FIRST QUARTER 2023

AUSTRALIA REPORT

CONSTRUCTION MARKET INTELLIGENCE

RLB Rider Levett Bucknall

Australia Escalation Forecasts

Easing in 2023 across the country

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Cover: Aerial view of the Art Gallery of New South Wales' new SANAA-designed building, 2022, photo © Iwan Baan

EXECUTIVE SUMMARY

Construction in Australia is facing a perfect storm — surging general inflation, signs of an economic slowdown, stagflation (higher inflation than wage growth), and significant increases in government debt. As a significant contributor to the overall economy, the construction industry is meeting these volatile challenges with uncertainty.

Australia, like many other countries, has experienced sharp increases in construction escalation over the last two years. This has been due to a variety of factors, including sharp changes in material prices, labour costs, and other significant external factors. This, in turn, is causing increased construction costs, project delays due to shortages of labour and materials, and reduced margins for contractors. The added rise in construction costs is placing pressure on developers who are struggling to match these increases with a corresponding increase in project selling project prices. This is impacting project feasibilities and causing commencement delays in new projects.

Over the past two years the major causes of construction escalation in Australia include:

Increased labour costs: Labour costs in Australia have risen consistently over the past decade, driven by factors such as year-on-year Enterprise Bargaining Agreement (EBA) wage increases above inflation and increased demand for skilled workers like electricians, plumbers and carpenters who are then able to command higher wages. This has increased labour costs for construction projects, increasing the overall cost of construction.

Material costs: The cost of materials has risen in Australia, driven by global demand, supply chain disruptions, and currency fluctuations. For example, the cost of steel has increased significantly in recent years due to surges in demand from China, increasing construction costs in Australia.

Compliance and regulations: Governments across Australian have implemented various regulations in recent years aimed at improving safety standards and reducing the environmental impact of the built form. While these regulations are laudable, they have also increased the cost of construction. This comes at a cost but industry is undecided on who should bear the additional cost.

Construction activity: Fast-rising costs and contracts that allocate risk to parties not best-placed to manage them, combined with sharp declines in contractor profitability, have contributed to a sharp rise in construction sector insolvencies over the past two years. This leaves fewer companies to deliver the significant pipeline of work, with many contractors and subcontractors operating at capacity.

Government mega projects: Ten years ago, there was one transport infrastructure project (Brisbane's Airport Link M7 and Northern Busway) in Australia worth more than $5 billion. Today there are nine.

Over the past three years, Australian governments have fast-tracked transport projects in the quest for an infrastructure-led recovery from the COVID-19 recession. These transport projects place pressure on the availability and cost of both material and labour resources, which filters down to all sectors.

Increased climate volatility: Heightened weather has significantly impacted existing projects. There have been severe delays due to inclement weather, and increased material costs due to adverse impacts of flooding, hail and storm damage on entire communities. All these factors lead to increased project costs and place further pressure on the availability of labour. In addition, the urgent remediation works required post extreme weather exacerbate increased material and labour shortages and costs, particularly in regional areas without surplus manpower.

EXECUTIVE SUMMARY

The effects of these factors within the construction sector include:

Reduced profitability: Construction escalation has reduced the profitability of construction projects in Australia, with contractors forced to increase their prices to offset the increased cost of construction. This has made it more difficult for contractors to win new contracts and has led to reduced profits for those that do.

Project delays: Construction escalation has led to project delays, with contractors forced to wait longer for materials and skilled workers, leading to delays in project completion. This can be particularly problematic for projects with tight deadlines; contractors often have to pay penalties for late delivery, increasing their costs.

Reduced investment: Construction escalation has reduced investment in the construction sector. Investors are less willing to finance new projects due to their increased risk and reduced profitability.

Increasing solvency issues: As project costs increase, pressure on the full supply chain increases in line with the project contractual risk allocation. With the number of projects under construction, a profitless boom is occurring, with more companies closing their doors.

Australia's construction industry is under pressure to deliver existing projects contracted under a very different set of circumstances that were evident two or three years ago. Alignment with the current economic challenges will see changes in the future workload and procurement methodologies adopted by both developers and contractors. Reputations and past performances will give way to more stringent solvency investigations and meticulous risk allocation in contracts.

Escalation forecasts from RLB's offices indicate a slowing of the increases seen over the past two years. However, these increases remain higher than the decade averages previously seen across the country. While the volatility has dissipated, the risk of sudden cost surges remains, primarily due to influences that are seemingly beyond the construction industry's control.

CONSTRUCTION WORK DONE, PRELIMINARY - CALENDAR YEAR

CHAIN VOLUME MEASURES (REFERENCE YEAR - 2020-21)

TOTAL WORK DONE - CVM $M	2017	2018	2019	2020	2021	2022
NEW SOUTH WALES	65,119	71,247	68,994	63,375	63,736	63,470
VICTORIA	52,109	60,124	58,802	59,781	58,092	60,755
QUEENSLAND	45,849	45,419	41,340	40,537	41,691	41,003
SOUTH AUSTRALIA	11,810	13,171	12,621	12,135	14,251	14,455
WESTERN AUSTRALIA	51,117	29,655	25,874	27,822	29,815	29,144
TASMANIA	2,980	3,312	3,491	3,372	3,702	3,694
NORTHERN TERRITORY	7,887	5,018	2,135	2,150	2,562	2,705
ACT	3,936	4,193	3,922	3,847	3,688	3,745
AUSTRALIA	**240,904**	**232,206**	**217,135**	**212,992**	**217,534**	**218,971**

Source: ABS Publication 8755 Construction Work Done, Australia, Preliminary

TENDER PRICE INDEX

Like almost all other industries, Australia's construction industry has been continually battered by both domestic and international events that have placed a significant strain on all facets of the sector. A considerable number of influences that arose in 2022 continue to affect all construction stakeholders, with 2023 and 2024 offering little reprise from either intrinsic or extrinsic pressures thus far. RLB's network of offices throughout Australia has identified several common key challenges facing the construction sector, including:

- Persistent labour shortages feeding into overall project cost escalation.
- New 'norms' in the supply chain environment.
- Climate change and inclement conditions influencing projects beyond simple weather delays.
- Government, union, and political influences driving up the demand and cost of labour.
- Heightened financial requirements and subsequent feasibility risks delaying or even cancelling projects.

While some immediate factors such as material costs appear to be stabilising (but critically not declining), other external factors such as those listed above continue to place upwards pressure on construction prices and are unlikely to abate any time soon. A number of these influences will be cemented into the new 'normal' and will need to be considered in the delivery of existing and future projects. The combination of all these factors is likely to further compound construction escalation. Although—positively—the rate of construction escalation is slowing.

The end of the 2022 calendar year, and the start of 2023, have seen some developments move the escalation needle a little to the left. Two of the highest profile escalation drivers—supply chain and material costs—appear to be stabilising.

Overall supply chain pressures, which were a direct consequence of the COVID-19 pandemic, appear to be improving markedly. Overseas shipping and freight costs have been reducing towards pre-pandemic levels. In addition, the cessation of China's zero-COVID policy has eased costs and delays associated with the major exporter's ports. While this has improved material availability, overall lead times are still longer than pre-COVID, and it appears that these timeframes will be entrenched moving forward. Domestically, regional and remote areas are still facing logistical issues due to continuing fuel cost inflation, as well as a general lack of workers available in road transport.

RLB TENDER PRICE ANNUAL % CHANGE AS AT Q1 2023

	2022	2023 (F)	2024 (F)	2025 (F)	2026 (F)
ADELAIDE	12.5	5.0	3.7	3.0	3.0
BRISBANE	10.5	5.1	5.1	5.1	5.1
CANBERRA	5.0	4.5	3.8	3.5	3.0
DARWIN	8.0	5.5	4.5	4.0	4.0
GOLD COAST	15.5	7.5	5.0	5.0	4.0
MELBOURNE	8.0	5.0	3.5	3.5	3.5
PERTH	9.4	5.6	4.4	3.6	3.0
SYDNEY	6.9	4.0	3.5	3.5	3.5
TOWNSVILLE	12.6	8.0	5.0	4.0	4.0

TENDER PRICE INDEX

Material cost escalation, caused by both pent-up demand and reduced supply, is also beginning to ease. One positive sign is that raw commodity prices have largely stabilised over the past quarter. Although there is a general six month lag between raw material costs and material procurement by builders. Nevertheless, there are early positive signs of less volatility and risk in the pricing of certain materials. This is reinforced by the ABS Producer Price Index. The Index demonstrates that the output index of several domestically manufactured items (such as timber wood product, structural steel, furniture, and architectural aluminium products) grew significantly less in the fourth quarter of 2022 compared to earlier quarters. It is important to note, however, that other critical items such as sheet metal products, concrete, and plasterboard continue to see costs escalate but with the rise easing.

Wider extrinsic factors will continue to drag the escalation needle to the right, despite easing supply chain pressures and material costs uplifts. The most obvious and extensively discussed driver is labour shortages, which now seem to be entrenched in the wider economy. The Australian Government is attempting to alleviate some immigration issues through a number of incentives, such as extending the Working Holiday Visa to two (or even three) years for construction jobs. Construction managers, civil engineers, and electricians have also been placed on the Skilled Priority List. However, a report commissioned by the Australian Institute of Project Management shows that the bulk of organisations fail to attract and nurture emerging professionals. Moreover, these government initiatives are unlikely to fully offset the expected increase in the cost of labour when a significant number of construction EBAs (which expire on 31 March 2023) are renegotiated. It is expected that construction wages will increase slightly less than headline inflation over the next four year period. This is because previous increases were significantly greater than the historical Consumer Price Index (CPI).

Furthermore, significant climate events continue to have an impact on both material and labour availability. For example, remediation works as a result of flooding in Queensland, and hail storms in Canberra, almost three years ago continue to place additional pressure on skilled resources. The latter example is still having a knock-on-effect on roofing material as works continue at the ANU, and other sites such as the CSIRO and National Gallery. Beyond this, climate risks are now being examined much more closely, even as the multi-year long La Nina weather pattern is appearing to recede. Further financial strain on projects will continue to arise through increases in insurances as well as tightened scrutiny on contract programs.

The departure from 'low-cost money' that most businesses and wage earners became accustomed to over the past five years is proving to be a shock to many. Increased finance costs have meant that major construction lenders have increased their due diligence before lending. The high interest environment may slightly tamper the residential building sector. Cash rates significantly affect projects in the build-to-sell sector. Some planned projects are no longer feasible due to the cost to build, as well as reduced selling prices and demand from purchasers who are able to afford less. Some developers are adopting a 'wait and see' approach, banking development sites until conditions become more favourable. While this may slightly balance out some of the upwards escalation influences in the residential sector, the same cannot be said for the non-residential and engineering sectors which have different catalysts for new development commencements than the residential market.

ABS PRODUCER PRICE INDEX

OUTPUTS TO CONSTRUCTION (COST TO DEVELOPER / END USER) CY

	OUTPUTS TO CONSTRUCTION INDEX – CALENDAR YEAR						
	30 BUILDING CONSTRUCTION	3011 HOUSE CONSTRUCTION	3019 OTHER RESIDENTIAL BUILDING CONSTRUCTION	3020 NON-RESIDENTIAL BUILDING CONSTRUCTION	31 HEAVY AND CIVIL ENGINEERING CONSTRUCTION	3101 ROAD AND BRIDGE CONSTRUCTION	3109 OTHER HEAVY AND CIVIL ENGINEERING CONSTRUCTION
2018	**2.3%**	1.7%	3.0%	**2.4%**	**4.1%**	5.0%	3.8%
2019	**0.8%**	-0.5%	1.6%	**1.4%**	**1.8%**	1.1%	2.0%
2020	**0.8%**	2.9%	-0.7%	**0.0%**	**0.7%**	-0.3%	0.9%
2021	**7.8%**	11.1%	5.6%	**6.4%**	**5.6%**	4.4%	5.9%
2022	**11.4%**	17.2%	8.1%	**8.7%**	**9.6%**	11.0%	9.3%

Source: ABS

RLB MARKET ACTIVITY CYCLE

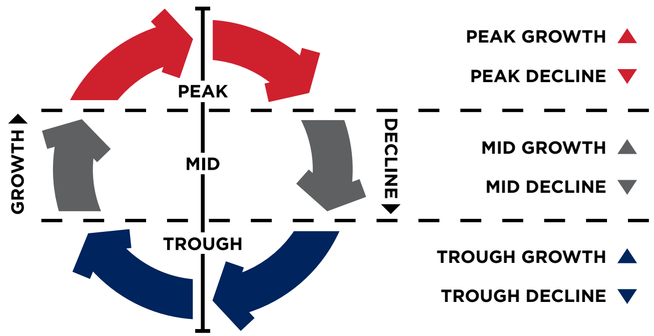
From a year-on-year basis, total construction work done across Australia in the December quarter 2022 was up by 1.0% compared to the same quarter in 2021. Positively, the latest figures indicate that the building and construction industry looks like it has now largely passed the COVID period.

This small 1% increase in work done in Q4 22 is buttressed solely by the apartments and engineering sectors, which saw work done appreciate by 20% and 4% respectively compared to Q4 21. However, it should be noted that the apartment work done in Q4 21 was at a relatively low level. As such, the 20% increase in work done in Q4 22 indicates that the apartment sub-sector is returning to relative normalcy, rather than being the indication of a boom. Engineering work done is comfortably above long-term averages.

Looking forward, RLB's offices around the country have seen a shift of sectors within the activity cycle to the more moderate 'mid zone'. Previously, 30.6% of all sectors were in the 'peak zone'. Over the past three months, this has fallen to 26.7%. The same is seen within the 'trough zone', which experienced a downward movement from 37.1% to 32.5%. This movement of the cycle towards the mid zone highlights the softening of former peak performing sectors within Australia, namely housing and health. It also highlights the strengthening of the historically weaker apartment, hotel and infrastructures sectors in some key cities that are coming from the bottom of the cycle. The mid zone has risen from 32.2% of all sectors to now number 40.7%.

