



GWA  
Bathrooms & Kitchens

# HIA Kitchens & Bathrooms



2014/15

Past Growth and Future Prospects



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Bathrooms & Kitchens

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Housing Industry Association

# Kitchens and Bathrooms Report

Past Growth and Future Prospects 2014/15

March 2015

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# OVERVIEW

- In 2013/14 the **total number of kitchen installations** in new homes increased by 12.3 per cent. Kitchen installations in new homes are forecast to increase by 7.7 per cent in 2014/15 to a level of 195,936. Activity is projected to ease back by 5.7 per cent in 2015/16, with a further decline of 4.7 per cent in 2016/17 bringing the total number of new kitchen installations to 176,035. The overall risk to the short term outlook is to the upside.
- The **total value of kitchen installations** in new homes was \$3.12 billion in 2013/14, a decline of 6.0 per cent on the previous year. The reduction was due to a decline in the average value of kitchens installed in new homes during the year. The total value is forecast to increase by 11.0 per cent this financial year. We are forecasting growth of 2.3 per cent in 2015/16, with a reduction of 0.8 per cent taking the total value back to \$3.52 billion in 2016/17.
- The **total number of bathroom installations** in new homes is projected to increase from 357,300 in 2013/14 to 384,800 in 2014/15. Activity is projected to ease back by 5.7 per cent in 2015/16, with a further decline of 4.7 per cent in 2016/17 bringing the total number of new bathroom installations to 345,800.
- The **total value of bathroom installations** in new homes was \$3.73 billion in 2013/14, a decline of 10.1 per cent on the previous year. The reduction was due to a decline in the average value of bathrooms installed in new homes during the year. The total value is forecast to increase by 25.5 per cent this financial year. We are forecasting growth of 2.0 per cent in 2015/16, with a reduction of 4.7 per cent taking the total value back to \$4.55 billion in 2016/17.
- Based on HIA estimates of notional demand (the methodology of which is outlined in Appendix A), there is the potential for around **146,050 kitchen renovations in 2014/15**.
- The HIA Kitchens and Bathrooms survey found an average value for a new kitchen in 2013/14 of \$19,065, just higher than the \$19,036 average value of kitchens installed as part of renovations.
- During 2013/14, the vast majority of **kitchen renovations** (74 per cent) were performed on those in the 11 to 20 year age group. Of the total, 40 per cent were performed on kitchens in the 11 to 15 year age group. A further 34 per cent of renovations were applied to kitchens between 16 and 20 years old.
- HIA estimates that in 2014/15 there is the **potential for around 219,400 bathroom renovations**, based on notional demand.
- The HIA Kitchens and Bathrooms survey found an **average value for a new bathroom** in 2013/14 of \$14,760 compared to an average value for a bathroom renovation of \$15,247.
- In terms of the **frequency of updating a bathroom**, during 2013/14 a large majority of bathroom renovations (73 per cent) were conducted on bathrooms in the 11 to 20 year age group. Of the total, 33 per cent of renovations were performed on bathrooms in the 11 to 15 year age group. Another 40 per cent of renovations were applied to 16 to 20 year old bathrooms.