



Toowoomba
Property Factsheet
2nd Half 2018





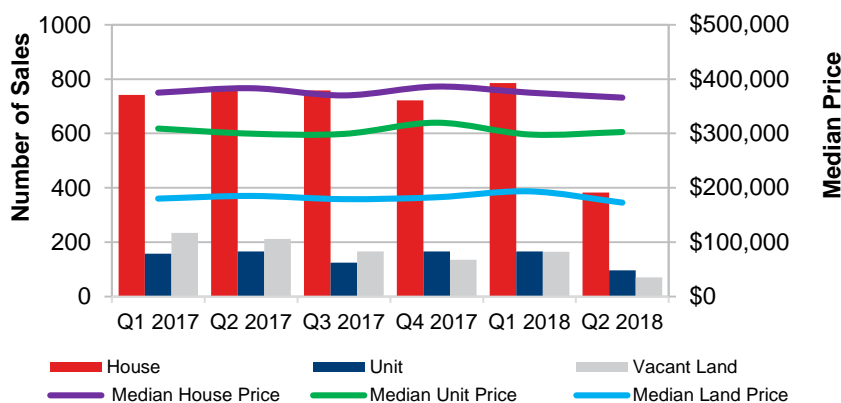
MARKET CONDITIONS

The Toowoomba* property market, especially that of postcodes 4350/4352*, recorded a median house price of \$380,000 and \$310,000 for units in Q2 2018, which represented an annual price change of -6.2% and 3.4% respectively. Over the same period of time, house prices in Toowoomba Regional Local Government Area (LGA) softened by -4.4% to \$366,000 and unit prices grew by 1.0% to \$302,500. Compared to the LGA both houses and units have a more premium price in postcodes 4350/4352*. In particular, units in postcode 4350/4352* offered higher capital growth compared to the LGA.

Average vendor discounting for houses tightened to -3.8% over the past 12 months to Q2 2018, suggesting sellers are achieving closer to their first list asking price. Thus, despite the slight softening in median price growth, sellers in postcodes 4350/4352* still benefitted from a high demand market. The unit market also tightened, with average vendor discounting at -3.1% in Q2 2018. This, combined with positive annual growth in median unit prices, indicates that the unit market in postcodes 4350/4352 is stronger than the unit market in the Toowoomba Regional LGA.

Median rent for houses in postcodes 4350/4352* has remained relatively stable over the past 12 months to Q2 2018, and sat at \$340 per week. Median unit rent increased by 2.2% and commanded \$280 per week. Investors are benefiting from rental yields of 4.4% (house) and 5.1% (units), similar to that of Toowoomba Regional LGA's 4.7% and 5.2% and Brisbane Metro's 4.8% and 5.0%, respectively. This confirms Toowoomba*, particularly postcodes 4350/4352*, as a lucrative investment option to Brisbane Metro. Now is the time for owner occupiers and first time investors to secure their dream property in this affordable property market.

TOOWOOMBA REGIONAL GROWTH



OVERVIEW

Toowoomba* is located 125 km west of Brisbane's CBD. Over the last 7 years the population grew by 6.4% and the number of dwellings increased by 9.4%. This signals that supply has slightly exceeded demand, which explains a softening in median prices. Housing planning authorities need to revise strategies to avoid further oversupply issues. .

CHANGE FROM LAST	YEAR	HALF YEAR
House Sales	↓	↓
House Median Price	↓	↓
House Rental Price	↔	↓
Unit Sales	↓	↓
Unit Median Price	↑	↓
Unit Rental Price	↑	↓

FUTURE DEVELOPMENTS**

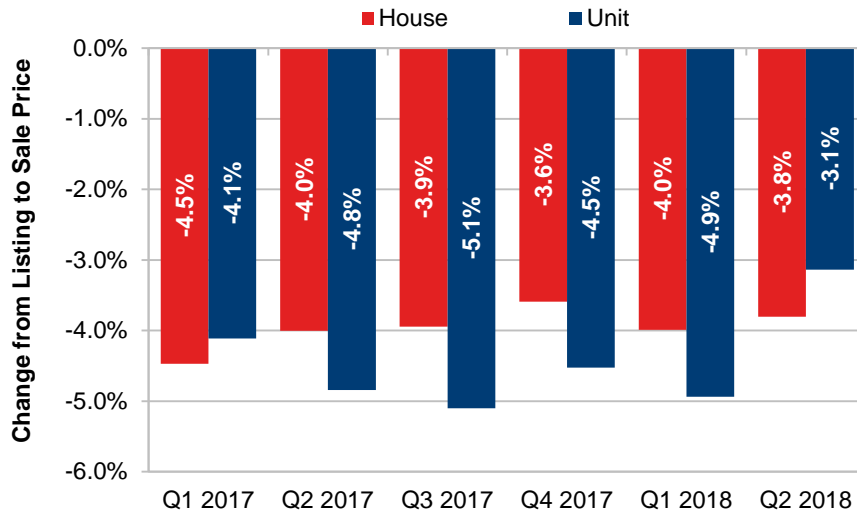
Toowoomba*, in particular postcodes 4350 /4352*, is set to see \$446.7M** of new projects commencing in the 2nd half of 2018. Commercial accounted for the majority of project development value (\$397.6M or 89.0%). This is followed by residential (\$31.0M or 6.9%), and infrastructure (\$18.1M or 4.1%).

