



## Tumut Market Update 1st Half 2020



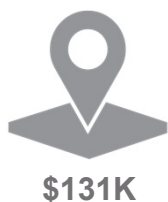
### OVERVIEW

In Q4 2019, Tumut\* recorded a median house price of \$295,000, and a median vacant land price of \$131,000. This represents annual (Q4 2018 – Q4 2019) median price growth of 31.1% for houses and 27.8% for vacant land. Despite a recent slowdown in the number of sales, to 51 for houses and 7 for vacant land in Q4 2019, overall 2019 saw the highest number of recorded transactions in over 17 years in Tumut\*. Now is the time to transact, as there is less competition for buyers and proven capital growth for home owners.

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

### MARKET CONDITIONS

#### SALES MEDIAN PRICE Q4 2019



#### SALES AVERAGE DAYS ON MARKET Q4 2019



#### RENTAL MEDIAN PRICE Q4 2019

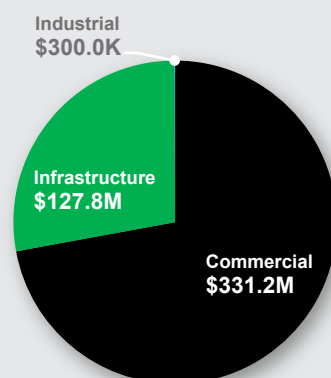


#### RENTAL AVERAGE DAYS ON MARKET Q4 2019



### FUTURE DEVELOPMENTS

The Tumut\* area is set to experience approximately **\$459.3M** worth of projects commence between 2016 and 2020.



Evidence of a steady flow of historical development that focuses on commercial and infrastructure 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 impact on population growth in Tumut\*. Further, given the devastation recently caused by bushfires nearby to Tumut\* it is expected that future projects with a focus on rebuilding will result in a significant boost to the development pipeline in the area, which would be expected to create a positive spill-over effects for the local property market.

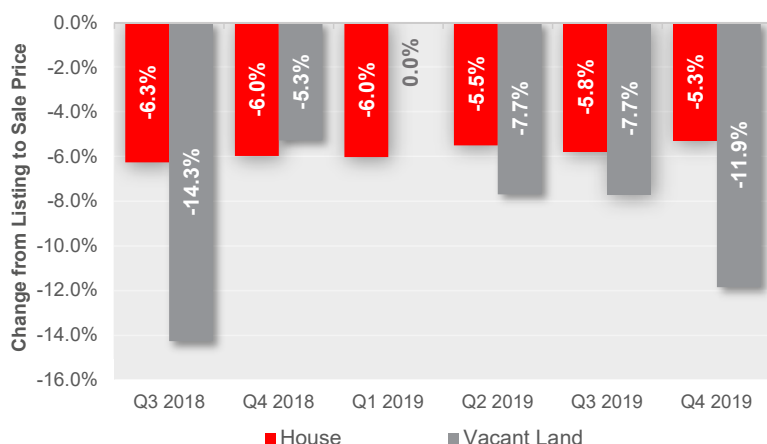
A major commercial project for the period is the Visy NSW Clean Energy Project (\$300.0M). Currently in the feasibility stage, the project would establish a 75MW clean energy waste-to-energy plant and a pulp and paper mill, all based in Tumut. The Council's Airpark Estate and Commercial Precinct at the Tumut Aerodrome (\$5.0M) is a key infrastructure project which has had recent development into early planning stage.

\*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 Pricerfinder, Cordell Connect database. © Copyright PRD 2020.

## AVERAGE VENDOR DISCOUNT\* KEY COMMENTS

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.

