

PRD. 
REAL ESTATE



Affordable & Liveable Property Guide

Hobart Metro 2nd Half 2023



OVERVIEW

Median property prices in Hobart Metro **decreased by -8.9% for houses to \$706,000** from Q3 2022 to Q3 2023*, and by **-3.4% for units at \$550,000**. During this timeframe **total sales declined by -7.6% (to 376 sales) for houses, and by -2.9% (to 135 sales) for units**. Market conditions are mostly a reflection of interest rates and lower consumer sentiment now fully translated into the market, as there is a softer price growth despite being undersupplied. A total of (approximately) **\$1.7B of projects** are planned across 2023, with infrastructure as a key focus. This will improve liveability for residents, create local jobs, stimulate commercial activity, and attract more people to Hobart Metro; thus, creating a higher demand for housing stock. A number of mixed-use and residential projects will assist with housing supply, but **new planned stock are mostly apartments and land lots**. Thus, **stand-alone houses remain undersupplied** and prone to higher price pressures. Now is the time to enter the market.

RECENT TOP PERFORMING SUBURBS

Area	Suburb	Type	Median Price 2022	Median Price 2023*	Price Growth	Projects 2023**
Inner	Battery Point	House	\$1,260,000	\$1,750,000	38.9%	\$450K
	Hobart	Unit	\$731,000	\$832,500	13.9%	\$766.4M
North	Glenorchy	House	\$602,500	\$585,000	-2.9%	\$211.8M
	Glenorchy	Unit	\$475,500	\$454,999	-4.3%	\$211.8M
South	Kingston	House	\$800,000	\$740,000	-7.5%	\$2.85M
	Kingston	Unit	\$575,312	\$549,300	-4.5%	\$2.8M
East	Rokeby	House	\$567,500	\$625,000	10.1%	\$18.7M
	Rokeby	Unit	\$540,000	\$585,000	8.3%	\$18.7M

METHODOLOGY

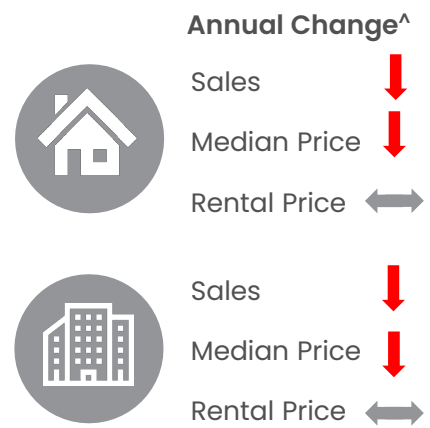
This affordable and liveable property guide for Hobart Metro analyses all suburbs within a 10km radius of the Hobart CBD. The following criteria were considered:

- Property trends** – all suburbs have a minimum of 20 sales transactions for statistical reliability purposes. Based on market conditions suburbs have either positive, or as close as possible to neutral price growth between 2022 to 2023*.
- Investment** – as of September 2023, suburbs considered will have an on-par or higher rental yield than Hobart Metro, and an on-par or lower vacancy rate.
- Affordability** – 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 \$449,802** as of Q2 2023. Premiums of -23% for houses and -26% for units were added, which were below those required to reach Hobart Metro's median prices (57% for houses and 22% for units). This places the chosen suburbs below Hobart Metro's median prices, meaning that the suburbs identified within this report are more affordable for buyers.
- Development** – suburbs identified must have a high total estimated value of future project development for 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** – 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 on-par or lower in comparison to the TAS average (as determined by the Department of Jobs and Small Business, June Quarter 2023 release).

*Median price quoted captures sale transactions from 1st January 2023 to 30th September 2023, or Q1– Q3 2023. **Average home loan figure is derived from June Quarter 2023 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 2023 as stated by the relevant data authority. ^Annual Change is reflective of median price change from Q3 2022 to Q3 2023. Figures displayed in infographics are for the period Q3 2023. Source: APM Pricerfinder, REIA, SQM Research, Cordell Connect, Department of Jobs and Small Business. © PRD 2023.



