

MEDIA RELEASE

REAL ESTATE INSTITUTE OF TASMANIA



March Quarter 2016

Business as Usual – Solid March Quarter

The Tasmanian real estate market continued to perform solidly over the March quarter. Hobart had 17 fewer house sales over the March quarter (compared to the benchmarking December quarter) while Launceston had 46 and the North West Coast 36 fewer sales. 90 land sales were recorded in the March quarter, down from 111 in December.

Hobart's median house price retreated \$5,000 to \$385,000 while Launceston was down \$4,000 to \$286,000 and the North West Coast down \$25,000 to \$235,000.

Overall 1,690 house sales were recorded for the quarter with a state wide median of \$315,000.

Whilst house sales "cooled off", a resurgent Unit Market was the highlight of the quarter which increased 17.3% to 325 sales with both the North West (up 40%) and Hobart (up 31.9%) showing significant improvement.

Buyer profiles for the March quarter were almost identical to December with Investors responsible for 14% of purchases, First Home Buyers at 13% and Second Home Buyers at 53%. 273 sales were recorded for interstate buyers (16% of all sales) and 12 for overseas buyers (1%). Local buyers still account for more than 80% of the market.

Municipal results reflected strong sales growth in Coastal regions, with Tasman up 433%, Glamorgan Spring Bay 84%, Georgetown 40% and the West Coast 50%, while Hobart, Clarence, Launceston and Kingborough recorded decreases in volume.

Sales dropped 20% in the \$200-250,000 price bracket, 22% in the \$300-350,000 range, and 27% in the \$400-450,000 range.

Demand for rental accommodation continues to grow with rental vacancy rates at their lowest level in many years, currently below 3%.

Over recent months, across most of the larger selling regions the major internet portals have recorded a significant decrease (exceeding 25%) of the number of properties listed for sale. With the lack of choice, buyers seem to be prepared to wait for the right property to come along. Average days on the market for a property listed for sale drifted out from 46 days in the December quarter to 61 days in March.

REIT President Tony Collidge said, “The underlying principles which control our market have not changed. At some stage the market had to take a breather. We operate in a local market, driven by local conditions, with property predominantly being purchased by locals. A monthly breakdown of sales shows momentum had returned to the market at the end of March after a sluggish January/February.

If we exclude the December 2015 results, our March quarter 2016 was the highest performing quarter over the past two and a half years.

We have Australia’s most affordable real estate market at a fraction of the price of Sydney or Melbourne. Whilst 41 suburbs or towns currently experience their highest median price ever, more than 163 areas are still at prices below 2008 levels. We have an affordable market with a capacity for growth. I remain confident that the future of real estate in Tasmania is optimistic and positive.”

END

MEDIA RELEASE EMBARGOED UNTIL 10.00 AM 5 MAY 2016

REIT President Tony Collidge will be available for comment or interview at 10.00 a.m. Thursday the 5th of May 2016 at the Real Estate Institute of Tasmania, 33 Melville Street Hobart.

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