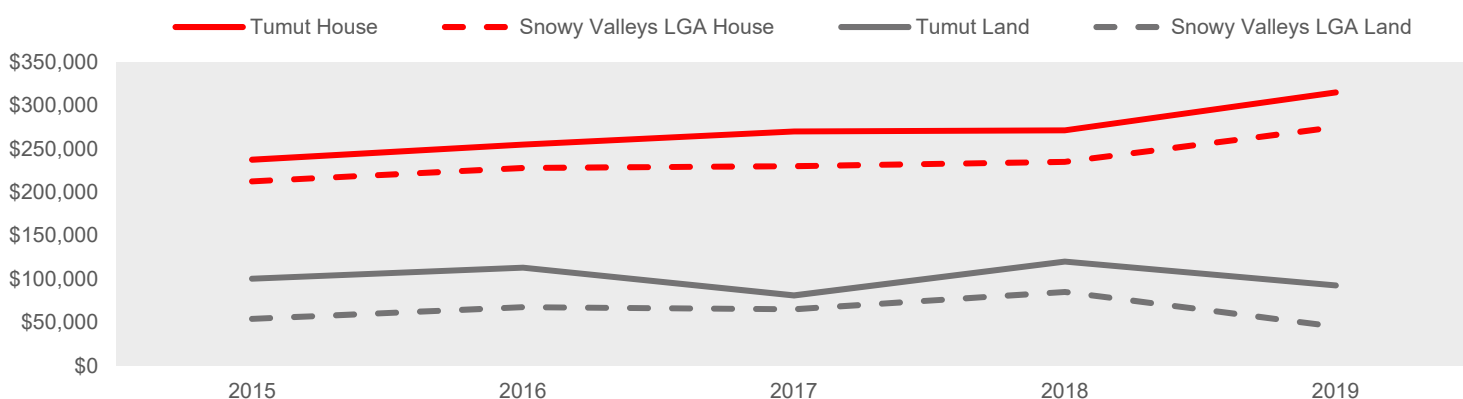


Average vendor discounting between Q4 2018 and Q4 2019 slightly tightened for houses, to -5.3%, whilst vacant land saw a widening to -11.9%. Limited land sales data makes this data volatile, however, market conditions in Tumut\* continue to favour buyers overall, with sellers willing to negotiate below their first list price.

The suburb of Tumut has historically outperformed the wider Snowy Valleys LGA in property prices. This continued to be the case across 2019, with Tumut showing superior performance in both markets.

The dominant proportion of homes sold in Tumut\* across 2019 were priced above \$350,000 (29.2%), while vacant land recorded a dominant price point of above \$150,000 (35.7%). That said there are almost similar amount of sales in the lower-end priced market. This suggests that affordable options remain, and that there is a property for every budget in Tumut\*.

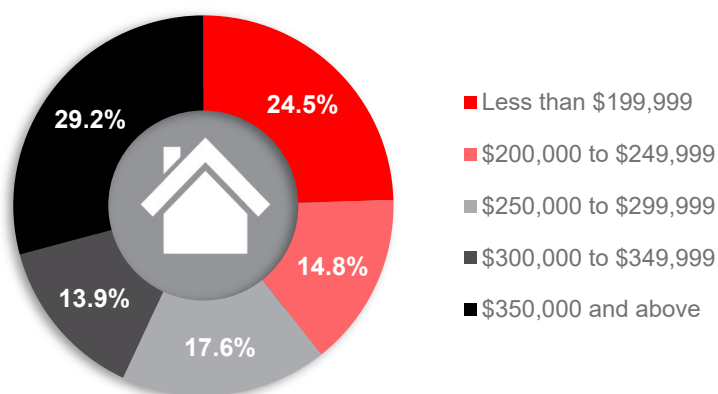
## MARKET COMPARISON



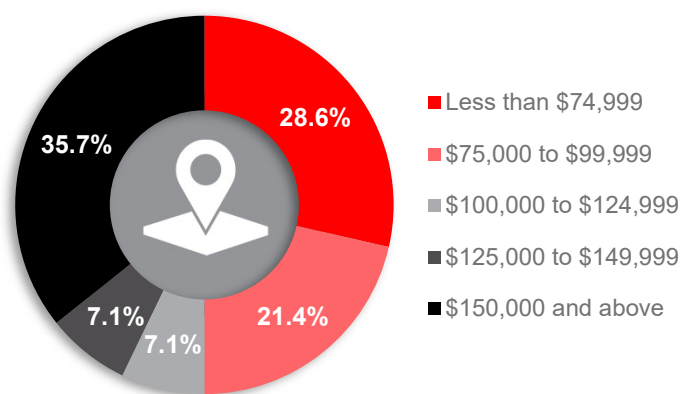
The market comparison graph provides a comparative trend for the median price of houses and units over the past 5 years. The main LGA profiled was chosen based on their proximity to the main suburb analysed, which is Tumut.

