

Greenfield vs Infill

State of play for Perth

PropertyESP has just conducted a two year sales analysis for three greenfields sites (Baldivis, Byford and Ellenbrook) as well as eight key infill locations.

The company found that between 1/1/2013 - 31/12/2014 greenfields land sales for these three areas equated to 4361 lots with Baldivis taking the bulk of sales (2041 lots). In turn the infill areas recorded 820 apartment sales, with East Perth recording the highest rate (643 sales).

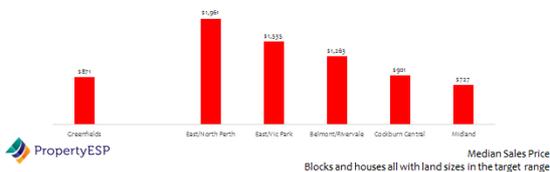
It is therefore quite evident that while infill is a strong focus for the State Government - demand for greenfields lots still dominates the property sector.

Considering all greenfields sales (house, land, units etc), 61% comprised of vacant land. Infill, on the other hand, did offer greater diversity ie 27% houses, 23% apartments, 14% home units.

How do they compare?

When looking at sales across houses, land, apartments and units, all infill developments sold at a higher price per sqm than greenfields, with the exception of Midland.

Comparing Prices per Square Metre - Houses

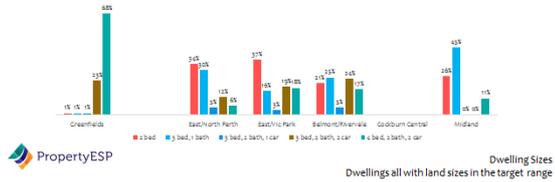


So who is buying what?

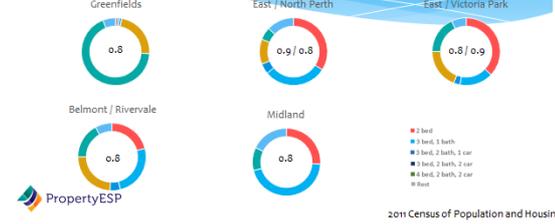
As you would expect the four bedroom/2 bathroom home dominates in the greenfields locations compared to infill.

However on average, buyers are still seeking one bedroom per household member - regardless of whether it is a greenfield or infill purchase.

Comparing Dwelling Sizes

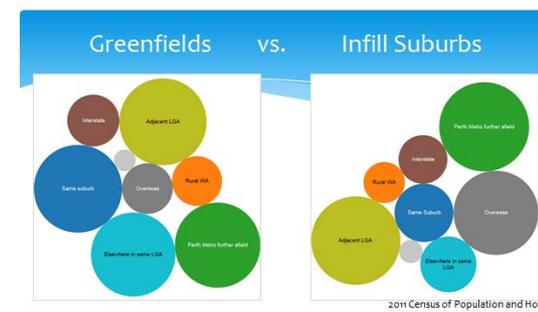


Comparing Average People Per Bedroom



In addition those that buy in infill are a very different demographic to greenfields buyers - with some suburbs showing a 15% higher proportion of professional residents.

Plus those that purchase in greenfields tend to come from the local area - with infill purchasers showing a greater diversity.



Conclusion and recommendations

It is evident that buyers in either infill or greenfield are very different and hence It cannot be assumed that by increasing planning density this will drive demand for infill. In addition the concept that infill will deliver affordability is also an unfounded assumption. The State Government therefore is faced with the challenge to balance the needs of both groups of buyers to ensure a dynamic city for the future.

For the full report on these findings contact Samantha Reece of PropertyESP on 0452 067 117.