



New Norfolk Market Update 1st Half 2020



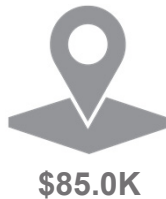
OVERVIEW

In Q4 2019, New Norfolk* recorded a median house price of \$316,000, and a median vacant land price of \$85,000. This represents annual (Q4 2018 – Q4 2019) median price growth of 19.2% for houses and 24.6% for land. Total house sales slowed annually, down by -31.3% (to 22 sales), while land sales grew by 20.0% for (to 6 sales) in Q4 2019. Limited land sales make this data volatile, however the market presents excellent value. There is a shortage of houses on the market, now is the time to capitalise on price growth.

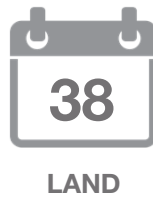
	CHANGE FROM LAST	YEAR	HALF YEAR
	House Sales	↓	↓
	House Median Price	↑	↑
	House Rental Price	↑	↔
	Land Sales	↑	↑
	Land Median Price	↑	↑

MARKET CONDITIONS

SALES MEDIAN PRICE Q4 2019



SALES AVERAGE DAYS ON MARKET Q4 2019



RENTAL MEDIAN PRICE Q4 2019

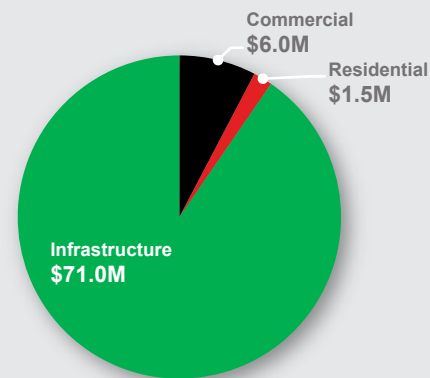


RENTAL AVERAGE DAYS ON MARKET Q4 2019



FUTURE DEVELOPMENTS

Derwent Valley Local Government Area (LGA) will see approx. **\$78.6M of projects commencing across 2019 and the 1st half of 2020.**



A focus on infrastructure will help in providing residents of New Norfolk* and its surrounds with improved lifestyle offerings and amenities. Such improvements should encourage additional population growth, which in turn is likely to have increased demand spill-over effects on the real estate market. This said, the area demonstrates a very low number of residential projects, which will put further pressure on the market. Government authorities are urged to act and ensure the area is well-positioned for a sustainably priced property market in the near future.

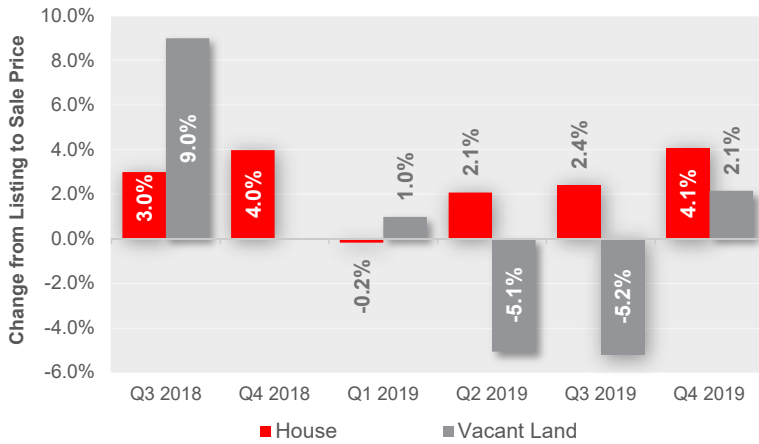
A main commercial project for the period is Kilderry Farm (\$4.0M). This project will convert the former Hayes Point Prison Farm into a private agricultural farm with duck meat processing and goat breeding pens, as well as offering visitor accommodation units and a new dwelling. A major infrastructure project for the period is the \$60.0M Derwent Valley Line Redevelopment consultancy. On completion, the project aims to restore the heritage narrow gauge Derwent Valley rail line.

*New Norfolk market data and key indicators encapsulates aggregate property market conditions within the suburb New Norfolk.
**Estimated values are based on construction value provided by the relevant data authority and does not reflect commercial and/or re-sale value.
Source: APM Pricerfinder, Cordell Connect database. © Copyright PRD 2020.

AVERAGE VENDOR DISCOUNT* KEY COMMENTS

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.

