

# Clarence Market Update

## 2<sup>nd</sup> Half 2023



### OVERVIEW

In Q2 2023, Clarence\* recorded a median house price of \$707,500 and a median unit price of \$568,000. This is an annual (Q2 2022 – Q2 2023) -12.3% softening for houses and -13.9% for units. Quarterly (Q1 2023 – Q2 2023) this represents a lower softening, of -5.7% (house) and -2.1% (units). House sales slowed annually, by -16.0%, while units increased by 6.0%. Higher cash rates has translated into the market, as median prices softened in an undersupplied market. That said, there is a slight market recovery on a quarterly basis. For those looking for a more affordable market, time is of the essence.

	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



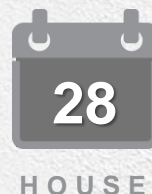
#### SALES AVERAGE DAYS ON MARKET Q2 2023



#### RENTAL MEDIAN PRICE Q2 2023

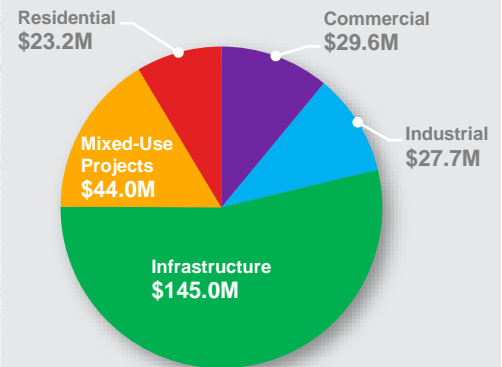


#### RENTAL AVERAGE DAYS ON MARKET Q2 2023



### FUTURE DEVELOPMENTS

Clarence is set to see approximately **\$269.3M** worth of new projects commencing in the 2<sup>nd</sup> half of 2023.



These projects will stimulate economic growth and create large employment opportunities in Clarence, which should have a positive spill-over impact on the real estate market.

A main commercial project planned for the 1<sup>st</sup> half of 2023 is the distillery building, which will accommodate a range of services.

A significant mixed-use project is the Kangaroo Bay Boulevard Mixed-use Development. This development will see the construction of 86 dwellings.

Two notable residential projects include: 22 Atkins Street Dwellings (12 dwellings) and 10 Peachy Street Townhouses (17 townhouses).

Overall there is a healthy amount of new ready-to-sell planned stock in the pipeline, for future demand.



