



SOUTH EAST
QUEENSLAND

Market Update
February 2023

YOUR LOCAL
EXPERTS



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CLINTON TREZISE
MANAGING DIRECTOR - QLD



Clinton has worked in the residential property industry for over 15 years, managing all aspects of marketing residential communities from project conception through to completion. He specialises in project marketing and the seamless delivery of master-planned residential communities across Queensland.

Clinton can offer excellent strategic advice and consultation across a range of residential communities from boutique inner-city addresses to waterfront developments and master-planned communities throughout Queensland.

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PETER NEALE
MANAGING DIRECTOR - QLD



Over the last 15 years, Peter has worked with some of the largest property developers and agencies in Australia, including Stockland Property Group, Lendlease, Savills, Deicorp, and Fridcorp. His extensive experience and knowledge of the dynamic Queensland and NSW property market ensures Peter has an exceptional understanding of the market's needs and a site's potential.

Peter offers specialist advice across residential communities, mixed-use developments and medium density throughout Queensland and New South Wales.

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Comprehensive Market Research and Intelligence

RPM's Research, Data & Insights 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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SEQ Overview and Outlook

South East Queensland's (SEQ) property market finished 2022 differently from how it started. The market began the year with strong demand driven by low interest rates, surging population growth, and government stimulus through the HomeBuilder program.

However, in the latter half of the year, consumer confidence began to decline as a result of the rising cost of living pressures, increasing construction costs, and consecutive interest rate hikes. These factors began affecting customers' ability to willingness to buy.

The median settled house price in SEQ fell 4% in the December 2022 quarter to \$760,000, equating to a 7% decline compared to the same time last year. While this is a sizeable decline, it should be noted that in the 12 months to December 2021, median house prices grew 33%, so this level of correction is not uncommon after such rapid growth.

SEQ's median settled land price declined 5% for the December quarter to \$322,700, however land was still 16% above the prior year. Even with interest rate hikes, land prices have been cushioned by low supply across the region. Vacant land prices were 42% of the price of a house, which is still well below the long term fair value level.

Rental prices have grown significantly over the past 12 months across all regions of SEQ with Gold Coast and Moreton Bay growing 19% over the year across all dwellings. While vacancy rates across Queensland eased slightly from 0.6% in September to 0.8% in December, the most recent quarterly data found that 6,758 less bonds were held across SEQ than the same time last year, indicating that the available rental stock in the region is declining.

Housing supply remains a challenge for SEQ. Despite construction in the state approaching record levels, there was a total of just 17,583 lots registered in 2022, well below the 10 year average of 22,517. Demand for SEQ land, paired with supply and labour shortages has pushed out title timeframes for new land. In 2022, the median time between contract and settlement was 208 days - this is more than triple what it was two years ago.

CONTACT OUR QUEENSLAND EXPERTS



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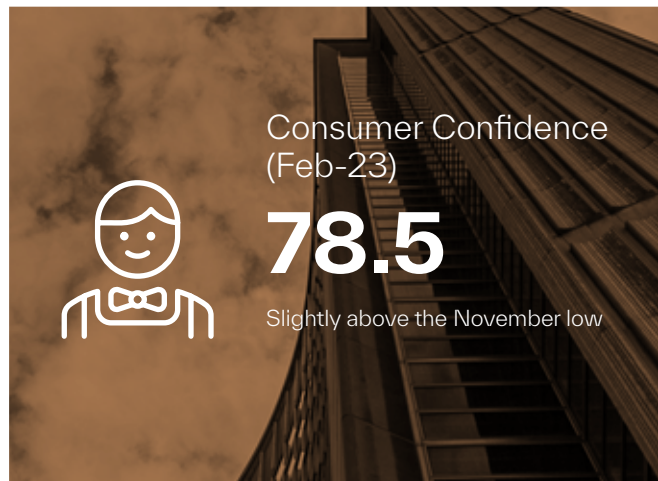
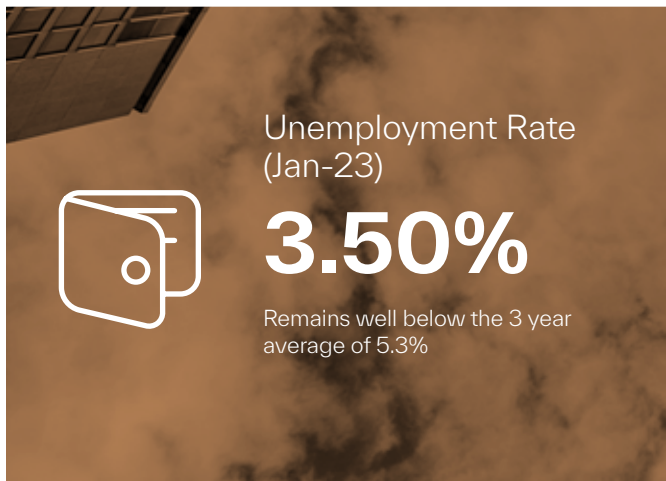


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National Lead Indicators



Queensland Lead Indicators



QLD Population
growth (FY22)

+106k

The highest of all states



SEQ Median
House Price (Dec-22)

\$760k

Down 7% year on year.



New House
Approvals

-7.9%

Down year on year
for December



Vacancy Rate
(Dec-22)

0.8%

Easing slightly from September
quarter.



QLD Unemployment
(Jan-23)

3.7%

Remaining at or below this level
for past 6 months



Dwellings under
construction

40,290

Up 6.3% for the quarter to
September 2022.

Source: RBA, ABS, Westpac Banking Corporation, PricewaterhouseCoopers and, REIQ

Outlook

A pressing issue for property buyers currently is the state of interest rates. Since May 2022, the RBA has implemented consecutive rate hikes to control the country's surging inflation, which reached 7.8% for the year ending December 2022. The following table is a comparison of the 2023 outlook forecasts from the big four banks.

The four banks are in agreement on the following points:

- Annual inflation reached its peak in the December 2022.
- Further rate rises are expected.
- None of the banks are forecasting recession this year.

The main points of contention are:

- The expected inflation rate at the end of 2023, with predictions ranging from 3.5% to 4.4%.
- The peak cash rate, with estimates ranging from 3.85% to over 4.1%.
- The timing of the next rate cut, with estimates ranging from late this year to the end of 2024.

BIG 4 BANKS OUTLOOK FOR 2023

Big 4 Banks Outlook for 2023	Westpac	Commonwealth	NAB	ANZ
Peak inflation forecast (CPI % annual)	7.80%	7.80%	7.80%	7.80%
Inflation Peak Qtr	Dec-22	Dec-22	Dec-22	Dec-22
Forecast inflation at the end of 2023 (Headline y/y %)	3.90%	3.50%	4.40%	3.80%
Annual GDP Growth 2023	1.00%	1.10%	0.70%	-
Recession in 2023?	No	No	No	No
Cash Rate Peak	3.85%	3.85%	4.10%	4.10%
Cash Rate Peak Qtr	Jun-23	Jun-23	Jun-23	Jun-23
Rate Commencing Qtr	Mar-24	Dec-23	Mar-24	Dec-24
Unemployment end 2023	4.60%	4.25%	4.0%	-
Date of published forecast	20-Feb-23	7-Feb-23	21-Feb-23	16-Feb-23

Source: Westpac, CBA, NAB and ANZ Research



Housing Finance

With the recent rate rises, new loans fell nationally in December 2022 by -29% compared to 12 months prior. New loans for first home buyers fell -36% over the same period, highlighting the price sensitivity of this market segment.

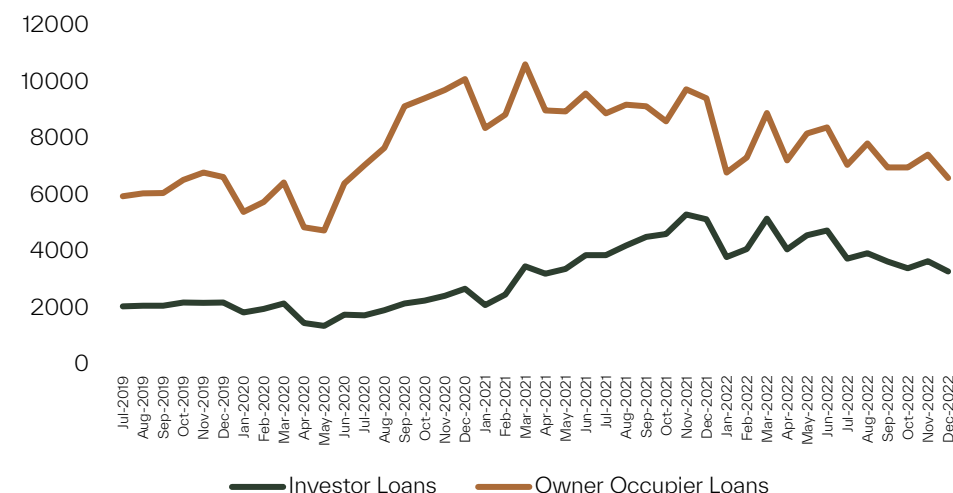
New investor loans in Queensland declined -36% in the year, with the majority of the fall coming from investor loans for existing properties down 44%.

While the decline is significant while compared to the same time last year, the number of new loans for both owner occupiers and investors are still above the pre-pandemic levels seen in 2019.

External refinancing has been on the rise as consumers look to avoid paying “loyalty tax” to their existing lenders and save money on repayments - some taking up cashback offers and incentives for moving.

The rate rises have impacted the amount customers can borrow with the average borrowing capacity coming down more than 25%.

