



HIA's Omnibus Survey

March 2022



ECONOMICS

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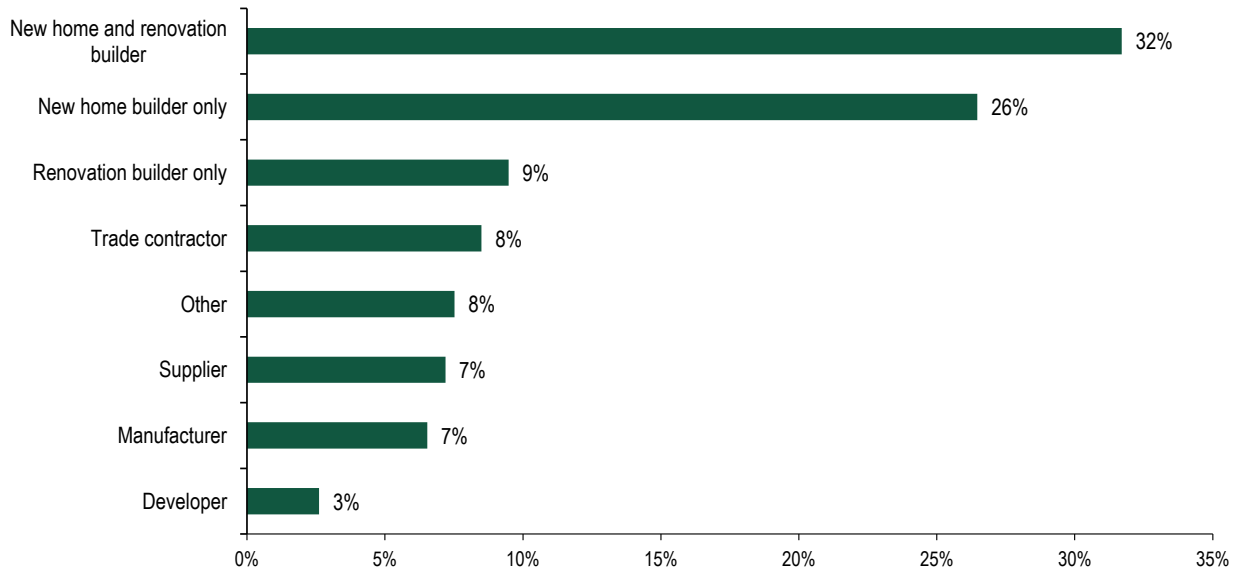
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Survey details

The survey was conducted In February/March 2022. There were 306 responses across all sectors of the industry – builders, trade contractors, manufacturers and suppliers. Respondents were from every state but primarily from the east coast with Victoria and New South Wales representing just under 60 per cent.

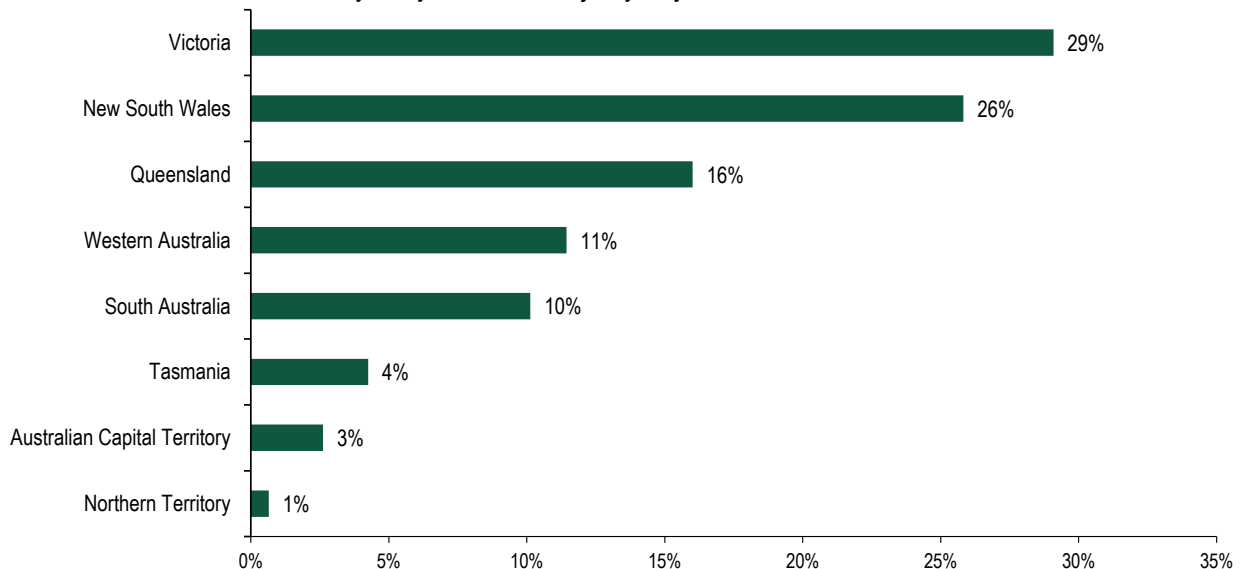
Responses to the survey questions are outlined below.

What type of business are you?



Source: HIA Economics

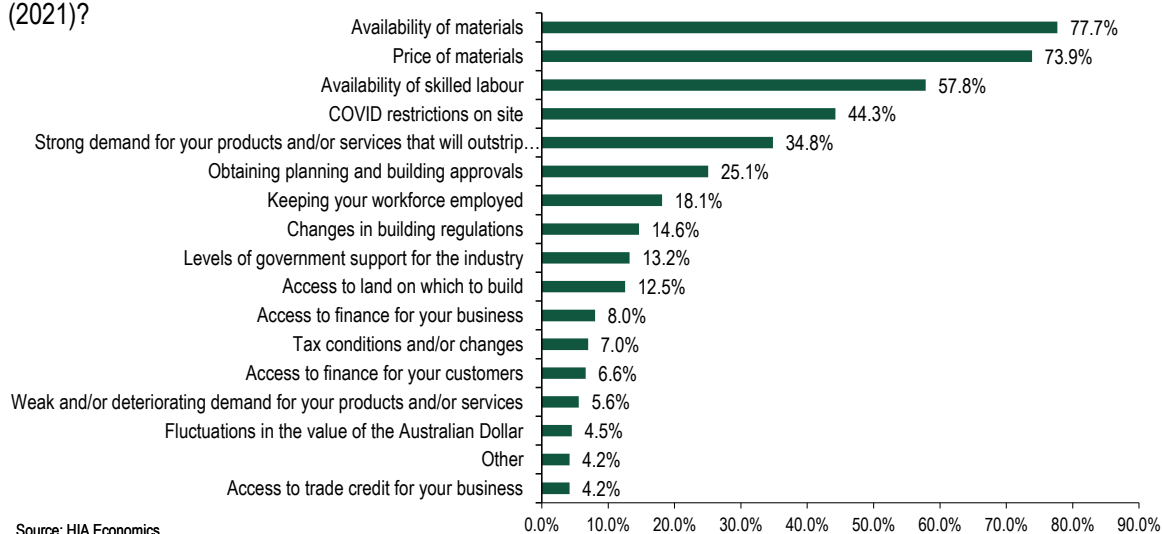
In 2021, in which state or territory did you do the majority of your work?



Source: HIA Economics

Pressure points

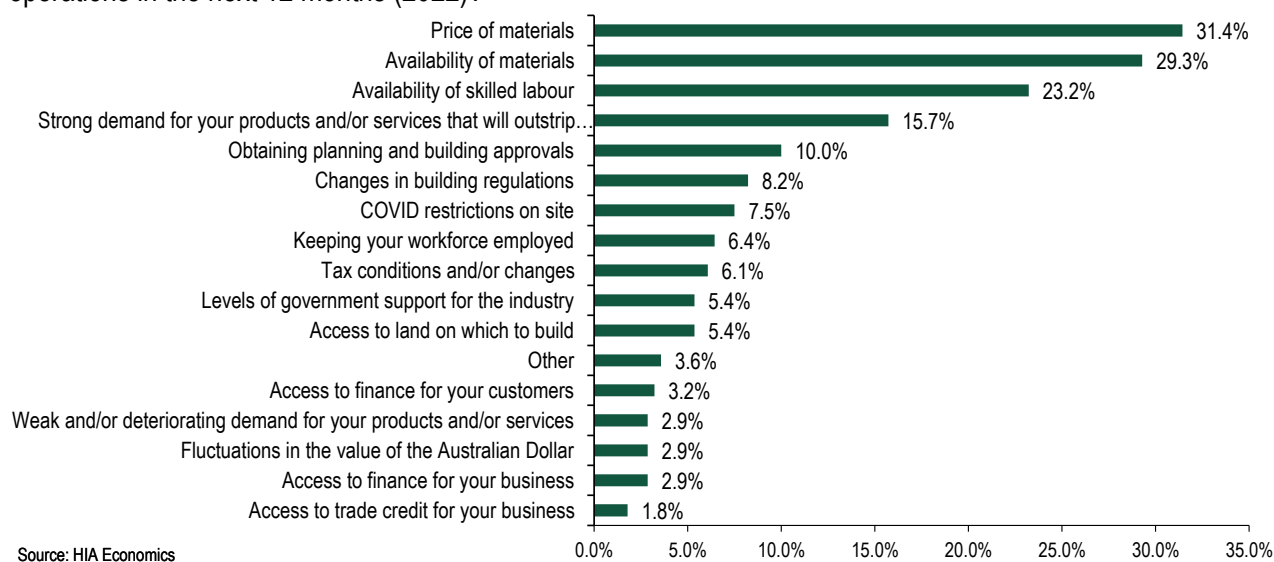
What were the greatest pressure points for your business and its operations this year (2021)?



The availability and price of materials were considered the greatest pressure points for businesses in 2021 with a response rate of 77.7 per cent and 73.9 per cent respectively. It is followed by the availability of skilled labour as the third greatest pressure point.

This is similar from last year, in which the top three pressure points were the same, however, the proportion of respondents has increased significantly. This highlights the severity of the issue and how widespread it is within the industry.

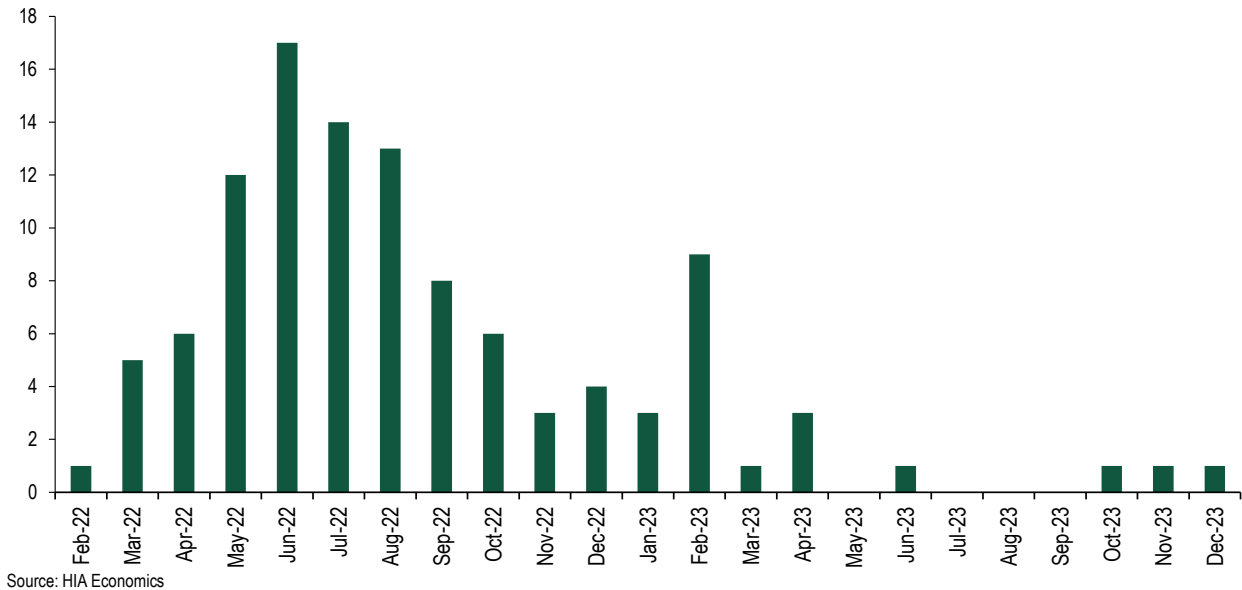
What do you expect to be the greatest pressure points for your business and its operations in the next 12 months (2022)?



Members expect that the price and availability of materials, as well as the availability of skilled labour will continue to be the greatest pressure point on their business in 2022. The proportion of respondents has declined significantly compared to the previous question, suggesting that the problem is ameliorating.

Commencement timeframes

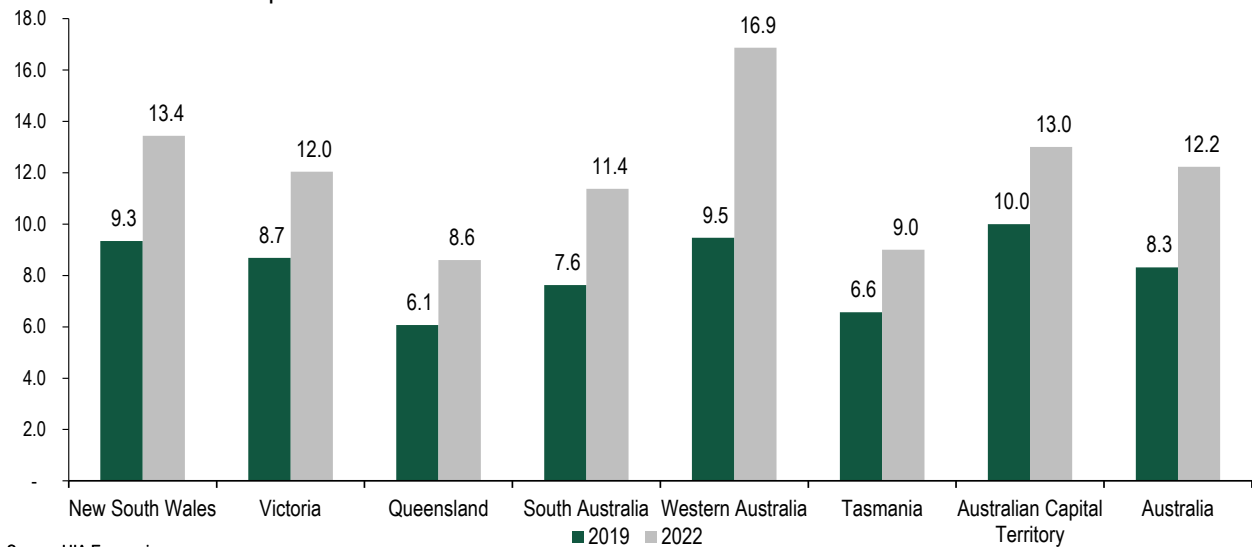
For a sale in February 2022, what is the expected commencement date?



For a sale in February 2022, the majority of respondents reported an expected commencement date in the middle of 2022, with the June 2022 the most popular answer. There was a second spike in February 2023 which indicates that commencement is occurring 12 months after a sale.

A small minority of respondents reported commencement dates at the end of 2023, just under two years after the sale.

What was the typical time frame (in months) to build a detached home from commencement to completion?



