



**New Norfolk**  
Property Factsheet  
2nd Half 2018





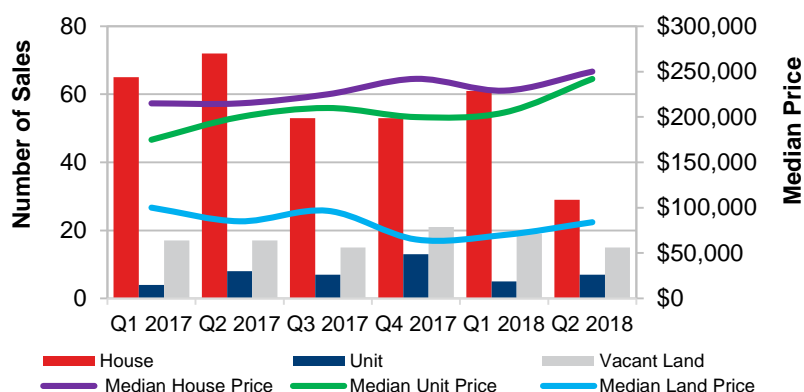
## MARKET CONDITIONS

The New Norfolk\* property market recorded a median house price of \$217,500, which represented an annual price change of 1.2% for the past 12 months to Q2 2018. At the same time, the median price for vacant residential land was \$84,000, with annual growth of 20.0%. Over the same period of time (Q2 2017 – Q2 2018), house prices in the Derwent Valley Local Government Area (LGA) grew by 16.3% to \$250,000, while land prices softened by -1.2% to \$84,000. Compared to the LGA, houses in New Norfolk\* can be secured at a more affordable price, which is good news for first home buyers looking to enter the market. Vacant land in New Norfolk\* commanded the same median price as the LGA, although with positive capital growth. Now is the time to secure a dream property in this lucrative property market.

Over the past 12 months to Q2 2018 average vendor discounting for houses tightened and pivoted to 1.0%, suggesting sellers are achieving offers above their first asking price. This suggests that New Norfolk\* has a high demand for houses and has, for the first time in the past 24 months, become a sellers' market. This is further confirmed with average time to sell falling by -5.7% to 43 days. Buyers need to act fast to secure attractive opportunities before prices move even further beyond the reaches of affordability.

The rental market in New Norfolk\* experienced significant growth over the past 12 months to Q2 2018 for both houses and units. House median rent grew by 10.3% to sit at \$320 per week, while units grew by 50.0% to \$270 per week. Stock on the market increased for both houses and units, which signals that the increase in rental prices were due to real uplift in value rather than due to scarcity. This is great news for investors, who are currently benefiting from rental yields of 5.0% (house) and 7.0% (unit), well above that of Hobart City's returns, at 4.3% and 6.1% respectively.

## DERWENT VALLEY COUNCIL GROWTH



## OVERVIEW

New Norfolk\* is 32km northwest of Hobart CBD. It's population increased by 3.6% between 2011 and 2016, and the number of dwellings grew by 5.4%. This suggests that housing supply is slightly outpacing local demand, however it is absorbed by interstate demand. As New Norfolk\* pivots into becoming a seller's market now is the time to plan for housing supply that can cater to both types of demands, to ensure house affordability is not compromised.

CHANGE FROM LAST	YEAR	HALF YEAR
House Sales	↓	↓
House Median Price	↑	↓
House Rental Price	↑	↑
Land Sales	↑	↓
Land Median Price	↑	↑
Unit Rental Price	↑	↑

## FUTURE DEVELOPMENTS\*\*

New Norfolk\* is set to see approximately \$21.4M of new projects commencing in the 2<sup>nd</sup> half of 2018. Residential projects account for the majority of project value (\$12.8M or 60.0%). This is followed by infrastructure (\$5.0M or 23.4%), and commercial (\$3.6M or 16.6%).

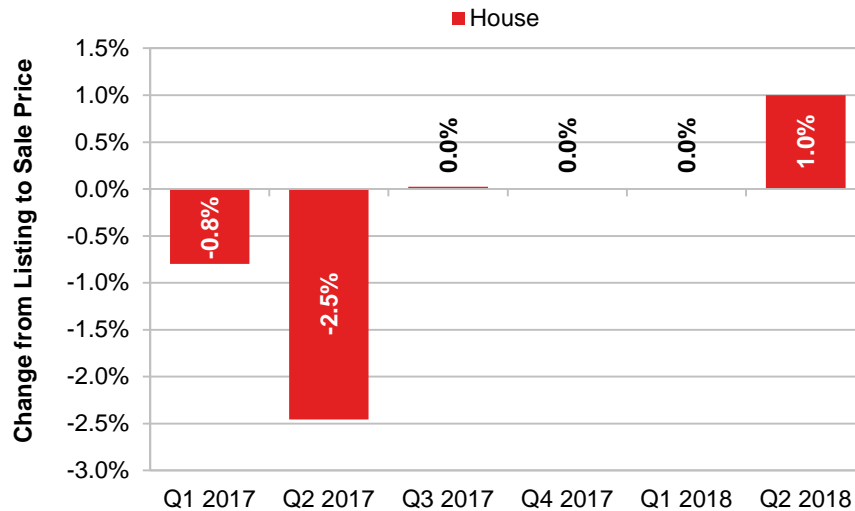
A significant project commencing in the 2<sup>nd</sup> half of 2018 is the Norfolk Avenue Residential Subdivision (\$10.0M). The proposed works include partial rezoning of land from Community Purpose Zone to General Residential Zone for future residential subdivision. Although the number of lots released is to be advised, this is an encouraging development for increasing property stock. A further 12 units are planned for the 2<sup>nd</sup> half of 2018, to further meet current demand.

