

# EXECUTIVE SUMMARY



**The Urban Development Institute of Australia (UDIA) have engaged EY to prepare a report to quantify the economic impact of both the residential and non-residential development sectors across Australia,** and within each of its states and territories. The study period for the report is the financial years of 2016-17, 2017-18 and 2018-19 and the key economic results were compared across these three years to evaluate the trends across Australia.

### The Scope:

The key inputs that have been used to generate the results are the values of new residential and non-residential building approvals in each state and territory, which were taken from datasets provided by the Australian Bureau of Statistics (ABS)<sup>1</sup>. Those values indicate the amount of expenditure in the sectors, which are equivalent to the direct outputs summary detailed on the National page. The number of new residential and non-residential building approvals across states and territories have also been examined to assess the development trends and identify any possible relationships between the value and the actual number of new building approvals.<sup>2</sup>

### Key Findings:

#### Generating over \$312 billion

Both the residential and non-residential development sectors have a considerable impact on Australia's economy. **In FY2018-19, there was approximately \$106 billion of direct output from the sectors** (that is, the value of building approvals). The direct outputs increase the demand for intermediate goods and services which are crucial to the development sectors. Demand for intermediate products and services then leads to multiple rounds of flow-on effects. For example, the increase in outputs across the supply-chain leads to the creation of new jobs across the economy, which generally also corresponds to an increase in consumption. **Flow-on effects capture not only direct outputs but indirect outputs. In FY2018-19 approximately \$206 billion of indirect**

**outputs were also generated from the direct outputs in the development sectors. Combined, direct and indirect outputs produced approximately \$312 billion for the Australian economy.**

The development sectors are integral components of the overall construction sector. The construction sector is defined as any work carried out in connection with the construction, alteration, conversion, fitting-out, commissioning, renovation, repair, maintenance, refurbishment, demolition, decommissioning or dismantling of a structure, or preparation of a building site<sup>3</sup>, which in FY2018-19 contributed approximately 7.5% to Australia's Gross Domestic (GDP).

#### Employing over 750,000 people

**Almost 750,000 jobs were supported by the total output of the residential and non-residential sectors in FY2018-19.** Of these jobs, approximately 212,000 (or 29%) of the total jobs were direct jobs in the residential and non-residential development sectors.

**Approximately 530,000 jobs were created through the supply chain effect** and the increased consumption delivered from wage and salary increases.

#### Contributing \$122 billion in value

**Total outputs indicate the economic contribution of an industry** (the gross change in economic activity) within a particular industry. **Value add indicates the economic impact of an industry**, that is the net change in economic activity within that industry. Value add is an important measure, as it quantifies the value of an industry in terms of how much additional money it introduces into the economy. **In FY2018-19, the combined residential and non-residential development sectors had a direct value add of approximately \$32 billion to the Australian economy and an indirect value add of almost \$90 billion (from supply-chain and consumption effects), which combined totals approximately \$122 billion in value add.**

National	Direct	Indirect	Total
<b>Output</b>	\$106 billion	\$206 billion	\$312 billion
<b>Value Add</b>	\$32 billion	\$90 billion	\$122 billion
<b>Jobs</b>	212,000 jobs	530,000 jobs	742,000 jobs

QLD	Direct	Indirect	Total
<b>Output</b>	\$18.25 billion	\$32 billion	\$50.25 billion
<b>Value Add</b>	\$6 billion	\$14 billion	\$20 billion
<b>Jobs</b>	37,000 jobs	91,000 jobs	128,000 jobs

NSW	Direct	Indirect	Total
<b>Output</b>	\$35 billion	\$66 billion	\$101 billion
<b>Value Add</b>	\$10 billion	\$29 billion	\$39 billion
<b>Jobs</b>	70,000 jobs	176,000 jobs	246,000 jobs

ACT	Direct	Indirect	Total
<b>Output</b>	\$3 billion	\$3 billion	\$6 billion
<b>Value Add</b>	\$0.8 billion	\$1.2 billion	\$2 billion
<b>Jobs</b>	6,000 jobs	8,500 jobs	14,500 jobs

VIC	Direct	Indirect	Total
<b>Output</b>	\$34.5 billion	\$70.5 billion	\$105 billion
<b>Value Add</b>	\$10 billion	\$30 billion	\$40 billion
<b>Jobs</b>	69,000 jobs	206,000 jobs	275,000 jobs

TAS	Direct	Indirect	Total
<b>Output</b>	\$1.5 billion	\$2.5 billion	\$4 billion
<b>Value Add</b>	\$0.5 billion	\$1 billion	\$1.5 billion
<b>Jobs</b>	3,300 jobs	9,200 jobs	12,500 jobs

SA	Direct	Indirect	Total
<b>Output</b>	\$5 billion	\$8.25 billion	\$13.25 billion
<b>Value Add</b>	\$1 billion	\$4 billion	\$5 billion
<b>Jobs</b>	9,000 jobs	24,000 jobs	33,000 jobs

WA	Direct	Indirect	Total
<b>Output</b>	\$9 billion	\$13 billion	\$22 billion
<b>Value Add</b>	\$3 billion	\$6 billion	\$9 billion
<b>Jobs</b>	17,000 jobs	25,000 jobs	42,000 jobs

NT	Direct	Indirect	Total
<b>Output</b>	\$0.7 billion	\$0.6 billion	\$1.3 billion
<b>Value Add</b>	\$0.2 billion	\$0.3 billion	\$0.5 billion
<b>Jobs</b>	700 jobs	1,400 jobs	2,100 jobs



## GLOSSARY

Term	Definition
<b>Economic contribution</b>	The gross change in economic activity associated with the development sectors in an existing regional economy.
<b>Economic impact</b>	The net change in economic activity associated with the development sectors in an existing regional economy.
<b>Expenditure</b>	Dollars spent within region that are attributable to the development sectors.
<b>Construction Sector</b>	The construction sector is defined as any work carried out in connection with the construction, alteration, conversion, fitting-out, commissioning, renovation, repair, maintenance, refurbishment, demolition, decommissioning or dismantling of a structure, or preparation of a building site.
<b>Direct output</b>	The quantity of goods or services produced in the development sectors from expenditure. In this report, the direct output is equated to the value of building approvals.
<b>Indirect output</b>	The quantity of goods and services produced in other sectors as a result of direct output in the development sectors. For example, finance and insurance firms, business services and manufacturers all provide goods and services to support the output in the development sectors.
<b>Direct employment</b>	Workers direct employed in the development sectors, such as planners and builders.
<b>Indirect employment</b>	Workers employed in other industries as a result of activity in the development sectors. For example, employees in finance and insurance firms, business services and manufacturers all provide goods and services to support the output in the development sectors.
<b>Gross State Product / Gross National Product</b>	A measure of the total value added to the economy from goods and services produced in the State or Region over time. It is a measure of overall economic activity from all industries in a region.
<b>Direct value add</b>	The measure of the value of goods and services produced in the development sectors to determine the value that the sectors make towards Gross State Product / Gross National Product.
<b>Development Industry</b>	<p>For the purposes of this report, the development industry is defined as the development of residential and non-residential buildings. This report does not account for all of the impacts generated from the broader property industry. This report encompasses just a part of engineering and professional services involved in the development of property; non-residential property operators and real estate services; parts of banking, non-bank finance that facilitate the development, acquisition and ownership of property.</p> <p>The definition of the development industry also does not include ownership of dwellings, which are rents paid by tenants to landlords and imputed rents to owner occupiers.</p> <p>The results of this analysis are focused on the construction of residential and non-residential buildings only to provide a clear estimate of the contribution made to the economy by construction of residential and non-residential building. We note that other studies completed recently have included the wider impacts of the development industry, which includes all of the activities outlined above which are not included in this report. This accounts for the variations in estimates seen between this report on the contribution of the development industry and other studies on the contribution of the property industry. For future analysis and reporting UDIA will attempt to align existing estimates of economic contribution to ensure they are comparable.</p>

1. This report was intended to use the value and number of new building approvals across both the residential and non-residential development sectors, however the data is only published for the residential development sector. The value of total building approvals has been used for the non-residential development sector.

2. Figures in this report have been rounded and therefore may not appear to add correctly.

3. Safe Work Australia, <https://www.safeworkaustralia.gov.au/construction#construction-work-a-definition>

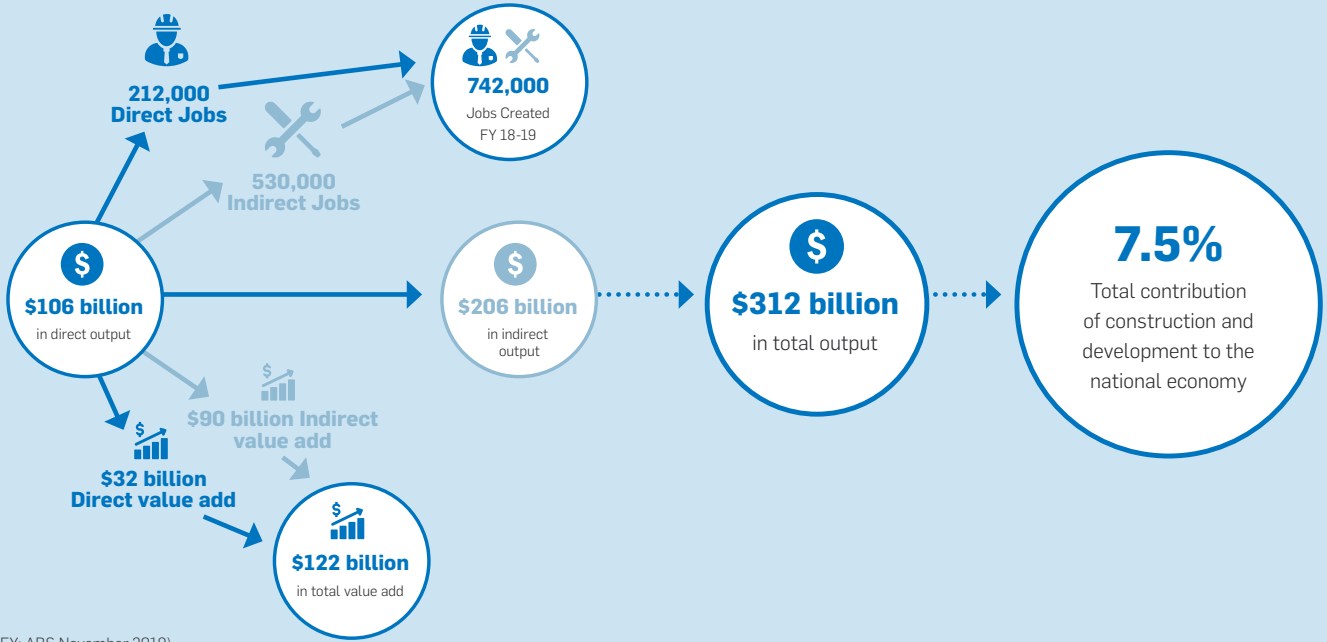
Disclaimer: The contents of this report are based on secondary research using a variety of sources and research partners including EY, UDIA members and publicly available information include the Australian Bureau of Statistics. These sources are believed to be reliable. The information obtained from such sources, however, was not independently verified and was relied upon in performing the analysis. Accordingly, no representation or warranty is provided regarding the accuracy or completeness of the information contained in this report. The information contained in this report includes certain analysis and forecasts that are based on assumptions and qualifications that are outlined in this report. Readers are cautioned that the actual reports are often different in the future, because events and circumstances frequently do not occur as expected, and those differences may be material. UDIA (including its research partners) disclaim any responsibility whatsoever in relation to the contents of this report and have no obligations to provide any updates or corrections to the recipient of this report. The key points and conclusions contained in this report represent UDIA views. No reliance for whatsoever purpose should be placed on any of the contents of this report. The readers are cautioned not to take any actions or decisions based on the contents of this report, should they do that it will be at their own risk.

# RESIDENTIAL DEVELOPMENT UNDERPINS AUSTRALIA'S ECONOMY

## NATIONAL



EY on behalf of UDIA National has undertaken new independent research which provides evidence on the critical role that new housing and construction plays in fuelling economic activity. **The research illustrates that 7.5 percent of national economic activity is generated by construction – along with 750,000 direct and indirect jobs.** The multiplier effect for demand and services generated across the supply chain is crucial for new jobs creation and more importantly domestic consumption. **In total, the direct and indirect output generated is a staggering \$312 billion making the industry one of the most vital to Australia's economic success.**



(EY: ABS November 2019)

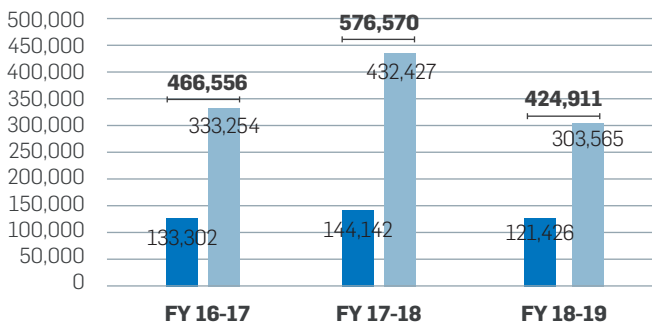


## DIRECT EMPLOYMENT/JOB CREATION

**Direct employment** refers to workers directly employed in the development and construction sector, such as builders, planners and architects. **Indirect employment** refers to those employed in other industries as a result of activity in the development and construction sector, such as finance and insurance firms, business services and manufacturers of goods and services to support the output in the development and construction sectors.



