

Location Report

A joint publication of Edwards Windsor & Ryder Property Research

 **HOBART**
Tasmania

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For more information contact:

Edwards Windsor

Level 2, 89 Brisbane Street

Hobart Tas 7000

Ph: (03) 6234 5500

www.ewre.com.au

Email: info@ewre.com.au

HOBART

Tasmania

Highlights

- Affordable house prices
- Low vacancies, high yields
- Australia's strongest economy
- \$2 billion Macquarie Point Master Plan
- \$1.4 billion City Deal
- \$750 million stadium
- \$900 million hospital upgrade
- \$600 million education precinct

Suburb - houses	Typical prices	Suburb - houses	Typical prices	Suburb - units	Typical prices
Claremont	\$560,000	Kingston	\$905,000	Bellerive	\$550,000
Glenorchy	\$600,000	Lindisfarne	\$800,000	New Town	\$600,000
Howrah	\$810,000	Moonah	\$700,000	Sandy Bay	\$800,000

Hobart continues to be one of the strongest capital city property markets in Australia. This position is underpinned by the nation's No.1 state economy and Hobart's economic future has been further fortified by the three-government level \$1.4 billion City Deal.

Tasmania's economy gathered strength throughout 2019 and for nine consecutive quarters ranked as the No.1 state for economic performance, according to CommSec's *State of the States* report in April 2022. It dropped to No.3 in the July 2022 report but returned to the top ranking in the October 2022 edition,

Significant infrastructure projects in the pipeline include an international airport to encourage direct flights for tourists; the \$2 billion redevelopment of Macquarie Point; and around \$1 billion in residential projects.

The University of Tasmania (UTAS) plans to relocate to the CBD and a light rail network is also proposed.

Meanwhile, the steady rise of the state's economy in recent years has had a major impact on the Hobart property market. Properties are more likely to be resold at a profit than anywhere else in Australia, while double-digit price growth has been common over the last 18 months. Vacancies remain among the tightest of the capital cities, at 0.5%, having been below 2% for eight years.

Hobart presents an attractive package to investors, with affordable prices compared to the big cities, as well as attractive rental yields and low vacancy rates.

Economy and Amenities

Greater Hobart encompasses a region from Kettering in the south, Mt Wellington in the west, Brighton to the north, and Marion Bay and Blackmans Bay to the east.

The region incorporates the LGAs of:

1. **City of Hobart:** CBD and surrounding suburbs such as Battery Point, North Hobart and Glebe
2. **City of Clarence:** Eastern shore of Derwent River and west of Hobart International Airport
3. **City of Glenorchy:** Northern suburbs of Hobart, and west of the Derwent River (The Glenorchy City Council was sacked in 2017 following a Board of Inquiry which uncovered governance failures and “unethical” leadership. A new mayor and aldermen were elected in January 2018)
4. **Kingborough Council:** South of Hobart CBD and including Bruny Island

However, Hobart is the financial and administrative heart of Tasmania.

The city is also a hub for cruise ships during the summer months, with up to 40 ships carrying 100,000 passengers docking during the season.

As well, it serves as the home port for both Australian and French Antarctic operations.

- Antarctic Connections

Australia has had a presence in Antarctica for 100 years and Hobart’s proximity to East Antarctica and the Southern Ocean makes it suitable as a port for scientific research.

The State’s Antarctic sector employs around 1,200 people and contributes more than \$180 million annually to the Tasmanian Gross State Product, with the flow-on effect estimated to be about \$260 million.

There are also 830 people working in the local Antarctic community, including 200 in the private sector and 630 scientists and technical staff.

Hobart supports the development of about 150 postgraduate students who will become the next generation of Antarctic scientific researchers.

The CSIRO’s Marine and Atmospheric Research Division in Hobart has Australia’s largest marine research library and also employs 300 people.



Location

- South-east Tasmania, on the Derwent River estuary
- 1 hour, 15 minute flight to Melbourne
- 3-hour drive north to Devonport (where ferries from Melbourne dock)
- Midland Highway runs north-south, connecting Hobart to Launceston and Devonport



Employment by industry:

Healthcare & social assistance	15%
Retail	11%
Public Administration	11%
Education & training	10%
Accommodation & food	8%
Construction	7%

Source: 2016 Census



Demographics: Greater Hobart

Population 2016 (Census):	222,000
Population 2021 (Census):	247,000
Median age:	39

Source: 2016 & 2021 Census

The CSIRO's facilities include ocean marine laboratories, engineering workshops and the \$120 million vessel, *RV Investigator*.

But Hobart's connection to Antarctic research is not exclusively Australian.

The French Antarctic program boosts the southern Tasmanian economy from its use of Tasmanian shipping agents for food, fuel, boating supplies and waste disposal services.

- Light Industry

Hobart supports a host of light industry manufacturers. Major local employers include catamaran builder, Incat; zinc refinery, Nyrstar; Cascade Brewery; Cadbury's Chocolate Factory; and Norske Skog, a Norwegian pulp and paper company producing 290,000 tonnes of newsprint and paper annually.

