

Toowoomba Market Update

1st Half 2024



OVERVIEW

In Q4 2023, Toowoomba* recorded a median house price of \$605,000, and a median unit price of \$405,000. This represents annual (Q4 2022 – Q4 2023) growth of 12.0% for houses and 4.5% for units. On a quarterly basis, median prices remained stable for houses and grew by 2.5% for units. During this time sales decreased for houses, by -2.5% (to 700 sales), but increased by 37.4% (to 279 sales) for units. The latest quarterly data suggests a more balanced market. Although there is an undersupply of houses and a higher demand for units, prices grew at a slower pace. This is beneficial for buyers and sellers, thus now an ideal time to transact.

CHANGE FROM LAST YEAR HALF YEAR



	YEAR	HALF YEAR
HOUSE SALES	↓	↑
HOUSE MEDIAN PRICE	↑	↑
HOUSE RENTAL PRICE	↑	↑



	YEAR	HALF YEAR
UNIT SALES	↑	↑
UNIT MEDIAN PRICE	↑	↑
UNIT RENTAL PRICE	↑	↑



MARKET CONDITIONS

MEDIAN PRICE
Q4 2023



\$605K



\$405K

SALES

AVERAGE DAYS
ON MARKET Q4 2023



HOUSE



UNIT

MEDIAN PRICE
Q4 2023



\$500



\$390

RENTALS

AVERAGE DAYS
ON MARKET Q4 2023



HOUSE

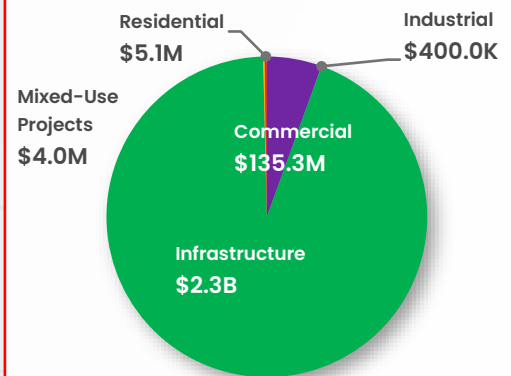


UNIT



FUTURE DEVELOPMENTS

Toowoomba will see approximately **\$2.4B of new projects commencing in the 1st half of 2024.**



A focus on infrastructure projects improve liveability for residents, whilst also creating local jobs in the construction phase. This can attract more people to live in the area, potentially increasing housing demand.

A main infrastructure project in the 1st half of 2024 is Toowoomba Hospital Main Acute Hospital Building & Multi Storey Car Park (\$1.3B). This is a State Government project which will redevelop the existing hospital site into with a 9-storey main acute hospital building with 430 overnight inpatient beds & rooftop helipad.

Key residential projects include:

- Gainsborough Lodge Residential Subdivision Stage 1 (58 Lots).
- The Orchard Estate Residential Westbrook Subdivision (32 Lots).

All residential projects planned will only add land lots, which takes time to develop. There is an absence of units and stand-alone dwellings. This will put pressure on house prices

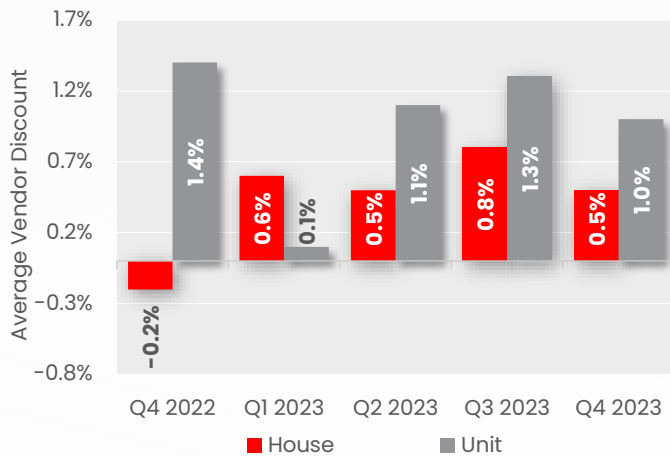


90 Lots



AVERAGE VENDOR DISCOUNT*

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.



