



HIA-APM Land Monitor



May 2007

HIGH LAND PRICES CRIPPLE AFFORDABILITY

Despite a slight fall in the December 2006 quarter, the price of a typical vacant residential lot remains at near historic highs, crippling housing affordability and keeping a lid on new home construction.

The weighted average vacant lot price for Australia's largest 5 cities fell by 0.3 per cent to \$183,873 in the 3 months to December 2006, but remains 7.7 per cent higher than the same quarter of 2005.

Recent englobo land sales reveal that further prices increases are likely in most cities. Land in the North and South West corridors of Sydney continue to sell for as much as \$1.2 million per hectare while prices in Perth and surrounds have breached the \$1 million per hectare mark. Englobo sales in Melbourne have been around \$450,000 per hectare..

The number of lots sold over the December quarter also fell to historic lows, down 30 per cent in most cities due to both supply

constraints and a lack of demand at higher price points.

HIA's assessment of the balance between the demand for and the supply of zoned, developed land is one of a continued overall shortage. Availability in Sydney has improved and is estimated to be marginally behind the current sluggish level of demand. However this masks the critical shortage of land in the sub \$250,000 price bracket. Melbourne's land supply however is ahead of demand in two of the three development corridors, while land supply across most of South East Queensland is well short of demand. Perth's land supply remains in critical shortage, whilst Adelaide is in better shape.

Key Facts

Average Vacant Lot Price

\$183,873

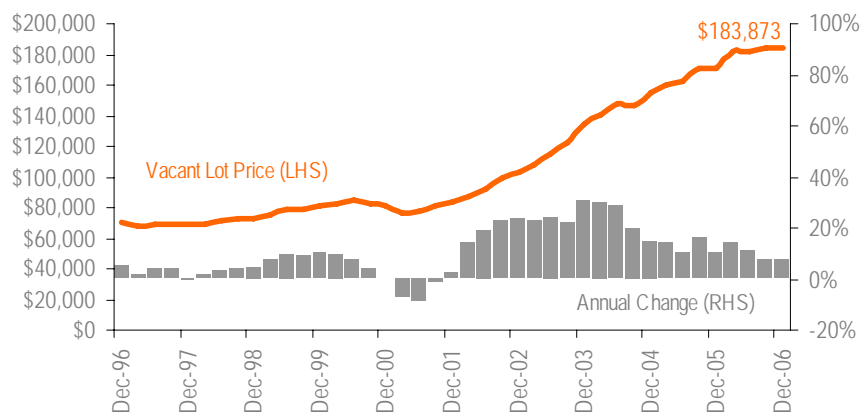
Percentage Change

-0.3% quarterly

7.7% annual

Vacant Lot Price - Average of Australia's Largest 5 Cities

Source: Australian Property Monitors



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Vacant Lot Prices By City and Region

Over the December 2006 quarter, vacant lot prices rose in all observed areas except Brisbane, regional Queensland, regional Western Australia, regional Victoria, Hobart and Darwin. The most significant increases in vacant lot price were recorded in regional Northern Territory, up 30 per cent in 3 months while Sydney recorded growth of 11.7 per cent in what is largely a flat market.

Median Price of Developed Vacant Residential Lot

Source: Australian Property Monitors

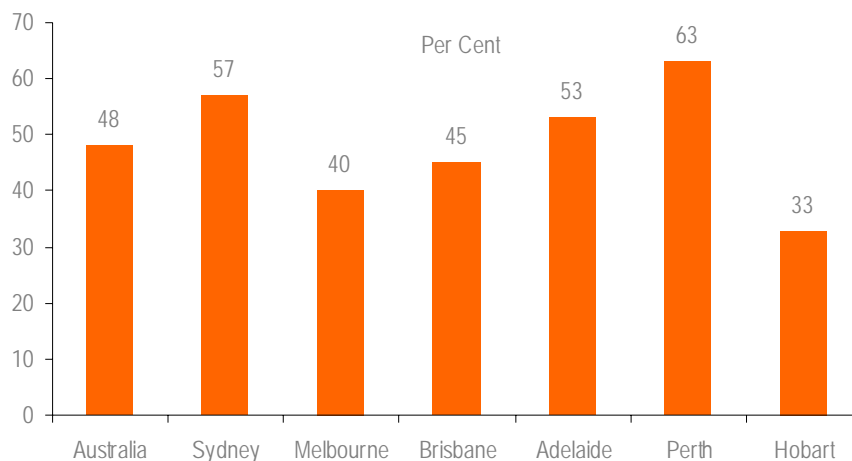
	Price			% Change	
	Dec-05	Sep-06	Dec-06	Qtrly	Annual
Sydney	\$320,000	\$320,000	\$357,500	11.7	11.7
Rest of NSW	\$165,000	\$160,000	\$170,000	6.3	3.0
Melbourne	\$142,000	\$149,950	\$155,000	3.4	9.2
Rest of VIC	\$92,000	\$100,000	\$100,000	0.0	8.7
Brisbane	\$182,250	\$185,000	\$175,000	-5.4	-4.0
Rest of QLD	\$120,000	\$140,000	\$130,000	-7.1	8.3
Adelaide	\$182,500	\$175,000	\$186,800	6.7	2.4
Rest of SA	\$95,000	\$90,000	\$97,000	7.8	2.1
Perth	\$175,000	\$379,000	\$389,750	2.8	122.7
Rest of WA	\$150,000	\$185,000	\$165,000	-10.8	10.0
Hobart	\$107,000	\$110,000	\$95,000	-13.6	-11.2
Rest of TAS	\$85,000	\$80,000	\$87,000	8.8	2.4
Darwin	\$305,000	\$365,000	\$349,000	-4.4	14.4
Rest of NT	\$226,000	\$185,000	\$240,000	29.7	6.2

Land as a Proportion of the Total House and Land Price

In the December quarter, the land component of a typical house and land package was higher than 40 per cent in all but one capital city. Nationally it reached 48 per cent over the quarter. Hobart has the lowest land component of a house and land package at 33 per cent of the total price. Perth land contributed 63 per cent to the final price of a home in the December quarter of 2006, while Sydney remained close behind at 57 per cent.

