



RPM[®]

SOUTH EAST
QUEENSLAND

Market Update
September 2022

RPM²

Pioneering new benchmarks in property intelligence, know-how and innovation since 1994.

RPM's proven track record has cemented us as the industry experts. We are proud to be the Platinum Research Partner of UDIA VIC and member of UDIA QLD. We are known for out selling more land than our competitors while consistently adding value for our clients; from early engagement through to every stage of the project lifecycle.

We are now bringing our industry-leading, data-driven approach to the SEQ property market offering services including:

- Communities - including sales and management, marketing consultancy and project management
- Medium Density and Apartments
- Portfolio - international and domestic investor sales
- Transactions & Advisory - including englobo and infill site acquisitions and disposal
- Research & Data - comprehensive research and reporting



Highly respected, trusted
development partner

40+

Current active
projects



UDIA QLD Member
and UDIA VIC Platinum
Research Partner

\$2B+

Client sales
FY 2021-22



An expanding national
presence

\$4B+

Englobo land transactions



Serving the Australian
property industry since
1994

5,000+

Lots sold
FY 2021-22



A team of over
100 property experts



Comprehensive Market Research and Intelligence

RPM's Research & Data Division provides in-depth analysis on current local and overseas economic and property market conditions. The team consists of economists, property experts and GIS analysts who provide real-time market intelligence, analysis and strategic advice.

Our team's knowledge and expertise is an invaluable resource for RPM's developer clients, providing the platform for intelligent, informed, and strategic decision-making in the evaluation of residential development and investment opportunities.

Our research is comprehensive, monitoring projects across Queensland and Victoria. And, our reporting can be tailored to provide you the specific intel you need to drive the success of your project.

FOR FURTHER INSIGHTS OR BESPOKE ANALYSIS CONTACT



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Or sign up for our quarterly market and economic reports by visiting www.rpmgrp.com.au



SEQ Overview and Outlook

Over the past 2 years, the South East Queensland land market has seen unprecedented buyer demand, leading to record sales volumes and price growth.

The medium to long term outlook for Queensland is positive, and likely more favourable than some of the other states underpinned by strong economic fundamentals of population growth, record employment and over \$52 billion in infrastructure spending in the lead up to the Brisbane Olympics in 2032.

In saying this, the South East Queensland property market is not immune to the current headwinds facing the industry nationally with rising interest rates and construction costs impacting peoples ability and desire to purchase.

PRICING AND SALES RATES

Land sales for South East Queensland are beginning to slow to a more normal rate, a trend which is likely to continue. Despite this, there is still a fundamental lack of housing supply to meet the population growth for owner occupiers and renters. As such, further price growth is expected throughout the year.

PRODUCT TRENDS

Median lot sizes are expected to continue to shrink, as we have seen for a number of years. In addition, this recent price growth, paired with declining borrowing capacities is expected to create opportunities for smaller lots, terrace lots and medium density products in growth areas which were typically made up of exclusively detached housing.

With the pandemic creating more flexible working arrangements, those looking for larger homes and land will continue to move out to outer Brisbane and regional centres for lifestyle.

BUYER TYPES

First Home Buyers are amongst the most sensitive to interest rate rises and we are already seeing the decline in First Home Buyers with new loans for these buyers falling -18% in Queensland in the month to July 2022. With current vacancy rates, rental growth and recent gains in equity, investor demand is expected to continue in South East Queensland, particularly now with the proposed changes to interstate land tax no longer proceeding.

We hope you enjoy this report.

CONTACT OUR QUEENSLAND EXPERTS



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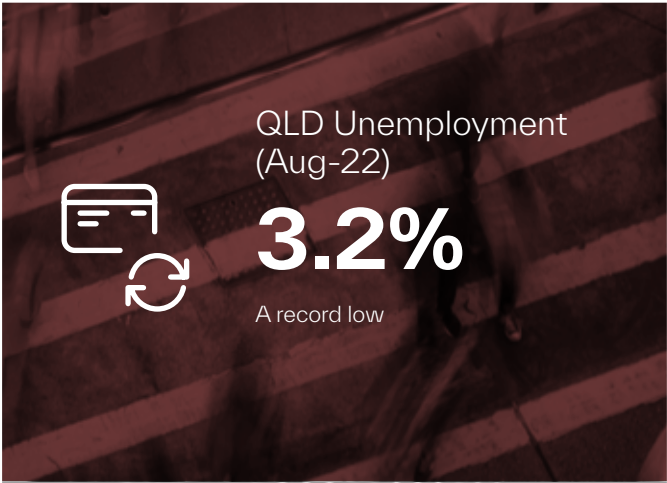
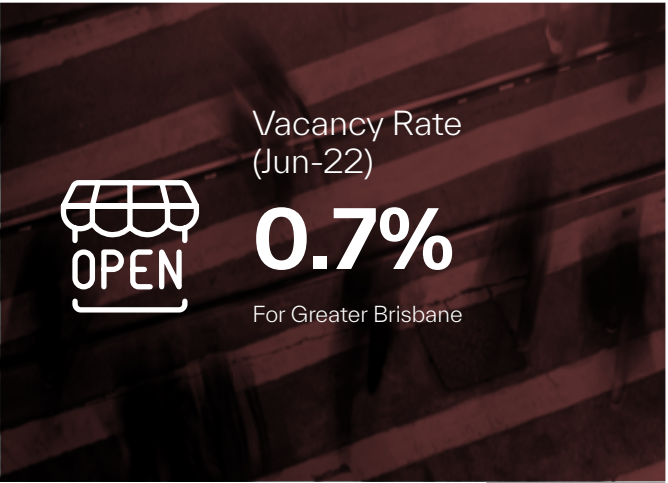
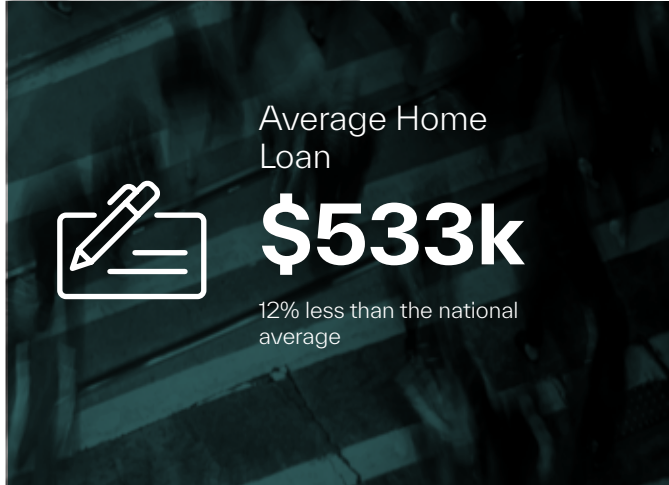
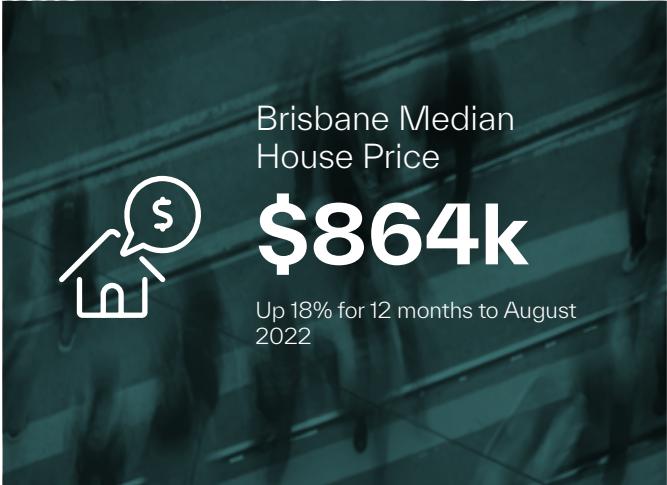
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National Lead Indicators



Queensland Lead Indicators



Source: RBA, ABS, Westpac Banking Corporation, CoreLogic HVI, REIQ

Queensland Economy

Population growth in Queensland outpaced all other states in 2021, growing by 73,700 people. This 1.4% increase was largely driven by the pandemic-induced net interstate migration from New South Wales and Victoria. While lockdowns are no longer in place, a recent Property Council of Australia survey found a further 220,000 people are seeking to leave New South Wales and Victoria in the next five years in favour of the sunny state.