- Tourism

Tourism plays a key role in Hobart's economy. In the year ending March 2020 - before the Covid onset - Tasmania welcomed 1.3 million visitors who spent \$2 million in the State.

In FY2022, there were 797,300 visitors to Tasmania, up 39% on the previous year, according to the Tasmanian Visitors Survey. The total tourism spend for the State was \$2.39 billion (up 64%) with 78% of visitors spending time in Hobart and surrounds.

Hobart's rich history as a penal settlement, its heritage-listed architecture and snow-capped Mt Wellington are just some of the reasons why tourists visit Tasmania every year.

Other attractions include Salamanca Place, popular for its restaurants, galleries, craft shops and offices as well as a weekly market with 300 stallholders selling produce and arts and crafts. The Wrest Point Hotel Casino in Sandy Bay was also Australia's first legal casino, opening in 1973.

The annual Boxing Day Sydney-to-Hobart yacht race creates much excitement at Constitution Dock in the Port of Hobart, with the race finishing on New Year's Eve. Running since 1945, the race has become one of the world's top three offshore yacht races and attracts around 100 international competitors.

Hobart's wineries have also become popular in the last 15-20 years with many popular vineyards located around the Derwent, Coal River and Huon Valleys.

In the past few years, \$100 million has been spent on upgrades to the Hobart International Airport, allowing it to accommodate mainstream international



commercial and charter flights, including a direct route to South-East Asia. The airport employs 820 people and contributes \$143 million to the State's economy each year.

- Education

As well as several TAFE colleges, Hobart's main provider of tertiary education is the University of Tasmania (UTAS). It claims to be ranked in the top 2% of universities worldwide and have 29,000 local, national and international students.

The university's extensive array of faculties located around the city include:

- Tasmanian Conservatorium of Music
- Tasmanian Centre for the Arts
- Multi-million dollar Medical Sciences Precinct, which includes the School of Medicine
- Menzies Research Institute and
- School of Health Sciences

There is the Faculty of Science, Engineering and Technology; the University Farm near Richmond, which is the site for agricultural research; the university's observatories; and the Grote Reber Physics Museum at Cambridge.

The Institute for Marine and Antarctic Science - a specialist institute of the university - is located in new \$45 million premises which provide teaching and research facilities for around 290 staff and students.

- Health

Hobart is serviced by the Royal Hobart Hospital and two private hospitals.

The Royal Hobart Hospital is Tasmania's largest hospital and as the major clinical teaching and research centre, it works closely with the University of Tasmania. The hospital employ 3,000 people and is currently undergoing a major redevelopment.

Property Profile

Hobart has been one of the strongest property growth markets in Australia in the past five years and it continues to perform, supported by a sturdy economy.

The median dwelling price in Hobart recorded the second highest annual growth rate of any capital city (26%), according to CoreLogic's *Home Value Index* in March 2022.

While the annual growth figure dropped to 2% in September 2022, Hobart's median dwelling price had nevertheless reached \$705,000 at this time – higher than Adelaide, Perth and Darwin - while nipping at the heels of Brisbane where the median dwelling price is \$745,000.

Coupled with this, Tasmania held the title of the nation's best-performing economy for nine quarters in a row - or a consecutive two years and three months - said CommSec's *State of the States* report in April 2022.

Tasmania dropped to No.3 in the July 2022 report by CommSec, before reclaiming the No.1 title in the October 2022 edition.

COVID has been an influencing factor of this success, leading to strong population growth on the Apple Isle as mainlanders sought refuge from lockdowns in the big cities.

In the CommSec reports, Tasmania consistently ranks highly on equipment investment, housing finance, completed construction work, retail spending and relative economic growth.

The accolades don't stop there though. Tasmania has also been named Australia's best performing city by property consultancy firm Knight Frank, in its Q3 2021 *Global Residential Cities Index* which tracks movement in residential property prices across 150 cities worldwide. In the Q1 2022 report, Tasmania was second only to Brisbane when it came to the nation's top annual price growth.

Knight Frank head of residential Shayne Harris says Hobart's relative value and lifestyle proposition were attractive to mainland buyers prior to Covid, while the health crisis only enhanced its appeal.

House prices in Tasmania rose the fastest out of all the states in 2021, spiking 28.7% during the year, according to data from CoreLogic.

According to Hotspotting's Autumn 2022 *Price Predictor Index* report, "No other state has produced this level of strength across all market sectors – Hobart's median house price has grown by 26% and units by 33%."

The annual increase has been the strongest in 17 years.

Hobart house prices have almost doubled in the past five years. That's an extraordinary rate of price growth.

All price points are rising by double digits with entry-level prices recording the strongest rates of growth, while supply continues to remain tight and buyers continue to absorb new listings quicker than they are listed for sale.

- Domain chief of research and economics
Nicola Powell, October 2021

In the past 12 months, most Hobart suburbs recorded median price growth above 20%.

