

UDIA State of The Land 2025

National Residential Greenfield and Apartment Market Study

Second Release, March 18 2025

UDIA STATE OF THE LAND 2025



2025 STATE OF THE LAND
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STATE OF THE LAND REPORTING COVERAGE

The UDIA State of the Land report has evolved into one of the most comprehensive annual accounts of new residential market activity across Australia's major capital cities. The core data we showcase in this publication is provided by our State of the Land Research Partners: Research4 (greenfield land), CoreLogic (multi-unit sales volumes and pricing) and Charter Keck Cramer (multi-unit supply and completions forecasts).

Between 2013 and 2024 core State of the Land reporting has captured on average 68% of total national net dwelling additions. State of the Land reporting now also includes whole of market historic completions and five year forecasts for each SOTL reporting region.

In addition to base SOTL data reporting not covering Hobart, Darwin and much of Regional Australia core SOTL reporting also does not capture some development activity in national greenfield corridors (including various small-scale subdivisions <25 lots) and some activity in established urban areas (such as secondary dwellings and <5 unit incremental infill developments).

Nevertheless, the strong national coverage featured in UDIA's State of the Land, twinned with inputs from across the national development sector strongly positions UDIA to provide informed market performance forecasts for our major capital cities and recommendations for policy reform and development.

State of the Land 2025 Reporting Geographies



2025 STATE OF THE LAND MAJOR SPONSOR



2025 STATE OF THE LAND RESEARCH PARTNERS



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Montaio Quarter by DevelopmentWA (WA)
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Grace Apartments by Cedar Woods (SA)
Republic by GEOCON (ACT)
Baywater Estate by Bisinella Developments (VIC)
The Avenues of Highfield (QLD)
Catalina by Satterley Property Group and Catalina Regional Council (WA)

CONTENTS

UDIA National President Welcome	2
Greenfield & Multi-Unit Summary	4
Capital City Annual Performance Dashboard	5
National Residential Market Overview	6
The Economic State of Play 2025	16
UDIA National Policy & Advocacy Focus	24
Queensland	26
New South Wales	38
Victoria	50
Western Australia	62
South Australia	74
Australian Capital Territory	86
About UDIA	96

UDIA PRESIDENT'S FOREWORD

Welcome to the 2025 annual State of the Land report

The annual publication of the Urban Development Institute of Australia (UDIA) State of the Land report is a critical resource for industry, government and the media to understand residential market dynamics and future development prospects. It provides a clear line of sight to help navigate evolving economic and regulatory challenges and seize the opportunities which will follow.

Produced every year since 2008 it remains the industry's most crucial and comprehensive overview of new home market development activity across our major capital cities. This year's edition of the State of the Land Report is particularly important as it provides an update on the nation's progress against the ambitious Federal Government target to build 1.2 million new homes across the nation by 2029. The 2025 report presents alarming dwelling supply shortfalls for each capital city reporting region (against targets) based on UDIA forecasting of new market activity, which collectively amounts to a circa 393,000 dwelling shortfall across the nation by 2029.

The State of the Land 2025 report's insights are fascinating, and the recommendations provided for both State and Federal governments present a roadmap of what needs to happen to expedite new dwelling supply, improve affordability and allow the industry to drive improved productivity.

A healthy development and construction industry is essential for both the economic and social success of the nation. Development remains a highly effective primer for economic productivity and activity. The State of the Land report provides a comprehensive overview of market

performance and a range of insights and benchmarks for that productivity.

A key insight from this year's research, is that while there are some positive signs of improved supply activity in the national greenfield market, the apartment and multi-unit sector remains mired in a near record low levels of output, which is weighing heavily on aggregate dwelling production. Housing supply shortages are set to continue due to elevated (and still growing) material input costs, labour shortages, combined with high inflation leading to cost of living pressures and interest rate rises.

Since the release of last year's State of the Land report, population growth has reduced, but the FY24 net national population growth of 552,000 is around double the long-run average, underpinned by extremely high levels of immigration. This increased demand profile has coincided with a decline in aggregate housing production across most capital city markets, which is pushing dwelling prices northwards and placing enormous pressure on rental markets.

Across the past two decades, Australia has significantly under delivered new dwelling supply across the nation. This undersupply has contributed to the on-going erosion of housing affordability and has driven down home-ownership rates and led to increasing household indebtedness. This is the reason Government needs to focus on boosting development-ready land supply if it is to have any hope of achieving its ambition to permanently ease housing affordability and improve the delivery of at-market, affordable and social housing.

"The recommendations provided in our 2025 report for both State and Federal governments, present a roadmap of what needs to happen to expedite new dwelling supply, improve affordability and allow the industry to drive improved productivity."

Col Dutton, UDIA National President



National residential annual lot releases increased by 15% in 2024 with a total of 42,700 lots released across the combined capital cities- which is a promising bounce back from the decade low volume released in 2023 (37,000). However, this is still 20% below the long run average and is driven by the on-going weakness of the Victorian land market at 45% lower than decade average, resulting in just 10,000 lots released in 2024. Putting this into perspective, the total cumulative lot releases since 2021 are down 46% on projected "business as usual" for industry.

The UDIA State of the Land report has always been relied upon as a bellwether warning for Governments to act quickly to ensure housing supply is brought on-line efficiently and affordability so that it does not worsen. Despite a range of State and Federal policy and regulatory reform announcements over the last 12 months to help fast-track new home supply, we continue to see a national trend of under-weight new housing production that for the calendar year of 2024, was 27% lower than the most recent peak in 2017.

The fact remains that diminished purchasing power and cost of living pressures are forcing more and more Australians to sit on the side-lines of the new residential market. Even with a modest easing of price growth momentum in the established market, more pressure is being placed on households to meet their housing costs.

This is why UDIA's national's advocacy is keenly focused on measures that boost supply pipelines across the entire housing spectrum, preparing for population growth necessary for recovery and clearing away obstacles to

dwelling delivery.

These initiatives are the responsibility of all Governments to ensure our industry can continue to deliver homes for all Australians.

We sincerely thank our Research Partners Research4, CoreLogic and Charter Keck Cramer for their contributions and assistance in preparing this year's State of the Land report. These three leading property market analysts provide data points and insights that underpin the comprehensive evidence base that is presented in this report. I also deeply thank the UDIA team who compile, draft and manage the project, as well as the valuable contributions from each UDIA State office and UDIA members across the nation.

We look forward to continuing our work on the critical issues facing the Australian development industry. Importantly I want to add my thanks for to B&S Land for their valuable support as Major Sponsor of our 2025 Report.



Col Dutton
UDIA National President



UDIA State of the Land 2025



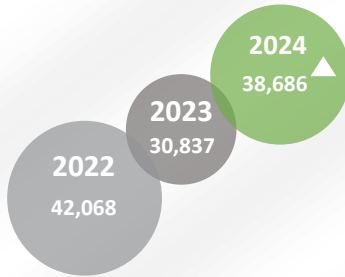
Greenfield Summary

NEW RELEASES (2024)

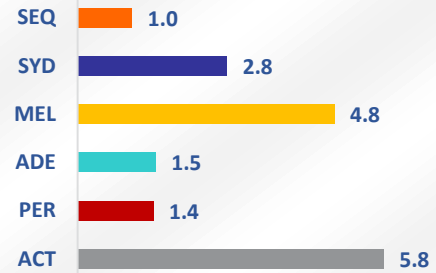
Annual Change

SEQ	10,796	🏠🏠	▲ 23%
SYD	7,211	🏠	▲ 16%
MEL	10,011	🏠🏠	▲ 10%
ADL	2,776	🏠	▼ 9%
PER	11,580	🏠🏠	▲ 22%
ACT	316	1	▼ 24%

NATIONAL ANNUAL LOT SALES



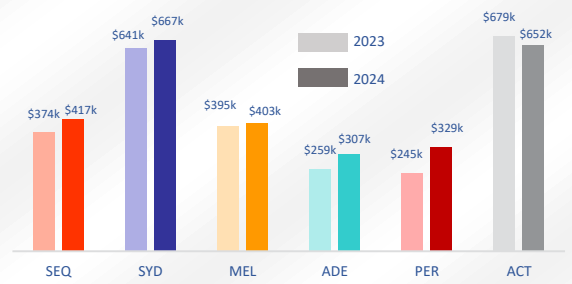
TRADING MONTHS OF STOCK (as at Q4 2024)



COMBINED CAPITAL CITIES ANNUAL MEDIAN LOT SIZE (sqm)



MEDIAN LOT PRICES (2023 v 2024)



Source: Research4



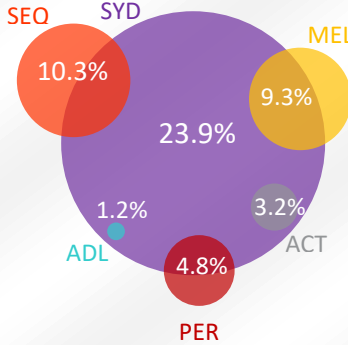
Multi-Unit Summary

NEW UNIT COMPLETIONS (2024)

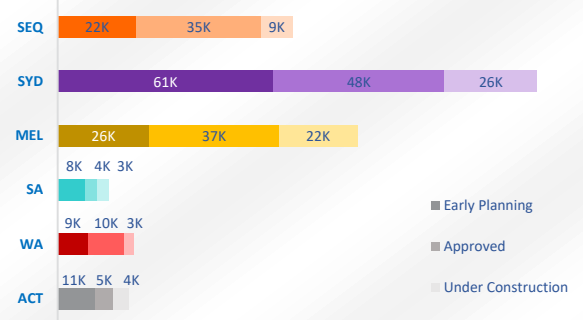
Annual Change

SEQ	9,617	🏢🏢	▲ 7%
SYD	20,404	🏢🏢🏢	▼ 1%
MEL	20,051	🏢🏢🏢	▲ 3%
ADL	1,380	🏢	▼ 37%
PER	2,066	🏢	▲ 11%
ACT	3,031	🏢	▼ 20%

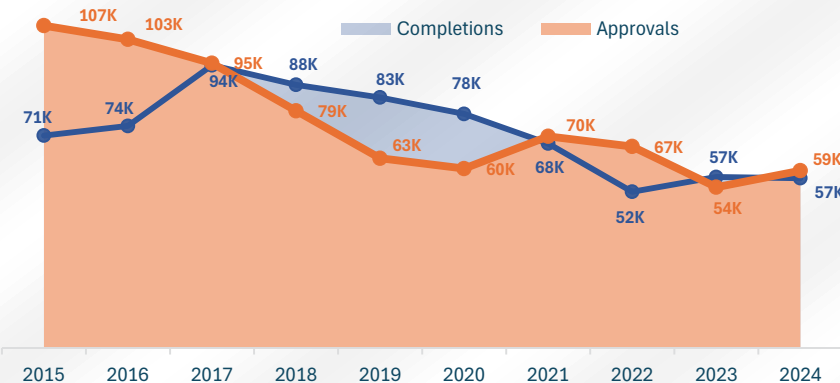
BTS COMPLETIONS SHARE (2024)



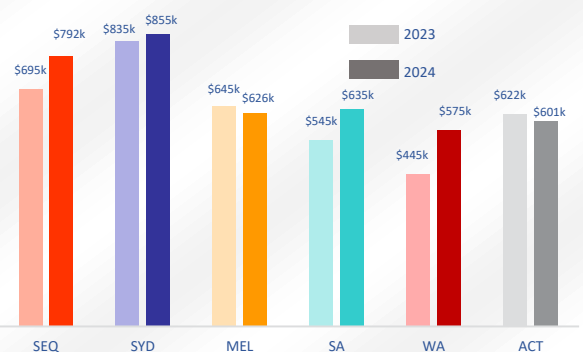
UNITS PIPELINE (as at Q4 2024)



ANNUAL NATIONAL NEW UNIT COMPLETIONS AND APPROVALS



MEDIAN SALE PRICE OF NEW UNITS (2023 v 2024)



Source: CoreLogic; Charter Keck Cramer

UDIA State of the Land 2025

Capital City Market Performance Dashboard – Annual Change (2023 – 2024)

	SEQ	Greater Sydney	Greater Melbourne	Greater Adelaide	Greater Perth	ACT
 Total New Dwellings Completed	1% ↑	-4% ↓	7% ↑	-6% ↓	22% ↑	-16% ↑
 Greenfield Lot Sales	58% ↑	32% ↑	-2% ↓	16% ↑	23% ↑	-10% ↓
 Greenfield Lot Releases	23% ↑	16% ↑	10% ↑	-9% ↓	22% ↑	-24% ↓
 Greenfield Median Lot Price	11% ↑	4% ↑	2% ↑	18% ↑	34% ↑	-4% ↓
 Greenfield Median Lot Size	421sqm ↔	413sqm ↓	361sqm ↑	411sqm ↓	375sqm ↔	484sqm ↑
 Multi-Unit Sales Volume (New)	11% ↑	-12% ↓	-7% ↓	-22% ↓	-12% ↑	11% ↑
 Multi-Unit Completions	7% ↑	-1% ↓	3% ↑	-37% ↓	11% ↑	-20% ↓
 Multi-Unit Median Sale Price (New)	14% ↑	2% ↑	-3% ↓	16% ↑	29% ↑	-3% ↓
 Under Construction	-29% ↓	-33% ↓	1% ↑	33% ↑	-9% ↓	19% ↑

Greenfield Market

Multi-Unit | Infill Market

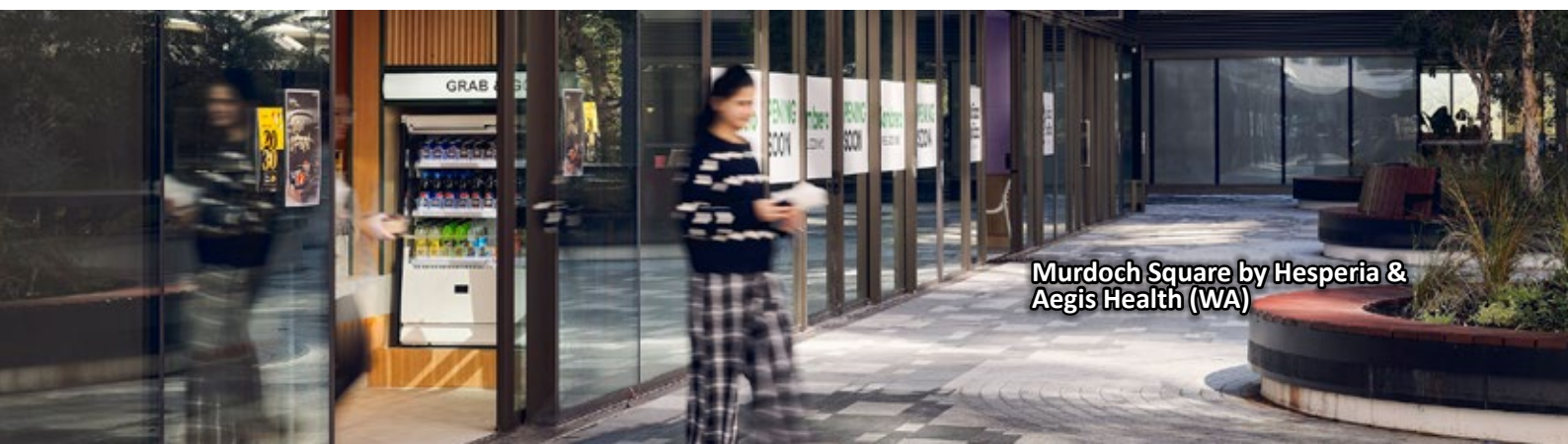
NATIONAL RESIDENTIAL MARKET OVERVIEW

NATIONAL GREENFIELD PERFORMANCE SNAPSHOT, 2024

- National greenfield land market recorded an uplift in activity in the 2024 calendar year with aggregate annual lot sales up 25% to reach 38,685.
- Heightened consumer demand for greenfield lots was recorded in all capital city markets, with the exception of Greater Melbourne and Greater Adelaide (which recorded modest annual declines) to deliver improved national sales volumes on 2023, but aggregate sales were still 12% lower than the long run average.
- Responding to the improving demand profile, developers released a total of 42,700 lots to market in 2024 which reflected a 15% increase on 2023 releases, however this annual volume of lots to market is 9% lower than the long run average and is a 46% reduction on the peak of 2021 release volumes.
- All capital city markets except the ACT recorded an increase in median lot pricing in 2024, led by Perth (+34%) and Adelaide (+19%), with Sydney reclaiming the mantle (from the ACT) as the most expensive retail greenfield market in the nation with a median lot price of \$666,670.
- There was slight drop in the national median lot size in 2024 which retracted 1% to 411 sqm, as developers largely held firm on inventory sizing across the year.
- The national land price grew 8.3% across the year to \$1,116 per sqm which reflects an uplift on the 5% growth achieved in 2023, but was far more modest than the 22% increase of 2022.
- There were approximately 79,000 detached houses completed in the nation's capital city greenfield release areas and infill locations in 2024, representing a 5% annual growth.

NATIONAL MULTI-UNIT PERFORMANCE SNAPSHOT, 2024

- The national new build multi-unit market experienced another soft year of activity with aggregate settled sales down 8% to total 19,520, which is down 53% on the decade average.
- Median pricing for new apartments and townhouses grew by 7.8% across the 2024 calendar year for the combined capital city regions to reach \$680,550. This annual growth rate is far stronger than the 2.8% average annual growth achieved across the last decade, and is symptomatic of limited supply and a general 'flight to quality' products across most markets.
- There was a total of 56,550 multi-unit completions across 2024 which reflected a similar completion volume to 2023 but was 21% lower than the decade average, and 40% lower than the volume of completions achieved in 2017.
- The Build to Sell (BTS) apartment sector underpins national multi-unit completion volumes and this sector has exhibited the most weakness in recent years with aggregate completed supply dropping by 45% since 2016.
- The emerging Build to Rent (BTR) apartment sector has also been impacted by the challenging conditions facing the broader multi-unit sector, including spiralling construction costs and skilled trades shortages.
- Nationally there were 4,225 BTR units completed in 2024 which is a five fold increase on 2023 levels. It is expected that there will be an upswing in BTR completions over the coming three years, which whilst positive, will not counter-balance the broader retraction in unit delivery expected across the combined capital cities.



NATIONAL RESIDENTIAL MARKET OVERVIEW

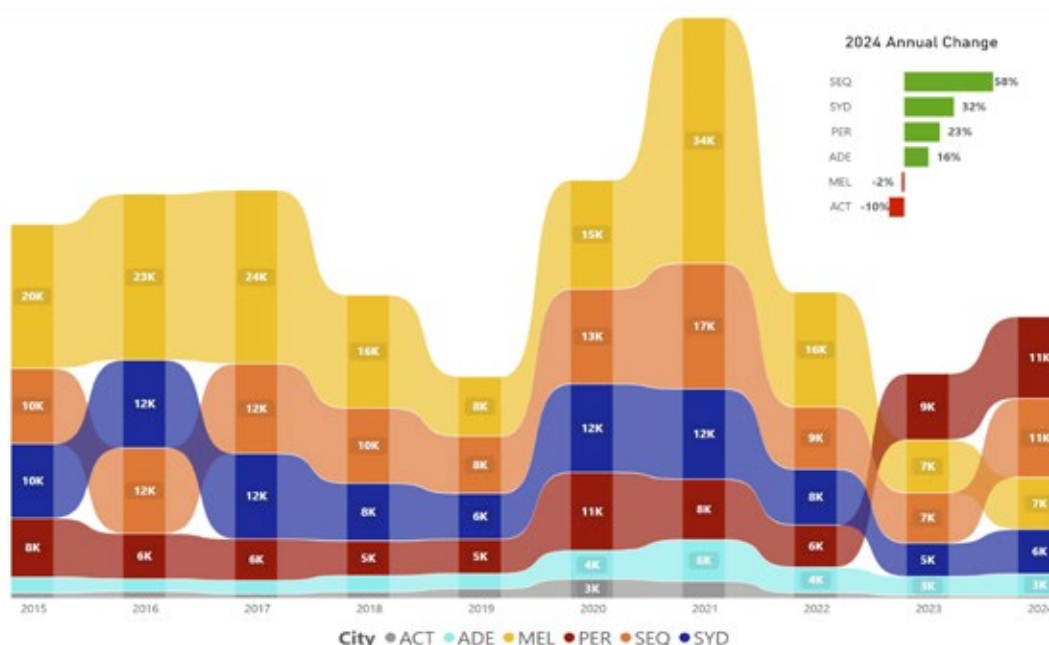
GREENFIELD RESIDENTIAL LAND MARKET ANALYSIS

DATA STATEMENT: UDIA's State of the Land reporting harnesses data from Research4's National Land Survey as the principal greenfield data for reporting on market activity and for forecasting forward detached dwelling completions across the nation's greenfield release corridors.

Lot Sales

- **National residential** lot sales in 2024 across the capital city markets increased by 25% on 2023 volumes with a total of 38,690 contracted lot sales, which was 22% lower than the decade average.
- **All markets** except Greater Melbourne and the ACT had increased annual sales volumes in 2024, however national aggregate sales volumes remained down 22% on the decade average
- **Greater Perth** was the stand-out performer in 2024 with a total of 11,260 lot sales, which was 23% growth on 2023 and comprised the largest annual sales volume achieved by any capital city market.
- **South East Queensland** recorded a 58% increase lot sales in 2024 with a total of 10,890 annual transactions to place this market in second place in terms of aggregate capital city market sales.
- **Greater Melbourne** is historically the nation's largest greenfield market accounting for an average of 33% of all lot sales over the 2013-2023 period. However, in 2024 there were just 7,170 lot sales which accounted for just 19% of national production.
- **Greater Sydney** recorded 6,130 lot sales in 2024 reflecting a 32% increase on 2023 volumes, but this was still 36% lower than the decade average and 51% lower than the peak achieved in 2021.
- **Greater Adelaide's** lot sales were up 16% on 2023 volumes with 2,970 transactions, which is 48% lower than the peak sales volumes achieved in 2021 but only 7% below the decade average.
- **The Australian Capital Territory** recorded a second consecutive year of extremely low level of activity with just 272 contracted sales. This reflected a 10% reduction on 2023 volumes and was 75% below the decade average.

Figure 1.1: Annual Greenfield Lot Sales



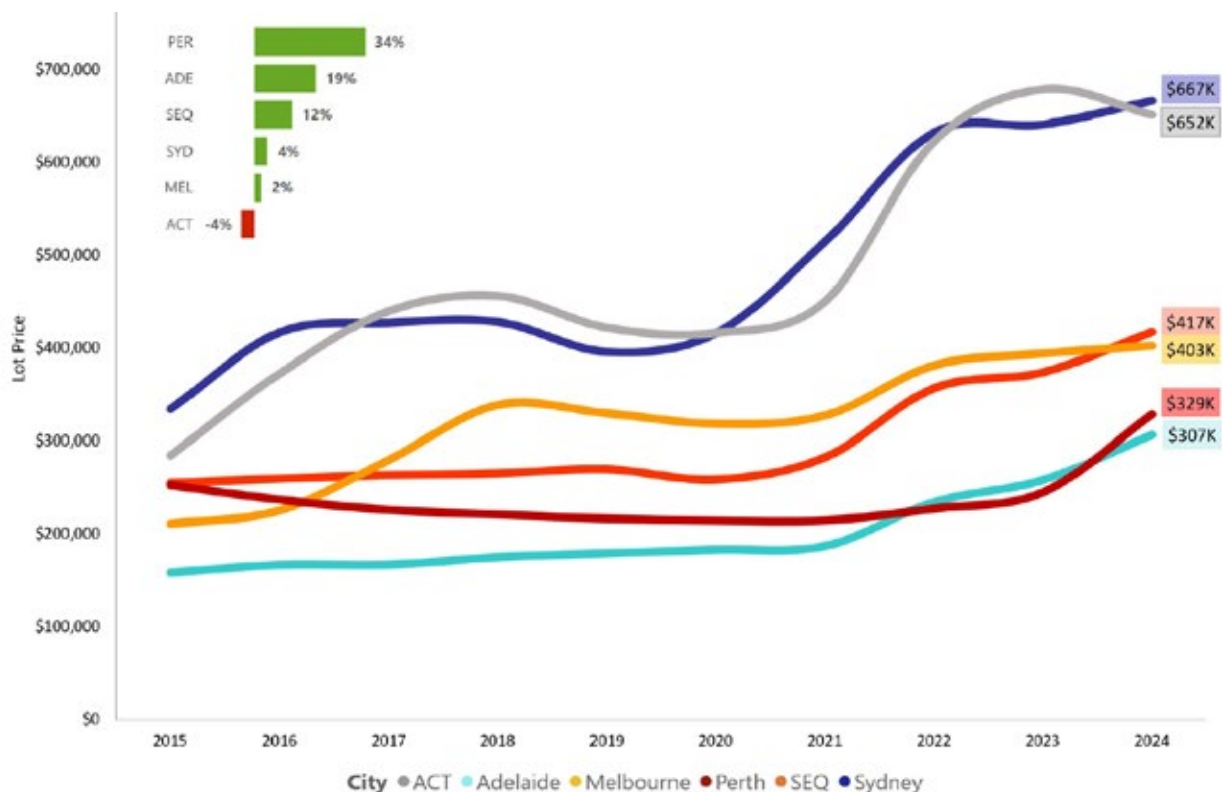
Source: UDIA; Research4

NATIONAL RESIDENTIAL MARKET OVERVIEW

Lot Prices (\$)

- **Greater Perth** was also the stand-out market in 2024 from a price growth perspective with a remarkable 34% lift in the median lot price to reach \$328,750 which is second largest annual growth of any capital city market recorded since 2009.
- In 2024 **Greater Sydney** reclaimed the title (off the ACT) as the most expensive greenfield land market in the nation registering a median lot price of \$666,670. This reflects a 4% annual growth, which whilst modest compared to the 23% uplift in pricing recorded between 2021 to 2022 still places Greater Sydney at 58% higher than the combined capital city average (\$421,520).
- **The ACT** was the only market that recorded a retraction in median lot pricing in 2024 with a 4% reduction to \$651,750, which still reflects a 45% increase on 2021 pricing.
- **SEQ's** lot pricing grew 11.5% to \$417,250 in 2024 which was the second largest price growth recorded in the nation (after Perth) and kept this important greenfield market's pricing in line with the national average.
- Despite another year of low annual sales volumes, median price growth remained relatively muted in **Greater Melbourne** with 2.1% growth across 2024 to reach \$402,750- which is around a third of the average annual growth rate achieved across the last twelve years.
- **Greater Adelaide's** median lot price grew 18%% in 204 to \$307,250 which reflected a 27% discount on the national average and reclaimed the title (back off Perth) as the most affordable land market in the nation.

Figure 1.2: Median Lot Price



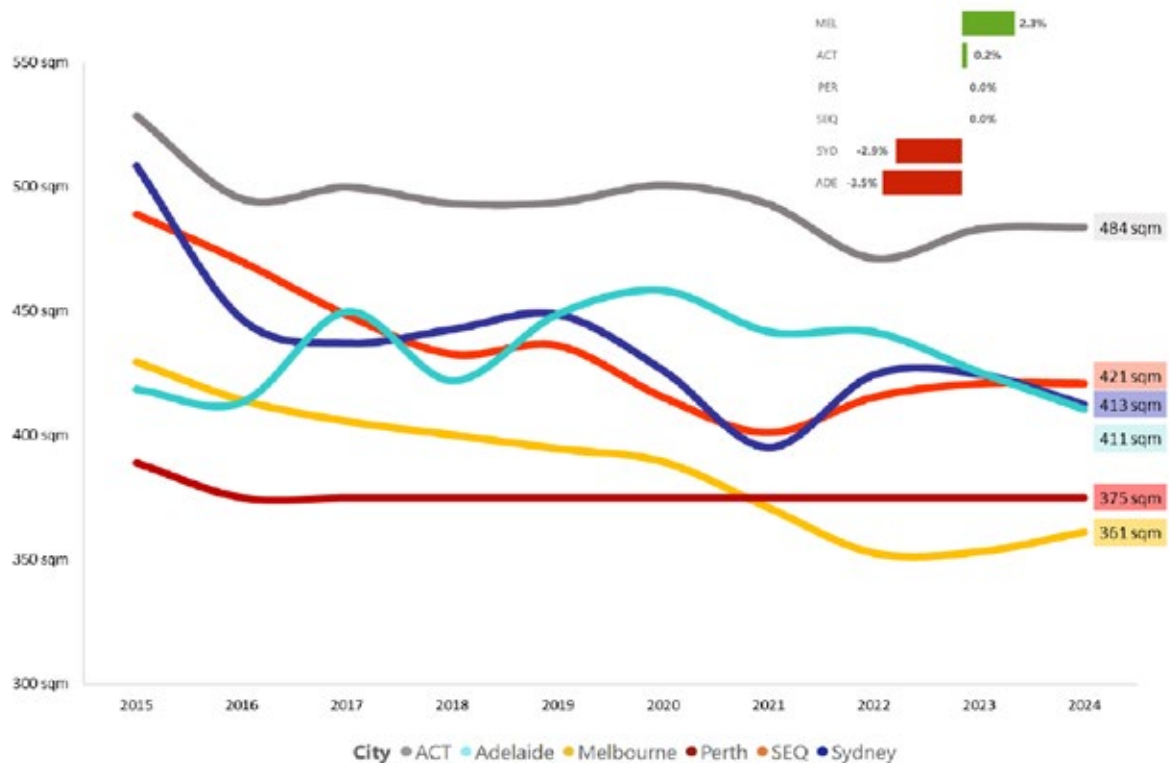
Source: UDIA; Research4

NATIONAL RESIDENTIAL MARKET OVERVIEW

Lot Sizes (sqm)

- The **national** median lot size dropped marginally by 0.7% to 411sqm which reflects the smallest average lot size recorded in the 15 year NLSP time series.
- The **ACT** comfortably retains it's long-held position as having the largest lot sizes in the nation with a median of 484 sqm which has remained steady from 2023.
- Greater Adelaide** recorded the largest annual decrease in median lot sizing with a drop of 3.5% to reach 411 sqm. Greater Sydney saw the second largest fall in median lot sizing, down 2.9% to 413 sqm, while SEQ's median lot pricing remained steady at 421 sqm.
- The only market recording a notable increase in median lot sizing was **Greater Melbourne** which was up 2.3% to 361 sqm, which remains as the smallest median lot sizing in the nation.
- Greater Perth** recorded a remarkable ninth straight year of median lot sizing remaining at 375 sqm.

Figure 1.3: Median Lot Size



Source: UDIA; Research4

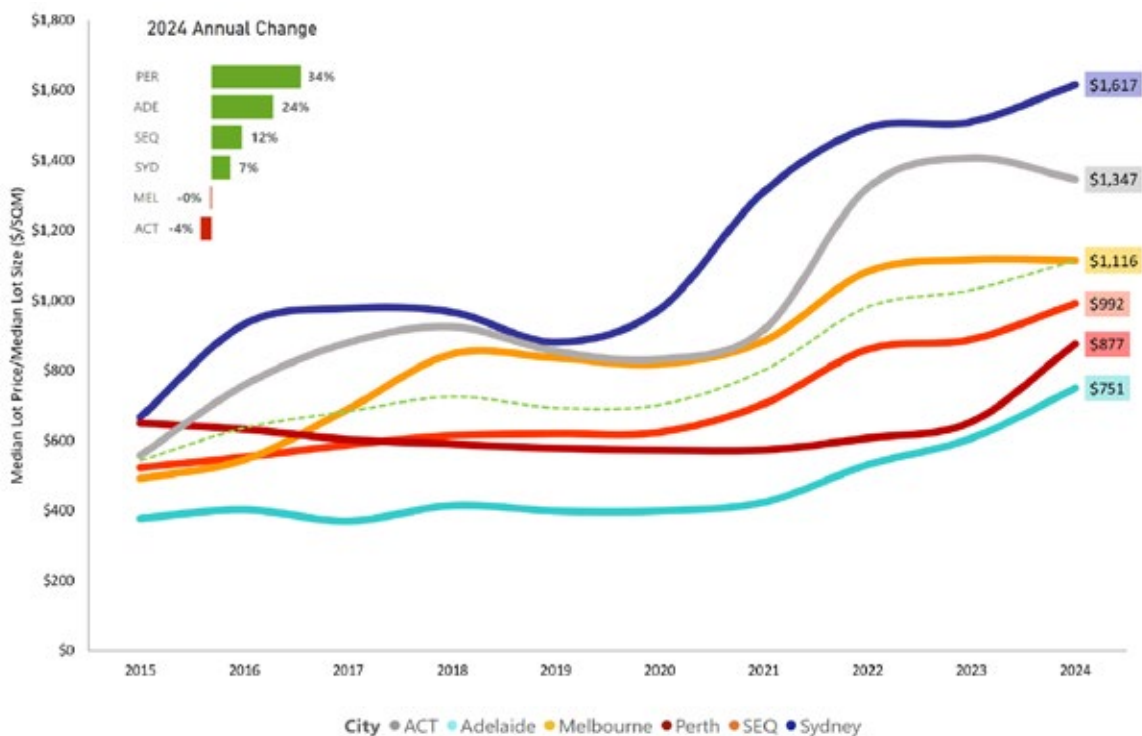
Murdoch Square by Hesperia
& Aegis Health (WA)

NATIONAL RESIDENTIAL MARKET OVERVIEW

Land Price (\$/sqm)

- The **combined capital city** land price increased by 8% across 2024 to finish the year at \$1,116 per sqm.
- **Greater Perth** recorded the strongest lift in annual land pricing, growing space 34% to reach \$877 per sqm in 2024 which is comfortably the largest annual growth recorded in Perth for more than fifteen years.
- **Greater Adelaide** recorded a strong 23.5% land price growth to reach \$751 per sqm, but this still positioned this market as the most affordable in the nation on this \$/sqm metric.
- **SEQ** saw a 11.5% lift in the land price to \$992 per sqm, which is twice the average annual growth rate achieved over the last 14 years.
- **Greater Sydney** remains the most expensive land market in the nation with a median price of \$1,617 per sqm and recorded a 7% annual growth result in 2024.
- Despite dropping 4.3% in median pricing in 2024, the **ACT** remains the second most expansive land market.
- **Greater Melbourne** was the other market to record an annual decline in annual land price growth with a modest 0.2% retraction to \$1,116 per sqm.

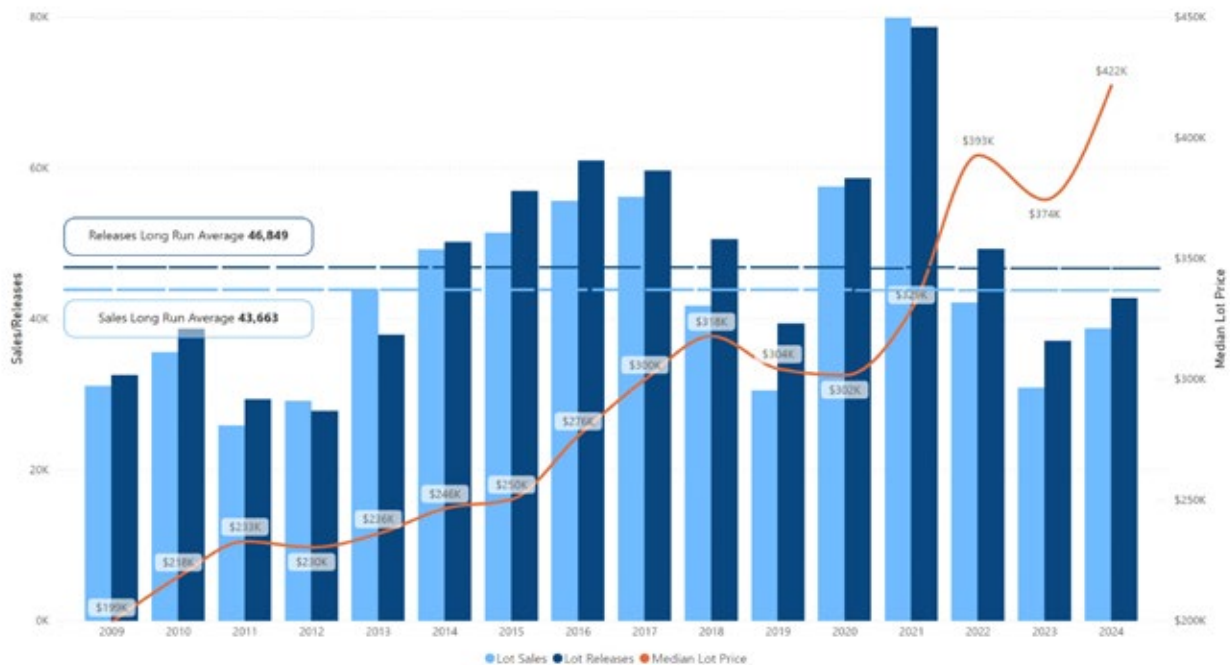
Figure 1.4: Median Land Price



Source: UDIA; Research4

NATIONAL RESIDENTIAL MARKET OVERVIEW

Figure 1.5: National Lot sales, Lot Releases and Median Lot Prices



Source: UDIA; Research4

RESEARCH4 NATIONAL GREENFIELD OUTLOOK 2025



Colin Keane, Director, Research4



The year 2025 may be when Melbourne aligns with the rest of the team. Perth, Southeast Queensland, Adelaide and even Sydney have been diligent in responding to demand, however it is clear that these markets with the possible exception of Sydney have gone as far as they can for the time being. The anticipated revival of the Melbourne Greenfield market is not expected to increase total national sales but rather compensate for declining activity in other state markets.

By the end of 2024, all Greenfield markets, except Melbourne, had a level of accumulated pulled forward demand. This setting is likely to contribute to a more subdued trading environment in 2025.

At a national level, the capacity of the Greenfield sector is expected to remain under pressure. The replacement rate of ending estates dropped by 22% in 2024, and the average size of the estate was 42% smaller than the long-term average. Supply and capacity continue to be issues across all markets. The market's ability to deliver affordable family housing in 2025 is closely linked to the number and size of active trading estates.

In 2024, land prices increased by 18.4%, driven by significant price growth in the established housing market the year before. As house prices slowed in 2024 and most land prices are now considered above fair value, the outlook for price growth in 2025 is weak.

