



Toowoomba Market Update 2nd Half 2021



OVERVIEW

In Q2 2021, Toowoomba* recorded a median house price of \$430,000, and a median unit price of \$315,000. This represents annual (Q2 2020 – Q2 2021) median price growth of 8.9% for houses, however units softened by -2.3%. Between Q2 2020 – Q2 2021 total sales in both markets have increased, by 1.0% for houses (to 572 sales) and by 86.8% for units (to 198 sales). There is increased consumer confidence, with real returns on capital investment in the house market – now is the time for owner-occupiers to act. First home buyers are encouraged to take advantage of more affordable unit prices.

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

MARKET CONDITIONS

SALES MEDIAN PRICE Q2 2021



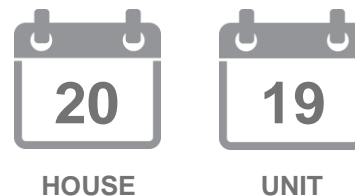
SALES AVERAGE DAYS ON MARKET Q2 2021



RENTAL MEDIAN PRICE Q2 2021

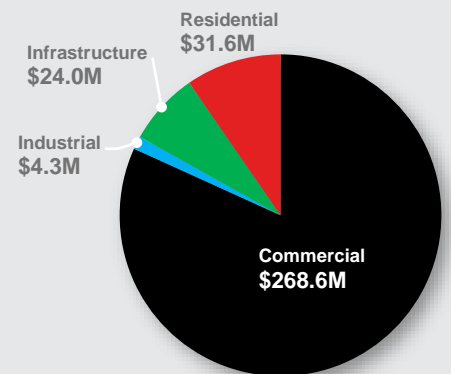


RENTAL AVERAGE DAYS ON MARKET Q2 2021



FUTURE DEVELOPMENTS

The Toowoomba* area is set to see approximately **\$328.4M** worth of new projects commencing in the 2nd half of 2021.



The combination of these projects will stimulate economic growth and create large employment opportunities in Toowoomba*. This will continue to have a positive spill-over impact on the real estate market.

A major commercial project in the 2nd half of 2021 is Wellcamp Entertainment Precinct (\$175.0M). This project will construct a new entertainment precinct that includes Will Power Centre for Motorsport & Driver Training. A total of \$31.6M of residential projects is planned, adding 66 townhouses, 107 lots, and 8 units/apartments.

A key residential project is Prince Henry Drive Townhouses Stages 1 & 2 (\$13.0M, 32 townhouses) and Drayton Road Townhouses (\$10.0M, 34 townhouses).



8 Units/
Apartments



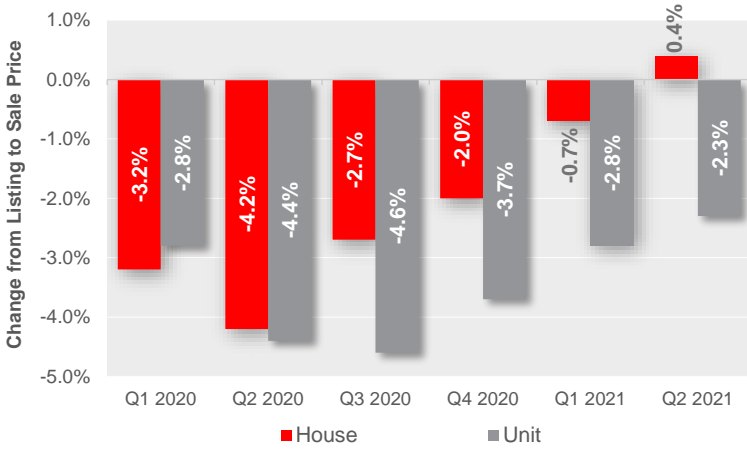
66
Townhouses



107 Lots

AVERAGE VENDOR DISCOUNT* KEY COMMENTS

Average vendor discount reflects the average percentage difference between the first list price and final sold price. A lower percentage difference (closer to 0.0%) suggests that buyers are willing to purchase close to the first asking price of a property.

