



GROWTH AND CHANGE

Page 2

TEAM MEMBER NEWS

Page 4

RECENT LISTINGS

Page 5

Hobart - growth and change

Tasmania is experiencing an unprecedented tourism boom and it is occurring around the state.

Tourists need accommodation, and while the University has been buying up old hotels to satisfy their need for student accommodation new hotels are being built to satisfy the increasing demand.

Hotels are reporting full bookings for the coming summer period, and according to Tourism Industry CEO the log jam is already impacting on tourism growth. One response to this growing market has been the expansion of Airbnb, which has as a consequence affecting more permanent accommodation options. One source advises over 5000 Airbnb guests booked accommodation during the peak summer period earlier this year.

A further response has been the construction of six new hotels with over 1022 rooms, all of which will be opening within the next 18 months.

In Hobart, while Airbnb is occurring in the suburbs, the hotel developments are occurring in or near the centre of the city, and this, together with the move of the University to the centre of town is bringing about a change in the character of the city.

The CBD was once a place of commerce. Offices and retail outlets were the order of the day. However, increasing numbers of transient people in the CBD (visitors and students) has led to an increasing demand for food and beverage outlets, and the city is becoming more an entertainment and lifestyle precinct. Once the province of Salamanca and North Hobart, the centre of Hobart is now also catering for eateries and a range of night-time entertainment.

The requirement for CBD office space has remained stable. Even though office activity has increased, the changing nature of work - automation of administrative processes, hot desks, mobile offices etc - has enabled that increase in activity to occur without an increase in demand.

Continued on page 3



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Food and beverage outlets are able to pay a higher rental than most retail outlets, and landlords are charging higher rentals as a consequence. Smaller retail outlets simply cannot compete and retail is being displaced. In some ways this coincides with a change in the nature of retail. As well as a move to on-line shopping, department stores are becoming simply shelf-providers for brand products, while the volume of traffic in Hobart is still not sufficient to maintain and retain high-end brand-specific outlets. As such the number of retail establishments is decreasing.

Retailers complain that parking decisions are making it more difficult to get the customer to the store and the increasing pressure on space is making it more difficult to survive. UTAS researcher Louise Grimmer basically dismisses this argument and suggests that retail needs to adapt to the changing times and become more tech savvy in managing on-line shopping options.

Independent retailers are in fact defying the odds in the current challenging economic environment. The National Retail Association, in conjunction with Vend, recently announced its Remarkable Retailers for 2019 and commented that retailers have to continually find new solutions and ways of working to thrive in a challenging retail landscape.

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Every action would seem to have an unintended consequence. The ever-increasing demand for services is placing pressure on an already straining infrastructure, and governments have been slow to respond. Growth and change bring their own problems with them.

A virtuous circle or a vicious cycle? The growth on the hotel environment will require trained and qualified staff, yet the training of staff is lagging behind demand. On the other hand, the food and beverage environment will be relying on casual staff, and in fact the casualisation of the workforce occasioned by the tourism boom can lead to reduced disposable incomes which will also impact on the broader retail environment.

Whatever the arguments, the fact remains that the city's character is changing. New activity replaces old activity. New outlets replace old outlets. New technology replaces old technology. However, what is fundamentally important is that the city continues to be a vibrant living space for its people.

Hotels soon to come online in Hobart

Hotel	Place	Rooms
Hyatt Centric	Elizabeth St Mall	221
Crown Plaza	Above Myer	235
Marriot	Parliament Square	152
Fragrance Group	Macquarie Street	202
Vibe	Argyle Street	142
Private	Elizabeth Street	72

Congratulations to our team members

Congratulations to Jacqui Allen who has recently successfully completed a diploma of Property Service (Agency Management). Jacqui has spent the last two years undertaking the course while working full time!

Jacqui's clients will no doubt understand and appreciate her drive and commitment. We are very pleased for Jacqui and want to share this wonderful achievement with you all.

Also we want to congratulate and announce the appointment of Bree Hobden. Bree will be involved in our residential property management department assisting in refining our systems and process' to deliver improved performance. Bree will also provide some general support to our property management team.

If you are interested in a career in property, sales, management, administration – jump on our website for further details.

devineproperty.com.au/careers

Jacqui Allen
Property Management



Bree Hobden
Administration

Recent listings



396c Strickland Avenue, South Hobart

Offers high \$500,000's
devineproperty.com.au/1p9003



30 Glen Lea Road, Pontville

Offers over \$570,000
devineproperty.com.au/1p9210



23/1b Bournville Crescent, Claremont

Offers over \$595,000
devineproperty.com.au/1p9255



334 Brooker Highway, Moonah

Offers over \$420,000
devineproperty.com.au/1p8767



The Fresh Connection, Hobart

Expressions of Interest
devineproperty.com.au/1p9168



14 High Street, New Norfolk

Offers over \$650,000
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