

# Supplementary Submission

*To the*

## Productivity Commission Inquiry

*into*

## Consumer Protection - 2007

## 1. Introduction

The views we are presenting in our submissions to this inquiry are current and those of builders, consumers, many industry associations, the Australian media, many State agencies, and all State opposition parties who support the position of the BCA, however this submission is not dissimilar to the Builders Collective Submission to the Productivity Commission inquiry “**Review of Building Regulation**” Released on the 1<sup>st</sup> December 2004.

*I would ask this inquiry to carefully consider these “Quotes” from that final document back in December 2004*

**Page 207;**

*It is clear that there are issues in the building industry in some jurisdictions with regard to the cost and availability of insurance, the incentives current schemes provide for good building outcomes, and the level of consumer protection afforded by current arrangements. Further discussion of these issues is provided in appendix H. The question is whether the ABCB’s future work program should encompass insurance issues.*

**Page 208;**

*there is a distinct likelihood that the insurance issue will cause the number of practices to substantially decline to just a few large practices who are able to carry the insurance premiums.*

**Page 209;**

*The Inquiry found that Queensland is realising the benefit of a stable scheme, that has been given time to mature and is underpinned by effective governance, licencing and dispute resolution. (2003, p. 51)*

**Page 209;**

*The Australian Consumers’ Association (2004a) also advocated a move towards the type of HBWI scheme already operating in Queensland, comprising lower premiums, more comprehensive insurance and higher levels of protection for consumers.*

The only difference is that now there are more insurers selling this flawed product and although State Governments have either stated and or believed that such competition would solve the Builders Warranty crisis, they have failed to understand three vital aspects, **firstly** the builder who goes through the rigors of compliance by their regulatory authority to become a registered builder must then attempt to navigate the arbitrary insurance eligibility process to achieve the letter of eligibility that imposes an annual turnover limit on their business as well as a

limit on the size of project they can build irrespective of previous history. The certificate of eligibility then, and only then enables their registration to become effective, and then on a project by project basis they may apply for the insurance certificate that allows them obtain a building permit. These processes ensure the builder is tied to that one insurance company therefore removing the perceived competition of having multiple insurers, as to go elsewhere a builder must firstly relinquish the previous eligibility prior to the new insurer offering a letter of eligibility. The fear of losing or obtaining less turnover from a new insurer ensures the builder will stay with the devil he knows, and this fact is further supported by the attachment titled **(Insurance Eligibility 8.5.07)** from the HIA Housing magazine April 2007.

**Secondly** the basis of the product as a consumer protection device is flawed as consumers simply have too much difficulty in trying to access a claim, and most find it impossible as would have been demonstrated by consumer's submissions to this inquiry. Many thousands of consumers even though they may believe they are entitled to justice, just simply give up in preference to committing to expensive and long winded civil action which is their only alternative.

**Thirdly**, Builders Warranty Insurance impacts on many even outside of builders and consumers as this product has been responsible for contracts of sale of property being voided, building contracts voided, flawed and completely wrong decisions applied by the judiciary, complete ignorance even of the basic regime by the legal profession. (All facts to support these claims can be provided on request)

The number of insurers in the market will not solve the problem, but wholesale reform of State Government consumer protection policy will.

Fundamentally, the issues that the Builders Collective represent today are broadly as follows, again similar to those brought to the Productivity Commission some three and a half years ago.

## 2. Rights of the Smaller Builder

The rights of the small to medium builder were assigned to the insurance industry who is now the defacto regulator and decides who will build, when, and to what level. Many hundreds of small builders have had their businesses ruined by not being able to satisfy insurer demands for financial equity as compared to turnover.

Most, if not all of these businesses had been successfully operating for years before the intrusion of the insurance industry, however this artificial measure enforced by

the insurance industry, sanctioned and mandated by State Governments has deemed these builders unsuitable to operate.

The removal of the right to earn an income in their chosen profession is a contravention of their rights under natural law and justice however all Governments have simply turned a blind eye in exchange for their own political and financial expedience. In fact the Ministerial Order that mandates this regime was changed in 2003 when the Ministry of Housing was exempted from the warranty regime because they were unable to source builders with the required insurance cover for their own projects, again changed in May 2005 to remove the requirement for the insurance industry to provide the detail of warranty claims to the Practitioners Board.

