



the voice of the industry

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MEDIA RELEASE

Australia's \$31.4 Billion Home Renovations Market

The Housing Industry Association, the voice of Australia's residential building industry released the latest edition of *Renovations Roundup* today, providing detailed insights into the renovations market, which is estimated to be worth over \$31 billion.

"With new home building set to fall back over the coming years, there will be increased reliance on home renovations activity as a source of demand within the industry," explained HIA Senior Economist, Shane Garrett.

"Home renovations' demand has a lot going for it at the moment: low interest rates, a strong pace of dwelling price growth in key areas and healthy labour market conditions in the larger cities. Our renovations market survey also indicates that the price of houses in Sydney and Melbourne is persuading homeowners previously considering moving house to instead embark on major renovation projects in their current homes," Shane Garrett continued.

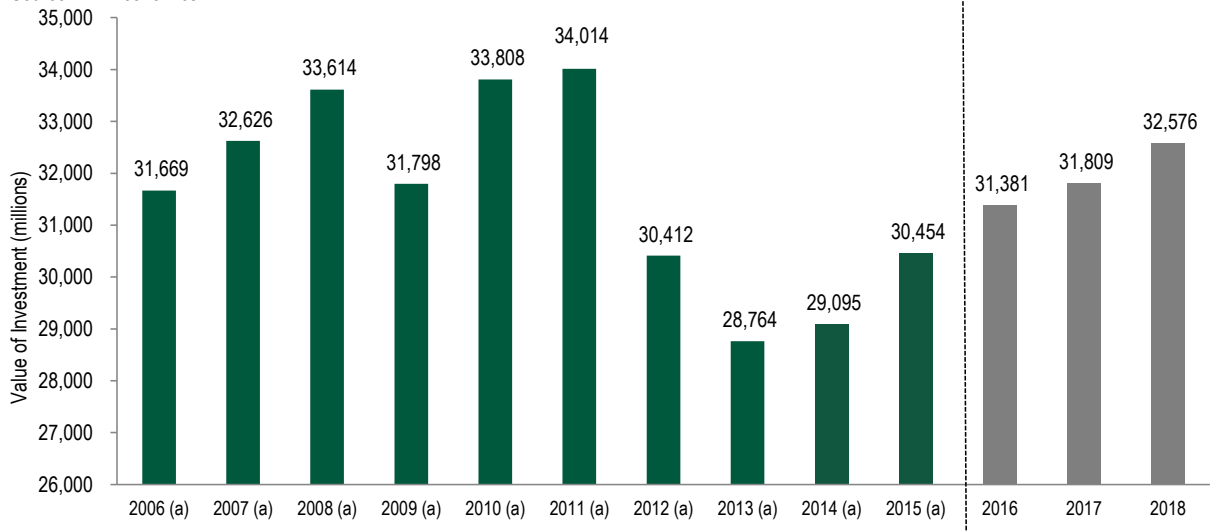
"The turnover of existing homes also generates additional renovations demand. This is important because many renovation jobs are initiated by the new buyers of aging houses," Shane Garrett pointed out.

"Overall, we anticipate that renovations activity will continue to grow modestly over the next few years and take up some of the slack that will result from weaker levels of new home building. With annual home renovations expenditure topping \$31 billion, the sector packs quite a punch across the Australian economy," concluded Shane Garrett.

The latest *HIA Renovations Roundup* reports that the volume of activity increased by 4.7 per cent in 2015, the strongest growth since 2010. In 2016, we project that activity will grow by another 3.0 per cent, with the pace of expansion slowing to 1.4 per cent in 2017. Growth is expected to pick up to 2.4 per cent in both 2018 and 2019. Overall, the volume of renovations activity is anticipated to increase from \$31.38 billion in 2016 to \$33.37 billion in 2019, an overall expansion of 6.3 per cent.

Australia Renovations Forecasts

Source: HIA Economics



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