







Tamworth Market Update

1st Half 2023



OVERVIEW

In Q1 2023, Tamworth* recorded a median house price of \$480,000, and a median unit price of \$320,000. This represents 9.1% annual (Q1 2022 – Q1 2023) median price growth for houses and -1.5% price softening for units. That said, on a quarterly basis (Q4 2022-Q1 2023) median prices softened by -4.0% for houses and -4.3% for units. These trends suggest cash rate hikes translated into the market. Sales have continued to decline annually and quarterly. Although the market is currently more affordable there is also limited supply available and thus despite the recent quarterly decline, median price growth has been 24.5% over the past two years (Q1 2021-Q1 2023)

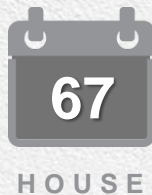
	CHANGE FROM LAST	YEAR	HALF YEAR
 House Sales		↓	↓
 House Median Price		↑	↑
 House Rental Price		↑	↑
 Unit Sales		↓	↑
 Unit Median Price		↓	↑
 Unit Rental Price		↑	↔

MARKET CONDITIONS

SALES MEDIAN PRICE Q1 2023



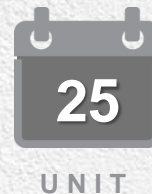
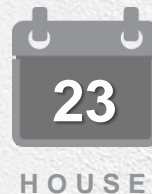
SALES AVERAGE DAYS ON MARKET Q1 2023



RENTAL MEDIAN PRICE Q1 2023

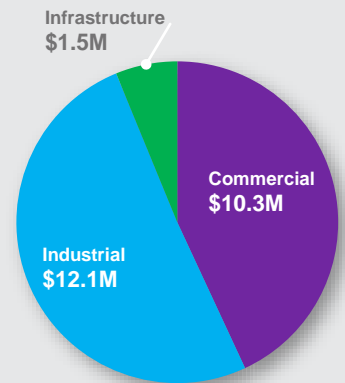


RENTAL AVERAGE DAYS ON MARKET Q1 2023



FUTURE DEVELOPMENTS

Tamworth is set to see approximately **\$23.8M** worth of new projects commencing in the 1st half of 2023.



These projects will stimulate economic growth and create large employment opportunities in Tamworth, which will have a spill-over impact on the real estate market, in the form of more demand for housing.

Cash rate hikes and uncertainty in economic conditions allow for ready-to-sell stock to be absorbed by the market; which at present creates a balanced market in an otherwise undersupplied property market.

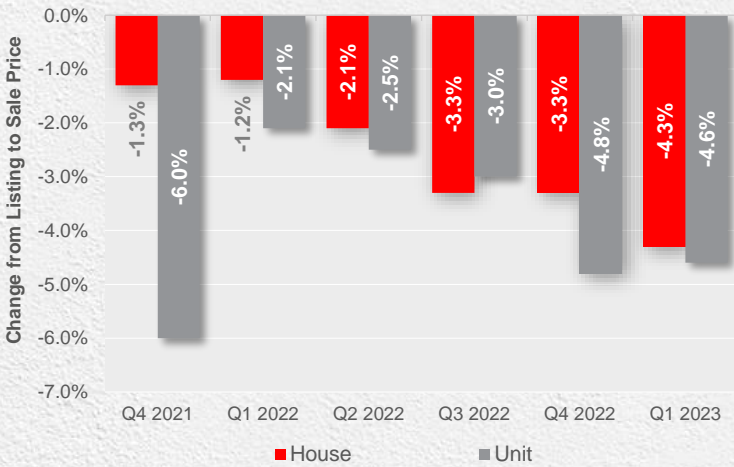
However there is an absence in residential projects planned – thus very little newly built stock coming to market. This will continue to put a pressure on prices. Thus any market softening is temporary in nature.

A significant commercial project in the 1st half of 2023 is the University of Newcastle Tamworth Student Accommodation (\$8.0M). This will provide student accommodation consisting of 3 x two storey interconnected accommodation blocks with relevant services, car parks and roads.

The main industrial project planned for the 1st half of 2023 is the Rapid Plas Tamworth. This project will add additional A-grade industrial space to the Tamworth area.

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.

