



> Affordable and Liveable Property Guide
Hobart Metro 2nd Half 2022

OVERVIEW

Median property prices in Hobart Metro decreased by -3.0% for houses to \$717,500 from Q3 2021 to Q3 2022*, and by -11.7% for units at \$565,000. This is quite a swing in market trends compared to 6 months prior, which recorded high positive median price growth and an undersupplied market. Market conditions in the 2nd half of 2022 are mostly a reflection of interest rates hikes and lower consumer sentiment starting to fully translate in the market. That said, the Hobart market remains undersupplied, as between Q3 2021 – Q3 2022, total sales declined by -8.1% (to 408 sales) for houses and by -27.9% (to 137 sales) for units. \$972.8M of projects are planned across the 2nd half of 2022, with a refreshing change of residential projects being the focus (at approximately \$569.0M). Ready-to-sell townhouses and apartments are planned, which will answer demand without prolonged delays. Planned mixed-use projects will also add to housing stock, in the form of ready-to-sell units.

RECENT TOP PERFORMERS

Area	Suburb	Type	Median Price 2021	Median Price 2022*	Price Growth	Projects 2022***
Inner	South Hobart	House	\$725,000	\$853,500	17.7%	\$54.0M
	New Town	Unit	\$452,500	\$522,500	15.5%	\$4.07M
North	Berriedale	House	\$480,000	\$660,000	37.5%	\$11.0M
	Glenorchy	Unit	\$410,000	\$475,500	16.0%	\$14.0M
South	Kingston	House	\$674,000	\$800,000	18.7%	\$35.3M
	Kingston	Unit	\$540,500	\$575,312	6.4%	\$35.3M
East	Lindisfarne	House	\$655,000	\$820,000	25.2%	\$1.75M
	Bellerive	Unit	\$505,000	\$677,500	34.2%	\$6.20M

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 2021 to 2022*.
- **Investment criteria** – as of September 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** – identified affordable and liveable suburbs have a median price below a set threshold. This was determined by adding percentage premiums to the Tasmania (TAS) average home loan, which was \$443,829** as of Q2 2022. Premiums of 41% for houses and 16% for units were added, which were below those required to reach Hobart Metro's median prices (62% for houses and 27% for units). This places the chosen suburbs below Hobart's median prices, meaning that the suburbs identified within this report are more affordable for buyers.
- **Development criteria** – suburbs identified must have a high total estimated value of future project development for the 2nd 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 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, June Quarter 2022 release).

*Median price quoted captures sale transactions from 1st July 2021 to 30th September 2022, or Q3 2021 – Q3 2022. **Average home loan figure is derived from June Quarter 2022 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 2nd half of 2022 as stated by the relevant data authority. ^Annual Change is reflective of median price change from Q3 2021 to Q3 2022. Figures displayed in infographics are for the period Q3 2022. Source: APM Pricerfinder, REIA, SQM Research, Cordell Connect, Department of Jobs and Small Business. © PRD 2022.

PRD.

