



Glenorchy Market Update 2nd Half 2020



OVERVIEW

In Q2 2020, Glenorchy* recorded a median house price of \$436,500, and a median unit price of \$355,000. This represents annual (Q2 2019 – Q2 2020) median price growth of 7.5% for houses and of 14.5% for units. Between Q2 2019 – Q2 2020 total sales slowed, by -35.4% for houses (to 104 sales) and by -54.1% for units (to 34 sales). A softer demand is expected due to COVID-19, however price growth in both property types indicate high resilience. With reduced competition, now is the time to transact in Glenorchy*.

	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 Q2 2020



SALES AVERAGE DAYS ON MARKET Q2 2020



RENTAL MEDIAN PRICE Q2 2020

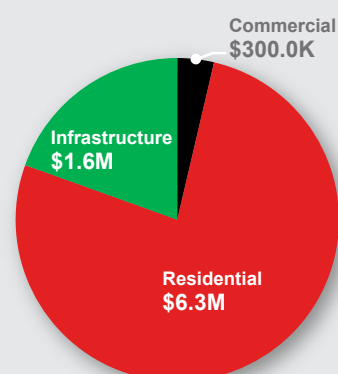


RENTAL AVERAGE DAYS ON MARKET Q2 2020



FUTURE DEVELOPMENTS

Glenorchy* is set to see approximately **\$8.2M** worth of new projects set to commence in the 2nd half of 2020.



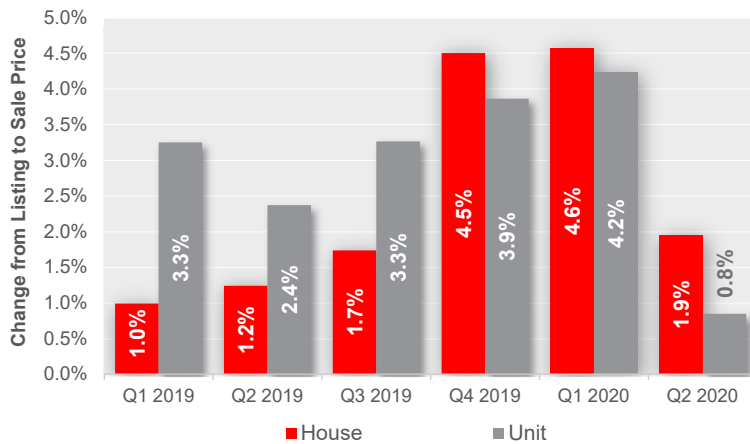
These projects will stimulate economic growth and create new housing stock in Glenorchy*, which should in turn have a positive spill-over effect on the property market. Infrastructure projects will contribute in improving liveability aspects for current residents.

A major residential project for the 2nd half of 2020 is the \$5.5M Abbotsfield Road Dwellings (55 dwellings). This is a significant project which will assist in reducing the high stress placed on housing stock in Glenorchy*, and will allow for population growth and more sustainable property prices in the area. Infrastructure projects such as Bowden Street Roadworks (\$500.0K), will see improvements to footpath and road surfaces on Bowden Street from Fairfax Street to Windsor Street. Such projects improve accessibility and amenities for residents, in turn improving local's lifestyles.



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.



