

MARKETBEATS

\$130

Avg Prime gross face rent
p/sqm in South (<2,000 sqm)

\$2.2bn

QLD's year-to-date
investment volume

3.7%

Rolling annual state
final demand growthWHAT'S
NEXT

HIGHLIGHTS

Strong leasing activity across the market

Brisbane's industrial market experienced an increase in leasing demand for smaller space below 4,000 sqm, mostly evident in the Logan Motorway corridor where several speculative buildings including 115 Corymbia Place in Parkinson, and 55 and 63 Rai Drive, Crestmead were taken up. At the other end of the spectrum, Australia Post committed to a new 48,000 sqm facility in Redbank. Despite improved tenant demand, incentives for both large and small spaces remain a significant component in the market to assist with tenant relocation costs.

Investors compete for scarce space

Although tightening credit availability has been evident in some aspects of the market, overall investment remains robust. Buyers continue to compete strongly for freestanding buildings due to the lack of availability throughout the market. A significant transaction included the sale of 37 Charles Ulm Place, Eagle Farm which was purchased back by the original developer Trade Coast Central for \$35.5m.

Activity in leasing market likely to increase

The tightening credit availability is expected to decrease the number of owner occupiers, resulting in increased activity in the leasing market. Additionally, positive economic conditions, ongoing population growth and major infrastructure projects are anticipated to boost demand. These increases in demand are expected to drive supply in the future.

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ECONOMIC INDICATORS

	Q1 18	Q2 18	12-Month Forecast
GDP Growth (National)*	2.6%	2.9%	▲
State Final Demand Growth (QLD)*	3.7%	3.7%	▲
Unemployment (QLD)†	6.0%	6.0%	■

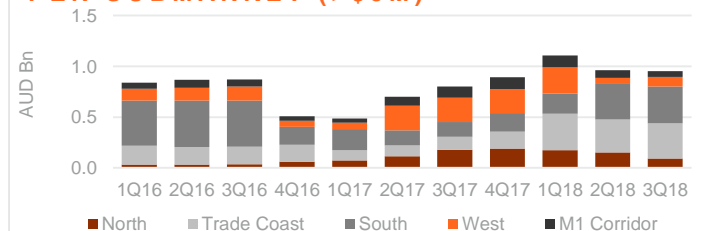
*Average annual growth rate, †Seasonally adjusted
Source: ABS; Deloitte Access Economics; Cushman and Wakefield Research

FEATURE C&W LISTING



42-80 EXPORT STREET, LYTTON

Source: Cushman & Wakefield Research

ROLLING ANNUAL INVESTMENT VOLUME
PER SUBMARKET (>\$5M)

Source: Cushman & Wakefield Research; RCA

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PRIME GRADE	Size Range	North	Trade Coast	South	West	M1 Corridor
NET FACE RENT	<4,000 sqm	\$110 - \$130	\$120 - \$150	\$105 - \$115	\$105 - \$115	\$105 - \$120
	>4,000 sqm	\$100 - \$110	\$105 - \$115	\$105 - \$115	\$105 - \$110	\$85 - \$100
OUTGOINGS	<4,000 sqm	\$15 - \$30	\$22 - \$26	\$15 - \$20	\$15 - \$20	\$15 - \$20
	>4,000 sqm	\$12 - \$25	\$22 - \$26	\$15 - \$120	\$15 - \$20	\$15 - \$20
NET INCENTIVES	<4,000 sqm	15% - 20%	10% - 20%	10% - 15%	5% - 10%	5% - 10%
	>4,000 sqm	10% - 20%	10% - 20%	10% - 15%	10% - 15%	15% - 20%
AVG YIELDS	<4,000 sqm	6.50% - 7.00%	6.75% - 7.25%	6.25% - 7.25%	6.25% - 7.00%	6.50% - 7.00%
	>4,000 sqm	6.50% - 7.00%	6.75% - 7.75%	6.75% - 7.75%	6.00% - 7.00%	6.75% - 7.00%
BUILDING CAPITAL VALUES	<2,000 sqm	\$1,850	\$1,900	\$1,450	\$1,400	\$1,550
	2,000 - 5,000 sqm	\$1,450	\$1,550	\$1,200	\$1,400	\$1,500
	5,000 - 10,000 sqm	\$1,350	\$1,500	\$1,050	\$1,350	\$1,350
	10,000 + sqm	\$1,225	\$1,450	\$1,050	\$1,350	\$1,350
VACANT LAND CAPITAL VALUES	<10,000 sqm	\$300	\$500	\$300	\$270	\$315
	>10,000 + sqm	\$160	\$325	\$213	\$230	\$265

KEY LEASING TRANSACTIONS Q2 + Q3 2018

Source: Cushman & Wakefield Research

PROPERTY	SUBMARKET	TENANT	AREA (SQM)	LEASE TYPE
1-2 Robert Smith Street, Redbank	West	Australia Post	48,748	New
4/301 Orchard Road, Richlands	West	WINC	14,659	New
2/29 Forest Way, Berrinba	South	Ceva Logistics	9,908	New
60-62 Qantas Drive, Brisbane Airport	Trade Coast	Downer EDI Services Pty Ltd	7,182	New

Source: Cushman & Wakefield Research

KEY INVESTMENT TRANSACTIONS Q2 + Q3 2018

PROPERTY	SUBMARKET	PURCHASER	AREA (SQM)	PRICE (AUD)
131 Wayne Goss Drive, Berrinba	West	Frasers Logistics & Industrial Trust	19,487	\$31,100,000
155 Fison Avenue & 110 Links Avenue, Eagle Farm	Trade Coast	Kingsmede	17,116	\$24,150,000
20 Shannon Place, Virginia	North	Event Rentals Pty Ltd	6,674	\$9,800,000