





GLENORCHY MARKET UPDATE 2nd Half 2019



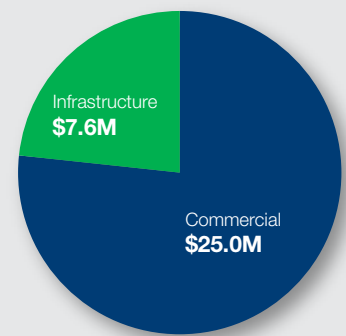
OVERVIEW

In Q2 2019, Glenorchy* recorded a median house price of \$380,000, and a median unit price of \$260,000. This represents annual (Q2 2018 – Q2 2019) median price growth of 2.0% for houses and a price softening of -6.1% for units. At the same time, total sales in both markets slowed in Q2 2019, down by -34.8% for houses to 30 sales and by -8.0% for units to 23 sales. A lack of on the market property amidst strong demand suggest now is the time to sell.

	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 Local Government Area* (LGA) is set to see an estimated **\$32.6M worth of new projects commence across 2019.**



A combination of infrastructure and commercial investment will help to stimulate economic growth and create employment opportunities across the Glenorchy area, which is expected to create further demand for real estate stock. This said, an absence of residential and/or mixed-use projects raises supply concerns. With rental vacancies at extremely tight levels, now is the time for government authorities to encourage residential development within the area.

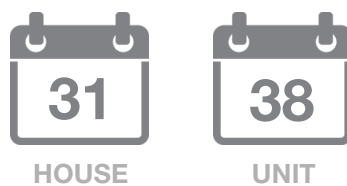
A main commercial project over the 2nd half 2019 period is the Korongee Dementia Village (\$25.0M). It will construct an aged care facility, which is designed to recreate real-life experiences for people with dementia. It will include houses, a supermarket, shops, cinema, café, and a beauty salon and gardens. This project will cater for local demand as well as attract new demographics into the area. The Tolosa Water Supply Upgrade Design Consultancy (\$5.0M) is a major infrastructure project for the period. This will create a new water pump station, new pipelines to connect to the existing network, and a pressure reducing station.

MARKET CONDITIONS

SALES MEDIAN PRICE Q2 2019



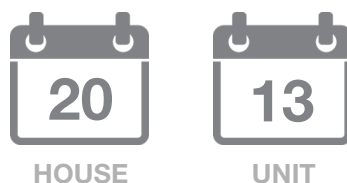
SALES AVERAGE DAYS ON MARKET Q2 2019



RENTAL MEDIAN PRICE Q2 2019



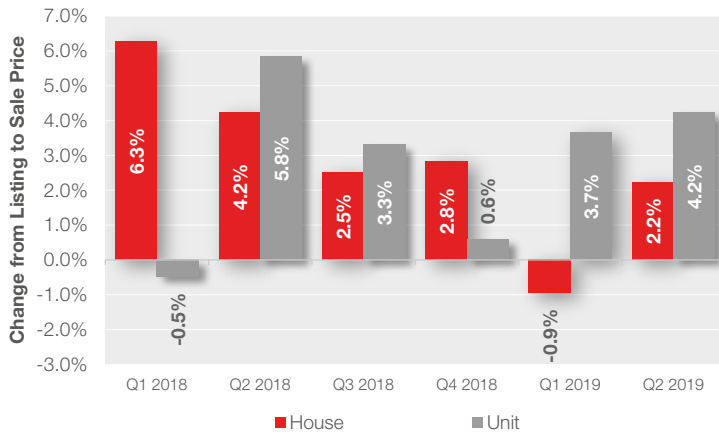
RENTAL AVERAGE DAYS ON MARKET Q2 2019



*Glenorchy market data and key indicators encapsulates aggregate property market conditions within the suburb 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, Cordell Connect database. © Copyright PRDnationwide 2019.

AVERAGE VENDOR DISCOUNT*

Average vendor discount reflects the average percentage difference between the first list price and final sold price. A lower percentage difference (closer to 0.0%) suggests that buyers are willing to purchase close to the first asking price of a property.



