



Hobart Market Update 2nd Half 2021



OVERVIEW

In Q2 2021, Hobart Local Government Area / Council (LGA)* recorded a median house price of \$925,000, and a median unit price of \$687,000. This represents annual (Q2 2020 – Q2 2021) median price growth of 23.3% for houses and 20.5% for units. Between Q2 2020 – Q1 2021 total sales in both markets increased, up by 16.2% for houses (to 122 sales) and by 16.7% for units (to 70 sales). There is a real return in investment, as price growth occurs even with higher transaction volumes. With high demand for houses and units in Hobart LGA*, now is an ideal time for owner-occupiers to sell

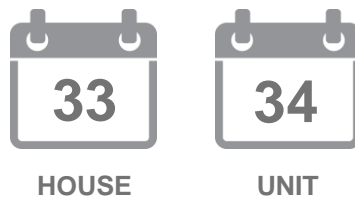
	CHANGE FROM LAST	YEAR	HALF YEAR
	House Sales	↑	↓
	House Median Price	↑	↑
	House Rental Price	↑	↑
	Unit Sales	↑	↓
	Unit Median Price	↑	↑
	Unit Rental Price	↑	↑

MARKET CONDITIONS

SALES MEDIAN PRICE Q2 2021



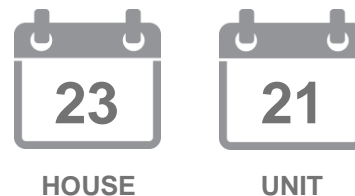
SALES AVERAGE DAYS ON MARKET Q2 2021



RENTAL MEDIAN PRICE Q2 2021

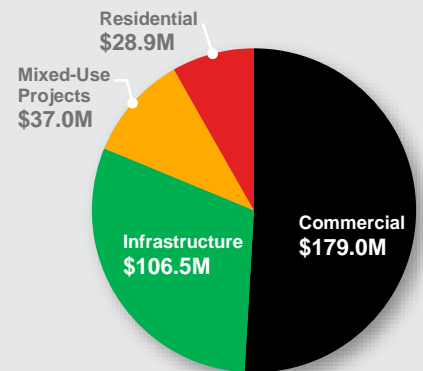


RENTAL AVERAGE DAYS ON MARKET Q2 2021



FUTURE DEVELOPMENTS

Hobart* is set to see approximately **\$351.4M** worth of new projects commencing in the 2nd half of 2021.



These projects will stimulate economic growth and create large employment opportunities in Hobart*, which will have a positive spill-over impact on the real estate market.

Two major commercial projects will commence over the 2nd half of 2021. Those being the Davey Street Hotel (\$125.0M) and the Crowthers Lane Hotel (\$50.0M). The former proposing the construction of a 33-storey, 457 room, 5 star hotel with a range of luxury amenities and a pedestrian bridge across Davey Street. A key infrastructure project for the period is the expansion of the Royal Hobart Hospital – Emergency Department (\$74.8M).

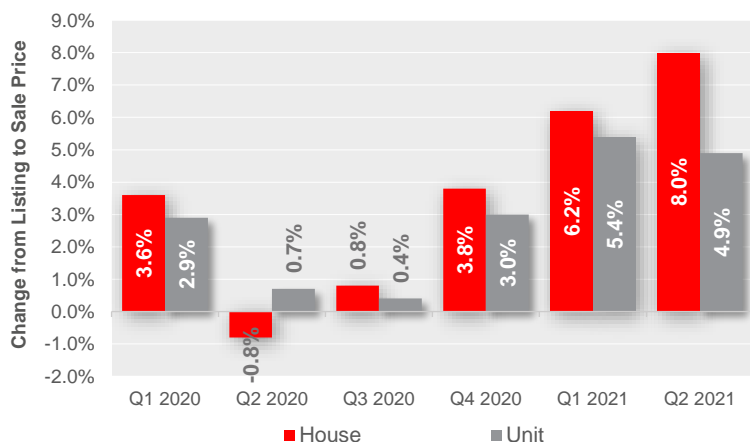
The Sandy Bay Road Apartments (\$7.0M, 28 Units) and Macquarie Street Mixed Use Development (\$36.0M, 40 Units) will provide essential residential developments to answer demand in the Hobart LGA.



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.

