





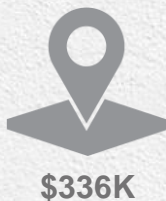
OVERVIEW

In Q2 2023, Derwent Valley* recorded a median house price of \$468,750 and a median unit price of \$336,500. This is an annual (Q2 2022 – Q2 2023) price softening of -11.4% for houses, while vacant land median price increased by 8.5% over the same period. That said, on a quarterly basis (Q1 2023 – Q2 2023) median house price grew 9.0%. Thus cash rate hikes did translate into the market, but consumer confidence have returned. In the past 12 months sales decline by -19.6% for houses, thus an undersupply is evident. For those looking for a more affordable house market, time is of the essence.

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

MARKET CONDITIONS

SALES MEDIAN PRICE Q2 2023



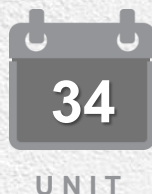
SALES AVERAGE DAYS ON MARKET Q2 2023



RENTAL MEDIAN PRICE Q2 2023

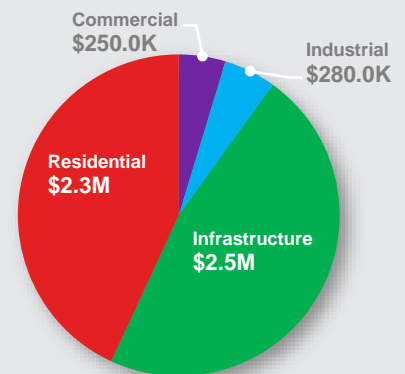


RENTAL AVERAGE DAYS ON MARKET Q2 2023



FUTURE DEVELOPMENTS

Derwent Valley* is set to see approximately **\$5.3M** worth of new projects commencing in the 2nd 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. An equal investment into residential projects is key, as the market is currently undersupplied.

The one residential project planned for the 2nd half of 2023 is the Back Road Residential Subdivision (71 lots). This development will see the reconfiguration of 1 lot into 51 lots. Although this does add to housing stock in the long run, the need is more immediate.

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 ready-to-sell stock. Thus there is a reliance on people selling or downsizing.

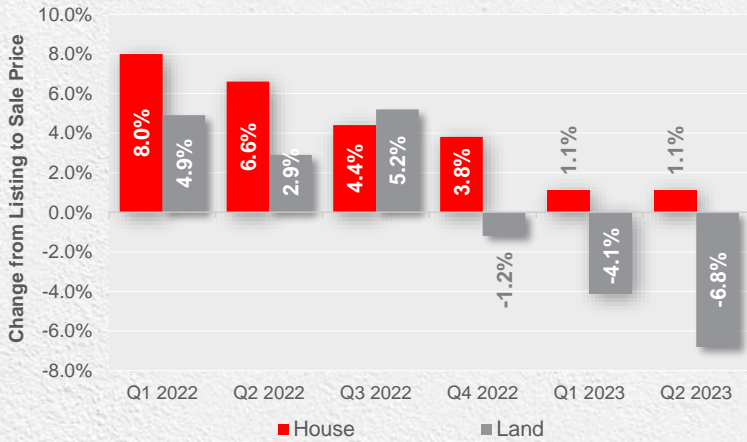
This puts pressure on prices, and with consumer confidence returning there is already evidence of prices recovering.



51 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.