HOBART METRO



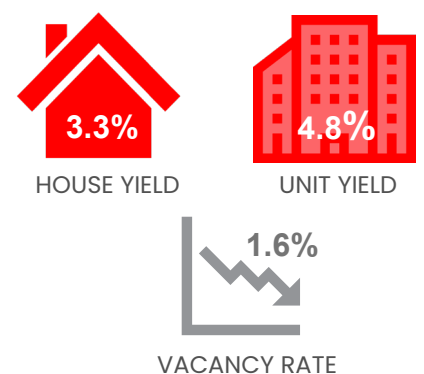
MEDIAN SALE PRICE



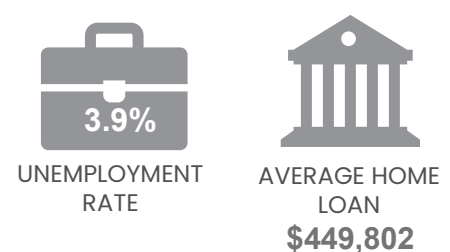
MEDIAN RENTAL PRICE



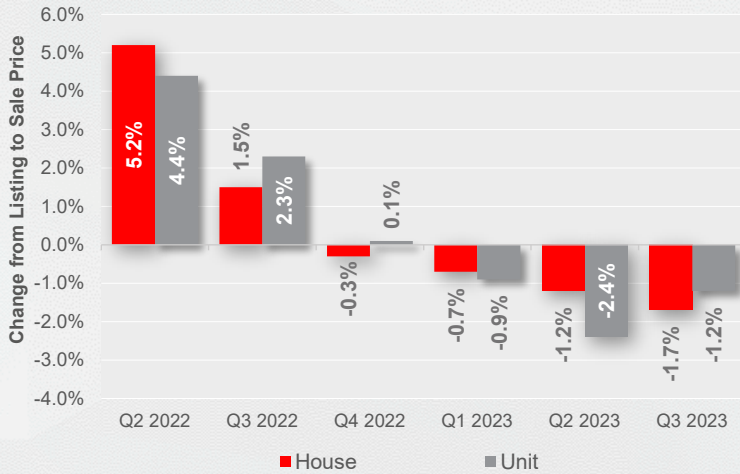
BENCHMARKS HOBART METRO



BENCHMARKS TASMANIA



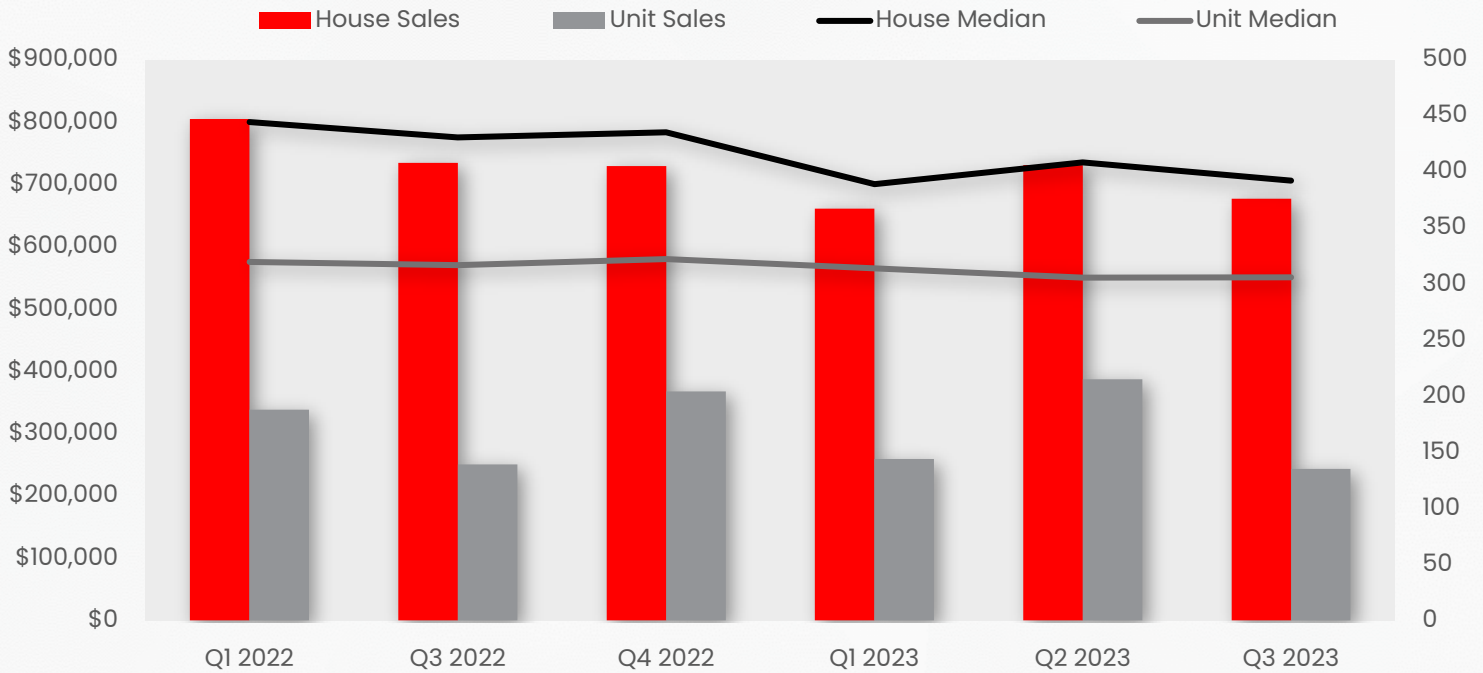
AVERAGE VENDOR DISCOUNT



Average vendor discounts between Q3 2022 and Q3 2023 have made a large swing from a premium to a discount, of -1.7% for houses and -1.2% for units. This suggests that the market favours buyers, as vendors are willing to accept below the initial listing price. Q3 2023 recorded the largest discount for the past 18 months, particularly for houses, thus an opportune time for first home buyers to enter the market.

