



Derwent Valley Market Update 2nd Half 2021



OVERVIEW

In Q2 2021, Derwent Valley* recorded a median house price of \$426,500, and a median vacant land price of \$138,500. This represents annual (Q2 2020 – Q2 2021) median price growth of 18.5% for houses and 17.4% for land. Between Q2 2020 and Q2 2021 total sales in picked up by 72.7% for houses (to 38 sales) and slowed for vacant land, to 8 sales. Price growth in vacant land coupled with declining stock indicate a potential undersupply, thus now is an opportune time to transact in Derwent Valley*. The housing market indicate real returns in capital investment, as price growth is alongside higher sales.

	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 2021



SALES AVERAGE DAYS ON MARKET Q2 2021



RENTAL MEDIAN PRICE Q2 2021

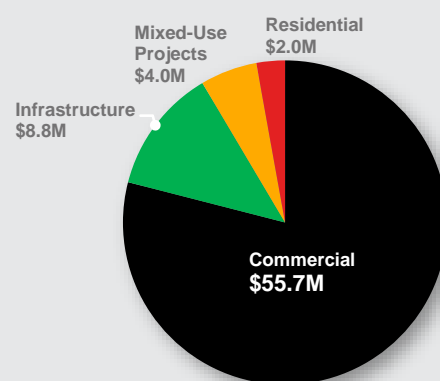


RENTAL AVERAGE DAYS ON MARKET Q2 2021



FUTURE DEVELOPMENTS

Derwent Valley* is set to see approximately **\$70.4M** worth of new projects commencing in the 2nd half of 2021.



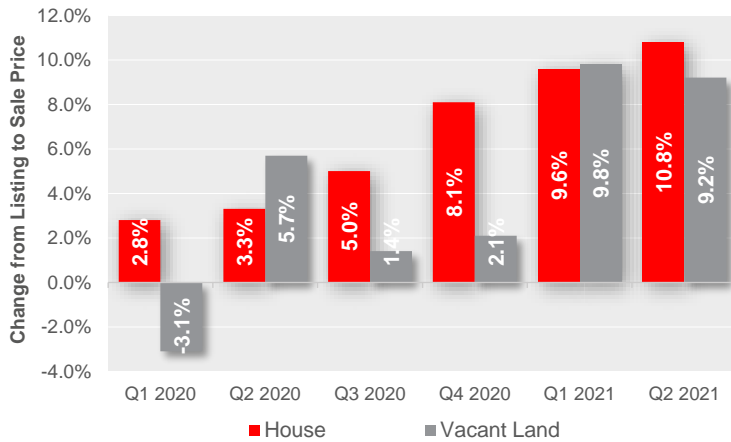
Investments in infrastructure and commercial projects will stimulate economic growth and create new employment opportunities in Derwent Valley*, which will have a positive spill-over impact on the real estate market.

The major commercial project to commence in the 2nd half of 2021 is the Monte-Brady Mini Hydro Project (\$50.0M). This will see a 5.4MW mini-hydro development located in the Tasmanian highlands, seeking to generate clean renewable energy from the flow of water from Bronte Lagoon. This project will not only have major economic benefits for the local area but the entire state. The main infrastructure project to be completed over the back half of 2021 is the New Norfolk Police Station (\$5.0M). The Lake Dobson Road Development (\$2.0M, Units 7, Dwellings 1) and Kilderry Farm (\$4.0M, Units 2, Dwellings 1) will provide the only residential developments across the back half of 2021. More supply is needed, to assist with current demand and to ensure sustainable price growth, otherwise first home buyers will be priced out of the market.



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.

