



Hobart

Property Hotspots
2nd 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 2016 and 2017*.
- 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 \$241,379** as at December 2016, having increased by 1.3% from the previous quarter.
- Projects value - developments scheduled to commence in the 2nd half of 2017, include infrastructure, mixed use, commercial, 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 2016	Median Price 2017**	Price Growth	Projects 2017***
Inner	North Hobart	House	\$501,000	\$690,000	37.7%	\$3.0M
North	Lutana	House	\$305,500	\$371,000	21.8%	\$1.3M
East	Rokeby	House	\$195,500	\$250,500	28.1%	\$570K
Inner	West Hobart	Unit	\$397,750	\$530,000	33.2%	\$170K
South	Battery Point	Unit	\$549,500	\$740,000	34.7%	\$6.1M
East	Howrah	Unit	\$303,250	\$320,000	5.5%	\$1.0M

HOBART OVERVIEW

Hobart's property market has demonstrated its ever-increasing success with annual growth over 2016-2017, and is set to maintain this trend into 2018. As one of the most affordable capital cities at present, Hobart has had a growing number of interstate investors in the market place, contributing to increased prices. That said home owners and investors will be pleasantly surprised with the presence of affordable options amidst the upward trend in median prices. Annual change in rental prices are currently the strongest within the Australian market, as well as low overall vacancy rates in both the housing and unit markets. Thus eagle-eyed investors are assured by great rental returns and the upswing in annual growth. The property market is buoyed to receive spill over benefits from over \$160.9M* of new project earmarked to commence in the 2nd half of 2017. Commercial projects have emerged as the focus, ensuring local job growth. Infrastructure projects are set to improve liveability and support the ever expanding growth of Hobart.

*Median price quoted captures sale transactions from 1st January 2017 to 30th September 2017, or end of Q3 2017.

**Average home loan figure is derived from June quarter 2017 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 2nd half of 2017.

*Key market indicators for sales and median prices are reflective of median price change between 2016 and 2017, with 2017 data being up to end of Q3 2017. Median rent is reflective of median price change between Q2 2016 and Q2 2017.



KEY MARKET INDICATORS^ INNER HOBART

Indicator	Market Variation^
House Sales	↓
House Median Price	↑
House Median Rent	↑
Unit Sales	↓
Unit Median Price	↑
Unit Median Rent	↑

"Whilst other Australia major cities begin to reach and pass their price peaks, Hobart continues to provide an attractive affordable option that is currently still in its upswing of positive capital growth. The market is a hotspot for many inter-state investors, suggesting local first home buyers need to quickly stake their claim in the market."

Tony Brasier

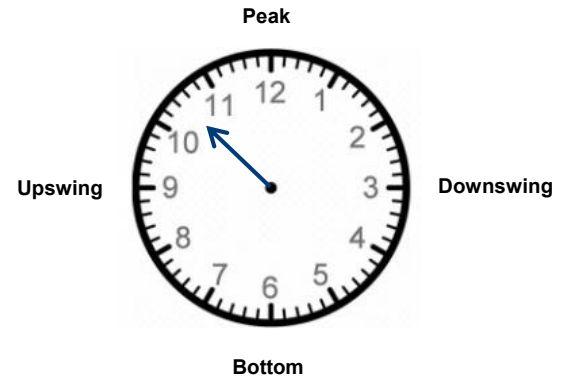
PRDnationwide Chairman & Managing Director



HOBART HOUSE HOTSPOTS

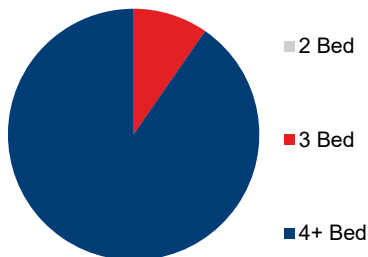


PROPERTY CLOCK – HOUSE



AFFORDABLE HOUSE HOTSPOTS

GLENORCHY 7010



OVERVIEW

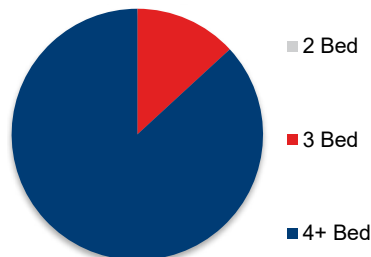
Approx. radius from CBD **7km**

Media house price **\$310,000**

- 2 Bed median price **N/A**
- 3 Bed median price **\$245,000**
- 4+ Bed median price **\$310,000**

