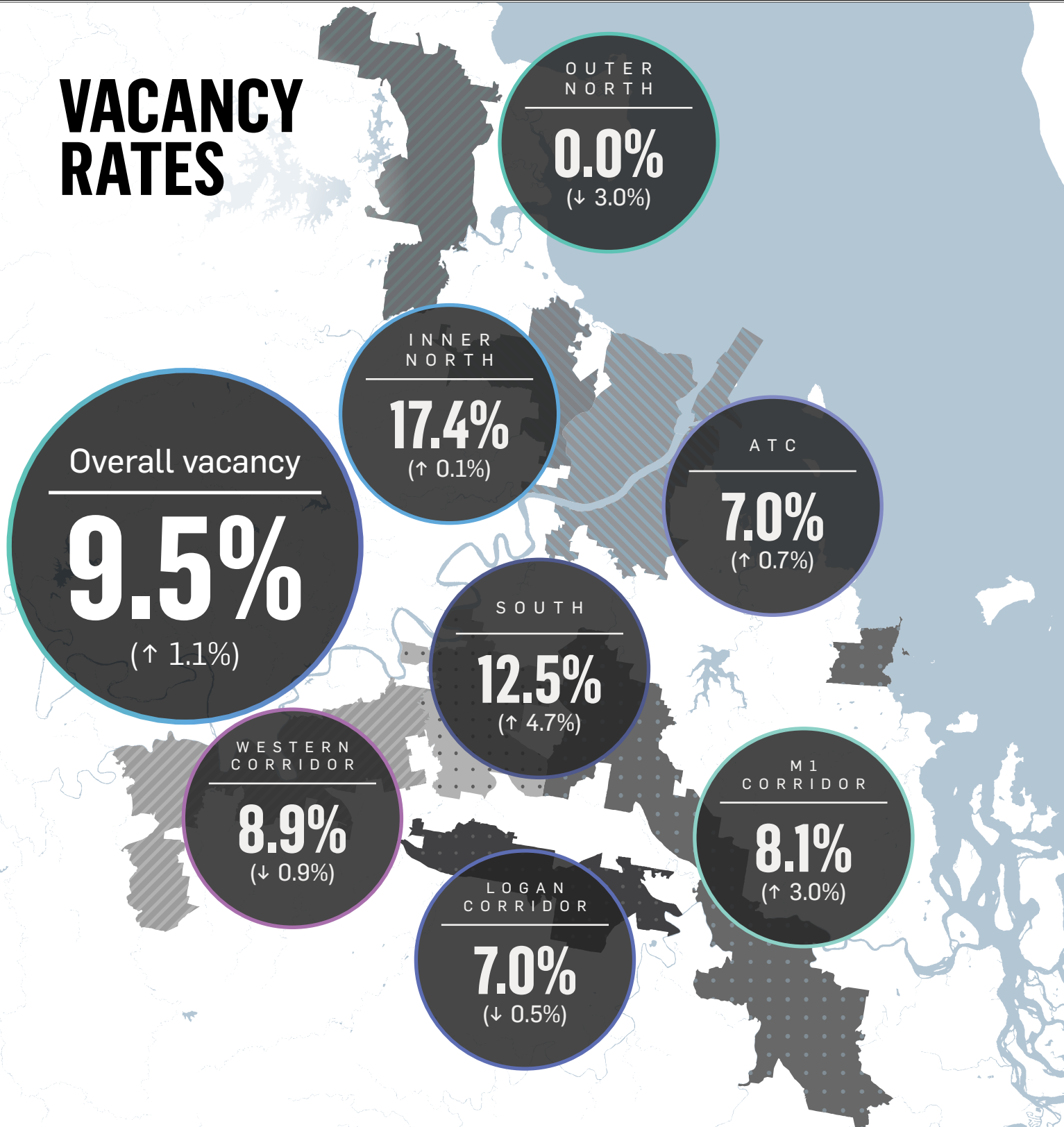


# BRISBANE INDUSTRIAL VACANCY STUDY

October 2016

# VACANCY RATES



**Ivan Hill**  
Director

"In a follow up to the inaugural Brisbane Industrial Vacancy Study in February 2016, Urbis Real Estate Advisory is proud to present the August 2016 half yearly update. Our Study analyses over 7,700,000m<sup>2</sup> of floor space across seven Brisbane sub markets. This includes more than 460 assets whose individual GFA exceeds 7,000m<sup>2</sup>. We trust the findings will provide you with a greater insight into Brisbane's industrial landscape."

