



Tumbarumba Market Update 1st Half 2023



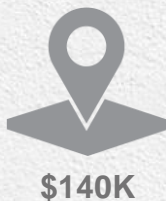
OVERVIEW

In the 2nd half of 2022, Tumbarumba* recorded a median house price of \$355,000 and median land price of \$140,000. This represents annual (H2 2021 – H2 2022) median price growth of 10.9% for houses and a -50.9% price decline for land. Total sales declined between H2 2021 – H2 2022, by -43.8% (to 18 sales) for houses. It is evident that properties are in high demand in Tumbarumba. Key indicators suggest an undersupply for both property types, particularly in the housing market, as price growth is alongside lower sales volumes. The supply imbalance has created a buffer against rising cash rate.

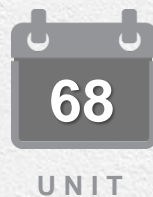
	CHANGE FROM LAST	YEAR	HALF YEAR
			
House Sales		↓	↓
House Median Price		↑	↑
House Rental Price		↑	↑
			
Land Sales		↓	↓
Land Median Price		↑	↑

MARKET CONDITIONS

SALES MEDIAN PRICE 2H 2022



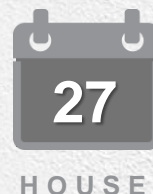
SALES AVERAGE DAYS ON MARKET 2H 2022



RENTAL MEDIAN PRICE 2H 2022

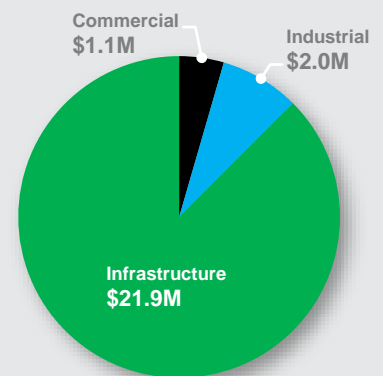


RENTAL AVERAGE DAYS ON MARKET 2H 2022



FUTURE DEVELOPMENTS

Tumbarumba* saw approximately **\$11.4M** worth of new projects commencing between 2018 and 2022.



Infrastructure projects improve liveability for residents whilst creating local jobs during the construction phase. Combined, these projects will stimulate economic growth in the area. This 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.

With an absence of developments scheduled to commence in 2023, the latest notable completed infrastructure project was the Tumbarumba Multipurpose services (MPS) in 2019, which refurbished and extended the existing facility.

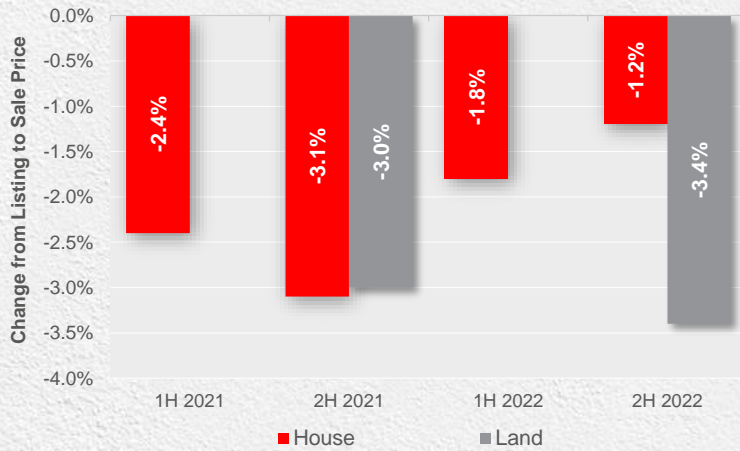
Two projects commenced in 2022, the Coppabella Creek Suspension Bridge and Mr677 Alpine Way Slope 11976 & 11979.

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.