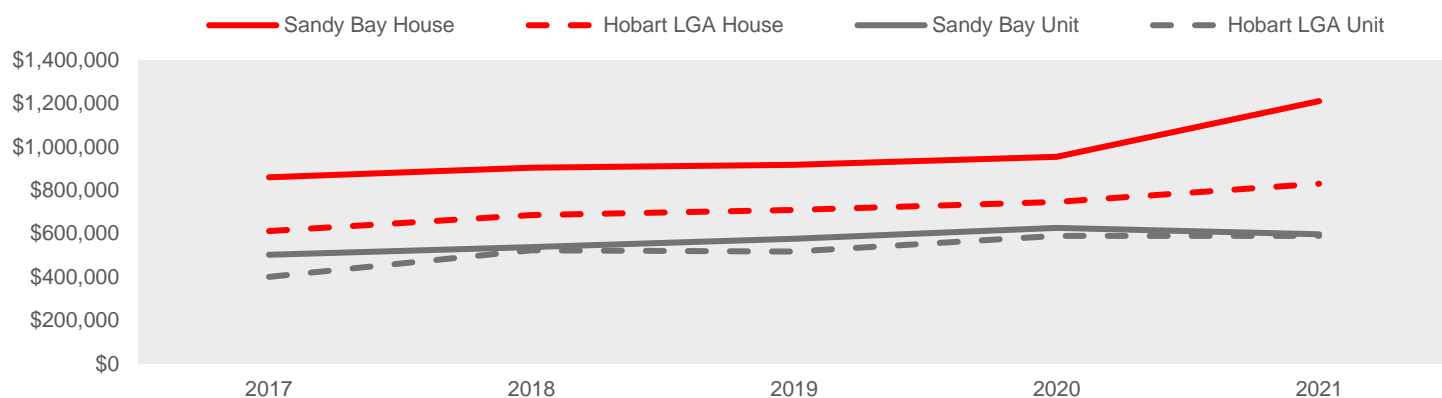
Average vendor discounts between Q2 2020 and Q2 2021 have swung to premiums of 8.0% for houses and 4.9% for units. Market conditions in Hobart* shifted to favour vendors, as buyers are willing to offer above the initial listing price. Now is the time to sell in Hobart*.



The suburb of Sandy Bay has historically outperformed the wider Hobart Local Government Area (LGA), particularly in its median house price. This continued to be the case throughout 2021#.

The dominant proportion of homes sold in Hobart* for 2021^ were in the premium price bracket of \$1,050,000 and above (30.5%). Units also recorded a dominant premium price point of \$750,000 and above (31.4%). This reveals that there is an appetite for premium priced stock. A healthy balance of sales in other price points is evident, however entry-level first home buyers must act quickly to secure affordable options in Hobart*.

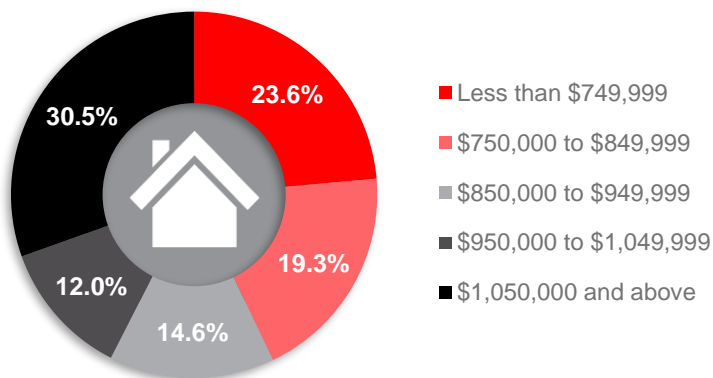
MARKET COMPARISON



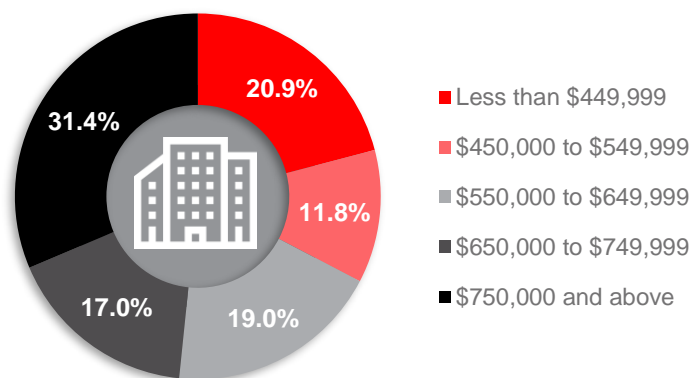
The market comparison graph provides a comparative trend for the median price of houses and units over the past 5 years. The main LGA profiled was chosen based on their proximity to the main suburb analysed, which is Sandy Bay.

