



**Hobart**

Affordable & Liveable  
Property Guide

1<sup>st</sup> Half 2019



# HOBART AFFORDABLE & LIVEABLE PROPERTY GUIDE

1<sup>ST</sup> HALF 2019

## METHODOLOGY

This affordability and liveability property guide for Hobart analyses all suburbs in the Greater Hobart area, within a 10km radius of the Hobart CBD. The following criteria were considered:

- **Property trends criteria** – all suburbs considered have a minimum of 10 transactions for statistical reliability purposes, with positive price growth between 2017 to 2018/19\*.
- **Investment criteria** – as of December 2018, all suburbs considered will have an on-par or higher rental yield than Hobart Metro, and an on-par or lower vacancy rate.
- **Affordability criteria** – all identified suburbs required a median price below a set threshold. This was determined by adding percentage premiums to the Tasmania (TAS) average home loan, which was \$275,217\*\* as of Q4 2018. Premiums of 120% for houses and 60% for units were added. These were above those required to reach Hobart metro's median prices (92% for houses and 42% for units), which suggests that buyers in Hobart need to sacrifice affordability to ensure liveability and/or investment criteria.
- **Development criteria** – all suburbs reviewed have a high total estimated value of future project developments for the 1<sup>st</sup> half of 2019, as well as a higher proportion of commercial and infrastructure projects. This ensures suburbs chosen show signs of sustainable economic growth, which in turn has a positive effect on the property market.
- **Liveability criteria** – this included ensuring all suburbs assessed have low crime rates, availability of amenities within a 5km radius (i.e. schools, green spaces, public transport, shopping centres and health care facilities), and an unemployment rate on-par or lower in comparison to the state average (as determined by the Department of Jobs and Small Business, December Quarter 2018 release).

## RECENT TOP PERFORMERS

Area	Suburb	Type	Median Price 2017	Median Price 2018/19*	Price Growth	Projects 2019***
Inner	Kingston	House	\$440,500	\$505,000	14.6%	\$5.1M
	Kingston	Unit	\$350,000	\$367,500	5.0%	\$5.1M
North	Glenorchy	House	\$316,500	\$376,000	18.8%	\$32.3M
	Glenorchy	Unit	\$233,500	\$280,000	19.9%	\$32.3M
East	Bellerive	House	\$512,500	\$615,000	20.0%	\$2.9M
	Bellerive	Unit	\$335,000	\$430,000	28.4%	\$2.9M

## OVERVIEW

The median house price in Hobart grew by 12.4% to reach \$529,500 in 2018/19\*, whilst median unit prices softened by -5.9% to \$399,500 over the same period. Sales transactions increased for both houses and units over this same time frame, by 5.1% for houses and 8.2% for units, which indicates there is a high demand in the market. In regard to price growth, there was a correction in the unit market's pricing, however a continued trend of increasing sales volumes will provide sufficient underlying demand to potentially lead to a unit market recovery in the future. First home buyers should therefore act quickly while affordable opportunities are available. Hobart's house market continues to strengthen, and as this contrasts to many other capital cities, it should increase current owner occupier's and investor's confidence. An estimated \$265.7M worth of project development is set to commence in the 1<sup>st</sup> half of 2019, providing Hobart with a particularly significant infrastructure boost, as well as numerous commercial and residential projects.

## KEY MARKET INDICATORS HOBART METRO

Indicator	Market Variation <sup>^</sup>
House Sales	↑
House Median Price	↑
House Median Rent	↑
Unit Sales	↑
Unit Median Price	↓
Unit Median Rent	↑

## KEY COMMENTS

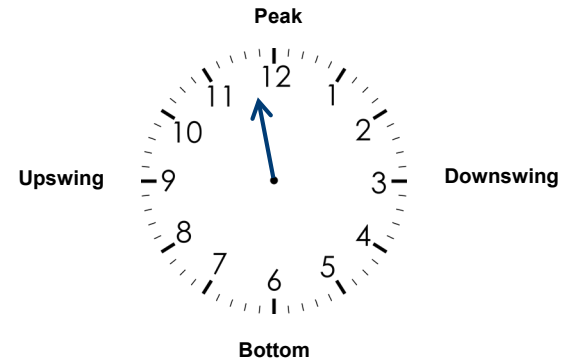
Over the past 12 months (to Q4 2018), the proportion of income to meet home loan repayments decreased by 0.7% in TAS. This suggests that home affordability for current mortgage owners has increased, which is in contrast to other states such as Queensland and New South Wales. Further, this has had a multiplier effect on the market, with the number of first home buyers increasing by 12.6% in the same period.

