



> Affordable & Liveable Property Guide
Hobart Metro 1st Half 2022

OVERVIEW

Median property prices in Hobart Metro increased by 25.5% for houses to \$828,500 from Q1 2020 to Q1 2022*, and by 17.3% for units at \$610,000. Between Q1 2021 – Q1 2022 total sales declined by -17.8% (to 415 sales) for houses and by -32.3% (to 151 sales) for units. In comparison, between Q3 2020 – Q3 2021 Hobart Metro's median price grew by 30.5% for houses and 43.5% for units. During this number of sales also slowed, by -1.3% for houses and -18.5% for units. Hobart Metro continue to be undersupplied. Median property prices shows growth, but at a slower pace. With the economy entering a new phase of a higher cash rate and less fiscal / government stimulus, there are opportunities for first home buyers. An estimated \$972.8M of projects are planned across the 1st half of 2022, with a main focus on residential. This brings ready-to-sell properties (99 units, 33 townhouses, 33 dwellings), and provide a significant supply of ready-to-build lots (577).

RECENT TOP

Area	Suburb	Type	Median Price 2020	Median Price 2021/22*	Price Growth	Projects 2022***
Inner	Glebe	House	\$815,000	\$1,025,000	25.8%	\$230.0M
	South Hobart	Unit	\$365,000	\$612,750	67.9%	\$117.3M
North	Dowsing Point	House	\$405,500	\$700,000	72.6%	\$10.6M
	Berriedale	Unit	\$420,000	\$597,500	42.3%	\$10.6M
South	Kingston	House	\$565,000	\$720,000	27.4%	\$7.25M
	Kingston	Unit	\$458,500	\$535,000	16.7%	\$7.25M
East	Tranmere	House	\$748,750	\$1,000,000	33.6%	\$39.6M
	Tranmere	Unit	\$632,500	\$875,000	38.3%	\$39.6M

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 20 sales transactions for statistical reliability purposes. Based on market conditions suburbs have either positive, or as close as possible to neutral price growth between 2020 to 2021/22*.
- **Investment criteria** – as of March 2022, suburbs considered will have an on-par or higher rental yield than Hobart Metro, and an on-par or lower vacancy rate.
- **Affordability criteria** – This was determined by the percentage premiums that needed to be added to the Tasmania (TAS) average home loan, which was \$431,294** as of Q4 2021. For the chosen suburbs in this report a premium between 0.9% to 30.1% for houses and 24.0% to 35.9% for units were needed on top of the TAS average home loan. This is below the premium required to reach Hobart Metro's median prices, which is 92.1% for houses and 41.4% for units. Thus the chosen suburbs in 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 2022, 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 2021 release).

*Median price quoted captures sale transactions from 1st January 2021 to 31st March 2022, or Q1 2021 – Q1 2022. **Average home loan figure is derived from December Quarter 2021 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 2022 as stated by the relevant data authority. ^Annual Change is reflective of median price change from Q1 2021 to Q1 2022. Figures displayed in infographics are for the period Q1 2022. Source: APM Pricerfind, REIA, SQM Research, Cordell Connect, Department of Jobs and Small Business. © PRD 2022.

HOBART METRO



Annual Change[^]

