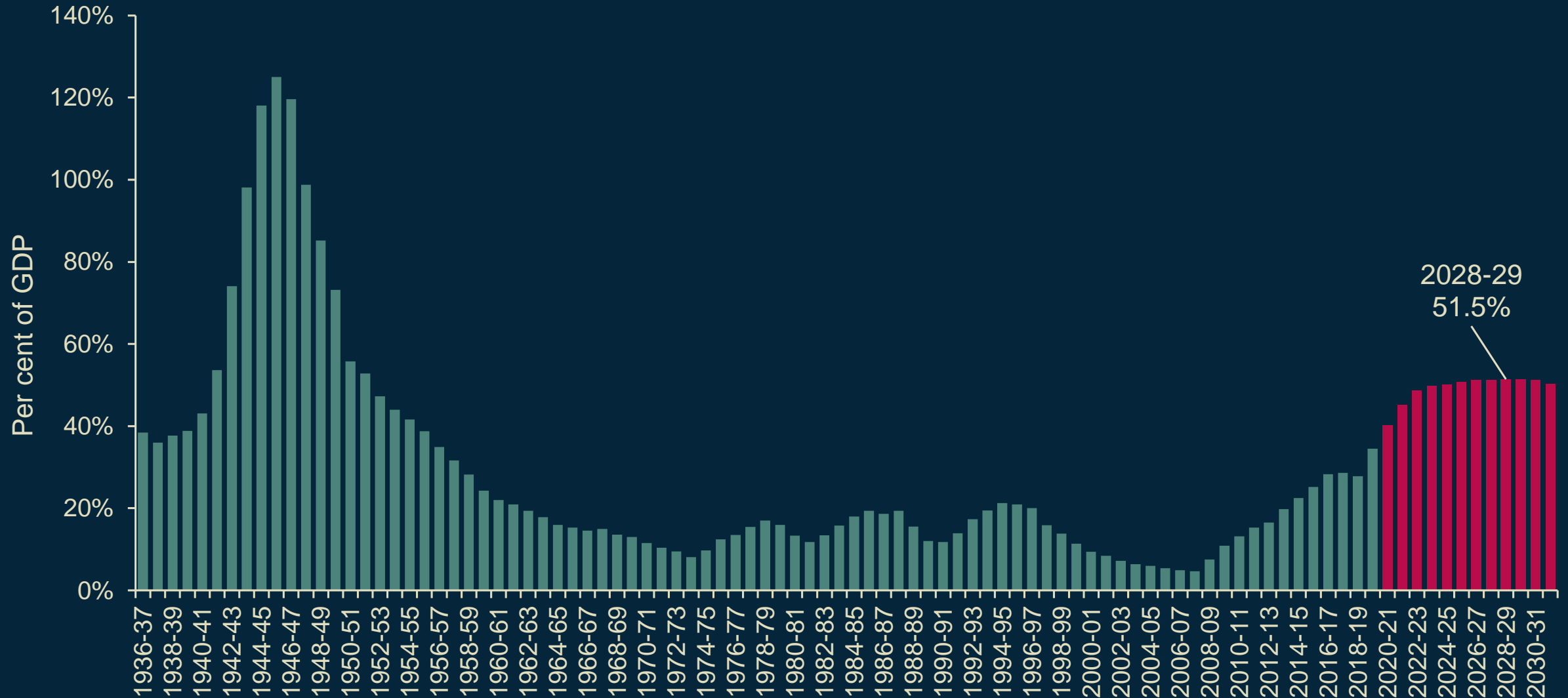


|           |                | New Year 2022 |                |
|-----------|----------------|---------------|----------------|
| 14-Aug-21 | Possible       |               |                |
| 21-Aug-21 | Possible       | 12-Feb-22     | Possible       |
| 28-Aug-21 | Possible       | 19-Feb-22     | Possible       |
| 04-Sep-21 | Possible       | 26-Feb-22     | Possible       |
| 11-Sep-21 | Possible       | 05-Mar-22     | Possible       |
| 18-Sep-21 | Possible       | 12-Mar-22     | Public Holiday |
| 25-Sep-21 | Public Holiday | 19-Mar-22     | Public Holiday |
| 02-Oct-21 | Public Holiday | 26-Mar-22     | Possible       |
| 09-Oct-21 | Possible       | 02-Apr-22     | Possible       |
| 16-Oct-21 | Possible       | 09-Apr-22     | Possible       |
| 23-Oct-21 | Possible       | 16-Apr-22     | Easter         |
| 30-Oct-21 | Possible       | 23-Apr-22     | Unlikely       |
| 06-Nov-21 | Possible       | 30-Apr-22     | Possible       |
| 13-Nov-21 | Possible       | 07-May-22     | Possible       |
| 20-Nov-21 | Possible       | 14-May-22     | Possible       |
| 27-Nov-21 | Possible       | 21-May-22     | Possible       |
| 04-Dec-21 | Possible       | 28-May-22     | Unlikely       |

# Government Debt: is it a problem?

## Australian Government Public Debt

Source: University of Melbourne, Australian National University and Australian Government Budget Papers, HIA