PRICE BREAKDOWN 2021^

HOUSES SOLD



UNITS SOLD

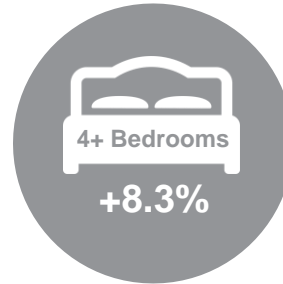


RENTAL GROWTH 2021€

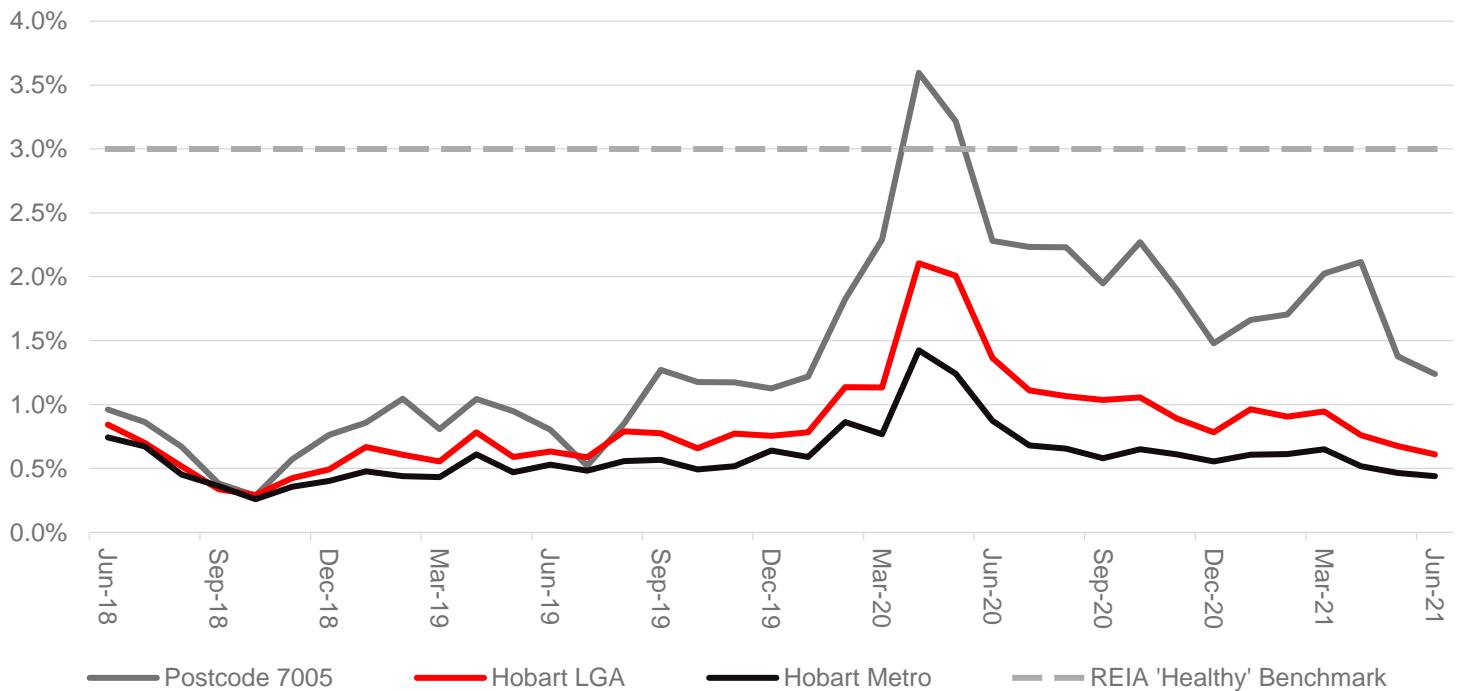
In June 2021, house rental yields in the Hobart LGA* were recorded at 3.9%. In the 12 months to Q2 2021, the median house rental price increased by 12.2% to reach \$550 per week, while average days on the market declined by -25.8% (to 23 days). Overall this represents a resilient rental market throughout COVID-19, with room for investor to enter the market.