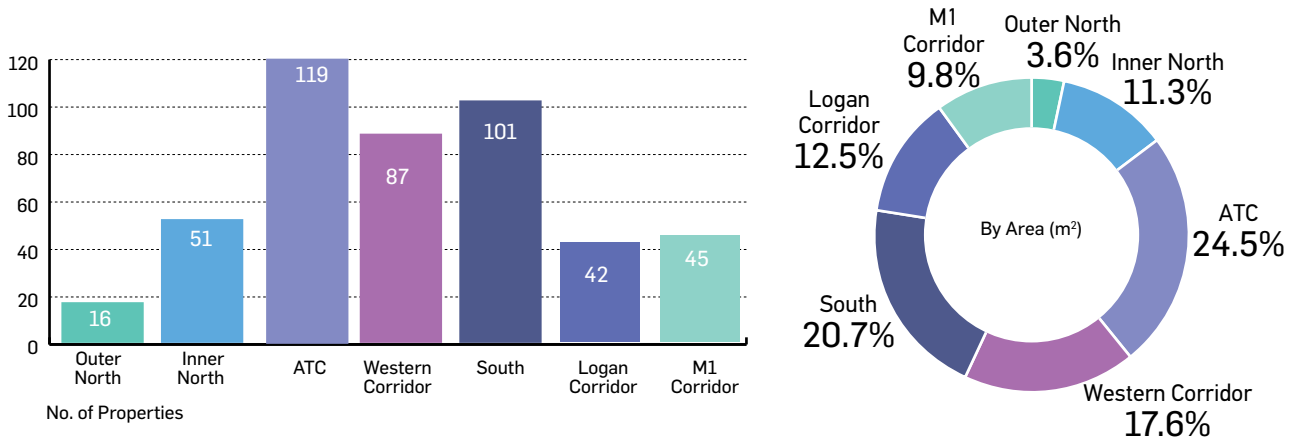
# MARKET SIZE & COMPOSITION

## KEY TOTAL MARKET OBSERVATIONS

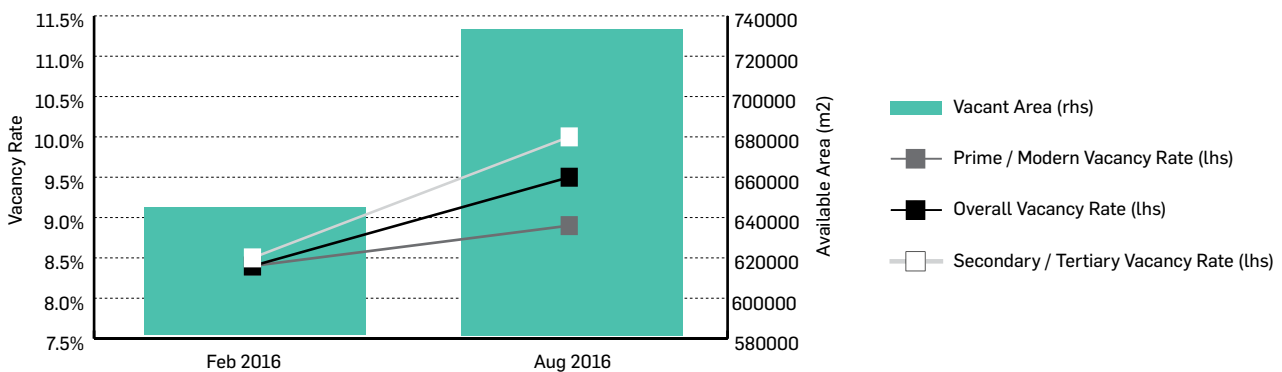
- The Australian Trade Coast (ATC) is the largest sub market comprising almost 1,885,000m<sup>2</sup> or 24.5% of the GLA of major industrial properties.
- The Brisbane Market includes 21 properties greater than 50,000m<sup>2</sup>; increasing to 69 for properties greater than 25,000m<sup>2</sup>.
- Within the Brisbane Market, the average size of properties over 7,000m<sup>2</sup> is 16,718m<sup>2</sup>. The Logan Corridor trends well above this benchmark at an average of 22,939m<sup>2</sup>.
- Of the total floor space, 47.7% is graded Prime or Modern with almost one third of this stock located at the ATC.

