

# Media Release

Wednesday, March 26, 2014

## UDIA Land Supply Report Finds New Block Sizes Continue to Shrink

The traditional suburban quarter acre block is nothing but a distant memory according to the findings of a new report on land supply released today by the Urban Development Institute of Australia.

The 2014 UDIA State of the Land Report, which is being launched today at the opening of the UDIA National Congress in Brisbane, has found that the average size of new residential lots is now a mere 1/10<sup>th</sup> of an acre (423m<sup>2</sup>), after falling 29% in size over the last decade.

“Governments around the country are failing to take action to address the key barriers holding up the supply of land for residential development, and the collapse in new lot sizes is the result of developers trying to maintain the supply of affordable land to the market,” said UDIA National President Cameron Shephard.

“Inadequate investment in urban infrastructure, slow planning and approvals systems, and high taxes and charges are strangling the supply of land for new housing, severely damaging housing affordability.

“Unfortunately this means that for new home buyers, the good old days of tossing the footy around with the kids or having a game of backyard cricket are well and truly over.”

Sydney and Brisbane saw the greatest declines in median lot size over 2012/2013, with lot sizes plummeting by 16% and 12% respectively.

“UDIA strongly supports a diversity of product to the market as some people want a lock and leave lifestyle. What concerns us is that a family can no longer afford a back yard where a family can play and grow.”

In addition to new lot size, the 2014 State of the Land Report also evaluates each city against key performance criteria, such as affordability, lot supply, infill performance, taxes and charges, infrastructure provision, and planning system performance.

Over the year, Adelaide and Brisbane saw performance improve on measures such as the provision of infrastructure, and lowering barriers to infill development. However decade low levels of lot production in both Adelaide and Brisbane are an ongoing problem.

Comparatively, Sydney, Melbourne and Perth performed less favourably, particularly in regard to their planning and approvals systems, and the level of taxes and charges levied on new development.

“UDIA is concerned that housing has fallen off the agenda for Governments around the country. The 2014 UDIA State of the Land Report shows that there are still major problems with land supply and housing affordability across our largest cities, and that Governments need to take urgent action,” concluded Mr. Shephard.

The 2014 UDIA State of the Land Report makes the following recommendations to address the barriers to sufficient land supply and the provision of affordable housing:

**The Federal Government must take greater action to address the shortage of housing in Australia’s major cities by:**

- Providing additional funding for investment in new urban infrastructure, in order to unlock land.
- Auditing Commonwealth land holdings to identify surplus land, and where suitable, make it available for new housing development.
- Assisting State Governments with removing stamp duty on property and replacing it with more efficient forms of taxation.

**State and local governments must reform their planning systems and reduce taxes on new housing. They must:**

- Undertake major planning system reform, to increase the supply of urban land and reduce delays and uncertainty associated with zoning, planning and approvals processes.
- Reduce up front charges and levies on new housing by favouring the recovery of costs over long time frames, rather than up front.

**Fast Facts**

- The average median new lot size in Australia’s five largest capital cities is now 423 square metres (1/10th of an acre), down 8% over the year and down 29% on 10 years earlier.
- The greatest fall in median lot size over 2012/13 occurred in Sydney, which fell by 80 square metres from 510 square metres to 430 square metres, a 16% drop.
- The average median new lot price in Australia’s five largest capitals is now \$213,000, down 5% over the year, and up 78% over the last 10 years.
- The largest change in lot price over 2012/13 was in Sydney, where the median price fell by \$34,000 from \$281,500 to \$247,500, a fall of 12%. Sydney still has the highest median lot price of any capital city in Australia.

- The average median price of land paid by new home buyers across Australia's five largest capitals is now \$504 per square metre, up 3% over the year and up 148% over the last 10 years.
- The largest change in land price was in Brisbane, which increased by \$55 from \$419 to \$475 per square metre, an increase of 13%.
- The average number of lots produced across Australia's five largest capitals over 2012/13 was 8,182, down 3% on the previous year, and down 21% compared to 10 years earlier.
- The largest change in lot production over 2012/13 was in Melbourne, which fell by 4631 lots, a fall of 26%.

[Click here to access the 2014 UDIA State of the Land Report](#)