A key infrastructure project is the New Norfolk Structure Plan, valued at \$5.0M worth of projects involves footpaths, playground/ and BBQ areas. Commercial and infrastructure projects will provide enhanced liveability, supporting job creation and the expanded population.

\*New Norfolk market data and key indicators encapsulates aggregate property market conditions in the following: New Norfolk.

\*\*Estimated values are based on construction value provided by the relevant data authority and does not reflect commercial and/or re-sale value.  
Source: APM Pricerfinder, realestate.com.au. © Copyright PRDnationwide 2018.

## AVERAGE VENDOR DISCOUNT\*



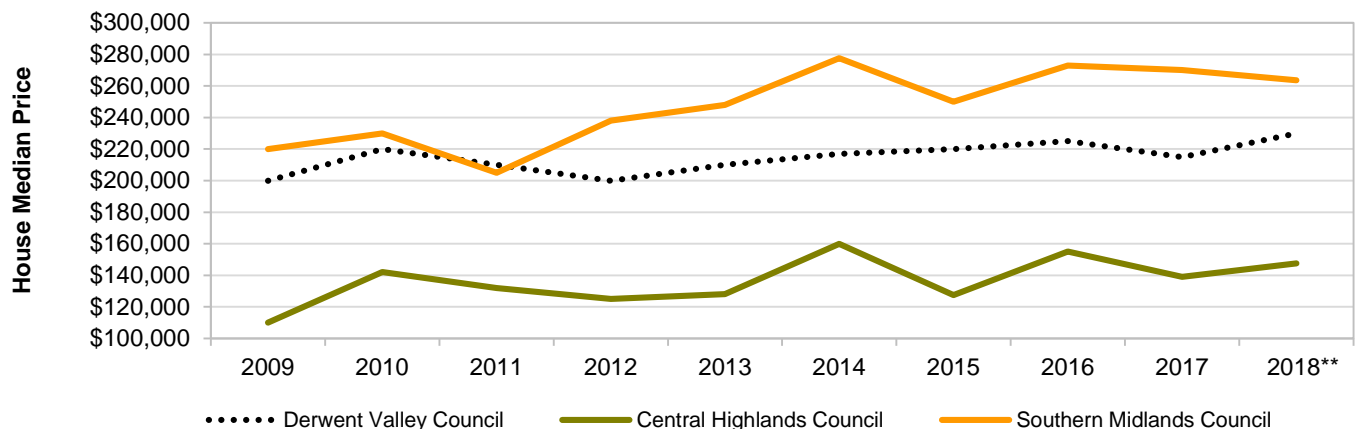
### AVERAGE VENDOR DISCOUNT

Average vendor discount reflects the average percentage difference between first list price and final sold price. A lower percentage difference (closer to 0) suggests buyers are willing to purchase close to the first asking price of a property.

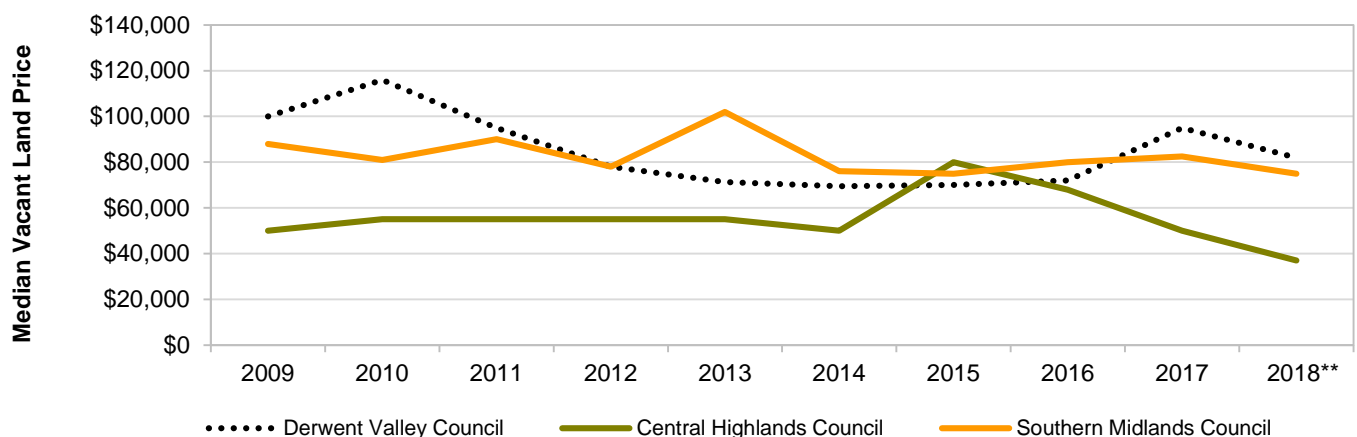
### MARKET COMPARISON GRAPH

The market comparison graph provides comparative trend for median price of house and land over the past 10 years. Municipalities profiled are chosen based on proximity to the main suburb analysed in the factsheet, which is in the Derwent Valley Council area. The main Municipality is highlighted through a dotted black line graph.

