



Hobart

Property Hotspots

1st Half 2017



HOTSPOTS METHODOLOGY

This Hobart hotspot report analyses all suburbs within the Greater Hobart region, providing valuable insights and highlights of the property market in 2017. This report focuses on suburbs within a 10km radius of the CBD, taking into consideration the following factors:

- Sales indicators - the number of sales transactions (suburbs with less than 20 sales are excluded in affordable hotspots and top performer selection) and median price growth between 2015 and 2016/17*.
- Rental indicators - median rental price, rental yield, and vacancy rates.
- Affordability - the average Tasmanian home loan, which indicates the amount banks are comfortable with lending to home buyers. To determine the maximum property price, 40% is added to the average Tasmanian home loan, which was \$243,164** as at December 2016, having increased by 2.4% from the previous quarter.
- Projects value - developments scheduled to commence in the 1st half 2017, which include mixed use, infrastructure, industrial, and residential projects. This is key to maintaining growth as it indicates a potential increase in economic and commercial activity; as well as interconnectivity to key transport routes, the CBD, and other major urban business hubs.

RECENT TOP PERFORMERS

Area	Suburb	Type	Median Price 2015	Median Price 2016/17**	Price Growth	Projects 2017***
Inner	Hobart	House	\$528,750	\$610,000	15.4%	\$68.6M
North	Glenorchy	House	\$244,000	\$274,000	12.3%	\$6.3M
East	Lindisfarne	House	\$360,500	\$437,500	21.4%	\$8.5M
Inner	South Hobart	Unit	\$286,500	\$332,500	16.1%	\$7.8M
South	Sandy Bay	Unit	\$377,000	\$515,000	36.6%	\$6.6M
East	Bellerive	Unit	\$296,750	\$314,000	5.8%	\$750K

HOBART OVERVIEW

Hobart's property market has sustained its consistent annual growth and is set to maintain the trend into 2017, as the state's popularity continues to swell. With house and unit prices beginning to hit their strides in their respective upswing stages, and the rental market performing strongly; investors are continuing to find ample opportunities in the market. An increase of over 170% in project developments in the 1st half of 2017 (total value \$239.6M) compared to the 2nd half of 2016 is welcomed news, as Hobart suburbs are benefitting from increased infrastructure, and investors and property buyers are enjoying more commercial and residential options.

“Increased levels of activity are spreading state wide with all regions participating in the improved market conditions. The climate is right to attract increased levels of private investment into the housing sector.”

Tony Collidge
PRDnationwide Hobart
Principal & Real Estate
Institute of Tasmania,
President



KEY MARKET INDICATORS INNER HOBART

Indicator	Market Variation [^]
House Sales	↑
House Median Price	↑
House Median Rent	↑
Unit Sales	↑
Unit Median Price	↑
Unit Median Rent	↑

“As Australia’s major cities begin to reach and pass their price peaks, the Hobart property market is gearing up into its upswing stage. The affordability of the market remains a big attraction, and Hobart is finally coming into its own as a recognisable Australian investment option.”

Tony Brasier
PRDnationwide Chairman & Managing
Director



*Median price quoted captures sale transactions from 1st January 2016 to 31st March 2017.

**Average home loan figure is derived from December quarter 2016 Housing Affordability Report by Real Estate Institute of Australia and Adelaide Bank.

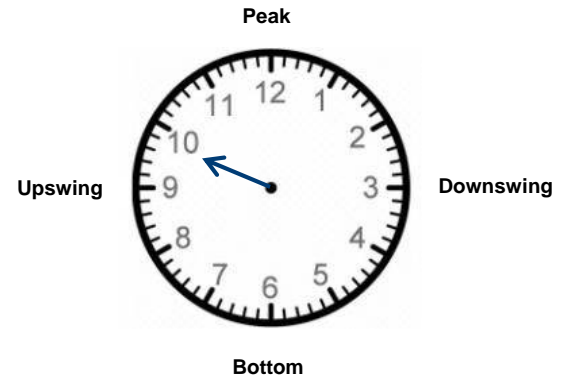
***Project development spending is based on aggregate of estimated construction value for residential, commercial, industrial, mixed use and infrastructure projects scheduled to commence construction in the 1st half of 2017.

