



AUSTRALIAN  
PROPERTY  
MONITORS

## NEW REPORT TRIGGERS - CALL FOR ACTION

Commenting today on the release of the inaugural HIA-Australian Property Monitors **Land Monitor** Report, HIA's Managing Director, Dr Ron Silberberg called on the Federal Government to coordinate a National Housing Affordability Summit.

The Affordability Summit would involve the federal, state and local governments working together with industry, social, community housing and union groups to address what is Australia's worst housing affordability crisis on record.

"The Land Monitor shows that Australia's stock of developed residential land has shrunk to record low levels, driving up prices and eroding housing affordability," said Ron Silberberg.

It's time for the Federal Government to provide leadership in this area and convene a national summit to look at measures to restore affordability," he said.

The **Land Monitor** Report confirms that there has been an explosion in the cost of land which is fuelling a national decline in housing affordability. Increases in new lot prices confirm that the cost of infrastructure is hurting new homebuyers and the housing industry.

"The Federal Government has the capacity to provide more assistance to state and local governments in meeting the cost of urban infrastructure, new homebuyers cannot continue to fund what are government obligations," Ron Silberberg said.

Australian Property Monitor's, Operations Manager Michael McNamara said that poor housing affordability has dramatically distorted real estate markets all around Australia and has greatly reduced wealth creation opportunities for young families.

"This report provides clear evidence that until the supply of reasonably priced land improves, housing affordability will continue to deteriorate," Mr McNamara said.

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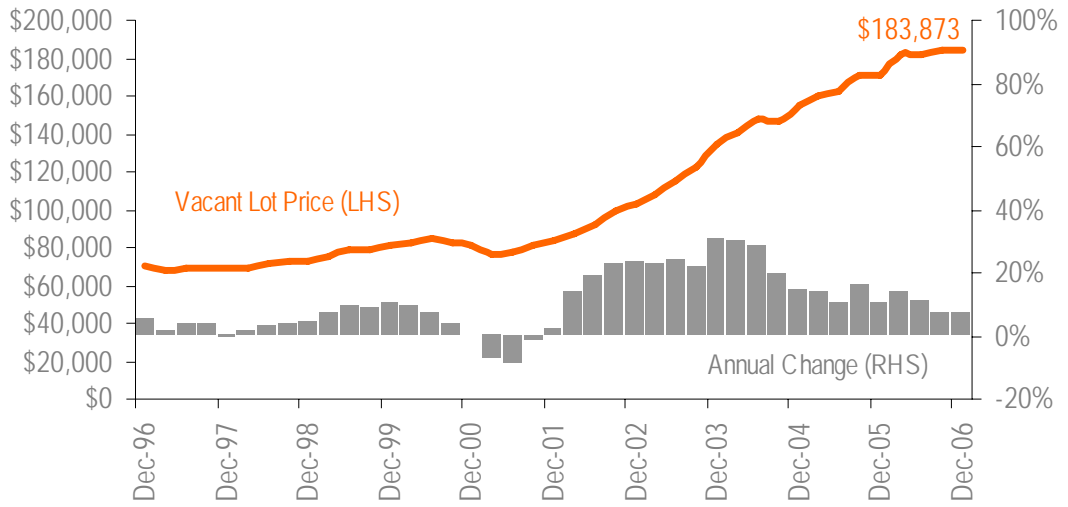
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media release

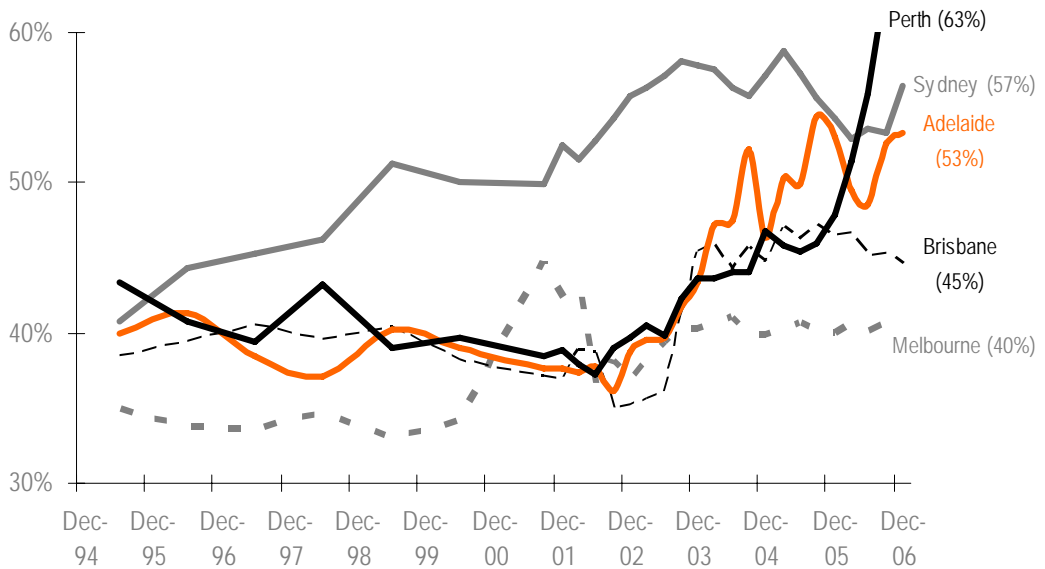
## Vacant Lot Price - Average of Australia's Largest 5 Cities

Source: Australian Property Monitors



## Land as a Proportion of New House and Land Price, 5 Largest Cities

Source: Australian Property Monitors, ABS





## HIA-APM Land Monitor - Key Findings:

- Despite a slight fall in the December 2006 quarter, the price of a typical vacant residential lot remains at near historic highs, crippling housing affordability and keeping a lid on new home construction.
- The weighted average vacant lot price for Australia's largest 5 cities fell by 0.3 per cent to \$183,873 in the 3 months to December 2006, but remains 7.7 per cent higher than the same quarter of 2005.
- The number of lots sold over the December quarter also fell to historic lows, down 30 per cent in most cities due to both supply constraints and a lack of demand at specific price points.
- Over the December 2006 quarter, vacant lot prices rose in all observed areas except Brisbane, regional Queensland, regional Western Australia, regional Victoria, Hobart and Darwin. The most significant increases in vacant lot price were recorded in regional Northern Territory, up 30 per cent in 3 months while Sydney recorded growth of 11.7 per cent
- In the December quarter, the land component of a typical house and land package was higher than 40 per cent in all but one capital city. Nationally it reached 48 per cent over the quarter. Hobart has the lowest land component of a house and land package at 33 per cent of the total price. Perth land contributed 63 per cent to the final price of a home in the December quarter of 2006, while Sydney remained close behind at 57 per cent

### Note to Editors

1. The HIA-APM Land Monitor is a quarterly report drawing on data obtained under agreement from the Valuers General offices in the respective states and anecdotes from Australia's residential property developers
2. Australian Property Monitors (APM), publisher of the Home Price Guide®, has been providing property information to the Australian public for more than 12 years. APM monitors property activity from a variety of sources including government and semi-government agencies, real estate advertising, real estate agents and APM's own researchers



Copies of the publication can be downloaded from:

[http://economics.hia.com.au/publications/land\\_monitor.aspx](http://economics.hia.com.au/publications/land_monitor.aspx)

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