



Tamworth Market Update

2nd Half 2023



OVERVIEW

In Q3 2023, Tamworth* recorded a median house price of \$529,000, and a median unit price of \$375,000. This represents annual (Q3 2022 – Q3 2023) growth of 13.0% for houses and 17.5% for units. Sales volume between Q3 2022 – Q3 2023 declined by -26.0% (to 211 sales) for houses and increased by 23.8% for units (to 26 sales). An undersupply in houses creates a buffer against cash rate hikes, with the median price still increasing. The unit market is highly demanded, as the median price increased even with more sales. Tamworth* is a highly resilient market, despite changing economic conditions.

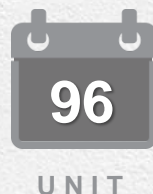
	CHANGE FROM LAST	YEAR	HALF YEAR
			
House Sales		↓	↓
House Median Price		↑	↑
House Rental Price		↑	↑
			
Unit Sales		↑	↑
Unit Median Price		↑	↑
Unit Rental Price		↑	↑

MARKET CONDITIONS

SALES MEDIAN PRICE
Q3 2023



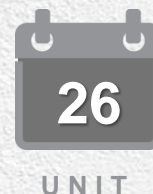
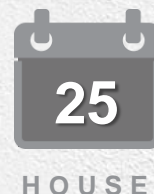
SALES AVERAGE DAYS ON
MARKET Q3 2023



RENTAL MEDIAN PRICE
Q3 2023

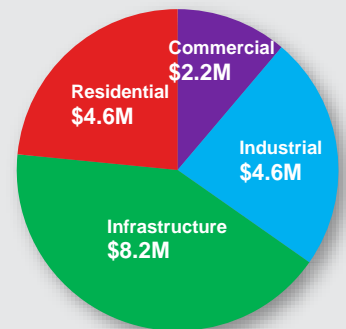


RENTAL AVERAGE DAYS ON
MARKET Q3 2023



FUTURE DEVELOPMENTS

Tamworth is set to see approximately **\$19.6M** worth of new projects commencing in the 2nd half of 2023.



These projects will stimulate economic growth and create job opportunities in Tamworth. This can result in a spill-over impact on the real estate market, in the form of higher demand for housing stock.

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 market.

However, there is some residential projects planned:

- 24-26 Marius Street (12 units)
- 76-82 Darling Street (7 units)

This will assist in addressing some of the current demand.

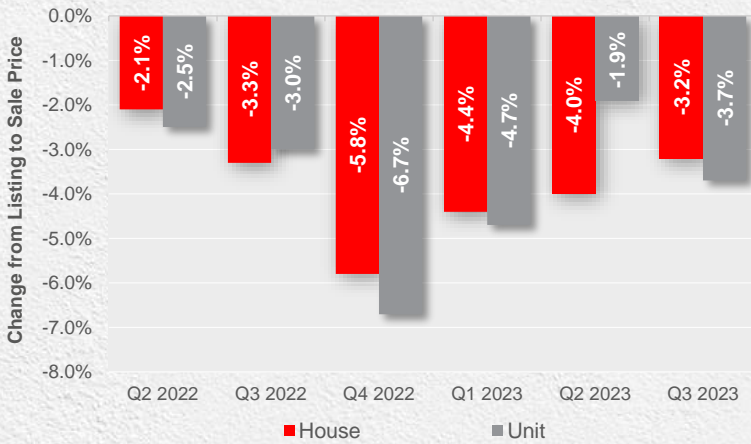
Key infrastructure projects include Rollers Australia Westdale Industrial Building (by the local government), Byamee Land Utility, the Tamworth Regional Airport feasibility studies, and others. These are planned with the view of improving liveability for current residents and attracting more people to the Tamworth area.



19 Units/
Apartments

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.