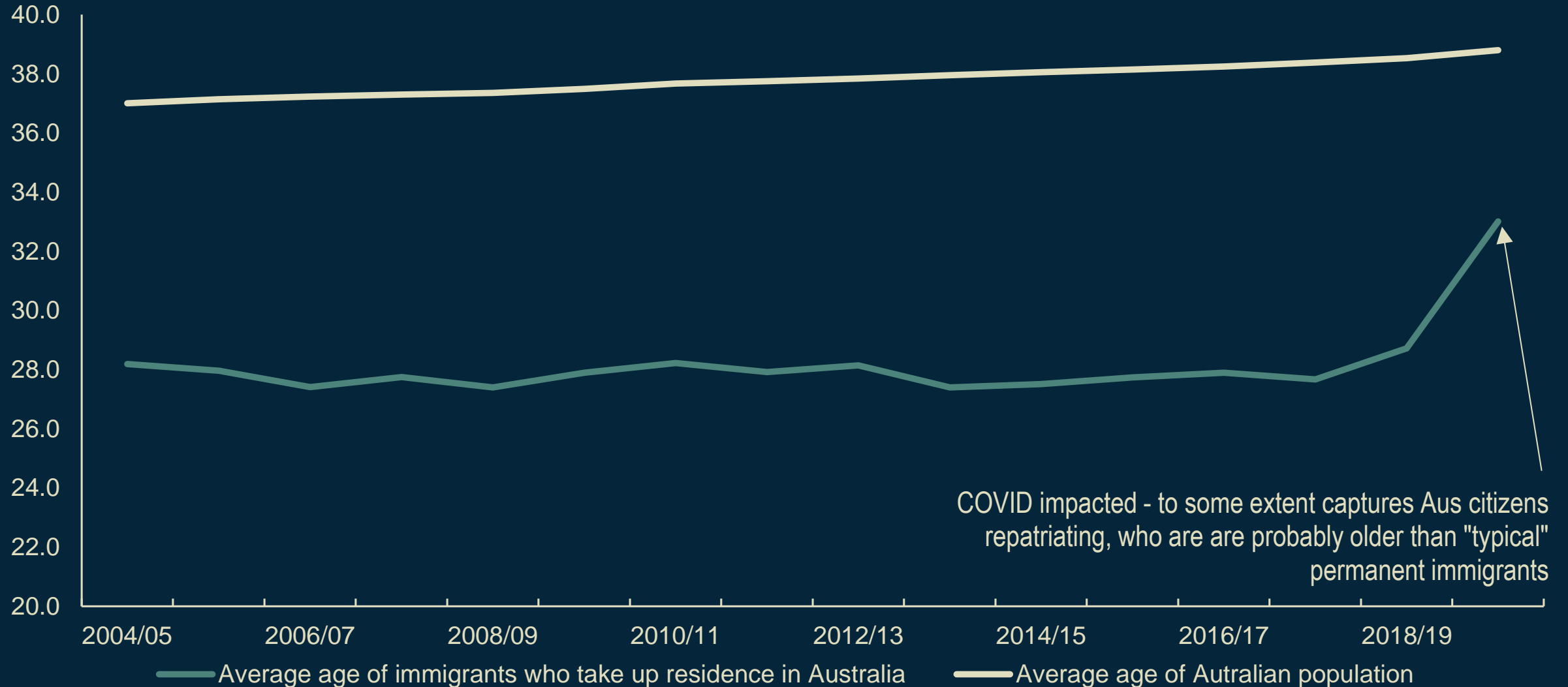


# Demographic Changes

# We need migration to raise revenue

## Average Age of Segments of Australian Society

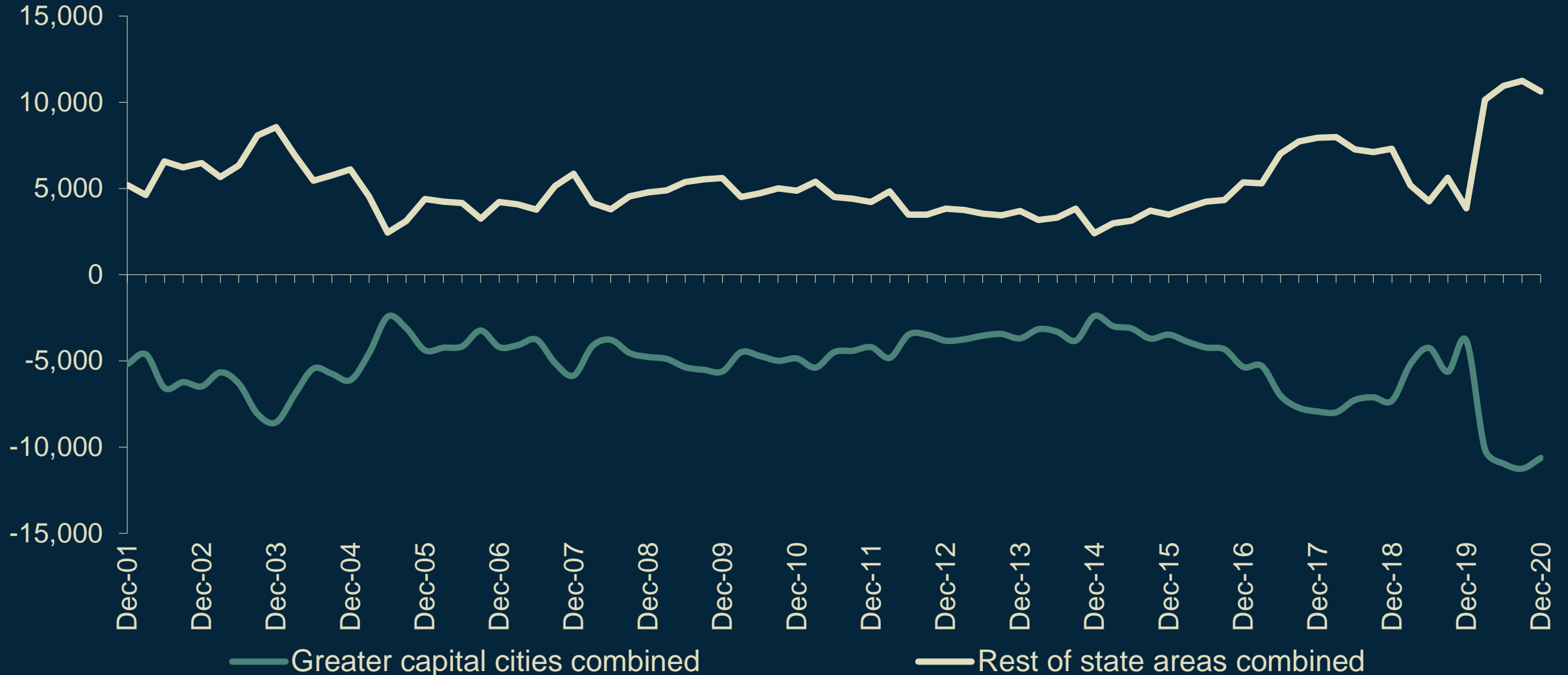
Source: ABS



# Demographic shift to regions

## Capital Cities and Regions, Net Internal Migration Estimates

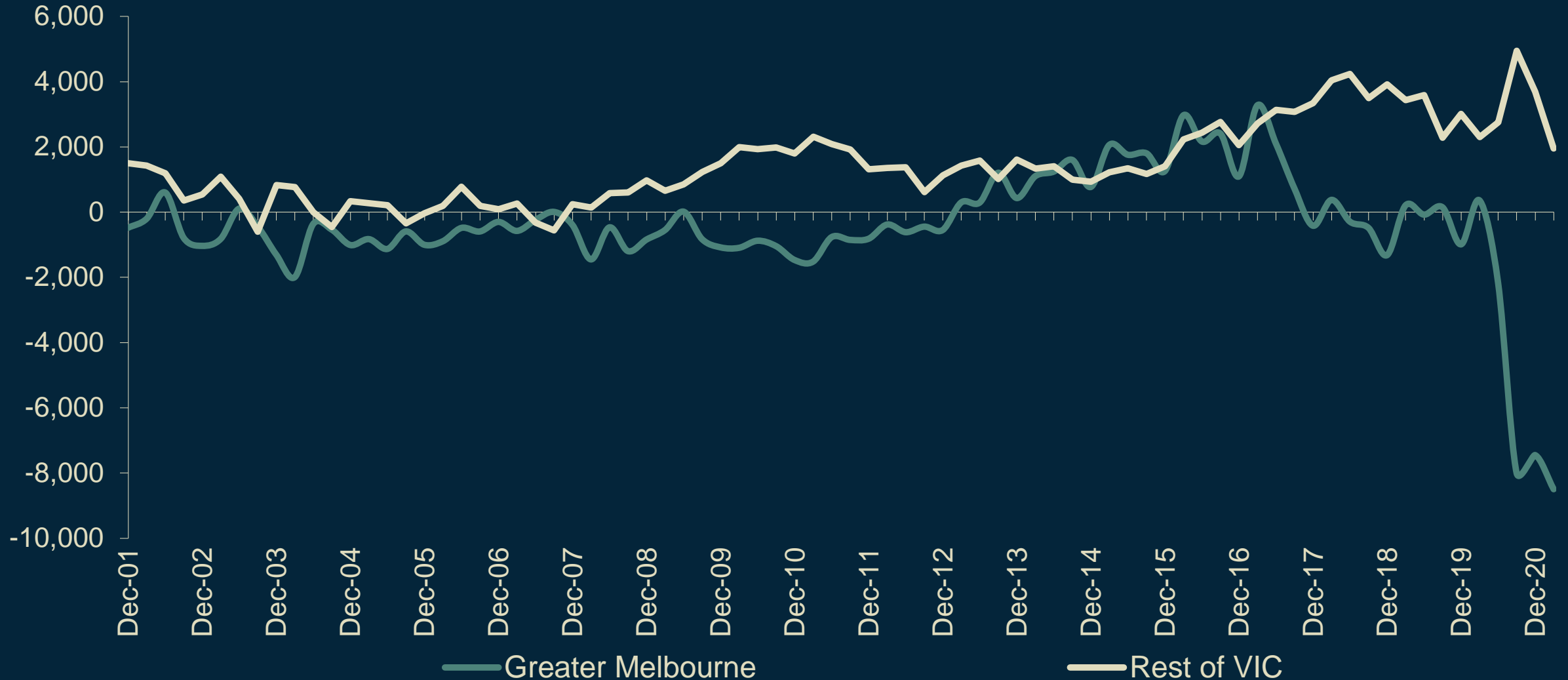
Source: ABS 3101.0



# Last person out of Melbourne ...

## Victorian Net Internal Migration Estimates

Source: ABS 3101.0

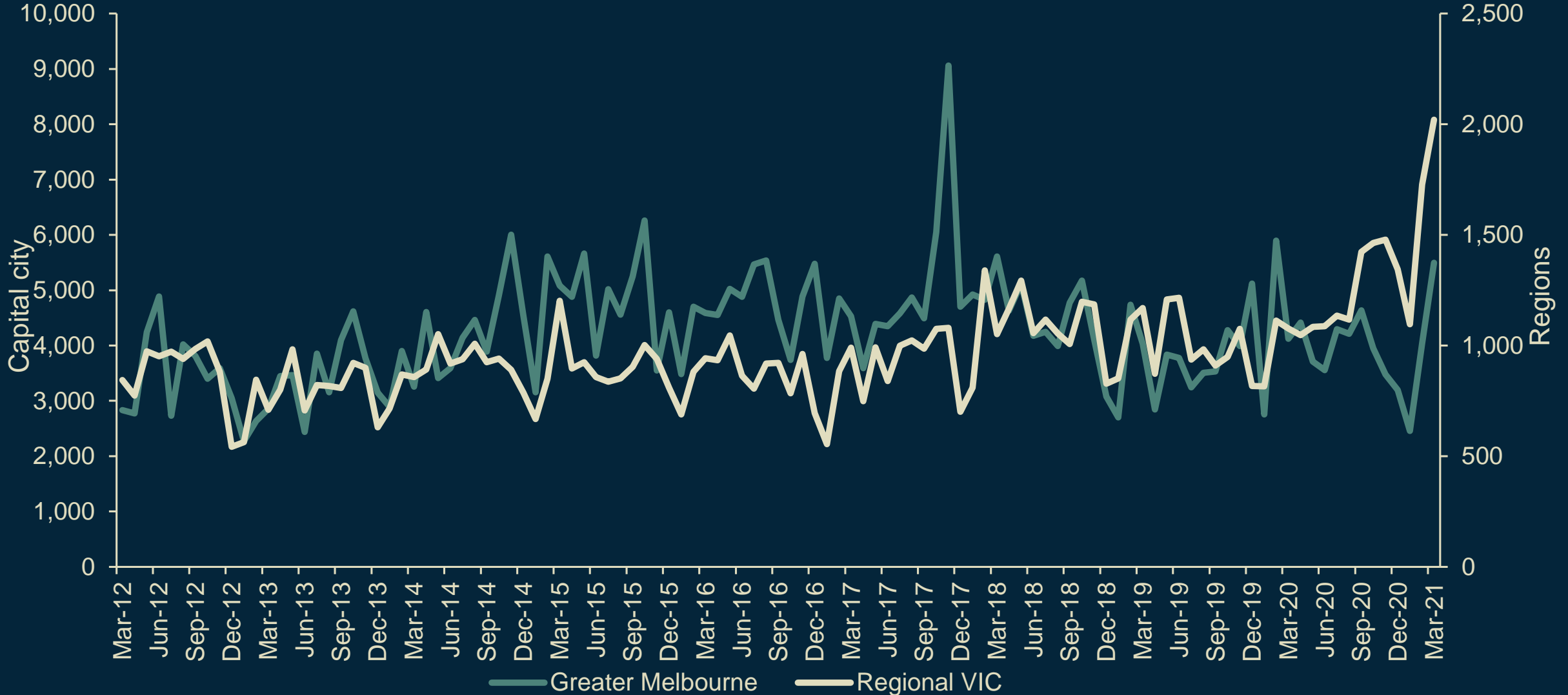


# Regional Building Approvals Spike



## Building Approvals, Capital vs Regions

Source: ABS

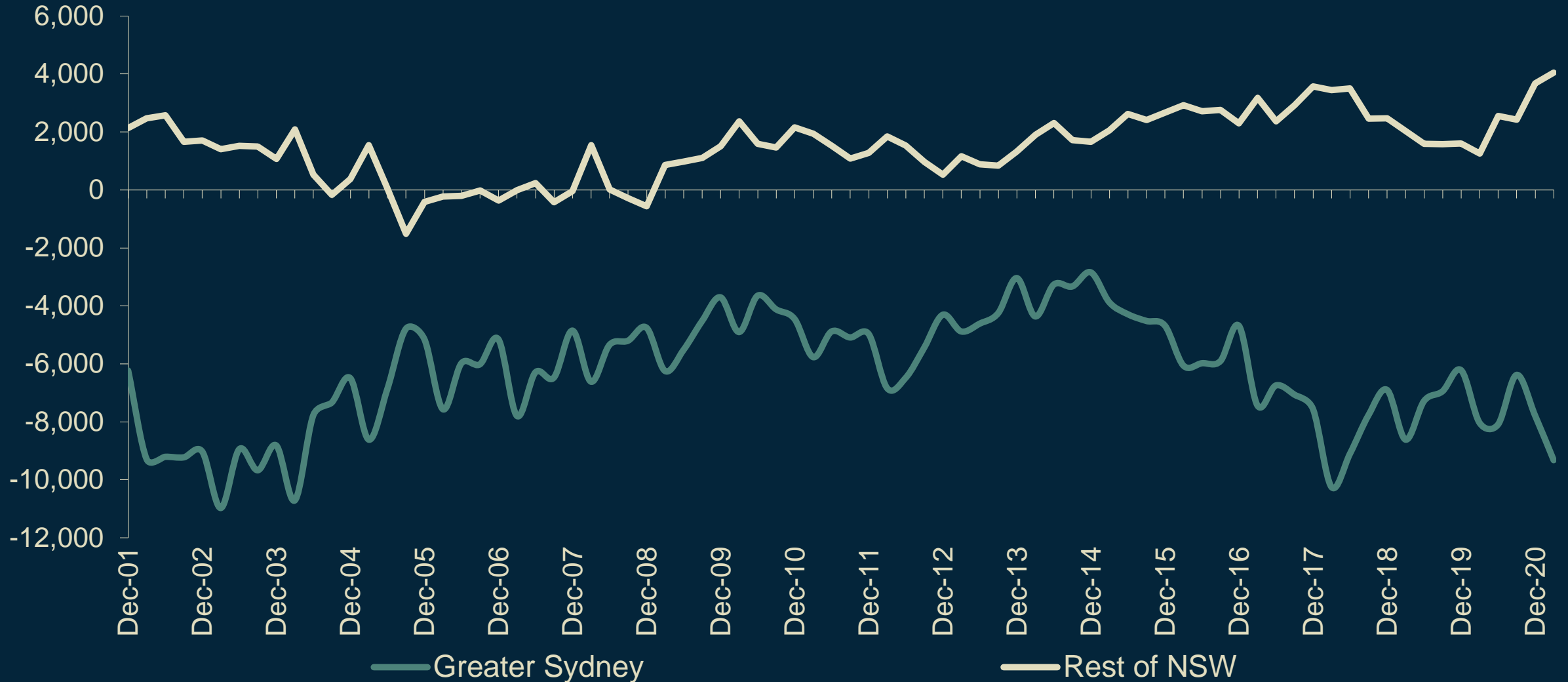




