

Media Release

Tuesday 17 March 2015

UDIA Report Highlights Boom in New Residential Lot Supply

The release of new residential housing lots is currently undergoing a historic boom across most of Australia's largest cities, according to the findings of a new report on urban land supply to be released tomorrow by the Urban Development Institute of Australia (UDIA).

The 2015 UDIA State of the Land Report, which is being launched on Wednesday at the opening of the UDIA National Congress in Sydney, has found that the number of new greenfield residential lots released for sale nationally in 2014 increased by a massive 31% relative to 2013.

Departing from previous years' reports, the 2015 UDIA State of the Land has been undertaken in partnership with Charter Keck Cramer and Research4, utilising data from the National Land Survey Program (NLSP), which adds additional consistency and depth to the report.

"The NLSP data highlights that Melbourne and South East Queensland led the way in new residential land supply being made available to purchasers in 2014, with new lots released increasing by 61% in Melbourne, and 55% across South East Queensland," said Charter Keck Cramer Director, Robert Papaleo.

"Sydney also experienced a strong 29% increase in new lots released, although Adelaide experienced a small decrease in greenfield releases."

UDIA National President Cameron Shephard said that whilst the lift in new lots released was great news for new home buyers and the development industry, it was not an excuse for governments to be complacent about new housing supply.

"The increased activity identified in the 2015 State of the Land Report is great for the Australian economy, housing affordability, and jobs in the construction industry, but in many ways it has masked a number of underlying problems with Australia's housing market," he said.

"Nationally, Australia still suffers from a marked undersupply of new housing stock, caused by inadequate investment in urban infrastructure, slow planning and approvals systems, and high taxes and charges on new housing supply.

"Even now, we're still not building enough new homes to meet underlying demand."

"Whilst low interest rates and strong market conditions have helped to create the current uplift in new lots released, these conditions won't last forever."

"What's really needed is for governments to take action to remove the underlying structural barriers to new housing supply," he concluded.

The 2015 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 should:

- Assist State Governments with removing stamp duty on property and replacing it with more efficient forms of taxation.
- Provide additional funding for investment in new urban infrastructure, in order to unlock land.
- Incentivise state governments to improve their performance on key land supply measures with performance linked funding.
- Cease plans to shift the cost of providing the National Broadband Network to new home buyers through up front connection, network and backhaul charges.
- Continue to encourage foreign investment into residential real estate, by supporting Australia's existing foreign investment policy framework.

State and local governments must improve their performance on planning, infrastructure provision, and charging for new developments. They should:

- 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

Based on data from the National Land Survey Program (NLSP), the new residential land market is characterised by the following attributes:

- The average median new lot size nationally is now 474 square metres, down 3.6% over 2014, and down 11.4% since 2009.
- The greatest change in median lot size over 2014 occurred in Sydney, which fell by 59 square metres from 509 square metres to 450 square metres, an 11.6% drop.
- The average median new lot price in Australia's five largest capital cities is now \$246,300, up 4.2% over the year, and up 22.5% since 2009.
- The largest change in new lot price over 2014 was in Perth, where the median price of a new lot increased by \$22,500 from \$238,500 to \$261,000, an increase of 9.4%.

- The average median price of land paid by vacant land buyers nationally was \$527 per square metre in 2014, up 9.5% from the previous year, and up 40% since 2009.
- The largest change in land price was in Sydney, where the price of land increased by \$119 per square metre, from \$636 to \$755 per square metre, an increase of 18.7% over the year.
- The total number of new lot releases captured in the NLSP data sample was 50,150 in 2014, up 30.8% from 38,350 in 2013, the highest level in many years.
- The largest change in lots released over 2014 was in Melbourne, with an additional 4,791 lots released, up 60% on 2013.