Highly affordable suburbs (those with a maximum property sale price of the average state loan, plus a 100% premium as per the *2<sup>nd</sup> Half 2018<sup>¥</sup>* report) exist in TAS. 23 suburbs recorded prices in this bracket.

Despite their affordability, many of these suburbs fail to meet liveability criteria. To achieve liveability, premiums of 120% for houses and 60% for units needed to be added to the TAS average state loan. Kingston (for houses) and Lindisfarne (for houses and units) held onto their status as affordable and liveable suburbs, as identified in the *2<sup>nd</sup> Half 2018<sup>¥</sup>* report. Other previously identified affordable and liveable suburbs in Hobart have either failed to meet liveability criteria, or have become unaffordable due to median price growth. This highlights the need for increasing liveability aspects in affordable suburbs in Hobart.

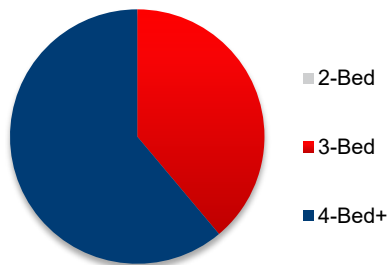


## PROPERTY CLOCK – HOUSES



## AFFORDABLE & LIVEABLE HOUSE SUBURBS

### CAMBRIDGE 7710



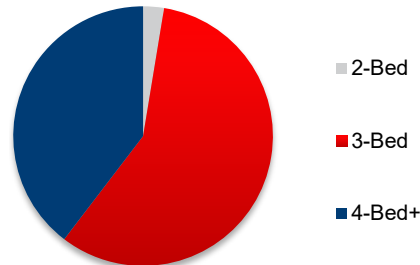
Located in an approximate radius of **8.0km** from the Hobart CBD.

Median House Price **\$593,500**

- 2-Bed Median Price **N/A**
- 3-Bed Median Price **\$520,000\***
- 4-Bed+ Median Price **\$755,000**

Located east of Hobart, Cambridge is also home to Hobart International Airport. The area recorded an astonishing 42.4% median growth between 2017 to 2018/19\*\*, and boasted a 0.0% vacancy rate. This suggests that all available rental properties were successfully rented in December 2018. House rental yields of 4.8% and very low unemployment of 2.0% also support the suburb as being ideal for investment. Its convenience to a range of amenities, as well as many commercial and infrastructure projects worth an estimated \$5.2M<sup>^</sup> in the 1<sup>st</sup> half of 2019, allude to the increasing liveability of Cambridge for current and future residents.

### KINGSTON 7050



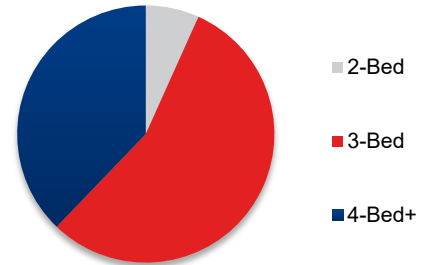
Located in an approximate radius of **5.8km** from the Hobart CBD.

Median House Price **\$505,000**

- 2-Bed Median Price **\$382,000\***
- 3-Bed Median Price **\$472,000**
- 4-Bed+ Median Price **\$576,050**

Previously featured in the *2<sup>nd</sup> Half 2018*<sup>¥</sup> report, Kingston continues to provide affordability and liveability in the 1<sup>st</sup> half of 2019. Kingston saw a median price growth of 14.6% from 2017 to 2018/19\*\*. Easy access to schools, medical facilities and parks are just some of the current benefits residents share. Low crime levels and unemployment below the TAS average also increase its liveability. Investors benefit from strong average yields of 5.3% and vacancy rates of just 0.2%. A range of project types commencing in the 1<sup>st</sup> half of 2019, worth an estimated \$5.1M<sup>^</sup>, will provide improvements to the suburb which will benefit residents.

