

EDITION 18



HOBART

HOBART REGIONAL CENTRE OVERVIEW



PERFORMANCE
PROPERTY DATA

HOBART AT A GLANCE

Price Parameters - Adjusted for Current Interest Rate

AFFORDABILITY INDEX		PRICE
AI FLOOR	18%	\$360,000
AI CURRENT	27%	\$510,000
AI CEILING	50%	\$1,000,000

3 Year Price Target - \$600,000 - \$715,000 - Low Conviction

In the current stage of cycle

The Hobart house market is in the **Hold Rating** stage.
It would be best suited to a **Long Term Trading Strategy**.
The Hobart house market is a **High Risk** investment.

Legend

Medium Term Strategy = **4 to 7 years**
Long Term Strategy = **10+ years**

HOUSE YIELD **4.5%**

UNIT YIELD **4.9%**

POPULATION



Current: **216,682**
Current Growth Rate: **1.45%**
Avg 10 Yr Growth Rate: **1.11%**

CURRENT MEDIAN

\$510,000 House
\$400,000 Unit

UNEMPLOYMENT RATE

5.7%

LONG TERM COMPOUNDED GROWTH PA (1990) IS **7.25%** FOR HOUSES & **5.60%** FOR UNITS.

Houses the last 3 years have seen 10.18% PA growth, units 10.00%.

7.25%

OVERVIEW HOBART REGIONAL CENTRE

EDITION 18



Average Days on Market

Houses : **13**
Units : **12**



EXECUTIVE SUMMARY

DEMAND - Slightly Positive
Does Demand Exceed Supply?

- Population
- Population Type
- Lending Investment By Month
- Lending Investment Annualised
- Airport Arrivals
- Cruise Ship Arrivals
- Dwelling Approvals V. Population % Change
- Bedroom Approvals V. Population Change
- Vacancy Rate V. Rent
- Stock on Market V. Days on Market

AFFORDABILITY - Slightly Positive
Is Property Affordable?

- Affordability Index HOUSE V. Price Growth
- Affordability Index UNIT V. Price Growth
- Price to Income Ratio
- Rent to Income
- FHB

CONFIDENCE - Slightly Positive
Is There Confidence In The Market?

- Unemployment
- Underemployment
- Job Creation Index
- State Job Vacancies
- Infrastructure Spending
- Business Investment

MONEY SUPPLY - Slightly Negative
Will There Be More or Less Money Into The Economy?

- GRP
- State Budget
- Council Budget

INVESTMENT VALUE - Neutral
Is this market showing value?

- Long Term Performance
- Yield
- House V. Unit Price Movements
- Hobart V. Melbourne Price Comparison
- Hobart V. Sydney Median

RISK - Slightly Negative
Is there potentially downside Volatility?

- Industry Value Added
- Population Pyramid

- Positive
- Slightly Positive
- Neutral
- Slightly Negative
- Negative

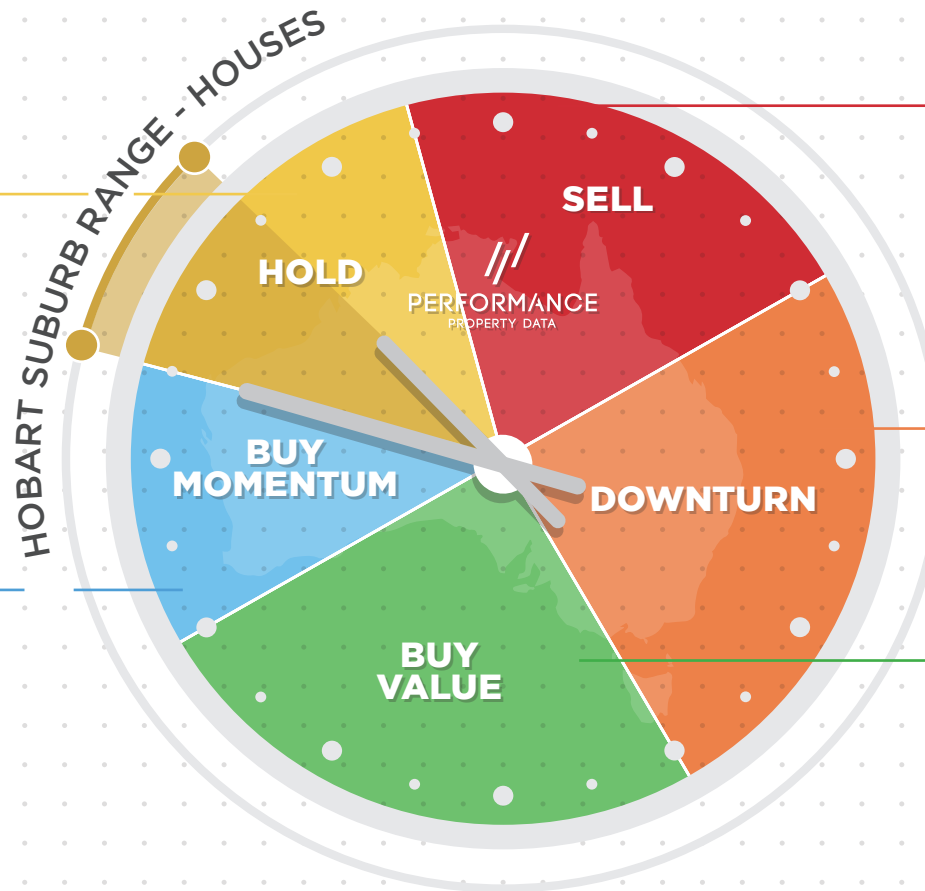
OUR VIEW OF THE HOBART HOUSE MARKET

HOLD

Hold and monitor property in this market. Potential for growth in the short term is predicted but limited. Investing at this stage in the cycle holds extreme risk, due to low yields and aggressive prices.

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.



SELL

The market has peaked and prices are likely to soften or stagnate in the short to medium term. Consider selling in this market after consultation with your financial planner or property investment adviser.

DOWNTURN

The market is moving through a correction stage. We see minimal 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.

For more information on the Hobart market, including individual property and suburb information, call to speak to one of our professional property advisors on 1300 088 932.

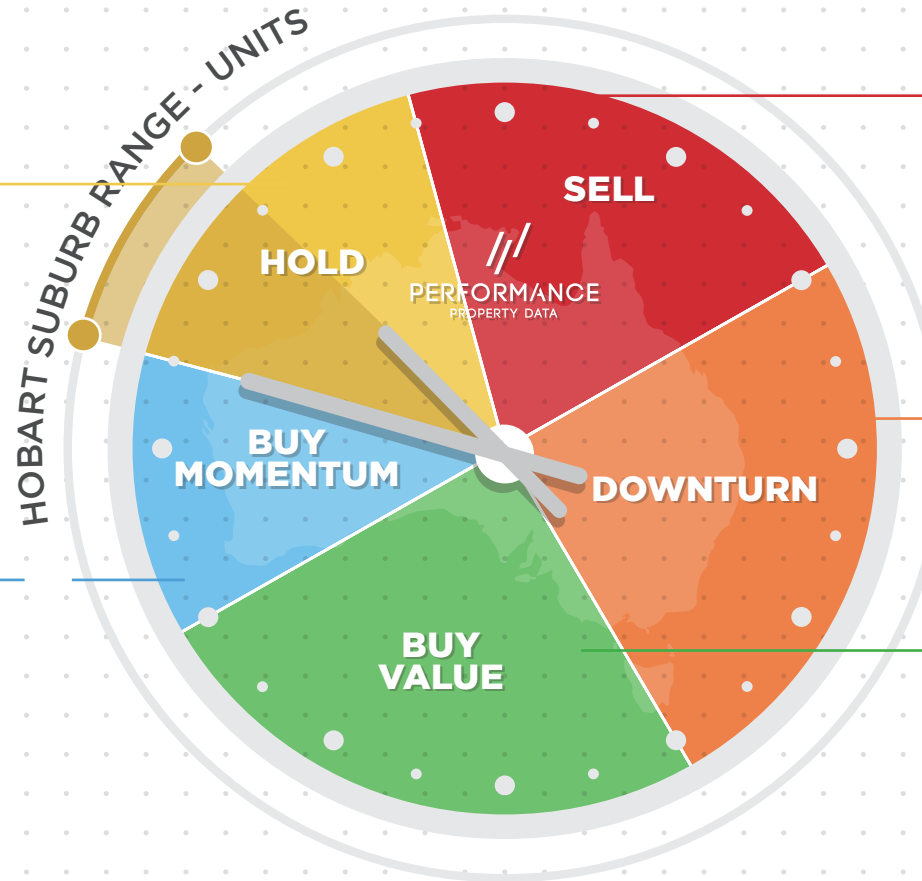
OUR VIEW OF THE HOBART **UNIT** MARKET

HOLD

Hold and monitor property in this market. Potential for growth in the short term is predicted but limited. Investing at this stage in the cycle holds extreme risk, due to low yields and aggressive prices.

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.



SELL

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DOWNTURN

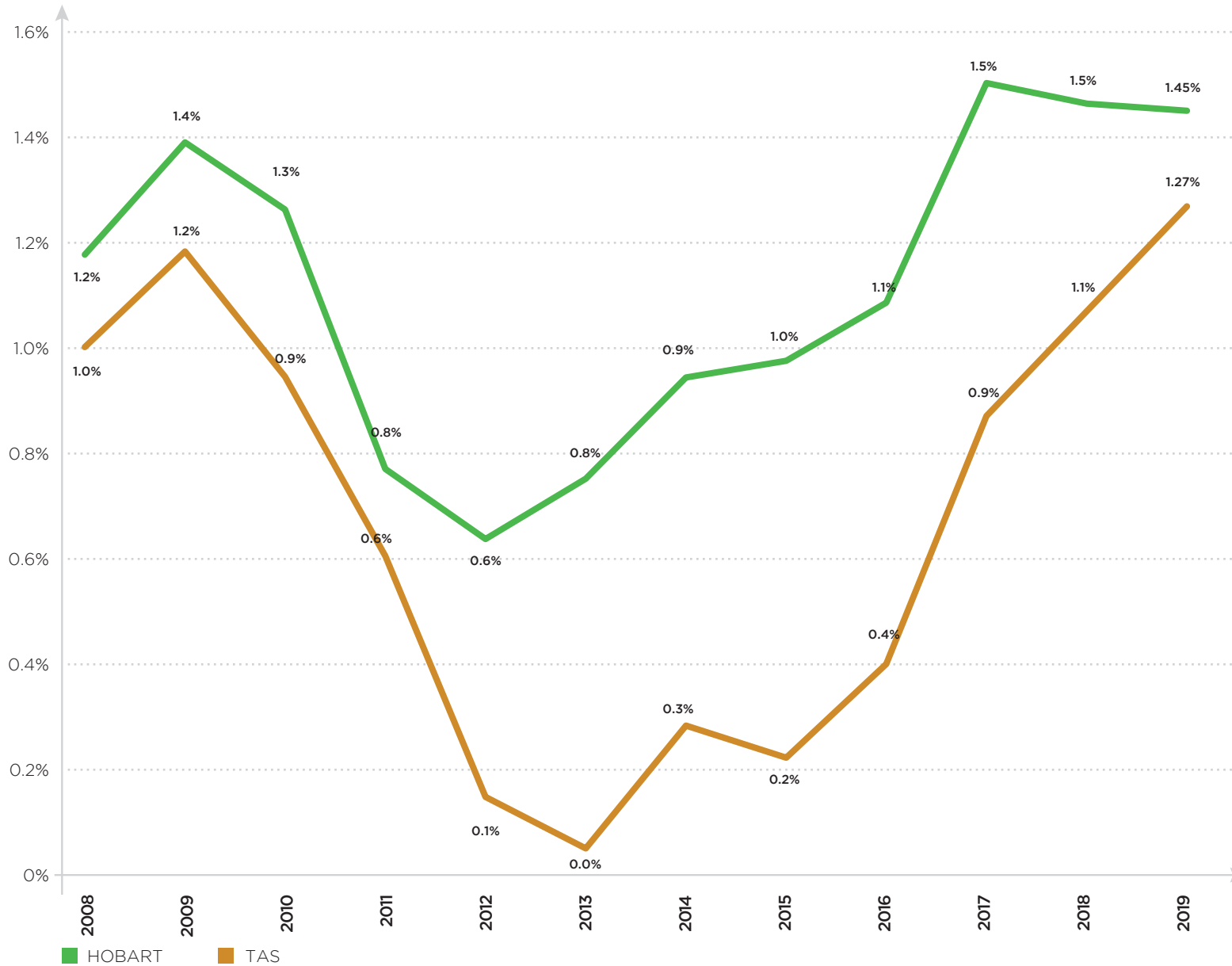
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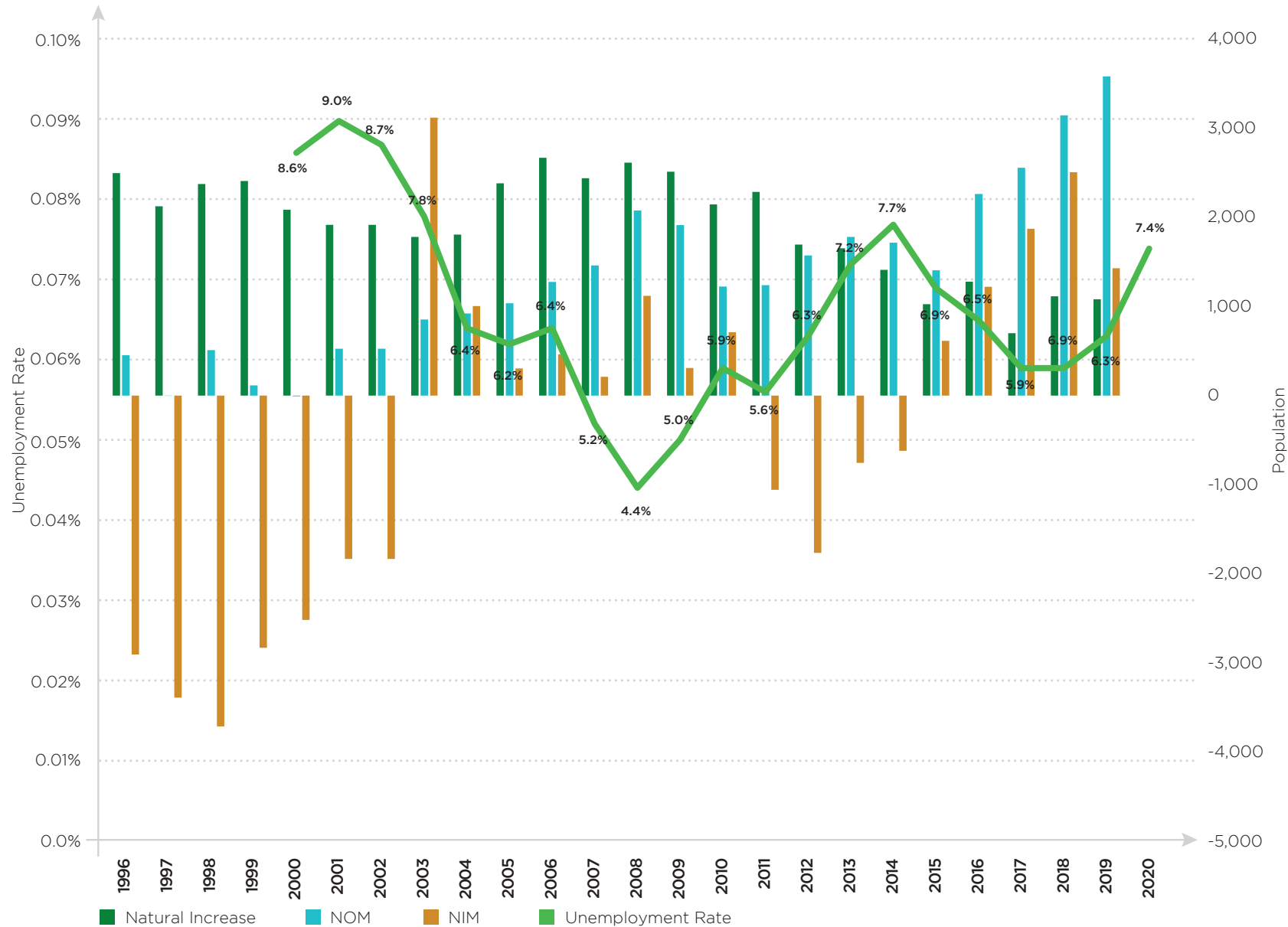
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POPULATION



