

26% Y-O-Y increase for vacant land >10,000 sqm

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

5.75% Average Prime yield (>4,000 sqm)

ECONOMIC INDICATORS Q2 2021

	Q1 21	Q2 21	12-Mo. Forecast
GDP Growth (National)*	-2.4%	-1.6%	▲
State Final Demand Growth (QLD)*	0.1%	4.2%	▲
Unemployment (QLD)†	6.0%	5.1%	▼

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

ECONOMY:

Australia's economy had rebounded following the short sharp COVID-19 induced recession of 2020. However, the Australian economy has seen a slowing of growth as a result of lockdowns across in the nation from June to October 2021, primarily in Sydney and Melbourne. Data to June 2021 indicates the Australian economy returned to growth in H2 2020, with GDP rising 3.4% in Q3 2020 and 3.2% in Q4, slowing to 1.8% in Q1 2021 and slowing further to 0.7% in Q2 2021. As a result of the lockdowns in New South Wales and Victoria, it is expected that GDP growth will be negative in Q3 and potentially Q4.

Real state final demand in Queensland (Qld) also bounced in H2 2020 and H1 2021. Q3 2020 rose 7.1%, Q4 1.8% and the growth continued in 2021 with real state final demand rising 0.3% in Q1 and 2.0% in Q2. Year on year growth to June 2021 was 11.5%, with only the year to June 2004 being higher at 12.0%. Deloitte Access Economics forecast real gross state product (GSP) to increase by 4.0% over calendar 2021 and 3.3% over 2022, with annual growth to expected average 2.9% between 2023 and 2030.

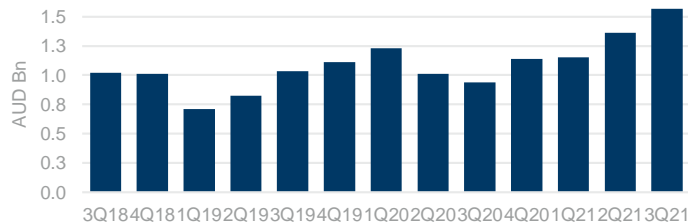
SUPPLY & RENTS:

The strong uplift in leasing activity and leasing enquiry has continued through Q2 and Q3 of 2021 and combined with the strong transaction market net face rents have started to climb, with all precincts recording an increase. For all property sizes, Q3 2021 net face rents averaged \$118 per square metre (sqm) per annum in the North, \$139 per sqm in the Trade Coast, \$118 per sqm in the South, \$118 per sqm in the West and \$10 per sqm in the M1 Corridor. Incentives remained stable over Q2 and Q3 in the North, Trade Coast and M1 Corridor, however in the South and West there were some significant increases recorded (see table over page for a breakdown).

SALES:

Nationally, volume totalled \$8.3 billion in Q2 with 57 transactions, or 51% of all Q2 CRE transaction volume. The figure is a new quarterly record, over three times the previous record set in 2011 at \$2.6 billion. The main transaction of the quarter was Blackstone's Milestone Logistics portfolio purchased by ESR. At \$3.8 billion, it was reported as the largest ever direct property transaction in Australia. Q3, while slower than Q2 was still the fifth highest quarter on record at \$2.2 billion. Industrial investment in Queensland is also setting new records, Q2 is the fourth highest quarter on record with \$363 million and Q3 the second highest with \$490 million. On a rolling annual basis Queensland industrial investment has never been higher, with \$1.6 billion transacted over the past 12 months, topping the previous record of \$1.3 billion recorded in Q2 of this year.

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



Source: Cushman & Wakefield Research; RCA

FEATURE C&W LISTING



7/231 Holt Street, Pinkenba

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	\$115 - \$135	4%	\$135 - \$165	11%	\$115 - \$125	4%	\$115 - \$125	4%	\$100 - \$130	5%
	>4,000 sqm	\$105 - \$115	0%	\$120 - \$135	15%	\$110 - \$120	5%	\$110 - \$120	10%	\$85 - \$105	0%
OUTGOINGS	<4,000 sqm	\$15 - \$30	0%	\$20 - \$40	36%	\$18 - \$30	7%	\$15 - \$30	0%	\$15 - \$30	0%
	>4,000 sqm	\$12 - \$25	0%	\$22 - \$26	0%	\$18 - \$30	7%	\$15 - \$30	0%	\$15 - \$30	0%
NET INCENTIVES	<4,000 sqm	12.50% - 20.00%	0%	10.00% - 15.00%	0%	15.00% - 20.00%	133%	5.00% - 10.00%	0%	5.00% - 10.00%	0%
	>4,000 sqm	10.00% - 20.00%	0%	12.00% - 20.00%	0%	25.00% - 30.00%	83%	15.00% - 30.00%	50%	10.00% - 20.00%	0%
AVG YIELDS	<4,000 sqm	5.50% - 6.50%	-14%	4.75% - 5.75%	-19%	5.00% - 5.50%	-19%	6.00% - 7.00%	0%	5.50% - 6.00%	-12%
	>4,000 sqm	5.00% - 6.00%	-8%	6.00% - 7.00%	0%	5.50% - 6.00%	-12%	5.50% - 6.25%	-4%	5.00% - 5.50%	-19%
BUILDING CAPITAL VALUES	<2,000 sqm	\$2,200	10%	\$2,700	29%	\$1,700	17%	\$1,400	0%	\$1,800	9%
	2,000 - 5,000 sqm	\$1,850	9%	\$2,500	35%	\$1,450	16%	\$1,400	0%	\$1,750	17%
	5,000 - 10,000 sqm	\$1,600	14%	\$1,900	19%	\$1,150	10%	\$1,350	0%	\$1,650	22%
	10,000 + sqm	\$1,475	18%	\$1,650	10%	\$1,100	5%	\$1,350	0%	\$1,350	0%
VACANT LAND CAPITAL VALUES	<10,000 sqm	\$500	25%	\$850	31%	\$375	0%	\$350	0%	\$400	28%
	>10,000 + sqm	\$450	80%	\$525	31%	\$275	0%	\$275	0%	\$325	18%

*Rental rates reflect full service asking

KEY LEASE TRANSACTIONS Q2 2021 + Q3 2021

PROPERTY	SUBMARKET	TENANT	SQM	LEASE TYPE
23 Terrace Place, Murarrie	Trade Coast	Mont Marte	9,170	Direct
41 Inghams Place, Hemmant	Trade Coast	Vida Wood Australia	12,000	Direct
100 Potassium Street, Narangba	North	Vellex Logistics	5,550	Direct

*Renewals not included in leasing statistics

KEY SALES TRANSACTIONS Q2 2021 + Q3 2021

PROPERTY	SUBMARKET	SELLER / BUYER	SQM	PRICE (AUD)
51-81 Freight Street, Lytton	Trade Coast	Goodman Group / Charter Hall	122,000	194 Million
29 Ron Boyle Street, Carole Park	West	Charter Hall / Banoon No. 2 Pty Ltd	49,000	83 Million
22 Ellison Road, Geebung	North	BOMA / Aliro	57,300	68 Million

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