NEW LOAN COMMITMENTS QLD INVESTOR VS. OWNER OCCUPIERS



Source: ABS Lending Indicators, December 2022 Queensland

IMPACT ON PURCHASER CAPACITY

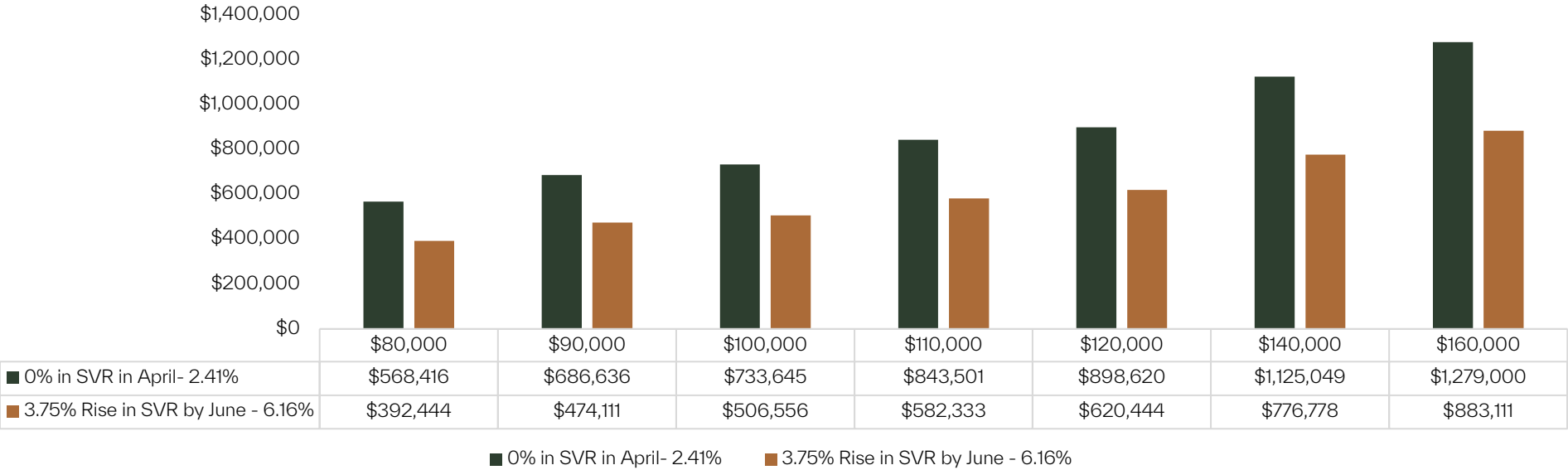
The sharp rise in the cash rate, and subsequent increase in housing lending rates have had, and will continue to have, a material impact on buyers' borrowing capacity and subsequent purchasing level. This is outlined in the following chart.

An example of the impact the cash rate rises have and will continue to have on households is if you take the average household income of \$100,000. If you apply this income to the chart below you will see that prior to the first rate rise in May, the purchasing capacity (including 10% deposit) was \$733,645. This has reduced substantially through 2022 and if the cash rate rises to an expected 3.85% by June 2023, the borrowing capacity for the same household income would be \$506,556. This reflects a 31% or \$227,089 reduction in the purchase price.

This has a significant impact on not only budget conscious buyers but all first home buyers and those wanting to upgrade. If we take the established housing markets current value of \$760,000, based on the table below, the average household will require an income of at least \$140,00 to be able to purchase.

Furthermore, if you consider the buyer profile of those in the greenfield market, the impact of reduced borrowing capacity is more significant as the buyer tends to have a smaller deposit. If we consider an average land and house price of \$672,000 (land price of \$322,000 and a build price of \$350,000) a household income of roughly \$125,000 is required to enter at the average level.

PURCHASE CAPACITY BY HOUSEHOLD INCOME LEVEL - STANDARD VARIABLE RATE (SVR) - INCLUDING A 10% DEPOSIT)



Source: RBA, CBA Loan Calculator

BORROWING CAPACITY REDUCTION



Source: RBA, CBA Loan Calculator

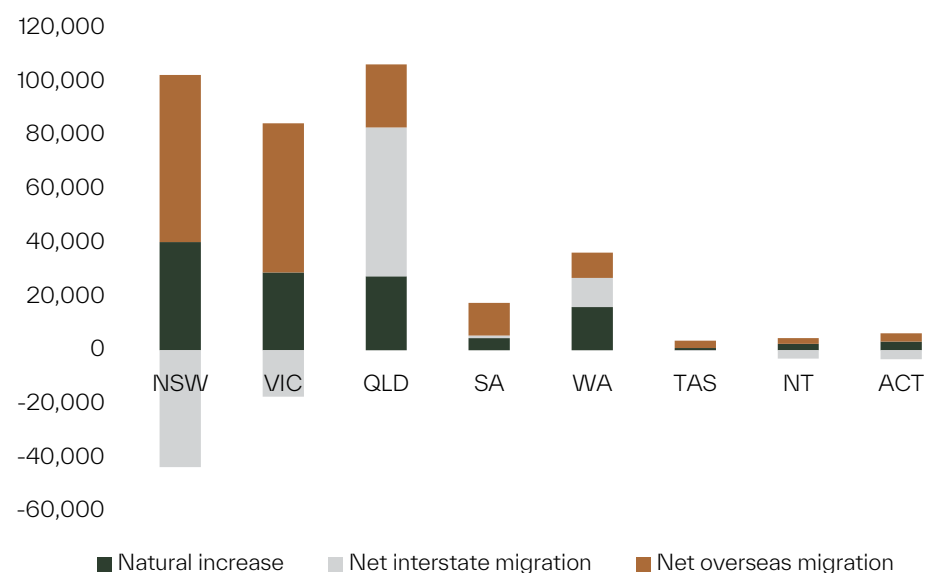
SEQ Population Growth & Outlook

Queensland population growth continued to outpace other states in the year to June 2022 with 106,495 new residents over the year. The major contributing factor to this was again net interstate migration with 55,418 new residents coming from interstate.

While Queensland interstate migration isn't forecasted to continue at the same accelerated rates as we saw post-Covid, it is expected to outpace other states.

Most recent government forecasts predict Queensland will gain an additional 766,000 new residents by FY2033.

POPULATION GROWTH BY STATE



Source: ABS Population change to June 2022

POPULATION GROWTH BY STATE

State	NSW	VIC	Qld	SA	WA	TAS	NT	ACT
Natural increase	40,378	29,014	27,647	4,560	16,179	929	2,398	3,252
Net interstate migration	-43,451	-17,233	55,418	1,025	10,791	-216	-3,016	-3,318
Net overseas migration	62,213	55,631	23,430	12,077	9,502	2,745	2,134	3,117
Population at 30 Jun 2022 ('000)	8153.6	6613.7	5322.1	1820.5	2785.3	571.5	250.6	456.7
Change on Previous year	0.70%	1.00%	2.00%	1.00%	1.30%	0.60%	0.60%	0.70%

QUEENSLAND POPULATION FORECASTS

Population ('000)	2020-21	2021-22	2022-23	2023-24	2024-25	2032-33	Difference (FY23 vs FY33)	Difference %
Queensland	5,218	5,302	5,390	5,467	5,545	6,156	766	14%
Greater Brisbane	2,569	2,616	2,665	2,708	2,751	3,082	417	16%
Rest of Queensland	2,649	2,686	2,725	2,759	2,795	3,075	350	13%

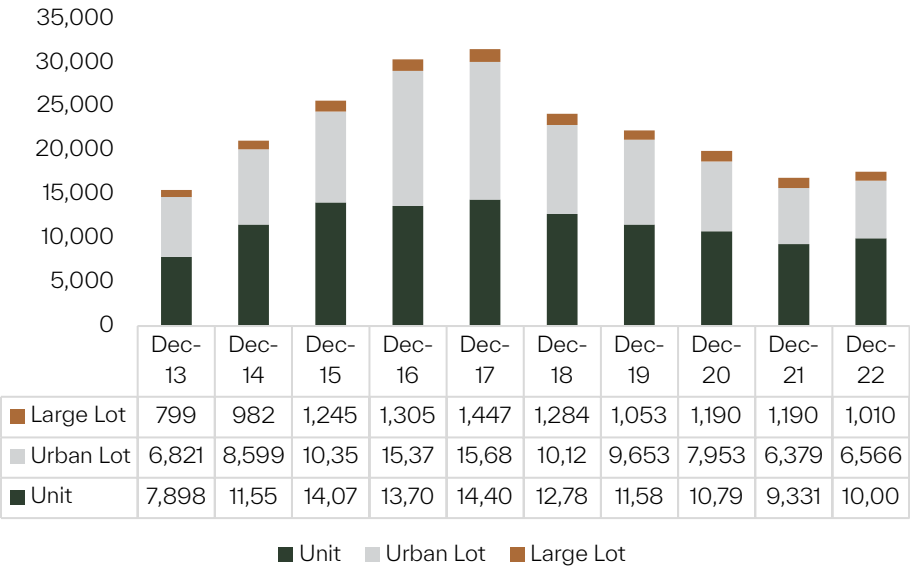
Source: Australian Government, 2022 Population Statement

WHAT DOES THIS POPULATION GROWTH MEAN FOR NEW
HOUSING ACROSS SOUTH EAST QUEENSLAND?

The challenge of new housing supply and affordability in Southeast Queensland has been a very highlighted topic over the past 12 months. Following the Queensland housing summit in October 2022, an expert panel was appointed to tackle the issue of unlocking new housing across the state.

The forecasted population growth will require an estimated 30,640 new dwellings per annum.

LOT REGISTRATIONS SEQ BY TYPE



Source: Queensland Treasury

INTERSTATE BUYERS 2022

Interstate migration added fuel to South East Queensland's property market in 2022 with many buyers from the Southern states seeking lifestyle and affordability. But which suburbs were most popular for these buyers?

