



UDIA HALF-YEARLY LAND SURVEY; DECEMBER 2008

Summary of Land Survey from Major Developers

Summary

The Urban Development Institute of Australia, SA Division, has an important national voice on development matters, particularly in relation to initiatives for homebuyers, urban developers, professionals and others who are involved in property development. We take a very active interest in government decisions and decision making processes affecting property. The UDIA (SA) was established in 1971 and is part of a national organisation.

The UDIA (SA) currently comprises nearly 300 members, many of whom are property developers or organisations and individuals engaged in the development industry.

UDIA SA undertakes a survey of major developers in SA each six months (30 Jun and 31 Dec) to identify their land available for sale currently, as well as land planned to be released to the market in each of the next 3 years. These developers contribute around 55-60% of all developments in South Australia.

The result of the most recent survey of land supply at 31 December 2008 reveals:

- Substantial drop in demand in regional areas over the last 6 months
- First home buyer incentives have maintained demand, predominantly in the Northern Adelaide region
- Long term land supply has declined as the rolling supply is not being maintained
- 50% of the land identified as part of the long term supply is not yet zoned for residential use

Survey Details

The number of lots available to the market at 31 December 2008 from major developers is 42% increase from that on the market six months earlier. The number of metropolitan lots has increased by only 6% over the previous survey results. Recent increases in the number of lots available in the regional areas have occurred in the regions of Fleurieu and KI (includes Goolwa, Hindmarsh Island); Yorke and Mid North (Port Hughes); and Murray and Mallee (Murray Bridge). (Note these 'regions' refer to those used by the South Australian Government).

The number of lots either on the market or to be brought to market within the next two years has decreased in the Dec'08 survey by 11% from that recorded in Jun'08, and decreased by 15% from that recorded in Dec'07. That is, more lots have been 'brought forward' to be sold on the current market than 6 months ago but the forward window is declining. A concern to the urban development industry!

The surveys taken at both Jun'08 and Dec'08 showed that the major developers had expectation to release around 22,520 lots to market after the next two year window, around 4,000 more lots in that future period than that recorded in the Dec'07 survey.

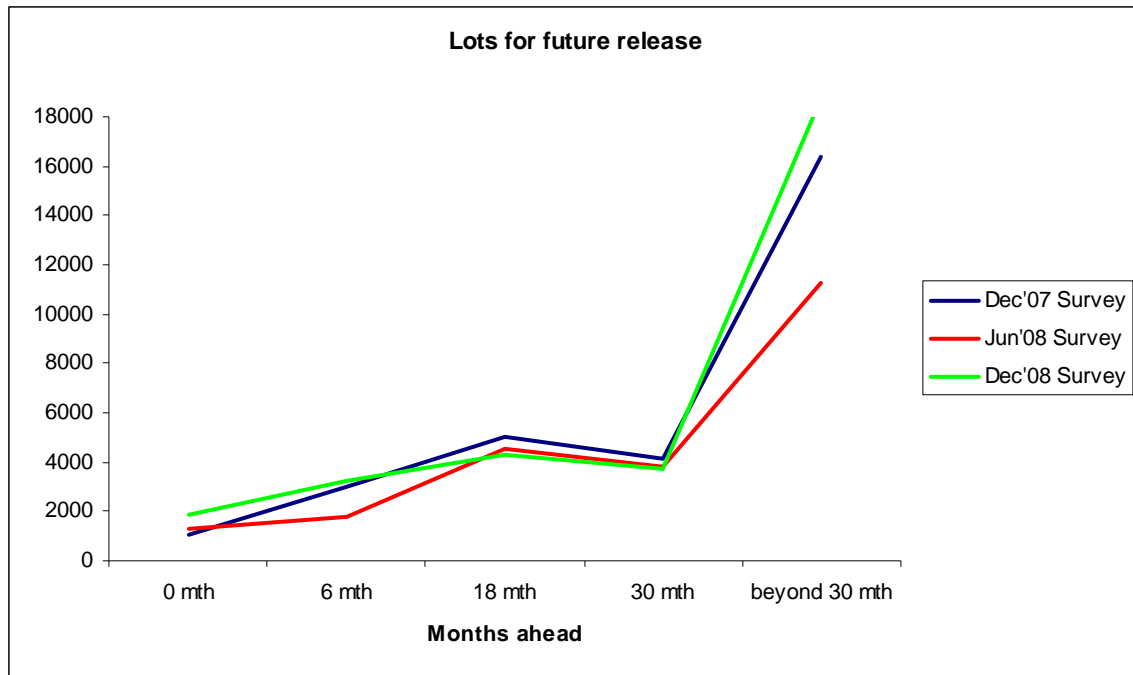
The contribution to the market from public controlled land is changing. In Dec'08, 5.6% of lots available to the market were from public agencies (Land Management Corporation and Housing SA); an increase from the 1.6% of available land recorded in Jun'08 due to the additional lots owned by Housing SA. The Dec'08 data reveals that over the next two years there will be fewer lots brought to market, through developers with land released from these agencies, than recorded in Jun'08.