The main issue facing the national Greenfield market in 2025 will be finding ways to deliver necessary products at prices that align with the customers' financial capacities. This challenge is compounded by managing the costs associated with delivering these products.

Whiteman Edge by Stockland (WA)

NATIONAL RESIDENTIAL MARKET OVERVIEW

MULTI-UNIT RESIDENTIAL MARKET ANALYSIS

UDIA's State of the Land reporting harnesses a range of CoreLogic data and insights on historical and projected forward multi-unit market performance. Commencing from 2024 the CoreLogic data is now complemented by supply data supplied by Charter Keck Cramer which covers the Build-to-Sell (BTS) and Build-to-Rent (BTR) apartment sectors across all major Australian mainland capital city regions.

New Multi-Unit Sales Activity

- The **national** new build multi-unit market experienced another soft year of activity in 2024 with aggregate settled sales across the combined capital cities down 8% on the decade average.
- **All markets** except SEQ and the ACT recorded reductions in sales volumes which drove the softest combined capital city region new unit sale volume result for over a decade.
- Capital City new unit sales volumes have reduced every year since 2015 (when transaction volumes peaked at 74,530 sales) with the exception of 2021 where there was a modest upward correction but there has been a further cliff-fall of sales in the subsequent three years.
- **Greater Sydney's** new unit sales transactions for 2024 were down 12% across the year and down 58% on the decade average with a total of 7,870 sales. This quantum of mega-region sales is 76% below the peak of activity of 2015.
- **Greater Melbourne** is comfortably the second largest multi unit market in the nation after Greater Sydney, and while it recorded a relatively modest 7% decline in sales volumes to total 6,140 transactions this is 50% lower than the decade average and 72% beneath the peak achieved in 2015.
- **SEQ's** annual new multi-unit settled sales volumes improved by 11% but off a low base to record 1,670 sales which is 67% lower than the decade average.
- **Greater Perth's** multi-unit sector recorded a 12% decline in settled sales across the year to finish 2024 with 1,795 sales which was 34% lower than the decade average.
- **Greater Adelaide's** multi-unit new sales market further declined by 22% in 2024 to record just 950 transactions which is the lowest annual volume recorded in over a decade.
- **ACT** multi-unit sales increased by 11% to 1,100 sales with the sector clearly absorbing a higher level of the overall new dwelling demand profile as activity in the greenfield land sector has retracted dramatically to record lows over the last two years.

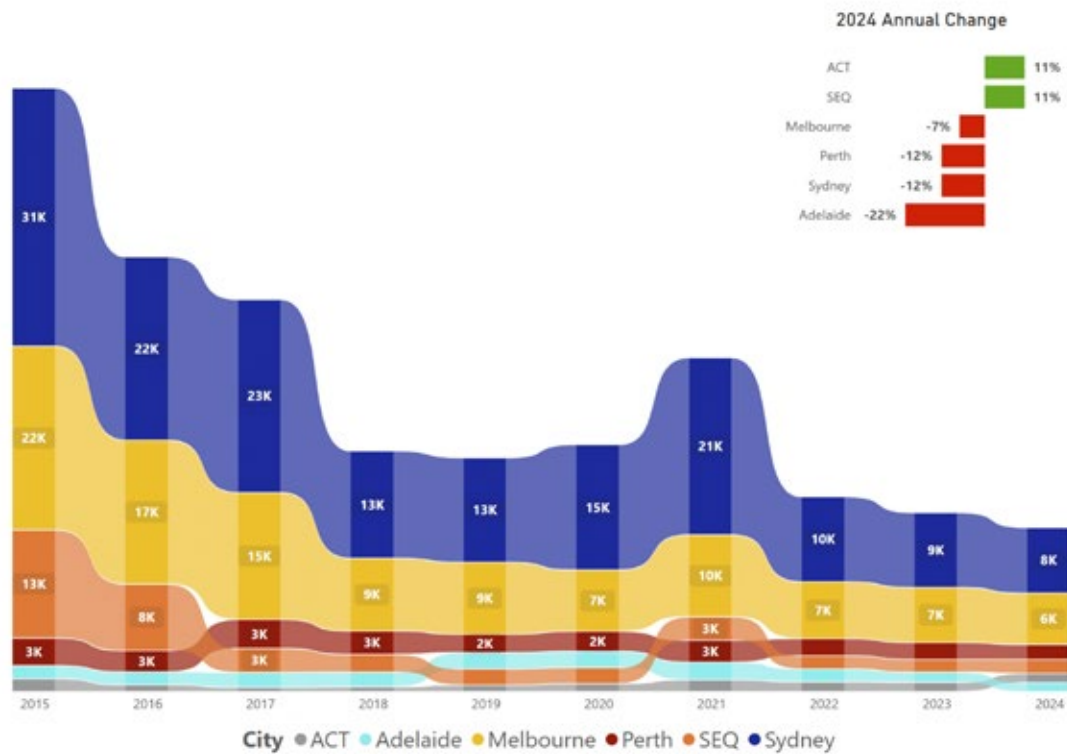
New Multi-Unit Pricing

- Median pricing for new apartments and townhouses¹ grew by 8% across the 2024 calendar year for the combined capital city regions to reach \$680,550. This annual growth rate is twice the average annual growth achieved across the last decade.
- **Greater Perth** recorded the most significant median multi-unit median price uplift across the capital cities with 29% annual growth which was underpinned by severe undersupply of new products.
- **SEQ** recorded a solid 14% median price uplift which marks three consecutive years of double digit price growth for new multi-unit stock.
- **Greater Sydney's** median new unit price increased by 2% across 2024 to \$854,780, which is 26% higher than the combined capital city average.
- **Greater Adelaide** new unit sector recorded a strong 16% uplift in median pricing to \$634,750 which was in part a function of historically low supply running up against normalising demand.
- **Greater Melbourne's** pricing retracted 3% with a new unit median price of \$625,620.
- **ACT** unit pricing also dropped marginally (by 3%) to \$601,000 which is commensurate with the 2022 median unit price.

¹ CoreLogic provides monthly estimates of the median price of 'new units' as well as the median price of 'established market units' for different reporting geographies. UDIA assembles estimates of the median new unit price for each SOTL reporting region based on this data.

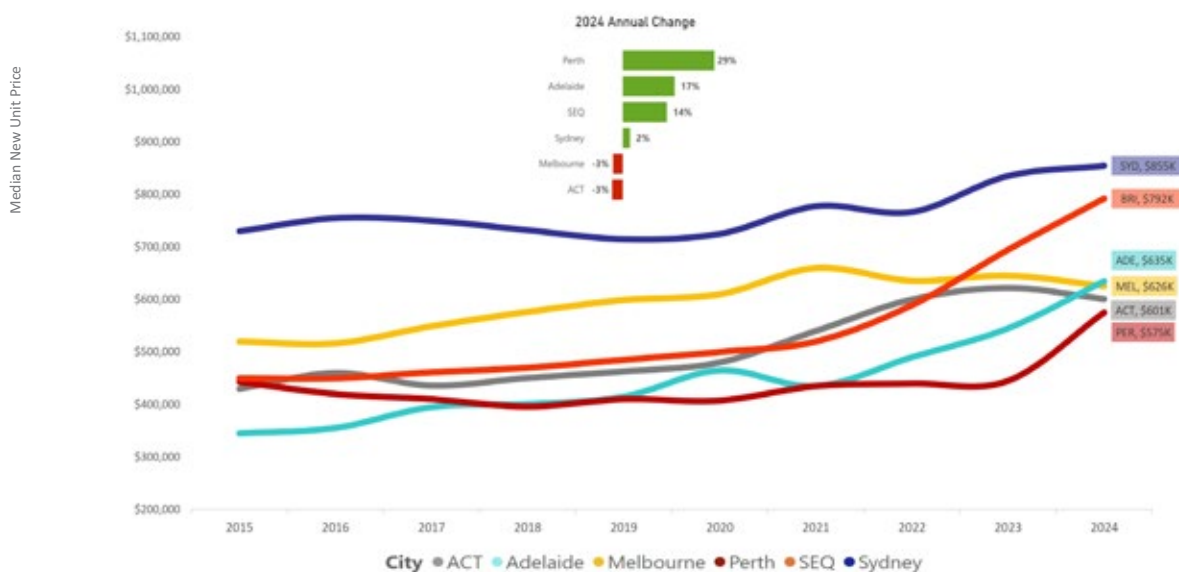
NATIONAL RESIDENTIAL MARKET OVERVIEW

Figure 1.6: Annual Median New Multi-Unit Sales Volumes



Source: UDIA; CoreLogic

Figure 1.7: Annual Median New Multi-Unit Sales Price



Source: UDIA; CoreLogic

NATIONAL RESIDENTIAL MARKET OVERVIEW

Construction Activity - Aggregate Multi-Unit Completions

- There were an estimated total of 56,550 new multi-unit dwellings completed across the combined capital cities in 2024 which represented a commensurate volume to 2023 which is around 22% lower than the decade average and 40% lower than historic peak supply of 94,030 completed in 2017.
- Build to sell (BTS) apartment projects comprised 62% of total multi-unit completions in 2024 which has dropped considerably from circa 83% of net completions in 2016. There were 34,115 BTS completions across the combined capital cities which is 20% lower than the decade average.
- Greater Sydney and Greater Melbourne provided 66% of aggregate national BTS completions in 2024 which is considerably lower than the annual average of 75% market share that these two markets have contributed across each of the last ten years.
- There was completion of variety of build to rent (BTR) projects across 2024 with completions increasing five fold on 2023 with a total of 4,225 units completions of this emerging asset class.
- Approvals for combined multi-units increased by 10% across the year to 59,060 approvals which is 24% below the decade average, underscoring UDIA expectations of a prolonged period of reduced construction activity and output ahead.

Multi-Unit Completions Forecasts

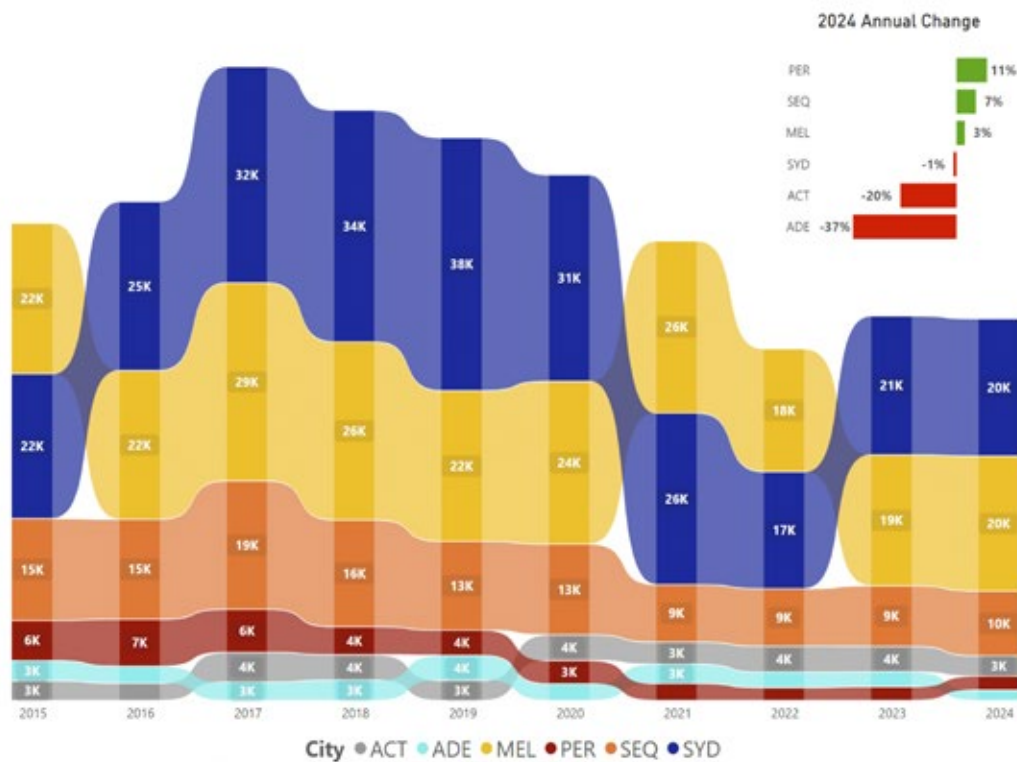
- The outlook for multi-unit completions over the coming three years is for a circa 15% decline in net additions on 2024 levels to around 46,000 before a modest production increase in 2028 and 2029 to around 49,000 units.
- Charter Keck Cramer are forecasting a 19% decrease in BTS completed apartment stock across the combined capital cities in 2025, reflecting the lower volumes of stock currently under construction (compared to historical averages) due to feasibility challenges for many projects, resulting in many deferrals and abandonments of approved projects.
- It is then expected that there will be a further retraction in completions over the following year to total under 20,000 net BTS apartments in 2026 which would be the lowest volume completed since 2011 when the sector was still regrouping after the Global Financial Crisis.
- A more positive outlook is forecast for the BTR sector as various projects across the country will complete over the coming three years with a gradual uptick from 4,220 units in 2024, 6,880 units in 2025 and then 8,610 units in 2026.



Brabham Estate by Peet (WA)

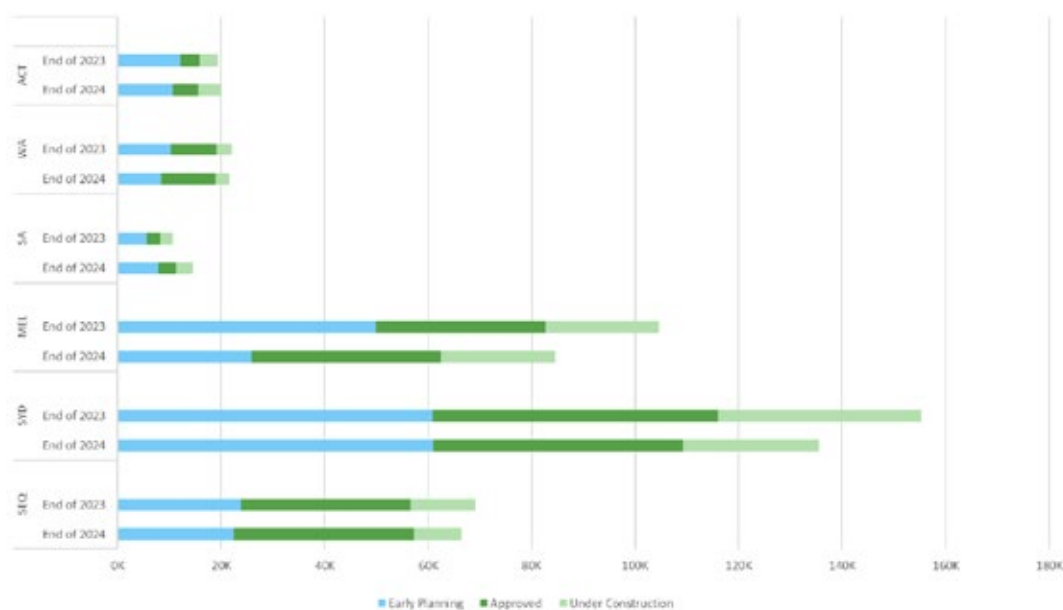
NATIONAL RESIDENTIAL MARKET OVERVIEW

Figure 1.8: Annual Median New Multi-Unit Completions



Source: UDIA; CoreLogic

Figure 1.9: Capital City Multi-Unit Pipeline by Status



Source: UDIA; CoreLogic

NATIONAL RESIDENTIAL MARKET OVERVIEW

CHARTER KECK CRAMER NATIONAL APARTMENT OUTLOOK 2025

**Richard Temlett, National Executive Director
Research, Charter Keck Cramer**



The apartment markets across Australian Capital Cities remain distorted and in various cities such as Melbourne have in fact broken down.

The dramatic increase in building costs, combined with a plethora of taxes, levies and charges, has caused the price delta between new and established apartments to become the widest it has been in the last two decades. This is making the feasible delivery of new apartments across most sub-markets almost impossible.

Charter Keck Cramer's discussions with the industry highlight that it is increasingly difficult for BTR projects to obtain equity funding given the significant risks and uncertainty in the market at present.

The figures from our National Proprietary Apartment & Townhouse Database illustrate that supply is going to remain at decade lows for the next 3-4 years, given supply is not able to be mobilized at scale. What this ultimately means is that the aspirational target of the Federal Government to deliver 1.2M new dwellings over 2024-2029 is highly unlikely to be achieved.

Charter Keck Cramer notes that underlying demand remains extremely strong. This is because Australia is an extremely attractive place to live and work and highly sought after by a wide range of overseas migrants. Apartment living has a major role to play across Australian cities given the structural changes in living preferences (living in apartments and renting for longer) that have become entrenched over the last 15 years. The longer-term outlook for the apartment markets across Australia look very positive as all the fundamentals remain and in fact are becoming more pronounced.

We anticipate several of the apartment markets across Australia to start to either improve or speed up over 2025 and into 2026 as rates stabilise and are cut, the Federal Election is decided, Federal and State Budgets are announced, and the Government is forced to respond to the housing and rental crisis. As we have previously highlighted, the speed of the change comes down to how quickly and meaningfully the RBA, APRA and the various levels of Government act to address these current issues.

It is however going to take time and significant Government intervention to allow the markets to unlock and revert back to market equilibrium. The RBA, APRA and all levels of Government need to come together with the private sector and all the tools and levers need to be pulled to turn things around. Drastic action is undoubtedly required to rectify the housing crisis and in fact our view is that the same mindset as was adopted by the Menzies Government after the end of World War II is now required to pull Australia out of this housing crisis.

NATIONAL RESIDENTIAL MARKET OVERVIEW



Preston Townhouses by Archier and MAB (VIC)

NATIONAL RESIDENTIAL MARKET OVERVIEW

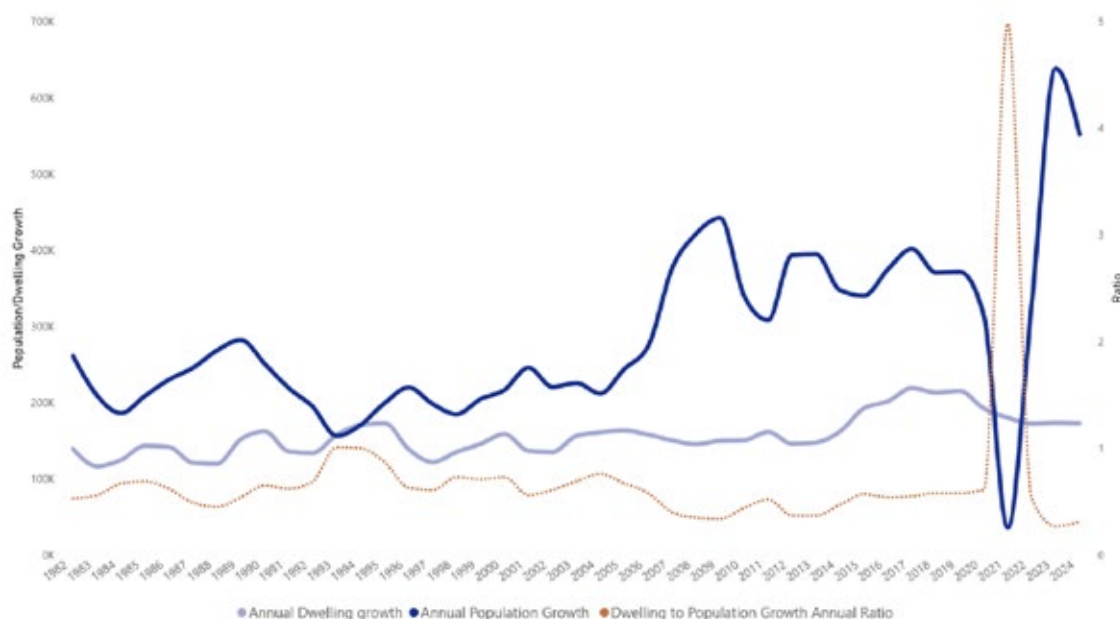
THE ECONOMIC STATE OF PLAY - SIX KEY FACTORS SHAPING FORWARD HOUSING MARKET PERFORMANCE

In recent years the UDIA State of the Land report has shone a spotlight on selected key economic factors that are expected to materially impact on Australia's new dwelling market over the coming 12 months. In this edition we focus on the following six economic features:

1. Population Growth Outstripping New Dwelling Production

- UDIA's long run analysis of national population and dwelling growth highlights a serious divergence in new dwelling supply not keeping pace with upward fluctuations in population growth.
- The long run annual average net population growth in Australia (1982 – 2024) has been around 279,000 and annual dwelling additions have averaged 156,000. This translates to a dwelling to population growth average of 0.68 per annum over the last 40 years.
- The significant uplift of population growth recorded from 2007 and maintained until the commencement of the pandemic in 2020 has now been dwarfed by the extraordinary net population growth of 638,000 recorded in the 2023, followed by 552,000 in 2024.
- There were a total of 173,200 dwellings completed in 2024 which equates to a dwelling to population ratio of 0.31 which maintains the lowest level this ratio has ever been, with only the Global Financial Crisis impacted period of 2007 and 2008 recording a ratio anywhere near this level when the ratio reached 0.35.
- Underpinned by an upswell in net overseas migration, the dramatic growth in population in the last two years is clearly not being met with a suitable growth trajectory of new dwelling production.
- Historically there is a significant lag between new dwelling supply ratcheting upwards to meet major upward alterations in demand. For reference there was around five years for aggregate dwelling production to elevate to a higher water mark to meet higher rates of population growth from 2007.
- The current trajectory of a significantly elevated population growth driven demand profile, against a declining supply profile indicates another phase looms of extremely strong housing value growth, very low rental stock availability and broad-based erosion of national housing affordability.

Figure 1.10: Annual Population Growth v Dwelling Growth, Australia



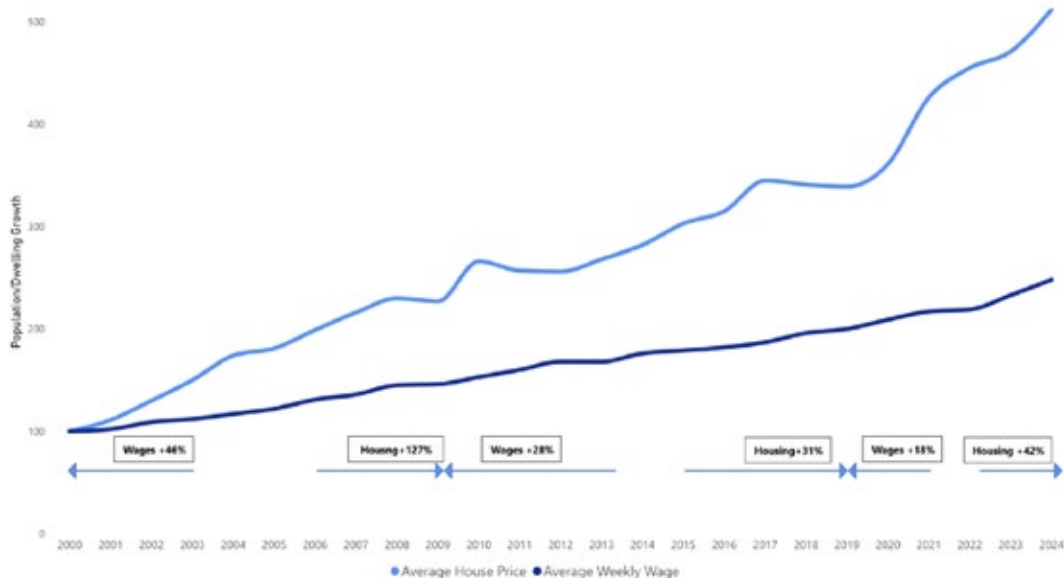
Source: UDIA; ABS

NATIONAL RESIDENTIAL MARKET OVERVIEW

2. Home Prices Continue Growing Faster than Household Income Growth

- Since the year 2000, average weekly household wages have grown at a considerably slower rate than house prices, with the divergence growing dramatically over the last four years – as highlighted in Figure 1.11.
- In 2000 the average weekly income (FTEs) was \$686 and the average house price was \$187,850 (combined capital cities). In the intervening 23 years to 2024, wages have grown by 148% (indexed terms) to \$1,700, while the average house price has grown by 412% to \$961,000.
- In the last four years alone the indexed house price has jumped 42% versus 18% growth in wages.
- The growing gap between average wages and house prices is driving deteriorating housing affordability outcomes across Australia. The latest estimates from CoreLogic reveal that it now takes an average of 50% of weekly income to service a new mortgage, up from around 36% in 2019. CoreLogic data also indicates that it takes the average borrower 10.6 years to save a 20% deposit, up from around 8.1 in 2019.

Figure 1.11: Dwelling Value to Income Ratio v Dwelling Completions, Australia



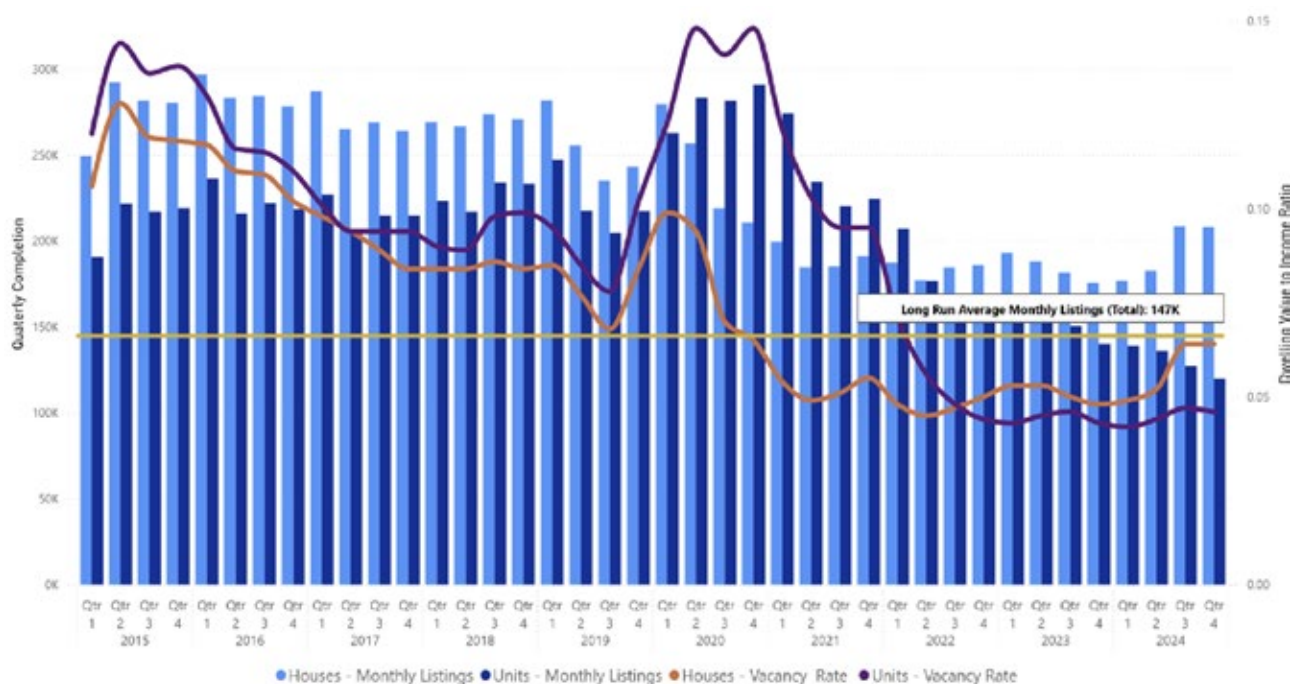
Source: CoreLogic; ANU; ABS. Note: Dwelling value to income is the 50th percentile valuation of a region, divided by the annual household income estimate

NATIONAL RESIDENTIAL MARKET OVERVIEW

3. Rental Markets Remain Significantly Under Supplied

- Australia remains locked in a rental housing market crisis. Aggregate rental listings remain at near record lows across all the major capital cities, however, there has been a gradual easing in the national house vacancy rates which ended 2024 at 2.3% (CoreLogic), which is now only modestly down from the long run average of 2.6%.
- However, major weakness still remains in unit market with December 2024 listings sitting at 35,800 nationally which is around half the long run average, and the lowest level of monthly listings recorded in over eight years.
- The rental vacancy rate for units was sitting at 1.5% at the end of December 2024 which is around half the long run average (3.1%) and where the national unit vacancy rate has remained since mid-2022.
- Across the last three years weekly average rental pricing has grown by 37% for units and 30% for houses to end 2024 at \$609 for units, and \$662 for houses.
- With the national population base now 7% larger than 2019 (+1.68 million), population growth remaining well above historic norms, low levels of new unit supply, and dwelling pricing elevating to levels unaffordable for increasing proportions of households, the outlook is the rental market will continue to remain under extreme pressure for the next two to three years.

Figure 1.12: Monthly Rental Vacancy Rate & Rental Listings, Combined Capital Cities



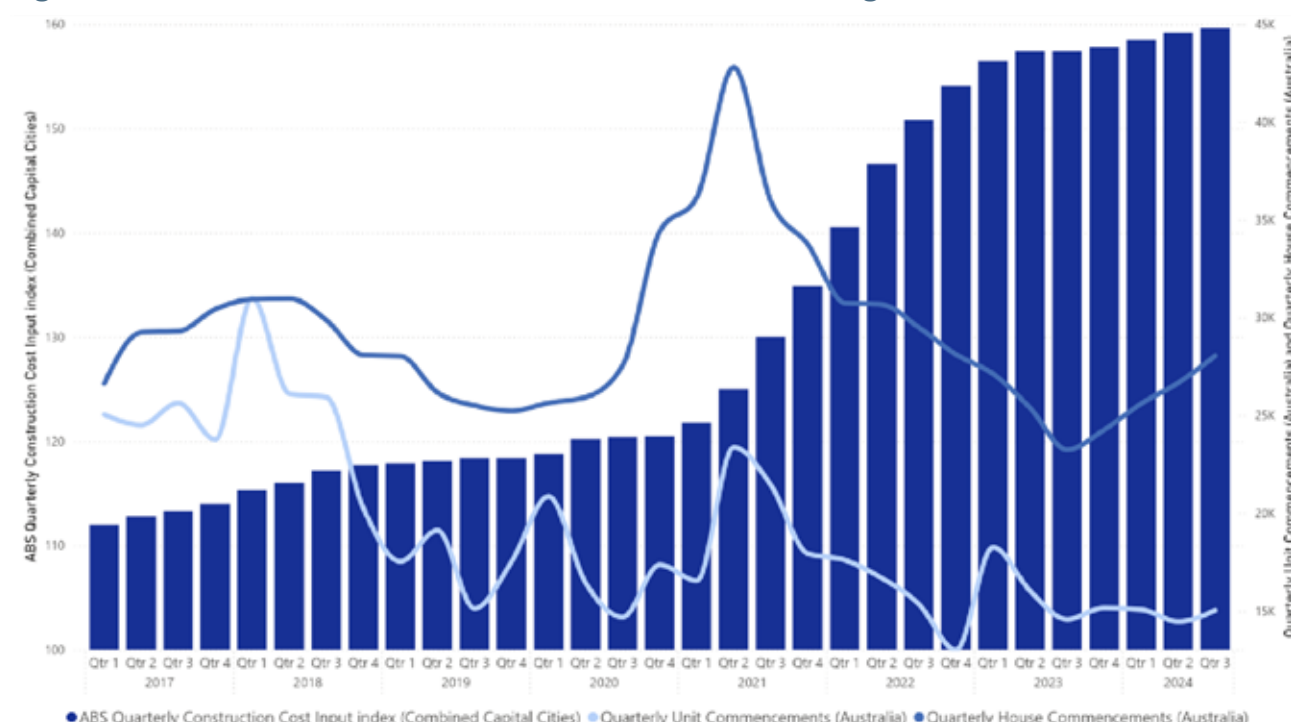
Source: UDIA; CoreLogic

NATIONAL RESIDENTIAL MARKET OVERVIEW

4. Elevated Construction Costs Driving Reduced Dwelling Commencements

- International supply chain disruptions due to the global pandemic, increasing freight costs and broad based production shortages had resulted in very significant construction material shortages which has continued to place upward pressure on housing construction input costs.
- At a national scale the Australian Bureau of Statistics (ABS) tracking of building material pricing for housing construction rose by 33% from the start of the pandemic to December 2023.
- Growth in construction costs appears to have peaked with 1.6% growth recorded across the 2024 calendar year. This appears to be a new high water mark with limited prospect of costs to return to pre-COVID levels meaning developers now have a new costs benchmark to work into project feasibilities.
- The ABS outline that the main contributors to positive growth in building materials across the year was concrete, cement & sand (+3.3%) driven by ready mixed concrete (3.6%) due to strong demand from other sectors of construction. Ceramic products (+2%) driven by clay bricks (3.5%), and timber doors (+6.1%) were other inputs putting upward pressure on the index.
- These price rises were partially off-set by falls in electrical equipment (-1.2%), driven by cable and conduits (-2.2%) which is related to falls in raw copper & crude oil prices for manufacturing.
- The recent easing of building costs has contributed to an uptick in detached house commencements, which have grown 21% in the four quarters to September 2024. Multi-unit starts however remain 21% lower than the long range average, and 52% lower than the peak achieved in March 2018.

Figure 1.13: ABS Construction Cost Index & National Dwelling Commencements



Source: UDIA; ABS

NATIONAL RESIDENTIAL MARKET OVERVIEW

5. Industry Capacity & Skills Deficits

- According to the Master Builders of Australia (MBA) there was around 775,700 people employed in the residential building & construction sub-sector Australia wide (as of May 2024). Residential building & construction is a sub-sector of the broader construction sector which collectively accounts for around 11% of all jobs across the nation
- According to the Australian Securities & Investments Commission (ASIC) almost 3,000 building companies collapsed across FY2024. This rate of builder fall over is up 28% from the previous financial year, with the construction sector remaining the largest category of insolvency across the nation.
- The demise of so many small, medium and larger scale building companies across the nation is clearly having a negative drag on the capacity of the industry to deliver the stock of new housing required to meet both the current demand profile as well as also address the long-standing under-supply of new homes supplied to the national market.
- Like within many parts of the economy, the residential construction workforce is ageing, and the recent MBA analysis highlighted that in CY 2023 41,934 construction apprentices commenced work in the sector, representing a 22% decline on the year previous.
- The MBA forecasts that the construction industry needs an additional 130,000 workers in order to reach the National Housing Accord 'stretch' target of building 1,2 million homes by mid-2029. This presents a very challenging net employment gain given the various challenges in attracting and retaining workers in the sector.
- Addressing the general and specific trade persons deficits evident across industry will remain a very important focus for UDIA advocacy across the coming 12 months.

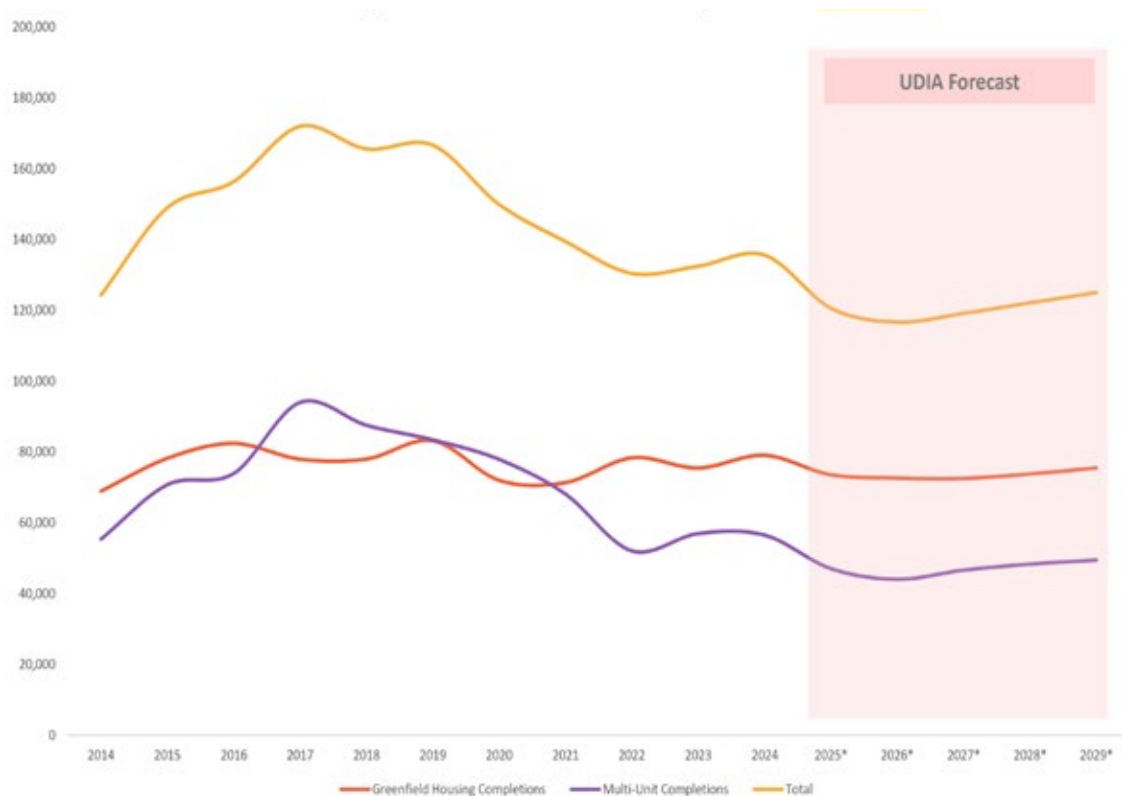


Rivean by Blueways Group (WA)

6. Forward Dwelling Supply Pipeline

- UDIA modelling² indicates there was 135,600 dwellings completed in 2024 in our assessment of combined capital city new residential market supply.
- The 2024 new dwelling supply quantum was a slight increase of 2.4% on 2023 completions driven by 4.7% uptick of the delivery of detached housing across the nation's greenfield release corridors.
- UDIA's modelling of current and forward pipeline activity indicates there will be a 11% drop in aggregate volumes of combined capital city new residential market supply delivered in 2025 to 120,660 aggregate completions, with multi-unit sector production weakness holding back improvements in greenfield sector delivery.
- There will then be a further reduction in aggregate supply in 2026 to 116,700 dwellings followed by a modest recovery over the back end of the five year forecast period with 2029 expected to yield around 125,000 new homes.
- Figure 1.17 presents the forward outlook for combined capital city dwelling production against the National Housing Accord target over the coming five years. This analysis indicates there will be around 393,000 dwelling shortfall which is underpinned by expectations of sustained weakness in the multi-unit sector.

