





# NEW NORFOLK MARKET UPDATE 2nd Half 2019



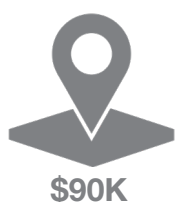
## OVERVIEW

In Q2 2019, New Norfolk\* recorded a median house price of \$220,000, and a median vacant land price of \$70,000. This represents annual (Q2 2018 – Q2 2019) median price growth of 7.4% for houses and 12.5% for land. Total sales in both markets slowed annually, down by -11.8% for houses to 30 sales and by -52.4% for land to 10 sales in Q2 2019. Limited land sales makes this data volatile, however the market still clearly presents excellent value to buyers.

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

## MARKET CONDITIONS

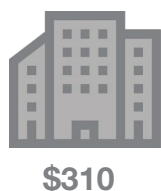
### SALES MEDIAN PRICE Q2 2019



### SALES AVERAGE DAYS ON MARKET Q2 2019



### RENTAL MEDIAN PRICE Q2 2019

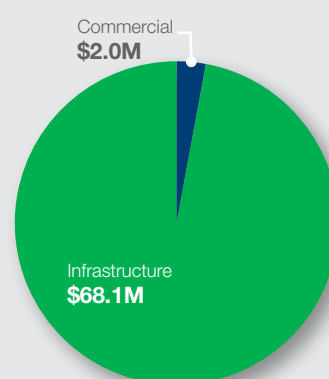


### RENTAL AVERAGE DAYS ON MARKET Q2 2019



## FUTURE DEVELOPMENTS

The Derwent Valley Local Government Area\* (LGA) is set to see approximately **\$70.1M worth of new projects commencing across 2019.**



A focus on infrastructure will help in providing residents of New Norfolk\* and its surrounds with improved lifestyle offerings and amenities. Such improvements should encourage additional population growth, which in turn is likely to have increased demand spill-over effects on the real estate market. This said, the area demonstrates an absence of residential projects, which will put further pressure on the market. Government authorities are urged to act and ensure the area is well-positioned for a sustainably priced property market in the near future.

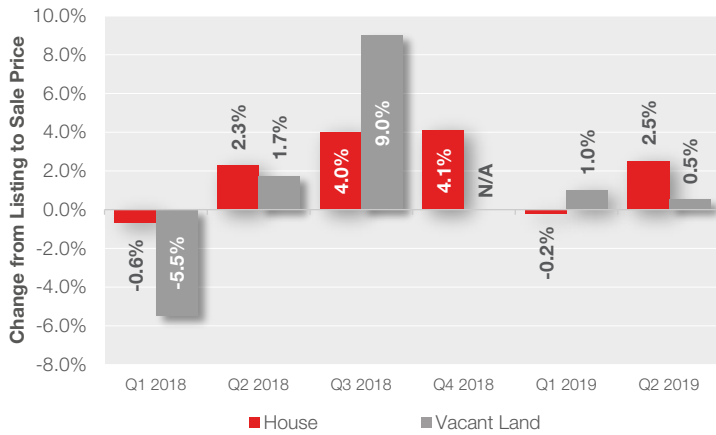
A main commercial project for 2019 is Casella Wines – Redlands Estate (\$540.0K). The project involves the conversion of an existing barn into a distillery and the construction of two barrel stores. A major infrastructure project for the period is the \$60.0M Derwent Valley Line Redevelopment consultancy. On completion, the project aims to restore the heritage narrow gauge Derwent Valley rail line, with improvements including new rails, sleepers and drainage.

\*New Norfolk market data and key indicators encapsulates aggregate property market conditions within the suburb 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, 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.



