

Eastern Tasmania

The Real Estate Institute of Tasmania released its September 2023 Quarterly Report today. The report confirms that the market has slowed. Interest rate increases and the rising cost of living have impacted housing affordability to such a level that confidence has waned resulting in a decline in sales numbers and median prices. In many areas, the number of properties for sale have increased significantly offering buyers more choice and more say over price. Sellers no longer have control of the market.

One could argue that the East Coast market is the most cyclical/seasonal of our regions with a large percentage of its transactions occurring over the spring/summer months. Transaction numbers will be lower over the cooler months. The East Coast market is not substantial, but it is important. It has averaged near 450 real estate sales per annum over the past 5 years. A slowing market has seen only 63 transactions occur over the September quarter. This is down 6 sales on the previous June quarter and 20 sales on the same time last year.

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

- There were 63 transactions along the East Coast worth \$32.1 million. Transaction numbers were down 24.1% on September last year.
- 38 house sales were recorded at a median price of \$634,000. Whilst the median price is up 0.8% on June quarter, it was down 2.5% on the same time last year. Sales numbers are down 29.6% on last year yet improved 9% on last quarter.
- 3 unit sales were recorded at a median price of \$380,000. This saw a \$40,000 increase over the quarter.
- 21 Land sales were recorded at a median price of \$285,000. Prices rose \$15,000 over the Quarter but were down \$32,000 on last year.
- 2 sales achieved more than \$1 Million. This was well down on the June quarter (8) and the same time last year (12).
- 5 first home buyers acquired homes in the region. This was the same as occurred in June and 1 above the same time last year.
- This was the only region across the State to see an increase in Investor activity recording 13 sales. This was well above the 4 achieved last quarter and the 10 sales made at the same time last year. The median acquisition price of a rental property was \$778,000.
- As with investor activity, the East Coast region saw an increase in mainland buying over the quarter. 13 sales were achieved which was 7 more than last quarter and 1 more than the same time last year. These numbers are well down on the 35 sales that were recorded in September 2021.
- Swansea established itself as the most expensive suburbs in the region with a median price of \$795,000, followed by Bicheno \$794,000, Orford \$775,000, and Coles Bay on \$724,500.
- The affordability race was won by St Marys \$389,500, Scamander \$485,000, and Stieglitz \$555,000
- The highest turnover suburbs were St Helens (6), Stieglitz (4), Bicheno (4) and Swansea (3)

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- Break O'Day had the most Municipal sales with 33 followed by Glamorgan/Spring Bay (26), and Flinders (4).
- Median rents for a 3 bedroom home in the region have remained steady at \$395 per week. Vacancy rates remain very low in the area.

After a decade of strong gains our market is cooling, seeing property prices and rents ease on the back of waning consumer confidence. Property prices and rents will continue to adjust to meet market conditions. Our local market has stood up well and has not fallen away to the levels that some commentators had predicted. Unprecedented growth in the number of properties for sale will provide purchasers with an opportunity to participate in a market with more choice and less competition.

The shortage of long-term rental accommodation in this region will continue to place pressure on rental prices. Unlike other areas in the state, there does not appear to be any easing in this section of the market in this region.

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