[^]Key market indicators for sales and median prices are reflective of median price change over 15 months between 2015 and 2016/Q1 2017. Median rent is reflective of median price change between Q4 2015 and Q4 2016.

HOBART HOUSE HOTSPOTS

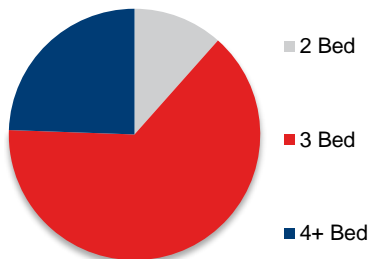


PROPERTY CLOCK – HOUSE



AFFORDABLE HOUSE HOTSPOTS

GLENORCHY 7010



OVERVIEW

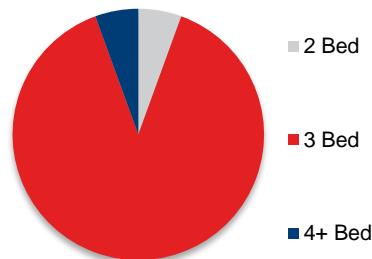
Approx. radius from CBD **7km**

House median price **\$274,000**

- 2 Bed Median Price **\$216,500**
- 3 Bed Median Price **\$275,000**
- 4+ Bed Median Price **\$364,000**

Glenorchy is a reoccurring Hobart hotspot, sitting only a short distance to the north of the CBD. The suburb has experienced strong price growth over the past year, with house median price increasing by 12.3%. A very low vacancy rate of 0.6% and attractive rental yields of 6.1% are key indicators for astute investors. Glenorchy can expect approx. \$5.2M* of developments to commence in the 1st half of 2017, with a focus on future growth as work begins on new infrastructure and residential projects.

GOODWOOD 7010



OVERVIEW

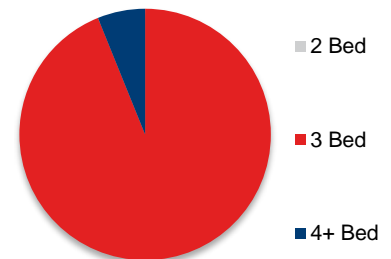
Approx. radius from CBD **7km**

House median price **\$227,500**

- 2 Bed Median Price **\$240,000****
- 3 Bed Median Price **\$225,000**
- 4+ Bed Median Price **\$367,000****

Goodwood is located in Hobart's north, only 7km from Hobart's CBD. Median sale prices have seen a strong 11.0% increase over the last year to Q1 2017. Vacancy rates for the area have also decreased to 0.6% while rental yields have held at attractive returns of 7.0%, which is good news for investors looking for new investment prospects. With opportunist growth figures for owner occupiers and astute investors, paired with the suburb's high demand, Goodwood can expect sustainable economic growth.

WARRANE 7018



OVERVIEW

Approx. radius from CBD **5km**

House median price **\$252,000**

- 2 Bed Median Price **N/A**
- 3 Bed Median Price **\$250,250**
- 4+ Bed Median Price **\$315,000****

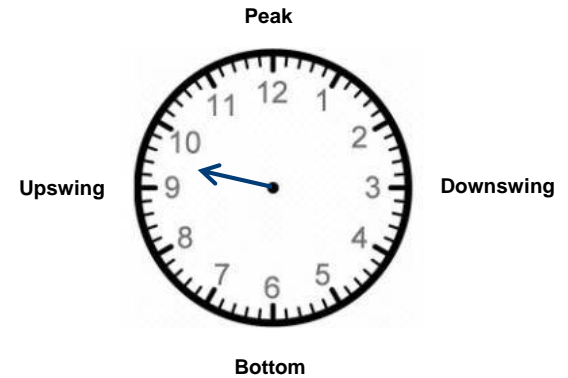
A suburb providing an easterly option; Warrane is only a short drive along the Tasman Highway from the Hobart CBD. The suburb has managed to remain affordable, in light of double-digit median growth, which has added to its growing popularity and investment potential. Impressive rental yields of 6.6% and low vacancy rates are indicative of Warrane's high demand, and up to \$20.0M* of development projects from neighbouring suburb Rosny Park ensures residents have access to a strong commercial base.

*Quoted estimated values of projects are based on reported land construction values as stated by the relevant data authority and do not signify their commercial/resale value.
**Median price quoted for suburbs with less than 10 sales transactions is indicative only.

