

## Southern Tasmania

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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.

Whilst the North and North-West markets have rallied strongly over the past 12 months, the South has been a little slower recovering. In the September 2024 quarter, Southern Tasmania accounted for 44.9% of all the State's real estate sales.

Interest rate increases, a slowing economy and falling migration/population growth levels have impacted this region more than any other in the State. Purchasers have found that they have a much larger pool of properties to choose from than at any other time in the past decade. This current abundance of listings has tempered price growth and seen the time properties are taking to sell almost double over the past two years.

Fortunately, Hobart doesn't experience the huge surges that many of the mainland capitals do. Regardless of the declines in market activity the downturn hasn't been as severe as many predicted. Today median prices are just \$13,600 lower than we were at last year and just 9.1% below its peak in late 2021/early 2022. September 2024 results show a return to activity at the top end of the market (\$1 million plus), improving mainland buyer participation and strong First Home Buyer acquisitions.

### **The following is a summary of the September quarter results:**

- Southern Tasmania achieved 1,125 property transactions over the September quarter with an accumulated value of \$773 million. This is an increase of 109 sales over the same time last year.
- There were 800 house sales at a median price of \$681,400. There were 90 more transactions than the same period last year but down 21 sales on the previous quarter. The median price dropped (\$19,600) over the quarter and \$13,600 below the same time last year.
- There were 217 sales for units at a median price of \$520,000. Again, sales numbers and prices were below last quarter (-\$30,000) and the same time last year (-\$26,000).
- Land sales numbers (101) were 5 less than the same time last year and 67 less than the last quarter. The median land sale price was \$260,000 which was down \$30,000 on the previous quarter and \$17,500 on the same time last year.
- A highlight of the quarter for the Southern Tasmanian market was an increase in \$1 million plus sales. The region recorded 148 such sales over the quarter exceeding June by 13 sales and last year by 6 sales. Local buyers acquired 79.7% of these properties.
- First Home Buyer activity surged over the period to record one of their strongest buying quarters over the past decade. 239 First home buyers acquired property in the quarter. This was 6 more than the previous quarter and a whopping 63 more than the same time last year. 169 acquired houses, 54 units and 16 land.
- Investor activity remained steady recording 119 acquisitions over the quarter. This was 4 less than last than last quarter and 6 more than the same time last year. Median acquisition price increased from \$530,000 in the June Quarter to \$557,000 and was \$37,000 more than the same time last year.

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- Whilst mainland purchaser activity wasn't as high in September as it was in the previous quarter, it was higher than any of the previous year's activity. 156 mainland buyers purchased property in Southern Tasmania in September at a median price of \$627,500. Just 30 of these buyers acquired property worth more than \$1 million.
- Sandy Bay took back the crown as not only Southern Tasmania, but the State's most expensive suburb with a median price of \$1,315,000, closely followed by Tranmere with \$1,200,000, Acton Park (\$1,175,000) and Sandford (\$1,045,000). The most affordable Southern suburbs were Gagebrook with \$389,000, Bridgewater (\$410,000), Primrose Sands (\$440,000) and Risdon vale on (\$460,000).
- Our highest selling suburbs were Kingston with 37 sales, Glenorchy (30), Howrah (29), and Sandy Bay with 27. Of the municipalities, Clarence had 250 sales, Glenorchy (195), Kingborough (155) and Hobart with 153.
- The rental market in Southern Tasmania is currently operating with a vacancy rate of 2.2%. This is down from 2.5% the previous quarter. Median rents increased \$5 per week over the quarter and are up \$25 per week over the year. Based on current rents and property prices investment yields of 4.4% are being achieved which is well below that being obtained in other regions around the State.

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 Southern Tasmania results, please contact REIT Southern Branch President, John McGregor on 0419 892 104