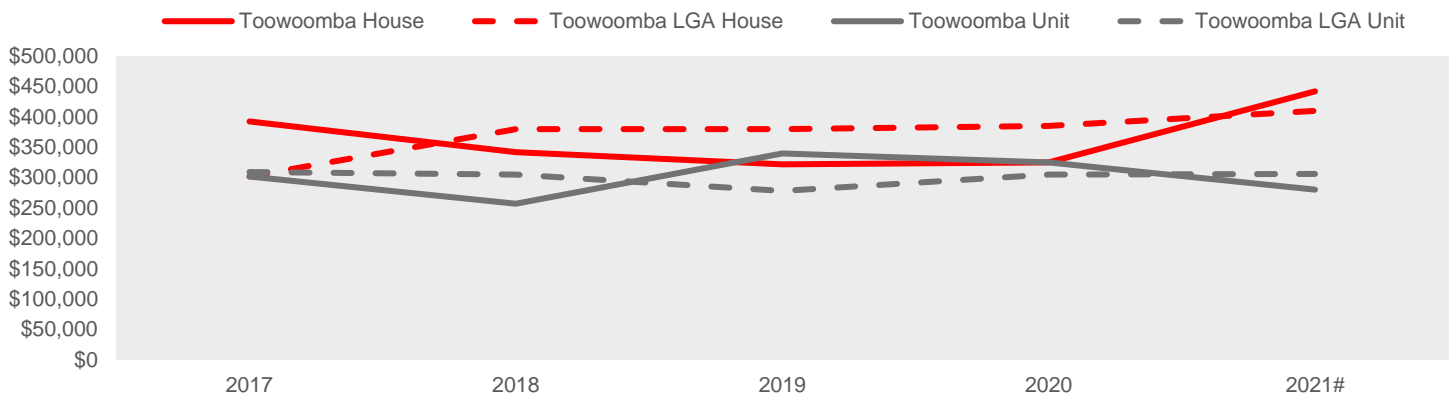


Average vendor discounts between Q2 2020 and Q2 2021 have swung to a 0.4% premium for houses and tightened to -2.3% for units. The Toowoomba* market is shifting to favour vendors, where house buyers must offer higher than the initial listing price. Unit buyers are still able to benefit from limited discounts available.

The suburb of Toowoomba has historically provided a more affordable median house price to Toowoomba Local Government Area (LGA). However 2021# saw Toowoomba median house price eclipse the LGA. Units on the other hand have become more affordable.

The dominant proportion of homes sold in Toowoomba* across 2021^ were priced in the lower price segment of \$350,000 to \$449,999 (29.2%). Units also recorded a dominant price point within the lower price segment of \$250,000 to \$349,999 (36.7%). There is a balanced market of stock, however first home buyers should take advantage of current affordable opportunities.

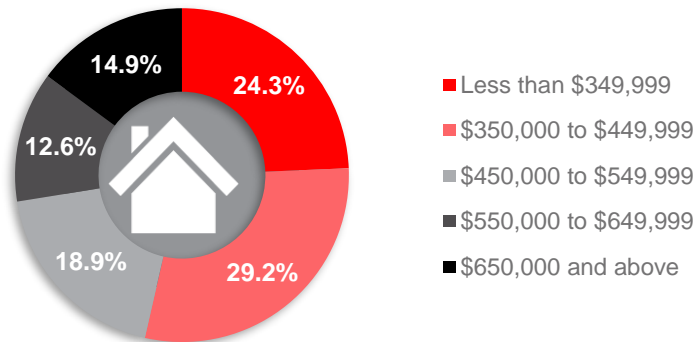
MARKET COMPARISON



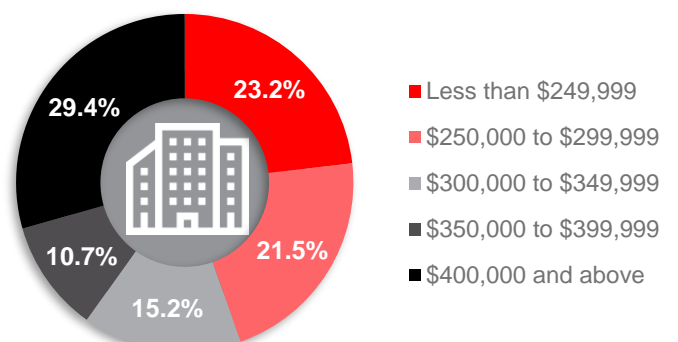
The market comparison graph provides a comparative trend for the median price of houses and units over the past 5 years. The main LGA profiled was chosen based on their proximity to the main suburb analysed, which is Toowoomba.

