

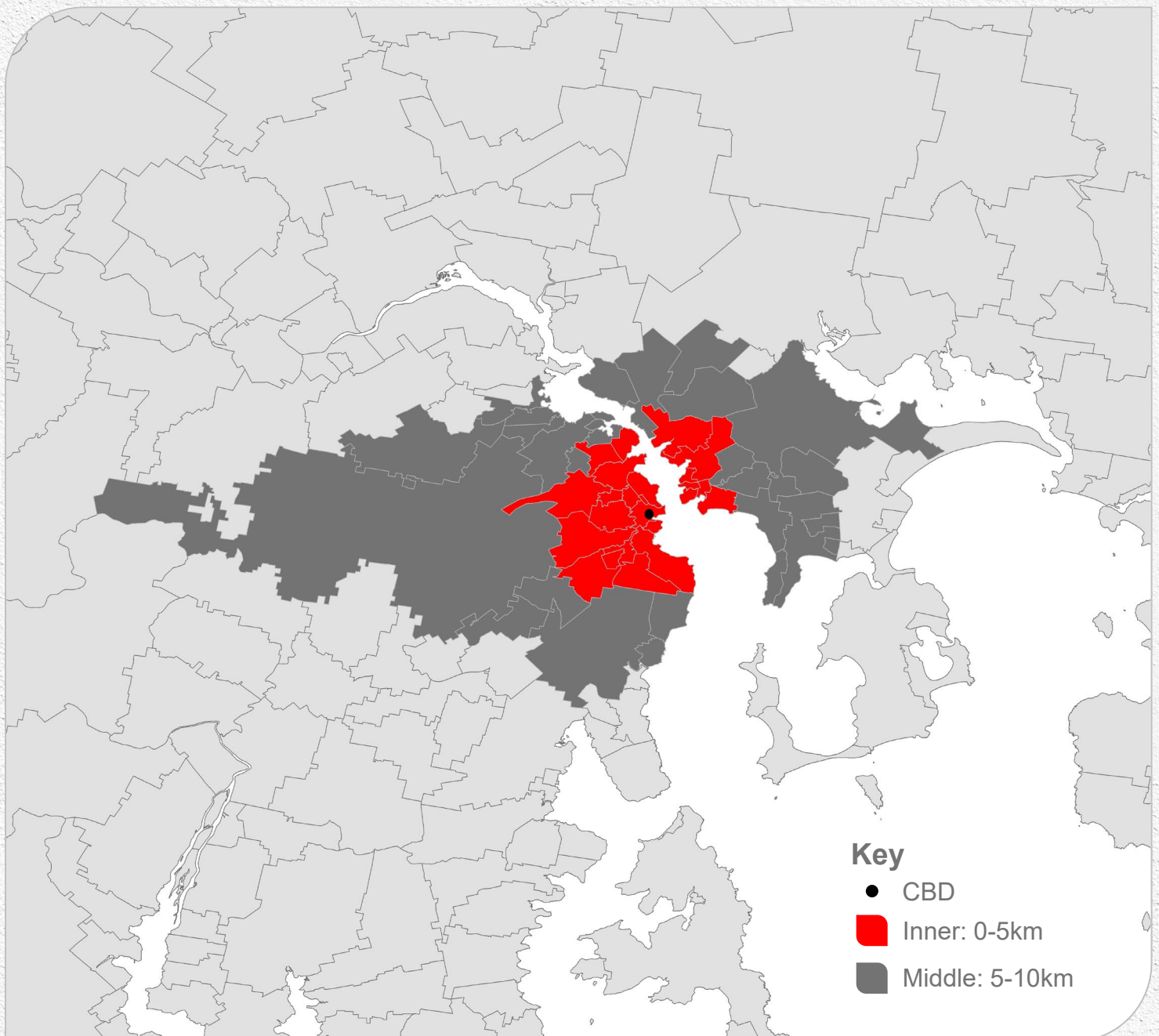
> Hobart | Major City Market Update

1st Half 2021

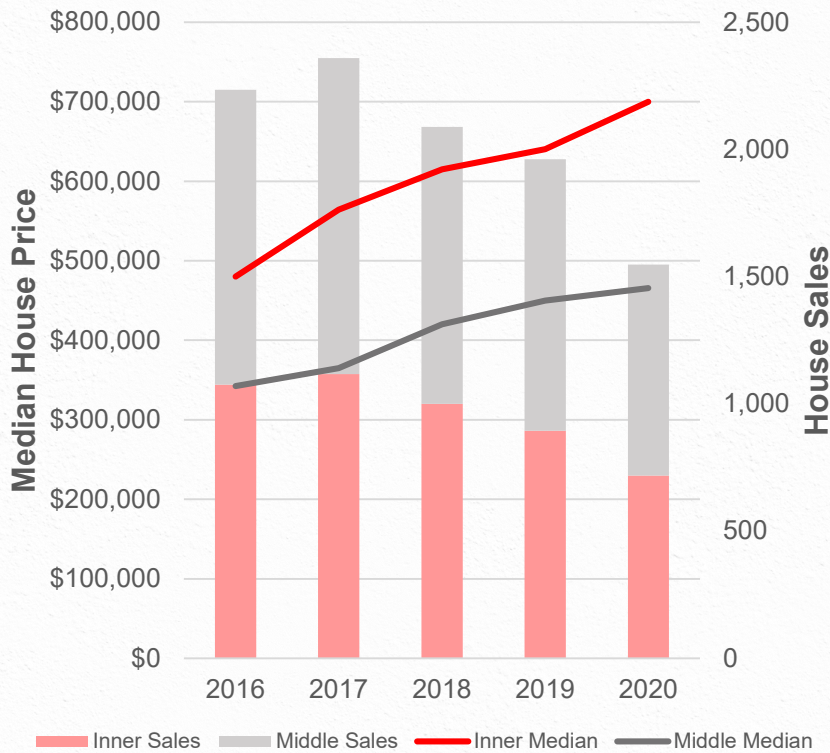
INTRODUCTION

A first of its kind, the *PRD Hobart Major City Market Update 1st Half 2021* is part of a series of reports which divides major cities into inner, middle, and outer-rings, allowing for an in-depth analysis of each specified market, whilst painting a holistic picture of property conditions in each area.