## PRICE BREAKDOWN 2019

### HOUSES SOLD



### VACANT LAND SOLD

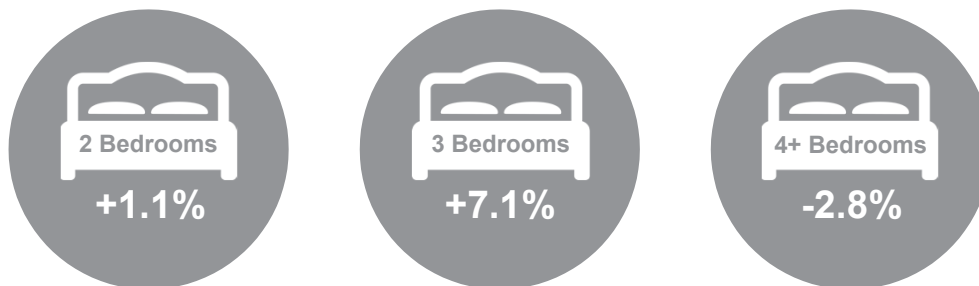


## RENTAL GROWTH 2019\*

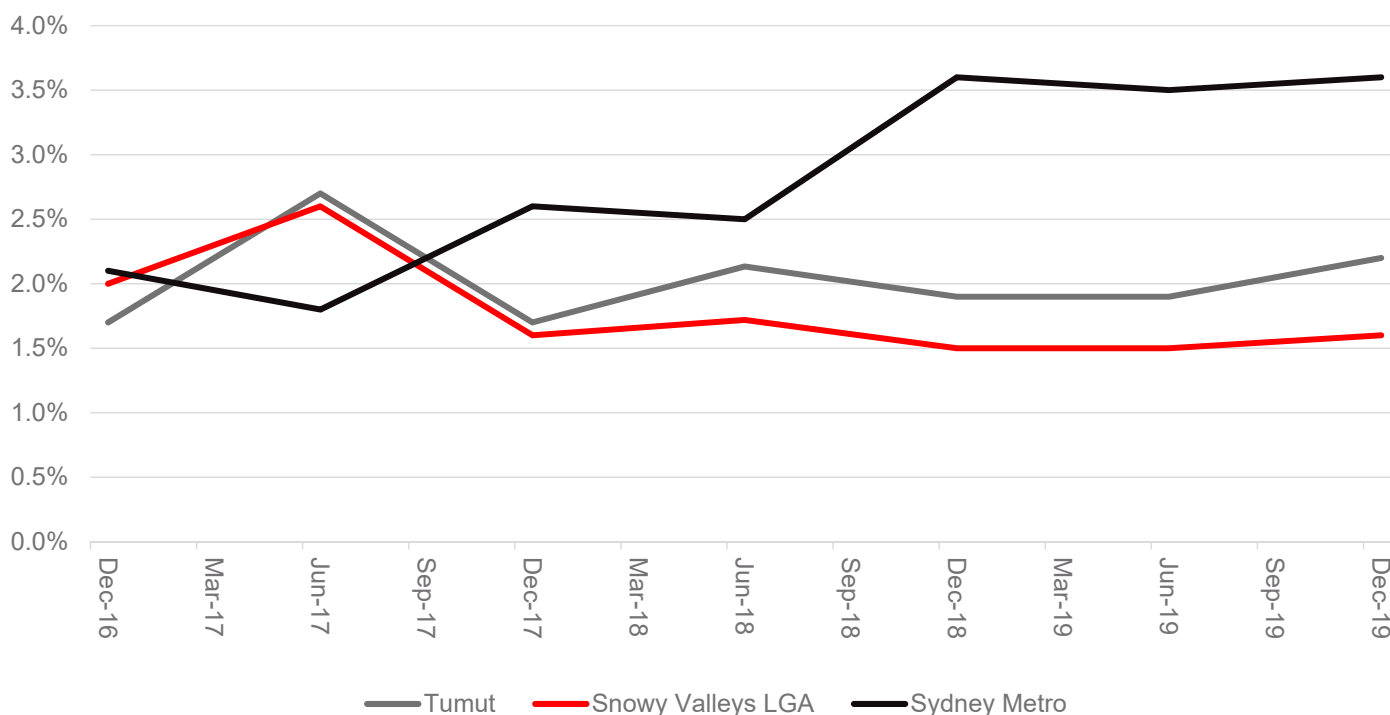
Over the past 12 months, house rental yields in the Tumut\* have slightly softened, sitting at 4.7% in December 2019. But this is still above that of Snowy Valley LGA (4.6%) and Sydney (2.7%). This suggests the house rental market remains in a healthy position, shown by the +4.3% increase in the number houses rented in the 12 months to Q4 2019 (73 rentals).

