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MEDIA RELEASE-REIT - December Quarterly Report and 2018 in Review



No Looking Back – Tassie Real Estate Pushes On

In 2018 Tasmania continued to produce results which nationally outperformed all the other Capital cities. Despite the uncertainty that the shortage of rental accommodation and houses for sale have placed on our markets there is some good news that we can take out of the REIT 2018 Annual Summary:

2018 Annual Summary

- For the seventh year in succession (and for fourteen of the past fifteen years) Tasmania has set a new benchmark in sales with 11,394 residential transactions
- In 2018 Tasmania recorded its highest cumulative value of sales with a record \$4.067 Billion (up \$188 million on 2017 or 4.9%)
- First Home Buyer activity increased 19.9% with almost three quarters buying houses or units while the balance purchased land.
- Residential purchases by international buyers was less than 2%.
- Purchases by interstate buyers (2348) decreased by 3.1% and represented 20.6% of total transactions.
- Therefore 79.4% of all transactions were made by Tasmanians.
- 181 properties across the State sold for in excess of \$1 Million of which only 33 were purchased by interstate buyers.
- Land transactions across the State increased by 12.7% (+229) while house sales were down by 2.2%, and Units up by 0.6%.
- The North West recorded a 7.8% increase in house sales while both Hobart (-7.0%) and Launceston (-4.6%) both had decreases.
- Across greater Hobart median house prices rose 14.9% to \$495,000. Launceston prices rose 14.5% to \$335,000, with the North West gaining 9.2% to \$273,000.
- Rental vacancy rates remain at an all-time low. (less than 2.0%)
- In the 12 months to December 2018 Median 3 bed houses and 2 bed units rent have both increased \$30 per week (or 7.9%)
- The number of properties for sale or rent remain at the lowest level for many years.

December Quarter 2018

The REIT December Quarterly report confirmed that the level of transactions occurring across the State have levelled out recording 2685 sales worth \$997 million. This was 54 transactions fewer than the same time last year but \$40million higher in gross value.

Highlights of the December Quarter were:

- House sale numbers in Greater Hobart were down 9.2% on last year with the inner city (Hobart Municipality) down a whopping 23.2%. Launceston was up 1.2%, while the North West was down 13.0%.
- Median prices across all regions continued to increase as the availability of properties to sell continues to decline. Hobarts' median house price grew by 9.5% over the year to \$502,750. Launceston's median price increased 14.8% to 350,000 and the North West was up 13% to \$282,500
- 1849 house sales were recorded across the state at a median price of \$375,000 which was up 5% on last year.
- 352-unit sales were recorded state wide at a median price of \$304,000 up 65 on last year.
- Land sales (484) were 9.2% down on last year (533 sales in 2017).
- Investor activity dropped from 19% of house sale in 2017 to 18% in December 2018.
- Interstate buyers dropped from 23% to 20% over the same time.
- Foreign participation in residential sales remained at 1%
- First home buyer participation was up 2% from 14% to 16% of all house sales.
- 34 properties sold in excess of \$1 Million. 30 in Hobart and 4 in Launceston.
- Rental vacancy rates remain at historical lows with Hobart 1.5%, Launceston 2.0% and the North West 2.9%.
- During the December Quarter Otago took over the mantle as Tasmania's most expensive suburb with a median sale price of \$980,000 followed by Sandy Bay on \$880,000 and Acton Park third at \$860,000. Queenstown remained our most affordable town on \$85,000, closely followed by Rosebery on \$89,000 and George Town on \$163,000. With regard to the number of sales, Devonport recorded 64 house sales in the quarters followed by Riverside 40 and Blackmans Bay 37.

Reflecting on the results, Real Estate Institute of Tasmania President Tony Collidge said,

"Tasmanian residential sales and rental markets have been driven to record heights by an unwavering demand from buyers and renters.

Tasmania has a buoyant residential real estate market where increasing employment opportunities, a flourishing tourism market, growing tertiary student numbers, and an alluring lifestyle destination have generated continued growth and demand at levels we are struggling to meet.

With a dire shortage of rental and sales stock it is difficult to envisage any short to medium term relief to the current "crisis". Somehow, we need to free up a building industry which is currently operating at or near capacity and release the shackles from a planning scheme and government / council bureaucracy that has stymied residential development in this state. We need brave and strong leadership to tackle these issues." It's not hard, it just needs someone to make a decision ".

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REIT President Tony Collidge can be contacted on 0409726680