

Tasmania

Despite ongoing political and economic volatility Tasmanian real estate posted its strongest quarterly results over the past 12 months according to data provided by The Real Estate Institute of Tasmania (REIT) in its June 2025 Quarterly Report. While prices remained relatively stable, sales numbers surged 7.5% over the quarter.

Highlights for the quarter were a welcome return of investors to the market which saw activity in this sector increase 41.5% over the quarter to record their strongest result in three years. This rise has however been counterbalanced by a deluge of investors selling their rentals and getting out of the market. Additionally, a surge in mainland buyer participation saw this group secure its highest number of transactions since December 2022.

Growth in mainland markets has seen the gap widen between local prices and other capital city prices. Only Darwin has a cheaper median house price than Hobart but even with a shortage of rental stock, we have the lowest median rent across all capital cities.

Highlights of the June Quarterly report were as follow:

- 2578 sales were recorded worth an accumulated value of \$1,592,903,804. This was 7.5% more than the previous quarter.
- Across the State we recorded 1901 house sales at a median price of \$610,000. Transactions were up 11.0% on previous quarter and 3.5% on the same time last year. The State recorded 339 unit sales at a median price of \$490,000. Both the number of sales and median price were down -7.5% and -1.0% on last quarter. Whilst land sales were up 23.1% prices were well down (\$251,000) on last quarter.
- Above average sales in Hobart's middle and outer suburbs saw the region amass 562 house sales which saw a 19.8% increase in sales over the quarter and a 5% increase on last year. A 0.7% decrease in Hobart's median House price (\$730,000) can be attributed to the increased volume of sales in the more affordable suburbs. House sales numbers in Launceston (242) were up 5.7% over the quarter but were down 10.7% on last year. Its median price (\$550,000) dropped \$25,000 (4.3%) over the quarter and was \$10,000 less than the same time last year.
- The North West Centres (228 house sales) continue to power along recording yet another increase in House sales. This recorded its best result in three years and exceeded both the previous quarter and last year's results. Its median price \$502,000 broke the half million dollar level for the first time.
- 215 sales were recorded for properties that exceed \$1,000,000. This was an increase of 4 sales over the previous quarter but 6 fewer than the same time last year. Locals were responsible for 81.4% of these acquisitions.
- 457 First Home Buyers acquired a property over the quarter. This was 10 more than the previous quarter and 22 less than the same time last year. 344 purchased a house, 65 a unit, the remaining 48 land.
- Investor numbers (429) soared to their highest level in 3 years. This was a 41.5% increase over the quarter and 25.4% increase over last year. They acquired property at a median price of \$473,500. As the gap between Tasmanian and mainland prices grows the affordability of property here will provide

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better yields and returns even with rents at their current level (the lowest Capital city rents in Australia). Mainland investors were responsible for 53.8% of these acquisitions.

- An increase in mainland investors saw mainland buyer interest also surge to its highest level in 3 years. 521 mainlanders acquired property across the State at a median price of \$525,000. 231 were investors while the remaining 290 were buying property to live in. 40 acquired property at prices above \$1 Million.
- 10 foreign buyers acquired property over the quarter at a median price of \$941,000. This was two fewer than the previous quarter and 5 less than the same time last year.
- The demand for rental accommodation continued to increase over the quarter. Vacancy rates decreased in Hobart (down from 1.9% in March to 1.8% in June) and Launceston (down from 2.3% to 2.0%). Demand appears to have softened in the North West where vacancy rates eased from 1.8% in March to 2.0% in June. Median rents have remained stable in Hobart with a 3 bed House renting for \$560 per week. Increased rental demand in Launceston has seen rents increase 8.9% over the quarter to \$490 per week while rents across the North West Centres increased \$20 per week over the quarter to \$450 per week. Investment properties in Hobart are returning a 4.4% yield while Launceston and the North West are slightly higher on 4.9%.
- Battery Point became Tasmania's most expensive suburb recording a median price of \$1,380,000. It was followed by Sandy Bay on \$1,338,500, Tranmere on \$1,250,000, and Acton Park on \$1,150,000, Queenstown retained the title of Tasmania's most affordable location with a median price of \$210,000. Mayfield was next on \$343,000, followed by George Town on \$350,000 and Gagebrook on \$382,750. Burnie with 94 transactions recorded the highest number of sales for a location. It was followed by Devonport with 67 sales, Kingston 43 and New Norfolk and Glenorchy tied on 30. Of the municipalities Launceston recorded 276 sales followed by Clarence with 243, Glenorchy 200, and Hobart 194.

Commenting on the June Quarterly Report, REIT President Russell Yaxley said that as anticipated momentum has continued to build as confidence returns to our market. Sales numbers continue to grow; the pool of property for sale shrink, and prices begin to climb. A shrinking rental pool and increasing demand will unfortunately see continued pressure on rents. Buyers and renters have been fortunate to not have seen prices and rents surge like many of the mainland capital cities. On a mainland scale, our property prices and rents remain at the bottom end of the table.

Whilst it is encouraging to see strong growth in investor activity this can be largely attributed to many current investors selling their investment. Higher costs, bias governance combined with proposed rental legislation changes have seen many landlords on the move. Rental sales are outpacing rental supply. This is something we don't want and can't afford in this current market. It will however provide opportunities for First Home Buyers at the expense of renters.

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REIT President Russell Yaxley can be contacted on 0450 929 807 or president@reit.com.au for interviews.