



Glenorchy
Property Factsheet
1st Half 2019





MARKET CONDITIONS

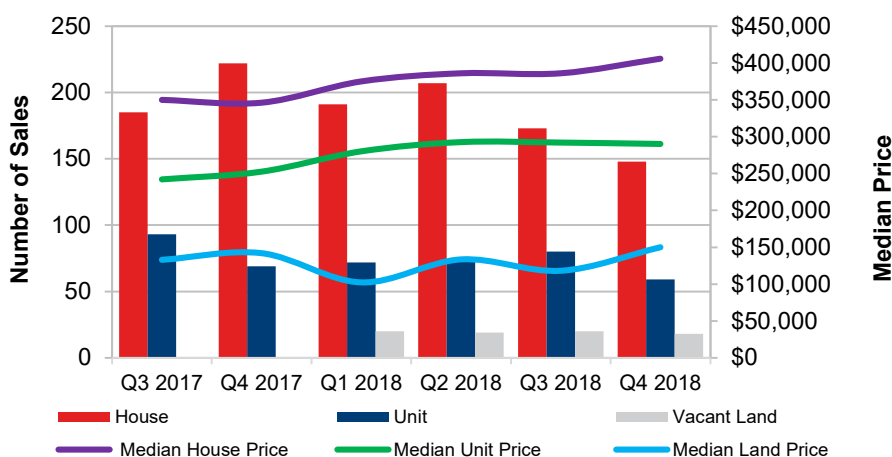
Q4 2018 saw Glenorchy* record a median house price of \$393,500, and a median unit price of \$237,500. This represents an annual (Q4 2017 – Q4 2018) price change of 6.4% and -13.9% for houses and units respectively. By comparison, the *2nd Half 2018 Glenorchy Property Factsheet* reported an annual (Q2 2017 – Q2 2018) price growth of 22.6% for houses and of 3.7% for units. Property in Glenorchy* has thus become comparatively more affordable, with houses seeing a more sustainable level of growth and units seeing some cooling in median price. That said, this sudden shift in median unit price is in part reflective of a small sales pool, which can naturally result in larger price movements.

The Glenorchy City Local Government Area (LGA) is a better gauge of median price growth for units, which grew by 14.9% to \$290,000 over the past 12 months to Q4 2018, reflective of a larger number of sales. At the same time, median house price grew by 17.2% to \$405,750. This represents strong capital growth for the housing market in 2018.

Average vendor discounting tightened for houses in Q4 2018 to +3.1%. This suggests that the market still favours sellers, however the average premium added to the initial first list price to achieve a sale is reducing. In contrast, average vendor discounting for units has now shifted away from the seller to narrowly favouring buyers, at -0.7%. Buyers are thus able to negotiate slightly below the initial list price to secure units.

The 12 months to Q4 2018 saw median house rents in Glenorchy* grow by +7.9% to \$410 per week, and median unit rents grow by +9.2% to \$328 per week. Very low vacancies of 0.2% (as of December 2018) show high rental demand in Glenorchy. Combined with strong rental yields of 5.8% (house) and 6.0% (unit) this creates a market well-suited for investment.

GLENORCHY CITY GROWTH



OVERVIEW

Positioned approximately 7km north of the Hobart CBD, Glenorchy* is located within the heart of the City of Glenorchy Local Government Area (LGA). The preferred method of sale in Glenorchy* is private treaty. This is evident in that a total of just 2 properties sold at auction across 2018 in Glenorchy*, with all other sales occurring through private treaty.

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

FUTURE DEVELOPMENTS**

The 1st half of 2019 is set to see a total of approximately \$32.6M worth of projects commence in the Glenorchy City LGA. A majority (76.7%) of this is set to be spent on commercial development, at \$25.0M, while the remaining 23.3% (or \$7.6M) is set to be spent on infrastructure.

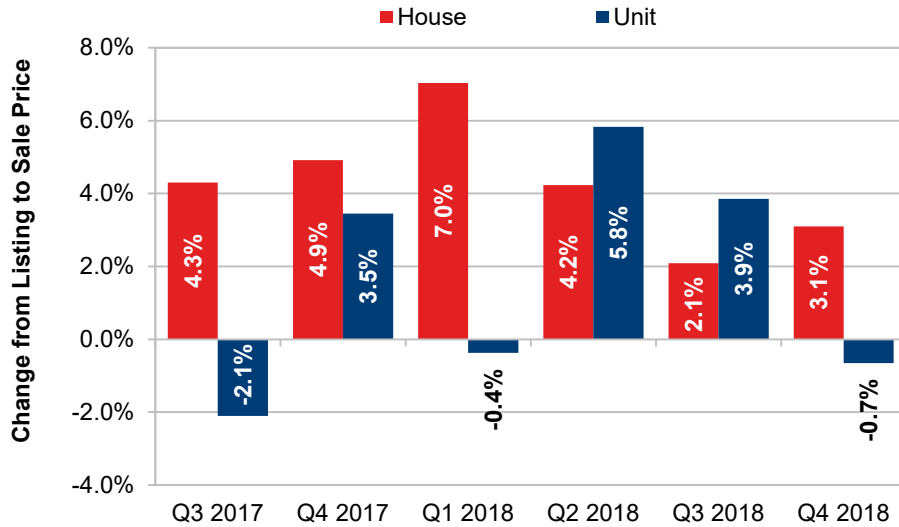
Given the recent demand increase for residential property in Glenorchy*, a focus on commercial and infrastructure projects will assist in increasing local employment opportunities and improving amenities for residents.

