

understanding
RESEARCH⁴
the way we live

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MAY 2018 - PUBLIC

Research4 undertake detailed research covering the
National New Land Markets.

www.researchfour.com

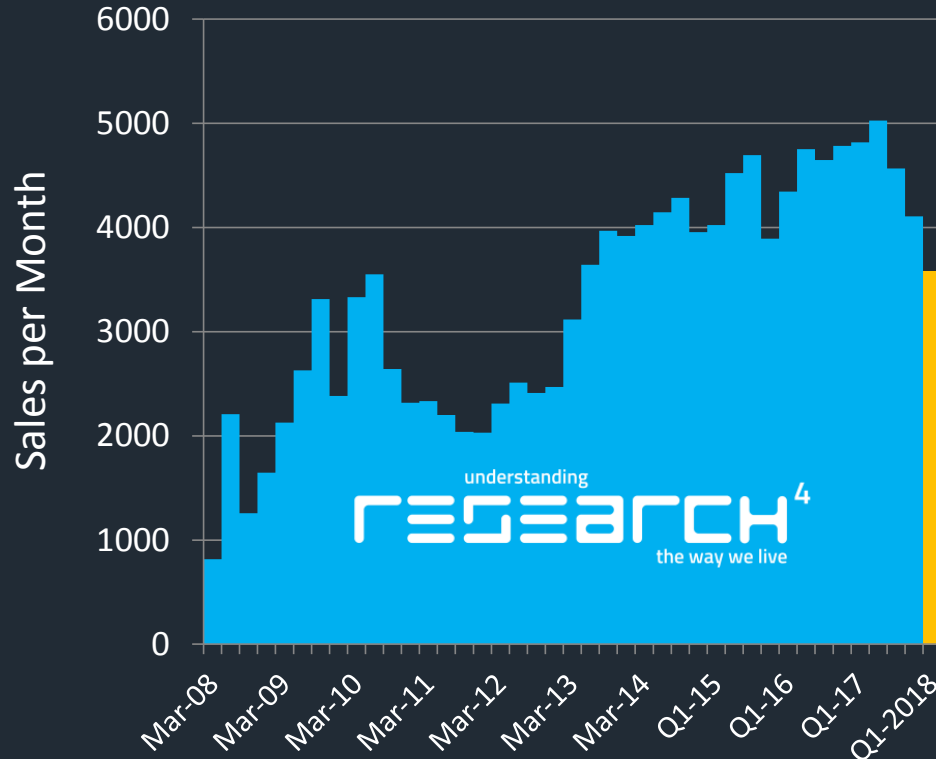
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National Land Market – Q1 2018



