

bretts bugle

JULY 2010

NEWSLETTER FOR BUILDING PROFESSIONALS

It's been more than a year since we first featured "the smarter small home" in the **bretts bugle** and during that time the smarter small home – which was first seen at the Urban Development Institute of Australia National Congress last year – has been extremely well received by local councils, developers and homebuyers alike.

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great things come in small packages: the smarter small home

Described as a smart, sustainable and most importantly affordable home; the dream team behind the project included Kevin Dooney, who headed LJ Hooker Land Management, and designing architect, Brett Blacklow, of Earth Spirit Homes.

Brett, a Queensland University of Technology-trained architect, supported himself through university working for a medium-sized project builder. This background has given him a unique perspective on the way volume builders run their business as well as the cost and product constraints involved; and ultimately for Brett strengthened the link between architecture and construction.

The '3 bed-2 bath' home is designed to be built on small lots as little as 300 square metres; and surprisingly, even after allowing for front and side setbacks, this would include a back yard of 120 square metres. The house itself is 65 square metres over two floors, and can typically be built for under \$300,000 for a house and land package.

Some of the additional features proving popular with homebuyers include the indoor-outdoor design so desired by Australian homeowners, improved energy efficiency seen in smart passive heating and cooling strategies such as cross-ventilation, and a single master switch which turns off all standby appliances.

To date Bretts has delivered packages for five smarter small homes, with another 18 to commence in Redbank this year. Bretts has supplied all the structural timber components in the form of pre-nailed frames from Bretts Frame & Truss, James Hardie cladding and all the associated hardware including doors, mouldings, door hardware and so on. We look forward to our continuing relationship with Brett Blacklow and Brant Baudino at Earth Spirit Homes, and dominating the supply of the "smarter small home" package around South East Queensland for some time to come.





md's message

Welcome to the first Bugle of the new financial year and the first under the new Prime Minister, Julia Gillard. The building industry in South East Queensland continues to remain lumpy at best. From regular discussions with many of you, I hear a common tale where some of you are busy (many creating work for yourselves with your own developments), but the majority fighting tooth and nail to win every crumb. Unfortunately, we are still all largely geared to boom times of several years ago whilst the market has contracted considerably.

As much as I hate to say it, the industry at all levels needs to see some rationalization in order to better reflect the short term drop in demand. From what I am hearing from our new Prime Minister and our old Treasurer, we can expect economic conditions ripe for business failure so we may get our wish sooner rather than later.

As the ill conceived and poorly implemented Building Education Revolution and Insulation Schemes run out of puff, we will soon see the industry contract even further. Combine this with tight lending policies by the banks and the excessive development approval costs levied at State and Local Council level and you have perfect conditions to stifle the building industry.

I'm not normally one for talking negatively for fear of creating a self fulfilling prophecy, but until we have professionals that can start running the economy effectively, we are on a collision course with disaster. Wasting money on school halls we don't need and millions spent on plasma TV's and insulation blanket made overseas just doesn't make sense. I don't blame those of you leaving the industry until some sanity returns in the hopefully not too distant future.

Bill Nutting

Bill Nutting Jnr
MANAGING DIRECTOR

news in brief:

around the traps

a clean bill of health: bundaberg base hospital

Bretts Architectural recently completed Stage 1 and has now secured Stage 2 of the Northbuild Constructions Bundaberg Base Hospital project.



The Bretts Architectural component of the \$30,000,000 project consists of door hardware including locks, handles and closers plus electric strikes and electric mortice locks and swing door operators.

Despite initial contract delays, Bretts Architectural was able to order and deliver \$80,000 of Ingersoll Rand product required for the first building within four weeks. Representatives from Ingersoll Rand also made a site visit recently to be on hand when the carpenters fitted the large swing door operators. This support by a manufacturer means that any uncertainties can be dealt with immediately onsite.

Bretts worked closely with Northbuild Constructions Contract Administrator, Anthony Laird, to achieve such a smooth delivery process. And extensive works on the site, which began in late 2008, is due for completion later this year.

fantastic frames: bretts frame & truss delivers

We recently received a letter of thanks from a valued customer, which we'd like to share:

Just a quick note regarding the frames sent to our site at Marsden. The framing carpenter I used on this job said that the frames you sent to site were about the best he has seen for a very long time.

I have used this carpenter for years and I have a lot of respect for what he has to say. He has great experience and has been doing work for Clarendon, Plantation, Metricon and a number of smaller builders.