The timeframe to build a detached house has increased from 8.3 months in 2019 to 12.2 months. This varies slightly from state to state, most noticeably, Western Australia has increased from an average of 9.5 months to 16.9 months.

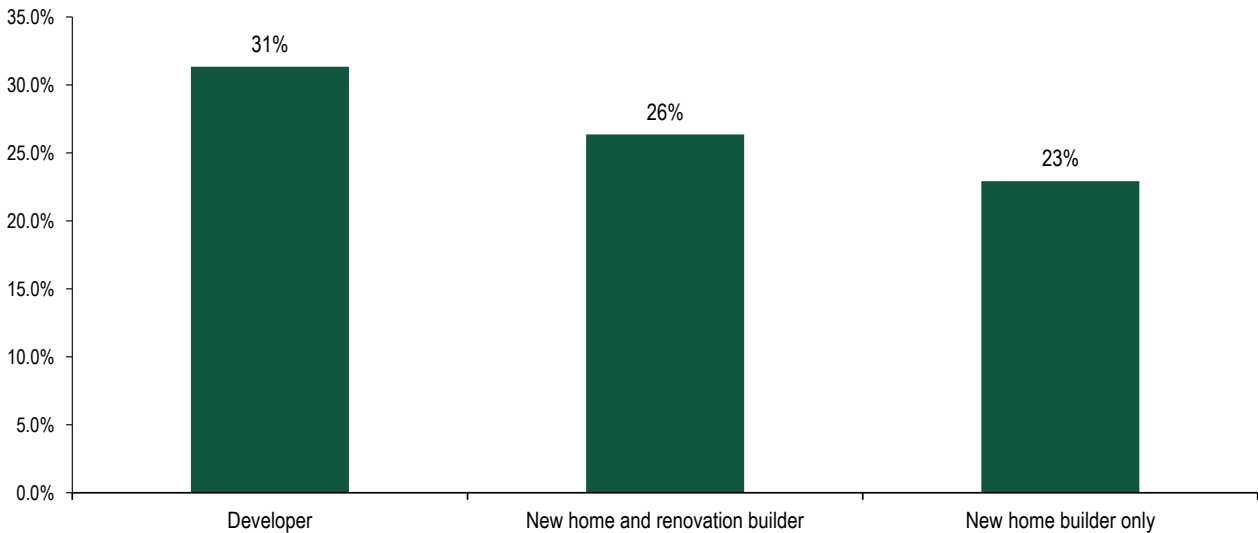
Managing cost increases in 2022/23

Between December 2020 and December 2021, how much has the cost of building a new detached home increased in 2021?



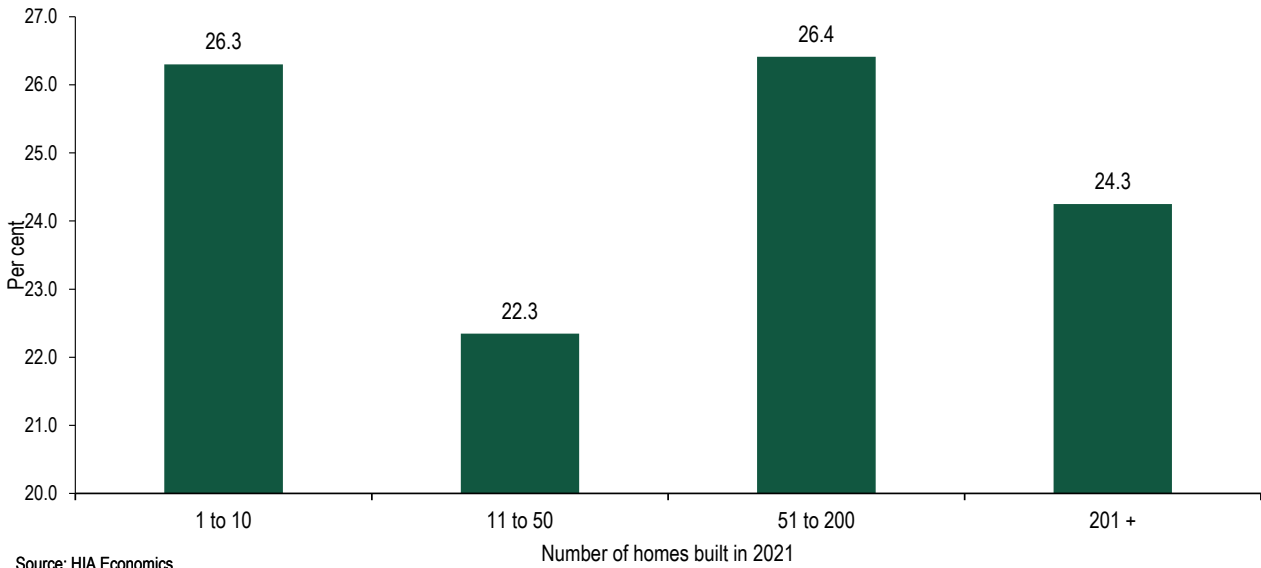
In 2021, the cost to build a new detached home has increased by 25 per cent across Australia. Queensland and Western Australia have reported the strongest price increases of 35 per cent and 32 per cent, respectively. Tasmania has reported the smallest cost increase with 17 per cent.

How much has the cost of building a new detached home increased?



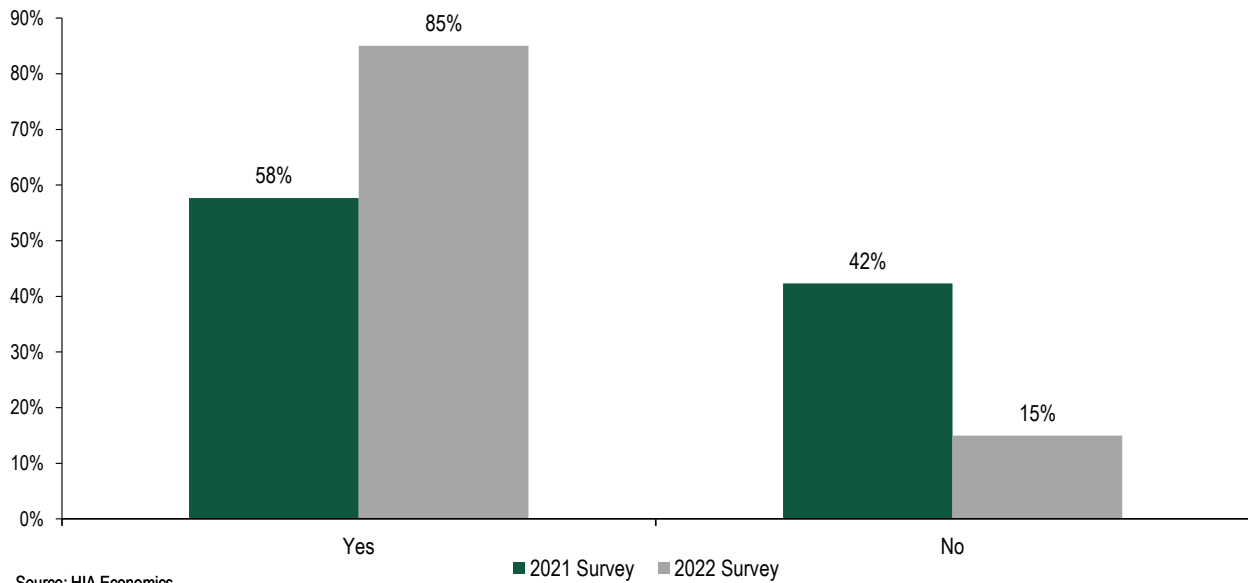
Developers reported a larger increase in costs over the year than new home and renovation builders. However, all builders have reported an increase of more than 20 per cent in the last 12 months.

How much has the cost of building a new detached home increased?



There was no significant difference in the reported cost increases based on the number of homes built in 2021 with all builders reporting an increase in costs.

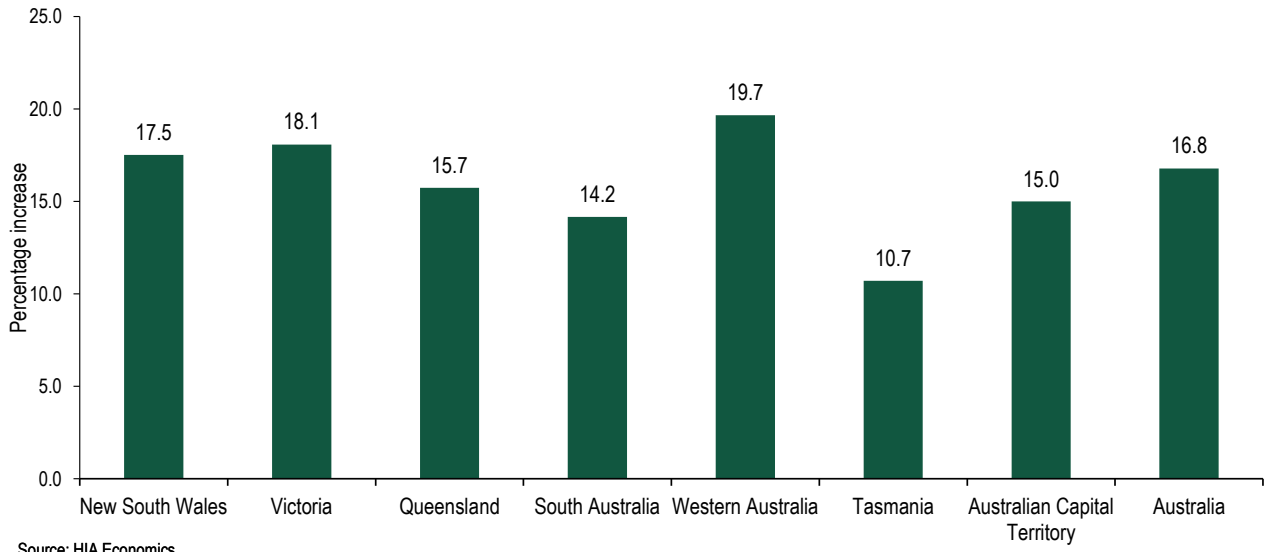
Have you factored cost increases into your projects?



85 per cent of respondents have factored cost increases into their 2022/23 projects with several mentioning that they now use cost plus contracts. This is significantly higher than the 58 per cent of respondents that factored cost increases into their projects in the 2021 Omnibus survey.

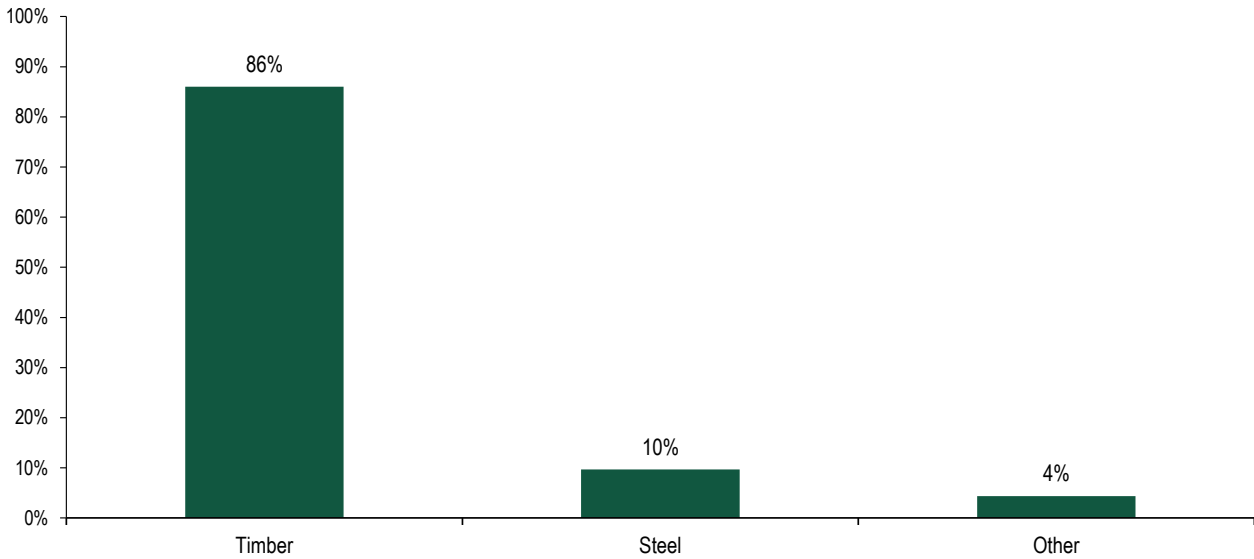
On average, they are factoring in an increase of 16.8 per cent. This is highest in Western Australia at 19.7 per cent and lowest in Tasmania at 10.7 per cent.

Have you factored cost increases into your projects in 2022/23?



Timber or Steel framing

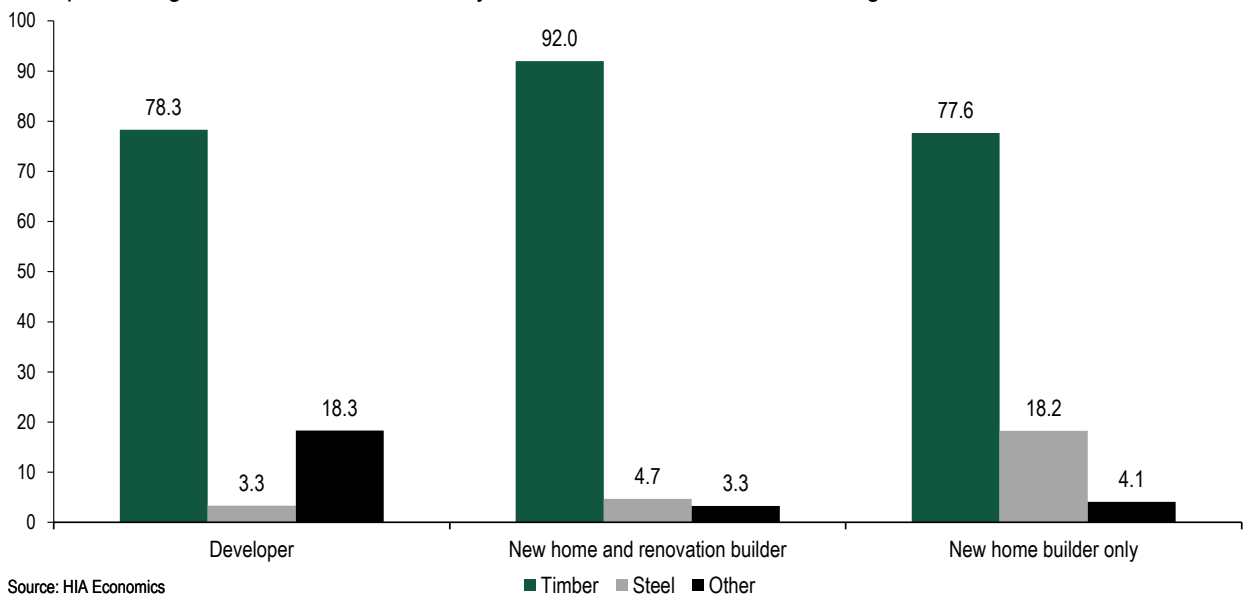
What percentage of the detached homes you built in 2021 used the following:



Source: HIA Economics

In 2019, approximately 10-12 per cent of new homes were built with steel framing. Based on this question, there has not been an increased usage of steel framing in detached homes as a substitute for timber. 10 per cent of respondents reported using steel framing which is consistent with previous estimates. Developers were more likely to report using other products, of which the most common was concrete/masonry.

