



# Tumut Market Update 2nd Half 2020



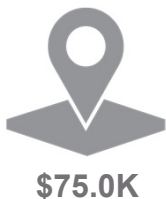
## OVERVIEW

In Q2 2020, Tumut\* recorded a median house price of \$260,000, and a median vacant land price of \$75,000. This represents annual (Q2 2019 – Q2 2020) median price growth of 5.6% for land and a price softening of -6.5% for houses. Between Q2 2019 – Q2 2020 total sales slowed, by -5.5% for houses (to 55 sales) and by -55.6% for land to 4 sales. These conditions are expected due to current COVID-19 limitations. With limited competing stock in the market, buyers must act quickly in Tumut\* to capitalise on its affordability.

|  | 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 2020



### SALES AVERAGE DAYS ON MARKET Q2 2020



### RENTAL MEDIAN PRICE Q2 2020

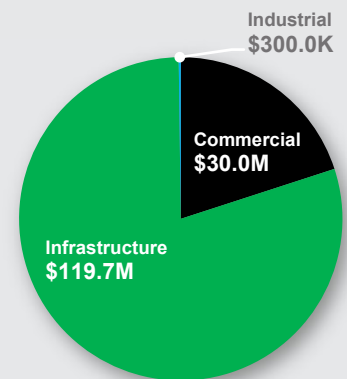


### RENTAL AVERAGE DAYS ON MARKET Q2 2020



## FUTURE DEVELOPMENTS

Tumut\* is set to see approximately **\$90.5M** worth of new projects commencing from 2017 to 2020.



A focus on infrastructure projects will improve liveability for residents and create new jobs during the planning and building phase. Commercial projects will stimulate economic growth, which will have positive a spill-over impact on the real estate market.

A main commercial project over the 2nd half of 2020 is the Gundagai Meat Processor (\$30.0M), which will expand the existing abattoir including chillers, amenities, processing floors, robotics, animal health improvement, and more. The \$70.0M infrastructure project Gocup Road Upgrade saw the realignment of the Halfway Hill and Doctors Hill sections on the Gocup Road, from 16.2 to 22.1 kilometres north of Tumut. As well as this, it also upgraded on a partial section at Cookoomooroo on the Gocup Road 26.3 kilometres to 26.7 kilometres north of Tumut. Infrastructure spending such as this improves access and amenity to local towns for the region, in good news for residents in Tumut\*.

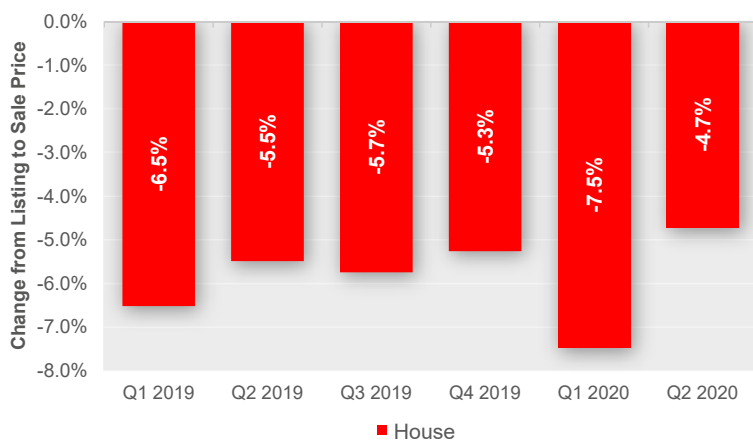
\*Tumut market data and key indicators encapsulates aggregate property market conditions within the suburbs Adelong, Batlow, Tumut, Gundagai and Talbingo.

\*\*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 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.