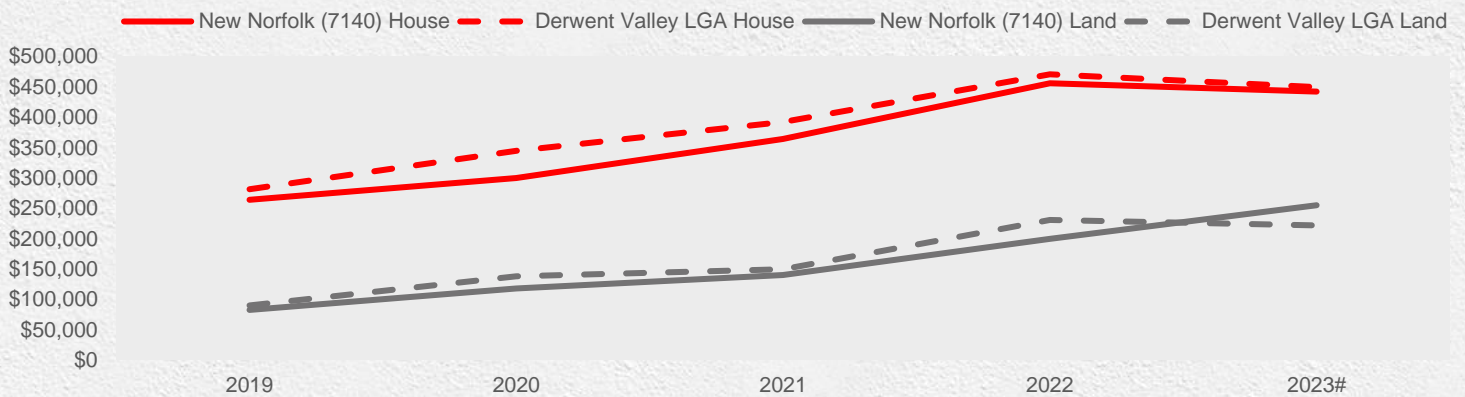


Average vendor discounts between Q2 2022 and Q2 2023 have shifted for houses, to a lower premium of 1.1%. Average vacant land vendor discount has swung from a premium to a discount of -6.8% in Q2 2023. House market conditions in Derwent Valley continue to favour sellers, where buyers still need to pay premiums above the first listing price, albeit at a lower percentage than the past 18 months. Land buyers now benefit from a discount, thus an opportune time to enter the market.

The suburb of New Norfolk has historically performed on par with the wider Derwent Valley Local Government Area (LGA) in property prices. This continued to be the case in early 2023#.

The dominant proportion of homes sold in Derwent Valley* across 2023# were in the more affordable price bracket between \$350,000-\$449,999 (36.6%). Vacant land recorded a dominant price point of above \$300,000 (31.4%). This reveals that there is affordably priced house stock available, in good news for buyers.

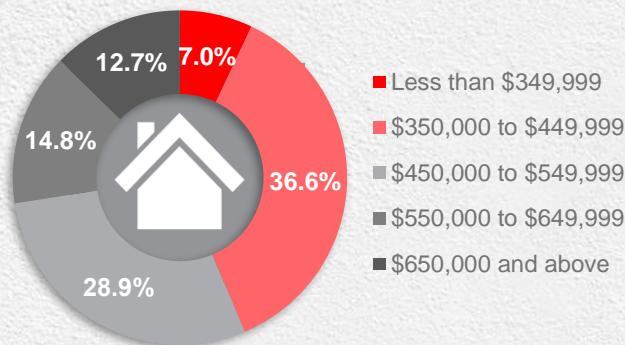
MARKET COMPARISON



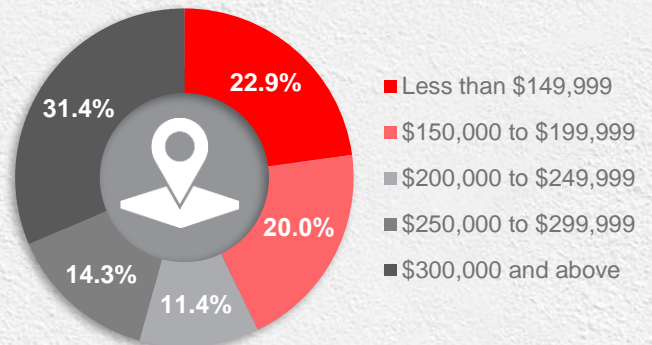
The market comparison graph provides a comparative trend for the median price of houses and vacant land over the past 5 years. The main areas profiled are chosen based on their proximity to the main suburb analysed, which is New Norfolk.

PRICE BREAKDOWN 2023#

HOUSES SOLD



VACANT LAND SOLD

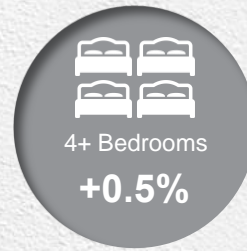
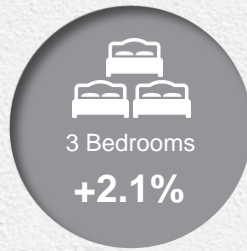