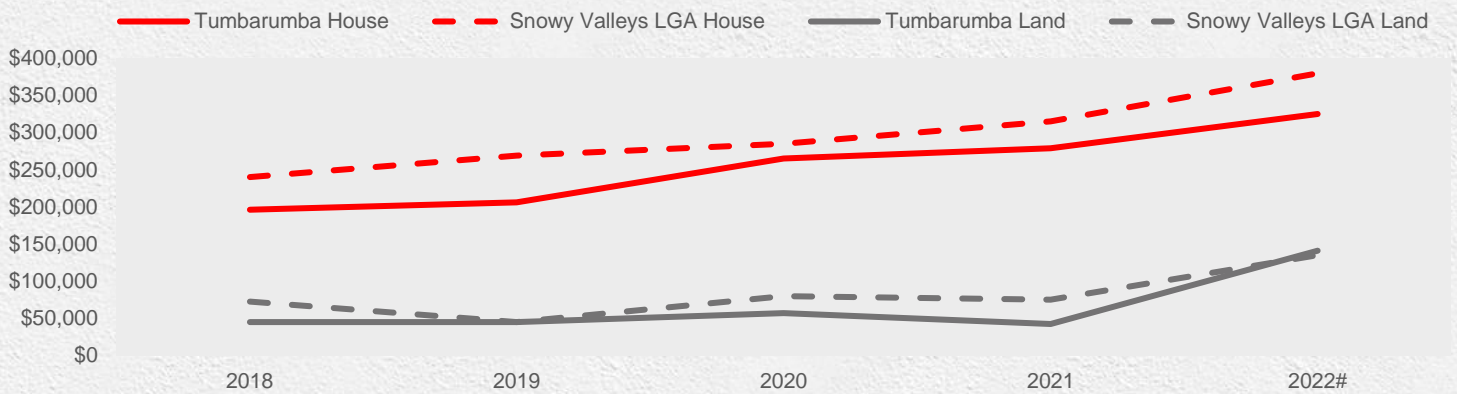


Average vendor discounts between 2H 2021 and 2H 2022 have tightened for houses, to -1.2%. Interestingly it has slightly widened for vacant land, to -3.4%. The house market conditions in Tumbarumba* provide an advantage for both buyers and sellers, as buyers can benefit from a discount but sellers can achieve a final price closer to their first list price. Vacant land market continues to favour buyers.

The suburb of Tumbarumba has typically been more affordable than the Snowy Valleys Local Government Area (LGA) in both house and land median prices.

The dominant proportion of homes sold in Tumbarumba* across 2022# were in the lower middle price bracket of \$250,000 - \$350,000 (34.2%). Land sales recorded a dominant middle price point of \$125,000 to \$149,999 (54.5%). Availability in the more affordable price points is good news for buyers, as the house market tends to be undersupplied.

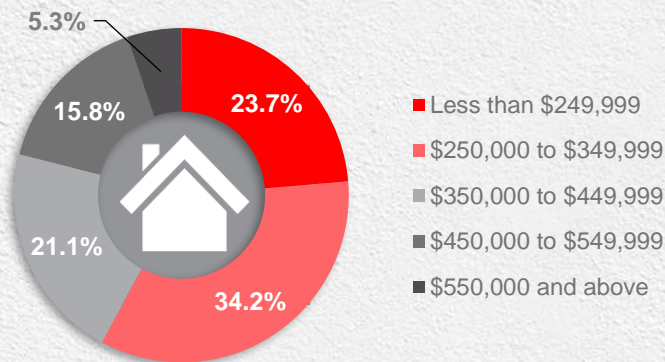
MARKET COMPARISON



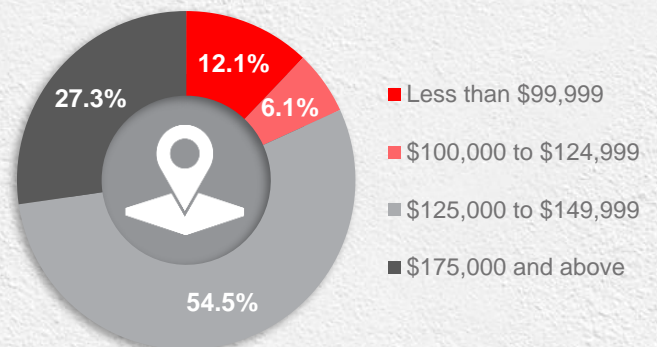
The market comparison graph provides a comparative trend for the median price of houses and vacant land over the past 5 years. The main LGA profiled was chosen based on their proximity to the main suburb analysed, which is Tumbarumba.