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



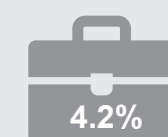
HOUSE YIELD



UNIT YIELD



BENCHMARKS - TAS

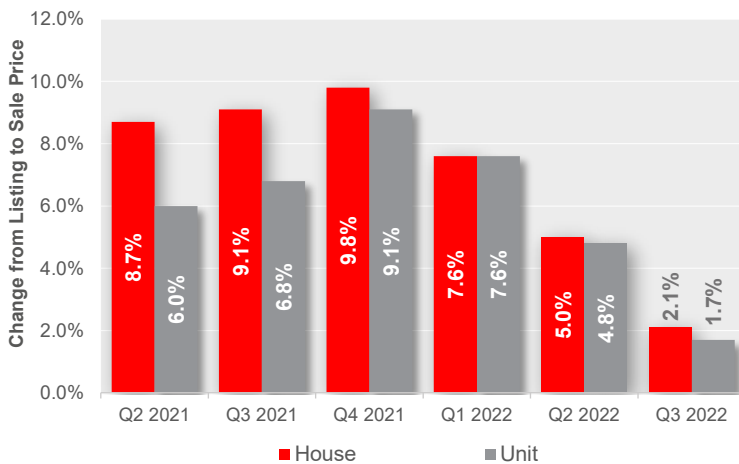


UNEMPLOYMENT RATE



AVERAGE HOME LOAN
\$443,829

AVERAGE VENDOR DISCOUNT

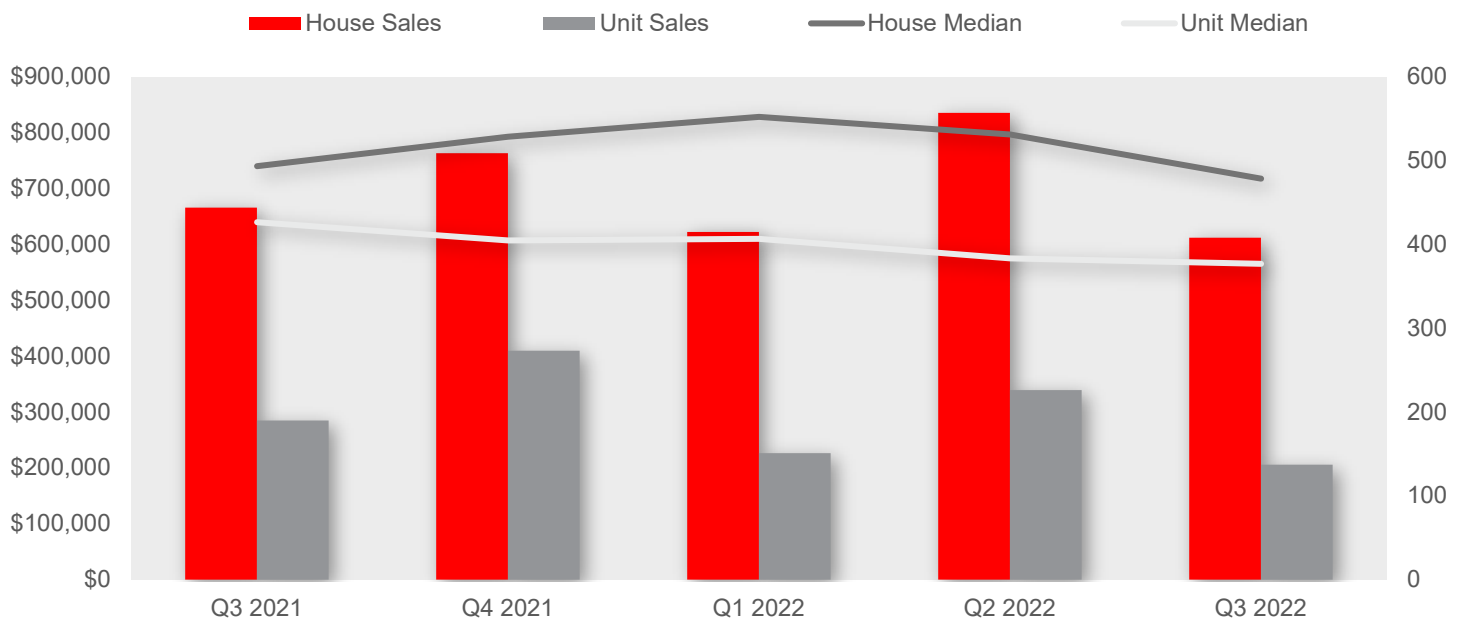


KEY COMMENTS

Average vendor discounts between Q3 2021 and Q1 2022 have trended to a lower premium of 2.1% for houses and 1.7% for units. This presents a unique opportunity. Vendors can still benefit from a final sale price that is above the first list price, however at a lower premium for buyers. The Q3 2022 average vendor premium is the lowest recorded in the past 18 months, indicating a turn in the market and an ideal time for buyers.

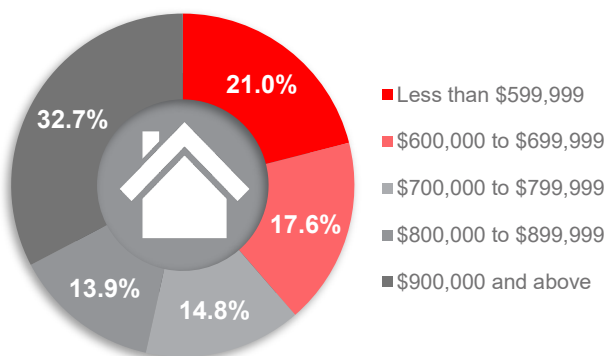
The dominant proportion of homes sold in Hobart Metro across 2022[#] were in the premium price bracket of \$900,000 and above (32.7%). On the other hand, units recorded a dominant mid-point price bracket of \$450,000 to \$550,000 (26.7%). The premium market is still active in Hobart Metro, but lower-priced brackets are also widening. This is good news in terms of affordable options.

