



# Glenorchy Market Update

## 2<sup>nd</sup> Half 2022



### OVERVIEW

In Q2 2022, Glenorchy\* recorded a median house price of \$650,000, and a median unit price of \$480,000. This represents annual (Q2 2021 – Q2 2022) median price growth of 20.1% for houses and 12.9% for units. Between Q2 2021 – Q2 2022 total sales slowed, by -4.5% (to 147 sales) for houses and by -19.6% (to 41 sales) for units. There is still high demand in the Glenorchy\* market, and the market is currently undersupplied. Now is an ideal time for owners to transact and capitalise on their investment. This imbalance between demand and supply can act as a buffer in a higher cash rate environment.

	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 2022



SALES AVERAGE DAYS ON  
MARKET Q2 2022



RENTAL MEDIAN PRICE  
Q2 2022

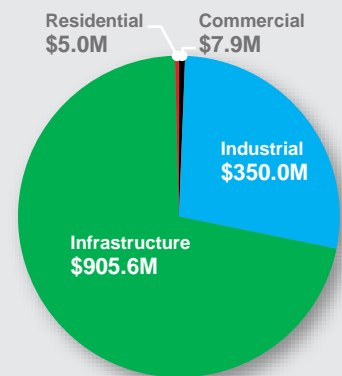


RENTAL AVERAGE DAYS ON  
MARKET Q2 2022



### FUTURE DEVELOPMENTS

Glenorchy is set to see approximately **\$1.3B worth of new projects commencing in the 2<sup>nd</sup> half of 2022.**



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

A number of infrastructure projects are set to commence in the 2<sup>nd</sup> half of 2022. This include: Bridgewater Bridge Redevelopment (\$786M), and Hobart Showgrounds Precinct (\$100M); all of which will improve liveability aspects for residents.

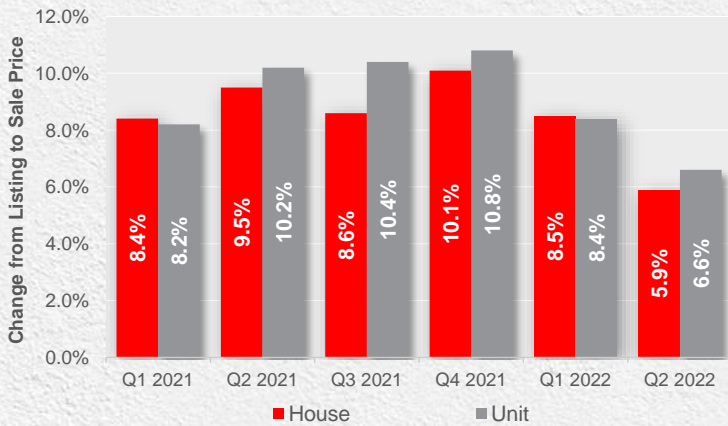
The significant industrial project set to commence is the Nyrstar Electrolysis Plant (\$350M).

The one residential project planned in the 2<sup>nd</sup> half of 2022 is Ashbourne Grove Community Housing (\$5M, 30 dwellings). This will add to the significant need for ready-to-sell housing supply in Glenorchy\*, however this will not be enough.

Now is the time for developers to enter the market with ready-to-sell stock, working together with Local Council Government to add supply.

