

# Media Release

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## National Land Supply Report Shows Why Housing Must Be a Federal Government Priority

The Urban Development Institute of Australia has today released the annual UDIA State of the Land Report which provides the most comprehensive annual assessment of land supply in Australia's capital cities. UDIA is the peak industry body for the urban development industry and its 2013 State of the Land Report issues a damning verdict on the land supply situation in Australia.

The Report which will be launched today by UDIA National President Julie Katz at the UDIA National Congress in Melbourne, finds that there is an ongoing and increasing undersupply of land right across the national housing market that is having major negative impacts on the affordability of Australian housing.

UDIA National President Julie Katz said that, "the Report clearly illustrates the growing gap between land supply and demand throughout Australia, and clearly outlines why fixing Australia's housing problems must be a major element of all Federal political party's economic and social policies."

"The Report paints a concerning picture for policy makers around the country and especially for new homebuyers looking to enter the market, as the increasing undersupply of land and housing is putting substantial pressure on housing affordability."

"UDIA is concerned that in recent times housing issues seem to have dropped off the Federal Government and COAG's priority list. 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.", said Ms Katz.

"It is well known that Australia's housing shortage is most severe in the affordable housing category. What is desperately needed is a suite of Government policies which will bring about an accelerated, but more coordinated approach to serviced land release while simultaneously departing from the inequitable first user pays approach to funding infrastructure. ", Ms Katz concluded.

The 2013 UDIA State of the Land Report makes the following recommendations to start addressing the gravity of the issue and to implement actions to improve lot production and delivery in Australia's cities:

1. The Federal Government to establish a national strategic plan, requiring cities to maintain a specified rolling supply of development-ready land to meet demand driven by population growth

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2. Federal funding to be linked to State Governments establishing comprehensive land-use plans which are aligned with detailed, costed infrastructure plans and underpinned by delivery timeframes
3. The Productivity Commission to undertake an inquiry into 'developer levies', assess the impact of these levies on broader based tax collections and investigate alternative methods of financing infrastructure
4. Through the identification of leading practice, State Governments should encourage Local Councils and relevant State Agencies to reform the processes involved in assessing applications for development
5. Conduct a thorough bi-annual audit of all Commonwealth-owned land in order to regularly update its Register of Surplus Commonwealth Land

**Key Findings from the Report:**

- The declining land supply levels across Australia has persisted, although for the past few years the trend has not been evident across all the cities. Land prices continue to rise despite the fact that the median size of lots has decreased across the board.
- In terms of lot production, Melbourne continues to lead the other major cities. Sydney is no longer the worst performer according to forecast data, but it still produces far too few lots for a city of its size and importance. Perth experienced a slight decline from the previous year while Adelaide and Brisbane both produced the least amount of lots in a decade.
- Unsurprisingly, Sydney's chronic undersupply has made it the most expensive market for land in the country. Unfortunately official information has not been released since 2010/11, but most experts believe it retains the highest median lot price in the country. Aside from Sydney, the price of land is increasing in most cities – a natural product of the tight supply pipelines. Adelaide is the only city to have experienced a decline in median lot price.
- The median size of lots has been gradually declining as a result of the scant supply and high cost of land. The smallest lots have been produced in Adelaide with a median lot size of 371m<sup>2</sup>, the only city with a median lot size under 400m<sup>2</sup>.
- Complex planning approval processes, delays in the provision of infrastructure in new release areas and the up-front approach to funding infrastructure are serious problems across all jurisdictions.

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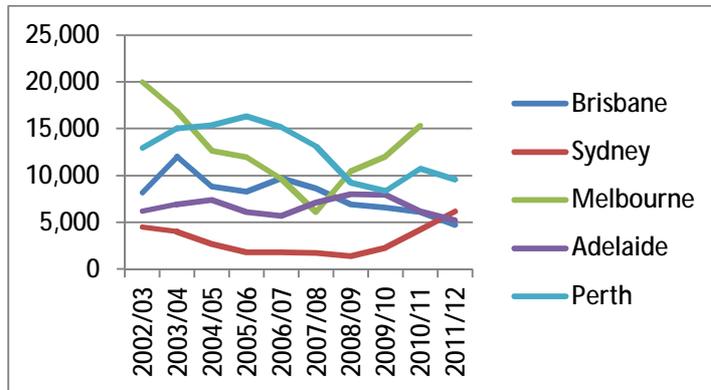
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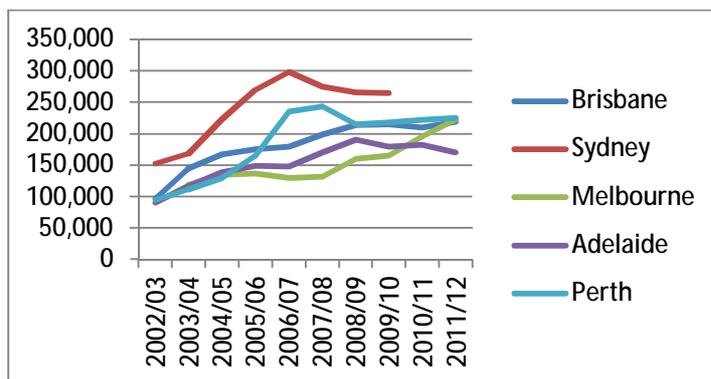
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## Key Graphs

### Lot Production



### Median Lot Price



### Median Lot Size

