

Glenorchy Market Update

2nd Half 2023



OVERVIEW

In Q2 2023, Glenorchy* (which in this report encapsulates Glenorchy Local Council), recorded a median house price of \$600,000 and a median unit price of \$462,500. This represents annual (Q2 2022 – Q2 2023) softening of -7.7% for houses and -6.7% for units. Total sales decline between Q2 2022 – Q2 2023 by -25.1% (to 125 sales) for houses and -6.7% for units. These trends suggests the 12 cash rate hikes and lower consumer confidence have translated into the market, regardless of property type, as a median price softening is alongside lower sales volume. This creates new opportunities for first home 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
Q2 2023



SALES AVERAGE DAYS ON
MARKET Q2 2023



RENTAL MEDIAN PRICE
Q2 2023

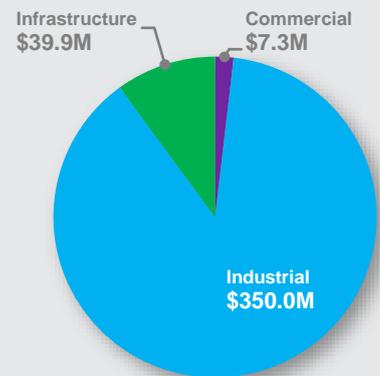


RENTAL AVERAGE DAYS ON
MARKET Q2 2023



FUTURE DEVELOPMENTS

Glenorchy is set to see approximately **\$397.1M** worth of new projects commencing in the 2nd half of 2023.



A focus on infrastructure and industrial projects will stimulate economic growth and enhance liveability for residents, which may attract more people to the area and result in higher housing demand.

A main industrial project planned for the 2nd half of 2023 is the Nyrstar Electrolysis Plant. This project will see the construction of a Cellhouse.

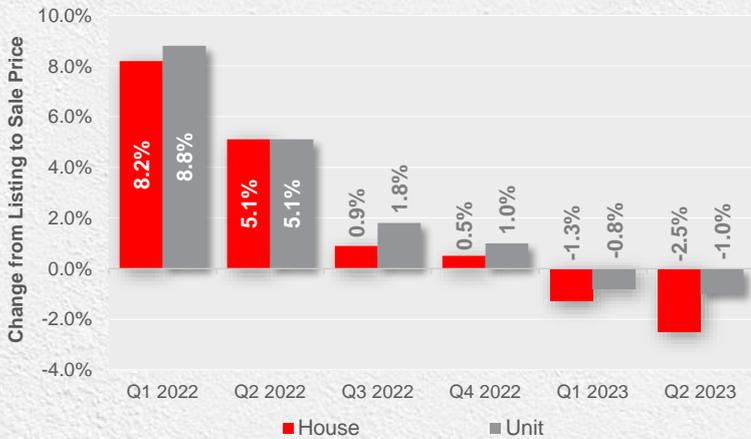
Two infrastructure projects set for construction in the 2nd half of 2023 is the Bellette Place Mental Health Supported Accommodation and Glenorchy Super Ambulance Station. Combined these will improve health services for residents.

An undersupply is particularly of concern in the house market, as the number of sales have declined in the past 12 months to Q2 2023 and there is an absence of new stock. Thus there is a reliance on people selling or downsizing.

Current economic conditions allow for this to occur, assisting with new second-hand stock to be absorbed by the market. However once there is a return in consumer confidence and demand improves, there will be price pressures in the market and higher potential for a market recovery.

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.