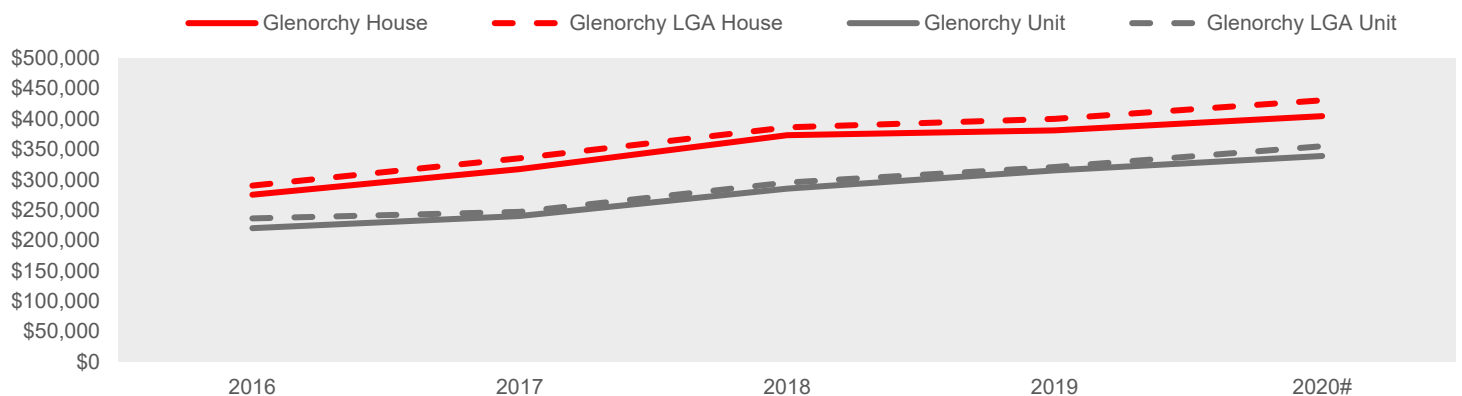
KEY COMMENTS

Average vendor discounts between Q2 2019 and Q2 2020 have lessened for houses, to a buyer's premium of 1.9% for houses; while units increased slightly to +0.8%. Market conditions in Glenorchy* continue to favour vendors overall however, as buyers are willing to offer above initial listing prices. Now is the time to sell.

The suburb of Glenorchy has historically provided slightly superior value against the wider Glenorchy Local Government Area (LGA) in both house and unit median prices. This continues to be the case in 2020#.

The dominant proportion of homes sold in Glenorchy* across 2020^ were in the premium price bracket of above \$500,000 (29.5%), while units recorded a dominant high price point of \$350,000-\$400,000 (29.9%). There is stock available for all budgets in Glenorchy*, which is good news for all buyers.

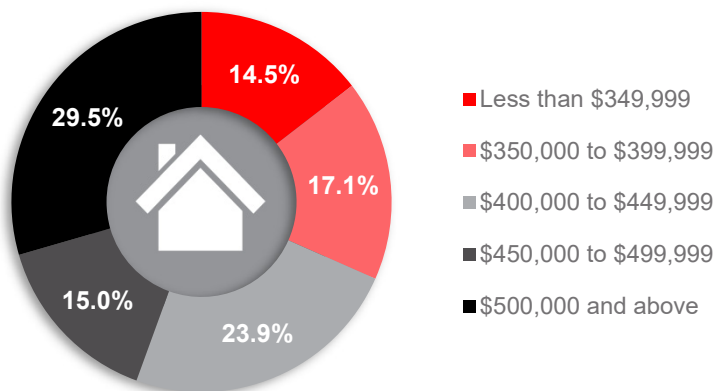
MARKET COMPARISON



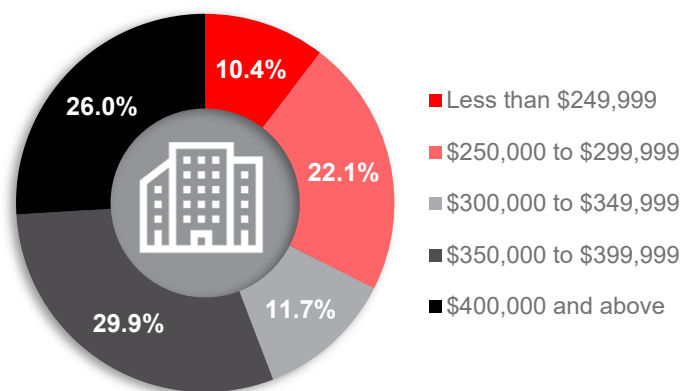
The market comparison graph provides a comparative trend for the median price of houses and units over the past 5 years. The main LGAs profiled was chosen based on their proximity to the main suburb analysed, which is Glenorchy.