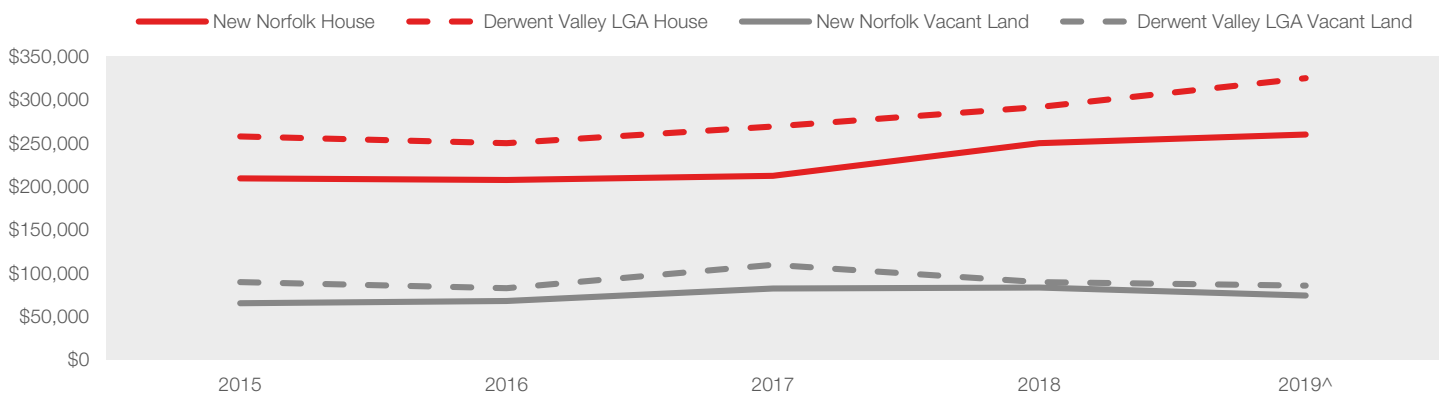
## KEY COMMENTS

Average vendor premiums between Q2 2018 and Q2 2019 have tightened for houses to 2.5% and widened to 0.5% for vacant land. Market conditions in New Norfolk\* continue to favour sellers, where buyers are required to negotiate above the initial listing price. That said there is now further discount in the vacant land market, thus a good time to buy.

New Norfolk suburb has historically been more affordable than the wider Derwent Valley LGA. This continues to be the case in 2019<sup>^</sup>, particularly in the housing market.

The dominant proportion of houses sold in New Norfolk\* across the 1<sup>st</sup> half of 2019 were priced above \$300,000 (33.3%). This said, more affordable homes priced between \$225,000-\$250,000 (20.8%) were still available. Vacant land recorded a dominant price point of \$90,000-\$100,000 (45.0%), with a significant portion also within \$70,000-\$80,000. This shows both affordable and premium options are available in the market, presenting buyers with choice.

