

# MEDIA RELEASE

For Immediate Release

18<sup>th</sup> July 2008

## Growth Area Land Prices Continue to Climb

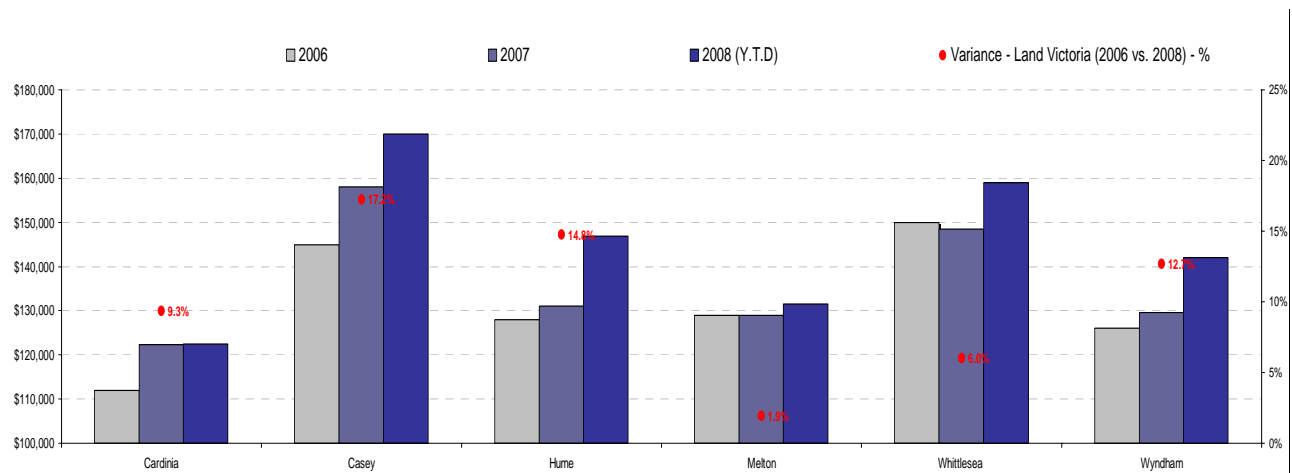
Land Victoria data analysed by Australia's leading privately owned residential project marketer shows that the median land price in metropolitan Melbourne's growth areas continues to climb, despite what has often been described as a softening residential land market and a tighter fiscal environment.

The five designated growth corridors as defined by the State Government are 'Casey-Cardinia', 'Hume', 'Melton-Caroline Springs', 'Whittlesea' and 'Wyndham' - essentially 6 municipalities.

*National General Manager Research, Andrew Perkins indicated that the median land price between 2006 and 2008 (preliminary) nominally rose between 1.9 and 17.2 per cent, or up to \$24,950 in one instance'.*

*'It's not good news for those at the affordable end of the market such as first homebuyers - particular when the median spend is in the order of \$140,000 on land'.*

In terms of specific municipalities, Casey experienced the strongest uplift, rising by just under \$25,000 - or around 17 per cent over the timeframe. Wyndham followed with an increase of around \$16,000 (12.7 per cent).

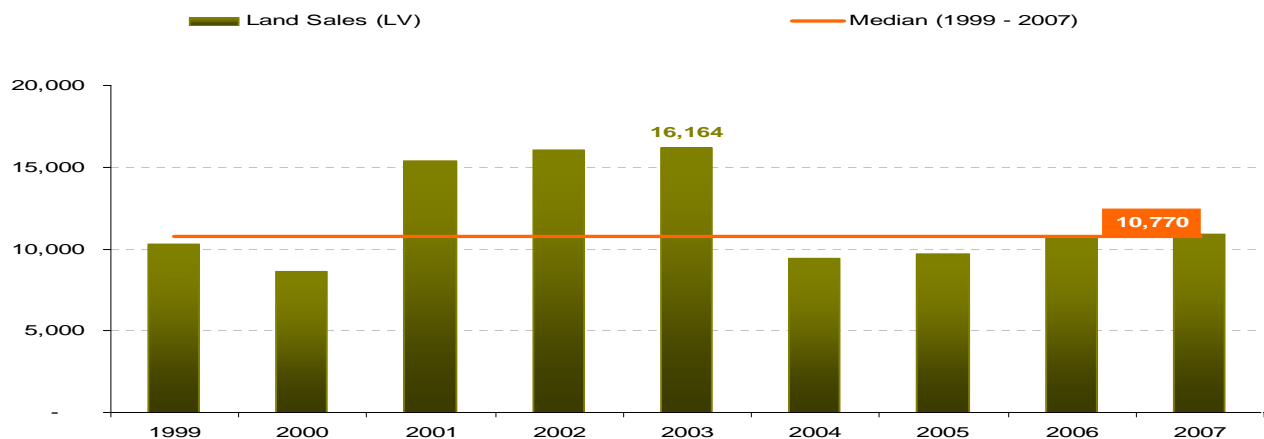


Moreover, there appears to be a relationship between rising land prices, demand and available product (land supply are at their lowest levels in years).

The number of residential transaction in Melbourne's growth areas has reached its highest level since the boom of 2001 - 03. Just under 11,000 land sales were recorded in 2007 – and this excludes Brimbank (down from a peak of around 16,200 in 2003).

*Perkins highlights 'demand is still relatively strong for growth land area product, driven in part of the level of migration to Victoria, particularly skilled migrants. We have seen a rise in purchasers on our projects that have migrated on Section 457 visas. It's becoming our fastest growing market segment'.*

*The Government needs to come to terms with that fact that to maintain Melbourne's competitive price advantage more land is needed to satisfy demand, and it is needed sooner rather than later - particularly in affordable markets such as Cardina'.*



Of more concern is that preliminary estimates sourced from *Oliver Hume Research's Melbourne Residential Land Digest* suggests that median land prices will continue to climb during 2008, with Melbourne's median land price tipped to reach \$165,000.

Oliver Hume Real Estate Group is the marketing agent behind more than 25,000 residential products along the eastern seaboard of Australia, representing Australia's leading public and privately listed companies.

For further information contact:

Andrew Perkins, National General Manager - Research

Oliver Hume Real Estate Group

T: +61 3 9669 5999 / F: +61 3 9669 5995

E: [a.perkins@oliverhume.com.au](mailto:a.perkins@oliverhume.com.au) W: <http://www.oliverhume.com.au/>

## Attachment 1 - Growth Area Land Sales by Municipality (Per Month Market Share)

**Per Month - Land Sales (Metro. Melb. - Growth Corridors)**