Sales



Median Price



Rental Price



Sales



Median Price



Rental Price



MEDIAN SALE PRICE



HOUSE

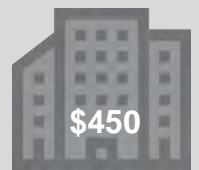


UNIT

MEDIAN RENTAL PRICE



HOUSE

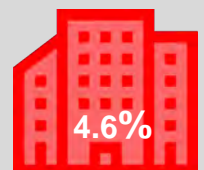


UNIT

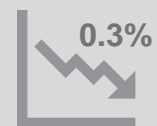
BENCHMARKS HOBART METRO



HOUSE YIELD

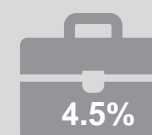


UNIT YIELD



VACANCY
RATE

BENCHMARKS TASMANIA

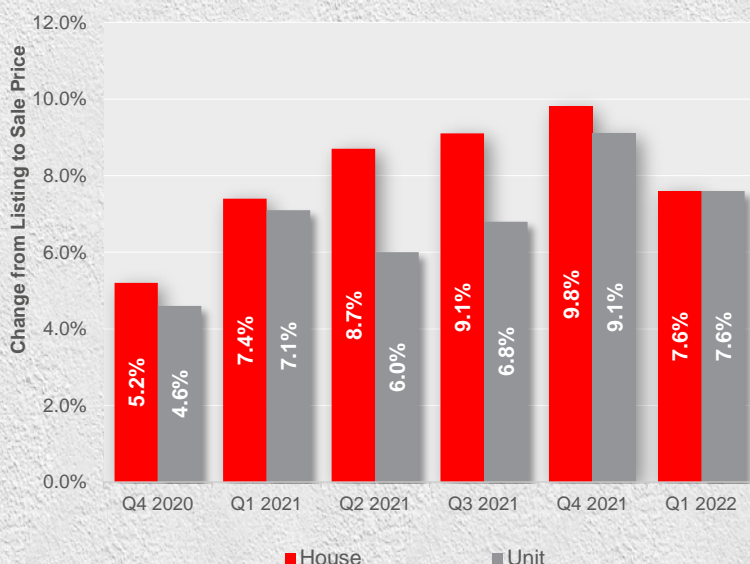


UNEMPLOYMENT
RATE



AVERAGE
HOME LOAN
\$431,294

AVERAGE VENDOR DISCOUNT

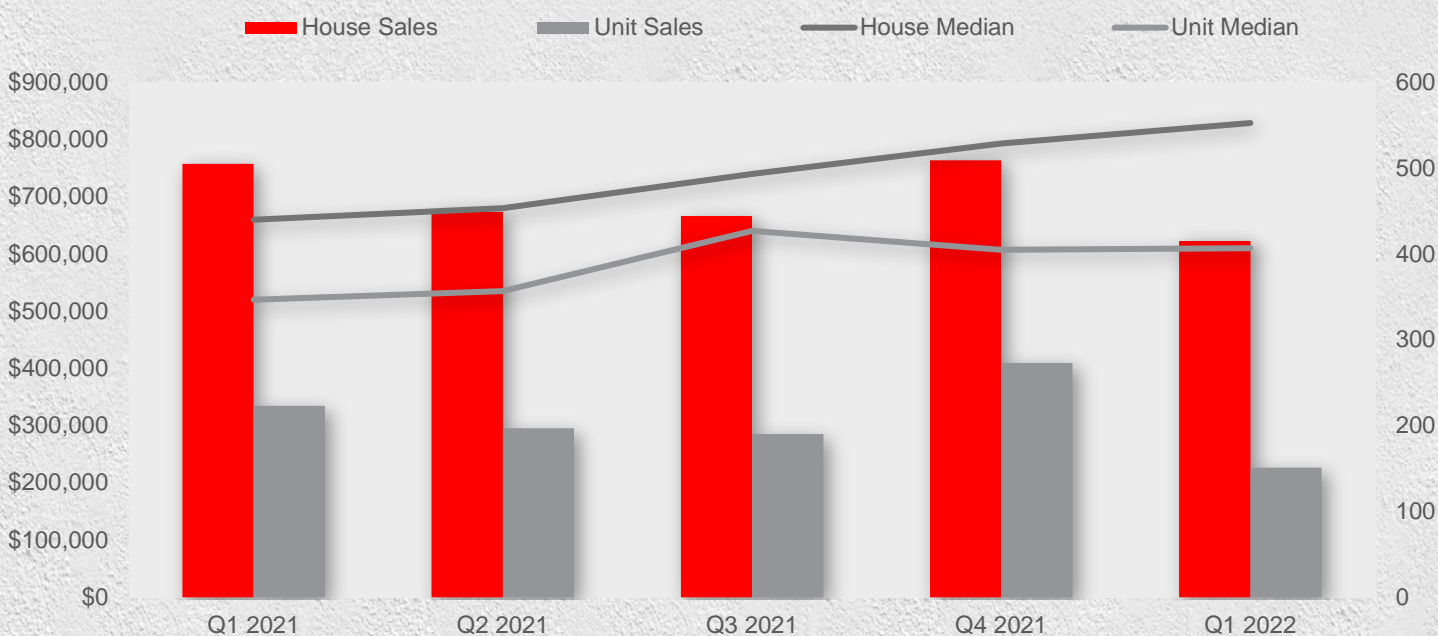


KEY COMMENTS

Average vendor discounts between Q1 2021 and Q1 2022 remain at a premium for both property types, to 7.6% for houses and units. Market conditions continue to heavily favour vendors, as buyers must offer above the initial listing price. That said the average vendor premiums in Q1 2022 are lower than the past three quarters, which should provide some relief to buyers.

