



Residential Development and Commercial Markets August 2024

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Constraints

Disconnect between state and local objectives

Approval delays

Two car spaces per 2 bedroom unit

Lower densities – no townhouses on low density residential land

Higher density in confined areas



Price Per Square Metre

Unit – Inner Ring



Sale Price: \$1,650,000

149m² living area

\$11,073/m² living area

Townhouse – Mid Ring



Sale Price: \$972,000

125m² living area

\$7,776/m² living area

Suburban Dwelling – Outer Ring



Sale Price: \$645,000

138m² living area

\$4,673/m² living area

Land Subdivision Market



Image Source: CedarWoods

Englobo Site Sales

281-323 Petersen Rd & 13-37 J Dobson Rd, Morayfield



DA for 251 lots plus
balance super lot

Circa \$32,000,000 (May 24)

24.55 hectares

\$1,303,462 per hectare

Balance Estate – Ecco, Ripley



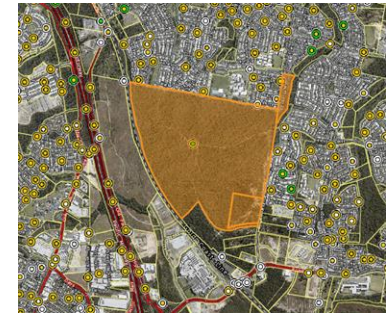
Yield of 510 lots plus
2 balance super lots

Sold: \$50,418,181 (Jan 23)

39.259 hectares

\$1,284,245 per hectare

49 Cunningham Dv; 51 & 70 George Alexander Wy, Coomera



Zoned for 4,000 lots

Sale Price: \$177,000,000 (Apr 23)

161 hectares

\$1,099,279 per hectare

Valuation Range – New Estates

	Land Cost 325m ²	House Build Cost 4/2/2	Total Cost
House/land package off-plan early 2022	\$325,000	\$280,000 (2022)	\$605,000
Land purchased 2022	\$325,000	\$350,000 (2024)	\$675,000
Land purchased 2024	\$400,000	\$350,000 (2024)	\$750,000
Completed house value 2022/23			\$700,000
Completed house value 2024			\$750,000

Commercial Markets



Principal Market Issues



- Rapid growth in construction costs
- High population growth
- Interest Rates & Inflation

Office Markets



Image Source: Australian Development Review

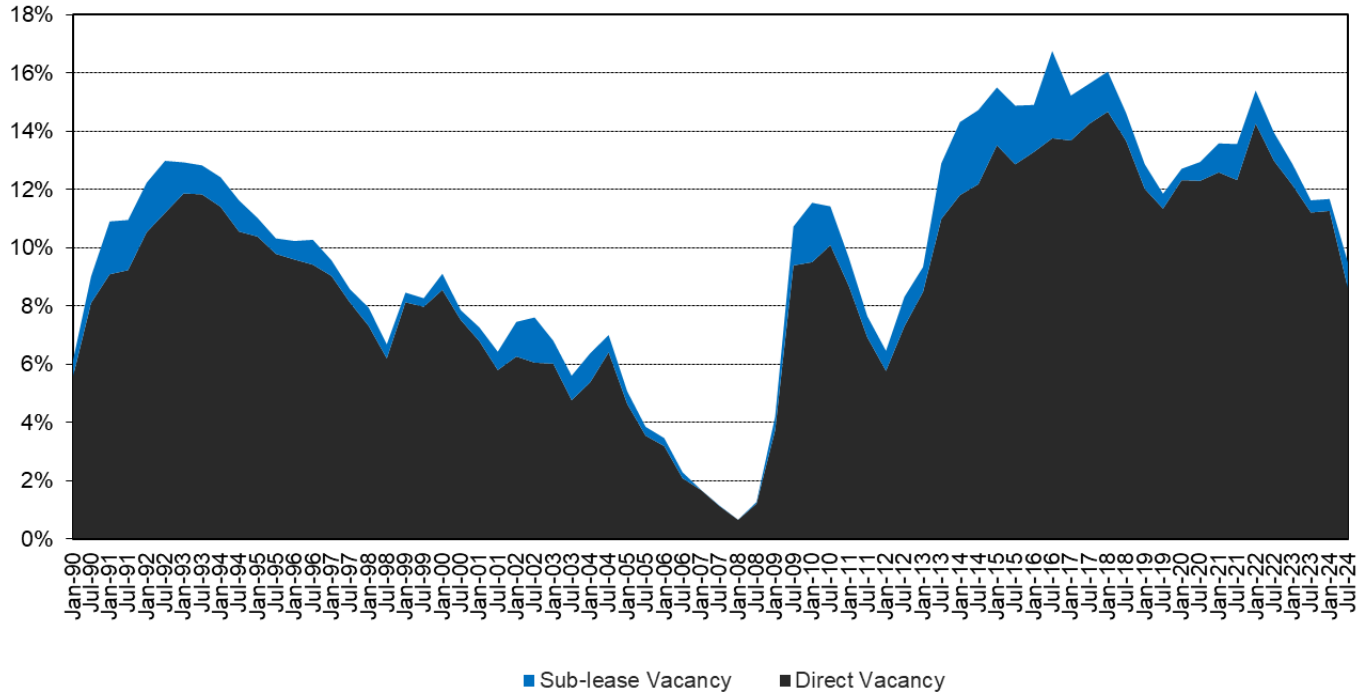
The End of WFH?



