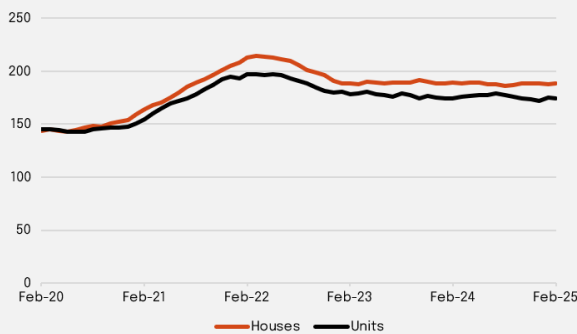


HOBART MARKET SNAPSHOT

Home Value Index – February 2025

The change in house and unit values to end of February is recorded at:



HOUSES



UNITS

Quarter

0.0%

0.0%

Annual

-0.3%

-0.1%

Annual Dwelling Sales to February 2025

3,545

-10.4% lower than one year ago.

-17.9% below the five-year average.



-7.2%
HOUSE SALES



-20.0%
UNIT SALES

Source: CoreLogic

Hobart dwellings started to show signs of recovery after recording a rise of +0.4% in February, one of the strongest gains of all capital cities.

This Quarterly dwelling growth was flat with the annual growth at -0.3%, the median value of \$661,544 was recorded at the end of February. House values recorded growth of +0.6% for the month, however unit prices eased -0.5%, dragging down the overall dwelling median value.

Listing levels moderated further both the house and unit sectors at -3.4% and a more substantial -16.9% respectively, with sales volumes also dropping notably in the unit market (-20.0%), showing decreased demand in this sector.

Following the period of softer conditions, Hobart's increased affordability remains attractive to local and interstate buyers and investors. Overseas buyer interest, which was also evident in the market in late-2024, continues to add a further boost to property prices.

The timing of return to growth coincides with the increased certainty of an RBA rate cut y, with the cut to a cash rate of 4.1%

announced in February, the first since 2020 and following 13 consecutive hikes that pushed rates to their highest level since 2011.

Looking ahead, experts believe that markets where housing values have experienced softer conditions could be primed for a stronger growth performance, given their renewed affordability advantage. Hobart recorded the most substantial easing (-11.9%) from its peak in March 2022, where the median dwelling value was \$733,112.

The move provided further stimulus to the housing market, although the improved housing conditions are more likely to have been caused by an improvement in sentiment rather than any immediate improvement in borrowing capacity as a result of the cut. Consumer sentiment, as measured by the Westpac-Melbourne Institute Consumer Sentiment Index (W-MI measure), rose by 4.0% month-on-month to 95.9 in March 2025, its highest level since March 2022. This figure means the index is just four percentage points off the "neutral" level of 100, when there is an equal number of optimists and pessimists.



MARKET CONDITIONS



HOUSE



UNITS

LISTINGS – ANNUAL INCREASE

-3.4%

-16.9

DAYS ON MARKET

38 days

41 days

VENDOR DISCOUNT

-3.7%

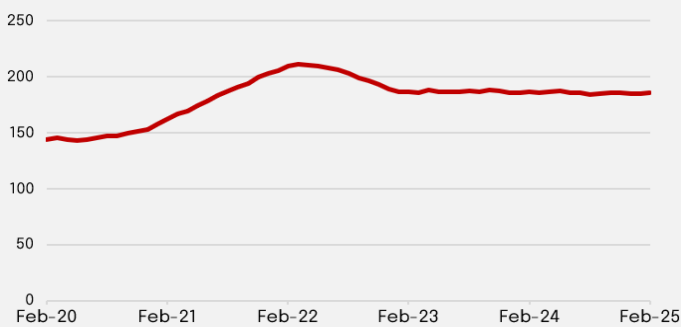
-3.5%

MEDIAN VALUE

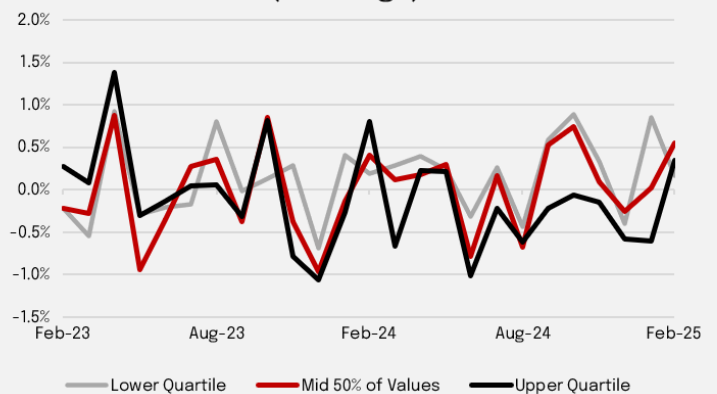
\$699,533

\$533,514

Hedonic Home Value (Dwellings)



