



# Glenorchy Market Update 1st Half 2020



## OVERVIEW

In Q4 2019, Glenorchy\* recorded a median house price of \$382,500, and a median unit price of \$344,500. This represents annual (Q4 2018 – Q4 2019) median price softening of -0.8% for houses and growth of 34.2% for units. At the same time, total house sales slowed in Q4 2019, down by -23.8% (to 32 sales) while total unit sales increased by 27.3% (to 28 sales). There is a strong appetite for units, verified through high median price growth even with increase in demand. Now is the time for more residential supply to enter the market.

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

## MARKET CONDITIONS

### SALES MEDIAN PRICE Q4 2019



### SALES AVERAGE DAYS ON MARKET Q4 2019



### RENTAL MEDIAN PRICE Q4 2019

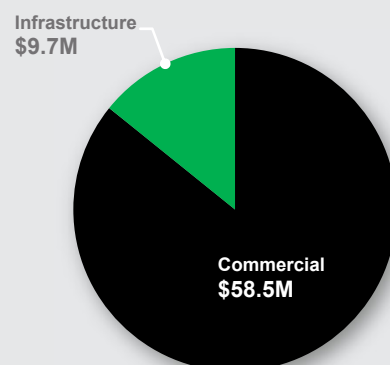


### RENTAL AVERAGE DAYS ON MARKET Q4 2019



## FUTURE DEVELOPMENTS

Glenorchy Local Government Area (LGA) is set to see approx. **\$68.2M worth of new projects commence in 2019 and the 1st half of 2020.**



A mix 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 continues to raise supply concerns. With rental vacancies is currently at extremely tight levels, now is the time for government authorities to encourage residential development activity in the area.

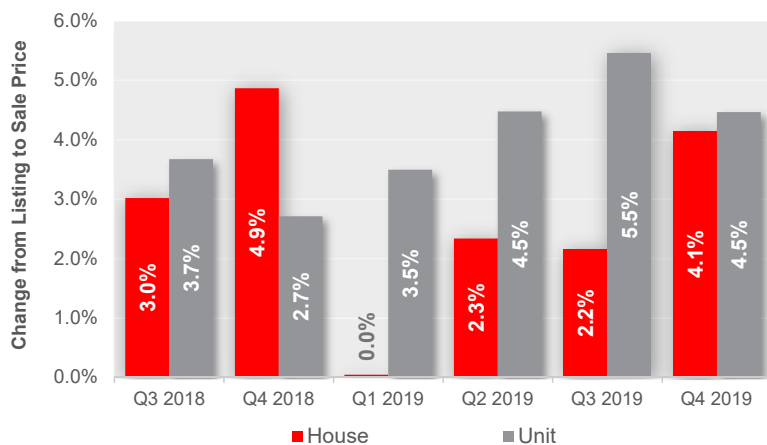
A main commercial project over this period is the \$25.0M Korongee Dementia Village. It will construct an aged care facility, designed to recreate real-life experiences for people with dementia. It will include houses, a supermarket, shops, cinema, café, and a beauty salon and gardens. This project will 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, which will add value to the local Glenorchy area.

\*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 Pricer, Cordell Connect database. © Copyright PRD 2020.

## AVERAGE VENDOR DISCOUNT\* KEY COMMENTS

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.

