

Eastern Tasmania

Higher interest rates, rising cost of living, decreasing population growth, and lower consumer confidence has seen real estate transaction numbers on Tasmania's East Coast crash to its lowest level in 9 years. Sales in the region were down 90 or 21.7% on last year and 40.9% on 2021 when the market recorded its highest number of sales at 531. Typical of a slowing market listing numbers continue to grow and in 2023 were taking longer to sell. Property prices have cooled and begun to move downward. T the shortage of rental accommodation continues to plague this region and rents have continued to climb. This contrasts with the major population centres who have all experienced an easing in vacancy rates and rental availability.

The December quarter results saw an improvement in activity levels over the previous September quarter. The Northern market hasn't lost as much ground as the South and has held up well given the circumstances. A significant increase in First home Buyer activity (up 39.2%) was a highlight. an increase December provided a strong finish for the year.

A summary of the information pertaining to The East Coast from the December Quarterly Report is detailed below:

- The east Coast achieved 89 property transactions over the December quarter with an accumulated value of \$50.2 million. This is an increase of 26 sales over the September quarter and was 21 sales more than the same time last year.
- There were 49 house sales at a median price of \$643,000. This was 11 more transactions than September quarter and 5 more than the same time in 2022. The median price rose \$9,000 over the quarter and was \$47,000 less than same period 2022.
- Unit sales and prices were up on previous quarter. 7-unit sales were recorded at a median price of \$400,000. This is \$20,000 above September quarter and \$30,000 more than 2022.
- Land sales numbers (31) were up on September and December 2022 results while median prices (\$260,000) were down by \$25,000 on both the previous year and September quarter.
- 10 sales exceeded \$1 million in the December quarter. This was the highest number recorded for the 4 quarters of 2023 and 4 above the same time last year. 60% were acquired by locals.
- 7 First home buyers acquired property in the quarter. This was up 3 sales on last year, and 2 on September quarter. Interestingly, 4 First Home Buyers purchased houses and the remaining 3 land.
- December was by far the strongest quarter for land for sales numbers for some time. Investors acquired 21 properties in the December quarter which was 8 more transactions than the September quarter and 12 more than at the same time in the previous year. The Median purchase price was \$400,000.
- Mainland purchasers (10 in the December 2023 quarter) increased from 3 over the September quarter and was identical to the same period the previous year. Median price was \$690,000. Mainland buyers did acquire 4 properties exceeding \$1 Million in the December quarter.
- The East Coast's most expensive locality with a median price of \$810,000 was Bicheno, closely followed by Orford on \$761,000, Binalong Bay \$710,000 and Stieglitz \$643,000. The region's most affordable area were St Marys \$417,000, Fingal \$438,000, and Triabunna \$448,000. It's highest selling suburbs were St Helens and Orford with 10 sales, and Bicheno and Swansea both with 5. On a municipal basis, Break O'Day achieved 52 sales, Glamorgan/Spring Bay 36 and Flinders 1

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- As stated in the “year on year” commentary below, there is a dire long term rental shortage in this region. Rents increased \$25 per week over the quarter. Median rent for a 3-bed house increased to \$420 per week.

The East Coast real estate market accounts for 3.6% of all real estate transactions made in the State and 3.2% of its Cumulative value. Whilst interest rate increases, rising living costs and declining consumer sentiment have combined to slow activity in the real estate sector it appears to have now reset lower benchmark levels. Whilst the East Coast region appears to have suffered the largest declines over 2022 and the early parts of 2023, activity appears to have recovered and surged over the December 2023 quarter. The possibility of interest rate cuts later in 2024 can only support this recovery and bring renewed confidence back to the marketplace. Under the circumstances the results for the December quarter were pleasing and perhaps a little better than expected.

East Coast results Year on Year

- The East Coast achieved 314 sales worth \$173.8 million in 2023. Sales were 21.7% below 2022’s total and 25.3% below 2022’s cumulative value.
- The region recorded 172 house sales over the year which was down 28.3% on 2022. The median house price fell back from \$665,000 (2022) to \$620,000 in 2023.
- Unit sales (18) were just 1 sale less than 2022, however median prices were up from \$370,000 to \$384,500.
- Land sales decreased from 392 in 2022 to 25 in 2023. Land’s median price also rose by \$5,000 to \$270,000.
- Sales over \$1 million decreased from 39 in 2022 to 25 in 2023. Local Tasmanians accounted for 87.2% of these transactions.
- The region had 22 First home buyer transactions which was 2 up on 2022.
- Investor activity (47 sales) dropped away a further 26.6% in 2023. This is down from the 64 sales achieved in 2022 and the 87 sales in 2021.
- 34 mainland buyers acquired property at a median price of \$580,000 to live here in 2023. This was down 21 sales or 38.2% on 2022.
- The attraction of the East Coast as one of Tasmania’s prime tourist destinations has seen most rental accommodation marketed as holiday accommodation with very few long-term options available. Rents on long term rentals grew in a period where the rest of the state is seeing rental pressure ease. Over the year, median rents in the region rose from \$380 per week to \$420 per week.
- In the December quarter 2021 it took just 35 days to sell a home. By 2022 this had blown out to 45, and in December 2023 it was taking 48 days.

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