

# Clarence Market Update

## 1<sup>st</sup> Half 2024



### OVERVIEW

In Q4 2023, Clarence\* recorded a median house price of \$720,000, and a median unit price of \$570,000. This represents annual (Q4 2022 – Q4 2023) median price softening of -5.9% for houses and -8.1% for units. During this time total sales increased, by 34.6% (to 70 sales) for houses and by 8.3% (to 26 sales) for units. The current market reflects higher interest rates and lower consumer confidence, as there is a softening in median price even with a higher number of sales. The softening in price suggest now is an ideal time for buyers to enter the market, especially with the current undersupply and absence of new stand-alone houses.

#### CHANGE FROM LAST YEAR HALF YEAR



	YEAR	HALF YEAR
HOUSE SALES	↑	↑
HOUSE MEDIAN PRICE	↓	↓
HOUSE RENTAL PRICE	↓	↓

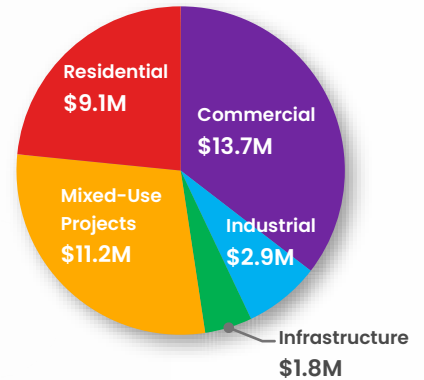


	YEAR	HALF YEAR
UNIT SALES	↑	↑
UNIT MEDIAN PRICE	↓	↓
UNIT RENTAL PRICE	↓	↓



### FUTURE DEVELOPMENTS

Clarence is set to see approximately **\$38.7M worth of new projects commencing in the 2<sup>nd</sup> half of 2023.**



A relatively balanced multiple types of projects will stimulate economic growth and create job opportunities in Clarence, which should have a spill-over impact on the real estate market; in the form of more demand for housing.

There are four residential projects due to commence construction in the 1<sup>st</sup> half 2024

- Potts Avenue & Avro Court Clarendon Vale – Units (\$3.0M) – 11 Units.
- 28-30 Highgrove Road Unit (\$1.6M) – 5 Units.
- 981 Cambridge Road Units (\$3.4M) – 8 Units.
- 16 Elpida Street (\$1.0M) – 4 Units

Whilst these projects will assist with some demand, there is still an absence in new stand-alone houses. This suggests that the pressure on house prices will continue, and any softening in price is only temporary.



28 Units/  
Apartments



### MARKET CONDITIONS

MEDIAN PRICE  
Q2 2023



\$720K

SALES



\$570K

AVERAGE DAYS  
ON MARKET Q2 2023



58  
HOUSE



55  
UNIT

MEDIAN PRICE  
Q2 2023



\$550

RENTALS



\$460

AVERAGE DAYS  
ON MARKET Q2 2023



22  
HOUSE

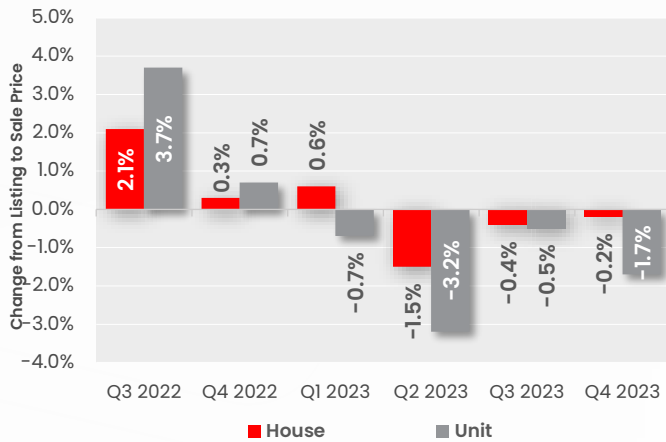


23  
UNIT



## AVERAGE VENDOR DISCOUNT\*

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.



