

As we entered 2024, most Australians were hoping that the woes of 2023 were behind us, and the New Year would be more favourable. The pressure of high interest rates, housing and rental affordability, and the high cost of living would start to ease as the year went on. Media commentary dared to suggest that we had weathered the storm and there was a glimmer of light at the end of the tunnel. This light kindled a growing confidence that saw real estate activity rebound over the March quarter to record stronger results than the previous December quarter and the results for the same time last year.

Northwestern Tasmania accounted for 23.0% of the States residential real estate activities and 19.0% of its value. It established a new record median price for houses in the region and strong First Home Buyer activity, investor participation, and mainland buyer migration.

Within its own market, 4.6% of its transactions exceed \$1 million, 21.4% are First Home Buyers, 15.9% investors and 18.3% mainland buyers.

A summary of the information pertaining to the North-West region from the March Quarterly Report is detailed below:

- Northwestern Tasmania achieved 523 property transactions over the March quarter with an accumulated value of \$262 million. This is an increase of 34 sales over the December quarter and 101 over the same period last year.
- There were 377 house sales setting a record residential median house price record of \$505,000 for the region. There were 12 more transactions than December quarter and 73 more than the same time in 2023. The median price increased (\$10,000) over the quarter and \$36,000 over the year.
- Unit sales (62) were very similar to the previous quarter (60) and March last year (59). Likewise, median prices haven't changed that much over the year moving up \$2,000 from \$390,000 in March 2023 to \$392,000 in March 2024.
- Land sales numbers (72) were up 19 transactions on the same time last year and 24 on December quarter. The median land sale price was \$185,000 which was \$2,500 less than the previous quarter and well down (\$60,000) on the same time last year. Land sales numbers have near halved since 2022. The increased cost of construction, availability of builders and the availability of land have all impacted this sector.
- 24 sales exceeded \$1 million in the March quarter. This was 7 more than the previous quarter and 11 more than the same time last year. Locals acquired 61.5% of these properties. This was well below the 70% average of the past 3 years. Mainland buyers migrating to the region acquired 5 properties over \$1 million.
- 112 first home buyers acquired property in the quarter. This was up 13 transactions on the previous quarter and 30 more than the same time last year. 84 acquired houses, 12 units and 16 land.
- Investor numbers remained stable with the previous quarter, decreasing just 3 from 86 to 83. This was an increase of 25 transactions over the same time last year. Median purchase price was \$370,000.

North-West Tasmania

- Mainland purchasers surged from 68 in December to 96 this Quarter. Median purchase price was \$441,000. Five mainland buyers paid more than \$1 million for a home.
- Turners Beach was Northwest Tasmania's most expensive suburb/town with a median price of \$825,000, followed by Spreyton \$740,000, Penguin \$716,000, and Latrobe \$636,000. Our most affordable Northwest suburbs were Shorewell Park \$285,000, Acton \$350,000, Cooee \$360,000 and Hillcrest \$367,000.
- Our highest selling suburbs were Burnie with 70 sales, Devonport 52, Ulverstone 27, and Wynyard 23. Of the municipalities, Devonport had 118 sales, Central Coast 106, Burnie 91, and Waratah/Wynyard 80.
- The rental market in North Western Tasmania has the State's lowest vacancy rate of 2.1%. This is up from 2.0% the previous quarter and is the highest it has been since 2020. Rents rose approximately \$15 per week over the quarter to \$415 per week for a 3 bedroom house. Based on current rents and property prices, properties are offering investors a return of 4.9%.

REIT President Michael Walsh said that he was pleased to see some confidence returning to the market. The downturn in 2023 had enabled many young first home buyers to take advantage of the market conditions and buy their first home. All sectors of the southern residential real estate market saw transaction numbers grow over the quarter offering positive signs of an uptake in activity. Traditionally real estate markets slow in election times, but this had not proven to be the case on this occasion. Whilst there was a small increase in rents over the quarter, we have seen an increase in the number of properties available for rent. Demand continues to be strong at the lower affordable end of the market but hopefully this should ease as more public housing becomes available. The latest news that any interest rate relief could be deferred until much later in the year or even until 2025, may dampen outcomes in the immediate future. We have been through a time of correction and all aspects point to an imminent recovery emerging.

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For interviews relating to North-West Tasmania results, please contact REIT North-West Branch President, Alan Halliwell on 0408 250 111.