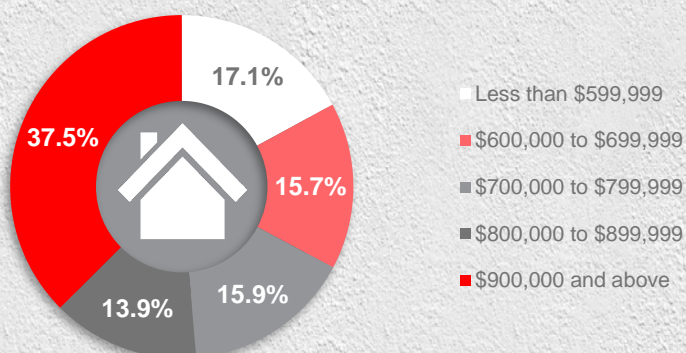
The dominant proportion of homes sold in Hobart Metro across 2021/22[#] were in the premium price bracket of \$900,000 and above (37.5%). Units also recorded a dominant premium price bracket of \$700,000 and above (32.2%). The premium market in Hobart Metro continue to grow, with a smaller middle-priced market for both houses and units. The proportion of sales in the most affordable price point for house remains at around 17% for the past 18 months, which is encouraging to buyers.

MARKET PERFORMANCE

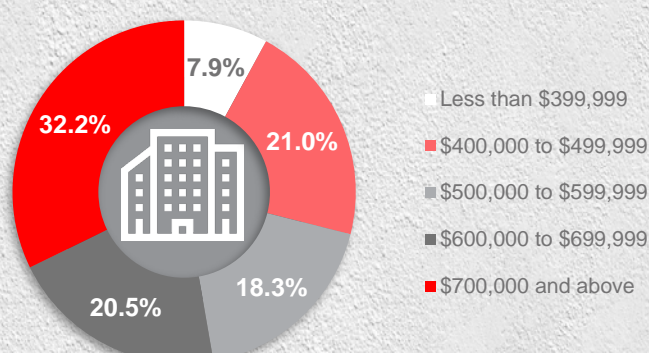


PRICE BREAKDOWN 2021/22[#]

