

media release



MASTERS OF OUR INDUSTRY

Master Builders Association of Victoria
ABN: 38 004 255 654

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Consumer confidence hurting residential building sector but outlook is positive

Residential builders have revealed that a lack of consumer confidence is the biggest threat to the prosperity of the sector in the latest Master Builders Business Sentiment Survey.

Of those who responded to the survey, 20 per cent said a lack of consumer confidence was the biggest single threat to profitability while a further 18 per cent said excessive or inefficient planning regulations were the biggest threats.

However, the outlook for the coming 12 months was positive with 60 per cent saying they expected business activity to improve and 58 per cent saying they expected profitability to also rise during the next year.

Executive Director Brian Welch said it was heartening to see that residential builders were undeterred by the mass hysteria surrounding the residential property market.

“Our members are telling us that they understand that consumer confidence is having an impact on the industry, but they expect that contraction to level out over the coming year,” Mr Welch said.

“This can be explained by the fact that 63 per cent of respondents said they have at least 4 months of work on their books with 14 per cent reporting they have more than a year’s worth,” he said.

“These builders are not deterred by current economic uncertainty and continue to plough ahead.”

FAST FACTS:

- **20 per cent** of residential builders said a lack of consumer confidence was the biggest single threat to profitability.
- **18 per cent** said excessive or inefficient planning regulations were the biggest threats.
- **60 per cent** said they expected business activity to improve over the next 12 months.
- **58 per cent** saying they expected profitability to also rise during the next year.
- **31 per cent** expect workforce numbers to remain steady over the next 12 months.

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