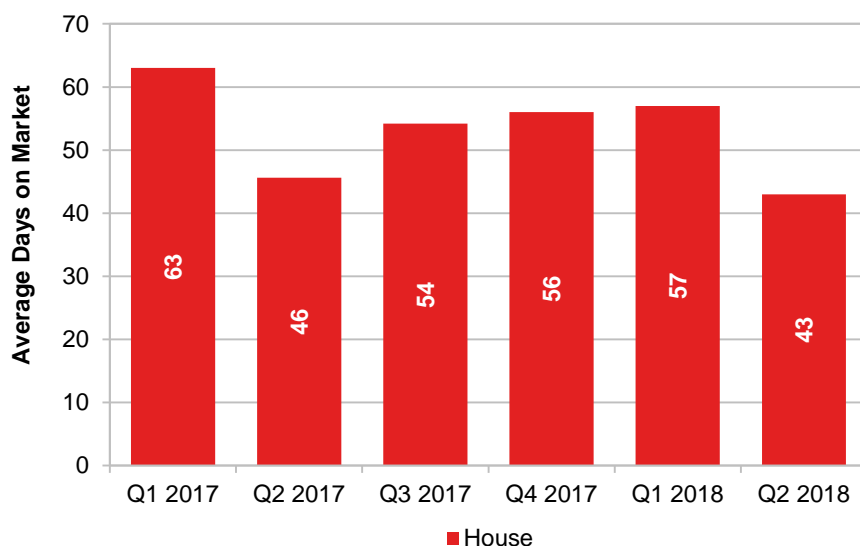
## HOUSE MARKET COMPARISON



## LAND MARKET COMPARISON



## AVERAGE DAYS ON MARKET\*\*

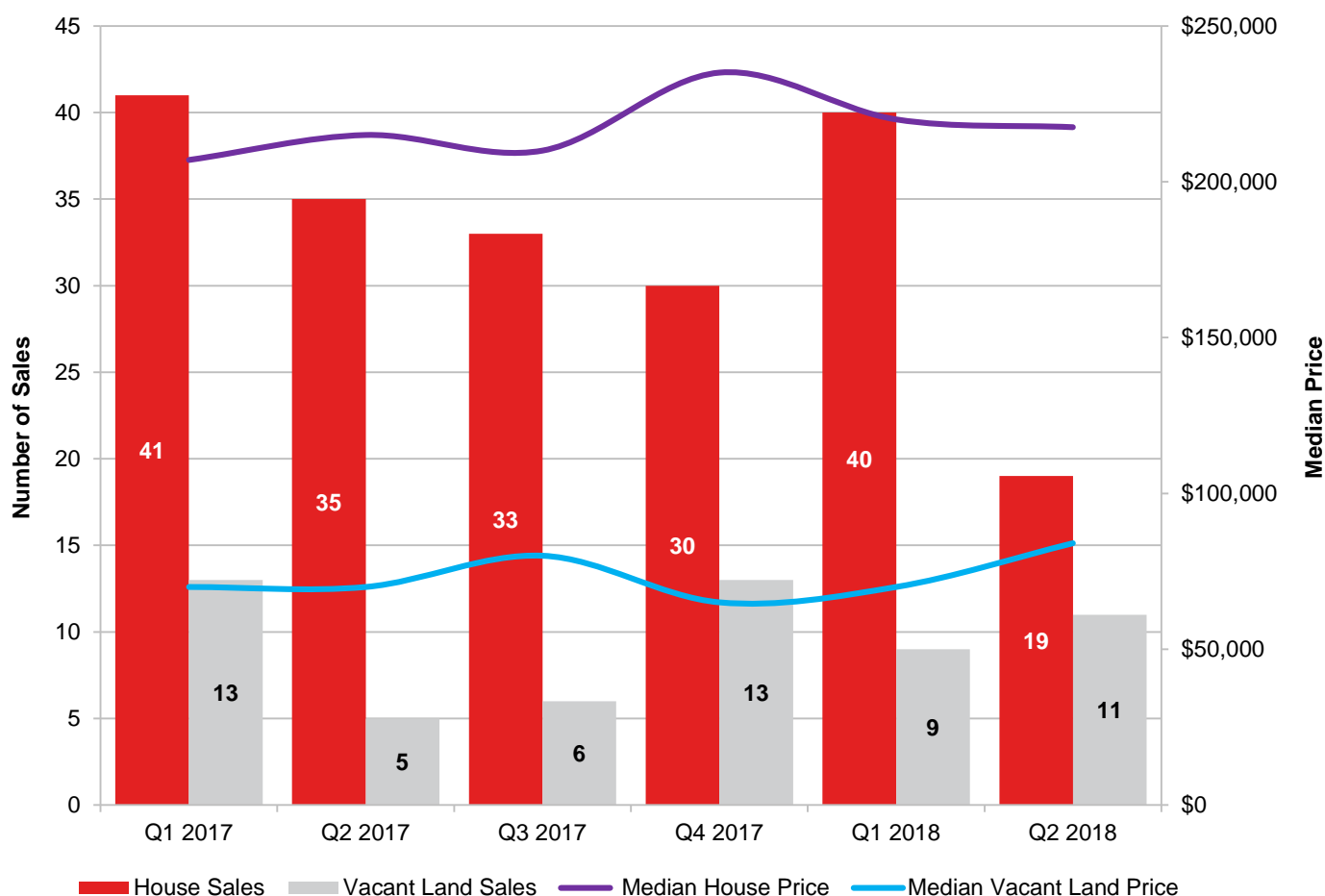


### HOUSE KEY FACTS Q2 2018

Median Sale Price: \$217,500  
Annual Growth: 1.2%\*  
Average Days on Market: 43  
% Change between First Listed Price and Sold Price: 1.0%



## SALES AND MEDIAN PRICE\*\*



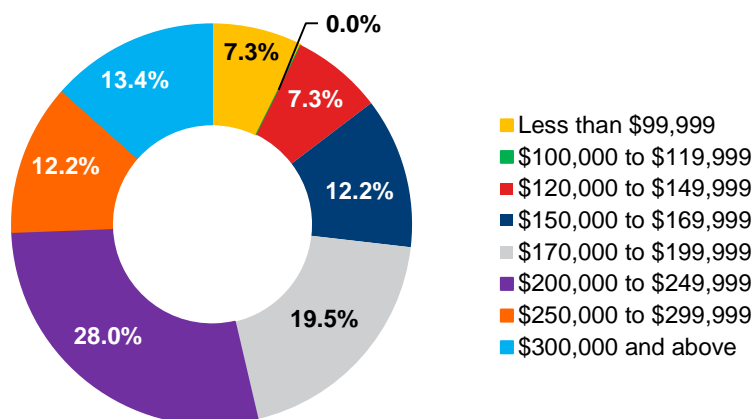
\*Annual growth represents price growth for property transactions between Q2 2017 to Q2 2018 (inclusive).