PRICE BREAKDOWN 2021^

HOUSES SOLD



UNITS SOLD



RENTAL GROWTH 2021€

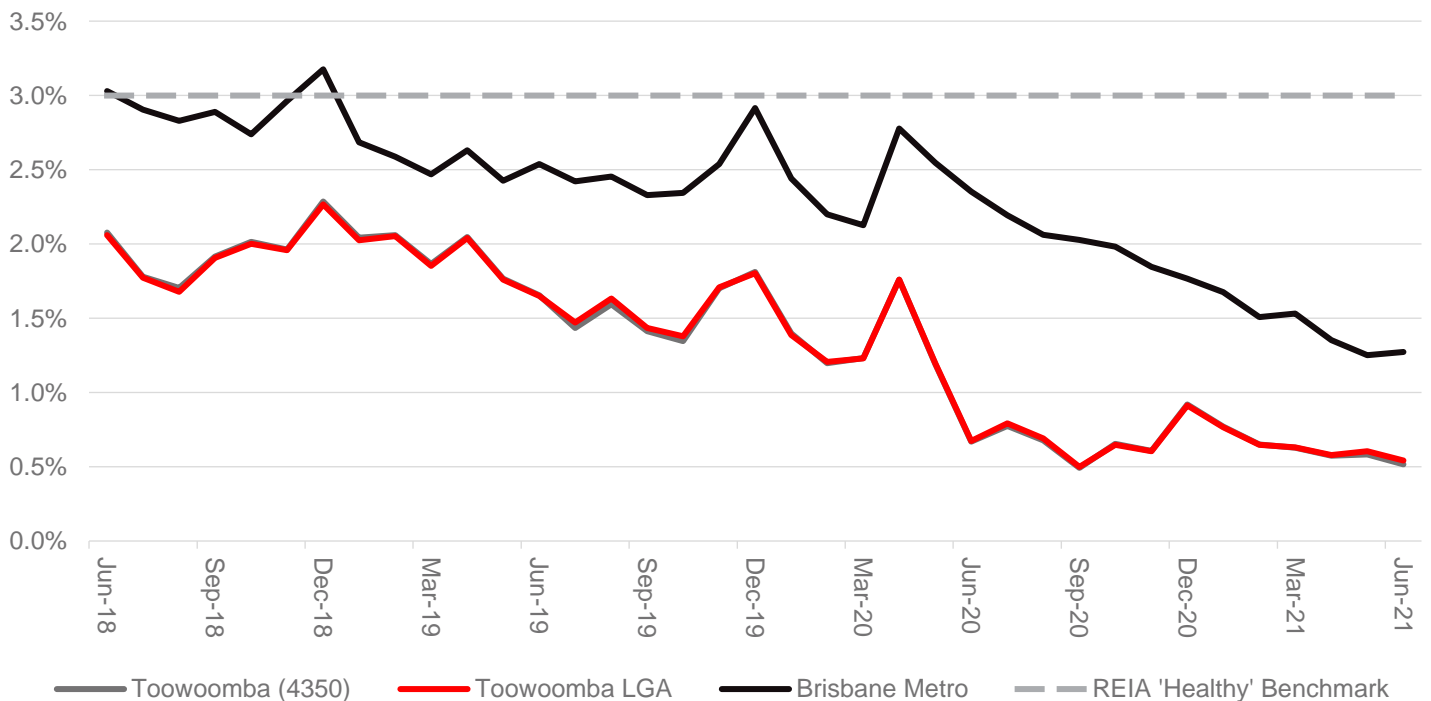
In June 2021, house rental yields in Toowoomba[‡] were recorded at an attractive 4.9%. In the 12 months to Q2 2021, the median house rental price increased by 10.9% to reach \$388 per week, while average days on the market declined by -13.0% (to 20 days). These figures indicate a surge in investment returns, inviting astute investors to enter the market.

4+ bedroom houses have provided investors with +10.0% rental growth annually[€], with a median rent of \$440 per week.

