



**MASTER BUILDERS**  
AUSTRALIA



# **BUILDING AND CONSTRUCTION INDUSTRY FORECASTS**

# **TAS**

## **MAY 2021**









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BUILDING AND CONSTRUCTION  
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# OVERVIEW

Right before the pandemic, Tasmania's housing market was one of the country's healthiest. This placed it at risk of a particularly sharp drop in the absence of targeted support like HomeBuilder. Fortunately, residential building in Tasmania has responded particularly well to HomeBuilder - with detached houses accounting for an overwhelming share of new home building in the state it was always going to do well from the program. Non-residential building in Tasmania had grown very strongly just before the pandemic so the cyclical nature of work here means that activity is likely to move back a bit. Civil construction is facing a reasonably healthy short-term outlook.

## Master Builders forecasts of total construction activity in TAS (millions of dollars, chain volume measures) to 2024-25

2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
\$2,812.1	\$3,247.7	\$3,288.2	\$3,207.8	\$3,487.9	\$3,404.3	\$3,145.8	\$2,907.2
	+15.5%	+1.2%	-2.4%	+8.7%	-2.4%	-7.6%	-7.6%

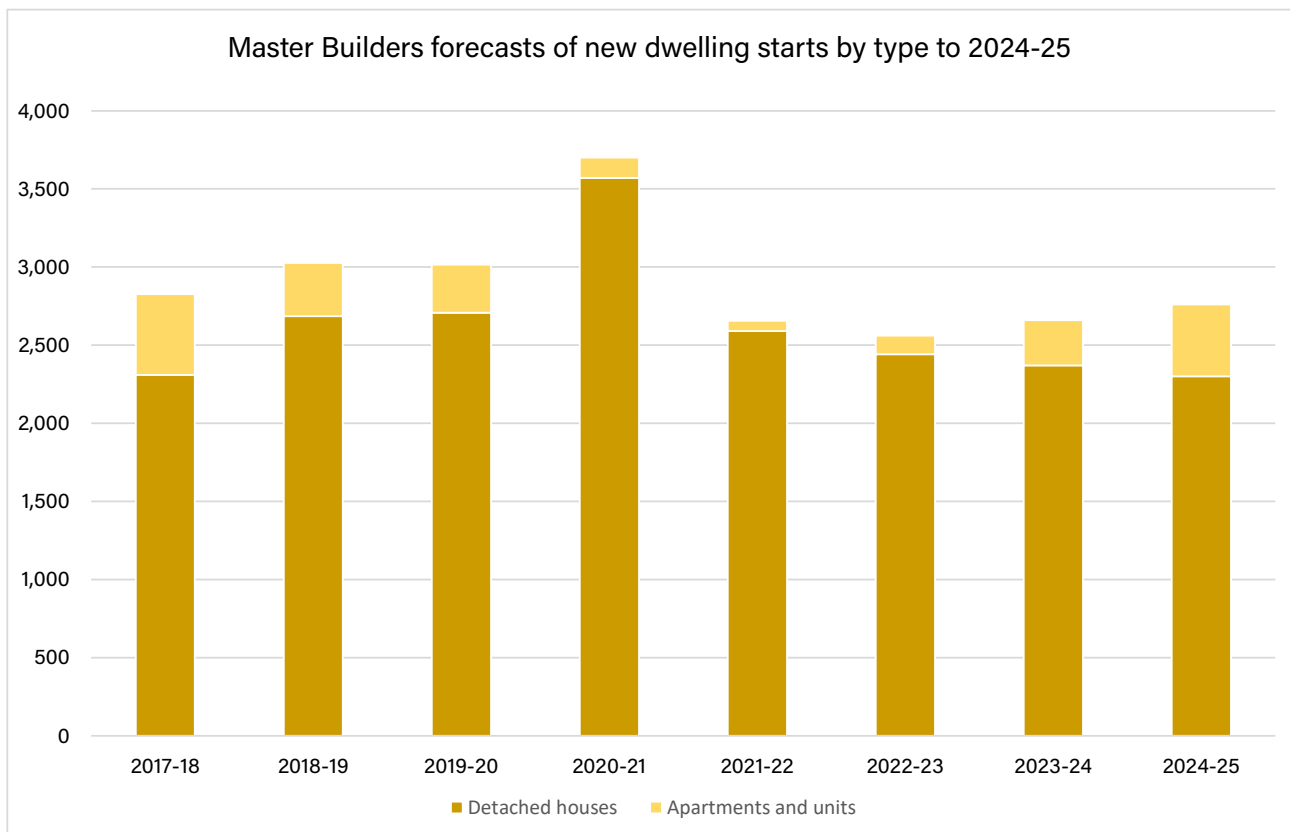
Source: Master Builders Australia forecasts; ABS Building Activity; ABS Construction Work Done

