



Herron
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Independent Property Advisors

Westpac

PROPERTY REPORT

Tasmania



Hotspots!

In this edition of the Westpac/Herron Todd White Property Report we focus on 'hotspots' – locations around the nation that offer strong potential for capital growth amid cooler market conditions.

Purchasing a property that delivers strong capital growth is the holy grail for both owner occupiers and investors. But it's a feat that's not easily achieved. History tells us that a well chosen, well priced property in a desirable location will grow in value over time. This is part of the appeal of bricks and mortar as an investment.

But 'hotspots' are quite different. They offer a chance to outperform the market, delivering turbo-charged returns and superior gains – often at a more rapid pace than the rest of the market. As this report reveals, even in today's quieter market, there are plenty of locations across the nation that can rightly be described as hotspots.

The Surat Basin and coastal Gladstone are two Queensland hotspots where extensive mining activity is expected to underpin significant population growth. We caution, however, that speculation about growth in these areas hinges on the completion of key mining projects, and as we've seen in the past these can be quickly shelved for a variety of reasons.

In New South Wales, Sydney's Norwest corridor is expected to enjoy significant price growth as families head for the amenities and lifestyle of the area. Further afield, several suburbs within Newcastle and the Illawarra are undergoing rapid gentrification, and together with strong transport links, these areas should perform well.

The Darwin market, which has experienced astonishing price growth in recent years, offers a different type of hotspot. Today's buyers are urged to look for areas delivering long term growth rather than the overnight gains of the past. We identify several Darwin hotspots including Bees Creek and Rapid Creek that meet this criteria.

And in Victoria and Tasmania, a number of inner city suburbs offer strong potential for capital gains supported by proximity to transport links and facilities, and in some cases strong demand from recent immigrants. In Melbourne, the suburbs of Noble Park and Broadmeadows are worth a look.

Heading south, inner city Hobart and Launceston provide strong opportunities for capital growth in Tasmania as the state's residents embrace cosmopolitan living assisted by developments of CBD apartments – a feature once lacking from these markets.

In Perth, key indicators suggest the market is poised for an upswing, making now a good time to buy. Suburbs like Cottesloe and Shelley satisfy the great Australian love of the water, and along with trendy Mount Lawley offer strong potential for future gains.

I hope this edition of the Westpac/Herron Todd White Property Report helps you identify a suitable hotspot.

Brendon Hulcombe

Chief Executive Officer, Herron Todd White

Tasmania

Tasmania offers a number of property hotspots – suburbs where local amenities combine with current developments to underpin future capital growth.

Brighton

Located to the north west of Hobart, the current development of the Brighton Transport Hub is seeing an injection of capital worth \$79 million into the Brighton area. With completion scheduled for early 2012, the Hub will provide a modern rail, road and freight facility that is expected to attract more industry to the region. This is expected to expand employment opportunities and support a growing population. With reduced transport times to the Hobart CBD, the attractiveness of Brighton, which has already seen significant rural residential growth, will be further cemented.

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Inner city Hobart/Launceston

Although separate cities, Hobart and Launceston have been among the better performers of Tasmania's property market in recent years. Both have seen a significant population drift towards inner city living over the last decade, with Launceston in particular experiencing significant construction of inner city apartment complexes - a feature that was previously missing from this market.

Hobart and Launceston both provide a good range of facilities and the metropolitan lifestyle many Baby Boomers and young couples are seeking. As a result, values in both cities have trebled since 2000. There is reason to believe the market could support a further doubling of prices in the next decade.

St Helens

Another Tassie hotspot is St Helens, a larger township located along the east coast. The suburb provides a reasonable range of facilities including a neighbourhood shopping centre, primary and secondary schools and some medical facilities. Coupled with a mild climate, these pluses have seen a dramatic 'sea change' effect take place within the local population. At present St Helens has an oversupply of vacant land but as time progresses stock is likely to be taken up given the area's appealing bay views, beach accessibility and more relaxed regional style.

Source: Herron Todd White

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