National New Land Market - Sales

National New Land Sales



Current Sale
Volumes

3,581 per
month

Annual Sale
Volumes

51,846
past year

Quarterly
Change

-13%

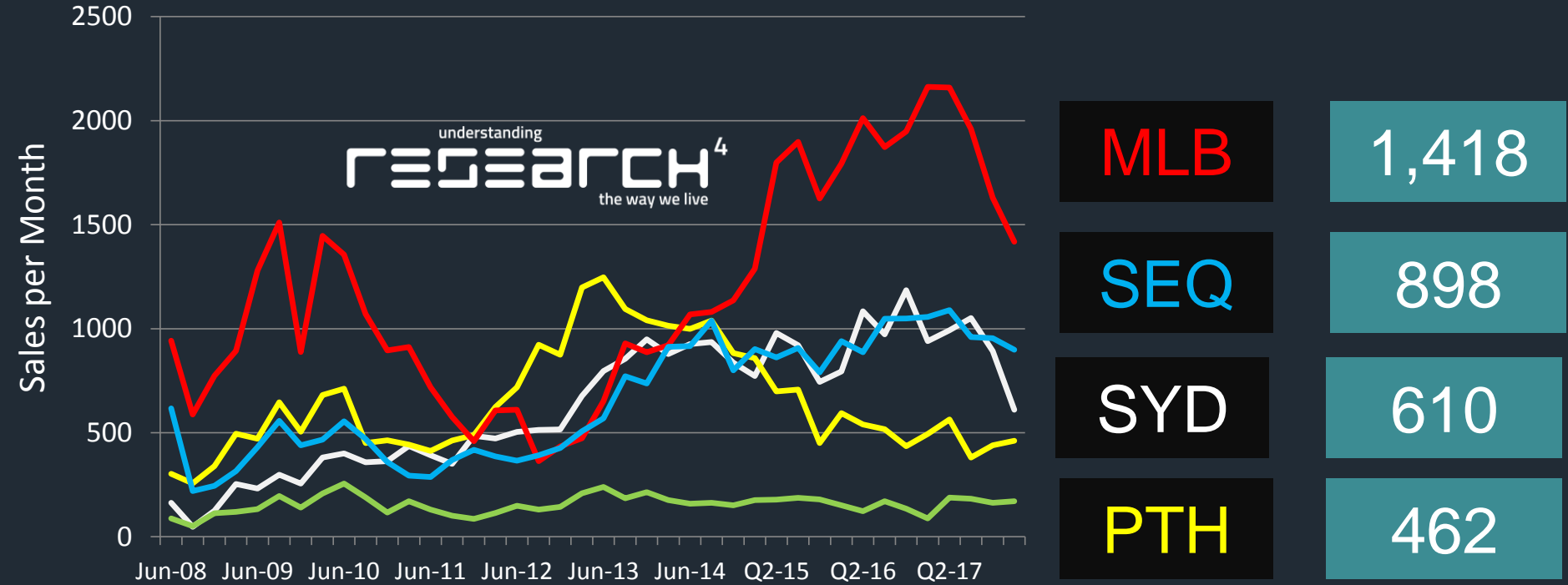
No. of Negative
Growth Quarters

3

over past 12
months

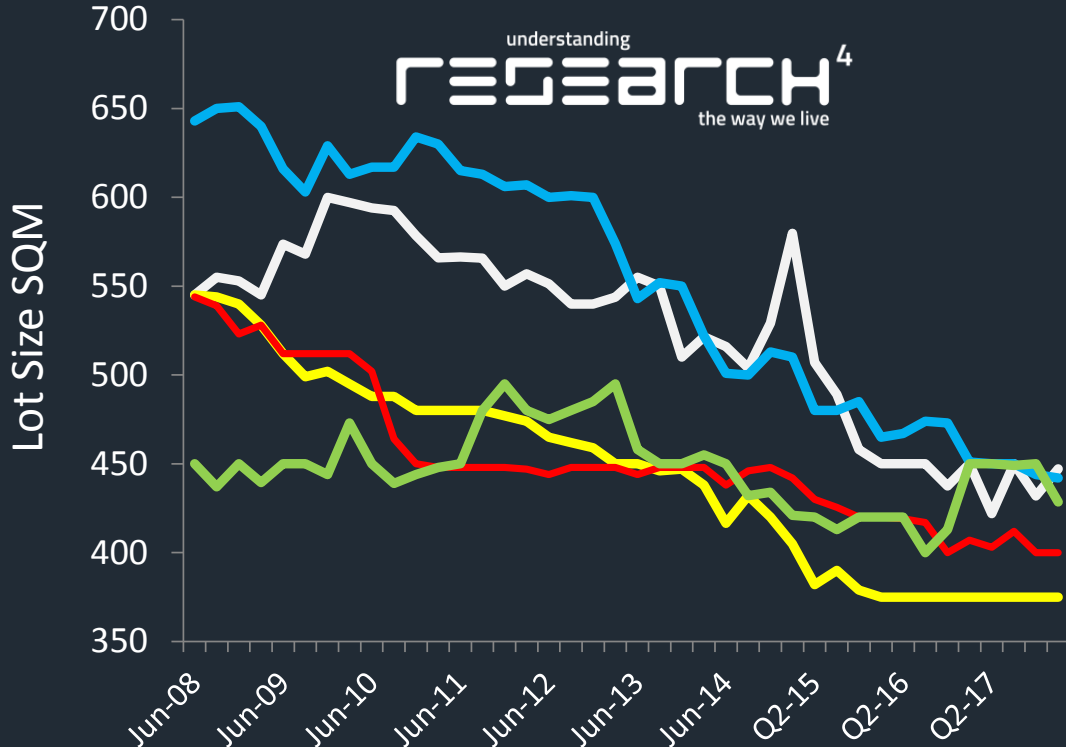
National– Metro New Land Sales per month

