



Tumut

Property Factsheet

2nd Half 2018





MARKET CONDITIONS

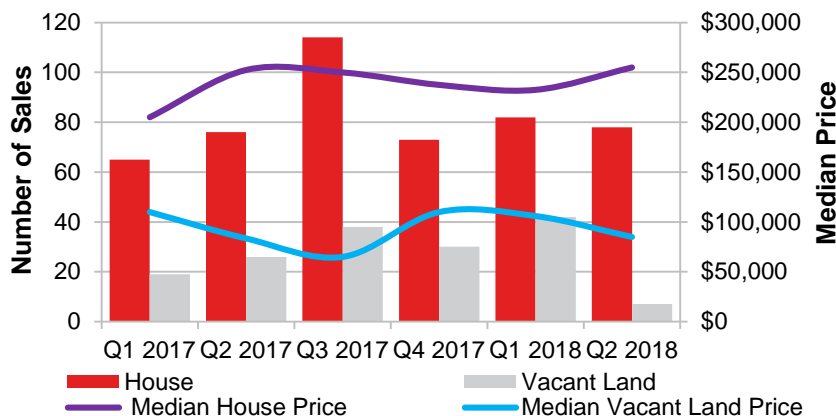
The Tumut* property market recorded a house median price of \$260,000 and vacant land median price of \$73,000 in Q2 2018, which represented an annual (Q2 2017 – Q2 2018) price change of 7.2% and -5.2% respectively. There has been an increase of 41.7% in the number of house sales transactions during this time, which suggests real capital growth.

A similar pattern can be seen in the Snowy Valleys Council Local Council Government (LGA), with house transactions increasing by 2.6% and median price increasing by 1.0% to \$255,000 in Q2 2018. Compared to the wider LGA Tumut* is a premium market, both in house median price and capital growth.

Interestingly, when compared to the *1st half of 2018 Research Report* house median price in Tumut* has remained stable, at \$260,000. However annual price growth has shifted from 23.8% to 7.2%. This suggests affordability for first home buyers remain, however sellers need to act fast and minimize risks to ensure the highest capital growth returns possible. This is especially true as average vendor discount for houses has tightened to -4.9% in Q2 2018, compared to -6.1% in Q2 2017. This suggests that sellers are achieving sale prices closer to their first list asking price. Thus now is the time to sell.

Median rent in Tumut* has increased for both houses and units by 11.5% to \$290 per week and 5.3% to \$200 per week respectively. Average rental yield in Tumut* is recorded at 6.7% for house and 6.4% for units, higher than the average rental yield in the Riverina Region (5.2% and 5.8% respectively) and notably higher than Sydney Metro (2.7% and 3.7% respectively). With a more affordable entry price investors need to consider Tumut* as a place to invest.

SNOWY VALLEYS COUNCIL GROWTH



OVERVIEW

Tumut is a town in the Riverina region of New South Wales 410kms south-west of Sydney, known as a gateway to the Snowy Mountains. Tumut's population growth has remained relatively stable over the past 5 years to 2016, and dwelling approvals grew by 1.3%. Thus there is a relatively balanced property market.

CHANGE FROM LAST	YEAR	HALF YEAR
House Sales	↑	↑
House Median Price	↑	↑
House Rental Price	↑	↑
Vacant Land Sales	↑	↓
Land Median Price	↓	↓
Unit Rental Price	↑	↔

FUTURE DEVELOPMENTS**

Tumut* is set to invest approx. \$314.7M worth of developments between 2013 - 2018, focusing mostly on commercial (95.7%) and infrastructure (4.3%) projects. This focus will be beneficial for Tumut's* economic growth – from a higher commercial activity and local jobs perspective – as well as liveability, from a connectivity and improvement of services and roadworks perspective.

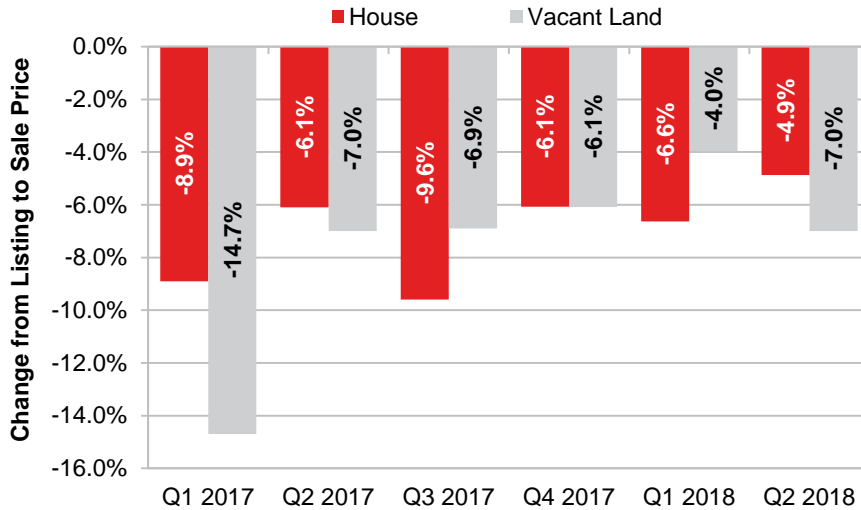
Considering there is a balanced supply of property in the market this development focus is ideal for Tumut*. However there is also a need for planned residential development in the near future to anticipate potentially new residents from increased commercial activity. This will ensure the balance, and thus affordability, remains in Tumut*. There has been an absence in residential projects over the past five years, suggesting the need to replenish property stock.

