



# Tumut Market Update

## 1st Half 2022



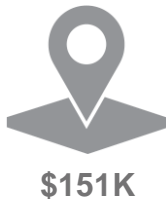
### OVERVIEW

In Q4 2021, Tumut\* recorded a median house price of \$365,000, and a median vacant land price of \$151,000. This represents annual (Q4 2020 – Q4 2021) median price growth of 21.7% for houses and 20.8% for land. Between Q4 2020 – Q4 2021 total sales in both markets slowed, by -13.1% for houses (to 73 sales) and -34.8% for land (to 15 sales). The market is undersupplied, as the imbalance between high demand and low stock have resulted in double digit price growth. Now is an ideal time for owner occupiers and downsizers to capitalise on their investment, and for developers to offer ready-to-sell stock.

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

### MARKET CONDITIONS

#### SALES MEDIAN PRICE Q4 2021



#### SALES AVERAGE DAYS ON MARKET Q4 2021



#### RENTAL MEDIAN PRICE Q4 2021

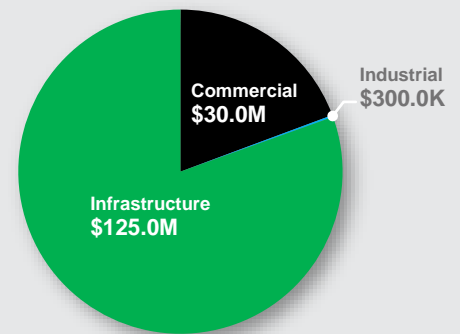


#### RENTAL AVERAGE DAYS ON MARKET Q4 2021



### FUTURE DEVELOPMENTS

Tumut\* has and is set to see approximately **\$155.3M** worth of new projects commencing between 2017 and 2022.



A focus on infrastructure projects will create employment opportunities in the short term and improve liveability for residents. This could lead to higher demand for housing, as the area becomes more attractive to live in.

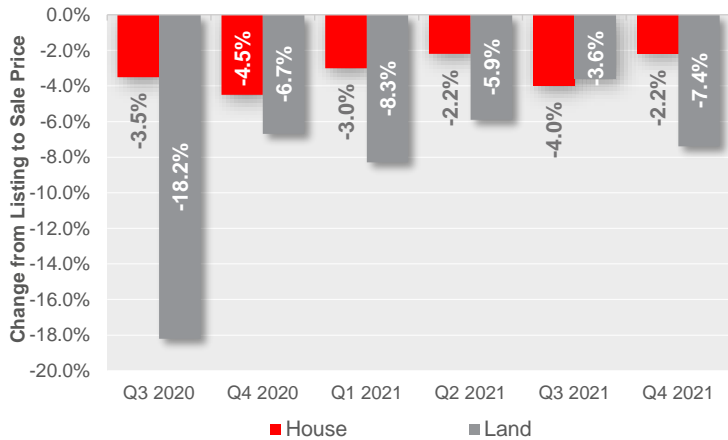
A key infrastructure in Tumut\* in the 1<sup>st</sup> half of 2022 is the Tumut District Hospital (\$40.0M). This project will redevelop the existing district hospital and construct a new Clinical Services Building and staff accommodation. It will also include new substations and services connections, maternity pod, and rehabilitation pod.

A key commercial project is found in the nearby area of Gundagai, in the form of Gundagai Meat Processor (\$30.0M). This will expand current abattoir, including administration and amenities duplicating its robotics and improving animal health.

There are no residential projects in the 1<sup>st</sup> half of 2022, which is a major concern considering current market demands and approximately 20% price growth due to low stock. There is a need for ready-to-sell stock, as well as the creation of subdivision lots. Now is the time for developers and the Local Government to work together, before price growth climbs to a unsustainable level for local first time home buyers.

