



Glenorchy
Property Factsheet
2nd Half 2018





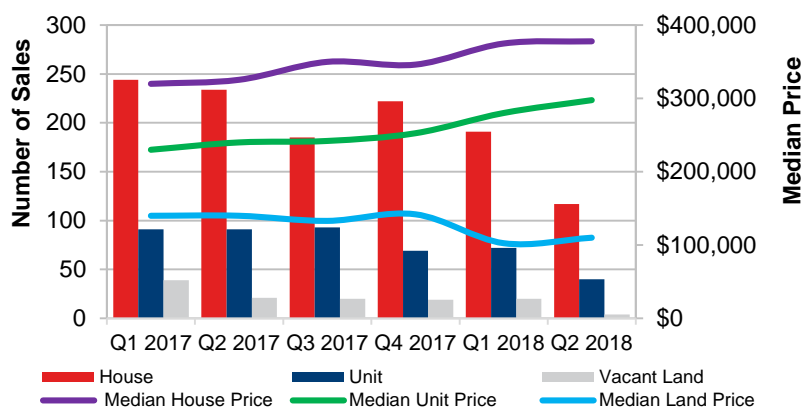
MARKET CONDITIONS

The Glenorchy* property market recorded a median house price of \$380,000 and \$243,750 for units in Q2 2018, which represented an annual price change of 22.6% and 3.7% respectively. Over the same period of time (Q2 2017-Q2 2018), house prices in Glenorchy Local Government Area (LGA) grew by 16.1% to \$378,000 and unit prices grew by 24.0% to \$297,500. Compared to the LGA, houses in the Glenorchy* property market can be secured at a similar price, however with higher capital growth. Units in Glenorchy* are more affordable than those available in the LGA. Now is the time for owner-occupiers and investors looking to add properties with strong positive capital growth to their portfolio to consider Glenorchy*.

In Q2 2018, average vendor discounting continued to tighten to 6.1% (house) and 5.1% (unit), suggesting sellers achieved well-above their first asking price. This suggests that Glenorchy* has become a very competitive market. Over the same period of time (Q2 2017-Q2 2018), the time to sell houses increased by 14.8%, whilst it declined for units by -16.7%. This suggests sellers took the opportunity to wait until they obtained the highest possible offers for houses, whilst unit buyers acted quickly to secure their property.

Over the past 12 months to Q2 2018, median rent for both houses and units in Glenorchy* increased, to \$385 per week (house) and \$310 per week (unit). This represents annual (Q2 2017-Q2 2018) price increase of 13.2% and 9.5% respectively. Investors are benefiting from exceptional rental yields of 5.7% for houses and 6.0% for units. Returns for houses in Glenorchy* outperforms that of Hobart City (4.3%), while being on par with that for units. This confirms Glenorchy* as an investment hotbed and provides attractive returns to investors seeking positive cash flow.

GLENORCHY MUNICIPALITY GROWTH



OVERVIEW

Glenorchy* is located approximately 7km from the Hobart CBD. Glenorchy's* population increased by 2.8% over the past five years to 2016, whilst the number of dwellings grew by 0.9%. This suggests demand is outpacing the rate of supply in Glenorchy* by almost tri-fold. Now is the time for planning authorities to create a vision for residential development.

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

FUTURE DEVELOPMENTS**

Glenorchy* is set to see approximately \$19.0M of new projects commencing in the 2nd half of 2018. Residential account for the majority of development value (\$19.0M or 91.1%). This is followed by commercial (\$1.0M or 4.8%), and infrastructure (\$850K or 4.1%).

A significant residential project beginning in the 2nd half of 2018 is One Bournville Claremont Golf Course Redevelopment Remaining Stages 2-9. This development involves construction of 53 modern units – all of which are north-facing, have panoramic water views, and associated car parking and landscaping. Although this development is significant in nature it is the only residential project planned for the 2nd half of 2018. Considering the current Glenorchy* median property price, its annual growth, and undersupply of stock there needs to be an increased focus on projects that adds to stock.

