



# Tamworth Market Update

## 2nd Half 2020



### OVERVIEW

In Q3 2020, Tamworth\* recorded a median house price of \$350,000, and a median unit price of \$270,000. This represents annual (Q3 2019 – Q3 2020) median price growth of 2.9% for houses and 18.7% for units. Between Q3 2019 – Q3 2020 total sales increased, by 38.9% for houses (to 282 sales) and by 110.0% for units (to 21 sales). Median price growth and increased sales activity suggest real capital growth in the area, in contrast to general COVID-19 predictions. This indicates high market resilience in Tamworth\*, thus creating an ideal market for real estate transactions.

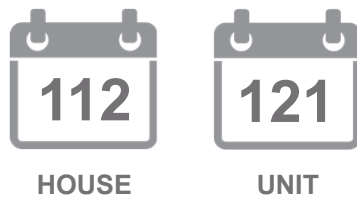
	CHANGE FROM LAST	YEAR	HALF YEAR
	House Sales	↑	↑
	House Median Price	↑	↓
	House Rental Price	↓	↔
	Unit Sales	↑	↑
	Unit Median Price	↑	↓
	Unit Rental Price	↑	↓

### MARKET CONDITIONS

#### SALES MEDIAN PRICE Q3 2020



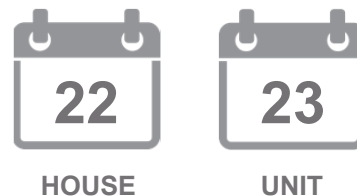
#### SALES AVERAGE DAYS ON MARKET Q3 2020



#### RENTAL MEDIAN PRICE Q3 2020

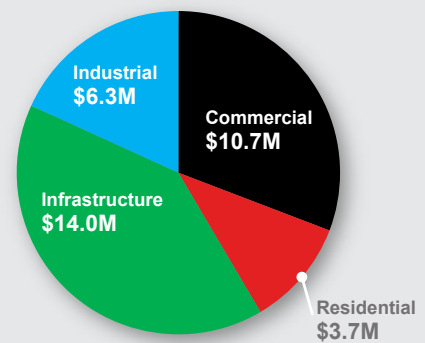


#### RENTAL AVERAGE DAYS ON MARKET Q3 2020



### FUTURE DEVELOPMENTS

Tamworth\* is set to see approximately **\$34.8M** worth of new projects commence in the 2nd half of 2020.



A healthy balance of industrial, infrastructure, and commercial projects will stimulate economic growth and create new employment opportunities in Tamworth\*. This will have a positive impact on the real estate market.

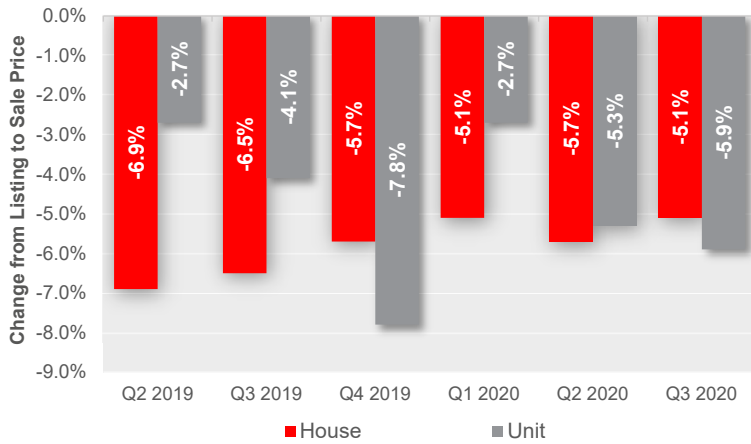
A main commercial project over the 2nd half of 2020 is the \$6.3M Greg Norman Drive Manufactured Home Estate, which will create a bowling green, clubhouse and 99 dwellings. Key infrastructure includes the Tamworth Intermodal Rail Terminal which will cater for 900m long trains to allow growth in container freight. Key residential projects include: Wise Street Dwellings (\$1.3M, 8 dwellings) and Upper Street Townhouses (\$1.2M, 3 townhouses). Warwick Road Residential Subdivision (\$1.2M, 54 lots), will allow first home buyers to enter the market by accessing multiple government grants.