# 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.

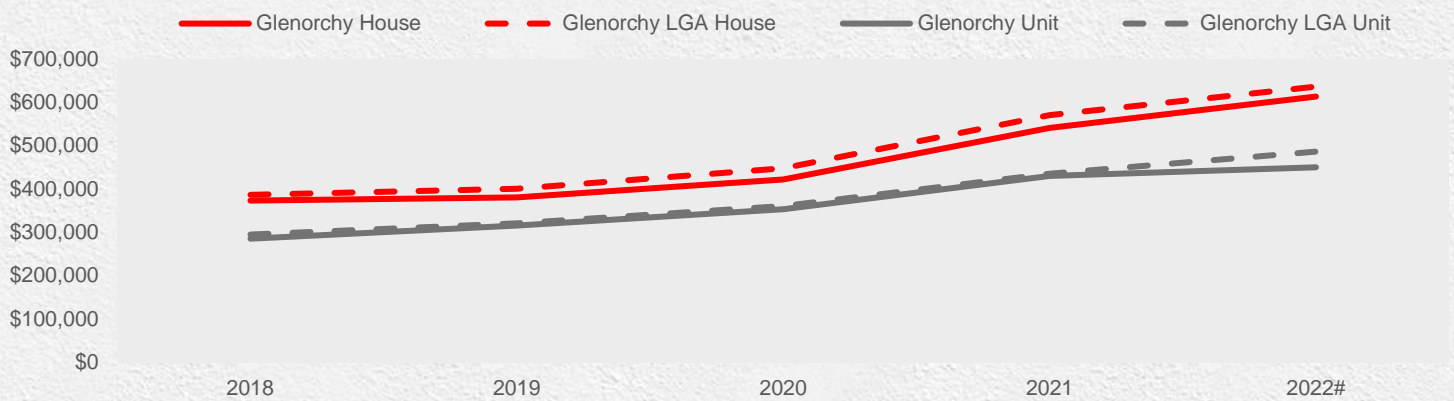


Average vendor discounts between Q2 2021 and Q2 2022 have rapidly shifted for both property types, to lower premiums of 5.9% for houses and 6.6% for units. Market conditions in Glenorchy\* still favour vendors, as buyers must offer above the initial listing price. However this is at a lower percentage compared to the previous quarters, which is also advantageous to buyers.

The suburb of Glenorchy has historically provided a slightly more affordable house option than the wider Glenorchy Local Government Area (LGA) and on par median price for units. This continued to be the case for houses in 2022#, however units is now more affordable.

The dominant proportion of homes sold in Glenorchy\* across 2022# were in the middle-price bracket between \$600K - \$700K (30.6%). Units recorded a dominant premium price point of above \$500,000 (34.1%). There is a two-speed market, thus an opportunity for buyers with various budgets. There is affordably priced stock available, but have declined in the past 12 months.

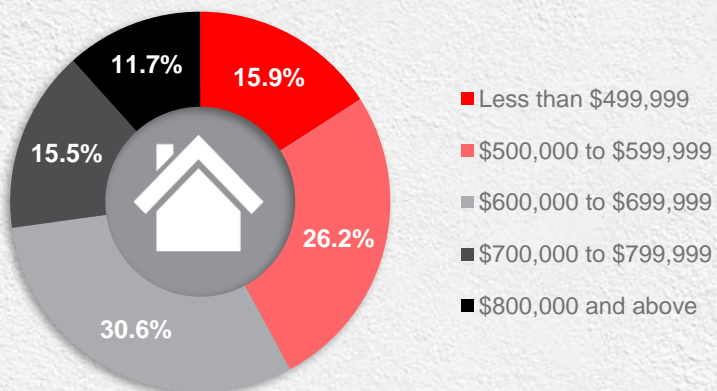
## MARKET COMPARISON



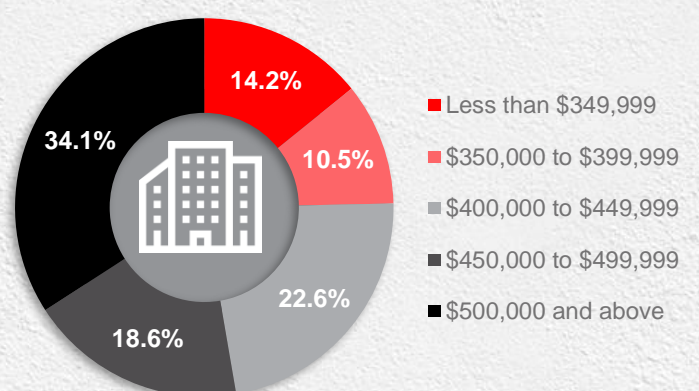
The market comparison graph provides a comparative trend for the median price of houses and units over the past 5 years. The main LGA profiled are chosen based on their proximity to the main suburb analysed, which is Glenorchy.

