



# The Outlook for Residential Land in Adelaide 2011 – 2016

“The Adelaide residential land market has been impacted in recent years by the financial crisis, government incentives and mixed purchaser sentiment. When will the market return to a more predictable level of growth?”



EXTRACT TO INDICATE THE GENERAL NATURE OF THE REPORT

RESIDENTIAL PROPERTY



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## 1. INTRODUCTION

High levels of residential construction in recent years have placed an increasing focus on the market for broadhectare residential land, particularly on the outlook for demand, as well as issues with supply and affordability. Current market conditions are being impacted by uncertainty about the economy, and the after effects of the strong impetus the market received courtesy of the coupled stimuli of increased first home buyer incentives and dramatic cuts in interest rates over 2008 and 2009. However, is this temporary? How will the market react over the forecast period to an environment of increasing economic growth along with increasing interest rates and when will First Home Buyer demand recover?

This report *The Outlook for Residential Land in Adelaide 2011 to 2016* is BIS Shrapnel's fifth report into the outlook of the demand for, and the supply of, broadhectare land in Adelaide.

In undertaking the analysis, the study takes a "top down" approach to determining the demand for land—starting with forecasts of the demand for and the supply of residential dwellings, which can then be translated into the demand for broadhectare land.

The report provides:

- Forecasts for population growth and underlying demand;
- Forecasts for new dwelling commencements, split between detached houses, medium density (semi detached, terraces and townhouses), and high density (flats, units, and apartments) dwellings;
- Analysis and forecasts of broadhectare land production at the capital city level;
- Identification of the residential growth corridors and analysis of the trends in their broadhectare lot production;
- A survey of selected growth corridors, identifying the typical development patterns in each—i.e. average lot sizes, average lot prices, etc.
- Forecasts for residential house and vacant broadhectare land price growth.

The forecasts for new dwelling activity, land production and price growth are provided annually to 2016.

### 1.1 Regions covered by this report

This report examines in depth residential land development in mainly the Outer regions of Adelaide Statistical Division (SD). The subregions within Adelaide SD covered by this report are highlighted in Chart 1.1 and are the following sectors:

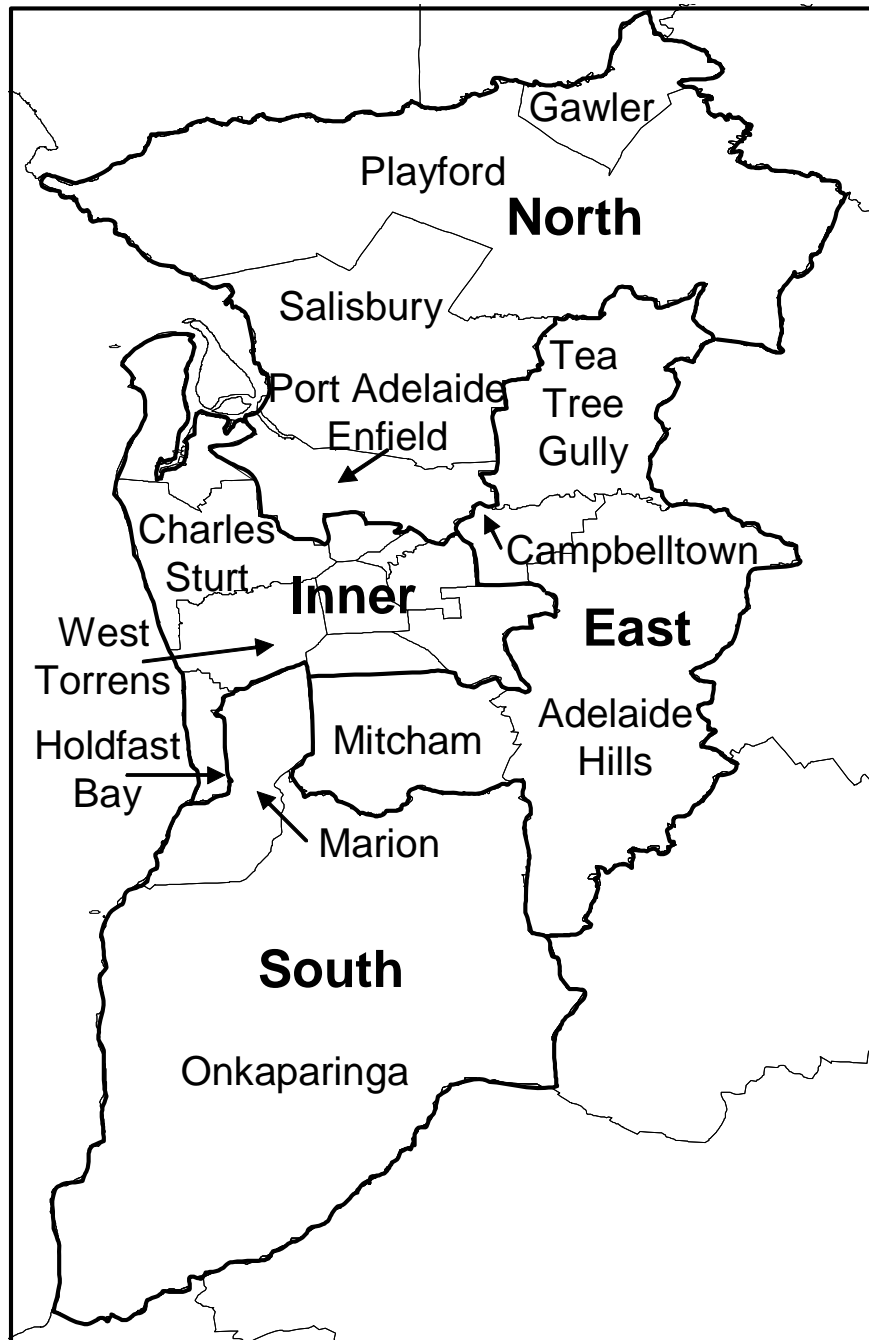
#### Inner Adelaide

- *Inner Adelaide*—the Local Government Areas of Adelaide, Burnside, Charles Sturt, Holdfast Bay, Norwood Payneham St. Peters, Prospect, Unley, Walkerville and West Torrens, plus the Statistical Local Areas (SLAs) of Port Adelaide Enfield Coast and Port Adelaide Enfield Port.

**Outer Adelaide**

- *North*—the LGAs of Gawler, Playford and Salisbury, plus the SLAs of Port Adelaide Enfield Inner, Port Adelaide Enfield East and Port Adelaide Enfield Park.
- *East*—the LGAs of Campbelltown, Mitcham and Tea Tree Gully, plus the SLAs of Adelaide Hills Central and Adelaide Hills Rangers.
- *South*—the LGAs of Marion and Onkaparinga.

**Chart 1.1: Adelaide residential land regions**





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