






Gundagai Market Update

1st Half 2023



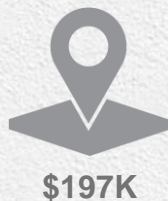
OVERVIEW

In the 2nd half of 2022, Gundagai* recorded a median house price of \$390,000. This is an annual (2H 2021 – 2H 2022) median price growth of 21.9%. That said, over the 6 months to 2H 2022 (1H 2022 – 2H 2022) median house price softened by -1.3%. This is a reflection of increasing interest rates, consumer uncertainty, and economic conditions. Median vacant land price in Gundagai* was \$197,500 in 2nd half of 2022, which interestingly reflected a 58.0% annual and 9.5% 6-monthly median price growth. There has been a steady growth in the number of vacant land sales, more so than house sales.

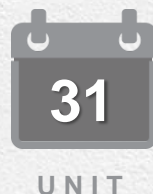
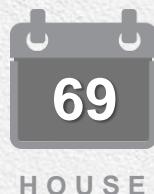
	CHANGE FROM LAST	YEAR	HALF YEAR
 House Sales		↓	↓
 House Median Price		↑	↓
 House Rental Price		↑	↑
 Land Sales		↓	↑
 Land Median Price		↑	↑

MARKET CONDITIONS

SALES MEDIAN PRICE
2H 2022



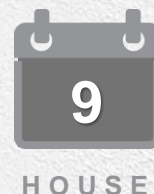
SALES AVERAGE DAYS ON
MARKET 2H 2022



RENTAL MEDIAN PRICE
2H 2022

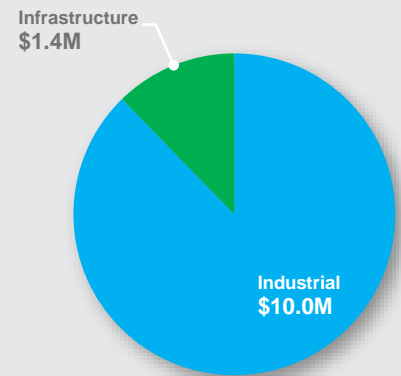


RENTAL AVERAGE DAYS ON
MARKET 2H 2022



FUTURE DEVELOPMENTS

Gundagai* is set to see approximately **\$11.4M** worth of new projects commencing in the 1st half of 2023.



These projects will stimulate economic growth and create large employment opportunities in Gundagai*, which should have a positive spill-over impact on the real estate market. There are no residential projects planned in the 1st half of 2023, which suggest continuous low stock in the horizon.

A key industrial project set for the 1st half of 2023 is the Australian Meat Group Cold Store Cootamundra (\$10.0M). This projects is set to add a 10,655sqm of cold storage to the already existing meat processing plant. The project also improve the domestic circular flow of income.

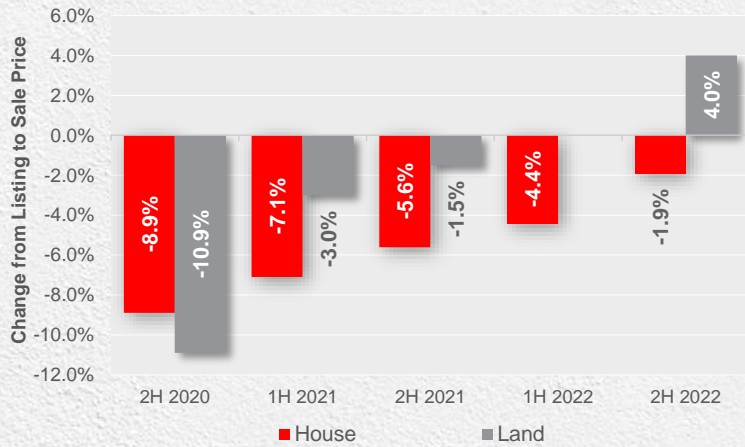
Infrastructure projects scheduled for the 1st half of 2023 includes Jubilee Park Building Works and Sheridan Street Block 3 Upgrade, all of which will improve liveability for residents.

