



**Affordable & Liveable Property Guide**  
Hobart Metro 1<sup>st</sup> Half 2023

## OVERVIEW

Median house prices in Hobart Metro were \$700,000 as of Q1 2023, which represented an annual (Q1 2022 to Q1 2023\*) softening of -15.7%. Similarly, median unit prices also saw a softening of -5.8%, recording \$565,000 in Q1 2023. That said, on a quarterly basis (Q4 2022 – Q1 2023), median prices softened by a slower rate of -10.7% for houses and -2.6% for units. Thus, although interest rate hikes did translate into the market, confidence has started to return. Between Q1 2022 and Q1 2023, total house sales declined by -16.0% (to 367 sales) for houses and by -34.8% (to 144 sales) for units. An undersupply is evident, especially for houses, as prices have started to turn despite cash rate hikes. A total of \$1.1B of project development is scheduled to commence in the 1<sup>st</sup> half of 2023, with a significant focus on commercial and infrastructure development. There are few residential projects planned, however most are units and land lots. Thus, ready-to-sell stand-alone houses will remain undersupplied, suggesting any downturn in the median house price is temporary.

## RECENT TOP PERFORMERS

Area	Suburb	Type	Median Price 2021	Median Price 2022/23*	Price Growth	Projects 2023***
Inner	Mount Stuart	House	\$855,100	\$853,500	9.9%	N/A
	New Town	Unit	\$452,500	\$495,000	9.4%	\$21.7M
North	Lutana	House	\$512,000	\$620,000	21.1%	\$900K
	Glenorchy	Unit	\$410,000	\$470,000	14.6%	\$211.9M
South	Kingston	House	\$674,000	\$800,000	18.7%	\$2.9M
	Kingston	Unit	\$540,500	\$585,000	8.2%	\$2.9M
East	Bellerive	House	\$880,000	\$908,000	3.2%	\$7.6M
	Bellerive	Unit	\$505,000	\$640,000	26.7%	\$7.6M

## 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 10 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 2022/23\*.
- Investment criteria** – as of March 2023, 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 \$469,385\*\* as of Q4 2022. Premiums of 27% for houses and 5% for units were added, which were below the premiums required to reach Hobart Metro's median prices (49% for houses and 20% for units). This places the chosen suburbs below Hobart Metro's median prices, thus, they are more affordable for buyers.
- Development criteria** – suburbs identified must have a high total estimated value of future project development for the 1<sup>st</sup> half of 2023, 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 that is either on-par or lower in comparison to the Tasmania average (as determined by the Department of Jobs and Small Business, December Quarter 2022 release).

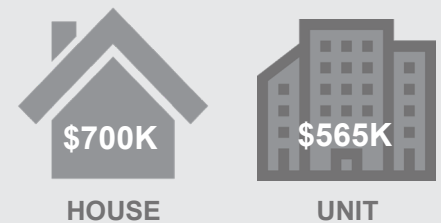
\*Median price quoted captures sale transactions from 1st January 2021 to 31st March 2023, or Q1 2021 – Q1 2023. \*\*Average home loan figure is derived from December Quarter 2022 Housing Affordability Report by the Real Estate Institute of Australia (REIA) and Adelaide Bank. \*\*\*Project development is based on aggregate of estimated construction value for residential, commercial, industrial, mixed-use and infrastructure projects scheduled to commence in the 1<sup>st</sup> half of 2023 as stated by the relevant data authority. \*Annual Change is reflective of median price change from Q1 2022 to Q1 2023. Figures displayed in infographics are for the period Q1 2023. Source: APM Pricer, REIA, SQM Research, Cordell Connect, Department of Jobs and Small Business. © PRD 2023.

