

Insight

Perth land markets - "Selling off the backyard to drive margin".

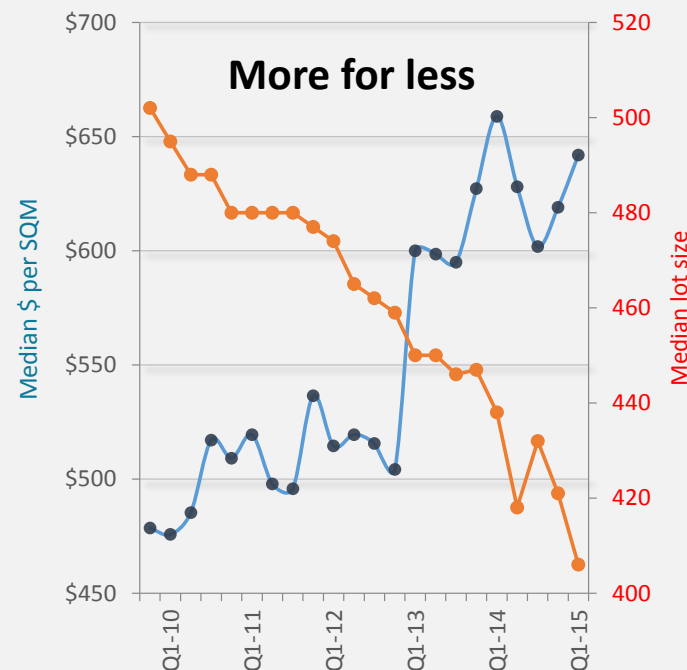
Research from the NLSP shows the relationship between land prices per sqm and land size over time for the Perth new land market.

Projects have been able to push margin via introducing a greater proportion of smaller lots.

With the median lot size currently 406m² – the smallest lot size of any market - the issue will be how Perth projects continue to grow margin.

For lot sizes to fall further, there will need to be a dramatic shift in housing preference. Without this consumer change, the Perth market is likely to experience a period of minimal price growth or price reductions.

The use of smaller lots across greenfield markets is reaching a point, where there will need to be a major shift away from detached housing, toward medium density product. This shift will mark the end of a long history of family homes with backyards.



● Median \$per SQM ● Median Lot size (RHS)