



HIA Trades Report

TRADE
AVAILABILITY
INDEX

TRADE
AVAILABILITY
BY REGION

TRADE
PRICE INDEX

PRICE
MOVEMENT
IN TRADES

A quarterly update on the change in the
price and availability of building trades

September 2022 Quarter

ACUTE SHORTAGES OF SKILLED TRADES REMAIN

The HIA Trades Report provides a quarterly review of the availability of trades and the demand pressures on those trades. Specifically, the report considers the supply conditions with respect to individual skilled trade categories across Australia and within particular states, as well as the corresponding price changes.

In the September quarter 2022, the **HIA Trades Availability Index** registered -0.86. A negative score indicates a trades shortage, and this result was close to the worst on record, the -0.92 recorded in the previous quarter.

Since the September quarter of 2021, the index has recorded a trades shortage that is worse than all prior readings of the index, going back to 2003. Driven by this persistent shortage, the price of skilled trades rose by 10.4 per cent over the year to the September quarter 2022.

This shortage of skilled trades has emerged as demand for detached housing and renovations has boomed. There were more than 104,000 detached homes under construction in June Quarter 2022 – substantially above any quarter prior to COVID-19 and 81.2 per cent above the level immediately prior to the pandemic. Activity in renovations has also surged to record levels. Restricted access to skilled trades from overseas contributed to the shortage during the period when Australia's border was effectively closed.

The shortage is evident across all regions. Tellingly, the three areas with the worst shortages are Regional Queensland (-1.14), Regional New South Wales (-1.02) and Regional South Australia (-1.00). A feature of this pandemic boom has been a shift to lower density areas, including in Australia's regions.

The shortage is also evident across all trades. The two trades with the most severe shortages are Bricklaying, with an index of -1.49, and Carpentry (-1.21). The fact these trades tend to be deployed at the start of building projects suggests the shortage of trades will persist for some time. It may even get worse in finishing trades, such as joiners, plastering, painting, etc., in coming quarters.

Indeed, HIA forecasts suggest the number of homes under construction will remain highly elevated for some time, meaning these shortages will remain troublesome.

But there are two bits of good news.

Firstly, driven by booming demand for labour and government subsidies, the number of apprentices in trades occupations has grown steadily during the pandemic. NCVER data indicates there were around 234,300 apprentices in trades occupations in March Quarter 2022, 27 per cent higher than the same quarter in 2019. As these young workers develop proficiency, they will help the industry work through the large pipeline of work that has built up. They are entering a booming industry.

Secondly, the recent Commonwealth Budget confirmed that Net Overseas Migration is returning much more quickly than previously expected. This likely reflects both strong desire from foreigners to live and work in Australia, and some reluctance amongst Australians, relative to pre-pandemic, to live and work overseas.

These two sources of labour supply will give home builders and other businesses some of the labour they so desperately need.

Copyright

© Copyright 2022. HIA Limited is the sole and exclusive owner of all rights, title and interest (including intellectual property rights) subsisting in this publication, including any data, analytics, statistics and other information contained in this publication.

This publication is strictly private, confidential and personal to its recipients.

This publication may not be copied or transmitted in whole or in part in any form, including by photocopying, facsimile, scanning or by manual or electronic means. Multiple copies can be supplied by arrangement/for an additional charge. Unauthorised copying is a breach of HIA's copyright and may make you liable to pay damages.

Permission is not given for any commercial use or sale of this material.

Disclaimer

The data and information (including commentary) provided in this publication is of a general nature only.

While HIA uses commercially reasonable efforts to ensure that:

(a) any data and information is current at the time of publishing; and

(b) all opinions, conclusions or recommendations are reasonably held or made as at the time of their compilation,

HIA does not warrant the accuracy, reliability or completeness of the publication in whole or in part.

