



Toowoomba Market Update 2nd Half 2022



OVERVIEW

In Q2 2022, Toowoomba* recorded a median house price of \$530,000, and a median unit price of \$360,000. This represents annual (Q2 2021 – Q2 2022) median price growth of 23.3% for houses and 14.3% for units. Total sales decreased between Q2 2021 – Q2 2022, by -13.4% (to 715 sales) for houses and by -10.1% for units (to 213 sales). Owners can benefit from real returns on investment, as median price growth has been fuelled by an imbalance in high demand and low stock. Both the house and unit markets are heavily undersupplied, which can provide a buffer in a rising cash rate environment.

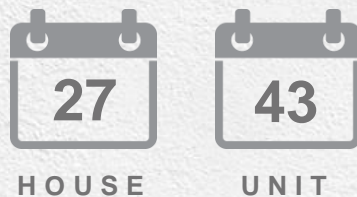
	CHANGE FROM LAST	YEAR	HALF YEAR
			
House Sales		↓	↓
House Median Price		↑	↑
House Rental Price		↑	↑
			
Unit Sales		↓	↓
Unit Median Price		↑	↑
Unit Rental Price		↑	↑

MARKET CONDITIONS

SALES MEDIAN PRICE Q2 2022



SALES AVERAGE DAYS ON MARKET Q2 2022



RENTAL MEDIAN PRICE Q2 2022

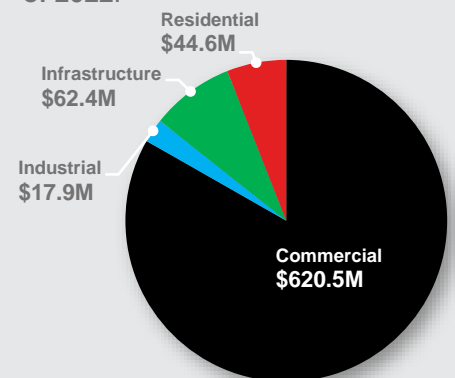


RENTAL AVERAGE DAYS ON MARKET Q2 2022



FUTURE DEVELOPMENTS

Toowoomba* is set to see approximately **\$745.4M** worth of new projects commencing in the 2nd half of 2022.



A focus on commercial projects will stimulate economic growth and create employment opportunities in Toowoomba*. This will have a spill-over impact on the real estate market, in the form of higher demand for housing stock.

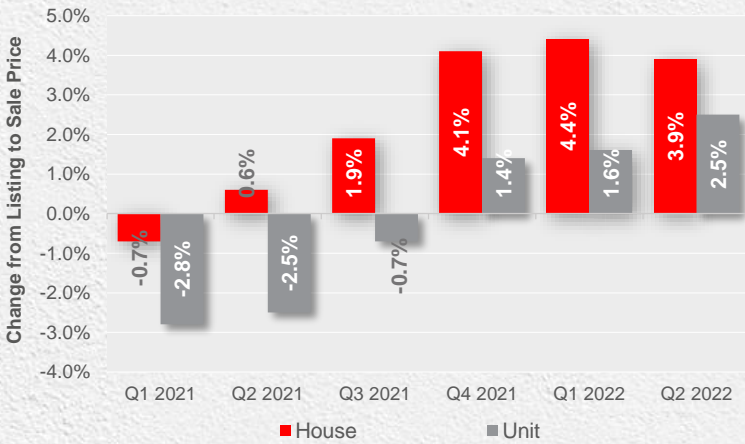
A main commercial project in the 2nd half of 2022 is Wellcamp Cannabis Production Facility (\$500.0M). Other key projects include Boeing Loyal Wingman Facility Aerospace and Defence Precinct (\$30.0M) and the Interlinksq Transport Terminal and Warehouse project (\$30.0M).

There are four residential projects planned to commence construction in the 2nd half of 2022, with a focus in building townhouses and creating vacant land lots. This will assist with future demand, that said it does not fully answer the stand-alone house undersupply. This can result in more price growth in the near future.



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.

