

Derwent Valley Market Update 2nd Half 2024



OVERVIEW

In Q2 2024, Derwent Valley* recorded a median house price of \$475,000, and a median unit price of \$295,000. This represents an annual (Q2 2023 – Q2 2024) median price softening of -1.0% for houses and a price increase of 31.1% for land. During this time sales decreased, by -15.4% to 33 sales for houses and by -61.1% to 7 sales for land. This suggests an undersupply of land and a cautious house market. Now is an ideal time to enter the housing market in Derwent Valley*, as the median price is more affordable and there is less competition. That said, buyers must act fast, due to an absence of new ready-to-sell houses.

CHANGE FROM LAST YEAR HALF YEAR



HOUSE SALES



HOUSE MEDIAN PRICE



HOUSE RENTAL PRICE



LAND SALES

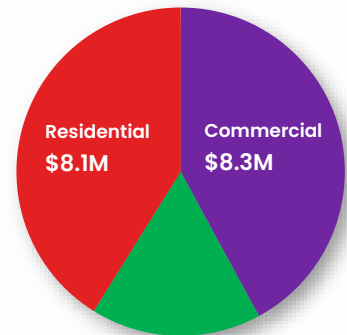


LAND MEDIAN PRICE



FUTURE DEVELOPMENTS

Derwent Valley will see approximately **\$19.7M of new projects commencing construction in the 2nd half of 2024.**



Infrastructure
\$3.3M

A focus on commercial projects will create local jobs in Derwent Valley*, which can have a spill-over to the real estate market, in the form of higher demand for housing. Infrastructure projects improve liveability for residents, which can draw more people to live in the area.

Key residential projects planned to commence include:

- The Back River Road Residential Subdivision (60 lots)
- 30 McLeod Street Centacare Evolve Housing (52 lots)
- 5 Poulter's Road (9 units)

Although there are some residential projects, they are delivering mostly land lots. With the lack of ready-to-sell stand-alone houses planned, price pressures will continue, in all types of housing stock. Thus, current median house price softening seem to be temporary only, and now is an ideal time for buyers to act.



9 Units/
Apartments



141 Lots



MARKET CONDITIONS

MEDIAN PRICE
Q2 2024

SALES

AVERAGE DAYS
ON MARKET Q2 2024



\$475K



\$295K



HOUSE



UNIT

MEDIAN PRICE
Q2 2024

RENTALS

AVERAGE DAYS
ON MARKET Q2 2024



\$480



\$438



HOUSE

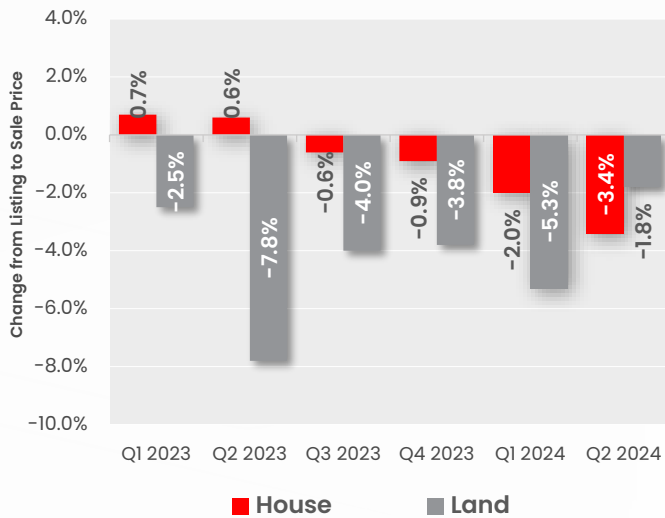


UNIT



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.