As was the case in the activity zones, RLB has seen a weakening of sectors within the growth phase of their cycles. Seven sectors moved from the growth phase to the trough phase. These were predominantly within the residential market; almost all RLB's offices have detected a softening within the residential market's activity cycle.

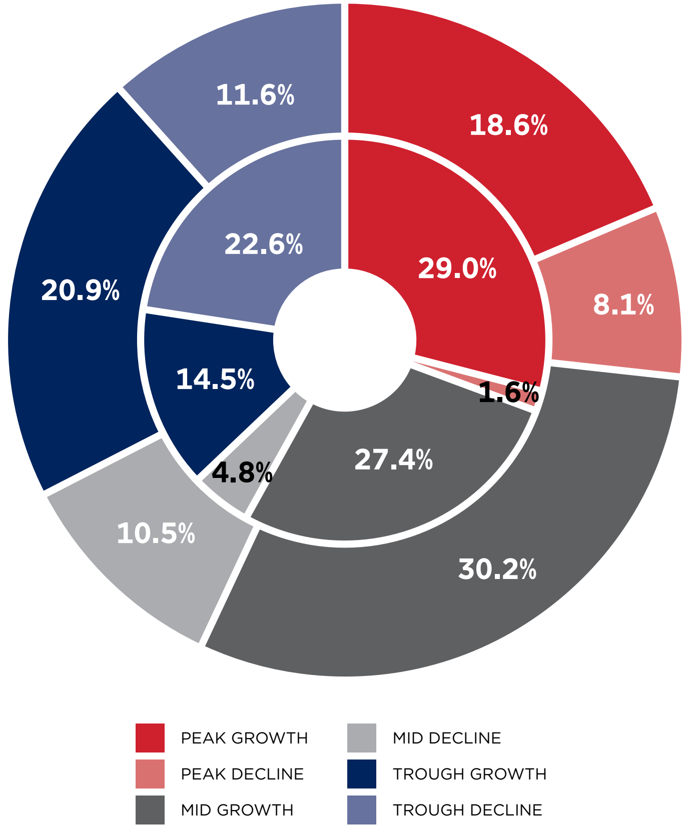
RLB MARKET SECTOR ACTIVITY CYCLE



Activity within the construction industry traditionally has been subject to volatile cyclical fluctuations. The RLB Market Activity Cycle (cycle) is a representation of the development activity cycle for the construction industry within the general economy.

Within the general construction industry, RLB considers seven sectors to be representative of the industry as a whole. These sectors are: houses, apartments, offices, industrial, retail, hotel and civil.

Each sector is assessed as to which of the three zones (peak, mid and trough) best represents the current status of the sector within the cycle, then further refined by identifying whether the current status is in a growth phase or a decline phase.



INNER RING - MARKET SECTORS AS AT Q4 2022
OUTER RING - MARKET SECTORS AS AT Q1 2023

ADELAIDE

MARKET SUMMARY

The South Australian economy is expected to continue to grow in the new year, but at a slower pace. Tighter financial conditions, cost of living pressures and high energy prices are all expected to have a dampening influence on growth in 2023.

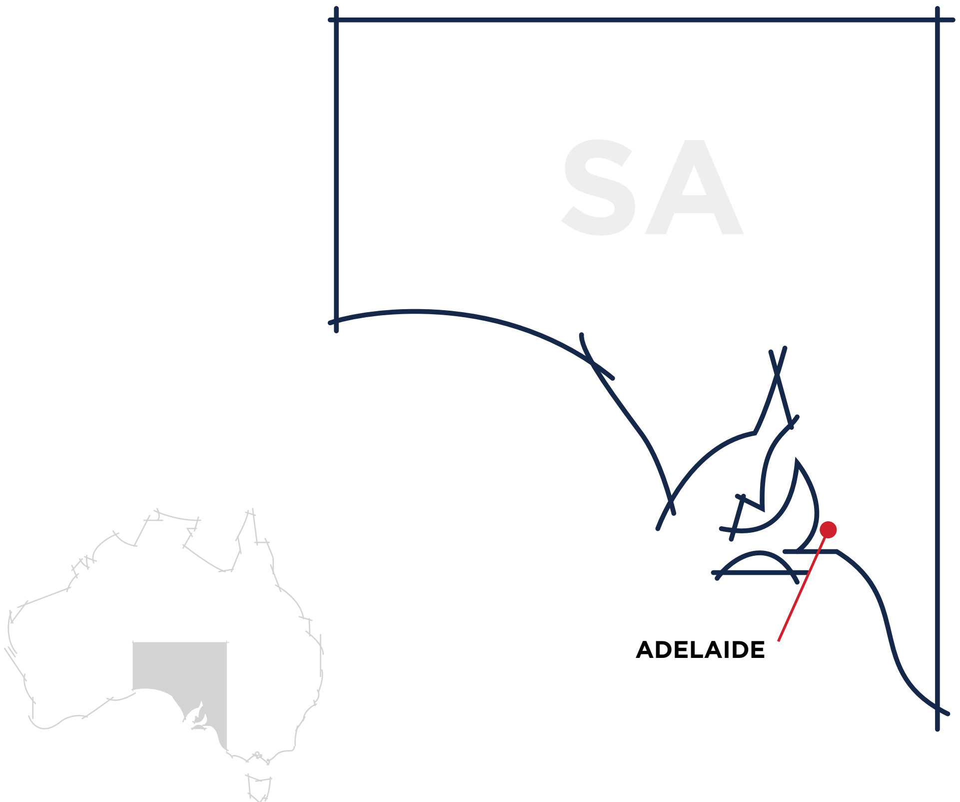
The South Australian and Federal Government continues to release new project opportunities into the SA market with healthcare, education, defence and road infrastructure projects forming a large part of the current investment.

After two years of rapid growth, the state economy is now operating at a very high level of capacity utilisation with unemployment at low levels. Public spending has turned down, and dwelling investment fell in the quarter, but business investment and household consumption have remained resilient so far.

Supply chain issues have improved however labour shortages and associated increasing labour costs will continue to put pressure on prices.

RESIDENTIAL ACTIVITY	NON-RESIDENTIAL ACTIVITY	ENGINEERING ACTIVITY
+7.5%	-2.9%	+0.4%
$4.0 B	$3.2 B	$7.3 B

Percentages represent change in work done YoY for CY 2022
Values represent total value of work done for CY 2022



SA 2022 WORK DONE
▲ 1.4% or $205M YoY

2022 BUILDING APPROVALS
▲ by 33.0%

ADELAIDE CPI
▲ 1.7% QoQ

WORK YET TO BE DONE
▲ 29.1% YoY

ADELAIDE

KEY SECTOR COMMENTARY

AGED CARE	Aged care remains steady with some providers now looking to defer new projects.
APARTMENT	High interest rates and associated finance restrictions seem to be impacting the commencement of new apartment developments. Developers are becoming more cautious.
COMMERCIAL	Commercial work remains steady, despite caution regarding office demand in the future. Developers remain optimistic, with two large office towers currently under construction.
HEALTH	The next phase of public healthcare projects is significant and now well underway, underpinned by the New Women's & Children's Hospital project which will commence construction next year.
HOTEL	A number of hotels have been completed recently with demand for new developments remaining strong on the back of continuing low vacancy rates and an increasing tourism sector.
HOUSING	The housing market remains strong. Material supply shortages seem to have improved. However, labour shortages remain an issue.
INDUSTRIAL	The industrial market is experiencing steady growth, with increasing technology-based developments.
INFRASTRUCTURE	The South Australian Government is increasing its infrastructure investment expenditure to provide an expanded pipeline of projects.
RETAIL	Retail developments remain subdued. This was initially due the impact of COVID-19 and has now been exacerbated by the RBA's increased interest rates.

SOUTH AUSTRALIA - VALUE OF WORK DONE

(ORIGINAL CVM, $M)

CALENDAR YEARS	RESIDENTIAL				TOTAL NON RES	TOTAL BUILDING	TOTAL ENGINEERING	TOTAL CONSTRUCTION
	NEW HOUSES	APARTMENTS	OTHER	TOTAL				
2016	2,020	677	473	**3,170**	**1,919**	5,078	**5,011**	**10,089**
2017	2,130	783	464	**3,377**	**2,217**	5,585	**6,225**	**11,810**
2018	2,216	969	495	**3,680**	**2,669**	6,343	**6,828**	**13,171**
2019	2,134	813	496	**3,444**	**2,590**	6,030	**6,591**	**12,621**
2020	2,350	792	491	**3,633**	**2,608**	6,234	**5,900**	**12,135**
2021	2,516	652	557	**3,724**	**3,261**	6,988	**7,263**	**14,251**
2022	2,678	761	563	**4,002**	**3,165**	7,167	**7,289**	**14,455**
PRE COVID-19 2022 v 2019	25.5%	-6.4%	13.5%	**16.2%**	**22.2%**	18.8%	**10.6%**	**14.5%**
2022 v 2021	6.4%	16.8%	1.2%	**7.5%**	**-2.9%**	2.6%	**0.4%**	**1.4%**

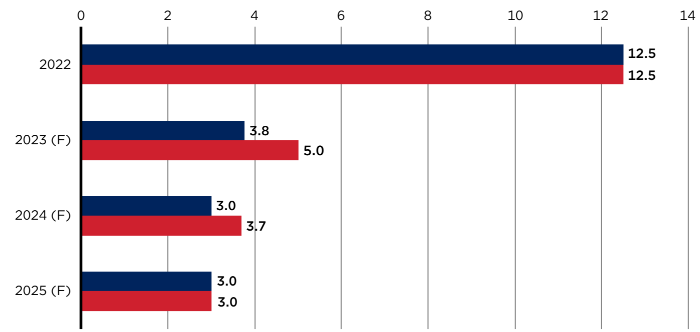
CONSTRUCTION ESCALATION

Business expenses seem to be escalating, while margins are contracting. Labour shortages and wage increases are a major factor, placing pressure on both project costs and delays. Material costs seem to be stabilising. However, energy input costs are likely to maintain pressure on material costs moving forward. Interest rates are likely to provide further restrictions on the commencement of future projects, particularly in the residential sector.

Supply chain disruptions as a consequence of the COVID-19 pandemic seem to be improving. Oversees shipping costs also seem to be reducing towards pre-pandemic levels.

RLB TENDER PRICE INDEX

ANNUAL % CHANGE



Blue line - previous TPI uplift percentage as at Q3 2022
Red line - current TPI uplift percentage as at Q1 2023

Ovingham Level Crossing, Adelaide, Australia

West Village Shopping Precinct, Brisbane, Australia

BRISBANE

MARKET SUMMARY

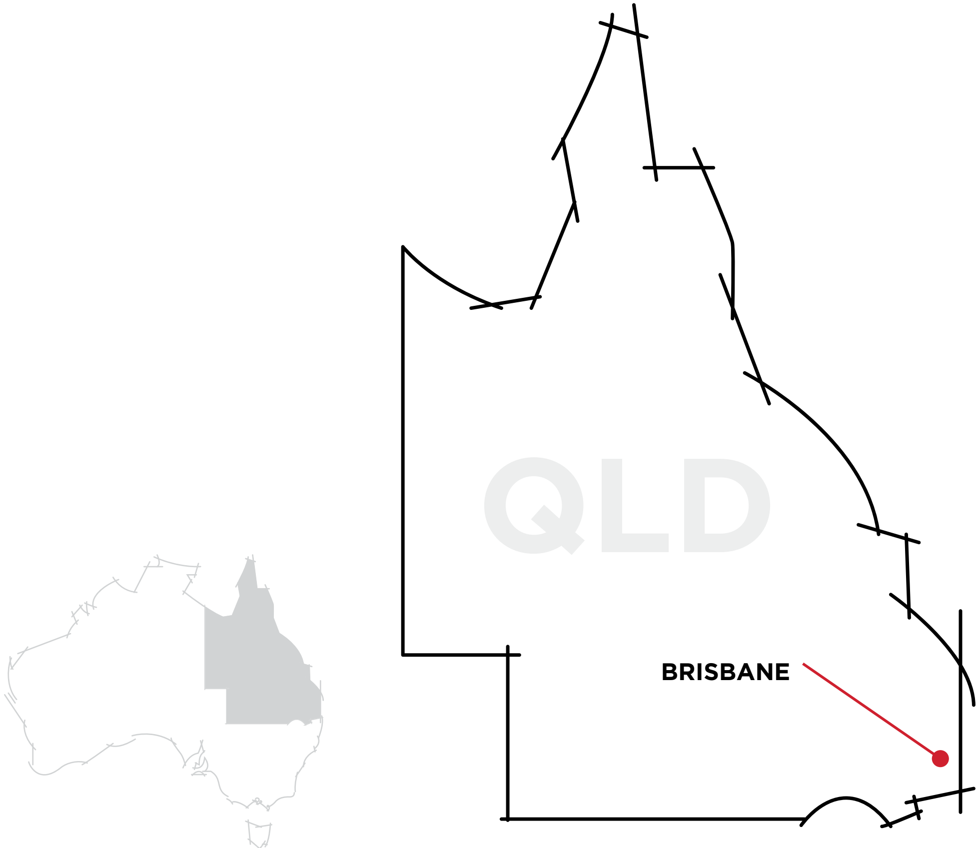
Construction activity in buildings fell by 3.4% to 31 December 2022 compared to the previous year. The total building work done was $21.1 billion, of which $12.8 billion was residential construction. As such, a slowdown in the residential sector will have a major impact on the market. This will be offset to some extent by the increasing health expenditure over the next five years.

Engineering work done in the year ending 31 December 2022 was $19.9 billion; a small decrease of 0.3% on the previous year. The most active sectors were heavy industry, electricity and roads. Major engineering projects include the Cross River Rail, Inland Rail and the Brisbane Metro, as well as upgrades to the M1 north and south of Brisbane.

Major projects include the recently commenced $2 billion Waterfront Precinct development by Dexus, and the ongoing construction of Queens Wharf that is forecast to see the first stages open later this year. Other major projects under construction include 205 North Quay, 360 Queen Street, West Village and 443 Queen Street.

