

Serviced Land Grant

I would like the productivity to reduce the cost of ready to build land. Where new residential areas are being developed, I propose that the government acquire suitable land and pay for the infrastructure required to make it residential.

The family still buys the block and builds the house. The difference is that the family isn't required to finance the creation of the surrounding infrastructure through the price of their block and then pay interest on that for decades

I live in Ballarat, which is planning substantial greenfield growth.

A 7.27 hectare Ballarat West development site was recently sold for approximately \$9.1 million with plans for around 145 residential lots. That's approximately \$63,000 of land per eventual lot. Finished good sized residential blocks in Ballarat cost over \$300,000

So what would a serviced block actually cost if the government acquired the land and directly provided the infrastructure?

If the answer were approximately \$95,000 as I suspect rather than \$300,000, that would change the economics of building a new home considerably, and reduce that families interest payments over 30 years by approximately \$235,000

Ballarat has a lot of expansion planned, 15,000 new Ballarat homes could each save approximately \$200,000 on the cost of their land. That's \$3 billion of local money before interest in the pockets of Ballarat families that is otherwise going to the banks

The Productivity Commission's own interim report specifically identifies housing enabling infrastructure and its coordination with land release as important constraints

I am asking the Productivity Commission to compare the cost of private development vs Government led development and model the impact this will have on household formation and fertility and the effect on mortgage interest costs over the life of an average Aussie mortgage

Thank you for reading,

Zachary Johns