In total, 25 units, 51 townhouse and 223 lots will be added to the local property stock. This will further answer demand due to population growth, especially those looking to buy units. A key residential project is the Prince Henry Drive Townhouses Stages 1-2. Valued at \$10.0M**, which includes the construction of 40 new townhouses.

A major commercial development is the InterLinkSQ Intermodal Freight Terminal Phase 1, which includes rail connecting to the Western Railway Line and temporary buildings. Internal roadways will support the efficient access to domestic and international markets. With an estimated value of approx. \$210.0M, this project is due to commence in November 2018, and will be a key source of job creation and economic growth. Spill-over benefits is expected to boost the property market.

*Toowoomba market data and key indicators encapsulates aggregate property market conditions in the following: postcode 4350/4352.
**Estimated values are based on construction value provided by the relevant data authority and does not reflect commercial and/or re-sale value.
Source: APM Pricerfinder, realestate.com.au. © Copyright PRDnationwide 2018.

AVERAGE VENDOR DISCOUNT*



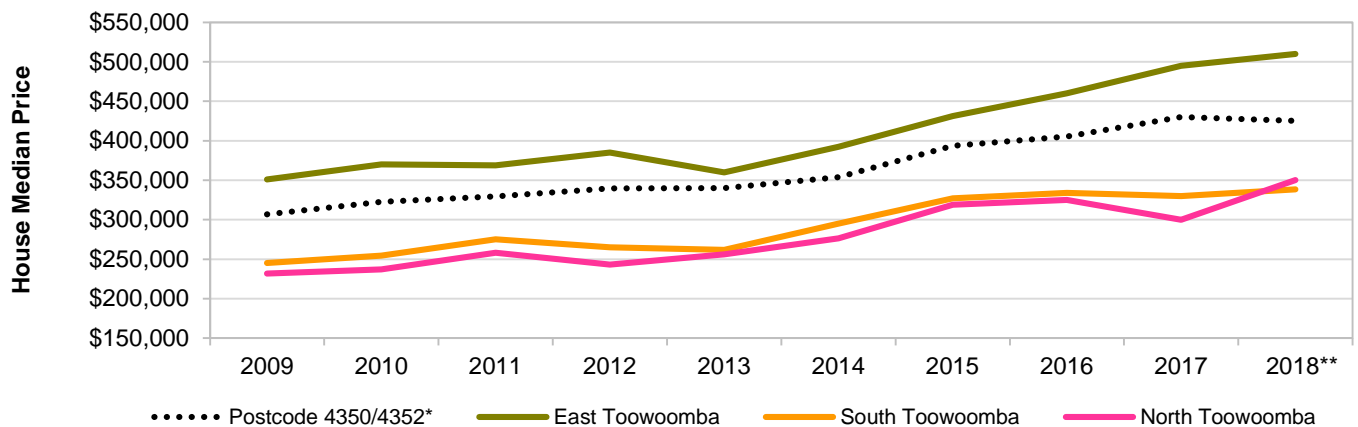
AVERAGE VENDOR DISCOUNT

Average vendor discount reflects the average percentage difference between first list price and final sold price. A lower percentage difference (closer to 0) suggests buyers are willing to purchase close to the first asking price of a property.

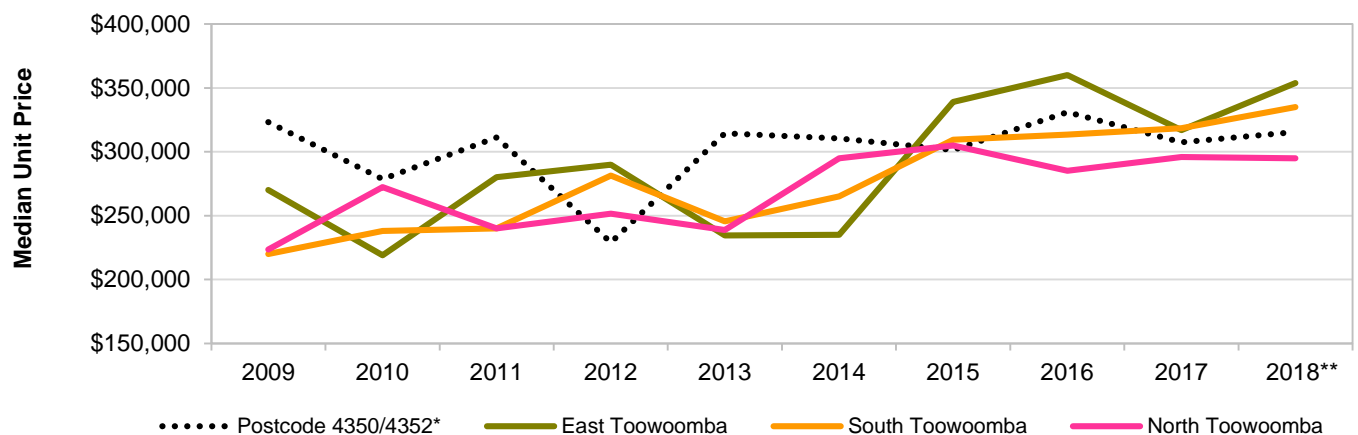
MARKET COMPARISON GRAPH

The market comparison graph provides comparative trend for median price of house and units over the past 10 years. Suburbs profiled are chosen based on proximity to the main area analysed in the factsheet, which is postcode 4350/4352*. The main area is depicted through a dotted black line graph.