PRICE BREAKDOWN 2022#

HOUSES SOLD



VACANT LAND SOLD

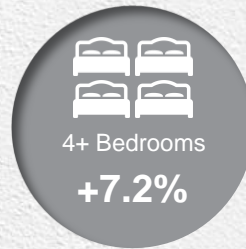


RENTAL GROWTH 2022€

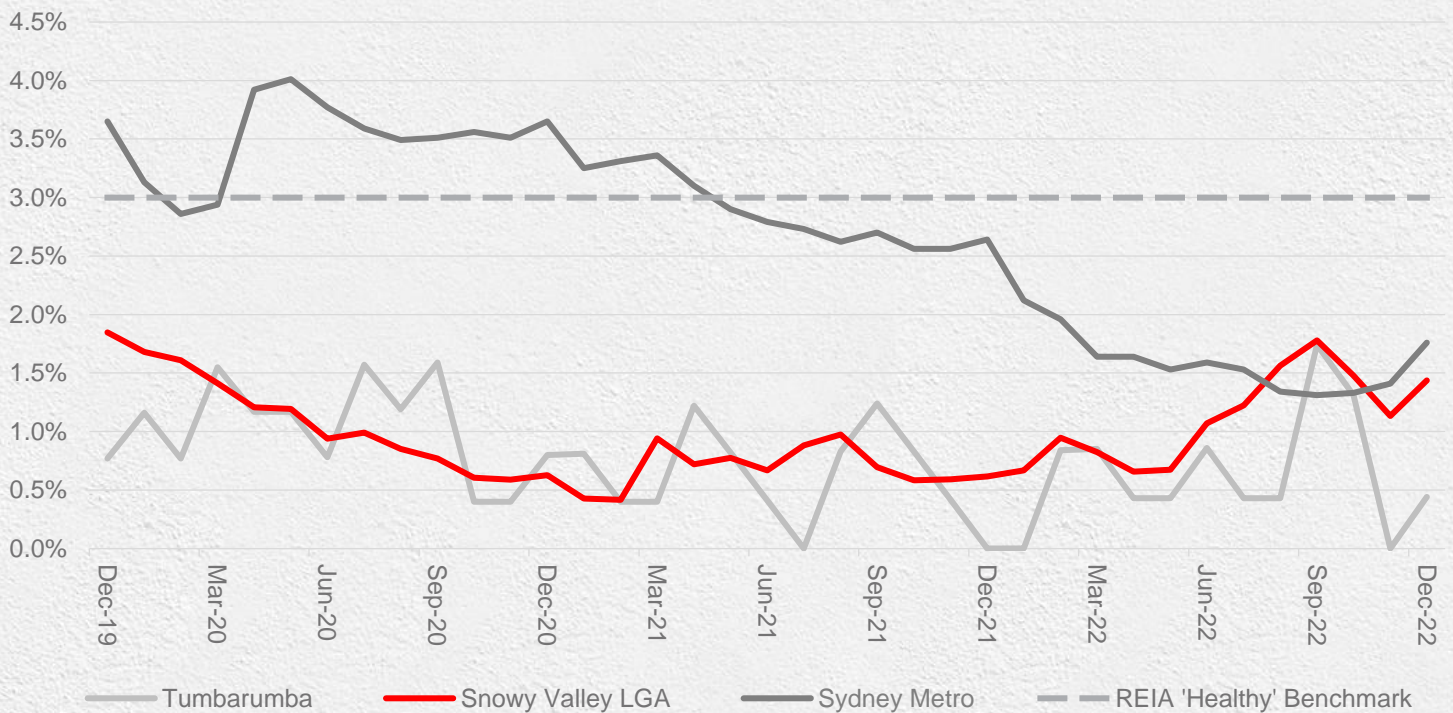
In December 2022, house rental yields in Tumbarumba* were recorded at 5.9%, well above Sydney Metro (2.7%). In the 12 months to 2H 2022, median house rental price grew by 3.0% to reach \$340 per week. In this time the number of houses rented declined by -52.4% and average days remained low at a low 27 days. Overall, this represents an undersupplied rental market; and an attractive more affordable investment option for investors.