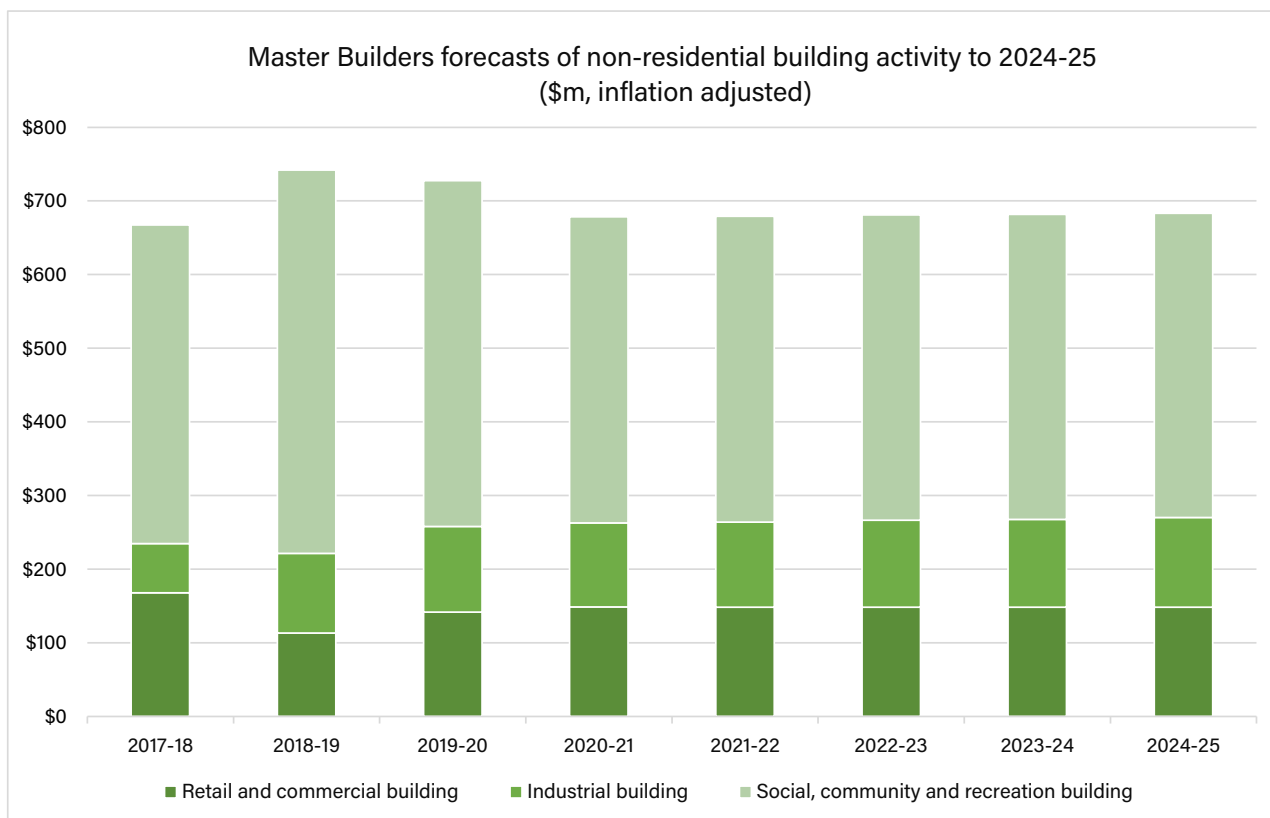


**BIRDHOUSE APARTMENTS, TAS**  
**BY FORM PROJECTS, WINNER OF THE 2020**  
**CBUS NATIONAL MEDIUM DENSITY 2-5 DWELLINGS**



**MACQUARIE HOUSE REDEVELOPMENT, TAS**  
**BY VOS CONSTRUCTION & JOINERY, WINNER OF THE 2020**  
**NATIONAL COMMERCIAL/INDUSTRIAL CONSTRUCTION AWARD - UNDER \$5M**





Over the three months to February 2021, new detached house building approvals were 70.4 per cent higher than a year earlier. House price growth has also been very strong locally. Over the year to February, Hobart house prices were up by 10.2 per cent with regional Tasmania clocking up even greater gains over the same period (+14.6 per cent).