A major project for the LGA is the \$25.0M Korongee Dementia Village. The aged care facility will provide an environment for people with dementia to comfortably live in with their families. The project is set to include 15x 6-bedroom homes, and a variety of commercial spaces. Such a project will enable residents to care for their loved ones without leaving home.

Design consultancy for the Tolosa Water Supply Upgrade is another significant project on the horizon for the LGA. The project will be worth an estimated \$5.0M, and will improve water supply for some residents within the Glenorchy LGA.

*Glenorchy market data and key indicators encapsulates aggregate property market conditions in the suburb of Glenorchy.
 **Estimated values are based on construction value provided by the relevant data authority and does not reflect commercial and/or re-sale value. Quoted construction and completion dates are estimate only, as per relevant data authority.
 Source: Land Information System Tasmania, APM Pricefinder, realestate.com.au.
 © Copyright PRDNationwide 2019.

AVERAGE VENDOR DISCOUNT



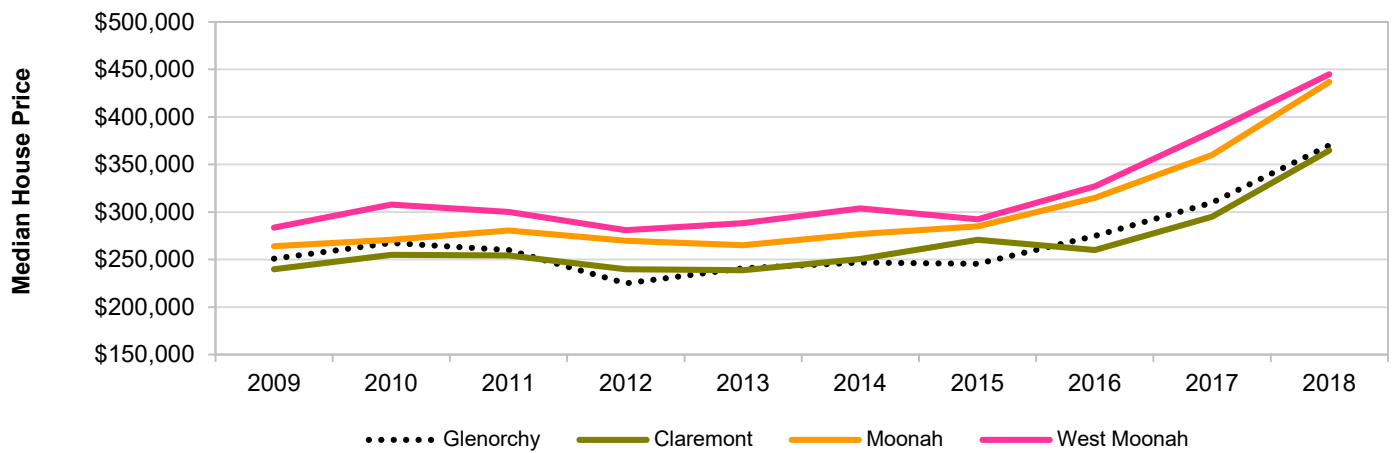
AVERAGE VENDOR DISCOUNT

The average vendor discount reflects the average percentage difference between the first list price and the 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.