# Exit from Sydney continues

## New South Wales Net Internal Migration Estimates

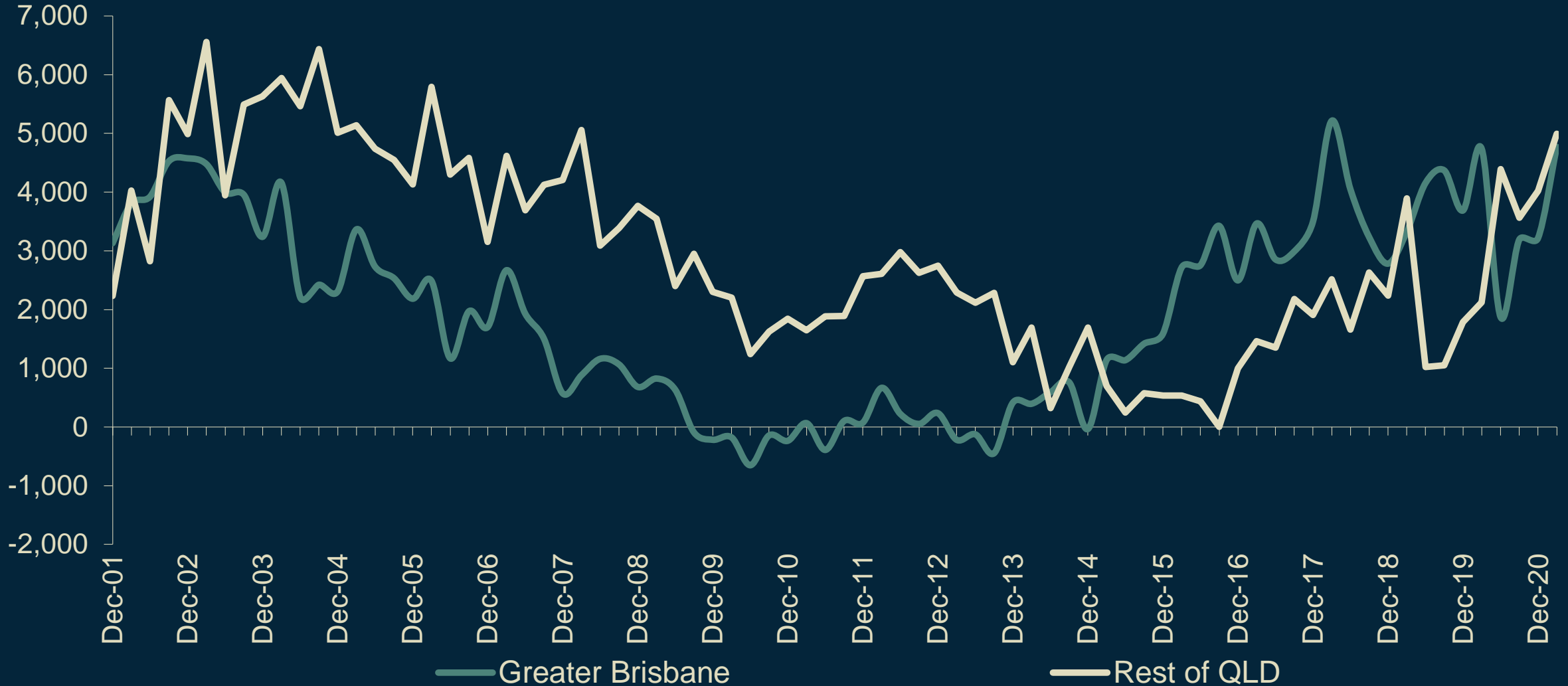
Source: ABS 3101.0



# They moved to QLD

## Queensland Net Internal Migration Estimates

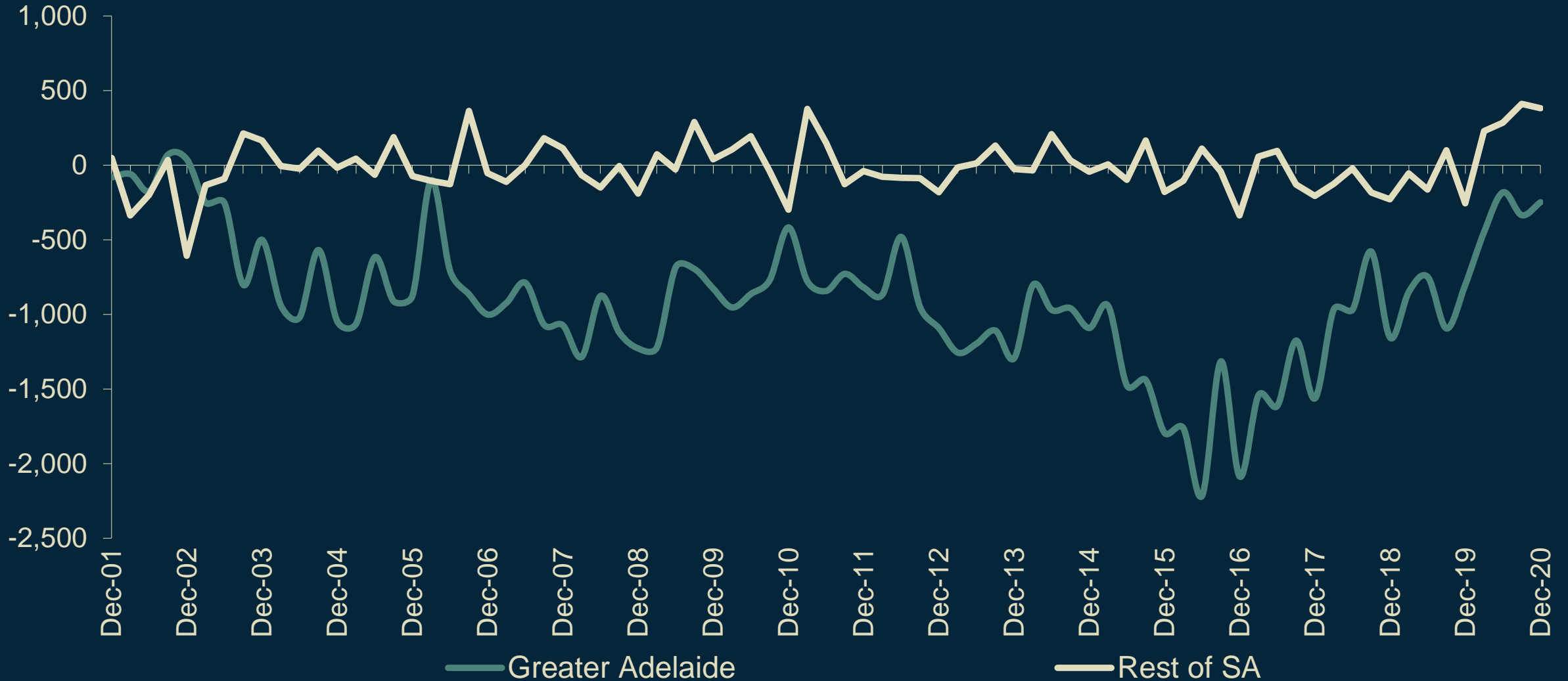
Source: ABS 3101.0



# and to Adelaide

## South Australian Net Internal Migration Estimates

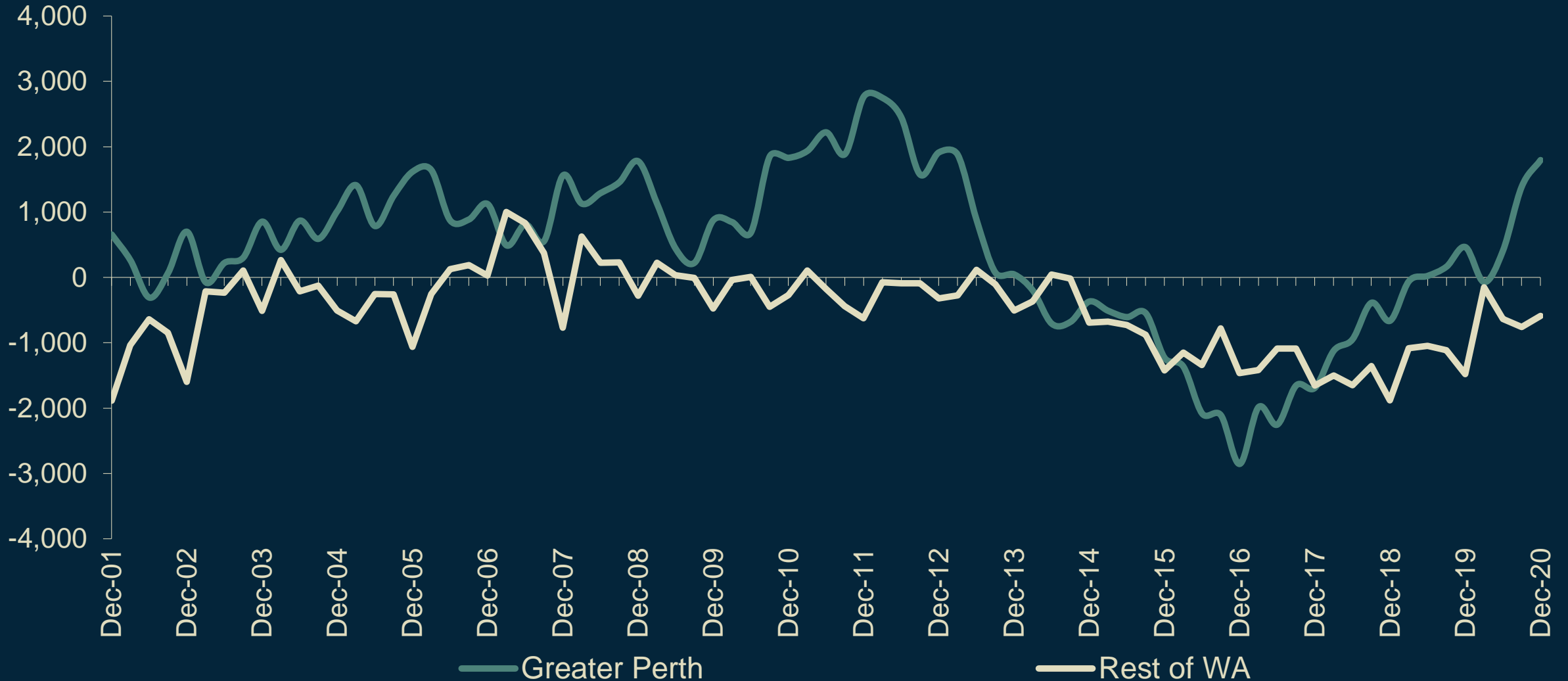
Source: ABS 3101.0



# and WA

## Western Australian Net Internal Migration Estimates

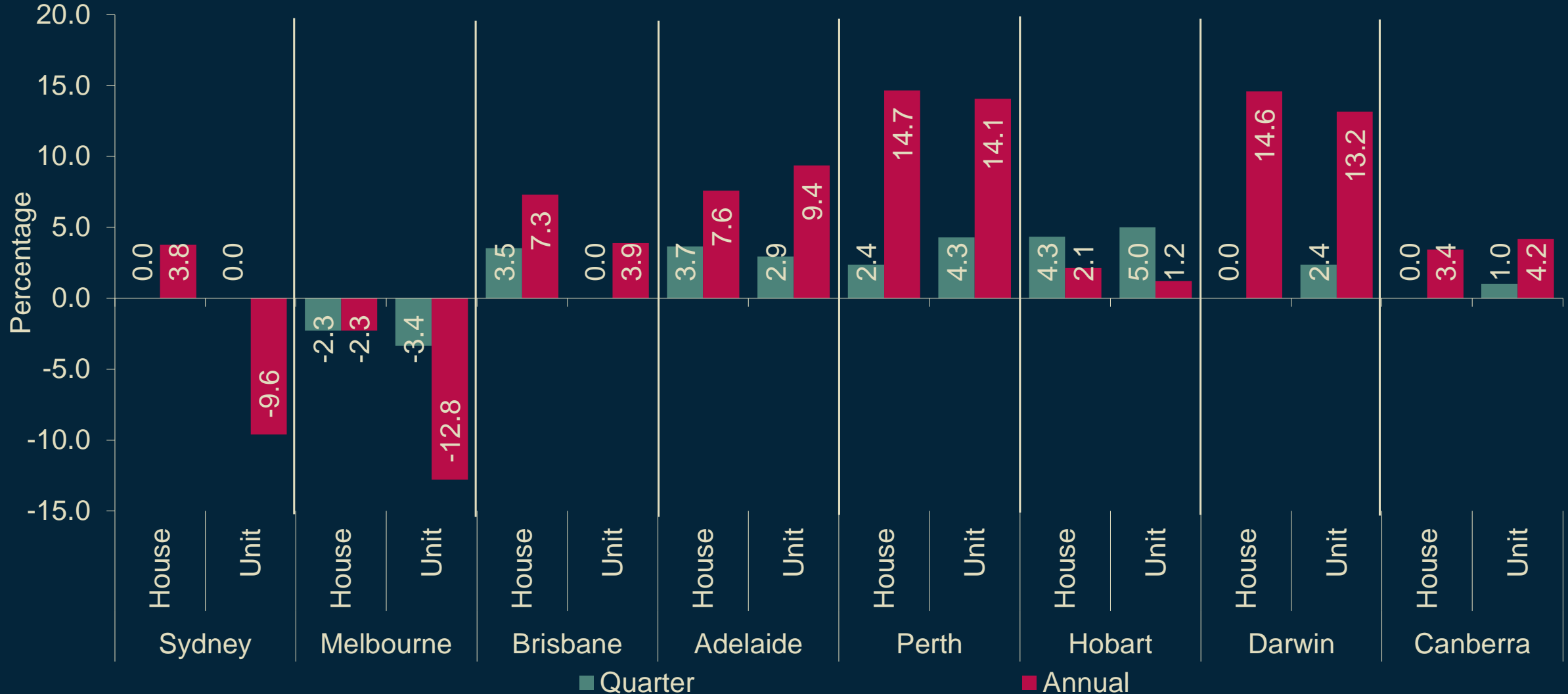
Source: ABS 3101.0



# There is nowhere to rent (exc. Syd & Melb)

## Median Weekly Asking Rents - March Qtr 2021

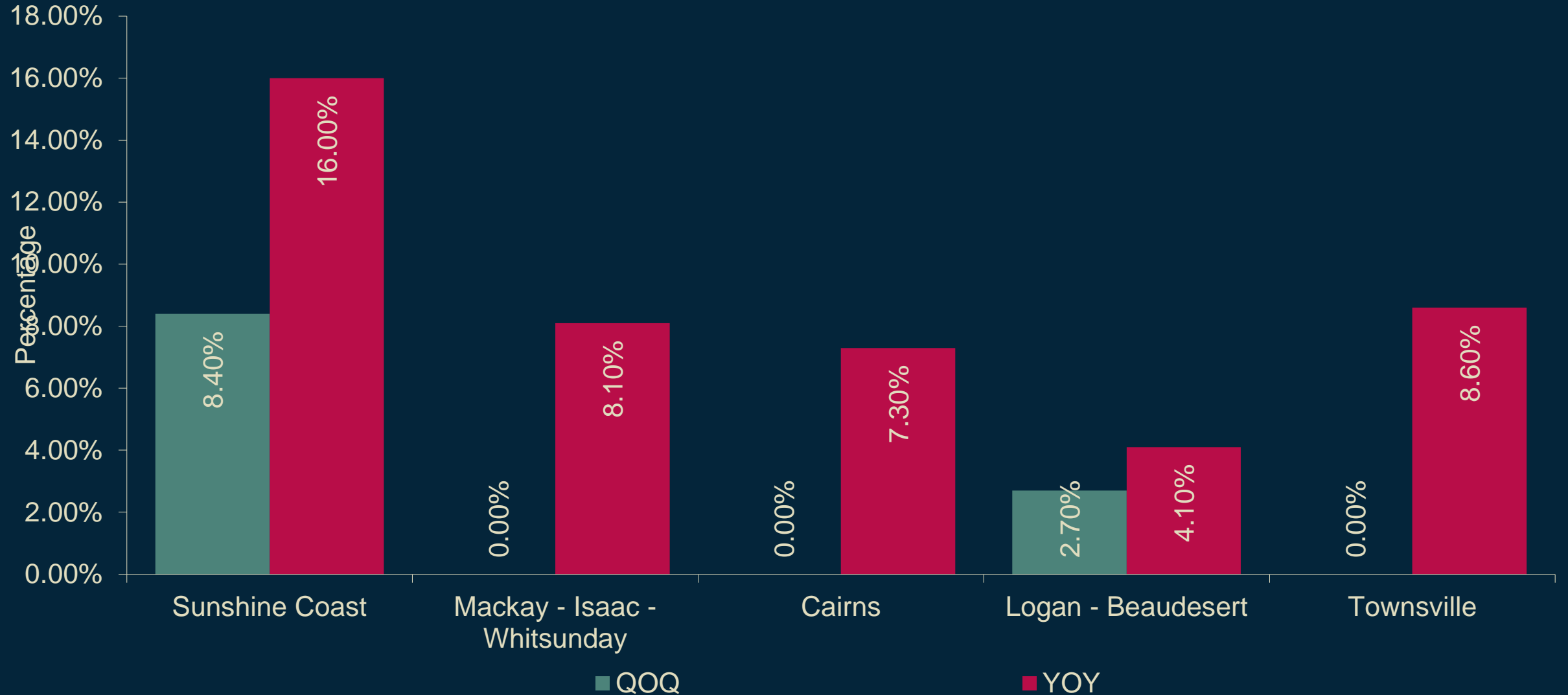