# 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.

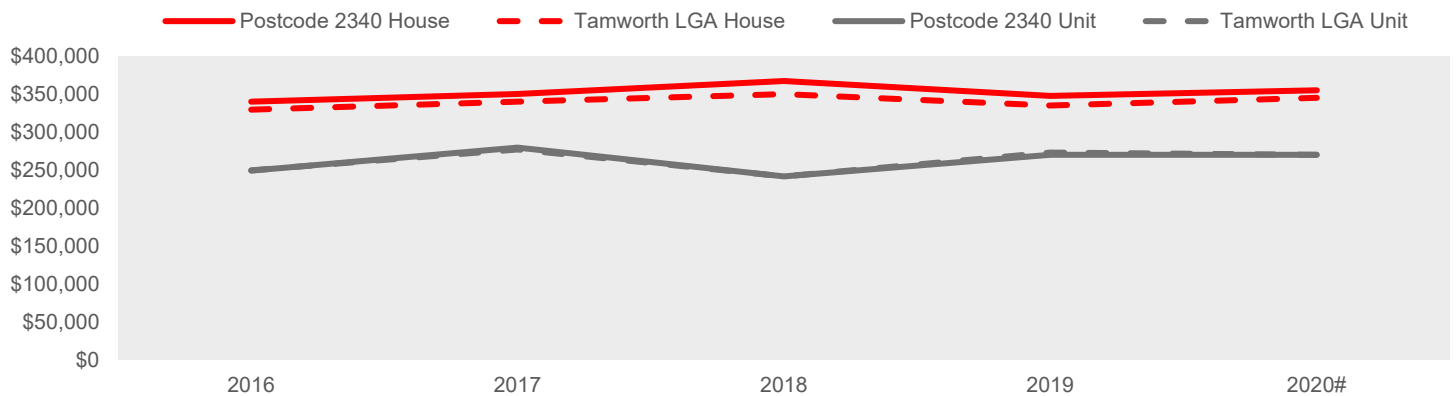
Average vendor discounts between Q3 2019 and Q3 2020 have tightened for houses, to -5.1%, while units have slightly widened, to -5.9%. Market conditions in Tamworth\* continue to favour buyers overall, as sellers are willing to negotiate below their initial listing price. Now is the time to enter the market.



Postcode 2340 has historically performed very closely to the wider Tamworth Local Government Area (LGA) in both house and unit median prices. This continues to be the case throughout 2020#.

The dominant proportion of homes sold in Tamworth\* across 2020^ were in the middle-range price bracket of \$250,000-\$350,000 (27.8%), while units recorded a dominant middle-range price point \$250,000-\$300,000 (29.8%). Overall there is relatively equal percentages of sales in the lowest to middle range price brackets for both property types, which is good news for buyers.

## MARKET COMPARISON

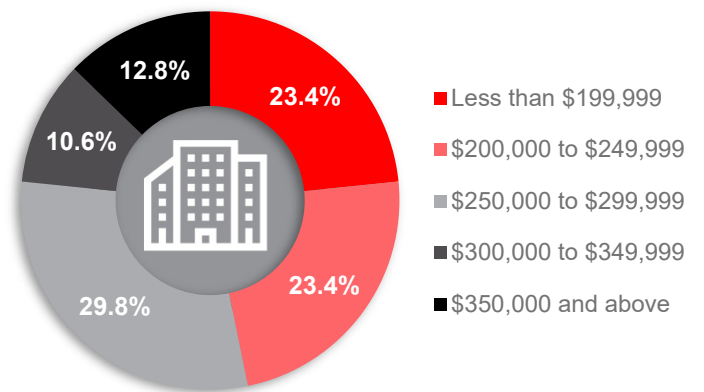
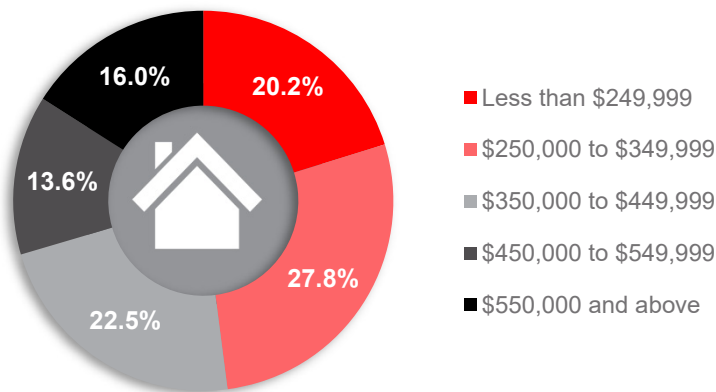


The market comparison graph provides a comparative trend for the median price of houses and units over the past 5 years. The main LGA profiled was chosen based on its proximity to the main suburb analysed, which Postcode 2340.

