

MEDIA RELEASE



4 February 2021

Hunter & Central Coast Land Sales Surge

“The recently released HIA-CoreLogic Residential Land Report shows that demand for residential land jumped strongly across the Hunter and Central Coast regions in the September 2020 quarter,” says the Housing Industry Association (HIA).

“Compared to the June quarter residential land sales increased by 72.41% on the Central Coast, 24.24% in Newcastle and Lake Macquarie and 88.8% in the Hunter Valley” said HIA Hunter Executive Director, Craig Jennion.

“This data reflects the surge in demand for land following the announcement of the HomeBuilder program in June and demonstrates that there continues to be a clear preference for coastal areas near capital cities and an ongoing trend for ‘sea and tree change’ locations.”

“The median lot price on the Central Coast in September was \$332,500, a 9.49% price increase over September 2019. Similarly the Newcastle and Lake Macquarie median price was \$330,000, a 10.18% increase over September 2019. This placed the neighbouring regions fourth and fifth on the list of the most expensive regional markets. The Hunter Valley median of \$225,000 was a 7.65% increase over September 2019.”

“The median lot prices however do not account for differences in the characteristics of the lots being traded, such as their size. As a result a more appropriate approach is to use price per square metre to track land value.”

“The median price per square metre for the Central Coast was \$707, a fall of 1.1% from the June quarter. Despite this slight fall land prices per square metre on the Central Coast are a higher price than Perth, Brisbane, Adelaide and Hobart and are the 6th highest of any regional market.”

“The median price per square metre for Newcastle and Lake Macquarie was \$569, a fall of 1.2% from the June quarter, while the Hunter Valley increased by 1.69% to \$361 per square metre. Both locations remain affordable in comparison to Sydney, the most expensive capital city in the country, who recorded a median square metre price of \$1,165.”

“The report also found that the Central Coast has the 9th smallest median lot size of regional areas at 494 sqm during the September quarter. In contrast the median block size coming to market in Newcastle and Lake Macquarie was 600 square metres and 615 square metres in the Hunter Valley.”

“The high demand for residential land is not just occurring on the Central Coast and the Hunter. Across the country regional areas have benefitted from government stimulus and support, with the volume of residential land sales outside of the capital cities rising by 56.2 per cent in the September quarter.”

“This is likely due to the newfound capability to work from home which has enabled homebuyers to look at locations that would previously have been considered too far from their workplace, resulting in a growth in demand for land outside of metropolitan cities. As a consequence, a sudden increase in demand for land will likely result in prices increasing in 2021,” concluded Mr Jennion.

For further information contact:

Craig Jennion, HIA Executive Director - Hunter on 0414 872 090 or c.jennion@hia.com.au.