



# Seasonal Buyer's Guide.

## Special Edition I - TAS

The essential reference guide for home buyers and investors.

Released May 2017



CoreLogic®

200



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Strong headline  
results hide  
the diversity in  
housing market  
conditions across  
the regions.



The Australian housing market has seen a reacceleration in value growth over the second half of 2016 and the first quarter of 2017, at least from a macro perspective. CoreLogic data shows dwelling values surged 11.2% higher over the twelve months ending April 2017, however the strong headline rate of growth has masked a diverse performance across the regions of Australia and across different product types.

At one end of the growth spectrum there is Sydney and Melbourne where dwelling values have increase by 16.0% and 15.3% respectively over the past twelve months. At the other end are the Perth and Darwin markets where dwelling values have been slipping lower since 2014. The past twelve months has seen Perth dwelling values fall by 6.0% and Darwin values are 2.3% lower.

The remaining capital cities are recording more sustainable rates of capital gain, however market conditions in Hobart and Canberra have picked up over the past year as home buyer and investor demand spreads outside Sydney and Melbourne. Dwelling values have recorded substantially lower rates of growth in Adelaide and Brisbane where

conditions have been positive but modest over the cycle to date.

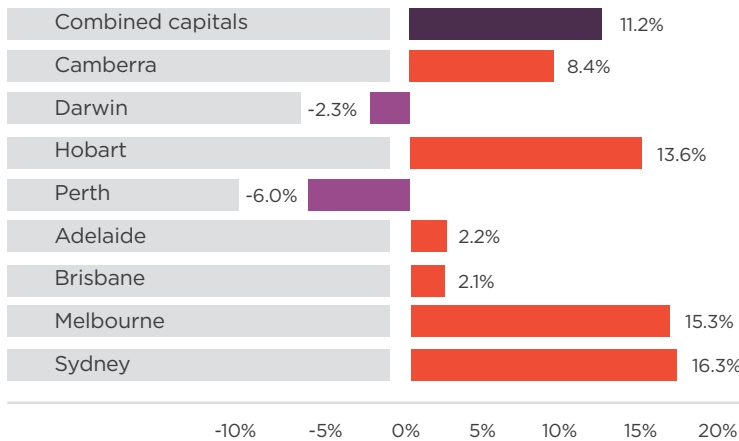
The regional areas of Australia are even more diverse. Coastal and lifestyle markets have generally shown a solid rebound in buyer demand which is pushing prices higher, particularly in those lifestyle markets within easy driving distance of the capital cities and major airports. As tourism improves and more baby boomers move into retirement, we are likely to see housing demand rise further in these locations.

**“At one end of the growth spectrum there is Sydney and Melbourne where dwelling values have increase by 16.0% and 15.3%...”**

**Rolling annual and quarterly change in dwelling values, combined capital cities.**



**Change in dwelling values, 12 months ending April 2017.**



**11.2%**  
the increase in capital city dwelling values over the past twelve months.

Regional areas dependent on the mining and minerals sector generally remain soft, however transactions have started to rise from a low base in many of these locations which may be signalling that conditions are moving through the bottom of the cycle in these areas.

More recently there have been some signs that the strong growth rates evident in Sydney and Melbourne may be approaching a peak. CoreLogic reported softer housing market growth conditions for Sydney and Melbourne in April. The softer capital gain results are based on only one month of data so far, and we will need to see several months

of slower conditions before we can confidently say the housing market has moved through its peak rate of growth.

Factors that may be contributing to an easing in housing market conditions include affordability constraints, slightly higher mortgage rates and a new round of regulatory changes announced by the prudential regulator, APRA in late March.

Sales activity  
has slowed due  
to a combination  
of affordability  
constraints and  
low stock levels.