HOUSE MARKET COMPARISON



UNIT MARKET COMPARISON

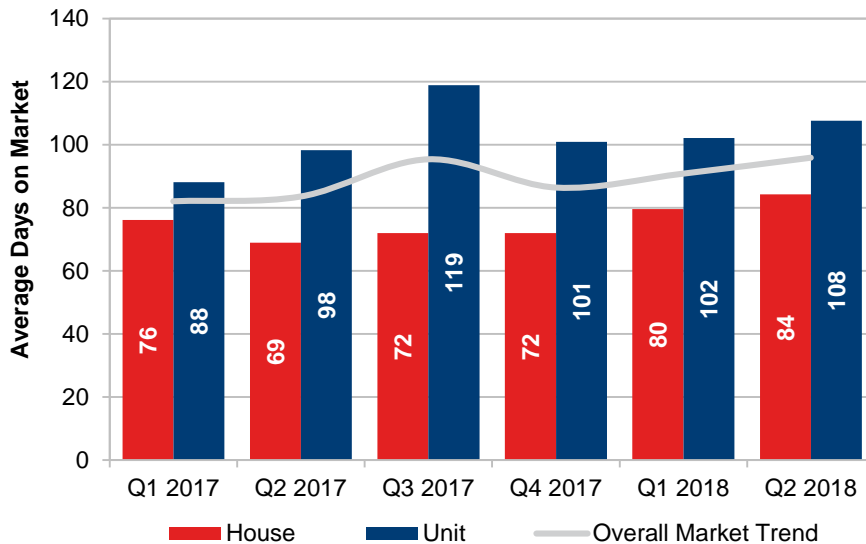


*Toowoomba market data and key indicators encapsulates aggregate property market conditions in the following: postcode 4350/4352.

**2018 information represents data from both Normal sales (i.e. settled sales transactions derived from Government sources) and Agents Advice sales (i.e. sales transactions not derived from Government sources).

Source: APM Pricerfinder. © Copyright PRDnationwide 2018.

