



Clarence Market Update 1st Half 2023



OVERVIEW

In Q4 2022, Clarence* recorded a median house price of \$785,000, and a median unit price of \$665,000. This represents annual (Q4 2021 – Q4 2022) median price growth of 0.6% for houses and 13.7% for units. That said, in the 6 month period to Q4 2022 median house price slowed by -2.6%. Alongside this, house sales slowed both annually and half yearly, by -25.6% and -16.3% respectively. This reflects interest rate hikes translating into the market, with median house price turning even in an undersupplied market. The unit market proves to remain resilient, thus a unique opportunity for sellers and buyers.

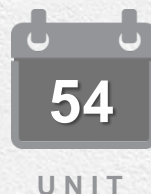
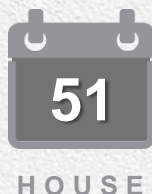
	CHANGE FROM LAST	YEAR	HALF YEAR
 House Sales		↓	↓
House Median Price		↑	↓
House Rental Price		↑	↑
 Unit Sales		↓	↓
Unit Median Price		↑	↑
Unit Rental Price		↑	↑

MARKET CONDITIONS

SALES MEDIAN PRICE Q4 2022



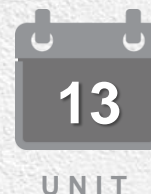
SALES AVERAGE DAYS ON MARKET Q4 2022



RENTAL MEDIAN PRICE Q4 2022

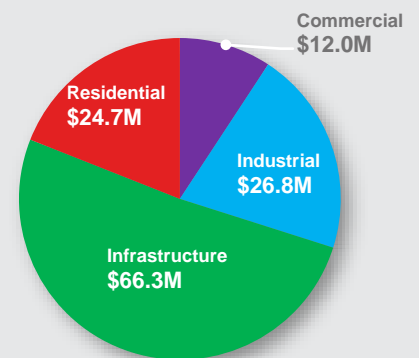


RENTAL AVERAGE DAYS ON MARKET Q4 2022



FUTURE DEVELOPMENTS

Clarence is set to see approximately **\$129.8M** worth of new projects commencing in the 1st half of 2023.



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

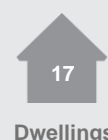
Masters Builders Office & Training Facility (\$7.5M) and Uniting Agewell Mornington Community (\$1.5M) are key commercial projects planned in the 1st half of 2023.

Rokeby Road – South Arm Road Upgrades (\$55.0M) is the key infrastructure development in the pipeline, which will improve mobility and liveability for residents.

10 residential projects are planned in the 1st half of 2023, which will bring needed supply to the area.

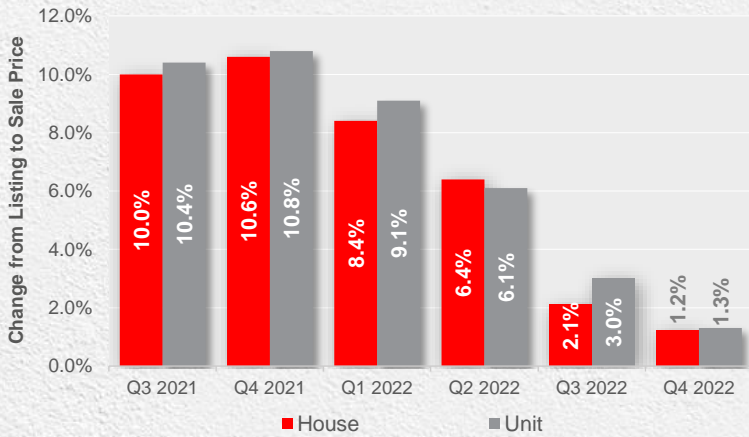
Key residential projects include:

- Petchey Street Units (\$6.0M)
- Aralia Street Residential Subdivision (\$3.9M)



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.