RESIDENTIAL ACTIVITY	NON-RESIDENTIAL ACTIVITY	ENGINEERING ACTIVITY
-10.4%	+9.7%	+0.3%
$12.7 B	$8.3 B	$19.9 B

Percentages represent change in work done YoY for CY 2022
Values represent total value of work done for CY 2022



QLD 2022 WORK DONE
▼ 1.6% or $687M

2022 BUILDING APPROVALS
▲ 6.2% YoY for CY'22

BRISBANE CPI
▲ 1.5% for Q4 2022

WORK YET TO BE DONE
▲ by 19.8% for Q3 2022

BRISBANE

KEY SECTOR COMMENTARY

AGED CARE	Activity in aged care remains steady however major new projects have struggled for funding due to the revenue model.
APARTMENT	Increased interest rates have slowed demand and increased construction costs have resulted in challenges to the feasibility of residential projects.
COMMERCIAL	Commercial activity is strong with major developments Waterfront Precinct, 205 North Quay and 360 Queen Street are under construction.
HEALTH	The States Capacity Expansion program is underway with $10bn expenditure across 15 Hospitals over the next 5 years that will test the capacity of the market to deliver.
HOTELS	Hotels appear to have recovered from the impacts of COVID and activity remains strong with three new hotels to open at Queens Wharf and the potential subsequent re-positioning of the Treasury Hotel.
HOUSING	Increasing interest rates have slowed demand resulting in a slow-down of activity.
INDUSTRIAL	The Industrial sector remains strong with demand for increased storage facilities and distribution centres.
INFRASTRUCTURE	Infrastructure remains strong with a range of major rail and road projects.
RETAIL	Retail continues to struggle due to the impacts of COVID tenancy closures, and online shopping.

QUEENSLAND - VALUE OF WORK DONE

(ORIGINAL CVM, $M)

CALENDAR YEARS	RESIDENTIAL				TOTAL NON RES	TOTAL BUILDING	TOTAL ENGINEERING	TOTAL CONSTRUCTION
	NEW HOUSES	APARTMENTS	OTHER	TOTAL				
2016	7,505	6,903	1,671	**16,079**	**7,731**	23,796	**20,090**	**43,885**
2017	7,556	5,801	1,584	**14,941**	**8,025**	22,963	**22,886**	**45,849**
2018	7,310	4,854	1,774	**13,939**	**7,805**	21,749	**23,670**	**45,419**
2019	6,702	4,337	1,924	**12,964**	**7,778**	20,746	**20,594**	**41,340**
2020	6,413	3,474	2,195	**12,082**	**8,327**	20,417	**20,121**	**40,537**
2021	7,930	3,741	2,566	**14,237**	**7,598**	21,832	**19,859**	**41,691**
2022	6,674	4,027	2,052	**12,753**	**8,335**	21,088	**19,915**	**41,003**
PRE COVID-19 2022 v 2019	-0.4%	-7.2%	6.6%	**-1.6%**	**7.2%**	1.6%	**-3.3%**	**-0.8%**
2022 v 2021	-15.8%	7.6%	-20.0%	**-10.4%**	**9.7%**	-3.4%	**0.3%**	**-1.6%**

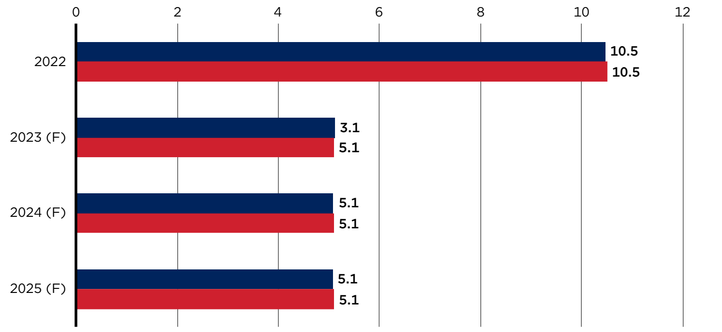
CONSTRUCTION ESCALATION

The rate of increase in construction cost escalation appears to have slowed in late 2022 and early 2023. However, this may be a temporary relief; the roll out of Queensland's Capacity Expansion Program, which will build 15 hospitals, has commenced. Tenders are currently in the market for contractors. This Program will test market capacity for Tier 1 contractors and Tier 1 sub-contractors, as well as the availability of skilled resources for key trades including formwork, ceiling and partitions, joinery, building services and vinyl.

Supply chain issues have eased with reduced freight costs. The significant increase in contraction costs over the past two years, as well as rising interest rates, has seen a slow-down in activity in the residential sector, particularly apartments. However, the right product in the right location is still in demand.

RLB TENDER PRICE INDEX

ANNUAL % CHANGE



Blue line - previous TPI uplift percentage as at Q3 2022
Red line - current TPI uplift percentage as at Q1 2023

CANBERRA

MARKET SUMMARY

The Canberra market remains buoyant with major government projects under construction including the Canberra Hospital and the Australian War Memorial. In addition, the enabling works at the Canberra Institute of Technology are almost complete, making way for the start of construction of the new state-of-the-art CLT campus facility in Woden.

Projects in planning include the $316 million Ngurra, the proposed Aboriginal and Torres Strait Islander Cultural precinct within the Parliamentary Triangle, as well as Light Rail Stage 2. The tender for the design of the new Canberra Theatre recently closed with works to commence within this quarter. Various public and private education projects, either in construction or design, dominate the medium sized project sector.

RESIDENTIAL ACTIVITY	NON-RESIDENTIAL ACTIVITY	ENGINEERING ACTIVITY
+0.1%	+6.8%	-2.8%
$1.9 B	$1.2 B	$0.7 B

Percentages represent change in work done YoY for CY 2022
Values represent total value of work done for CY 2022

ACT 2022 WORK DONE

▲ 1.5% or $56M

2022 BUILDING APPROVALS

▼ 23.4% YoY for CY’22

CANBERRA CPI

▲ 1.2% QoQ for Q4 2022

WORK YET TO BE DONE

▲ by 22.6% YoY for Q3 2022

CANBERRA

KEY SECTOR COMMENTARY

AGED CARE	There has been a marked decrease in major apartment projects. Smaller scale and town house development remains strong.
APARTMENT	Many major base building projects are nearing completion. However, there is still a strong pipeline of government fit-out projects.
COMMERCIAL	Work continues on the $632 million Canberra Hospital Extension, with approximately 50% of the project complete. Other campus works related to the master planning are in the market for design.
HEALTH	Interest in the health sector is increasing with future projects in early feasibility and planning stages.
HOTELS	There has been a marked decrease in major apartment projects. Smaller scale and town house development remains strong.
INFRASTRUCTURE	Major roads improvements and bridge projects are in the planning stage, as is Light Rail Stage 2.

AUSTRALIAN CAPITAL TERRITORY - VALUE OF WORK DONE

(ORIGINAL CVM, $M)

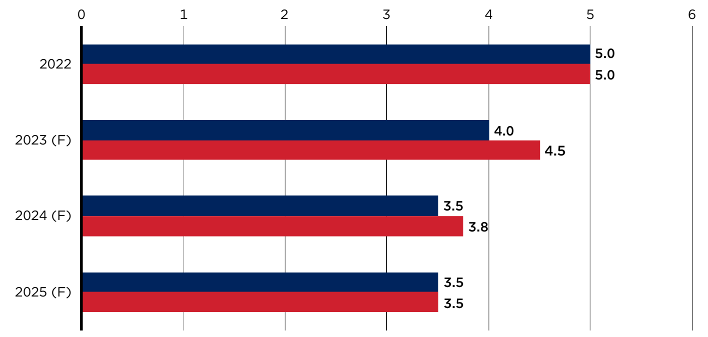
CALENDAR YEARS	RESIDENTIAL NEW HOUSES	APARTMENTS	OTHER	TOTAL	TOTAL NON RES	TOTAL BUILDING	TOTAL ENGINEERING	TOTAL CONSTRUCTION
2016	468	1,125	137	**1,730**	**1,023**	2,753	**865**	**3,618**
2017	443	1,153	138	**1,733**	**1,122**	2,856	**1,081**	**3,936**
2018	581	1,156	135	**1,872**	**1,340**	3,212	**981**	**4,193**
2019	569	1,333	178	**2,079**	**1,128**	3,208	**714**	**3,922**
2020	592	1,323	182	**2,097**	**1,127**	3,224	**623**	**3,847**
2021	561	1,177	173	**1,911**	**1,091**	3,001	**687**	**3,688**
2022	599	1,164	148	**1,912**	**1,165**	3,077	**668**	**3,745**
PRE COVID-19 2022 v 2019	5.4%	-12.7%	-16.5%	**-8.1%**	**3.2%**	-4.1%	**-6.5%**	**-4.5%**
2022 v 2021	6.8%	-1.1%	-14.0%	**0.1%**	**6.8%**	2.5%	**-2.8%**	**1.5%**

CONSTRUCTION ESCALATION

While there has been a softening in the cost of some materials, overall construction costs remain at a higher level—driven by increased labour costs. RLB expects cost to plateau over the year ahead.

RLB TENDER PRICE INDEX

ANNUAL % CHANGE



Blue line - previous TPI uplift percentage as at Q3 2022

Red line - current TPI uplift percentage as at Q1 2023

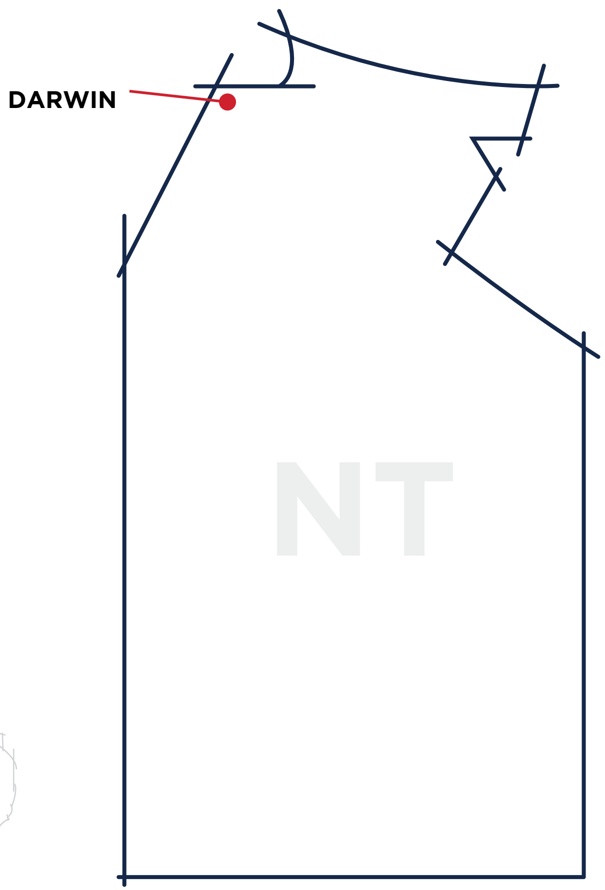
CURRENT MARKET CONDITIONS

Government funding is helping bolster construction activity in the Northern Territory. For example, the Australian Government (as well as international governments like the United States) are investing significantly in the defence sector throughout the Northern Territory. In addition, both the Australian and Northern Territory governments are investing in major road infrastructure.

Charles Darwin University is currently constructing its largest project in Darwin's Central Business District, and has other major projects in the planning phase. The other project of significance, which is also in the planning phase, is the National Aboriginal Arts Gallery.

RESIDENTIAL ACTIVITY	NON-RESIDENTIAL ACTIVITY	ENGINEERING ACTIVITY
-6.3%	+7.5%	+7.5%
$329 M	$545 M	$1.8 B

Percentages represent change in work done YoY for CY 2022
Values represent total value of work done for CY 2022



NT 2022 WORK DONE
▲ 5.6% or $143M

2022 BUILDING APPROVALS
▼ 30.4% YoY for CY'22

DARWIN CPI
▲ 0.9% QoQ for Q4 2022

WORK YET TO BE DONE
▼ by 12.7% YoY for Q3 2022

KEY SECTOR COMMENTARY

AGED CARE	The Territory is a transient place and therefore many people move on after a period of years, generally choosing to retire elsewhere. This has a negative impact on the requirement for aged care in comparison to other states.
APARTMENT	The feasibility of private residential projects is becoming somewhat challenging due to increasing construction costs, coupled with steadying sales prices.
COMMERCIAL	For a few years now, the commercial sector has been very slow, with only been one or two active projects in the Territory at any one time. The vacancy rates in Darwin have slightly improved from 17% in mid-2022 to 15% in January 2023.
HEALTH	The Royal Darwin Hospital is the major health site in the Northern Territory, which continued to undergo refurbishments, albeit via smaller projects. Regional councils are seeking funding to deliver smaller health clinics for Indigenous communities in remote areas.
HOTELS	Darwin has a need for at least one or two new hotel offerings. There is a major hotel planned for the Darwin Waterfront as well as other opportunities within the CBD.
HOUSING	Growing – noting the Government has committed $66 million in 2022-23 to progress residential land release across the Territory in Greater Darwin, Katherine and Alice Springs to support housing for people who want to call the Territory their home
INDUSTRIAL	A growing sector with various projects in the planning phase, mainly outside the CDB of Darwin itself.
INFRASTRUCTURE	The federal government has allocated significant level of funding (a large piece of the national pie in the order of $2.5 Bn). This is an unprecedented outcome for the Territory and will see huge pressures to local contractors to actually deliver the planned works.
RETAIL	Similar to Commercial Sector – not a lot of activity occurring.

