

Tamworth Market Update

1st Half 2024



OVERVIEW

In Q1 2024, Tamworth* recorded a median house price of \$536,250 and a median unit price of \$335,000. This represents annual (Q1 2023 – Q1 2024) median price growth of 11.7% for houses and 4.7% for units. Total sales decreased during this time, by -6.0% for houses (to 237 sales) and by -27.3% for units (to 16 sales). Q1 2024 recorded the lowest number of sales in the past 24 months, confirming there is an undersupply, for both property types. This has created a buffer against higher interest rates, thus continuous price growth. This creates an ideal opportunity for owners who are looking to capitalise on their investment.

CHANGE FROM LAST YEAR HALF YEAR



	YEAR	HALF YEAR
HOUSE SALES	↓	↓
HOUSE MEDIAN PRICE	↑	↑
HOUSE RENTAL PRICE	↑	↑

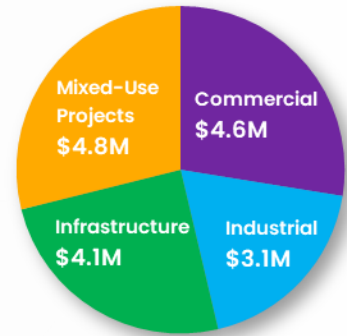


UNIT SALES	↓	↓
UNIT MEDIAN PRICE	↑	↑
UNIT RENTAL PRICE	↑	↔



FUTURE DEVELOPMENTS

Tamworth is set to see approximately **\$16.6M worth of new projects commencing in the 1st half of 2024.**



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

A main mixed-use project over the 1st half of 2024 is 86 Goddard Lane Mixed Use Development (\$4.8M). It will construct a commercial & industrial development with service station and 6 attached industrial warehouse units. This can create more local jobs for residents.

Other projects planned in the 1st half of 2024 include:

- 23-25 & 27 Dean Street Serviced Apartments (Commercial)
- Winning Post Business Park Taminda Light Industrial Building (Industrial)
- Burgmanns Lane & New Winton Road Bridges (Infrastructure)

The absence in residential projects will exacerbate the current housing stock shortage in Tamworth's market, impacting all property types and driving prices higher. Thus, buyers must act fast as their window of opportunity is extremely limited.



MARKET CONDITIONS

MEDIAN PRICE
Q1 2024



SALES



AVERAGE DAYS
ON MARKET Q1 2024



MEDIAN PRICE
Q1 2024



RENTALS



AVERAGE DAYS
ON MARKET Q1 2024

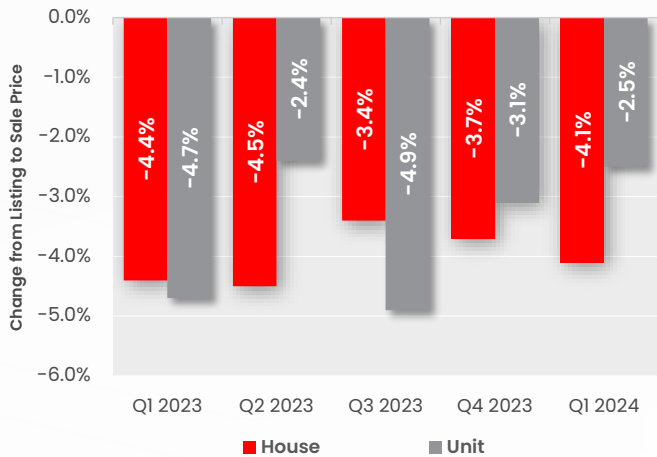




AVERAGE VENDOR DISCOUNT*

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 2023 and Q1 2024 have tightened to a smaller discount of -4.1% for houses and -2.5% for units. Market conditions in Tamworth still favour buyers, with sellers accepting below the first listed price. That said the highest level of discount period has passed, indicating a potential shift towards a more balanced market, due to the undersupply of stock. Thus, buyers must act fast to benefit from current discounts.

