LOCAL GOVERNMENT
ASSOCIATION
OF QUEENSLAND INC



Residential Lot Supply and Demand in South East Queensland

September 2006

Executive Summary

This report provides an overview of the residential lot supply and demand situation in South East Queensland (SEQ). The report seeks to establish whether or not an adequate supply of residential land is available within SEQ to meet demand. The report looks at the supply of land at different points in the development pipeline from broadhectare land to constructed lots which are currently available for housing construction.

The report does not look at the supply and demand situation in different geographic sectors of the region.

Based on background research discussed in this report, it would be reasonable to expect that, for a stable residential land market, there should be:

- around 15 years of undeveloped land available for future urban development
- around 5 years of lots approved for residential development, requiring only infrastructure to bring it onto the market. Included in this five years supply would be the existing stock of fully serviced land
- some 1.5 to 2 years of completed lots available to the market.

The analysis undertaken indicates that there appears to be a very low risk of the current broadhectare land identified for residential development not providing at least 15 years supply, particularly when the increased density and infill targets set by the SEQ Regional Plan are considered.

The analysis also indicates that there appears to be at least five years stock of residential land either fully developed or approved for development and able to be rapidly developed. The supply of vacant developed stock has also been estimated to lie in the 1.5 to 2 years range.

In summary, the analysis reveals that the overall supply of residential land in SEQ is appropriate to the underlying demand using the benchmarks noted above.

The major risk is that the yield from the designated urban residential land does not achieve overall densities in excess of 10 dwellings per hectare, particularly if the infill targets of the SEQ Regional Plan are not achieved.

The report also discusses the rapid escalation of residential land prices between 2001 and 2004. The analysis suggests that this rapid escalation in price was more likely the result of a speculative approach to the market rather than a result of a constrained supply.

While at the aggregate level supply is appropriate for the demand being experienced in SEQ, there may be shortages in supply of land for development for some sectors of the industry or in some geographic locations.

The report also found that a significant percentage of the developable land in SEQ is now under the ownership (or potential ownership through purchase options) of the larger publicly listed and unlisted development firms. This has resulted in a marked decrease in the developable land available to the small and medium sized developers. It is this issue that appears to be the basis of the current media campaign by the development industry to increase land supply by removing regulatory barriers and by reducing Government taxes and development infrastructure charges.

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1. Background

This report provides an overview of the residential lot supply and demand situation in South East Queensland (SEQ). It is based on data published by the (then) Department of Local Government, Planning, Sport and Recreation (DLGPSR) in the Queensland Residential Land and Dwelling Activity Monitor or in other departmental documents.

The report seeks to establish whether or not an adequate supply of residential land is available within SEQ to meet demand. The report looks at the supply of land at different points in the development pipeline from broadhectare land to constructed lots currently available for housing construction.

Issues related to the land supply pipeline and potential impacts on prices were canvassed as part of the 2004 Productivity Commission Inquiry on First Home Ownership.

The Inquiry Report notes that the supply of additional housing stock is typically provided by building new dwellings on greenfield land, which pushes out the urban fringe, or on dispersed infill or major redevelopment sites, which increases the intensity of land use in established areas.

Consideration of the residential land supply pipeline therefore requires consideration of both "greenfields" land and "brownfields" (infill) opportunities to meet demand for residential development.

As the Productivity Commission notes, supply lags are an inherent feature of land development and dwelling construction. Housing supply cannot immediately respond to demand surges because of the lead time needed to service lots, to redevelop land and to construct dwellings.

The Productivity Commission Inquiry noted that there was broad agreement among inquiry participants that to avoid speculative pressures and to promote efficient production, it is desirable that sufficient **undeveloped land** be designated for future residential use **to meet around 15 years of projected demand**.

The report also notes[1] that the Urban Development Institute of Australia (Victoria) contended that, at the next level, some five years of supply of 'developable land' (serviceable by infrastructure providers) is necessary to cope with sudden increases in demand, with 18 months to two years of completed stock 'on hand'.

The Productivity Commission also noted that Governments around Australia have generally endorsed the need for a 15 year fringe supply, but consistent with a desired shift to more compact cities, have anticipated in their planning that over time a rising share of total supply will come from infill development.