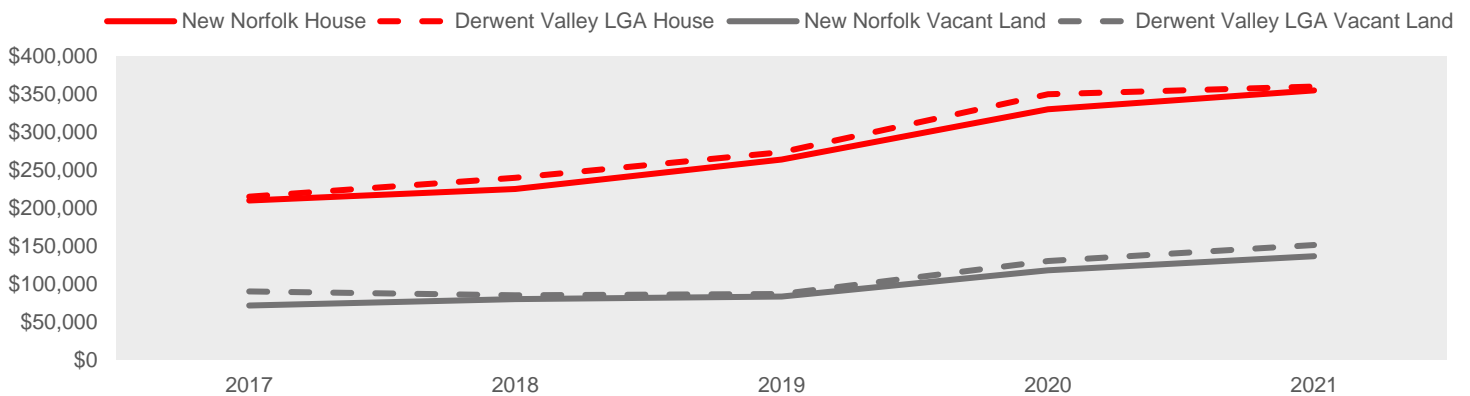


Average vendor discounts between Q2 2020 and Q2 2021 have further swung to a premium for both property types, to 10.8% for houses and 9.2% for vacant land. Market conditions in Derwent Valley* favour vendors, as buyers must offer above the initial listing price. Now is the time to sell your property in Derwent Valley*.

The suburb of New Norfolk has historically performed very closely to the wider Derwent Valley Local Government Area (LGA) in both median house and vacant land prices. This continued throughout 2021.

The dominant proportion of homes sold in Derwent Valley* across 2021^ were split between the middle \$400,000-\$500,000 (29.2%) and lower-middle price bracket \$300,000-\$400,000 (29.2%). Vacant land also record a split between the lower - \$150,000 and less (31.0%) - and premium - \$300,000 and greater - price brackets (31.0%). Overall both markets hold a strong selection of affordable to premium properties.

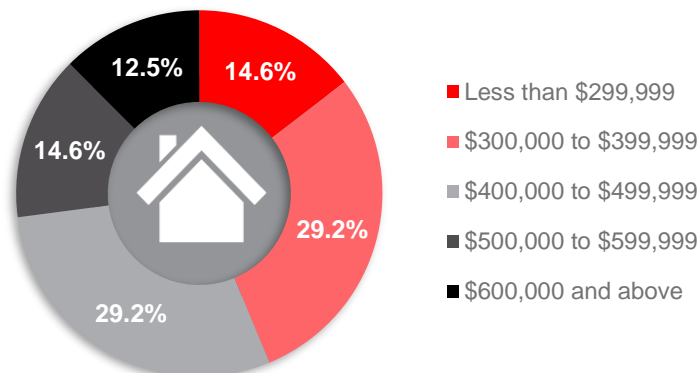
MARKET COMPARISON



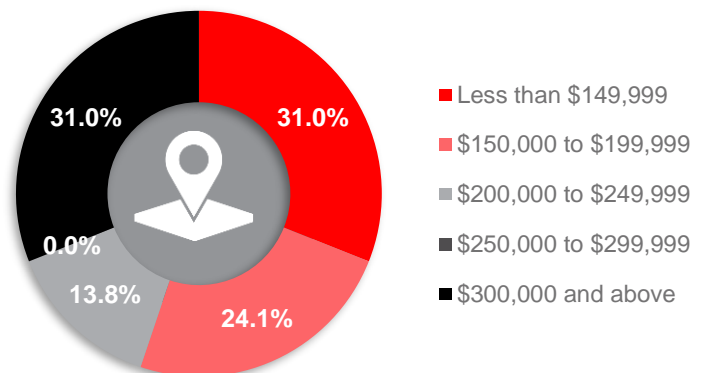
The market comparison graph provides a comparative trend for the median price of houses and vacant land over the past 5 years. The main LGA profiled was chosen based on their proximity to the main suburb analysed, which is New Norfolk.