NORTHERN TERRITORY - VALUE OF WORK DONE

(ORIGINAL CVM, $M)

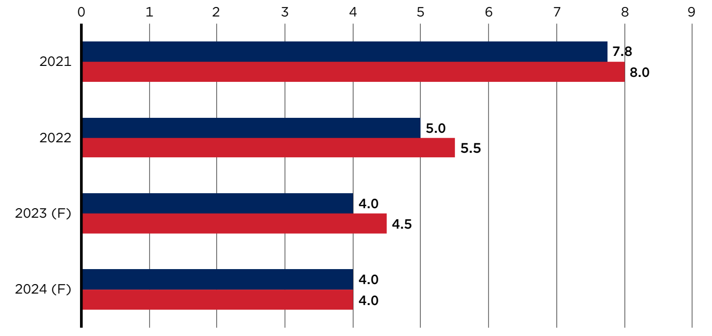
CALENDAR YEARS	RESIDENTIAL				TOTAL NON RES	TOTAL BUILDING	TOTAL ENGINEERING	TOTAL CONSTRUCTION
	NEW HOUSES	APARTMENTS	OTHER	TOTAL				
2016	322	139	107	**568**	**762**	1,330	**6,493**	**7,822**
2017	260	71	109	**440**	**663**	1,103	**6,784**	**7,887**
2018	222	87	128	**437**	**617**	1,054	**3,964**	**5,018**
2019	174	40	118	**332**	**459**	792	**1,343**	**2,135**
2020	164	39	137	**340**	**506**	846	**1,304**	**2,150**
2021	200	36	115	**352**	**506**	858	**1,704**	**2,562**
2022	182	27	121	**329**	**545**	874	**1,831**	**2,705**
PRE COVID-19 2022 v 2019	4.8%	-33.7%	2.1%	**-0.9%**	**18.5%**	10.4%	**36.3%**	**26.7%**
2022 v 2021	-9.3%	-26.4%	5.3%	**-6.3%**	**7.5%**	1.9%	**7.5%**	**5.6%**

CONSTRUCTION ESCALATION

The construction industry in the Northern Territory is growing, particularly in the infrastructure and defence sectors. Cost increases have been experienced in most trades caused by both fragmented supply chain issues and labour shortages. This has led to volatile pricing in areas of the sub-contractor market. Contractor margins are also moving upwards and are now dependent upon contractors' appetite for each individual project.

RLB TENDER PRICE INDEX

ANNUAL % CHANGE



Blue line - previous TPI uplift percentage as at Q3 2022
Red line - current TPI uplift percentage as at Q1 2023

GOLD COAST

CURRENT MARKET CONDITIONS

Queensland's construction activity saw a fall of 1.6% for CY22, with almost all of the decrease attributed to the residential sector which saw new house activity drop by 15.8%. This dragged the whole residential sector downwards by 10.4%, despite work done in the apartment sector appreciating (+7.6%). On a wider scale, the non-residential, and engineering sectors performed comparatively better, with work done growing by 9.7% and 0.3% respectively.

Activity on the Gold Coast centred around the residential sector, focussed on apartment delivery. This is now a record level of over 56 cranes servicing residential projects on the Gold Coast.

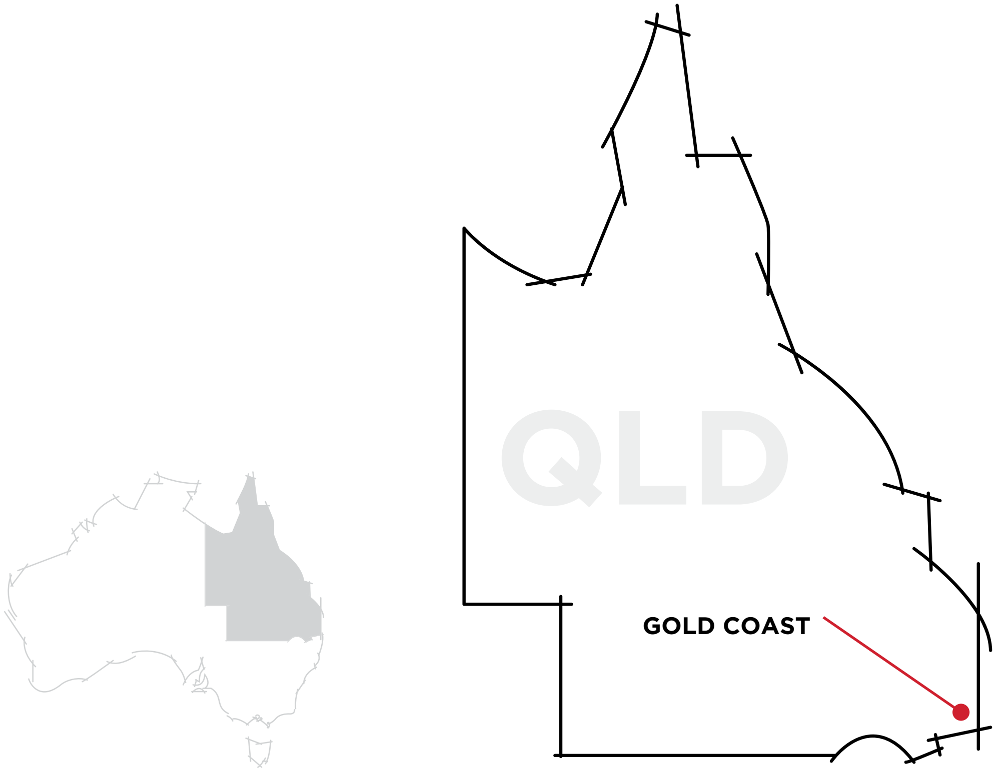
This appears to have been reflected through the number of dwellings approved in Queensland during 2022; although the value of approvals in Queensland increased by 2% (due to significant cost escalation), the actual number of new homes approved dropped 18.9%.

The total number of apartments approved in 2022 increased by approximately 25.6% on value, although this represents a 0.4% drop in the total number of apartments approved.

Due to increased feasibility pressures, it is likely that the value of project commencements will be significantly lower than the approvals data suggests.

RESIDENTIAL ACTIVITY	NON-RESIDENTIAL ACTIVITY	ENGINEERING ACTIVITY
-10.4%	+9.7%	+0.3%
$12.7 B	$8.3 B	$19.9 B

Percentages represent change in QLD work done YoY for CY 2022
Values represent total value of QLD work done for CY 2022



QLD 2022 WORK DONE
▼ 1.6% or $687 M

2022 BUILDING APPROVALS - GOLD COAST (LGA)
▲ 21.1% YoY for CY'22

BRISBANE CPI
▲ 1.5% QoQ for Q4 2022

QLD WORK YET TO BE DONE
▲ by 19.8% YoY for Q3 2022

GOLD COAST

KEY SECTOR COMMENTARY

AGED CARE	Activity in aged care remains stable, with several projects under construction. However, demand is being held back by staffing shortages and the revenue model.
APARTMENT	Apartment construction continues to grow, with a large volume of new construction starts in 2022; the owner-occupier product is leading the sector. The buoyant activity over the past 12 months is expected to slow due to rising interest rates and high construction costs, leading to erosion of project feasibility.
COMMERCIAL	Commercial activity is stable on the Gold Coast, and lower vacancy rates will see smaller market offerings continue to be developed into 2023.
HEALTH	Construction activity in health is increasing with satellite hospitals under construction and several private health providers due to commence projects at Coomera and Robina. The major public hospital redevelopments are in the planning phase, with delivery timeframes dependent on funding.
HOTELS	Hotel activity remains strong with several world-class brands and operators confirmed on the Gold Coast and interest in investment in the sector. Refurbishments continue to upgrade existing ageing stock.
HOUSING	Housing has been the strongest performing sector in Queensland for the past two years. This is expected to slow as the impact of higher interest rates takes effect.
INDUSTRIAL	Industrial continues to be strong with demand for greater storage capacity due to supply chain issues and increased online shopping and logistics developments.
INFRASTRUCTURE	Infrastructure will be boosted by the Light Rail Stage 3 commencement and Coomera Connector with existing upgrades to the M1 ongoing.
RETAIL	Retail continues to suffer, with the major focus on re-purposing to replace departing tenants and asset repositioning.

GOLD COAST - ABS APPROVAL DATA

CALENDAR YEARS (SA2 REGIONS)

	2018	2019	2020	2021	2022
HOUSES	932	**753**	**642**	836	**819**
APARTMENTS	**1,396**	**947**	794	**1,770**	2,563
RENOVATION	**163**	193	**200**	277	308
TOTAL RESIDENTIAL	**2,492**	**1,893**	**1,635**	**2,883**	**3,691**
NON RESIDENTIAL	1,194	853	776	1,185	1,236
TOTAL BUILDING APPROVALS $	**3,686**	**2,746**	**2,411**	**4,068**	**4,926**
HOUSES	2,675	2,130	1,727	1,825	1,270
APARTMENTS / OTHER	3,740	2,703	2,077	4,164	4,386
TOTAL DWELLING APPROVALS #	**6,415**	**4,833**	**3,804**	**5,989**	**5,656**
AVERAGE COST OF DWELLING	*362.96*	*351.80*	*377.43*	*435.19*	*598.00*

CONSTRUCTION ESCALATION

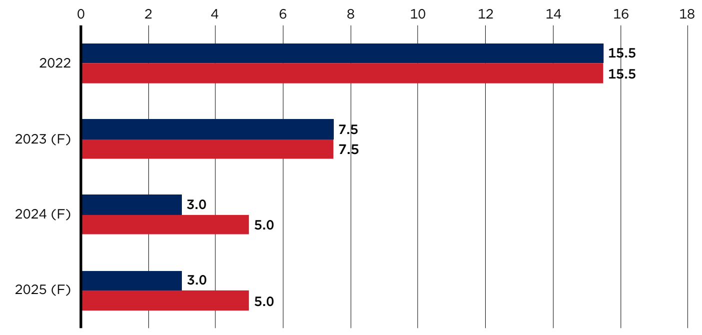
Early signs indicate that cost pressures will persist in 2023. Despite some easing in supply chain constraints and reduced freight costs, the lack of trade contractor resourcing is leading to capacity challenges and reducing competition. This is coupled with labour market constraints and availability concerns, resulting in continued forecast escalation across labour inputs into construction costs.

The substantial cost escalation seen in the past 24 months and increased interest rate settings has led to several residential projects being placed on hold. This may have some impact in improved availability later in 2023, particularly in ground works and early works trades.

The continuation in cost pressures has resulted in forecast escalation for 2023 of 7.5% for the region. However, this may vary depending on further deferment of new residential project commencements.

RLB TENDER PRICE INDEX

ANNUAL % CHANGE



Blue line - previous TPI uplift percentage as at Q3 2022
Red line - current TPI uplift percentage as at Q1 2023

HOBART

CURRENT MARKET CONDITIONS

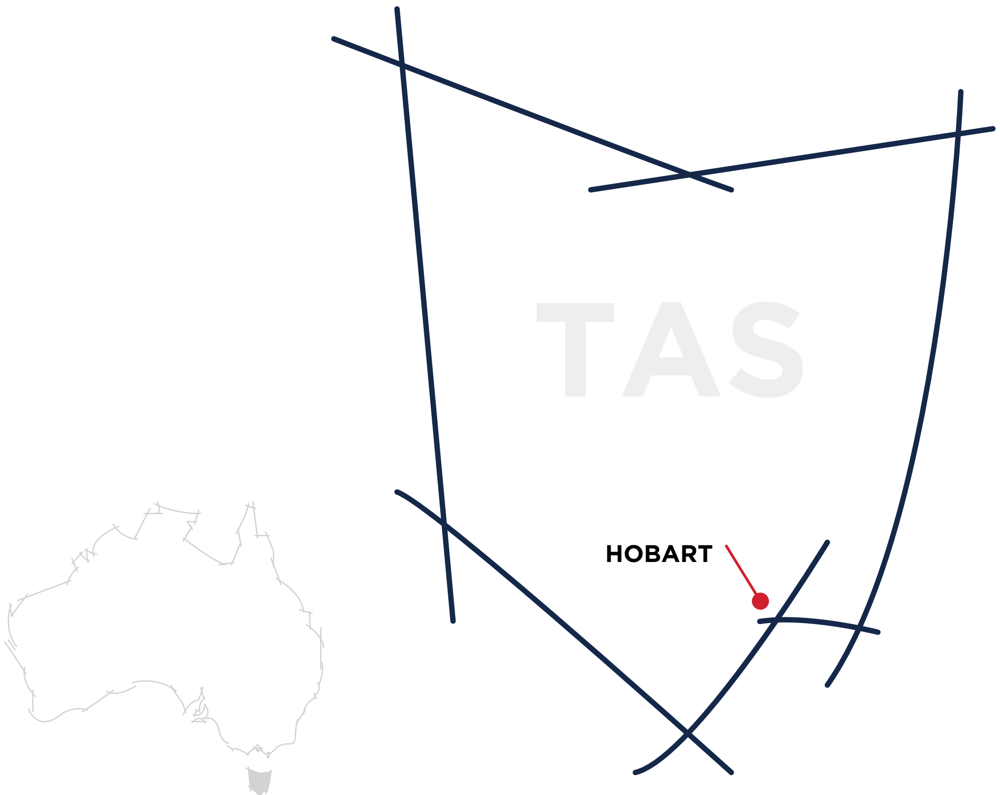
The construction sector in Tasmania has maintained its strength on a quantitative level; FY22 saw the state reach a new high in terms of total construction work done, with particular strength shown in the residential and engineering sectors. Importantly, construction activity remains elevated and is comfortably sitting above pre-COVID levels.

A large amount of work should continue to flow in through the engineering sectors, particularly the bridges and railways sub-sector. Construction of the $786 million New Bridgewater Bridge has started, representing the single largest transport infrastructure project in Tasmania.

The overall outlook for Tasmania is largely positive, with construction activity forecast to remain at near record highs in 2023. Much of this will be buoyed by the engineering sector (as mentioned above), and also by the roads and water sub-sectors; projects funded as part of the Tasmanian Government's 2020-21 Budget infrastructure program are commencing.