# PRD.

## HOBART METRO



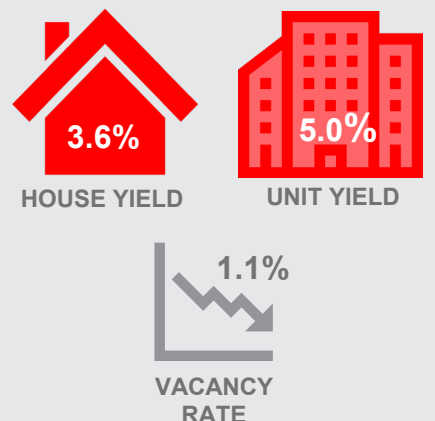
## MEDIAN SALE PRICE



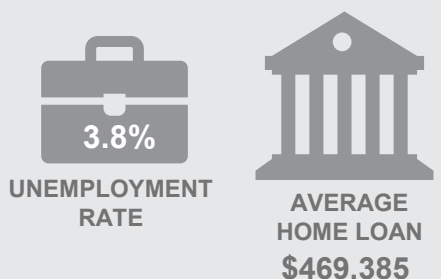
## MEDIAN RENTAL PRICE



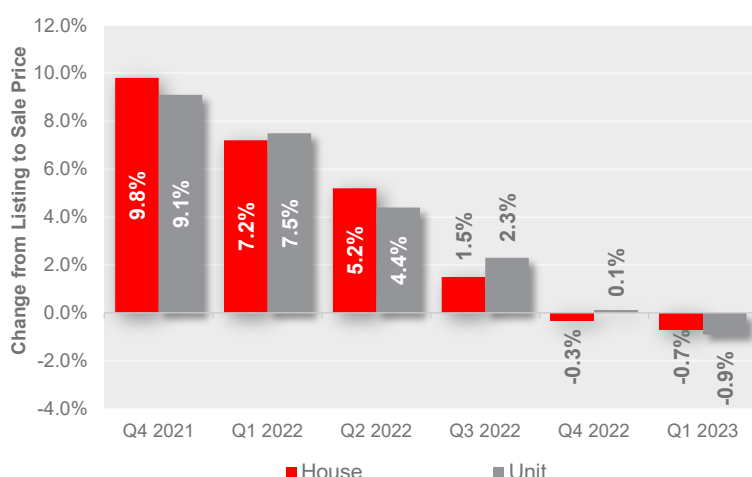
## BENCHMARKS HOBART METRO



## BENCHMARKS TAS



## AVERAGE VENDOR DISCOUNT

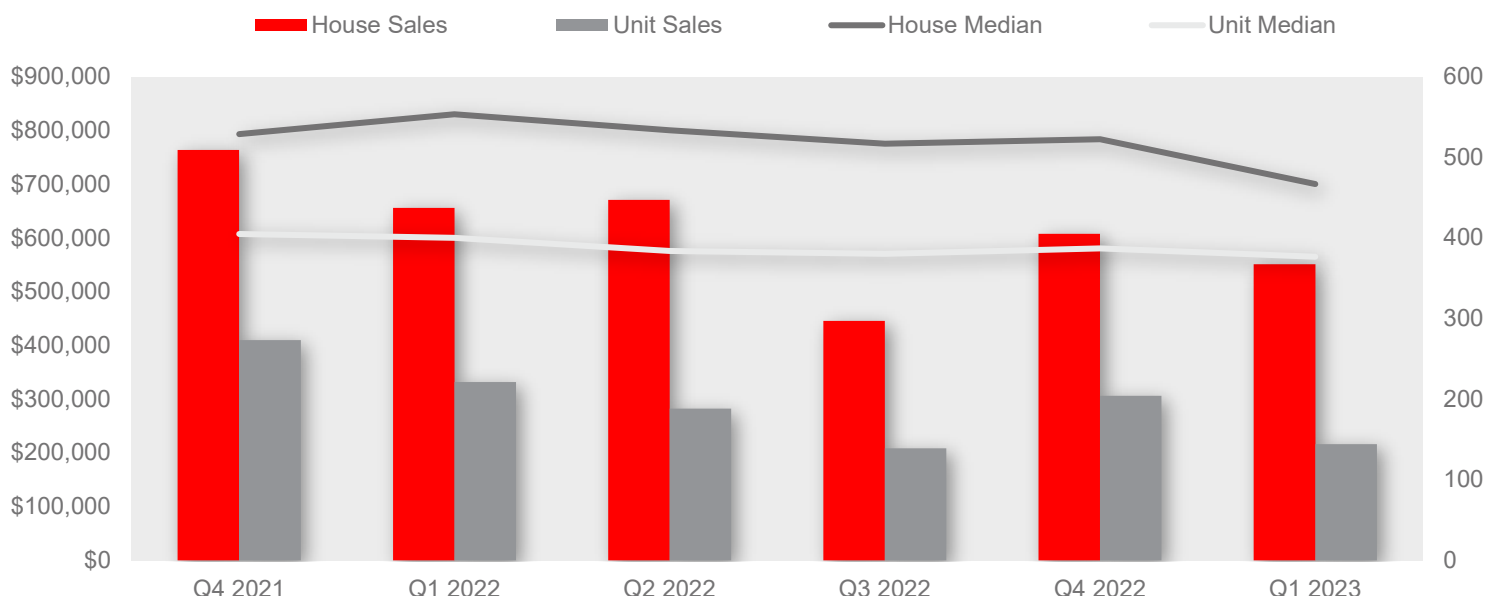


## KEY COMMENTS

Average vendor discounts between Q1 2022 and Q1 2023 have swung from a premium to a discount for both property types, of -0.7% for houses and -0.9% for units. Average vendor discounts have continually swung from a premium to a discount over the past 12 months, with the last 2 quarters recording the highest discounts. This indicates new opportunities for buyers, however, with an undersupplied market time might be limited.