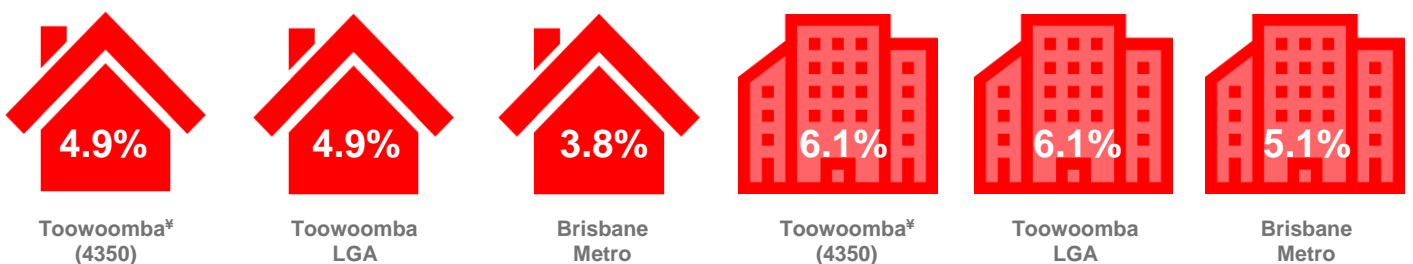
Also in June 2021, Toowoomba[‡] recorded a vacancy rate of 0.5%, on par with Toowoomba LGA and well below that of Brisbane Metro (1.3%). Vacancy rates in Toowoomba[‡] have continued to decline, recording a history low and remaining well below the Real Estate Institute of Australia's healthy benchmark of 3.0%, as the economy recovers from COVID-19. There is a sustainable healthy rental demand and investors can be confident of a conducive investment environment in Toowoomba[‡].



