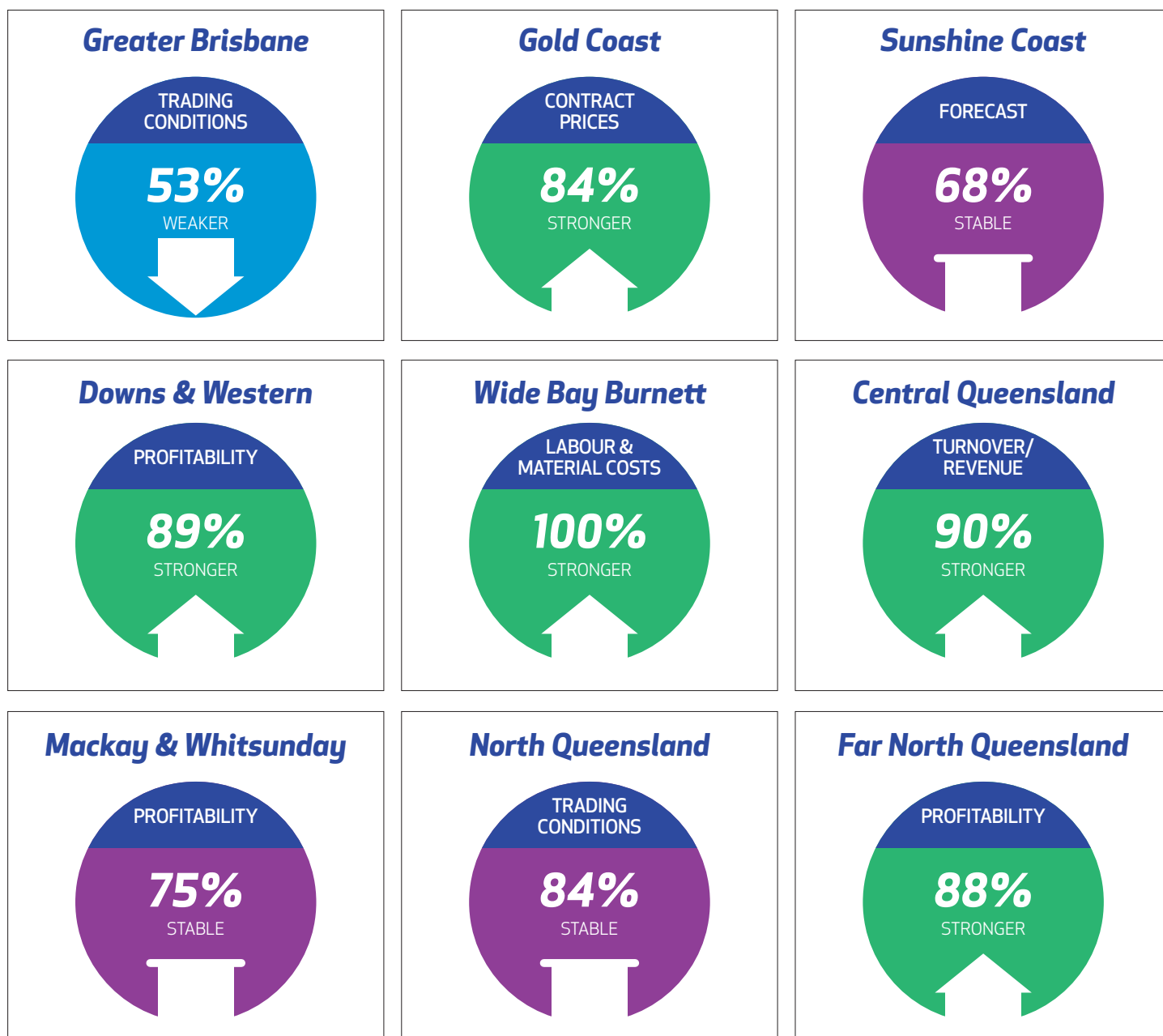
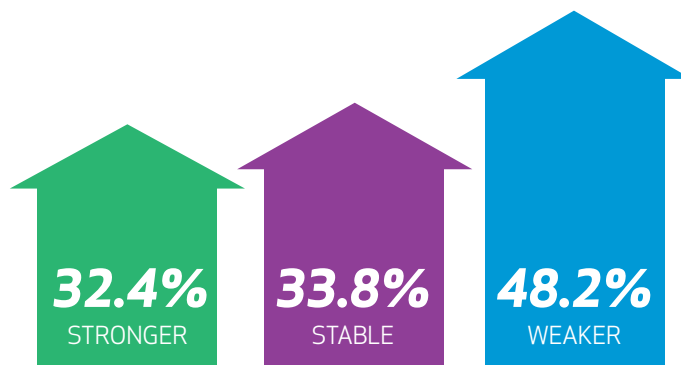