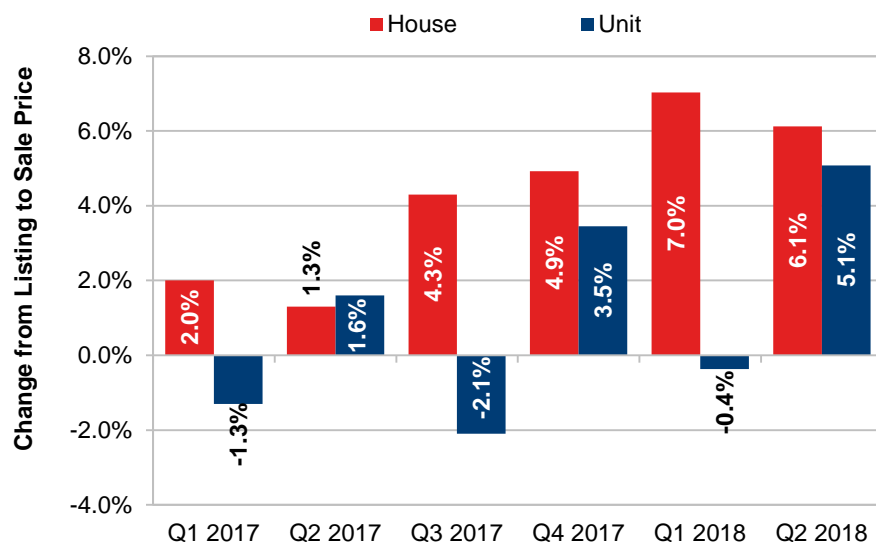
A major commercial project is the Nyrstar Ground Water Extraction System. This involves the design and construction of a groundwater extraction system to extract and treat contaminated groundwater. This has an estimated project value of \$1.0M and will provide a good balance for job creation and liveability.

*Glenorchy market data and key indicators encapsulates aggregate property market conditions in the following: Glenorchy.

**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*



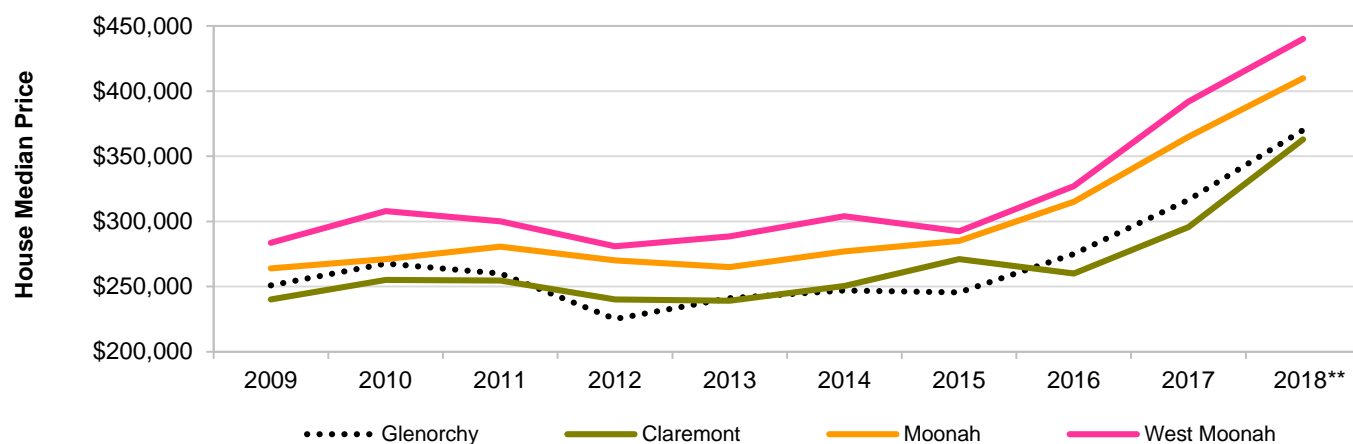
AVERAGE VENDOR DISCOUNT

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.