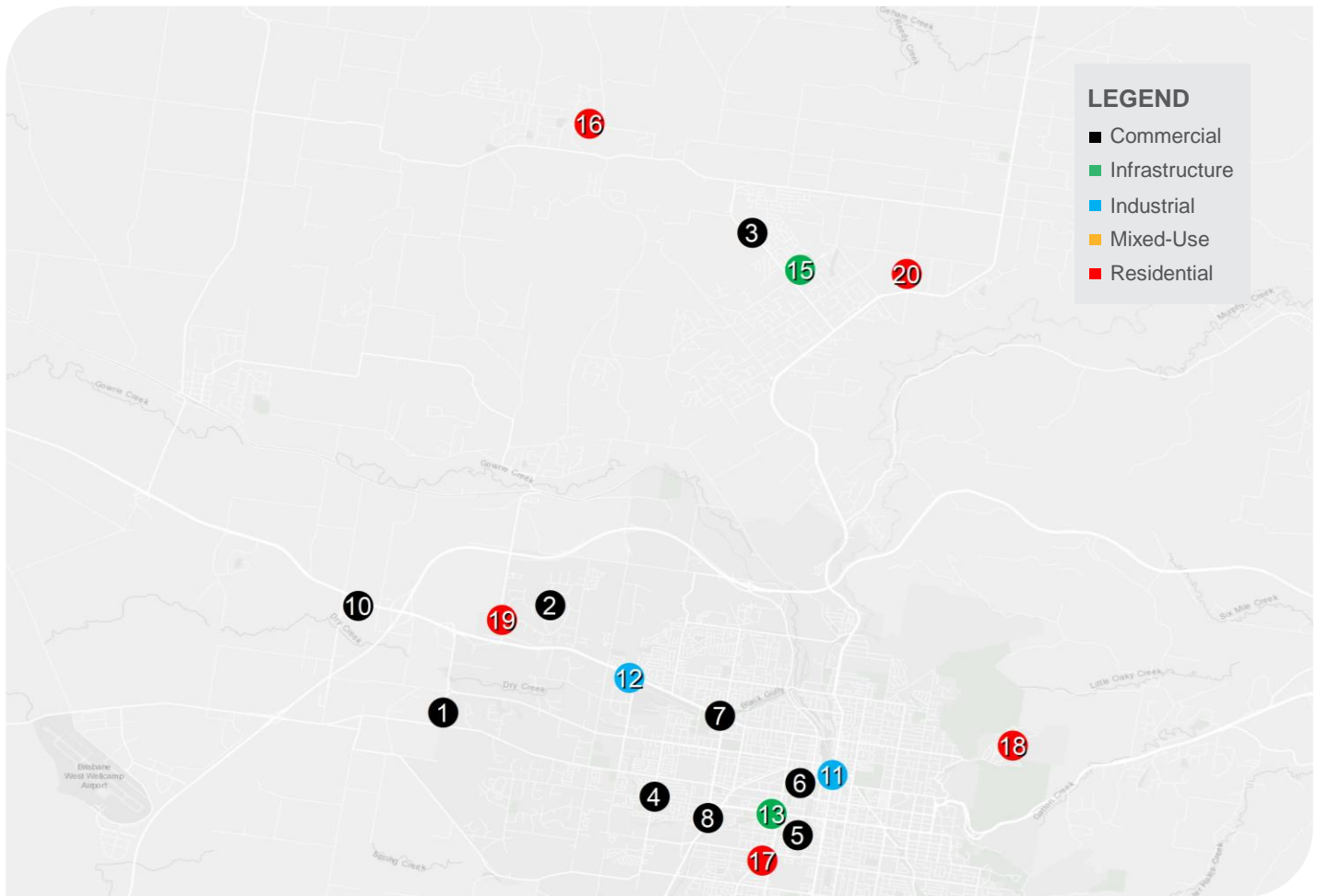
RENTAL VACANCY RATES 2021



RENTAL YIELD 2021§



TOP DEVELOPMENTS MAP 2ND HALF 2021[▲]



Location	Project [£]	Type	Estimated Value [Ⓜ]	Commence Date [Ⓜ]
1	Wellcamp Entertainment Precinct	Commercial	\$175,000,000	22/11/2021
2	Country Club Living Retirement Village	Commercial	\$50,000,000	10/12/2021
3	Mary Mackillop College Remaining Stages	Commercial	\$20,000,000	18/10/2021
4	Alderley Street Fast Food Outlet	Commercial	\$2,000,000	18/08/2021
5	Pechey Street Commercial & Industrial Development	Commercial	\$2,000,000	18/11/2021
6	Grand Central Shopping Center - Myer Refurbishment	Commercial	\$4,500,000	13/09/2021
7	Gowrie Road Hotel Redevelopment	Commercial	\$4,000,000	08/11/2021
8	Anzac Avenue & Devine Street Food & Drink Outlets	Commercial	\$3,000,000	18/11/2021
9	Silkstone Village Shopping Centre Stage 2	Commercial	\$1,500,000	08/11/2021
10	Warrego Highway Industrial Development	Commercial	\$2,400,000	18/10/2021
11	Mcdougall & Taylor Streets Warehouse	Industrial	\$2,100,000	06/09/2021
12	Freighter Avenue Industrial Building	Industrial	\$2,200,000	07/12/2021
13	Toowoomba Hospital Essential Energy	Infrastructure	\$2,000,000	30/11/2021
14	Tumaville Road Bridge Replacement	Infrastructure	\$2,900,000	11/12/2021
15	Highfields Library	Infrastructure	\$13,500,000	26/07/2021
16	Willis Road Rural Residential Subdivision- (60 Lots)	Residential	\$2,500,000	03/10/2021
17	Drayton Road Townhouses- (34 Townhouses)	Residential	\$10,000,000	19/10/2021
18	Prince Henry Drive Townhouses Stages 1-2-(32 Townhouses)	Residential	\$13,000,000	18/12/2021
19	The Essence Estate Display Homes Stages 1-2- (9 Dwellings)	Residential	\$2,300,000	18/08/2021
20	The Avenues Of Highfields- (27 Lots)	Residential	\$1,200,000	30/11/2021

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

OUR KNOWLEDGE

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

OUR PEOPLE

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

OUR SERVICES

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



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REFERENCES

*Toowoomba market data and key indicators encapsulates aggregate property conditions within the 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.

2021 encapsulates sales transactions for 1H 2021 (01/01/2021 – 30/06/2021).

^ 2021 encapsulates sales transactions for 1H 2021 (01/01/2021 – 30/06/2021).

€ Annual rental growth is a comparison between 1H 2020 (01/01/2020 – 30/06/2020) and 1H 2021 (01/01/2021 – 30/06/2021) house median rent figures.

¥ Toowoomba market data encapsulates aggregate property conditions within the postcode of 4350.

§ Rental yields shown are as reported as of June 2021.

⌘ 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.

μ Estimated value is the value of construction costs provided by relevant data authority, it does not reflect the project's sale/commercial value.

ψ Commencement date quoted for each project is an approximate only, as provided by the relevant data authority, PRD does not hold any liability to the exact date.

Source: APM Pricerfinder, Cordell Connect database, SQM Research, Esri ArcGIS.

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