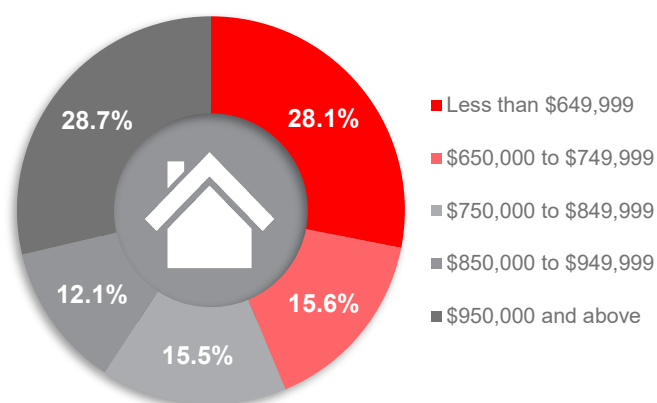
The dominant proportion of homes sold in Hobart Metro across 2022/23# were in the premium price bracket of \$950,000 and above (28.7%). In contrast, units recorded a dominant most affordable price bracket of less than \$500,000 (26.8%). Interestingly, there is an almost equal number of sales in the most affordable house market, of less than \$650,000 (28.1%). Unit sales in the affordable price bracket \$500,000-\$600,000 is also high at 26.5%.