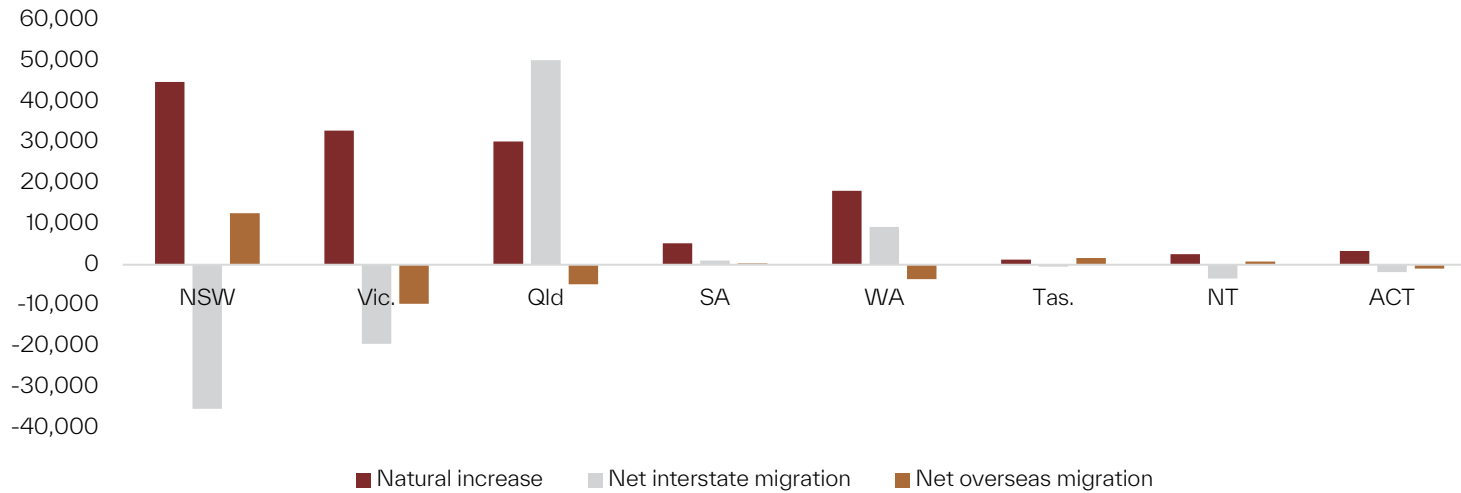
Queensland's State Final Demand (SFD) rose 1% in June Quarter 2022, which is 4% higher for the year and 9.1% higher than the pre-pandemic levels of March 2020. The largest contributor to this SFD growth is household consumption, accelerated by travel related activities (I.E., recreation, culture, cafes, restaurants, and transport services).

The state's labour market continues to strengthen with the unemployment rate dropping to 3.2% in July 2022 – the lowest on record. Queensland also had the equal highest wage growth of any state, increasing 2.9% for the year to June Quarter 2022.

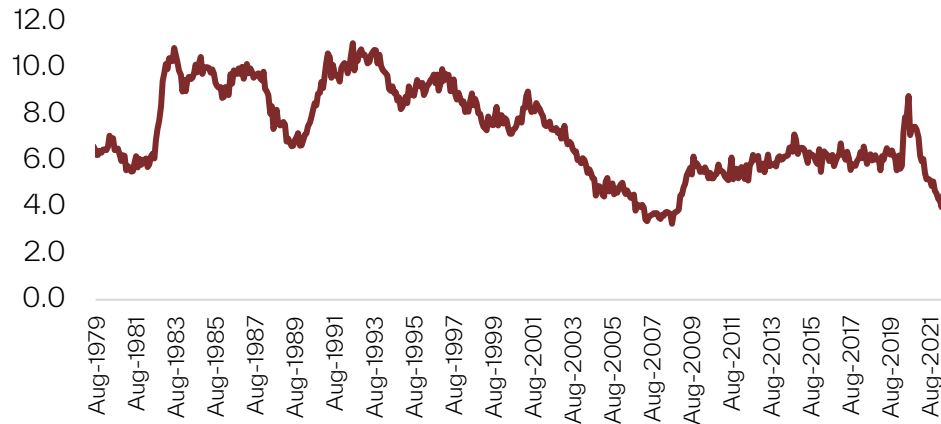
	NSW	VIC	QLD	SA	WA	TAS	NT	ACT	AUS
Population at 31 Dec 2021	8,095,400	6,559,900	5,265,000	1,806,600	2,762,200	569,800	249,300	453,300	25,766,600
Change over previous year	11,200	-3,500	73,700	9,600	30,500	4,300	200	1,900	128,000
Change over previous year (%)	0.1	-0.1	1.4	0.5	1.1	0.8	0.1	0.4	0.5

Source: Australian Bureau of Statistics

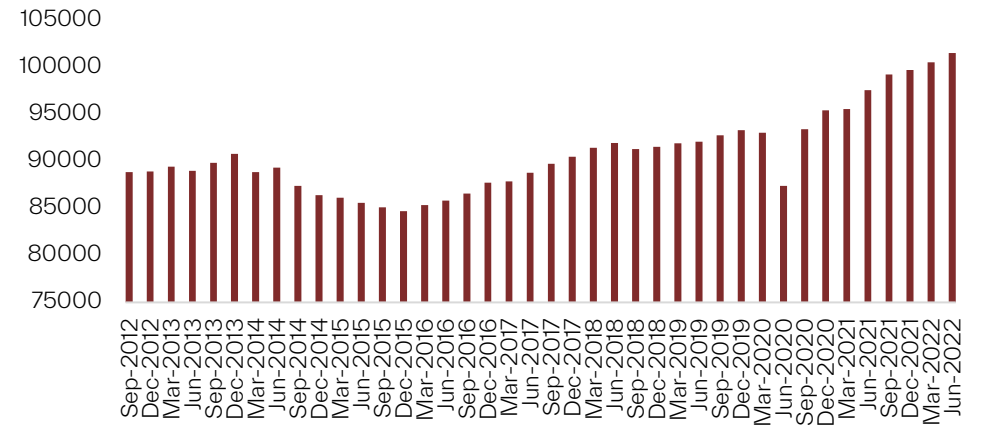
COMPONENTS OF ANNUAL POPULATION GROWTH - DECEMBER 2021



QLD UNEMPLOYMENT RATE (%)



QLD STATE FINAL DEMAND - SEASONALLY ADJUSTED BY QUARTER



Source: Australian Bureau of Statistics

Source: Australian Bureau of Statistics

Residential Market

Queensland experienced significant price growth across all dwelling types over the 12 months to August 2022 – this is largely attributed to low levels of supply. Brisbane’s 17.5% median price growth for all dwellings marked the second highest annual growth of all capital cities (behind Adelaide) and closed the price gap between itself and Melbourne.

