



# Tumut Market Update 1st Half 2023



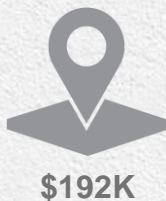
## OVERVIEW

In Q3 2022, Tumut\* recorded a median house price of \$397,000 and a median land price of \$192,000. This is an annual (Q4 2021 – Q4 2022) median price growth of 12.5% for houses and 91.5% for land. That said, on a half yearly basis (Q2 2022 – Q4 2022) median prices declined by -6.6% for houses and by -23.5% for vacant land. Total sales softened between Q4 2021 – Q4 2022, by -27.9% (to 49 sales) for houses, while total sales for units increased 30.0% over the 12 month period (to 13 sales). There are new opportunities for buyers in Tumut\*, as prices have become more affordable in recent months.

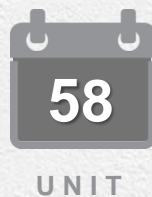
	CHANGE FROM LAST	YEAR	HALF YEAR
	House Sales	↓	↑
	House Median Price	↑	↓
	House Rental Price	↑	↑
	Land Sales	↑	↑
	Land Median Price	↑	↓

## MARKET CONDITIONS

SALES MEDIAN PRICE  
Q4 2022



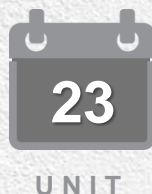
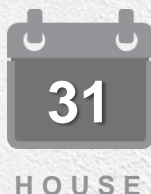
SALES AVERAGE DAYS ON  
MARKET Q4 2022



RENTAL MEDIAN PRICE  
Q4 2022

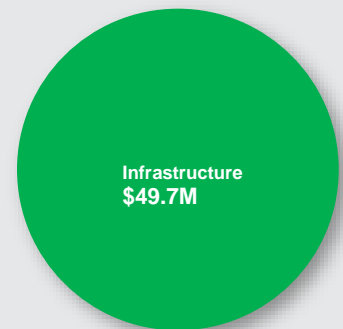


RENTAL AVERAGE DAYS ON  
MARKET Q4 2022



## FUTURE DEVELOPMENTS

Tumut\* is set to see approximately **\$49.7M** worth of new projects between 2018 and 1<sup>st</sup> half of 2023.



A focus on infrastructure projects will improve liveability for current residents and create jobs in the construction phase. It can also attract more residents in the future, which will impact demand for real estate / housing.

A significant infrastructure project which commenced in the 2<sup>nd</sup> half of 2022 is the Batlow Caravan Park (\$2.7M). The project is to redevelop and improve the quality of The Batlow Caravan Park.

Other infrastructure projects include:

- Tumut District Hospital (2020, \$40.0M)
- Tumut Sealing works (2021, \$1.0M)

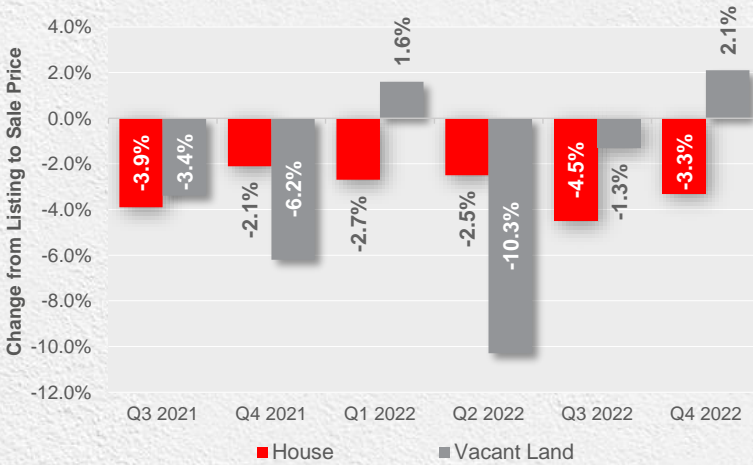
The above infrastructure projects will improve liveability and create new jobs, boosting the economy.