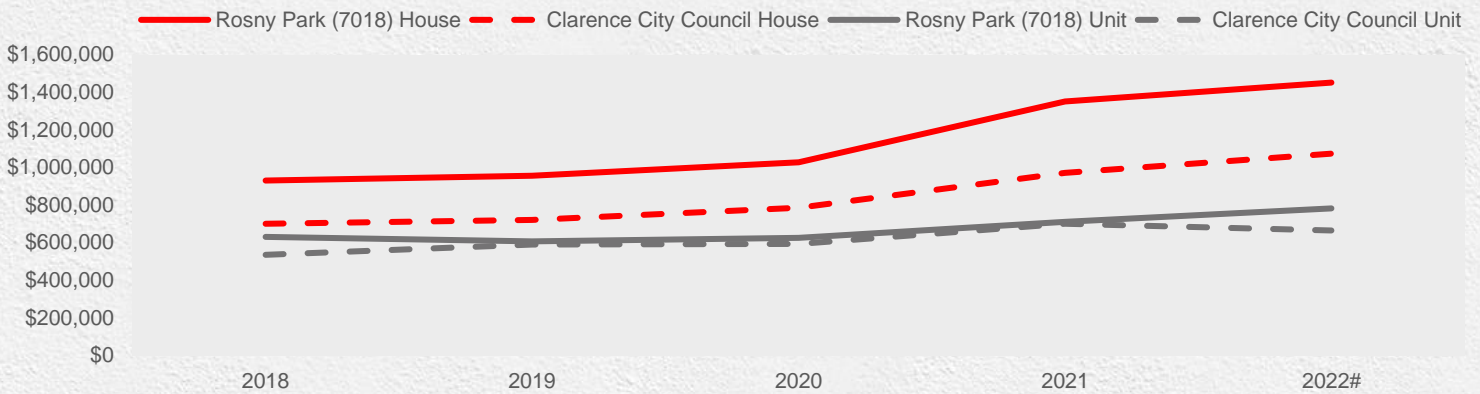


Average vendor discounts between Q4 2021 and Q4 2022 have trended to a lower premium of 1.2% for houses and 1.3% for units. Sellers can still benefit from a final sale price above the first list price, however at a lower premium for buyers. Q4 2022 marked the lowest premium recorded in the past six-quarters, thus a turn in the market. This creates new opportunities for buyers.

The suburb of Rosny Park has historically outperformed the wider Clarence Local Government Area (LGA) in median house price, however is on par with the wider LGA in median unit price. This continues to be the case in late 2022[#], despite slower price growth for both unit and houses in Rosny Park.

The dominant proportion of homes sold in Clarence* across 2022[#] were in the most affordable price point of less than \$700,000 (33.1%). Units recorded a dominant lower-mid price point of \$500,000 to \$599,000 (32.7%). The premium market still has a large presence, but the more affordable markets are growing also.

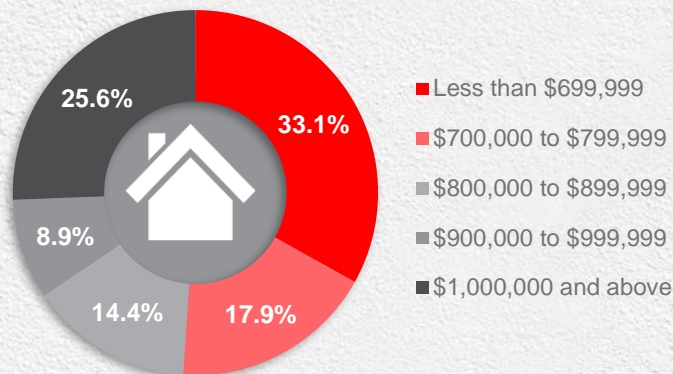
MARKET COMPARISON



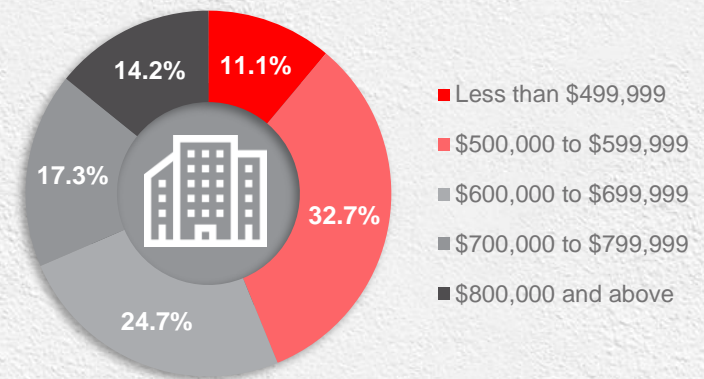
The market comparison graph provides a comparative trend for the median price of houses and units over the past 5 years. The main LGA profiled was chosen based on their proximity to the main suburb analysed, which is Rosny Park.