Following a four-year trend of relatively flat median prices, Greater Brisbane’s median vacant land price grew a significant 24% to \$310,000 in the 12 months to

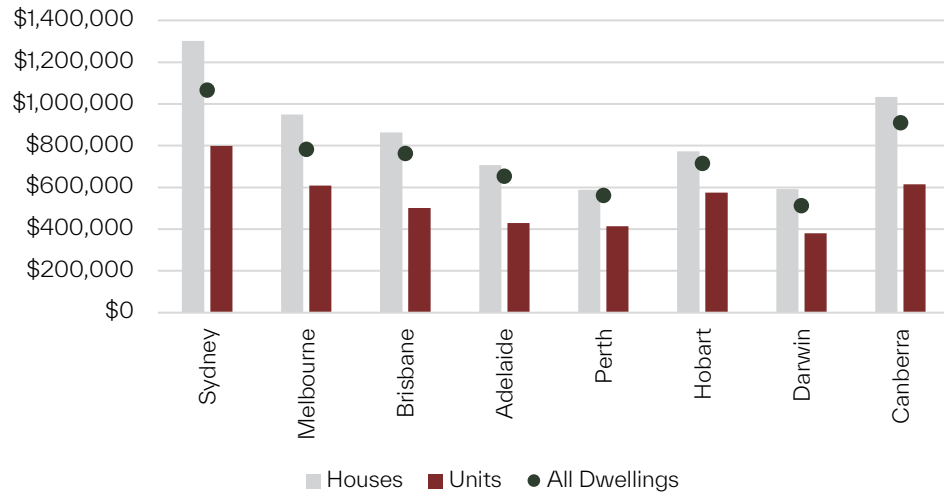
Q2 2022. Vacant land settlements have declined since Q3 2022 due to a lack of supply in registered land and delays in title registrations.

Greater Brisbane house prices also experienced more than 20% growth in the 12 months to Q2 2022 - to an impressive \$780,000. However, price growth appears to be flattening, with a slight decline of 0.6% recorded for the quarter.

	Sydney	Melbourne	Brisbane	Adelaide	Perth	Hobart	Darwin	Canberra
All Dwellings	\$1,066,493	\$782,053	\$762,284	\$652,959	\$561,781	\$714,370	\$512,531	\$909,748
Annual Change	-2.5%	-2.1%	17.5%	21.8%	4.9%	5.8%	6.3%	7.8%
Houses	\$1,302,635	\$948,879	\$864,149	\$707,364	\$588,308	\$772,443	\$592,183	\$1,033,377
Annual Change	-2.5%	-2.7%	18.1%	22.6%	5.1%	6.2%	5.6%	6.2%
Units	\$799,150	\$608,281	\$501,396	\$429,936	\$413,545	\$574,866	\$380,580	\$615,560
Annual Change	-2.5%	-0.6%	13.9%	16.6%	2.7%	4.1%	7.9%	13.8%

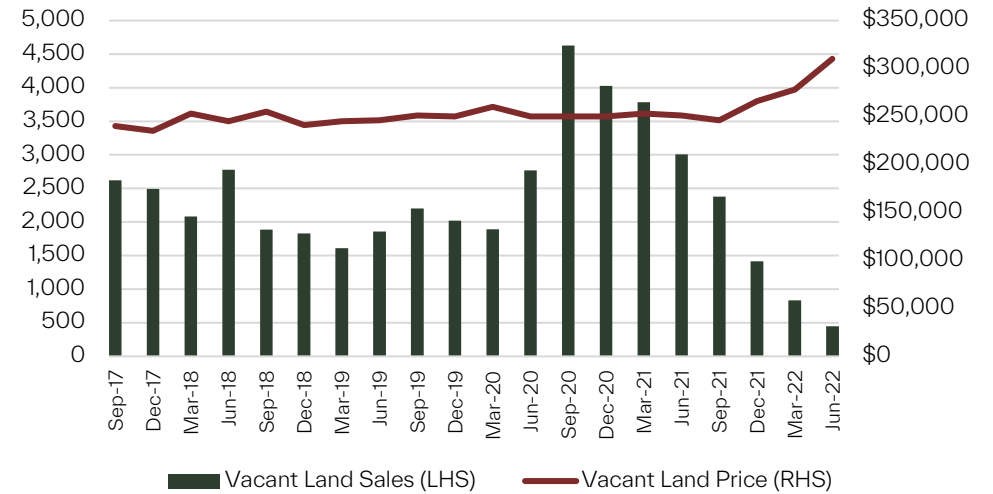
Source: CoreLogic Home Value Index August 2022

MEDIAN HOME VALUES CAPITALS - AUGUST 2022



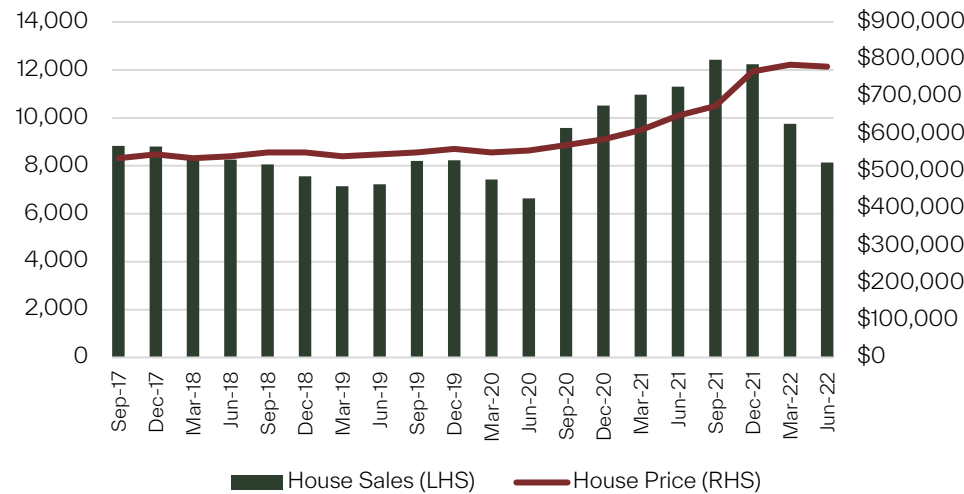
Source: CoreLogic Home Value Index August 2022