## MARKET PERFORMANCE

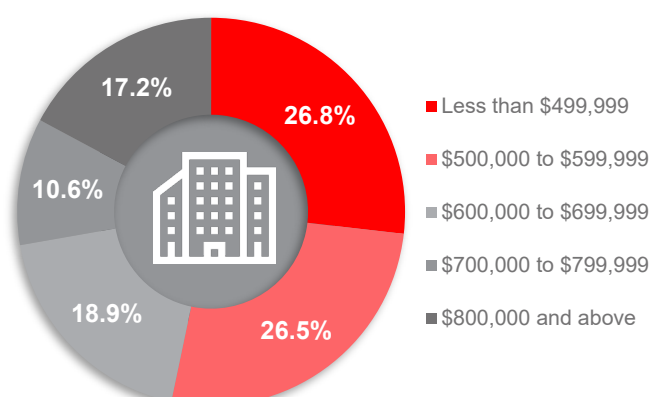


## PRICE BREAKDOWN 2022/23#

### HOUSES SOLD

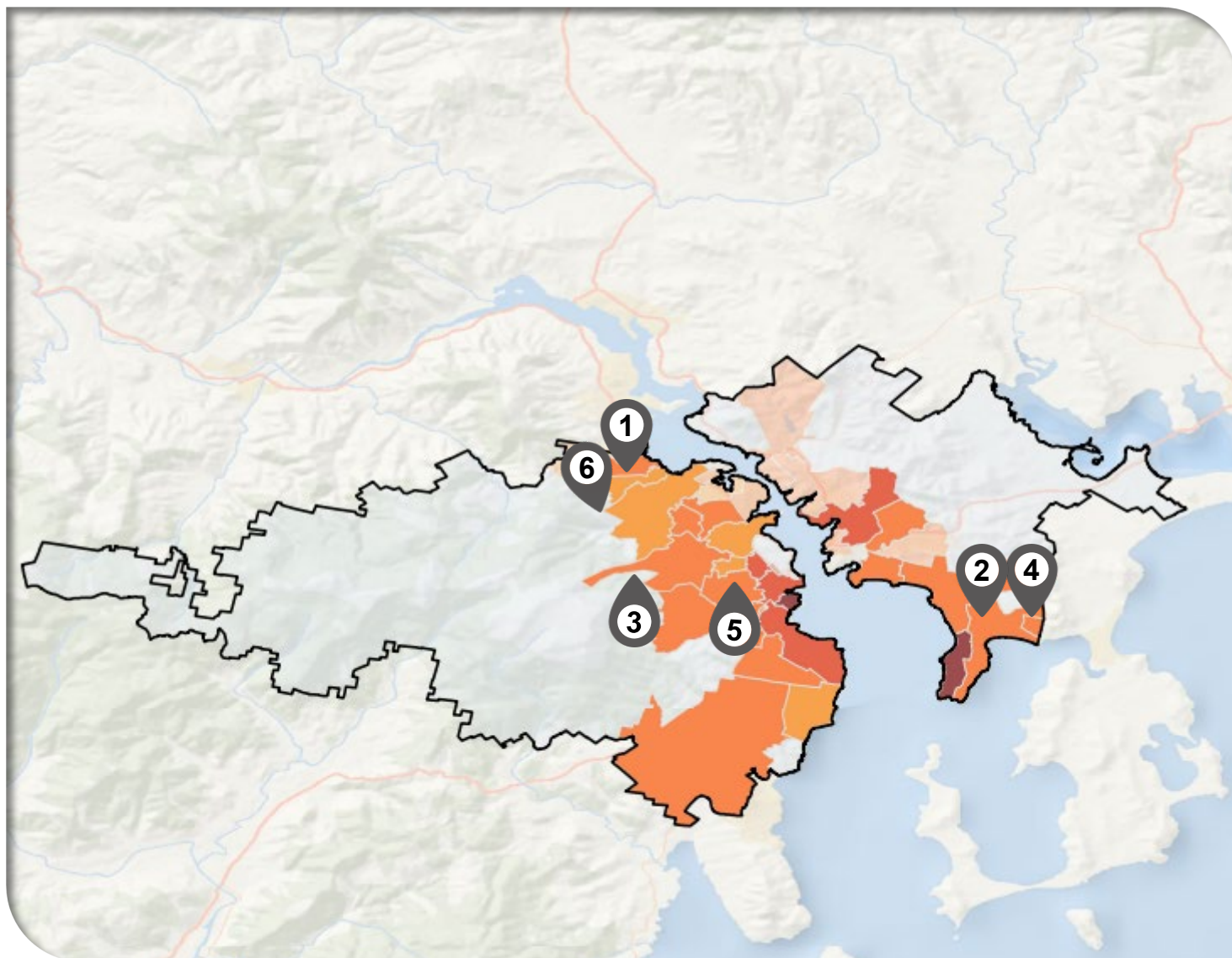


### UNITS SOLD

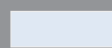




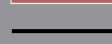




# HOBART METRO MEDIAN HOUSE PRICE 2022/23\* 10KM FROM CBD



## 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

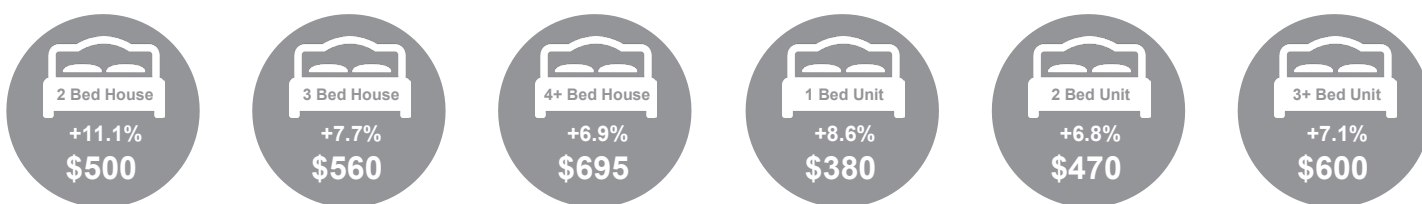
	Suburb	House		Suburb	Unit
1	Berriedale	5.1%	4	Rokeby	3.9%
2	Rokeby	4.3%	5	New Town	3.8%
3	Glenorchy	4.4%	6	Glenorchy	5.5%

