



# Tumbarumba Market Update 2nd Half 2020



## OVERVIEW

In H1 2020, Tumbarumba\* recorded a median house price of \$227,500, and a median vacant land price of \$65,000. This represents annual (H1 2019 – H1 2020) median price growth of 24.3% for houses and of 41.3% for land. During H1 2019 – H1 2020 total sales slowed, by -40.0% for houses (to 15 sales) and by -81.3% for land (to just 3 sales). Slowing in sales activity is expected due to COVID-19, however median price growth recorded during this time suggest the strong value of properties in the area, and potentially pent-up demand.

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

## MARKET CONDITIONS

### SALES MEDIAN PRICE H1 2020



### SALES AVERAGE DAYS ON MARKET H1 2020



### RENTAL MEDIAN PRICE H1 2020

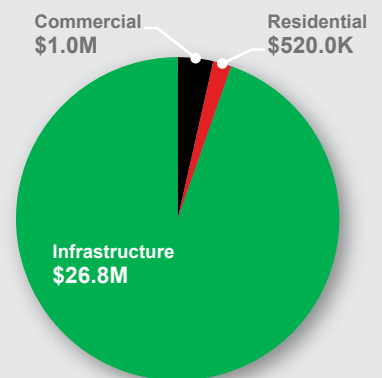


### RENTAL AVERAGE DAYS ON MARKET H1 2020



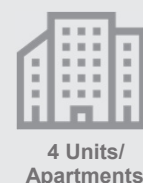
## FUTURE DEVELOPMENTS

Tumbarumba\* is set to see approx. **\$28.3M** worth of new projects commencing between 2016 and 2020.



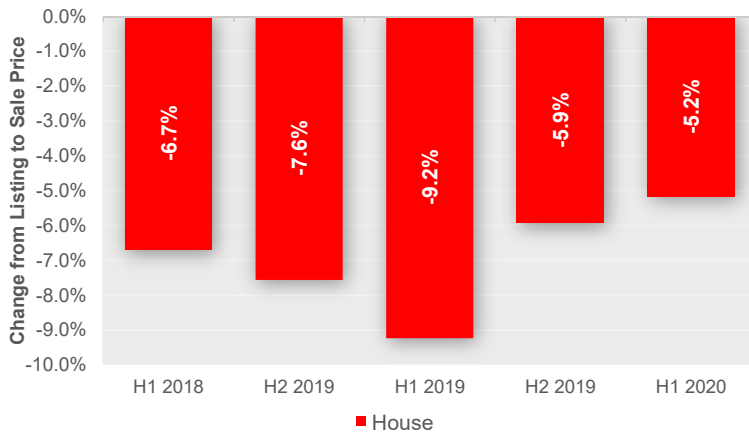
A dominant focus on infrastructure projects in Tumbarumba\* will improve lifestyle benefits to residents and tourists alike, as well as attract more business into the area. The construction phase will create new job opportunities, which is likely to have a positive spill-over effect on the local property market.

A main infrastructure project is the Tumbarumba Multipurpose Services (MPS) (\$15.2M), which will refurbish and extend the existing facility. Key focuses of the MPS include aged care, the emergency department, and community health area. Recent commercial activity includes the \$1.0M Essential Energy Depots, which oversaw the upgrading of depots and pole yards in Tumut and Tumbarumba. Winton Street Units (\$520.0K, 4 units) is the only residential project, thus there is potential for further development in this sector.