GREATER BRISBANE - MEDIAN LAND PRICE AND SETTLEMENTS



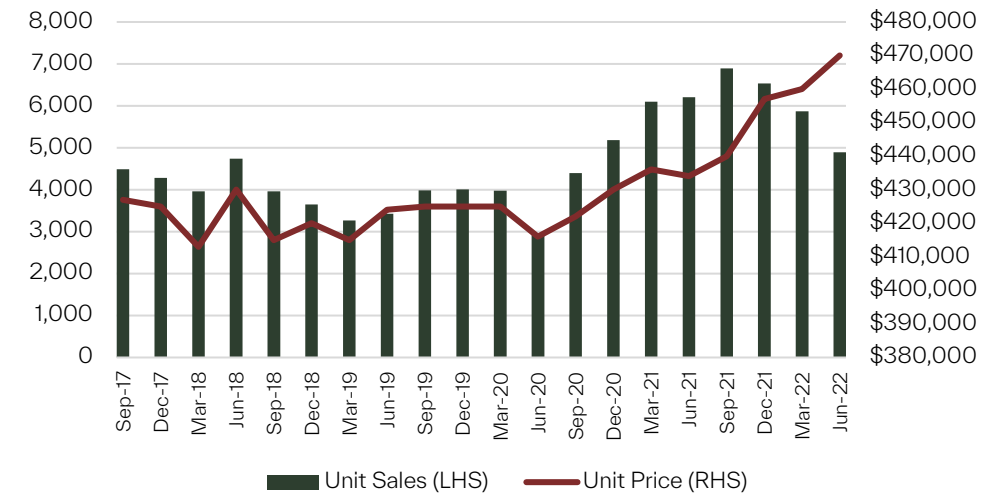
Source: PriceFinder

GREATER BRISBANE - MEDIAN HOUSE PRICE AND SETTLEMENTS



Source: PriceFinder

GREATER BRISBANE - MEDIAN UNIT PRICE AND SETTLEMENTS



Source: PriceFinder

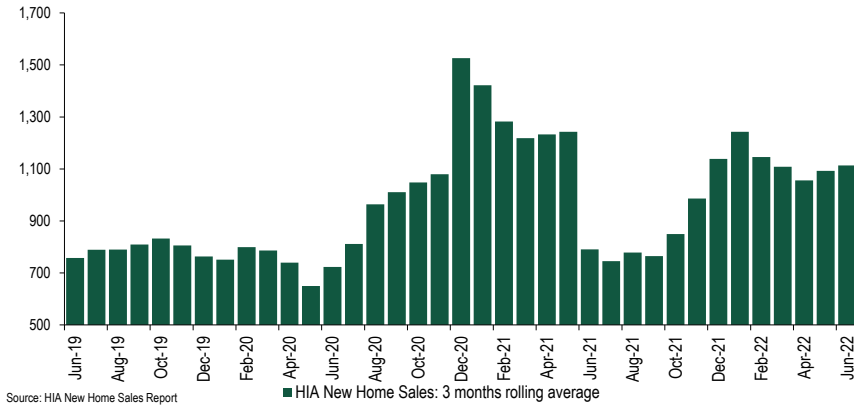
New Home Building

According to the Housing Institute of Australia (HIA), new home sales fell 13.1% in July 2022 as a result of higher interest rates, however sales remained above pre-pandemic levels. It is however the first clear indication that the sharp rise in the cash rate coupled with increased living costs have impacted activity.

Nevertheless, average new home sizes have steadily increased since the pandemic to 262.7sqm, echoing the responses received from RPM's Internal Buyer Surveys. It is clear that households in the aftermath of the pandemic have made the choice that internal space outweighs land size and even location at times.

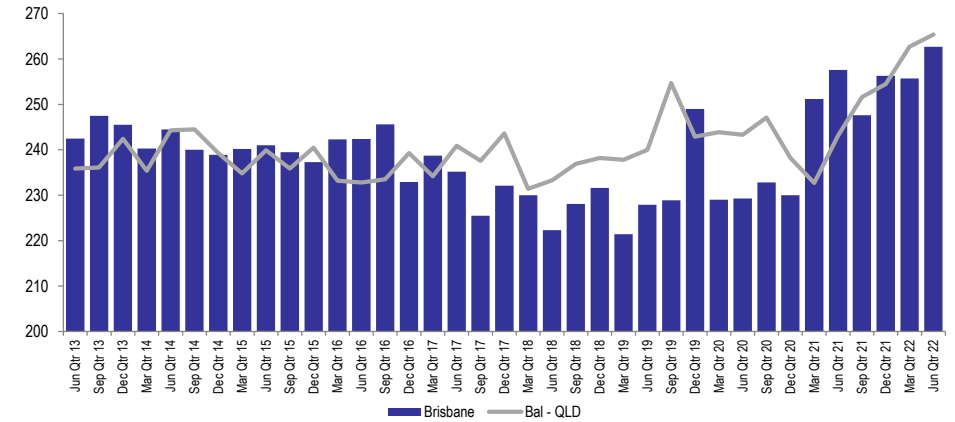
While construction rates per sqm have grown since March Quarter 2021 to \$1,446/sqm in Brisbane, this figure remains below the national capital city average of \$1,524/sqm. It is the belief of builders that there is at least a further 10% growth in construction costs over 2022/23. This will put continued pressure on cash flows for many builders.

PRIVATE NEW HOUSE SALES - QUEENSLAND (SEASONALLY ADJUSTED)



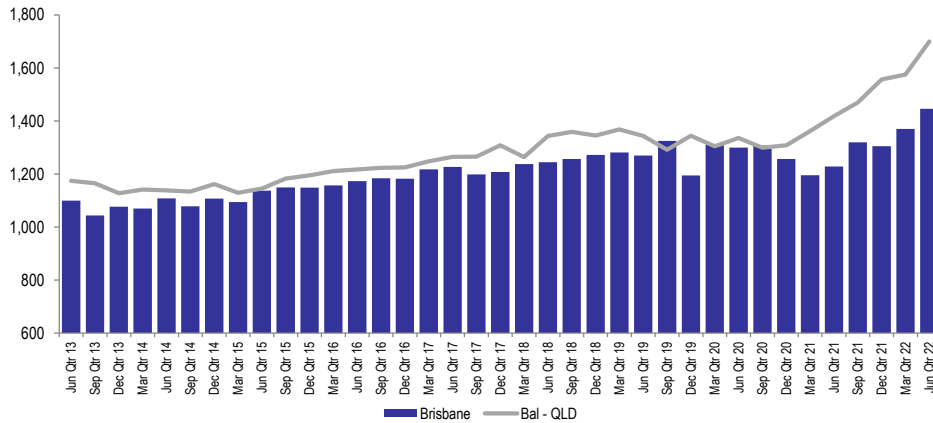
Source: HIA New Home Sales Report

AVERAGE SIZE - QUEENSLAND



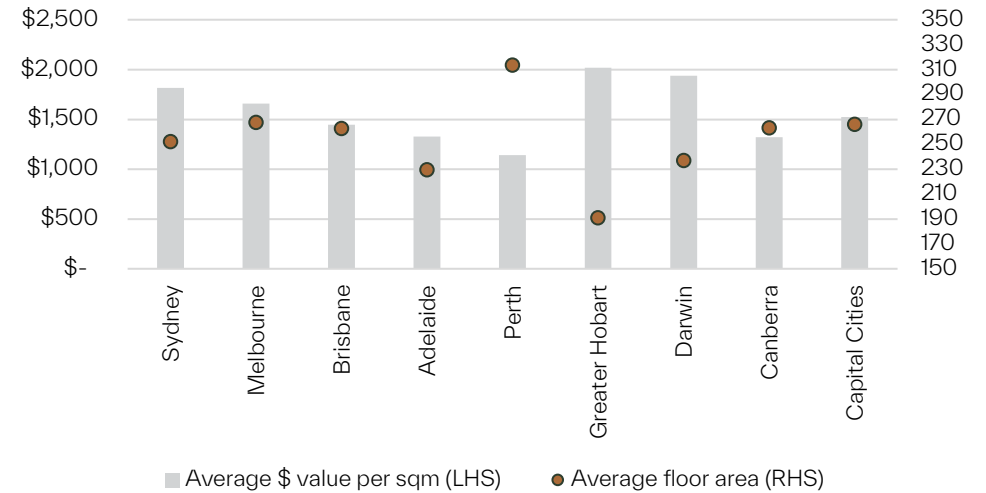
Source: Australian Bureau of Statistics Unpublished Building Approvals Data