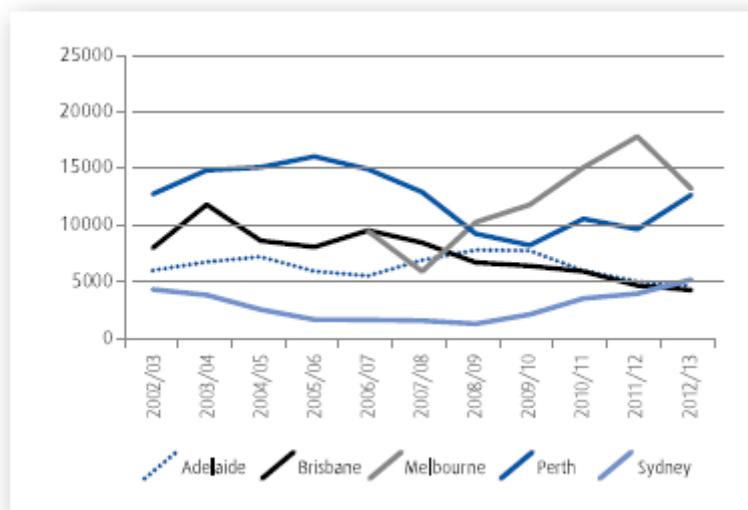
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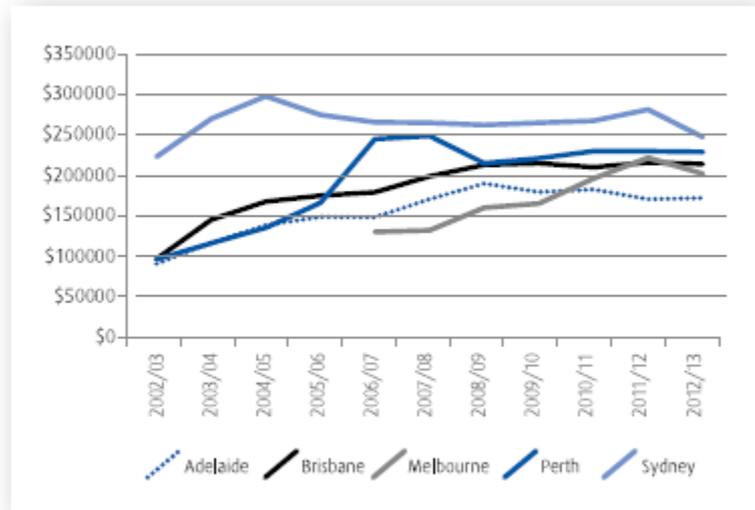
### **Key Graphs**

#### Lot Production (lots)



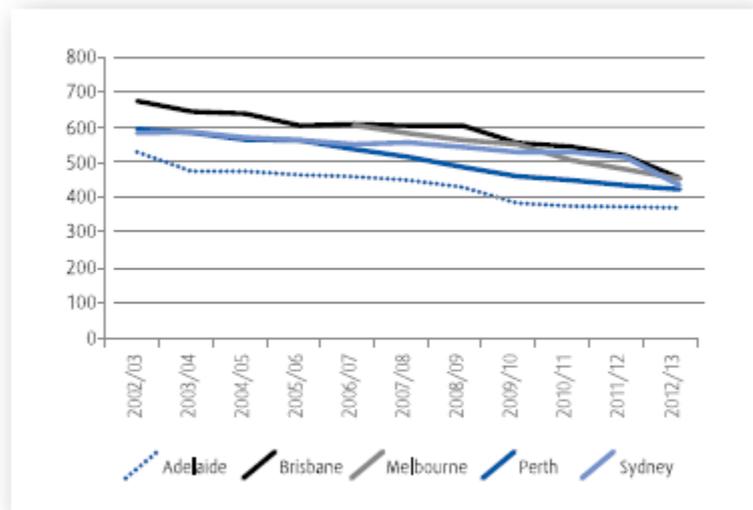
*Source: UDIA, Melbourne data prior to 06/07 not available*

## Lot Price (\$)



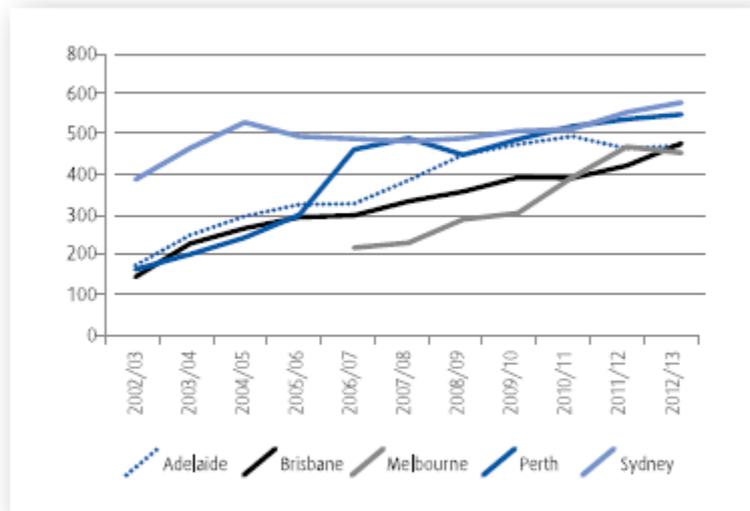
Source: UDIA, Melbourne data prior to 06/07 not available

## Lot Size (m<sup>2</sup>)



Source: UDIA, Melbourne data prior to 06/07 not available

## Land Price (\$ per m<sup>2</sup>)



Source: UDIA, Melbourne data prior to 06/07 not available