What percentage of the detached homes you built in 2021 used the following:

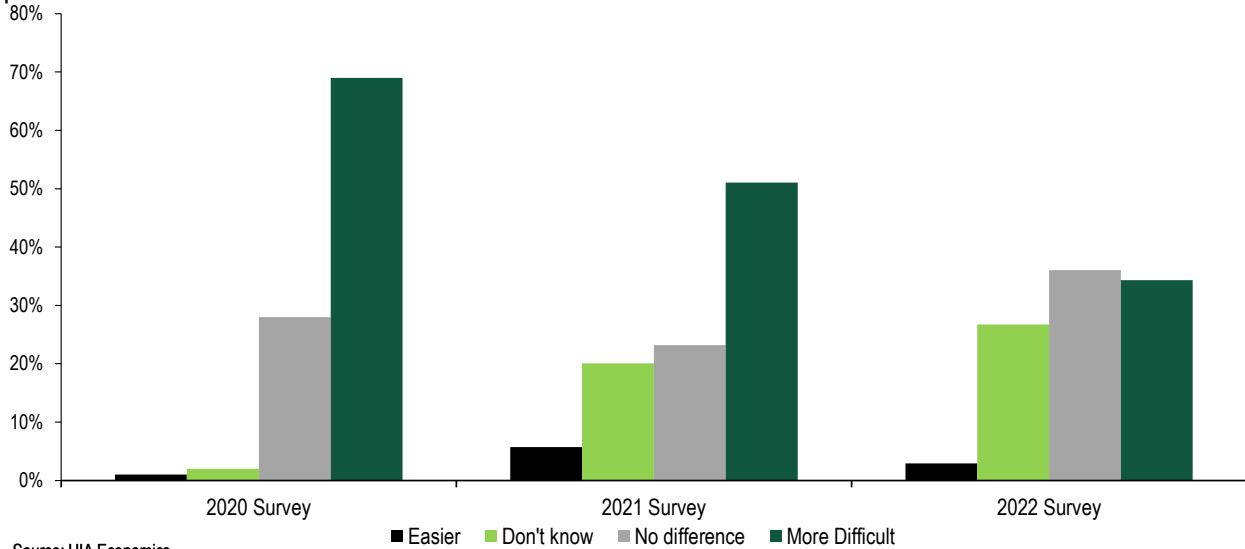


Source: HIA Economics

Obtaining finance – clients and business

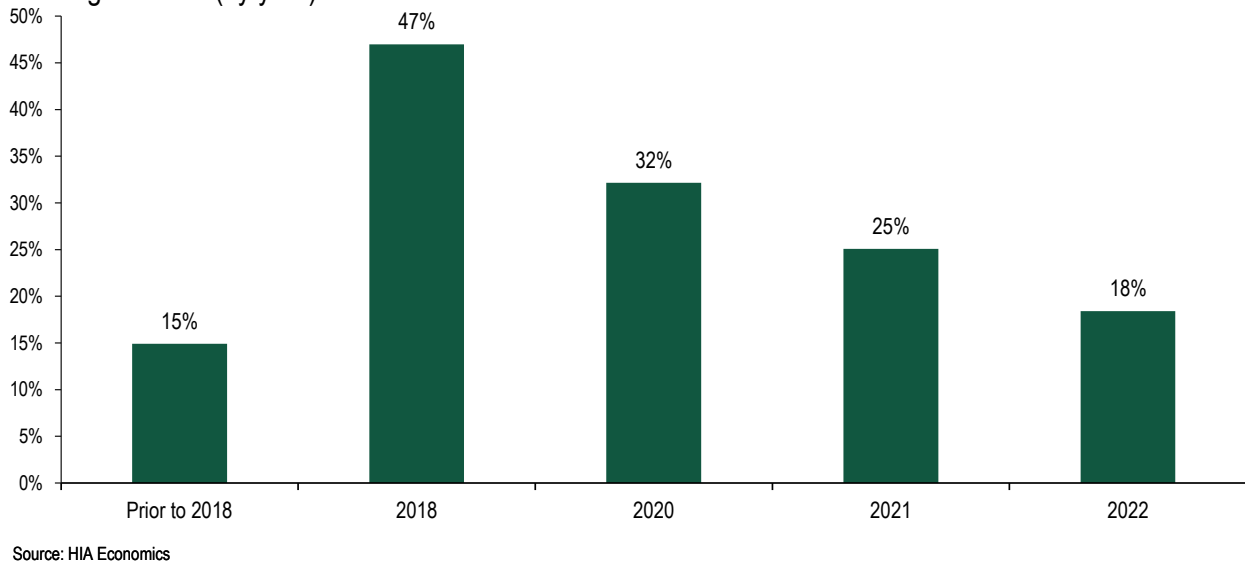
Despite the significant issues facing the industry in 2022, this year's survey shows there has been an improvement in how both home buyers and businesses are accessing finance. Members reported that only 18 per cent of their clients had trouble accessing finance, compared to a peak of 47 per cent in the 2018 survey.

Has your clients' access to finance changed over the past 12 months compared with the previous 12 months?



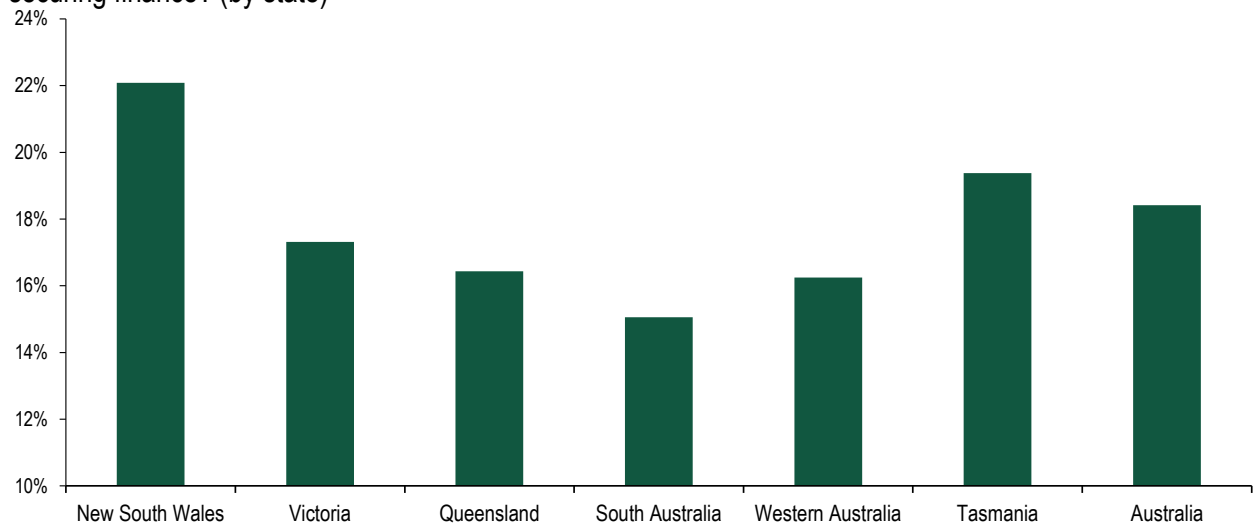
Just over one third of respondents (36 per cent) reported no change in their clients access to finance over the past 12 months compared to the previous 12 months. This is the highest this has been in the three years that this question has been asked. Conversely, the proportion of respondents that stated it was more difficult to access (34 per cent) is the lowest it has been historically.

Over the past 12 months, what percentage of your clients experienced difficulty securing finance? (by year)



Members reported that just under one in five (18 per cent) of their clients had had trouble securing finance. This is the lowest level in five years and significantly less than the peak of 47 per cent recorded in 2018.

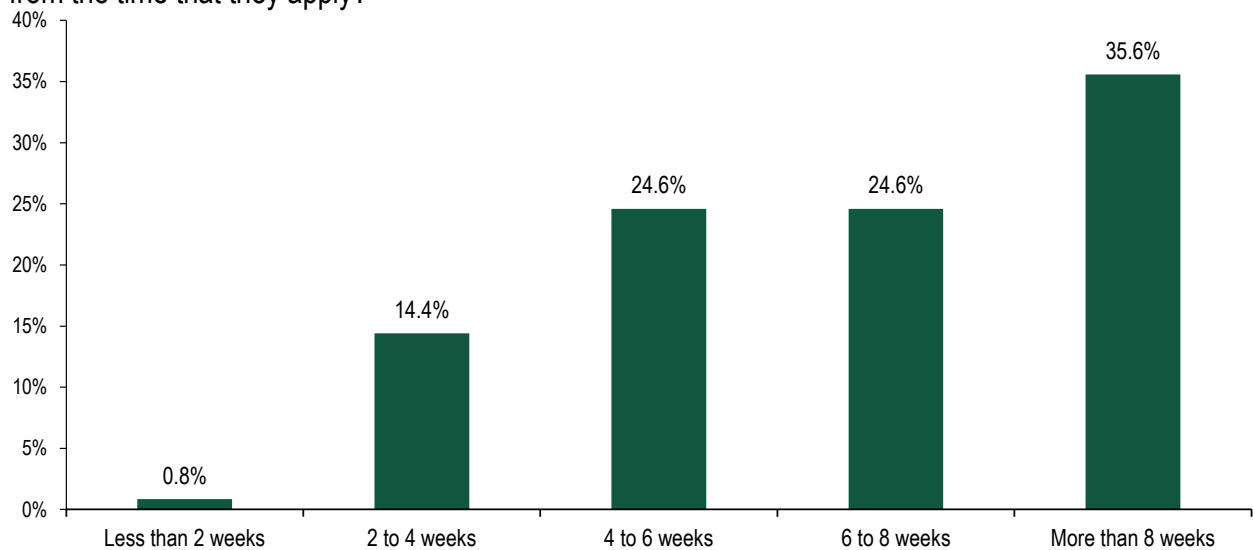
Over the past 12 months, what percentage of your clients experienced difficulty securing finance? (by state)



Source: HIA Economics

All states have clients experiencing difficulty securing finance. Builders in New South Wales reported a slightly higher proportion (22 per cent) than elsewhere.

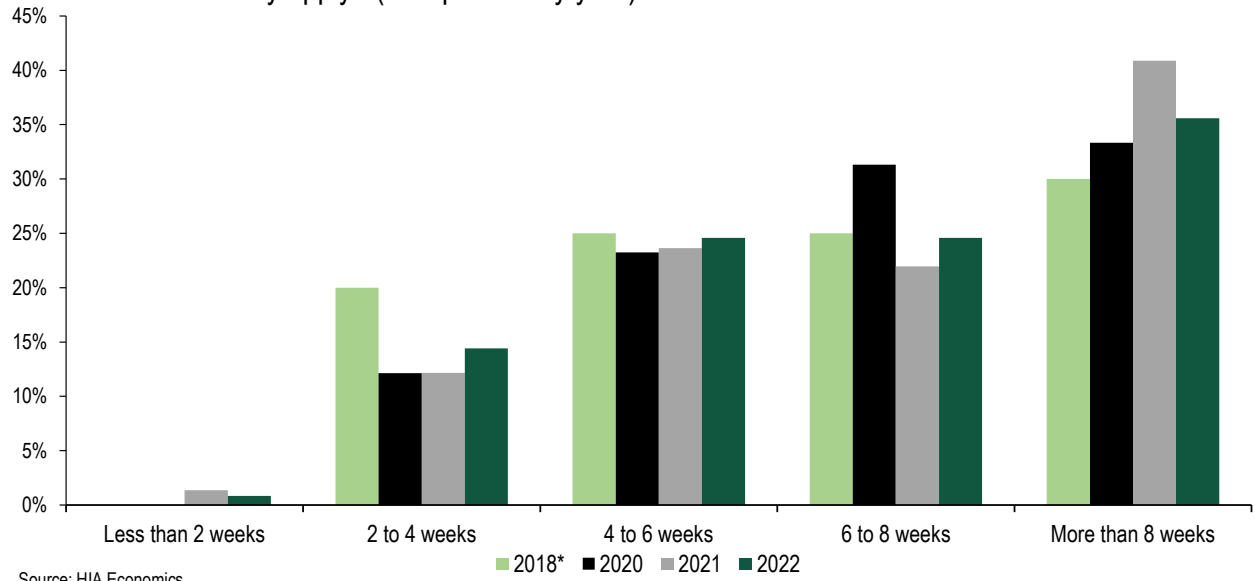
How long do you estimate it is taking your typical client to obtain final loan approval from the time that they apply?



Source: HIA Economics

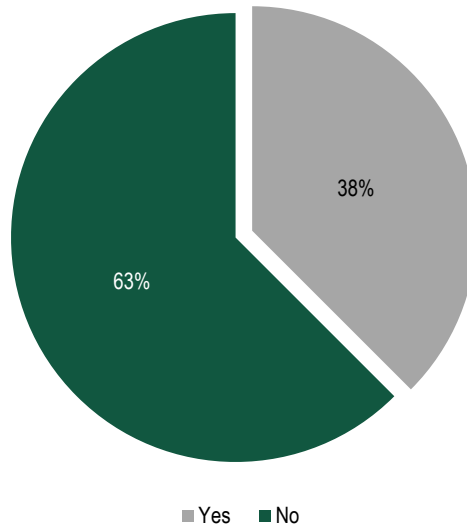
Just over one third of respondents (36 per cent) reported that it was taking more than 8 weeks for their typical client to obtain final loan approval. This is down from the 41 per cent reported in the 2021 Omnibus Survey.

How long do you estimate it is taking your typical client to obtain final loan approval from the time that they apply? (Comparison by year)



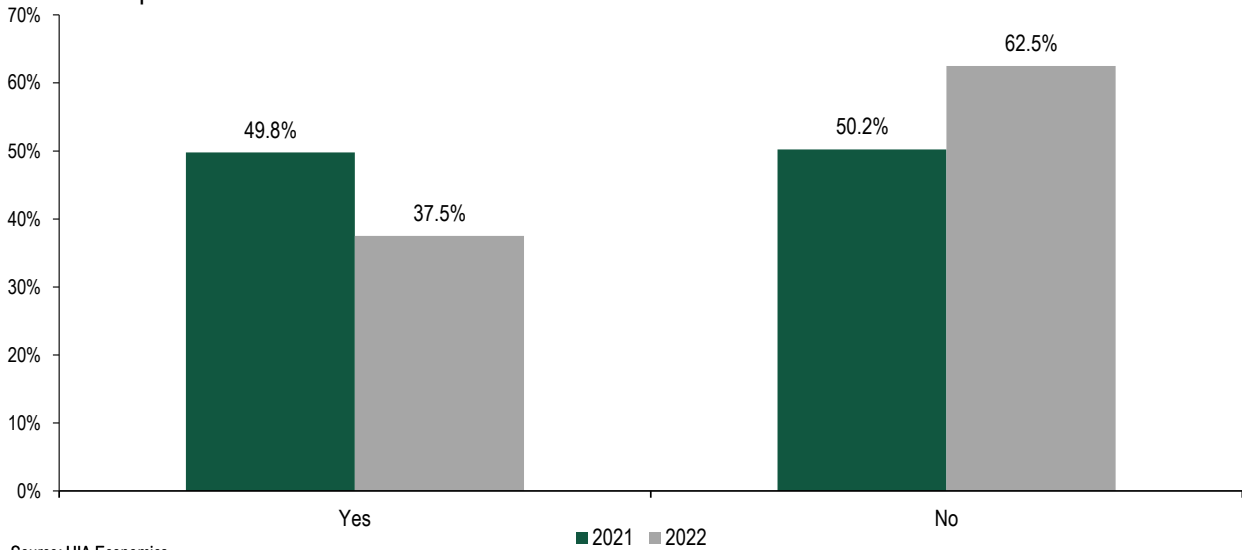
Business Finance

Are you finding it more difficult to obtain finance for your business, compared to your historical experience?



