

Media Release

Correction for construction before sustained future growth expected

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Master Builders has recently released its industry forecasts highlighting a correction for construction in Western Australia before sustained levels growth expected up to 2026/27.

Building activity in WA experienced a significant surge with the implementation of State and Commonwealth stimulus measures during the pandemic, which turbocharged the state's stagnant home building market with new home building starts increasing by 72.0% in 2020-2021, outpacing growth in other states.

With the market now easing off the 2020-21 high peak of 23,297, a correction is expected to reduce starts to 13,530 in 2022-23 before a sustained period of growth is expected that will reach 23,560 in 2026-27, with the proportion of medium-high density increasing.

The non-residential building (Commercial Construction) market in WA is expected to decline in 2022-2023 before a sustained phase of growth leading up to 2026-2027, bringing the volume of non-residential building activity to \$4.85 billion, with industrial building being the strongest performer and retail/commercial also expected to make substantial gains.

Modest but consistent growth is also anticipated in engineering construction activity up to 2026-2027, with government-backed work playing a crucial role, particularly in transport infrastructure.

The WA building and construction industry will continue to be a driving force in the State Economy reaching over \$30 billion in construction activity in 2026/27, employing over 120,000 people and be critical to other industries due to its powerful multiplier effect.

Master Builders WA Executive Director, John Gelavis says the challenge will be to make sure that we put downward pressure on building and construction costs to increase output and address the skill shortage.

“At present these challenges relate to supply of housing, workforce shortages – particularly key trades, bottlenecks in the market for key building materials and products, and increased costs from regulatory changes”.

“To address these pressures, Master Builders WA recommends responses around housing supply, the construction workforce, supply chain risk and cost pressures, simplifying regulatory settings, and providing taxation settings that support investment in housing and productivity”

“We also need real reform for the WA building industry if its going to successfully move forward into the future”



“The Master Builders Building Industry Reform Package highlights 18 recommendations that if adopted by principals, such as the State Government, it will build a better and more sustainable industry for all”, says Mr Gelavis.

Find our Building Industry Reform Package 2022 below.

<https://www.mbawa.com/advocacy-policy/wa-building-industry-reform-package/Copy of WA>

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