3 bedroom houses have provided investors with +7.1% rental growth annually, achieving a median rent of \$300 per week.

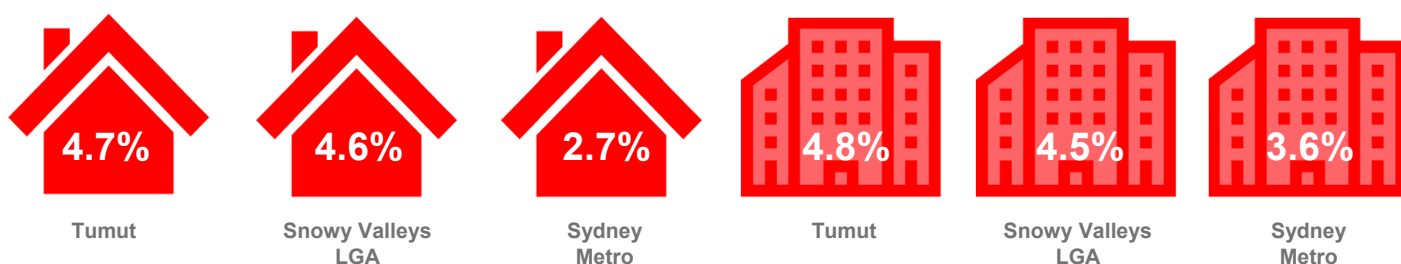
Tumut\* recorded a healthy 2.2% vacancy rate in December 2019, which was below Sydney Metro's 3.6% and the Real Estate Institute of Australia's healthy benchmark of 3.0%. This is good news for investors looking for an alternative investment location, as Tumut\* offers a more affordable entry price compared to Sydney Metro, while also boasting a lower vacancy rate.