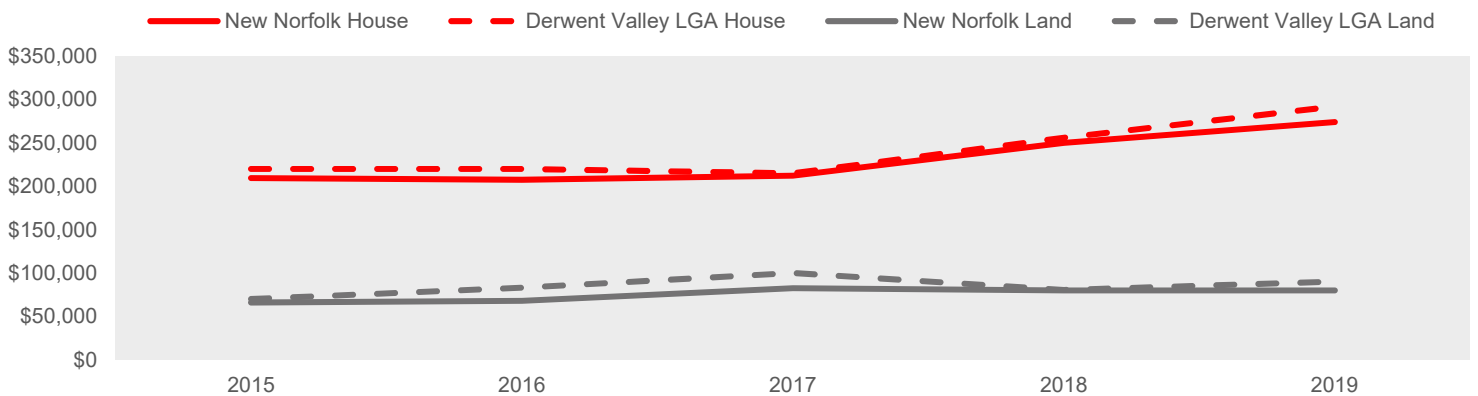
Average vendor premiums between Q4 2018 and Q4 2019 have slightly increased for houses to 4.1% and to 2.1% for vacant land. Market conditions in New Norfolk* continue to favour sellers, where buyers are required to negotiate above the initial listing price. This makes now an ideal time to sell in New Norfolk*.



The suburb of New Norfolk has historically been more affordable than the wider Derwent Valley LGA. This continued to be the case throughout 2019 in both markets, with house prices growing at a similar pace.

The dominant proportion of houses sold in New Norfolk* across 2019 were in the mid-range price of \$250,000-\$300,000 (32.7%). Vacant land recorded a dominant price point of \$75,000-\$90,000 (47.6%), which also sits in the mid-range of the market. There has been sales in both premium and lower-end of the market, thus there is a property for every budget in New Norfolk*.

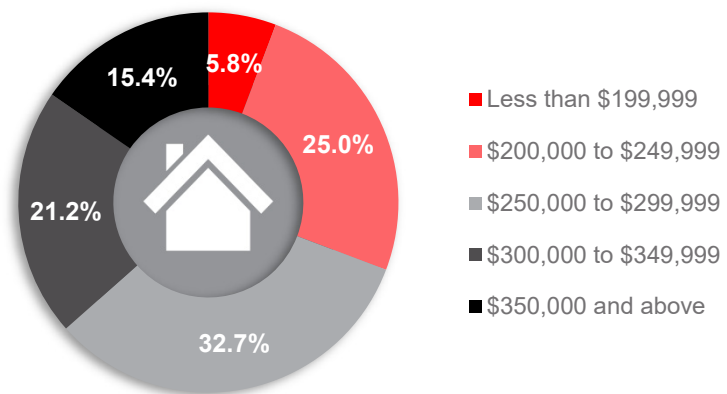
MARKET COMPARISON



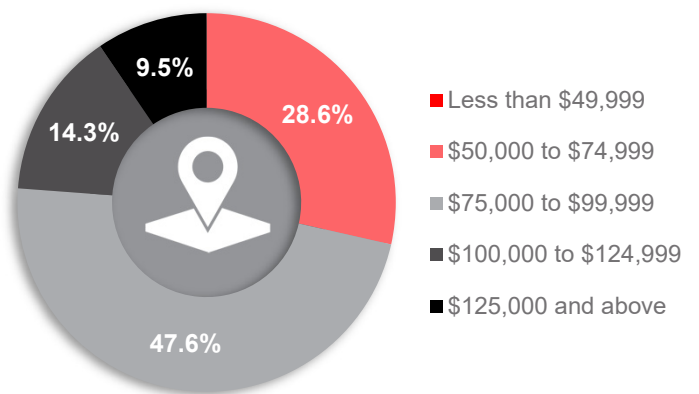
The market comparison graph provides a comparative trend for the median price of houses and units over the past 5 years. The main LGA profiled was chosen based on their proximity to the main suburb analysed, which is New Norfolk.

