



HOBART

HOBART CAPITAL CITY REVIEW

 **PERFORMANCE**
PROPERTY RESEARCH

DISCLAIMER

The data presented in this report are sourced from 3rd party resources that we have selected due to their reliability and availability over the historical periods that we require for our research to be relevant. Due to the fact that the current year is not yet complete, data presented for the current year are estimated to represent a full year.

HOBART AT A GLANCE

CURRENT MEDIAN HOUSE

\$631,500

CURRENT MEDIAN UNIT

\$488,667

In the current stage of cycle

The Sunshine Coast house market has a **Downside Risk Rating** while the unit market has a **Downside Risk Rating**.

If buying houses, it would be best suited to a **Long Term Strategy**.

If buying units, it would be best suited to a **Long Term Strategy**.

We classify the Hobart house market currently as a **Long Term High Risk Investment**, and the Hobart unit market as a **Medium term High Risk Investment** based on the stage of cycle.

Legend

Medium Term Strategy = **4 to 7 years**

Long Term Strategy = **10+ years**



Average Days
on Market

Houses : **35**

Units : **33**



POPULATION



Current: **232,450**

Current Growth Rate: **0.40%**

Avg 10 Yr Growth Rate: **1.33%**

UNEMPLOYMENT
RATE

4.4%

LONG TERM (1983) COMPOUNDED
GROWTH PA IS **6.21%** FOR
HOUSES & **5.83%** FOR UNITS.

Houses the last 3 years have seen
-0.96% PA growth, units -2.67%.

6.21%

HOUSE
YIELD

3.8%

UNIT
YIELD

4.3%

EXECUTIVE SUMMARY

SHORT-TERM MARKET INDICATORS

Negative

■	Affordability Index HOUSE V. Price Movement.....	08
■	TAS HH Lending Oc V investor Monthly	09
■	Stock on Market V. Avg Days on Market	10
■	Vacancy Rate V. Median Rent	11
■	Job Creation Index.....	12

SUPPLY & DEMAND - Slightly Positive

Does Demand Exceed Supply?

■	Change in Population	13
■	Population Movement	14
■	Bedrooms V. Population Change	15

AFFORDABILITY - Negative

Is Property Affordable?

■	Affordability Index HOUSE V. Price Movement	08
■	Affordability Index UNITS V. Price Movement	16
■	Price to Income Ratio	17
■	Rent to Income V Affordability.....	18
■	FHBs as % of Population	19

CONFIDENCE - Positive

Is There Confidence In The Market?

■	Unemployment Rate	20
■	Underemployment Rate	21
■	State Job Vacancies	22
■	Business Investment	23

MONEY SUPPLY - Slightly Positive

Will There Be More or Less Money Into The Economy?

■	Gross State Product V. Median Price Movement.....	24
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INVESTMENT VALUE - Neutral

Is This Market Showing Value?

■	Yield V. Interest Rates	25
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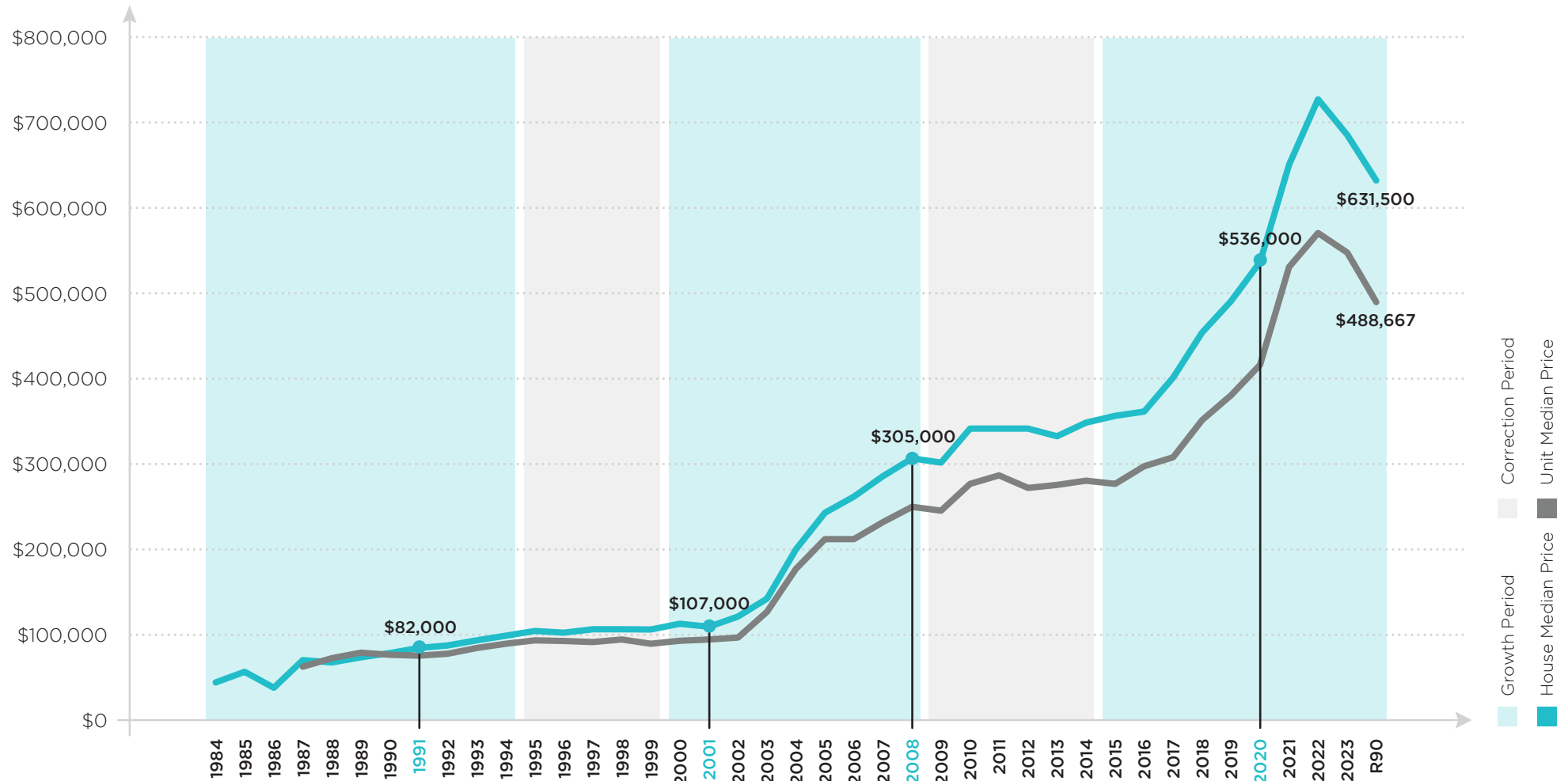
RISK - Neutral

Is There Potentially Downside Volatility?

■	Affordability Index HOUSE V. Price Movement.....	08
■	Price to Income Ratio	17
■	Industry Value Added	29
■	Population Pyramid.....	30

■	Positive
■	Slightly Positive
■	Neutral
■	Slightly Negative
■	Negative

HOBART HOUSE PRICE MOVEMENT



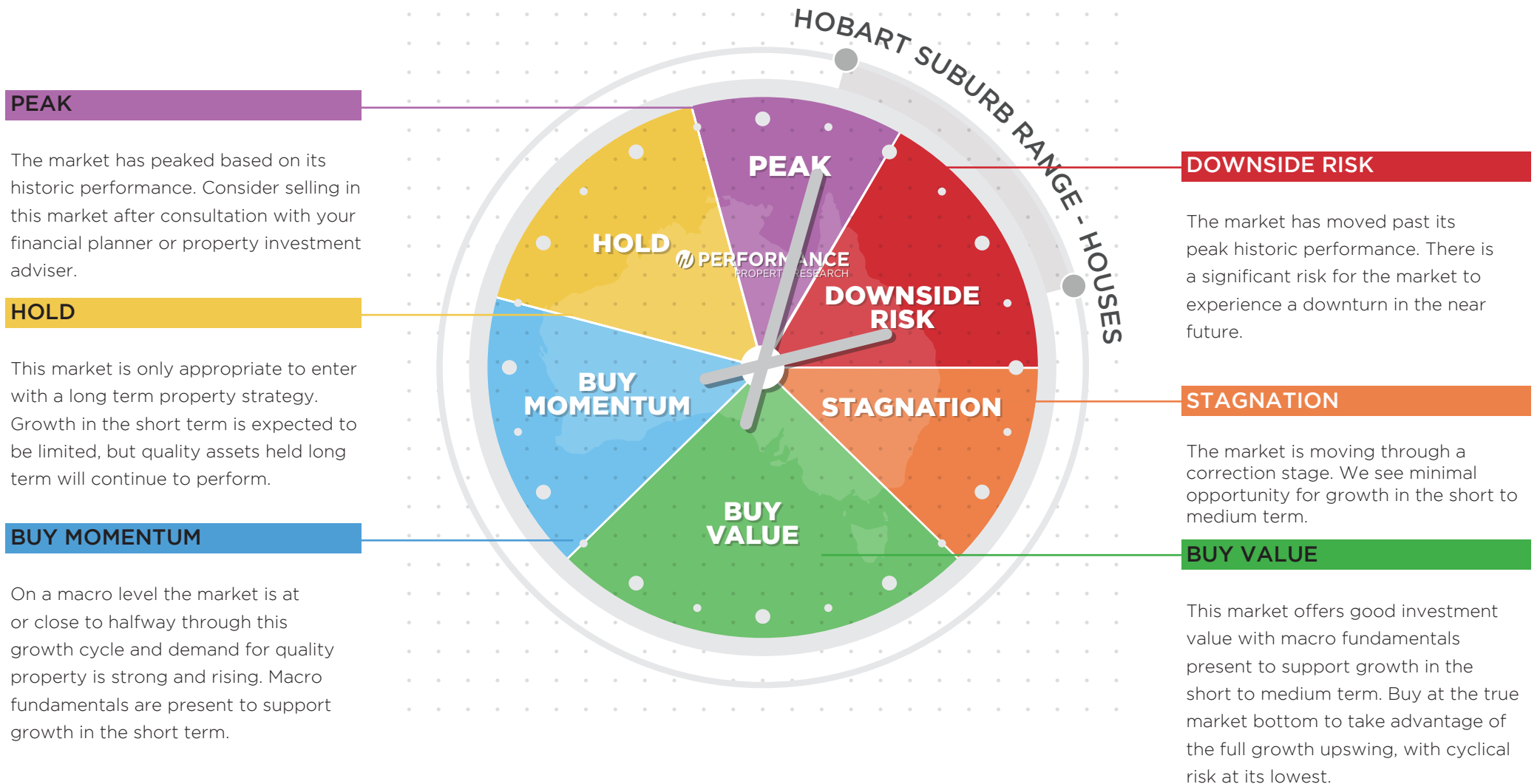
1991
Major Recession
Cash Rate: 8.5%
Inflation: 4.8%
National Unemployment: 11.3%