## 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.



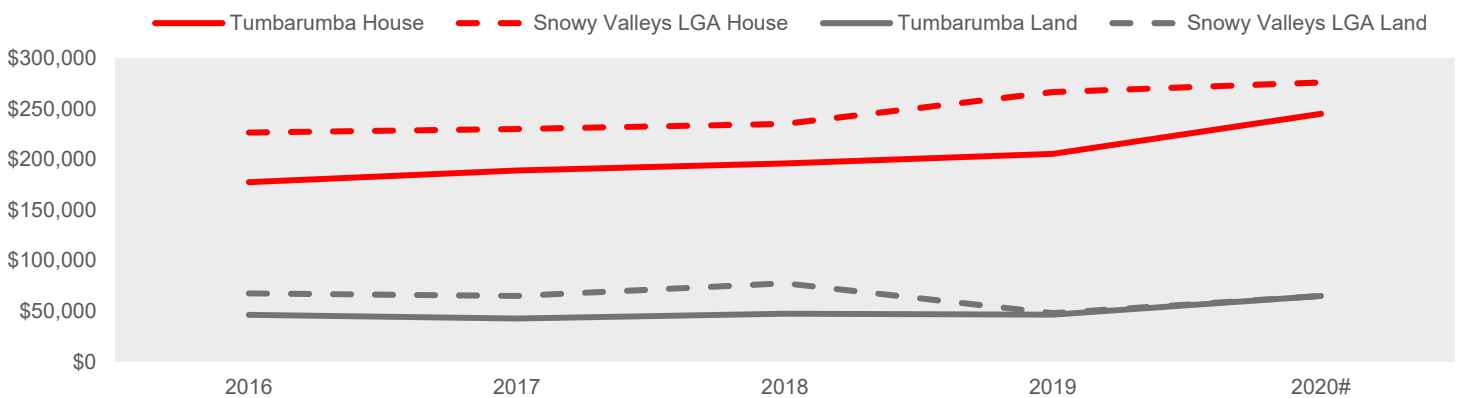
## KEY COMMENTS

Average vendor discounts between H1 2019 and H2 2020 have tightened for houses, to -5.2%. Market conditions in Tumbarumba\* offers an opportunity to both parties. Sellers can now achieve final sale prices closer to their first list asking price. That said with the discounts available, now is the time to enter the market.

The suburb of Tumbarumba has historically offered greater value when compared to the wider Snowy Valleys Local Government Area (LGA), particularly in its median house prices. This continues in 2020#, though there is higher price growth in the suburb.

The dominant portion of homes sold in Tumbarumba\* across 2020^ were in the lowest price bracket below \$200,000 (35.7%). Land also recorded a dominance in the lowest price bracket, of below \$100,000 (66.7%). Now is an ideal time to purchase affordably priced stock in Tumbarumba\*.

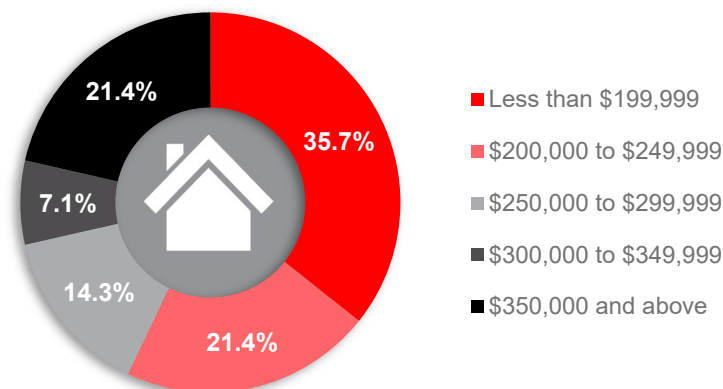
## MARKET COMPARISON



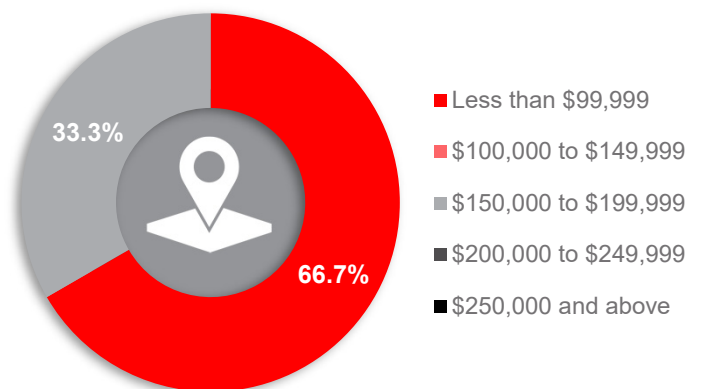
The market comparison graph provides a comparative trend for the median price of houses and vacant land over the past 5 years. The main LGA profiled was chosen based on their proximity to the main suburb analysed, which is Tumbarumba.