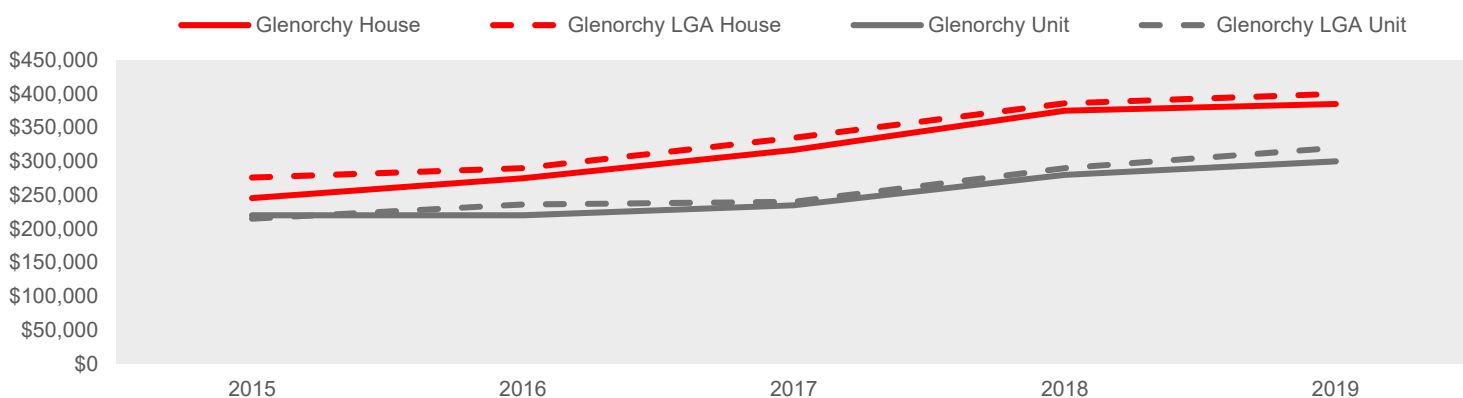


Average vendor discounting between Q4 2018 and Q4 2019 remained at a premium for both property types, slightly lower to +4.1% for houses and higher to +4.5% for units. Market conditions in Glenorchy\* continue to favour vendors, as buyers must submit offers above the list price to secure property, particularly in the unit market. This makes now an ideal time to sell.

The suburb of Glenorchy has historically remained slightly more affordable compared to the wider Glenorchy LGA in property median prices.

The dominant price point for houses sold in Glenorchy\* across 2019 was above \$425,000 (25.0%). Units recorded a dominant upper-end price point of \$300,000-\$350,000 (28.2%) over the same period. Premium markets are clearly dominant, however some affordable housing options remain available in Glenorchy. Buyers are therefore urged to act while stock is available.

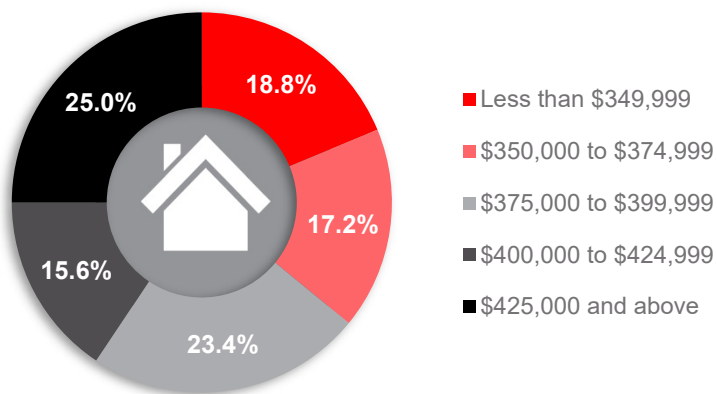
## MARKET COMPARISON



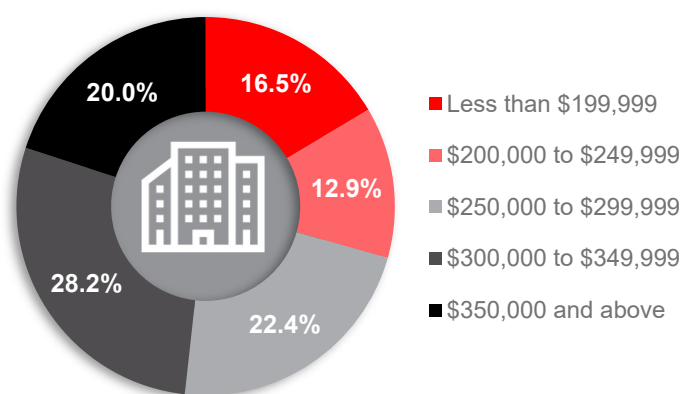
The market comparison graph provides a comparative trend for the median price of houses and units over the past 5 years. The main LGA profiled was chosen based on their proximity to the main suburb analysed, which is Glenorchy.

