

Clarence Market Update 2nd Half 2024

OVERVIEW

In Q2 2024, Clarence* recorded a median house price of \$693,000, and a median unit price of \$580,000. This represents annual (Q2 2023 – Q2 2024) median price softening of -5.1% for houses and -3.3% for units. During this time house sales slightly increased, by 0.6% to 172 sales, but declined for units, by -32.4% to 50 sales. Both houses and units are currently more affordable, indicating an ideal time for first home buyers to enter the market. That said, there are no new stand-alone houses in the pipeline, and only a small number of new units and townhouses. Thus the likelihood of a price recovery is high. Buyers must act fast.

CHANGE FROM LAST YEAR HALF YEAR



HOUSE SALES



HOUSE MEDIAN PRICE



HOUSE RENTAL PRICE



UNIT SALES



UNIT MEDIAN PRICE

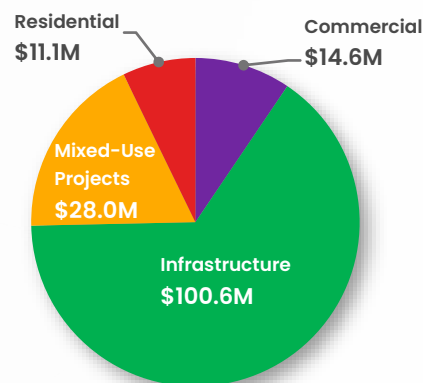


UNIT RENTAL PRICE



FUTURE DEVELOPMENTS

Clarence is set to see approximately **\$154.3M worth of new projects commencing in the 2nd half of 2024.**



A focus on infrastructure projects improve liveability for residents, creating local jobs during the construction phase. This can attract more people to live in the area, which can impact the real estate market, through higher demand for housing stock.

The largest infrastructure project in the 2nd half of 2024 is the Hobart International Airport Terminal & Runway Upgrade Stage 2 (\$80.0M). This will allow for more tourism to flow into the area, stimulating local economic growth.

A main mixed-use project over the 2nd half of 2024 is Ringwood Road & South Arm Lauderdale Mixed Use Development (\$9.2M), adding 5 apartments and 4 townhouses to the area. Other projects include:

- 10 Petchey Street (17 townhouses)
- Potts Avenue & Avro Court Clarendon Vale (11 units)
- 11 Madden Court (3 units)



21 Dwellings



46 Units/
Apartments



MARKET CONDITIONS

MEDIAN PRICE
Q2 2024



\$693K



\$580K

SALES

AVERAGE DAYS
ON MARKET Q2 2024



66

HOUSE



72

UNIT

MEDIAN PRICE
Q2 2024



\$550



\$480

RENTALS

AVERAGE DAYS
ON MARKET Q2 2024



25

HOUSE



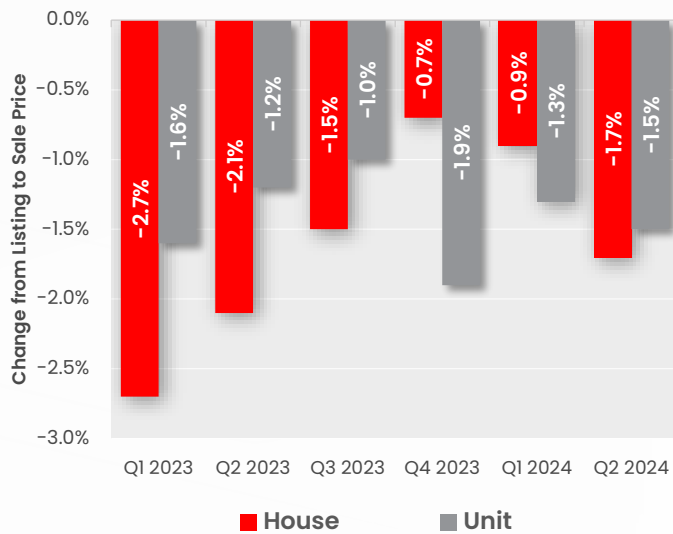
19

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.