Good to see you set such a high standard!

Craig Ryan
DIRECTOR / NOMINEE
CSH /VUE HOMES

bretts new competition: game on

Bretts is pleased to announce a new sales competition to win an all expenses paid trip to the Rugby World Cup in New Zealand in 2011.

The competition is open to Bretts residential builder customers only and to qualify you need to be able to increase your Bretts purchases by a minimum of \$100,000 during the 2010/11 financial year.

Please talk to the Bretts sales office for more information...

And make sure you're enrolled by the end of the month.



suttons bbq competition: and the winner is...

Congratulations to Richard Kissick, who won the "Sutton Tools Barbeque" competition.

Richard is a cabinet maker who's been a long supporter of Bretts and is in the store every week. He mentioned the fact that the Sutton drill bits he bought were a quality product and Bretts is a quality business.

Richard was very happy to receive the barbeque, valued at \$399. And we were very happy to get some great feedback!

product profiles:

what's new & on view

no better than blue: hyne T2

Now with its distinctive, unmistakable blue colouring and with the added safety of a tried and tested, environmentally friendly treatment, Hyne T2 Blue is the treated timber of choice for combating termites for your new build or renovation. Everyone around your site will know you have chosen the product that stands for quality and integrity.

Specifically designed to combat termite attack in areas south of the Tropic of Capricorn, T2 Blue is a great way to add value. As an additional termite barrier it makes great sense to use T2 Blue. In-ground treatments and chemical sprays can be breached but Hyne T2 Blue offers coverage that no insurance company can match.

An extraordinary combination of core strength framing and low cost termite protection; backed by a 25 year manufacturers guarantee against termite damage, any correctly installed Hyne T2 Blue that becomes structurally unserviceable due to termite attack within the guarantee period, will be repaired or replaced at no cost to the supplier, the builder or homeowner.

T2 Blue is non toxic, completely safe for use around children and in family homes. It is totally safe to handle, doesn't require additional equipment and off-cuts don't need any special disposal.

Hyne T2 Blue is a H2F level treatment which complies with AS 1604, the Timber

Utilisation and Marketing Act in Queensland and the Timber Marketing Act in NSW. It meets the requirements (south of the Tropic of Capricorn) as a termite resistant timber as specified in the Building Code of Australia.

easy R-value increases: R-Flor structural flooring

R-Flor Radiant Barrier Particleboard Flooring is an innovation from Carter Holt Harvey, developed to deliver improvements in comfort and energy efficiency by increasing the overall R-value (thermal resistance) via a highly reflectance (low emittance) metallised foil.

The use of R-Flor helps designers to meet the thermal requirements of the new Building Code of Australia in many of the highly populated areas around the country.

Like the original STRUCTAFlor, R-Flor also provides the same benefits to builders – lightweight with tongue & groove for fast installation, with no special tools required. R-Flor comes with a robust but easily removed film on the topside, to protect against moisture ingress during construction.

In addition to its great thermal properties, R-Flor provides cost-effective, long-term defence against termite damage and is a great sub-surface for all floor coverings, including vinyl, ceramic, quarry, slate, parquet and carpet. R-Flor is backed by a 25-year chemical supplier guarantee.

To easily model the thermal performance of R-Flor in several different standard construction methods and geographical situations, use the online R-Flor Calculator at www.chhwoodproducts.com.au/r-flor.



look mum, no handles: new magnetic door handles

The new patented magnetic handle free latch for passage swing doors by Italian manufacturer, Bonaiti, opens a new era in clean and practical design.

It means walls no longer need to be visually interrupted by the traditional protruding door handle. The formal architectural composition of a wall can now continue without interruption creating an aesthetically appealing appearance, which is truly clean and elegant.

This magnetic handle-free latch for passage swing doors, allows a door to be opened and closed simply and cleanly. An added benefit is the lack of an unsightly latch tongue and striker plate to catch clothes on.

Also available in the range are the patented magnetic tubular passage latch and privacy latch, in a range of designs.

See in store for a demonstration of these innovative new products from Bellevue.

The next generation in particleboard flooring

Designed for thermal comfort and energy efficiency

Feel the difference.
Make a difference.

The next generation in flooring, designed for your comfort and for generations to come.

