

The Real Estate Institute of Tasmania's June quarterly report revealed that Southern Tasmania's real estate market has rebounded over the quarter to record its highest number of transactions for the past two years. Stymied economic conditions; even the prospect of further interest rate increases, and a continued rising cost of living failed to deter 1244 purchases from acquiring property across the region during the June 2024 quarter.

Southern Tasmania accounted for 47.0% of the States residential real estate sales and 52.8% of its value. Whilst the quarter showed strong results across the board, its dominance in million-dollar sales decreased from 74.9% to 61.1%. A similar trend was noted for First Home Buyer activity and Investment purchases which were proportionally down. The regions higher median prices and availability of stock in these ranges are attributable to these falls. It was responsible for 48.6% of First Home Buyer purchases, 36.0% of investor acquisitions and 38.0% of mainland buyer transactions.

Within its own market, 10.8% of its transactions exceed \$1 million, 18.7% are First Home Buyers, 9.9% investors and 13.4% mainland buyers.

The June quarters strong buyer participation rate suggests that buyer confidence is returning to our local market. It may also spell an end to the downward movement in property values in many parts of the region.

The following is a summary of the June quarter results:

- Southern Tasmania achieved 1244 property transactions over the June quarter with an accumulated value of \$856 million. This is an increase of 163 sales over the March quarter and 49 over the same time last year.
- There were 821 house sales at a median price of \$700,000. This was 65 more transactions than March quarter and identical to the same time in 2023. The median price increased (\$20,000) over the quarter and identical to the same time last year.
- The quarter saw a strong growth (+36.6%) in unit sales (254) which were up on last year (233) and the previous quarter (186). Median Price (\$550,000) was \$25,000 higher than last year and \$39,500 more than the previous quarter.
- Land sales numbers (168) were 36 up on the same time last year and 35 more than the last quarter. The median land sale price was \$290,000 which was up \$35,000 on the previous quarter and \$5,000 on the same time last year.
- 135 sales exceeded \$1 million in the June quarter. This was four more than the previous quarter and 38 less than the same time last year. 81.5% were acquired by locals.
- 233 First home buyers acquired property in the quarter. This was 13 more than the previous quarter and 12 less than the same time last year. 138 acquired houses, 66 units and 29 land.
- Investor numbers decreased from 127 in March to 123 in the June quarter. This was also down by 4 sales on the same time last year. Median purchase price increased from \$495,000 in the March quarter to \$530,000.
- Mainland purchasers surged from 144 in March to 167 in June. Median purchase price was \$600,000.
- Hobart (City) was Tasmania's most expensive suburb with a median price of \$1,500,000, closely followed by Battery Point \$1,412,500, Sandy Bay \$1,292,500 and North Hobart \$985,000. Our most affordable Southern suburbs were Miena \$337,500, Herdsmans Cove \$355,299 and Gagebrook \$385,000.

- Our highest selling suburbs were Howrah with 42 sales, Kingston 39, New Norfolk 26, and Blackmans Bay with 23. Of the municipalities, Clarence had 275 sales, Hobart 212, Glenorchy 170, and Kingborough 167.
- The rental market in Southern Tasmania is currently operating with a vacancy rate of 2.5%. This is up from 2.4% the previous quarter and is the highest it has been since 2016. Median rents decreased \$15 per week over the quarter. Based on current rents and property prices investment yields of 4.1% are being achieved which is well below that being obtained in other regions around the State.

REIT President Michael Walsh said it was pleasing to see an improvement in confidence and sentiment across the real estate market in Southern Tasmania. This sector has primarily been driven by existing homeowners who are selling and repurchasing. The regions higher prices levels have seen lower levels of participation by First home Buyers and particularly investors. An easing in rents and increased availability of properties for lease will help ease the pressure on our rental sector. Unfortunately, things will remain tight at the lower more affordable end of that market.

The June quarter results give me confidence that the market has bottomed out and the correction that we have endured over the past 3 years may be at an end and that we can look forward to an upswing in line with those of the major mainland centres.

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For interviews relating to Southern Tasmania results, please contact REIT Southern Branch President, John McGregor on 0419 892 104