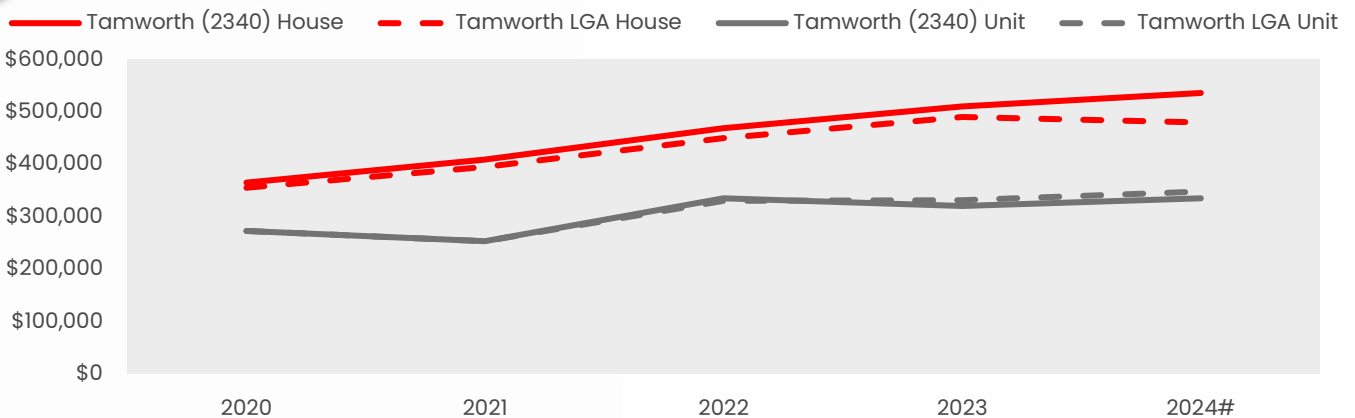


The suburb of Tamworth has historically performed on par with the wider Tamworth Local Government Area (LGA) in house and unit prices. 2024# saw this continue for units, however houses in Tamworth have become a premium.

The dominant proportion of homes sold in Tamworth* across 2023 and 2024# were in the most affordable price bracket of less than \$399,999 (29.8%). There is a slight difference in units, with most sales in the more affordable price range of \$250,000 to \$349,999 (43.9%). Combined this is good news for buyers. That said the premium market has strengthened, with 22.7% of house sales above \$700,000 and 32.7% of unit sales above \$400,000.



MARKET COMPARISON



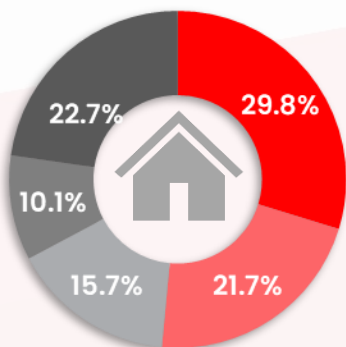
The market comparison graph provides a comparative trend for the median price of houses and units in the past 5 years. The main LGA profiled was chosen based on their proximity to the main suburb analysed, which is Tamworth.



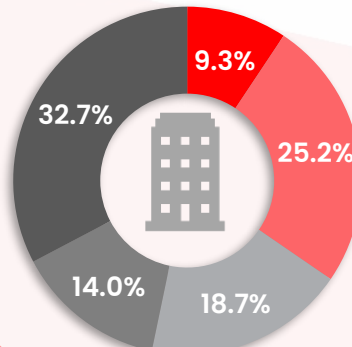
PRICE BREAKDOWN 2023-2024#

HOUSES SOLD

UNITS SOLD



- Less than \$399,999
- \$400,000 to \$499,999
- \$500,000 to \$599,999
- \$600,000 to \$699,999
- \$700,000 and above



- Less than \$249,999
- \$250,000 to \$299,999
- \$300,000 to \$349,999
- \$350,000 to \$399,999
- \$400,000 and above



RENTAL GROWTH 2024€

House rental yields in Tamworth[‡] was 3.5% as of March 2024, slightly lower than the Tamworth LGA (4.5%) but higher than Sydney Metro (2.9%). Median house rental price increased by 7.1% in the past 12 months, at \$450 per week, and the number of houses rented increased by 11.4% (to 391 houses). Average day on the market declined by -4.3%, to a historical low level of 22 days. The unit market shows the same trends. Combined, this suggests there is a high demand and competitive rental market in Tamworth[‡], which is good news to 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 1.6% in March 2024, well below Tamworth's 2.3% average, but slightly higher than Sydney Metro's 1.1%. Vacancy rates in Tamworth[‡] have increased over the past 12 months, due to investors entering the market. However, a 1.6% vacancy rate is still well below the Real Estate Institute of Australia's healthy benchmark. This suggests quicker occupancy of rental properties, which is ideal and conducive for investors.