Value Change by Price Quartile (Dwellings)



Source: CoreLogic

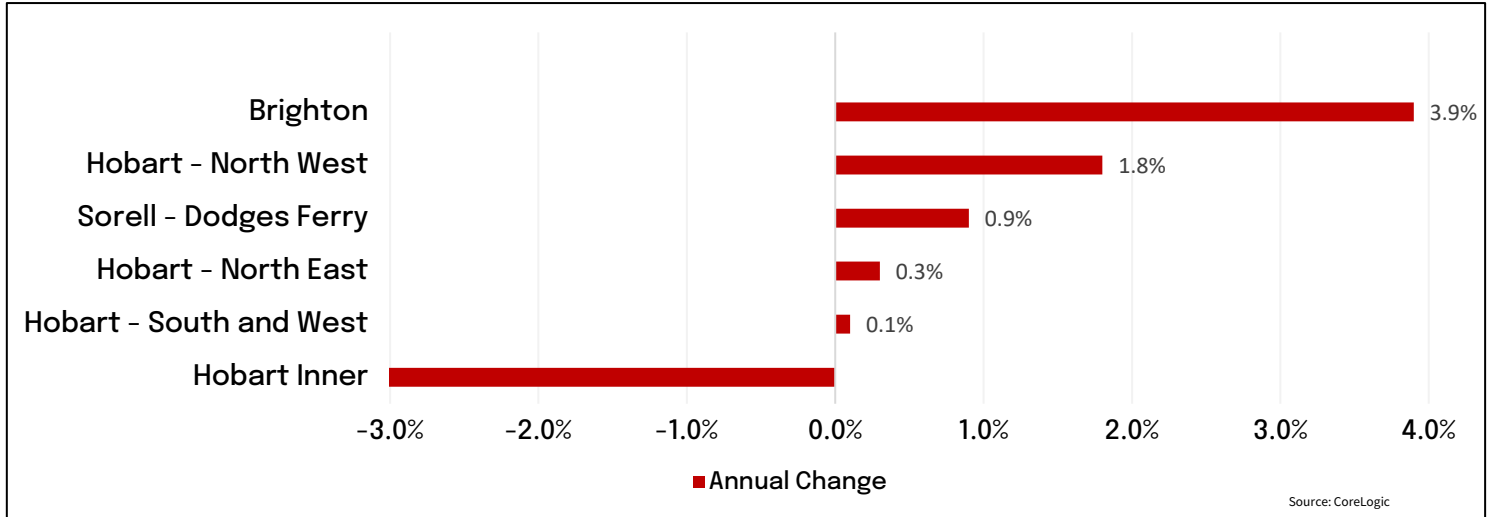
Nationally, Melbourne and Hobart led the monthly gains with +0.4% growth recorded for both, after dwelling values in these capital cities were among the softest performers across the country over the last year. The mid-sized capitals of Brisbane, Perth and Adelaide recorded monthly changes of between +0.2% and +0.3%, passing the torch as the strongest growth markets for the month, although Adelaide and Brisbane still lead the rolling quarterly growth trends, up +1.2% and +0.9% respectively. Perth's growth has slowed, with quarterly change of just +0.3%.

The annual trend of national dwelling rents rising +4.1% over the year to February, which is the slowest annual gain recorded since March 2021, but remains double the pre-pandemic decade average of around +2.0%. Hobart's house rental growth increased by +4.5% for the year to February, and unit rents increased by +4.0%.

As reported in a recent PropTrack Rental Affordability Index, unlike all other states, rental affordability in Tasmania has improved very slightly in recent years. Relative to 2022-23, when affordability reached its worst level in Tasmania, median advertised rents in Hobart increased on a much slower level than the national average. This slower growth in rents, combined with growing incomes, has helped to improve affordability. However, despite this, Tasmania is still the third-least affordable state for renters, only just behind NSW and SA, despite being Australia's lowest income state.