Notable projects during 2013 - 2018 include the Visy NSW Clean Energy Project (\$300.0M, 2016), Northeast Airpark Estate Commercial Precinct and Tumut Aerodrome (\$5.0M, 2016), and the RMS Snow Clearing Depot (\$3.7M, 2013).

*Tumut market data and key indicators encapsulates aggregate property market conditions in the following suburbs: Adelong, Batlow, Tumut, Gundagai and Talbingo.

**Estimated values are based on construction value provided by the relevant data authority and does not reflect commercial and/or re-sale value. Source: APM Pricerfinder, realestate.com.au. © Copyright PRDnationwide 2018.

AVERAGE VENDOR DISCOUNT*



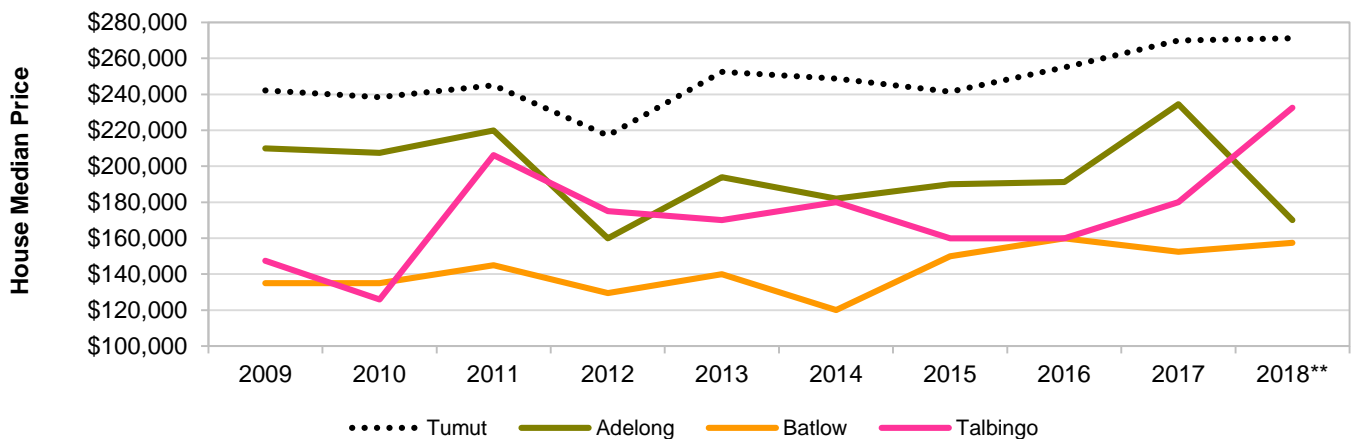
AVERAGE VENDOR DISCOUNT

Average vendor discount reflects the average percentage difference between first list price and final sold price. A lower percentage difference (closer to 0) suggests buyers are willing to purchase close to the first asking price of a property.