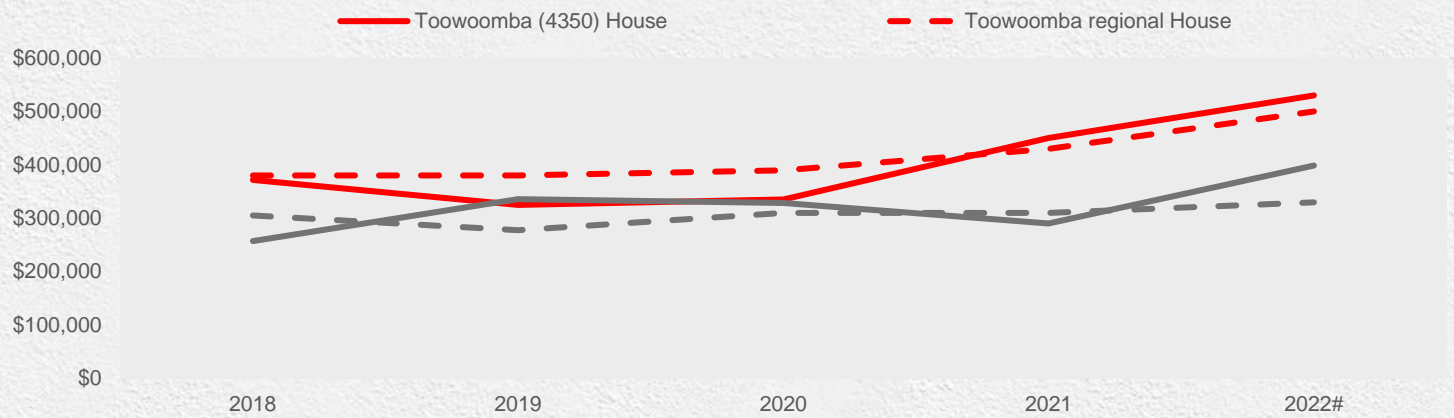


Average vendor discounts between Q2 2021 and Q2 2022 have rapidly shifted for both property types, to a higher premium of 3.9% for houses and 2.5% for units. Market conditions in Toowoomba* continue to favour vendors, as buyers are willing to offer above the initial listing price. This reflects the imbalance between supply and demand in the market.

The suburb of Toowoomba has outperformed the wider Toowoomba Local Government Area (LGA) in both house and unit median prices. This continued to be the case in 2022# with units trending toward a more premium market.

The dominant proportion of homes sold in Toowoomba* across 2022# was in the more affordable price bracket of less than \$449,999 (42.8%). Units also recorded a dominant price point below \$299,999 (37.1%). That said there is a growing premium market, both for houses and units. Affordable options are still available, however have continued to decline in the past 18 months.

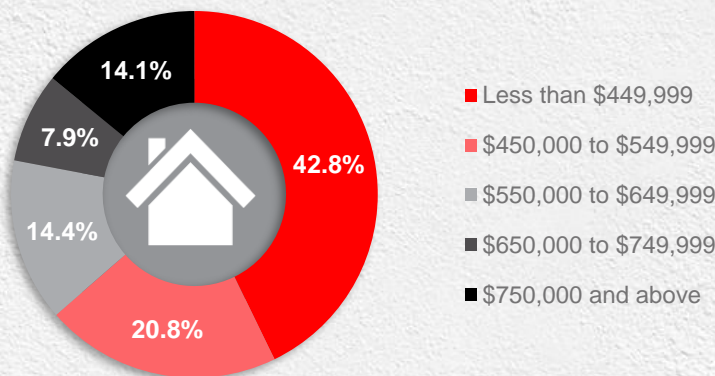
MARKET COMPARISON



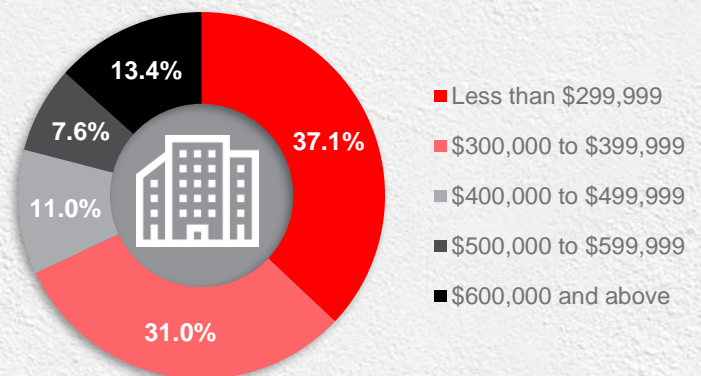
The market comparison graph provides a comparative trend for the median price of houses and units over the past 5 years. The main LGA profiled was chosen based on their proximity to the main suburb analysed, which is Toowoomba.