42 Units/  
Apartments



20  
Townhouses



104  
Dwellings

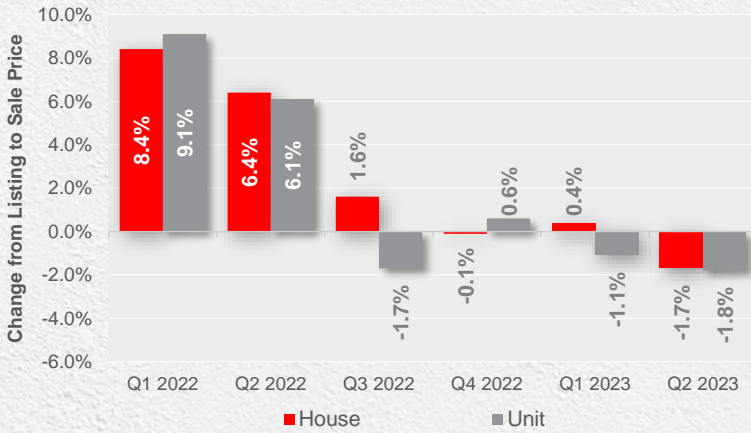


71 Lots



# 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.

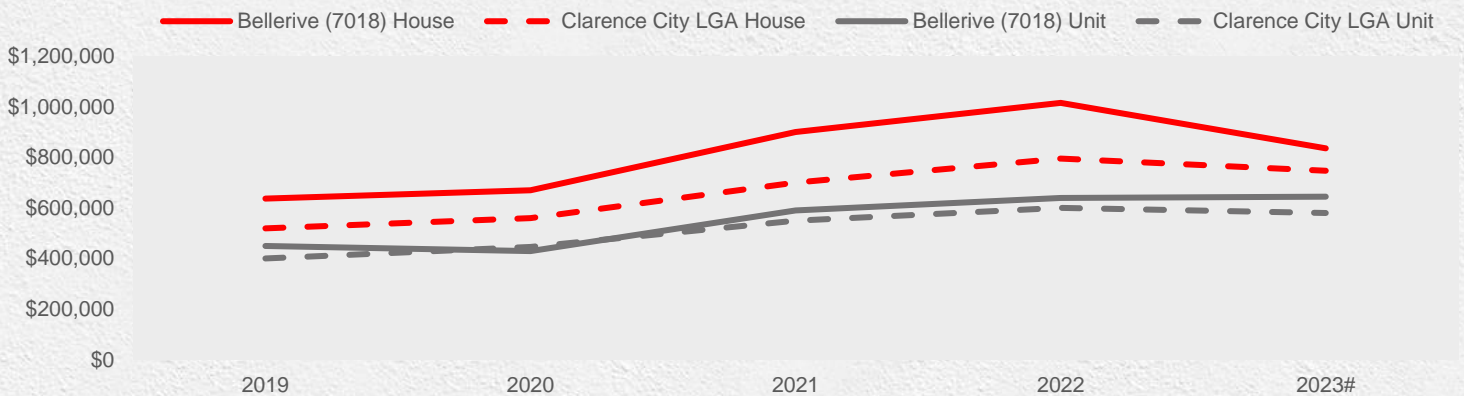


Average vendor discounts between Q2 2022 and Q2 2023 have made a large swing from a premium to a discount, of -1.7% for houses and -1.8% for units. This suggests that the market favours buyers, as vendors are willing to accept below the initial listing price. Q2 2023 recorded the largest discount for the past 18 months, thus an opportune time to enter the market.

The suburb of Bellerive has historically outperformed the wider Clarence Local Government Area (LGA) in house median price. Unit median prices in Bellerive has performed closer to the wider Clarence LGA. This continued to be the case throughout the first half 2023#, despite slower growth in Bellerive's house prices.

The dominant proportion of homes sold in Clarence\* across 2023# were in the priced in the premium price bracket of \$750,000 and above. Units recorded a dominance in the middle-range price point, of \$550,000 to \$650,000 (32.1%). Overall there is a healthy balance of sales in each price points, in good news for buyers.

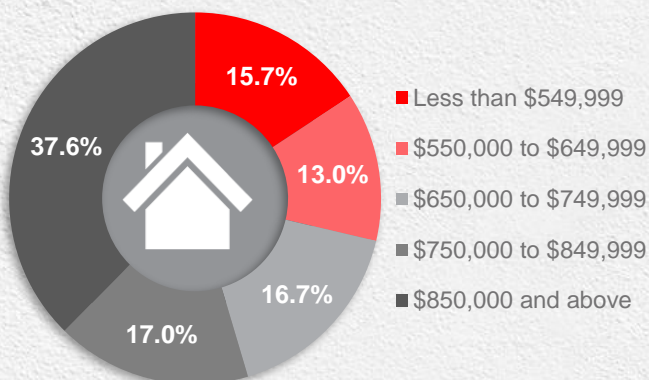
## MARKET COMPARISON



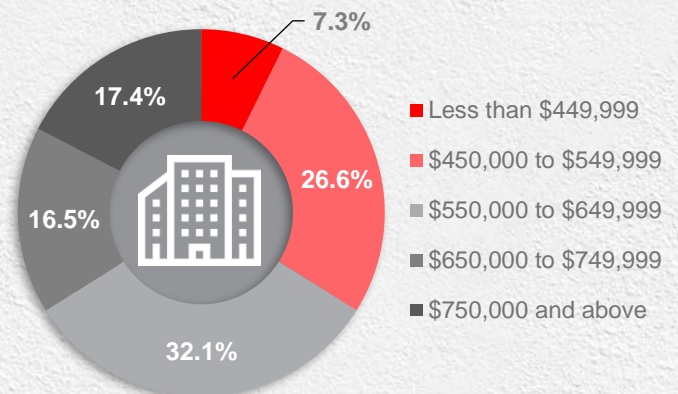
The market comparison graph provides a comparative trend for the median price of houses and unit over the past 5 years. The main LGA profiled was chosen based on their proximity to the main suburb analysed, which is Bellerive.

