



Glenorchy Market Update 1st Half 2022



OVERVIEW

In Q4 2021, Glenorchy* recorded a median house price of \$632,500, and a median unit price of \$455,000. This represents annual (Q4 2020 – Q4 2021) median price growth of 37.2% for houses and 23.0% for units. Between Q4 2020 – Q4 2021 total sales in both markets slowed, by -16.6% for houses (to 151 sales) and by -35.1% for units (to 48 sales). The Glenorchy* market is undersupplied, as median price growth is alongside lower sales. Now is the time for owner-occupiers and downsizers to capitalise on their investment, and for developers to enter the market and offer ready-to-sell stock.

	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



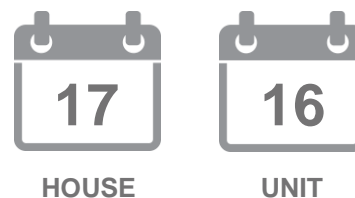
SALES AVERAGE DAYS ON MARKET Q4 2021



RENTAL MEDIAN PRICE Q4 2021

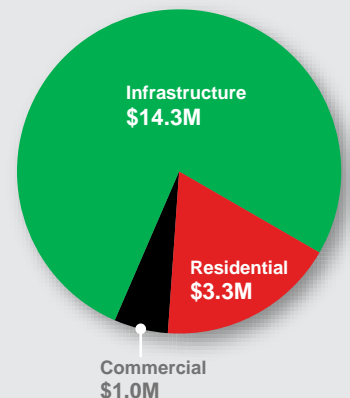


RENTAL AVERAGE DAYS ON MARKET Q4 2021



FUTURE DEVELOPMENTS

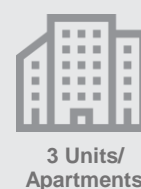
Glenorchy* is set to see approximately **\$18.6M** worth of new projects commencing in the 1st half of 2022.



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.

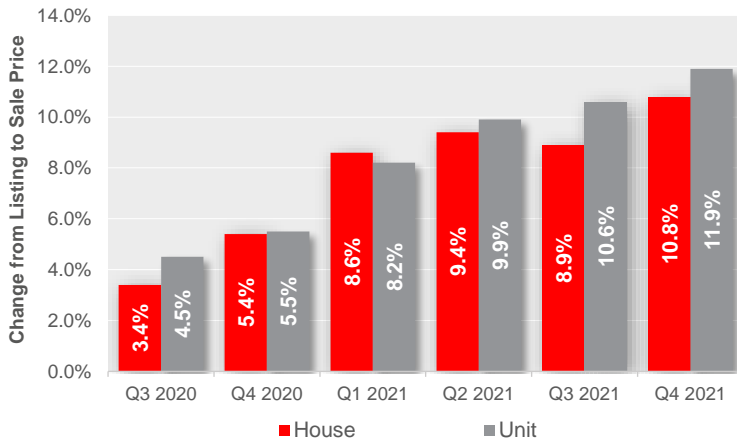
A key infrastructure project over the 1st half of 2022 is Glenorchy Super Ambulance Station (\$6.0M), which will construct an ambulance super station on a greenfield site in Glenorchy*. New Year 11 and year 12 facilities at St Virgil's College (\$1.0M) is the commercial project for the 1st half of 2022.

There are 2 key residential projects planned: Timsbury Road Dwellings (\$1.5M, 5 dwellings) and McGough Street Units (\$1.8M, 3 units). This will add to the significant need for supply in Glenorchy*, however this will not be enough – especially as the number of sales have declined significantly in the past 12 months. The local government is urged to unlock land, allowing developers to enter the market and provide new ready-to-sell stock to 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.

