



Affordable & Liveable Property Guide <

Hobart Metro 1st Half 2021

METHODOLOGY

This affordable and liveable property guide for Hobart Metro analyses all suburbs within a 10km radius of the Hobart CBD. The following criteria were considered:

- Property trends criteria** – all suburbs have a minimum of 10 sales transactions for statistical reliability purposes. Based on market conditions, suburbs have either positive or as close as possible to, neutral price growth between 2019 to 2020/21*.
- Investment criteria** – as of March 2021, suburbs considered will have an on-par or higher rental yield than Hobart Metro, and an on-par or lower vacancy rate.
- Affordability criteria** – identified affordable and liveable suburbs have a median price below a set threshold. This was determined by adding percentage premiums to the Tasmanian (TAS) average home loan, which was \$373,521** as of Q4 2020. Premiums of 57% for houses and 25% for units were added, which were below those required to reach Hobart Metro's median prices (71% for houses and 39% for units). This places the chosen suburbs below Hobart's median prices, meaning that the suburbs identified within this report are more affordable for buyers.
- Development criteria** – suburbs identified must have a high total estimated value of future project development for the 1st half of 2021, as well as a higher proportion of commercial and infrastructure projects. This ensures the suburbs show signs of sustainable economic growth, in turn, positively affecting the property market.
- Liveability criteria** – all identified suburbs have low crime rates, availability of amenities within a 5km radius (i.e. schools, green spaces, public transport, shopping centres and health care facilities), and an unemployment rate on-par or lower in comparison to the TAS average (as determined by the Department of Jobs and Small Business, December Quarter 2020 release).

RECENT TOP PERFORMERS

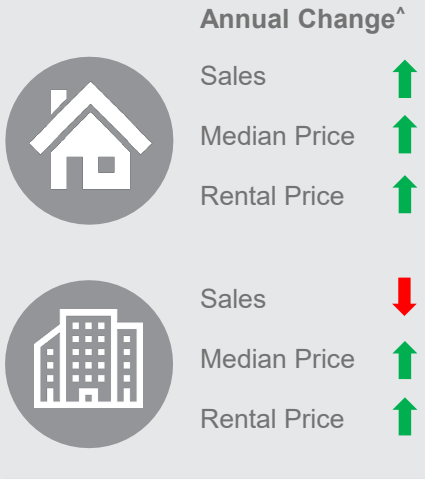
Area	Suburb	Type	Median Price 2019	Median Price 2020/21*	Price Growth	Projects 2021***
Inner	Battery Point	House	\$1,500,000	\$1,500,000	-	\$104.0M
	Battery Point	Unit	\$585,625	\$950,000	62.2%	\$104.0M
North	Glenorchy	House	\$381,750	\$420,500	10.2%	\$53.1M
	Glenorchy	Unit	\$315,000	\$355,000	12.7%	\$53.1M
South	Taroona	House	\$736,050	\$805,500	9.4%	\$750.0K
	Kingston	Unit	\$420,000	\$465,000	10.7%	\$9.1M
East	Howrah	House	\$547,500	\$579,000	5.8%	\$11.7M
	Howrah	Unit	\$412,500	\$440,000	6.7%	\$11.7M

OVERVIEW

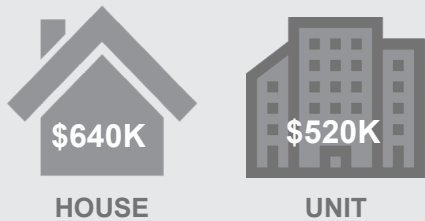
Median property prices in Hobart Metro increased by 10.3% for houses to \$640,000 from Q1 2020 to Q1 2021*, and also increased for units by 17.5% to reach \$520,000. Across the same period, total house sales in Hobart Metro increased by 0.5% to 438 sales, while unit sales slowed by -30.0% to 149 sales. Hobart Metro's median price activity has occurred amidst relatively limited transaction growth within the market, due to COVID-19's initial impact on sales in Q1 2020. This said, those looking to sell within Hobart Metro can have confidence with prices continuing to rise, particularly in the undersupplied unit market. An estimated \$363.4M of development is set to commence across the 1st half of 2021. A key focus on mixed-use projects will create increasingly diverse housing stock, as well as new local business opportunities, while infrastructure projects will help improve liveability and create jobs in the construction phase also.

*Median price quoted captures sale transactions from 1st January 2020 to 31st March 2021, or Q1 2020 – Q1 2021. **Average home loan figure is derived from December Quarter 2020 Housing Affordability Report by the Real Estate Institute of Australia (REIA) and Adelaide Bank. ***Project development is based on aggregate of estimated construction value for residential, commercial, industrial, mixed-use and infrastructure projects scheduled to commence in the 1st half of 2021 as stated by the relevant data authority. ^Annual Change is reflective of median price change from Q1 2020 to Q1 2021. Figures displayed in infographics are for the period Q1 2020. Source: APM Pricerfindr, REIA, SQM Research, Cordell Connect, Department of Jobs and Small Business. © PRD 2021.

