



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

February 2020

# DEMAND FOR RESIDENTIAL LAND

## Picks Up

The HIA-CoreLogic Residential Land Sales Report shows that residential lot sales have started to recover from the record low point recorded in the March 2019 quarter.

Residential lot sales across Australia have increased by 45.9 per cent from their record low in the March 2019 quarter to 10,563 sales. There are many factors that contributed to the fall in sales earlier in the year. House prices were falling across the country but particularly in Sydney and Melbourne, the credit squeeze made it harder to access finance and uncertainty surrounding the Federal Election and housing taxation policy threw another spanner in the works.

House prices have returned to growth, with both Sydney and Melbourne finishing the year with higher prices than at the start. Cuts to the RBA's cash rate and the easing of lending restrictions by APRA have made servicing a loan easier. Tax cuts and other stimulus measures have also helped confidence return to the broader housing market and contributed to the increase in land sales.

The increase in the transaction volume can be observed in both the capital city markets and the regional markets. The number of land sales in the regional markets increased by 12.5 per cent in the September quarter, while the capital cities saw a 27.7 per cent increase in the same period.

In this edition of the HIA-CoreLogic Residential Land Report a total of 46 regions were assessed. These regions are located in the six states and include the respective capital cities. Of the land transactions that occurred in the September 2019 quarter, 62.4 per cent occurred in the capital cities.

The increased demand for residential land has not yet had a material impact on land prices. The capital cities saw a 0.7 per cent quarterly increase in the median value of land and the regions increased by 0.6 per cent.

Sydney remains the most expensive city for land in Australia with a median price of \$445,000. Richmond-Tweed has overtaken Melbourne for the title of Australia's second most expensive city/region for land with a median price of \$415,000.

The median price of land in Hobart reached an all-time high of \$184,750 during the September 2019 quarter. Despite the record price, Hobart continues to be the most affordable capital city for land and the most value for money with the largest median block sizes. During the September quarter the median lot size in Hobart was 685 sqm. The second largest block size was Melbourne with a distant 484 sqm.

While Hobart is the most affordable market out of the capital cities, South Australia takes out the top three most affordable regions for land sales. The Northern region in South Australia was the least expensive regional market during the September 2019 quarter.

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