HOBART UNIT HOTSPOTS

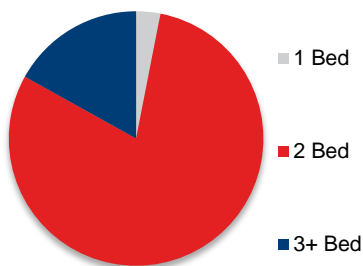


PROPERTY CLOCK – UNIT



AFFORDABLE UNIT HOTSPOTS

CLAREMONT 7011



OVERVIEW

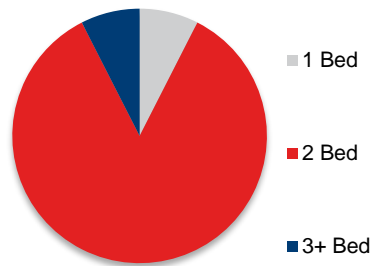
Approx. radius from CBD **12km**

Unit median price **\$207,000**

- 1 Bed Median Price **\$118,850****
- 2 Bed Median Price **\$205,000**
- 3+ Bed Median Price **\$279,000**

Sitting 12km north of the Hobart CBD, Claremont is a fantastic entry point into the Tasmanian property market. An increase in demand has seen the median price increase by 12.2%, which has led to impressive rental yields of 6.3%. Claremont offers its residents an abundance of public amenities, including schools, parks and public transport options. Approx. \$6.0M* of new residential developments are planned for the 1st half of 2017, which will help support a healthy balance of supply and demand in the area.

MOONAH 7009



OVERVIEW

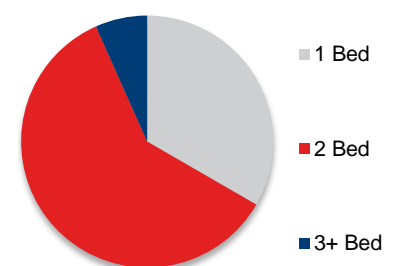
Approx. radius from CBD **5km**

Unit median price **\$250,000**

- 1 Bed Median Price **\$145,000****
- 2 Bed Median Price **\$242,500**
- 3+ Bed Median Price **\$355,000****

Moonah has emerged as a key suburb in the Hobart property market, transitioning from a house hotspot in the 2nd half of 2016 to a unit hotspot in the 1st half of 2017. Investors can enjoy growing median prices, and rental yields of 5.3%. Increased popularity of the suburb has seen vacancy rates drop to one of their lowest levels in over 5 years at 0.3%. Easy access to the CBD, restaurants, shops, and many local businesses, all add to the suburb's high appeal to future residents from a broad range of demographics.

MOUNT NELSON 7007



OVERVIEW

Approx. radius from CBD **4km**

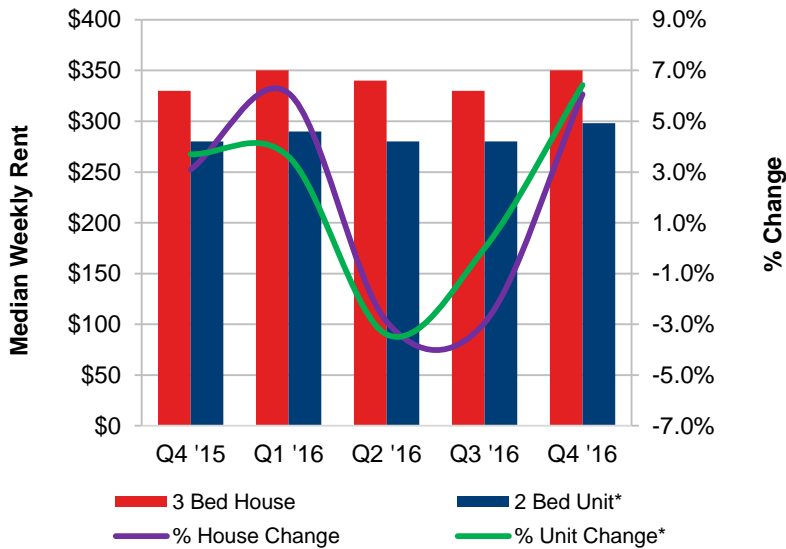
Unit median price **\$300,500**

- 1 Bed Median Price **\$176,000****
- 2 Bed Median Price **\$260,000****
- 3+ Bed Median Price **\$405,000****