3 bedroom houses have provided investors with +10.0% rental growth annually€, with a median rent of \$550 per week.

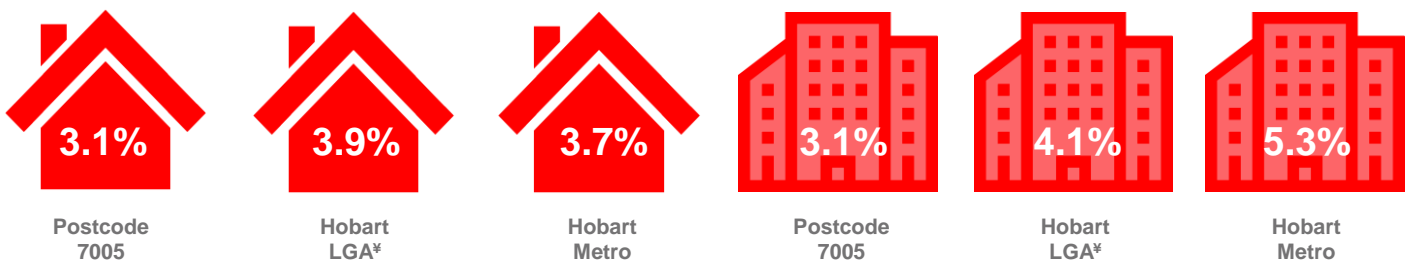
Also in June 2021, Postcode 7005 (containing the suburbs of Dynnyrne and Sandy Bay) recorded a vacancy rate of 1.2%, above that of Hobart LGA (0.6%) and Hobart Metro (0.4%). Vacancy rates in Postcode 7005 and the surrounding Hobart LGA continue to decline and remain well below the Real Estate Institute of Australia's healthy benchmark of 3.0%. There is an ongoing level of healthy rental demand, thus investors can be confident of a conducive investment environment.