2 bedroom houses have provided investors with +14.9% rental growth annually, achieving a median rent of \$285 per week.

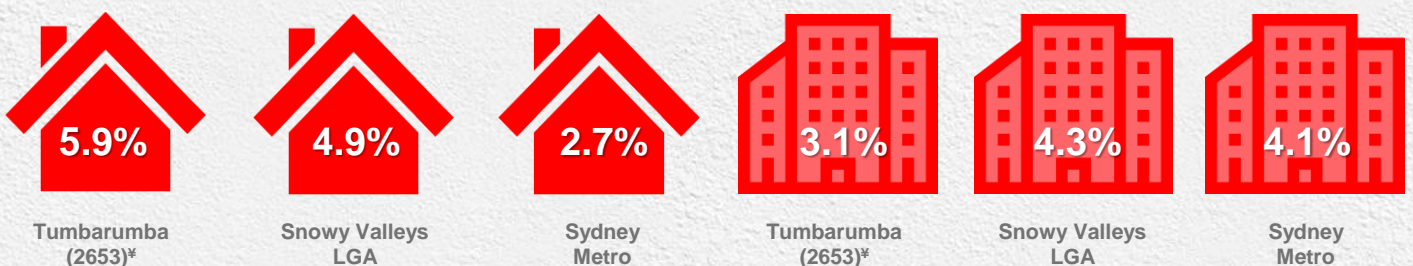
Tumbarumba* recorded a vacancy rate of 0.4% in December 2022, below Sydney Metro's 1.8% average. Vacancy rates in Tumbarumba* have fluctuated in the past 24 months, due to the size of the rental market. That said vacancy rates in have trended below 2.0% over the past 24 months, which is under the Real Estate Institute of Australia's healthy benchmark of 3.0%. This indicates a conducive and sustainable environment for investors, especially due to the undersupply in rentals.