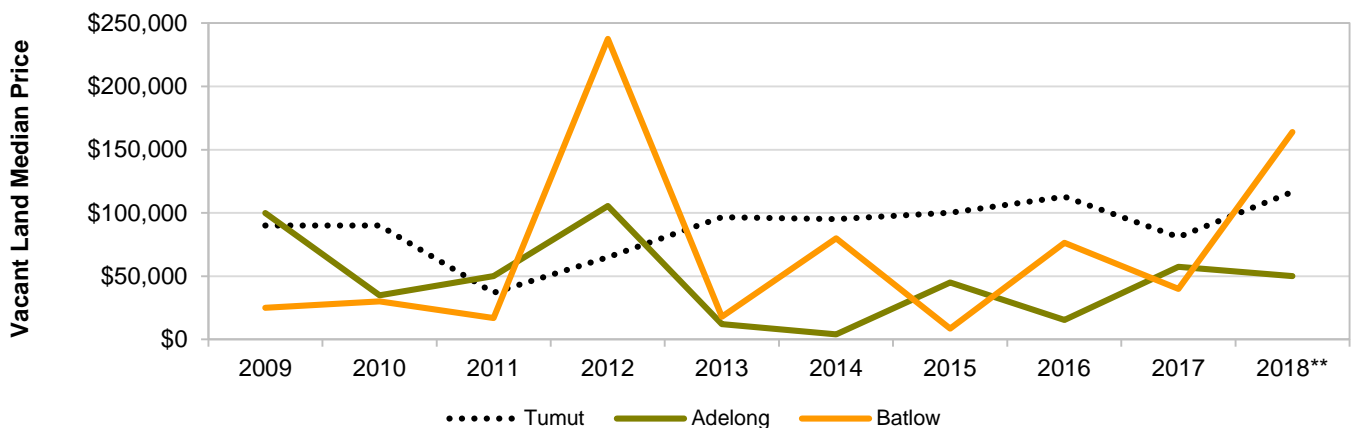
MARKET COMPARISON GRAPH

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

HOUSE MARKET COMPARISON



VACANT LAND MARKET COMPARISON**

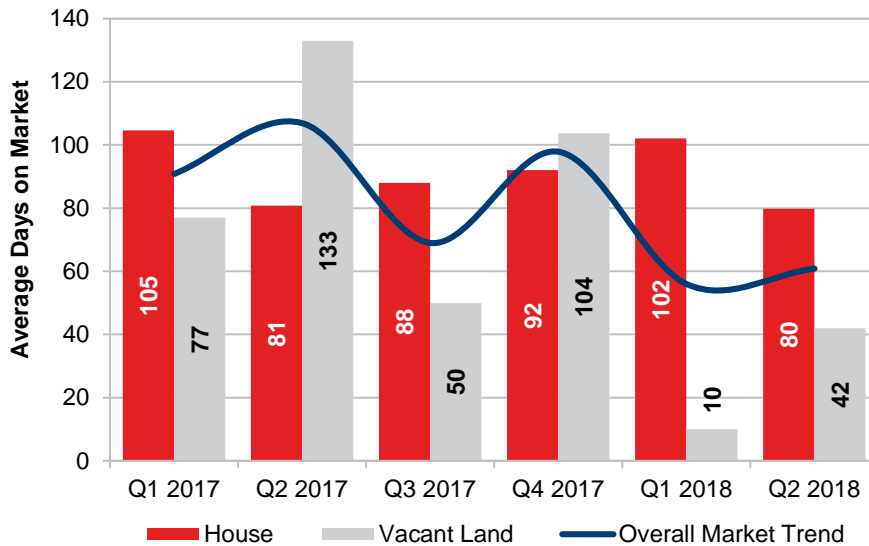


*Tumut market data and key indicators encapsulates aggregate property market conditions in the following suburbs: Adelong, Batlow, Tumut, Gundagai and Talbingo.

**Talbingo is excluded from Vacant Land market comparison due to low or no sales over a number of years.

Source: APM Pricerfinder. © Copyright PRDnationwide 2018.

