



Hobart Market Update

1st Half 2022



OVERVIEW

In Q4 2021, Hobart* recorded a median house price of \$1,155,000, and a median unit price of \$720,500. This represents annual (Q4 2020 – Q4 2021) median price growth of 37.0% for houses and 29.1% for units. Between Q4 2020 – Q4 2021 total sales in both markets slowed, by -25.5% for houses (to 114 sales) and by -14.3% for units (to 84 sales). Hobart* is undersupplied, as there is an imbalance between high demand and low stock. Owner-occupiers and downsizers can capitalise on their investments, whereas buyers need to be very strategic and potentially more flexible in their purchasing journey.

	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 Q4 2021



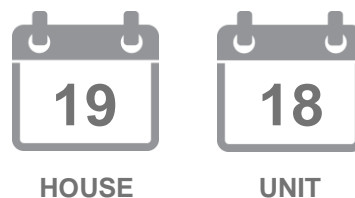
SALES AVERAGE DAYS ON MARKET Q4 2021



RENTAL MEDIAN PRICE Q4 2021

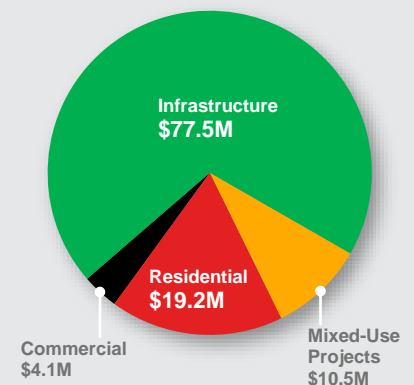


RENTAL AVERAGE DAYS ON MARKET Q4 2021



FUTURE DEVELOPMENTS

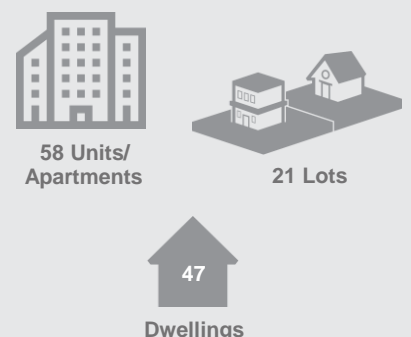
Hobart* is set to see approximately **\$111.3M** worth of new projects commencing in the 1st half of 2022.



A focus on infrastructure projects will create employment opportunities in the short term and improve liveability for residents. This could lead to higher demand for housing, as the area becomes more attractive to live in.

A key infrastructure project in the 1st half of 2022 is the Macquarie Point Infrastructure Scheme (\$20.0M). This project is for parties interested in the development and operation of energy infrastructure and provision of services to support the redevelopment of the Macquarie Point Site.

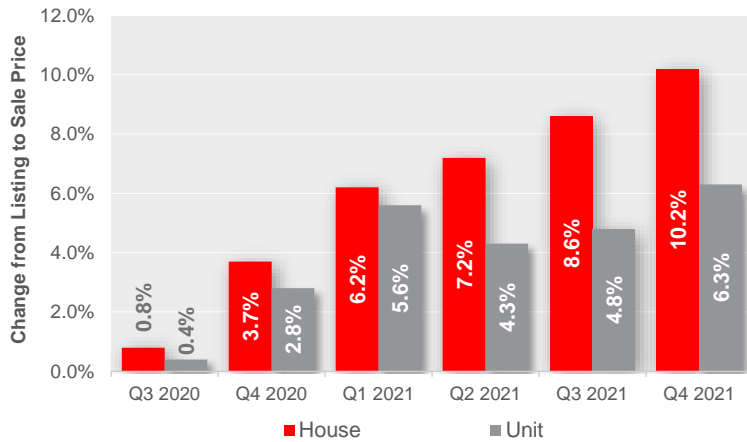
There are 6 key residential projects: Sandy Bay Road Apartments (\$7.0M, 28 apartments), 3-4 Montgomery Court Units (\$3.9M, 5 units), Kooyong Glen Units (\$3.0M, 11 units), Pirie St Units (\$2.4M, 6 units), and Brinsmead Road Dwellings (\$1.9M, 4 dwellings). This will answer to current demand, but there is still room for developers to enter 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.

