



**MASTER BUILDERS**  
AUSTRALIA



# **BUILDING AND CONSTRUCTION INDUSTRY FORECASTS**

# **ACT**

## **MAY 2021**









# CONTENTS

3

OVERVIEW

8

RESIDENTIAL BUILDING

11

NON-RESIDENTIAL BUILDING

13

CIVIL AND ENGINEERING  
CONSTRUCTION

15

BUILDING AND CONSTRUCTION  
WORK DONE

# OVERVIEW

Of the world's advanced economies, Australia is one of the ones to have suffered the least damage from the pandemic. We could add that within Australia, Canberra is perhaps the largest city to have suffered the least amount of fall out from Covid-19 related havoc. From the point of view of infections, Australia's capital city has avoided any of the large-scale outbreaks seen from time to time in other major cities. The structure of the local economy has also been very protective in the midst of the pandemic: there is little by way of an international tourism scene and the large number of public service employees has provided the labour market with a valuable firewall. The latest results speak for themselves: Canberra house prices have risen by 13.9 per cent over the year to March and, at 4.1 per cent during February, the ACT can boast Australia's lowest unemployment rate.

## Master Builders forecasts of total construction activity in ACT (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
\$3,879.7	\$4,039.4	\$3,856.8	\$3,375.0	\$3,185.6	\$3,361.5	\$3,456.9	\$3,495.4
	+4.1%	-4.5%	-12.5%	-5.6%	+5.5%	+2.8%	+1.1%

