

MEDIA RELEASE



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Supply and Demand for Skilled Trades Remain Close to Equilibrium in June Quarter

“Despite all the push and pull factors at play due to COVID-19 during the June 2020 quarter, supply and demand for skilled trades remained close to equilibrium”, stated HIA Economist Angela Lillicrap.

The HIA Trades Report provides a quarterly review of the availability of skilled trades and any demand pressures on trades operating in the residential building industry. The HIA Trades Availability Index recorded a level of -0.07 in the June 2020 quarter, down from +0.03 in the March quarter. This result reflects a slight tightening in the availability of trades although demand and supply are still close to equilibrium.

“In March 2020, skilled trades were in a very minor oversupply and in the three months to the end of June they are now in a marginal undersupply. Given the significant impact of COVID-19 during this time, it is surprising that there was such a small impact on demand for skilled trades,” added Ms Lillicrap.

“Demand for skilled trades may have eased due to social distancing requirements on site and households not feeling comfortable inviting trades people into their homes due to the risk of transmitting COVID-19.

“On the other hand, anecdotal reports suggest that demand may have increased due to a rise in small renovation activity. With more people working from home, households found it easier to schedule a skilled trades person to complete smaller jobs as they did not have to take time off work.

“There was also a reduction in the supply of skilled trades as some trades people elected not to work during this period due to the increased risk of contracting the virus or due to the closure of schools.

“The adverse impact of the COVID-19 restrictions on new home building would not have been a large factor in June. The impacts on new home building were expected to emerge during the September quarter but these are likely to be alleviated due to the Australian Government’s HomeBuilder program,” concluded Ms Lillicrap.

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