AVERAGE DAYS ON MARKET**



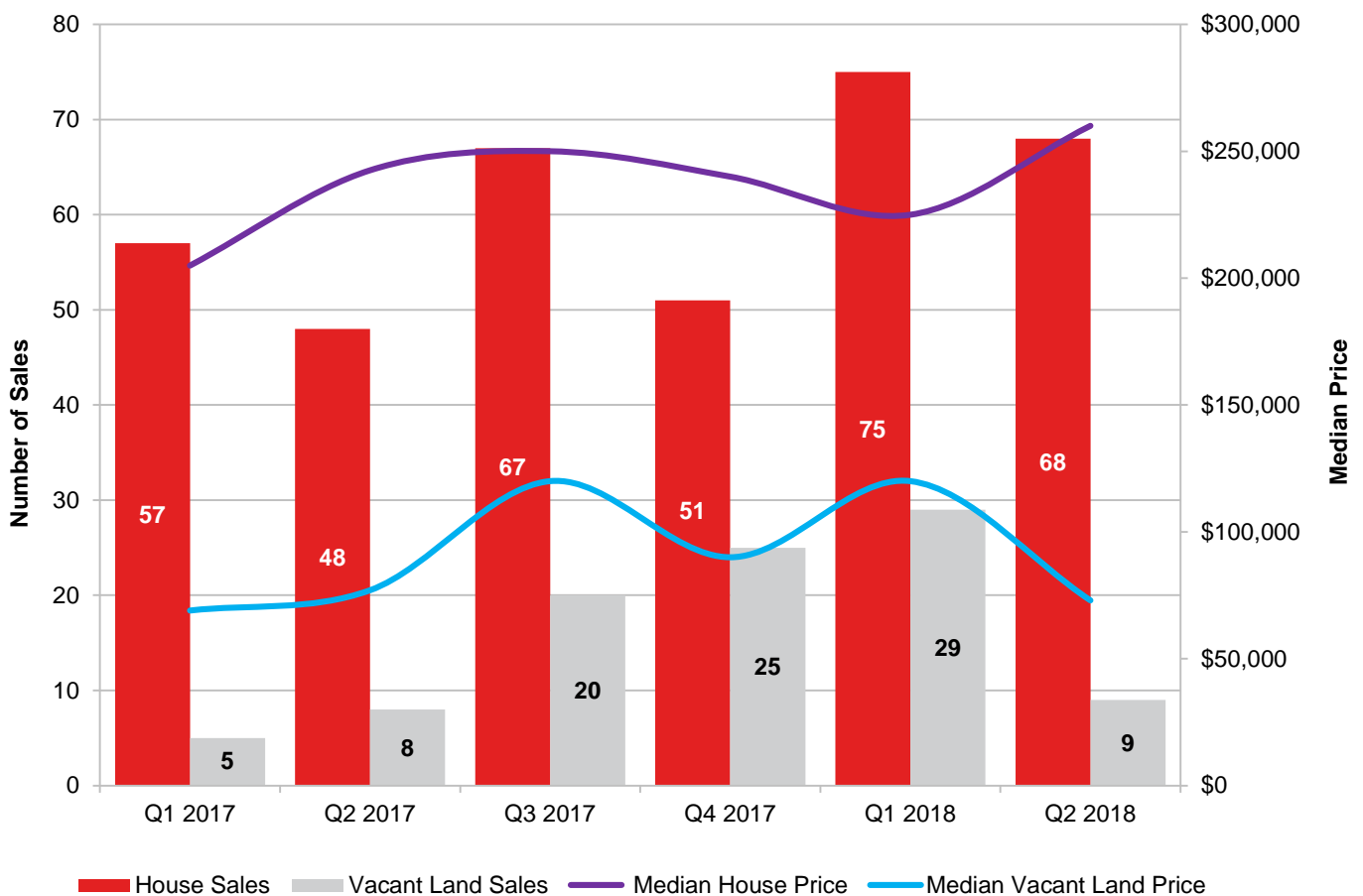
HOUSE KEY FACTS Q2 2018

Median Sale Price: \$260,000
 Annual Growth: 7.2%*
 Average Days on Market: 80
 % Change between First Listed Price and Sold Price: -4.9%

LAND KEY FACTS Q2 2018

Median Sale Price: \$73,000
 Annual Growth: -5.2%*
 Average Days on Market: 42
 % Change between First Listed Price and Sold Price: Not recorded

SALES AND MEDIAN PRICE**



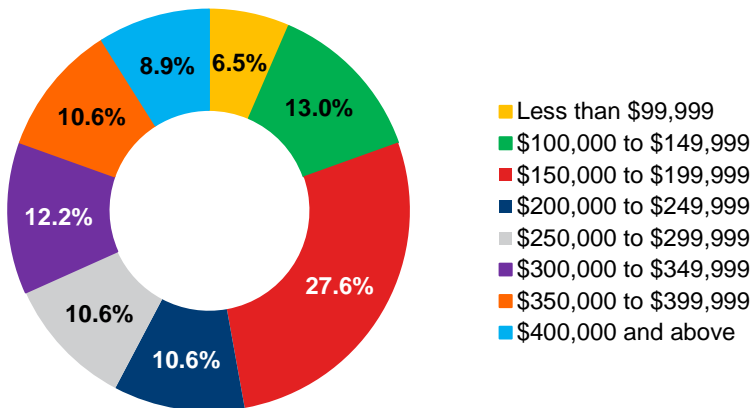
*Annual growth represents price growth for property transactions between Q2 2017 to Q2 2018 (inclusive).

**Tumut market data and key indicators encapsulates aggregate property market conditions in the following suburbs: Adelong, Batlow, Tumut, Gundagai and Talbingo.

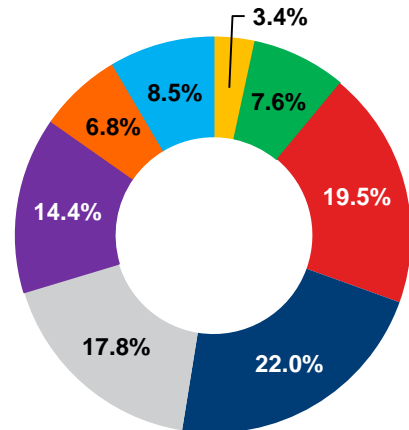
Source: APM Pricerfinder, realestate.com.au, SQM Research. © Copyright PRDnationwide 2018.