An absence in residential projects is a concern, as the market is currently undersupplied. This is particularly of concern in the house market.

The current increasing cash rate environment provide some buffer to much needed supply, as demand tend to decline. Thus it allows for current supply to be absorbed. However this is not a sustainable strategy for the long term.

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.

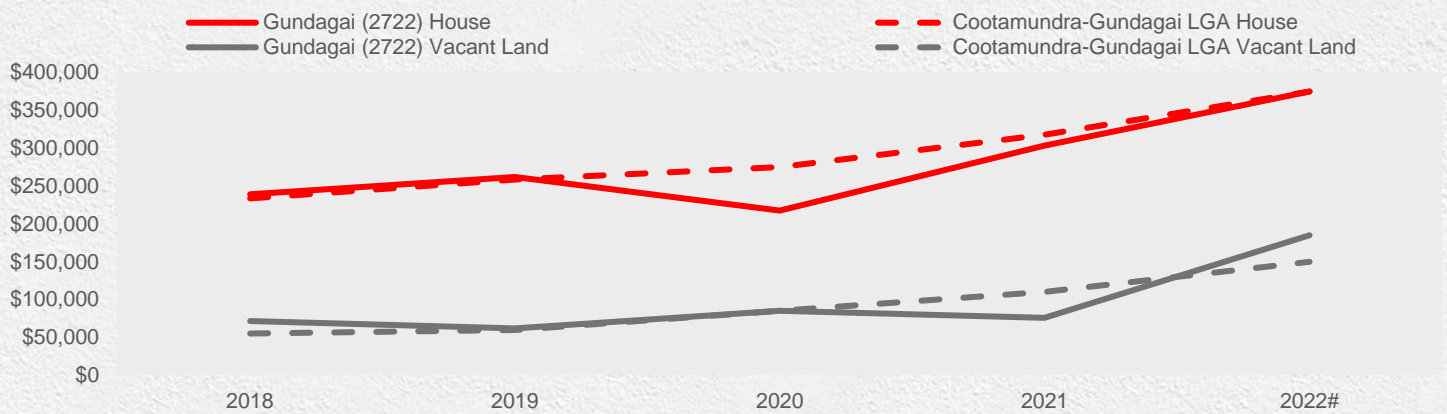


Average vendor discounts between 2H 2021 and 2H 2022 have tightened for houses, to -1.9%. Interestingly it has swung to a premium for vacant land, to 4.0%. The house market conditions in Gundagai* is advantageous for both buyers and sellers, as buyers can benefit from a discount but sellers can achieve a final price closer to their first list price. Vacant land market now favour sellers, as buyers need to offer above the first list price.

The suburb of Gundagai has historically performed on par with the Cootamundra-Gundagai Local Government Area (LGA) in both house and land median prices.

The dominant proportion of homes sold in Gundagai* across 2022# were in the lower middle price bracket of \$300,000 - \$400,000 (28.0%), however there is healthy spread of sales across all price brackets, thus a home for every budget. Land sales recorded a dominant most affordable price point of below \$200,000 (52.9%), in good news for first home buyers wishing to build.