Land as a Proportion of Total Dwelling Price

Source: Australian Property Monitors, ABS Unpublished Dwelling Approval Data

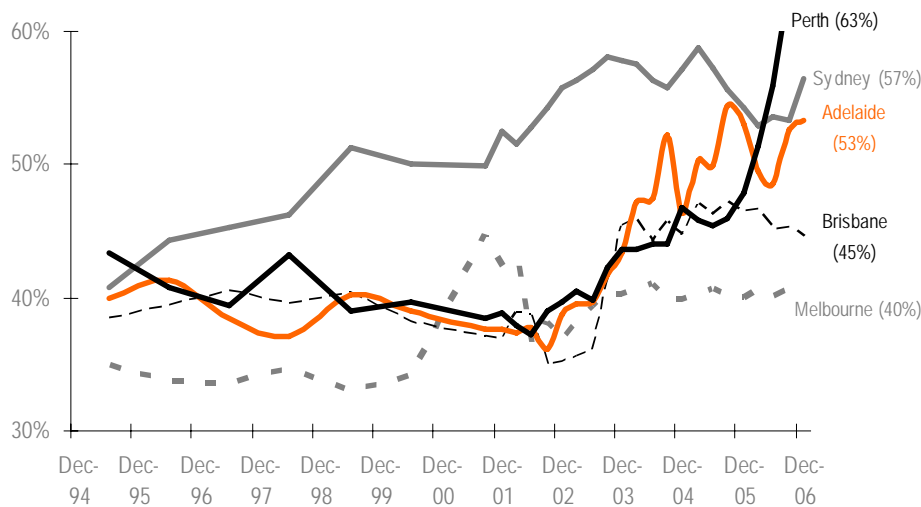


Historically, the contribution of land in the final house and land price has risen in every one of the largest 5 capital cities. In December 1994, land in Perth, Sydney, Adelaide and Brisbane was close to the 40 per cent mark while in Melbourne, it accounted for only 35 per cent. This proportion decreased in Perth, Adelaide and Brisbane over the remainder of the decade. From 2002 onwards, the proportion of land in a house and land package has risen dramatically in these same three cities.

For Melbourne, the land component has remained steady at around 40 per cent following a spike during the introduction of the GST. Sydney's land component of a house and land package continued to climb through to 2003 but has since dipped. The most recent quarter however has seen a large spike in price, thus increasing the land component proportion.

Land as a Proportion of New House and Land Price, 5 Largest Cities

Source: Australian Property Monitors, ABS



Indicative Englobo Land Price

Reporting on the sale of englobo land is difficult. Variations in sizes, locations, quality and zoning potential can result in huge price differences for land in similar geographic locations. The prices mentioned in the table overleaf are a small sample of sales that have been reported both anecdotally and in the property press. This table has attempted to report only on those parcels of land that are already zoned residential, but in which the developer is required to provide local infrastructure and in some cases pay additional state infrastructure levies.

The North West of Sydney has been recording sales as high as \$1.2 million per hectare although at this price, there is a requirement for higher densities to make development commercially viable. In the South West, sales of \$720,000 were common while in Rural NSW, sales of around \$115,000 were typical in most regional centres.

A number of parcels in the Western corridor within the Melbourne Urban Growth Boundary changed hands recently at an average price of \$450,000 per hectare. The recent sale of Macgregor West in the ACT was a particular standout, commanding \$660,000 per hectare and marking a new approach from the ACT Government to releasing englobo land to developers.

Western Australia prices have jumped considerably, with raw parcels selling in Perth Metro above \$450,000 per hectare while some parcels on the urban fringe have commanded in excess of \$1 million per hectare.

The QLD market was slow over the most recent months with englobo land in Pimpana trading at \$162,000 per hectare. The Ipswich growth corridor recorded a sale late in 2006 which equated to \$320,000 per hectare while a small parcel in Caloundra reached \$300,000 per hectare. The highest price recorded in Brisbane recently was \$675,000 per hectare. Prices in Far North Queensland remain less than half that of South East Queensland with a sizable parcel in Cairns changing hands for \$125,000 per hectare.

Englobo Land Sales - Price per hectare

Source: HIA Survey

State	Region	Dec Qtr 2006	State	Region	Dec Qtr 2006
NSW	North West Sydney:	\$1,200,000	SA	Adelaide North East:	\$950,000
	South West Sydney:	\$720,000		Rural South Australia:	\$85,000
	Rural NSW:	\$115,000	WA	South Perth:	\$900,000
VIC	Melbourne Metro West:	\$450,000		Mandurah:	\$450,000
	Rural Vic (Wodonga):	\$135,000		Claremont	\$610,000
QLD	Brisbane	\$675,000		Wannaroo	\$1,050,000
	Brisbane (Ipswich)	\$320,000	Henley Brook	\$800,000	
	Gold Coast (Pimpana)	\$162,000	ACT	Macgregor West	\$660,000
	Sunshine Coast	\$300,000			
	Far North:	\$125,000			

Note: These indicative prices are based on a select number of actual transactions in the December quarter of 2006 and as such are not a complete record of englobo sales

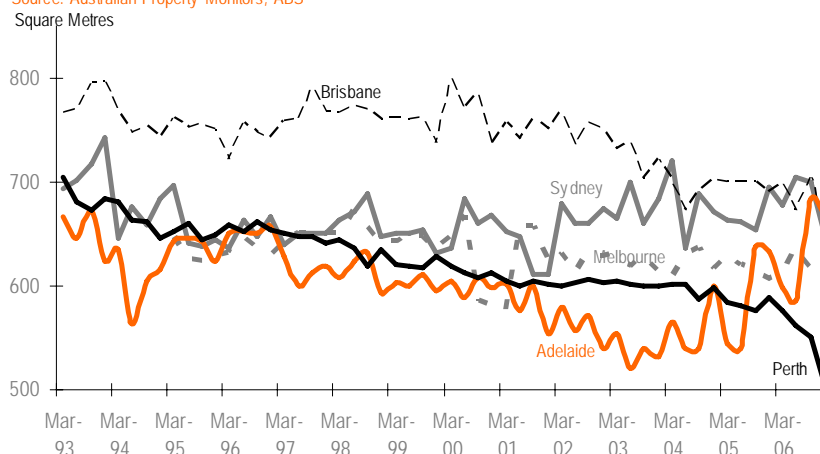
Average Lot Size

Average lot sizes fell in 5 of the largest cities over the December 2006 quarter. Lot size in Brisbane is now averaging 659 square metres, down from as high as 800 square metres in the early 1990s. Sydney land sizes have been volatile, most recently recorded at 650 square metres in the December quarter, largely in line with sizes recorded over most of the decade. Adelaide land sizes have been climbing sharply since 2003 however dipped sharply in the most recent quarter – down to 670 square metres.