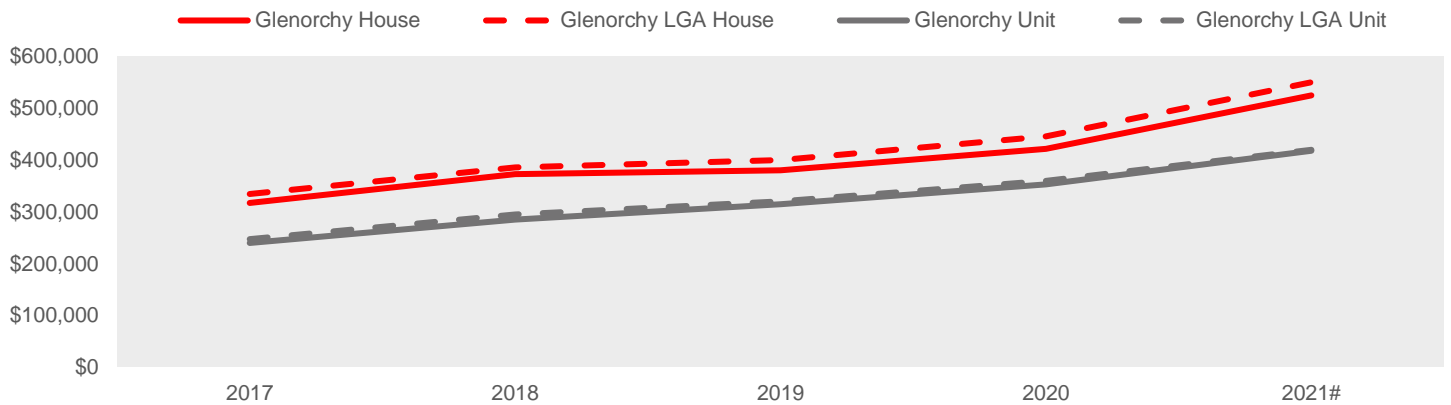


Average vendor discounts between Q4 2020 and Q4 2021 have further travelled towards a higher premium, to 10.8% for houses and 11.9% for units, a record high for the past 3 years. Market conditions in Glenorchy* have continue to favour sellers, where buyers must offer higher than the initial listing price.

The suburb of Glenorchy has historically offered a marginally more affordable house market compared the wider Glenorchy Local Government Area (LGA), and an on par unit market. This continues to be the case in 2021#, with both markets trending up.

The dominant proportion of homes sold in Glenorchy* across 2021^ were in the middle price market of \$500 - \$600K (29.2%). Units recorded a split dominant price, of the most affordable \$350K and less (25.0%) and middle price range \$400-\$500K (25.0%). This suggest there is a home for every budget, however affordable options have shrunk in the past 12 months.

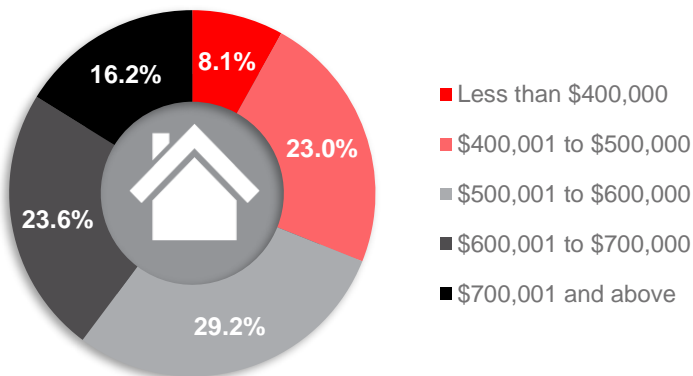
MARKET COMPARISON



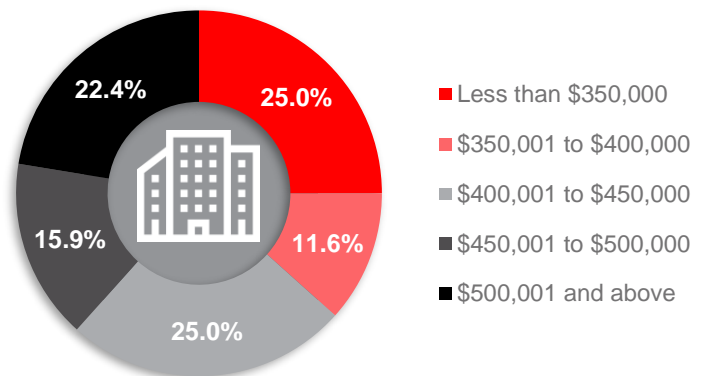
The market comparison graph provides a comparative trend for the median price of houses and units over the past 5 years. The main areas profiled was chosen based on their proximity to the main suburb analysed, which is Glenorchy.