## RENTAL VACANCY RATES 2019



## RENTAL YIELD 2019^

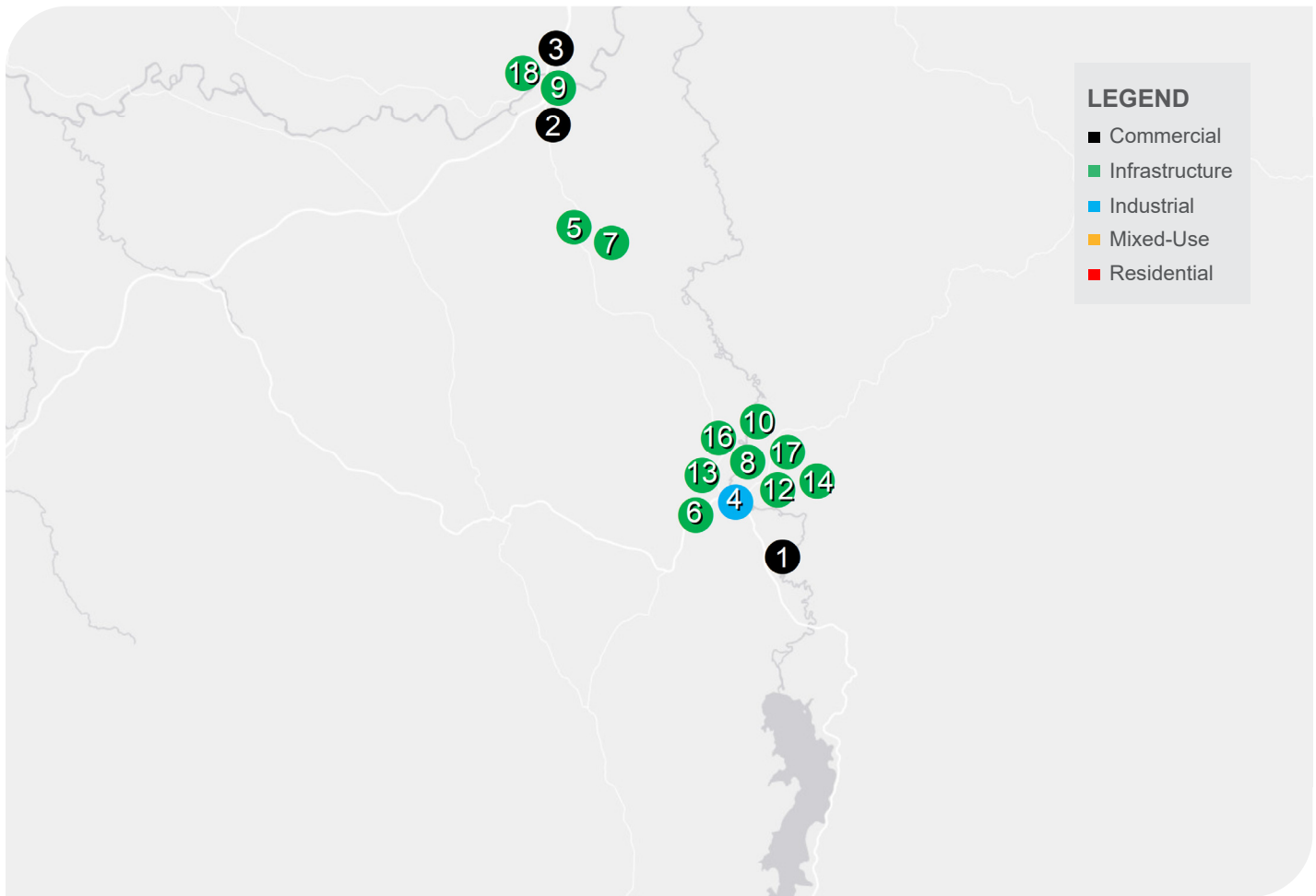


\*Rental performance graph represents aggregate house median rent prices within the suburbs Adelong, Batlow, Tumut, Gundagai and Talbingo. Annual rental growth is a comparison between 2018 and 2019 house median rent figures.

^Rental yields shown are as reported at December 2019.

Source: APM Pricer, SQM Research. © Copyright PRD 2020.

# PROJECT DEVELOPMENT MAP 2016-2020\*



Location	Project**	Type	Estimated Value***	Commence Date****
1	Visy NSW Clean Energy Project	Commercial	\$300,000,000	21/06/2016
2	Gundagai Meat Processor	Commercial	\$30,000,000	20/02/2017
3	Gundagai District Services Club	Commercial	\$1,200,000	27/06/2016
4	Carey Street Shed	Industrial	\$300,000	04/08/2017
5	Gocup Road Upgrade	Infrastructure	\$70,000,000	25/09/2017
6	Tumut District Hospital	Infrastructure	\$40,000,000	20/03/2020
7	Gocup Road Upgrade	Infrastructure	\$7,000,000	16/08/2017
8	Northeast Airpark Estate, Commercial Precinct & Tumut Aerodrome	Infrastructure	\$5,000,000	18/05/2016
9	Gobarralong Bridge	Infrastructure	\$2,500,000	19/05/2015
10	Snowy Valleys Council Bridges	Infrastructure	\$649,000	28/11/2016
Not mapped	Brindabella Road	Infrastructure	\$500,000	15/06/2019
12	Snowy Valleys Council Sprayed Bituminous Surfacing	Infrastructure	\$500,000	02/12/2019
13	Tumut Management Area Roadworks	Infrastructure	\$400,000	10/12/2015
14	Tumut District Hospital	Infrastructure	\$352,000	01/06/2015
Not mapped	Khancoban & Talbingo Public Areas	Infrastructure	\$329,000	07/09/2019
16	Tumut Main Street Roadworks	Infrastructure	\$300,000	20/03/2020
17	Tumut Courthouse	Infrastructure	\$167,000	22/01/2015
18	Gundagai Courthouse	Infrastructure	\$123,000	14/04/2015

## 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.



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