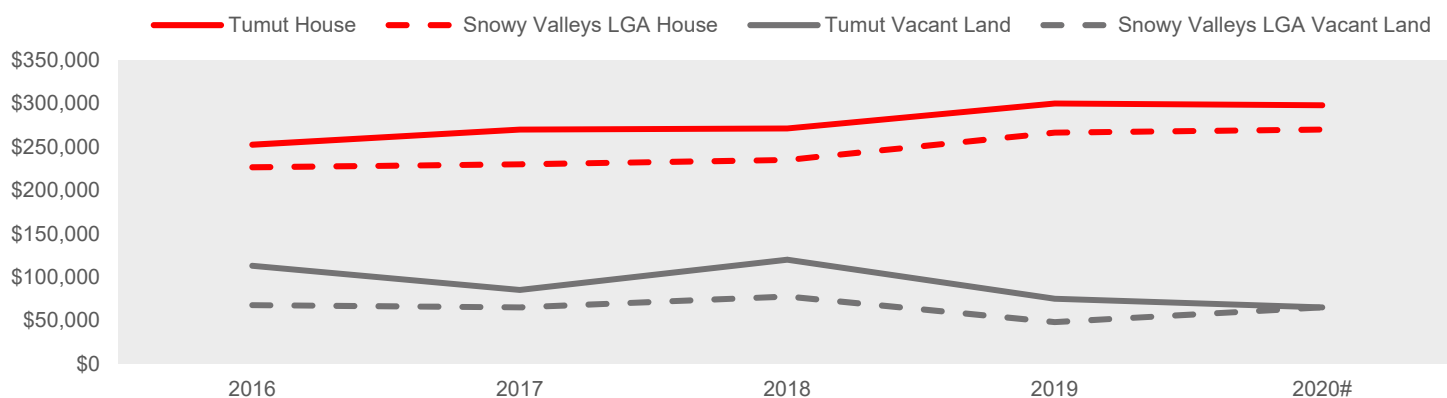
Average vendor discounts between Q2 2019 and Q2 2020 have tightened for houses, to -4.7%. Market conditions in Tumut\* continue to favour buyers overall, as sellers are willing to negotiate below their initial listing price. Now is the time to enter the market.



The suburb of Tumut has historically outperformed the wider Snowy Valleys Local Government Area (LGA) in both house and vacant land median prices. This said, 2020# has seen a return to parity for both property types, slightly more so for vacant land. This suggest there is greater value in Tumut at present than before.

The dominant proportion of homes sold in Tumut\* across 2020^ were in the highest price bracket above \$350,000 (28.7%), however there was also high activity in the more affordable stock below \$200,000 (23.0%). There is a property for every budget in Tumut\*, which is good news for first home buyers.