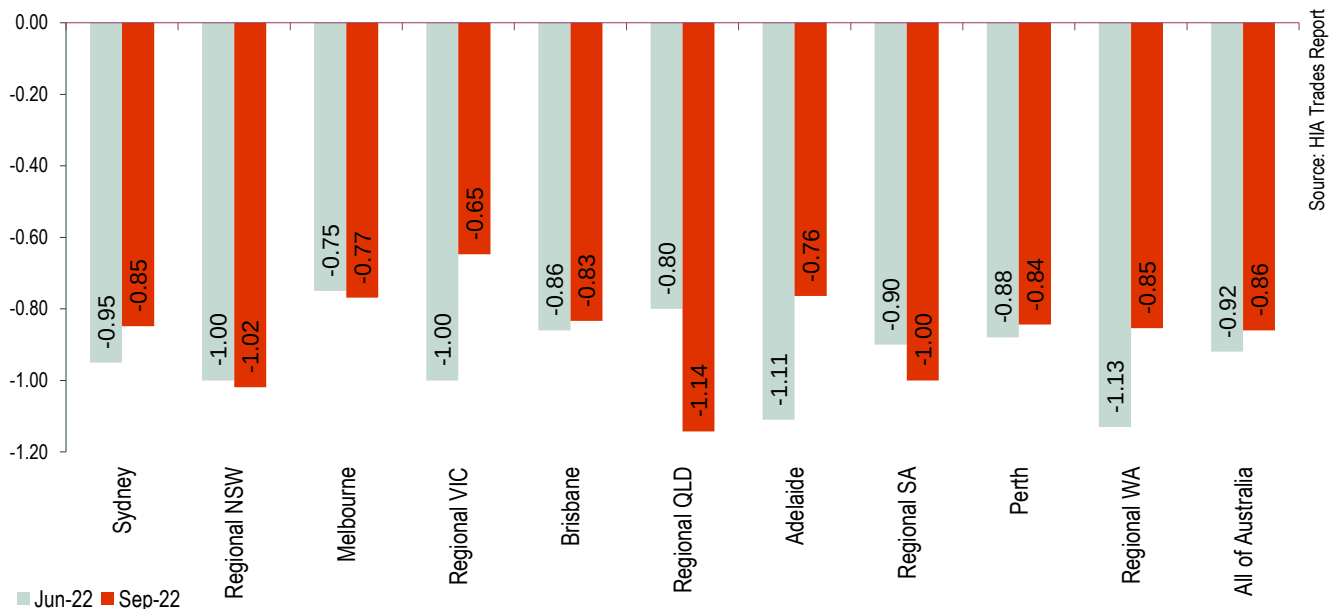
It is your responsibility to assess and verify the accuracy, completeness and reliability of the information in this publication, and to seek professional advice in relation to that information.

To the full extent permitted by law HIA excludes all loss or damage howsoever arising (including through negligence) in connection with the publication.



