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REAL ESTATE



Affordable & Liveable Property Guide
Hobart Metro 1st Half 2024

OVERVIEW

Median property prices in Hobart Metro have **remained relatively stable, with a slight decrease of -0.2% for houses to \$692,004 from Q1 2023 to Q1 2024* and -1.6% for units to \$528,625.** That said, on a quarterly basis (Q4 2023 – Q1 2024) there was a slight increase in median prices of 0.8% (for houses) and 0.6% (for units). This is attributed to a steady cash rate and more confident consumers. In the past 12 months (to Q1 2024), **total sales for houses rose by 10.6% to 764 sales. Unit sales on the other hand declined by -31.6% with 167 units sold.** This suggests an undersupply of properties, however, with houses in high demand this will lead to the start of a recovery in median prices. As the price recovery is still quite mild, setting more affordable prices (compared to 2021/2022) will create opportunities for first home buyers. **A total of \$201.6M of projects** are planned in the 1st half of 2024, focusing mainly on infrastructure developments. There are some ready-to-sell stock planned for construction, with an **emphasis on units (81) and residential lots (250), as opposed to dwellings (25).** This indicates now is the time for buyers to act before more property price growth.

RECENT TOP PERFORMING SUBURBS

Area	Suburb	Type	Median Price 2022	Median Price 2023/24*	Price Growth	Projects 2024***
Inner	South Hobart	House	\$863,000	\$800,000	-7.4%	\$6.2
	Hobart City	Unit	\$731,000	\$815,000	11.5%	\$1.5B
North	Lutana	House	\$628,000	\$625,000	-0.5%	\$34.0M
	Berriedale	Unit	\$412,875	\$450,000	9.0%	\$9.0M
South	Kingston	House	\$815,000	\$735,000	11.6%	\$70.7M
	Kingston	Unit	\$605,000	\$592,999	-2.0%	\$70.7M
East	Rokeby	House	\$565,000	\$567,000	0.4%	\$23.1M
	Tranmere	Unit	\$875,000	\$885,000	-1.1%	\$4.0M

METHODOLOGY

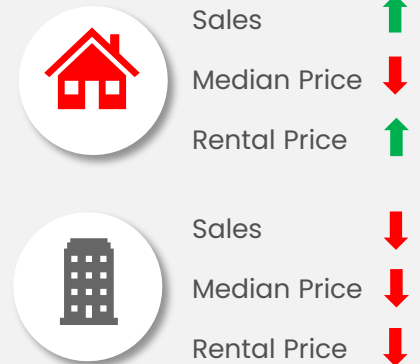
This affordable and liveable property guide for Hobart Metro analyses all suburbs within a 10km radius of the Hobart CBD. The following criteria were considered:

- Property trends criteria** – all suburbs have a minimum of 10 sales transactions for statistical reliability purposes. Based on market conditions suburbs have either positive, or as close as possible to neutral price growth between 2022 to 2023/24*.
- Investment criteria** – as of March 2024, suburbs considered will have an on-par or higher rental yield than Hobart Metro, and an on-par or lower vacancy rate.
- Affordability criteria** – identified affordable and liveable suburbs have a median price below the relevant capital city metro area, which in this report is Hobart Metro. We then calculate the percentage premiums that need to be added to the Tasmanian (TAS) average home loan, which was \$437,079** (as of Q4 2023). Premiums of 32.7% for houses and 3.0% for units were needed; below what is required to reach Hobart Metro’s median prices (58.3% for houses and 20.9% for units). The suburbs identified in this report are more affordable to buyers, as they are not required to add as high of a premium to the state average home loan.
- Development criteria** – suburbs identified must have a high total estimated value of future project development for 2024, with a high proportion of commercial and infrastructure projects. This ensures the identified suburbs show signs of sustainable economic growth. Suburbs must also show a reasonable amount of new ready-to-sell stock planned for construction, to ensure there is stock available for buyers.
- Liveability criteria** – all identified suburbs have low crime rates, availability of amenities within a 5km radius (i.e. schools, green spaces, public transport, shopping centres and health care facilities), and an unemployment rate on-par or lower in comparison to the TAS average (as determined by the Department of Jobs and Small Business, December Quarter 2023 release).

*Median price quoted captures sale transactions from 1st January 2023 to 31st March 2024, or Q1 2023 – Q1 2024. **Average home loan figure is derived from December Quarter 2023 Housing Affordability Report by the Real Estate Institute of Australia (REIA) and Adelaide Bank. ***Project development is based on aggregate of estimated construction value for residential, commercial, industrial, mixed-use and infrastructure projects scheduled to commence in 2024 as stated by the relevant data authority. ^Annual Change is reflective of median price change from Q1 2023 to Q1 2024. Figures displayed in infographics are for the period Q1 2024. Source: APM Pricerfinder, REIA, SQM Research, Cordell Connect, Department of Jobs and Small Business. © PRD 2024.

