Tumbarumba

Property Factsheet

1st Half 2018

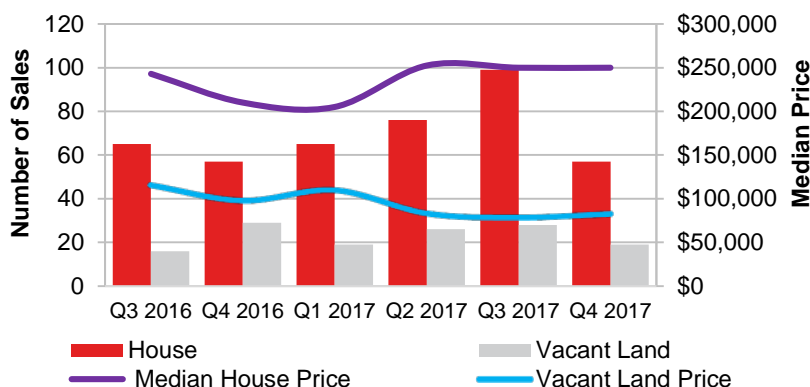**PRD**
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OVERVIEW

Tumbarumba is a small town located on the western side of the Snowy Mountains in New South Wales. The area attracts an elderly demographic as well as those looking to take advantage of housing affordability. The main occupations of people living in Tumbarumba are machinery operators, trades workers, labourers and personal service workers.

Change from Last	Year	Half Year
House Sales	⬆	⬆
House Median Price	⬆	⬇
House Rental Price	⬆	⬆
Vacant Land Sales	⬇	⬇
Land Median Price	⬆	⬇

MARKET CONDITIONS

The Tumbarumba* property market recorded a median house price of $217,500 in Q4 2017, representing an annual growth of 3.6%. Meanwhile, the Snowy Valleys Council recorded a median house price of $250,000. Property prices in Tumbarumba* sit just below the Local Government Area (LGA), indicating that it offers a more affordable entry point into the market – yet with potential buyers being able to take advantage of positive capital growth.

Average days to sell in the Tumbarumba* sat at 110 in Q4 2017, which is a significant decrease compared to Q4 2016 (176 days). Average vendor discounts have tightened slightly over the last 12 months to Q4 2017, currently at -6.6% for houses. This indicates that there is an increasing demand for properties and that the market is trending toward the sellers' favor, where sales are being achieved closer to first listed prices.

Median house rent in the Tumbarumba* area has experienced positive price growth over the last 12 months to Q4 2017, currently at $263 per week. Vacancy rates^ have continued to decline to a competitive rate of 1.3% in December 2017. This suggests that more residential stock is needed in the market, to answer high rental demand. Strong rental returns of 6.3% are on offer in the Tumbarumba* housing market, which is much higher the wider Snowy Valleys Council LGA (4.3%). This indicates that Tumbarumba will provide highly favorable market conditions for astute investors to obtain solid returns on their investments.

SNOWY VALLEYS COUNCIL GROWTH

Chart showing Number of Sales (left axis, 0–120) and Median Price (right axis, $0–$300,000) for Q3 2016 to Q4 2017. Legend: House, Vacant Land, Median House Price, Vacant Land Price.
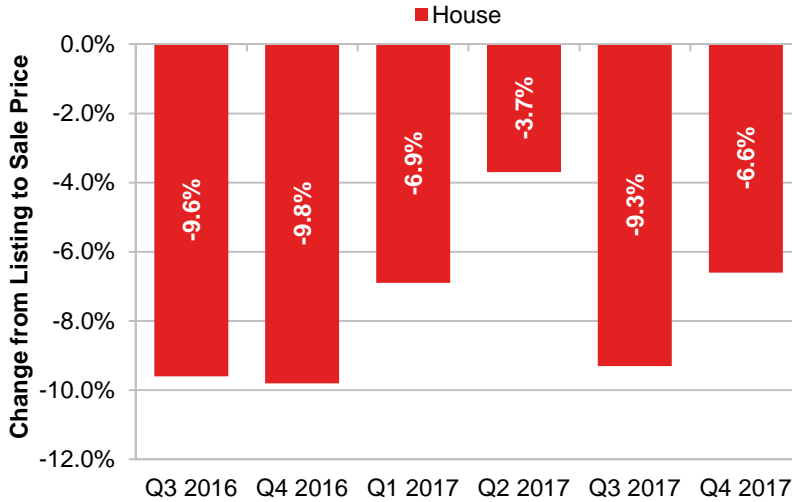
FUTURE DEVELOPMENTS**

The Tumbarumba* area has seen approx. $30.1M of new projects commencing between 2013 to 2019. Residential accounts for the majority of project value (66.5%), totalling an estimated $20.0M. This is followed by Infrastructure projects with approx. $10.1M (33.5%).