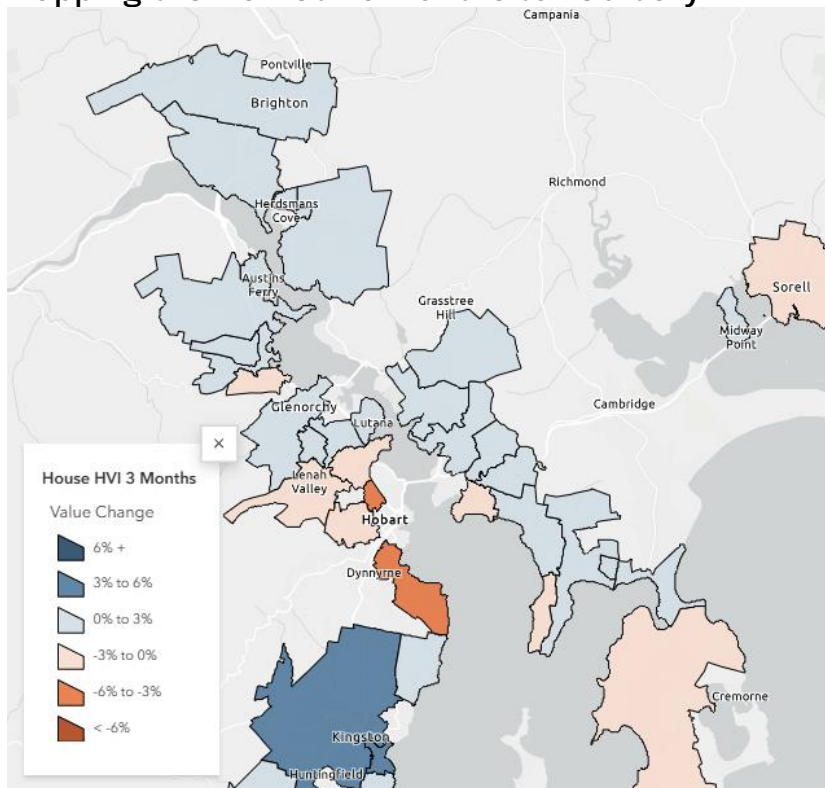
Rents in Tasmania surged much earlier than other parts of Australia, which meant affordability was declining from the mid-to-late 2010s. This earlier growth meant that from 2019-23, Tasmania was the least affordable state for renters; the only time any state has been less affordable than NSW.

Top Suburbs Annual Change - Dwellings



Key highlights and trends surrounding each of the Housing, Unit and Rental Markets being seen include:

Mapping the Market - 3 months to February



- The median house value in Hobart now sits at \$693,533 after increasing +0.6% for the month of February, bringing quarterly growth to 0.0% and annual growth to -0.3%.
- The median unit value was recorded as \$533,514 at the end of February, recording a monthly easing of -0.5%, quarterly growth of 0.0% and annual growth of -0.1%.
- Vacancy rates have started to rise but still sit near-record lows at 0.6% in February, continuing to place upward pressure on rental values. House rents gained +4.5% on an annual basis and units gained 4.0%, with median weekly asking rents of \$550 and \$495 per week respectively.

Source: CoreLogic



RECENT SALES ACTIVITY

Lower Market

16 Stansbury Street, Glenorchy



The sale property comprises an original, three-bedroom, one-bathroom 1968-built single-level brick dwelling of 101 square metres on a 680 square metre lot. Ancillary improvements include concrete driveway, landscaped rear yard and undercover parking for one vehicle. The property was offered for sale via private treaty with a list price guide of \$449,000. After a marketing campaign and 31 days on the market, the property was sold for \$470,000 on 28th February.

Mid-Market

21 Maddelena Court, Old Beach



The sale property comprises a tidy, three-bedroom, one-bathroom 1996-built single-storey brick dwelling of 115 square metres on a 558 square metre lot. Ancillary improvements include concrete driveway, undercover alfresco area, landscaped yard and undercover parking for two vehicles. The property was offered for private sale with no list price guide provided. After a marketing campaign and 24 days on the market, the property was sold for \$700,000 on 26th February.

Premium Market

40 Derwent Avenue, Margate



The sale property comprises a well-presented, 2002-built, double-storey four-bedroom, three-bathroom dwelling of 94 square metres on a 2,802 square metre lot. Ancillary improvements include concrete driveway, entry patio, rear deck, water views and undercover parking for two vehicles. The property was offered for sale via private treaty with a list price guide of over \$1,980,000 provided. After a marketing campaign and 93 days on market, the property sold for \$1,850,000 on 20th February.

Disclaimer – The information contained in this publication is gathered from multiple sources believed to be reliable as at the end of February 2025 and is intended to be of a general nature only. It has been prepared without taking into account any person's objectives, financial situation or needs. Before acting on this information, NAB recommends that you consider whether it is appropriate for your circumstances. NAB recommends that you seek independent legal, property, financial and taxation advice before acting on any information in this publication.