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

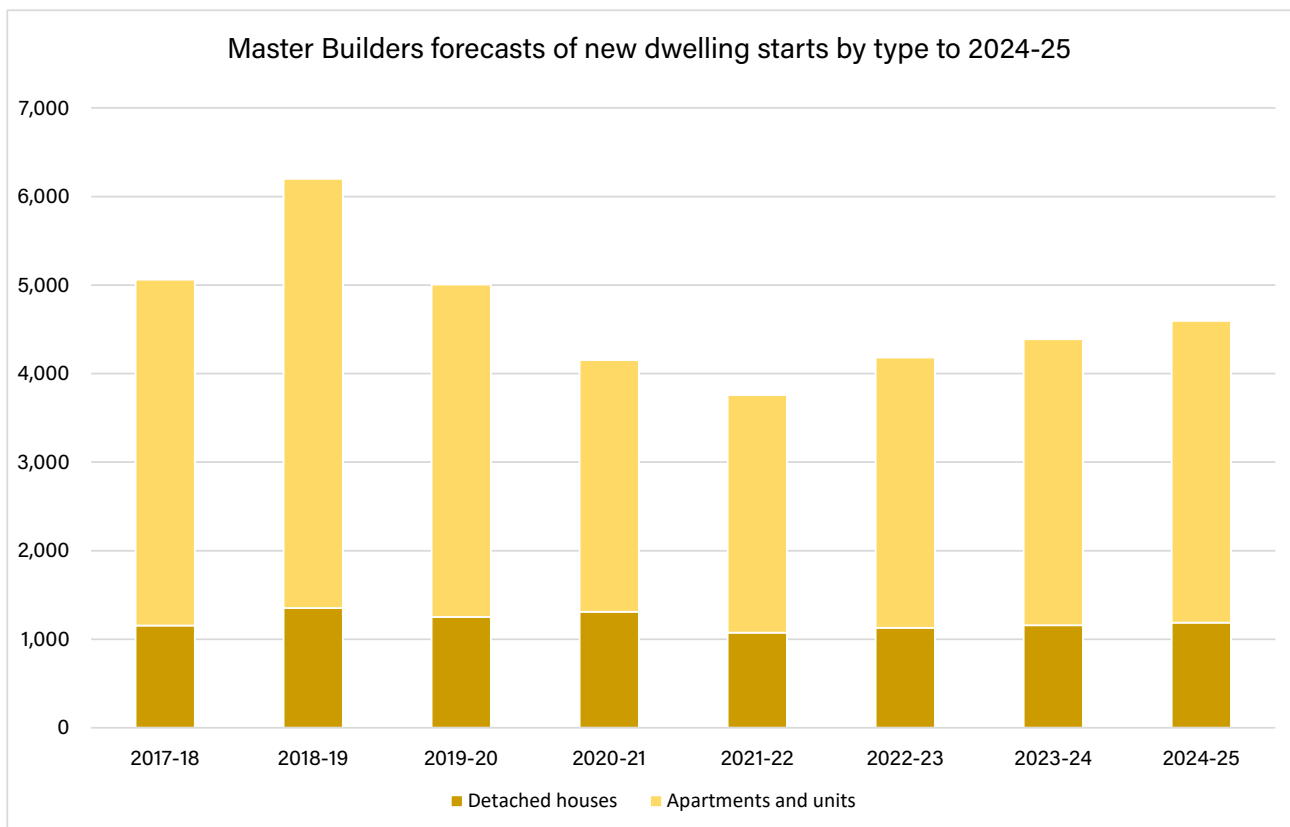


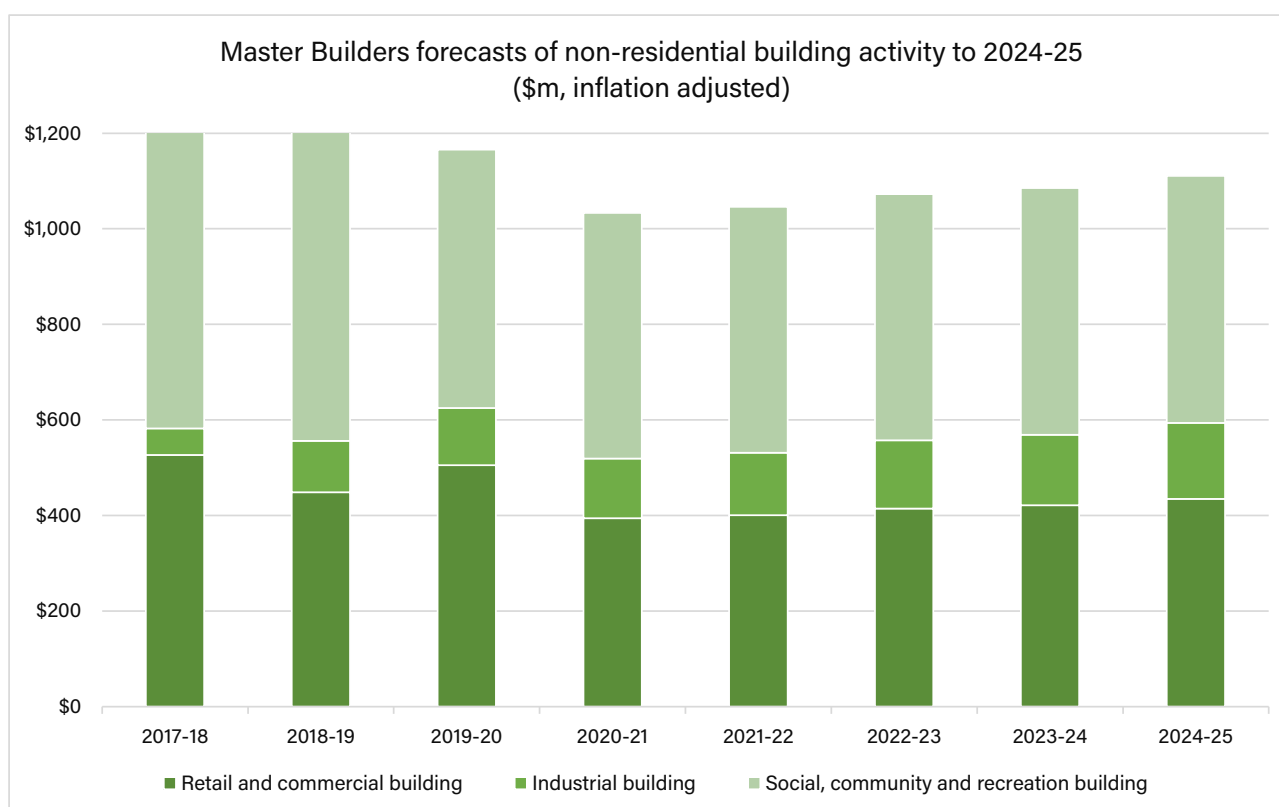
**WILLINGA PARK - EQUINE EDUCATION CENTRE, ACT**  
**BY CONSTRUCTION CONTROL, FINALIST IN THE 2020**  
**NATIONAL COMMERCIAL/INDUSTRIAL CONSTRUCTION AWARD - \$20M TO \$50M**