## MARKET SIZE + COMPOSITION

Industrial facilities > 7,000m<sup>2</sup>



## VACANCY SHIFTS (FEB '16 TO AUG '16)



# CHANGE IN VACANCY

## THE FOLLOWING TABLE REFLECTS THE MAJOR SHIFTS IN VACANCY

Industrial facilities >7,000m<sup>2</sup>

INDICATOR	FEB-16	AUG-16	MOVEMENT
Vacant Area	643,210m <sup>2</sup>	731,739m <sup>2</sup>	↑
Average size of Vacancy	7,750m <sup>2</sup>	8,411m <sup>2</sup>	↑
Overall Vacancy Rate	8.4%	9.5%	↑
Prime/Modern Stock	8.4%	8.9%	↑
Secondary Tertiary Stock	8.5%	10.0%	↑
Outer North	3.0%	0.0%	↓
Inner North	17.3%	17.4%	↑
ATC	6.3%	7.0%	↑
Western Corridor	9.8%	8.9%	↓
South	7.7%	12.5%	↑
Logan Corridor	7.4%	7.0%	↓
M1 Corridor	5.1%	8.1%	↑
No of buildings with Vacancy	83	87	↑
Properties 0-15k (m <sup>2</sup> )	73	74	↑
Properties 15-20k (m <sup>2</sup> )	5	8	↑
Properties 20-25k (m <sup>2</sup> )	3	4	↑
Properties 25k+ (m <sup>2</sup> )	2	1	↓

**THE SUBMARKETS OF BOTH THE INNER NORTH AND THE SOUTH HAVE COMPARATIVELY HIGH REPRESENTATIONS OF STOCK CLASSIFIED AS EITHER SECONDARY OR TERTIARY, AT 81% AND 78% RESPECTIVELY. UNSURPRISINGLY, THESE SUBMARKETS HAVE TWO OF THE LARGEST VACANCY RATES AND ACCOUNT FOR ALMOST HALF OF BRISBANE'S TOTAL VACANT FLOORSPACE.**