Figure 1.14: UDIA Completions Forecast Combined Capital Cities



Source: UDIA; Research4; CoreLogic; Charter Keck Cramer

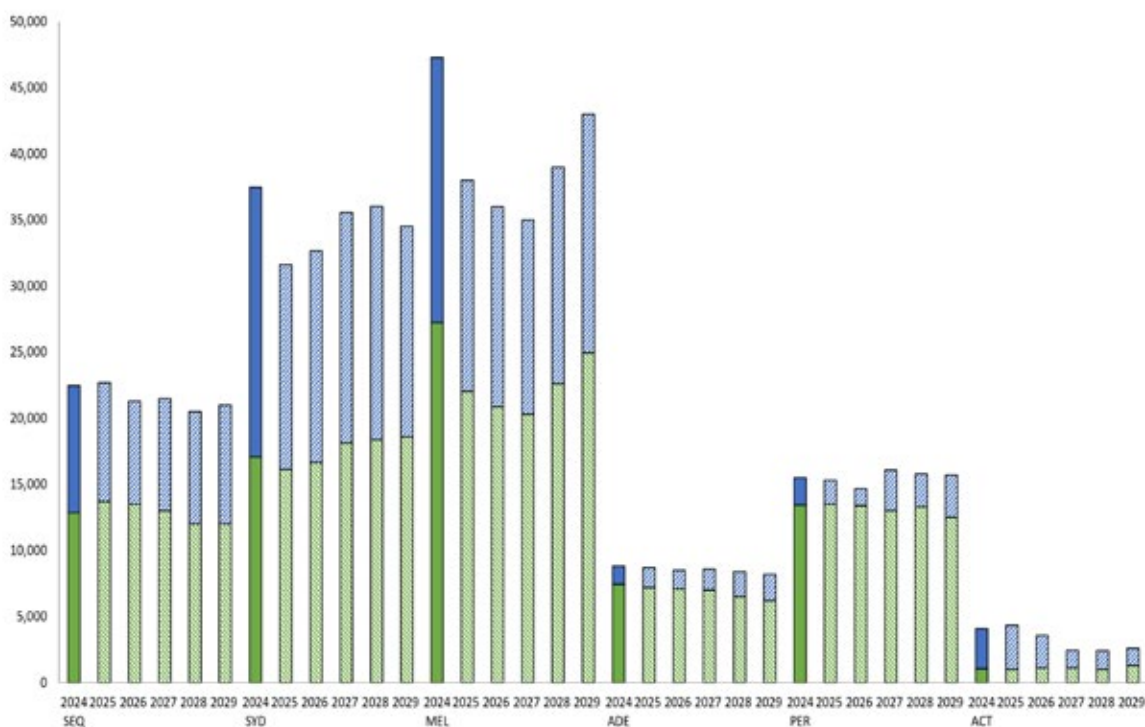
² UDIA forecast completions methodology has been updated in SOTL 2025 to capture whole of market construction activity. This provides direct comparison of State and National based dwelling delivery against targets, and involves a 'blended' assessment of CoreLogic, Research4, Charter Keck Cramer and Australian Bureau of Statistics input data to present a five year outlook of aggregate dwelling production.

NATIONAL RESIDENTIAL MARKET OVERVIEW

Capital City New Dwelling Supply Annual Growth Forecasts (2024 to 2029)

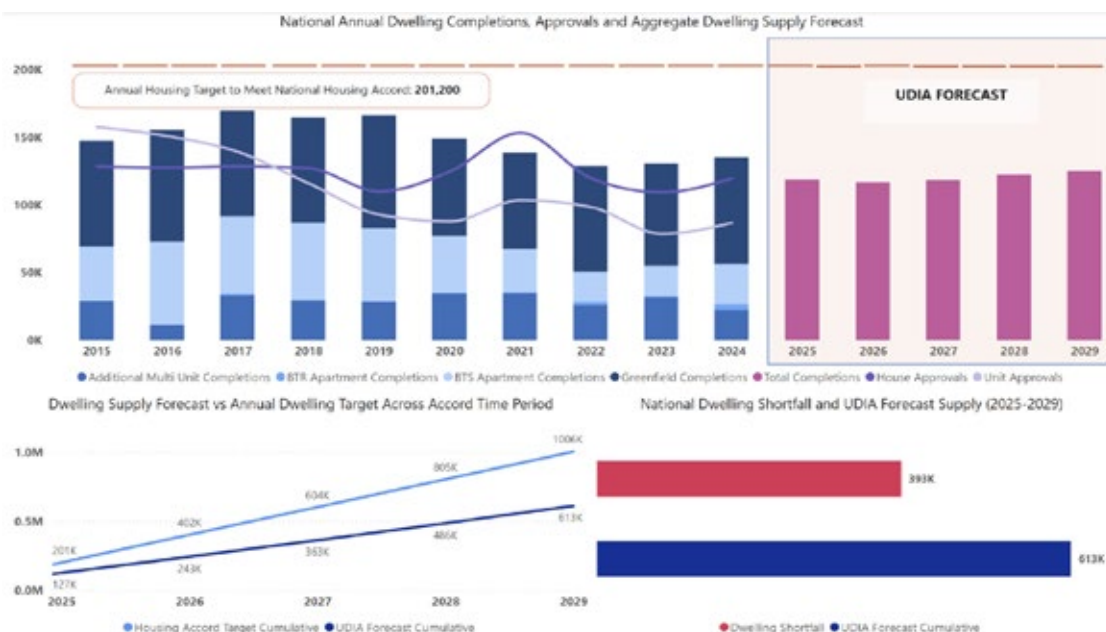
- **Greater Sydney:** The forward outlook for new dwelling completions has weakened over the last twelve months with further erosion of greenfield activity weighing down aggregate production output in 2025 and 2026 to the lowest volumes to be completed in a decade across the mega-region.
- **Greater Melbourne:** Dwelling production is forecast to decline by 20% in 2025, followed by a further decline of 5% in 2026 before a modest improvement in production volumes from 2027.
- **SEQ:** While greenfield completions are expected to lift by 7% in 2025. On-going weakness in unit supply is set to keep aggregate dwelling production down around 10% to 15% on the decade average over the coming five years.
- **Greater Perth:** Aggregate production in 2025 will remain around 2024 levels (~15,000) dwellings for each of the next five years.
- **Greater Adelaide:** On-going weakness in unit supply will be compensated by uplift in greenfield production with detached house completions set to be around 25% higher than the decade average.
- **ACT:** Severe weakness in the greenfield sector will not adequately compensate for uplift in multi-unit production with 2025 production forecast to be around 40% below the decade average.

Figure 1.15: UDIA Completions Forecast



Source: UDIA; Research4; CoreLogic; Charter Keck Cramer

Figure 1.16: UDIA Completions Forecast, Combined Capital Cities

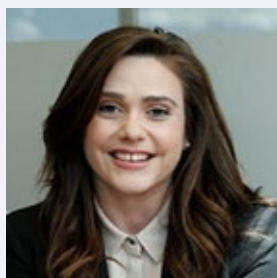


Source: UDIA; Research4; CoreLogic; Charter Keck Cramer

CORELOGIC NATIONAL RESIDENTIAL MARKET OUTLOOK 2025

CoreLogic

Eliza Owen, Head of Australian Research, CoreLogic



Australian housing markets have started the year on a softer note, with values either declining or losing momentum in the rate of growth across most regions. CoreLogic's national Home Value Index peaked in October 2024, following a 14.4% rise over the preceding 21 months, and has since recorded a subtle decline of -0.3% as of the end of January 2025.

Some regions, such as Melbourne, regional Victoria and Hobart, have recorded larger falls, while the mid-sized capitals, which have recorded double digit annual gains over the past year, are now also losing steam.

The levelling out in housing values can be attributed to a reduction in demand, as population growth winds down and affordability constraints bite, but also a lift in advertised supply, with vendor activity lifting through spring and early summer.

The downturn in housing markets is likely to be a shallow and short lived one. A gradual shift towards lower interest rates should support demand and boost sentiment, and ongoing supply side challenges for newly built housing are also likely to keep a floor under value falls.

However, headwinds, such as housing affordability challenges and a cautious lending environment, are likely to persist, preventing the housing market from embarking on a renewed cycle of significant growth.

Delivering new housing supply is likely to remain a key challenge in 2025, with construction costs expected to trend higher from an already lofty base. Project feasibility amid high labour and input costs, as well as high holding costs and ongoing competition for labour and materials from the non-residential sector, will continue to weigh on the residential construction sector.

UDIA'S NATIONAL FOCUS FOR THE YEAR AHEAD

With the 2025 Federal election just around the corner, UDIA recently released our national policy platform entitled: “Fast Track Housing Delivery” which features a suite of actionable policies and reforms that will bolster home ownership, dwelling supply, housing affordability for ordinary Australians and provide more affordable housing.

Many of the solutions we propose are relatively straightforward, but necessary to resolve the housing crisis. It is an opportune time to use industry to drive better economic outcomes.

Solving the housing crisis means reining in costs, boosting supply and accelerating productivity. Every dollar on housing generates \$2.90 in the wider economy and 9% of Australia’s economic activity.

Australia is continuing to struggle to deliver against the National Housing Accord (Accord) target of 1.2 million new homes over 5 years, due to high construction costs, skilled labour shortages, scarce development ready land, choked infrastructure delivery, high tax burdens and inefficient planning & environmental approval processes.

In this year's State of the Land report we provide an estimate of a circa 393,000 home shortfall by 2029 of a circa 393,000 home shortfall by 2029 unless we address the roadblocks that persist. We address the roadblocks that persist from lack of upfront housing incentives across Government agencies to target market problems:

- Lack of development ready land – open up land zoning and coordinate services.
- Lack of enabling and supporting infrastructure – fund infrastructure that unlocks housing.
- Slow and complex planning – incentivise halving of planning times and density bonuses.
- Lack of incentives for new dwellings across the continuum - including median priced housing.
- Slow & complex environmental approvals – implement state led single, simple approval pathway.
- Lack of skilled workers – prioritise skilled housing labour migration.
- Multiple layers of tax, charges/fees, & growing imposts, ultimately increasing housing costs.

We have two market challenges in housing that must be addressed together:

- Supply of affordable and social housing – existing

Civic Heart by Finbar (WA)



policies are the first steps for housing; and

- Supply of median priced housing for middle Australia – we need initiatives for private housing providers to expand delivery of housing.

Given the below par volume of aggregate new dwelling starts over the past two years, the nation will need to build an eye watering 300,000 dwellings p.a. for the remaining three years to meet the Accord target – an annual volume of new home production never before achieved in Australia.

The Housing Australia Future Fund (HAFF), and Accord aim to build around 40,000 of the target homes as affordable and social dwellings.

This means the lion's share (97%) of the 1.2m target relies on private development and delivery across the entire housing spectrum.

Unfortunately, about 85% of housing is delivered by smaller to medium sized organisations (SME's) that cannot access the HAFF due to scale. We need market-wide solutions to reach our targets.

Many private developers and builders continue to sit on the sidelines in the face of cost and finance risks, at a time we need them to significantly increase capacity.

We need more market-wide initiatives that ramp up housing capacity and productivity to deliver new at-market and affordable homes for Australians. UDIA recommendations will unlock supply and housing in three major areas and include:

Housing:

- Build the Homes we need – incentives to boost housing for middle Australia, double funding for the HAFF and First home buyer guarantee, increase the Accord bonus with upfront incentives.
- Fast-Track Housing Infrastructure – create a \$5bn Federal enabling infrastructure fund, partial Accord bonus for upfront infrastructure, collaborate with industry to manage skills capacity.
- Release More Land Supply – Incentives for development ready land and halved planning times, unlock surplus Government land, establish independent housing performance metrics.

Environmental:

- Housing Strategies for the Environment – Clear the EPBC housing approval backlog, State & Federal aligned EPBC approvals, align green initiatives & tools for greenfield development.

Industry Critical Initiatives:

- Boost Housing Capacity – Incentives to increase stamp duty thresholds, freeze property fees/remove taxes, prioritise housing-skilled migrants. Stop constant changes in the National Construction Code.

UDIA looks forward to continuing to work with the incoming Federal Government to help shape the future of Australia's housing sector.





SUMMARY



- The South East Queensland (SEQ) region recorded a rebound in greenfield purchaser activity in 2024, lifting 58% on 2023 volumes, to record almost 11,000 annual sales and return to a normalised level of annual greenfield land sales.
- However, activity remained subdued in the new multi-unit sector with apartment and townhouse sales remaining at decade lows and weighing down the forward pipeline.
- A combined total of 22,470 new dwellings were completed in 2024 across the SEQ's greenfield release and multi-unit sectors. This reflects a similar level of aggregate dwelling production to the last three years however this new residential market supply level is around 10% lower than the long run average.
- UDIA is forecasting¹ new dwelling supply completions will remain at a similar output level in 2025 across SEQ and then begin to retract modestly in the following three years, driven by further contraction in multi-unit production, which will not sufficiently complement the upswing expected in homes being completed in the greenfield growth corridors.
- Aggregate completions are forecast to undershoot the National Housing Accord's annual dwelling target of 36,180 (based on a population-based share of 1.2 million homes over the forward years) by between 37% and 43% over each of the coming five years, with a combined 'supply gap' of roughly 74,000 dwellings.

¹ UDIA forecast completions methodology has been updated in SOTL 2025 to capture whole of market construction activity. This provides direct comparison of State and National based dwelling delivery against targets, and involves a 'blended' assessment of CoreLogic, Research4, Charter Keck Cramer and Australian Bureau of Statistics input data to present a five year outlook of aggregate dwelling production.

Newport by Stockland (QLD)



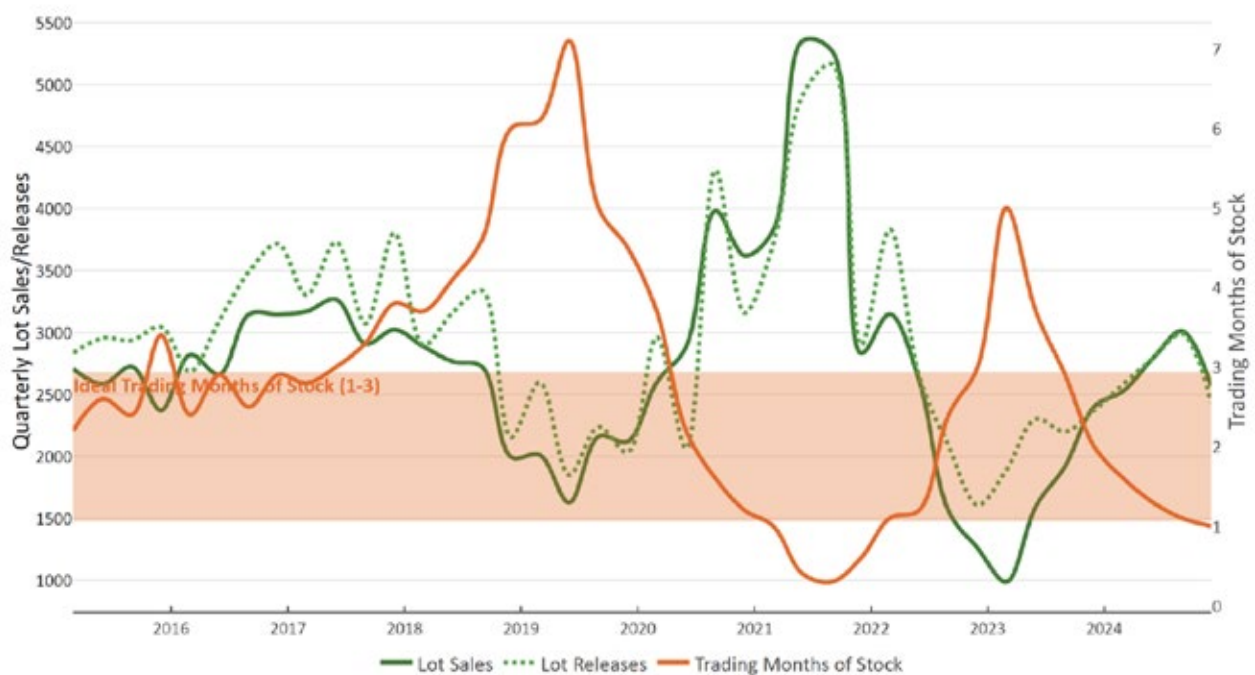
QUEENSLAND

GREENFIELD MARKET ANALYSIS

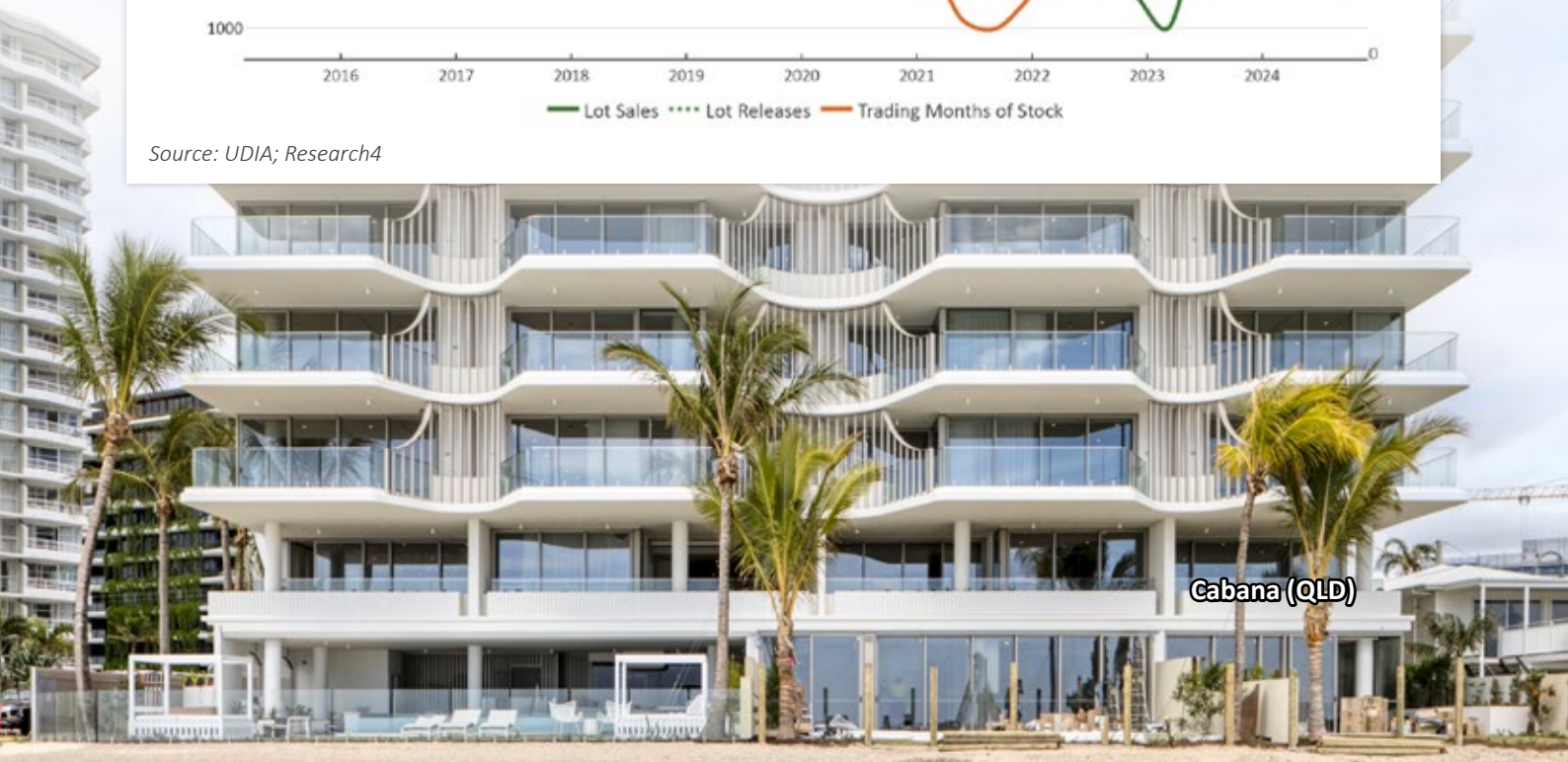
Sales and Release Activity

- The SEQ greenfield market recorded a 58% increase in land sales in 2024 which followed a 19% decline in sales volumes from the preceding year.
- The aggregate volume of transactions in 2024 was 10,890 which is around the decade average, but 37% below the peak of 2021. Sales picked up across the year and peaked with the September quarter recording 3,009 net sales, which is double the volume recorded in the June quarter 2023.
- The up-turn in sales activity in SEQ was around twice the pace of growth achieved nationally and accordingly SEQ averaged 28% of total sales activity across the nation – up from the decade average of 22%.
- Responding to the improved demand profile, developers released 23% more lots than in calendar year 2023, with 10,796 lots launched to market- however this volume was still 8% lower than the decade average.

Figure 2.1: Greenfield Market Activity



Source: UDIA; Research4



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Stock Levels

- At the close of the December quarter 2024 the number of residential lots on a price list was equal to 1.0 months of demand – remaining outside of the ‘ideal trading band’ of 3 – 5 months worth of stock for the second year running.
- The volume of available stock remaining unsold for sale at the close of the December quarter was 44% lower than at the beginning of the year. The increase in demand witnessed in the second half of the year has eroded supply lines and if maintained will continue to put inevitable upward pressure on land pricing.

Greenfield Projects

- There was an average of 141 active trading estates across SEQ for the year which represents an increase of 5% from 2023.
- The average annual production volume of active estates increased in 2024 to 77 lots (up from 51 in 2023) which is around the decade average estate production level.

Greenfield Land Prices and Values

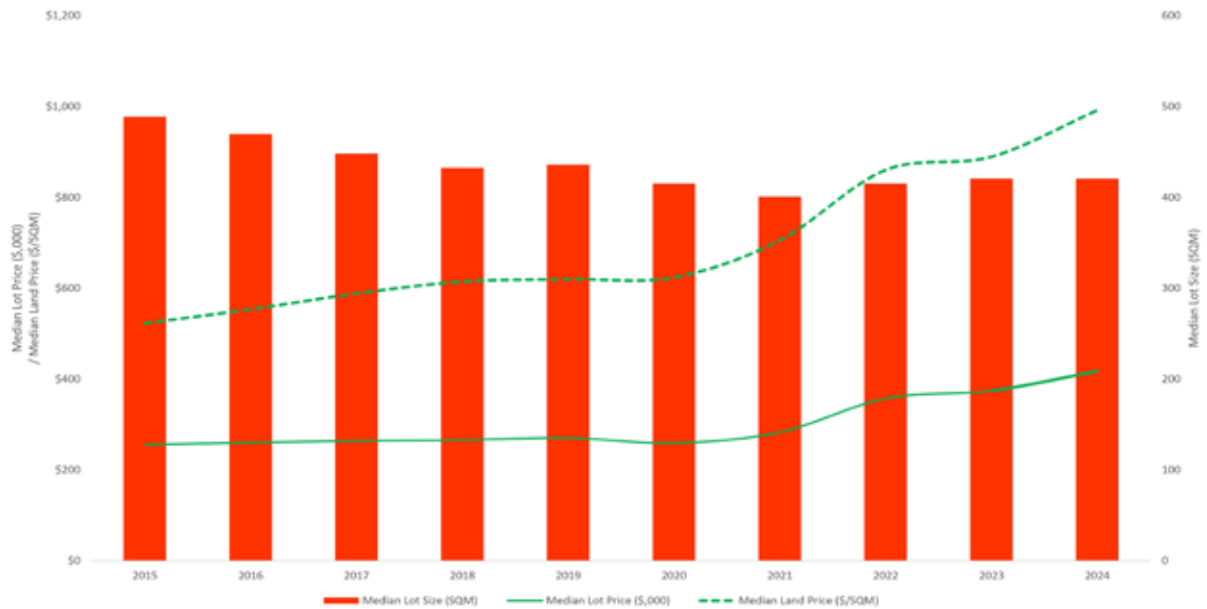
- SEQ’s average annual median lot price lifted by 11% across 2024 to \$417,000, which compares to a 5% lift recorded the previous year.
- Price growth occurred steadily across the four quarters of 2024, with the final median price point marking the first time SEQ lots have exceeded \$400k and at year end had SEQ reclaiming the mantle (off Melbourne) of the third most expensive lots in the nation, after the Sydney Megaregion (\$667,000) and the ACT (\$651,750).
- SEQ new land has traditionally been priced at 52% of the Brisbane median established house price. Over the past 5 years the average has dropped to 47% of the median Brisbane house price.
- The median lot size remained at 421 sqm across 2024, which is 1% smaller than the lot size recorded at the end of 2023.
- In line with the rate of median lot price growth, land prices across SEQ increased across the year growing by 11% to average \$992 psm for 2024. The current land price per square metre positions SEQ as 39% more affordable than Sydney and 11% more affordable than Melbourne.





QUEENSLAND

Figure 2.2: Median Lot Price, Land Price (\$/sqm) and Median Lot Size



Source: UDIA; Research4

Greenfield Market Performance Summary Table

	Annual Net Land Sales	Average Number of Active Estates Per Quarter	Median Lot Size (SQM)	Annual Median Lot Price	Annual Median Land Price (\$/SQM)
2014	10,909	169	509	\$245K	\$481
2015	10,383	144	489	\$256K	\$523
2016	11,773	143	470	\$260K	\$554
2017	12,366	166	448	\$264K	\$588
2018	10,370	193	433	\$266K	\$614
2019	7,916	174	436	\$270K	\$620
2020	13,084	186	415	\$259K	\$624
2021	17,283	128	401	\$283K	\$705
2022	8,570	104	415	\$357K	\$860
2023	6,904	134	421	\$374K	\$889
2024	10,893	141	421	\$417k	\$992

Source: UDIA; Research4



RESEARCH4 GREENFIELD OUTLOOK 2025

South East Queensland

The 2024 year ended with sales activity closely representing long running averages. The market has been on a determined pathway of improvement since the bottom of its cycle in Q1-2023. Like a person who realises that they are falling behind in the fitness stakes, SEQ has been top of the class in terms of personal improvement since 2023. However, for the market to push past or hold at current levels it will require something special. That something special will be an influx of additional demand. Based on population data, it would appear that the markets' ability to keep attracting high volumes of interstate demand is unlikely. Net Interstate Migration numbers have been falling for the past three years, although still recording solid positive intakes.

In 2024, the SEQ Greenfield market saw a surprising increase in land values. This should have been expected because the established housing market in 2023 recorded an impressive 11% increase. When the housing market gains, the land market typically follows a year later, as shown here.



With house prices recording a modest improvement in 2024, and land prices ending the year 8.5% above fair value, the theoretical outlook is that land price growth for 2025 will be subdued. This scenario may change if investor activity remains at current levels.

The outlook for 2025 anticipates a further moderation in sales volumes. It is expected that volumes will fall below 800 lots per month, with a worst-case scenario projecting activity as low as 600 lots per month. The final outcome will depend on investor sentiment towards the 2025 market. Regarding industry capacity, it is likely that the margin between capacity and demand will be balanced. For there to be significant upward pressure on pricing, activity levels in 2025 would need to exceed 900 lots per month.

The market has been able to keep up the rate of new estates in 2024, although the estates are smaller than average. As with all markets but especially with the SEQ market, the configuration of each submarket will present a different version of risk.

MULTI-UNIT INFILL ANALYSIS

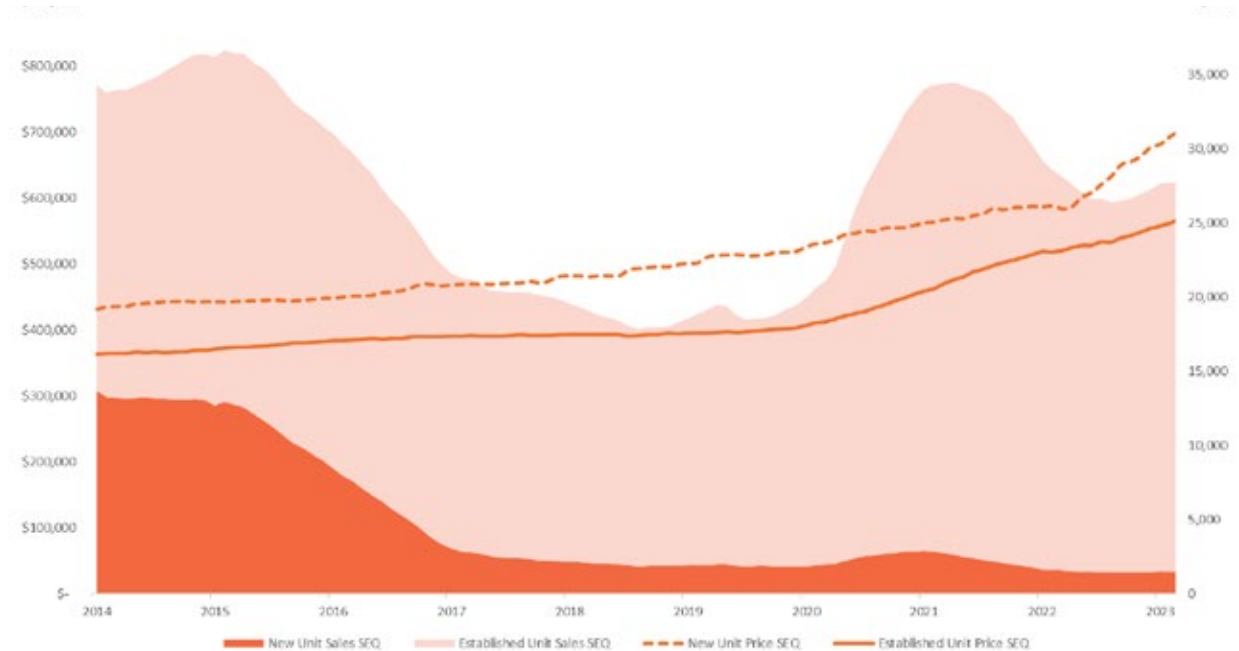
Sales Activity

- Sale volumes of newly built apartments and townhouses across SEQ remained at very depressed levels across 2024 with a total of just 1,668 transactions which is 67% lower than the decade average. Historically, SEQ accounts for around 13% of all new unit transactions across the nation, but in 2024 the southeast corner delivered just 8.4% of national supply.
- Sales of new units represented just 6.0% of all unit sales activity across 2024, which is less than a third of the proportion of new sales activity expected from the long-term trend.



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Figure 2.3: Multi-Unit Sales, Established & New Sales (Settled)



Source: UDIA; CoreLogic

Median Unit Pricing

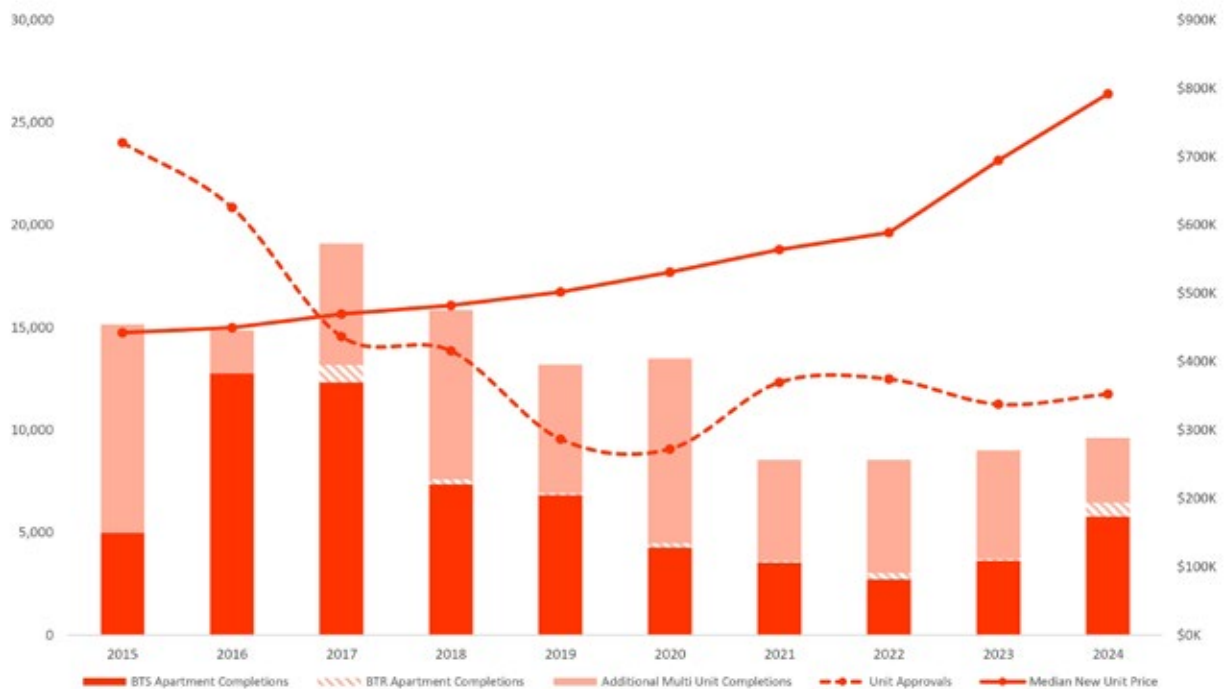
- The median sale price of new units grew by 14% across the year in SEQ to \$792,155, which was similar to the price growth observed in the broader established unit market at 14%.
- Underpinned by very low supply and a 'flight to quality' towards new product launches the SEQ new unit market price growth in 2024 was two times the capital city average.
- The current median sale value of new units is currently 11% more affordable than the median value for new houses, which is marginally higher than the long-term average of 9% cheaper, and represents a positive retail proposition for the market – particularly first home buyers.

Construction Activity

- There were 9,617 new multi-unit dwellings completed across SEQ in 2024. This is an annual increase of 7% on 2023 completions, and a 45% decline on the historic high achieved in 2017.
- According to Charter Keck Cramer estimates Build to sell (BTS) apartments comprised 72% of total multi-unit production in 2024, and is marked by an almost doubling of completed stock to 6,930 units.
- Build to rent (BTR) apartment completions also jumped significantly in 2024 with 680 units completed, which is up from 77 in 2023, and now commensurate with the decade average.
- Approvals for multi-units firmed in 2024 with an FY24 volume of 13,000 which is 4% uptick on 2023 volumes, but still remained 11% lower than the decade average. This volume of unit approvals is 53% lower than peak annual approvals achieved in 2018, underscoring UDIA expectations of a prolonged period of reduced aggregate construction multi-unit activity ahead.



Figure 2.4: Median New Unit Price & Annual Unit Completions



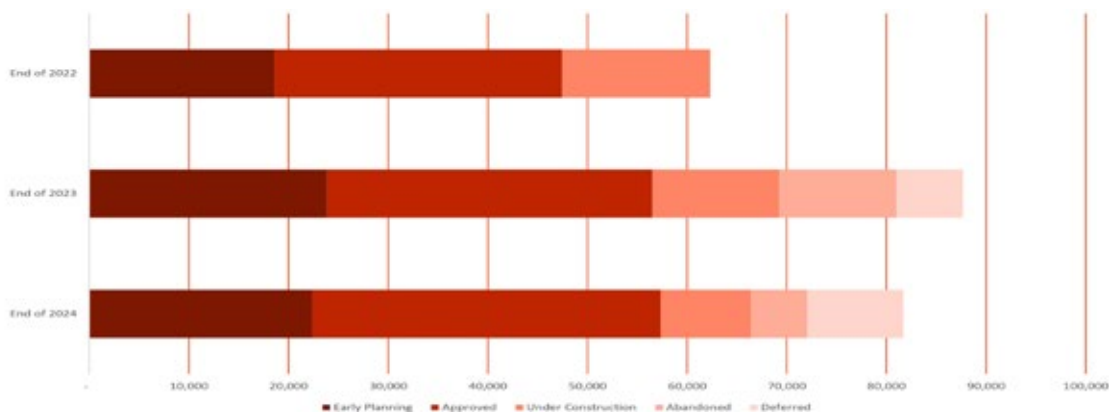
Source: UDIA; CoreLogic

Multi-Unit Pipeline Analysis

CoreLogic has produced point-in-time estimates of the multi-unit pipeline based on a December 2023 and December 2024 snapshot of the market leading Cordell Construction database.

- This data analysis reveals that there is an aggregate total of 66,393 units in the SEQ active pipeline, which is 4% lower than the supply recorded in December 2023.
- This active supply is made up of units in the early planning phase (down 6% from 2023), which have received approvals (up 7% from 2023) and units under construction (down 29%).