\*\*New Norfolk market data and key indicators encapsulates aggregate property market conditions in the following suburb: New Norfolk.  
Source: APM Pricerfinder, realestate.com.au, SQM Research. © Copyright PRDnationwide 2018.

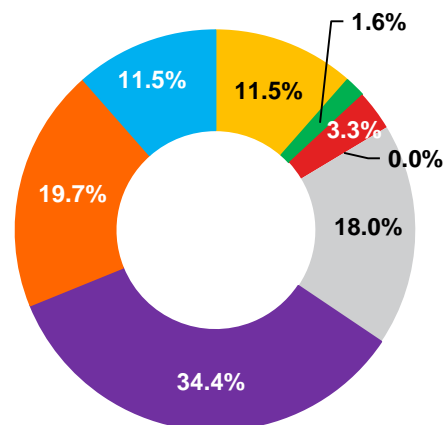


## SALES PRICE POINT COMPARATIVE ANALYSIS

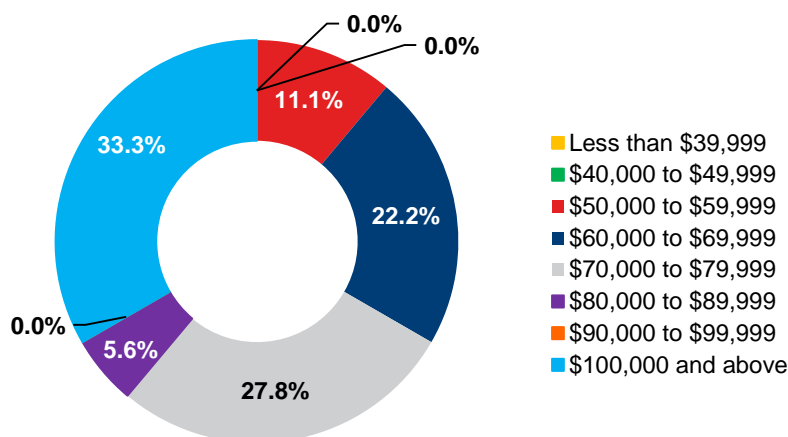
**HOUSE PRICE POINT 1<sup>st</sup> HALF 2017\*\***



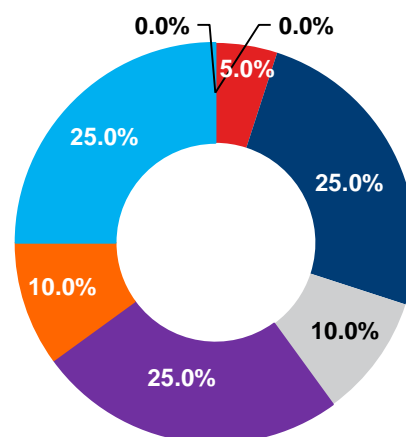
**HOUSE PRICE POINT 1<sup>st</sup> HALF 2018\*\***