MARKET PERFORMANCE

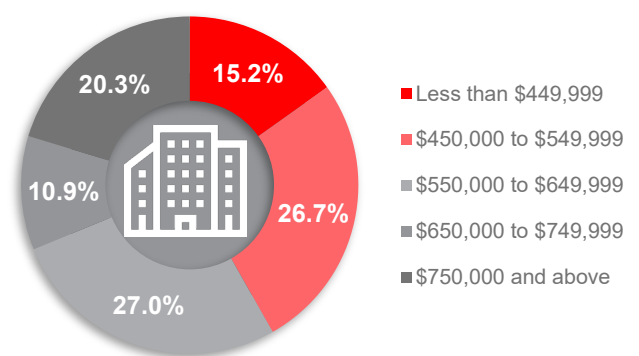


PRICE BREAKDOWN 2022[#]

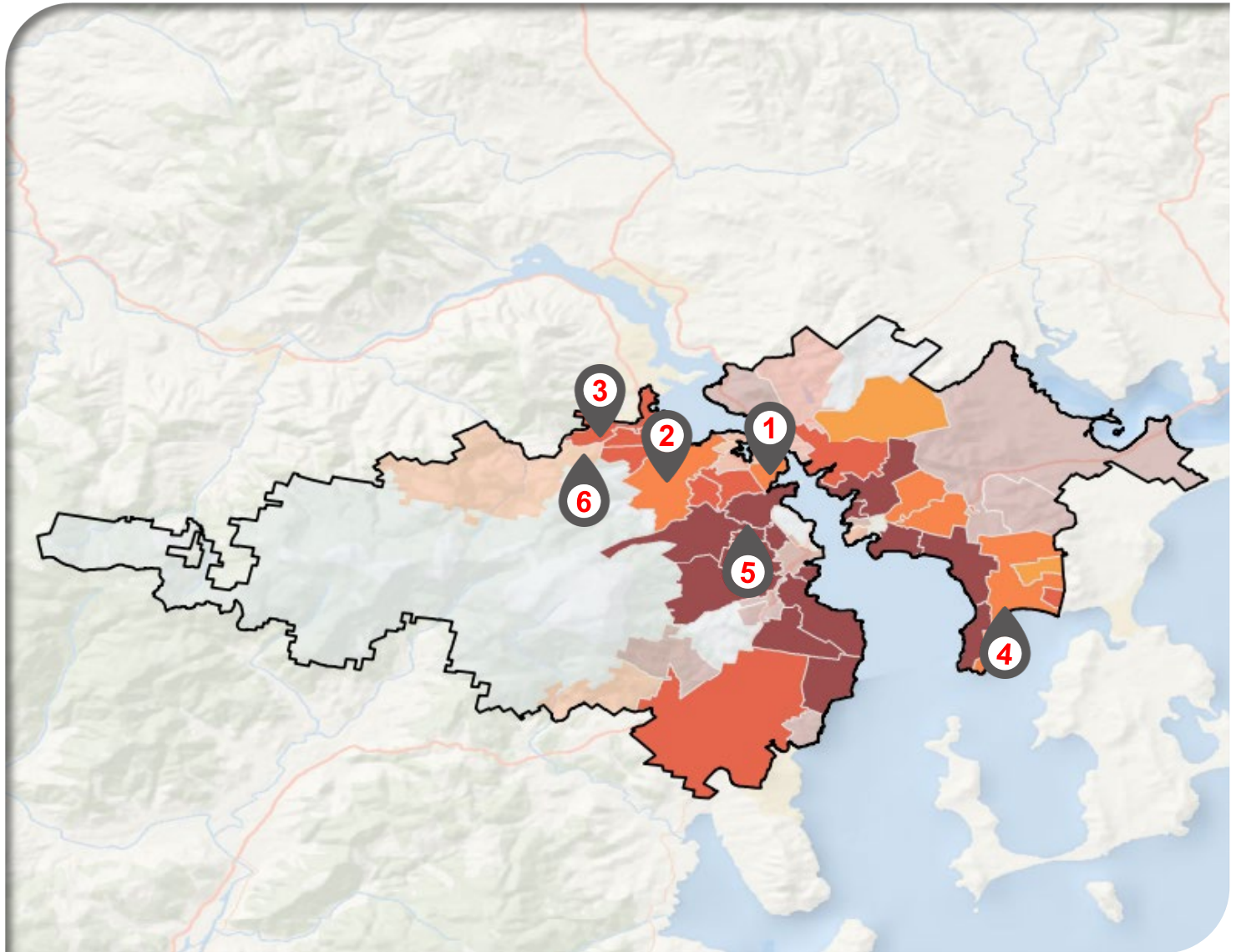
HOUSES SOLD









UNITS SOLD



HOBART METRO MEDIAN HOUSE PRICE 2022* 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	Lutana	4.3%	4	Rokeby	4.1%
2	Glenorchy	4.4%	5	New Town	3.6%
3	Berriedale	4.8%	6	Glenorchy	4.8%

RENTAL GROWTH 2022€

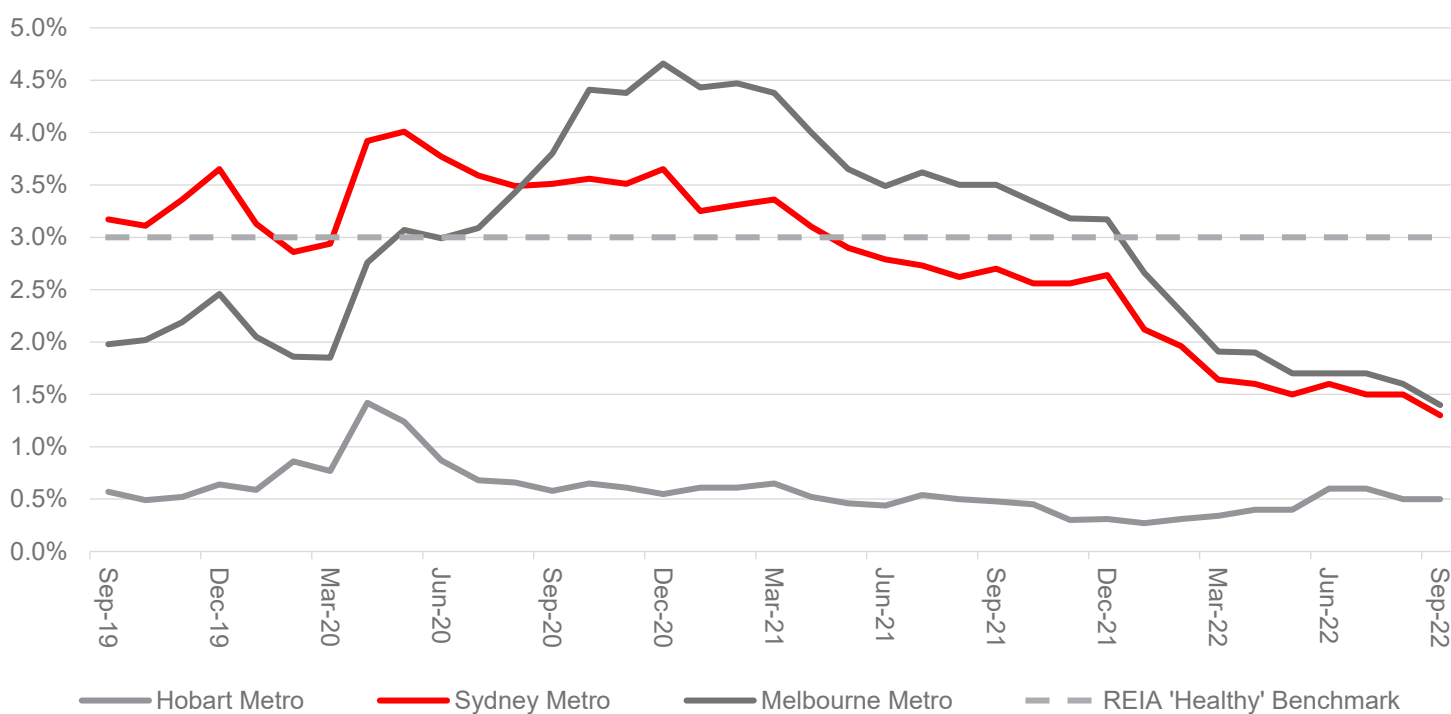
In September 2022, house rental yields in Hobart Metro were recorded at 3.6%. This is higher than both Melbourne and Sydney Metros (2.6% respectively). In the 12 months to Q3 2022, the median house rental price increased by 5.8% to \$550 per week, further complemented with a low average days on the market, of 20 days. The house rental market has continued to show strong growth, which with the current turn in median property sale prices has created a more attractive investment option.