PRICE BREAKDOWN 2021^

HOUSES SOLD



UNITS SOLD



RENTAL GROWTH 2021€

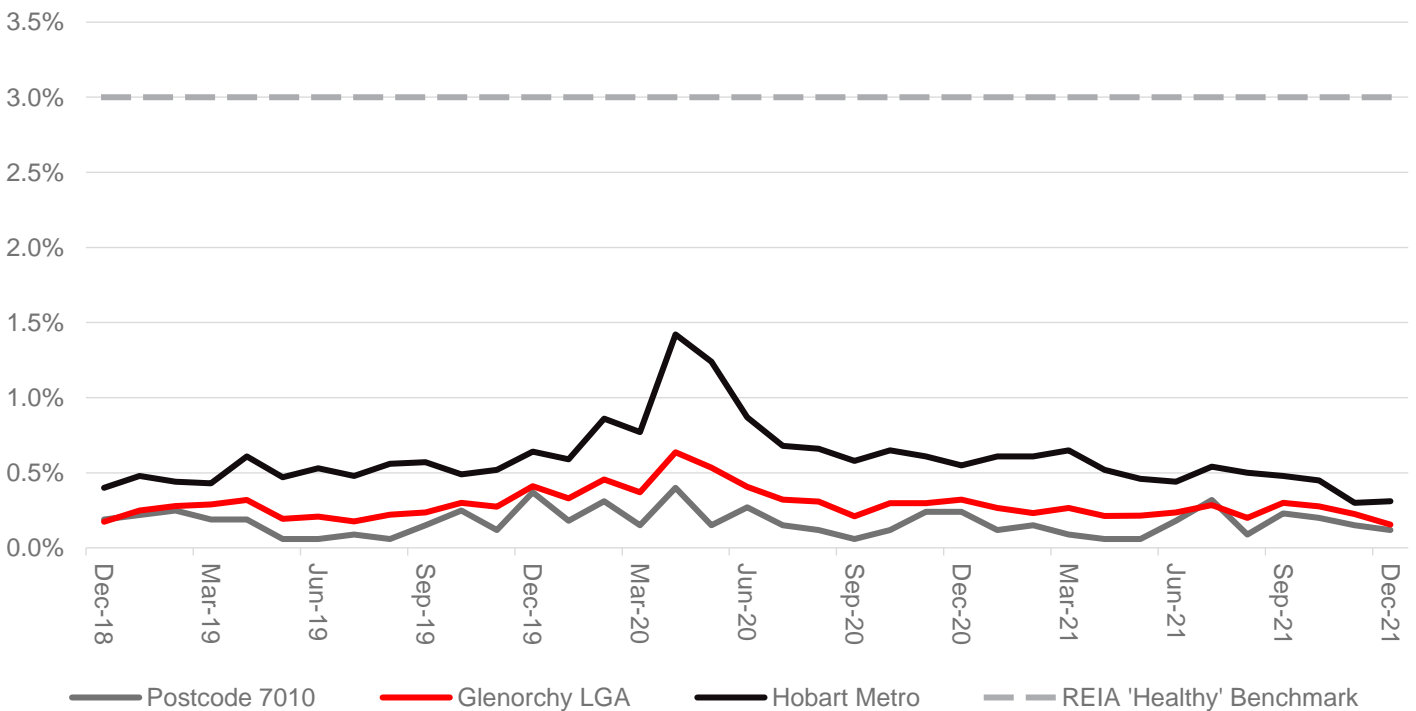
In December 2021, house rental yields in Glenorchy[‡] were recorded at 4.3%. In the 12 months to Q4 2021, the median house rental price increased by 8.9% to reach \$490 per week, while average days on the market declined by -19.0% (to 17 days). Overall this represents a resilient rental market throughout COVID-19, particularly as average day on market have declined significantly, in good news for investors.