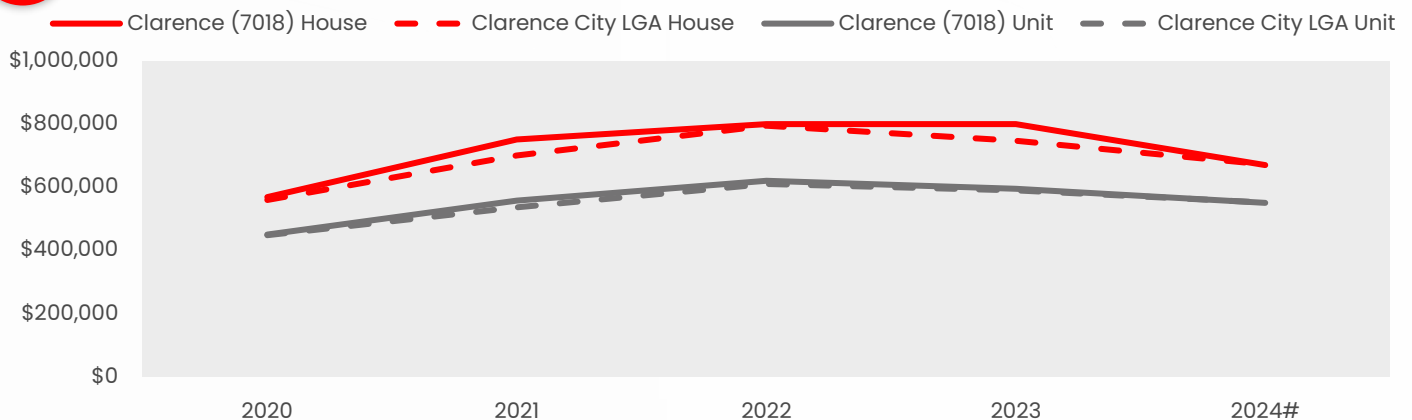
Average vendor discounts between Q2 2023 and Q2 2024 have tightened slightly to -1.7% for houses and widened slightly to -1.5% for units. The market continues to provide buyers with discounts, with final sale prices below the first list price. Compared to 6 months ago (Q4 2023) house buyers can access a slightly higher discount, making now an ideal time for first home buyers to enter the market.

The suburb of Clarence has historically tracked on par with the wider Clarence City Local Government Area (LGA) in house and unit median prices. This continued in 2024[#], with both the suburb and LGA seeing slower price growth.

The dominant proportion of homes sold in Clarence* in 2024[#] were in the premium price of \$850,000 and above (29.4%). Similarly, units recorded a dominant premium price point of \$650,000 and above (36.0%). This is good news for owners who are wishing to capitalise on their investments. The affordable market is available, with 16.9% of house sales being less than \$549,999 and 20.2% of unit sales being less than \$499,999. The proportion of these sales have slightly shrunk in the past 12 months, which suggests first home buyers must act fast.



MARKET COMPARISON

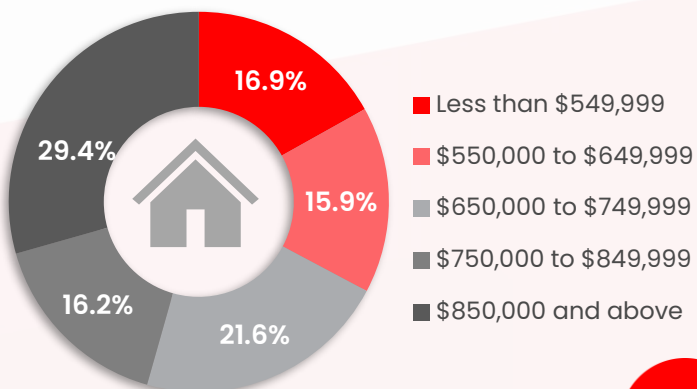


The market comparison graph provides a comparative trend for the median price of houses and unit over the past 5 years. The suburb chosen was based on their proximity to the main LGA analysed, which is Clarence*.

