



# Tamworth Market Update

## 1st Half 2020



### OVERVIEW

In Q1 2020, Tamworth\* recorded a median house price of \$380,000, and a median unit price of \$292,250. This represents annual (Q1 2019 – Q1 2020) median price growth of 8.6% for houses and a of 25.7% for units. Between Q1 2019 – Q1 2020 total sales increased in both markets, by 0.6% for houses (to 181 sales) and by 7.7% for units (to 14 sales). Limited unit sales make this data volatile, however with both markets showing positive capital growth and increasing demand, now is an ideal time to transact in Tamworth\*.

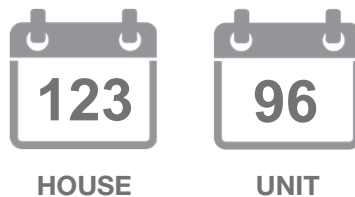
|  | CHANGE FROM LAST   | YEAR | HALF YEAR |
|--|--------------------|------|-----------|
|   | House Sales        | ↑    | ↓         |
|  | House Median Price | ↑    | ↑         |
|  | House Rental Price | ↔    | ↑         |
|  | Unit Sales         | ↓    | ↓         |
|  | Unit Median Price  | ↓  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

### MARKET CONDITIONS

#### SALES MEDIAN PRICE Q1 2020



#### SALES AVERAGE DAYS ON MARKET Q1 2020



#### RENTAL MEDIAN PRICE Q1 2020

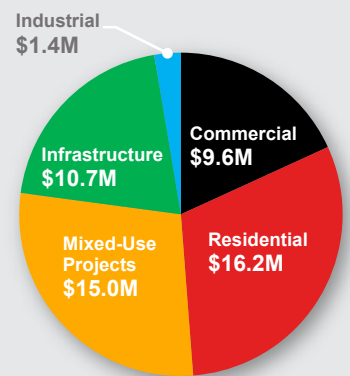


#### RENTAL AVERAGE DAYS ON MARKET Q1 2020



### FUTURE DEVELOPMENTS

Tamworth\* is set to see approximately **\$52.9M** worth of new projects commencing in the 1<sup>st</sup> half of 2020.



These projects will stimulate economic growth and create new employment opportunities in Tamworth\*, which should have a positive spill-over impact on the real estate market.

A main commercial project for the period is Aldi Tamworth (\$6.4M), which will see the construction of the new supermarket. Residential projects such as Moore Creek Road & Glenmore & Jubata Drives Residential Subdivision (\$8.0M, 161 lots) are vital to ensure new dwellings can help answer ongoing demand and keep prices affordable.

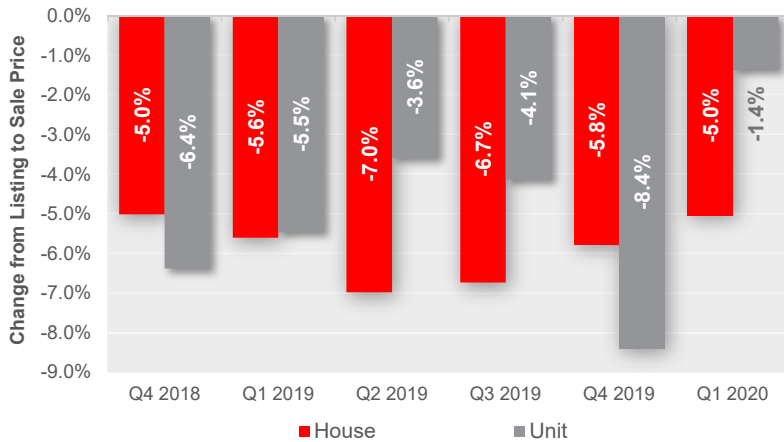


\*Tamworth market data and key indicators encapsulates aggregate property market conditions within the Postcode 2340.  
\*\*Estimated values are based on construction value provided by the relevant data authority and does not reflect commercial and/or re-sale value.  
Source: APM Pricerfinder, Cordell 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.