We had been asking the Building Commission in Victoria to enforce this requirement of the Ministerial Order that applied to the insurance industry to demonstrate its value, however the Government removed that requirement stating the insurers were unwilling to provide the information based on the premise that information was sensitive and “commercial in confidence”.

**The dominant insurance provider Vero Insurance has before the Victorian Government at very this time a document titled “Suggested Warranty changes” which calls on the Government among other matters to grant them exclusion from all regulatory controls that all Australians must abide by including scrutiny of any description from all Government agencies.**

Aside from the document mentioned above, the rights of the smaller builder are further compromised because they are not in a position to defend themselves against unfair arbitrary decisions made by the insurers and their agents. The HIA and the MBA were the Trade Associations that were supposed to protect these builders from such abuse however the financial benefit they derived from marketing this insurance has deafened these associations to the pleas from their own members.

In particular, the HIA were in a parlous financial state in 2001 when HIH collapsed however since then their financial standing has increased exponentially in line with the profits (refer to **HIA Financial History 2000-2005**) secured directly from selling Builders Warranty to their members. Such a dramatic financial vested interest has blinded HIA to the detriment caused to their members by this product, and they have applied a divide and conquer principle to any and all detractors of the warranty Insurance regime.

Back in June 2004, 146 members of HIA requested the executive of HIA to conduct a general meeting under section 249D of the Corporations Act to address the warranty Insurance issues members were facing, only to be told by the National President, Mr Peter Grigg in writing they were not the class of members who had any voting rights. ASIC chose not to support their own legislation, and recommended the members to undertake their own civil action. (Please note the

HIA is a private Company as is Home Owners Warranty (HOW) their insurance arm)

Even in 2007 HIA members are being threatened with expulsion if they continue to agitate against Builders Warranty insurance. (Refer to HIA Complaint 1.3.07) Consequently these smaller builders have no voice and their rights are irrevocably compromised for the financial benefit of the associations that are supposed to be advocating for them.

However in March 2007 the immediate past National President of HIA Mr Bob Day in a media interview when asked of his position on Warranty Insurance he stated **“the cost is out of all proportion to the benefit and it should never been introduced”** (HIA Backflip on BWI 20.3.07) These sentiments were echoed by the Executive Director of MBANSW Mr Brian Seidler in his critical response to Mr Day (MBANSW response to HIA-Day) and further we have the direct support for our position from MBA Australia as demonstrated in the attached letter (MBA Aust support)

Applying very basic common sense to the role of Trade Associations within this industry we find the HIA and the MBA both have members who often hold membership in both associations to ensure continuity of warranty insurance, and both claim they are the peak body in the same industry yet their policies on this issue are contradictory and also conflict with the views of the members.

### 3. Turnover Caps

As stated in 2004 by the Royal Australian Institute of Architects:

*Placing an arbitrary cap on the value of a project they can build is "outrageous", considering that the maximum claim is \$200,000. Architects and owners are precluded from engaging their preferred builder because insurers are reluctant to provide cover for architect-designed houses.*

Nothing much has changed in the last 3 ½ years. Builders are still terrified that the insurer will deem them a risk and effectively foreclose their business as that builder CANNOT undertake any contracts and earn an income unless the insurer grants them eligibility to purchase Builders Warranty Insurance.

This eligibility is linked to turnover limits that although ostensibly are supposed to limit the excessive rapid rate of expansion of a building business, in reality have the effect of limiting all expansion of a smaller business and frustrating the fundamental business model of a business to expand in conjunction with natural market forces.

Turnover caps imposed on building businesses in Australia are internationally unique and are an affront to standard business practice. In addition, while these caps limit contracts that can be undertaken they then can directly have a negative impact on the profitability of the builder. Once the profitability is compromised then the insurer immediately imposes even harsher eligibility constraints which in turn further compromise the financial integrity of the builder. These and others are the unfair market practices referred to by the Office of the Small Business Commissioner in his submission to the recent Victorian VCEC inquiry.

Again, builders are not in a position to complain as even their Trade Associations are captured by the insurance income and unable to offer any support, these builders simply have to comply with insurer demands or leave the industry.