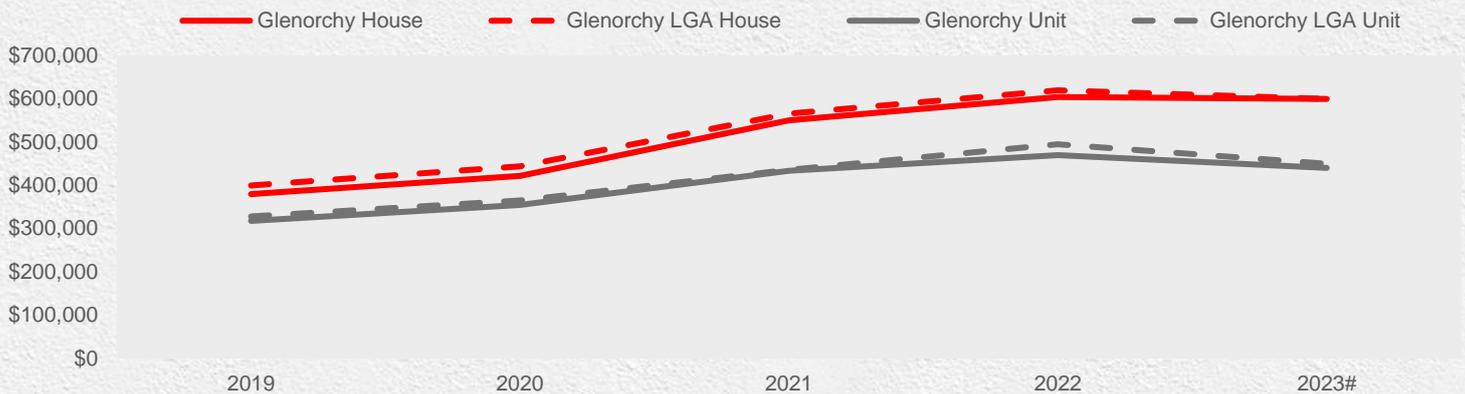


Average vendor discounts between Q2 2022 and Q2 2023 have swung from a premium to a discount for both property types, of -2.5% for houses and -1.0% for units. Market conditions in Glenorchy* have now shifted to favour buyers, as vendors are willing to accept below the initial listing price. Now is the time to buy.

The suburb of Glenorchy has historically performed on par with the wider Glenorchy Local Government Area (LGA) in both house and unit median prices. This continued to be the case in early 2023#, with the two markets showing slower price growth.

The dominant proportion of homes sold in Glenorchy* across 2023# were in the middle price point between \$550,000 to \$650,000 (37.8%). Units recorded a more affordable price point between \$400,000 to \$500,000 (45.8%). Affordable options have increased in the past 6 months, providing buyers with various budgets an option on how best to enter the market. The premium house market now accounts for only 12.0% of sales.

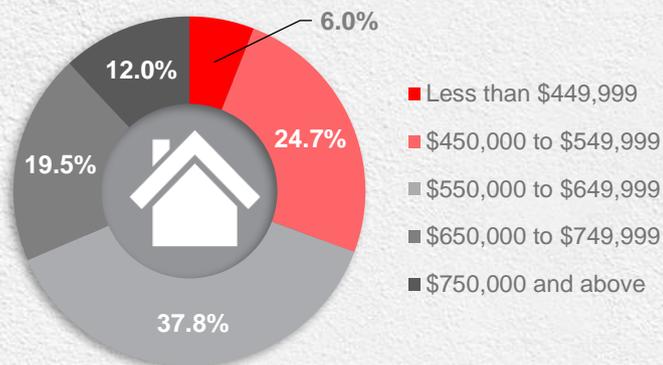
MARKET COMPARISON



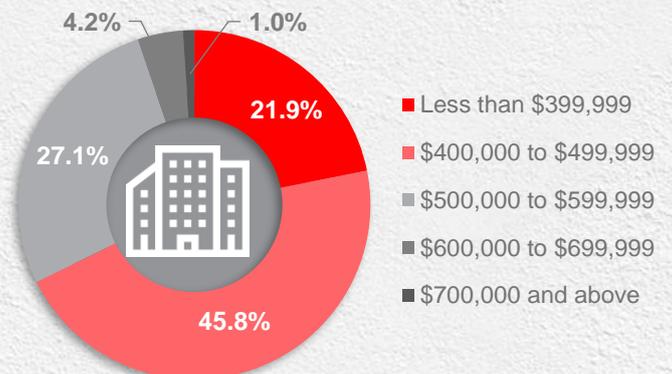
The market comparison graph provides a comparative trend for the median price of houses and units over the past 5 years. The main LGA profiled was chosen based on their proximity to the main suburb analysed, which is Glenorchy.