PRICE BREAKDOWN 2019

HOUSES SOLD



VACANT LAND SOLD

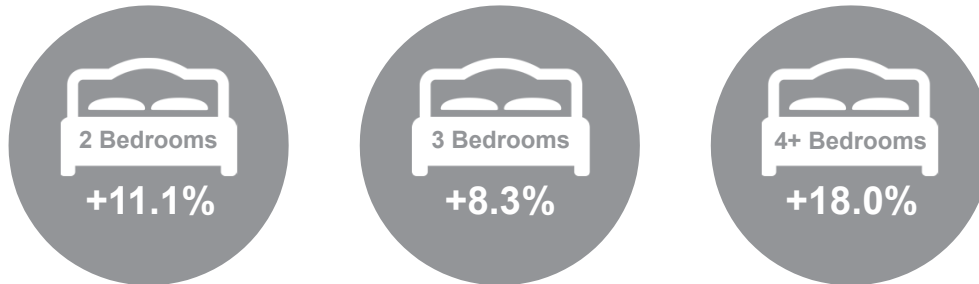


RENTAL GROWTH 2019*

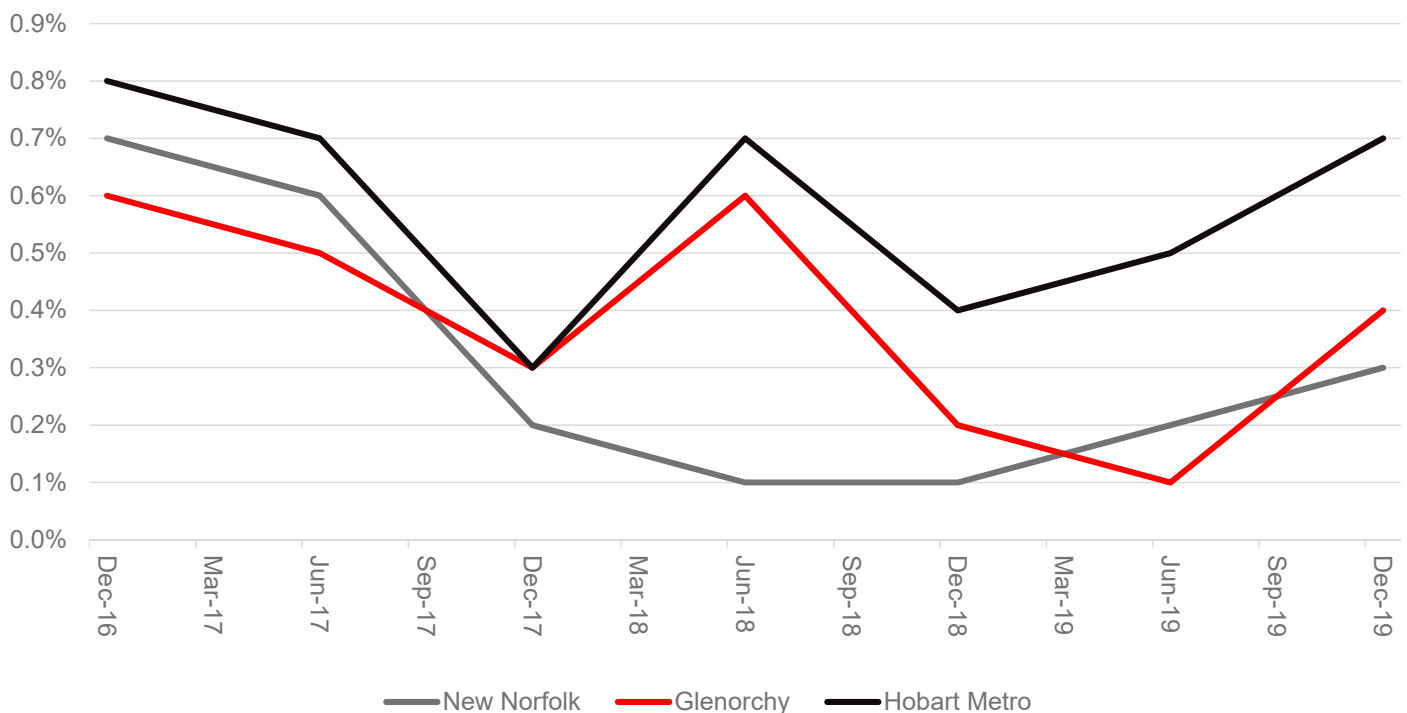
Over the past 12 months, house rental yields in New Norfolk increased to reach 5.6% in December 2019. This suggests the house rental market is in a healthy position despite a slight softening in the number of houses rented (by -20.0% to 16 rentals in the 12 months to Q4 2019).