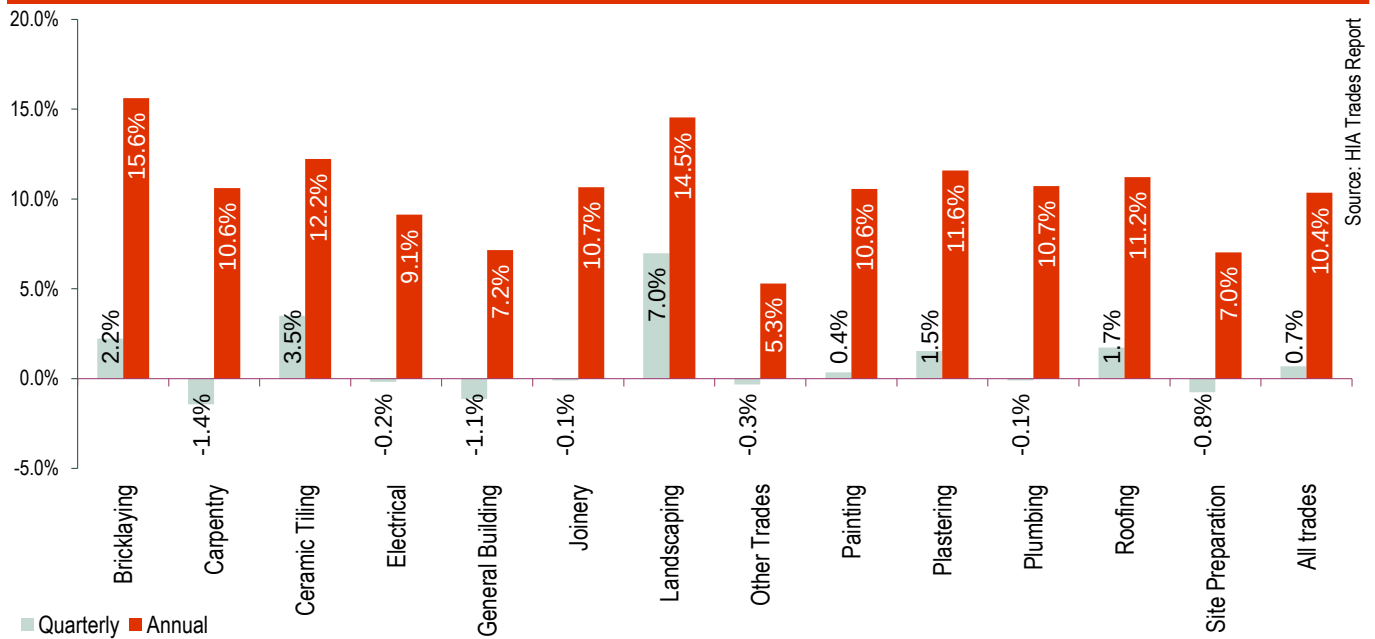
HIA TRADE AVAILABILITY INDEX BY TRADE														
	Sep-19	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Quarterly Movement in Availability
Bricklaying	-0.59	-0.64	-0.46	-0.53	-0.51	-0.94	-1.13	-1.07	-1.30	-1.51	-1.45	-1.51	-1.49	↑
Carpentry	-0.05	-0.20	0.08	-0.15	0.27	-0.57	-0.74	-0.86	-0.99	-1.17	-1.21	-1.34	-1.21	↑
Ceramic Tiling	-0.40	-0.52	-0.24	-0.35	-0.37	-0.68	-0.80	-0.72	-0.90	-1.02	-1.01	-1.01	-0.97	↑
Electrical	0.17	0.23	0.35	0.20	0.27	-0.01	-0.17	-0.11	-0.25	-0.29	-0.40	-0.38	-0.26	↑
General Building	0.11	0.11	0.14	0.12	0.35	-0.23	-0.47	-0.45	-0.67	-0.82	-0.87	-0.95	-0.79	↑
Joinery	-0.05	-0.05	0.15	-0.01	0.15	-0.21	-0.38	-0.39	-0.61	-0.75	-0.76	-0.76	-0.79	↓
Landscaping	-0.08	0.09	0.10	0.06	0.29	-0.17	-0.32	-0.19	-0.35	-0.48	-0.55	-0.62	-0.68	↓
Other Trades	-0.30	-0.12	0.03	-0.11	0.33	-0.43	-0.75	-0.75	-0.86	-1.10	-1.17	-1.25	-1.16	↑
Painting	-0.02	0.11	0.14	0.06	0.19	-0.25	-0.47	-0.38	-0.58	-0.73	-0.76	-0.83	-0.68	↑
Plastering	-0.26	-0.23	-0.10	-0.12	-0.06	-0.32	-0.51	-0.49	-0.65	-0.89	-1.00	-0.91	-0.82	↑
Plumbing	0.07	0.11	0.24	0.05	0.25	0.00	-0.29	-0.21	-0.42	-0.52	-0.68	-0.56	-0.45	↑
Roofing	-0.25	-0.25	-0.18	-0.14	-0.13	-0.46	-0.79	-0.87	-0.91	-1.03	-1.19	-1.26	-1.19	↑
Site Preparation	0.00	0.09	0.10	0.06	0.22	-0.16	-0.35	-0.34	-0.43	-0.50	-0.51	-0.55	-0.60	↓
All trades	-0.13	-0.10	0.03	-0.07	0.12	-0.35	-0.55	-0.53	-0.69	-0.84	-0.90	-0.92	-0.86	↑

