



Tumbarumba Market Update 2nd Half 2021



OVERVIEW

In H1 2021, Tumbarumba* recorded a median house price of \$275,000, and a median vacant land price of \$55,000. This represents annual (H2 2020 – H2 2021) median price increase of 25.0% for houses and no price change for vacant land (0.0%). Between H2 2020 – H2 2021 total sales increased, by 100.0% for houses (to 48 sales) and by 275.0% for land (to 15 sales). Median house price growth and higher sales suggests market resilience. There has been a higher demand for vacant land, which resulted in higher affordability. First home buyers looking to build their home can benefit from this opportunity.

	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 2021



SALES AVERAGE DAYS ON MARKET H1 2021



RENTAL MEDIAN PRICE H1 2021

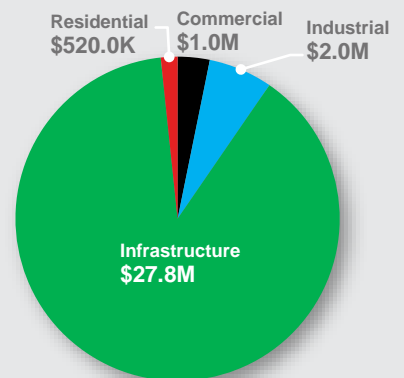


RENTAL AVERAGE DAYS ON MARKET H1 2021



FUTURE DEVELOPMENTS

Tumbarumba* is set to see approx. **\$31.3M** worth of new projects commence between 2016 and the 2nd half of 2021.



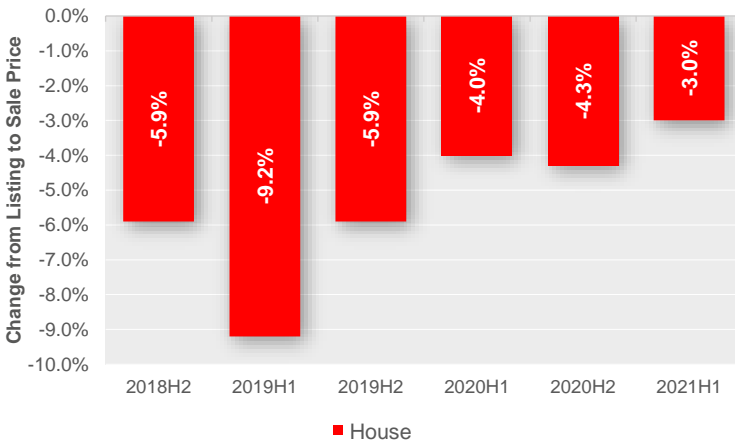
A dominant focus on infrastructure projects in Tumbarumba* has and will create added benefits for residents, whilst attracting more business into the area. The construction phase will create new job opportunities, which is likely to have a positive spill-over effect on the local property market.

In 2021, Tumbarumba has seen the beginning of construction on 3 single lanes bridges as part of the Bago State Forest infrastructure project (\$1.0M). A completed infrastructure project was the \$15.2M Tumbarumba Multipurpose Services (MPS) in 2019, which refurbished and extended the existing facility. Recent commercial activity includes the \$1.0M Essential Energy Depots, which upgraded depots and pole yards in Tumut and Tumbarumba. Winton Street Units (4 units) is the main and only residential project constructed in the last 5 years in the area, highlighting an opportunity for developers. There is demand for new houses and vacant land, and an ongoing need to ensure first home buyers can enter the market.



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.