# 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.

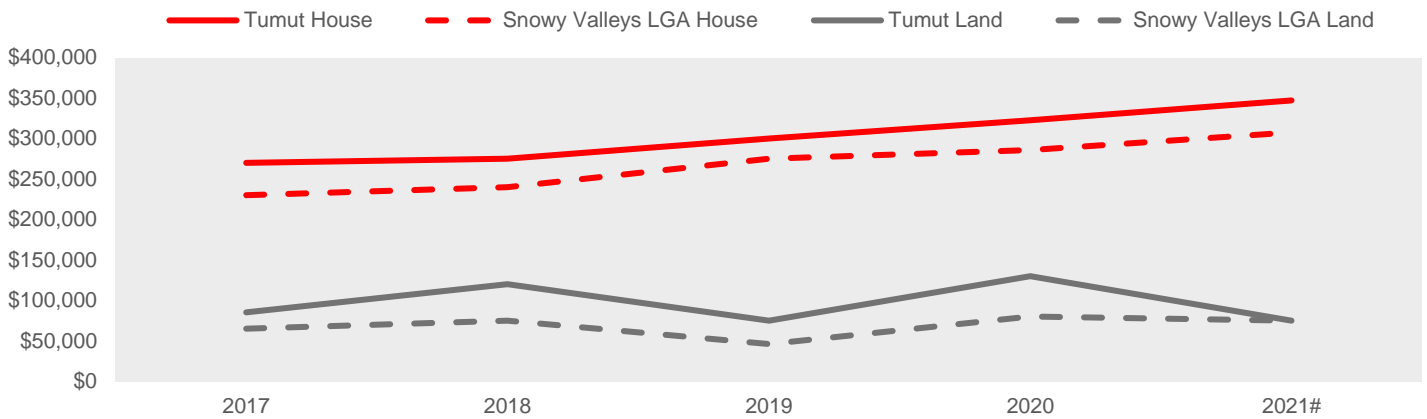


Average vendor discounts between Q4 2020 and Q4 2021 have tightened for houses, to -2.2%, and slightly widened for land, to -7.4% for land. Market conditions in Tumut\* is unique, as house buyers must offer closer to the first list asking price. However land buyers can still benefit from a discount. Now is the time to transact.

The suburb of Tumut has historically outperformed the wider Snowy Valleys Local Government Area (LGA) in both house and land median prices. This said, 2021# has seen a return to parity for land prices in Tumut with the wider Snowy Valleys LGA, while houses continue to present a premium market.

The dominant proportion of homes sold in Tumut\* across 2021^ were in the middle priced bracket of \$300-\$400K (32.2%), while vacant land recorded a dominant price point of \$50-100K (43.4%). This reveals that there is affordably priced stock available. That said there is a growing premium market, for both houses and land.

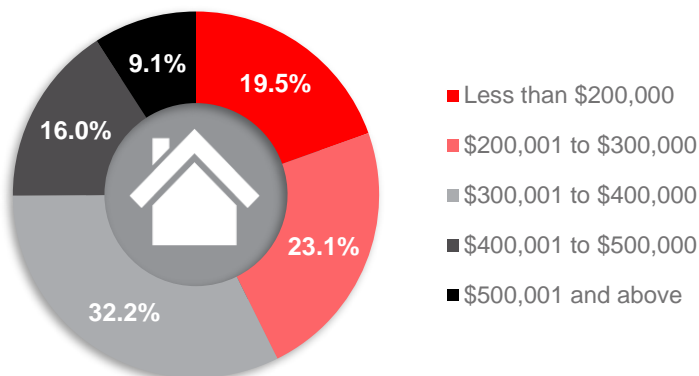
## MARKET COMPARISON



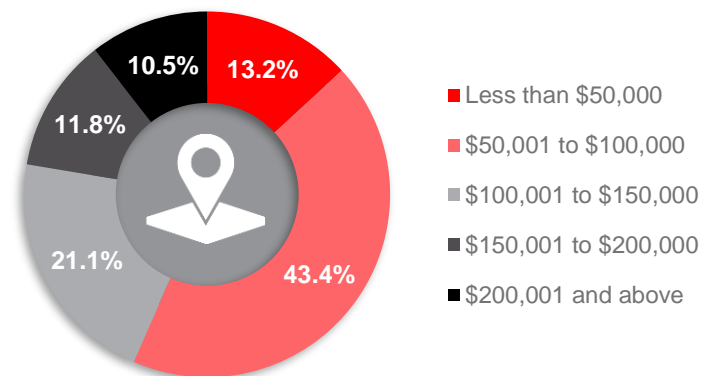
The market comparison graph provides a comparative trend for the median price of houses and vacant land over the past 5 years. The main LGA profiled was chosen based on their proximity to the main suburb analysed, which is Tumut.