According to settled sales, Surfers Paradise had the highest number of interstate purchasers for 2022 with 468 in total, nearly double the next highest of Redbank Plains with 246. Logan Reserve was fifth highest in terms of interstate purchasers with 186, however this accounted for 43% of their total settled sales for the year.

Note: Data includes investors and owner occupiers

Rank	Suburb	Interstate sales	Total sales	Interstate % of total purchasers
1	Surfers Paradise	468	2,000	23.40%
2	Redbank Plains	246	885	27.80%
3	Yarrabilba	223	704	31.68%
4	Broadbeach	218	743	29.34%
5	Logan Reserve	186	436	42.66%
6	Southport	173	1,269	13.63%
7	Russell Island	153	710	21.55%
8	Morayfield	152	742	20.49%
9	Caboolture	152	813	18.70%
10	Pimpama	149	731	20.38%
11	Kallangur	133	541	24.58%
12	Brassall	114	398	28.64%
13	Marsden	106	401	26.43%
14	Deception Bay	103	456	22.59%
15	North Lakes	96	593	16.19%
16	Coomera	88	592	14.86%
17	Crestmead	86	254	33.86%
18	Noosa Heads	82	247	33.20%
19	Noosaville	82	359	22.84%
20	Collingwood Park	79	290	27.24%

Source: Pricefinder Settled Sales CY2022, Purchaser Address

SEQ Residential Property Market

SALES AND MEDIAN PRICES

The median settled house price in South East Queensland fell -4% in the December 2022 quarter to \$760,000, equating to a -7% decline compared to the same time last year. While this is a notable decline, it should be assessed against the 12 months to December 2021, where median house prices grew 33%.

The median settled unit prices across SEQ was \$515,000 in December 2022, down -3% for the quarter but remained 1% higher than December 2021. The relative resilience of unit prices meant that unit prices edged higher to 68% the value of a house, however are still well under the longer term fair value of close to 80%.

SEQ's median settled land price declined -5% for the December quarter to \$322,700, however land was still 16% above the prior year. Even with interest rate hikes, land prices have been cushioned by low supply across the region. Vacant land prices were 42% of the price of a house, which is still well below the long term fair value level.

SEQ HOUSE SALES AND PRICES



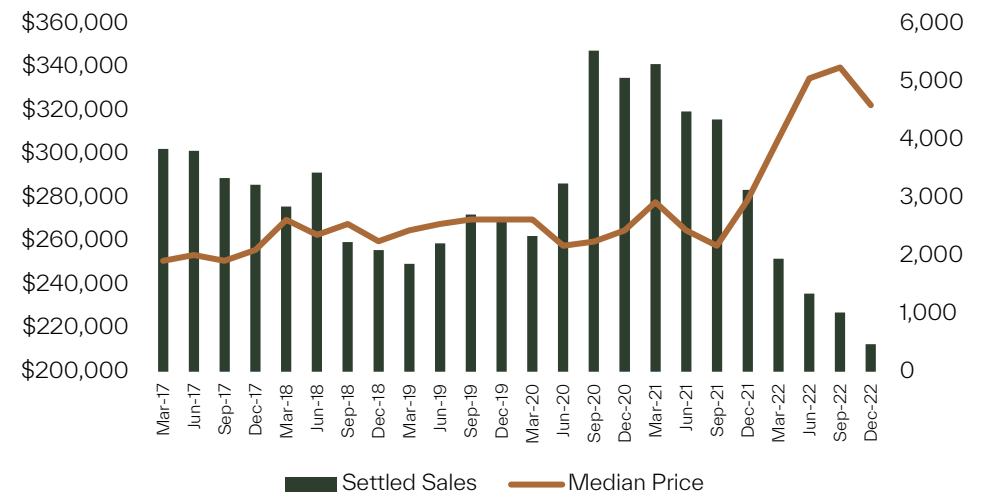
Source: QLD Treasury, Pricfinder Settled Sales.
Sale date based off contract date. Data Extracted 16 Jan 2023

SEQ UNIT SALES AND PRICES



Source: QLD Treasury, Pricefinder Settled Sales.
Sale date based off contract date. Data Extracted 16 Jan 2023

SEQ LAND SALES AND PRICES



Source: QLD Treasury, Pricefinder Settled Sales.
Sale date based off contract date. Data Extracted 16 Jan 2023



RESIDENTIAL
MARKET

FAIR VALUE

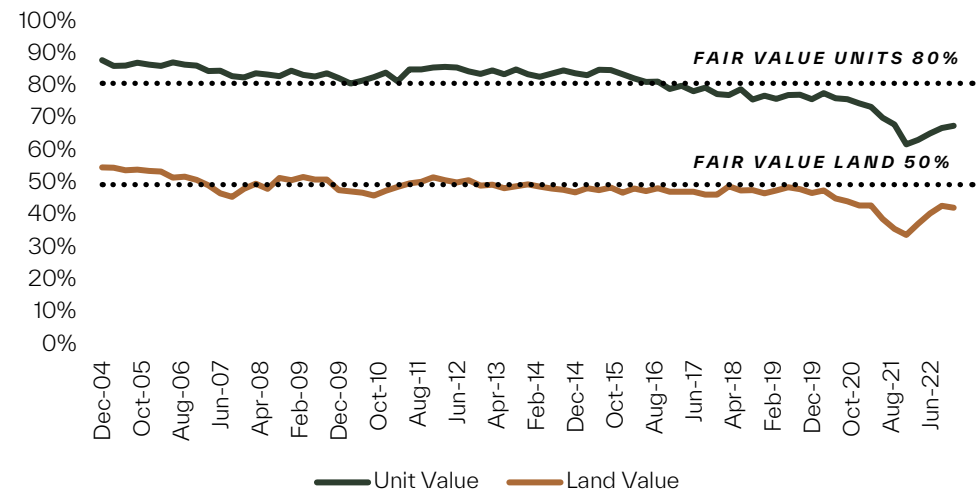
The relative fair value between different property types can help assess market demand and sales volumes between the different segments.

Historically, units have sat at around 80% of the value of a house in SEQ and vacant land has sat just below 50% of the value of a house.

While SEQ houses experienced rapid price growth across 2021 and into 2022, the fair value of units and vacant land dropped as low as 62% and 34% respectively - well under their long term fair value levels.

With house prices falling more sharply than units and vacant land in the year to December, it is indicative that the market is correcting back towards the long-term fair value levels.

SEQ LAND AND UNIT VALUES
AS A PERCENTAGE OF HOUSE PRICES



Source: QLD Treasury, Pricer Settled Sales.
Sale date based off contract date. Data Extracted 16 Jan 2023

Queensland's Rental Market

Rental prices have grown significantly over the past 12 months across all regions of South East Queensland with Gold Coast and Moreton Bay growing 19% over the year across all dwellings.

While vacancy rates across Queensland eased slightly from 0.6% in September to 0.8% in December, the most recent quarter data found that 6,758 less bonds were held across SEQ than the same time last year, indicating that the available rental stock in the region is declining.



MEDIAN RENTS - ALL DWELLINGS

LGA	Dec-2017	Dec-2018	Dec-2019	Dec-2020	Dec-2021	Dec-2022	Change %
Brisbane	\$400	\$400	\$410	\$420	\$450	\$500	11%
Gold Coast	\$435	\$450	\$450	\$460	\$530	\$630	19%
Ipswich	\$330	\$330	\$335	\$340	\$380	\$450	18%
Lockyer Valley	\$300	\$305	\$310	\$325	\$350	\$410	17%
Logan	\$350	\$350	\$350	\$350	\$390	\$460	18%
Moreton Bay	\$360	\$360	\$365	\$375	\$420	\$500	19%
Noosa	\$460	\$490	\$490	\$550	\$650	\$700	8%
Redland	\$435	\$425	\$430	\$435	\$500	\$570	14%
Scenic Rim	\$320	\$340	\$330	\$325	\$390	\$430	10%
Somerset	\$300	\$300	\$320	\$325	\$350	\$410	17%
Sunshine Coast	\$430	\$440	\$450	\$460	\$550	\$600	9%
Toowoomba	\$300	\$300	\$310	\$320	\$350	\$400	14%
Total*	\$360	\$370	\$380	\$395	\$430	\$485	13%

Source: RTA December Qtr 2022

*Median rents total is the state total.
Bonds held total are for SEQ only.

NUMBER OF BONDS HELD BY LGA

Dec-2017	Dec-2018	Dec-2019	Dec-2020	Dec-2021	Dec-2022	Change 12 months	Change %
174,490	184,894	191,924	192,399	190,396	192,617	2,221	1%
81,004	81,192	82,525	84,288	82,030	78,561	-3,469	-4%
27,231	29,140	30,445	31,141	30,629	29,659	-970	-3%
3,181	3,225	3,203	3,233	3,102	2,901	-201	-7%
34,019	35,916	37,982	39,536	39,250	38,996	-254	-1%
47,533	49,618	51,146	52,340	51,483	49,983	-1,500	-3%
4,731	4,626	4,629	4,646	4,406	4,247	-159	-4%
12,126	12,286	12,548	12,662	12,204	11,973	-231	-2%
3,098	3,071	3,086	3,211	3,038	2,861	-177	-6%
1,927	1,860	1,833	1,794	1,698	1,514	-184	-12%
33,538	34,492	35,051	35,662	34,400	32,898	-1,502	-5%
19,544	19,933	20,320	20,508	20,111	19,779	-332	-2%
442,422	460,253	474,692	481,420	472,747	465,989	-6,758	-1%