Source: HIA Economics

Are you finding it more difficult to obtain finance for your business, compared to your historical experience?

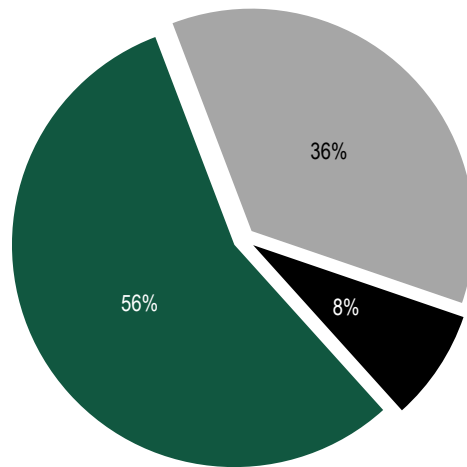


Source: HIA Economics

Two thirds of respondents (62.5 per cent) reported that they did not find it more difficult to obtain finance over the past year than their historical experience. This is up from 50.2 per cent the previous year, reflecting some easing for businesses in the last 12 months.

Industry skills and knowledge

The Omnibus survey asked respondents a range of general questions around industry skills and knowledge. In 2021, did you change the way you employ apprentices in your business?

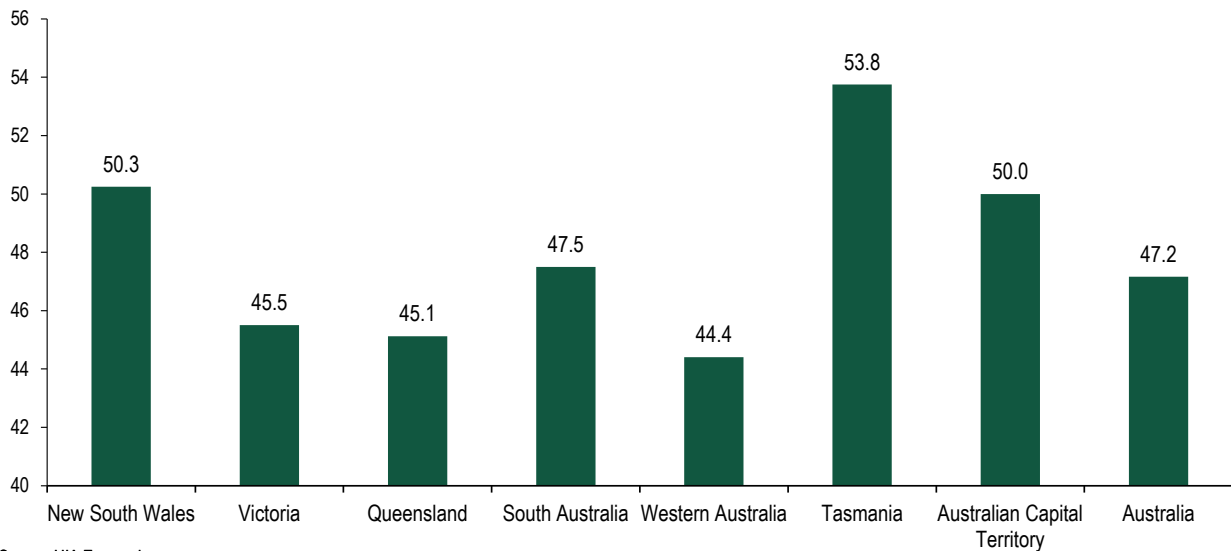


Source: HIA Economics

■ No, we made no changes ■ Yes, we hired more apprentices ■ Yes, we hired less apprentices

In 2021, 36 per cent of respondents hired more apprentices than the previous year while 8 per cent hired less. The majority of respondents (56 per cent) made no changes to the way they employed apprentices in 2021.

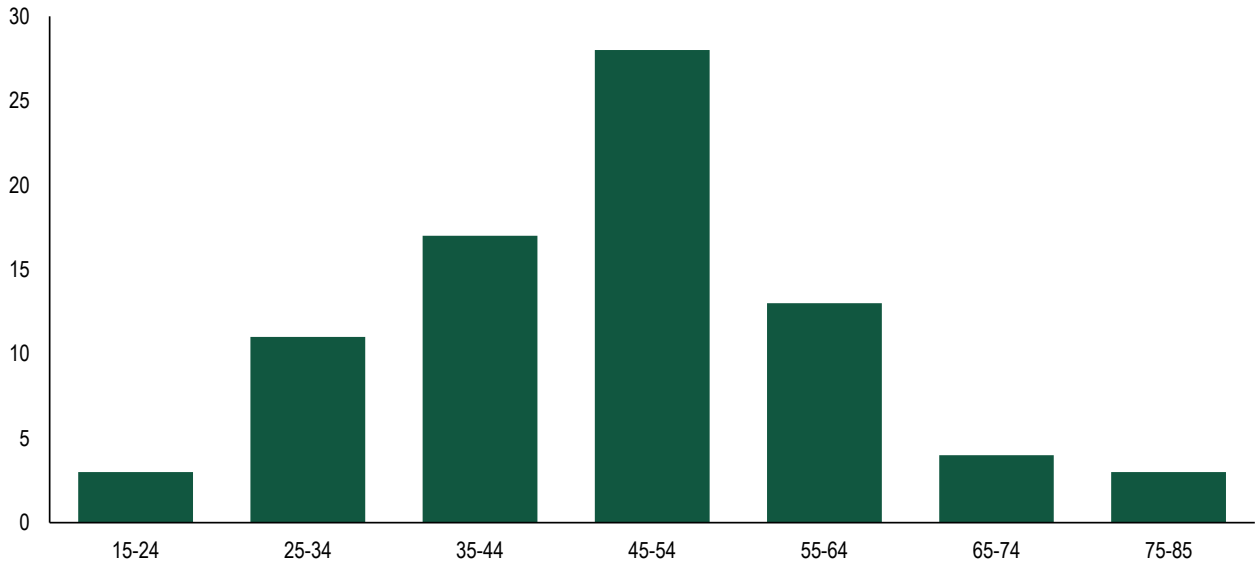
What is the typical age of the dwelling that is demolished?



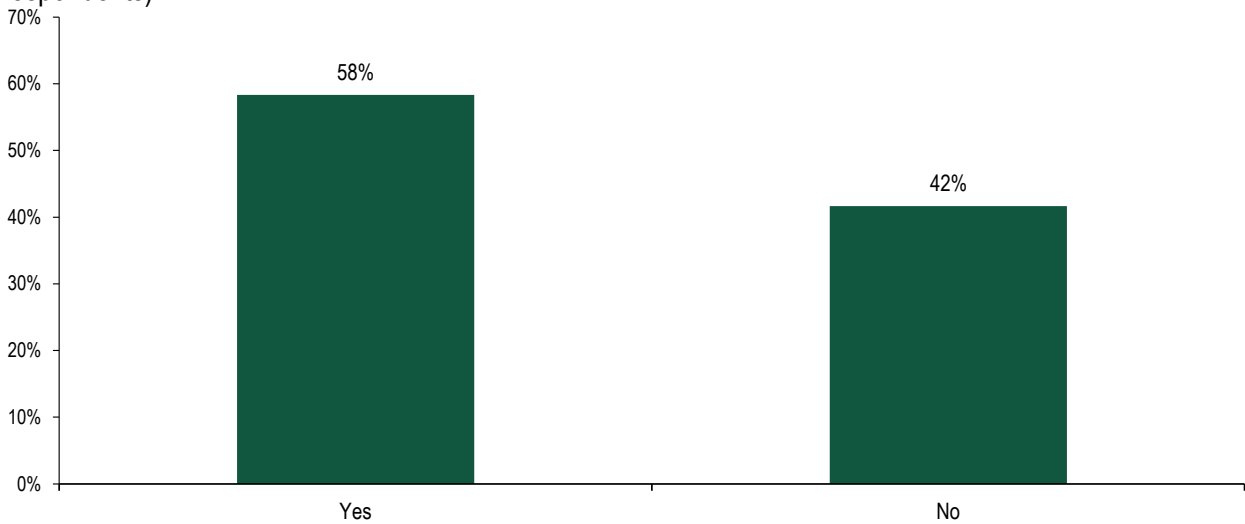
Source: HIA Economics

On average, dwellings in Australia are typically demolished when they reach 47.2 years old. This is consistent with renovations activity which suggests that homes typically undertake a major renovation when they are 10-15 years old and again when they are 25-30 years old.

What is the typical age of the dwelling that is demolished? Australia



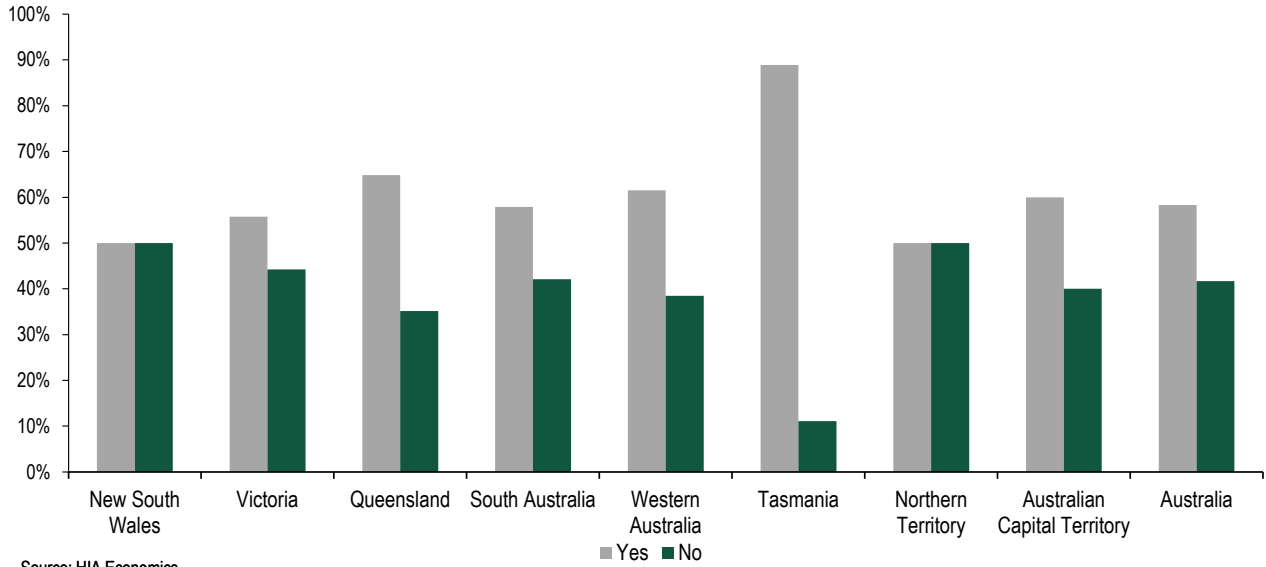
Are you aware of what changes will be made to the building code in 2022? (Australia, all respondents)



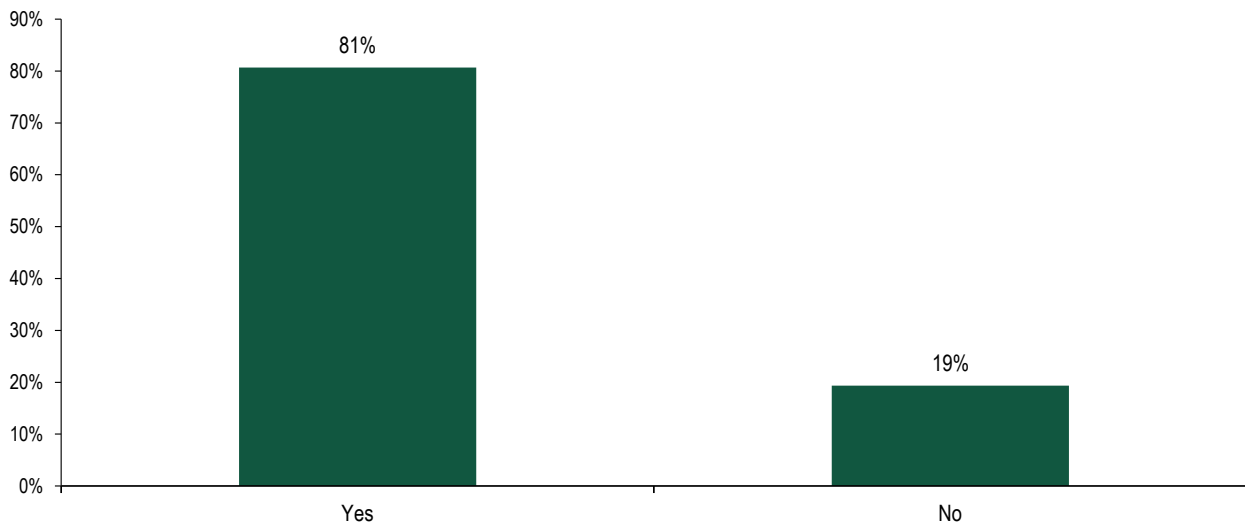
Source: HIA Economics

58 per cent of respondents stated that they were aware of the upcoming changes to the building code. This is an increase from 43 per cent in the 2021 Omnibus survey.

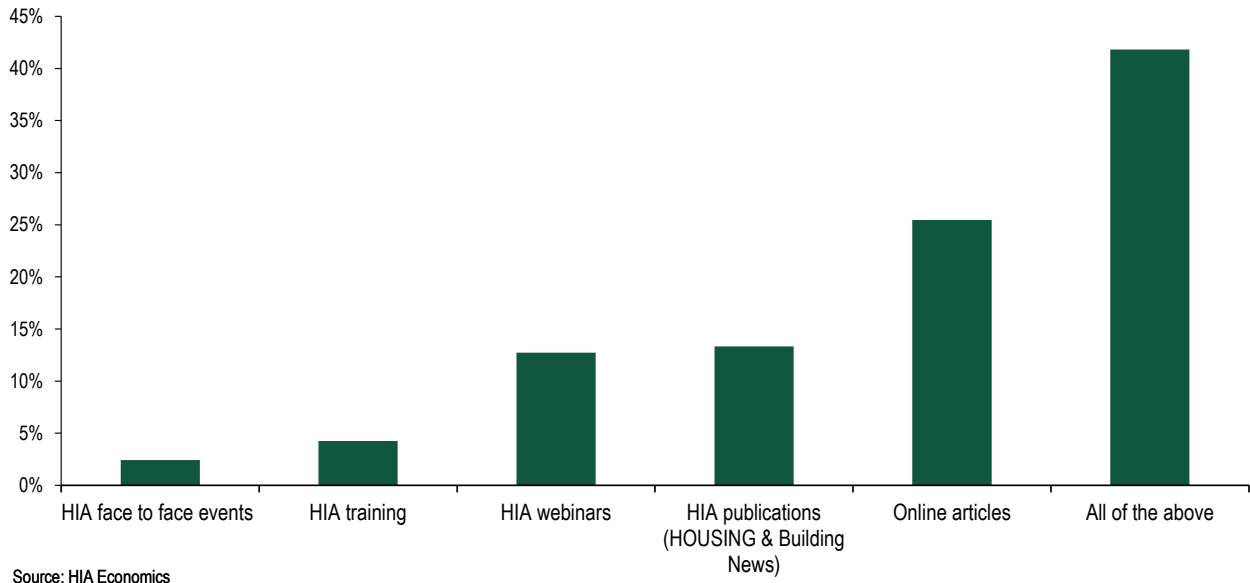
Are you aware of what changes will be made to the building code in 2022? (by state)



Would you be interested in knowing more about the changes?

