



Tamworth
Property Factsheet
2nd Half 2018





MARKET CONDITIONS

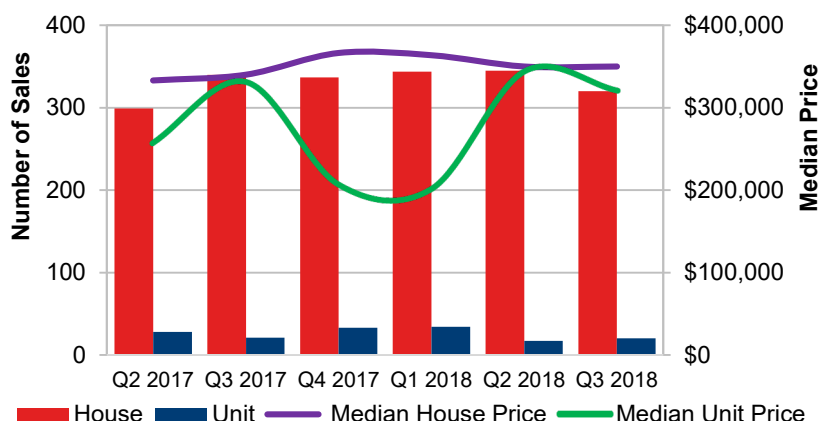
The Tamworth* property market recorded a median house price of \$386,000 and \$320,500 for units in Q3 2018, which represented an annual (Q3 2017-Q3 2018) price change of 10.3% and -4.3% respectively. Compared to the *Tamworth* 1st half 2018 Research Factsheet*, which reported an annual (Q1 2017 – Q1 2018) median price growth of 11.0% (house) and -5.8% (units), the property market in Tamworth* have remained relatively stable.

Sydney Metro median house price was \$1,295,500 for house and \$737,000 for units, as at June 2018. Tamworth* has a significantly more affordable entry price compared to Sydney Metro and contrasting stable growth, whilst the Sydney Metro market experienced a slight cooling of -2.4% (house) and -1.4% (units). This confirms Tamworth* as an ideal alternate location for investment.

Over the past 12 months to Q3 2018, average vendor discounting tightened for houses and units, currently at -4.8% and -2.8%, respectively. This suggests that sellers are achieving closer to their initial asking price and are benefitting from a higher demand market. This is good news for unit sellers, despite a softening in capital growth. Now is the perfect time for sellers to act, to capitalize on a strong house market and minimize risks in the unit market.

Median rent prices in Tamworth* has experienced positive (Q3 2017-Q3 2018) annual growth of 6.1% for houses, currently at \$350 per week. Median rent for units has remained stable at \$250 per week, however the number of units rented have increased by 78.0%. Tamworth* continue to serve investors well, with rental yields of 4.8% (house) and 6.0% (units), which are significantly higher than that of Sydney Metro rental yields (2.7% and 3.7% respectively).

TAMWORTH REGIONAL COUNCIL GROWTH



OVERVIEW

Tamworth is a city and the major regional centre in the New England region of northern New South Wales (NSW), almost midway between Brisbane and Sydney. According to ABS Census 2016 33.1% of occupied private dwellings in Tamworth are rented, higher than the NSW average of 31.8%. This is good news for investors looking to enter the market.

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

FUTURE DEVELOPMENTS**

Tamworth* is set to see approx. \$118.5M of new projects commencing in the 2nd half of 2018. Commercial projects account for the majority of development value (\$105.0M or 88.6%). This is followed by residential (\$8.8M or 7.5%) and infrastructure (\$4.6M or 3.9%).

A key commercial project in the 2nd half of 2018 is the Tamworth Gardens Lifestyle Villas (\$31.0M). This project develops a retirement estate comprising of 235 individual dwellings. Focusing on commercial projects is a key strategy for Tamworth* as it will increase economic activity and support local job creation, resulting in sustainable economic growth.