PRICE BREAKDOWN 2022[#]

HOUSES SOLD



UNITS SOLD

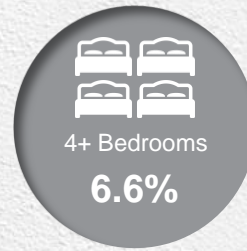


RENTAL GROWTH 2022€

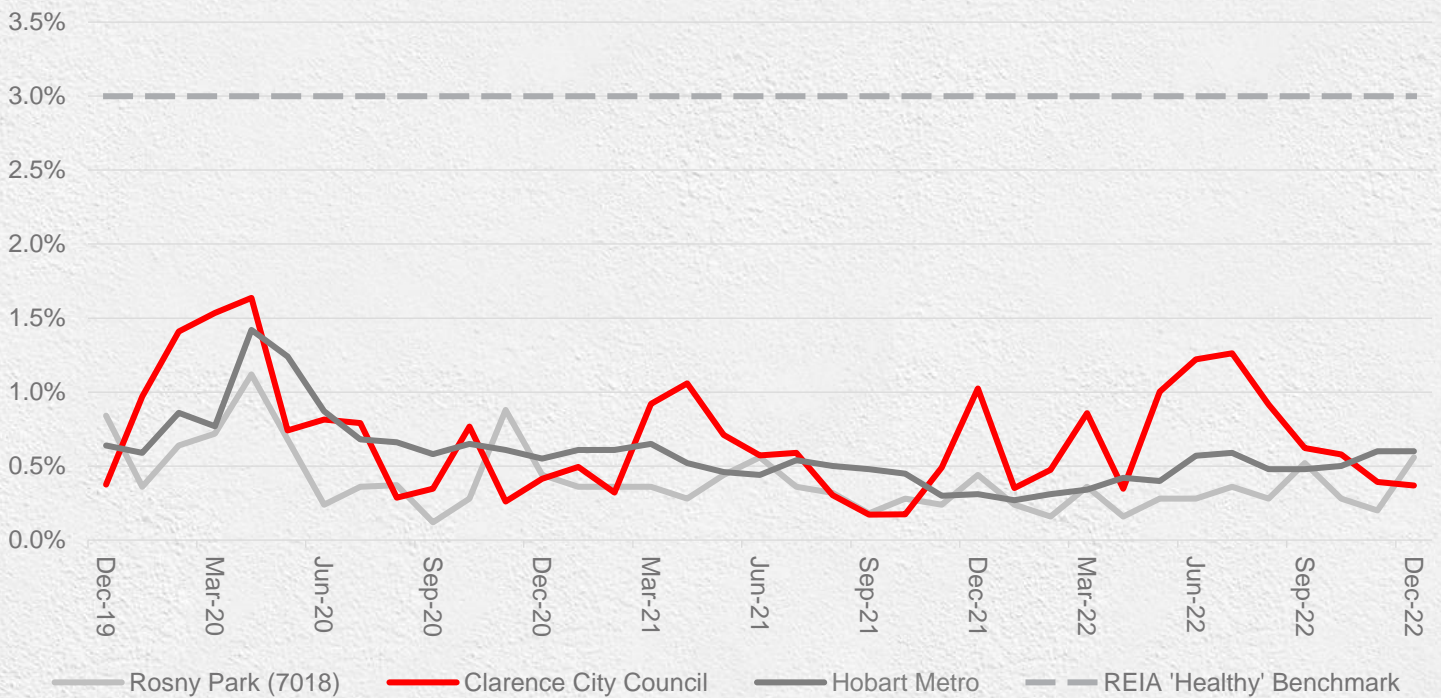
In December 2022 house rental yields in Rosny Park (postcode 7018) was 3.9%, higher than Hobart Metro (4.5%). In the 12 months to Q4 2022 median house rental price increased by 7.7% to sit at \$560 per week, alongside a 19.0% increase (to 194 rentals) in the number of houses rented. This suggests renters are willing to pay higher even without an undersupply in market. Average days on the market remained low at 20 days for Q4 2022, indicating a strong rental market in Clarence.

2 bedroom houses have provided investors with +11.6% rental growth annually, achieving a median rent of \$480 per week.