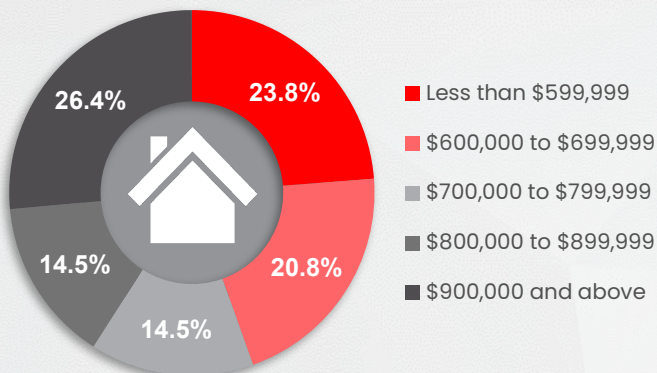
The dominant proportion of homes sold in Hobart Metro across 2023# were in the premium price bracket of \$900,000 and above (26.4%). Units on the other hand recorded a dominant most affordable price bracket of less than \$499,999 (30.7%). Overall, there is a healthy balance of house and unit sales in each price points, in good news for buyers with varying budgets.

MARKET PERFORMANCE

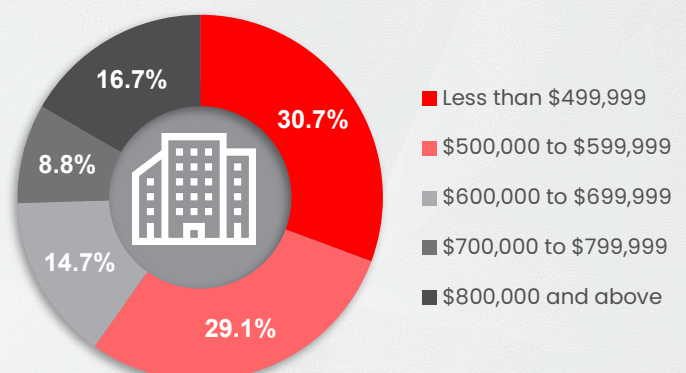


PRICE BREAKDOWN 2023#

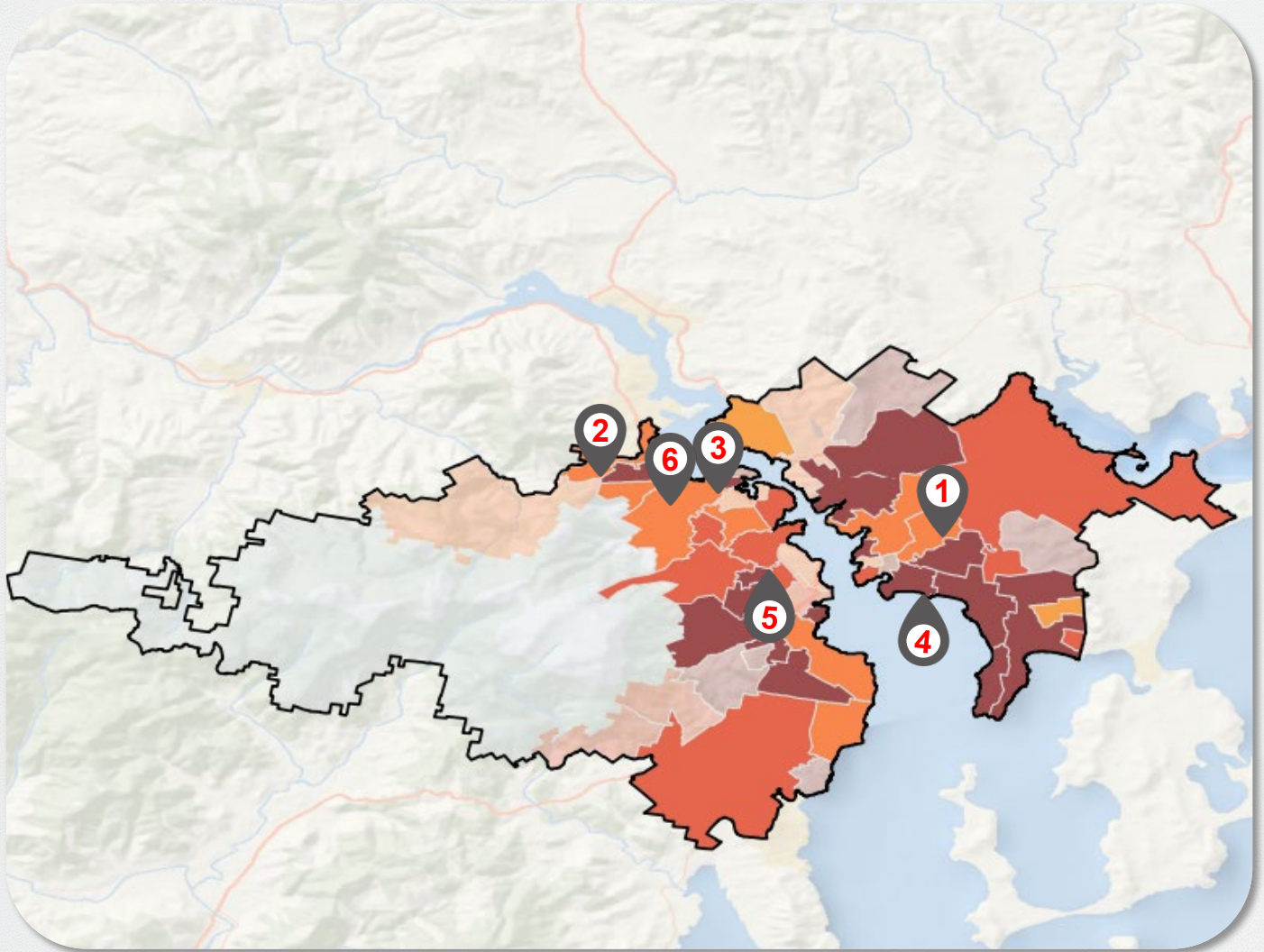
HOUSES SOLD



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

House			Unit		
	Suburb	House		Suburb	Unit
1	Warrane	3.7%	4	Bellerive	3.7%
2	Berriedale	4.6%	5	New Town	3.5%
3	Glenorchy	4.3%	6	Glenorchy	4.3%

