

# Public Sector Property Forum

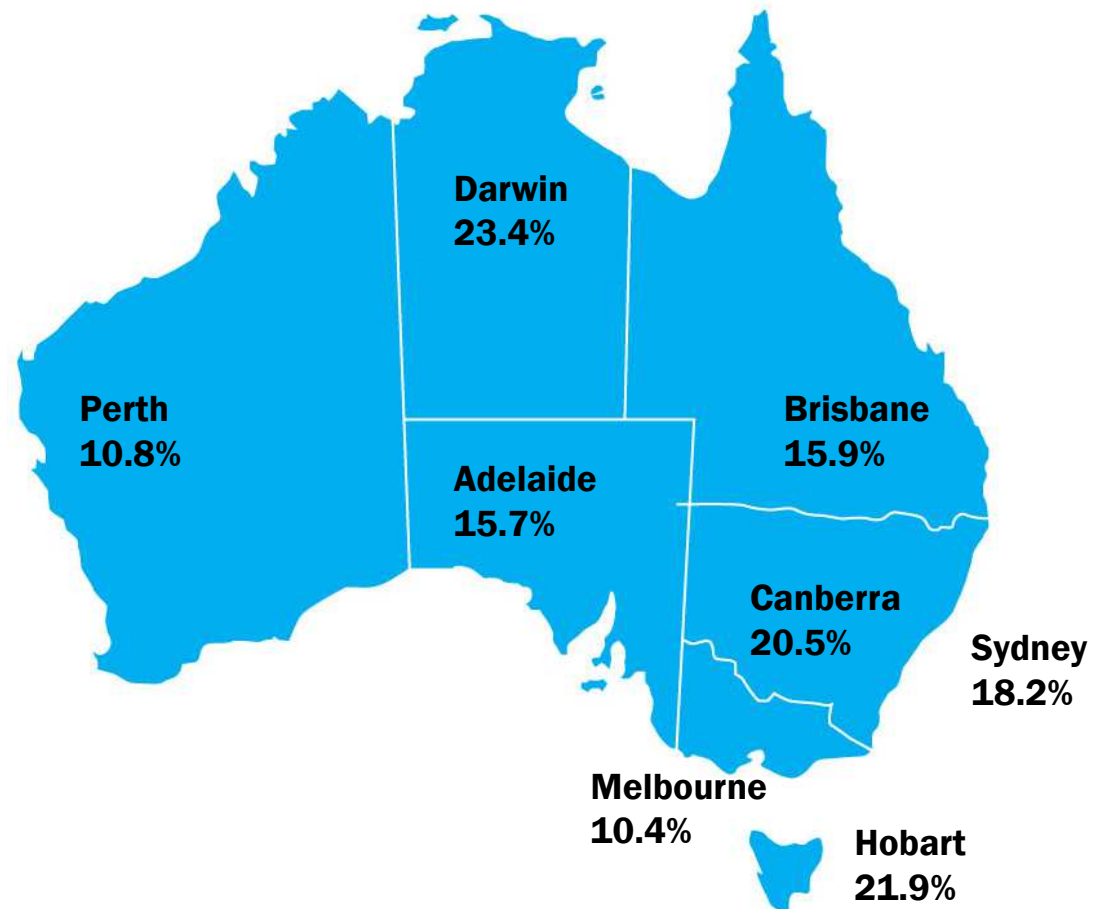
Gavin Hulcombe – Southeast Queensland Market Overview