PRICE BREAKDOWN 2021^

HOUSES SOLD



VACANT LAND SOLD

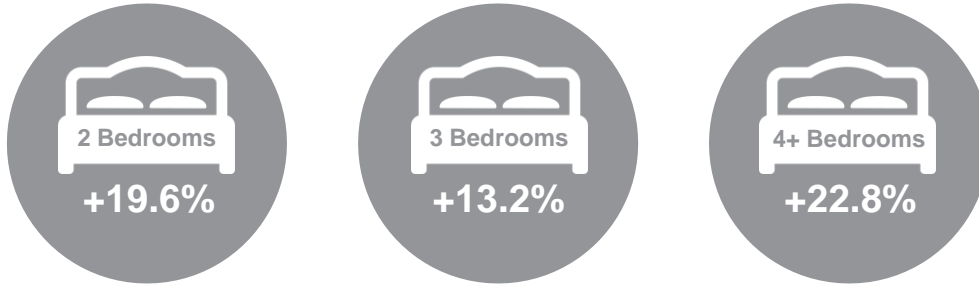


RENTAL GROWTH 2021€

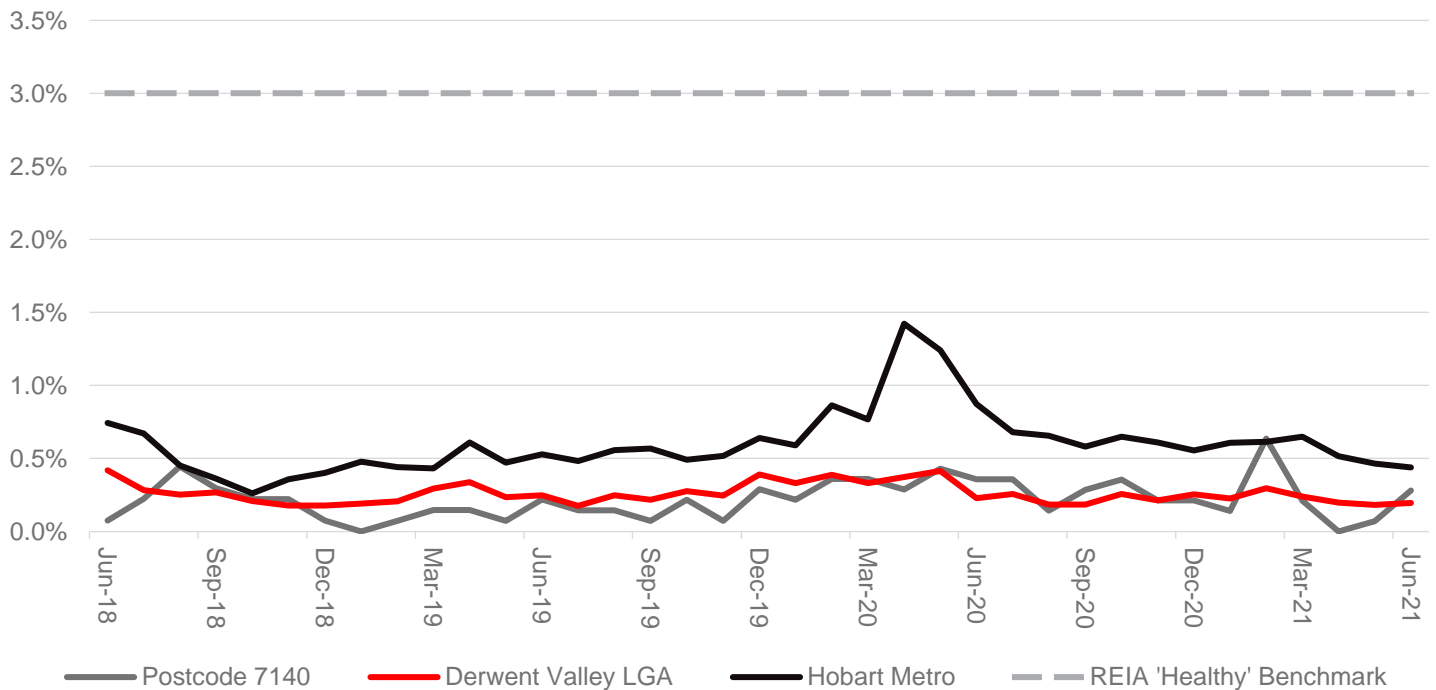
In June 2021, house rental yields in Derwent Valley LGA* were recorded at 5.1%. In the 12 months to Q2 2021, the median house rental price increased by 8.4% to reach \$428 per week, while average days on the market declined by -10.0% (to 18 days). Overall this indicates Derwent Valley* has remained a highly resilient rental market throughout COVID-19.

