

PRD.  REAL ESTATE



Tamworth Investment Guide

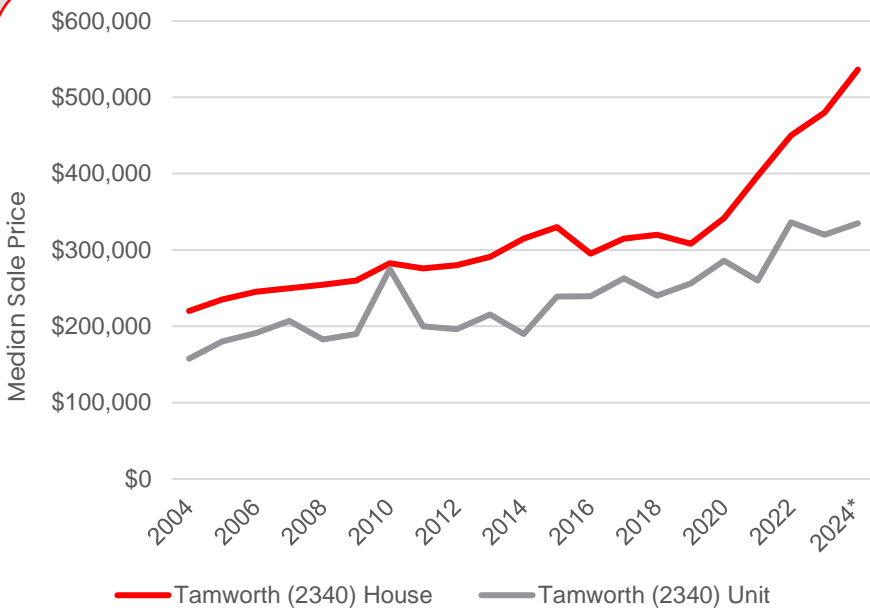
1st Half 2024

20 YEAR SNAPSHOT

TAMWORTH PROPERTY MARKET

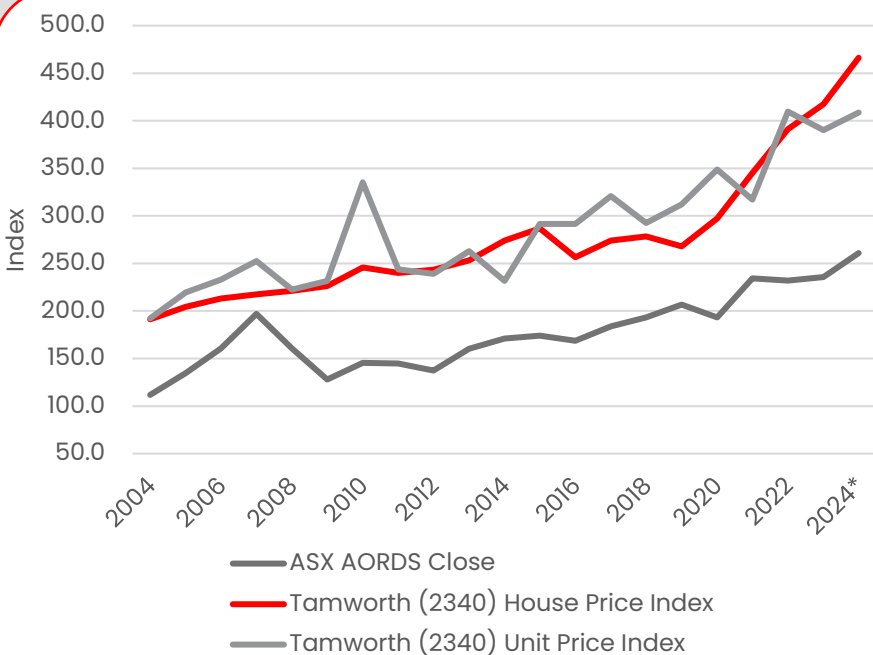
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TAMWORTH MEDIAN PROPERTY PRICES



Source: APM Pricfinder

PROPERTY & SHARES: TAMWORTH VS. ASX



Source: APM Pricfinder, Yahoo! Finance

2024* MEDIAN PRICE



Median House Price:
\$536,250

	Growth	%	% pa
1Y	\$56,250	11.7%	11.7%
5Y	\$228,250	74.1%	14.8%
10Y	\$221,250	70.2%	7.0%



Median Unit Price:
\$335,000

	Growth	%	% pa
1Y	\$15,000	4.7%	4.7%
5Y	\$79,000	30.9%	6.2%
10Y	\$145,000	76.3%	7.6%

KEY COMMENTS

Despite the successive cash rate hikes and consumer uncertainty, Tamworth market has shown **significant long-term growth** for the past five and ten years, which benefits owners.