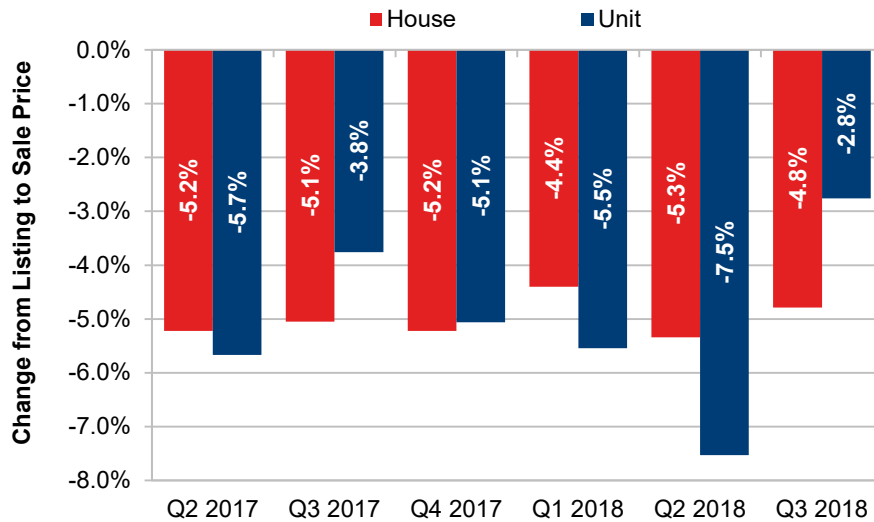
Residential projects will add 249 lots, 4 dwellings and 3 units to the market. This will continue to satisfy a growing demand from population growth. Examples of residential projects include: Moore Creek Road Residential Subdivision Stages 1-5 (\$3.2M, 105 Lots), Moore Creek Road Residential Subdivision (\$1.7M, 59 Lots), Baringa Gardens Estate Stage 2 (\$1.5M, 59 Lots), and Carthage Street Dwellings (\$1.1M, 4 Dwellings).

*Tamworth market data and key indicators encapsulates aggregate property market conditions in the following postcode: 2340.

**Estimated values are based on construction value provided by the relevant data authority and does not reflect commercial and/or re-sale value. Quoted construction and completion dates are estimate only, as per relevant data authority.

***Based on REIA Real Estate Market Facts March Quarter 2018 report. Source: APM Pricerfinder, realestate.com.au. © Copyright PRDNationwide 2018.

AVERAGE VENDOR DISCOUNT



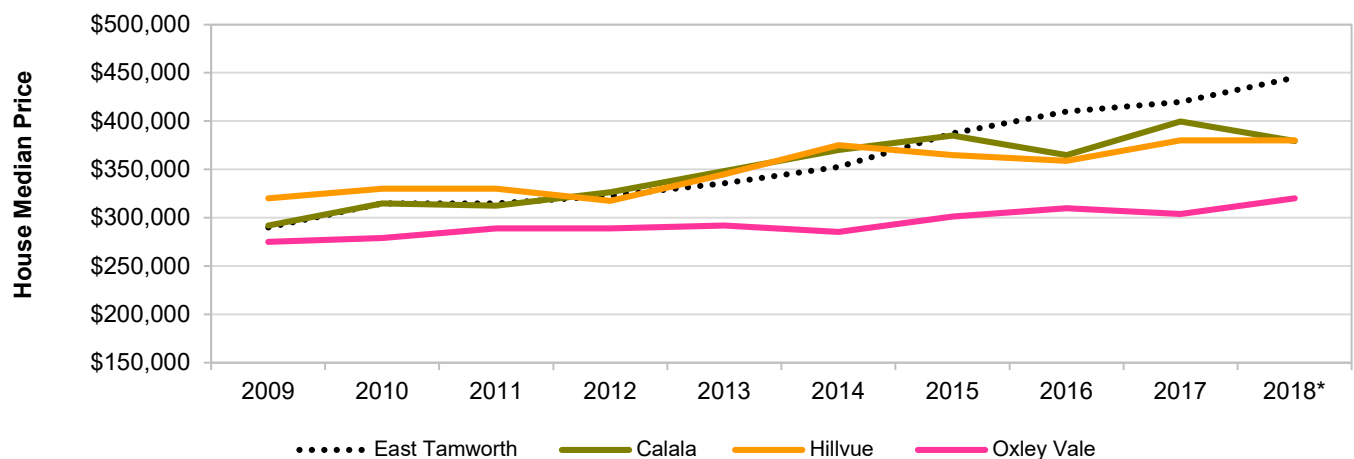
AVERAGE VENDOR DISCOUNT

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.