2001
Dot Com Crash
Cash Rate: 4.5%
Inflation: 6.1%
National Unemployment: 6.9%

2008
GFC
Cash Rate: 5.3%
Inflation: 5%
National Unemployment: 6.2%

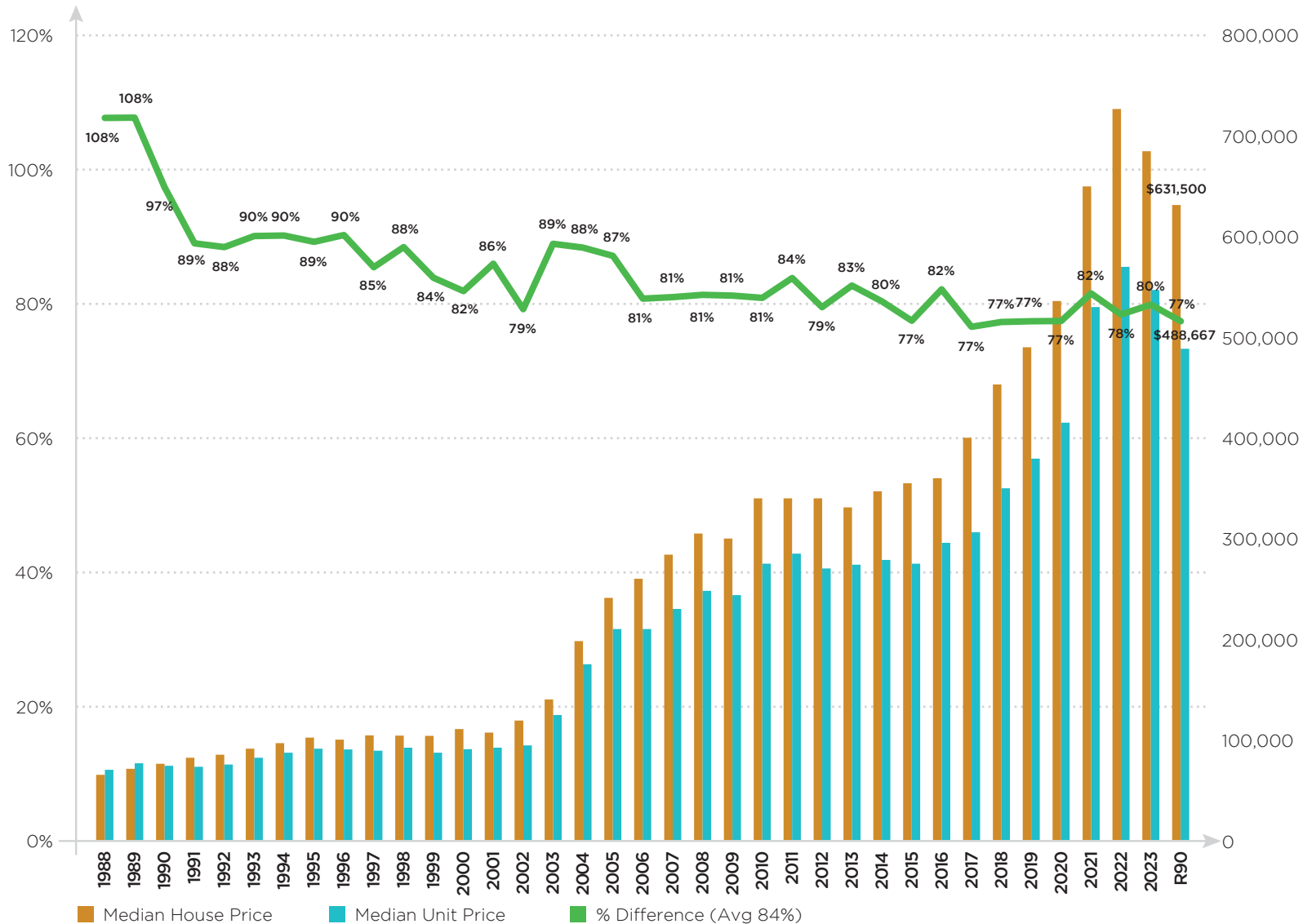
2020
Covid-19
Cash Rate: 0.25%
Inflation: 1.8%
National Unemployment: 7.9%

OUR VIEW OF THE HOBART HOUSE MARKET



For more information on the Hobart market, including individual property and suburb information, call to speak to one of our professional property advisors on (03) 8539 0300.

HOUSE V. UNIT PRICE MOVEMENTS



SLIGHTLY
POSITIVE

OUR VIEW OF THE HOBART **UNIT** MARKET

PEAK

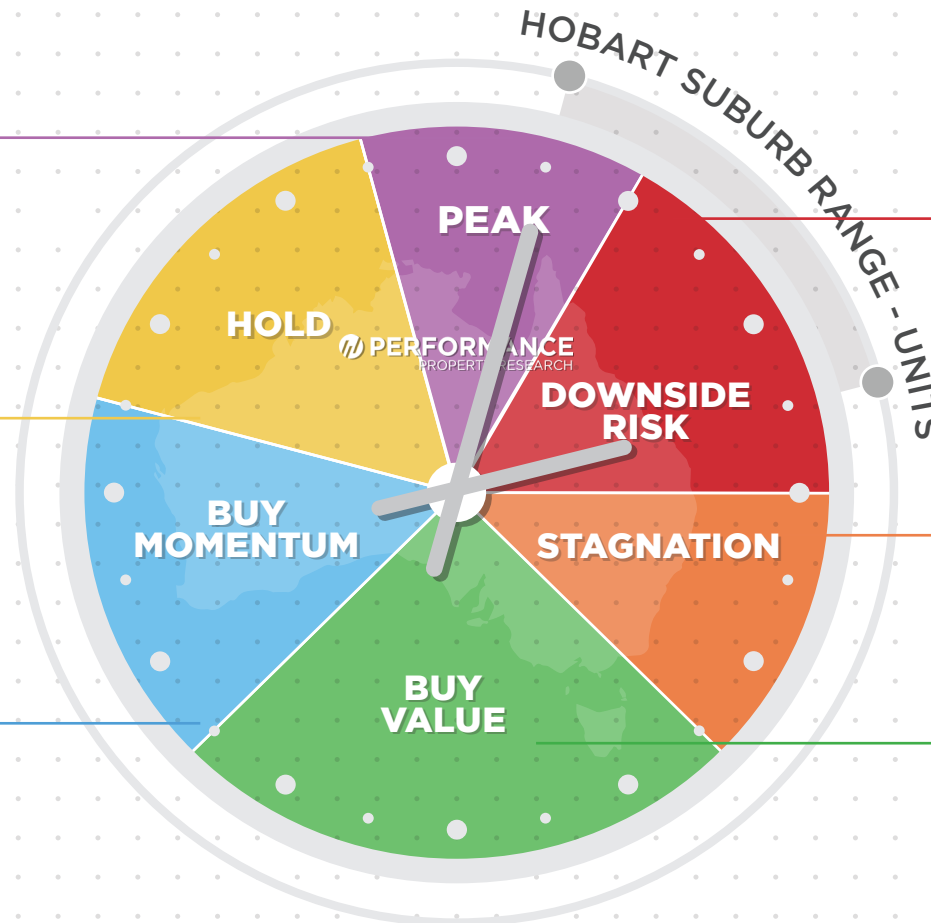
The market has peaked based on its historic performance. Consider selling in this market after consultation with your financial planner or property investment adviser.

HOLD

This market is only appropriate to enter with a long term property strategy. Growth in the short term is expected to be limited, but quality assets held long term will continue to perform.

BUY MOMENTUM

On a macro level the market is at or close to halfway through this growth cycle and demand for quality property is strong and rising. Macro fundamentals are present to support growth in the short term.



DOWNSIDE RISK

The market has moved past its peak historic performance. There is a significant risk for the market to experience a downturn in the near future.

STAGNATION

The market is moving through a correction stage. We see minimal opportunity for growth in the short to medium term.

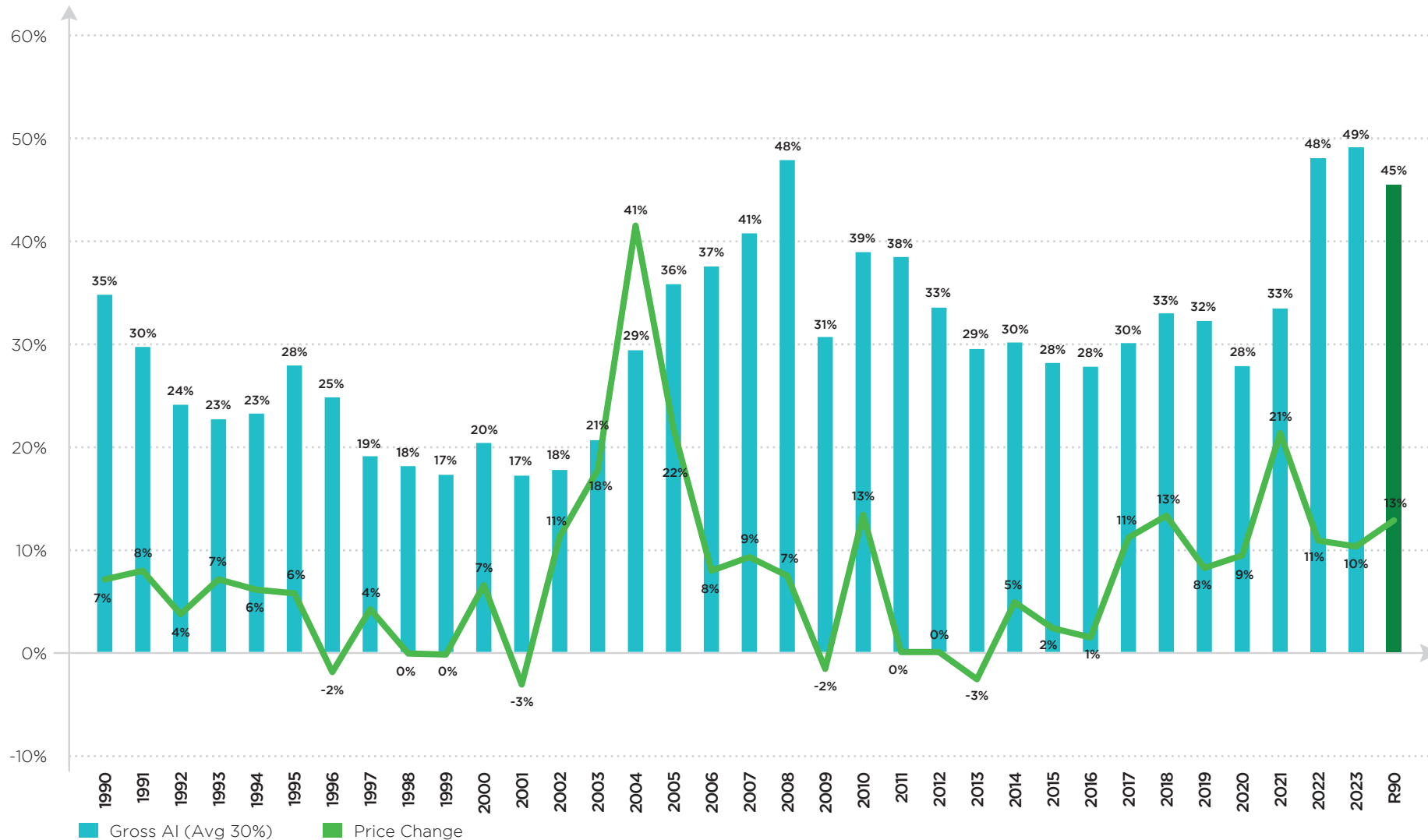
BUY VALUE

This market offers good investment value with macro fundamentals present to support growth in the short to medium term. Buy at the true market bottom to take advantage of the full growth upswing, with cyclical risk at its lowest.

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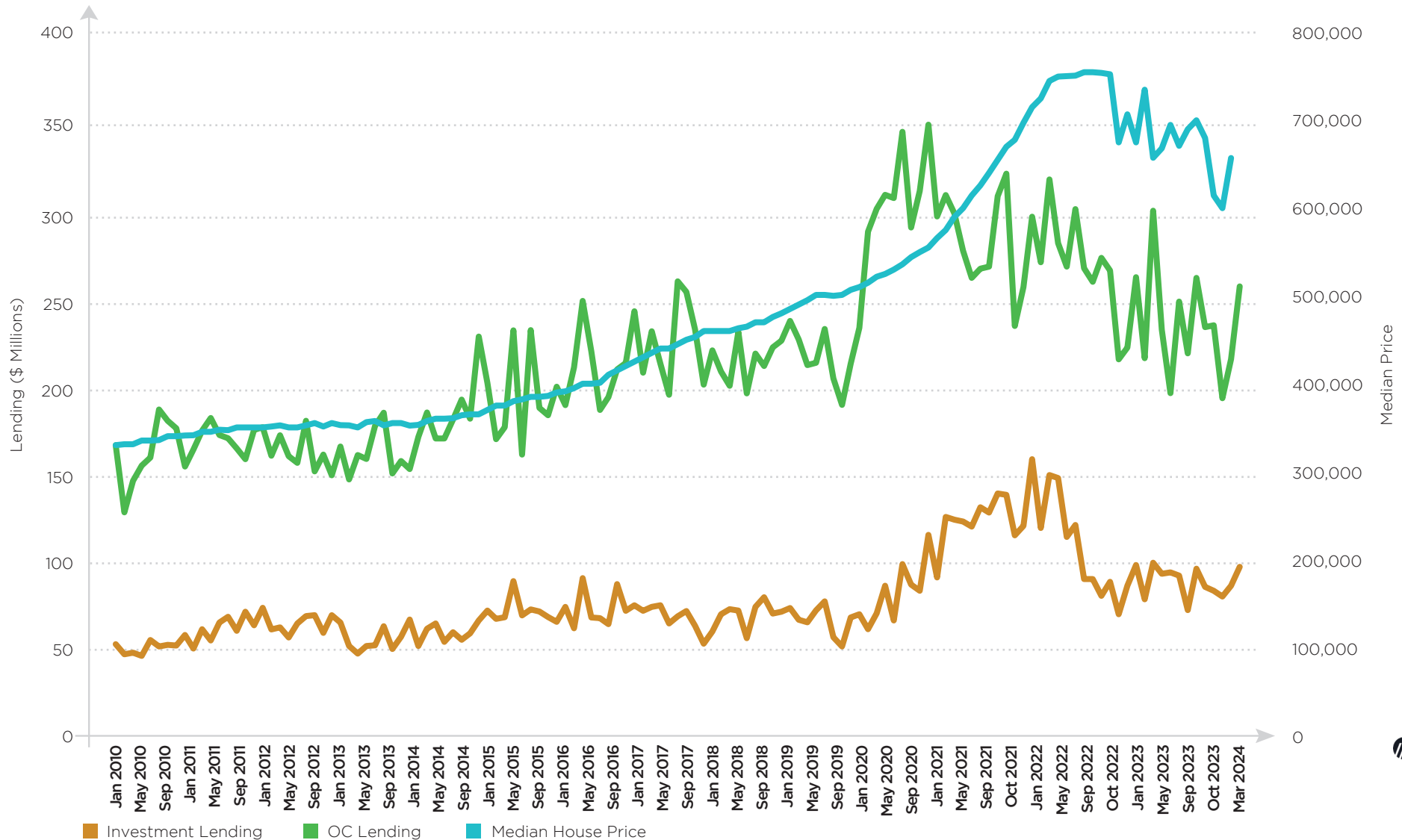
AFFORDABILITY INDEX V. PRICE MOVEMENT - HOUSE

This graph displays the impact interest rates have on house price movements. Performance Property's Gross Affordability Index (AI) is a measure of the average mortgage repayments versus the average income. The AI is calculated using the median price, average wage (before tax), assumes a 20% deposit, the current variable interest rate and Principle & Interest repayments over a 30 year loan term.



