

## Hobart Market Update 2<sup>nd</sup> Half 2024



### OVERVIEW

In Q2 2024, Hobart\* recorded a median house price of \$833,000, and a median unit price of \$650,000. This represents annual (Q2 2023 – Q2 2024) median price softening of -7.2% for houses and -4.4% for units. Comparing Q2 2023 vs Q2 2024 house sales increased by 10.8% (to 133 sales in Q2 2024), whilst unit sales decreased by -25.8% (to 66 sales in Q2 2024). Higher interest rates and lower consumer confidence has translated into the market, as median prices softened regardless of the number of sales. This creates a more affordable market for first home buyers, and thus an opportune time to enter the market and transact.

#### CHANGE FROM LAST YEAR HALF YEAR



HOUSE SALES



HOUSE MEDIAN PRICE



HOUSE RENTAL PRICE



UNIT SALES



UNIT MEDIAN PRICE

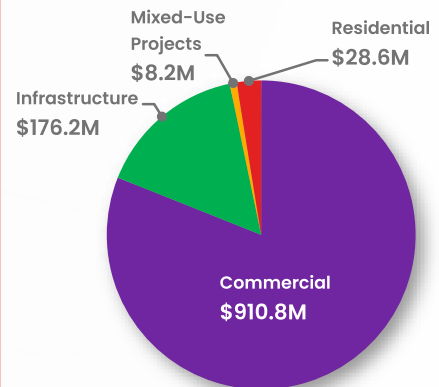


UNIT RENTAL PRICE



### FUTURE DEVELOPMENTS

Hobart is set to see approximately **\$1.1B of new projects commencing construction in the 2<sup>nd</sup> half of 2024.**



These projects will stimulate economic growth and create job opportunities in Hobart. This will have a spill-over impact on the real estate market, in the form of higher demand for housing.

The UTAS Southern Campus Transformation (\$600.0M) is the largest commercial project due to commence construction in the 2<sup>nd</sup> half of 2024. This will merge the two Hobart university campuses, which will allow for more opportunities

There are a few residential projects planned, adding much needed stock to the Hobart market. They include:

- 47 Maning Avenue Apartments (11 Units/Apartments)
- 85 Athleen Avenue Units (10 Units/Apartments)
- 14 Kooyong Glen Units (11 Units/Apartments)
- 19 Yardley Street (4 townhouses)