Average Size of Vacancy

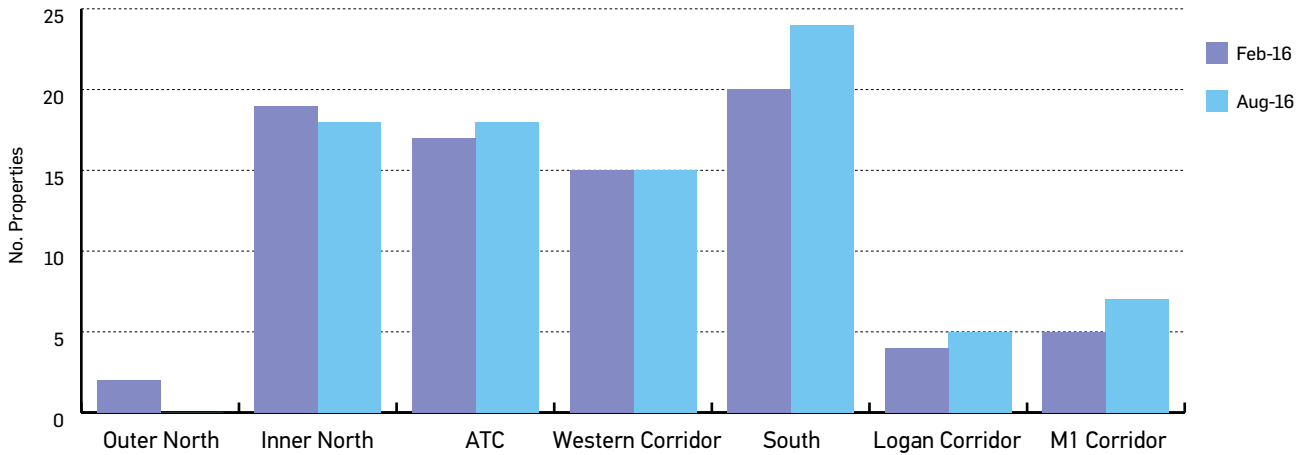
# 13,411M<sup>2</sup>

Logan Corridor Submarket

# CHANGE IN VACANCY

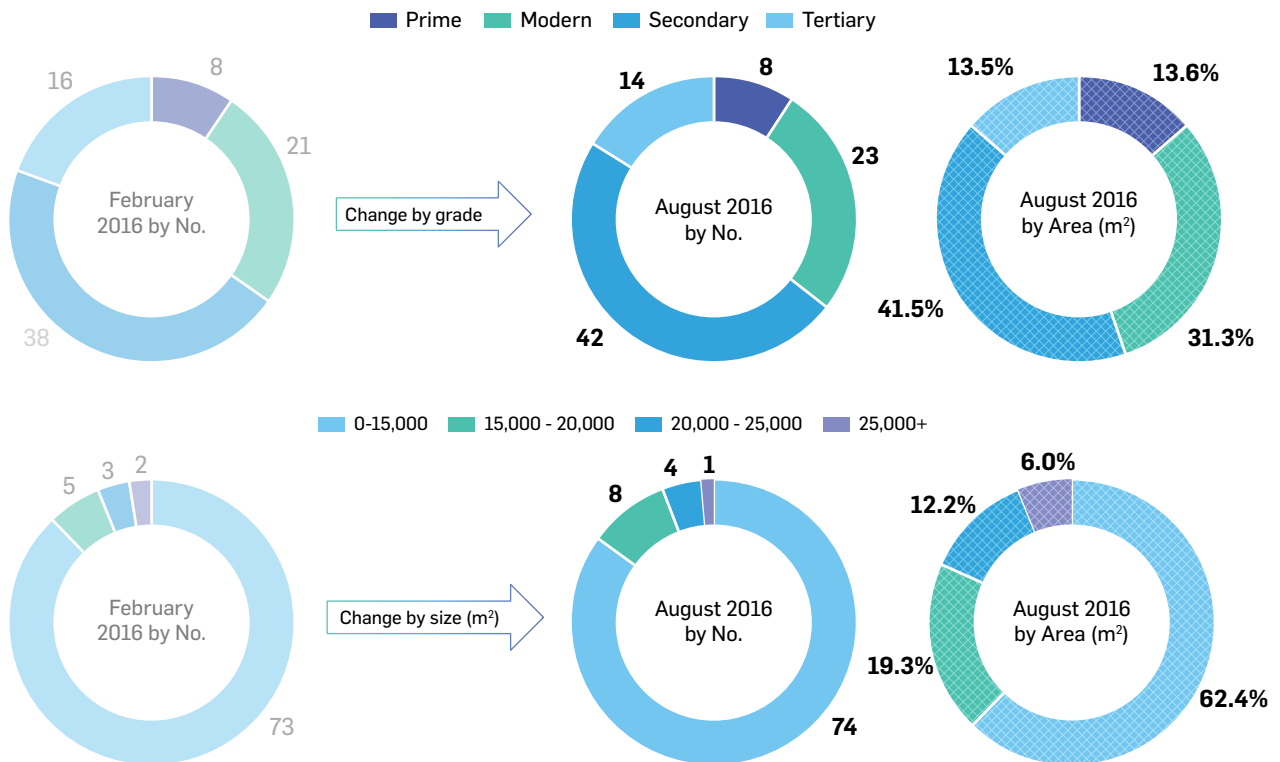