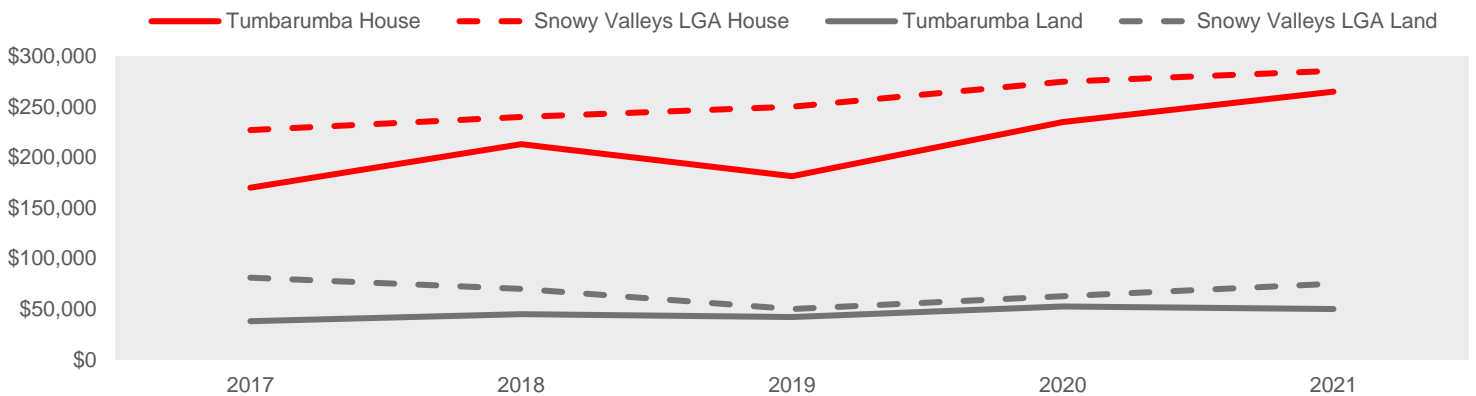


Average vendor discounts between H1 2020 and H1 2021 have tightened to -3.0%. Market conditions in Tumbarumba* offer unique opportunities, where sellers can now achieve a final sale price closer to their first list price, yet buyers can still benefit from a discount.

The suburb of Tumbarumba has typically performed below the wider Snowy Valleys Local Government Area (LGA) in both house and land median prices. Although this continued in 2021, indicating Tumbarumba is a more affordable market, there is now a smaller price gap between Tumbarumba and the LGA.

The main proportion of homes sold in Tumbarumba* across 2021^ were split (34.8% each) between the premium price bracket of greater than \$400,000 and the lower-middle price bracket of \$250,000-\$300,000. Land recorded a dominant middle-upper price point of, \$60,000-\$70,000 (26.7%). Despite a growing premium market, there is still strong affordability in Tumbarumba.

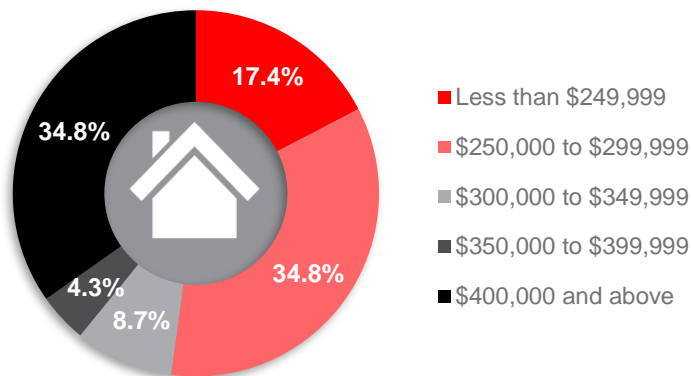
MARKET COMPARISON



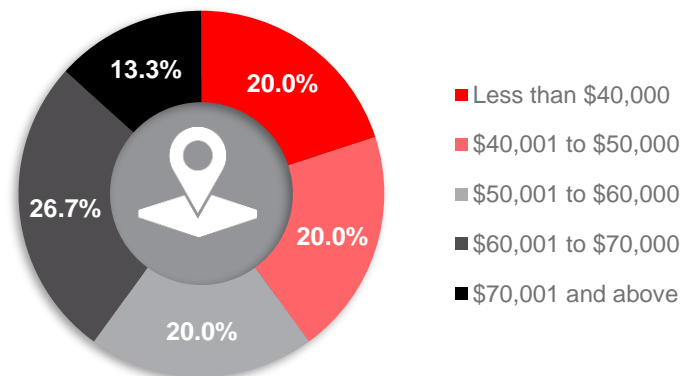
The market comparison graph provides a comparative trend for the median price of houses and vacant land over the past 5 years. The LGA profiled was chosen based on their proximity to the main suburb analysed, which is Tumbarumba.