### LINDISFARNE 7015



Located in an approximate radius of **4.6km** from the Hobart CBD.

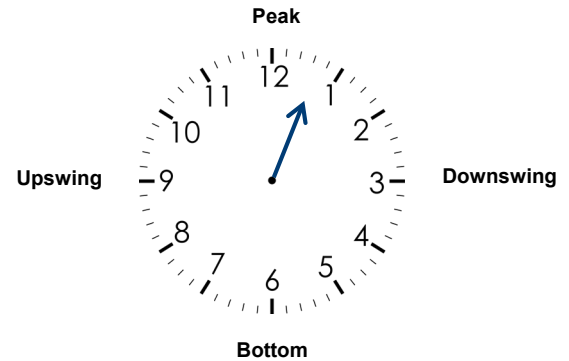
Median House Price **\$532,500**

- 2-Bed Median Price **\$467,500\***
- 3-Bed Median Price **\$498,500\***
- 4-Bed+ Median Price **\$650,000\***

Lindisfarne continues to provide a great opportunity for those seeking a liveable and affordable suburb, after appearing in both the *1<sup>st</sup> Half 2018*<sup>µ</sup> and *2<sup>nd</sup> Half 2018*<sup>¥</sup> reports. A healthy annual median price growth of 17.4% between 2017 to 2018/19\*\* is backed by strong investment fundamentals. This includes vacancy rates of just 0.2% and an average rental yield of 4.6%. Lindisfarne is already well-supported by a low unemployment rate of 3.5% and low crime rates, thus \$11.5M<sup>^</sup> worth of residential, commercial, and infrastructure projects in the 1<sup>st</sup> half of 2019 will assist the local economy and sustain property growth.

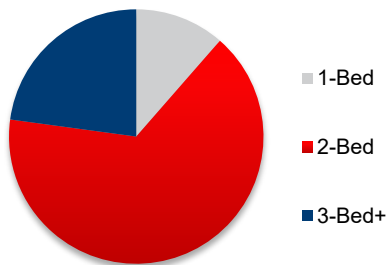


## PROPERTY CLOCK – UNITS



## AFFORDABLE & LIVEABLE UNIT SUBURBS

### LINDISFARNE 7015



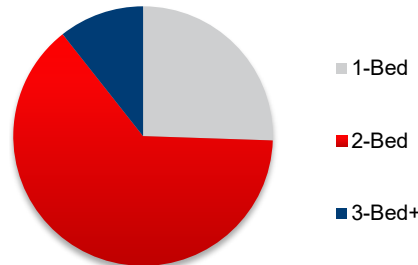
Located in an approximate radius of **4.6km** from the Hobart CBD.

Median House Price **\$430,000**

- 1-Bed Median Price **\$276,000\***
- 2-Bed Median Price **\$380,000**
- 3-Bed+ Median Price **\$451,000\***

Lindisfarne is the only suburb to feature as an affordable and liveable suburb for both houses and units in this report. It was also identified as an affordable and liveable suburb for units in the *2<sup>nd</sup> Half 2018*‡ report due to its continued strong performance in liveability, with residents able to easily access various amenities. Units in Lindisfarne boast a healthy average rental yield of 6.5%, and a strong median price growth of 22.9% between 2017 to 2018/19\*\*. An extremely low vacancy rate of just 0.2% suggests almost all rental properties in Lindisfarne were rented in December 2018, which is extremely encouraging for first time investors looking to enter the market.

### NEW TOWN 7008



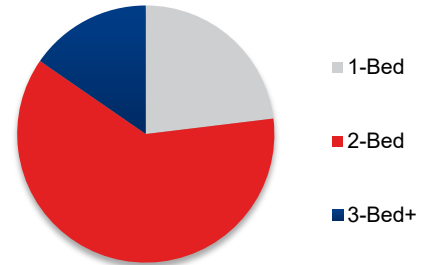
Located in an approximate radius of **3.0km** from the Hobart CBD.