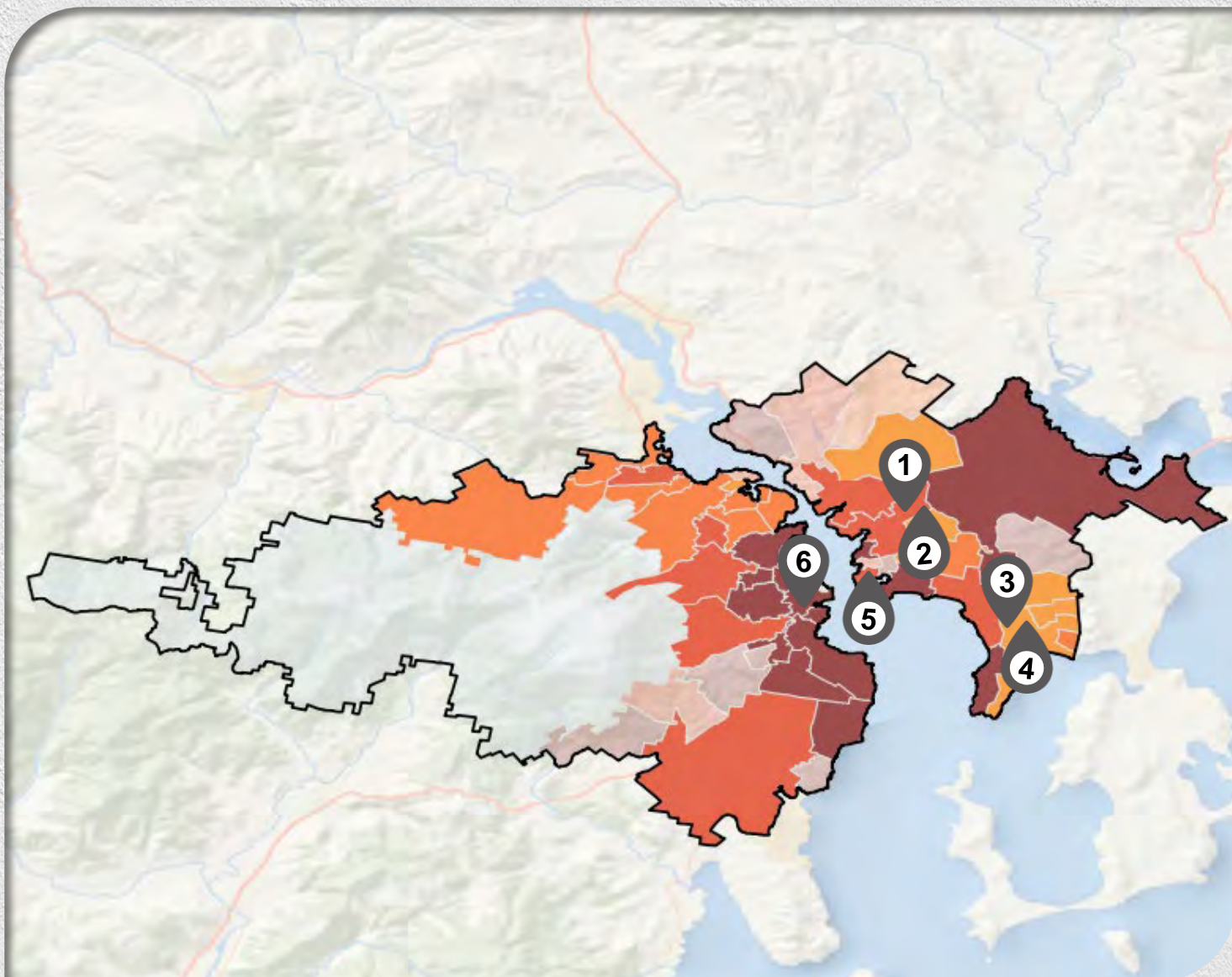
HOUSES SOLD



UNITS SOLD



HOBART METRO MEDIAN HOUSE PRICE 2021/22* 10KM FROM CBD



LEGEND

	Data not available
	\$350,000 - \$500,000
	\$500,000 - \$650,000
	\$650,000 - \$800,000
	\$800,000+
	10km from CBD

Translucent colours for <10 sales

HOBART AFFORDABLE & LIVEABLE SUBURBS RENTAL YIELD

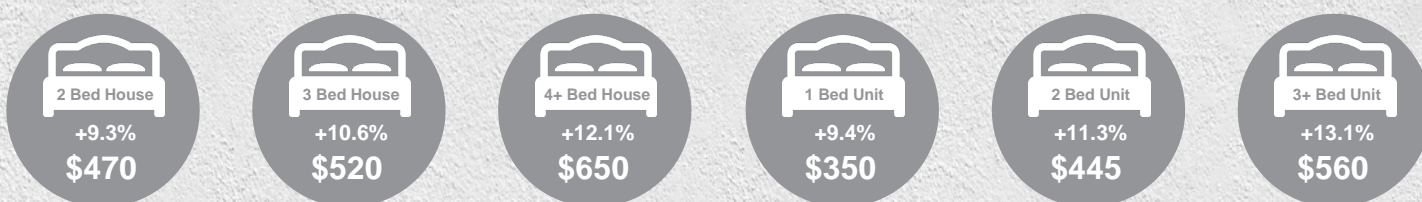
Suburb		House	Suburb		Unit
1	Warrane	3.9%	4	Oakdowns	4.9%
2	Mornington	3.9%	5	Bellerive	3.6%
3	Clarendon Vale	4.6%	6	Kingston	4.5%

RENTAL GROWTH 2021/22€

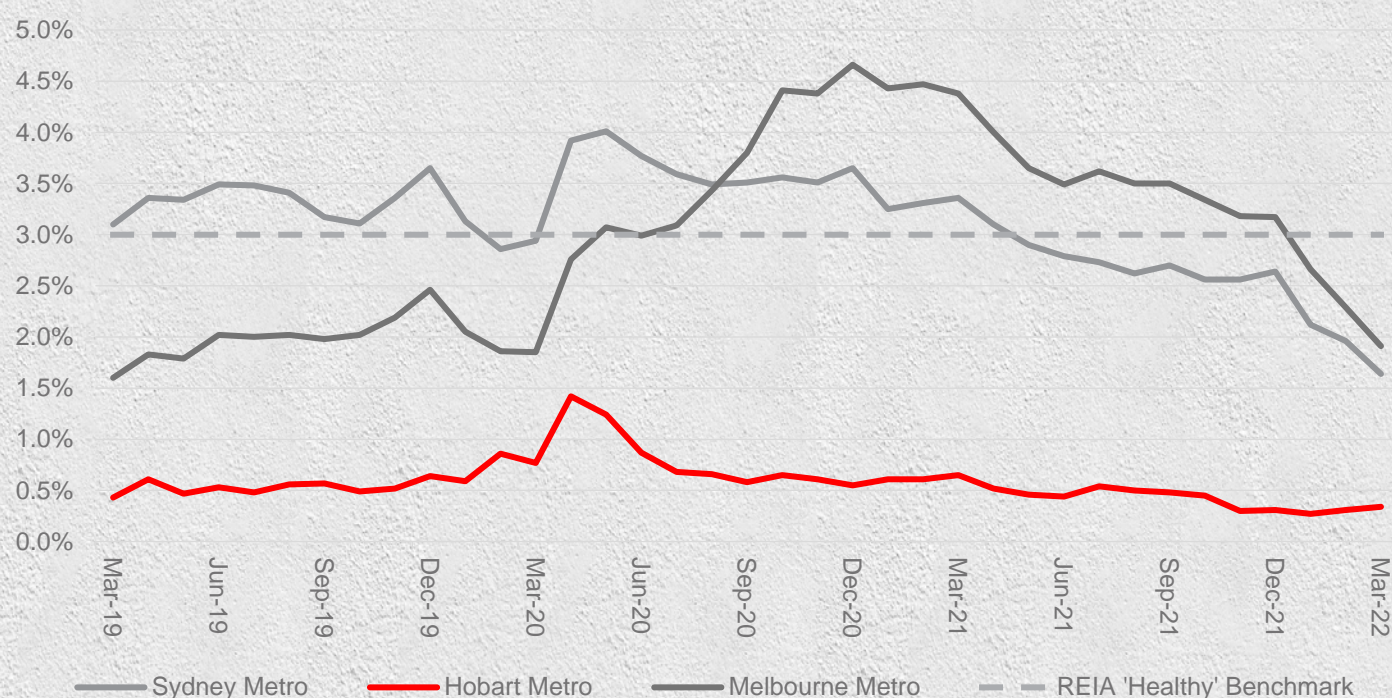
In March 2022, house rental yields in Hobart Metro was 3.5%. In the 12 months to Q1 2022, the median house rental price increased by 8.9% to \$550 per week, complemented with a low average days on the market, of 18 days. Median house sale price growth during this time was higher, at 17.3%, thus why house rental yield is lower compared to 12 months prior.