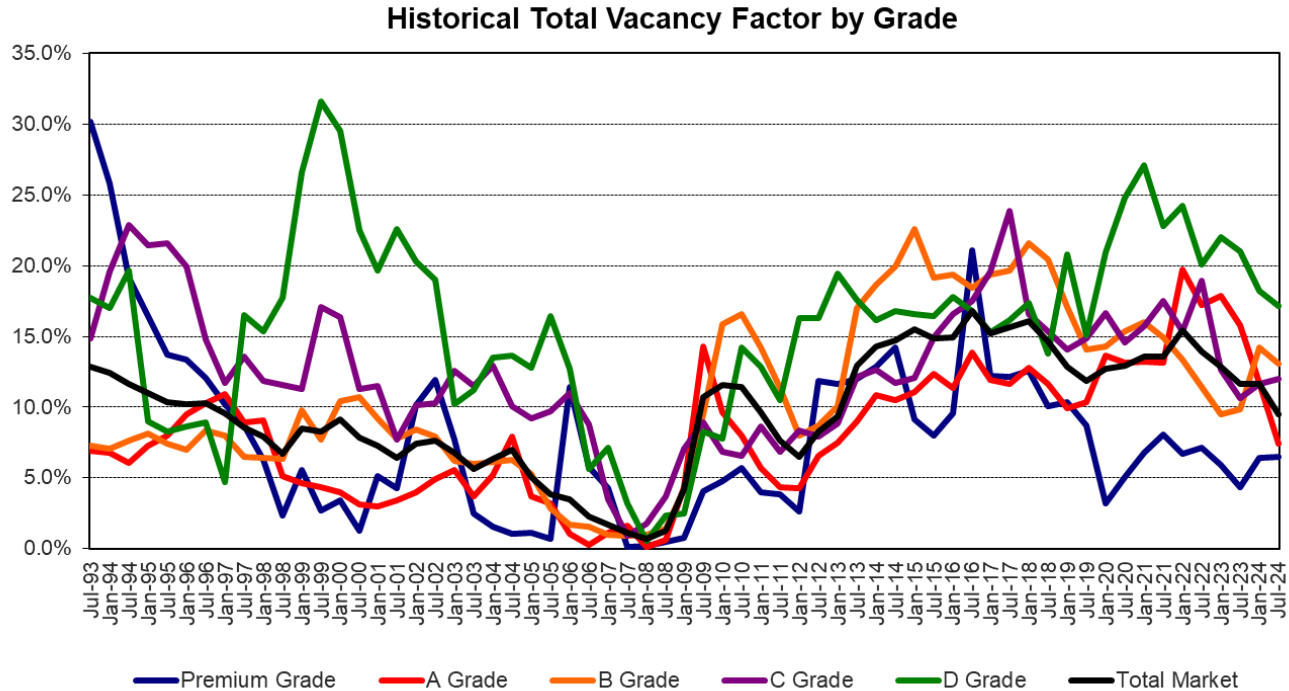
NSW public servants ordered back to the office

The largest employer in the country has ordered its staff to get back into the office as working from home appears done for good.