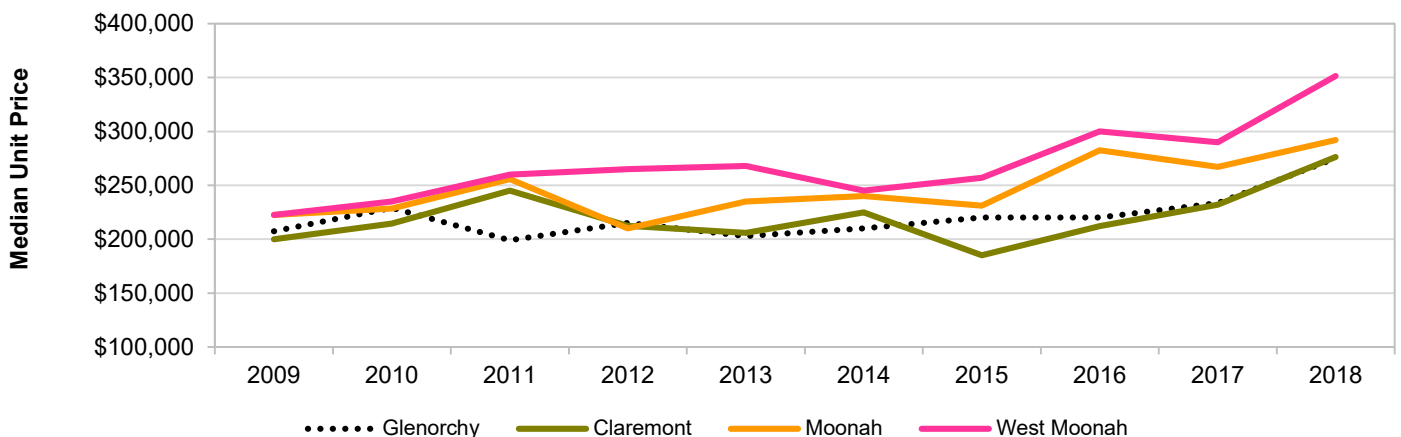
MARKET COMPARISON GRAPH

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

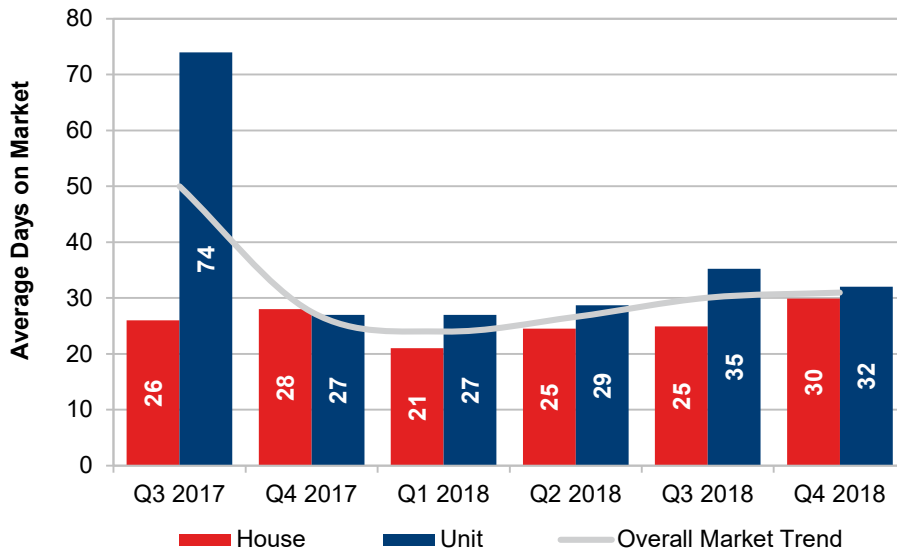
HOUSE MARKET COMPARISON



UNIT MARKET COMPARISON



AVERAGE NUMBER OF DAYS ON THE MARKET**



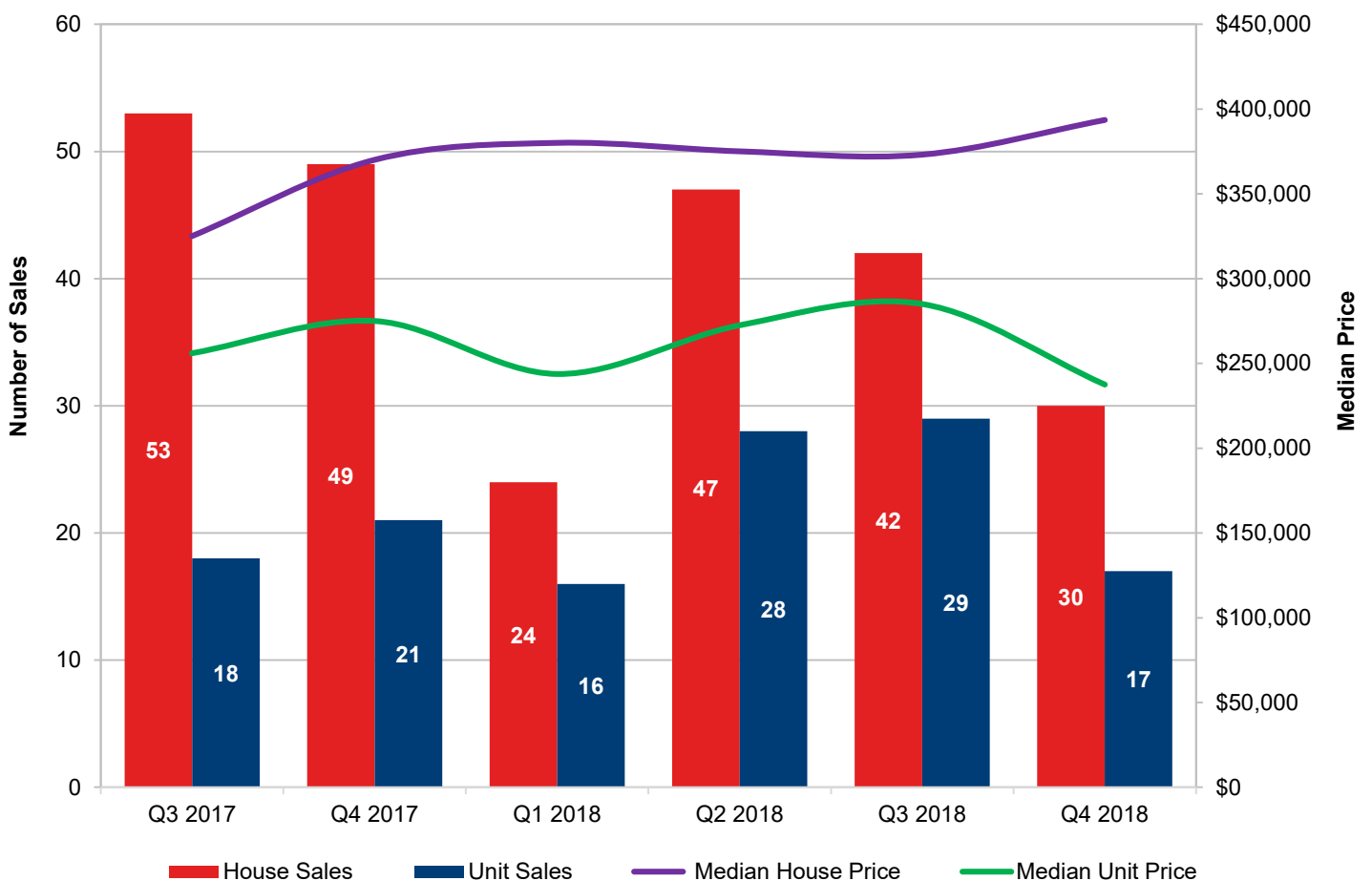
KEY HOUSE FACTS Q4 2018

Median Sale Price: \$393,500
 Annual Growth: 6.4%*
 Average Days on Market: 30
 % Change Between First Listed Price and Sold Price: 3.1%

KEY UNIT FACTS Q4 2018

Median Sale Price: \$237,500