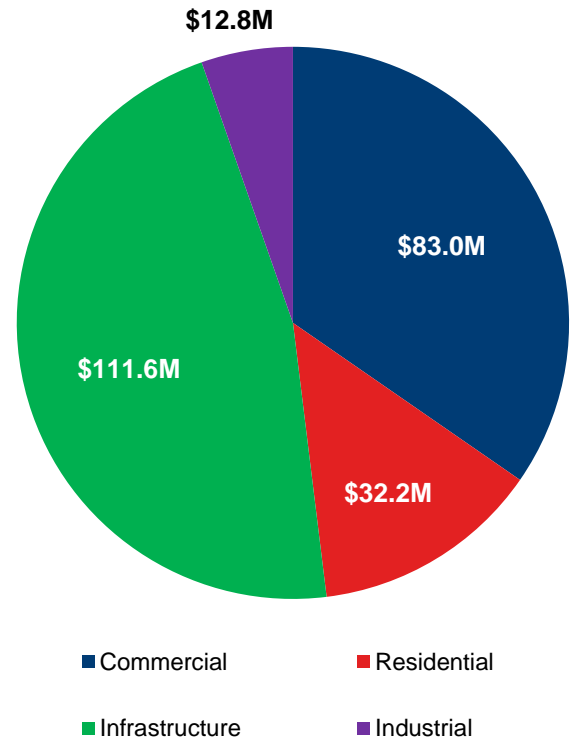
Residing in the higher range of the affordability scale, Mount Nelson is only 4km south of the Hobart CBD, and offers spectacular views of the city and the Derwent River. Despite a higher median price, price growth of 14.5% suggests the suburb is a highly valuable investment option. Yields are highly attractive at 5.1% while vacancy rates are very low at 0.4%. Over approx. \$9.0M* worth of new projects are scheduled in the neighboring suburb of Sandy Bay, creating future spill-over economic benefits to Mount Nelson.

*Quoted estimated values of projects are based on reported land construction values as stated by the relevant data authority and do not signify their commercial/resale value.
**Median price quoted for suburbs with less than 10 sales transactions is indicative only.