## PRICE BREAKDOWN 2020^

### HOUSES SOLD

### UNITS SOLD



## RENTAL GROWTH 2020€

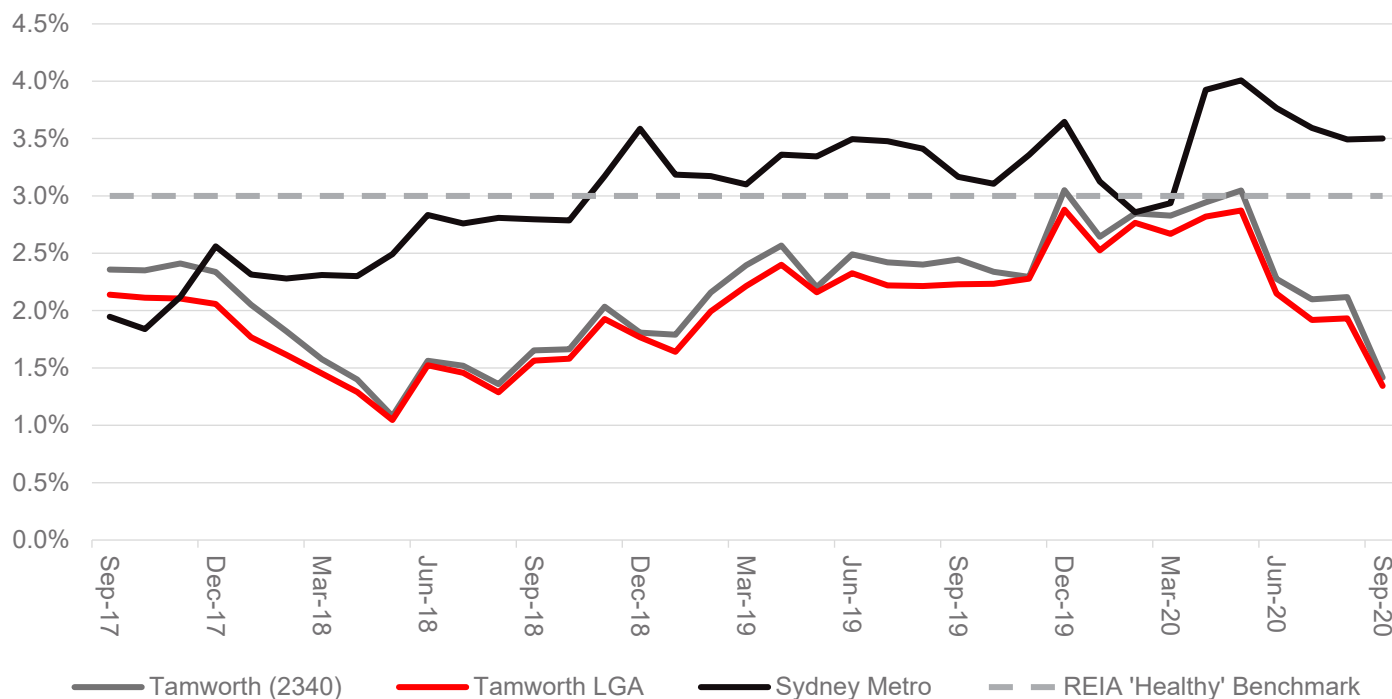
In September 2020, house rental yields in Tamworth\* were recorded at 4.3%. In the 12 months to Q3 2020, the median house rental price has seen a very minor softening to sit at \$340 per week, however average days on the market declined by -24.1% (to 22 days). Overall this suggests quite a resilient rental market in Tamworth\* throughout COVID-19.