PRICE BREAKDOWN 2022#

HOUSES SOLD



UNITS SOLD



RENTAL GROWTH 2022€

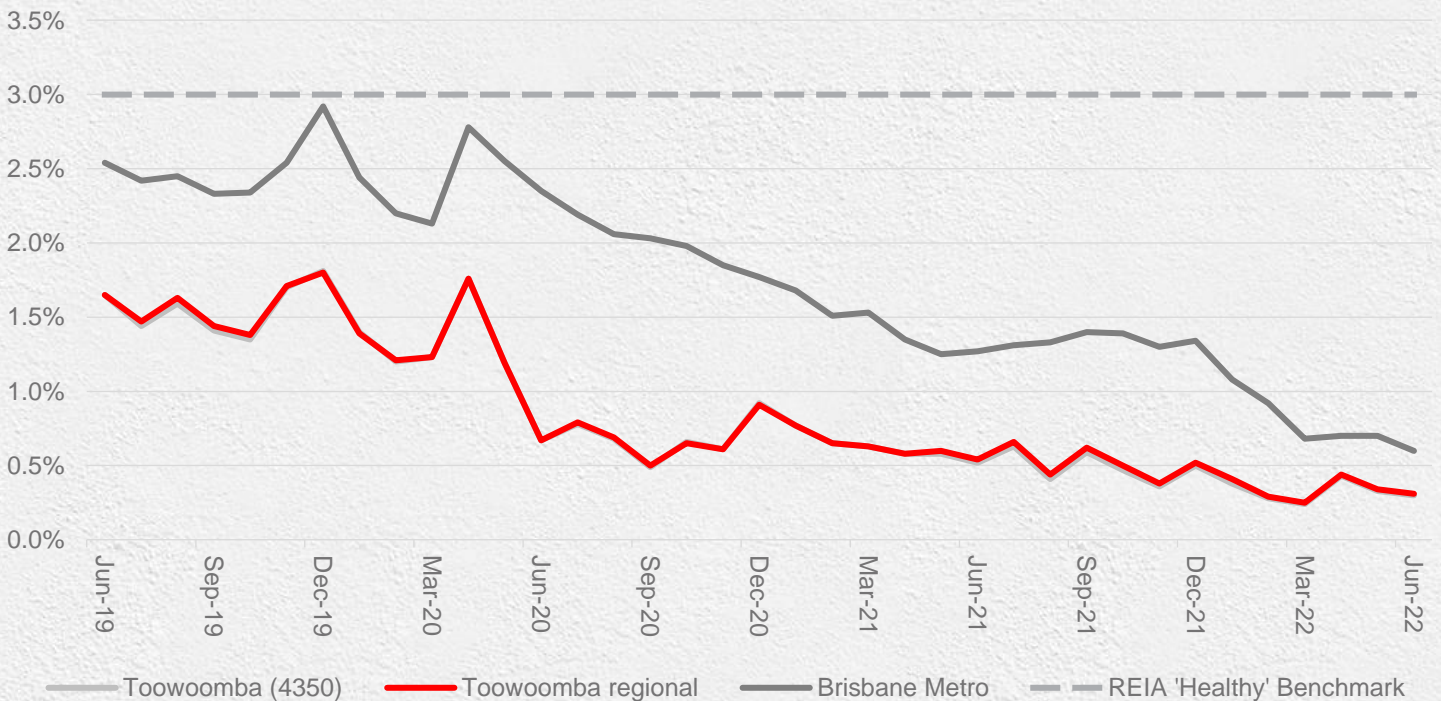
House rental yields in Toowoomba* was 4.6% in June 2022, higher than Brisbane Metro. This was paired with a 13.4% median house rental price growth between Q2 2021 and Q2 2022, and a -12.0% in the number of houses rented. Average days on the market declined during this time frame, of -14.3% (to 18 days), which further confirms an undersupplied market. This suggests a prime market for investors to consider, especially as it is a more affordable market compared to Brisbane.

3 bedroom houses have provided investors with +14.3% rental growth annually, achieving a median rent of \$400 per week.

