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**MEDIA RELEASE:** ISIS grows revenue despite uncertain construction markets

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## ISIS grows revenue despite uncertain construction markets

### Tough conditions for commercial refurbishment industry as turnover drops 20%

Australia's \$12 billion a year commercial refurbishment market has shrunk by 20% since the peak of 2007/8, according to ISIS Group Executive Mr Glen Thompson.

He said the market was experiencing some "pain" in recent times as it transforms from a government to a private led phase.

"The fall from 2007/8 as a result of the GFC was softened by the Federal Government's BER and other stimulus programs but this has dropped off dramatically in the past six months and has coincided with a weak rebound in business investment," Mr Thompson said.

He said the green field construction sector had suffered a far greater decline than the refurbishment sector as major new construction starts post GFC in most capitals had been limited and was showing few signs of revival.

"The drop off is not uniform across all major markets and highlights the two speed economy," Mr Thompson said.

He said activity in the mining states is on the improve while Sydney has not seen a solid rebound in private sector activity since the GFC.

"Perth, Adelaide and Darwin commercial markets are likely to perform strongly and Brisbane should follow shortly given they are underpinned by the mining investment boom.

"Sydney is at a low ebb in the office sector and is showing early signs of improvement. The finance and business services sectors are slowly starting to emerge however investment in the insurance and IT sectors are a little way behind them.

"Victoria has maintained its resilience through the GFC thanks to a combination of lower costs, less red tape and a positive Government agenda," he said.

Activity in the ACT has slowed markedly due to the Federal Government reducing its stimulus support.

Mr Thompson said the Perth market, while maintaining momentum, had seen prices fall 15% since the overheated prices of the boom but costs in the WA capital were showing signs of upward pressure again.

He said overall the market volume was strong but clients were economising on capital expenditure and margins are "thin".

Typical refurbishment costs have been slashed by up to 15% as a direct result of the increased competition in the market.

Mr Thompson said it is not all gloom and there are some bright spots in the market.

"The health and tertiary education sectors amongst others are benefiting from an increase in spending" Mr Thompson said.

Mr Thompson said despite the overall market decline ISIS had continued its year on year revenue growth of 20% that it has enjoyed since 2000 and was continuing to expand.

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#### BOILERPLATE

ISIS Group Australia is one of Australia's largest construction and refurbishment companies with an annual turnover of more than \$500 million and a staff of 500. ISIS has offices in each mainland state and territory capital city. ISIS is a privately owned company.

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