David Hyne – Queensland Market Overview

27 August 2021

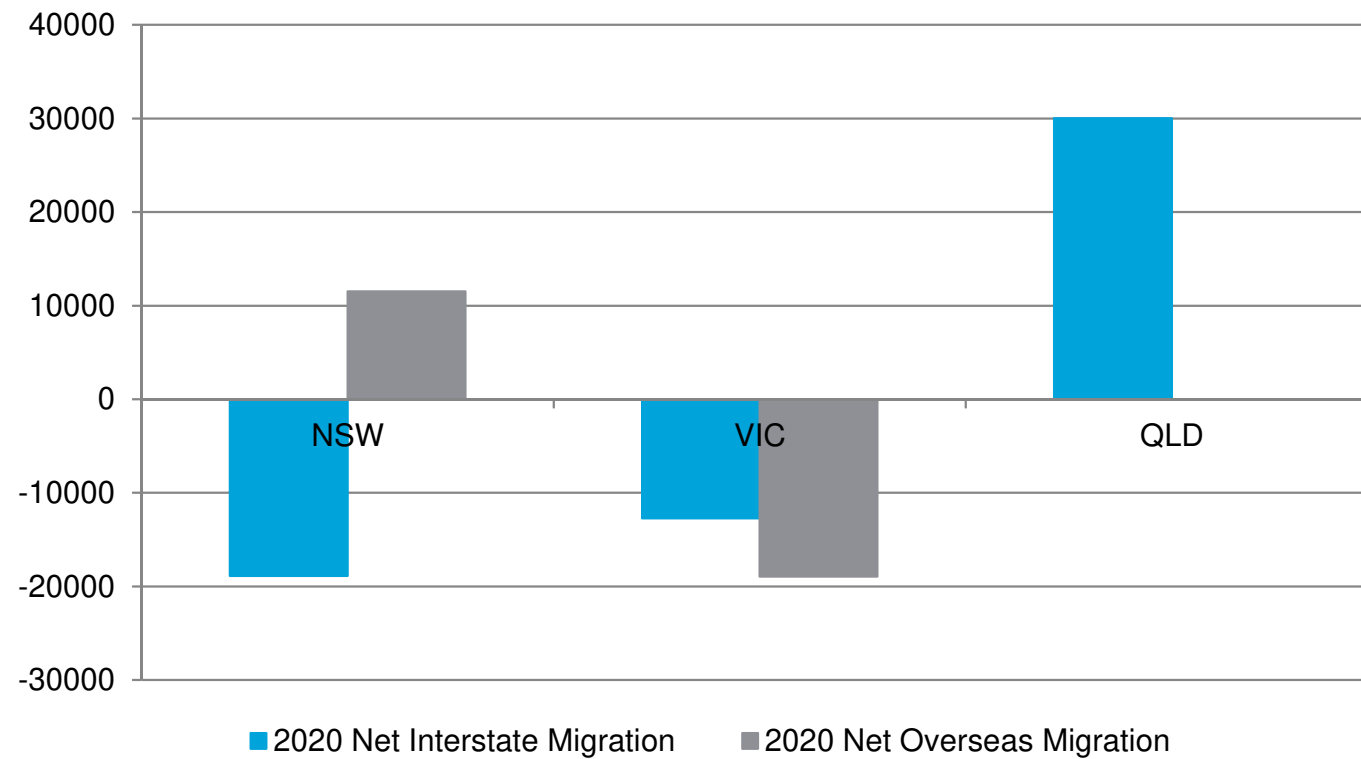


# The National Perspective

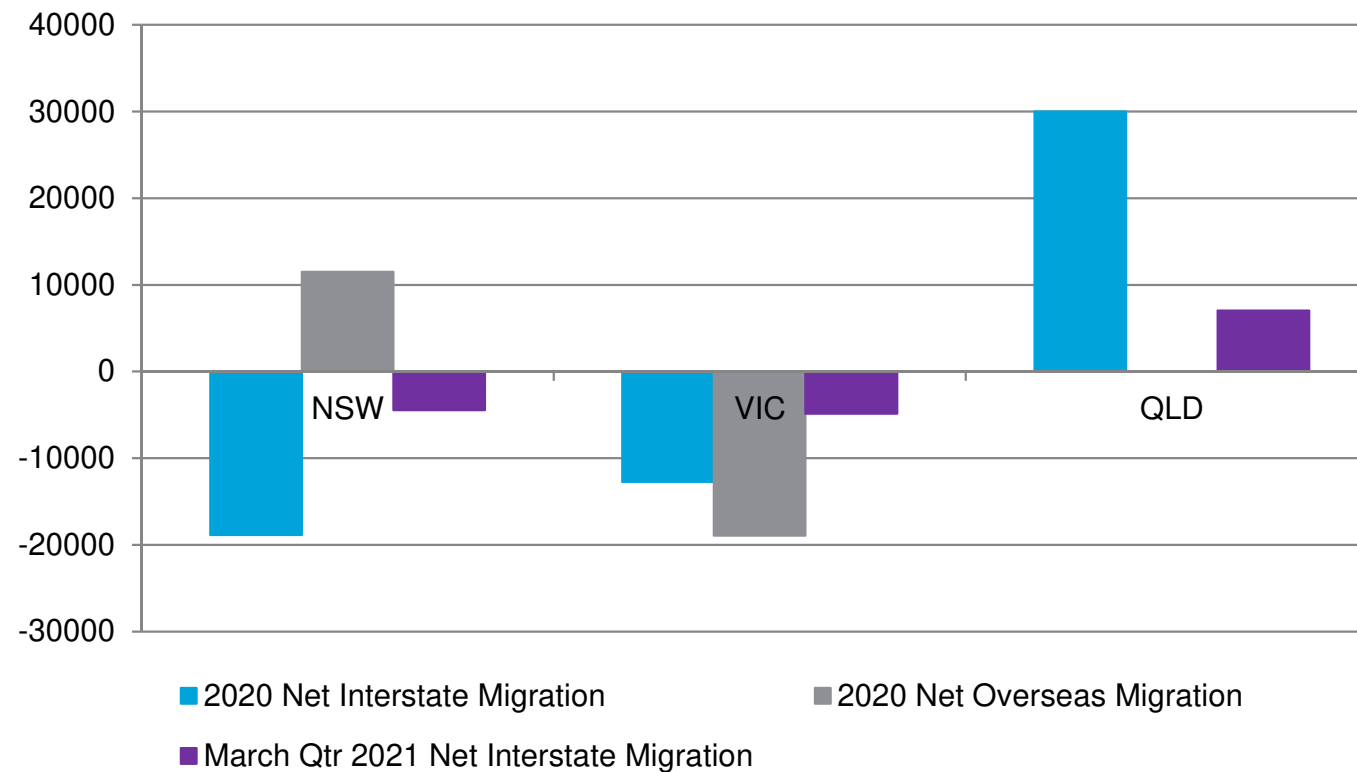


Source: Corelogic Hedonic Home Value Index – August 2021