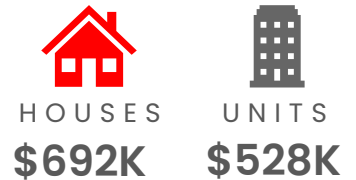
HOBART METRO

ANNUAL CHANGE [^]

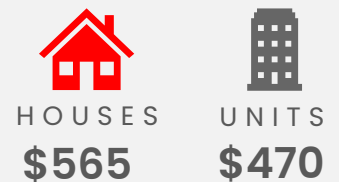


MEDIAN

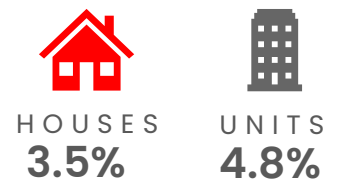
SALE PRICE



MEDIAN RENTAL PRICE



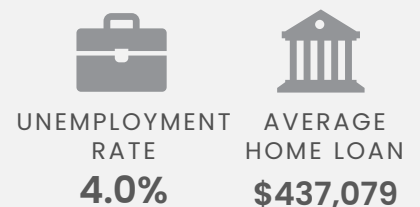
BENCHMARKS HOBART METRO



1.4%

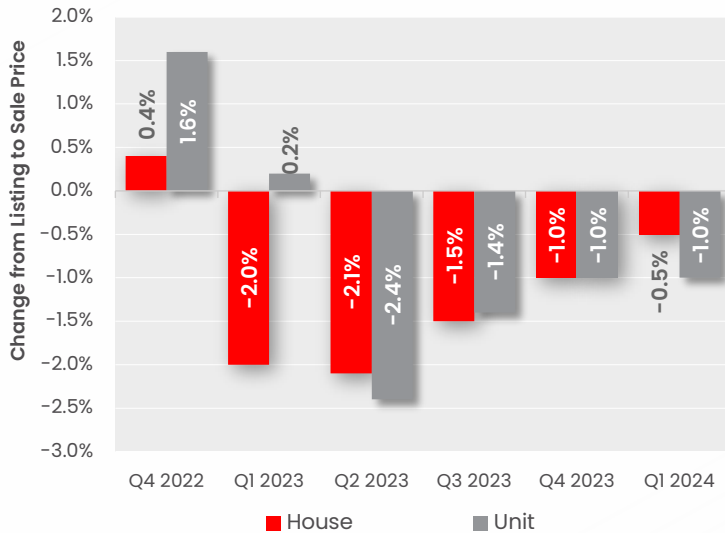
VACANCY RATE

BENCHMARKS HOBART METRO





AVERAGE VENDOR DISCOUNT

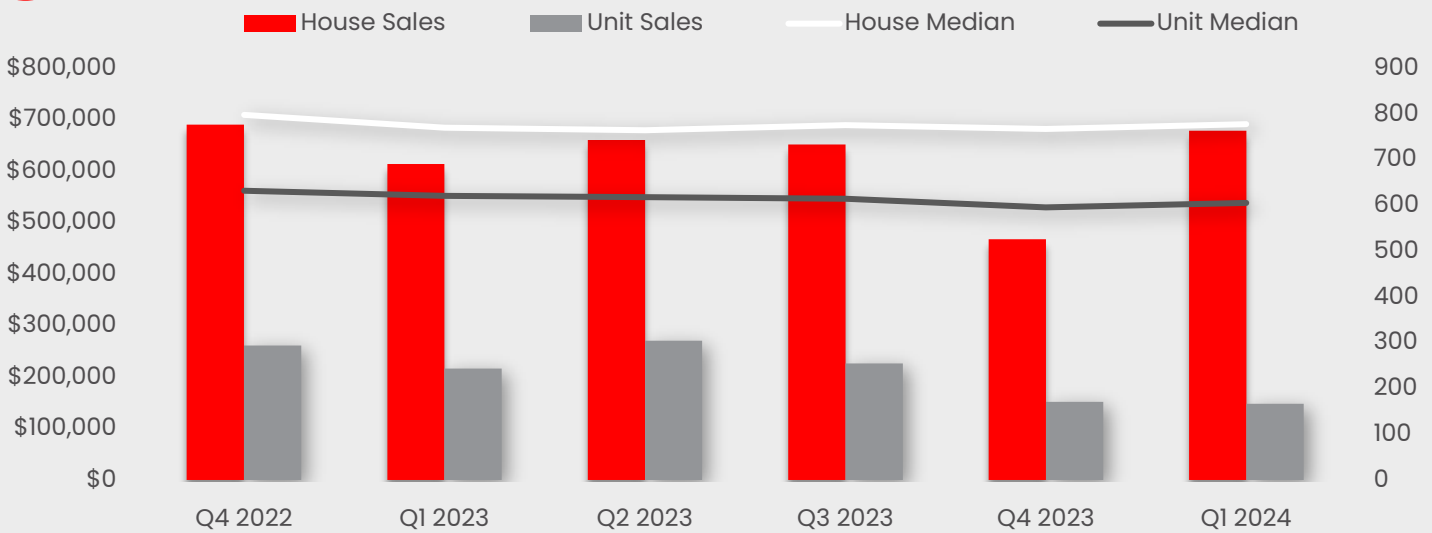


Between Q1 2023 and Q1 2024, the **average house vendor discount has tightened to a lower discount of -0.5%**, whilst **the average unit vendor discount swung from a premium to a discount of -1.0%**. There is a split market, as the Hobart Metro house market is shifting to favour sellers, where buyers must offer closer to the first list price. **Now is an ideal time to transact, before it swings to a premium.** Conversely, unit buyers can now benefit from a discount.

