

MEDIA RELEASE

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Real Estate market stands firm

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On the back of two very solid quarters in the first half of 2016, the September quarter results showed a slight decline in sales numbers. Overall there were 71 fewer house sales recorded across Tasmania.

Inner Hobart sales were down 15.7% on the June Quarter while Launceston declined by 9.0%. The decrease in sales in these areas can be attributed to a very slow July (which was impacted by the Federal Election and the proposed negative gearing and capital gains changes and the marketplace suffering from dire listing shortages). Many regions are reporting strong buyer demand that is unable to be supported because of insufficient listings for sale. Listings are down as much as 50% in parts of Southern Tasmania.

The Tasmanian real estate market is diverse with each region showing different levels of activity. The median price for Greater Hobart houses has increased annually by 7.8% (to \$385,000), while the inner City has grown 11.7% (to \$581,000). The time it takes to sell a property has decreased 35.6% from 45 days to 29. In Launceston sales numbers increased 6.9% while median prices dropped (-5.4%). Increased investor activity in the area has seen more sales in the lower price ranges and this has been largely responsible for a decreasing median price. Selling time has decreased from 67 to 57 days. The North West Coast has experienced a decrease in sales (-4.9%), median price (-4.2%) and an increase in selling time that is now out to 90 days.

Unit sales continue to increase and they improved on last quarter from 319 sales to 325 sales. 177 unit sales were recorded in Hobart at a median price of \$285,000, 54 in Launceston at \$209,500, and 29 on the North West Coast for \$205,000. There were also 120 land sales across the state in the quarter.

Investors accounted for 20% of the September quarter sales, acquiring property at a median price of \$243,750. Investors accounted for 30% of the Launceston Municipal sales, 28% of Glenorchy's and 15% of Clarence sales. First Home Buyers accounted for 15% of the sales (at a median price of \$262,750) while second home purchasers occupied more than 60% (at a median price of \$351,000).

In the September quarter Real Estate Agents sold 5 properties to Overseas / Foreign purchasers at a median price of \$349,000. Interstate buyers reached 21% (at a median

purchase price of \$297,500). Of these, almost two thirds (62.8%) were buying property to live in while the balance (37.2%) were buying an investment property (at a median price of \$229,000). The local real estate market still remains dominated by locals who accounted for more than 78% of all sales transacted.

Over the quarter, Launceston had the most municipal sales (297, worth \$81 million) closely followed by Clarence (288 sales worth \$108 million), Glenorchy (227 sales worth \$64 million) and Hobart (176 sales worth \$99 million). Rosebery remained the most affordable town, recording 6 sales at a median price of \$54,000. Sixteen (16) property sales were recorded in excess of \$1,000,000 with 15 of these in Hobart.

REIT President Tony Collidge commented that a reduction in sales numbers had been expected for some time now due to the critical shortage of properties for sale. There is a strong and growing demand for property in this state. Rental properties are experiencing very low vacancy rates and excellent rates of return. Our housing is amongst the most affordable in Australia, people in Tasmania have the opportunity to achieve the Aussie dream of purchasing and owning their own home. Our market represents excellent buying opportunities for those looking to buy and / or invest. I firmly believe that our local market is on a solid footing and will continue to improve for some time to come.

END

Contact REIT President Tony Collidge for interviews

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