



## National Land Sales and Prices Surge

The cost of residential land continues to rise nationally; with a new report showing the median price of raw land jumped 5.7 per cent to \$181,158 in the September 2009 quarter.

The latest residential land report from HIA, Australia's largest building association, and rpdata.com, Australia's leading property information and analytics provider, found a 33 per cent rise in the volume of residential land sales when compared to the same period in 2008.

The HIA-rpdata.com Residential Land Report results confirm that there will be a lift in new home starts in 2010, says HIA Chief Economist, Dr Harley Dale.

"The million dollar question is whether a new home building recovery can be sustained beyond this year. If land is not released in a timely manner in sufficient quantity, then land prices will continue surging and the answer will be a resounding no," Harley Dale said.

"Sydney remains the most expensive residential land market in the nation with a median price of \$290,000. Outside the capital cities, the Richmond Tweed region in NSW is the most expensive land market (median price of \$255,000), followed by the Sunshine Coast (\$241,500), the Gold Coast (\$241,500), and the Illawarra region in NSW (\$192,500)."

Conversely, there are still thirteen markets across Australia where median land prices sit below the \$100,000 mark. The least expensive market is the Murray Lands region in South Australia (median price \$69,500), followed by Mallee in Victoria (\$70,000), Mersey Lyell in Tasmania (\$78,000), and the South East and Northern regions of South Australia (\$85,000).

According to rpdata.com national research director Tim Lawless, land supply constraints continue to persist at a time when demand for housing continues to grow, which can be attributed to extremely high levels of population growth.

He said it's clear that both sides of politics believe that a bigger Australia is a better Australia however, land supply needs to be sufficient to cater to the housing demands of all new Australians who are anticipated to move to the country in coming years.

"We believe that policy makers must act to provide additional residential land which is affordable as well as being close to necessary amenities."

"We have seen interest rates increased a number of times now by the RBA as well as the full removal of the First Home Buyers Grant Boost as at the end of 2009. Increasing interest rates along with the removal of the First Home Buyers Grant Boost are expected to result in demand from the first home buyer sector diminishing significantly during 2010 after reaching historical highs during 2009."

"With an anticipation that first home buyer activity will fall back to 'normal' levels during 2010 we expect that investors should return to the market due to less competition from first time buyers and higher interest rates which generally don't impact investors as much as other sectors of the market."

"Residential property investor numbers have already begun to increase during recent months with the value of investor finance commitments increasing by 9.6 per cent since recording their recent low in July 2009," Mr Lawless said.

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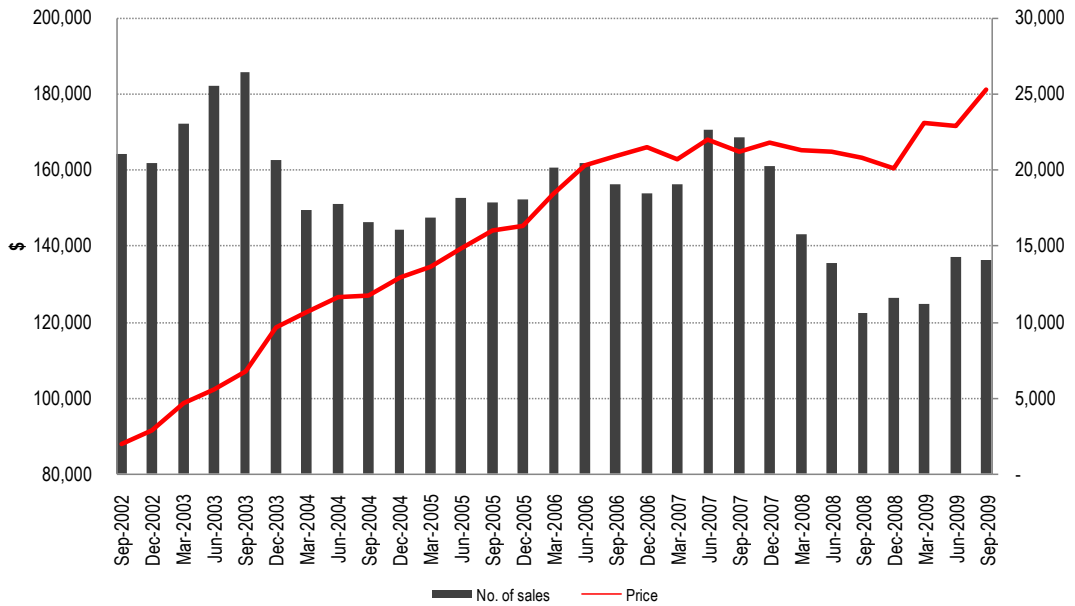
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Median Residential Land Prices - Australia

Source: RP Data



10 MOST EXPENSIVE REGIONAL MARKETS			10 LEAST EXPENSIVE REGIONAL MARKETS		
Rank	Region	Median Lot Price (\$)	Rank	Region	Median Lot Price (\$)
1	Richmond-Tweed (NSW)	255,500	1	Murray Lands (SA)	69,500
2	Sunshine Coast (QLD)	241,500	2	Mallee (VIC)	70,000
3	Gold Coast (QLD)	240,275	3	Mersey-Lyell (TAS)	78,000
4	Illawarra (NSW)	192,500	4 (e)	South East (SA)	85,000
5 (e)	Hunter (NSW)	170,000	4 (e)	Northern (SA)	85,000
5 (e)	Mackay (QLD)	170,000	6	Central Highlands (VIC)	86,500
7	Barwon (VIC)	162,000	7	East Gippsland (VIC)	87,750
8	Northern (QLD)	159,000	8	Loddon (VIC)	88,975
9	South West (WA)	158,250	9 (e)	Goulburn (VIC)	90,000
10	Mid-North Coast (NSW)	157,500	9 (e)	Southern (TAS)	90,000

Source: RP Data, HIA Economics Group

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10 STRONGEST GROWING REGIONAL MARKETS FOR LAND SALES SEP 08 QTR TO SEP 09 QTR		
Rank	Region	% Growth - Sep 08 Qtr to Sep 09 Qtr
1	Ovens-Murray (VIC)	166%
2	Northern (NSW)	145%
3	Hunter (NSW)	134%
4	Mallee (VIC)	106%
5	Illawarra (NSW)	95%
6	Fitzroy (QLD)	85%
7	South West (WA)	85%
8	North Western (NSW)	83%
9	Mid-North Coast (NSW)	74%
10	Murray (NSW)	65%

Source: RP Data, HIA Economics Group