**IVY, ACT**  
**BY MILIN BUILDERS, FINALIST IN THE 2020**  
**CBUS NATIONAL HIGH RISE APARTMENT BUILDING**



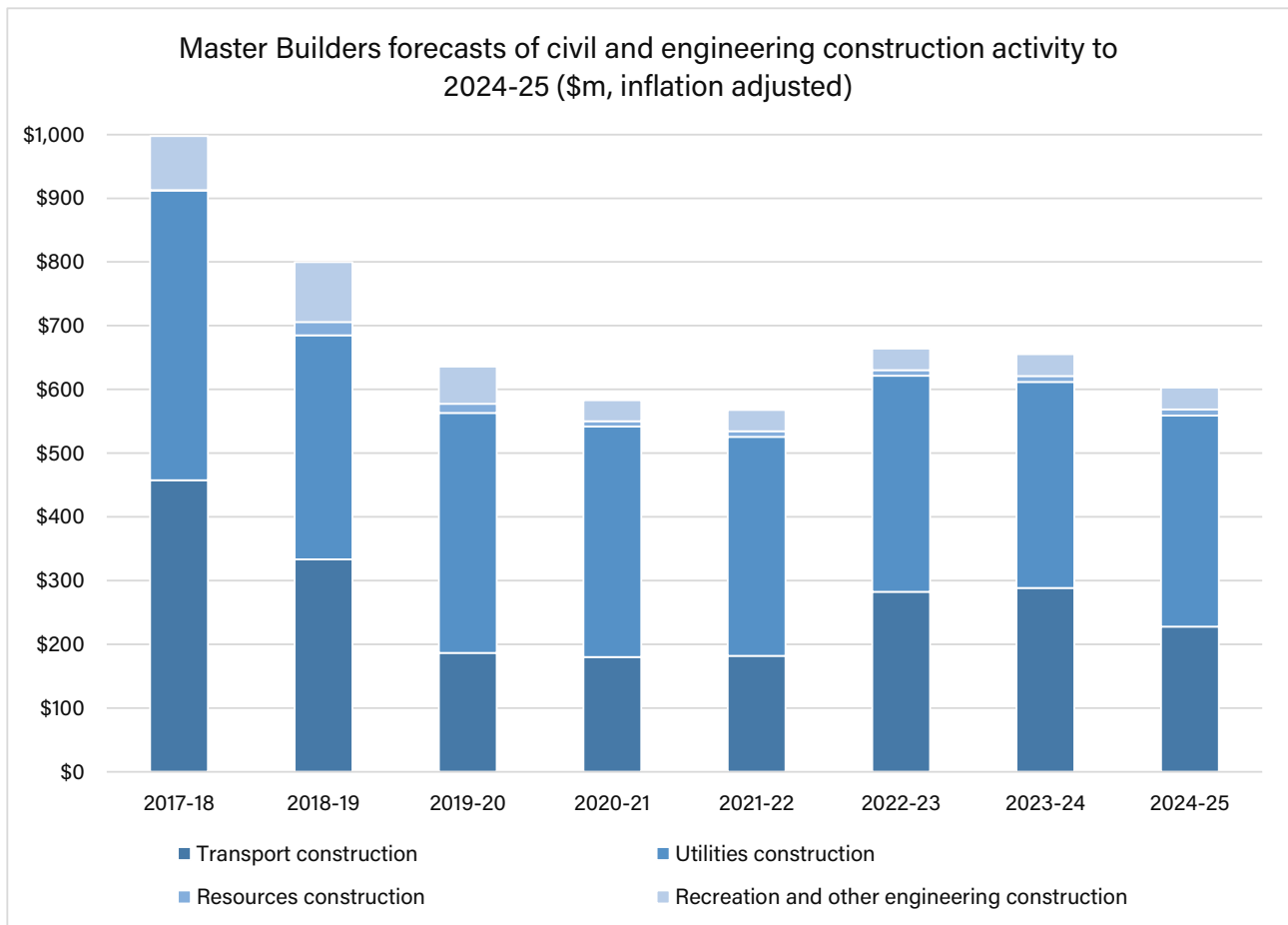


While HomeBuilder has been working a lot of magic around the country, the benefits to the ACT have been more limited because of the structure of residential building in Canberra, which is much more focussed on higher density dwellings. Even so, the number of new detached house approvals in the ACT over the three months to February 2021 was 57.0 per cent higher than a year earlier. However, there was a 33.4 per cent drop in apartment/unit approvals over the same period so the overall pipeline of new home building is shrinking. HomeBuilder has also driven home renovations activity, and over the three months to February 2021, a total of \$34.3 million worth of building approvals for home renovations work was granted. This was almost double the total (+78.6 per cent) for the same period a year ago. With such robust growth in house prices taking place in Canberra, the likelihood is that home renovations work will continue to expand even after the withdrawal of HomeBuilder support.

Even though the role of the public sector in the ACT economy is large, the public sector share

of non-residential building activity has recently been well below the national average. Over the year to February 2021, \$1.12 billion worth of non-residential building jobs received approval in the ACT, but only 34.5 per cent of this was accounted for by public sector work. Like most other parts of the country, the non-residential building pipeline is in reverse in the ACT. Over the three months to February 2021, 113 projects received approval which represented a 9.6 per cent decline on 12 months ago. Not surprisingly, the biggest drop was in retail and commercial building approvals while industrial building jobs doubled over the same period.

Stage 1 of the Canberra's light rail project was the big show in town for engineering construction activity in the second half of the 2010s decade. There is currently a lull in this part of the local construction market as we await the start of work on Stage 2 of the project which is due next year. Latest results indicate that the volume of engineering construction work done in the ACT dropped back by 12.3 per cent during 2020 overall.



At the end of 2020, there was \$234.5 million worth of engineering construction work yet to be done in the ACT, some 29.5 per cent less than at the end of 2019. Work on Stage 2 of the light rail will bring engineering construction to a peak in 2022-23, although this will be partially offset by softer conditions with respect to utilities construction activity.

**EMBASSY OF THE LAO PEOPLE'S  
DEMOCRATIC REPUBLIC, ACT**  
BY MANTEENA, FINALIST IN THE 2020  
NATIONAL COMMERCIAL/INDUSTRIAL  
CONSTRUCTION AWARD – \$10M TO \$20M