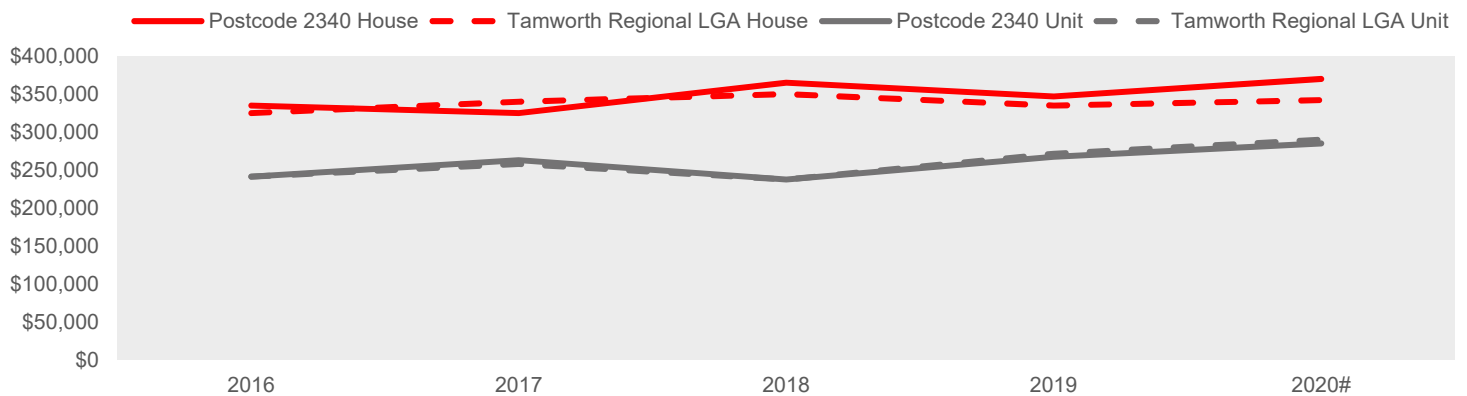
Average vendor discounts between Q1 2019 and Q1 2020 have tightened for both property types, to -5.0% for houses and -1.4% for units. This presents a unique opportunity for both buyers and sellers. Sellers can now achieve final sale prices closer to their first list price, while buyers can still benefit from a discount.



In recent years, Postcode 2340 has outperformed the wider Tamworth Local Government Area (LGA) in its median house price, showing superior performance. This has continued to be the case in 2020<sup>#</sup>, while the unit median price continues to be in largely line the wider Tamworth LGA.

The dominant proportion of homes sold in Tamworth\* across 2019<sup>^</sup> were in the mid-lower price range of \$350,000-\$450,000 (30.2%), while units recorded a dominant lower price point of below \$200,000 (30.3%). This shows Tamworth\* to be a highly affordable market.

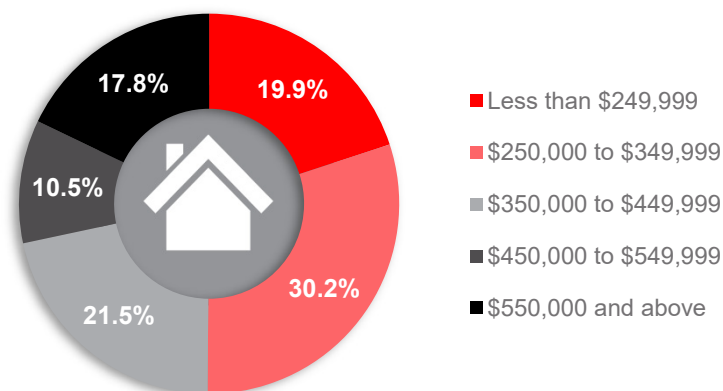
## MARKET COMPARISON



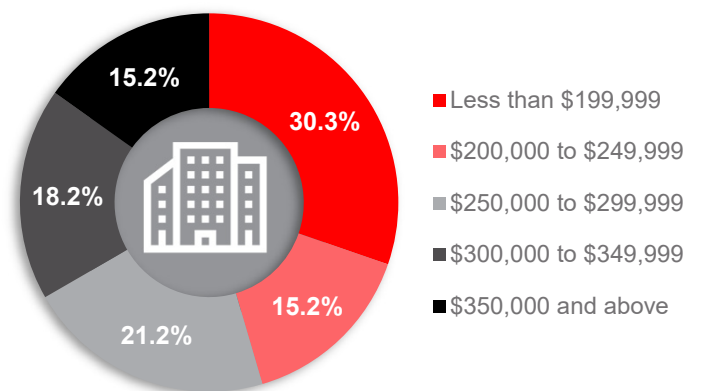
The market comparison graph provides a comparative trend for the median price of houses and units over the past 5 years. The main LGA profiled was chosen based on their proximity to the main suburb analysed, which is Tamworth.

