



PROPERTY WATCH® REPORT

Tamworth
Third Quarter 2014



Tamworth Regional Map

This following Property Watch report analyses the current and historic performance of the Tamworth residential market as highlighted in the adjacent Tamworth Regional Map.

Situated approximately 410 kilometers north of Sydney, Tamworth is a major economic and service hub for the New England region. The area is well connected to its surrounds thanks to the the New England and Oxley Highway's while a regional airport offers direct flights to Sydney.

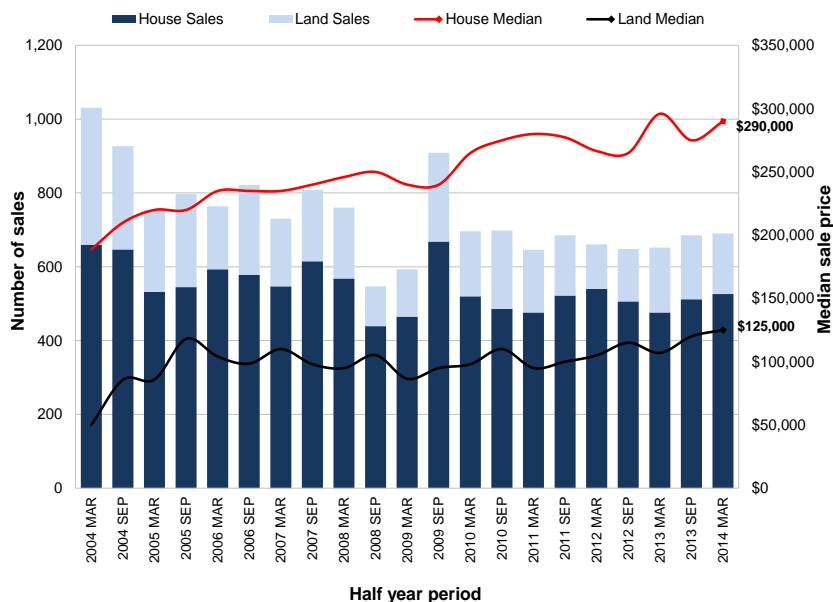
Tamworth has a diverse range of property types ranging from townhouses to large rural properties which provides opportunities at all ends of the market. This Property Watch report will aim to further highlight the regions characteristics, analyse the market and forecast the future trends of the Tamworth residential market.

House & Land Sales Cycle

Houses dominate the Tamworth market due to demographic demands and availability of land. In the annual period to March 2014 the Tamworth housing market had registered a total of 1038 transactions which represents an annual increase of 5.7 per cent while median prices have remained level. Over 10 years however median prices have increased at an average of a strong 5 per cent per annum.

The land market is also showing positive signs after a period of subdued growth. There has been an increase in transactional activity of 6 per cent and an increase in median value of 16.8 per cent in since March 2013. Over 10 years median prices have recorded an average growth rate of 4 per cent which is considered strong.

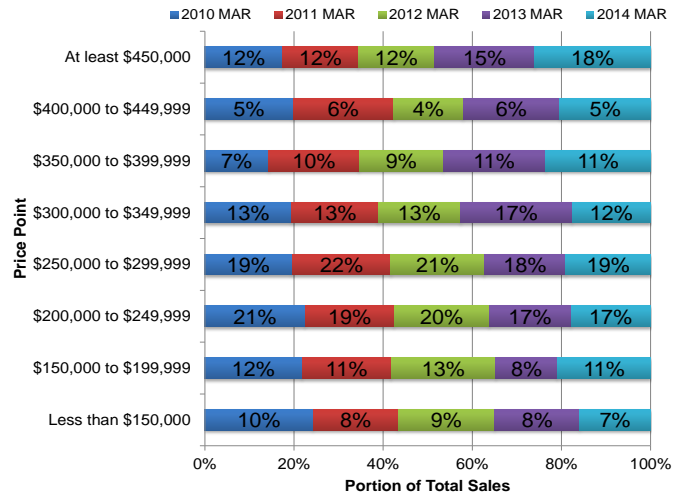
Moving forward sale rates are expected to revert back to the long term trend of steady and solid growth after a standout 12 months.



