



# Hobart Market Update

## 1<sup>st</sup> Half 2023



### OVERVIEW

In Q4 2022, Hobart\* recorded a median house price of \$945,000 and a median unit price of \$641,500. This represents annual (Q4 2021 – Q4 2022) median price softening of -13.3% for houses and -13.5% for units. Total sales increased between Q4 2021 – Q4 2022, by 6.4% (to 133 sales) for houses, while total sale for units declined -52.1% over the 12 month period (to 46 sales). These trends suggest cash rate hikes have translated into the market, as median price downturn is evident alongside either higher demand (house) or in an undersupplied market (units). New opportunities exist for buyers.

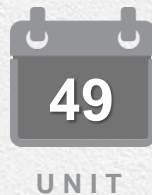
	CHANGE FROM LAST	YEAR	HALF YEAR
	House Sales	↑	↑
	House Median Price	↓	↓
	House Rental Price	↑	↑
	Unit Sales	↓	↓
	Unit Median Price	↓	↑
	Unit Rental Price	↑	↑

### MARKET CONDITIONS

#### SALES MEDIAN PRICE Q4 2022



#### SALES AVERAGE DAYS ON MARKET Q4 2022



#### RENTAL MEDIAN PRICE Q4 2022

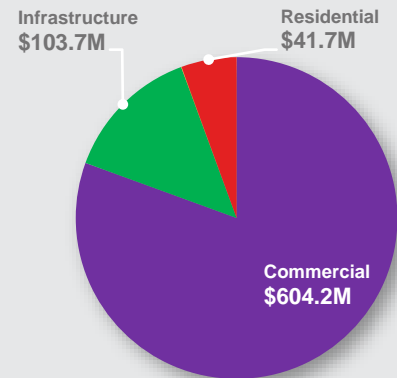


#### RENTAL AVERAGE DAYS ON MARKET Q4 2022



### FUTURE DEVELOPMENTS

Hobart is set to see approximately **\$749.9M** worth of new projects commencing in the 1<sup>st</sup> half of 2023.



A strong focus in commercial projects stimulate employment opportunities in Hobart. This can have a positive spill-over impact on the real estate market, in the form of higher demand.

A significant commercial project over the 1<sup>st</sup> half of 2023 is the UTAS Southern Campus (\$600M).

The Sullivans Cove Distillery (\$15M) and Anglesea Barracks (\$14.5M) are key infrastructure projects.

Key residential projects planned for the 1<sup>st</sup> half of 2023 include:

- 1 Queen Walk Apartments (65 apartments)
- 71A Letitia Street Units (29 units)
- 156 New Town Road Development (9 apartments)

Incoming supply is an opportunity for first home buyers, especially in the current softer property market.

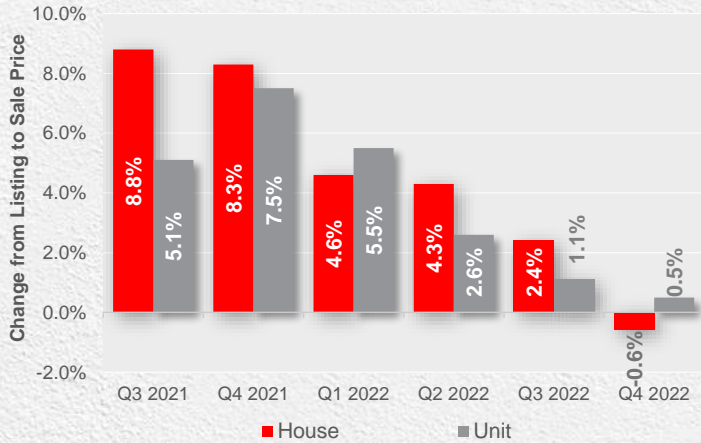




# AVERAGE VENDOR DISCOUNT\* KEY COMMENTS

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.