TRADE AVAILABILITY BY REGION - SEPTEMBER QUARTER 2022



HIA TRADE AVAILABILITY INDEX BY REGION														
	Sep-19	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Quarterly Movement in Availability
Sydney	0.01	-0.21	0.00	0.00	0.06	-0.33	-0.25	-0.27	-0.56	-0.67	-0.88	-0.95	-0.85	↑
Regional NSW	-0.16	-0.20	-0.26	-0.36	-0.55	-0.47	-0.55	-0.52	-0.76	-0.87	-0.88	-1.00	-1.02	↓
Melbourne	-0.19	-0.16	0.04	-0.08	0.28	-0.14	-0.36	-0.38	-0.52	-0.70	-0.78	-0.75	-0.77	↓
Regional VIC	-0.14	-0.15	-0.07	0.18	0.40	-0.35	-0.63	-0.59	-0.71	-0.93	-1.06	-1.00	-0.65	↑
Brisbane	-0.24	-0.09	0.12	0.00	0.50	-0.48	-0.65	-0.72	-1.01	-0.98	-1.04	-0.86	-0.83	↑
Regional QLD	-0.24	0.01	-0.17	-0.10	-0.33	-0.47	-0.66	-0.94	-0.83	-0.78	-0.92	-0.80	-1.14	↓
Adelaide	0.10	0.18	-0.11	-0.07	0.12	-0.43	-0.62	-0.55	-0.58	-1.01	-1.05	-1.11	-0.76	↑
Regional SA	-0.26	-0.46	0.62	-1.08	-0.25	-0.67	-0.67	-0.55	-0.47	-1.03	-1.42	-0.90	-1.00	↓
Perth	0.63	1.16	0.76	0.64	0.80	-0.39	-0.67	-0.91	-0.85	-1.04	-0.83	-0.88	-0.84	↑
Regional WA	0.38	0.12	0.74	-0.93	-0.93	-0.93	-0.52	-0.66	-1.11	-1.04	-0.79	-1.13	-0.85	↑
All of Australia	-0.13	-0.10	0.03	-0.07	0.12	-0.35	-0.55	-0.53	-0.69	-0.84	-0.90	-0.92	-0.86	↑