For example, as part of Melbourne 2030, the Victorian Government has committed to maintain a 15-year broadhectare land supply.

Similarly, the SEQ Regional Plan seeks to ensure that at least 15 years of projected regional land supply is maintained. However the SEQ Regional Plan also sets targets for increasing the proportion of new dwellings provided through infill or redevelopment to achieve an aggregate target of 40 per cent of all new dwellings constructed in the region between 2004 and 2016, increasing to 50 per cent between 2016 and 2026.

The question of an adequate stock of residential land has also been canvassed in other research and planning documents. For example, the ACT Government has generally sought to ensure 3 years supply of fully developed lots available (in builders or developers hands) for housing construction[2].

[1] First Home Ownership, Productivity Commission, March 2004, p. 132
[2] Residential, Commercial & Community Land Supply Strategy, ACT Planning & Land Authority, 2005

In the 1980s, work of the Indicative Planning Council for the Housing Industry suggested that a 3 year stock of residential land, fully developed or capable of rapid development, should be available[3].

Based on the submissions and findings of the Productivity Commission, and taking into account other research noted above, it would be reasonable to expect that, for a stable residential land market, there should be:

- around 15 years of undeveloped land available for future urban development;
- around five years of lots approved for residential development, requiring only infrastructure to bring it onto the market. Included in this five years supply would be the existing stock of fully serviced land;
- some 1.5 to 2 years of completed lots available to the market.

In discussing the residential supply and demand situation in SEQ, these benchmarks have been considered.

2. Broadhectare Residential Land Supply

Table 2.1 provides details of the supply of broadhectare land suitable for residential development.

The Table reveals that, at May 2006, there was some 24,424 hectares of land designated for urban residential development coupled with a further 35,275 hectares of land designated for low density (rural residential) development in SEQ.

It should be noted that there is also some additional land not included in this table in the shires of Boonah, Esk, Gatton, Kilcoy and Laidley where broadhectare studies have not been undertaken.

Table 2.1 Available Broadhectare Residential Land, May 2006

Local Government	Hectare		
	Urban Residential	Lower Density Residential	TOTAL
Beaudesert (S)	361	14,559	14,920
Brisbane (C)	2,219	14	2,233
Caboolture (S)	1,469	3,670	5,139
Caloundra (C)	1,185	1,452	2,637
Gold Coast (C)	4,505	2,481	6,986
Ipswich (C)	7,706	1,549	9,255
Logan (C)	1,015	2,104	3,119
Maroochy (S)	2,006	2,619	4,625
Noosa (S)	178	784	963
Pine Rivers (S)	1,823	5,140	6,963
Redcliffe (C)	211	-	211
Redland (S)	805	133	938
Toowoomba (C)	943	770	1,714
TOTAL	**24,424**	**35,275**	**59,699**

Source: Planning Information and Forecasting Branch, DLGPSR, September 2006

Table 2.2 shows the number of residential allotments that could be created at typical urban residential densities.

For planning purposes a figure of 12 dwellings per hectare is normally used, however it is possible that the average yield could be slightly lower than this figure so sensitivity testing is included at a yield of 10 dwellings per hectare (less than the current yield of 11 dwellings per hectare).

[3] Residential Land Stocks Study, Department of Housing & Construction, 1983, p.3

However, in the context of the SEQ Regional Plan objectives, a yield of 12 dwellings per hectare is considered conservative. The Plan calls for greater densities, although it does not specify specific yields from greenfields development. Only the proportion of new dwellings to be provided through infill development is specified by local government area.

Table 2.2 Residential Lot Yield from Broadhectare Urban Residential Land

Urban Residential Land Area (Hectares)	Lot Yield at 12 dwellings per hectare	Lot Yield at 10 dwellings per hectare
24,424	293,088	244,240

In addition to the lots shown in Table 2.2, additional supply is contained in the low density, rural residential land identified in Table 2.1.

3. Approved Residential Lot Supply in SEQ

Table 3.1 provides details of the supply of approved residential lots in SEQ.