Figure 2.5: Multi-Unit Pipeline

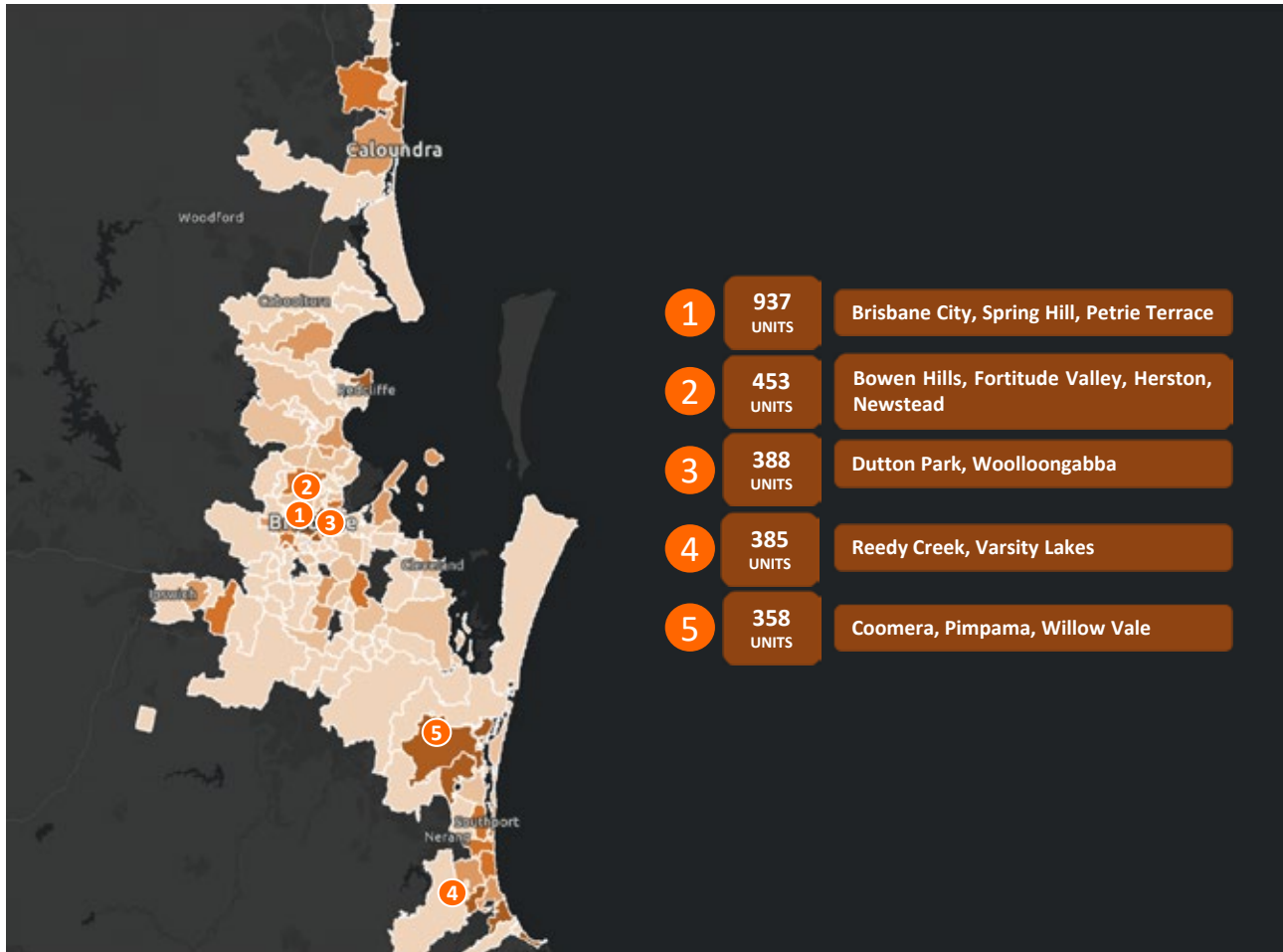


Source: UDIA; CoreLogic

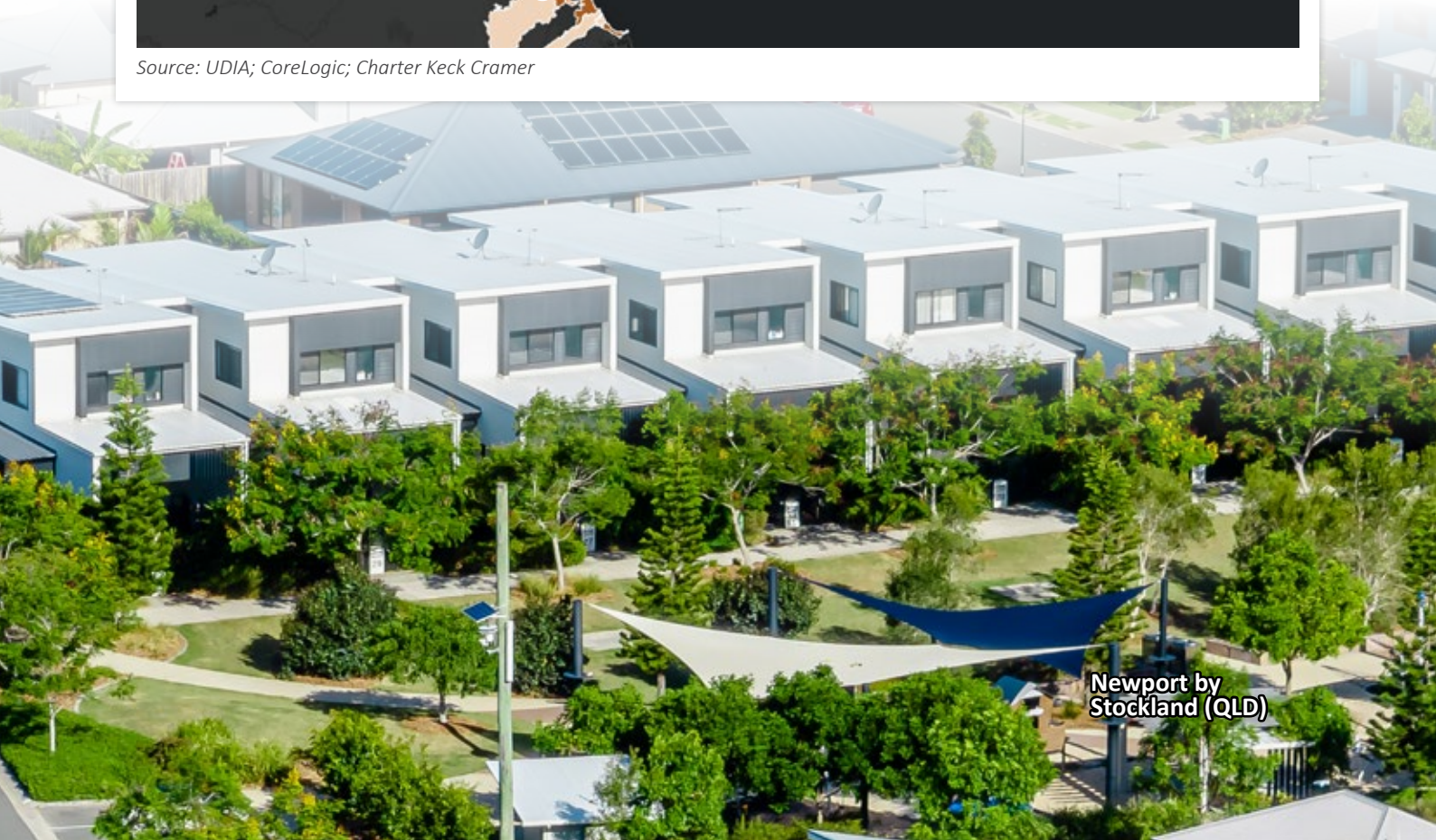


QUEENSLAND

Figure 2.6: Multi-Unit Completions by Postcode



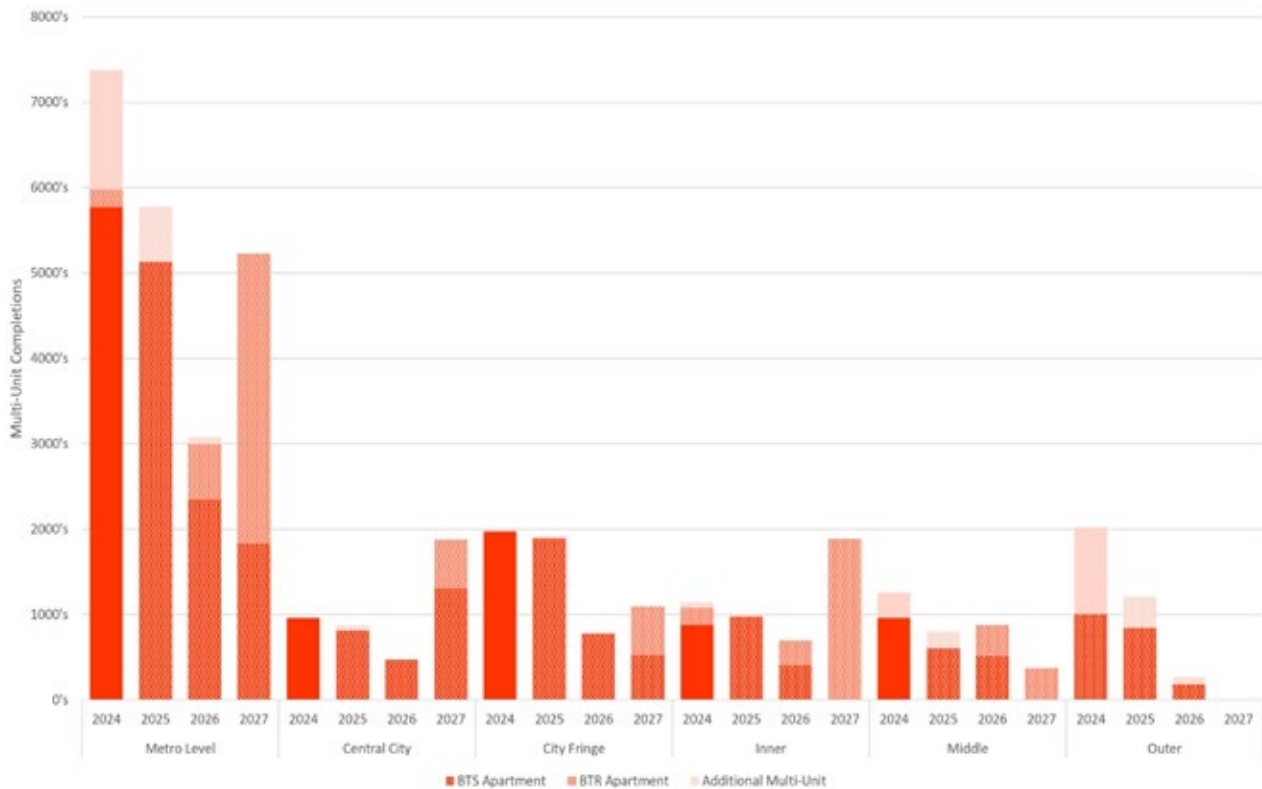
Source: UDIA; CoreLogic; Charter Keck Cramer



QUEENSLAND



Figure 2.7: Multi-Unit Active Supply by Subregion



Source: UDIA; Charter Keck Cramer

Multi-Unit Market Performance Summary Table

Year	New Unit Sales ¹	Median New Unit Price ¹	Unit Approvals ³	BTS Apartment Completions ²	BTR Apartment Completions ²	Additional Multi Unit Completions ³	Unit Completions ³
2015	12,936	\$443K	24,024	5,003	0	10,154	15,157
2016	7,968	\$450K	20,858	12,753	0	2,108	14,861
2017	2,857	\$470K	14,568	12,338	845	5,915	19,098
2018	2,130	\$483K	13,865	7,363	233	8,258	15,854
2019	1,926	\$502K	9,566	6,829	93	6,273	13,195
2020	1,916	\$531K	9,080	4,280	200	9,013	13,493
2021	2,817	\$564K	12,330	3,528	89	4,936	8,553
2022	1,595	\$589K	12,488	2,704	328	5,519	8,551
2023	1,502	\$695K	11,258	3,622	77	5,309	9,008
2024	1,633	\$792K	11,756	5,775	680	3,162	9,617

Source: UDIA; CoreLogic¹; Charter Keck Cramer²; ABS³



QUEENSLAND

CORELOGIC 2025 OUTLOOK

CoreLogic

Queensland

Strong housing conditions have continued across the Queensland market, with Brisbane and Regional Queensland maintaining a double-digit annual growth rate in dwelling values over the year to January 2025, up 10.4% and 10.3% respectively.

However, growth conditions are losing momentum, with the quarterly pace of gains peaking across Brisbane in mid-2023, and mid-2024 across regional Queensland markets.

The strongest growth conditions across Queensland have transitioned to the central and northern regional markets, with areas like Townsville, Gladstone and Mackay recording 20%+ growth in home values over the past year.

Strong economic conditions along with a raft of major infrastructure projects, both planned or underway, are likely to support migration rates and housing demand over the coming years. At the same time, it's difficult to see new housing supply keeping pace with population growth amid feasibility challenges and ongoing competition with the non-residential sector for labour and materials.

With housing values expected to rise further, albeit nowhere near as rapidly as the past few years, housing affordability is likely to remain a key challenge across the state, amplified by a lack of new housing supply.

Figure 2.8: New Residential Market Supply



Source: UDIA; Research4; CoreLogic; Charter Keck Cramer; ABS

Marina Residence by Maidment Group (QLD)

STATE POLICY ENVIRONMENT

Key Industry/Market Issues

The Queensland community grapples with an affordability crisis characterised by continuing rising home prices and rents and low rental vacancies. New lot delivery falls significantly short of meeting the market's demand in the Southeast Queensland (SEQ) and other regions even at the elevated prices and interest rates we presently face. This is a consequence of slow approval processes, and with local government infrastructure agreement negotiations placing infrastructure requirements on greenfield land estates that it is unviable to meet. Labour shortages have modified for greenfield as detached home approvals declined and extreme construction costs are impacting the multi residential sector. Personnel shortages remain a crippling concern in regional areas.

The slew of regulatory reforms and other changes during 2024 or earlier, that impacted the efficient delivery of housing or other project viability continue to have an impact. These include revisions pertaining to electricity works requirements, waterways, seller disclosure requirements, land sales sunset clauses, National Construction Code, and Land Lease Community rent restrictions. The Environment Protection and Biodiversity Conservation Act requirements commonly affecting projects in the state can add years of delay to the housing supply process. Some relief has been seen with pausing of higher building requirements, costs on state projects that were flowing through to industry, and expansion of the reach of project trust accounts.

State Policy Priorities

In these dynamic circumstances, UDIA Queensland advocated for a pause on regulatory changes that impede the industry's ability to expeditiously deliver projects. UDIA Queensland has also successfully advocated for State Government intervention with additional state infrastructure funds to unlock housing projects, enhanced easement delivery, and a shared equity scheme. These measures can assist to better align housing delivery with population growth and undersupply challenges.

Future Prospects

A new state government has made commitments to new catalytic infrastructure funds for housing projects and red tape reductions, both of which have the potential to improve industry conditions. A productivity review of the construction industry is also set to occur this year. How this develops is to be seen, and UDIA Queensland remains committed to collaborating with both state and local authorities to advance initiatives facilitating housing delivery and addressing the multifaceted challenges hindering housing provision statewide.



DEVELOPER INSIGHT



Mike Loney

Joint Managing
Director, Ausbuild

The South East Queensland housing market continues to grapple with significant affordability challenges, with rising home prices, low rental vacancies, and a persistent shortfall in new lot supply. Despite strong demand, delivering homes at the pace required remains difficult due to slow approval processes, infrastructure funding constraints, and the complexity of regulatory reforms. While labour shortages in the greenfield sector have eased somewhat, high construction costs continue to impact both detached and multi-residential projects.

As an industry, we must work collaboratively with government to streamline approvals, ensure infrastructure delivery is viable, and remove barriers that hinder housing supply. With commitments to new infrastructure funding and red tape reduction, there is an opportunity to reset and refocus on unlocking much-needed housing supply. Developers remain committed to delivering well-connected, sustainable communities that meet the evolving needs of Queenslanders, but achieving this will require ongoing industry and government alignment to address these pressing challenges.

**Upper House by Aria Property Group
(QLD)**



SUMMARY



- Activity across the Greater Sydney Megaregion (Greater Sydney) new home market remained muted in 2024, with a pick-up in greenfield land activity being counter-balanced by further weakness in the multi-unit sector, with annual sales down 58% on the long run average.
- Consumer sentiment remained fragile for the new build dwelling segment across much of the year driven by on-going cost of living pressures, record high retail pricing and on-going constraints for new product supply.
- The moderation of dwelling sales performance also relates to an on-going market normalisation phase following the significant pull-forward of demand due to the government stimulus across 2020 and 2021.
- A combined total of 37,480 new dwellings were completed in 2024 across the greenfield and multi-unit (infill) sectors. This reflects a 4% reduction on 2024 production and is 16% below the decade average.
- UDIA forecasts of new residential supply completions ¹will remain depressed for much of the next five years to 2029, driven by structural weakness in multi-unit production. Aggregate completions are forecast to undershoot the NSW Government's annual dwelling target for the Greater Sydney Megaregion of 64,400 by 51% in 2024 and 49% in 2025 with a five year dwelling supply to target gap of circa 150,000 dwellings.

¹ UDIA forecast completions methodology has been updated in SOTL 2025 to capture whole of market construction activity. This provides direct comparison of State and National based dwelling delivery against targets, and involves a 'blended' assessment of CoreLogic, Research4, Charter Keck Cramer and Australian Bureau of Statistics input data to present a five year outlook of aggregate dwelling production.

One Sydney Harbour
Residences One (NSW)

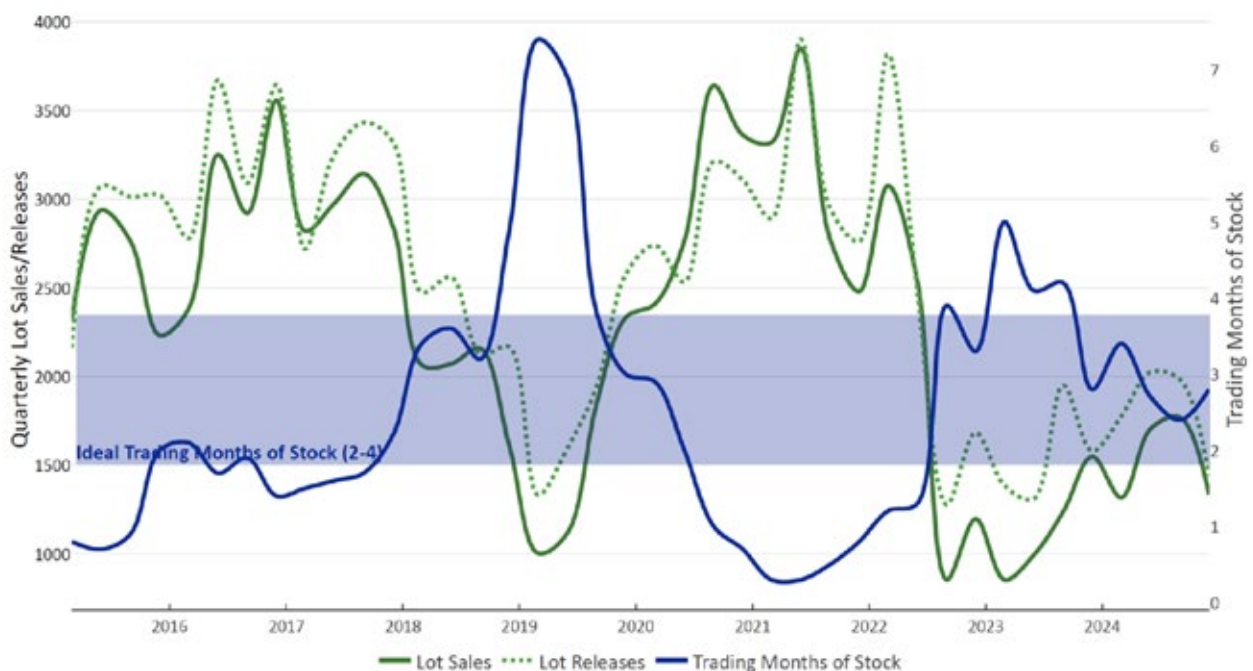


ANNUAL GREENFIELD ACTIVITY

Sales and Release Activity

- In 2024, the Greater Sydney megaregion's greenfield market saw a notable turnaround, with annual land sales increasing by 32% to reach 6,128 contracted sales. This marked a significant recovery from the previous year's decline.
- In 2024, the Greater Sydney megaregion's greenfield market demonstrated a strong recovery across the year, with the March quarter recording 1,318 sales. This continued to build up until the September quarter where the highest level of the year was reached at 1,770 sales. This upward trend highlighted a significant improvement in market activity compared to 2023.
- Sales volumes were 36% lower than the decade average, while its national share of greenfield sales was 16%. Although this reflected an improvement compared to recent years, it remained below the 19% average from across the last decade.
- Responding to the improved demand profile, developers released 16% more lots than in 2023 with 7,220 launched to market. Despite this improvement, annual releases remained 28% lower than the decade average, and was 42% below the stock volume released in 2021.

Figure 3.1: Greenfield Market Activity



Source: UDIA; Research4

Vista Park by Sheargold (NSW)



Stock Levels

- At the close of the December Quarter 2024, the number of residential lots on a price list was equal to 2.8 months of demand. This figure remained slightly below the ideal trading volume of 3 to 5 months' worth of supply.
- The volume of available stock remaining unsold for sale at the close of the December quarter was 44% lower than at the beginning of the year. The increase in demand witnessed in the second half of the year has eroded supply lines and if maintained will continue to create upward pressure on land pricing.

Greenfield Projects

- In 2024, the Greater Sydney megaregion experienced an up-tick in sales, with an average of 129 active trading estates across the year. This represented a 1% uplift compared to 2023. However, as per previous years, most of these new estates were small in scale, with the majority entering the market at around 60 lots in size.

Greenfield Land Prices, Lot Sizes and Values

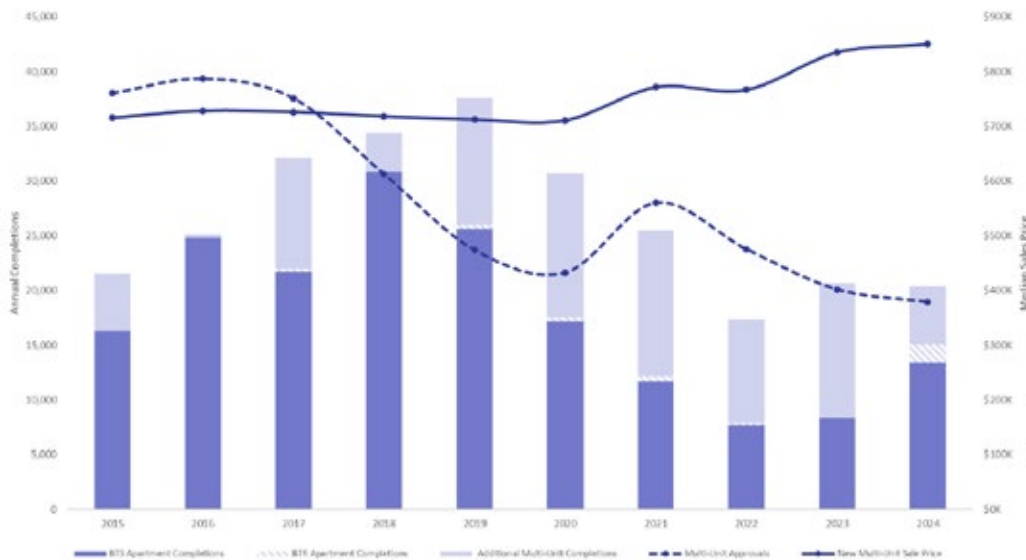
- In 2024, the Sydney megaregion's median lot price growth continued at a modest 4%, reaching an average of \$666,667. This followed two consecutive years of approximately 23% growth and a more subdued increase of 1.3% in 2023.
- The Sydney megaregion reclaimed its position as the most expensive in the nation for median lot prices, due to the ACT recording a 4.1% decrease during the year. This shift followed the ACT's leapfrog in 2023, when it surpassed Sydney with 9% annual growth.
- Greater Sydney's median lot price across 2024 represented 45% of the established market median house price of \$1.47m, which compares to an average ratio of 43% across the last decade. This indicates that with median house pricing having reached a ceiling (in the near term at least) it is likely there will only be modest forward price growth for residential land as well.
- In 2024, the median lot size across the Sydney megaregion decreased by 3% to 413 sqm. This median lot size is inflated by the larger lots being produced in the Lower Hunter and Illawarra markets compared to lower sized Metropolitan Sydney lots (averaging ~375 sqm).
- The average land rate across the megaregion increased by 7% in 2024 to \$1,617 psm. This land value is 45% higher than the combined capital city average and 45% higher than Greater Melbourne.





NSW

Figure 3.2: Median Lot Price, Land Price (\$/sqm) and Median Lot Size



Source: UDIA; Research4

Greenfield Market Performance Summary Table

	Annual Net Land Sales	Average Annual Number of Active Estates Per Quarter	Median Lot Size (SQM)	Annual Median Lot Price	Annual Median Land Price (\$/SQM)
2015	10,248	91	508	\$335K	\$658
2016	12,110	121	447	\$417K	\$933
2017	11,786	123	437	\$427K	\$978
2018	7,901	126	443	\$429K	\$968
2019	6,307	128	449	\$396K	\$883
2020	12,175	132	426	\$416K	\$976
2021	12,421	91	395	\$515K	\$1,303
2022	7,667	110	424	\$633K	\$1,491
2023	4,634	128	425	\$641K	\$1,510
2024	6,128	129	413	\$667k	\$1,616

Source: UDIA; Research4

Mason & Main by Coronation Property (NSW)



RESEARCH4 GREENFIELD OUTLOOK 2025



Sydney

The Sydney greenfield market resembles a precarious walk along a steep cliff; one misstep could lead to significant consequences, if not outright failure. Last year, it was identified that the primary challenge facing the Sydney greenfield market is not demand but rather price. As Australia's premium market, Sydney greenfield commands a high price point. Consequently, the market's overall performance is closely linked to fluctuations in land prices, which in turn are tied to movements in Sydney house prices. With house prices declining over the year and land prices rising, the net effect has been an approach to a critical tipping point.

Despite the market's challenging end to 2024, land prices were largely controlled throughout most of the year, preventing an overshoot. This stability allowed for a consistent improvement in total sales, aligned with projected underlying demand.

The market generally maintained a balance, neither overselling nor underselling, aligning activity with population changes. It was only towards the end of the period that pricing issues caused a stumble.

The outlook for 2025 suggests further improvement in activity levels, returning to long-term averages. However, this recovery will be contingent on land prices remaining in sync with house price trends. Throughout 2024, the market successfully introduced new estates at rates consistent with historical averages, resulting in capacity exceeding actual land sale volumes. In 2025, a reduction in the capacity-to-demand margin is anticipated, likely leading to upward pricing pressure. Although this rise in land prices due to capacity shortages might be justified, it is probably a poisoned chalice in terms of activating demand.

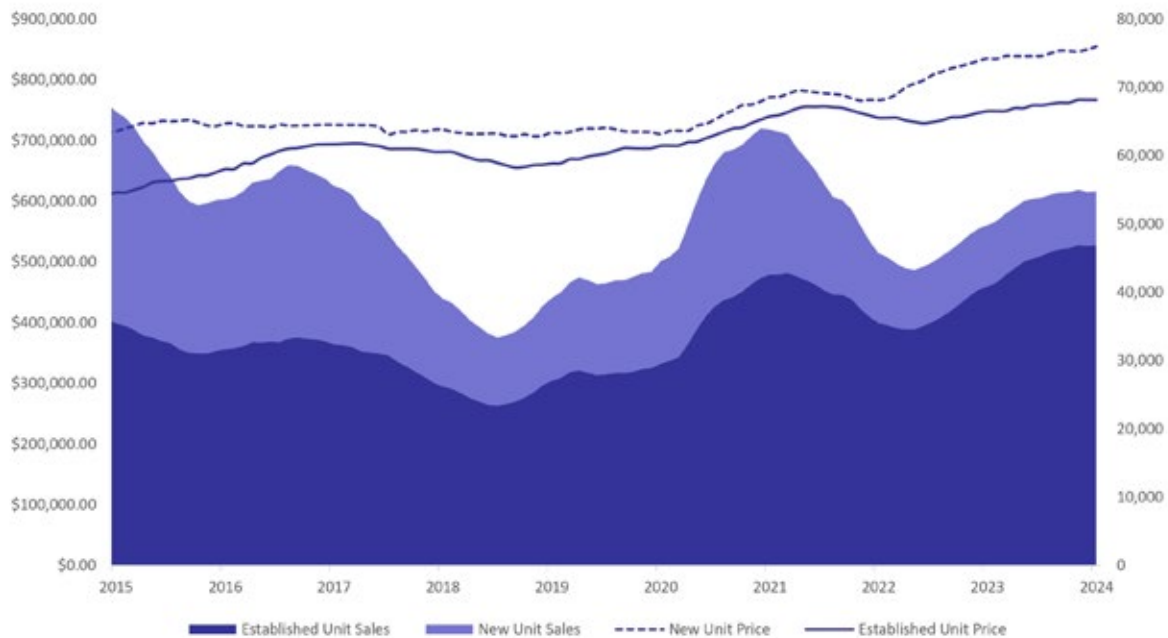
MULTI-UNIT INFILL ANALYSIS

Sales Activity

- Settled sales of new multi-units across Greater Sydney dropped by 12% in 2024, averaging 652 a month. The total annual volume of ~7,800 sales reflected an annual output down 57% on the decade average, marking one of the lowest levels of new unit sales transactions in over fifteen years.
- There have now been two consecutive years of ultra-low new apartment sales, which reflects the historically low levels of new apartment launches due to on-going project viability challenges.
- While the new unit sector continued to struggle there was a modest improvement in established market unit sales in 2024, with a 3% increase in aggregate sales. This follows a notable recovery in 2023, which saw an 18% rise in sales. The trend highlights a sustained consumer preference for established market stock and underscores the robustness of underlying demand for attached and semi-detached housing across the Greater Sydney Megaregion.



Figure 3.3: Multi-Unit Sales, Established & New Sales (Settled)



Source: UDIA; CoreLogic (Note: Chart depicts rolling 12 month volumes and pricing)

Median Unit Pricing

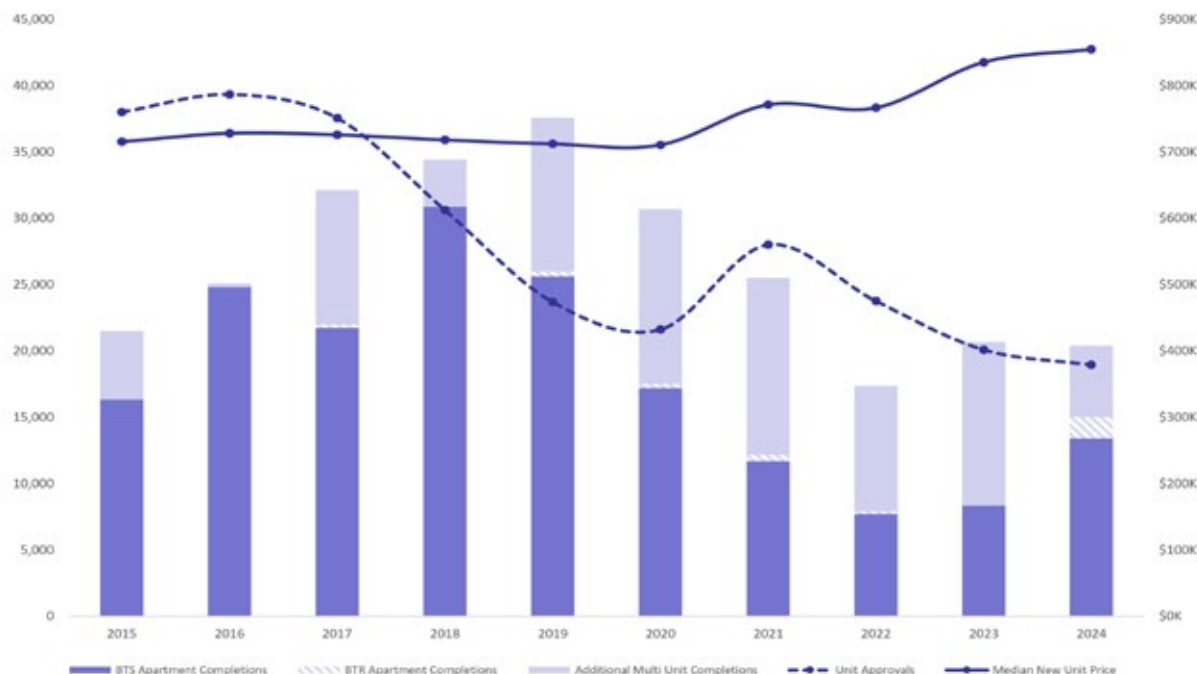
- Constrained supply and a 'flight to quality' towards new product launches supported a 2% growth in median new unit pricing across Greater Sydney in 2024, finishing the year with a median price point of \$854,780.
- Sydney's newly constructed units remain the most expensive in Australia by a significant margin, with the median new sale price now 26% higher than the combined capital city average and 25% higher than SEQ – the second most expensive new unit market in the nation.
- The current median sale price of new units is 25% more affordable than the median value for new houses, which is a significantly higher ratio than the long-term average difference of 14%. This represents a positive retail proposition for the multi-unit market – particularly for first home buyers.

Construction Activity

- There were 20,404 new multi-unit dwellings completed in Greater Sydney in 2024, representing a modest annual decrease of 1%. This also represents a 23% decline on the decade average and 46% lower than the historic peak supply of 34,439 completed across the megaregion in 2018.
- Build to sell (BTS) apartment projects comprised 60% of total multi-unit completions in 2024 which has dropped considerably from circa 90% of net completions in 2018 and 2019. This signals the increased role that townhouse and smaller scale infill developments are currently playing in a subdued market for higher density product.
- Challenging project viability for apartment projects is also constraining build to rent (BTR) supply, with only 1,771 units completed over the past three years. Charter Keck Cramer is forecasting an uplift in BTR completions over the coming three years with circa 1,676 units set to complete across Greater Sydney.
- Approvals for multi-units fell by 6% across the year with just 18,951 approvals, which is nearly half of the approvals recorded in 2016, underscoring UDIA's expectations of a prolonged period of reduced construction activity ahead.



Figure 3.4: Median New Unit Price & Annual Unit Completions



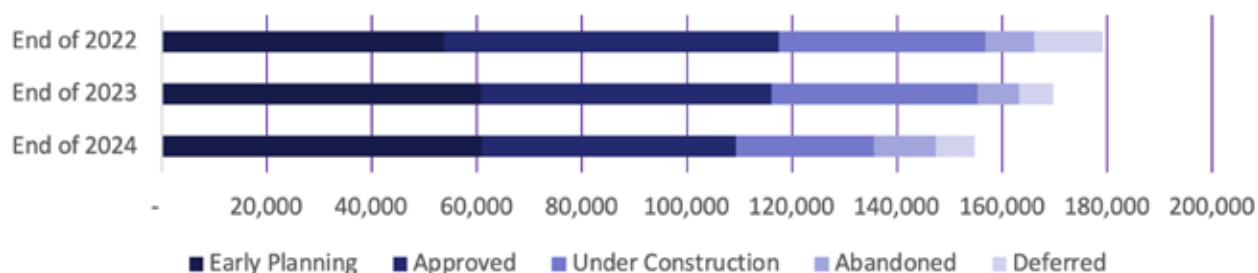
Source: UDIA; CoreLogic; Charter Keck Cramer; ABS

Multi-Unit Pipeline Analysis

Data Note: CoreLogic has produced point-in-time estimates of the multi-unit pipeline based on an end of calendar year snapshot of the industry leading Cordell Construction database.

- Aggregate project scale analysis reveals that the total active pipeline of multi-units in Greater Sydney was 135,515 units as at the end of 2024, which is 13% lower than the supply recorded in December 2023.
- This pipeline is made up of units in projects at the early planning phase (up 0.2% from 2023), units in projects which have received approval (down 13% from 2023) and units under construction (down 33%).
- The annual number of units in the deferred or abandoned category has reduced by 49% and 14% respectively, which indicates that the number of speculative/marginal projects that were contemplated through the strong market period of 2014-2017 have already been shelved or abandoned over recent years, with fewer replacement projects emerging which are unlikely to proceed through the pipeline.