Perth land sizes hit a historic low in the December quarter reflecting the difficult affordability conditions in that market. Land size over the quarter was an average of 507 square metres which compares to 700 square metres recorded in 1993.

Vacant Lot Size, 5 Largest Cities

Source: Australian Property Monitors, ABS



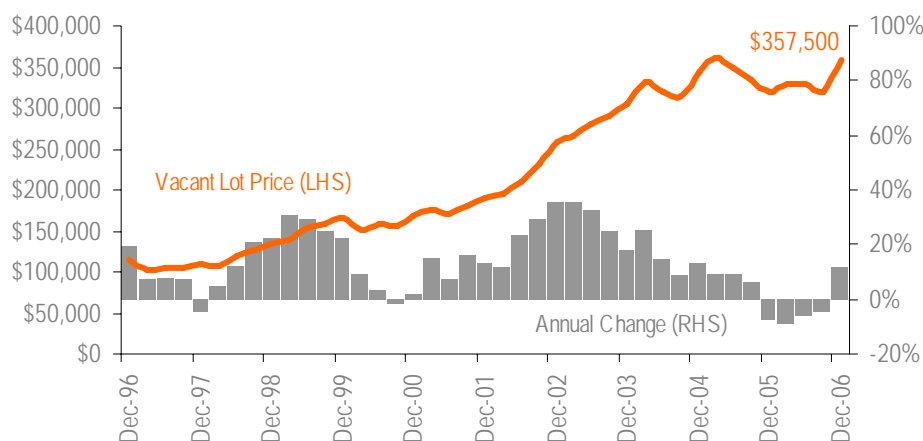
New South Wales

The most recent quarter saw vacant developed land prices in Sydney rise by a sharp 11.7 per cent. After falling throughout most of 2006, the annual growth rate also jumped up to 11.7 per cent to be close to a historical high.

Prices in regional New South Wales also remain at a record high, up 6.3 per cent over the quarter to \$170,000 per lot. Like Sydney, price growth as measured on an annual basis is now back into positive territory, up 3 per cent over the year. However, this growth rate remains well below that recorded in the mid 1990's where prices were climbing by as much as 35 per cent per annum.

Vacant Lot Price - Sydney

Source: Australian Property Monitors



Key Facts

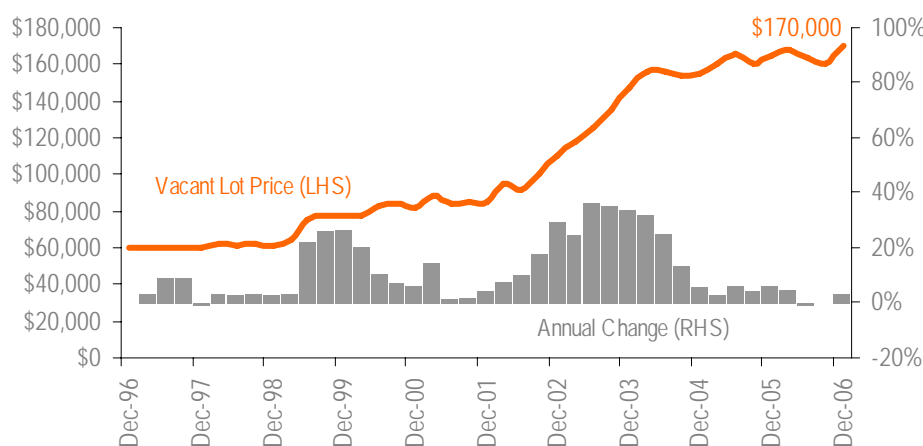
Average Vacant Lot Price
\$357,500

Percentage Change
11.7% quarterly

11.7% annual

Vacant Lot Price - Regional NSW

Source: Australian Property Monitors



Key Facts

Average Vacant Lot Price
\$170,000

Percentage Change
6.3% quarterly

3.0% annual

An Assessment of the Current Stock of Developed Land in Sydney

Summary Assessment:

Supply has improved from a very low base but remains in critical shortage.
Slow sales do not reflect a lack of demand but rather a lack of land in the sub \$250,000 price range.
An analysis of the development pipeline suggests an inadequate supply of middle to low priced land for the next 5 years.

Despite a recent improvement in the supply of vacant residential land stocks across Sydney, land prices still present a substantial hurdle for the majority of potential buyers.

With vacant land sales and housing activity at near record lows, the recent addition of a number of new estates to the production pipeline has most developers agreeing that "there is plenty of land out there." This, however, masks the fundamental problem of a critical shortage of land in the sub \$250,000 market.

The development industry remains extremely fragmented with respect to conditions in the medium to longer term. Some recent evidence of price discounting demonstrates eagerness on behalf of some players to trade out of what has been a very protracted down cycle. Generally however, most developers are optimistic that the Sydney market will turn.

The sub \$200,000 market at present consists of a few select blocks in Penrith (\$160,000), Campbelltown (\$180,000), and Kellyville (\$200,000). Just above this mark is a limited number of blocks in Mount Annan and Greystanes.

The majority of land that is zoned and serviceable and therefore capable of being delivered to market is not in, or only just commenced production. Land will not be delivered in large quantities in these estates for some time. Lot production is underway in Ropes Crossing, Pipeworks and Glenfield Road. Further back in the pipeline, the next stage of Glenmore Park is close to being zoned while problems with land acquisition and development proposals have slowed many developments. Rouse Hill is still some 12 months away from being delivered to market.

For the medium term, forecasts of lot production are almost wholly dependant on the few large land holdings within the first stage release areas in Sydney's growth centres. Beyond this, high levels of lot production are unlikely, particularly given the high level of land fragmentation in the release areas and the massive divide between land owner's price expectations for their englobo parcels and commercial viability.

Sydney's land supply, and the price at which it can be delivered to market is delicately poised. Most would suggest that an expansion of development fronts or a significant adjustment to underlying structural costs is required to free up supply.

