



UDIA POLICY PAPER

LAND SUPPLY

BACKGROUND

Releasing a steady supply of serviced land in a coordinated and structured manner is a key to addressing Australia's housing supply and affordability challenges. The trend of declining levels of serviced land in most capital cities threatens future supply, and has a severely negative impact on housing affordability. The inability to consistently bring sufficient land to the market has direct consequences for the supply of housing in our cities, as highlighted by the (now disbanded) National Housing Supply Council's (NHSC) 2013 *State of Supply* report. The report found that Australia had a cumulative shortage of 228,000 dwellings, which could rise to over 640,000 over the forthcoming 20 years.

While the barriers to supply vary from state to state, there are commonalities nationwide. For one, the roll out of infrastructure is delayed in most jurisdictions, and is holding up vast areas of developable land. In addition, planning approval processes throughout Australia are characterised by excessively long lead times, delays and uncertainty. Another common barrier in most jurisdictions is ever-increasing infrastructure charges or homebuyer levies, which are adding to the cost base of developments, and rendering many projects too expensive to pursue.

UDIA POSITION

All levels of Government must work together to maintain a steady stream of urban land for development. In the context of continued population growth and household formation, it is essential that well-planned, sequenced land release programs are implemented in all jurisdictions throughout Australia. The failure to do so will have severe consequences for affordability as the upward trend in land prices is partly attributable to inadequate levels of supply. Future growth areas must be identified early in the planning process with a commitment to the provision of the appropriate infrastructure, particularly transport infrastructure ahead of development.

ACTION FOR GOVERNMENT

- Reinstatement of the National Housing Supply Council to monitor market housing supply pipelines & require cities to maintain a specified rolling supply of development-ready land to meet short/medium/long term demand driven by population growth and changing household formation patterns and identify blockages within the system.
- Federal funding to be linked to State Governments establishing and regularly updating comprehensive land-use plans which are aligned with detailed, costed infrastructure plans, and underpinned by delivery timeframes.
- Governments to comply with the COAG Reform Council's criteria stating that strategic planning systems are integrated across:
 - a) Functions, including land-use and transport planning, economic and infrastructure development and environmental assessment and urban development
 - b) Government agencies
- Regular audit of all Commonwealth owned land, including defence land, to determine if ongoing possession by the Commonwealth is necessary, and if not, make available for urban development.

WANT MORE INFORMATION?

Go to <http://www.udia.com.au>, call 02 9262 1214, or email udia@udia.com.au