49 Units/  
Apartments



12  
Townhouses



### MARKET CONDITIONS

MEDIAN PRICE  
Q2 2024



\$803K



\$650

SALES

AVERAGE DAYS  
ON MARKET Q2 2024



HOUSE



UNIT

MEDIAN PRICE  
Q2 2024



\$590



\$470

RENTALS

AVERAGE DAYS  
ON MARKET Q2 2024



HOUSE

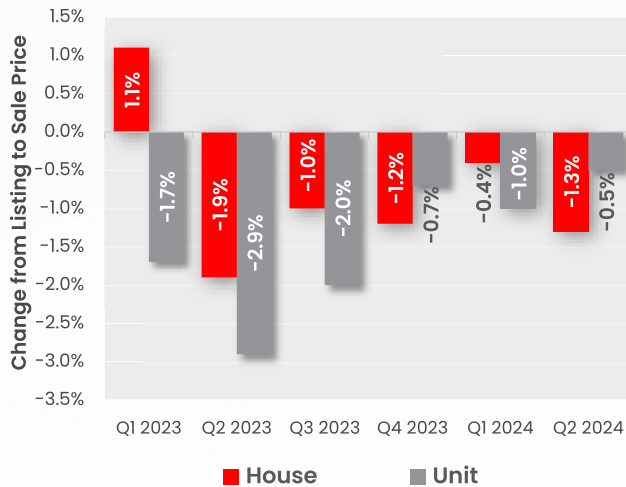


UNIT



## 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.



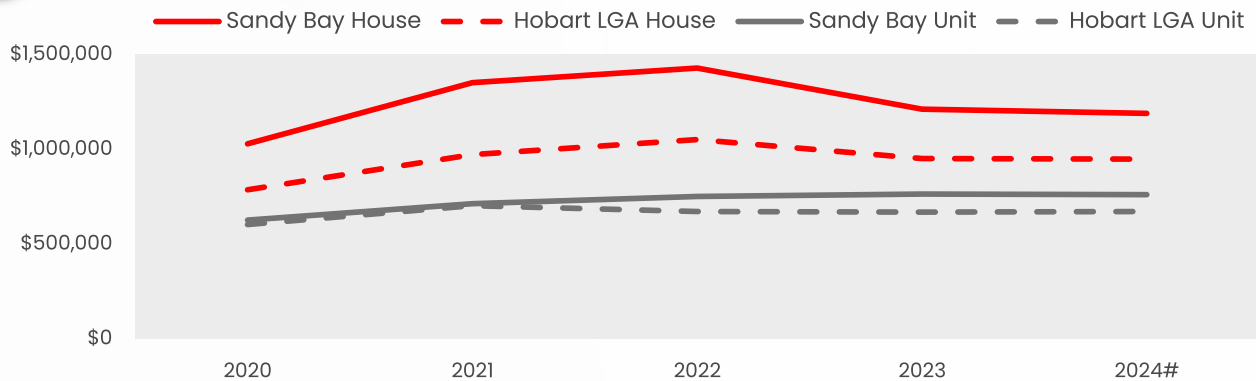
Average vendor discounts between Q2 2023 and Q2 2024 have tightened, to a smaller discount of -1.3% for houses. Similarly, average unit vendor discount have tightened, to a lesser discount of -0.5% in Q2 2024. The property market in Hobart still favours buyers, as the final sale price is below the first list price. That said, the market is shifting towards sellers, with lesser discounts for both property types. Thus, buyers should act quickly to benefit from a discount.

The suburb of Sandy Bay has historically outperformed the wider Hobart Local Government Area (LGA) in both house and unit median prices. House prices in Sandy Bay has softened throughout 2023 and remained stable in 2024, which brought it back on par Hobart LGA. Now is an ideal time for buyers to capitalise on this opportunity.

The dominant proportion of homes sold in Hobart\* across 2024# were in the premium price of \$1,000,000 and above (42.9%). In contrast, 42.1% of units sold were in the most affordable price point of less than \$599,999. That said, the unit premium market is strong, with 37.6% of sales. This suggests there is a home for every budget in Hobart.



## MARKET COMPARISON

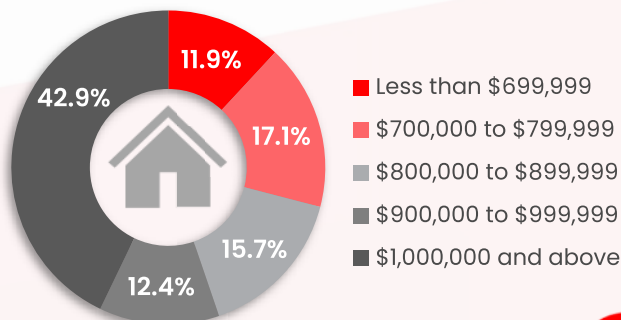


The market comparison graph provides a comparative trend for the median price of houses and unit over the past 5 years. The suburb chosen was based on their proximity to the main LGA analysed, which is Sandy Bay\*.

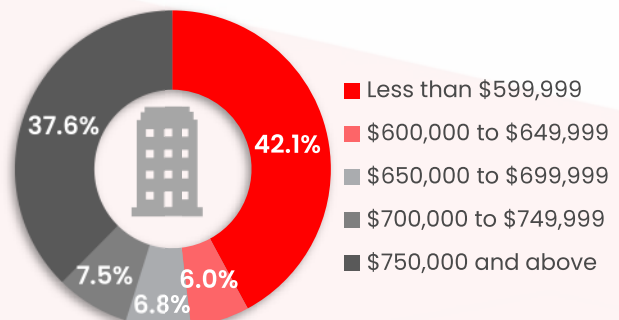


## PRICE BREAKDOWN 2024#

### HOUSES SOLD



### UNITS SOLD





## RENTAL GROWTH 2024€

House rental yields in Hobart\* was 2.9% in June 2024, lower than Hobart Metro (3.5%). That said median house rental price remained stable in the past 12 months to Q2 2024, at \$590 per week, whilst the number of houses rented fell to 283 (in Q2 2024). Median unit rental price increased by 2.2%, to \$470 per week in Q2 2024, with the number of units rented also increasing, by 0.4% to sit at 272. Overall, there is a highly demand rental market in Hobart\*

2-bedroom houses have provided investors with +1.0% rental growth annually, achieving a median rent of \$520 per week.