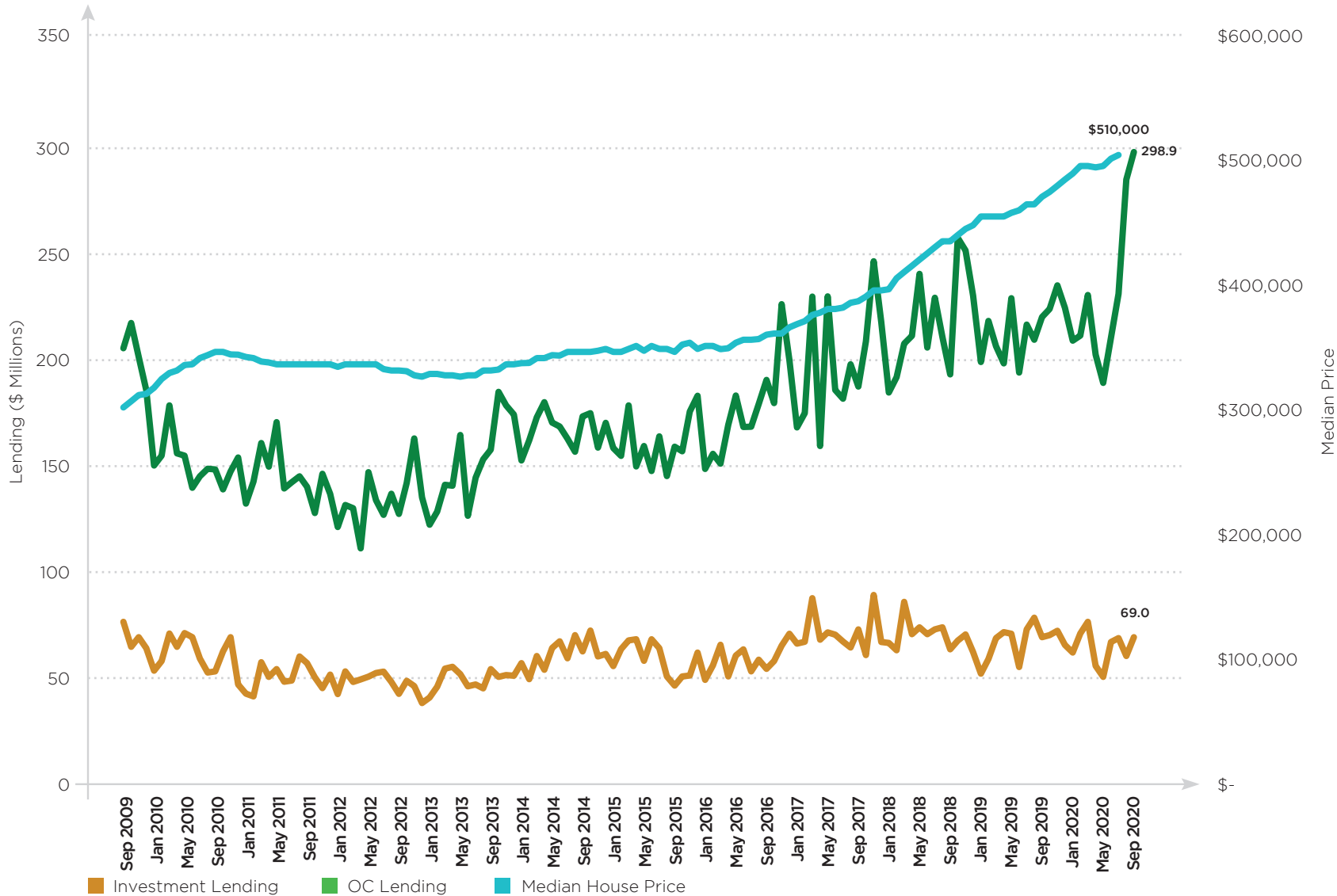
POSITIVE

POPULATION TYPE



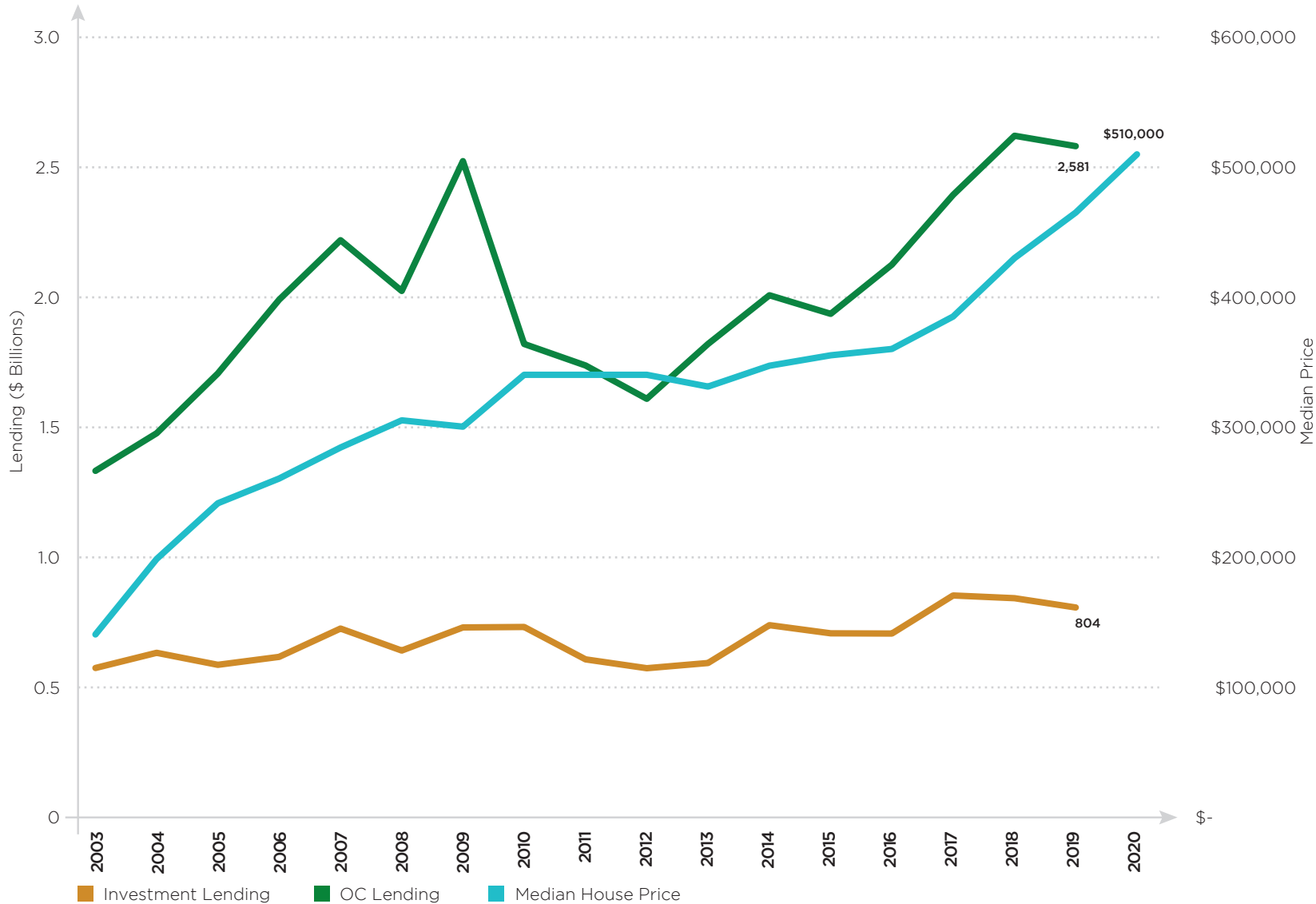
POSITIVE

LENDING INVESTMENT V. OC SHORT TERM - MONTHLY



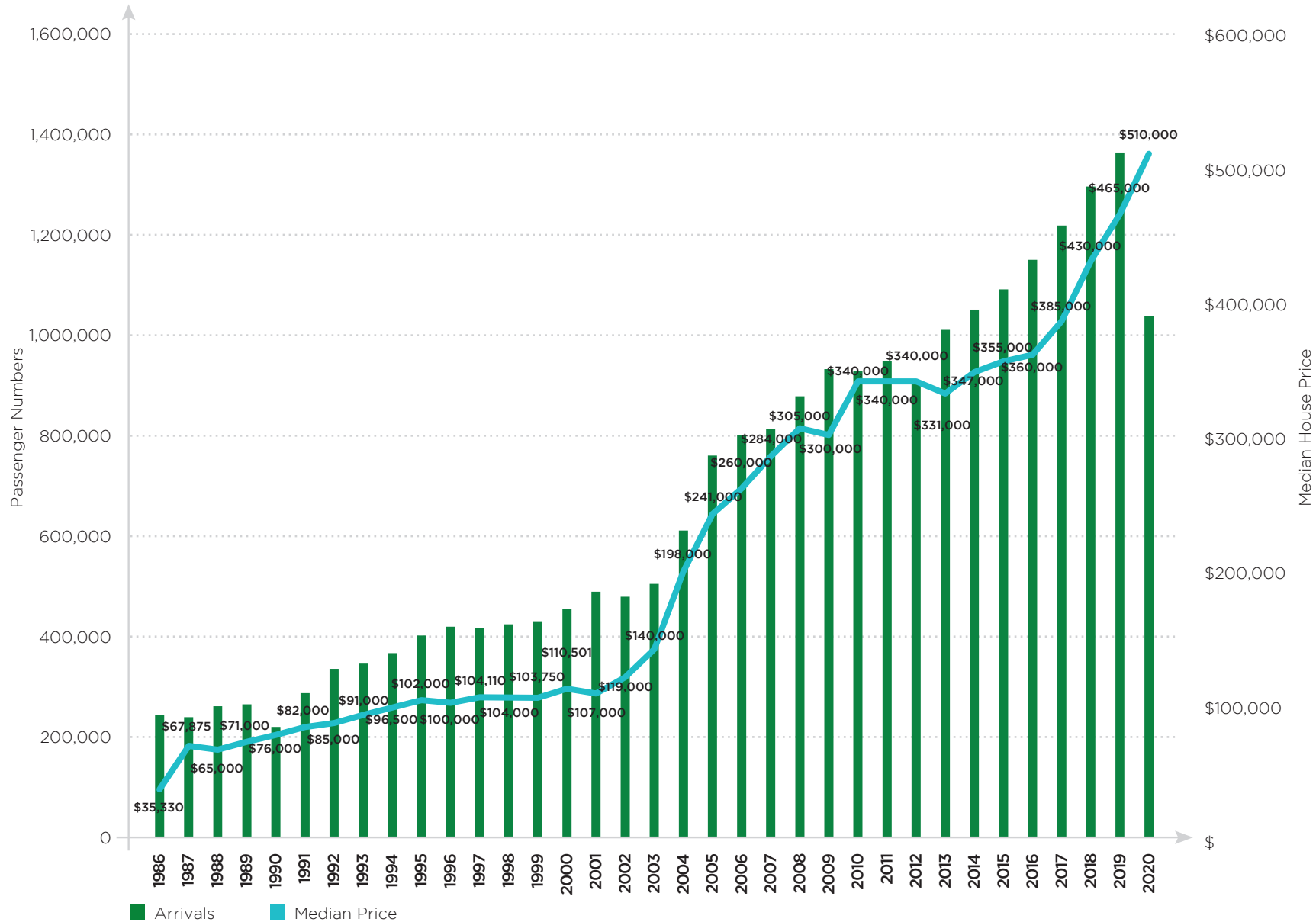
POSITIVE

LENDING INVESTMENT V. OC ANNUALISED



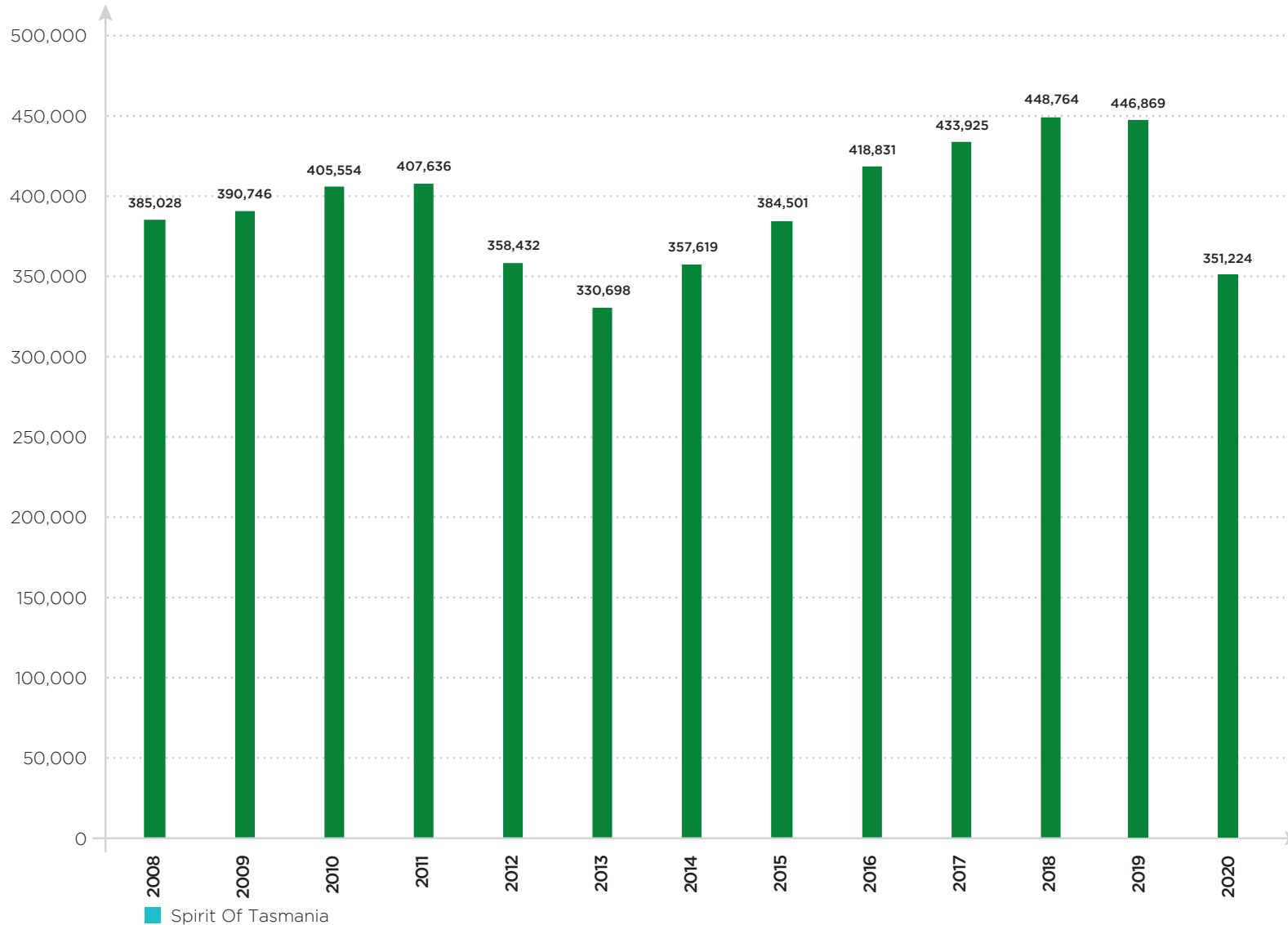
SLIGHTLY POSITIVE

AIRPORT ARRIVALS



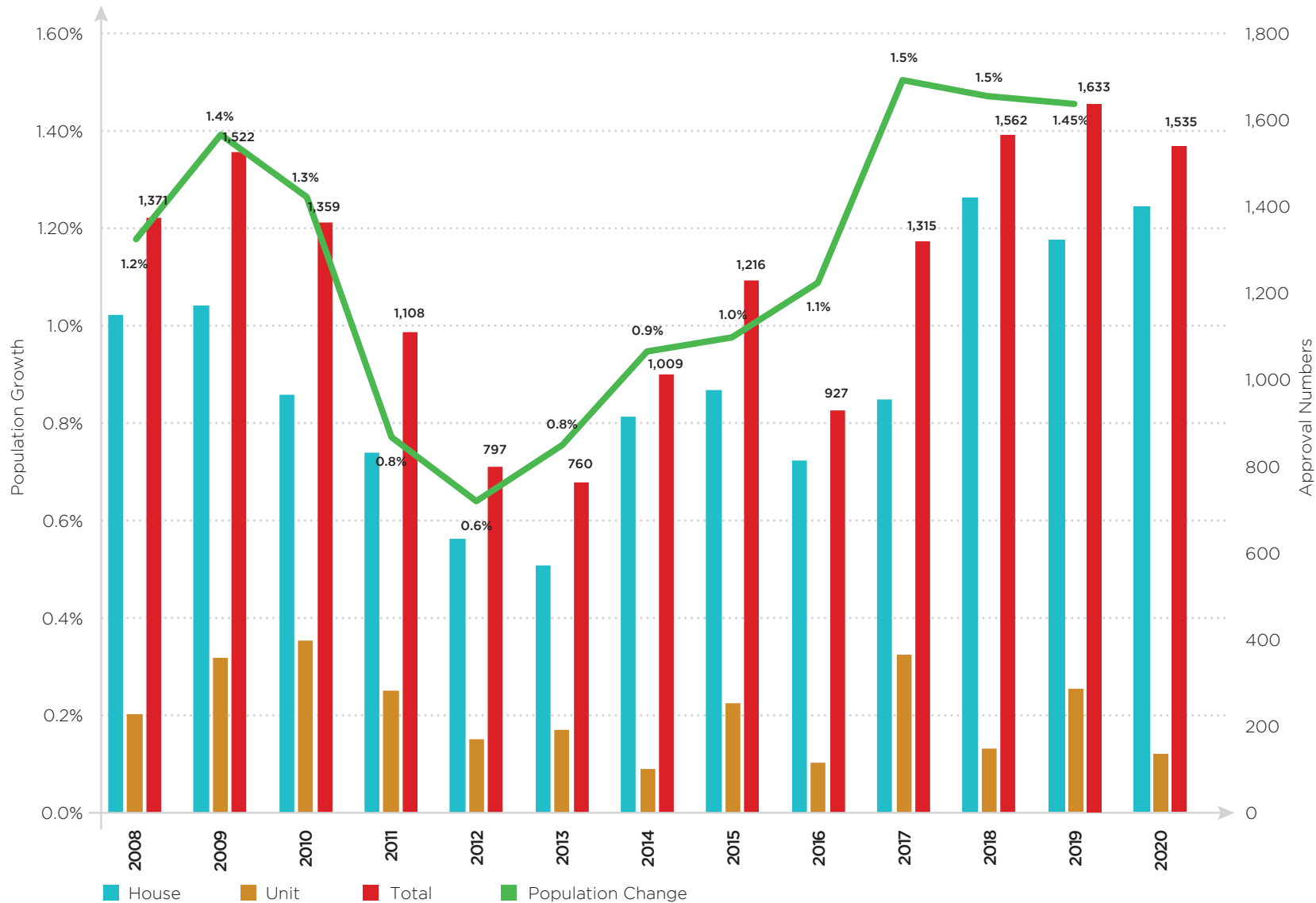
NEGATIVE

SPIRIT OF TASMANIA PASSENGER NUMBERS



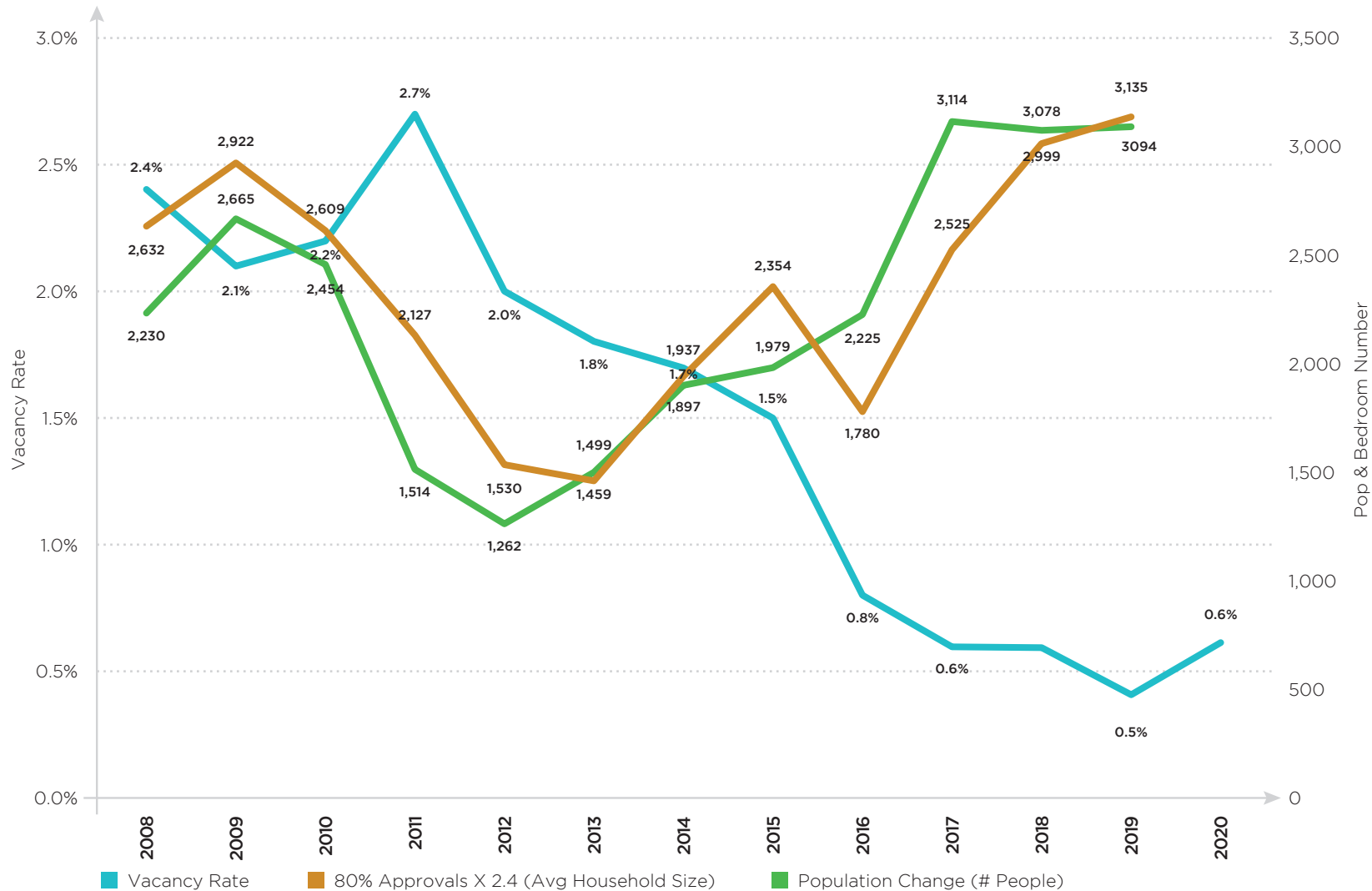
