

Big increase in price of blocks around the city

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THE cost of land in Adelaide rose 6.7 per cent in the December, 2006, quarter, with supply "hopelessly inadequate", a land monitor report reveals.

The report by the Housing Industry of Australia and Australian Property Monitors, showed SA's stock of affordable developed residential land had diminished, driving up house prices and eroding home affordability.

The average price of a vacant lot of land in Adelaide in the December 2006 quarter was \$186,800. In regional SA, it was \$97,000, after a 2.1 per cent rise over the year. HIA state executive director Robert Harding said the report

GROWTH

Dec. 1996 - \$55,000
1998 - \$60,000
2000 - \$70,000
2002 - \$80,000
2004 - \$130,000
March 2006 - \$160,000
June 2006 - \$150,000
Sept. 2006 - \$175,000
Dec. 2006 - \$186,800

Source: HIA land report

confirmed fears "supply of affordable land for urban development is hopelessly inadequate".

Figures compiled by the Australian Property Monitors reveal the average cost of land in Adelaide has surpassed

Melbourne and Brisbane.

"There is a shortage of available land in the central and southern sectors of Adelaide," Mr Harding said.

"Land supply in the northern sector is currently in line with demand, however prices have started to rise.

"The escalation in land prices has been one of the key contributing factors in the severe decline in housing affordability in South Australia."

He also attributed rises in new developments costs to increasing state and local government charges.