The Hobart market has seen outstanding growth in both its rings over the past five years, with the inner-ring a being particular standout. Incredibly low vacancy rates continue to feature across Hobart's rings, sustaining rental prices which has seen normal growth patterns over the past 12 months. Buyers must still be quick to purchase a property anywhere in Hobart however, with average vendor premiums to purchase property sharply increasing over this same period.



HOBART HOUSE SALES 2016-20



2020 Median Sale Price

- Inner: \$700,000
- Middle: \$465,500

2016-20 Price Growth

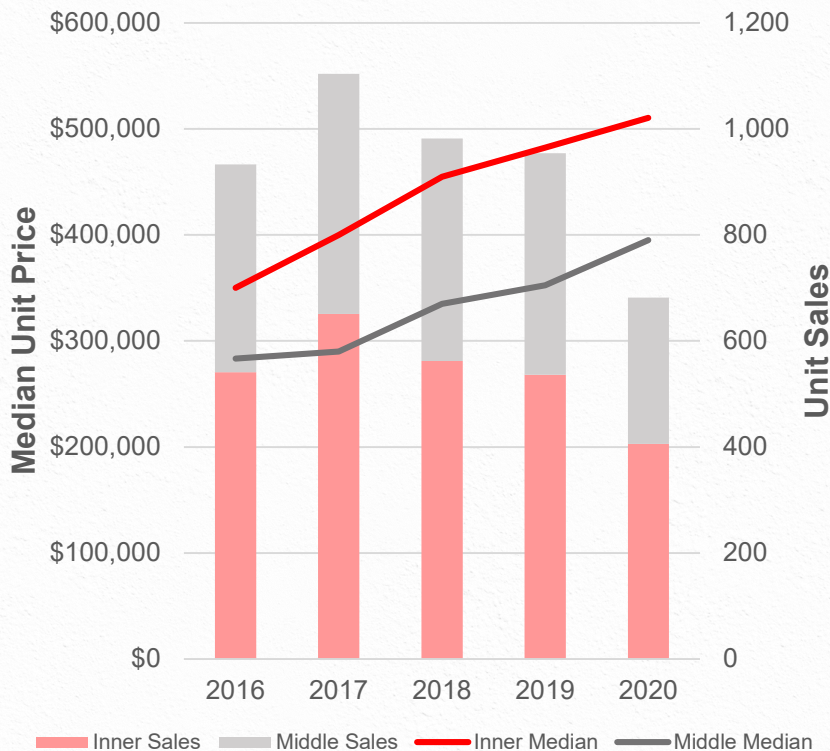
- Inner: +45.8% (+\$220,000)
- Middle: +35.9% (+\$123,000)

Key Comments

- Hobart has recorded exceptionally strong house price growth in the inner and middle rings since 2016.
- From 2016 there is a lower gap in between prices in Hobart's middle ring and inner ring areas.

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HOBART UNIT SALES 2016-20



2020 Median Sale Price

- Inner: \$510,500
- Middle: \$395,000

2016-20 Price Growth

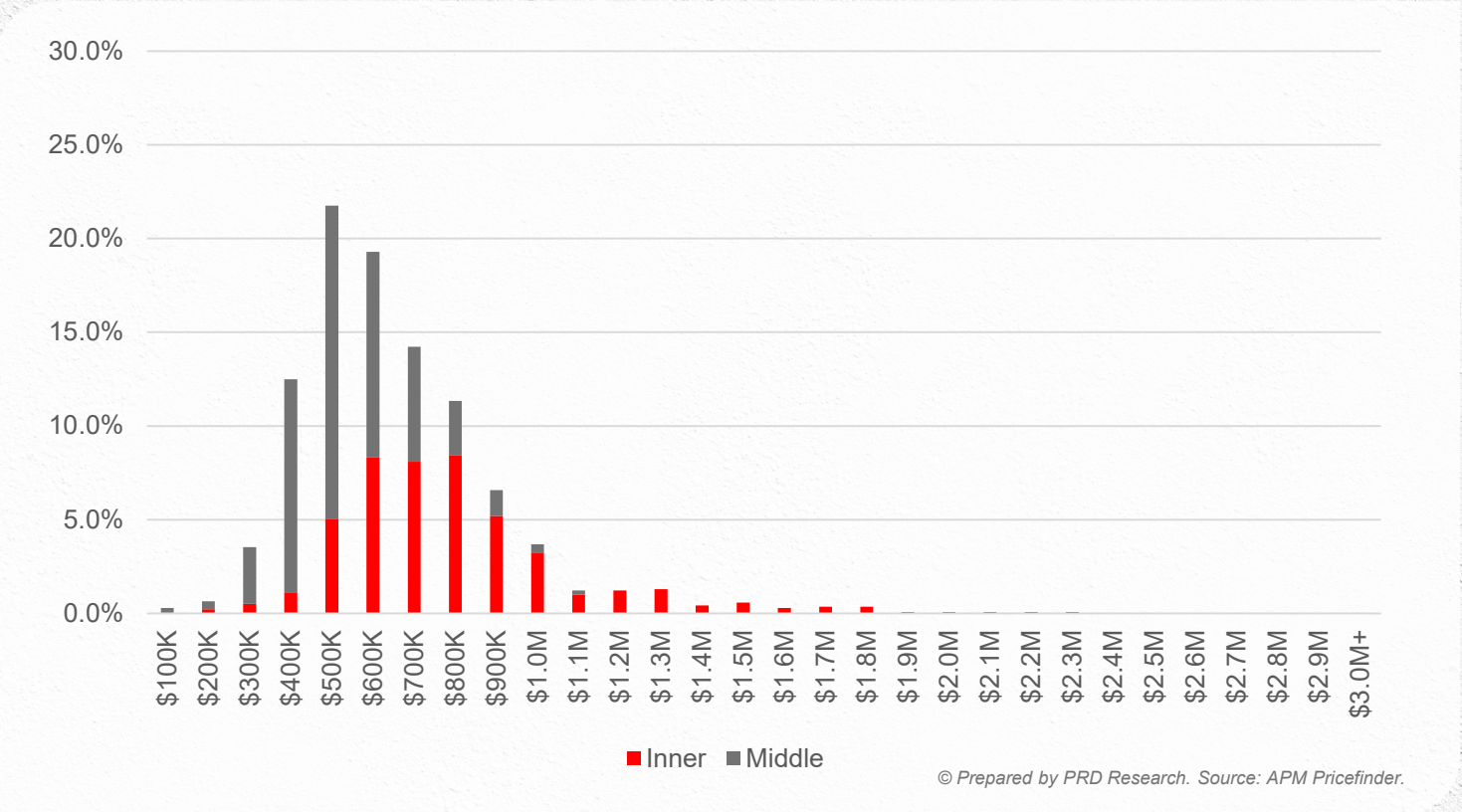
- Inner: +45.9% (+\$160,500)
- Middle: +39.3% (+\$111,500)

