

Tasmania's Two Speed Market

18 May 2020

MEDIA RELEASE



We all expected a downward trend and that's exactly what has been delivered, with the exception of land sales.

Tasmania has experienced a 27.5% decrease in house sales for the month. Hobart declined 36.8%, Launceston 39.0% and the North West down by 12.3%.

House prices have also experienced a decline with Hobart down 13.8% and Launceston 0.8%. The North West region was the only portion of the State to remain steady. Across the entire State the decrease was modest 2.2%.

The stand out was vacant land sales. There has been an increase in land sales by 1.6% compared to the same time last year (April 2019). This is good news with the potential to assist the building industry as they have noticed a down turn in new building approvals.

There has been an obvious easing of sales for those properties in the \$500,000 and above price bracket. This has aided in the decline in the median price in this sector.

With that said, properties are still selling on average 1.7% above their list price which tells us there are still buyers out there creating competition in the market place and a certain level of consumer confidence.

The majority (48.3%) of buyers are from local suburbs or towns and this is quickly followed by interstate buyers at 16.9%. We suspect that the reported interstate buyers will reduce next month as the travel restrictions really start to take effect. Second time buyers are the leaders for the 'types' of buyers representing 39.1% of all consumers and first home buyers at 23.1%.

An increase in first home buyers is a great sign and these are up by 6% this month on the previous with second home buyers being up by 2.5%. Investor numbers were down by 11%.

To grasp the full extent of these figures it is interesting to note these are the lowest recorded figures since July 2013. We all knew Covid-19 was going to hit hard and there is no doubt in that occurring. It should be noted though the Tasmanian market has been on a high for some time and a slowing in the market had already started to occur prior to this pandemic.

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MEDIA RELEASE EMBARGOED UNTIL MIDNIGHT 18 MAY 2020

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