AVERAGE DAYS ON MARKET**



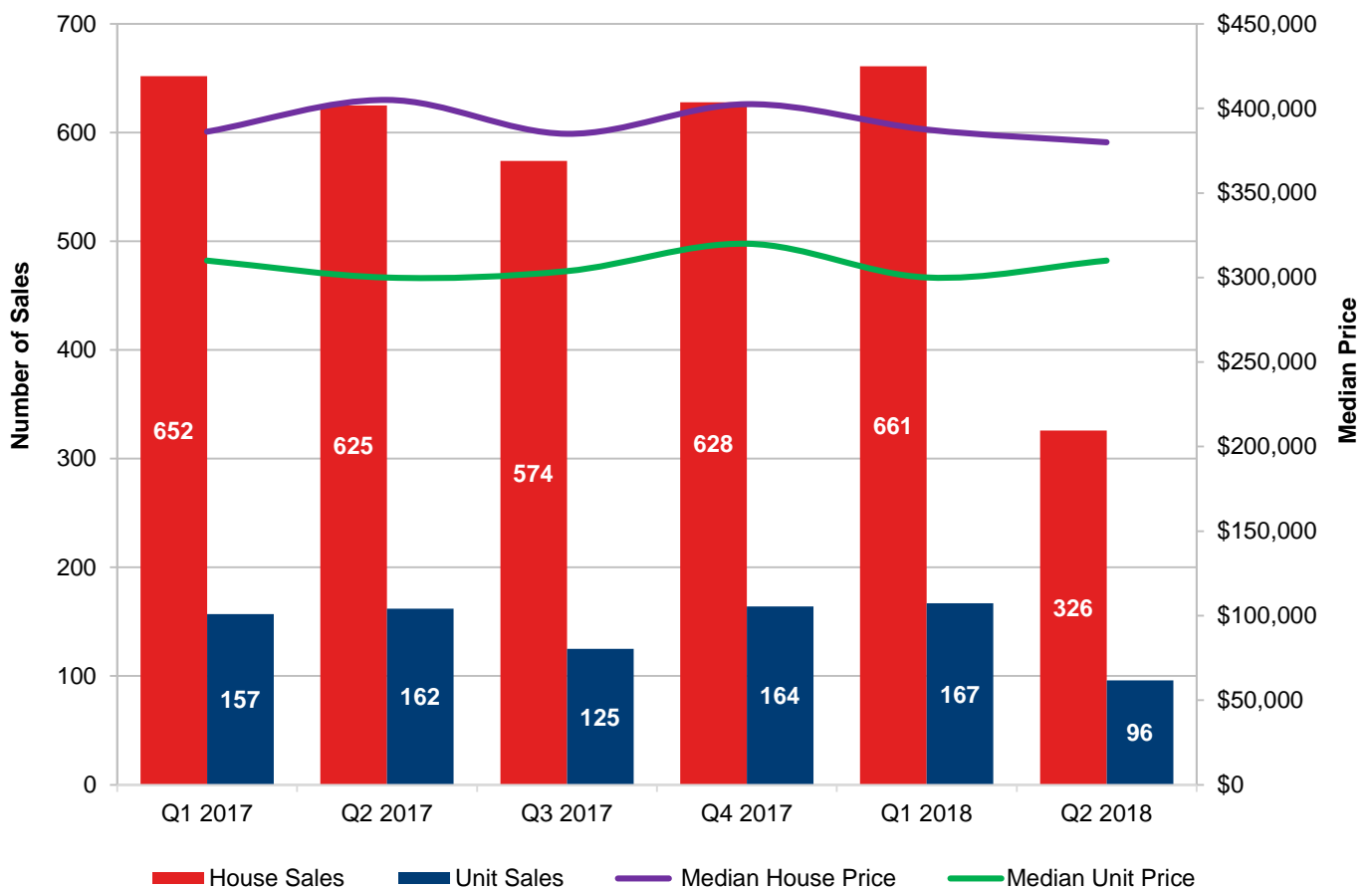
HOUSE KEY FACTS Q2 2018

Median Sale Price: \$380,000
 Annual Growth: -6.2%*
 Average Days on Market: 84
 % Change between First Listed Price and Sold Price: -3.8%

UNIT KEY FACTS Q2 2018

Median Sale Price: \$310,000
 Annual Growth: 3.4%*
 Average Days on Market: 108
 % Change between First Listed Price and Sold Price: -3.1%

SALES AND MEDIAN PRICE**



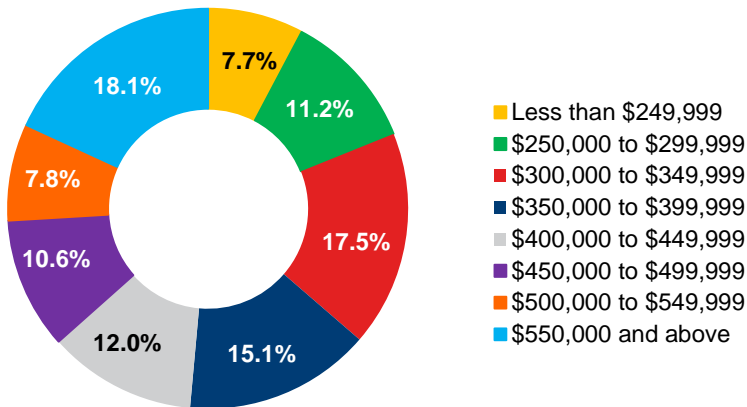
*Annual growth represents price growth for property transactions between Q2 2017 to Q2 2018 (inclusive).

**Toowoomba market data and key indicators encapsulates aggregate property market conditions in the following: postcode 4350/4352. Note: Due to a time lag between transactions and data entry, the number of sales might not reflect all the transactions that have occurred during Q2 2018.

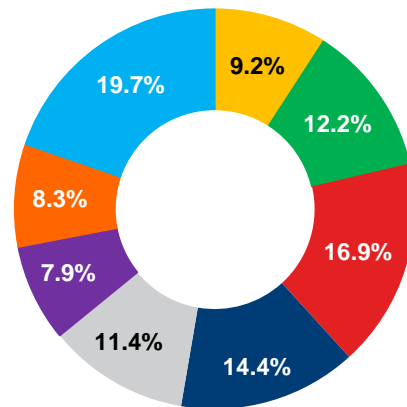
Source: APM Pricefinder, realestate.com.au, SQM Research. © Copyright PRDnationwide 2018.

SALES PRICE POINT COMPARATIVE ANALYSIS

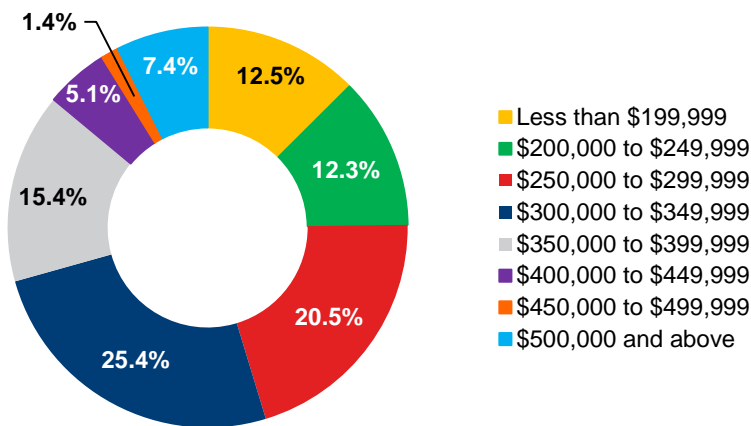
HOUSE PRICE POINT 1ST HALF 2017**



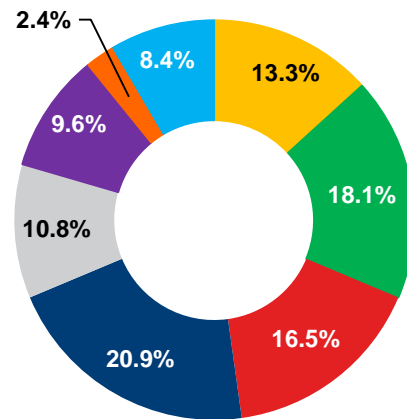
HOUSE PRICE POINT 1ST HALF 2018**



UNIT PRICE POINT 1ST HALF 2017**



UNIT PRICE POINT 1ST HALF 2018**



KEY IMPLICATIONS - HOUSE

The majority of houses sold in Toowoomba*, particularly in postcodes 4350/4352* during the 1st half of 2018 is above \$550K (19.7%). This confirms that postcodes 4350/4352* is a premium market, which is good news for buyers who have an appetite for higher quality stock. That said, there are still affordable opportunities in the lower end of the market (less than \$300K). Furthermore this accounts for 21.4% of the market, an increase when compared to the 1st half of 2017 (18.9% of the market).