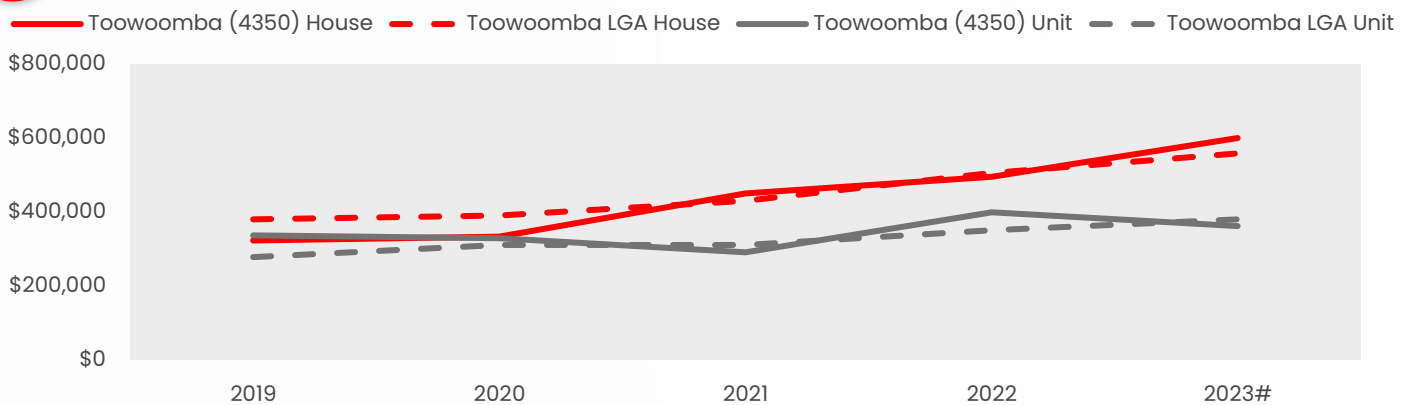
Average vendor discounts between Q4 2022 and Q4 2023 have swung from a discount to a premium of 0.5% for houses and remained at a premium of 1.0% for units. There is a shift in market dynamics, towards vendors. Buyers must now offer above the first list price. That said the premium recorded for Q4 2023 is still quite low, which suggest now is the time to enter the market – before it is any higher due to the undersupply of new stock.

The suburb of Toowoomba has historically remained on par with the Toowoomba Local Government Area (LGA) in both house and unit median prices. 2023# saw a return to parity in unit price between the LGA and Toowoomba suburb, thus an opportunity for buyers.

The dominant proportion of homes sold in Toowoomba* across 2023# were in the most affordable price bracket less than \$499,999 (28.9%). Units recorded a dominant more middle-price bracket between \$350,000 \$449,999 (31.2%). This benefits first home buyers. That said the premium market is still strong, with 21.9% of house sales above \$800,000 and 19.4% of unit sales above \$550,000.



MARKET COMPARISON

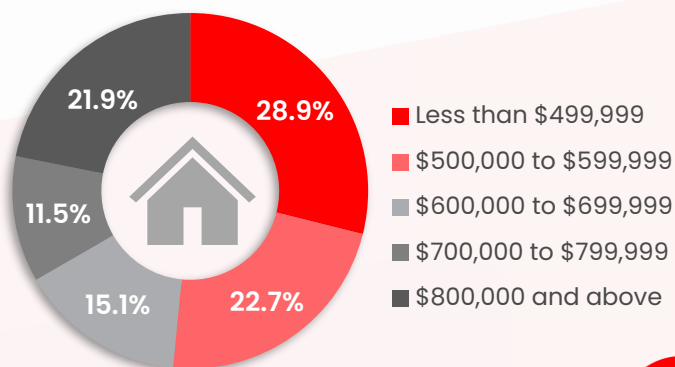


The market comparison graph provides a comparative trend for median price of houses and units over the past 5 years. The main LGA chosen was based on their proximity to the main suburb analysed, which is Toowoomba.