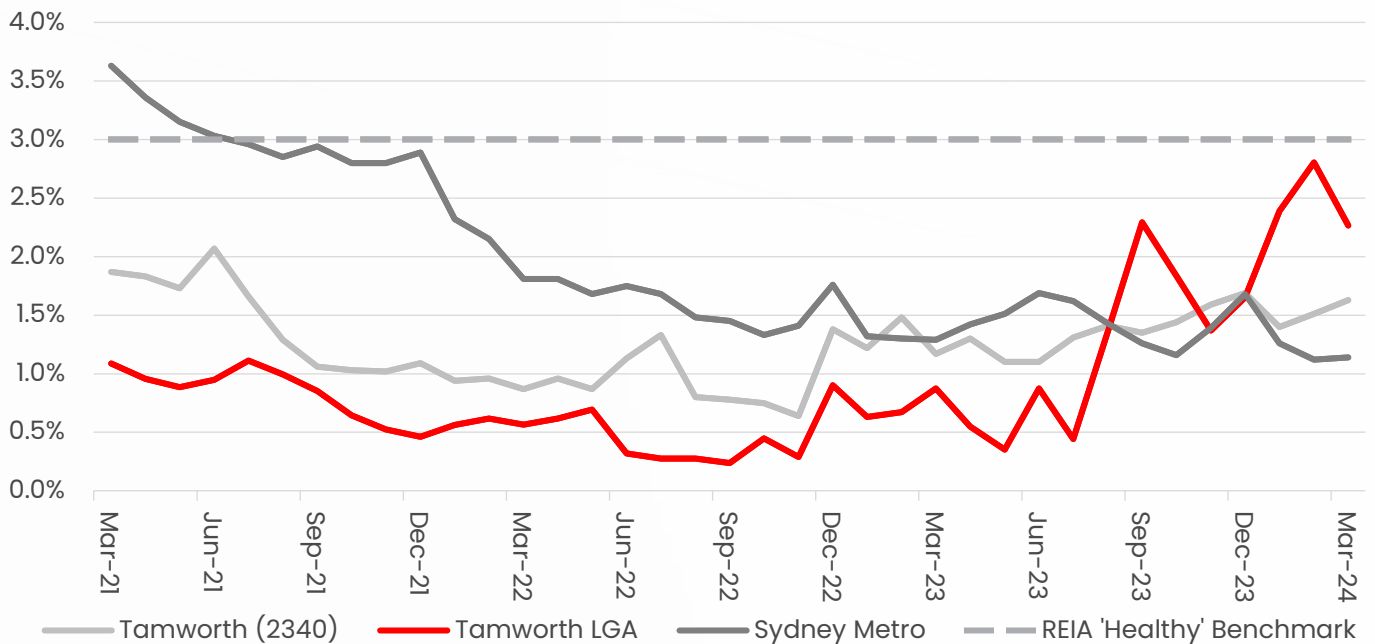
 2 BEDROOMS
+9.4%

 3 BEDROOMS
+5.0%

 4 BEDROOMS
+4.1%



RENTAL VACANCY RATES 2024



RENTAL YIELD 2024§



3.4%

Tamworth (2340)[‡]



4.5%

Tamworth LGA



2.9%

Sydney Metro



5.6%

Tamworth (2340)[‡]