The house market experienced relatively stable patterns in price structure movements, with only minor shifts. Thus buyers have a variety of opportunities depending on their budget. This further confirms that now is the time to invest in this reliable housing market.

KEY IMPLICATIONS - UNIT

The proportion of units being sold in postcodes 4350/4352* in the 1st half of 2018 is primarily in the \$300K-\$350K price segment (20.9%). This price segment has experienced a drop in the number of sales – from 25.4% in the 1st half of 2017. In fact, the price segments in the middle of the market (\$250K to \$400K) all witnessed price drops. Thus buyers need to act fast as stocks in these price ranges are diminishing.

The 2nd most affordable price segment (\$200K-\$250K) seem to have benefited the most from the reduction in sales in the middle of the market. This segment grew by 5.8% to 18.1%. This points to an increase in affordability in the unit market in postcodes 4350/4352*, which provides attractive opportunities for first home buyers.

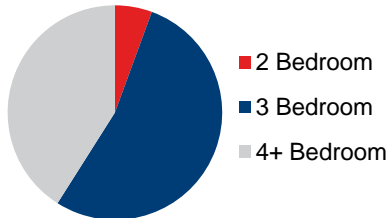
*Disclaimer: Toowoomba market data and key indicators encapsulates aggregate property market conditions in the following: Postcode 4350/4352.

**For comparative purposes, house and unit sales for 2017 and 2018 are only representative of the 1st half of each year.

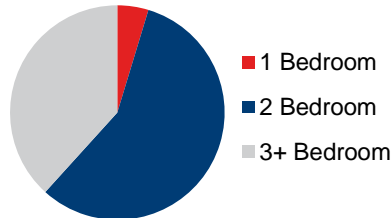
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INVESTMENT ANALYSIS

HOUSE



UNIT



HOUSE KEY FACTS Q2 2018

Median Rent Price: \$340 per week
 Rental Yield: 4.4%
 Average Days on Market: 25
 Bedroom Breakdown:
 2 Bed: 6%, 3 Bed: 53%, 4+ Bed: 41%

UNIT KEY FACTS Q2 2018

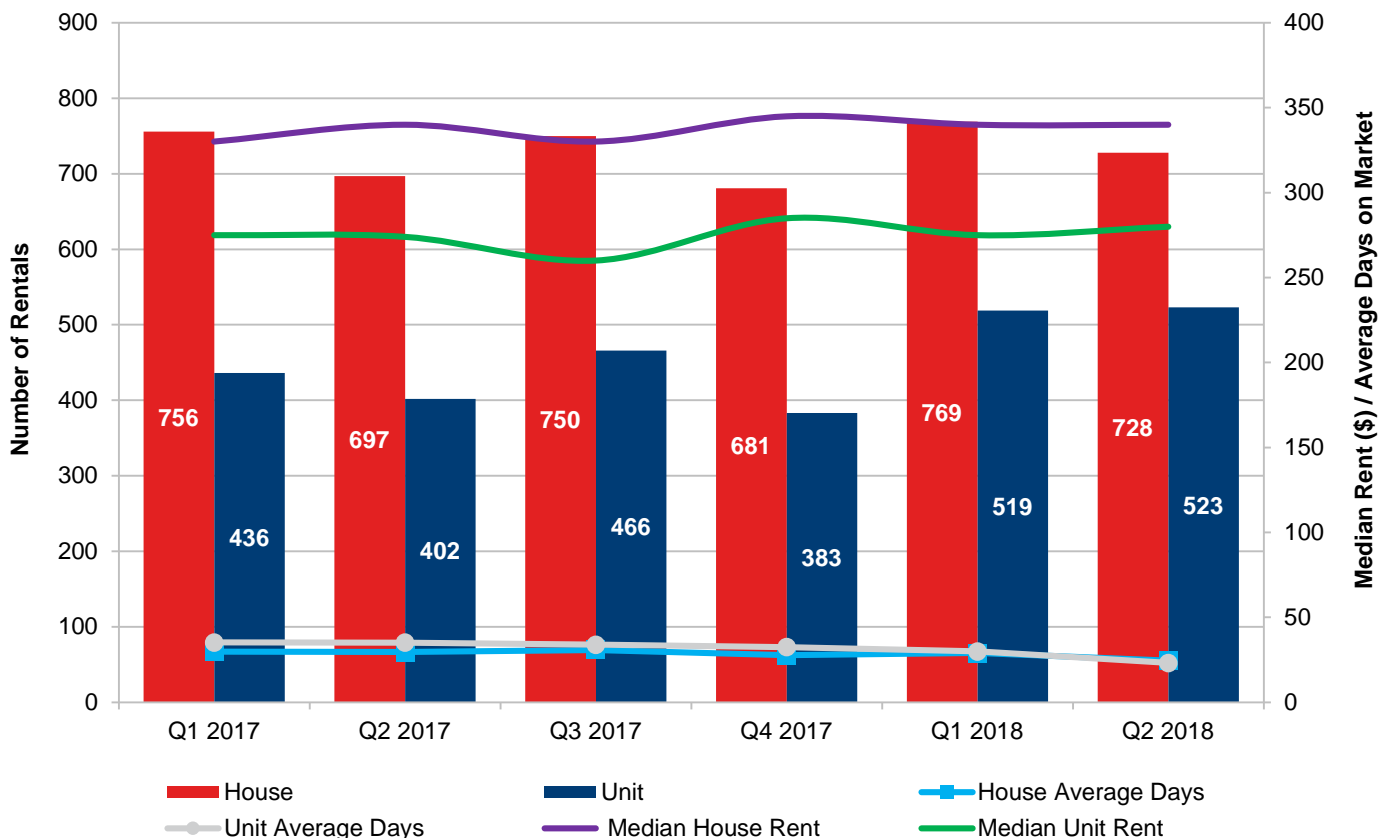
Median Rent Price: \$280 per week
 Rental Yield: 5.1%
 Average Days on Market: 23
 Bedroom Breakdown:
 1 Bed: 5%, 2 Bed: 57%, 3+ Bed: 38%