RENTAL MARKET ANALYSIS

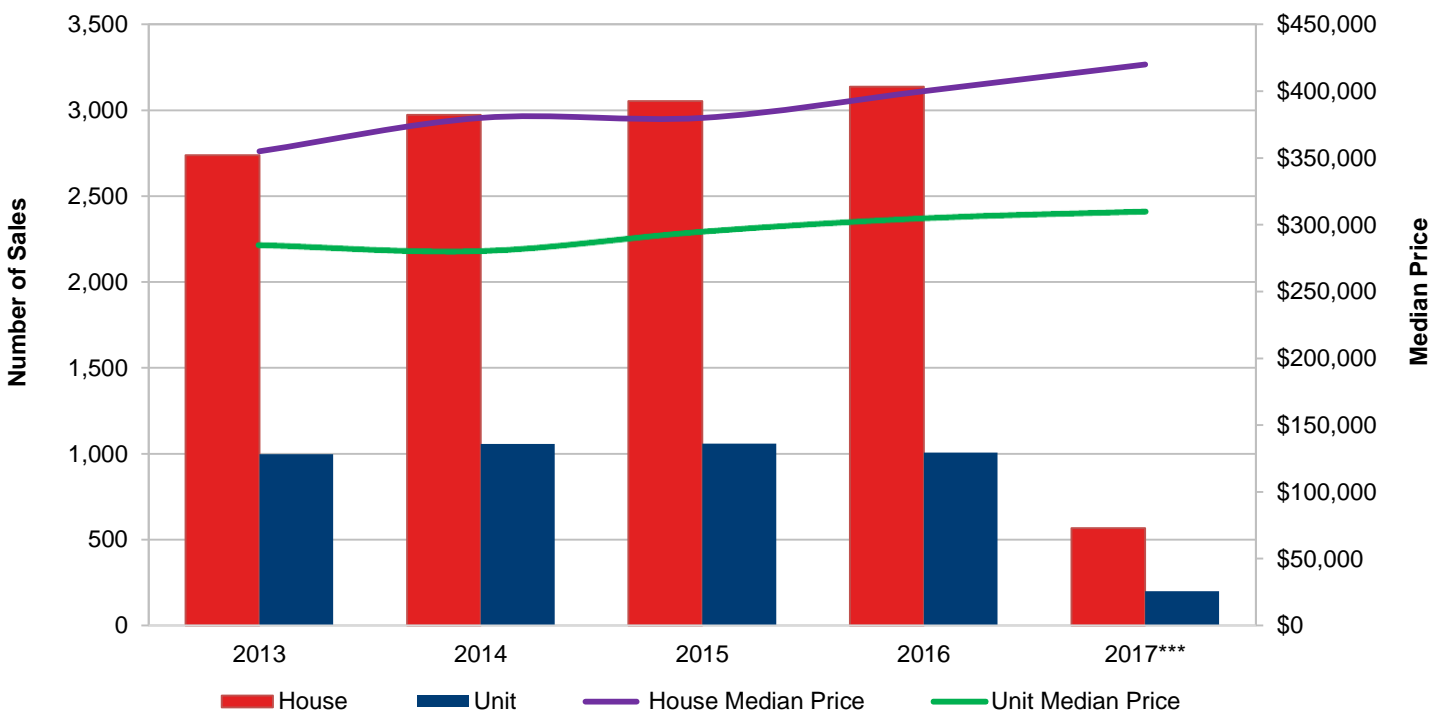


1ST HALF 2017 PROJECTS**



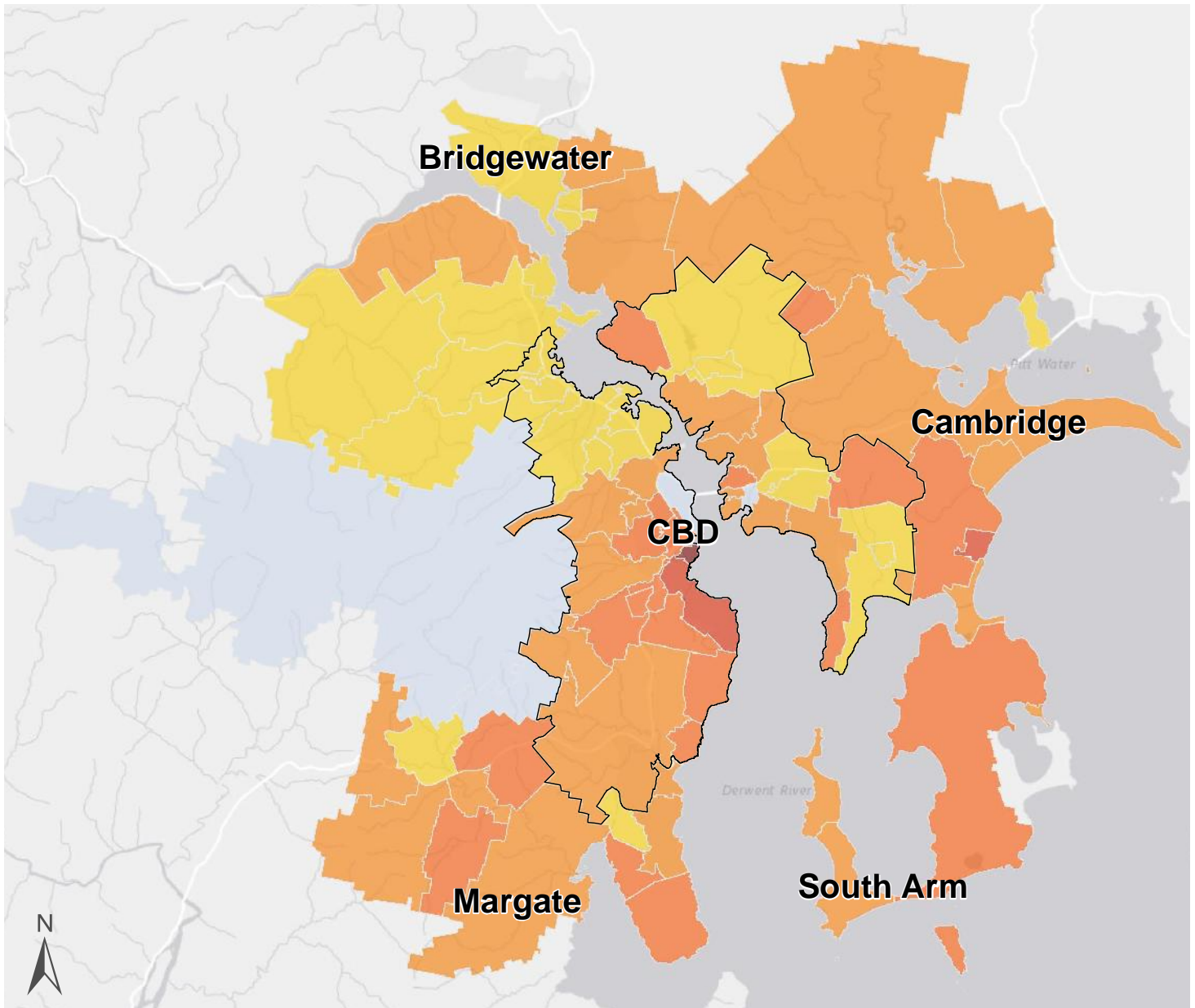
The Hobart rental market has shown overall growth in median prices over the past 12 months leading to December 2016, overcoming an initial softening in early quarters of 2016. Yields are currently among the strongest in the Australian market. This is reflected by an annual price change for 3 bedroom house and 2 bedroom unit of +6.1% and +6.4% respectively.

