

# Media Release

Date: Embargoed until Wednesday 9 February 2011

## National Land Supply Report Issues Damning Verdict on Housing Supply

The Urban Development Institute of Australia has today released the annual UDIA State of the Land Report which provides the most comprehensive assessment of land supply in Australia's capital cities. UDIA is the peak industry body for the urban development industry and its 2011 State of the Land Report issues a damning verdict on the land supply situation in Australia.

The 2011 UDIA State of the Land Report finds that there is an undersupply of housing right across the national housing market that is putting substantial pressure on housing affordability. UDIA National President Peter Sherrie said that, "the Report illustrates the growing gap between land supply and demand throughout Australia. It paints a concerning picture for policy makers and importantly, for new homebuyers looking to enter the market."

For the first time, the Report ranks the major capital cities in terms of their performance in providing sufficient supplies of residential land to meet the demand for housing. The report finds that Melbourne comfortably leads the other capital cities in terms of supply, with Australia's largest city, Sydney, coming in last.

The Report ranks the capital cities in terms of their performance on land supply as follows:

1. Melbourne
2. Adelaide
3. Perth
4. Brisbane
5. Sydney

Peter Sherrie said that, "a steady and consistent approach to land supply and housing production in Melbourne has led to a strong result and the medium-term outlook remains positive despite some emerging concerns around development levies. Sydney continues to perform very poorly despite the emergence of a number of new release areas on the fringe. Exceedingly high development levies and a risky and uncertain environment for investment have kept developers away and that must be addressed by policy makers urgently."

Peter Sherrie added that, "the situation in Sydney is compounded by the fact that the Government refuses to release timely data on land supply and housing production. The Government has every reason to be embarrassed by the figures, but that's no excuse to hide this information from the public. Developers rely on these forecasts to make investment decisions. If there is no up to date data from Government, developers simply invest their capital elsewhere – but its new homebuyers that lose out."

“Adelaide has offered a stable and reliable supply of land for a number of years, although there are some emerging concerns about short term constraints and the need to implement of the 30 year plan for Greater Adelaide effectively. Lot production in Perth continues to track on a downward trend which began in 2005-06 but strong fundamentals around employment and population growth will provide sustained demand which must be adequately managed.”

“The market in Brisbane is heavily depressed, due in no small part to policy makers following the trend set in NSW to introduce high development levies that have impacted housing affordability heavily and constrained new investment.

Peter Sherrie said that the report was being released in the shadow of recent cuts to Federal Government programs designed to address issues around housing supply and affordability, and therefore warranted detailed consideration from policy makers. “The findings in the Report demonstrate a clear need for greater focus from Government on housing supply and affordability, not a winding back of commitments.”

The 2011 UDIA State of the Land Report makes the following recommendations to start addressed the gravity of the issue and to implement actions to improve lot production and delivery in Australia’s cities:

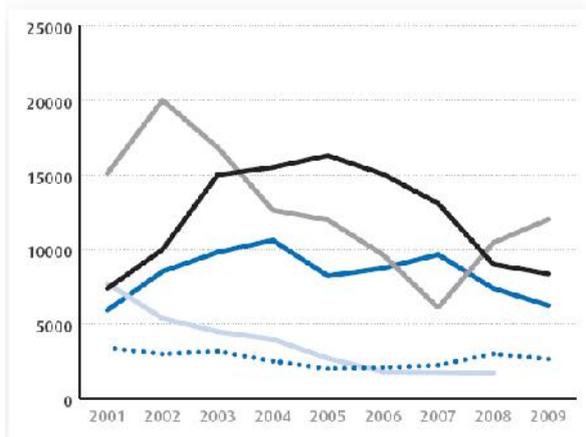
1. UDIA recommends that the Commonwealth Government implement a long-term national urban strategy.
2. UDIA recommends that the Productivity Commission be charged with undertaking an inquiry into financing local infrastructure and specifically examine the proliferation and impact of ‘development levies’. The scope of the inquiry should also cover an evaluation of alternative methods of financing infrastructure, such as tax increment financing or government borrowing.
3. UDIA recommends that the Federal Department of Sustainability, Environment, Water, Population, and Communities establish or revise bilateral agreements with all State and Territory Governments in relation to the Environmental Protection and Biodiversity Conservation Act.
4. UDIA recommends that the Federal Government undertake a thorough bi-annual audit of all Commonwealth-owned land in order to regularly update its Register of Surplus Commonwealth Land

For further information or comment, please contact:  
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The key diagrams from the report are provided overleaf. This data can be supplied to media in raw format on request:

## NATIONAL FINDINGS

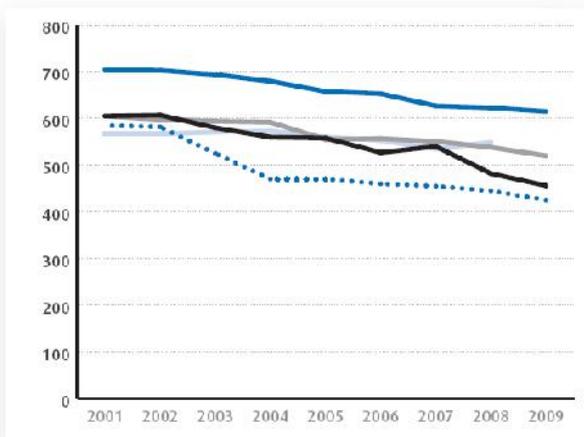
### Lots produced



■ Brisbane 
 ■ Sydney 
 ■ Melbourne 
 ● Adelaide 
 ■ Perth

Source: UDIA (National)

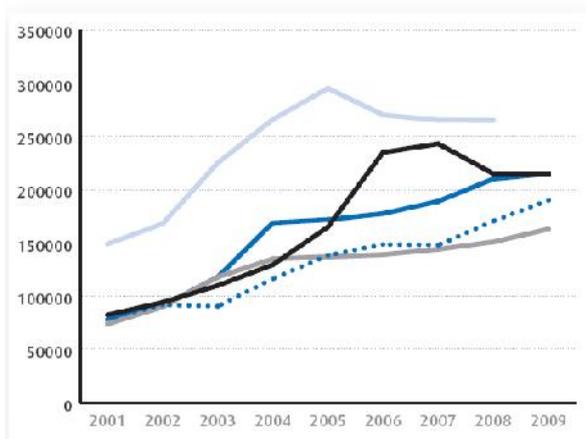
### Median lot size



■ Brisbane 
 ■ Sydney 
 ■ Melbourne 
 ● Adelaide 
 ■ Perth

Source: UDIA (National)

### Median lot price



■ Brisbane 
 ■ Sydney 
 ■ Melbourne 
 ● Adelaide 
 ■ Perth

Source: UDIA (National)