A significant project commencing in the 1st half of 2018 is the Tumbarumba Multipurpose Services. It will involve the refurbishment of 16 existing residential aged care beds, construction of a new residential aged care wing with 24 residential aged care beds and 9 inpatient beds, an expanded emergency department, staff accommodation, and an upgraded Community Health area.

Tumbarumba has been subject to a well balanced supply of infrastructural and residential projects. Affordability and high returns will attract home buyers to the Tumbarumba market, which presents the need to provide more residential stock to meet increasing future demand.

AVERAGE VENDOR DISCOUNT*

■House

Change from Listing to Sale Price

| Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017
-9.6%	-9.8%	-6.9%	-3.7%	-9.3%	-6.6%

AVERAGE VENDOR DISCOUNT

Average vendor discount reflects the average percentage difference between first list price and final sold price. A lower percentage difference (closer to zero) suggests buyers are willing to purchase close to the first asking price of a property.
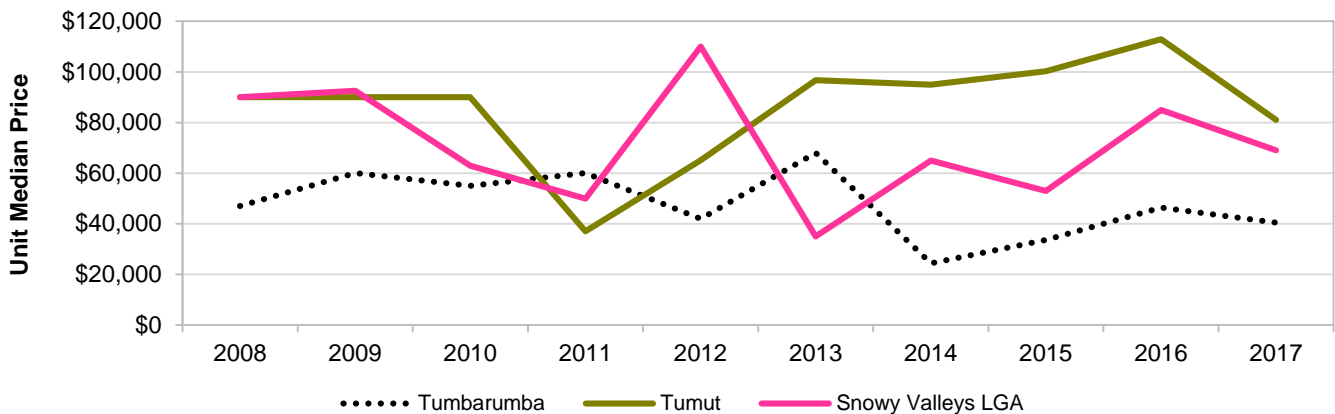
MARKET COMPARISON GRAPH

The market comparison graph provides comparative trend for median price of house and units over the past 10 years. Suburbs profiled are chosen based on proximity to the main suburb analysed in the factsheet, which is Tumbarumba. The main suburb is highlighted through a dotted black line graph.
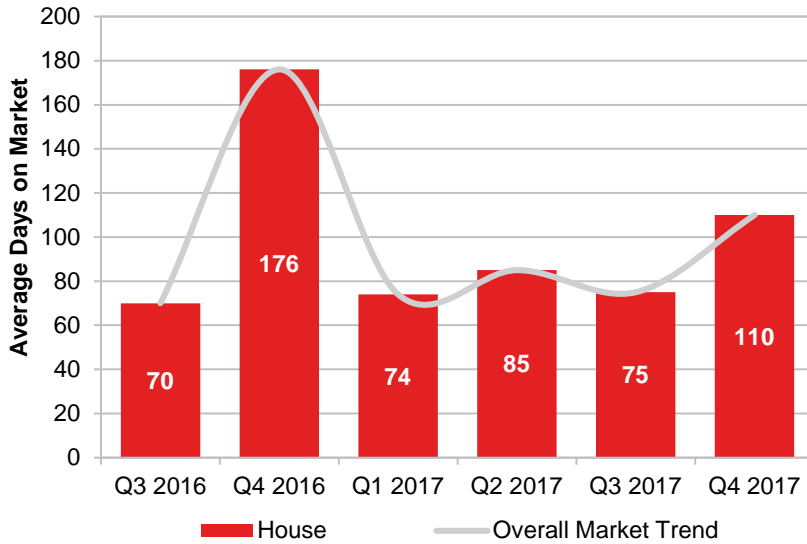
HOUSE MARKET COMPARISON

