Sustainable Builders Alliance

State of the Market 2026

What Australian residential builders are saying about their businesses.

Survey period:
January - March 2026.

Social Traders CERTIFIED SOCIAL ENTERPRISE
Business for good

A Message From Our President

Here's something we're hearing a lot from builders right now: clients are asking different questions.

They're not just asking about square metres and finishes anymore. They want to know about energy bills. They want homes that stay cool in summer without the aircon running all day, that hold warmth in winter, that feel genuinely comfortable to live in. They want resilience, homes built to handle what the climate throws at them. And more and more, they want to know what it'll actually cost to live there, not just to build there.

That shift in what clients are asking for is exactly why the SBA exists. We were founded on the belief that building better homes, homes that are healthier, more comfortable, and cheaper to run, is good for builders, not just the planet. But belief isn't enough. We wanted to know if it was actually playing out in the market.

So we asked. We surveyed 141 residential builders across Australia and looked at what separated those who've made high-performance building central to how they present their work from those who haven't. The pattern was clear: across pipeline, margins, and quote conversion, high-performance builders are reporting stronger outcomes across every measure.

We can't tell you that building better homes caused that. What we can tell you is that the association is consistent, and it points in one direction.

Simon Clark
President
Sustainable Builders Alliance

Key Findings

FINDING 1 — PIPELINE

High-performance builders are nearly twice as likely to report having work locked in more than 6 months ahead - 59.5% vs 37.4%

FINDING 2 — PROFIT

They are twice as likely to report strong or healthy margins - 28.6% vs 14.1%

FINDING 3 — BUILD STANDARD

They are 2.5x more likely to be very happy with their quote conversion rate - 42.9% vs 17.2%

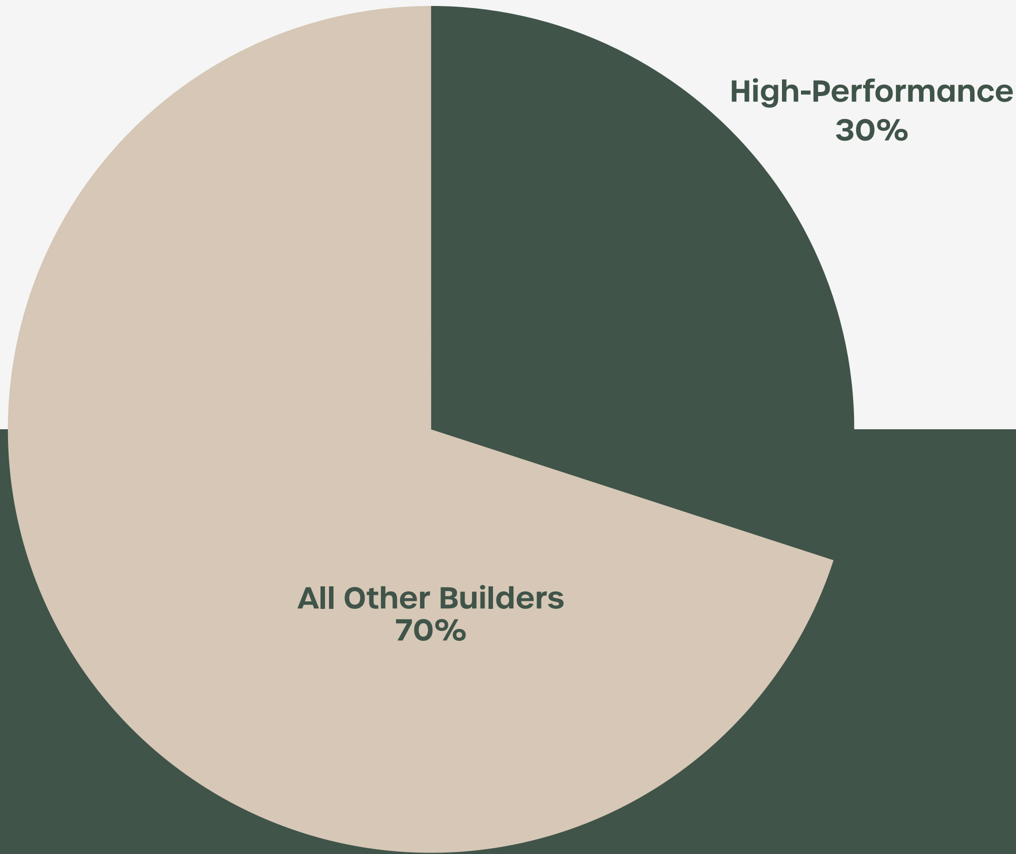
FINDING 4 — QUOTE CONVERSION

More than half of all builders surveyed are already building above code on most jobs, but without positioning sustainability as part of their identity, their conversion outcomes sit well below high-performance builder levels across every measure