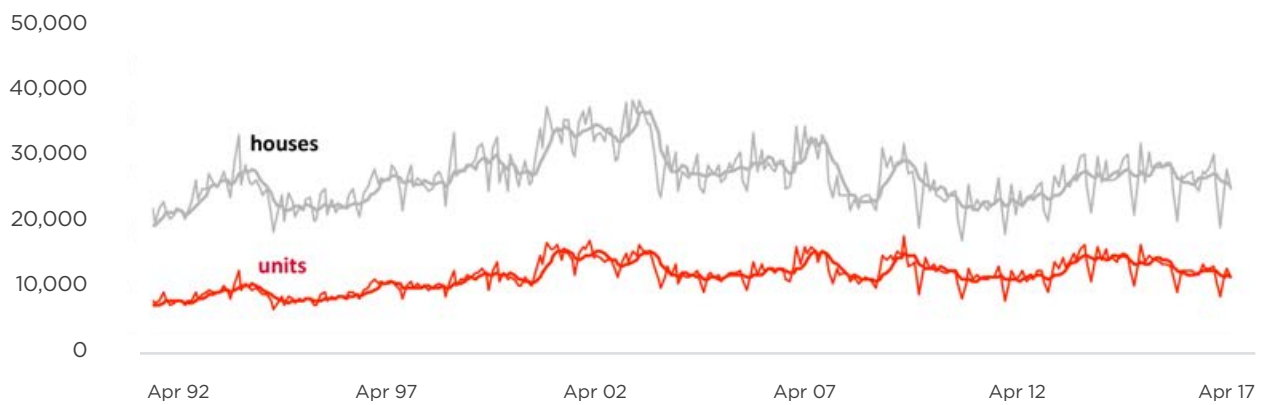
Nationally, CoreLogic estimates there were just over 475,000 settled house and unit sales over the twelve months ending April 2017. Despite mortgage rates being around the lowest level since the 1960's, transactional activity has eased compared with a year ago, with the number of settled sales falling 5.8% year on year. Not all regions are seeing less buyer activity, with year on year sales rising in South Australia, Western Australia, Tasmania and Northern Territory.

The lower number of settlements in markets like Sydney and Melbourne can be attributed to several factors, including affordability constraints acting as a barrier to entry for some buyers as well as tighter lending policies for some segments of the market.

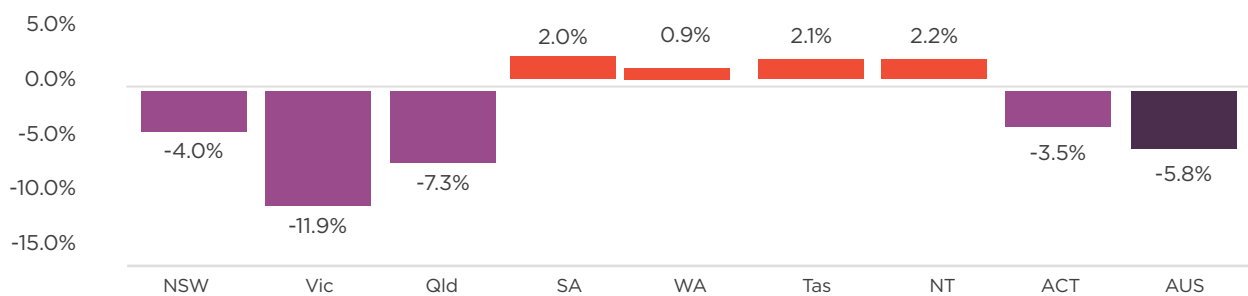
Another reason is simply that advertised stock levels have remained low in these markets. CoreLogic data tracking the number of properties being advertised for sale shows that at the end of April 2017, Sydney listings remain approximately 9% lower than the five year average and Melbourne stock levels were 11% lower than the five year average.

The low number of properties available for sale has created a sense of urgency amongst buyers which is another reason for the upwards pressure on dwelling prices in these markets.

### Number of house and unit sales, national



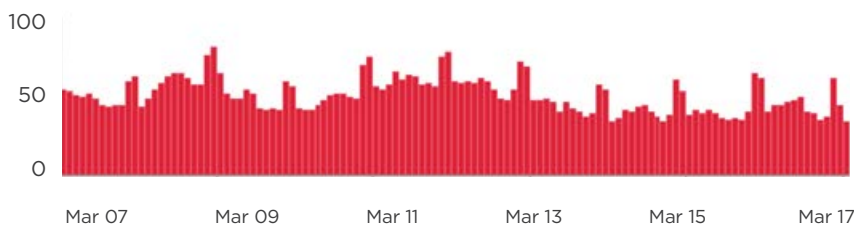
### Annual change in number of house and unit sales