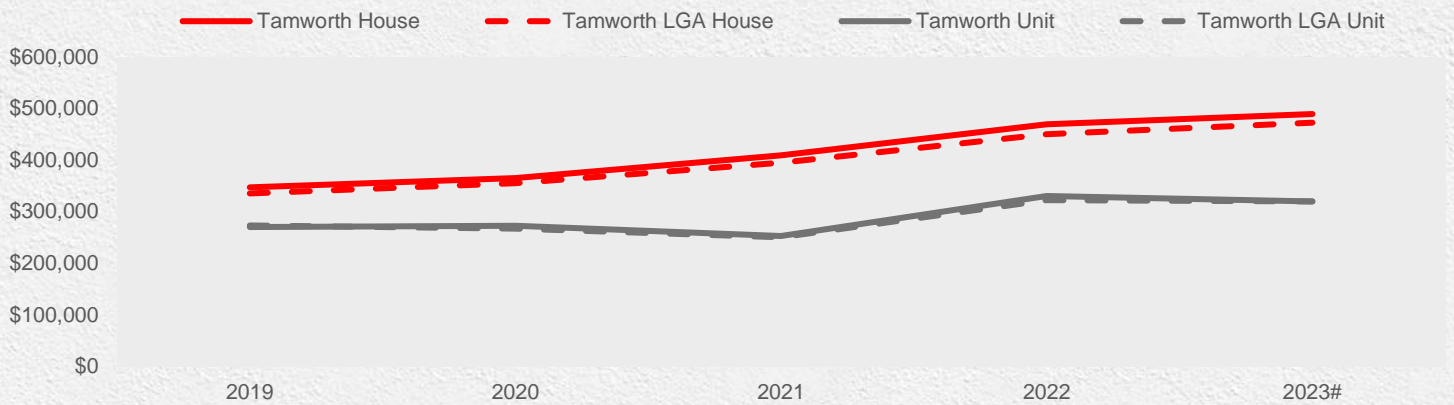


Average vendor discounts between Q1 2022 and Q1 2023 have widened to a higher discount of -4.3% for houses and -4.6% for units. Although average vendor discount may imply a buyers' market, supply and demand trends in Tamworth suggest a more balance market. Further, average unit vendor discounts have slightly stabilised between Q4 2022 and Q1 2023, thus unit buyers must act fast to secure their property.

The suburb of Tamworth has performed on par with the wider Tamworth Local Government Area (LGA) in both house and unit median prices for the past 5 years. This continued to be case in the beginning of 2023#.

The dominant proportion of homes sold in Tamworth* in 2022/23# were equally split between the premium price bracket of \$650,000 and above (23.8%) and affordable price bracket of \$350,000 - \$450,000. This suggest a more balanced market for every budget, with affordable options available for first home buyers. The premium market still dominate units, with 38.3% of sales being in the \$350,000 and above price bracket.

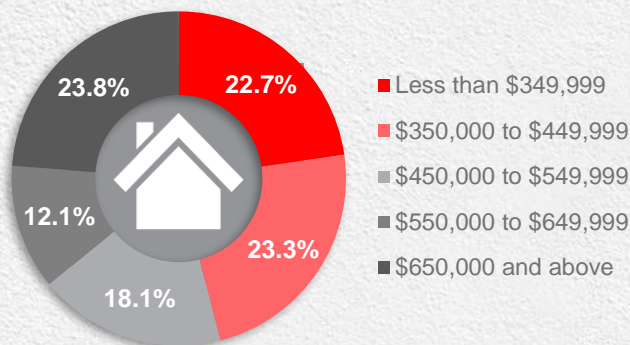
MARKET COMPARISON



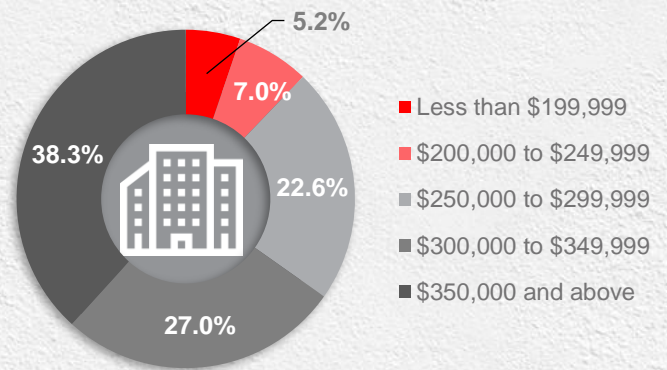
The market comparison graph provides a comparative trend for the median price of houses and units over the past 5 years. The main LGA profiled was chosen based on their proximity to the main suburb analysed, which is Tamworth.