Median house price grew by 11.7% in the past 12 months, **much higher than** the monthly CPI indicator growth of 3.4% in the 12 months to February 2024. **This suggests a high and more sustainable return in capital investment**, which is advantageous to property owners.

A lower price growth in median unit prices **provide first home buyers with an ideal opportunity** to enter the market.

20-YEAR INDEX GROWTH



ASX All Ordinaries (Close): **+133.63%**



Tamworth (2340) House: **+143.75%**



Tamworth (2340) Unit: **+112.70%**

KEY COMMENTS

In the past 20 years **the Tamworth property market has significantly outpaced the ASX All Ordinaries**. Both asset classes **showed patterns of growth**, however the ASX have not grown as much as Tamworth's property market, especially in the past 5 years.

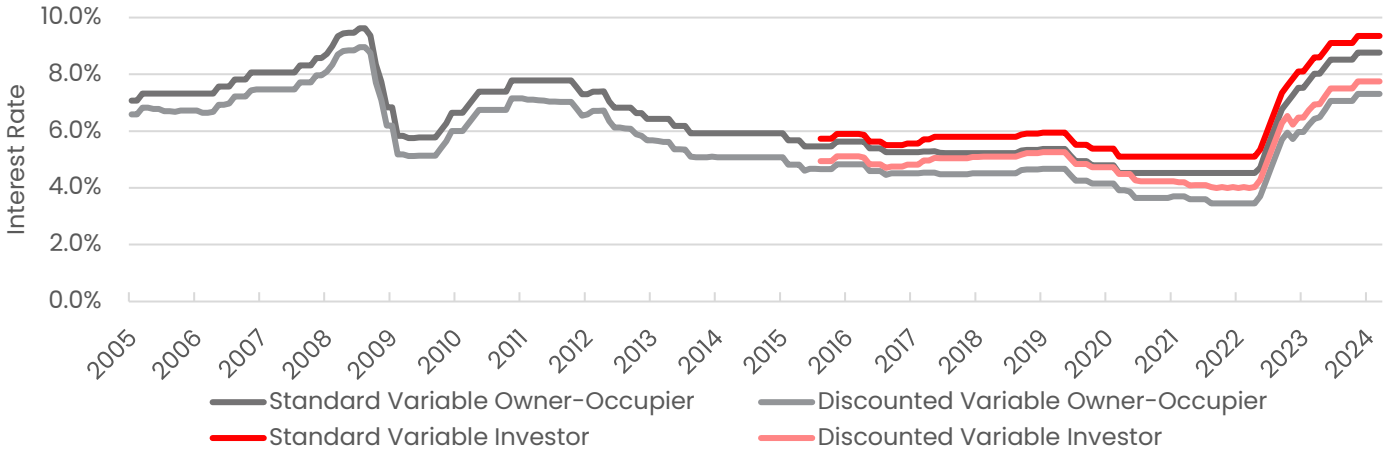
The ASX demonstrated resilience in the past 12 months, during the RBA's cash rate hikes. **However, it did not record significant growth post-COVID-19**. With the cash rate currently on hold (as of March 2024) and consumer confidence on the rise, there is **a high potential for further price growth Tamworth property market**.

The resilience of the Tamworth property market in the past 20 years, including during higher interest rates periods, reinforces it **as a more lucrative investment choice** than the ASX All Ordinaries.