4+ bedroom houses recorded the highest annual rental growth (of +12.1%) to reach \$650 per week. 3+ bedroom units have the highest annual rental growth, of 13.1%. More people are working from home, thus tenants are seeking extra space for a home office. This is consistent with data 6 months ago, thus an insight as to what stock type are most beneficial to investors.

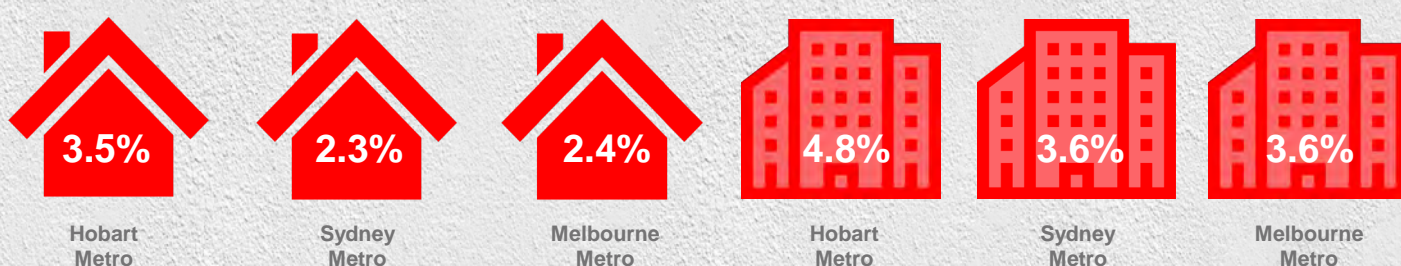
In March 2022, Hobart Metro recorded a low vacancy rate of 0.3%, well below that of Sydney Metro (1.6%) and Melbourne Metro (1.9%). Vacancy rates in Hobart Metro remained well below the Real Estate Institute of Australia's healthy benchmark of 3.0%, even throughout COVID-19. Hobart Metro's vacancy rate continues to show a declining trend since April 2020, showcasing historical low trends in the past 24 months. Combined with median rental price growth and a slower median sale price growth in the past 12 months, there is a confident investment environment for those considering to enter the market.



RENTAL VACANCY RATES 2022



RENTAL YIELD 2022\$



€ Annual rental growth is a comparison between Q1 2021 – Q1 2022 (01/01/2021 – 31/03/2022) house median rent figures.

\$ Rental yields shown are as reported at March 2022.

Source: APM Pricerfinder, SQM Research. © Copyright PRD 2022.