PRICE BREAKDOWN 2020^

HOUSES SOLD



UNITS SOLD

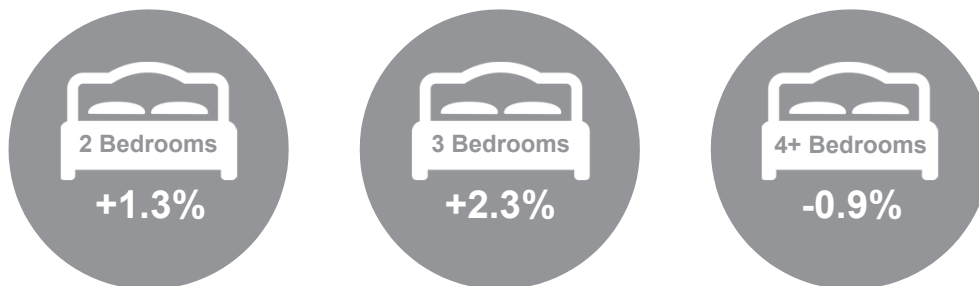


RENTAL GROWTH 2020€

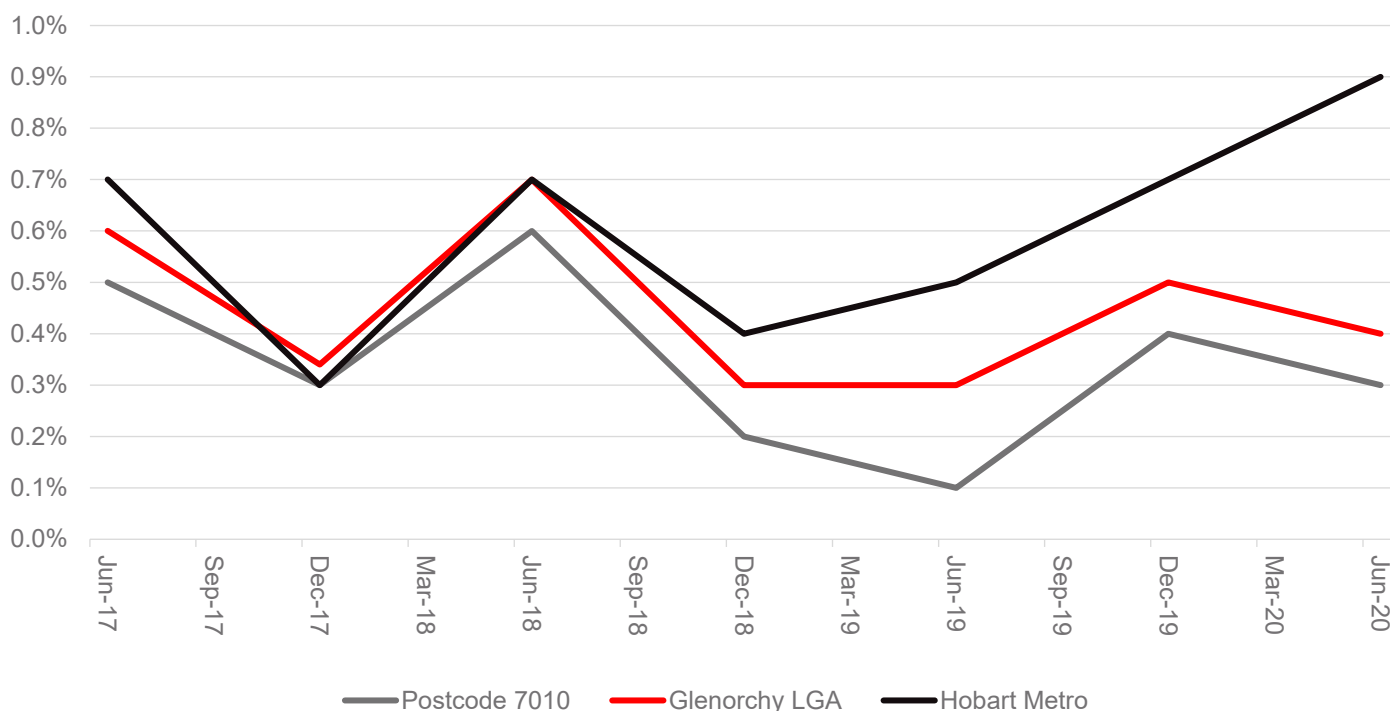
Over the past 12 months, house rental yields in Postcode 7010 have tightened to sit at 4.4% in June 2020. This suggests the house rental market is in a reasonably healthy position, as does the unchanged average days to let a house in Glenorchy* across the same time period (34 days in Q2 2020).