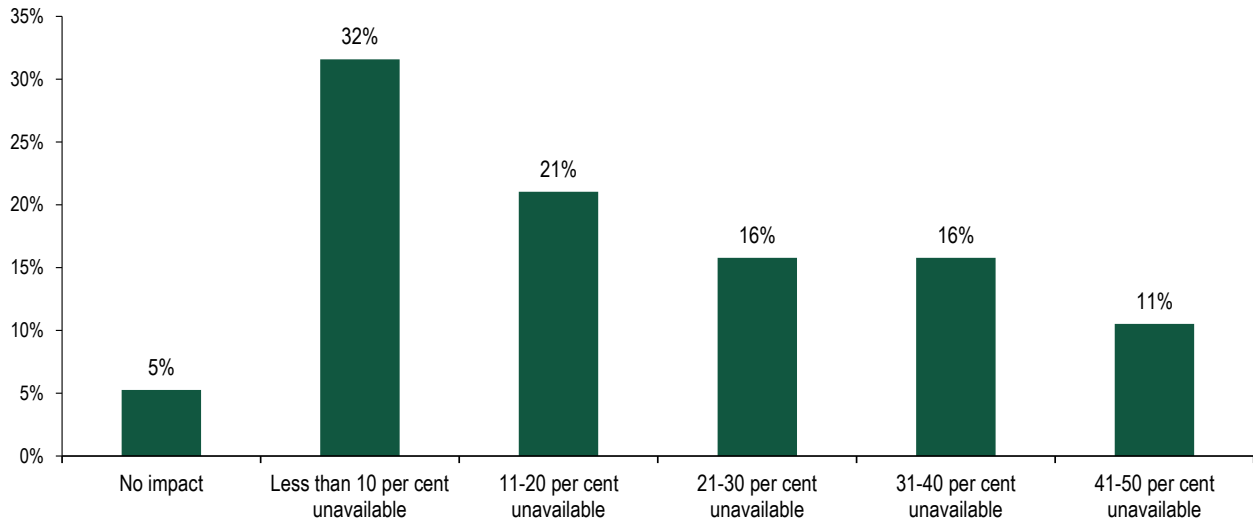


How would you like to find out more information?



Managing COVID-19

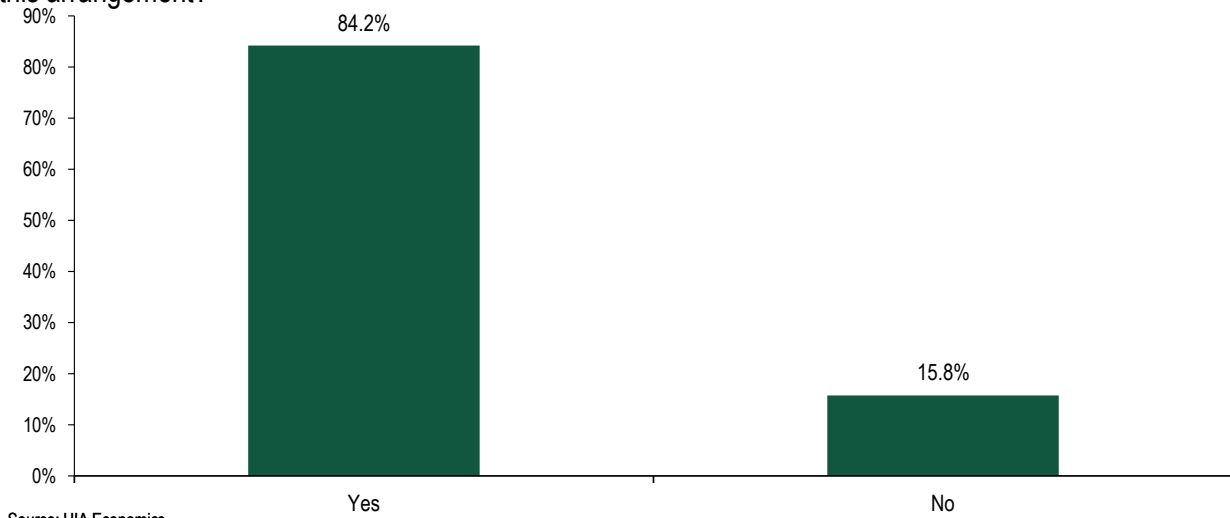
What impact has COVID-19 (positive cases and close contacts) had on your staff availability in February 2022?



Source: HIA Economics

On average, 18.9 per cent of staff were unavailable in February 2022 due to COVID-19. The majority of respondents (32 per cent) stated that less than 10 per cent of staff were unavailable.

If COVID-19 requirements allowed close contacts with no symptoms to undertake a daily RAT and attend work during their 7 day isolation period would your company use this arrangement?



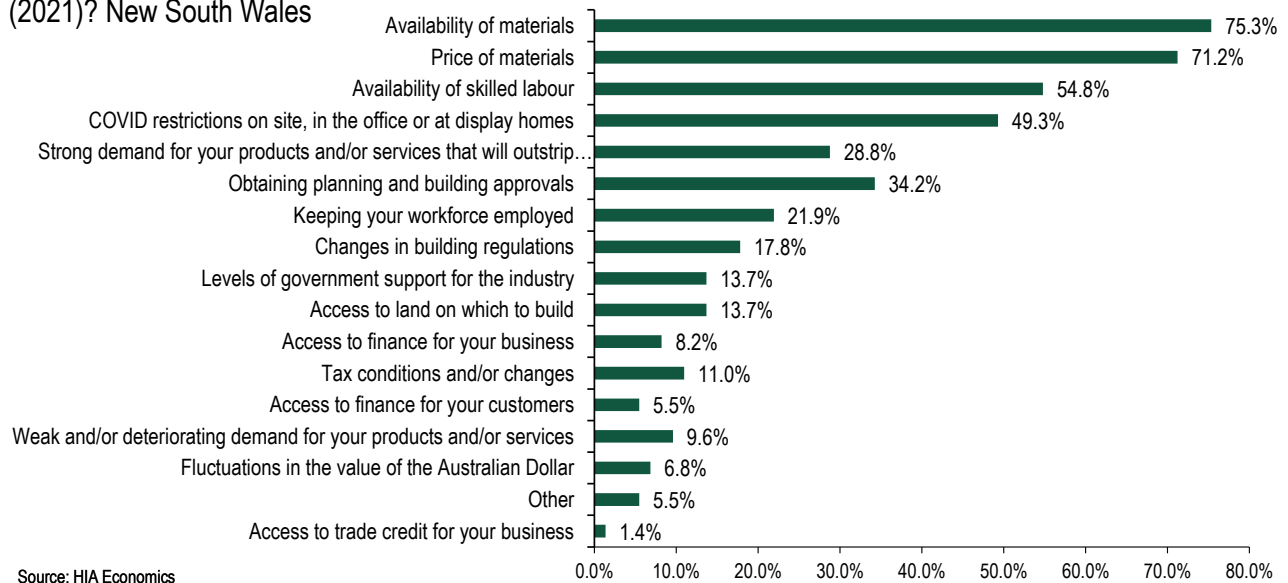
Source: HIA Economics

Appendix A: State Specific Charts

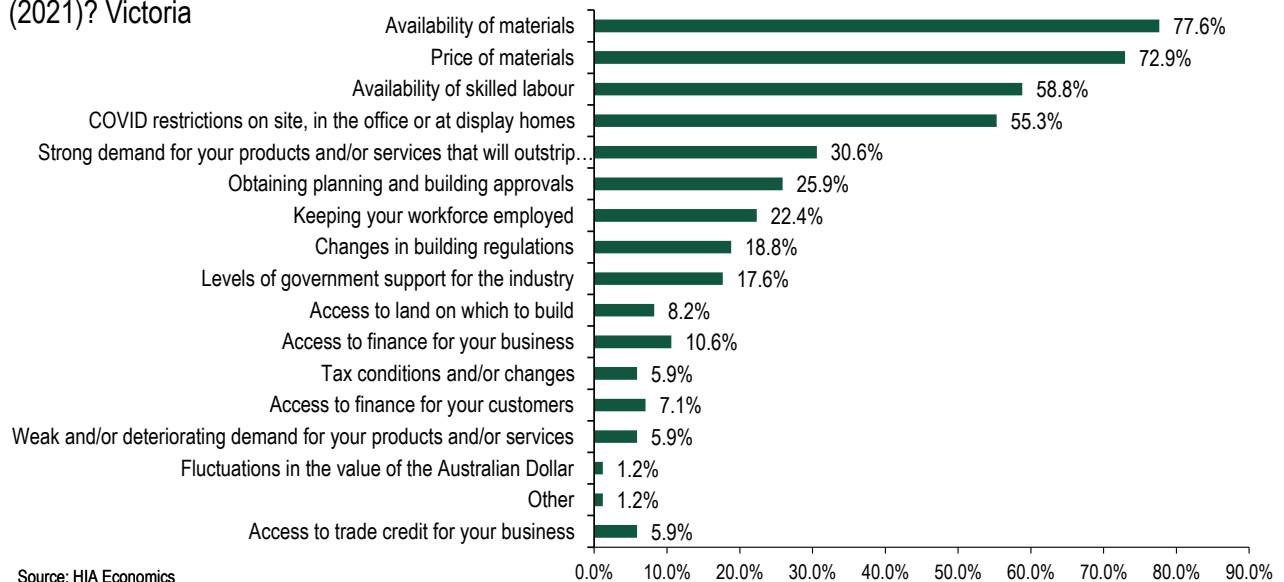
It is important to note that care should be taken when interpreting state specific results due to the smaller sample size.

What were the greatest pressure points for your business and its operations this year (2021)? – State breakdown.

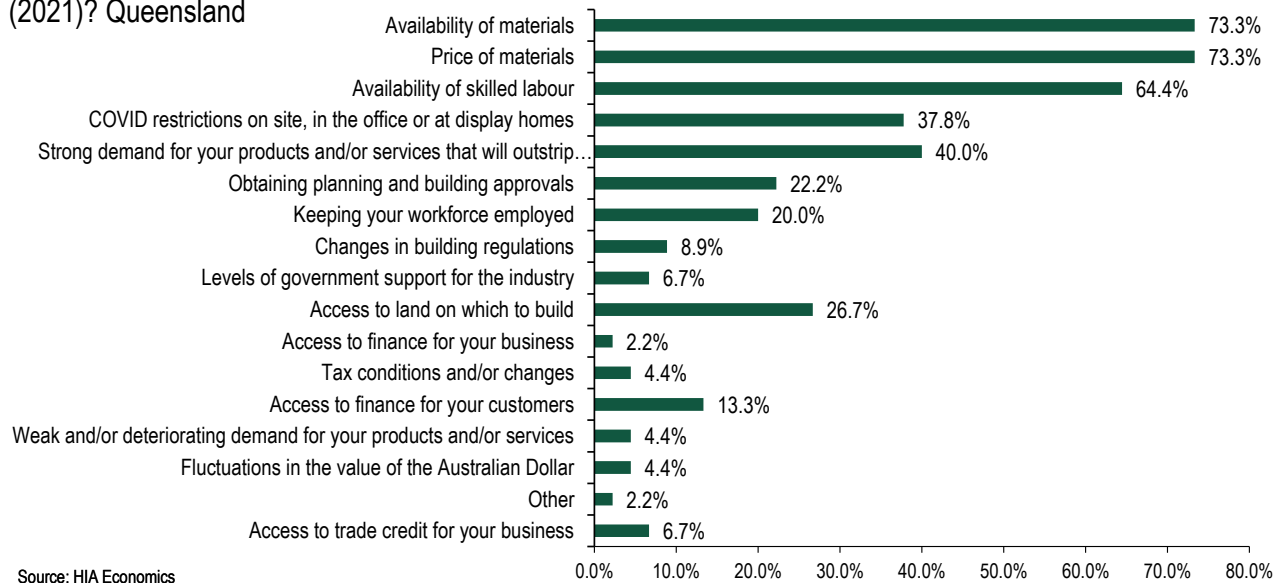
What were the greatest pressure points for your business and its operations this year (2021)? New South Wales



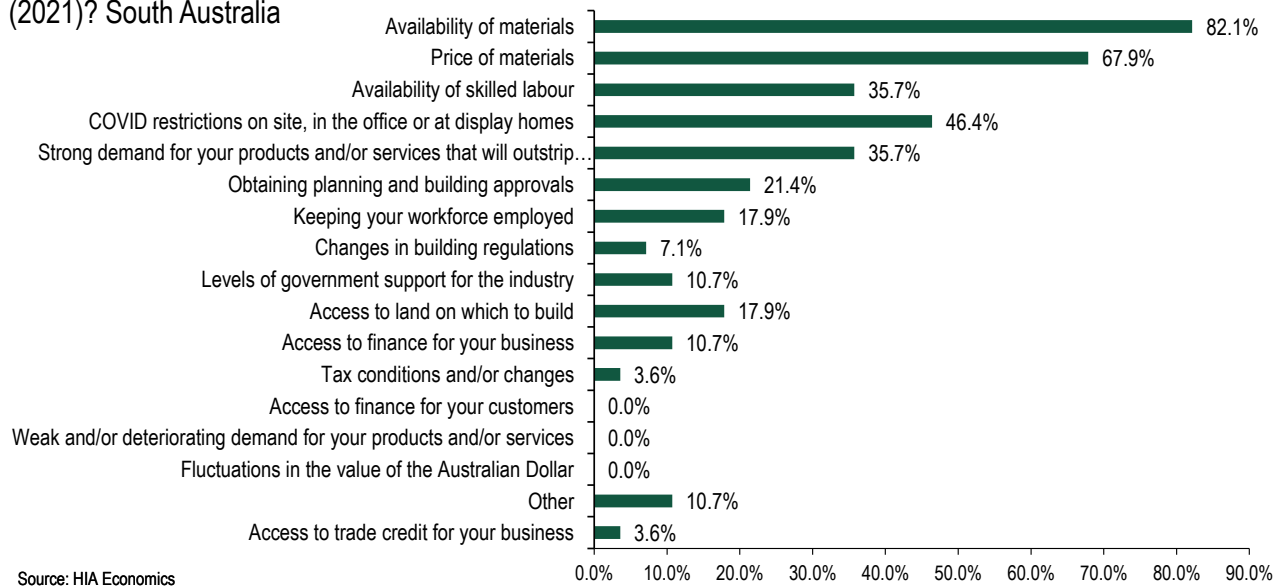
What were the greatest pressure points for your business and its operations this year (2021)? Victoria