## PRICE BREAKDOWN 2019

### HOUSES SOLD



### UNITS SOLD

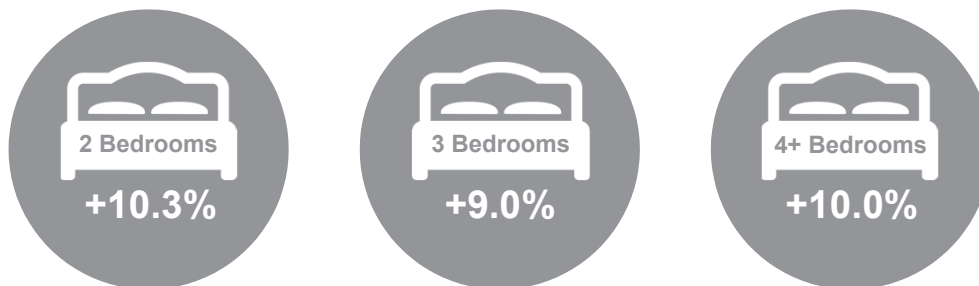


## RENTAL GROWTH 2019\*

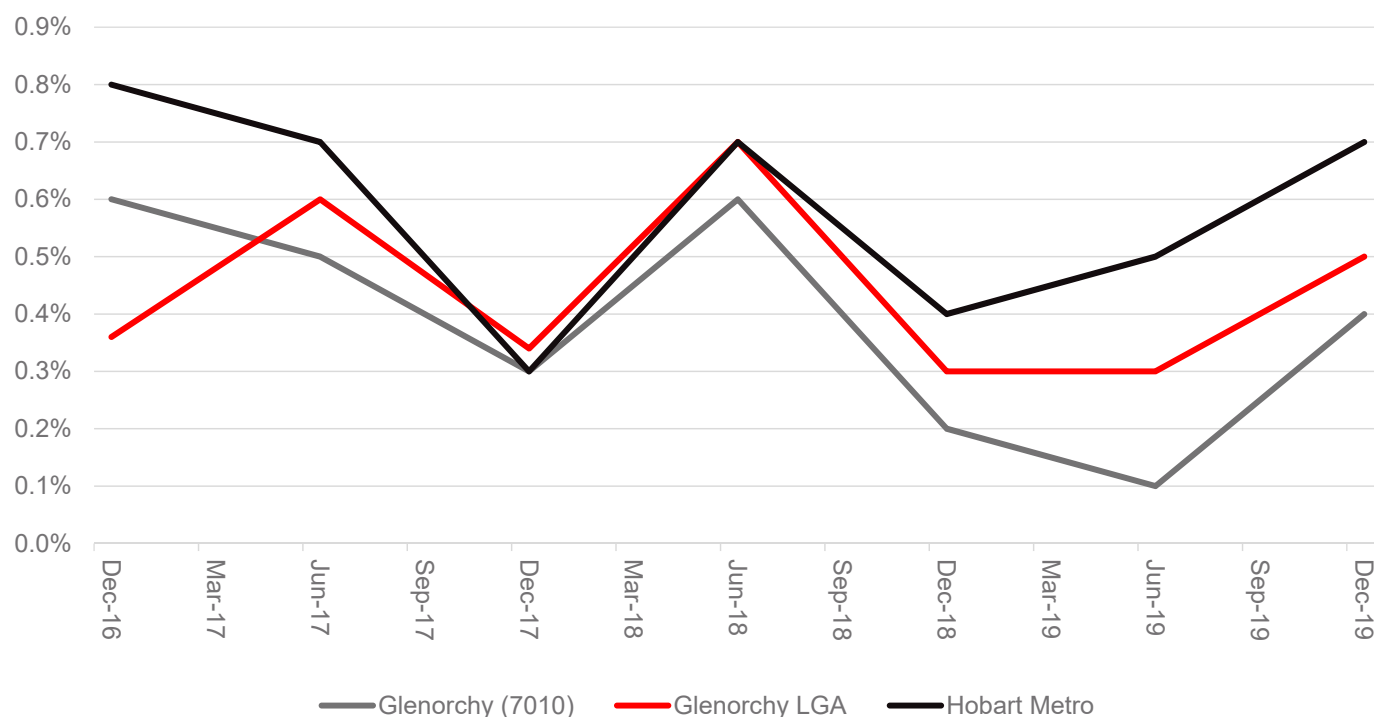
Over the past 12 months, house rental yields in Glenorchy increased slightly to reach 5.9% in December 2019. This suggests the house rental market is in a healthy position, which is further confirmed by the low average days to let (20 days for houses and 14 days for units in Q4 2019).