## PRICE BREAKDOWN 2020^

### HOUSES SOLD



### VACANT LAND SOLD



## RENTAL GROWTH 2020€

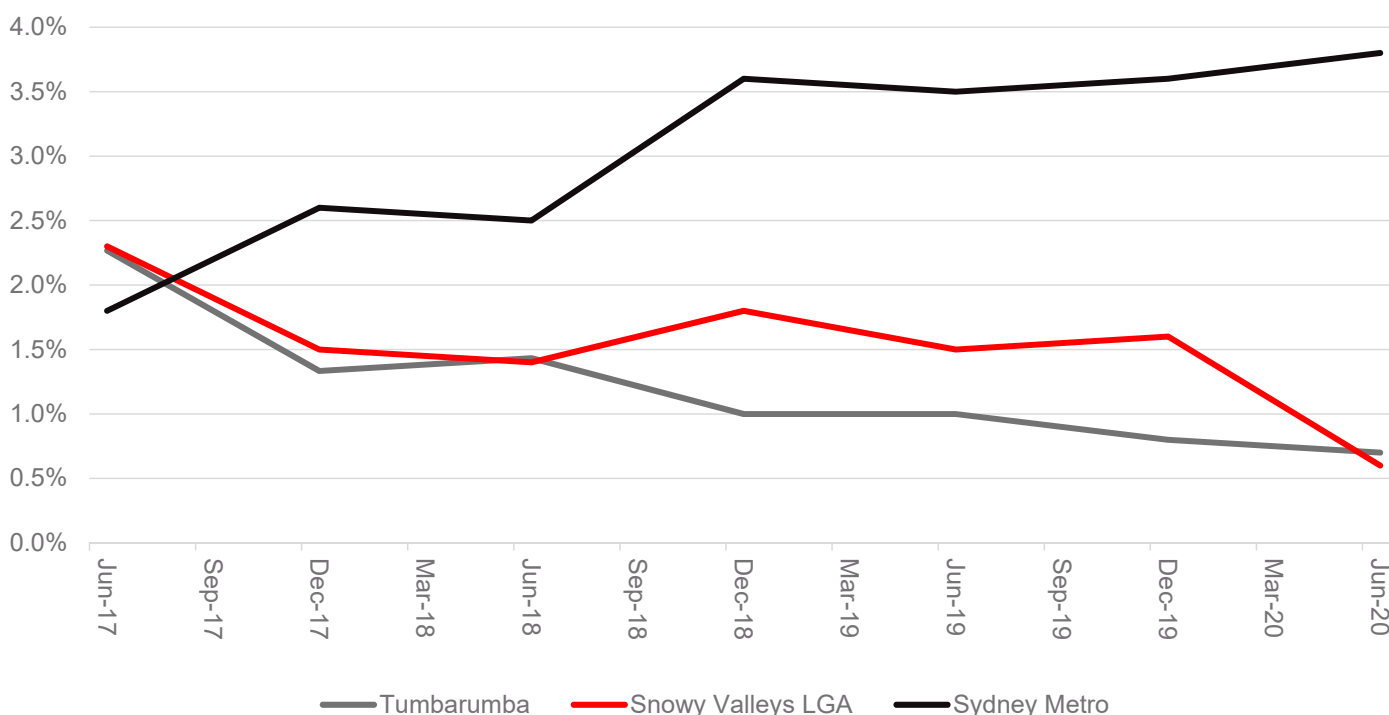
Over the past 12 months, house rental yields in Tumbarumba<sup>‡</sup> increased strongly to reach 7.1% in June 2020. This suggests the house rental market is in a healthy position, particularly when combined with the -28.3% decline in the average days to let a house rental property, to 21 days in the 12 months to Q2 2020.

3 bedroom houses have provided investors with +19.2% rental growth annually, achieving a median rent of \$295 per week.