The suburb recording the highest increase in its median house price was Glenorchy, thanks to a rise of 38% to \$600,000. New Town's average house price increased above \$1 million for the first time, or 34%.

At the other end of the price scale was Bridgewater where the median house price rose 31% to \$415,000.

And as with Glenorchy and Bridgewater, many other Hobart suburbs still hold strong attraction for buyers with median house prices at or under \$600,000, including Berriedale, Claremont and Rokeby, shows data from CoreLogic.

The remarkable and continued price growth has seen property owners in most Hobart suburbs achieve capital growth of 8–10% per year on average over the past decade.

The Autumn 2022 edition of *The Price Predictor Index* report showed the suburb of Howrah was the nation's most consistent market, based on strong long-term sales figures.

The report shows that Howrah recorded between 42 and 59 sales every quarter for the past five years.

Its median house price has grown 25% in the past 12 months including 10% in the latest quarter.

Its long-term growth rate is 8% per year and the median house price has reached \$775,000.

The report ranked five Tasmanian suburbs in the National Top 50 for Consistency – Kings Meadows, Lenah Valley, Lindisfarne and Ulverstone, in addition to Howrah.

The traditionally active spring selling season has proved very strong in Hobart in 2022, according to further PropTrack data.

In August 2022, the city's total number of market listings was at its highest level since late 2019, and had increased 71.5% to that of a year earlier, while new listings had risen 21%.

In another positive start to the season, Hotspotting's Spring 2022 *Price Predictor Index* report showed that for steadily rising sales activity, quarter after quarter, Glenorchy was among the best performing suburbs in the nation.

The suburb's quarterly sales data for the past two years has been 47, 55, 59, 65, 62, 70, 58, and 73 with its median house price doubling over five years to \$600,000.

- Resales Profits

Investors seeking good capital gains are more likely to make a resale profit on a Hobart property than any other capital city in Australia, according to CoreLogic's *Pain & Gain Report* in May 2022.

The report showed that Hobart experienced the highest rate of profitability from resale for 14 consecutive quarters, or since September 2018.

The report also revealed that in the December 2021 quarter, the Hobart LGA had the highest median profit at \$515,000, followed by Kingborough \$431,000, and Clarence \$400,000.

These results build on the positive impetus that has been developing in Hobart markets for some time.

CoreLogic's head of research Eliza Owen says Hobart has long been the most profitable capital city in Australia when it comes to re-sales.

- Rental Shortages

Prior to the impact of Covid, Greater Hobart experienced a critical shortage of rental properties, earning the city the reputation of being the least affordable capital city in Australia for tenants, according to the *Rental Affordability Index*.

Hobart continues to hold this position, with the problem (from the tenant viewpoint) reportedly growing because of the influx of residents from the mainland.

The city's rents are now higher than those of Melbourne, Brisbane, Adelaide and Perth, according to PropTrack data in October 2022.

House tenants are paying a median figure of \$540 per week, up 8% on this time last year, while it's costing tenants \$450 per week - or an extra 6% year-on-year - to rent the average unit.

“Tassie has a fascinating history and an incredibly exciting future.

“I consider Tasmania’s transformation from 2014 to 2021 to be a truly global success story.

“The Tasmanian economy has gone from being mocked to marvelled, officially the best-performing state in Australia.”

**- Propertyology head of research
Simon Pressley**

Annual growth in the majority of Top 20 house rental suburbs in Hobart is now into double-digit figures, says PropTrack, with Tarooma, Mt Nelson and Geilston Bay rent figures climbing over 20% in the 12 months to July 2022, while the smallest median price change (West Moonah) is 11%.

The *Rental Affordability Index* report in November 2021 found Hobart was the only Australian capital city where the average rental household would be considered to be under rental stress, by paying more than 30% of their total income if renting at the median rate.

Almost all parts of Greater Hobart were considered unaffordable, with small pockets moderately unaffordable.

According to the analysis, Hobart's rental affordability index figure was 87, down from 114 in 2016. The measure takes into consideration average incomes and median rents.

In CoreLogic's October 2021 *Rental Review*, Hobart ranked among the nation's most expensive markets behind only Sydney, Darwin and Canberra.

In response, Housing Minister Michael Ferguson said the State Government would build 3,500 homes by 2027 to help the state's most vulnerable.

Yet all of this is positive news for investors.

House rents have increased steadily for the past decade. CoreLogic data shows rents have risen more in Hobart than in any other Australian capital in the last decade. House rents have increased 56% in that time and units are up 54%.

The best rental returns can be found in Bridgewater where a median weekly house rent of \$415 will deliver a yield of 5.2%.

- Units

Units are popular with renters and unit rents have risen 29% in the past 12 months.

The unit sales market has performed well too. The median unit price of inner Hobart has increased 20% to \$840,000 while Sandy Bay is up 34% to \$800,000.