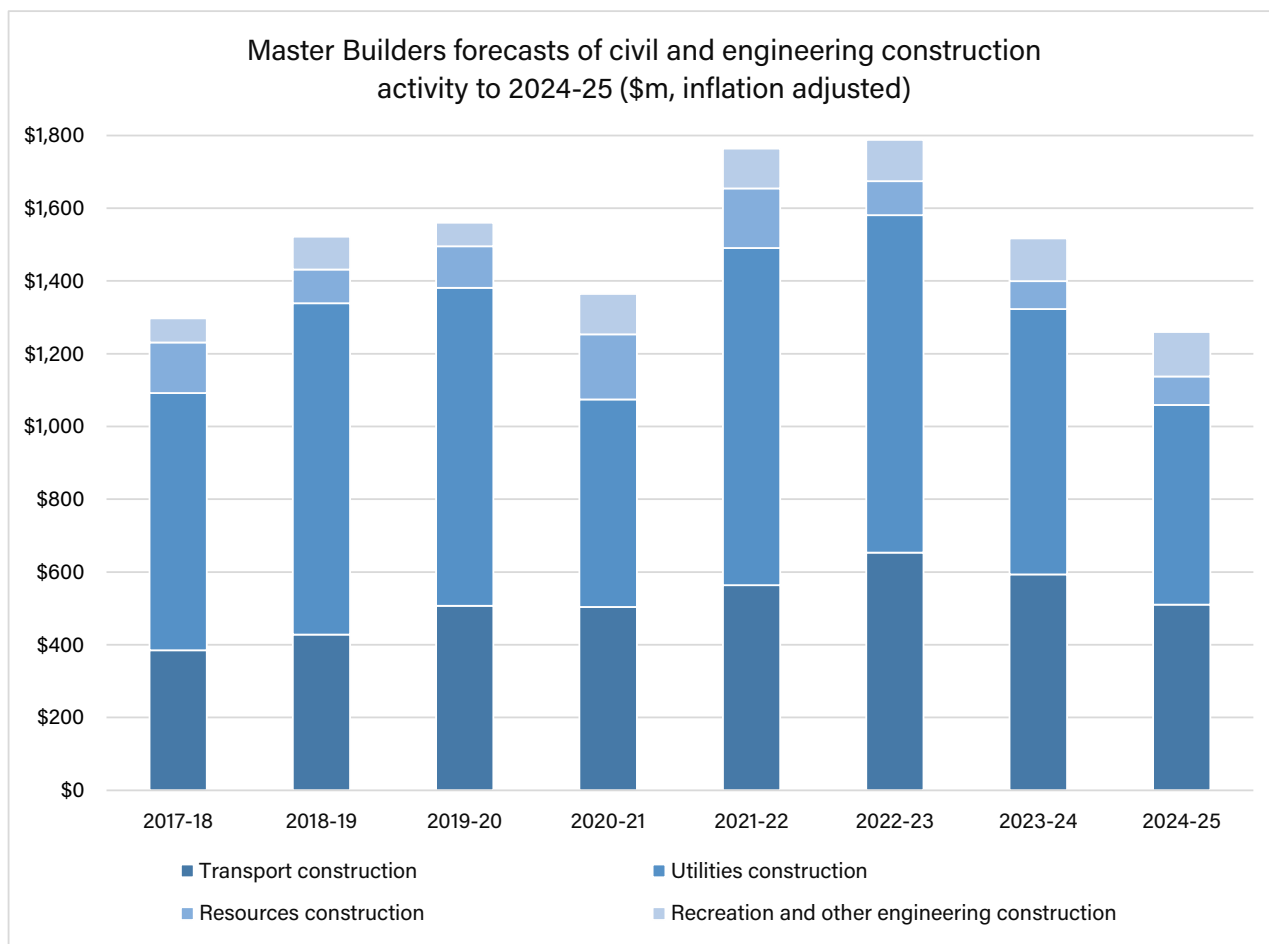
Population dynamics are also working in Tasmania's favour. Over the year to September 2020, Tasmania was one of only two states to see a net inflow of migrants from other parts of Australia and the state is now has the third fastest growing population after Queensland and Western Australia.

Even though it has not benefitted directly from HomeBuilder, the medium and high density side of the state's homebuilding market has also been moving forward over the past six months. With house prices growing at such a rapid pace, home renovations work in Tasmania was always going to do well even without the added support from HomeBuilder. Over the three months to February 2021, the value of major home renovations

approvals reached \$44.5 million which represents an increase of 44.8 per cent on a year earlier. The medium term prospects for home renovations demand in Tasmania appear to be very favourable because of the age profile of the state's detached house stock. It is estimated that there are currently about 13,500 houses in the crucial 30–35 year age bracket in Tasmania. Past building trends mean that the dwelling stock of this vintage will rise to over 15,600 by the middle of the decade meaning that the potential volume of home renovations jobs is set to expand significantly.

The disruption to the pattern of economic activity in Tasmania caused by the pandemic has caused the short term prospects for non-residential building in the state to weaken. Over the three months to February 2021, there were 163 building approvals granted for non-residential building jobs in Tasmania, a reduction of 12.4 per cent on a year earlier. Immediately prior to the pandemic, the volume of non-residential building activity in Tasmania had been high by historic standards so some retreat was probably inevitable anyway.





Unusually, Tasmania has actually seen an increase in the volume of retail and commercial building projects while the pipeline of industrial building work has slumped. This is almost the exact opposite of what is occurring in the rest of Australia. Building work related to tourism has also slumped, but the potential for leveraging off the much expanded domestic tourism market could be a real opportunity for Tasmania.

During the December 2020 quarter, Tasmania was one of the only place to see growth in the volume of engineering construction activity. During the quarter, the volume of work done jumped by 12.6 per cent although activity was still lower than a year previously. The increase was down to greater activity in both the public and private sectors.

**ROYAL HOBART HOSPITAL REDEVELOPMENT, TAS  
BY JOHN HOLLAND FAIRBROTHER JOINT VENTURE,  
WINNER OF THE 2020 INFRABUILD NATIONAL  
HEALTH FACILITY AWARD**