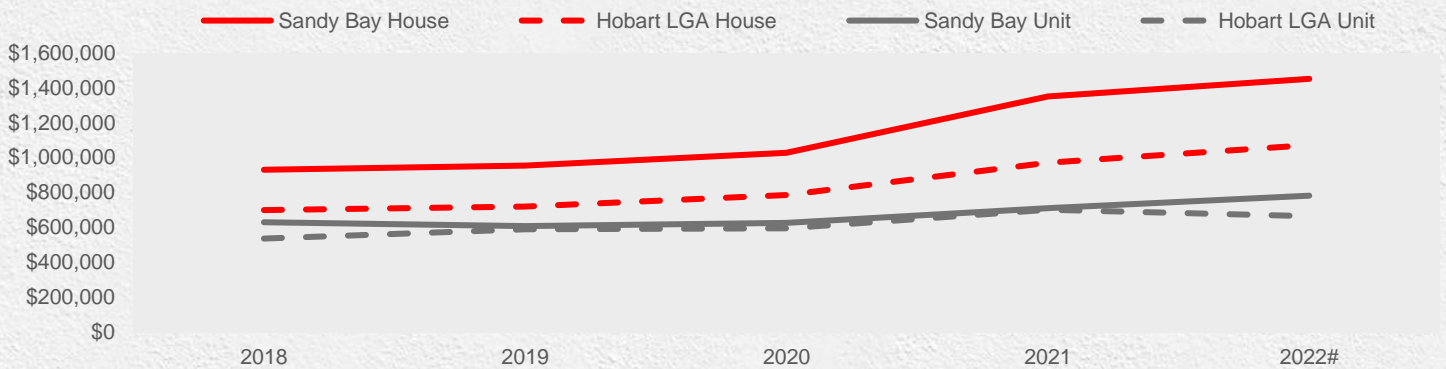
Average vendor discounts between Q4 2021 and Q4 2022 have swung to a discount of -0.6% for houses. Units on the other hand remain at a premium, although the lowest recorded, of 0.5%. Market conditions in Hobart indicate new opportunities for buyers, either at a discount for houses or lower premium for units.



The suburb of Sandy Bay has historically outperformed the wider Hobart Local Government Area (LGA) in median house price, however on par for median unit price. Late 2022# shows median unit prices trending above the LGA.

The dominant proportion of homes sold in Hobart\* across 2022# were in the premium bracket of above \$1,200,000 (38.9%). Units also recorded a dominant premium price point of above \$750,000 (40.7%). The premium market continues to dominate in Hobart, however affordable price brackets have started to widen in the past 6 months.

## MARKET COMPARISON

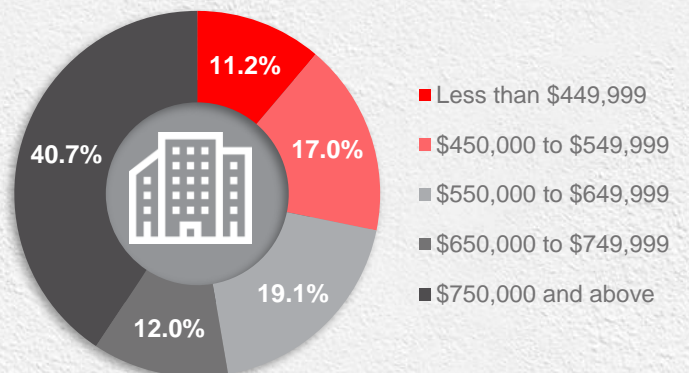
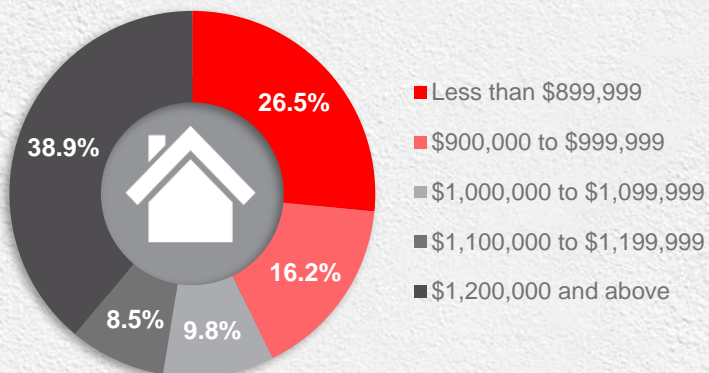


The market comparison graph provides a comparative trend for the median price of houses and units over the past 5 years. The main LGA profiled was chosen based on their proximity to the main suburb analysed, which is Sandy Bay.