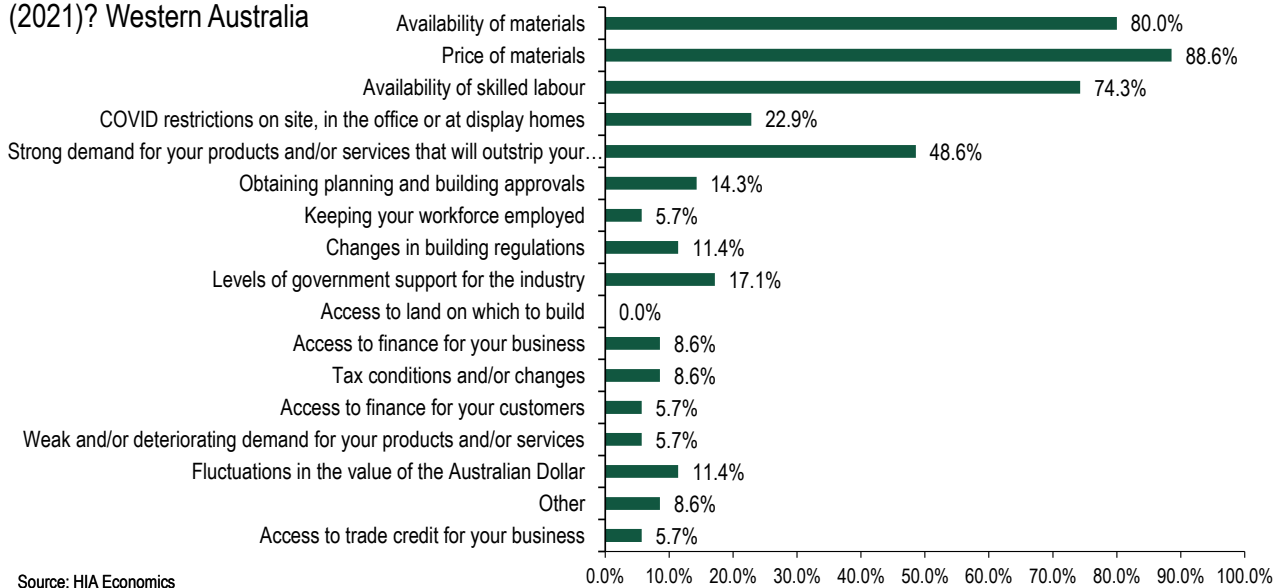
What were the greatest pressure points for your business and its operations this year (2021)? Queensland



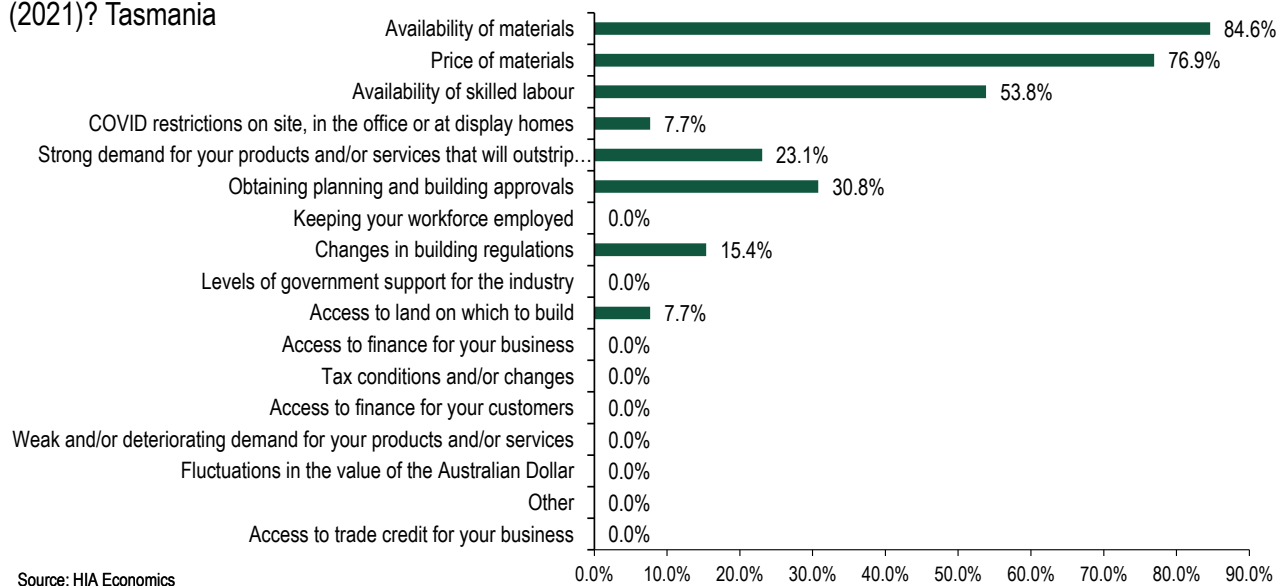
What were the greatest pressure points for your business and its operations this year (2021)? South Australia



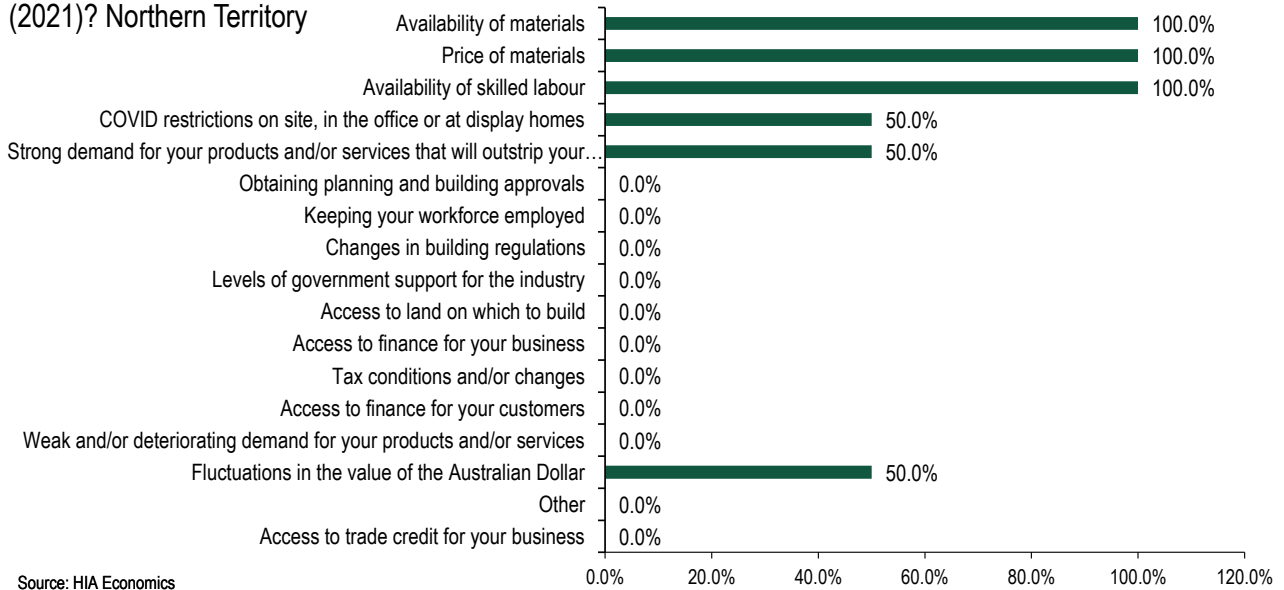
What were the greatest pressure points for your business and its operations this year (2021)? Western Australia



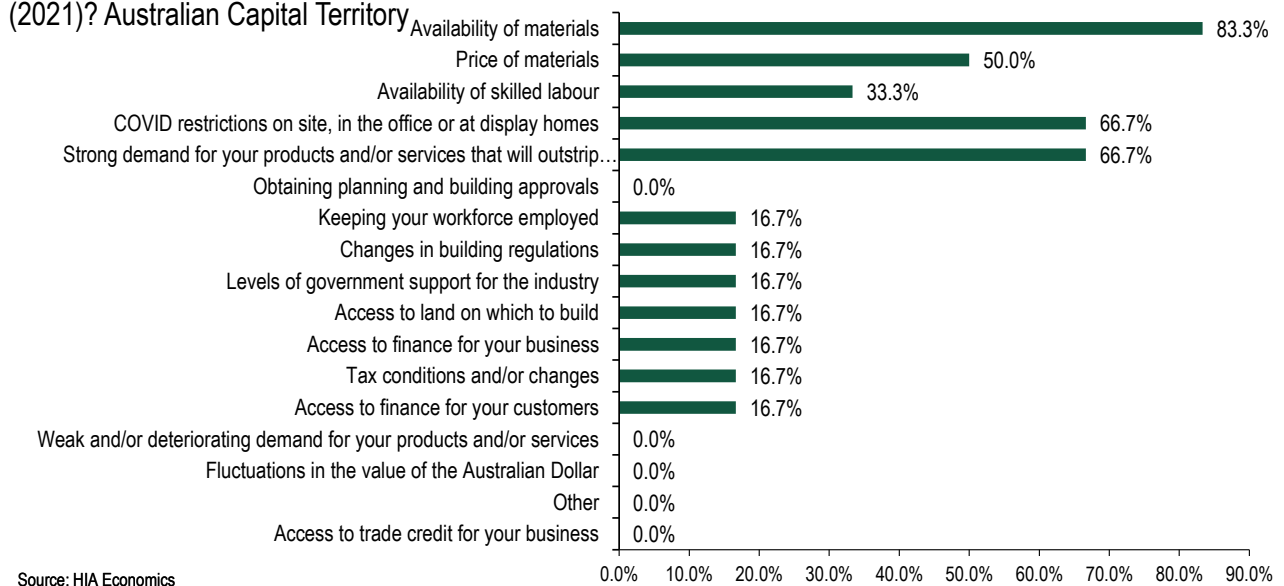
What were the greatest pressure points for your business and its operations this year (2021)? Tasmania



What were the greatest pressure points for your business and its operations this year (2021)? Northern Territory

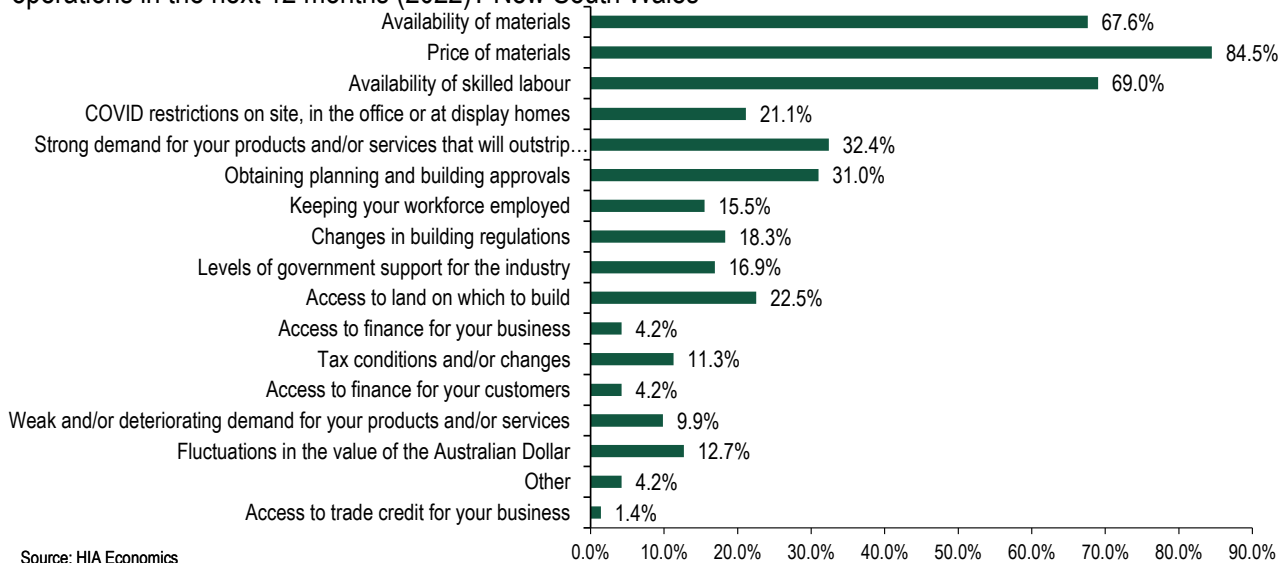


What were the greatest pressure points for your business and its operations this year (2021)? Australian Capital Territory



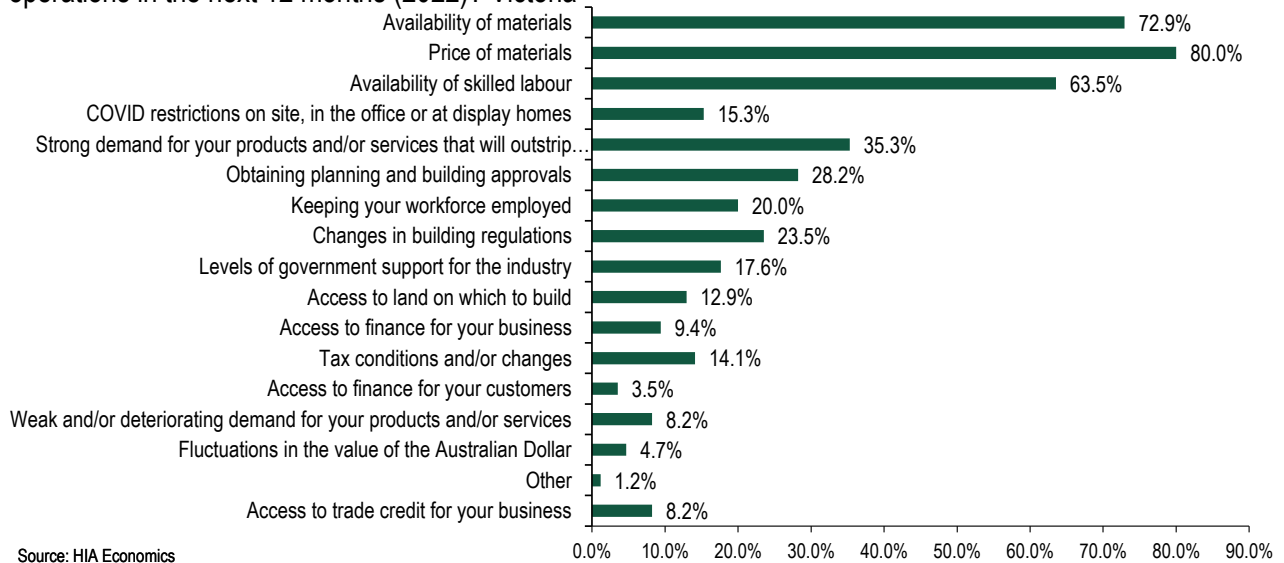
What do you expect to be the greatest pressure points for your business and its operations in the next 12 months (2022)? – State breakdown.