NEGATIVE

GREATER HOBART DWELLING APPROVALS



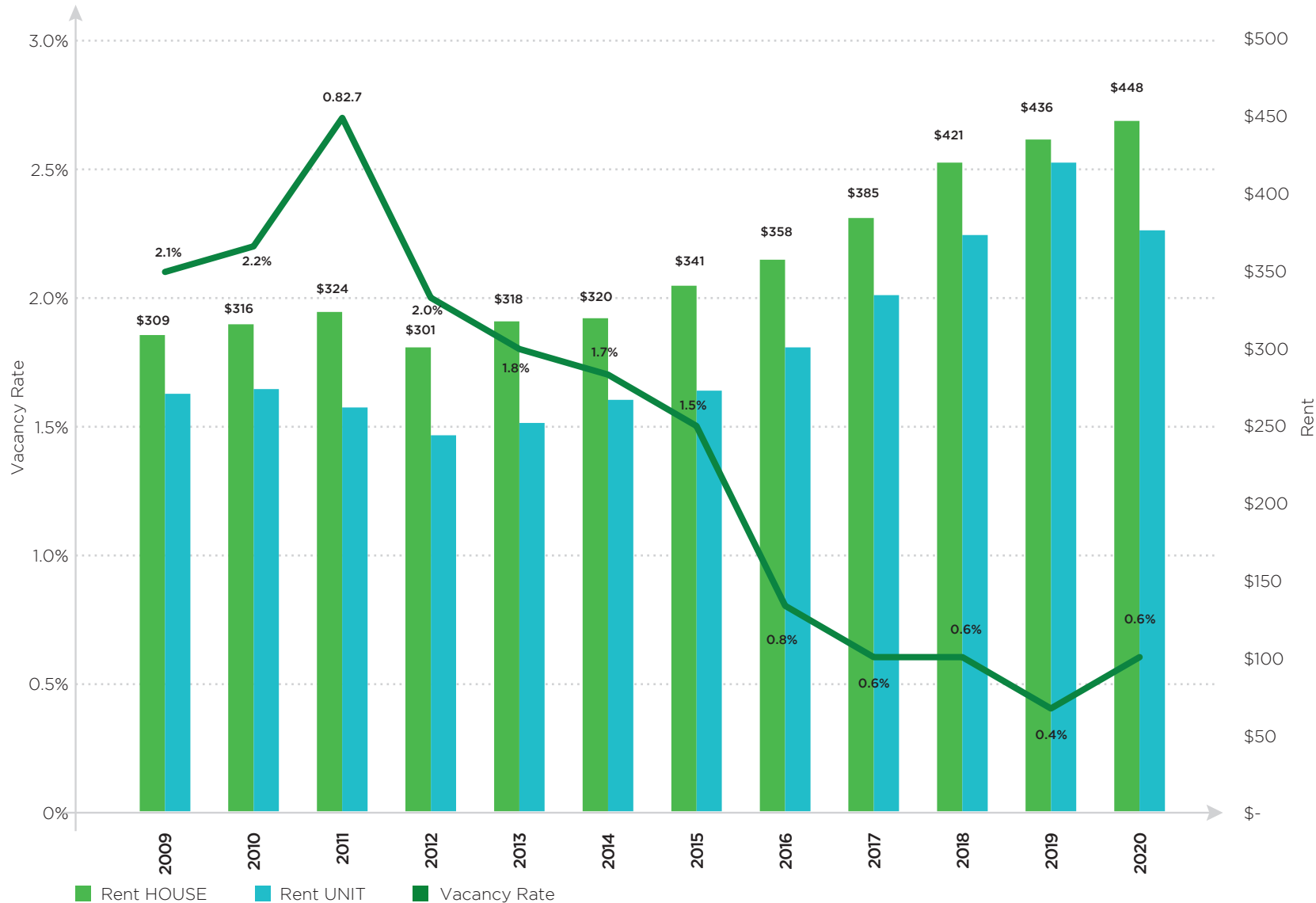
NEGATIVE

BEDROOM COMMENCEMENTS V. POPULATION CHANGE & VACANCY RATE



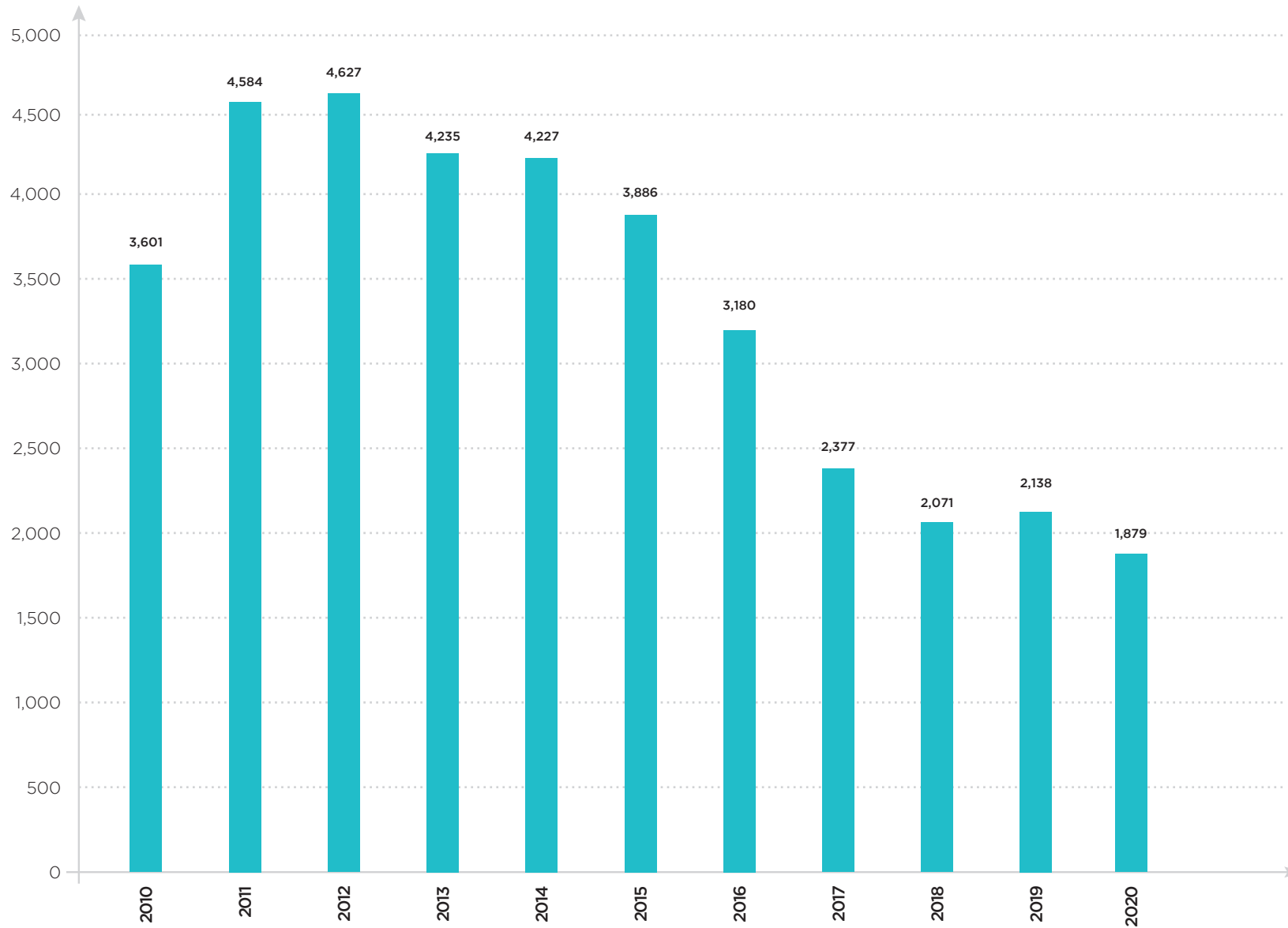
**SLIGHTLY
POSITIVE**

VACANCY RATE V. MEDIAN RENT



POSITIVE

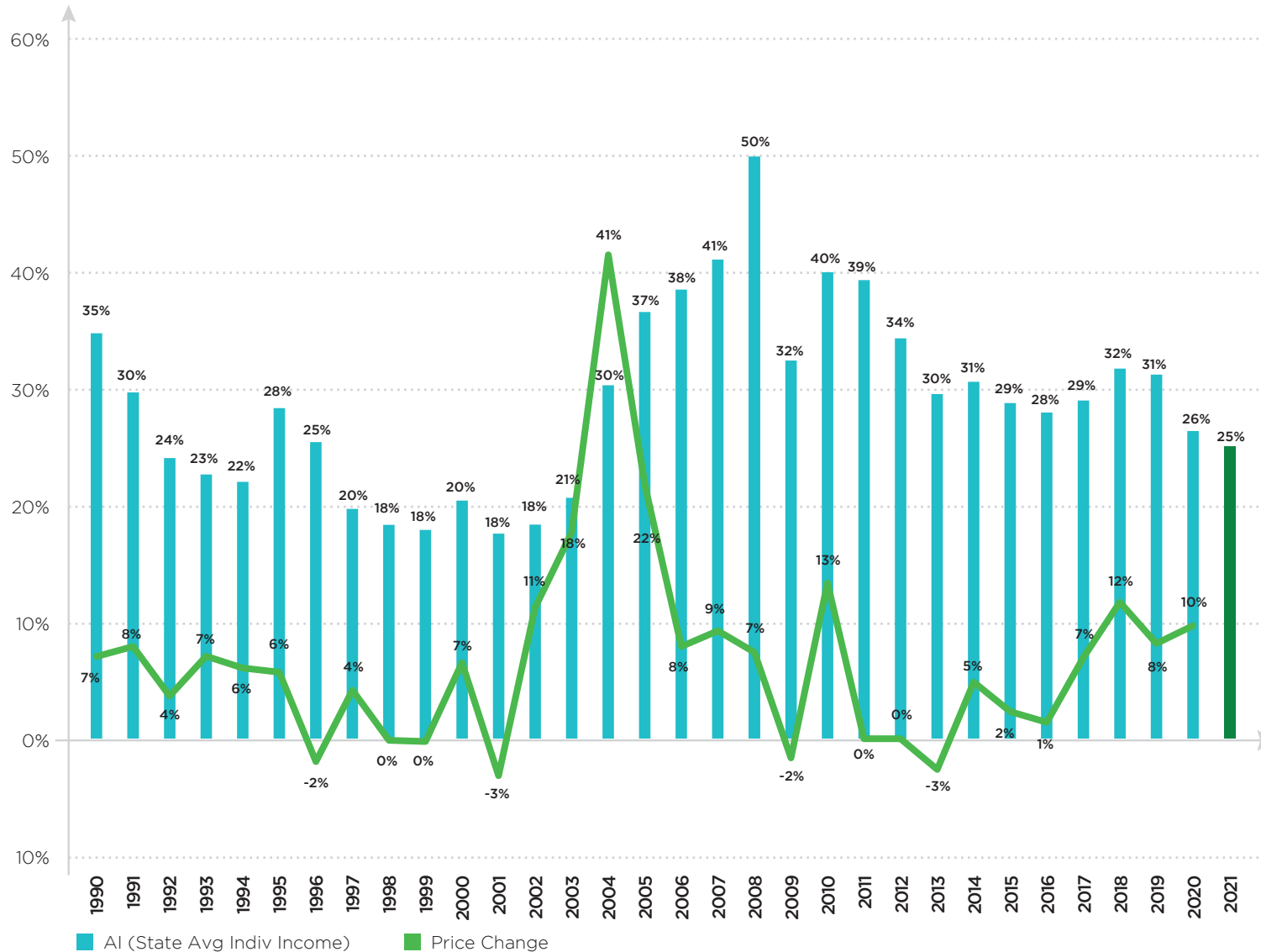
STOCK ON MARKET



■ Oct of each YR

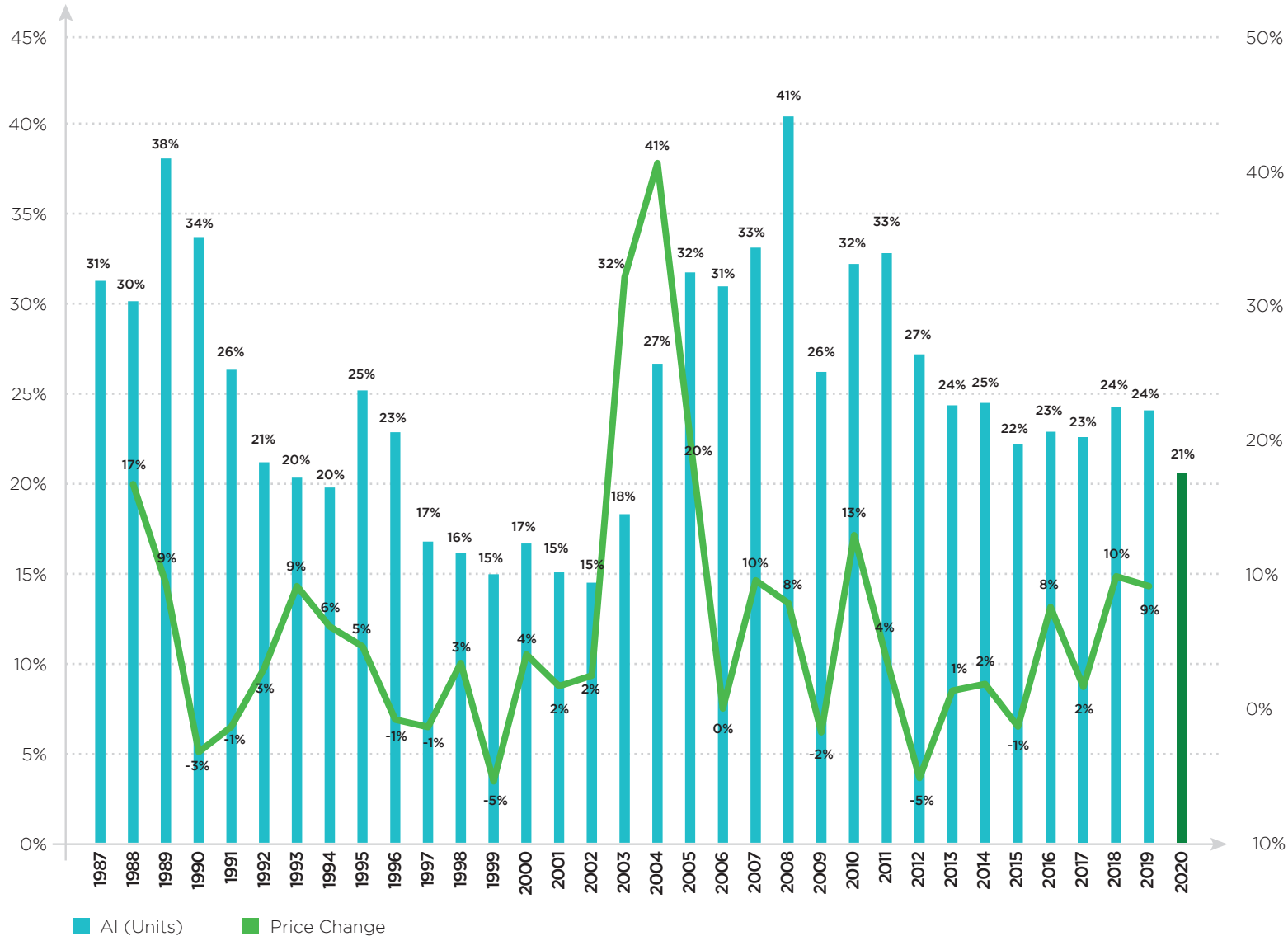
POSITIVE

GROSS AFFORDABILITY INDEX (HOUSE) V. PRICE GROWTH