Glenorchy has continued its reign in the Hobart hotspot series, this time offering affordability for both house and unit within 10kms north of the CBD. The suburb has continued its double-digit price growth over the last 12 months, with house median price increasing by 12.7%. A very low vacancy rate of 0.2% and attractive rental yields of 6.3% gives assurance for sustained returns. Glenorchy's high demand will be supported with approx. \$1.3M* of infrastructure projects earmarked to commence in the 2nd half of 2017.

RISDON VALE 7016



OVERVIEW

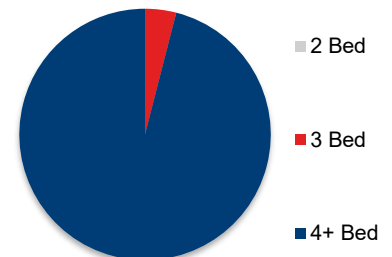
Approx. radius from CBD **7km**

Median house price **\$199,000**

- 2 Bed median price **N/A**
- 3 Bed median price **\$152,000****
- 4+ Bed median price **\$202,000**

Risdon Vale is located in Hobart's north, only 7km from Hobart's CBD. Median sale prices have seen a strong 18.1% increase over the last year to Q3 2017. Vacancy rates for the area have also decreased to 0.3% while rental yields have held at impressive returns of 6.0%, which is good news for investors looking for new investment options. Residents of, and investors in Risdon Vale, can expect sustainable economic growth with approx. \$1.8M* of new projects earmarked to commence in the 2nd half of 2017.

ROKEBY 7019



OVERVIEW

Approx. radius from CBD **8km**

Median house price **\$252,000**

- 2 Bed median price **N/A**
- 3 Bed median price **\$268,000****
- 4+ Bed median price **\$243,000**

Rokeby has blasted its way into the hotspots by providing an easterly option for house affordability. Home owners and investors alike can be delighted with double-digit median growth of 28.1% over 2016. With impressive rental yields of 6.0%, buyers without a hand on the pulse could miss an opportunity to enter this market. Low vacancy rates of 0% is indicative of housing shortage. Rokeby's high demand is buoyed by up to \$570K* of future projects from local government, which will further stimulate the property market.

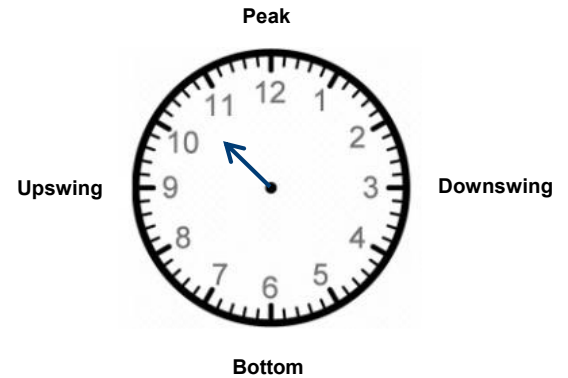
*Quoted estimated values of projects are based on reported land construction values as stated by the relevant data authority and do not signify their commercial/resale value.