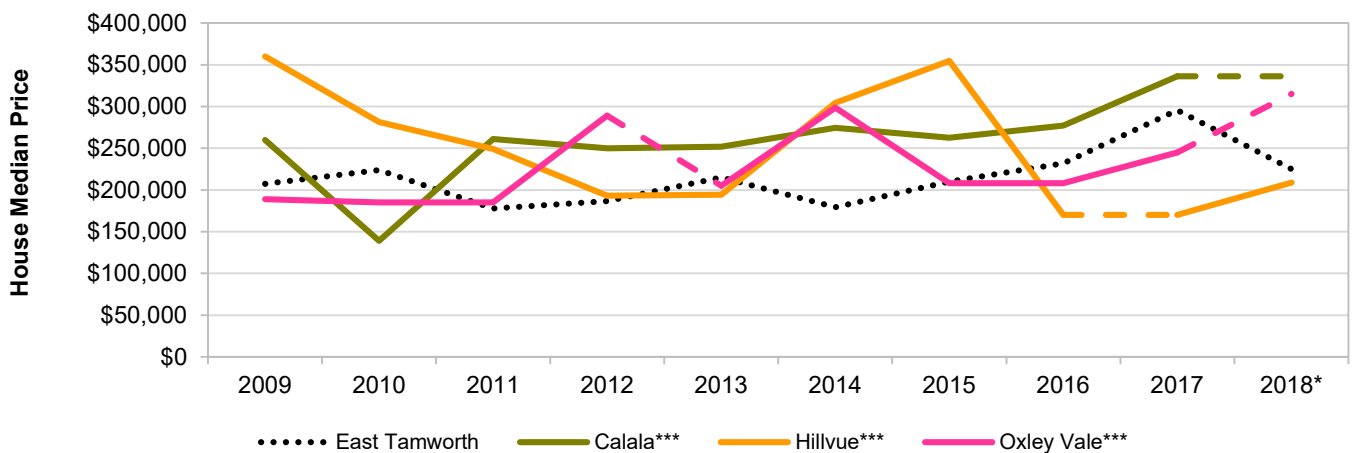
MARKET COMPARISON GRAPH

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

HOUSE MARKET COMPARISON



UNIT MARKET COMPARISON



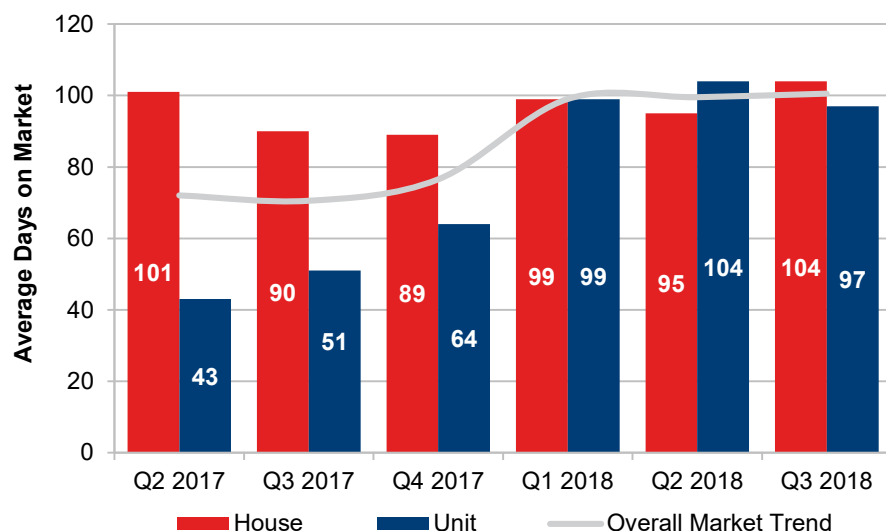
*2018 data is representative of sales up to and inclusive of 30th September 2018, or end of Q3 2018.

**Tamworth market data and key indicators encapsulates aggregate property market conditions in the following postcode: 2340.

***Dashed line in median price graph is due to limited or no sales for the particular period, and is indicative only based on previously known trends.

Source: APM Pricerfinder. © Copyright PRDnationwide 2018.