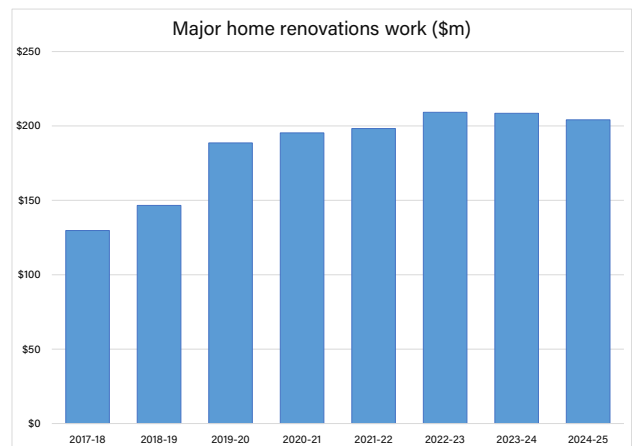
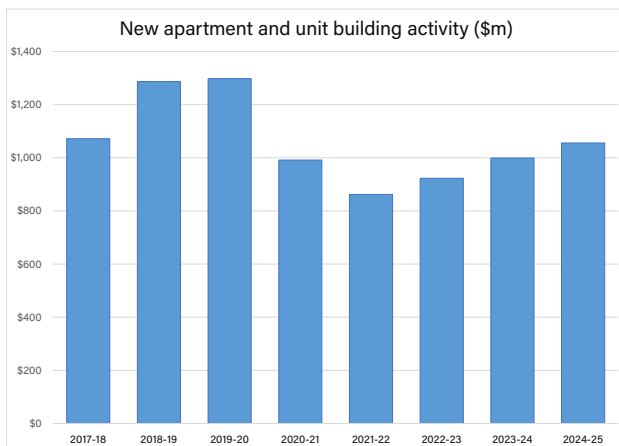
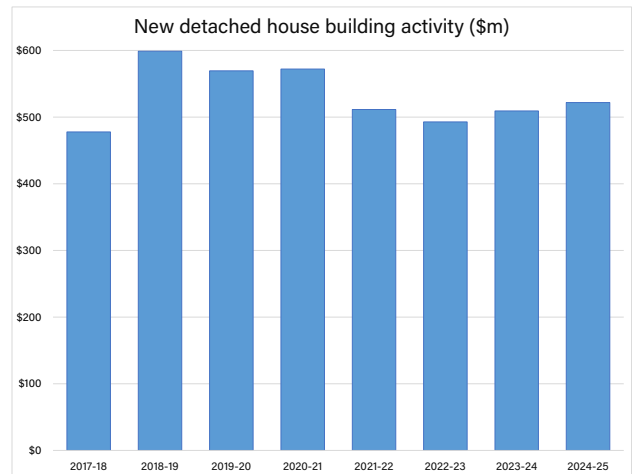
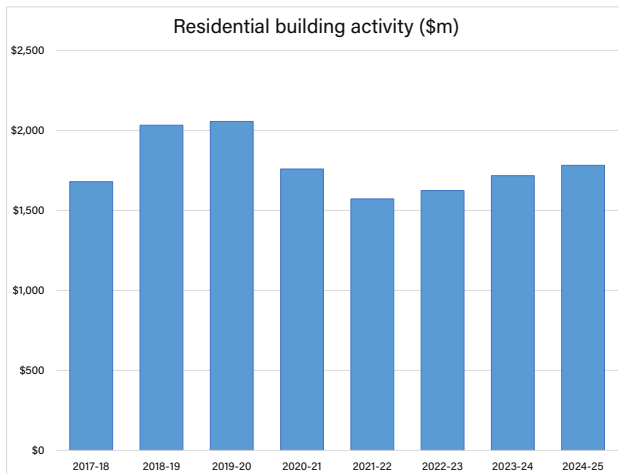


**HOUSE OF RED DOGS, ACT  
BY MEGA FLORA (PREVIOUSLY ARCHITEKT GRÜNE HÄUSER),  
WINNER OF THE 2020 NATIONAL ALTERATIONS/ADDITIONS AWARD - \$650K TO \$1M**

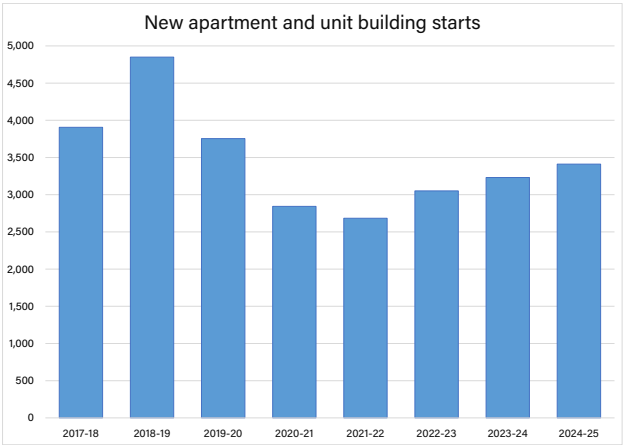
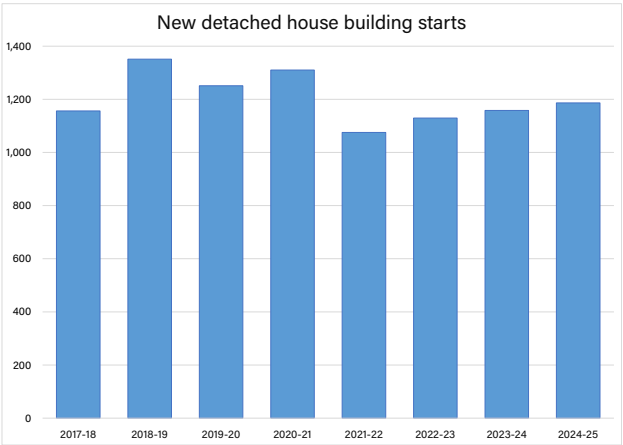
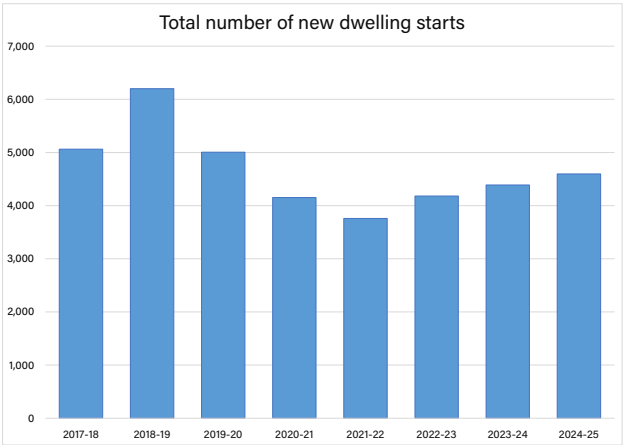