Median House Price **\$337,500**

- 1-Bed Median Price **\$300,000**
- 2-Bed Median Price **\$360,000**
- 3-Bed+ Median Price **\$565,000\***

With a median unit price growth of 12.6% between 2017 to 2018/19\*\*, New Town has been identified as an affordable suburb located close to Hobart's CBD. Investors in New Town benefited from an average unit yield of 5.8% and vacancies of just 0.2% as of December 2018. In addition to this, \$1.4M<sup>^</sup> of residential and commercial projects commencing in the 1<sup>st</sup> half of 2019 will help create further liveability. Current liveability features include easy access to a range of facilities such as public transport, schools and shops. An unemployment rate below the state's average of 5.6% in Q4 2018 also ensures that New Town continues to be an economically productive suburb.

### ROSE BAY 7015



Located in an approximate radius of **3.5km** from the Hobart CBD.

Median house price **\$318,000**

- 1-Bed Median Price **\$258,000\***
- 2-Bed Median Price **\$318,000\***
- 3-Bed+ Median Price **\$670,000\***

Positioned within close proximity to the Hobart CBD, Rose Bay features the most affordable median price of all the affordable and liveable suburbs identified in this report. The area also offered a healthy average unit rental yield of 6.5% in December 2018, as well as a vacancy rate of just 0.2%, making it ideal for investors. A low crime rate, plus a very low unemployment rate of 3.5% are both attributed to enhancing Rose Bay's liveability. This is in addition to its proximity to numerous amenities including shops, schools, and parks. Approximately \$1.2M<sup>^</sup> in residential development is set to commence in the 1<sup>st</sup> half of 2019, creating dwelling stock to allow for increasing demand from population growth.

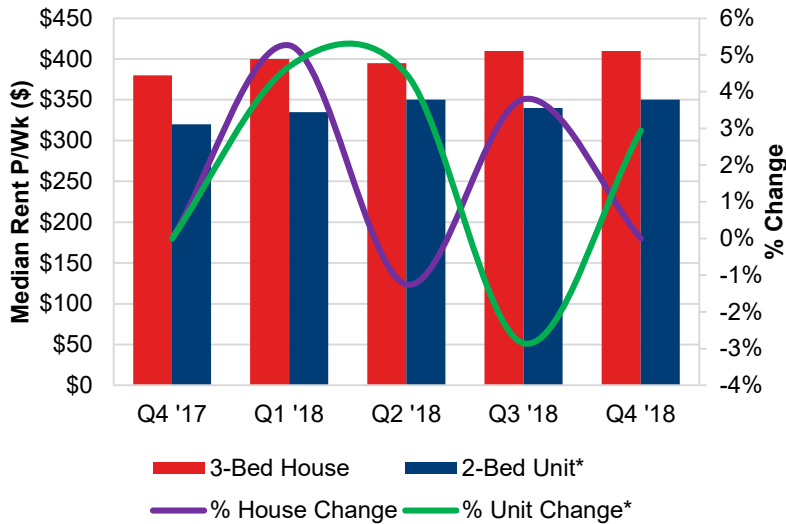
\*Quoted estimated values of projects are based on reported land/construction values as stated by the relevant data authority and do not signify their commercial/resale value.

\*\*Median price is quoted as an indication only due to having less than 10 sales transactions. \*\*Median price growth quoted captures sale transactions from 1<sup>st</sup> January 2018 to 31<sup>st</sup> March 2019, or Q1 2018 – Q1 2019.