INNER HOBART[^] SALES AND MEDIAN PRICE GROWTH



*Data is based on '2 Bedroom Other Dwellings' figures as per REIA's Real Estate Market Facts December quarter 2016 report and are assumed to be predominantly units.
 **Quoted project development spending reflects aggregate of estimated values for projects commencing in 1st half 2017. Quoted estimated value of projects is based on reported land construction value as reported by the relevant data authority and does not signify its commercial/resale value.
 ***Median price for 2017 captures sale transactions from 1st January 2017 to 31st March 2017, or Q1 2017.
[^]Inner Hobart area is inclusive of all suburbs within the Hobart, Glenorchy, Kingborough & Clarence Local Government Areas (LGAs).

GREATER HOBART HOUSE MEDIAN PRICE 2016/17*



LEGEND	Top 3 Lowest Priced Suburbs**	Median Price 2016/17**	Project Development***	Median Rent 2016/17**	Rental Yield
DATA NOT AVAILABLE	Clarendon Vale	\$148,500	-	\$235	8.2%
\$0 - \$350,000	Risdon Vale	\$170,375	-	\$290	8.9%
\$350,000 - \$500,000	Rokeby	\$210,000	\$1.9M	\$275	6.8%
\$500,000 - \$650,000	Top 3 Highest Priced Suburbs**	Median Price 2016/17**	Project Development***	Median Rent 2016/17**	Rental Yield
\$650,000 - \$900,000	Battery Point	\$936,500	\$3.2M	\$480	2.7%
\$900,000+	Sandy Bay	\$800,000	\$6.6M	\$490	3.2%
10 KM^ from CBD	Tranmere	\$625,000	\$520K	\$450	3.7%

