

Australians Spend Record Dollars on Kitchens and Bathrooms

Australians are demanding more luxurious kitchens and bathrooms, with a report from the Housing Industry Association predicting the value of K&B installations and renovations will hit a record \$12.3 billion by 2011/12.

The *HIA Kitchens and Bathrooms Report* highlights the amount of money Australians spend each year on new and renovated kitchens and bathroom and the state of industry activity.

The past financial year was a positive one for the K&B industry. There were more than 1.2 million kitchen and bathroom installations (new and renovated) in 2009/10, and roughly the same number is predicted for the 2011/12 financial year.

The kitchen industry

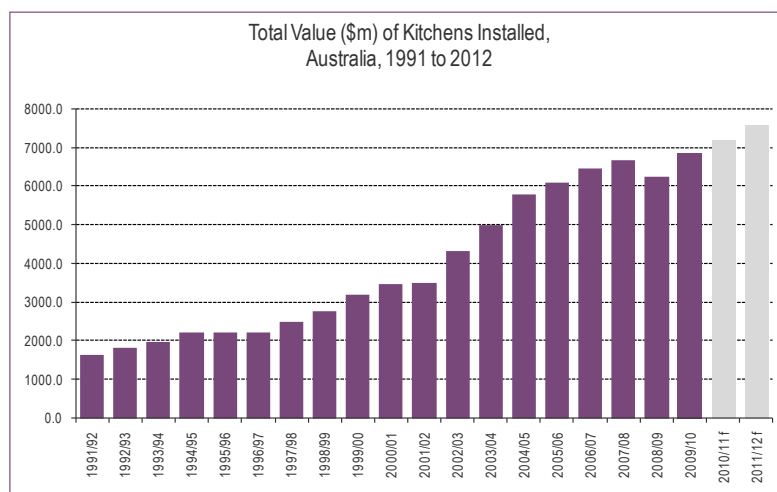
In value terms, the kitchen industry was worth \$6.9 billion in 2009/10, which represented a strong lift of 9.2 per cent on the previous year.

There were 509,400 kitchens (new and renovated) installed by Australians in 2009/10 – that's an increase of 7.5 per cent on the previous year.

“The number of kitchen installations will struggle to grow further in the short term, particularly in light of the deteriorating outlook for new home building,” said HIA Chief Economist Dr Harley Dale. “Total kitchen installations are forecast to ease by 0.6 per cent in 2010/11 before ticking up by 0.4 per cent in 2011/12 to 508,000, still slightly lower than the level reached in 2009/10.”

Nevertheless, the report predicts the value of kitchens will rise to \$7.6 billion in 2011/12.

“We are forecasting growth of nearly 11 per cent in the total value of kitchen installations over the 2010/11 – 2011/12 period,” Harley Dale said. “That is a healthy outlook.”



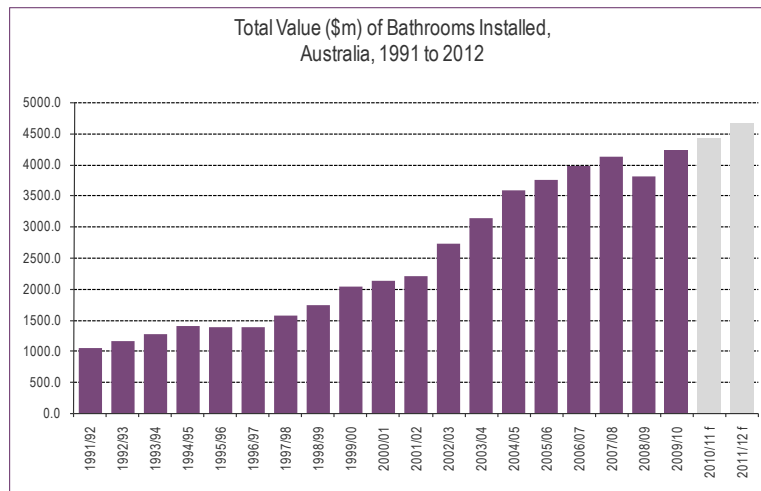
The bathroom industry

The bathroom industry also grew strongly last year. The report found it was worth \$4.2 billion in 2009/10, which represents a healthy 10.9 per cent increase on the previous year.

The number of bathrooms installed (new and renovated) was 711,200 – an increase of 9.2 per cent on the previous year.

“There is likely to be a very moderate decline in bathroom installations in 2010/11, due to weakness in the new home market,” Dr Dale said. “That having been said, we are still expecting a total of 704,600 installs this year and 705,200 installs in 2011/12.”

The report predicts the total value of bathrooms will increase to \$4.7 billion in 2011/12.



What's hot and what's not in kitchens and bathrooms?

The report also included survey responses from hundreds of small to large businesses in the K&B industry, detailing the average cost of new installations and the types of materials and appliances consumers are demanding in their kitchens and bathrooms.

The survey reported the following trends in the types of materials and fittings consumers are opting for in their kitchens and bathrooms:

- *Benchtops:* engineered and stone benchtops were most popular followed by solid-surface benchtops and granite benchtops. There was a decline in use of stainless steel, concrete and timber benchtops.
- *Door types:* Two-pac polyurethane or colour painted doors, followed by low pressure laminate doors, were more popular in 2010. Glass doors and vinyl wrap/vacuum formed doors also increased in usage. On the way out, were roller shutter doors, natural timber doors, and timber veneer doors.
- *Splashbacks:* Glass and engineered stone splashbacks are in. Granite and tiled splashbacks are out. Perspex coloured splashbacks and acrylic splashbacks also declined in use.
- *Appliances:* New appliances that are hot in our kitchens include LCD/plasma TV's, two-door fridges with icemakers, wine cooler/fridges, and European freestanding stoves.
- *Tap ware:* Budget tap ware and insinkerators are no longer in vogue. Over the past year, the fastest growth was in lever tap ware followed by multiple sinks and taps in bathrooms and premium tap ware.
- *Sinks:* Under-mount sinks continue to be the fastest growing sink, but there was also an increase in use for double-bowl sinks and square-form sinks. Water filtration systems are becoming much more popular. But on the way out are solid surface sinks, round bowl sinks, and single bowl sinks.
- *Draws:* Soft closing draws and deep and wide drawers for pots and plates are now hot. Opening door and drawer systems (included for the first time this year), and concealed garbage bin/disposal units are also popular.

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