Source: Domain Data



# Rents

## Median Weekly Asking Rents - March Qtr 2021

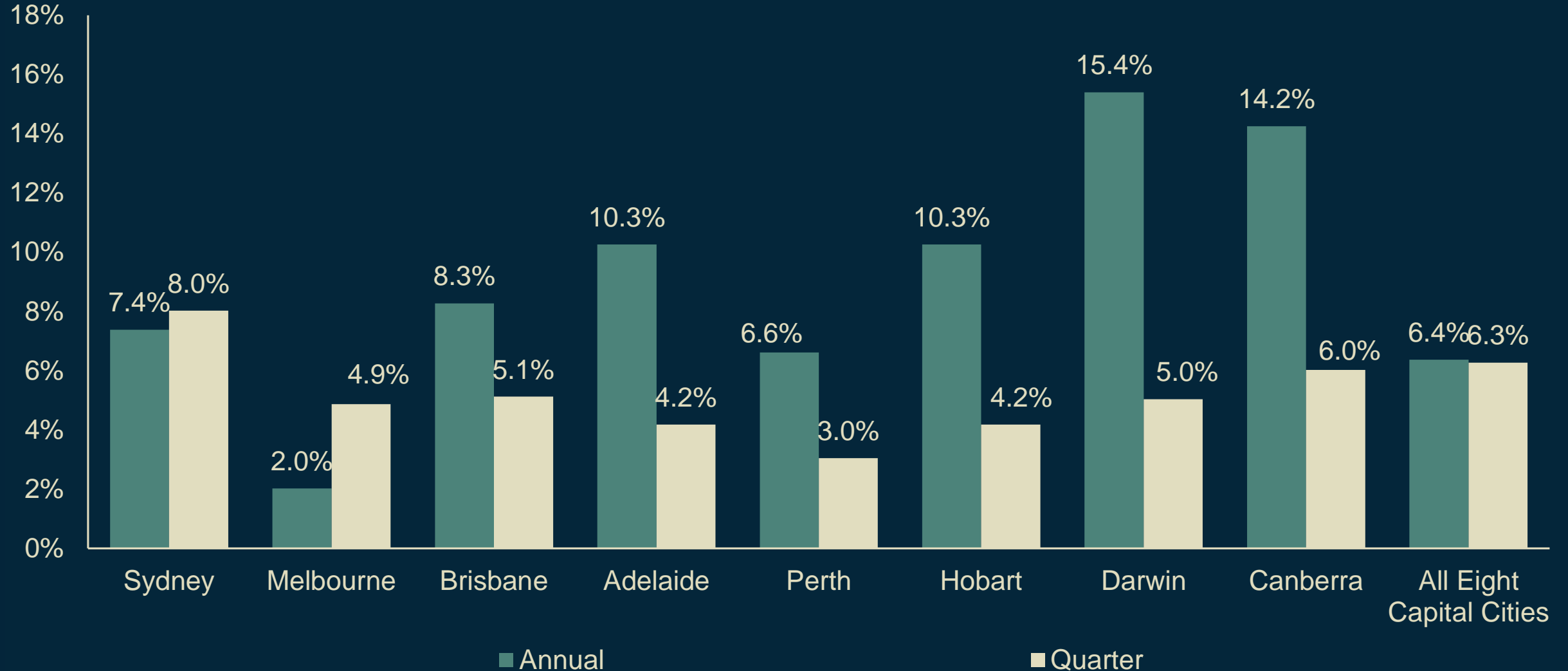
Source: Domain Data



# House Price Growth Record

## Dwelling Price Growth Rate by Capital City, April 2021

Source: CoreLogic

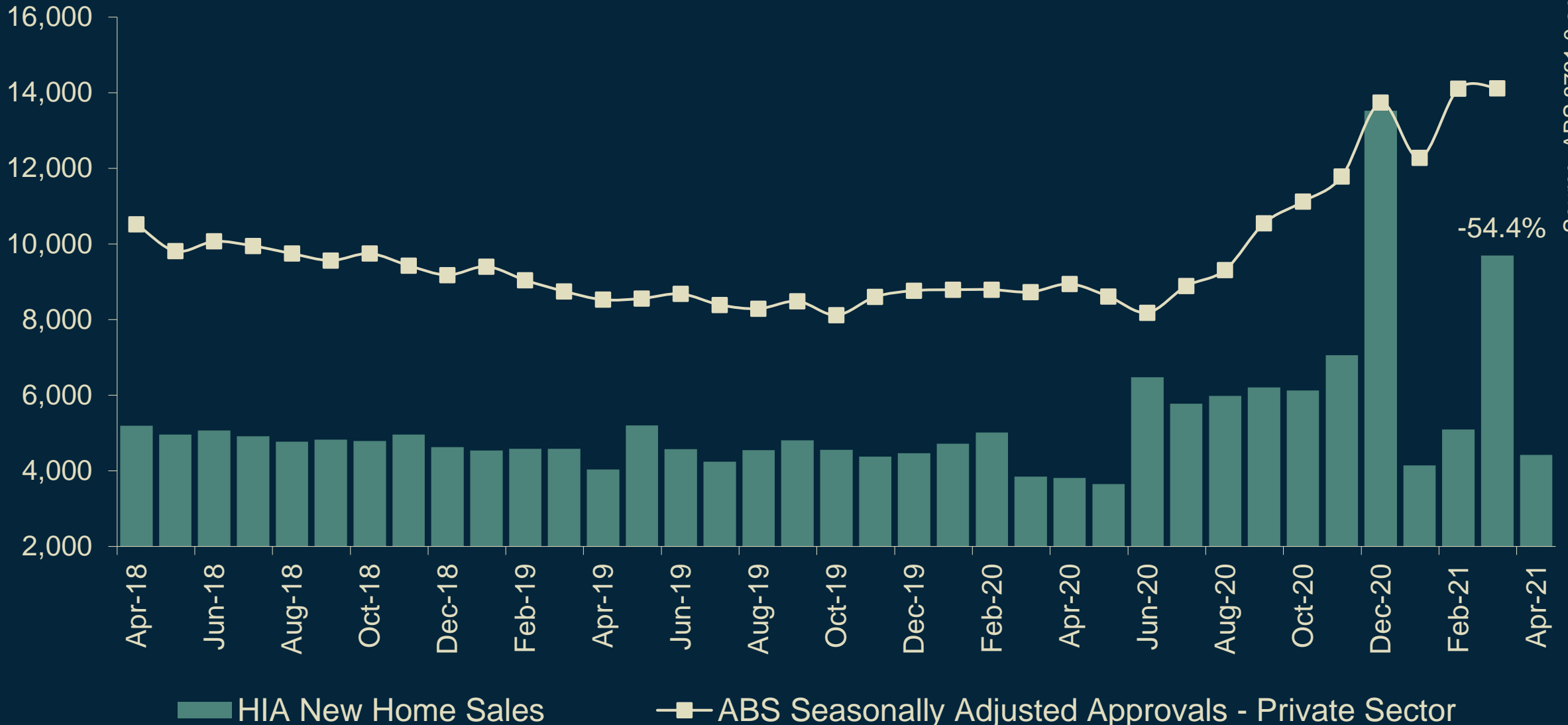


# Latest Housing Data



# HIA New Home Sales Peak in December

## Private New House Sales - Australia (SEASONALLY ADJUSTED)

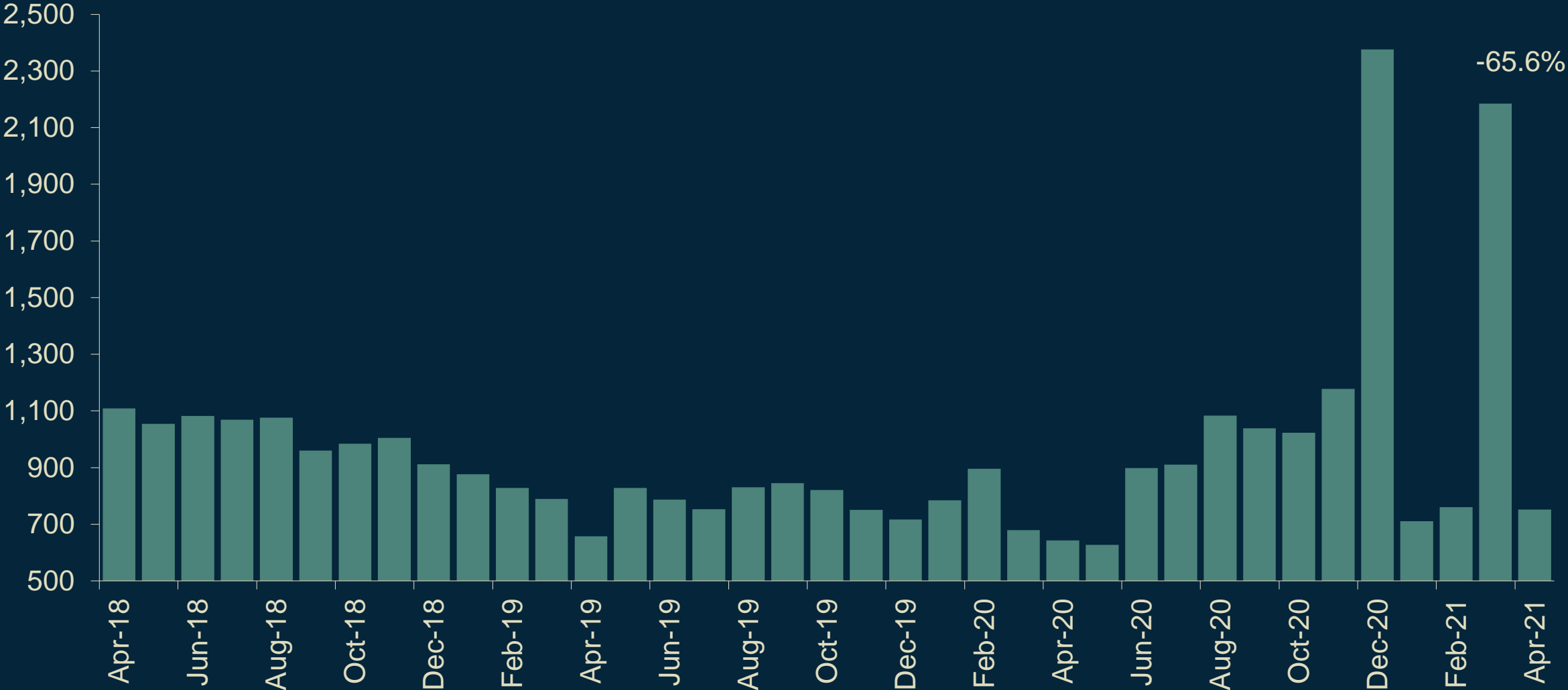


Source: ABS 8731.0 and HIA

# HIA New Homes Sales: QLD



Private New House Sales - Queensland (SEASONALLY ADJUSTED)