RESIDENTIAL ACTIVITY	NON-RESIDENTIAL ACTIVITY	ENGINEERING ACTIVITY
-12.2%	+3.7%	+7.4%
$1.2 B	$685 M	$1.9 B

Percentages represent change in work done YoY for CY 2022
Values represent total value of work done for CY 2022



TAS 2022 WORK DONE

▼ 0.2%% or $8 M

2022 BUILDING APPROVALS

▼ 3.7% YoY for CY'22

HOBART CPI

▲ 1.5% QoQ for Q4 2022

WORK YET TO BE DONE

▲ by 28.8% YoY for Q3 2022

KEY SECTOR COMMENTARY

AGED CARE	Aged care remains flat with no new significant projects commenced or announced.
APARTMENT	Apartment work appears to be in demand, with several proposals revealed such as 720 Sandy Bar Road (SBR). This should translate into activity in the medium term.
COMMERCIAL	Commercial building work remains flat with no new significant projects commenced or announced.
HEALTH	The new Calvary Launceston Private Hospital is confirmed. It will be constructed as part of the Launceston General Hospital (LGH) Masterplan. Completion is expected in 2026.
HOTELS	The new five-star Tasman Hotel has been completed and opened in February 2023.
HOUSING	The government has announced new residential sites and lots across the state. However, whether this will translate to increased dwelling construction activity is yet to be seen.
INDUSTRIAL	The industrial sector is set to experience growth, with plans for the $60 million Point B mixed-use industrial development in Bridgewater formally lodged.
INFRASTRUCTURE	The Tasmanian Government has commenced work on the new Bridgewater Bridge project, the state's largest ever transport infrastructure project. Construction activity includes the bridge itself, as well as road upgrades at either end.
RETAIL	Stage two of Hobart's New Town Retail Precinct Upgrade has been launched after significant delays due to the COVID-19 pandemic.

TASMANIA - VALUE OF WORK DONE

(ORIGINAL CVM, $M)

CALENDAR YEARS	RESIDENTIAL				TOTAL NON RES	TOTAL BUILDING	TOTAL ENGINEERING	TOTAL CONSTRUCTION
	NEW HOUSES	APARTMENTS	OTHER	TOTAL				
2016	601	87	163	**851**	**720**	1,576	**1,270**	**2,846**
2017	577	108	143	**827**	**752**	1,583	**1,397**	**2,980**
2018	755	108	156	**1,019**	**770**	1,792	**1,520**	**3,312**
2019	845	81	163	**1,089**	**754**	1,844	**1,647**	**3,491**
2020	944	70	159	**1,173**	**708**	1,882	**1,491**	**3,372**
2021	1,083	52	179	**1,314**	**661**	1,975	**1,727**	**3,702**
2022	869	129	155	**1,154**	**686**	1,839	**1,854**	**3,694**
PRE COVID-19 2022 v 2019	2.9%	59.2%	-5.1%	**5.9%**	**-9.0%**	-0.2%	**12.6%**	**5.8%**
2022 v 2021	-19.7%	149.8%	-13.4%	**-12.2%**	**3.7%**	-6.9%	**7.4%**	**-0.2%**

MELBOURNE

CURRENT MARKET CONDITIONS

Victoria's construction economy appears to be one of strength when recent data is compared to historic averages. The state recorded $60.7 billion of work done across the 2022 calendar year, which is 4.6% above 2021. The latest work yet to be done figures highlight the lengthening tail of work still to be completed in Victoria with the value at September 2022 up 37.4% from the previous year.

Construction work done appears to be accelerating in the engineering and non-residential sectors, up by 9% and 8% respectively in Q4 22 compared to Q4 21. This is well above the average recorded in the past 20 quarters.

Looking forward, this trend appears set to continue, with overall building approvals up by 5.9% in 2022 over 2021. The apartment sector saw a lift of 43% for the year, offsetting a decline of 7.1% for houses. Non-residential approvals climbed 12.3% with education, offices and retail showing a strong pipeline of work. The health sector fell by 34% after significant hospital projects were approved in the calendar year 2021.

RESIDENTIAL ACTIVITY	NON-RESIDENTIAL ACTIVITY	ENGINEERING ACTIVITY
-1.0%	+9.8%	+8.2%
$24.8 B	$14.9 B	$19.1 B

Percentages represent change in work done YoY for CY 2022
Values represent total value of work done for CY 2022

VIC 2022 WORK DONE
▲ 4.6% or $2.7 B

2022 BUILDING APPROVALS
▲ 7.2% YoY for CY'22

MELBOURNE CPI
▲ 1.6% QoQ for Q4 2022

WORK YET TO BE DONE
▲ by 37.4% YoY for Q3 2022

MELBOURNE

KEY SECTOR COMMENTARY

AGED CARE	Aged care developments continue to commence around Melbourne, particularly in the outer suburb ring.
APARTMENT	Inner city high rise residential activity levels remain flat, with the downward trajectory beginning at the onset of the COVID-19 pandemic. Medium density activity is still strong and build to rent activity is forecast to increase. This activity will continue the upward trend of new projects coming to market and increase activity to some extent within the inner city.
COMMERCIAL	Larger scale CBD commercial remains relatively flat, however activity continues around the outskirts of the CBD, in areas such as Richmond and Cremorne. There is some activity beginning to gain traction in the CBD, with up to three large commercial projects forecast to come to market. The outlook remains cautious in this sector as developers, major institutions, and the like monitor the landscape.
HEALTH	Health has continued to be a strong performer over the last few years and this strong outlook is expected to continue in the medium to long term. Government has continued to fund major projects in the health sector, and with the state election due in late 2022, high levels of activity are anticipated in the health sector as it always plays a key role on the campaign trail.
HOTELS	There is subdued activity in the hotel sector, with many projects completed in the last 12 to 18 months. The outlook is therefore somewhat mixed at present; some commentators suggest there may be some positive activity on the horizon as tourism activity returns to pre-COVID levels.
HOUSING	Domestic housing activity is stretched to say the least. Demand far outstrips supply and the availability of domestic builders and trade contractors is a significant issue. Shortages of key materials (such as timber) remains a problem for the industry, and is not forecast to improve anytime soon. The rising of interest rates may see pressure ease. However, this is not expected to flow through immediately with activity predicted to remain as is for the next 12 months.
INDUSTRIAL	The industrial sector continues to be a quiet performer, fuelled by logistics generally and the movement of commodities across the state. Better connection between Melbourne and regional centres is also driving activity in this sector.
INFRASTRUCTURE	Strong performance continues in the infrastructure sector on the back of major projects kicked off in the last two to three years. There is no sign of activity levels easing or slowing as multiple additional road and transport projects are forecast to kick off. Labour and materials resources will continue to be a constant drain from general building trades and contractors.
RETAIL	Together with commercial, the retail sector is still suffering because of the COVID-19 pandemic. There has been some increase in activity levels at major shopping centres (such as Chadstone) as they continue to evolve, providing a mixed-use 'precinct' experience.

CONSTRUCTION ESCALATION

Pricing volatility has eased over the past three months, with tender pricing showing a more predictable pricing range. Material prices increases remain but are stabilising generally, with some falling and some showing low increases. The supply chain has improved with sharp drops in shipping costs. However, 'just in time' orders are proving problematic, with lead times still on the high side. It appears that less risk is being priced into tender prices at the moment for these factors. There is an expectation that these trends will continue through 2023 and tendering conditions may further improve given that the economy may slow towards the end of the year. Negotiations of new EBAs and general labour shortages will continue to place upward pressure on wages, impacting overall construction pricing.

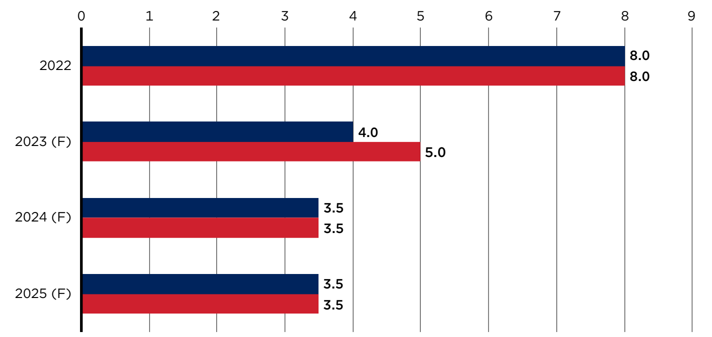
VICTORIA - VALUE OF WORK DONE

(ORIGINAL CVM, $M)

CALENDAR YEARS	RESIDENTIAL				TOTAL NON RES	TOTAL BUILDING	TOTAL ENGINEERING	TOTAL CONSTRUCTION
	NEW HOUSES	APARTMENTS	OTHER	TOTAL				
2016	12,096	9,205	3,044	**24,345**	**9,644**	33,934	**12,999**	**46,933**
2017	11,944	9,378	3,066	**24,389**	**12,610**	37,013	**15,096**	**52,109**
2018	13,117	10,506	3,091	**26,714**	**13,851**	40,565	**19,559**	**60,124**
2019	13,023	10,707	2,947	**26,676**	**14,224**	40,908	**17,894**	**58,802**
2020	13,187	9,435	3,060	**25,683**	**15,210**	40,893	**18,888**	**59,781**
2021	14,036	7,853	3,363	**25,252**	**14,340**	39,592	**18,499**	**58,092**
2022	12,635	8,861	3,500	**24,996**	**15,746**	40,742	**20,013**	**60,755**
PRE COVID-19 2022 v 2019	-3.0%	-17.2%	18.8%	**-6.3%**	**10.7%**	-0.4%	**11.8%**	**3.3%**
2022 v 2021	-10.0%	12.8%	4.1%	**-1.0%**	**9.8%**	2.9%	**8.2%**	**4.6%**

RLB TENDER PRICE INDEX

ANNUAL % CHANGE



Blue line - previous TPI uplift percentage as at Q3 2022
Red line - current TPI uplift percentage as at Q1 2023

PERTH

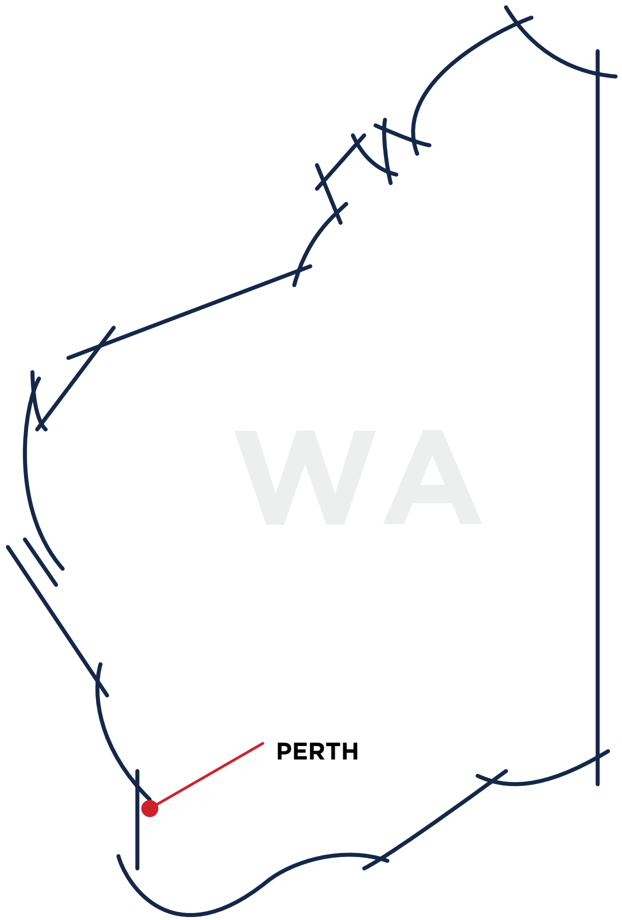
CURRENT MARKET CONDITIONS

The current Western Australian construction market works volumes have been constant over the last 2 years and this is forecast to remain steady for the next 2 to 3 years.

The State Government continues to invest in significant infrastructure projects, The government's expenditure on commercial projects has increased and has significant investment planned over the next 3 years on health projects including a significant Women's Hospital and major works to two regional Hospitals.

RESIDENTIAL ACTIVITY	NON-RESIDENTIAL ACTIVITY	ENGINEERING ACTIVITY
-6.6%	+11.2%	-3.6%
$5.6 B	$4.4 B	$19.2 B

Percentages represent change in work done YoY for CY 2022
Values represent total value of work done for CY 2022



WA 2022 WORK DONE
▼ 2.3% or $670 M

2022 BUILDING APPROVALS
▼ 14.8% YoY for CY'22

PERTH CPI
▲ 3.6% QoQ for Q4 2022

WORK YET TO BE DONE
▲ by 33.6% YoY for Q3 2022

KEY SECTOR COMMENTARY

AGED CARE	Aged care continues to be a steady sector with new projects in all stages of development.
APARTMENT	A number of apartment projects have been shelved with a few proceeding. Construction price rises have continued to rise faster than sale prices.
COMMERCIAL	Commercial office construction is still at a low level and Property Council figures show a 15% office vacancy rate. Some office development is occurring at Elizabeth Quay and the CBD.
HEALTH	There are numerous Health projects in the Planning and design phases, and this is likely to be a busy sector over the next 2 to 3 years.
HOTELS	There are limited number of major Hotel projects planned. Some hotels are looking to refurbish and refresh as demand is likely to increase with more travellers come into the State.
HOUSING	Continues to be in a 'boom'. Delays in construction are being experienced and the volume of work is drawing labour resources from the commercial construction sector. We estimate that there is approximately 12 months of committed projects to be delivered before this sector cools off.
INDUSTRIAL	There is a growing level of activity in the industrial sector mainly in support of logistics and mining enterprises.
INFRASTRUCTURE	Infrastructure continues to be a busy sector, and this looks likely to continue for at least the next 3 years.