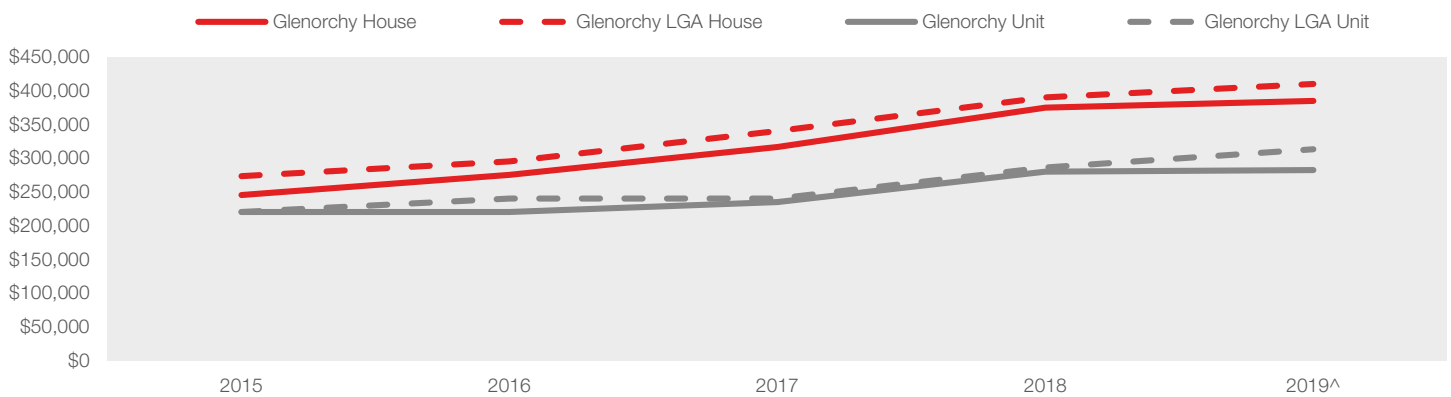
KEY COMMENTS

Average vendor discounts between Q2 2018 and Q2 2019 widened for both property types, to +2.2% for houses and +4.2% for units, despite still being above the first list asking price. Market conditions in Glenorchy* favour buyers slightly, as compared to 12 months prior there is now a discount. Now is an ideal time to transact, as owners can benefit from premium pricing whilst buyers enjoy a slight discount.

The suburb of Glenorchy has historically remained slightly below the wider Glenorchy LGA in property median prices. This has continued to remain the case throughout 2019^.

The dominant proportion of houses sold in Glenorchy* across the 1st half of 2019 were in the low-end price of \$350,000, and mid-range price point \$400,000-\$425,000 (each with 24.1% of total sales). Units recorded a dominant lower-end price point of below \$250,000 (30.8%) over the same period. Affordable housing stock is still available in Glenorchy, hence buyers are encouraged to act quickly.

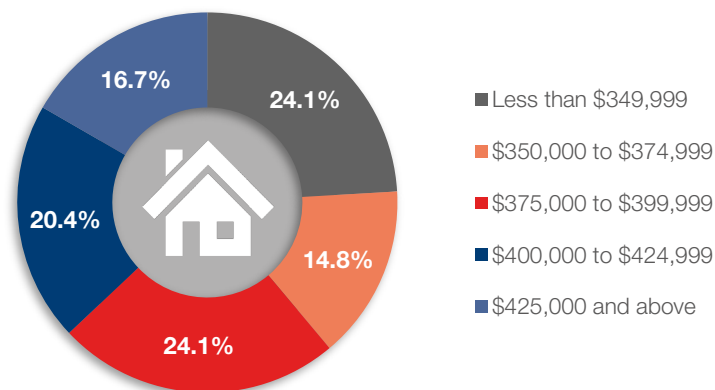
MARKET COMPARISON



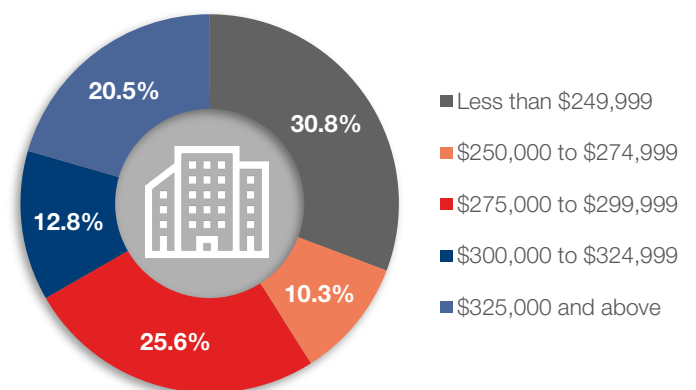
The market comparison graph provides a comparative trend for the median price of houses and units over the past 5 years. The main LGA profiled were chosen based on their proximity to the main suburb analysed, which is Glenorchy.