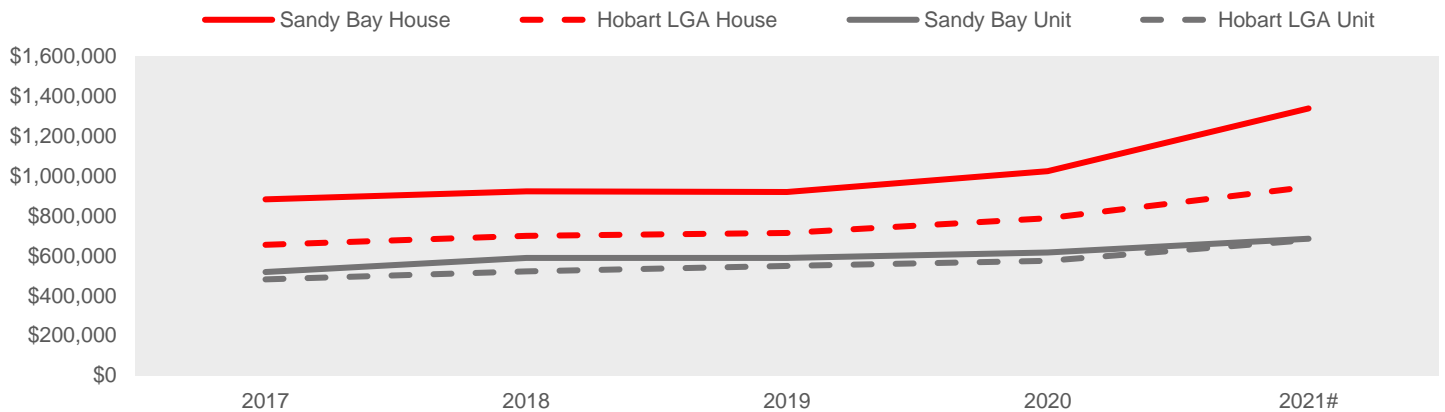
Average vendor discounts between Q4 2020 and Q4 2021 have further travelled towards a higher premium for both property types, to 10.2% for houses and 6.3% for units. Market conditions in Hobart* have continued to favour sellers, where buyers must offer above the initial listing price.



The suburb of Sandy Bay has historically outperformed the wider Hobart Local Government Area (LGA). 2021# saw median house price in Sandy Bay exponentially grow, creating a premium market. Units in Sandy Bay remain on par with Hobart LGA's prices, creating an opportunity for first home buyers.

The dominant proportion of homes sold in Hobart* across 2021^ were in the premium price bracket of \$1.25M and above (28.2%). Units recorded a dominant premium price point of \$850K and above (27.3%). This shows a growing premium market. Affordable options are available, but has shrunk in the past 12 months.

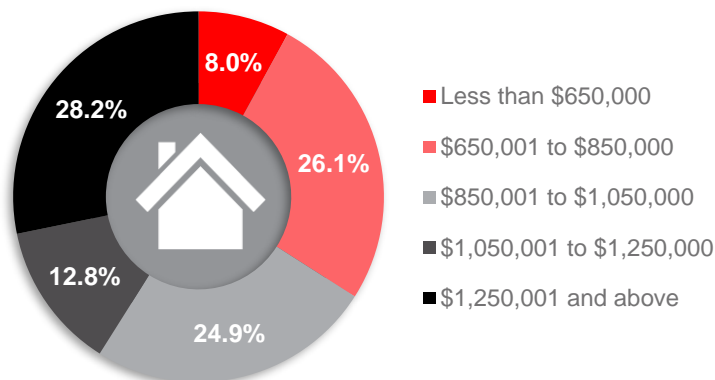
MARKET COMPARISON



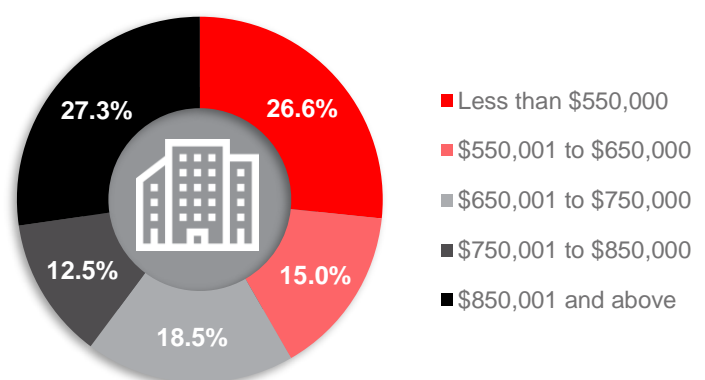
The market comparison graph provides a comparative trend for the median price of houses and units over the past 5 years. The main LGA profiled was chosen based on their proximity to the main suburb analysed, which is Sandy Bay.