HOBERT METRO



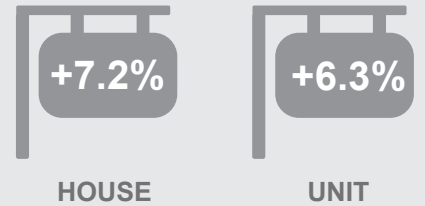
MEDIAN SALE PRICE



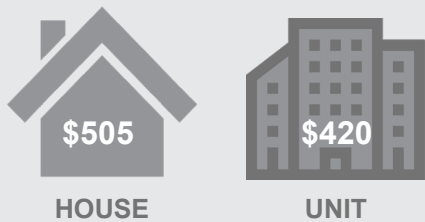
AVERAGE DAYS TO SELL



AVERAGE VENDOR DISC.



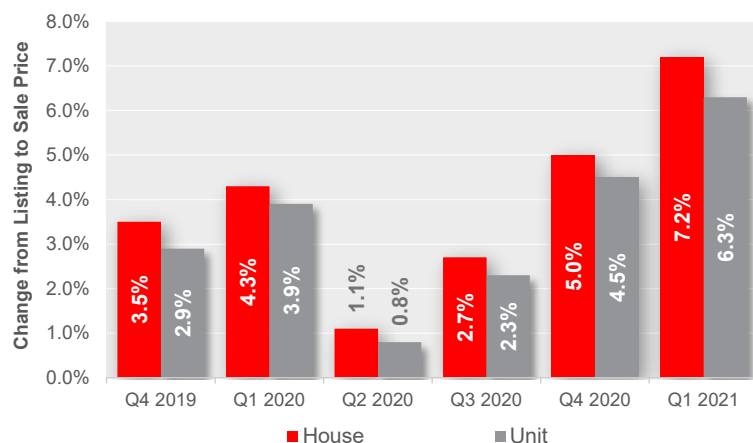
MEDIAN RENTAL PRICE



AVERAGE DAYS TO LET



AVERAGE VENDOR DISCOUNT

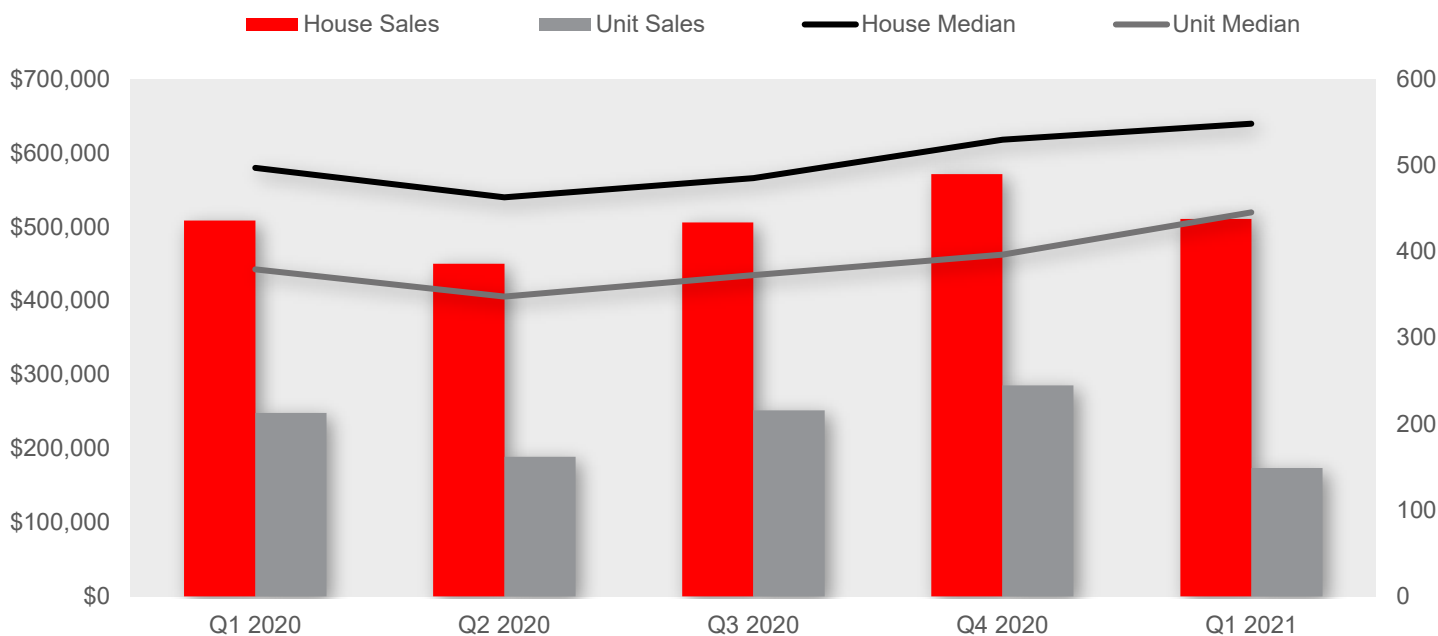


KEY COMMENTS

Average vendor discounts between Q1 2020 and Q1 2021 have increased to record levels, with premiums of +7.2% for houses and +6.3% for units. Hobart Metro's property market conditions have further shifted to favour vendors, as buyers are willing to offer far above initial list prices. Now is the time to sell.