AVERAGE VALUE PER SQUARE METRE - QUEENSLAND



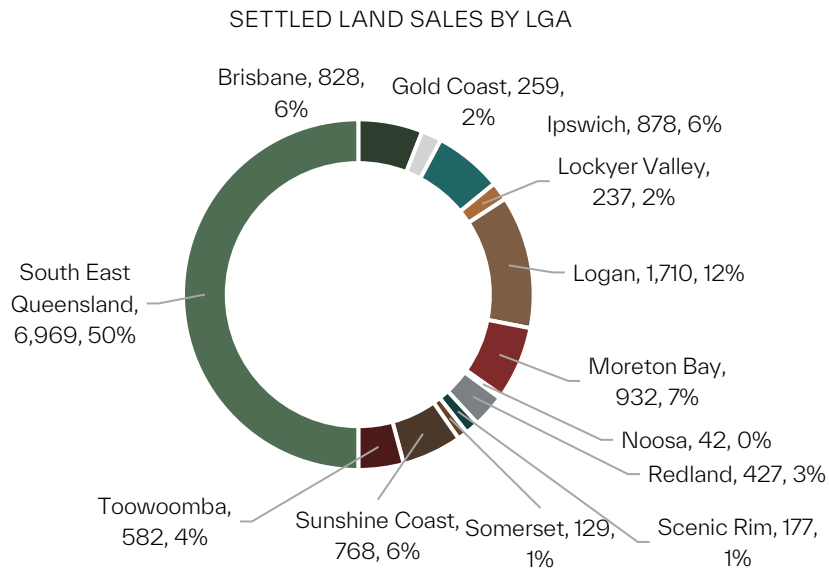
Source: Australian Bureau of Statistics Unpublished Building Approvals Data

AVERAGE SIZE AND VALUE OF APPROVED DETACHED DWELLINGS - Q2 2022



Residential Market

Each LGA within SEQ experienced price growth on a price per sqm basis for FY2022. Gold Coast, Scenic Rim, Sunshine Coast and Noosa were the strongest performing regions experiencing growth between 41% and 61% compared to the previous Financial Year.



Source: Pricfinder September 2022. Settled Vacant Land <2,500sqm

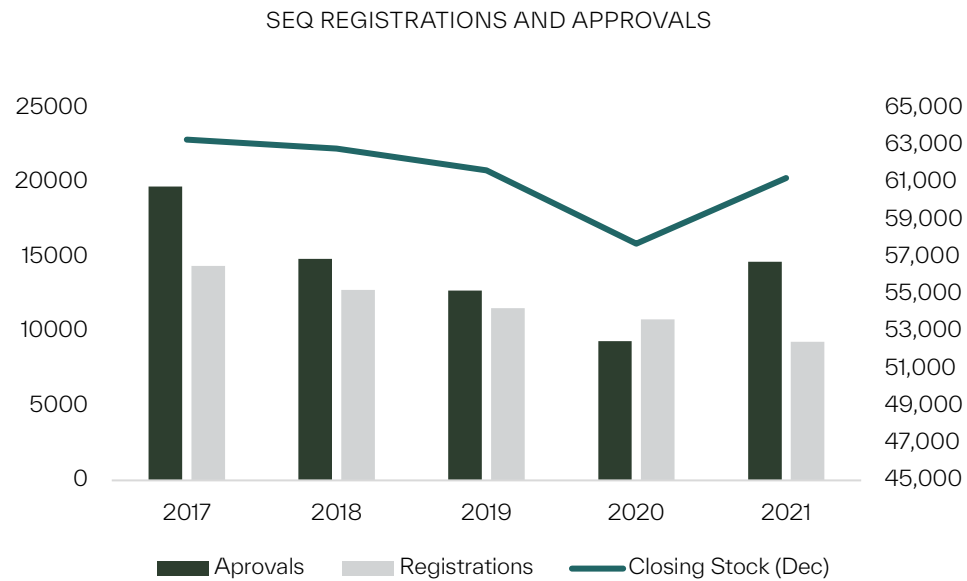
SETTLED LAND SALES - PRICE PER SQM

\$ per Sqm	FY2018	FY2019	FY2020	FY2021	FY2022	Change YoY
Brisbane	\$900	\$900	\$926	\$893	\$1,161	30%
Gold Coast	\$625	\$630	\$656	\$720	\$1,032	43%
Ipswich	\$467	\$493	\$490	\$514	\$521	1%
Lockyer Valley	\$64	\$73	\$68	\$82	\$100	21%
Logan	\$504	\$525	\$507	\$536	\$590	10%
Moreton Bay	\$574	\$583	\$569	\$653	\$719	10%
Noosa	\$440	\$487	\$514	\$984	\$1,581	61%
Redland (excl. Islands)	\$722	\$743	\$716	\$800	\$978	22%
Scenic Rim	\$217	\$149	\$169	\$188	\$298	58%
Somerset	\$119	\$65	\$62	\$102	\$119	17%
Sunshine Coast	\$684	\$689	\$689	\$727	\$1,023	41%
Toowoomba	\$208	\$199	\$287	\$242	\$271	12%
South East Queensland	\$558	\$581	\$589	\$597	\$613	3%

Source: Pricfinder September 2022. Settled Vacant Land <2,500sqm

SEQ LAND REGISTRATIONS BY LGA

Surging demand for new land, labour and supply chain issues, and extreme weather delays have impacted the speed of land registrations over the past 12 months. This has resulted in a constrained land supply on the market and continued price growth.



Source: Queensland Treasury

Registrations	FY18	FY19	FY20	FY21	FY22	Change YoY
Brisbane	2,590	2,249	2,445	2,416	1,703	-30%
Gold Coast	2,447	1,663	1,003	781	438	-44%
Ipswich	2,113	1,510	1,207	1,447	1,275	-12%
Lockyer Valley	55	4	18	31	61	97%
Logan	1,712	1,818	1,876	1,449	1,625	12%
Moreton Bay	2,521	1,949	1,745	2,181	1,610	-26%
Noosa	74	97	14	21	6	-71%
Redland	486	350	414	279	564	102%
Scenic Rim	51	46	18	107	22	-79%
Somerset	43	4	13	20	37	85%
Sunshine Coast	1,541	1,477	1,243	1,664	1,709	3%
Toowoomba	373	208	230	362	241	-33%
South East Queensland	14,006	11,375	10,226	10,758	9,291	-%

Source: Queensland Treasury, (standard 60-2,500m²)

SOUTH EAST QUEENSLAND ACTIVE ESTATE PRICING - AUGUST 2022

In the past 2 years, oversubscribed land releases were common across South East Queensland, often with two or more times the amount of EOIs as lots for a new release. This led to quick stage sell-downs and rapid price increases.