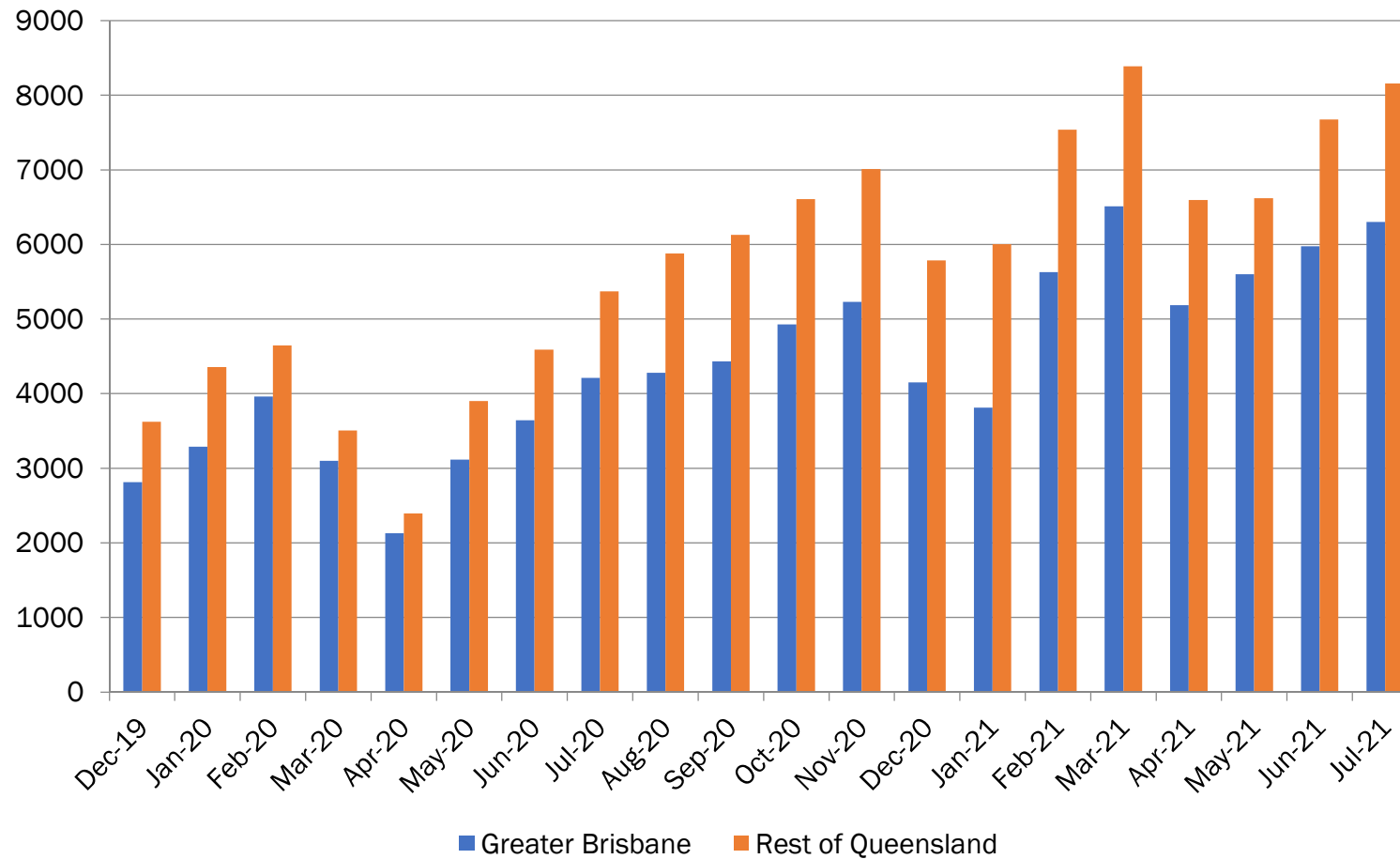
# Annual Population Movement – 2020



# Population Movement – March Qtr 2021



# Dwelling Sales Volumes



Source: Core Logic RPData



# Lifestyle



Image Source: [Queensland.com.au](https://www.queensland.com.au)