## PRICE BREAKDOWN 2019<sup>^</sup>

### HOUSES SOLD



### UNITS SOLD

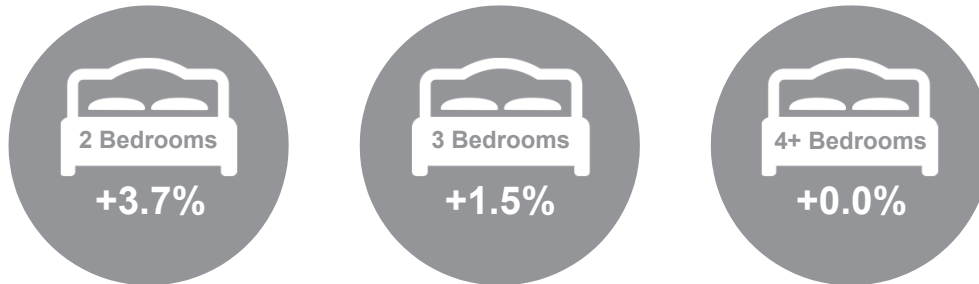


## RENTAL GROWTH 2020\*

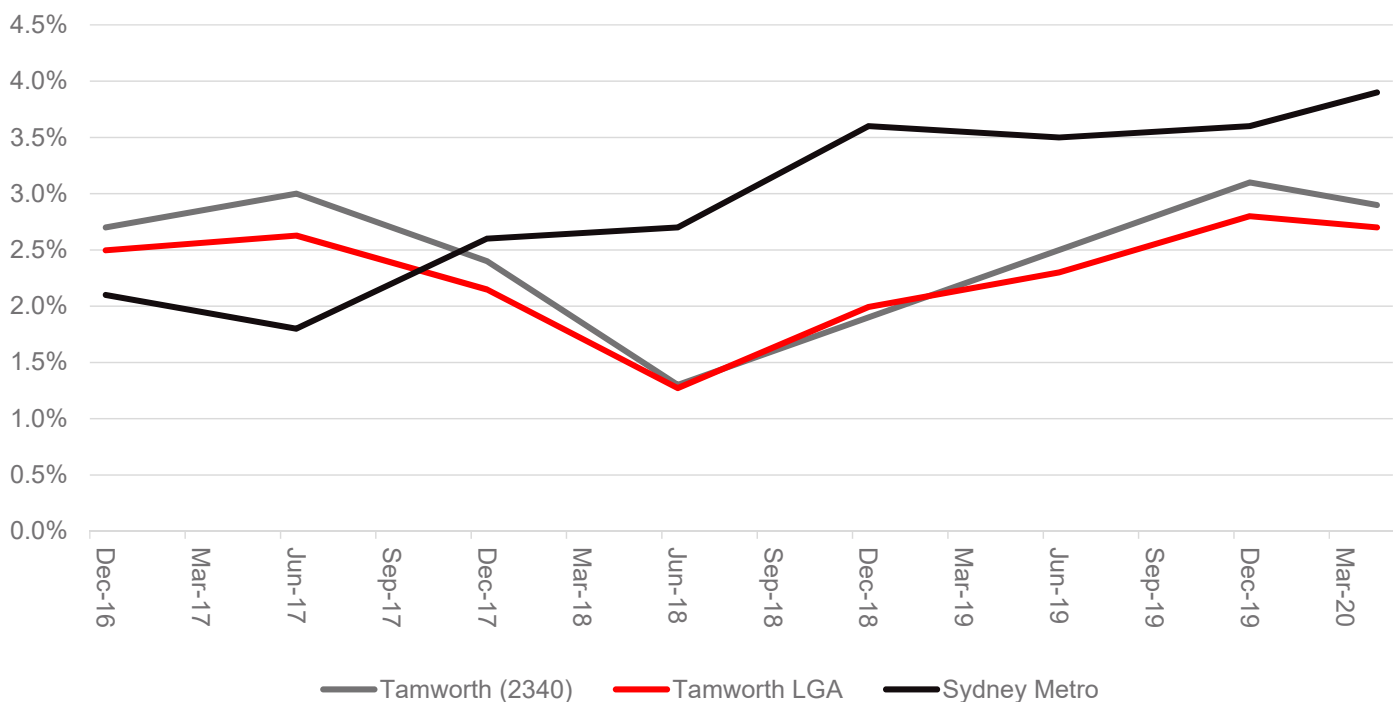
Over the past 12 months, house rental yields in Tamworth increased sharply to reach 5.8% in April 2020. This suggests the house rental market is in quite a healthy position, particularly when compared with the current returns of Sydney Metro (with an average house yield of just 2.5% in April 2020).