3 bedroom houses have provided investors with +2.3% rental growth annually, achieving a median rent of \$450 per week.

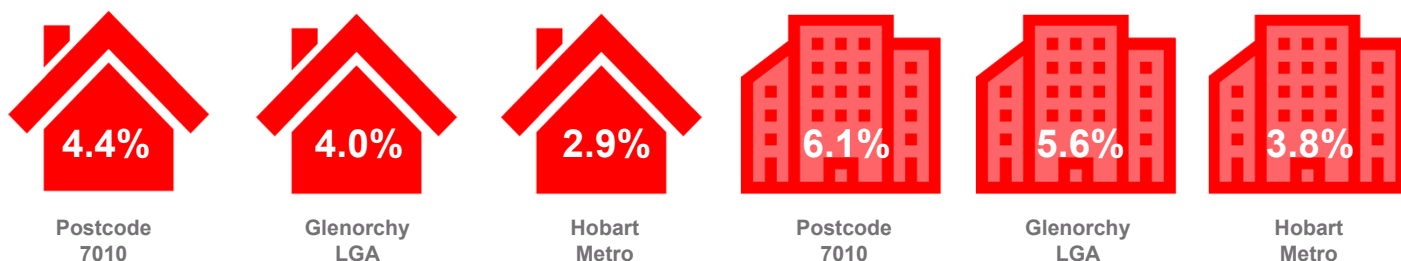
Postcode 7010 recorded an extremely tight vacancy rate of 0.3% in June 2020, which is even lower than Hobart Metro's already low 0.9% average. The vacancy rate in Postcode 7010 shows a declining trend since December 2019, opposite to the predicted rental market trends amidst COVID-19. This confirms a strong rental demand exists for properties in the area, and investors can be confident of a conducive investment environment in the area.