### TOTAL JOB CREATION NEW RESIDENTIAL DEVELOPMENT

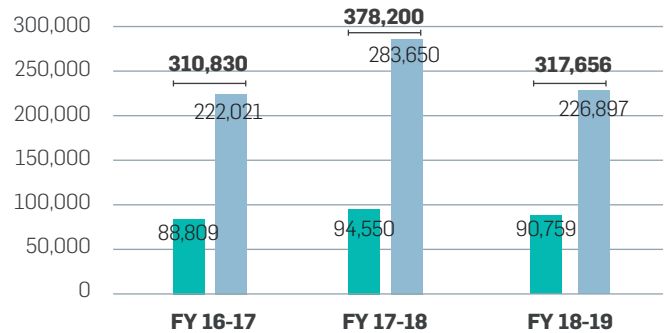


(EY: ABS November 2019)

■ Direct Jobs ■ In Direct Jobs



### TOTAL JOB CREATION NON-RESIDENTIAL DEVELOPMENT



(EY: ABS November 2019)

■ Direct Jobs ■ In Direct Jobs

In FY2018-19 the **new residential and construction development** sector makes a significant contribution to employment across Australia. In FY2018-19 approximately 121,000 people were directly employed as a result of output in the **new residential development and construction** sector, and an additional 304,000 were indirectly employed during the same period because of this output, resulting in approximately 425,000 jobs created in the **new residential and construction development** sector.

The **new non-residential development and construction** sector is an important source of jobs across Australia. In FY2018-19 almost 91,000 people were directly employed as a result of output in the **new non-residential development and construction** sector and an additional 227,000 were indirectly employed because of this output, resulting in 317,000 jobs created in the **new non-residential development and construction** sector.

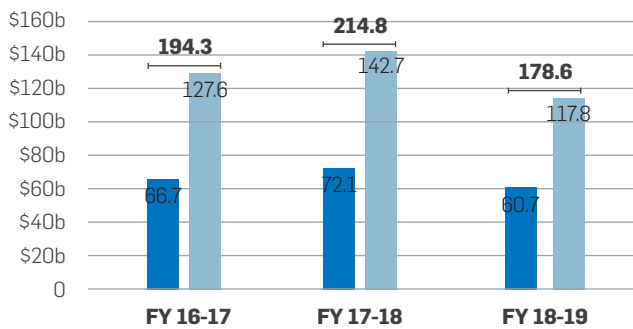
## \$ DIRECT OUTPUT

**Direct output** generally refers to quantity of goods and services produced in the development sector. In this report, direct output equates to the value of building approvals.

In FY2018-19 direct output in the **new residential construction and development** sector across Australia fell by 16% by value from \$72.1 billion to \$60.7 billion. Correspondingly, the number of new residential buildings approved also declined by 19% from the preceding year, (equating to 44,370) from 231,038 to 186,668.

In FY2018-19 direct output in the **new residential construction and development** sector across Australia fell by 16% by value from \$72.1 billion to \$60.7 billion. Correspondingly, the number of new residential buildings approved also declined by 19% from the preceding year, (equating to 44,370) from 231,038 to 186,668.

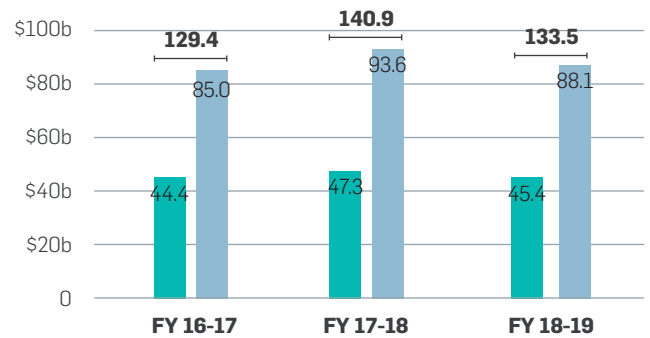
## \$ TOTAL OUTPUT NEW RESIDENTIAL DEVELOPMENT



(EY: ABS November 2019)

■ Direct Output ■ In Direct Output

## \$ TOTAL OUTPUT NON-RESIDENTIAL DEVELOPMENT



(EY: ABS November 2019)

■ Direct Output ■ In Direct Output

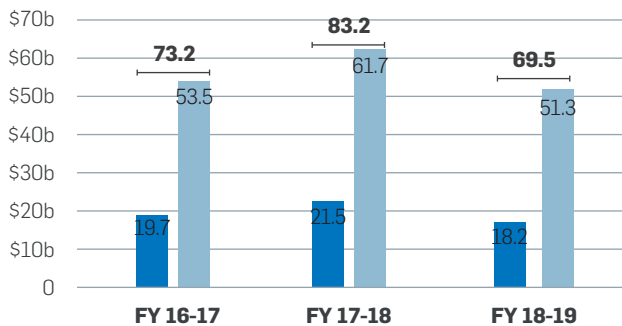
## \$ VALUE ADD

**Value add** to the national economy refers to the measure of the economic impact of additional goods and services produced in the associated activity in the development sector.

The total value add to the **national residential and construction development** sector during FY2018-19 was \$69.5 billion, which was approximately 39% of the \$178.6 billion total output in the **residential development** sector outlined above.

The total value add to the **national non-residential and construction development** sector for FY2018-19 was \$52.0 billion, or approximately 39% of total output of the \$133.5 billion in the **non-residential development** sector outlined above.

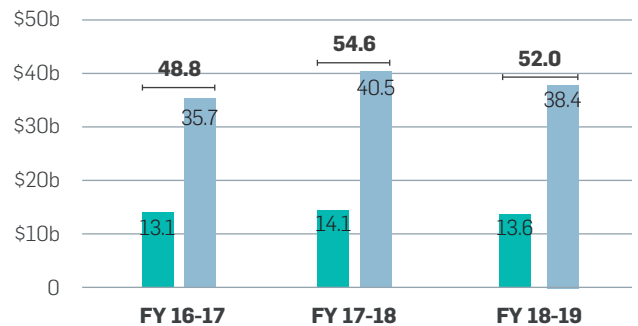
## \$ TOTAL VALUE ADD RESIDENTIAL DEVELOPMENT



(EY: ABS November 2019)

■ Direct Value Add ■ In Direct Value Add

## \$ TOTAL VALUE ADD NON-RESIDENTIAL DEVELOPMENT

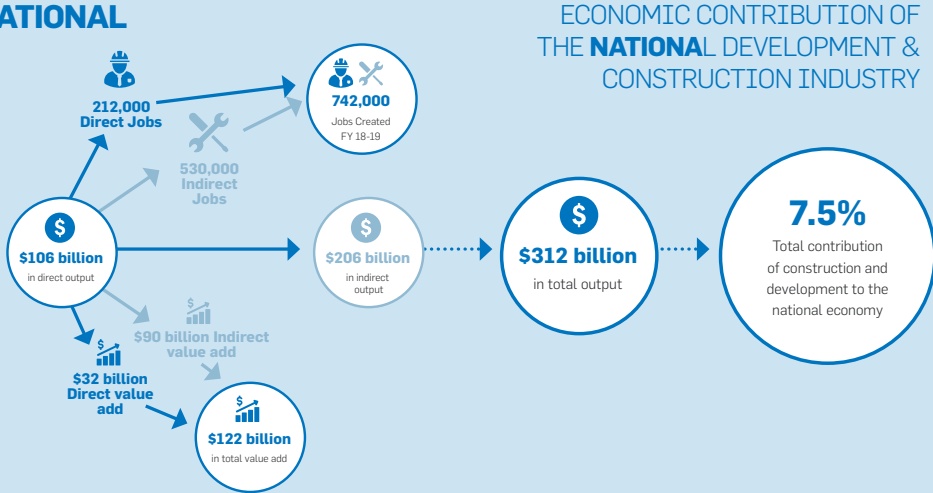


(EY: ABS November 2019)

■ Direct Value Add ■ In Direct Value Add

# RESIDENTIAL DEVELOPMENT UNDERPINS AUSTRALIA'S ECONOMY

## NATIONAL

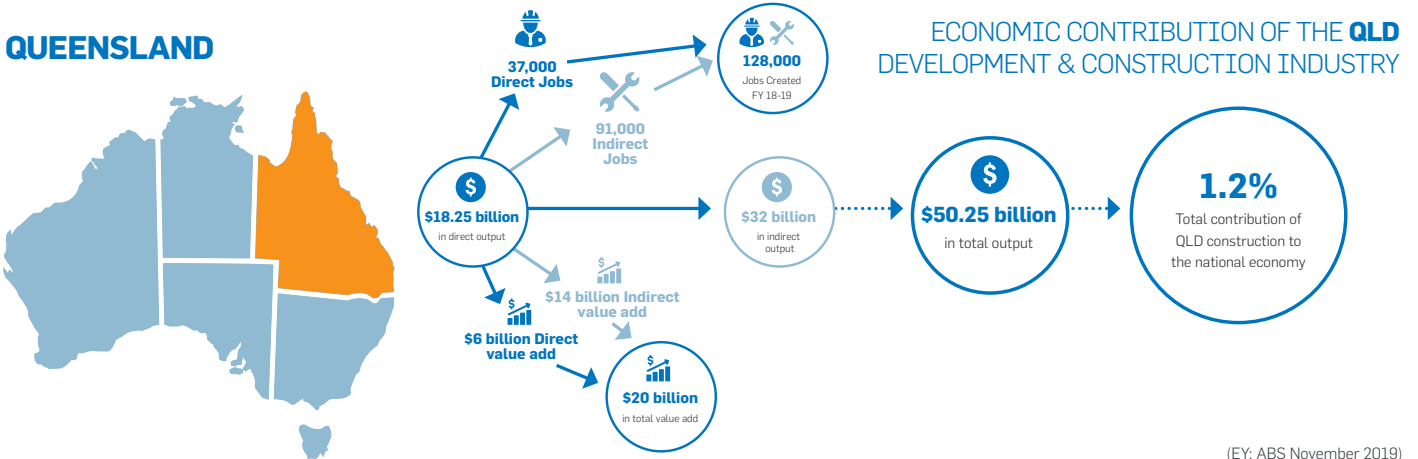


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EY on behalf of UDIA National has undertaken new independent research which provides evidence on the critical role that new housing and construction plays in fuelling economic activity. **The research illustrates that 7.5 percent of national economic activity is generated by construction – along with 750,000 direct and indirect jobs.**

The multiplier effect for demand and services generated across the supply chain is crucial for new jobs creation and more importantly domestic consumption. **In total, the direct and indirect output generated is a staggering \$312 billion making the industry one of the most vital to Australia's economic success.**

## QUEENSLAND

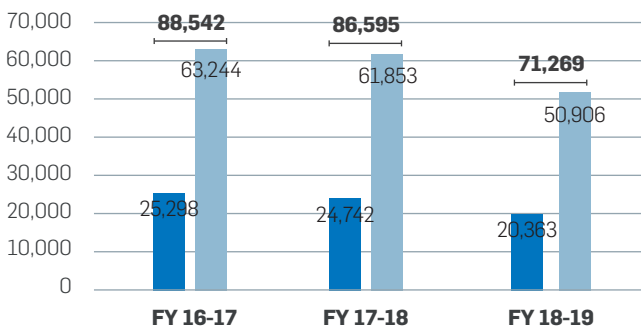


(EY: ABS November 2019)

## DIRECT EMPLOYMENT/JOB CREATION

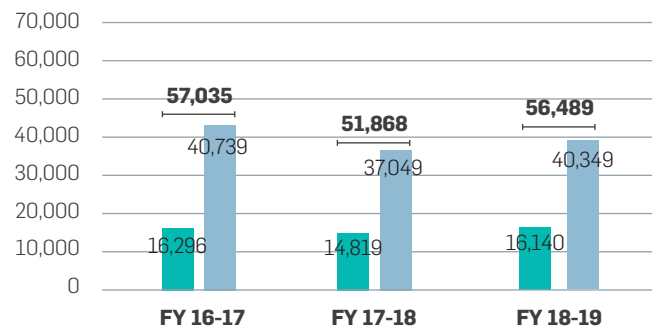
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### TOTAL JOB CREATION QLD NEW RESIDENTIAL DEVELOPMENT



(EY: ABS November 2019)

### TOTAL JOB CREATION QLD NON-RESIDENTIAL DEVELOPMENT



(EY: ABS November 2019)

The **Queensland new residential and construction development** sector made a significant contribution to employment across the state. In FY2018-19 approximately 20,000 people were directly employed as a result of output in the **new residential and construction** sector and an additional 51,000 were indirectly employed during the same period because of this output, resulting in more than 71,000 jobs created by this sector.

The **Queensland non-residential and construction development** sector is an important source of jobs across the state. In FY2018-19 approximately 16,000 people were directly employed as a result of output in the **non-residential and construction** sector and an additional 40,000 were indirectly employed because of this output, resulting in more than 56,000 jobs created by this sector.



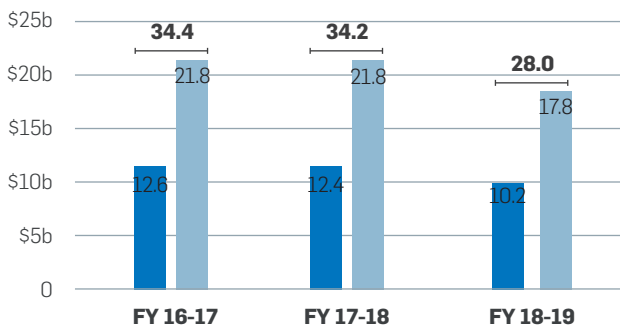
## \$ DIRECT OUTPUT

**Direct output** generally refers to quantity of goods and services produced in the development sector. In this report, direct output equates to the value of building approvals.

In FY2018-19 direct output by value in the **new residential construction and development** sector across Queensland fell by 18% from \$12.4 billion to \$10.2 billion. Correspondingly, the number of new residential buildings approved also declined by a significant 23% from the preceding year, (equating to 9,389) from 43,051 to 33,212 approvals. This drop significantly impacted on the reduced direct output.

In FY2018-19 direct output in the **Queensland non-residential development and construction** sector increased by 9% in value from \$7.4 billion to \$8.1 billion. This aligned with the rise in number of non-residential buildings approved in FY2018-19, which also increased by 7% from the preceding year, (equating to 433) from 6,031 to 6,464.