 Annual Growth: -13.9%*
 Average Days on Market: 32
 % Change Between First Listed Price and Sold Price: -0.7%

SALES AND MEDIAN PRICES**



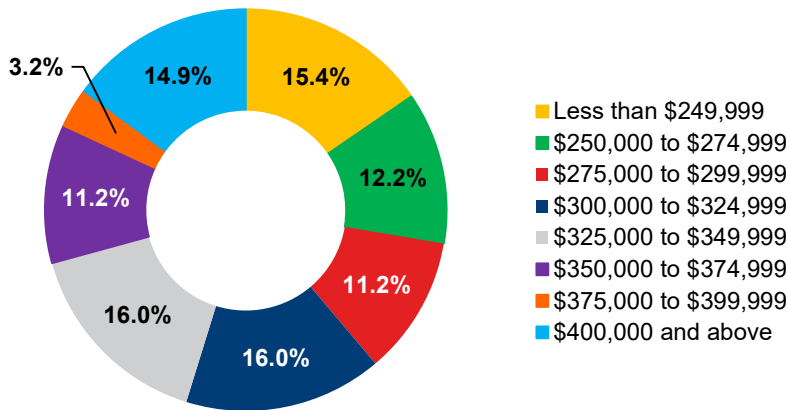
*Annual growth represents price growth for property transactions between Q4 2017 to Q4 2018 (inclusive).

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

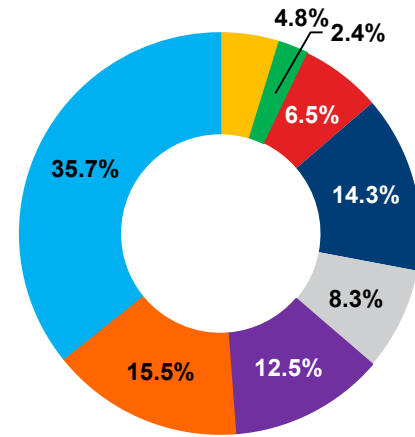
Source: Land Information System Tasmania, APM Pricefinder, realestate.com.au, SQM Research. © Copyright PRDnationwide 2019.