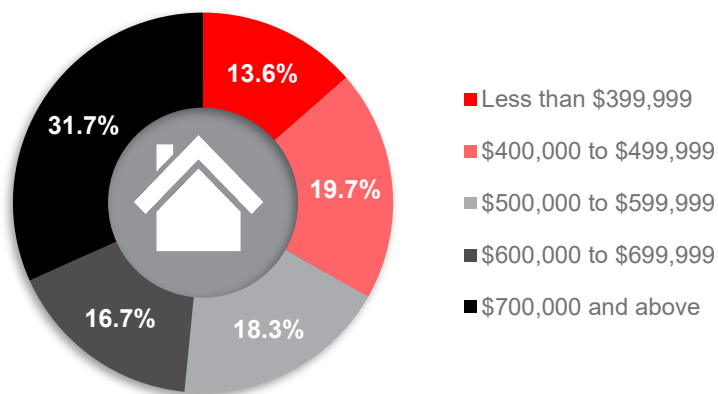
The dominant proportion of homes sold in Hobart Metro across 2020/21[#] were in the premium price bracket of above \$700,000 (31.7%). Units recorded a dominant premium price bracket of above \$600,000 (27.4%%) also. Hobart Metro's house market has shifted towards premium pricing, with less stock in the most affordable price points. There is still an even spread in price points for units, however first home buyers must act quickly.

MARKET PERFORMANCE

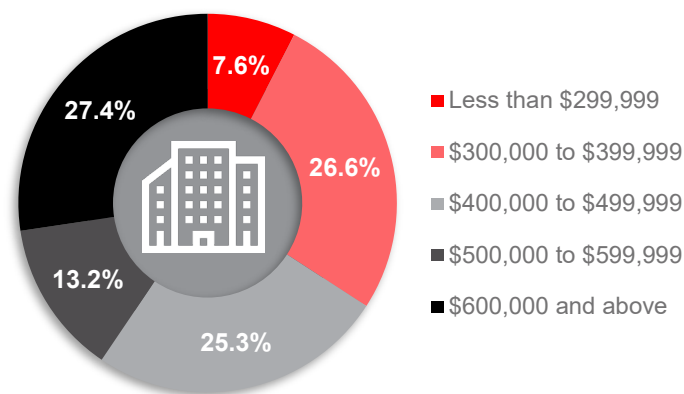


PRICE BREAKDOWN 2020/21[#]