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

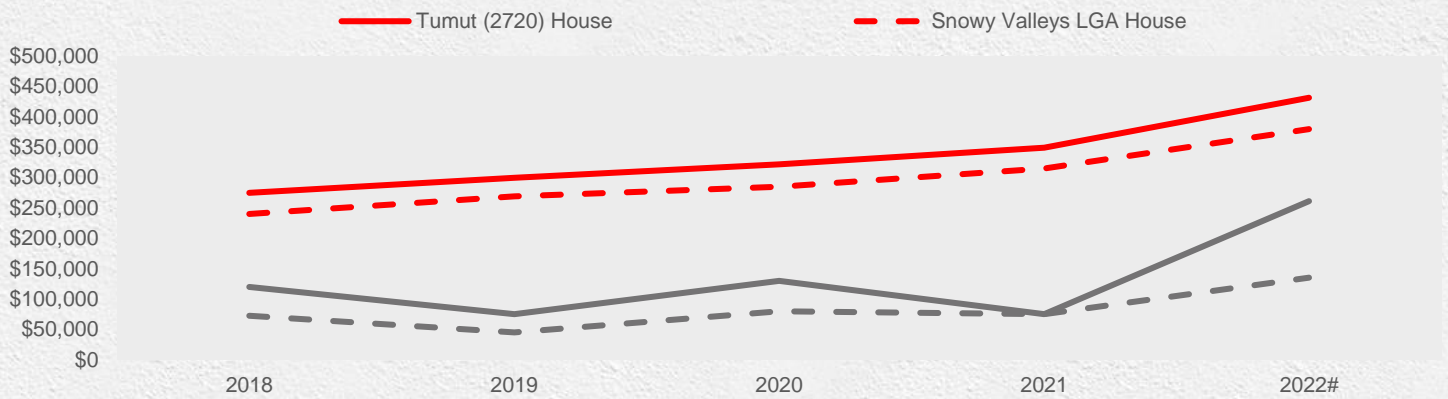


Average vendor discounts between Q4 2021 and Q4 2022 have shifted slightly for houses, to a higher discount of -3.3% (from -2.2%). Vacant land on the other hand swung to a premium of 2.1% in Q4 2022. House market conditions in Tumut\* are continuing to favour buyers, where sellers are willing to negotiate below their initial listing price. The land market can at times fluctuate, due to its smaller size, but as an overall tend to trend in as a discount for buyers.

The suburb of Tumut has historically outperformed the wider Snowy Valleys Local Government Area (LGA) in house and vacant land median house prices.

The dominant proportion of homes sold in Tumut\* across 2022# were in the middle price bracket of \$350,000 - \$450,000 (32.0%), Interestingly there is similar amount of stock sold at both premium and most affordable price points, indicating there is a home for every budget. Vacant land sales recorded a dominant most affordable price point of below \$150,000 (31.4%).

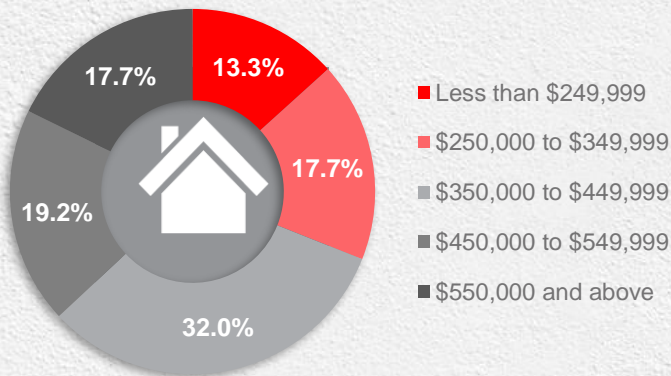
## MARKET COMPARISON



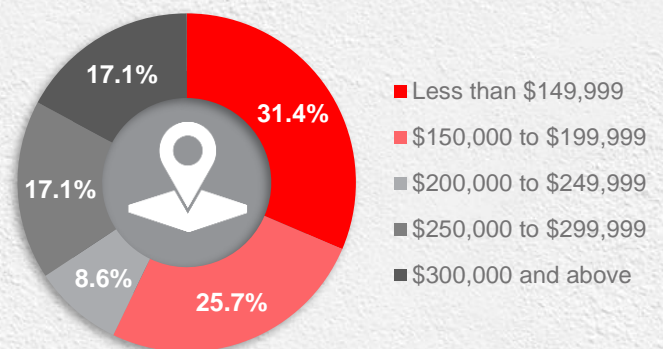
The market comparison graph provides a comparative trend for the median price of houses and vacant land over the past 5 years. The main LGA profiled was chosen based on their proximity to the main suburb analysed, which is Tumut.