# RESIDENTIAL BUILDING

## WORK DONE BY SECTOR



# NUMBER OF DWELLING COMMENCEMENTS BY SECTOR





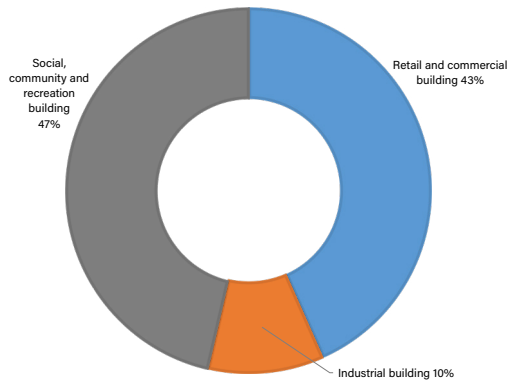
**Residential building activity: Master Builders forecasts to 2024-25**  
**Millions of dollars, chain volume measures (2018-19 prices)**

	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
<b>Total residential building activity</b>	\$1,679.3	\$2,032.3	\$2,055.8	\$1,758.9	\$1,571.9	\$1,624.6	\$1,716.8	\$1,781.7
<i>Change on previous year (%)</i>		+21.0%	+1.2%	-14.4%	-10.6%	+3.4%	+5.7%	+3.8%
<b>New detached house building</b>	\$477.7	\$598.8	\$569.4	\$572.1	\$511.4	\$492.7	\$509.1	\$521.8
<i>Change on previous year (%)</i>		+25.3%	-4.9%	+0.5%	-10.6%	-3.7%	+3.3%	+2.5%
<b>New apartment/unit building</b>	\$1,071.8	\$1,286.9	\$1,297.8	\$991.5	\$862.2	\$922.7	\$999.2	\$1,055.8
<i>Change on previous year (%)</i>		+20.1%	+0.9%	-23.6%	-13.0%	+7.0%	+8.3%	+5.7%
<b>Residential alterations and additions</b>	\$129.7	\$146.6	\$188.6	\$195.3	\$198.3	\$209.2	\$208.5	\$204.1
<i>Change on previous year (%)</i>		+13.0%	+28.7%	+3.6%	+1.5%	+5.5%	-0.3%	-2.1%

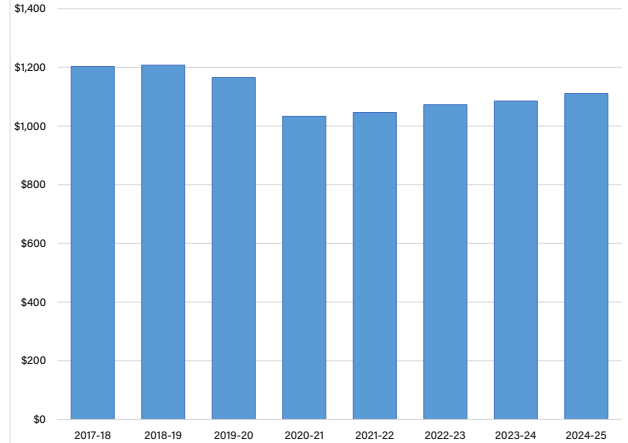
Source: Master Builders Australia forecasts; ABS Building Activity; ABS Construction Work Done

# NON-RESIDENTIAL BUILDING

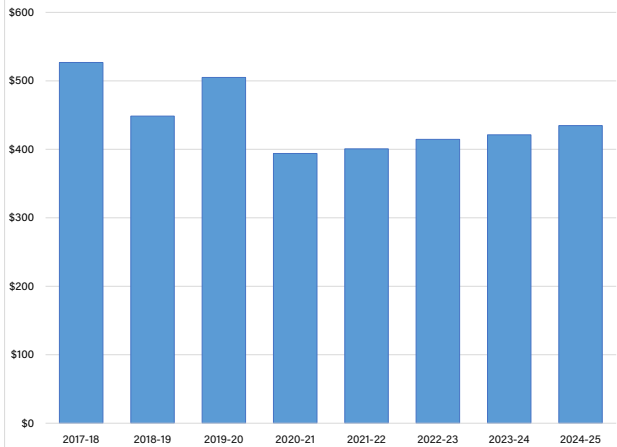
Non-residential building work done in 2019-20



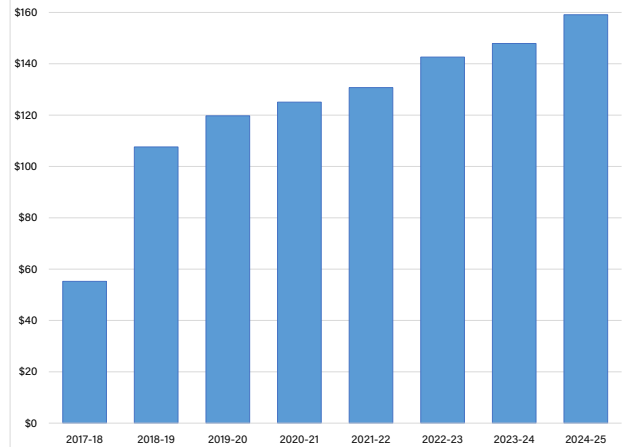
Non-residential building activity (\$m)