Metro New Land Sales



National– Metro New Land Sizes

Metro Median Lot Size



SEQ

436 sqm

ADL

429 sqm

SYD

447 sqm

MLB

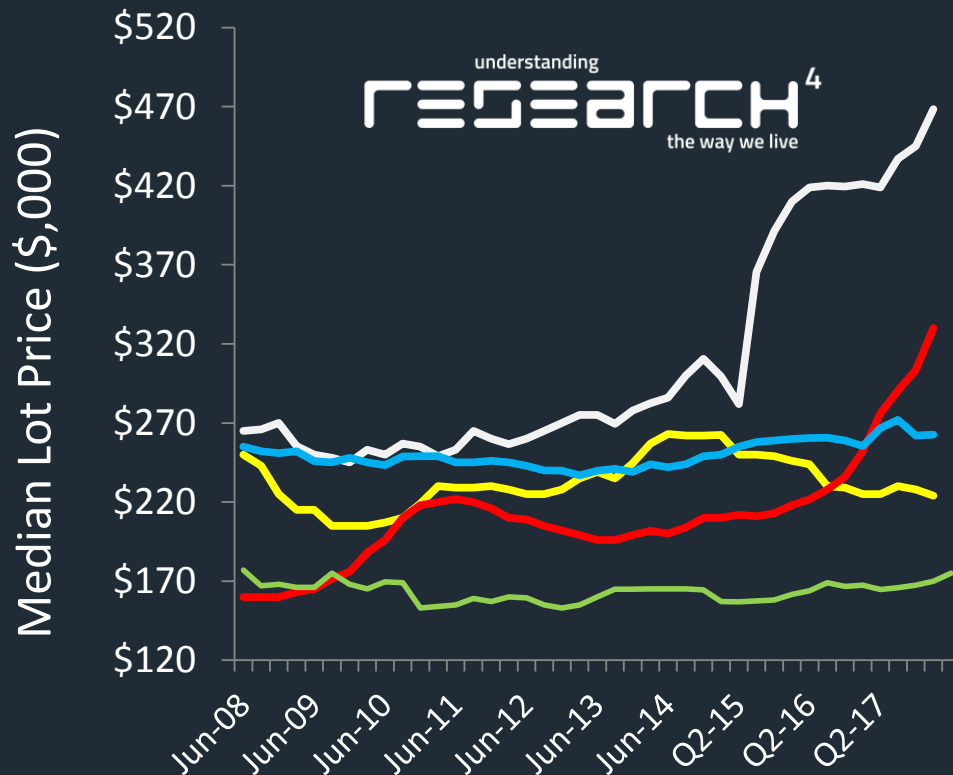
400 sqm

PTH

375 sqm

National– Metro New Land Prices, Q1 2018

Metro New Land Prices



SYD

\$468

11%

MLB

\$330

31%

SEQ

\$263

3%

PTH

\$224

0%

**PAST
YEAR**

Upside Indicators

Downside Indicators

Record Low Stock

Lot Sizes contract

Title dates Push Out

Production Utilisation Up

Prices Catch-up

Returns drop < 15%

Peak Stock

MEL

SYD

SEQ

ADL

NEW LAND
MARKET CYCLE

Prices Over Valued

Returns > 15%

Price discounting

Production falls

Lot Sizes Hold

PTH

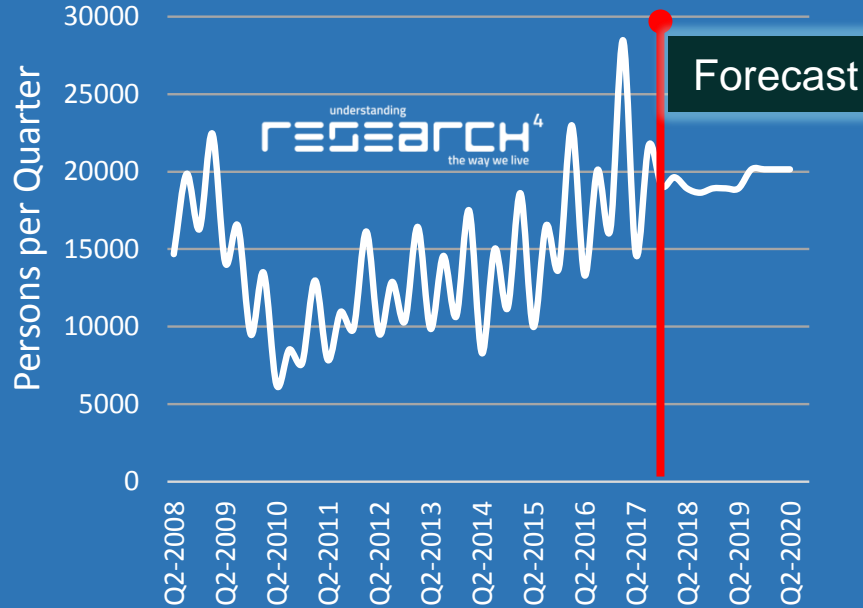
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Demand for new
land is driven by
Population
change.