# BRISBANE

HOST CITY OF 2032 OLYMPIC  
& PARALYMPIC GAMES





# Key Olympic Sites



Image Source: Brisbane Development



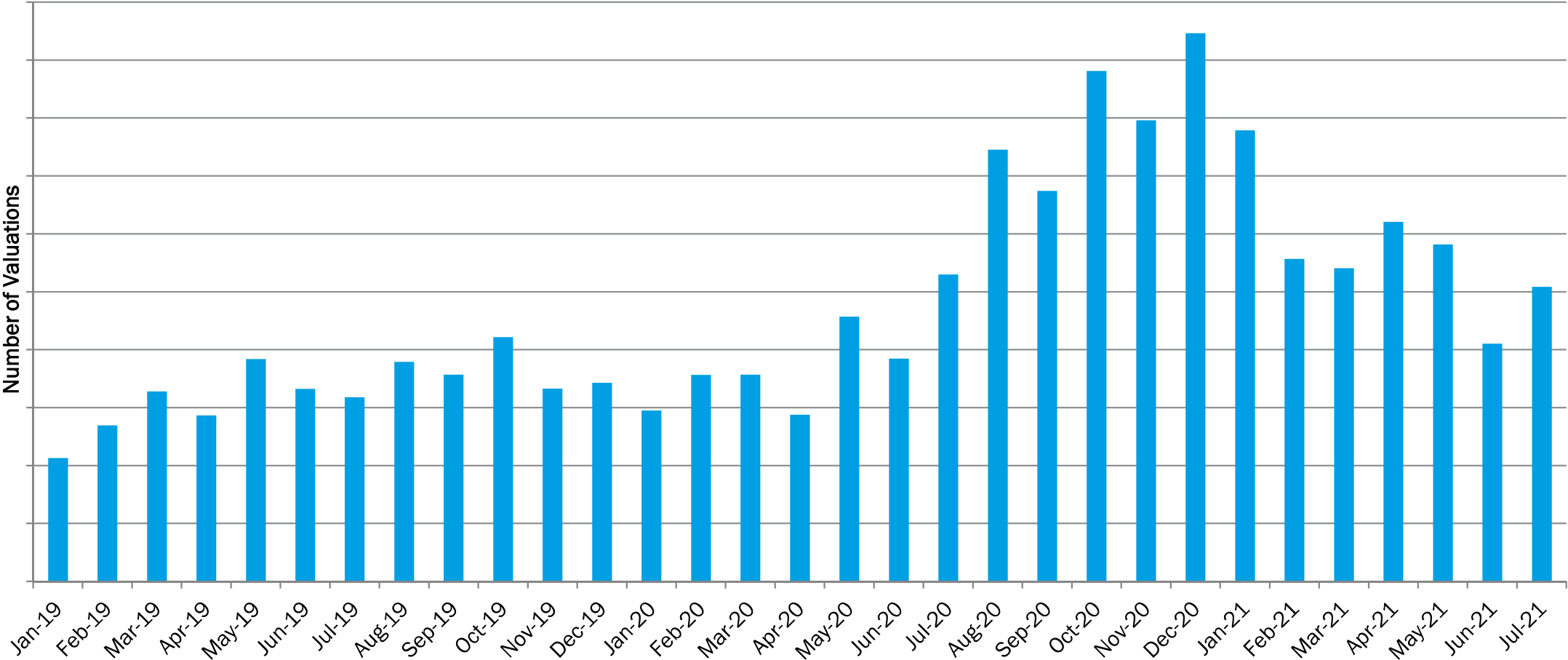
# How strong is the Brisbane market?