**LAND PRICE POINT 1<sup>st</sup> HALF 2017\*\***



**LAND PRICE POINT 1<sup>st</sup> HALF 2018\*\***



### KEY IMPLICATIONS - HOUSE

The proportion of houses sold in New Norfolk\* in the 1<sup>st</sup> half of 2018 was primarily in the \$200K-\$250K price segment, increasing from 28.0% to 34.4%. \$150K-\$170K price segment of the market disappeared between the 1<sup>st</sup> half of 2017 and the 1<sup>st</sup> half of 2018. These figures indicate a significant shift in affordability measures.

House sales in the two most affordable price brackets (less than \$100K and \$100K-\$120K) have increased to 11.5% and 1.6% respectively. However, combined, they only accounted for 13.1% of the market. This suggests that the New Norfolk\* property market has shifted towards a more premium market and those looking for more affordable options need to act quickly.

### KEY IMPLICATIONS - LAND

The majority of the land sold in New Norfolk\* in the 1<sup>st</sup> half of 2018 was distributed in 3 price segments: \$70K-\$80K, \$80K-\$90K and above \$100K. Each price segment accounted for 25.0% of the market. The \$80K-\$90K price segment increased almost five-fold from 5.6% to 25.0% compared to the same period in 2017.

The most affordable price segments of land sold during the 1<sup>st</sup> half of 2018 was \$50K-\$60K, decreasing from 11.1% to 5.0%. The shift in affordability of vacant land is likely related to the shift in house affordability, which suggests the need to release more government-owned land for house building. Investors and occupiers need to act fast to secure land to build their dream properties.

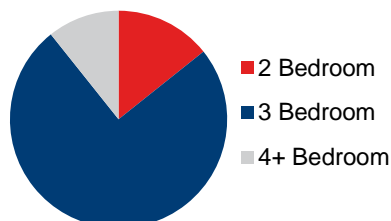
\*Disclaimer: New Norfolk market data and key indicators encapsulates aggregate property market conditions in the following: New Norfolk.

\*\*For comparative purposes, house and unit sales for 2017 and 2018 are only representative of the 1<sup>st</sup> half of each year.

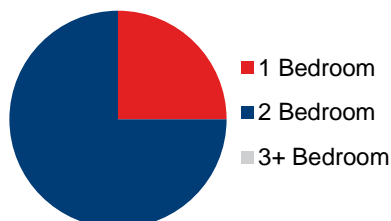
Source: APM Pricerfinder. © Copyright PRDNationwide 2018.

## INVESTMENT ANALYSIS

### HOUSE



### UNIT



### HOUSE KEY FACTS Q2 2018

**Median Rent Price:** \$320 per week  
**Rental Yield:** 5.0%  
**Average Days on Market:** 20  
**Bedroom Breakdown:**  
 2 Bed: 14%, 3 Bed: 75%, 4+ Bed: 11%