SALES PRICE POINT COMPARATIVE ANALYSIS

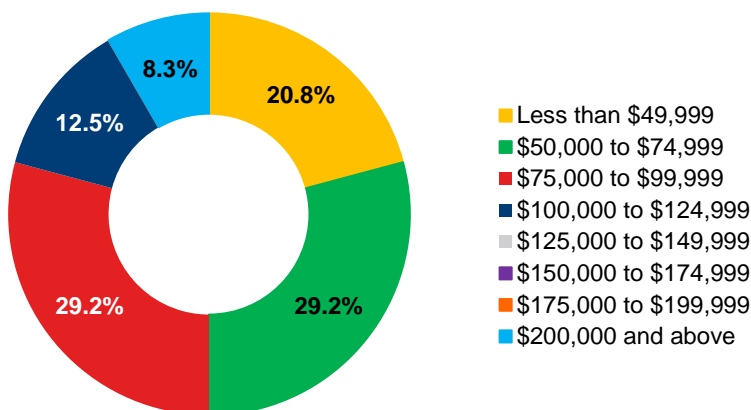
HOUSE PRICE POINT 1st HALF 2017



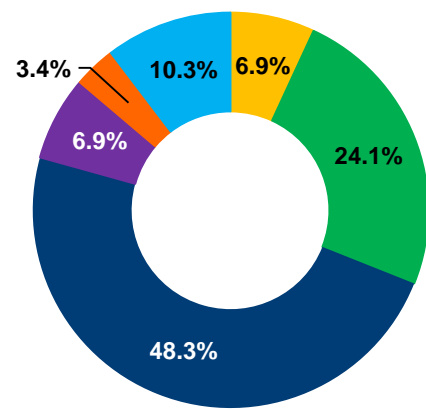
HOUSE PRICE POINT 1st HALF 2018



LAND PRICE POINT 1st HALF 2017**



LAND PRICE POINT 1st HALF 2018**



KEY IMPLICATIONS - HOUSE

The dominant proportion of houses being sold in Tumut* in the 1st half of 2018 were in the \$200K – \$249K price segment (22.0%). The more affordable price bracket of \$150K – \$199K has seen a decline in total sales when comparing the two periods, down from 27.6% to 19.5%. This alludes to a change in the market, as more properties are selling at higher price points.

All price brackets in the \$200K – \$349K range saw increases, comprising 54.2% of all sales in the 1st half of 2018 (up from 33.4% in the 1st half of 2017); while houses above and below this range both saw declines. However, the dominant trend of price points increasing reinforces the 7.2% median price growth experienced in Tumut*.

KEY IMPLICATIONS - LAND

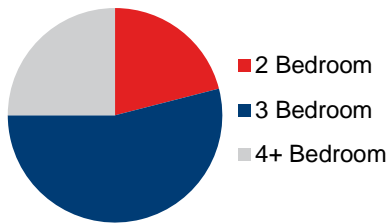
The dominant price point for Tumut* land sales in the 1st half of 2018 was the \$100K – \$124K segment (48.3%). This price segment represented just 12.5% of sales in the 1st half of 2017. The previously dominant brackets of \$50K – \$74K and \$75K – \$99K declined from a previous total of 58.4% in the 1st half of 2017, down to just 24.1% in the 1st half of 2018.

Other price segments has moved across the period with no clear trends noted. This volatility can be partially attributed in to the limited number of sales of vacant land which occurred in Tumut*. However, the dominant price points do provide a clear picture of land value increasing, despite fluctuations in the overall median land price in Tumut*.

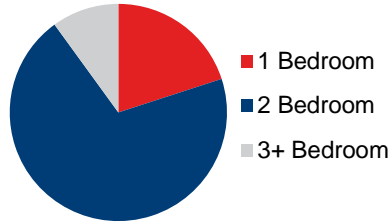
*Disclaimer: Tumut market data and key indicators encapsulates aggregate property market conditions in the following suburbs: Adelong, Batlow, Tumut, Gundagai and Talbingo.
**For comparative purposes, house and unit sales for 2017 and 2018 are only representative of the 1st half of each year.
Source: APM Pricerfinder. © Copyright PRDnationwide 2018.

INVESTMENT ANALYSIS

HOUSE



UNIT



HOUSE KEY FACTS Q2 2018

Median Rent Price: \$290 per week
 Rental Yield: 6.7%
 Average Days on Market: 29
 Bedroom Breakdown:
 2 Bed: 21%, 3 Bed: 54%, 4+ Bed: 25%