Hobart\* recorded a vacancy rate of 2.7% in June 2024, which is above Hobart Metro's 1.5% average. Vacancy rates in Hobart\* have fluctuated, due to investors entering/exiting the market alongside cash rate hikes. However, it has dipped slightly over the past 12 months, indicating tighter rental demand. With this dip, the vacancy rate has now lowered to sit below the Real Estate Institute of Australia's 'Healthy' Benchmark of 3.0%, indicating quicker occupancy of rental properties. This confirms a conducive environment for investors.

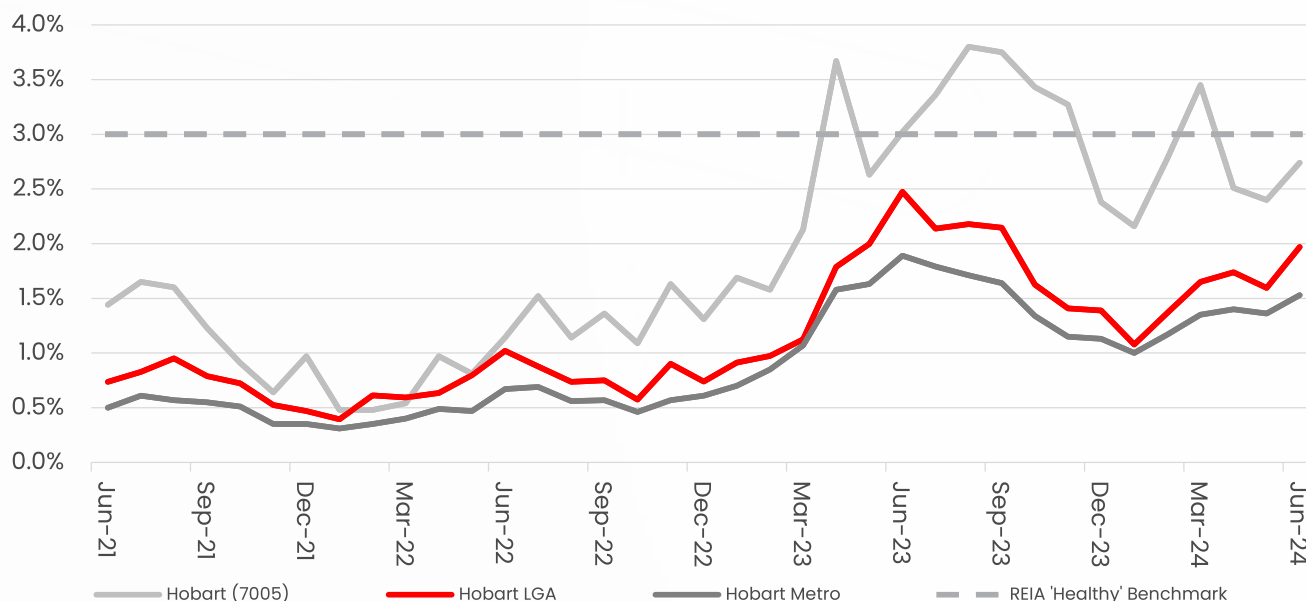
2 BEDROOMS  
**+1.0%**

3 BEDROOMS  
**-0.5%**

4 BEDROOMS  
**+0.0%**



## RENTAL VACANCY RATES 2024



## RENTAL YIELD 2024§



**2.9%**

Postcode  
7005\*



**3.6%**

Hobart LGA



**3.5%**

Hobart  
Metro



**3.7%**

Postcode  
7005\*



**4.6%**

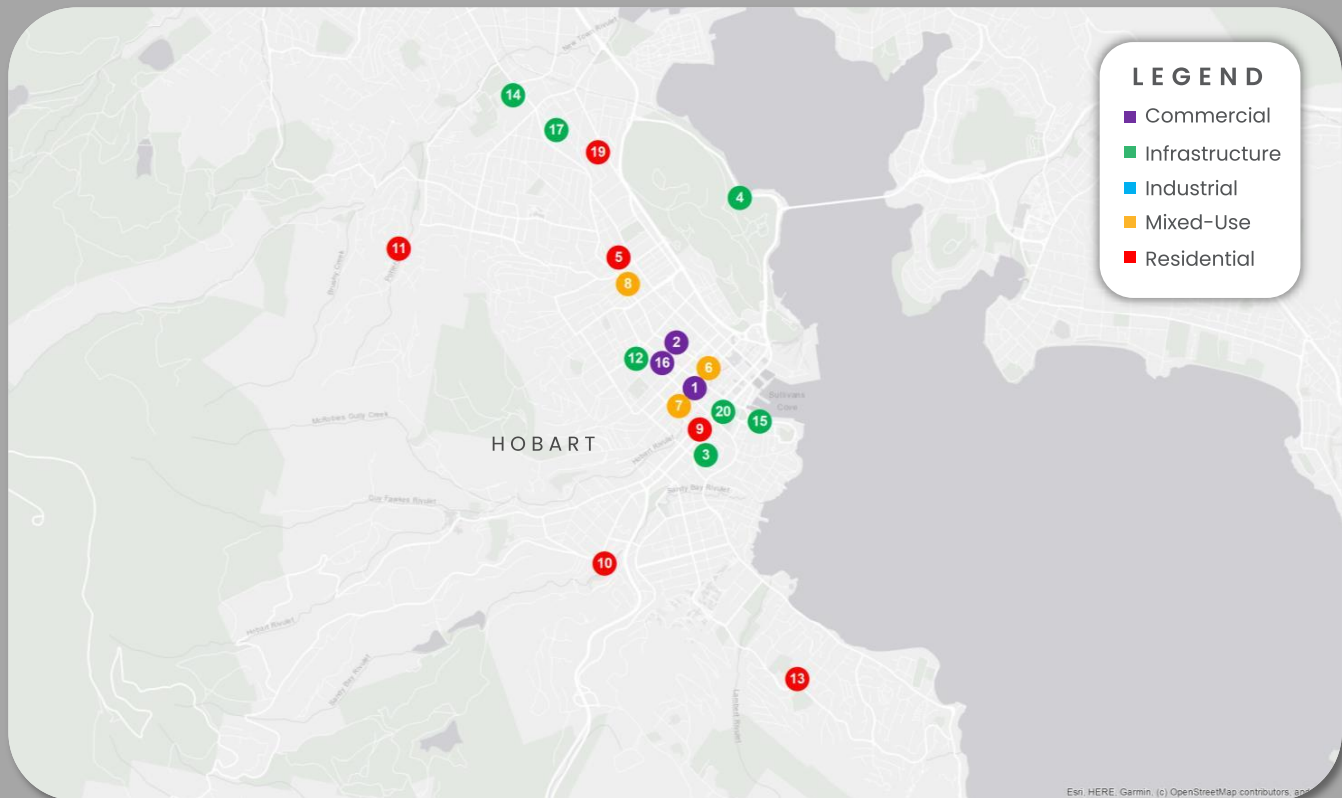
Hobart LGA



**4.8%**

Hobart  
Metro

# PROJECT DEVELOPMENT MAP 2<sup>nd</sup> HALF 2024<sup>A</sup>



| #          | Project <sup>£</sup>   | Type           | Estimated Value <sup>µ</sup> | Commence Date <sup>ψ</sup> |
|------------|--|----------------|------------------------------|----------------------------|
| 1          | Former Odeon Theatre Site Redevelopment  | Commercial     | \$69,000,000                 | 14/10/2024                 |
| 2          | University of Tasmania Southern Campus Transformation  | Commercial     | \$600,000,000                | 1/07/2024                  |
| 3          | Anglesea Barracks & Paterson Barracks Hobart Military (Federal Government)                     | Infrastructure | \$1,800,000                  | 12/12/2024                 |
| 4          | Royal Tas Botanical Gardens Carriageway Upgrades (State Government)                            | Infrastructure | \$2,000,000                  | 11/11/2024                 |
| 5          | 19 Yardley Street Townhouses (4 Townhouses)  | Residential    | \$2,000,000                  | 22/11/2024                 |
| 6          | 137 Liverpool Street Coffee Shop & Office Redevelopment (Coffee Shop/Office)                   | Mixed-Use      | \$2,200,000                  | 22/10/2024                 |
