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Melbourne's greenfield market experiencing greatest price growth since 2010

The Urban Development Institute of Australia's (Victoria) Research Breakfast on the greenfield land market has highlighted September 2016 quarter results from the National Land Survey Program (NLSP), as presented by Robert Papaleo, National Executive Director of Charter Keck Cramer.

"Melbourne's greenfield market continues to outperform other capital cities – 40 per cent of the nation's annual lot sales are in Melbourne and the median lot price remains 18 per cent lower than the national median," said Mr Papaleo.

"While Melbourne's greenfield market is performing very strongly, the gap between the price of housing in Melbourne and Sydney is growing smaller," said Danni Addison, Victorian Chief Executive of the Urban Development Institute of Australia (UDIA).

"Melbourne's greenfield market is experiencing rapid price growth, which is obviously concerning from a housing affordability perspective," said Ms Addison.

According to NLSP greenfield data, the median lot price across Melbourne for the September 2016 quarter was \$228,000, which puts the quarterly price growth at 2.8% – the fastest pace of growth since 2010.

"There is a definite need to protect Melbourne's affordable land market," said Ms Addison.

"Unfortunately in recent weeks, we have seen the Andrews Government introduce significantly increased costs to new home buyers in the form of legislative changes to the Growth Areas Infrastructure Contribution (GAIC) and new levy amounts under the Infrastructure Contribution Plan (ICP) system.

"From key policy-makers we need decisions that enable a consistent supply of land, healthy levels of competition and reasonable tax rates. Policy decisions must strike a fair balance between delivering necessary early infrastructure and the costs paid by a new community's first home buyers.

"The UDIA commends the Victorian Government for its commitment towards streamlining the post-PSP process, which is very much needed.

"We look forward to continued collaboration with government, and working together to find solutions that do not place unnecessary upward pressure on the cost of housing."

According to the NLSP Market Snapshot released at today's UDIA Research Breakfast, the outlook for Melbourne's greenfield market is for lot sales to moderate from peak levels as prices move up in response to the industry's constrained capacity. Historic low interest rates and solid population growth will however continue to support high levels of purchaser demand.

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UDIA (Victoria) Media Release



ABOUT

Urban Development Institute of Australia (UDIA)

The Urban Development Institute of Australia (UDIA) is a nationally recognised body that advocates for Australia's urban development industry. In Victoria, UDIA informs and engages government and industry members, **enabling better policy and better business decisions.**

With a primary focus on the residential property sector, UDIA protects and promotes over 350 member companies across Victoria including developers and a range of other professionals involved in producing, financing and marketing residential property.

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