



TUMUT MARKET UPDATE 2nd Half 2019



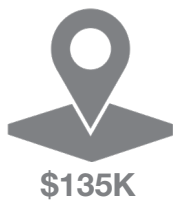
OVERVIEW

In Q2 2019, Tumut* recorded a median house price of \$279,000, and a median vacant land price of \$135,000. This represents annual (Q2 2018 – Q2 2019) median price growth of 8.3% for houses and 12.5% for vacant land. At the same time, total sales slowed for Q2 2019, by -16.3% for houses (to 67 sales) and by -45.5% for vacant land (to 12 sales). Increasing property values and less competition in Tumut* creates an ideal environment for buyers to act.

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

MARKET CONDITIONS

SALES MEDIAN PRICE Q2 2019



SALES AVERAGE DAYS ON MARKET Q2 2019



RENTAL MEDIAN PRICE Q2 2019

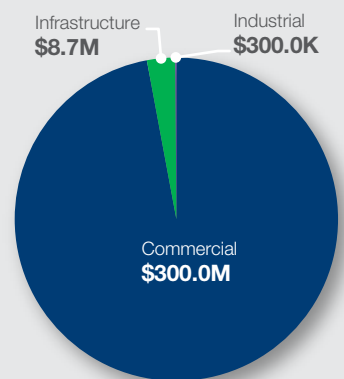


RENTAL AVERAGE DAYS ON MARKET Q2 2019



FUTURE DEVELOPMENTS

Tumut* is set to see approximately **\$309.0M worth of projects commence between 2014 and 2019.**



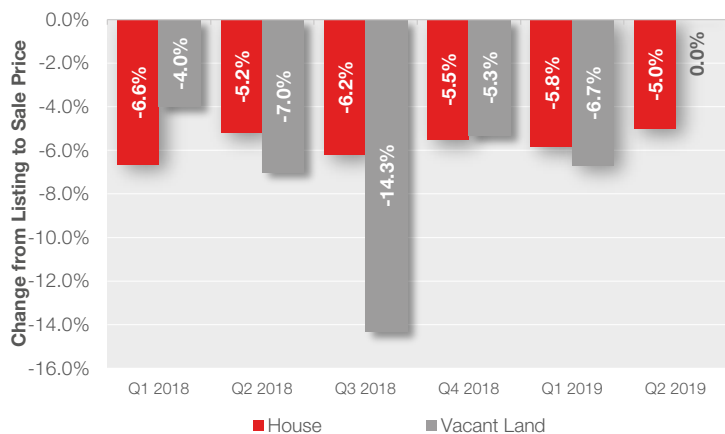
Evidence of a steady flow of historical development that focuses on commercial projects indicates the area is capable of stable economic growth, which may attract further employment opportunities to Tumut*. This in turn should have a positive spill-over impact on the local real estate market.

A major commercial project for the period is the Visy NSW Clean Energy Project (\$300.0M). Currently in the feasibility stage, the project would establish a 75MW clean energy waste-to-energy plant and a pulp and paper mill, all based in Tumut. Such a project would be a major employment accelerant for Tumut*, encouraging population growth. The Council's Airpark Estate and Commercial Precinct at the Tumut Aerodrome (\$5.0M) is a key infrastructure project which has had recent development into the early planning stage. Once underway, this project will also provide a great boost to Tumut's* economy, by creating jobs and attracting further business into the local area.

*Tumut market data and key indicators encapsulates aggregate property market conditions within the 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 Pricefinder, Cordell Connect database. © Copyright PRDnationwide 2019.

AVERAGE VENDOR DISCOUNT*

Average vendor discount reflects the average percentage difference between the first list price and final sold price. A lower percentage difference (closer to 0.0%) suggests that buyers are willing to purchase close to the first asking price of a property.



