





OVERVIEW

In Q3 2022, Derwent Valley* recorded a median house price of \$477,500. This is an annual (Q4 2021 – Q4 2022) median price growth of 3.0%. That said, on a quarter by quarter basis (Q3 2022 – Q4 2022), median house price softened by -10.7%. This is a reflection of interest rate hikes, consumer uncertainty, and economic conditions. House sales declined annually and quarterly, with Q4 2022 recording the lowest number of sales (25 sales). Median vacant land price in Derwent Valley* was \$266,000 in Q4 2022, reflecting a 13.2% annual median price growth, but a -4.1% softening on a quarter by quarter basis.

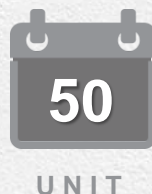
	CHANGE FROM LAST	YEAR	HALF YEAR
			
House Sales		↓	↓
House Median Price		↑	↓
House Rental Price		↑	↑
			
Land Sales		↓	↓
Land Median Price		↑	↑

MARKET CONDITIONS

SALES MEDIAN PRICE
Q4 2022



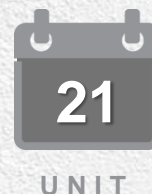
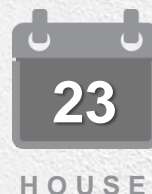
SALES AVERAGE DAYS ON
MARKET Q4 2022



RENTAL MEDIAN PRICE
Q4 2022

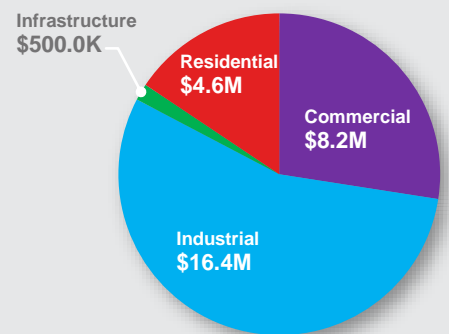


RENTAL AVERAGE DAYS ON
MARKET Q4 2022



FUTURE DEVELOPMENTS

Derwent Valley* is set to see approximately **\$29.8M worth of new projects commencing in the 1st half of 2023.**



These projects will stimulate economic growth and create large employment opportunities in Derwent Valley*, which should have a positive spill-over impact on the real estate market. Residential projects assist with supply, in good news for first home buyers.

The Mills is a commercial project set for construction in the 1st half of 2023. This includes construction of a visitor accommodation to comprise 30 cabins with outdoor living. This project will benefit the Derwent Valley tourist industry.

A significant infrastructure project planned for the 1st half of 2023 is the Southern Organic Waste Processing Facility (\$16.0M).

Two residential projects include:

- 30 McLeod Street New Norfolk Residential Subdivision (52 lots)
- 265 Back River Road Residential Subdivision (51 lots)

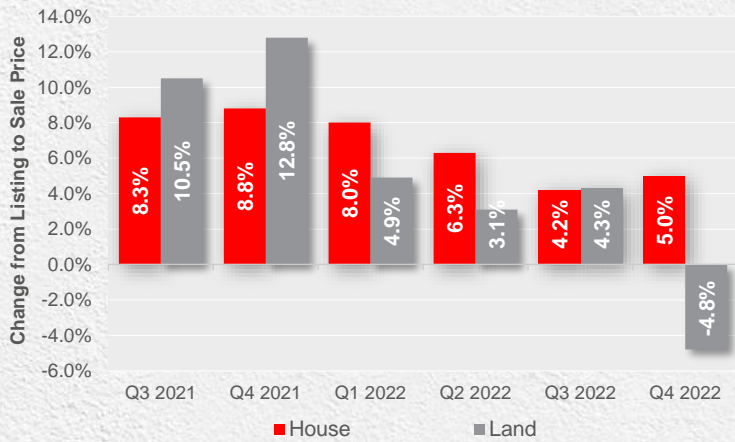
Although new land lots allow for new builds, current challenges suggest a delay in construction.