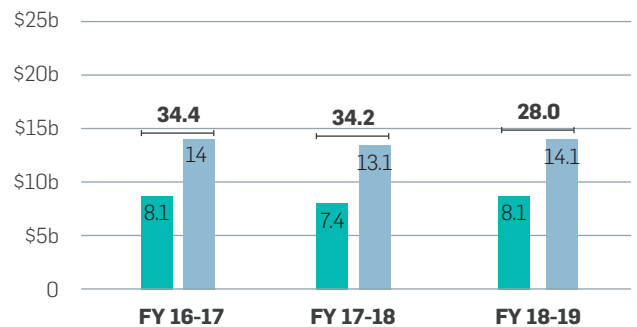
## \$ TOTAL OUTPUT QLD NEW RESIDENTIAL DEVELOPMENT



(EY: ABS November 2019)

■ Direct Output ■ In Direct Output

## \$ TOTAL OUTPUT QLD NON-RESIDENTIAL DEVELOPMENT



(EY: ABS November 2019)

■ Direct Output ■ In Direct Output

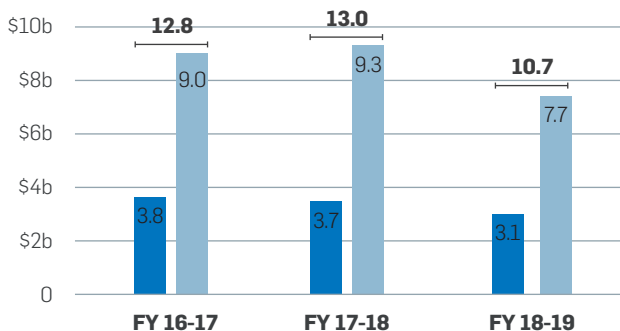
## \$ VALUE ADD

**Value add** to the national economy refers to the measure of the economic impact of additional goods and services produced in the associated activity in the development sector.

The total value add to the **Queensland residential development** sector during FY2018-19 was \$10.7 billion, which was approximately 38% of total output above, being \$28.0 billion of the **residential development** sector.

The total value add to the **Queensland non-residential development** sector FY2018-19 was \$8.5 billion, or approximately 38% of total output in the **non-residential** sector of \$22.2 billion outlined above.

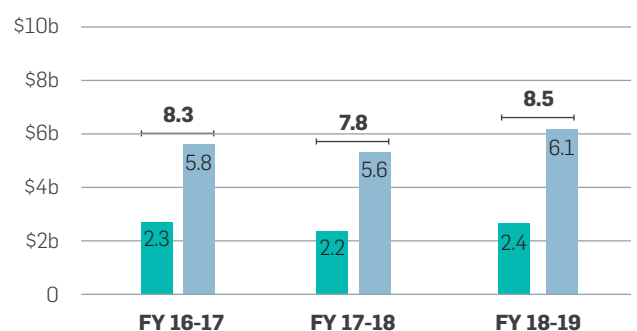
## \$ TOTAL VALUE ADD QLD RESIDENTIAL DEVELOPMENT



(EY: ABS November 2019)

■ Direct Value Add ■ In Direct Value Add

## \$ TOTAL VALUE ADD QLD NON-RESIDENTIAL DEVELOPMENT

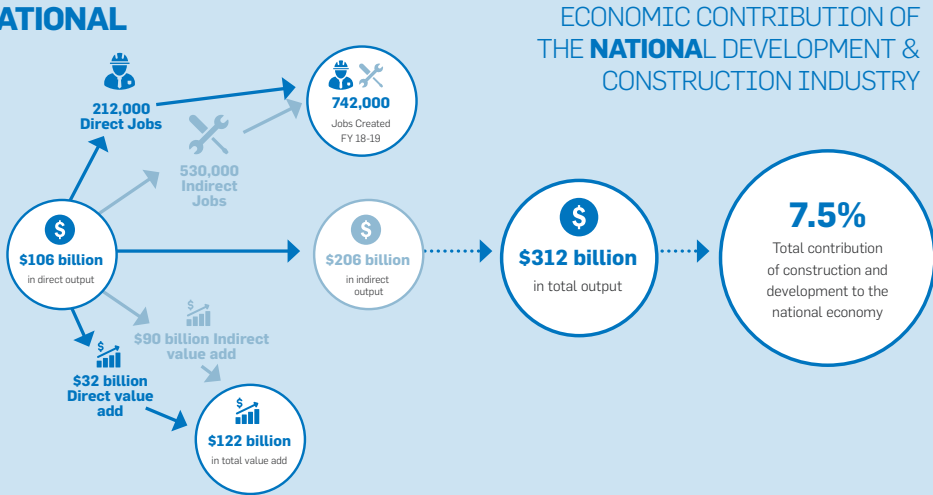


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■ Direct Value Add ■ In Direct Value Add

# RESIDENTIAL DEVELOPMENT UNDERPINS AUSTRALIA'S ECONOMY

## NATIONAL

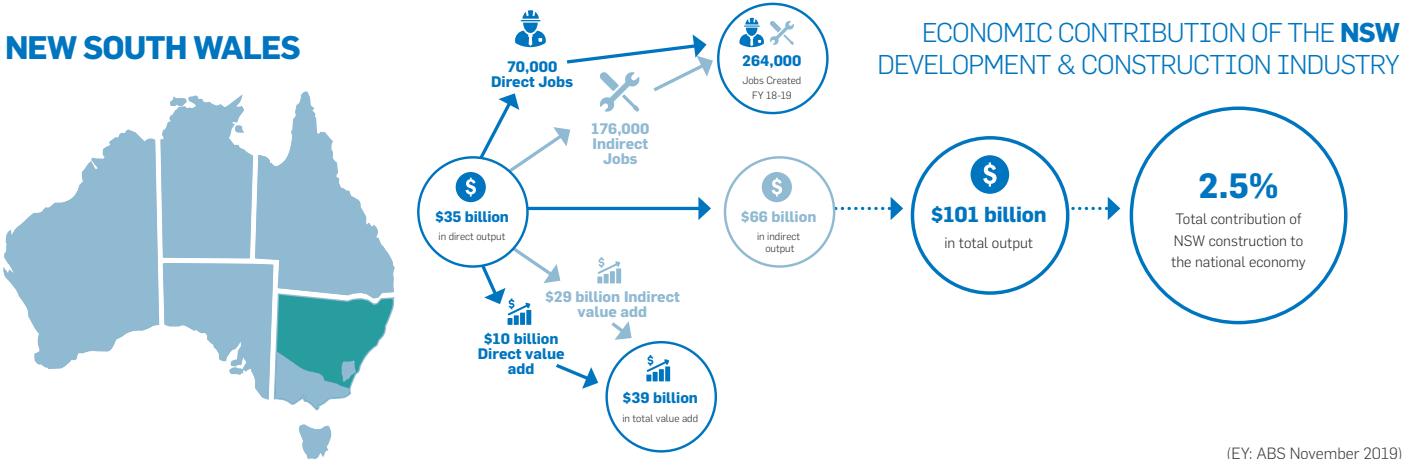


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EY on behalf of UDIA National has undertaken new independent research which provides evidence on the critical role that new housing and construction plays in fuelling economic activity. **The research illustrates that 7.5 percent of national economic activity is generated by construction – along with 750,000 direct and indirect jobs.**

The multiplier effect for demand and services generated across the supply chain is crucial for new jobs creation and more importantly domestic consumption. **In total, the direct and indirect output generated is a staggering \$312 billion making the industry one of the most vital to Australia's economic success.**

## NEW SOUTH WALES

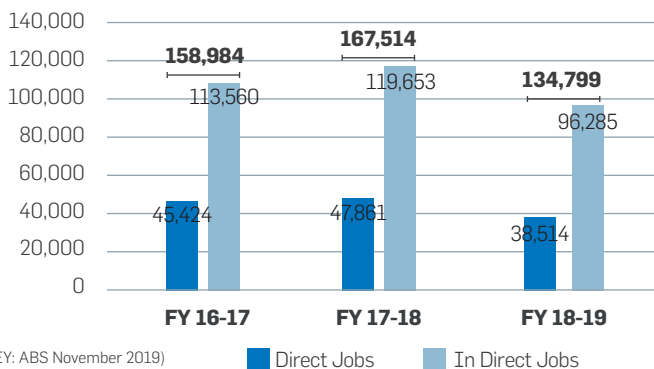


(EY: ABS November 2019)

## DIRECT EMPLOYMENT/JOB CREATION

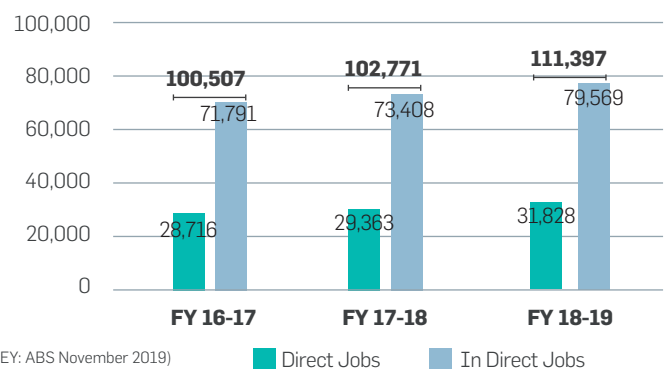
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### TOTAL JOB CREATION NSW NEW RESIDENTIAL DEVELOPMENT



(EY: ABS November 2019)

### TOTAL JOB CREATION NSW NON-RESIDENTIAL DEVELOPMENT



(EY: ABS November 2019)

The **New South Wales new residential development and construction** sector made a significant contribution to employment across the state. In FY2018-19 approximately 39,000 people were directly employed as a result of output in the **new residential development and construction** sector and an additional 96,000 were indirectly employed during the same period because of this output, resulting in almost 135,000 jobs created by this sector.

The **non-residential development and construction** sector makes a significant contribution to employment in New South Wales. In FY2018-19, approximately 32,000 people were directly employed as a result of output in the **non-residential development and construction** sector and an additional 80,000 were indirectly employed because of this output, resulting in more than 111,000 jobs created by this sector.

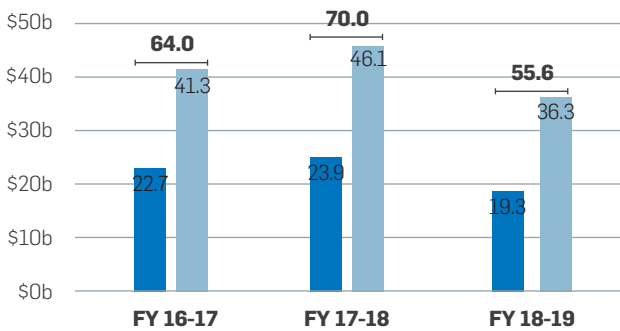
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In FY2018-19 direct output by value in the **new residential development and construction** sector across New South Wales fell by 19% from \$23.9 billion to \$19.3 billion. Correspondingly, the number of new residential buildings approved also declined significantly by approximately 21% from the preceding year, (equating to 14,988) from 72,022 to 57,034 approvals. This drop significantly impacted on the reduced direct output.

In FY2018-19 direct output in the **New South Wales non-residential development and construction** sector increased by 8% in value from \$14.7 billion to \$15.9 billion. This increase was likely due in part to the increase in the number of non-residential buildings approved in FY2018-19, which also increased by approximately 4%, (equating to 283) from the preceding year from 7,869 to 8,152.

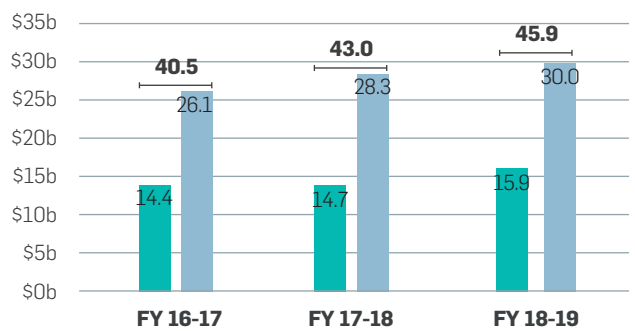
## \$ TOTAL OUTPUT NSW NEW RESIDENTIAL DEVELOPMENT



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## \$ TOTAL OUTPUT NSW NON-RESIDENTIAL DEVELOPMENT



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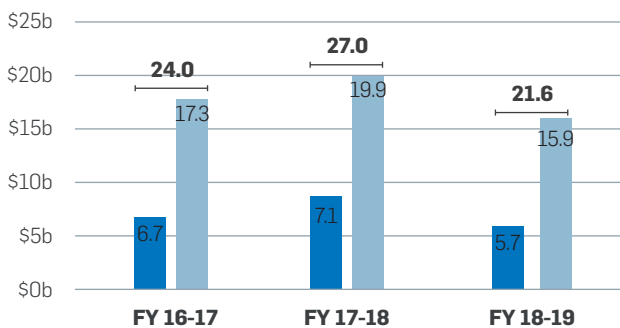
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The total value add to the **New South Wales residential development and construction** sector during FY2018-19 was \$21.6 billion, which was approximately 39% of total output above, being \$55.6 billion of the **residential development and construction** sector.

The total value add to the **New South Wales non-residential development and construction** sector FY2018-19 was \$17.8 billion, or approximately 39% of total output in the **non-residential development and construction** sector of \$45.9 billion outlined above.