House Median Price

······· Tumbarumba   Tumut   Batlow   Snowy Valleys LGA
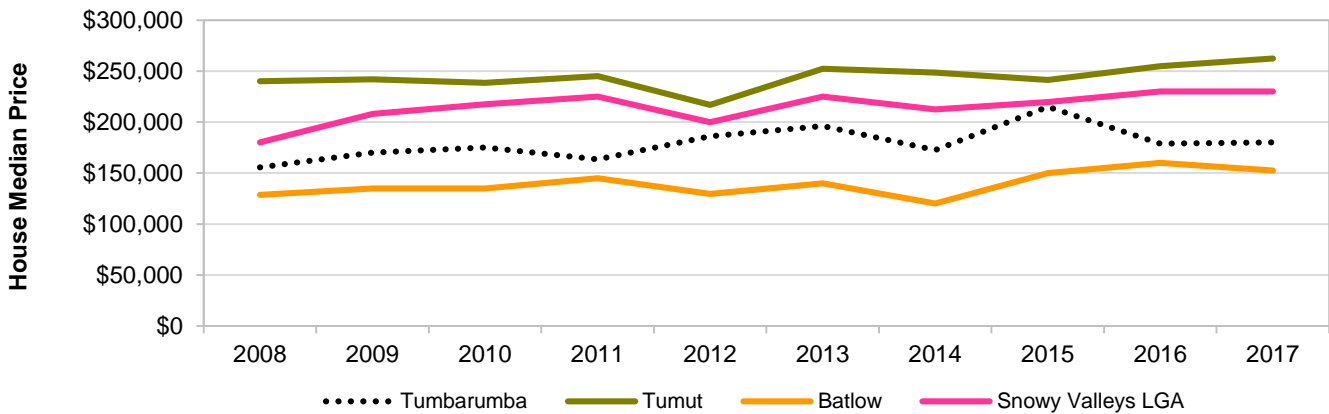
VACANT LAND MARKET COMPARISON

Unit Median Price

······· Tumbarumba   Tumut   Snowy Valleys LGA

*Disclaimer: Tumbarumba market data encapsulates aggregate property market conditions in the following suburbs: Tumbarumba, Khancoban, Rosewood, Humula, Jingellic, Laurel Hill.
Source: APM Pricefinder, realestate.com.au, Real Estate Institute of Australia. © Copyright PRDnationwide 2018.

AVERAGE DAYS ON MARKET**

Average Days on Market (Number of Sales by Quarter):

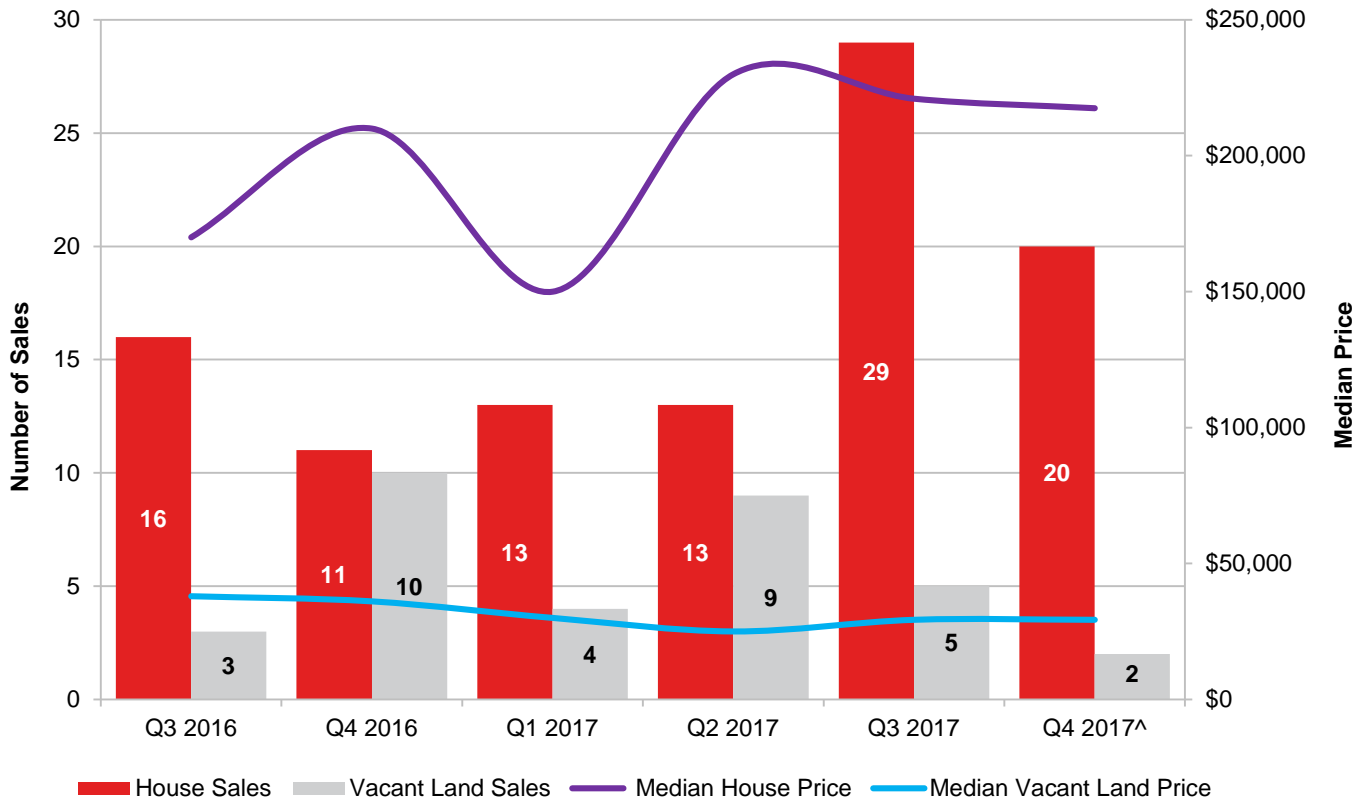| Quarter	Average Days on Market
Q3 2016	70
Q4 2016	176
Q1 2017	74
Q2 2017	85
Q3 2017	75
Q4 2017	110