*House median price reflected in the heat-map captures sale transactions from 1st January to 30th September 2023. Source: APM Pricerfinder, ESRI ArcGIS, SQM Research. © PRD 2023.

RENTAL GROWTH 2023[€]

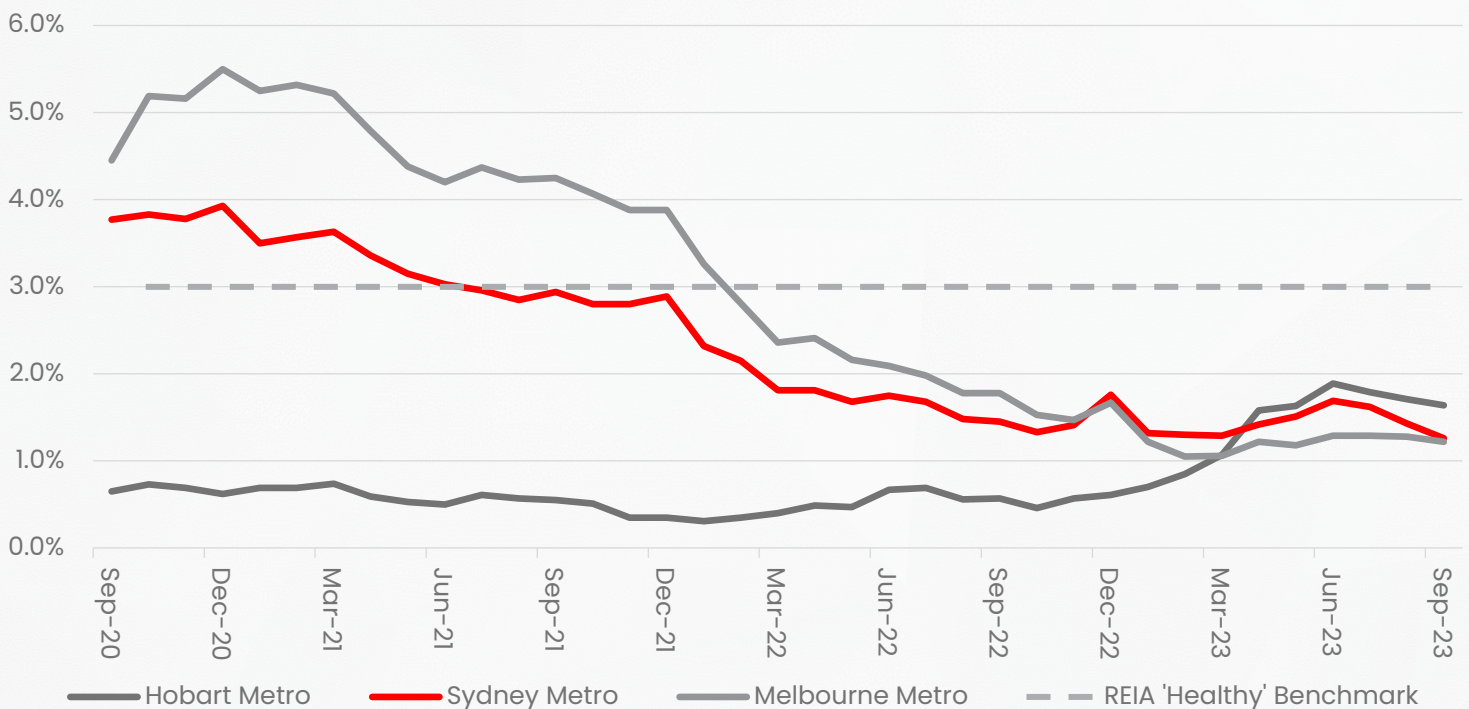
In September 2023 house rental yields in Hobart Metro were 3.3%, higher than Sydney and Melbourne Metros (at 2.7% and 3.1% respectively). In the 12 months to Q3 2023 median house rental price has remained stable at \$550 per week, with a low average days on market of 27 days. The same pattern can be seen in the unit market, which suggests a steady rental market overall. With a more affordable entry price, Hobart is an attractive investment for Sydney and Melbourne investors.