KEY COMMENTS

Median rental prices for houses in postcode 4350/4352* have remained relatively stable over the past 12 months to Q2 2018, whilst it increased by 2.2% for units. Over the same period of time rental stock increased by 30.1% for units, which suggests real increases in rental value for units. This suggests there is room for more unit investments in postcode 4350/4352* and confirm it as a lucrative market. This provides investors with a more affordable alternative investment location outside of Brisbane Metro. Now is the time to consider postcode 4350/4352* in one's property portfolio and start benefiting from attractive returns.

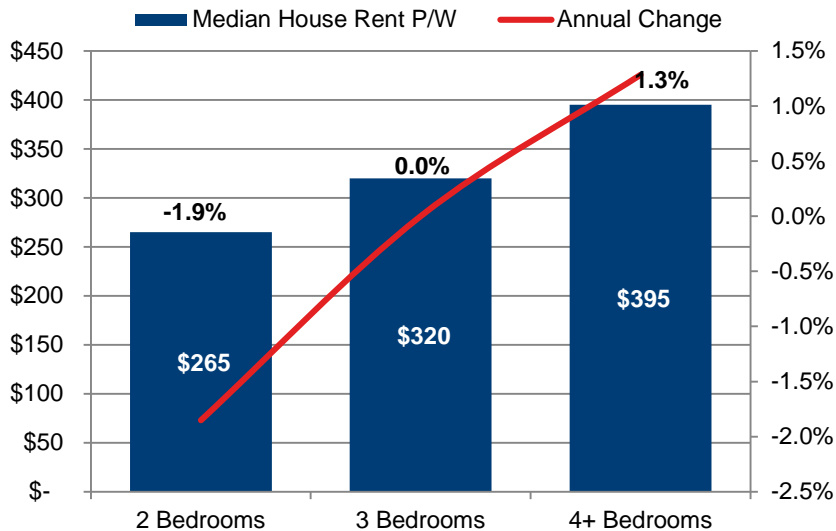


MEDIAN RENT AND AVERAGE DAYS ON MARKET*



*Disclaimer: Toowoomba market data and key indicators encapsulates aggregate property market conditions in the following: postcode 4350/4352.
 Source: APM Pricerfinder, realestate.com.au, SQM Research. © Copyright PRDnationwide 2018.

RENTAL PERFORMANCE 2018*



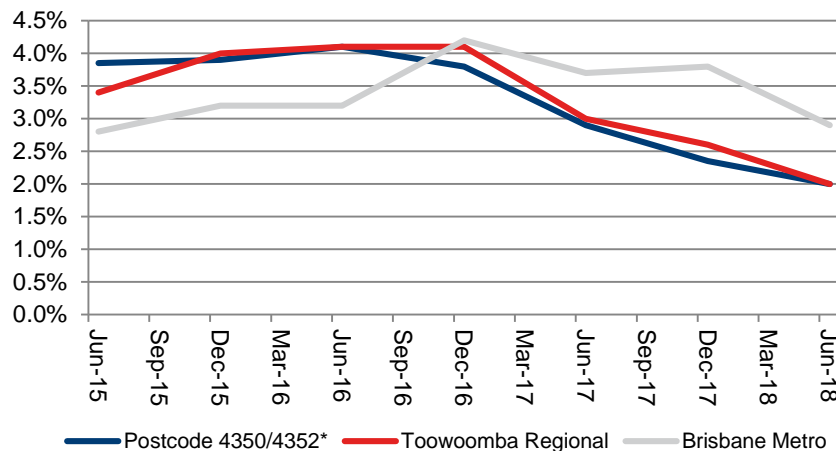
KEY COMMENTS

Rental returns are particularly strong in postcode 4350/4352*, currently at 4.4% (house) and 5.1% (unit). This is almost on par with that of Brisbane Metro at 4.8% and 5.0% respectively, further confirming the area as a more affordable alternative for investors.