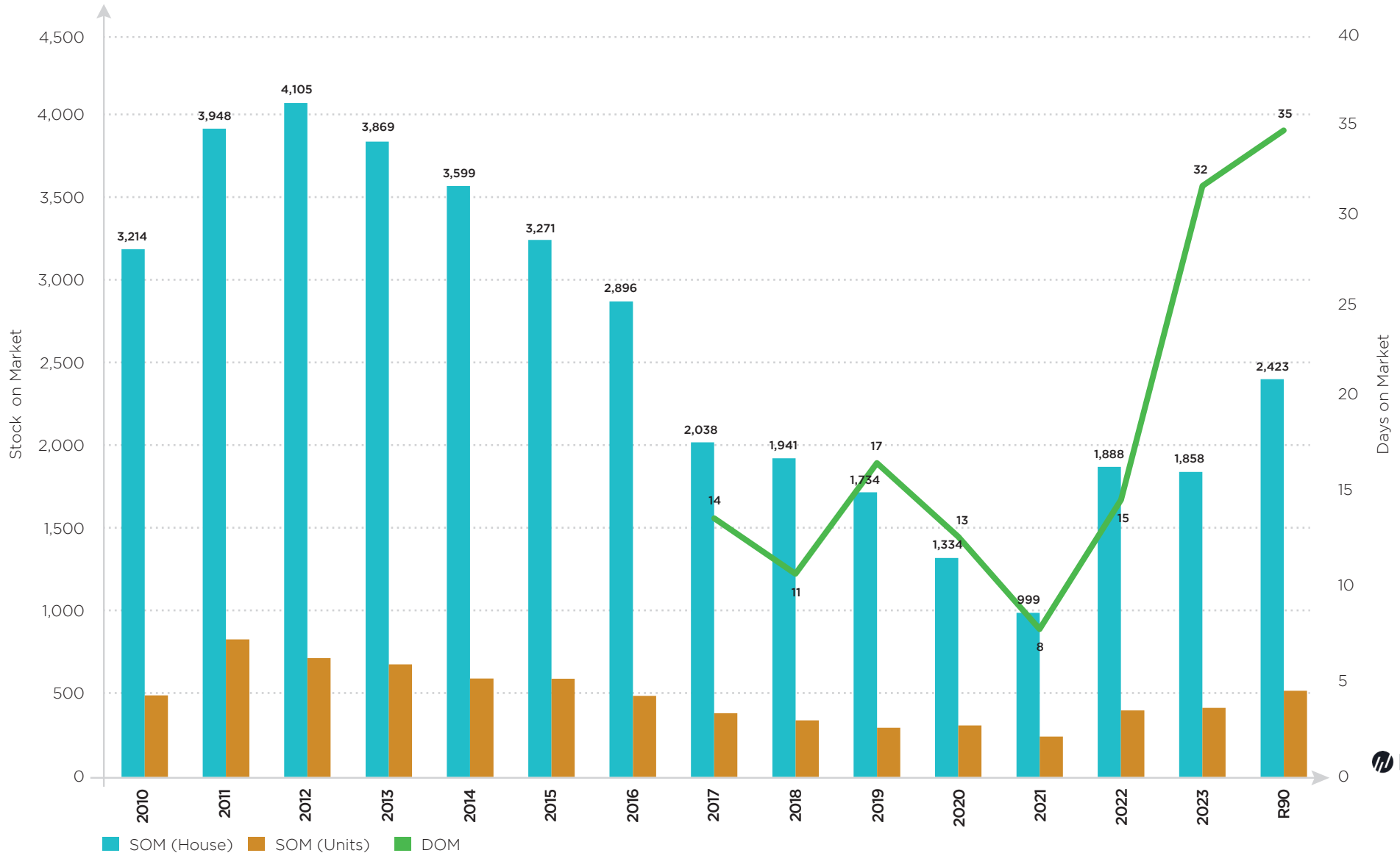
TAS MONTHLY HH LENDING TO OC V. MEDIAN HOUSE PRICE

This graph displays the value of housing finance for the state each month for owner occupiers and investors versus the median house price.



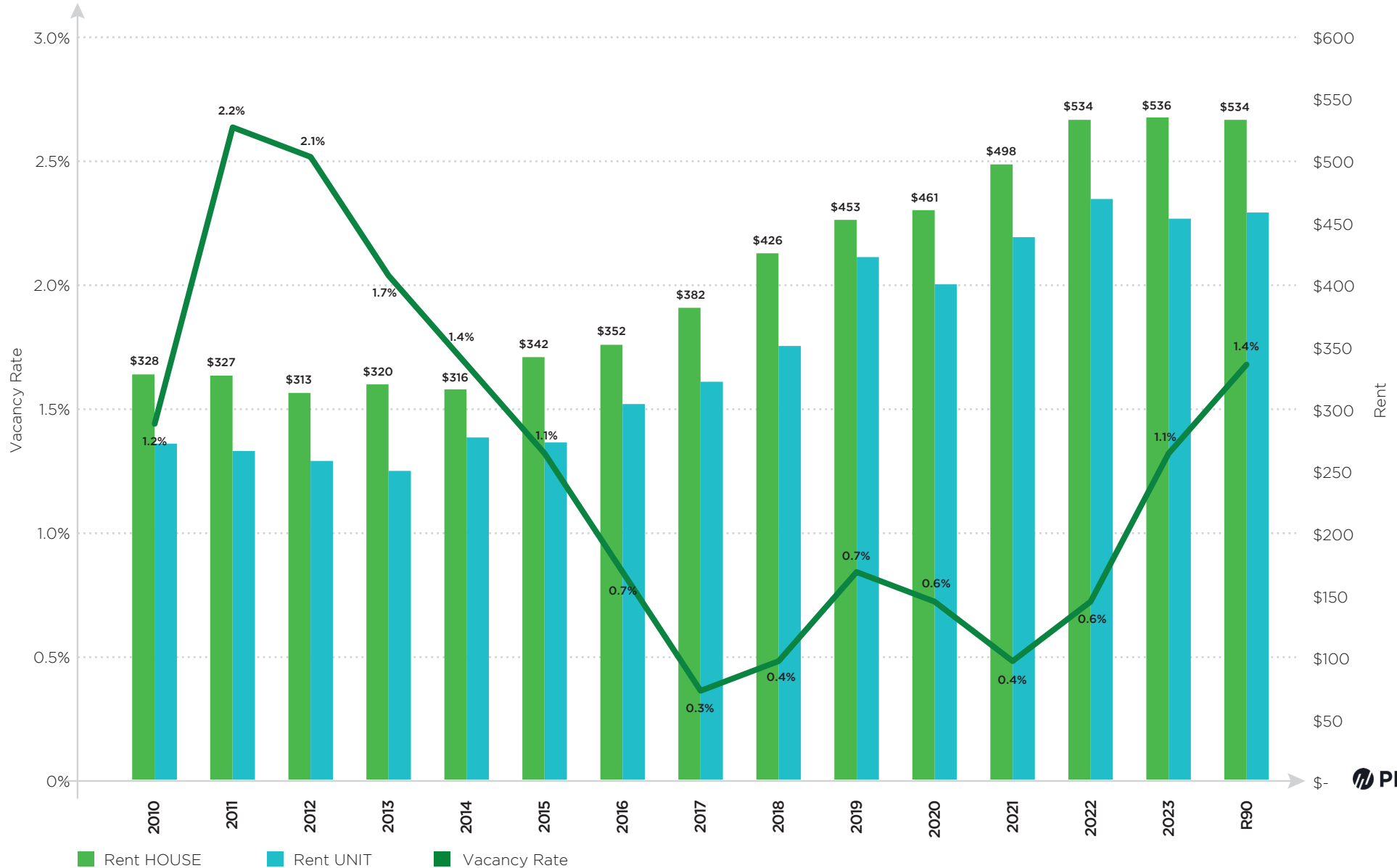
STOCK ON MARKET V. AVG DAYS ON MARKET

This graph displays the average days on market and stock on market in one month of each year.



VACANCY RATE V. RENT

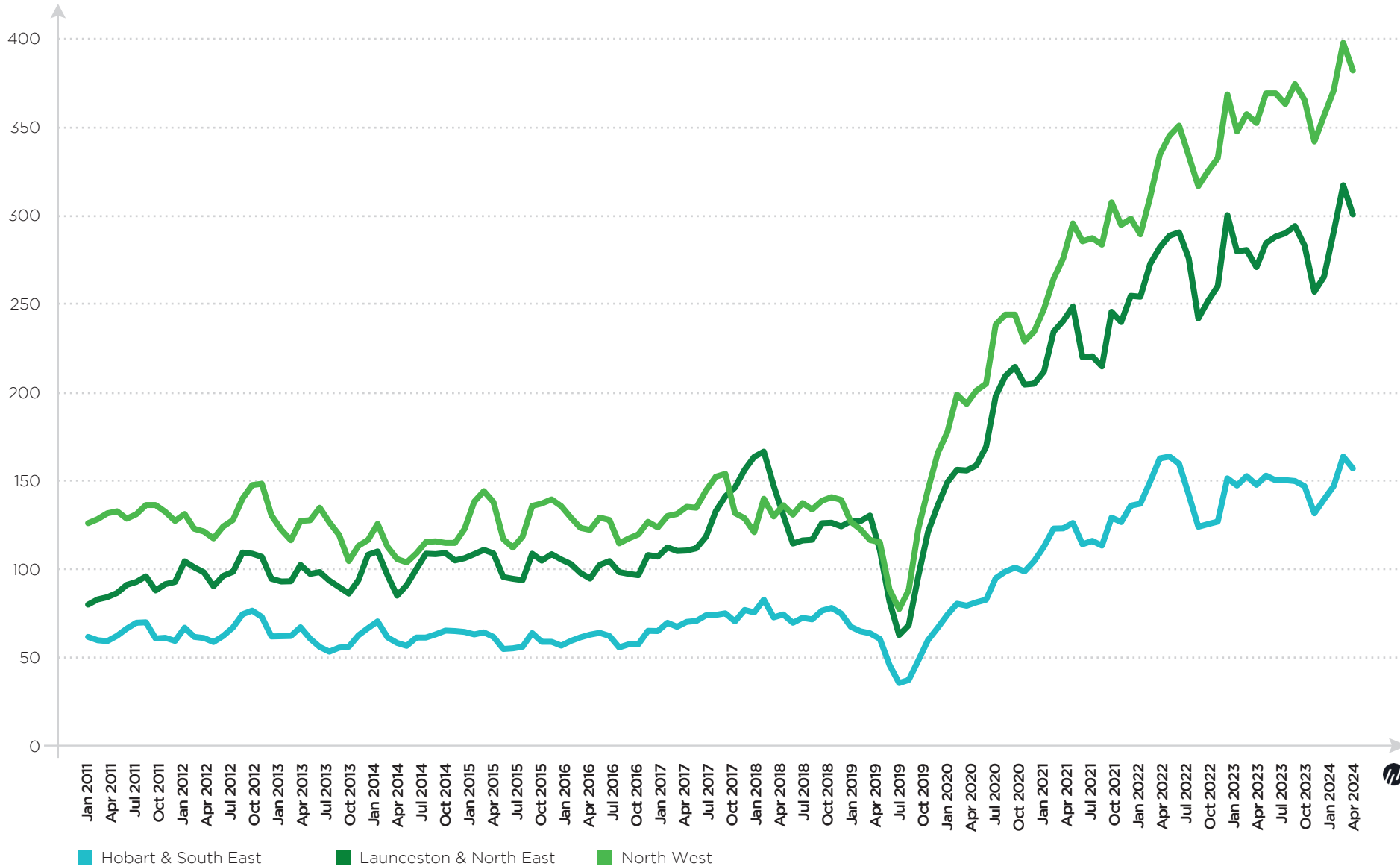
This graph displays the relationship between rental growth for both houses and units and the vacancy rate.