AVERAGE DAYS ON MARKET**



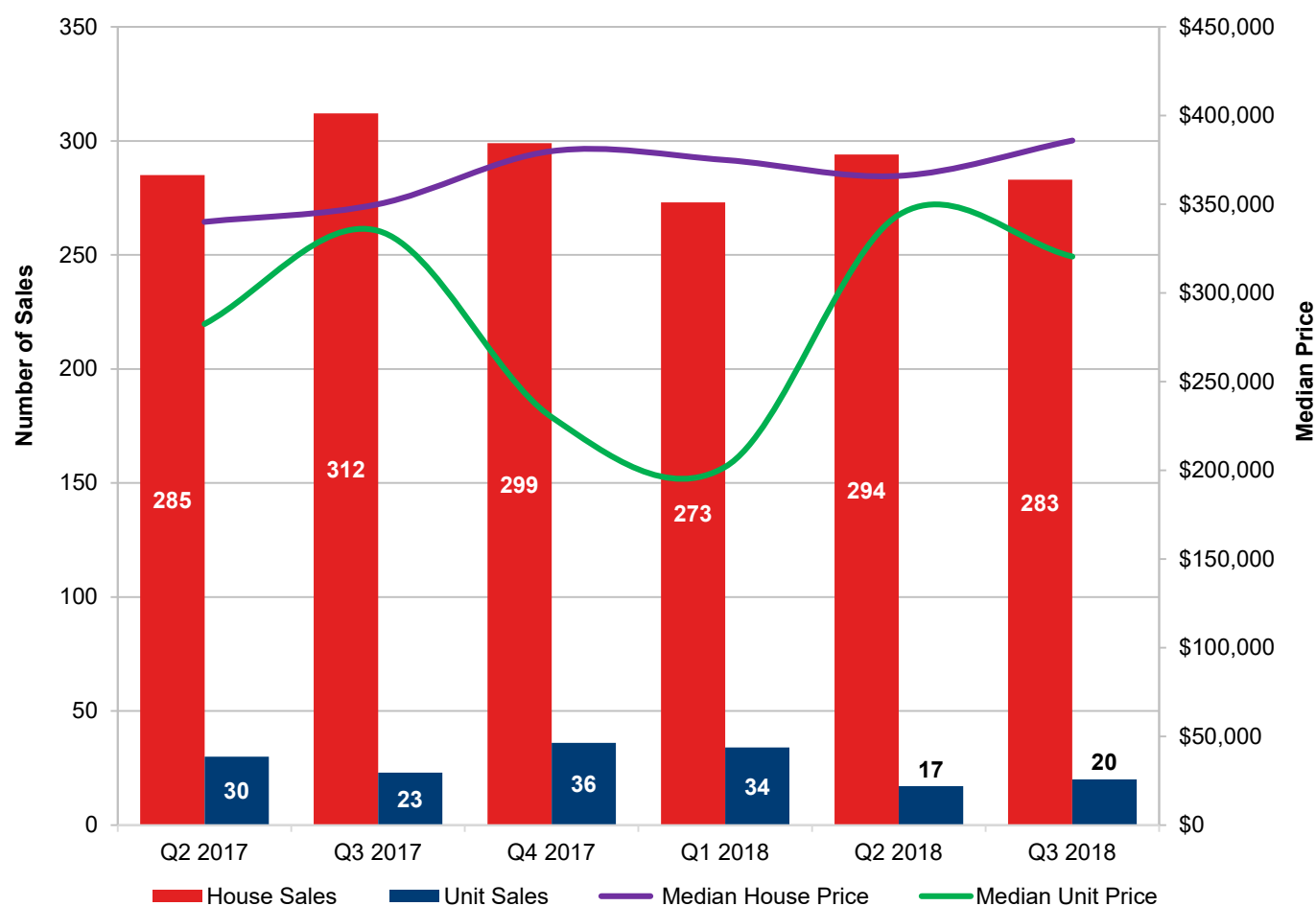
HOUSE KEY FACTS Q3 2018

Median Sale Price: \$386,000
Annual Growth: 10.3%*
Average Days on Market: 104
% Change between First Listed Price and Sold Price: -4.8%

UNIT KEY FACTS Q3 2018

Median Sale Price: \$320,500
Annual Growth: -4.3%*
Average Days on Market: 97
% Change between First Listed Price and Sold Price: -2.8%

SALES AND MEDIAN PRICE**



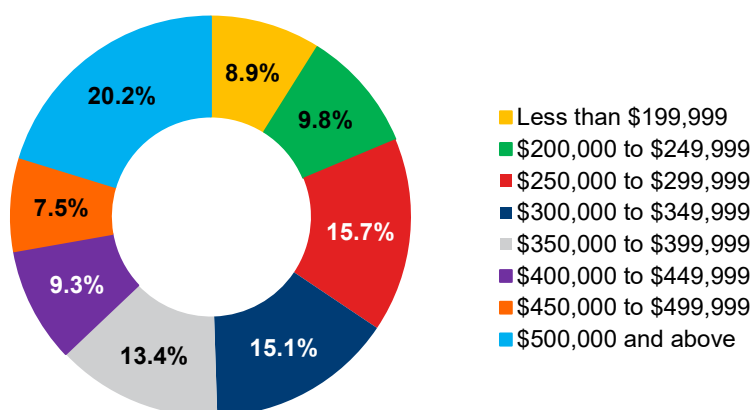
*Annual growth represents price growth for property transactions between Q3 2017 to Q3 2018 (inclusive).

**Tamworth market data and key indicators encapsulates aggregate property market conditions in the following postcode: 2340..

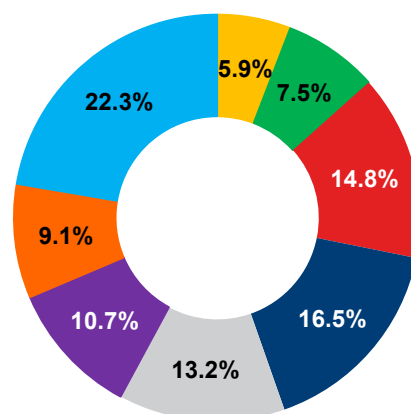
Source: APM Pricefinder, realestate.com.au, SQM Research. © Copyright PRDNationwide 2018.

