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Another Way to Boost Jobs in Residential Construction

The latest residential land report from HIA, Australia's largest building association and RP Data, Australia's leading property information and analytics provider, reinforces the urgency required in kick-starting the new home building sector.

The combined HIA-RP Data Residential Land Report, the most comprehensive overview of the vacant land market in Australia, confirms a marked deterioration in land sales volumes last year, reflected in on-going very weak new home building activity in early 2009.

Commenting on today's release HIA Chief Economist, Dr Harley Dale said that the policy to boost public and community housing stock by 20,000 dwellings needs to be implemented asap to secure jobs in the industry.

"The volume of land sales, the foremost leading data indicator of residential building activity, slumped by nearly 60 per cent on year ago levels in the September quarter last year. That tells us that housing starts are still going backwards," Harley Dale said.

"The exorbitant taxes and charges and red-tape imposed on land to get new dwellings commenced are costing jobs and activity in the sector. More needs to be done to provide more serviced land at an affordable price. If action in this area is taken thousands of jobs could be secured," added Harley Dale.

RP Data National Research Director Tim Lawless said "That over the last year house and unit values had fallen by 3.3 per cent and 2.6 per cent respectively. The fact that we are seeing land prices hold their value reflects the severe shortage of land supply around the nation."

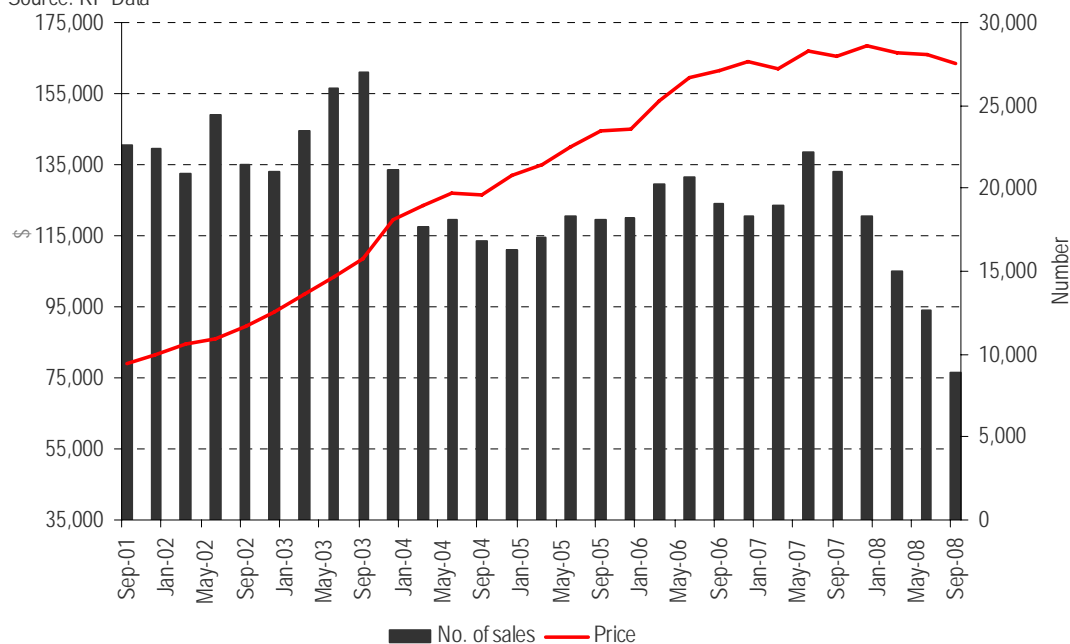
"Across the capital cities, land prices actually recorded a slight increase over the 12 months to September 2008, rising from \$180,409 in the September quarter of 2007 to \$188,261 in the September quarter of 2008."

"By a significant margin, land prices are highest in Sydney and Perth where the typical suburban block of land costs \$259,500 and \$230,000 respectively."

"Affordability concerns are most pronounced in these two cities and the high land prices reflect a significant challenge to bring a respectable level of affordability back into these markets," Mr Lawless said.

Median Residential Land Prices - Australia

Source: RP Data



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***For a full copy of the HIA-RP Data Residential Land Report (media only) please contact Kirsten Lewis on (02) 6245 1393 or k.lewis@hia.com.au