

COVID-19 MARKET REPORT - AUSTRALIA

BCIAUSTRALIA

27 APRIL 2020

Despite the fact that coronavirus has resulted in a health, economic and societal crisis on a global scale, Australia has managed to control the outbreak relatively well. The growth figures of the virus have slowed significantly, and as such, Prime Minister Scott Morrison recently stated that Australia is “on the way back to a COVID-safe economy”.

With government restrictions firmly in place alongside new rules and fast-tracked developments to support the construction sector during the pandemic, the common sentiment among industry stakeholders is one of optimism. The worst seems to be behind us, and we’re rapidly adjusting to and accepting how the world will be for the foreseeable future.

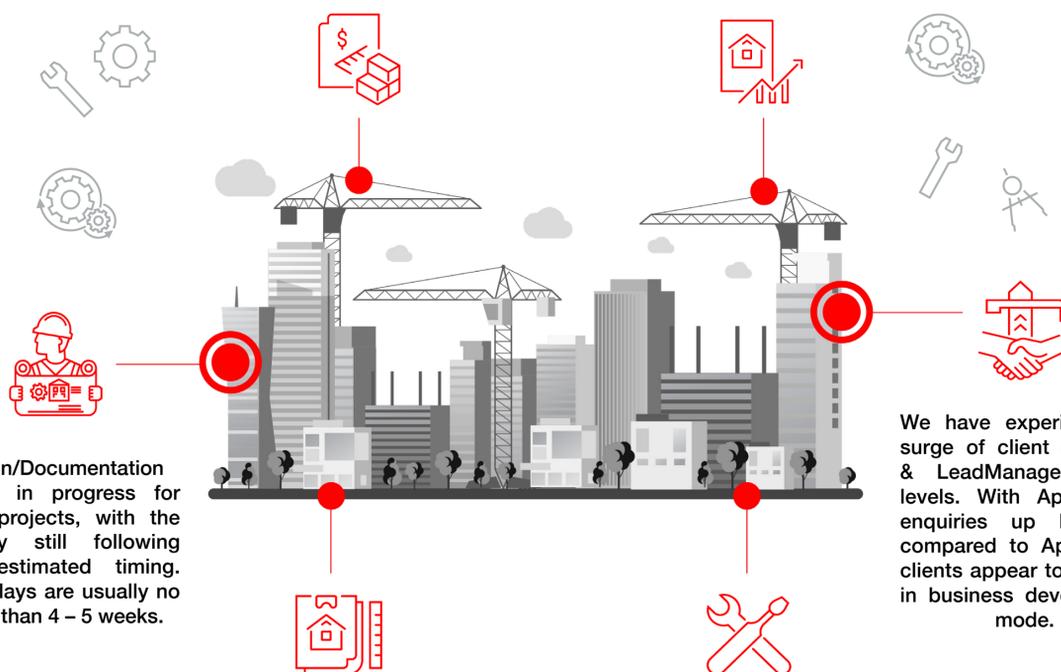
Subsequently, it seems that many key players within the industry are moving into the next stage of responding to this crisis wherein the focus lies on optimising this new normal. How can we identify new opportunities and redefine our sales approach? How can we gain market knowledge to forecast the inevitable evolution of the construction market? This outlook is evidenced by our recent inundation of LeadManager interactions and research enquiries from BCI clients raring to participate in the new normal.

TRENDS, INSIGHTS & FEEDBACK DIRECT FROM OUR RESEARCH DEPARTMENT: 13 APRIL – 24 APRIL 2020

Our Research Department is in daily contact with hundreds of industry decision makers in addition to councils and other regulatory bodies, to find out exactly what is currently happening in construction straight from the source. With direct lines of communication disclosing which projects are proceeding, which aren’t and what impacts different sectors are experiencing, our Research Department is uniquely positioned to share these exclusive insights with you – helping you stay one step ahead. Their key feedback includes:

Some delays are being reported due to building material supply issues, primarily around items intended to be sourced overseas.

Funding applications are continuing to be submitted at local, state and federal levels.



Design/Documentation is still in progress for many projects, with the majority still following their estimated timing. Any delays are usually no more than 4 – 5 weeks.

We have experienced a surge of client enquiries & LeadManager usage levels. With April client enquiries up by 23% compared to April 2019, clients appear to be back in business development mode.

Some councils are receiving more Development Applications in recent months compared to the same time last year, but overall we have seen fairly normal reporting levels on DA submissions and approvals.

There has certainly been an extension of time frames for construction start and completion (larger state government tenders are routinely showing close dates approximately 1 month longer than normally seen), but we are not seeing the wholesale delays or abandonment of projects that may have been originally expected.

PROJECT OVERVIEW

This edition of the COVID-19 Market Report provides an overview of what has been happening over the past 2 weeks in 5 major construction categories across the public and private sectors. We’ve focused on key milestones in the development process, as well as the overall volume of ongoing work in each category.



CIVIL	#	AUD million
Development Applications Submitted	28	24.8
Development Applications Approved	9	62.9
Tenders Called	85	5,221.6
Tenders Awarded	64	203.6
Projects Commenced in Past 2 Weeks	65	956.2
Total Private Projects	943	40,001
Total Public Projects	716	97,660
Total Projects Reported	1,910	144,130



COMMERCIAL	#	AUD million
Development Applications Submitted	58	291
Development Applications Approved	44	451
Tenders Called	23	58.4
Tenders Awarded	15	61.5
Projects Commenced in Past 2 Weeks	32	784.9
Total Private Projects	664	36,940
Total Public Projects	217	15,850
Total Projects Reported	1,053	54,437



INDUSTRIAL	#	AUD million
Development Applications Submitted	35	147.3
Development Applications Approved	31	221.5
Tenders Called	18	26.1
Tenders Awarded	5	24.9
Projects Commenced in Past 2 Weeks	9	211.9
Total Private Projects	220	13,320
Total Public Projects	133	34,920
Total Projects Reported	451	48,872



RESIDENTIAL	#	AUD million
Development Applications Submitted	156	1342
Development Applications Approved	111	505.8
Tenders Called	14	93
Tenders Awarded	8	34.8
Projects Commenced in Past 2 Weeks	38	550.8
Total Private Projects	1,109	31,010
Total Public Projects	70	5,110
Total Projects Reported	1,506	38,646



SERVICES	#	AUD million
Development Applications Submitted	48	145.4
Development Applications Approved	32	308.2
Tenders Called	88	399.6
Tenders Awarded	62	598
Projects Commenced in Past 2 Weeks	40	611.3
Total Private Projects	510	24,770
Total Public Projects	620	14,700
Total Projects Reported	1,400	41,533

PLEASE NOTE

The figures in this report are based on reliable sources and direct feedback from project contacts, but are subject to change. Future updates will be adapted to capture the current state of the market as government restrictions change. Information utilised in this report is current as of 24 April 2020. This information has been prepared without taking your specific needs or objectives into account. Because of this you should consider its appropriateness with regard to your objectives or needs before acting on this information. BCI Australia does not warrant the accuracy or completeness of the information in this publication, and accepts no, and disclaims all, liability for any loss or damage whether occasioned by reliance on such information or otherwise. The information is subject to change without notice and BCI Australia is under no obligation to update the information or correct any inaccuracy which may become apparent at a later date.

WANT MORE?

BCI is committed to supporting your business through the current construction climate. For more comprehensive information on all aspects of the construction market, please [click here](#) to contact the BCI team.