SALES PRICE POINT COMPARATIVE ANALYSIS*

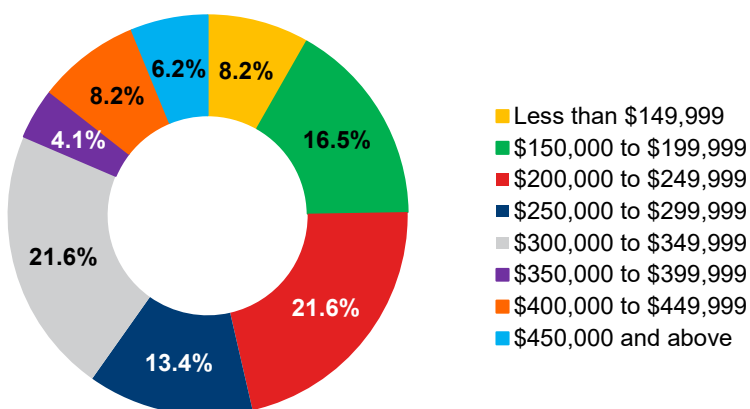
HOUSE PRICE POINT 2017



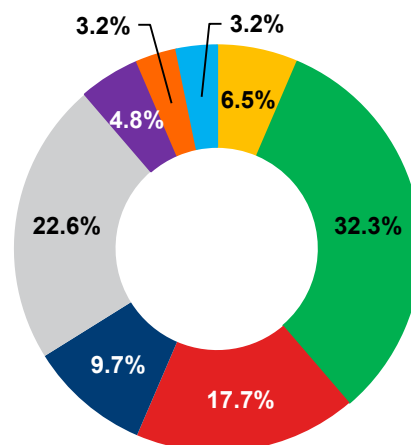
HOUSE PRICE POINT 2018



UNIT PRICE POINT 2017



UNIT PRICE POINT 2018



KEY IMPLICATIONS - HOUSE

Tamworth* house market sales price point structure have remained relatively stable between 2017 and 2018*, with minor adjustments. The most dominant price bracket remains in the upper \$500K+, with sales activity increasing from 20.2% in 2017 to 22.3% in 2018*. The second highest priced bracket \$450-\$500K have also increased, from 7.5% in 2017 to 9.1% in 2018*. This is in line with the reported 10.3% median price growth over the past 12 months to Q3 2018.

Affordable options, below \$250K, is still available in Tamworth*. However this has decreased from a total of 18.7% in 2017 to 13.4% in 2018*. Those looking for more affordable houses need to secure ideal property fast.

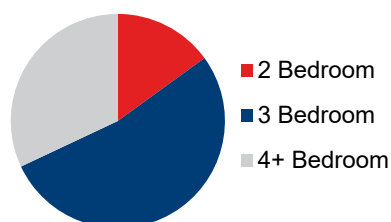
KEY IMPLICATIONS - UNIT

There are some notable changes in the Tamworth* unit market between 2017 and 2018*. The dominant price bracket is no longer the mid-range price of \$300-\$350K (21.6% in 2017), but have transitioned to a much lower price bracket of \$150-\$200K (32.3% in 2018*). This is in line with the reported softening of -4.3% median price growth over the past 12 months to Q3 2018.

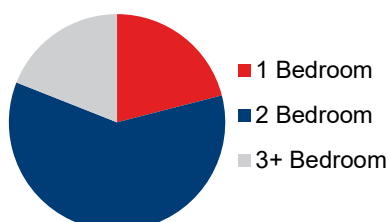
Appetite for premium priced stock, priced \$400K and above, have declined significantly; from 14.4% in 2017 to 6.4% in 2018. Thus developing new units in this price range may not be an optimal choice. A strengthening in the lower price bracket suggests that the Tamworth* is now more affordable, an ideal time for first home buyers.

INVESTMENT ANALYSIS

HOUSE



UNIT



HOUSE KEY FACTS Q3 2018

Median Rent Price: \$350 per week
Rental Yield: 4.8%
Average Days on Market: 23
Bedroom Breakdown:
 2 Bed: 15%, 3 Bed: 53%, 4+ Bed: 32%

