

MEDIA RELEASE

Outlook for ACT building and construction worsens amid global supply chain crisis

FOR IMMEDIATE RELEASE

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The latest forecasts from Master Builders Australia project a challenging future for the building and construction industry in the ACT. With rising interest rates, a global fuel and supply chain crisis, and ongoing geopolitical tensions, the prospects for residential construction are particularly concerning.

Anna Neelagama, CEO of Master Builders ACT, highlighted the urgent need for stability from both the ACT and Federal Government to navigate the turbulent landscape.

'The economic climate has shifted dramatically since the last forecasts in September 2025. Rising interest rates, now at 4.1%, are expected to impact housing delivery and economic activity across the region, along with rapidly rising costs due to the unfolding fuel and global supply chain crisis.'

Ms Neelagama pointed out that the resilience of the ACT's building and construction sector is at a historic low, exacerbated by recent geopolitical turmoil.

'Without significant and immediate structural change and reform, the outlook for building and construction in the ACT is only set to worsen. The local capability to deliver projects will rapidly deteriorate unless there is adequate support across the board.'

To safeguard the industry in the current climate, Ms Neelagama stressed the importance of the ACT government acting as a model client on all its projects. She urged the government to commit to fair and transparent pricing, revisit Master Builders ACT's 11 key budget recommendations focusing on skills funding, taxation reform, and reducing unnecessary red tape.

'Industry simply does not have the same level of resilience after the pandemic. Now is the time to stabilise and support our sector to protect local jobs and ensure the long-term viability of our construction capability.'

Shane Garrett, Chief Economist at Master Builders Australia, says the latest building and construction industry data reveals troubling statistics for new home building in the ACT.

'We need to deliver 21,000 new homes over the National Housing Accord's term, but the ACT is expected to suffer a 1,240-home shortfall. Recent events in the Middle East will make it even more difficult to reach our target because it is getting much more expensive to build new homes.'

'The ACT saw only 2,082 new homes commenced in 2024-25, a staggering 53.8% decrease from the previous year. This marks the weakest performance in the home building sector for nearly two decades.'

'We anticipate a shortfall of over 1,200 homes against the National Housing Accord target, compounded by a persistent decline in construction productivity, which fell by 2.8% last year.'

According to the data, the ACT expects an anticipated \$8.73 billion worth of non-residential projects scheduled over the next five years, with a focus on social, cultural, and recreational projects. However, the immediate outlook remains clouded by the ongoing fuel crisis, volatility of supply chain pricing and the cost of materials.

'Building and construction is the fifth largest user of diesel in Australia, and we've seen fuel prices surge nearly 80% just this March,' said Ms Neelagama.

'Without urgent intervention, the risk outlook is obvious: fewer projects, higher costs, and delayed delivery of homes and infrastructure. If we want to protect local jobs and businesses, we need an all-hands-on-deck approach.'

Media can access the ACT forecast report [here](#) (**NOTE: not for publication – internal media use only**).

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Media enquiries:

Tara Nichols | Communications & Marketing Manager
tnichols@mba.org.au | 0430 026 612