Key Comments

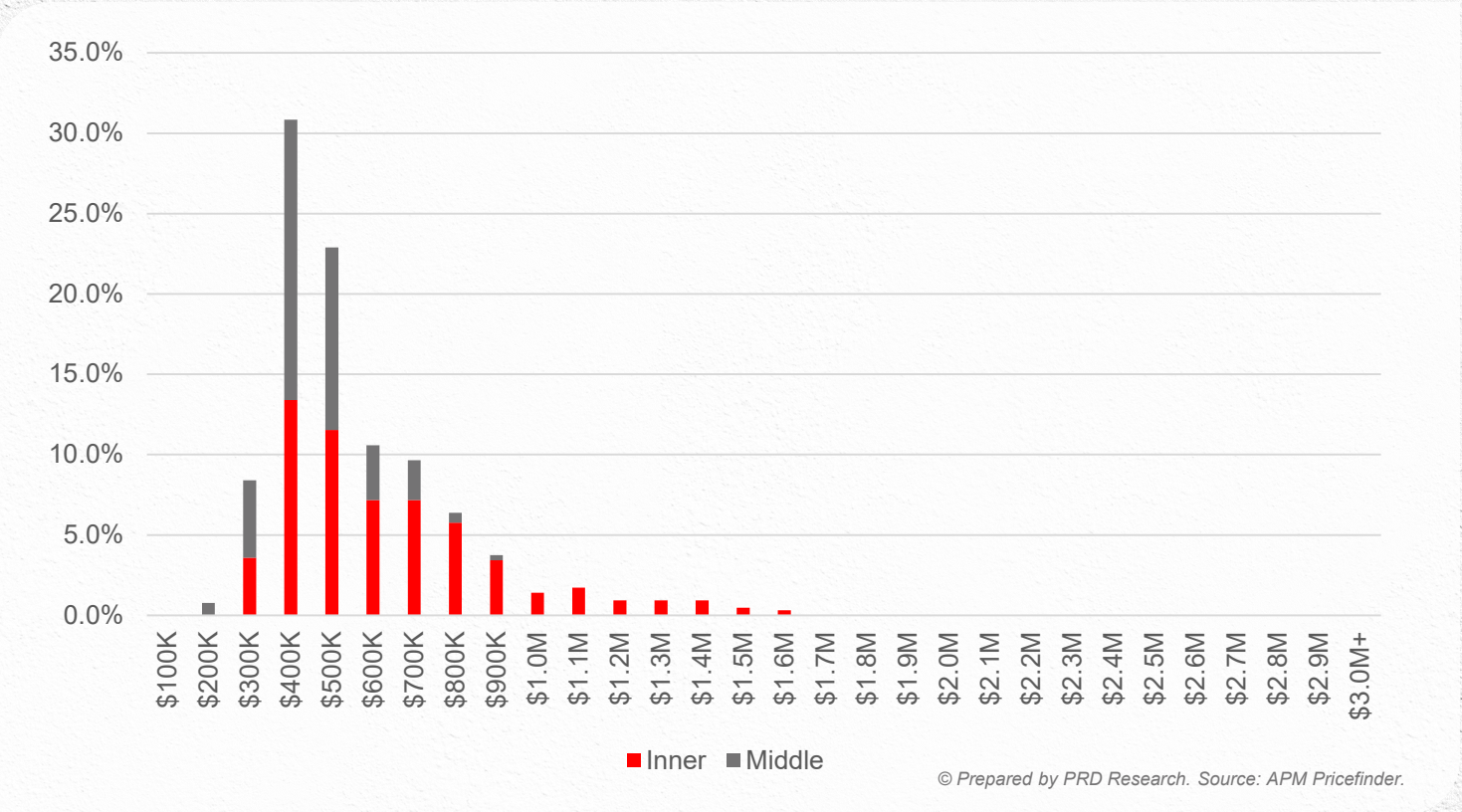
- Both rings in Hobart have also performed exceptionally well for unit price growth.
- Middle ring unit pricing has now exceeded inner ring unit pricing levels from 2017.

© Prepared by PRD Research. Source: APM Pricefinder.