Source: RTA December Qtr 2022

Building Activity

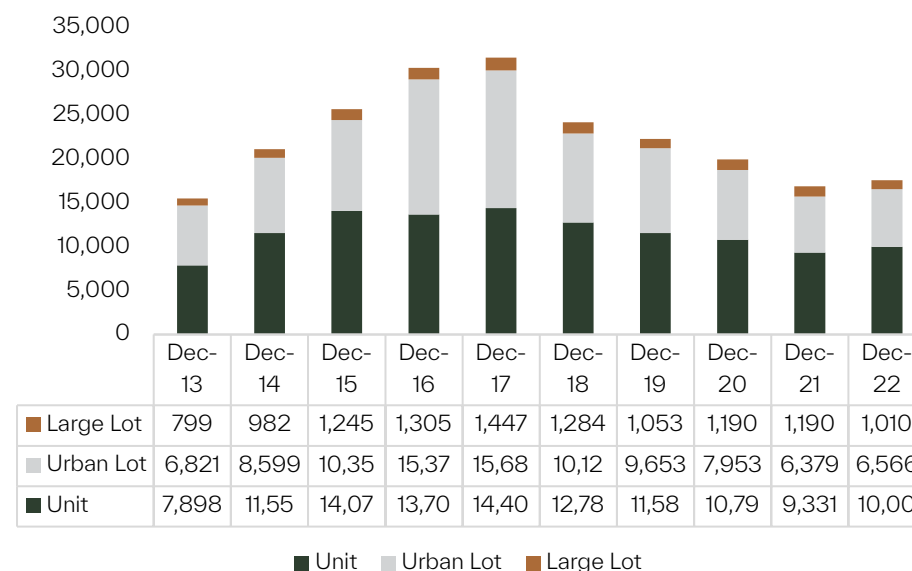
BUILDING REGISTRATIONS AND APPROVALS

The latest construction data to the September quarter showed there were 40,290 dwellings under construction in Queensland - this is the highest in six years.

Costs have been rising nationally with supply chain challenges and labour shortages, although these price increases eased slightly in the December to 2.2% on previous quarter, they are still well above historical levels.

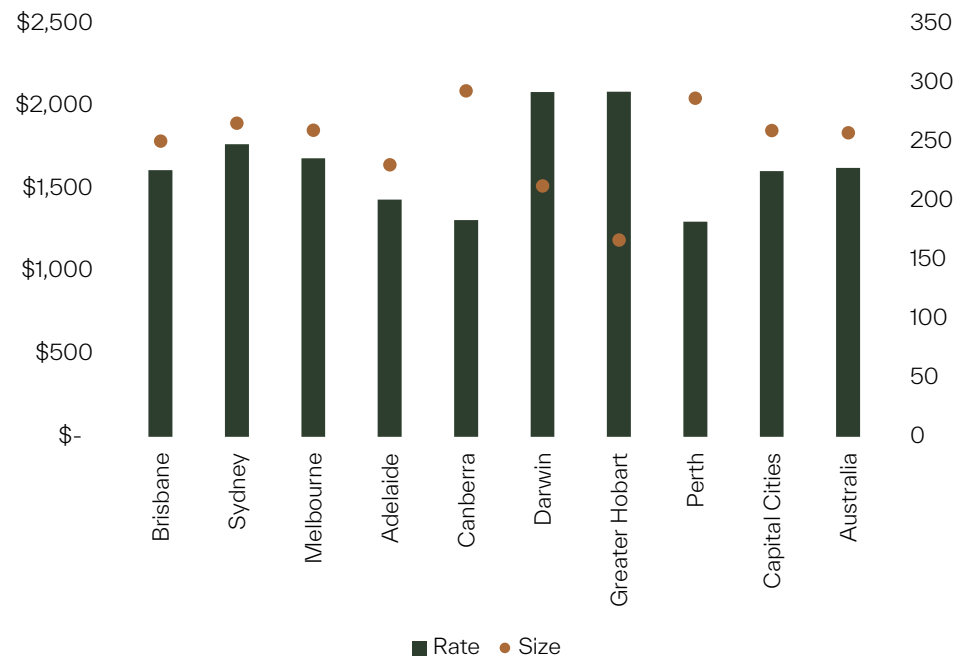
Brisbane's average construction rate for September Quarter was \$1,615/sqm, remaining below Melbourne and Sydney, and just slightly under the national average.

LOT REGISTRATIONS SEQ BY TYPE



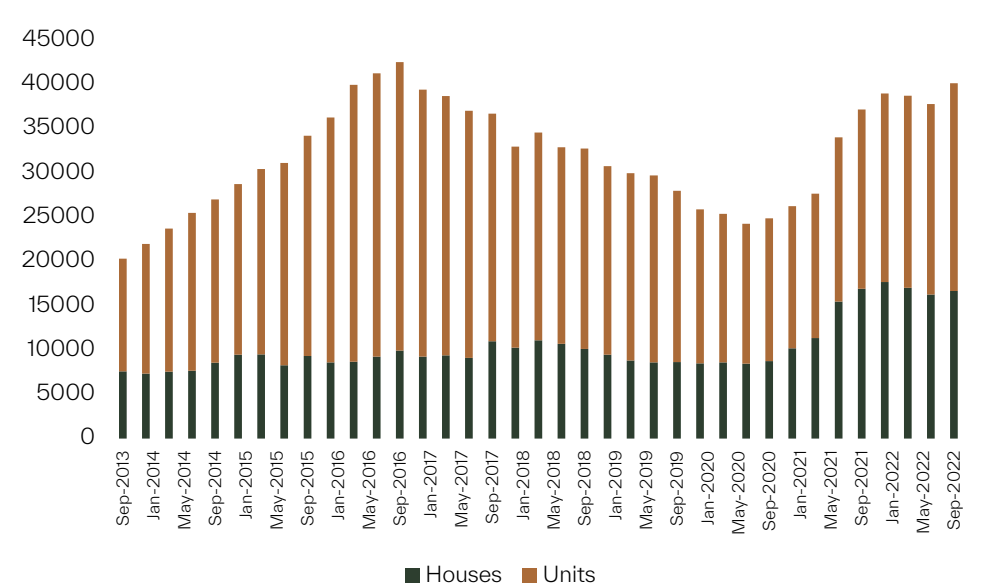
Source: ABS 2022

AVERAGE BUILD SIZE AND RATE BY CAPITAL CITIES



Source: HIA September Quarter – All Capitals, Released December 2022

DWELLINGS UNDER CONSTRUCTION - QUEENSLAND



Source: ABS 2022

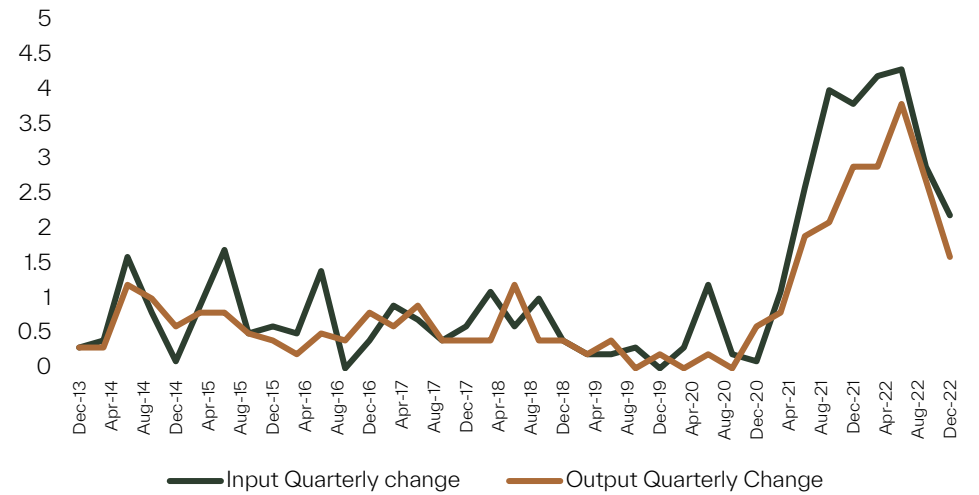
RESIDENTIAL MARKET

MOST BUILDING APPROVALS BY REGION (SA2)

Rank	Region	FY22 New houses	FY22 Average New House Value
1	Chambers Flat - Logan Reserve	790	\$261,046
2	Landsborough	682	\$317,540
3	Ripley	647	\$283,381
4	Boronia Heights - Park Ridge	630	\$264,537
5	Greenbank - North Maclean	540	\$283,956
6	Pallara - Willawong	526	\$345,778
7	Caloundra West - Baringa	472	\$297,488
8	Bargara - Burnett Heads	321	\$370,855
9	Highfields	284	\$348,606
10	Southern Moreton Bay Islands	272	\$207,311

Source: ABS - New Home Approvals - FY2022

CONSTRUCTION PPI - QUARTERLY CHANGE (%)



Source: ABS - Producer Price Indexes, Australia Dec 2022

SEQ Greenfield Market

OVERVIEW

With sales rates slowing towards the second half of 2022, land developers were able to catch their breath following one of the strongest land markets the region has seen - fuelled by record low interest rates, population growth and government stimulus.