## PRICE BREAKDOWN 2022#

### HOUSES SOLD



### VACANT LAND SOLD

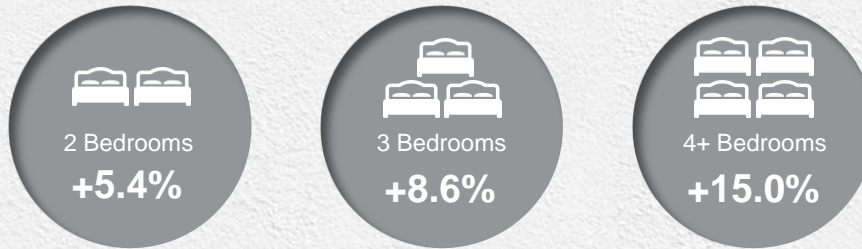


# RENTAL GROWTH 2022€

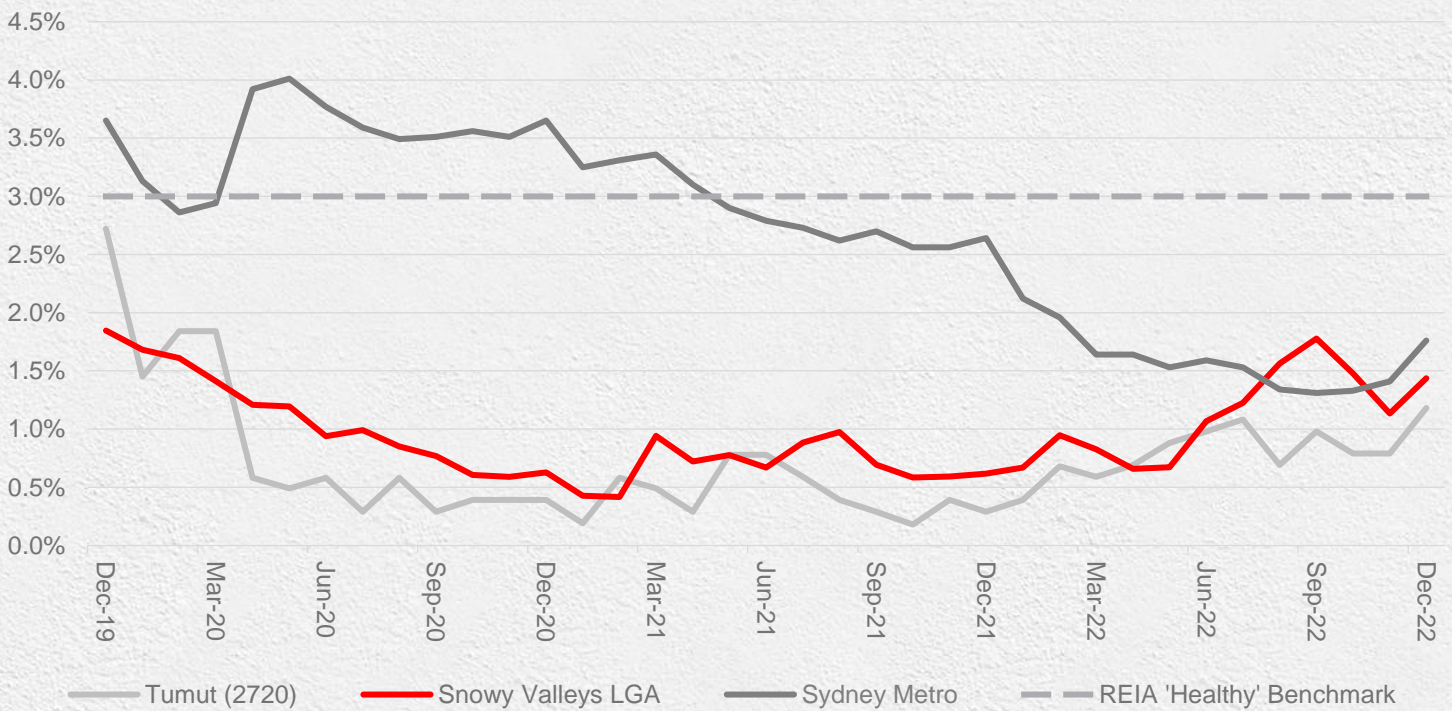
In December 2022, house rental yields in Tumut\* were recorded at 4.4%, well above Sydney Metro (2.7%). In the 12 months to Q4 2022, median house rental price increased 11.1% to reach \$400 per week. In this time the number of houses rented increased by 9.1% (to 24 rentals). This suggest an undersupply in the rental market. Combined with higher rental yields, this confirms Tumut\* as a more affordable market for investment when compared to Sydney Metro.