The median yield for units in both Glenorchy and Claremont is 4.6% and they have a median price of \$445,000 and \$435,000 respectively.

Across Greater Hobart, the long-term average growth rates for units have been generally around 6–7% per year for the past decade.

Rental listings remain low, but were lower in late 2017 and early 2018, and again towards the end of 2018. Despite a moderate increase in investor activity, Hobart remains under supplied with rentals.

According to Propertyology head of research Simon Pressley in November 2021, Hobart had 74% fewer properties listed for sale than it had five years earlier.

- Vacancy Rates

Vacancy rates have been below 1% for several years, and even in the early stages of the pandemic in April 2020, their rise to 1.4% was negligible.

Hobart vacancies continue to be extremely tight and are well below 1% in all postcodes. Most are now under 0.5%.

- Affordability, High Yields, Lifestyle

Yet Hobart appeals because of its affordability - especially when compared to Sydney's median house price of \$1,285,000, Canberra's \$1,009,000 and Melbourne's \$937,000; good median yields (3.8% for houses and 4.4% for units); and a lifestyle encompassing an emerging reputation as a trendy arts hub.

Agents report they've received plenty of interest has from Melbourne and Sydney where some buyers have been priced out of the market.

A wave of younger interstate immigrants is also playing a key role, and driving up the rate of population growth.

"The flow of people across the Bass Strait has now started to reverse," says independent economist Saul Eslake.

"Before, it was people in their 20s and early 30s leaving Tasmania, and older tree changers and downsizers coming in towards the end of their lives.

"But now there's been a significant turnaround in interstate migration. And MONA has single-handedly changed the way people see Tasmania, where instead of being bogan, it's about more sophistication, art, good food and hotels."

Another of Hobart's advantages is the cooler climate for those who don't like the harsh heat in some parts of Australia. Property valuation firm Herron Todd White says the past few years have seen people coming to Tasmania from Queensland and Western Australia to escape the heat in these states.

- Price Forecasts

Simon Pressley of Propertyology expects Hobart to continue to record good price growth.

"Tassie has a fascinating history and an incredibly exciting future," he says. "I consider Tasmania's transformation from 2014 to 2021 to be a truly global success story."

Pressley says that, in the seven years ending September 2021, Hobart's median house value rose 120%, compared to Sydney's 75% and Brisbane's 45%.

"The Tasmanian economy has gone from being mocked to marvelled, officially the best-performing state in Australia," he says.

Pressley expects this growth to continue, predicting that house prices could grow by 35% in the two years to December 2023.

"The strongest capital city property market over the last seven years by a long streak, Hobart has become home to the most precious real estate in all of Australia," he said.

"Propertyology expects another surge in internal migration, especially by mainland lifestyle seekers and those eager to reap the benefits of the work-from-home way of life."



The house market in Hobart can be summarised in this sample of suburbs:

Suburb	Sales Houses	Median Houses	1-year Growth	Growth Average	Median Yield
Bellerive	45	\$975,000	24%	10%	2.8%
Berriedale	35	\$595,000	32%	9%	4.2%
Blackmans Bay	57	\$860,000	28%	8%	3.2%
Bridgewater	59	\$415,000	31%	10%	5.2%
Claremont	100	\$560,000	27%	9%	4.2%
Geilston Bay	37	\$750,000	28%	8%	3.6%
Glenorchy	120	\$600,000	38%	10%	4.1%
Howrah	116	\$810,000	34%	9%	3.5%
Kingston	163	\$905,000	11%	9%	3.2%
Lenah Valley	45	\$870,000	25%	9%	3.2%
Lindisfarne	86	\$800,000	26%	8%	3.5%
Margate	44	\$745,000	15%	7%	3.4%
Moonah	66	\$700,000	31%	10%	3.5%
New Town	52	\$1,000,000	34%	10%	2.9%
Rokeby	61	\$510,000	25%	10%	4.6%
Sandy Bay	93	\$1,500,000	29%	10%	2.3%
Sorell	38	\$630,000	28%	8%	4.0%
South Hobart	38	\$945,000	31%	10%	2.9%

The suburbs listed below are a sample of the Hobart unit market:

Suburb	Sales Units	Median Units	1-year Growth	Growth Average	Median Yield
Bellerive	37	\$550,000	27%	7%	3.9%
Claremont	36	\$435,000	25%	7%	4.6%
Glenorchy	74	\$445,000	24%	9%	4.6%
Hobart	26	\$840,000	20%	9%	3.0%
New Town	21	\$600,000	40%	8%	3.0%
Sandy Bay	68	\$800,000	34%	10 %	3.0 %

Source: CoreLogic – “No. of sales” is the number of house sales over 12 mths; “Growth ave.” is the average annual growth in median house prices over 10 yrs.