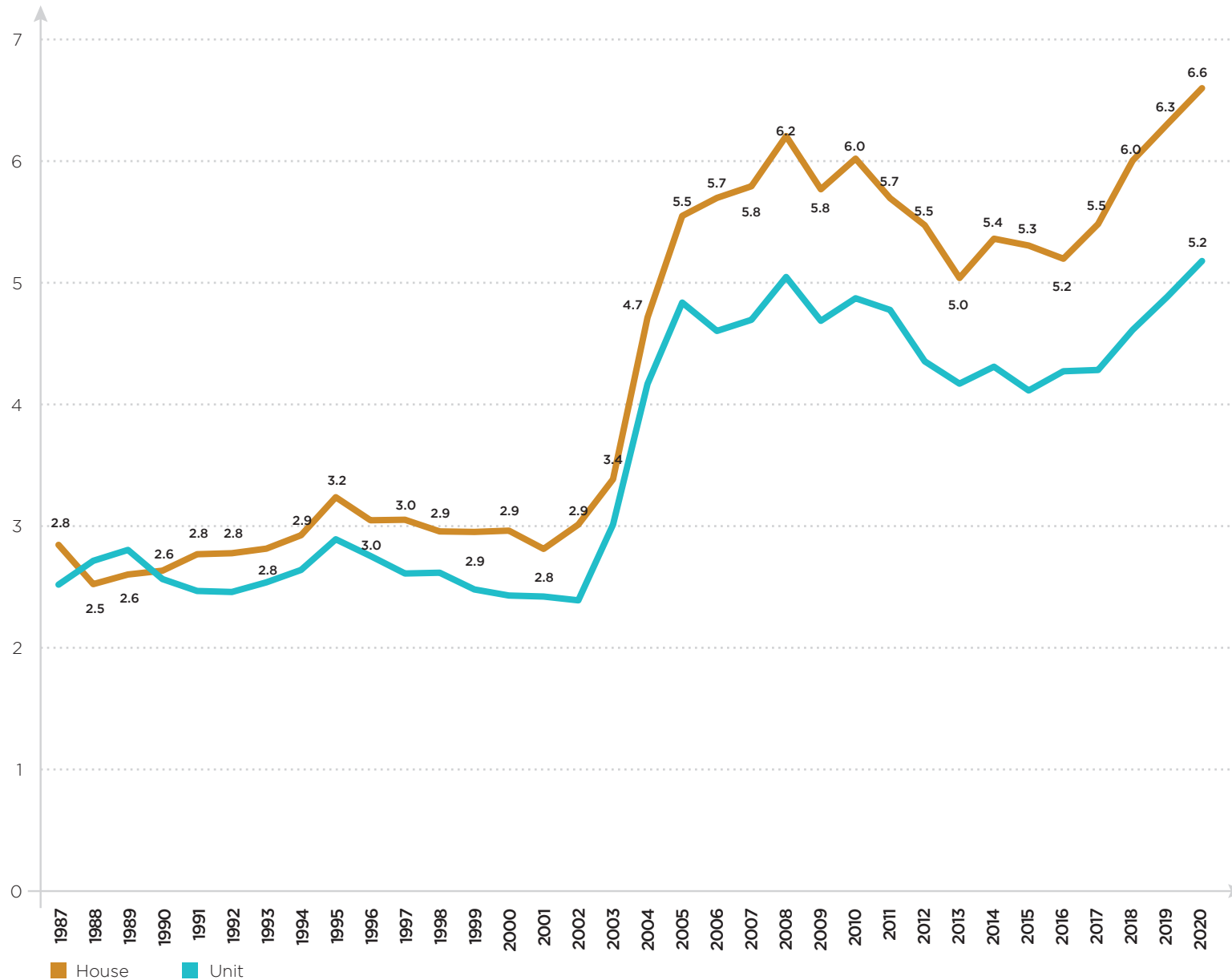
NEUTRAL

GROSS AFFORDABILITY INDEX (UNIT) V. PRICE GROWTH



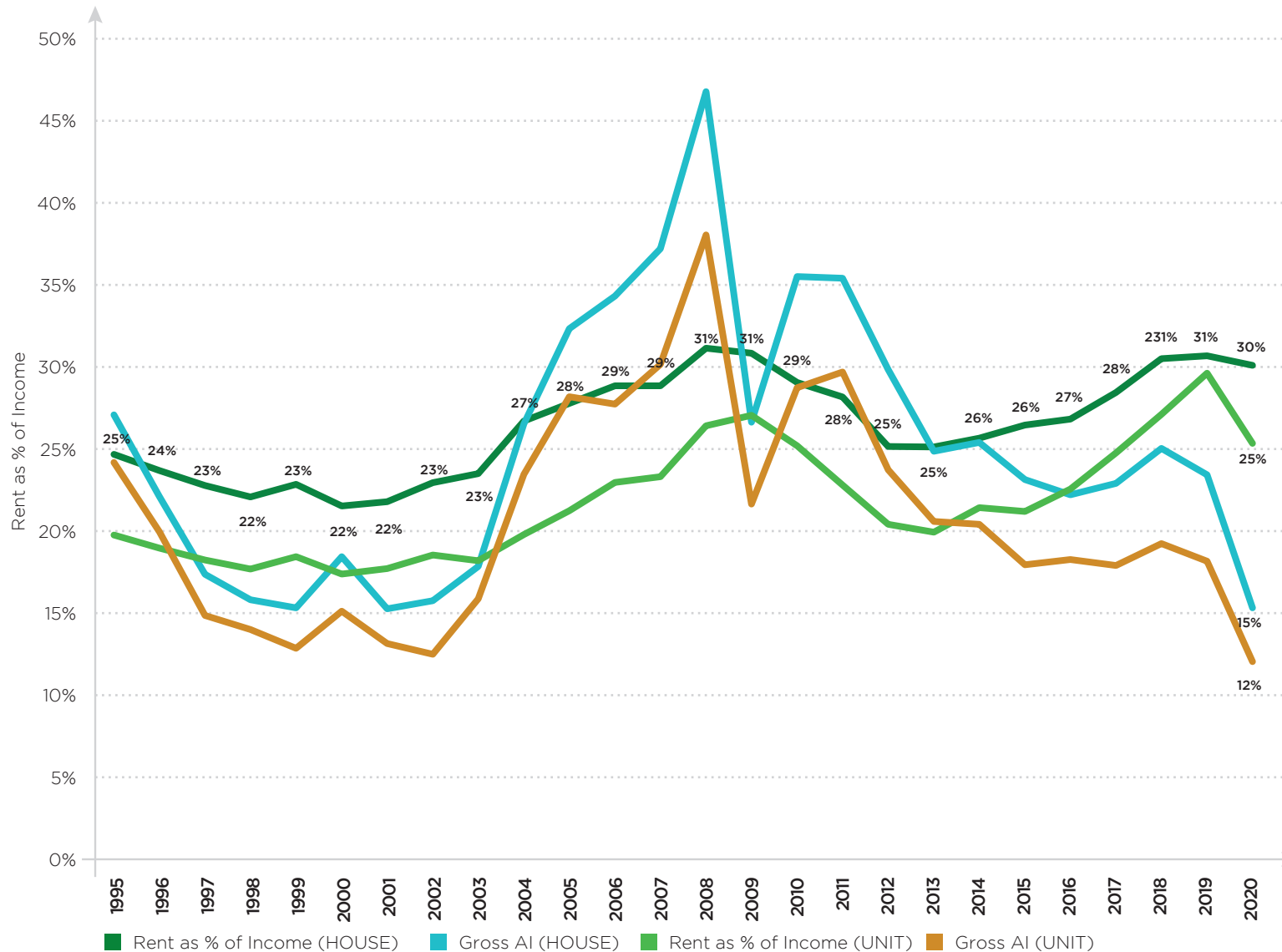
NEUTRAL

PRICE TO INCOME RATIO



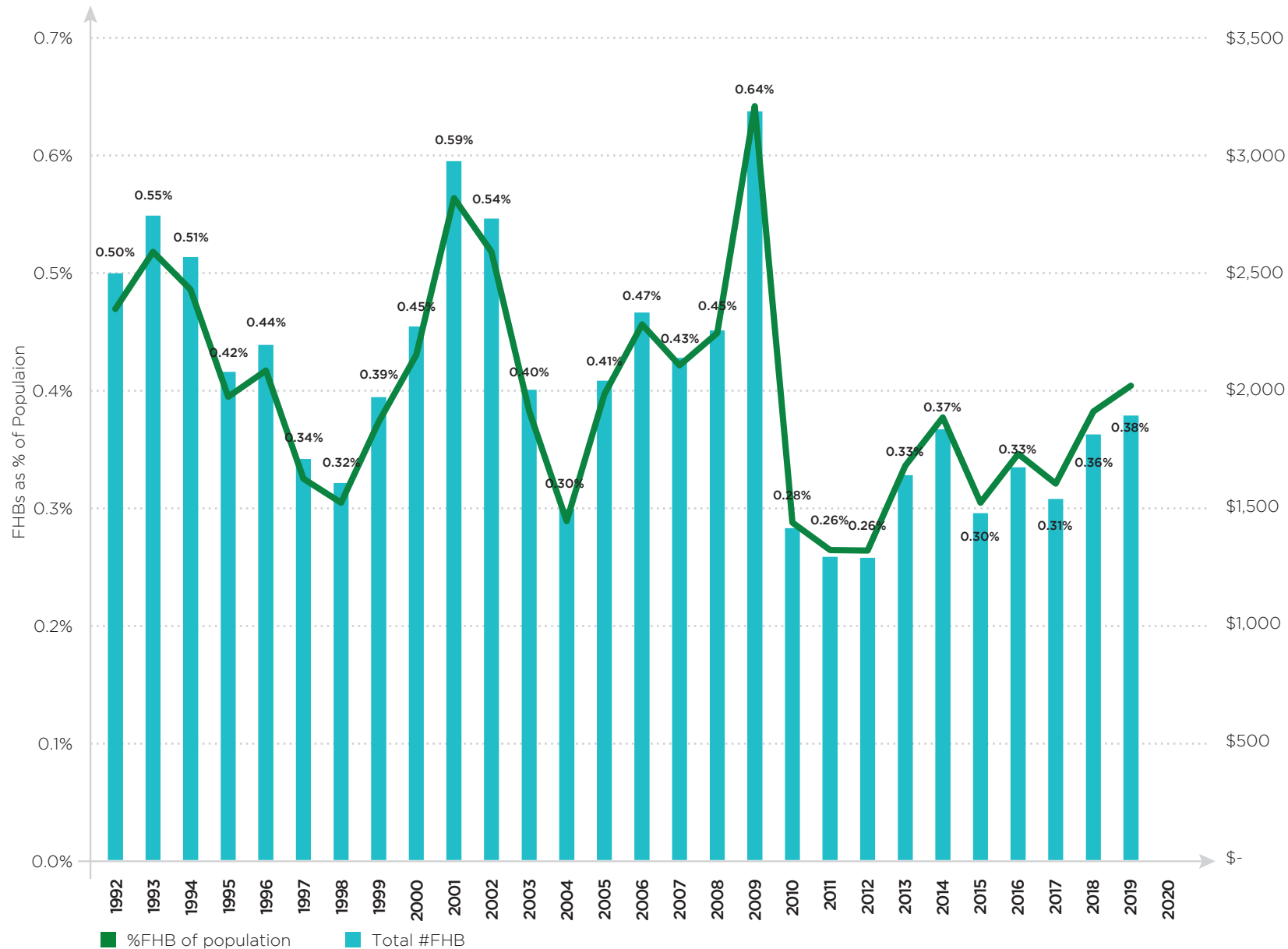
**SLIGHTLY
NEGATIVE**

RENT AS % OF INCOME V. AFFORDABILITY INDEX



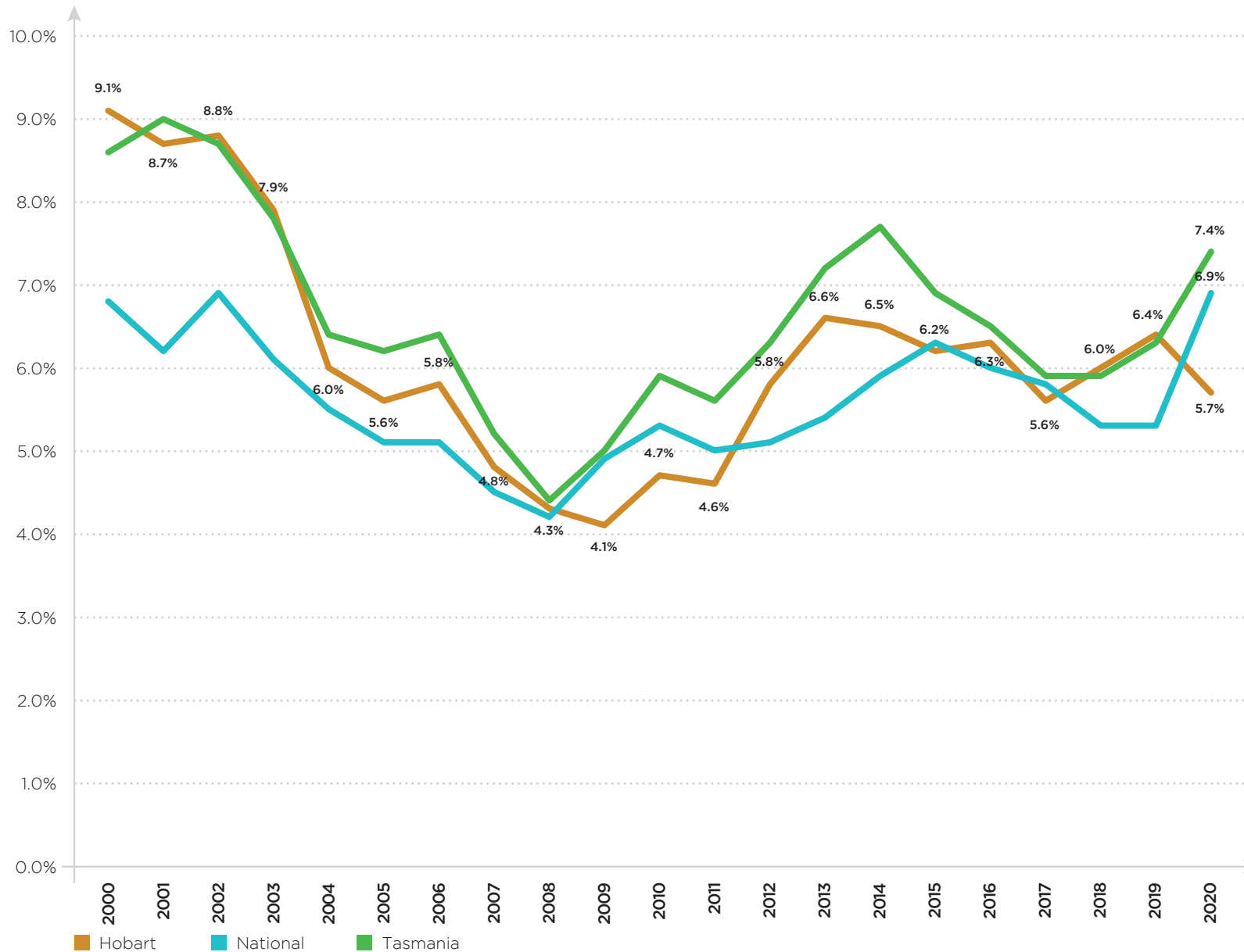
POSITIVE

FHB AS % OF POPULATION



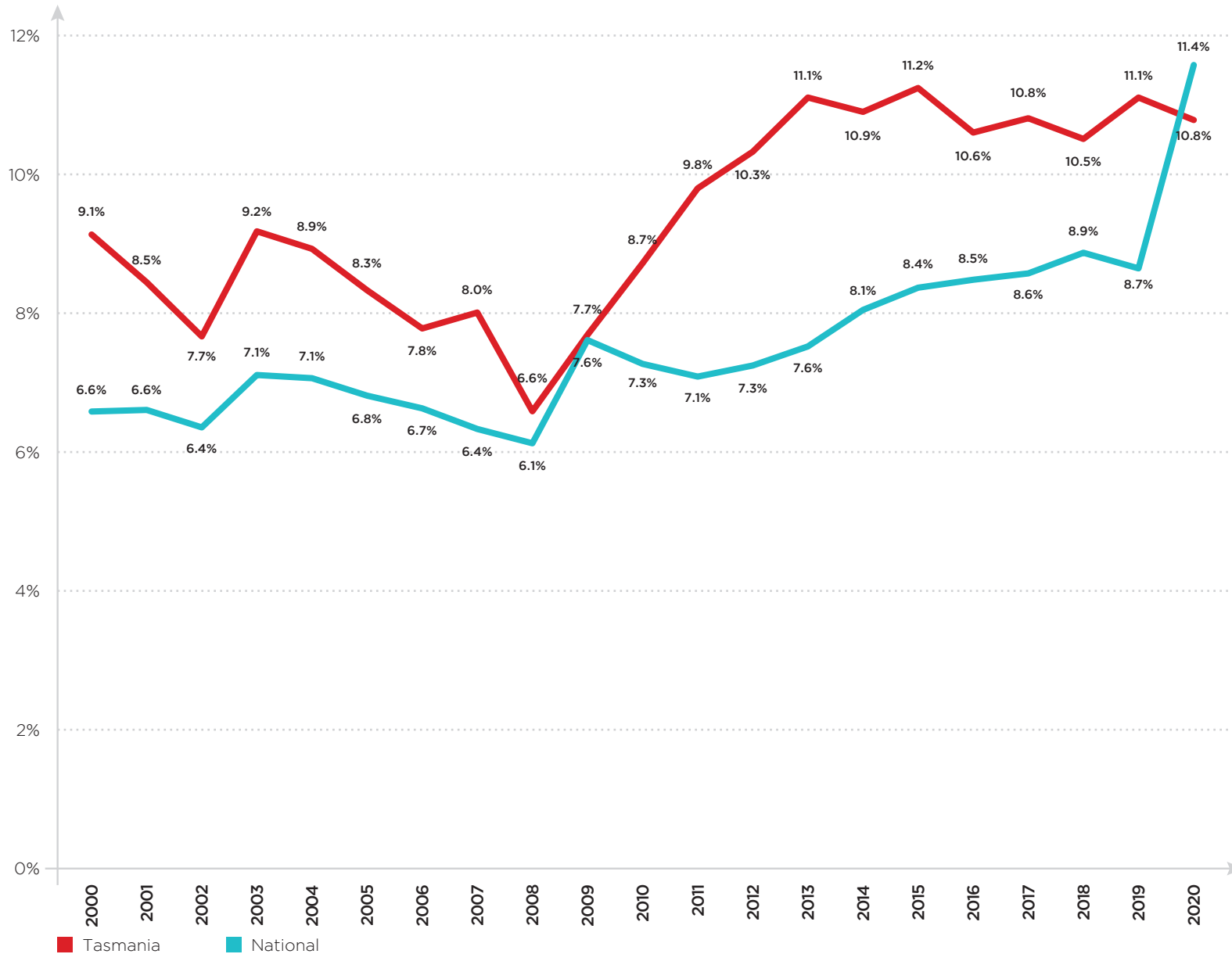
POSITIVE

UNEMPLOYMENT RATE



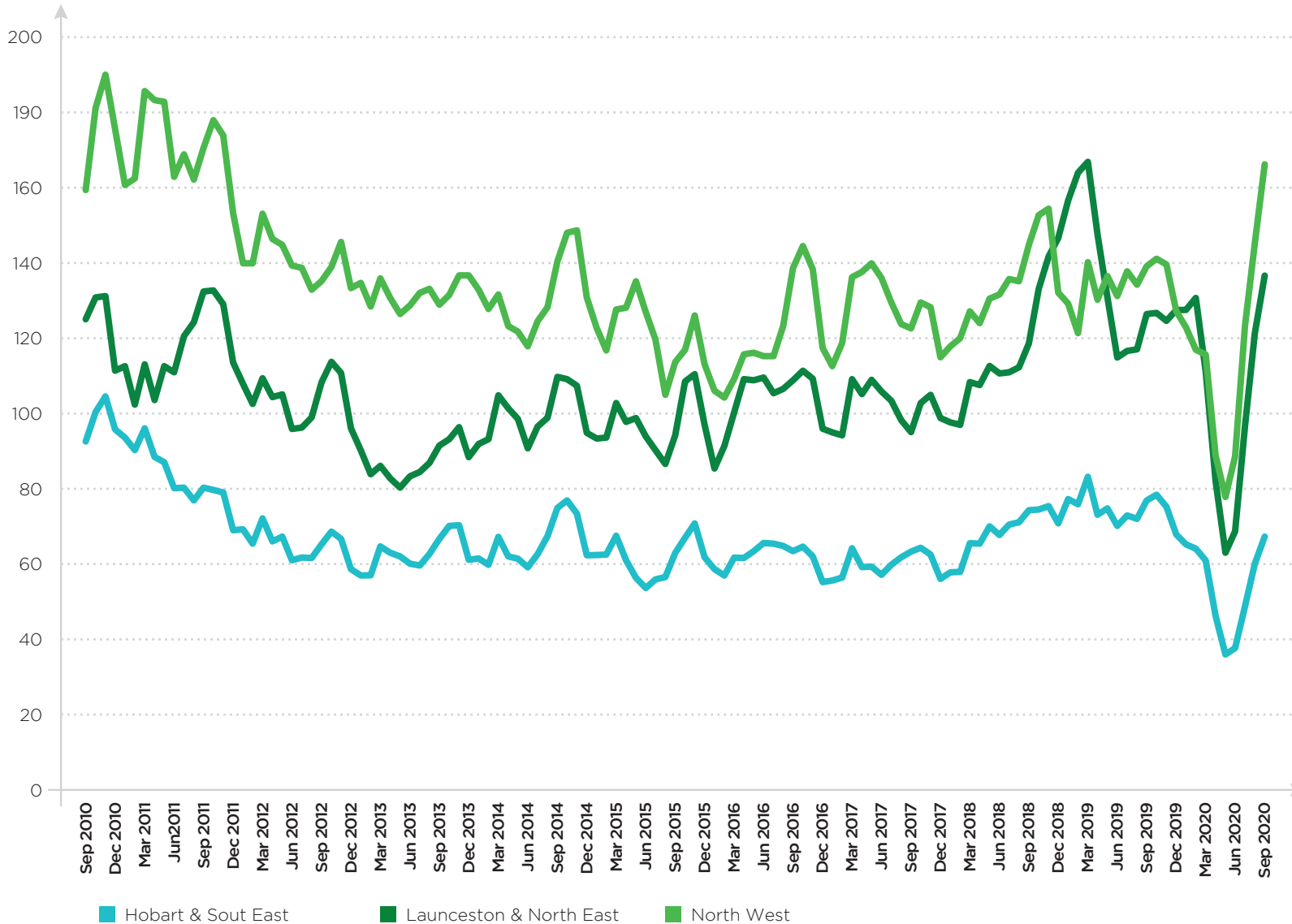