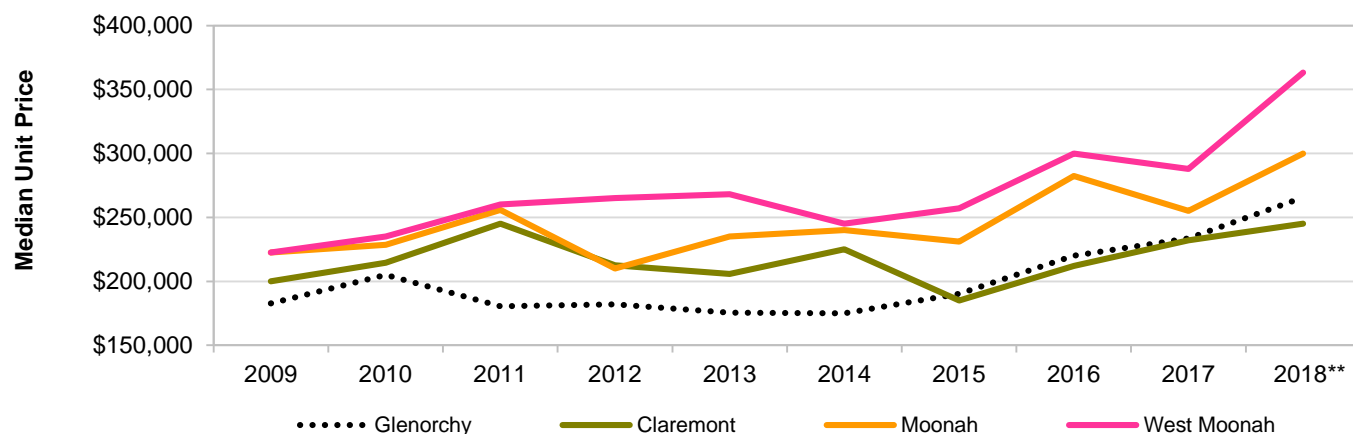
MARKET COMPARISON GRAPH

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

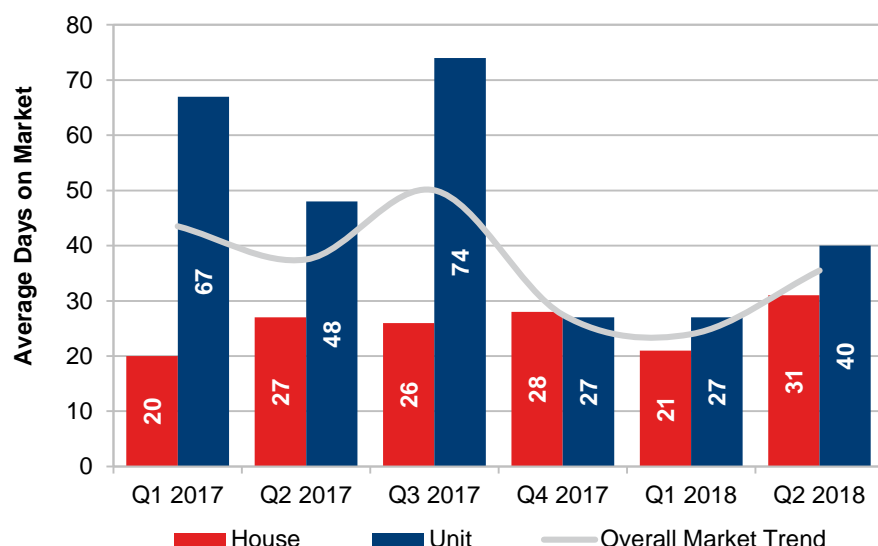
HOUSE MARKET COMPARISON



UNIT MARKET COMPARISON



AVERAGE DAYS ON MARKET**



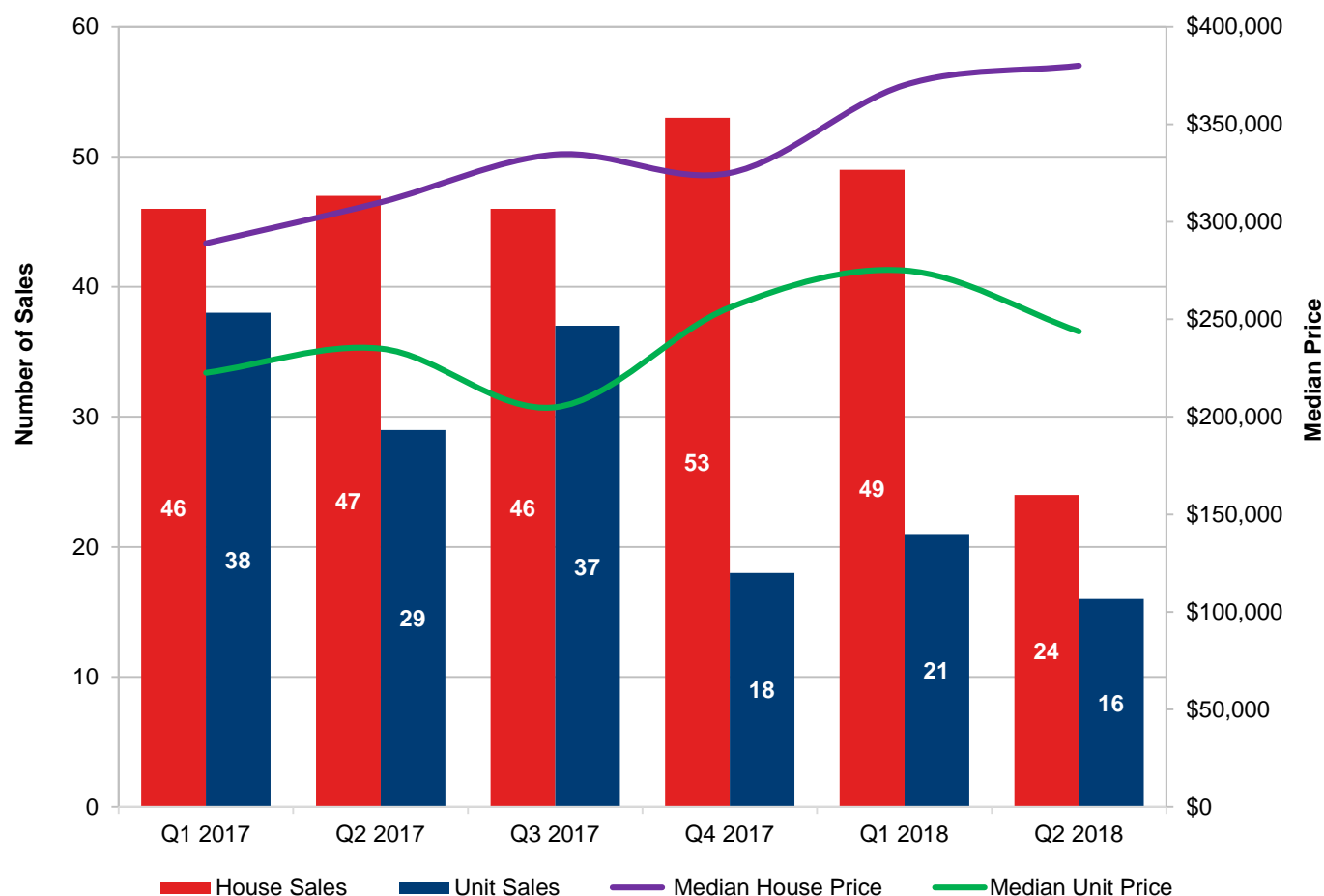
HOUSE KEY FACTS Q2 2018

Median Sale Price: \$380,000
Annual Growth: 22.6%*
Average Days on Market: 31
% Change between First Listed Price and Sold Price: 6.1%

UNIT KEY FACTS Q2 2018

Median Sale Price: \$243,750
Annual Growth: 3.7%*