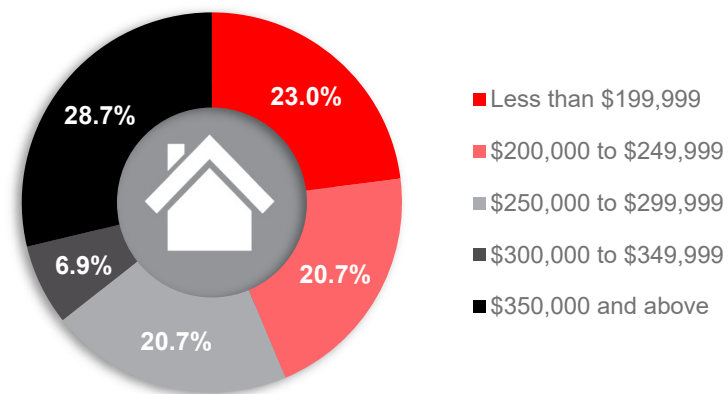
## MARKET COMPARISON



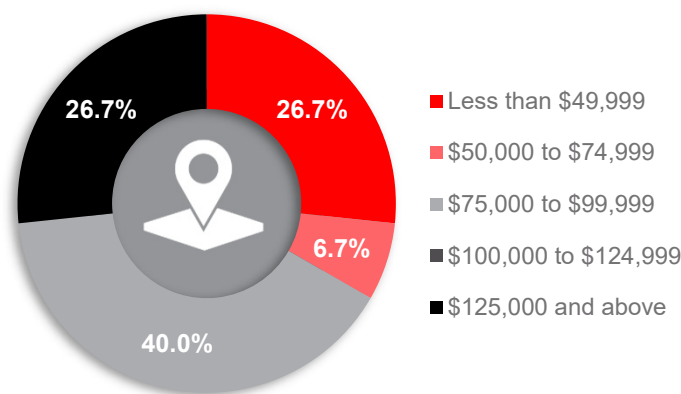
The market comparison graph provides a comparative trend for the median price of houses and units over the past 5 years. The main LGA profiled was chosen based on their proximity to the main suburb analysed, which is Tumut.

## PRICE BREAKDOWN 2020^

### HOUSES SOLD



### VACANT LAND SOLD



## RENTAL GROWTH 2020\*

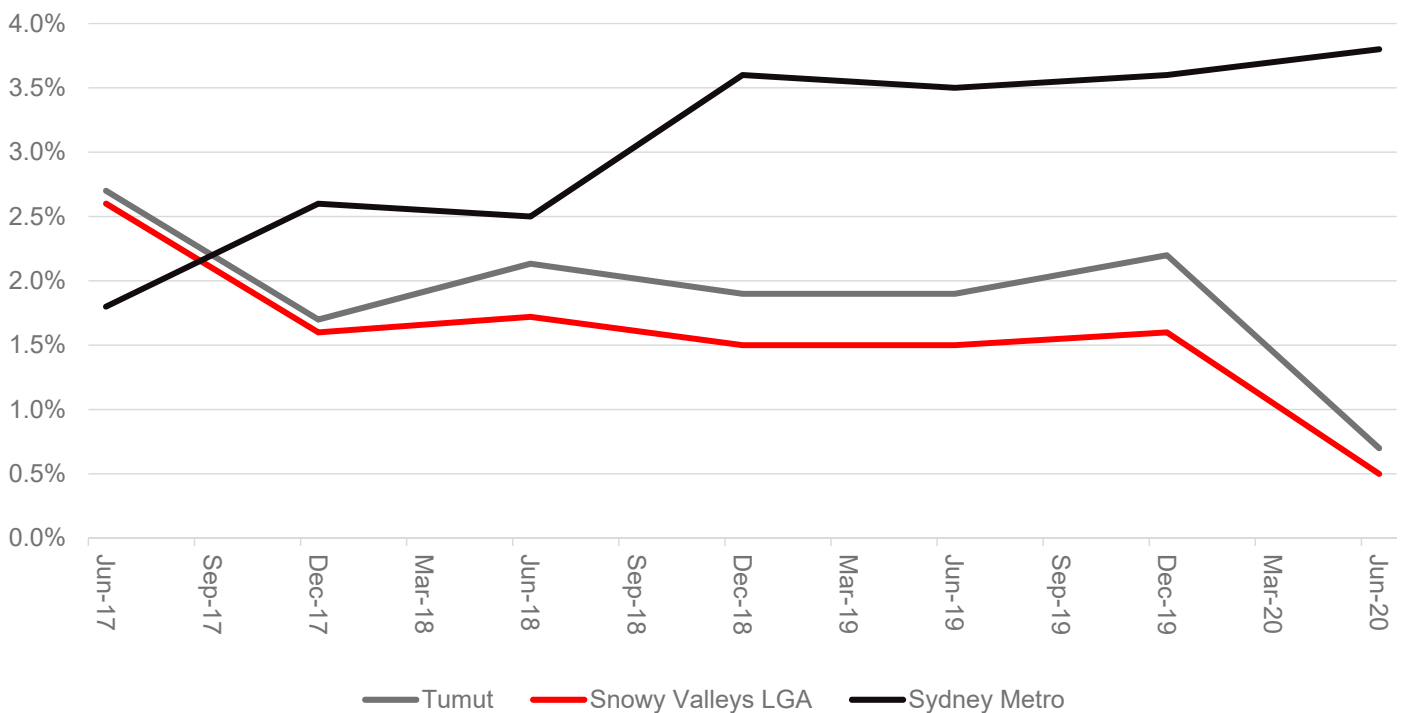
Over the past 12 months, house rental yields in Tumut remained steady, to sit at 4.8% in June 2020. This suggests the house rental market is in a healthy position, particularly when combined with the -3.9% decline in average days to rent, to 19 days in the 12 months to Q2 2020.