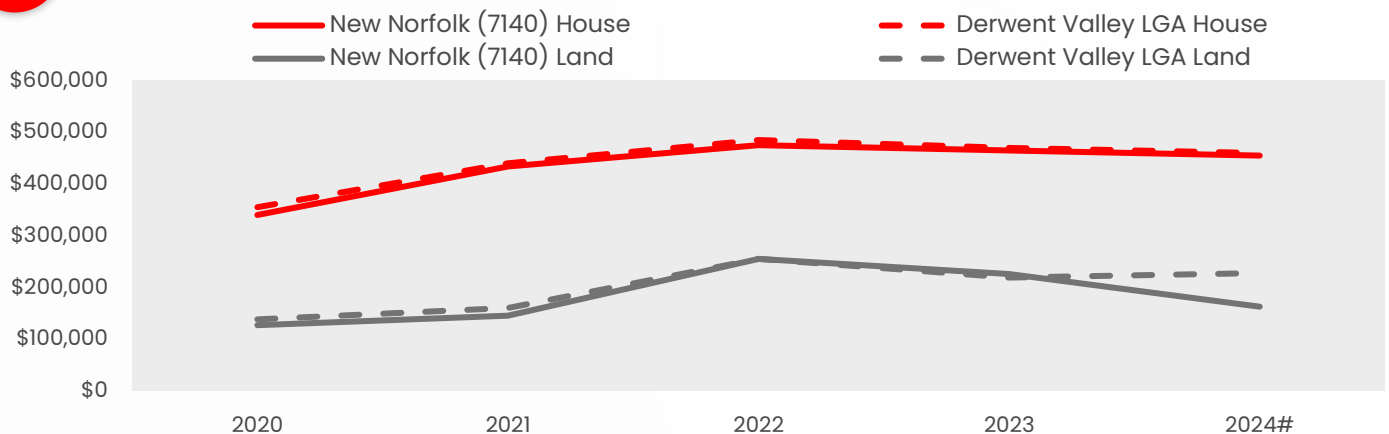
Between Q2 2023 and Q2 2024 the average house vendor discount swung from a premium to a discount, of -3.4%. Average land vendor discount have tightened to a lesser discount in Q2 2024, of -1.8%. House market conditions in Derwent Valley* now favour buyers, as sellers are willing to accept lower than the first list price. Land buyers still benefit from a discount, although less than prior. This suggests there is limited time, thus buyers must act fast.

The suburb of New Norfolk has historically tracked on par with the wider Derwent Valley Local Government Area (LGA) in both house and land median prices. This said, 2024# has seen New Norfolk land prices fall below the LGA's median prices, creating an opportunity for buyers.

The dominant proportion of homes sold in Derwent Valley* across 2024# were in the premium price bracket of \$550,000 and above (27.0%). That said, 23.8% of house sales were in the more affordable price bracket between \$450,000 and \$499,999; suggesting there is a home for every budget. Vacant land recorded a dominant middle price bracket between \$200,000 and \$299,999 (46.7%).



MARKET COMPARISON

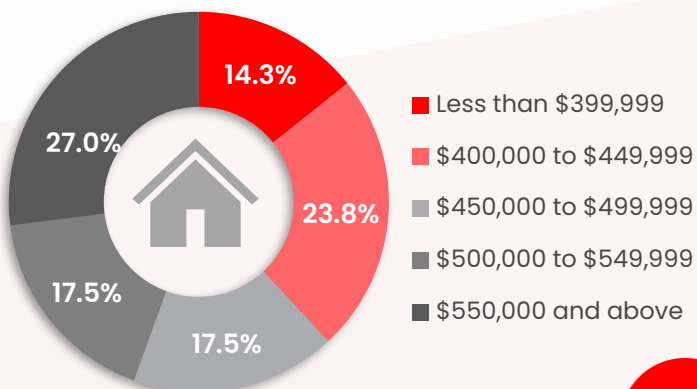


The market comparison graph provides a comparative trend for the median price of houses and unit over the past 5 years. The suburb chosen was based on their proximity to the main LGA analysed, which is New Norfolk*.

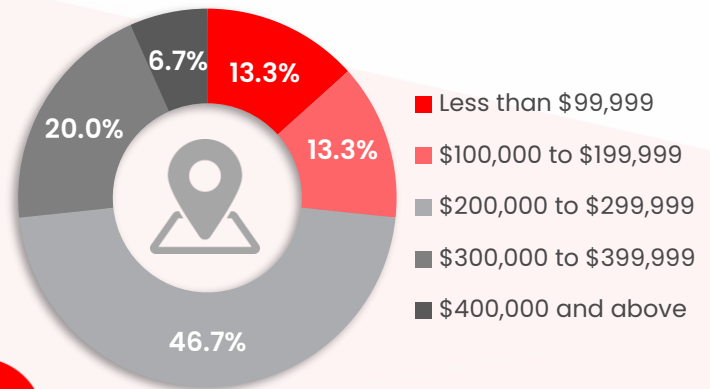


PRICE BREAKDOWN 2024#

HOUSES SOLD



VACANT LAND SOLD





RENTAL GROWTH 2024€

House rental yields in Derwent Valley* was 4.3% in June 2024., much higher than Hobart Metro (3.5%). Median house rental price has remained stable in the past 12 months to Q2 2024, at \$480 per week, whilst the number of houses rented reached a high point of 206. The unit market shows a median price increase of 1.9%, to \$438 per week, while the number of units rented declined by -29.5%. Overall this suggests a highly demanded rental market.

2 bedroom houses have provided investors with +3.4% rental growth annually, achieving a median rent of \$450 per week.

Derwent Valley* recorded a vacancy rate of 0.9% in June 2024, well below Hobart Metro's 1.5% average. Vacancy rates in Derwent Valley* have trended down over the past 12 months, indicating a tighter rental demand. Further, a 0.9% vacancy rate is significantly below that of the Real Estate Institute of Australia's 'Healthy' Benchmark of 3.0%, indicating quicker occupancy of rental properties. Combined with median rental price growth this suggests a conducive and sustainable environment for investment.