Figure 3.5: Multi-Unit Pipeline

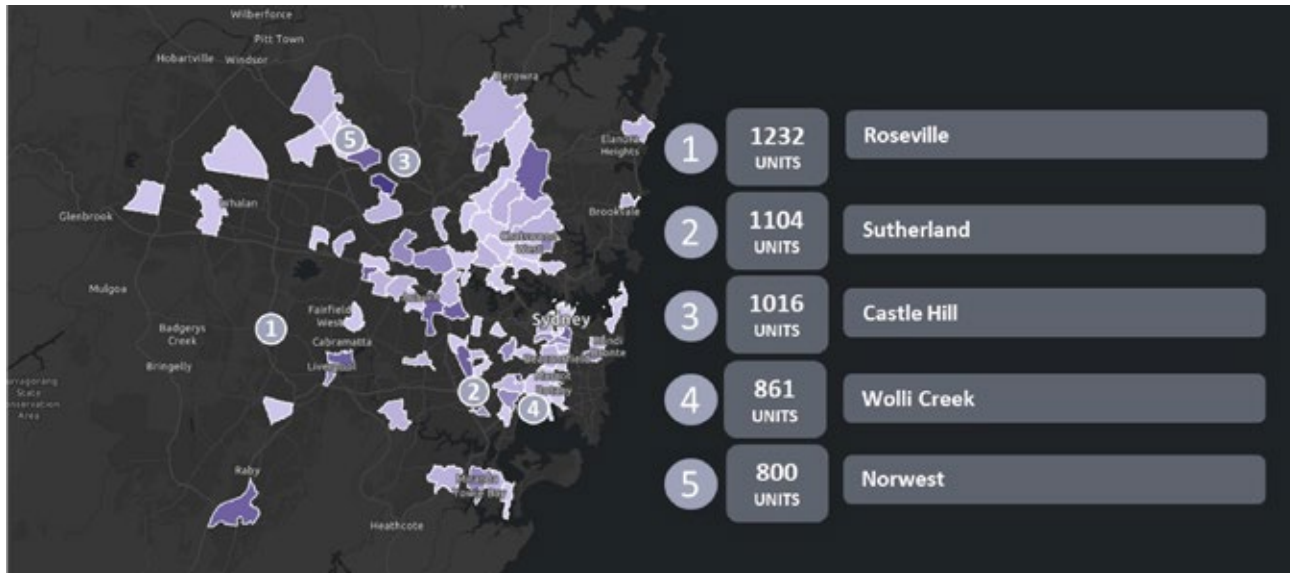


Source: UDIA; CoreLogic



NSW

Figure 3.6: Multi-Unit Completions by Postcode



Source: UDIA; CoreLogic; Charter Keck Cramer

Sub-Market Analysis

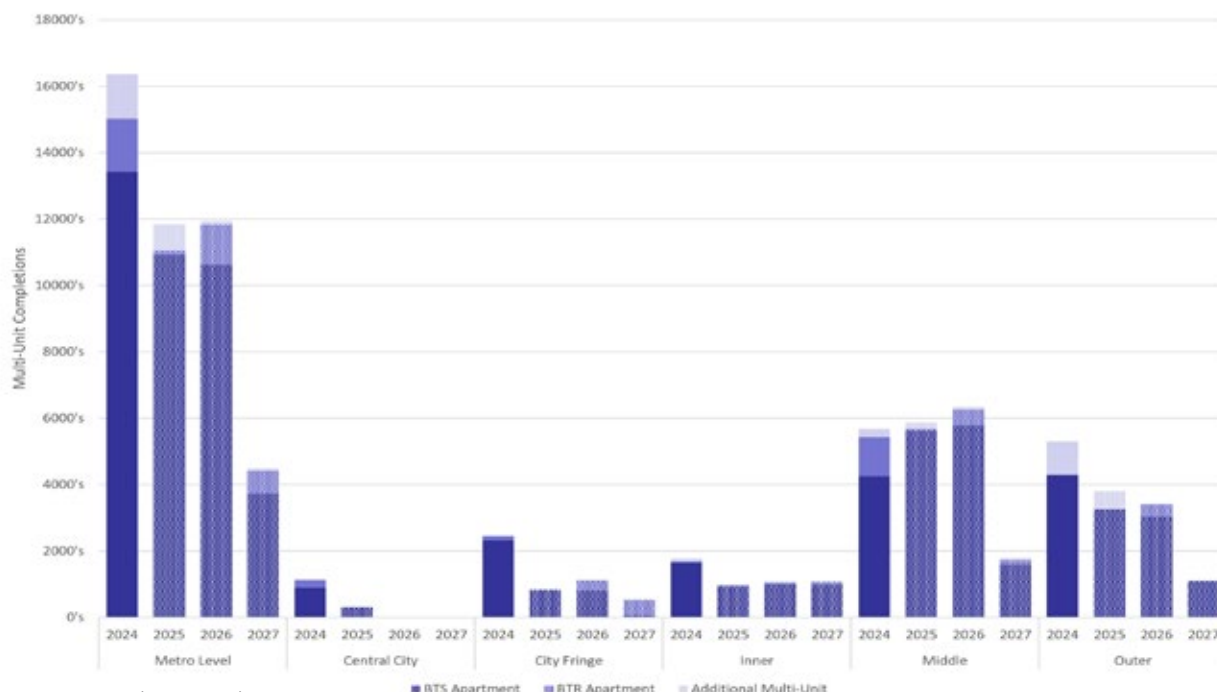
- Roseville had the most multi-unit completions (by suburb) in Greater Sydney with 1,232 new units, followed by Sutherland with 1,104 completions and Castle Hill with 1,056 new units.
- The City of Parramatta recorded the most new multi-unit sales (by LGA) in Greater Sydney, with 797 settled sales at a median sale price of \$715,000.
- This was followed by Blacktown with 708 new unit sales (median sale price \$600,000), the City of Sydney with 455 sales (median sale price \$1,020,000) and Ryde with 353 new unit sales (median sale price \$938,000).



Navali by Urban Property Group (NSW)



Figure 3.7: Multi-Unit Active Supply by Subregion



Source: UDIA; Charter Keck Cramer

Multi-Unit Market Performance Summary Table

Year	New Unit Sales ¹	Median New Unit Price ¹	Unit Approvals ³	BTS Apartment Completions ²	BTR Apartment Completions ²	Additional Multi Unit Completions ³	Unit Completions ³
2015	30,917	\$715K	38,007	16,336	0	5,166	21,502
2016	21,967	\$728K	39,335	24,808	0	284	25,092
2017	23,140	\$726K	37,555	21,746	244	10,150	32,140
2018	12,853	\$718K	30,620	30,881	0	3,558	34,439
2019	12,522	\$712K	23,688	25,613	376	11,597	37,586
2020	15,024	\$711K	21,615	17,209	315	13,177	30,701
2021	21,227	\$771K	28,004	11,692	475	13,337	25,504
2022	10,204	\$767K	23,764	7,714	173	9,483	17,370
2023	8,973	\$835K	20,091	8,337	0	12,329	20,666
2024	7,831	\$855K	18,951	13,429	1,598	5,377	20,404

Source: UDIA; CoreLogic¹; Charter Keck Cramer²; ABS³



NSW

CORELOGIC 2025 OUTLOOK

CoreLogic

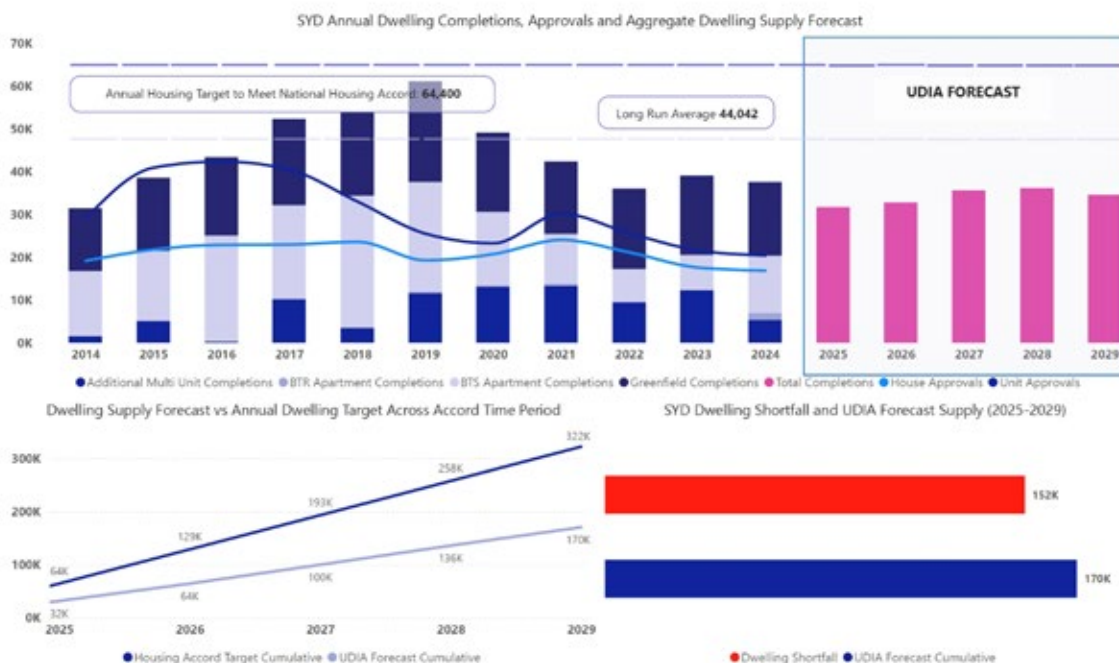
New South Wales

At a state level, home values peaked in September last year and have since trended lower from month to month to be -1.2% below record highs at the end of January 2025. Sydney's housing market has been the main drag on state level measures, with values across the capital peaking in September, while regional NSW values have continued to trend higher, albeit at a much slower pace relative to a year ago.

The weaker trend has been driven by lower population growth, with overseas migration normalising from record highs and interstate migration remaining in negative territory, well below pre-pandemic levels. Affordability challenges are also working to slow demand, with Sydney in particular standing out as the most unaffordable capital city across most measures.

Lower interest rates in 2025 and a worsening undersupply of newly built homes across the state should help to keep a floor under home values. However, it's unlikely we will see the market moving back into a significant growth phase until affordability improves, and demographic trends become more supportive of demand.

Figure 3.8: New Residential Market Supply



Source: UDIA; Research4; CoreLogic; Charter Keck Cramer; ABS

Rhodes Central by Billbergia (NSW)

STATE POLICY ENVIRONMENT

Key Industry/Market Issues

The NSW urban development industry in 2024 remained subdued due to concerns over feasibility amid a high-cost environment. These include the increasing cost of infrastructure spilling into abnormally high development contributions, labour shortages driving up costs, and lengthy development proposal assessments causing high holding costs.

Compounding this was the lag in finalising previously announced Government housing policies targeting infill and apartment developments. Despite a positive year of reform, it still remains too early to determine their impact. Recent UDIA research shows housing approvals are still lagging, especially in those areas designated for higher density.

Industry continues to closely watch the Reserve Bank of Australia, hoping a further cut in the official cash rate will help boost both the supply and demand sides of the sector. With apartment project feasibilities under pressure, most moderately priced apartment projects are struggling to stack up financially against established stock, driving record low supply of this product. Despite the NSW Government's push for more infill development over the past two years, greenfield housing remains the only market segment that is both feasible and desirable. The Government has a major task in the next 12 months to recalibrate its focus on land with genuine development potential.

State Policy Priorities

Several key initiatives were finalised by the NSW Government in 2024 as part of its focus on increasing housing diversity and supply. These were headlined by two reforms, the Diverse and Well-Located Homes Program which will permit more low and mid-rise housing in wide parts of Greater Sydney, and the Transport Oriented Development (TOD) Program where rezonings allow 6-storey apartments around 45 train stations where multi-unit dwellings were not previously permitted. These programs are designed to fill the housing supply shortfall that has been identified by the Department of Planning, Housing and Infrastructure's Sydney Housing Supply Forecast. Through UDIA's National Housing Pipeline®, we have confirmed NSW is currently 150,000 homes short of its 377,000 home target over the National Housing Accord period.

However, as was made clear through UDIA's ***Making TODs Work*** research report, the TOD program is unlikely to help fill this anticipated housing shortfall. These areas unfortunately remain unfeasible to develop due to the wide gap between the median apartment price for these areas, and the sale price required for a new apartment project to be viable.

While industry remains hopeful the Diverse and Well-Located Homes Program could act as a catalyst for greater supply – largely because it has up-zoned sites where some developers have already optioned land – the planning instruments giving effect to the policy have not yet been made, leaving industry in a state of flux.

Last year culminated in the major announcement of a new Housing Delivery Authority, which will provide developers with a fast-tracked state significant development pathway, including an industry led expression of interest process. This pathway will remain open through the five year Housing Accord period. With a focus on assessing projects that can deliver at scale and quickly, this is a welcome step, albeit one that is more likely to accelerate existing projects, rather than stimulate new projects to meet the projected housing shortfall.

The Government has also introduced other initiatives to improve timely development outcomes including the introduction of a Council League Table to monitor lodgement and assessment timeframes, and a height and floorspace bonus of up to 30% for developers committing to a certain level of Affordable Housing.

Future Prospects

The NSW Government is demonstrating a genuine commitment to deliver on the National Housing Accord targets. However with market forces conspiring to make the apartment market unfeasible in most areas, this year will need to have a strong focus on direct government interventions and support in those parts of the market which are feasible, particularly the greenfield development land market.

DEVELOPER INSIGHT



Rick Graf
Development
Director, Billbergia
Group

Escalating construction costs, infrastructure limitations, slow, overly complicated approvals and funding challenges continued to restrict new housing supply in NSW in 2024.

The baked-in higher cost base has lifted price points across all housing sectors. Additional obstacles, such as high interest rates, are also limiting buyers' borrowing capacity in many markets, compounding the ongoing impacts of the housing crisis.

2025 should see improvement in NSW sub-markets in response to the forecast RBA decrease in borrowing rates, streamlined planning processes and moderating cost growth.

Construction materials cost rises are flattening, yet labour costs await positive impacts from Government's Skilled Visa improvements to deliver increased labour capacity to projects.

Despite NSW's ambitious targets for new housing, the planning system continues to frustrate both the private sector and senior levels of government.

The introduction of HDA and SEPP changes should start to remove roadblocks to development in 2025 and improve delivery timelines.

2025 desperately needs greater collaboration between government, private sector and NFP/CHP stakeholders to facilitate the delivery of critically needed private housing alongside affordable and social housing.



Vista Park by Sheargold (NSW)



SUMMARY



- Greater Melbourne's new home market registered a subdued performance in 2024 with a second consecutive year of extremely soft greenfield land activity and another flat year of multi-unit sales.
- On-going fragility in consumer sentiment driven by broad-based cost of living pressures across the year underpinned the softened demand profile for new build dwellings.
- The moderation of greenfield sales performance also relates to a continued market normalisation phase following the significant pull-forward of demand due to government stimulus across 2020 and 2021.
- A combined total of circa 47,290 new dwellings were completed in 2024 across the greenfield release and multi-unit infill sectors of Greater Melbourne. This reflects an equivalent production volume of new dwellings to the decade average.
- However new residential supply completions¹ are forecast to retract sharply over next two years to 2027 driven by considerable softness in the forward production pipeline. Aggregate completions are forecast to undershoot the National Housing Accord's annual dwelling target for Greater Melbourne & Geelong² of 48,430 by 22% in 2025 and will be around 40% below the stretch target set out in the Victorian Government's Housing Statement.³

¹ UDIA forecast completions methodology has been updated in SOTL 2025 to capture whole of market construction activity. This provides a direct comparison of State and National based dwelling delivery against targets, and involves a 'blended' assessment of CoreLogic, Research4, Charter Keck Cramer and Australian Bureau of Statistics input data to present a five year outlook of aggregate dwelling production.

² Based on a population based share of 1.2 million homes over the forward five years.

³ Proportional target of 80,000 dwellings a year based on Greater Melbourne and Geelong's share of the Victorian population.

Aston by Peet (VIC)

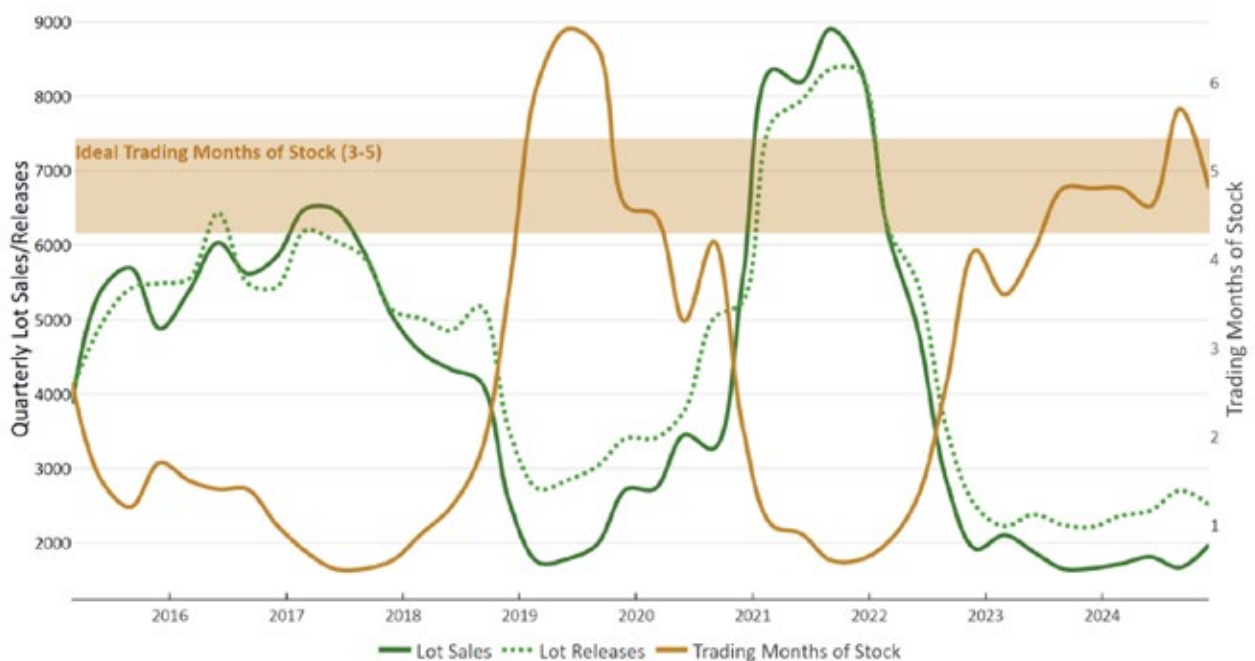


GREENFIELD MARKET ACTIVITY

Sales and Release Activity

- The Greater Melbourne greenfield market recorded a second year running of near record low production, with a total of 7,166 contracted sales. Current sales volumes languish 59% lower than the decade average and 79% lower than the peak of 33,860 sales of 2021.
- In 2024 the annual lot sales volume achieved in Greater Melbourne placed the city third behind SEQ and Greater Perth – a metropolitan region with a population base 60% smaller than Greater Melbourne and Geelong.
- Reflecting the greatly reduced demand profile there was a total of 10,011 lots released across 2024 which reflected a 10% increase on 2023 volumes but is still 69% below the peak release activity of 2021.
- The Greater Melbourne Greenfield share of total national capital city land release activity since 2009 has averaged 34%. The share of total activity recorded for 2023 was 23%.

Figure 4.1: Greenfield Activity



Source: UDIA; Research4



Stock Levels

- Stock levels remained robust across the 2024 calendar year after a 're-stocking recovery' over the last three years from critically low levels recorded across 2021.
- As of December 2024, the number of residential lots on a price list was equal to 5.0 months of trading. This is still inside the ideal trading band of 3-5 months with further supply levels set to put downward pressure on price growth.

Greenfield Projects

- On average there were 149 active land estates across the Greater Melbourne greenfield market for the 2024 year. As of December 2024, the number of active estates under survey was 150, which is in-line with the historical average number of trading estates.
- The volume of active estates recorded across Greater Melbourne was the smallest number recorded since 2018 reflecting a lower rate of greenfield project replacement due to the subdued demand profile.

Greenfield Land Prices, Lot Sizes and Values

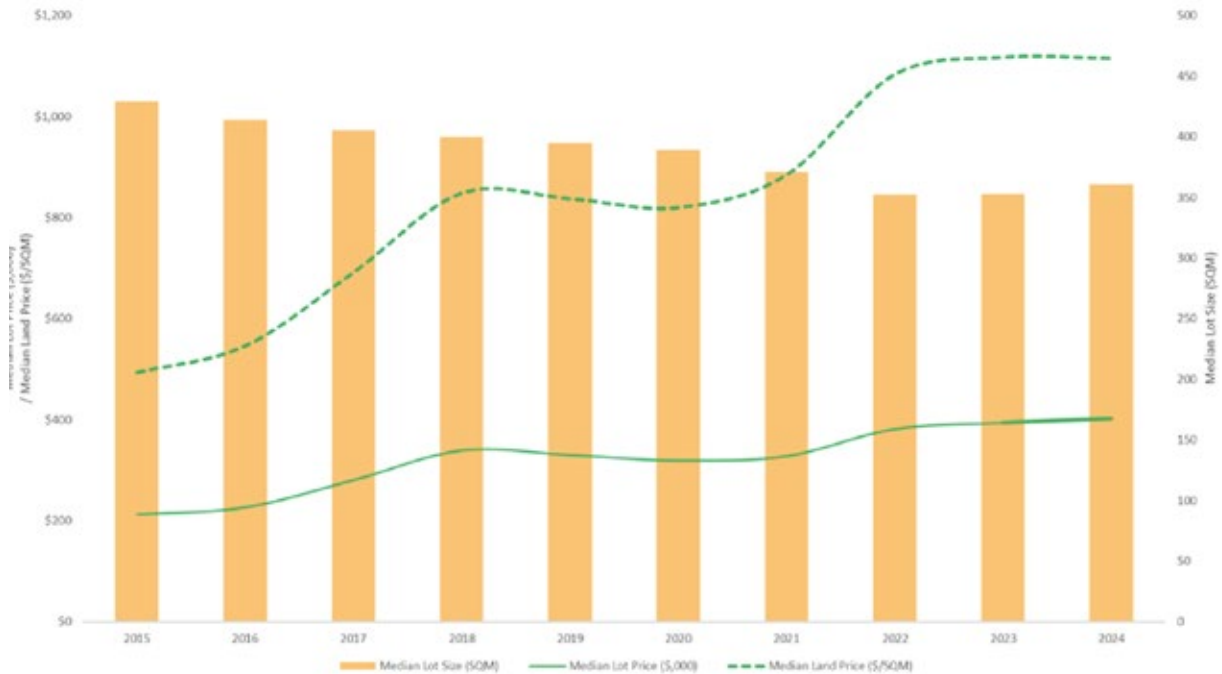
- Greater Melbourne's average median lot price for 2024 was \$403,000 reflecting a modest 2% growth compared to 2023.
- Greater Melbourne's 2024 median lot price represented 44% of the established market median house price of \$925,000 which is above the 10-year average of 39%, which represents a fair value ratio.
- The median lot size increased across Greater Melbourne at 361 sqm which comfortably positioned this capital city market as holding the smallest average lot sizes in Australia for the fourth straight year.
- The stabilisation in lot pricing and lot sizing translated into an average land rate to \$1,116 psm which is commensurate to the last two years.





VIC

Figure 4.2: Median Lot Price, Land Price (\$/sqm) and Median Lot Size



Source: UDIA; Research4

Greenfield Market Performance Summary Table

	Annual Net Land Sales	Average Number of Active Estates Per Quarter	Median Lot Size (SQM)	Annual Median Lot Price	Annual Median Land Price (\$/SQM)
2015	19,835	154	429	\$212K	\$493
2016	22,876	138	414	\$226K	\$546
2017	23,903	124	406	\$280K	\$691
2018	15,593	129	400	\$339K	\$848
2019	8,213	164	395	\$330K	\$837
2020	14,995	186	389	\$319K	\$820
2021	33,859	194	371	\$328K	\$884
2022	15,820	156	353	\$382K	\$1,083
2023	7,285	150	353	\$395K	\$1,118
2024	7,166	149	361	\$403k	&1,116

Source: UDIA; Research4

Baywater Estate by
Bisinella Developments (VIC)



RESEARCH4 GREENFIELD OUTLOOK 2025



Melbourne

The performance of the Melbourne greenfield market in 2024 was as anticipated, characterized by low sale rates, minimal price growth, a challenging economic outlook, and governmental policies that complicate investment and development in new housing. This “mud heap” for a market environment was expected to begin improving in 2025, and this outlook remains unchanged.

In 2025, underlying demand is projected to increase, leading to higher customer inquiries and activity moving up from the bottom of the cycle. At the start of 2024, the Melbourne market had oversold future demand by 20 months, contributing significantly to the low sale rates throughout the year. By the end of 2024, this accumulated demand had been reduced to three months of underselling, effectively starting 2025 with a clean slate regarding forward demand.

As with most new cycles, gaining momentum initially is challenging. The 2025 year begins with low market confidence and land prices exceeding their Fair Value. While low confidence at the start of a cycle is typical, overvalued land prices are not common. Over the past two years, despite low sales, Melbourne's land prices have not decreased, underscoring the cost and policy issues impacting the sector.

Developers are unable to offer lower-priced products due to increasing land holding costs, which erode margins. The Melbourne Greenfield should ideally be entering 2025 with competitive pricing; instead, it is going to the start line carrying with unnecessary kilos.

In summary, 2025 will witness a gradual improvement in sales, with activity becoming more noticeable by mid-year, although remaining below long-term averages. Early demand is likely to focus on smaller land products, mirroring trends observed in 2024 where 24% of all sold products were less than 250m². The year is expected to be highly competitive, as the current production capacity surpasses anticipated demand levels, thereby limiting price growth.

As highlighted in last year's outlook, the greatest risk remains sovereign risk. If the market can proceed without further governmental interventions such as new taxes or regulatory changes affecting investors and developers, 2025 may mark the beginning of a new upswing.

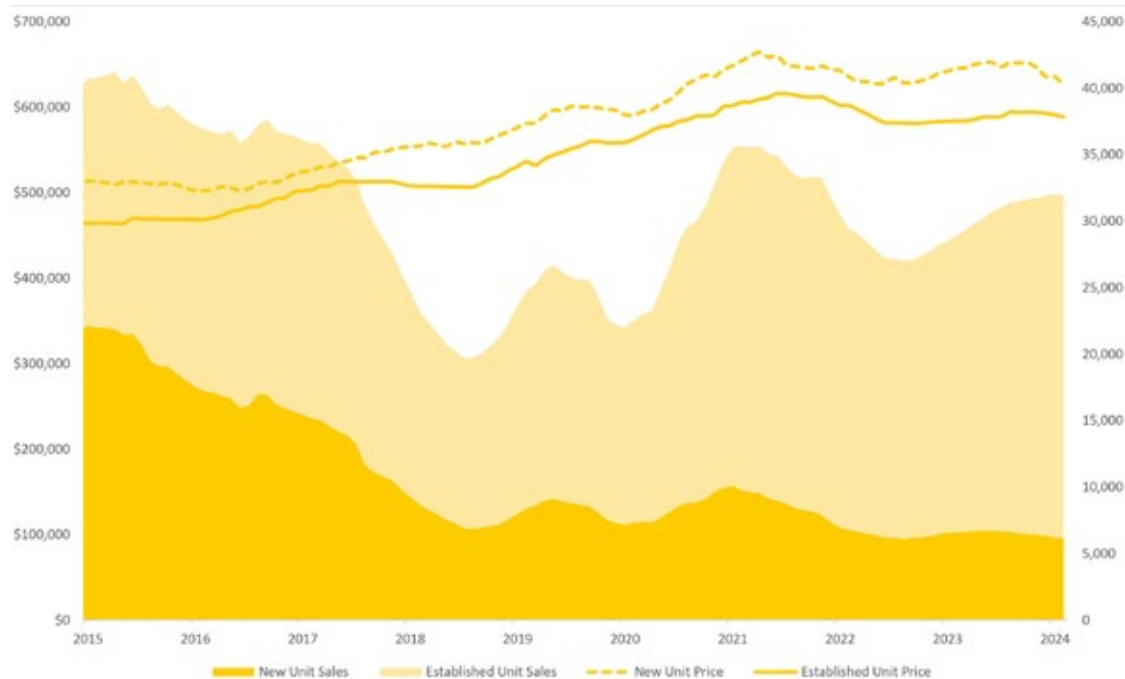
MULTI-UNIT INFILL ANALYSIS

Sales Activity

- Settled sales of new multi-units across Greater Melbourne remained flat across the 2024 calendar year to record 6,140 settled apartment and townhouse transactions. This is down 50% on the decade average and is 71% lower than the peak of 2015.
- Sales activity of the established unit market rose by 15% in rolling annual average terms and there was an uplift in sales volume momentum in the second half of the year hinting toward a floor to the market retraction having been hit.
- The Greater Melbourne new unit market continues to struggle against the backdrop of a wholesale retreat of investor activity, the unprecedented new unit supply volumes delivered in 2016 and 2017 and the resetting of consumer preferences through the COVID-19 period. In combination these forces continue to create a challenging market for suppliers of new apartment products across Melbourne.



Figure 4.3: Multi-Unit Sales, Established & New Sales (Settled)



Source: UDIA; CoreLogic

Median Unit Pricing

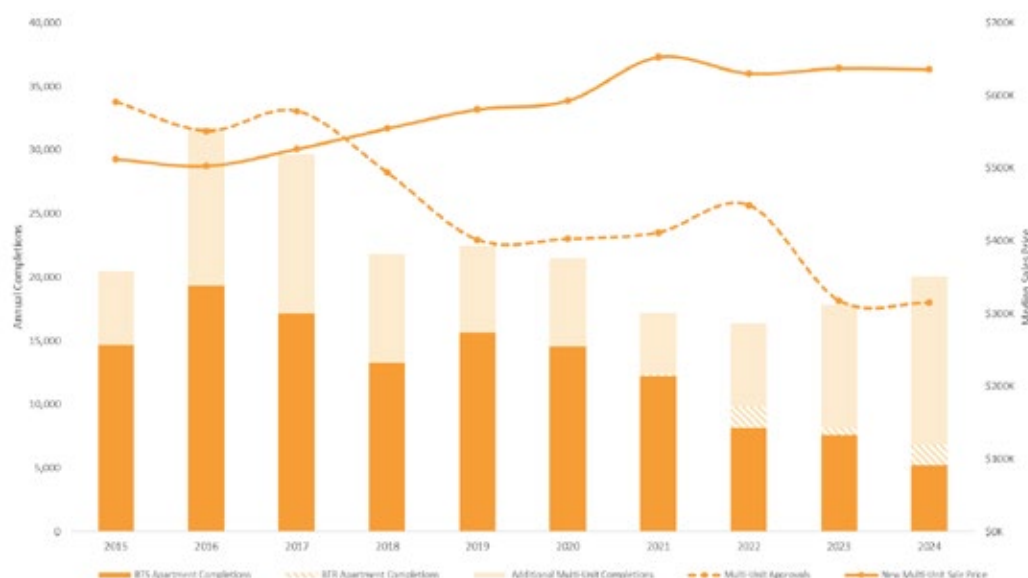
- The median new unit price achieved across Greater Melbourne in 2024 was \$625,620, which reflected an 3% annual decrease.
- Across the broader established market, the median unit price was \$588,650 at the end of 2024 which reflected a 1% annual increase in 2024.

Construction Activity

- There were 20,050 new apartments and units completed across Greater Melbourne in 2024. This represents a 3% increase in completions from 2023 and was 32% off the peak achieved in 2016.
- Build to sell (BTS) apartment projects comprised 26% of total multi-unit completions in 2024 which has dropped considerably from 70% of net completions in 2019. This signals the increased role that townhouse and smaller scale infill developments are currently playing in a subdued market for higher density multi-unit product.
- Challenging project viability for apartment projects is also constraining build to rent (BTR) supply with only 4,103 units completed over the past years. However, Charter Keck Cramer are forecasting a significant uplift in BTR completions over the coming three years with circa 14,614 units set for completion across Greater Melbourne and Geelong over the coming three years.
- Approvals for multi-units rose by 4% across the year with just 17,995 approvals which is almost half of the approvals recorded in 2017, underscoring UDIA expectations of a prolonged period of reduced aggregate construction activity ahead.



Figure 4.4: Median New Unit Price & Annual Unit Completions



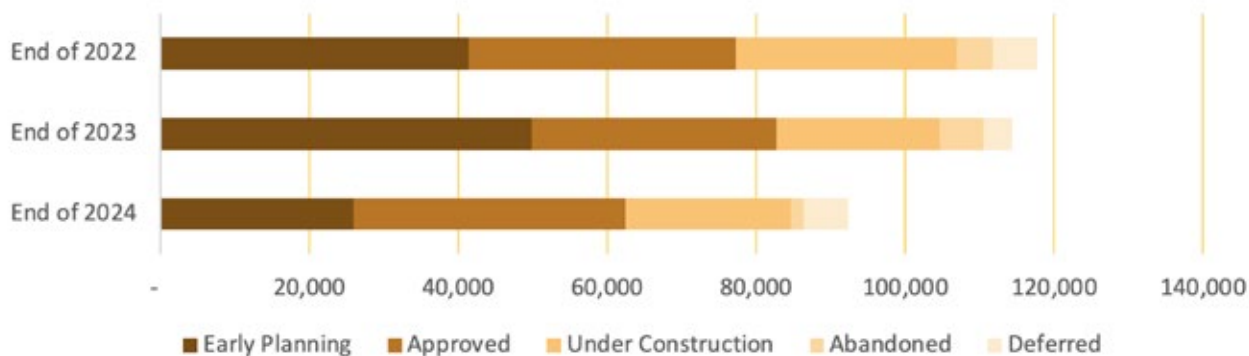
Source: UDIA; CoreLogic; Charter Keck Cramer; ABS

Multi-Unit Pipeline Analysis

CoreLogic has produced point-in-time estimates of the multi-unit pipeline based on an end of year snapshot of the industry leading Cordell Construction database. These estimates show that the forward supply of apartments in Melbourne continues to be under threat.

- For the sixth consecutive year the multi-unit pipeline has retracted across Greater Melbourne, decreasing by 19% to an aggregate of 84,632 units as of December 2024.
- This comprised of units under construction (up 1%), approved units yet to start construction (up 11%) with units in early planning down 48%, likely reflecting projects proceeding into the approval stage across the year, with a modest addition to the pipeline of new potential non-central city medium density projects.
- CoreLogic estimates that there was a total of 7,694 units that were either deferred or abandoned in 2024, which is a 21% reduction on the quantum recorded the previous year. It is likely the bulk of these abandoned/deferred units resulted from challenges in delivering financial feasibility in a soft market environment with escalating construction costs.

Figure 4.5: Multi-Unit Pipeline



Source: UDIA; CoreLogic



Figure 4.6: Multi-Unit Completions by Postcode



Source: UDIA; CoreLogic; Charter Keck Cramer

Sub-Market Analysis

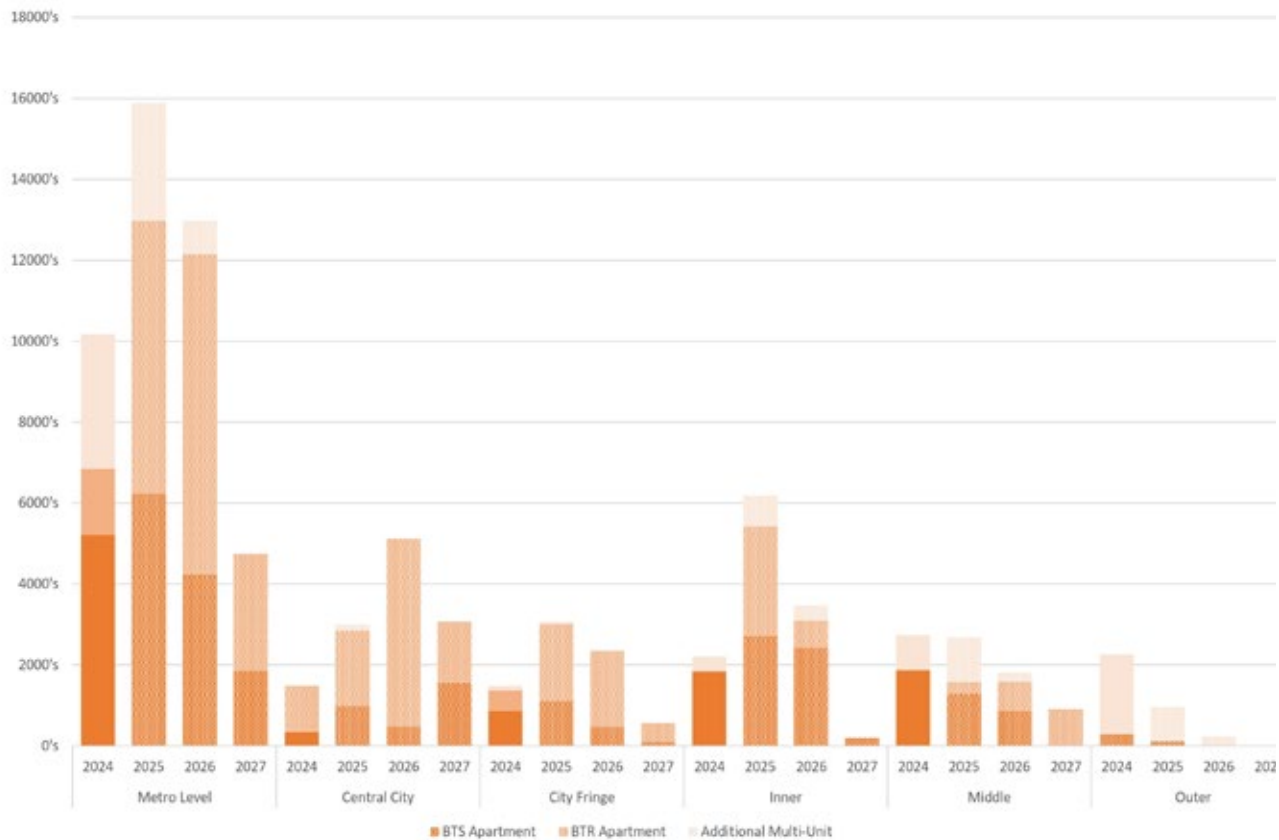
- Docklands had the most multi-unit completions of Greater Melbourne's suburbs with a rise of sixfold from 2022 volumes, with a total of 1,261 finished apartments.
- Box Hill (517 units), Brunswick (363 units), Altona North (361 units) and Narre Warren (344) rounded out the top five suburbs by new unit completions for 2024.
- Reflecting a higher volume of investor grade apartments being supplied the City of Melbourne had the most affordable new stock across the year with a median sales price of new units of \$560,000, as compared to \$621,500 in Port Phillip, \$640,000 in Moreland, and \$770,000 in Kingston – as the other major new supply LGAs.

