

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.

The West Coast accounts for 1.2% of the States residential real estate activities and 0.33% of its value.

Within its own market, 11.1% are first home buyers, 18.5% investors and 18.5% mainland buyers.

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

- Tasmania's West Coast achieved 27 property transactions over the March quarter with an accumulated value of \$4.5 million. This was a decrease of 9 sales over the quarter and 1 on the same period last year.
- There were 18 house sales at a median price of \$202,500. There were 8 fewer transactions than December quarter and an identical number for the same time last year. The house median price was \$4,500 above last year's result and \$21,000 below the previous quarter.
- There were no unit sales for the March quarter. While there was only one such sale in the previous quarter and 3 in the same period last year. Historically, very few unit sales occur in this region. Only 9 unit sales were recorded for all 2023.
- There were 9 Land sales during the quarter. This was the same as the previous quarter and two sales more than the same time last year. The median selling price was \$60,000 which was \$25,000 more than last quarter and \$8,000 more than the same time last year.
- There were no sales recorded that exceeded \$1 million in the March quarter. There were only two residential sales that exceeded this amount over the past 12 months.
- 3 first home buyers acquired property in the quarter. This was in line with the previous quarter (which recorded 4 sales) and the same period last year which recorded 2 sales. The sales were split with one purchaser buying a house and the other two acquiring land.
- As with the previous quarter and the same time last year, five Investors purchased property on the West Coast in the March 2024 quarter. The Median purchase price was \$225,000.
- Mainland purchasers acquired 5 properties over the quarter at a median price of \$100,000. This was 2 sales more than the previous quarter and 4 above the same time last year.
- Strahan was the West Coast's most expensive Town with a median price of \$367,500 followed by Zeehan \$262,500, Rosebery \$192,500 and Queenstown \$122,500. As the results show this region is by far the most affordable in the State.
- Our highest selling towns were Queenstown and Zeehan with 6 house sales each.

West Coast Tasmania

- The West Coast is popular for mining and tourism. It has a rich history in both. Most of the towns have been built around the mining industry and in recent times transitioned to also cater for tourism. Its rugged topography combined with limited employment opportunities has tended to restrict population growth and development in the region. Rental demand in the region is not as strong as other parts of the state. The same can be said for residential sales. There is a surplus of accommodation in the region making it the most affordable in the state. A 3 bedroom house can be rented here for \$280 per week. Based on current rents and property prices properties are offering a strong investment return of 6.3%.

As stated above The West Coast residential real estate market is susceptible to changing economic and environmental conditions. It has a strong history and association with mining but as this industry curtailed within the region it left many towns with empty lodgings in more recent times many of these towns have transitioned to accommodate a growing tourism industry. Limited employment opportunities and development in the region have seen limited growth in demand for accommodation. This in turn has seen prices and rents remain low. The West Coast remains the most affordable rental and housing region in the state. It is a small but important market. The current economic conditions have impacted this market more than any other, but it has managed to maintain activity at a sustainable level.

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.