Two-bedroom houses recorded the highest annual rental growth (of +10.0%), reaching \$495 per week. All types of properties have recorded positive rental growth in the past 12 months due to a supply shortage.

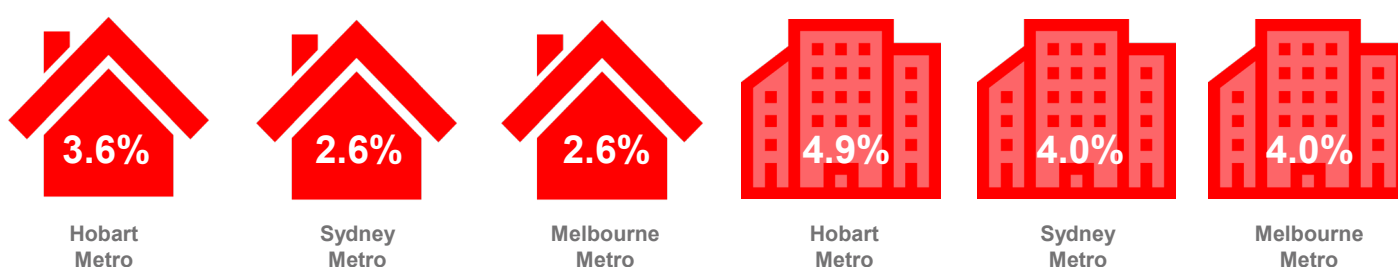
In September 2022, Hobart Metro recorded a low vacancy rate of 0.5%, well below that of Melbourne and Sydney Metros (1.4% and 1.3% respectively). Vacancy rates in Hobart Metro remained well below the Real Estate Institute of Australia's healthy benchmark of 3.0%, and have held steady within the 1.0% range over the past 24 months. This indicates quicker rental occupancy and security in income cash flow. With an undersupplied rental market, now is the time to invest.



RENTAL VACANCY RATES 2022



RENTAL YIELD 2022§



€ Annual rental growth is a comparison between Q3 2021 – Q3 2022 (01/07/2021 – 30/09/2022) house median rent figures.

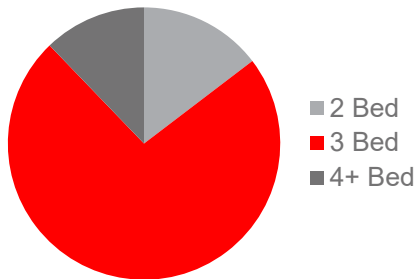
§ Rental yields shown are as reported at September 2022.

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



AFFORDABLE & LIVEABLE HOUSE SUBURBS

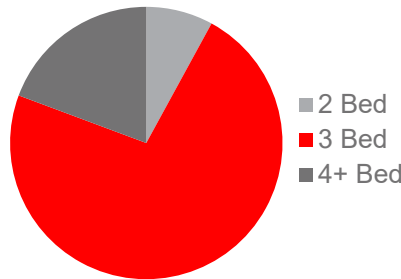
LUTANA 7009



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

Median House Price **\$616,000**
 • 2 Bed Median Price **\$567,500***
 • 3 Bed Median Price **\$626,000**
 • 4+ Bed Median Price **\$600,000***

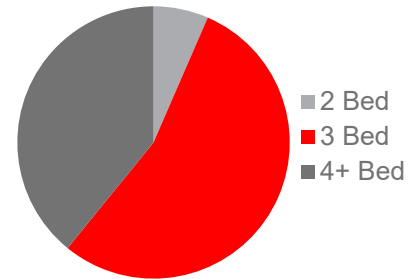
GLENORCHY 7010



Located about **9.0km** from the Hobart CBD.