## RENTAL GROWTH 2023€

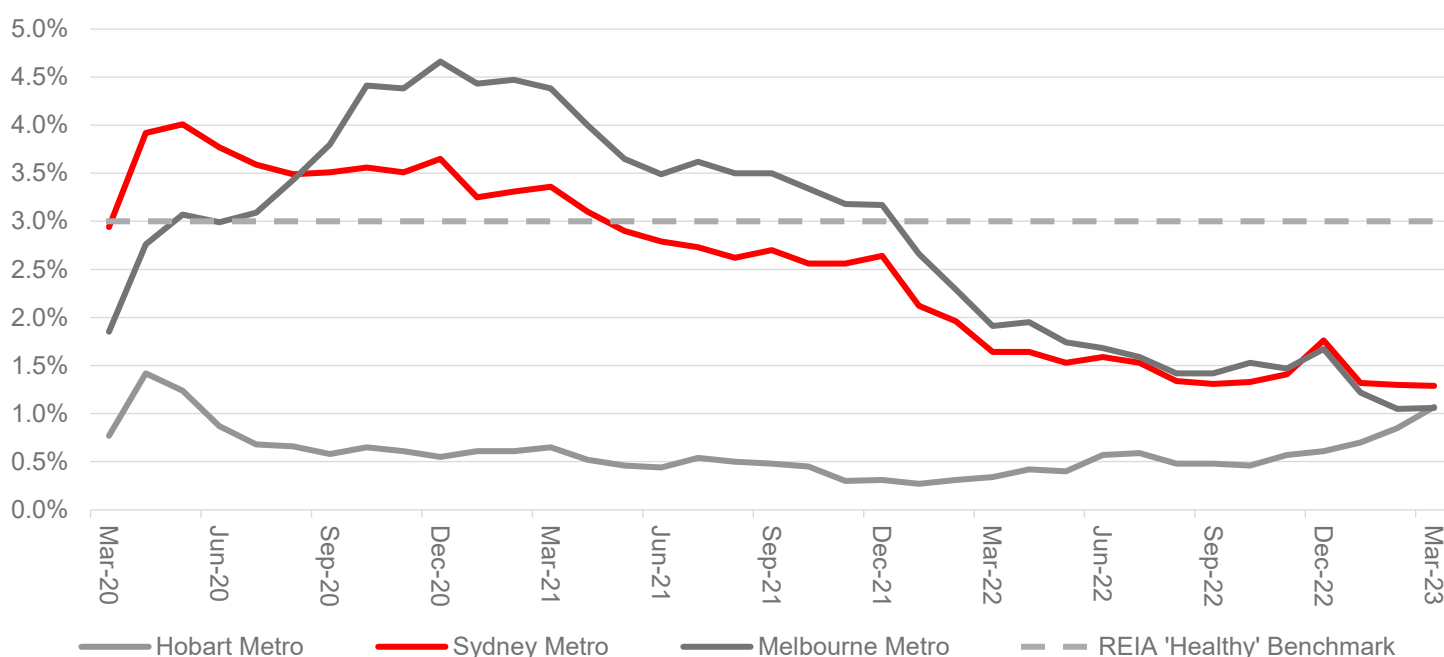
House rental yields in Hobart Metro were 3.6%, higher than Sydney and Melbourne Metro (2.9%) but on par with Brisbane Metro (3.7%). In the 12 months to Q1 2023, the median house rental price increased by 2.7% to \$565 per week. This is further complemented with a low average days on the market of 23 days. The house rental market has continued to show strong growth and proves to be a more affordable option compared to most Sydney and Melbourne Metro areas.

Two bedroom houses recorded the highest annual rental growth (of +11.1%) to reach \$500 per week. All types of properties have recorded positive rental growth in the past 12 months due to an undersupply of rental properties.

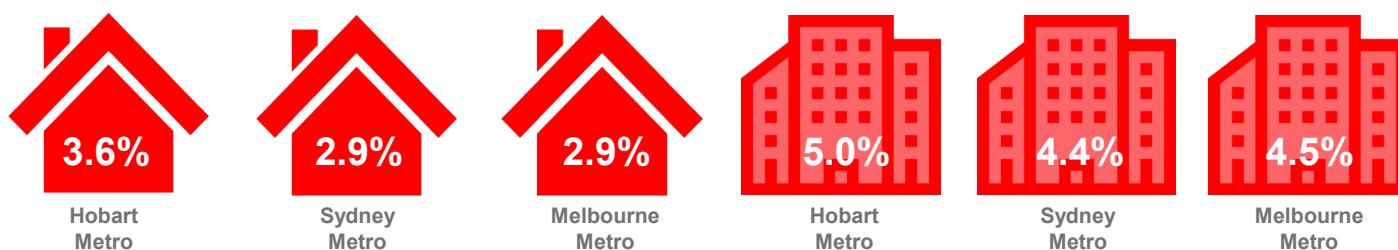
In March 2023, Hobart Metro recorded a low vacancy rate of 1.1%, below Sydney Metro (1.3%) and on par with Melbourne Metro (1.1%). Vacancy rates in Hobart Metro saw an increasing trend since September 2022, most likely due to investors capitalising on a tight rental market. That said, it has remained well below the Real Estate Institute of Australia's healthy benchmark of 3.0% and has trended between 1.0-1.5%. This indicates quicker rental occupancy and security in income cash flow. Overall, there is a conducive environment for investment, even if property prices have started to normalise.



## RENTAL VACANCY RATES 2023



## RENTAL YIELD 2023§



€ Annual rental growth is a comparison between Q1 2022 (01/01/2022 – 31/03/2022) – Q1 2023 (01/01/2023 – 31/03/2023) house median rent figures.

§ Rental yields shown are as reported at March 2023.

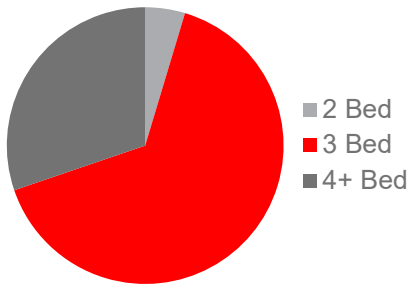
Source: APM Pricefinder, SQM Research. © Copyright PRD 2022.