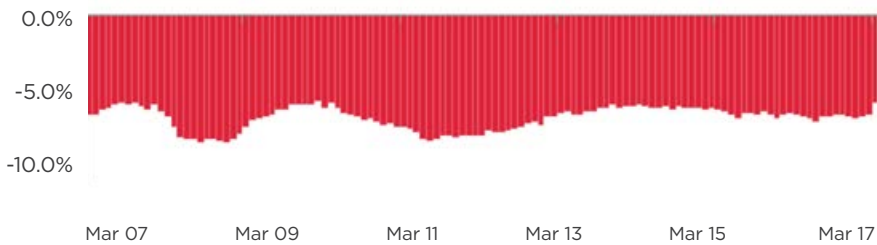
The housing markets showing stronger growth can broadly describe as sellers markets. Apart from low stock levels, Sydney, Melbourne, Hobart and Canberra are also showing relatively short selling average selling times, vendors are discounting their prices by only small amounts and auctions clearance rates remain high.

The softer capital city housing markets (Perth/Darwin and to a lesser extent Adelaide/Brisbane), are showing the opposite trend, with advertised listing numbers remaining around average or above average levels, providing buyers with wider array of choice and more opportunity to negotiate. These markets are more aligned to buyers over sellers.

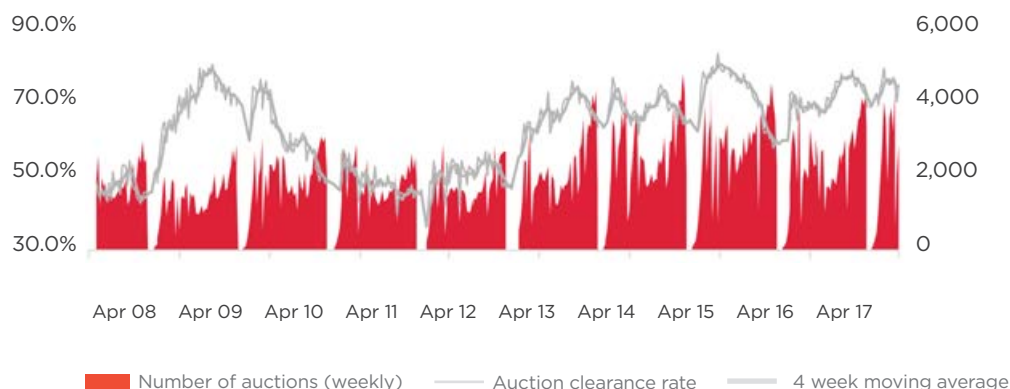
**Average selling time (days), combined capital cities.**



**Average vendor discount, combined capital cities.**



**Auction clearance rates, combined capital cities.**





The background is a solid red color with several overlapping, semi-transparent red shapes of varying shades and orientations, creating a layered, abstract effect. The shapes include a large curved form on the left and a more complex, angular shape on the right.

# Frequently asked questions and answers.



## What's a median value?

CoreLogic estimates the value of virtually every residential property each week. The median value is simply the median, or middle estimated value of houses or units within the specified region.

Before calculating the median value we filter out value estimates that we aren't confident about and haven't reported a median statistic where there were fewer than fifty valid valuation estimates within the suburb and ten sales over the year. A median value measure tends to provide a much more reliable and stable reading about the typical value of a house or unit within a region compared with a median sale price which is based on only those homes that have sold within the specified region over a given period.

## What is the vendor discount?

Monitoring property advertisements is a core part of CoreLogic's business. We gather listings data from online and print media, match the listings against our property ownership database, de-duplicate the listings and count them for our stock on market measurements. Apart from tracking the advertising history of any home that has been listed for sale, a useful bi-product of this data is to work out what the difference is between the original asking price on a property compared with the ultimate selling price (ie the contract price). The vendor discount is simply this difference expressed as a percentage. For example, if a house was originally advertised for sale at \$500,000 and eventually it sold for \$480,000, the vendor discount would be 4 per cent.