PRICE BREAKDOWN 2022/23#

HOUSES SOLD



UNITS SOLD

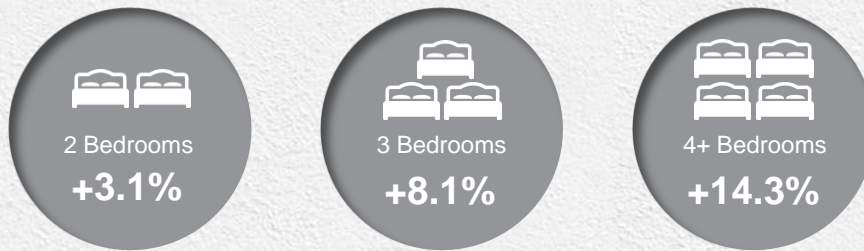


RENTAL GROWTH 2023€

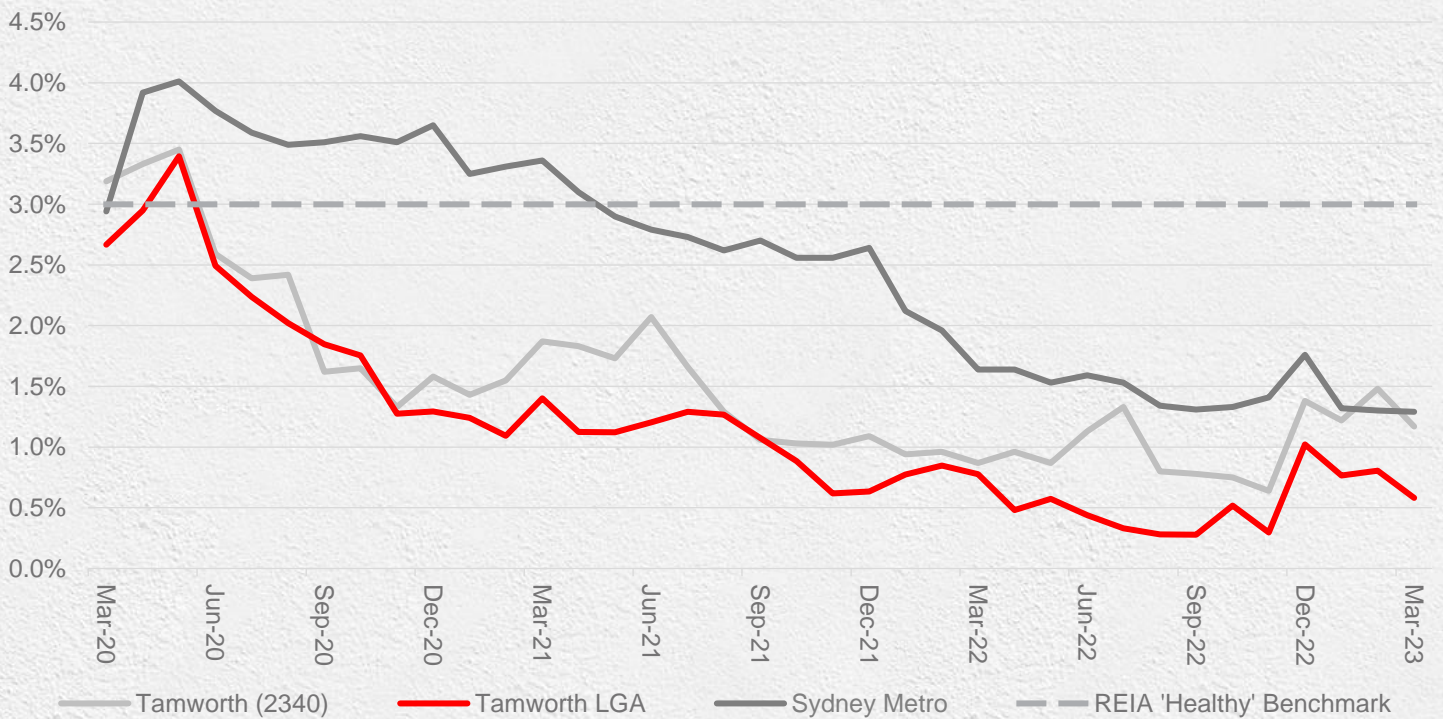
House rental yields in Tamworth[‡] were recorded at 4.0% in March 2023, well above Sydney Metro (2.9%). Furthermore, in the 12 months to Q1 2023 median house rental price increased by 7.1% to sit at \$420 per week, alongside a significant increase in the number of houses rented (to 355 rentals). Average days on market remained at a low 23 days in Q1 2023. The same pattern can be seen in the unit rental market, confirming a highly demanded rental market across Tamworth[‡].