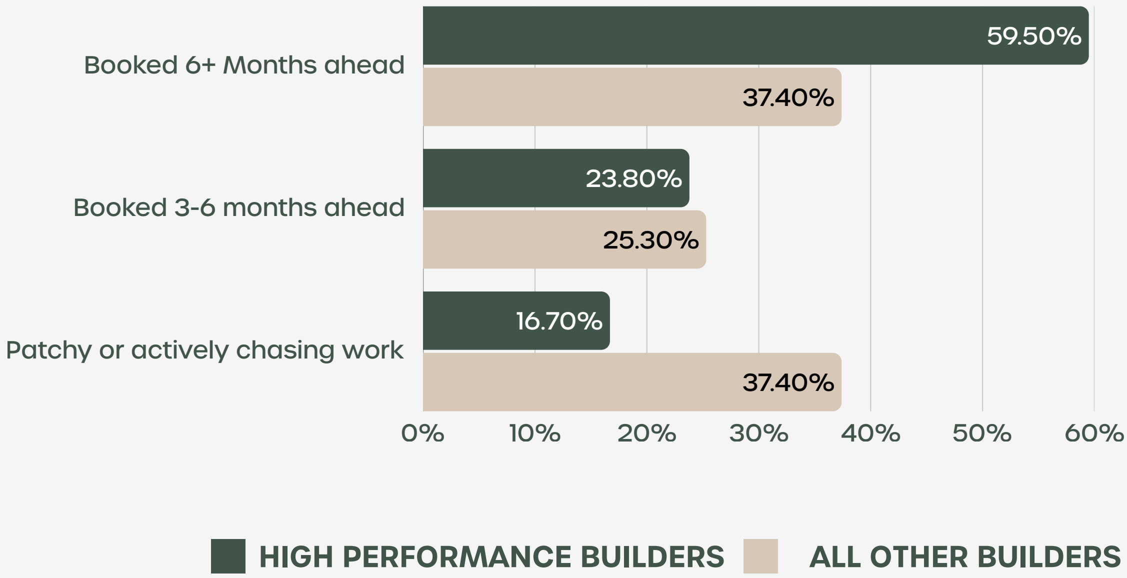
What We Found

In early 2026, we surveyed 141 Australian residential builders through social media advertising, reaching builders independent of any association membership. Respondents described their own approach to comfort, energy use and build quality, and how often they talk about these things with prospective clients. From those responses a clear group emerged whose answers consistently reflected both building above minimum code and making build performance central to how they present their work (30%). For the purpose of this report, we call this group high-performance builders.

The findings below compare this group with all other builders in the survey.



High-performance builders are nearly twice as likely to report having work locked in 6-months ahead.



Nearly 6 in 10 high-performance builders report they're booked more than 6 months out. By contrast, other builders describe their pipeline as patchy or say they are actively chasing work. High-performance builders are less than half as likely to be in that position - 16.7% versus 37.4%.

High-performance builders are twice as likely to report stronger profit margins.

HIGH PERFORMANCE BUILDERS	ALL OTHER BUILDERS
Strong Margins 28.6%	Strong Margins 14.1%
Tight or Barely Worth It 16.7%	Tight or Barely Worth It 32.3%

Most builders in this survey are making it work. Around 54% of both groups describe their margins as OK or workable. The difference shows up at either end. High-performance builders are twice as likely to report strong or healthy margins, and other builders are more likely to feel the work is barely worth the effort.

FINDING 3 — BUILD STANDARD

For high-performance builders, above-code construction isn’t the exception. It’s the standard.