Historical Total Vacancy Factor

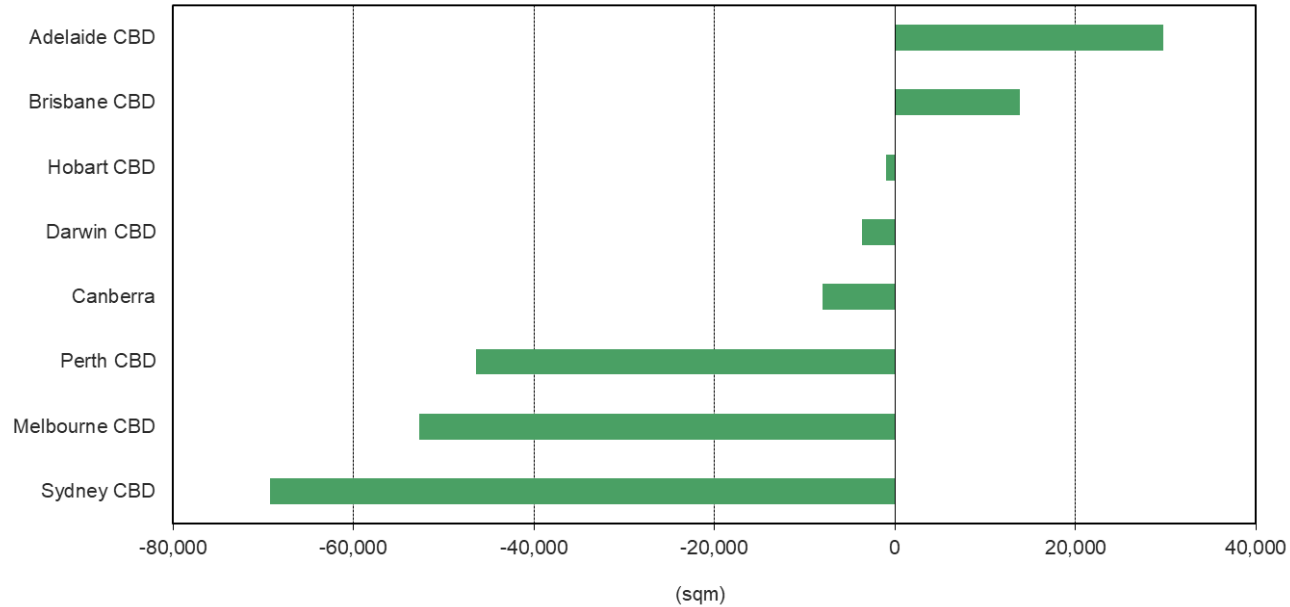


CBD Comparative Vacancy Rates

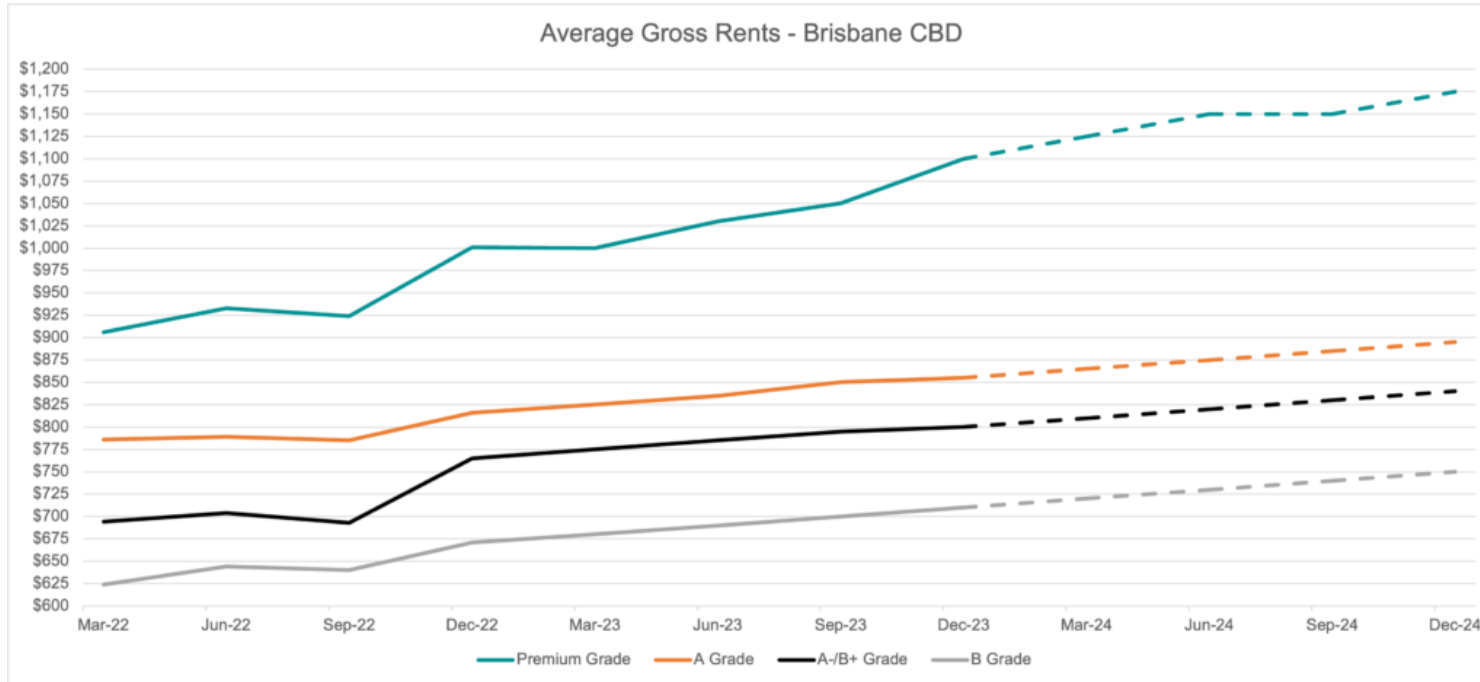


CBD Net Absorption

CBD Net Absorption: Twelve months to July 2024



CBD Average Gross Rents



Quarter

- Ongoing flight to quality
- CBD Powering back
- Strong owner occupier demand
- Rents being pulled up by increased construction costs