Visitor Centre

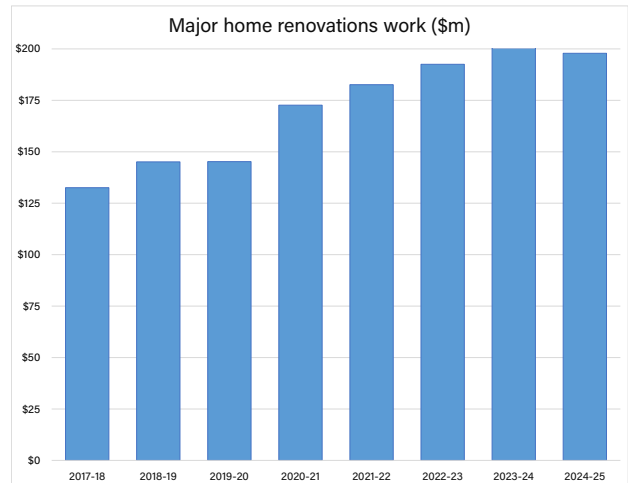
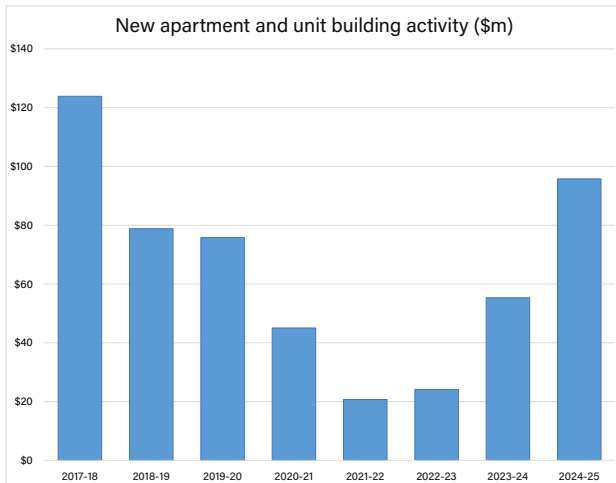
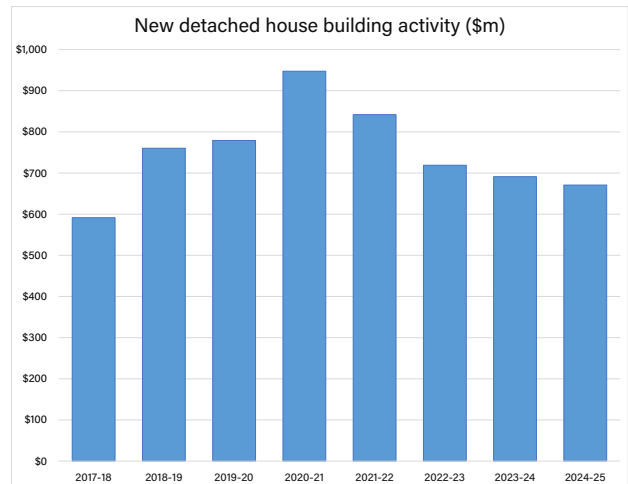
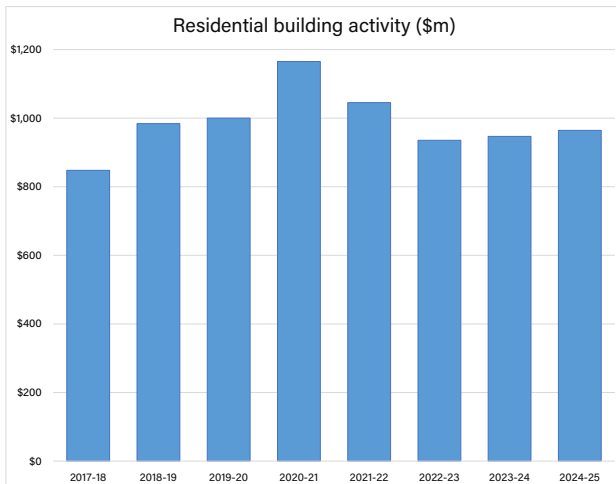
TASMANIA PARKS & WILDLIFE SERVICE

CRADLE MOUNTAIN GATEWAY, TAS  
BY FAIRBROTHER, WINNER OF THE 2020  
NATIONAL COMMERCIAL/INDUSTRIAL CONSTRUCTION AWARD - \$10M TO \$20M  
AND THE BEST USE OF AUSTRALIAN MADE PRODUCTS - COMMERCIAL



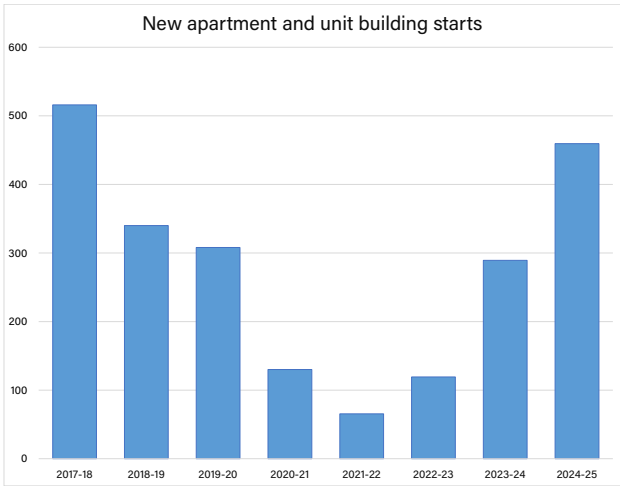
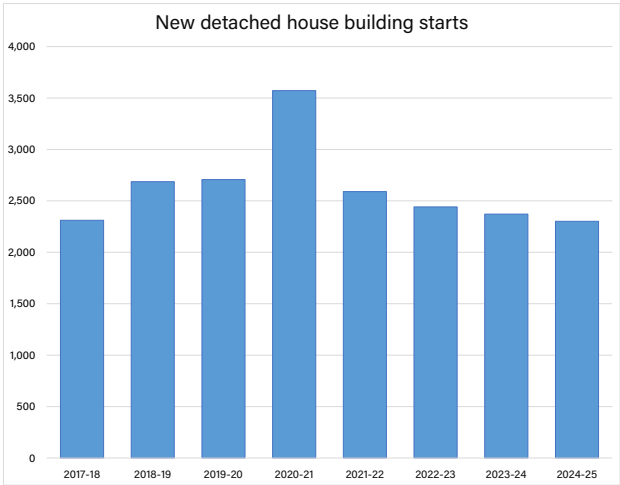
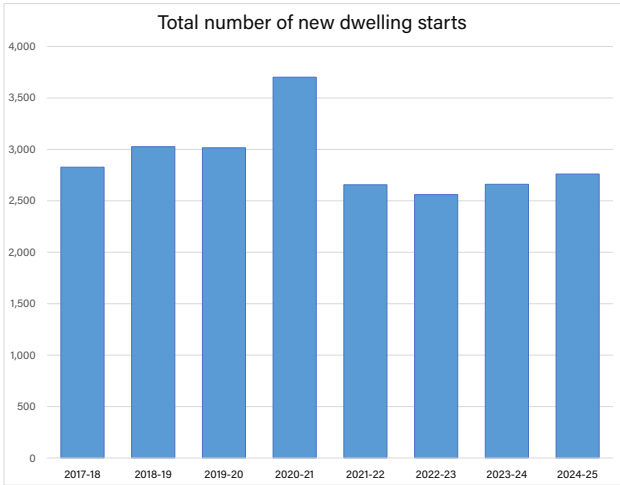
# RESIDENTIAL BUILDING