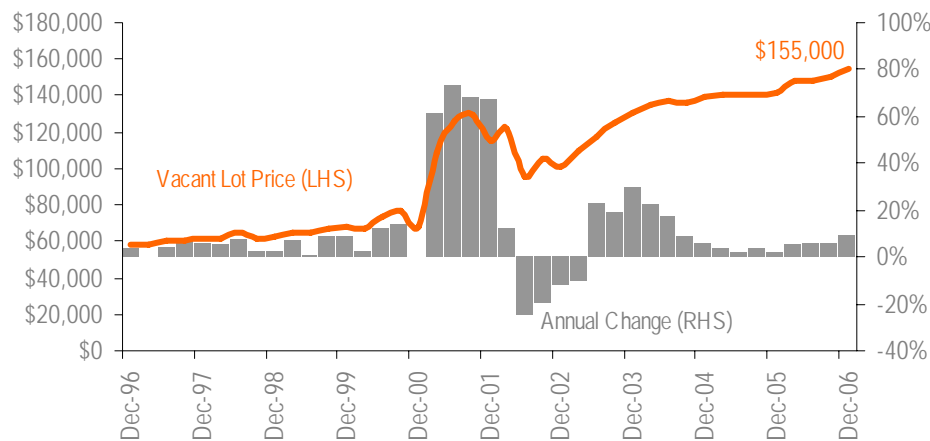
Victoria

Price growth is starting to accelerate in the Melbourne vacant land market. After declining throughout 2003 and 2004 and remaining stagnant throughout 2005, annual price growth has jumped to 9.2 per cent according to sales in the December quarter of 2006. The average lot price now sits at \$155,000 per block, following a 3.2 per cent rise over the quarter.

Regional Victoria is still recording some of the most affordable land in the country. Prices remained steady over the quarter at \$100,000, down on the June 2006 figure, but still 8.7 per cent higher than the previous year.

Vacant Lot Price - Melbourne

Source: Australian Property Monitors



Key Facts

Average Vacant Lot Price

\$155,000

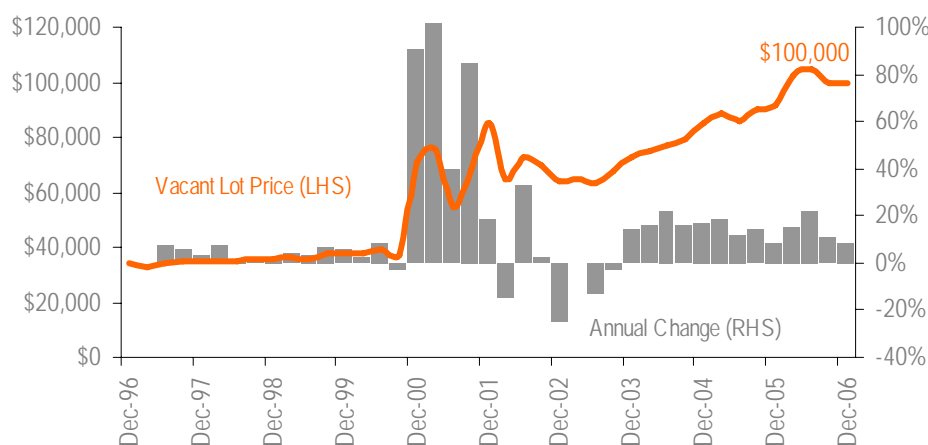
Percentage Change

3.4% quarterly

9.2% annual

Vacant Lot Price - Regional Victoria

Source: Australian Property Monitors



Key Facts

Average Vacant Lot Price

\$100,000

Percentage Change

0.0% quarterly

8.7% annual

An Assessment of the Current Stock of Developed Land in Melbourne

Summary Assessment:

Supply generally in balance with demand.

A lack of competition has increased prices and slowed production in some corridors.

It is notable that Melbourne's lot production has hovered between 8,000 lots – 20,000 lots per year since the early 1990's. In recent years production has exceeded 10,000 lots, significantly outstripping Sydney's paltry supply of barely 3,000 lots.

Since the advent of the Melbourne 2030 planning strategy there is a degree of uncertainty about the city's rate of growth and where this will occur. The strategy aims to reduce the overall contribution to future housing from greenfield locations. Generally, there is sufficient zoned and unzoned pipeline land to accommodate demand fluctuations that might arise from any underestimation of Melbourne's growth, provided this land is not artificially withheld from development.

Currently, the vacant land market in Melbourne is very corridor specific with overall supply generally in balance with demand. This however masks some corridor specific issues and also masks an emerging lack of competition which many are blaming for recent price pressures.

In the South East, land in Cranbourne, Officer and Pakenham is in reasonable supply however the State Planning Minister himself has acknowledged that overall, there is a shortage of zoned land. As with other states, there is significant fragmentation of land and Vic Urban's 350 hectare parcel while considered supply is along way back in the development pipeline. There is a growing concern that there is not enough supply to ensure competition.

In the Hume Growth corridor (North), a lack of competition is also emerging with the recent Urban Development Program report stating that zoned land holdings within Hume (Craigieburn) considered to be "insufficient to foster a competitive broad-hectare land market." The current production rate versus the demand for new lots suggests a shortfall of 600 lots per annum. Higher asking prices in the Highland and Greenvale lakes developments have kept a lid on demand.

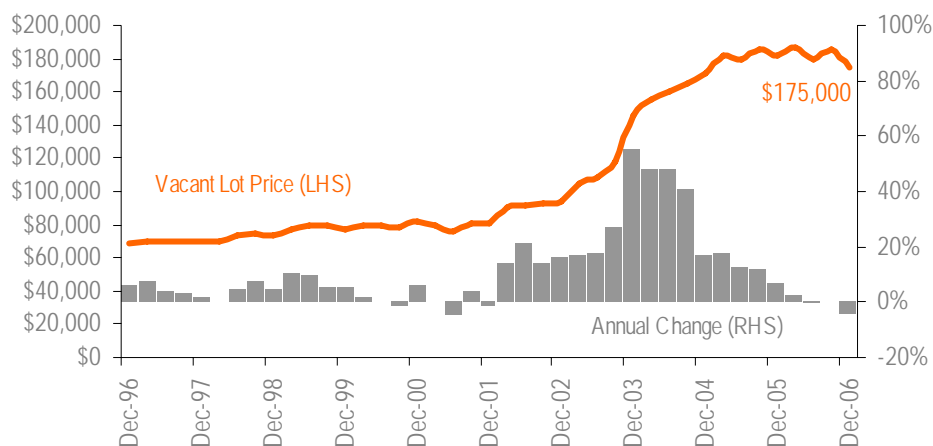
Queensland

Brisbane land prices fell in the December quarter, down 5.4 per cent to be 4 per cent lower than the year previous. The easing in land price is contrary to reports of very tight supply but reflects an increase in villa lot sales over the end of last year at an average price of \$160,000.