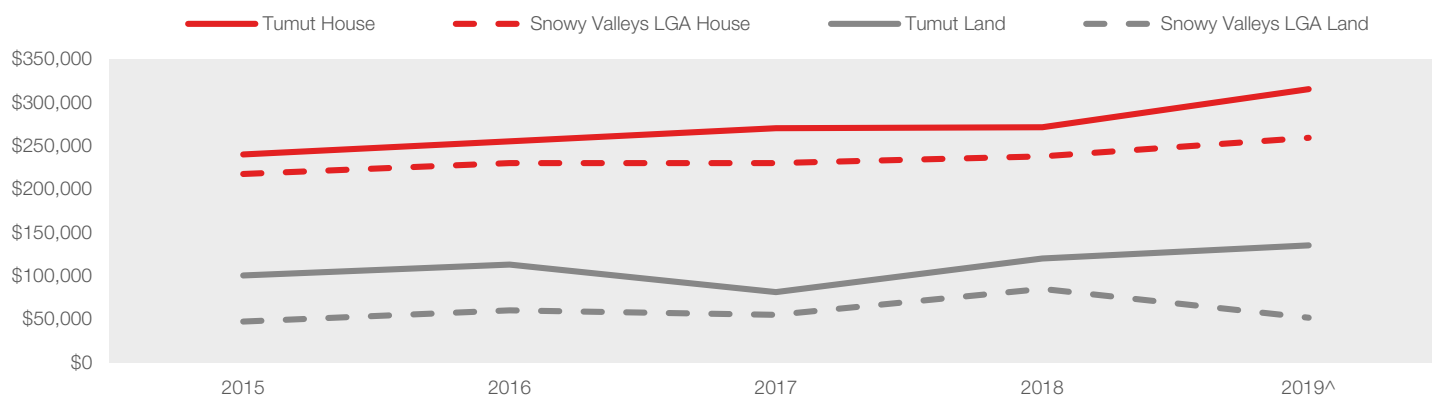
KEY COMMENTS

Average vendor discount between Q2 2018 and Q2 2019 slightly tightened for houses from -5.2% to -5.0%, while vacant land recorded a neutral market (0.0%). That said, vacant land's 18 month average of -6.2% discount is a good indicator, given limited sales volumes. Market conditions in Tumut* continue to favour buyers, as sellers are willing to negotiate below their initial listing price.

The suburb of Tumut has historically outperformed the wider Snowy Valleys LGA in both house and vacant land median prices. This has continued to be the case in 2019[^], with Tumut showing superior growth in both markets.

The dominant proportion of homes sold in Tumut* (30.2%) across the 1st half of 2019 were priced above \$350,000, while vacant land recorded a dominant price point of less than \$100,000 (33.3%) over the same period. While a premium house market exists in Tumut*, land is still relatively affordable and presents buyers a great opportunity.

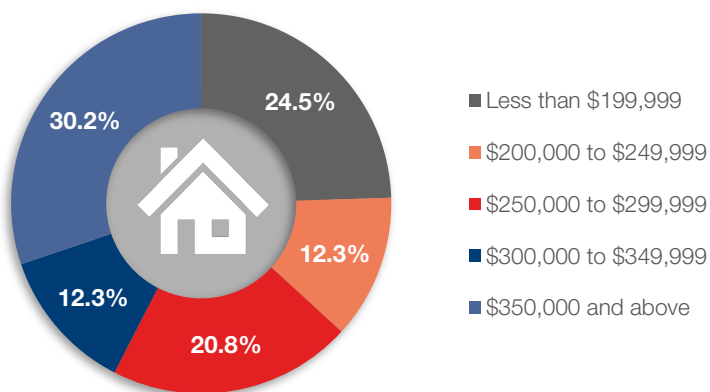
MARKET COMPARISON



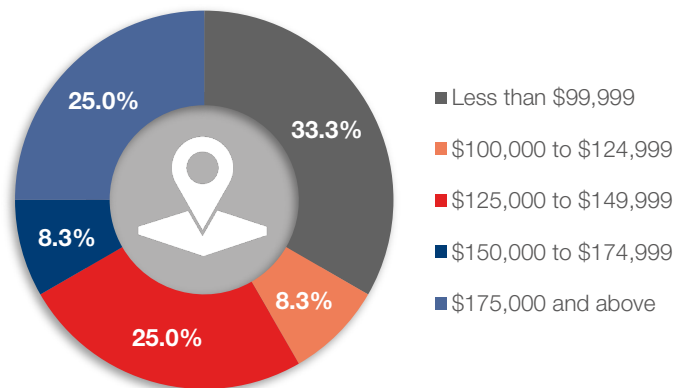
The market comparison graph provides a comparative trend for the median price of houses and vacant land over the past 5 years. The main LGA profiled were chosen based on their proximity to the main suburb analysed, which is Tumut.