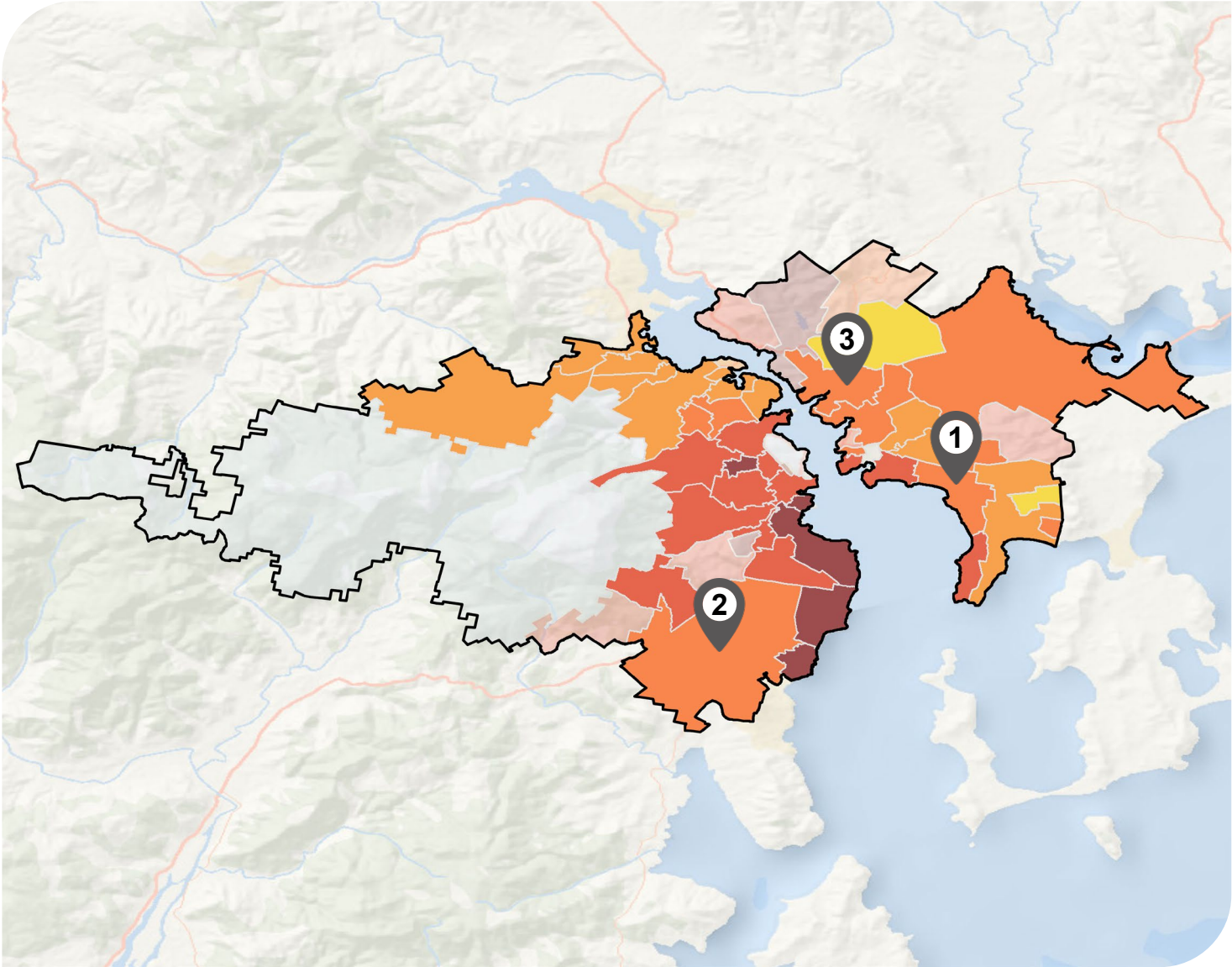
HOUSES SOLD



UNITS SOLD



HOBART METRO MEDIAN HOUSE PRICE 2020/21* 10KM FROM CBD



LEGEND

- Data not available
- \$0 - \$500,000
- \$500,000 - \$800,000
- \$800,000 - \$1,000,000
- \$1,000,000 - \$2,000,000
- \$2,000,000+
- 10km from CBD
- Translucent colours for <10 sales

HOBART AFFORDABLE & LIVEABLE SUBURBS RENTAL YIELD

House			Unit		
Suburb	House		Suburb	Unit	
1	Howrah	4.0%	1	Howrah	4.4%
2	Kingston	4.9%	2	Kingston	5.0%
3	Geilston Bay	4.6%	3	Geilston Bay	4.6%

*House median price reflected in the heat-map captures sale transactions from 1st January 2021 to 31st March 2021.
Source: APM Pricefinder, ESRI ArcGIS, SQM Research. © PRD 2021.

RENTAL GROWTH 2020/21€

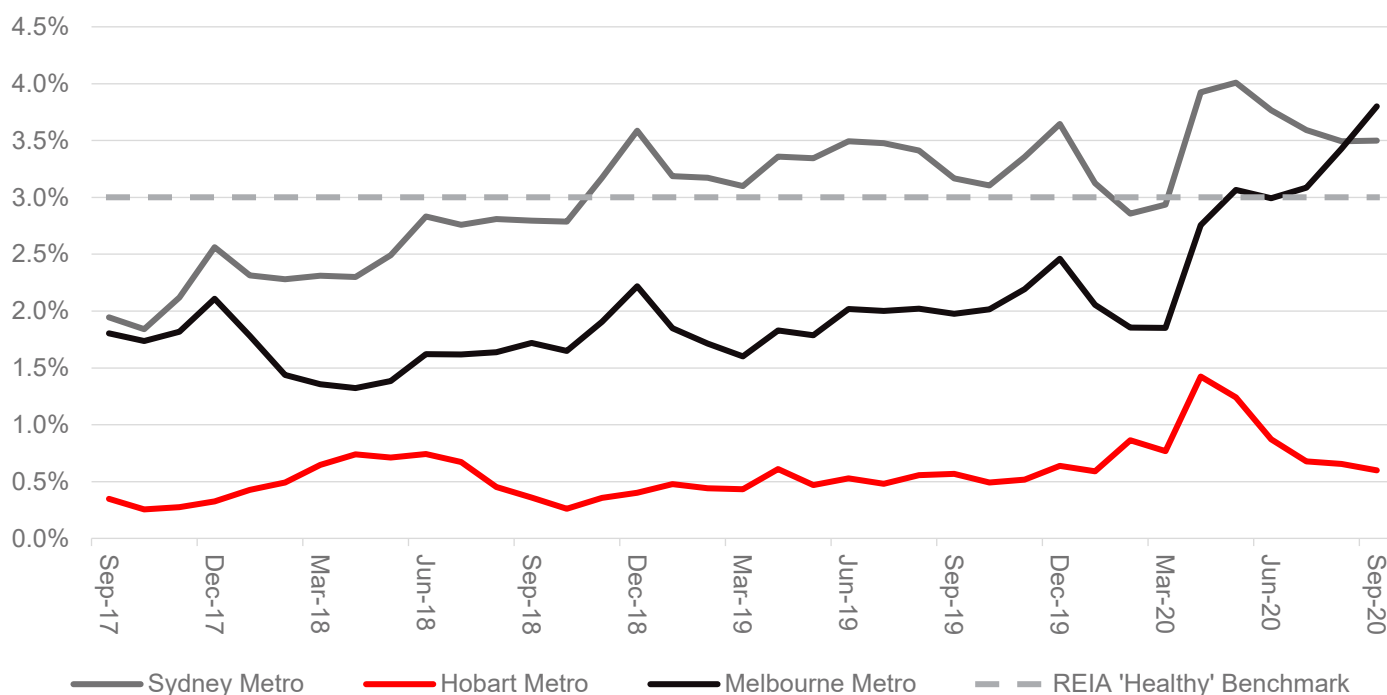
In March 2021, house rental yields in Hobart Metro were recorded at 3.9%. In the 12 months to Q1 2021, the median house rental price increased by 2.0% to reach \$505 per week, while average days on the market declined by -24.0% (to 19 days). Overall, the Hobart Metro rental house market has remained highly resilient throughout COVID-19.