Lot prices in regional Queensland also fell, down 7.1 per cent to \$130,000 per block. Despite the fall, the average price remains some 8.3 per cent higher than the same quarter in 2006.

Vacant Lot Price - Brisbane

Source: Australian Property Monitors



Key Facts

Average Vacant Lot Price

\$175,000

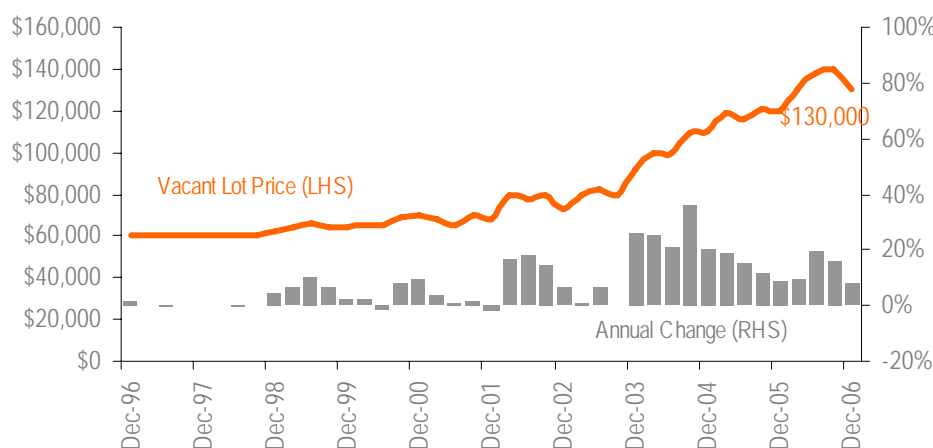
Percentage Change

-5.4% quarterly

-4.0% annual

Vacant Lot Price - Regional QLD

Source: Australian Property Monitors



Key Facts

Average Vacant Lot Price

\$130,000

Percentage Change

-7.1% quarterly

8.3% annual

An Assessment of the Current Stock of Developed Land in South East Queensland

Summary Assessment:

Brisbane land supply is well behind demand.

Despite an easing in price the only available land is in the \$220,000 and above bracket where there is little interest.

Gold Coast has an adequate supply of land as does Caloundra.

Other parts of the Sunshine Coast are in extreme shortage.

There are striking similarities between the Sydney land market of 3 years ago, and the current South East Queensland land market. Brisbane in particular is suffering a growing shortage of land. Any release of land under \$200,000 per block in the South East of the State results in many disappointed buyers missing out. Recent sales of 300 square metre villa lots in North Lakes by Stockland saw record sales over a single weekend while other larger more expensive blocks in the vicinity have been virtually impossible to sell.

For Brisbane, with zoning plans already locked in, the supply of developed lots is expected to improve in 18 months time, however there are grave concerns over the final price of each lot. The typical buyer at present is showing no interest in any land priced over the \$220,000 mark. The recent increase in fees and charges and the influence of infrastructure charges on land development in the South East corner has made developing these blocks a lot riskier. Many developers are sceptical about their capacity to deliver land under the \$250,000 mark.

Looking ahead, there are concerns that a protracted land zoning and development process, and a striking increase in the levying of infrastructure charges on land developers will slow production. Much of south-east Queensland's pipeline land is also highly fragmented and will therefore take longer to be developed.

The Gold Coast on the other hand is not suffering any land supply shortage. Sales at the \$220,000 mark have been steady however they have been a lot slower at the \$280,000 mark. Coomera still has a number of years of supply to come on and there are some 10,000 to 12,000 lots earmarked for Pimpana over the next 3 years. Mirvac's Gainsborough Greens site has recently completed the sewer pumping infrastructure which will bring another 2,000 lots to market in the immediate future.

The Sunshine Coast is very sluggish. Land supply in Caloundra is good but as with many new development areas around Australia, most available lots are in a price bracket that both locals and potential residents are baulking at. \$200,000 lots are moving but buyer interest stops at \$250,000. Supply at present is in line with demand however this is likely to change very quickly as solid population growth will soon lead to pent up demand.

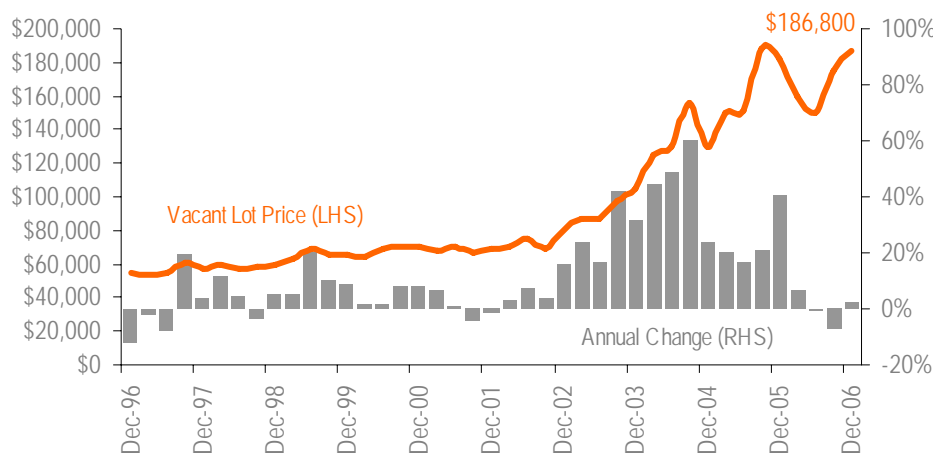
South Australia

After two quarters of price falls, vacant land prices rose significantly in the December quarter of 2006, up 6.7 per cent to \$186,800. Current prices are 2.4 per cent above those recorded 12 months earlier.

For regional South Australia, prices jumped in the December quarter of 2006, rising by 7.8 per cent over the quarter to \$97,000. Prices are 2.1 per cent higher than the previous 12 month period.