HOBART VACANCY RATES

Postcode	Suburbs	Vacancy rate
7004	South Hobart	0.8 %
7005	Sandy Bay	0.9%
7008	Lenah Valley, New Town	0.5%
7009	Lutana, Moonah, West Moonah	0.2%
7010	Glenorchy	0.1%
7011	Claremont	0.2 %
7015	Geilston Bay, Lindisfarne	0.4%
7018	Bellerive, Howrah	0.2%
7050	Kingston	0.2%
7052	Blackmans Bay	0.5%

Source: SQM Research

Future Prospects

Tasmania's economy continues to perform strongly, driven mainly by population growth and construction.

Between 1990 and 2015, the population grew an average of 0.4% per annum, says economist Saul Eslake. The latest Census shows Tasmania's population grew to 558,000 in 2021, up from 510,000 in 2016, and is expected to increase to 589,000 in 2031-32.

In September 2022, the Department of State Growth's 30-year *Greater Hobart Plan* was approved by all four Greater Hobart Councils as well as the State Government.

The plan has predicted that the region will need an additional 30,000 homes to cater for anticipated population growth with around 70% of them being townhouses and apartments.

The additional housing required would be "primarily delivered through urban consolidation and infill development rather than greenfield development at the urban fringe", with 21,000 dwellings created via infill and 9,000 via greenfield development.

The plan is based on the 2019 *Expanding City, Underutilised Sites* report from University of Tasmania and Hobart City Council, that revealed central Hobart could house additional residents if under-utilised sites were developed further. The report found more than 400 lots were currently underused.

Meanwhile, the CBD can also expect a character change under a proposal by the University of Tasmania to relocate its campus from Sandy Bay.

The \$600 million master plan will stretch across five precincts in Hobart's CBD:

- Midtown will house the **student centre, university club and administration**
- West end will **house engineering and technology**
- The Queen's Domain will feature shared university and community spaces
- Wapping will accommodate all of the **creative arts precinct**
- The existing facility will remain as the centre for the **medical science precinct**

As part of the move, the university plans to build a \$400 million science, technology, engineering and maths (STEM) facility in the CBD as well as 2,500 dwellings offering a variety of options. The project is expected to roll out between 2023 and 2030.

Another major city project is the Museum of Old and New Art (MONA)'s proposed \$400 million hotel while the Port of Hobart will undergo an upgrade to accommodate a new \$1.9 billion icebreaker ship that arrived in late 2021 (see below).

These are just some of several visionary projects on Hobart's horizon.

Across Greater Hobart, numerous smaller commercial projects are proposed or underway.

The \$35 million Glebe Hill Village shopping centre is under construction, due for completion in late 2022.

Nyrstar have received approval for a new \$400 million zinc electrolysis plant at Lutana, which could create up to 650 direct and indirect jobs.

Glenorchy City Council has signed off on the *Greater Glenorchy Plan* for 2040, which outlines major changes for Glenorchy, Moonah and Claremont, while preliminary work on the massive Macquarie Point Development is now underway.

All this activity is being led by the \$700 million redevelopment of the Royal Hobart Hospital.

On Hobart's fringe, a \$500 million residential and community development is planned for New Norfolk. Construction began on the 20-year development - named The Mills - in June 2021, with the project expected to generate 22,000 jobs.

It will include 700 homes plus a hospital, 100-room hotel and a commercial co-op for 70 traders. Future stages will feature a childcare centre and plans have also been lodged for a 200-bed retirement village.

An education and training precinct has also been proposed for The Mills. Known as Campus 7140, the precinct will be built on the site of the former Royal Derwent Hospital nurses' quarters and will comprise a 150-seat lecture hall as well as conference, education and training spaces, student accommodation and office suites.

- City Deal

The \$1.4 billion Hobart City Deal, signed by all three levels of government in 2019 - including all four Greater Hobart councils - is now being actioned. Some of the key projects linked to the City Deal include a Derwent River Ferry service, in which a successful trial has been extended to August 2023; a northern suburbs light rail development at Macquarie Point; and a new Bridgewater Bridge.

Tenders for the River Derwent ferries and the \$786 million Bridgewater Bridge projects have been awarded, with construction underway on the ferries. The new bridge is expected to be open to traffic by late 2024.

Meanwhile, work on the \$595 million Antarctic and Science Precinct at Macquarie Point is 80% remediated in readiness for development.

The 50-year-old Macquarie Wharf will be redeveloped in tandem with the Antarctic and Science Precinct, with both TasPorts and the Australian Antarctic Division (AAD) urging action on a full upgrade of the ageing wharves.

The proposed \$600 million University of Tasmania science, technology, engineering and maths (STEM) facility would accommodate 3,000 students and 700 staff.

TasPorts plan to spend \$240 million on the project which will entice boutique and expedition cruise vessels. It's already helped prepare Hobart for the delivery of the ADD's new \$1.9 billion icebreaker ship, the *RSV Nuyina*, which arrived in the city from the Netherlands in October 2021.

Hobart Airport

An international airport is also part of the City Deal with the city's airport is to evolve into a global site under a series of upgrades by 2024.