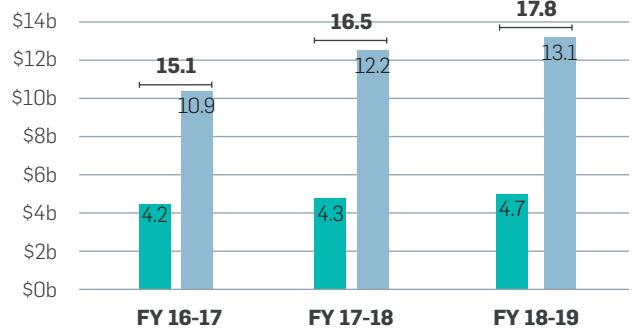
## \$ TOTAL VALUE ADD NSW RESIDENTIAL DEVELOPMENT



(EY: ABS November 2019)

■ Direct Value Add ■ In Direct Value Add

## \$ TOTAL VALUE ADD NSW NON-RESIDENTIAL DEVELOPMENT



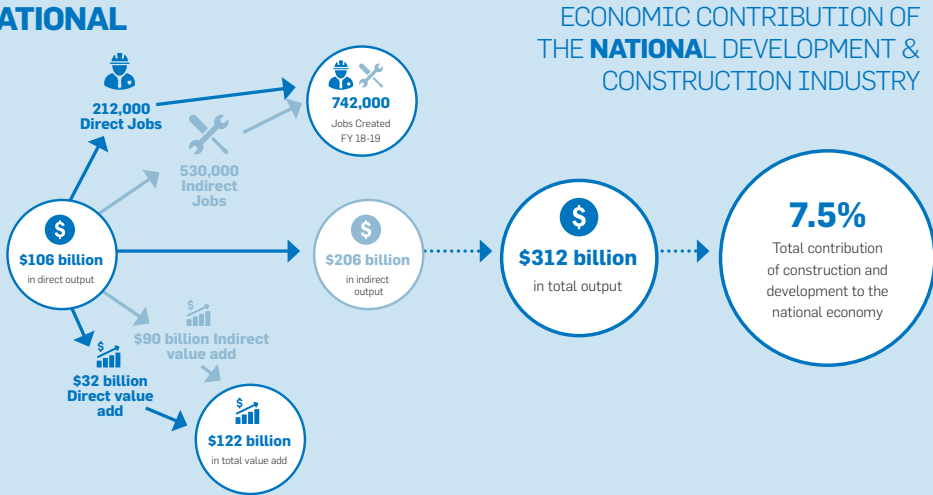
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# RESIDENTIAL DEVELOPMENT UNDERPINS AUSTRALIA'S ECONOMY

## NATIONAL

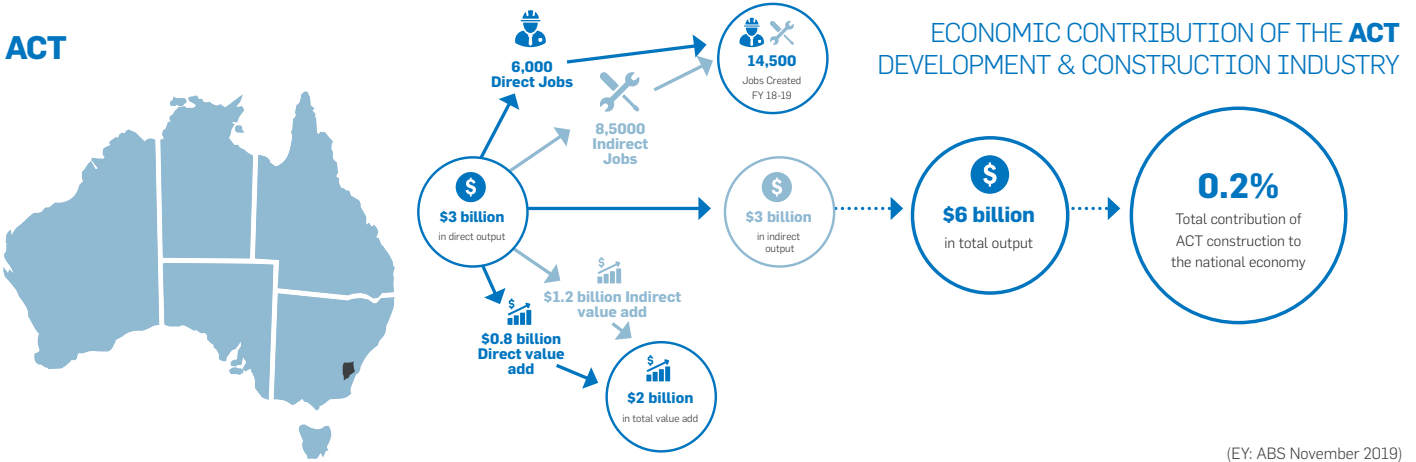


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## ACT



(EY: ABS November 2019)

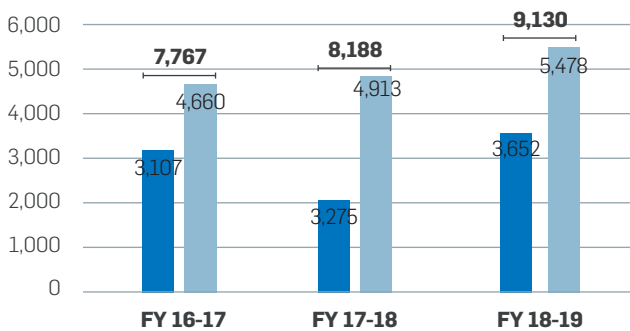


## DIRECT EMPLOYMENT/JOB CREATION

**Direct employment** refers to workers directly employed in the development and construction sector, such as builders, planners and architects. **Indirect employment** refers to those employed in other industries as a result of activity in the development and construction sector, such as finance and insurance firms, business services and manufacturers of goods and services to support the output in the development and construction sectors.



### TOTAL JOB CREATION ACT NEW RESIDENTIAL DEVELOPMENT

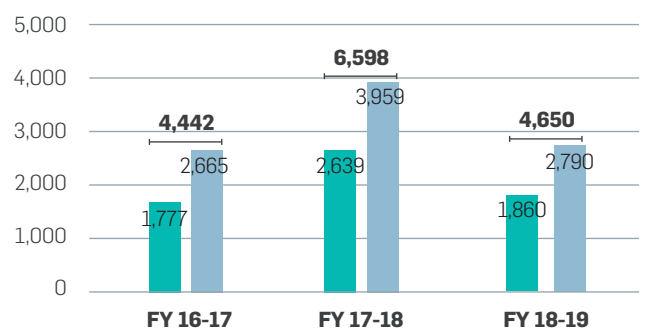


(EY: ABS November 2019)

■ Direct Jobs ■ In Direct Jobs



### TOTAL JOB CREATION ACT NON-RESIDENTIAL DEVELOPMENT



(EY: ABS November 2019)

■ Direct Jobs ■ In Direct Jobs

The **ACT new residential development and construction** sector makes a significant contribution to employment across the state. In FY2018-19 almost 4,000 people were directly employed as a result of output in the **new residential development and construction** sector and an additional 5,500 were indirectly employed during the same period because of this output, resulting in more than 9,000 jobs created by this sector.

The **ACT non-residential development and construction** sector continues to provide significant employment opportunities across the state. In FY2018-19 approximately 2,000 people were directly employed as a result of output in the **non-residential development and construction** sector and an additional 3,000 were indirectly employed because of this output, resulting in almost 5,000 jobs created by this sector.

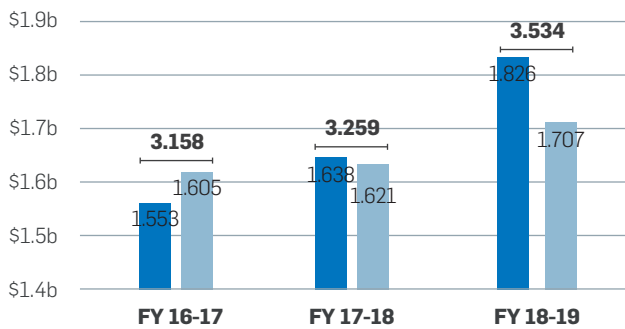
## \$ DIRECT OUTPUT

**Direct output** generally refers to quantity of goods and services produced in the development sector. In this report, direct output equates to the value of building approvals.

In FY2018-19 direct output by value in the **new residential development and construction** sector across ACT increased by approximately 11% from \$1.638 billion to \$1.826 billion. This growth was also reflected in the number of new residential buildings approved, which increased by approximately 9% from the preceding year, (equating to 505) from 5,657 to 6,162.

In FY2018-19 direct output by value in the **ACT non-residential development and construction** sector fell by approximately 30% from \$1.320 billion to \$0.930 billion. The number of non-residential buildings approved also declined in FY2018-19, decreasing by approximately 2%, (equating to 14) from the preceding year from 635 to 621.

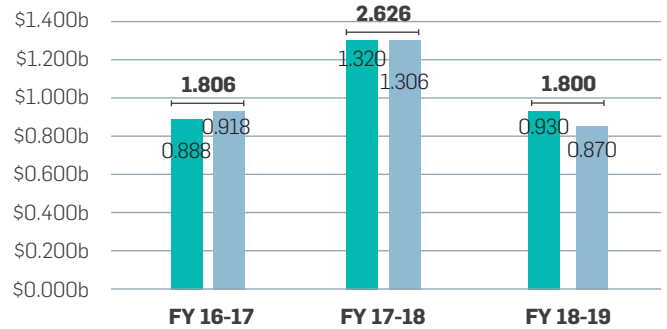
## \$ TOTAL OUTPUT ACT NEW RESIDENTIAL DEVELOPMENT



(EY: ABS November 2019)

■ Direct Output ■ In Direct Output

## \$ TOTAL OUTPUT ACT NON-RESIDENTIAL DEVELOPMENT



(EY: ABS November 2019)

■ Direct Output ■ In Direct Output

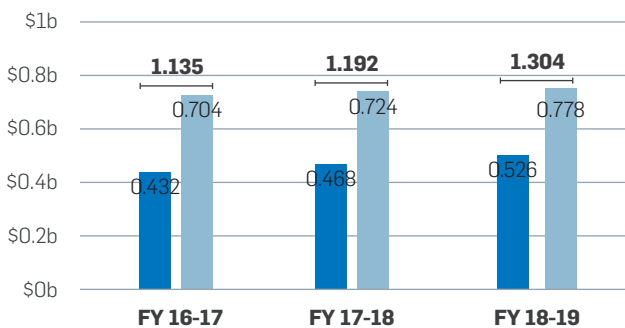
## \$ VALUE ADD

**Value add** to the national economy refers to the measure of the economic impact of additional goods and services produced in the associated activity in the development sector.

The total value add to the **ACT residential development and construction** sector during FY2018-19 was \$1.304 billion, which was approximately 37% of total output above, being \$3.534 billion of the **residential development and construction sector**.

The total value add to the **ACT non-residential development and construction** sector FY2018-19 was \$0.664 billion, or approximately 37% of total output in the **non-residential development and construction sector** of \$1.800 billion outlined above.

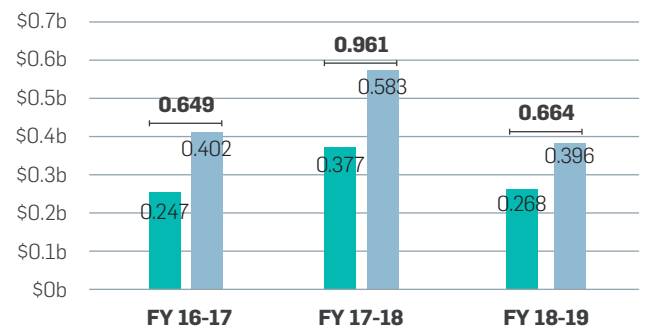
## \$ TOTAL VALUE ADD ACT RESIDENTIAL DEVELOPMENT



(EY: ABS November 2019)

■ Direct Value Add ■ In Direct Value Add

## \$ TOTAL VALUE ADD ACT NON-RESIDENTIAL DEVELOPMENT

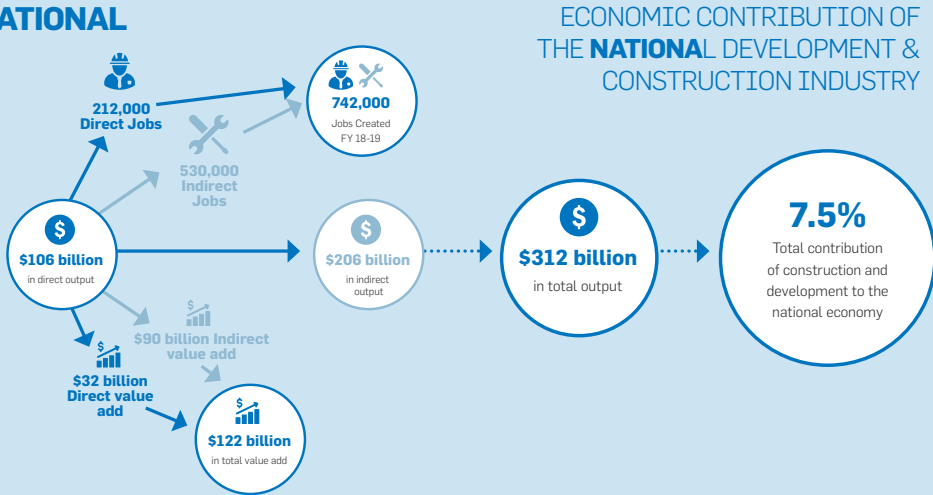


(EY: ABS November 2019)

■ Direct Value Add ■ In Direct Value Add

# RESIDENTIAL DEVELOPMENT UNDERPINS AUSTRALIA'S ECONOMY

## NATIONAL

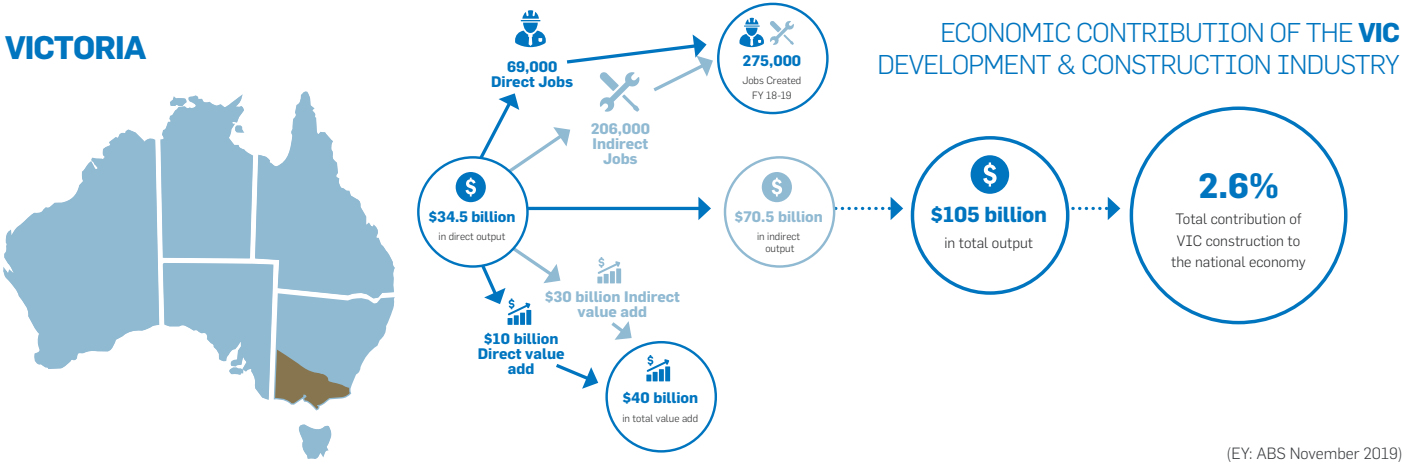


(EY: ABS November 2019)