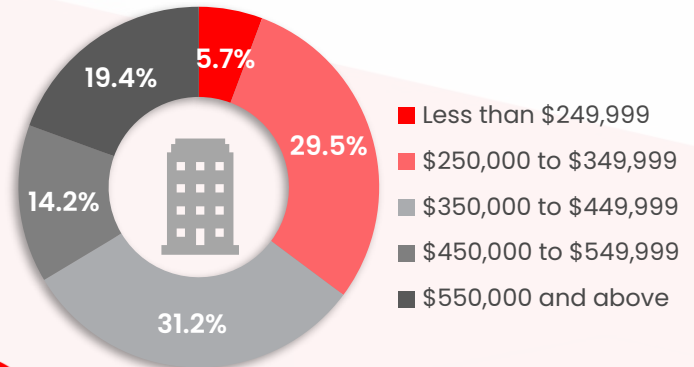


PRICE BREAKDOWN 2023#

HOUSES SOLD



VACANT UNITS SOLD





RENTAL GROWTH 2023

House rental yields in Toowoomba[‡] was 4.2% as of December 2023, higher than Brisbane Metro's 3.6%. This was paired with an 8.7% increase in median house rental price in the past 12 months, at \$500 per week, and a 9.3% increase (to 633 houses) in the number of houses rented. Average days on the market declined by -12.5% to 21 days, which suggests a highly demand rental market. This is beneficial for investors looking for a more affordable option than Brisbane Metro.

3-bedroom houses have provided investors with +9.5% rental growth annually, achieving a median rent of \$460 per week.

Toowoomba[‡] recorded a vacancy rate of 0.9% in December 2023, slightly above Toowoomba LGA average (0.6%) but below Brisbane Metro (1.2%). Vacancy rates in Toowoomba grew slightly in the past 12 months, due to investors returning and capitalising on the tight market. However, a 0.9% vacancy rate is still a very low reading and well below the Real Estate Institute of Australia's healthy 3.0% benchmark. This still points to quicker rental occupancy and thus a conducive and sustainable investment environment.

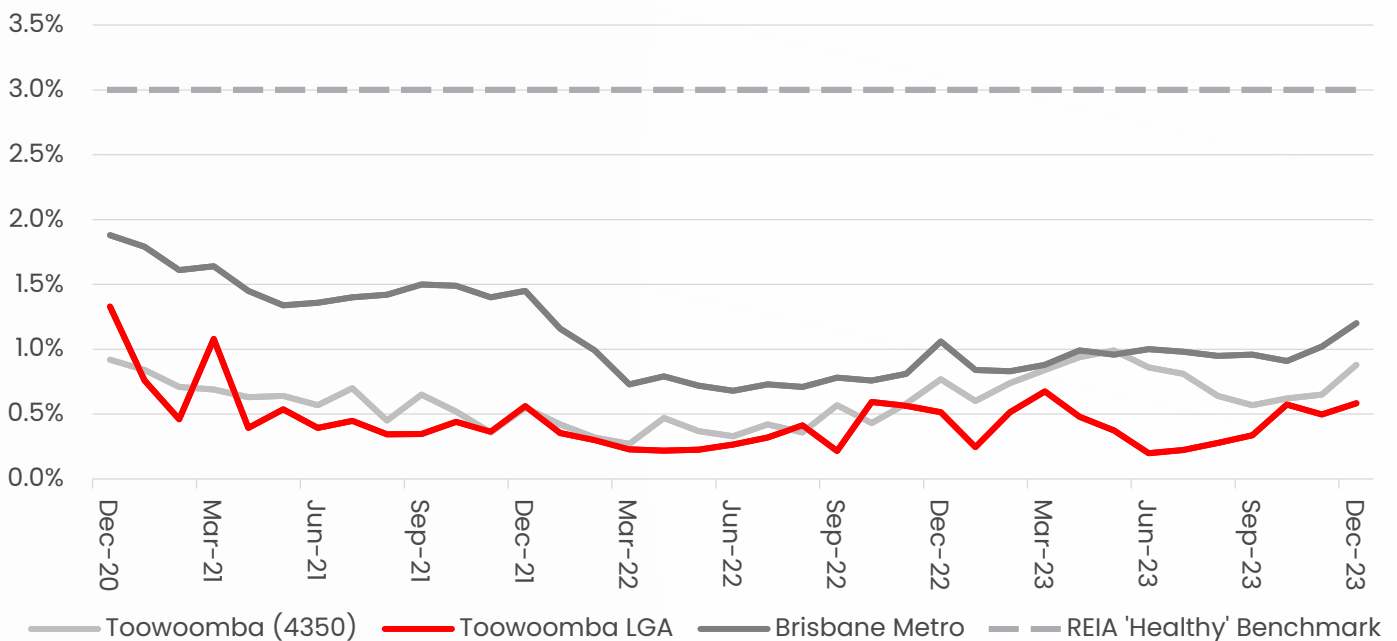
2 BEDROOMS
+5.6%

3 BEDROOMS
+9.5%

4 BEDROOMS
+6.8%



RENTAL VACANCY RATES 2023



RENTAL YIELD 2023[§]