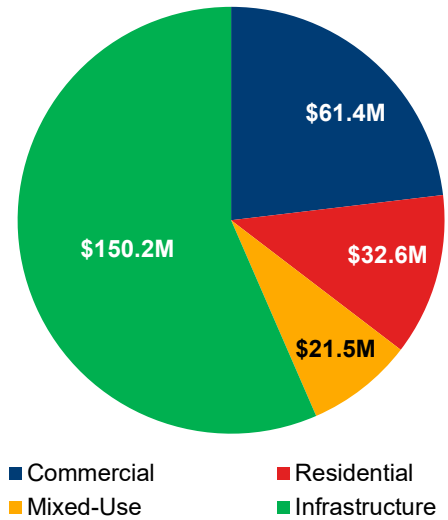
‡ PRDnationwide Affordable and Liveable Property Guide Hobart 2<sup>nd</sup> Half 2018 report.

Source: APM Pricerfinder, SQM Research, Cordell Connect, Department of Jobs and Small Business, ABS Census 2016, Google Maps. © Copyright PRDnationwide 2019.

## RENTAL MARKET ANALYSIS



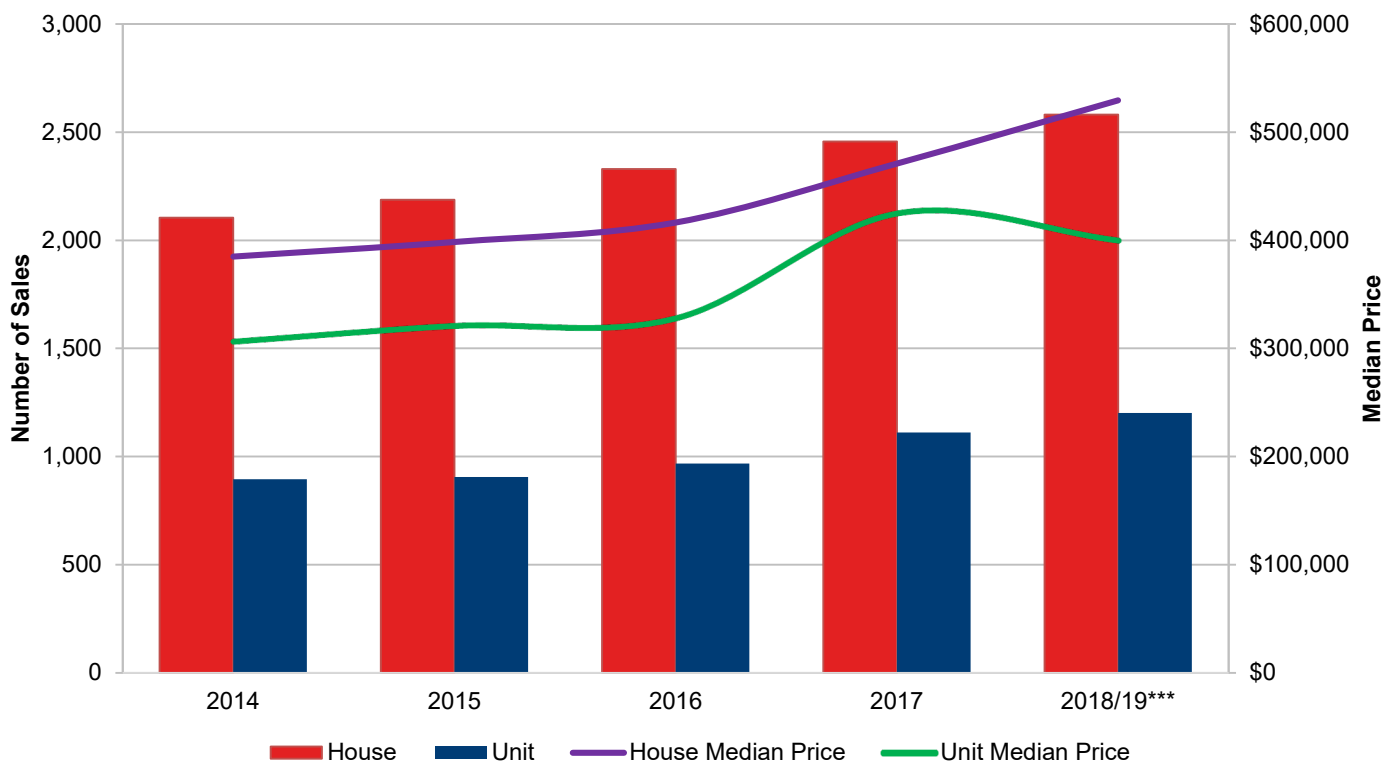
## 1<sup>st</sup> HALF 2019 PROJECTS\*\*