#### 4. Owner Builders

The other alternative to a builder threatened with eviction from the industry is to simply work as a 'subcontractor' for Owner Builders. This point was raised in our 2004 submission by the Building Designers Association of NSW who described the privatisation of HWI insurance as an

*"abject failure". There has been a notable decline in the number of builders available to provide competitive quotes. This in turn is damaging the livelihoods of building designers. One of the unintended consequences of the scheme is that builders are encouraged to enter into illegal covert arrangements with owner-builders, often at the expense of reputable builders who are being driven out of the industry."*

This owner builder loophole serves both the incompetent builders as well as those builders who are competent but by dint of circumstance may have had a drop in profit for a financial year and had their eligibility capped by the insurer. Either way it is a disaster for the building industry with over 40% of all domestic building work in Victoria still being undertaken by so called 'owner builders' compared to a figure of 3.79% in the Queensland QBSA scheme which is now the same size as Victoria as they have enjoyed a 45% increase in their industry over the past 4 years compared to the Victorian increase of 1.4% and NSW of 9.4%.

So called Owner Builders are simply owners who engage an unregistered and uninsured builder as a subcontractor to complete their job as they offer a 'discounted' no liability (ie no responsibility) option for home owners attempting to purchase beyond their means.

These projects by unregistered and uninsured persons are the single-most largest increase in building industry complaints currently received by Consumer Affairs Victoria who also stated in their submission to the recent VCEC Inquiry that if warranty insurance was removed altogether it would in fact increase consumer

protection as it would remove the barrier to entry to the compliant industry. It is our belief that this is a pattern repeated across Australia as prosecutions in all these jurisdictions are predominately for unregistered builders/persons which indicates that the introduction of last resort Builders Warranty Insurance has only served to reduce consumer protection which is a complete contradiction to the high minded assertions of the insurance industry upon its implementation.

## 5. Claims Costs

The farce and deception in Builders Warranty is that a builder must demonstrate that he has the financial capacity to underwrite the insurance company for any potential claims cost and undertake that role through deeds of indemnity and or providing his power of attorney to the insurer, and or providing bank guarantees.

This effectively places the builders as a re-insurer for the insurance company however to date the insurers have no formal reinsurance agreement in place with any builder in Australia. Aside from being in clear contravention of APRA rules, it is an affront to a building business to have to carry this sort of liability in addition to an already onerous and inflated insurance premium.

In addition the insurer works far too closely with the regulatory authorities on these matters and a builders registration is often threatened by the insurer should a builder question or refuse to pay alleged claims cost recoveries. There is currently a case in VCAT (Victorian tribunal) where the Victorian Privacy Commissioner has lodged an application on behalf of a Melbourne builder including a claim for the maximum compensation under his act against the insurer (Vero) and the Victorian Building Commission for this sort of collusive behaviour.

Just the same, if a builder has to repay an insurer for any claims cost, and his business is held to ransom in accordance with his financial capacity to pay these claims costs, then it begs the obvious question of why on earth should builders need to purchase this insurance in the first place as we are effectively self insuring anyway.

The insurers are merely acting as a claims handler but pocketing a very hefty premium along the way.

## 6. Red Tape

All of the above simply points to the obvious and real 'red tape' burden that builders must comply with simply in order to continue working. In an era where all State and Federal Governments are voicing concern regarding bureaucratic red tape then it seems that Builders Warranty eligibility and assessment is an obvious area that can be greatly improved upon.

Keep in mind that all builders would support the product if there was an obvious and tangible benefit to the industry however to date there has not been any benefit to builders or their clients from this product. It is onerous, intrusive, expensive, secretive and ineffective and continues to question the area of probity in its initial implementation and continued operation. However it is enormously profitable for the insurance industry.

## 7. Affordability

The increased cost of compliance and forced profit returns for builders to maintain their eligibility have dramatically increased the cost of building over the last decade. In fact as can be seen from the (**Victorian Building statistics**), the actual cost of building has increased a staggering 71% since 1998 with the most significant increases occurring in 2001 and 2002 at the peak of the Builders Warranty eligibility crisis.

The average cost of a building permit in 1998 was \$62,000.00 compared to today at \$106,000.00.

These increases have not been reduced and the added cost has provided no benefit to consumers but has served to exacerbate an already chronic situation in the Australian housing industry in relation to housing affordability.