2-bedroom units recorded the most stable growth (of +0.0%) in the past 12 months, remaining at \$375 per week. All types of properties have recorded marginal price softening, in correlation with a higher number of houses and units rented.

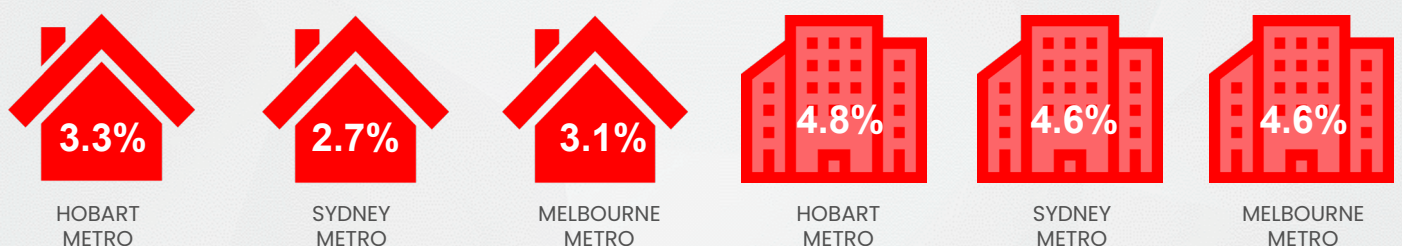
In September 2023, Hobart Metro recorded a low vacancy rate of 1.6%, above that of Sydney Metro (1.3%) and Melbourne Metro (1.2%). Vacancy rates in Hobart Metro have increased over the past 12 months, potentially due to investors re-entering the market in the face of a tight rental market throughout 2021 and 2022. This indicates higher availability of rentals, which is good news for renters. That said, vacancy rates have remained well below the Real Estate Institute of Australia's healthy benchmark of 3.0%, thus the Hobart rental market can still provide a conducive and sustainable investment for investors.



RENTAL VACANCY RATES 2023



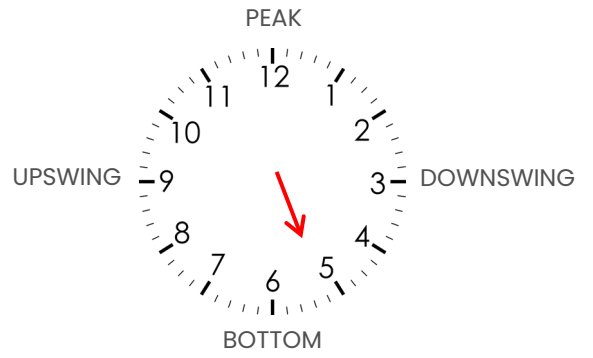
RENTAL YIELD 2023[§]



€ Annual rental growth is a comparison between Q3 2022 – Q3 2023 (01/07/2023 – 30/09/2023) house median rent figures. § Rental yields shown are as reported at September 2023. Source: APM Pricerfinder, SQM Research. © Copyright PRD 2023.



HOUSES
PROPERTY CLOCK

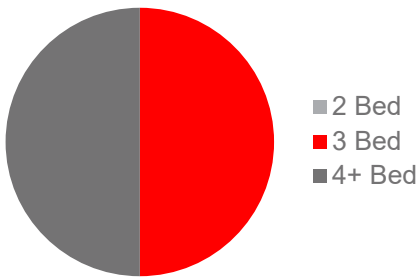


AFFORDABLE & LIVEABLE HOUSE SUBURBS FOR HOUSES



WARRANE
7018

Located approximately **5.0km** from the Hobart CBD.