RENTAL GROWTH 2023€

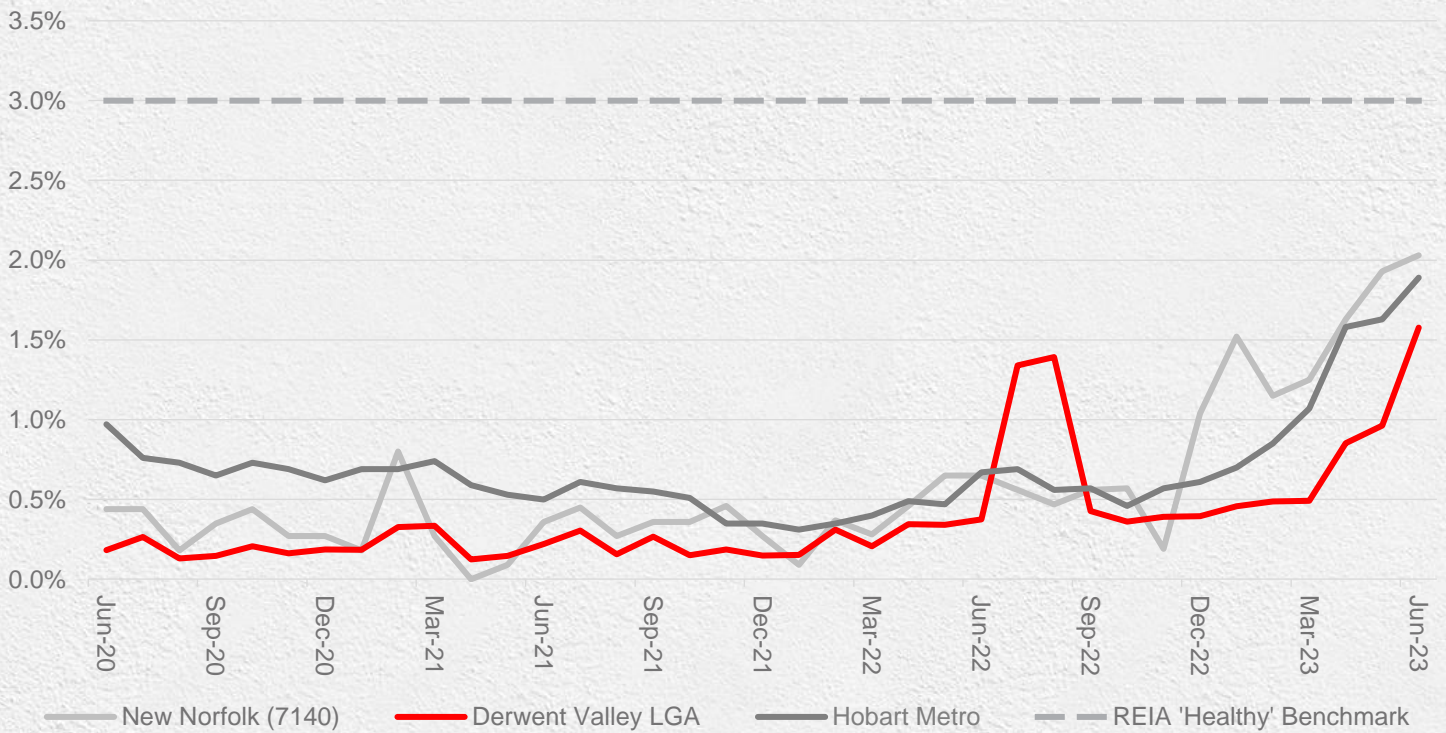
House rental yields in New Norfolk (Postcode 7140) was 3.9% in June 2023, above Hobart Metro (3.5%). This was paired with a median house rental price increase of 3.3% (to \$475 per week) in the past 12 months to Q1 2023 and a 29.6% growth in the number of house rented. Average days to let increased, but still a low 30 days. This suggests a resilient rental market.

3 bedroom houses have provided investors with +2.1% rental growth annually, achieving a median rent of \$480 per week.

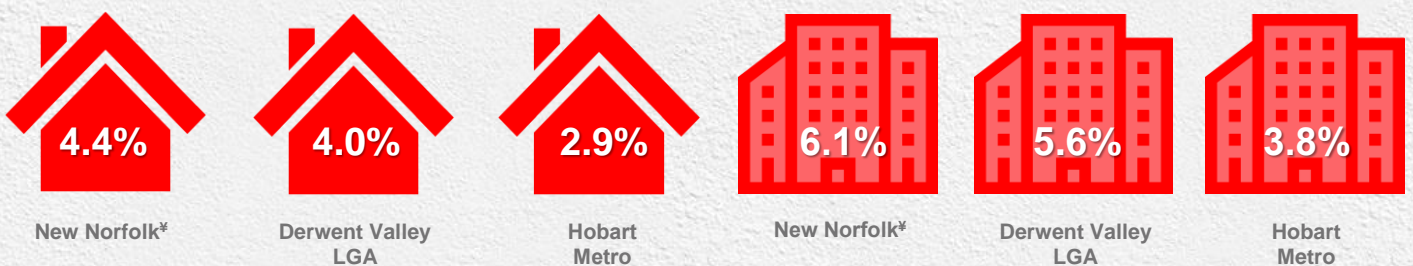
New Norfolk (Postcode 7140)* recorded a vacancy rate of 2.0% in June 2023, relatively on par with Hobart Metro's 1.9%. Vacancy rates in New Norfolk* increased over the past 12 months, due to investors re-entering the market in the face of a tighter rental market previously. This indicates slightly higher availability of rentals, in good news for renters. That said this is the same pattern as Derwent Valley LGA and Hobart Metro, and New Norfolk (Postcode 7140)* vacancy rates remain below the Real Estate Institute of Australia's 3.0% healthy benchmark; thus a conducive and sustainable environment for investors.