EY on behalf of UDIA National has undertaken new independent research which provides evidence on the critical role that new housing and construction plays in fuelling economic activity. **The research illustrates that 7.5 percent of national economic activity is generated by construction – along with 750,000 direct and indirect jobs.**

The multiplier effect for demand and services generated across the supply chain is crucial for new jobs creation and more importantly domestic consumption. **In total, the direct and indirect output generated is a staggering \$312 billion making the industry one of the most vital to Australia's economic success.**

## VICTORIA

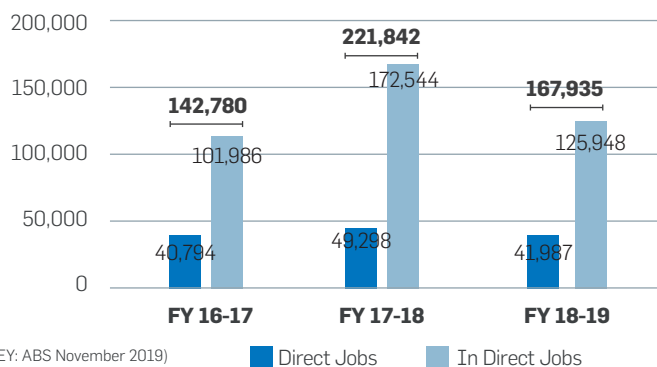


(EY: ABS November 2019)

## DIRECT EMPLOYMENT/JOB CREATION

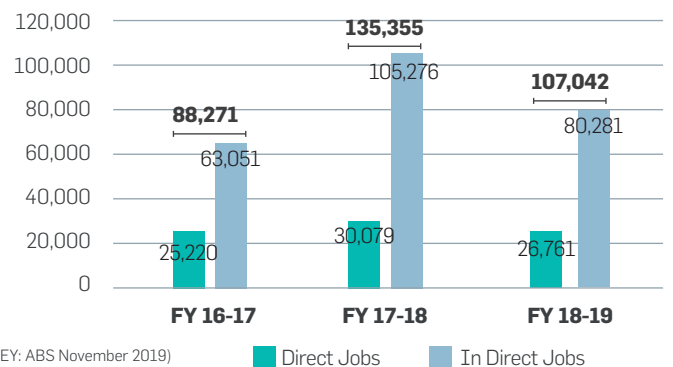
**Direct employment** refers to workers directly employed in the development and construction sector, such as builders, planners and architects. **Indirect employment** refers to those employed in other industries as a result of activity in the development and construction sector, such as finance and insurance firms, business services and manufacturers of goods and services to support the output in the development and construction sectors.

### TOTAL JOB CREATION VIC NEW RESIDENTIAL DEVELOPMENT



(EY: ABS November 2019)

### TOTAL JOB CREATION VIC NON-RESIDENTIAL DEVELOPMENT



(EY: ABS November 2019)

Victoria's **new residential development and construction** sector made a significant contribution to employment across the state. In FY2018-19 approximately 42,000 people were directly employed as a result of output in the **new residential development and construction** sector and an additional 126,000 were indirectly employed during the same period because of this output, resulting in approximately 168,000 jobs created by this sector.

The **non-residential development and construction** sector continues to provide significant employment opportunities within Victoria. In FY2018-19 approximately 27,000 people were directly employed as a result of output in the **non-residential and construction** sector and an additional 80,000 were indirectly employed because of this output, resulting in more than 107,000 jobs created by this sector.

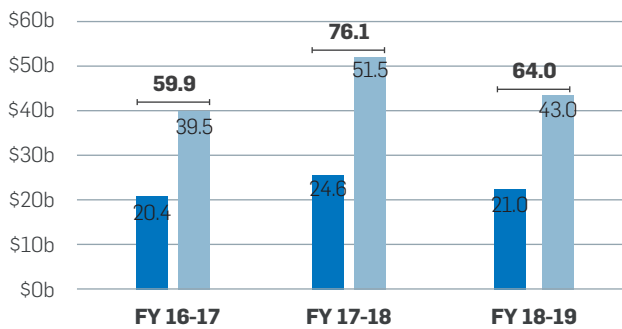
## \$ DIRECT OUTPUT

**Direct output** generally refers to quantity of goods and services produced in the development sector. In this report, direct output equates to the value of building approvals.

In FY2018-19 direct output by value in the **new residential development and construction** sector across Victoria fell by 15% from \$24.6 billion to \$21.0 billion. Correspondingly, the number of new residential buildings approved also declined significantly by approximately 20% from the preceding year, (equating to 15,471) from 75,617 to 60,146 approvals. This drop significantly impacted on the reduced direct output.

In FY2018-19 direct output by value in the Victorian **non-residential development and construction** sector fell by approximately 11% from \$15.0 billion to \$13.4 billion. This did not align with the trend in the number of non-residential buildings approved, which increased by approximately 2% in FY2018-19, (equating to 203) from the preceding year from 9,289 to 9,492.

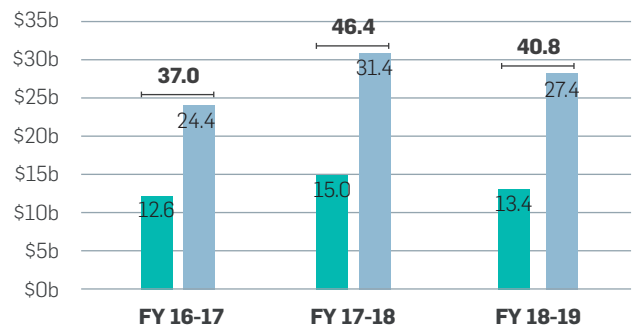
## \$ TOTAL OUTPUT VIC NEW RESIDENTIAL DEVELOPMENT



(EY: ABS November 2019)

■ Direct Output ■ In Direct Output

## \$ TOTAL OUTPUT VIC NON-RESIDENTIAL DEVELOPMENT



(EY: ABS November 2019)

■ Direct Output ■ In Direct Output

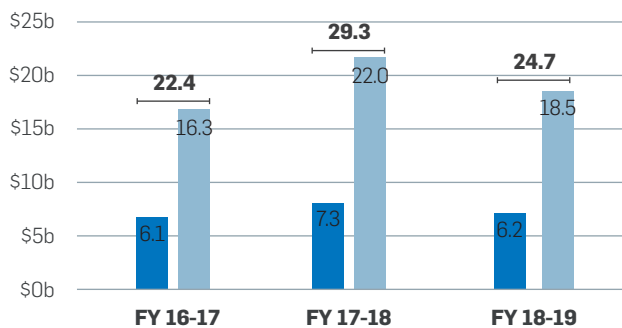
## \$ VALUE ADD

**Value add** to the national economy refers to the measure of the economic impact of additional goods and services produced in the associated activity in the development sector.

The total value add to the **Victorian residential development and construction** sector during FY2018-19 was \$24.7 billion, which was approximately 39% of total output above, being \$64.0 billion of the **residential development and construction** sector.

The total value add to the **Victorian non-residential development and construction** sector in FY2018-19 was \$15.8 billion, or approximately 39% of total output in the **non-residential development and construction** sector of \$40.8 billion outlined above.

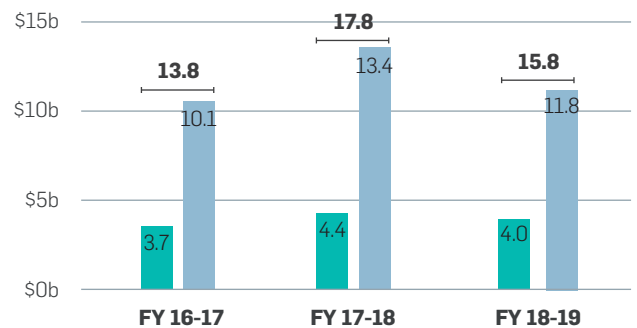
## \$ TOTAL VALUE ADD VIC RESIDENTIAL DEVELOPMENT



(EY: ABS November 2019)

■ Direct Value Add ■ In Direct Value Add

## \$ TOTAL VALUE ADD VIC NON-RESIDENTIAL DEVELOPMENT

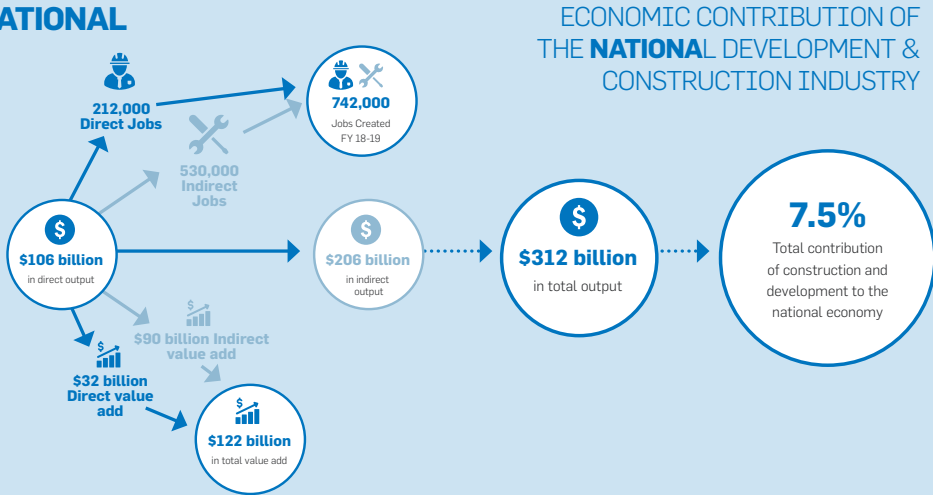


(EY: ABS November 2019)

■ Direct Value Add ■ In Direct Value Add

# RESIDENTIAL DEVELOPMENT UNDERPINS AUSTRALIA'S ECONOMY

## NATIONAL

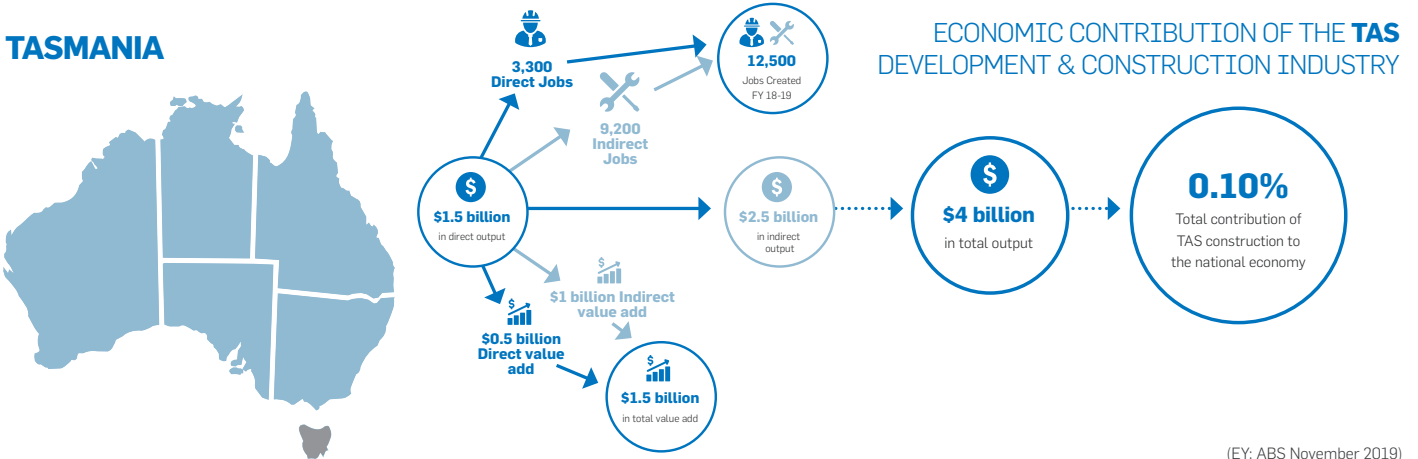


(EY: ABS November 2019)

EY on behalf of UDIA National has undertaken new independent research which provides evidence on the critical role that new housing and construction plays in fuelling economic activity. **The research illustrates that 7.5 percent of national economic activity is generated by construction – along with 750,000 direct and indirect jobs.**

The multiplier effect for demand and services generated across the supply chain is crucial for new jobs creation and more importantly domestic consumption. **In total, the direct and indirect output generated is a staggering \$312 billion making the industry one of the most vital to Australia's economic success.**

## TASMANIA

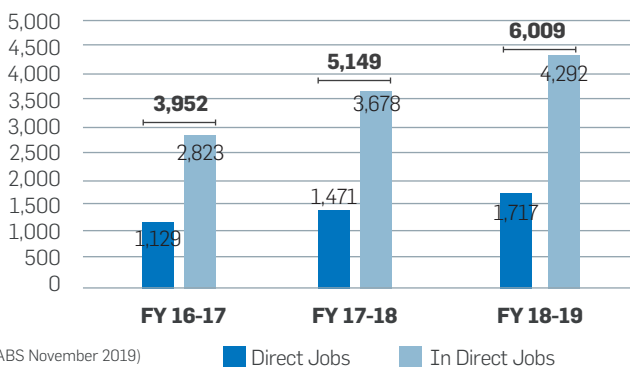


(EY: ABS November 2019)

## DIRECT EMPLOYMENT/JOB CREATION

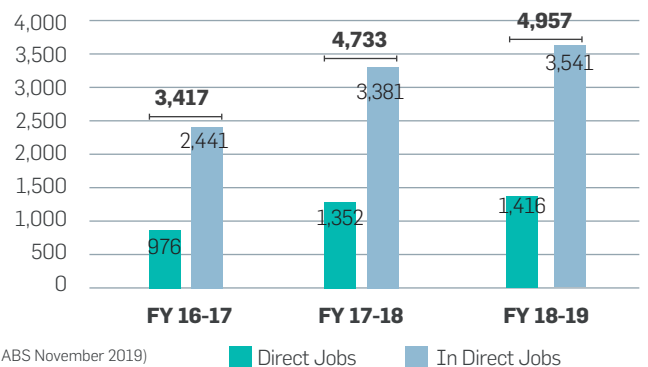
**Direct employment** refers to workers directly employed in the development and construction sector, such as builders, planners and architects. **Indirect employment** refers to those employed in other industries as a result of activity in the development and construction sector, such as finance and insurance firms, business services and manufacturers of goods and services to support the output in the development and construction sectors.