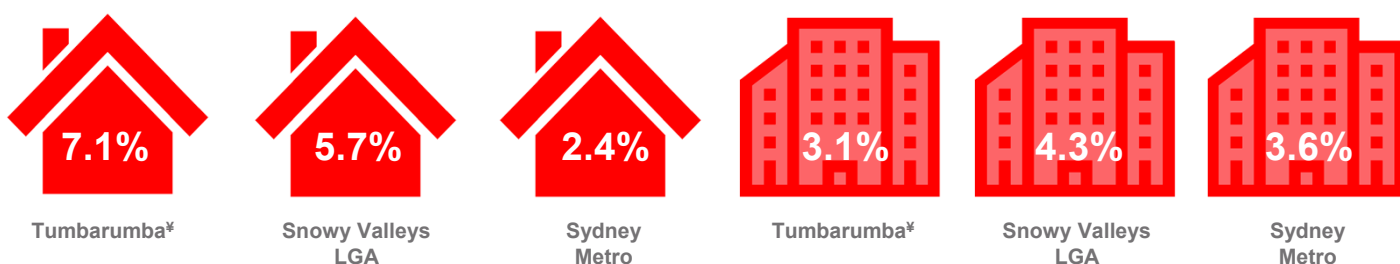
Tumbarumba<sup>‡</sup> recorded an extremely low vacancy rate of 0.7% in June 2020. Vacancy rates in Tumbarumba<sup>‡</sup> have been on a declining trend since June 2017, which continued after December 2019 during COVID-19 conditions. This is quite the opposite to Sydney Metro, and is positioned well below Sydney Metro's 3.8% average. This confirms there is a healthy rental demand in Tumbarumba<sup>‡</sup>, and a conducive environment for investors.