4.2%

Toowoomba[‡]



4.5%

Toowoomba Main



3.6%

Brisbane Metro



5.1%

Toowoomba[‡]



4.5%

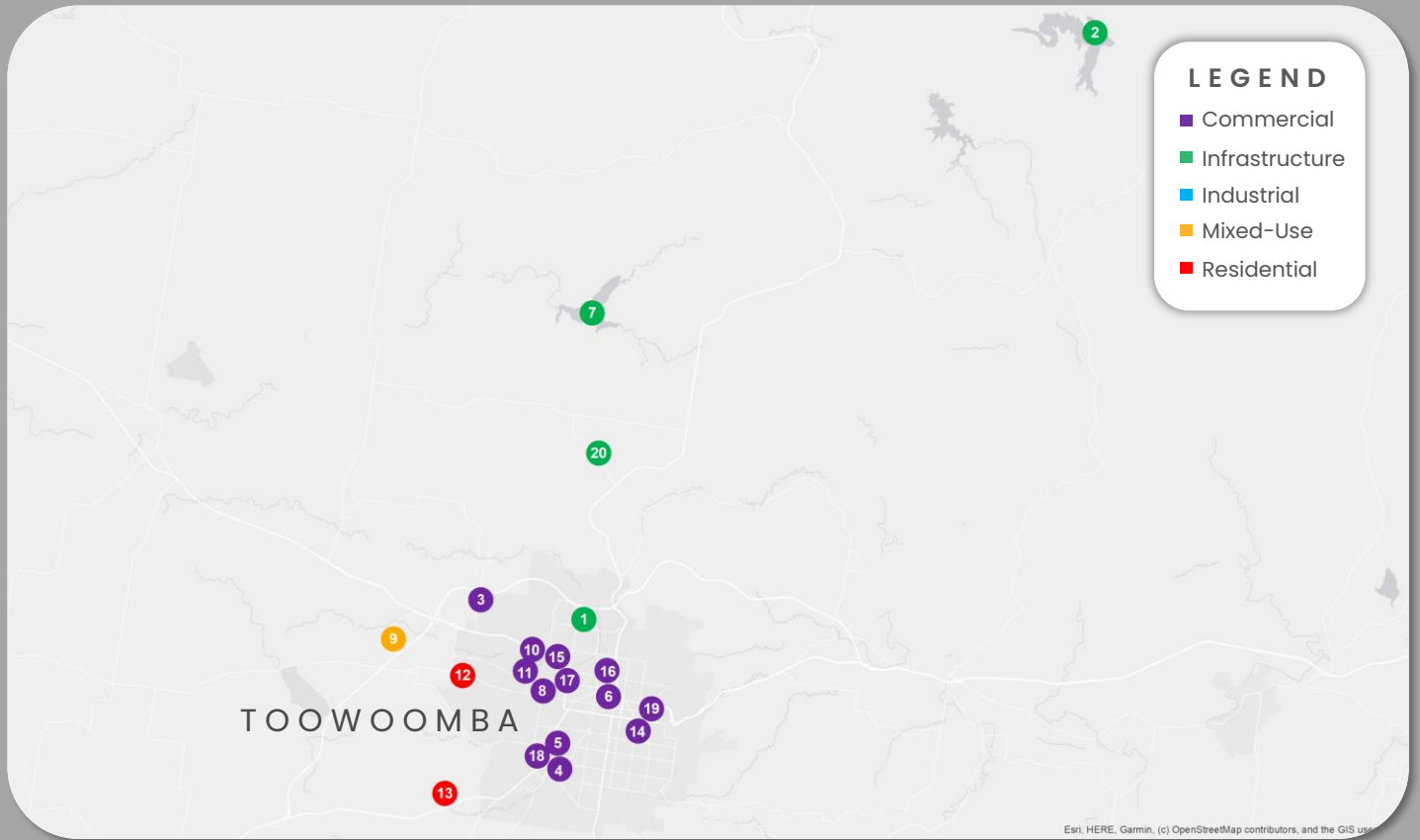
Toowoomba Main



5.2%

Brisbane Metro

PROJECT DEVELOPMENT 1st HALF MAP 2024^A



Esri, HERE, Garmin, (c) OpenStreetMap contributors, and the GIS user community

#	Project [£]	Type	Estimated Value ^µ	Commence Date ^ψ
1	Toowoomba Hospital Main Acute Hospital Building (State Government)	Infrastructure	\$1,300,000,000	2024-02-12
2	Toowoomba Region New Energy Generation Project - Big T Pumped Hydro Storage Project (State Government)	Infrastructure	\$980,000,000	2024-06-01
3	Country Club Living Retirement Village	Commercial	\$65,000,000	2024-04-01
4	1-11 & 10-16 Hyde Court & Carrell Drive Showrooms & Retail Warehouses	Commercial	\$18,000,000	2024-06-03
5	183-189 West Street & 242-246 James Street Officeworks & Fast Food Outlets	Commercial	\$15,000,000	2024-04-01
6	Salvation Army Social Housing	Commercial	\$12,500,000	2024-04-01
7	Cooby Dam Pumping Station Inlet Suction Pipework Replacement (Local Government)	Infrastructure	\$5,800,470	2024-02-05
8	267 Taylor Street & Payne Street Motel	Commercial	\$4,500,000	2024-05-29
9	Vision Street & Witmack Road Warehouse Stage 2 (Industrial & Commercial)	Mixed-use	\$4,000,000	2024-05-27
10	207 Mcdougall Street Workshop	Commercial	\$4,000,000	2024-06-03
11	207-217 Mcdougall Street Workshop & Office Stages 1-3	Commercial	\$3,000,000	2024-03-25
12	Gainsborough Lodge Residential Subdivision Stage 1 (58 Lots)	Residential	\$2,600,000	2024-06-13
13	The Orchard Estate Residential Westbrook Subdivision Stage 3 (32 Lots)	Residential	\$2,500,000	2024-05-01
14	Willows Health & Lifestyle Centre Health Care Tenancies Extension	Commercial	\$2,500,000	2024-04-26
15	Carl Juniors Fast Food Outlet Wilsonton	Commercial	\$2,500,000	2024-03-04
16	Mort & Co Office Extension	Commercial	\$2,000,000	2024-03-18
17	Rose Park Motel Wilsonton	Commercial	\$1,800,000	2024-06-01
18	Knights Commercial Laundry Extension	Commercial	\$1,750,000	2024-04-01