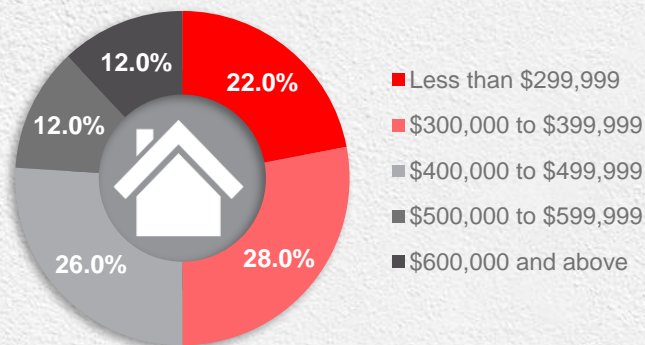
MARKET COMPARISON



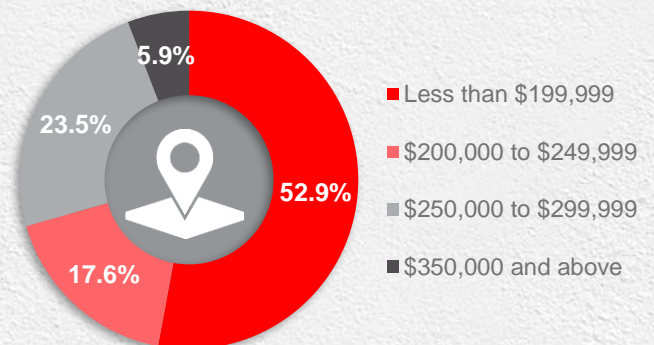
The market comparison graph provides a comparative trend for the median price of houses and vacant land over the past 5 years. The main LGA profiled was chosen based on their proximity to the main suburb analysed, which is Gundagai.

PRICE BREAKDOWN 2022#

HOUSES SOLD



VACANT LAND SOLD

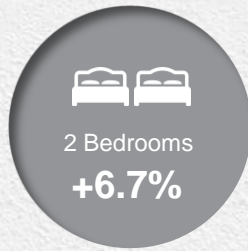


RENTAL GROWTH 2022€

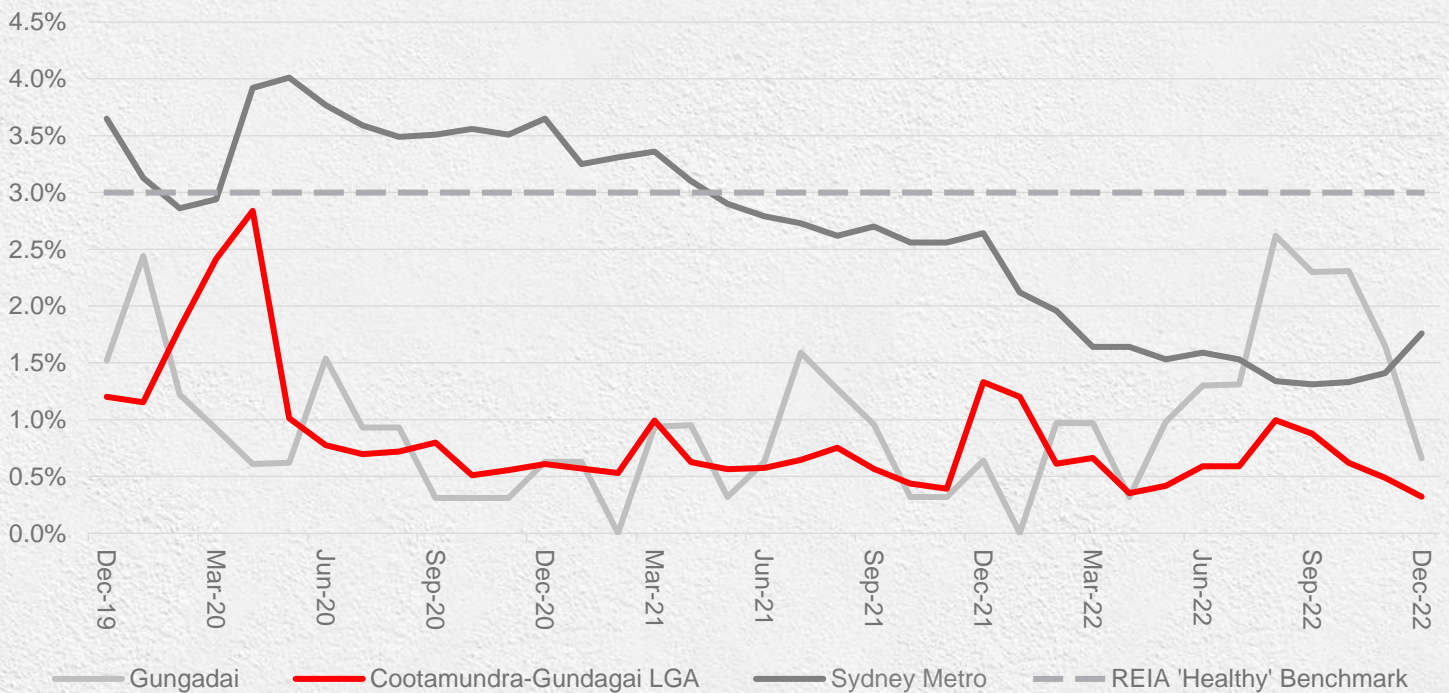
In December 2022, house rental yields in Gundagai* were recorded at 5.0%, well above Sydney Metro (2.7%). In the 12 months to 2H 2022, median house rental price increased 49.3% to reach \$515 per week. In this time the number of houses rented declined by -77.7% and average days to let remained at 9 days. Overall, this represents an undersupplied rental market; and an attractive more affordable investment option for investors.