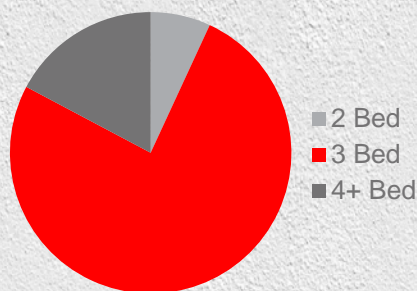


PROPERTY CLOCK - HOUSES



AFFORDABLE & LIVEABLE HOUSE SUBURBS

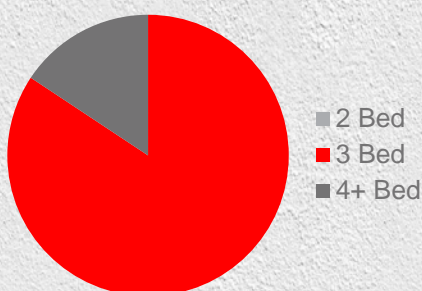
WARRNE 7018



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

Median House Price	\$462,625
• 2 Bed Median Price	\$453,500*
• 3 Bed Median Price	\$523,000
• 4+ Bed Median Price	\$600,000

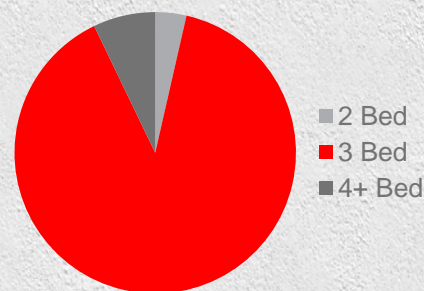
MORNINGTON 7018



Located about **5.9km** from the Hobart CBD.

Median House Price	\$561,250
• 2 Bed Median Price	N/A*
• 3 Bed Median Price	\$553,750
• 4+ Bed Median Price	\$630,000

CLARENDON VALE 7019



Located about **9.4km** from the Hobart CBD.

Median House Price	\$435,000
• 2 Bed Median Price	\$400,000*
• 3 Bed Median Price	\$450,000
• 4+ Bed Median Price	\$625,000

Annual Median Price Growth	15.7%**
Vacancy Rate (Mar-22)	0.3%
Rental Yield (Mar-22)	3.9%
Key Amenity (5km)	Eastlands Shopping Centre
Total Projects in Postcode (\$)	\$36.9M
Key Project	TASTafe Clarence Campus Upgrades (\$22.0M)
Unemployment Rate	2.8%

Annual Median Price Growth	29.0%**
Vacancy Rate (Mar-22)	0.3%
Rental Yield (Mar-22)	3.9%
Key Amenity (5km)	Eastlands Shopping Centre
Total Projects in Postcode (\$)	\$36.9M^
Key Project	TASTafe Clarence Campus Upgrades (\$22.0M)
Unemployment Rate	2.8%

Annual Median Price Growth	52.6%**
Vacancy Rate (Mar-22)	0.0%
Rental Yield (Mar-22)	4.6%
Key Amenity (5km)	Glebe Hill Village
Total Projects in Postcode (\$)	\$514M
Key Project	Greenville Estate (\$500M, 175 Lots)
Unemployment Rate	1.5%

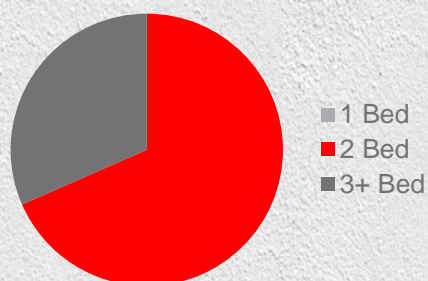


PROPERTY CLOCK - UNITS



AFFORDABLE & LIVEABLE UNIT SUBURBS

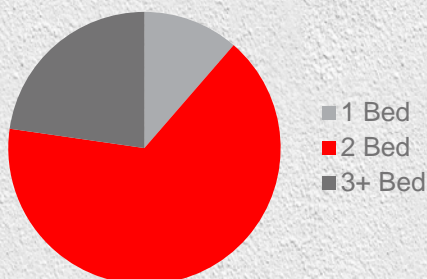
OAKDOWNS 7019



Located about **10.0km** from the Hobart CBD.

Median Unit Price **\$560,000**
 • 1 Bed Median Price **N/A**
 • 2 Bed Median Price **\$537,500***
 • 3+ Bed Median Price **\$579,000***

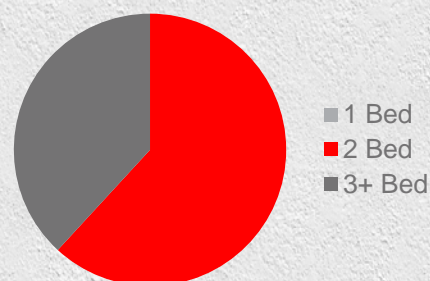
BELLERIVE 7018



Located about **6.2km** from the Hobart CBD.