PRICE BREAKDOWN 2021^

HOUSES SOLD



VACANT LAND SOLD

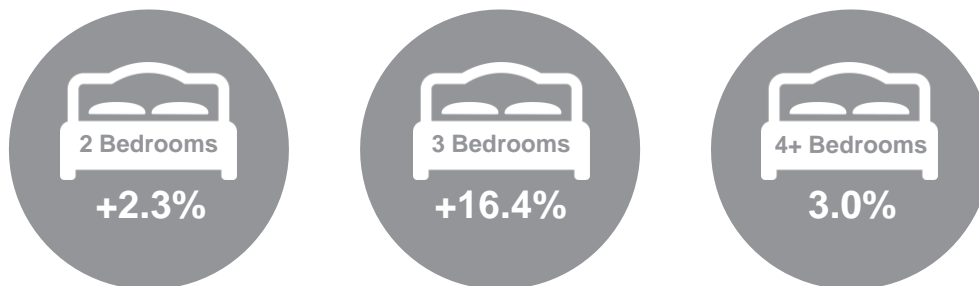


RENTAL GROWTH 2021€

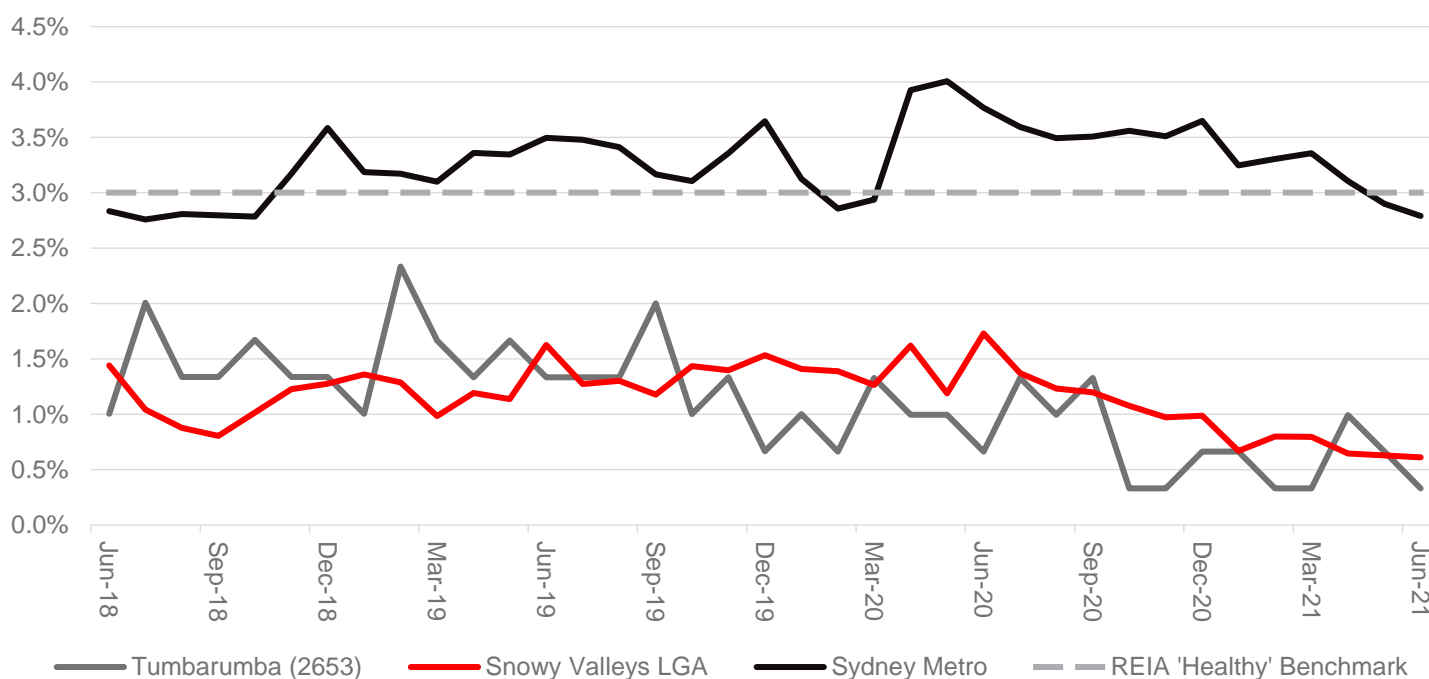
In June 2021, house rental yields in Tumbarumba* were recorded at 4.4%. In the 12 months to H1 2021, the median house rental price increased by a healthy 12.5% to reach \$315 per week, while average days on the market increased by 2 days (to 22 days). Overall Tumbarumba* represents a highly resilient rental market throughout COVID-19.