**Median price quoted for suburbs with less than 20 sales transactions is indicative only.

HOBART UNIT HOTSPOTS

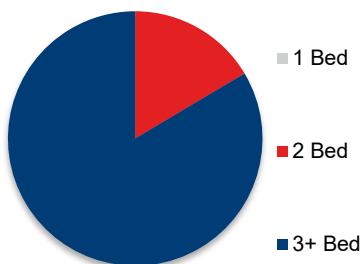


PROPERTY CLOCK – UNIT



AFFORDABLE UNIT HOTSPOTS

GLENORCHY 7010



OVERVIEW

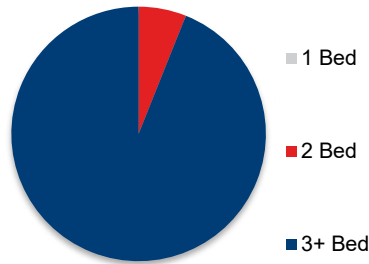
Approx. radius from CBD **7km**

Median unit price **\$232,000**

- 1 Bed median price **N/A**
- 2 Bed median price **\$146,750**
- 3+ Bed median price **\$235,000**

Positioned only 7km to the north of Hobart's CBD, Glenorchy offers a fantastic entry point into the Tasmanian property market. An increase in demand has seen the median price increase by 5.5%, which has led to impressive rental yields of 6.8%. Glenorchy is the focal point for retail and government services. Approx. \$1.3M* of new infrastructure development projects are planned for the 2nd half of 2017, which will help support a sustainable balance of job creation and access for local residents in the area.

HOWRAH 7018



OVERVIEW

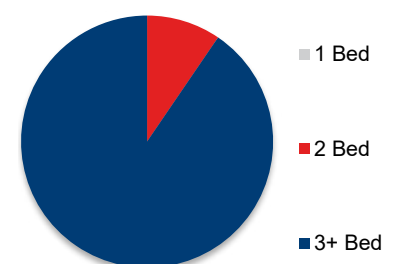
Approx. radius from CBD **6km**

Median unit price **\$320,000**

- 1 Bed median price **N/A**
- 2 Bed median price **\$195,000****
- 3+ Bed median price **\$360,000**

Howrah has emerged in the 2nd half of 2017 as a unit hotspot in the Hobart property market, providing options to the east of Hobart's CBD. Investors can enjoy growing median prices and rental yields of 4.3%. Increased popularity of the suburb has seen vacancy rates drop to 0.2%, its lowest levels in over 10 years. Howrah offers easy access to the CBD, beach resort style living, sporting clubs and Rosny Park shopping precinct. Over \$1.0M* of investments will begin in the 2nd half of 2017 to boost residential demand.

LENAH VALLEY 7008



OVERVIEW

Approx. radius from CBD **5km**

Median unit price **\$310,000**

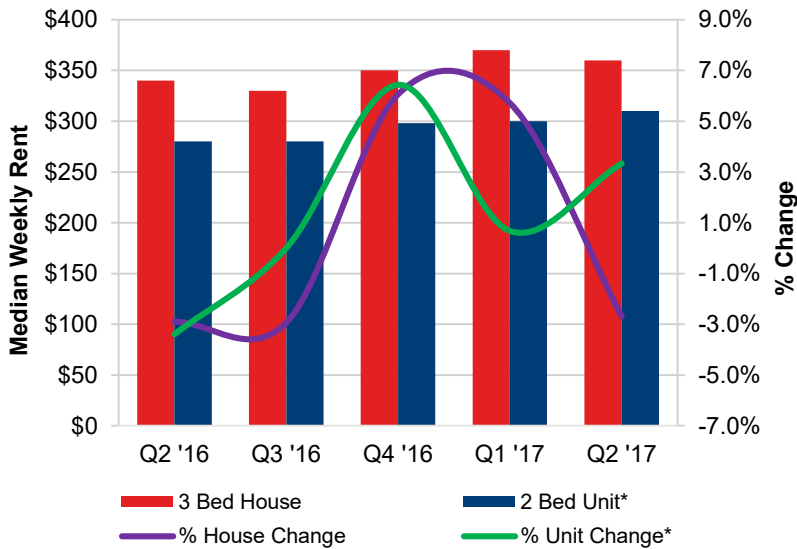
- 1 Bed median price **N/A**
- 2 Bed median price **\$312,000****
- 3+ Bed median price **\$310,000**

Lenah Valley is located north of the Hobart CBD, and offers spectacular views of the city and the Derwent River. Despite a higher median price, price growth of 8.4% suggests the suburb is a highly attractive investment option. Yields are eye-catching at 5.1% while vacancy rates are very low at 0.8%. Over \$1.1M* worth of new projects are set to commence in the 2nd half of 2017, creating future spill-over economic benefits to Lenah Valley. These projects will increase the residential stock available on the market.