**SLIGHTLY
POSITIVE**

UNDEREMPLOYMENT RATE



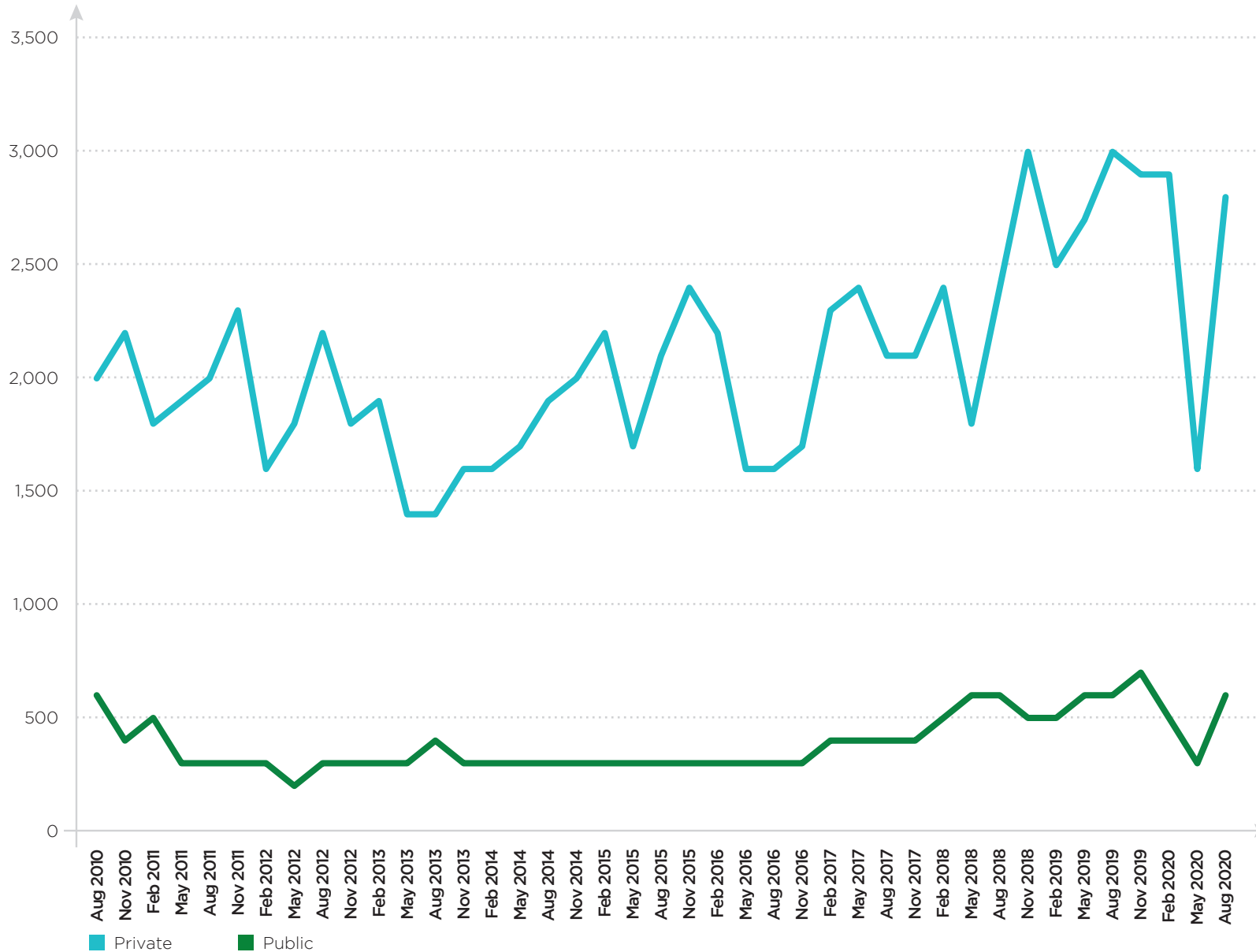
NEUTRAL

JOB CREATION INDEX - HOBART & SOUTH EAST TASMANIA



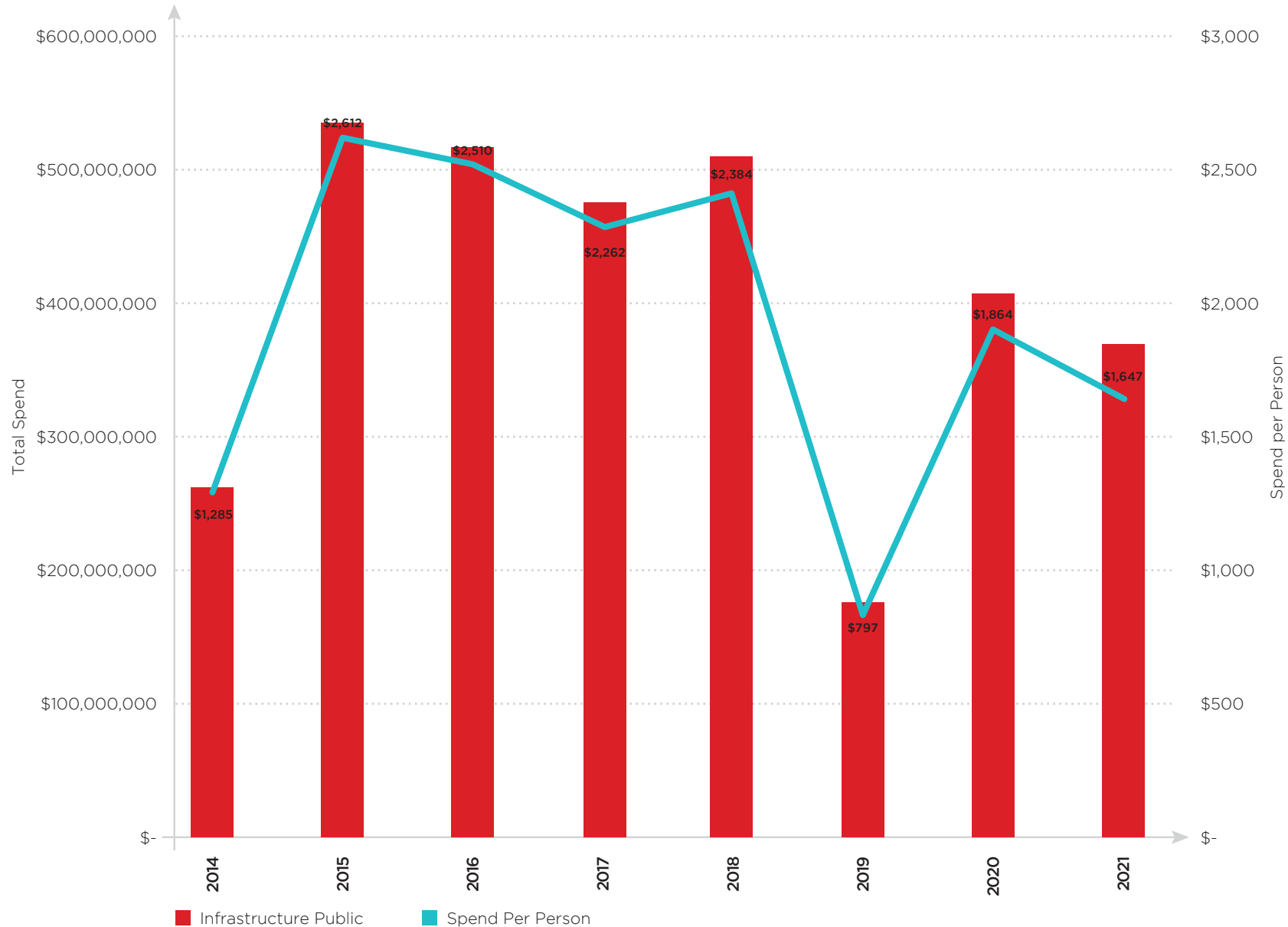
**SLIGHTLY
POSITIVE**

STATE JOB VACANCIES



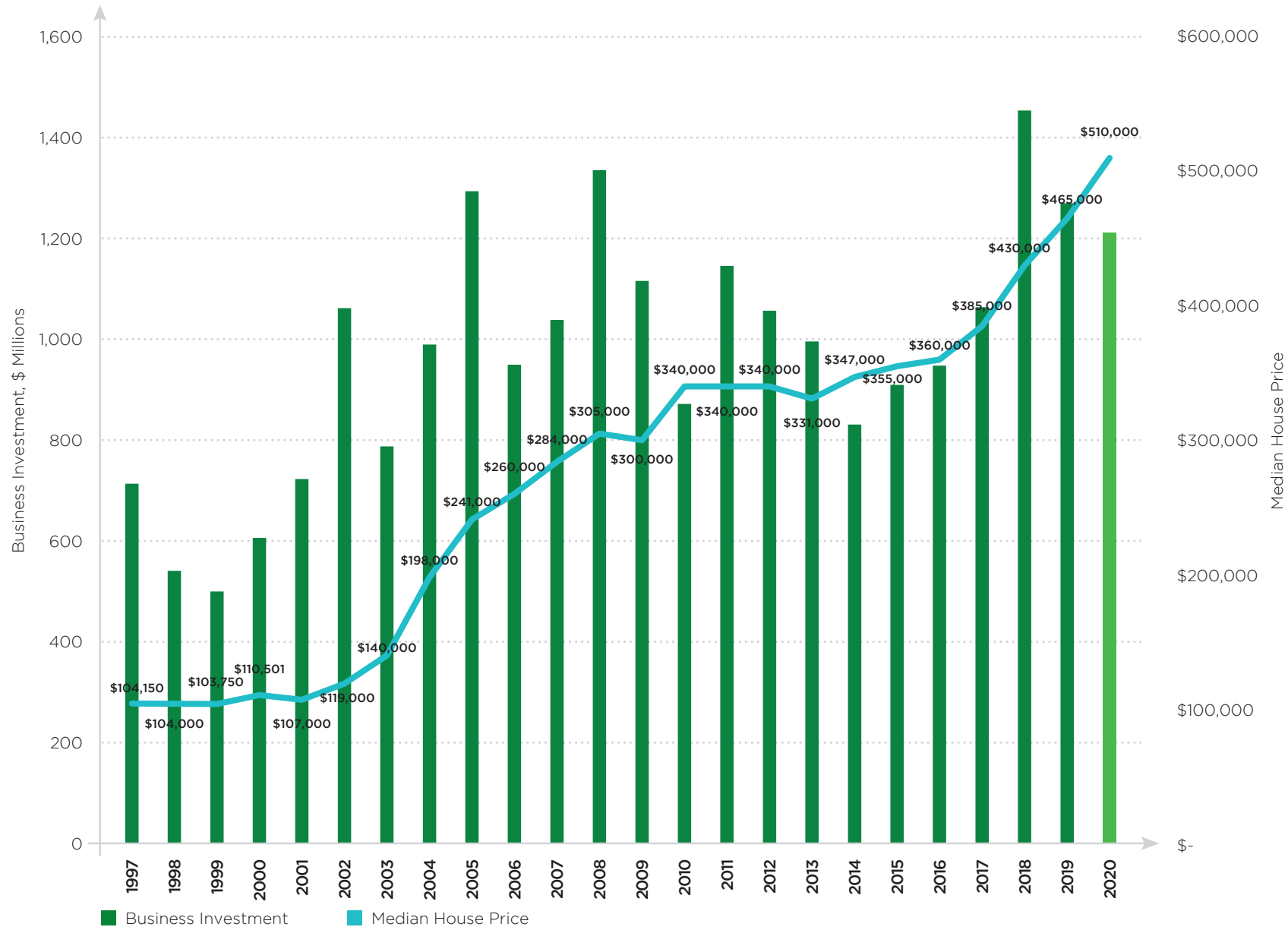
**SLIGHTLY
POSITIVE**

INFRASTRUCTURE SPENDING



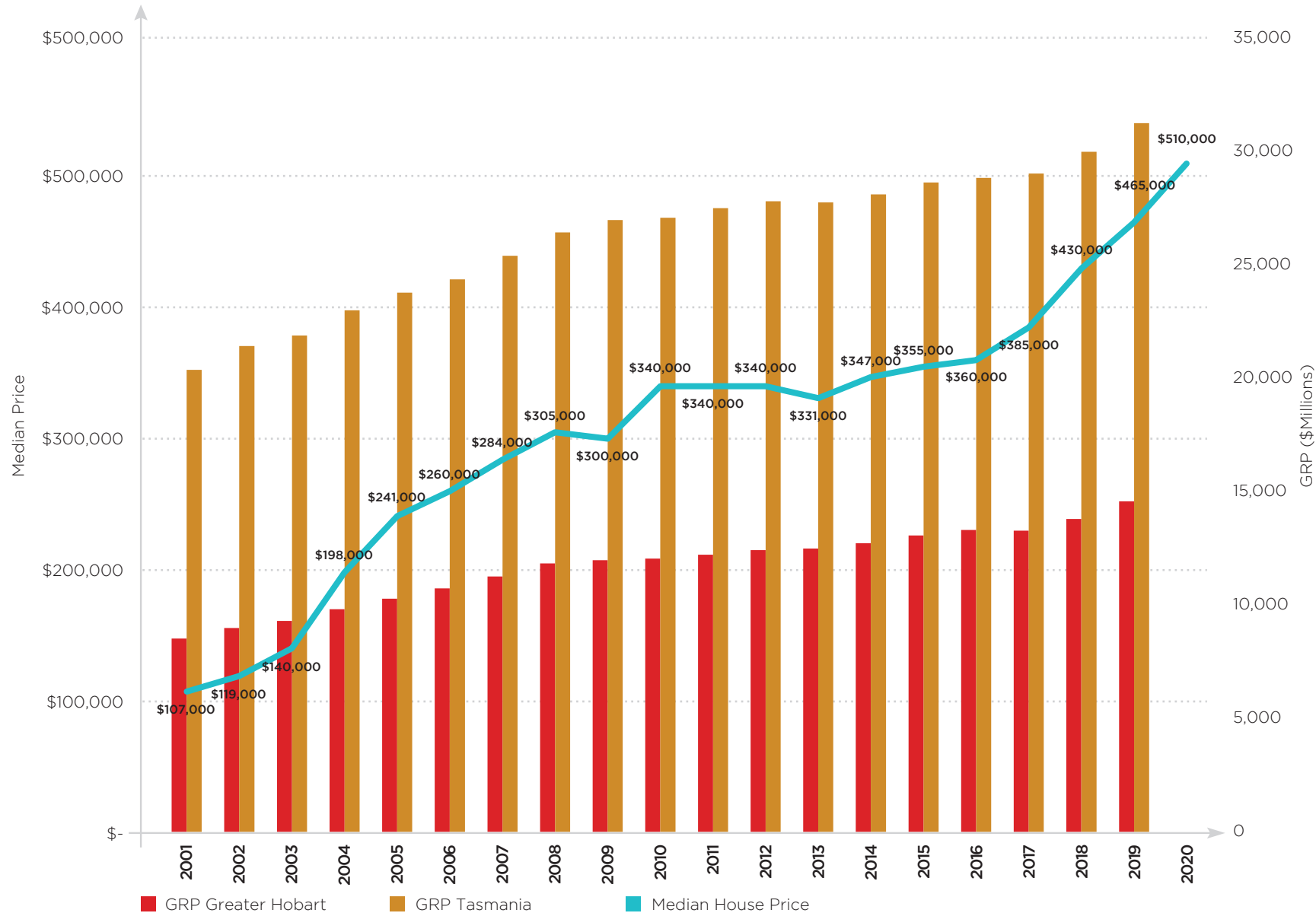
NEGATIVE

BUSINESS INVESTMENT



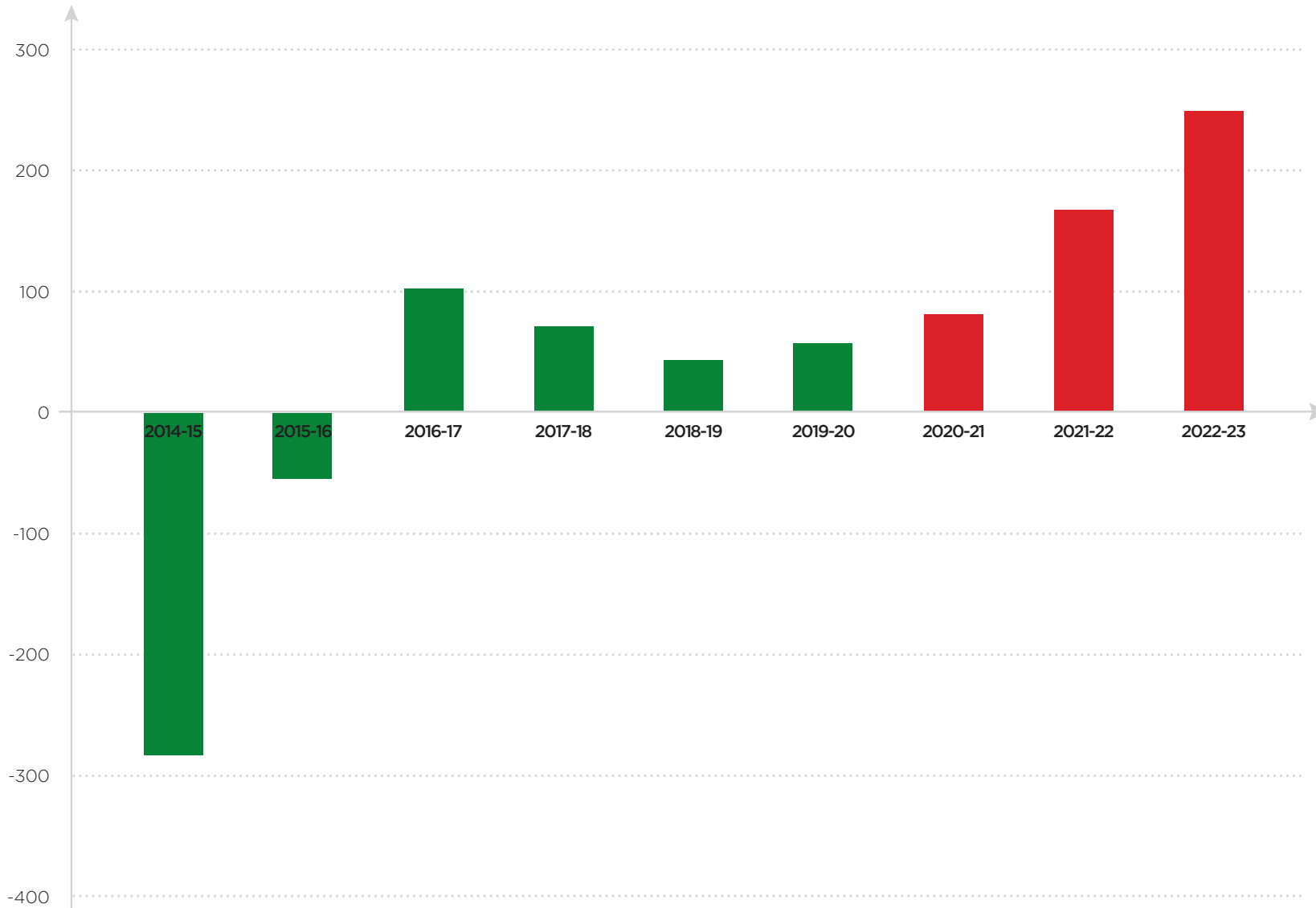
**SLIGHTLY
POSITIVE**