2 bedroom houses have provided investors with +3.7% rental growth annually, achieving a median rent of \$350 per week.

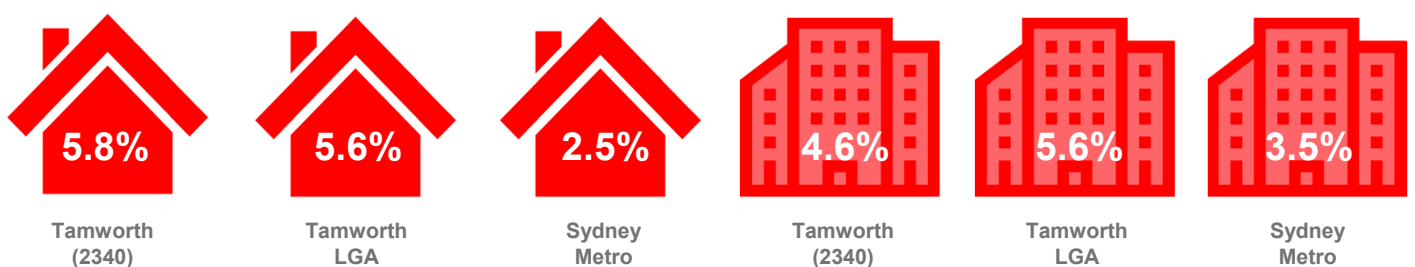
Tamworth recorded a vacancy rate of 2.9% in April 2020. This is quite a positive position for the market, sitting just below the Real Estate Institute of Australia's 3.0% healthy benchmark. Tamworth's vacancy rate is also well below Sydney Metro's vacancy rate of 3.9% (as of April 2020), thus with a lower median sale price compared to Sydney, Tamworth is presented as a stable and affordable investment opportunity.