Average Days on Market: 40
% Change between First Listed Price and Sold Price: 5.1%

SALES AND MEDIAN PRICE**



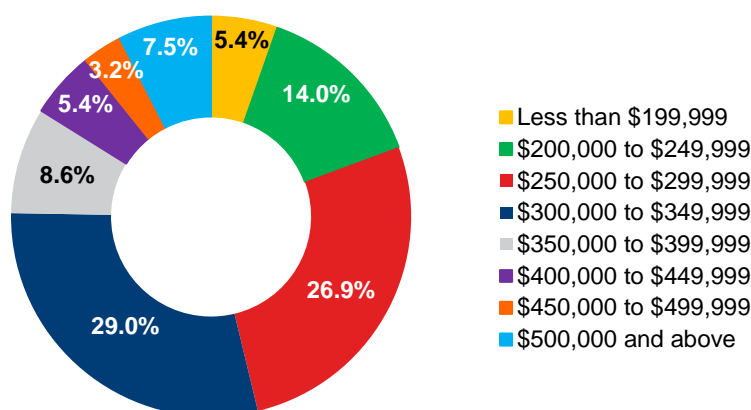
*Annual growth represents price growth for property transactions between Q2 2017 to Q2 2018 (inclusive).

**Glenorchy market data and key indicators encapsulates aggregate property market conditions in the following suburb: Glenorchy.

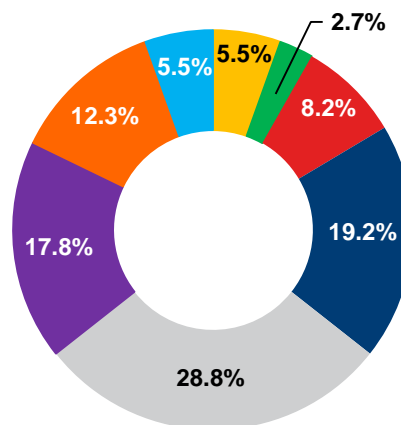
Source: APM Pricefinder, realestate.com.au, SQM Research. © Copyright PRDNationwide 2018.