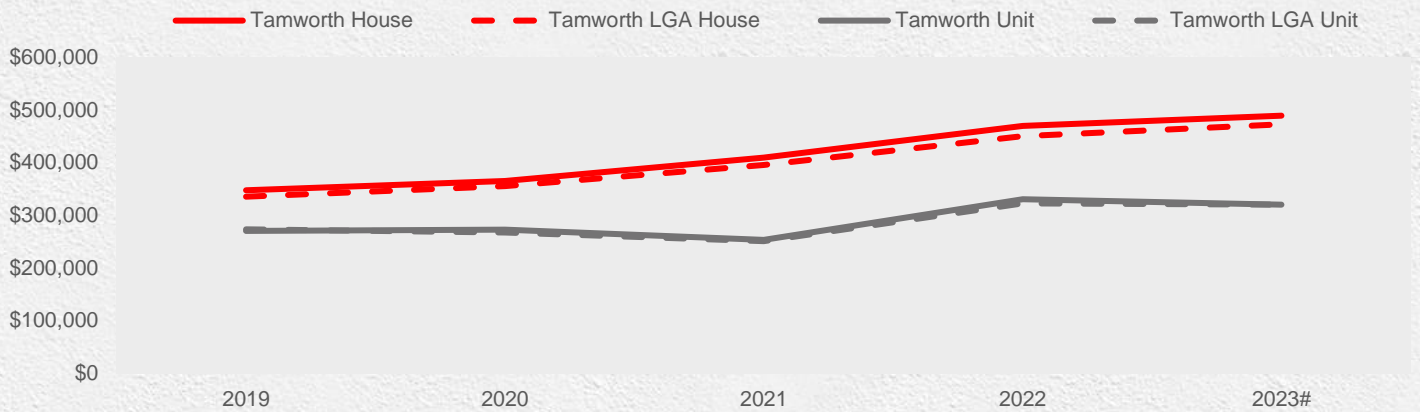


Average vendor discounts between Q3 2022 and Q3 2023 have remained relatively stable, a -3.2% discount for houses and -3.7% for units. Market conditions in Tamworth* continue to favour buyers, as vendors are willing to accept below the initial listing price. However, Q3 2023 average vendor discount was tighter than the past 3 quarters, thus buyers must act fast.

The suburb of Tamworth has historically performed on par with the wider Tamworth Local Government Area (LGA) in both house and unit median prices. 2023# saw this continue, with a more moderate price growth in both the suburb and the LGA.

The dominant proportion of homes sold in Tamworth* across 2023# were in the most affordable price bracket of less than \$399,000 (28.7%). In contrast, most of the unit sales were in the premium price point of \$400,000 and above (23.3%). Affordable units are also available, making up 33.3% of sales. The premium house market is also active, making up 22.2% of sales.

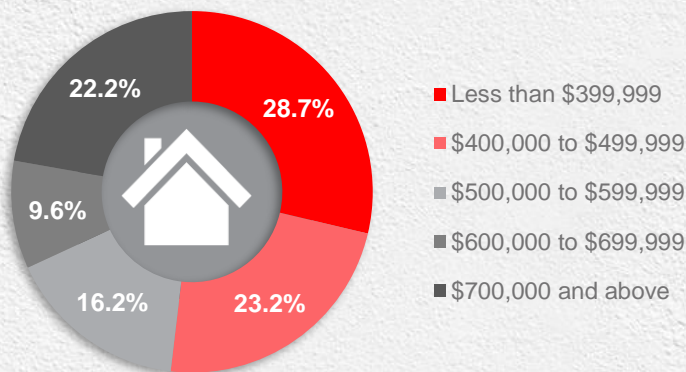
MARKET COMPARISON



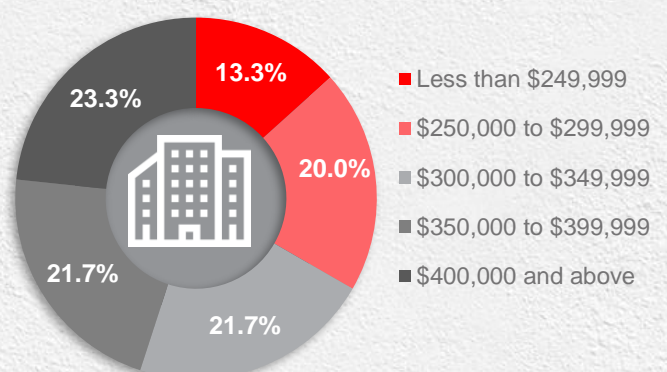
The market comparison graph provides a comparative trend for the median price of houses and units over the past 5 years. The main LGA profiled was chosen based on their proximity to the main suburb analysed, which is Tamworth.