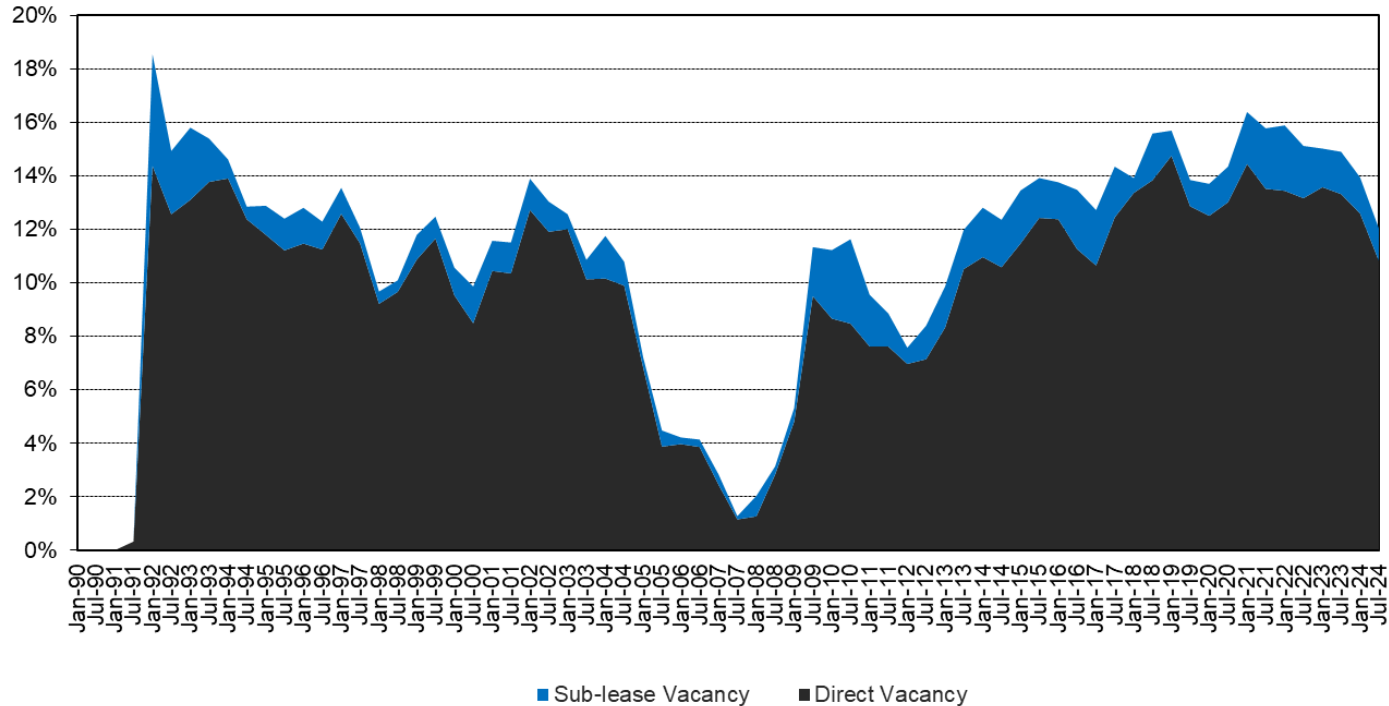
Fringe Office Markets



Image Source: Herron Todd White

Historical Total Vacancy – Fringe Market

Historical Total Vacancy Factor



Industrial Markets



Image Source: Australian Development Review

Industrial Land

(5,000m² parcel)

