



Media Release
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Tasmanian house sales continue to decline

The Real Estate Institute of Tasmania (REIT) today released the June 2011 Quarterly Property Report, revealing that while the volume of house sales across Tasmania has continued to fall, house prices at least have remained steady.

REIT President Adrian Kelly said during the June quarter, house sales in Tasmania had fallen by 10.2 per cent across the State and were down 15.3 per cent on last year.

Mr Kelly said the only area to see an increase in Tasmania was the inner Hobart area with an 0.8 per cent increase in sales for the quarter, while middle Hobart saw a 7.1 per cent decline in sales and outer Hobart registered a fall of 10.4 per cent.

“Overall, sales for the Hobart area declined by 5.6 per cent for the quarter, while in Launceston and the North West there was a fall of 5.2 per cent and 13.4 per cent respectively,” Mr Kelly said.

Mr Kelly said the median house prices for Tasmania remained steady at \$305,000, which represented a 1.6 per cent decline for the year, but was still 7 per cent up on two years ago.

“While there was a slight increase in the median house price in Hobart, up 2.4 per cent to \$370,000, both Launceston and the North West Coast house prices eased by 1.8 per cent and 1.2 per cent respectively to \$275,000 and \$243,000.”

Mr Kelly said it was heartening that house prices were remaining constant, especially given the double whammy of declining sales and falling consumer confidence.

“On the bright side, spring is just around the corner and traditionally this is when there is usually a lift in sales performance,” Mr Kelly said.

“In addition, the Reserve Bank decision to hold off on an interest rate increase is also welcome news.”

Mr Kelly said despite the gloom and doom talk of some property experts it was pleasing to see that the market in Tasmania was holding up reasonably well, particularly by comparison with other states.

“In terms of rental returns for houses, the average rental in Hobart of \$330 was a slight fall over what had been a previously high quarter, but were still up 3.1 per cent on last year, while unit rental median prices of \$270 had remained steady for the year,” he said.

“The vacancy rate of rental property market remained tight, with a slight increase in Hobart and the North-West, while Launceston remained steady for the quarter.”

Mr Kelly said investors currently made up 13 per cent of house sales in Tasmania, first home buyers remained steady at 15 per cent, while interstate and overseas buyers represented around 15 per cent.

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