UNIT KEY FACTS Q3 2018

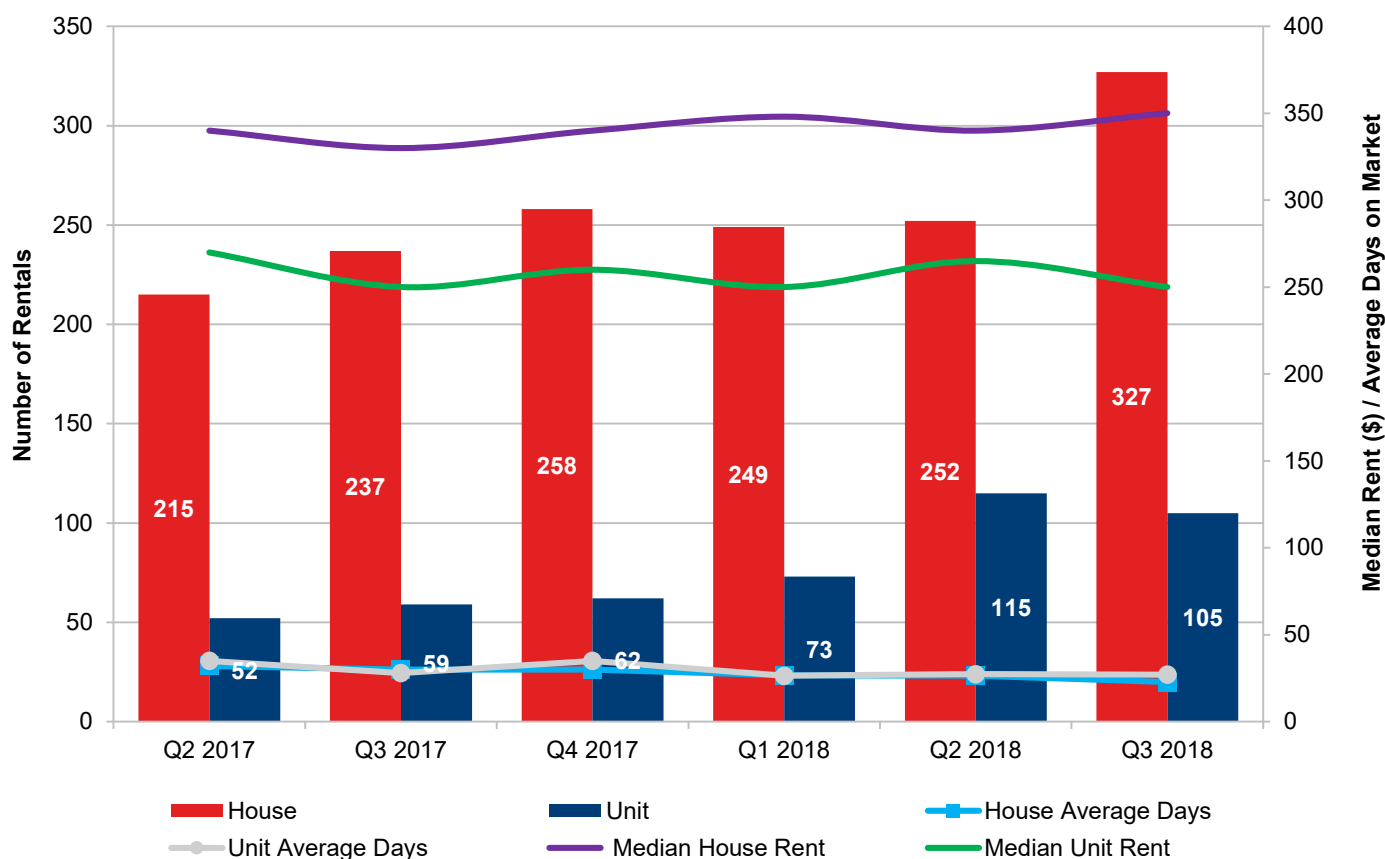
Median Rent Price: \$250 per week
Rental Yield: 6.0%
Average Days on Market: 27
Bedroom Breakdown:
 1 Bed: 21%, 2 Bed: 60%, 3+ Bed: 19%

KEY COMMENTS

Over the past 12 months to Q3 2018 Tamworth* rental market grew significantly, with the number of properties rented increasing by 38.0% (house) and 78.0% (units). Median house rent prices increased by 6.1% to \$350 per week during this time, which suggests a real increase in return yields and room for more investors in the market. Median unit rent price remained stable whilst the number rented spiked, suggesting a resilient market. Average days on market continue to trend at a low 23 (house) and 27 (unit) days, indicating that there is quick uptake of rental properties. This is good news for investors wanting quicker returns.