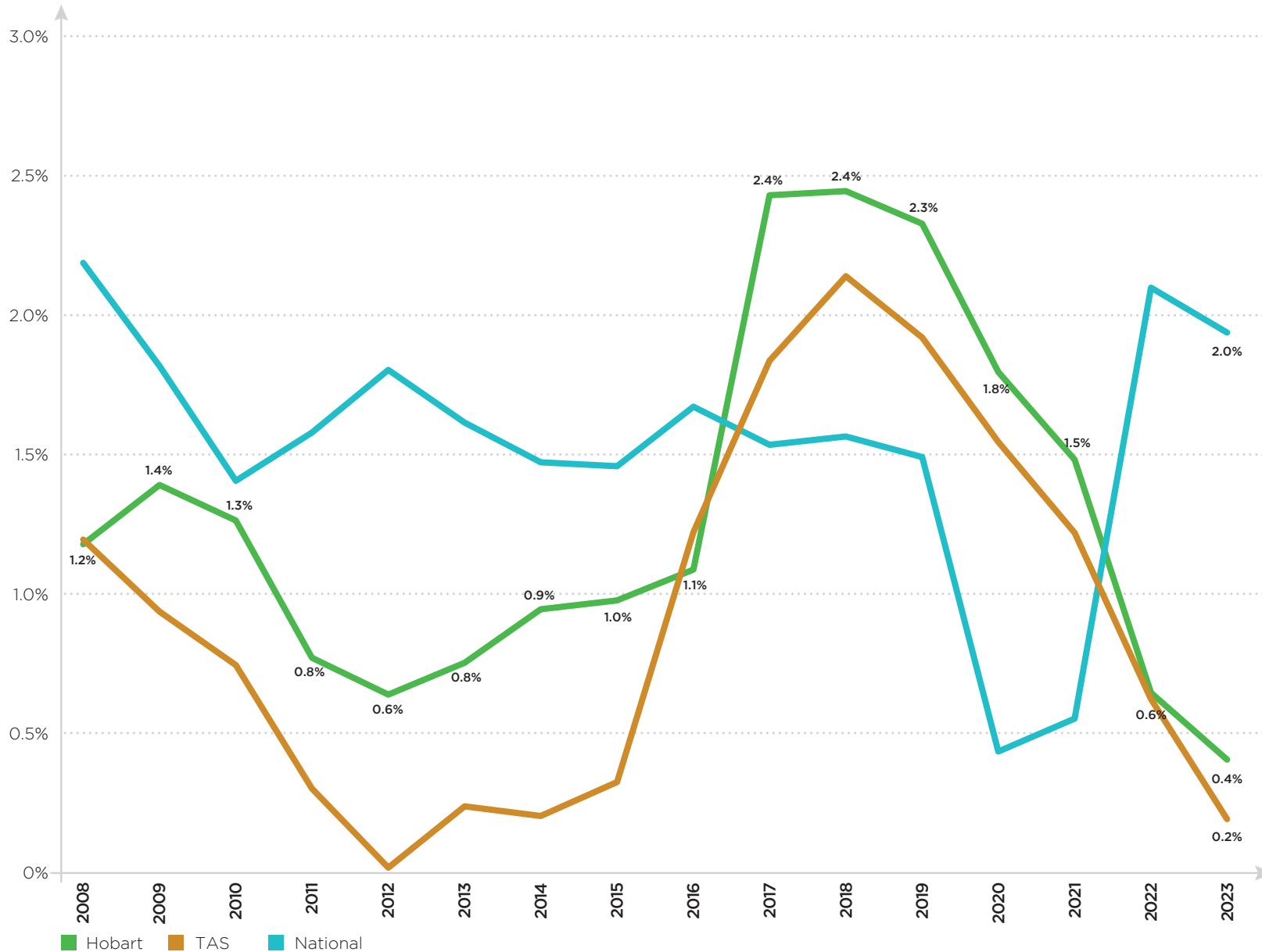
SLIGHTLY
NEGATIVE

JOB CREATION INDEX - HOBART & SOUTH EAST TASMANIA

This graph shows the internet vacancy index for online job advertisements on the three major job boards.