Across Q4 2018, Hobart recorded a median rental price of \$410 per week for houses and \$350 per week for units. This represents strong growth of 7.9% for houses and 9.4% for units in the 12 months to Q4 2018. Vacancy rates continue to remain very low, at just 0.4% across Hobart Metro in December 2018. Together, these suggest a highly competitive rental market for both houses and units and highlights an undersupply of available stock. This also partly explains its high rental yields, reaching 5.8% for houses and 5.9% for units in December 2018. Investors are therefore still able to achieve strong results within Hobart, and should act while such positive results are still possible.

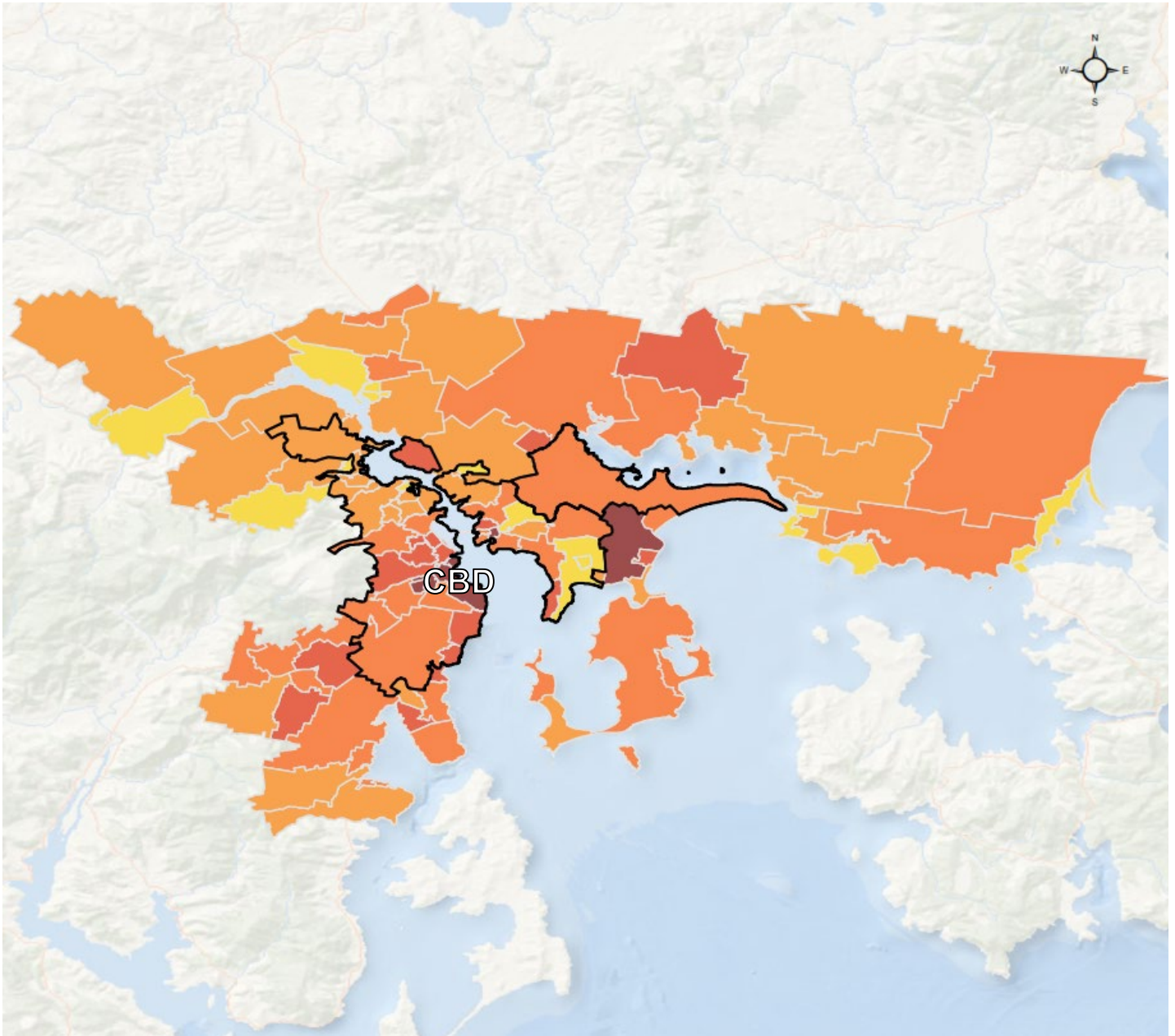
The 1<sup>st</sup> half of 2019 is set to see approx. \$265.7M\*\* of project development in Hobart, with a major focus on infrastructure. There is healthy spending on mixed-use, commercial and residential developments. A key infrastructure project is the \$90.0M Macquarie Point Waterfront/Hobart Railyards redevelopment. Another key project is the Commons Hobart (\$20.0M), which will add 30 apartments as well as commercial and retail spaces. The 84-lot, \$3.7M, Sugarloaf Road subdivision is the largest residential project set to start.