Escala NewQuay by MAB Corporation (VIC)





Figure 4.7: Multi-Unit Active Supply by Subregion



Source: UDIA; Charter Keck Cramer

Multi-Unit Market Performance Summary Table

Year	New Unit Sales ¹	Median New Unit Price ¹	Unit Approvals ³	BTS Apartment Completions ²	BTR Apartment Completions ²	Additional Multi Unit Completions ³	Unit Completions ³
2015	22,008	\$513K	33,372	14,671	0	7,712	22,383
2016	17,228	\$503K	31,598	19,367	0	2,752	22,119
2017	15,195	\$526K	32,435	17,130	0	12,287	29,417
2018	8,714	\$554K	26,862	13,301	0	13,170	26,471
2019	8,620	\$582K	21,992	15,604	0	6,789	22,393
2020	7,349	\$591K	22,423	14,569	0	9,603	24,172
2021	9,799	\$654K	22,508	12,246	180	13,137	25,563
2022	6,785	\$636K	24,417	8,169	1,700	8,388	18,257
2023	6,592	\$645K	17,380	7,614	576	11,254	19,444
2024	6,222	\$626K	17,995	6,247	1,647	13,198	20,051

Source: UDIA; CoreLogic¹; Charter Keck Cramer²; ABS³



CORELOGIC 2025 OUTLOOK

CoreLogic

Victoria

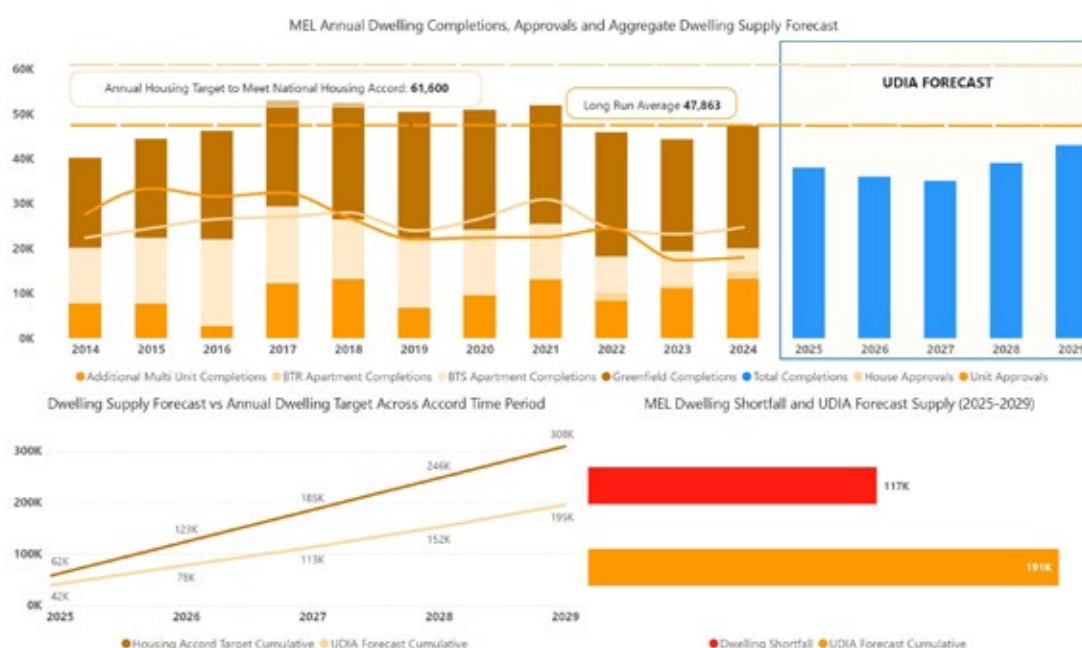
Victorian housing markets continue to move through a slump, with home values down -3.3% across Melbourne and -2.6% lower across Regional Victoria over the year. Values are falling across most jurisdictions on an annual basis, with some resilience in some of the most affordable sub-markets. Since peaking in 2022, Melbourne housing values have fallen by a cumulative -6.9% from their peak at the end of January 2025 and regional Victorian home values are down -8.4% from their record highs.

The downwards pressures on housing values aren't due to any single factor, rather it's the combination of lower population growth, less investment demand, and a medium-term history of new housing completions that has been higher relative to other states. Higher property taxes and stronger capital gain opportunities elsewhere have also been a key disincentive for investment capital across the state.

With lower housing values we have also seen some improvements in affordability across both Melbourne and regional Victoria. Melbourne's dwelling value to household income ratio fell to 7.0 in September last year, the third lowest of any capital city behind Darwin and the ACT, while Regional Victoria's was lower at 6.9. The improved level of affordability has seen the share of first home buyers rise to be the highest among the states or territories at the end of 2024.

With lower interest rates, a renewed affordability advantage, and a return of positive interstate migration flows, its likely we will see Victorian housing conditions turn positive in 2025. Facilitating new housing supply is likely to remain a key focus, however challenges remain, with high costs likely to continue weighing on project feasibilities.

Figure 4.8: New Residential Market Supply



Source: UDIA; Research4; CoreLogic; Charter Keck Cramer; ABS

STATE POLICY ENVIRONMENT

Key Industry/Market Issues

The past year has seen significant policy announcements impacting Victoria's development industry, with the State Government introducing a series of measures aimed at addressing housing supply and affordability challenges. These announcements, many of which reflect UDIA Victoria's advocacy efforts, mark an important step towards improving development conditions, but further action is required to ensure their success.

The government is undertaking review into the State's patchwork of infrastructure contributions regimes. A working group, which includes UDIA Victoria, has been established to provide industry input. UDIA Victoria is committed to ensuring this reform does not result in the introduction of additional tax burdens on developers but instead focuses on efficiency, reduced development cost and delays.

The government also announced planning for 50 additional Metropolitan Activity Centres around major transport hubs. These centres will be subject to increased density allowances under new planning controls. UDIA Victoria supports greater housing supply in established suburbs, but more detailed industry consultation is required to ensure these centres are viable, and well serviced by amenities and infrastructure. In a move to stimulate apartment, townhouse, and unit purchases, eligibility for off-the-plan stamp duty concessions has also been expanded beyond first-home buyers and owner-occupiers, with the removal of price thresholds. However, with the concession available for only 12-months, UDIA Victoria has advocated for an extension to provide buyers with adequate time to enter the market.

With the announcement of a ten-year Greenfield Supply Plan the Government' has finally recognised the importance of greenfield development in addressing housing affordability. The commitment to plan for 18,000 lots per year in greenfield areas aligns with the Government's 30 per cent target set in the Housing Statement. This plan also includes 27 new Precinct Structure Plans, of which 22 are set for completion by 2034–35. UDIA Victoria advocated extensively for this initiative but stresses that it must be implemented effectively and transparently, with regular progress tracking and streamlined planning processes. Further regulatory changes include the overhaul of the Victorian Building Authority, which will be replaced by a regulatory body with increased oversight over construction quality. The Government is also exploring the introduction of a developer bond scheme for buildings over three storeys, similar to what is currently in place in New South Wales. While UDIA Victoria acknowledges the need to bolster consumer confidence in the housing market, it warns that any new financial burdens will only worsen housing supply.

The Victorian Government has acknowledged the critical role of regional development in addressing housing challenges, yet policy implementation remains a key concern, with little being done to boost supply in Victoria's regional cities.

With a seat at the table in all key government working groups, UDIA Victoria remains committed to delivering outcomes that support the development sector and Victoria's housing future. A key focus of our advocacy is reforming Victoria's property taxes which, which now account for roughly 50 per cent of all state tax revenue – dampening consumer and investor confidence.



DEVELOPER INSIGHT



Andrew Duggan
General Manager,
Villawood & UDIA
Victoria Board of
Directors

Affordability and supply remain the key challenges for developers as we receive ongoing high migration, interest rates, cost of living pressure and increased demand in 2025. This amid government ambitions for far greater housing levels while maintaining planning, regulatory and financial obstacles in Victoria that we don't find in other states.

That said, moves are afoot to ease those impediments with planning changes to encourage low-level, medium-density projects in the suburbs. Greater focus on the Housing Statement and deliverables are required to meet the ambitious 70/30 housing targets. Builders, with luck, will finally be able to provide homes so many people want.

We need to see all housing markets operating in collaboration to ensure prosperity in the industry and, ultimately, for housing to be attainable and affordable. This combined with monetary policy and interest rates presents an opportunity to improve market conditions.

Outer suburban greenfields and the regions could field much of the demand, and the government's ambitions, but the time-consuming and highly-expensive demands of overly bureaucratic Precinct Structure Plans (PSPs) remain a major obstacle to new housing in

Victoria. Presenting councils with housing targets is all very well but red tape has to be removed in order for sorely-needed and much-wanted new housing to go ahead at prices homebuyers can afford. Victoria's high property tax take must also be addressed to help project viability and boost consumer confidence.

Victoria will deliver approximately 8,000 land sales in FY25. This is off a long-term average of 15,000 per annum. The current market is experiencing high levels of titled stock and this stock will need to be divested prior to the market improving further.

We see the answer in quality affordable medium-density through the greenfields and middle suburbs, and enhanced PSP processes in metropolitan Melbourne and the regions for the detached homes so many of the migrants underscoring housing and economic growth desire.

The great Australia dream of home ownership continues – so let's as an industry advocate and facilitate this dream for future generations.

The Point by Moremac (VIC)



SUMMARY



- Greater Perth's new home market recorded a mixed year with the greenfield land market ending the 2024 calendar year with exceptionally strong sales activity, while the new multi-unit market continued to languish with well below par sales and release activity- driven by a lack of new market supply below par sales and release activity.
- The new housing demand profile for greenfield land remained robust across the year, albeit sales momentum slowed considerably in the second half of the year as east coast investor activity showed signs of moderation.
- A combined total of circa 15,000 new dwellings were completed in 2024 across the greenfield release and multi-unit infill sectors. This reflects a 18% increase of new product completions from the preceding year, but remained 11% beneath the decade average.
- New residential supply completions¹ are forecast to further improve in 2025 as the significant stock of dwellings currently under construction complete. Buttressed by solid output from the greenfield land sector the forward production outlook is expected to total between 15,000 to 16,000 net completions across the coming five years.
- Aggregate completions are forecast to undershoot the National Housing Accord's annual dwelling target for Greater Perth of 20,500 (based on a population based share of 1.2 million homes over the forward five years) by 25% in 2025, with a cumulative dwelling supply gap of circa 24,000 dwellings by 2029.

¹ UDIA forecast completions methodology has been updated in SOTL 2025 to capture whole of market construction activity. This provides a direct comparison of State and National based dwelling delivery against targets, and involves a 'blended' assessment of CoreLogic, Research4, Charter Keck Cramer and Australian Bureau of Statistics input data to present a five year outlook of aggregate dwelling production.

Dalkeith Terraces (WA)

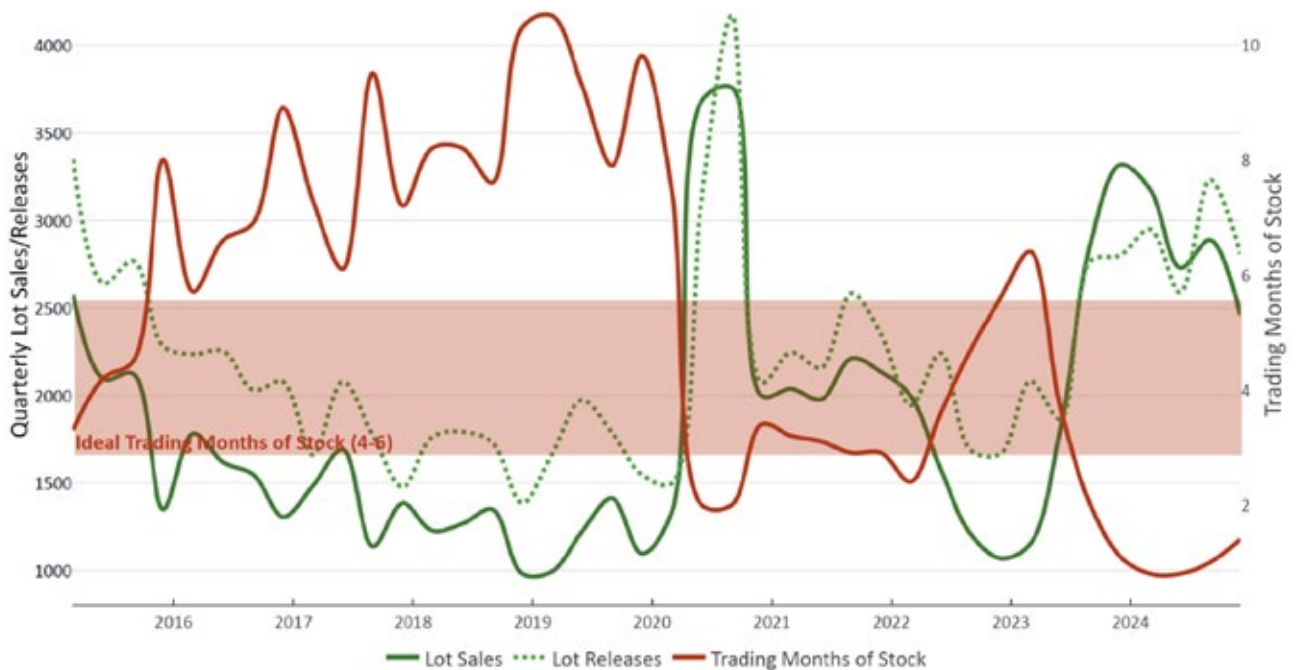


GREENFIELD MARKET ACTIVITY

Sales and Release Activity

- The Greater Perth greenfield land market recorded an annual total of 11,256 sales in 2024 which represented a 23% uplift on 2023 lot sales. This strong sales volume result was 50% higher than the decade average.
- Responding to a resurgent demand profile, developers released a total of 11,580 lots to market in 2024 which was 22% uplift on 2023 releases. The March and September quarters were especially strong for release activity with an average of 950 lot releases a month, as compared to 808 releases a month recorded in the corresponding quarters in 2023.

Figure 5.1: Greenfield Market Activity



Source: UDIA; Research4



Stock Levels

- The ramp up in sales activity in the second half of the year seriously eroded supply lines and as at the end of the December quarter the number of residential lots on a price list was equal to just 1.4 months of demand.
- Stock levels with under three months worth of trading inventory represents undersupply, and Perth has not recorded a demand/supply ratio this low since 2013 – the peak of the last housing boom.

Greenfield Projects

- There was an average of 130 active trading estates across the year which represented a 18% fall on 2023 levels and was 20% above the long run average.
- With roughly the same number of active projects producing almost double the volume of sales in 2024 as compared to the year previous and stock levels at record lows there is no doubt the industry was operating at close to full capacity at year end.

Greenfield Land Prices, Lot Sizes and Values

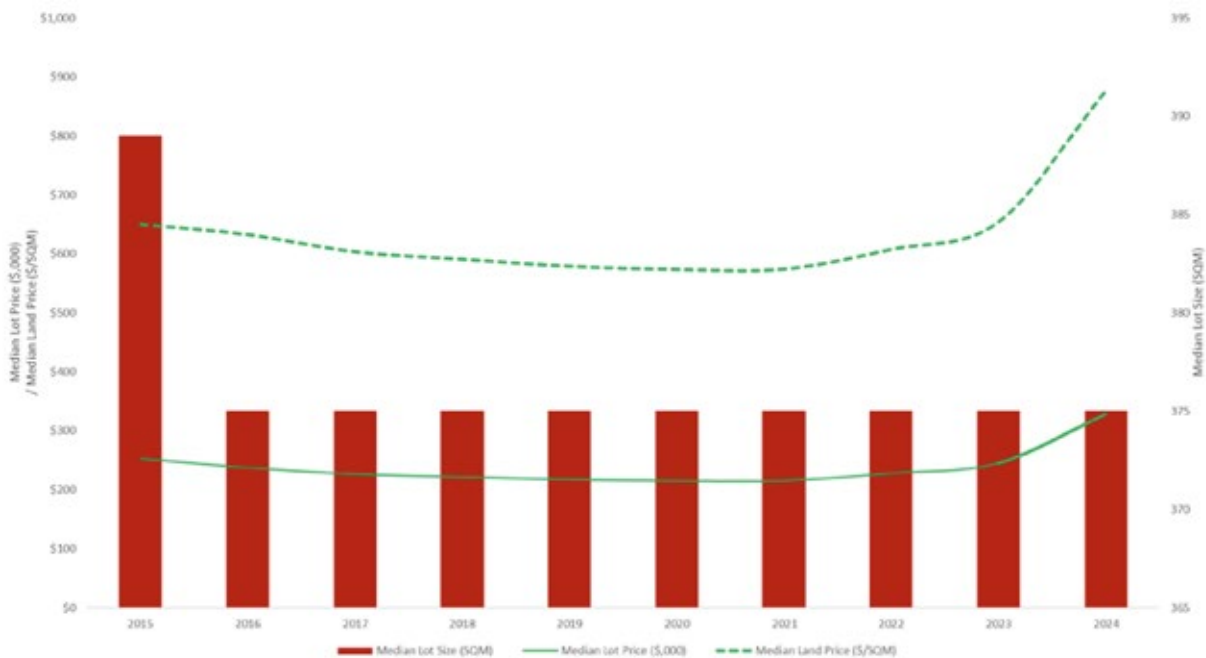
- Greater Perth's median lot price increased by 34% across 2024 to \$329,000. This strong price growth has resulted in Perth losing the mantle again this year (back to Adelaide) as the capital city having the most affordable lot pricing in the nation.
- For a remarkable ninth consecutive year the median lot size remained locked at 375 sqm which translated into a lift in the land price to \$877 psm which is 21% lower than the combined capital cities.





WA

Figure 5.2: Median Lot Price, Land Price (\$/sqm) and Median Lot Size



Source: UDIA; Research4

Greenfield Market Performance Summary Table

	Annual Net Land Sales	Average Annual Number of Active Estates Per Quarter	Median Lot Size (SQM)	Median Lot Price	Median Land Price (\$/SQM)
2015	8,144	153	389	\$253K	\$650
2016	6,259	162	375	\$237K	\$633
2017	5,700	167	375	\$226K	\$603
2018	4,828	164	375	\$222K	\$591
2019	4,728	181	375	\$217K	\$579
2020	10,770	187	375	\$215K	\$573
2021	8,363	162	375	\$215K	\$574
2022	5,853	151	375	\$228K	\$607
2023	9,144	157	375	\$245K	\$654
2024	11,256	130	375	\$329k	\$877

Source: UDIA; Research4



RESEARCH4 GREENFIELD OUTLOOK 2025



Perth

The 2024 Outlook published last year stated that “it is more likely that activity levels will reduce over the 2024 year, possibly falling below long running averages for short periods of time.” This outlook was accurate, in that land sales volumes reduced by 26% over the year, but erred concerning falling back below long running averages. The final sale rate for the 2024 year was still 25% above the 2008-2024 average.

The Perth markets “bull run” continued in 2024 although abating. The Perth markets saw continued growth in 2024, though at a slower pace. Sale volumes exceeded underlying demand estimates, resulting in the market pulling forward 12 months of future demand by the end of 2024. This high volume of sales was mainly driven by a significant number of investors participating in the market, which led to an increase in land prices beyond their estimated value.

Land prices rose by 43 percent for the year. The last significant price increase in the Perth greenfield market occurred in 2013, suggesting that this recent rise may be compensating for previous stagnation.

The land sale volumes for 2025 are expected to moderate further. It is important to note that one of the main reasons for the previous period of high sales was the high level of unmet demand at the beginning of 2023. By the beginning of 2024, this unmet demand had been fully addressed. However, the market continued with elevated sales activity in 2024, driven largely by investors. The year 2025 is anticipated to experience a general cooling. The capacity to demand margin will increase, reducing the pressure on land prices, and thus values should stabilize. The major risk facing the market in 2025 will be how the market normalises. Having an estimated 12 months of pulled forward demand the risk is that the correction could be more pronounced rather than being subtle or measured, hence bring about a sudden shock.

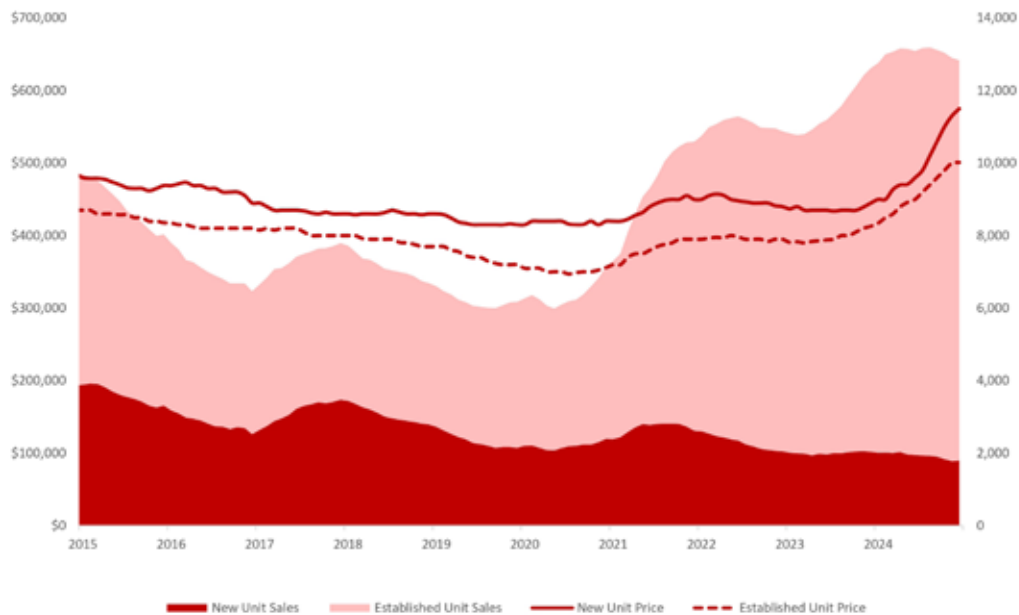
MULTI-UNIT INFILL ANALYSIS

Sales Activity

- Perth’s new multi-unit sales transactions for 2024 retracted by 12% across the year averaging 149 settled sales a month. The total annual volume of 1,795 sales reflected an annual output down 34% on the ten-year average.
- The new build multi-unit sector was significantly out-performed by the broader established market which recorded a 5% annual sale volume uplift to record a ten year peak of settled unit settlements.
- The proportion of new build multi-units (primarily apartments) sales of whole of market activity averaged 14% which is less than half the long run average of around 30% of market activity. This reflects a lack of new supply being provided, rather than a wholesale decline in the demand profile for units and apartments.



Figure 5.3: Multi-Unit Sales, Established & New Sales (Settled)



Source: UDIA; CoreLogic

Median Unit Pricing

- The median sale price of new units increased across 2024 to an all-time high of \$575,000 which represents a 29% increase on 2023.
- Despite peaking at an all time highest, at current pricing Perth has the most affordable new apartment stock across the capital cities, with the median price point 16% cheaper than the combined capital cities and 9% below Adelaide's current median pricing – as the second most affordable multi-unit apartment market.
- Median sale pricing for new units in Perth for 2024 was on average 15% higher than the broader established market, which is around twice the arbitrage in new versus established median pricing recorded across the combined capital cities.
- Perth's median new unit price as of December 2024 was 21% more affordable than the median value for new houses (\$725,000), which is almost twice the historic price difference between the two typologies. This reflects a positive retail proposition for the market- particularly first home buyers.

Construction Activity

- There were 2,060 new multi-unit dwellings completed in Greater Perth in 2024 which represents a 11% annual decrease in production and is a significant 50% decline on the decade average.
- There was a 26% lift in Build to sell (BTS) unit completions in 2024, as various apartment and smaller infill projects reached lock-up stage across the year. However, due to the extremely challenging viability environment for new apartment projects, there was a twenty year record low level of multi-unit commencements last year, which indicates a significant decline in forward production in the years ahead.
- Challenging project viability for apartment projects is also a factor constraining build to rent (BTR) supply with only 80 units completed over the past three years. Charter Keck Cramer are forecasting that the next BTR completions are unlikely to emerge until 2026 and 2027 when a handful of CBD and inner ring projects will come on-line.



Figure 5.4: Median New Unit Price & Annual Unit Completions



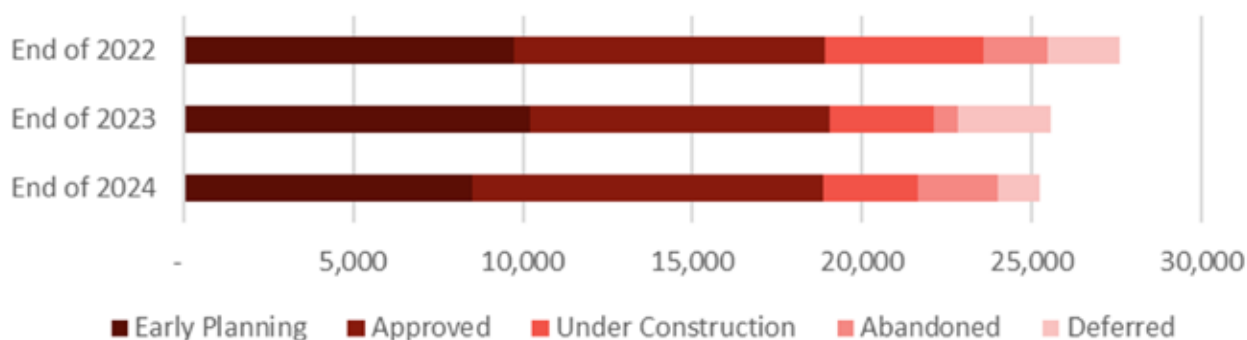
Source: UDIA; CoreLogic; Charter Keck Cramer; ABS

Multi-Unit Pipeline Analysis

CoreLogic has produced point-in-time estimates of the multi-unit pipeline based on an end of year snapshot of the market leading Cordell Construction database.

- For the sixth consecutive year the multi-unit pipeline has retracted across Greater Perth, decreasing by 2% to an aggregate of 21,642 units as of December 2024.
- This comprised of units under construction (down 9%), approved units yet to start construction (up 17%) with units in early planning down 17%.
- CoreLogic estimates that there was a total of 3,589 units that were either deferred or abandoned in 2024, which is a 4% increase on the quantum recorded the previous year. It is likely the bulk of these abandoned/deferred units resulted from challenges in delivering financial feasibility in a soft market environment with escalating construction costs, as well as a lack of skilled labour and builders to deliver new built form products.

Figure 5.5: Multi-Unit Pipeline

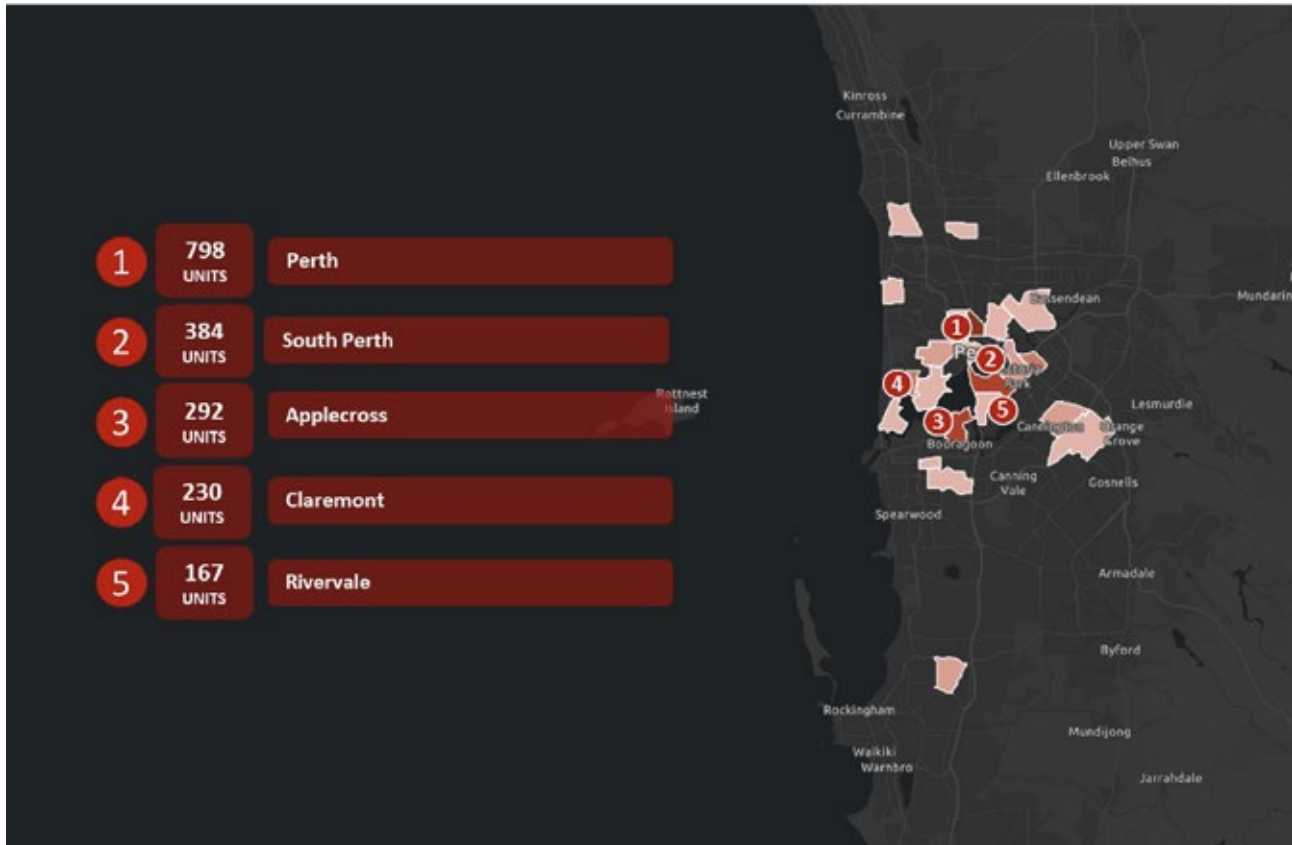


Source: UDIA; CoreLogic

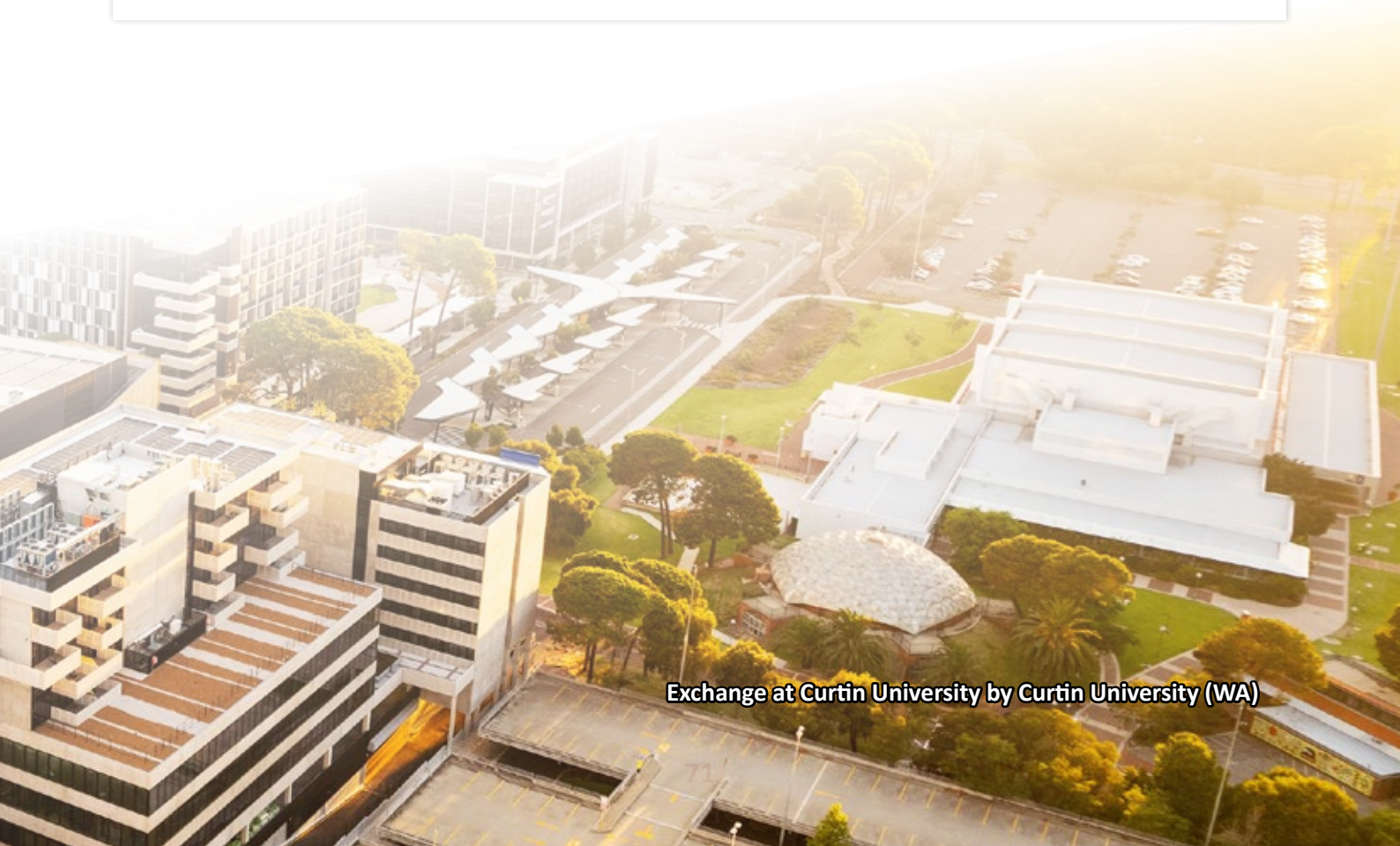


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Figure 5.6: Multi-Unit Completions by Suburb



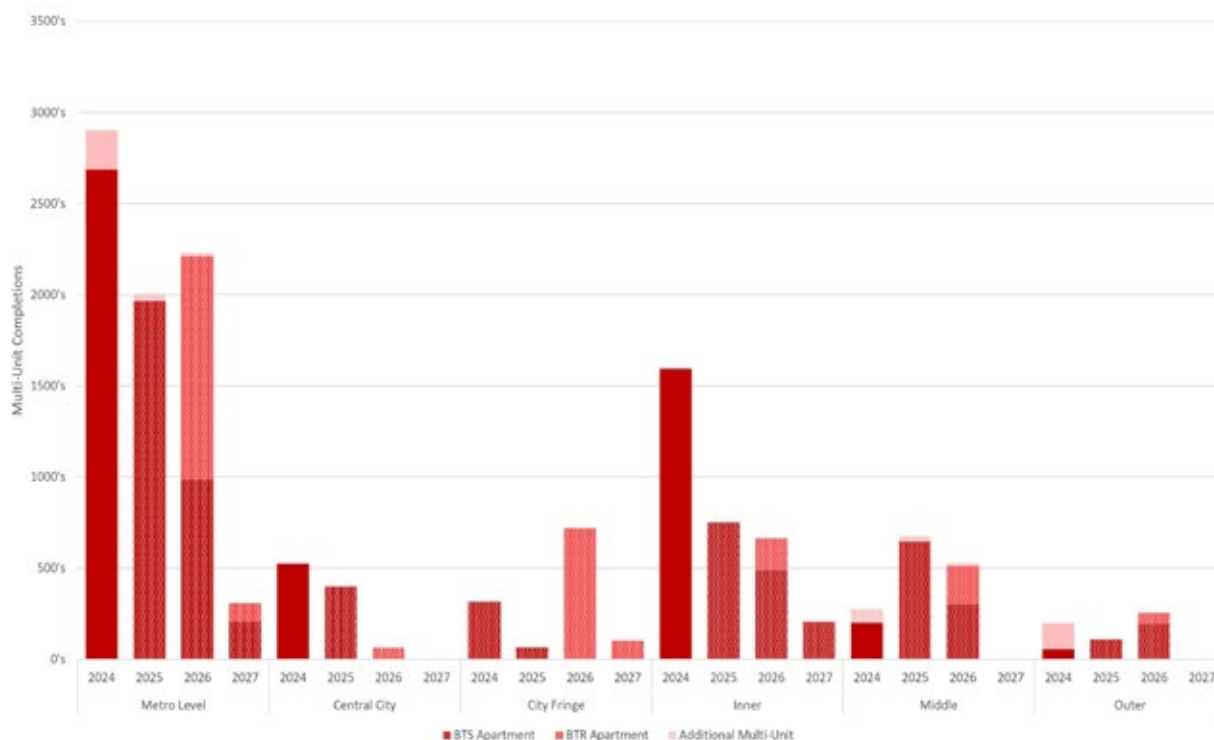
Source: UDIA; CoreLogic; Charter Keck Cramer



Exchange at Curtin University by Curtin University (WA)



Figure 5.7: Multi-Unit Active Supply by Subregion



Source: UDIA; Charter Keck Cramer

Multi-Unit Market Performance Summary Table

Year	New Unit Sales ¹	Median New Unit Price ¹	Unit Approvals ³	BTS Apartment Completions ²	BTR Apartment Completions ²	Additional Multi Unit Completions ³	Unit Completions ³
2015	3,315	\$469K	7,372	2,490	0	3,322	5,974
2016	2,528	\$445K	6,057	2,464	0	4,088	6,966
2017	3,473	\$430K	5,130	3,110	0	3,021	6,397
2018	2,792	\$430K	2,961	1,771	0	2,278	4,187
2019	2,203	\$415K	3,480	2,470	93	1,120	3,752
2020	2,391	\$420K	2,998	1,243	0	2,184	3,475
2021	2,624	\$450K	3,512	1,148	0	1,091	2,331
2022	2,052	\$440K	2,143	734	80	787	1,715
2023	2,036	\$445K	1,351	731	0	1,043	1,858
2024	1,785	\$575K	3,135	1,850	0	0	2,066

Source: UDIA; CoreLogic¹; Charter Keck Cramer²; ABS³



WA

CORELOGIC 2025 OUTLOOK

CoreLogic

Western Australia

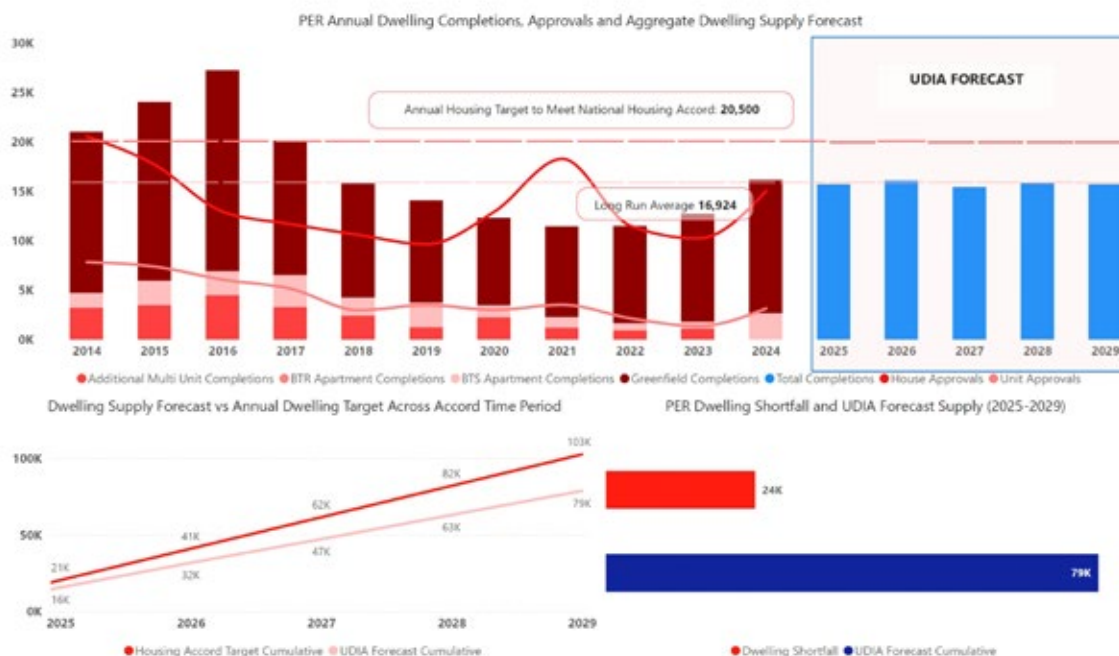
Housing conditions remain extremely strong across Perth and most areas of Regional WA, with strong demand side factors running up against persistently low supply levels. Perth dwelling values were up 17.1% over the 12 months to January 2025 and regional values have increased by 16.6% over the same timeframe.