## PRICE BREAKDOWN 2021^

### HOUSES SOLD



### VACANT LAND SOLD



## RENTAL GROWTH 2021€

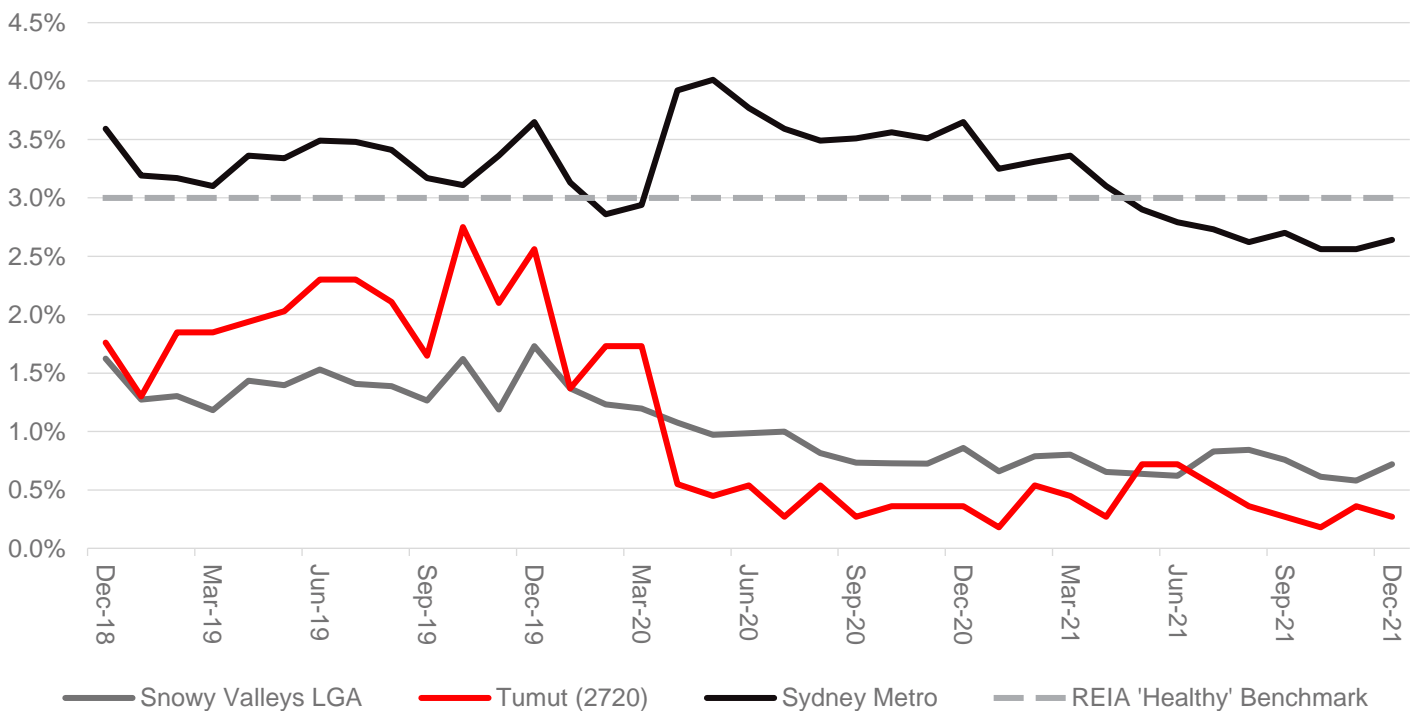
In December 2021, house rental yields in Tumut\* were recorded at 4.3%. In the 12 months to Q4 2021, the median house rental price increased by 2.8% to reach \$370 per week, while average days on the market slightly increased to 18 days. Rental yields in Tumut\* are slightly lower than Snowy Valleys LGA's, however this is due to annual median house sale price growth (21.7%) outpacing median house rental price growth.