103 Lots

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.

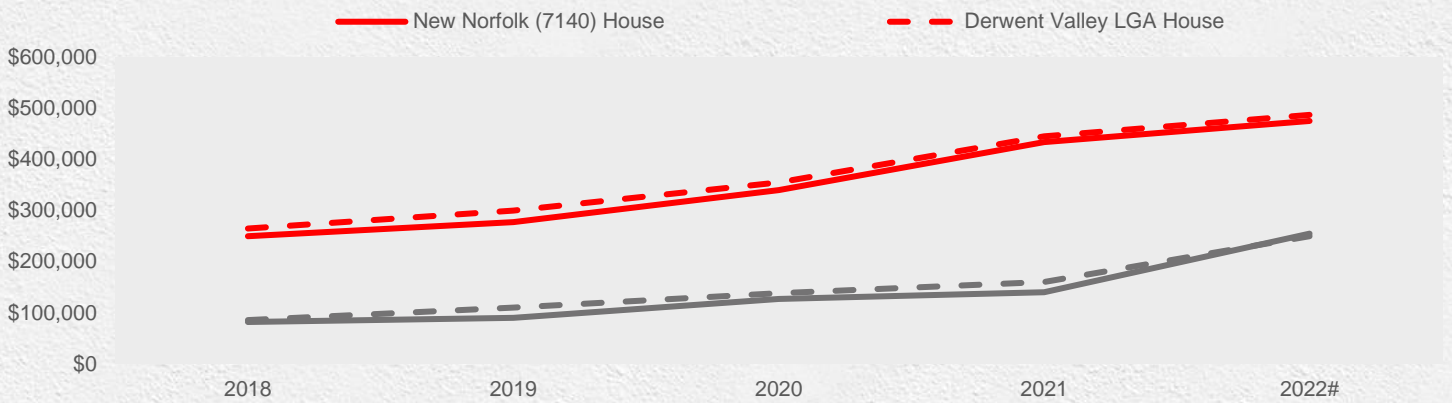


Average vendor discounts between Q4 2021 and Q4 2022 have remained at a premium for houses, although trending lower at 5.0%. Average vendor discount has swung to a discount for vacant land, to -4.8% in Q4 2022. House market conditions in Derwent Valley* continue to favour sellers, where buyers will have to pay above the initial listing price. Vacant land buyers can now benefit from a discount, thus an opportune time.

The suburb of New Norfolk has historically performed on par with the wider Derwent Valley Local Government Area (LGA) in both house and land median prices.

The dominant proportion of homes sold in Derwent Valley* across 2022# were in the middle price bracket of \$450,000 - \$550,000 (28.4%), Interestingly there is similar amount of stock sold at both premium and most affordable price points, indicating there is a home for every budget. Vacant land sales recorded a dominant most affordable price point of below \$250,000 (44.4%), in good news for first home buyers wishing to build.