## PRICE BREAKDOWN 2023#

### HOUSES SOLD



### UNITS SOLD



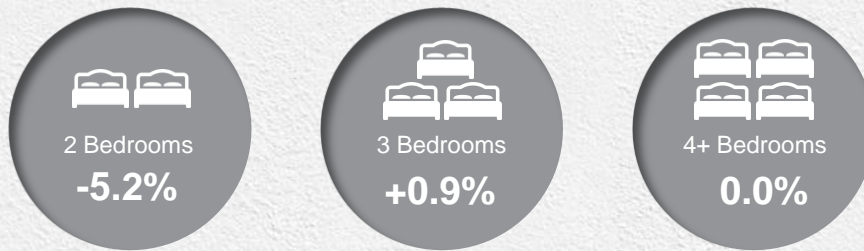


# RENTAL GROWTH 2023€

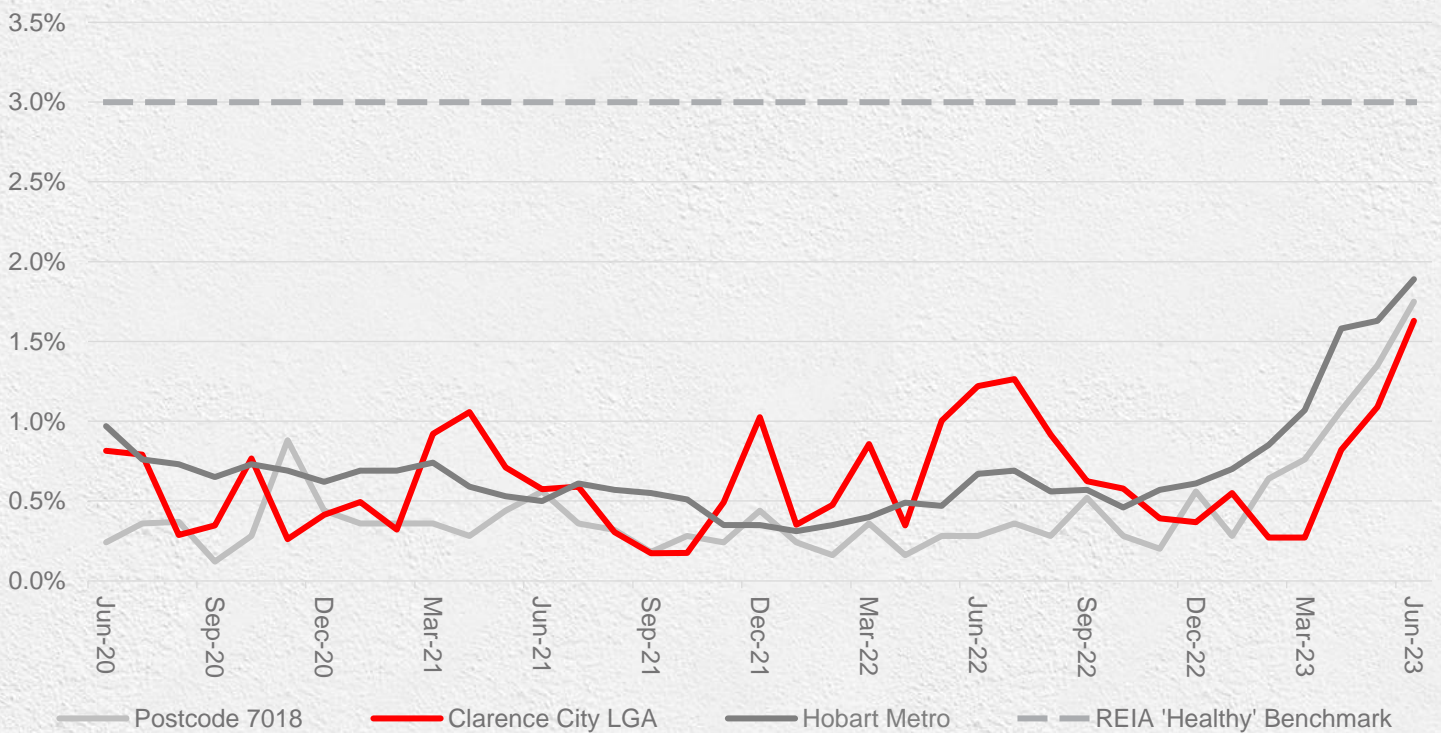
In June 2023, house rental yields in Postcode 7018 were recorded at 3.8%, above Hobart Metro (3.5%). Further, median house price decrease marginally by -1.5% in the 12 months to Q2 2023, to \$542 per week, alongside a 47.2% increase (to 293 rentals) in the number of houses rented. Average days on market increased, but is still low, at 28 days. This brings good news to renters, as there is a slightly more affordable rentals available.

