

Northern Tasmania

The Real Estate Institute of Tasmania's September Quarterly Report revealed that whilst Tasmanian real estate conditions continued a "steady as she goes" course over the September quarter, the Market appears to be priming itself for a strong final quarter. Activity levels across the State remain well above those of last year and consistent across the regions.

The North and North-West markets have rallied strongly over the past 12 months and have continued to maintain activity levels well above those of last year. The Northern region achieved results on par with the previous rebounding June quarter and 30.9% above its results for the same time last year. Whilst transaction levels did drop away over late 2022 and throughout 2023, they never were impacted to the degree that Hobart and the mainland capital cities were. Interest rate increases, a slowing economy and falling migration/population growth levels have failed to seriously impact this region. The North and North-West real estate markets have proven resilient over the past three years with both recording their highest median house sale prices over the past twelve months.

Whilst September's results don't show any significant changes to the market it needs to be remembered that the June Quarter results reflected a significant upswing in activity and confidence. September quarter results were just two (2) sales less than the June quarter.

The Following is a summary of the September 2024 quarter results:

- Northern Tasmania achieved 677 property transactions over the September quarter with an accumulated value of \$387 million. This is an increase of 160 sales (or 30.9%) over September 2023 and just 2 sales less than the previous quarter. Its sales represent 27.0% of the total sales made across the state.
- There were 478 house sales at a median price of \$550,000. This was 18 more transactions than the same period last year and 3 sales less than the previous quarter. The median price decreased (\$5,000) from the previous quarter and was \$27,500 more than the same time last year.
- Unit sales over the September quarter not only maintained their activity levels they established a new record median price of \$480,000 for unit accommodation in the region. Unit transactions (113) increased 27 sales over last year (86) and were one (1) sale less than in June quarter. Median price (\$480,000) was \$27,000 higher than last year and significantly (+\$45,500) more than last quarter.
- Land sales numbers (73) were 10 up on the same time last year and 2 less than the last quarter. The median land sale price was \$220,000 which was down \$15,000 on the previous quarter and \$40,000 on the same time last year.
- 35 sales exceeded \$1 million in the June quarter. This was 8 less than the previous quarter and 6 more than the same time last year. 82.9% were acquired by locals.
- 116 First home buyers acquired property in the quarter. This was 5 less than the previous quarter and 43 more than the same time last year. 89 acquired houses, 17 units and 10 land.
- With a reasonably transient population, Launceston and the surrounding areas lend themselves to residential investment opportunities. Investors continue to pursue property in this region at a greater intensiveness than any other part of the state. Investors acquired 102 properties in the September quarter at a median price of \$469,000. This was up by 28 sales on the same time last year. 41.2% of investment purchases in the Northern region were made by mainland buyers.

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- Mainland purchaser numbers were relatively stable from quarter-to-quarter recording 118 purchases compared to 132 in June. Their participation rate was significantly higher year on year with an increase of 60 sales or 103.4%. Forty-two (42) of these mainland buyers were investors while the remaining 76 were acquiring property to move into. Whilst 6 mainland purchasers bought property in the region for prices above \$1 million, the median purchase price for this group of buyers was \$502,500
- East Launceston was Northern Tasmania's most expensive suburb/town with a median price of \$789,000, St Leonards (\$782,500), Launceston (\$772,500), Evandale (\$766,500) and Legana (\$704,000). Our most affordable Northern suburb/town were Ravenswood \$330,750, Rocherlea (\$332,500) and both Mayfield and George Town on \$345,000.
- Our highest transaction suburbs were Newnham recording 24 sales followed by Youngtown (23), Riverside (22), and Mowbray and George Town both with 21. Of the municipalities, Launceston retained its record as statewide leader with 320 sales followed by Meander Valley with 102, West Tamar (86), and Northern Midlands on (79).
- The rental market in Northern Tasmania is currently operating with a vacancy rate of 2.2%. This is down from 2.3% the previous quarter. Median rents increased \$5 per week over the quarter and \$25 per week over the year. Based on current rents and property prices investment yields of 4.6% are being achieved.

REIT President Russell Yaxley said that 'The September Quarter activity appeared to be in a "steady as she goes" holding pattern which is showing solid signs of recovery from the lows of 2023. There appears to be renewed confidence and energy across the market. Confidence has improved with both buyers and sellers feeling much more optimistic about where things are heading. I believe the December Report will show even stronger results based upon the activity that is currently occurring.'

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For interviews relating to Northern Tasmania results, please contact REIT Northern Branch President, Jeremy Wilkinson on 0400 895 022.