SEQld: Land Supply

Broad hectare refers to land parcels greater than 2,500m2 planned for residential development. Also, broad hectare supply – either by area or dwelling yield – includes only the developable component of the land parcel. Constraints to development, such as flooding and protected vegetation are removed.

In short, the broad hectare count in south east Queensland quantifies the amount of residential land supply and the number of dwellings that could potentially be accommodated over select time frames.

It must be noted that further development outside the identified broad hectare land parcels could also accommodate additional housing by way of infill development.

However, only 15% of new housing across SEQld is currently provided by infill development. Most of the new homes built across south east Queensland are supplied via broad hectare land parcels. See table 1 below.

Table 1: Distribution of dwelling approvals by infill or broad hectare land size

LGA	**Development type**	
	Infill	**Broad hectare**
Brisbane (C)	43%	57%
Gold Coast (C)	12%	88%
Ipswich (C)	6%	94%
Lockyer Valley (R)	59%	41%
Logan (C)	11%	89%
Moreton Bay (R)	8%	92%

Noosa (S)	97%	3%
Redland (C)	30%	70%
Scenic Rim (R)	5%	95%
Somerset (R)	21%	79%
Sunshine Coast (R)	14%	86%
Toowoomba (R)	14%	86%
Total SEQ	**15%**	**85%**
Matusik estimates, Queensland Treasury. Total dwelling approvals over the past three financial years.		

Regardless of land size, residential development is dependent on adequate land supply.

Broad hectare data can be used to identify a shortfall in residential land supply and to trigger a planning response. It is important that adequate levels of residential land supply are maintained since it is one factor affecting housing affordability.

The current SEQld broad hectare count was done in September 2013. Queensland Treasury, however, updates this count quarterly, removing potential housing stock as new lots are developed and registered.

The information in this missive is based on June Quarter 2018 data.

Key findings

Over the **next ten years** it is estimated that some 156,500 new dwellings can be supplied via broad hectare land across south east Queensland.

Table 2 provides a breakdown by local authority area below.

Table 2: Broad hectare land supply available over next ten

years by dwellings

LGA	Available within next ten years	
	Hectares	Dwelling yield
Brisbane (C)	669	22,599
Gold Coast (C)	1,160	10,184
Ipswich (C)	2,320	32,917
Lockyer Valley (R)	1,661	8,341
Logan (C)	3,956	34,079
Moreton Bay (R)	2,100	13,858
Noosa (S)	30	303
Redland (C)	200	3,918
Scenic Rim (R)	1,115	3,927
Somerset (R)	388	1,608
Sunshine Coast (R)	1,244	16,915
Toowoomba (R)	1,076	7,824
Total SEQ	**15,919**	**156,473**
Matusik, Queensland Treasury. Medium dwelling yield expectation which is based on realistic assumptions as per land fragmentation and ownership.		

At first glance this seems a lot of new homes. But when you compare this potential quantity against the annual need to build new dwellings; the broad hectare land supply mooted over the next decade appears to be below demand. See table 3.

Table 3: Broad hectare land supply versus demand

LGA	Ten-year dwelling supply	Annual housing demand	Current supply in years
Brisbane (C)	22,599	7,725	2.9

Gold Coast (C)	10,184	4,896	2.1
Ipswich (C)	32,917	2,094	15.7
Lockyer Valley (R)	8,341	296	28.2
Logan (C)	34,079	1,938	17.6
Moreton Bay (R)	13,858	3,771	3.7
Noosa (S)	303	242	1.3
Redland (C)	3,918	844	4.6
Scenic Rim (R)	3,927	291	13.5
Somerset (R)	1,608	234	6.9
Sunshine Coast (R)	16,915	2,756	6.1
Toowoomba (R)	7,824	716	10.9
Total SEQ	**156,473**	**25,803**	**6.1**
Matusik, Queensland Treasury and ABS various. Annual housing demand based on last ten years.			

Overall there is a need to build about 26,000 new dwellings in SEQld each year, yet the broad hectare land parcels available (at present) over the **next ten years** can only yield about six years supply.

Some areas are very undersupplied with new broad hectare opportunities, whilst others local council areas have amble development parcels.

Some observations

Our recent **Ready Reckoner Reports** provide an analysis of development land supply. This work has sparked several replies, with developers on the one hand saying that the actual supply is tighter than the official figures suggest, whilst, the local councils, in question, argue that there is adequate development land available.

My reply to this debate is that an accurate land supply monitor is needed and that the results be freely available and updated on a regular basis. This works needs to include both infill sites and broad hectare land.

Plus any count needs to include current and accurate details on – plus realistic expectations about – land fragmentation, ownership, environmental checks and other development constraints.

But for now, the broad hectare count suggests a lot of the new urban development in SEQld will continue to take place in Ipswich and Logan in coming years. The Scenic Rim and Lockyer Valley will also see increasing development action.

The next big development opportunities for the major residential development companies are likely to be west and south west of Brisbane. And these opportunities are currently in short supply.

Interestingly most of Brisbane City's new housing supply occurs via infill. Revisit table 1. Yet the BCC has now made it very hard – via new draconian town planning criteria – to facilitate further infill development.

It looks to me that Brisbane is set to become a doughnut city. Pity.

Until next time,

Michael Matusik

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