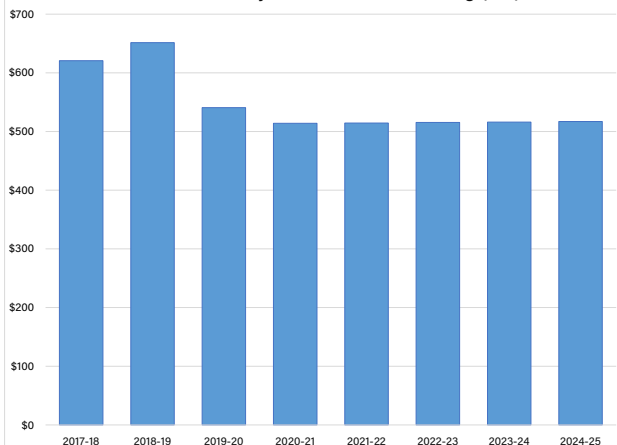
Retail and commercial building activity (\$m)



Industrial building activity (\$m)



Social, community and recreation building (\$m)





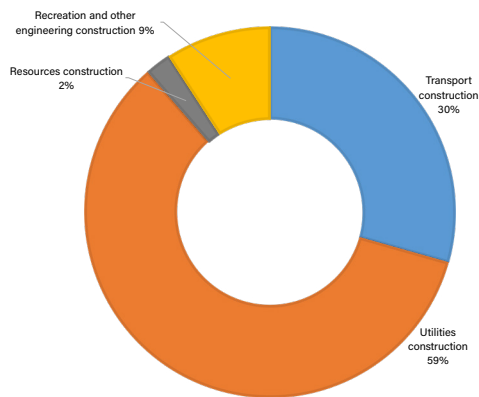
**Non-residential building activity: Master Builders forecasts to 2024-25**  
**Millions of dollars, chain volume measures (2018-19 prices)**

	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
<b>Total non-residential building activity</b>	\$1,202.8	\$1,207.5	\$1,165.4	\$1,033.0	\$1,046.0	\$1,072.6	\$1,085.0	\$1,110.8
<i>Change on previous year (%)</i>		+0.4%	-3.5%	-11.4%	+1.3%	+2.6%	+1.2%	+2.4%
<b>Commercial building work</b>	\$526.9	\$448.5	\$505.0	\$394.0	\$400.7	\$414.5	\$421.1	\$434.6
<i>Change on previous year (%)</i>		-14.9%	+12.6%	-22.0%	+1.7%	+3.4%	+1.6%	+3.2%
<b>Industrial building work</b>	\$55.2	\$107.6	\$119.7	\$125.1	\$130.7	\$142.6	\$147.9	\$159.1
<i>Change on previous year (%)</i>		+94.8%	+11.3%	+4.4%	+4.5%	+9.1%	+3.7%	+7.6%
<b>Social, community and recreation building work</b>	\$620.7	\$651.4	\$540.6	\$514.0	\$514.5	\$515.5	\$516.0	\$517.0
<i>Change on previous year (%)</i>		+4.9%	-17.0%	-4.9%	+0.1%	+0.2%	+0.1%	+0.2%

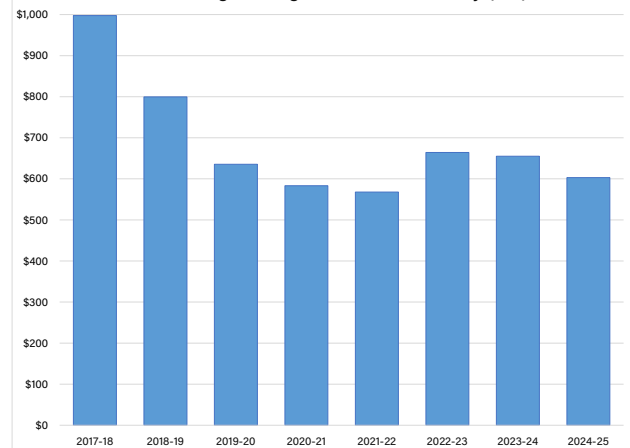
Source: Master Builders Australia forecasts; ABS Building Activity; ABS Construction Work Done

# CIVIL AND ENGINEERING CONSTRUCTION

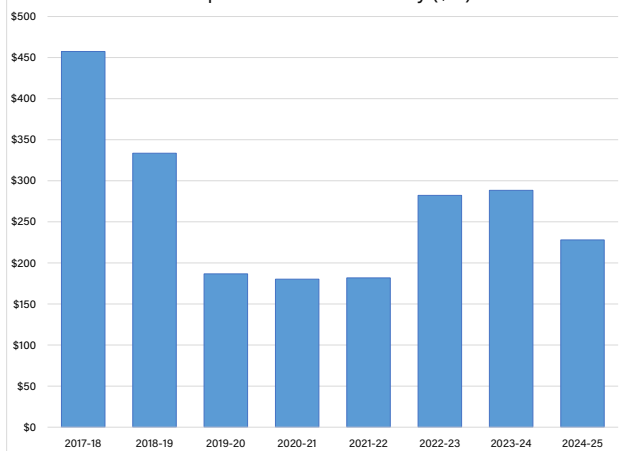
Civil and engineering construction work done in 2019-20



