

House on land more achievable for Victorians

March 19, 2016 3:31pm

SAMANTHA LANDY Property reporter News Corp Australia Network



Karmjit Kaur, her daughters Divjot and Tanjot Randhawa, and friend Varinder Singh camping out at Rockbank's Bridgefield development in hope of snapping up a block of land. Picture: Nicole Garmston

THE great Australian dream of buying a house on land remains more achievable for Victorian first-home buyers than those in other states, a new report suggests.

Experts say residential blocks have stayed affordable in Victoria because the state offers a vast supply of developable land, and is expected to do so for decades to come.

First-time buyers in states with less developable land, namely New South Wales and Queensland, are opting for apartments instead, according to the Australian Property Institute and Herron Todd White

report.

The Land Subdivisions 2016 Outlook expects residential land in Melbourne's growth corridors to remain affordable this year, but for block sizes to decrease.



Kyriacos Kyriacou is aiming to buy a block of land in Rockbank's new Bridgefield development to build his first home on. A new report says many Victorians' first home is a house and land package. Picture: Nicole Garmston

The report identifies Melbourne's key growth regions as Wyndham and Melton in the west, Hume, Mitchell and Whittlesea in the north, Casey and Cardinia in the southeast and Geelong, Ballarat, Bendigo, Warragul and Drouin regionally.

Herron Todd White director of residential development Paul Wheate said there was flat, developable land in almost "every direction" from Melbourne, a contrast to landlocked Sydney.

Other Stories

"So (in Victoria) a lot of people's first home is a house and land package," Mr Wheate said.

"In New South Wales and Queensland, it's too hard to deliver a product at that price point and it's easier to construct and sell apartments."

Mr Wheate said while buyer demand had slightly driven up the cost of land in Victoria, he expected prices to stay low in 2016.

But developers would likely have to decrease block sizes to keep them cheap, he said: "if a block is not affordable, it won't sell.

"Developers are happy to maintain sale rates rather than price growth."

Victoria's average land allotment size is 350-450sq m, but blocks smaller 300sq m are reportedly on the rise.

The median price of new release land rose 3.8 per cent to \$211,500 last year, according to the Urban Development Institute of Australia.

Urban Property Australia managing director Sam Tamblyn said average block prices in Melbourne were about 20 per cent cheaper than the Australian average.

Demand for residential land on Melbourne's fringe is so high that buyers are prepared to camp outside some developments to snap up blocks.

About a dozen groups have slept in their cars outside Rockbank's \$320 million Bridgefield development for the past two nights, desperate to secure one of the 57 lots being offered for sale from Saturday.

"If you've got the right product offering, then buyers understand lots won't hang around for long," marketing director for developer Goldfields, Rohan Ames, said.

Among the development's draw cards are its closeness to Rockbank train station and the Western Freeway, and its planned residents' club featuring sports facilities including a pool and gym.

Bridgefield will comprise 1000 blocks, with an average 475sq m lot costing \$218,000.