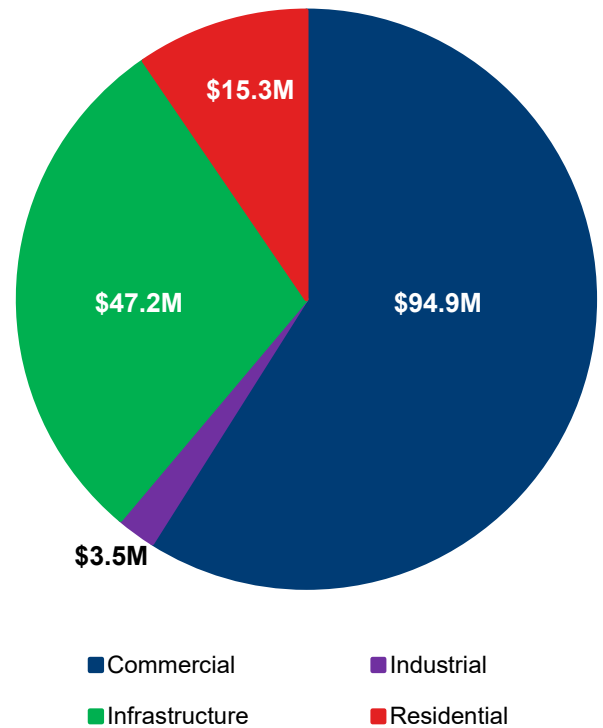
*Quoted estimated values of projects are based on reported land construction values as stated by the relevant data authority and do not signify their commercial/resale value.