SALES PRICE POINT COMPARATIVE ANALYSIS

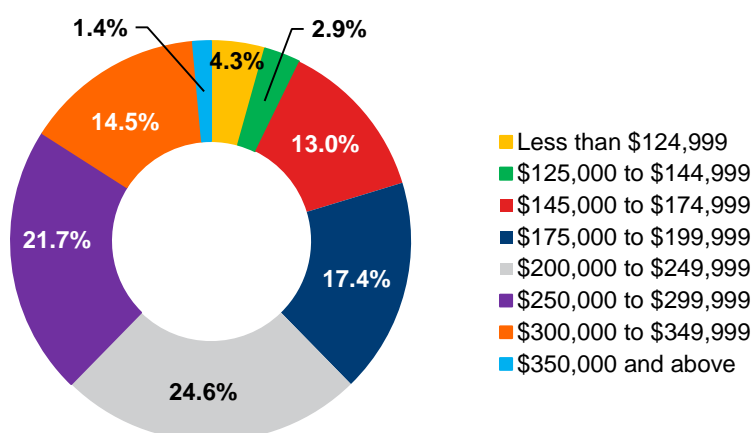
HOUSE PRICE POINT 1st HALF 2017



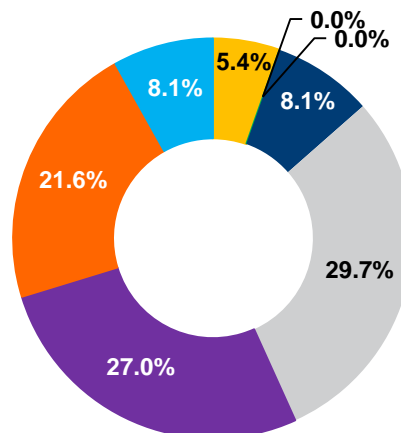
HOUSE PRICE POINT 1st HALF 2018



UNIT PRICE POINT 1st HALF 2017**



UNIT PRICE POINT 1st HALF 2018**



KEY IMPLICATIONS - HOUSE

The dominant proportion of houses sold in Glenorchy* was in the \$350K-\$400K price segment. This price segment tripled from 8.6% to 28.8% in the 1st half of 2018. The upper priced market, \$400K plus, have more than doubled from a total of 16.1% to 35.6% in the 1st half of 2018. This confirms the Glenorchy* house market is moving up towards a higher priced bracket.

There is a key shift in the number of sales in the second most affordable price segment (\$200K-\$250K), reducing five-fold from 14.0% to 2.7% in the 1st half of 2018. This signals a significant drop in the level of affordable options available to first home buyers, further prompting the need for low-cost housing options.

KEY IMPLICATIONS - UNIT

Similar to the house market, the number of units sold in Glenorchy* in the 1st half of 2018 was primarily in the upper end of the market. Most of unit sales occurred in the \$200K-\$250K price segment (29.7%). All price segments higher than \$200K experienced increases in sales. Combined, these figures signal that affordability of units has decreased significantly between the 1st half of 2017 and 1st half of 2018.

Over the same period of time, two price segments (\$125K-\$145K and \$145K-\$175K) disappeared completely. This signals a major loss of access for buyers in the lower end of the market. Therefore, buyers need to act fast to secure units in the Glenorchy* market.

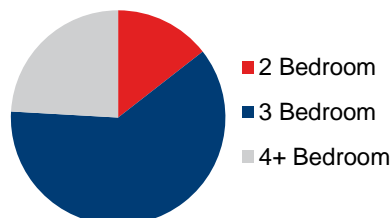
*Disclaimer: Glenorchy market data and key indicators encapsulates aggregate property market conditions in the following: Glenorchy.

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

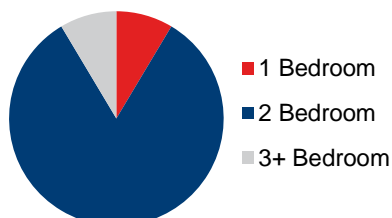
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INVESTMENT ANALYSIS

HOUSE



UNIT



HOUSE KEY FACTS Q2 2018

Median Rent Price: \$385 per week
Rental Yield: 5.7%
Average Days on Market: 26
Bedroom Breakdown:
 2 Bed: 14%, 3 Bed: 61%, 4+ Bed: 24%