## 8. Conclusion

Last resort Builders Warranty insurance has failed to provide any tangible benefit to builders or their consumers and this is clearly evidenced by the lack of any verifiable claims data from the insurers.

It is a red tape burden and an operating impost that is severely restricting the competitiveness of the legitimate building industry by encouraging rogue traders across every jurisdiction.

We believe it is essential that the ability of trade associations to utilise or manipulate any form of building industry legislation for their direct financial gain be completely removed to ensure the events of the past 10 years can never be repeated as this action would clearly and directly benefit the overall national building industry, its registered builders and their clients/consumers.

This coupled with the privatised Last resort Builders Warranty regime being outlawed in Australia and immediately removed from every consumer protection regime in every jurisdiction would in fact enhance Consumer Protection as it would return builders to the compliant industry by removing the barrier to entry to the industry.



Many across the nation have worked tirelessly over the past six years to rectify the wrongs within what is an industry we know signifies huge respect in terms of its contribution to the nations well being, however there is one sector in particular that has been treated with contempt and total disrespect by the State regulators and managers of this industry. This sector is the Domestic Builders of this nation and their clients, the consumers.

The Productivity Commission has the power and the ability to right the wrongs of the past decade, it must do so without fear or favour and return credibility, respect and more importantly return confidence to all players in this most important sector of an industry that is the measure of the nation's fiscal health.

Phillip John Dwyer

National President.

# A victory for common sense

**H**IA Insurance Services has achieved a breakthrough for the industry on Certificates of Eligibility when renewing Domestic Builder Registration. David Turner, National Manager of Warranty Insurance, said lobbying by HIA Insurance Services has resulted in all parties getting together and agreeing on a new process.

"In the past, builders were registered every May 1st," David said. "That was then split into three registration dates in May, July and October. During that period there were around 12,000 builders who needed their eligibility renewed and they would be calling insurers, brokers and advocates and going through the process of having a Certificate of Eligibility issued. This meant an enormous amount of administrative work and there was often a lag between a builder making the enquiry and receiving the certificate.

"HIA Insurance Services brought the insurers together with the Building Practitioners Board. It

was our contention that as long as a builder's Certificate of Eligibility had not been withdrawn, we believed they did not need to go through the process of reapplying for it every year.

"Insurers can communicate directly with the Board and builders don't have to do anything. This will cut back more than 90 per cent of enquiries on this issue and it also means that we will be able to service our clients better and more effectively.

"We have only just been able to convince everyone involved that this is a good idea. The Certificate of Eligibility is still in place and, provided you don't have it withdrawn by your insurer or you change insurer, you don't have to get a new certificate every year.

"This will streamline the process dramatically with the safeguard that all the checks and balances remain in the system to ensure builders are entitled to eligibility, but the artificial deadlines previously imposed have been removed."

## How it works

**Normally when you renew your Domestic Builder registration with the Building Practitioners Board, you have to supply:**

1. Updated contact details;
2. Payment and
3. A copy of your letter of eligibility from your domestic warranty insurer. This should cover your new registration period.

**In line with an agreement between state-wide domestic builder insurance providers and the Building Practitioners Board, an initiative has been undertaken which will simplify this process.**

**So long as you remain with your current domestic builder insurance provider for the new registration period, you can now do the following:**

1. Fill out the declaration form that will be provided to you;
2. Complete the registration renewal form and
3. Forward all documents along with payment to the Board.

**If you change to another insurance provider this new process will not apply to you. A copy of your renewed letter of eligibility for domestic warranty insurance will still be required. Declaration forms will be issued with your registration renewal form in due course. For further information on the insurance required for renewal of your domestic builder registration, please contact the Building Practitioners Board on 1300 360 320.**

## Suggested Scheme Changes to Victorian Home Warranty Insurance

### Guiding Principles

Grellman Inquiry (NSW) – findings and recommendations

- √ Appropriate scheme governance
- √ Robust licensing regime
- √ Fair and efficient dispute resolution process

VCEC Inquiry (Vic) -

- √ More information to builders and consumers
- √ Improvements in registration, enforcement and mandatory warranty insurance
- √ Reducing regulatory complexity

### Approach to Implementation

The Government will need to address the following points or provide supporting arguments that the points are otherwise covered-off.

'First resort' changes need to be made in tandem with 'last resort' adjustment in order to improve the overall efficiency of the BWI scheme.