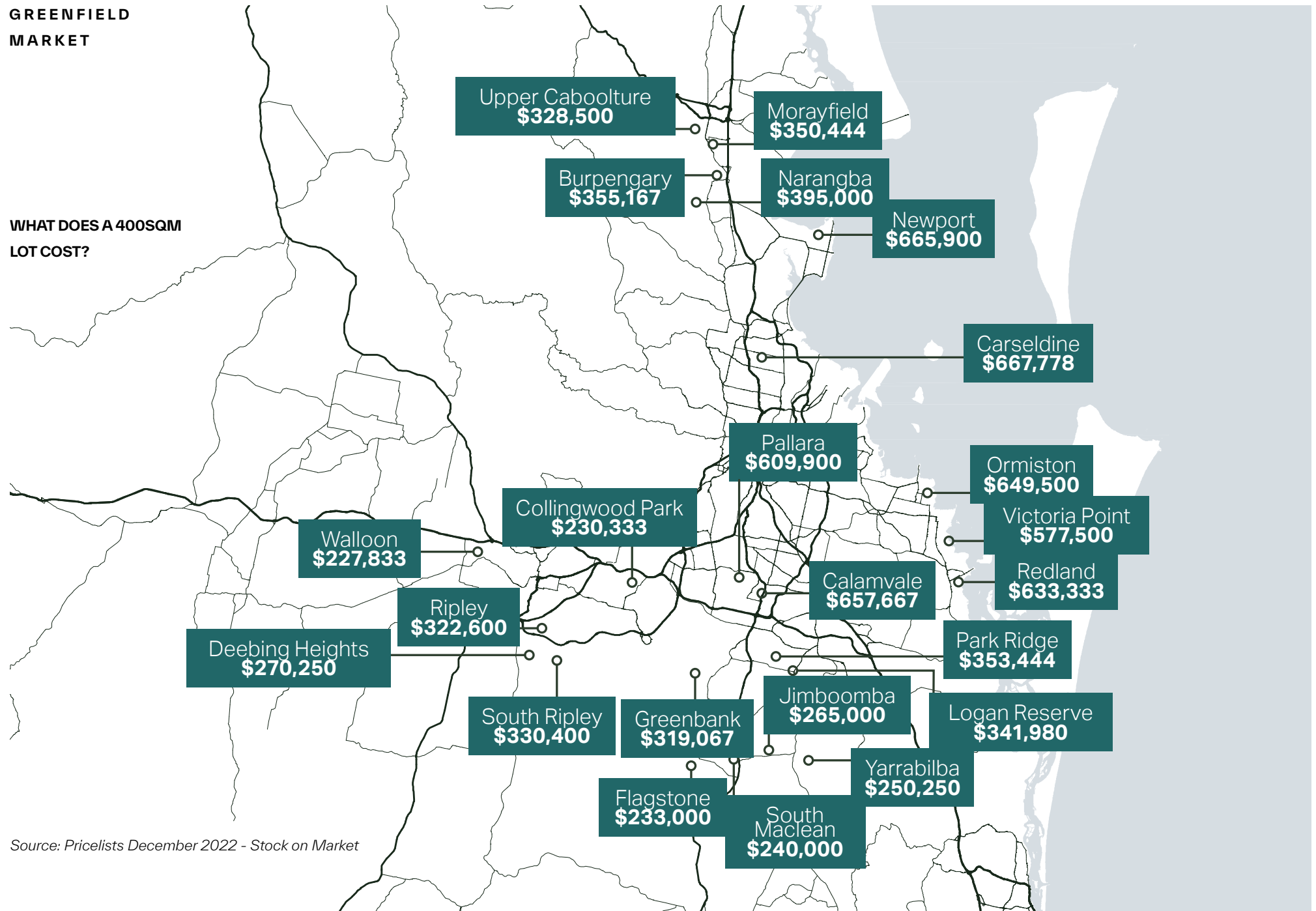
The rate per square metre across South East Queensland grew 12% in 2022. The strongest growth by LGA was again seen by Brisbane, Sunshine and Gold Coasts as well as Somerset the Lockyer Valley, increasing between 25% and 41%

The most affordable land remains in Brisbane's South and Western growth corridors, becoming some of the very few places left in South East Queensland you can still find a 400 square metre block for under \$250,000.

The rate per square metre across South East Queensland grew 12% in 2022.

GREENFIELD MARKET

WHAT DOES A 400SQM
LOT COST?

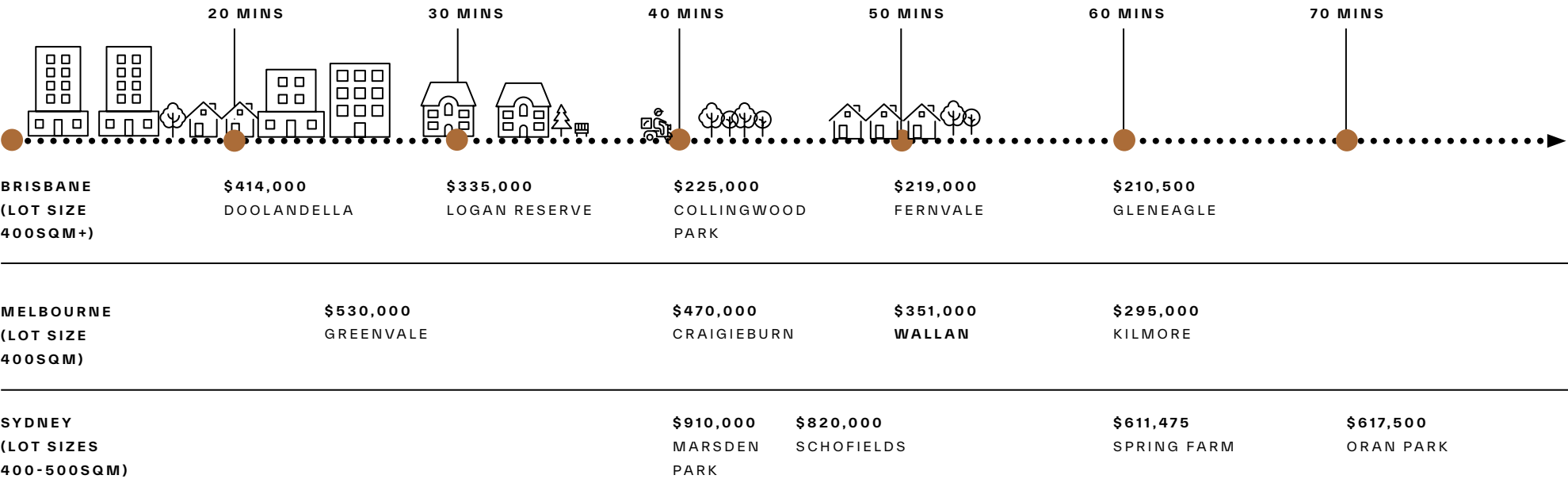


Source: Pricelists December 2022 - Stock on Market

MOST AFFORDABLE LAND CLOSEST TO BRISBANE CBD

SEQ land prices grew 16% over the last 12 months to December 2022.

Where are the most affordable lots closest to Brisbane CBD and how do prices now compare to Melbourne and Sydney?



Source: December Quarter - Stock on Market. Min size 400sqm

GREENFIELD
MARKET

ACTIVE ESTATE AVERAGE
PRICE, SIZE (SQM) AND
RATE (\$/ SQM)