## PROPERTY CLOCK - HOUSES



## AFFORDABLE & LIVEABLE HOUSE SUBURBS

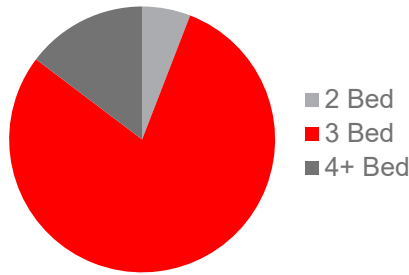
### BERRIEDALE 7011



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

Median House Price **\$597,500**  
 • 2 Bed Median Price **\$542,500\***  
 • 3 Bed Median Price **\$572,500**  
 • 4+ Bed Median Price **\$675,000\***

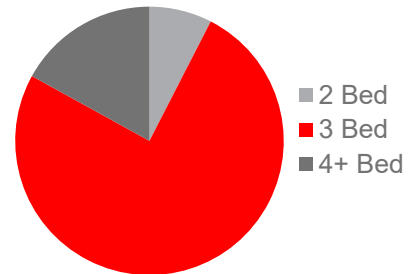
### ROKEBY 7019



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

Median House Price **\$556,700**  
 • 2 Bed Median Price **\$543,900\***  
 • 3 Bed Median Price **\$567,500**  
 • 4+ Bed Median Price **\$555,000**

### GLENORCHY 7010



Located about **8.0km** from the Hobart CBD.

Median House Price **\$600,000**  
 • 2 Bed Median Price **\$539,250\***  
 • 3 Bed Median Price **\$597,500**  
 • 4+ Bed Median Price **\$700,000**

Annual Median Price Growth	24.5%**
Vacancy Rate (Mar-23)	0.6%
Rental Yield (Mar-23)	5.1%
Key Amenity (5km)	Claremont College
Total Projects in Postcode (\$)	\$6.0M
Key Project	Mona Accommodation Berriedale (6.0M)
Unemployment Rate	6.3%

Annual Median Price Growth	16.0%**
Vacancy Rate (Mar-23)	0.5%
Rental Yield (Mar-23)	4.3%
Key Amenity (5km)	Rokeby Market
Total Projects in Postcode (\$)	\$18.7M^
Key Project	Droughty Point Road Warehouse (\$8.0M)
Unemployment Rate	9.7%

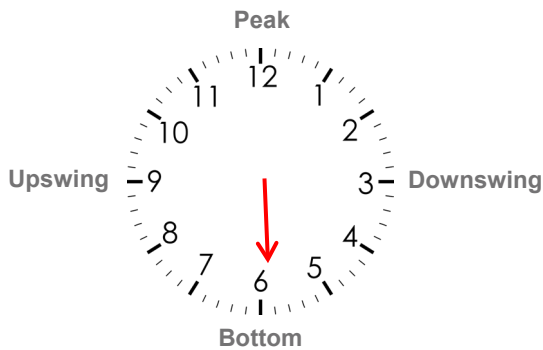
Annual Median Price Growth	19.2%**
Vacancy Rate (Mar-23)	0.4%
Rental Yield (Mar-23)	4.4%
Key Amenity (5km)	Glenorchy Central
Total Projects in Postcode (\$)	\$211.9M
Key Project	Hobart Showground Precinct (\$200.0M)
Unemployment Rate	8.2%

^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. †Quoted unemployment rate is an indication of only having a higher rate than the state average

\*\*Median price growth quoted captures sale transactions between all of 2021 (i.e 01/01/2021 – 31/03/2021) versus all of 2022 + Q1 2023 (i.e 01/01/2022 – 31/03/2023).

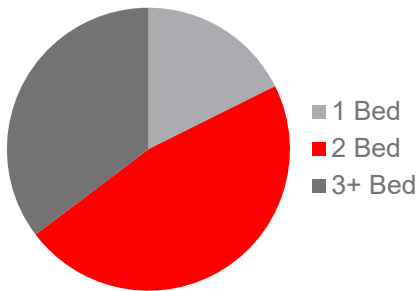
Source: APM Pricerfinder, SQM Research, Cordell Connect, Department of Small Jobs and Business, Google Maps. © PRD 2023.