**Median price quoted for suburbs with less than 20 sales transactions is indicative only.

RENTAL MARKET ANALYSIS

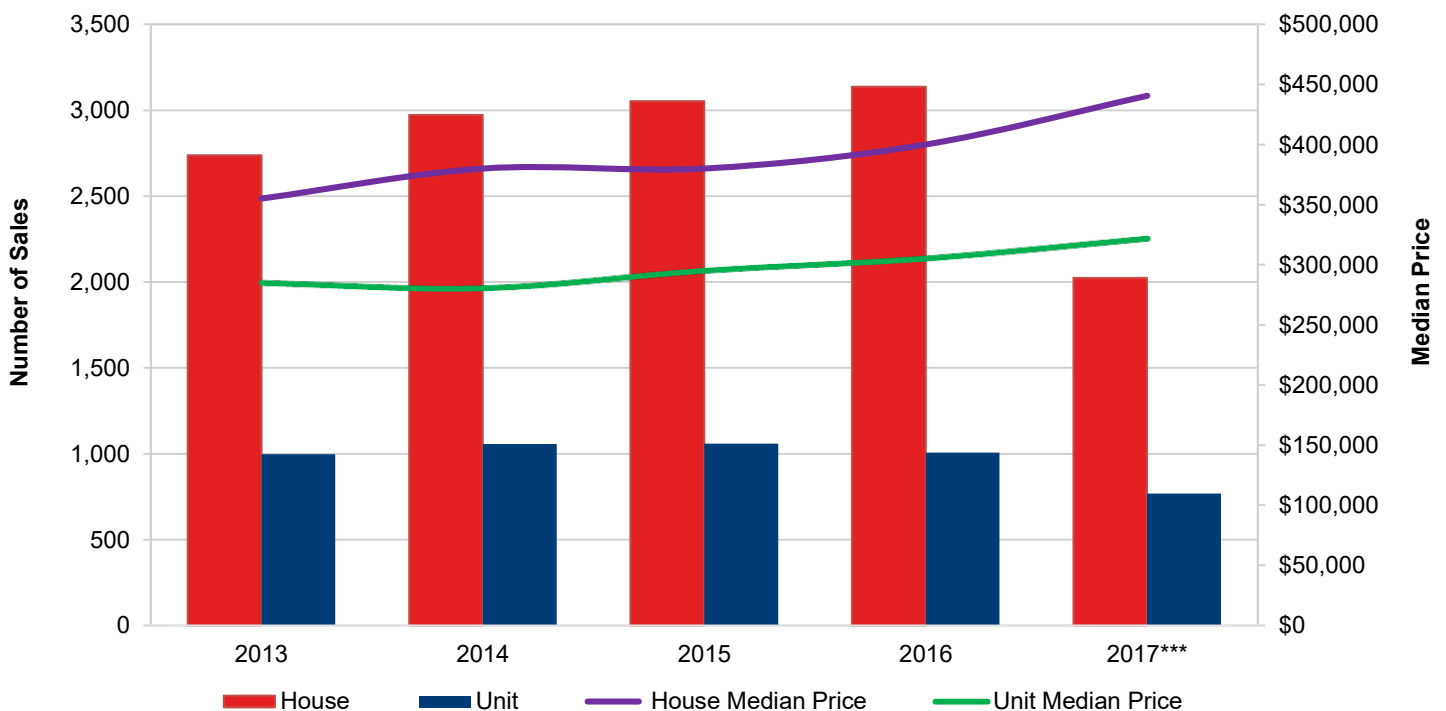


2ND HALF 2017 PROJECTS**



The Hobart rental market continue to demonstrate overall growth in median prices over the past 12 months leading to June 2017. Annual change in rental prices are currently the strongest within the Australian market. This