What do you expect to be the greatest pressure points for your business and its operations in the next 12 months (2022)? New South Wales



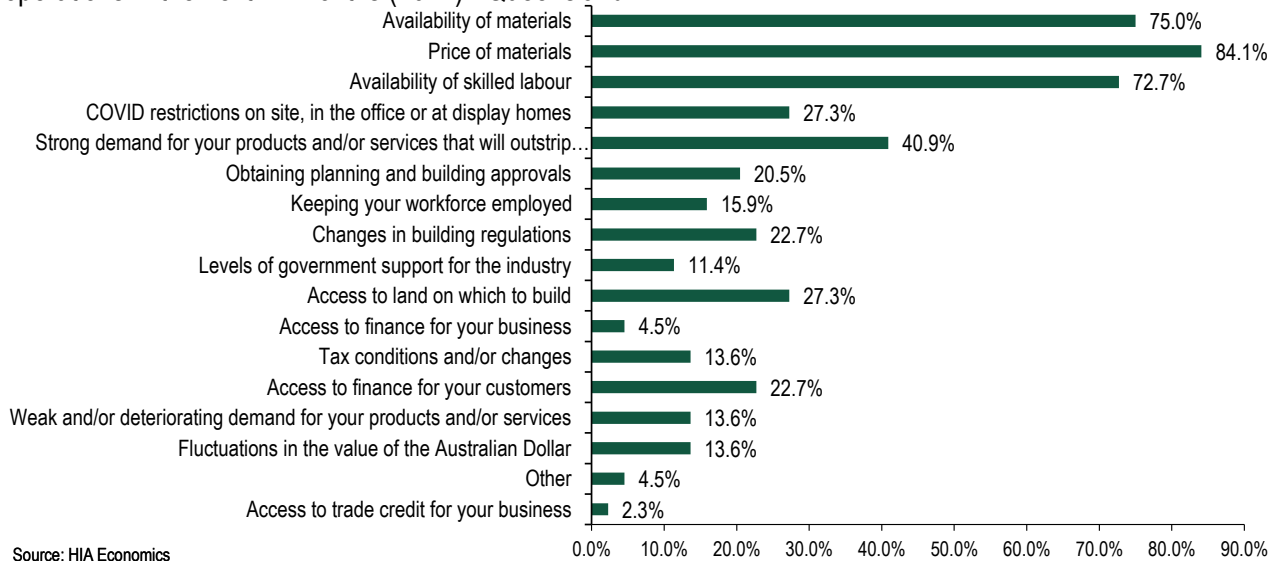
Source: HIA Economics

What do you expect to be the greatest pressure points for your business and its operations in the next 12 months (2022)? Victoria

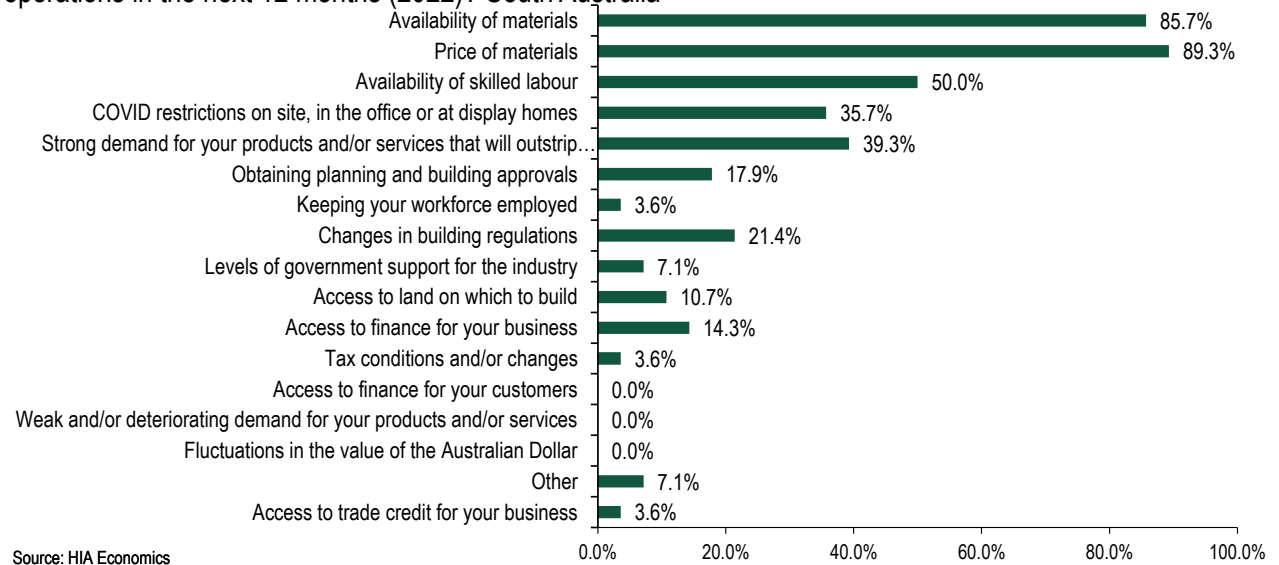


Source: HIA Economics

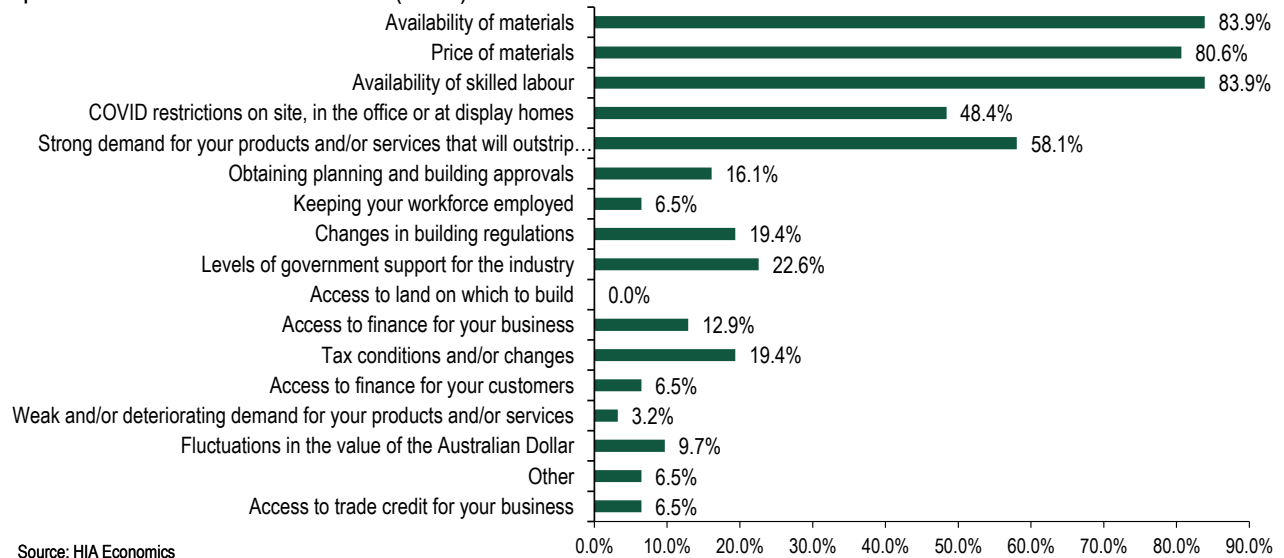
What do you expect to be the greatest pressure points for your business and its operations in the next 12 months (2022)? Queensland



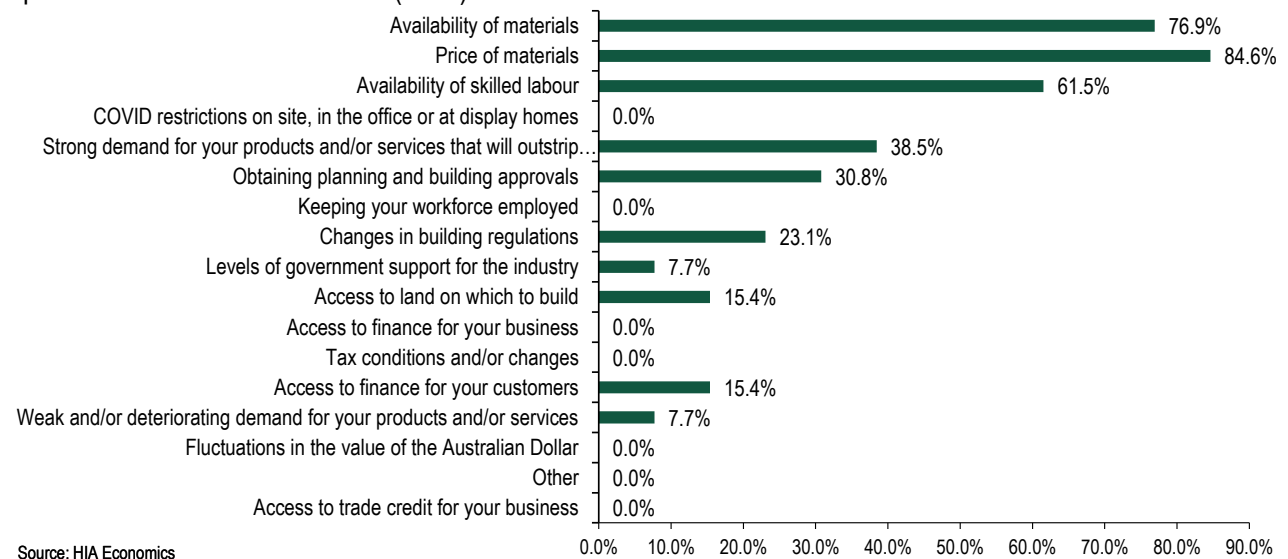
What do you expect to be the greatest pressure points for your business and its operations in the next 12 months (2022)? South Australia



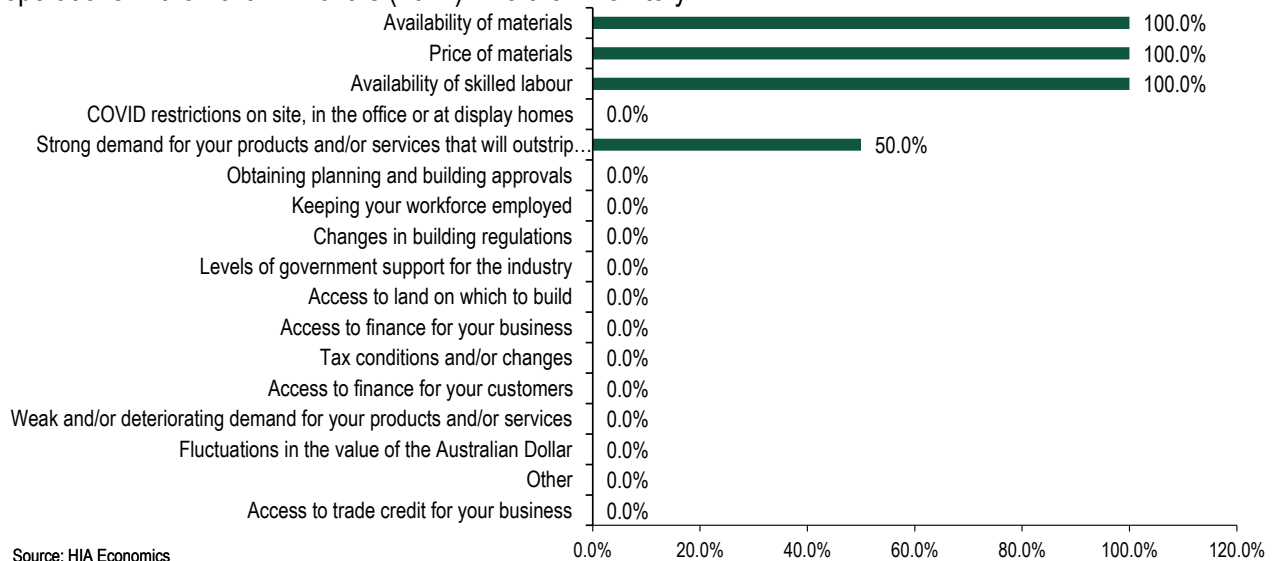
What do you expect to be the greatest pressure points for your business and its operations in the next 12 months (2022)? Western Australia



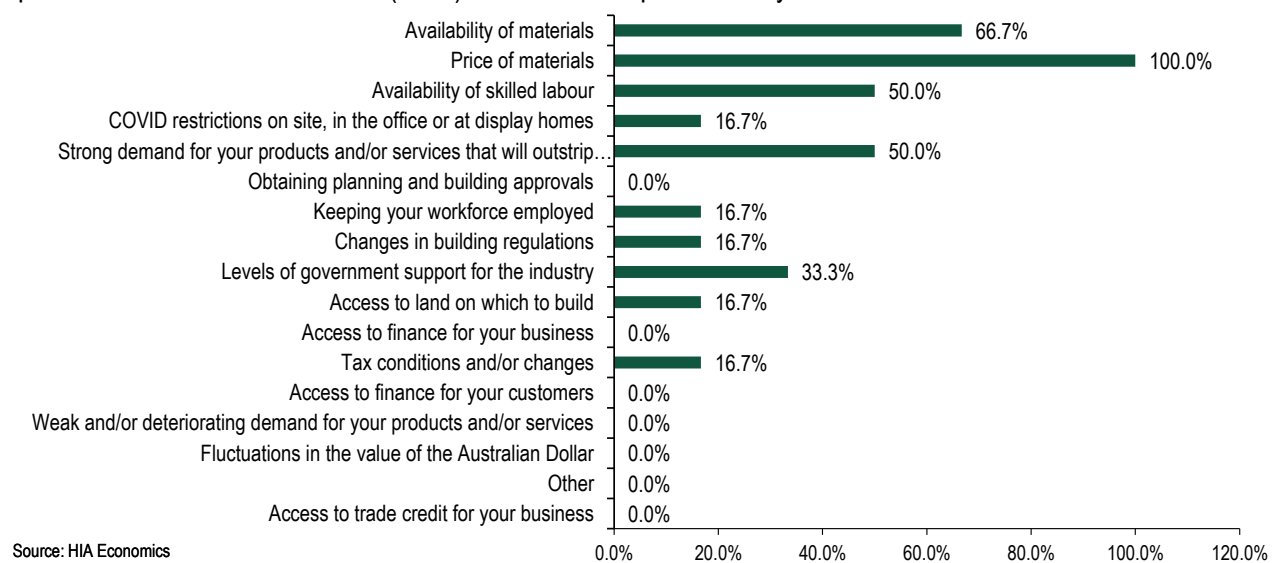
What do you expect to be the greatest pressure points for your business and its operations in the next 12 months (2022)? Tasmania



What do you expect to be the greatest pressure points for your business and its operations in the next 12 months (2022)? Northern Territory

