



Hobart Property Report

Q2 2020

The only guide you need to stay up-to-date with the 'unprecedented' market.

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What is happening in 2020?

In the second quarter of 2020, NAB has seen the largest declines in house prices over the country due to the impact of COVID-19. However, there was a “**small rise in Adelaide and a slightly larger rise in Hobart**”.

According to SQM Research, Hobart houses are now priced at a median of \$529,388, which means that for the first time on record, **it's now more expensive to purchase a house in the Tasmanian capital than it is in either Perth and Darwin**.

The locations that have the highest turnover house prices in Hobart are Howrah, Lindisfarne and Kingston.

Regional property markets have significantly outperformed city markets on average over the past year, price growth in regional

Tasmania was up by 9.8% of the year to June 2020.

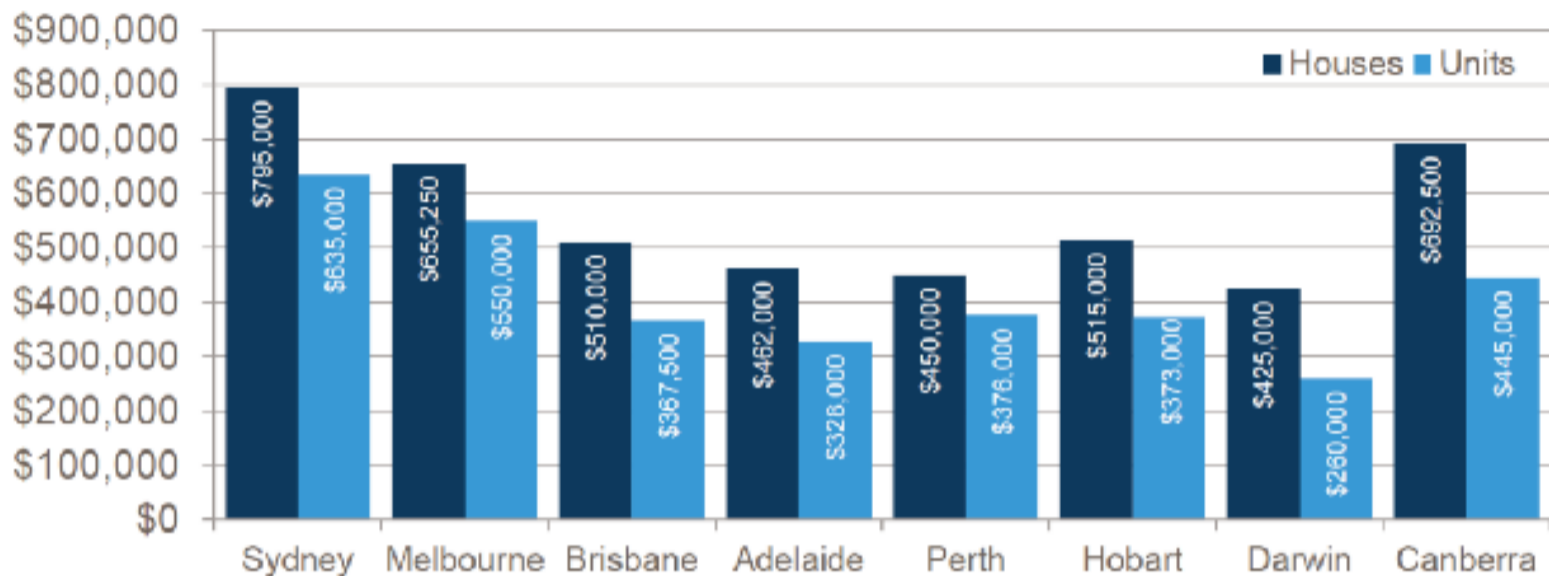
In the remaining times of the year, **house prices in Hobart might continue fall due to the government's and the state's restriction for COVID-19** such as border closures, as Hobart's economic heavily rely on international and interstate tourists.

There is likely to be a market rebound if Australia's COVID-19 infection numbers remain very low, and the economy performs better than comparable countries, this will make Australia an attractive destination for skilled migrants due to work opportunities as well as from a lifestyle and health perspective.

National market snapshot

Median house and unit prices

*Data courtesy of propertyupdate.com.au



Capital city	No of new listings	12 month change (%)	No of Total Listings	12 month change (%)
Sydney	5,880	7.2%	20,066	-0.8%
Melbourne	2,517	-59.2%	19,320	-13.3%
Brisbane	3,573	-8.4%	17,058	-19.0%
Adelaide	1,414	-5.9%	5,822	-20.0%
Perth	2,849	4.7%	14,424	-24.6%
Hobart	253	-18.6%	822	-21.1%
Darwin	105	-38.2%	768	-31.4%
Canberra	560	-3.9%	1,821	-24.6%
Combined Capitals	17,151	-17.7%	80,101	-15.3%

The numbers of listing have decreased nationally due to the effect of the COVID-19 pandemic, causing government to put up restrictions.