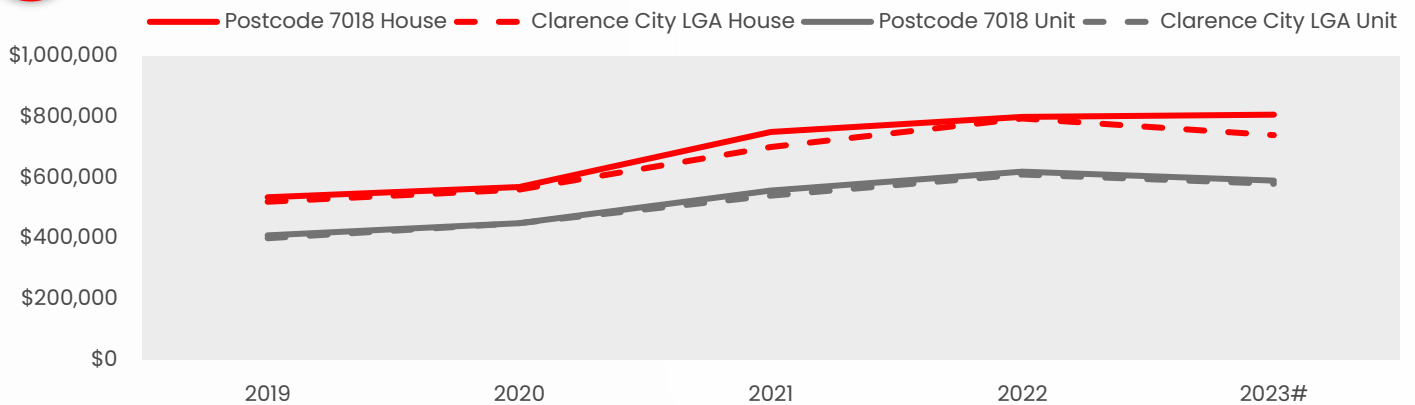
Average vendor discounts between Q4 2022 and Q4 2023 have swung from a premium to a discount, to -0.2% for houses and -1.7% for units. Market conditions in Clarence now favour buyers, as sellers are willing to accept below the first list price. This is a continued pattern for most of 2023, which suggest that now is an ideal time for buyers to enter the market. There is a slight tightening in house vendor discount in the past quarter, due to undersupply of stock. Thus house buyers must act fast.

The postcode of 7018 has historically been on par with the wider Clarence Local Government Area (LGA) for median house and unit prices. In 2023# house prices in Clarence City LGA have shown a greater softening in price, whilst it remained relatively stable for postcode 7018.

The dominant proportion of homes sold in Clarence\* across 2023# were in the premium price point of \$900,000 and above (33.0%), while units were recorded a dominant middle-price point between \$550,000 to \$649,999 (32.1%). There is a relatively balanced spread of premium stock and affordable options, benefiting owners and buyers.



## MARKET COMPARISON

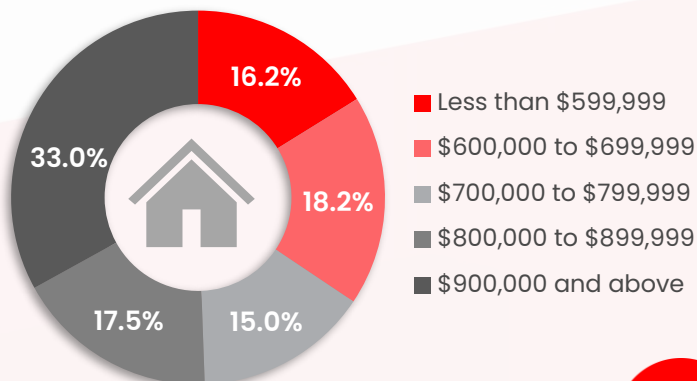


The market comparison graph provide a comparative trend for median price of houses and vacant land over the past 5 years. The main LGA chosen was based on their proximity to the main postcode analysed, which is 7018.