3 bedroom houses have provided investors with +0.9% rental growth annually, achieving a median rent of \$540 per week.

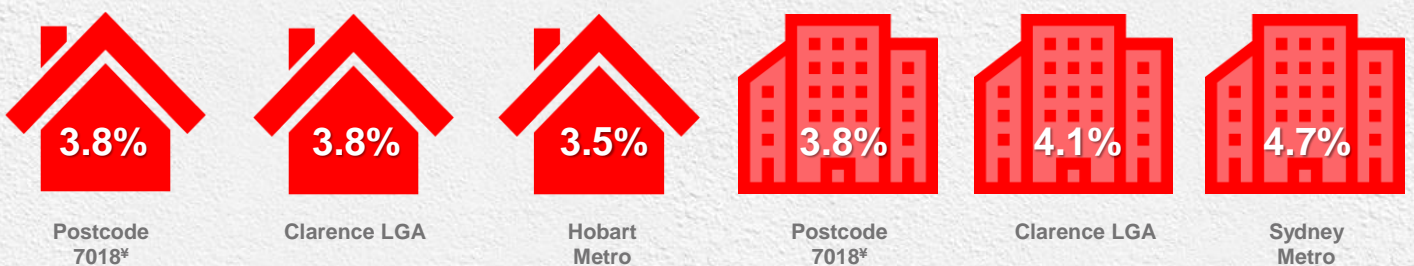
Postcode 7018<sup>§</sup> recorded a vacancy rate of 1.8% in June 2023, just below Hobart Metro's 1.9% average. Vacancy rates in Postcode 7018 have increased in the past 12 months, as investors re-entered the market due to a tighter rental market previously. This indicates slightly higher availability of rentals. This trend is on par with that of Clarence City LGA and Hobart Metro, and Postcode 7018<sup>§</sup> vacancy rates remain below the Real Estate Institute of Australia's healthy benchmark of 3.0%.