WESTERN AUSTRALIA - VALUE OF WORK DONE

(ORIGINAL CVM, $M)

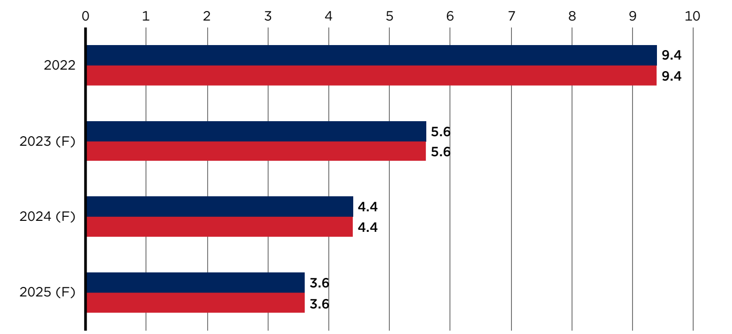
CALENDAR YEARS	RESIDENTIAL NEW HOUSES	APARTMENTS	OTHER	TOTAL	TOTAL NON RES	TOTAL BUILDING	TOTAL ENGINEERING	TOTAL CONSTRUCTION
2016	5,566	1,804	848	**8,219**	**4,483**	12,662	**28,883**	**41,545**
2017	4,519	1,389	690	**6,598**	**4,764**	11,374	**39,743**	**51,117**
2018	4,382	1,363	772	**6,517**	**4,057**	10,558	**19,096**	**29,655**
2019	3,826	1,113	720	**5,659**	**4,090**	9,763	**16,112**	**25,874**
2020	3,601	822	626	**5,049**	**3,784**	8,854	**18,968**	**27,822**
2021	4,464	872	677	**6,013**	**3,914**	9,919	**19,896**	**29,815**
2022	4,110	919	586	**5,615**	**4,353**	9,967	**19,177**	**29,144**
PRE COVID-19 2022 v 2019	7.4%	-17.4%	-18.7%	**-0.8%**	**6.4%**	2.1%	**19.0%**	**12.6%**
2022 v 2021	-7.9%	5.5%	-13.5%	**-6.6%**	**11.2%**	0.5%	**-3.6%**	**-2.3%**

CONSTRUCTION ESCALATION

The major influence on construction cost escalation is availability and affordability of labour. There continues to be labour shortages in the construction industry. With labour supply issues the cost of labour has increased. This rising cost of labour is made worst in the Western Australian economy as the Resources sector is in a growth period and the mining companies are offering significant financial incentive to work with them.

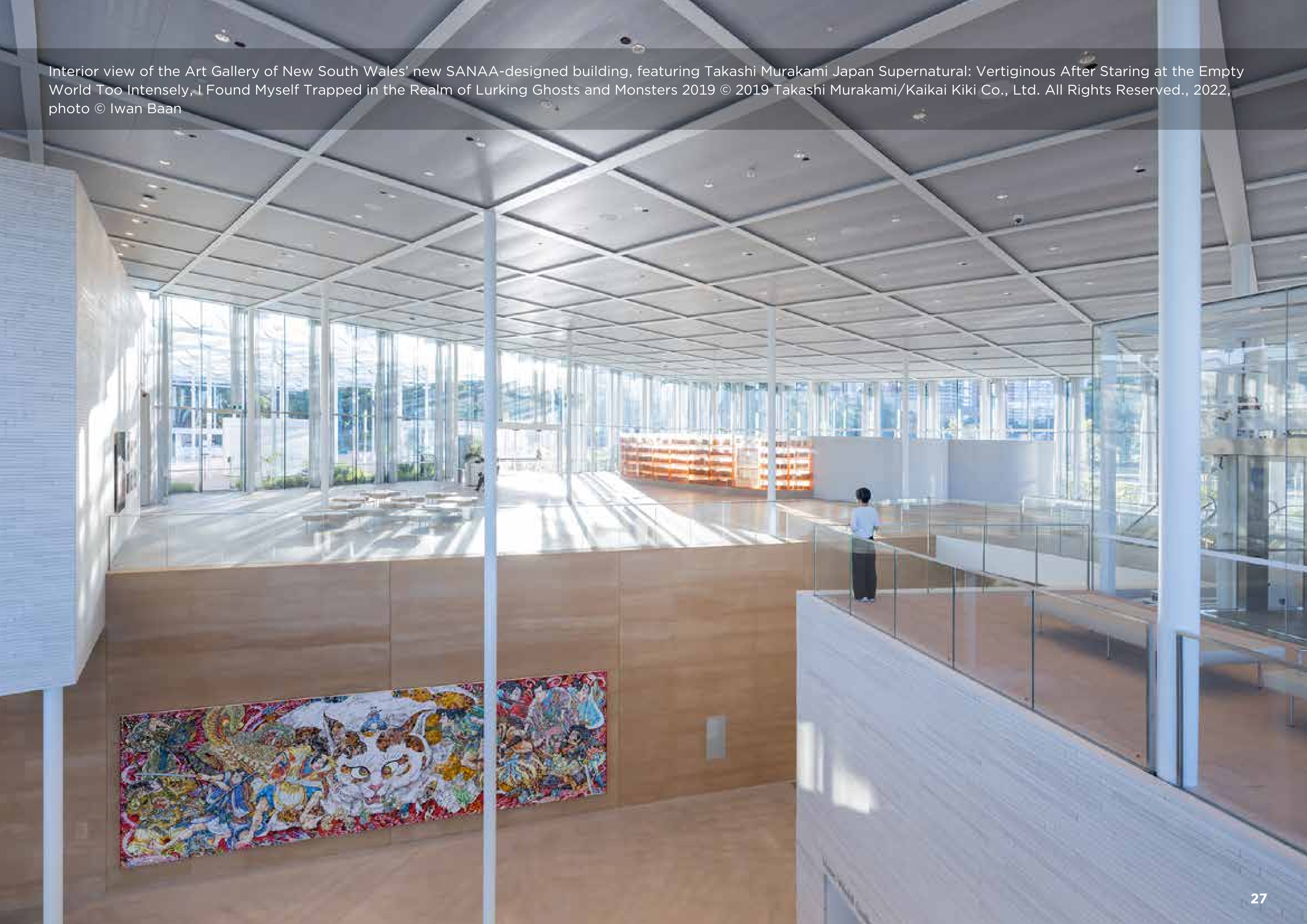
RLB TENDER PRICE INDEX

ANNUAL % CHANGE



Blue line - previous TPI uplift percentage as at Q3 2022
Red line - current TPI uplift percentage as at Q1 2023

Interior view of the Art Gallery of New South Wales' new SANAA-designed building, featuring Takashi Murakami Japan Supernatural: Vertiginous After Staring at the Empty World Too Intensely, I Found Myself Trapped in the Realm of Lurking Ghosts and Monsters 2019 © 2019 Takashi Murakami/Kaikai Kiki Co., Ltd. All Rights Reserved., 2022, photo © Iwan Baan



SYDNEY

Activity in NSW is currently centred around government led hospital, school, and infrastructure projects. It appears that private sector investors are generally tentative over the short-term outlook of the construction industry, with concerns around the possibility of recession. Additionally, as is typically the case, the NSW State Government election in late March 2023 is delaying project commencements, with tendering volumes softening. Rising interest rates are impacting residential starts but with competing rental rates increasing, starts may resurge sooner than expected.

Notwithstanding this, there is steady demand-led activity in the residential, aged care, student accommodation and private health sectors.

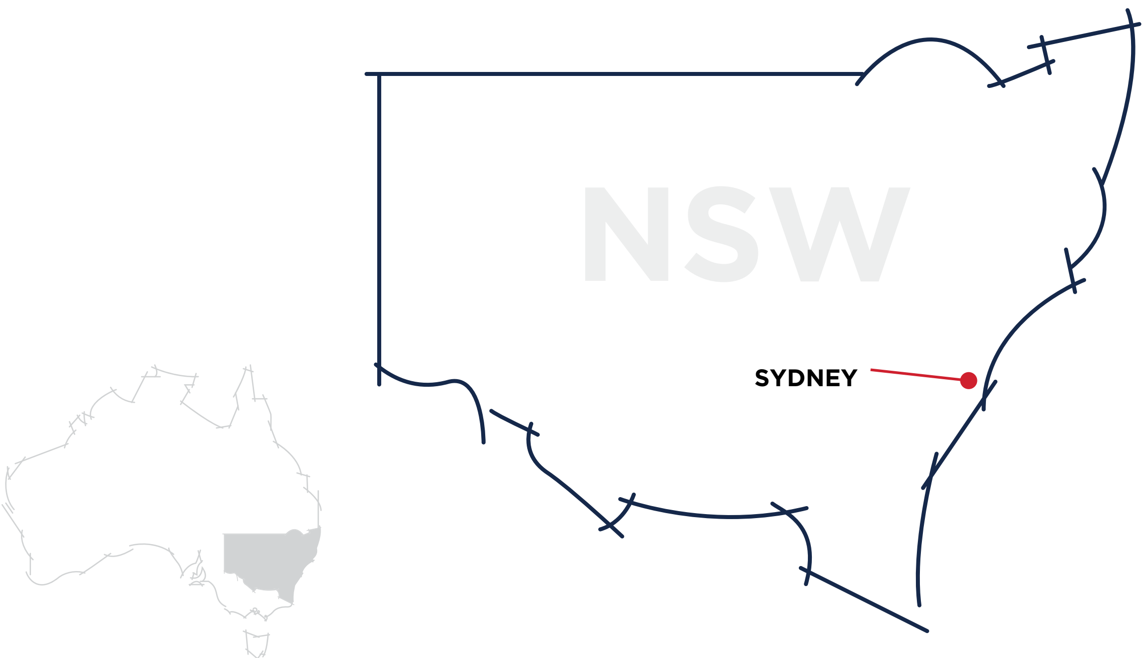
With rising vacancy rates and an influx in premium grade offerings within the CBD and its surrounds, it is expected that activity within the commercial sector will transition to a rejuvenation phase. This type of rejuvenation phase should see B and C grade assets upgraded to maintain relevancy in the market.

Build to rent is gaining traction, with the first tranche of projects gaining approval, and expected to commence throughout 2023 and 2024.

Major projects in the long-term pipeline include Castle Towers, Ryde and Cumberland Hospitals, Powerhouse Museum, and the Metro West Stations including the over station developments located at Hunter Street in Sydney CBD, Pyrmont, Paramatta and Sydney Olympic Park.

RESIDENTIAL ACTIVITY	NON-RESIDENTIAL ACTIVITY	ENGINEERING ACTIVITY
-2.9%	-7.1%	+6.6%
$22.8 B	$15.5 B	$25.2 B

Percentages represent change in work done YoY for CY 2022
Values represent total value of work done for CY 2022



NSW 2022 WORK DONE
▼ 0.4% or $265 M

2022 BUILDING APPROVALS
▼ 6.0% YoY for CY'22

SYDNEY CPI
▲ 1.8% QoQ for Q4 2022

WORK YET TO BE DONE
▲ by 15.7% YoY for Q3 2022

KEY SECTOR COMMENTARY

AGED CARE	There is strong underlying demand for aged care however the pipeline of residential aged care facilities is unlikely to come online for 18-24 months. In terms of Independent Living Units there is an abundance of projects in planning and/or in delivery as aging stock is refurbished and new build opportunities are evaluated to meet demands of the ageing population.
APARTMENT	Due to increased borrowing and construction costs, along with a softening in the property market, it is expected several sites will be "land banked" in the short term until the uncertainty of fluctuating interest rates and property market sentiment stabilises. Notwithstanding this, there is high demand for student accommodation, and growth in this sub-sector will likely continue throughout 2023 into 2024, albeit there will be heightened demand pressure on the residential sector in the interim.
COMMERCIAL	Given the uncertainty of tenants, the increase in vacancies and the current influx of premium grade offering over the last one to two years, it is likely that the focus in the commercial sector will shift into improving the current B and C grade offerings to ensure viability in the current market.
HEALTH	As part of the State Government's response to the COVID-19 pandemic, expenditure on health continues at a high level and future workload in this sector is likely to remain at a higher level than in recent years. Strong activity is also forecast within the private health sector throughout 2023 and beyond.
HOTELS	There has been a number of asset transactions in the hotel sector over the last six to 12 months. With the return of overseas and interstate travel, and increased demand and confidence, the hotel sector has strengthened.
HOUSING	Housing continues to suffer from major supply and demand issues and will likely continue steadily through 2023.
INDUSTRIAL	There is very strong activity in the warehousing and logistics sectors as markets respond to increasing online purchases.
INFRASTRUCTURE	Government led expenditure across schools and defence has led to strong activity within the infrastructure sector. This trend is expected to continue through 2023.
RETAIL	The retail sector weathered the storm through the COVID-19 pandemic and expenditure appears to be on the rise with the return of the CBD workforce to a hybrid working arrangement.

CONSTRUCTION ESCALATION

As raw material prices and global shipping costs begin to stabilise through Q1 2023, it is expected this will decrease construction price volatility and reduce pricing uncertainty through 2023. Notwithstanding this, it is expected that material prices for key trades will continue to increase through the first half of 2023 as construction material pricing lags by up to six months from raw material price changes.

Availability of some raw materials remains somewhat subdued. Factories offshore are reporting difficulty in maintaining the supply of raw material required and therefore running at lower capacities; delivery delays are being reported.

Aside from material price drivers, an increase in government led construction spending throughout the state has stabilised the industry, while the private sector bides time due to increased funding costs and a softening housing market.

Tender pricing remains on an upward trend. This is due to higher rates of insolvencies and labour shortages, leading to reduced competition as contractors and sub-contractors continue to be selective.

High inflation, coupled with the expiry and renegotiation of existing EBAs commencing later in the year, will likely see upwards pressure on labour rates.