## WORK DONE BY SECTOR





# NUMBER OF DWELLING COMMENCEMENTS BY SECTOR





**Residential building activity: Master Builders forecasts to 2024-25**  
**Millions of dollars, chain volume measures (2018-19 prices)**

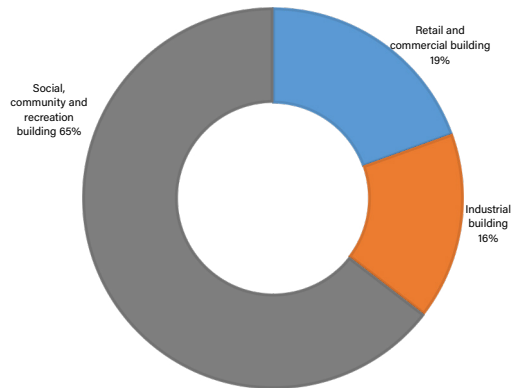
	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
<b>Total residential building activity</b>	\$847.8	\$984.1	\$1,000.2	\$1,165.1	\$1,045.2	\$935.5	\$946.8	\$964.4
<i>Change on previous year (%)</i>		+16.1%	+1.6%	+16.5%	-10.3%	-10.5%	+1.2%	+1.9%
<b>New detached house building</b>	\$591.4	\$760.2	\$779.2	\$947.4	\$841.9	\$718.9	\$691.0	\$670.8
<i>Change on previous year (%)</i>		+28.5%	+2.5%	+21.6%	-11.1%	-14.6%	-3.9%	-2.9%
<b>New apartment/unit building</b>	\$123.9	\$78.8	\$75.8	\$45.0	\$20.7	\$24.1	\$55.3	\$95.8
<i>Change on previous year (%)</i>		-36.4%	-3.8%	-40.6%	-54.0%	+16.4%	+129.6%	+73.1%
<b>Residential alterations and additions</b>	\$132.5	\$145.1	\$145.2	\$172.7	\$182.6	\$192.5	\$200.5	\$197.9
<i>Change on previous year (%)</i>		+9.5%	+0.1%	+18.9%	+5.8%	+5.4%	+4.1%	-1.3%

Source: Master Builders Australia forecasts; ABS Building Activity; ABS Construction Work Done

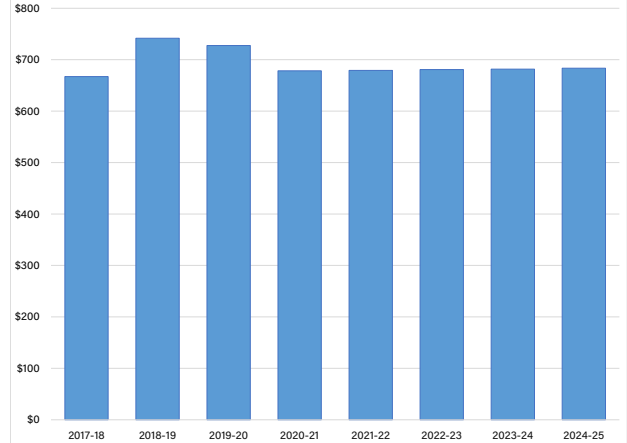


# NON-RESIDENTIAL BUILDING

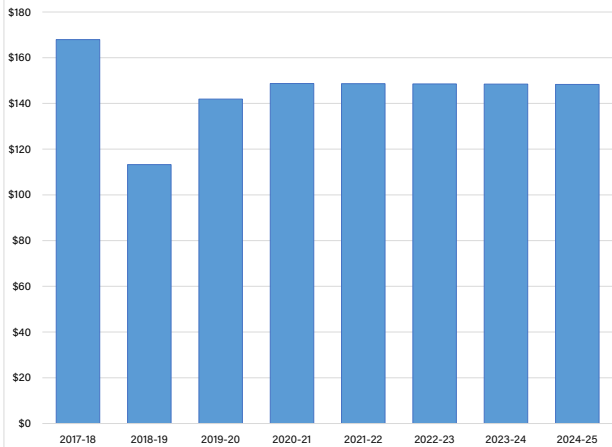
Non-residential building work done in 2019-20