SOMERSET

Size	Price	Rate
577	\$259,000	\$468

SUNSHINE COAST

Size	Price	Rate
424	\$479,325	\$1,032

MORETON BAY

Size	Price	Rate
450	\$453,308	\$997

BRISBANE

Size	Price	Rate
510	\$701,227	\$1,457

REDLAND

Size	Price	Rate
511	\$685,589	\$1,411

LOGAN

Size	Price	Rate
483	\$321,212	\$679

GOLD COAST

Size	Price	Rate
556	\$741,249	\$1,281

SCENIC RIM

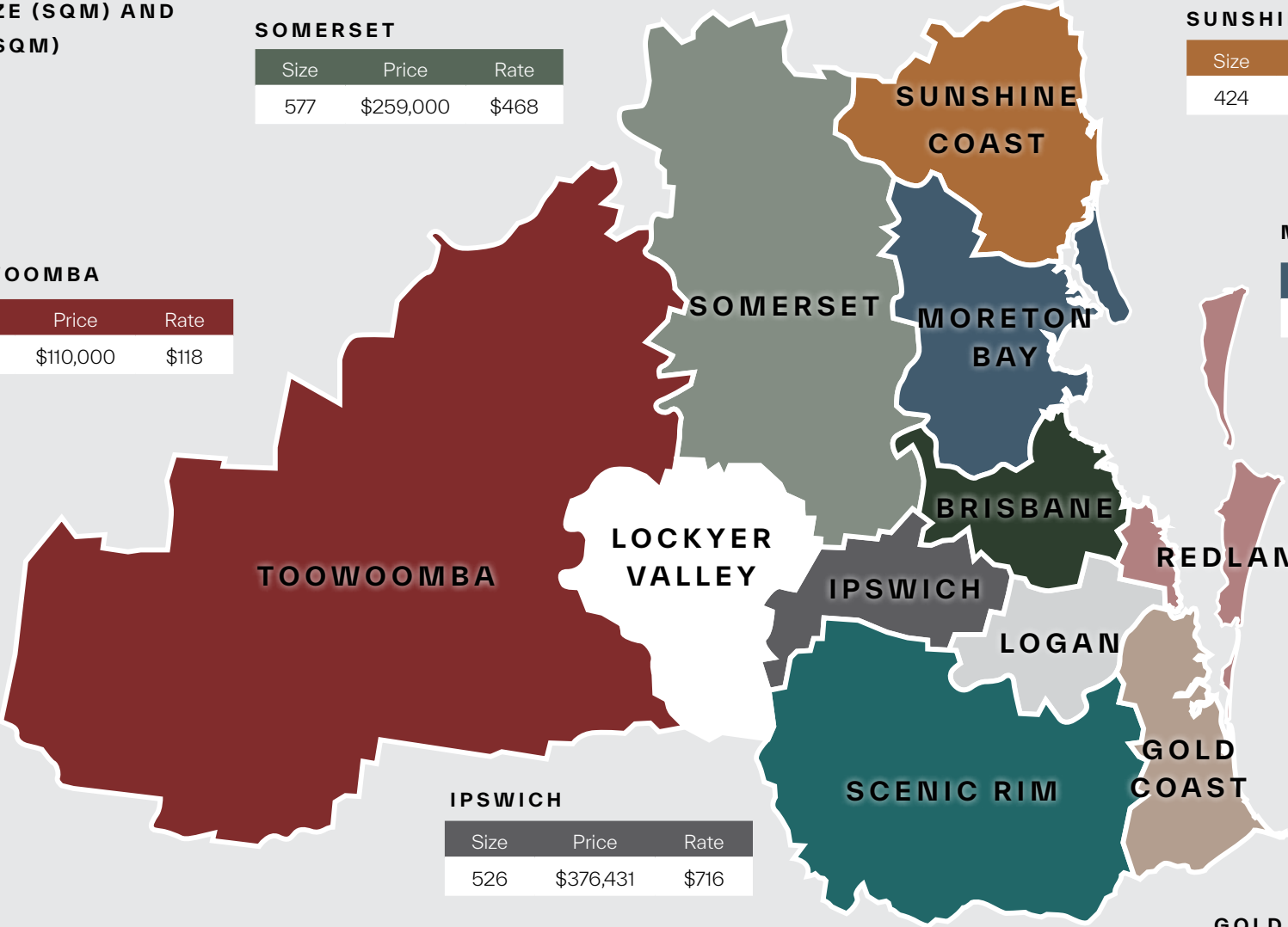
Size	Price	Rate
648	\$261,497	\$398

IPSWICH

Size	Price	Rate
526	\$376,431	\$716

TOOWOOMBA

Size	Price	Rate
989	\$110,000	\$118



Source: RPM Research Data & Insights, December Quarter – Stock on market

PRICING BY LOT SIZE RANGE

Region	Average Size	Average Price	Average Rate	200-299sqm	300-399sqm	400-499sqm	500-599sqm	600-699sqm	700-799sqm	800-899sqm	900-1000sqm	>1000sqm
Brisbane	510	\$701,227	\$1,457	\$489,333	\$587,325	\$674,245	\$808,333	\$830,715	\$731,667	\$773,650		\$1,133,211
Gold Coast	556	\$741,249	\$1,281	\$425,000	\$559,063	\$590,500	\$772,405	\$909,629	\$873,431	\$1,373,333	\$1,442,500	\$835,950
Ipswich	526	\$376,431	\$716	\$249,740	\$287,292	\$309,001	\$395,229	\$400,609	\$655,630	\$662,167	\$594,333	\$474,088
Logan	483	\$321,212	\$679	\$192,667	\$288,175	\$319,944	\$329,645	\$361,950	\$357,765	\$423,900		\$566,333
Moreton Bay	450	\$453,308	\$997	\$302,418	\$379,445	\$411,506	\$486,845	\$508,956	\$836,700	\$1,191,483	\$1,680,000	\$1,100,000
Redland	511	\$685,589	\$1,411		\$581,867	\$648,233	\$695,936	\$694,083	\$1,053,686	\$629,750	\$546,167	\$1,075,000
Scenic Rim	648	\$261,497	\$398			\$229,000	\$250,168	\$274,906	\$271,641	\$255,667	\$277,700	\$303,250
Somerset	577	\$259,000	\$468			\$232,667	\$259,000	\$268,500			\$319,000	
Sunshine Coast	424	\$479,325	\$1,032	\$295,280	\$392,346	\$448,597	\$805,867	\$689,550	\$691,544		\$1,375,000	
Toowoomba	989	\$110,000	\$118						\$120,000	\$120,000	\$100,000	\$105,000

Source: RPM Research Data & Insights, December Quarter – Stock on market

MEDIAN \$/SQM RATE

Region	2017	2018	2019	2020	2021	2022	Change YoY
Brisbane	\$890	\$909	\$920	\$893	\$990	\$1,400	41%
Gold Coast	\$623	\$656	\$654	\$705	\$791	\$988	25%
Ipswich	\$465	\$484	\$505	\$505	\$554	\$625	13%
Lockyer Valley	\$180	\$148	\$168	\$170	\$165	\$219	32%
Logan	\$503	\$523	\$522	\$517	\$569	\$622	9%
Moreton Bay	\$573	\$629	\$607	\$663	\$719	\$842	17%
Noosa	\$437	\$480	\$495	\$822	\$1,664	\$1,882	13%
Redland (excl. Islands)	\$692	\$749	\$738	\$782	\$909	\$1,086	19%
Scenic Rim	\$243	\$218	\$206	\$187	\$304	\$290	-4%
Somerset	\$191	\$116	\$108	\$144	\$127	\$171	35%
Sunshine Coast	\$647	\$704	\$697	\$710	\$829	\$1,095	32%
Toowoomba	\$268	\$237	\$308	\$276	\$293	\$293	0%
SEQ	\$559	\$600	\$604	\$606	\$627	\$703	12%

Source: Pricfinder Settled Sales - Vacant Land <2,500sqm

LAND REGISTRATION AND SETTLEMENT

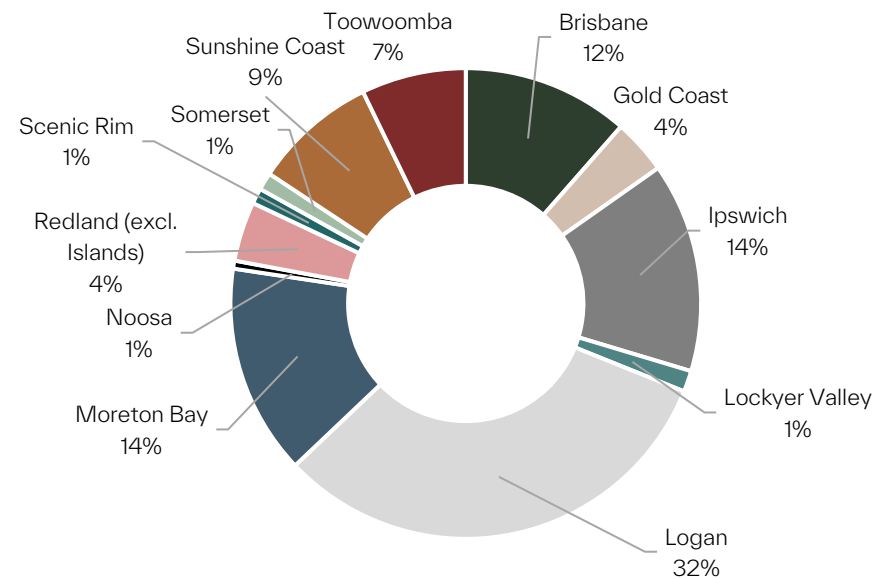
The high demand for land in SEQ, combined with supply and labour shortages, has prolonged the title timeframes for new land.

The median time between contract and settlement in 2022 was 208 days - this is more than triple what it was two years prior.

This has resulted in only 4,004 standard lots being sold and settled in calendar year 2022. This is a small fraction of total sales, highlighting the scarcity of shovel-ready land in the region.

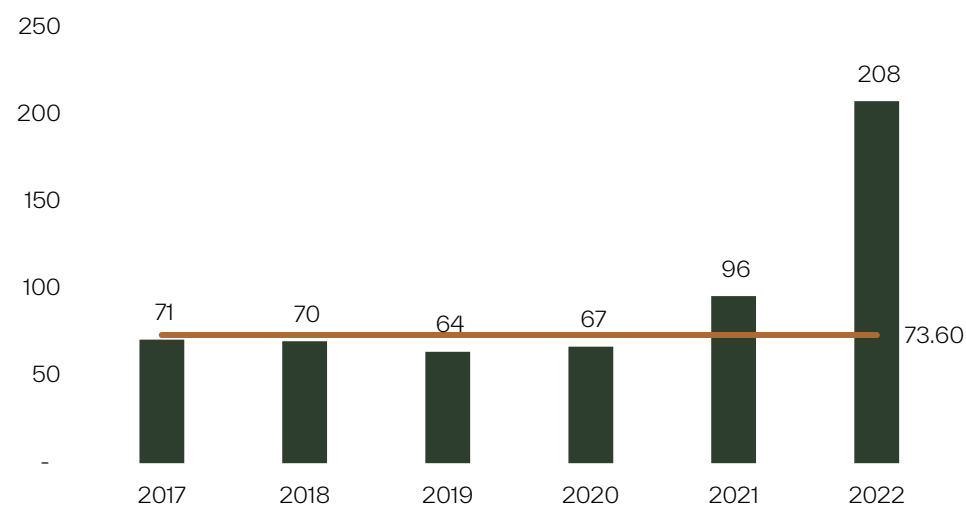
4,004 standard lots sold and settled through calendar year 2022.

SETTLED SALES VOLUME BY LGA



Source: Pricefinder Settled Sales 2022 - Vacant Land <2,500sqm

**MEDIAN DAYS BETWEEN CONTRACT AND SETTLEMENT
- SEQ LAND**



Source: Pricerfinder Settled Sales - Vacant Land <2,500sqm, Grouped by year settled

Development Sites

In 2022, greenfield development sites in South East Queensland were highly sought after by developers from all over the country, eager to take advantage of the high buyer demand and rising property prices in the region. With greenfield sites within 40 minutes of Brisbane city transacting for under \$1 million per hectare, the sites were particularly attractive when compared to other capital cities.

Following an active start to the year, the number of greenfield sites on market declined towards the second half of 2022, leading to more intense competition for the limited sites being marketed for sale.