PRICE BREAKDOWN 1ST HALF 2019

HOUSES SOLD



UNITS SOLD



RENTAL GROWTH 2019*

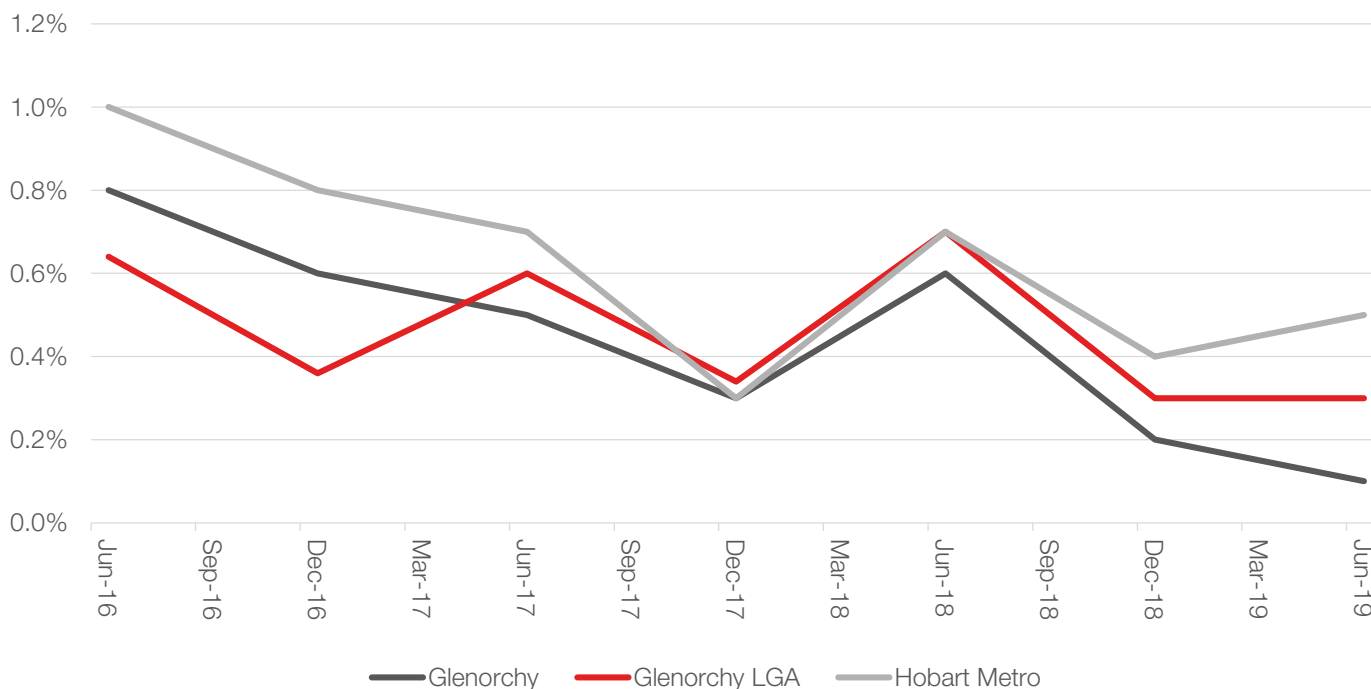
Over the past 12 months, house rental yields in Glenorchy increased to reach 5.6% in June 2019. This suggests the house rental market is in a healthy position, further confirmed by the decrease in average days on market across the same time period (down by -23.9% to 20 days in the 12 months to Q2 2019).

4+ bedroom houses provided investors with +12.9% rental growth annually, achieving a median rent of \$500 per week.

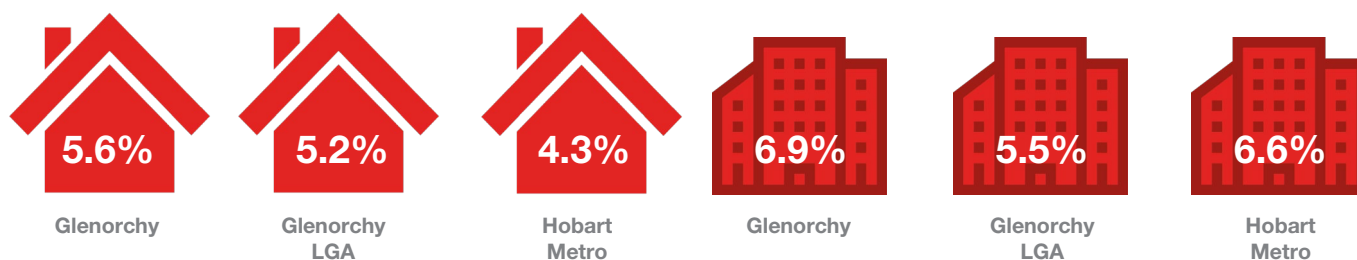
Glenorchy recorded a vacancy rate of 0.1% in June 2019, which is astonishingly low, even when compared to Hobart Metro's already very low 0.5%. This confirms a very strong rental demand exists for properties in Glenorchy.