## PRICE BREAKDOWN 2022#

### HOUSES SOLD



### UNITS SOLD

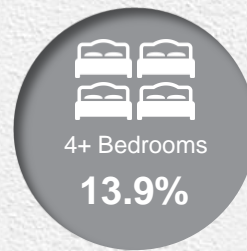


# RENTAL GROWTH 2022€

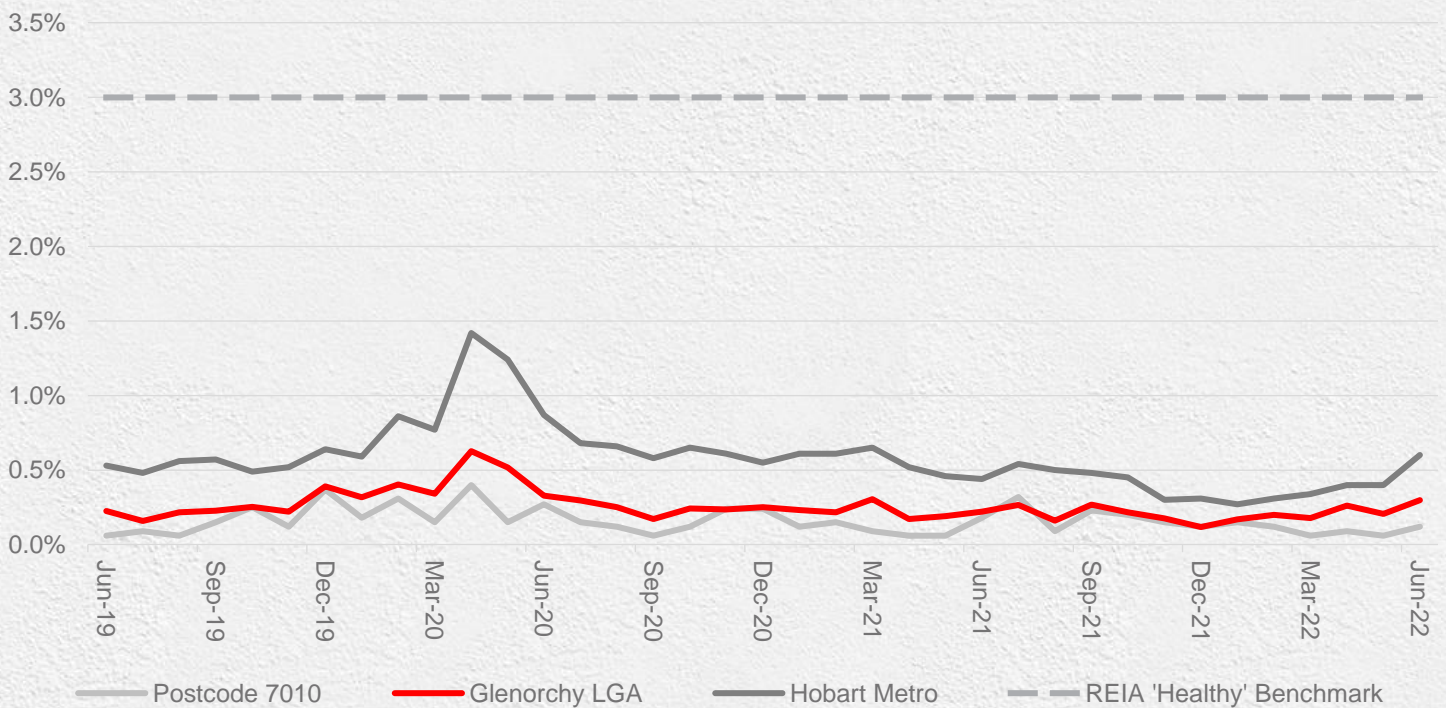
In June 2022, house rental yields in Glenorchy\* were recorded at 4.9%. In the 12 months to Q2 2022, the median house rental price increased by 5.3% to reach \$500 per week, lower than median sale price growth (20.1%). However there is high demand for rental properties, up by 14.3% to 280 rentals in the 12 months to Q2 2022. Further, average days on market have declined by -10.0%. Combined, this counteracts a softer rental yield, which is good news for investors.

4+ bedroom houses have provided investors with +8.7% rental growth annually, achieving a median rent of \$598 per week.