The **dominant proportion of houses sold in Hobart Metro across 2023/24#** were in the **middle-priced bracket between \$650,000 to \$849,999 (32.8%)**. On the other hand, **of most of the units sold were in the premium price range of \$700,000 and above (28.0%)**. This suggests there is a home for every budget in Hobart Metro, as affordable options are available; **33.1% of houses sold were under \$649,999** and **32.2% of units sold were priced less than \$499,999.**

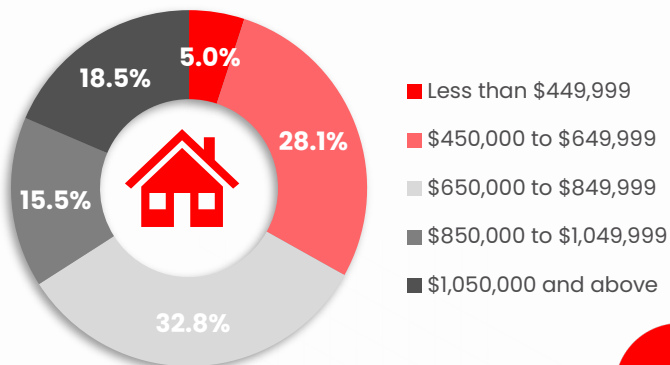


MARKET PERFORMANCE

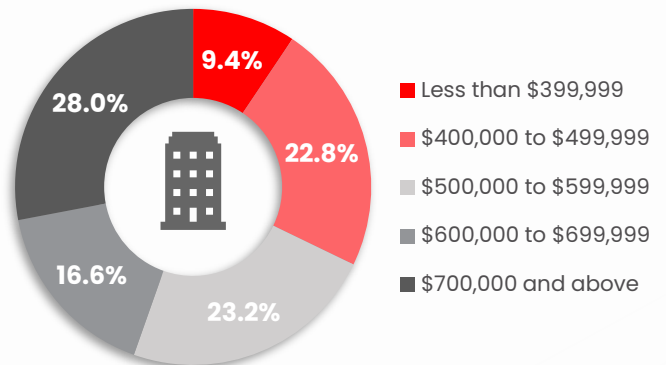


PRICE BREAKDOWN 2023/24#

HOUSES SOLD

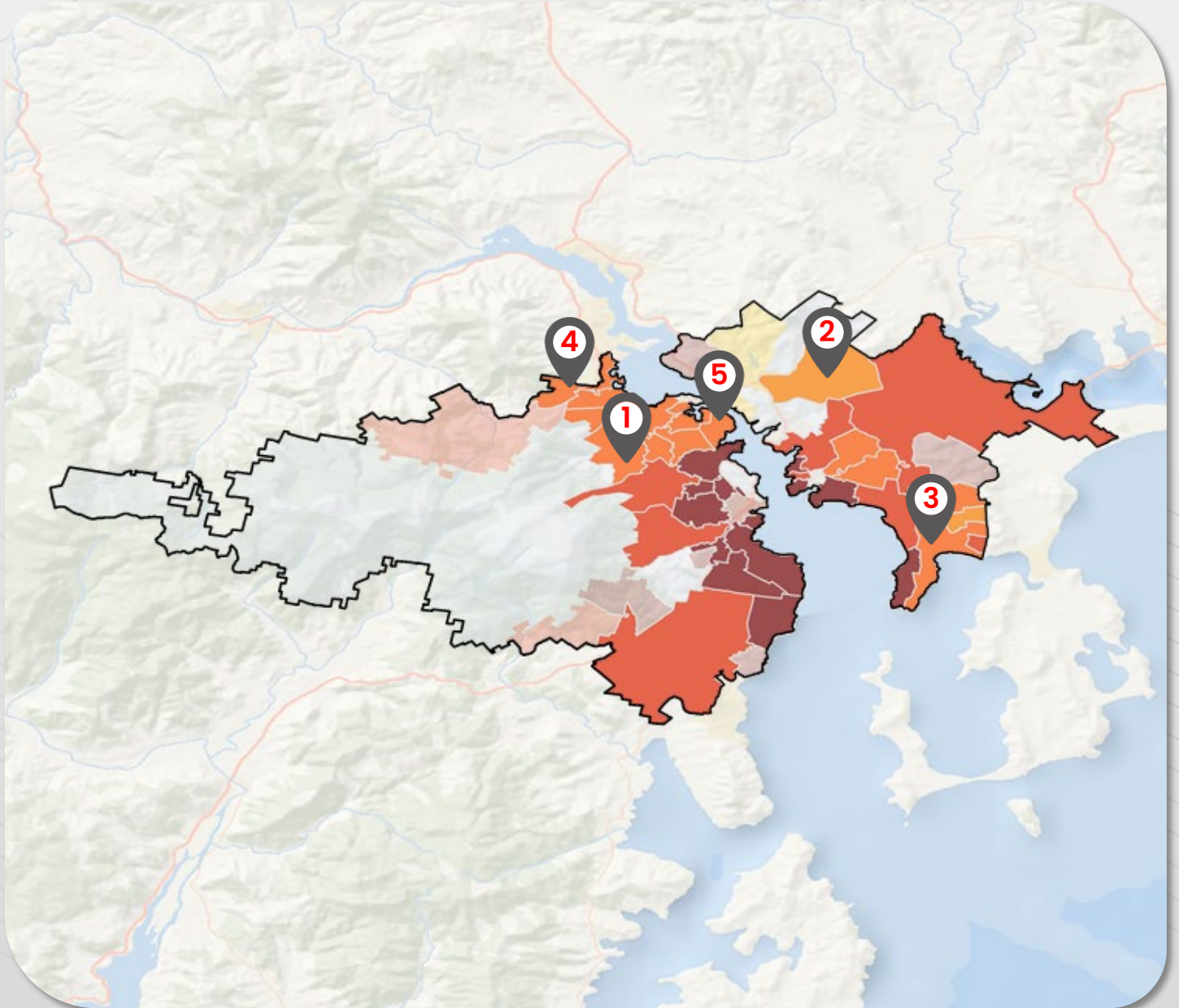


UNITS SOLD



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HOBART METRO MEDIAN HOUSE PRICES 2023/24* 20KM FROM CBD



LEGEND

- Data not available
- \$0 - \$500,000
- \$500,000 - \$800,000
- \$800,000 - \$1,000,000
- \$1,000,000 - \$2,000,000
- \$2,000,000+
- 20km from CBD
- Translucent colours for <20 sales

HOBART AFFORDABLE & LIVEABLE SUBURBS RENTAL YIELD



	Suburb	House
1	Glenorchy	4.7%
2	Risdon Vale	4.7%
3	Rokeby	4.1%



	Suburb	Unit
4	Berriedale	6.2%
1	Glenorchy	5.8%
5	Lutana	5.8%

*House median price reflected in the heat-map captures sale transactions from 1st January 2023 to 31st March 2024. Source: APM Pricerfinder, ESRI ArcGIS, SQM Research. © PRD 2024.