RENTAL VACANCY RATES 2019



RENTAL YIELD 2019^

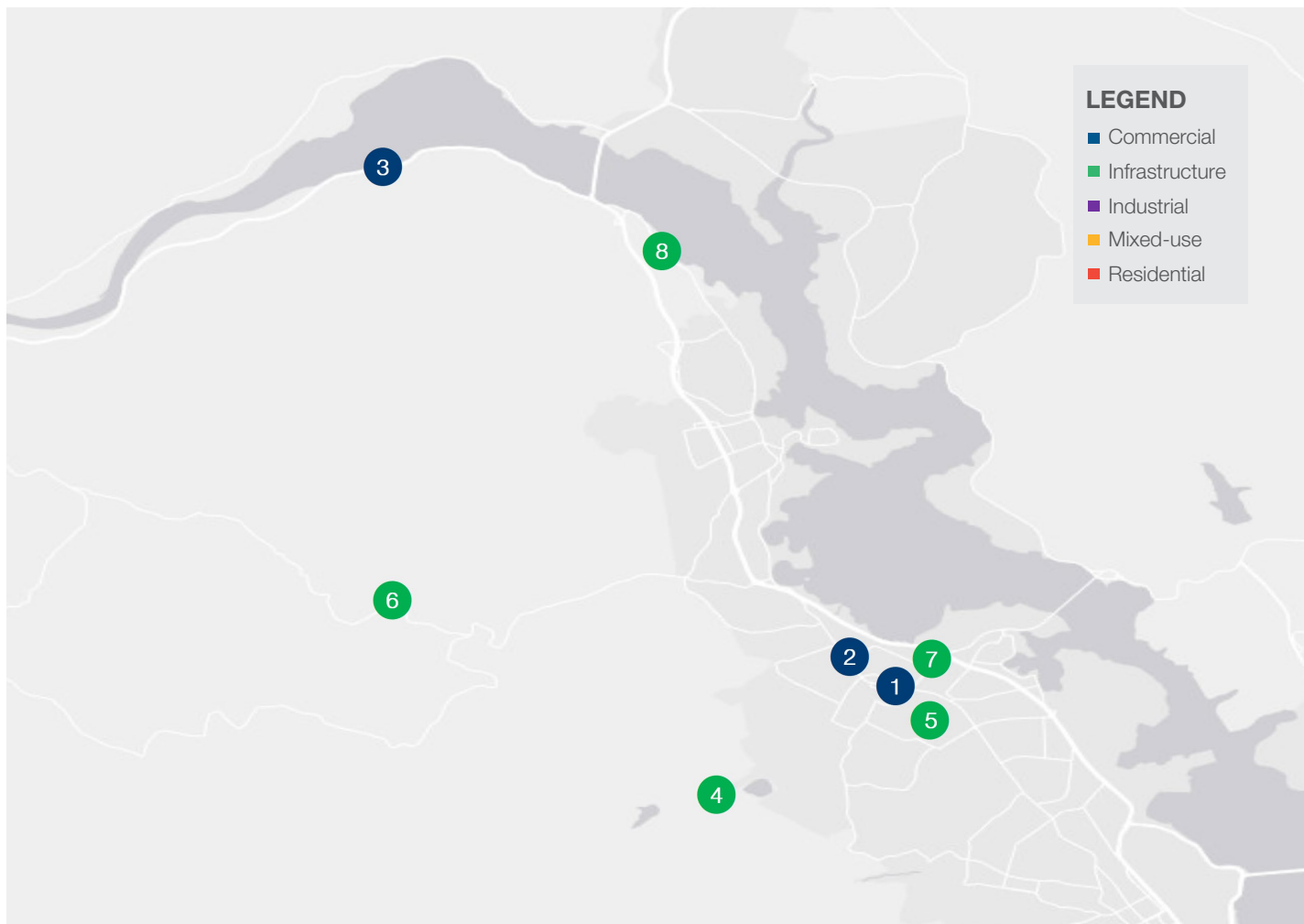


*Rental performance graph represents aggregate house median rent prices within the suburb Glenorchy. Annual rental growth is a comparison between 1st half 2018 and 1st half 2019 house median rent figures.

^Rental yields shown are as reported at June 2019.

Source: APM Pricerfinder, SQM Research. © Copyright PRDnationwide 2019.

PROJECT DEVELOPMENT MAP 2019*



Location	Project**	Type	Estimated Value***	Commence Date****
1	Korongee Dementia Village	Commercial	\$25,000,000	11/04/2019
2	National Storage – Montrose	Commercial	\$8,000,000	30/09/2019
3	Derwent Estate Vineyard	Commercial	\$280,000	13/03/2019
4	Tolosa Water Supply Upgrade Ancillary Design Consultancy	Infrastructure	\$5,000,000	21/01/2019
5	Main Road Roadworks	Infrastructure	\$1,400,000	20/01/2019
6	Molesworth Road Roadworks	Infrastructure	\$500,000	14/12/2019
7	Arnold Street Pavement Works	Infrastructure	\$400,000	16/11/2019
8	Main Road Pathway Stage 2	Infrastructure	\$295,000	01/04/2019

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

OUR KNOWLEDGE

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

OUR PEOPLE

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

OUR SERVICES

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



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