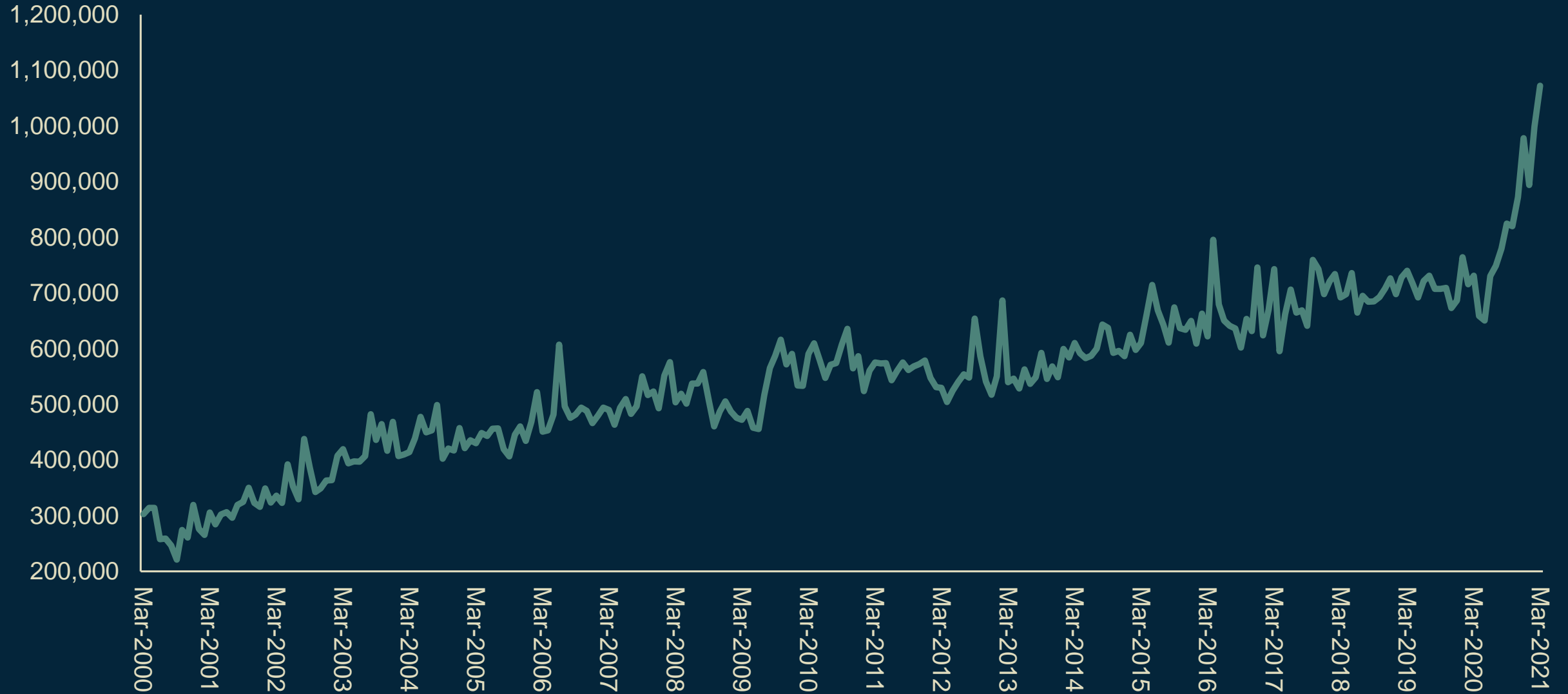
Source: HIA New Home Sales Report

# Approvals for Renos at record high



## Value of Building Approvals for Renovations (\$,000), Australia

Source: ABS

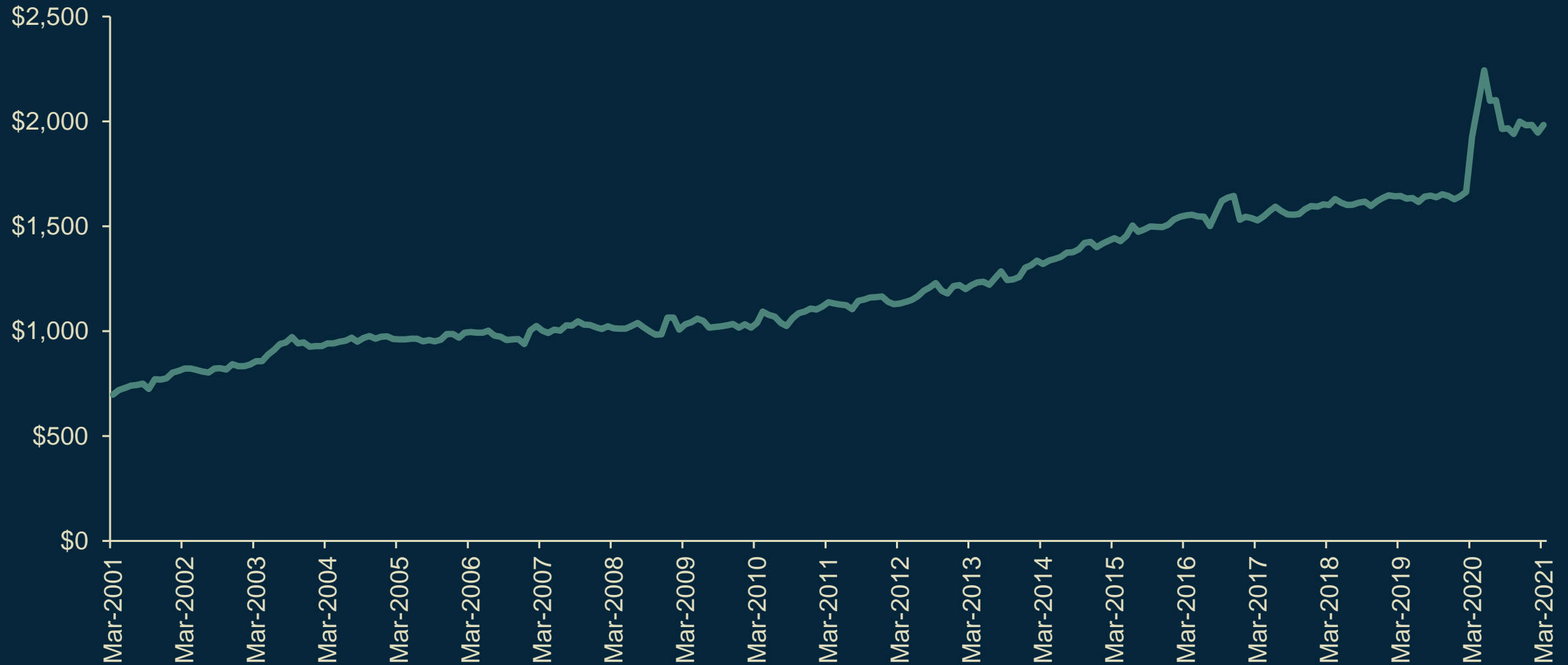


# Hardware spend up 25%



Retail Trade, \$M, 'Hardware, Building, Garden Supplies Retailing' Only

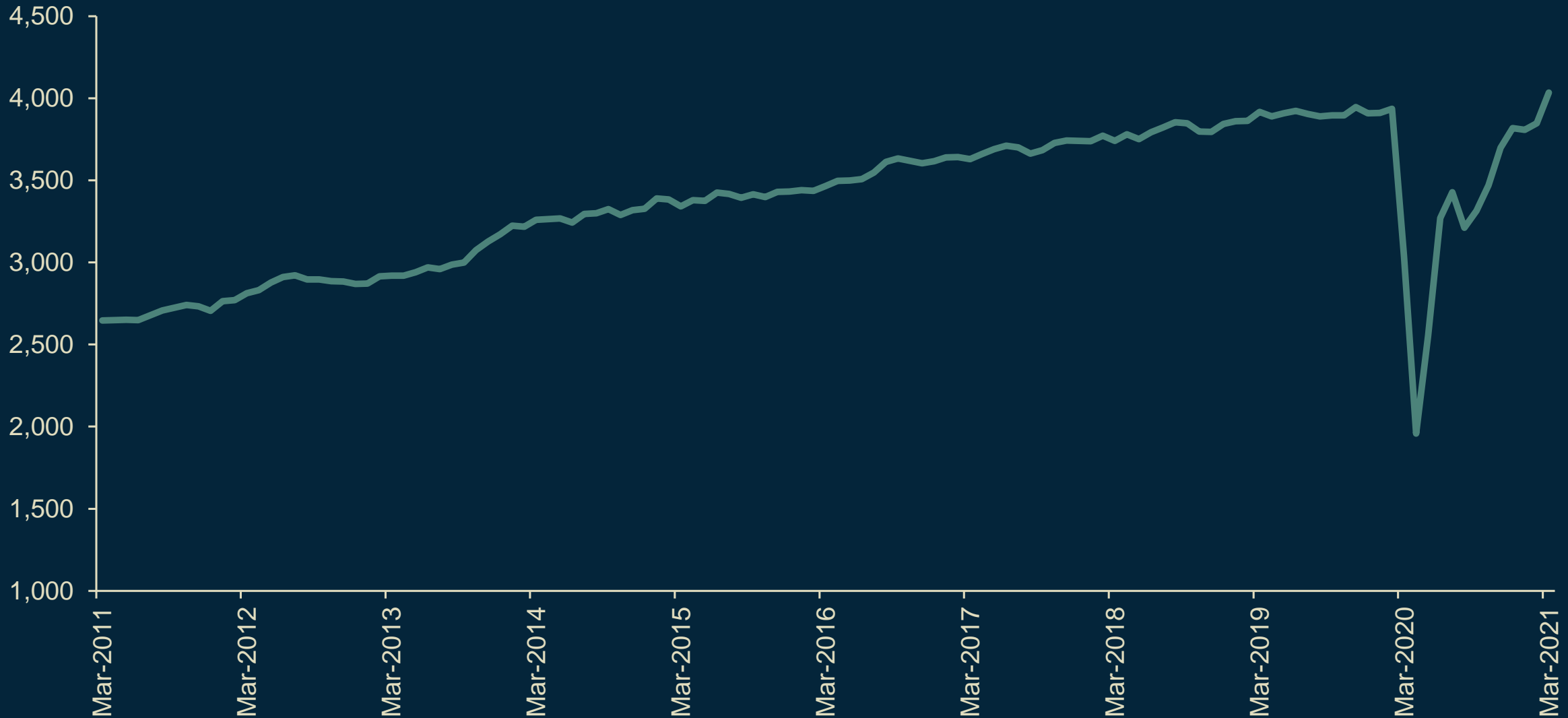
Source: ABS



# Travel and entertainment down

Retail Trade, \$M, 'Cafes, Restaurants and Takeaway Food Services'