## HOBART METRO SALES AND MEDIAN PRICE GROWTH



\*Data is based on '2 Bedroom Other Dwellings' figures as per REIA's Real Estate Market Facts December quarter 2018 report and are assumed to be predominantly units.  
\*\*Quoted project development spending reflects aggregate of estimated values for projects commencing in the 1<sup>st</sup> half of 2019. Quoted estimated value of projects are based on reported land/construction value as stated by the relevant data authority and do not signify commercial/resale value. \*\*\*Median price for 2018/19 captures sale transactions from 1<sup>st</sup> January 2018 to 31<sup>st</sup> March 2019.  
Source: APM Pricefinder, Real Estate Institute of Australia, SQM Research, Cordell Connect. © Copyright PRDnationwide 2019.

## GREATER HOBART MEDIAN HOUSE PRICES 2018/19\*



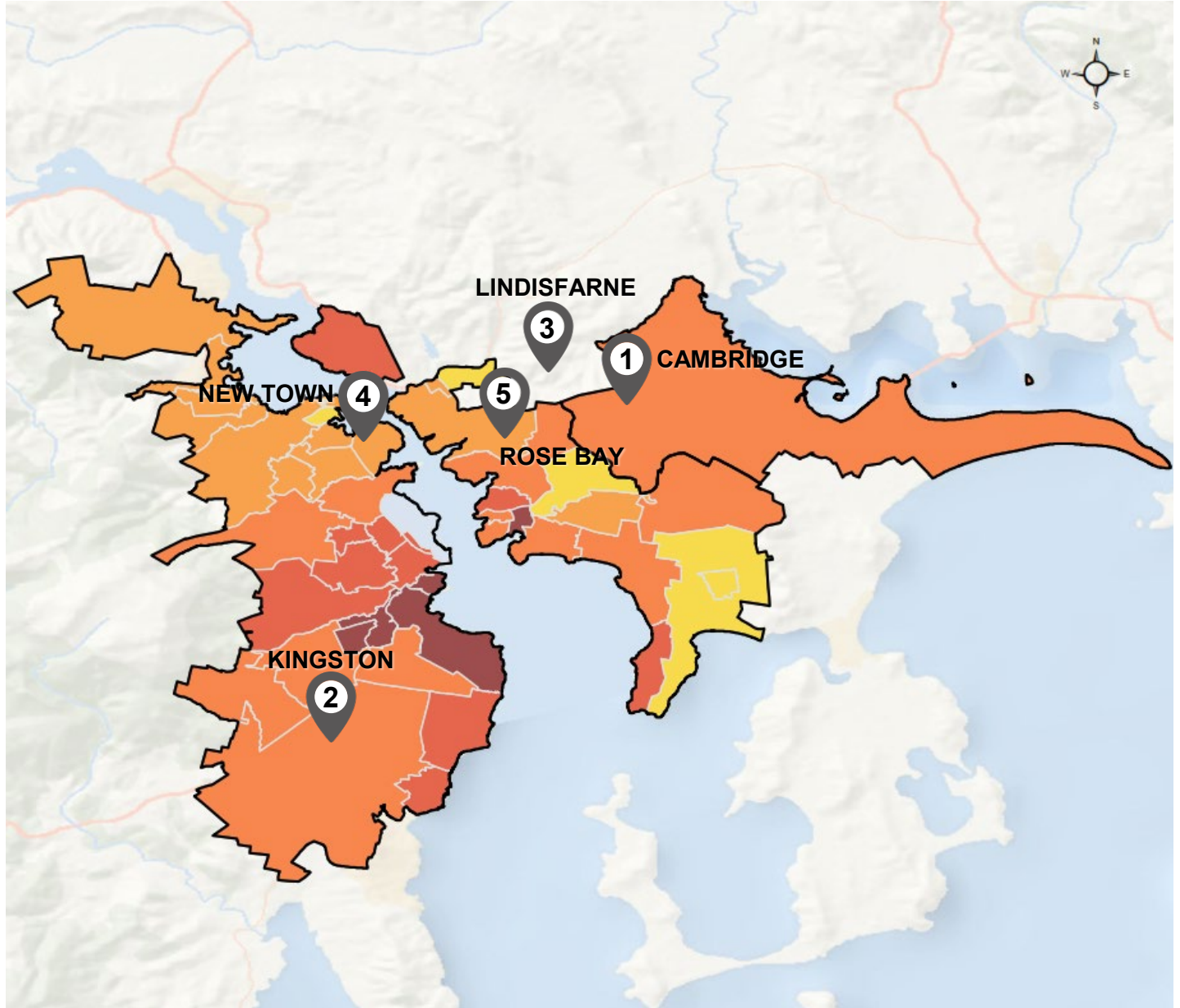
### LEGEND

- Data not available
- \$0 - \$350,000
- \$350,000 - \$500,000
- \$500,000 - \$650,000
- \$650,000 - \$800,000
- \$800,000+
- 10km from CBD

	Top 3 Lowest Priced Suburbs**	Median Price 2018/19**	Project Development***	Median Rent 2018/19**	Rental Yield
	Clarendon Vale	\$219,250	\$360,000	\$335	6.1%
	Risdon Vale	\$255,000	\$11,240,000	\$353	5.8%
	Rokeby	\$290,000	\$1,450,000	\$350	6.1%
	Top 3 Highest Priced Suburbs**	Median Price 2018/19**	Project Development***	Median Rent 2018/19**	Rental Yield