Median Unit Price **\$586,250**
 • 1 Bed Median Price **\$385,000***
 • 2 Bed Median Price **\$580,000**
 • 3+ Bed Median Price **\$579,000**

KIINGSTON 7050



Located about **10.0km** from the Hobart CBD.

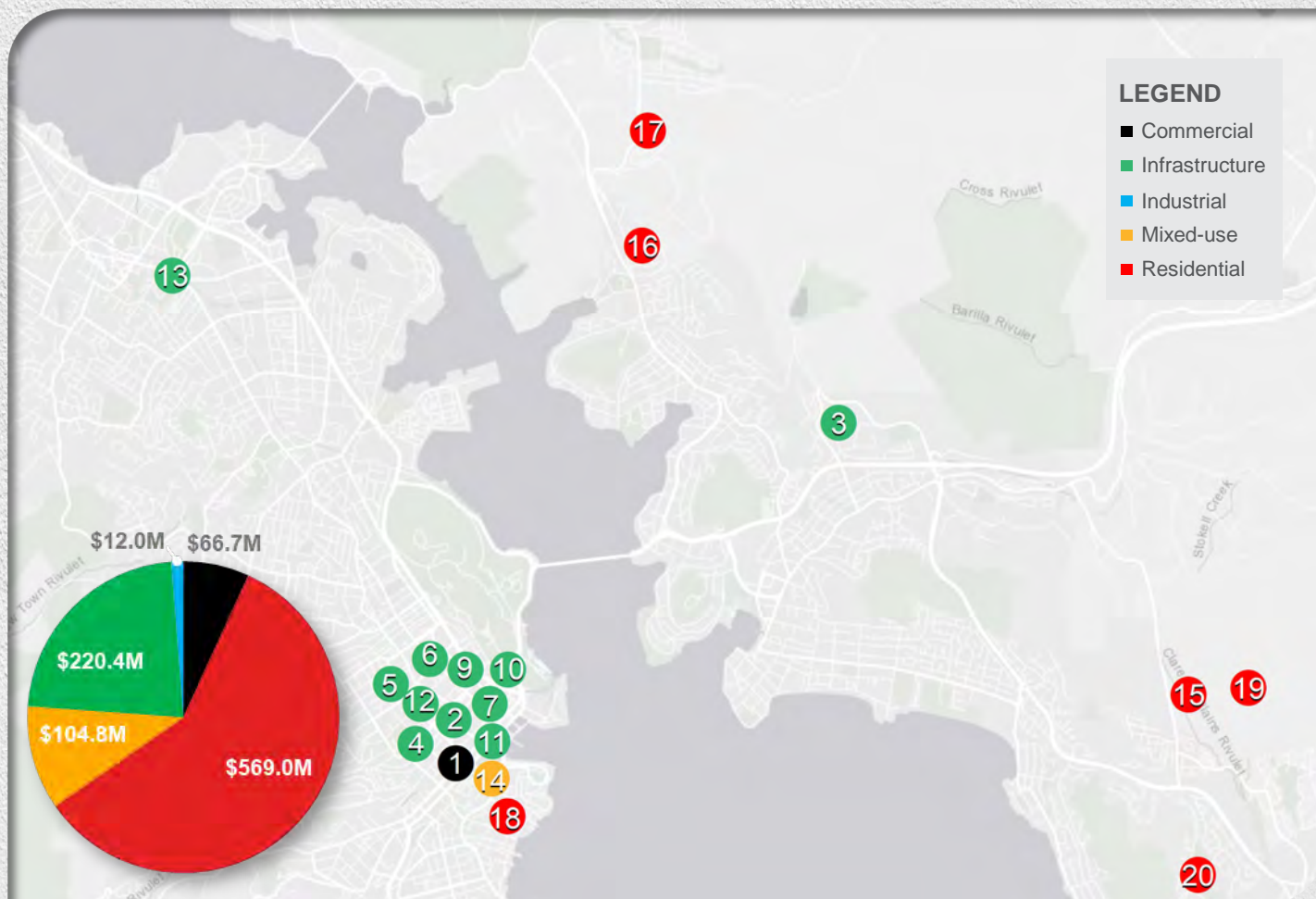
Median Unit Price **\$535,000**
 • 1 Bed Median Price **N/A**
 • 2 Bed Median Price **\$510,000**
 • 3+ Bed Median Price **\$587,500**

Annual Median Price Growth	27.3%**
Vacancy Rate (Mar-22)	0.0%
Rental Yield (Mar-22)	4.9%
Key Amenity (5km)	TCM Market Lauderdale
Total Projects in Postcode (\$)	\$514.8M^
Key Project	Greenville Estate (\$500M, 175 Lots)
Unemployment Rate	1.5%