### TOTAL JOB CREATION TAS NEW RESIDENTIAL DEVELOPMENT



(EY: ABS November 2019)

### TOTAL JOB CREATION TAS NON-RESIDENTIAL DEVELOPMENT



(EY: ABS November 2019)

The **Tasmanian new residential development and construction** sector makes a significant contribution to employment across the state. In FY2018-19 approximately 1,800 people were directly employed as a result of output in the **new residential development and construction** sector and an additional 4,200 were indirectly employed during the same period because of this output, resulting in more than 6,000 jobs created by this sector.

The **Tasmanian non-residential development and construction** sector continues to provide important employment opportunities across the state. In FY2018-19 approximately 1,500 people were directly employed as a result of output in the **non-residential development and construction** sector and an additional 3,500 were indirectly employed because of this output, resulting in almost 5,000 jobs created by this sector.

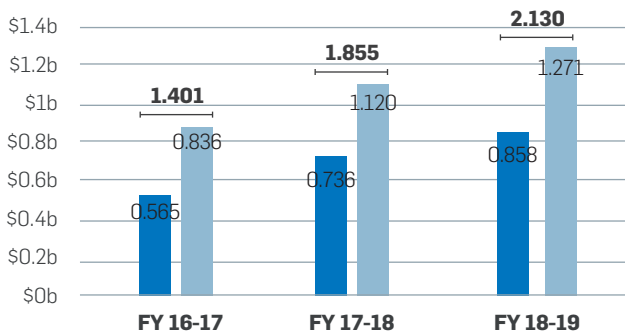
## \$ DIRECT OUTPUT

**Direct output** generally refers to quantity of goods and services produced in the development sector. In this report, direct output equates to the value of building approvals.

In FY2018-19 direct output by value in the **new residential development and construction** sector across Tasmania increased by approximately 17% from \$0.736 billion to \$0.858 billion. This growth was also reflected in the number of new residential buildings approved, which increased by approximately 9% from the preceding year, (equating to 255) from 2,837 to 3,092 approvals.

In FY2018-19 direct output by value in the TAS **non-residential development and construction** sector rose by approximately 5% from \$0.676 billion to \$0.708 billion. This trend was also seen in the number of non-residential buildings approved in FY2018-19 which increased by approximately 9%, (equating to 57) from the preceding year from 643 to 700.

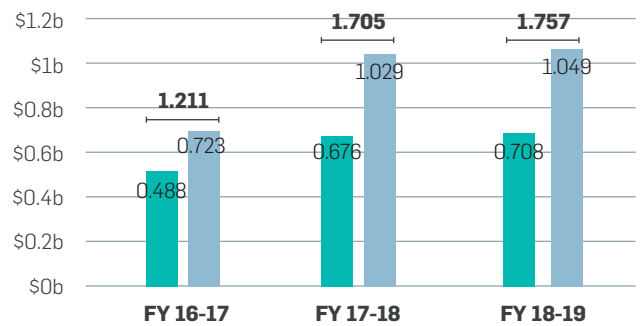
## \$ TOTAL OUTPUT TAS NEW RESIDENTIAL DEVELOPMENT



(EY: ABS November 2019)

■ Direct Output ■ In Direct Output

## \$ TOTAL OUTPUT TAS NON-RESIDENTIAL DEVELOPMENT



(EY: ABS November 2019)

■ Direct Output ■ In Direct Output

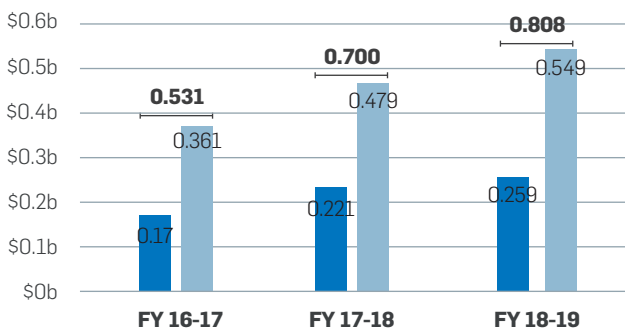
## \$ VALUE ADD

**Value add** to the national economy refers to the measure of the economic impact of additional goods and services produced in the associated activity in the development sector.

The total value add to the **TAS residential development and construction** sector during FY2018-19 was \$0.808 billion, which was approximately 38% of total output above, being \$2.130 billion of the **residential development and construction** sector.

The total value add to the **TAS non-residential development and construction** sector FY2018-19 was \$0.666 billion, or approximately 38% of total output in the **non-residential development and construction** sector of \$1.757 billion outlined above.

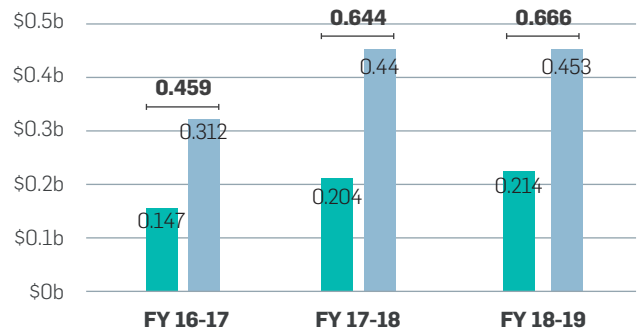
## \$ TOTAL VALUE ADD TAS RESIDENTIAL DEVELOPMENT



(EY: ABS November 2019)

■ Direct Value Add ■ In Direct Value Add

## \$ TOTAL VALUE ADD TAS NON-RESIDENTIAL DEVELOPMENT



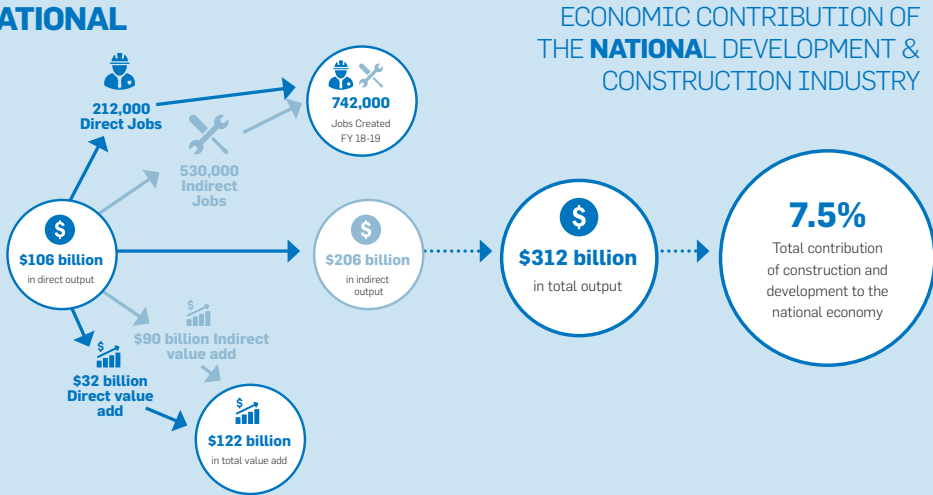
(EY: ABS November 2019)

■ Direct Value Add ■ In Direct Value Add



# RESIDENTIAL DEVELOPMENT UNDERPINS AUSTRALIA'S ECONOMY

## NATIONAL

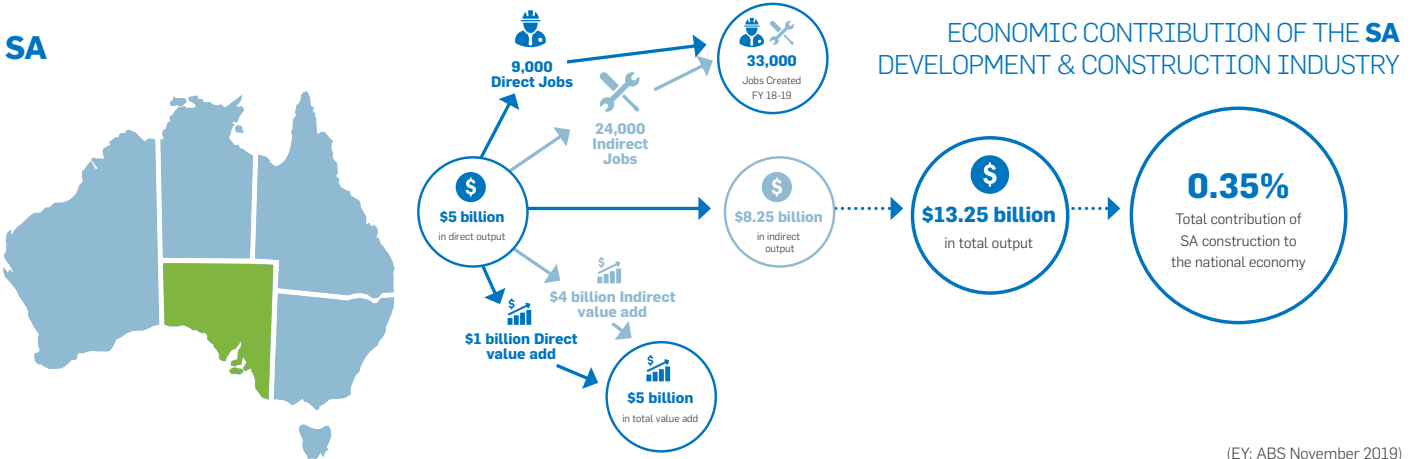


(EY: ABS November 2019)

EY on behalf of UDIA National has undertaken new independent research which provides evidence on the critical role that new housing and construction plays in fuelling economic activity. **The research illustrates that 7.5 percent of national economic activity is generated by construction – along with 750,000 direct and indirect jobs.**

The multiplier effect for demand and services generated across the supply chain is crucial for new jobs creation and more importantly domestic consumption. **In total, the direct and indirect output generated is a staggering \$312 billion making the industry one of the most vital to Australia's economic success.**

## SA

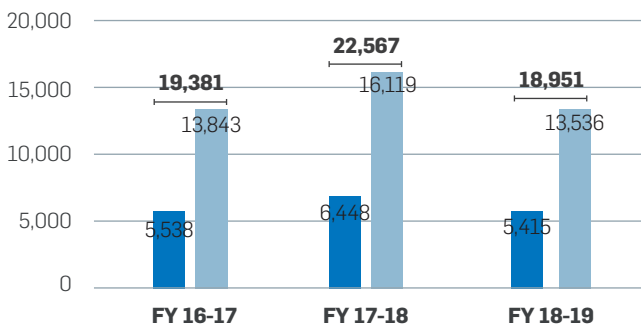


(EY: ABS November 2019)

## DIRECT EMPLOYMENT/JOB CREATION

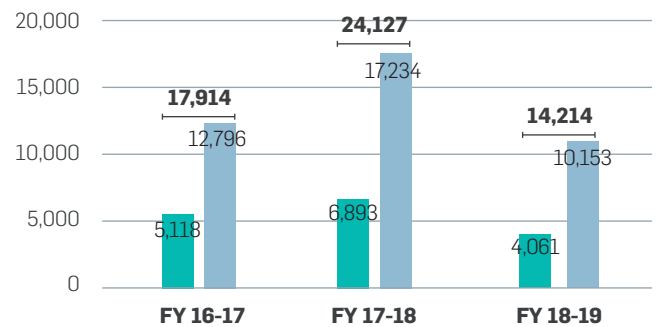
**Direct employment** refers to workers directly employed in the development and construction sector, such as builders, planners and architects. **Indirect employment** refers to those employed in other industries as a result of activity in the development and construction sector, such as finance and insurance firms, business services and manufacturers of goods and services to support the output in the development and construction sectors.

### TOTAL JOB CREATION SA NEW RESIDENTIAL DEVELOPMENT



(EY: ABS November 2019)

### TOTAL JOB CREATION SA NON-RESIDENTIAL DEVELOPMENT



(EY: ABS November 2019)

The **South Australian new residential and construction development** sector made a significant contribution to employment across the state. In FY2018-19 approximately 5,000 people were directly employed as a result of output in the **new residential and construction** sector and an additional 14,000 were indirectly employed during the same period because of this output, resulting in almost 19,000 jobs created by this sector.

The **South Australian non-residential and construction development** sector continues to provide significant employment opportunities across the state. In FY2018-19 over 4,000 people were directly employed as a result of output in the **non-residential and construction** sector and an additional 10,000 were indirectly employed because of this output, resulting in more than 14,000 jobs created by this sector.