PRICE BREAKDOWN 2023#

HOUSES SOLD



UNITS SOLD

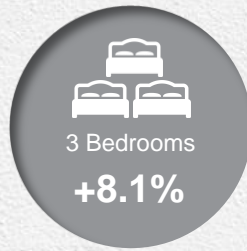


RENTAL GROWTH 2023€

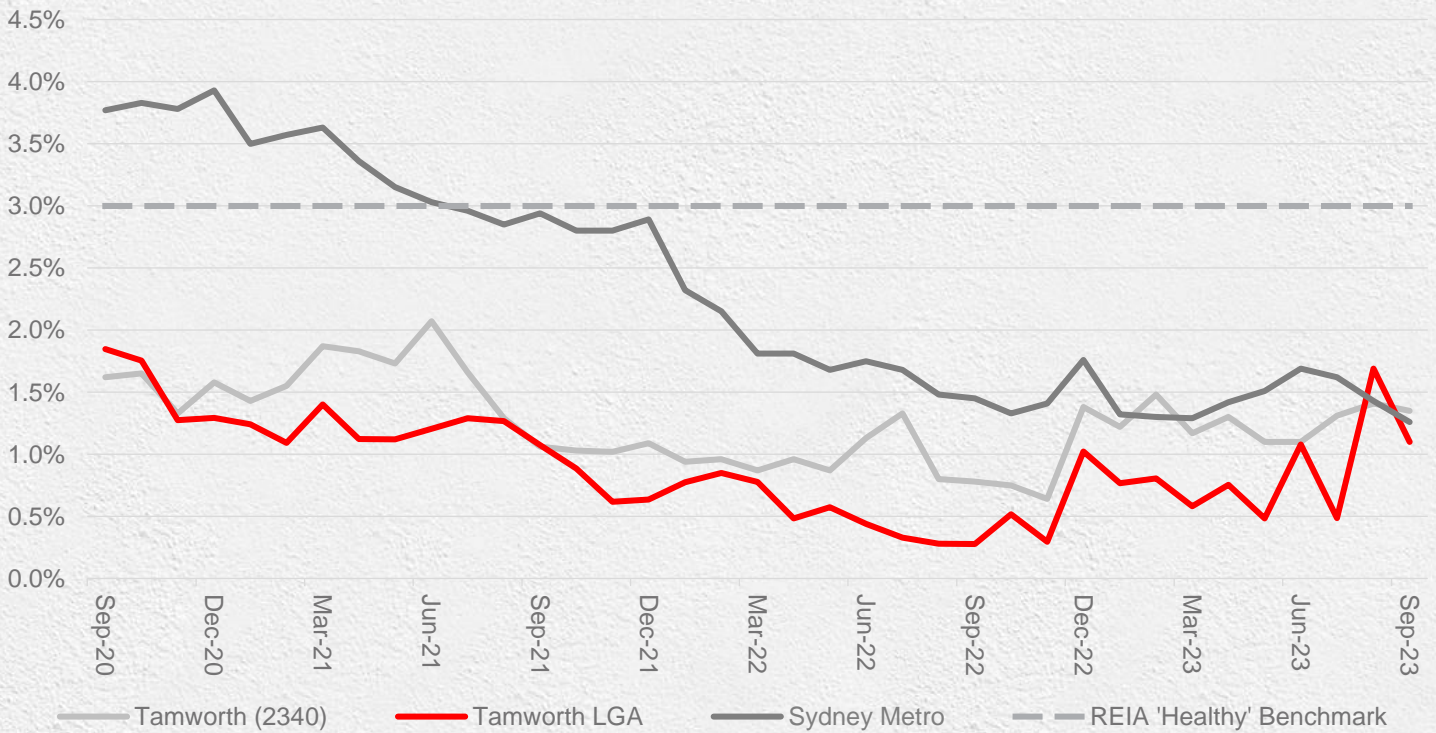
House rental yields in Tamworth* was 4.2% in September 2023, much higher than Sydney Metro (2.9%). This was paired with a 7.5% increase in median house rental price in the 12 months to Q3 2023, to \$430 per week, and an 8.9% increase in the number of houses rented (to 402 houses). The same pattern can be seen in the unit market, which suggests a highly demanded and undersupplied rental market, in good news for investors.

