

5%

Y-O-Y increase for vacant  
land 2,000 sqm to 5,000sqm

\$120

Average Prime net face rent  
(<4,000 sqm)

6.4%

Average Prime yield (>4,000  
sqm)
**ECONOMIC INDICATORS  
Q2 2020**
Q1 20 Q2 20 12-Mo.  
ForecastGDP Growth  
(National)\*

1.8% -0.2% ▲

State Final  
Demand  
Growth (QLD)\*

1.4% -0.1% ▲

Unemployment  
(QLD)†

5.6% 7.7% ▲

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

**ECONOMY:**

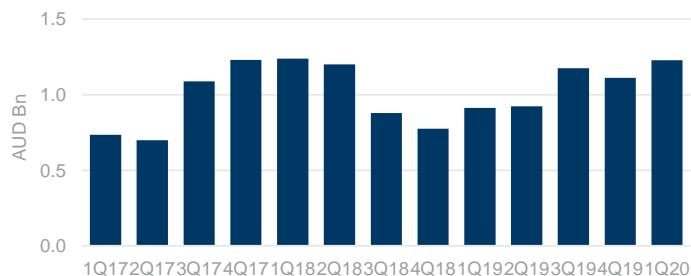
The COVID-19 pandemic has resulted in Australia's first recession in 29 years. Quarterly real GDP growth fell by 0.3% over the March quarter and a further 7.0% over the June quarter. Growth over the 2020 calendar year is forecast by the Reserve Bank of Australia (RBA) decline by 6%. Assuming the pandemic is contained globally, the RBA expects economic growth to turn positive from mid-2021 with calendar 2021 growth of 5.0% forecast. The Queensland economy also declined in Q2 with gross state product (GSP) estimated by Deloitte Access Economics at to fall by 6.2% over Q2, with positive growth of 2.8% forecast over H2 2020. Growth in 2021 is expected to bounce back strongly with Queensland expected to generate GSP growth of 5.0%.

**SUPPLY & RENTS:**

The Brisbane industrial market has recently experienced above average levels of construction activity with a number of significant projects delivered in late 2019 and early 2020. High levels of supply coupled with the COVID-19 pandemic has resulted in a relatively subdued market environment for rental growth, with no rental growth recorded over the past 12 months for lots greater than 4,000 sqm. For lots less than 4,000 sqm there has been a small contraction in rents for the West and M1 Corridor, with year on year contractions of -4% and -2% respectively. Over the last six months there has been some movements in outgoings, with the South, West and M1 Corridor precincts outgoings top end pushing out to \$30 from the previous \$20 to \$25. The South and West precincts have recorded changes in incentives, with the average incentive ranges widening, generally pushing up due to the uncertainty around the COVID environment. While rental growth may be limited, the Brisbane industrial markets continue to perform well with strong levels of both leasing enquiries and leasing, which is expected to continue through Q4 2020.

**SALES:**

For only the second time in the history of our series, the national industrial sector topped the transaction volume list with quarterly volume of \$2.24 billion compared to office volume of \$2.12 billion, the last time this occurred was Q1 2011. Following a strong Q1, Queensland's industrial transaction volumes performed well in Q2 and Q3 2020 with \$153 million and \$286 million respectively. As it was in Q1, Q3 transaction volumes were above the 5 year Q3 average of \$207 million. Q2 transactions volumes were well below the 5 year average of \$233 million, however, this was to be expected as it coincided with the Queensland Government introducing a range of COVID related restrictions, travel bans, inspection cancellations and lockdown measures. Looking forward it, is expected that the industrial market will finish the year strongly, as we have seen a consumer and business sentiment increase and as evidenced by the strength of the market and it's ability withstand a range of external negative market factors.

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


Source: Cushman &amp; Wakefield Research; RCA

**FEATURE C&W LISTING**


Mapletree Logistics Park, Crestmead



## MARKET STATISTICS

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	0%	\$120 - \$150	0%	\$110 - \$120	0%	\$110 - \$120	-4%	\$100 - \$120	-2%
	>4,000 sqm	\$105 - \$115	0%	\$105 - \$118	0%	\$105 - \$115	0%	\$100 - \$110	0%	\$85 - \$105	0%
OUTGOINGS	<4,000 sqm	\$15 - \$30	0%	\$18 - \$26	0%	\$15 - \$30	29%	\$15 - \$30	29%	\$15 - \$30	29%
	>4,000 sqm	\$12 - \$25	0%	\$22 - \$26	0%	\$15 - \$30	32%	\$15 - \$30	29%	\$15 - \$30	13%
NET INCENTIVES	<4,000 sqm	12.50% - 20.00%	0%	10.00% - 15.00%	0%	5.00% - 10.00%	-17%	5.00% - 10.00%	25%	5.00% - 10.00%	0%
	>4,000 sqm	10.00% - 20.00%	0%	12.00% - 20.00%	0%	10.00% - 20.00%	20%	10.00% - 20.00%	20%	10.00% - 20.00%	0%
AVG YIELDS	<4,000 sqm	6.50% - 7.50%	0%	6.00% - 7.00%	0%	6.00% - 7.00%	0%	6.00% - 7.00%	-2%	6.00% - 7.00%	0%
	>4,000 sqm	6.00% - 7.00%	0%	6.00% - 7.00%	0%	6.00% - 7.00%	0%	5.75% - 6.50%	-6%	6.00% - 7.00%	0%
BUILDING CAPITAL VALUES	<2,000 sqm	\$2,000	5%	\$2,100	11%	\$1,450	0%	\$1,400	0%	\$1,650	0%
	2,000 - 5,000 sqm	\$1,700	13%	\$1,850	12%	\$1,250	0%	\$1,400	0%	\$1,500	0%
	5,000 - 10,000 sqm	\$1,400	0%	\$1,600	7%	\$1,050	0%	\$1,350	0%	\$1,350	0%
	10,000 + sqm	\$1,250	0%	\$1,500	3%	\$1,050	0%	\$1,350	0%	\$1,352	0%
VACANT LAND CAPITAL VALUES	<10,000 sqm	\$400	0%	\$650	30%	\$375	0%	\$350	0%	\$313	0%
	>10,000 + sqm	\$250	0%	\$400	14%	\$275	0%	\$275	0%	\$275	0%

\*Rental rates reflect full service asking

## KEY LEASE TRANSACTIONS Q2 2020 + Q3 2020

PROPERTY	SUBMARKET	TENANT	SQM	LEASE TYPE
20 Westgate Street, Wacol	West	Iveco Trucks Australia	6,784	Direct
42-62 Export Street, Lytton	Trade Coast	Amazon	16,300	Direct
Lot 4 Belconnen Crescent, Brendale	North	4WD Supacentre	9,300	Pre-commitment

\*Renewals not included in leasing statistics

## KEY SALES TRANSACTIONS Q2 2020 + Q3 2020

PROPERTY	SUBMARKET	SELLER / BUYER	SQM	PRICE (AUD)
99 Sandstone Place, Parkinson	South	Fraser's Logistics & Commercial Trust / DWS	54,200	152.5 Million (50%)
53-101 Wayne Goss Drive, Berrinba	South	Sigma Pharmaceuticals / Logos Property Services	18,000	40.5 Million
25 Backhouse Place, Eagle Farm	North	EB Games / Tradecoast Central	17,200	38.2 Million

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