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MEDIA RELEASE

## Home Renovation Market Gets a Makeover

“The home renovations market will return to growth this year,” explained HIA Principal Economist, Tim Reardon.

The July 2017 edition of the Housing Industry Association’s Renovations Roundup report has just been published. The report provides the only regular in-depth review of Australia’s \$32 billion home renovations market. It reveals the results of the latest home renovations survey and outlines forecasts for home renovations activity on a state-by-state basis.

“Even though new home building activity has soared to record levels over the past 12 months, conditions for the renovations market have been much more subdued,” Mr Reardon added.

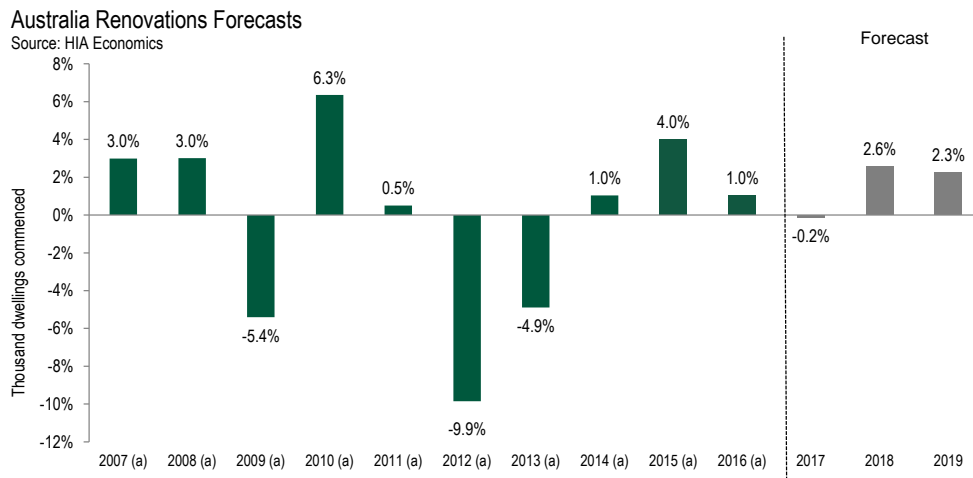
“We expect this to change this year and that the market will again experience growth as the number of detached houses that are reaching the key renovations age is increasing.

“Our survey results also indicate that businesses regard conditions in the renovations industry over the past year positively and suggest a modest increase in the amount of work in the pipeline.

“The environment of record low interest rates and strong dwelling price growth in key markets has certainly been a plus for renovations demand but falling transaction volumes in the established house market have held renovations activity back.

“Over the longer term, renovations activity is set to grow modestly as a result of the backlog of overdue jobs as well as more homes reach the key renovating age. With new home building set to decline over the next couple of years, the gradual strengthening of renovations activity is coming at the right time,” concluded Tim Reardon.

Forecasts contained in the latest HIA Renovations Roundup report predict that activity in 2017 will be consistent with levels in 2016, before returning to a growth phase in 2018 (+2.6 per cent) followed by another expansion of 2.3 per cent in 2019. During 2020, a 2.4 per cent increase is projected to take the value of the market to \$34.71 billion.



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