Brendale
\$600+

Geebung
\$750+

Richlands
\$650+

Ipswich
\$450+

25KM

15KM

5KM

BRISBANE

Narangba
\$600+

Australian Trade Coast
\$800+

**Rocklea Acacia Ridge
(Flood Free)**
\$500+

Crestmead/Park Ridge
\$550+

Yatala
\$650+

IPSWICH

Source: HTW Research

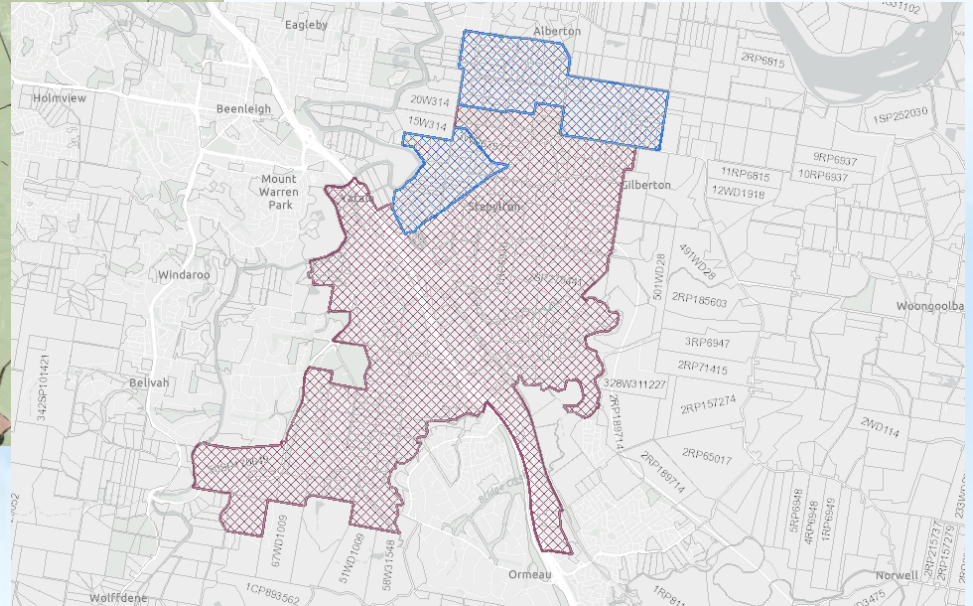
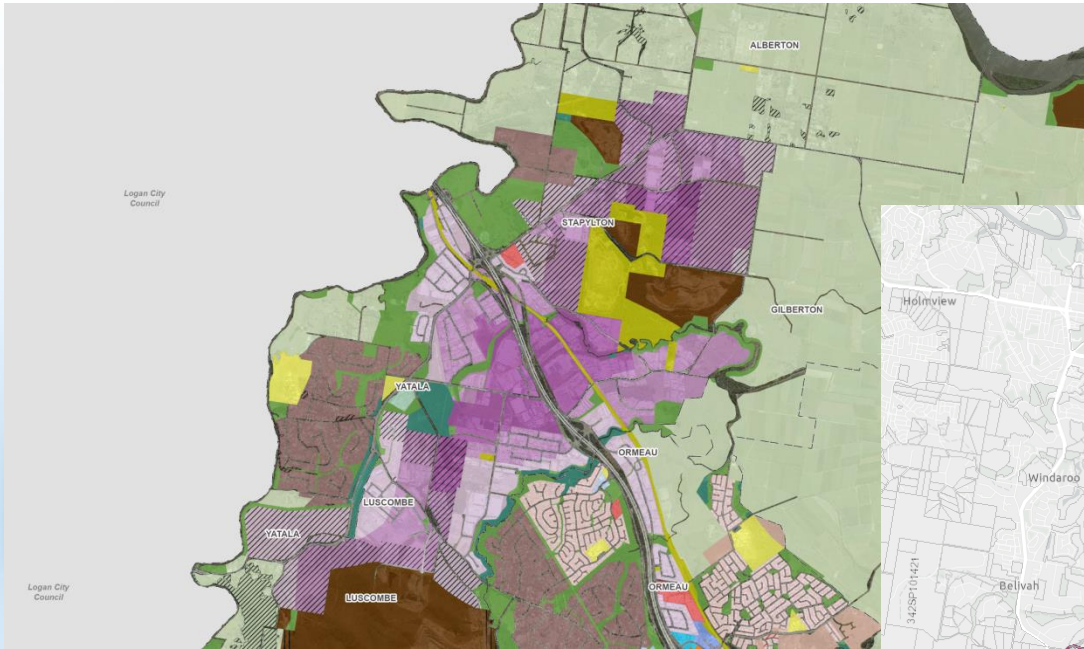


Flagstone Logistics Estate – North Maclean



- 'Hyper-scale' logistics facilities up to 100,000sqm available
- Tenancies from 10,000sqm+
- 30MW of solar power available with the estate (upon completion)
- Targeting 5 Star Greenstar Rating
- A-grade offices with amenities and end of trip facilities
- Industry leading design & wellbeing focussed workplaces
- 8t* post load to warehouse slab
- 13.7m* (min) to 14.6m* warehouse height – higher available for automated facilities**
- Generous 38m* average hardstand depth – larger available if external storage required
- Recessed loading docks with levellers
- Separate access and car parking for staff/visitors
- Approved for B-Double access and 24/7 operation
- ESFR fire sprinkler system
- LED lighting throughout, water efficient fittings & rainwater re-use

Yatala Enterprise Area



Industrial land project sold out in SEQ's northern corridor - RWC

Caboolture and the northern corridor are the latest areas to feel the pinch on industrial land supply, with the final forty lots of Caboolture's Corporate Park East sold in just three days by marketing agents RWC Northern Corridor Group's Chris Massie and Aaron Canavan.