In recent months, price escalations for new stages have slowed with some estates now re-introducing discounts and rebates to entice buyers.

LGA	Average Size	Average Price	Average Rate	200-299sqm	300-399sqm	400-499sqm	500-599sqm	600-699sqm	700-799sqm	800-899sqm	900-1000sqm	>1000sqm
Brisbane	488	\$707,927	\$1,558	\$489,333	\$598,667	\$646,889	\$872,778	\$639,000	\$759,333			\$1,789,831
Gold Coast	642	\$969,525	\$1,529			\$536,706	\$1,060,909	\$1,030,575	\$1,230,238	\$1,373,333	\$1,442,500	\$1,509,933
Ipswich	523	\$423,894	\$707	\$251,100	\$283,208	\$380,731	\$448,785	\$540,528	\$671,087	\$644,779	\$957,438	\$555,424
Logan	472	\$338,046	\$748		\$290,155	\$331,708	\$355,445	\$420,594	\$402,600			\$513,842
Moreton Bay	434	\$433,023	\$1,035	\$289,978	\$404,568	\$448,126	\$437,191	\$541,582	\$430,000	\$525,000		\$450,000
Redland	606	\$566,053	\$989		\$550,000	\$549,125	\$510,813	\$625,000		\$604,500	\$689,167	
Scenic Rim	808	\$238,694	\$299					\$226,150	\$227,200	\$240,447	\$235,500	\$277,450
Sunshine Coast	470	\$535,712	\$1,163	\$295,500	\$409,750	\$500,800	\$794,714	\$523,292	\$895,000		\$1,375,000	
Toowoomba	743	\$194,924	\$283				\$202,200	\$202,833	\$209,167	\$232,667		\$106,667
Grand Total	509	\$468,975	\$944	\$323,188	\$378,818	\$436,664	\$551,664	\$504,553	\$664,986	\$468,035	\$943,531	\$663,202

Source: RPM Research & Data

AVERAGE SIZE, PRICE AND SQM RATE

**SUNSHINE
COAST**
470sqm
\$535,712
\$1,163/sqm

**MORETON
BAY**
434sqm
\$433,023
\$1,035/sqm

BRISBANE
488sqm
\$707,927
\$1,558/sqm

TOOWOOMBA
743 sqm
\$194,924
\$283/sqm

IPSWICH
523sqm
\$423,894
\$707/sqm

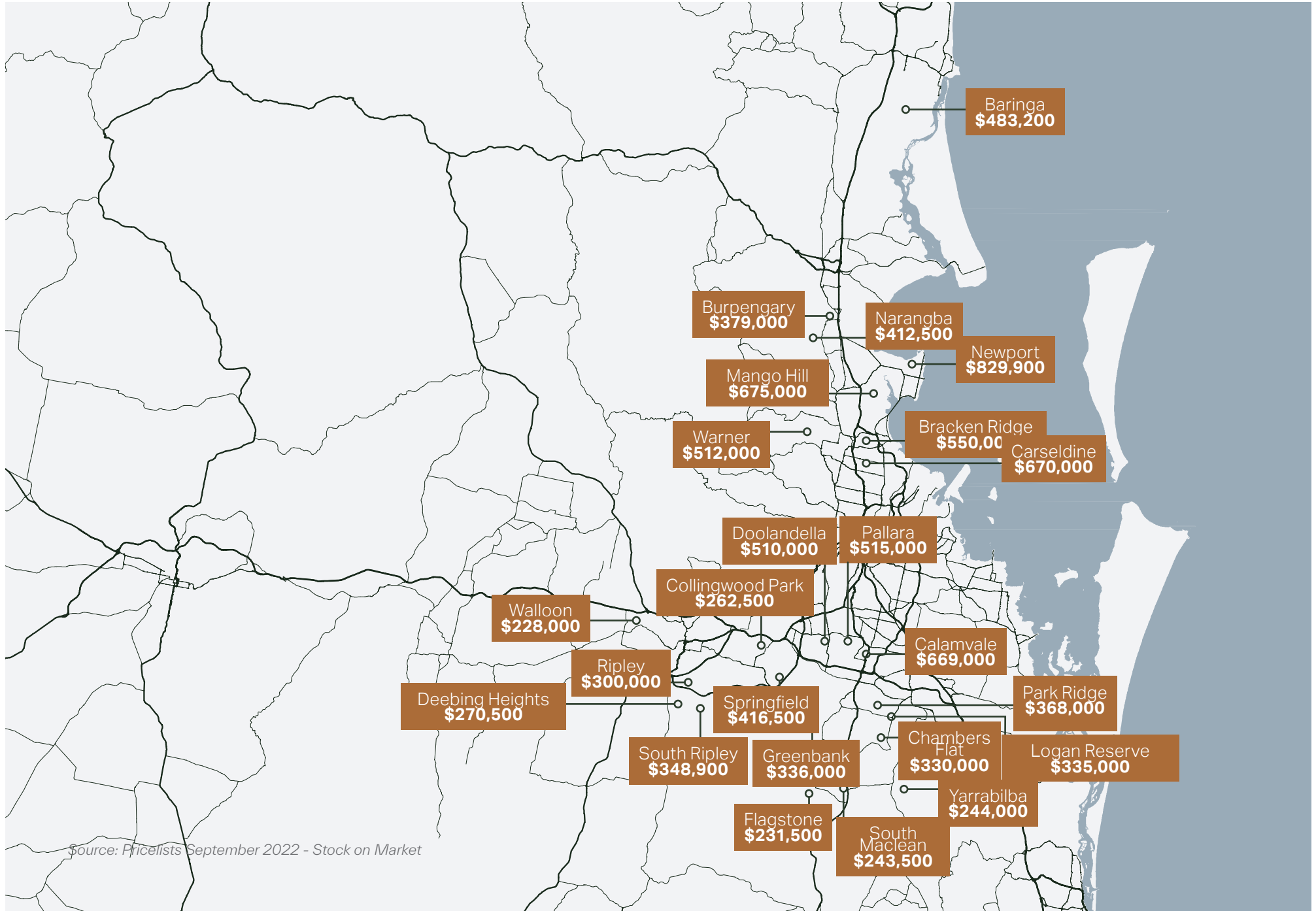
LOGAN
472sqm
\$338,046
\$748/sqm

REDLAND
606sqm
\$566,053
\$989/sqm

SCENIC RIM
808sqm
\$238,694
\$299/sqm

GOLD COAST
488sqm
\$969,525
\$1,529/sqm

What does a 400sqm
lot cost?



Source: Pricelists September 2022 - Stock on Market

Development Sites

Greenfield development sites are in scarce supply across South East Queensland, with the recent retail lot price growth and strong economic fundamentals making the region even more attractive to developers from across the nation.

With very few greenfield development sites of scale coming onto the market and construction costs challenging medium and higher density feasibilities, competition is expected to remain fierce in this market as many developers look to acquire sites in SEQ growth corridors.