## PRICE BREAKDOWN 2022#

### HOUSES SOLD

### UNITS SOLD



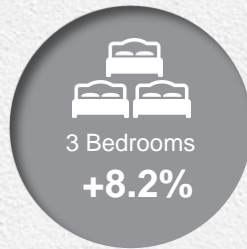


# RENTAL GROWTH 2022€

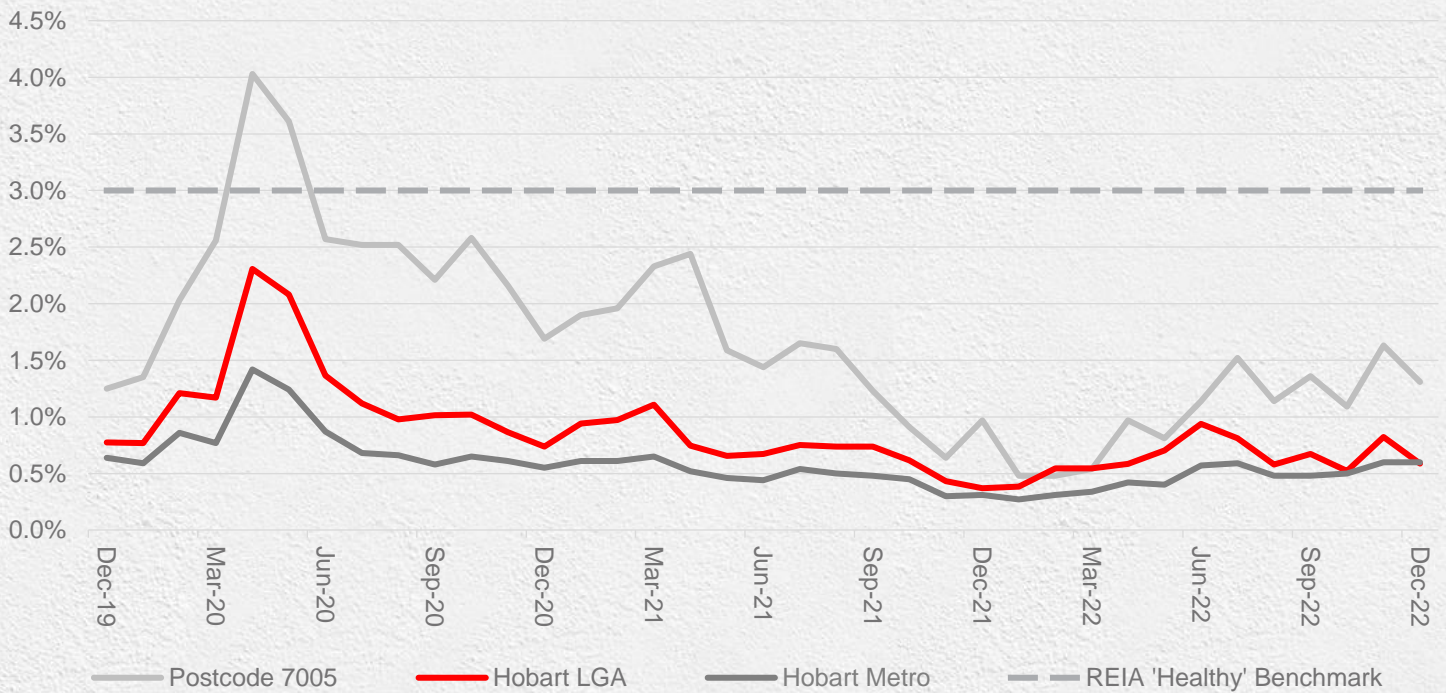
House rental yields in Postcode 7005 were recorded at 3.4% in December 2022, slightly lower than Hobart Metro (4.5%). That said in the 12 months to Q4 2022 median house rental price increased by 8.2% to sit at \$595 per week, alongside a 20.4% increase (to 354 rentals) in the number of houses rented. Average days on the market remained low at 20 days for Q4 2022, indicating a strong rental market in Hobart\*

4+ bedroom houses have provided investors with +10.8% rental growth annually, achieving a median rent of \$720 per week.