■ House ▬ Overall Market Trend

HOUSE KEY FACTS Q4 2017

Median Sale Price: $217,500
Annual Growth: 3.6%*
Average Days on Market: 110
% Change between First Listed Price and Sold Price: -6.6%

SALES AND MEDIAN PRICE**

Quarter	House Sales	Vacant Land Sales
Q3 2016	16	3
Q4 2016	11	10
Q1 2017	13	4
Q2 2017	13	9
Q3 2017	29	5
Q4 2017^	20	2

■ House Sales ■ Vacant Land Sales ▬ Median House Price ▬ Median Vacant Land Price

*Annual growth represents price growth for property transactions between Q4 2016 to Q4 2017 (inclusive).
**Tumbarumba market data encapsulates aggregate property market conditions in the following suburbs: Tumbarumba, Khancoban, Rosewood, Humula, Jingellic, Laurel Hill.
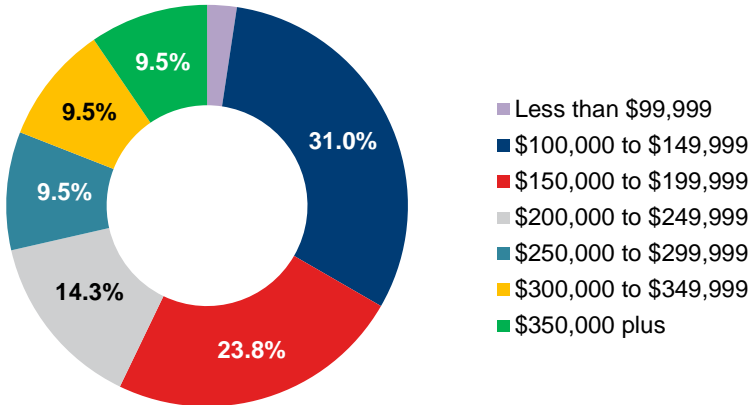^Vacant land median price for Q4 2017 is indicative only due to limited available data.
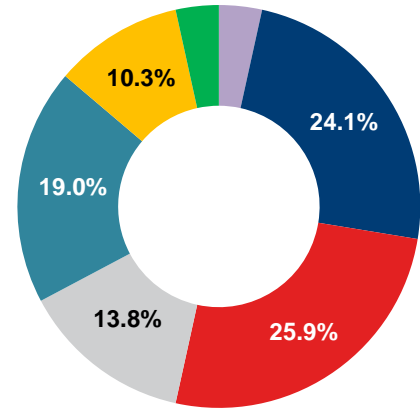Source: APM Pricefinder, realestate.com.au, SQM Research, © Copyright PRDnationwide 2018.
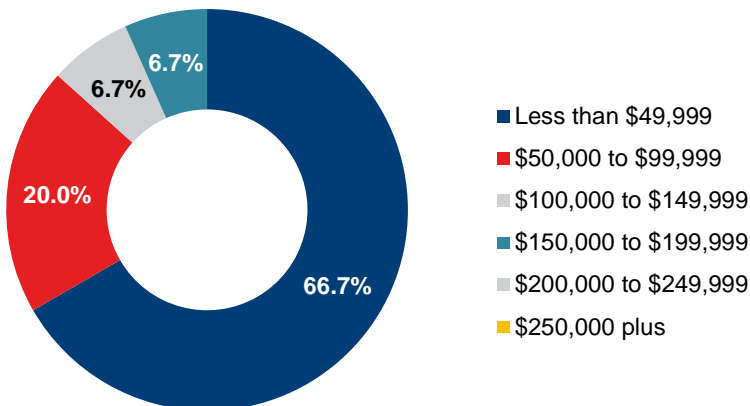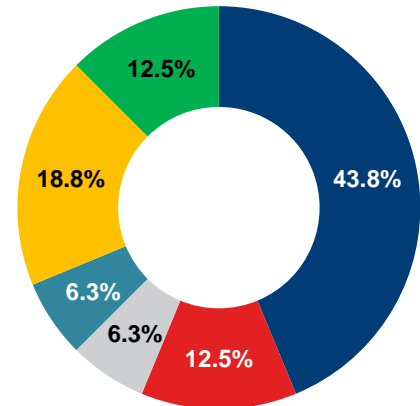
SALES PRICE POINT ANALYSIS