Vacant Lot Price - Adelaide

Source: Australian Property Monitors



Key Facts

Average Vacant Lot Price

\$186,800

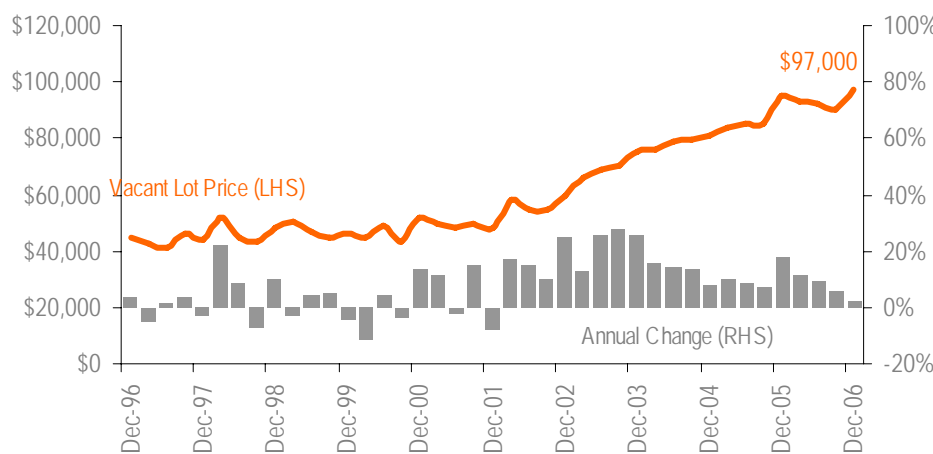
Percentage Change

6.7% quarterly

2.4% annual

Vacant Lot Price - Regional SA

Source: Australian Property Monitors



Key Facts

Average Vacant Lot Price

\$97,000

Percentage Change

7.8% quarterly

2.1% annual

An Assessment of the Current Stock of Developed Land in Adelaide

Summary Assessment:

Supply is behind demand in Central and Southern Sectors.

This is likely to remain the case for the next 18 months before a number of recent releases hit the market.

Supply in the Northern Sector is in balance with demand.

After a very soft 2005, land sales improved from a very low base throughout the second half of 2006. Demand in Northgate Stage 3, and the Port Waterfront Redevelopment has been strong, while sales of lots in Mawson Lakes has increased.

There remains a gap in the pipeline of zoned developed land, resulting in current supply not meeting demand. This is expected to improve for some sectors of the city over the next 6 months as new estates deliver land to the market.

The northern sector of Adelaide is currently yielding more blocks than in other parts of the city however recent development activity in Aldinga, Sellicks Beach and the recent sale of Seaford Meadows will see land supply improve by the end of 2008, provided the current infrastructure provisions hurdles are overcome.

In the Central Sector, lot supply has contracted substantially reflecting the end of a number of large developments. Future demand will be met from a shrinking pool of privately owned development sites, some state and local government properties and some LMC releases at Northgate, Port Adelaide, Lochiel Park and Taperoo. The LMC releases are expected to provide for 4,200 dwellings.

Demand in the northern sector requires a steady supply of new land developments. Presently, demand is being serviced by lots in Craigmore/Blakeview, Andrews Farm and Gawler, however prices have been on the rise. More affordable land is selling in the Paralowie/Burton region. There are currently 2,389 recently finished allotments with a further 588 under construction.

The southern sector has seen land stocks run down. Many areas are fully developed and the availability of new sites is very limited. Infill sites could yield around 500 blocks while Hunterfield Heights which was recently sold to AV Jennings will yield a further 700 lots. In the outer south, sales have been slow in Seaford Rise. Aldinga and Sellicks Beach will soon yield some 1,700 lots.

Adelaide's lot production has fluctuated between 2,000 – 3,500 lots per year since the mid 1990's. This rate of production is not threatened by any short-medium term shortages in pipeline land.

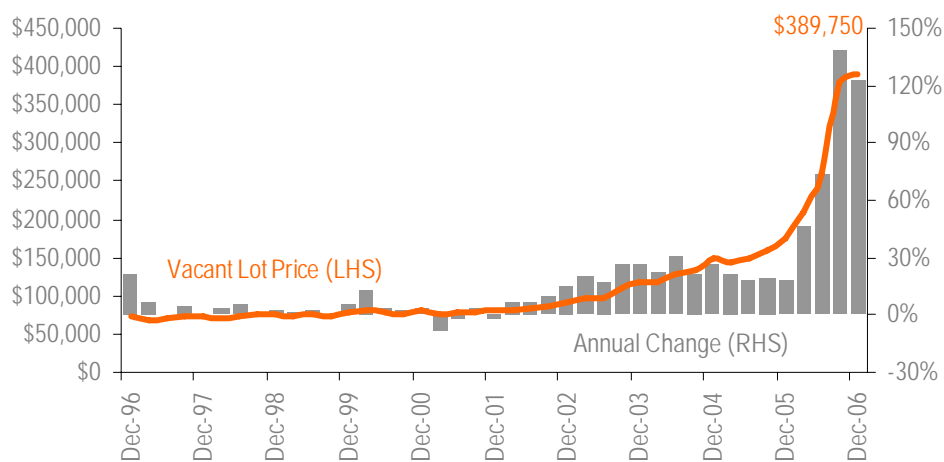
Western Australia

Over the past year, Perth land prices have experienced the fastest growth of all capital cities and regional centres in Australia. Growth slowed in the December quarter to 2.8 per cent however lot prices are more than double the price recorded in December 2005. Annual growth was 123 per cent.

For regional Western Australia, land prices fell 10.8 per cent to \$165,000. As with Perth, annual growth in regional Western Australia has moderated from as high as 62 per cent in the March quarter 2006 to currently be growing at 10 per cent.