Note that we don't calculate a vendor discount figure if there is fewer than ten observations of a listing and sale pair over the period and auction sales are excluded from the calculation

## What about time on market?

Our time on market statistics are calculated in a similar way to the vendor discount. Time on market, or the median selling time of a house or unit, provides an indication about how long a property takes to sell within the specified region.

A faster selling time implies a fairly hot market while a longer days on market figure would normally indicate sedate market conditions. Note that we don't calculate a time on market figure if there is fewer than ten observations of a listing and sale pair over the period and auction sales are excluded from the calculation.

## What is the median asking rent?

This figure provides an indication about the typical weekly rents being offered within the region. Asking rents are derived from rental listings. Where there are fewer than ten observed rental advertisements over the period, a rental statistic has not been calculated.

## What's the gross rental yield?

The gross rental yield is calculated by dividing the annualised advertised rental price of a property by its estimated value. The yield is 'gross' as it does not take into account any expenses associated with the rental income such as the commission to the property manager, interest costs on the mortgage or maintenance on the property. A net yield can be calculated on individual properties by subtracting any costs from the annualised rental estimate on the property then dividing the net rent by the total purchase price.

# Tasmania housing market.

# Tasmania, Council regions - Houses.

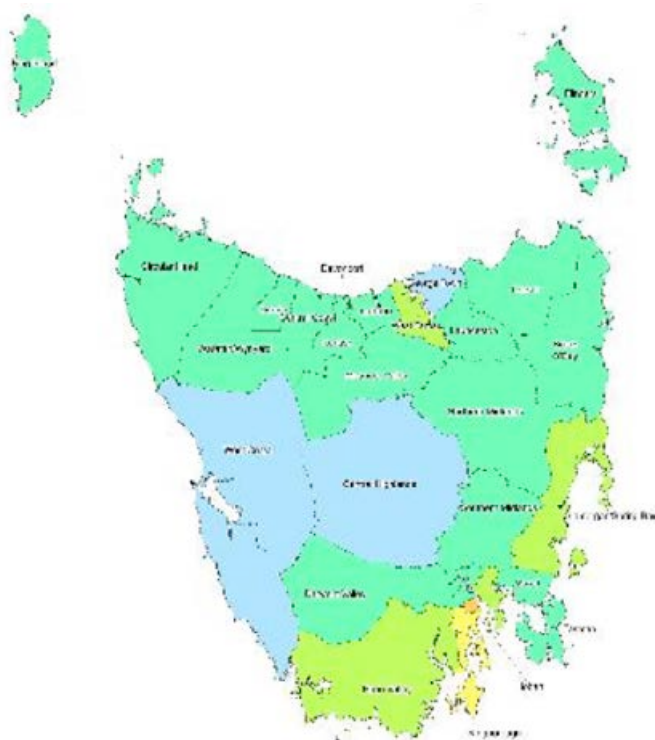
## Top 20 most active council regions

(based on number of house sales over past 12 months)

COUNCIL REGION	NUM SALES (PAST 12 MONTHS)	MEDIAN VALUE	VENDOR DISCOUNT	DAYS ON MARKET	MEDIAN ASKING RENT	GROSS RENTAL YIELD
Launceston	1,222	\$265,551	-6.2%	46	\$295	6.1%
Clarence	937	\$381,723	-4.5%	22	\$350	5.6%
Glenorchy	773	\$287,419	-5.1%	23	\$325	6.3%
Hobart	649	\$545,083	-5.3%	14	\$450	4.7%
Kingborough	608	\$428,390	-3.8%	34	\$385	5.2%
West Tamar	490	\$312,314	-6.6%	65	\$310	5.8%
Devonport	442	\$246,731	-5.9%	90	\$260	6.2%
Central Coast	388	\$267,744	-5.3%	87	\$265	5.7%
Huon Valley	376	\$320,850	-4.4%	88	\$280	5.2%
Burnie	347	\$222,582	-6.5%	55	\$260	6.4%
Sorell	337	\$289,630	-5.5%	68	\$300	5.7%
Meander Valley	283	\$299,415	-6.3%	61	\$300	5.6%
Brighton	261	\$222,615	-4.6%	41	\$270	7.4%
Waratah/Wynyard	239	\$245,235	-6.1%	74	\$270	5.9%
Derwent Valley	199	\$219,058	-4.8%	75	\$265	6.7%
Latrobe	194	\$292,860	-5.6%	114	\$290	5.2%
Northern Midlands	194	\$255,041	-6.0%	63	\$270	6.0%
Break O'Day	173	\$246,181	-7.6%	119	\$240	5.2%
George Town	167	\$183,581	-5.0%	59	\$210	7.7%
West Coast	156	\$98,425	-10.4%	110	\$150	8.3%

Statistics for all council regions can be found in the report appendix.