is reflected by low overall vacancy rates of 2.0% and impressive annual price change for 3 bedroom house and 2 bedroom unit of 5.9% and 10.7% respectively.

INNER HOBART[^] SALES AND MEDIAN PRICE GROWTH



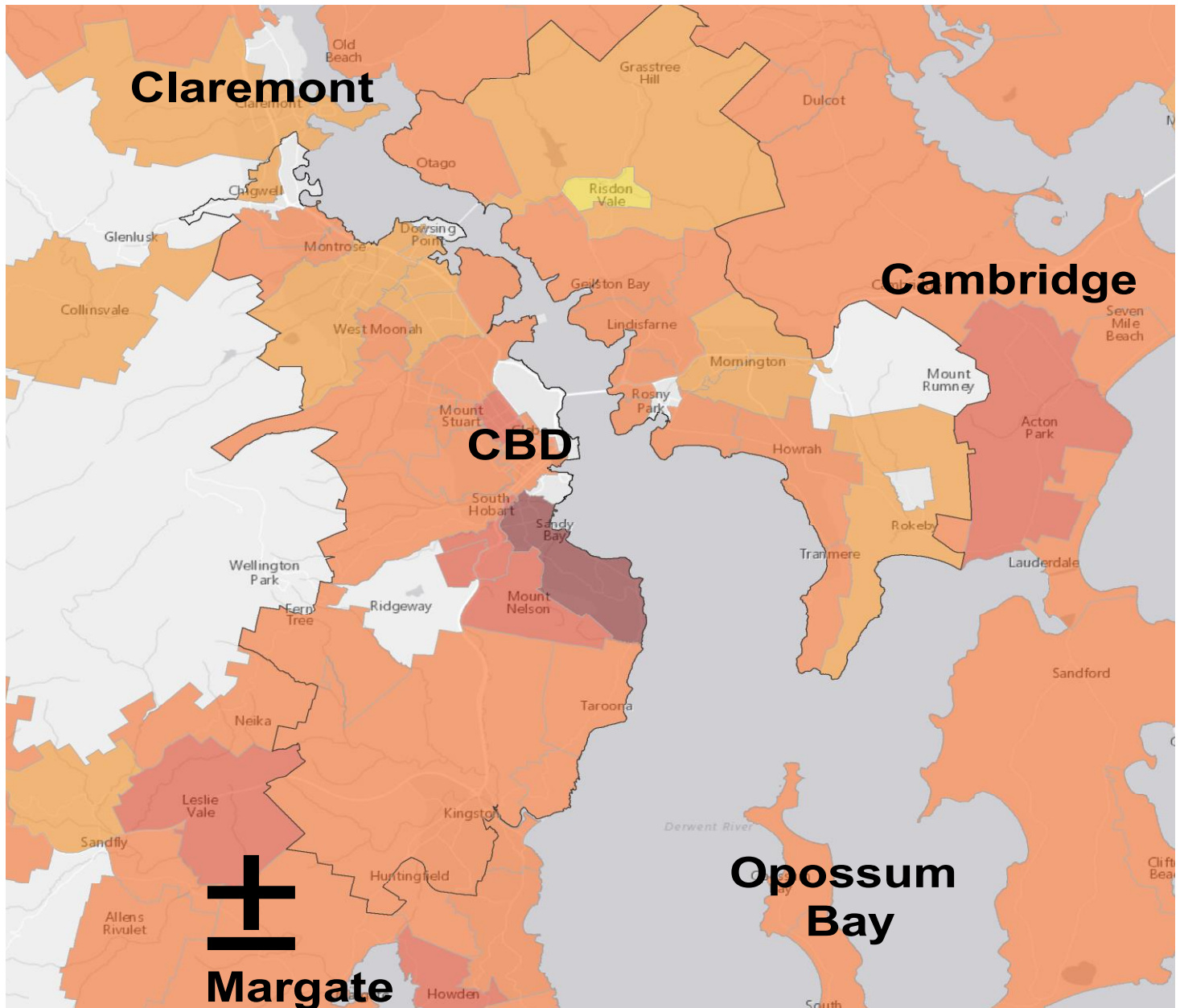
*Data is based on '2 Bedroom Other Dwellings' figures as per REIA's Real Estate Market Facts June quarter 2017 report and are assumed to be predominantly units.