SALES PRICE POINT COMPARATIVE ANALYSIS

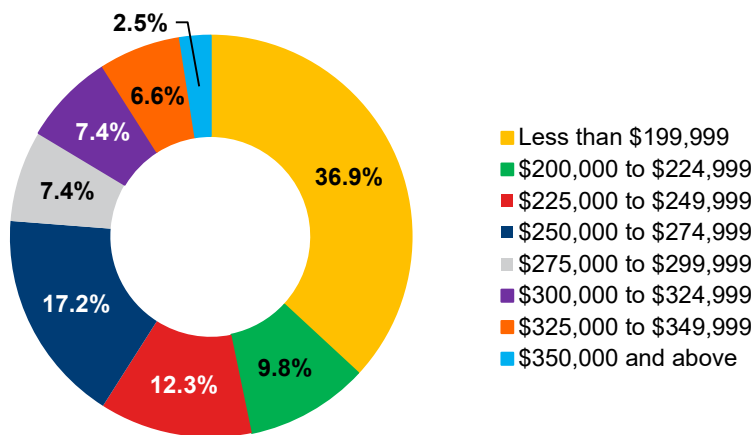
HOUSE PRICE POINT 2017



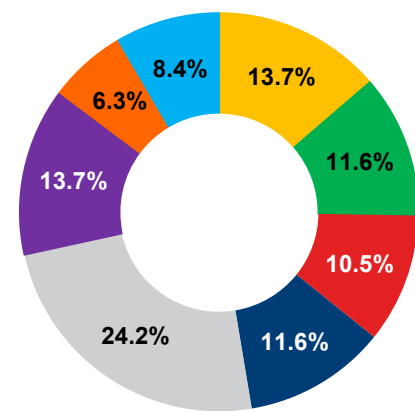
HOUSE PRICE POINT 2018



UNIT PRICE POINT 2017



UNIT PRICE POINT 2018



KEY IMPLICATIONS - HOUSES

The dominant price point for house sales in Glenorchy* across 2018 was the \$400K+ price bracket, at 37.0% of all sales. This represents a large increase of +20.8% from 14.9% in 2017, where the largest price point was \$325K-350K, with 16.0% of total sales. This suggests a strong upward movement towards premium price for houses.

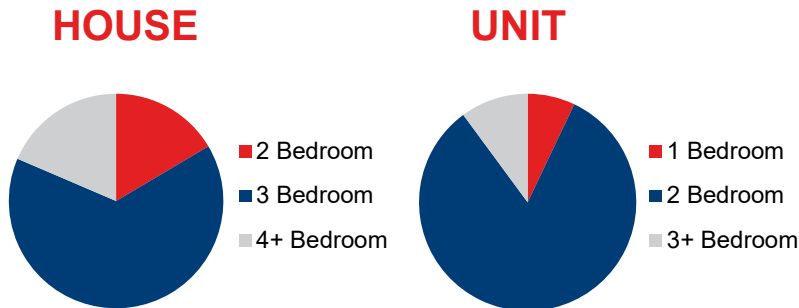
This shift is further seen across the entire price range by looking at the end of the market, with sales less than \$275K shrinking from 27.6% in 2017 to 7.2% of all sales in 2018. This further emphasises not only a shift towards the top of the market in price, but also a rapid decline in affordability at the lower end of the market. Buyers should thus act quickly to secure houses in Glenorchy*.

KEY IMPLICATIONS - UNITS

The dominant price point for units sold in Glenorchy* in 2018 was \$275K-300K, with 24.2% of total sales, which represents an increase of +16.8% from 7.4% in 2017. Interestingly, every price bracket above this also grew from 2017 to 2018, with total sales above the \$275K price bracket growing from 23.9% to 52.6% in 2018.

2017's dominant unit price point of less than \$200K (36.9%) shrunk by 23.2% to just 13.7% of total sales in 2018. This is again reflective of a larger trend which saw almost every price bracket below \$275K shrink year-on-year, with the exception of \$200K-225K, which saw a marginal increase of 1.8%. This reaffirms the need for buyers to act quickly to secure property in Glenorchy*.

INVESTMENT ANALYSIS



KEY HOUSE FACTS Q4 2018

Median Rent Price: \$410 per week
Rental Yield: 5.8%
Average Days on Market: 16
Bedroom Breakdown:
 2 Bed: 16%, 3 Bed: 63%, 4+ Bed: 18%