GROSS REGIONAL PRODUCT



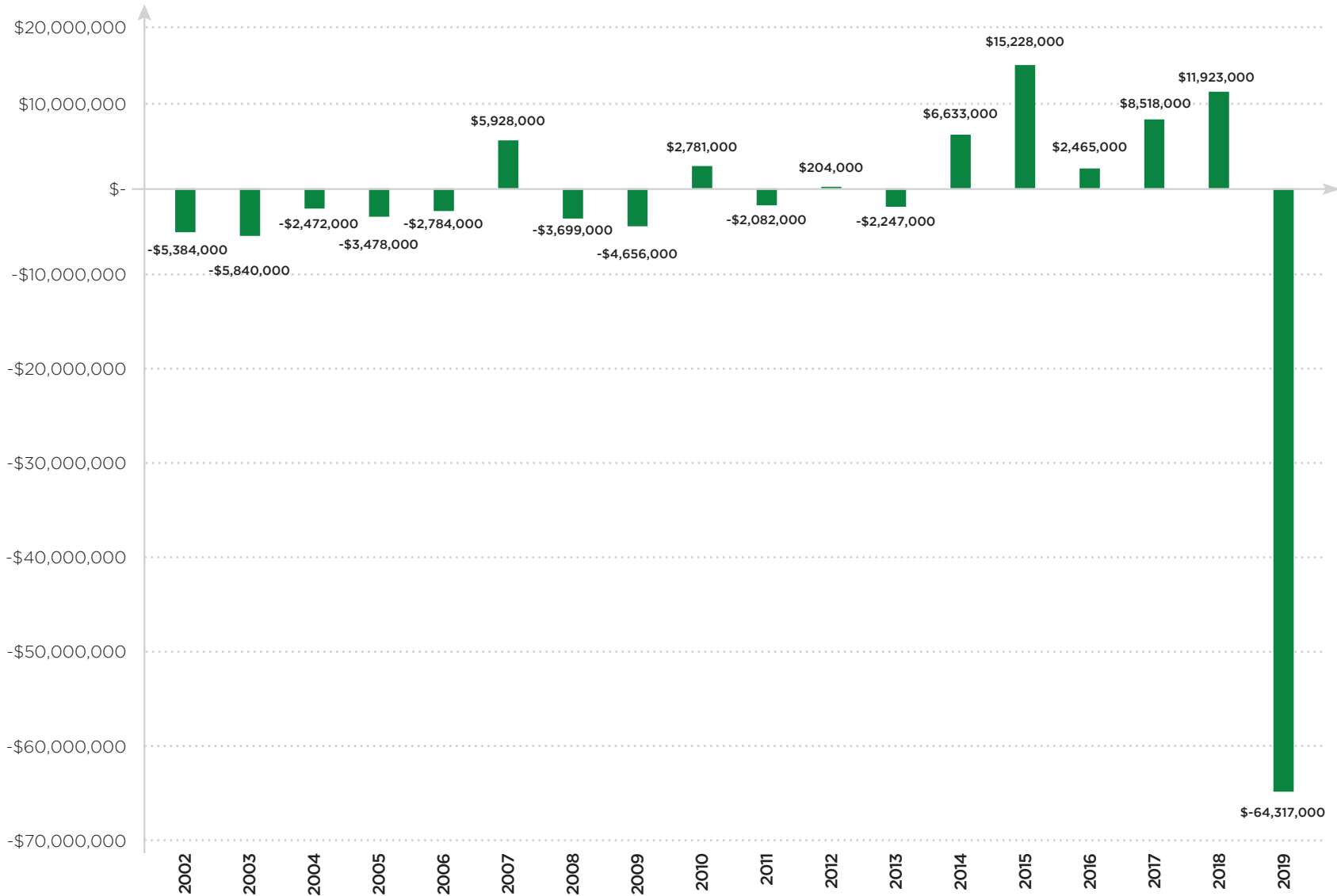
NEGATIVE

STATE BUDGET



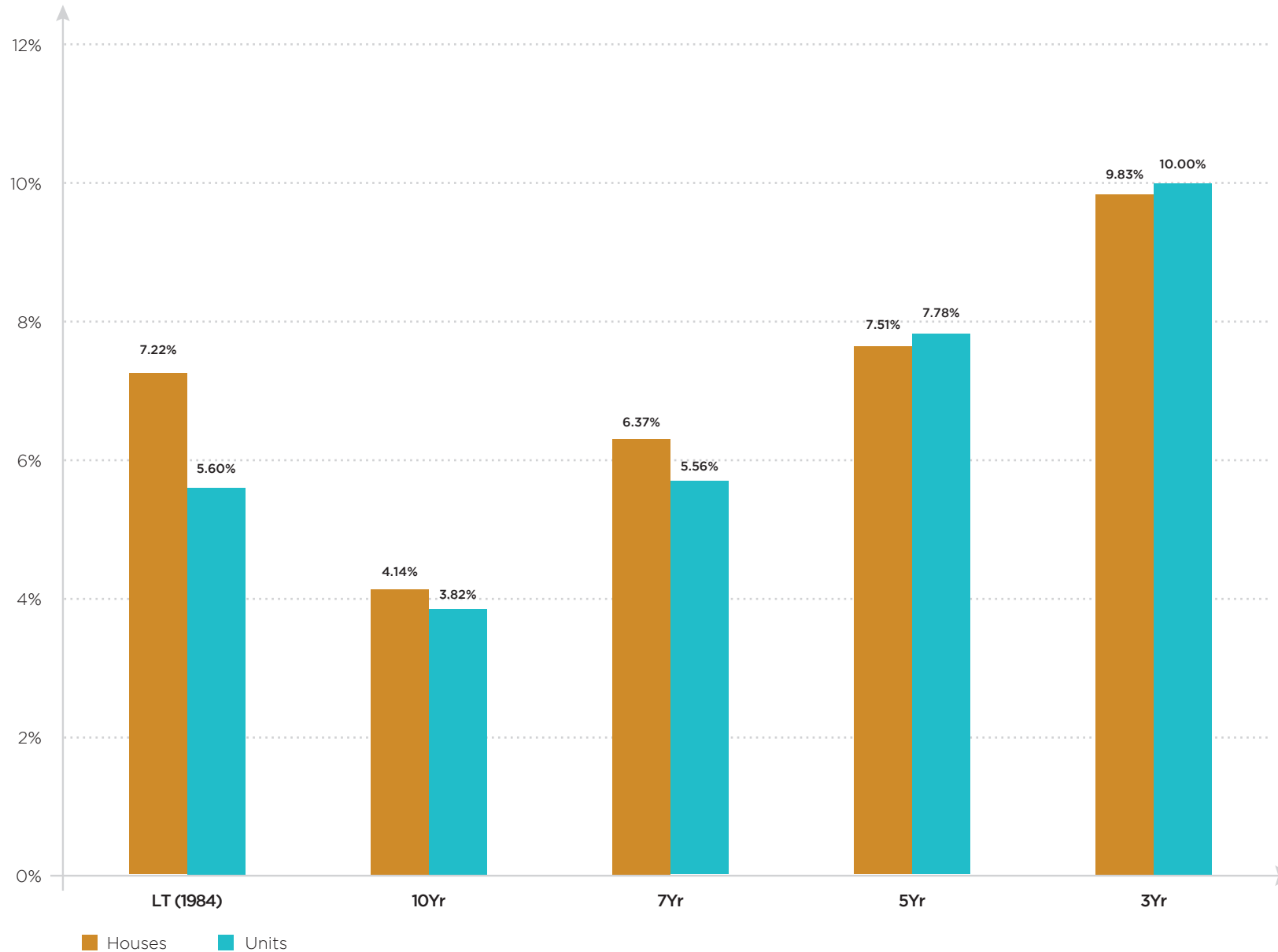
POSITIVE

HOBART CITY COUNCIL BUDGET POSITION



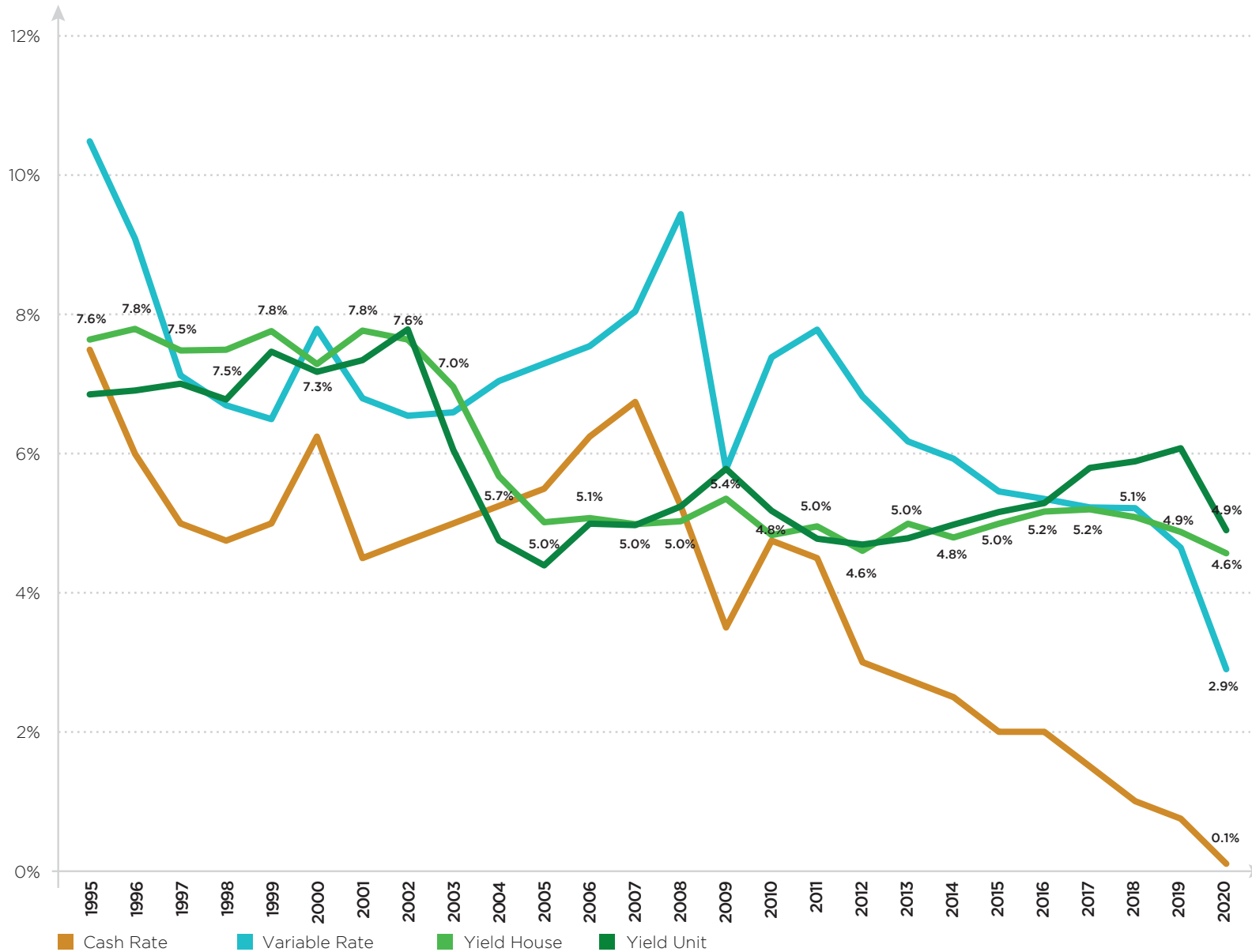
NEGATIVE

LONG TERM PERFORMANCE



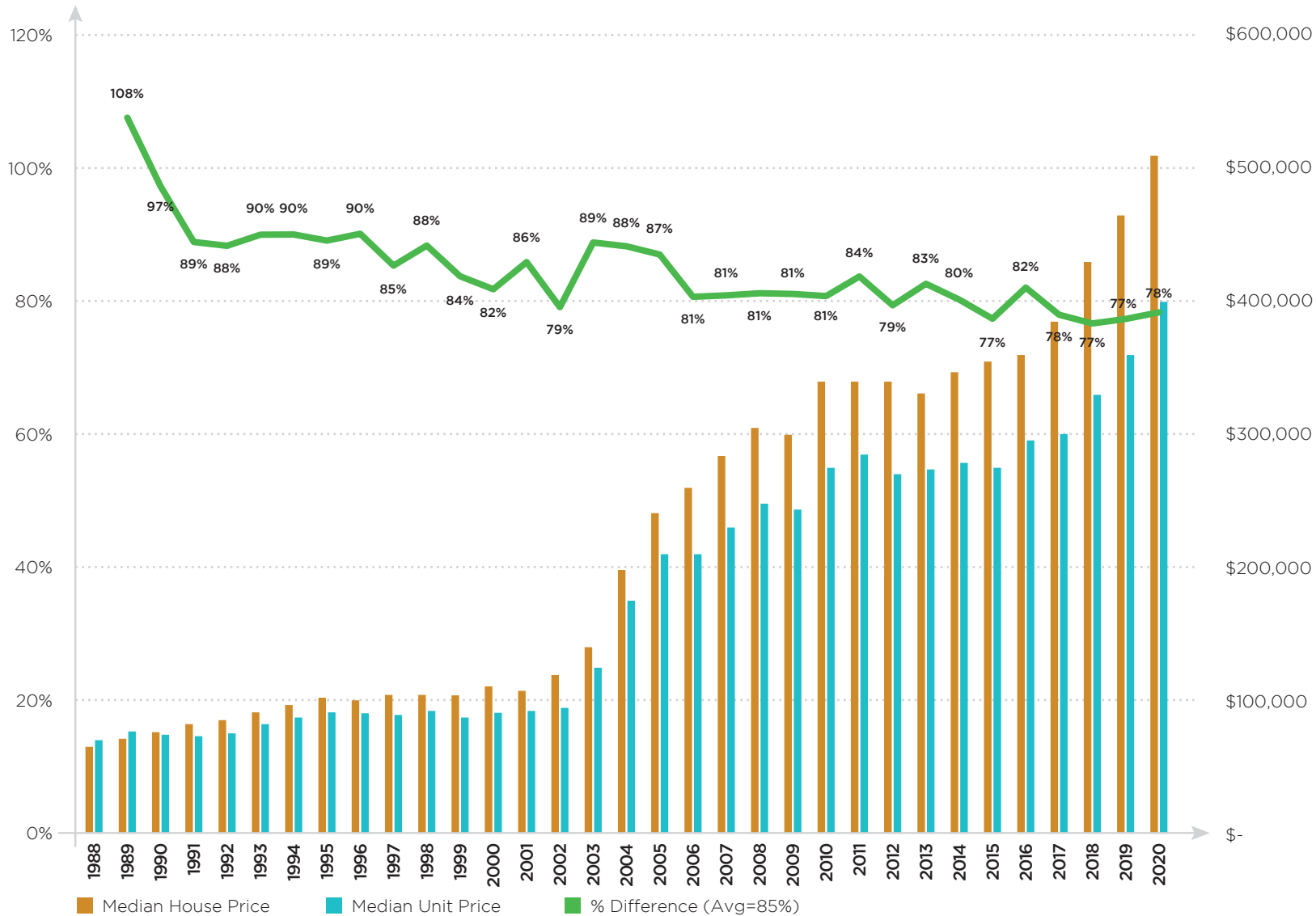
NEGATIVE

YIELD



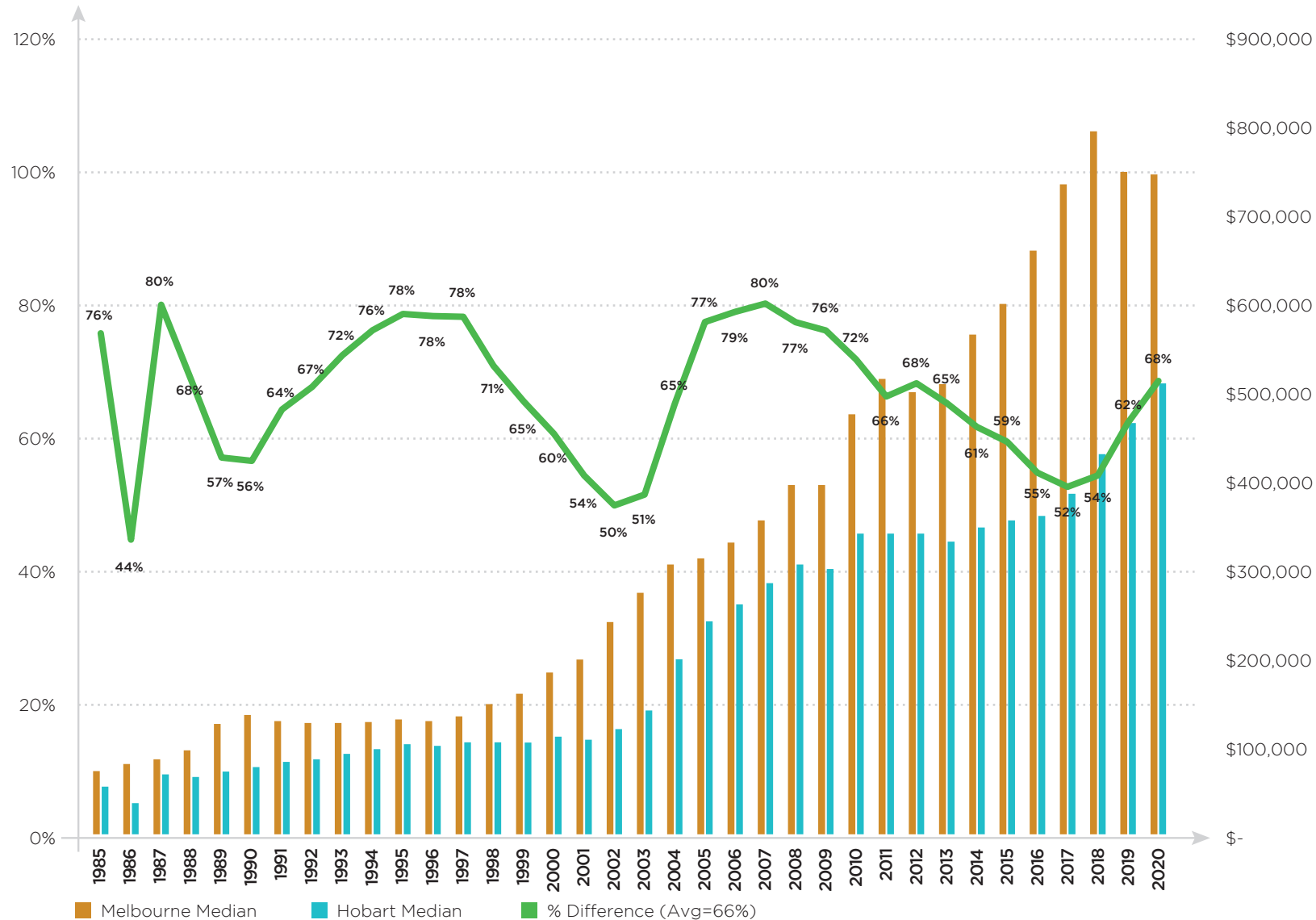
POSITIVE

HOUSE V. UNIT PRICE MOVEMENTS



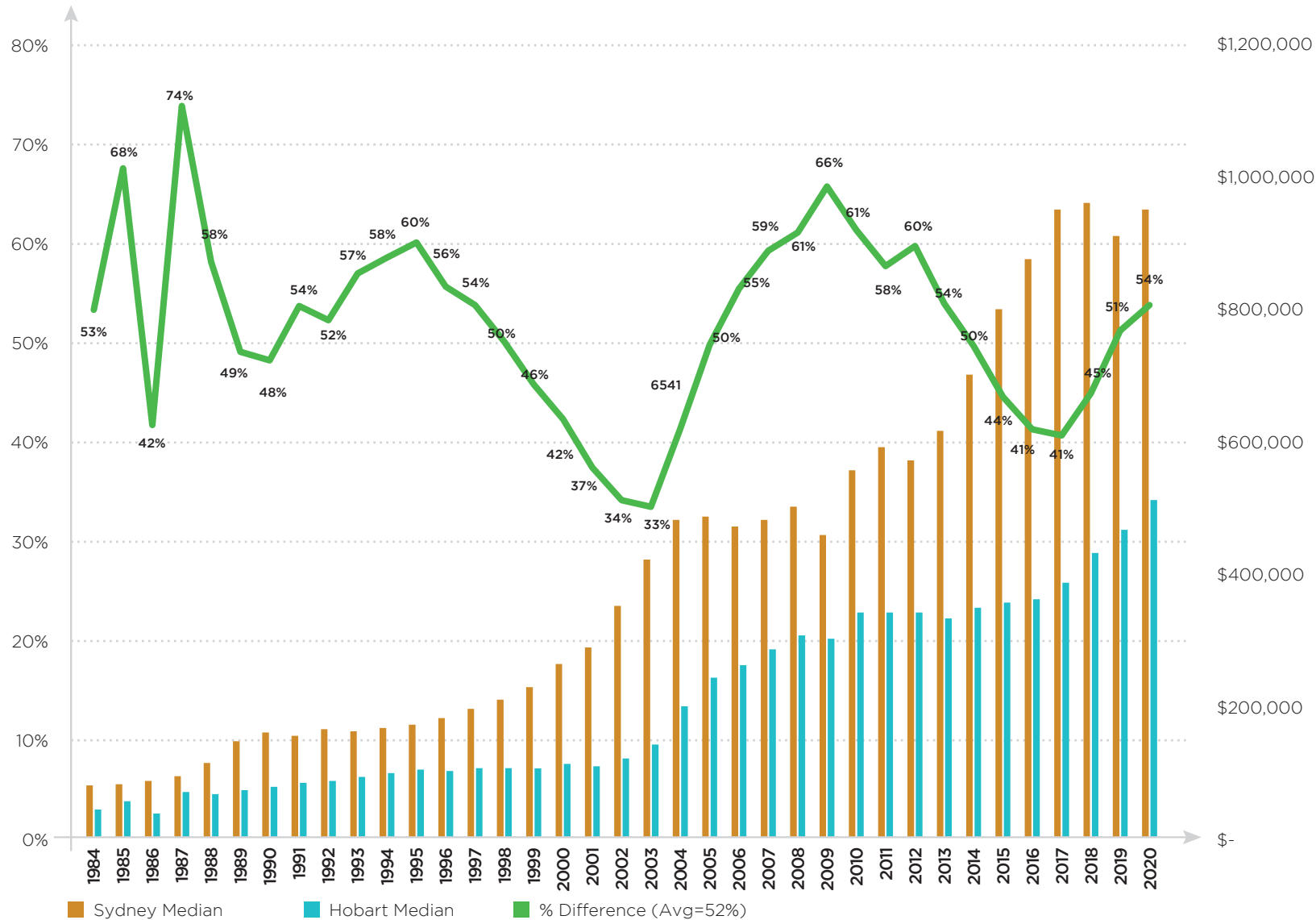
NEUTRAL