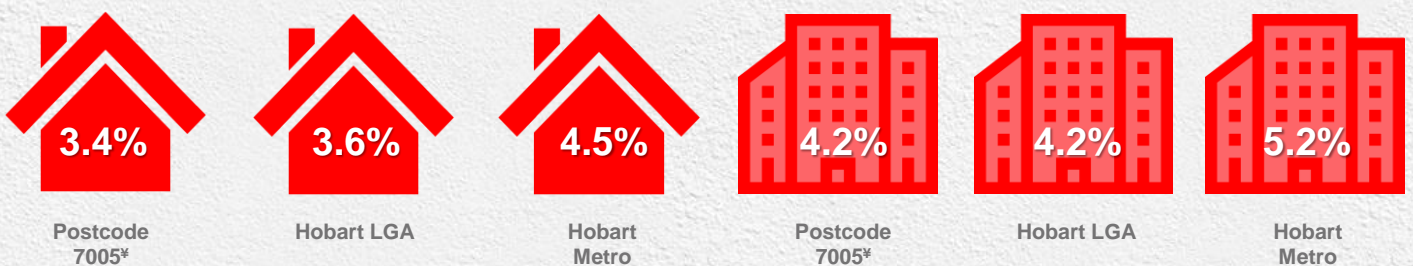
Postcode 7005<sup>‡</sup> recorded a vacancy rate of 1.3% in December 2022, above Hobart Metro's 0.6% average. Vacancy rates in Postcode 7005<sup>‡</sup> remain well below the Real Estate Institute of Australia's healthy benchmark of 3.0% and saw a decline in late 2022, indicating higher rental demand. These key indicators suggest a conducive and sustainable environment for investors, especially with a softer median sale price between Q4 2021 – Q4 2022. Now is the time to enter the market.