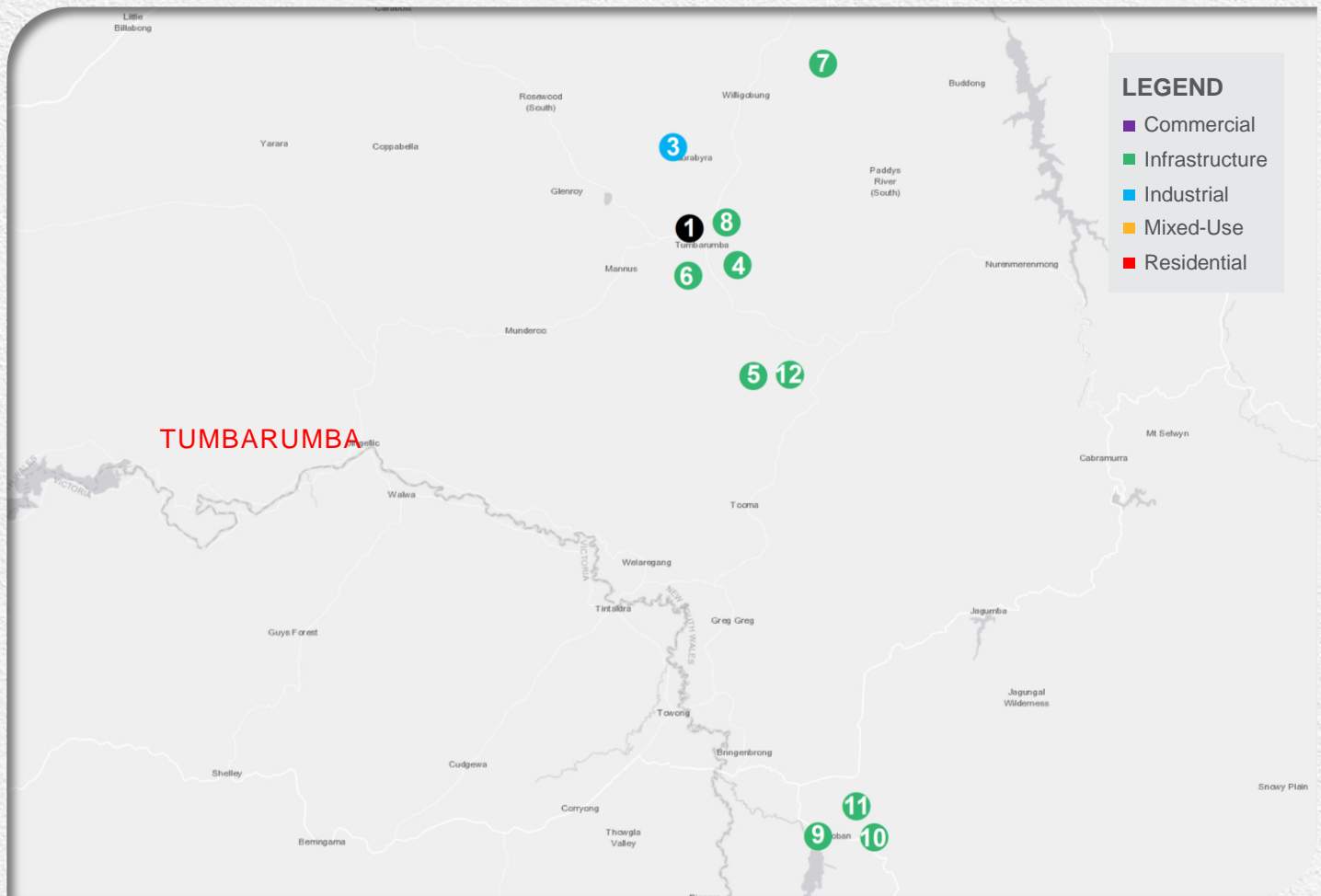
RENTAL VACANCY RATES 2022



RENTAL YIELD 2022\$



TOP DEVELOPMENTS MAP 1st HALF 2018-2023[Ⓐ]



Location	Project [£]	Type	Estimated Value [Ⓜ]	Commence Date [Ⓜ]
1	Essential Energy Depots	Commercial	\$1,000,000	29/04/2019
2	Quarry Road Horse Arena	Commercial	\$120,000	11/07/2021
3	Costa Group Storage Shed	Industrial	\$2,000,000	22/09/2021
4	Tumbarumba Multipurpose Services	Infrastructure	\$15,200,000	08/01/2018
5	Snowy Valleys Council Sewer Rehabilitation	Infrastructure	\$2,000,000	06/09/2018
6	Tumbarumba To Rosewood Rail Trail Bridges	Infrastructure	\$1,319,000	06/04/2020
7	Bago State Forest Bridges	Infrastructure	\$1,000,000	22/02/2021
8	Coppabella Creek Suspension Bridge	Infrastructure	\$610,000	14/04/2022
9	Mr677 Alpine Way Slope 11976 & 11979	Infrastructure	\$600,000	27/05/2022
10	Mr677 Alpine Way Slope	Infrastructure	\$577,000	02/05/2020
11	Khancoban Rose Garden	Infrastructure	\$300,000	01/10/2018
12	Tumbarumba Creekscape	Infrastructure	\$250,000	05/11/2018

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 Pertz

Sales Agent

M +61 422 392 602

E marney@prdtumba.com.au



PRD Tumbarumba

P +61 2 6948 2182

PRD.com.au/tumbarumba

**20 The Parade
Tumbarumba NSW 2653**

REFERENCES

* Tumbarumba market data and key indicators encapsulates aggregate property market conditions within the postcode 2653.

** 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.

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

§ 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 Tumbarumba, Khancoban, Rosewood, Humula, Jingellic and Rosewood.

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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