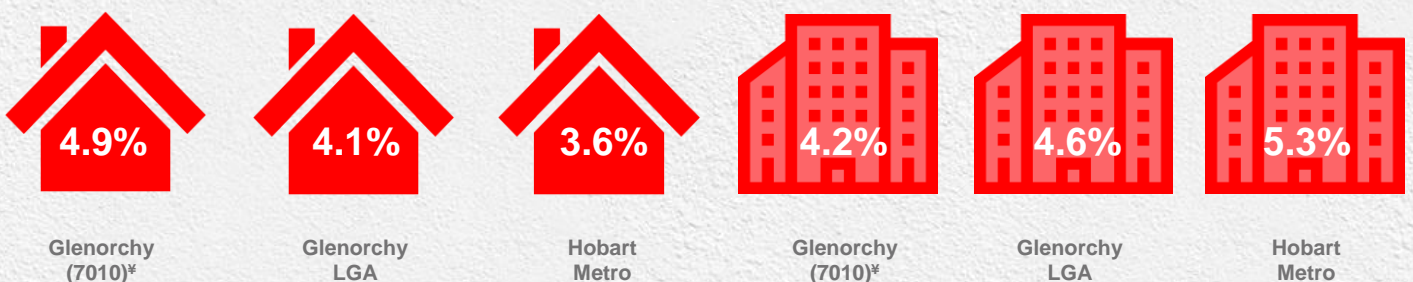
Also in June 2022, Glenorchy\* recorded a vacancy rate of 0.1%, below that of Glenorchy LGA (0.3%) and Hobart Metro (0.6%). Vacancy rates in Glenorchy\* remain well below the Real Estate Institute of Australia's healthy benchmark of 3.0%, and trended below 0.5% in the past 3 years, even amidst COVID-19 conditions. This confirms there is still healthy rental demand and investors can be confident of a conducive investment environment in Glenorchy\*.