2 bedroom houses provided investors with +10.3% rental growth annually, achieving a median rent of \$375 per week.

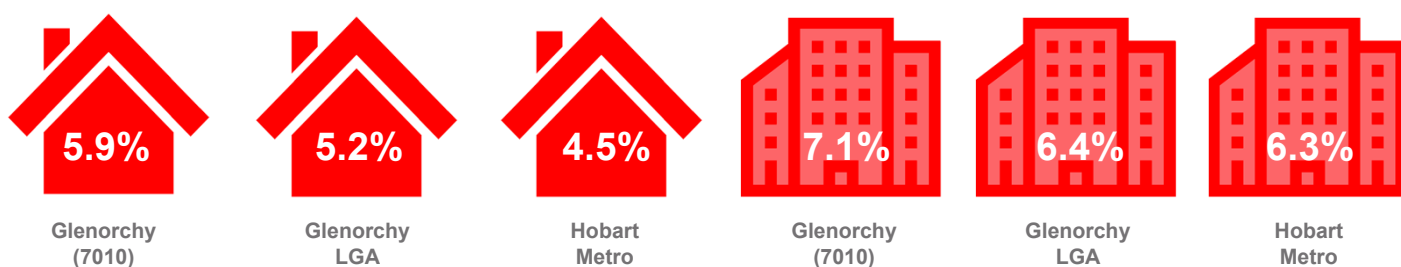
Glenorchy recorded a vacancy rate of 0.4% in December 2019, which is extremely low, even when compared to Hobart Metro's already very low 0.5%. This is significantly lower than the Real Estate Institute of Australia's healthy benchmark of 3.0%, which confirms there is a very strong rental demand for properties in Glenorchy. Now is the time for investors to enter the market, as there is high confidence of quick occupancy for rental properties.