4+ bedroom houses provided investors with +13.5% rental growth annually, achieving a median rent of \$420 per week.

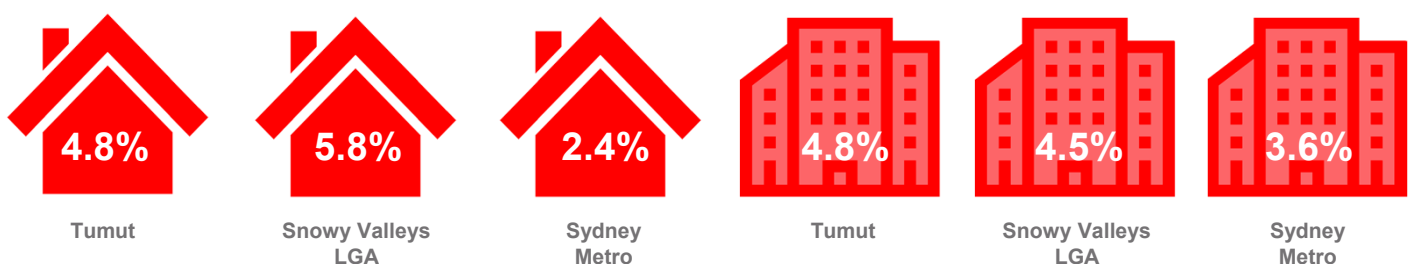
Tumut recorded an extremely tight vacancy rate of 0.7% in June 2020. Vacancy rates in Tumut have shown a declining trend in the past three years, and an even sharper decline since December 2019. This is quite unexpected given the rental market expectations due to COVID-19. Vacancy rates in Tumut are well below Sydney Metro's 3.8% average. This confirms there is a healthy rental demand in Tumut and a conducive environment for investment.