2 bedroom houses have provided investors with +9.4% rental growth annually, achieving a median rent of \$350 per week.

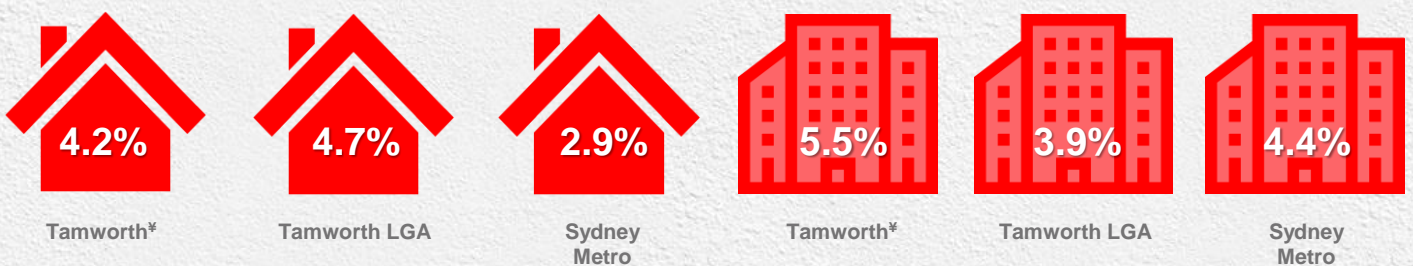
Tamworth* recorded a vacancy rate of 1.4% in September 2023, which is on par Sydney Metro's 1.3% average. Vacancy rates in Tamworth* have increased slightly in the past 12 months, due to investors entering the market and capitalising on higher yields. That said, a 1.4% vacancy rate is still very low, thus quicker rental occupancy. This suggests a conducive and sustainable environment for investors, even if property sale prices have increased in the past 12 months to Q3 2023