# RENTAL VACANCY RATES 2022

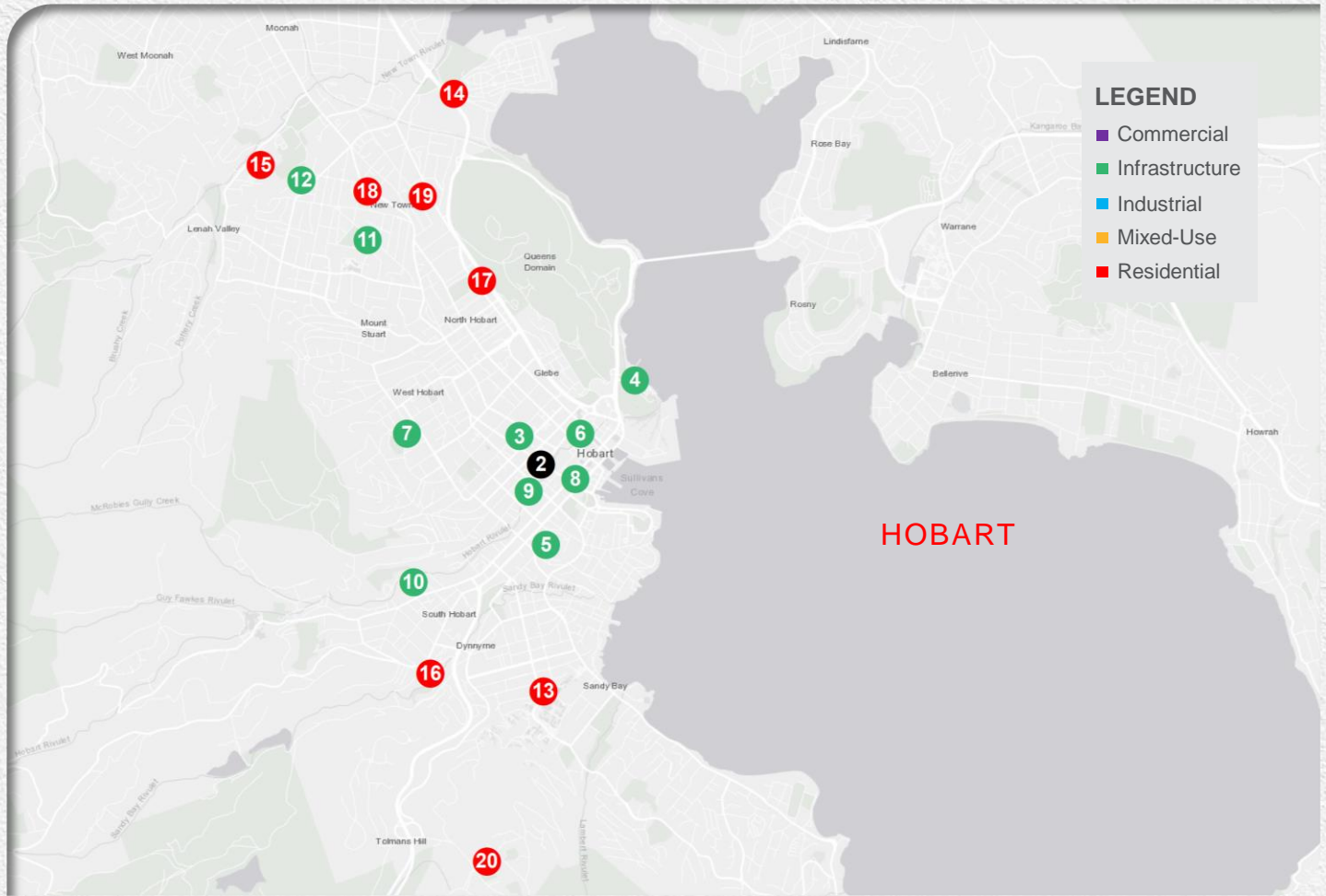


# RENTAL YIELD 2022\$





# TOP DEVELOPMENTS MAP 1<sup>st</sup> HALF 2023<sup>A</sup>



Location	Project <sup>£</sup>	Type	Estimated Value <sup>Ⓜ</sup>	Commence Date <sup>Ⓜ</sup>
1	UTAS Southern Campus Transformation	Commercial	\$600,000,000	22/05/2023
2	137 Liverpool Street Hobart - Commercial Development	Commercial	\$2,200,000	22/05/2023
3	Hobart Central Car Park Lift Replacement	Infrastructure	\$650,000	28/03/2023
4	Sullivans Cove Distillery	Infrastructure	\$15,000,000	16/01/2023
5	Anglesea Barracks - Paterson Building Works	Infrastructure	\$14,500,000	15/02/2023
6	Royal Hobart Hospital - Pharmacy Department D Block Expansion	Infrastructure	\$7,500,000	25/04/2023
7	Shared Use & Mountain Bike Track Design & Construct	Infrastructure	\$900,000	31/05/2023
8	The Department Of Treasury & Finance Major Lift Upgrade	Infrastructure	\$950,000	22/03/2023
9	Multidisciplinary Centre South Office Accommodation Fit-out	Infrastructure	\$950,000	15/03/2023
10	South Hobart Primary School - Stormwater Stage 2	Infrastructure	\$715,000	05/06/2023
11	Tasman Private Hospital Hobart - 46-52 New Town Road	Infrastructure	\$60,000,000	27/03/2023
12	Special Intensive Support Units - Gregson Avenue	Infrastructure	\$1,000,000	11/03/2023
13	5 Alexander Street Units (3 units)	Residential	\$1,000,000	17/01/2023
14	1 Queens Walk Apartments (65 apartments)	Residential	\$20,000,000	25/06/2023
15	63-83 Creek Road Units The Salvation Army Divisional Headquarters (6 units)	Residential	\$1,500,000	06/02/2023
16	Kooyong Glen Units (11 units)	Residential	\$3,000,000	24/02/2023
17	71a Letitia Street Units (29 units)	Residential	\$6,000,000	10/06/2023
18	156 New Town Road Mixed Used Development (19 apartments)	Residential	\$7,000,000	19/05/2023
19	31 Swanston Street New Town – Townhouses (6 townhouses)	Residential	\$1,250,000	03/06/2023
20	32a Brinsmead Road Mount Nelson – Dwellings (4 dwellings)	Residential	\$1,980,000	30/03/2023



## 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.



**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 6274 7355

F +61 3 6273 0825

439 Main Road  
Montrose TAS 7010

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



# REFERENCES

\* Hobart market data and key indicators encapsulates aggregate property market conditions within the suburbs of Hobart 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 – 31/12/2022) and 2022 (01/01/2022 – 31/12/2022) house median rent figures.

¥ Hobart market data encapsulates aggregate property conditions within the postcode of Hobart LGA.

§ 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 Hobart 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 2023.