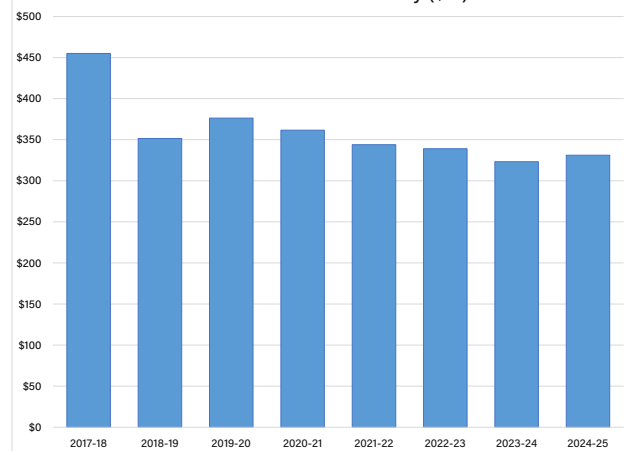
Civil and engineering construction activity (\$m)



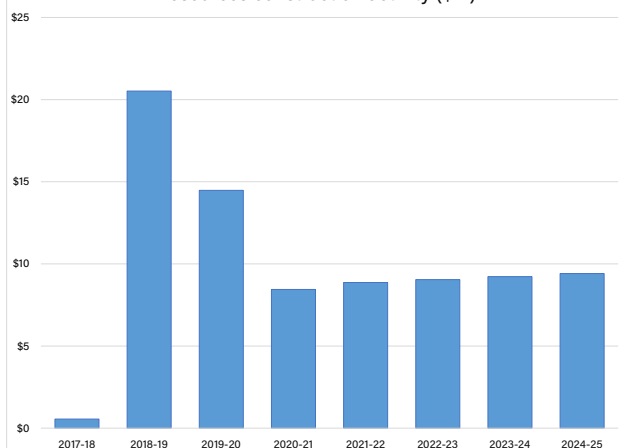
Transport construction activity (\$m)



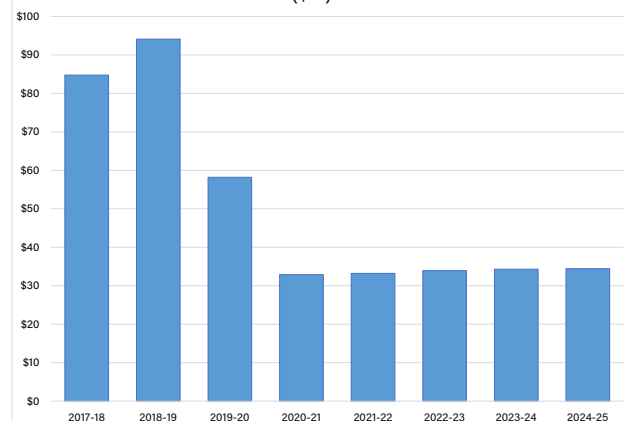
Utilities construction activity (\$m)



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)**

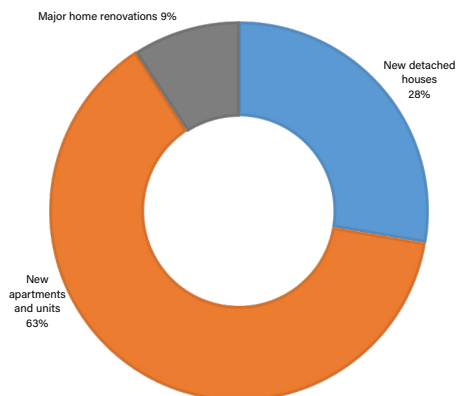
	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
<b>Total civil and engineering construction activity</b>	\$997.6	\$799.6	\$635.6	\$583.1	\$567.8	\$664.2	\$655.1	\$602.9
<i>Change on previous year (%)</i>		-19.8%	-20.5%	-8.2%	-2.6%	+17.0%	-1.4%	-8.0%
<b>Transport construction work</b>	\$457.4	\$333.5	\$186.6	\$180.2	\$181.8	\$282.2	\$288.4	\$227.9
<i>Change on previous year (%)</i>		-27.1%	-44.0%	-3.5%	+0.9%	+55.3%	+2.2%	-21.0%
<b>Utilities construction work</b>	\$455.0	\$351.5	\$376.3	\$361.6	\$343.9	\$339.0	\$323.2	\$331.1
<i>Change on previous year (%)</i>		-22.7%	+7.1%	-3.9%	-4.9%	-1.4%	-4.7%	+2.5%
<b>Resources construction work</b>	*	\$20.5	\$14.5	\$8.4	\$8.9	\$9.0	\$9.2	\$9.4
<i>Change on previous year (%)</i>		n/a	-29.5%	-41.7%	+5.0%	+2.0%	+2.0%	+2.0%
<b>Other civil and engineering construction work</b>	\$84.7	\$94.1	\$58.2	\$32.9	\$33.2	\$33.9	\$34.3	\$34.4
<i>Change on previous year (%)</i>		+11.1%	-38.2%	-43.5%	+1.0%	+2.1%	+1.1%	+0.4%