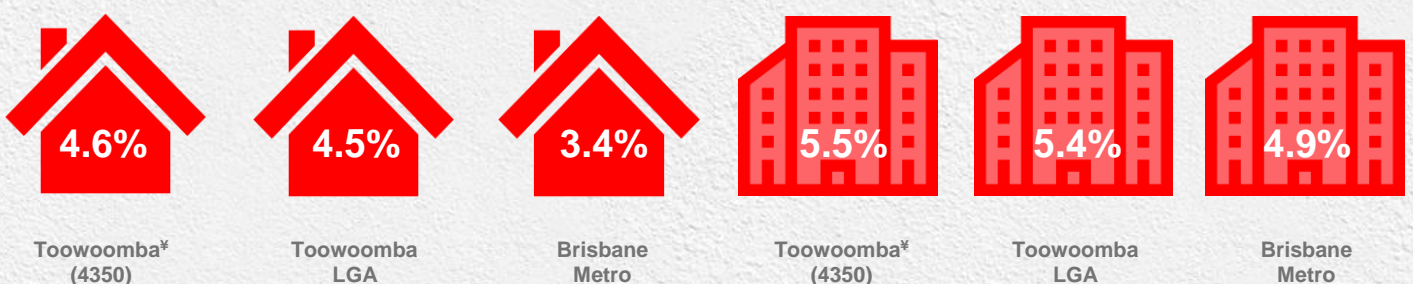
Toowoomba* recorded a vacancy rate of 0.3% in June 2022, which is below Brisbane Metro's 0.6% average. Vacancy rates in Toowoomba* have steadily decreased over the past 24 months, sitting within the 0.5% band over the past 6 months. This indicates quicker occupancy of rental properties, due to higher rental demand. These key indicators create a conducive and sustainable environment for investors, despite the increase in median sale prices of property over the past 12 months.