4.0%

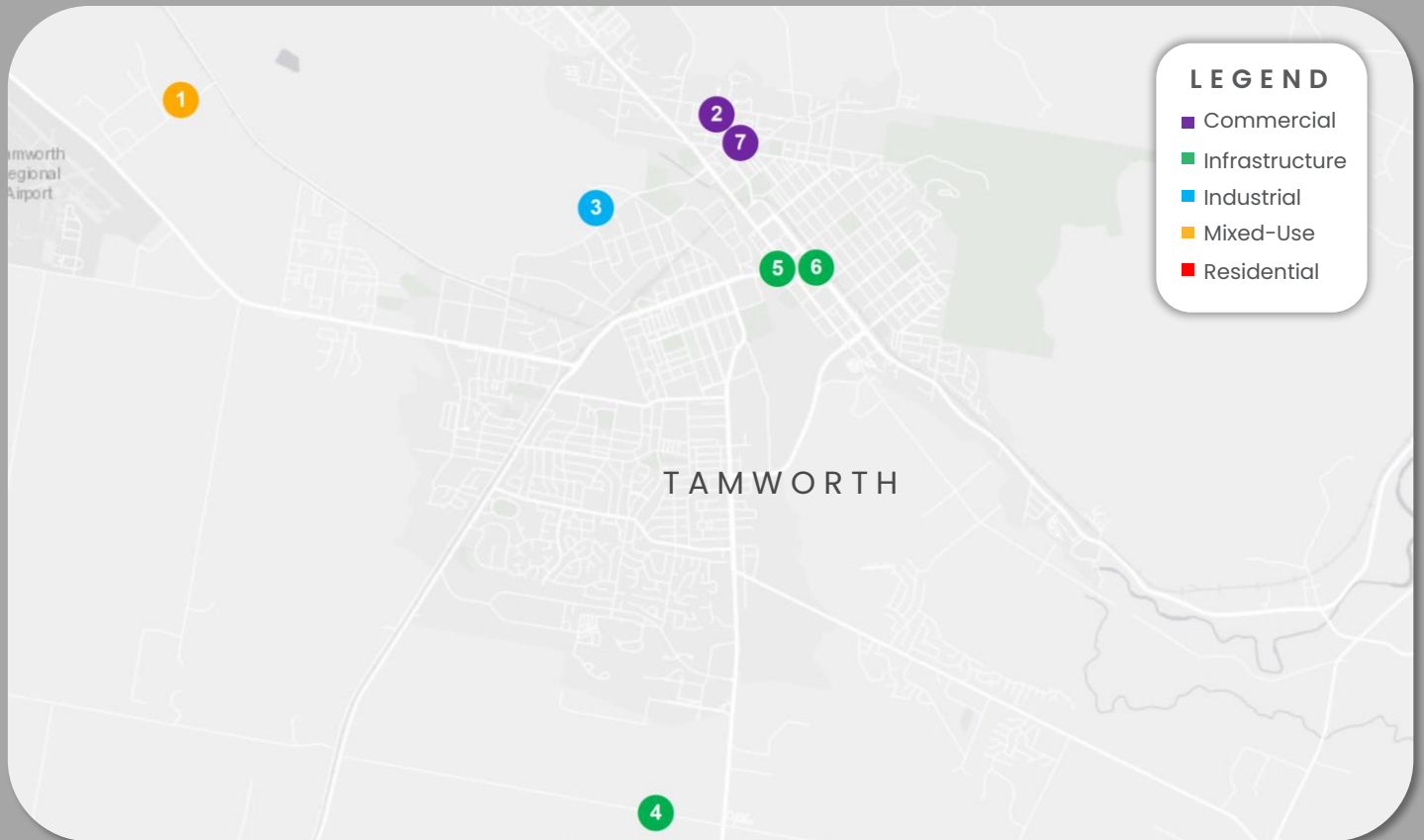
Tamworth LGA



4.6%

Sydney Metro

PROJECT DEVELOPMENT MAP 1st HALF 2024^A



#	Project [£]	Type	Estimated Value ^µ	Commence Date ^ψ
1	86 Goddard Lane Mixed Use Development (commercial and industrial)	Mixed Use	\$4,810,000	27/02/2024
2	23-25 & 27 Dean Street Serviced Apartments	Commercial	\$4,322,000	02/06/2024
3	Winning Post Business Park Taminda Light Industrial Building	Industrial	\$3,120,882	05/02/2024
4	Burgmanns Lane & New Winton Road Bridges (Local Government)	Infrastructure	\$2,640,762	18/03/2024
5	Tamworth Regional Council Roadworks Active Transport Path (Local Government)	Infrastructure	\$950,000	08/01/2024
6	Tamworth Regional Council Street Lighting (Local Government)	Infrastructure	\$533,006	19/02/2024
7	62 Piper Street Health Consulting Rooms Conversion	Commercial	\$265,000	08/03/2024

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 Level 1, 179 Marius Street
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REFERENCES

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

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

2024 encapsulates sales transactions for Q1 2024 (01/01/2024 – 31/03/2024) only, other years encapsulates sales transactions for the full year (i.e 01/01 to 31/12 of the relevant year).

€ Annual rental growth is a comparison between Q1 2023 (01/01/2023 – 31/03/2023) and Q1 2024 (01/01/2024 – 31/03/2024) house median rent figures.

¥ Tamworth rental market data encapsulates aggregate property conditions within the postcodes of 2340, 2346, 2352, 2347, 2353, 2354, 2344, 2355, 2338, 2359, 2345 .

§ 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 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 Pricfinder, Cordell Connect database, SQM Research, Esri ArcGIS.

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