Suburb	Property Type	Sale Price	Sale Date	Prev. Sale Price	Prev. Sale Date	% Change
Bulimba	29 Coutts Street	\$2,380,000	March 2021	\$1,750,000	August 2020	36%
Moggill	68 Outlook Place	\$1,100,000	April 2021	\$860,000	May 2020	28%
Caboolture	14 Tuckerbox Street	\$415,000	May 2021	\$324,900	June 2020	28%
Cleveland	20 Bowspirit Parade	\$1,600,000	June 2021	\$1,290,000	November 2020	24%
Brisbane	Unit 2504, Abian 140 Alice Street	\$2,200,000	February 2021	\$1,910,000	November 2020	15%
Camp Hill	34 Arrol Street	\$2,800,000	February 2021	\$2,475,000	April 2020	13%
Paddington	10 Wilden Street	\$1,860,000	June 2021	\$1,720,000	February 2021	8%

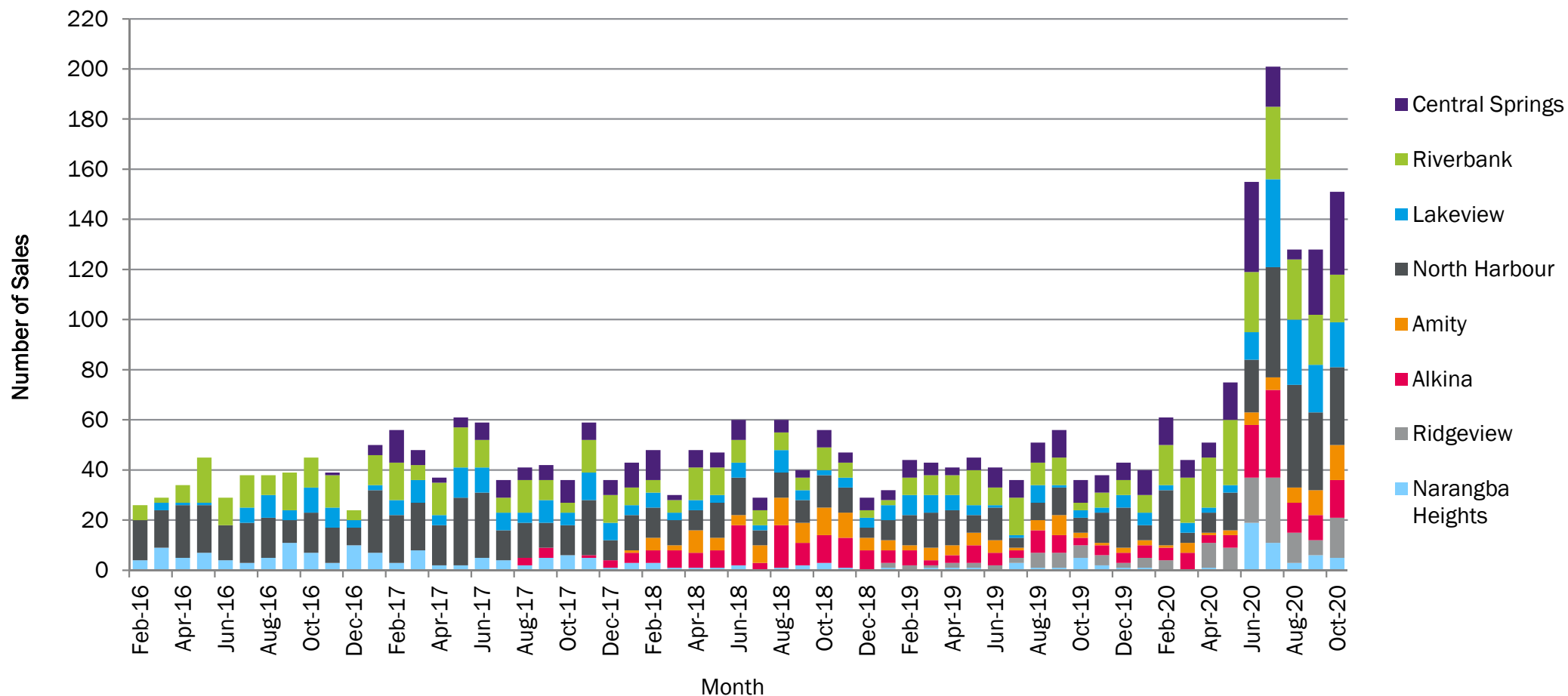
Source: Herron Todd White, Core Logic RPData

# Impact of Home Builder Grant - Qld



Source: Herron Todd White

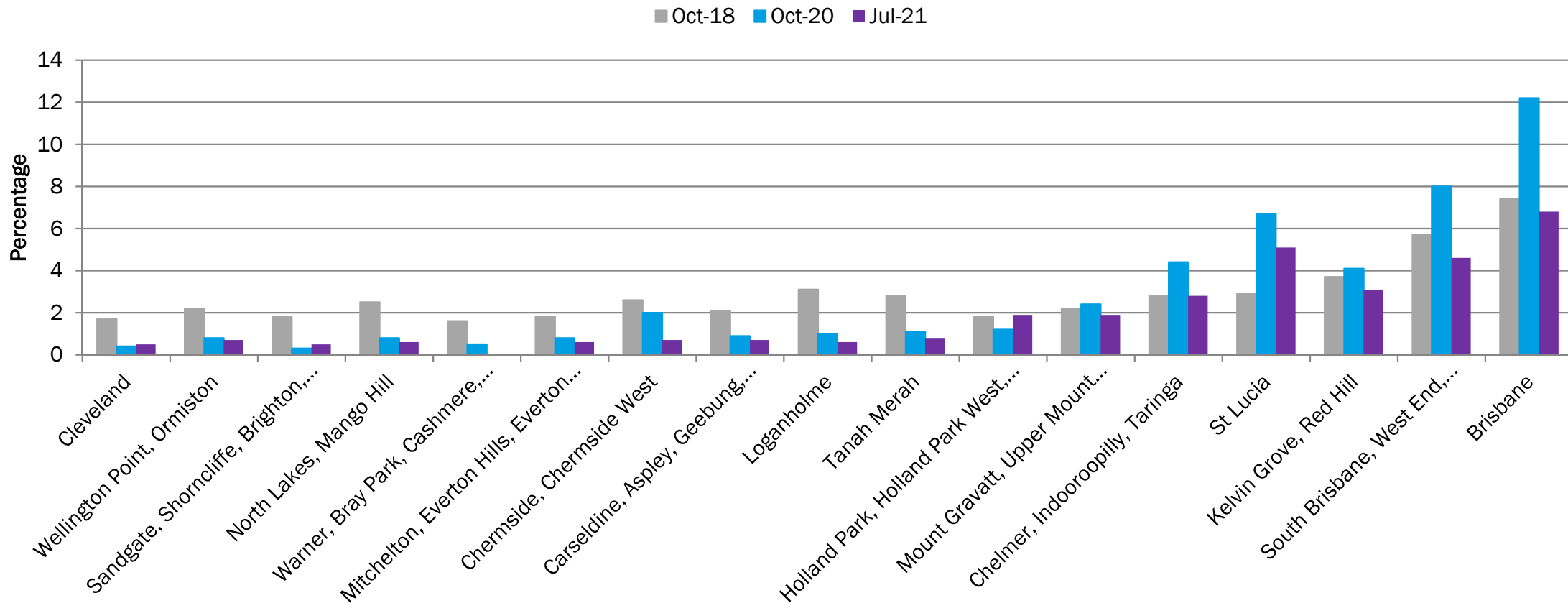
# SEQ Land Sales – Northern Corridor 2016-2020 (YTD)