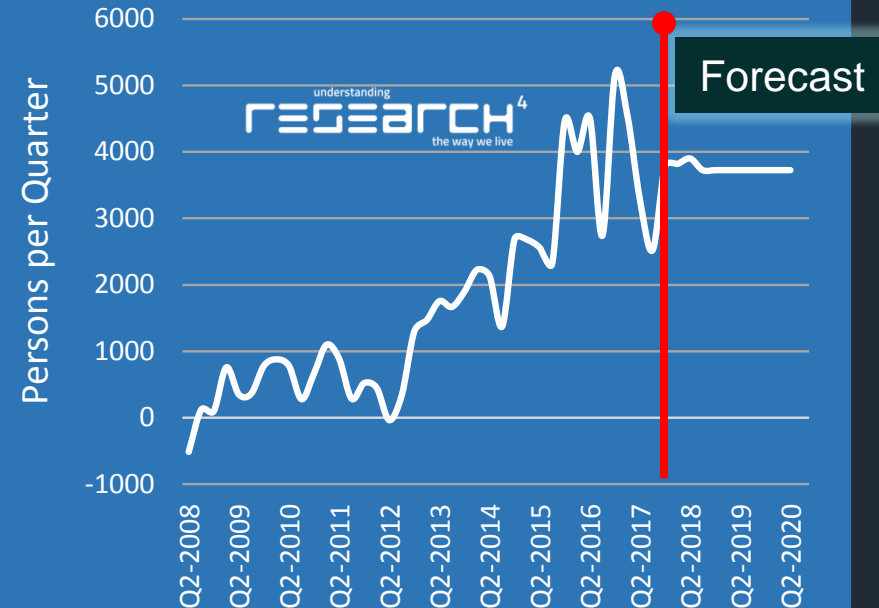


Victoria– Population Drivers – NOM & NIM

NOM Population Growth - Actual & Forecast

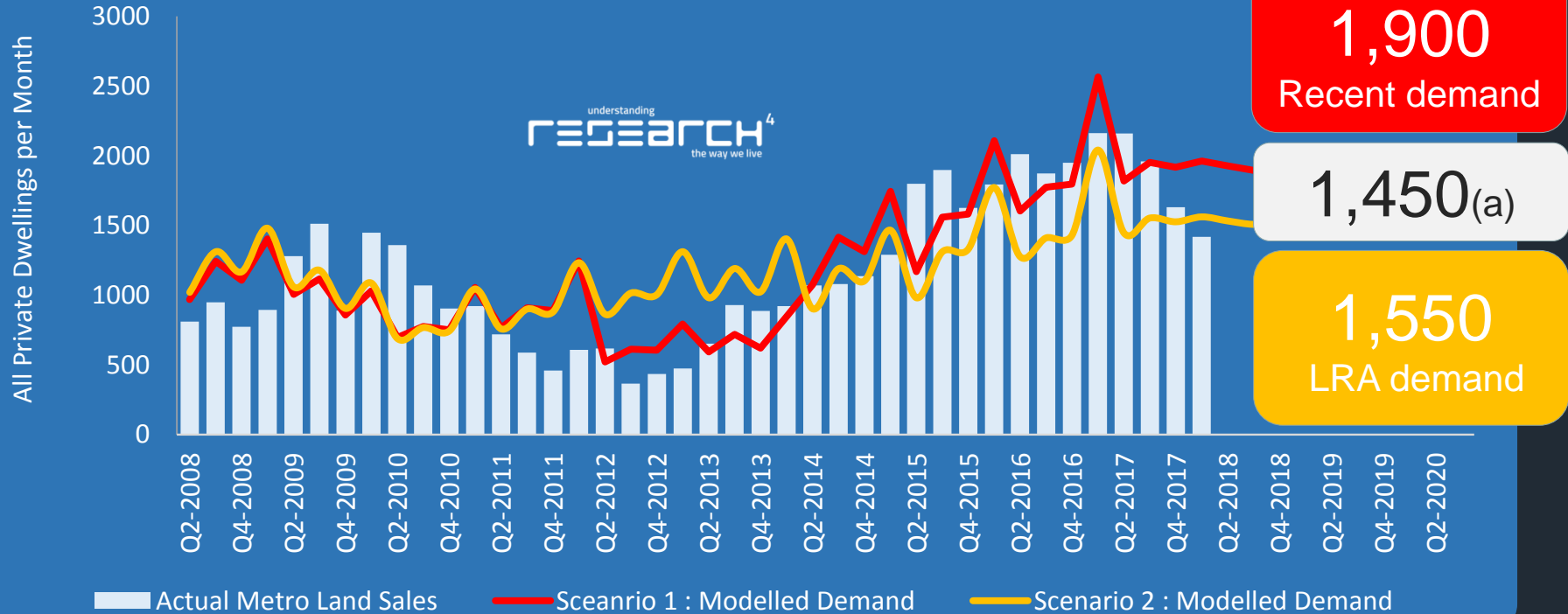


NIM Population Growth - Actual & Forecast



Melbourne—Forecast Demand Scenarios[month]

Metro Market Modelled Underlying Demand & Actual Sales- New Land



Demand for new
land is driven by
Job Growth.



National – Actual v Forecast Jobs Growth

VIC + 78% above

QLD + 44% above

NSW + 22% above

SA + 6% above

WA - 49% below

**Actual / Recent
Job Growth
compared to
Forecast Job
Growth**

Actual / recent job growth is based on past 2 years of activity compared to forecast quarterly average job growth for 2017 to 2022 period.

NSW **14 : 100**

VIC **24 : 100**

QLD **26 : 100**

SA **35 : 100**

WA **45 : 100**

Average New Land Sales pcm to Jobs Growth

Based on past 10 years of actual job growth in persons and actual new land sales from R4

Melbourne– Underlying Demand for New Land

Actual Land Sales - Forecast Land Sales based on Job
Forecast
(Research4)



