

MARKETBEAT

20%

Y-O-Y INCREASE FOR
VACANT LAND >10,000 SQM

6.50%

AVERAGE PRIME YIELD
(>4,000SQM)

\$120/sqm

AVERAGE PRIME NET FACE
RENTS (<4,000SQM)WHAT'S
NEXT

HIGHLIGHTS

Big sales are booming

2019 total transaction levels have been boosted by three \$100 million plus sales. The Metcash Facility in Crestmead was snapped up by Charter Hall for \$182.5 million in August, while Frasers sold a 50% share of the Parkinson Coles cold storage facility to German group DWS for \$134.2 million in June. Also in June, the Queensland Treasury sold the 6.1 ha Eagle Farm BCC Bus Depot to the Charter Hall Long Wale Trust & Education Trust for \$102.5 million. Bolstered by these sales, 2019 sales volumes look ready to set new records.

Strong sales drive yield compression

Strong investor demand, particularly from foreign investors, has driven a significant boost in Q2 and Q3 sales volumes and has subsequently led to a compression in yields. The Trade Coast and the South Corridor 4000 sqm + markets have recorded the largest compressions in yields, with prime average yields both down 100 bps year on year to 6.0% - 7.0%. Notably the three \$100m + sales have all recorded yields below 5.6%.

Movement down south

In Q2 and Q3 2019 there was a concentration of sales and developments in the South Precinct, centralising around the key long haul linkages of the Gateway, Logan and Ipswich Motorways. Additionally two of the three \$100m + sales have been in the South Precinct, highlighting the current appeal of the Southern Precinct.



CUSHMAN & WAKEFIELD

ECONOMIC INDICATORS

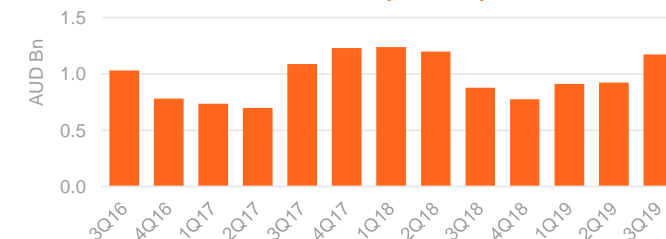
	Q1 19	Q2 19	12-Month Forecast
GDP Growth (National)*	2.4%	2.0%	▲
State Final Demand Growth (QLD)*	1.8%	1.1%	▲
Unemployment (QLD)†	5.4%	6.3%	■

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

FEATURE C&W LISTING



777 MACARTHUR AVE CENTRAL, PINKENBA

ROLLING ANNUAL BUILDING
INVESTMENT VOLUME (>\$5M)

Source: Cushman & Wakefield Research; RCA

John Sears

Head of Research, Australia and New Zealand
Level 22, 1 O'Connell Street
Sydney, NSW 2000 | Australia

Tel: +61 (0)466 387 016
john.sears@cushwake.com

PRIME GRADE	Size Range	North	YoY Change	Trade Coast	YoY Change	South	YoY Change	West	YoY Change	M1 Corridor	YoY Change
NET FACE RENT	<4,000 sqm	\$110 - \$130	-4%	\$120 - \$150	0%	\$110 - \$120	5%	\$110 - \$130	9%	\$105 - \$120	2%
	>4,000 sqm	\$105 - \$115	0%	\$105 - \$118	1%	\$105 - \$115	0%	\$100 - \$110	0%	\$85 - \$105	3%
OUTGOINGS	<4,000 sqm	\$15 - \$30	0%	\$18 - \$26	-8%	\$15 - \$20	0%	\$15 - \$20	0%	\$15 - \$20	0%
	>4,000 sqm	\$12 - \$25	0%	\$22 - \$26	0%	\$15 - \$19	0%	\$15 - \$20	0%	\$15 - \$25	14%
NET INCENTIVES	<4,000 sqm	12.50% - 20.00%	-7%	10.00% - 15.00%	-17%	8.00% - 10.00%	-18%	5.00% - 7.00%	-20%	5.00% - 10.00%	0%
	>4,000 sqm	10.00% - 20.00%	0%	12.00% - 20.00%	7%	10.00% - 15.00%	0%	10.00% - 15.00%	0%	10.00% - 20.00%	-14%
AVG YIELDS	<4,000 sqm	6.50% - 7.50%	4%	6.00% - 7.00%	-4%	6.00% - 7.00%	2%	6.25% - 7.00%	-2%	6.00% - 7.00%	0%
	>4,000 sqm	6.00% - 7.00%	-7%	6.00% - 7.00%	-3%	6.00% - 7.00%	0%	6.00% - 7.00%	0%	6.00% - 7.00%	-4%
BUILDING CAPITAL VALUES	<2,000 sqm	\$1,900	3%	\$1,900	0%	\$1,450	0%	\$1,400	0%	\$1,650	10%
	2,000 - 5,000 sqm	\$1,500	3%	\$1,650	6%	\$1,250	4%	\$1,400	0%	\$1,500	7%
	5,000 - 10,000 sqm	\$1,400	4%	\$1,500	0%	\$1,050	0%	\$1,350	0%	\$1,350	0%
	10,000 + sqm	\$1,250	2%	\$1,450	0%	\$1,050	0%	\$1,350	0%	\$1,350	0%
VACANT LAND CAPITAL VALUES	<10,000 sqm	\$400	33%	\$500	-5%	\$375	25%	\$350	30%	\$313	16%
	>10,000 + sqm	\$250	56%	\$350	8%	\$275	29%	\$275	20%	\$275	25%

KEY LEASING TRANSACTIONS Q2 2019 + Q3 2019

PROPERTY	SUBMARKET	TENANT	AREA (SQM)	LEASE TYPE
Robert Smith St, Redbank	West	Auspost	48,750	Direct (Pre-commitment)
88 Moreton St, Heathwood	South	CUB	21,800	Renewal
Brickworks Pl, Rochedale	South	Kepple Logistics	10,500	New (Speculative)
Saltwater Ct, Naranba	North	Liquid Specialty Beverages	10,300	New (D&C)

KEY INVESTMENT TRANSACTIONS Q2 2019 + Q3 2019

PROPERTY	SUBMARKET	PURCHASER	AREA (SQM)	PRICE (AUD)
Metcash Logistics Facility, Crestmead	South	Charter Hall	89,250	\$182,500,000
99 Sandstone Place, Parkinson	South	DWS	54,240	\$134,200,000 (50% stake)
81 Schneider Road, Eagle Farm	Trade Coast	Charter Hall	60,100	\$102,500,000

A Cushman & Wakefield
Research Publication

Cushman & Wakefield (NYSE: CWK) is a leading global real estate services firm that delivers exceptional value for real estate occupiers and owners. Cushman & Wakefield is among the largest real estate services firms with approximately 51,000 employees in 400 offices and 70 countries. In 2018, the firm had revenue of \$8.2 billion across core services of property, facilities and project management, leasing, capital markets, valuation and other services. To learn more, visit www.cushmanwakefield.com or follow @CushWake on Twitter.

www.cushmanwakefield.com