PRICE BREAKDOWN 2023#

HOUSES SOLD



UNITS SOLD



RENTAL GROWTH 2023€

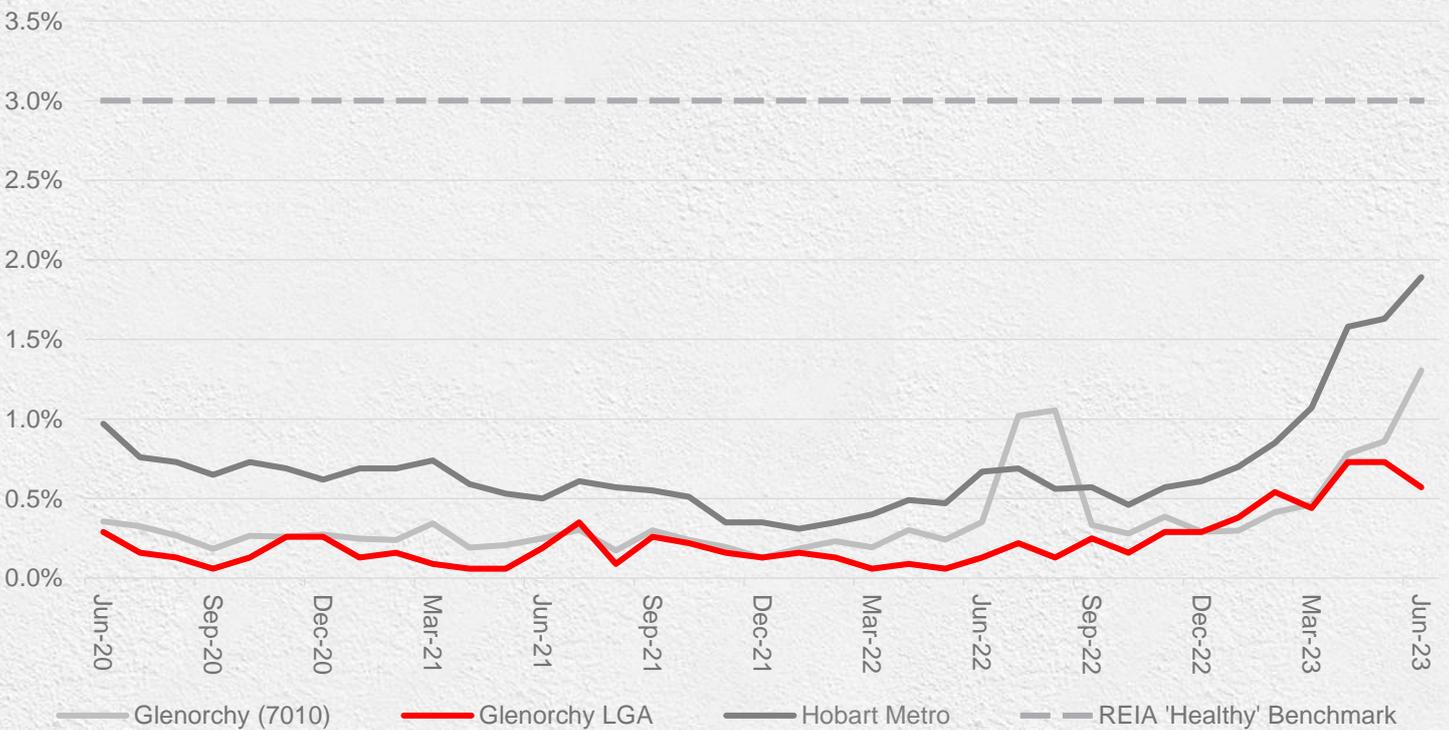
House rental yields in Postcode 7010 were recorded at 4.5% in June 2023, above Hobart Metro (3.5%). In the 12 months to Q2 2023 median house price remained relatively stable, at \$500 per week, alongside a 40.8% increase (to 383 rentals) in the number of houses rented. Median unit rental price increased 5.1%, to reach \$450 per week. Combined this suggests a highly demanded rental market, an opportune time for investors due to a softer median sale price in the past 12 months.

3 bedroom houses have provided investors with 2.0% rental growth annually, achieving a median rent of \$520 per week.