### Insurance

Conditions of Approval for Insurers – creating a balanced market for only APRA regulated insurers who are formally approved (re-approved), based on

- transparent entry requirements, thresholds and limits
- a mandatory arrangement linked to ongoing compliance with legislation, regulation (and Ministerial Orders), guidelines and deeds, and
- an authority for the Victorian Government to access APRA regarding their information on each approved insurer)

Run-off providers – should be similarly bound to ensure equivalent oversight as their actions could destabilise the market

Industry Deed – binding insurers and government to a commitment to the market and its stability, the necessary (full and effective) consultative processes, and appropriate protocols (not just a MOU)

Government Oversight of Scheme – a single regulator for the building industry, suppliers and consumers (or a clear separation or convergence of powers)

Market Practice Guidelines –

1. specific legislative override of Privacy and Trade Practices restrictions to enable the minimum underwriting standards and information sharing between regulator and insurers (and between insurers)
2. no need to split between builder and owner-builder versions, one with very slight modifications will do

Confidentiality – specific exemptions to FoI and related procedures to ensure data/information submitted cannot be accessed by others, including an Data

Publication Guideline and a separate Scheme Board overseeing the performance of the insurance aspects

Audits and Complaints – a central builders complaints register, workable dovetailing with the designated regulators complaints handling process, the insurers own compliance program and IDR, the insurance industry's IDR and CoP; no requirement to amend existing approach by insurers or to data report

Transitional issues – date from which; transactions are subject to guidelines, data gathering applies, sections commence

Reporting – utilise NSW data reporting guidelines format based on requirements yet to be outlined by Victorian Government (expected to be more targeted)

### **Building Act, Domestic Building Contracts Act and associated Regulations/Ministerial Orders**

Parallel activity to update the components that affect the 'first resort' aspects of the Scheme –

- Make public the review (which included relationships between other acts and harmonisation opportunities) of the DBC Act
- Combine residential building laws into one Act
- Pursue the full RIS on the 'sun-setting' regulations
- Enhance ability of regulator to deal more effectively with their 'gate-keeping' responsibilities

### **Registration (licensing)**

Expanded oversight

- Enhanced powers for Building Practitioners Board/Building Commission (or another body) to refuse registration, constrict licensing, and to act decisively with enforcement as part of government's 'first resort' responsibilities (although preference is for licensing to be conducted directly by regulator)
- More emphasis on skills, quality and CPD in registration/licensing process v time in trade (for example)
- Licensing of trades (offence for builder or owner-builder to employ unlicensed trades – strengthen consumer protection and further reduce BWI premium leakage)
- Tighter building permit processes (esp. BWI proof) and expanded mandatory certification

Strengthening the licensing system -

1. register corporate entities/licence individuals
2. specifically encompass and target unregistered builders/trades
3. apply a 'fit and proper' test to licence applicants
4. suspend builders while under investigation
5. severe penalties for non-compliance with inspection regime
6. penalties for non-disclosure or misrepresentation by builders to insurers
7. significant increase in penalties, generally (both monetary and imprisonment)

Reducing the administrative burden -

8. provide for a non-practising 'unlimited' licence that does not require provision of BWI eligibility
9. Allow for open-ended Certificate of Eligibility so reissue each year is not required

### **National Consistency**

10 Point Plan – harmonisation of NSW and Victorian schemes, esp. the formal legislative route

BWI policy wording – tighter control over scope of legal costs, loosening up of requirement to register claims upon 1<sup>st</sup> notification, revisit DID definitions, etc.

Building regulation \$ thresholds - rationalise

### **Governance**

Separate Oversight – to ensure the insurance aspects ('last resort' component) gets appropriately skilled and focussed attention, just like other compulsory insurance classes, e.g. Dept of Treasury and Finance

Building Advisory Council – insurer representative(s)

Building Practitioners Board – insurer representative(s)

### **Dispute Resolution**

Strengthen BACV role – remove CAV/Small Business Commissioner from any involvement as building/insurance disputes can be complex, requiring specific skills/knowledge

Building Commission – resourcing and ability to issue orders from on-site inspections/mediations that count in subsequent hearings if not complied with

BACV to be equally accessible by builders (not just homeowners)