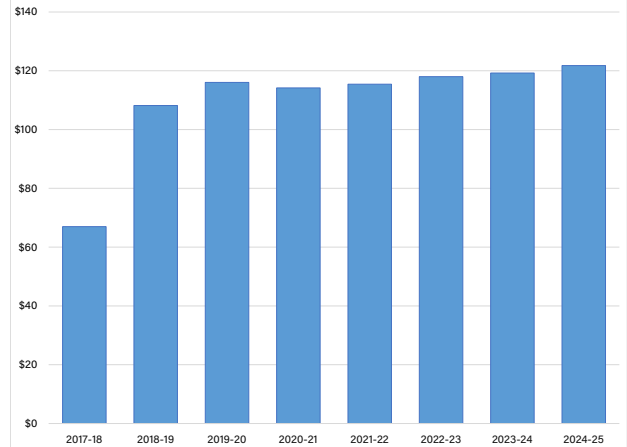
Non-residential building activity (\$m)



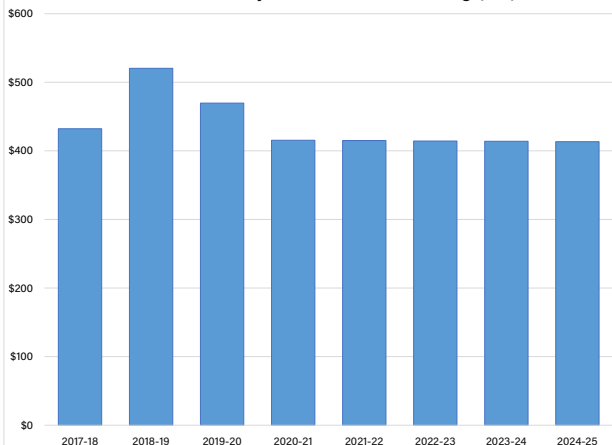
Retail and commercial building activity (\$m)



Industrial building activity (\$m)



Social, community and recreation building (\$m)



**Non-residential building activity: Master Builders forecasts to 2024-25**  
**Millions of dollars, chain volume measures (2018-19 prices)**

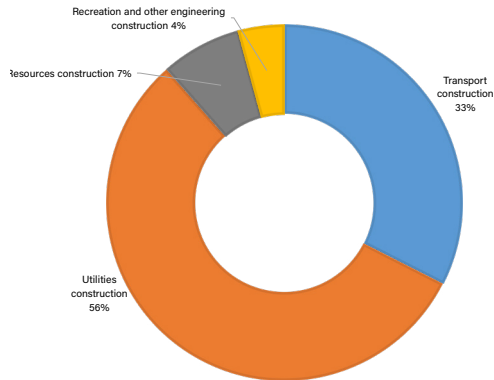
	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
<b>Total non-residential building activity</b>	\$667.2	\$741.8	\$727.5	\$678.3	\$679.1	\$680.9	\$681.7	\$683.4
<i>Change on previous year (%)</i>		+11.2%	-1.9%	-6.8%	+0.1%	+0.3%	+0.1%	+0.2%
<b>Commercial building work</b>	\$167.9	\$113.2	\$141.9	\$148.7	\$148.6	\$148.5	\$148.4	\$148.3
<i>Change on previous year (%)</i>		-32.6%	+25.3%	+4.8%	-0.0%	-0.1%	-0.0%	-0.1%
<b>Industrial building work</b>	\$67.0	\$108.2	\$116.0	\$114.2	\$115.4	\$118.0	\$119.2	\$121.8
<i>Change on previous year (%)</i>		+61.5%	+7.3%	-1.6%	+1.1%	+2.2%	+1.1%	+2.1%
<b>Social, community and recreation building work</b>	\$432.3	\$520.4	\$469.6	\$415.4	\$415.1	\$414.4	\$414.0	\$413.3
<i>Change on previous year (%)</i>		+20.4%	-9.8%	-11.5%	-0.1%	-0.2%	-0.1%	-0.2%

Source: Master Builders Australia forecasts; ABS Building Activity; ABS Construction Work Done

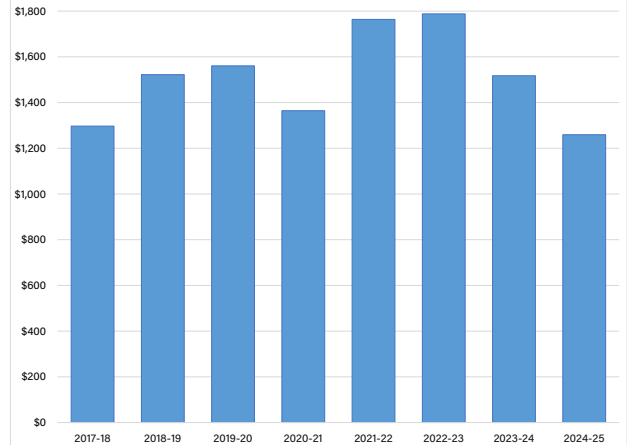


# CIVIL AND ENGINEERING CONSTRUCTION

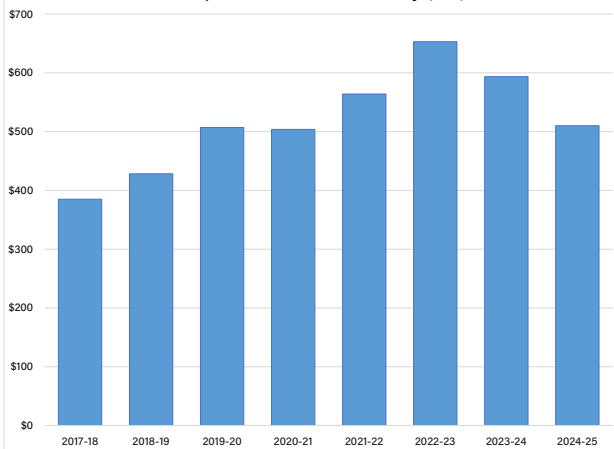
Civil and engineering construction work done in 2019-20