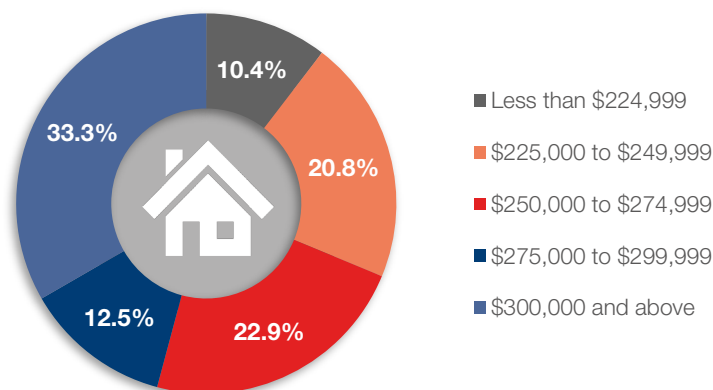
## MARKET COMPARISON



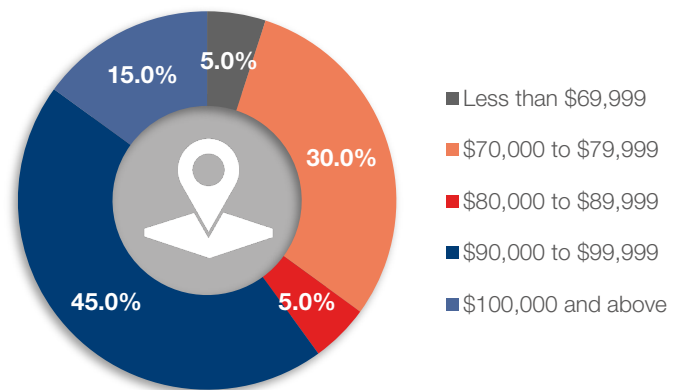
The market comparison graph provides a comparative trend for the median price of houses and vacant land over the past 5 years. The main LGA profiled were chosen based on their proximity to the main suburb analysed, which is New Norfolk.

## PRICE BREAKDOWN 1ST HALF 2019

### HOUSES SOLD



### LAND SOLD

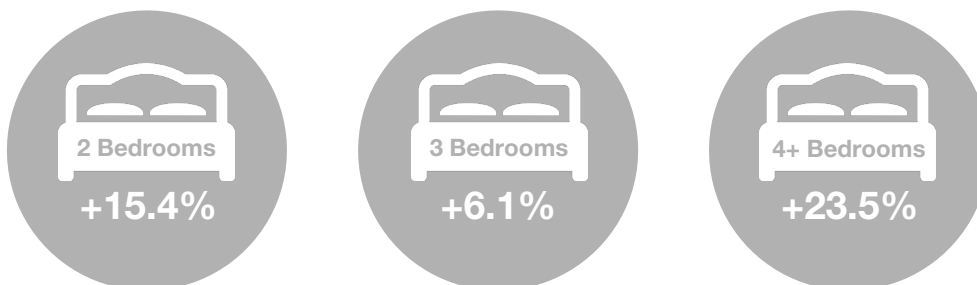


## RENTAL GROWTH 2019\*

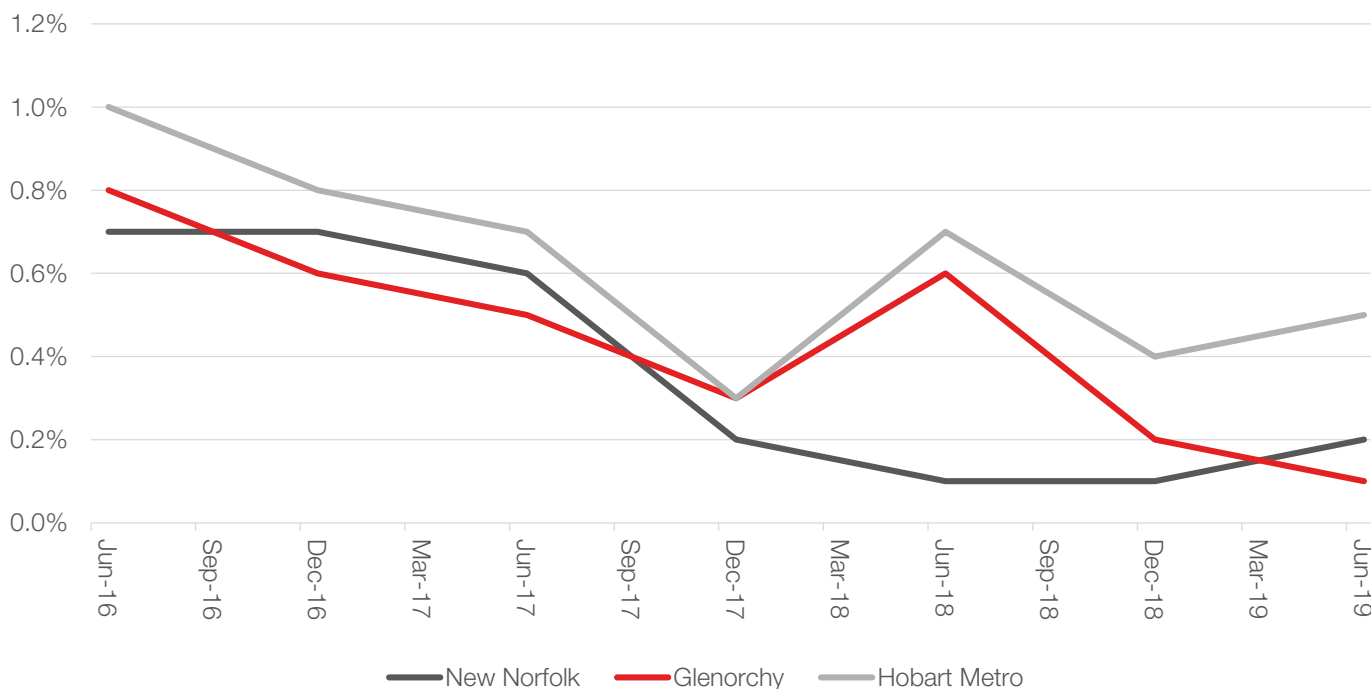
Over the past 12 months, house rental yields in New Norfolk\* increased to reach 5.3% in June 2019. There has been a slight decline in total house rental market activity across the same time period, down by -33.3%. This suggest there is an undersupply of house rental properties, an ideal time for investors to enter the market.