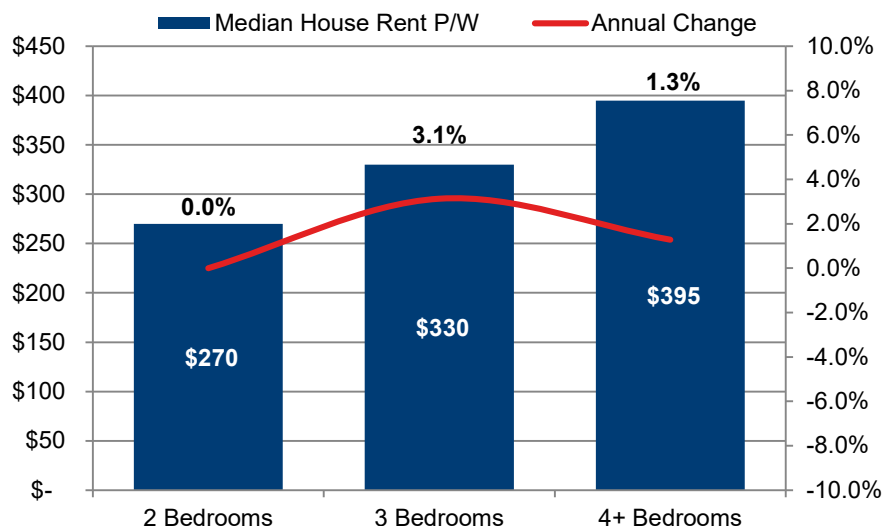


MEDIAN RENT AND AVERAGE DAYS ON MARKET*



*Disclaimer: Tamworth market data and key indicators encapsulates aggregate property market conditions in the following postcode: 2340.
 Source: APM Pricer, realestate.com.au, SQM Research. © Copyright PRDnationwide 2018.

RENTAL PERFORMANCE 2018*



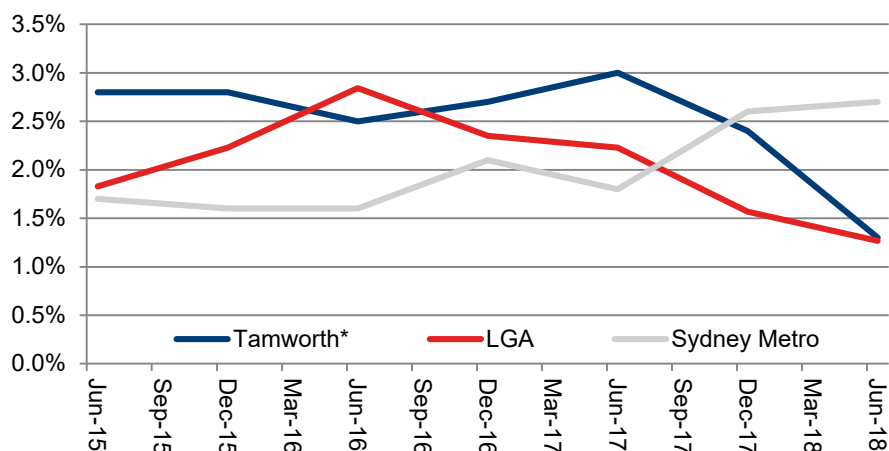
KEY COMMENTS

Rental returns in Tamworth* are strong, at 4.8% (houses) and 6.0% (units) in June 2018. This is much higher than Sydney Metro's returns of 2.7% (house) and 3.7% (units). Tamworth* is an ideal more affordable alternate place for investment.

3 bedroom houses provide the highest annual rental growth, at 3.1%.

Vacancy rates in Tamworth* have significantly trended downwards, towards record low vacancy rates of 1.3% in June 2018. This is in contrast to Sydney Metro's upward trend, which signals an extremely healthy rental demand in Tamworth*.

VACANCY RATES 2018



RENTAL YIELD 2018

Suburb/ Postcode/ LGA	House Rental Yield	Unit Rental Yield
Tamworth*	4.8%	6.0%
Tamworth LGA	4.8%	4.3%
Sydney Metro	2.7%	3.7%