PRICE BREAKDOWN 1ST HALF 2019

HOUSES SOLD



LAND SOLD

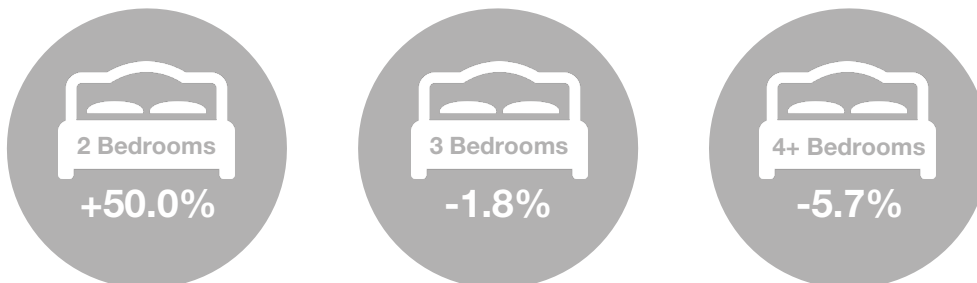


RENTAL GROWTH 2019*

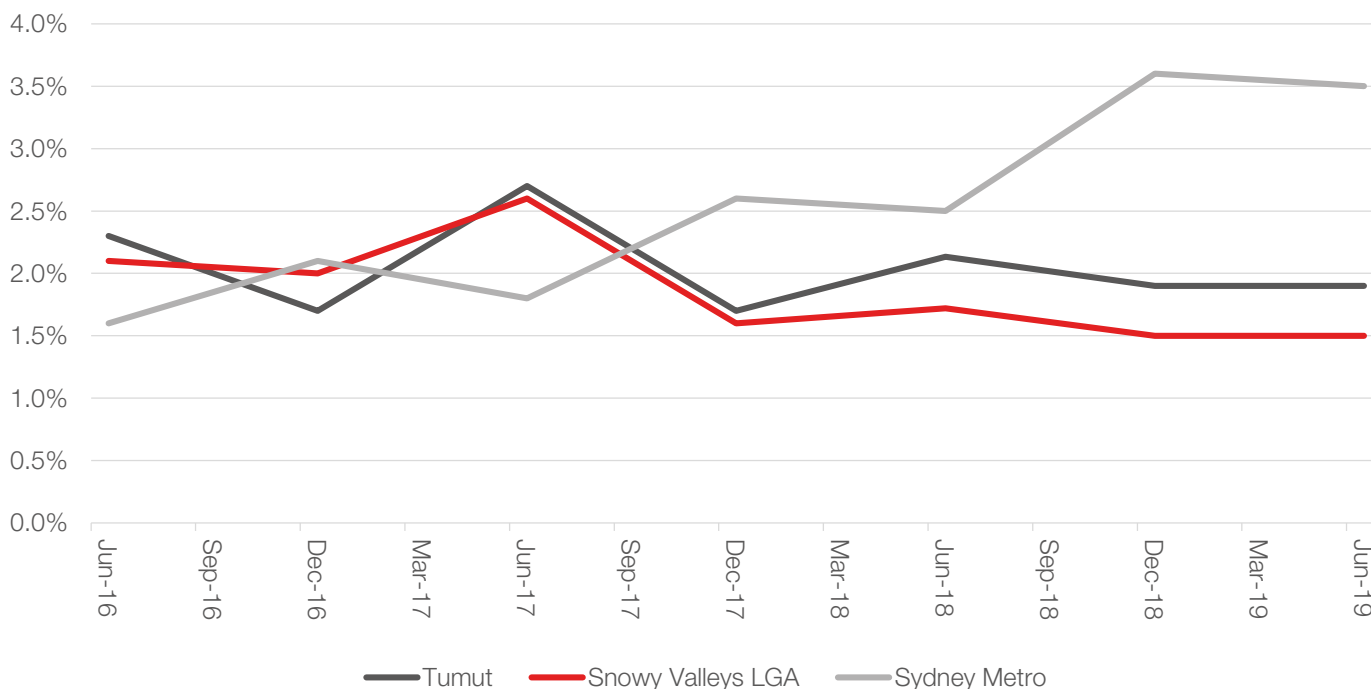
Over the past 12 months, house rental yields in Tumut* have remained steady, sitting at 4.8% in June 2019. This suggests the house rental market remains in a healthy position, despite a slight slip in demand for rental properties in Tumut* across the same time period (-2.9% in the 12 months to Q2 2019).

