

The Real Estate Institute of Tasmania's June Quarterly Report revealed that Northern Tasmania's real estate market has continued to rebound over the quarter to record its highest number of transactions for the past two years. Stymied economic conditions; even the prospect of further interest rate increases, and a continued rising cost of living failed to deter 679 purchases from acquiring property across the region during the June 2024 Quarter.

Northern Tasmania appeared to have the strongest level of growth across the regions recording a robust increase in investment acquisitions and mainland buyer activity.

The region accounted for 25.7% of the States residential real estate sales and 23.8% of its value. It was responsible for 25.3% of First Home Buyer purchases, 32.2% of investor acquisitions and 30.1% of mainland buyer transactions.

Within its own market, 6.3% of its transactions exceed \$1 million, 17.8% are First Home Buyers, 16.2% investors and 19.4% mainland buyers.

The June Quarters strong buyer participation rate suggests that buyer confidence is returning to our local market. It may also spell an end to the downward movement in property values in many parts of the region.

### **A summary of the information pertaining to Northern Tasmania from the June quarterly Report is detailed below:**

- Northern Tasmania achieved 679 property transactions over the June quarter with an accumulated value of \$386 million. This is an increase of 125 sales (or 22.6%) over the March quarter and 78 over the same time last year.
- There were 481 house sales at a median price of \$555,000. This was 67 more transactions than March quarter and 34 more than the same time in 2023. The median price decreased (\$15,000) from the previous quarter's record high and was just \$5500 lower than the same time last year.
- The quarter saw a continued growth (+16.2%) in Unit sales (114) which were up on last year (84) and the previous quarter (69). Median Price (\$434,500) was \$2,000 higher than last year and down \$40,500 on March's record price of \$475,000.
- Land sales numbers (114) were 30 up on the same time last year and 45 (+65.2%) more than the last quarter. The median land sale price was \$235,000 which was down \$25,000 on the previous quarter and \$42,500 on the same time last year.
- 43 sales exceeded \$1 million in the June quarter. This was the same as the previous quarter and 8 more than the same time last year. 81.4% were acquired by locals.
- 121 First home buyers acquired property in the quarter. This was 4 more than the previous quarter and 22 more than the same time last year. 79 acquired houses, 26 units and 16 land.
- Perhaps the highlight of the quarter was the growth in Investor activity in the Northern market. Numbers soared by 59.4% over the quarter increasing from 69 acquisitions over March quarter and 64 during December '23 quarter to 110 in June. This was also up by 41 sales on the same time last year. Median purchase price was \$455,000 which was down \$10,000 on last quarter and \$50,000 on the same time last year.
- Mainland purchasers surged from 100 in March to 132 in June. 45.5% were investors acquiring property in the region at a median price of \$480,000 while the remaining 72 purchasers were buying to relocate here. Their Median purchase price was \$530,500.

- Bridport was Northern Tasmania’s most expensive suburb/town with a median price of \$815,000 closely followed by Launceston (City) \$812,000, East Launceston \$790,000, Legana \$734,000, and Greens Beach \$720,000. Our most affordable Northern suburb/town were Scottsdale \$345,000, Ravenswood \$360,000, Beaconsfield \$388,000, and Mayfield \$380,000.
- Our highest selling suburbs were Riverside with 23 sales, West Launceston 22, Legana 22, Mowbray 20, and Youngtown with 19 sales. Of the municipalities, Launceston retained its record as statewide leader with 340 sales followed by West Tamar 113, Meander Valley with 96 and Northern Midlands on 66.
- The rental market in Northern Tasmania is currently operating with a vacancy rate of 2.3%. This is up from 2.1% the previous quarter and is the highest it has been since 2016. Median rents decreased \$15 per week over the quarter. Based on current rents and property prices investment yields of 4.7% are being achieved.

REIT President Michael Walsh said it was pleasing to see a continued growth in confidence and sentiment across the real estate market in Northern Tasmania. The return of investors to our marketplace with their contribution helping ease the stress and supply shortage that has plagued our market in recent times. Further, with mainland markets surging, mainland folk are discovering the value and benefits that Northern Tasmania has to offer. We provide them with a more affordable and amenable alternative compared to where they currently reside.

The June Quarter results give me confidence that the market has bottomed out and the correction that we have endured over the past 3 years may be at an end and that we can look forward to an upswing in line with those of the major mainland centres.

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