4+ bedroom houses have provided investors with +2.5% rental growth annually, achieving a median rent of \$410 per week.

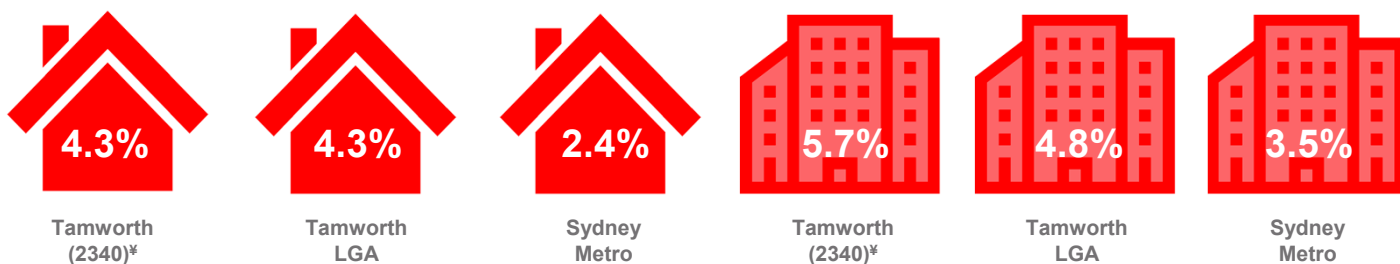
Also in September 2020, Tamworth\* recorded a low vacancy rate of 1.4%, on-par with Tamworth LGA (1.3%) and well below Sydney Metro (3.5%). Vacancy rates in Tamworth\* remain well below the Real Estate Institute of Australia's healthy benchmark of 3.0%, and continuing on a declining trend even amidst COVID-19 conditions. There is an ongoing healthy level of rental demand, and investors can be confident of a conducive investment environment in Tamworth\*.