JUNE 2017 SNAPSHOT

Survey of Industry Conditions

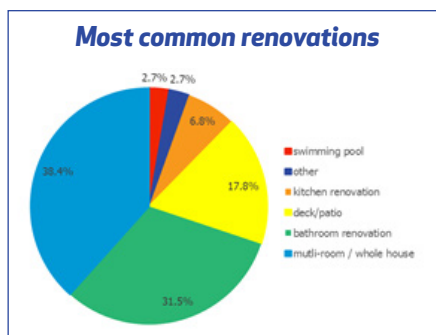
Queensland

While conditions in the residential and non-residential sectors have declined, both sectors remain confident for the future with each business indicator performing strongly. However, business constraints weighed heavily on the industry, particularly the high cost of labour and materials.



Price is by far the most important consideration for customers when embarking on a new build or renovation. The majority of respondents (86.3%) believed it to be a major or critical consideration for their customers. Build quality is also key with nearly three-in-four respondents (71.6%) regarding it as a critical or major consideration.

The most common renovations people embark on are a number of rooms or the whole house (38.4%). Bathroom renovations are also common projects, undertaken by nearly one-in-three respondents (31.5%). Kitchens, which are often completed by cabinetmakers, rather than builders, were not significant (6.8%) and similarly swimming pools, usually completed by specialist pool installers (2.7%).



Bathrooms

Free-standing showers topped the list of amenities expected in a bathroom project. Showers are also expected to include double showerheads, no glass screens, and no step entrance. Free-standing bathtubs are also important. Smart technology such as smart lighting and intelligent toilets are finding their place in the bathroom.

Kitchens

Island benches continue to be the most sought-after amenity in the kitchen, while butler's pantries have also become a key feature. Smart technology and appliances such as wine coolers, built-in coffee machines and smart fridges are important. Other features often requested include manufactured stone bench tops, breakfast bars to save on space, and top-quality appliances.

Outdoor kitchens

Outdoor kitchens are an area of growing demand and are becoming more integral to the liveability of the home. To some extent, they are still regarded as a luxury item and will be one of the first things to go if the contract price needs to be reduced or if space is at a premium. When they are installed, they are getting bigger and becoming more sophisticated. Typically, there is a connection to water and electricity to allow for sinks, wine fridges and range hoods. Stainless steel, polished concrete finishes are popular, as are pizza ovens and turkey sized rotisseries.

Smart homes and technology

This is the area where the least demand is being seen. The high cost and complexity is regarded as a reason why "it has not taken off," as one respondent put it. In cases where people are including smart technology, it is often about having mobile phone control of lighting, air-conditioning, audio-visual equipment and other devices. Outside the home, people are looking for internet connected security cameras, digital intercoms and keyless entry. Technology to improve energy efficiency is also being requested, including power saving devices and solar power generation.

Lighting

LED is pretty much the only trend in lighting. LEDs are now completely dominating the market and used right throughout the building – downlights, pendant lights, feature lights and strip lighting. LEDs have allowed strip lighting to become more common as rebates in the cabinet, skirtings, pelmets or ceiling coffers. Increasingly they are being controlled remotely, via mobile phones. LEDs are regarded as an affordable, energy efficient option. But there were concerns about the quality that is being imported.

Colour schemes and material choice

Neutral, natural and "earth" colours – whites, greys tans and timber continue as favourites. Also popular are "rustic features" and in some cases even "flashbacks to the 70's with woodgrain cupboard doors and colour laminate". "Hamptons" style is also in greater demand. When it comes to materials, black taps and wallpaper are growing in popularity. Outside the home, low maintenance and value for money will always be important considerations.

Appliances

Top quality appliances are still highly sought after. Stainless steel and good brands, such as the big European ones are the most requested. Double gas ovens and dishwasher drawers are new trends, while induction cook tops and steam ovens continue to grow in popularity.

Other Trends

When asked about other trends the most common theme was money or rather the lack of it. "People are more conservative with their budgets and are concerned about future rising interest rates." "People stick to their budget more than they used to." "There is a large problem with clients getting finance from and more jobs don't proceed because of bank valuations coming in below project costs."

Clients are also looking to have more control over their project and some are seeking to do some of the work to keep the costs down.

Customer Profiles

Respondents have experienced the largest drop in demand from investors. More than a third of respondents (37.1%) recorded a drop in investors. Demand from first home buyers also took a hit with one in four (24.4%) reporting a drop. For the most part demand from downsizers stayed the same but there was a sizable increase in upgraders, with one in three reporting an increase (34.1%).