Melbourne is affected the most due to its toughest restrictions as of Q2 2020.

Borders closure and government restrictions play a huge role in the current market.

Nevertheless, Hobart's dwelling value are currently at a record high, as it increased by 1% for the quarter.

Local market snapshot

Median Price in Hobart \$529,388*

+23.11% Year-on-Year/ +1.4% Quarter-on-Quarter (Jan-May 2020)

Median House \$530,000 / Median Apartment \$400,000

+11.6% Year-on-Year / +5.3% Year-on-Year



**Average time on market
(houses) 35 days**

*Data from propertyupdate.com.au

**Average time on market
(units) 32 days**

*Data from propertyupdate.com.au

Most expensive houses in Tasmania

*Data from REIT June 2020 Quarter Report

1. Sandy Bay (\$899,500)
2. Mount Nelson (\$790,000)
3. Acton Park (\$780,000)
4. New Town (\$740,000)
5. West Hobart (\$735,000)
6. South Hobart (\$698,000)
7. Tarooma (\$688,500)
8. Bellerive (\$647,000)
9. Launceston City (\$685,000)
10. Blackmans Bay (\$637,000)

The rise of regional properties

“We will see buyers branch further out into the suburbs and consider a commute for the sake of affordability and value for money...” said Mandy Welling, Real Estate Institute of Tasmania president.

According to Domain.com.au, median prices in regional areas across the country were up by an average of 3.4 per cent for the year to June 30, 2020. Price growth was strongest in Melbourne, Sydney and Hobart.

Average growth in regional median house prices, 2018-2020

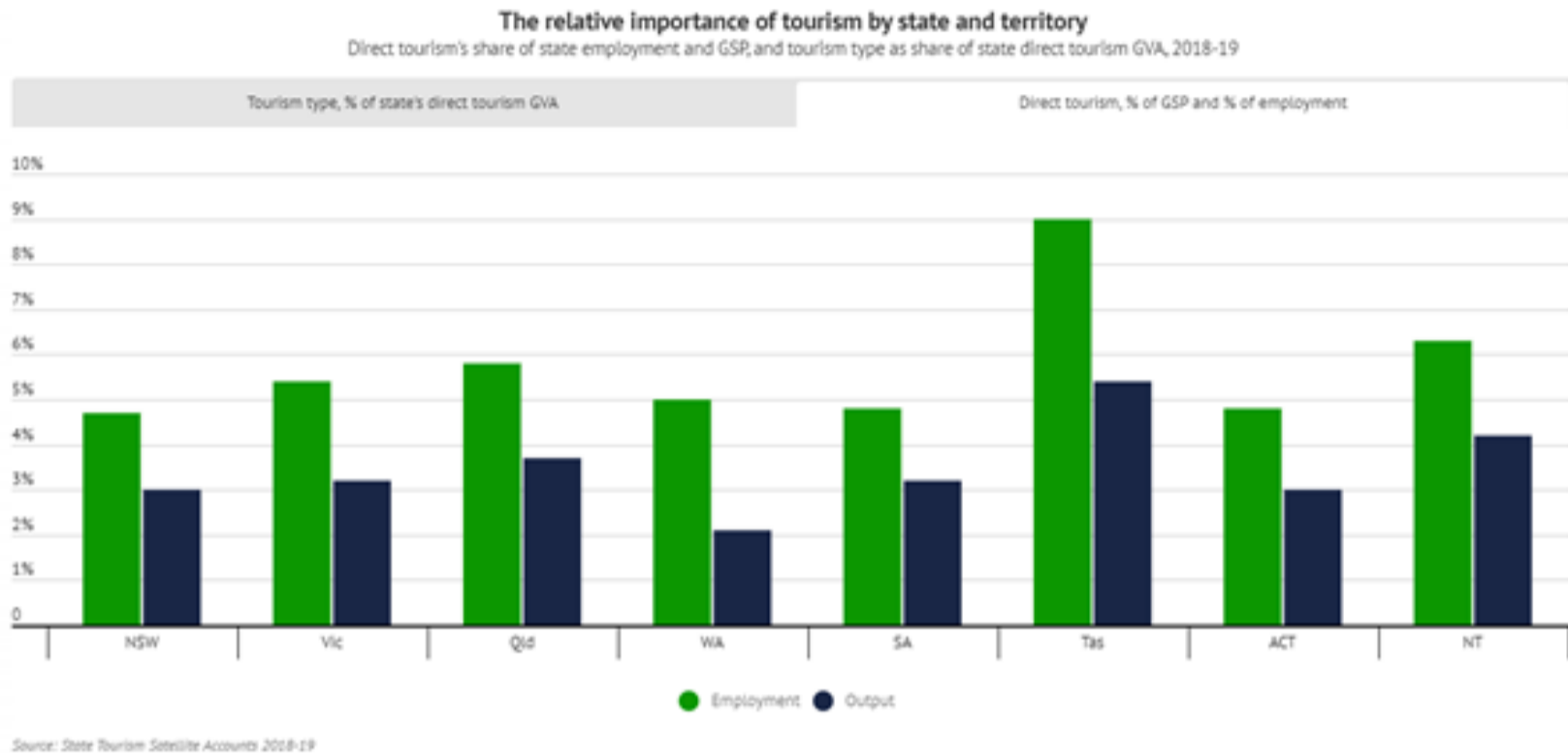
	1st half 2018	2nd half 2018	1st half 2019	2nd half 2019	1st half 2020
NSW	2.5%	0.5%	-2.8%	3.8%	5.3%
QLD	0.5%	-1.1%	-1.2%	2.8%	0.0%
VIC	5.5%	6.6%	3.3%	4.4%	4.4%
WA	-3.6%	-3.4%	1.5%	-0.1%	-0.5%
TAS	9.1%	7.0%	4.7%	9.3%	9.8%
NT	-4.3%	-4.5%	-4.5%	-11.7%	2.5%
SA	-1.7%	2.6%	1.4%	0.8%	2.2%