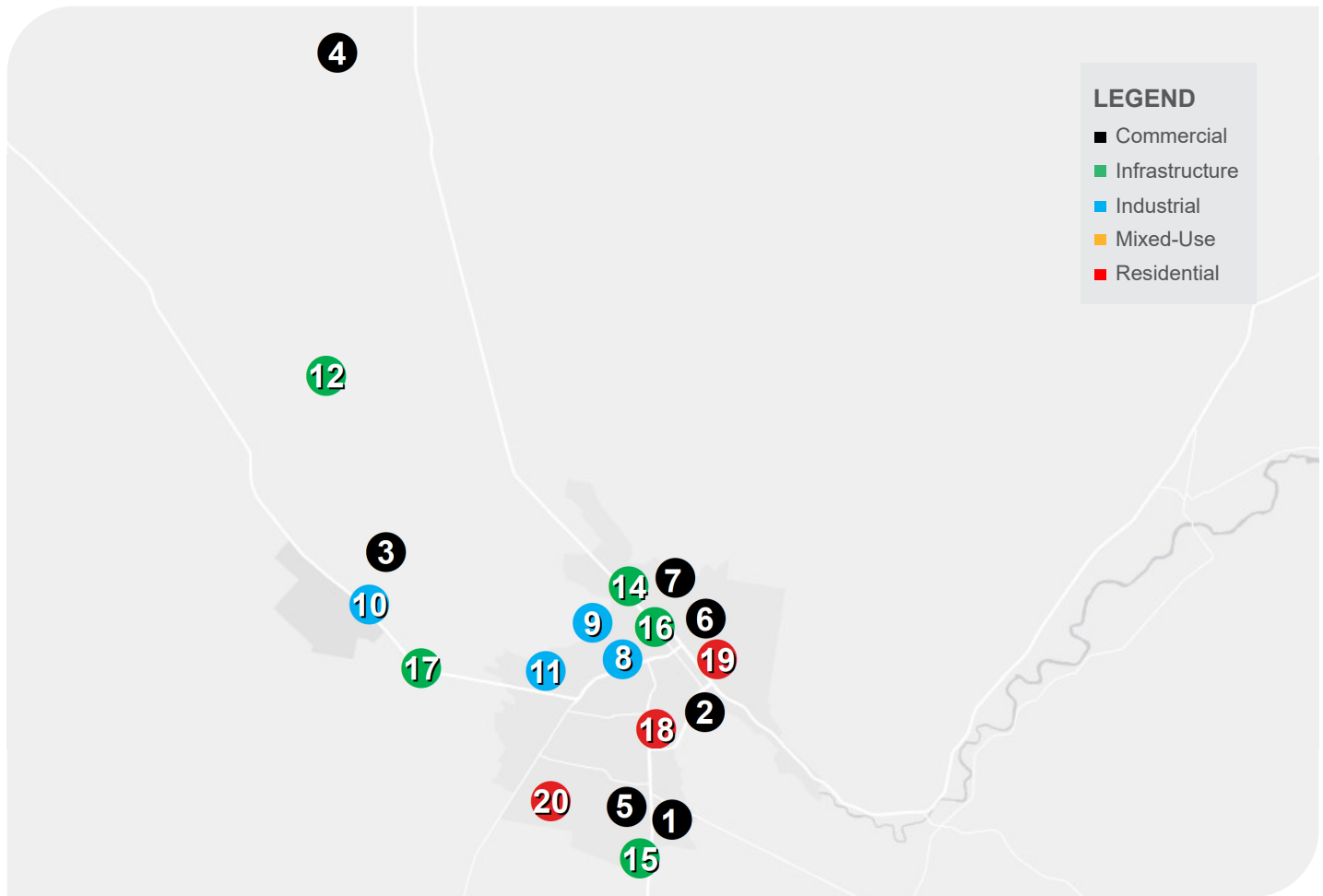
## RENTAL VACANCY RATES 2020



## RENTAL YIELD 2020\$



# PROJECT DEVELOPMENT MAP 2ND HALF 2020\*



Location	Project <sup>£</sup>	Type	Estimated Value <sup>µ</sup>	Commence Date <sup>ψ</sup>
1	Greg Norman Drive Manufactured Homes Estate	Commercial	\$6,253,000	31/10/2020
2	Taco Bell Tamworth	Commercial	\$1,200,000	06/08/2020
3	Teys Australia Tamworth	Commercial	\$1,200,000	06/12/2020
4	Appleby Lane Production Facility	Commercial	\$800,000	04/07/2020
5	Zarrafra's Coffee	Commercial	\$615,000	23/11/2020
6	Bourke Street Commercial Building	Commercial	\$350,000	01/09/2020
7	Dean Street Health Consulting Rooms	Commercial	\$300,000	27/09/2020
8	Plain Street Industrial Retail Building	Industrial	\$3,000,000	16/11/2020
9	Jewry Street & Curtiss Close Vehicle Dealership	Industrial	\$2,350,000	02/11/2020
10	Goddard Industrial Park	Industrial	\$700,000	21/12/2020
11	East West Place Industrial Building	Industrial	\$280,000	08/09/2020
12	Tamworth Intermodal Rail Terminal	Infrastructure	\$7,400,000	13/09/2020
13	Dungowan Pipeline	Infrastructure	\$4,000,000	14/09/2020
14	Tamworth Regional Astronomy & Science Centre	Infrastructure	\$1,062,000	01/07/2020
15	Northern Inland Centre Of Sporting Excellence	Infrastructure	\$600,000	07/07/2020
16	Youth Training Cafe Viaduct Park	Infrastructure	\$500,000	28/09/2020
17	Oxley Highway & Country Road Street Lighting Works	Infrastructure	\$450,000	08/12/2020
18	Wise St Dwellings (8 Dwellings)	Residential	\$1,300,000	16/09/2020
19	Upper Street Townhouses (3 Townhouses)	Residential	\$1,227,000	15/10/2020
20	Warwick Road Residential Subdivision (54 Lots)	Residential	\$1,200,000	25/09/2020

## 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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# REFERENCES

\* Tamworth market data and key indicators encapsulates aggregate property market conditions within 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.

# 2020 encapsulates sales transactions for 2020 (01/01/2020 – 30/09/2020) only.

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€ Annual rental growth is a comparison between 2019 (01/01/2019 – 30/06/2019) and 2020 (01/01/2020 – 30/09/2020) house median rent figures.

¥ Tamworth market data encapsulates aggregate property conditions within Postcode 2340.

§ Rental yields shown are as reported at September 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 Postcode 2340.

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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