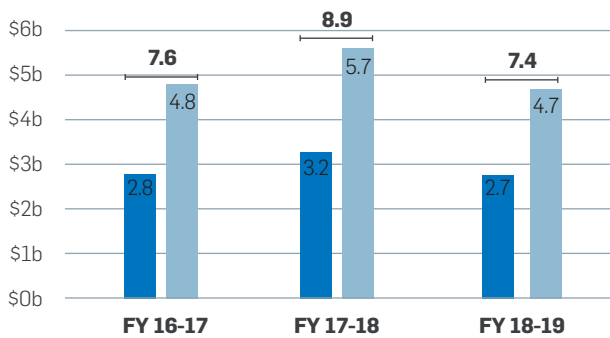
## \$ DIRECT OUTPUT

**Direct output** generally refers to quantity of goods and services produced in the development sector. In this report, direct output equates to the value of building approvals.

In FY2018-19 direct output by value in the **new residential development and construction** sector across South Australia fell by 16% from \$3.2 billion to \$2.7 billion. Correspondingly, the number of new residential buildings approved also declined significantly by approximately 16% from the preceding year, (equating to 2,043) from 12,743 to 10,700 approvals. This drop significantly impacted on the reduced direct output.

In FY2018-19 direct output by value in the **South Australian non-residential development and construction** sector decreased by approximately 41% from \$3.4 billion to \$2.0 billion. This trend was also seen in the number of non-residential buildings approved in FY2018-19, which fell by approximately 7% from the preceding year, (equating to 154) from 2,271 to 2,117.

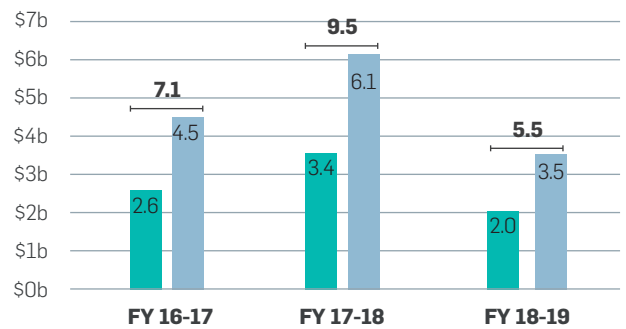
## \$ TOTAL OUTPUT SA NEW RESIDENTIAL DEVELOPMENT



(EY: ABS November 2019)

■ Direct Output ■ In Direct Output

## \$ TOTAL OUTPUT SA NON-RESIDENTIAL DEVELOPMENT



(EY: ABS November 2019)

■ Direct Output ■ In Direct Output

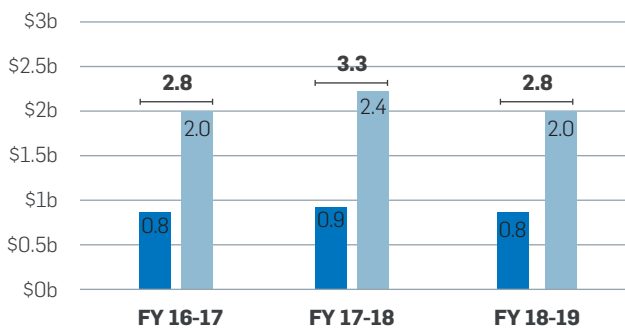
## \$ VALUE ADD

**Value add** to the national economy refers to the measure of the economic impact of additional goods and services produced in the associated activity in the development sector.

The total value add to the **South Australian residential development and construction** sector during FY2018-19 was \$2.8 billion, which was approximately 38% of total output above, being \$7.4 billion of the **residential development and construction** sector.

The total value add to the **South Australian non-residential development and construction** sector FY2018-19 was \$2.1 billion, or approximately 38% of total output in the **non-residential development and construction** sector of \$5.5 billion outlined above.

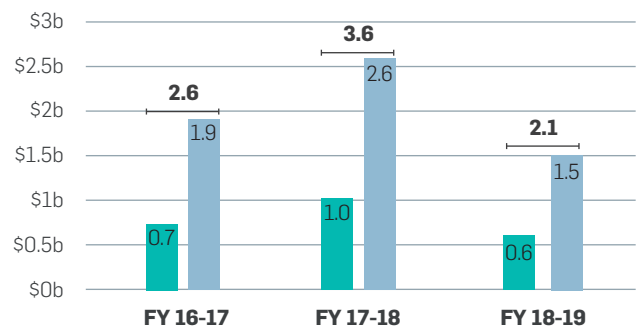
## \$ TOTAL VALUE ADD SA RESIDENTIAL DEVELOPMENT



(EY: ABS November 2019)

■ Direct Value Add ■ In Direct Value Add

## \$ TOTAL VALUE ADD SA NON-RESIDENTIAL DEVELOPMENT

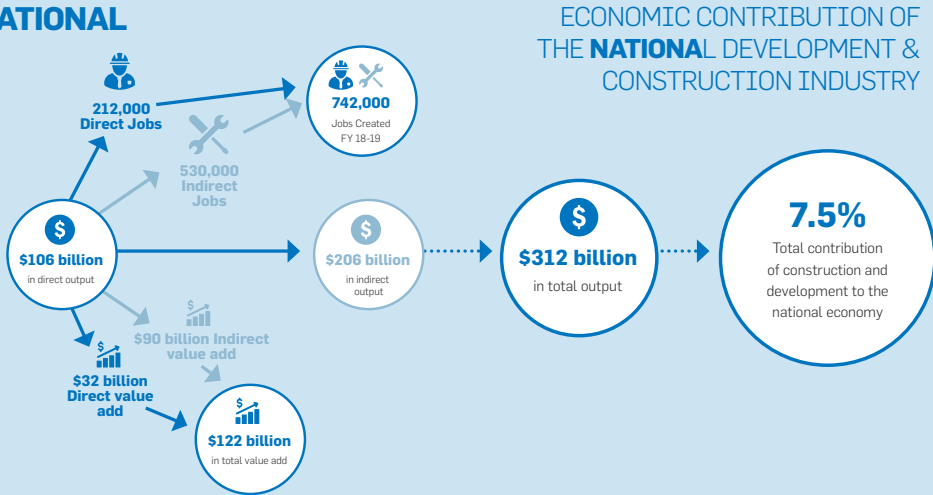


(EY: ABS November 2019)

■ Direct Value Add ■ In Direct Value Add

# RESIDENTIAL DEVELOPMENT UNDERPINS AUSTRALIA'S ECONOMY

## NATIONAL

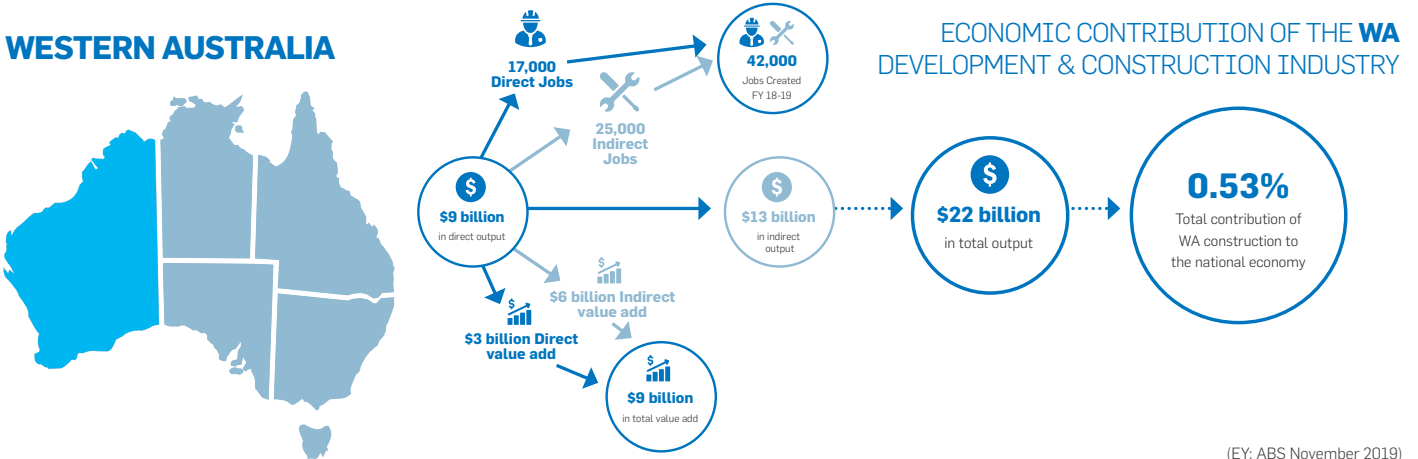


(EY: ABS November 2019)

EY on behalf of UDIA National has undertaken new independent research which provides evidence on the critical role that new housing and construction plays in fuelling economic activity. **The research illustrates that 7.5 percent of national economic activity is generated by construction – along with 750,000 direct and indirect jobs.**

The multiplier effect for demand and services generated across the supply chain is crucial for new jobs creation and more importantly domestic consumption. **In total, the direct and indirect output generated is a staggering \$312 billion making the industry one of the most vital to Australia's economic success.**

## WESTERN AUSTRALIA



(EY: ABS November 2019)

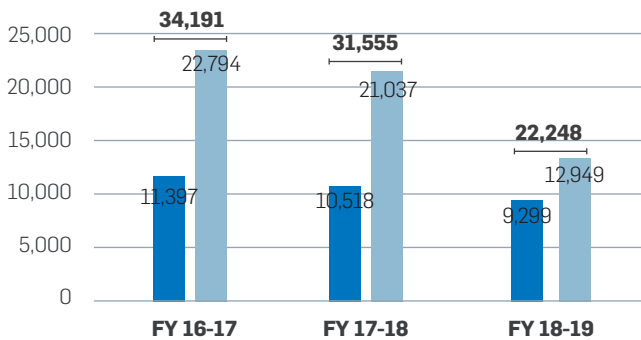


## DIRECT EMPLOYMENT/JOB CREATION

**Direct employment** refers to workers directly employed in the development and construction sector, such as builders, planners and architects. **Indirect employment** refers to those employed in other industries as a result of activity in the development and construction sector, such as finance and insurance firms, business services and manufacturers of goods and services to support the output in the development and construction sectors.



### TOTAL JOB CREATION WA NEW RESIDENTIAL DEVELOPMENT

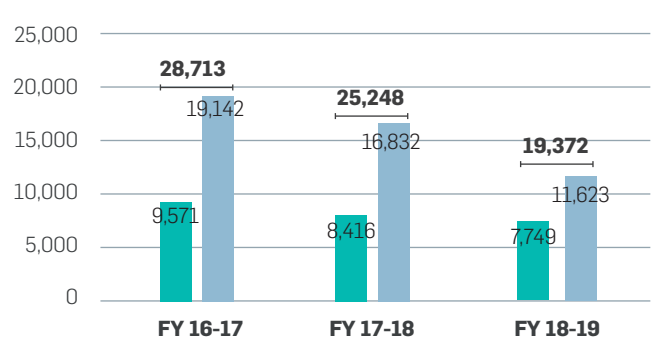


(EY: ABS November 2019)

■ Direct Jobs ■ In Direct Jobs



### TOTAL JOB CREATION WA NON-RESIDENTIAL DEVELOPMENT



(EY: ABS November 2019)

■ Direct Jobs ■ In Direct Jobs

The **Western Australian new residential development and construction** sector made a significant contribution to employment across the state. In FY2018-19 approximately 9,000 people were directly employed as a result of output in the **new residential development and construction** sector and an additional 13,000 were indirectly employed during the same period because of this output, resulting in more than 22,000 jobs created by this sector.

The **Western Australian non-residential development and construction** sector makes a significant contribution to employment across the state. In FY2018-19, approximately 8,000 people were directly employed as a result of output in the **non-residential development and construction** sector and an additional 12,000 were indirectly employed because of this output, resulting in almost 20,000 jobs created by this sector.

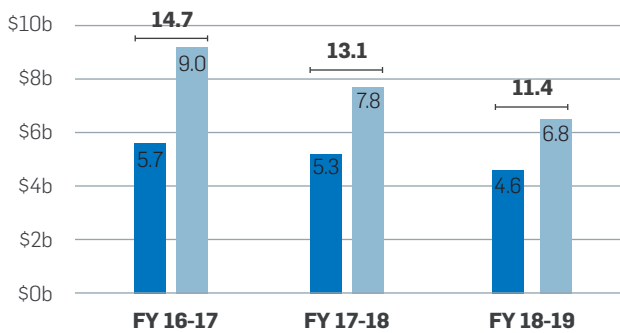
## \$ DIRECT OUTPUT

**Direct output** generally refers to quantity of goods and services produced in the development sector. In this report, direct output equates to the value of building approvals.

In FY2018-19 direct output by value in the **new residential development and construction** sector across Western Australia fell by 13% from \$5.3 billion to \$4.6 billion. Correspondingly, the number of new residential buildings approved also declined by a significant 15% from the preceding year, (equating to 2,701) from 18,364 to 15,663 approvals. This drop significantly impacted on the reduced direct output.

In FY2018-19 direct output by value in the **Western Australian non-residential development and construction** sector decreased by 7% from \$4.2 billion to \$3.9 billion. This trend was not mirrored in the number of non-residential buildings approved in FY2018-19, which was almost identical to the preceding year, increasing from 3,440 to 3,442.