Annual Median Price Growth	44.5%
Vacancy Rate (Mar-22)	0.3%
Rental Yield (Mar-22)	3.6%
Key Amenity (5km)	Eastlands Shopping Centre
Total Projects in Postcode (\$)	\$36.9M^
Key Project	TAS TAFE Clarence Campus Upgrade (\$22.0M)
Unemployment Rate	4.2%

Annual Median Price Growth	16.7%**
Vacancy Rate (Mar-22)	0.2%
Rental Yield (Mar-22)	4.5%
Key Amenity (5km)	Kingston Square Shopping Centre
Total Projects in Postcode (\$)	\$7.25M^
Key Project	7 Goshawk Way Dwellings (\$3.0M, 13 dwellings)
Unemployment Rate	4.3%

PROJECT DEVELOPMENT MAP 2ND HALF 2021*



Location	Project [£]	Type	Estimated Value ^µ	Suburb
1	Macquarie & Crowther's Lane Hotel	Commercial	\$50,000,000	Hobart
2	Royal Hobart Hospital Emergency Department Expansion	Infrastructure	\$74,800,000	Hobart
3	4A Bounty Street TASTafe Clarence Campus Water & Energy Trades Centre of Excellence	Infrastructure	\$22,050,000	Warrane
4	Macquarie Point Infrastructure Scheme	Infrastructure	\$20,000,000	Hobart
5	Bethlehem House	Infrastructure	\$19,960,000	Hobart
6	Lindsay River Bridge Works	Infrastructure	\$5,000,000	Hobart
7	Royal Hobart Hotel – Intensive Care Unit (ICU)	Infrastructure	\$11,656,000	Hobart
Not Mapped	Pindos Park Management Plan	Infrastructure	\$5,000,000	Tranmere
9	Royal Hobart Hospital – Endoscopy Procedure Suite Upgrade Level	Infrastructure	\$8,781,000	Hobart
10	Royal Hobart Hospital – Pharmacy Department D block Expansion	Infrastructure	\$7,500,000	Hobart
11	Royal Hobart Hospital- Cardiology Unit & Decant Ward	Infrastructure	\$6,589,000	Hobart
12	Southern Tasmania Pavement Resurfacing	Infrastructure	\$6,393,000	Hobart
13	Glenorchy Super Ambulance Station	Infrastructure	\$6,000,000	Glenorchy
14	Battery Point Mixed Use Development	Mixed-use	\$100,000,000	Battery Point
15	Greenville Estate – 175 lots	Residential	\$500,000,000	Rokeby
16	Clinton Road Townhouses – 33 townhouses	Residential	\$9,900,000	Geilston Bay
17	Elaia & Petra Drives Residential Subdivision – 97 lots	Residential	\$4,400,000	Risdon Vale
18	Montpelier Retreat Apartment Building – 30 apartments	Residential	\$12,000,000	Battery Point
19	Pass Road Residential Subdivision – 126 lots	Residential	\$5,670,000	Rokeby
20	Burtonia Street Residential Subdivision & Units – 48 lots and 6 units	Residential	\$4,000,000	Rokeby

* Project development map showcases a sample of upcoming projects only, due to accuracy of addresses provided by the data provider for geocoding purposes.

£ Top Projects are based on suburbs located within a 10km radial distance of the Hobart CBD.

µ Estimated value is the value of construction costs provided by relevant data authority, it does not reflect the project's sale/commercial value.

Source: Cordell Connect database, ESRI ArcGIS.

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PRD Research Division provides reliable, unbiased, and authoritative property research and consultancy to clients in metro and regional locations across Australia.

Our extensive research capability and specialised approach ensures our clients can make the most informed and financially sound decisions about residential and commercial properties.

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

As the first and only truly knowledge based property services company, PRD shares experience and knowledge to deliver innovative and effective solutions to our clients.

We have a unique approach that integrates people, experience, systems and technology to create meaningful business connections. We focus on understanding new issues impacting the property industry; such as the environment and sustainability, the economy, demographic and psychographic shifts, commercial and residential design; and forecast future implications around such issues based on historical data and fact.

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Our research team is made up of highly qualified researchers who focus solely on property analysis.

Skilled in deriving macro and micro quantitative information from multiple credible sources, we partner with clients to provide strategic advice and direction regarding property and market performance. We have the added advantage of sourcing valuable and factual qualitative market research in order to ensure our solutions are the most well considered and financially viable.

Our experts are highly sought after consultants for both corporate and government bodies and their advice has helped steer the direction of a number of property developments and secured successful outcomes for our clients.

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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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PRD Research

T +61 7 3229 3344

E research@prd.com.au

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