

Northern Tasmania

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.

Northern Tasmania with 588 sales accounts for 24.5% of all Tasmanian residential real estate transactions. Results across the board remained fairly stable from the December 2024 quarter to this March 2025 quarter.

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

- Northern Tasmania achieved 588 property transactions over the March quarter with an accumulated value of \$332 million. While this is an increase of 34 sales over the same time last year it was 8 more than the previous quarter.
- There were 411 house sales at a median price of \$560,000. There were 3 less transactions than the same period last year but was up 19 sales on the previous quarter. The median price increased (\$6,000) over the quarter but was \$10,000 less than the same time last year.
- There were 105 unit sales at a median price of \$455,000. Transaction numbers were up 5 on previous quarter and 36 on the same time last year. On the other hand, the median price was \$1,000 less than December quarter and \$20,000 below same time last year.
- Land sales numbers (62) were 3 more than the same time last year and 18 less than the last quarter. The median land sale price was \$260,000 which was up \$17,500 on the previous quarter and identical to the same time last year.
- The number of sales recorded in the region above \$1 million, (44) was 8 more than that recorded in the previous quarter (36) and just 1 transaction above the same time last year. Local buyers acquired 75.0% of these properties.
- First home buyer activity has remained relatively stable in this region over the past 12 months. 122 First home buyers acquired property in the quarter. This was 1 less than the previous quarter and 5 more than the same time last year. 84 acquired houses, 29 units and 9 land.
- Investors made 85 acquisitions in Northern Tasmania over the March quarter. Activity decreased 16 transactions on the previous quarter but were up 16 on the same time last year. Median acquisition price increased from \$435,000 in the December 2024 quarter to \$455,000 but was \$10,000 less than the same time last year. Mainland investor numbers (43) represented 50.6% of total investment activity and their median purchase price was \$560,000.
- Mainland purchaser activity remained steady in March 2025 quarter with 110 purchases. This was 4 more than the previous quarter and 10 more than the same time last year. Median purchase price was \$481,000. 11 of these buyers acquired property in excess of \$1 million. 43 of these buyers acquired investment properties whilst the remaining 67 paid a median price of \$532,000 for their dwellings.
- Our most expensive suburbs/towns in the Northern region were East Launceston at \$981,000, followed by Norwood \$740,000, Launceston \$737,500, Trevallyn \$720,000 and Prospect Vale on \$702,000. The region's most

affordable areas were Mowbray on \$400,000, Ravenswood \$420,000, Scottsdale \$460,000, St Leonards \$465,000 and Cressy \$461,000.

- Our highest selling suburbs were George Town with 20 sales, Riverside (19), Trevallyn (18), Prospect Vale (18), Newnham (18) and Kings Meadows also on 18. Of the municipalities, Launceston (274), West Tamar (112), Meander Valley (79) and Northern Midlands on 55.
- The rental market in Northern Tasmania softened over the March quarter. It's vacancy rate eased 0.2% from 2.1% in December to 2.3% by the end of March. Median rents decreased \$30 per week over the quarter and down the same amount over the year. Based on current rents and property prices investment yields of 4.5% are being achieved which is well below that being obtained in other jurisdictions.

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.

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