Revised Forecast **1,750** pcm

Official Forecast **1,080** pcm

Melbourne– Underlying Demand for New Land

Population

1,550 - 1,900

Employment

1,080 to 1,750

Sales per Month

1900
1700
1500
1300
1100
900
700
500

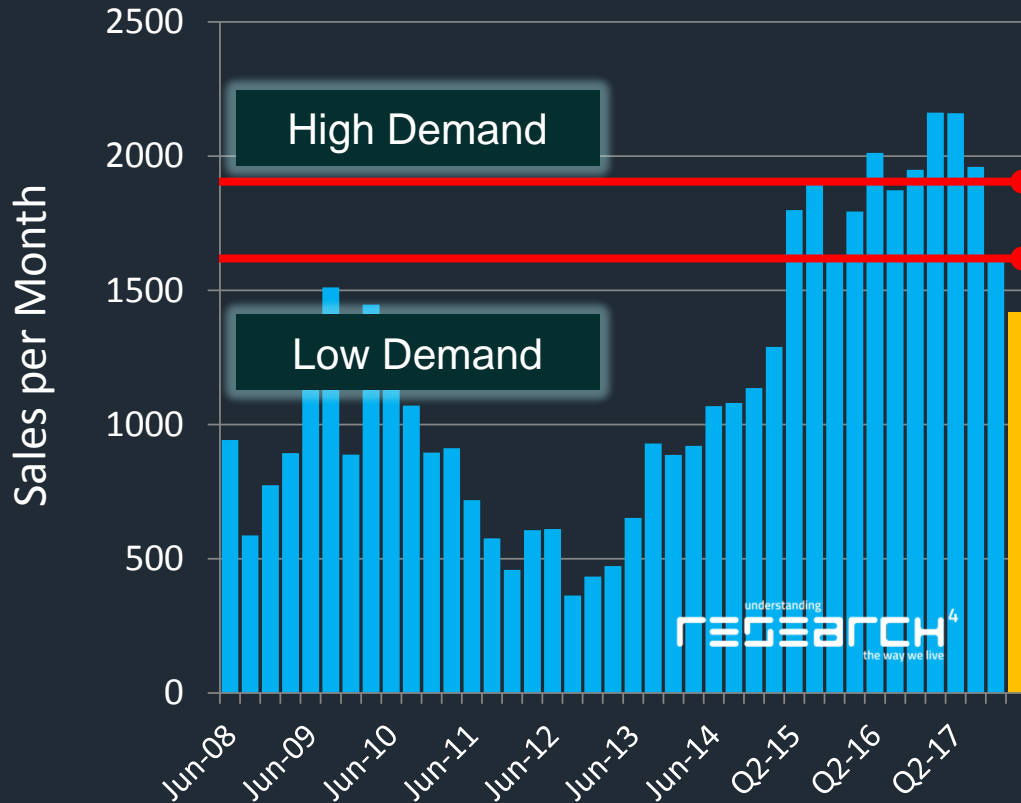
1900
1700
1500
1300
1100
900
700
500

Q1 2018 Melbourne Metro Results



Melb New Land Market – Sales per month

Metro New Land Sales



Current Sale Volumes

1,416 per month

Annual Sale Volumes

23,800 past year

