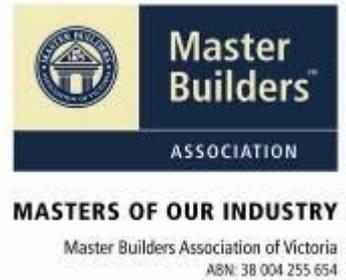


media release



9 December, 2011

Outlook cautiously optimistic for residential builders

The latest Master Builders Business Sentiment Survey of residential builders has revealed a cautiously optimistic outlook despite uncertain economic circumstances.

Of those who responded to the most recent survey, about 44 per cent said they saw their business activity growing marginally over the next twelve months. Another 23 per cent said they expected business activity to remain the same. Only 20 per cent expected a deterioration.

“These results show that our residential members are positive about the year ahead despite a turbulent economic landscape,” Executive Director Brian Welch said.

This positive outlook is all the more remarkable given the low profitability expectations in the three months to November with 29 per cent saying their profitability improved marginally, 48 per cent saying it had remained the same and 12 per cent saying it had actually deteriorated marginally.

About 38 per cent said their current level of business activity was ‘medium’ with 28 per cent reporting it was ‘high’. A further 27 per cent reported their current level of business activity as low to very low.

“Our residential builders are not letting the softening market conditions impact on their outlook for the year ahead,” Mr Welch said.

“The months ahead will be challenging with work on the books looking patchy. About 27 per cent told us they have only one to three months worth of work lined up, about 30 per cent have up to six months worth of work and worryingly, 19 per cent say they have less than a month worth of work.

Mr Welch said that the next twelve months would be critical to the health of the residential building industry and the overall economy.

“It will be interesting to see how things pan out and to see how the industry copes with increased regulations including the Bushfire Management Overlays and the Carbon Tax,” he said.

“We hope the positive outlook of our members is vindicated in the New Year.”

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