The Simple Equation

2020 Costs

	Area (m ²)	Land and Build Costs (\$/m ²)	Total (\$)
Land Cost	10,000	300	3,000,000
Build Cost	5,000	1,000	5,000,000
Total Cost			8,000,000
Required Net Rent at 6.0% Yield		\$ 96 per square metre	

2023 Costs

	Area (m ²)	Land and Build Costs (\$/m ²)	Total (\$)
Land Cost	10,000	500	5,000,000
Build Cost	5,000	1,800	9,000,000
Total Cost			14,000,000
Required Net Rent at 6.0% Yield		\$ 168 per square metre	

Increase in Rental Required	75%
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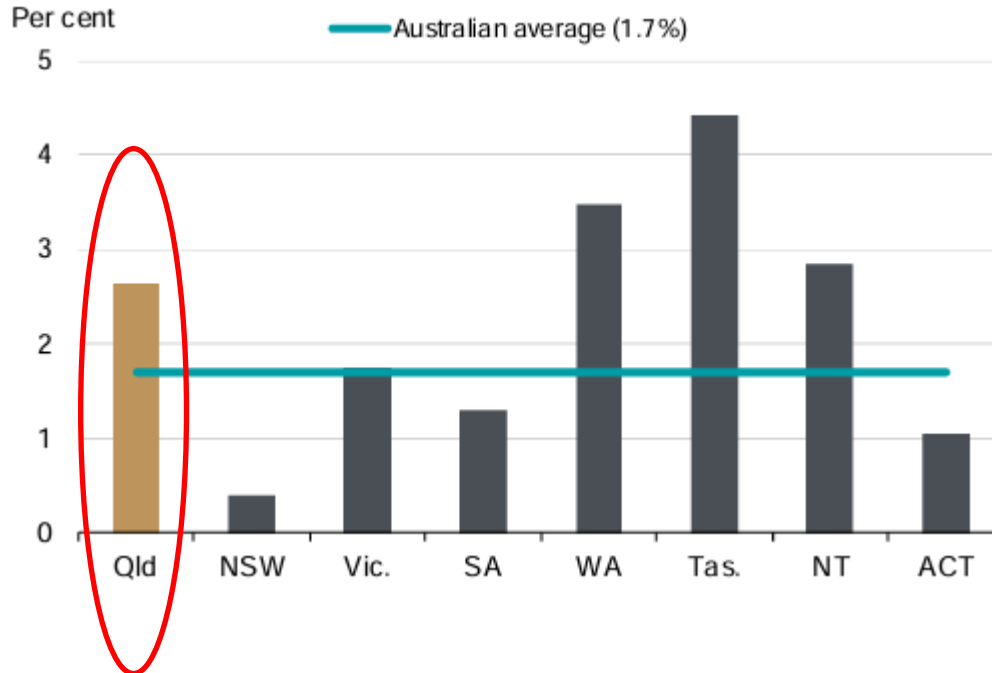


Retail Markets



Retail in Qld outperforming southern states

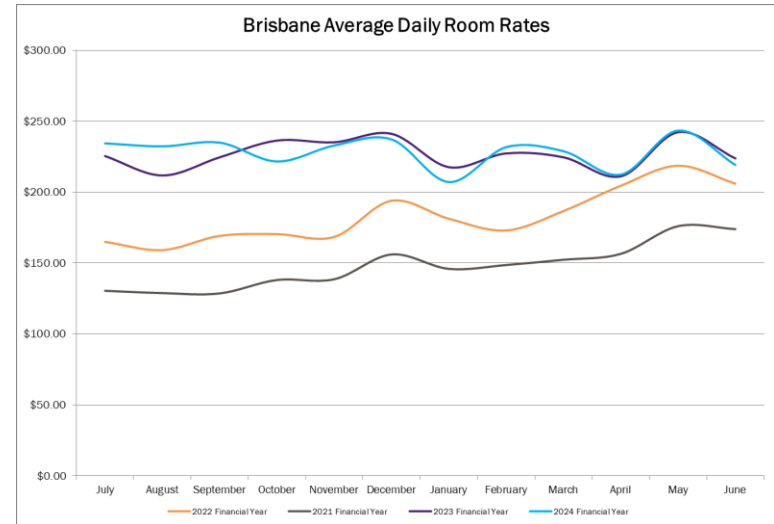
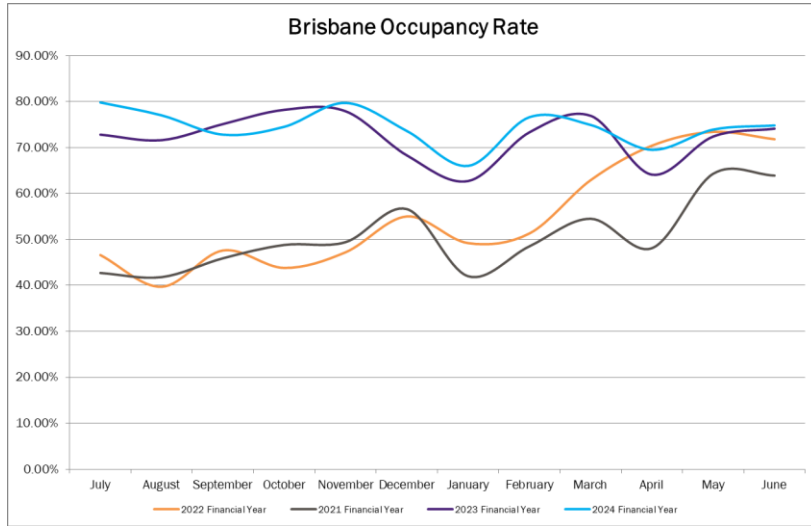
Annual change in retail turnover, May 2024