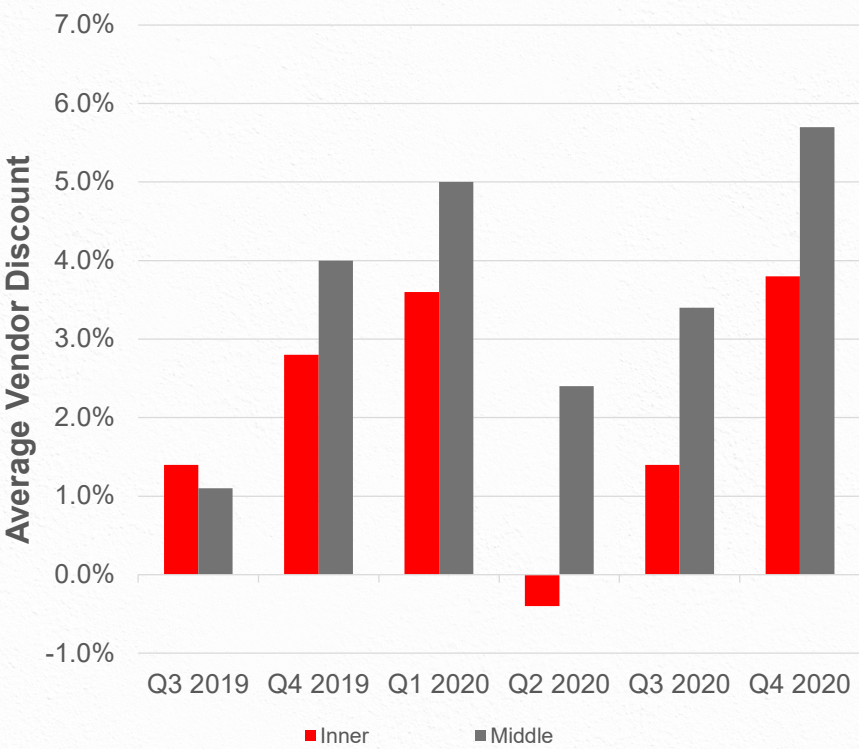
HOBART HOUSE SALES PRICE DISTRIBUTION 2020



HOBART UNIT SALES PRICE DISTRIBUTION 2020



HOBART HOUSE AVERAGE VENDOR DISCOUNT



Q4 2020 Overview

- Inner: +3.8%
- Middle: +5.7%

What is Average Vendor Discount?

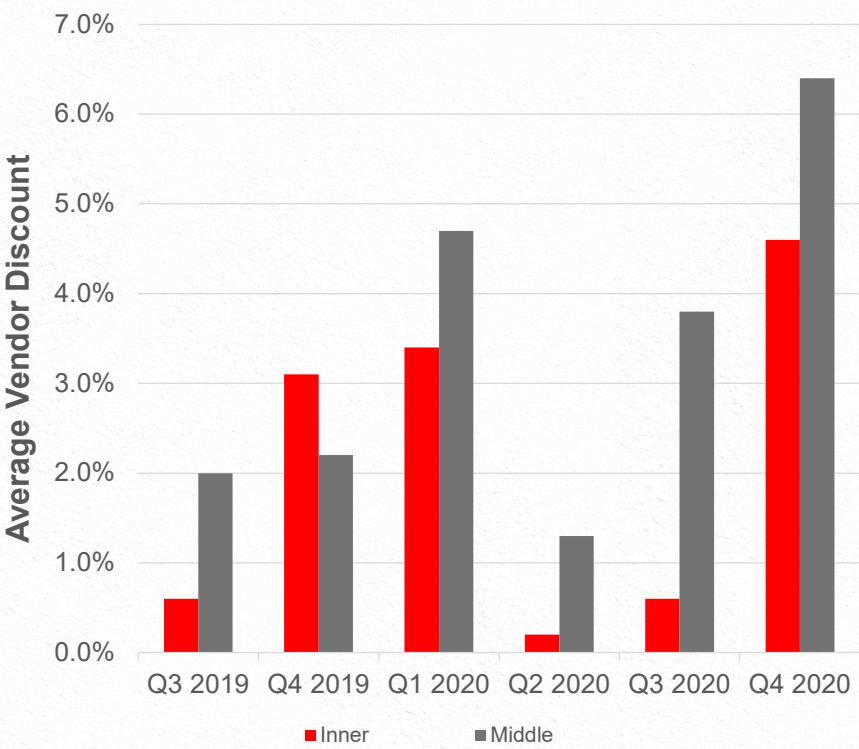
- The average percentage difference between the first list price and final sold price.

Key Comments

- Average vendor premiums have returned to pre-COVID-19 levels, sitting at their strongest levels in the past 18 months in Q4 2020.
- Outer ring premiums are especially high, indicating homes are selling well above their initial list prices.

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HOBART UNIT AVERAGE VENDOR DISCOUNT



Q4 2020 Overview

- Inner: +4.6%
- Middle: +6.4%

What is Average Vendor Discount?

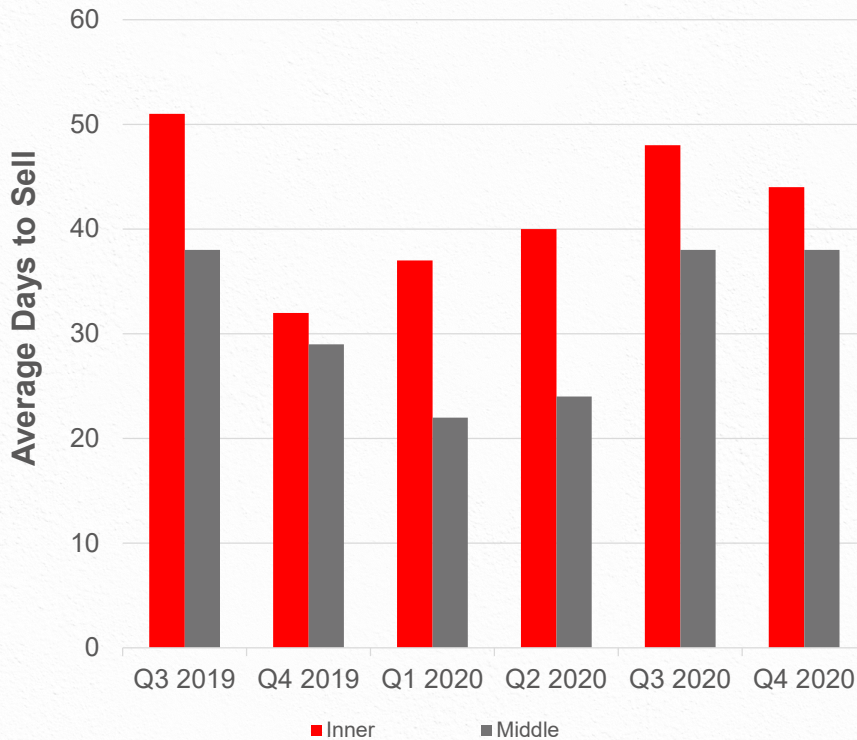
- A lower percentage difference (closer to 0.0%) suggests that buyers are willing to purchase closer to a property's initial asking price.