Median House Price **\$602,500**
 • 2 Bed Median Price **\$515,000***
 • 3 Bed Median Price **\$602,500**
 • 4+ Bed Median Price **\$702,500**

BERRIEDALE 7011



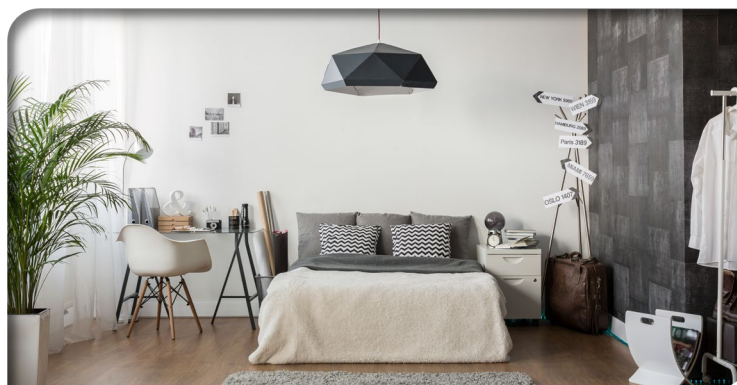
Located about **10.0km** from the Hobart CBD.

Median House Price **\$660,000**
 • 2 Bed Median Price **\$495,000***
 • 3 Bed Median Price **\$585,000**
 • 4+ Bed Median Price **\$812,500***

Annual Median Price Growth	20.3%**	Annual Median Price Growth	19.7%**	Annual Median Price Growth	37.5%**
Vacancy Rate (Sep-22)	0.1%	Vacancy Rate (Sep-22)	0.2%	Vacancy Rate (Sep-22)	0.2%
Rental Yield (Sep-22)	4.3%	Rental Yield (Sep-22)	4.4%	Rental Yield (Sep-22)	4.8%
Key Amenity (5km)	Glenorchy Central	Key Amenity (5km)	Glenorchy Central	Key Amenity (5km)	Claremont College
Total Projects in Postcode (\$)	\$350.0M	Total Projects in Postcode (\$)	\$14.0M^	Total Projects in Postcode (\$)	\$11.0M
Key Project	Electrolysis Plant (\$350M)	Key Project	Glenorchy Super Ambulance Station (\$6.0M)	Key Project	Story Point Drive Dwellings (\$1.5M, 3 dwellings)
Unemployment Rate	2.8%	Unemployment Rate	2.8%	Unemployment Rate	1.5%

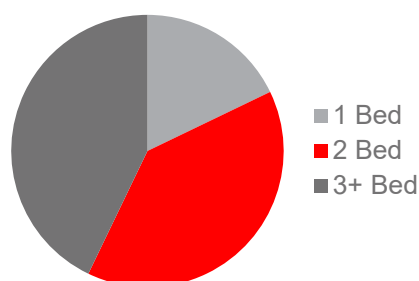
^Quoted estimated values of projects are based on reported land/construction values as stated by the relevant data authority and do not signify their commercial/resale value. *Median price is quoted as an indication only due to having less than 20 sales transactions. **Median price growth quoted captures sale transactions from 1st July 2021 to 30th September 2022, or Q3 2021 – Q3 2022. Source: APM Pricer, SQM Research, Cordell Connect, Department of Small Jobs and Business, Google Maps. © PRD 2022.

PROPERTY CLOCK - UNITS



AFFORDABLE & LIVEABLE UNIT SUBURBS

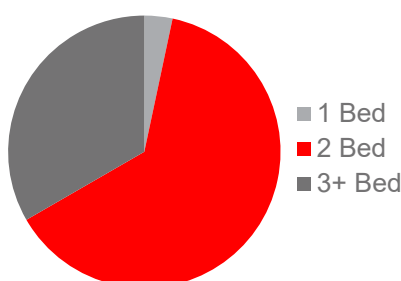
Rokeby 7019



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

Median Unit Price	\$540,000
• 1 Bed Median Price	\$187,000*
• 2 Bed Median Price	\$530,000*
• 3+ Bed Median Price	\$580,500*