4+ bedroom houses have provided investors with +23.5% rental growth annually, achieving a median rent of \$420 per week.

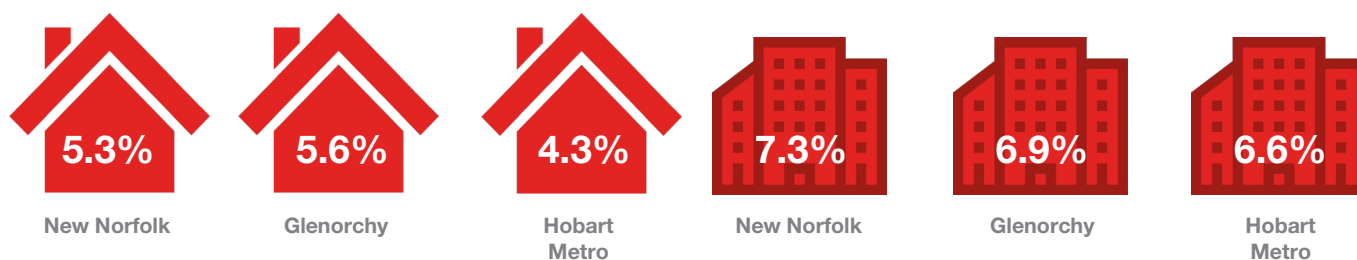
New Norfolk\* recorded a vacancy rate of 0.2% in June 2019, indicative of an exceptionally high demand rental market. This has been the case over the past 2 years, with New Norfolk\* recording a lower vacancy rate than Hobart Metro.