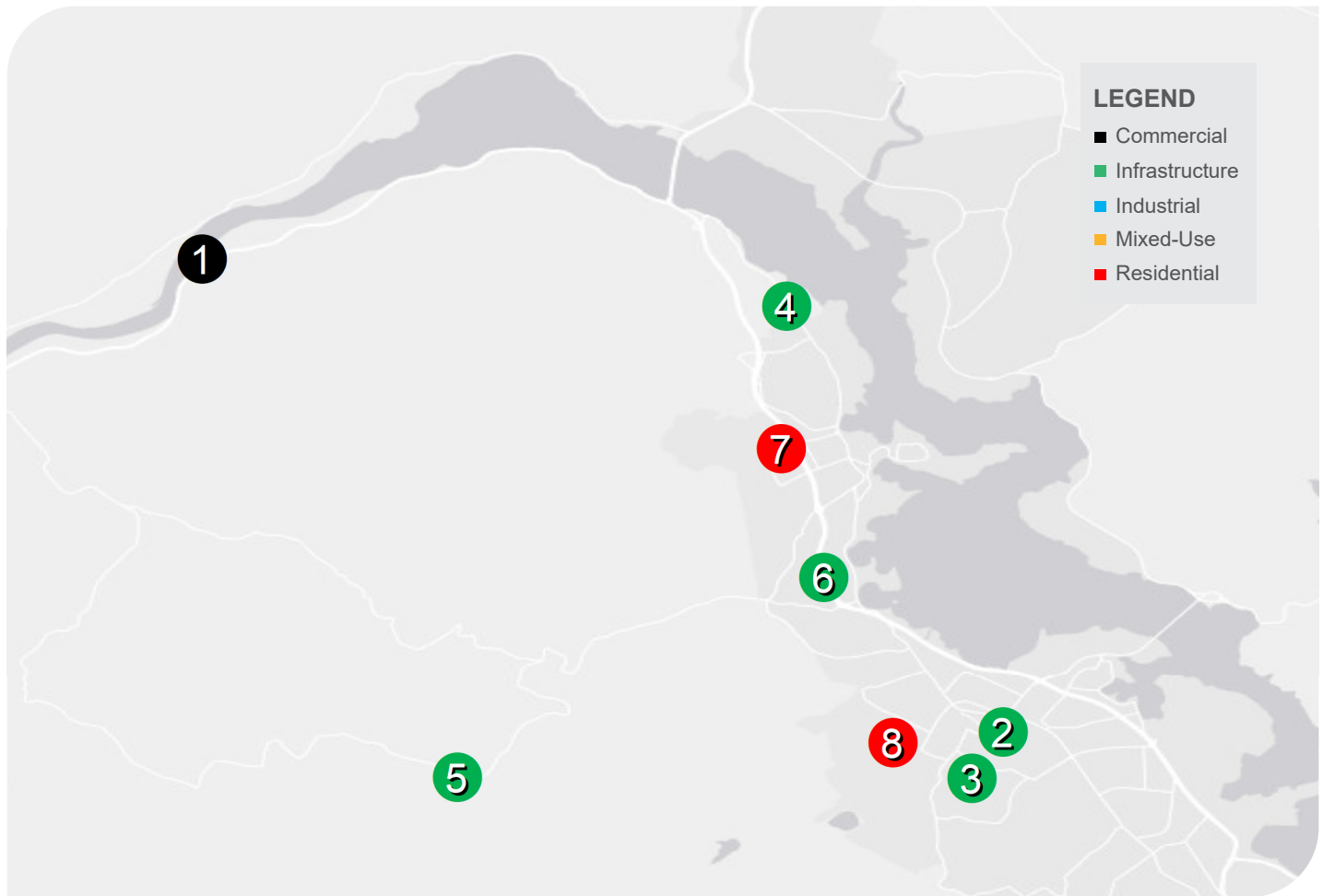
RENTAL VACANCY RATES 2020



RENTAL YIELD 2020\$



PROJECT DEVELOPMENT MAP 2ND HALF 2020[Ⓐ]



Location	Project [£]	Type	Estimated Value [Ⓜ]	Commence Date [Ⓜ]
1	HC Millington Memorial Aquatic Tasmania	Commercial	\$300,000	07/11/2020
2	Bowden Street Roadworks	Infrastructure	\$500,000	26/11/2020
3	Clydesdale Avenue Roadworks	Infrastructure	\$300,000	20/09/2020
4	Granton Goulds Lagoon	Infrastructure	\$300,000	04/09/2020
5	Collinsvale Road To Molesworth Road Guardrails	Infrastructure	\$250,000	05/11/2020
6	Catherine Street Roadworks	Infrastructure	\$250,000	25/12/2020
7	Abbotsfield Road Dwellings (55 Dwellings)	Residential	\$5,500,000	04/12/2020
8	Obriens Road Units (3 Units)	Residential	\$800,000	18/12/2020

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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REFERENCES

* Glenorchy market data and key indicators encapsulates aggregate property conditions within the Glenorchy Local Government Area (LGA).

** Estimated values are based on construction value provided by the relevant data authority and does not reflect commercial and/or re-sale value.

2020 encapsulates sales transactions for 1H 2020 (01/01/2020 – 30/06/2020) only.

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€ Annual rental growth is a comparison between 1H 2019 (01/01/2019 – 30/06/2019) and 1H 2020 (01/01/2020 – 30/06/2020) house median rent figures.

¥ Glenorchy LGA market data encapsulates aggregate property conditions within the Postcodes 7008, 7009, 7010, 7011, 7012, 7030, and 7054.

§ Rental yields shown are as reported at June 2020.

⌘ 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 LGA.

μ Estimated value is the value of construction costs provided by relevant data authority, it does not reflect the project's sale/commercial value.

ψ Commencement date quoted for each project is an approximate only, as provided by the relevant data authority, PRD does not hold any liability to the exact date.

Source: APM Pricerfinder, Cordell Connect database, SQM Research, ESRI ARCGIS.

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