

## Land Services SA launches landmark SA Property Landscape Report

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Land Services SA has today launched the SA Property Landscape Report – among the most comprehensive compilation and analysis of data released on the South Australian residential and commercial property markets.

Compiled by professional services firm BDO and Land Services SA – the exclusive service provider to the South Australian Government for land and property services previously delivered through the Lands Titles Office and State Valuation Office – the Report provides unprecedented insight into South Australian property transactions, characteristics, and mortgages.

Land Services SA CEO Brenton Pike said the report was illustrative of the wealth of South Australian property data the company is unlocking.

“Land Services SA is the source of truth for all property transactional data in South Australia. In addition to providing our trusted services, we are committed to unlocking the richness of our data to promote innovation and investment in the State,” he said.

“By providing greater transparency over the State’s property sector, we are empowering the community – from entrepreneurs and small businesses to major investors – with the information and certainty to grow and invest in South Australia.”

BDO Business Services Partner and real estate specialist, Matthew Laming said the insights in this Report, drawing on the richness of Land Services SA data, are the next frontier in informing crucial business decisions regarding property in South Australia.

“Real Estate and its supplier industries are critical to South Australia’s economy. Through data, industry participants can now better inform their decisions, evaluate opportunities and validate current market trends” he said.

“These valuable property insights will quickly become a must-have for all successful real estate businesses and entrepreneurs”

### **A mixed scorecard for the SA property market**

The Report reveals residential property capital values increased by 5.9 per cent in the 2018 financial year – the highest growth rate since 2012 – with Campbelltown City Council recording the highest increase at 9.75 per cent. However despite the increase in value, residential sales transactions fell state-wide by 2.2 per cent to 34,700, with the City of Burnside experiencing the greatest fall.

Commercial property transactions also declined by 21.4 per cent in 2018, which Mr Pike suggested may be a one-off response to changes to stamp duty application.

“We saw an almost 25 per cent increase in commercial property transactions in 2016, in large part due to the introduction of commercial property stamp duty concessions by the state government in December 2015,” he said. “From 1 July 2018 the stamp duty on commercial property transactions was abolished entirely – and it’s very possible purchasers were holding off waiting for this to come into effect, making a strong rebound quite possible for FY19.”

Rural properties increased by capital value by a ten-year high 5 per cent, while commercial offices increased by a six-year high 4 per cent. Conversely, the growth rate in commercial retail capital value declined by 0.5 per cent year on year, while the growth rate for vacant land plummeted by 3.8 per cent to just 0.6 per cent, representing the worst capital growth rate of any land use in 2018.

Land Services SA also revealed that the average holding period for residential property in the State is 12.3 years – substantially above the common industry perception that residential holding periods are between 7-8 years on average.

### **Mortgaged properties on the rise**

The report also revealed the state of play in the South Australian mortgage market, where the big four banks have a 64.7 per cent market share in residential mortgages, and an 81.6 per cent share of the commercial mortgage market.

The proportion of residential property subject to a mortgage in the State has also steadily increased over the last 10 years, from 58 per cent in 2008 to 64.2 per cent in 2018. However, this increased by just 0.2 per cent in the last year, suggesting a tightening of lender policies in response to the Royal Commission.

The City of Playford had the highest mortgage rate in South Australia at 76.3 per cent, while the City of Campbelltown had the lowest among metropolitan regions at 58.7 per cent.

### **Property type**

More than 10,500 new residential properties were constructed State-wide in 2017 – an 8 per cent increase on 2016 and the highest number since 2010. This was driven by a fourth consecutive year of increased construction in Metro Adelaide, despite a third consecutive decline in regional areas.

More than 10 per cent of residential properties in South Australia have been built since 2010, led by the Mount Barker District Council at almost 21 per cent, and anchored by the neighbouring Adelaide Hills Council at 4.6 per cent.

In Metro Adelaide, more than 14 per cent of all residential property stock has been created through subdivisions in the last 10 years, with densification particularly prevalent in Mount Barker (36%), Playford (26.6%) and Gawler (26.5%).

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### **About Land Services South Australia**

Land Services SA was appointed as the exclusive service provider to the South Australian Government for a range of transactional land services and property valuation services previously delivered through the Lands Titles Office and State Valuation Office in October 2017.

As a trusted partner of the State, Land Services SA deliver highly valued, trusted services to the community, being recognised for creating innovative solutions.

Land Services SA are leading property experts in South Australia, offering a range of property transaction and valuation services, property information products, custom data sets and reliable market insights.