## RENTAL VACANCY RATES 2019



## RENTAL YIELD 2019^

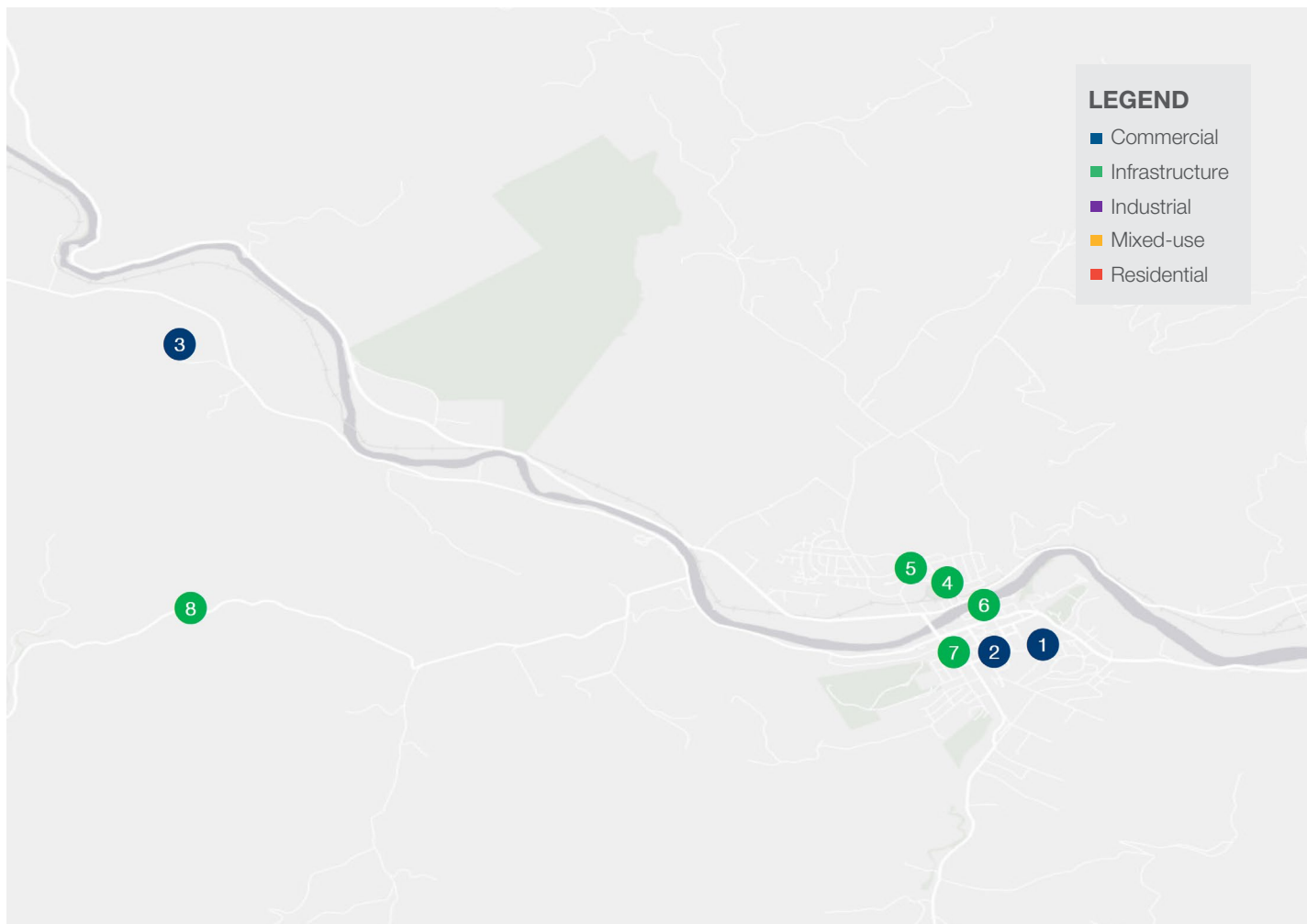


\*Rental performance graph represents aggregate house median rent prices within the suburb New Norfolk. Annual rental growth is a comparison between 1<sup>st</sup> half 2018 and 1<sup>st</sup> half 2019 house median rent figures.

^Rental yields shown are as reported at June 2019.

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

# PROJECT DEVELOPMENT MAP 2019\*



Location	Project**	Type	Estimated Value***	Commence Date****
1	Corumbene Nursing Home	Commercial	\$300,000	27/05/2019
2	Charles Street Bottle Shop & Gymnasium	Commercial	\$200,000	08/01/2019
3	Casella Wines – Redlands	Commercial	\$540,000	06/12/2019
4	Derwent Valley Line Redevelopment	Infrastructure	\$60,000,000	15/12/2019
5	New Norfolk Structure Plan	Infrastructure	\$5,000,000	24/04/2019
6	New Norfolk Rowing Club	Infrastructure	\$2,300,000	16/10/2019
7	Derwent Valley Council Footpath Replacement Program	Infrastructure	\$300,000	14/08/2019
8	Wyre Forest Creek & Plenty River Bridges	Infrastructure	\$450,000	06/10/2019

## 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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