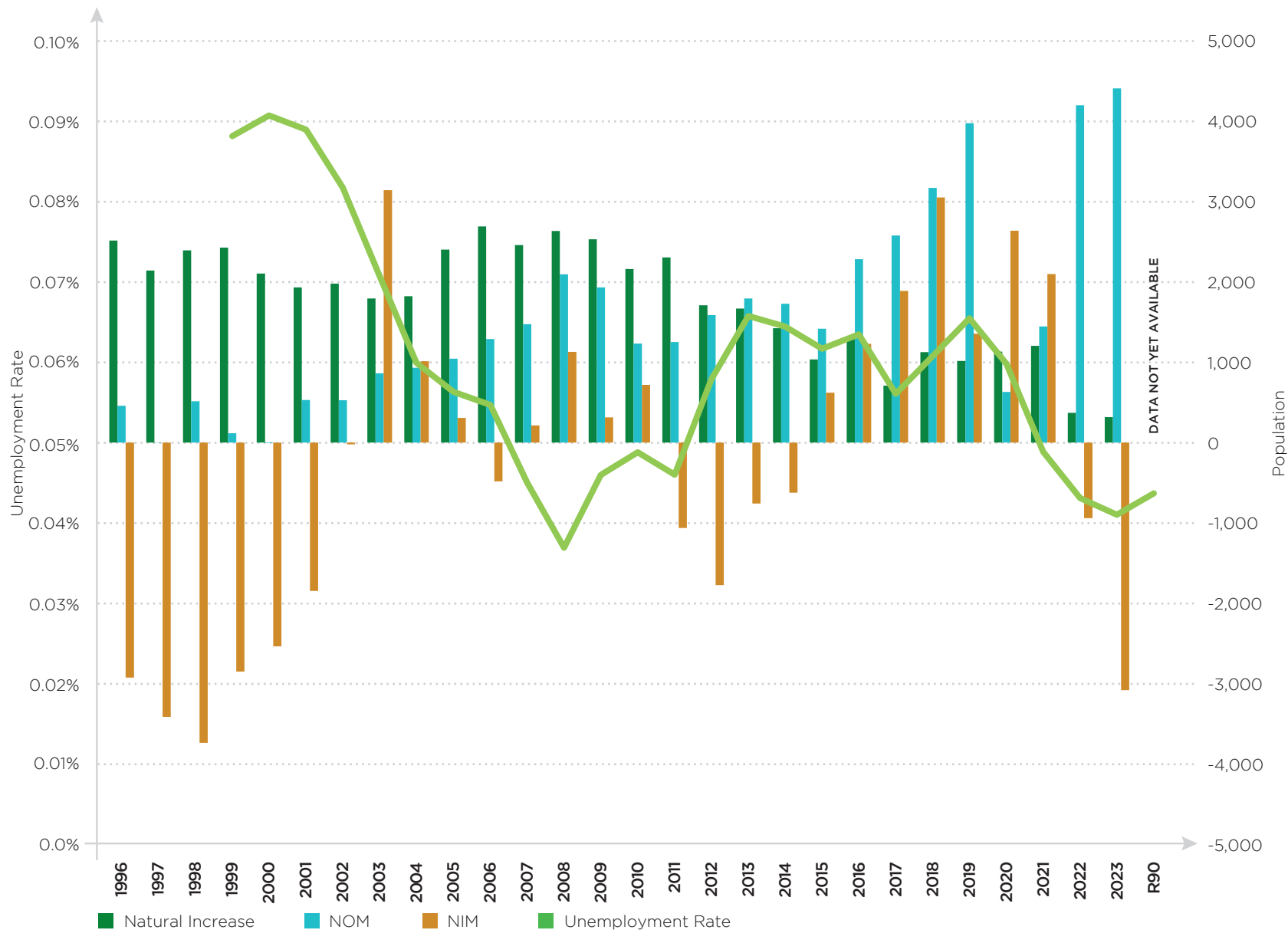


CHANGE IN POPULATION



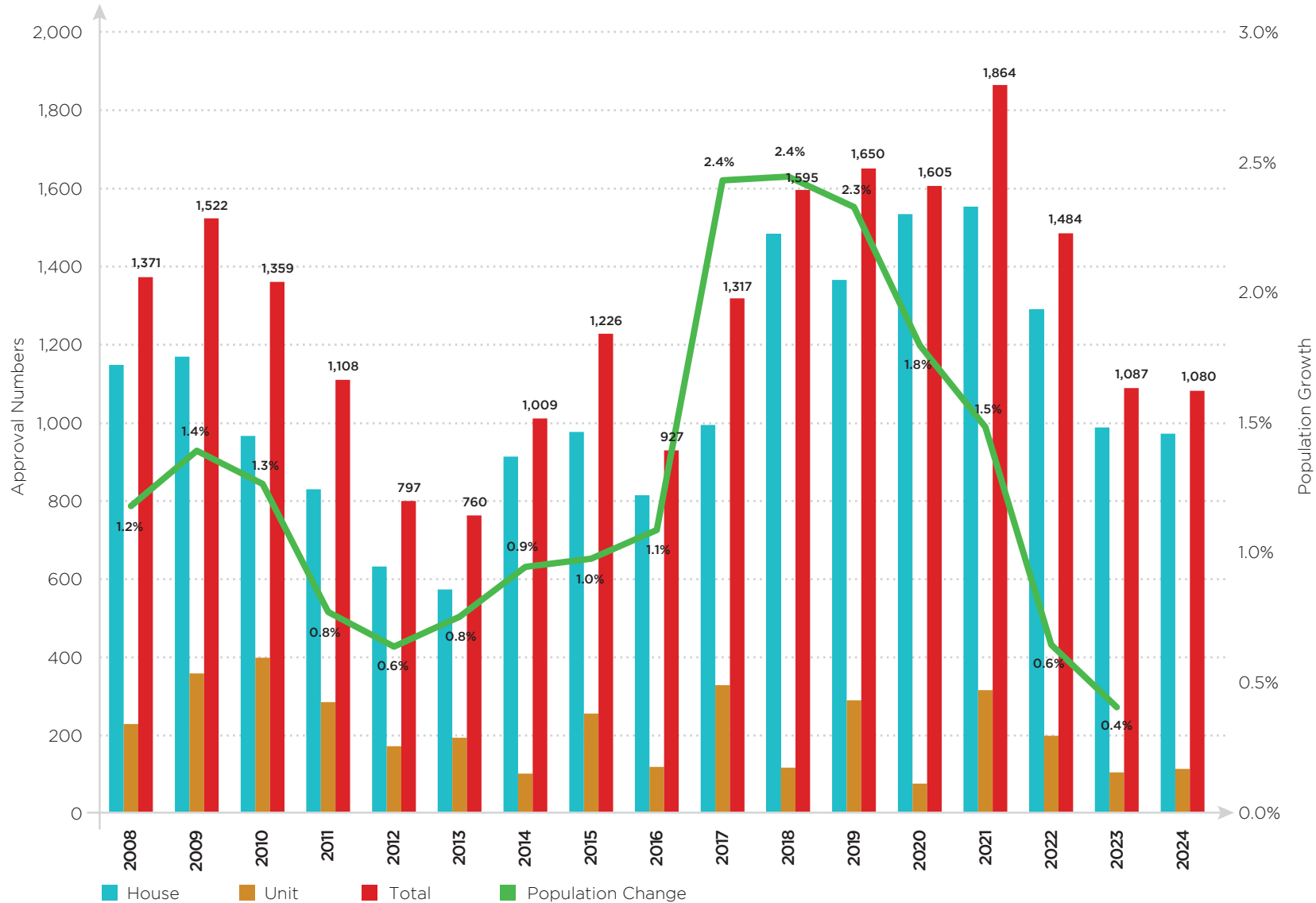
**SLIGHTLY
 POSITIVE**

POPULATION TYPE



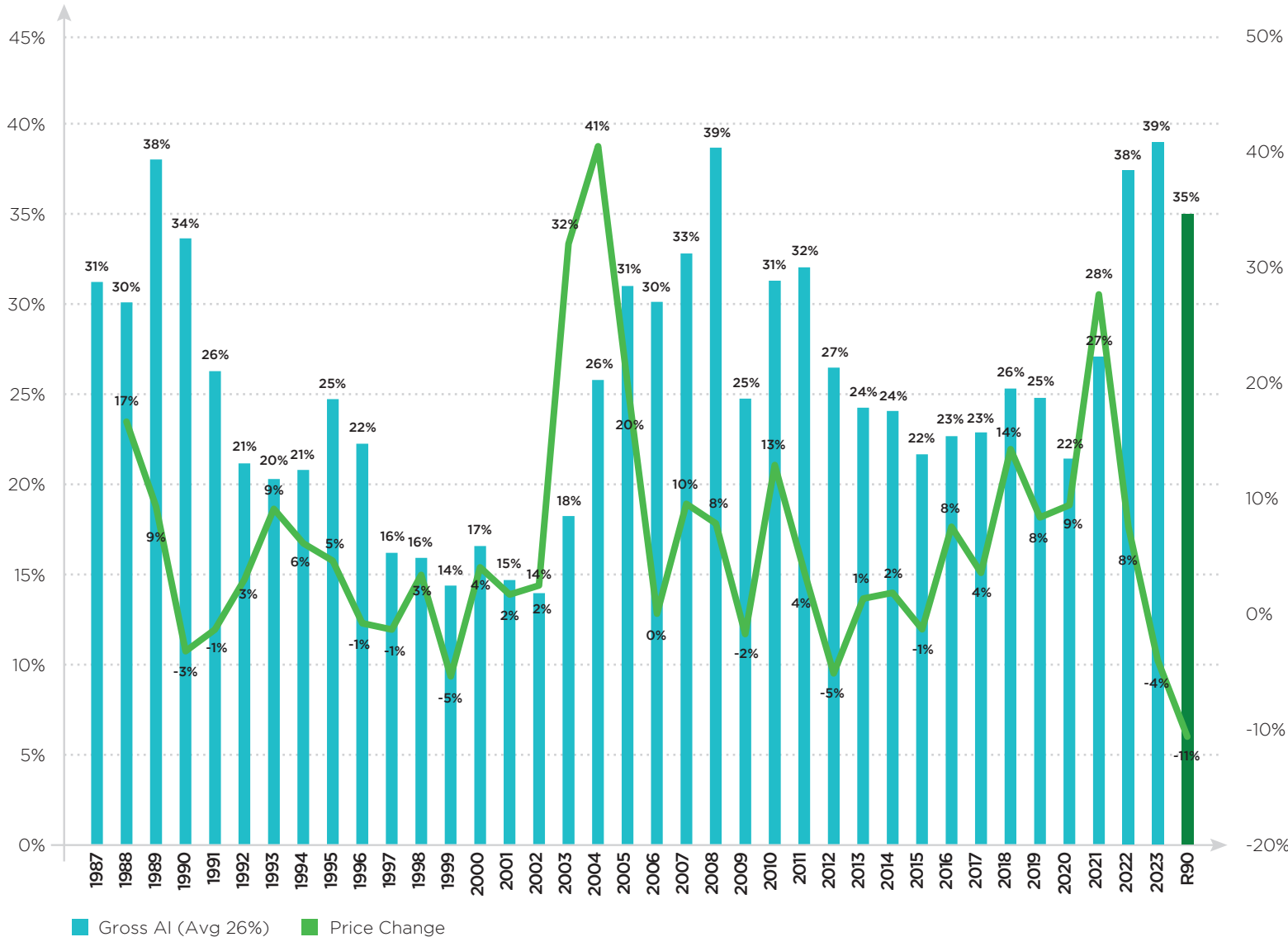
**SLIGHTLY
POSITIVE**

GREATER HOBART DWELLING APPROVALS



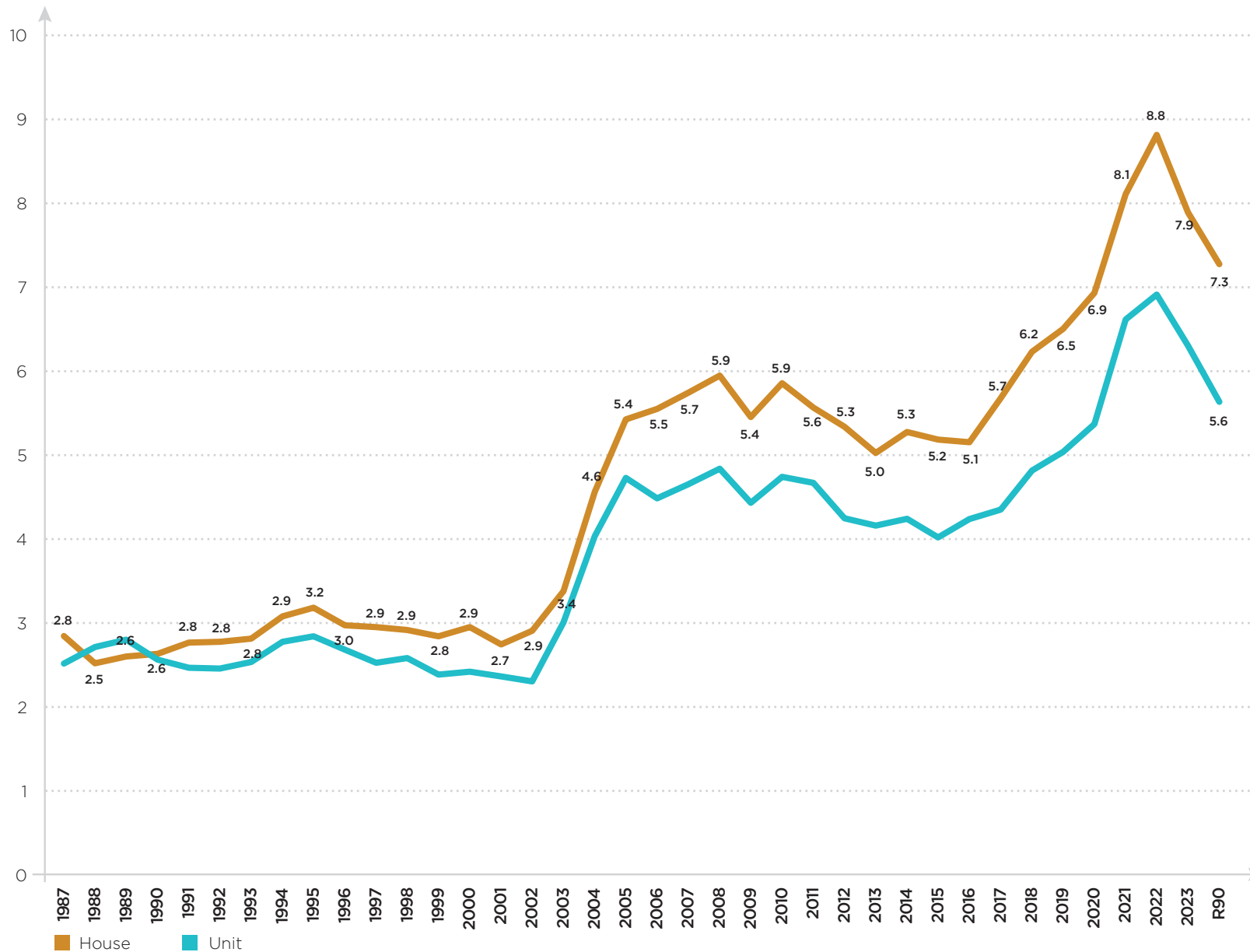
**SLIGHTLY
POSITIVE**

GROSS AFFORDABILITY INDEX (UNIT) V. PRICE GROWTH



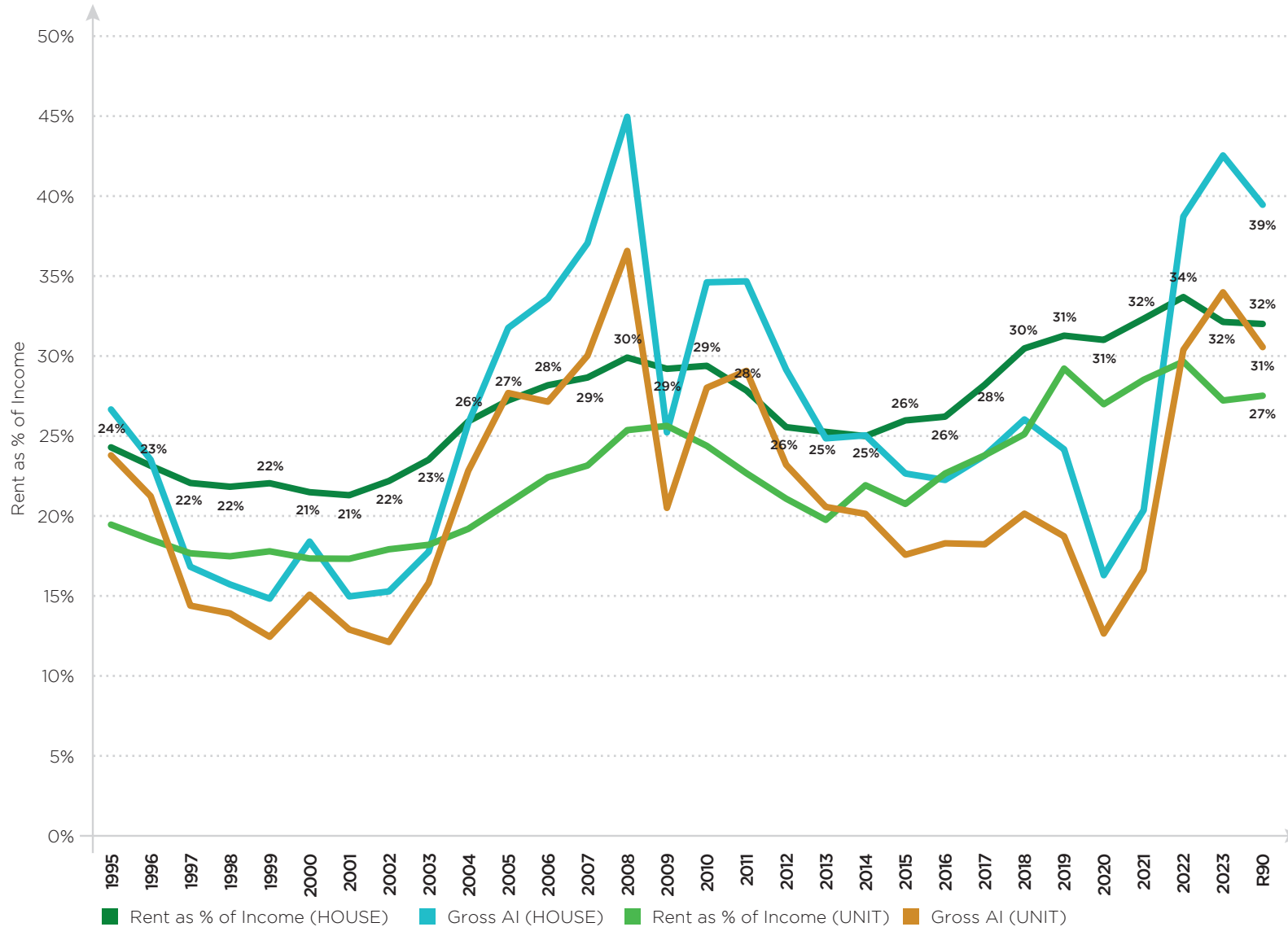