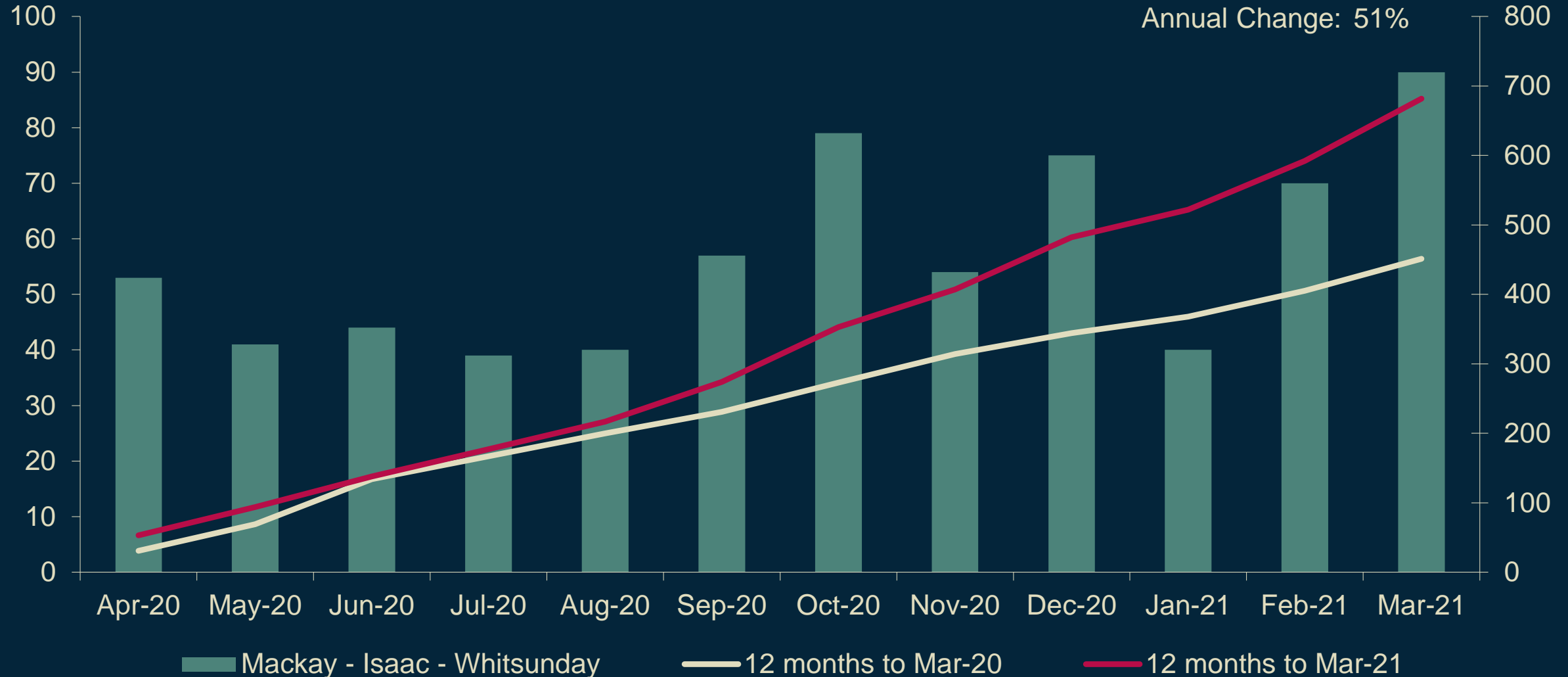
Source: ABS



# Building Approvals

## Total Dwelling Approvals - Mackay - Isaac - Whitsunday

Source: ABS

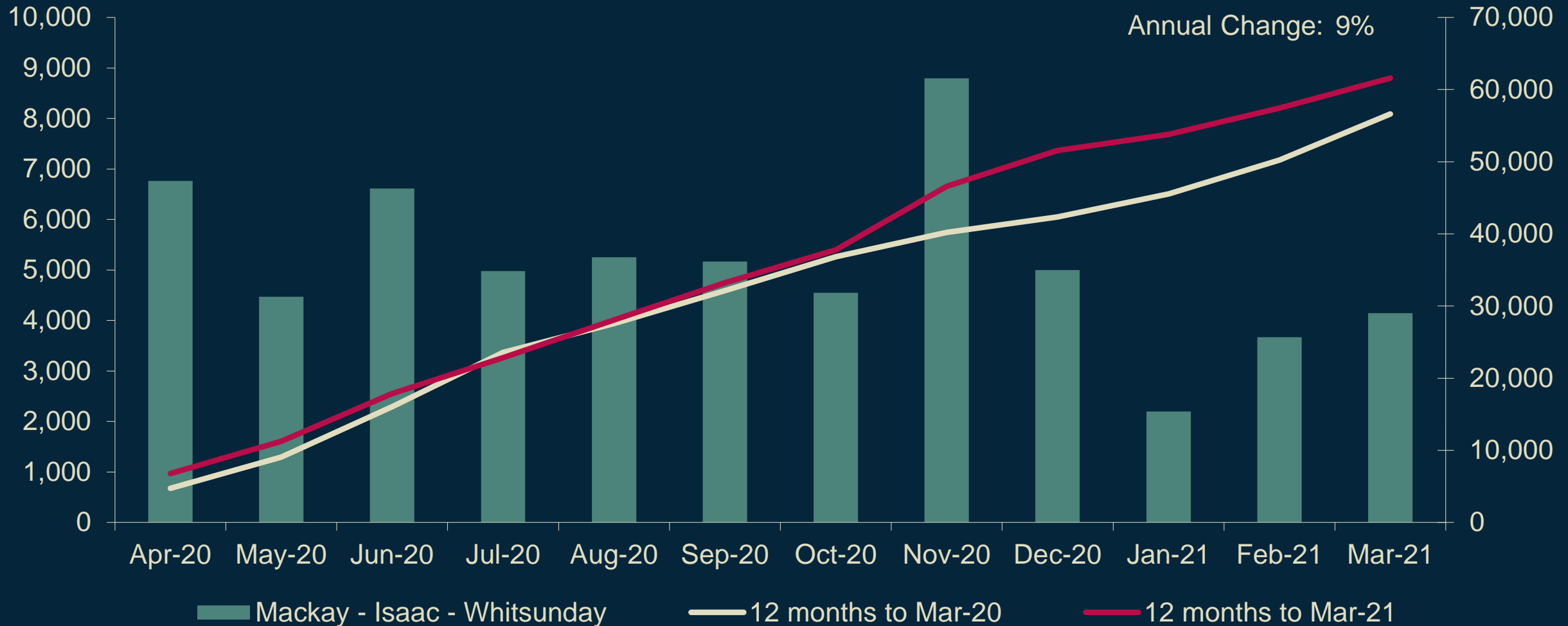


# Value of Renovations Approvals



## Value of Alterations and Additions Total Dwellings ('000) - Mackay-Isaac-Whitsunday

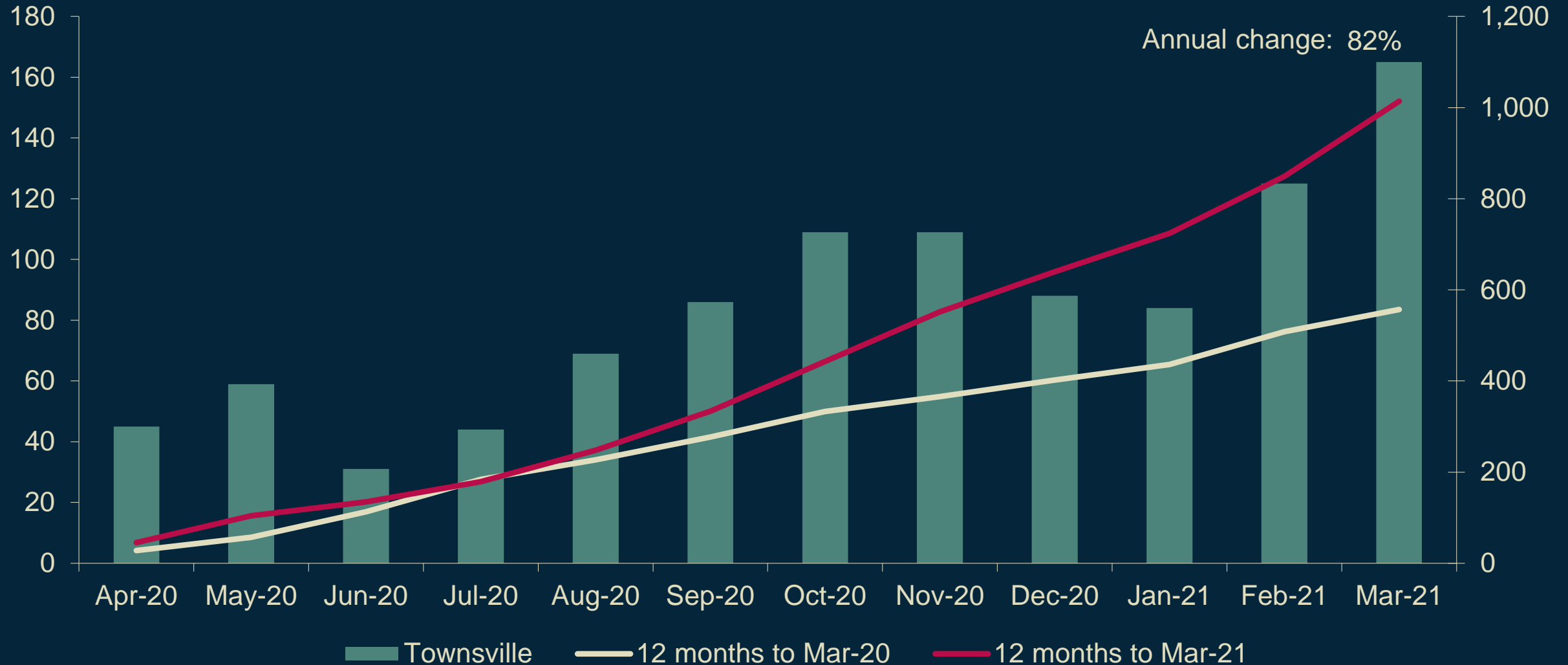
Source: ABS



# Building Approvals

## Total Dwelling Approvals - Townsville

Source: ABS



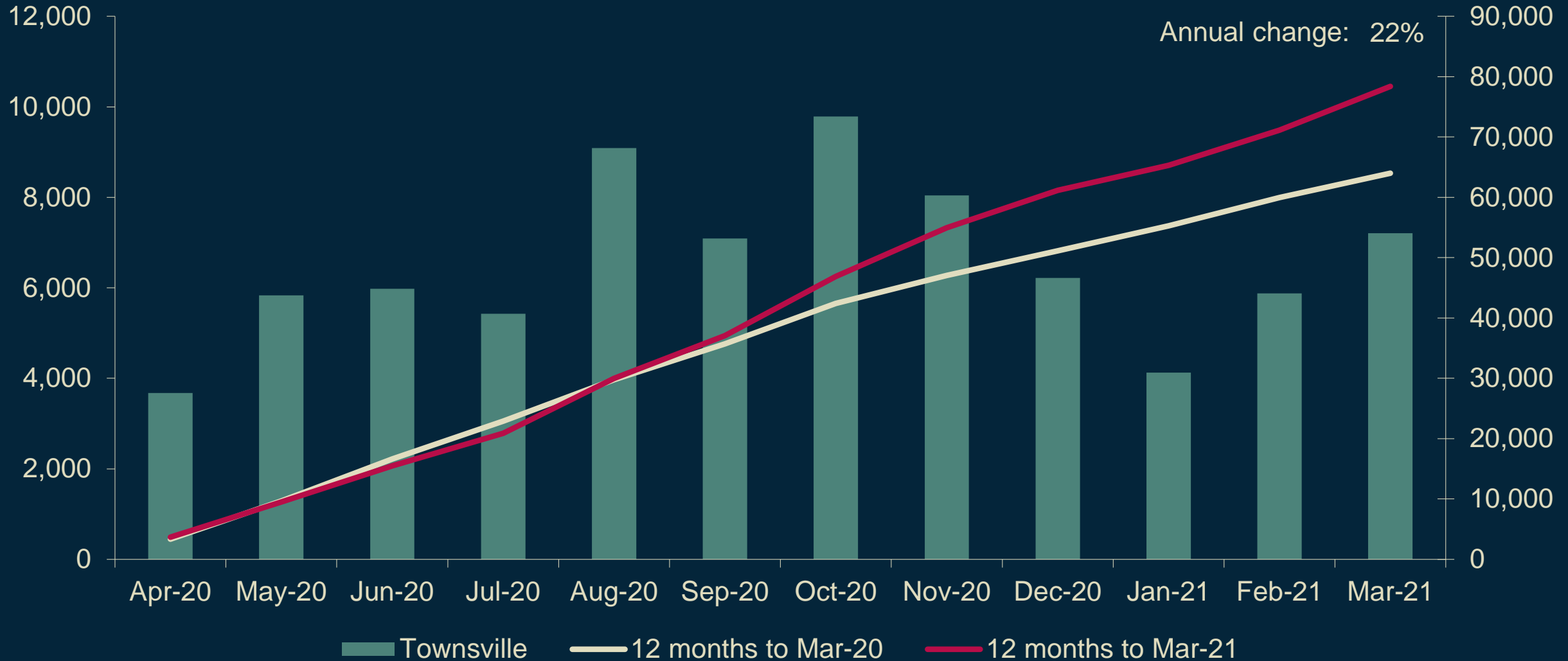


# Value of Renovation Approvals



## Value of Alterations and Additions Total Dwellings ('000) - Townsville

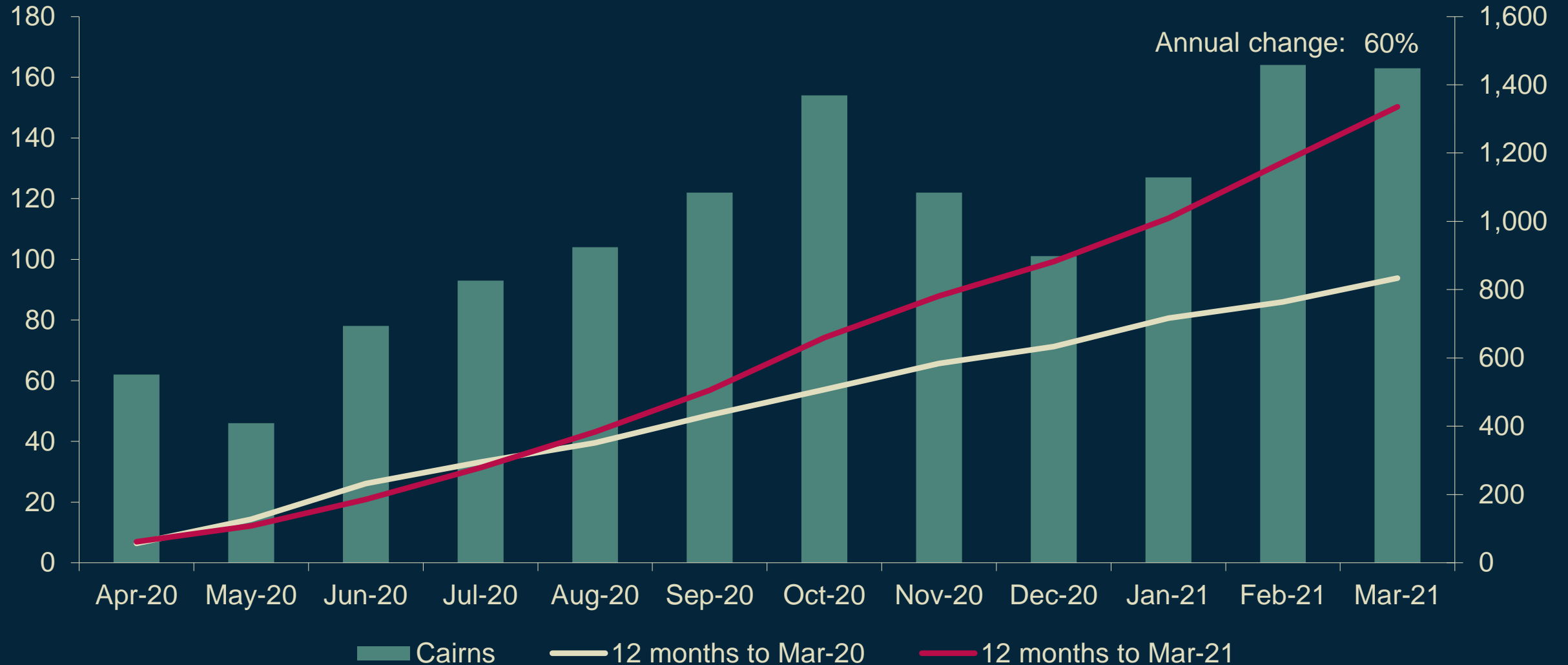
Source: ABS



# Building Approvals

## Total Dwelling Approvals - Cairns

Source: ABS

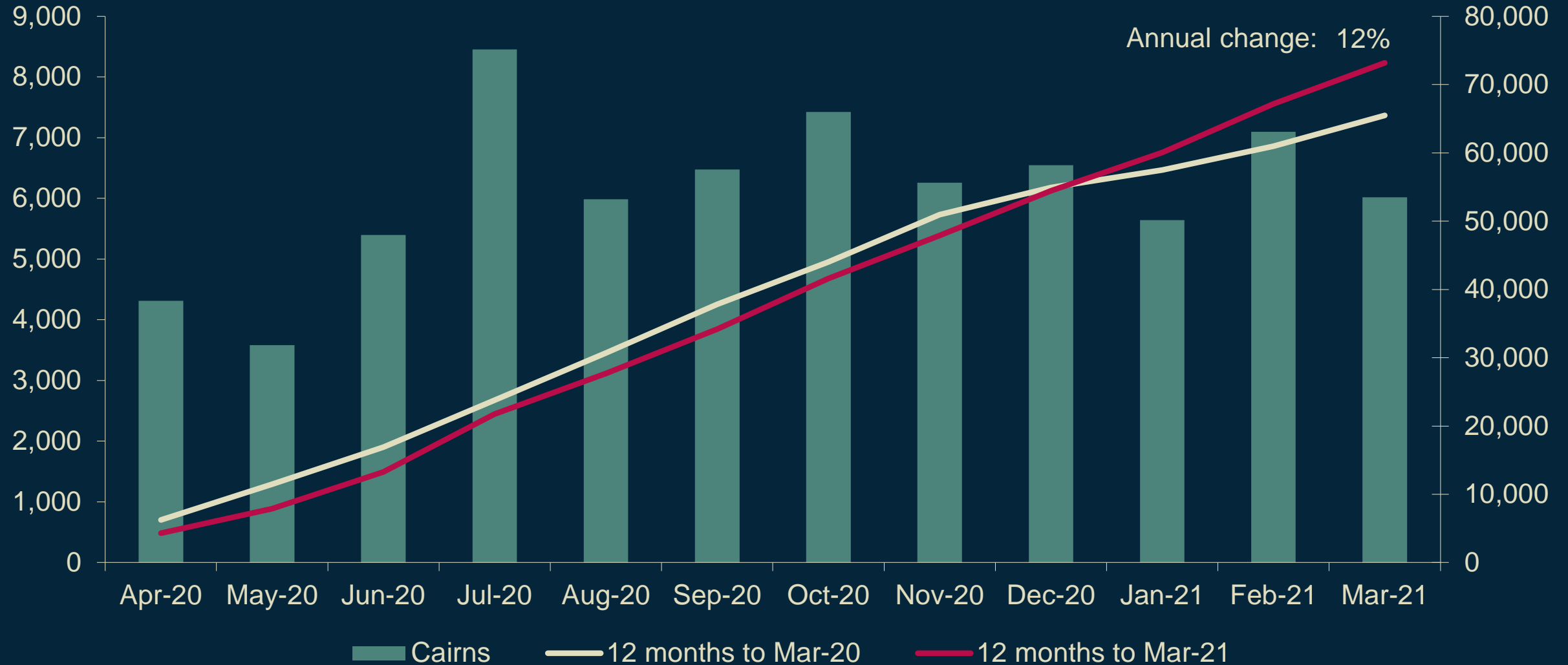


# Value of Renovation Approvals



## Value of Alterations and Additions Total Dwellings ('000) - Cairns

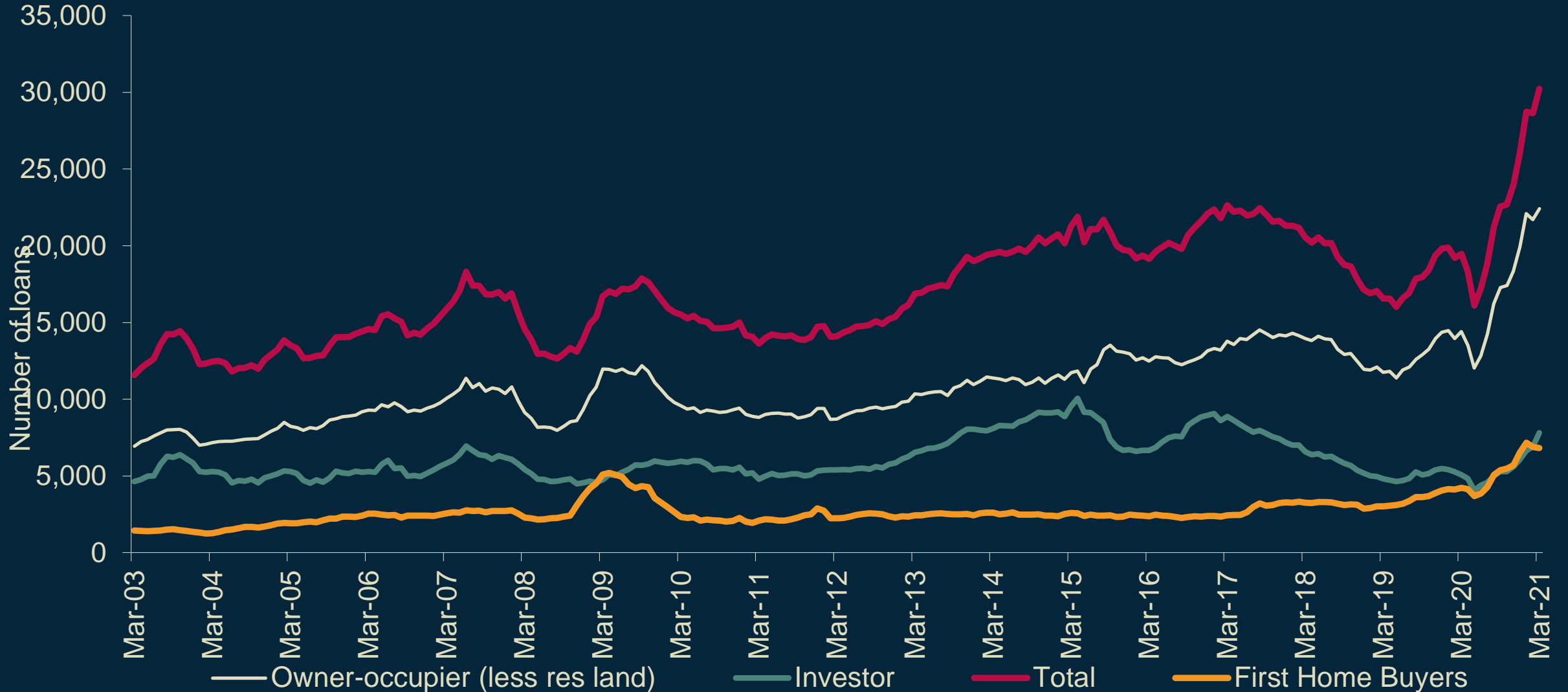
Source: ABS



# Who is buying new homes?

## New loans for Housing (value, \$m)

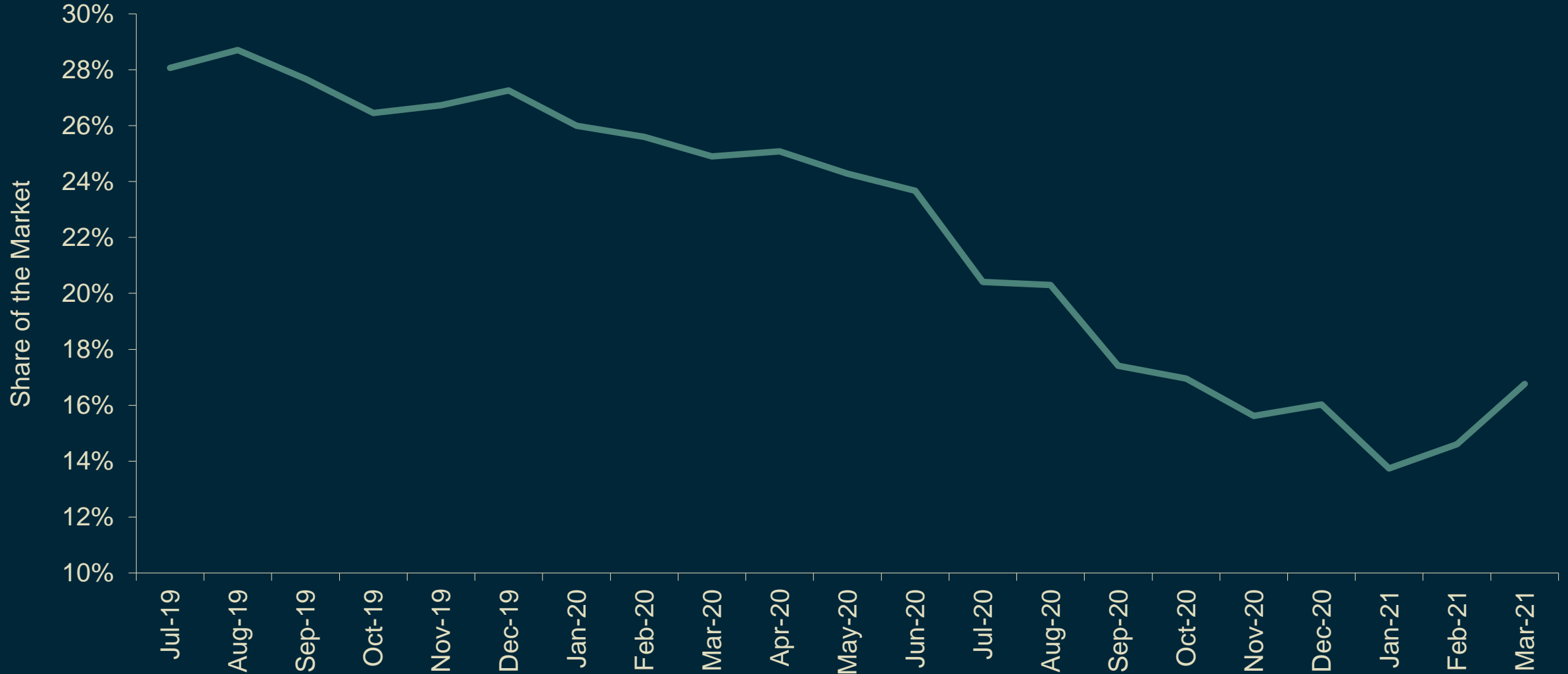
Source: ABS 5609.1



# Investors are returning.

## Lending to Investors for Construction of New Dwelling - Australia

Source: ABS Housing Finance



# Supply Chain Problems

# HIA Trades Report



## HIA Trades Availability Index by Trade

|                         | Mar-18 | Jun-18 | Sep-18 | Dec-18 | Mar-19 | Jun-19 | Sep-19 | Dec-19 | Mar-20 | Jun-20 | Sep-20 | Dec-20 | Mar-21 | Quarterly Movement in Availability |
|-------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|------------------------------------|
