



STANDING COMMITTEE ON PUBLIC ACCOUNTS]

Elizabeth Kikkert MLA (Chair), Michael Pettersson MLA (Deputy Chair),
Andrew Braddock MLA

Inquiry into Annual and Financial Reports 2020-21
ANSWER TO QUESTION TAKEN ON NOTICE
1 March 2022

Asked by PETER CAIN MLA on 1 March 2022: ANDREW BARR MLA took on notice the following question(s):

[Ref: Hansard Transcript 1 MARCH 2022, PAGE 23]

In relation to:

MR CAIN: Thank you, Chair. A new substantive. Treasurer, if the current approach to the release of land for detached housing continues, has treasury done any modelling on how high house prices for such land will become?

Mr Barr: So how high house prices for land will become?

MR CAIN: For detached housing, yes.

Mr Barr: In suburban new estates or across the entire territory?

MR CAIN: However—has there been any breakdown at all, whether territory wide or new green field developments required?

Mr Barr: Okay. So you are obviously aware that a house price will be a combination of the land value, or price paid for the land, plus volume of the price of the dwelling, of the size of the dwelling that is built on the land.

MR CAIN: And the government controls the release of the land, which obviously has a massive impact on the price of houses.

Mr Barr: Yes, some houses, yes some of the land in the ACT but the new land release constitutes less than 2 per cent of the total housing market. So to the extent of the total housing market. So to the extent that the price of land in those new suburban areas would impact on the price of housing in those new suburban areas, is a fair question. But the price of land in Ginninderry is not going to have a substantive impact on the price of land in Forrest, or Yarralumla, or Red Hill, or Reid, or Turner, because that land is finite. So we can certainly provide you with some forward guidance in relation to the price of land in newer states but I do not think it is possible to model—

I am not sure that there is a correlation between the price of land 50 kilometres from the CBD and the price of land in a suburb like Parkes or Reid, or Campbell, or you know, or indeed, in the middle ring of suburbs in, for example, your own electorate in Belconnen, I do not think the price of land in Aranda is particularly impacted by the price of land in Ginninderry, they are two very different products.

MR CAIN: Well that is to be seen, but certainly, interested in the modelling with respect to the new release areas like Ginninderry. So—

Mr Barr: And are you interested in the price per square metre?

MR CAIN: I am happy with any breakdown for this conversation to be able to continue.

Mr Barr: Okay, all right. Well we will provide you with a price per square metre because I think that is the most consistent measure across the new land release that the SLA is responsible for. I guess, by way of comparison, there are obviously private sector land releases, so the price of land per square metre in Denman Prospect that has been undertaken by the private sector, might be a comparator.

And I guess, we could add Whitlam into that too, as it is proximate to Denman Prospect.

ANDREW BARR MLA: The answer to the Member's question is as follows:—

The Suburban Land Agency (SLA) does not model future property prices, as they can be impacted by many economic and other factors that are outside of the control of the agency. In recognition of the dynamic nature of the property market, the SLA and Ginninderry Joint Venture (GJV) budgets do not assume escalation.

The median price per square metre rate for the most recent releases in various estates of single residential blocks is shown below:

- Whitlam (SLA) - 101 blocks - \$1,170
- Ginninderry (GJV) – 71 blocks - \$949
- Taylor (SLA) – 115 blocks - \$861
- Denman Prospect – 6 blocks - \$1,845
- Googong – 22 blocks - \$933
- South Jerrabomberra – 14 blocks - \$1,036
- Jumping Creek (Queanbeyan) – 5 blocks - \$1,326

Approved for circulation to the Standing Committee on Public Accounts

Signature:



Date: 17.3.22

By the Treasurer, Andrew Barr MLA