At the end of 2005, there were a total of 45,942 residential lots approved by Councils in SEQ which were yet to be constructed by developers.

Table 3.1 South-East Queensland Lot Approval and Production

Year	Number of Lots			Total Stock of Lots Approved by Councils - yet to be Constructed by Developers	Lot Consumption (dwelling commencements)
	Approved by Councils	Constructed by Developers	Where approvals have lapsed*		
2001	10875	9946	2869	24725	12,108
2002	16930	13391	1632	26959	18,734
2003	23745	17174	604	34653	19,764
2004	24585	17960	2113	40230	19,280
2005	21452	14383	1225	45942	15,107
5 Year Total	**97587**	**72854**	**8443**		**84,993**
Annual Average	**19517**	**14571**	**1689**		**16,999**

Source: Queensland Residential Land and Dwelling Activity Monitor, DLGPSR
*Lots lapsed refers to the number of lots that receive reconfiguration approval by council, but are not sealed by the council within the prescribed period (4 years, including time extension if applicable).

4. Residential Land Demand in SEQ

The demand for residential lots is not necessarily directly related to the number of residential lots produced by the development industry or even to the consumption of lots as indicated by dwelling commencements.

Demand at any point in time may include those buying land for early construction of a dwelling, those purchasing lots with a view to building a house in the next five to ten years or those speculating on the opportunity for capital gain.

The extent of infill development and demand for higher density dwellings also impacts on the demand for lots in greenfields situations. In the long run, the overall growth in population and changes in household formation rates provide an indication of the demand for new dwelling units but not necessarily the demand for new residential allotments.

Table 3.1 also shows that, in terms of dwelling commencements, the average annual rate of consumption of residential lots has been just under 17,000 lots over the five year period. Over the same period, the annual average number of lots constructed by developers amounted to 14,571, somewhat less than the implied demand as measured by the lot consumption figure.

Table 4.1 provides details of residential lot registrations versus lot sales in the period from 1997 to 2005. Over the nine year period, some 133,097 new residential lots were registered while sales data shows some 114,729 sales. This resulted in an increase in the supply of residential lots available for purchase of some 18,368 between 1997 and 2005.

Table 4.1 Residential Lot Registrations versus Sales and Estimated Consumption

Year	Lot		Annual Supply change (Registration – Sales)	Estimated Lot Consumption (dwelling commencements)
	Registration	Sales		
1997	13962	13474	488	16212
1998	13157	13613	-456	16037
1999	11916	9741	2175	13758
2000	15222	7814	7408	15754
2001	10354	10987	-633	12108
2002	15006	17170	-2164	18734
2003	17172	19681	-2509	19764
2004	20646	12076	8570	19280
2005	15662	10173	5489	15107
Total	**133097**	**114729**	**18368**	**146754**
5 year average (2001 to 2005)	**15768**	**14017**		**16999**

Source: DLGPSR Residential Land Activity Fact Sheet

However, lot sales do not necessarily reflect the overall change in the stock of developed land. Some dwelling commencements will be on land bought a significant number of years back. Nevertheless, lot sales will act as a benchmark against which a developer judges the market for new land.

DLGPSR estimates of residential lot consumption (using a formula on dwelling approvals and commencements by type) reveal that a total of 146,754 lots may have been consumed over the period from 1997 to 2005. This would suggest that there may have been no net addition to the supply of residential lots in SEQ over the 1997 to 2005 period.

Based on the five-year average figures shown in Table 4.1, the current annual demand for residential lots in SEQ would range from 14,000 (based on lot sales) to 17,000 lots (based on dwelling commencements).

Annual demand will also gradually increase each year given current growth expectations for SEQ. DLGPSR population projections show an annual average growth rate for SEQ to 2026 of from 1.4% (low projection) to 1.7% (medium projection) and 2% (high projection).

The SEQ Regional Plan also provides some targets for residential development in both greenfields and infill situations as shown below in Table 4.2.