\*negligible

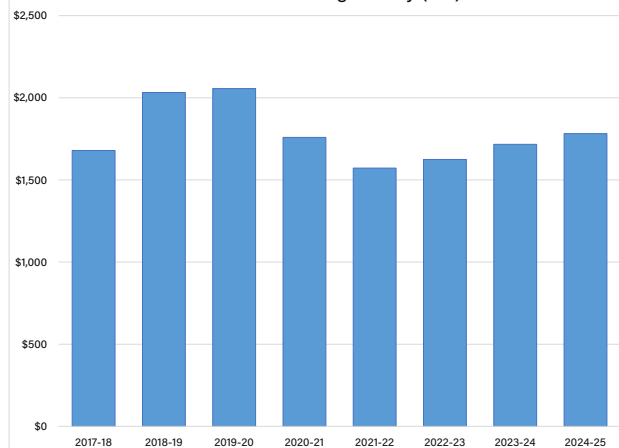
Source: Master Builders Australia forecasts; ABS Building Activity; ABS Construction Work Done

# BUILDING AND CONSTRUCTION WORK DONE

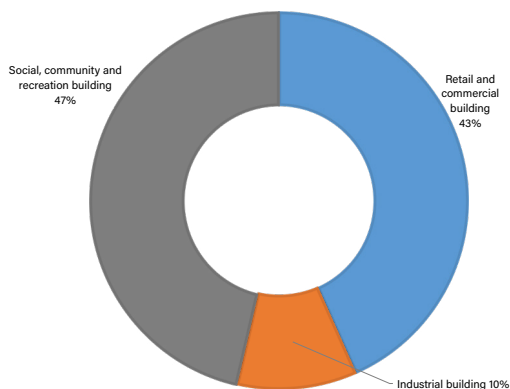
Composition of residential building work done in 2019-20



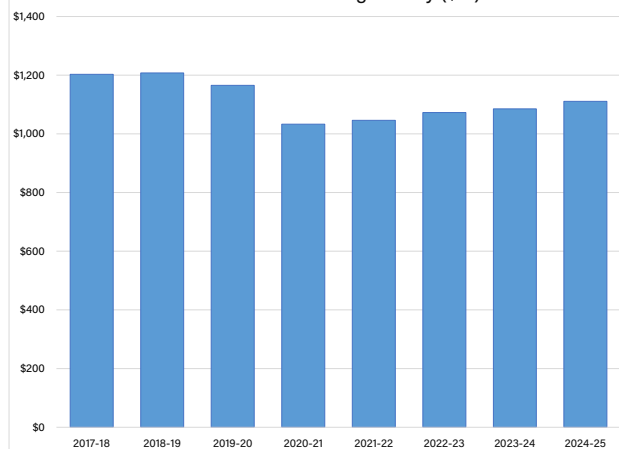
Residential building activity (\$m)



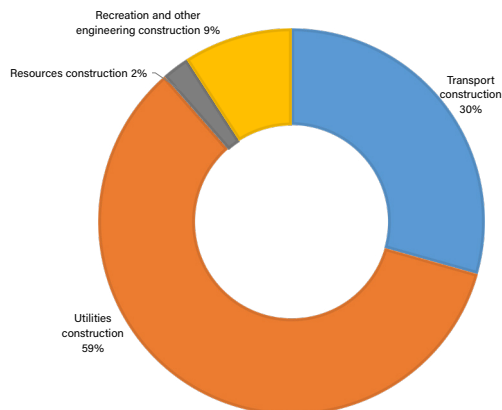
Non-residential building work done in 2019-20



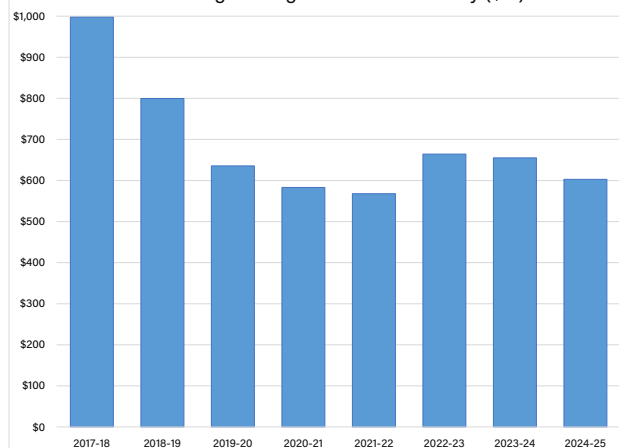
Non-residential building activity (\$m)



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)**

	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
<b>Total building and construction activity</b>	\$3,879.7	\$4,039.4	\$3,856.8	\$3,375.0	\$3,185.6	\$3,361.5	\$3,456.9	\$3,495.4
<i>Change on previous year (%)</i>		+4.1%	-4.5%	-12.5%	-5.6%	+5.5%	+2.8%	+1.1%
<b>Residential building activity</b>	\$1,679.3	\$2,032.3	\$2,055.8	\$1,758.9	\$1,571.9	\$1,624.6	\$1,716.8	\$1,781.7
<i>Change on previous year (%)</i>		+21.0%	+1.2%	-14.4%	-10.6%	+3.4%	+5.7%	+3.8%
<b>Non-residential building activity</b>	\$1,202.8	\$1,207.5	\$1,165.4	\$1,033.0	\$1,046.0	\$1,072.6	\$1,085.0	\$1,110.8
<i>Change on previous year (%)</i>		+0.4%	-3.5%	-11.4%	+1.3%	+2.6%	+1.2%	+2.4%
<b>Civil and engineering construction work</b>	\$997.6	\$799.6	\$635.6	\$583.1	\$567.8	\$664.2	\$655.1	\$602.9
<i>Change on previous year (%)</i>		-19.8%	-20.5%	-8.2%	-2.6%	+17.0%	-1.4%	-8.0%

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)**