NEGATIVE

PRICE TO INCOME RATIO



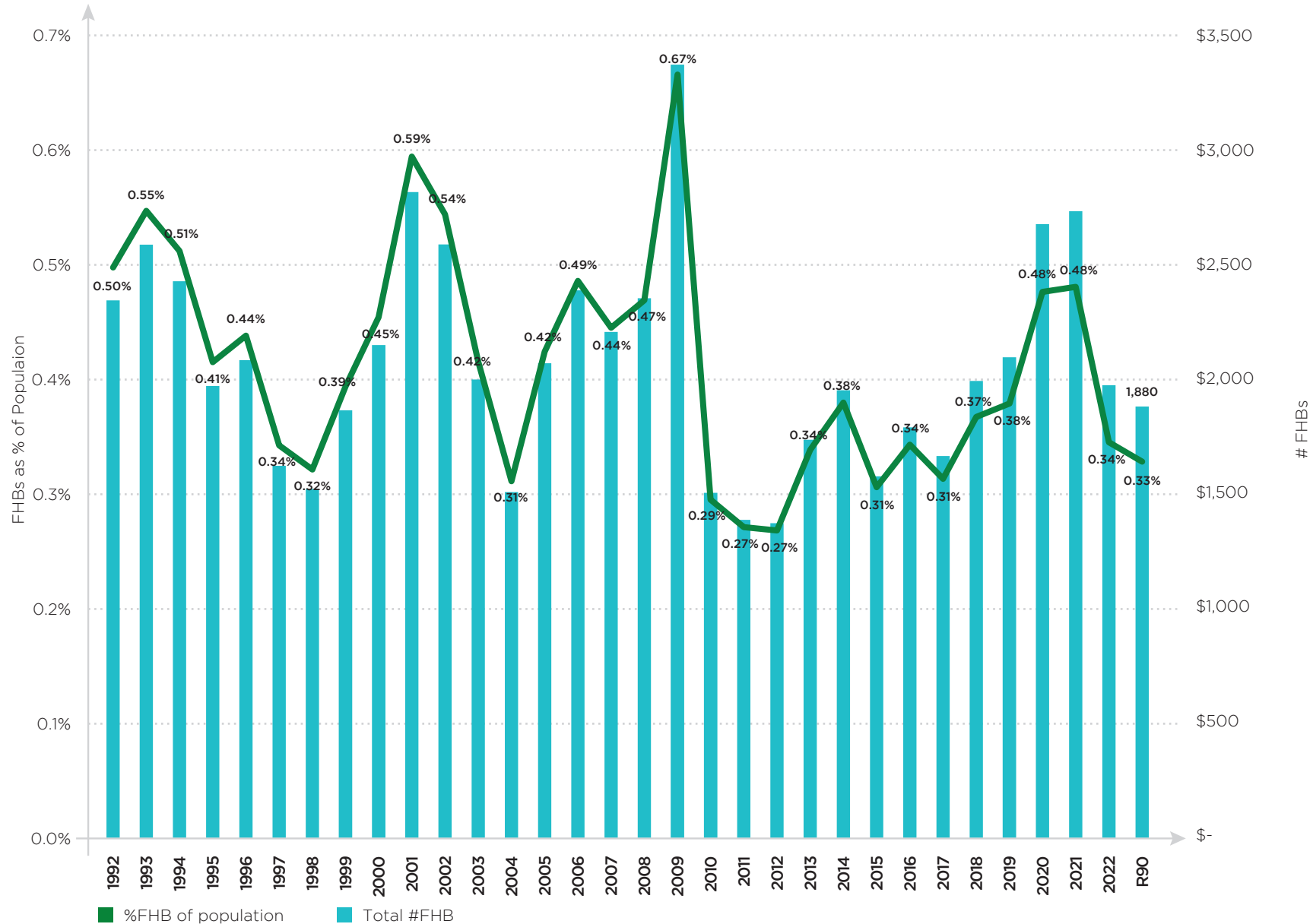
NEGATIVE

RENT AS % OF INCOME V. AFFORDABILITY INDEX



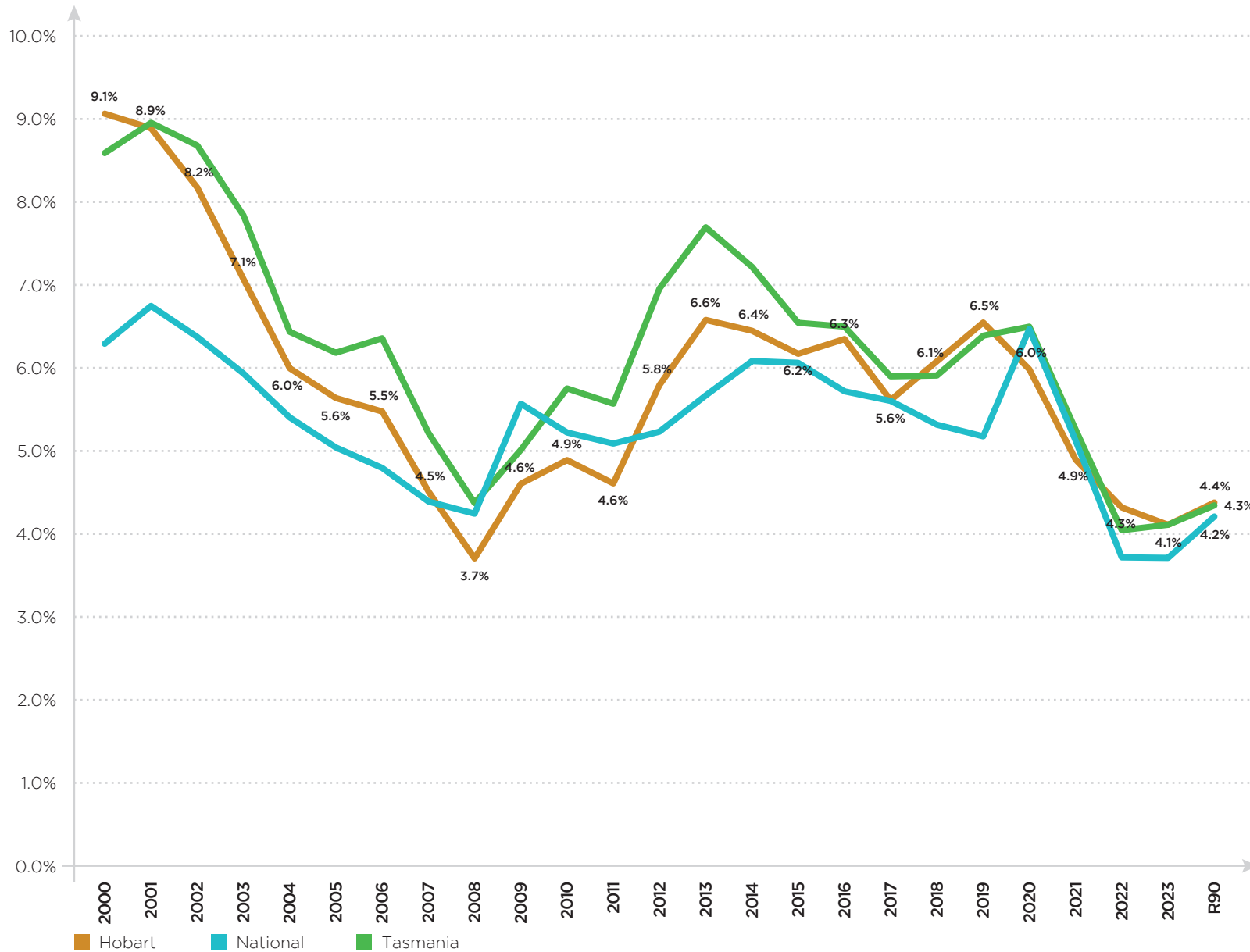
NEGATIVE

FHB AS % OF POPULATION



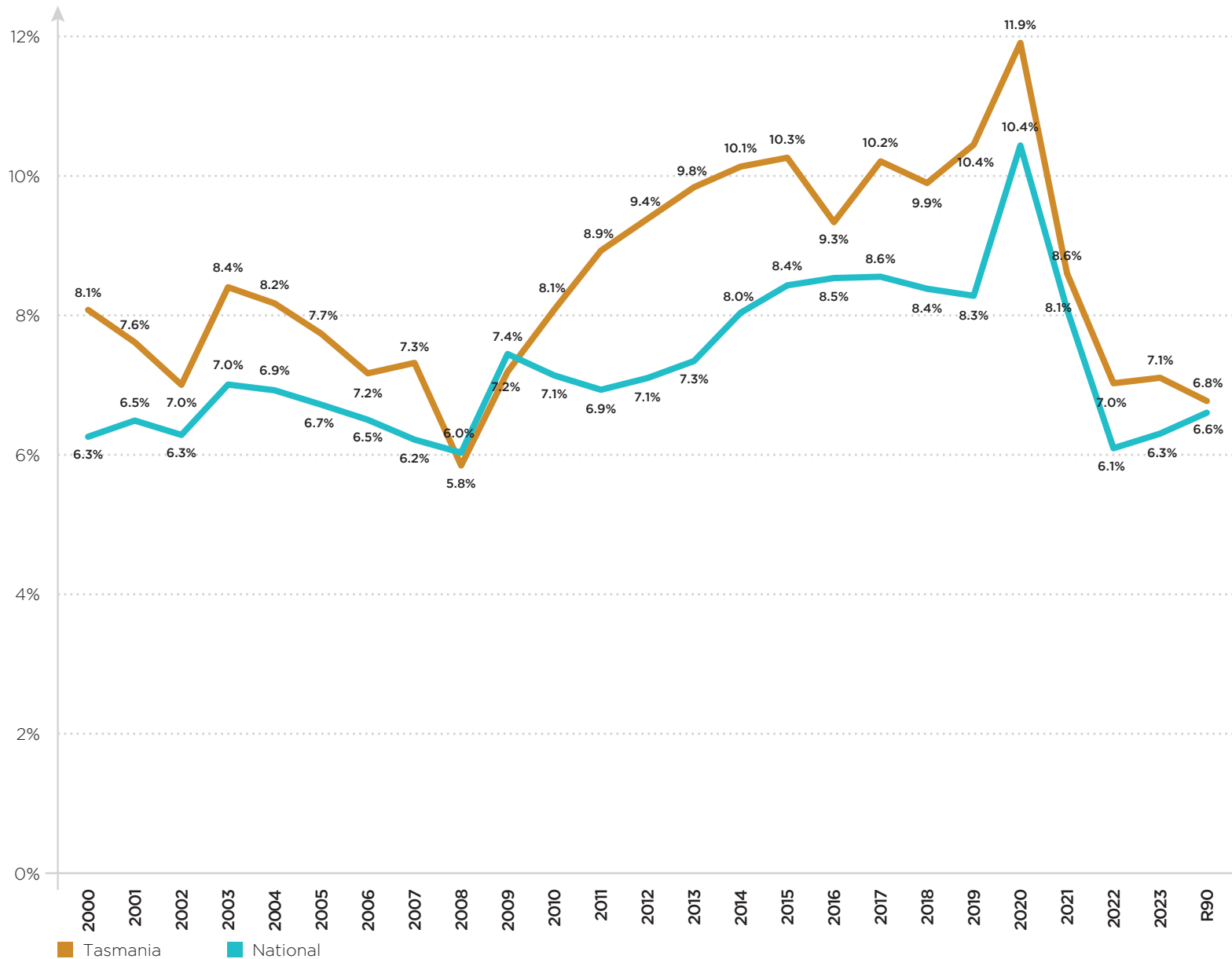
NEGATIVE

UNEMPLOYMENT RATE



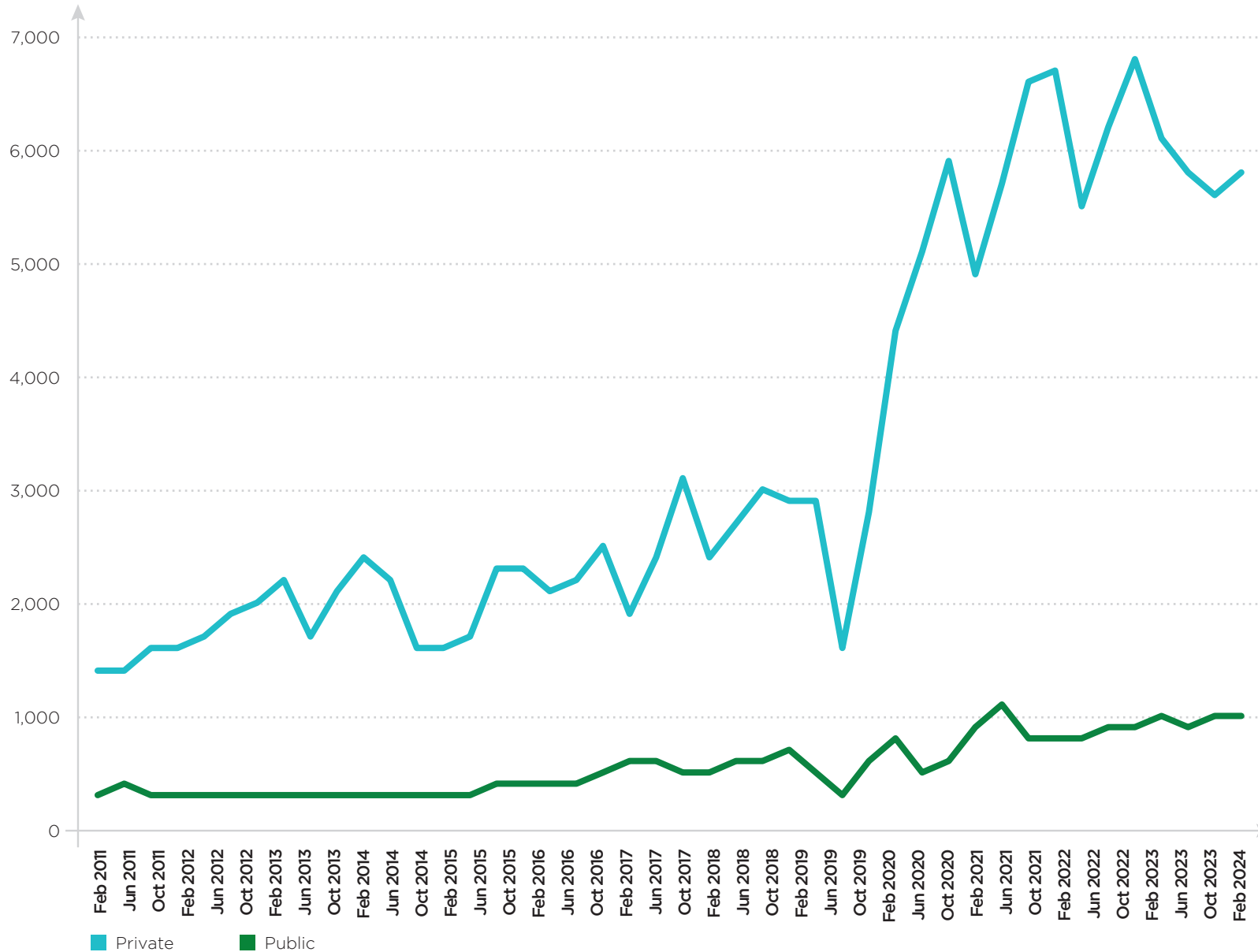
POSITIVE

UNDEREMPLOYMENT RATE



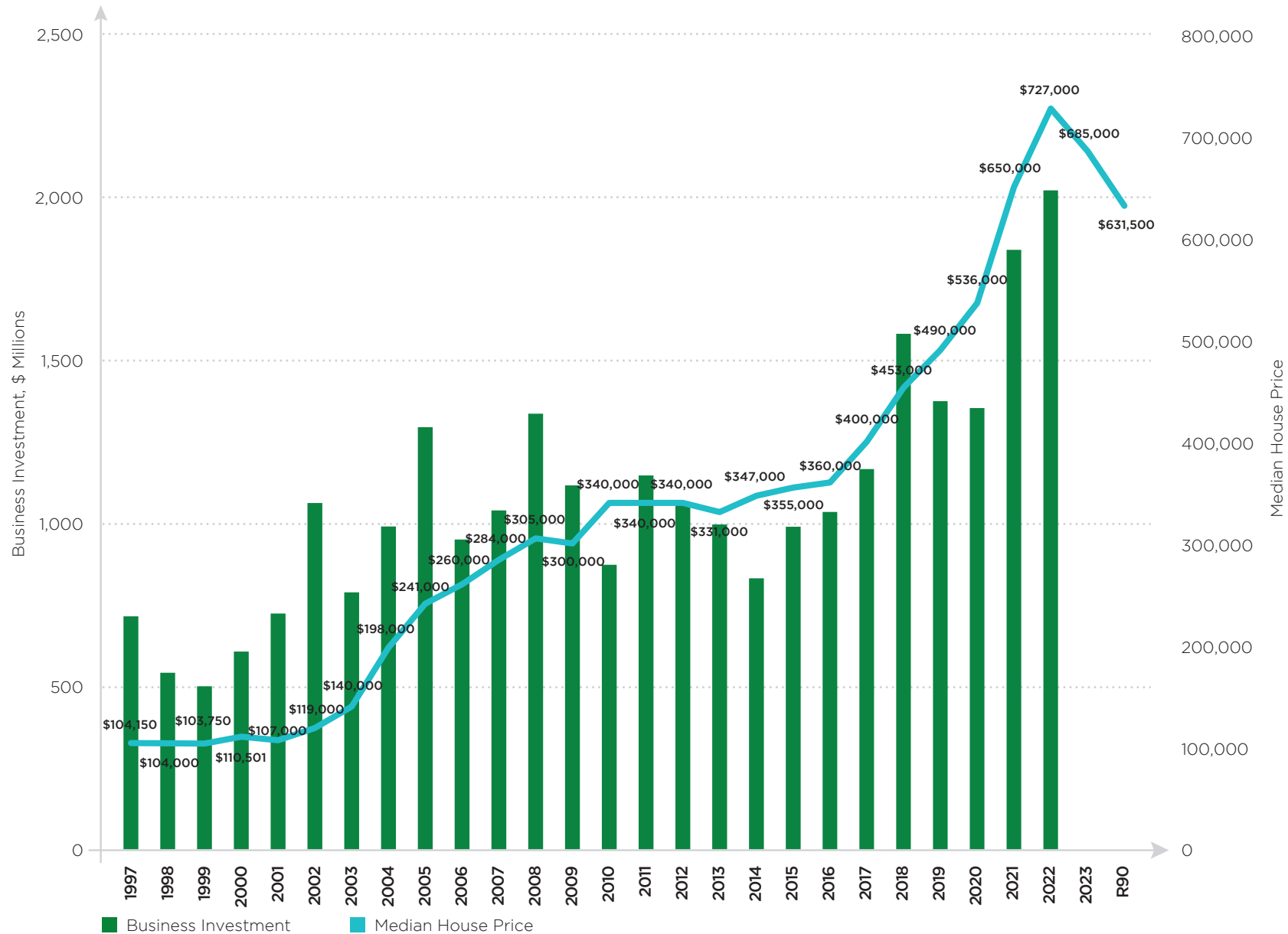