KEY UNIT FACTS Q4 2018

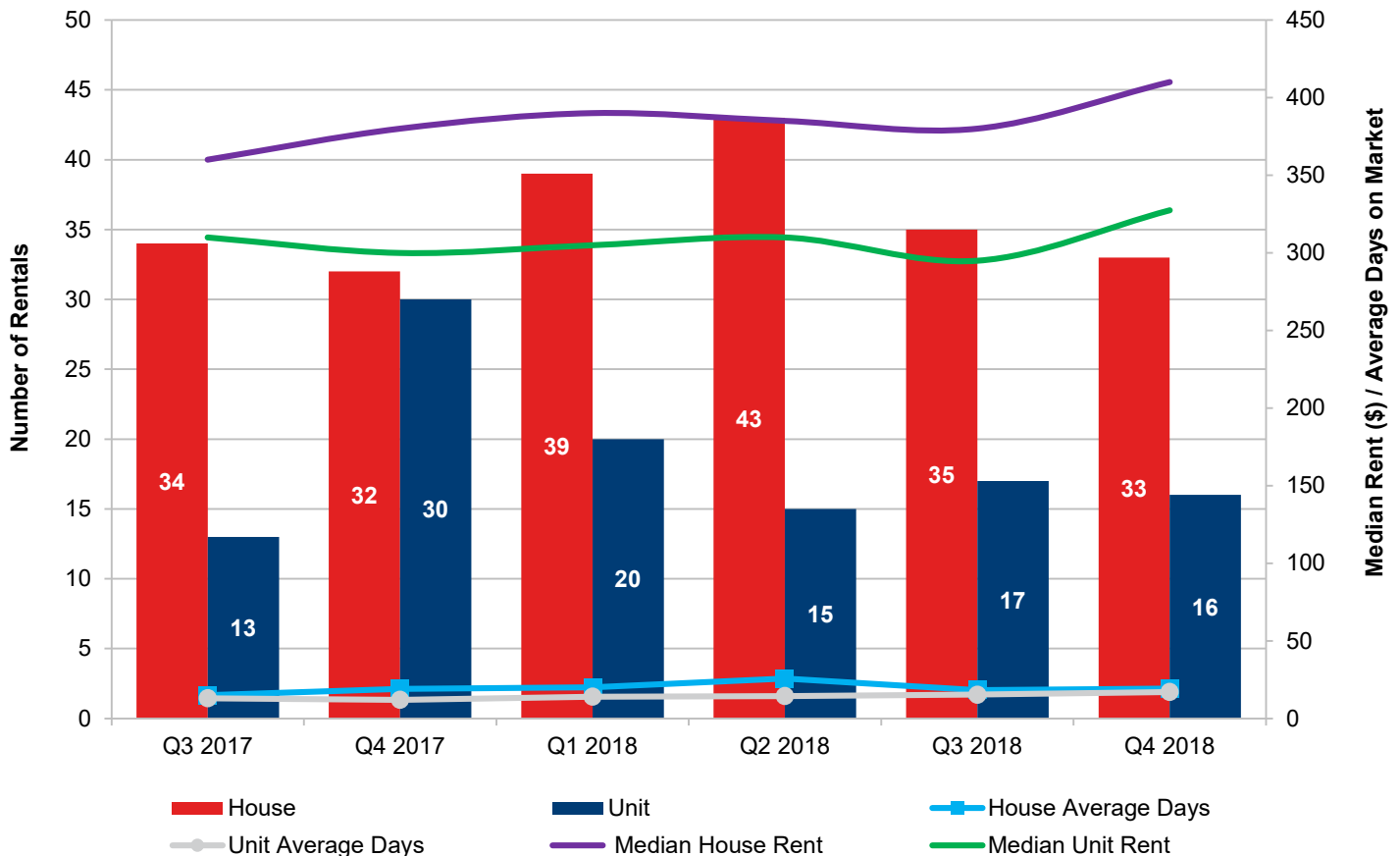
Median Rent Price: \$328 per week
Rental Yield: 6.0%
Average Days on Market: 17
Bedroom Breakdown:
 1 Bed: 7%, 2 Bed: 82%, 3+ Bed: 10%



KEY COMMENTS

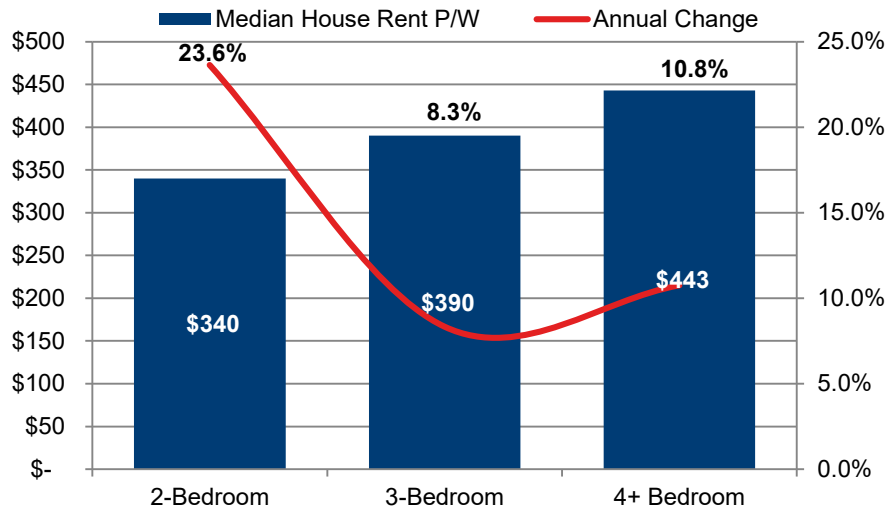
Interest in Glenorchy* was recorded at an average of 1,479 online visits per property. This represents exceptional demand, even above the Tasmanian average of 1,245 visits. Median house rental price increased by 7.9% to \$410 per week in the 12 months to Q4 2018, which when combined with the 3.1% growth in the number of houses rented suggests real growth in rental returns and not one due to an undersupply. The number of unit rentals declined by -46.7% over the same period, which resulted in a 9.2% median unit rent spike to \$328 per week (unit). Now is the time for investors to enter the market.