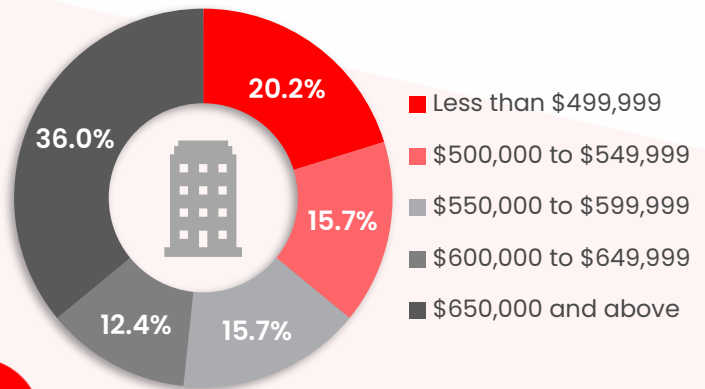


PRICE BREAKDOWN 2024[#]

HOUSES SOLD



UNITS SOLD





RENTAL GROWTH 2024€

House rental yields in Clarence[‡] was 3.9% in June 2024, slightly higher than Hobart Metro (3.5%). This was paired with a slight 0.4% increase in median house rental price in the past 12 months to Q2 2024, at \$550 per week, and a -15.5% decrease in the number of houses rented (to 267 rental). The unit rental market shows a similar pattern, with median unit rental price increasing by 5.5% (to \$480 per week) and number of units rented declining by -27.5%. This suggests an undersupplied rental market, which is attractive to investors.

2 bedroom houses have provided investors with +2.9% rental growth annually, achieving a median rent of \$465 per week.

Clarence[‡] recorded a vacancy rate of 1.1% in June 2024, slightly below Sydney Metro's 1.5% average. Vacancy rates in Clarence[‡] have fluctuated over the past 12 months, however on overall have trended down. This suggests a tighter rental market. Further, a 1.1% vacancy rate is significantly below the REIA 'Healthy' Benchmark of 3.0%, indicating quicker occupancy of rental properties. This suggests a conducive and sustainable environment for investors.

