18 May 2015   Immediate Release

Statement by Robert Papaleo | National Executive Director

Reserve Bank of Australia refers to data from Charter Keck Cramer Research to identify issues affecting domestic economic outlook

The Reserve Bank of Australia's latest Statement on Monetary Policy (May 2015) has referenced unique data from Charter Keck Cramer and the National Land Survey Program (NLSP) to highlight imbalances between the strength of purchaser demand and scarcity of developable land supply in capital city greenfield land markets.

Charter Keck Cramer's National Executive Director Robert Papaleo said the land markets are a critical input into the housing industry and with the decline in the mining sector, investment in new housing is becoming increasingly relied upon to support the domestic economy's growth.

"This land market imbalance is also causing localised lot price pressures, especially in Sydney, and will ultimately impact opportunities for dwelling investment and undermine potential growth in the domestic economy.

"New housing supply is clearly being supported by historically low interest rates and is further evidenced by the NLSP's observation of 50,000 lot sales in the year ending March 2015 across the capital cities, which is at peak levels and will to continue to drive high levels of new housing construction," said Robert Papaleo.

"New housing supply across Australia is also being underpinned by historic high levels of new apartment supply. Charter's unique insight into the Core apartment markets of the capital cities highlights that there are currently 98,000 apartments under construction or being marketed."

Read the relevant extract from the RBA's statement Graph C3 on pp 43.

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