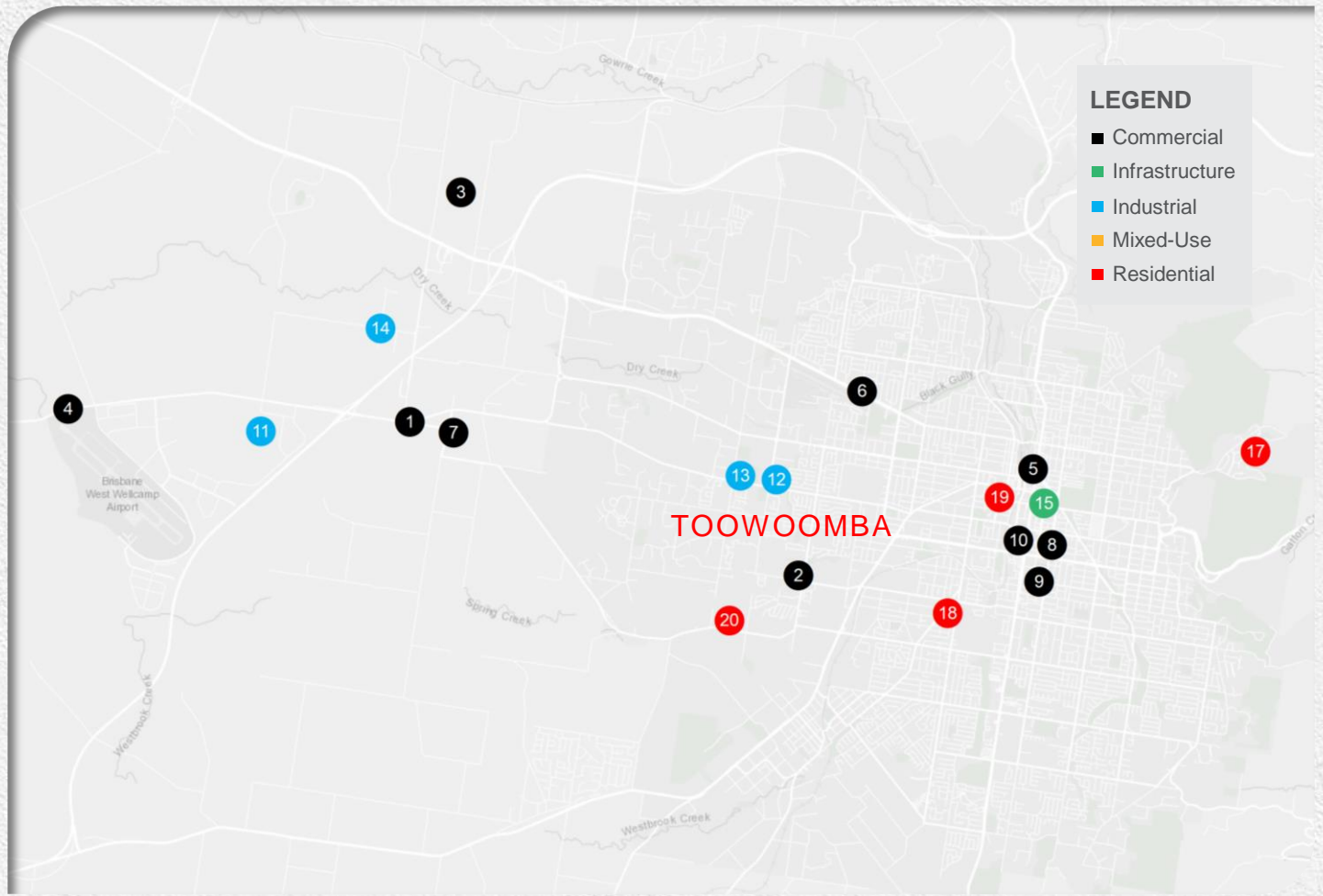
RENTAL VACANCY RATES 2022



RENTAL YIELD 2022\$



TOP DEVELOPMENTS MAP 2nd HALF 2022[Ⓐ]



LEGEND

- Commercial
- Infrastructure
- Industrial
- Mixed-Use
- Residential

Location	Project [Ⓔ]	Type	Estimated Value [Ⓜ]	Commence Date [Ⓟ]
1	Wellcamp Cannabis Production Facility	Commercial	\$500,000,000	28/11/2022
2	Glenvale Health Centre	Commercial	\$4,500,000	11/12/2022
3	Interlinksq Transport Terminal/Warehouse	Commercial	\$30,000,000	08/12/2022
4	Boeing Loyal Wingman Facility Wellcamp Aerospace & Defence Precinct	Commercial	\$30,000,000	12/12/2022
5	Ruthven Street Shop & Showroom Stages 1a, 1b & 2	Commercial	\$5,000,000	14/11/2022
6	Wilsonton Shopping Centre Redevelopment Stage 2	Commercial	\$18,000,000	26/10/2022
7	Pyrocal	Commercial	\$7,500,000	28/11/2022
8	Armstrong Motors	Commercial	\$7,000,000	08/08/2022
9	James Street Commercial Building Toowoomba South	Commercial	\$5,500,000	21/11/2022
10	Toyota Service & Pre Delivery Centre Toowoomba	Commercial	\$6,500,000	23/08/2022
11	Toowoomba Cecil Plains Road Transport Depot	Industrial	\$5,400,000	12/11/2022
12	Russell Mineral Equipment	Industrial	\$6,500,000	20/09/2022
13	189-207 Hursley Road Warehouse	Industrial	\$3,000,000	05/12/2022
14	Vision Street & Witmack Road Warehouse Stage 2	Industrial	\$3,000,000	28/11/2022
15	Darling Downs Region Roadworks	Infrastructure	\$5,000,000	03/10/2022
16	Cunningham Highway - Bushfire Area Works (Not on Map)	Infrastructure	\$50,000,000	07/09/2022
17	Prince Henry Drive Townhouses Stages 1-2 (32 Townhouses)	Residential	\$13,000,000	12/12/2022
18	24 Drayton Road Townhouses Harristown (33 Townhouses)	Residential	\$18,000,000	28/11/2022
19	Mylne Street Apartments (12 Units)	Residential	\$4,900,000	03/10/2022
20	South Street & Euston Road Residential Subdivision Stages 1-2 (77 Lots)	Residential	\$3,500,000	29/12/2022



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.

2022 encapsulates sales transactions for 1H 2022 (01/01/2022 – 30/06/2022) only.

€ Annual rental growth is a comparison between 1H 2021 (01/01/2021 – 30/06/2021) and 1H 2022 (01/01/2022 – 30/06/2022) 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 2022.

⌘ 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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