Some notable development site sales for 2022 include:

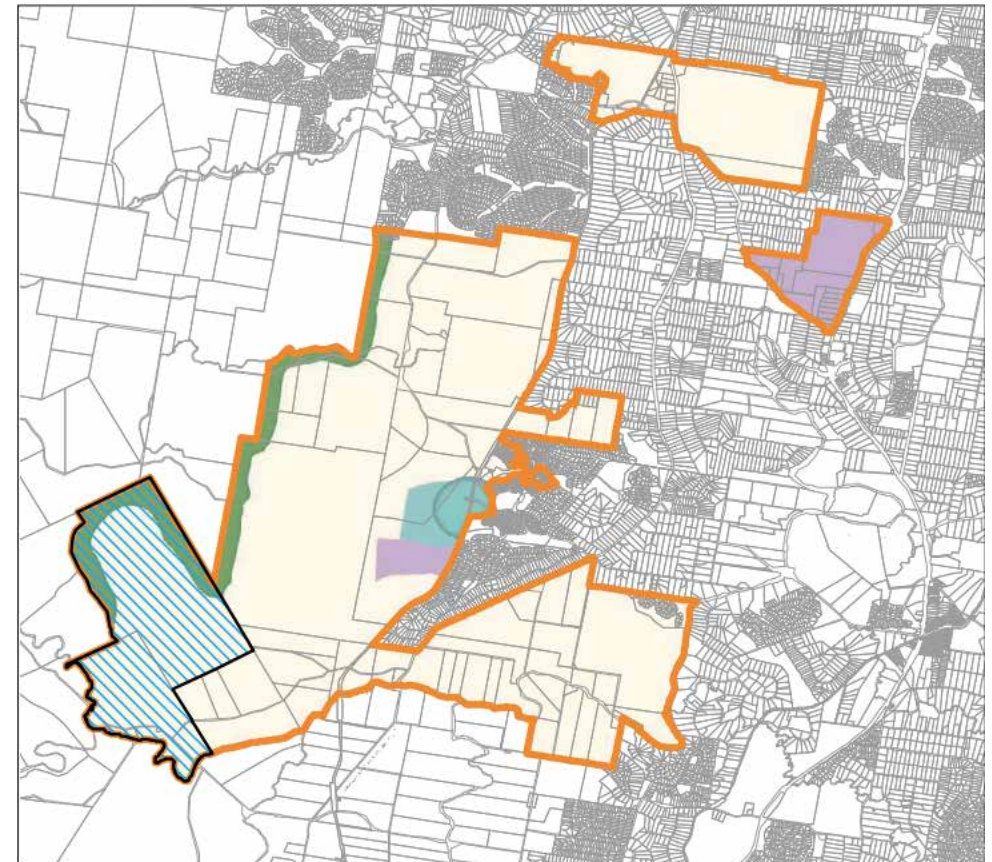
Address	Suburb	LGA	Ha
1-61 Jackson Road	Bellmere	Moreton Bay	97
325 Wyatt Road	Kagaru	Logan City	174
35 Graham Road	Fernvale	Somerset	39
28 Alice Street	Beaunesert	Scenic Rim	280
1034 Ripley Road South	Ripley	Ipswich	17
944-1024 Ripley Road	Ripley	Ipswich	80
Lot 1-3 Kerry Road	Beaunesert	Scenic Rim	151
590 Rochedale Road	Rochedale	Brisbane City	12
553 Caboolture River Road	Upper Caboolture	Moreton Bay	24
39-89 Fischer Road	Flinders View	Ipswich	49
33-135 Caledonian Road	Walloon	Ipswich	169
152-280 Grampian Drive	Deebing Heights	Ipswich	116
Olson Road	New Beith	Logan City	251



Flagstone PDA

Flagstone was identified as a Priority Development Area (PDA) in October 2010, and since then it has attracted interest from some of Australia's most prominent developers.

Covering 7,188 hectares it is one of the largest greenfield development areas in the nation, and is set to provide over 50,000 dwellings and house a population of over 140,000 residents once complete.



Legend

- Referral area
- Greater Flagstone PDA boundary
- Qld DCDB
- Urban living
- Major centre
- Industry & business
- Environmental protection

Recent Updates



Dec 2021:

Peet acquires remaining 50% shareholding in the Flagstone Development for \$46.2 million.



Jan 2022:

Frasers acquires 250 hectare New Beith (Flagstone North) site from Peet for \$80 million.



June 2022:

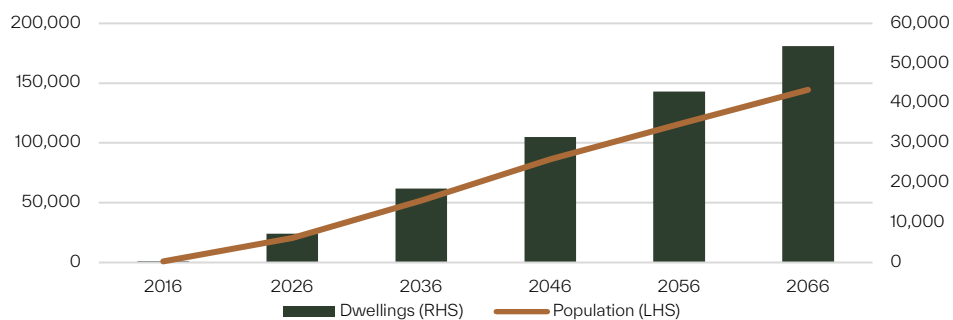
\$150 million Catalyst Infrastructure Fund announced to bring forward delivery of major infrastructure for Greater Flagstone and Ripley PDAs.

Growth Forecasts

Projections from Logan Council, SGS Economists and VLC consultants forecast 54,145 dwellings for the region by 2066.

This will require over 1,000 new homes delivered each year for the next 50 years – significantly higher than the current rate, with 696 homes approved across the broader Flagstone region (including homes outside the PDA) in FY2022.

FLAGSTONE PDA - POPULATION AND DWELLINGS FORECAST



Flagstone Growth Projections (SGS)	2020	2026	2031	2041	2066
Population	3,990	20,312	35,741	70,548	145,099
Employment	1,683	5,187	8,797	16,942	34,387
Average household Occupancy Rate	2.97	2.94	2.91	2.77	2.68
Residential dwellings	1,343	6,914	12,265	25,484	54,145

Source: ABS August 2022,

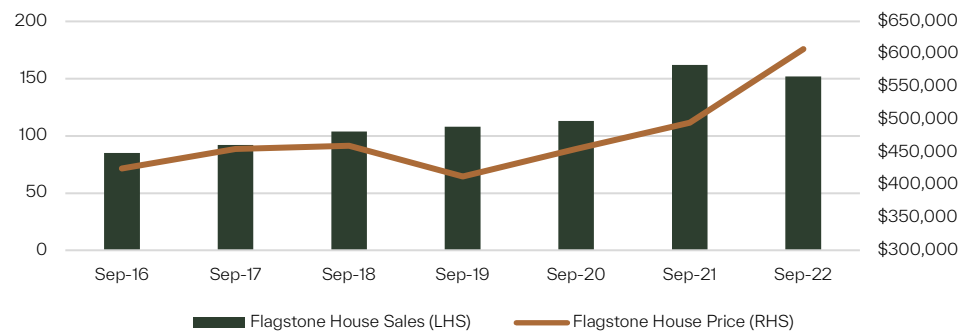
Economic Development Queensland - Greater Flagstone Priority Development Area Infrastructure Plan Background Report July 2022

Median Prices

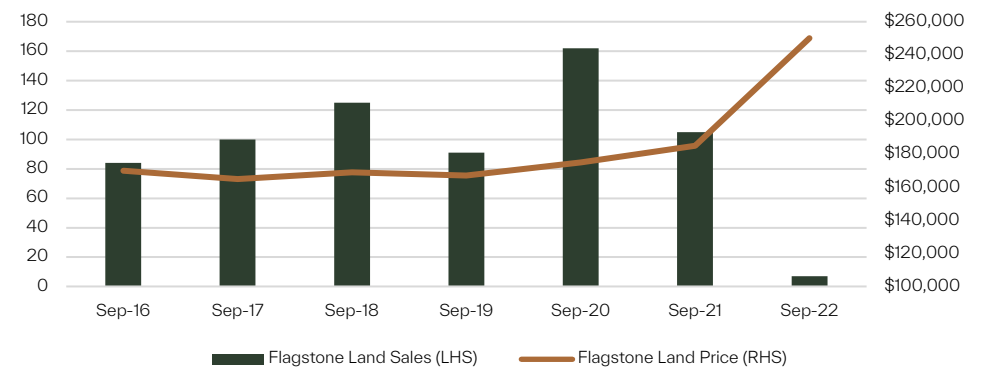
Flagstone median house price increased 23% in the 12 months to Sep Qtr 2022. There have been over 150 settled house sales per annum in the past two years.

Flagstone median settled land prices increased 35% in the year to \$250,000 in September 2022. There have been seven settled land sales recorded in the past 12 months, highlighting the lack of registered land.