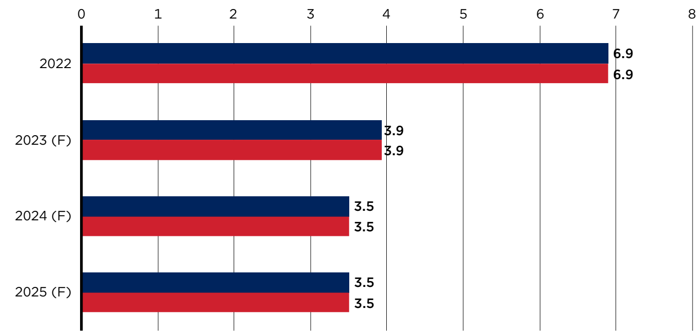
NEW SOUTH WALES - VALUE OF WORK DONE

(ORIGINAL CVM, $M)

CALENDAR YEARS	RESIDENTIAL				TOTAL NON RES	TOTAL BUILDING	TOTAL ENGINEERING	TOTAL CONSTRUCTION
	NEW HOUSES	APARTMENTS	OTHER	TOTAL				
2016	10,111	13,286	3,415	**26,812**	**13,416**	40,248	**19,462**	**59,710**
2017	10,280	14,449	3,270	**27,998**	**13,323**	41,345	**23,774**	**65,119**
2018	11,268	15,338	3,363	**29,968**	**14,696**	44,690	**26,557**	**71,247**
2019	10,322	12,186	2,978	**25,485**	**17,518**	43,008	**25,986**	**68,994**
2020	8,875	10,565	3,131	**22,571**	**16,693**	39,264	**24,111**	**63,375**
2021	10,793	8,798	3,860	**23,451**	**16,737**	40,187	**23,548**	**63,736**
2022	10,033	9,042	3,703	**22,778**	**15,542**	38,320	**25,151**	**63,470**
PRE COVID-19 2022 v 2019	-2.8%	-25.8%	24.4%	**-10.6%**	**-11.3%**	-10.9%	**-3.2%**	**-8.0%**
2022 v 2021	-7.0%	2.8%	-4.1%	**-2.9%**	**-7.1%**	-4.6%	**6.8%**	**-0.4%**

RLB TENDER PRICE INDEX

ANNUAL % CHANGE



Blue line - previous TPI uplift percentage as at Q3 2022
Red line - current TPI uplift percentage as at Q1 2023

TOWNSVILLE

CURRENT MARKET CONDITIONS

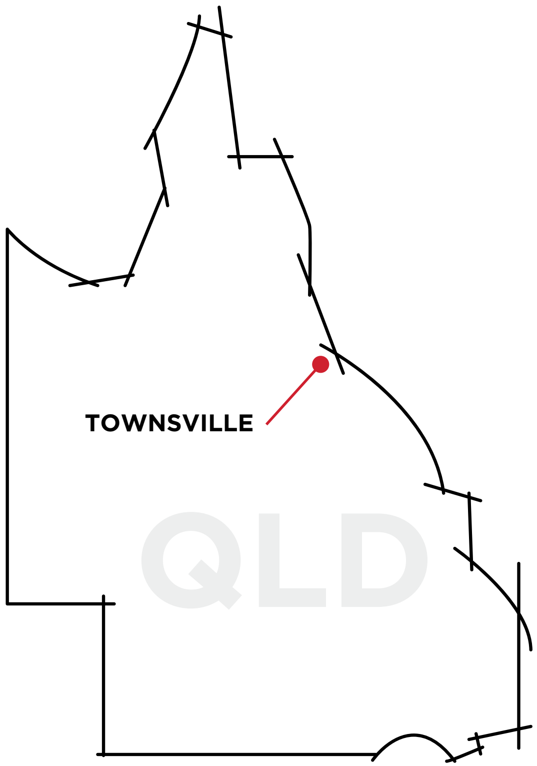
Private development is steady in the Townsville region, with education projects leading the pack. The Queensland and Local Government is investing throughout the region, with numerous projects in the health, public education and civil services being approved such as police, fire and ambulance facilities. The housing sector is showing a downward trend from the heights seen during the pandemic years. While some apartments, offices and retail projects are proceeding, the number and scope of these projects are not significant compared to previous years.

The pressure of inflation is starting to impact projects in Townsville. Those projects operating on tighter budgets are requiring a reduction in scope to ensure business cases are met. This is also evident in government projects that have set funding budgets. Typically, budgets set during the early stages of projects are not accounting for the duration that the projects spend in the pre-construction design phases. Whilst projects with set funding budgets are proceeding, they are proceeding at a reduced scope than originally intended.

The region anticipates further growth and development with government and private developers recognising the value of investing in the region and predicting a prosperous future for the area. With a reduced cost of living in comparison to major cities, discerning developers are vying to invest in Townsville.

RESIDENTIAL ACTIVITY	NON-RESIDENTIAL ACTIVITY	ENGINEERING ACTIVITY
-10.4%	**+9.7%**	**+0.3%**
$12.7 B	$8.3 B	$19.9 B

Percentages represent change in QLD work done YoY for CY 2022
Values represent total value of QLD work done for CY 2022



QLD 2022 WORK DONE
▼ 1.6% or $687 M

2022 BUILDING APPROVALS - TOWNSVILLE (LGA)
▼ 19.4% YoY for CY'22

BRISBANE CPI
▲ 1.5% QoQ for Q4 2022

QLD WORK YET TO BE DONE
▲ by 19.8% YoY for Q3 2022

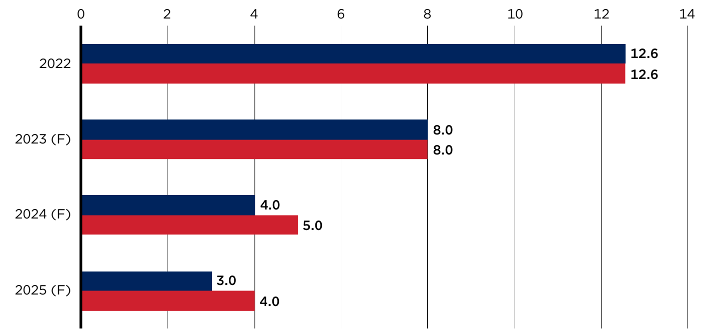
CONSTRUCTION ESCALATION

The aftermath of COVID-19 pandemic and geopolitical turmoil, as well as its impact on cost inflation and labour shortages, are still the driving forces behind the tender price increases in the Townsville region. This was exacerbated by the release of several government tenders that closed in December 2022, pressuring contractors to submit multiple tenders within a short period of time. The impact was clearly evident in the tenders submitted in the December period, which showed an increase in margins and tender price.

Whilst still impacted by higher-than-normal escalation, relief is anticipated. RLB's market intelligence suggests that while cost escalation is still playing a part in tender price increases, the ferocity of the increases experienced over the last few years is waning. This means a steady and progressive decline toward normal escalation percentages in the years to come. RLB predicts that higher than normal escalation will linger for at least a couple of years. However, escalation will decline steadily once national inflation has been curbed by the Reserve Bank's aggressive monetary policy of interest rate hikes – the cash rate is currently the highest it has been in over a decade. This impact will slowly filter through to the market and eventually restrain escalation to manageable levels.

RLB TENDER PRICE INDEX

ANNUAL % CHANGE



Blue line - previous TPI uplift percentage as at Q3 2022
Red line - current TPI uplift percentage as at Q1 2023

TOWNSVILLE - ABS APPROVAL DATA

CALENDAR YEARS (SA2 REGIONS)

	2018	2019	2020	2021	2022
HOUSES	153	**129**	**216**	334	**254**
APARTMENTS	**8**	**17**	12	**20**	47
RENOVATION	**51**	61	**74**	75	78
TOTAL RESIDENTIAL	**212**	**207**	**302**	**428**	**380**
NON RESIDENTIAL	245	417	287	514	380
TOTAL BUILDING APPROVALS $	**456**	**625**	**589**	**943**	**760**
HOUSES	528	461	750	1,048	679
APARTMENTS / OTHER	49	49	49	61	145
TOTAL DWELLING APPROVALS #	**577**	**510**	**799**	**1,109**	**824**
AVERAGE COST OF DWELLING	*277.85*	*286.52*	*285.18*	*318.78*	*365.94*

CAIRNS - ABS APPROVAL DATA

CALENDAR YEARS (SA2 REGIONS)

	2018	2019	2020	2021	2022
HOUSES	285	**238**	**325**	449	**470**
APARTMENTS	**150**	**19**	13	**19**	21
RENOVATION	**60**	70	**65**	89	92
TOTAL RESIDENTIAL	**495**	**327**	**403**	**556**	**583**
NON RESIDENTIAL	338	646	187	312	228
TOTAL BUILDING APPROVALS $	**833**	**973**	**590**	**868**	**868**
HOUSES	921	718	1,051	1,388	1,198
APARTMENTS / OTHER	437	86	41	77	174
TOTAL DWELLING APPROVALS #	**1,358**	**804**	**1,092**	**1,465**	**1,372**
AVERAGE COST OF DWELLING	*320.19*	*319.81*	*309.89*	*319.33*	*357.89*

CENTRAL QUEENSLAND - ABS APPROVAL DATA

CALENDAR YEARS (SA2 REGIONS)

	2018	2019	2020	2021	2022
HOUSES	102	**126**	**172**	225	**237**
APARTMENTS	**3**	**20**	7	**19**	38
RENOVATION	**27**	45	**166**	109	123
TOTAL RESIDENTIAL	**133**	**191**	**344**	**353**	**398**
NON RESIDENTIAL	474	195	186	134	365
TOTAL BUILDING APPROVALS $	**607**	**386**	**530**	**487**	**763**
HOUSES	338	409	554	683	597
APARTMENTS / OTHER	17	77	28	75	116
TOTAL DWELLING APPROVALS #	**355**	**486**	**582**	**758**	**713**
AVERAGE COST OF DWELLING	*297.56*	*300.08*	*306.79*	*321.32*	*384.86*

MACKAY - ABS APPROVAL DATA

CALENDAR YEARS (SA2 REGIONS)

	2018	2019	2020	2021	2022
HOUSES	230	**200**	**204**	378	**386**
APARTMENTS	**4**	**0**	6	**58**	24
RENOVATION	**94**	54	**66**	60	89
TOTAL RESIDENTIAL	**327**	**254**	**276**	**497**	**499**
NON RESIDENTIAL	311	266	239	333	274
TOTAL BUILDING APPROVALS $	**639**	**520**	**515**	**830**	**773**
HOUSES	567	467	565	834	593
APARTMENTS / OTHER	19	5	26	140	381
TOTAL DWELLING APPROVALS #	**586**	**472**	**591**	**974**	**974**
AVERAGE COST OF DWELLING	*398.49*	*423.79*	*355.40*	*448.33*	*420.99*

Mater Hospital, Townsville, Australia

STATE CONSTRUCTION DATA

AUSTRALIA – BUILDING APPROVALS - CALENDAR YEAR (YTD TO JAN)

ORIGINAL $M

	2018	2019	2020	2021	2022	2023 YTD	2022 YTD	2023 v 2022 YTD
NEW HOUSES	38,691	34,505	39,286	51,135	47,757	2,620	2,524	3.8%
TOTAL SEMI-DETACHED	9,331	7,923	8,654	11,336	11,370	574	608	-5.7%
APARTMENTS	19,123	15,822	13,724	16,922	18,499	1,043	668	56.2%
TOTAL NEW RESIDENTIAL	**67,144**	**58,250**	**61,664**	**79,393**	**77,626**	**4,236**	**3,800**	**11.5%**
COMMERCIAL	1,796	1,564	5,006	5,713	3,794	315	54	489.3%
EDUCATION	6,949	7,853	8,668	7,977	9,507	430	561	-23.3%
ENT & REC	3,123	3,774	3,842	4,155	3,681	87	190	-54.0%
HEALTH	4,739	7,308	4,394	8,698	10,017	727	164	343.5%
HOTELS	3,873	4,606	2,802	3,234	1,976	288	74	288.4%
INDUSTRIAL	5,950	8,101	7,172	9,302	10,609	709	475	49.3%
OFFICES	7,970	9,199	8,095	8,613	10,994	432	352	22.8%
RETAIL	5,712	6,560	5,771	6,362	6,976	297	332	-10.7%
OTHER NON RES	3,911	2,972	4,781	4,287	3,869	166	259	-35.7%
TOTAL NON RESIDENTIAL	**44,024**	**51,935**	**50,532**	**58,341**	**61,422**	**3,451**	**2,460**	**40.3%**
TOTAL APPROVALS	**111,169**	**110,185**	**112,196**	**137,734**	**139,048**	**7,687**	**6,259**	**22.8%**

Source: ABS Publication 8731 Building Approvals, Australia

SOUTH AUSTRALIA – BUILDING APPROVALS - CALENDAR YEAR (YTD TO JAN)

ORIGINAL $M

	2018	2019	2020	2021	2022	2023 YTD	2022 YTD	2023 v 2022 YTD
NEW HOUSES	2,068	2,187	2,407	3,425	3,195	185	161	15.0%
TOTAL SEMI-DETACHED	444	477	405	442	494	27	32	-13.9%
APARTMENTS	458	374	290	215	605	5	-	-
TOTAL NEW RESIDENTIAL	**2,970**	**3,038**	**3,102**	**4,083**	**4,294**	**217**	**193**	**12.8%**
COMMERCIAL	216	61	109	155	132	32	1	4048.7%
EDUCATION	395	302	1,213	800	514	18	37	-51.8%
ENT & REC	234	107	231	367	229	20	16	22.2%
HEALTH	200	454	648	153	2,154	5	43	-88.3%
HOTELS	420	244	268	239	224	22	3	643.3%
INDUSTRIAL	440	376	642	611	518	34	63	-45.6%
OFFICES	247	279	360	398	791	14	12	20.2%
RETAIL	331	462	353	295	735	14	12	11.8%
OTHER NON RES	171	128	524	258	197	6	15	-57.1%
TOTAL NON RESIDENTIAL	**2,655**	**2,412**	**4,347**	**3,276**	**5,493**	**165**	**202**	**-18.3%**
TOTAL APPROVALS	**5,625**	**5,451**	**7,449**	**7,358**	**9,787**	**382**	**395**	**-3.1%**

Source: ABS Publication 8731 Building Approvals, Australia

QUEENSLAND – BUILDING APPROVALS - CALENDAR YEAR (YTD TO JAN)