PROPERTY INTEREST RATES

Source: Reserve Bank of Australia



MAR-24 VARIABLE RATES



Standard Owner-Occupier: **8.8%**



Discounted Owner-Occupier: **7.3%**



Standard Investor: **9.4%**



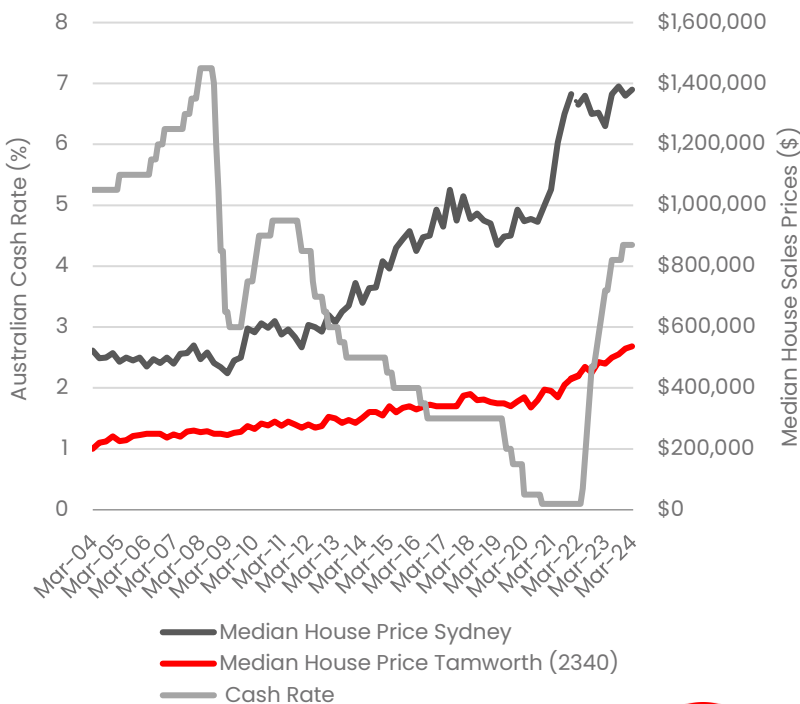
Discounted Investor: **7.8%**

KEY COMMENTS

Variable rates for all borrowers have increased significantly in the past 12 months, currently at a record high since 2013. This has **lowered buyer's borrowing capacity**, impacting their purchasing power. It has also impacted owners who have not experienced a cash rate increase and are about to come off their fixed rate. **The cash rate is currently on an "on hold" pattern, providing relief to mortgage holders and household budgets.**

"We're making progress in our fight against inflation, but it does remain high. It hurts everyone – inflation – and that's why it's important we get inflation back into the target band of 2-3%. So today, as I said, the Board decided to hold rates at current levels. To the future, we still have to get inflation down and the risks to achieving that remain finely balanced" – Michelle Bullock, RBA Governor, Media Conference 19 Mar 2024

AUSTRALIAN CASH RATE VS TAMWORTH MEDIAN HOUSE PRICE VS SYDNEY MEDIAN HOUSE PRICE



Q1 2024 MEDIAN HOUSE PRICE



Sydney Median House Price: **\$1.6M**



Tamworth Median House Price: **\$536K**



4.35%
Cash Rate (March 2024):

KEY COMMENTS

Current market conditions are reflective of higher interest rates. During the period of COVID-19 and successive cash rate hikes, the **Sydney median house price saw declining and/or fluctuating growth.** In contrast, **Tamworth's median house price continued to increase steadily**, even if it is at a slightly slower pace than post-COVID-19.

With cash rates currently on hold and a market undersupply, the Tamworth property market will **see price growth for the rest of 2024.** This is a **good time for owners to capitalize on their investments.** First home buyers must act fast.