Peak Sale Volumes

2,000

No. of Negative Growth Quarters

3

over past 12 months

Melbourne– Market Share, Q1 2018

Craigieburn 17%

Sunbury 2%

Melton W 16%

Melton E 8%

Wyndham 25%

Point Cook 3%



1% Wallan

7% Epping

4% Cardinia

17% Casey

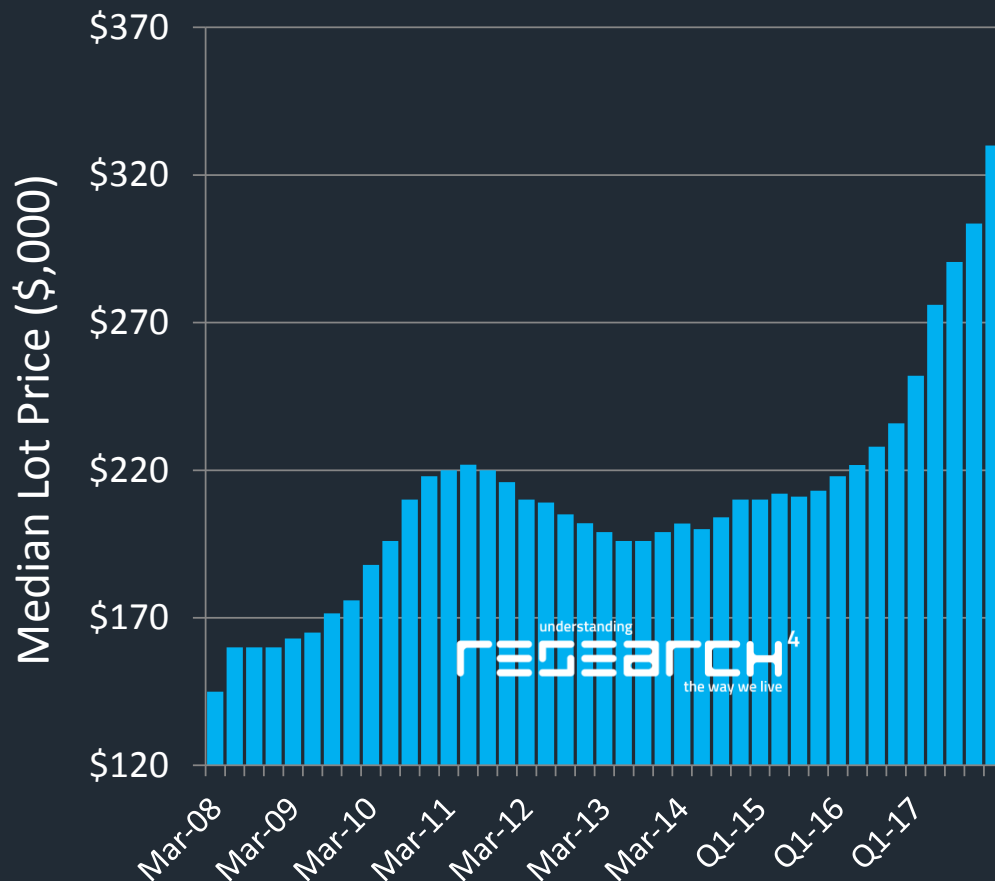
R4 NOTE: 2010 YEAR, Mernda 18%, Casey 18%, Cardinia 10%, Craigieburn 7%, Wyndham 14%, Melton W 6%

New Land Prices

Headline median lot price for the new land market and price growth.