Vacant Lot Price - Perth

Source: Australian Property Monitors



Key Facts

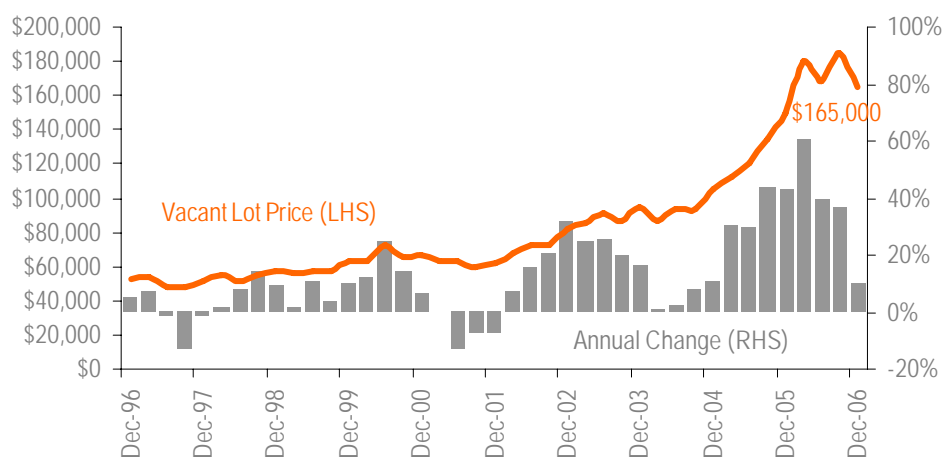
Average Vacant Lot Price
\$389,750

Percentage Change
2.8% quarterly

122.7% annual

Vacant Lot Price - Regional WA

Source: Australian Property Monitors



Key Facts

Average Vacant Lot Price
\$165,000

Percentage Change
-10.8% quarterly

10.0% annual

An Assessment of the Current Stock of Developed Land in Perth

Summary Assessment:

Demand still outstripping supply for developed land under \$250,000.

The demand for higher priced prestige land is slightly behind demand but has cooled notably.

There remains a substantial imbalance between the supply of and demand for affordable land. There is still heavy demand for land under the \$250,000 mark as evidenced by the recent release at Lakelands near Mandurah in which virtually all lots were sold within 7 days. Lot prices across the development varied from \$200,000 to \$250,000.

The demand for prestige land has cooled marginally allowing developers to play catch up. Waterfront prestige land has stalled at around the \$390,000 per block. Recent interest in englobo land throughout the Perth metropolitan has eased due to the growing affordability crisis. Many developers are finding it difficult to make projects work as margins are squeezed and buyers reach the limits of their borrowing power. The market is only able to pay around the \$200,000 but most product is approaching \$300,000 per block. There is a feeling that if 2,000 lots were released onto the market at a price point below \$200,000, they would sell out within a month.

Recent concerns and criticisms of state government hold-ups with land release have been met with as many criticisms aimed at developers accused of banking land. While the truth lies somewhere in the middle, the outlook for land supply is promising as long standing barriers at the local council level are put under the microscope, and in many instances removed.

In any land supply pipeline it is necessary for there to be a sufficient amount of land "on tap" to replace that which is produced and to help balance land prices. The Perth tap has recently come under fire for its tardiness in responding to record demand. Previously heralded for its model land release program, the WA State Government has responded by recently announcing \$30 million towards streamlining current approvals processes. This however is unlikely to ease the immediate pressure on dwindling land stocks.

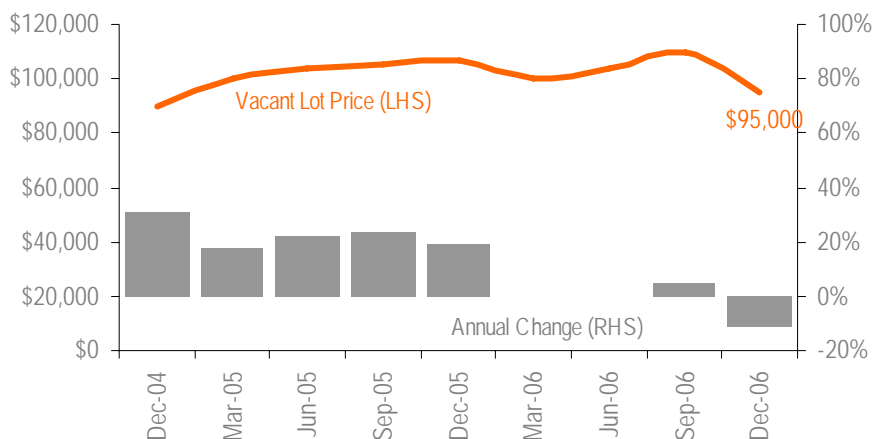
Tasmania

There is virtually no pressure on land prices in Hobart. Prices fell in the December quarter by 13.6 per cent to be 11.2 per cent below the same period of 12 months ago.

For regional areas of Tasmania, prices have jumped dramatically in the December quarter, reaching a record high of \$87,000. This is 8.8 per cent higher than the previous quarter and up 2.4 per cent over the year.

Vacant Lot Price - Hobart

Source: Australian Property Monitors



Key Facts

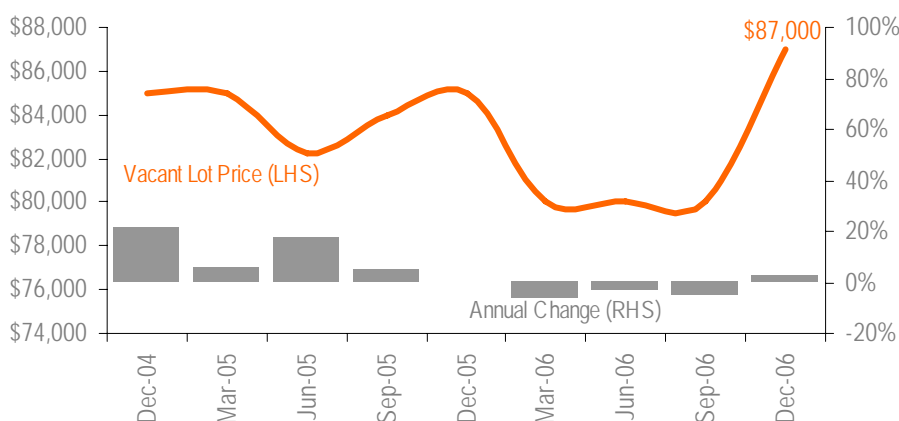
Average Vacant Lot Price
\$95,000

Percentage Change
-13.6% quarterly

-11.2% annual

Vacant Lot Price - Regional Tasmania

Source: Australian Property Monitors



Key Facts

Average Vacant Lot Price
\$87,000

Percentage Change
8.8% quarterly

2.4% annual

An Assessment of the Current Stock of Developed Land in Hobart

Summary Assessment:

Supply is currently in excess of demand in most regions.