**SLIGHTLY
NEGATIVE**

STATE JOB VACANCIES



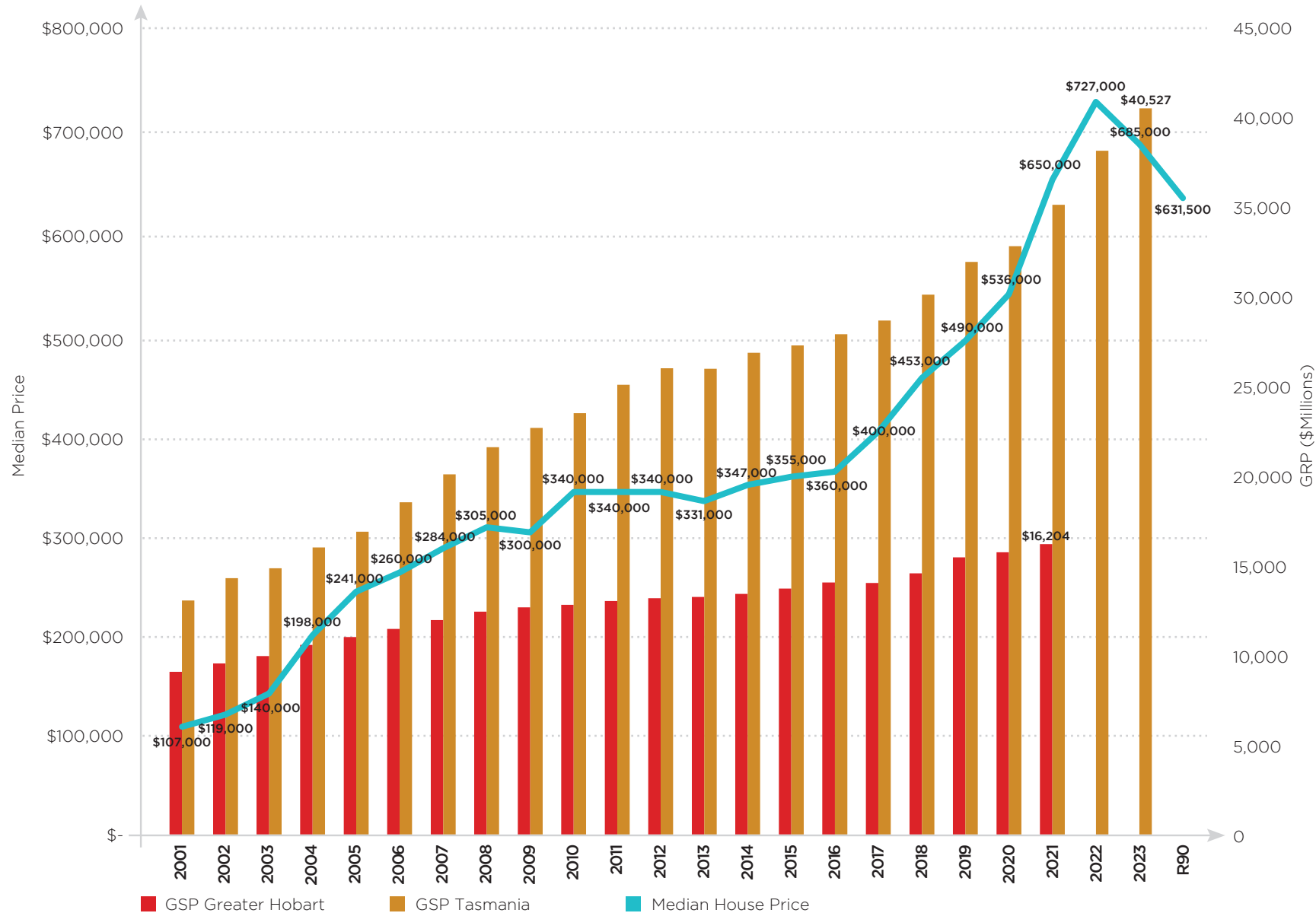
POSITIVE

BUSINESS INVESTMENT



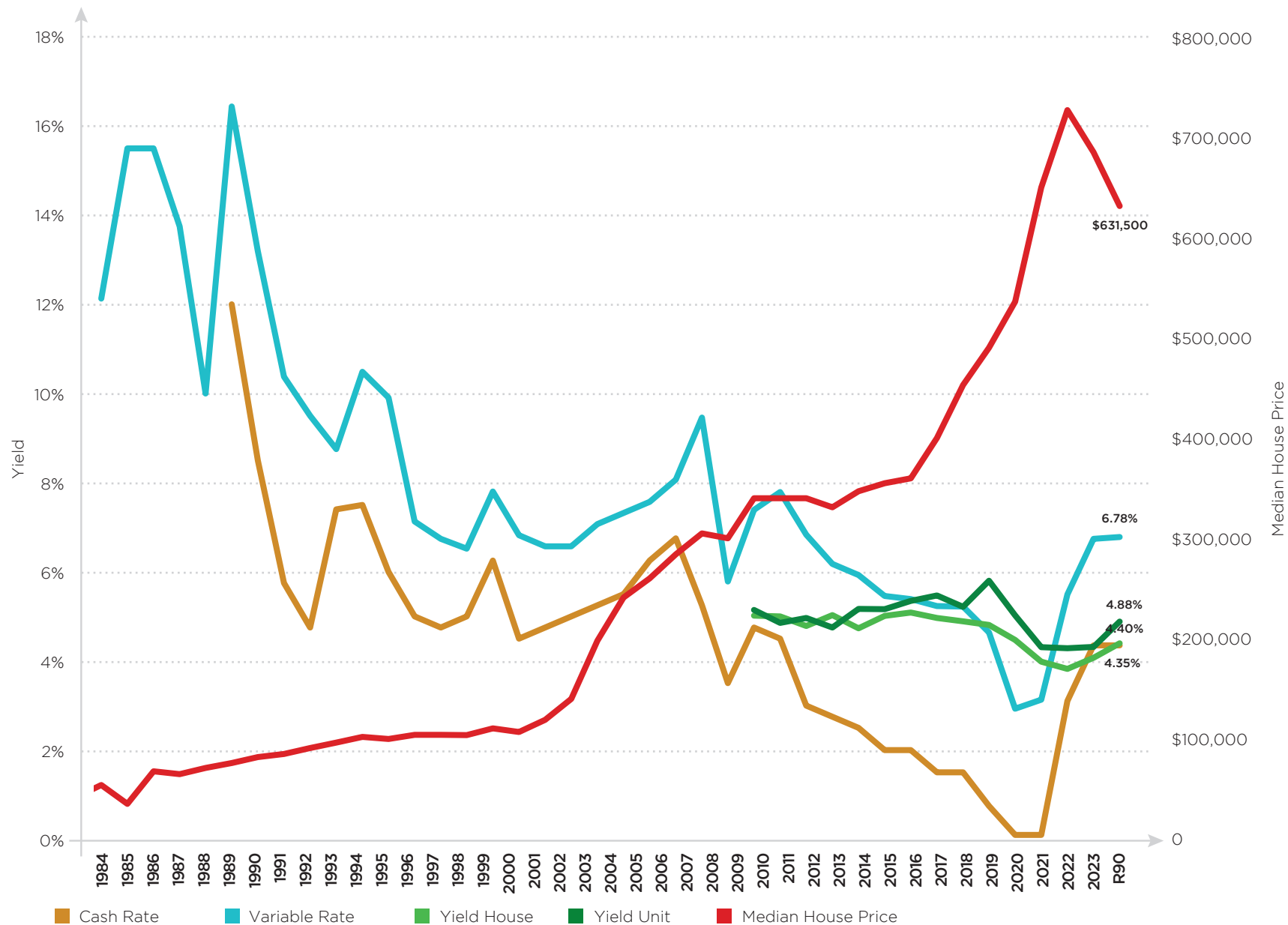
POSITIVE

GROSS STATE PRODUCT



**SLIGHTLY
POSITIVE**

YIELD



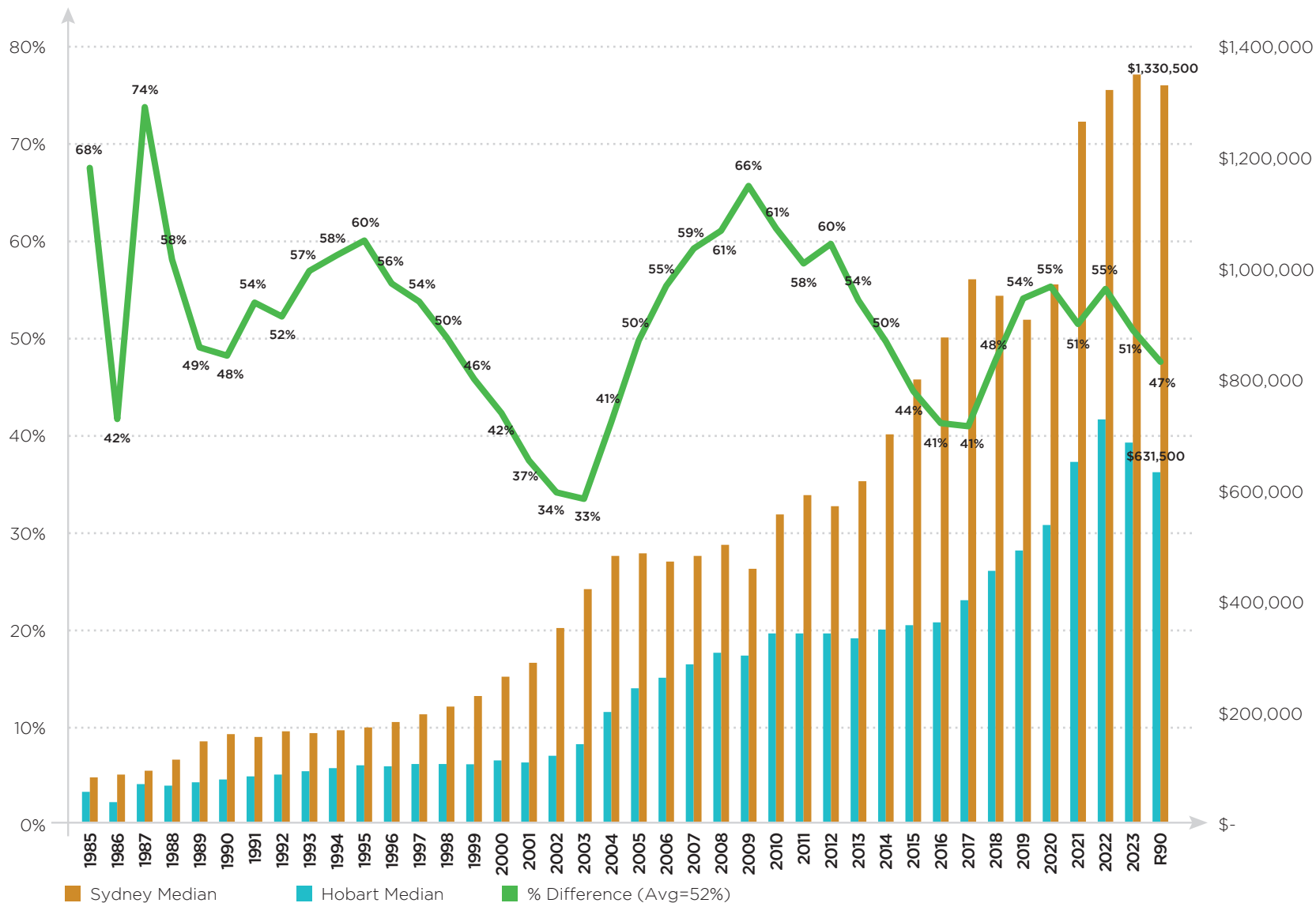
NEUTRAL

LONG TERM PERFORMANCE



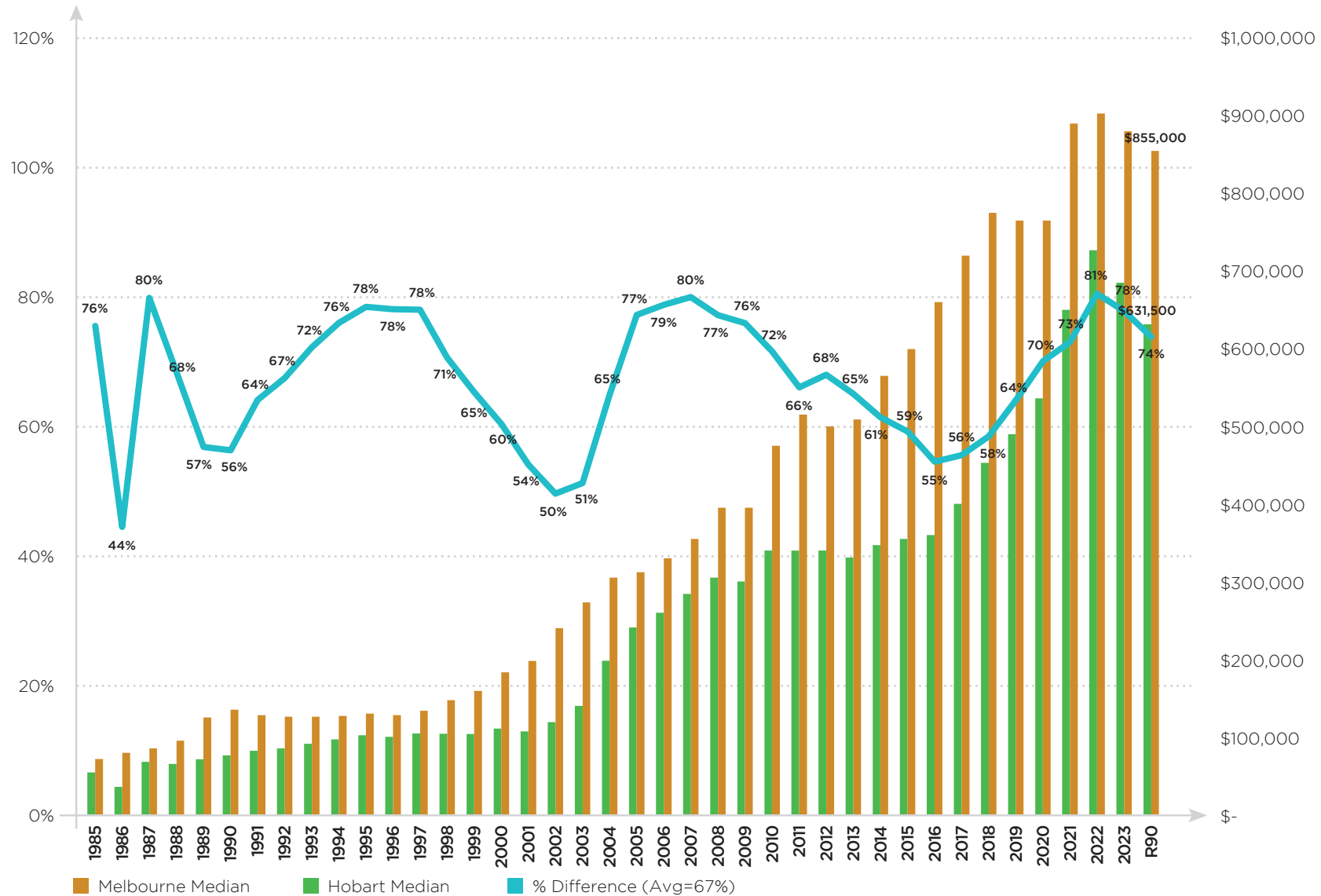
NEUTRAL

HOBART V. SYDNEY PRICE COMPARISON



NEUTRAL