4+ bedroom houses have provided investors with +15.0% rental growth annually, achieving a median rent of \$460 per week.

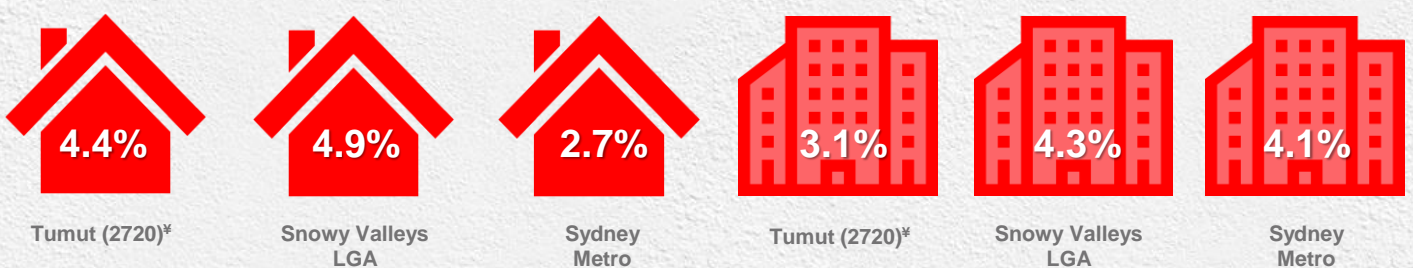
Tumut\* recorded a vacancy rate of 1.2% in December 2022, below Sydney Metro's 1.8% average. The spike in late 2022 can be attributed to more investors capitalising on a tight rental market. That said vacancy rates in Tumut\* have trended relatively steady in the past 12 months and under the Real Estate Institute of Australia's healthy benchmark of 3.0%. This suggests a conducive investment environment, especially with a decline in median house sale prices in the past 6 months.