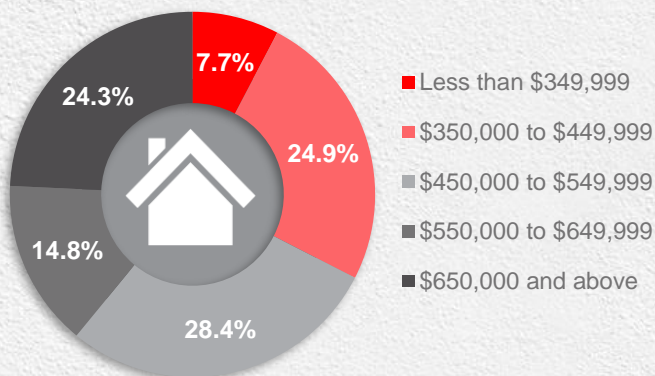
MARKET COMPARISON



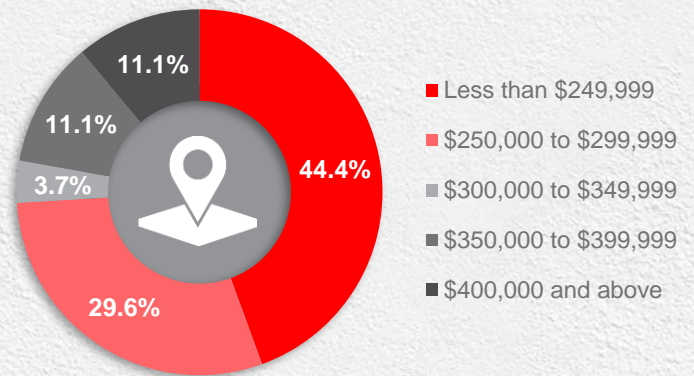
The market comparison graph provides a comparative trend for the median price of houses and vacant land over the past 5 years. The main LGA profiled was chosen based on their proximity to the main suburb analysed, which is New Norfolk.

PRICE BREAKDOWN 2022#

HOUSES SOLD



VACANT LAND SOLD

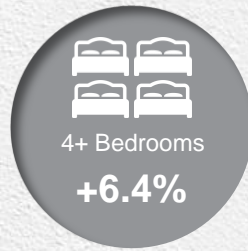


RENTAL GROWTH 2022€

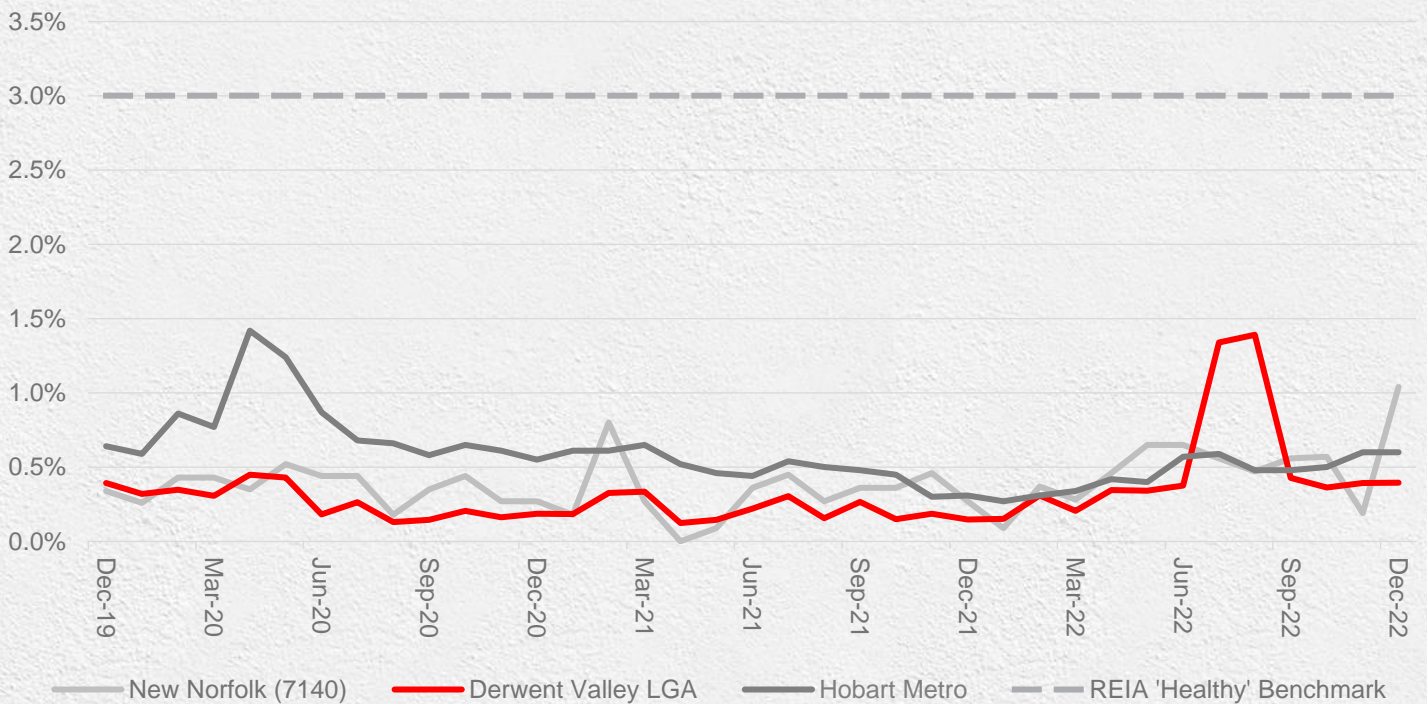
In December 2022, house rental yields in New Norfolk[‡] were recorded at 4.5%, on par with Hobart Metro (4.5%). In the 12 months to Q4 2022, median house rental price increased 7.8% to reach \$485 per week. In this time the number of houses rented increased by 66.7% and average days to let remained at 20 days. Overall, this represents a resilient rental market.