Melbourne – Median Lot Price



Current
Median
Lot Price
\$330k

Annual
Price Growth
31%
past year

Quarterly
Change
+9%

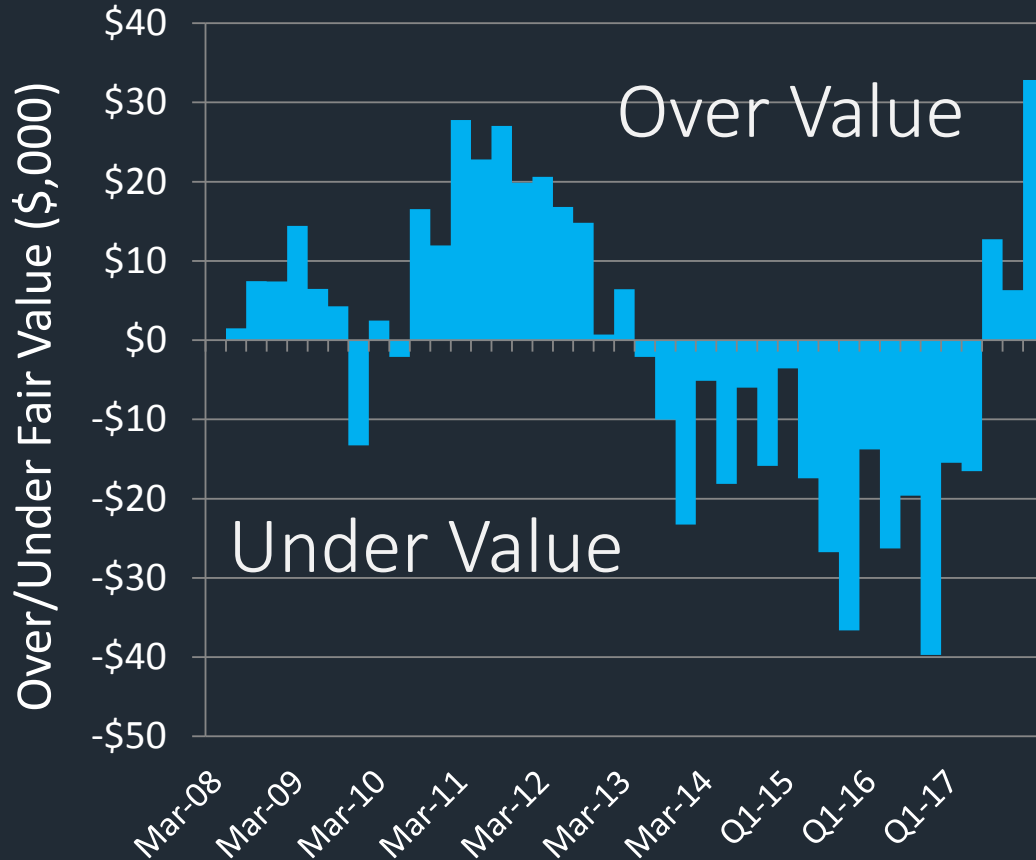
No. of Positive
Growth Quarters
4
over past 12
months

Fair Value

Assessing new land prices based on the relationship with the established housing markets price point.