Key Comments

- Unit premiums in both inner and middle rings have skyrocketed since being dampened by COVID-19 in Q2 2020.
- Inner ring unit premiums have seen a strong surge since Q3 2020.

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HOBART HOUSE AVERAGE DAYS TO SELL



Q4 2020 Overview

- Inner: 44 days
- Middle: 38 days

Why Average Days to Sell?

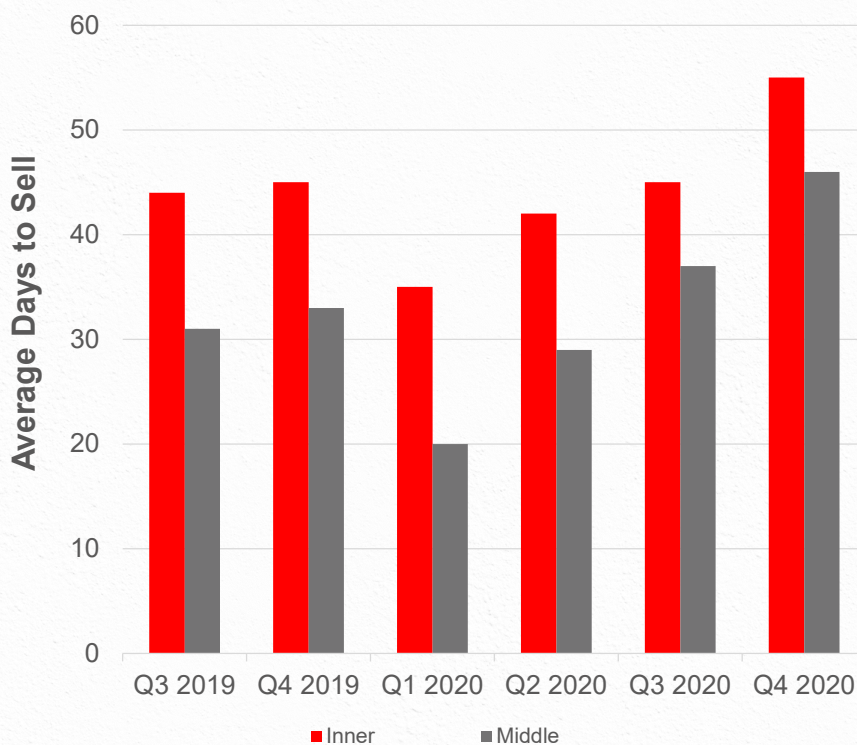
- The change in average days to sell a property is indicative of buyer demand.

Key Comments

- An increase in average days to sell a house appears to have been reversed in Q4 2020.
- Middle Hobart houses have shown a similar trend, but have remained stable for the past six months.

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HOBART UNIT AVERAGE DAYS TO SELL



Q4 2020 Overview

- Inner: 38 days
- Middle: 46 days

Why Average Days to Sell?

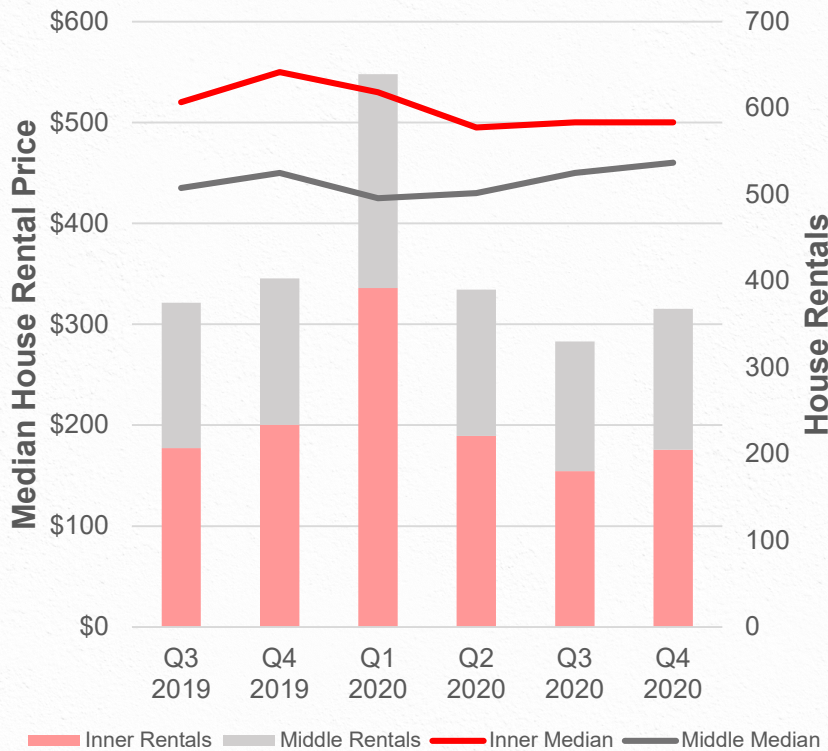
- A lower average number of days to sell a property reveals an increase in the willingness of buyers to purchase property more quickly.

Key Comments

- Both inner and middle Hobart's markets are taking longer on average to transact units than previously.
- This trend may be attributed to increased sale prices and vendor premiums pushing some buyers out of the market.