4+ bedroom houses provided investors with +18.0% rental growth annually, achieving a median rent of \$410 per week.

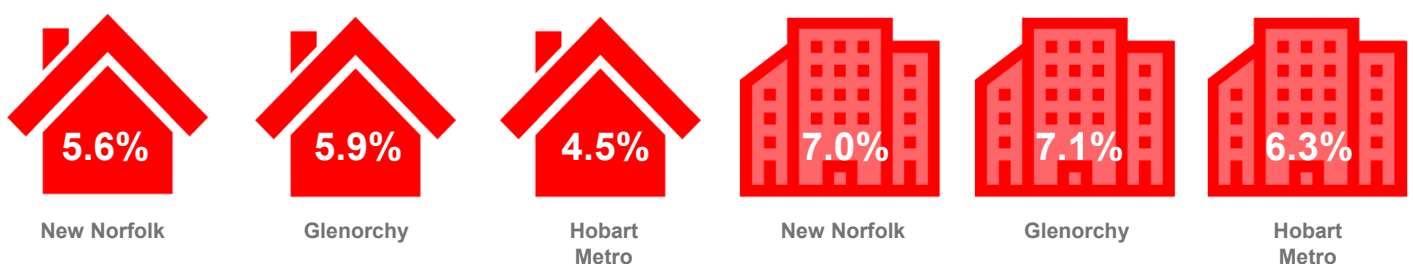
New Norfolk recorded a vacancy rate of 0.3% in December 2019, which is extremely tight and is even lower than Hobart's 0.7% average. New Norfolk's vacancy rate is significantly under Real Estate Institute of Australia's healthy benchmark of 3.0%, which confirms there is a very strong rental demand for properties in New Norfolk. This is a point of confidence for investors, as it suggests quick occupancy for rental properties, and one that should be taken advantage of.