3 bedroom houses recorded the highest annual rental growth (of +4.3%), to reach \$480 per week. A softening in median unit rental prices was felt mostly in the 3+ bedroom market. Freestanding rental properties have fared better overall, which is indicative of a housing preference shift felt during COVID-19.

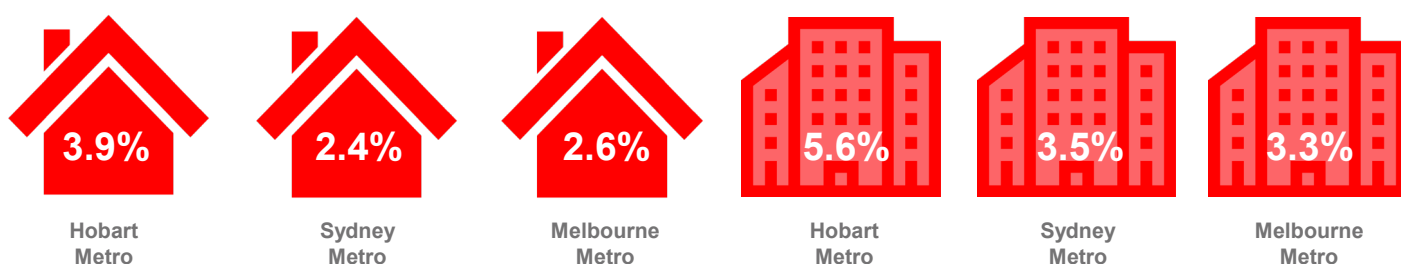
In March 2021, Hobart Metro recorded a very low vacancy rate of 0.6%, below that of Melbourne Metro (4.4%), and Sydney Metro (3.5%). Vacancy rates in Hobart Metro also sit well below the Real Estate Institute of Australia's healthy benchmark of 3.0%, which was also the case prior to COVID-19. Further, Hobart Metro's vacancy rate has shown a declining trend since peaking in April 2020 due to COVID-19, offering investors confidence in what is a consistently strong market.



RENTAL VACANCY RATES 2021



RENTAL YIELD 2021§



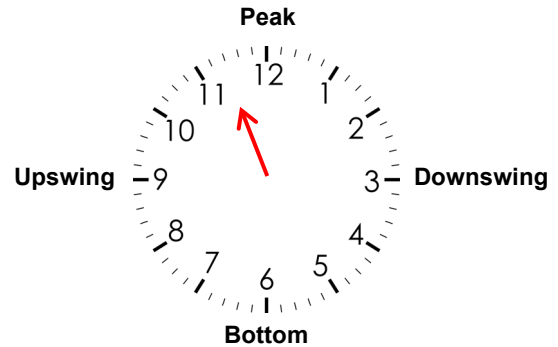
€ Annual rental growth is a comparison between 2019 and 2020/21 (01/01/2020 – 31/03/2021) house median rent figures.

§ Rental yields shown are as reported at March 2021.

Source: APM Pricer, SQM Research. © Copyright PRD 2021.