3 bedroom houses have provided investors with +8.1% rental growth annually, achieving a median rent of \$400 per week.

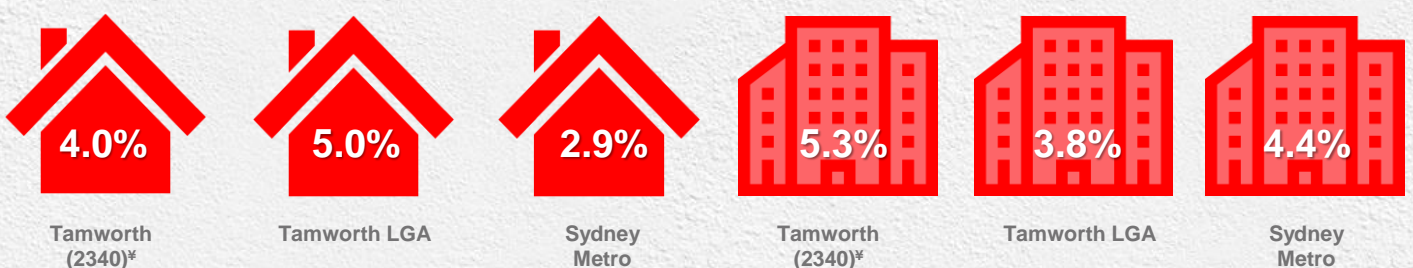
Tamworth[‡] recorded a vacancy rate of 1.2% in March 2023, which is slightly below Sydney Metro's 1.3% average. The spike in early 2023[#] can be attributed to more investors capitalising on a tight rental market. That said vacancy rates in Tamworth[‡] remain lower than pre-COVID-19 time and under the Real Estate Institute of Australia's healthy benchmark of 3.0%. This suggests a conducive investment environment, especially with a more affordable property prices in the past quarter.