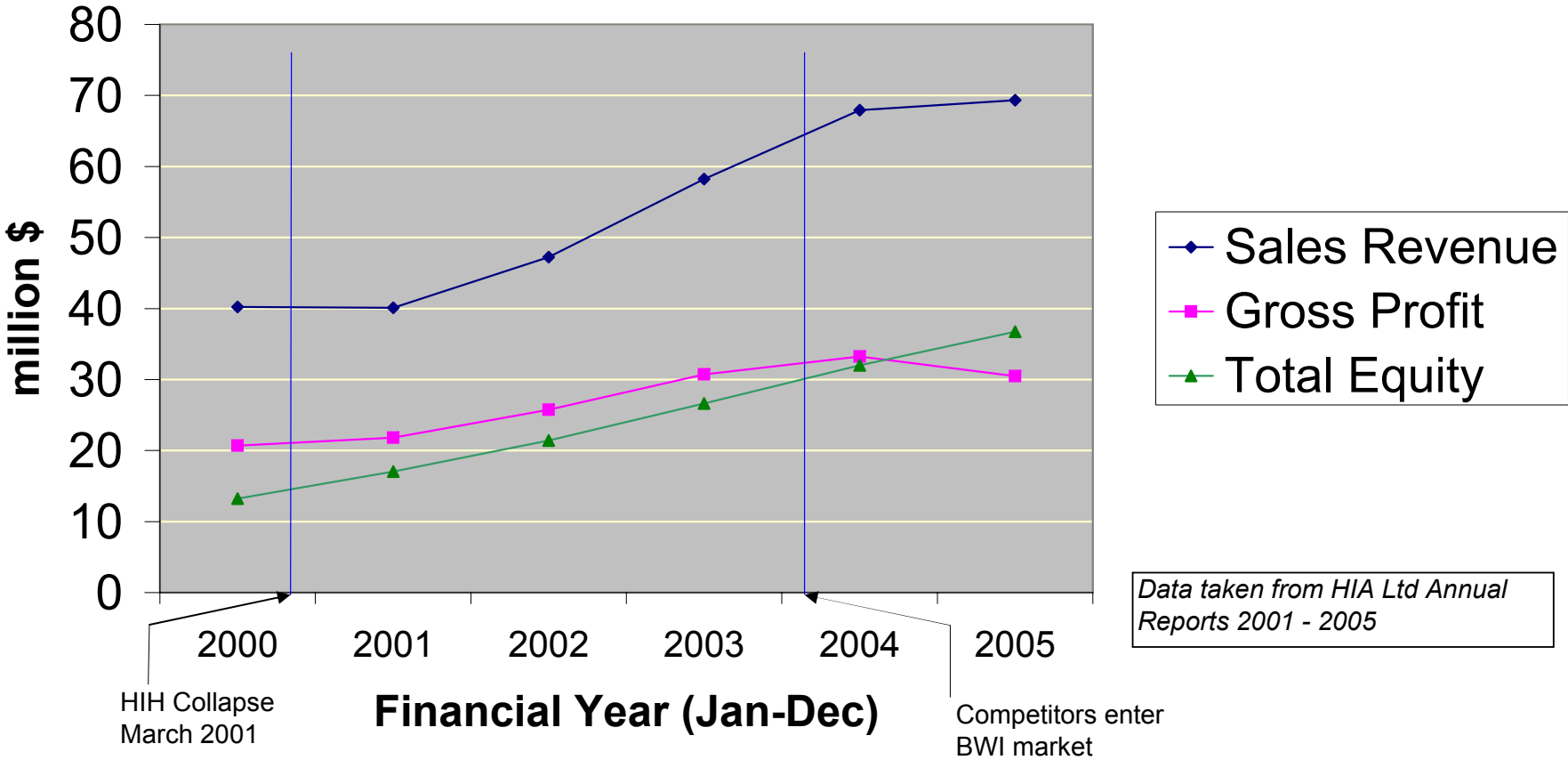
Ability to 'appeal' to VCAT narrowed

### **Communication (by Government)**

More targeted provision of BWI information and builder responsibility to consumers

An active builder compliance program providing on-going testing and updating of builder compliance/awareness

# HIA Financial History





# Call to scrap builders' warranty rules

**Mathew Dunckley**

Builders' warranty insurance should be scrapped, a former head of the influential Housing Industry Association says.