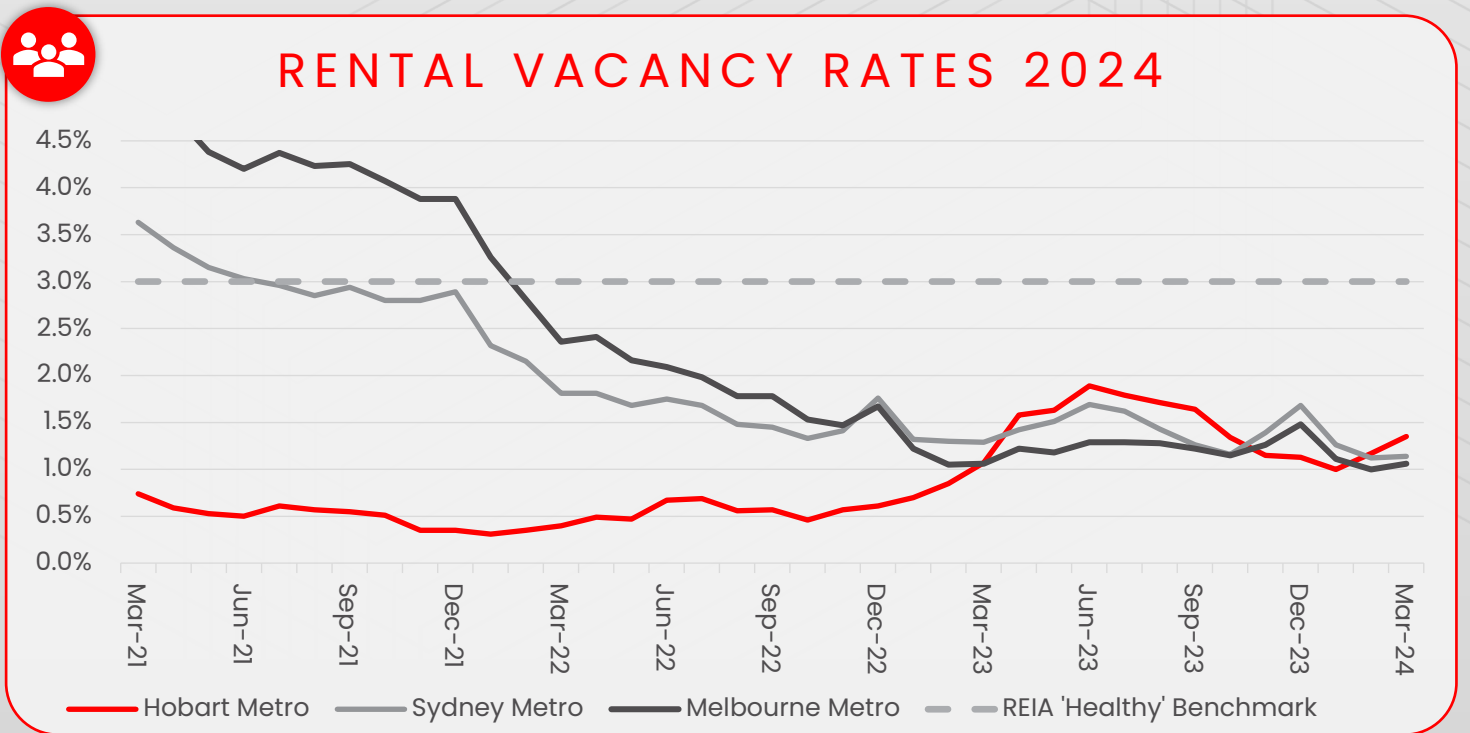
RENTAL GROWTH 2024 €

House rental yields in Hobart Metro were **3.5% higher** than Sydney and Melbourne Metros (2.9% and 3.1% respectively). In the 12 months to Q1 2024, **Hobart Metro's median house rental price increased by 0.9% to \$565 per week**, but the **number of houses rented increased by 3.8%**. This is further highlighted by low average days on the market (of 26 days). **Unit median rental prices saw a -2.1% decline**, however, with a **lower median unit sale price the unit rental yield is still 4.8%**. This is on par with Melbourne Metro (4.8%) and higher than Sydney Metro (4.6%), however, with a more affordable entry price. Overall, this creates an attractive investment option, especially for interstate investors.

2-bedroom houses and units have provided investors with the **highest annual rental growth possible**, of -1.0% and 0.0% at **\$490 and \$380, respectively**.

In March 2024, vacancy rates across Hobart, Melbourne, and Sydney remained low, with Melbourne and Sydney both at 1.1%. **Vacancy rates in Hobart Metro saw a slight increase to 1.4%** in 2024, **due to an increase in investors**. That