## Thematic value guide, Tasmania council regions



# Hobart suburbs- Houses.

**Top 10 most affordable and most expensive suburbs (based on median value).**

SUBURB	Median value
Battery Point	\$1,036,052
Sandy Bay	\$798,737
Acton Park	\$635,804
Tranmere	\$593,238
Dynnyrne	\$589,258
West Hobart	\$574,297
Otago	\$560,713
Hobart	\$545,798
Glebe	\$535,595
Mount Nelson	\$515,570
Goodwood	\$235,751
Chigwell	\$217,497
Primrose Sands	\$206,782
New Norfolk	\$196,382
Rokeby	\$193,411
Risdon Vale	\$178,736
Bridgewater	\$172,865
Clarendon Vale	\$152,169
Gagebrook	\$146,993
Herdsmans Cove	\$129,532

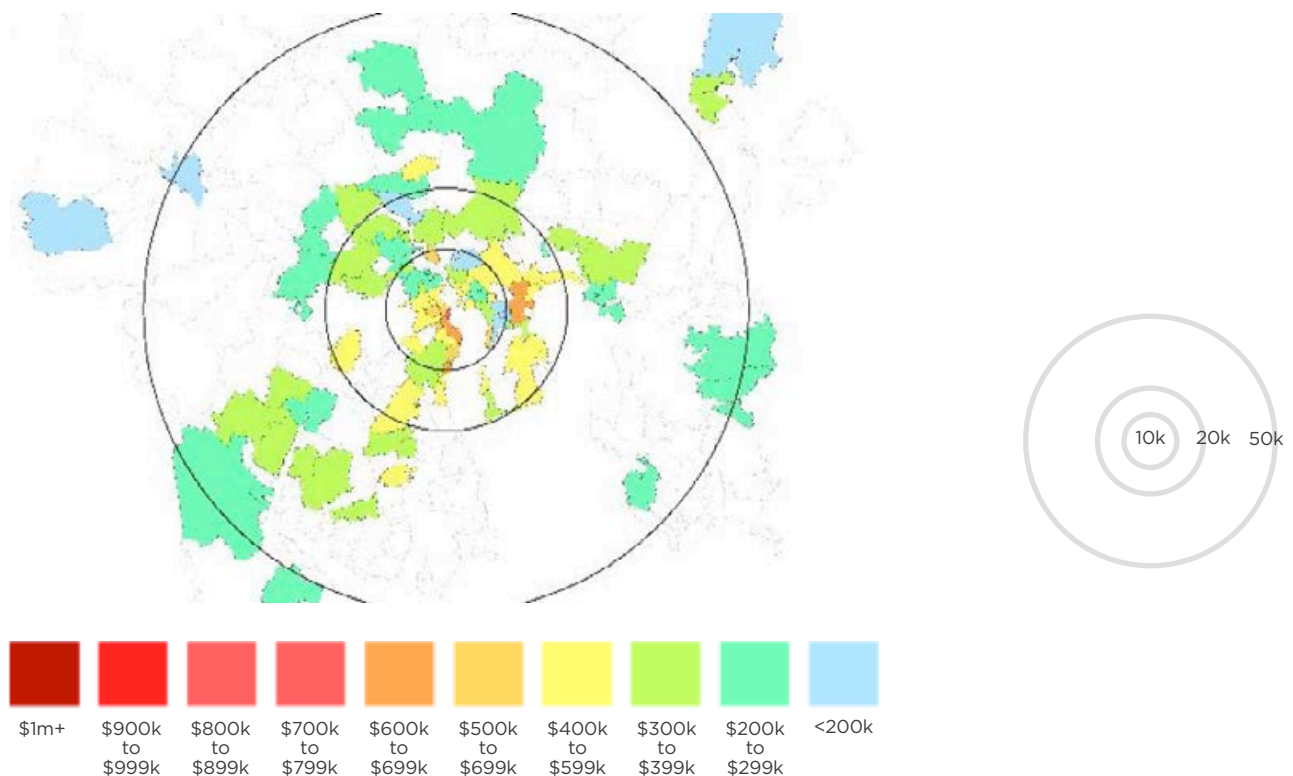
**Top 10 highest and lowest gross rental yields.**