## VACANCY BY SUBMARKET

Industrial facilities >7,000m<sup>2</sup>



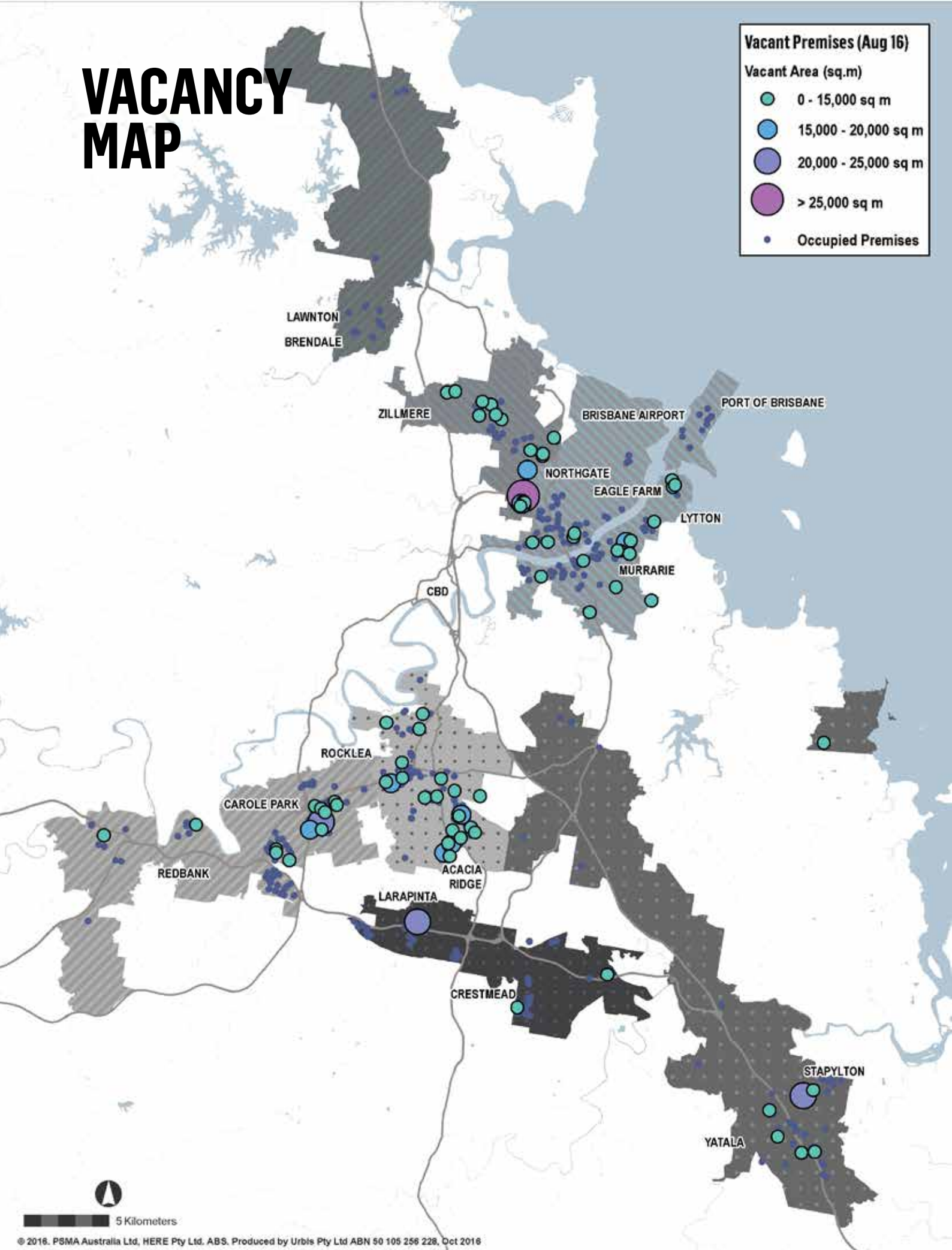
## MOVEMENT IN VACANCY BY GRADE AND SIZE