## RENTAL VACANCY RATES 2019



## RENTAL YIELD 2019^



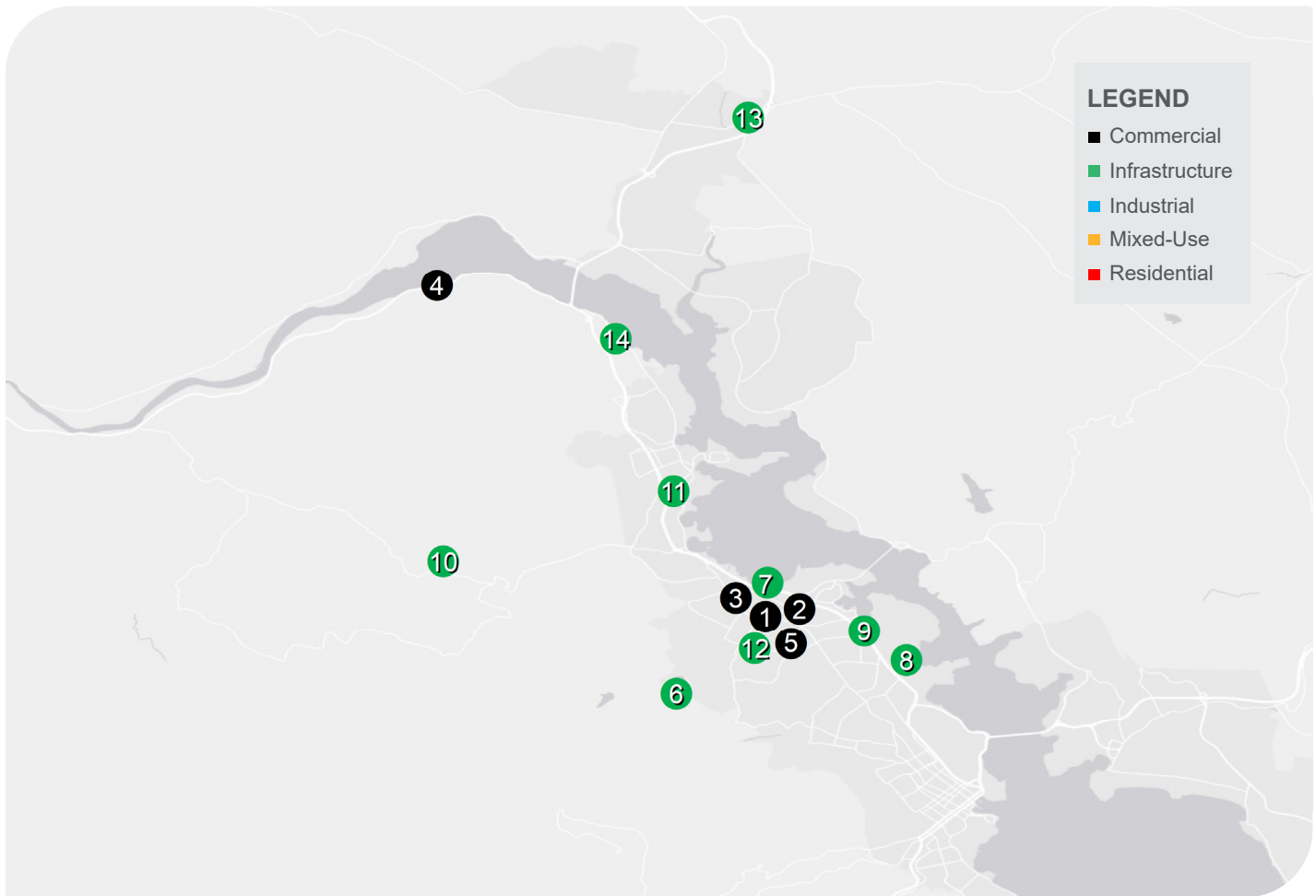
\*Rental performance graph represents aggregate house median rent prices within the suburb Glenorchy.

Annual rental growth is a comparison between 2018 and 2019 house median rent figures.

^Rental yields shown are as reported at December 2019.

Source: APM Pricefinder, SQM Research. © Copyright PRD 2020.

# PROJECT DEVELOPMENT MAP 2019-1ST HALF 2020\*



| Location | Project**  | Type           | Estimated Value*** | Commence Date**** |
|----------|--|----------------|--------------------|-------------------|
| 1        | Korongee Dementia Village                                | Commercial     | \$25,000,000       | 11/04/2019        |
| 2        | Spotlight & Anacoda Glenorchy                            | Commercial     | \$25,000,000       | 24/02/2020        |
| 3        | National Storage - Montrose                              | Commercial     | \$8,000,000        | 01/11/2019        |
| 4        | Derwent Estate Vineyard                                  | Commercial     | \$280,000          | 13/03/2019        |
| 5        | Glenorchy Cbd Revitalisation                             | Commercial     | \$250,000          | 09/08/2019        |
| 6        | Tolosa Water Supply Upgrade Ancillary Design Consultancy | Infrastructure | \$5,000,000        | 21/01/2019        |
| 7        | Main Road Roadworks                                      | Infrastructure | \$1,400,000        | 20/01/2019        |
| 8        | Nyrstar Ground Water Extraction System                   | Infrastructure | \$1,000,000        | 22/02/2020        |
| 9        | Prince Of Wales Bay Sports Precinct                      | Infrastructure | \$500,000          | 29/10/2019        |
| 10       | Molesworth Road Roadworks                                | Infrastructure | \$500,000          | 14/12/2019        |
| 11       | Myella Drive Roadworks                                   | Infrastructure | \$400,000          | 14/11/2019        |
| 12       | Clydesdale Avenue Roadworks                              | Infrastructure | \$300,000          | 20/01/2020        |
| 13       | Bridgewater Bridge                                       | Infrastructure | \$300,000          | 20/01/2020        |
| 14       | 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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