




**MASTER BUILDERS**  
AUSTRALIAN CAPITAL TERRITORY

**MASTER BUILDERS ACT**

*Build Better* Policy Primer

# LAND AVAILABILITY AND AFFORDABILITY

*Together, we build better.* 



“

Ensuring a reliable pipeline of residential land is fundamental to improving housing affordability, maintaining construction capacity, and enabling the ACT housing system to respond to community demand.

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## Land release

- The ACT Government sells its land each year, in a process called ‘land release’
- Sometimes this land is new estates in new suburbs, and sometimes this land is in existing areas such as carparks or former Government buildings
- Land release has not kept pace with demand for new land from homebuyers in the past 5 years

## What’s the problem?

The ACT Government effectively controls the supply, price and timing of new residential land entering the market. The performance of the land release system directly determines whether the housing market can meet demand and whether the construction industry has the capacity to deliver new homes.

The ACT Government’s land release program supports around 20,000 construction jobs: in trades, design, consulting and office-based roles. A predictable and sufficient supply of residential land allows builders to plan workloads, keep people in jobs, and meet demand from homebuyers.

Land release decisions affect the entire housing market:

- Land shortages increase the price of new blocks, which flows directly into the cost of new housing
- Limited land supply constrains the capacity of the construction sector to deliver homes, regardless of demand
- Land supply focused on delivering apartments, and not enough single residential blocks, affects the housing choices available to homebuyers, and means there is limited work available for small-to-medium-sized builders
- Insufficient land release undermines other government priorities, including public housing delivery, affordable housing supply, building quality improvements, taxation revenue, and support for local industry.



Recent land releases demonstrate the scale of unmet demand.

- Taylor attracted 7,500 registrations for 115 blocks in 2021.
- Macnamara attracted 12,300 registrations for 71 blocks, and 7,400 registrations for 51 blocks, in 2022

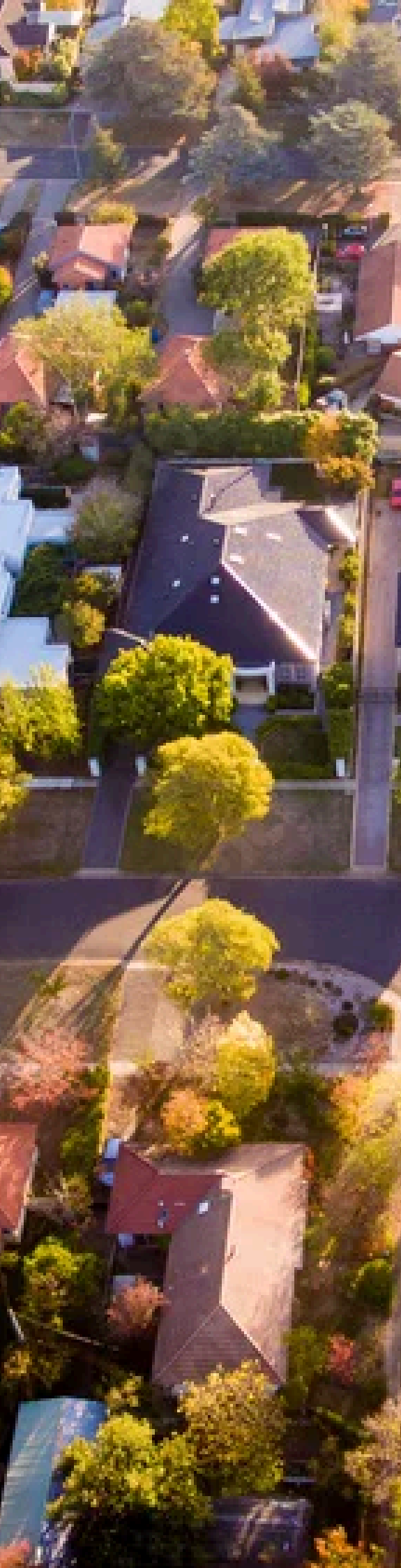
Supply is significantly below market demand. The Missing Middle reforms will help to ease some of this pressure, but on their own these reforms are not enough to meet demand for single residential homes.

## Land release program

The ACT Government notifies the market of their intended land supply through the annual Indicative Land Release Program. This should provide homebuyers and the construction industry with some guidance about where housing will be built next.

The comparison of the forecast for 2024-25 and the actual land released that year gives an example of how the Indicative Land Release Program is overly optimistic in what land will be released to market:

	Residential dwellings	Mixed-use land (m2)	Commercial land (m2)	Community land (m2)
Forecast	5,107	29,645	39,607	27,537
Actual	3,734	0	0	11,124



## How do we fix it?

The positive news is that the ACT Government can take action to fix land supply and provide greater certainty homebuyers and industry.

Master Builders ACT call on the ACT Government to:

- ✓ Increase and stabilise the supply of residential land through a more responsive and transparent land release program
- ✓ Undertake an independent review of the ACT land release framework, including the roles of government and opportunities for greater private sector participation in land development and delivery.
- ✓ Strengthen monitoring and oversight of land supply, including regular reviews by the ACT Audit Office and the Legislative Assembly.
- ✓ Reduce speculative activity by tightening rules around resale prior to settlement and ensuring land is released primarily to purchasers intending to build.
- ✓ Align land sales processes with government priorities, including building quality, financial capability of builders and support for local contractors.

Ensuring a reliable pipeline of residential land is fundamental to improving housing affordability, maintaining construction capacity, and enabling the ACT housing system to respond to community demand.

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