Land supply in Hobart is starting to feel some constraints with approximately 800 vacant residential lots available which are below its neighbouring municipalities. There are some price pressures but sales in the \$150- 200 000 bracket have been robust.

Land in the Brighton area north of Hobart is in good supply with new subdivisions opening up and prices sitting at a price point of around \$100 000. Over 140 lots have been sold in the past 12 months.

The Sorrell region has good supply of vacant residential land with over 1600 vacant lots available and the land is selling at an average \$100 000 price point. In the past 12 months over 140 lots of land have been sold.

The Clarence Municipality has approximately 1500 vacant lots of land available and the average selling price is sitting at \$160 000. In the past 12 months over 170 lots of land have changed owners.

The Kingston and Blackman's Bay region is recording a good availability of land with over 1992 vacant lots and the average price point is \$150 000. Over 240 lots of land have sold in this region in the past 12 months.

Glenorchy is a well established municipality with land selling well at an average price point of \$130 000 and over 870 vacant lots available. Over 120 lots have been purchased in the past 12 months..

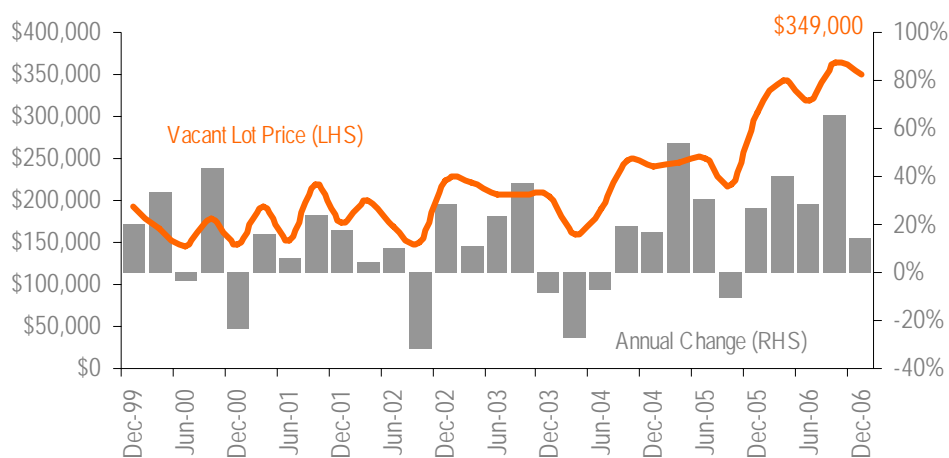
Northern Territory

A surge of sales in high priced areas across Darwin has boosted the average vacant lot price. Despite falling 4.4 per cent over the quarter, prices are 14.4 per cent higher than the previous year. The average price in the December quarter 2006 was \$349,000.

For regional Northern Territory, prices have been steady at around the \$240,000 mark since the middle of 2004.

Vacant Lot Price - Darwin

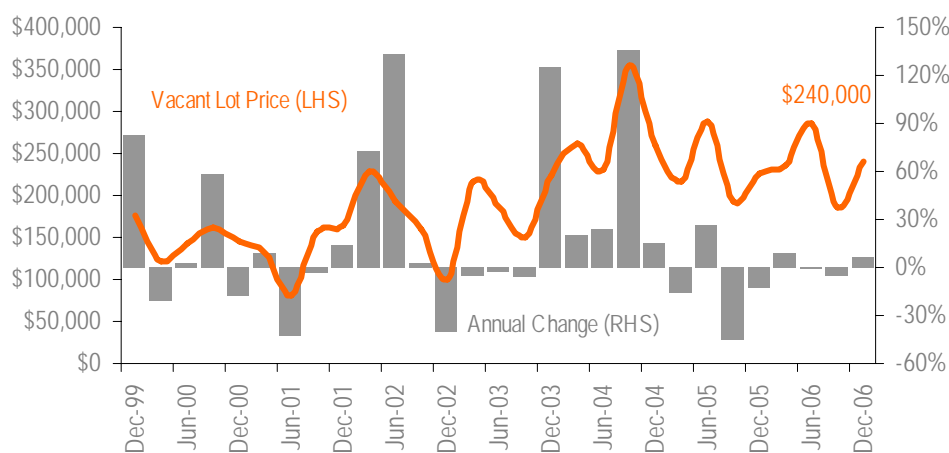
Source: Australian Property Monitors



Key Facts	
Average Vacant Lot Price	\$349,000
Percentage Change	-4.4% quarterly
	14.4% annual

Vacant Lot Price - Regional NT

Source: Australian Property Monitors



Key Facts	
Average Vacant Lot Price	\$240,000
Percentage Change	29.7% quarterly
	6.2% annual

An Assessment of the Current Stock of Developed Land in Darwin

Summary Assessment:

**Higher priced markets have a good supply of land.
First home buyer land has dried up but is likely to improve by the middle of 2008.**

Vacant residential land in Darwin is suffering the same fate as many other cities. First home buyers remain very thin on the ground thanks to a virtual absence of land under the \$150,000 price threshold. Prestige land on the other hand is in good supply and interest has been strong, along with a number of new developments aimed at this trade up market.

On balance the State government claims that there is plenty of land available however many have titles issued with no further action.

Land in Palmerston has dried up considerably and the average of \$160,000 to \$180,000 is proving difficult for low income earners. In response to this, a recent government release named Bellamack looks set to yield some 700 lots, however prices are yet to be confirmed. A proportion of the development is earmarked for first home buyers. The tender is to be issued in August and \$7 million was recently allocated for headworks out of the state budget. It is anticipated that home building will commence by December 2008 however this looks optimistic.

Lyons has a bright future with the first release coming on stream recently. The joint venture between the Defence Housing Authority and the Canberra Investment Corporation is to yield some 700 lots, 400 of which will be sold to the general public. The average price is around \$250,000 and stage 1 and 2 sold out quickly by ballot. Stage 3 is imminent.

Stuart Park is close to being released and a number of builders have blocks on hold. Average prices are at around \$340,000 for 700 square metres while for the higher end market, lots in Bayview Haven have been popular at an average of \$450,000 to \$500,000. There is talk of an extension to this development given the current level of interest.