HOUSE PRICE POINT 2016

- Less than $99,999
- $100,000 to $149,999
- $150,000 to $199,999
- $200,000 to $249,999
- $250,000 to $299,999
- $300,000 to $349,999
- $350,000 plus

HOUSE PRICE POINT 2017

VACANT LAND 2016

- Less than $49,999
- $50,000 to $99,999
- $100,000 to $149,999
- $150,000 to $199,999
- $200,000 to $249,999
- $250,000 plus

VACANT LAND 2017

KEY IMPLICATIONS - HOUSE

The proportion of houses sold in Tumbarumba* in 2017 was primarily in the $150,000 - $199,999 price segment, consuming 25.9% of the market. This is an increase from the 2016 number of sales of 23.8%.

The amount of sales occurring in the $100,000 to $149,999 price bracket have declined in 2017, from 31.0% to 24.1%. This suggests a shift towards the higher priced bracket, confirmed by increased percentages in the $250,000 – 349,999 priced points. That said house prices beyond $350,000 have declined from 9.5% to 3.4%, suggesting that capital growth in Tumbarumba* is not generating an over escalation of housing prices.

KEY IMPLICATIONS - LAND

The proportion of units sold in Tumbarumba* in 2017 primarily occurred below the $49,999 segment (43.8%). Tumbarumba* experienced a drop in the number of sales in the less than $49,999 price bracket, suggesting a decrease in affordability. Additionally, sales in $50,000 to $100,000 have declined from 20.0% to 12.5%.

Vacant land sale in 2017 introduced higher price brackets than 2016, where sales occurred between $200,000 to $250,000 (18.8%) and $250,000 plus (12.5%) has increased. This suggests that there is a higher quality of vacant land stock available in Tumbarumba, attractive opportunities for investors and developers.

INVESTMENT ANALYSIS

HOUSE

■ 2 Bedroom
■ 3 Bedroom
■ 4+ Bedroom
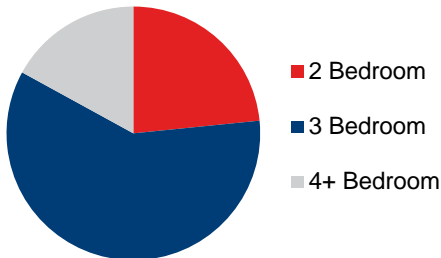
HOUSE KEY FACTS Q4 2017

Median Rent Price: $263 per week
Suburb Rental Yield: 6.3%
Average Days on Market: 28
Bedroom Breakdown:
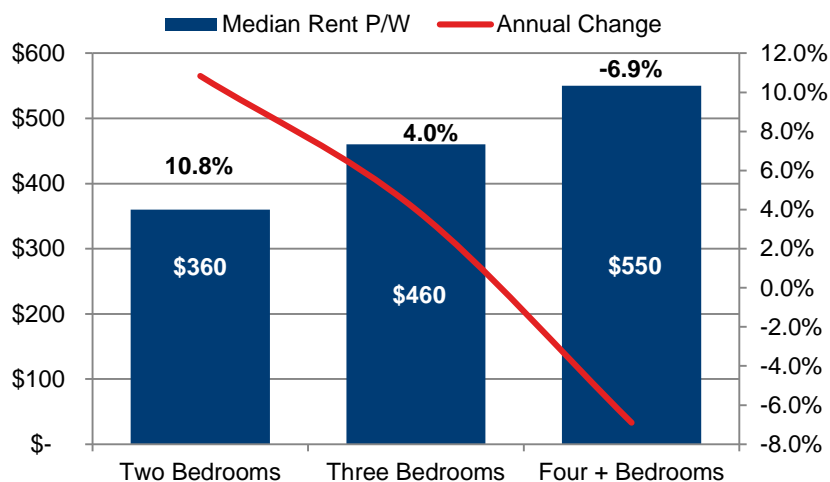2 Bed: 23%, 3 Bed: 60%, 4+ Bed: 17%

KEY COMMENTS

Tumbarumba* house rent has experienced a positive growth of 9.6% over the last 12 months up to Q4 2017, currently at $263 per week. Average days on market have remained relatively stable at 28 days. Strong yields have been recorded in the Tumbarumba* house market, currently sitting at 6.3% - which is much greater than Sydney's returns of 2.9%. Vacancy rates^ have remained competitive at 1.3%, indicating that Tumbarumba* is highly attractive option for investment with high returns.