Demand is driven by high rates of migration, from both overseas and interstate, along with high levels of investment activity. Migration rates are now easing from record highs, but remain well above average.

From a supply perspective, advertised supply levels are tracking nearly 30% below the five-year average across Perth in early February, while total listings across regional WA are almost half the five-year average. From a new supply perspective, we are seeing signs of a pick-up in detached housing commencements, while the multi-unit sector continues to see very low levels of housing starts amid feasibility challenges associated with high costs and an ongoing bias towards detached housing.

With such a high rate of growth in homes values, affordability pressures are becoming more prevalent, which is likely to dampen housing demand in 2025. However, it's likely the imbalance between supply and demand will persist, keeping upwards pressure on homes values through the year, albeit at a much slower pace than the almost 80% growth seen over the past five years.

Figure 5.8: New Residential Market Supply



Source: UDIA; Research4; CoreLogic; Charter Keck Cramer; ABS

STATE POLICY ENVIRONMENT

Key Industry / Market Issues

Urban development in Western Australia continued to face an uphill battle through 2024 to meet demand, further pushing the cost of both houses and units higher and pushing the affordability of a home further away. New lots being brought to market trended downwards with the limited supply coming to market being rapidly snapped up and the price growth of the existing stock continuing an upward trajectory.

In the greenfield market, planning for and delivery of servicing infrastructure to enable development to occur remains critical to unlocking land for housing across various corridors of Perth and in some parts of regional WA. While the FY24-25 Mid-Year State Budget Review (December 2024) committed funding towards enabling infrastructure in such growth corridors, the attention now turns to ensuring the timeliness of funding allocation and the planning and roll-out of subsequent infrastructure.

In the infill market, the challenges and limited commencements coming off the back of early 2020s have flowed through to the limited completions being seen in the market. In positive signs however, there has been a marked uptick in approvals and commencements off the low base with the increasing unit prices assisting with the feasibility for projects in certain areas of Perth. Further measures to support the viability of higher density infill development in more locations across Perth will be critical to increasing the supply of diverse and affordable homes.

Based on the UDIA WA's analysis, Western Australia will be 30,000 new homes short by mid-2029 based on current and projected commencements putting us well short of the National Housing Accord target. To reach this target and ensure we deliver the homes we need faster, all levers are required for short, medium and long term changes in order to create an ongoing and consistent pipeline of housing for the population as it grows, not just when we reach a crisis point.

State Policy Priorities

In mid-2024, UDIA WA published our Priorities for the 2025 WA State Election ahead of the election in March 2025. The focus was for the next State Government to facilitate and leverage industry to 'deliver the homes we need, faster', with the priority themes being:

- Make it easier to create the homes we need;
- Help keep the cost of homes down; and
- Plan for our housing needs, now and for the future.

Providing practical solutions to the issues faced in delivering the homes needed to accommodate our current and growing population is critical to ensure that Western Australian's can own or rent the homes they need.

Key asks included:

- Measures to boost housing choice, including stamp duty relief and the expansion of the Infrastructure Development Fund into an Infill Development Catalyst Fund to get more apartments on the ground by allowing the reimbursement of statutory fees and charges beyond headworks.
- Establishing a Growth Areas Catalyst Infrastructure Fund and an appropriate mechanism for strategic infrastructure coordination to ensure the planning, funding and delivery of identified crucial infrastructure items/packages 'at the right time', to accelerate housing delivery in key growth areas.
- Resourcing the development of an integrated and planning-led approach to environmental decision-making, as well as a strategic plan and fund for offsets and rehabilitation, with a focus for the Swan Coastal Plain.

Future Prospects

Housing was, understandably, a key issue at the 2025 Western Australian State Election on 8 March 2025 and was a pressing concern for politicians and voters alike in the lead up. The Cook Government has been listening and responding positively to recommendations from industry and the various State Election commitments we have seen from the major parties demonstrates there is a receptiveness to continue to work with industry to tackle the housing crisis. We need to ensure that work undertaken to date is continued and commitments are followed through post-election.

Western Australia still has a growing population and this is expected to continue through both overseas and a particularly strong interstate migration rate, continuing to put pressure on our housing stock.

Accommodating Western Australia's housing needs requires a continued and stronger focus on supporting the viability of medium and higher density infill projects, as well as addressing environmental, planning and infrastructure constraints to ensure a development-ready land supply pipeline and addressing the labour and skills shortages impacting industry capacity. UDIA WA will continue its advocacy and working collaboratively with the recently re-elected Government on measures to facilitate and leverage industry to deliver the homes we need, faster.

DEVELOPER INSIGHT



Jeremy Cordina
General Manager,
Parcel Property

Perth's land market remains constrained despite strong demand, with delivery timelines struggling to keep pace. While there is plenty of land supply in the pipeline, approvals and construction capacity remain key bottlenecks, causing land releases to be snapped up within minutes.

Infrastructure investment is proving a game-changer. The new Yanchep and Ellenbrook train lines have significantly bolstered buyer demand in those corridors, and Byford is poised to benefit once its station opens. However, WA lags behind the east coast in capitalising on transit-oriented development. There's a real opportunity to unlock density around transport hubs—but this requires a shift in planning policy and industry capability.

Looking ahead, Hilbert and Mundijong will be two of the main volume land markets over the next decade, which has its concerns given Perth's 50,000+ annual migration intake, and the number of lots available in these areas. Infill development also faces mounting delays due to council approval challenges and site constraints.

With house prices still rising and construction costs bridging the gap, affordability is tightening. Due to this tightening of affordability, demand for well-located house and land packages in our urban growth corridors remains strong. In saying that, it appears in some markets, the price of lots has started to reach a threshold which has resulted in softer purchaser demand and higher cancellation rates. Government shared equity initiatives and forecast interest rate reductions will help, but without more construction labour and streamlined planning, WA's housing shortfall should be expected to worsen.

The focus must remain on unlocking land faster, improving construction efficiency, and aligning policy with real market needs.



**Vivente in Hammond Park by
Richard Noble & Company (WA)**



SUMMARY



- Adelaide's new home market experienced a muted 2024 with new greenfield land sales remaining steady, land pricing heading northward, and new unit sales volumes remaining around half the decade average.
- As per other capitals, greatly reduced consumer sentiment driven by erosion of dwelling price affordability and broader cost of living pressures across the year, underpinned the softened demand profile for new build dwellings.
- The moderation of dwelling sales performance also relates to a market normalisation phase following the significant pull-forward of demand due to government stimulus across 2020 and 2021.
- There was 6% reduction of new combined dwelling supply in 2024, driven by a 37% decline in unit production.
- New residential supply completions¹ are forecast to remain commensurate to 2024 levels for the next five years. Aggregate completions are forecast to undershoot the National Housing Accord's annual dwelling target for Greater Adelaide of 12,850 dwellings (based on a population based share of 1.2 million homes over the forward five years) by around 30% over each of the coming five years, leading to a combined dwelling supply gap of around 21,000 by 2029.

¹ UDIA forecast completions methodology has been updated in SOTL 2025 to capture whole of market construction activity. This provides a direct comparison of State and National based dwelling delivery against targets, and involves a 'blended' assessment of CoreLogic, Research4, Charter Keck Cramer and Australian Bureau of Statistics input data to present a five year outlook of aggregate dwelling production.

Festival Tower
(SA)

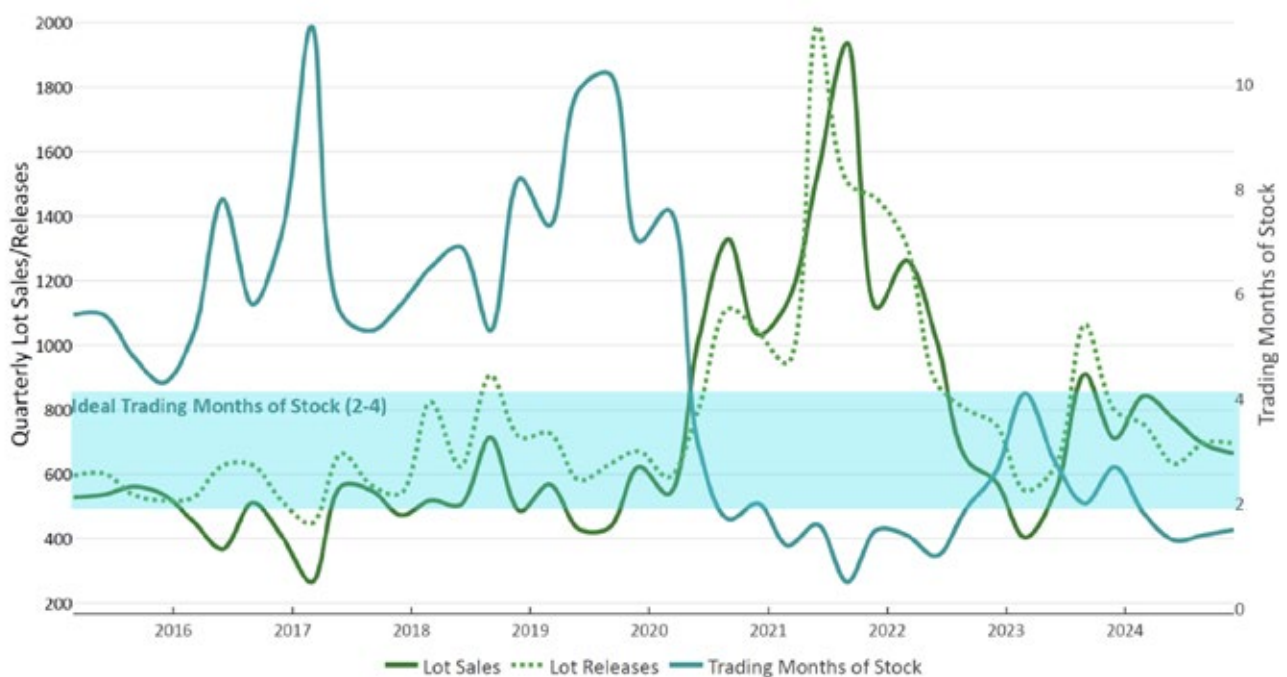


GREENFIELD MARKET ACTIVITY

Sales and Release Activity

- In 2024 the Greater Adelaide greenfield market recorded a 16% annual increase of land sale volumes, recording 2,971 net sales which followed a 27% reduction from the previous year.
- The two year contractions of sales volumes has brought the Adelaide land market back to historical average levels of sales volumes of 2,871.
- Reflecting softening consumer demand, developers pulled back on lot release volumes across the year with releases reducing by 9% across the year to average 694 releases per quarter.
- Adelaide's share of total national land sales since 2009 has averaged 6%. The share of total activity for the past year has averaged 8.3% with a closing market share metric of 7.5% for the December quarter.

Figure 6.1: Greenfield Market Activity



Source: UDIA; Research4

Grace by Cedar Woods (SA)





Stock Levels

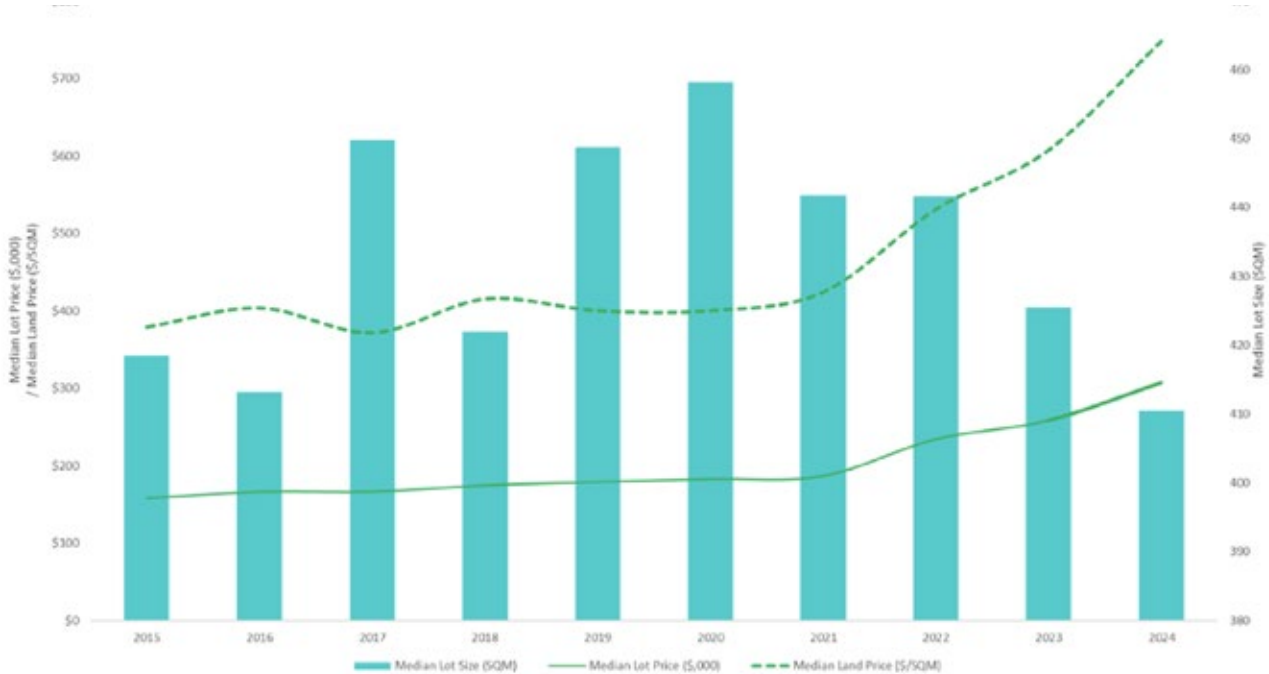
- At the close of the December 2024 quarter, the volume of stock ready for sale was 36% lower than the start of the year.
- The number of residential lots on a price list at the end of the December quarter was equal to 1.5 months of demand. This volume of stock availability is considered low, and below the 2–4 months of stock 'ideal trading band'.

Greenfield Projects

- There was an average of 58 active trading estates across the year which represents a 3% decrease on 2023, but this was still 10% lower than the decade average.
- The number of active estates steadily decreased across the year, from 64 trading estates in the March quarter to 51 at the close of the December quarter.
- While there were more active estates than the year previous, the average lot sales per project decreased by approximately 25%, which reflected a more subdued demand profile than 2022 largely driven by rising interest rates dampening consumer sentiment.

Greenfield Land Prices, Lot Sizes and Values

- Greater Adelaide's median lot price lifted by 19% across 2024 to \$307,000 that follows a 27% reduction of previous year. The price contractions resulted in Adelaide overtaking Perth as the most affordable residential land lots across the nation. At current pricing Adelaide's greenfield land pricing is still 27% lower than the combined capital city average of \$421,524.
- New land has traditionally been priced at 37% of the Greater Adelaide median established house price. Over the past two years the ratio has remained at 37% which indicates lot price increases are remaining tied to median house price increase and are therefore considered 'fair value.'
- The median lot size dropped by 4% to 411 sqm, which maintains Adelaide's position as holding the equal third largest capital city market lot sizes in the nation (along with the Greater Sydney Mega-Region) with only the ACT with having a larger median lot size of 484 sqm and the SEQ with 421 sqm.
- The increase in lot pricing and reduction in lot sizing delivered a 23.5% increase in the average land rate to \$751 psm. This average land rate is 33% more affordable than the combined capital city average land rate of \$1,116 psm and equates to the most affordable land price (on a per square metre basis) in the nation.

**Figure 6.2: Median Lot Price, Land Price (\$/sqm) and Median Lot Size**

Source: UDIA; Research4

Greenfield Market Performance Summary Table

	Annual Net Land Sales	Average Number of Active Estates Per Quarter	Median Lot Size (SQM)	Annual Median Lot Price	Annual Median Land Price (\$/SQM)
2015	2,162	62	419	\$158K	\$379
2016	1,739	57	413	\$167K	\$404
2017	1,851	58	450	\$167K	\$371
2018	2,223	71	422	\$175K	\$415
2019	2,054	75	449	\$179K	\$400
2020	3,917	84	458	\$183K	\$400
2021	5,714	68	442	\$187K	\$424
2022	3,507	54	442	\$235K	\$531
2023	2,568	60	426	\$259K	\$608
2024	2,971	58	411	\$307k	\$748

Source: UDIA; Research4



RESEARCH4 GREENFIELD OUTLOOK 2025

Adelaide

At the beginning of 2024, the greenfield market had an estimated 14 months of pulled forward demand, suggesting that activity levels would likely decrease throughout the year. This did happen, with land sales starting at 281 lots per month and ending at 207 lots per month. The reasons for this moderation are complex; while the greenfield market faced issues with trunk infrastructure that hindered new releases, these challenges inadvertently helped reduce the accumulated forward demand. Despite development constraints, there was significant price growth, with land prices rising by 22% over the year. The decline in activity paired with rising prices indicates continued strong interest in the market. This is further evidenced by the increasing number of investors participating in the market, highlighting the speculative nature currently influencing the greenfield market.



Industry capacity has experienced significant pressure throughout 2024, and this trend is anticipated to continue into 2025 if the rate of replacing decommissioned estates remains unchanged. Evidencing the market's ongoing struggle with capacity, the average replacement rate for 2024 was 60% below the long-term average, while the average scale of new estates decreased by 27%. Additionally, it is estimated that approximately 40% of current active projects are nearing the end of their operational life.

The performance of the 2025 market will be influenced by the ongoing issues around falling levels of capacity, persistent levels of accumulated pulled forward demand and investors wanting more action. The net result from this mix of influences will be moderating sale volumes, upward pressure on pricing and high demand from investors.

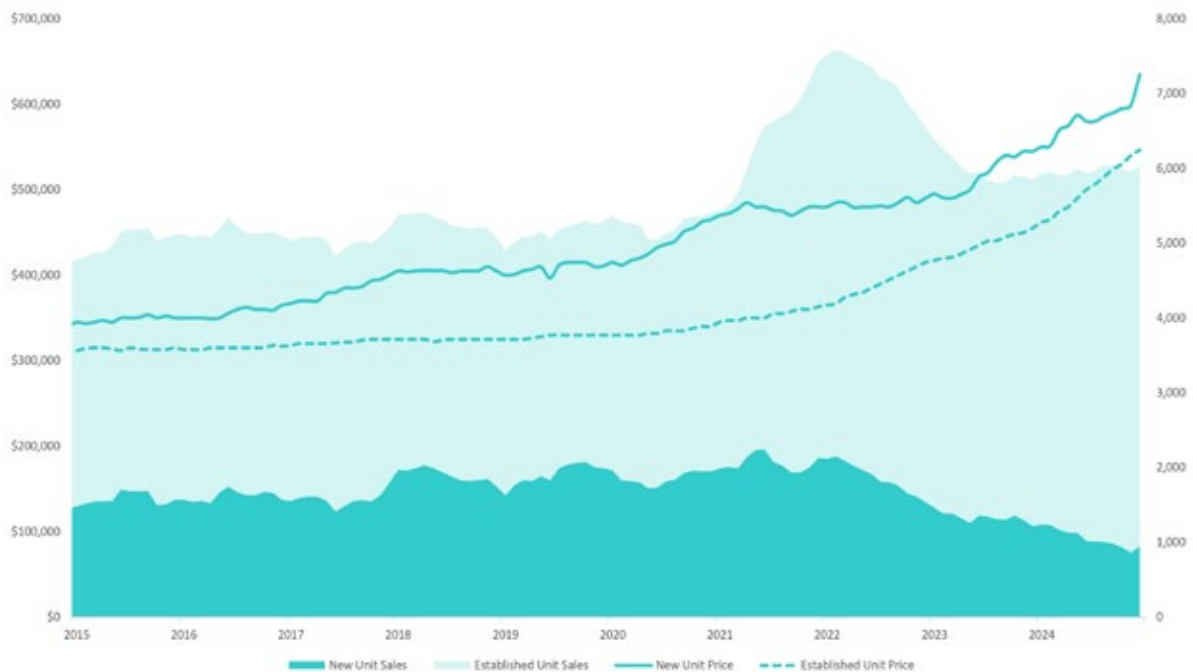
MULTI-UNIT INFILL ANALYSIS

Sales Activity

- Sales of new apartment and town house stock remained subdued across across 2024 with new unit sale transactions down 22% on 2023 sale volumes. This represents the lowest volume of settled multi-unit sales in more than 15 years.
- The volume of new multi-unit sales remained low across 2024 with an average of 71 settled transactions per month, which is 5% lower than the decade long average.
- Across the broader established market for multi-units there was 5,078 settled multi-unit dwelling sales across Adelaide which is up 10% on 2023 transaction volumes.
- Sales of new units accounted for 14% of whole of market (units) sales for 2024 which is below the 28% decade average and well below the peak of 11% of market share achieved in 2019.



Figure 6.3: Multi-Unit Sales, Established & New Sales (Settled)



Source: UDIA; CoreLogic

Median Unit Pricing

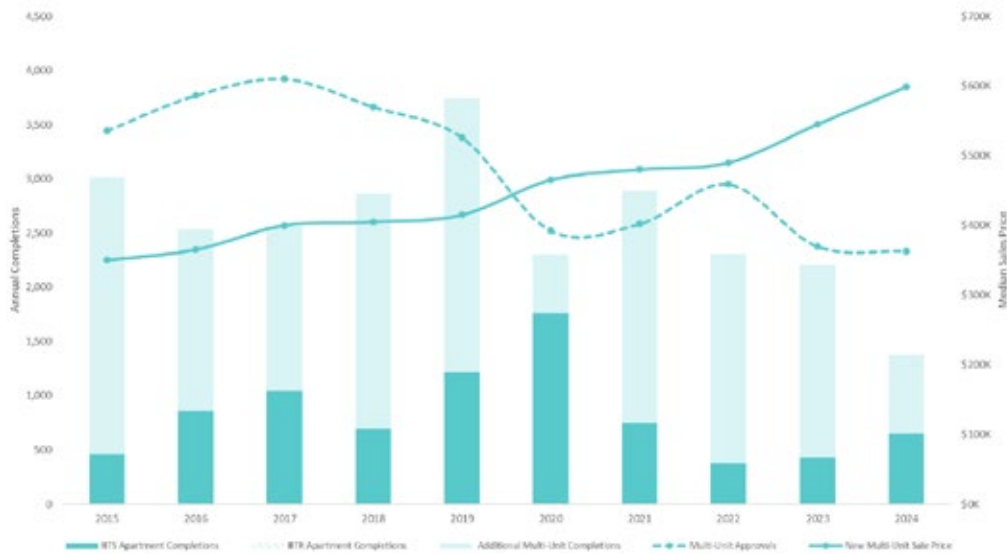
- The median sale price of new units increased by 16% across the year to \$635,000 representing a new high watermark for median pricing across the Adelaide unit market.
- Adelaide's newly constructed units remain the second most affordable in Australia (after Perth), with the current median new sale price 30% cheaper than Sydney and 6% cheaper than Melbourne.
- The current median sale price of new units is currently 29% more affordable than the median sale price for new houses in Adelaide, which is significantly higher than the long-term average of 20% cheaper, which represents a positive retail proposition for the market — particularly first home buyers.

Construction Activity

- There were 1,380 new multi-unit dwellings completed in Adelaide in 2024. This is an annual decline of 37% on 2023 and is 63% below the recent peak of production achieved in 2019 when 3,741 completions were recorded.
- Build to sell (BTS) apartment projects comprised 47% of total multi-unit completions in 2024 which has dropped considerably from 77% of net completions in 2020. This signals the increased role that townhouse and smaller scale infill developments are currently playing in a subdued market for higher density multi-unit product.
- Challenging project viability for apartment projects is also constraining build to rent (BTR) supply with only 500 units completed over the past years. Charter Keck Cramer are not forecasting any significant uplift in BTR completions over the coming three years.
- Approvals for multi-units fell by 1.9% across the year with just 2,334 approvals which is 40.5% lower than the recent peak of approvals recorded in 2017, underscoring UDIA expectations of a prolonged period of reduced aggregate construction activity ahead.



Figure 6.4: Median New Unit Price & Annual Unit Completions



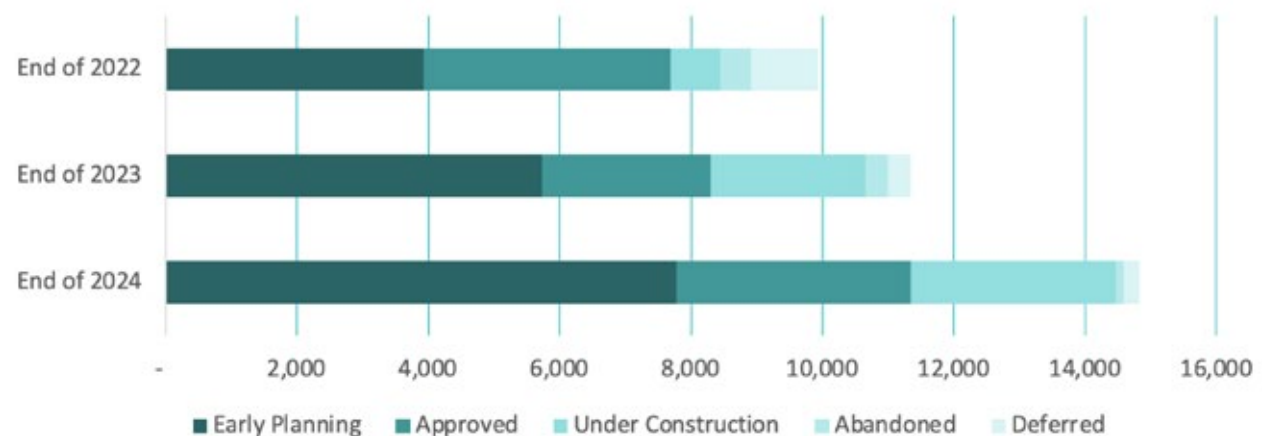
Source: UDIA; CoreLogic; Charter Keck Cramer; ABS

Multi-Unit Pipeline Analysis

Data Note: CoreLogic has produced point-in-time estimates of the multi-unit pipeline based on a year-end snapshot of the industry leading Cordell Construction database.

- This data analysis reveals that there is an aggregate total 14,470 units in the active and forward pipeline, which is 36% higher than the supply recorded in December 2024.
- This increase in the pipeline is a divergence to pipeline retraction observed across most other capital city markets is driven by a 36% uplift in projects in the 'early planning' phase. Units under construction have also increased threefold in 2024 to help underpin the buttressing of the pipeline.
- Part of the explanation for the sudden improvement in the pipeline may relate to projects listed as deferred having been re-activated into the planning approval process. This indicates some positive signs for reversing the declining multi-unit production trajectory in the years post 2026.

Figure 6.5: Multi-Unit Pipeline

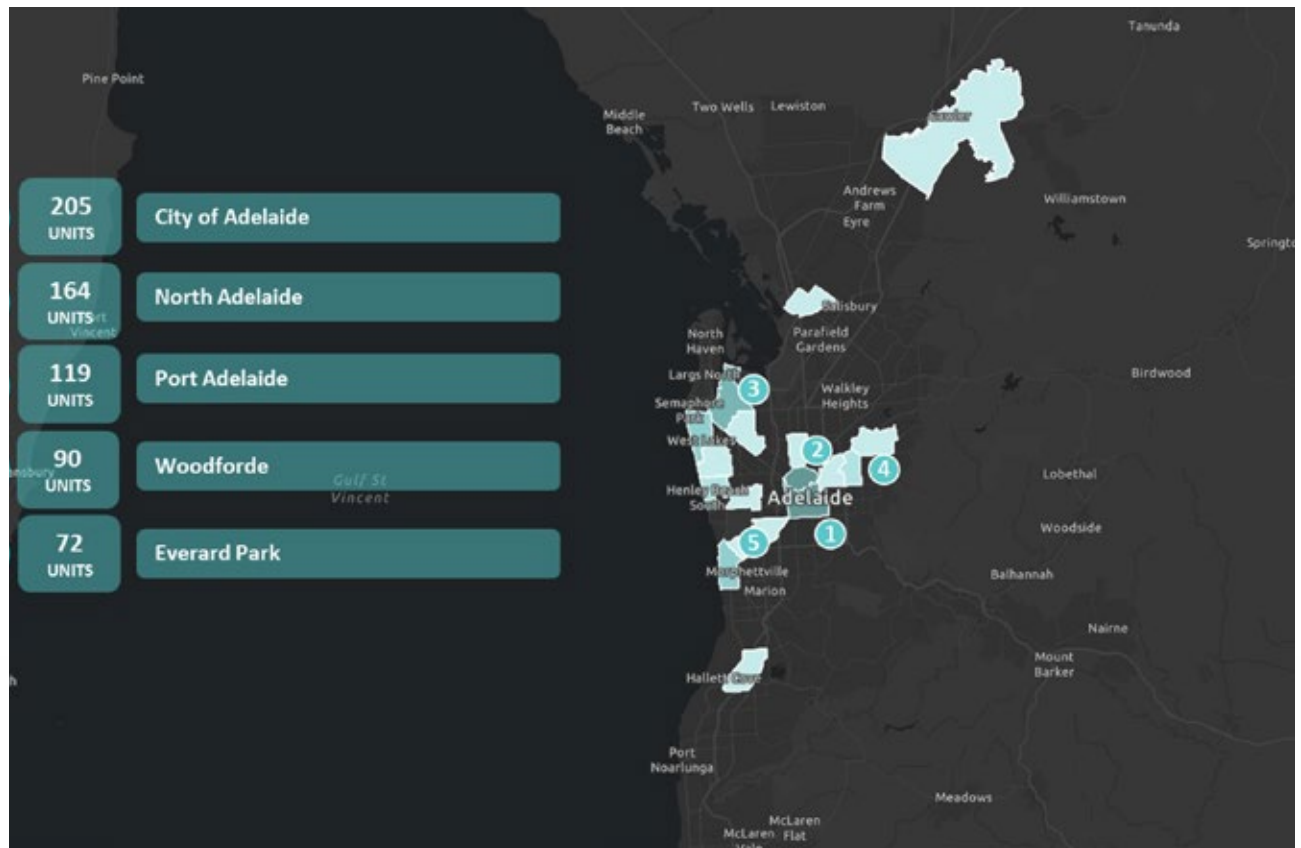


Source: UDIA; CoreLogic



SA

Figure 6.6: Multi-Unit Completions by Suburb



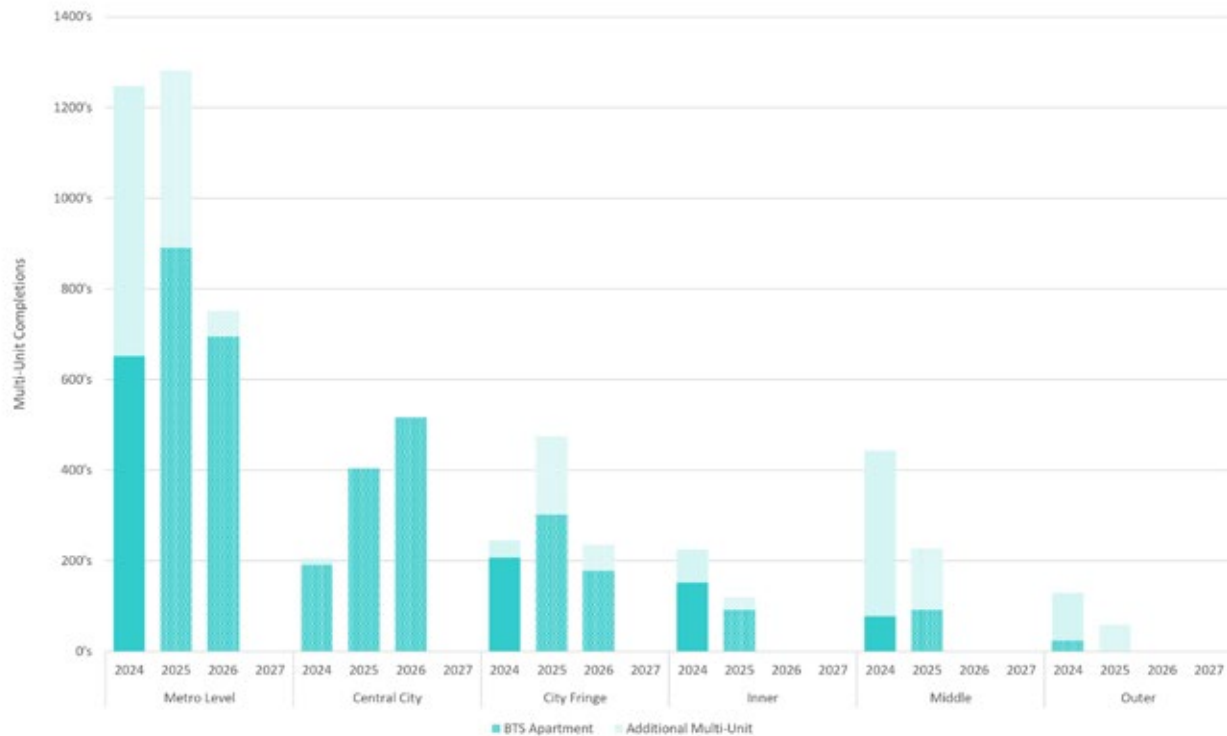
Source: UDIA; CoreLogic; Charter Keck Cramer



The Entrance by Fairland (SA)



Figure 6.7: Multi-Unit Active Supply by Subregion



Source: UDIA; Charter Keck Cramer

Multi-Unit Market Performance Summary Table

Year	New Unit Sales ¹	Median New Unit Price ¹	Unit Approvals ³	BTS Apartment Completions ²	BTR Apartment Completions ²	Additional Multi Unit Completions ³	Unit Completions ³
2015	1,571	\$350K	3,444	460	0	2,556	3,016
2016	1,567	\$365K	3,770	856	0	1,680	2,536
2017	1,794	\$400K	3,923	1,043	0	1,518	2,561
2018	1,747	\$405K	3,665	692	0	2,168	2,860
2019	1,962	\$415K	3,383	1,217	0	2,524	3,741
2020	1,949	\$465K	2,523	1,760	0	541	2,301
2021	2,129	\$480K	2,585	747	0	2,146	2,893
2022	1,536	\$490K	2,951	377	0	1,933	2,310
2023	1,217	\$545K	2,378	428	0	1,778	2,206
2024	863	\$635K	2,334	652	0	728	1,380

Source: UDIA; CoreLogic¹; Charter Keck Cramer²; ABS³



CORELOGIC 2025 OUTLOOK

CoreLogic

South Australia

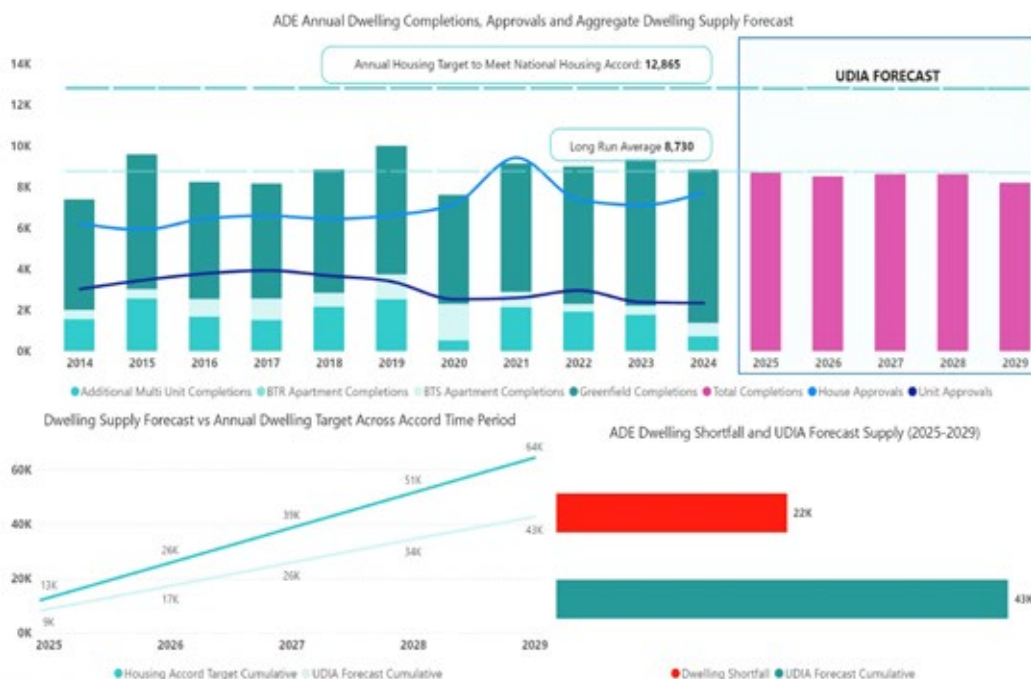
Adelaide and regional South Australian housing markets have stood out, with a rapid rate of capital gain driven by persistently low supply levels. The twelve months to January 2025 saw Adelaide home values rise by 12.7%, while regional values were up a higher 13.2% over the year.

The pace of gains has been slowing since mid-2024 as demand side factors such as population growth has eased and affordability challenges blocking more prospective buyers from the market have taken hold. Interstate migration is now in negative territory with more residents leaving the state than arriving, and net overseas migration is normalising from record highs.

From an affordability perspective, adjusting for local incomes, Adelaide is now the second most unaffordable capital city for buyers after Sydney, and is showing the worst affordability for renters.

The upwards pressure on housing prices is largely supply related, however we are seeing early evidence of a pickup in approvals and commencements for detached housing which, along with less demand, should support a further slowdown in value growth in 2025. Supply challenges look set to persist across the multi-unit sector, where project feasibility remains challenging, with approvals and commencements remaining low.