## RENTAL VACANCY RATES 2020



## RENTAL YIELD 2020^

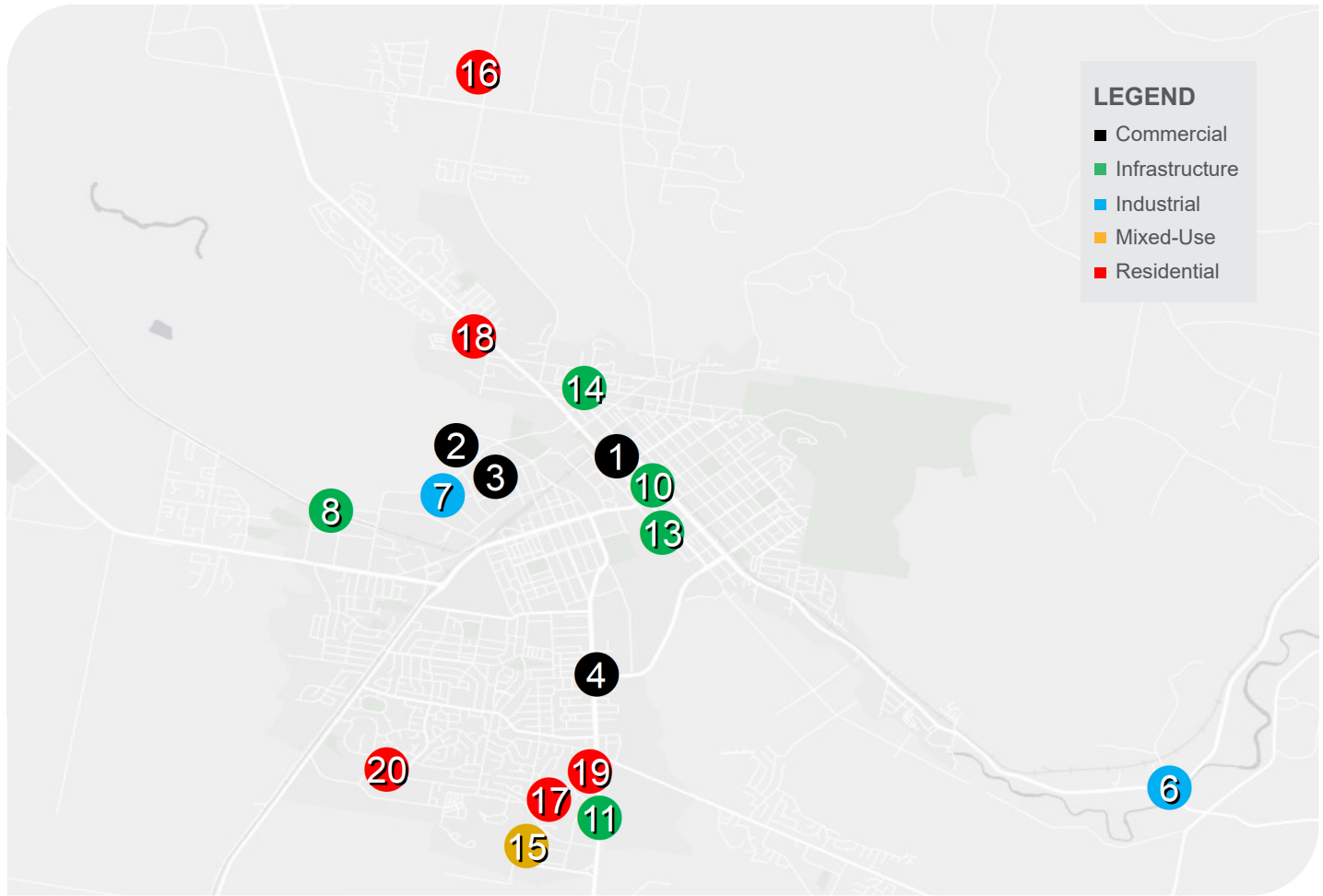


\*Rental performance graph represents aggregate house median rent prices within the Postcode 2340. Annual rental growth is a comparison between 2018 and 2019 house median rent figures.

^Rental yields shown are as reported at April 2020.

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

# PROJECT DEVELOPMENT MAP 1ST HALF 2020\*



| Location | Project**  | Type           | Estimated Value*** | Commence Date**** |
|----------|--|----------------|--------------------|-------------------|
| 1        | Aldi Tamworth  | Commercial     | \$6,403,000        | 15/02/2020        |
| 2        | Storeplan  | Commercial     | \$1,757,000        | 19/02/2020        |
| 3        | Plain Street Freight Transport Facility                                    | Commercial     | \$578,000          | 06/06/2020        |
| 4        | Carls Jr Takeaway Restaurant   | Commercial     | \$500,000          | 09/05/2020        |
| 5        | Gidley Poultry Production Farm   | Commercial     | \$371,000          | 03/02/2020        |
| 6        | Red River Rural Nemingha   | Industrial     | \$1,000,000        | 03/06/2020        |
| 7        | Northwest Frames & Trusses   | Industrial     | \$400,000          | 08/02/2020        |
| 8        | Tamworth Intermodal Rail Terminal  | Infrastructure | \$7,400,000        | 13/06/2020        |
| 9        | Mole River & Dungowan Dams   | Infrastructure | \$800,000          | 26/03/2020        |
| 10       | Legal Aid Office Tamworth  | Infrastructure | \$800,000          | 06/06/2020        |
| 11       | Goonoo Goonoo Road   | Infrastructure | \$500,000          | 15/06/2020        |
| 12       | Lucella Bridge (Garoo Road) & Middlebrook Bridge                           | Infrastructure | \$400,000          | 17/05/2020        |
| 13       | Ray Walsh House  | Infrastructure | \$400,000          | 05/06/2020        |
| 14       | Tamworth Regional Astronomy & Science Centre                               | Infrastructure | \$400,000          | 30/06/2020        |
| 15       | Longyard Drive Mixed Development Site (3 Townhouses)                       | Mixed-use      | \$15,000,000       | 22/04/2020        |
| 16       | Moore Creek Road & Glenmore & Jubata Dr Residential Subdivision (161 Lots) | Residential    | \$8,000,000        | 06/02/2020        |
| 17       | Ainslie Place Dwellings (21 Dwellings)                                     | Residential    | \$3,000,000        | 07/02/2020        |
| 18       | Francis Avenue Dual Occupancy (5 Dual Occupancy)                           | Residential    | \$2,500,000        | 11/05/2020        |
| 19       | Goonoo Goonoo Road Units (10 Units)  | Residential    | \$1,500,000        | 28/02/2020        |
| 20       | Warwick Road Residential Subdivision (54 Lots)                             | Residential    | \$1,200,000        | 25/06/2020        |

## 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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