Source: Reserve Bank of Australia, ABS, APM Pricerfinder



TAMWORTH RENTAL YIELDS

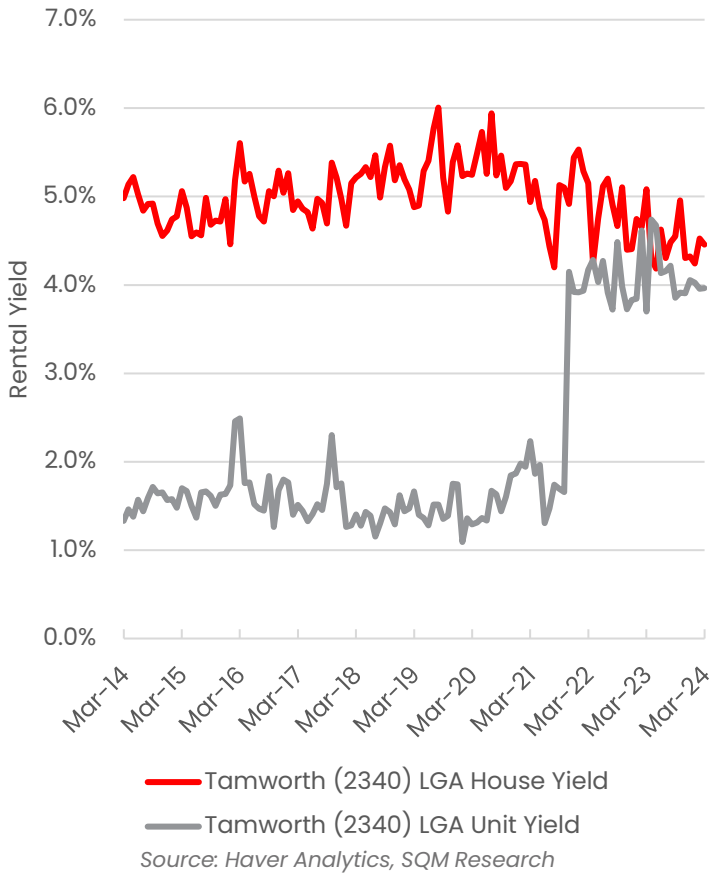
MARCH 2024 OVERVIEW



4.5%
HOUSE
RENTAL
YIELD



4.0%
UNIT
RENTAL
YIELD



KEY COMMENTS

Between 2014 to 2024, Tamworth house rental yields was **within a band of 4.2% to 6.0%, averaging 5.0%**.

House Rental yields in Tamworth LGA **saw a slight decrease** during COVID-19 (March 2021), however **this recovered without delay**; proving Tamworth's **rental market resilience**.

Unit rental yields **experienced a significant growth, surging from an average of 1.6%** (March 2014 to October 2020) **to 4.0%** (October 2020 to March 2024), with **an overall average of 2.2% over the decade**.

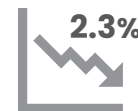
March 2024 house rental yields in Tamworth's (4.5%) was **higher than** the Sydney Metro's (2.9%). This places Tamworth as **a very attractive and significantly more affordable investment option (i.e median house sale price)** compared to Sydney Metro.



TAMWORTH VACANCY RATES

MARCH 2024 OVERVIEW

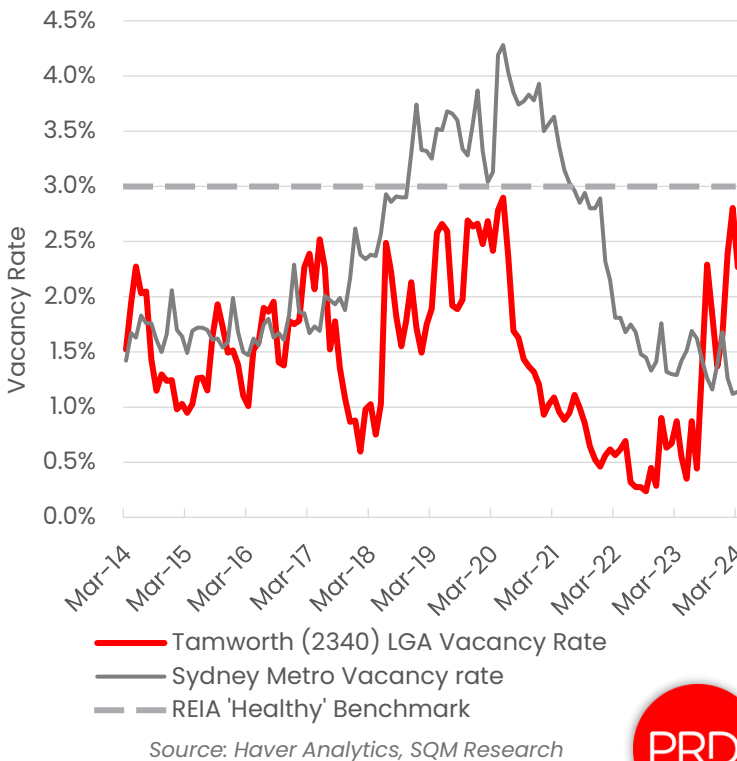
REIA 'Healthy' Benchmark: 3.0%



Tamworth LGA



Sydney Metro



KEY COMMENTS

Tamworth LGA had a vacancy rate of 2.3% in March 2024. This is in line with vacancy rates in the past and lower than the peak period (2.9% in May 2020).

Vacancy rates in Tamworth saw **a noticeable decrease** during the COVID-19 period in early 2020, **to a historic low of 0.2%**. In March 2023, the vacancy rate saw a significant hike, due to investors entering the market and **capitalising on the previous tight rental market demand**.

Tamworth's vacancy **rates have remained low, under the Real Estate Institute of Australia's healthy benchmark of 3.0%**. This suggests there is **quicker occupancy of rental properties in the area**. This creates a conducive environment for investors.

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