UNIT KEY FACTS Q2 2018

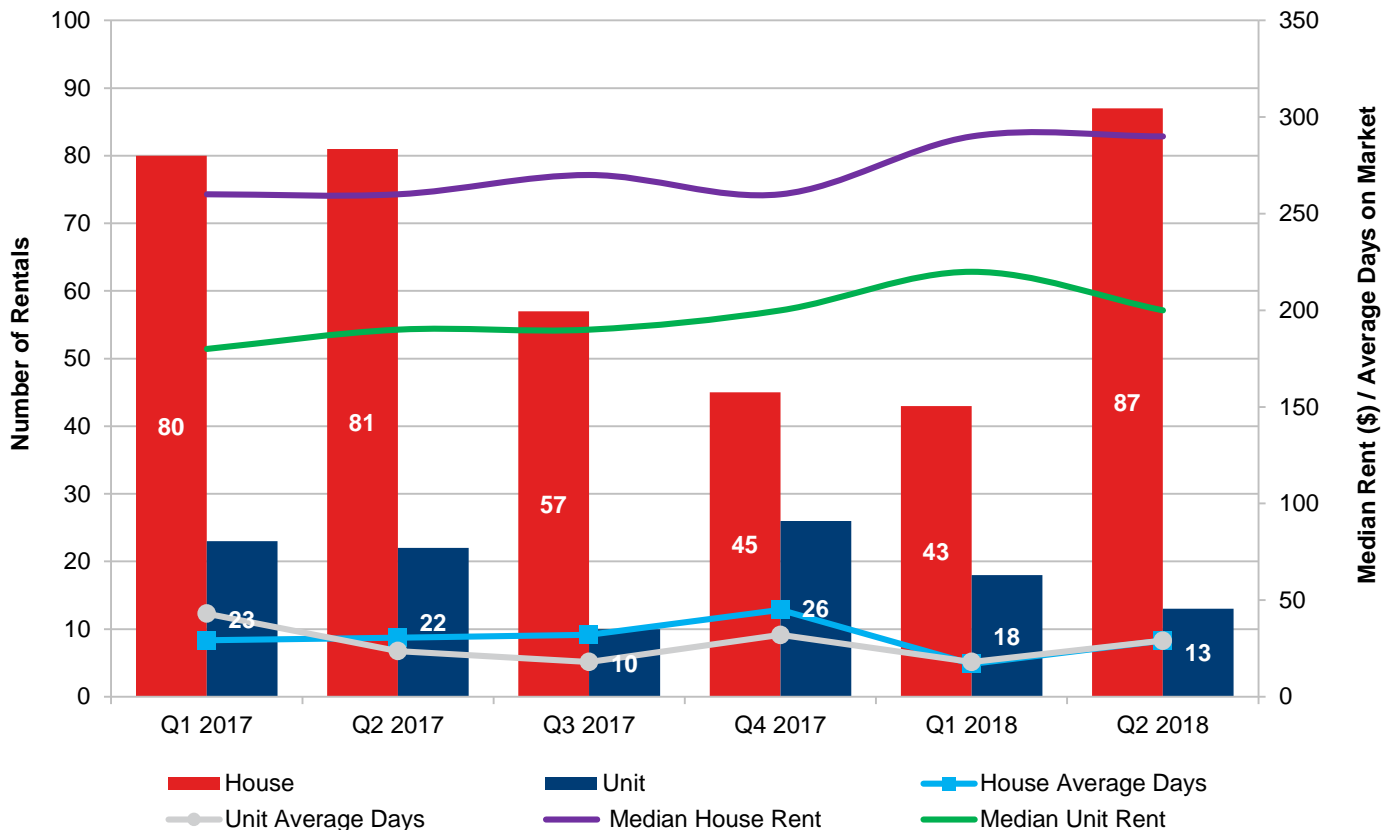
Median Rent Price: \$200 per week
 Rental Yield: 6.4%
 Average Days on Market: 29
 Bedroom Breakdown:
 1 Bed: 20%, 2 Bed: 70%, 3+ Bed: 10%

KEY COMMENTS

There is evidence of strong rental demand for houses over the past 12 months to Q2 2018 with median rental price growth of 11.5% over the period, while the number of houses rented increased by 7.4%. This suggests a real increase in house rental value. Strong rental yields have been recorded for both houses and units, currently at 6.7% (houses) and 6.4% (units), easily outperforming Sydney Metro for both houses (2.7%) and units (3.7%). Tumut* thus provides investors with an attractive alternative investment location outside of Sydney Metro.