■ 2 Bed
■ 3 Bed
■ 4+ Bed

Median House Price **\$560,000**
2 Bed Median Price **N/A**
3 Bed Median Price **\$550,000***
4+ Bed Median Price **\$675,000***

Annual Median Price Growth -10.4%**

Vacancy Rate (Sep-23) 0.8%

Rental Yield (Sep-23) 3.7%

Key Amenity (5km) TAS TAFE Clarence Campus

Total Projects (\$) \$3.6M

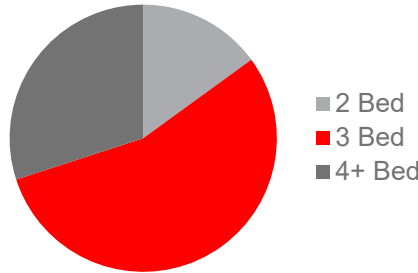
Key Project Cambridge Road Dwellings (\$1.5M, 6 Dwellings)

Unemployment Rate 7.7%



BERRIEDALE
7010

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



■ 2 Bed
■ 3 Bed
■ 4+ Bed

Median House Price **\$586,500**
2 Bed Median Price **N/A**
3 Bed Median Price **\$490,000***
4+ Bed Median Price **\$662,000***

Annual Median Price Growth -11.1%**

Vacancy Rate (Sep-23) 0.7%

Rental Yield (Sep-23) 4.6%

Key Amenity (5km) Glenorchy Central

Total Projects (\$) \$6.0M^

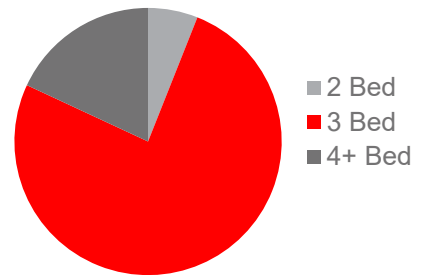
Key Project MONA Accommodation Berriedale (\$6.0M)

Unemployment Rate 6.1%



GLENORCHY
7010

Located approximately **9.0km** from the Hobart CBD.



■ 2 Bed
■ 3 Bed
■ 4+ Bed

Median House Price **\$585,000**
2 Bed Median Price **\$469,000***
3 Bed Median Price **\$555,000**
4+ Bed Median Price **\$750,000***

Annual Median Price Growth -2.9%**

Vacancy Rate (Sep-23) 1.1%

Rental Yield (Sep-23) 4.3%

Key Amenity (5km) Glenorchy Central

Total Projects (\$) \$211.9M^

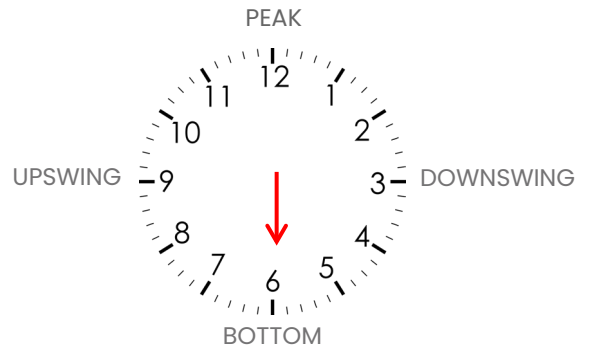
Key Project Hobart Showgrounds Precinct Stage 3 (\$200M)

Unemployment Rate 8.0%

^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. **Median price growth quoted captures sale transactions from 1st July 2022 to 30th September 2023, or Q3 2022 – Q3 2023. Source: APM Pricer, SQM Research, Cordell Connect, Department of Small Jobs and Business, Google Maps. © PRD 2023.



UNIT
PROPERTY CLOCK

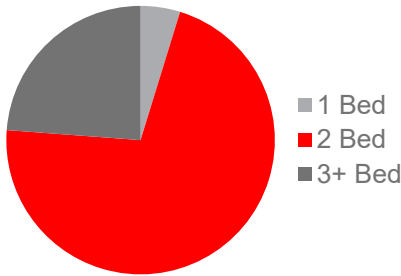


AFFORDABLE & LIVEABLE HOUSE SUBURBS FOR UNITS



BELLERIVE
7018

Located approximately **6.3km** from the Hobart CBD.