| 7          | 227-229 Liverpool Street Mixed Use Development (2 Townhouses/2 Apartments/Offices/Retail/Café) | Mixed-Use      | \$2,500,000                  | 26/12/2024                 |
| 8          | The Orchard North Hobart Apartments & Commercial (8 Apartments/Commercial)                     | Mixed-Use      | \$2,500,000                  | 17/12/2024                 |
| 9          | 190 Macquarie Street Apartments (4 Units/Apartments)   | Residential    | \$2,500,000                  | 30/11/2024                 |
| 10         | 14 Kooyong Glen Units (11 Units/Apartments)  | Residential    | \$3,000,000                  | 13/12/2024                 |
| 11         | 85 Athleen Avenue Units (10 Units/Apartments)  | Residential    | \$4,850,000                  | 8/11/2024                  |
| 12         | Pavement Resurfacing 2024-2025 (State Government)  | Infrastructure | \$45,000,000                 | 16/09/2024                 |
| 13         | 47 Maning Avenue Apartments (11 Units/Apartments)  | Residential    | \$15,000,000                 | 9/08/2024                  |
| 14         | Hobart City High School Redevelopment Stage 1 (State Government)                               | Infrastructure | \$21,500,000                 | 16/12/2024                 |
| 15         | Hobart Waterfront Precinct (Local Government)  | Infrastructure | \$100,000,000                | 19/08/2024                 |
| 16         | Hobart Macquarie Wharf Redevelopment   | Commercial     | \$240,000,000                | 8/10/2024                  |
| 17         | City Of Hobart - New Town Retail Precinct Stage 2 (Local Government)                           | Infrastructure | \$1,500,000                  | 12/09/2024                 |
| Not Mapped | Royal Hobart Hospital A Block Lifts Upgrade (State Government)                                 | Infrastructure | \$1,500,000                  | 7/10/2024                  |
|            | 31 Swanston Street New Town - Townhouses   | Residential    | \$1,250,000                  | 29/07/2024                 |
| 20         | Edward Braddon Commonwealth Law Courts Hobart Thermal Plant Upgrade (State Government)         | Infrastructure | \$1,200,000                  | 15/11/2024                 |