“CURRENT MARKET CONDITIONS ARE STRONG DUE TO SUSTAINED BUYER ACTIVITY”

- Dean Cummins, PRDnationwide Tamworth Co-Principal

Tamworth House Price Point Chart

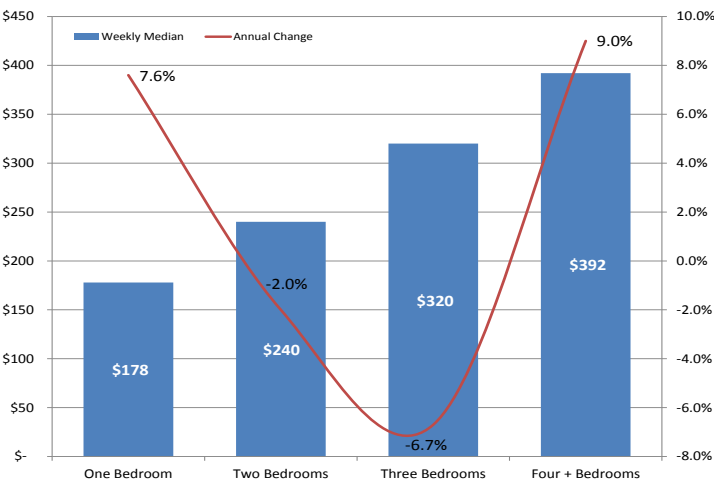


The Tamworth price point chart indicates the shifts in house prices across the area over the past five years. Overall the lower price points are shrinking, the middle of the market is remaining relatively level while the higher end of the market is increasing in popularity.

The price point that dropped the most in activity was the \$200,000 to \$249,000 range which dropped 4 per cent since 2010. The decline is due to affordable stock rising in value after increases in demand which has resulted in properties being pushed into higher price points.

The price point that increased the most was the \$450,000 and above range which over five years has grown a positive 6 per cent. All of the other high price points also reported growth however at a lower rate.

Tamworth Rental Analysis



The metro Tamworth rental market, similar to the Tamworth housing market has recorded reasonable growth recently. As at March 2014 median rents registered \$280 per week which is a rise 3 per cent over the previous year.

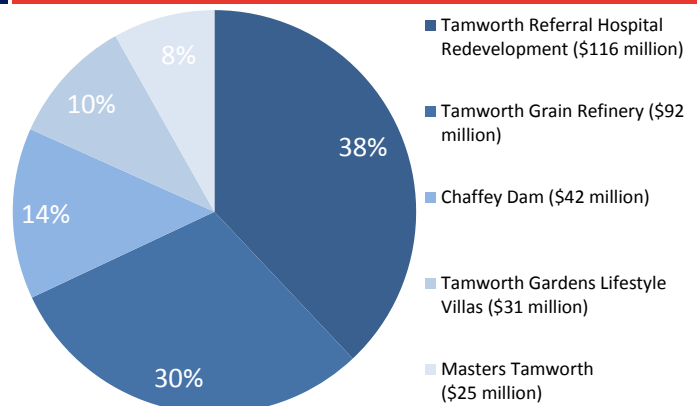
The strongest growth can be found in the four plus bedroom market which increased from 9 per cent since March 2013. The four bedroom market has seen continual demand from families which are the largest demographic in the region, this has resulted in consistent increases.

The rental data currently indicates an approximate yield of 5.2 per cent which is a strong return. For investors three to four bedroom properties should offer the best return moving forward due to demographic demands and high yields.

Tamworth is already well established however there is continual investment in infrastructure and commercial projects which should see the region grow. Currently there is approximately \$700 million worth of development in the pipeline with a healthy mix of public infrastructure, commercial, agriculture and residential developments planned or recently completed.

Highlights include the planned \$116 million Tamworth Referral Hospital redevelopment which will eventually include a new 5 level acute services building, new temporary accommodation as well as a number of new speciality wings. There is also a new \$92 million grain refinery which will include storage and production for food and alcohol. Both of these projects should fuel continual job growth moving forward.

Tamworth Development Pipeline



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