4+ bedroom houses have provided investors with +7.5% rental growth annually[€], with a median rent of \$570 per week.

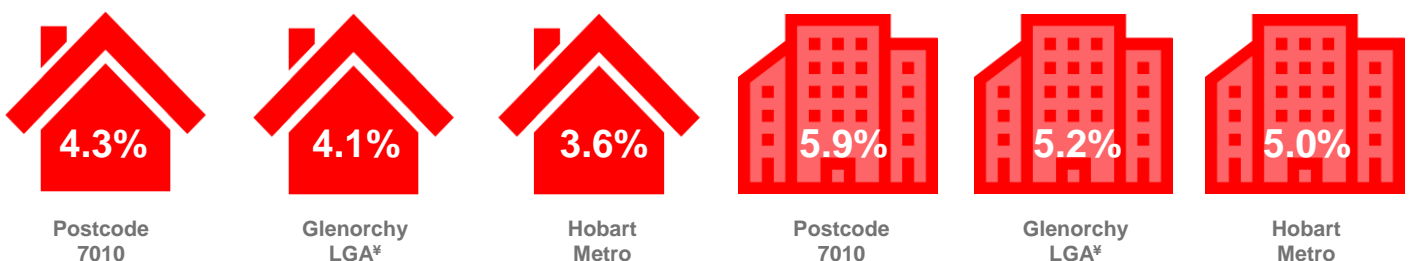
Also in December 2021, Glenorchy[‡] recorded a vacancy rate of 0.1%, below that of Glenorchy LGA (0.2%) and Hobart Metro (0.3%). Vacancy rates in Glenorchy[‡] remain well below the Real Estate Institute of Australia's healthy benchmark of 3.0%, and trended below 0.5% in the past 3 years, even amidst COVID-19 conditions. This confirms there is still a healthy rental demand and investors can be confident of a conducive investment environment in Glenorchy[‡].