### UNIT KEY FACTS Q2 2018

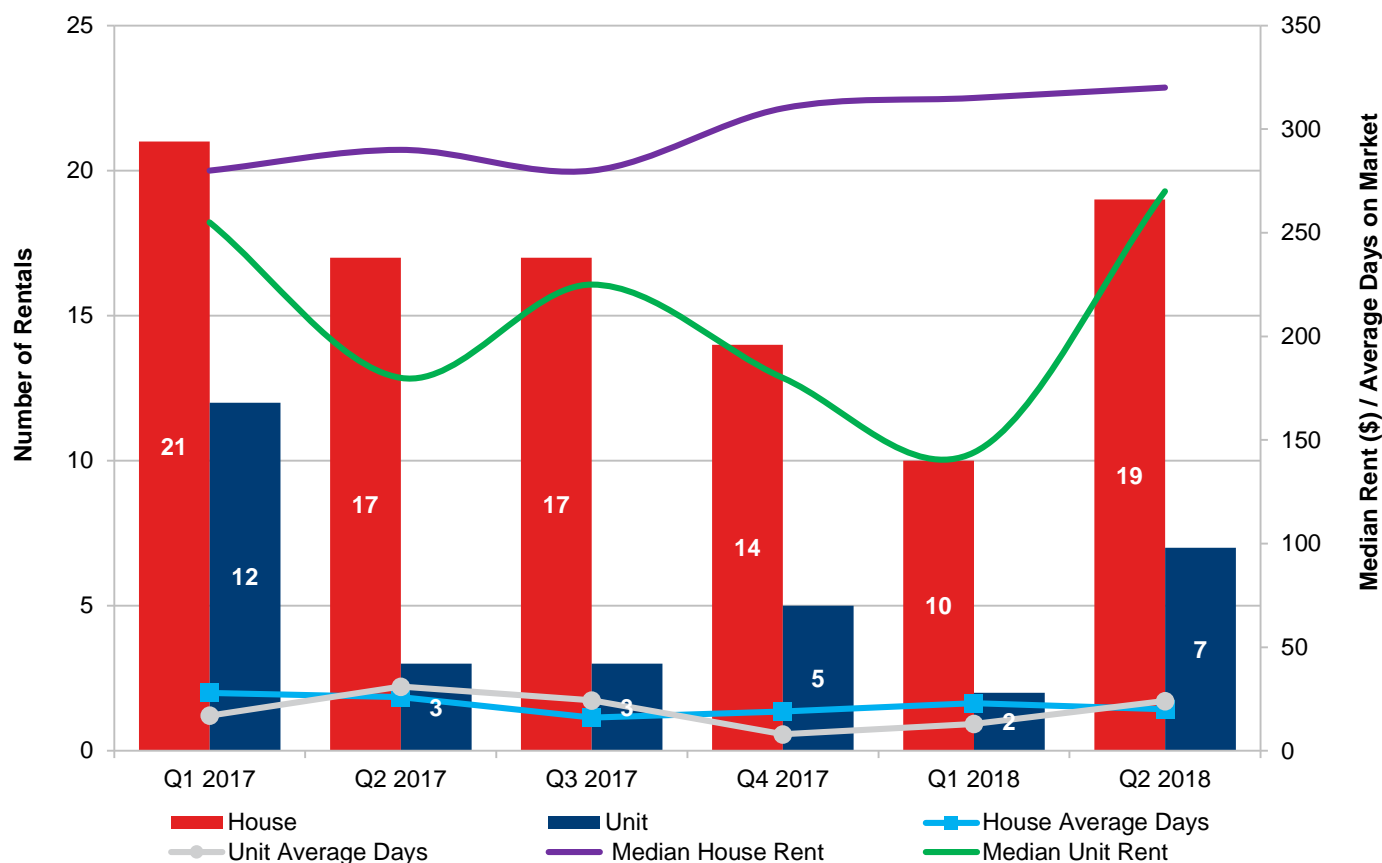
**Median Rent Price:** \$270 per week  
**Rental Yield:** 7.0%  
**Average Days on Market:** 24  
**Bedroom Breakdown:**  
 1 Bed: 25%, 2 Bed: 75%, 3+ Bed: 0%

### KEY COMMENTS

Interest in New Norfolk\* has been recorded an average of 452 online visits per property. Over the past 12 months to Q2 2018, rental demand has increased significantly for both houses (11.8%) and units (more than double). Strong rental yields have been recorded, currently at 5.0% (houses) and 7.0% (units) – which is well above Hobart's rental yields of 4.3% and 6.1%. This provides investors with a more affordable alternative investment location outside of the Hobart City area. New Norfolk\* is a fast-paced market with 20 days (house) and 24 days (unit) on market in Q2 2018. Now is the time to get into this investment hotbed.

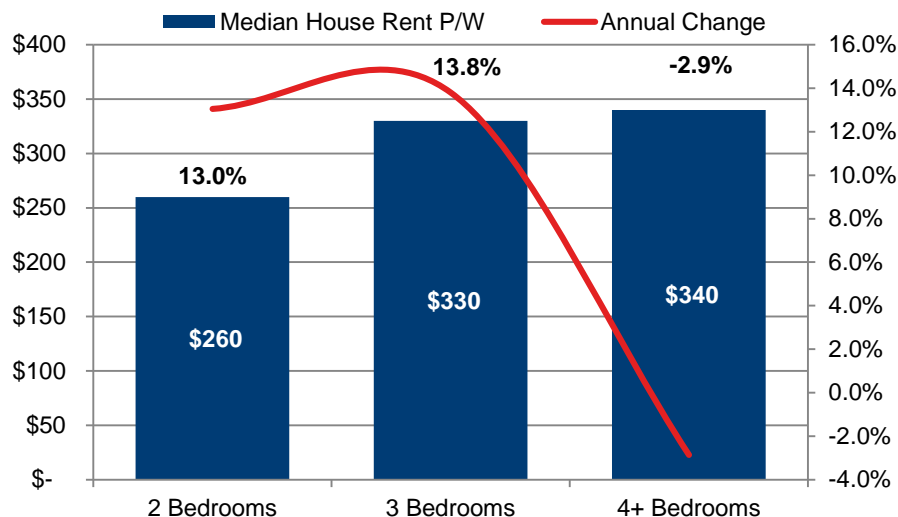


## MEDIAN RENT AND AVERAGE DAYS ON MARKET\*



\*Disclaimer: New Norfolk market data and key indicators encapsulates aggregate property market conditions in the following: New Norfolk.  
 Source: APM Pricerfinder, realestate.com.au, SQM Research. © Copyright PRDnationwide 2018.

