

45% Y-O-Y increase for vacant land >10,000 sqm

\$140 Average Prime net face rent (<4,000 sqm)

5.60% Average Prime yield (>4,000 sqm)

ECONOMIC INDICATORS Q2 2022

Q1 22 Q2 22 12-Mo. Forecast

GDP Growth (National)* **4.8%** **5.3%** ▼

State Final Demand Growth (QLD)* **6.0%** **6.6%** ▼

Unemployment (QLD)† **4.6%** **4.0%** ▲

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

ECONOMY:

After weathering the COVID-19 induced recession of 2020 as well as the subsequent waves of the virus and inclement weather in 2021 and early 2022, the Australian economy was poised for recovery. This has been tempered to a degree as inflationary pressures have pushed forward interest rate rises and lowered the outlook for growth. Despite this, the economy is still expected to expand at an above-average rate in 2022. Deloitte Access Economics (DAE) is predicting that Australia’s real GDP will increase 3.4% in 2022 and 2.5% in 2023, in line with the 2010-2019 average annual growth of 2.6%. This also follows a 4.8% expansion in 2021. The QLD economy is expected to continue its strong growth through H2 2022, with Deloitte Access Economics (DAE) forecasting a 2.2% expansion in real final demand over the calendar year, following growth of 4.9% in 2021. There are some downside risks to this forecast, the ongoing war in Ukraine, continued inflationary pressures and the recent forecasts of increased probability of more extreme weather events (flooding) at the end of the year.

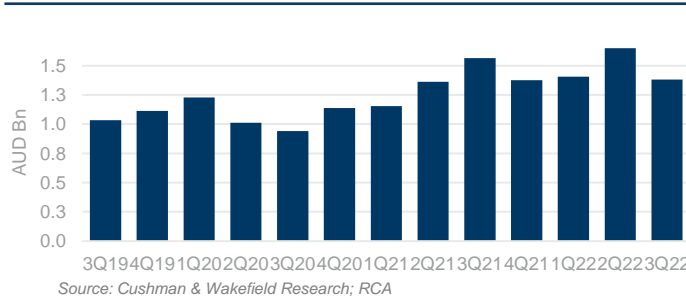
SUPPLY & RENTS:

The strong uplift in leasing activity and leasing enquiry from 2021 has continued into 2022 with net face rents continuing to climb, up 15% year on year across the Brisbane market. Q3 2022 net face rents averaged \$140 per square metre (sqm) per annum in the North, \$160 per sqm in the Trade Coast, \$120 per sqm in the South, \$130 per sqm in the West and \$115 per sqm in the M1 Corridor. Incentives remain tight across all precincts with very little movement recorded. The South, West and South East all have strong supply pipelines for spec-built stock, however the volatility around construction costs may hamper the delivery of certain projects.

SALES:

Following a record year for transactions both for Queensland and nationally, transaction volumes in Queensland continued strongly in H1, posting a new first half year record of \$816m. Total Queensland transaction volume slowed in Q3 and returned to long-term average with a total of \$224m. Yields are softening a little as rising interest rates are increasing funding cost for leveraged investors, however, those with capital are actively purchasing. In one of the largest deals this year the Queensland Government purchased the Visy glass manufacturing factory in West End for \$165 million. The site will be turned into the International Broadcast Centre for the upcoming 2032 Olympic and Paralympic Games.

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



FEATURE C&W LISTING



Archerfield Speedway

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	\$135 - \$155	21%	\$160 - \$190	30%	\$120 - \$130	4%	\$125 - \$135	8%	\$115 - \$135	14%
	>4,000 sqm	\$125 - \$135	18%	\$140 - \$155	33%	\$110 - \$120	0%	\$120 - \$130	9%	\$90 - \$125	13%
OUTGOINGS	<4,000 sqm	\$19 - \$34	18%	\$25 - \$42	12%	\$18 - \$30	7%	\$20 - \$30	11%	\$20 - \$30	11%
	>4,000 sqm	\$16 - \$29	22%	\$26 - \$30	17%	\$18 - \$30	7%	\$15 - \$30	0%	\$20 - \$30	11%
NET INCENTIVES	<4,000 sqm	5.00% - 12.50%	-8 pps	2.50% - 7.50%	-8 pps	8.00% - 12.00%	-3 pps	5.00% - 10.00%	0 pps	0.00% - 5.00%	-5 pps
	>4,000 sqm	5.00% - 12.50%	-6 pps	5.00% - 10.00%	-9 pps	10.00% - 15.00%	-8 pps	5.00% - 15.00%	-13 pps	5.00% - 12.50%	-6 pps
AVG YIELDS	<4,000 sqm	5.25% - 6.25%	-75 bps	5.00% - 6.00%	0 bps	5.25% - 6.00%	-38 bps	5.25% - 6.00%	-88 bps	5.25% - 5.75%	-100 bps
	>4,000 sqm	5.25% - 6.25%	-25 bps	5.00% - 6.00%	-100 bps	5.50% - 6.25%	-38 bps	5.50% - 6.00%	-13 bps	5.00% - 5.75%	-87 bps
BUILDING CAPITAL VALUES	<2,000 sqm	\$2,500	19%	\$3,000	24%	\$1,900	19%	\$2,100	50%	\$2,350	36%
	2,000 - 5,000 sqm	\$2,150	21%	\$2,800	32%	\$1,550	15%	\$1,800	29%	\$2,250	38%
	5,000 - 10,000 sqm	\$1,900	27%	\$2,200	26%	\$1,300	24%	\$1,500	11%	\$2,150	43%
	10,000 + sqm	\$1,775	30%	\$1,950	30%	\$1,100	5%	\$1,350	0%	\$1,850	37%
VACANT LAND VALUES	<10,000 sqm	\$650	44%	\$1,000	33%	\$475	27%	\$450	29%	\$500	38%
	>10,000 + sqm	\$600	71%	\$650	44%	\$338	23%	\$375	36%	\$425	42%

*Rental rates reflect full service asking

KEY LEASE TRANSACTIONS Q2 2022 + Q3 2022

PROPERTY	SUBMARKET	TENANT	SQM	LEASE TYPE
Lot 1-14 Anton Road, Hemmant	Trade Coast	Visy	46,200	Direct
Part Lots 36 & 38 Charles Ulm place, Eagle Farm	North	NETA Tire Service & Sales	8,600	Direct

*Renewals not included in leasing statistics

KEY SALES TRANSACTIONS Q2 2022 + Q3 2022

PROPERTY	SUBMARKET	SELLER / BUYER	SQM	PRICE (AUD)
4 Enterprise Street, Ipswich		Visy / Qld Gov.	70,000	165 Million
22 Rudman Parade, Burleigh Heads	Gold Coast	Rudman Commercial Pty Ltd /	55,200	32 Million
55 Blanck Street, Ormeau	M1 Corridor	Private / Private	9,300	14 Million

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