UNIT KEY FACTS Q2 2018

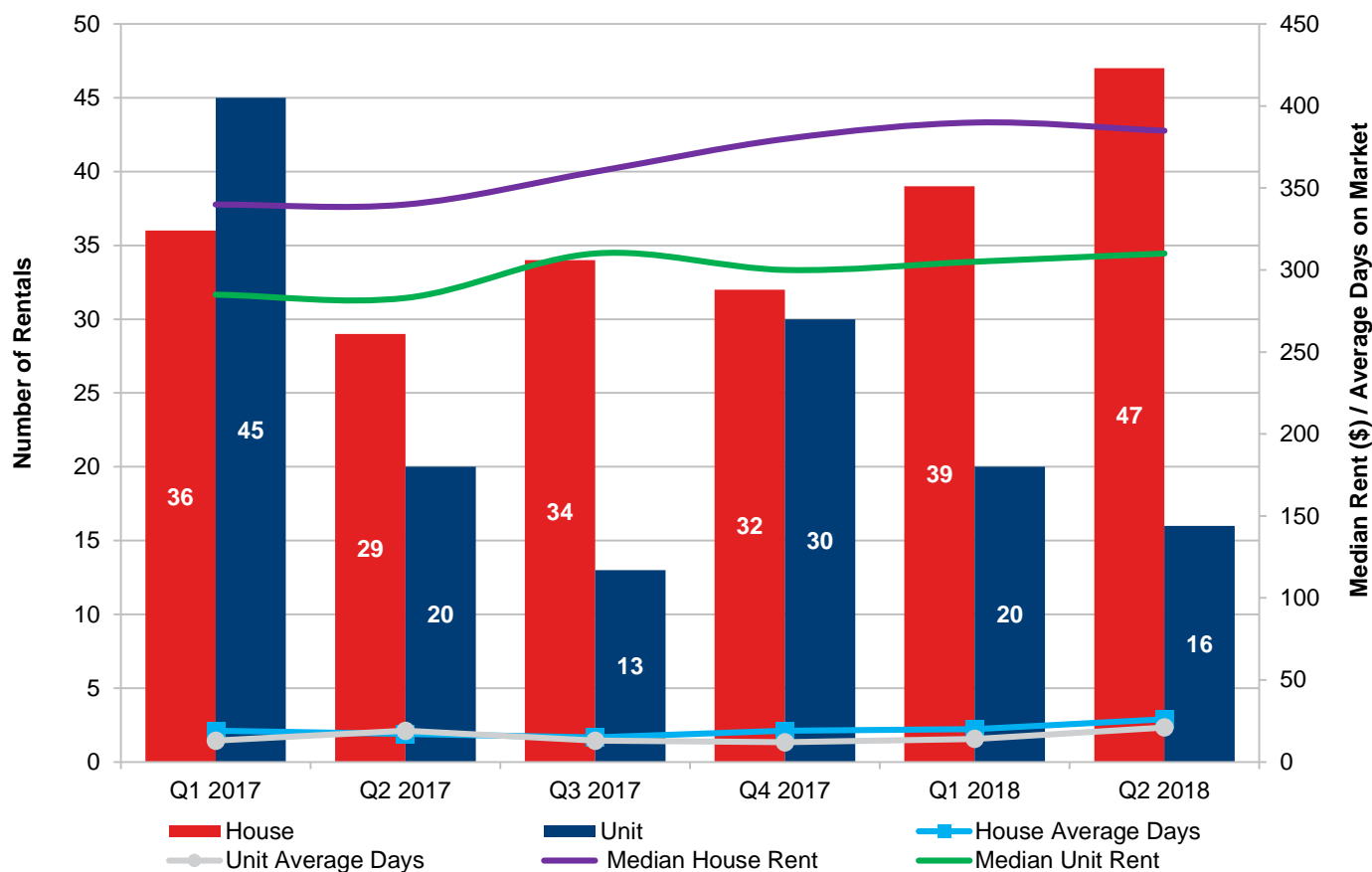
Median Rent Price: \$310 per week
Rental Yield: 6.0%
Average Days on Market: 21
Bedroom Breakdown:
 1 Bed: 9%, 2 Bed: 83%, 3+ Bed: 9%

KEY COMMENTS

Glenorchy* is a high demand market that recorded an average of 1,714 online visits per property in June 2018 – a 19.4% increase from December 2017. Stock on the market for houses increased by 62.1% between Q2 2017-Q2 2018, whilst stock for units decreased by -20.0%. As there was an increase of 13.2% (house) and 9.5% (unit) in median rent over the same time period, this signals that the supply of houses was absorbed by the demand, whereas there was a shortage of units. This presents an opportunity for property developers and investors to add more stock to the market to curtail undersupply conditions.