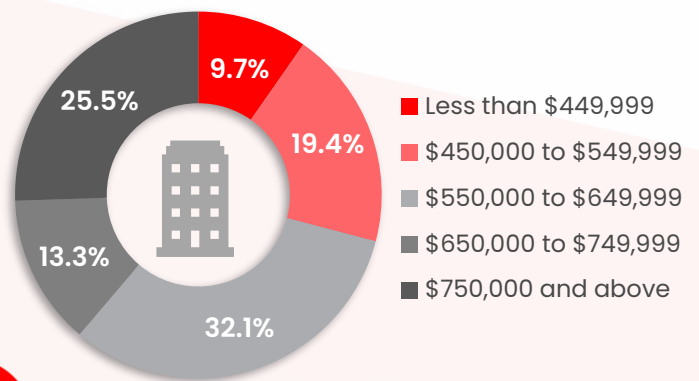


## PRICE BREAKDOWN 2023#

### HOUSES SOLD



### VACANT UNITS SOLD





## RENTAL GROWTH 2023€

House rental yields in Clarence<sup>‡</sup> was recorded at 4.2% in December 2023, which is higher than Hobart Metro (3.5%). There has been a slight softening in median house rental price in the past 12 months to Q4 2023, to \$550 per week, despite a 15.7% increase in the number of houses rented (to 96 houses). That said with a low vacancy rate, there is room for investors.

4+ bedroom houses recorded +0.3% rental growth annually, achieving a median rent of \$680 per week.

Clarence<sup>‡</sup> recorded a vacancy rate of 0.7% in December 2023, below Hobart Metro's 1.1% average. Vacancy rates in Clarence<sup>‡</sup> have fluctuated in the past 12 months, due to investor movements mirroring successive cash rate hikes. That said a 0.7% vacancy rate is still low, and well below the Real Estate Institute of Australia's healthy benchmark of 3.0%. There is a quicker rental occupancy time in Clarence<sup>‡</sup>, thus a conducive environment for investors - especially with a more affordable entry price in the past 12 months.