4+ bedroom houses provide the highest annual rental growth at 1.3%, at \$395 per week.

An average of 25.8% of the residents in postcode 4350/4352* are renting. Vacancy rates are low (2.0%) and trending downwards. This signals that occupancy levels are high and provides investors with confidence that their returns are assured. Now is the time to buy in this investment hotbed.

VACANCY RATES 2018



RENTAL YIELD 2018

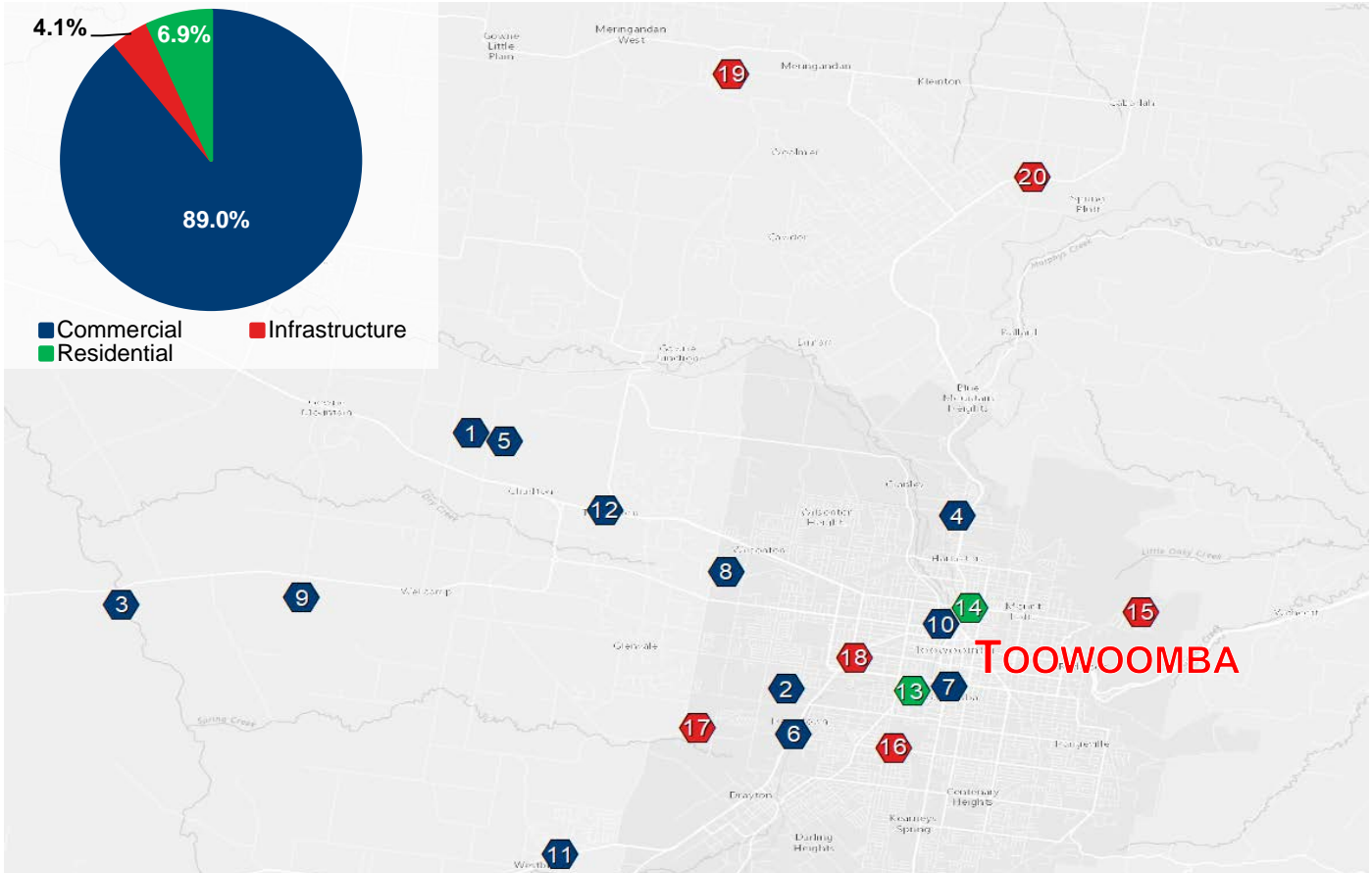
Suburb/Postcode/LGA	House Rental Yield	Unit Rental Yield
Postcode 4350	4.8%	5.4%
Postcode 4352	4.0%	4.8%
Combined Postcode 4350/4352	4.4%	5.1%
Toowoomba Regional	4.7%	5.2%
Brisbane Metro	4.8%	5.0%

KEY HOUSING DEMOGRAPHICS

	Postcode 4350	Postcode 4352	Toowoomba Regional LGA	Queensland
Median weekly rent	\$285	\$340	\$280	\$330
Family households	26,636	7,806	40,943	1,189,859
Single or lone person households	11,725	1,209	15,294	389,076
Worked full time	29,198	8,640	44,680	1,333,193
Worked part time	15,382	4,290	22,769	691,751
Occupied private dwellings	39,925	9,176	58,183	1,656,828
Unoccupied private dwellings	4,546	673	6,351	195,570

*Rental performance graph represents aggregate house median rent prices in the following: Postcode 4350/4352. Annual change is a comparison between 1st half 2017 and 1st half 2018 median rent figures.
Source: APM Pricerfinder, SQM Research, ABS Census 2016. © Copyright PRDnationwide 2018.