## RENTAL VACANCY RATES 2020

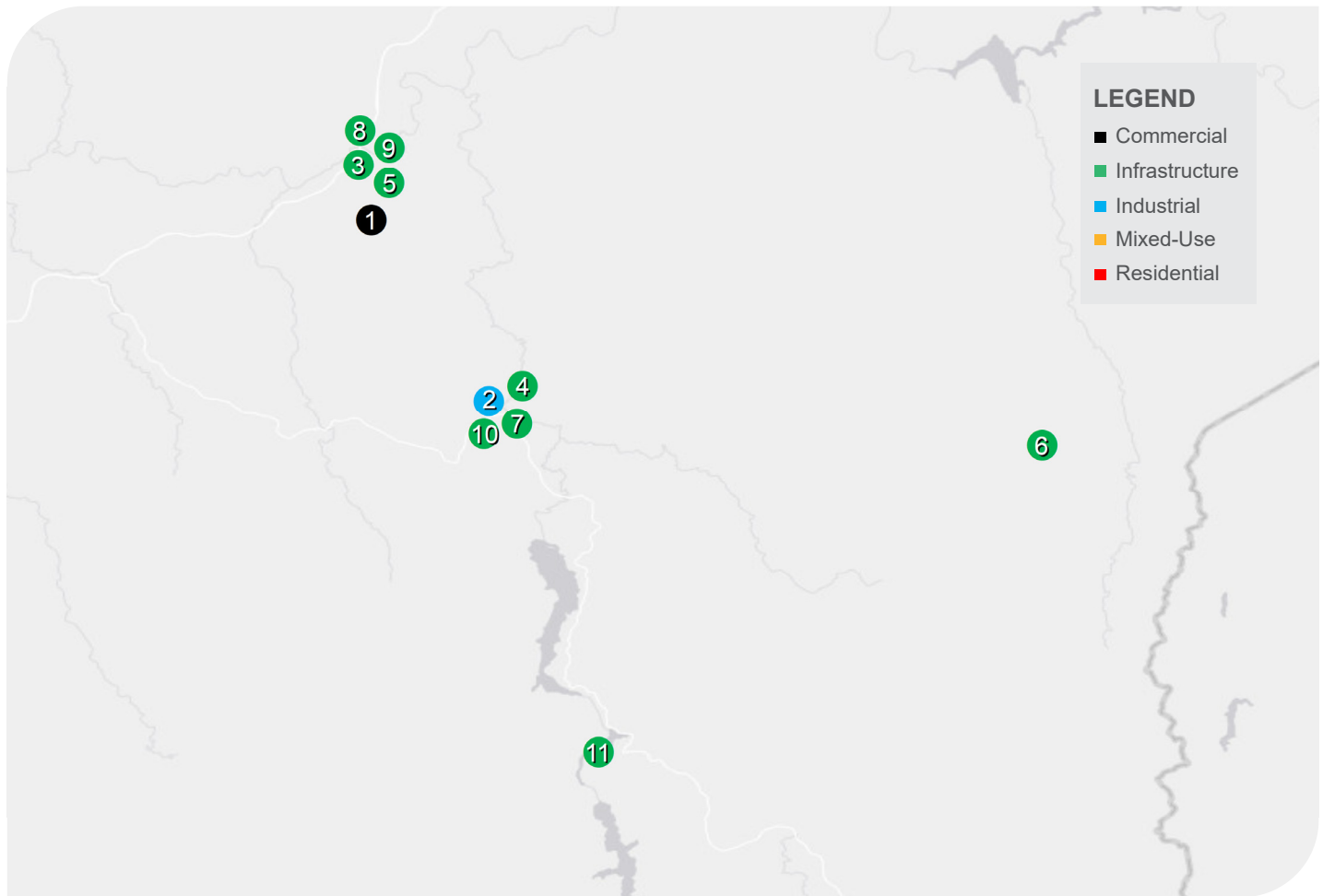


## RENTAL YIELD 2020^



\*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 1H 2019 (01/01/2019 – 30/06/2019) and 1H 2020 (01/01/2020 – 30/06/2020) house median rent figures. ^Rental yields shown are as reported at June 2020.  
Source: APM Pricerfinder, SQM Research. © Copyright PRD 2020.

# PROJECT DEVELOPMENT MAP 2017 – 2020\*



| Location | Project**  | Type           | Estimated Value*** | Commence Date**** |
|----------|--|----------------|--------------------|-------------------|
| 1        | Gundagai Meat Processor                            | Commercial     | \$30,000,000       | 20/02/2017        |
| 2        | Carey Street Shed                                  | Industrial     | \$300,000          | 04/08/2017        |
| 3        | Gocup Road Upgrade                                 | Infrastructure | \$70,000,000       | 25/09/2017        |
| 4        | Tumut District Hospital                            | Infrastructure | \$40,000,000       | 10/02/2020        |
| 5        | Gocup Road Upgrade                                 | Infrastructure | \$7,000,000        | 16/08/2017        |
| 6        | Brindabella Road                                   | Infrastructure | \$500,000          | 15/06/2019        |
| 7        | Snowy Valleys Council Sprayed Bituminous Surfacing | Infrastructure | \$500,000          | 02/12/2019        |
| 8        | Hume Highway Culvert                               | Infrastructure | \$500,000          | 29/08/2020        |
| 9        | Hume Highway Culvert                               | Infrastructure | \$500,000          | 28/08/2020        |
| 10       | Tumut Main Street Roadworks                        | Infrastructure | \$386,000          | 20/05/2020        |
| 11       | Khancoban & Talbingo Public Areas                  | Infrastructure | \$329,000          | 07/09/2019        |

## 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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