PRICE BREAKDOWN 2021^

HOUSES SOLD



UNITS SOLD



RENTAL GROWTH 2021€

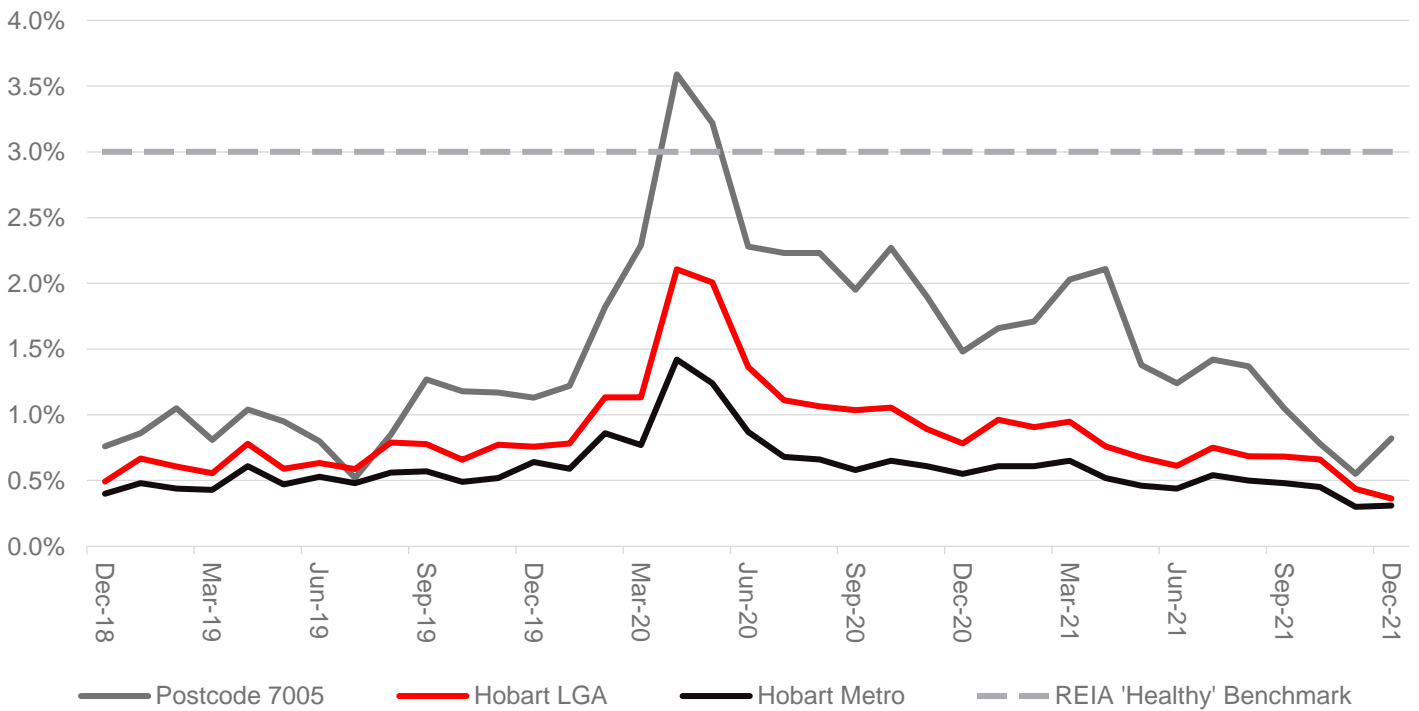
In December 2021, house rental yields in Postcode 7005[‡] were recorded at 2.7%. In the 12 months to Q4 2021, the median house rental price increased by 5.8%, which was lower than the annual median house sale price growth of 37.0%, thus resulting in a low rental yield reading. That said median house rental price was \$550 per week in Q4 2021, while average days on the market declined by -13.6% (to 19 days). Overall this represents a resilient rental market throughout COVID-19.

2 and 3+ bedroom houses have provided investors with 10.0% rental growth annually[€], with a median rent of \$495 and \$550 per week respectively.