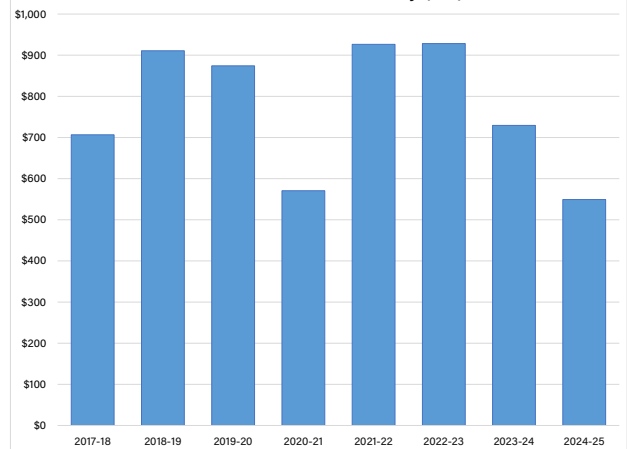
Civil and engineering construction activity (\$m)



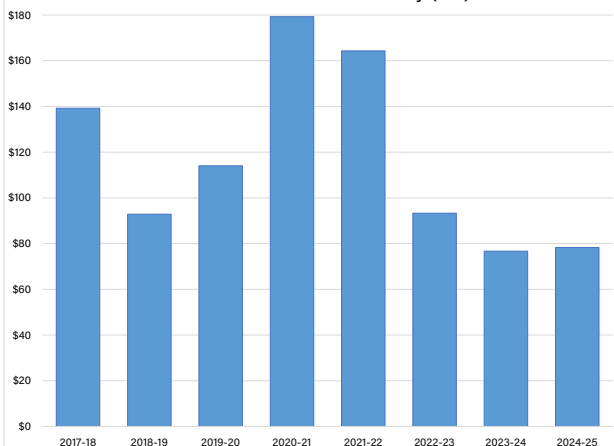
Transport construction activity (\$m)



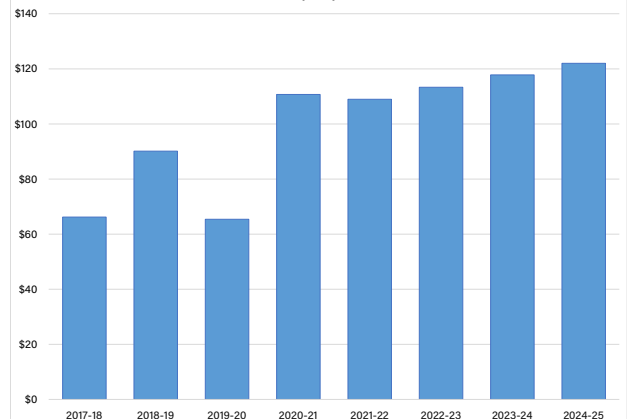
Utilities construction activity (\$m)



Resources construction activity (\$m)



Recreation and other engineering construction activity (\$m)



**Civil and engineering construction activity: Master Builders forecasts to 2024-25**  
**Millions of dollars, chain volume measures (2018-19 prices)**

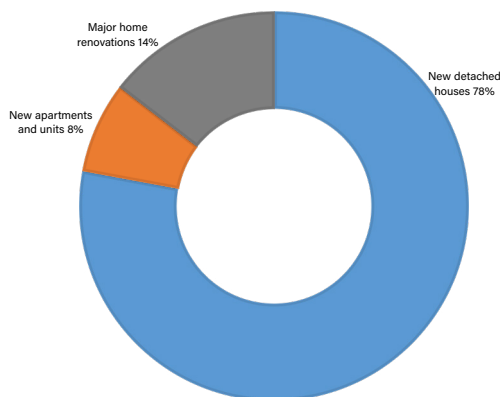
	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
<b>Total civil and engineering construction activity</b>	\$1,297.1	\$1,521.8	\$1,560.5	\$1,364.4	\$1,763.6	\$1,787.9	\$1,517.3	\$1,259.4
<i>Change on previous year (%)</i>		+17.3%	+2.5%	-12.6%	+29.3%	+1.4%	-15.1%	-17.0%
<b>Transport construction work</b>	\$385.1	\$428.1	\$506.9	\$503.9	\$564.0	\$653.0	\$593.4	\$509.9
<i>Change on previous year (%)</i>		+11.2%	+18.4%	-0.6%	+11.9%	+15.8%	-9.1%	-14.1%
<b>Utilities construction work</b>	\$706.6	\$910.7	\$874.1	\$570.6	\$926.4	\$928.3	\$729.4	\$549.1
<i>Change on previous year (%)</i>		+28.9%	-4.0%	-34.7%	+62.4%	+0.2%	-21.4%	-24.7%
<b>Resources construction work</b>	\$139.2	\$92.9	\$114.0	\$179.3	\$164.3	\$93.3	\$76.7	\$78.3
<i>Change on previous year (%)</i>		-33.3%	+22.8%	+57.2%	-8.3%	-43.2%	-17.8%	+2.1%
<b>Other civil and engineering construction work</b>	\$66.2	\$90.1	\$65.4	\$110.7	\$109.0	\$113.3	\$117.8	\$122.0
<i>Change on previous year (%)</i>		+36.1%	-27.4%	+69.3%	-1.6%	+4.0%	+3.9%	+3.6%