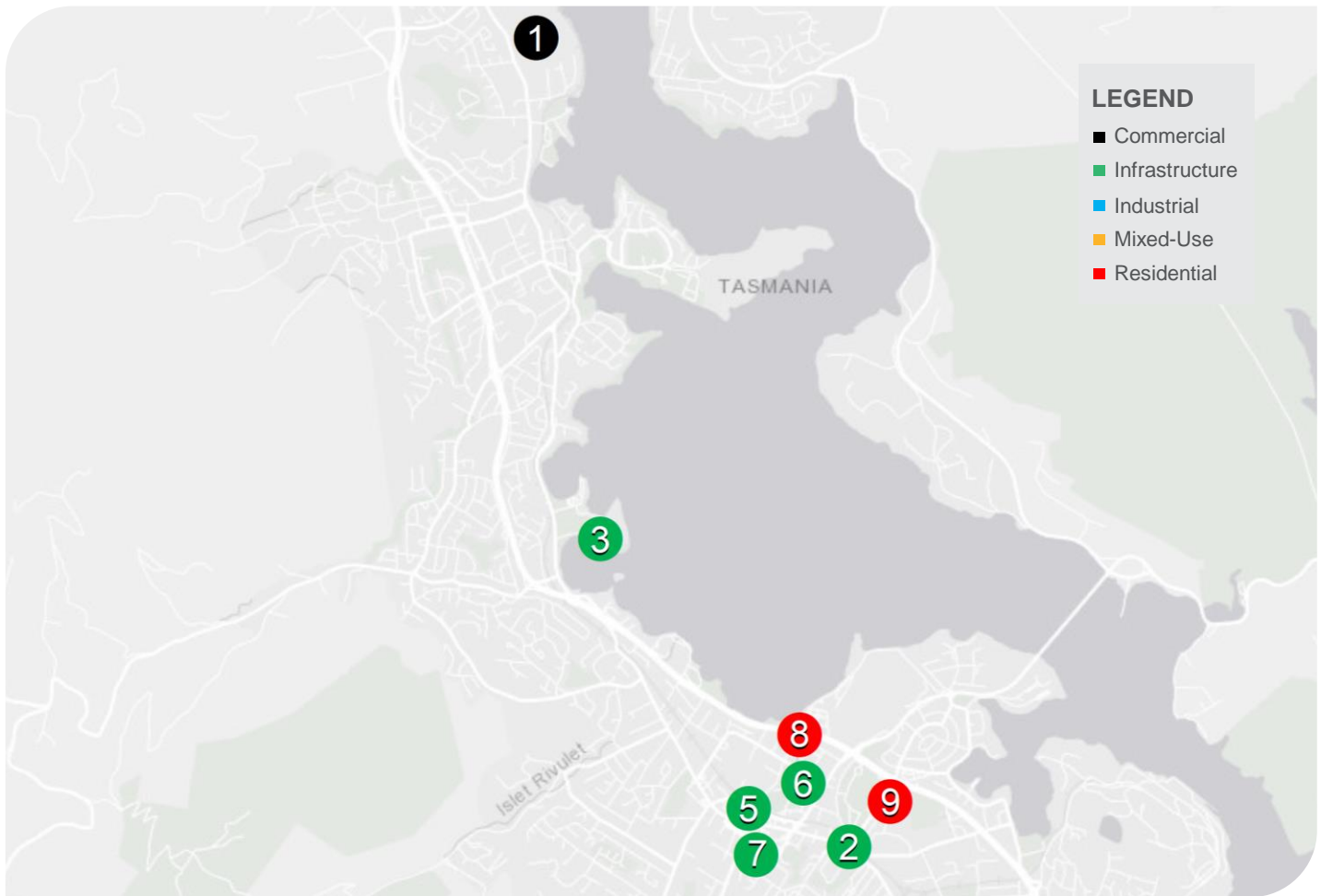
RENTAL VACANCY RATES 2021



RENTAL YIELD 2021§



TOP DEVELOPMENTS MAP 1st HALF 2022^A



Location	Project [£]	Type	Estimated Value [£]	Commence Date ^ψ
1	St Virgil's College	Commercial	\$1,000,000	29/03/2022
2	Glenorchy Super Ambulance Station	Infrastructure	\$6,000,000	11/04/2022
3	Mona Tunnel	Infrastructure	\$5,000,000	20/09/2022
Not Mapped	Collins Cap Road Roadworks	Infrastructure	\$1,000,000	23/09/2022
5	Glenorchy Civic Business District	Infrastructure	\$1,000,000	26/07/2022
6	Glenorchy City Council Roadworks	Infrastructure	\$950,000	09/05/2022
7	Glenorchy Library	Infrastructure	\$317,000	21/03/2022
8	McGough Street Units (3 Units)	Residential	\$1,800,000	07/02/2022
9	Timsbury Road Dwellings (5 Dwellings)	Residential	\$1,500,000	31/01/2022

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

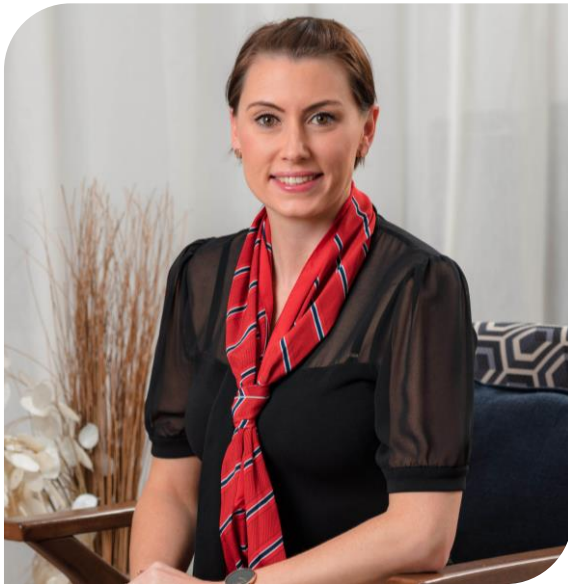
Access to accurate and objective research is the foundation of all good property decisions.

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

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

¥ Glenorchy market data encapsulates aggregate property conditions within the he postcodes of 7010.

§ 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 Glenorchy 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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