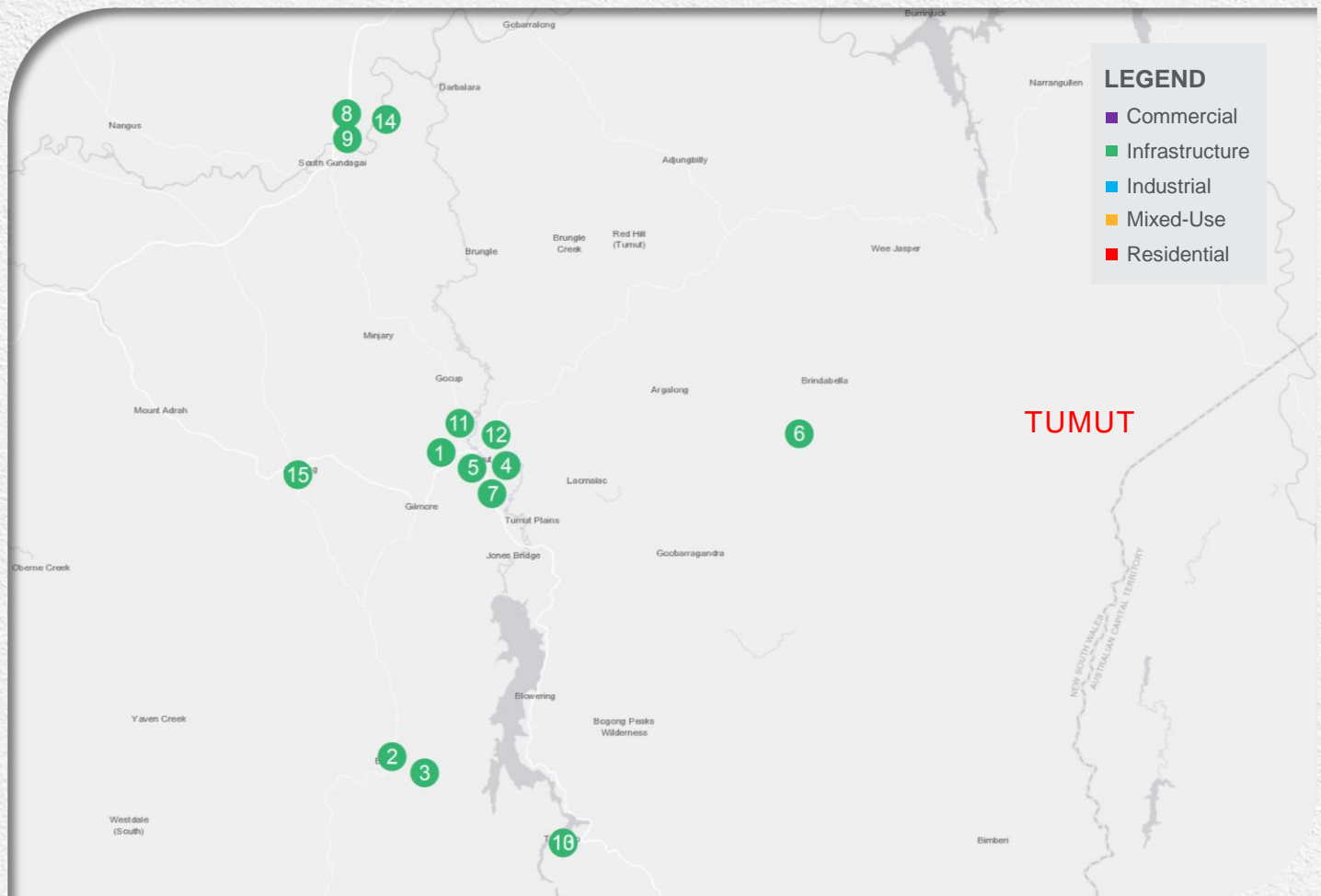
# RENTAL VACANCY RATES 2022



# RENTAL YIELD 2022\$



# TOP DEVELOPMENTS MAP 2018 - 1<sup>st</sup> HALF 2023<sup>†</sup>



Location	Project <sup>£</sup>	Type	Estimated Value <sup>µ</sup>	Commence Date <sup>ψ</sup>
1	Tumut District Hospital	Infrastructure	\$40,000,000	10/02/2020
2	Batlow Caravan Park	Infrastructure	\$2,700,000	10/02/2022
3	Forsters Road Landslide Stabilisation	Infrastructure	\$1,070,000	15/07/2021
4	Tumut Sealing Works	Infrastructure	\$1,000,000	22/02/2021
5	Tumut & Murray Rivers - River Works	Infrastructure	\$1,000,000	11/05/2023
6	Brindabella Road	Infrastructure	\$500,000	15/06/2019
7	Snowy Valleys Council Sprayed Bituminous Surfacing	Infrastructure	\$500,000	02/12/2019
8	Hume Highway Culvert	Infrastructure	\$500,000	01/10/2020
9	Sheridan Street Block 3 Upgrade Stage 2	Infrastructure	\$500,000	15/05/2023
10	Talbingo Boat Ramp	Infrastructure	\$474,000	23/01/2020
11	Gocup Road Intersection Powerlines & Streetlights	Infrastructure	\$400,000	23/01/2023
12	Tumut Main Street Roadworks	Infrastructure	\$386,000	20/05/2020
13	Khancoban & Talbingo Public Areas	Infrastructure	\$329,000	07/09/2019
14	Gundagai Public School	Infrastructure	\$185,000	18/04/2022
15	Adelong Public School	Infrastructure	\$177,000	09/05/2022

## 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.

# 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.

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

§ 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 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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