Village at Pacific Golf Club in Carindale.

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Land prices to edge higher

CHRIS HERDE

A TIGHTENING market will see southeast Queensland residential vacant land prices continue to edge higher this year to meet increased demand.

The Ray White Group's latest *SEQ Vacant Land Market Report* found last year the weighted average price in the region lifted 2.37 per cent to $262,534.

The Brisbane Local Government Area was the star performer with vacant residential land prices surging 11.35 per cent to a median $412,000 for a 435sq m lot, followed by Lockyer Valley up 10.83 per cent and Gold Coast 7.54 per cent.

Overall, 11,632 residential lots were sold in southeast Queensland last year – a drop of 14.79 per cent on the previous year.

The report, which surveys 10 major local government areas, found 18,867 residential lots were approved last year, down 16.28 per cent when compared to 2016 with Logan City and Moreton Bay recording the biggest numbers.

In Brisbane, vacant lot approvals rose 9.13 per cent to 2894 while the number of house and land projects rose 3.71 per cent to 559.

Ray White Special Projects executive director Mark Creevey expects to see price growth continue to firm in the Brisbane LGA this year due to the lack of available land for development and developers focused on owner-occupier product.

"Given there's been a marginal lift of 3 per cent in the number of projects from the previous year, it would appear that the significant increase has been derived from established estates delivering further supply to cater for demand," he said.

In Brisbane, house and land package sales fell 18.44 per cent to 566 sales but prices jumped 6.91 per cent to $735,000, demonstrating the need for increased supply.

"Sales slipped backwards in 2017, but DA approvals and prices keep rising which bodes well for the future – with a 31.82 per cent spike in lot registrations," Mr Creevey said.

Ray White Special Projects executive director Tony Williams said while Moreton Bay had 3174 lot approvals, it was 50 per cent less than in 2016 because of the council's inability to deliver approvals in prime development corridors.

"If this is not addressed it

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1 Jackson Rd, Acacia Ridge. (AAP image, John Gass)

ser," Mr Andrew said.

"Due to the challenging cir-umstances, we had to get cre-tive. We went back to the rawing board and focused on ghter industrial users, and to chieve the premium price we tructured the deal with a 12-onth lease and simultaneous cash unconditional contract.

"This allowed for the purchaser to get immediate access to the site, the seller to get a good income over the next year and a delayed settlement to help push the total deal value well above market value."

Vacant land prices edge up but SEQ sales plunge

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could potentially have future supply and price implications," he said. "The number of lots registered has shown a solid increase of 32.38 per cent, however this increase is from 11 per cent less projects than the previous year pointing towards diminishing future supply unless key areas are unlocked."

On the Gold Coast, house and land package sales fell 35.71 per cent to 261 sales in 2017, with the median price rising 3.48 per cent to $505,000. The median lot size was 455sq m with a median vacant land price up 7.54 per cent to $271,000.

Ray White Special Projects director Matthew Fritzsche said the Gold Coast LGA land market had shown robust results over the last few years.

"The volume of vacant land sales has shown significant reductions although it has not dampened the median price across the region," he said. "Lot values have seen sizeable gains over the past 12 months after the prior few years had recorded minimal growth which was keeping affordability in check, with the decrease in average lot size a contributing factor."

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