

The Real Estate Institute of Tasmania's June Quarterly report shows that real estate activity in Tasmania's East Coast has followed a state-wide trend of decreasing sales following a slow start to 2023. Rising interest rates combined with increases to the cost of living are sapping confidence and the willingness of the public to engage in the acquisition of residential real estate. With sales numbers down, we are starting to see a rise in the number of properties for sale. Properties are taking longer to sell. Most real estate offices are recording strong listing growth. With stock levels increasing we are seeing the market transition from a seller's market to a buyer's market.

Records show that the East Coast market is seasonal, with most sales occurring over the December and March quarters. It is not surprising that we see a decrease in sales activity over the June quarter. This market is not substantial, but it is important. Over the past 5 years it has averaged near 450 real estate sales per annum. The June quarter saw 69 transactions occur which was well down on the previous March quarter where 93 sales were recorded.

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

- There were 69 transactions along the East Coast worth \$38.1 million. Transaction numbers were down 36.7% on June 2022.
- 35 house sales were recorded at a median price of \$628,800. Whilst the median price is down 6.3% on June 2022 it increased 6.1% over the quarter. Sales numbers are down 50.0% on 2022 .and 58.3% below June 2021
- 3 unit sales were recorded at a median price of \$340,000.
- 29 Land sales at a median price of \$270,000 were achieved over the quarter. This was 3 fewer than last quarter and 6 less than the same time last year. The median price decreased \$10,000 over the quarter.
- The average selling time for a property on the East Coast is 92 days, which is well up on the 61 days those sales averaged last year.
- 8 sales have achieved more than \$1 Million. This was 3 more than occurred last quarter and 4 less than the same time last year. Local Tasmanians acquired seven of these properties.
- 5 First home buyers acquired homes in the region. This was consistent with the previous month and June 2022. Two acquired houses, two units and one land. The region averages 22 first home buyer sales per year over the past 5 years.
- Investor numbers slumped from 17 in the June quarter last year to 6 this year. Traditionally investor sales equated to between 15 – 20% of all sales in the region. In March 2023 it represented just 5.8%. The median acquisition price of a rental property was \$655,650. The region averages 86 investor purchases per annum over the past 5 years.
- The mainland invasion has stopped with just 6 interstate people buying in the region this quarter. These numbers are well down on the 17 sales that were recorded in June 2022. Over the last 6 years interstate buyers have averaged 77 purchases in the region each year.

- Coles Bay established itself as the most expensive suburbs in the region with a median price of \$1,050,000. Swansea was second at \$850,000, followed by Bicheno (\$711,900), St Helens (\$607,500) and Orford with \$691,250.
- The most affordable location was St Marys \$430,000.
- The highest turnover suburbs were Orford with 6 sales, Swansea with 5, and St Helens with 4.
- Glamorgan/Spring Bay had the most Municipal sales with 20 followed by Break O Day (14), and Flinders (1).
- In relation to the rental market, vacancy rates remain low in the area. Whilst rental availability eases over the winter months few opportunities for long term rental properties arise. Median rents are \$395 per week providing an average investment return of 2.8% per annum.

The East Coast appears to be treading a middle ground with less dramatic levels of change. Like all the other regions around the state investor and mainland buyer participation has dramatically fallen away. On the upside the region recorded strong top end million-dollar sales with purchasers seeing real value in property in this part of the state.

The rapid growth that we experienced through, and post COVID-19, placed unavoidable and unsustainable pressure on both prices, and rents. We are now experiencing a correction where we will arrive at a new norm. It is highly likely that this norm will see a pause on rental and sales price increases.

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For interviews relating to Northern Tasmania results, please contact REIT Northern Branch President, Ananda Cairns on 0488 448 071