

North-West Tasmania

The Real Estate Institute of Tasmania's September Quarterly Report has confirmed that North-West Tasmania's residential real estate market has "bucked the trend" recording gains in both sales numbers and median property prices. It outperformed both the Southern and Northern markets who saw strong decreases in transaction numbers and easing median prices.

The North-West market was the best performed region for the quarter, avoiding the volatilities of the Northern and Southern parts of the state. It was the only region to show an increase in sales over the previous quarter and for the same period last year. For the first time the median price for a home in the region edged above \$500,000. The North West's 498 sales represented 23.4% of total state-wide transactions. The region's median house price rose \$17,280 over the quarter and \$11,280 on September last year. It recorded a higher number of unit sales (66) and land sales (67) for the quarter, and over last year's results. Of significance was a marked increase in first home buyer activity in the area. Rents appear to have "topped out" with the market showing signs that it is starting to soften. Agents have reported that there is an increasing number of properties coming onto the market for sale and an increase in the number of rental properties available. The North-West continues to offer the most affordable property available for sale and for rent across the state.

Sales activity on the West Coast is in complete contrast to the North-West. 33 sales were recorded which was well below the previous quarter (41) and last year (52). 19 house sales and 13 land sales were achieved over the quarter with median prices dropping back to \$180,000 (houses) and \$50,000 (land). No unit sales were recorded. Investors continue to have minimal impact in the area, recording just 3 purchases. Seven (7) purchasers were made by mainland buyers. Four first home buyers bought in the area.

A summary of the information pertaining to the North-West and West Coast regions from the September Quarterly Report is detailed below:

- There were 498 transactions in the North-West worth \$251 million and 33 on the West Coast worth \$4.9 million. North-West transaction numbers were up 1.8% on June quarter and 8.7% on September 2022. West Coast numbers decreased 19.5% for the quarter but were down 36.5% on last year.
- 349 house sales were recorded on the North-West at a median price of \$501,280. This was an increase of \$17,280 for the quarter and \$11,280 for the year. 19 sales were recorded on the West Coast at a median price of \$180,000. This was 20.4% down on the previous quarter and 20.9% on September last year.
- On the North-West, 66 unit sales were recorded at a median price of \$404,500. These results saw an increase of 12 sales over the quarter and 13 over the same time last year. The median price increased 4.1% over previous quarter and 6.4% over last year.
- Land sales (67) in the North-West increased by 5 over the quarter and 25 over the results achieved for the same period last year. The median Land price dropped back to \$220,000 which was \$26,000 below the results achieved last quarter and \$7,500 below that achieved last year. Thirteen blocks of land sold on the West Coast at a median price of \$50,000. This was slightly below the number sold at the same time last year (15).
- Over the September quarter, houses on the North-West averaged 45 days to sell and 63 on the West Coast. This is significantly more than it took to sell at the same time last year (28 and 29 days respectively).

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- The North-West achieved 15-one-million-dollar sales in the September quarter. This was 7 sales down on the June quarter's record-breaking result. Local buyers snapped up all these properties.
- Perhaps one of the highlights of the North-West regions results for the quarter was a 25.3% increase in first home buyer activity achieving 99 sales for the quarter. This was an increase of 20 sales over the quarter and 19 on the same time last year. There were 4 sales to first home buyers on the West Coast. Across both regions, 78 acquired houses, 11 units and 14 land.
- Across the state, investor numbers were well down. It was the same on the North-West and West Regions. Investor activity on the North-West (49 sales) was down from 68 last quarter and 76 for the same time last year. In 2021 there were 168 sales over the same period to investors on the North-West. Traditionally investor sales equated to between 25 – 30% of all sales and in this region. It represented just 9.8% this quarter. The median acquisition price of a rental property was \$380,000. On the West Coast investor numbers dropped from 17 last year to 3 this year. Median purchase price was \$153,000.
- Mainland migration to the region has slowed significantly with the North-West recording 58 sales to this group of buyers. Whilst there was a modest decrease of 3 buyers over the quarter it is still down on the 65 sales achieved last year and the 163 achieved over the same period in 2021. Seven (7) properties were acquired by mainland buyers on the West Coast well down on the 11 and 19 purchases in the same quarters of the previous two years.
- Quoiba established itself as the most expensive suburbs in the NW region with a median price of \$829,000. Penguin followed on \$815,000. Other prominent areas were Shearwater \$750,000, Forest \$748,500, and Forth \$733,750. The most affordable in that region was Acton (\$340,000, Upper Burnie \$382,500 followed by Hillcrest \$395,000.
- On the West Coast, Strahan recorded a median price of \$257,500, Zeehan \$212,500, Queenstown \$182,500, and Rosebery \$173,000
- The highest turnover suburbs were, Burnie (71), Devonport (47), Latrobe, Ulverstone, and Wynyard (all with 16 sales) and Smithton with 15.
- Devonport had the most Municipal sales with 120 followed by Burnie (105), Central Coast (99) and Latrobe (57)
- In relation to the North-West rental market, vacancy rates have eased from 1.9% in June to 2.2% and doubled on an annual basis. Median rents have eased slightly from \$400 per week to \$390 per week over the quarter.

Typical of Tasmania there is a complete contrast between regions. Real estate in the South has endured a major correction with prices and transaction numbers decreasing while the North has fluctuated. The North-West is forging its own pathway, while the West heads down the same course that the South and Northern regions endure. Like all the other regions, investor and mainland buyer participation has dramatically fallen away. On the upside, the region holds the most affordable real estate in Tasmania and because of this continues to attract activity. It has not been affected as much as the other regions because of this.

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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.