said, it still represents a declining trend compared to 12 months prior, thus a tighter rental market overall. Further, a **1.4% vacancy rate is well below the Real Estate Institute of Australia's healthy benchmark of 3.0%**, suggesting quicker occupancy of rental properties. This confirms a conducive environment for investors, especially with a more affordable unit market.

HOUSES	2	3	4+	UNITS	1	2	3+
	BEDROOMS	BEDROOMS	BEDROOMS		BEDROOM	BEDROOMS	BEDROOMS
	-1.0%	-1.8%	-2.9%		0.0%	-1.1%	-2.5%
	\$490	\$550	\$675		\$380	\$465	\$585



RENTAL YIELD 2024§

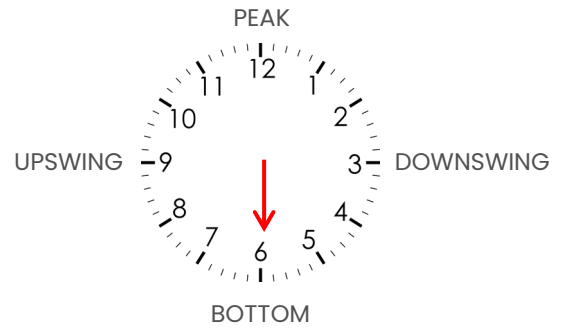
HOBART METRO		MELBOURNE METRO		SYDNEY METRO	
	HOUSES		HOUSES		HOUSES
	UNITS		UNITS		UNITS
3.5%		3.1%		2.9%	
4.8%		4.8%		4.6%	



€ Annual rental growth is a comparison between Q1 2023 – Q1 2024 (01/01/2023 – 31/03/2023 vs 01/01/2024 – 31/03/2024) house median rent figures. § Rental yields shown are as reported at March 2024. Source: APM Pricerfinder, SQM Research. © Copyright PRD 2024.



HOUSES PROPERTY CLOCK

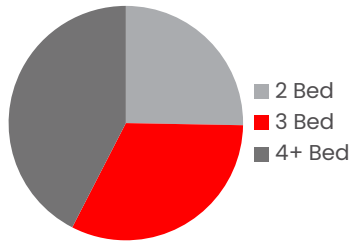


AFFORDABLE & LIVEABLE SUBURBS FOR HOUSES



GLENORCHY 7010

Located approximately **8.0km**
from the Hobart CBD.