Some notable development site sales for 2022 include:

Address	Suburb	LGA	Size (Ha)	Est. yield
325 Wyatt Road	Kagaru	Logan City	174	TBC
28 Alice Street	Beaudesert	Scenic Rim	280	TBC
944-1024 Ripley Road	Ripley	Ipswich	80	900
Lot 1-3 Kerry Road	Beaudesert	Scenic Rim	151	TBC
39-89 Fischer Road	Flinders View	Ipswich	49	512
33-135 Caledonian Road	Walloon	Ipswich	169	1800
152-280 Grampian Drive	Deebing Heights	Ipswich	116	725
Olson Road	New Beith	Logan City	251	2150

Broadhectare land supply

Region/LGA	Stock (hectares)	% of total Stock	Expected yield (dwellings)	% of total dwellings
Brisbane	1,211	4%	37,537	9%
Gold Coast	1,737	6%	57,257	14%
Ipswich	6,113	20%	100,497	25%
Lockyer Valley	2,515	8%	15,533	4%
Logan	9,181	30%	114,453	28%
Moreton Bay	2,102	7%	14,629	4%
Noosa	90	0%	508	0%
Redland	554	2%	7,865	2%
Scenic Rim	1,687	6%	8,242	2%
Somerset	964	3%	6,831	2%
Sunshine Coast	1,816	6%	28,997	7%
Toowoomba	2,472	8%	15,097	4%
South East Queensland	30,442	100%	407,446	100%

Source: Queensland Treasury, March Quarter 2022

BROADHECTARE LAND SUITABLE FOR
RESIDENTIAL DEVELOPMENT

Source: Queensland Treasury, March Quarter 2022

SOMERSET
964 Ha
6,831
Dwellings

**SUNSHINE
COAST**
1,816 Ha
28,997
Dwellings

**MORETON
BAY**
2,102 Ha
14,629
Dwellings

BRISBANE
1,211 Ha
37,537
Dwellings

TOOWOOMBA
2,472 Ha
15,097
Dwellings

IPSWICH
6,113 Ha
100,497
Dwellings

LOGAN
9,181 Ha
114,453
Dwellings

SCENIC RIM
1,687 Ha
8,242
Dwellings

GOLD COAST
1,737 Ha
57,257
Dwellings

Catchment in Focus: Ripley Valley

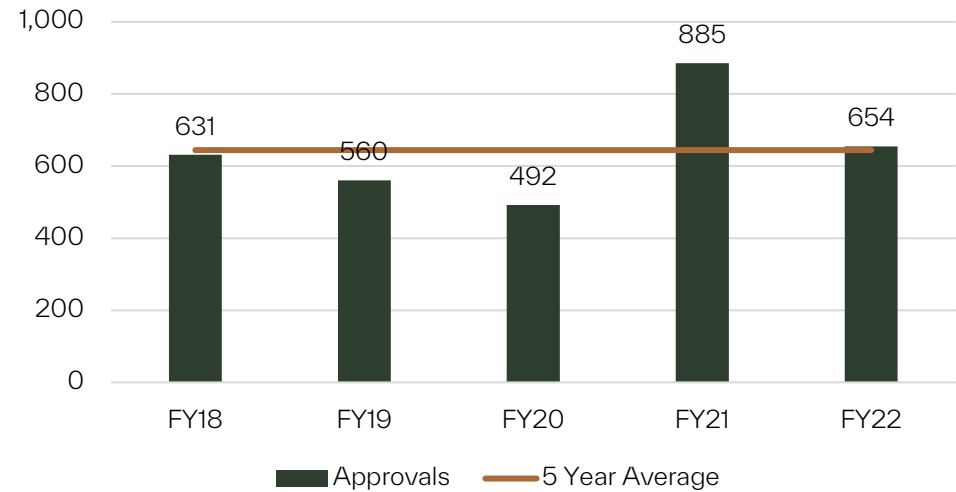
First announced in 2010, the Ripley Valley Priority Development Area (PDA) is one of the largest urban growth areas in Australia.

Covering an area of 4,680 hectares, the precinct is expected to house approximately 120,000 new residents across 50,000 new dwellings – a significant portion of Ipswich LGA's required 118,000 new dwellings outlined.

However, the question of how quickly these new homes will be delivered is a matter of debate. Initial projections from Ipswich City Council forecasted Ripley PDA to reach 50,000 new homes by 2041. A revised forecast from SGS Economics projected the region would reach 48,750 homes by 2066 (25 years later).

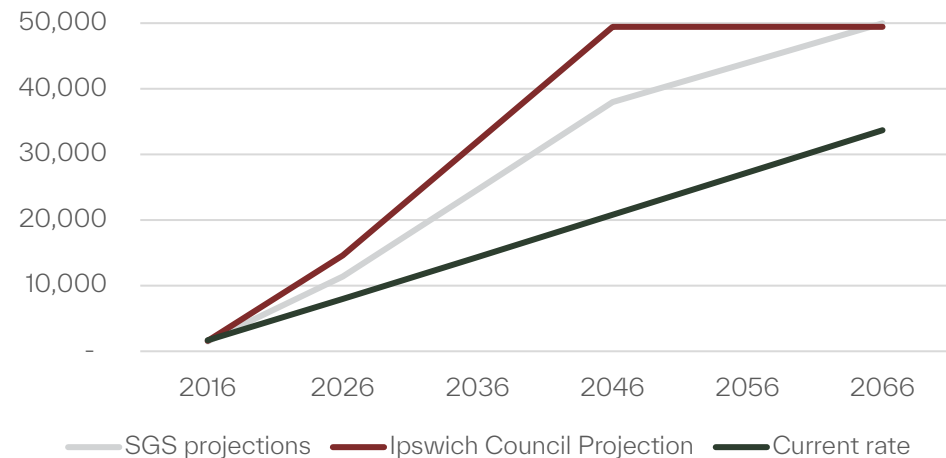
Current rates show at the 2021 census there were 4,716 dwellings in Ripley and the 5 year average new home approvals are 644/year. So this will need to ramp up significantly to achieve these projections.