2+ bedroom houses have provided investors with +18.5% rental growth annually€, with a median rent of \$275 per week.

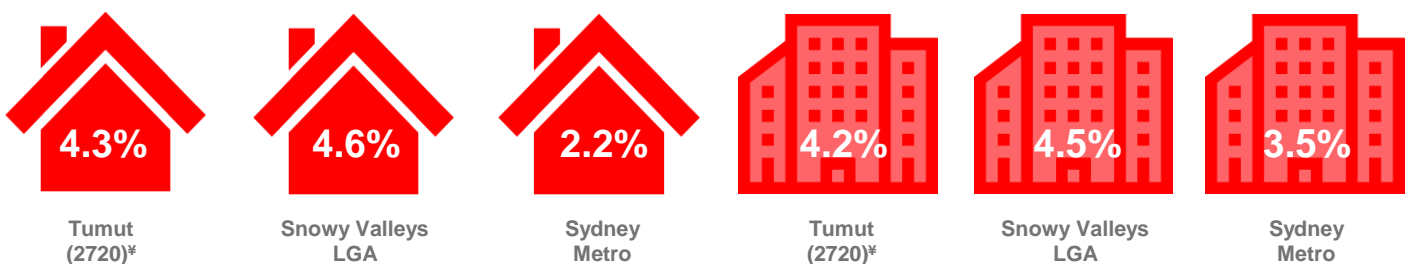
Also in December 2021, Tumut\* recorded a vacancy rate of 0.3%, below that of Snowy Valleys LGA (0.7%) and Sydney Metro (2.6%). Vacancy rates in Tumut\* remain well below the Real Estate Institute of Australia's healthy benchmark of 3.0% and have trended within the 0.5% mark for the past 18 months, even amidst COVID-19 conditions. This confirms there is still a healthy rental demand and investors can be confident of a conducive investment environment in Tumut\*.