| <b>Bricklaying</b>      | -0.92  | -1.13  | -0.94  | -0.64  | -0.96  | -0.55  | -0.59  | -0.64  | -0.46  | -0.53  | -0.51  | -0.94  | -1.13  | ↓                                  |
| <b>Carpentry</b>        | -0.36  | -0.62  | -0.46  | -0.34  | -0.42  | -0.03  | -0.05  | -0.20  | 0.08   | -0.15  | 0.27   | -0.57  | -0.74  | ↓                                  |
| <b>Ceramic Tiling</b>   | -0.50  | -0.64  | -0.64  | -0.59  | -0.83  | -0.38  | -0.40  | -0.52  | -0.24  | -0.35  | -0.37  | -0.68  | -0.80  | ↓                                  |
| <b>Electrical</b>       | 0.06   | 0.07   | 0.04   | 0.12   | -0.09  | 0.27   | 0.17   | 0.23   | 0.35   | 0.20   | 0.27   | -0.01  | -0.17  | ↓                                  |
| <b>General Building</b> | 0.08   | -0.16  | -0.18  | 0.00   | -0.28  | 0.13   | 0.11   | 0.11   | 0.14   | 0.12   | 0.35   | -0.23  | -0.47  | ↓                                  |
| <b>Joinery</b>          | -0.09  | -0.13  | -0.23  | -0.06  | -0.16  | 0.06   | -0.05  | -0.05  | 0.15   | -0.01  | 0.15   | -0.21  | -0.38  | ↓                                  |
| <b>Landscaping</b>      | -0.22  | -0.04  | -0.14  | -0.03  | -0.02  | 0.36   | -0.08  | 0.09   | 0.10   | 0.06   | 0.29   | -0.17  | -0.32  | ↓                                  |
| <b>Other Trades</b>     | -0.39  | -0.58  | -0.24  | -0.39  | -0.57  | -0.29  | -0.30  | -0.12  | 0.03   | -0.11  | 0.33   | -0.43  | -0.75  | ↓                                  |