HOBART V. MELBOURNE PRICE COMPARISON



NEUTRAL

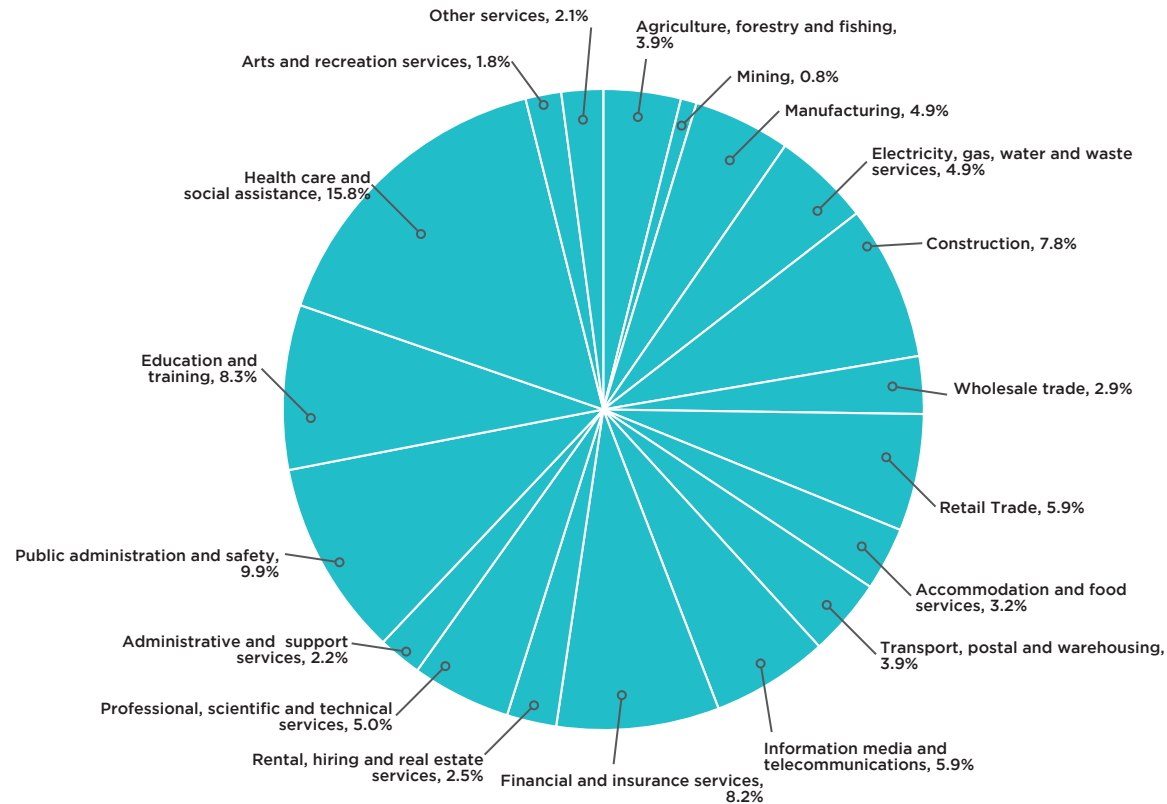
HOBART V. SYDNEY PRICE COMPARISON



NEUTRAL

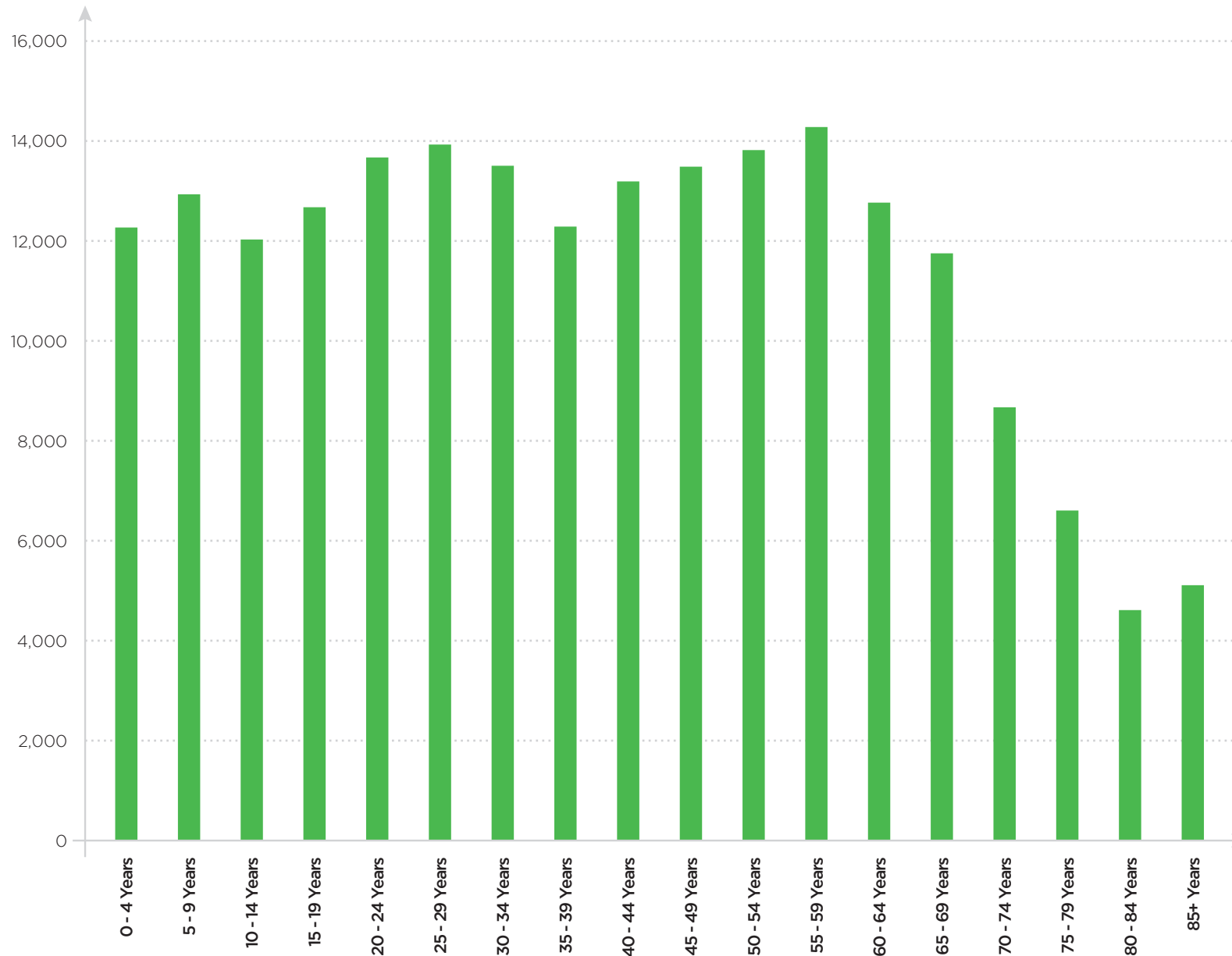
INDUSTRY VALUE ADDED

INDUSTRY BREAKDOWN



SLIGHTLY
NEGATIVE

AGE SEX PYRAMID - HOBART



SLIGHTLY
NEGATIVE

WHY USE US?

INVESTMENT PHILOSOPHY

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OUR PROCESS

RESEARCH

Macro Micro Property

ACQUIRE

Find Assess Negotiate

MANAGE

Property Management

REVIEW

Annual Portfolio Review

ADVISE

Hold Improve Dispose

PERFORMANCE PROPERTY ADVISORY SERVICES

- Property Acquisition
- Property Management
- Portfolio Review
- Sales Advisory / Vendor Advocacy

DATA SOURCES:

- Australian Bureau of Statistics
- BIS Shrapnel
- Residex
- SQM Research
- CoreLogic RP Data
- Foreign Investment Review Board
- Australian Trade & Investment Commission

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