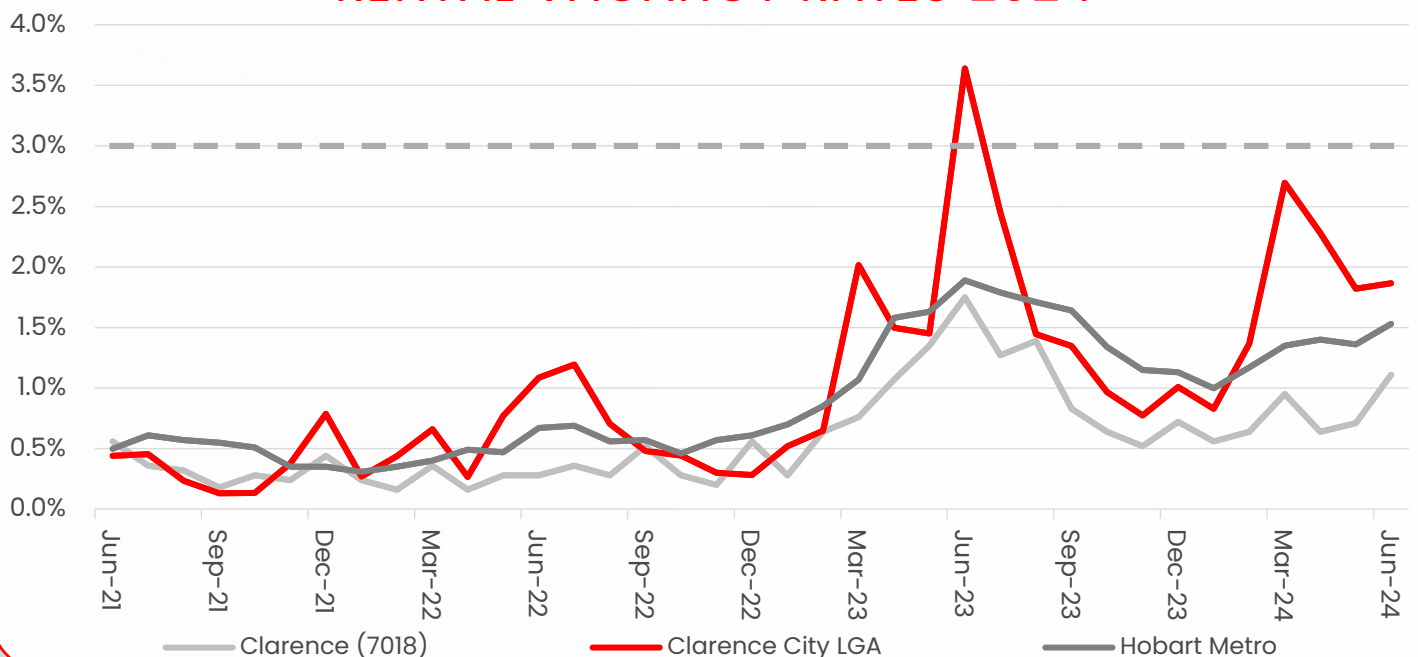
 2 BEDROOMS
+2.9%

 3 BEDROOMS
+1.9%

 4 BEDROOMS
+0.0%



RENTAL VACANCY RATES 2024



RENTAL YIELD 2024§



3.9%
Clarence[‡]



3.9%
Clarence
City LGA



3.5%
Hobart
Metro



3.6%
Clarence[‡]