ORIGINAL $M

	2018	2019	2020	2021	2022	2023 YTD	2022 YTD	2023 v 2022 YTD
NEW HOUSES	7,216	6,266	7,111	9,832	9,402	537	534	0.7%
TOTAL SEMI-DETACHED	1,740	1,014	1,210	1,632	1,469	105	108	-2.7%
APARTMENTS	2,983	2,587	2,018	3,350	4,779	764	220	246.9%
TOTAL NEW RESIDENTIAL	**11,939**	**9,867**	**10,340**	**14,814**	**15,651**	**1,406**	**862**	**63.2%**
COMMERCIAL	230	343	1,023	692	661	15	9	66.5%
EDUCATION	971	1,547	1,787	1,204	1,182	70	102	-31.3%
ENT & REC	335	1,274	633	536	631	22	50	-56.8%
HEALTH	1,115	853	1,087	837	1,398	28	14	103.3%
HOTELS	587	867	343	593	227	11	49	-77.0%
INDUSTRIAL	1,047	1,749	1,259	1,769	2,471	108	105	2.7%
OFFICES	835	1,627	876	1,774	1,494	147	51	190.4%
RETAIL	1,400	1,122	1,120	1,426	1,447	124	126	-1.9%
OTHER NON RES	817	532	1,190	565	540	28	46	-39.1%
TOTAL NON RESIDENTIAL	**7,338**	**9,912**	**9,317**	**9,396**	**10,051**	**553**	**552**	**0.1%**
TOTAL APPROVALS	**19,277**	**19,779**	**19,657**	**24,211**	**25,702**	**1,959**	**1,414**	**38.5%**

Source: ABS Publication 8731 Building Approvals, Australia

AUSTRALIAN CAPITAL TERRITORY – BUILDING APPROVALS - CALENDAR YEAR (YTD TO JAN)

ORIGINAL $M

	2018	2019	2020	2021	2022	2023 YTD	2022 YTD	2023 v 2022 YTD
NEW HOUSES	507	450	449	634	491	16	29	-45.4%
TOTAL SEMI-DETACHED	339	317	353	259	367	11	0	8080.9%
APARTMENTS	1,257	772	638	905	834	48	-	-
TOTAL NEW RESIDENTIAL	**2,103**	**1,539**	**1,439**	**1,799**	**1,692**	**75**	**29**	**157.4%**
COMMERCIAL	29	47	95	187	15	1	-	-
EDUCATION	139	208	172	152	165	9	3	173.9%
ENT & REC	73	18	47	30	209	1	-	-
HEALTH	66	133	76	583	3	9	-	-
HOTELS	289	6	15	157	15	2	-	-
INDUSTRIAL	61	108	133	25	44	3	-	-
OFFICES	235	331	474	302	259	3	2	29.0%
RETAIL	113	124	95	67	106	6	1	512.0%
OTHER NON RES	40	6	13	112	108	-	3	-
TOTAL NON RESIDENTIAL	**1,045**	**980**	**1,120**	**1,616**	**924**	**33**	**9**	**261.3%**
TOTAL APPROVALS	**3,149**	**2,519**	**2,559**	**3,415**	**2,616**	**107**	**38**	**182.0%**

Source: ABS Publication 8731 Building Approvals, Australia

NORTHERN TERRITORY – BUILDING APPROVALS - CALENDAR YEAR (YTD TO JAN)

ORIGINAL $M

	2018	2019	2020	2021	2022	2023 YTD	2022 YTD	2023 v 2022 YTD
NEW HOUSES	215	155	183	250	222	9	9	-1.3%
TOTAL SEMI-DETACHED	37	46	23	14	36	-	-	-
APARTMENTS	1	7	33	-	5	-	-	-
TOTAL NEW RESIDENTIAL	**253**	**208**	**239**	**264**	**263**	**9**	**9**	**-1.3%**
COMMERCIAL	48	18	161	17	8	9	2	360.5%
EDUCATION	126	62	38	304	29	2	0	727.2%
ENT & REC	43	39	24	20	162	1	0	168.5%
HEALTH	39	28	57	33	125	1	0	898.0%
HOTELS	7	20	2	9	21	-	-	-
INDUSTRIAL	39	55	24	72	48	18	1	2444.9%
OFFICES	44	82	51	53	44	13	3	282.1%
RETAIL	57	46	19	30	40	2	2	30.2%
OTHER NON RES	138	75	536	387	88	4	7	-47.2%
TOTAL NON RESIDENTIAL	**541**	**425**	**912**	**924**	**565**	**49**	**15**	**217.2%**
TOTAL APPROVALS	**794**	**633**	**1,151**	**1,189**	**828**	**58**	**24**	**137.0%**

Source: ABS Publication 8731 Building Approvals, Australia

TASMANIA – BUILDING APPROVALS - CALENDAR YEAR (YTD TO JAN)

ORIGINAL $M

	2018	2019	2020	2021	2022	2023 YTD	2022 YTD	2023 v 2022 YTD
NEW HOUSES	772	783	992	1,161	1,008	56	53	4.2%
TOTAL SEMI-DETACHED	32	48	23	48	47	-	1	-
APARTMENTS	7	48	4	78	47	-	9	-
TOTAL NEW RESIDENTIAL	**811**	**878**	**1,020**	**1,286**	**1,101**	**56**	**63**	**-11.7%**
COMMERCIAL	7	17	3	24	33	-	0	-
EDUCATION	33	135	156	256	105	2	15	-85.9%
ENT & REC	91	28	40	100	30	4	2	84.4%
HEALTH	171	73	49	53	174	24	1	3494.6%
HOTELS	182	128	51	32	113	3	1	340.0%
INDUSTRIAL	121	63	110	127	179	6	4	44.6%
OFFICES	77	73	76	56	111	10	7	51.5%
RETAIL	69	40	78	90	71	3	12	-79.4%
OTHER NON RES	29	90	33	51	82	2	2	0.7%
TOTAL NON RESIDENTIAL	**782**	**647**	**594**	**790**	**898**	**53**	**44**	**20.0%**
TOTAL APPROVALS	**1,593**	**1,525**	**1,614**	**2,076**	**1,999**	**109**	**107**	**1.4%**

Source: ABS Publication 8731 Building Approvals, Australia

VICTORIA – BUILDING APPROVALS - CALENDAR YEAR (YTD TO JAN)

ORIGINAL $M

	2018	2019	2020	2021	2022	2023 YTD	2022 YTD	2023 v 2022 YTD
NEW HOUSES	13,665	12,455	14,099	17,142	15,953	846	780	8.4%
TOTAL SEMI-DETACHED	3,790	3,319	3,702	4,598	4,338	217	217	0.0%
APARTMENTS	5,398	5,225	4,601	4,287	6,120	197	218	-9.7%
TOTAL NEW RESIDENTIAL	**22,853**	**20,999**	**22,401**	**26,027**	**26,411**	**1,260**	**1,215**	**3.7%**
COMMERCIAL	332	375	670	1,335	1,961	190	16	1058.1%
EDUCATION	2,421	2,207	2,147	2,199	4,035	160	141	13.3%
ENT & REC	940	1,027	808	1,295	1,245	21	62	-66.3%
HEALTH	921	1,602	975	3,726	2,445	197	57	243.9%
HOTELS	1,331	1,854	1,157	954	561	76	3	2355.8%
INDUSTRIAL	1,924	2,413	2,181	2,950	3,460	235	110	113.4%
OFFICES	2,886	2,804	2,931	2,453	3,785	138	214	-35.7%
RETAIL	1,511	1,787	1,476	1,711	1,928	69	83	-17.1%
OTHER NON RES	846	822	1,621	1,286	1,258	74	139	-46.7%
TOTAL NON RESIDENTIAL	**13,113**	**14,892**	**13,966**	**17,910**	**20,677**	**1,160**	**826**	**40.3%**
TOTAL APPROVALS	**35,966**	**35,890**	**36,367**	**43,937**	**47,088**	**2,420**	**2,042**	**18.5%**

Source: ABS Publication 8731 Building Approvals, Australia

STATE CONSTRUCTION DATA

WESTERN AUSTRALIA – BUILDING APPROVALS - CALENDAR YEAR (YTD TO JAN)

ORIGINAL $M

	2018	2019	2020	2021	2022	2023 YTD	2022 YTD	2023 v 2022 YTD
NEW HOUSES	3,741	3,411	4,459	6,602	5,113	303	308	-1.7%
TOTAL SEMI-DETACHED	286	277	223	282	203	22	2	943.9%
APARTMENTS	628	803	729	1,155	777	11	3	286.4%
TOTAL NEW RESIDENTIAL	**4,655**	**4,491**	**5,411**	**8,039**	**6,093**	**335**	**313**	**7.2%**
COMMERCIAL	141	158	280	296	359	4	20	-80.2%
EDUCATION	665	723	401	988	1,693	34	123	-72.3%
ENT & REC	177	148	143	273	268	4	24	-84.2%
HEALTH	430	444	505	756	277	3	14	-76.2%
HOTELS	80	285	131	104	72	9	1	915.0%
INDUSTRIAL	509	728	678	918	1,108	140	90	55.5%
OFFICES	397	692	708	733	456	4	12	-69.8%
RETAIL	513	1,025	654	683	569	24	17	43.3%
OTHER NON RES	157	349	268	890	762	23	19	17.9%
TOTAL NON RESIDENTIAL	**3,069**	**4,551**	**3,768**	**5,642**	**5,564**	**244**	**319**	**-23.5%**
TOTAL APPROVALS	**7,724**	**9,041**	**9,179**	**13,680**	**11,658**	**579**	**632**	**-8.3%**

Source: ABS Publication 8731 Building Approvals, Australia

STATE CONSTRUCTION DATA

NEW SOUTH WALES – BUILDING APPROVALS - CALENDAR YEAR (YTD TO JAN)

ORIGINAL $M

	2018	2019	2020	2021	2022	2023 YTD	2022 YTD	2023 v 2022 YTD
NEW HOUSES	10,506	8,799	9,586	12,088	12,372	669	650	2.8%
TOTAL SEMI-DETACHED	2,661	2,425	2,716	4,061	4,416	191	249	-23.1%
APARTMENTS	8,392	6,005	5,412	6,932	5,332	18	217	-91.6%
TOTAL NEW RESIDENTIAL	**21,560**	**17,229**	**17,714**	**23,081**	**22,120**	**878**	**1,116**	**-21.3%**
COMMERCIAL	794	544	2,665	3,006	625	65	5	1097.5%
EDUCATION	2,198	2,671	2,754	2,074	1,784	135	139	-2.4%
ENT & REC	1,229	1,134	1,917	1,534	908	16	36	-54.5%
HEALTH	1,798	3,721	997	2,556	3,442	460	35	1210.4%
HOTELS	977	1,202	835	1,146	742	165	17	857.8%
INDUSTRIAL	1,808	2,610	2,146	2,830	2,782	166	102	62.6%
OFFICES	3,250	3,312	2,620	2,844	4,054	103	51	103.6%
RETAIL	1,716	1,954	1,976	2,060	2,080	55	79	-29.8%
OTHER NON RES	1,713	969	596	737	834	29	27	6.6%
TOTAL NON RESIDENTIAL	**15,483**	**18,116**	**16,507**	**18,787**	**17,250**	**1,195**	**491**	**143.4%**
TOTAL APPROVALS	**37,042**	**35,345**	**34,221**	**41,869**	**39,370**	**2,073**	**1,607**	**29.0%**

Source: ABS Publication 8731 Building Approvals, Australia

TERMINOLOGY

ABBREVIATIONS

$B	Billion (Thousand Million) Dollars
$M	Million Dollars
ABS	Australian Bureau Of Statistics
CVM	Chain Volume Measure
CPI	Consumer Price Index
FY	Year Ending 30 June
k	Thousand
RBA	Reserve Bank Of Australia
SNZ	Statistics New Zealand

DEFINITIONS – AUSTRALIA

CONSTRUCTION	Building and Engineering
BUILDING	Residential and Non-Residential
ENGINEERING	Includes but not limited to: roads, runways, rail, bridges, harbours, water storage, sewerage works, pipelines, electricity generation and distribution, telecommunications and mining works.
RESIDENTIAL	New houses & Other new residential & Alterations/additions (incl. refurb and conversion)
NEW HOUSES	Detached Dwellings
OTHER NEW RESIDENTIAL	Semi-detached dwellings (Townhouses etc.) & multilevel dwellings (Apartments)
NON-RESIDENTIAL	Includes but not limited to: offices, commercial, industrial, retail, education, health, recreation, civic, short-term accommodation and other buildings not classified, but not Residential or Engineering

SOURCES OF INFORMATION – AUSTRALIA

BUILDING ACTIVITY & APPROVAL VALUE SUMMARY	All values are current price (nominal value) Building Approvals – ABS, *Building Approvals, Australia*, cat. no. 8731.0 Building work done, work yet to be done, work in the pipeline, work commenced and work under construction – ABS, *Building Activity, Australia*, cat. no. 8752.0
BUILDING ACTIVITY DWELLING SUMMARY	All values are current price All values are from ABS, *Building Activity, Australia*, cat. no. 8752.0
STATE CONSTRUCTION WORK DONE	All values are in current price Building work done values are from ABS, *Building Activity, Australia,* cat. no. 8752.0 Engineering work done values are from ABS, *Engineering Construction Activity,* Australia, cat. no. 8762.0
STATE BUILDING APPROVALS	All values are current price Building Approvals – ABS, *Building Approvals, Australia*, cat. no. 8731.0
REGIONAL QUEENSLAND BUILDING APPROVAL VALUE	All values are current price ABS, *Building Approvals, 2011-17 – SA2 - Queensland, SuperWEB2* ABS, *Building Approvals, 2016-18 – SA2 - Queensland, SuperWEB2*
REGIONAL QUEENSLAND DWELLINGS	ABS, *Building Approvals, 2011-17 – SA2 - Queensland, SuperWEB2* ABS, *Building Approvals, 2016-18 – SA2 - Queensland, SuperWEB2*

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