

MEDIA RELEASE 28 OCTOBER 2021

September Quarter rewrites

Benchmarks



The Real Estate Institute of Tasmania September Quarterly Report results were released today and confirm that the local real estate market continues to power along performing its strongest result on record. In just nine months of 2021, Tasmanian real estate has recorded its highest ever cumulative value of sales (\$4.46 billion) eclipsing all previous annual totals. We are on target to exceed cumulative sales in excess of \$6 Billion which would be an increase of 36.5% over the previous record set last year.

Year on Year results are compared as follow:

- Sales for 2021 (9122) are up 15.8% on 2020 (7877)
- Cumulative value of sales for 2021 exceed 2020 by \$1.37 Billion or 44.1%
- Whilst the number of houses that sold across the State grew by 18.7% values have increased 21.2% with median prices moving from \$410,000 to \$497,000
- Unit sales prices increased in number by 18% and in price by 22.1%
- The big mover was land prices which were up 25.1% to \$199,000
- Sales of property exceeding \$1 Million grew from 163 (which was a record then) in 2020 to 490 in 2021. A whopping 200.6% increase.
- Mainland buyer numbers increased from 1051 last year to 1653 in 2021. Despite claims that mainland buyers are dominating our markets our data shows that they only represented 18.1% of all sales and accounted for just 22% of our million dollar sales. Tasmanian real estate continues to be driven locally by Tasmanian buyers.
- Likewise investor numbers were up 36.5% on last year but still only represent 19% of all sales. We need this number to be in excess of 25% if we are to address the shortage of rental accommodation and ease the pressure on rising rents.
- First Home buyer numbers remained steady increasing just 5.8% to 1371.
- Of the major population centres Hobart median house prices increased 20.4% to \$662,400, Launceston 23.8% to \$470,000 and the North west centres 22.0% to \$386,000.
- Rental vacancy rates continue to remain at critically low levels (0.8 to 1.2% across the state) while limited rental availability maintains an upward pressure on rents.
- Rapidly increasing property prices have seen investment returns reduce to levels that now have investors moving away from our market.

September Quarter

On its own the September quarter showed continued growth recording 2961 sales worth a record \$1.55 Billion dollars. It recorded more million dollar sales than the whole of 2020, while inner Hobart became our first million dollar population centre. Land prices increase 27.2% over the quarter.

- 2961 sales worth a record \$1.55 Billion
- 1940 house sales with State wide median of \$520,000 (up 2.0% from June)
- 396 unit sales at a median of \$440,000 (up 3.5%)
- 578 land sales at \$237,000 (up 27.2%)
- All three major population centre median house prices recorded their highest levels: Launceston's median house prices grew 15.0% to \$530,000. North West prices grew 4.1% to \$397,500 whilst Hobart median house prices grew 5.2% to \$710,000. Launceston and the North West saw slight increases in their house sales numbers while Hobart numbers declined.
- 195 million dollar sales were recorded over the quarter. 44 by mainland buyers.
- 438 first home buyers acquired property over the quarter.
- 605 Investors bought at a median price of \$420,000. Launceston retained its crown as the house investment capital of Tasmania with 29% of its sales being made to investors, closely followed by the North West on 27% and Hobart a distant third with 20%.
- 584 Mainland purchasers acquired property in Tasmania. Median purchase price was \$451,000. 226 were investors while 358 were moving here to live. Their medium purchase price was 480,000.
- All of Tasmania's top ten most expensive suburbs were in the south of the State with five of them recording median prices above \$1 Million. Sandy Bay was top hotly pursued by South Hobart, West Hobart and Taroona. Our most affordable real estate was on the West Coast with Rosebery and Queenstown both below \$200,000.
- Of the municipal areas, Launceston lead the way with 370 sales followed by Clarence (223), Glenorchy (212), Hobart (198) and Devonport (169).
- Rental demand saw rents remain steady or increase between \$5-\$20 per week across most regions. Vacancy rates continued to lower for the quarter, with Hobart recording 1.0%, Launceston 0.8% and the North West 1.2%.
- With rents failing to keep pace with the rising property prices, yields across the state for houses have dropped over the quarter between 0.1 and 0.4%.

REIT President Michael Walsh said that it was hard to envisage any end in sight to the current momentum that the Tasmanian real estate market was experiencing. Strong buyer demand and a severe lack of supply was not only impacting the market here but this was a phenomenon that every capital city in Australia was experiencing. Low interest rates, improving economic conditions and an opening up of the borders will continue to see

demand for property in this State grow. We clearly need to find avenues to release the pressure that has been placed on the rental and sales markets by seeking the governments help to look for ways to expediently create more rental properties and building more established homes for sale.

END

MEDIA RELEASE EMBARGOED UNTIL MIDNIGHT WEDNESDAY 27 OCTOBER 2021

REIT President Michael Walsh will be available for comment on 0417160715

All Interviews will be conducted at 11.00 am Thursday 27 October 2021 at Roberts Real Estate, 16 Charles Street Launceston