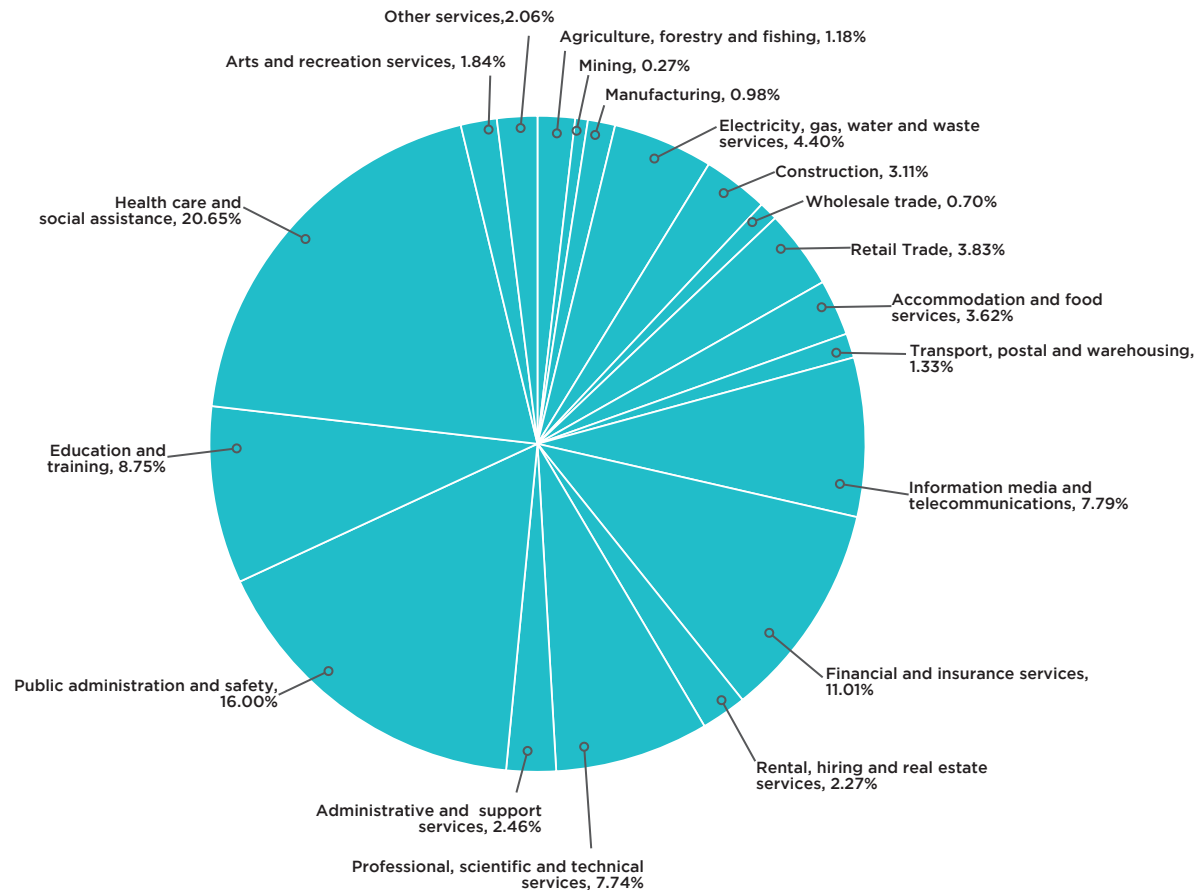
HOBART V. MELBOURNE PRICE COMPARISON



NEGATIVE

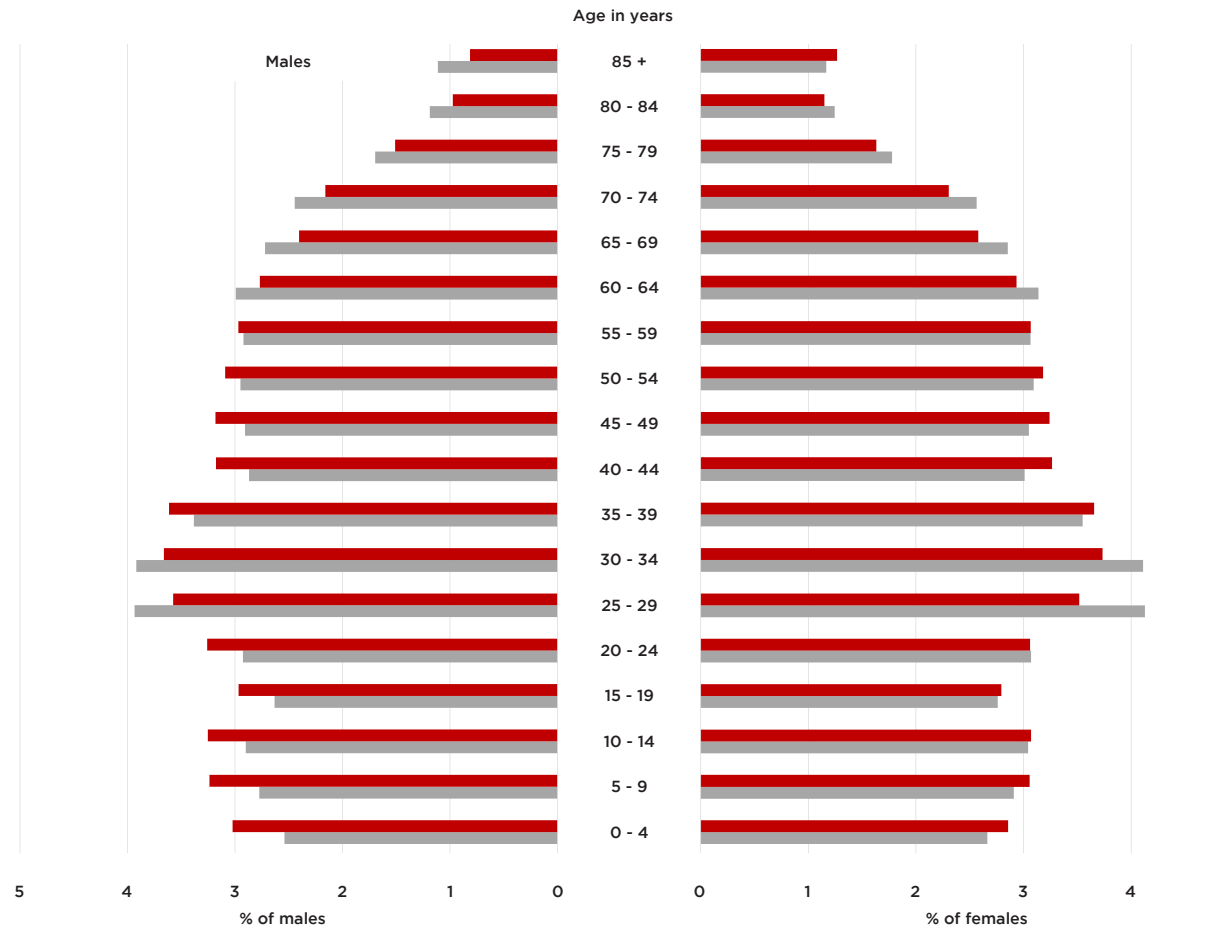
INDUSTRY VALUE ADDED

INDUSTRY BREAKDOWN



POSITIVE

POPULATION PYRAMID



Source: Australian Bureau of Statistics, Census of Population and Housing, 2021 (Usual residence data).

■ Greater Hobart ■ Australia

POSITIVE

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