4+ bedroom houses have provided investors with +22.8% rental growth annually€, with a median rent of \$528 per week.

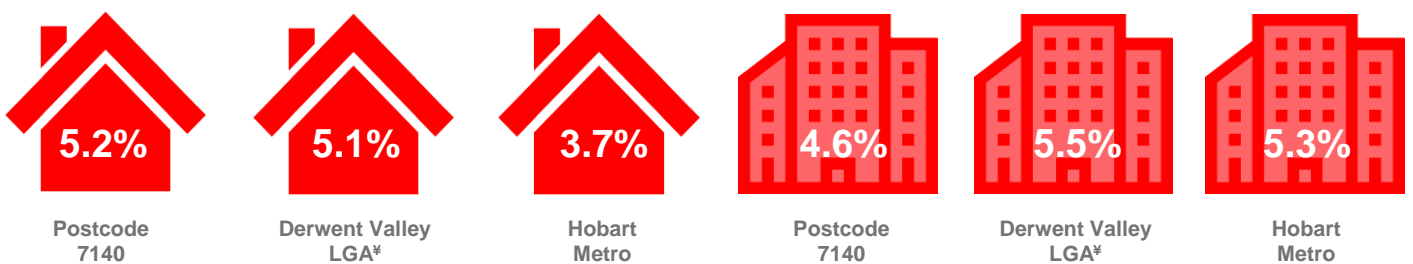
Also in June 2021, Postcode 7140 recorded a vacancy rate of 0.3%, slightly above that of Derwent Valley LGA* (0.2%) and slightly below Hobart Metro (0.4%). Vacancy rates in Postcode 7140 and the Derwent Valley LGA continue to record low vacancy rates, as per pre-COVID-19 conditions throughout the pandemic. This confirms there is still a healthy ongoing rental demand, suggesting investors can be confident of a conducive investment environment in the area.