	Battery Point	\$1,060,000	–	\$580	4.6%
	Sandy Bay	\$890,000	\$1,000,000	\$600	4.2%
	Dynnyrne	\$820,500	–	\$585	4.1%

\*Median house price reflected in the heat-map captures sale transactions from 1st January 2018 to 31st March 2019. Grey areas represent areas where no recorded sales data could be accessed or due to having less than 10 sales transactions.  
 \*\*Top 3 suburbs identified are located within 10km from the Hobart CBD; suburb median price and median rent figures capture data from 1st January 2018 to 31st March 2019. \*\*\*Project development value is an aggregate of estimated construction value for residential, commercial, industrial, mixed use, and infrastructure projects commencing in the 1st half of 2019; it does not reflect commercial/re-sale value.  
 Source: APM PriceFinder, Cordell Connect, ESRI ArcGIS, SQM Research. © PRDnationwide 2019.

## HOBART MEDIAN HOUSE PRICES 2018/19\* 10KM FROM CBD



### LEGEND

	Data not available
	\$0 - \$350,000
	\$350,000 - \$500,000
	\$500,000 - \$650,000
	\$650,000 - \$800,000
	\$800,000+
	10km from CBD

### HOBART AFFORDABLE & LIVEABLE SUBURBS

#### RENTAL YIELD

	Suburb	House		Suburb	Unit
1	Cambridge	4.8%	3	Lindisfarne	6.5%
2	Kingston	5.3%	4	New Town	5.8%
3	Lindisfarne	4.6%	5	Rose Bay	6.5%

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## **Contact us**

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