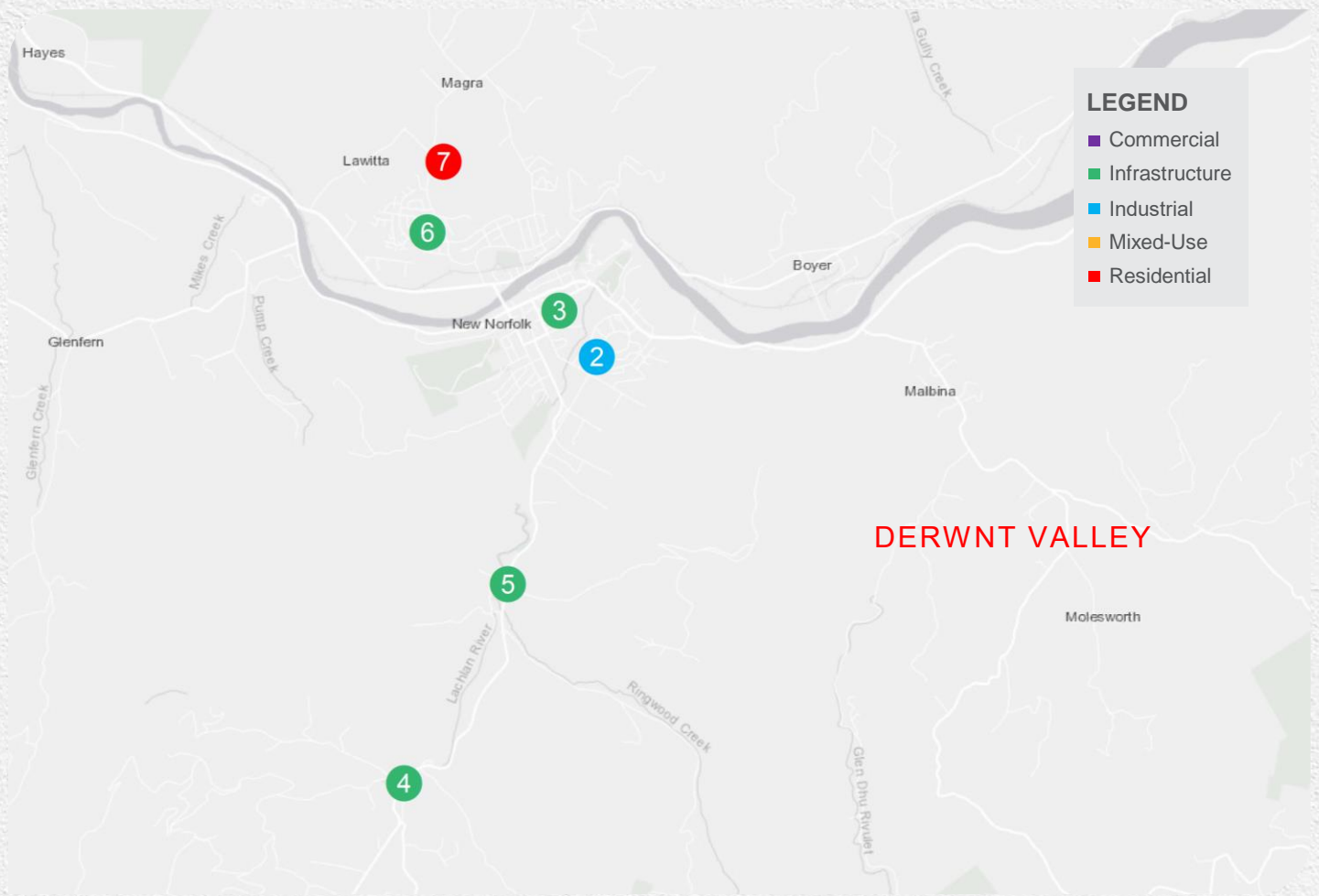
RENTAL VACANCY RATES 2023



RENTAL YIELD 2023\$



TOP DEVELOPMENTS MAP 2nd HALF 2023[Ⓐ]



Location	Project [Ⓔ]	Type	Estimated Value [Ⓜ]	Commence Date [Ⓟ]
1	Lyell Highway Telecommunications Facility	Commercial	\$250,000	04/08/2023
2	1141 Glenora Road Extraction Plant	Industrial	\$280,000	15/12/2023
3	High Street Revitalisation Roadworks/Civil Works	Infrastructure	\$850,000	03/11/2023
4	Lachlan River Bridge Replacement	Infrastructure	\$650,000	14/11/2023
5	White Timber Bridge Replacement	Infrastructure	\$600,000	11/12/2023
6	Dumas Terrace Road Rehabilitation	Infrastructure	\$400,000	02/09/2023
7	265 Back River Road Residential Subdivision (51 lots)	Residential	\$2,295,000	08/12/2023



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.

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.

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

§ 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 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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