Median House Price **\$610,000**
 2 Bed Median Price **\$350,000***
 3 Bed Median Price **\$540,000***
 4+ Bed Median Price **\$1,000,000***

Annual Median Price Growth -10.0%**

Vacancy Rate (Sep-23) 0.8%

Rental Yield (Sep-23) 3.7%

Key Amenity (5km) Bludstone Arena

Total Projects (\$) \$7.4M^

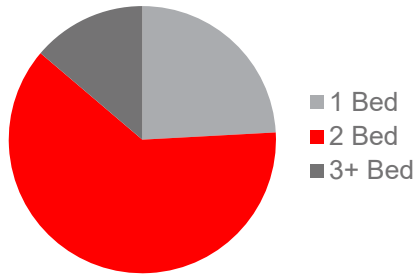
Key Project 10 Petchey Street Townhouses (\$6.0M)

Unemployment Rate 1.5%



NEW TOWN
7008

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



Median House Price **\$505,000**
 2 Bed Median Price **\$387,500***
 3 Bed Median Price **\$515,000***
 4+ Bed Median Price **\$584,000***

Annual Median Price Growth -3.3%**

Vacancy Rate (Sep-23) 1.5%

Rental Yield (Sep-23) 3.5%

Key Amenity (5km) Calvary Lenah Valley Hospital

Total Projects (\$) \$21.6M^

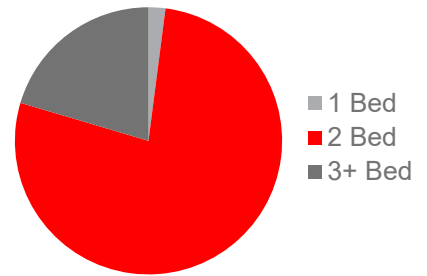
Key Project Queens Walk Apartments (\$20.0M, 65 Apartments)

Unemployment Rate 4.2%



GLENORCHY
7010

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



Median House Price **\$454,999**
 2 Bed Median Price **\$250,000***
 3 Bed Median Price **\$420,000**
 4+ Bed Median Price **\$533,500***