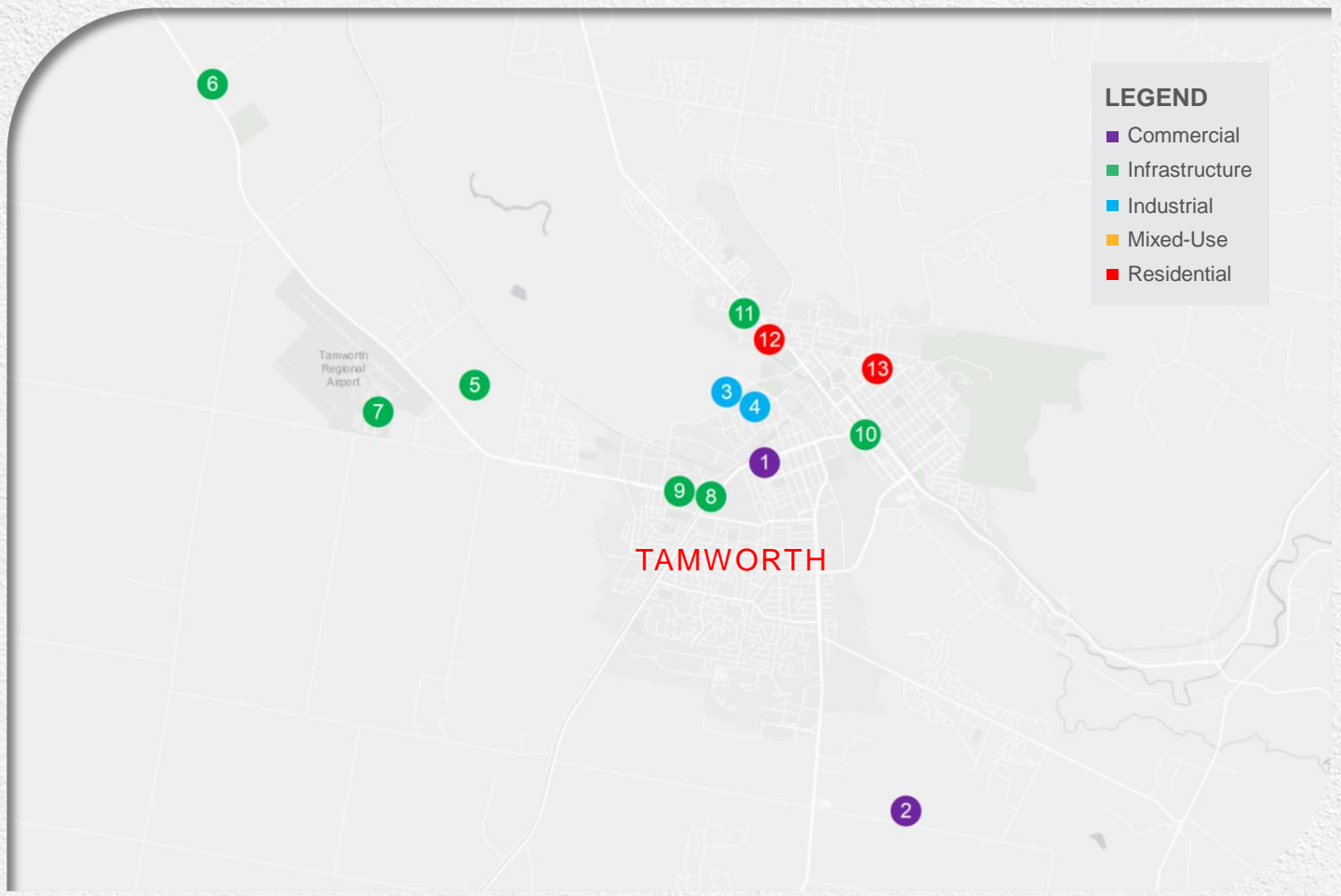
RENTAL VACANCY RATES 2023



RENTAL YIELD 2023§



TOP DEVELOPMENTS MAP 2nd HALF 2023^A



Location	Project [£]	Type	Estimated Value ^µ	Commence Date ^ψ
1	Guzman Y Gomez West Tamworth Restaurant	Commercial	\$1,200,000	10/10/2023
2	605 Burgmanns Lane Distillery	Commercial	\$995,000	18/10/2023
3	Winning Post Business Park Taminda Light Industrial Building	Industrial	\$3,121,000	29/12/2023
4	51-57 Plain Street Hardware & Building Supplies Warehouse Stages 1 & 2	Industrial	\$1,500,000	19/08/2023
5	Rollers Australia Westdale Industrial Building (Local Govt.)	Infrastructure	\$3,998,000	04/09/2023
6	Byamee Lane Utility Relocation	Infrastructure	\$1,000,000	03/10/2023
7	Tamworth Regional Airport General Aviation Feasibility Study	Infrastructure	\$1,000,000	16/09/2023
8	Tamworth Regional Council Civil Works For Pedestrian Infrastructure School Package 2	Infrastructure	\$800,000	23/10/2023
9	Country Road Roundabout Landscape Planting & Irrigation Installation	Infrastructure	\$560,000	22/10/2023
10	Tamworth Town Hall Repairs	Infrastructure	\$500,000	23/10/2023
11	Johnstone Street Security Fence	Infrastructure	\$350,000	13/11/2023
12	24-28 Marius Street Units (12 Units)	Residential	\$2,401,000	16/07/2023
13	76-82 Darling Street Units (7 Units)	Residential	\$2,200,000	28/11/2023

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
- Real estate sales and property management

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 Q1 to Q3 2023 (01/01/2023 – 30/09/2023) only.

€ Annual rental growth is a comparison between Q3 2022 (01/07/2022 – 30/09/2022) and Q3 2023 (01/07/2023 – 30/09/2023) median house rent figures.

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

§ Rental yields shown are as reported as of September 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 postcode of 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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