RIPLEY ANNUAL NEW HOME APPROVALS

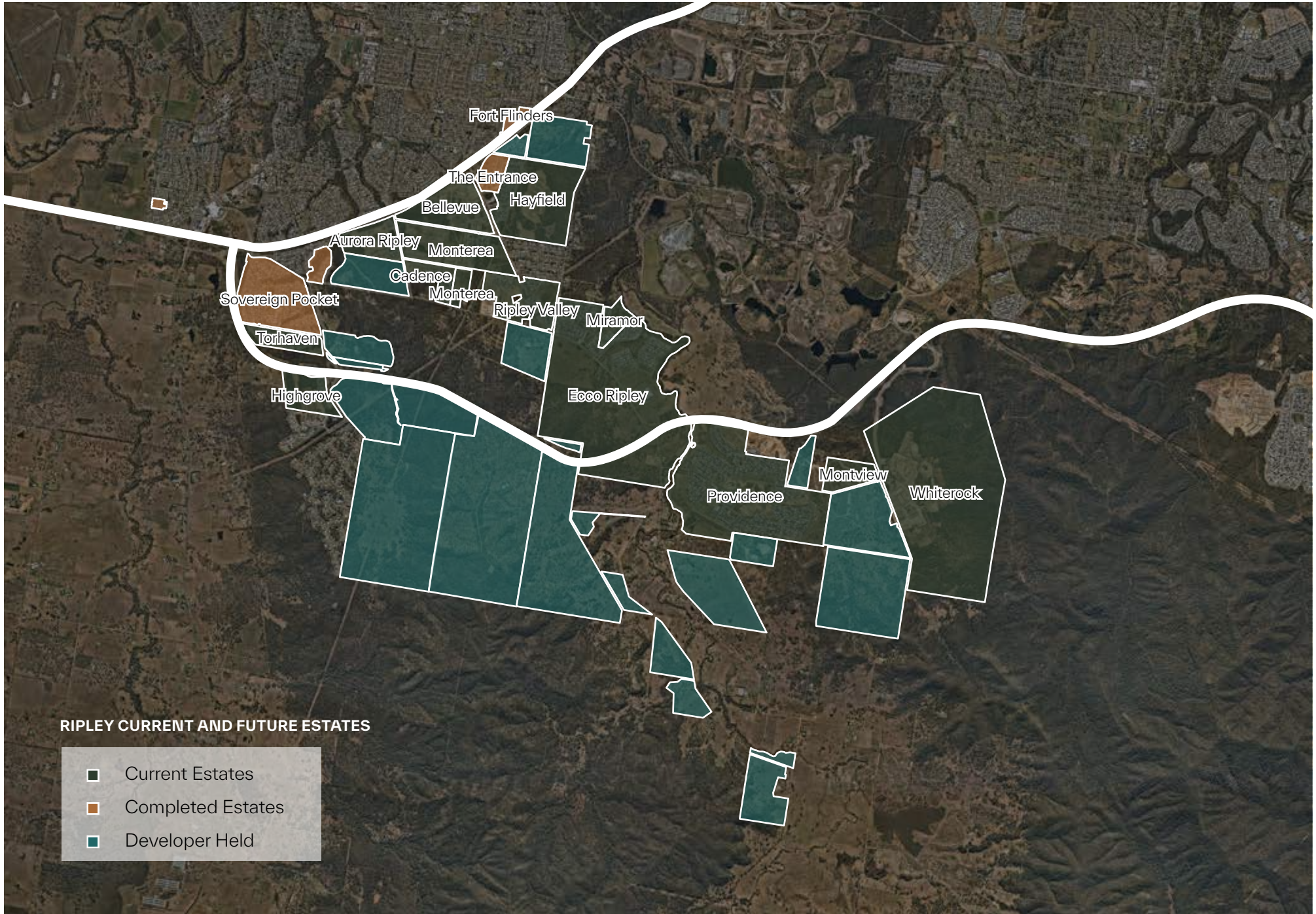


Source: Australian Bureau of Statistics

RIPLEY NEW DWELLINGS PROJECTIONS



Source: EDQ, SGS, Ipswich Council



COMPETITION SUMMARY

CURRENT

Some of Australia's most prolific developers have land holdings in the Ripley Valley PDA. There is an estimated 12,000+ lots remaining amongst the 10 major active projects in the region, equating to around 10 years worth of supply based on historical average sales rates.

Estate	Suburb	Developer	Project Launch	Size (Hectares)	Lot Yield	Lots remaining	Lots Sold	% Sold	Average rate per month (historical)	Months supply remaining
Aurora	Ripley	Orchard Property Group	Aug-20	34	439	220	219	50%	8.4	26.1
Bellevue	Ripley	HB Land	Jul-21	56	577	360	209	36%	13.9	25.8
Cadence	Ripley	AV Jennings	Jul-19	20	323	150	173	54%	4.4	33.8
Ecco Ripley	Ripley	Sekisui House	May-14	362	2000	600	1400	70%	13.8	43.3
Hayfield	Ripley	Goldfields	Jul-18	110	900	450	450	50%	8.8	51.0
Monterea	Ripley	Monterea Land Holdings	May-17	73	900	640	260	29%	4.0	160.1
Montview	Ripley	APD Projects	Feb-22	25	219	165	54	25%	6.8	24.2
Providence	South Ripley	Stockland	Dec-20	700	7528	7128	400	5%	18.2	391.4
Ripley Valley	Ripley	Satterley	Aug-17	57	900	470	430	48%	6.9	67.8
Whiterock	White Rock	Intrapac Property	Oct-20	386	2200	1850	350	16%	14.6	126.7
Total Ripley				1,824	15,986	12,033	3945	33%	100.0	120.3

*Historical rates and remaining supply based on estimated remaining lots as at August 2022
Excludes Providence Okeland sales*

COMPETITION SUMMARY

FUTURE

12 future developer held sites within the PDA amount to approximately 1,305 Hectares and well in excess of 6,000+ lots or 5+ years of supply based on historical sales rates.

Address	Suburb	Size	Est Yield
(Deebing Springs) 7001 GRAMPIAN DR DEEBING HEIGHTS QLD 4306	Deebing Heights	31	230
136-158 Daleys Road, Ripley Qld 4306	Ripley	41	450
131-143 Binnies Road, Ripley	Ripley	11	184
152-280 Grampian Drive, Deebing Heights Qld 4306	Deebing Heights	116	900
1-63 Bryants Road, Ripley Qld 4306	Ripley	23	TBC
(Providence West)113-183 Watsons Road, South Ripley Qld 4306	South Ripley	185	395
950-1024 Ripley Road, South Ripley	South Ripley	80	900
(Botanica) Grampian Drive, Deebing Heights	Deebing Heights	256	2000
187-291 Watsons Road, South Ripley Qld 4306	South Ripley	48	TBC
103-175 BAYLISS RD SOUTH RIPLEY QLD 4306	South Ripley	22	360
FISCHER RD, RIPLEY QLD 4306	Ripley	47	512
420 Watsons Road, South Ripley Qld 4306	South Ripley	51	TBC
Total		1,305	5931

RIPLEY PRICING

Land supply has been constrained by and the speed to deliver registered lots in the region. This paired with the recent surge in buyer demand has seen significant growth.

HISTORICAL SQM RATES - RIPLEY

Estate	2015	2016	2017	2018	2019	2020	2021	2022 Current
Aurora						\$479	\$508	\$693
Cadence					\$493	\$486	\$567	\$762
Ecco Ripley	\$444	\$500	\$496	\$550	\$686	\$683	\$588	
Hayfield				\$462	\$475	\$501	\$567	\$691
Monterea			\$530	\$558	\$562	\$607	\$596	
Providence	\$410	\$484	\$497	\$548	\$570	\$556	\$575	\$832
Ripley Valley		\$506	\$445	\$490	\$523	\$572	\$631	\$779
Sovereign Pocket	\$371	\$380	\$459	\$480	\$473	\$521	\$542	
The Entrance		\$401	\$420	\$425				
Torhaven				\$420	\$435	\$446	\$514	
Average all projects	\$409	\$463	\$482	\$513	\$542	\$544	\$566	\$745

Source: PriceFinder settled sales, Competitor Price Lists August 2022

CURRENT PRICE BY LOT SIZE AUGUST 2022

Lot Size	375sqm	400sqm	420sqm	448sqm	512sqm	Average
Aurora	\$283,000		\$300,000		\$325,000	\$290,672
Bellevue	\$296,000	\$300,000	\$320,000	\$332,000		\$332,933
Hayfield	\$275,000		\$295,714			\$308,332
Providence	\$330,900	\$349,400		\$367,900		\$349,325
Ripley Valley	\$293,900		\$328,300	\$329,500		\$325,000
Average	\$295,760	\$324,700	\$311,004	\$343,133	\$325,000	

Source: Competitor Price Lists August 2022

Our Team

HELPING YOU UNLOCK YOUR PROPERTY POTENTIAL. GET IN TOUCH TODAY.



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