Table 4.2 shows that, over the 12 year period from 2004 to 2016, some 195,000 new dwellings will need to be constructed in greenfields developments (total of 325,000 less 130,000 in infill). This represents an annual average of 16,250 dwellings. Beyond 2016, the annual demand for greenfields lots is forecast to reduce to 12,500 as a result of the increase in the proportion of new dwellings in infill situations.

Table 4.2 SEQ Regional Plan New Dwellings by LG Area

Local Govt. Area	2001	2004-2016		2016-2026		2004-2026	
	Existing dwellings	Total new dwellings	Infill dwellings	Total new dwellings	Infill dwellings	Total new dwellings	Infill dwellings
Beaudesert	8,800	10,000	1,000	10,000	1,000	20,000	2,000
Boonah	3,400	400	NA	400	NA	800	NA
Brisbane	359,000	82,000	59,000	63,000	56,000	145,000	115,000
Caboolture	41,900	15,000	3,000	11,400	3,000	26,400	6,000
Caloundra	32,800	17,500	4,000	17,250	4,200	34,750	8,200
Esk	6,000	900	NA	1,000	NA	1,900	NA
Gatton	5,700	1,300	NA	1,100	NA	2,400	NA
Gold Coast	180,900	74,000	35,000	62,500	30,000	136,500	65,000
Ipswich	45,600	42,200	6,000	35,000	7,800	77,200	13,800
Kilcoy	1,400	200	NA	250	NA	450	NA
Laidley	5,000	2,000	NA	2,700	NA	4,700	NA
Logan	58,200	7,100	1,500	8,500	3,000	15,600	4,500
Maroochy	53,100	30,000	7,000	11,000	6,700	41,000	13,700
Noosa	21,200	3,000	1,500	1,200	1,000	4,200	2,500
Pine Rivers	41,400	16,500	4,000	12,700	4,100	29,200	8,100
Redcliffe	21,500	4,400	2,500	2,500	2,100	6,900	4,600
Redland	43,400	12,000	4,000	5,500	4,100	17,500	8,100
Toowoomba	34,300	6,500	1,500	4,000	2,000	10,500	3,500
TOTAL	**963,600**	**325,000**	**130,000**	**250,000**	**125,000**	**575,000**	**255,000**

Source: SEQ Regional Plan, Table 6

5. Residential Land Supply versus Demand

As noted earlier in Section 1, there should be around 15 years of undeveloped broadhectare (greenfields) land available for future urban development.

Table 5.1 provides estimates of the total demand for residential lots over the next fifteen years assuming that current annual demand is some 15,000 lots with this demand growing by 2% per annum to cater for population growth in SEQ.

This growth rate is in line with the high population growth forecasts for SEQ, and recognises that demand for housing will increase at a rate higher than the underlying population growth rate based on the decline in average household size.

Using this assumption, the total number of lots required over 15 years is 259,400. This compares with an estimated total of around 243,750 lots required over a 15 year period under the SEQ Regional Plan figures in Table 4.2.

The higher figure in Table 5.1 is the result of the assumption that current demand trends will continue whereas the SEQ Regional Plan is assuming an increasing rate of infill development, reducing the demand for greenfields lots.

In addition, the sensitivity of this result has been tested against current demand levels of 16,000 lots and 17,000 lots respectively with a similar increase in demand averaging 2% per annum.

Table 5.1 Broadacre Urban Residential Land Supply and Demand Analysis

Current Annual Lot Demand	15 year total demand (2% p.a. growth)	Broadhectare Supply @ 12 dwellings per ha.	Broadhectare Supply @ 10 dwellings per ha.
15,000	259,401	293,088	244,240
16,000	276,695	293,088	244,240
17,000	293,988	293,088	244,240

The table reveals that, at typical residential density yields of 12 dwellings per hectare, there is sufficient broadhectare urban residential land available to meet the total demand over 15 years.

However, if the average yield dropped to only 10 dwellings per hectare, then the available broadhectare land might not be sufficient to meet the fifteen year demand.

It should be noted that the above analysis in Table 5.1 excludes the proportion of demand that will be satisfied by the low density rural residential land stock of 35,275 hectares. At present, the yield from rural residential land development is less than 2 dwellings per hectare.