State	Region	Property Type	Median Price	Quarterly Growth	12 month Growth	Weekly Median Advertised Rent	Gross Rental Yield
TAS	Metro	Houses	\$530,000	2.0%	8.7%	\$470	4.9%
TAS	Metro	Units	\$418,000	1.3%	7.3%	\$400	5.3%
TAS	Country	Houses	\$335,000	2.3%	8.0%	\$330	5.2%
TAS	Country	Units	\$295,000	0.9%	4.6%	\$270	5.2%

Source: CoreLogic, June 2020

The impact of reduced tourists

On the other hand, Hobart property prices might continue to fall due to the heavy reliance on international tourism and migration.



The ongoing border closures in Tasmania will result in significant job losses.



A softer tourist market has resulted in short-term rentals being listed on the long-term rental market, which has pushed down rents (Hobart asking rents have fallen by about 5 per cent in the June quarter).

What's next for 2020?

On the other hand, Trent Wiltshire, an Economist at Domain, claimed that **price falls will likely be modest**, and much smaller than predicted at the height of the COVID-19-related shutdowns.

“There is also the possibility of a more rapid rebound. **Buyers may seek to take advantage of record low interest rates**, if confidence improves due to a strong economic recovery and immigration could rebound in 2021 faster than expected due to **Australia being an attractive destination for skilled migrants and international students.**”

“If COVID-19 outbreaks are contained and the economy recovers, then investors and owner-occupiers will be more willing to borrow and take advantage of greater borrowing capacity.

First-home buyers will also be keen to take advantage of the government incentives such as the First Home Loan Deposit Scheme and HomeBuilder if the job market continues to improve.

If Australia's COVID-19 infection numbers remain very low, and the economy performs better than comparable countries, this will make

Australia an attractive destination for skilled migrants due to work opportunities as well as from a lifestyle and health perspective.

International student numbers may also rebound faster than initially expected, with pilot programs to bring students to Australia already underway.”

A faster than expected recovery in population growth will support prices, transactions and economic recovery.

5 tips to sell your property

1 Hit the selling 'sweet spot'

In Hobart, spring is the "sweet spot" season for selling. Blossoms are blooming, grass is growing, and the longer days are welcomed by buyers who have more daylight hours to view properties.

2 Demand is still high!

Always key to pricing, we find at present there's more demand than property supply on the market, keeping purchasers keen and prices solid in the majority of areas.

3 Presentation is key.

Presentation is key to achieve the best possible price. Potential buyers want to visualise their life in the home they are viewing. Before listing your home, an agent or stylist will be pleased to guide you on this.

4 Cheap fees? You get what you pay for

You're employing a real estate agent for their marketing and negotiating skills. If they can't negotiate a great fee for themselves, can you trust their negotiation skills to get the best sale price for you? Look past the fee to the outcome the agent can achieve.

5 Engage your agent early

Even if you aren't quite ready to list your home, engage an agent. As you live in your home, you'll often be unaware of things which could help you get a better result that a trained pair of eyes will spot.

Agents see different homes every day and know what buyers are looking for; get in touch with one early on to ensure you get the best possible sale outcome.

Who are we?



We believe in working Together.

Side-by-side. With you. To provide you with the best possible outcomes.

That's why we take the time to understand your goals, and happily share our knowledge and expertise in real estate every step of the way.


We always protect your best interests and offer honest advice.

It's all part of working together – giving you the support you need to make your experience rewarding and enjoyable!

With Nest Property, you have access to our 130+ years of combined real estate experience, matched with intelligence and innovation to ensure you get the best result.

We look forward to working with you!

- The Nest Property Team



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tailored idea of
how much your
home could
be worth?

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a [free appraisal](#).

Together.

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