2 bedroom houses have provided investors with +10.5% rental growth annually, achieving a median rent of \$420 per week.

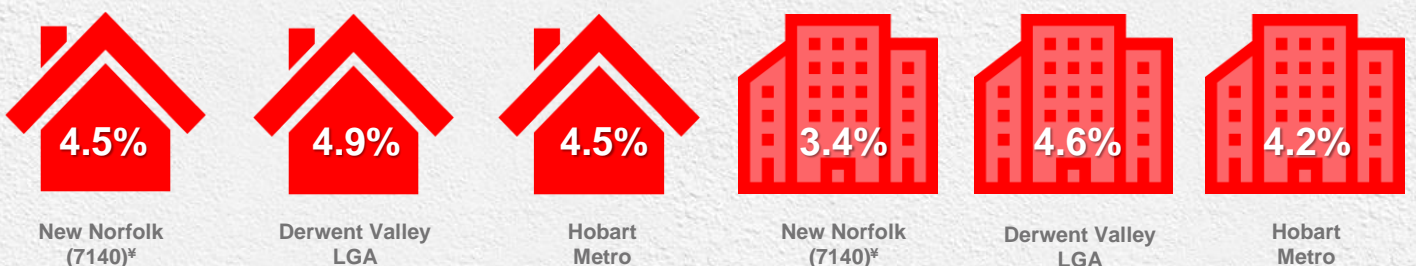
New Norfolk[‡] recorded a vacancy rate of 1.0% in December 2022, which is slightly above Hobart Metro's 0.6% average. The sudden spike can be attributed to interest rate changes, with investors potentially selling their rental properties due to financial viability. That said vacancy rates in New Norfolk[‡] have trended relatively steady over the past 12 months and under the Real Estate Institute of Australia's healthy benchmark of 3.0%. This indicates a conducive and sustainable environment for investors, particularly with a slower growth in median property sale prices.



