



# The Outlook for Residential Land in Sydney 2011 – 2016

“The recovery in the Sydney residential land market stalled in 2010–11. Can the upturn continue?”



EXTRACT TO INDICATE THE GENERAL NATURE OF THE REPORT

RESIDENTIAL PROPERTY



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## 1. INTRODUCTION

The downturn in Sydney's residential market since 2003–04 has resulted in new dwelling starts to fall to 50 year lows by 2008–09. Infill development to Sydney's Middle and Inner rings is increasingly assuming a larger share of the development activity with broadhectare land in the Outer ring facing multiple hurdles, including; geographic, planning, financial, site shortages, and affordability constraints. Moreover, the Outer Sydney land market has largely been maintained by government incentives (*i.e.* First Home Buyer and Home Builders Bonus schemes) and the dramatic cuts to interest rates in 2009–10. Can the market continue to gain traction in the absence of the government incentives?

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

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;
- A profile of residents in areas where new homes are being built and new subdivisions are taking place;
- 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 residential land development in the following regions as defined by the New South Wales government’s Metropolitan Strategy:

#### Inner and Middle Sydney

- Sydney City (City of Sydney)
- East (Botany Bay, Randwick, Waverley and Woollahra Local Government Areas)
- South (Kogarah, Hurstville, Canterbury, Rockdale, Sutherland and Marrickville LGAs)
- Inner West (Ashfield, Burwood, Canada Bay, Leichardt and Strathfield LGAs)
- Inner North (Lane Cove, North Sydney, Ryde, Willoughby, Hunters Hill and Mosman LGAs)
- North (Hornsby and Ku-ring-gai LGAs)
- West Central (Auburn, Bankstown, Fairfield, Holroyd and Parramatta LGAs).

#### Outer Sydney

- North East (Pittwater, Warringah and Manly LGAs)
- North West (The Hills Shire, Blacktown and Penrith LGAs)
- Far West (Blue Mountains and Hawkesbury)
- South West (Wollondilly, Camden, Campbelltown and Liverpool LGAs)
- Central Coast (Gosford and Wyong LGAs).

**Chart 1.1: Local Government Areas in Sydney Regions**

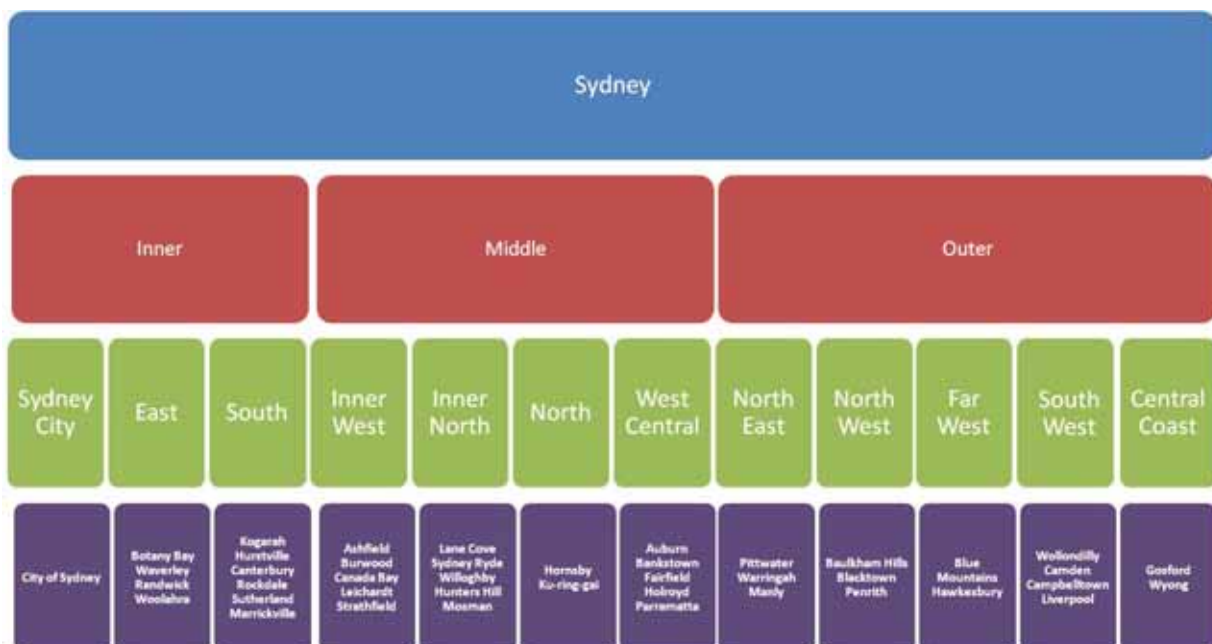


Chart 1.2: Sydney residential land regions map







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