**Quoted project development spending reflects aggregate of estimated values for projects commencing in 2nd 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 30th September 2017, or end of Q3 2017.

[^]Inner Hobart area is inclusive of all suburbs within the Hobart, Glenorchy, Kingborough & Clarence Local Government Areas (LGAs).

GREATER HOBART MEDIAN HOUSE PRICE 2017*



LEGEND

	DATA NOT AVAILABLE
	\$0 - \$350,000
	\$350,000 - \$500,000
	\$500,000 - \$650,000
	\$650,000 - \$800,000
	\$800,000+
	10 KM^ from CBD

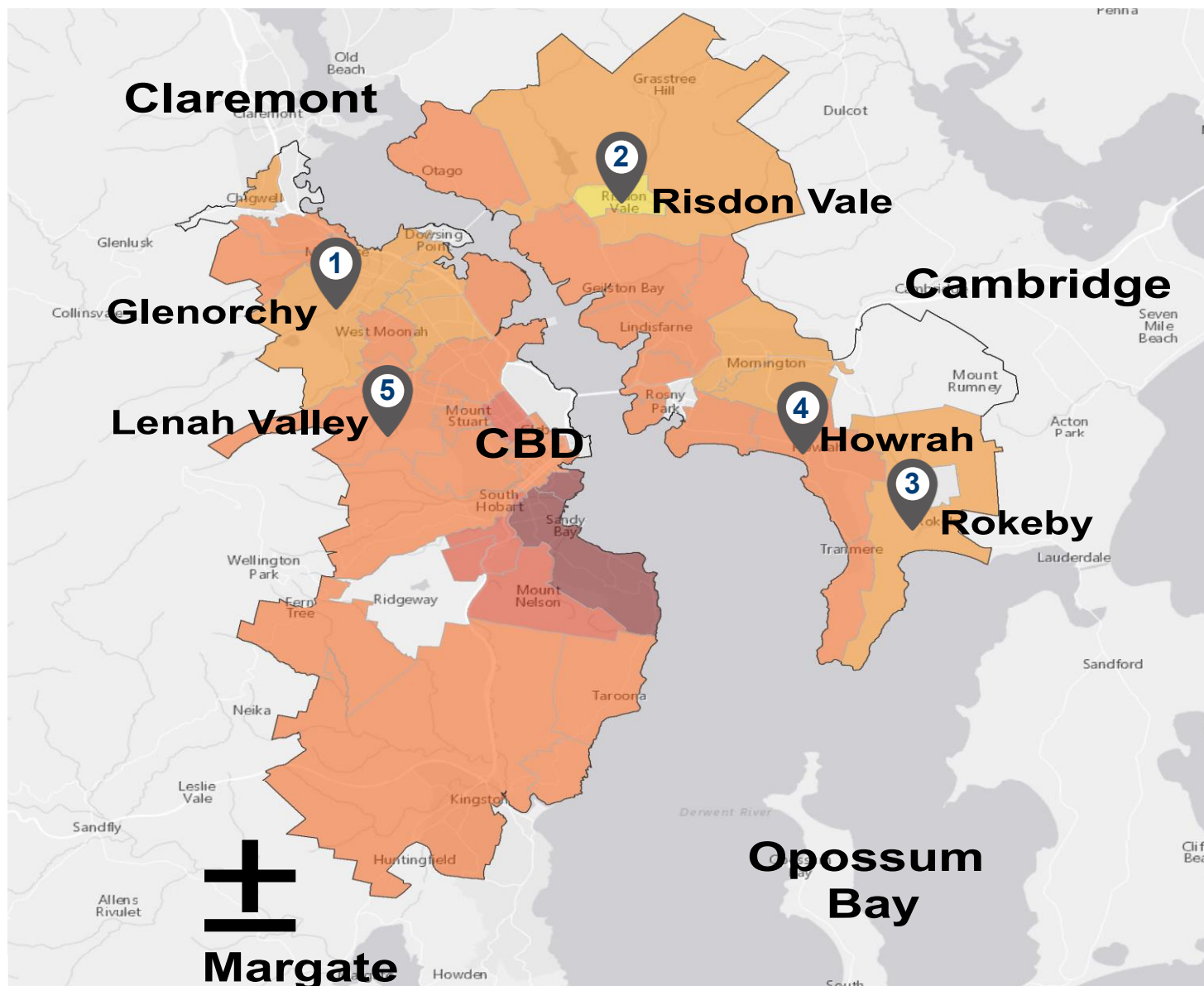
Top 3 Lowest Priced Suburbs**	Median Price 2017**	Project Development***	Median Rent 2017**	Rental Yield
Risdon Vale	\$199,000	\$1.8M	\$305	6.0%
Warrane	\$270,000	\$460K	\$320	5.2%
Goodwood	\$292,500	\$292K	\$370	6.3%
Top 3 Highest Priced Suburbs**	Median Price 2017**	Project Development***	Median Rent 2017**	Rental Yield
Sandy Bay	\$865,000	\$6.0M	\$550	4.0%
North Hobart	\$690,000	\$3.0M	\$450	4.2%
Dynnyrne	\$652,500	-	\$515	4.0%

*Median house price reflected in the heat-map captures sale transactions from 1st January 2017 to 30th September 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 2017 to 30th September 2017.

***Project development value is an aggregate of estimated construction value for residential, commercial, industrial, mixed use, and infrastructure projects commencing in 2nd half 2017; and does not reflect commercial/re-sale value.

HOBART MEDIAN HOUSE PRICE 2017* 10KM^ FROM CBD



LEGEND

	DATA NOT AVAILABLE
	\$0 - \$350,000
	\$350,000 - \$500,000
	\$500,000 - \$650,000
	\$650,000 - \$800,000
	\$800,000+

HOBART AFFORDABLE HOTSPOTS RENTAL YIELD

	Suburb	House		Suburb	Unit
1	Glenorchy	6.3%	1	Glenorchy	6.8%
2	Risdon Vale	6.0%	4	Howrah	4.3%
3	Rokeby	6.0%	5	Lenah Valley	5.1%

*Median house price reflected in the heat-map captures sale transactions from 1st January 2017 to 30th September 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 Pricefinder, 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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