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HOBART HOUSE RENTALS



Q4 2020 Median Rental Price

- Inner: \$500 per week
- Middle: \$460 per week

Annual Price Growth*

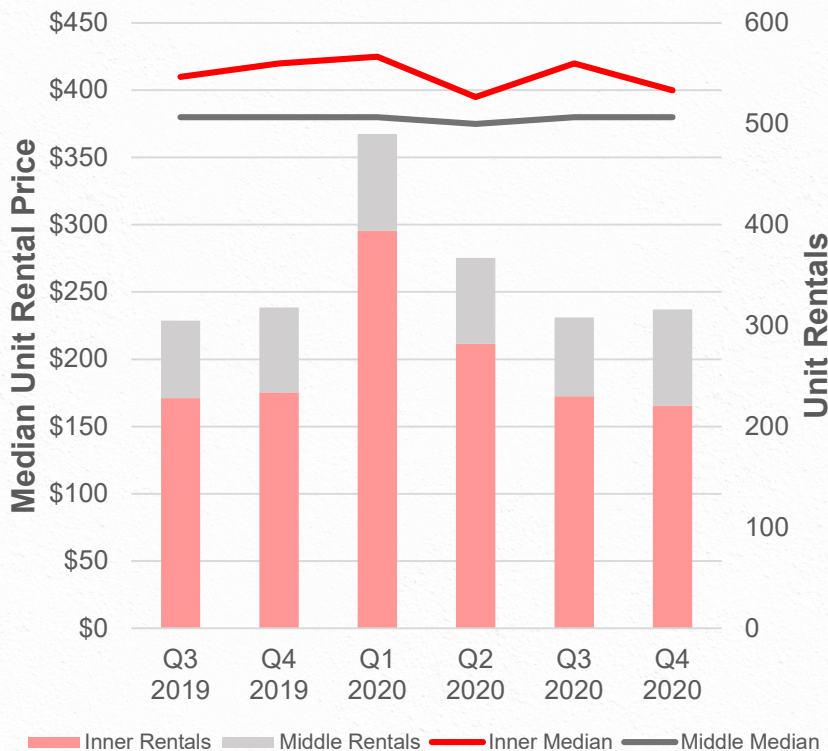
- Inner: -9.1% (-\$50 per week)
- Middle: +2.2% (+\$10 per week)

Key Comments

- COVID-19 has seen a tightening in median house rental prices between Hobart's inner and middle rings.
- Only Hobart's middle ring recorded positive median rental price growth.

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HOBART UNIT RENTALS



Q4 2020 Median Rental Price

- Inner: \$400 per week
- Middle: \$380 per week

Annual Price Growth*

- Inner: -4.8% (-\$20 per week)
- Middle: +0.0% (+\$0 per week)

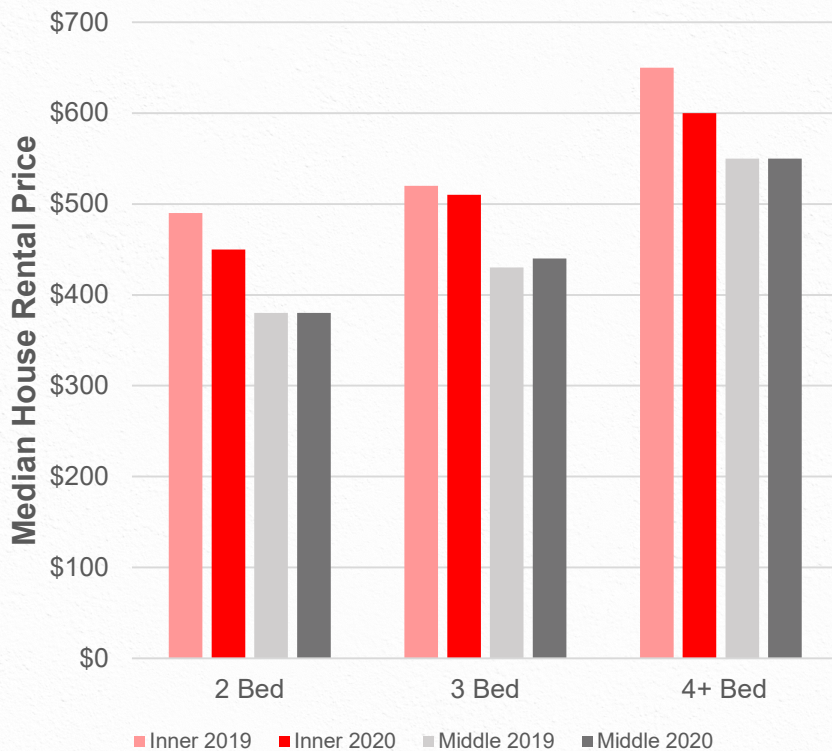
Key Comments

- Steady median price levels within the middle ring are a positive indicator for tenants, while fluctuations in the inner ring are seen as impacts of COVID-19.
- A decline in rental volumes due to COVID-19 has reversed slightly in Q4 2020.

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* Annual price growth is based on comparison between Q4 2019 and Q4 2020 figures.