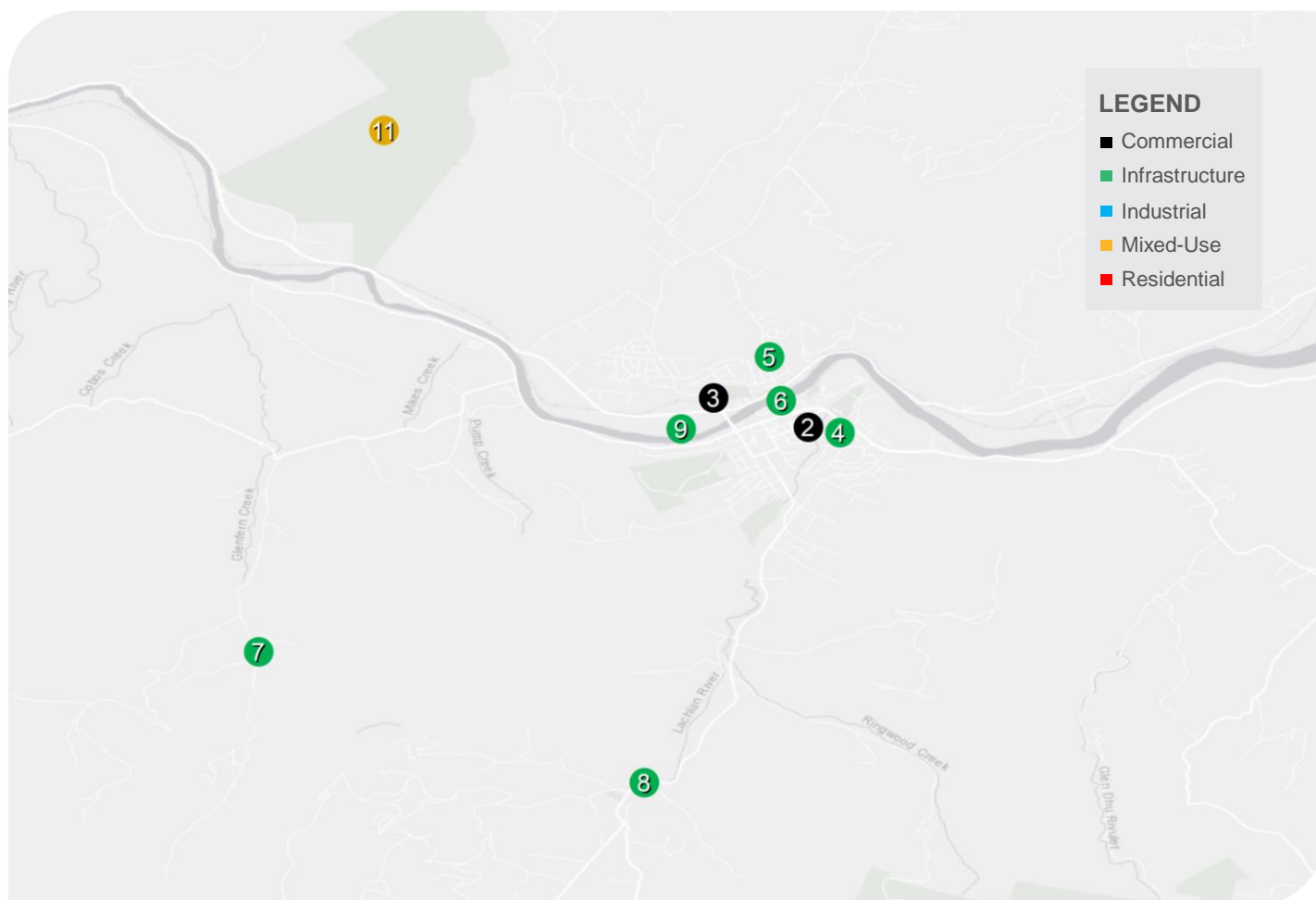
RENTAL VACANCY RATES 2021



RENTAL YIELD 2021§



TOP DEVELOPMENTS MAP 2021[▲]



Location	Project [£]	Type	Estimated Value [¥]	Commence Date ^ψ
1	Monte-brady Mini Hydro Project	Commercial	\$50,000,000	29/11/2021
2	New Norfolk Police Station	Commercial	\$5,000,000	27/02/2021
3	Inland Fisheries Service Fuel Tanks	Commercial	\$650,000	12/04/2021
4	New Norfolk Police Station	Infrastructure	\$5,000,000	01/02/2021
5	North Crescent Stormwater Works	Infrastructure	\$1,000,000	22/02/2021
6	Esplanade Pontoon Access Ramps	Infrastructure	\$850,000	25/03/2021
7	Glenfern Road Roadworks	Infrastructure	\$650,000	15/04/2021
8	Lachlan Road Bridge 2 Replacement	Infrastructure	\$513,000	12/10/2021
9	The Avenue & George Street Intersection & Car Parks	Infrastructure	\$400,000	08/01/2021
10	Derwent Valley Council Bridges	Infrastructure	\$381,000	23/02/2021
11	Kilderry Farm (2 Units)	Mixed-use	\$4,000,000	08/07/2021
12	Lake Dobson Road Development Stage 1 (7 Units)	Residential	\$2,000,000	20/09/2021

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

* Derwent Valley market data and key indicators encapsulates aggregate property market conditions within the Derwent Valley LGA.

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

2021 encapsulates sales transactions for 1H 2021 (01/01/2021 – 30/06/2021).

^ 2021 encapsulates sales transactions for 1H 2021 (01/01/2021 – 30/06/2021).

€ Annual rental growth is a comparison between 1H 2020 (01/01/2020 – 30/06/2020) and 1H 2021 (01/01/2021 – 30/06/2021) house median rent figures.

¥ Derwent Valley market data encapsulates aggregate property conditions within the the postcodes 7011, 7012, 7030, 7054, 7139, and 7140.

§ Rental yields shown are as reported as of June 2021.

⌘ 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 Derwent Valley 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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