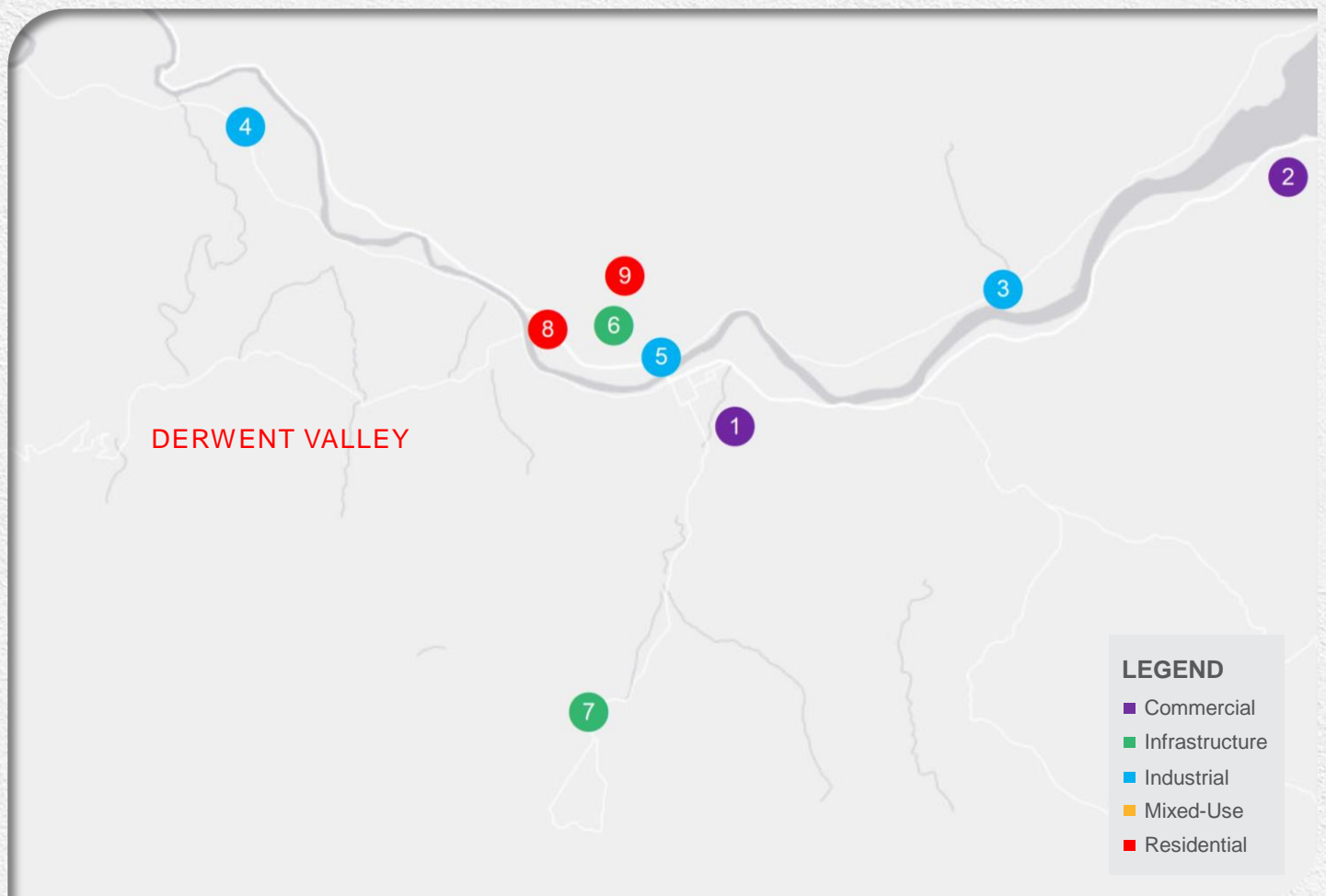
RENTAL VACANCY RATES 2022



RENTAL YIELD 2022\$



TOP DEVELOPMENTS MAP 1st HALF 2023^A



Location	Project [§]	Type	Estimated Value [¶]	Commence Date [¶]
1	The Mills	Commercial	\$8,000,000	14/04/2023
2	Derwent Estate Vineyard	Commercial	\$150,000	10/02/2023
3	Southern Organic Waste Processing Facility	Industrial	\$16,000,000	15/05/2023
4	1141 Glenora Road Extraction Plant Bison Constructions	Industrial	\$280,000	16/06/2023
5	Derwent Valley Railway	Industrial	\$110,000	27/05/2023
6	Dumas Terrace Road Rehabilitation	Infrastructure	\$400,000	02/03/2023
7	Lachlan Valley Fire Station	Infrastructure	\$100,000	27/05/2023
8	30 Mcleod Street New Norfolk - Centacare Evolve Housing Residential Subdivision Further Stages (52 lots)	Residential	\$2,340,000	20/05/2023
9	265 Back River Road Residential Subdivision (51 lots)	Residential	\$2,295,000	08/05/2023

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

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

¥ Derwent Valley market data encapsulates aggregate property conditions within the postcode of 7140.

§ 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 suburbs of Derwent Valley 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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