HOBART HOUSE RENTAL PERFORMANCE 2019-20



2020 Median Rental Prices

2 Bedroom

- Inner: \$450 per week
- Middle: \$380 per week

3 Bedroom

- Inner: \$510 per week
- Middle: \$440 per week

4+ Bedroom

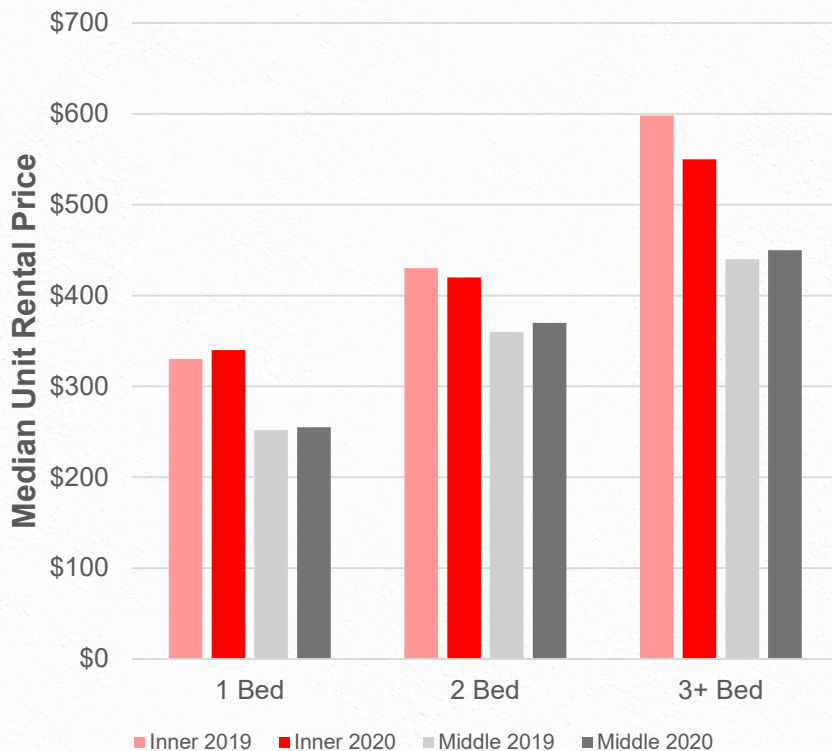
- Inner: \$600 per week
- Middle: \$550 per week

Key Comments

- Inner ring houses have seen price softening annually, while middle rings have remained stable or shown slight growth.

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HOBART UNIT RENTAL PERFORMANCE 2019-20



2020 Median Rental Prices

1 Bedroom

- Inner: \$340 per week
- Middle: \$255 per week

2 Bedroom

- Inner: \$420 per week
- Middle: \$370 per week

3+ Bedroom

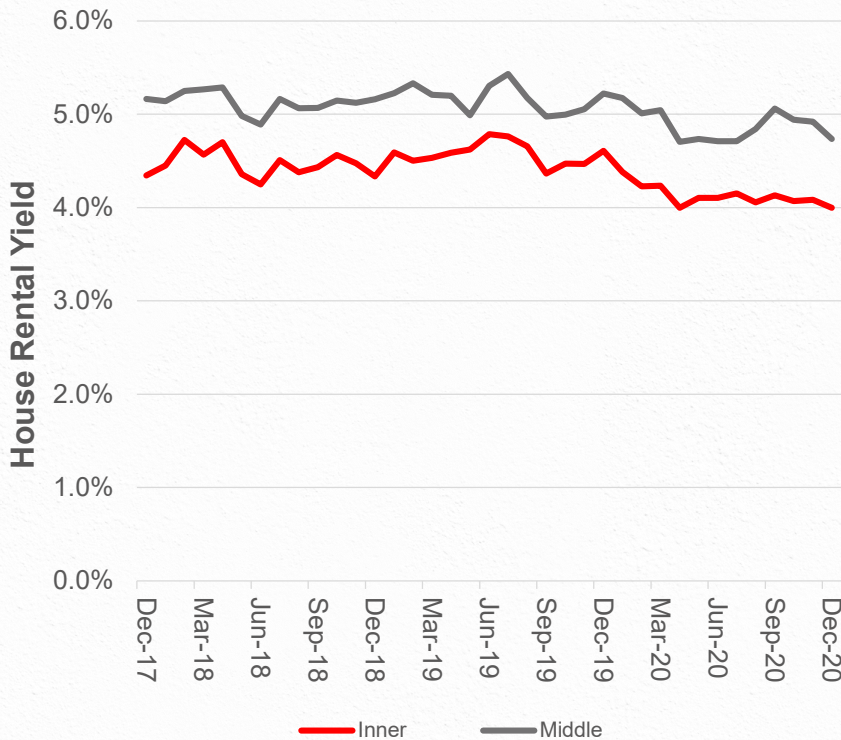
- Inner: \$550 per week
- Middle: \$450 per week

Key Comments

- 2 and 3-bedroom inner ring units have seen price softening annually, while all middle ring units have shown price growth.

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HOBART HOUSE AVERAGE RENTAL YIELD



Dec-20 Overview

- Inner: 4.0%
- Middle: 4.7%

Annual Change

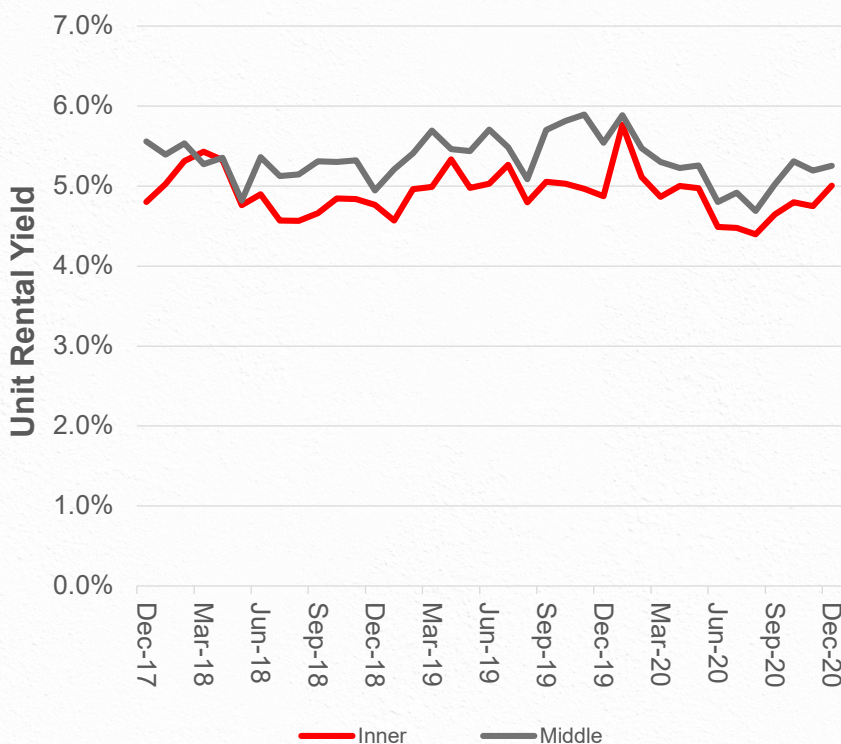
- Inner: -0.6%
- Middle: -0.5%

Key Comments

- Hobart's middle ring recorded a superior average rental yield for houses than the inner ring.
- House yields have slightly compressed over the past 18 months.