PRICE MOVEMENT IN BUILDING TRADES BY INDIVIDUAL TRADE - SEPTEMBER QUARTER 2022

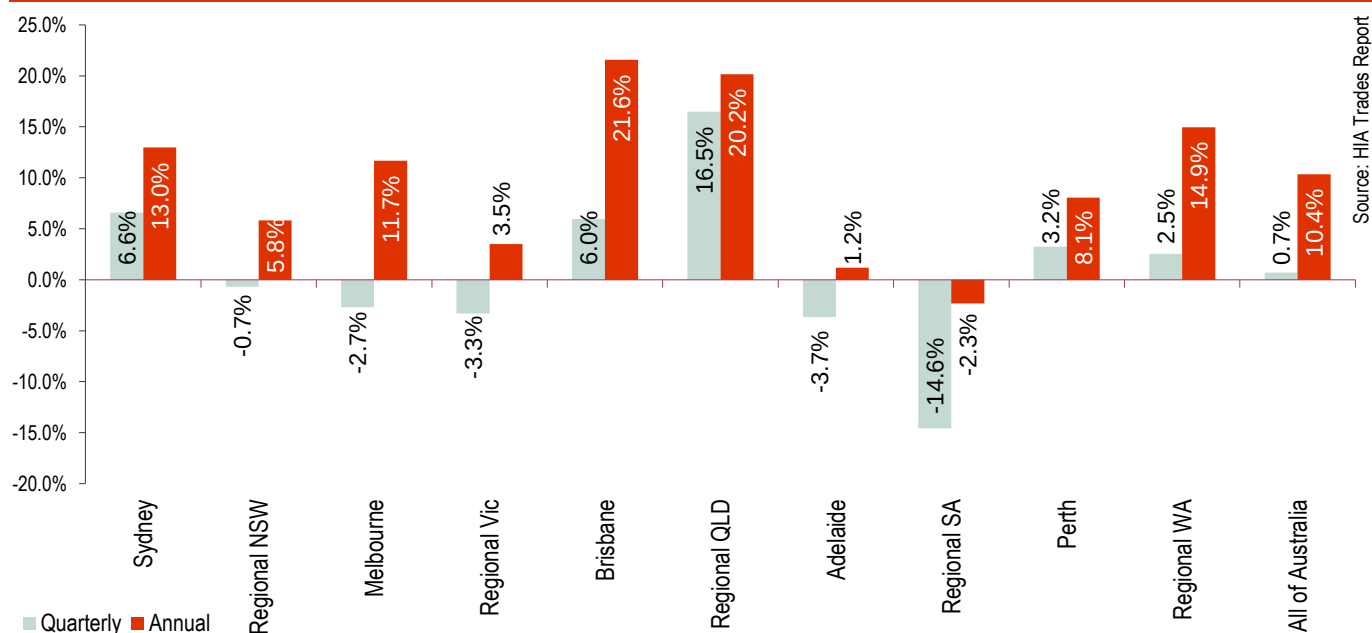


HIA TRADE PRICE INDEX BY TRADE

	Sep-19	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Change	
														Quarterly	Annual
Bricklaying	153.4	155.9	155.6	156.8	148.6	160.2	158.7	167.8	172.8	171.9	180.6	195.4	199.8	2.2%	15.6%
Carpentry	150.7	146.7	152.6	157.6	146.1	151.6	152.3	159.1	159.5	161.0	168.1	179.0	176.4	-1.4%	10.6%
Ceramic Tiling	146.5	153.8	154.3	161.1	156.7	163.5	159.6	164.7	161.2	168.2	173.6	174.8	180.9	3.5%	12.2%
Electrical	193.3	192.1	199.5	204.4	207.7	205.8	208.8	210.2	210.5	213.9	217.2	230.2	229.8	-0.2%	9.1%
General Building	151.2	151.5	155.2	166.2	152.8	159.2	157.6	169.0	168.7	170.7	168.8	182.8	180.8	-1.1%	7.2%
Joinery	154.9	162.1	168.7	183.0	178.6	181.9	172.0	178.6	177.6	182.3	187.6	196.8	196.6	-0.1%	10.7%
Landscaping	134.0	141.3	142.7	155.5	143.7	148.3	151.6	162.3	157.2	158.1	160.2	168.3	180.1	7.0%	14.5%
Other Trades	155.4	160.3	165.0	168.1	159.6	168.4	165.0	172.6	177.8	172.4	172.5	187.8	187.2	-0.3%	5.3%
Painting	134.0	138.1	137.1	145.7	139.6	144.1	140.2	142.0	144.7	150.2	154.8	159.4	160.0	0.4%	10.6%
Plastering	141.4	147.2	145.7	148.8	144.7	147.4	151.3	151.2	152.2	154.6	161.3	167.3	169.9	1.5%	11.6%
Plumbing	202.7	198.6	206.0	205.1	209.3	207.6	216.5	218.2	214.2	220.0	223.7	237.4	237.2	-0.1%	10.7%
Roofing	159.4	168.1	168.9	175.2	184.7	178.7	188.2	189.0	182.0	186.0	187.1	199.0	202.4	1.7%	11.2%
Site Preparation	167.5	178.7	193.4	201.9	204.6	202.9	229.5	216.4	211.6	208.4	202.0	228.2	226.5	-0.8%	7.0%
All trades	156.8	161.0	164.9	171.5	167.2	170.1	172.9	176.0	175.9	178.0	181.7	192.7	194.1	0.7%	10.4%