MEDIAN RENT AND AVERAGE DAYS ON THE MARKET*



*Disclaimer: Glenorchy market data and key indicators encapsulates aggregate property market conditions in the suburb of Glenorchy. Source: APM Pricer, realestate.com.au, SQM Research. © Copyright PRDnationwide 2019.

RENTAL PERFORMANCE 2018*



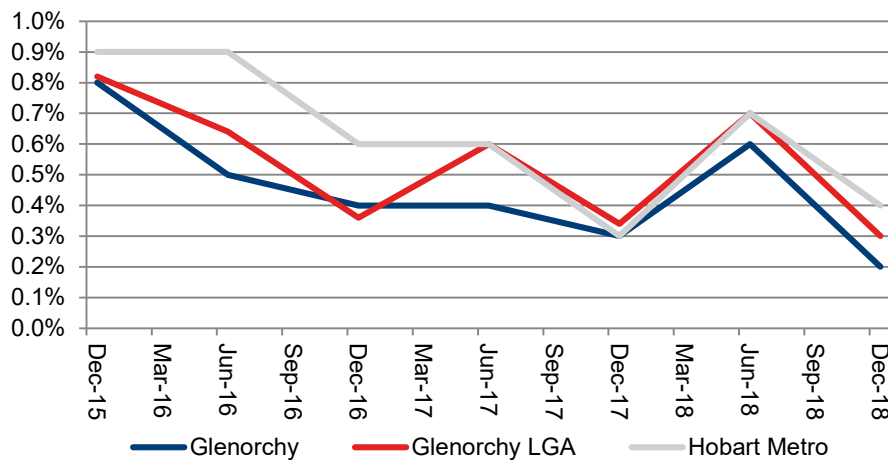
KEY COMMENTS

Investors in Glenorchy* are seeing yields of 5.8% (house) and 6.0% (unit), exceeding that seen in Glenorchy City LGA and Hobart Metro regions.

2-Bedroom houses provided the highest annual rental growth at 23.6%, with a median rent of \$340 per week. All types of houses by bedroom count continued to show exceptional rental growth, further showing Glenorchy's* strong investment performance.

Glenorchy* recorded an astonishingly low vacancy rate of just 0.2% as of December 2018, even lower than Hobart's 0.4% and the LGA's 0.3%. This reveals further need for increased property investment in Glenorchy*.

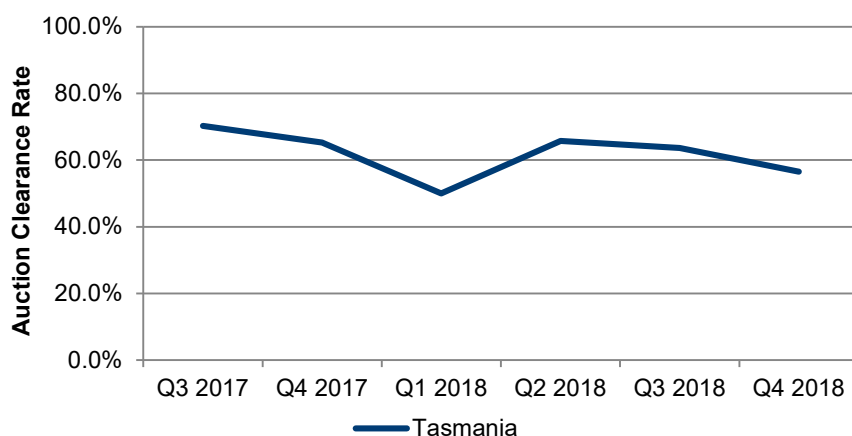
VACANCY RATES 2018



RENTAL YIELD 2018

Suburb/ Postcode/ LGA	House Rental Yield	Unit Rental Yield
Glenorchy	5.8%	6.0%
Glenorchy City LGA	5.0%	5.4%
Hobart Metro	2.9%	3.7%

AUCTION CLEARANCE RATES 2018**



Q4 18 COMPARISON

Suburb/ Postcode/ LGA	Auction Clearance Rate
Glenorchy City LGA** (2018)	88.3%
Tasmania	56.5%
Sydney Metro^	44.3%