SUBURB	Gross rental yield
Gagebrook	8.9%
Risdon Vale	8.6%
Clarendon Vale	8.0%
Bridgewater	7.9%
Rokeby	7.4%
Chigwell	7.1%
Goodwood	6.9%
New Norfolk	6.7%
Berriedale	6.6%
Warrane	6.6%
North Hobart	4.7%
Taroona	4.7%
Richmond	4.7%
Mount Stuart	4.6%
South Arm	4.6%
Kingston Beach	4.6%
Tranmere	4.5%
Dynnyrne	4.2%
Sandy Bay	4.2%
Battery Point	3.7%

**Top 10 highest and lowest change in median dwelling value over 5 years.**

SUBURB	Change in median value over 5 years
Tranmere	37.9%
North Hobart	37.0%
Sandy Bay	27.7%
Glebe	26.8%
West Hobart	25.3%
Rose Bay	21.4%
Mount Nelson	21.3%
Cremorne	20.6%
Snug	19.1%
Mount Stuart	18.6%
Lauderdale	0.6%
Risdon Vale	0.0%
Bridgewater	-0.2%
Rokeby	-1.1%
Midway Point	-5.1%
Cambridge	-5.6%
New Norfolk	-5.6%
Magra	-8.7%
Herdsmans Cove	-11.7%
Clarendon Vale	-13.0%

## Thematic value guide, Tasmania suburbs



# Tasmania, Council regions - Units.

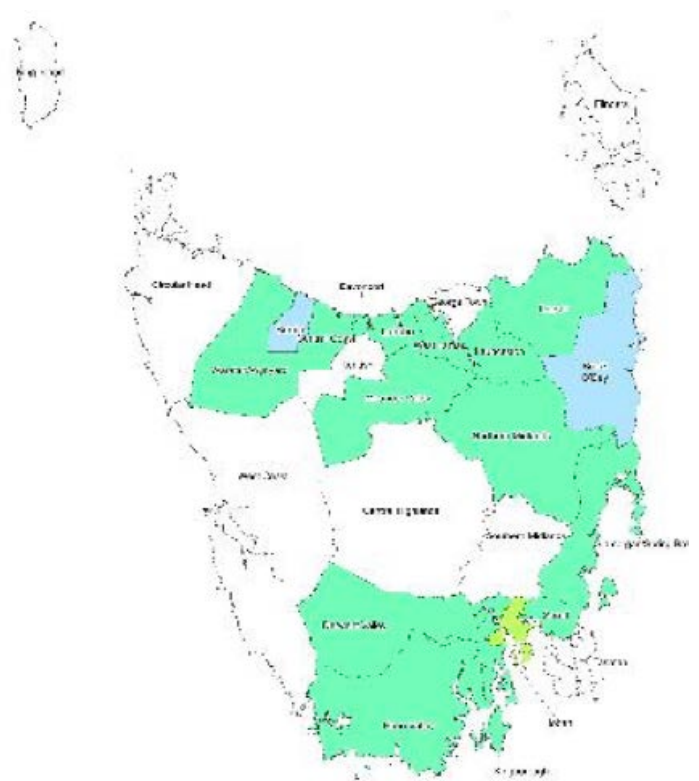
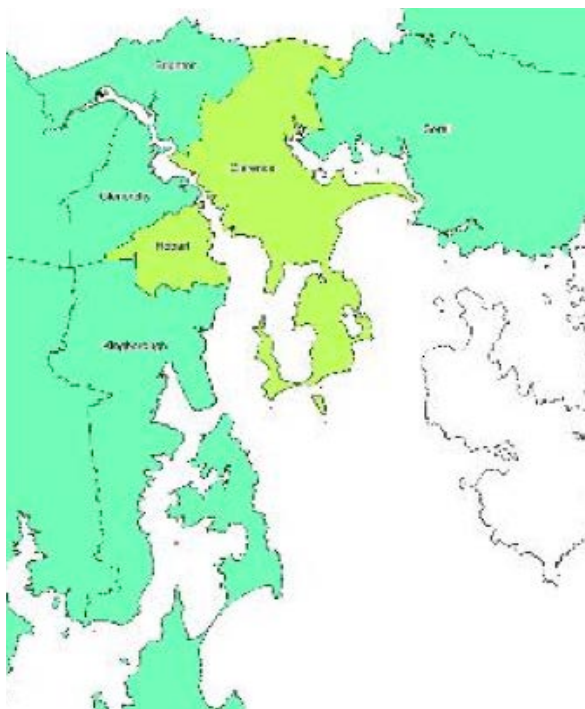
## Top 20 most active council regions