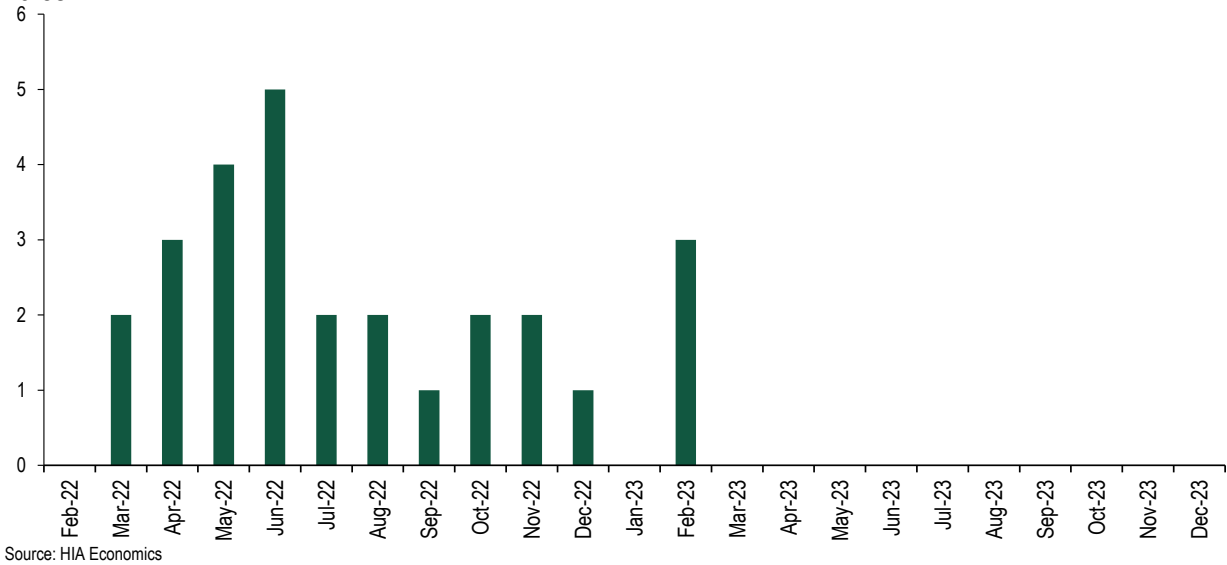


What do you expect to be the greatest pressure points for your business and its operations in the next 12 months (2022)? Australian Capital Territory

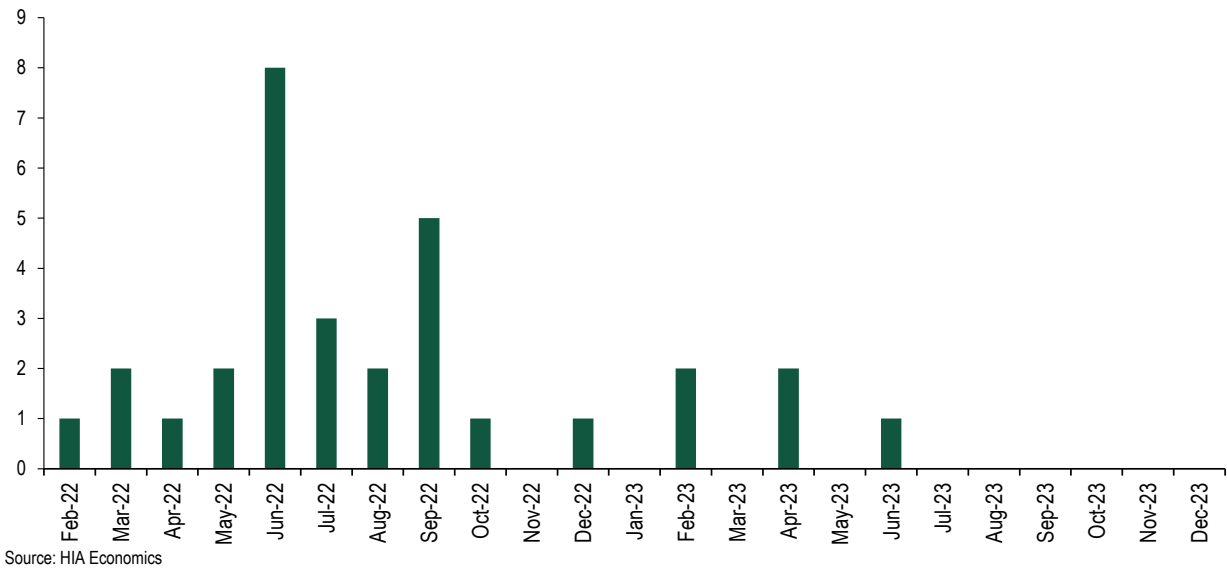


For a sale in February 2022, what is the expected commencement data? – State breakdown.

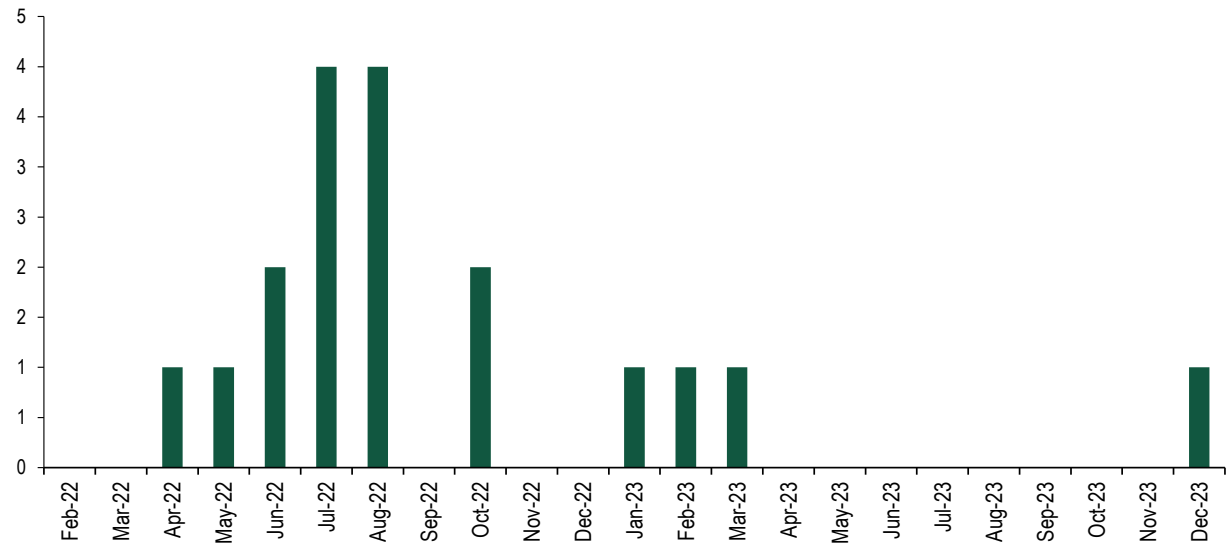
For a sale in February 2022, what is the expected commencement date? New South Wales



For a sale in February 2022, what is the expected commencement date? Victoria

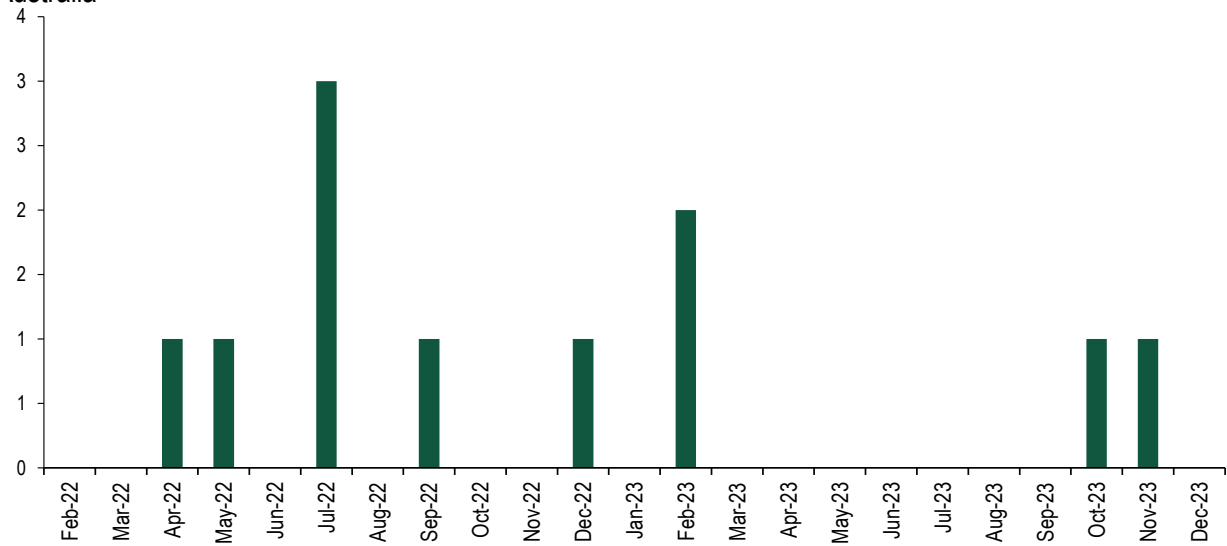


For a sale in February 2022, what is the expected commencement date? Queensland



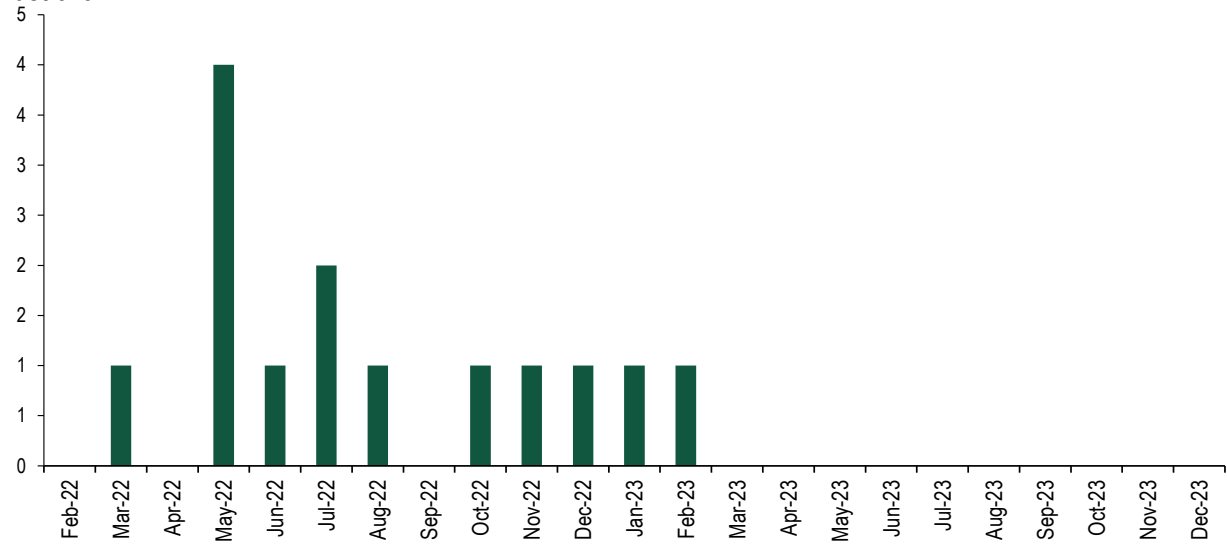
Source: HIA Economics

For a sale in February 2022, what is the expected commencement date? South Australia



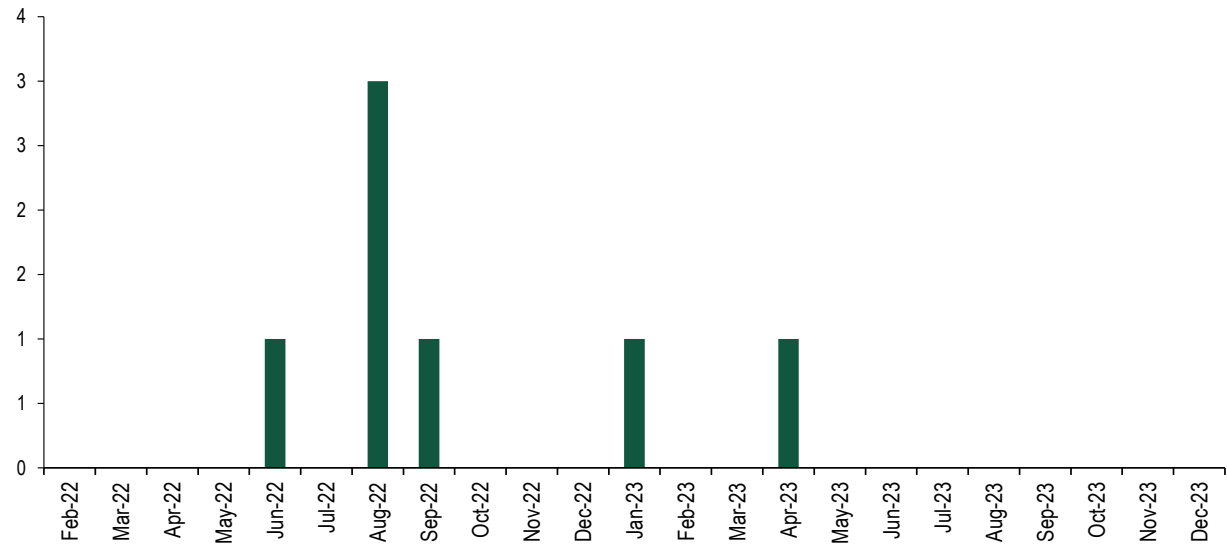
Source: HIA Economics

For a sale in February 2022, what is the expected commencement date? Western Australia



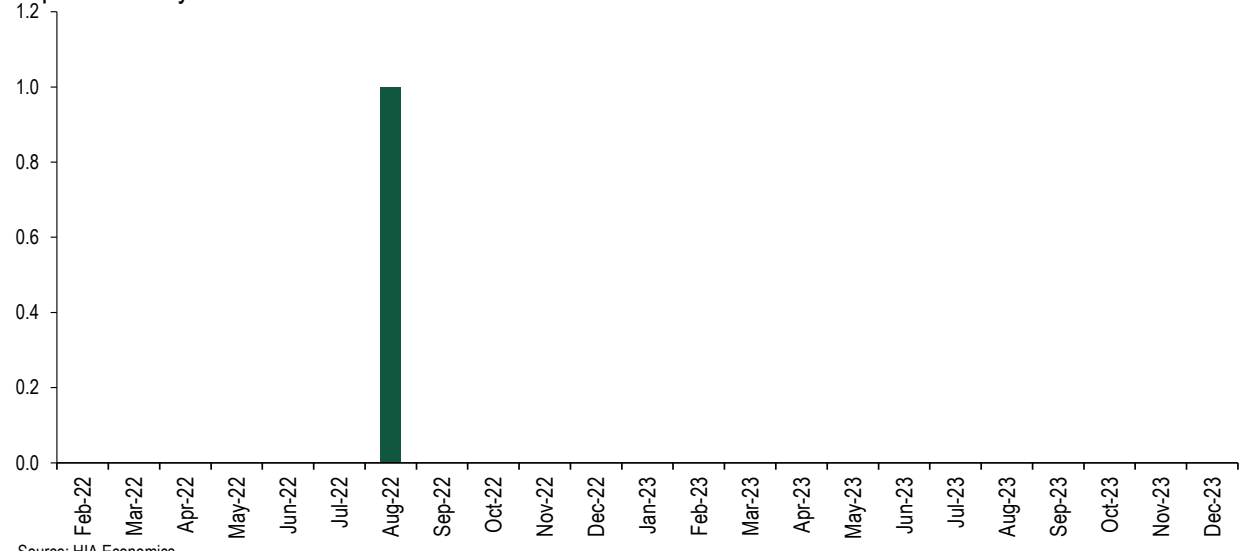
Source: HIA Economics

For a sale in February 2022, what is the expected commencement date? Tasmania



Source: HIA Economics

For a sale in February 2022, what is the expected commencement date? Australian Capital Territory



Source: HIA Economics



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