

A pending federal election coupled with the prospect of interest rate cuts offset with rising living costs combined to create an environment of caution and apprehension. Many buyers, sellers, investors and renters chose to sit back and wait to see what happens. While mainland real estate markets surged, Tasmanian real estate was slowly emerging from its lows of late 2023 and early 2024. Results for the March 2025 quarter show that activity levels for Tasmania held their own, increasing slightly, as did property prices. Regionally, the sectors had varying outcomes. The South saw decreases in activity levels over the quarter and the same with prices too. The North remained steady with minimal change. The North West continues its popularity accumulating increases in sales numbers and prices. The East Coast also experienced a surge in activity while the West remained stable with similar activity levels to the previous quarter.

North West Tasmania with 573 sales accounts for 23.9%. The North West region has been Tasmania's best performing Market place over the past 12 months. Its affordability and lifestyle options make it a highly sought after region appealing to buyers and renters. Sales and rental demand remain strong and robust with few if any signs of activity levels easing.

Investor and mainland buyer activity escalated significantly over the March quarter.

The Following is a summary of the March 2025 Quarter results:

- North West Tasmania achieved 573 property transactions over the March quarter with an accumulated value of \$306 million. While this is an increase of 50 sales over the same time last year it was also 68 more than the previous quarter.
- There were 428 house sales at a median price of \$539,500. There were 51 more transactions than the same period last year and 53 more than the previous quarter. The median price increased (\$29,500) over the quarter and \$34,500 over the same time last year.
- There were 77 Unit sales at a median price of \$415,000. Transaction numbers were up 15 on previous quarter and 15 on the same time last year. Median price was \$11,500 less than December quarter and \$23,000 above the same time last year.
- Land sales numbers (58) were identical in number to the previous quarter but 14 less than the same time last year. The median land sale price was \$241,500 was up \$41,500 on the previous quarter and \$56,500 on the same time last year.
- The number of sales recorded in the region above \$1 million (22) was 7 more than that recorded in the previous quarter (15) and just 2 transactions below the same time last year. Local buyers acquired 72.7% of these properties.
- As expected, first home buyer activity dropped away with 119 first home buyers acquiring property in the quarter. This was 15 less than the previous quarter and 7 more than the same time last year. 103 acquired houses, 5 units and 11 land.
- Investors activity surged in this region with Investors recording 104 acquisitions in the area over the March quarter. Activity increased 48.6% or 34 transactions over the quarter and 21 transactions over the same time last year. Median acquisition price decreased from \$468,500 in the December 2024 quarter to \$429,000 but was \$59,000 more than the same time last year. Mainland investor numbers (51) represented 49.0% of total investment activity and their median purchase price was \$423,500.
- Mainland purchaser activity also escalated 39.5% in the March 2025 quarter with 120 purchases. This was 34 more than the previous quarter and 24 more than the same time last year. Median purchase price was \$491,250.

6 of these buyers acquired property in excess of \$1 million. 51 of these buyers acquired investment properties whilst the remaining 69 paid a median price of \$565,000 for their dwellings.

- Our most expensive suburbs/towns in the North West region were Shearwater \$742,000, Park Grove \$702,000, Spreyton \$700,000, Penguin \$635,000 and Sisters Beach \$585,000. The region's most affordable areas were Shorewell Park \$365,000, Acton \$365,000, Hillcrest \$404,000, Railton \$432,500, and Upper Burnie on \$456,000.
- Our highest selling suburbs were Devonport with 40 sales, Latrobe (26), Wynyard (26), Penguin (23), and East Devonport (21). Of the municipalities, Devonport with 119 sales, Central Coast (116), Burnie (114), Latrobe (83) and Waratah/Wynyard on 76.
- With the region offering some of Tasmania's more affordable rental properties, activity in the rental market in North West Tasmania has experienced an overwhelming demand placed upon its limited resources. The vacancy rate went from 2.0% to 1.8%. Median rents increased \$10 per week over the quarter and \$15 per week over the year. Based on current rents and property prices investment yields of 4.8% make this one of the higher return areas across the State.

REIT President Russell Yaxley said that the March quarterly results met expectations given that an election and interest rate decreases were on the horizon. Tasmania doesn't experience the volatile ebbs and flow activity that the larger parts of the country incur. It's more a slow and steady approach down here. Our market has clearly recovered from its slowdown (in late 2023/early 2024) and signs look positive for a rebound into 2025. Increasing demand with diminishing stock levels over 2025 will see increased pressure placed on property for sale and rentals over this coming year. Real Estate Agents are currently reporting robust activity across the sales and rental sectors which should see stronger results in the June quarter.

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