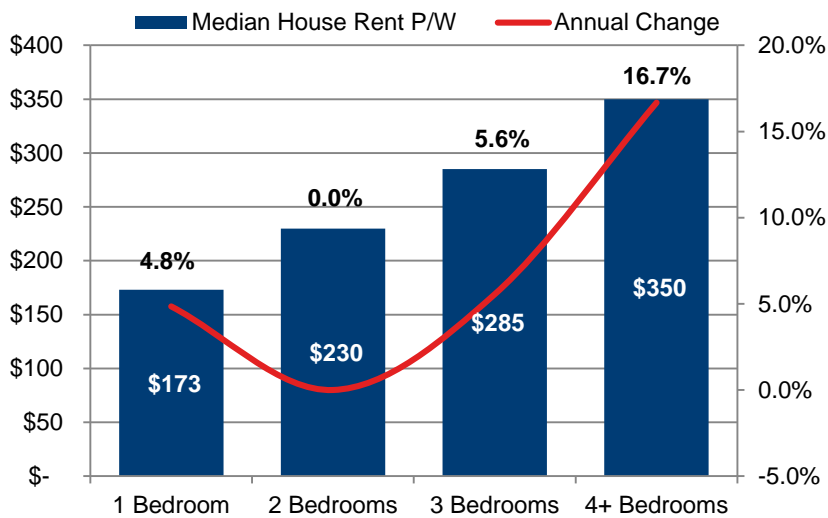


MEDIAN RENT AND AVERAGE DAYS ON MARKET*



*Disclaimer: Tumut market data and key indicators encapsulates aggregate property market conditions in the following suburbs: Adelong, Batlow, Tumut, Gundagai and Talbingo. Source: APM Pricerfinder, realestate.com.au, SQM Research. © Copyright PRDnationwide 2018.

RENTAL PERFORMANCE 2018*



KEY COMMENTS

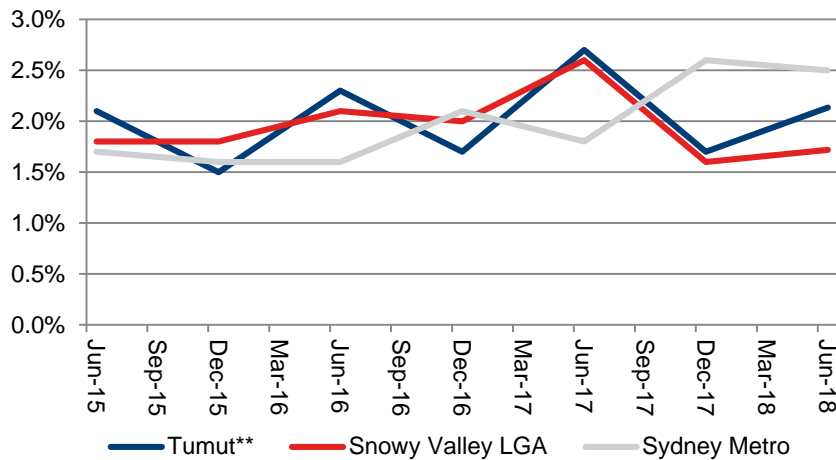
Rental returns in Tumut** outperform both that of Snowy Valleys LGA and the Sydney Metro areas for both houses (6.7%) and units (6.4%)

4+ bedroom houses provided the highest annual rental growth at 16.7%.

A vacancy rate of 2.1% in Tumut** is considered healthy, and is below Sydney Metro (2.5%).

The 273 unoccupied private dwellings in Tumut** represent a smaller share of dwellings (10.4%) than those vacant in the Snowy Valley LGA (16.1%). A higher occupancy level highlights Tumut's investment appeal.

VACANCY RATES 2018



RENTAL YIELD 2018

Suburb/Postcode/LGA	House Rental Yield	Unit Rental Yield
Tumut (suburb)	5.8%	6.4%
Tumut**	6.7%	6.4%
Snowy Valley Council LGA	4.8%	4.8%
Riverina Region	5.2%	5.8%
Sydney Metro	2.7%	3.7%

KEY HOUSING DEMOGRAPHICS

	Tumut	Snowy Valleys LGA	New South Wales
Median weekly rent	\$200	\$180	\$380
Family households	1,587	3,715	1,874,524
Single or lone person households	730	1,576	620,778
Worked full time	1,489	3,688	2,134,521
Worked part time	818	1,885	1,071,151
Occupied private dwellings	2,353	5,387	2,604,320
Unoccupied private dwellings	273	1,037	284,741