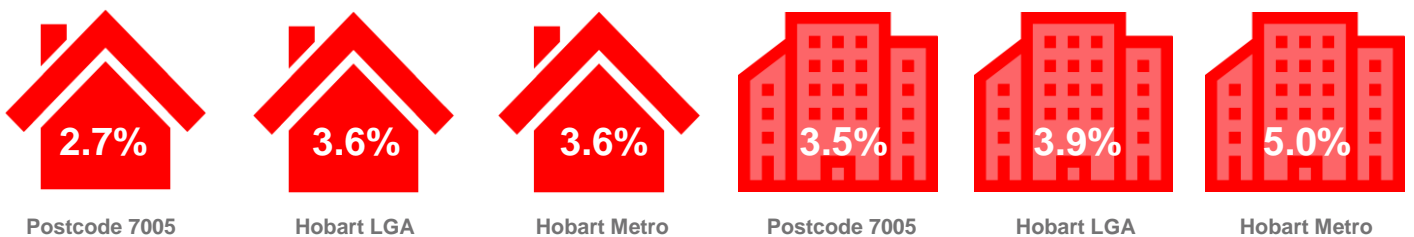
Also in December 2021, Postcode 7005[‡] recorded a vacancy rate of 0.8%, above Hobart LGA (0.4%) and Hobart Metro (0.3%). Vacancy rates in Postcode 7005[‡] have been on a declining trend since hitting a peak in April 2020, due to COVID-19. There is still a healthy rental demand and investors can be confident of a conducive investment environment in the area.



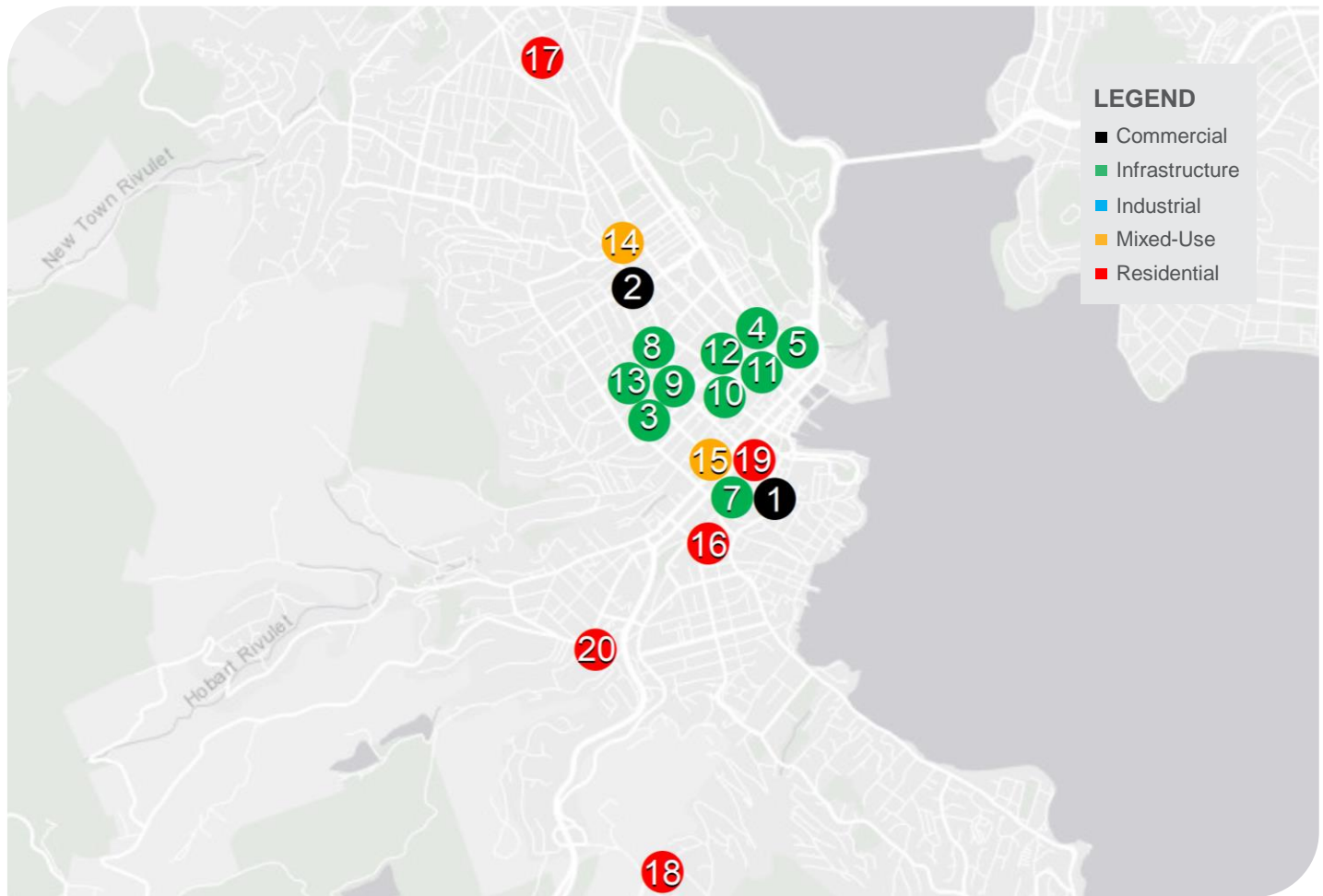
RENTAL VACANCY RATES 2021



RENTAL YIELD 2021§



TOP DEVELOPMENTS MAP 1st HALF 2022[Ⓐ]



