



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

August 2020

LAND PRICES CONTINUED TO RISE

Pre-COVID-19

Land prices increased by 0.3 per cent in the March 2020 quarter to \$271,719 and are 1.1 per cent higher than the same quarter last year.

Demand for residential land continued to recover during the March 2020 quarter, up by 48.0 per cent from the record low in the March 2019 quarter. The supply of land appears to have so far kept pace with the increase in demand, with land prices increasing by only 0.3 per cent during the quarter. Since the Australian Government's announcement of HomeBuilder in June, concern has arisen regarding the supply of land in the second half of this year.

HIA has previously conducted investigations to identify both the availability of land supply data and the publicly available number of lots across each jurisdiction. Understanding what is going on in the land supply pipeline is important as the process of turning a paddock into 'shovel ready' land can take over a decade. Shortages of land therefore cannot be met in the short-term by simply turning on the tap.

Our investigations concluded that there are significant data gaps and inconsistencies between the jurisdictions with some jurisdictions providing no data. Where data is provided there are significant inconsistencies with the approach taken by each jurisdiction in collecting the data. This makes it difficult to compare and any interpretation of the data must be done with caution.

Is there enough shovel ready land to accommodate the skyrocketing levels of demand due to the Government's HomeBuilder program? From the data available, the answer is about as conclusive as reading tea leaves, however, anecdotal evidence suggests that there is a shortage of land available – at least in the short-term.

Prior to the COVID-19 shock, developers were reporting that they had up to six months' supply of land (based on demand at the time) available on the market. Since the announcement of HomeBuilder, developers are reporting that they have sold out and are rushing to bring forward as much title-land as possible before the end of the year.

Data included in this edition of the HIA-CoreLogic Residential Land Report covers data for the March quarter 2020 which was prior to COVID-19 restrictions placed on trade and travel. Future editions of the Report will provide a more accurate understanding of the state of the land supply during the second half of 2020. If there is a shortage, we expect that the price of land will respond by increasing.

In this edition of the HIA-CoreLogic Residential Land Report, the regions have changed to better align with the Australian Bureau of Statistics' statistical geography standards. A total of 51 regions were assessed in this report which is an increase on 47 regions in the previous quarter. These regions are located in the six states and include the respective capital cities.

Of the land transactions that occurred in the March 2020 quarter, the majority occurred in the capital cities.

The Mornington Peninsula is the most expensive area for residential land with a median price of \$505,000, followed by Sydney at \$432,900. On a per square metre basis, Sydney is the most expensive area at \$1,178 per square metre, followed by Melbourne at \$782.

Hobart is the most affordable capital city with a median price of \$187,750 and has the largest block sizes with a median of 625 square metre. This makes the price per square metre of land in Hobart \$267.

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