(based on number of house sales over past 12 months)

COUNCIL REGION	NUM SALES (PAST 12 MONTHS)	MEDIAN VALUE	VENDOR DISCOUNT	DAYS ON MARKET	MEDIAN ASKING RENT	GROSS RENTAL YIELD
Hobart	375	\$383,763	-3.4%	17	\$340	5.5%
Glenorchy	265	\$219,059	-4.4%	41	\$260	6.6%
Launceston	225	\$222,513	-5.0%	54	\$250	6.3%
Clarence	196	\$302,071	-4.6%	38	\$300	5.8%
Kingborough	190	\$291,452	-3.5%	30	\$320	5.8%
Devonport	89	\$223,761	-3.5%	65	\$240	6.0%
West Tamar	74	\$252,152	-6.3%	63	\$250	5.9%
Meander Valley	72	\$224,310	-5.9%	81	\$245	6.3%
Burnie	59	\$197,336	-8.6%	85	\$195	6.3%
Central Coast	53	\$239,027	-5.0%	81	\$240	5.7%
Brighton	49	\$215,467	-5.3%	96	\$265	6.8%
Waratah/Wynyard	44	\$214,446	-4.8%	108	\$225	6.1%
Latrobe	42	\$240,928	-5.4%	114	\$250	5.5%
Sorell	42	\$240,640	-5.1%	94	\$280	6.4%
Northern Midlands	26	\$226,309	-4.7%	61	\$250	6.2%
Huon Valley	20	\$224,375	-2.6%	75	\$255	6.5%
Glamorgan/Spring Bay	17	\$237,033			\$220	6.9%
Derwent Valley	15	\$215,164	-5.9%	114	\$209	5.6%
Dorset	15	\$206,058				
Break O'Day	12	\$195,920			\$210	5.6%

Statistics for all council regions can be found in the report appendix.

### Thematic value guide, Tasmania council regions



# Tasmania suburbs - Units.

**Top 10 most affordable and most expensive suburbs (based on median value).**

SUBURB	Median value
Battery Point	\$559,575
Hobart	\$503,852
North Hobart	\$423,338
Sandy Bay	\$415,230
Tranmere	\$411,380
West Hobart	\$389,932
Dynnyrne	\$339,531
South Hobart	\$329,621
Lindisfarne	\$319,011
Howrah	\$313,057
Moonah	\$232,362
Sorell	\$231,283
Lutana	\$220,508
Glenorchy	\$213,324
Brighton	\$210,338
Claremont	\$206,689
Rokeby	\$206,008
New Norfolk	\$205,921
Montrose	\$204,178
Berriedale	\$198,763