FLAGSTONE HOUSE PRICE AND VOLUME



FLAGSTONE LAND PRICES AND VOLUME



House Sales	Sep-16	Sep-17	Sep-18	Sep-19	Sep-20	Sep-21	Sep-22	12 Month Change
Volume	85	92	104	108	113	162	152	-6%
Median Price	\$425,000	\$455,000	\$460,000	\$413,000	\$455,000	\$495,000	\$608,000	23%

Land Sales	Sep-16	Sep-17	Sep-18	Sep-19	Sep-20	Sep-21	Sep-22	12 Month Change
Volume (Settled)	84	100	125	91	162	105	7	-93%
Median Price	\$170,000	\$165,000	\$169,000	\$167,000	\$175,000	\$185,000	\$250,000	35%

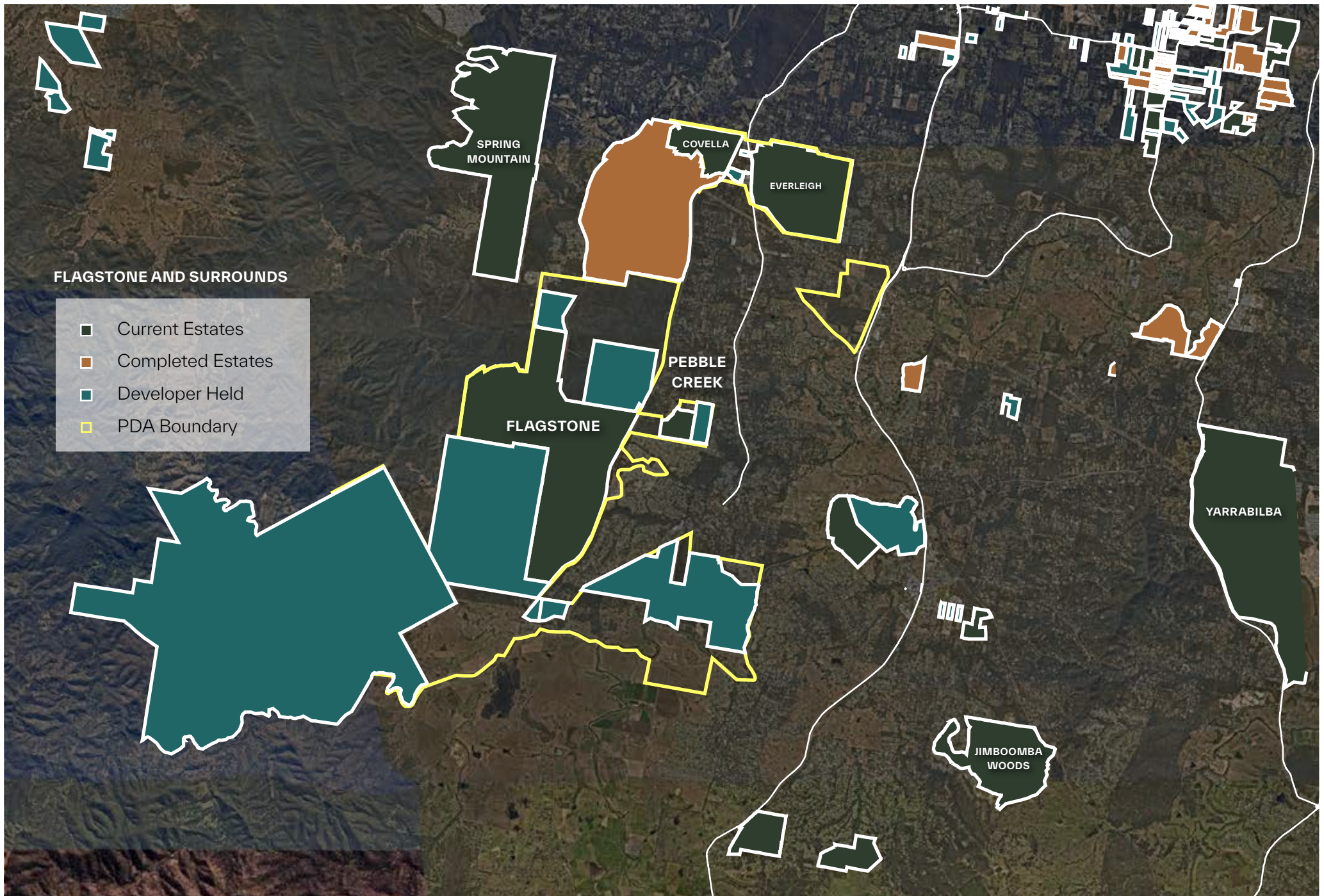
Source: Pricerfinder Sep 2022 (Settled)

Active Estates

There are currently four active projects within the Flagstone PDA amounting to a total yield of approximately 17,603 lots. Of this, an estimated 24% (3,392) of these lots have been sold, resulting in a historical average sales rate of around 56 lots per month. This amounts to around 26 years of current supply based on current sales rates.

However this all time average is lower than current sales rates within the precinct, with Peet's Flagstone Estate averaging approximately 28 lots per month in FY22, and recent demand has meant sales rates have been capped by the availability of stock on market.

Active Estates	Developer	Size (Ha)	Date Launched	Yield	Est Lots Sold	Est Lots Re- maining	% Sold	Avg. Sales per month historical	Years supply remaining
Flagstone, Flagstone	Peet	1,270	Mar-16	12,000	1,500	10,500	13%	18.8	46
Pebble Creek, South Maclean	Orchard	54	Apr-19	650	390	260	60%	9.1	2
Covella, Greenbank	Avid Property	155	Nov-17	1,502	730	772	49%	12.2	5
Everleigh, Greenbank	Mirvac	495	Aug-18	3,451	772	2,679	22%	15.2	15
Total				17,603	3,392	14,211	24%	55.5	26.4



CATCHMENT IN FOCUS

SIZES AND ESTATES WITHIN THE FLAGSTONE PDA

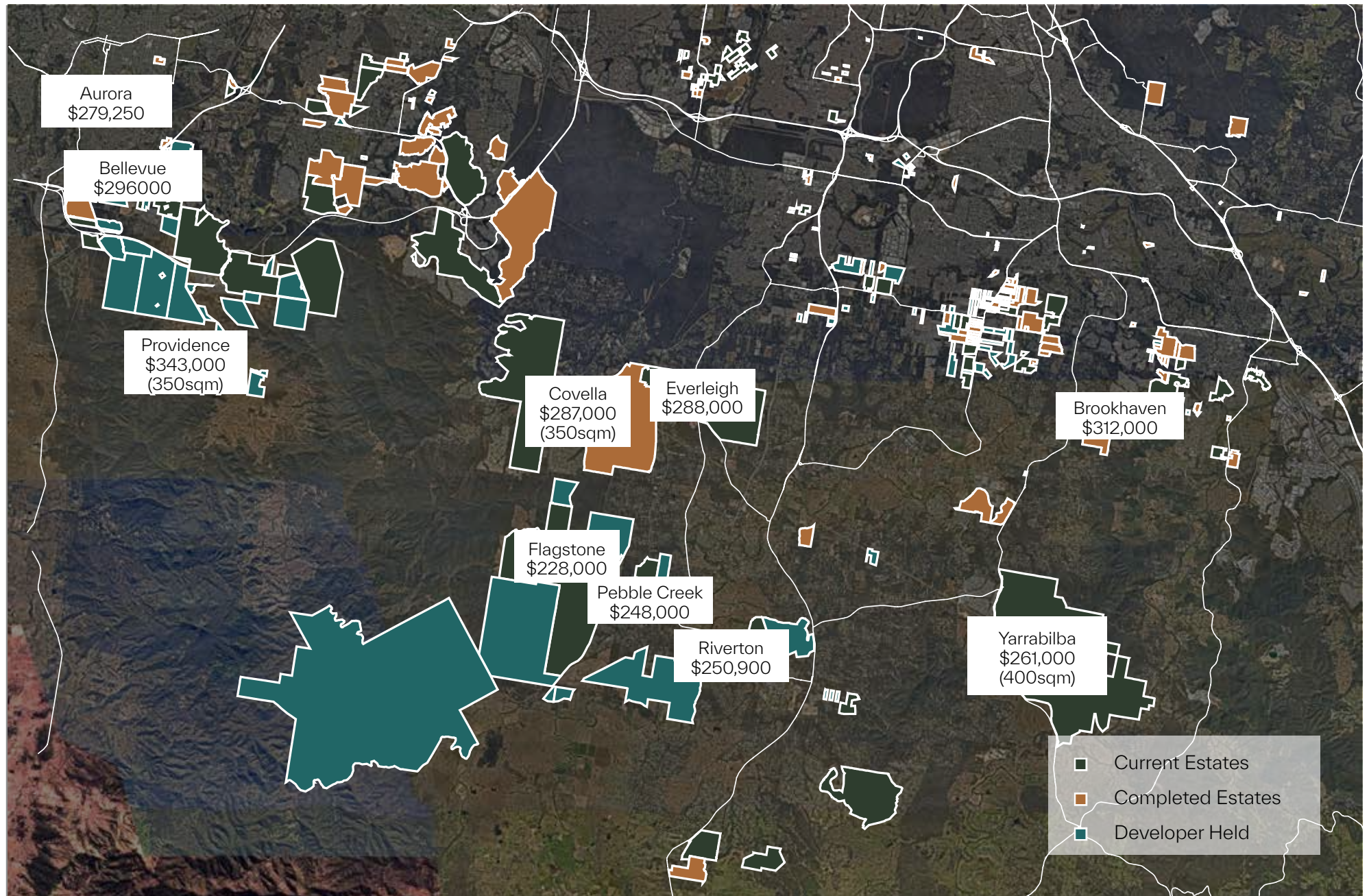
Median Size (sqm)	2016	2017	2018	2019	2020	2021	2022	12 month change	Overall change
Covella		510	400	400	448	392	350	-11%	-31%
Everleigh			480	480	433	408	337.5	-17%	-30%
Flagstone	475.5	420	414	420	387.5	375	375	0%	-21%
Pebble Creek				375	375	375	305	-19%	-19%
Grand Total	475.5	420	414	420	420	382.5	350	-8%	-26%

MEDIAN RATE (\$/SQM)

Median Rate (\$/sqm)	2016	2017	2018	2019	2020	2021	2022	12 month change	Overall change
Covella		\$498	\$548	\$539	\$511	\$552	\$700	27%	41%
Everleigh			\$468	\$460	\$476	\$526	\$617	17%	32%
Flagstone	\$350	\$393	\$408	\$418	\$435	\$491	\$667	36%	90%
Pebble Creek				\$440	\$469	\$523	\$607	16%	38%
Grand Total	\$350	\$393	\$458	\$460	\$467	\$533	\$618	16%	77%

Source: Pricefinder Sep 2022 (Settled)

HOW MUCH DOES A 375SQM LOT COST?



Our Team

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



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