

# REIT MEDIA RELEASE - 20/10/20

## REAL ESTATE REVIVAL



The Real Estate Institute of Tasmania (REIT) September Quarterly report confirms that Market activity has returned to pre COVID-19 levels and is on target to achieve a ninth successive record year of accumulated sales value (this year exceeding \$4.1 Billion).

The highlights of the September Quarter were:

- 2959 property sales worth \$1.1 Billion. Transactions were up 39.8% on the June quarter. Of these, house sales were up 32% (to 1807), Units and Townhouses up 39.1% (to 388) and land sale increased a massive 70.1% (to 723).
- First Home Buyer (FHB) sales increased 48.4% over the quarter to 518 sales. 301 FHB, acquired homes, 69 Units, and 148 land.
- Whilst acquisitions by investors increased 43% to 419 sales this is still well below the previous year averages.
- Interstate buyers continue to maintain a low profile acquiring just 290 properties which is 70.7% below pre COVID-19 levels. Traditionally mainland buyers represent 20% -23% of total sales but today represent just 9.8%.
- Million Dollar sales are up 24% on last year to 163 sales with local buyers responsible for 82.8% of these acquisitions.
- House sales numbers and median prices across all major population centres increased in number over the quarter. Greater Hobart's median price grew to \$545,000, Launceston to \$383,500 and the North West Centres to \$330,000.
- The rental market continues to perform also. Vacancy rates are steady and the median rents for houses increased across the State:

|            |                                      |
|------------|--------------------------------------|
| Hobart     | 2.2% - 3-bedroom home \$450 per week |
| Launceston | 1.9% - 3 bedroom home \$360 per week |
| North West | 2.5% - 3 bedroom home \$310 per week |
- Devonport recorded the highest number of sales for the quarter (64) as a suburb with median sale price being \$330,500. Launceston was the highest performing Municipality around the State with 344 sales. The most affordable suburbs are located in the North West with Roseberry and Queenstown representing with a median sale price around \$100,000.
- All regions continue to suffer from an acute shortage of properties to sell. Strong buyer demand and a lack of stock to fill their need will continue to put upward pressure on prices.

Throughout 2020, the Tasmanian real estate market has been driven by Tasmanians who accounted for more than 90% of all transactions. The lack of properties for sale has seen unprecedented pressure placed on prices which continue to rise. Many buyers have given up on trying to find an established home and have turned to buying vacant land in the hope of building the home they want. The fact that 1705 land sales have occurred this year should provide confidence to the Government and the building industry for the future ahead. On the flip side, a decrease in investment in rental property is of real concern and will place pressure on this already overwhelmed resource. Obviously the legislative COVID-19 protections for tenants have severely impacted investment in rental property.

Throughout the September quarter, both major real estate portals reported that Tasmanian property received the highest number of viewings of any state. This suggests that we could have an influx of people looking to migrate or invest here.

There is no evidence to suggest that prices on owner occupied property will decrease in the immediate future. We have a strong, confident and resilient market and remain positive on the future ahead.

END

**MEDIA RELEASE EMBARGOED UNTIL MIDNIGHT 20 OCTOBER 2020**

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