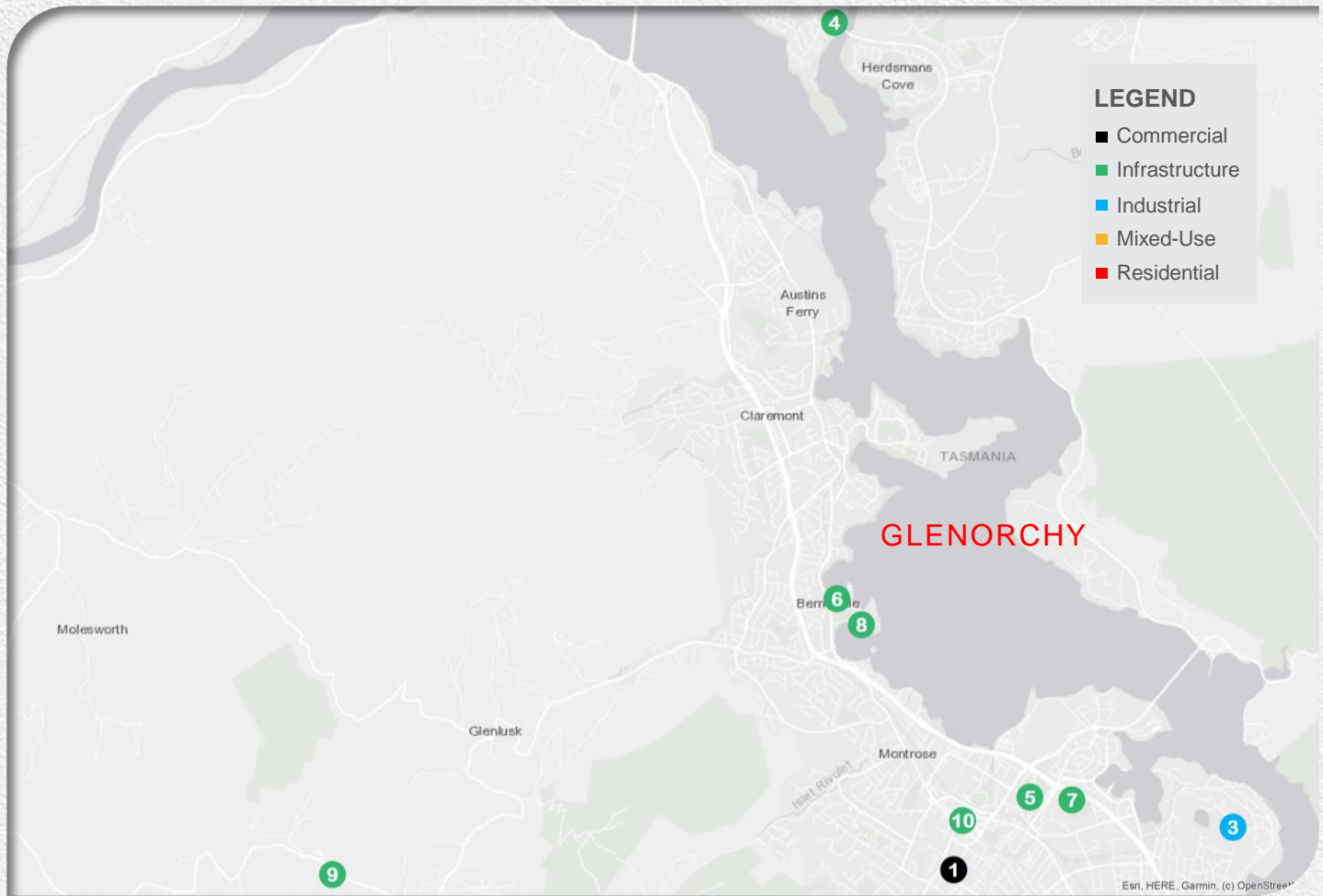
# RENTAL VACANCY RATES 2022



# RENTAL YIELD 2022\$



# TOP DEVELOPMENTS MAP 2<sup>nd</sup> HALF 2022<sup>†</sup>



Location	Project <sup>£</sup>	Type	Estimated Value <sup>†</sup>	Commence Date <sup>†</sup>
1	Barossa Park Lodge - Stage 2	Commercial	\$7,000,000	16/11/2022
2	Main Road Service Station Fuel Tanks	Commercial	\$900,000	14/12/2022
3	Nyrstar Electrolysis Plant	Industrial	\$350,000,000	24/10/2022
4	Bridgewater Bridge Redevelopment	Infrastructure	\$786,600,000	22/08/2022
5	Hobart Showgrounds Precinct	Infrastructure	\$100,000,000	24/10/2022
6	Mona Accommodation Berriedale (Moab)	Infrastructure	\$6,000,000	12/09/2022
7	Glenorchy Super Ambulance Station	Infrastructure	\$6,000,000	05/12/2022
8	Mona Tunnel	Infrastructure	\$5,000,000	28/11/2022
9	Collins Cap Road Roadworks	Infrastructure	\$1,000,000	23/09/2022
10	Glenorchy Civic Business District	Infrastructure	\$1,000,000	26/07/2022
11	Ashbourne Grove Community Housing (31 dwellings)	Residential	\$5,000,000	02/12/2022



## 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.



**Natalie Gray**

Director

+61 417 344 822

[nataliegray@prdhobart.com.au](mailto:nataliegray@prdhobart.com.au)



**Rychelle Kay**

Director

+61 488 074 240

[rychellekay@prdhobart.com.au](mailto:rychellekay@prdhobart.com.au)



## PRD Hobart

P +61 3 6231 0400

F +61 3 6273 0825

141 Murray Street  
Hobart TAS 7000

[PRD.com.au/hobart](http://PRD.com.au/hobart)

# REFERENCES

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

# 2022 encapsulates sales transactions for 1H 2022 (01/01/2022 – 30/06/2022) only.

€ Annual rental growth is a comparison between 1H 2021 (01/01/2021 – 30/06/2021) and 1H 2022 (01/01/2022 – 30/06/2022) house median rent figures.

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

§ Rental yields shown are as reported as of June 2022.

⌘ 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 suburbs of 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.

Disclaimer: PRD does not give any warranty in relation to the accuracy of the information contained in this report. If you intend to rely upon the information contained herein, you must take note that the information, figures and projections have been provided by various sources and have not been verified by us. We have no belief one way or the other in relation to the accuracy of such information, figures and projections. PRD will not be liable for any loss or damage resulting from any statement, figure, calculation or any other information that you rely upon that is contained in the material.

Prepared by PRD Research. © All medians and volumes are calculated by PRD Research. Use with written permission only. All other responsibilities disclaimed. © Copyright PRD 2022.