3 bedroom houses have provided investors with +16.4% rental growth annually€, with a median rent of \$340 per week.

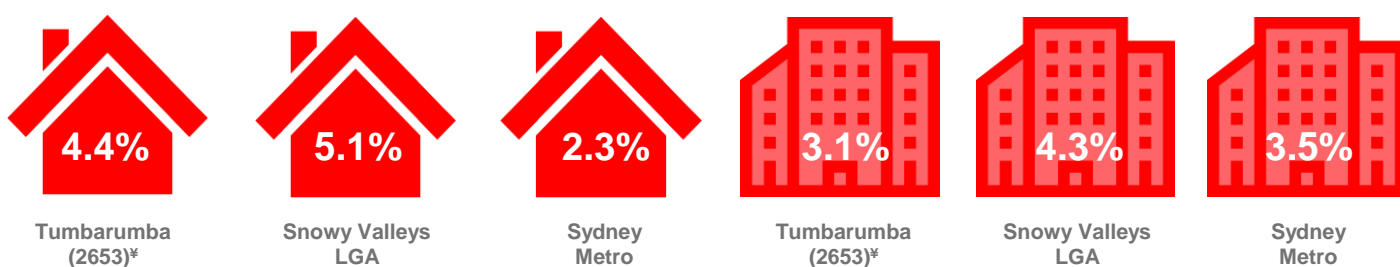
Also in June 2021, Tumbarumba* recorded a vacancy rate of 0.3%, slightly below that of Snowy Valleys LGA (0.6%) and well below Sydney Metro (2.8%). Vacancy rates in Tumbarumba* remain well below the Real Estate Institute of Australia's healthy benchmark of 3.0%, and is currently at a historical low, even amidst COVID-19 conditions. This confirms there is a healthy rental demand and investors can be confident of a conducive investment environment in Tumbarumba*.