4+ bedroom houses have provided investors with +62.5% rental growth annually, achieving a median rent of \$320 per week.

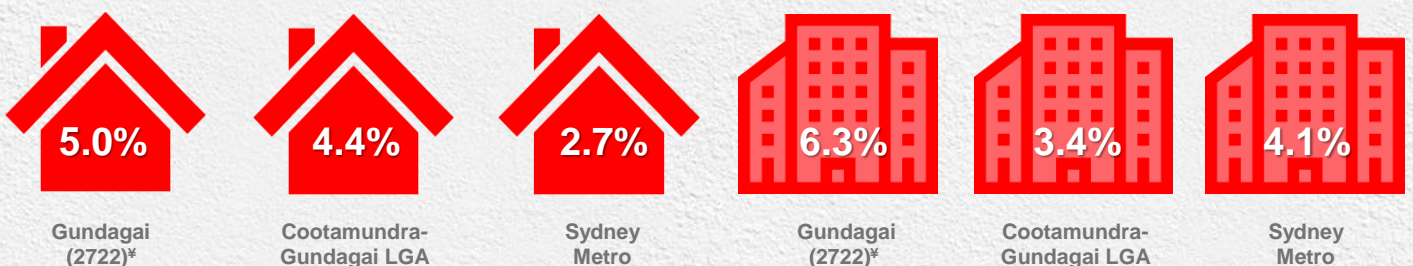
Gundagai * recorded a vacancy rate of 0.7% in December 2022, which is below Sydney Metro's 1.8% average. Vacancy rates in Gundagai have held relatively steady over the past 12 months, showing a sharp decline in late 2022 after a brief increase in mid-2022. Further, it is still at a lower rate than pre-COVID-19 levels. These key indicators create a conducive and sustainable environment for investors, especially given softer house prices in the past 6 months.