Source: Master Builders Australia forecasts; ABS Building Activity; ABS Construction Work Done

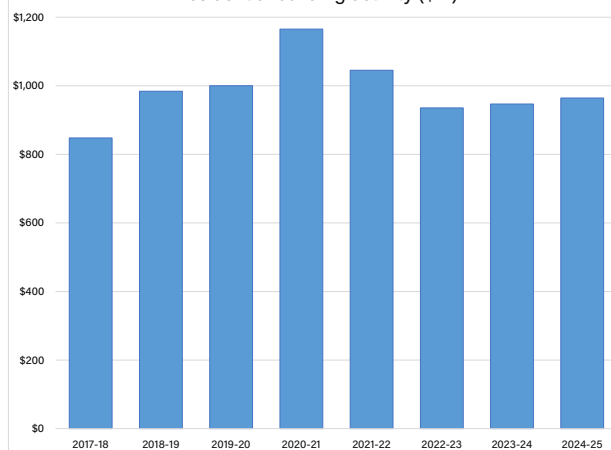


# BUILDING AND CONSTRUCTION WORK DONE

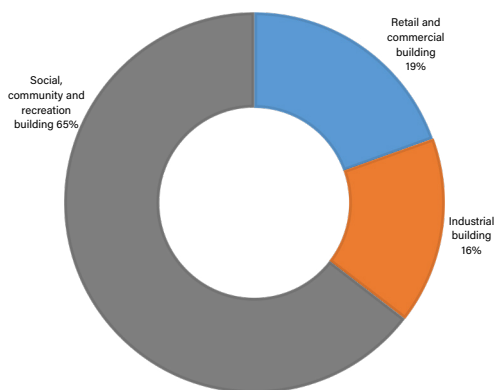
Residential building work done in 2019-20



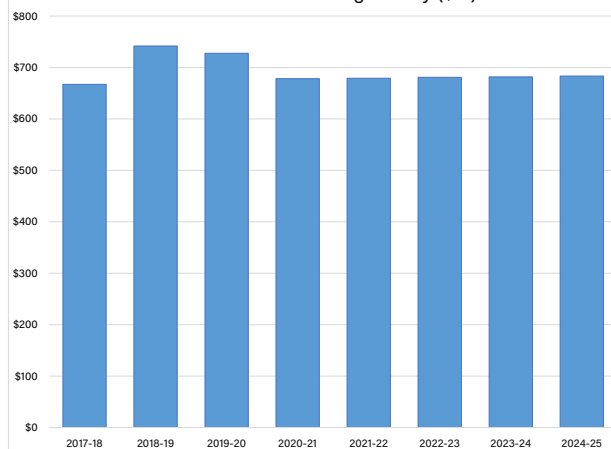
Residential building activity (\$m)



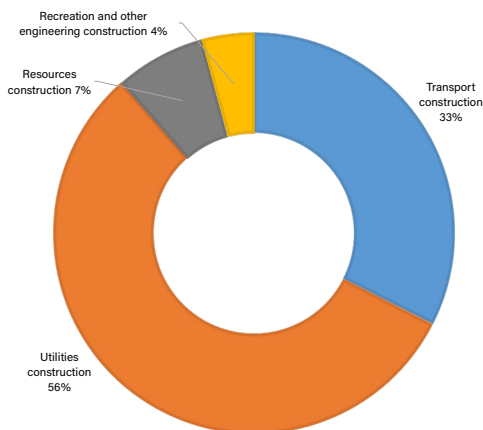
Non-residential building work done in 2019-20



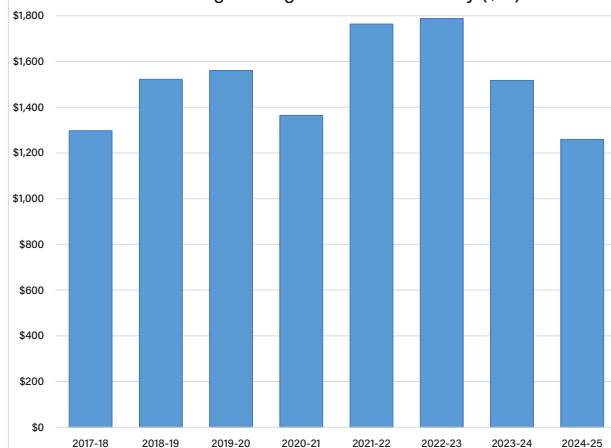
Non-residential building activity (\$m)



Civil and engineering construction work done in 2019-20



Civil and engineering construction activity (\$m)



**Total building and construction activity: Master Builders forecasts to 2024-25**  
**Millions of dollars, chain volume measures (2018-19 prices)**

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Source: Master Builders Australia forecasts; ABS Building Activity; ABS Construction Work Done





**MASTER BUILDERS AUSTRALIA**

**LEVEL 3, 44 SYDNEY AVE**

**FORREST ACT 2603**

**P 02 6202 8888**

**E [FORECASTS@MASTERBUILDERS.COM.AU](mailto:FORECASTS@MASTERBUILDERS.COM.AU)**