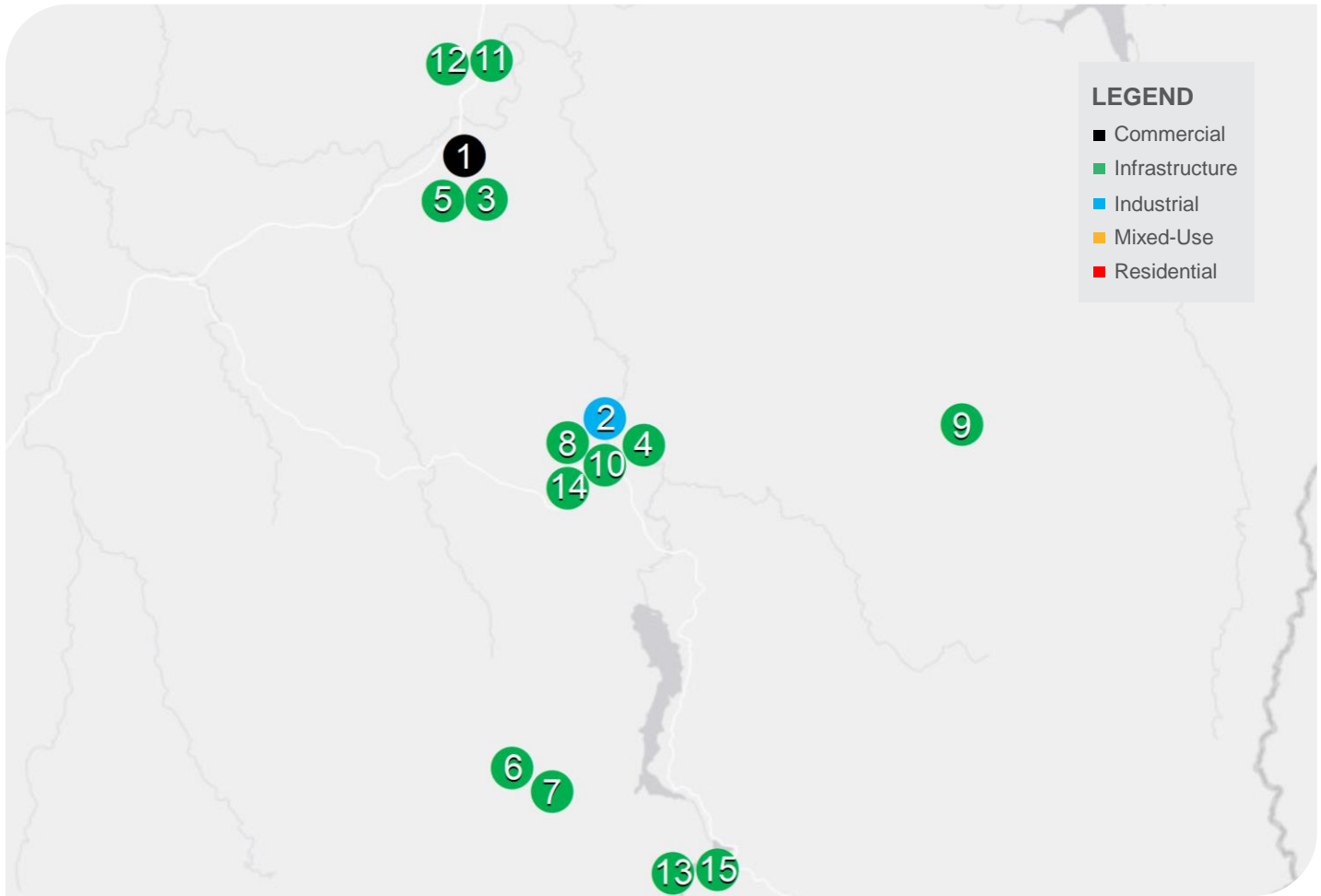
## RENTAL VACANCY RATES 2021



## RENTAL YIELD 2021§



# TOP DEVELOPMENTS MAP 2017-2022<sup>Ⓐ</sup>



Location	Project <sup>£</sup>	Type	Estimated Value <sup>Ⓜ</sup>	Commence Date <sup>Ⓟ</sup>
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	Batlow Caravan Park	Infrastructure	\$2,700,000	11/12/2021
7	Forsters Road Landslide Stabilisation	Infrastructure	\$1,070,000	15/07/2021
8	Tumut Sealing Works	Infrastructure	\$1,000,000	22/02/2021
9	Brindabella Road	Infrastructure	\$500,000	15/06/2019
10	Snowy Valleys Council Sprayed Bituminous Surfacing	Infrastructure	\$500,000	02/12/2019
11	Hume Highway Culvert	Infrastructure	\$500,000	01/10/2020
12	Hume Highway Culvert	Infrastructure	\$500,000	10/08/2020
13	Talbingo Boat Ramp	Infrastructure	\$474,000	23/01/2020
14	Tumut Main Street Roadworks	Infrastructure	\$386,000	20/05/2020
15	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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# REFERENCES

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

# 2021 encapsulates sales transactions for 2021 (01/01/2021 – 31/12/2021) only.

^ 2021 encapsulates sales transactions for 2021 (01/01/2021 – 31/12/2021) only.

€ Annual rental growth is a comparison between 2020 (01/01/2020 – 31/12/2020) and 2021 (01/01/2021 – 31/12/2021) house median rent figures.

¥ Tumut market data encapsulates aggregate property conditions within the postcode of 2720.

§ Rental yields shown are as reported as of December 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 Adelong, Batlow, Tumut, Gundagai, and Talbingo.

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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