

**The Australian Construction Market is anticipated to register a CAGR of more than 5% during 2023 – 2028 - Market Size, Share, Forecasts, and Trends Analysis Report by Mordor Intelligence.**

According to a new market research report titled "Australian Construction Market - (2023 – 2028)," the market is expected to register a CAGR of >5%. The Australian construction industry generates nearly AUD 360 billion in revenue (9% of the country's Gross Domestic Product (GDP)) and has a projected annual growth rate of 2.4%. As of November 2021, the construction industry employed approximately 1,143,600 people. It employs approximately one in 10 workers, and this constitutes 8.7% of the total workforce. According to the construction industry statistics for the five years to November 2021, employment in the industry increased by 7.3%.

The Australian Industry and Skills Committee states that although employment declined in 2020 and 2021, projections indicate that it will reach 1,263,900 by 2025. However, more optimistic predictions indicate an employment growth of 6.8% by November 2025.

**Non-residential and infrastructure construction are on the rise:**

For the past few years, commercial buildings have been one of the major contributors to the country's construction industry and lately reached new volume highs. The value of construction in the non-residential sector has increased over time, compared to the residential building market.

The following are some of the major market trends shaping the Australian Construction Market according to our research experts:

- The investments in the non-residential sectors focused on schools, hospitals, offices, warehouses, and hotels.
- The demand for warehouses is also attributed to an increasing number of data centers and e-commerce growth.
- Commercial building activity was expected to boom in 2020; however, this was affected by the COVID-19 pandemic.
- As of September 2021, the total value of non-residential construction work done across the private and public sectors in Australia accounted for approximately AUD 35.7 billion
- The costs of commercial construction fell in 2021 due to low-interest record rates and since the Reserve Bank of Australia has promised to keep interest rates low for at least the next three years.
- Construction costs are expected to remain low in 2023.
- Australia has many country-owned EPC (engineering, procurement, construction) groups, which are well-established in the mining-related engineering construction sector.
- Major UK and US EPC companies that have long had a presence in the market include Bechtel, Fluor, Balfour & Beatty, and Laing O'Rourke.

Commercial construction has been a star performer over the last couple of years.

**Prefabricated housing is driving the construction sector in Australia:**

The demand for low to mid-rise residential structures, project homes, and public housing are the key drivers of prefabricated housing. The market is expanding due to the rising consumer knowledge of the advantages of prefabricated buildings, such as decreased material waste and less environmental damage.

High-quality, lightweight, prefabricated modular systems are expected to contribute to housing stock with excellent amenities for occupants at a substantially lower cost compared to traditional housing. With Australia's population growth expected to see a 60% increase to 37.6 million people by 2050, the industry needs to look to more cost-effective and well-designed inner-city developments at higher densities.

Prefabricated housing is a next-generation housing construction industry, a game-changer in the cost of housing, competitiveness, efficiency, and productivity.

### **Who are the key players in the Australian Construction Market?**

The Australian construction market is partially consolidated and highly competitive, with a few players occupying the major share:

- CPB CONTRACTORS
- LENDLEASE CORPORATION LIMITED
- Laing O'Rourke
- CIMIC GROUP LIMITED
- Hutchinson Builders
- Ugl Limited
- Adco Constructions
- Fulton Hogan
- Thiess Pty Ltd
- Cotton Holdings Pty Ltd

### **Recent developments in the Australian Construction Market:**

- In July 2022, Laing O'Rourke entered a strategic partnership with Robotics Australia Group, a leading agency in the robotics sector in Australia. This partnership is anticipated to explore how current and emerging robotics technologies can address key challenges in the construction sector, including productivity, labor shortages, and safety.
- In April 2022, Thiess, a CIMIC Group company, entered a business cooperation agreement to provide mine design and engineering services to Tata Steel. As part of the deal, Thiess is expected to work with Tata Steel to provide competitive integrated business solutions to the global mining industry.

In a nutshell, the Mordor Intelligence Market Research Report is a must-read for start-ups, industry players, investors, researchers, consultants, business strategists, and all those who are looking to understand this industry. Get a glance at the <https://www.mordorintelligence.com/industry-reports/australia-construction-market>

**About Mordor Intelligence:**

Mordor Intelligence is a market intelligence and advisory firm. At Mordor Intelligence, we believe in predicting butterfly effects that have the potential to change or significantly impact market dynamics.

Our market research reports are comprehensive and provide exclusive data, facts and figures, trends, and the competitive landscape of the industry.

**Mordor Intelligence constantly tracks industry trends. Some relevant market reports from the analysts that might be of interest to you:**

- <https://www.mordorintelligence.com/industry-reports/analysis-of-the-construction-industry-in-gcc-countries-industry>
- <https://www.mordorintelligence.com/industry-reports/indonesia-construction-market>
- <https://www.mordorintelligence.com/industry-reports/italy-construction-market>
- <https://www.mordorintelligence.com/industry-reports/construction-sector-in-the-kingdom-of-saudi-arabia-industry>
- <https://www.mordorintelligence.com/industry-reports/construction-sector-in-tanzania-industry>