Annual Median Price Growth -4.3%**

Vacancy Rate (Sep-23) 1.1%

Rental Yield (Sep-23) 4.3%

Key Amenity (5km) Glenorchy Central

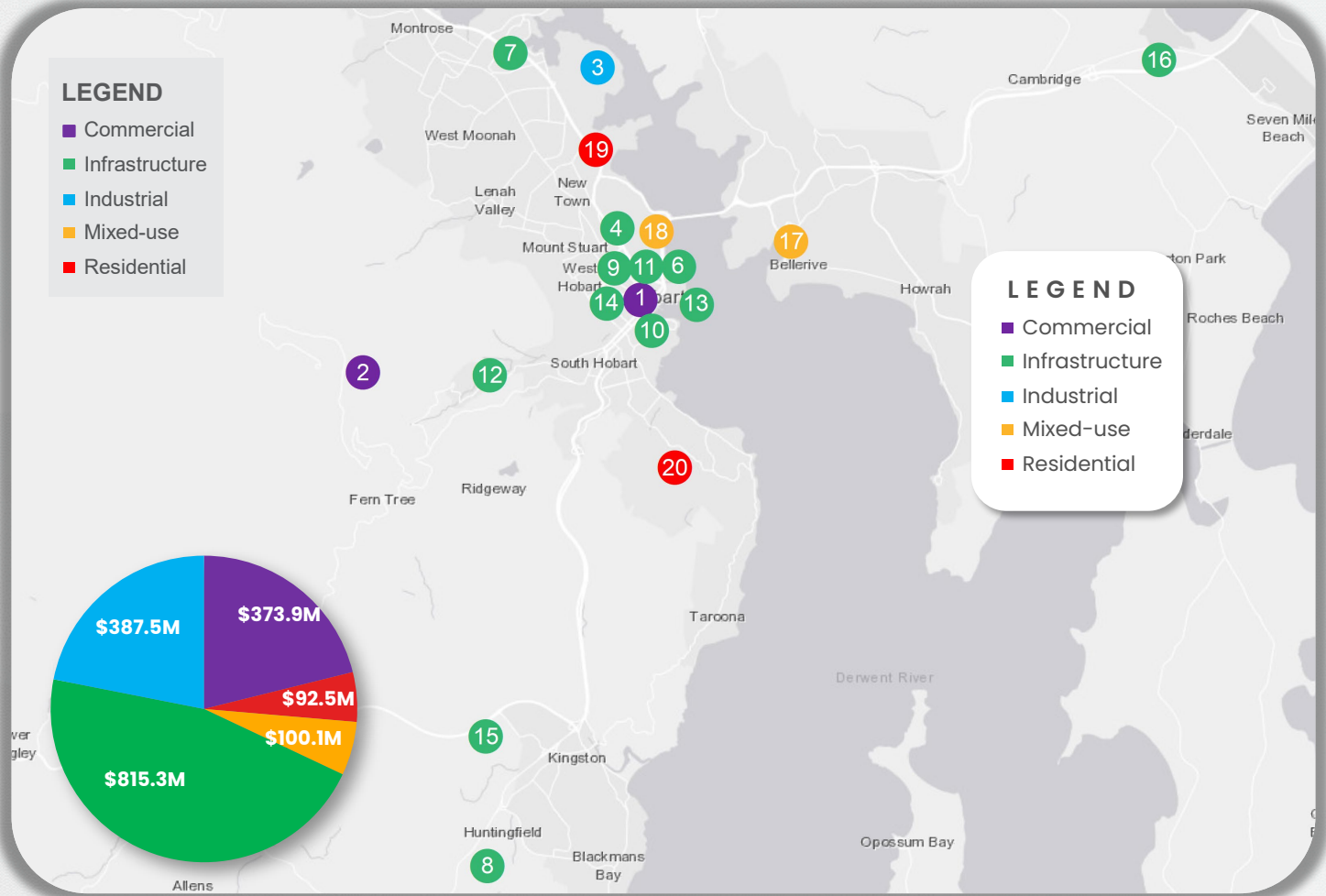
Total Projects (\$) \$211.8M^

Key Project Hobart Showgrounds Precinct Stage 3 (\$200M)

Unemployment Rate 4.3%

^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. **Median price growth quoted captures sale transactions from 1st July 2022 to 30th September 2023, or Q3 2022 – Q3 2023. Source: APM Pricefinder, SQM Research, Cordell Connect, Department of Small Jobs and Business, Google Maps. © PRD 2023.

PROJECT DEVELOPMENT MAP 2ND HALF 2023*



Location	Project [£]	Type	Estimated Value ^µ	Suburb
1	79 Collins Street Hobart – Hotel	Commercial	\$22,000,000	Hobart
2	Mount Wellington (Kunanyi) Cable Car/Tourist Facilities	Commercial	\$37,000,000	Hobart
3	Nyrstar Electrolysis Plant	Industrial	\$350,000,000	Glenorchy
4	40–44 Burnett Street North Hobart – Mixed Use Building	Infrastructure	\$9,800,000	Hobart
5	Airservices Australia	Infrastructure	\$10,000,000	Hobart
6	Royal Hobart Hospital – Pharmacy Department D Block Expansion	Infrastructure	\$10,000,000	Hobart
7	Glenorchy Super Ambulance Station	Infrastructure	\$12,660,000	Glenorchy
8	Huntingfield Land Release Stages 1a, 1b & 1i	Infrastructure	\$16,630,000	Kingborough
9	Southern Tasmania Pavement Resurfacing 2023–2024	Infrastructure	\$8,444,000	Hobart
10	1 Knopwood Street Battery Point – Mixed Use Development	Infrastructure	\$25,000,000	Hobart
11	234–250 Elizabeth Street Hotel & Apartments	Infrastructure	\$40,000,000	Hobart
12	Mount Wellington Cableway South Hobart	Infrastructure	\$54,000,000	Hobart
13	Royal Hobart Hospital Emergency Department Expansion	Infrastructure	\$74,800,000	Hobart
14	Utas College Of Business & Economics & Law School – 79–83 Melville Street Hobart	Infrastructure	\$131,000,000	Hobart
15	Kingston Park Mixed Use Redevelopment – Kings Quarter	Infrastructure	\$300,000,000	Kingborough
16	Masters Builders Office & Training Facility – Cambridge	Infrastructure	\$7,500,000	Clarence
17	Kangaroo Bay Boulevard Precinct Mixed Use Development	Mixed-use	\$40,000,000	Clarence
18	175–179 Campbell Street Hobart – Mixed Used Development (26 apartments)	Mixed-use	\$30,000,000	Hobart
19	1 Queens Walk Apartments (65 apartments)	Residential	\$20,000,000	Hobart
20	21b Enterprise Road & Edith Avenue Units (20 units)	Residential	\$10,000,000	Hobart

* 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. © PRD 2023.

ABOUT PRD'S RESEARCH DIVISION

PRD's property research division provides reliable and unbiased data, insights and consultancy to clients in both 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.

KNOWLEDGE

Access to accurate and objective research is the foundation of all good property decisions. PRD shares on-the-ground experience and decades of knowledge to deliver innovative and effective solutions to our clients.

We take a holistic approach and 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 facts.

PEOPLE

Our in-house research team is skilled in deriving macro and micro quantitative information from multiple credible sources, so we can ensure we provide strategic advice and financially sound direction regarding property and market performance.

RESEARCH SERVICES

Our research services span over every suburb, Local Government Area, and state within Australia. 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.

PRD.

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Our services include:

- Advisory & consultancy
- Market analysis including profiling & trends
- Primary qualitative & quantitative research
- Demographic & target market analysis
- Geographic information mapping
- Project analysis including product & pricing recommendations
- Rental & investment return analysis



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