A \$200 million Terminal Expansion Project (TXP) will see the terminal double in size over three stages. Already in the pipeline for several years, this expansion is now at the centre of the airport's 20-year master plan, the draft of which was released in August 2022.

It was at this time that airport chief executive Norris Carter commented that travellers utilising the airport were predicted to increase from 2.8 million in 2020 to 5.5 million by 2042.

According to the 20-year master plan, construction on the expansion is expected to begin in the next two to four years with the initial \$100 million stage including the expansion of the departure lounge.

The airport has already undergone a \$40 million runway extension for international flights in 2018. This project was partly funded by the Federal Government, which has also committed \$60 million towards phases 2 and 3 of the TXP project.

These \$100 million changes will not only expand the terminal but also upgrade the airport's runway and facilities to service long-haul aircraft including widebody freight. The Federal Government has also funded the installation of a customs, border and immigration service at the airport.

These upgrades are expected to capitalise on Tasmania's current appeal to international visitors. International flights will also stimulate regional economic growth and employment opportunities. It is estimated the total economic benefit is \$128 million per annum with 680 additional jobs.

Carter says the growing airport will support more than 3,500 jobs and \$412 million per year in economic activity by 2042.

Reduction of Traffic Congestion

Some of the identified measures to reduce traffic congestion include the construction of the Hobart Transit Centre, additional Derwent ferry services, road upgrades and a light rail system to the northern suburbs. Funding of \$125 million has been allocated to these projects.

Activation of the light rail system would see the decommissioned railway tracks that run from Macquarie Point and through Hobart's northern suburbs - including through all Glenorchy's major commercial areas - transformed into the Northern Suburbs Rail Corridor.

Analyses are currently being carried out to determine the best congestion-busting methods.

- The South-East Traffic Solution

This suite of projects is designed to improve safety and commute times between the Hobart CBD and the rapidly expanding residential areas of Sorell and the Southern Beaches. The \$350 million project will be jointly funded by the Federal and State Governments.

The projects include:

1. Arthur Highway Overtaking Lane - finished in February 2020
2. Hobart Airport Interchange Upgrade 0 opened May 2022
3. Sorell Southern Bypass - opened October 2022
4. Midway Point Intersection Solution - under construction, due for completion in mid 2022
5. Duplication of Midway Point and Sorell Causeways - detailed planning is underway, with construction due to start in 2023
6. Tasman Highway (Hobart Airport to Midway Point Causeway) - detailed planning is underway.

- Macquarie Point Development

The Macquarie Point project will cover 9.3ha along the banks of the Derwent River, next to the Regatta Grounds, the Cenotaph and the Queens Domain.

The precinct is to be transformed into an arts, culture, tourism and science hub with seven components:

1. The Escarpment (mixed-use, residential/shops)
2. The Precinct (Antarctic & science precinct)
3. The Gateway (arts & culture precinct)
4. The Promenade
5. The Goods Shed (events and markets)
6. The Underground (car park)
7. The Truth and Reconciliation Art Park

Early in 2021, land in The Gateway, The Promenade and The Underground - collectively known as The District - was released to developers with the State Government expecting \$500 million in construction to commence in 2022.

There are also plans for a portion of the site to house a Hobart Eden Project. The \$150 million eco-tourism project would feature three domes, each housing its own ecosystem.

It was announced in September 2022 that a \$750 million multi-purpose stadium - originally planned for Regatta Point - would now be built at Macquarie Point. The proposed 23,000-seat roofed stadium could be ready by 2027 and generate \$300 million during construction and \$85 million on completion.

- Tourism

Tourism has traditionally played a major role in Tasmania's economy, contributing around \$2.5 billion each year and of the 3.5 million people who holiday on the Apple Isle, around 1.9 million will visit Hobart.

Museum of Old and New Art (MONA)

MONA has become the island's biggest tourist attraction. It is the largest privately-funded museum in Australia. Opened in 2011, it also hosts festivals and live performances.

MONA's owner plans to add a \$400 million, 5-star hotel adjacent to the gallery, along with a 1,075-seat theatre and 1,000-seat conference centre to the complex on the banks of the Derwent River.

In another sign of Hobart's growing prosperity, the largest amount of new office stock in 25 years has been added to the Hobart CBD market, says the Property Council of Australia.

Numerous older buildings are being either re-purposed or replaced with hotels and commercial buildings. This activity is primarily aimed at tourism.

Hotel developments worth \$855 million, with an extra 2,500 rooms, are either underway or proposed.

There are also plans for an entertainment precinct at Glenorchy's Wilkinson's Point. The \$260 million proposal includes food outlets, a 204-room hotel, a rejuvenated 5,000-seat Derwent Entertainment Centre and a multi-court indoor sport facility.

The Hobart CBD hospitality and performance venue - In the Hanging Garden - is being rejuvenated as a cultural precinct featuring restaurants, bars, live music, residential and commercial spaces, and gardens. Construction of the three-stage, \$286 million project began in September 2022.

