



HIA–CoreLogic

# Residential Land Report

RESIDENTIAL  
LAND SALES

MEDIAN LOT  
VALUES

REGIONAL  
MARKETS

RESIDENTIAL  
LOT SIZES

LAND  
VALUE

RANKING OF  
MARKETS

A quarterly update on the sale of residential land

April 2021

# DEMAND FOR RESIDENTIAL LAND ELEVATED

## Due to HomeBuilder

Demand for residential land remained elevated in the December 2020 quarter, up by 42.7 per cent compared to the same quarter the previous year.

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The announcement of HomeBuilder in June 2020 spurred demand for residential land across the country. The number of sales of residential land surged in the September 2020 quarter and despite easing slightly, remained at elevated levels in the December quarter.

HomeBuilder was the catalyst for improved confidence in the housing market, which was bolstered with multiple interest rate cuts, house price growth and the easing of tight finance restrictions.

Nationally, the number of land sales declined by 19.4 per cent in the December quarter compared to the previous quarter. This was consistent across both the capital cities (down by 19.2 per cent) and regional areas (down by 19.8 per cent) and likely represents vendors beginning to sell out of land that will meet the eligibility requirements of HomeBuilder.

Residential construction in Western Australia had been in decline since the end of the mining boom, leaving the state with a shallow pipeline of work. As a consequence, the introduction of HomeBuilder and other state government incentives caused land sales to boom earlier in Western Australia than the other jurisdictions. This has also resulted in the number of residential land sales in Western Australia starting to cool earlier.

Western Australia experienced the largest quarterly decline in sales in the December 2020 quarter (down by 45.5 per cent), followed by Queensland (down by 34.4 per cent) and Tasmania (down by 25.2 per cent).

Sales in Victoria remained steady (down by only 0.2 per cent), while sales in South Australia recorded a further increase of 28.5 per cent. This leaves sales in South Australia during the December quarter more than double the same time last year.

Typically, a significant change in demand for land would result in the price of residential land responding accordingly.

Land prices in the December quarter started to reflect the increase in demand that was seen in the September quarter. Nationally, prices increased by 4.1 per cent to be 0.3 per cent higher than the same time last year. Capital cities saw a 3.8 per cent increase in the quarter and regional areas increased by 5.3 per cent.

Due to the timeframe between purchasing land and commencing construction, we expect that the majority of land sales in the March 2021 quarter are unlikely to be directly related to HomeBuilder.

A total of 51 regions were assessed in this edition of the HIA-CoreLogic Residential Land Report. These regions are located in the six states and include the respective capital cities.

The Mornington Peninsula is the most expensive area for residential land with a median price of \$577,000, followed by Greater Sydney at \$463,750 and Richmond - Tweed at \$455,000. On a per square metre basis, Greater Sydney is the most expensive area at \$1,219 per square metre, followed by the Mornington Peninsula at \$865.50

Greater Hobart is the most affordable capital city with a median price of \$201,500 and has the largest block sizes with a median of 649.5 square metres.