| <b>Painting</b>         | -0.09  | -0.18  | -0.15  | 0.01   | -0.11  | 0.08   | -0.02  | 0.11   | 0.14   | 0.06   | 0.19   | -0.25  | -0.47  | ↓                                  |
| <b>Plastering</b>       | -0.43  | -0.45  | -0.37  | -0.27  | -0.50  | -0.02  | -0.26  | -0.23  | -0.10  | -0.12  | -0.06  | -0.32  | -0.51  | ↓                                  |
| <b>Plumbing</b>         | -0.04  | -0.25  | -0.09  | -0.01  | -0.08  | 0.10   | 0.07   | 0.11   | 0.24   | 0.05   | 0.25   | 0.00   | -0.29  | ↓                                  |
| <b>Roofing</b>          | -0.19  | -0.41  | -0.34  | -0.29  | -0.36  | -0.11  | -0.25  | -0.25  | -0.18  | -0.14  | -0.13  | -0.46  | -0.79  | ↓                                  |
| <b>Site Preparation</b> | -0.14  | -0.24  | -0.02  | -0.05  | -0.15  | 0.17   | 0.00   | 0.09   | 0.10   | 0.06   | 0.22   | -0.16  | -0.35  | ↓                                  |
| <b>All trades</b>       | -0.25  | -0.37  | -0.29  | -0.20  | -0.36  | -0.02  | -0.13  | -0.10  | 0.03   | -0.07  | 0.12   | -0.35  | -0.55  | ↓                                  |

Source: HIA Trades Report

# Shipping containers doubled in price



ECONOMICS

Freightos Baltic Index (FBX) Global Container Index  
FBX Global Container Freight Index

05-Feb-21 | \$4,114



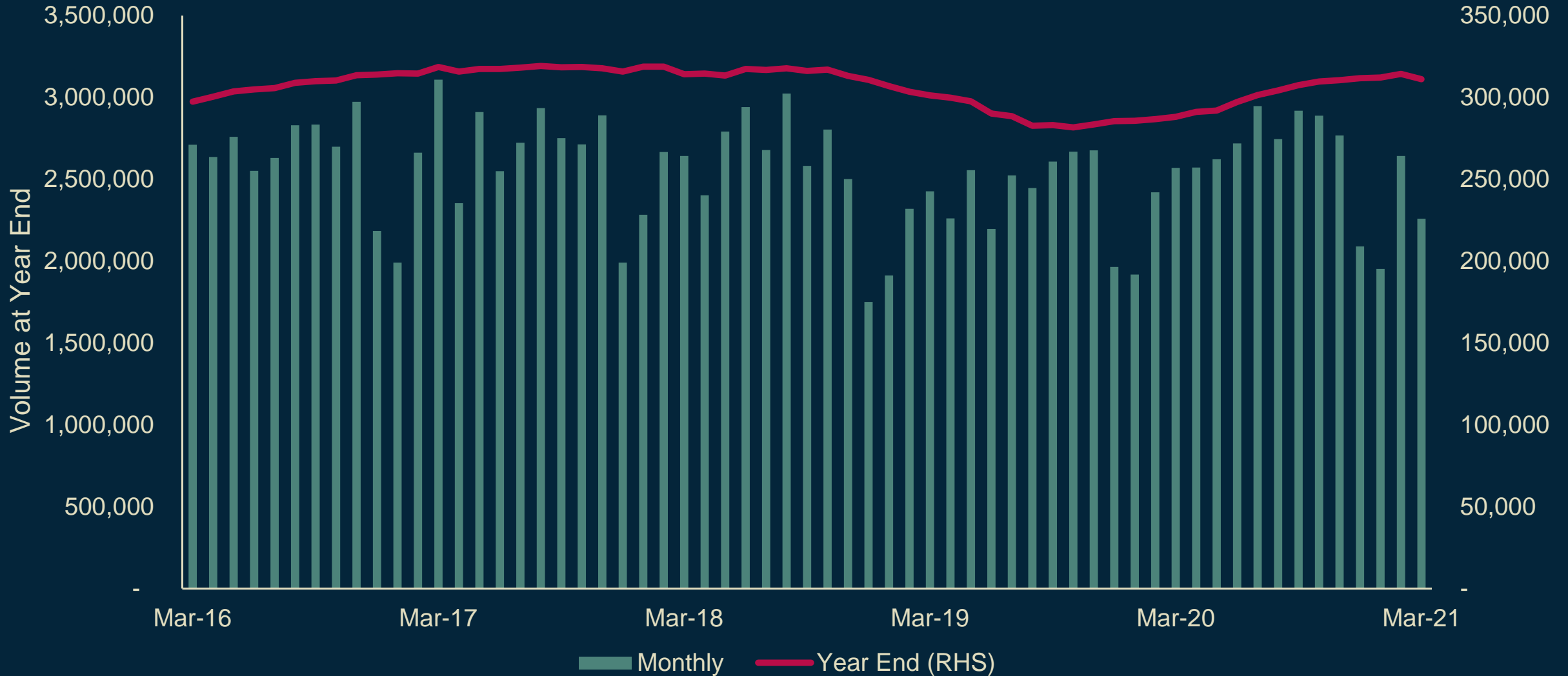


# Domestic production up 10%



## Softwood Volume

Source: HTISC

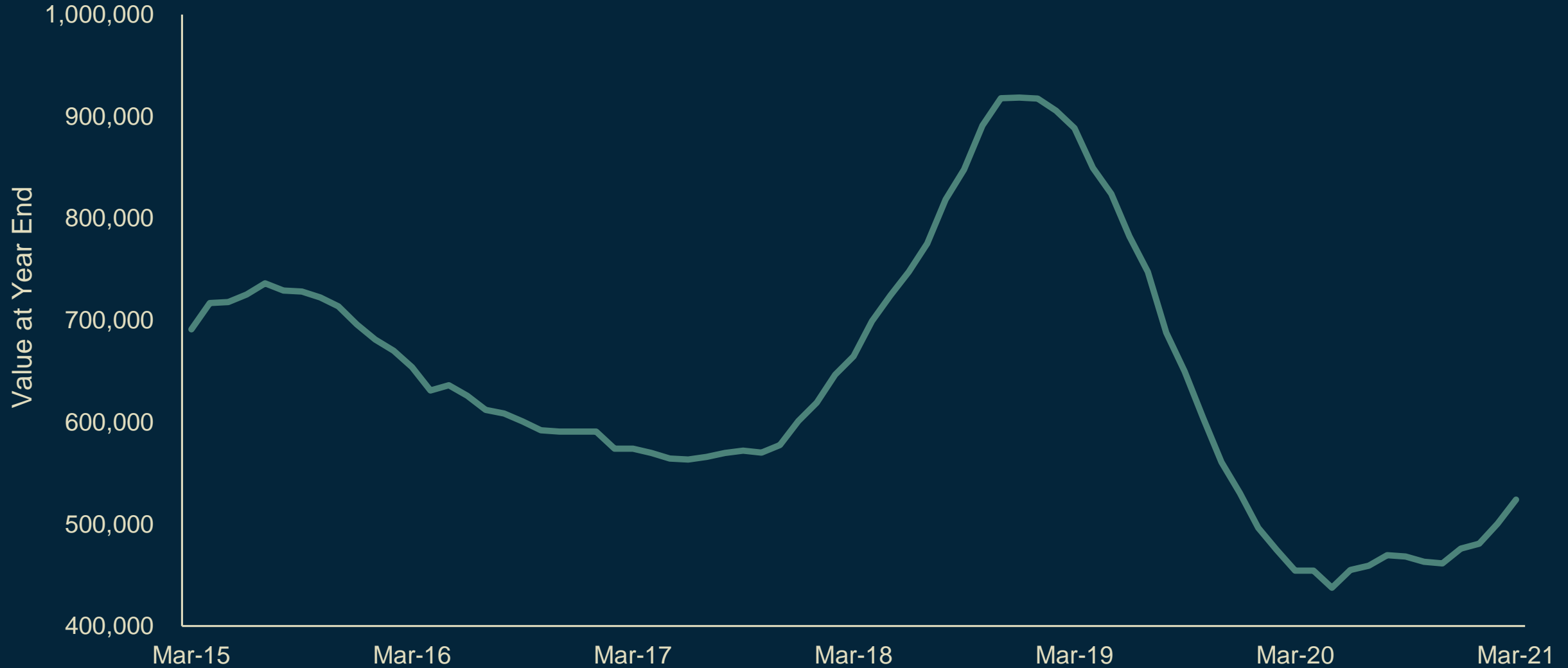


# Timber Imports up 10% in a year



## Softwood Imports

Source: HTISC



# Timber exports close to zero

## Softwood Export

Source: HTISC





**Thank you**

**Tim Reardon, HIA Chief  
Economist**