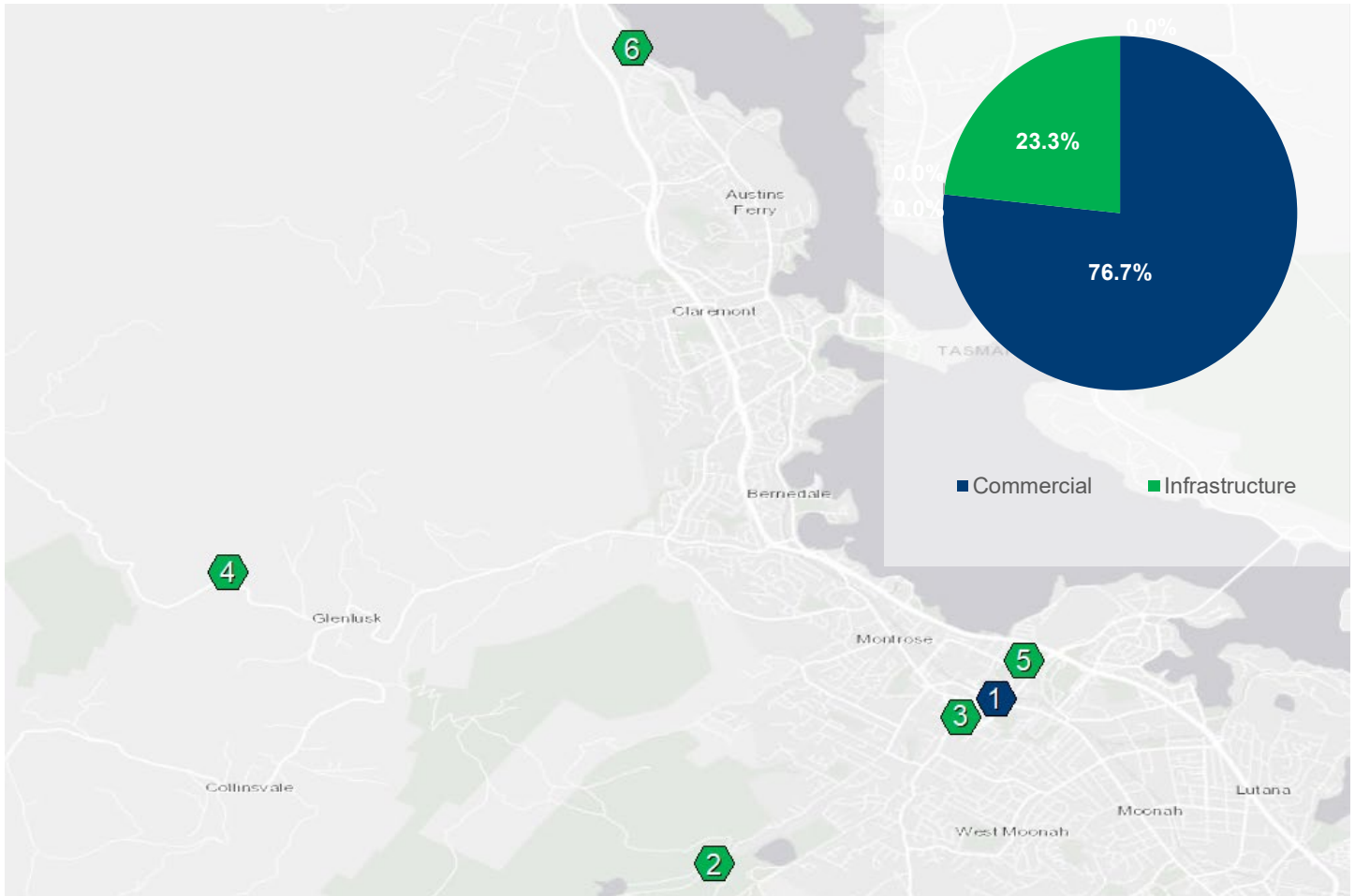
*Rental performance graph represents aggregate house median rent prices in the suburb of Glenorchy. Annual change is a comparison between 2017 and 2018 median rent figures.

**Auction Clearance rates for Glenorchy are for all residential auctions held in the Glenorchy LGA across all of 2018.

^Capital city data obtained by accumulating Domain's weekly auction clearance results.

Source: APM Pricefinder, Domain, SQM Research. © Copyright PRDnationwide 2019.

PROJECT DEVELOPMENT MAP 1st HALF 2019*



Location	Project**	Type	Estimated Value***	Commence Date****
1	Korongee Dementia Village	Commercial	\$25,000,000	29/04/2019
2	Tolosa Water Supply Upgrade Ancillary Design Consultancy	Infrastructure	\$5,000,000	21/01/2019
3	Main Road Roadworks	Infrastructure	\$1,400,000	20/01/2019
4	Molesworth Road Roadworks	Infrastructure	\$500,000	28/03/2019
5	Arnold Street Pavement Works	Infrastructure	\$400,000	28/03/2019
6	Main Road Pathway Stage 2	Infrastructure	\$295,000	01/04/2019

*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 Glenorchy City Local Government Area (LGA)
 ***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, Glenorchy City Council. © Copyright PRDnationwide 2019.

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
- Primary qualitative and quantitative research

Tony Collidge

Proprietor

M +61 409 726 680

E tonycollidge@prdhobart.com.au

Conor Canning

Director

M +61 409 969 295

E conorcanning@prdhobart.com.au

PRDnationwide Hobart

493 Main Road
Montrose TAS 7010
Australia

T +61 3 6274 7355

PRD.com.au/hobart

Sell Smarter!

**Over 40 Years of Leading
Property Industry Research**



**YOUR HOME OF
PROPERTY
KNOWLEDGE**