Under laws introduced following the HIIH collapse, house builders in most states must hold the insurance to operate.

It is meant to cover consumers for defective work if their contractors died, disappeared or became insolvent and so could not do the job.

At the time, the HIA welcomed the reforms but immediate past national president Bob Day, who

is also the Liberal Party candidate for the marginal South Australian federal seat of Makin, said the system unfairly penalised solid builders to cover for poor consumer decisions.

"The cost is out of all proportion to the benefit," he said. "It should never have been introduced.

"It's terrible. Why is housing the only product you've got to get insurance for?"

The system meant stable building companies subsidised those that operated at the margins, Mr Day said.

Mr Day, whose Homes Australia

builds about 1000 houses a year across the country, said it should be a case of buyer beware.

"Someone makes an unwise decision," he said. "They accept a quote to build a house which is significantly lower than all the major reputable builders, it goes bad, so they go running off to the government and say, 'oh you know I've lost my house, the builder went broke'.

"If you are going to build a house, use a reputable builder and if you're not sure, get some advice."

The system was a political solu-

tion that got the HIIH-induced crisis in warranty insurance off the desks of the various state ministers and added to the cost of a house, he said.

State governments should instead embark on a public education campaign to protect consumers.

"People are not stupid," he said. "People know if [they] are going to build a house, they try and get away with things, they take risks and they get caught and they want everyone else to pay for it.

"All builders' warranty does is make things worse. Builders still go

broke but who pays for it? The other builders who don't go broke."

HIA managing director Ron Silberberg said his organisation favoured a voluntary system where consumers could choose whether to use a builder holding the insurance.

The criticisms come just as the Victorian government announced it would hold a series of free seminars for home builders and renovators to help prevent disputes.

The Victorian Minister for Consumer Affairs, Daniel Andrews, said about 2000 people each year sought help as a result of problems with builders.

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# Call for change a belated backflip

The Australian Financial Review | 22 Mar 2007

Calls by former Housing Industry Association national president Bob Day to scrap builders' warranty (March 20) are long overdue.

We are glad Day has finally seen the light. Under his leadership, HIA supported this system, which was a pillar of its policy platform.

The Master Builders Association of NSW has been fighting for changes to the system for seven years. The industry has been crying out for change, and yet the HIA has remained unmoved and unresponsive.

It is now compulsory for all builders to have home warranty insurance for jobs over \$12,000, and warranty certificates are issued to builders by insurance companies.

In issuing certificates, insurance companies put builders through the wringer. They set the bar so high, the average builder hasn't been able to measure up. Growth and competition in the building industry have been stunted, and small businesses have been unduly pressured.

The system exposes insurers to very little risk, as it covers only consumers whose builder dies, becomes insolvent, or disappears. If a consumer wants to be compensated for poor or incomplete work, they have to pursue the builder privately in court.

MBA and our members want a more equitable system. Queensland's government-run model sets the benchmark for how home warranty should work. We call on the NSW government to take back control of the system from the private sector.

HIA campaigned for a privatised system, and it simply doesn't work. Day's latest backflip can't undo the damage already done.

Brian Seidler,

Executive director, Master Builders Association of NSW,

Sydney, NSW.



## Victorian Building Costs over the term of the Bracks Government

### ***Domestic Building Work only***

<b>Dates</b>	<b>Number of Domestic Permits</b>	<b>Value of Domestic Permits</b>	<b>Average Building cost per permit</b>	<b>% Cost Increase from previous year</b>	<b>Cummulative % Cost Increase from 1998</b>
1998	78489	4,864,086,000	61,972		
1999	86850	6,000,209,000	69,088	11.5%	11.5%
2000	81082	5,662,697,695	69,840	1.1%	12.7%
2001	86426	6,929,659,000	80,181	14.8%	29.4%
2002	90052	7,929,317,000	88,053	9.8%	42.1%
2003	90313	8,458,322,000	93,656	6.4%	51.1%
2004	87984	8,725,755,457	99,175	5.9%	60.0%
2005	83740	8,592,019,914	102,604	3.5%	65.6%
2006	83893	8,871,929,241	105,753	3.1%	70.6%

*The 70.6% increase in building costs since 1998 represents an unprecedented explosion in the cost of building that is now having a direct impact on housing affordability for the community*