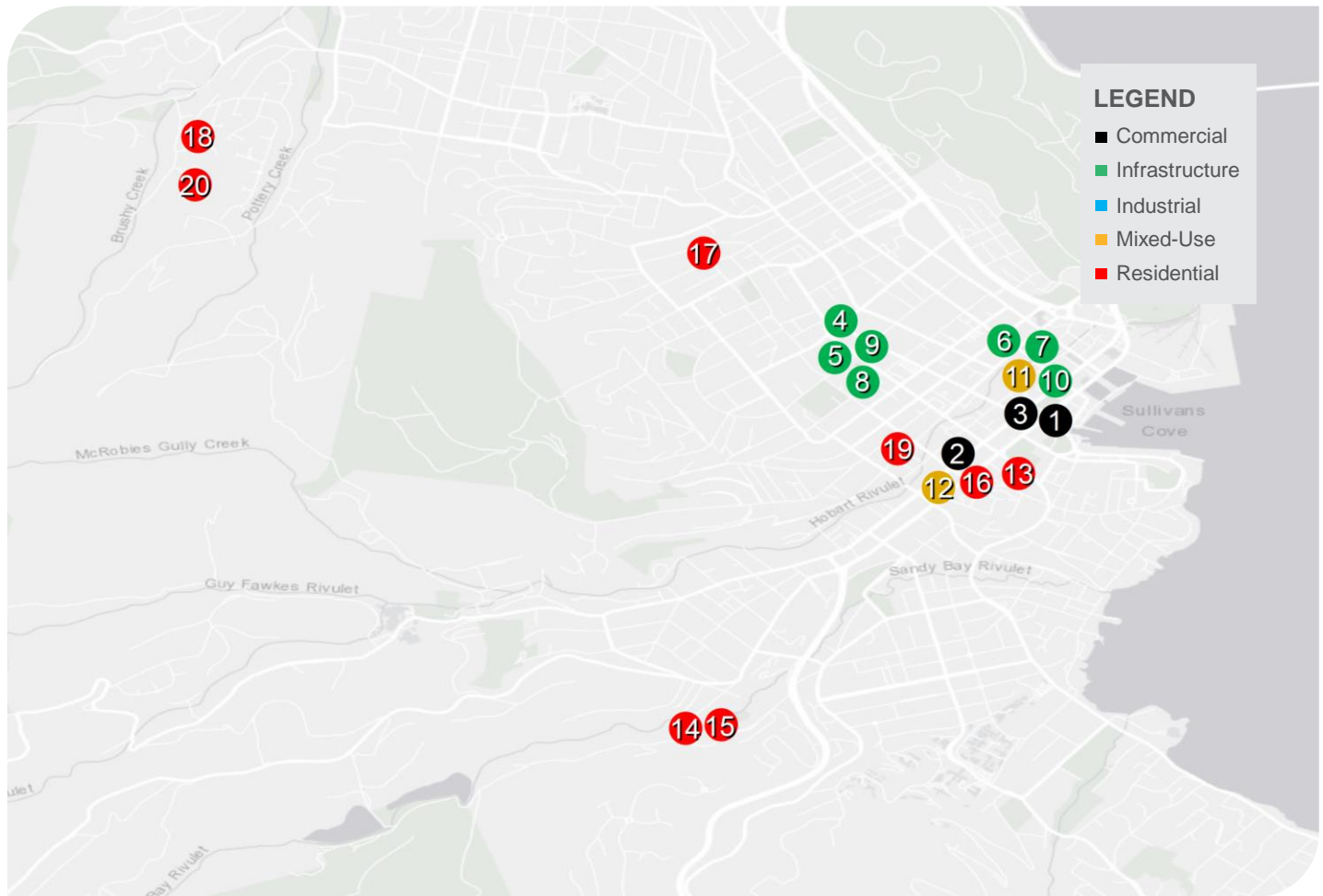
RENTAL VACANCY RATES 2021



RENTAL YIELD 2021\$



TOP DEVELOPMENTS MAP 2ND HALF 2021[▲]



Location	Project [£]	Type	Estimated Value [Ⓜ]	Commence Date [Ⓜ]
1	Davey Street Hotel	Commercial	\$125,000,000	22/07/2021
2	Macquarie & Collins Streets & Crowthers Lane Hotel	Commercial	\$50,000,000	25/08/2021
3	Tasmanian Museum & Art Gallery	Commercial	\$1,300,000	13/08/2021
4	Bridge Joint Rehabilitation Program 2020-2021	Infrastructure	\$1,160,000	14/07/2021
5	Bridgewater Bridge	Infrastructure	\$1,398,000	05/08/2021
6	Royal Hobart Hospital - Intensive Care Unit (ICU)	Infrastructure	\$1,500,000	14/10/2021
7	Royal Hobart Hospital - Pharmacy Department	Infrastructure	\$3,500,000	20/09/2021
8	Southern Tasmania Pavement Resurfacing	Infrastructure	\$10,000,000	16/09/2021
9	Northern Tasmania Pavement Resurfacing	Infrastructure	\$10,000,000	16/09/2021
10	Royal Hobart Hospital Emergency Department Expansion	Infrastructure	\$74,800,000	15/11/2021
11	Kodak House (5 Apartments)	Mixed-use	\$1,000,000	20/12/2021
12	Macquarie Street Mixed Use Development (40 Apartments)	Mixed-use	\$36,000,000	11/10/2021
13	Sandy Bay Road Apartments (28 Apartments)	Residential	\$7,000,000	17/08/2021
14	Romilly Street Townhouses (9 Townhouses)	Residential	\$3,600,000	13/08/2021
15	Romilly Street Townhouses (9 Townhouses)	Residential	\$3,000,000	07/08/2021
16	Macquarie Street Apartments (4 Apartments)	Residential	\$2,500,000	04/11/2021
17	Lower Jordan Hill Road Townhouses (5 Townhouses)	Residential	\$1,500,000	15/12/2021
18	Jeannette Court Units (3 Units)	Residential	\$1,400,000	11/10/2021
19	Liverpool Street Apartment Building (25 Apartments)	Residential	\$8,000,000	16/09/2021
20	Beaumont Road Units (5 Units)	Residential	\$960,000	06/08/2021

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

* Hobart market data and key indicators encapsulates aggregate property market conditions within the Hobart 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.

¥ Hobart LGA market data encapsulates aggregate property conditions within the postcodes of 7000, 7004, 7005, 7007, 7008, 7009, 7050, and 7054.

§ 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 Hobart 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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