Assuming the yield was as low as 1 dwelling per hectare, then this designated low density land would add at least 35,000 additional lots to the supply figures shown in Table 5.1 or up to 70,000 lots if the average density was 2 dwellings per hectare.

If a conservative 1.5 dwellings per hectare is assumed for this analysis, then this stock of land would increase the broadhectare residential land supply by 52,500 lots.

Table 5.2 adds this low density supply to the figures in Table 5.1.

Table 5.2 Broadacre Residential Land Supply and Demand Analysis (including low density residential)

Current Annual Lot Demand	15 year total demand (2% p.a. growth)	Broadhectare Supply @ 12 dwellings per ha. plus low density residential	Broadhectare Supply @ 10 dwellings per ha. plus low density residential
15,000	259,401	345,588	296,740
16,000	276,695	345,588	296,740
17,000	293,988	345,588	296,740

Based on the analysis in Table 5.2, there appears to be a very low risk of the current broadhectare land not providing at least 15 years supply, particularly when the increased density and infill targets set by the SEQ Regional Plan are considered. Based on the SEQ Regional Plan assumptions for infill, then only 244,000 lots would be required over a fifteen year period.

As also noted in Section 1 of this report, the development industry considers that, to maintain a stable land market, there is a need for around five years of lots approved for residential development within the supply. This would also include the stock of fully serviced vacant lots.

From Table 3.1, the total stock of approved lots yet to be constructed amounted to 45,942 at the end of 2005. At the five-year average production of lots of 14,571 shown in Table 3.1, this represents 3.2 years of supply. If the average rate of land sales for the last five years is used (14,017 lots at Table 4.1), then this stock of approved lots represents 3.3 years supply.

However, to this stock should be added the available stock of fully serviced lots.

There are no figures available on the total supply of completed vacant lots available to the market in SEQ.

However, Table 4.1 does reveal that the difference between lot registrations and lot sales from 1997 to 2005 has resulted in some 18,368 lots potentially being available to the market on top of whatever was available in 1997. This therefore represents a minimum of 1.3 years supply. However, when the stock of land existing in 1997 is considered, there is in reality likely to be a supply which lies in a 1.5 to 2 years range.

Coupled with the 3.2 years supply of approved lots yet to be constructed, there appears to be at least five years stock of residential land either fully developed or approved for development and able to be rapidly developed.

Again as noted in Section 1, there is also a view that there should be some 1.5 to 2 years of completed lots to be available for purchase. As the discussion above notes, the supply of vacant developed stock is estimated to lie in the 1.5 to 2 years range.

In summary, the analysis reveals that the overall supply of residential land in SEQ is appropriate to the underlying demand.

The major risk is that the yield from the designated urban residential land does not achieve overall densities in excess of 10 dwellings per hectare.

There is also a risk that infill targets in the SEQ Regional Plan are not achieved, although sensitivity testing in this report suggests that even if an increasing proportion of infill development does not occur, the stock of broadhectare land for greenfields development is sufficient to meet 15 years demand.

However, it must be recognised that such a global analysis does not mean that there is not an undersupply of lots in some sectors or geographic locations and an oversupply in other sectors.

6. Sales Volume and Median Price

The above analysis suggests that it has not been the overall supply of residential land that has resulted in the rapid increase in land prices in recent years.

Figure 6.1 and Table 6.1 provide details of the median value of residential land sales in SEQ relative to the volume of land sales based on DLGPSR data. The median value of sales is presented in 2005 dollar values.