Every project on a builder’s books represents one of the biggest financial decisions their client will ever make. Among high-performance builders, 83% deliver it above minimum code on almost every project. Among other builders, a third report doing so on only a quarter of their work or fewer.

High-performance builders are 2.5x more likely to be very happy with how often they convert quotes into jobs.

CONVERSION SATISFACTION	HIGH PERFORMANCE BUILDERS	ALL OTHER BUILDERS
'Very happy' with conversion rate	42.9%	17.2%
'Not very happy' - losing more than they'd like	28.6%	44.4%

The most striking pattern only becomes visible when you look at a specific group

More than half of the builders surveyed (56%) can be described as 'Transitioning': say they're already building above code on the majority of their jobs, and are already moving toward better build performance. But fewer than half lead with comfort, running costs and energy efficiency in the sales conversation, and that gap is showing up in the numbers. Their pipeline, margins and conversion all sit consistently below those of high-performance builders.

73% of transitioning builders say they already build above code. So why the gap in outcomes?

HIGH PERFORMANCE BUILDERS	ALL OTHER BUILDERS
59.5% booked 6+ months ahead	38% booked 6+ months ahead
16.6% patchy or chasing work	34.2% patchy or chasing work
28.6% strong margins	13.9% strong margins
42.9% very happy with conversion	20.3% very happy with conversion

The Gap

The gap between practice and positioning is the central pattern in this data. Builders who describe high-performance builds as a visible, credible part of their identity are associated with consistently stronger business outcomes. Those who describe it primarily as a technical specification, something they do, rather than something they stand for, report outcomes closer to the survey average.

Overall, the biggest frustration builders report is clients who don't understand what things actually cost. Nearly 1 in 3 Transitioning builders cite it as their key concern - more than any other problem including finding work or dealing with council. High-performance builders report a different primary frustration: the cost of materials. Not their client's understanding of the cost.

This points to something the data can't fully resolve: the difference is not necessarily in how well the different segments build, it's in the type of client enquiring. Whether high-performance builders have cultivated a different type of client, or whether the way they position their work attracts them, the survey can't say. What it can say is that the pattern holds in the same direction across every measurement.

About this Survey

HOW THE DATA WAS COLLECTED

This report is based on a survey of 141 Australian residential builders conducted January to March 2026. The survey was distributed via social media advertising and reached builders independently of any association membership list. While the sample was recruited independently rather than through SBA directly, some response bias likely remains.

Findings should be read as directional rather than representative of the industry as a whole.

Builders described their own approach to comfort, energy use and build quality. From those responses two primary groups were identified: High-performance builders (30%), and Transitioning builders (56%). A smaller third group whose response indicated a primary commercial or price-driven approach is not featured in finding 5.

WHO RESPONDED

The sample skews heavily toward small operators, consistent with the structure of the broader Australian construction industry.

ABS data indicates that non-employing and small businesses under 20 employees account for approximately 97% of all Australian businesses nationally (ABS, Counts of Australian Businesses, Including Entries and Exits, August 2025). No equivalent breakdown specific to residential builders is publicly available.

Work type: 36.2% renovations only, 26.2% new home builds only, 36.9% both.

A NOTE ON TIMING

The majority of responses (134 of 141) were collected before 28 February 2026. The findings reflect market conditions heading into the supply chain disruptions that began in March, not the market as it stands today.

This survey was conducted by the Sustainable Builders Alliance. To find out more contact the SBA at thesba.com.au

What Happens Next

The data in this report tells a clear story, but it's also an invitation.

Clients across Australia are actively looking for builders who can give them what they want: homes with lower running costs, spaces that stay comfortable without fighting the thermostat, places that are genuinely healthy to live in and built to last. The demand is there. The question is whether builders are positioned to meet it.

High-performance builders are. And this survey shows what that positioning is worth in real business terms: fuller pipelines, stronger margins, clients who say yes.

If you're a Transitioning Builder reading this, we want to say something directly. You're already most of the way there. The skills are there. The build standard is there. What the data suggests is that how you talk about your work, leading with comfort, lower energy costs, and resilience, might matter as much as the work itself.

That gap is closeable. And that's exactly the kind of conversation we want to have with you.

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