Median House Price	\$580,000
2 Bed Median Price	\$435,000*
3 Bed Median Price	\$555,500
4+ Bed Median Price	\$730,000

Annual Median Price Growth -4.0%**

Vacancy Rate (Mar-24) 0.7%

Rental Yield (Mar-24) 4.7%

Key Amenity (5km) Northgate Shopping Centre

Total Projects (\$) \$218.3M[^]

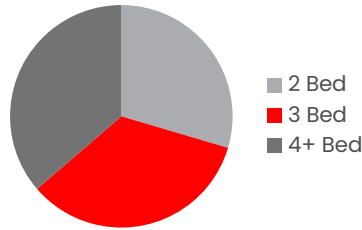
Residential Supply Planned 1st Half 2024
3 Units
0 Townhouses
47 Dwellings

Unemployment Rate 7.2%



RISDON VALE 7016

Located approximately **12.0km**
from the Hobart CBD.



Median House Price	\$460,000
2 Bed Median Price	\$386,000*
3 Bed Median Price	\$445,000
4+ Bed Median Price	\$474,000*

Annual Median Price Growth -4.3%**

Vacancy Rate (Mar-24) 1.1%

Rental Yield (Mar-24) 4.7%

Key Amenity (5km) Risdon Vale Primary School

Total Projects (\$) \$9.3M[^]

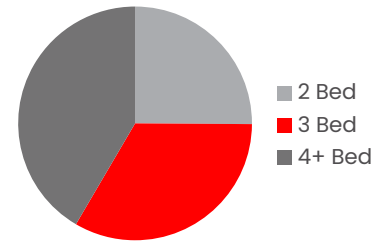
Residential Supply Planned 1st Half 2024
48 Units
0 Townhouses
0 Dwellings

Unemployment Rate 9.4%



ROKEBY 7019

Located approximately **16.0km**
from the Hobart CBD.



Median House Price	\$567,500
2 Bed Median Price	\$420,000*
3 Bed Median Price	\$557,999
4+ Bed Median Price	\$695,500*

Annual Median Price Growth 0.4%**

Vacancy Rate (Mar-24) 0.5%

Rental Yield (Mar-24) 4.1%

Key Amenity (5km) Bayview Secondary College

Total Projects (\$) \$23.1M[^]

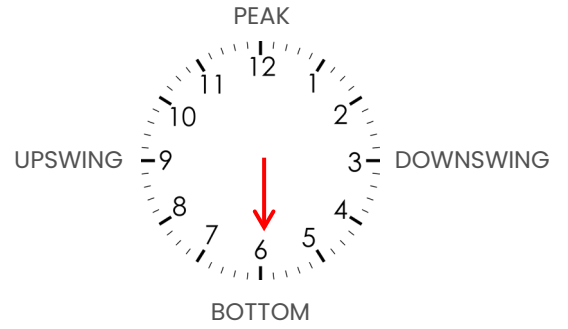
Residential Supply Planned 1st Half 2024
11 Units
0 Townhouses
12 Dwellings

Unemployment Rate 8.9%

[^]Quoted estimated values of projects are based on reported land/construction values as stated by the relevant data authority and do not signify their commercial/resale value.
^{**}Median price growth quoted captures sale transactions between Q1 2023 – Q1 2024, or 01/01/2023–31/03/2023 vs 01/01/2024–31/03/2024. Source: APM Pricerfinder, SQM Research, Cordell Connect, Department of Small Jobs and Business, Google Maps. © PRD 2024.



UNITS PROPERTY CLOCK

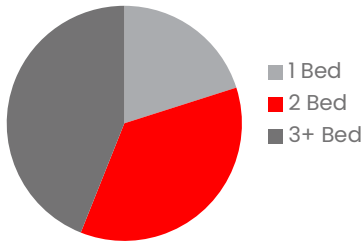


AFFORDABLE & LIVEABLE SUBURBS FOR UNITS



BERRIEDALE 7011

Located approximately **11.4km** from the Hobart CBD.



Median Unit Price	\$450,500
1 Bed Median Price	\$257,000*
2 Bed Median Price	\$460,000*
3+ Bed Median Price	\$562,500*

Annual Median Price Growth 9.0%**

Vacancy Rate (Mar-24) 0.7%

Rental Yield (Mar-24) 5.8%

Key Amenities (5km) MONA

Total Projects (\$) \$9.0M[^]

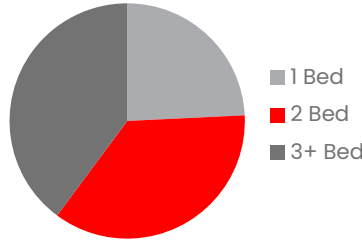
Residential Supply Planned 1st Half 2024 Units 15
0 Townhouses
0 Dwellings

Unemployment Rate 6.5%



GLENORCHY 7010

Located approximately **8.0km** from the Hobart CBD.