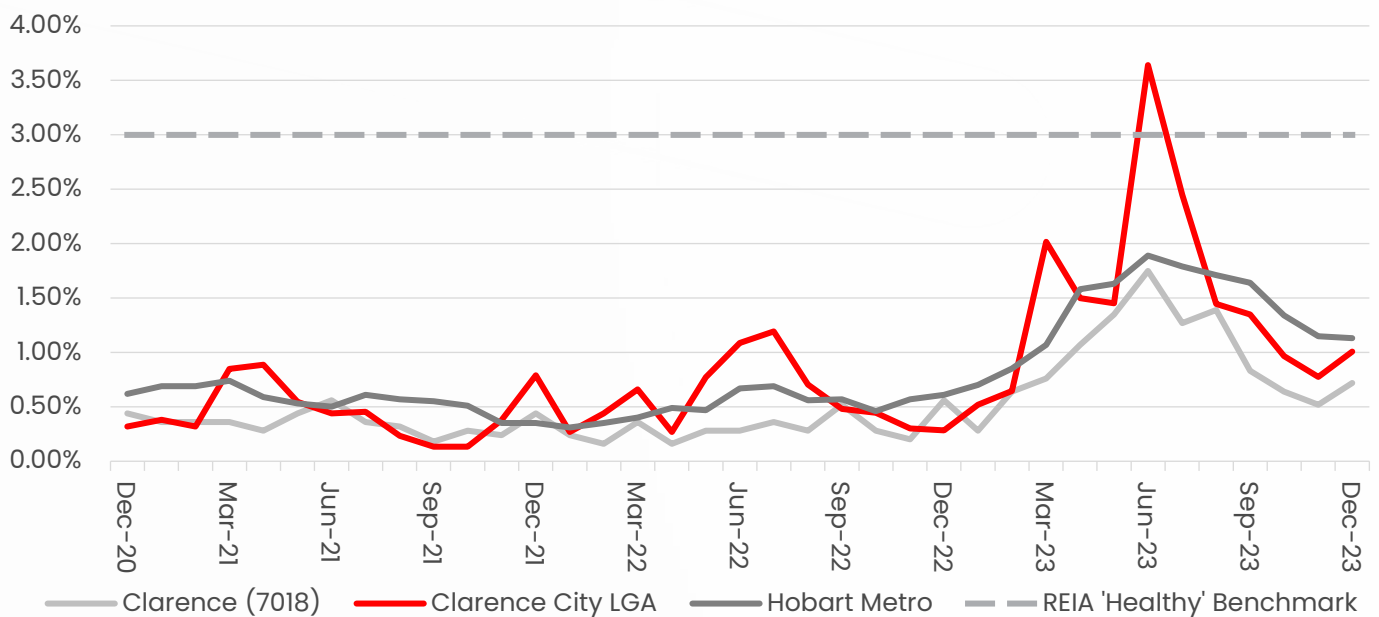
2 BEDROOMS  
**-7.1%**

3 BEDROOMS  
**0.0%**

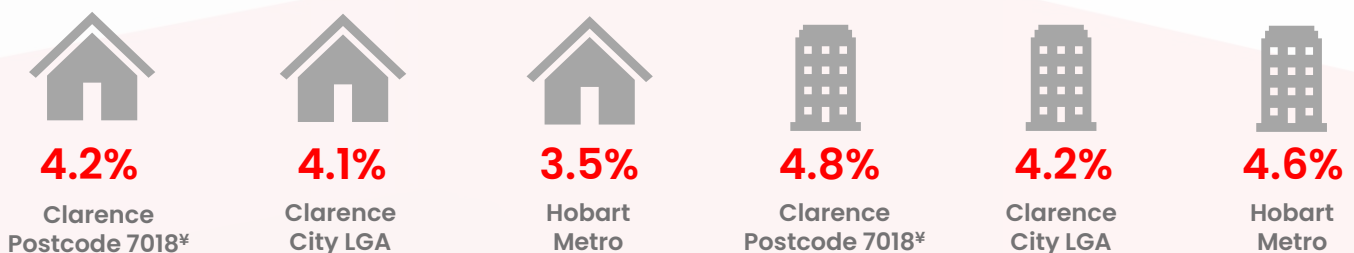
4 BEDROOMS  
**+0.3%**



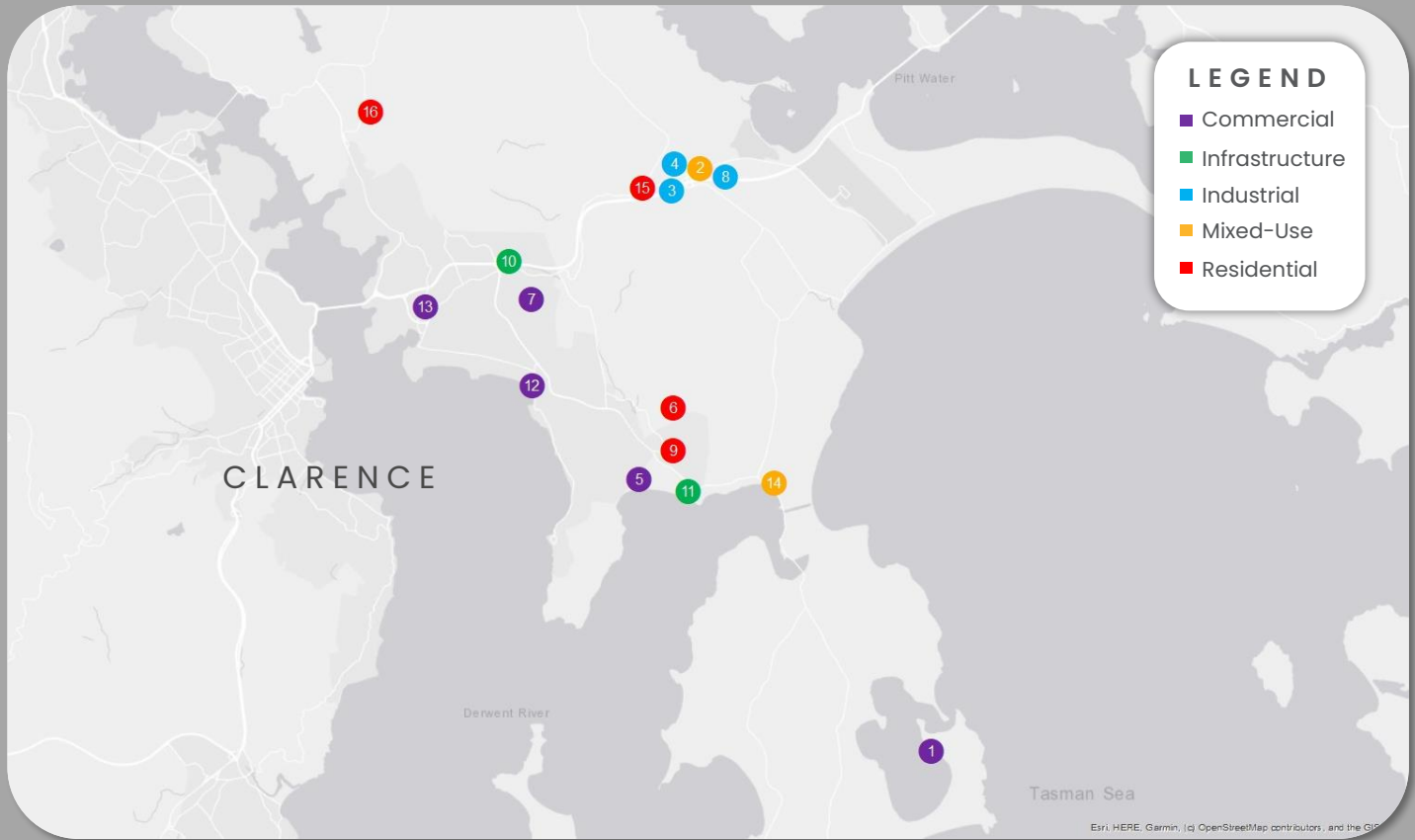
## RENTAL VACANCY RATES 2023



## RENTAL YIELD 2023§



# PROJECT DEVELOPMENT 1<sup>st</sup> HALF MAP 2024<sup>A</sup>



#	Project <sup>£</sup>	Type	Estimated Value <sup>µ</sup>	Commence Date <sup>ψ</sup>
1	280 Bicheno Street Weather Station	Commercial	\$400,000	28/04/2024
2	17, 19 & 21 Abernant Way Mixed Use Development Stages 1-3	Mixed-use	\$2,000,000	27/03/2024
3	5 Lamb Place Warehouse Extension	Industrial	\$400,000	11/01/2024
4	Skretting Australia	Industrial	\$200,000	10/05/2024
5	66 Droughty Point Road Warehouses & Bulky Goods Sales Development	Commercial	\$9,200,000	05/03/2024
6	Potts Avenue & Avro Court Clarendon Vale - Units	Residential	\$3,000,000	25/03/2024
7	Metro Bus Hydrogen Refuelling Station Depot Additions	Commercial	\$3,000,000	06/05/2024
8	16 Stanton Place Warehouses	Industrial	\$2,300,000	27/03/2024
9	28-30 Highgrove Road Units	Residential	\$1,650,000	06/05/2024
10	Clarence Mountain Bike Park	Infrastructure	\$1,000,000	21/06/2024
11	Tasmanian Police Academy Hydraulic Services Upgrade	Infrastructure	\$800,000	20/05/2024
12	OTR Howrah Service Station Alterations & Additions	Commercial	\$600,000	26/04/2024
13	Innova Dental Rosny Park Alterations & Additions	Commercial	\$500,000	08/02/2024
14	2A Ringwood Road & South Arm Lauderdale Mixed Use Development	Mixed-use	\$9,200,000	06/05/2024
15	981 Cambridge Road Units	Residential	\$3,400,000	10/06/2024
16	16 Elpida Street Units	Residential	\$1,000,000	09/04/2024

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## RESEARCH SERVICES

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- 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

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## REFERENCES

\* Clarence sales 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 all of 2023 (01/01/2023 – 31/12/2023).

€ Annual rental growth is a comparison between Q4 2022 (01/10/2022 – 31/12/2022) and Q4 2023 (01/10/2023 – 31/12/2023) house median rent figures.

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

§ Rental yields shown are as reported as of December 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 Clarence Local Government Area (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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