Click [here](#) to access the report

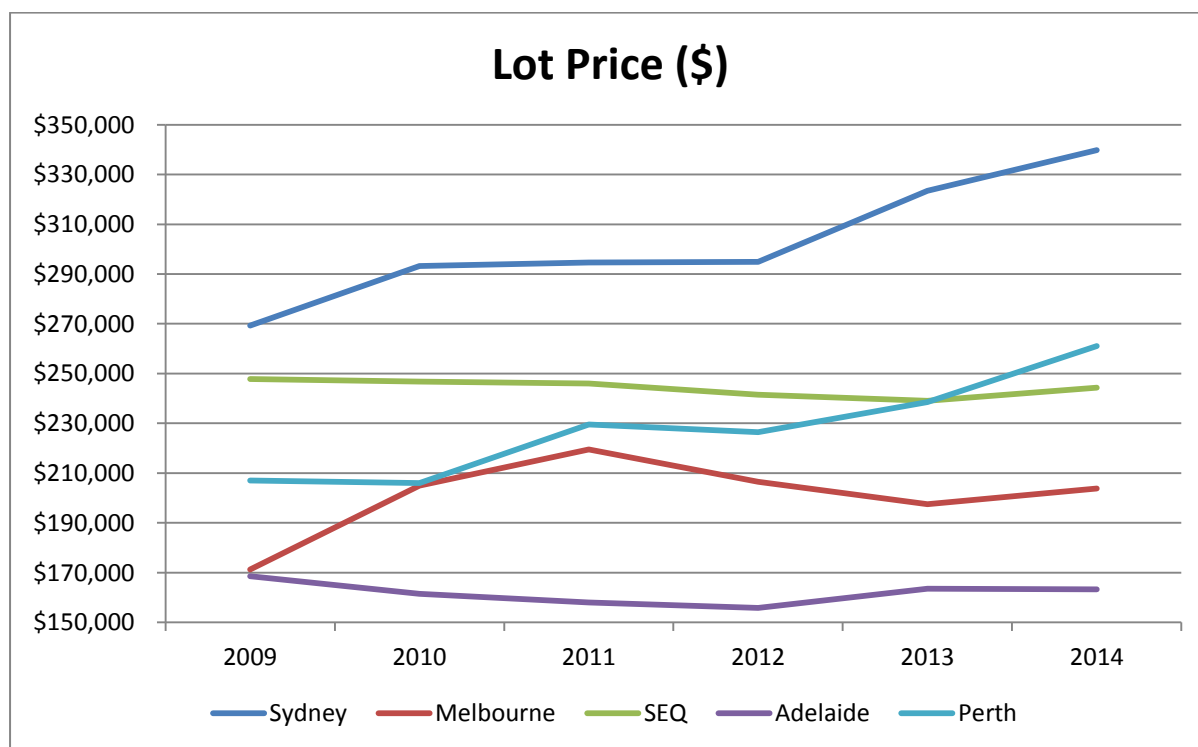
For further information please contact:

For comment – Cameron Shephard, UDIA National President – 0418 934 399

For copies of the report or graphs – Liam Foley, UDIA National – 0431 338 458

For comment on the National Land Survey Program (NLSP) – Robert Papaleo – 0418 327 574

Key Graphs



URBAN DEVELOPMENT INSTITUTE OF AUSTRALIA (NATIONAL)

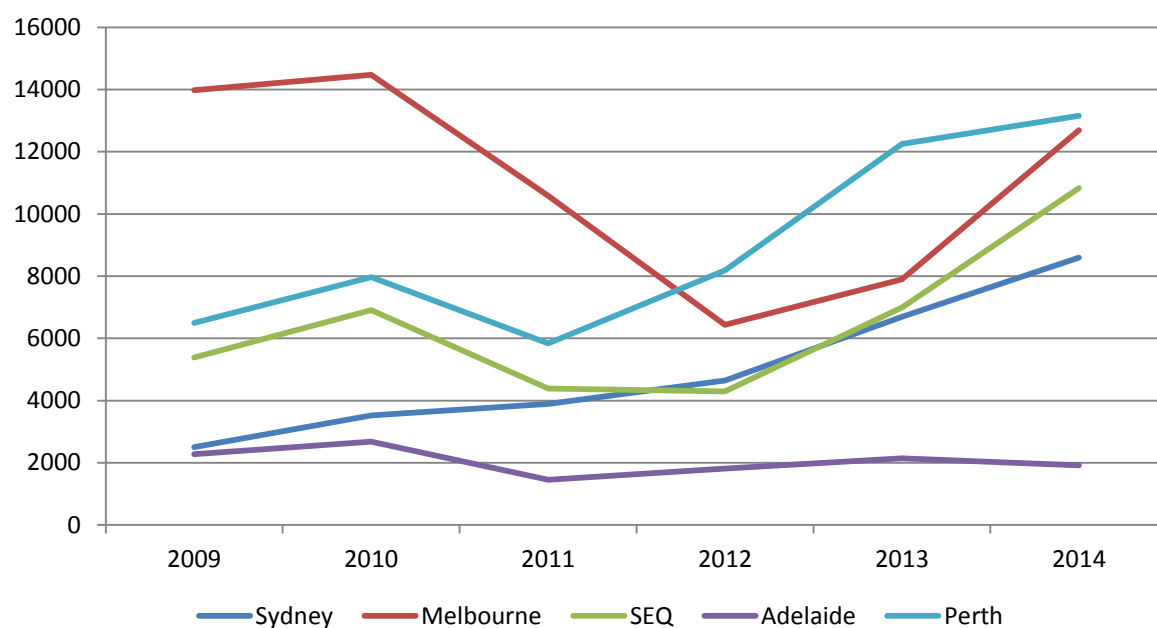
GPO BOX 2507 CANBERRA ACT 2601

T: 02 6230 0255 and 02 6230 0055

F: 02 6230 0311

E: udia@udia.com.au

Annual Lots Released



Lot Size (m²)

