

61% Y-O-Y increase for vacant land >10,000 sqm

\$130 Average Prime net face rent (<4,000 sqm)

5.25% Average Prime yield (>4,000 sqm)

ECONOMIC INDICATORS Q4 2021

	Q321	Q421	12-Mo. Forecast
GDP Growth (National)*	3.5%	4.8%	▼
State Final Demand Growth (QLD)*	5.5%	5.9%	▼
Unemployment (QLD)†	4.9%	4.7%	▼

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

ECONOMY:

The Queensland (QLD) economy has continued to reopen following the Omicron-induced spike in infections that straddled Q4 of 2021 and Q1 of 2022. Data to December 2021 shows that the national economy expanded 3.4% in Q4 after contracting 1.9% in Q3. Despite lockdowns in several of the eastern capitals throughout 2021, GDP grew 4.2% over the calendar year. Real state final demand in QLD increased 1.7% in Q3 of 2021, before stalling and recording no growth in Q4. The QLD economy is expected to continue its strong growth in 2022 with Deloitte Access Economics (DAE) forecasting a 3.0% expansion in real gross state product over the calendar year, following growth of 4.5% in 2021. The flooding in NSW and Queensland may dampen this forecast slightly, while inflationary pressures, in particular supply chain distortions and disruptions from the war in Ukraine, add some downside risk to this forecast.

SUPPLY & RENTS:

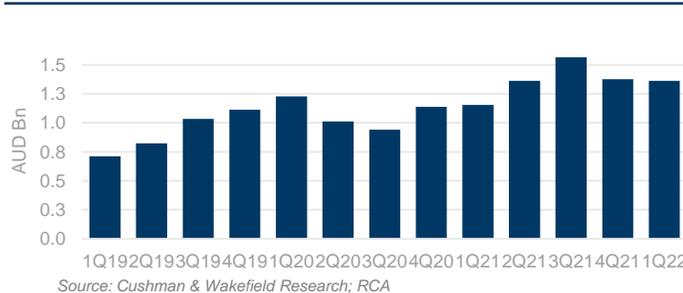
The strong uplift in leasing activity and leasing enquiry from 2021 has continued into 2022, combined with the strong transaction market net face rents are continuing to climb, pushing an increase in land and building values across all precincts. For all property sizes, Q1 2022 net face rents averaged \$130 per square metre (sqm) per annum in the North, \$155 per sqm in the Trade Coast, \$120 per sqm in the South, \$120 per sqm in the West and \$105 per sqm in the M1 Corridor. Incentives for properties over 4,000sqm have started to compress across all precincts over the past six months, after 2 years of stability, compressing an average of 31 percentage points. For properties sub 4,000sqm, incentives have tightened in all precincts with the exception of the South and West, where they have increased by 53% in the South and remained stable in the West.

SALES:

Nationally, industrial transaction volume totalled \$16.3 billion in 2021, which was over \$10 billion higher than the previous record set in 2020. For Queensland industrial transaction volume totalled \$1.4 billion in 2021, which is a new calendar year record for the state, with calendar year records breaking year on year since 2015.

Land and building values have seen a sharp increase across the Brisbane market in the last six months, with average land values increasing 54% and average building values increasing 32% across the market. The North, Trade Coast and M1 Corridor saw the largest increases of the precincts.

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



FEATURE C&W LISTING



371 Lytton Rd, Morningside

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	\$125 - \$145	13%	\$150 - \$180	22%	\$115 - \$125	4%	\$115 - \$125	4%	\$110 - \$130	9%
	>4,000 sqm	\$115 - \$125	9%	\$135 - \$150	28%	\$110 - \$120	5%	\$110 - \$120	10%	\$85 - \$120	8%
OUTGOINGS	<4,000 sqm	\$17 - \$32	9%	\$22 - \$42	45%	\$18 - \$30	7%	\$15 - \$30	0%	\$20 - \$30	11%
	>4,000 sqm	\$14 - \$27	11%	\$24 - \$28	8%	\$18 - \$30	7%	\$15 - \$30	0%	\$20 - \$30	11%
NET INCENTIVES	<4,000 sqm	7.50% - 15.00%	-5 pps	2.50% - 7.50%	-8 pps	8.00% - 15.00%	4 pps	5.00% - 10.00%	0 pps	0.00% - 5.00%	-5 pps
	>4,000 sqm	5.00% - 15.00%	-5 pps	5.00% - 12.50%	-7 pps	10.00% - 15.00%	-3 pps	10.00% - 15.00%	-3 pps	5.00% - 12.50%	-6 pps
AVG YIELDS	<4,000 sqm	5.00% - 6.00%	-150 bps	4.50% - 5.50%	-150 bps	5.00% - 5.50%	-125 bps	5.00% - 5.50%	-125 bps	5.00% - 5.50%	-125 bps
	>4,000 sqm	4.75% - 5.75%	-125 bps	4.50% - 5.50%	-150 bps	5.50% - 6.00%	-75 bps	5.50% - 6.00%	-38 bps	4.75% - 5.50%	-137 bps
BUILDING CAPITAL VALUES	<2,000 sqm	\$2,500	25%	\$3,000	43%	\$1,800	24%	\$2,100	50%	\$2,350	42%
	2,000 - 5,000 sqm	\$2,150	26%	\$2,800	51%	\$1,550	24%	\$1,800	29%	\$2,250	50%
	5,000 - 10,000 sqm	\$1,900	36%	\$2,200	38%	\$1,300	24%	\$1,500	11%	\$2,150	59%
	10,000 + sqm	\$1,775	42%	\$1,950	30%	\$1,100	5%	\$1,350	0%	\$1,850	37%
VACANT LAND VALUES	<10,000 sqm	\$650	63%	\$1,000	54%	\$475	27%	\$450	29%	\$500	60%
	>10,000 + sqm	\$600	140%	\$650	63%	\$313	14%	\$375	36%	\$425	55%

*Rental rates reflect full service asking

KEY LEASE TRANSACTIONS Q4 2021 + Q1 2022

PROPERTY	SUBMARKET	TENANT	SQM	LEASE TYPE
23 Terrace Place, Murarrie	Trade Coast	Mont Marte	9,170	Direct
48 Alexandra Place, Murarrie	Trade Coast	Boeing Distribution Australia	8,600	Direct
5 Business Drive, Narangba	North	Stilla Group	3,070	Direct

*Renewals not included in leasing statistics

KEY SALES TRANSACTIONS Q4 2021 + Q1 2022

PROPERTY	SUBMARKET	SELLER / BUYER	SQM	PRICE (AUD)
4 Enterprise Street, Ipswich	West	Ascot Capital / GPT	41,500	116 Million
66-98 Montpelier Road, Bowen Hills	North	OPD/ Charter Hall	15,600	60 Million
9 Boron Street, Narangba	North	Private / Dexus	36,800	46 Million

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