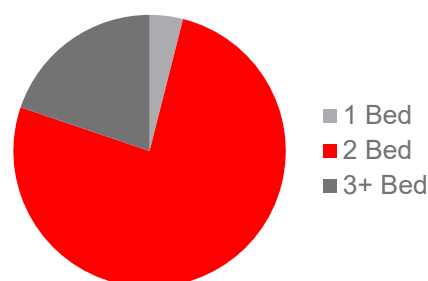
New Town 7008



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

Median Unit Price	\$522,500
• 1 Bed Median Price	\$440,000*
• 2 Bed Median Price	\$560,000*
• 3+ Bed Median Price	\$846,000*

Glenorchy 7010



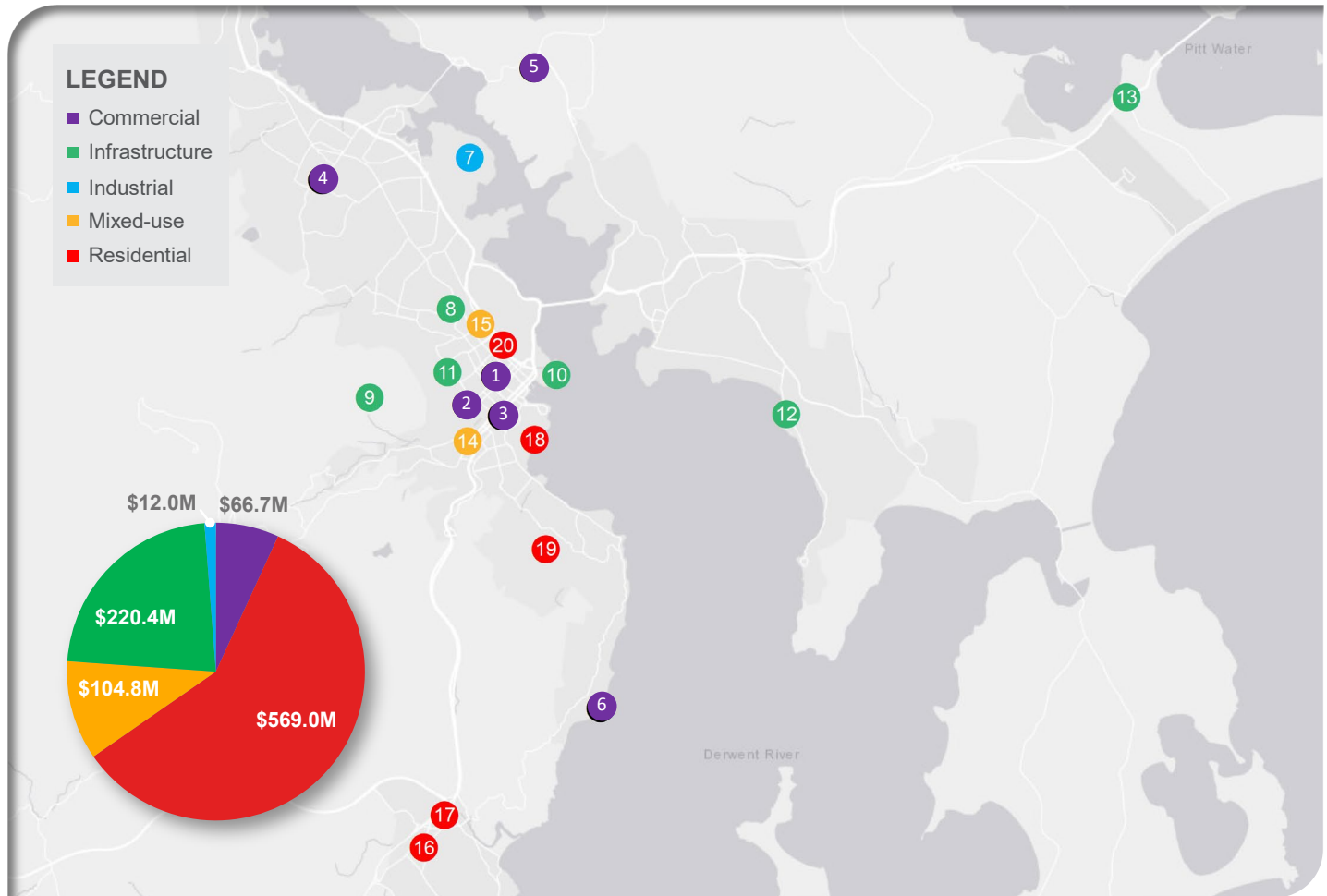
Located about **10.0km** from the Hobart CBD.