Source: Core Logic RPData, Herron Todd White Research



# Rental Vacancy Rates – Brisbane



Source: SQM Research, Herron Todd White

# Construction Costs



## Time and cost of building a house blows out due to construction boom

TAWAR RAZAGHI 🐦 JOURNALIST | AUG 18, 2021

### Held to ransom, 50 per cent cost hikes: HomeBuilder crisis exposed

Queensland's building industry is in crisis with homeowners and renovators facing huge cost blowouts of \$30,000 and tradies being held to ransom, with the cost of materials skyrocketing.

Source: UDIA Qld, Domain.com.au, Courier Mail

# Gold Coast – Prestige Sales



**Penthouse – Soul, Surfers Paradise**



1,070 m<sup>2</sup> GFA  
Sold May 2021  
\$15,250,000



**5 McMillan Ct, Southport**



3,442 m<sup>2</sup> Block  
Sold March 2021  
\$23,750,000



**2 Heron Ave, Mermaid Beach**



2,112 m<sup>2</sup> Block  
Sold February 2021  
\$25,000,000



# Sunshine Coast – Prestige Sales



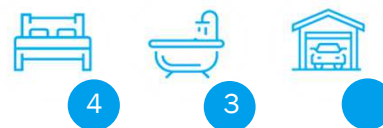
**2 Belmore Terrace, Sunshine Beach**



1,258 m<sup>2</sup> Block  
Sold Mar 2021  
\$21,000,000



**Webb Road, Sunshine Beach**



2,015 m<sup>2</sup> block  
Reportedly sold July 2021  
\$34,000,000



**Unit 11 'La Mer' Hastings St, Noosa**



183 m<sup>2</sup>  
Sold Nov 2020: \$9,800,000  
\$53,488/m<sup>2</sup>

# What are the risks?



- The broader economy
- Migration
- Interest rates
- Affordability
- Availability of funds



# Key Office Takeaways

- Very few institutional transactions...capital markets at a standstill with uncertainty
- Leasing predominantly smaller fitted out spaces...Very few major new leasing deals have been done
- Sub-Lease accommodation on the rise
- Incentives increasing
- Yields generally stagnant
- Owner occupiers a bright spot. Strong demand for good strata space and sub \$5 million freestanding buildings.





# Key Retail Takeaways

- The retail market is undergoing significant upheaval but not even across the sector
- COVID relief has essentially ended
- Rents in CBD have fallen
- Rents in suburban convenience complexes stable
- Investors are highly scrutinizing lease covenants and income security.
- Still good demand for well leased assets but limited stock
- Two tiered market?





# Key Industrial Takeaways

- Prime industrial not badly COVID affected
- Prime Industrial yields have tightened by up to 100bp
- Industrial rental rates are remaining stable
- Very strong investment demand...strongest sector
- Shortage of good investment stock
- Shortage of well priced land, especially larger parcels. Prices increasing





# The Road Ahead

- Strong growth future across SEQ as Infrastructure and Olympic projects ramp up
- Increasing migration
- Affordable gap relative to Sydney and Melbourne.





# Queensland Regions and Rural



**Mining**



**Tourism**



**Agriculture**



# Disclaimer



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