2 bedroom houses have provided investors with +50.0% rental growth annually, achieving a median rent of \$345 per week.

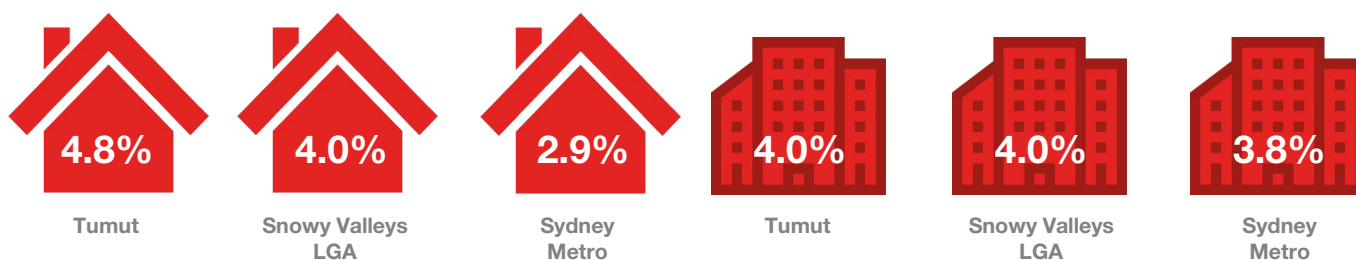
Tumut* recorded 1.9% vacancy rate in June 2019, which was below Sydney Metro's (3.5%). This is good news for investors interested in an alternative investment, as Tumut* has a more affordable entry price compared to Sydney Metro, yet a lower vacancy rate.