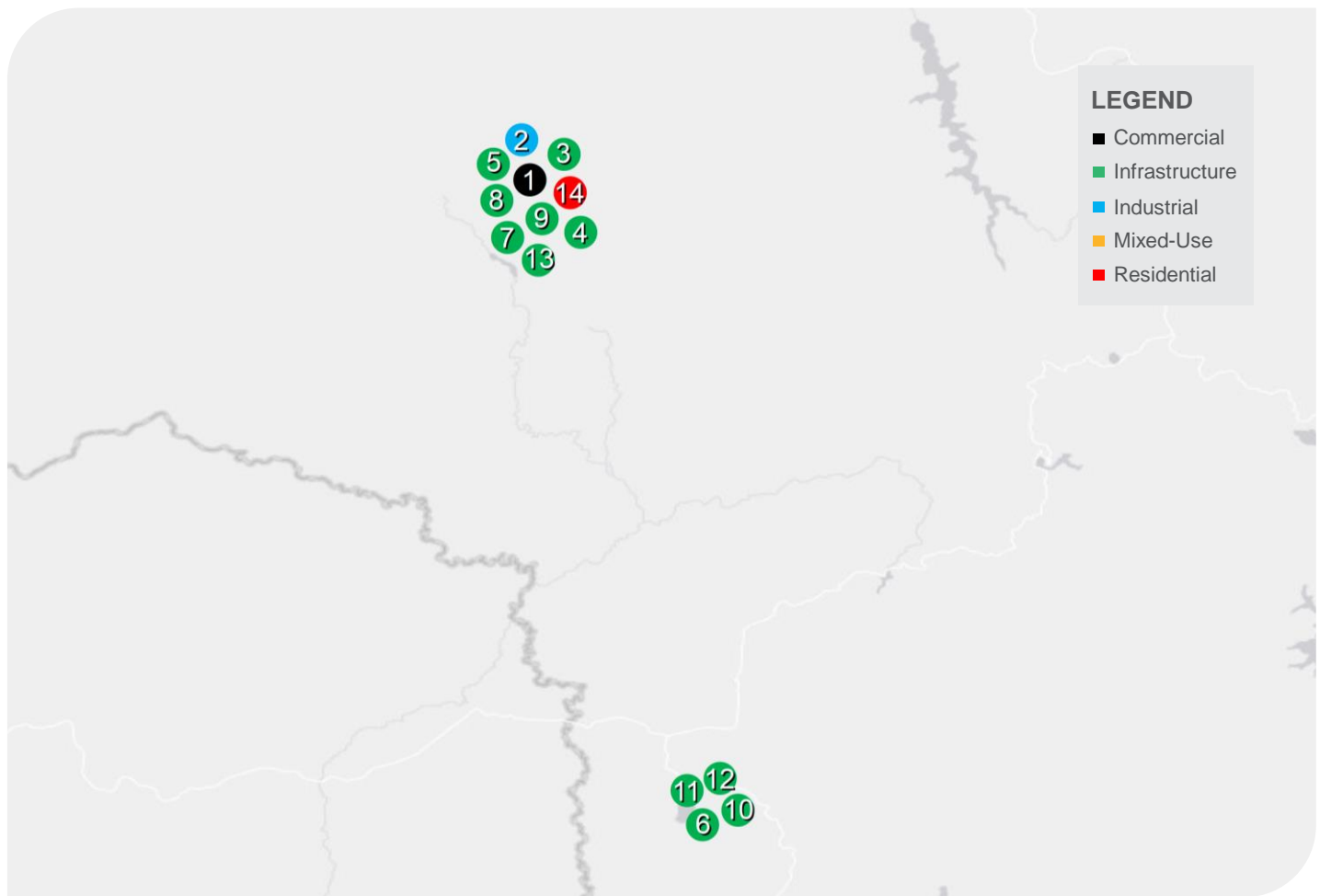
RENTAL VACANCY RATES 2021



RENTAL YIELD 2021\$



TOP DEVELOPMENTS MAP 2016 – 2021[Ⓐ]



Location	Project [Ⓔ]	Type	Estimated Value [Ⓜ]	Commence Date [Ⓟ]
1	Essential Energy Depots	Commercial	\$1,000,000	29/04/2019
2	Costa Group Storage Shed	Industrial	\$2,000,000	17/12/2020
3	Tumbarumba Multipurpose Services (MPS)	Infrastructure	\$15,200,000	08/01/2018
4	Tooma Road	Infrastructure	\$3,311,000	29/05/2017
5	Tumbarumba Retirement Village - Overall Project	Infrastructure	\$2,200,000	22/04/2016
6	Snowy Valleys Council Sewer Rehabilitation	Infrastructure	\$2,000,000	06/09/2018
7	Tumbarumba To Rosewood Rail Trail Bridges	Infrastructure	\$1,319,000	06/04/2020
8	Bago State Forest Bridges	Infrastructure	\$1,000,000	22/02/2021
9	Tumbarumba Retirement Villages	Infrastructure	\$900,000	25/07/2016
10	Risk Reduction Works KNP5	Infrastructure	\$720,000	21/03/2016
11	MR677 Alpine Way Slope	Infrastructure	\$577,000	02/05/2020
12	Khancoban Rose Garden	Infrastructure	\$300,000	01/10/2018
13	Tumbarumba Creekscape	Infrastructure	\$250,000	05/11/2018
14	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.



Marney Pertzel, Sales Agent
M +61 422 392 602
E marney@prdtumba.com.au

PRD Tumbarumba
P +61 2 6948 2182

20 The Parade
Tumbarumba NSW 2653

[PRD.com.au/tumbarumba](https://www.prd.com.au/tumbarumba)

REFERENCES

* Tumbarumba market data and key indicators encapsulates aggregate property market conditions within the suburbs of 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.

2021 encapsulates sales transactions for 1H 2021 (01/01/2021 – 30/06/2021).

^ 2021 encapsulates sales transactions for 1H 2021 (01/01/2021 – 30/06/2021).

€ Annual rental growth is a comparison between 1H 2020 (01/01/2020 – 30/06/2020) and 1H 2021 (01/01/2021 – 30/06/2021) house median rent figures.

¥ Tumbarumba market data encapsulates aggregate property conditions within the postcode of 2653.

§ Rental yields shown are as reported as of June 2021.

⌘ 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 of 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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