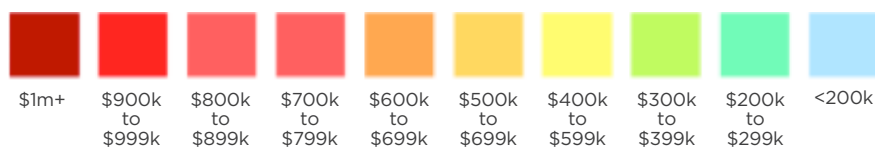
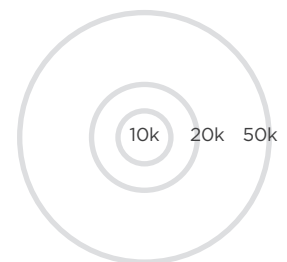
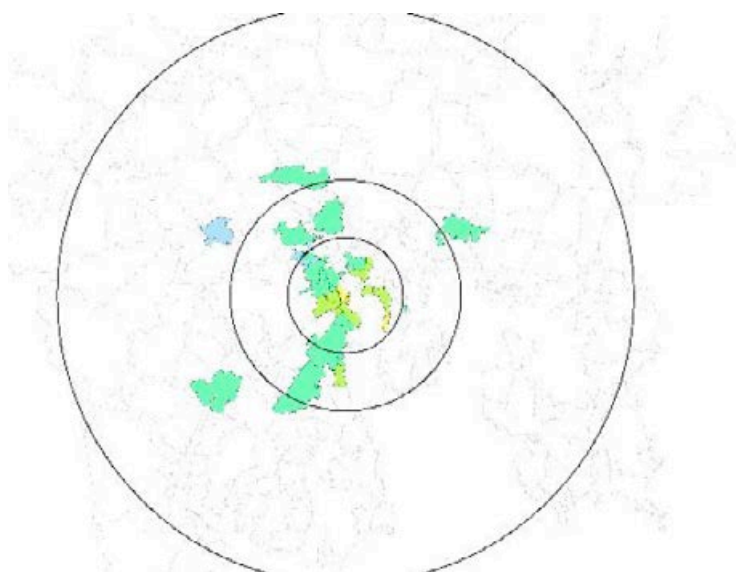
**Top 10 highest and lowest gross rental yields.**

SUBURB	Gross rental yield
Rokeby	8.2%
Berriedale	8.2%
Montrose	7.2%
Bridgewater	7.2%
Claremont	7.1%
Brighton	6.8%
Lutana	6.7%
Sorell	6.5%
Oakdowns	6.4%
Austins Ferry	6.4%
West Moonah	5.6%
North Hobart	5.5%
Sandy Bay	5.5%
Lindisfarne	5.5%
Mount Stuart	5.5%
South Hobart	5.4%
West Hobart	5.3%
Rose Bay	5.3%
Hobart	5.3%
Battery Point	4.7%

**Top 10 highest and lowest change in median dwelling value over 5 years.**

SUBURB	Gross rental yield
North Hobart	30.2%
Midway Point	22.4%
West Hobart	15.4%
New Town	13.7%
West Moonah	12.6%
Blackmans Bay	12.6%
Kingston Beach	12.4%
Moonah	12.1%
Rosetta	11.0%
Howrah	10.1%
Sorell	0.9%
Claremont	0.8%
Mount Nelson	0.1%
Berriedale	-1.0%
Austins Ferry	-1.8%
Battery Point	-3.1%
Montrose	-3.5%
Tranmere	-4.0%
Rokeby	-4.6%
Mount Stuart	-6.4%

## Thematic value guide, Hobart suburbs



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## About CoreLogic

CoreLogic Australia is a wholly owned subsidiary of CoreLogic (NYSE: CLGX), which is the largest property data and analytics company in the world.

CoreLogic provides property information, analytics and services across Australia, New Zealand and Asia, and recently expanded its service offering through the purchase of project activity and building cost information provider Cordell.

With Australia's most comprehensive property databases, the company's combined data offering is derived from public, contributory and proprietary sources and includes over 500 million decision points spanning over three decades of collection, providing detailed coverage of property and other encumbrances such as tenancy, location, hazard risk and related performance information.

With over 20,000 customers and 150,000 end users, CoreLogic is the leading provider of property data, analytics and related services to consumers, investors, real estate, mortgage, finance, banking, building services, insurance, developers, wealth management and government.

CoreLogic delivers value to clients through unique data, analytics, workflow technology, advisory and geo spatial services. Clients rely on CoreLogic to help identify and manage growth opportunities, improve performance and mitigate risk.

CoreLogic employs over 650 people across Australia and in New Zealand.





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