## PROPERTY CLOCK - UNITS



## AFFORDABLE & LIVEABLE UNIT SUBURBS

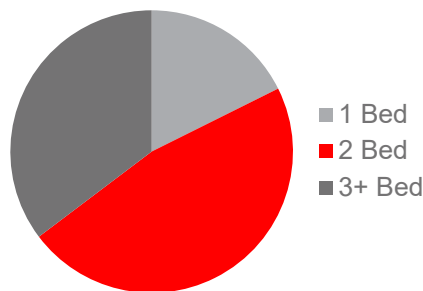
### ROKEBY 7019



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

Median Unit Price **\$540,000**  
 • 1 Bed Median Price **\$187,000\***  
 • 2 Bed Median Price **\$537,500\***  
 • 3+ Bed Median Price **\$597,500\***

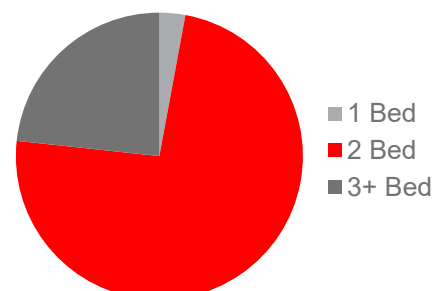
### NEW TOWN 7008



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

Median Unit Price **\$522,500**  
 • 1 Bed Median Price **\$428,000\***  
 • 2 Bed Median Price **\$450,000**  
 • 3+ Bed Median Price **\$595,000**

### GLENORCHY 7010



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

Median Unit Price **\$475,500**  
 • 1 Bed Median Price **\$341,000\***  
 • 2 Bed Median Price **\$450,000**  
 • 3+ Bed Median Price **\$595,000**

Annual Median Price Growth	25.8%*	Annual Median Price Growth	9.4%*	Annual Median Price Growth	14.6%**
Vacancy Rate (Mar-23)	0.5%	Vacancy Rate (Mar-23)	0.8%	Vacancy Rate (Mar-23)	0.4%
Rental Yield (Mar-23)	3.9%	Rental Yield (Mar-23)	3.8%	Rental Yield (Mar-23)	5.5%
Key Amenities (5km)	Rokeby Primary School	Key Amenities (5km)	Calvary Lenah Valley Hospital	Key Amenities (5km)	Glenorchy Central
Total Projects in Postcode (\$)	\$18.7M^	Total Projects in Postcode (\$)	\$21.7M^	Total Projects in Postcode (\$)	\$211.9M^
Key Project	Droughty Point Road Warehouse (\$8.0M)	Key Project	Queens Walk Apartments (\$20.0M, 65 units)	Key Project	Hobart Showground Precinct (\$200.0M)
Unemployment Rate	9.7%	Unemployment Rate	3.9%	Unemployment Rate	8.2%

^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. †Quoted unemployment rate is an indication of only having a higher rate than the state average

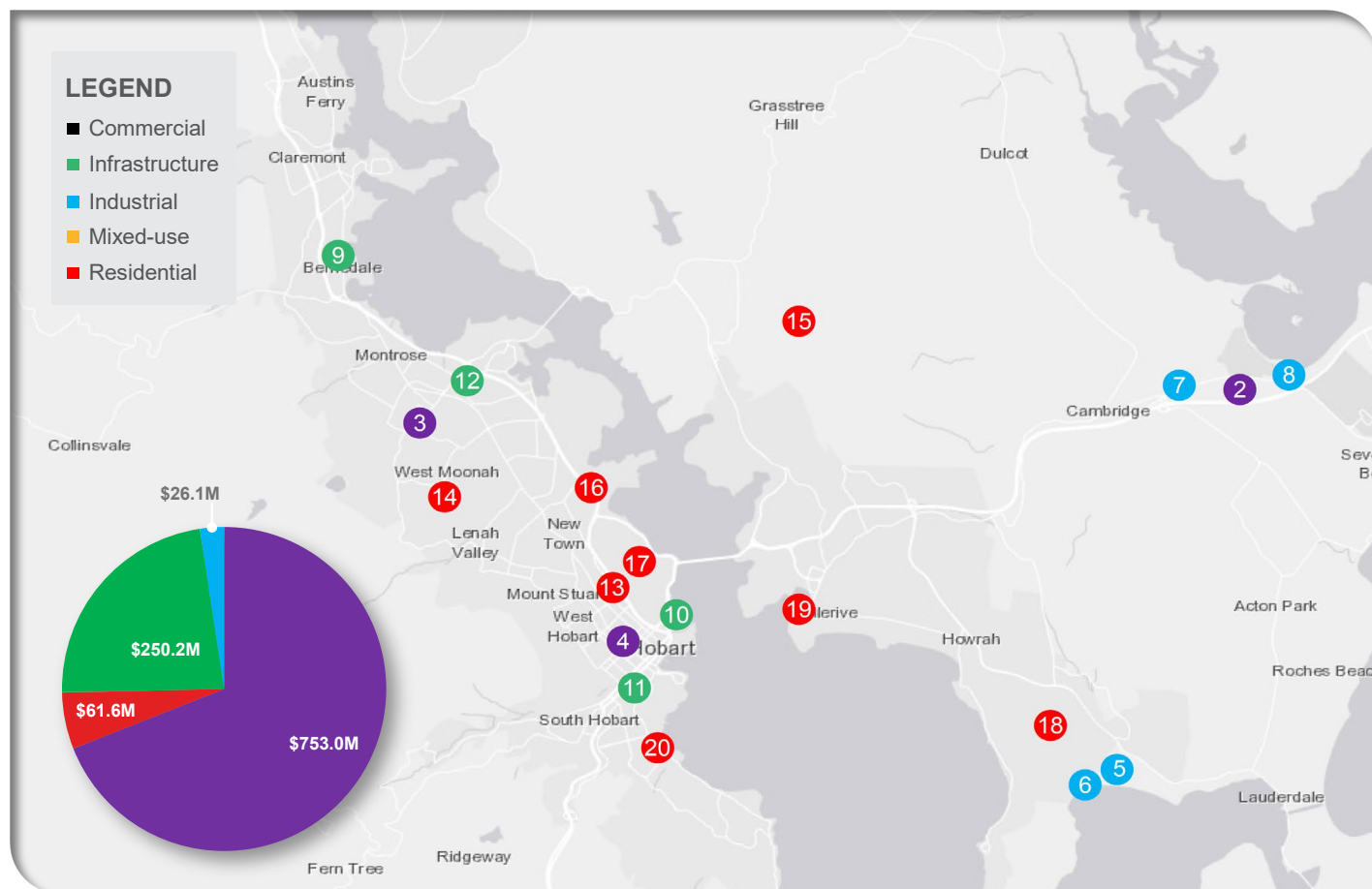
\*\*Median price growth quoted captures sale transactions between all of 2021 (i.e 01/01/2021 – 31/03/2021) versus all of 2022 + Q1 2023 (i.e 01/01/2022 – 31/03/2023).