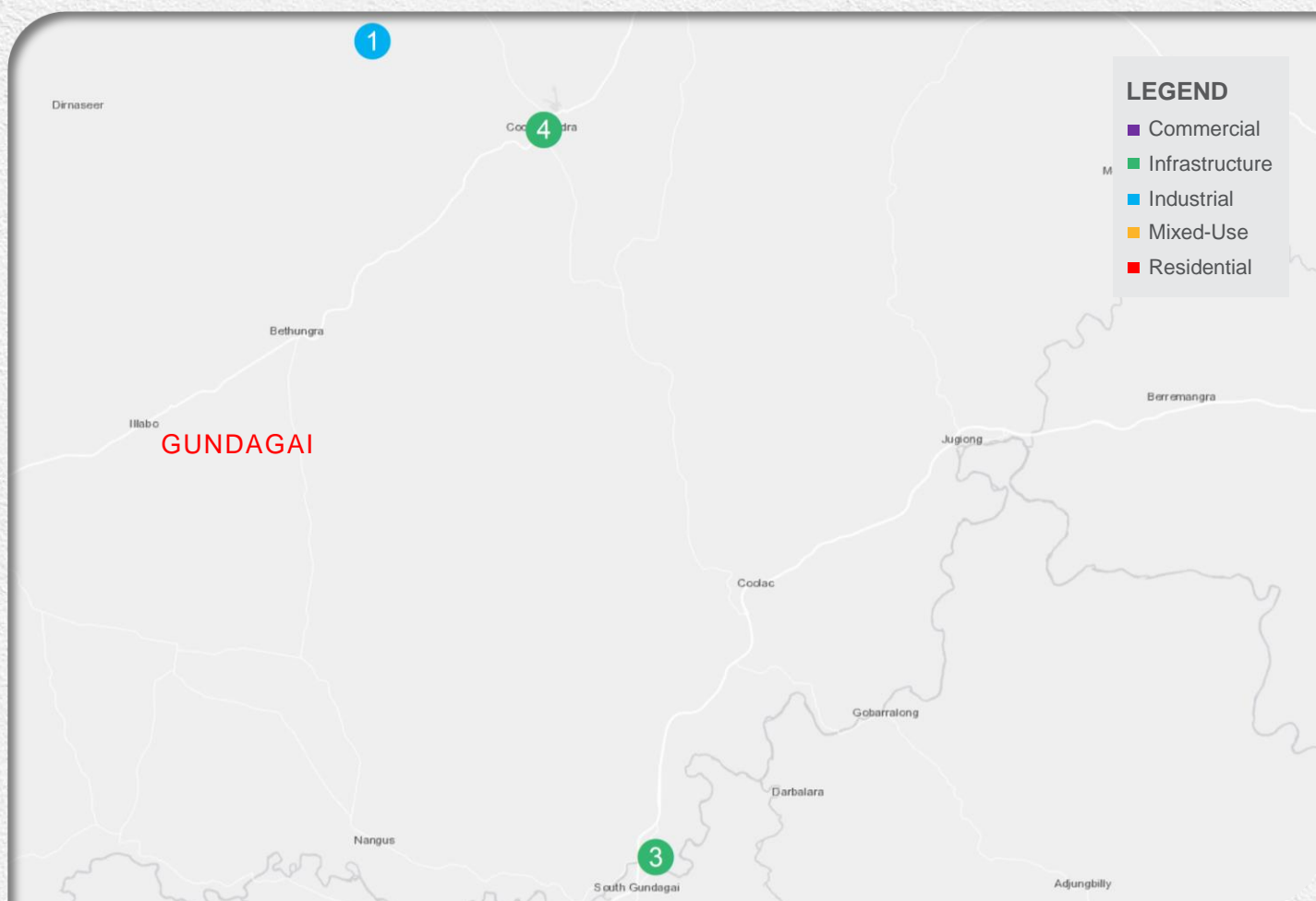
RENTAL VACANCY RATES 2022



RENTAL YIELD 2022\$



TOP DEVELOPMENTS MAP 1st HALF 2023^A



Location	Project [£]	Type	Estimated Value [Ⓜ]	Commence Date [Ⓜ]
1	Australian Meat Group Cold Store Cootamundra	Industrial	\$10,000,000	27/02/2023
2	Jubilee Park Building Works Redevelopment Stage 4	Infrastructure	\$651,000	11/03/2023
3	Sheridan Street Block 3 Upgrade Stage 2	Infrastructure	\$500,000	15/05/2023
4	Jubilee Park Lighting & Electrical Works	Infrastructure	\$250,000	01/03/2023



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

* Gundagai market data and key indicators encapsulates aggregate property market conditions within the postcode 2722.

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

2022 encapsulates sales transactions for 2022 (01/01/2022 – 31/12/2022) only.

€ Annual rental growth is a comparison between 2021 (01/01/2021 – 31/12/2021) and 2022 (01/01/2022 – 31/12/2022) house median rent figures.

¥ Gundagai market data encapsulates aggregate property conditions within the postcode of 2722.

§ Rental yields shown are as reported as of December 2022.

⌘ 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 Cootamundra-Gundagai LGA.

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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