PRICE MOVEMENT IN BUILDING TRADES BY REGION - SEPTEMBER QUARTER 2022



HIA TRADE PRICE INDEX BY REGION

	Sep-19	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Change	
														Quarterly	Annual
Sydney	171.3	174.8	167.7	179.6	172.2	183.9	173.8	166.0	175.7	174.3	185.8	186.2	198.5	6.6%	13.0%
Regional NSW	152.5	167.2	168.9	168.5	174.9	171.4	175.1	171.0	174.1	170.3	178.9	185.4	184.2	-0.7%	5.8%
Melbourne	155.4	155.0	157.0	166.3	166.2	164.5	163.4	172.1	176.1	174.5	179.3	202.1	196.7	-2.7%	11.7%
Regional VIC	153.7	160.0	164.5	186.3	180.3	167.3	172.3	170.8	177.5	189.6	174.0	190.1	183.8	-3.3%	3.5%
Brisbane	156.5	163.8	150.1	155.0	187.8	170.4	171.8	187.6	167.5	171.0	190.9	192.1	203.6	6.0%	21.6%
Regional QLD	154.9	166.3	187.5	163.2	156.0	169.1	187.0	159.1	172.0	176.7	175.8	177.5	206.7	16.5%	20.2%
Adelaide	148.8	134.7	164.5	141.3	133.7	152.8	167.6	159.1	171.6	183.0	176.9	180.3	173.7	-3.7%	1.2%
Regional SA	147.3	152.2	164.9	164.9	165.7	192.3	171.1	178.3	184.8	172.6	203.8	211.2	180.5	-14.6%	-2.3%
Perth	149.8	137.1	163.2	146.7	144.8	177.1	170.6	206.7	181.9	163.3	184.6	190.3	196.5	3.2%	8.1%
Regional WA	149.4	145.1	167.7	212.0	212.0	163.9	173.1	192.5	184.3	191.1	190.2	206.6	211.8	2.5%	14.9%
All of Australia	156.8	161.0	164.9	171.5	167.2	170.1	172.9	176.0	175.9	178.0	181.7	192.7	194.1	0.7%	10.4%

NOTES

The HIA Trades Report is compiled each quarter from a sample of HIA trade subcontractor and builder members. The information is gathered via an on-line survey in which members are asked to provide their average charge out rate minus GST and materials. They are also asked for their perception of the availability of each trade in their particular region using a five-tiered Likert type scale, with answers ranging from critical short supply through to massive oversupply. The HIA Trade Availability Index has a range of +2.00 to -2.00. An index measure of between +0.01 and +1.00 indicates a moderate oversupply of skilled labour; a reading between +1.01 and +2.00 a substantial oversupply. Conversely, an index reading between -0.01 and -1.00 reflects a moderate undersupply of skilled labour while a reading between -1.01 and -2.00 represents a substantial undersupply.

Trade descriptions are grouped as follows:

- Bricklaying – includes rendering trades
- Carpentry – includes first and second fix carpenter, internal framing, roof carpentry and stair building
- General Building – includes bathroom renovations, building maintenance, cabinet making, patios, pergolas and decks, and steel fabricators
- Joinery – includes kitchen manufacturing and installation and cabinet making
- Landscaping – includes paving, and swimming pools
- Other trades – includes all trades not elsewhere classified including concreting, floor sanding, building designers, garage door installers, glazing trades, pest control, scaffolding and security systems.

individual support | local knowledge | national strength



ECONOMICS

If you would like to know more about HIA Economics
contact us on 02 6245 1393 or visit hia.com.au/economics