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REIT MEDIA RELEASE -Tassie Real Estate Slows

It appears there is some relief in sight for First Home Buyers, investors and those seeking to rent. Figures released today by the Real Estate Institute of Tasmania show that in the September 2018 quarter the market had slowed with property prices falling across most parts of the State.

REIT President, Tony Collidge said that following robust activity over the past 3 quarters (where the value of sales exceeded a record \$1 Billion each quarter) it was realistic to expect a momentum swing. Hobart sales peaked in the 2017 December quarter with 610 house sales compared to only 499 this quarter. Launceston dropped from 332 to 263 sales over the same period while the North West defied the trend increasing from 184 to 221 sales. Hobart's median house price dropped from its high of \$506,000 at the end of last quarter to \$475,000 in September. Launceston prices dropped from \$339,000 to \$330,000, while the North West followed suit slipping from \$278,000 to \$270,000.

While demand for rental accommodation remains strong and continues to push rents upwards, rental vacancy rates are increasing suggesting that finally the rental market is starting to free up.

Highlights of the September quarter were:

- 2739 property transactions worth \$957,861,000.
- While Inner Hobart sales numbers dropped more than 35% on last quarter, house prices continue to rise peaking at a median price of \$700,000. Sandy Bay median rises to \$980,000.
- Launceston house sales were down 26.7% on last quarter but remain 10% up in value on last year
- North West Coast sales numbers increased by 14.5% over the quarter and 25.6% on last year recording 8% price growth over the 12 months.
- House prices across the state remain 7.2% above where they were 12 months ago
- Unit/townhouse sales continue to rise recording 413 transactions at a median price of \$312,500.
- An increase in First home buyer activity (of 2%) saw 277 house sales recorded at a median price of \$330,000. FHB activity was highest on the North west coast (19% of house sales), 17% in Hobart and only 11% in Launceston.
- Investor activity has slowed (by 1%) recording 390 house sales at a median price of \$295,000. Launceston recorded its highest level of investor activity at 40% of its house sales compared to 22% in Hobart and 28% on the North West Coast.
- Interstate buyer numbers were 19.8% down on the previous quarter with 384 purchases over the quarter at a median price of \$333,500.

- The Tasmanian real estate market remains dominated by local buyers accounting for more than 75% of sales.
- Whilst the average time on market for houses across Tasmania was 31 days, Hobart and Launceston properties average 20 days while the North West was 49.
- Of the Municipalities, Launceston recorded the highest number of sales with 329, followed by Clarence 286, Glenorchy 207, Hobart 191, and Devonport 162. In value of sales terms, Clarence recorded \$134,292,000, Hobart \$121,139,000, Launceston \$107,175,000, Kingborough \$78,371,000 and Glenorchy \$75,688,000.
- Tasmania's West Coast continues to provide the states most affordable housing with Queenstown, Rosebery, and Zeehan all having median prices below \$100,000.
- Devonport (74 Sales), Glenorchy (44), Howrah (38), Kingston (36) and Riverside (31) recorded the highest number of suburban sales.
- Sandy Bay remains our most expensive suburb with a median price of \$980,000.
- In 2017 we recorded 1808 land sales. We are on target to exceed 2100 in 2018.
- Rents across the state continued to increase over the quarter by \$10-\$15
- Vacancy rates down around 1% across the state at 2.0%

Whilst a slowing of the market has been anticipated, it is highly probable that by the end of the year, Tasmania could exceed 2017's results topping \$4 billion in sales for the first time.

REIT President, Tony Collidge said "Tasmania's popularity as a lifestyle destination coupled with strong economic conditions are establishing an environment for positive population growth. This growth has and will continue to impact our real estate markets across all sections of the state. Whilst a slowdown has been anticipated I expect it to be more of a levelling out with property prices stabilizing. There is still a strong buyer presence in the market and such demand will minimise any impact on future prices over coming months. I do not foresee prices falling away as they have in some of the mainland centres.

We are a small market with limited supply. The lack of stock particularly in Southern Tasmania will continue to put an upward pressure on prices."

END

EMGARGOED UNTIL MIDNIGHT 25-10-2018

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