*Your home of the latest property market insights.*

## RESEARCH SERVICES

Our research services span over every suburb, LGA, and state within Australia; captured in a variety of standard and customised products, and 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.



**Natalie Gray**

Director | Real Estate Agent

 +61 417 344 822

 nataliegray@prdhobart.com.au



**Rychelle Brown**

Director | Real Estate Agent

 +61 488 074 240


 rychellekay@prdhobart.com.au


**GET IN TOUCH WITH US TODAY >**



## **PRD Hobart**

*Your trusted local real estate agency*

 +61 3 6274 7355

 hello@prdhobart.com.au

 [PRD.com.au/hobart](http://PRD.com.au/hobart)

 439 Main Road  
Montrose, TAS, 7010



## REFERENCES

\* Hobart market data and key indicators encapsulates aggregate property market conditions within the suburbs of Hobart 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 1<sup>st</sup> Half 2024 (01/01/2024 – 30/6/2023) 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 – 30/06/2023) house median rent figures.

¥ Hobart rental market data encapsulates aggregate property conditions within the postcodes of 7000, 7004, 7005, 7007, 7008, 7009, 7050, 7054.

§ 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 suburbs of Hobart 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.

**Disclaimer:** PRD does not give any warranty in relation to the accuracy of the information contained in this report. If you intend to rely upon the information contained herein, you must take note that the information, figures and projections have been provided by various sources and have not been verified by us. We have no belief one way or the other in relation to the accuracy of such information, figures and projections. PRD will not be liable for any loss or damage resulting from any statement, figure, calculation or any other information that you rely upon that is contained in the material.

*Prepared by PRD Research. © All medians and volumes are calculated by PRD Research. Use with written permission only. All other responsibilities disclaimed. © Copyright PRD 2024.*