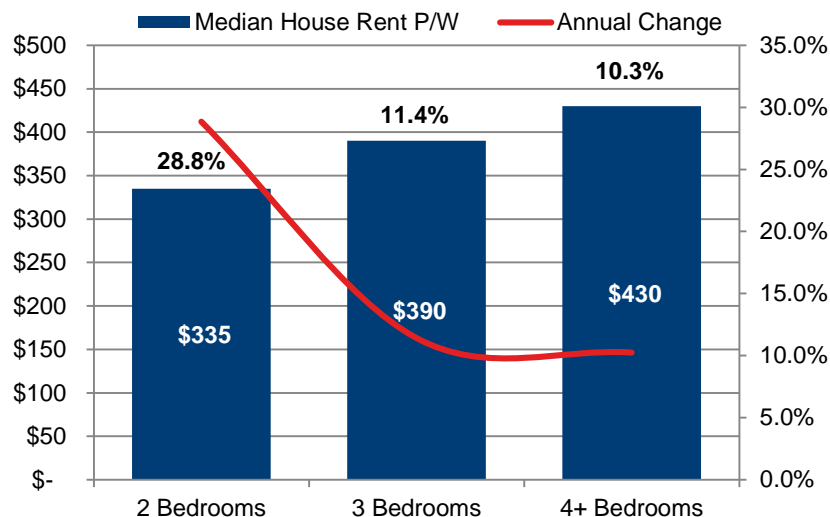


MEDIAN RENT AND AVERAGE DAYS ON MARKET*



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

RENTAL PERFORMANCE 2018*



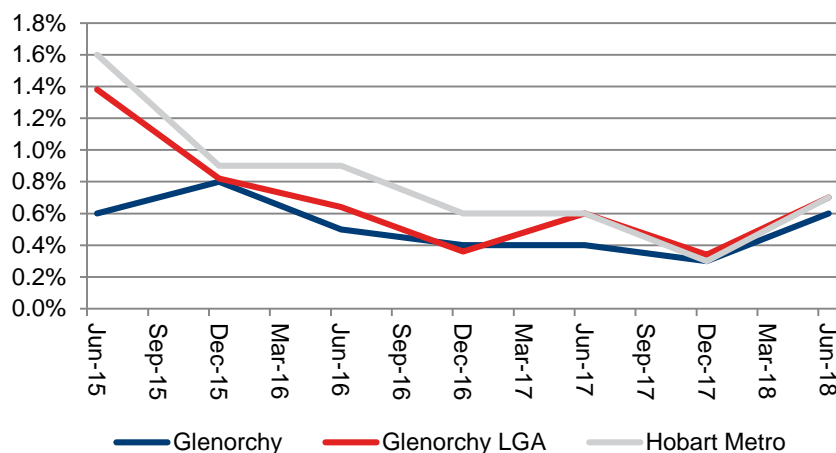
KEY COMMENTS

Investors in Glenorchy* are benefiting from very strong rental returns of 5.7% (house) and 6.0% (unit), above that of Glenorchy LGA and Hobart Metro.

2 bedroom houses provide the highest annual rental growth of 28.8%, at \$335 per week. All bedroom combinations has shown double digit growth in median rent, making Glenorchy* an exceptionally high performing market.

Vacancy rates were low in the suburb of Glenorchy* (0.6%) in June 2018, continuing to demonstrate a healthier rental demand compared to other suburbs within the wider Glenorchy LGA and Hobart Metro.

VACANCY RATES 2018



RENTAL YIELD 2018

Suburb/ Postcode/ LGA	House Rental Yield	Unit Rental Yield
Glenorchy*	5.7%	6.0%
Claremont	5.6%	6.0%
Moonah	5.0%	5.6%
West Moonah	5.0%	5.6%
Glenorchy LGA	4.9%	5.6%
Hobart Metro	4.3%	6.1%