Location	Project [£]	Type	Estimated Value [Ⓜ]	Commence Date [Ⓜ]
1	Kirksway Place Commercial Office Building	Commercial	\$1,000,000	10/04/2022
2	Savage Interactive	Commercial	\$1,000,000	08/03/2022
3	Macquarie Point Infrastructure Scheme	Infrastructure	\$20,000,000	08/06/2022
4	Y2i Hobart Youth Foyer	Infrastructure	\$1,200,000	15/03/2022
5	Royal Hobart Hospital	Infrastructure	\$1,500,000	17/02/2022
Not Mapped	State-wide Bridge Strengthening 2021/2022 - Package 1	Infrastructure	\$1,750,000	18/03/2022
7	Anglesea Barracks & Paterson Barracks	Infrastructure	\$1,800,000	12/04/2022
8	Kunanyi/Mount Wellington Mountain Bike Tracks	Infrastructure	\$1,000,000	11/01/2022
9	Southern Tasmania Pavement Resurfacing	Infrastructure	\$6,393,000	07/02/2022
10	Royal Hobart Hospital - Pharmacy Department D Block Expansion	Infrastructure	\$7,500,000	25/04/2022
11	Royal Hobart Hospital - Endoscopy Procedure Suite Upgrade Level 4a/5a	Infrastructure	\$8,781,000	04/02/2022
12	Royal Hobart Hospital - Intensive Care Unit (Icu)	Infrastructure	\$11,656,000	14/03/2022
13	Lindsay River Bridge Works	Infrastructure	\$5,000,000	15/03/2022
14	The Orchard Apartments (8 Units)	Mixed-use	\$2,500,000	17/03/2022
15	Macquarie Street Residential Development (43 Dwellings)	Mixed-use	\$8,000,000	21/02/2022
16	3-4 Montgomery Court Units (5 Units)	Residential	\$3,900,000	18/03/2022
17	Pirie Street Units (6 Units)	Residential	\$2,400,000	13/06/2022
18	Brinsmead Road Dwellings (4 Dwellings)	Residential	\$1,980,000	04/04/2022
19	Sandy Bay Road Apartments (28 Units)	Residential	\$7,000,000	17/04/2022
20	Kooyong Glen Units (11 Units)	Residential	\$3,000,000	24/02/2022

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

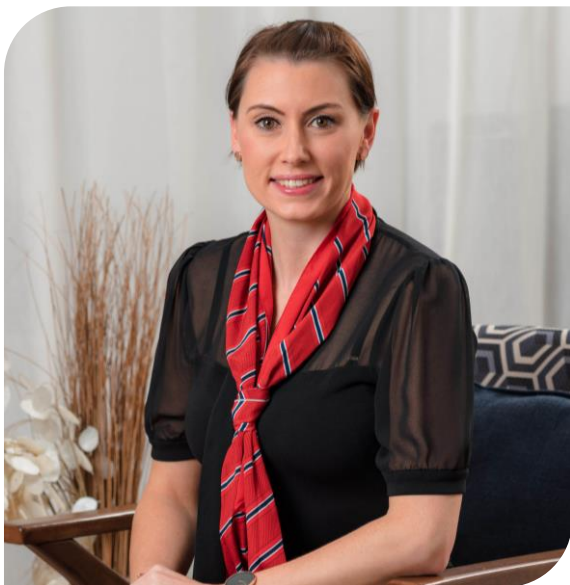
Access to accurate and objective research is the foundation of all good property decisions.

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 2021 (01/01/2021 – 31/12/2021) only.

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€ Annual rental growth is a comparison between 2020 (01/01/2020 – 31/12/2020) and 2021 (01/01/2021 – 31/12/2021) house median rent figures.

¥ Hobart market data encapsulates aggregate property conditions within the postcode 7005.

§ Rental yields shown are as reported as of December 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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