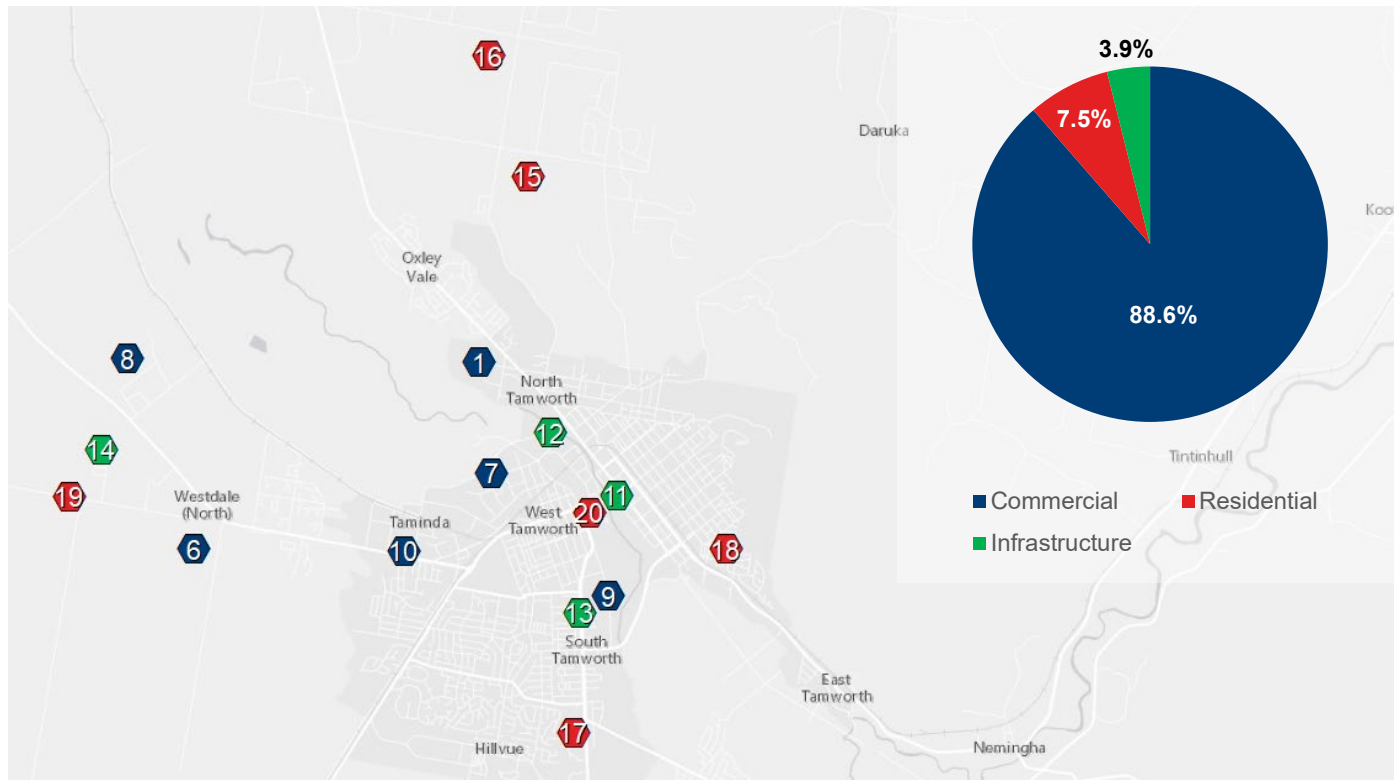
KEY HOUSING DEMOGRAPHICS

	Tamworth*	Tamworth LGA	New South Wales
Median weekly rent	\$270	\$260	\$380
Family Households	12,343	15,096	1,874,524
Single or lone person households	4,780	5,972	620,778
Worked full time	13,879	16,519	2,134,521
Worked part time	6,643	8,008	1,071,151
Occupied private dwellings	17,707	21,745	2,604,320
Unoccupied private dwellings	2,027	2,580	284,741

*Rental performance graph represents aggregate house median rent prices in the following postcode: 2340. Annual change is a comparison between Q1-Q3 2017 and Q1-Q3 2018 median rent figures.

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

PROJECT DEVELOPMENT MAP 2nd HALF 2018*



Location	Project**	Type	Estimated Value***	Commence Date****
1	Tamworth Gardens Lifestyle Villas	Commercial	\$31,000,000	24/11/2018
Not mapped	Baiada Poultry Farm - Strathfield Farm 5	Commercial	\$16,545,000	06/09/2018
Not mapped	Baiada Poultry Farm - Strathfield Farm 4	Commercial	\$16,408,000	06/09/2018
Not mapped	Baiada Poultry Farm - Strathfield Farm 1	Commercial	\$16,395,000	06/09/2018
Not mapped	Baiada Poultry Farm - Strathfield Farm 3	Commercial	\$16,395,000	06/09/2018
6	Tamworth Fire Control Centre	Commercial	\$3,980,000	22/11/2018
7	Tamex Transport Depot	Commercial	\$1,687,000	12/11/2018
8	Thomas Foods International	Commercial	\$1,600,000	06/10/2018
9	Carls Jr Takeaway Restaurant	Commercial	\$500,000	10/12/2018
10	Diesel Care Taminda	Commercial	\$500,000	16/07/2018
11	Tamworth Regional Council Roadworks	Infrastructure	\$2,000,000	31/07/2018
12	Jewry St Bridge	Infrastructure	\$1,000,000	05/11/2018
13	Australian Equine & Livestock Events Centre	Infrastructure	\$826,000	01/10/2018
14	Tamworth Regional Airport	Infrastructure	\$800,000	01/10/2018
15	Moore Creek Road Residential Subdivision Stages 1-5 (105 Lots)	Residential	\$3,150,000	09/07/2018
16	Moore Creek Road Residential Subdivision (59 Lots)	Residential	\$1,700,000	30/08/2018
17	Baringa Gardens Estate - Stage 2 (59 Lots)	Residential	\$1,500,000	20/08/2018
18	Carthage Street Dwellings (4 Dwellings)	Residential	\$1,100,000	06/09/2018
19	New Winton Rd 26 Lot Residential Subdivision (26 Lots)	Residential	\$880,000	25/11/2018
20	Denne Street Units (3 Units)	Residential	\$500,000	05/11/2018

*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 postcode 2340.

***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, Tamworth Regional 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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