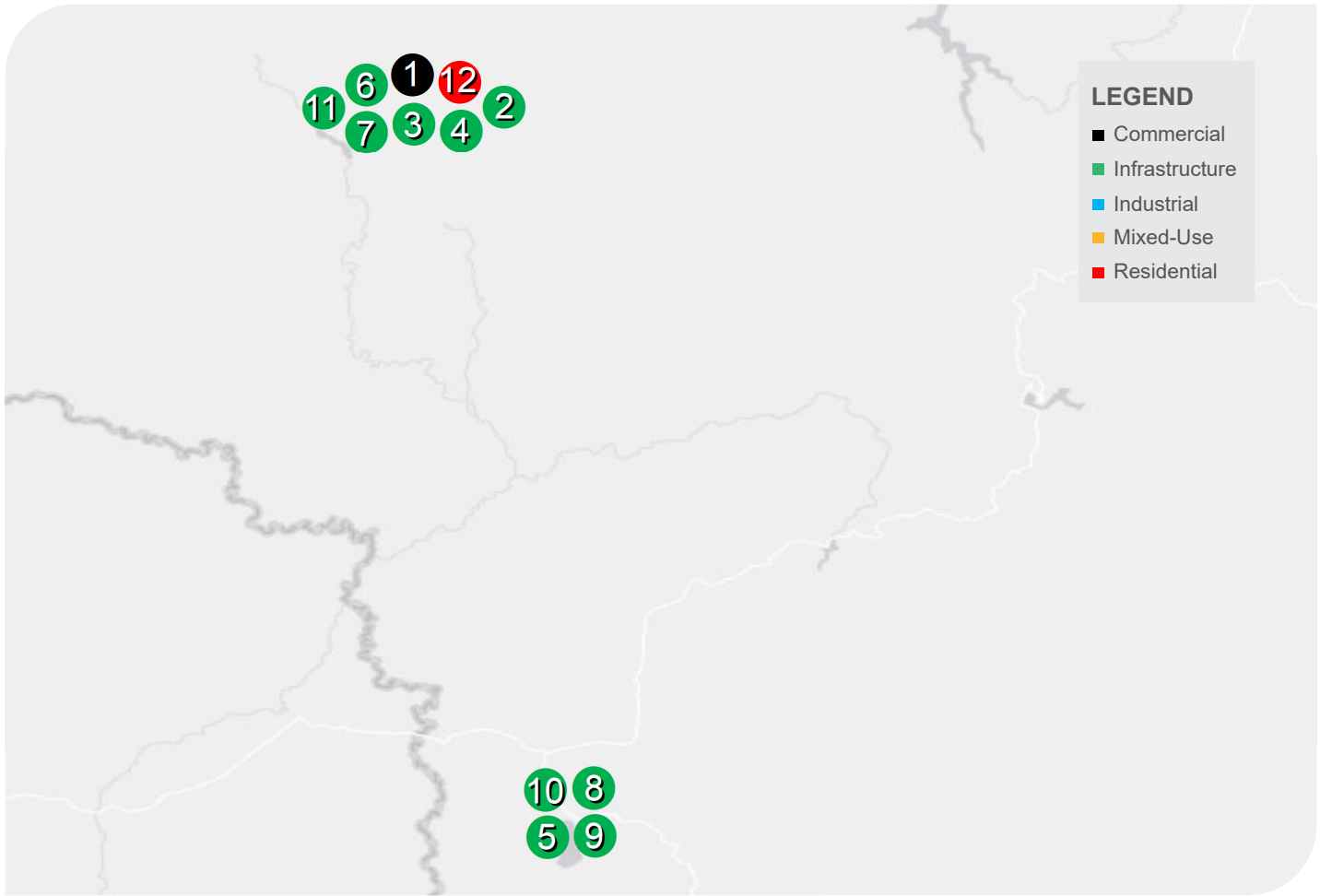
## RENTAL VACANCY RATES 2020



## RENTAL YIELD 2020\$



# PROJECT DEVELOPMENT MAP 2016 – 2020<sup>Ⓐ</sup>



Location	Project <sup>£</sup>	Type	Estimated Value <sup>Ⓜ</sup>	Commence Date <sup>Ⓜ</sup>
1	Essential Energy Depots	Commercial	\$1,000,000	29/04/2019
2	Tumbarumba Multipurpose Services (MPS)	Infrastructure	\$15,200,000	08/01/2018
3	Tooma Road	Infrastructure	\$3,311,000	29/05/2017
4	Tumbarumba Retirement Village - Overall Project	Infrastructure	\$2,200,000	22/04/2016
5	Snowy Valleys Council Sewer Rehabilitation	Infrastructure	\$2,000,000	06/09/2018
6	Tumbarumba To Rosewood Rail Trail Bridges	Infrastructure	\$1,319,000	06/04/2020
7	Tumbarumba Retirement Villages	Infrastructure	\$900,000	25/07/2016
8	Risk Reduction Works KNP5	Infrastructure	\$720,000	21/03/2016
9	MR677 Alpine Way Slope	Infrastructure	\$577,000	02/05/2020
10	Khancoban Rose Garden	Infrastructure	\$300,000	01/10/2018
11	Tumbarumba Creekscape	Infrastructure	\$250,000	05/11/2018
12	Winton Street Units	Residential	\$520,000	23/10/2017

## 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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# REFERENCES

\* Tumbarumba market data and key indicators encapsulates aggregate property conditions within the suburbs Tumbarumba, Khancoban, Rosewood, Humula, Jingellic and Laurel Hill.

\*\* Estimated values are based on construction value provided by the relevant data authority and does not reflect commercial and/or re-sale value.

# 2020 encapsulates sales transactions for 1H 2020 (01/01/2020 – 30/06/2020) only.

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€ 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.

¥ Tumbarumba market data encapsulates aggregate property conditions within the Postcodes 2642, 2649, 2652, and 2653.

§ Rental yields shown are as reported at June 2020.

⌘ 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 suburbs Tumbarumba, Khancoban, Rosewood, Humula, Jingellic and Laurel Hill.

μ Estimated value is the value of construction costs provided by relevant data authority, it does not reflect the project's sale/commercial value.

ψ Commencement date quoted for each project is an approximate only, as provided by the relevant data authority, PRD does not hold any liability to the exact date.

Source: APM Pricerfinder, Cordell Connect database, SQM Research, ESRI ARCGIS.

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