# RENTAL VACANCY RATES 2023

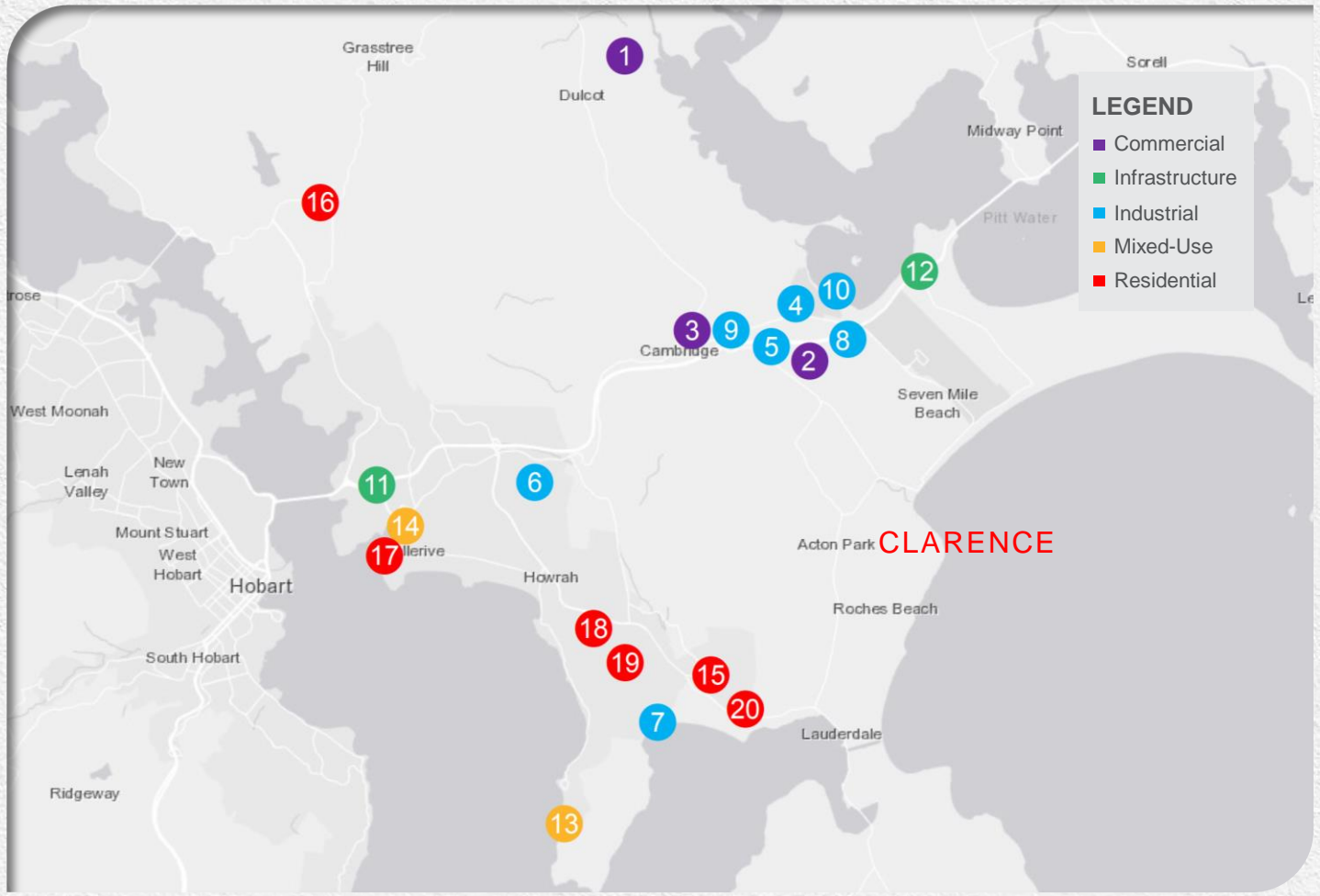


# RENTAL YIELD 2023§





# TOP DEVELOPMENTS MAP 2<sup>nd</sup> HALF 2023<sup>A</sup>



Location	Project <sup>§</sup>	Type	Estimated Value <sup>¶</sup>	Commence Date <sup>¶</sup>
1	Maguire & Co Bottlers And Distillers Cellar Door - 819 Richmond Road Cambridge	Commercial	\$12,800,000	25/09/2023
2	Masters Builders Office & Training Facility - Cambridge	Commercial	\$7,500,000	23/10/2023
3	Barilla Holiday Park	Commercial	\$3,000,000	21/11/2023
4	3 Cessna Way Warehouse	Industrial	\$1,600,000	05/12/2023
5	4 Runway Place Warehouse	Industrial	\$1,800,000	08/12/2023
6	122b Mornington Road Warehouses	Industrial	\$1,850,000	04/12/2023
7	115 Droughty Point Road Warehouse	Industrial	\$8,000,000	06/12/2023
8	5 & 7 Lockheed Place Warehouse Tenancies	Industrial	\$2,200,000	01/09/2023
9	Cambridge Industrial Estate Warehouses	Industrial	\$5,600,000	08/12/2023
10	10 Cessna Way Warehouses	Industrial	\$2,250,000	03/12/2023
11	Tasman Bridge Upgrade	Infrastructure	\$130,000,000	07/08/2023
12	Tasman Highway & Pittwater Road Civil Works	Infrastructure	\$10,000,000	14/12/2023
13	24 & 26 Yachtsmans Way Units & Shops (13 units)	Mixed-use	\$4,000,000	24/10/2023
14	Kangaroo Bay Boulevard Precinct Mixed Use Development (86 dwellings)	Mixed-use	\$40,000,000	08/12/2023
15	28-30 Highgrove Road Rokeby Units (5 units)	Residential	\$1,650,000	29/12/2023
16	9 Meraki Way Risdon Vale – Units (10 units)	Residential	\$2,600,000	27/11/2023
17	8 & 10 Petchey Street Townhouses (17 townhouses)	Residential	\$6,000,000	18/10/2023
18	21 Raleigh Court Units (6 units)	Residential	\$1,800,000	21/12/2023
19	Hobart City Mission Dwellings - 22 Atkins Street Rokeby (12 dwellings)	Residential	\$3,000,000	30/11/2023
20	50 Oakdowns Parade Residential Subdivision Stages 1-8 (71 lots)	Residential	\$3,200,000	01/08/2023



## 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

\* Clarence market data and key indicators encapsulates aggregate property market conditions within the Clarence 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.

¥ Clarence market data encapsulates aggregate property conditions within the postcode of 7018..

§ 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 Clarence 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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