All of Melbourne – Fair Value



Long Running
Average
Ratio
40%

Current Land
to House
Ratio
44%

Over
Valued
\$32,000

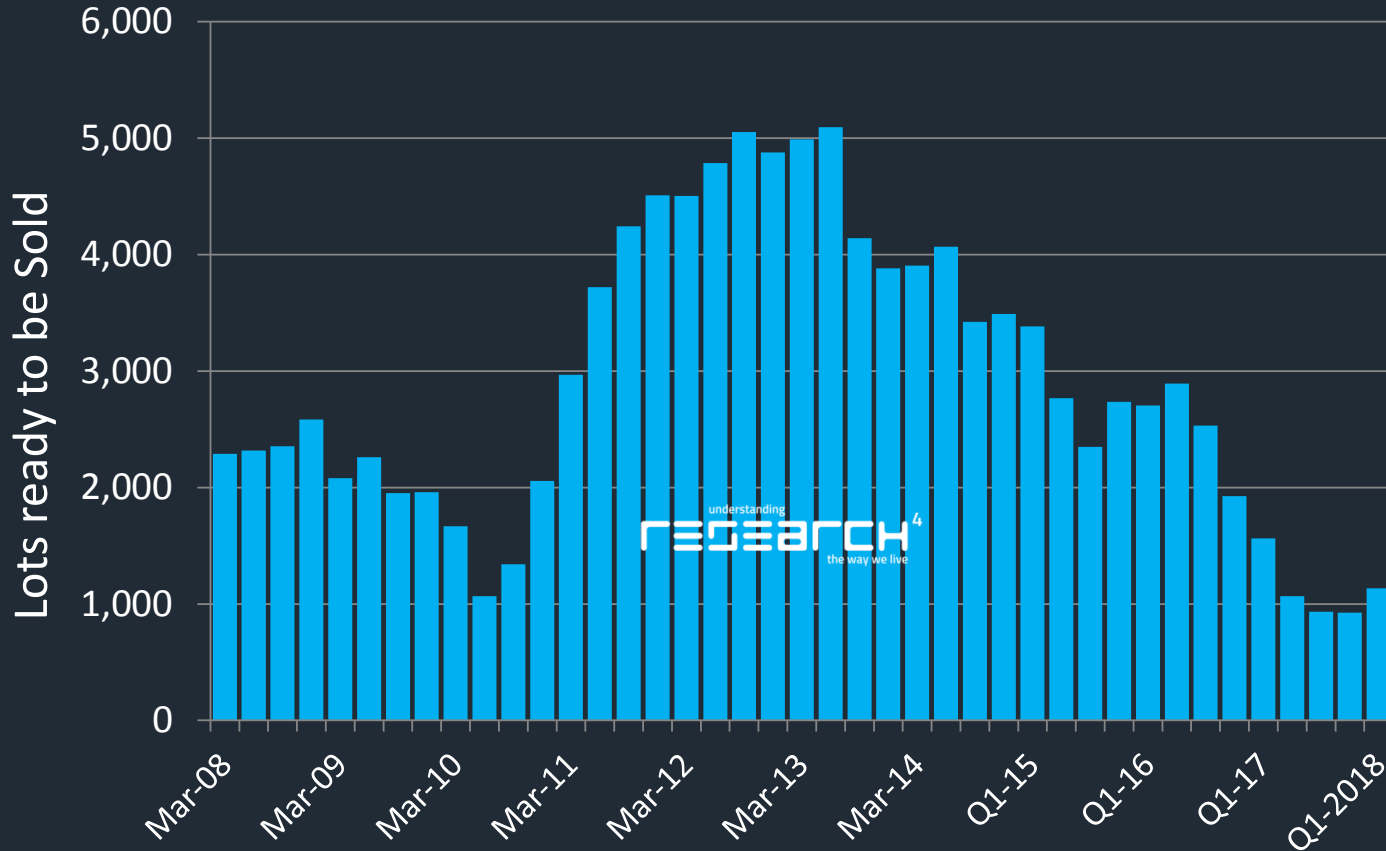
Modelled
Median Land
Price
\$301k

Stock Ready

The number of lots at the end of a survey period ready for sale



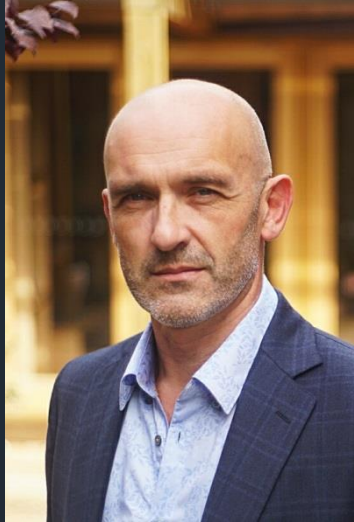
Melbourne – Stock Ready for sale



1,100
lots in
stock

27

days of
trading stock



Colin Keane is Director of Research4

[www.researchfour.com]

Research4 conduct detailed market research pertaining to Australia's Greenfield Land Markets.

Established in 2005, Research4's national survey is Australia's longest running and most detailed audit of the nation's Greenfield land estates.

Colin's main focus is to better understand every aspect of the Greenfield market.

The survey to date has monitored in excess of 2,000 land estates delivered by 850 land developers across 44 new land markets. The research program monitors 50% of Australia's new housing sector on a full time basis.

Research4 is founded upon a proprietary database created through extensive, ongoing field and remote surveying of active residential land projects [R4 CoreDatabase].

Research4's survey outputs are used by industry, government and financial sectors.

Colin Keane – Director of
Research4

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