MEDIAN RENT AND AVERAGE DAYS ON MARKET*

■ House ━■━ House Average Days ━━ Median House Rent
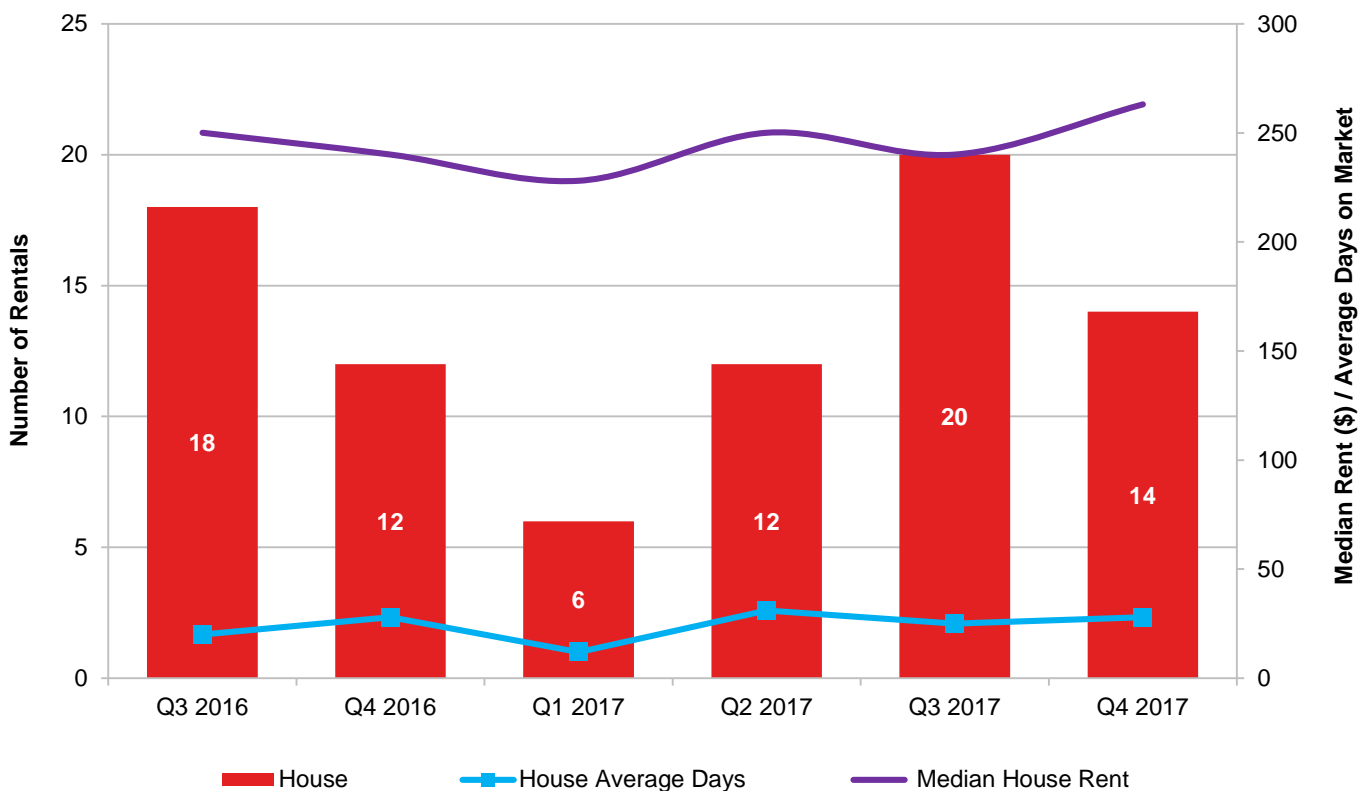
*Tumbarumba market data Key Facts encapsulates aggregate property market conditions in the following suburbs: Tumbarumba, Khancoban, Rosewood, Humula, Jingellic, Laurel Hill.
^Vacancy rates refer to the average of the following postcodes: 2653, 2649, 2652, 2642.
Source: APM Pricefinder, realestate.com.au, SQM Research. © Copyright PRDnationwide 2018.