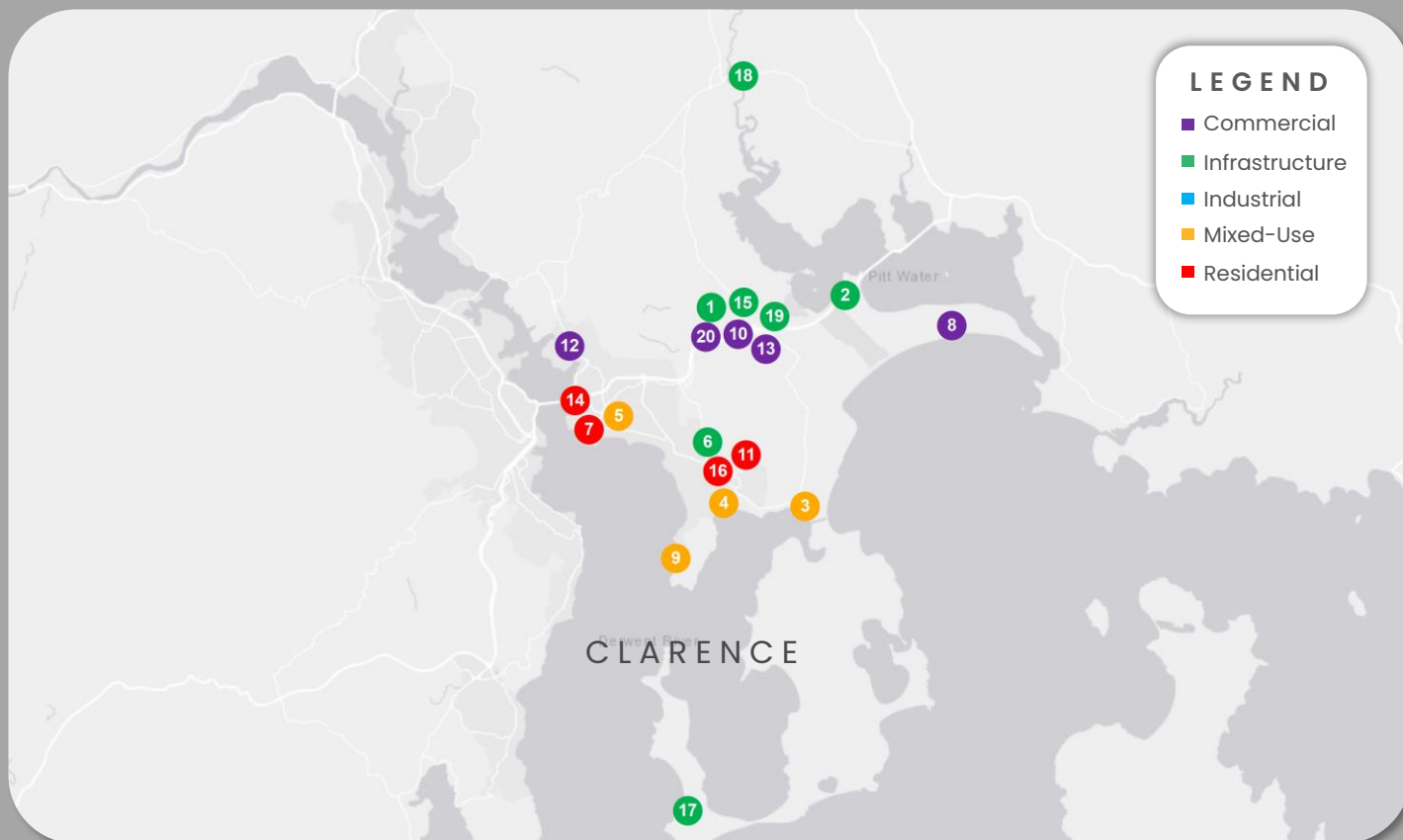


4.6%
Clarence
City LGA



4.8%
Hobart
Metro

PROJECT DEVELOPMENT MAP 2nd HALF 2024^A



#	Project [£]	Type	Estimated Value ^µ	Commence Date ^ψ
1	Hobart International Airport Terminal & Runway Upgrade Stage 2 (Federal Government)	Infrastructure	\$80,000,000	22/07/2024
2	Tasman Highway & Pittwater Road Civil Works (State Government)	Infrastructure	\$10,000,000	14/12/2024
3	2a Ringwood Road & South Arm Lauderdale Mixed Use Development (5 Apartments & 4 Townhouses)	Mixed-use	\$9,200,000	6/11/2024
4	96 Droughty Point Road Warehouse Units (Warehouse and offices)	Mixed-use	\$8,000,000	18/11/2024
5	39 Cambridge Road Apartments & Offices (10 Apartments)	Mixed-use	\$6,800,000	16/09/2024
6	Rokeby Park & Ride (State Government)	Infrastructure	\$6,600,000	30/12/2024
7	8 & 10 Petchey Street Townhouses (17 Townhouses)	Residential	\$6,000,000	18/12/2024
8	Seven Mile Beach Golf Course	Commercial	\$5,000,000	25/10/2024
9	24 & 26 Yachtsmans Way Units & Shops (13 Units)	Mixed-use	\$4,000,000	24/10/2024
10	Barilla Holiday Caravan Park Extension	Commercial	\$3,000,000	22/08/2024
11	Potts Avenue & Avro Court Clarendon Vale – Units (11 Units)	Residential	\$3,000,000	25/12/2024
12	AMPOL & Mood Food Service Station – Lindisfarne	Commercial	\$2,250,000	28/10/2024
13	1063 Cambridge Road Concrete Batching Plant	Commercial	\$2,000,000	16/08/2024
14	11 Madden Court Units (3 Units)	Residential	\$1,200,000	25/10/2024
15	Hobart International Airport Airfield Upgrades (State Government)	Infrastructure	\$1,000,000	10/07/2024
16	51 Vivian Drive Rokeby – Units (4 Units)	Residential	\$900,000	14/10/2024
17	South Arm Community Centre Solar Photovoltaic Systems (Local Government)	Infrastructure	\$800,000	14/10/2024
18	Brinktop Road Roadworks Curvature Improvement (Local Government)	Infrastructure	\$750,000	16/09/2024
19	Backhouse Lane Roadworks Reconstruction (Local Government)	Infrastructure	\$750,000	7/10/2024
20	Hobart Airport Airside Works Upgrade Project	Commercial	\$700,000	10/07/2024



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- 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 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.

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.

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

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

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

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