

Property Investment News Update - Tasmania

"Tasmania will have the fastest growing economy in the country over the next five years"



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Access Economics Finds Tasmania's Economy Strong

The latest Access Economics Business Outlook forecasts that Tasmania will have the fastest growing economy in the country over the next five years.

"This is a very positive report on the Tasmanian economy, particularly given the current global situation," the Acting Treasurer, Lara Giddings said today.

"The report describes our economy as 'travelling well and still generating good job growth', pointing to increases in population, a growing housing sector and increased business spending.

"Importantly, Access Economics expectation about future economic growth in Tasmania is consistent with the State Government's view, stating that while the economy is slowing, 'it is neither as weak nor facing as big a downturn as many States elsewhere in Australia.'

"Access forecasts solid economic growth of 2.3% in 2008-09 for Tasmania and 3.5% in 2009-10".

"Over the five years to 2012-13, Access expects the Tasmanian economy to grow at an average annual rate of 2.9 per cent, the highest of all states and territories.

"Employment growth for 2008-09 is also expected to be strong at 4.4 per cent, higher than that forecast by Treasury in the Mid-Year Financial Report".

"The State Government has been up-front that our economy cannot escape the impacts of the global financial crisis. But along with prudent economic management over the past decade, we have programs in place to assist business, we have major Government infrastructure projects coming on-line and interest rates and petrol prices have fallen sharply. The road ahead will be bumpy but our economy is in better shape to weather the storm than many others".

According to Access Economics, 'the next couple of years may see Tasmania's economy grow as a share of Australia's economy in a way that it hasn't done for decades'."



THURSDAY 15 JAN 2009



Tasmanian Rental market set to tighten

New figures reveal it is about to become even more difficult to find a rental property in Tasmania. The Bureau of Statistics figures show a seven per cent slump in loans taken out for investment properties.

The report confirms what Tasmanian renters already know, that people are not buying investment properties fast enough to meet growing demand.

The number of loans taken out for investment properties has dropped by 7.4 per cent, down by a total of 33 per cent in the last year. The Housing Industry Association's Nick Proud says that's bad news for renters.

"Rental prices will increase as a result of that," he said.

Chris Atkins from the Master Builder's Association says investing in new homes is the cheapest way to increase housing stock.

"House construction costs haven't met up with the cost of existing houses," he said. But there is some good news for the state's housing market with Tasmania out-performing the rest of the nation with a six per cent rise in the number of loans for owner-occupied homes.