© Prepared by PRD Research. Source: SQM Research.

HOBART UNIT AVERAGE RENTAL YIELD



Dec-20 Overview

- Inner: 5.0%
- Middle: 5.3%

Annual Change

- Inner: +0.1%
- Middle: -0.3%

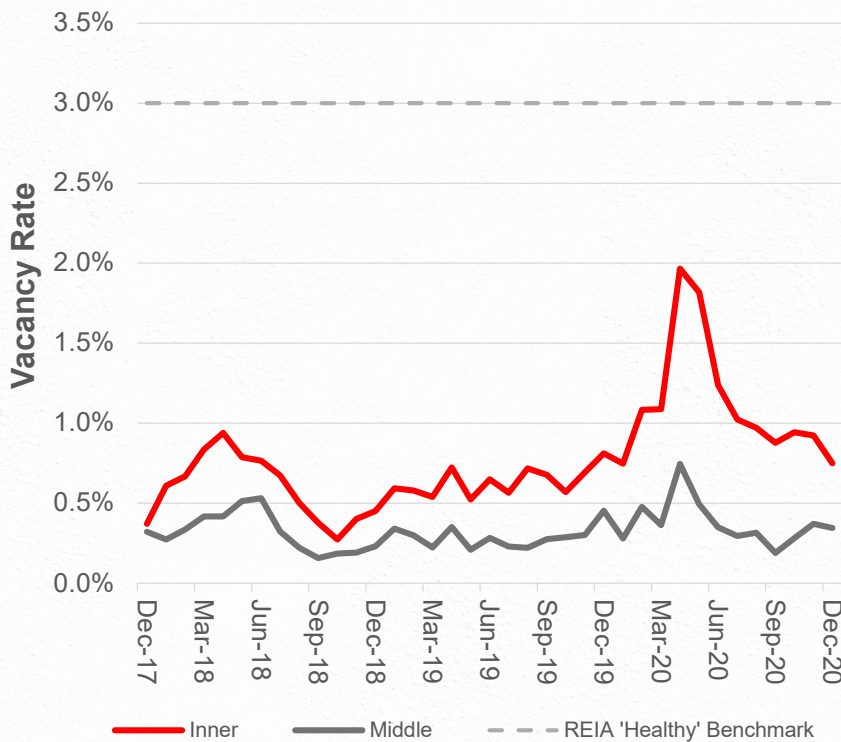
Key Comments

- Hobart's middle ring recorded a slightly higher average rental yield for units than the inner ring.
- Unit yields across the inner and middle rings remain more tightly spread than house yields, indicating their more similar rates of return.

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HOBERT VACANCY RATES



Dec-20 Overview

- Inner: 4.7%
- Middle: 4.5%

Annual Change

- Inner: +1.3%
- Middle: +0.7%

Key Comments

- Inner Hobart's vacancy rate was more impacted by COVID-19, though has recovered well since May 2020.
- Both rings continue to show extremely low vacancy rates, which is an ongoing feature of Hobarts' rental market.

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REFERENCES

Inner ring market data encapsulates aggregate property conditions within following suburbs:

Battery Point, Bellerive, Dynnryne, Geilston Bay, Glebe, Hobart, Lenah Valley, Lindisfarne, Lutana, Montagu Bay, Moonah, Mount Nelson, Mount Stuart, New Town, North Hobart, Queens Domain, Ridgeway, Rose Bay, Rosny, Rosny Park, Sandy Bay, South Hobart, Tolmans Hill, West Hobart.

Middle ring market data encapsulates aggregate property conditions within following suburbs:

Berriedale, Bonnet Hill, Cambridge, Clarendon Vale, Collinsvale, Derwent Park, Dowsing Point, Fern Tree, Glenorchy, Goodwood, Grasstree Hill, Howrah, Kingston, Montrose, Mornington, Mount Rumney, Neika, Oakdowns, Otago, Risdon, Risdon Vale, Rokeby, Rosetta, Taroona, Tranmere, Warrane, Wellington Park, West Moonah.

Source: APM Pricerfinder, SQM Research, ESRI ArcGIS.

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PRD Research Division provides reliable, unbiased, and authoritative property research and consultancy to clients in metro and regional locations across Australia

Our extensive research capability and specialised approach ensures our clients can make the most informed and financially sound decisions about residential and commercial properties.

OUR KNOWLEDGE

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

As the first and only truly knowledge based property services company, PRD shares experience and knowledge to deliver innovative and effective solutions to our clients.

We have a unique approach that integrates people, experience, systems and technology to create meaningful business connections. We focus on understanding new issues impacting the property industry; such as the environment and sustainability, the economy, demographic and psychographic shifts, commercial and residential design; and forecast future implications around such issues based on historical data and fact.

OUR PEOPLE

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

Skilled in deriving macro and micro quantitative information from multiple credible sources, we partner with clients to provide strategic advice and direction regarding property and market performance. We have the added advantage of sourcing valuable and factual qualitative market research in order to ensure our solutions are the most well considered and financially viable.

Our experts are highly sought after consultants for both corporate and government bodies and their advice has helped steer the direction of a number of property developments and secured successful outcomes for our clients.

OUR SERVICES

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

We have the ability and systems to monitor market movements, demographic changes and property trends. We use our knowledge of market sizes, price structure and buyer profiles to identify opportunities for clients and provide market knowledge that is unbiased, thorough and reliable.



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

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