Major projects currently impacting the region are:

INFRASTRUCTURE – HEALTH AND MEDICAL FACILITIES

Project	Value	Status	Impact
Royal Hobart Hospital - redevelopment State & Federal Govts	\$900 million Stage 1: \$690m Stage 2: \$200m	Under construction/ partly completed	Work on \$15m Emergency Dept expansion began 2022
Tasman Private Hospital, New Town Nexus Hospitals with Contact Group	\$60 million	Construction to begin in January 2023 Completion expected by December 2024	Jobs: 180 construction, 130 ongoing Integrated medical centre and hospital is planned on former WIN TV site

INFRASTRUCTURE – SPORT AND ENTERTAINMENT

Project	Value	Status	Impact
Eden Project Tasmania, Giblin St quarry Hobart City Council & State Growth Department	\$100-150 million	Proposed February 2022 Would take 3-5 years to build	Disused quarry to become environmental, historical & cultural facility with 3 domes
Multi-purpose stadium Part of Macquarie Point master plan (previously planned for Regatta Point) State Government	\$750 million	Proposed Initially due to start construction in 2024 and be completed by 2027	Jobs: 4,200 jobs during construction; 950 after stadium opening 23,000-seat stadium could be ready by 2027

INFRASTRUCTURE - GENERAL

Project	Value	Status	Impact
Tasmanian Government Radio Network (TasGRN) State Government	\$567 million	Under construction Scheduled for completion in 2024	Will transition 8 core Govt organisations onto one unified digital radio network
In the Hanging Garden precinct - redevelopment Riverlee with DarkLab	\$286 million Stage 1 - \$71 million	Construction of 3-stage project began Sept 2022	Venue to become mixed-use cultural precinct with hotel, restaurants, music & gardens plus residential & commercial areas

RESIDENTIAL DEVELOPMENTS

Project	Value	Status	Impact
Queens Walk social housing complex - expansion State Government	\$24 million	Announced Sept 2022	65 new social housing units will deliver benefits for residents needing safe, secure & stable housing
New housing estate, Sandy Bay University of Tasmania	TBA	Proposed in Oct 2021	Current 100ha campus site would be redeveloped into 2,700 homes, plus tourist and recreation facilities
Skylands project, Droughty Point Clarence City Council	TBA	Proposed	2,600 dwellings are planned over 350ha 30-year time frame with 100 homes to be built each year
The Mills, New Norfolk Noble Ventures	\$500 million	Under construction	Jobs: 1,100 jobs per year over 20 years Master-planned community with 700 lots, hospital, hotel & commercial areas
Spring Farm Estate, Kingston	\$150 million	Under construction	500 homes are planned
Hobart Showgrounds - redevelopment, Glenorchy Royal Agricultural Society of Tasmania	\$300 million State Govt will chip in \$1.5 million	Stages 1 & 2 complete Stage 3 construction began March 2022 Completion expected by early 2025	Jobs: 400 12ha site to feature 450 dwellings plus new facilities including show pavillion & emergency centre
Old Claremont Primary School project, Windermere Bay	\$200 million	Approved	315 units are planned, plus a childcare centre, shops and cafe
Whitewater Park Estate, Kingston WWP Developments	\$60 million	Under construction	230 lots
Garrington Park Estate, New Town	\$70 million	Under construction	114 lots are planned on 10ha site of former Brickworks
Apartment complex, 201 Macquarie St, Hobart	\$8 million	Approved January 2022	45 units to be built behind 1830s heritage-listed building

INFRASTRUCTURE – TRANSPORT

Project	Value	Status	Impact
Hobart International Airport Federal Govt	\$82 million Part of City Deal	Approved	Border security area including customs and immigration services
Hobart International Airport - upgrade (Phases 2 & 3)	\$100 million (approx) \$60m funding from Federal Government	Approved Runway work to be completed by early 2024 Construction on expanded terminal to begin in 2024	Jobs: 120 during construction Improved runway facilities will cater for larger aircraft Plus, expanded terminal
Sorrell Southern Bypass Project State & Federal Govts	\$25 million Part of South-East Traffic Solution	Opened October 2022	Will allow Southern Beaches and Tasman Peninsula traffic to avoid travelling through Sorell to connect with Arthur Highway
Midway Point Intersection Solution State & Federal Govts	\$46 million Part of South-East Traffic Solution	Under construction Completion expected in late 2022	Will improve flow of traffic on Tasman Highway through Midway Point, replacing roundabout with signalised intersection
Hobart Airport Interchange Upgrade State & Federal Govts	\$50 million Part of South-East Traffic Solution	Opened May 2022	Will replace the existing Hobart Airport roundabout with overpass
Tasman Highway - upgrades State & Federal Govts	\$187 million Part of South-East Traffic Solution	Planning of causeways underway in 2022; construction to be complete by 2025	Includes duplication of Midway Point and Sorrell causeways When complete, will be 4 laneways between Hobart Airport & Sorell
Midland Highway - upgrades State & Federal Govts	\$144 million Part of \$565 million Midland Highway upgrade	Under construction Scheduled for completion in 2024	Sections between Epping Forest-Campbell Town-Oatlands will be upgraded
Riverline/Northern Suburbs Light Rail - Glenorchy to Hobart State & Federal Govts plus Glenorchy & Hobart councils	\$100 million Part of City Deal	Proposed	Light rail plan will generate commercial, retail and community projects along corridor

INFRASTRUCTURE – TRANSPORT cont.