Figure 6.1

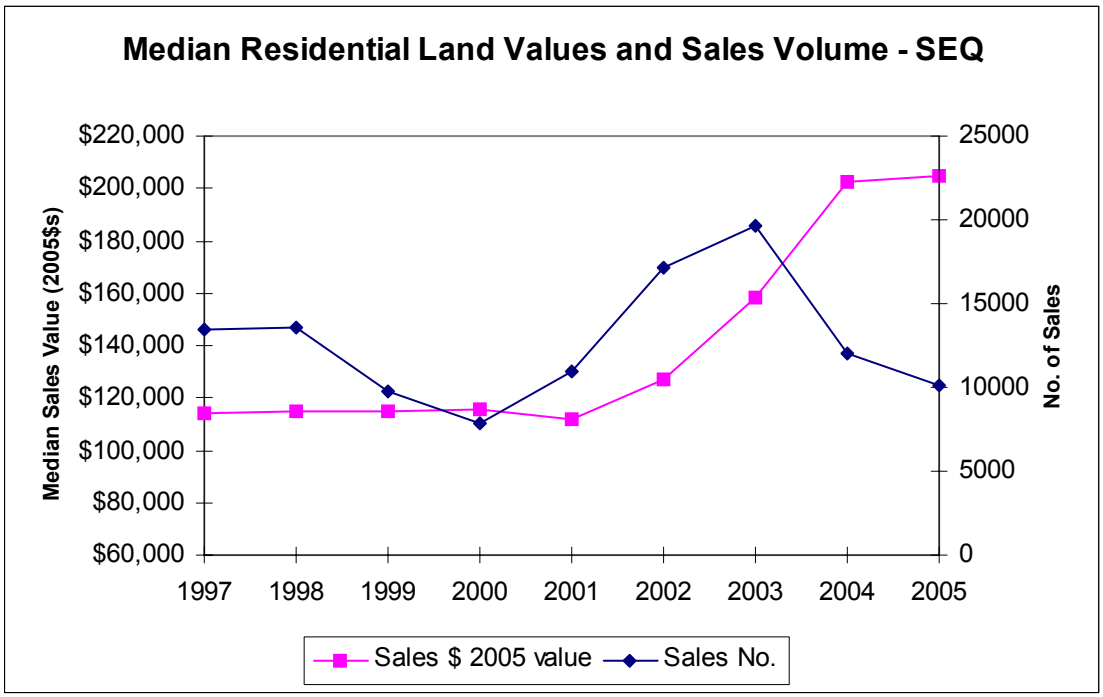

Table 6.1 Residential Lot Sales Volume and Price

Year to September	Median Price Nominal $s	Median Price 2005 $ values	Sales No.
1997	$93,100	$113,961	13474
1998	$93,400	$114,518	13613
1999	$94,700	$114,682	9741
2000	$98,400	$115,927	7814
2001	$100,400	$111,598	10987
2002	$117,900	$127,308	17170
2003	$151,300	$157,939	19681
2004	$197,700	$202,365	12076
2005	$204,800	$204,800	10173

Source: DLGPSR Residential Land Activity Fact Sheet

Figure 6.1 reveals the relatively stable price of SEQ land in real terms in the period through to 2001/02. This was in part influenced by a slow down in land sales. However, from 2001, the demand for residential land (based on lot sales) increased from 10,987 lots to a peak of 19,681 in 2003.

The result of this rapid escalation in demand was a substantial jump in the real price of land from a median value of $111,598 in 2001 to $204,800 in 2005.

In the face of this rapidly increasing real price of land, sales numbers dropped rapidly to 10,173 in 2005, well below the five year average from 2001 to 2005 of 14,017 lots.

The analysis suggests that the rapid increase in prices between 2001 and 2004 was more likely the result of a speculative approach to the market rather than a result of a constrained supply.

The movements in price and demand revealed in Table 6.1 are consistent with the observations of some research in the USA[4] on the demand response to changes in residential land prices. The research found that changes in price have a significant impact on demand whereas supply reductions have only a modest impact on land price.

The research notes that: *"… policies that reduce the supply of land will result in increased prices for land, but these increases will be relatively modest …*
Our estimates, however, suggest that consumers' consumption of land is quite responsive to changes in price", and further that: *"pubic policies designed to increase land prices and reduce households' land consumption will likely be more effective in increasing residential density".*

From the perspective of this research, in the context of the SEQ Regional Plan objectives, current land supply policies are not only adequate but also appropriate.

Other research conducted for the LGAQ has also pointed to the fact that the supply of land suitable for residential development has not been a factor in the significant price increases shown in Table 6.1 between 2001 and 2004. The AECgroup[5] concluded that: *"…recent price increases have been mainly due to the surge in demand in established areas, and therefore improvements to land release policies or planning approvals processes could not have greatly alleviated them*".