Accommodation



Accommodation as at June 2024



Other Investment Markets



Image Source: Cushman and Wakefield

Service Stations – Prices Stable

500 Learoyd Rd, Willawong

Sold: \$6,450,000

Analysed Market Yield 6.44%

Sale Date: October 2023

Source: Herron Todd White, Corelogic RPData, Burgess
Rawson



3,889m²

**Lettable
Area**

308m²

**WALE
(By Income)**

19.81 Yrs

**\$/m²
Land Area**

\$1,658

3 Rex Hills Dr, Ripley

Sold: \$2,765,000

Analysed Market Yield 5.03%

Sale Date: October 2023

Source: Herron Todd White, Corelogic RPData, Burgess
Rawson



1,822m²

Lettable
Area

179m²

WALE
(By Income)

9.89 Yrs

\$/m²
Land Area

\$1,518

Child Care – Still Strong

117 Kangaroo Gully Rd, Bellbowrie

Sold: \$5,400,000

Sold: June 2024

Source: Herron Todd White, Corelogic RPData



83

**Lease
Term**

14.88 Y

**Rate/
ACCP**

\$65,060

Yield

5.44%

Modern Boarding Houses

11 Maurice Ave, Salisbury

Sold: \$1,439,000

Sold: July 2024

Source: Herron Todd White, Corelogic RPData



5 rooms

**Weekly
Rent**

\$380

**Rate/
Room**

\$287,800

Yield

4.38%

Value Changes: Jan 2022 – August 2024

Market Sector	January 2022	August 2024	Value Change
Prime CBD Office	5.00%	6.75%	-15% to -20%
Secondary CBD Office	6.50%	8.00%	-10 to -15%
Prime Fringe Office	5.25%	6.50%	-15% to -20%
Sub \$10m Owner Occupier Office	6.50%	5.00%	10% to 30%
Convenience Retail	5.50%	6.00%	-8% to -12%
Neighbourhood Centre Retail	5.00%	5.50%	-5% to -10%
Large Format Retail	5.00%	6.25%	-5% to -10%
Prime Service Stations	4.75%	5.75%	-10% to -15%
Medical Centres	5.00%	6.25%	-5% to -10%
Freehold Child Care Centres	4.50%	5.25%	-5% to -10%
Prime Industrial	4.25%	5.75%	-5% to -10%



Summary

Population growth will continue to underpin demand for new development

Gap between cost and value continues to pull values up on second hand assets

Severe growing pains and infrastructure bottlenecks to strengthen demand around transport hubs

Concentration of activity around Inner Areas

Major projects extremely difficult to plan and deliver



Star Opening 29 August – 7 years to build



Marina Bay Sands, Singapore - 4 year build



Image Source: Booking.Com



Expert advice.
Quality solutions.

Thank you

Networking 3 pm to 5 pm



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