



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

October 2018

MELBOURNE POSTS STRONGEST INCREASE in Residential Land Prices

The HIA- CoreLogic Residential Land Sales Report shows that the number of lot sales rebounded during the June 2018 quarter but sales activity is still well down from earlier peaks.

- A total of 47 land markets are assessed in this edition of the HIA Residential Land Report. These markets are located in the six states and include their respective capital cities.
- Vacant residential lot sales across Australia are estimated to have lifted in the June 2018 quarter, with most capital cities recording a rise (Sydney and Perth were the only two capitals where sales fell). Sales across non-capital city areas also lifted during the quarter.
- Total sales increased by an estimated 19.7 per cent over the June quarter, made up of a 19.0 per cent jump in capital city lot sales and a 20.9 per cent increase in sales in regional Australia.
- Nevertheless, overall turnover in the land market is down not only from the peaks of 2015, but also from levels a year ago. Total sales in the June 2018 quarter are 21.8 per cent lower than in the June 2017 quarter. The magnitude of that annual decline is reflected in both capital city and regional markets – the former down by 20.3 per cent, the latter down by 23.8 per cent.
- Land prices continued to escalate. Capital city vacant residential land prices in the June 2018 quarter are 15.5 per cent higher than 12 months earlier, while regional land prices experienced growth of 5.2 per cent over the same period.
- Melbourne experienced the strongest price increase – jumping by 38.4 per cent over the year to reach \$375,000 in the June 2018 quarter. This is partly explained by a growing median lot size in recent years.
- Lot sizes in Melbourne had been shrinking over the long term – the median size was down to 400 square metres in the December 2016 quarter. Since then the median lot size has grown, reaching 453 square metres in the June 2018 quarter.
- On a per-square metre basis, Melbourne is still the capital city market with the strongest price increases over the past year. Over the year to June 2019, the price of land rose by 26.5 per cent in Melbourne, 8.6 per cent in Adelaide, 7.5 per cent in Brisbane, 6.3 per cent in Sydney and 2.2 per cent in Perth. Prices in Hobart fell by 6.4 per cent.
- While the pace of price growth in Sydney ranks in the middle of the pack, it is still the most expensive capital city land market. In the June 2018 quarter, the median lot price was \$477,250 (\$1146 per sqm). Melbourne was the next most expensive, with a median lot price of \$375,000 (\$885 per sqm).
- Across regional Australia, there is much greater diversity in changes in land prices, but some adjustment appears to be taking place.
- Some of the country's least expensive markets have experienced the strongest price increases over the 2017/18 financial year – the Northern and South East regions of South Australia, the Southern region of Tasmania and East Gippsland in Victoria being the primary examples.
- By the same token, some of the most expensive regional land markets have experienced the sharpest declines in land prices – the Kimberly in WA and NSW's Mid-North Coast and Richmond Tweed regions are the main examples in this instance.

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