[4] How Responsive is the Demand for Residential Land to Changes in Price?, R. Voith, Federal Reserve Bank of Philadelphia, Business Review Q3, 2001, 33
[5] Assessment of the Factors Impacting Housing Affordability in Queensland, AECgroup

The AECgroup conclusions also include a finding from the Productivity Commission Inquiry[6] that *"…infrastructure charges, like other costs of bringing housing to the market, have increased over time. But they cannot explain the surge in house prices since the mid-1990s. Indeed, the share of total house prices accounted for by infrastructure costs appears to have been declining in most Australian cities".*

The AECgroup report suggests that the current focus of the development industry on the land supply and approvals process may only be an issue for a section of the industry noting that "… *the industry campaign against government land use policy and taxes is being led solely by peak development industry representative bodies. An analysis of media announcements and official reports to market by major residential property developers in Queensland revealing no statements regarding the issues being campaigned".*

The AECgroup research also looked at the financial viability of major players in the development industry in recent years and concludes that "… *during the housing boom over the past four years – the period when housing affordability pressures have been most acute – the development industry's key players in Queensland (based on five listed property companies in Queensland with residential development as a core business) have recorded significant financial growth, including a doubling in market capitalisation and an average return on investment of 20%*."

These additional comments further underline the findings in this report that the overall residential land supply is adequate and has not been a significant factor in price increases in recent years.

There may, of course, be shortages in supply of land for development for some sectors of the industry or in some geographic locations. However, at the aggregate level, supply is appropriate for the demand being experienced in SEQ.

7. Issues Impacting Upon Land Availability

Analysis was undertaken to determine the real availability of developable land in SEQ and whether ownership had the potential to impact upon residential land supply and hence impact upon land affordability.

The analysis was undertaken using figures obtained through the Queensland Valuation and Sales (QVAS), searches undertaken of SEQ Local Government rates databases and peer reviews undertaken by industry experts. In addition, targeted sampling was undertaken to determine the degree to which purchase options are in place over developable land parcels in SEQ. While the findings are indicative, they provide a reliable analysis of developable land ownership and the impact upon land availability and affordability.

The analysis reveals that over the last 4 years there have been very significant changes in the ownership (and potential ownership with the realisation of purchase options) of developable land parcels in SEQ.

The larger development companies, both publicly listed and unlisted, and their subsidiaries, have significantly increased their ownership and optioning of developable land parcels. At the same time the smaller and more numerous development operations have only marginally increased their holdings (ownership and optioning) of developable land parcels in South East Queensland.

[6] First Home Ownership, Productivity Commission, March 2004, p.176

The above would indicate that the larger development companies have embarked on a concerted program of land banking across SEQ in order to position themselves in the residential market for the foreseeable future. This observation is backed up industry commentary and statements made to market by the larger listed development companies.

The implications of this approach by the larger companies appear to be twofold.

The first is that the control of the land release of a significant proportion of developable land parcels in SEQ lies with these companies. In other words, rather than Government policy driving the release policies of land in SEQ, the market strategies of the larger companies have the potential to significantly impact upon land supply.

The second implication is that, as the SEQ land supply is now clearly limited by the urban footprint boundaries, the take-up and land banking strategies by the larger companies has substantially impacted upon the ability of smaller companies to obtain access to developable land parcels. It is very likely that these companies will soon deplete their land banks due to the just-in-time production nature of their operations.

It would be logical to assume that strategies to increase supply will be high on the agenda of these companies. Strategies to increase land supply may include approaches to challenge the artificial supply constraints put in place by Government land release policies, such as the SEQ Regional Plan urban footprint boundaries. Other strategies to increase land supply would include efforts to reduce the costs of land development by reducing Government taxes and services charges in order to make currently marginal development land areas profitable.

Both such strategies are now clearly being promoted by the peak industry organisations representing these companies. Both the UDIA and the residential arm of the Property Council have in place intensive campaigns challenging apparent regulatory land supply barriers and Government taxes and development infrastructure charges as they apply to land development.