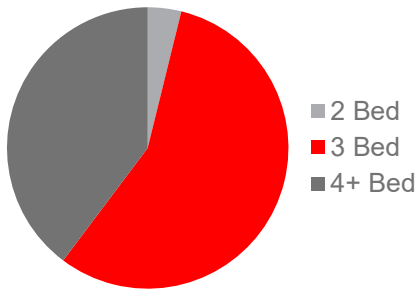


PROPERTY CLOCK - HOUSES



AFFORDABLE & LIVEABLE HOUSE SUBURBS

HOWRAH 7018

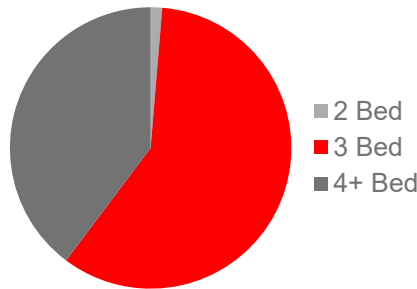


Located about **5.1km** from the Hobart CBD.

Median House Price	\$579,000
• 2 Bed Median Price	\$624,000*
• 3 Bed Median Price	\$551,500
• 4+ Bed Median Price	\$642,000

Having now been featured once previously as a top affordable and liveable suburb (in the *2nd Half 2017*^o guide), Howrah is a proven suburb located in Hobart's north. The suburb recorded median house price growth of 5.8%** annually, in good news for property owners. Investors have also benefited from an extremely low vacancy rate of just 0.4% (below Hobart Metro's 0.6%), and average house rental yields of 4.0% (above Hobart Metro's 3.9%). Liveability criteria are well-met, with low crime rates in the area, as well as access to key roads, buses, waterfront and parks, Shoreline Plaza shopping centre, plus nearby health care and schools. Altogether, these factors highlight Howrah's attractiveness to investors and residents alike.

KINGSTON 7050

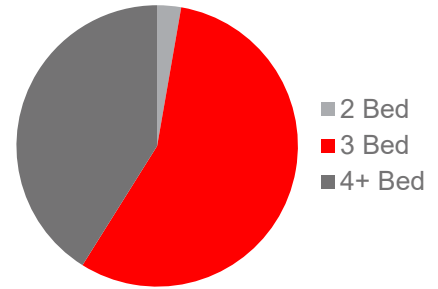


Located about **5.8km** from the Hobart CBD.

Median House Price	\$585,000
• 2 Bed Median Price	\$495,000*
• 3 Bed Median Price	\$532,750
• 4+ Bed Median Price	\$659,000

Positioned south of Hobart CBD, Kingston is a top affordable and liveable suburb, which appears for both houses and units in this guide. The median house price recorded solid growth of 9.9%** annually, while investors saw average house rental yields of 4.9%. Further, an extremely tight vacancy rate of just 0.3%, signal quicker and more secure cashflow to investors. Low unemployment of just 4.8%, is an indication of a healthy local economy, as is the \$9.1M[^] project development pipeline for the 1st half of 2021. This includes the \$1.7M Woolworths Kingston refurbishment as well as the \$5.0M Kingsborough Park and Ride Facility. Such projects are likely to add local jobs, which potentially translate to an increase in property demand.

GEILSTON BAY 7015



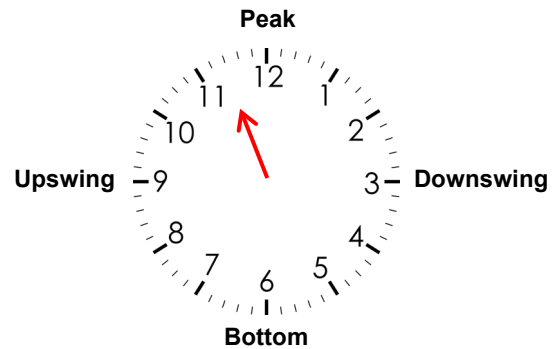
Located about **5.5km** from the Hobart CBD.

Median House Price	\$531,000
• 2 Bed Median Price	\$387,500*
• 3 Bed Median Price	\$510,000
• 4+ Bed Median Price	\$610,500

Geilston Bay is a top affordable and liveable suburb, which has now appeared in four out of the previous six guides, including the *2nd Half 2018*^u, *2nd Half 2019*^w, and *1st Half 2020*^x guides. The suburb is liveable due to its proximity to amenities such as bus services, recreational areas, schools including Lindisfarne North Primary School and Australian Christian College Hobart, while also being nearby to medical facilities and retail shopping in the neighbouring suburb of Lindisfarne. Median house price growth of 3.1%** annually, is good news for property owners, while investors have also benefited from a very low vacancy rate of 0.9%, and average rental house yields of 4.6%. This altogether highlights the value on offer to both investors and residents.

