



8% Y-O-Y increase for vacant land <10,000 sqm

\$120 Average Prime net face rent (<4,000 sqm)

6.4% Average Prime yield (>4,000 sqm)

ECONOMIC INDICATORS Q4 2020

Q3 20 Q4 20 12-Mo. Forecast

GDP Growth (National)* **-1.6% -2.4%** ▲

State Final Demand Growth (QLD)* **-0.4% -0.2%** ▲

Unemployment (QLD)† **7.6% 7.5%** ▼

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

ECONOMY:

The COVID-19 pandemic caused a short sharp recession in Australia during Q1 and Q2 2020. Data to December 2020 indicate the Australian economy returned to growth in H2, rising 3.3% in Q3 and 3.1% in Q4 after a 7.3% decline in Q2. Real state final demand in Queensland (Qld) also bounced, rising 0.8% in Q3 and 2.4% in Q4 after declining 5.1% in Q2. Assuming the pandemic is contained globally, both Qld's and Australia's economic growth rates are expected to remain positive over the forecast horizon with relatively strong growth expected over the next few years. Deloitte Access Economics forecast real gross state product (GSP) to increase by 4.6% over calendar 2021 and 3.6% over 2022, with annual growth to average 3.0% between 2023 and 2030. Over the past 10 years, Qld GSP annual growth has averaged 2.0%.

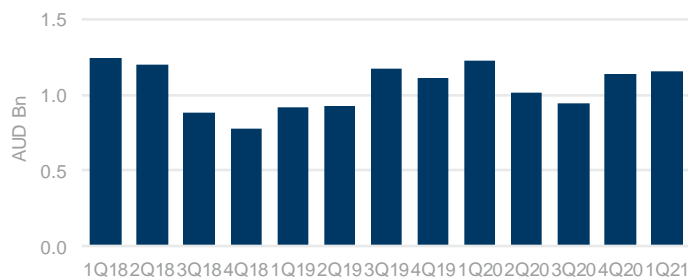
SUPPLY & RENTS:

Following a strong uplift in transaction activity and leasing enquiry over the past three years, a significant amount of new supply was added in 2020, particularly in the South and West precincts, driven by a preference for new stock. Despite the increase in new supply prime net face rents across Brisbane were largely unchanged over the past six months. Net face rents averaged \$115 per square metre (sqm) per annum in the North, \$123 per sqm in the Trade Coast, \$118 per sqm in the South, \$118 per sqm in the West and \$103 per sqm in the M1 Corridor. Net incentives also remain largely unchanged for the North, Trade Coast and M1 Corridor, however, there has been an increase in average incentives in the West with the average incentive ranges widening at the top end to average between 5% and 20% for all property sizes. In the South incentives for sub 4,000 sqm properties have tightened to average 7.5%, while properties above 4,000sqm they have increased slightly to average 15%.

SALES:

Q4 2020 rounded off a record year for the Australian industrial market with transactions totalling over \$6.3 billion. The story was the same for Queensland, with the highest volumes of transactions on record, totalling over \$1.1 billion, which was the third calendar year in a row totalling over \$1 billion. Q4 was also the largest quarter on record with \$533 million of transactions, which was \$162 million higher than the previous record from Q2 2019. Some of the significant sales that help Queensland achieve this record quarter were; 338 Bradman Street that was bought by Mapletree Logistics Trust for \$114 million, the Acacia Ridge Business Park that was purchased in a JV by GIC and ESR for \$90 million, 486500 Green Road was sold to Ascendas REIT for \$70.3 million and 16-28 Quarry Road was purchased by APN Industria REIT for \$70 million. Q1 has had a solid start 2021 with \$179 million transacted, which is slight above the 5 year Q1 average of \$162 million. The most significant sale in Q1 was the Myer Distribution Centre in Richlands for \$85 million to Dexus.

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



Source: Cushman & Wakefield Research; RCA

FEATURE C&W LISTING



42 Borthwick Avenue, Murarrie



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%	\$115 - \$125	4%	\$115 - \$125	0%	\$100 - \$120	-2%
	>4,000 sqm	\$105 - \$115	0%	\$105 - \$118	0%	\$110 - \$120	5%	\$110 - \$120	10%	\$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%	\$1,350	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 Q4 2020 + Q1 2021

PROPERTY	SUBMARKET	TENANT	SQM	LEASE TYPE
Radar Street, Lytton	Trade Coast	Wallace International Pty Ltd	22,300	Direct

*Renewals not included in leasing statistics

KEY SALES TRANSACTIONS Q4 2020 + Q1 2021

PROPERTY	SUBMARKET	SELLER / BUYER	SQM	PRICE (AUD)
338 Bradman Street, Acacia Ridge	South	Blackstone / Mapletree Logistics Trust	55,000	114 Million
Acacia Ridge Business Park	South	Blackstone / GIC & ESR	77,000	90 Million
486-500 Green Road, Crestmead	M1 Corridor	Goodman Group / Ascendas REIT	62,500	70 Million

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