

Southern 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.

Southern Tasmania accounts for 46.6% of all Tasmanian residential real estate sales. Whilst the March quarter numbers were below the previous quarter, they were still well above those recorded at the same time last year.

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

- Southern Tasmania achieved 1119 property transactions over the March quarter with an accumulated value of \$781 million. While this is an increase of 38 sales over the same time last year it was 34 less than the previous quarter.
- There were 792 house sales at a median price of \$690,000. There were 36 more transactions than the same period last year but down 23 sales on the previous quarter. The median price dropped (\$17,000) over the quarter but was \$10,000 above the same time last year.
- There were 214 unit sales at a median price of \$550,000. Both transaction numbers (up 7 sales) and prices (up \$24,000) were above last quarter and above the same time last year with 28 more transactions and a median price increase of \$39,300.
- Land sales numbers (104) were 29 less than the same time last year and 13 less than the last quarter. The median land sale price was \$282,500 which was down \$17,500 on the previous quarter and \$27,500 more than the same time last year.
- The number of sales recorded in the region above \$1 million, (136) were significantly down on the previous quarter (159) and just 5 transactions above the same time last year. Local buyers acquired 82.4% of these properties.
- First home buyer activity slumped over the period to record one of the poorer buying quarters over the past 3 years. 196 first home buyers acquired property in the quarter. This was 40 less than the previous quarter and 24 less than the same time last year. 128 acquired houses, 47 units and 21 land.
- Investor activity dropped significantly across Southern Tasmania. Numbers were 35 transactions down on the previous quarter and down 32 on the same time last year. Median acquisition price increased from \$527,500 in the December 2024 quarter to \$540,000 and was \$45,000 more than the same time last year. Mainland investor numbers (40 sales) represented 42% of total investment activity and their median purchase price was \$543,000.
- Mainland purchaser activity dropped away again in March with 138 purchases. This was 29 less than the previous quarter and 6 less than the same time last year. Median purchase price was \$610,000. Just 24 of these buyers acquired property in excess of \$1 million. Forty of these buyers acquired investment properties whilst the remaining 98 paid a median price of \$630,000 for their dwellings.
- Richmond took the crown as not only Southern Tasmania but the State's most expensive suburb with a median price of \$1,660,000, followed by Sandy Bay \$1,240,000, Kingston Beach \$1,225,000, Tarooma \$970,000 and West

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Hobart \$960,000. Our most affordable Southern suburbs were Gagebrook \$395,000, White Beach \$415,000, Bridgewater \$420,000, Clarendon Vale \$437,200 and Risdon vale on \$445,000.

- Our highest selling suburbs were Kingston with 41 sales, Glenorchy 29, Sandy Bay 29, and New Norfolk on 28. Of the municipalities, Clarence had 214 sales, Hobart 177, Glenorchy 164, and Kingborough.
- The rental market in Southern Tasmania remained unchanged with a vacancy rate of 1.9%. Median rents increased \$10 per week over the quarter and are up \$10 per week 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 Southern Tasmania results, please contact REIT Southern Branch President, John McGregor on 0419 892 104