RENTAL PERFORMANCE 2017*

Median Rent P/W ■ — **Annual Change**

- Two Bedrooms: $360 — 10.8%
- Three Bedrooms: $460 — 4.0%
- Four + Bedrooms: $550 — -6.9%

KEY COMMENTS

House vacancy rates are particularly attractive in Tumbarumba (0.7%), currently below Tumut (2.6%) and the wider Snowy Valleys LGA (1.5%).

Two bedroom houses provided the highest annual rental growth at 10.8%, followed by three bedrooms at 4.0%.

Opportunity for employment growth is evident in the Tumbarumba* area, where unemployment rates are lower than NSW. With a strong weekly household income compared to the LGA, residents in Tumbarumba* have a higher capability to own their properties outright and servicing mortgages rather than renting.

VACANCY RATES 2017

— Tumbarumba — Batlow — Tumut — Snowy Valleys LGA
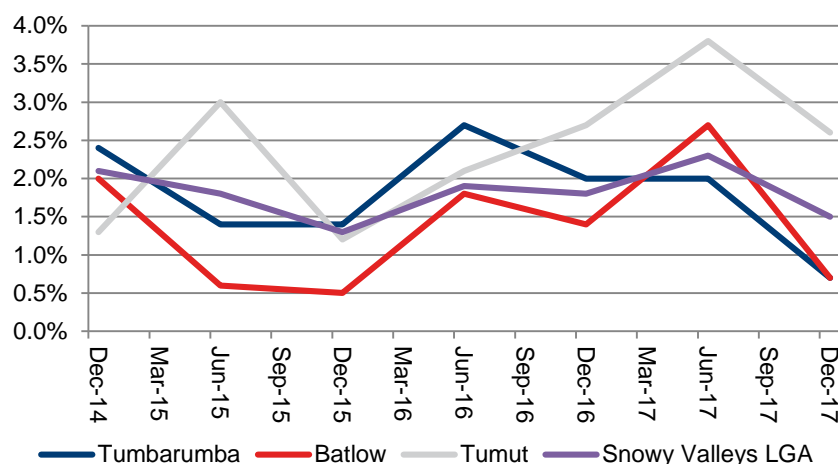
RENTAL YIELD 2017

Suburb/ LGA	House Rental Yield
Tumbarumba	4.1%
Batlow	6.3%
Tumut	4.6%
Snowy Valleys LGA	4.3%
Sydney Metro	2.9%

KEY HOUSING DEMOGRAPHICS

	Tumbarumba	Snowy Valleys LGA	New South Wales
Median weekly household income	$1,102	$1,120	$1,214
Median monthly mortgage repayments	$1,170	$1,300	$1,733
Unemployed	5.1%	5.4%	6.3%
Professionals	7.9%	12.2%	23.6%
Owned outright	41.1%	42.2%	32.2%
Owned with mortgage	28.1%	29.1%	32.3%
Rented	27.0%	24.8%	31.8%

*Rental performance graph represents aggregate house median rent prices in the suburbs of: Castle Tumbarumba, Khancoban, Rosewood, Humula, Jingellic, Laurel Hill.
Source: Australian Bureau of Statistics, APM PriceFinder, Cordell Database, CoreLogic RPdata, New South Wales Department of Planning and Environment, SQM Research, Housing NSW. © Copyright PRDnationwide 2018.

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PRD nationwide R E S E A R C H