Median Unit Price	\$475,500
• 1 Bed Median Price	\$345,500*
• 2 Bed Median Price	\$455,000
• 3+ Bed Median Price	\$612,500

Annual Median Price Growth	25.2%*	Annual Median Price Growth	15.5%*	Annual Median Price Growth	16.0%**
Vacancy Rate (Sep-22)	0.6%	Vacancy Rate (Sep-22)	0.3%	Vacancy Rate (Sep-22)	0.2%
Rental Yield (Sep-22)	4.1%	Rental Yield (Sep-22)	3.6%	Rental Yield (Sep-22)	4.8%
Key Amenities (5km)	Rokeby Primary School	Key Amenities (5km)	Calvary Lenah Valley Hospital	Key Amenities (5km)	Glenorchy Central
Total Projects in Postcode (\$)	\$4.6M^	Total Projects in Postcode (\$)	\$4.07M^	Total Projects in Postcode (\$)	\$14.0M^
Key Project	Oakdowns Parade Residential Subdivision (71 lots, \$3.2M)	Key Project	Pirie Units (6 units, \$2.4M)	Key Project	Barossa Park Lodge (\$7.0M)
Unemployment Rate	1.5%	Unemployment Rate	4.2%	Unemployment Rate	4.3%

PROJECT DEVELOPMENT MAP

2nd HALF 2022*



Location	Project [£]	Type	Estimated Value ^µ	Suburb
1	Former Forestry Tasmania Headquarters University Of Tasmania	Commercial	\$86,000,000	Hobart
2	Bathurst Street Offices	Commercial	\$75,000,000	Hobart
3	Collins Street Hotel	Commercial	\$22,000,000	Hobart
4	Barossa Park Lodge - Stage 2	Commercial	\$7,000,000	Glenorchy
5	Clarence Lifestyle Village	Commercial	\$13,250,000	Risdon Vale
6	Pilot Rock Lobster Hatchery	Commercial	\$10,000,000	Taroona
7	Nyrstar Electrolysis Plant	Industrial	\$350,000,000	Lutana
8	Tasman Private Hospital	Infrastructure	\$60,000,000	New Town
9	Mount Wellington Cableway	Infrastructure	\$54,000,000	South Hobart
10	Macquarie Point Infrastructure Scheme	Infrastructure	\$20,000,000	Hobart
11	Bethlehem House	Infrastructure	\$19,960,000	Hobart
12	Airservices Australia	Infrastructure	\$10,000,000	Hobart
13	Tasman Highway & Pittwater Road Civil Works	Infrastructure	\$10,000,000	Cambridge
14	202-206 Macquarie Street Hobart - Mixed Use Development (40 apartments)	Mixed-use	\$36,000,000	Hobart
15	40-44 Burnett Street North Hobart - Mixed Use Building (31 apartments)	Mixed-use	\$9,800,000	North Hobart
16	37-59 Maranoa Road Townhouses (36 townhouses)	Residential	\$9,000,000	Kingston
17	Lot J Pardalote Parade (50 townhouses)	Residential	\$15,000,000	Kingston
18	9 Sandy Bay Road Apartments (28 apartments)	Residential	\$7,000,000	Hobart
19	21b Enterprise Road & 26 Edith Avenue (20 units)	Residential	\$10,000,000	Sandy Bay
20	Argyle Street Apartments (20 apartments)	Residential	\$6,500,000	Hobart

* 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.

OUR KNOWLEDGE

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.

OUR PEOPLE

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.

OUR RESEARCH SERVICES

Our research services span over every suburb, LGA, and state within Australia; captured in a variety of standard and customised products.

We have the ability and systems to monitor market movements, demographic changes and property trends. We use our knowledge of market sizes, price structure and buyer profiles to identify opportunities for clients and provide market knowledge that is unbiased, thorough and reliable.

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