Source: APM Pricefinder, SQM Research, Cordell Connect, Department of Small Jobs and Business, Google Maps. © PRD 2023.



# PROJECT DEVELOPMENT MAP

## 1<sup>ST</sup> HALF 2023\*



Location	Project <sup>£</sup>	Suburb	Type	Estimated Value <sup>µ</sup>	Commencement Date
Not Mapped	Utas Southern Campus Transformation	Hobart	Commercial	\$600,000,000	22/05/2023
2	Masters Builders Office & Training Facility - Cambridge	Cambridge	Commercial	\$7,500,000	10/04/2023
3	Barossa Park Lodge - Stage 2	Glenorchy	Commercial	\$7,000,000	03/04/2023
4	Utas College Of Business & Economics & Law School	Hobart	Commercial	\$131,000,000	16/01/2023
5	96 Droughty Point Road Warehouse Units	Rokeby	Industrial	\$8,000,000	26/01/2023
6	115 Droughty Point Road Warehouse	Rokeby	Industrial	\$8,000,000	06/06/2023
7	12-16 Railway Court Warehouses Linear Capital	Cambridge	Industrial	\$5,000,000	18/04/2023
8	269 Kennedy Drive Industrial & Commercial Development	Cambridge	Industrial	\$4,000,000	29/05/2023
9	Mona Accommodation Berriedale (Moab)	Berriedale	Infrastructure	\$6,000,000	23/01/2023
10	Sullivans Cove Distillery	Hobart	Infrastructure	\$15,000,000	16/01/2023
11	Anglesea Barracks - Paterson Building Works	Hobart	Infrastructure	\$14,500,000	08/05/2023
12	Hobart Showgrounds Precinct - Stage 3 - Pavilion & Dwellings	Glenorchy	Infrastructure	\$200,000,000	29/05/2023
13	18 - 24 Letitia Street Dwellings (8 dwellings)	North Hobart	Residential	\$3,500,000	15/06/2023
14	160b Springfield Avenue Townhouses (12 townhouses)	Moonah West	Residential	\$3,600,000	28/01/2023
15	Sugarloaf & Downhams Roads & Aralia Street Residential Subdivision (13 lots)	Risdon Vale	Residential	\$3,900,000	20/03/2023
16	1 Queens Walk Apartments (65 apartments)	New Town	Residential	\$20,000,000	25/06/2023
17	71a Letitia Street Units (29 units)	North Hobart	Residential	\$6,000,000	10/06/2023
18	22 Atkins Street Rokeby - Residential Subdivision Stages 1-2 (59 lots)	Rokeby	Residential	\$2,700,000	30/01/2023
19	Petchey Street Townhouses (17 townhouses)	Bellerive	Residential	\$6,000,000	18/02/2023
20	345 Sandy Bay Road Apartments (7 apartments)	Sandy Bay	Residential	\$2,500,000	28/01/2023

\* 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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# ABOUT PRD RESEARCH

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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- 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 & investment return analysis

### PRD Research

T +61 7 3229 3344

E [research@prd.com.au](mailto:research@prd.com.au)

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