

Tasmania

“Steady as she goes”

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 Wests transaction levels were the highest recorded since March 2022 while the North followed close behind (with just two fewer transactions since last quarter and a whopping 30.9% more than the same time last year recording its second-best quarter in two and a half years. Sales in Southern Tasmania slowed slightly (9.5% over the quarter) but were still 10.7% above the same time last year.

Median house prices increased \$7,500 in the North and fell slightly across the North-West (-2.3%) and Southern regions (-2.1%).

A growing pool of properties for sale, aided by declining population growth, high interest rates, and lagging investor activity paved the way for 512 First Home Buyers to make the most of the opportunity to acquire their first home.

Highlights of the September 2024 Results were:

- 2,506 sales were recorded over the quarter at a cumulative value of \$1.5 billion. This was 479 sales more than the same time last year.
- The 2,506 sales consisted of 1,759 house sales (at a median price of \$590,000), 398 unit sales (median \$488,500) and 304 land sales (median \$240,000). Whilst transaction numbers were stronger than the same quarter last year, prices were down \$15,000 (house), \$4,000 (units), and \$20,000 (land) on September 2023 results.
- 498 houses sold across Greater Hobart at a median price of \$715,000 over the quarter, while 279 sold in Launceston (median \$545,000), and 218 across the North-West Centres (at a median of \$473,750). All regions exceeded last year’s transaction results with Launceston the standout with a 41.6% increase. Launceston’s median price was \$7,500 higher than last year while Hobart (-\$7,500) and the North-West Centres (-\$6,250) on prices 12 month ago.
- Sales on property exceeding \$1 million dropped from 221 in June quarter to 204 in September, although were up 16 sales on September 2023. Local buyers were responsible for 79.9% of these sales.
- A highlight of the quarter was a surge in First Home Buyer (FHB) numbers. 512 FHB’s acquired property over the quarter with 378 buying a house, 78 a unit, and 56 land. This was the highest number of FHB quarterly purchases in a decade.
- 331 investors acquired property throughout the State at a median price of \$478,000. This was 79 more transactions than occurred last year. This is still well below the benchmark of 621 investor acquisitions that occurred in September 2021.
- 406 mainland buyers acquired property in the State in the September quarter. Of these, 287 bought properties to move here to live in. Whilst 42 of these paid more than \$1 million for a home, the median price for mainland immigrants was \$551,000.
- The demand for rental accommodation increased over the quarter resulting in a decline in vacancy rates across all regions. Statewide, our vacancy rate fell from 2.4% to 2.1%. The median rent for a 3 bedroom home in Hobart increased \$25 to \$545 per week over the 12 month period. Launceston rents increased \$30 to \$480

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per week while the North-West centres added \$25 to \$420 per week. Political uncertainty around the rental sphere has recently seen the growth of new properties entering this sector diminish to some of the lowest level over the past decade.

- Sandy Bay reclaimed its ranking as Tasmania’s most expensive suburb recording 27 sales at a median price of \$1,315,000. It was closely followed by Tranmere \$1,200,000 and Acton Park at \$1,175,000. Queenstown retained the title of Tasmania’s most affordable location with 13 sales and a median price of \$175,000. Zeehan at \$215,000 was next followed by King Island on \$302,500. Burnie with 86 transactions recorded the highest number of sales for a location. It was followed by Devonport with 61 sales, Kingston (37), Glenorchy (30) and Howrah (29). Of the municipalities, Launceston recorded 320 sales followed by Clarence with 250, Glenorchy (195), and Kingborough (155).

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.’

END

REIT President Russell Yaxley will be available for interviews at REIT House, 33 Melville Street at 11.00am Wednesday 20th November 2024.

Radio interviews: Russell Yaxley, 0450 929 807