Median Unit Price	\$441,000
2 Bed Median Price	\$293,500*
3 Bed Median Price	\$435,000
4+ Bed Median Price	\$482,500*

Annual Median Price Growth -8.1%**

Vacancy Rate (Mar-24) 0.7%

Rental Yield (Mar-24) 5.1%

Key Amenity (5km) Northgate Shopping Centre

Total Projects (\$) \$218.3M[^]

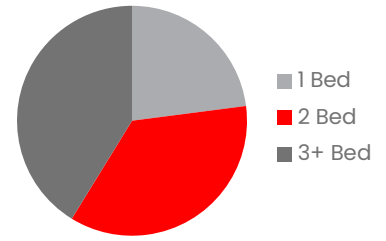
Residential Supply Planned 1st Half 2024 3 Units
0 Townhouses
47 Dwellings

Unemployment Rate 7.2%



LUTANA 7009

Located approximately **3.0km** from the Hobart CBD.



Median Unit Price	\$430,000
2 Bed Median Price	\$270,000*
3 Bed Median Price	\$421,500
4+ Bed Median Price	\$485,000*

Annual Median Price Growth -19.4%**

Vacancy Rate (Mar-24) 1.2%

Rental Yield (Mar-24) 5.1%

Key Amenity (5km) New Town Bay Golf Club

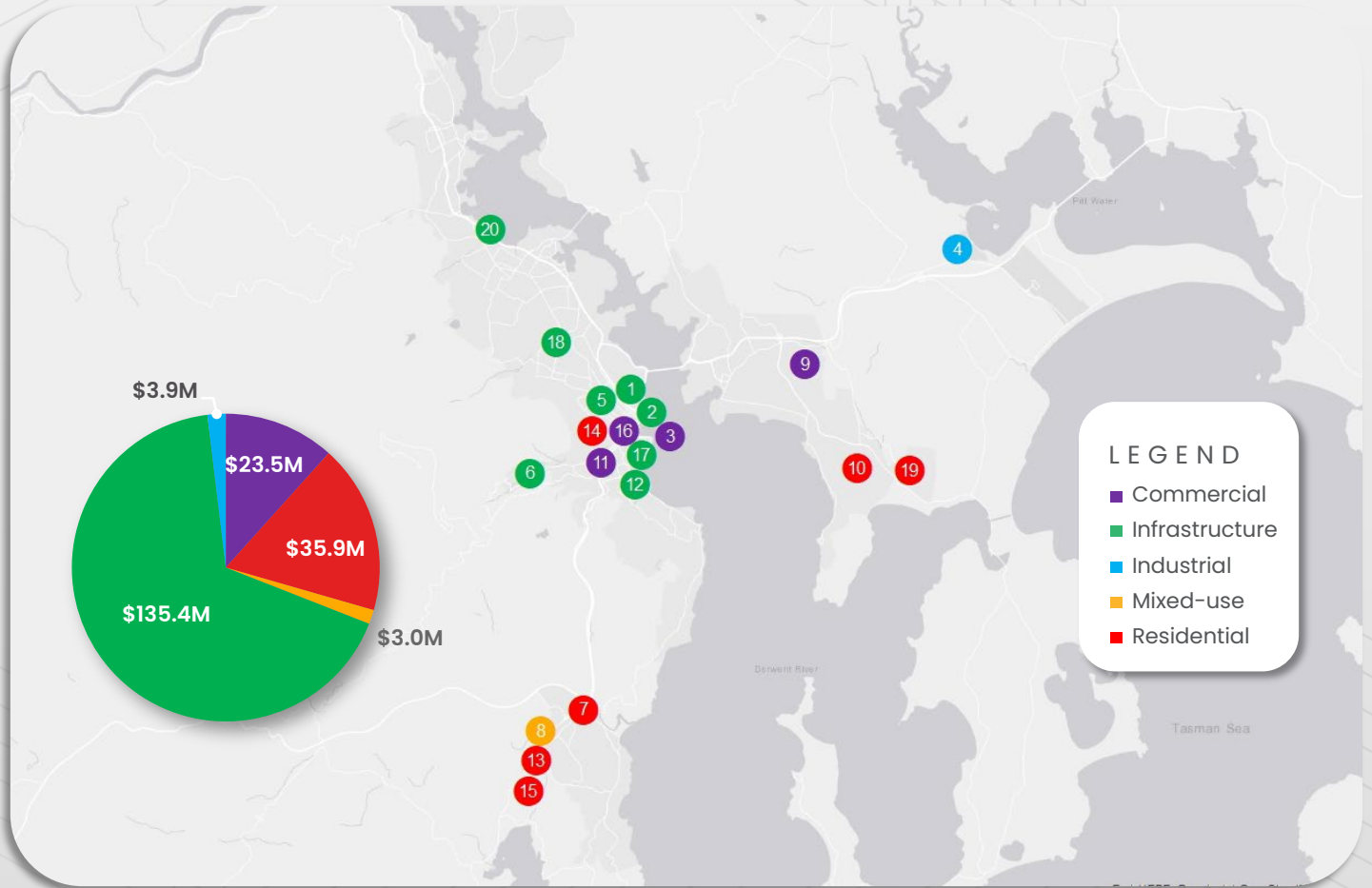
Total Projects (\$) \$351.8M[^]

Residential Supply Planned 1st Half 2024 0 Units
0 Townhouses
0 Dwellings

Unemployment Rate 1.2%

[^]Quoted estimated values of projects are based on reported land/construction values as stated by the relevant data authority and do not signify their commercial/resale value.
^{**}Median price growth quoted captures sale transactions between Q1 2023 – Q1 2024, or 01/01/2023–31/03/2023 vs 01/01/2024–31/03/2024. Source: APM Pricerinder, SQM Research, Cordell Connect, Department of Small Jobs and Business, Google Maps. © PRD 2024.

