



NEWS

Residential Building Activity Continues to Rise

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Residential building activity continues to grow across Queensland, with more than 84,250 projects worth more than \$7.6 billion insured with the Queensland Building Services Authority (BSA) home warranty insurance scheme in the 2003/04 financial year.

BSA's General Manager, Ian Jennings, said statistics clearly indicate the Queensland building industry is moving from strength to strength.

Last year (2002/03) 71,936 residential projects worth more than \$6.2 billion were insured with the scheme, he said.

These figures include both new home construction and any renovation work valued at more than \$3,300.

Mr Jennings said in 2003/04 total new residential construction for 36,886 insured residences totalled more than \$6.5 billion.

After the bumper year in 2002/03 where 34,247 new constructions were insured worth more than \$5.3 billion, I was of the opinion the industry had peaked, but clearly that was just the tip of the iceberg, he said.

Similarly the renovation market continued to grow in 2003/04 with 47,365 projects insured worth more than \$1 billion as compared to 37,689 projects worth more than \$882 million in 2002/03.

Mr Jennings said while the continued strength of the industry is good news for builders and trade contractors it means consumers will have to wait longer to have their properties renovated or a new home constructed.

The sustained strength of the housing market has forced the cost of both labour and materials up, not to mention the sheer volume of work around at the moment which is keeping BSA licensees extremely busy, he said.

This has implications for BSA licensees and consumers. It is important for BSA licensees to ensure their finances are in order and remember that rapid increased growth does not mean rapidly increasing profits. It is essential licensees reinvest in their business to ensure their assets cover their liabilities.

It is also important for licensees not to quote on work they know they will not be able to start for several months. In the current climate by the time they start the job, materials and labour has further increased in price and this bites into their profit margins as we have seen lately with the failure of several established companies.

Mr Jennings said although the number of consumers coming to BSA with disputes increased it did not equate to the increase in overall construction.

BSA had received more than 5,600 disputes in 2003/04 an increase from 5,341 in 2002/03 although the number of directions issued to licensees across Queensland by BSA has decreased from 1051 to 1040, he said.

Statistics for the each region are shown below:

Brisbane

New Construction

Period	Number	Value
2002/03	18,877	2.8b
2003/04	18,850	3.23b

Alterations and Additions (Renovations)

Period	Number	Value
2002/03	21,267	543m
2003/04	25,851	636m

Period	Disputes	Directions
2002/03	2,826	564
2003/04	2,902	528

Cairns

New Construction

Period	Number	Value
2002/03	1,715	266m
2003/04	2,389	414m

Alterations and Additions (Renovations)

Period	Number	Value
2002/03	1,636	39m
2003/04	1,989	42.8m

Period	Disputes	Directions
2002/03	194	27
2003/04	209	34

Townsville

New Construction

Period	Number	Value
2002/03	1,161	184.6m
2003/04	1,612	285.4m

Alterations and Additions (Renovations)

Period	Number	Value
2002/03	1,859	31.1m
2003/04	1,951	34.5m

Period	Disputes	Directions
2002/03	246	64
2003/04	212	52

Mackay

New Construction

Period	Number	Value
2002/03	880	150.4m
2003/04	1,221	220.8m

Alterations and Additions (Renovations)

Period	Number	Value
2002/03	1,681	23.2m
2003/04	1,960	30m

Period	Disputes	Directions
2002/03	221	60
2003/04	253	49

Rockhampton

New Construction

Period	Number	Value
2002/03	1,337	205.5m
2003/04	1,268	219.4m

Alterations and Additions (Renovations)

Period	Number	Value
2002/03	2,141	30.3m
2003/04	2,349	36.1m

Period	Disputes	Directions
2002/03	166	49
2003/04	159	56

Sunshine Coast

New Construction

Period	Number	Value
2002/03	6,536	1.02b
2003/04	6,500	1.2b

Alterations and Additions (Renovations)

Period	Number	Value
2002/03	5,422	118.8m
2003/04	7,156	142m

Period	Disputes	Directions
2002/03	574	98
2003/04	607	86

Toowoomba

New Construction

Period	Number	Value
2002/03	1,543	212m
2003/04	2,086	302m

Alterations and Additions (Renovations)

Period	Number	Value
2002/03	2,335	48.2m
2003/04	3,243	59.5m

Period	Disputes	Directions
2002/03	168	16
2003/04	169	21

Gold Coast

New Construction

Period	Number	Value
2002/03	3,174	629.7m
2003/04	2,956	720.9m

Alterations and Additions (Renovations)

Period	Number	Value
2002/03	2,250	66.9m
2003/04	2,751	81.2m

Period	Disputes	Directions
2002/03	742	127
2003/04	860	191