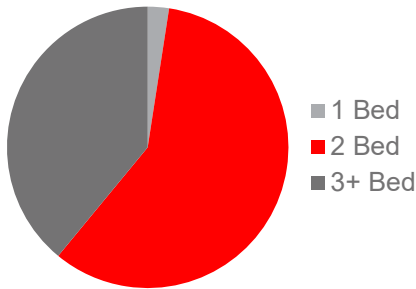


PROPERTY CLOCK - UNITS



AFFORDABLE & LIVEABLE UNIT SUBURBS

HOWRAH 7018

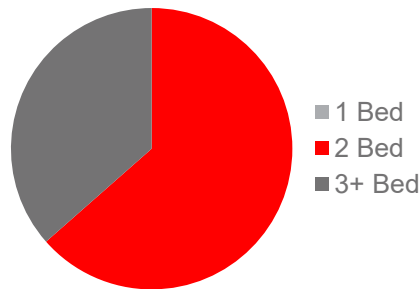


Located about **5.1km** from the Hobart CBD.

Median Unit Price	\$440,000
• 1 Bed Median Price	\$318,000*
• 2 Bed Median Price	\$412,500
• 3+ Bed Median Price	\$620,100

Howrah sits on Hobart's northern shore and is the closest of the top affordable and liveable suburbs to the CBD featured in this guide. It boasts a healthy local economy, with a low rate of unemployment of just 3.1%, as well as an \$11.7M[^] development pipeline for the 1st half of 2021. The Glebe Village Shopping Centre is a major project for the period (\$10.0M), which is set to include a Coles supermarket and several other retail tenancies. Existing amenities such as parks, schools, shops, public transport, and health care facilities, contribute to Howrah's liveability, as is its low rate of crime. Annual median unit price growth of 6.7%^{**} is good news for current property owners, whereas an average unit rental yield of 4.4% is attractive to investors.

KINGSTON 7050

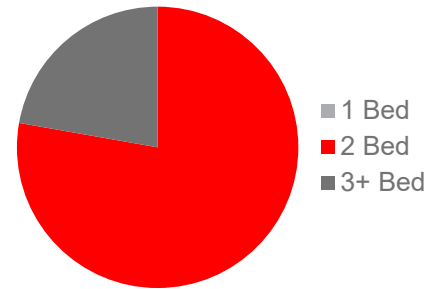


Located about **5.8km** from the Hobart CBD.

Median Unit Price	\$465,000
• 1 Bed Median Price	N/A
• 2 Bed Median Price	\$430,000
• 3+ Bed Median Price	\$540,000

Having now been featured five times over the past six guides (previously including the *2nd Half 2018*^u, *1st Half 2019*^e, *1st Half 2020*^u, and *2nd Half 2020*^e guides), Kingston is a tried and true affordable and liveable suburb for Hobart. Kingston is considered highly liveable due to factors, such as plenty of parklands, available schooling, medical services, a range of retail shopping options, low crime rates, many bus stations, and easy access to arterial roads such as Southern Outlet and the Hume Highway. Strong annual median price growth of 10.7%^{**} is a positive for property owners who are wanting to capitalise on a highly demanded market, whereas an average unit rental yield of 5.0% and an extremely low vacancy rate of just 0.3%, is attractive to investors.