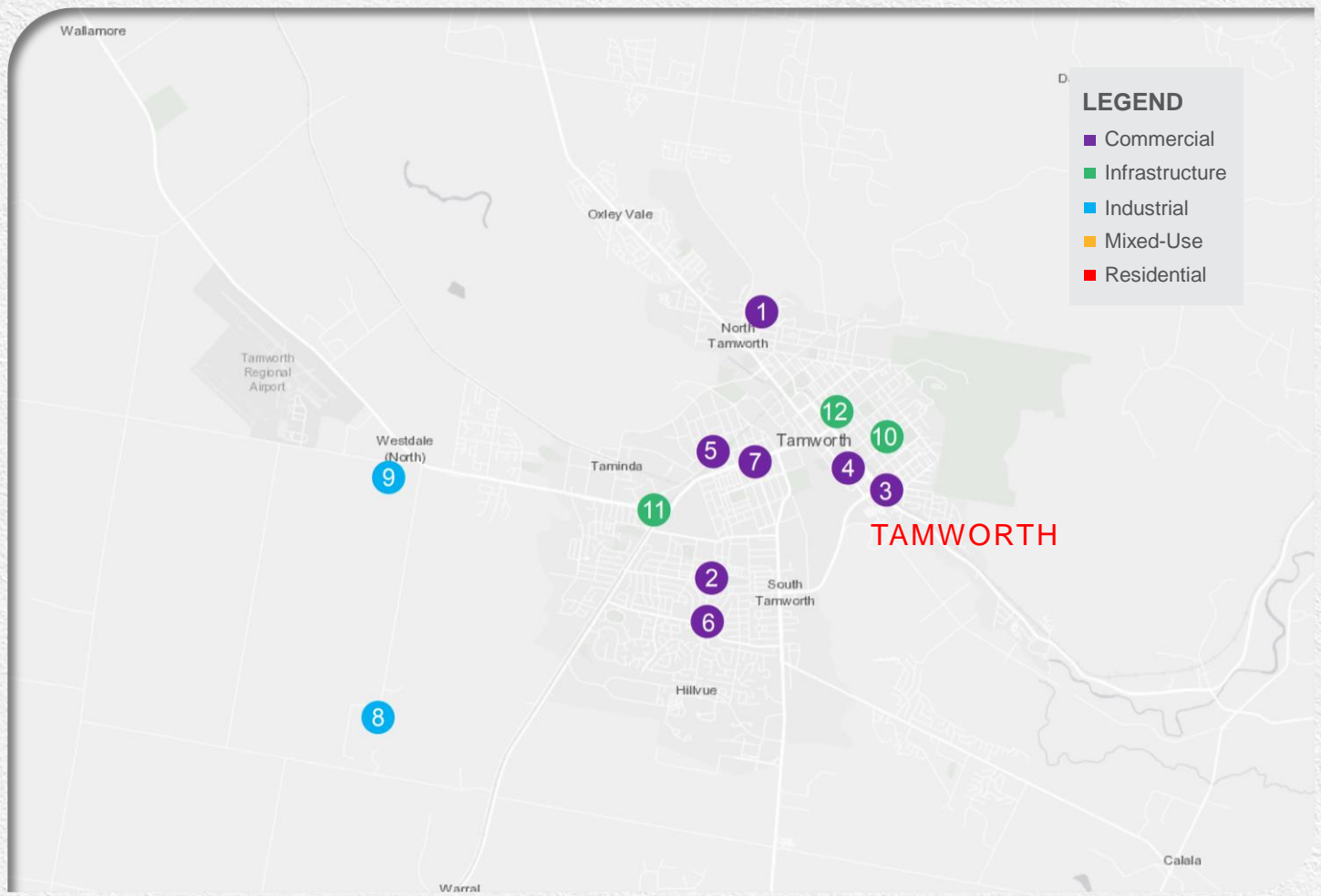
RENTAL VACANCY RATES 2023



RENTAL YIELD 2023\$



TOP DEVELOPMENTS MAP 1st HALF 2023^A



Location	Project [£]	Type	Estimated Value ^µ	Commence Date ^ψ
1	University Of Newcastle Tamworth Student Accommodation	Commercial	\$8,000,000	30/01/2023
2	1b David Street Specialist Disability Accommodation Units	Commercial	\$1,000,000	05/06/2023
3	Accessible Transport Hub Shelter - Tamworth Council	Commercial	\$400,000	16/02/2023
4	474 Peel Street Office Premises Alterations	Commercial	\$250,000	14/02/2023
5	172-174 Bridge Street Commercial Development	Commercial	\$230,000	10/01/2023
6	13-19 The Ringers Road Commercial Fit Out	Commercial	\$200,000	18/05/2023
7	Cellarbrations West Tamworth Retail Liquor Outlet Conversion	Commercial	\$200,000	25/05/2023
8	Rapid Plas Tamworth	Industrial	\$9,676,000	20/03/2023
9	16 Logistic Avenue Warehouses Stage 1	Industrial	\$2,430,000	07/06/2023
10	Tamworth Regional Council Pedestrian Infrastructure	Infrastructure	\$800,000	20/01/2023
11	Country Road Roundabout Landscape Planting & Irrigation Installation	Infrastructure	\$560,000	22/05/2023
12	Tamworth Regional Council Pedestrian Fencing	Infrastructure	\$120,000	14/03/2023



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

* Tamworth market data and key indicators encapsulates aggregate property market conditions within the postcode 2340

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

2023 encapsulates sales transactions for Quarter 1 (01/01/2023 – 31/3/2023) only.

€ Annual rental growth is a comparison between Quarter 1 2022 (01/01/2022 – 31/3/2022) and Quarter 1 2023 (01/01/2023 – 31/3/2023) house median rent figures.

¥ Tamworth rental market data encapsulates aggregate property conditions within the postcode of 2340.

§ Rental yields shown are as reported as of March 2023.

⌘ 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 postcode 2340

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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