RENTAL VACANCY RATES 2019



RENTAL YIELD 2019^

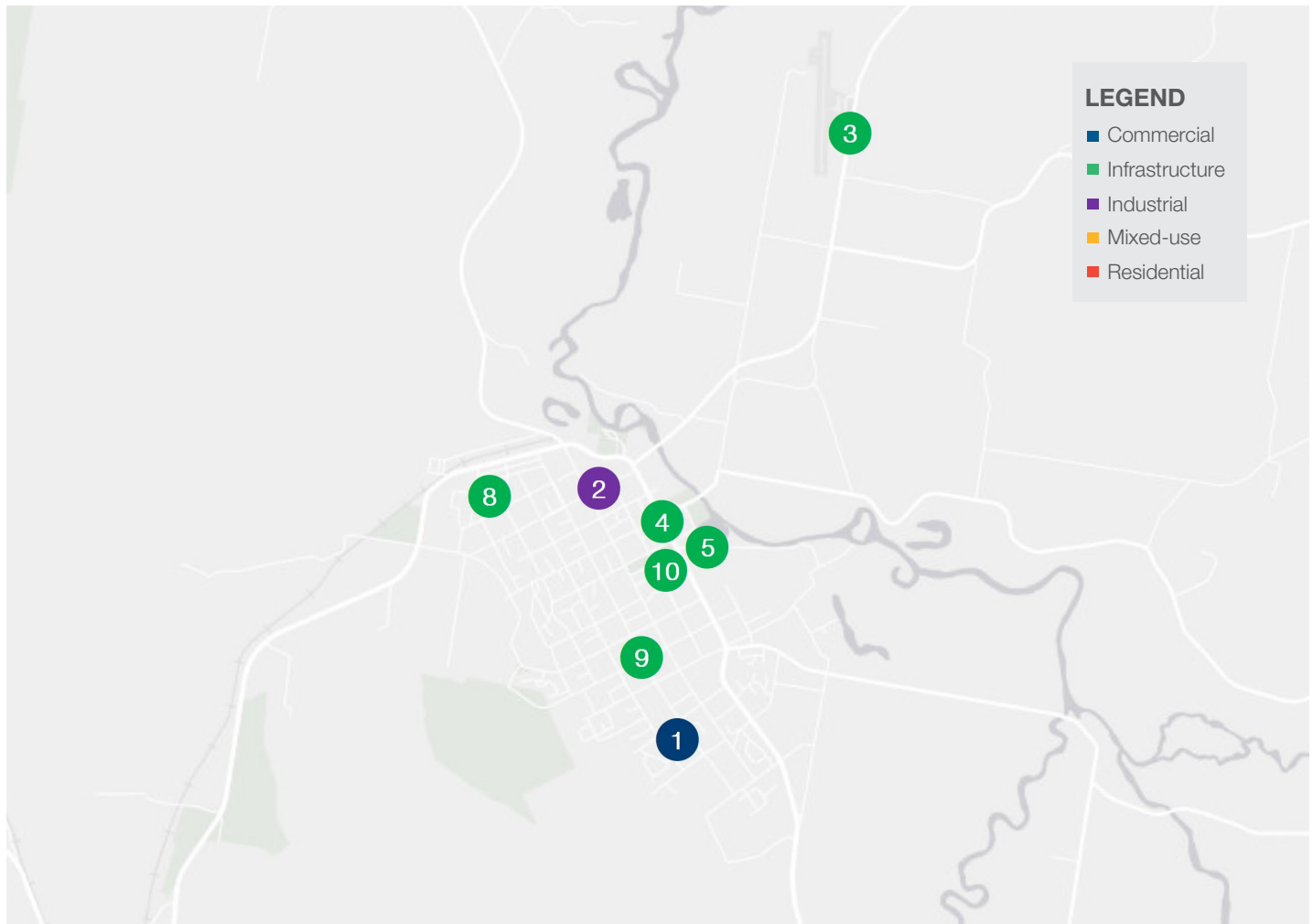


*Rental performance graph represents aggregate house median rent prices within the suburbs Adelong, Batlow, Tumut, Gundagai and Talbingo. Annual rental growth is a comparison between 1st half 2018 and 1st half 2019 house median rent figures.

^Rental yields shown are as reported at June 2019.

Source: APM Pricefinder, SQM Research. © Copyright PRDnationwide 2019.

PROJECT DEVELOPMENT MAP 2014 – 2019*



Location	Project**	Type	Estimated Value***	Commence Date****
1	Visy NSW Clean Energy Project	Commercial	\$300,000,000	21/06/2016
2	Carey Street Shed	Industrial	\$300,000	04/08/2017
3	Northeast Airpark Estate, Commercial Precinct & Tumut Aerodrome	Infrastructure	\$5,000,000	18/05/2016
4	Snowy Region Quarrying Contract – Tumut	Infrastructure	\$1,200,000	09/12/2014
5	Snowy Valleys Council Bridges	Infrastructure	\$649,000	28/11/2016
Not mapped	Brindabella Road	Infrastructure	\$500,000	15/06/2019
Not mapped	Khancoban & Talbingo Public Areas	Infrastructure	\$480,000	07/10/2019
8	Tumut Management Area Roadworks	Infrastructure	\$400,000	10/12/2015
9	Tumut District Hospital	Infrastructure	\$352,000	01/06/2015
10	Tumut Courthouse	Infrastructure	\$167,000	22/01/2015

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

OUR KNOWLEDGE

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

OUR PEOPLE

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

OUR SERVICES

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



Jed Masters, Principal

M +61 417 274 977

E jed.masters@prd.com.au

PRDnationwide Tumut

P +61 2 6947 1722

F +61 2 6947 3671

2/81 Wynard Street
Tumut NSW 2720

PRD.com.au/tumut