19	18 Herries Street Dental Clinic	Commercial	\$1,500,000	2024-04-01
20	Toowoomba Regional Council Under Road Boring Works	Infrastructure	\$1,500,000	2024-05-06

Your home of the latest property market insights.

RESEARCH SERVICES

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



John Bleakley

 +61 400 723 933


 johnbleakley@prdtba.com.au


GET IN TOUCH WITH US TODAY >




PRD Toowoomba

Your trusted local real estate agency

 +61 7 4638 2877

 reception@prdtba.com.au

 PRD.com.au/toowoomba/

 2/13 Kitchener Street

Toowoomba, QLD, 4350

REFERENCES

* Toowoomba sales market data and key indicators encapsulates aggregate property market conditions within the postcodes of 4350 and 4352.

** Estimated values are based on construction value provided by the relevant data authority and does not reflect commercial and/or re-sale value.

2023 encapsulates sales transactions for all of 2023 (01/01/2023 – 31/12/2023).

€ Annual rental growth is a comparison between Q4 2022 (01/10/2022 – 31/12/2022) and Q4 2023 (01/10/2023 – 31/12/2023) house median rent figures.

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

§ Rental yields shown are as reported as of December 2023.

△ 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, 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.

Disclaimer: PRD does not give any warranty in relation to the accuracy of the information contained in this report. If you intend to rely upon the information contained herein, you must take note that the information, figures and projections have been provided by various sources and have not been verified by us. We have no belief one way or the other in relation to the accuracy of such information, figures and projections. PRD will not be liable for any loss or damage resulting from any statement, figure, calculation or any other information that you rely upon that is contained in the material.

Prepared by PRD Research. © All medians and volumes are calculated by PRD Research. Use with written permission only. All other responsibilities disclaimed. © Copyright PRD 2024.