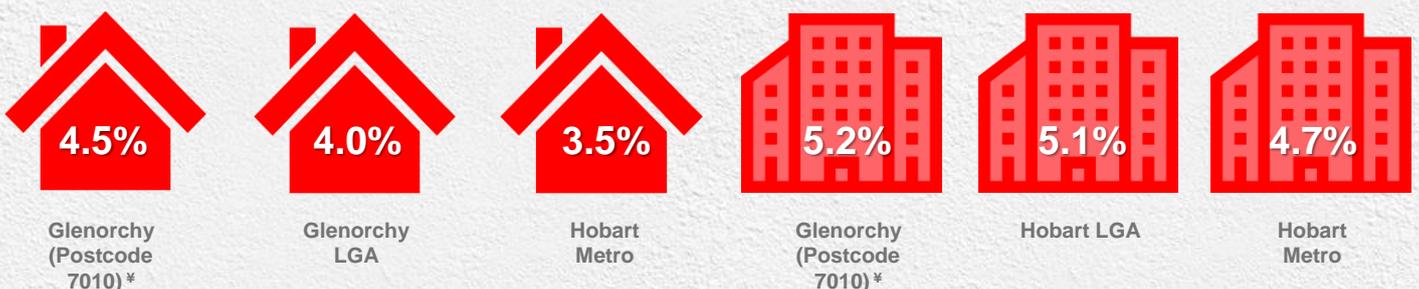
Postcode 7005* recorded a vacancy rate of 1.3% in June 2023, below Hobart Metro's 1.9%. Vacancy rates in Postcode 7005* have increased significantly over the past 12 months, potentially due to investors re-entering the market in the face of a tight rental market prior. This indicates higher availability of rentals, which is good news for renters. Vacancy rates are still below the Real Estate Institute of Australia's healthy benchmark of 3.0%, thus still a conducive investment environment.