## RENTAL PERFORMANCE 2018\*



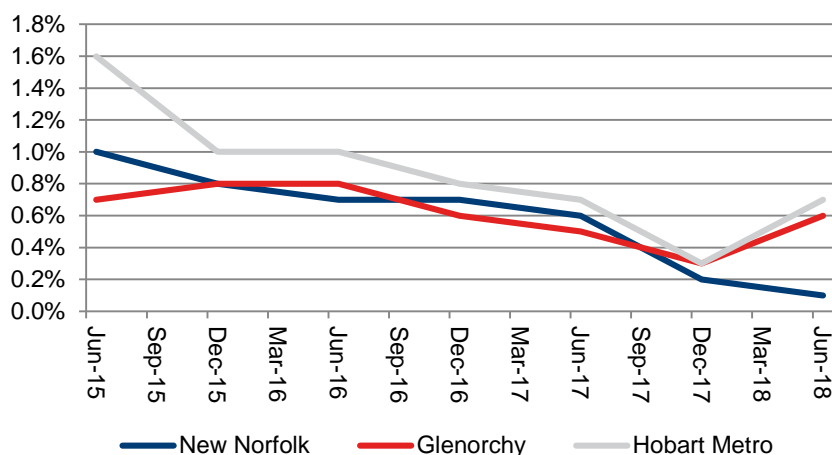
### KEY COMMENTS

Rental returns are exceptionally strong in the New Norfolk\* area, at 5.0% (house) and 7.0% (units). This is well above that of Hobart City, at 4.3% (houses) and 6.1% (units).

3 bedroom houses provide the highest annual rental growth of 13.8%, at \$330 per week during the 1<sup>st</sup> half of 2018.

Vacancy rates in New Norfolk\* were low (0.1%) in June 2018 and trended downwards, signaling that the market consistently absorbed the supply of rental properties. The rental market is approaching full saturation and under-supply conditions could be reached. New Norfolk\* is thus a conducive environment for property developers and investors to enter the market.

## VACANCY RATES 2018



## RENTAL YIELD 2018

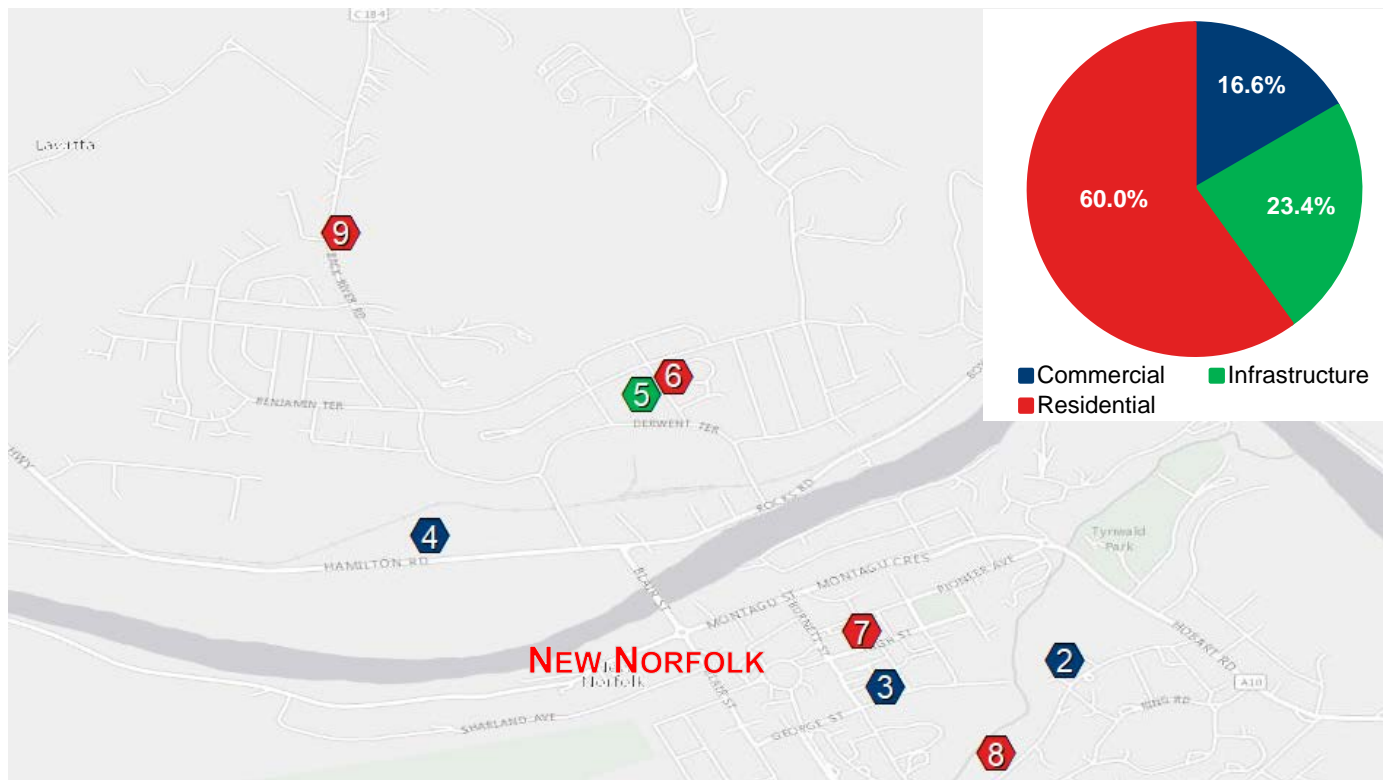
Suburb/ Postcode/ LGA	House Rental Yield	Unit Rental Yield
New Norfolk	5.0%	7.0%
Postcode 7140	5.0%	7.0%
Glenorchy	5.7%	6.0%
Hobart Metro	4.3%	6.1%

