

# 3/8/2015

## REIT JUNE QUARTER MEDIA RELEASE



Tasmania has recorded its third consecutive quarterly increase in house sales. Sales are up 1.7% on the last quarter, and up 7.8% over the last year. While Greater Hobart saw a decrease in sales of 3.8% for the quarter the North West Coast proved the shining light up a massive 26.5% for the quarter and 24.4% for the year. Sales across the state achieved almost \$690 million dollars in value. The Tasmanian median house price fell 1.6% for the quarter down \$5000 from \$310,000 to \$305,000. This decrease can be attributed to a jump in sales at the lower end of the market.

Launceston recorded a 4.5% decrease for the quarter but saw its median price increase from \$270,000 to \$285,000.

The North West Coast increased from \$240,000 to \$246,500 while Hobart decreased from \$382,500 to \$376,500.

First home buyers remained steady at 13% of sales for the third consecutive quarter. Investors increased 1.0% to 17% of all sales leaving existing home owners/sellers as the main drivers in the market accounting for more than two thirds of all sales. Unlike the major mainland markets, (where investors account for more than 60% of all house sales), our Tasmanian Market continues to be driven by owner occupiers recording more than 55% of all sales.

Interestingly, interstate and overseas buyers have increased to record 324 house sales during the quarter. For the first time they have contributed to more than 20% of Tasmania's house sales. REIT statistics show that 97 bought for investment purposes (at a median price of \$323,000 per property), 22 were retirees, and 201 as either first or second home buyers (at a median price of \$360,000) 87% (312) of properties purchased by interstate buyers were priced below \$600,000 and only 12 were in excess of \$800,000

Unit sales increased in Hobart but declined in Launceston and on the North West Coast. There were 275 sales this quarter compared to 313 last. Median prices dropped from \$257,000 to \$247,500

There were 108 land sales recorded in the quarter, 73 in Hobart, 24 in Launceston, and 11 on the North West Coast. 70% of sales occurred within the \$100,000 to \$200,000 price range. Only 7 sales were recorded above \$250,000.

1649 house sales were recorded across Tasmania in the June quarter. 560 were in greater Hobart, 273 in Launceston and 148 on the North West Coast. The City of Clarence recorded 246 sales, Hobart 219, Glenorchy 192, Kingsborough 185 and Huon Valley 126. In the North of the state, Launceston recorded 307 sales, West Tamar 114 and Devonport 97.

Tasmania continues to offer the cheapest and most affordable housing of any State or Territory in Australia. Our median price is currently \$43,000 lower than Adelaide (our nearest rival) and represents 55% of Victoria and 41% of New South Wales Median sale prices.

First Home Owner Grants continue to decline and are well below the levels achieved 12 months ago.

Demand for rental accommodation continues to be strong. Rents have increased by 2.5% to 3.0% across all regions and vacancy rates remain steady.

Improving consumer confidence continues to provide a positive outlook for residential real estate sales. Agents are reporting good buyer enquiry, but a genuine shortage of stock in some areas. Whilst over past quarters activity was being driven from a strong inner Hobart market, activity now appears to be moving to the outer regions and other parts of the state. We remain optimistic about the market and the opportunity for continued growth.

**END**

**For interview, REIT President Tony Collidge will be available at the Real Estate Institute of Tasmania, 33 Melville Street Hobart at 11.00 am on Tuesday the 4<sup>th</sup> of August 2015  
Telephone interview, 03 62735555 or 0409726680**