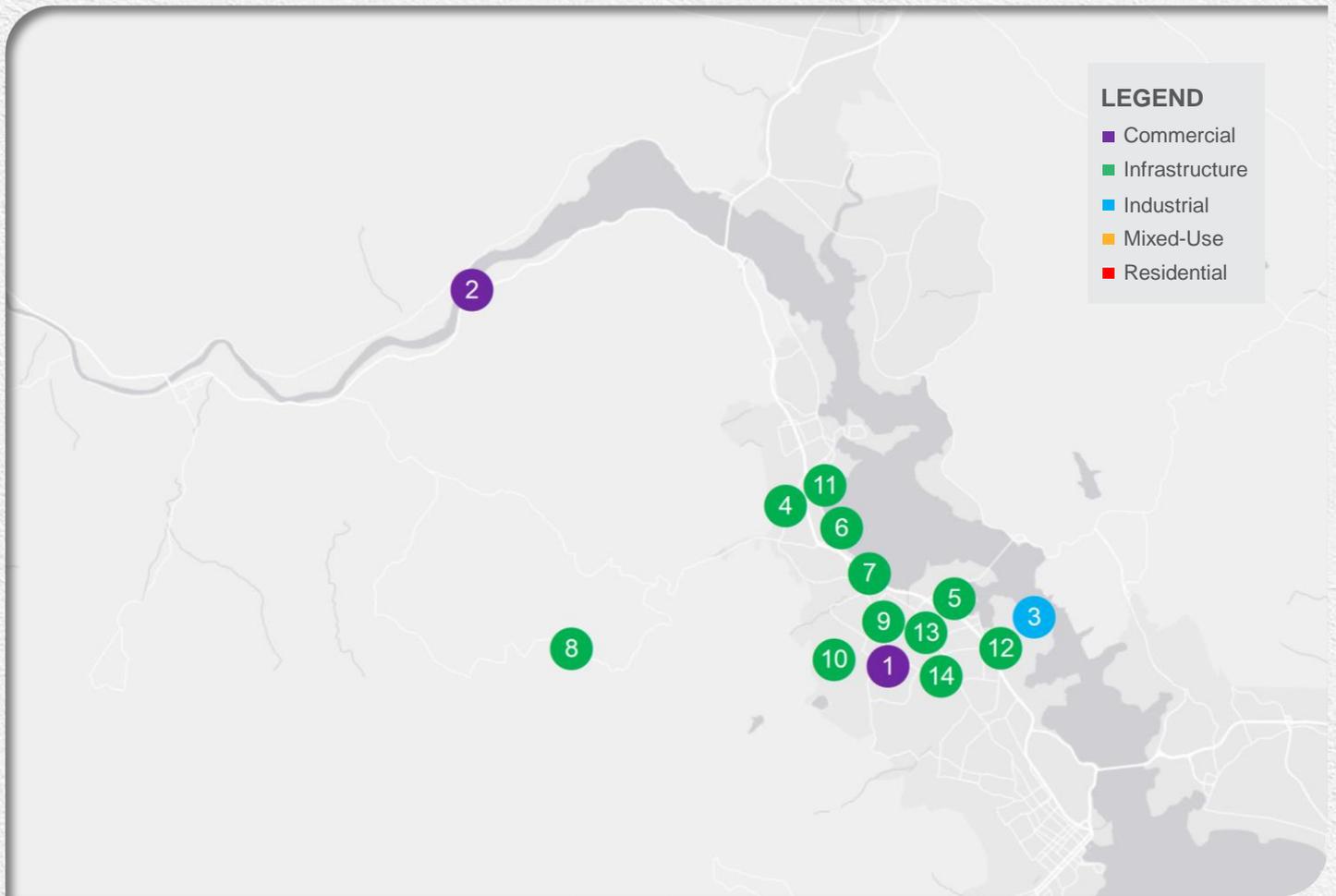
RENTAL VACANCY RATES 2023



RENTAL YIELD 2023\$



TOP DEVELOPMENTS MAP 2nd HALF 2023[Ⓐ]



Location	Project [Ⓕ]	Type	Estimated Value [Ⓗ]	Commence Date [Ⓗ]
1	Barossa Park Lodge - Stage 2	Commercial	\$7,000,000	03/12/2023
2	Hc Millington Memorial Aquatic Tasmania Granton Car Park	Commercial	\$300,000	06/10/2023
3	Nyrstar Electrolysis Plant	Industrial	\$350,000,000	20/11/2023
4	15-21 Bellette Place Mental Health Supported Accommodation	Infrastructure	\$15,102,000	15/12/2023
5	Glenorchy Super Ambulance Station	Infrastructure	\$12,660,000	24/07/2023
6	Mona Access Tunnel - Ferry Terminus To Museum Entrance	Infrastructure	\$5,000,000	25/09/2023
7	Montrose Bay Foreshore Reserve Jetty & Gangway Refurbishment	Infrastructure	\$1,500,000	15/12/2023
8	Collins Cap Road Roadworks	Infrastructure	\$1,000,000	23/12/2023
9	Glenorchy Civic Business District	Infrastructure	\$1,000,000	26/12/2023
10	Jackson Street Roadworks	Infrastructure	\$850,000	17/11/2023
11	Main Road Berriedale Roadworks	Infrastructure	\$850,000	25/09/2023
12	Central Highlands Council Roadworks	Infrastructure	\$850,000	11/12/2023
13	Cosgrove High School Fibre Backbone Cabling	Infrastructure	\$750,000	25/12/2023
14	Cosgrove High School Demolition Works	Infrastructure	\$300,000	20/11/2023

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

* Glenorchy market data and key indicators encapsulates aggregate property market conditions within the suburbs of Glenorchy Local Government Area (LGA).

** Estimated values are based on construction value provided by the relevant data authority and does not reflect commercial and/or re-sale value.

2023 encapsulates sales transactions for 2023 (01/01/2023 – 30/6/2023) only.

€ Annual rental growth is a comparison between Q2 2022 (01/04/2022 – 30/06/2022) and Q2 2023 (01/04/2023 – 30/06/2023) house median rent figures.

¥ Glenorchy rental market data encapsulates aggregate property conditions within the Glenorchy LGA.

§ Rental yields shown are as reported as of June 2023.

⌘ 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 Glenorchy 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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