## KEY HOUSING DEMOGRAPHICS

	New Norfolk	Derwent Valley LGA	Tasmania
Median weekly rent	\$215	\$210	\$230
Family households	1,424	2,663	132,574
Single or lone person households	688	1,068	58,517
Worked full time	1,053	2,172	121,822
Worked part time	724	1,402	81,601
Occupied private dwellings	2,164	3,798	197,575
Unoccupied private dwellings	172	386	32,135

\*Rental performance graph represents aggregate house median rent prices in the following: New Norfolk. Annual change is a comparison between 1<sup>st</sup> half 2017 and 1<sup>st</sup> half 2018 median rent figures.  
Source: APM Pricer, SQM Research, ABS Census 2016. © Copyright PRDnationwide 2018.

## PROJECT DEVELOPMENT MAP 2<sup>nd</sup> HALF 2018\*



Location	Project**	Type	Estimated Value***	Commence Date****
Not Mapped	Maydena Mountain Bike Park	Commercial	\$3,000,000	14/07/2018
2	Corumbene Nursing Home	Commercial	\$300,000	15/12/2018
3	Charles Street Bottle Shop & Gymnasium	Commercial	\$200,000	15/12/2018
4	Les Walkden Enterprises Truck Wash	Commercial	\$50,000	11/10/2018
5	New Norfolk Structure Plan	Infrastructure	\$5,000,000	15/11/2018
6	Norfolk Avenue Residential Subdivision (undisclosed number of lots)	Residential	\$10,000,000	15/08/2018
7	High Street Units (4 units)	Residential	\$1,000,000	05/11/2018
8	Lower Road Units (5 units)	Residential	\$900,000	05/09/2018
9	Back River Road Dwellings (3 units)	Residential	\$900,000	13/08/2018

\*Disclaimer: Project development map showcases a sample of upcoming projects only, due to accuracy of addresses provided by the data provider for geocoding purposes.

\*\*Projects refers to the top developments within the suburbs of Maydena and New Norfolk.

\*\*\*Estimated value is the value of construction costs provided by relevant data authority, it does not reflect the project's sale/commercial value.

\*\*\*\*Commencement date quoted for each project is an approximate only, as provided by the relevant data authority, PRDnationwide does not hold any liability to the exact date.

Source: Cordell Database, ESRI ArcGIS, Derwent Valley Council. © Copyright PRDnationwide 2018.



## ABOUT PRDnationwide RESEARCH

**PRDnationwide's research division provides reliable, unbiased, and authoritative property research and consultancy to clients in metro and regional locations across Australia**

Our extensive research capability and specialised approach ensures our clients can make the most informed and financially sound decisions about residential and commercial properties.

## OUR KNOWLEDGE

**Access to accurate and objective research is the foundation of all good property decisions**

As the first and only truly knowledge based property services company, PRDnationwide shares experience and knowledge to deliver innovative and effective solutions to our clients.

We have a unique approach that integrates people, experience, systems and technology to create meaningful business connections. We focus on understanding new issues impacting the property industry; such as the environment and sustainability, the economy, demographic and psychographic shifts, commercial and residential design; and forecast future implications around such issues based on historical data and fact.

## OUR PEOPLE

**Our research team is made up of highly qualified researchers who focus solely on property analysis**

Skilled in deriving macro and micro quantitative information from multiple credible sources, we partner with clients to provide strategic advice and direction regarding property and market performance. We have the added advantage of sourcing valuable and factual qualitative market research in order to ensure our solutions are the most well considered and financially viable.

Our experts are highly sought after consultants for both corporate and government bodies and their advice has helped steer the direction of a number of property developments and secured successful outcomes for our clients.

## OUR SERVICES

**Our research services span over every suburb, LGA, and state within Australia; captured in a variety of standard and customized products**

We have the ability and systems to monitor market movements, demographic changes and property trends. We use our knowledge of market sizes, price structure and buyer profiles to identify opportunities for clients and provide market knowledge that is unbiased, thorough and reliable.



### OUR SERVICES INCLUDE:

- Advisory and consultancy
- Market Analysis including profiling and trends
- Primary qualitative and quantitative research
- Demographic and target market Analysis
- Geographic information mapping
- Project Analysis including product and pricing recommendations
- Rental and investment return analysis

#### Andrew Hills

Senior Sales Consultant

**PRDnationwide New Norfolk**

12 High Street

New Norfolk TAS 7140

Australia

T +61 3 6261 2555

M +61 407 686 488

E [andrewhills@prdhobart.com.au](mailto:andrewhills@prdhobart.com.au)

[PRD.com.au/hobart](http://PRD.com.au/hobart)

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