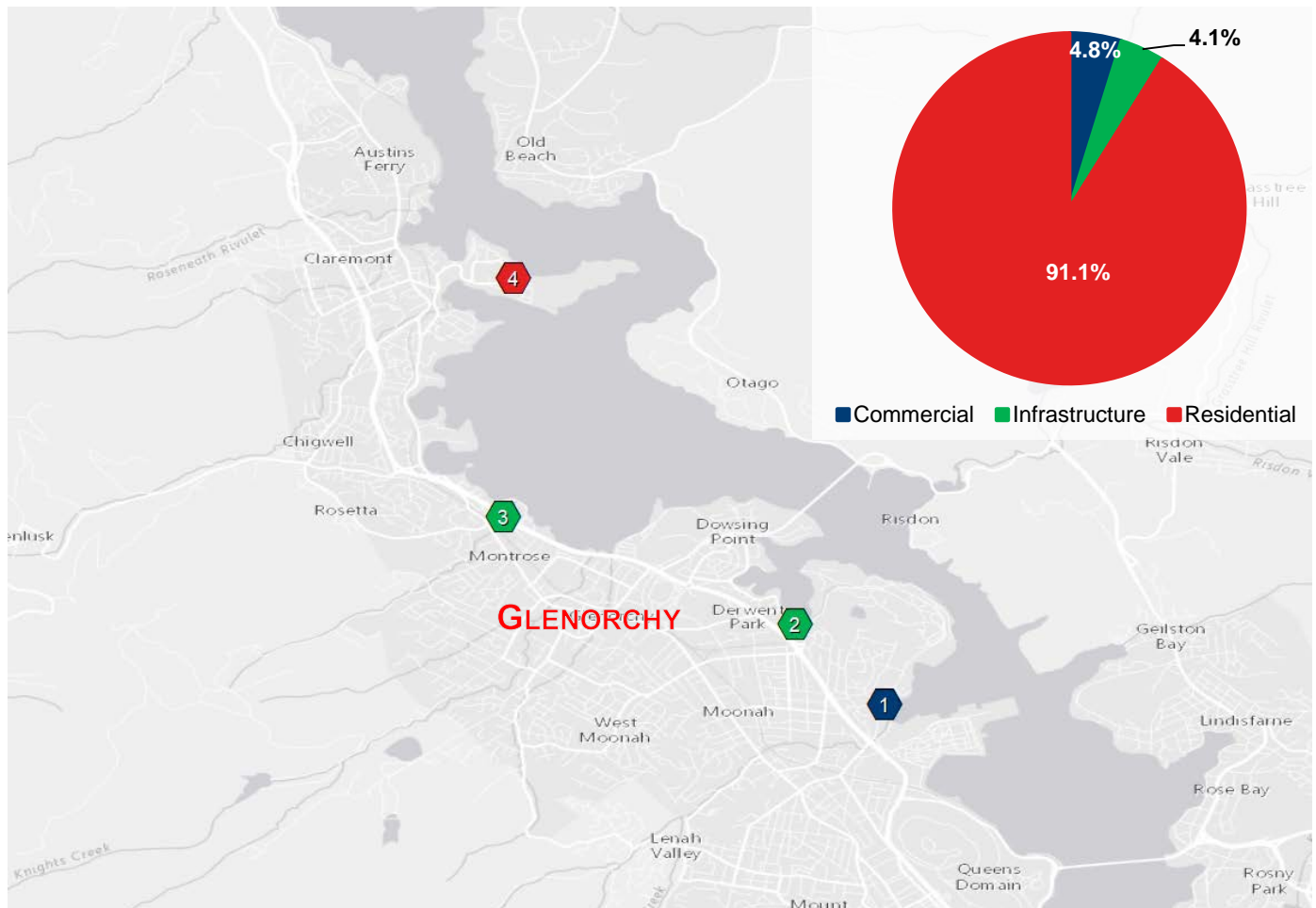
KEY HOUSING DEMOGRAPHICS

	Glenorchy	City of Glenorchy LGA	Tasmania
Median weekly rent	\$240	\$250	\$230
Family households	2,598	11,617	132,574
Single or lone person households	1,719	6,230	58,517
Worked full time	2,263	11,118	121,822
Worked part time	1,497	7,036	81,601
Occupied private dwellings	4,458	18,495	197,575
Unoccupied private dwellings	346	1,471	32,135

*Rental performance graph represents aggregate house median rent prices in the following: Glenorchy. Annual change is a comparison between 1st half 2017 and 1st half 2018 median rent figures.

Source: APM Pricerfinder, SQM Research, ABS Census 2016. © Copyright PRDNationwide 2018.

PROJECT DEVELOPMENT MAP 2nd HALF 2018*



Location	Project**	Type	Estimated Value***	Commence Date****
1	Nyrstar Ground Water Extraction System	Commercial	\$1,000,000	16/07/2018
2	Prince of Wales Bay Sports Precinct	Infrastructure	\$500,000	21/07/2018
3	Montrose Bay Pontoon	Infrastructure	\$350,000	30/07/2018
4	One Bournville Claremont Golf Course Redevelopment Remaining Stages 2-9 (53 units)	Residential	\$19,000,000	04/12/2018

*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 Hobart, New Town, Lutana, South Hobart, West Hobart, and Lenah Valley.

***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, City of Glenorchy 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.



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