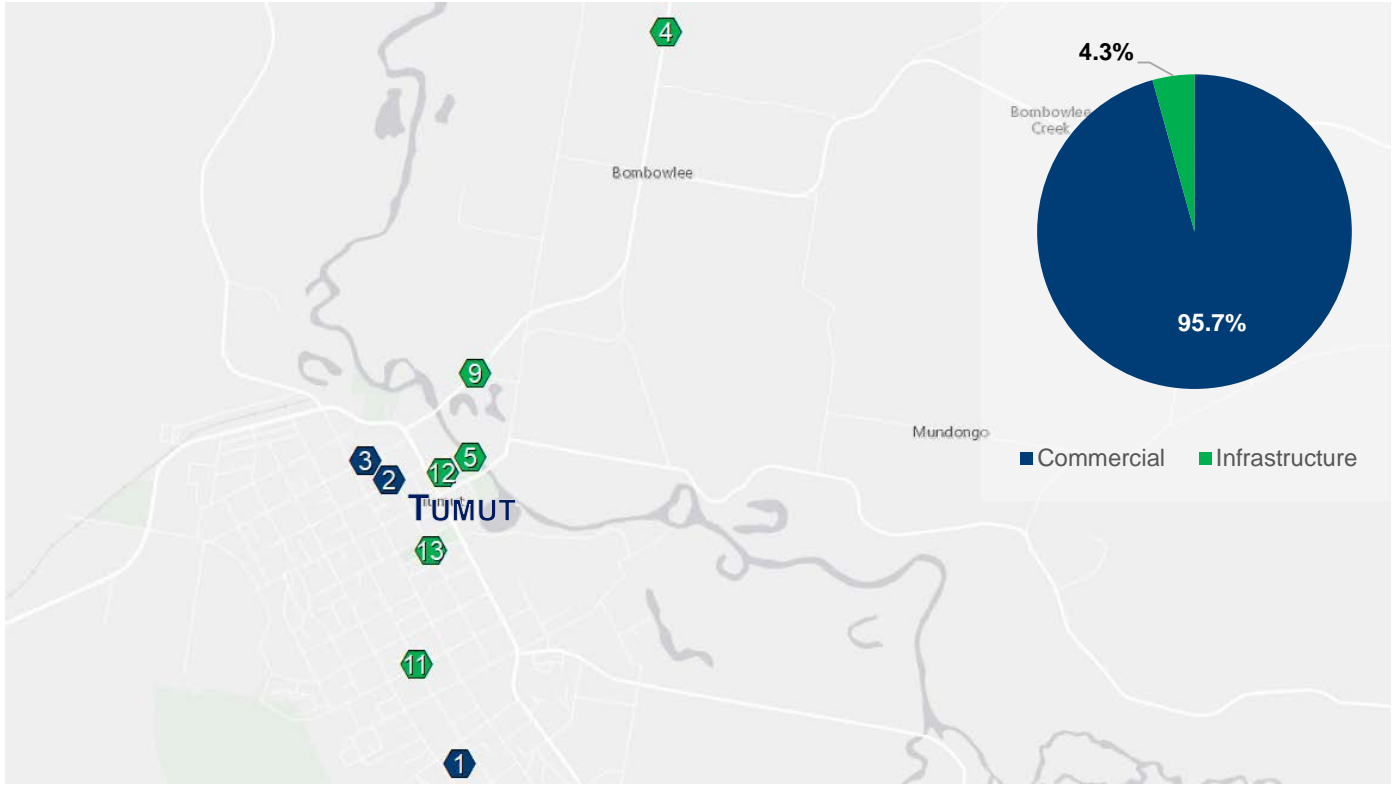
*Rental performance graph represents aggregate house median rent prices in the following suburbs: Adelong, Batlow, Tumut, Gundagai and Talbingo.

**Tumut represents aggregate house and unit rental yield in the following suburbs: Adelong, Batlow, Tumut, Gundagai and Talbingo.

Annual change is a comparison between 1st half 2017 and 1st half 2018 median rent figures.

Source: APM Pricerfinder, SQM Research, ABS Census 2016. © Copyright PRDnationwide 2018.

PROJECT DEVELOPMENT MAP 2013 – 2018*



Location	Project**	Type	Estimated Value***	Commence Date****
1	Visy NSW Clean Energy Project	Commercial	\$300,000,000	21/06/2016
2	Essential Energy Tumut	Commercial	\$820,000	25/03/2014
3	Carey Street Shed	Commercial	\$300,000	04/08/2017
4	Northeast Airpark Estate, Commercial Precinct & Tumut Aerodrome	Infrastructure	\$5,000,000	18/05/2016
5	RMS Snow Clearing Depot	Infrastructure	\$3,690,000	20/05/2013
Not Mapped	Snowy Region Quarrying Contract - Tumut	Infrastructure	\$1,200,000	09/12/2014
Not Mapped	Tumut Shire Councils Landslip Remediation	Infrastructure	\$1,000,000	02/10/2013
Not Mapped	Tumut Council Bituminous Works	Infrastructure	\$1,000,000	24/09/2013
9	Snowy Valleys Council Bridges	Infrastructure	\$649,000	28/11/2016
Not Mapped	Tumut Management Area Roadworks	Infrastructure	\$400,000	10/12/2015
11	Tumut District Hospital	Infrastructure	\$352,000	01/06/2015
12	Tumut Courthouse	Infrastructure	\$167,000	22/01/2015
13	Jack Ryan Victoria Cross Recipient Statue	Infrastructure	\$80,000	30/09/2018

*Disclaimer: Project development map showcases a sample of upcoming projects only, due to accuracy of addresses provided by the data provider for geocoding purposes.

**Projects refers to the top developments within the suburb of Tumut from 2013 – 2018.

***Estimated value is the value of construction costs provided by relevant data authority, it does not reflect the project's sale/commercial value.

****Commencement date quoted for each project is an approximate only, as provided by the relevant data authority, PRDnationwide does not hold any liability to the exact date.

Source: Cordell Database, ESRI ArcGIS, Department of Planning and Environment NSW, Snow Valleys Council. © Copyright PRDnationwide 2018.

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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