Project	Value	Status	Impact
Bridgewater Bridge - replacement State & Federal Govts	\$786 million Federal Govt will contribute \$629m, State Govt \$157m	Approved Work to commence in late 2022 and be finished by 2024	New four-lane bridge to be built downstream of existing bridge, which will eventually be demolished
Macquarie Wharf - upgrade TasPorts & State Govt	\$240 million	Approved	Upgrades to ageing wharf would meet growing needs of Antarctic expeditions

INFRASTRUCTURE - EDUCATION

Project	Value	Status	Impact
University of Tasmania - relocation University of Tasmania	\$600 million	Proposed Would roll out between 2023 and 2030	Jobs: 700 Relocation from Sandy Bay to Hobart CBD with facilities across 5 precincts Would service 3,000 students
Brighton High School, Brighton State Government	\$50 million	Proposed Construction is scheduled to start in 2023, with first student intake in 2025	New school to cater for 600 students
Sorell State School - upgrade State Government	\$25 million	Under construction Completion expected by 2023	Mix of new & refurbished buildings as well as new, separately funded Child & Family Learning Centre (CFLC)
Campus 7140 (Part of the The Mills development), New Norfolk - redevelopment Noble Ventures	TBA	Proposed Expressions of interest opened to tenants in March 2022	Former hospital & social centre site to be converted into education, training conference & event precinct with student accommodation

COMMERCIAL DEVELOPMENTS

Project	Value	Status	Impact
Macquarie Point masterplan Macquarie Point Development Corp	\$2 billion \$50 million on site remediation	Under construction Work on first of 7 sections to be underway in 2022	Jobs: 10,000 Transformation of old railyards near Queens Domain into 9ha commercial, retail & recreation space
Antarctic and Science Precinct, Part of Macquarie Point masterplan & City Deal Macquarie Point Development Corp & State Government	\$595 million	Approved	Precinct will develop Antarctic education, diplomacy & business & enhance Hobart's position as gateway to Antarctic & Southern Ocean
The Escarpment Part of Macquarie Point masterplan Milieu	\$100 million	Approved First land release taken to market in June 2022 with project development agreement close to finalisation	Jobs: 600 construction 110 operational Mixed-use development will include units, short stay accommodation, retail and hospitality
Truth and Reconciliation Art Park Part of Macquarie Point masterplan Macquarie Point Development Corp	TBA	Proposed	13,000m ² of open space for events & festivals
Point B, Bridgewater The Young Group	\$60 million	DA lodged in Sept 2022	New mixed-use industrial precinct on 5.5ha greenfields site Later stages include rock-climbing centre, distillery, brewery, retail & restaurants
Electrolysis zinc works plant, Lutana Nyrstar	\$400 million Includes \$70m funding from State & Fed Govts	Approved	Jobs: 500 direct New plant to produce 300,000tpa of cathode zinc & eventually replace 100yo existing facility
Wilkinson's Point precinct, Glenorchy Larry Kestelman	\$150 million	Proposed	Jobs: 1,100 Retail, food, beverage and specialty space

COMMERCIAL DEVELOPMENTS cont.

Project	Value	Status	Impact
Parliament Square - redevelopment Citta Property Group	\$200 million	Under construction	Jobs: 400 Includes new office building, hotel and retail outlets
Motown, Berriedale David Walsh	\$400 million	Proposed	Jobs: 450 construction 120 operational 5-star hotel adjacent to MONA Art Gallery with 172 rooms, 1,075 seat theatre & 1,000-seat conference centre
Hotel, 28-30 Davey St, Hobart CBD Fragrance Group	\$130 million	Proposed Original plans scaled back and re-submitted in June 2021	13-storey, 176-room hotel with function centre, restaurant, bar, spa & pool is planned
Hotel, 179 Macquarie St, Hobart CBD Fragrance Group	\$30 million	Approved Early works are underway	9-storey, 206-room hotel with restaurant & function centre is planned
Lenna of Hobart Hotel - expansion, Battery Point	\$60 million	Proposal rejected by Hobart City Council in 2018 Revised plans also rejected in 2021	7-storey, 85-room accommodation to be built on site of heritage-listed hotel's carpark
Cable car project, Kunanyi/Mt Wellington Mt Wellington Cableway Company	\$50 million	Proposal rejected by Hobart City Council in 2021 Appeal hearing began August 2022	Jobs: 200 construction 50 operational Original proposal included three towers and base station plus restaurant & amphitheatre at summit