Northern Adelaide continues to be the driver for urban development, with anticipated release to market of 37% of the state's total lots during the next 6 months; and 41% during the next 18 months by the state's major land developers. 56% of the expected new lots across SA beyond July 2011 are anticipated to come from the Northern Adelaide region, albeit that 50% of that region's expected contribution at that time is not yet zoned for residential use.

The following table is a summary of the survey data:

Region	Lots Available Now	Zoned Lots for Release during Jan'09-Jun'09	Lots for Release during Jan'09-Jun'09 but not yet zoned	Zoned Lots for Release during Jul'09-Jun'10	Lots for Release during Jul'09-Jun'10 but not yet zoned	Zoned Lots for Release during Jul'10-Jun'11	Lots for Release during Jul'10-Jun'11 but not yet zoned	Zoned Lots for Release beyond July 2011	Lots for Release beyond July 2011 but not yet zoned
Eastern Adelaide	100	69	0	245	0	270	0	1077	0
Northern Adelaide	395	1567	407	1795	545	1493	960	10540	10955
Southern Adelaide	402	642	0	462	0	506	263	3431	5850
Western Adelaide	406	295	0	1148	0	804	0	1154	0
Adelaide Hills	201	305	15	277	0	201	0	313	0
Barossa	136	152	0	215	0	219	0	244	0
Eyre and Western	0	0	0	0	0	10	0	0	0
Fleurieu and KI	157	246	0	258	0	262	250	416	1000
Limestone Coast	6	20	0	60	0	80	0	430	0
Murray and Mallee	80	0	0	74	46	49	0	42	0
Yorke and Mid North	50	100	0	80	580	100	580	1280	2000
TOTAL	1933	3396	422	4614	1171	3994	2053	18927	19805
TOTAL Metro	1303	2573	407	3650	545	3073	1223	16202	16805

LMC	24	302	0	550	75	850	350	11197	6875
Housing SA	81	171	0	215	0	155	0	544	0
Total Public	105	473	0	765	75	1005	350	11741	6875
% Public in all SA	5.4%	13.9%	0.0%	16.6%	6.4%	25.2%	17.0%	62.0%	34.7%
% Public in Metro	8.1%	18.4%	0.0%	21.0%	13.8%	32.7%	28.6%	72.5%	40.9%



UDIA SA Response

UDIA will continue to monitor the impact of the Commonwealth Government’s “Nation Building and Jobs Plan” (to create an additional 1500 ‘social houses’ in the next 22 months; 450 of them by June 2010) on the availability of land for ‘other housing’.

UDIA awaits the release of the *30-Year Plan for Greater Adelaide*, by the Department of Planning and Local Government, which will detail where and how Adelaide and its surrounds will develop over the next three decades. It is expected a draft of the Plan will be released for community consultation in mid-2009. UDIA will monitor this land that is expected to be the next tranches to be released to the market. This information together with the impact of the “Nation Building and Jobs Plan” will affect the supply of land available to the ‘general market for residential housing’.

UDIA remains concerned at the excessive time (and cost) taken by planning authorities to process planning applications for development of land for the market. These factors are essential for SA to maintain its competitive position for affordability of land relative to others states, notably Victoria.

Terry Walsh
 Executive Director
 UDIA (SA)
 March 2009