Industrial facilities >7,000m<sup>2</sup>





# VACANCY MAP

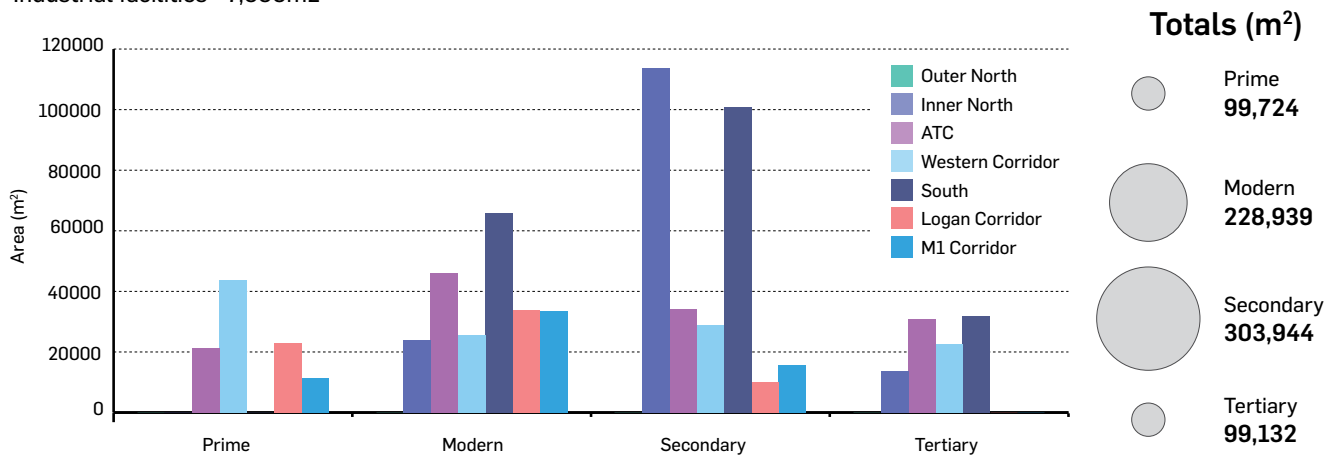


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# VACANCY

## VACANCY (BY SUBMARKET & GRADE)

Industrial facilities >7,000m<sup>2</sup>



## KEY OBSERVATIONS

- The majority of vacant space is concentrated within three sub markets being the Inner North, Western Corridor and the Southern Market.
- Only the Outer North records a nil vacancy rate noting that it's the smallest sub market by quantum and total floor space.
- The average size of a vacancy is now just over 8,400m<sup>2</sup> increasing from circa 7,750m<sup>2</sup>. This is generally a reflection of a high proportion of partly vacant properties which represent over 70% of total vacancy.
- The average size of a Prime/Modern vacancy is around 10,600m<sup>2</sup> with Secondary/Tertiary properties far smaller at around 7,200m<sup>2</sup>.

### Interpreting the Analysis

With an objective of establishing a Brisbane Industrial Vacancy Rate relevant to our clients, who are major industrial owners and occupiers, our study has targeted properties of 7,000m<sup>2</sup> or greater. In total our analysis covers 460 properties and over 7,700,000m<sup>2</sup> of industrial floor space.

Quality gradings have been applied to all buildings summarised as follows:

- ▶ **Prime** – Buildings no older than five years which suit a diverse range of occupiers. A minimum 8.5 metre internal clearance and extensive truck marshalling and hardstand areas.
- ▶ **Modern** – Buildings between 5 and 15 years old, generally providing in excess of 7 metre internal clearance.

- ▶ **Secondary** – Buildings between 15 and 30 years old, generally providing a minimum 6 metre internal clearance.
- ▶ **Tertiary** – Buildings over 30 years old, most of which are unlikely to have many alternate users, other than discount short-term storage, upon vacation by the current occupier.

Our analysis categorises vacant those buildings that are under construction and due to reach practical completion within three months from the date of this report; those buildings occupied on a month to month basis; or in instance where the current occupant is known to be relocating to an alternative premises within the next three months.



In today's dynamic and complex markets, putting a value on property involves much more than local knowledge and simple sums.

Our valuations take account of everything likely to impact the value of a property, now and in the future. Drawing on extensive experience across every sector, we look at property from more angles to give institutional and private investors, corporate clients and government more insightful analysis, more nuanced advice plus a clearer sense of value – and how to maximise it.

With consultants specialising in the industrial, residential, retail, commercial and self-storage sectors, we provide insightful analysis and accurate reporting to help minimise risk and maximise opportunities.

Our national business model ensures our clients get access to the right people to deliver timely and reliable advice. Work is shared amongst consultants in our Sydney, Melbourne and Brisbane offices to make sure we deliver optimum results within the required timeframes.

Contact one of our industrial specialists to find out how we can assist you.



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## BRISBANE

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