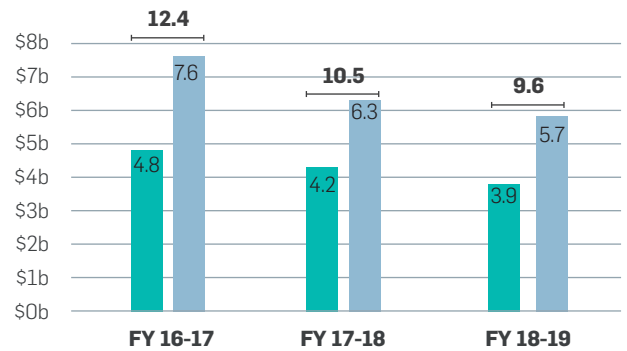
## \$ TOTAL OUTPUT WA NEW RESIDENTIAL DEVELOPMENT



(EY: ABS November 2019)

■ Direct Output ■ In Direct Output

## \$ TOTAL OUTPUT WA NON-RESIDENTIAL DEVELOPMENT



(EY: ABS November 2019)

■ Direct Output ■ In Direct Output

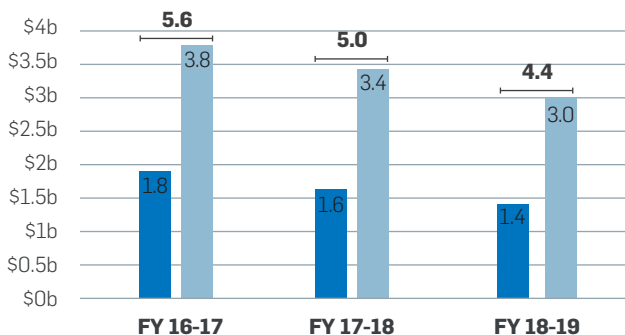
## \$ VALUE ADD

**Value add** to the national economy refers to the measure of the economic impact of additional goods and services produced in the associated activity in the development sector.

The total value add to the **Western Australian residential development and construction** sector during FY2018-19 was \$4.4 billion, which was approximately 39% of total output above, being \$11.4 billion of the **residential development and construction** sector.

The total value add to the **Western Australian non-residential development and construction** sector FY2018-19 was \$3.7 billion, or approximately 39% of total output in the **non-residential development and construction** sector of \$9.6 billion outlined above.

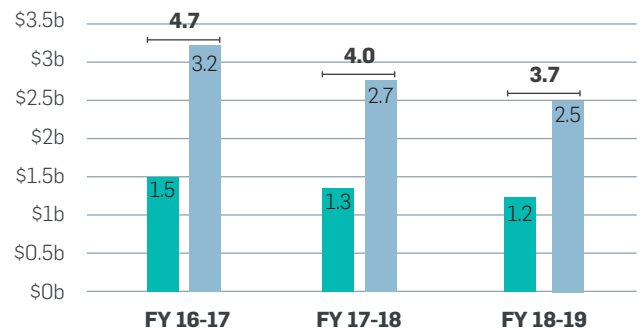
## \$ TOTAL VALUE ADD WA RESIDENTIAL DEVELOPMENT



(EY: ABS November 2019)

■ Direct Value Add ■ In Direct Value Add

## \$ TOTAL VALUE ADD WA NON-RESIDENTIAL DEVELOPMENT

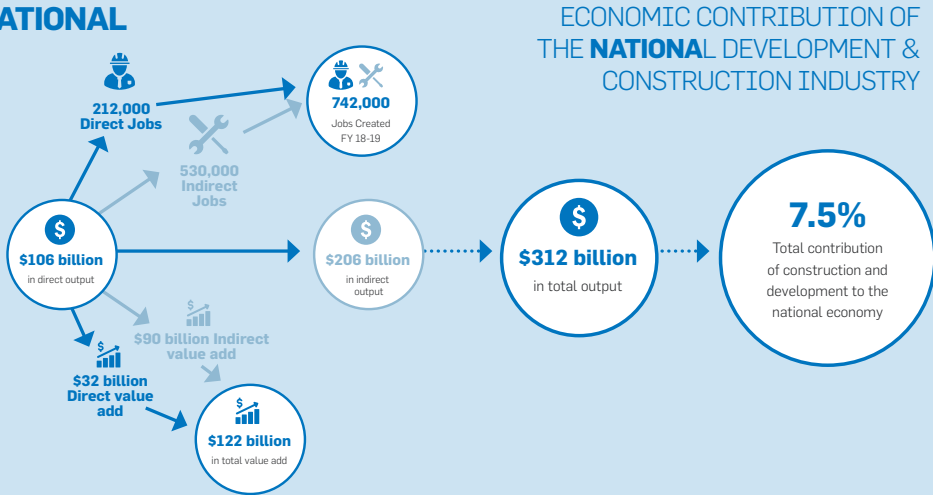


(EY: ABS November 2019)

■ Direct Value Add ■ In Direct Value Add

# RESIDENTIAL DEVELOPMENT UNDERPINS AUSTRALIA'S ECONOMY

## NATIONAL

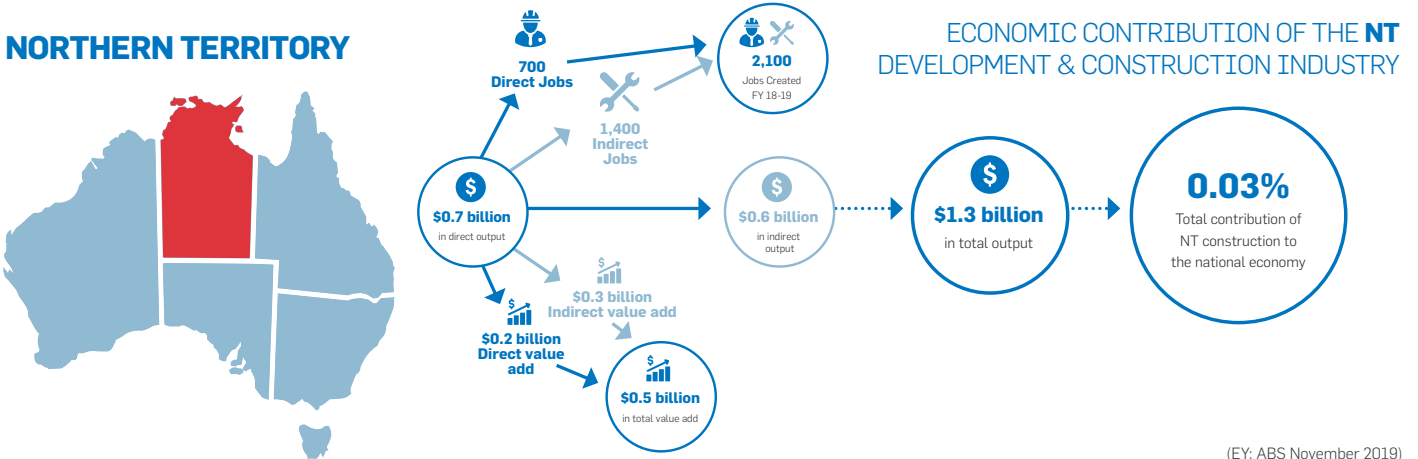


(EY: ABS November 2019)

EY on behalf of UDIA National has undertaken new independent research which provides evidence on the critical role that new housing and construction plays in fuelling economic activity. **The research illustrates that 7.5 percent of national economic activity is generated by construction – along with 750,000 direct and indirect jobs.**

The multiplier effect for demand and services generated across the supply chain is crucial for new jobs creation and more importantly domestic consumption. **In total, the direct and indirect output generated is a staggering \$312 billion making the industry one of the most vital to Australia's economic success.**

## NORTHERN TERRITORY

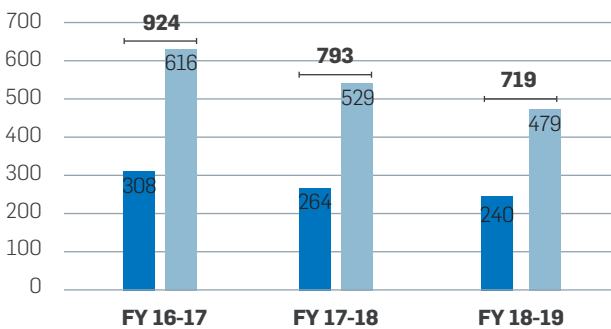


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## DIRECT EMPLOYMENT/JOB CREATION

**Direct employment** refers to workers directly employed in the development and construction sector, such as builders, planners and architects. **Indirect employment** refers to those employed in other industries as a result of activity in the development and construction sector, such as finance and insurance firms, business services and manufacturers of goods and services to support the output in the development and construction sectors.

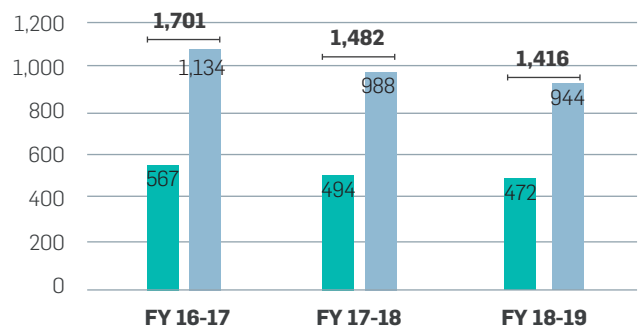
### TOTAL JOB CREATION NT NEW RESIDENTIAL DEVELOPMENT



(EY: ABS November 2019)

■ Direct Jobs ■ In Direct Jobs

### TOTAL JOB CREATION NT NON-RESIDENTIAL DEVELOPMENT



(EY: ABS November 2019)

■ Direct Jobs ■ In Direct Jobs

The **NT new residential development and construction** sector makes an important contribution to employment across the state. 240 people in FY2018-19 were directly employed as a result of output in the **new residential development and construction** sector and approximately 500 were indirectly employed during the same period because of this output, resulting in more than 700 jobs created by this sector.

The **NT non-residential development and construction** sector continues to provide significant employment opportunities across the state. In FY2018-19 almost 500 people were directly employed as a result of output in the **non-residential development and construction** sector and approximately an additional 900 were indirectly employed because of this output, resulting in over 1,400 jobs created by this sector.

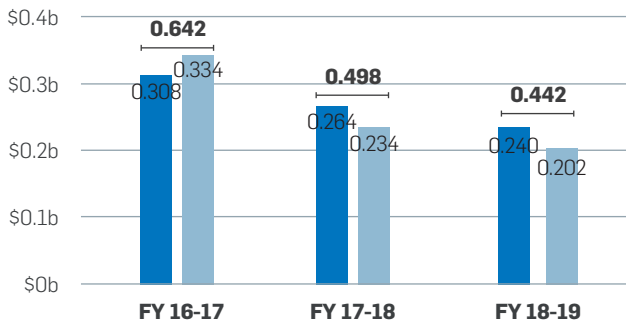
## \$ DIRECT OUTPUT

**Direct output** generally refers to quantity of goods and services produced in the development sector. In this report, direct output equates to the value of building approvals.

In FY2018-19 direct output by value in the **new residential development and construction** sector across NT fell by approximately 9% from \$0.264 billion to \$0.240 billion. This trend was also reflected in the number of new residential buildings approved, which decreased by approximately 12% from the preceding year, (equating to 88) from 747 to 659 approvals.

In FY2018-19 direct output by value in the **NT non-residential development and construction** sector fell by approximately 4% from \$0.494 billion to \$0.472 billion. The number of non-residential buildings approved also declined in FY2018-19, decreasing by a far greater magnitude of approximately 19%, (equating to 136) from the preceding year from 703 to 567.

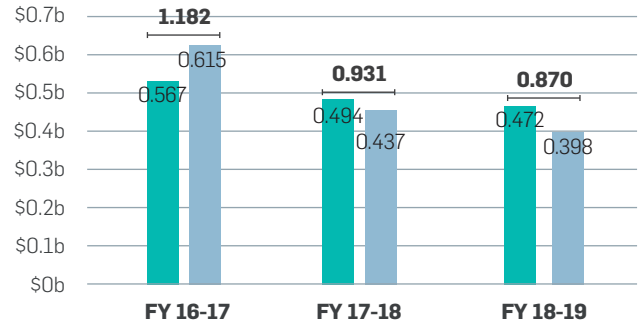
## \$ TOTAL OUTPUT NT NEW RESIDENTIAL DEVELOPMENT



(EY: ABS November 2019)

■ Direct Output ■ In Direct Output

## \$ TOTAL OUTPUT NT NON-RESIDENTIAL DEVELOPMENT



(EY: ABS November 2019)

■ Direct Output ■ In Direct Output

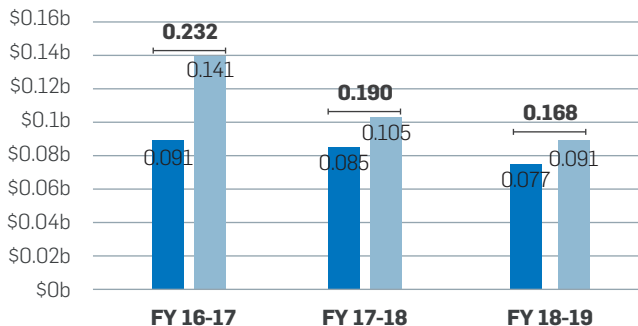
## \$ VALUE ADD

**Value add** to the national economy refers to the measure of the economic impact of additional goods and services produced in the associated activity in the development sector.

The total value add to the **NT residential development and construction** sector during FY2018-19 was \$0.168 billion, which was approximately 38% of total output above, being \$0.442 billion of the **residential development and construction** sector.

The total value add to the **NT non-residential development and construction** sector FY2018-19 was \$0.330 billion, or approximately 38% of total output in the **non-residential development and construction** sector of almost \$0.870 billion outlined above.

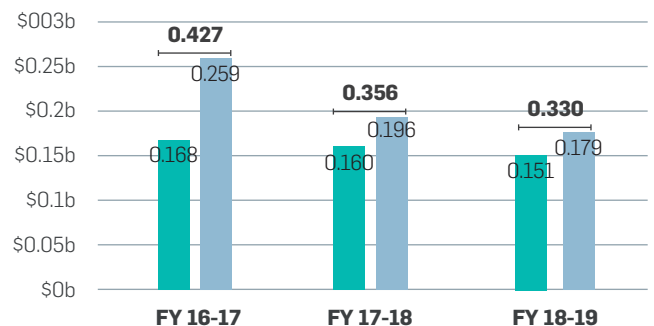
## \$ TOTAL VALUE ADD NT RESIDENTIAL DEVELOPMENT



(EY: ABS November 2019)

■ Direct Value Add ■ In Direct Value Add

## \$ TOTAL VALUE ADD NT NON-RESIDENTIAL DEVELOPMENT



(EY: ABS November 2019)

■ Direct Value Add ■ In Direct Value Add