RENTAL VACANCY RATES 2019



RENTAL YIELD 2019^



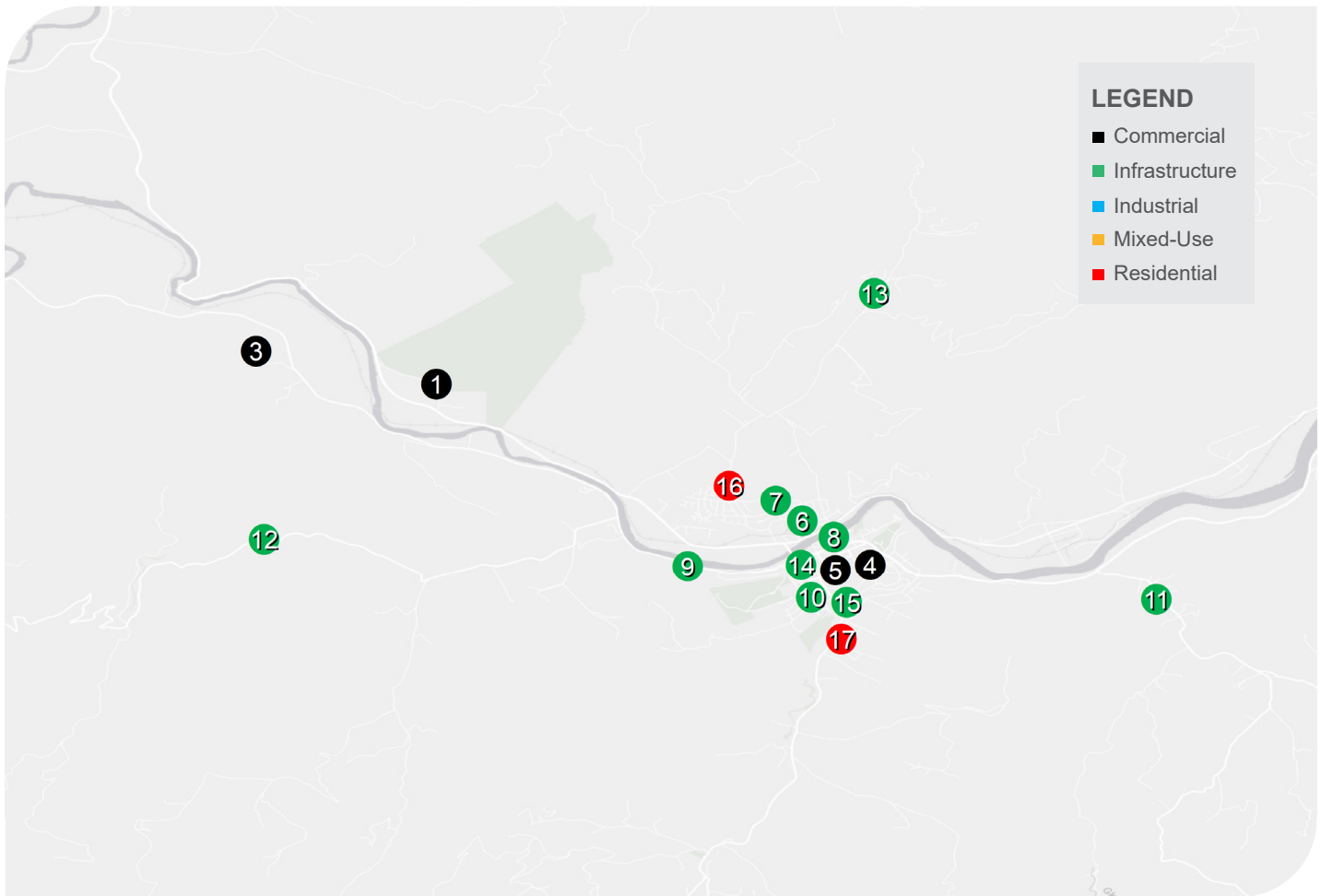
*Rental performance graph represents aggregate house median rent prices within the suburb New Norfolk.

Annual rental growth is a comparison between 2018 and 2019 house median rent figures.

^Rental yields shown are as reported at December 2019.

Source: APM Pricefinder, SQM Research. © Copyright PRD 2020.

PROJECT DEVELOPMENT MAP 2019-1ST HALF 2020*



Location	Project**	Type	Estimated Value***	Commence Date****
1	Kilderry Farm	Commercial	\$4,000,000	14/05/2020
2	Maydena Hard Rock Quarry	Commercial	\$1,000,000	15/07/2019
3	Casella Wines - Redlands	Commercial	\$540,000	15/11/2019
4	Corumbene Nursing Home	Commercial	\$300,000	27/05/2019
5	Charles Street Bottle Shop & Gymnasium	Commercial	\$200,000	08/01/2019
6	Derwent Valley Line Redevelopment	Infrastructure	\$60,000,000	15/12/2019
7	New Norfolk Structure Plan	Infrastructure	\$5,000,000	24/04/2019
8	New Norfolk Rowing Club	Infrastructure	\$2,300,000	26/08/2019
9	Glenora Road Improvements	Infrastructure	\$1,000,000	22/10/2019
10	Britten Street	Infrastructure	\$1,000,000	20/12/2019
11	Malbina Cemetery	Infrastructure	\$500,000	20/12/2019
12	Wyre Forest Creek & Plenty River Bridges	Infrastructure	\$450,000	01/11/2019
13	Back River Road & Glebe Road Footpath	Infrastructure	\$400,000	16/01/2020
14	Derwent Valley Council Footpath Replacement Program	Infrastructure	\$300,000	30/09/2019
15	The Avenue Distillery	Infrastructure	\$70,000	08/04/2020
16	Back River Road Dwellings (3 Dwellings)	Residential	\$900,000	13/09/2019
17	Glebe Road Dwellings (4 Dwellings)	Residential	\$600,000	10/05/2020

OUR SERVICES 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.

OUR SERVICES

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



Andrew Hills, Senior Property Representative
M +61 408 492 802
E andrewhills@prdhobart.com.au

PRD New Norfolk
P +61 3 6261 2555
F +61 3 6273 0825

40 High Street
New Norfolk TAS 7140

PRD.com.au/hobart