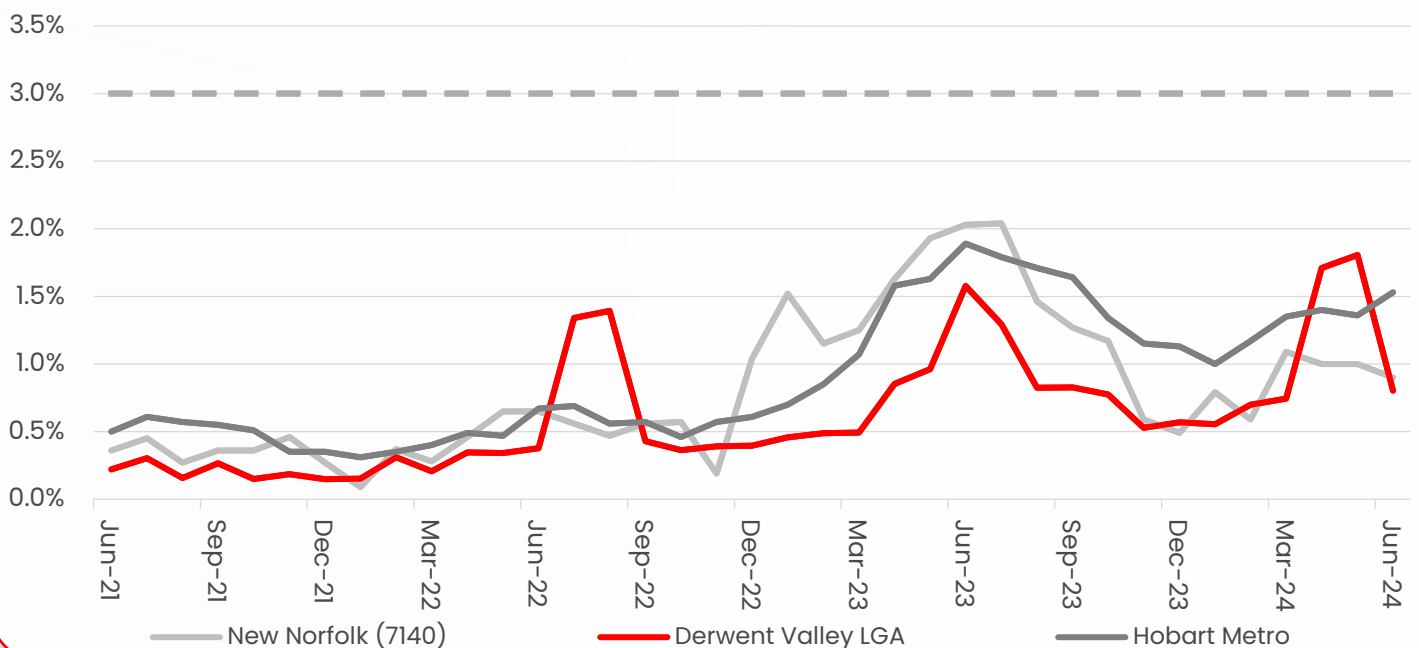
2 BEDROOMS
+3.4%

3 BEDROOMS
+0.0%

4 BEDROOMS
-6.0%



RENTAL VACANCY RATES 2024



RENTAL YIELD 2024§



4.3%

New Norfolk*



4.2%

Derwent Valley LGA



3.5%

Hobart Metro



6.6%

New Norfolk*



5.4%

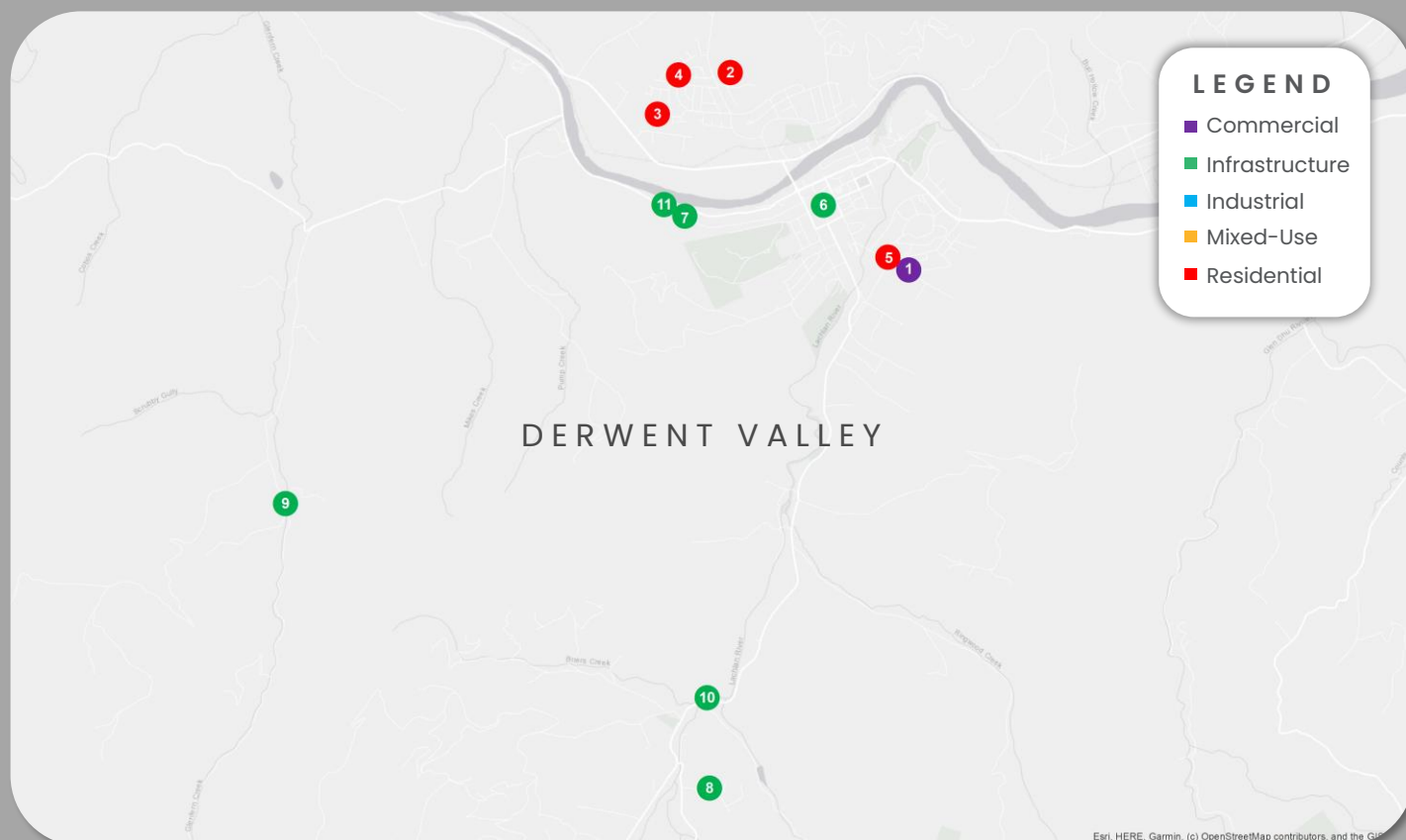
Derwent Valley LGA



4.8%

Hobart Metro

PROJECT DEVELOPMENT MAP 2nd HALF 2024^A



#	Project [£]	Type	Estimated Value ^µ	Commence Date ^ψ
1	The Mills New Norfolk Cabins	Commercial	\$8,000,000	12/04/2024
2	257 Back River Road Residential Subdivision (60 Lots)	Residential	\$2,700,000	17/02/2024
3	30 Mcleod Street Centacare Evolve Housing Residential Subdivision (52 Lots)	Residential	\$2,340,000	20/05/2024
4	94 Benjamin Terrace Residential Subdivision (29 Lots)	Residential	\$1,700,000	10/03/2024
5	5 Poulters Road Units (9 Units)	Residential	\$1,350,000	4/10/2024
6	Derwent Valley Council Roadworks Rehabilitation Program (Local Government)	Infrastructure	\$700,000	26/06/2024
7	Glenora Road Roadworks Upgrade (Local Government)	Infrastructure	\$700,000	26/06/2024
8	Lachlan River Bridge Replacement (Local Government)	Infrastructure	\$650,000	12/01/2024
9	Glenfern Road Bridge Replacement (Local Government)	Infrastructure	\$650,000	12/12/2024
10	White Timber Bridge Replacement (Local Government)	Infrastructure	\$600,000	11/12/2024
11	1141 Glenora Road Extraction Plant	Commercial	\$280,000	9/02/2024

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- Geographic information mapping
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REFERENCES

* Derwent Valley sales 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.

2024 encapsulates sales transactions for 1st Half 2024 (01/01/2024 – 30/06/2024) only, other years encapsulates sales transactions for the full year (i.e 01/01 to 31/12 of the relevant year).

€ Annual rental growth is a comparison between Q2 2023 (01/04/2023 – 30/06/2023) and Q2 2024 (01/04/2024 – 30/06/2024) house median rent figures.

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

§ Rental yields shown are as reported as of June 2024.

▲ 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 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 Pricfinder, Cordell Connect database, SQM Research, Esri ArcGIS.

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