PROJECT DEVELOPMENT MAP 1st HALF 2024*



Location	Project [†]	Type	Estimated Value ^µ	Suburb
1	Royal Hobart Hospital Emergency Department Expansion (State Government)	Infrastructure	\$74,800,000	Hobart
2	Macquarie & Davey Streets Bus Improvements (State Government)	Infrastructure	\$1,849,019	Hobart
3	CSIRO Hobart Aquaculture Precision Genome Engineering Facility	Commercial	\$1,850,000	Battery Point
4	10 Cessna Way Warehouses	Industrial	\$2,250,000	Cambridge
5	Macquarie Point Civil & In-situ Solidification Remediation Works (State Government)	Infrastructure	\$2,414,145	Hobart
6	Department Of Communities Site Redevelopment Program Round 5 (State Government)	Infrastructure	\$2,800,000	South Hobart
7	7 Goshawk Way Kingston - Stage 2 Dwellings (13 Dwellings)	Residential	\$3,000,000	Kingston
8	63 Spring Farm Road Mixed Used Development (Childcare + Medical Centre)	Mixed-Use	\$3,000,000	Kingston
9	Metro Bus Hydrogen Refuelling Station Depot Additions	Commercial	\$3,000,000	Mornington
10	Hobart City Mission Dwellings Rokeby (12 Dwellings)	Residential	\$3,000,000	Rokeby
11	Respect St Anns Residential Aged Care Home - Davey Street Hobart	Commercial	\$3,700,000	Hobart
12	Battery Point Foreshore Walkway (Local Government)	Infrastructure	\$5,000,000	Battery Point
13	1179 Channel Highway Units (24 Units)	Residential	\$6,000,000	Huntingfield
14	199 Macquarie Street & 49 Molle Street Hobart Dwellings (45 Dwellings)	Residential	\$8,000,000	Hobart
15	Huntingfield Masterplan Residential Subdivision Stages 2 & 3 (250 Lots)	Residential	\$12,500,000	Huntingfield
16	Hobart Private Hospital Vibe Building Conversion	Commercial	\$13,000,000	Hobart
17	Anglesea Barracks - Paterson Building Works (Federal)	Infrastructure	\$14,500,000	Hobart
18	St Johns Park Mental Health Facility - New Town (State Government)	Infrastructure	\$20,000,000	New Town
19	28-30 Highgrove Road Units (5 Units)	Residential	\$1,650,000	Rokeby
20	Montrose Bay Foreshore Reserve Jetty & Gangway Refurbishment (State Government)	Infrastructure	\$1,500,000	Montrose

Project development map showcases a sample of upcoming projects only, due to accuracy of addresses provided by the data provider for geocoding purposes. † Top Projects are based on suburbs located within a 20km radial distance of the Hobart CBD. µ Estimated value is the value of construction costs provided by relevant data authority, it does not reflect the project's sale/commercial value. Source: Cordell Connect database, ESRI ArcGIS. © PRD 2024.

ABOUT PRD'S RESEARCH DIVISION

PRD's property research division provides reliable and unbiased data, insights and consultancy to clients in both metro and regional locations across Australia.

Our extensive research capability and specialised approach ensures our clients can make the most informed and financially sound decisions about residential and commercial properties.

KNOWLEDGE

Access to accurate and objective research is the foundation of all good property decisions. PRD shares on-the-ground experience and decades of knowledge to deliver innovative and effective solutions to our clients.

We take a holistic approach and focus on understanding new issues impacting the property industry; such as the environment and sustainability, the economy, demographic and psychographic shifts, commercial and residential design, and forecast future implications around such issues based on historical data and facts.

PEOPLE

Our in-house research team is skilled in deriving macro and micro quantitative information from multiple credible sources, so we can ensure we provide strategic advice and financially sound direction regarding property and market performance.

RESEARCH SERVICES

Our research services span over every suburb, Local Government Area, and state within Australia. We have the ability and systems to monitor market movements, demographic changes and property trends. We use our knowledge of market sizes, price structure and buyer profiles to identify opportunities for clients and provide market knowledge that is unbiased, thorough and reliable.

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Our services include:

- Advisory & consultancy
- Market analysis including profiling & trends
- Primary qualitative & quantitative research
- Demographic & target market analysis
- Geographic information mapping
- Project analysis including product & pricing recommendations
- Rental & investment return analysis

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