PROJECT DEVELOPMENT MAP 2013 – 2019*
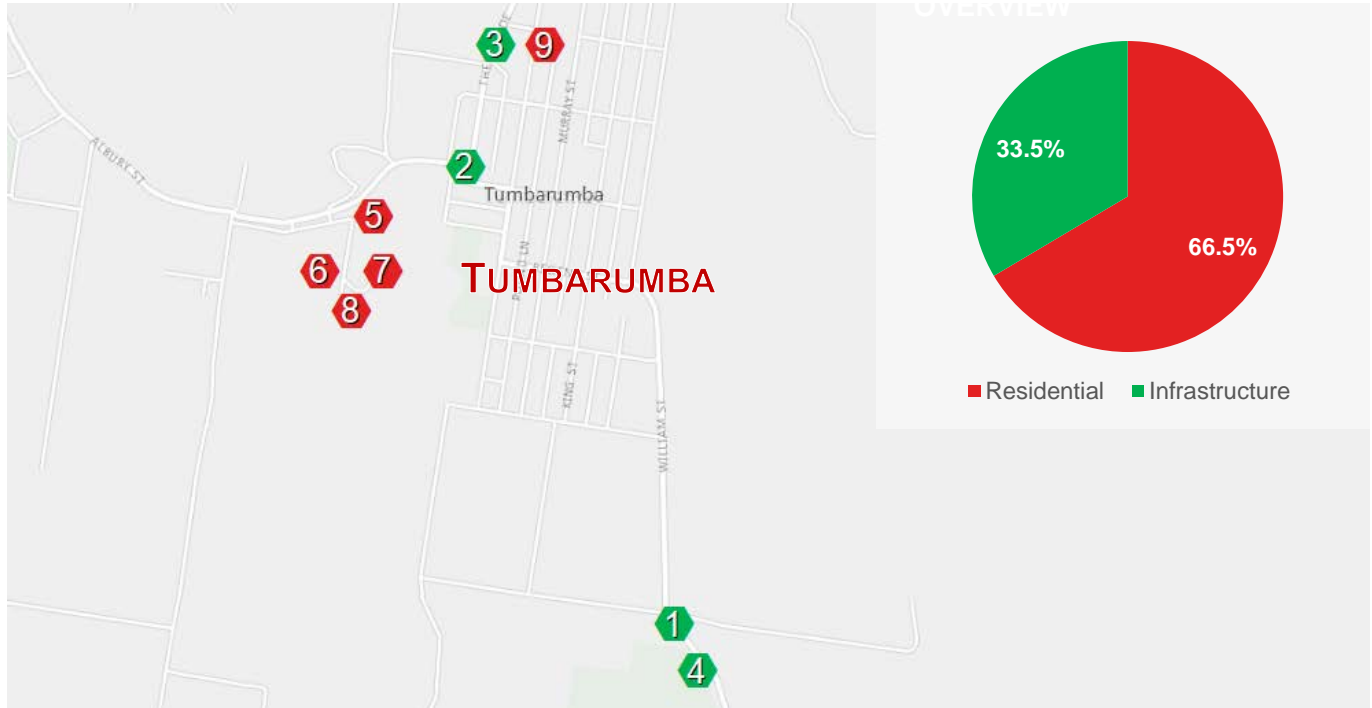
Location	Project**	Type	Estimated Value***	Commence Date^
Not shown	Mannus Dam Replacement	Infrastructure	$4,399,000	24/03/2014
1	Tooma Road Roadworks	Infrastructure	$3,311,000	29/05/2017
2	Tumbarumba Bituminous Surfacing	Infrastructure	$1,500,000	19/08/2013
3	Mount Garland Access Road	Infrastructure	$500,000	30/10/2013
Not shown	State Road 85 Roadworks	Infrastructure	$265,000	30/06/2014
4	Bald Hill Roadworks	Infrastructure	$120,000	16/09/2013
5	Tumbarumba Multipurpose Services	Residential	$15,200,000	08/01/2018
6	Tumbarumba Independent Villas and Community Centre (10 Villas)	Residential	$2,200,000	22/04/2016
7	Tumbarumba Independent Living Villas (4 Units)	Residential	$1,200,000	30/08/2014
8	Tumbarumba Independent Living Villas (4 units)	Residential	$900,000	25/07/2016
9	Winton Street Units (4 Units)	Residential	$520,000	23/10/2017

ABOUT PRDnationwide RESEARCH

PRDnationwide's research division provides reliable, unbiased, and authoritative property research and consultancy to clients in metro and regional locations across Australia

Our extensive research capability and specialised approach ensures our clients can make the most informed and financially sound decisions about residential and commercial properties.

OUR KNOWLEDGE

Access to accurate and objective research is the foundation of all good property decisions

As the first and only truly knowledge based property services company, PRDnationwide shares experience and knowledge to deliver innovative and effective solutions to our clients.

We have a unique approach that integrates people, experience, systems and technology to create meaningful business connections. We focus on understanding new issues impacting the property industry; such as the environment and sustainability, the economy, demographic and psychographic shifts, commercial and residential design; and forecast future implications around such issues based on historical data and fact.

OUR PEOPLE

Our research team is made up of highly qualified researchers who focus solely on property analysis

Skilled in deriving macro and micro quantitative information from multiple credible sources, we partner with clients to provide strategic advice and direction regarding property and market performance. We have the added advantage of sourcing valuable and factual qualitative market research in order to ensure our solutions are the most well considered and financially viable.

Our experts are highly sought after consultants for both corporate and government bodies and their advice has helped steer the direction of a number of property developments and secured successful outcomes for our clients.

OUR SERVICES

Our research services span over every suburb, LGA, and state within Australia; captured in a variety of standard and customized products

We have the ability and systems to monitor market movements, demographic changes and property trends. We use our knowledge of market sizes, price structure and buyer profiles to identify opportunities for clients and provide market knowledge that is unbiased, thorough and reliable.

OUR SERVICES INCLUDE:

- Advisory and consultancy

- Market Analysis including profiling and trends

- Primary qualitative and quantitative research

- Demographic and target market Analysis

- Geographic information mapping

- Project Analysis including product and pricing recommendations

- Rental and investment return analysis

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