- Increases overall R-value of floor system
- Improves thermal comfort
- Reduces energy use
- Greenhouse friendly
- Fast & easy installation

 **CarterHoltHarvey**
R-FLOR™
Radiant Barrier Flooring

For more information on how R-Flor can increase the overall R-Value of a suspended timber floor system call 1300 658 828 or visit www.chhwoodproducts.com.au

industry update:

HIA queensland state outlook summary (march 2010)

overview:

- The global economy is growing again but the debt/deficit issue in Europe and its impact on world markets shows that the road to recovery remains bumpy. Key news for Australia is that the growth outlook for East Asia (excl. Japan) continues to be healthy.
- There have been six 0.25 percentage point hikes to interest rates since September last year. The Official Cash Rate is currently at 4.5% with a discounted variable mortgage rate sitting around 6.75%. Interest rate waters are muddier now than they were back in March.
- The Australian economy continues to look better than the rest of the developed world but the GDP update for the March 2010 quarter was narrowly based. The RBA is forecasting Australia to grow at a pace of 2.5% over the year to June 2010 quarter, rising to 3.75% over the years to both June 2011 and June 2012.
- The unemployment rate in Queensland reached a low of 5.4% in January 2010 but has remained relatively unchanged since that time and currently sits at 5.5%.
- The HIA revised up their short term outlook for national housing starts, but have revised down forecasts for calendar year 2011 and financial year 2011/2012.
- Housing starts for Queensland, the HIA now forecast 32,240 starts in 2009/2010 (down from 32,840). For calendar year 2010 they now forecast 32,790 starts (down from 34,500 forecasted previously).
- Overall the HIA forecast for Queensland:
 - Starts for 2010/2011 of 33,550 (down on previous projection of 34,980).
 - Starts for 2011/2012 of 38,250 (down on previous projection of 40,030).
 - Starts for calendar year 2011 of 36,300 (down on previous projection of 37,790).
- The HIA are still forecasting a sustained recovered in renovations investment

which has been a long time coming for Queensland. They have retained their previous forecast profile of 9% growth in 2009/2010 followed by 4% and 5% in each of the subsequent two financial periods. Renovations investment is forecasted to be worth \$9.1 billion in 2011/2012, the highest level on record.

inflation:

The preferred measures of inflation used by the RBA have been trending down moderately. The RBA is forecasting inflation to bottom out at 2.75% over the course of 2010/2011 (presently at 3%). The June quarter CPI result due on July 28 is crucial in terms of the outlook for interest rates over the remainder of 2010.

the residential sector in queensland:

Housing Finance

Home lending has been dampened by six interest rate increases from the last eight RBA board meetings. Home buyers have also been deterred by the prospect of further rises in 2010 stemming from the bullish economic growth forecasts and RBA's focus on stemming inflation during our return to growth.

- The number of loans for construction was down 4% over Jan-Mar 2010 compared with Jan-Mar 2009.
- The number of loans for purchase of a new dwelling was down by 31.5% over Jan-Mar 2010 compared with Jan-Mar 2009.
- New home lending figures are at average levels by historical standards, however a sustained new home building recovery is predicated on above-average new housing loan numbers.

The withdrawal of first home buyers from the market continues in line with expectations. However the return of upgrade buyers in sufficient numbers to offset the evacuation of first home buyers is still yet to occur.

- The number of FHB loans over Jan-Mar 2010 was down 61% than the same period last year.

- The proportion of FHB loans in Jan-Mar 2010 was 14.2% compared with 27.2% in the same period last year.
- The number of non-FHB loans in Jan-Mar 2010 was 12% lower than the same period last year.
- Non-FHB continue to sit on the sidelines. The would-be buyers may be waiting for greater certainty on the short term interest rate outlook. Given that renovations activity is improving it may be that households are more preferential toward conducting major renovations at a time where home prices may be close to appreciating once more.

The established (trade up) owner occupier buyer market trended down in the December 2009 quarter before falling substantially in the three months to April 2010. The number of established loans (net of refinancing) fell by 27.3% Jan-Mar 2010 (compared with same period last year).

The residential investment market still looks fragile.

- The trend value of lending for construction of dwellings for rent or resale (QLD) fell by a substantial 44.2% in the year to March 2010 to an annual worth of \$628 million.
- For existing dwellings, lending for investment increased by 7.9% in the year to March 2010 to an annual worth of \$13.3 billion.

As noted in the last outlook, we are yet to see a meaningful recovery in residential investment in new dwelling stock and that is cause for considerable concern given the dire lack of affordable rental accommodation in Queensland.

Written by

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For the full TABMA summary article, log on to www.bretts.com.au/featurelist.aspx