GEILSTON BAY 7015

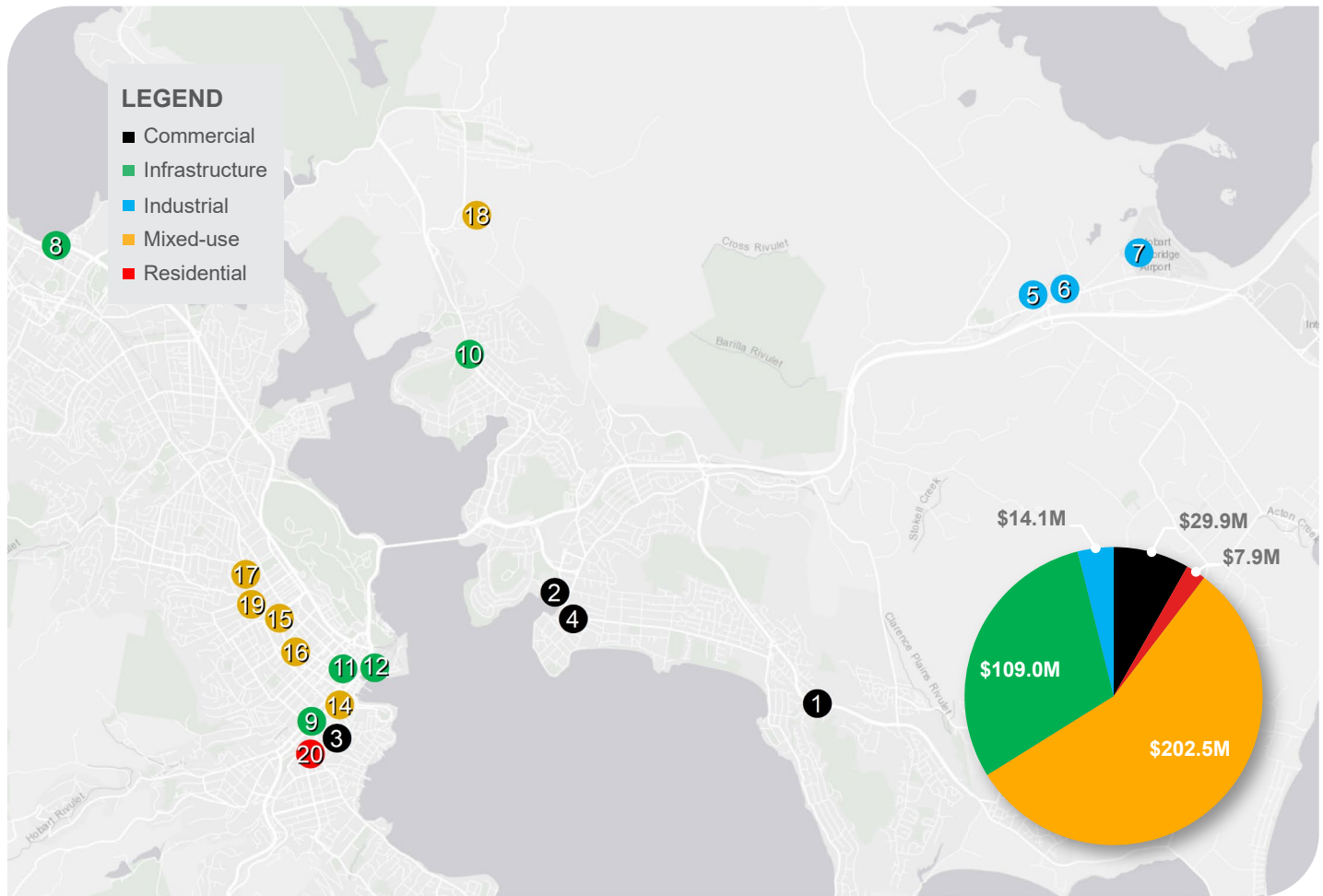


Located about **5.5km** from the Hobart CBD.

Median Unit Price	\$420,000
• 1 Bed Median Price	N/A
• 2 Bed Median Price	\$410,000*
• 3+ Bed Median Price	\$532,750*

Located on Hobart's northern shore, the affordable and liveable suburb of Geilston Bay has seen annual median unit price growth of 10.5%^{**}. There are good signs of local economic health, with a low unemployment rate of just 3.8%, paired with a low level of crime in the area. Adding to this, a solid incoming stream of project development activity for the 1st half of 2021 is worth an estimated \$10.9M[^], with a major focus being the East Derwent Highway Roadworks upgrade (\$10.1M). Infrastructure projects such as this directly benefit residents and have a positive spill-over potential into the local real estate market. Geilston Bay is the most affordable suburb in this guide, with an attractive average unit rental yield of 4.6%, in good news for investors.

PROJECT DEVELOPMENT MAP 1ST HALF 2021*



Location	Project [£]	Type	Estimated Value ^µ	Suburb
1	Glebe Hill Village Shopping Centre	Commercial	\$10,000,000	Howrah
2	Bellerive Yacht Club Redevelopment	Commercial	\$4,000,000	Bellerive
3	Fairbrother	Commercial	\$3,000,000	Battery Point
4	Salamanca Fresh	Commercial	\$3,000,000	Bellerive
5	Cambridge Industrial Estate	Industrial	\$5,600,000	Cambridge
6	Railway Court Warehouse	Industrial	\$2,800,000	Cambridge
7	Cessna Way Warehouses	Industrial	\$2,000,000	Cambridge
8	Wilkinsons Point Glenorchy Sporting Precinct	Infrastructure	\$50,000,000	Glenorchy
9	Peacock Centre Redevelopment (Ruardean)	Infrastructure	\$10,625,000	Hobart
10	East Derwent Highway Roadworks	Infrastructure	\$10,111,000	Geilston Bay
11	Great Eastern Drive Roadworks	Infrastructure	\$6,855,000	Hobart
12	Bridgewater Bridge	Infrastructure	\$5,000,000	Hobart
13	Kingborough Park & Ride - Huntingfield & Firthside Facility	Infrastructure	\$5,000,000	Kingston
14	Battery Point Mixed Use Development (72 Apartments)	Mixed-use	\$100,000,000	Battery Point
15	Sixty Six North Hobart (57 Apartments)	Mixed-use	\$78,000,000	North Hobart
16	Patrick Street Mixed Development (68 Units)	Mixed-use	\$10,000,000	Hobart
17	Elizabeth Street Mixed Use Building (28 Apartments)	Mixed-use	\$9,000,000	North Hobart
18	Sugarloaf Road Retirement Village (47 Dwellings)	Mixed-use	\$3,000,000	Risdon Vale
19	The Orchard Apartments (8 Apartments)	Mixed-use	\$2,500,000	North Hobart
20	Montgomery Court Units (5 Units)	Residential	\$3,900,000	Sandy Bay

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