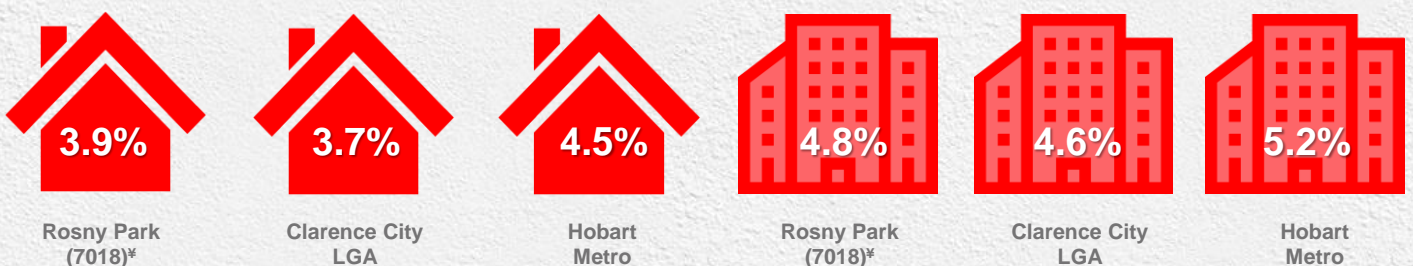
Rosny Park[‡] recorded a vacancy rate of 0.6% in December 2022, on par with Hobart Metro's 0.6%. Vacancy rates in Rosny Park[‡] saw a slight spike in late 2022, potentially due to investors exiting the market as a result of increasing cash rates. That said vacancy rates is well below the Real Estate Institute of Australia's healthy benchmark of 3.0% and pre-COVID-19. This suggest a conducive and sustainable environment for investors, especially with the recent softening in median house price.