PROJECT DEVELOPMENT MAP 2nd HALF 2018*



Location	Project**	Type	Estimated Value***	Commence Date****
1	InterLinkSQ Intermodal Freight Terminal Phase 1	Commercial	\$210,000,000	05/11/2018
2	Hampton Street Retirement Village	Commercial	\$70,000,000	24/09/2018
3	Wellcamp Business Park Integrated Milk Project (TIMP)	Commercial	\$40,000,000	30/07/2018
4	The Glad Hotel Hospitality Complex Toowoomba	Commercial	\$30,000,000	10/10/2018
5	Nass Road Transport Depot Stages 1-3	Commercial	\$11,700,000	03/09/2018
6	Alderley Street Industrial Development Stages 1-2	Commercial	\$8,000,000	19/12/2018
7	Catholic Diocese Of Toowoomba Office	Commercial	\$6,000,000	30/07/2018
8	Industrial Avenue Pet Food Processing Plant	Commercial	\$5,500,000	24/10/2018
9	Toowoomba Cecil Plains Road Transport Depot	Commercial	\$5,400,000	12/10/2018
10	Ruthven Street Shop & Showroom Stages 1a, 1b & 2	Commercial	\$5,000,000	21/07/2018
11	Westbrook Petrol Station & Fast Food Restaurant	Commercial	\$3,000,000	24/09/2018
12	Rocky Ridge Motel	Commercial	\$3,000,000	15/10/2018
13	Toowoomba Hospital Expansion	Infrastructure	\$8,100,000	01/11/2018
14	New England & Gore Highways Roadworks	Infrastructure	\$10,000,000	18/08/2018
15	Prince Henry Drive Townhouses Stages 1-2 (40 townhouses)	Residential	\$10,000,000	22/12/2018
16	Alderley Street Units (25 units)	Residential	\$8,000,000	03/09/2018
17	South Street & Euston Road Residential Subdivision Stages 1-2 (78 lots)	Residential	\$3,500,000	31/10/2018
18	Vacy Street Townhouses (11 townhouses)	Residential	\$3,300,000	14/12/2018
19	Meringandan West Estate Stages 1-3 (81 lots)	Residential	\$3,200,000	18/08/2018
20	The Avenues Of Highfields Stage 3 (64 lots)	Residential	\$3,000,000	27/10/2018

*Disclaimer: Project development map showcases a sample of upcoming projects only, due to accuracy of addresses provided by the data provider for geocoding purposes.
 **Projects refers to the top developments within the suburbs of Charlton, Cotswold Hills, Glenvale, Harristown, Highfields, Meringandan, Newtown, Prince Henry Heights, Toowoomba, Toowoomba South, Wellcamp, Westbrook, and Wilsonton.
 ***Estimated value is the value of construction costs provided by relevant data authority, it does not reflect the project's sale/commercial value.
 ****Commencement date quoted for each project is an approximate only, as provided by the relevant data authority, PRDnationwide does not hold any liability to the exact date.
 Source: Cordell Database, ESRI ArcGIS, Toowoomba Regional Council. © Copyright PRDnationwide 2018.

ABOUT PRDnationwide RESEARCH

PRDnationwide's research division provides reliable, unbiased, and authoritative property research and consultancy to clients in metro and regional locations across Australia

Our extensive research capability and specialised approach ensures our clients can make the most informed and financially sound decisions about residential and commercial properties.

OUR KNOWLEDGE

Access to accurate and objective research is the foundation of all good property decisions

As the first and only truly knowledge based property services company, PRDnationwide shares experience and knowledge to deliver innovative and effective solutions to our clients.

We have a unique approach that integrates people, experience, systems and technology to create meaningful business connections. We focus on understanding new issues impacting the property industry; such as the environment and sustainability, the economy, demographic and psychographic shifts, commercial and residential design; and forecast future implications around such issues based on historical data and fact.

OUR PEOPLE

Our research team is made up of highly qualified researchers who focus solely on property analysis

Skilled in deriving macro and micro quantitative information from multiple credible sources, we partner with clients to provide strategic advice and direction regarding property and market performance. We have the added advantage of sourcing valuable and factual qualitative market research in order to ensure our solutions are the most well considered and financially viable.

Our experts are highly sought after consultants for both corporate and government bodies and their advice has helped steer the direction of a number of property developments and secured successful outcomes for our clients.

OUR SERVICES

Our research services span over every suburb, LGA, and state within Australia; captured in a variety of standard and customized products

We have the ability and systems to monitor market movements, demographic changes and property trends. We use our knowledge of market sizes, price structure and buyer profiles to identify opportunities for clients and provide market knowledge that is unbiased, thorough and reliable.



OUR SERVICES INCLUDE:

- Advisory and consultancy
- Market Analysis including profiling and trends
- Primary qualitative and quantitative research
- Demographic and target market Analysis
- Geographic information mapping
- Project Analysis including product and pricing recommendations
- Rental and investment return analysis

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