Figure 6.8: New Residential Market Supply



Source: UDIA; Research4; CoreLogic; Charter Keck Cramer; ABS

SOUTH AUSTRALIA — STATE POLICY ENVIRONMENT

Key industry/market issues

Housing Affordability remains a key issue for South Australia. The past year has seen continued escalation of prices fuelled by an acute supply shortage. Key indicators underscore the strain being felt across Greater Adelaide and beyond. Most recent Valuer-General data shows a 12 month increase in median house price of over \$100,000 to the point where Adelaide's median house price has overtaken Melbourne in recent months.

The greatest impact on prices appears to have come at the more affordable end of the spectrum, with demand particularly resilient at and below median property values, though showing some signs of abatement at higher levels. This provides even greater weight to the development industry's calls for greater support for new housing as the bulk of this product services the affordable and first home buyer market.

While Adelaide's position as a leader in housing affordability has been under strain for several years, the problem has become acute and there is a need for sustained widespread action to respond to the challenge.

State policy priorities

The South Australian Government finally heeded years of advice from the UDIA in announcing the Premier's Housing Roadmap in June of 2024. The centrepiece of the Roadmap was an investment in development enabling infrastructure of \$1.5 billion.

In addition to this investment, measures to streamline and accelerate regulatory processes were announced and have seen progress over the ensuing months, while the Government also committed to a ten-year moratorium on further National Construction Code changes.

Appropriately, significant Government focus is currently on delivery of the Roadmap. However piecemeal other Government policy initiatives are working against housing supply. Policies aimed at increasing off street parking and tree canopy requirements threaten infill

land supply. These counterproductive measures appear to miss the fundamental land economics that underpin development.

Additionally, the influence of inconsistent policy initiatives from Government including continued entrenchment of new infrastructure arrangements threaten the predictability of the South Australian regulatory environment that had made South Australia an attractive prospect to interstate businesses in recent years.

The next State Election will occur in March 2026. The UDIA will be working hard to ensure housing remains front and centre of the public policy debate and takes its rightful place as an election deciding issue. The pivot from Government from implementation to the announcement of commitments for the electorate to consider and cast judgement upon will also provide a pause on additional regulatory changes.

Future prospects

There continues to be a need for immediate housing supply in South Australia. While the potential for the successful rollout of the Premier's Housing Roadmap provides an optimistic view on the future past 2028, there remains an immediate crunch on serviced land.

Beyond the immediate crunch, South Australia has promising trends for sustained housing demand through a pipeline of employment-creating infrastructure mega-projects and defence, mining and green energy jobs. While this appears positive, it is also not without challenges as the labour force for these projects potentially will remove workers from the housing sector.

UDIA SA will continue to work with Government to promote opportunities to deliver interim solutions to provide serviced land this year and next and to continue to prioritise urban development in its skills mix.



Michael Hickinbotham
Managing Director,
Hickinbotham Group

DEVELOPER INSIGHT

Over the last decade, Adelaide has experienced the highest increase in house prices in our history due to a shortage in the supply of land. Adelaide's median house price is approaching 10 times the average household earnings, making our housing market one of the most unaffordable in the world. This has placed immense financial strain on families and individuals, limiting their ability to own homes.

South Australia is currently experiencing a once-in-a-generation opportunity for economic growth. Leading economists highlight that addressing the housing crisis is crucial to attracting the skilled labour necessary to achieve the state's economic potential. The roadmap is an important and welcome initiative, but further action needs to be taken to ensure we consolidate the benefits.

It's imperative that the private sector and the government work together to fix the housing crisis. By resolving the housing shortage, we can achieve a step change in our growth trajectory and ensure a prosperous future for South Australian home buyers and the broader community.



Hyland Avenue by Otello (SA)



SUMMARY



- In 2024 the ACT greenfield market registered a third straight year of sharp declines in activity and momentum while the multi-unit sector demonstrated resilience to record modest increases in sales activity.
- Greatly reduced consumer sentiment driven by rising interest rates in the first half of the year and broader cost of living pressures across the year underpinned the softened demand profile for new build dwellings.
- The moderation of dwelling sales performance in greenfield markets also relates to a market normalisation phase following the significant up-swing in demand on the back of the Home Builder government stimulus across 2020 and 2021.
- A combined total of 4,080 new dwellings were completed¹ in 2024 across the greenfield release and multi-unit infill sectors. This reflects a 9% increase in dwelling completions from the preceding year and is 1% above the decade average.
- New residential annual supply completions are forecast to increase by 6% in 2025 to 4,340 completions, before significant declines are expected in production over the forward years to 2029- driven by declines in both greenfield and multi-unit production.
- Aggregate completions are expected to undershoot the National Housing Accord's annual dwelling target for the ACT of 4,200 (based on a population based share of 1.2 million homes over the forward five years) by 15% in 2026 and then around 40% in the following years, to result in a dwelling supply shortfall of around 5,650 by 2029.

¹ UDIA forecast completions methodology has been updated in SOTL 2025 to capture whole of market construction activity. This provides a direct comparison of State and National based dwelling delivery against targets, and involves a 'blended' assessment of CoreLogic, Research4, Charter Keck Cramer and Australian Bureau of Statistics input data to present a five year outlook of aggregate dwelling production.

Whitlam Estate by
Surburban Land Agency (ACT)

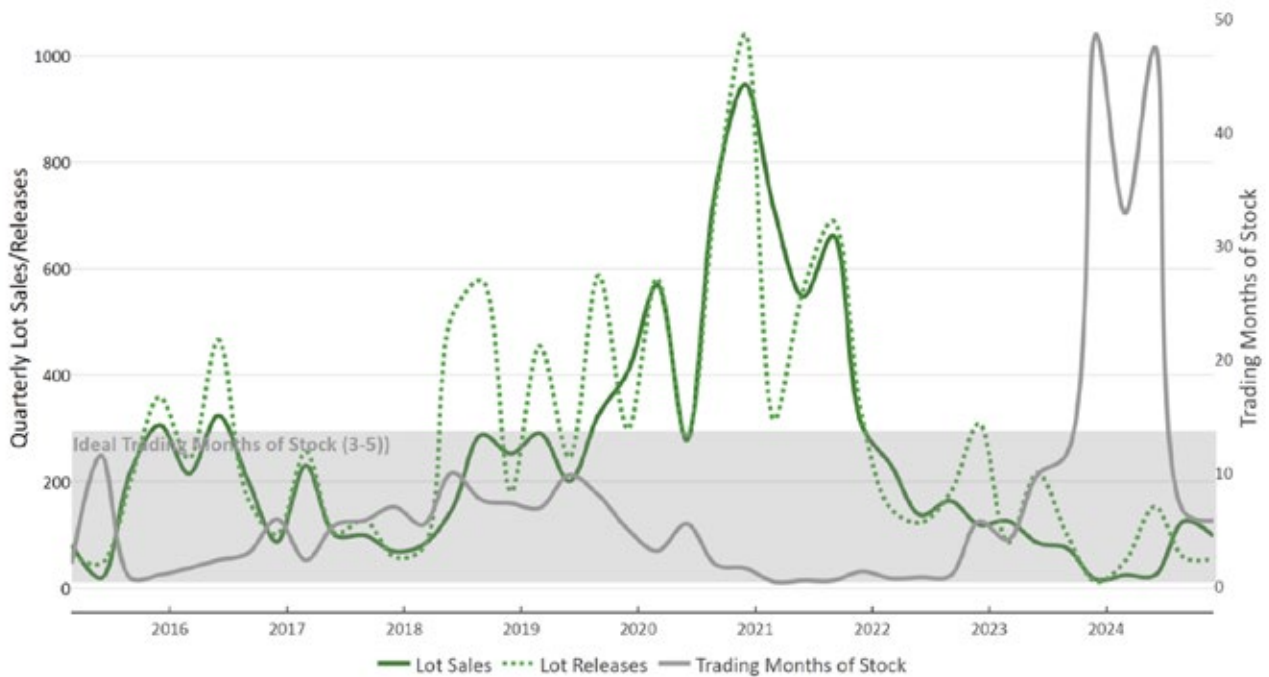


GREENFIELD MARKET ACTIVITY

Sales and Release Activity

- The ACT greenfield market recorded the weakest 12 months of sales activity in over fifteen years with just 272 net greenfield lot sale transactions. This reflects a 10% drop from 2023 and is 73% lower than the decade average.
- Reflecting an extremely soft consumer profile there was a release of just 316 lots released across 2024, which reflects a 24% drop on 2023 volumes, and 72% below the long run average. After demonstrating some signs of recovery in the June quarter, lot releases plummeted in the September and December quarter.
- The ACT's share of total national land sales since 2009 has averaged 3.2%. The share of total activity for the 2024 calendar year was just 1.0%.

Figure 7.1: Greenfield Market Activity



Source: UDIA; Research4





Stock Levels

- As of December 2024, the number of residential lots on a price list was equal to 5.8 months of trading which was the highest proportion of available inventory since the start of the pandemic.

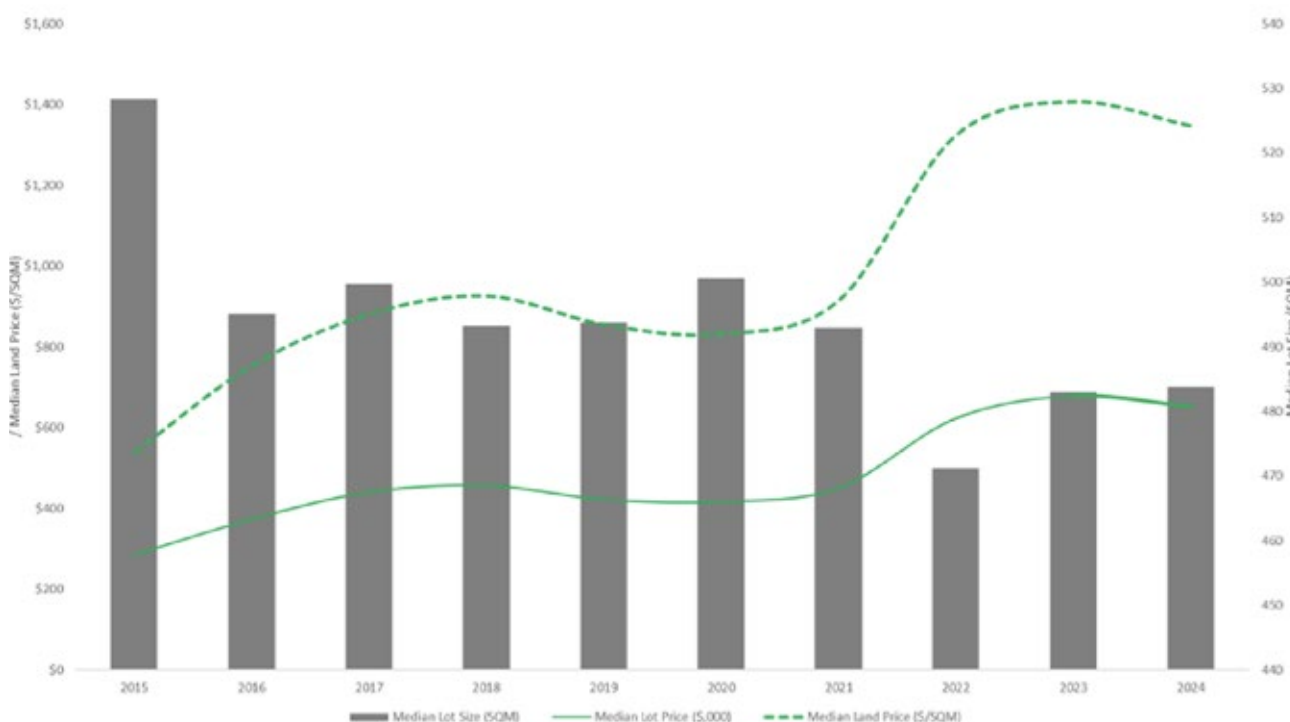
Greenfield Projects

- Research4's land survey recorded an average of just five active estates across 2024 which is same average as 2023 but down from a record 13 active estate average across 2020 – reflecting the height of the HomeBuilder stimulus turbo charging of the market.

Greenfield Land Prices, Lot Sizes and Values

- The ACT's median lot price average across 2024 fell 4% to \$651,750 which retracted the nation's capital into having the second most expensive residential lots across the capital city regions and is now 55% higher than the national average.
- The ACT's 2023 median lot price represented 71% of the established market median house price of \$947,000, which is elevated on the decade average of 60%. The steep escalation in lot pricing in the last two years brought the lot/house ratio up from 56% in 2021.
- The median lot size increased by 0.2% over 2024 to 484 sqm which helped deliver the ACT to comfortably retain the largest average block sizes in the country and is 18% higher than the combined capital city average.
- The median land value fell 4% across 2024 to \$1,347 psm, 20% above the combined capital city average and 62% above the average rate in 2020.

Figure 7.2: Median Lot Price, Land Price (\$/sqm) and Median Lot Size



Source: UDIA; Research4



Greenfield Market Performance Summary Table

	Annual Net Land Sales	Average Annual Number of Active Estates Per Quarter	Median Lot Size (SQM)	Median Lot Price	Median Land Price (\$/SQM)
2015	625	4	528	\$285K	\$539
2016	829	4	495	\$373K	\$754
2017	497	3	500	\$441K	\$881
2018	771	4	493	\$457K	\$927
2019	1,225	8	494	\$423K	\$856
2020	2,548	13	501	\$417K	\$832
2021	2,226	10	493	\$451K	\$914
2022	651	5	471	\$623K	\$1,323
2023	302	4	483	\$679K	\$1,407
2024	272	6	484	\$652k	\$1,347

Source: UDIA; Research4

RESEARCH4 GREENFIELD OUTLOOK 2025



ACT

The 2024 Outlook published last year stated that “2024, should be defined by low sale volumes and problematic land pricing” and that is pretty much what happened. 2024 saw land sales remain low for the first half of the year, before showing some improvement in the second half. The improvement although 67% below the 2008-2024 average was roughly in line with expected levels of demand for land at that time.

The market has a low level of pulled forward demand, excess capacity to demand and a problematic price point. Local land prices have been endeavouring to move back to a more equitable setting, with prices dropping 15% for the year. As at the close of 2024, land pricing was 10% over Fair Value.

The outlook for capacity is that by mid-2025 demand should equal industry capacity levels before pushing higher. The likely truth concerning the market is that land sales are tracking well below demand levels, therefore setting the scene for a possible pronounced improvement something in 2025. In terms of numbers modelled underlying demand in 2025 should be averaging 82 lots per month.

The outlook for pricing is that there should remain downward pressure on land pricing across the first half of 2025 and despite the rising pressure on capacity by mid to late 2025, pricing growth should be minimal. ACT house prices fell for the year, therefore supporting the suggestion that land prices may also experience a correction in the 2025 year.

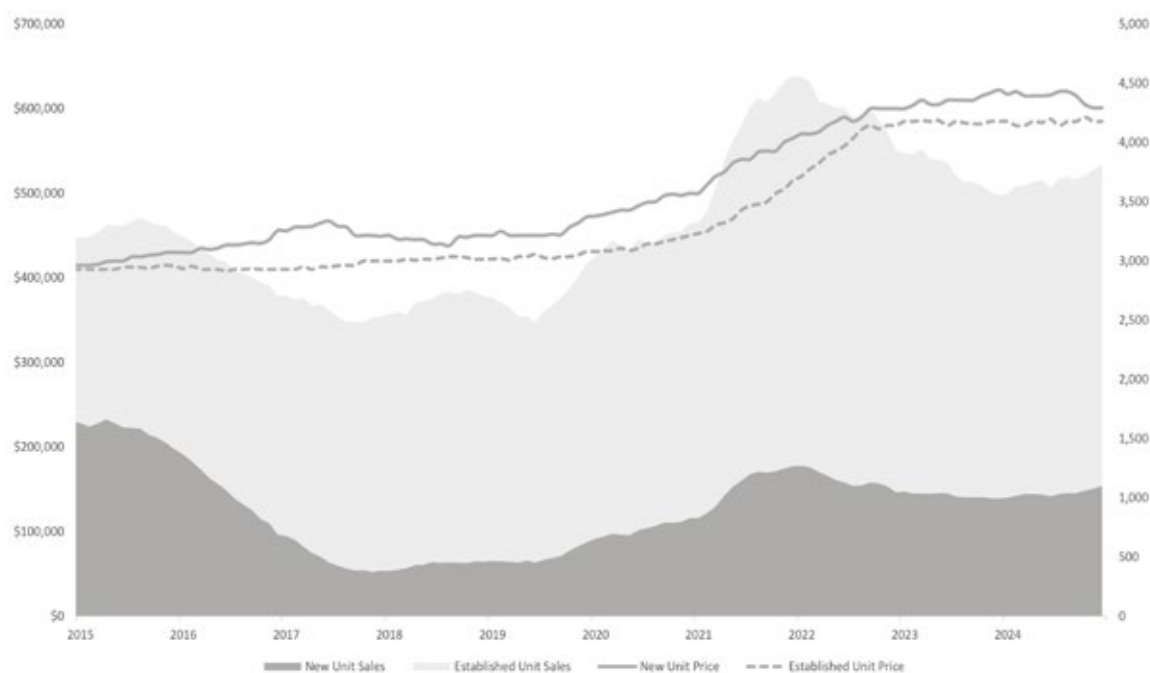


MULTI-UNIT INFILL ANALYSIS

Sales Activity

- There were 1,100 settled sales transacted across the year, which was 11% higher than 2023 volumes and in line with the decade average.
- Sales activity of new apartments and multi-units across Canberra remained relatively consistent across the year, in contrast to the steadily declining activity recorded in the greenfield sector.
- Across the broader established market there were 2,710 settled multi-unit dwelling sales across the ACT which represented a 5% increase on the year was down 18% on the peak volumes of the last decade achieved in 2021.
- Over the last ten years new build multi-units (primarily apartments) have averaged 34% of total annual unit sales activity. In 2024 new unit sales accounted for 41% of total sales highlighting the heightened role that multi-unit production is now playing in aggregate new home delivery.

Figure 7.3: Multi-Unit Sales, Established & New Sales (Settled)



Source: UDIA; CoreLogic

Median Unit Pricing

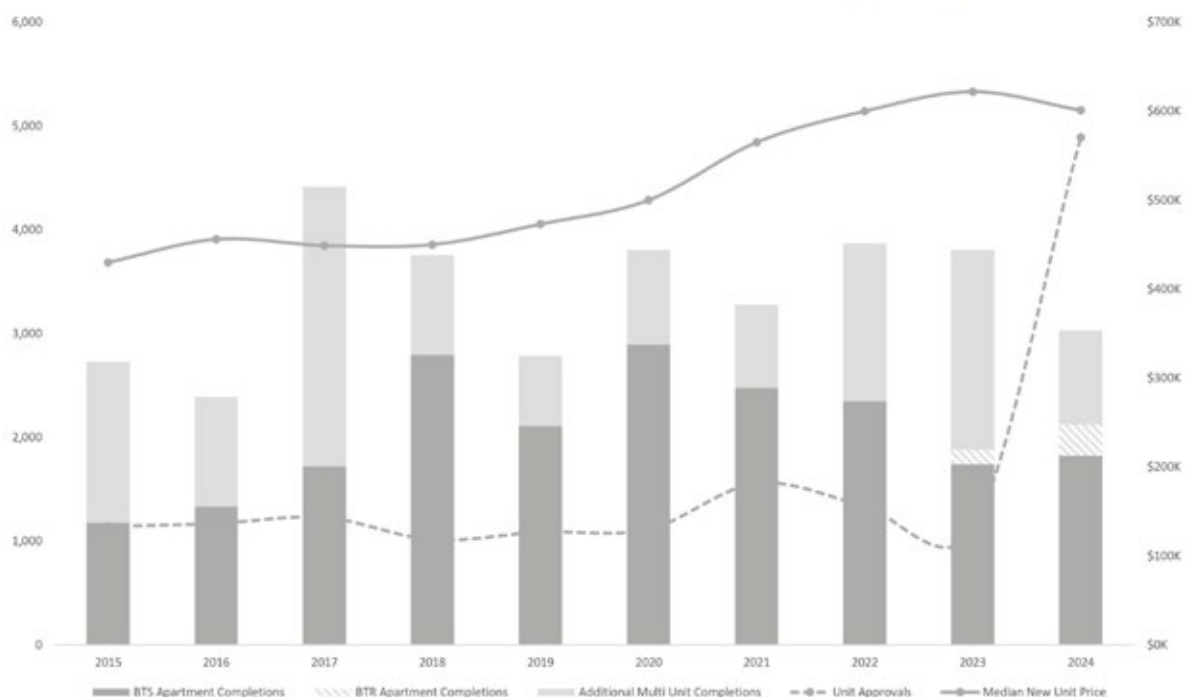
- There was a 3% fall in the annual median sale price of new units in 2024 to \$601,000.
- The median price for the ACT's newly constructed units is currently 41% more affordable than median pricing for Sydney's units but now only 6% more affordable than Melbourne's.
- The median sale value for all multi-units (new and resales) across the ACT flat-lined across the year to \$585,000, which represents the peak value achieved for the unit sector.
- The current median sale value of new units is currently 40% more affordable the median value for new houses, which is significantly lower than the long-term average of 22% cheaper, which represents a positive retail proposition for the multi-unit market – particularly first home buyers.



Construction Activity

- There were 3,030 new multi-unit dwellings completed across the ACT in 2024. This is a decline of 20% from 2023 and a 9% lower annual production output to the decade average.
- Build to sell (BTS) apartment projects comprised 72% of new completed unit supply in 2024, a significant jump from 46% in 2023, which signals the smaller role that smaller scale infill developments played in aggregate new dwelling production last year.
- The BTR sector is still slowly developing in Canberra with 300 units completed in 2024 which was up from 140 units in 2023.
- Approvals for multi-units spiked dramatically in 2024 with a four-fold annual uplift to record an ACT record of 4,890 multi-unit approvals. This highlights the increasing importance expected for built form projects for ACT's forward dwelling production profile.

Figure 7.4: Median New Unit Price & Annual Unit Completions



Source: UDIA; CoreLogic; Charter Keck Cramer; ABS

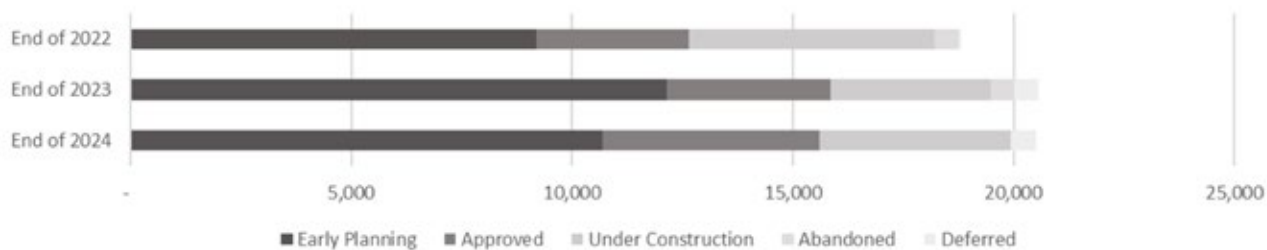
Multi-Unit Pipeline Analysis

CoreLogic has produced point-in-time estimates of the multi-unit pipeline based on an end of year snapshot of the industry leading Cordell Construction database.

- At the end of 2024 the total active pipeline in the ACT numbered 19,927 units, which is a 2.2% increase on 2023 signalling a maintenance of robust forward supply.
- The pipeline recorded a 12% decrease of units in early planning stages in 2024, while approved units increased 32% and due to strong completions across the year units under construction rose by 19%.

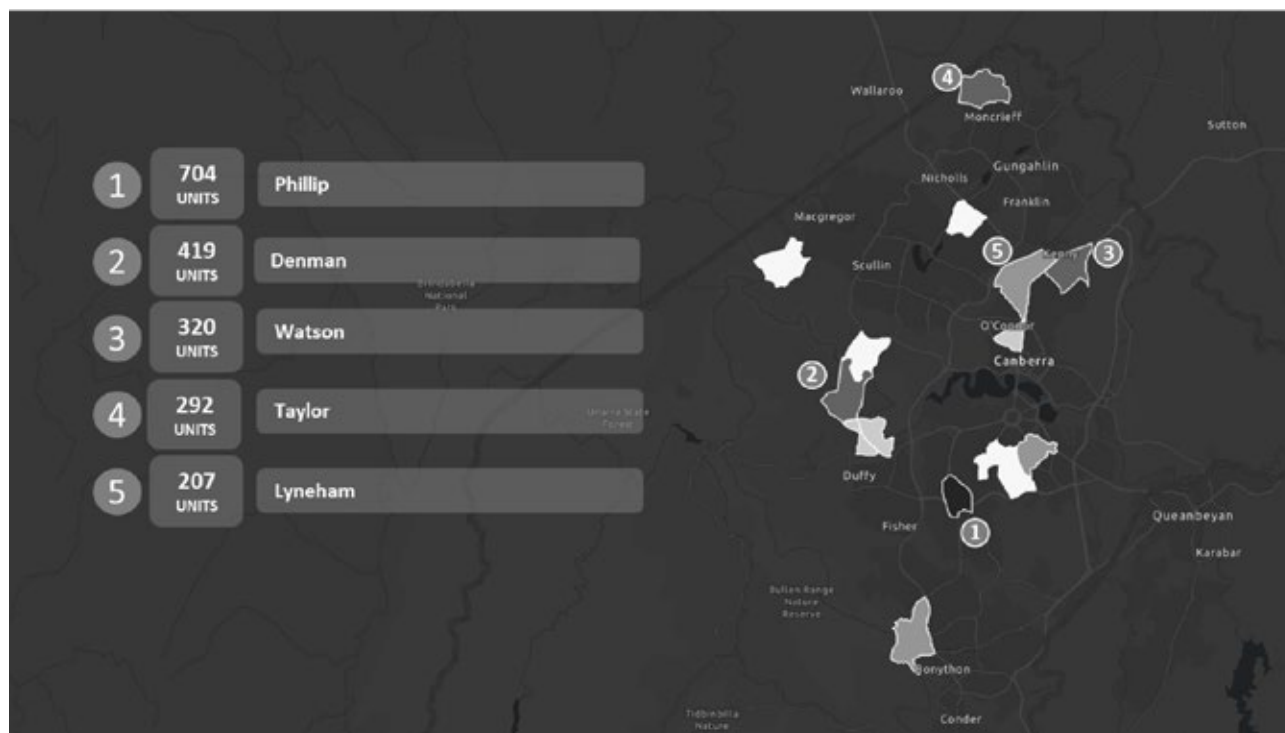


Figure 7.5: Multi-Unit Pipeline



Source: UDIA; CoreLogic

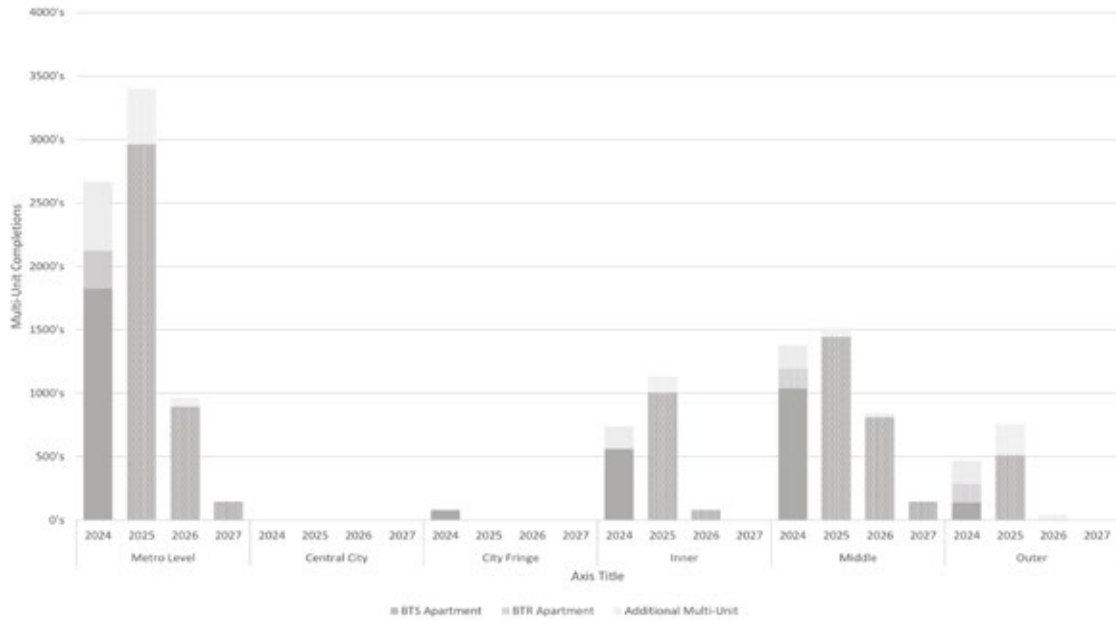
Figure 7.6: Multi-Unit Completions by Suburb



Source: UDIA; CoreLogic; Charter Keck Cramer



Figure 7.7: Multi-Unit Active Supply by Subregion



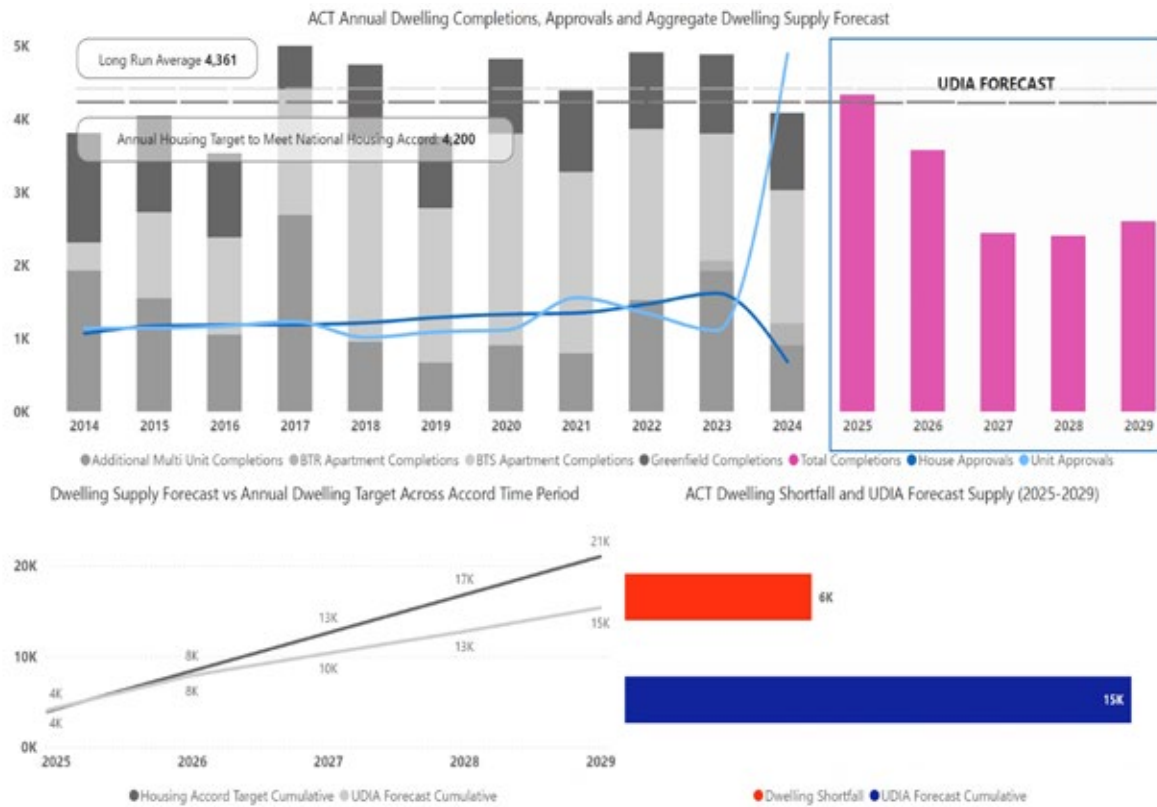
Source: UDIA; Charter Keck Cramer

Multi-Unit Market Performance Summary Table

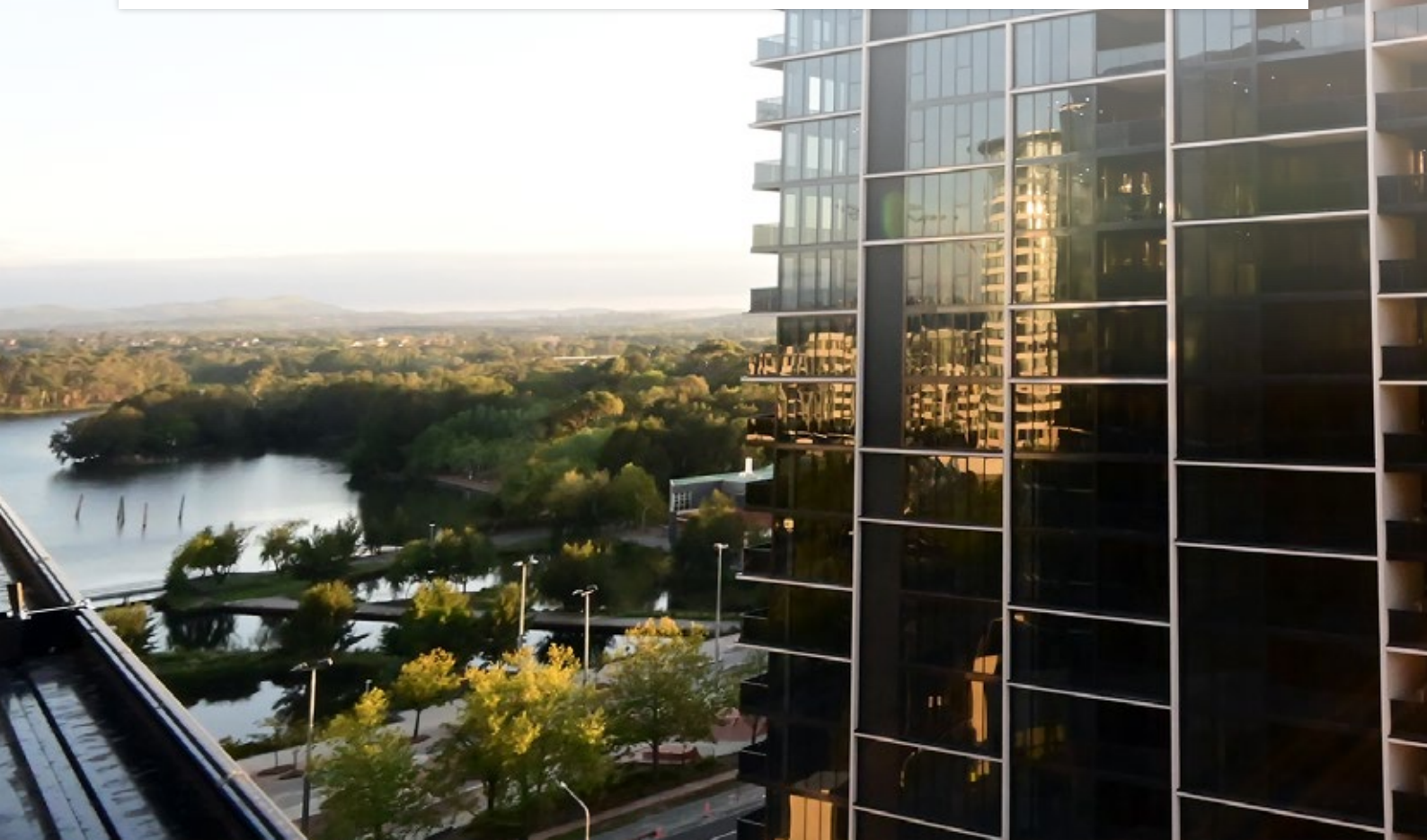
Year	New Unit Sales ¹	Median New Unit Price ¹	Unit Approvals ³	BTS Apartment Completions ²	BTR Apartment Completions ²	Additional Multi Unit Completions ³	Unit Completions ³
2015	1,409	\$430K	1,141	1,175	0	1,554	2,729
2016	689	\$456K	1,170	1,333	0	1,057	2,390
2017	384	\$449K	1,228	1,720	0	2,695	4,415
2018	460	\$450K	1,014	2,795	0	961	3,756
2019	655	\$473K	1,088	2,110	0	676	2,786
2020	830	\$500K	1,114	2,894	0	912	3,806
2021	1,269	\$565K	1,557	2,475	0	803	3,278
2022	1,046	\$600K	1,343	2,347	0	1,524	3,871
2023	994	\$622K	1,108	1,742	140	1,925	3,807
2024	1,077	\$601K	4,890	1,825	300	906	3,031

Source: UDIA; CoreLogic¹; Charter Keck Cramer²; ABS³

Figure 7.8: New Residential Market Supply



Source: UDIA; Research4; CoreLogic; Charter Keck Cramer; ABS



CORELOGIC 2025 OUTLOOK



ACT

Housing conditions across the nation's capital have been relatively soft, with home values falling by half a percent over the 12 months to January 2025. Canberra's unit sector has been the main drag on value growth, with the market down -2.7% over the past year, while house values have held virtually stable, up 0.2% over the same period.

Softer value conditions across the unit sector can be attributed to higher supply levels, with completions across the multi-unit sector outperforming detached housing consistently since 2011.

Dwelling commencements are now below average for both houses and units, as the market contends with less demand from population growth, as overseas migration eases and interstate migration remain low to negative, and the construction sector grapples with ongoing cost challenges, suggesting housing supply additions are likely to be lower in 2025.



David Maxwell
Managing Director,
Riverview Group

DEVELOPER INSIGHT

After a challenging period of market fluctuations, the ACT greenfield land sector in 2025 shows renewed momentum. Enquiry volumes are up 50% year on year, reflecting growing buyer confidence. However, the market continues to rebalance, with land prices adjusting while build costs—up 40.8% over four years—and extended construction timelines (14 months) remain key constraints. The RBA's February cash rate decision, along with potential further adjustments, is set to influence the market positively. Unlocking demand relies on improved planning pathways to accelerate supply alongside a considered and cross-jurisdictional long-term approach for the Capital Region to support much-needed housing, infrastructure, and connectivity. With the appropriate policy settings, 2025 holds promise for a more sustainable and active land market.

Republic by Geocon (ACT)

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