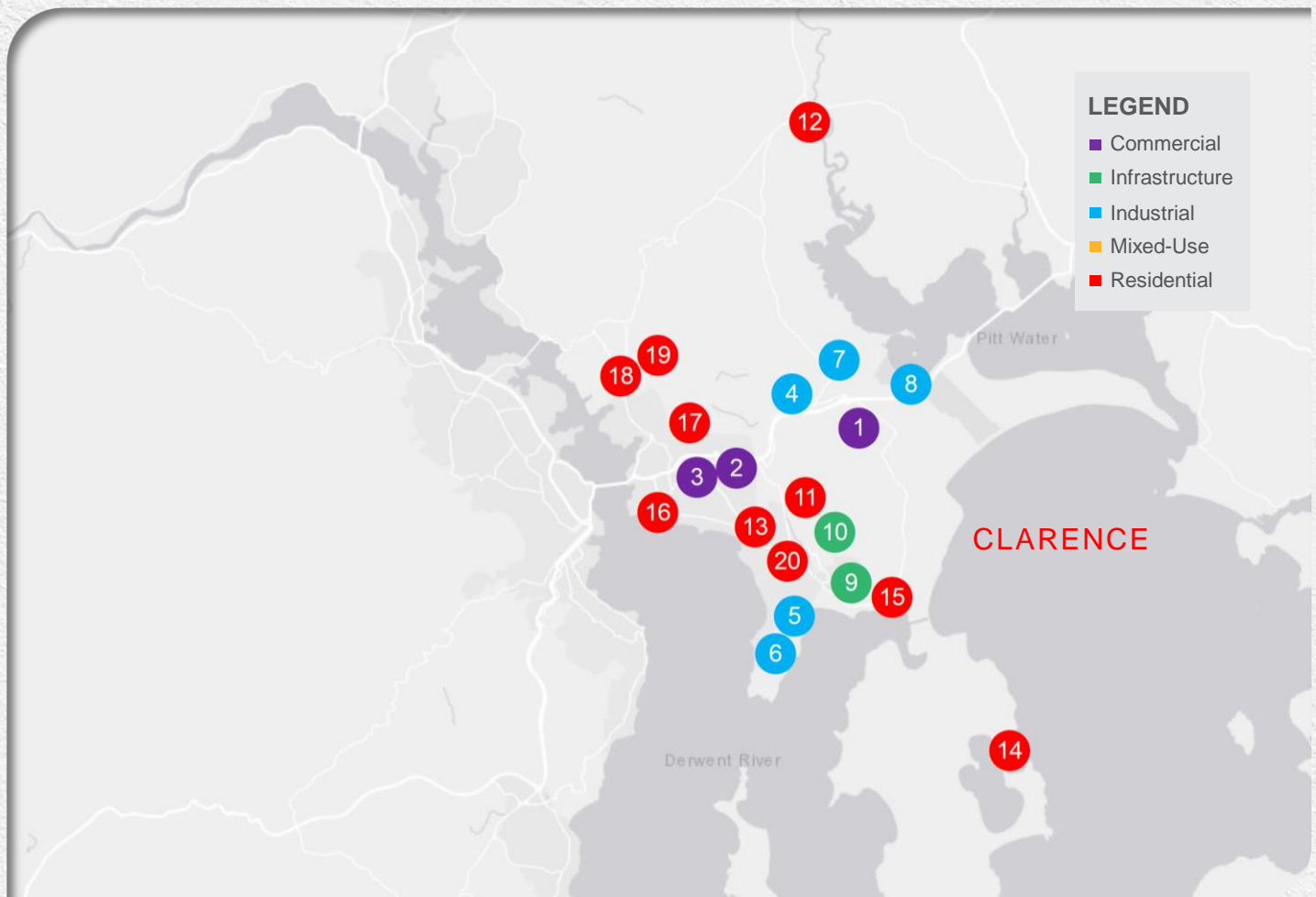
RENTAL VACANCY RATES 2022



RENTAL YIELD 2022\$



TOP DEVELOPMENTS MAP 1st HALF 2023^A



Location	Project [£]	Type	Estimated Value [¥]	Commence Date [¥]
1	Masters Builders Office & Training Facility - Cambridge	Commercial	\$7,500,000	10/04/2023
2	Uniting Agewell Mornington Community, Lilian Martin	Commercial	\$1,500,000	28/02/2023
3	7-11 Carbeen Street Mornington Units - Assisted Housing Dept. Of Communities Tasmania	Commercial	\$1,500,000	20/02/2023
4	Maxwells Road Warehouses	Industrial	\$1,100,000	11/06/2023
5	96 Droughty Point Road Warehouse Units	Industrial	\$8,000,000	26/01/2023
6	115 Droughty Point Road Warehouse	Industrial	\$8,000,000	06/06/2023
7	12-16 Railway Court Warehouses Linear Capital	Industrial	\$5,000,000	18/04/2023
8	269 Kennedy Drive Industrial & Commercial Development	Industrial	\$4,000,000	29/05/2023
9	Rokeby Road - South Arm Road Upgrades	Infrastructure	\$55,000,000	22/05/2023
10	Rokeby Park & Ride	Infrastructure	\$6,600,000	06/02/2023
11	17 Dart Lane – Units (5 units)	Residential	\$1,250,000	01/05/2023
12	22 Torrens Street Units (9 units)	Residential	\$2,700,000	21/03/2023
13	Raleigh Court Units (6 units)	Residential	\$1,800,000	12/03/2023
14	1 Cremorne Avenue Cremorne – Townhouses (3 townhouses)	Residential	\$1,500,000	23/01/2023
15	10-12 Garrett Court Oakdowns – Dwellings (5 dwellings)	Residential	\$1,500,000	31/01/2023
16	Petchey Street Units (17 townhouses)	Residential	\$6,000,000	18/02/2023
17	Bounty Street Units (4 units)	Residential	\$1,500,000	30/01/2023
18	22 Belmont Court Geilston Bay – Units (5 units)	Residential	\$1,500,000	25/04/2023
19	Sugarloaf & Downhams Roads & Aralia Street Residential Subdivision (132 lots)	Residential	\$3,900,000	20/03/2023
20	22 Atkins Street Rokeby - Hobart City Mission Dwellings (12 dwellings)	Residential	\$3,000,000	27/03/2023



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

* Rosny Park market data and key indicators encapsulates aggregate property market conditions within the Clarence 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 2022 (01/01/2022 – 31/12/2022) only.

€ Annual rental growth is a comparison between 2021 (01/01/2021 – 31/12/2021) and 2022 (01/01/2022 – 31/12/2022) house median rent figures.

¥ Rosny Park market data encapsulates aggregate property conditions within the postcode of 7018.

§ Rental yields shown are as reported as of December 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 Clarence Local Government Area (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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