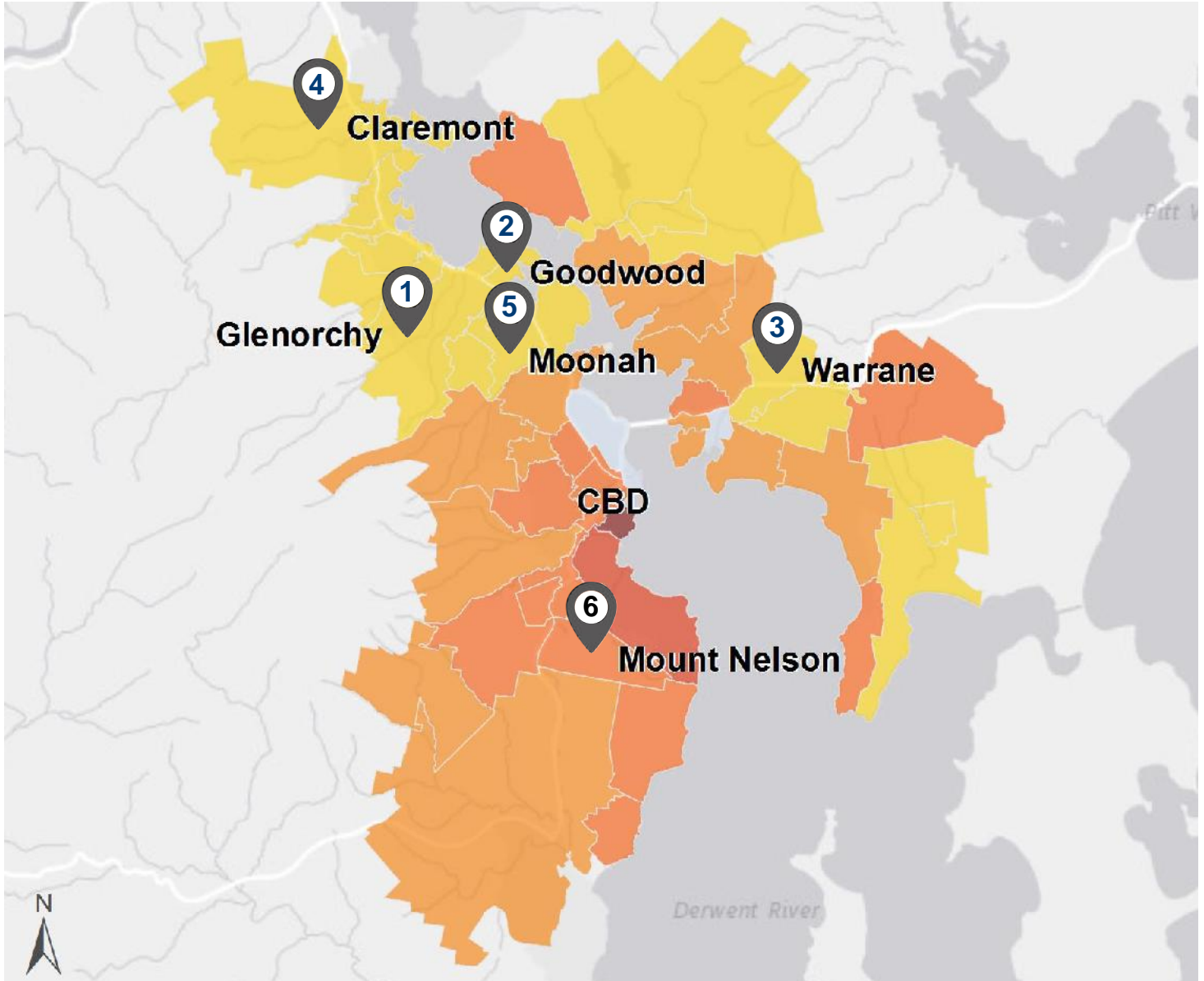
*Median house price reflected in the heat-map captures sale transactions from 1st January 2016 to 31st March 2017.

**Top 3 suburbs identified are located within 10 km from Hobart CBD; suburb median price and median rent figures capture data from 1st January 2016 to 31st March 2017.

***Project development value is an aggregate of estimated construction value for residential, commercial, industrial, mixed use, and infrastructure projects commencing in 1st half 2017; and does not reflect commercial/re-sale value.

HOBART HOUSE MEDIAN PRICE 2016/17*

10KM[^] FROM CBD



LEGEND

	DATA NOT AVAILABLE
	\$0 - \$350,000
	\$350,000 - \$500,000
	\$500,000 - \$650,000
	\$650,000 - \$900,000
	\$900,000+

HOBART HOTSPOTS RENTAL YIELD

	Suburb	House		Suburb	Unit
1	Glenorchy	6.1%	4	Claremont	6.3%
2	Goodwood	7.0%	5	Moonah	5.3%
3	Warrane	6.6%	6	Mount Nelson	5.1%

*Median house price reflected in the heat-map captures sale transactions from 1st January 2016 to 31st March 2017.

^Includes predominantly suburbs that are within the 10km radius limit, excluding suburbs whose outside boundaries are a significant distance from the 10km radius.

Source: Adelaide Bank, APM Pricer, Cordell Database, ESRI ArcGIS, Hobart City Council, Land Information System Tasmania, Real Estate Institute of Australia, Real Estate Institute of Tasmania, Tasmanian Planning Commission.

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