

HOT SPOT

PROPERTY INVESTMENT

TOOWOOMBA



THE TOOWOOMBA REPORT



TOOWOOMBA'S
POPULATION IS
PREDICTED TO
INCREASE BY
43% OVER THE
NEXT 20 YEARS
TO REACH
301,000 IN 2031.

POPULATION

With a population of over 160,000 people, Toowoomba is Australia's largest inland regional city, and is the commercial and economic hub of the Darling Downs, serving a population in excess of 250,000 people.

LOCATION

The Toowoomba region is located in South East Queensland, about 125 kms west of Brisbane. It is bounded by the South Burnett region in the north, the Somerset region and the Lockyer Valley region in the east, the Southern Downs region and the Goondiwindi region in the south, and the Dalby region in the west. The main urban centre is Toowoomba, also known as the Garden City, with smaller urban areas in surrounding townships. Rural land is used largely for beef and dairy cattle, crop and cereal growing, vegetable growing and sheep grazing, with some energy production, forestry and tourism.

ECONOMY

Regarded as the gateway to the Darling Downs, one of Queensland's most important agricultural assets and the rapidly expanding Surat Basin energy reserves, Toowoomba is booming. The city is on the verge of a development surge with \$11 billion in major projects planned for the region, potentially creating 10,000 new jobs. In addition to the recently completed \$200 million Wellcamp Airport, a number of projects have been announced, including the \$1.7 billion Second Range Crossing as well as the \$490 million QIC Shopping centre.

TOOWOOMBA FACTS

REGIONAL OVERVIEW

Toowoomba is uniquely located in the south-east corner of Queensland and offers 161,000 residents the best of both city and country lifestyles. Established around an agricultural sector that takes advantage of incredibly fertile farming land, the region's economy has grown and diversified to the point that Toowoomba is now the second largest inland city in Australia and the service centre for South West Queensland and North West New South Wales.

Toowoomba is also the service centre for the Surat Basin which is one of Australia's richest accessible resource reserves and will see almost \$200 billion invested in projects.

In January 2014 the Australian Government and the State Government of Queensland declared that "One of Queensland's highest priority road infrastructure projects has been secured for the state, with the federal and Queensland governments announcing they will deliver the vital Toowoomba Second Range Crossing (TSRC)." The Queensland Deputy Premier said that the TSRC would help drive Queensland's economic growth by creating jobs and providing a gateway to the state's resource-rich Surat Basin and the agricultural food bowls of the Darling Downs.

Also located approximately 17 kilometres west of Toowoomba's CBD is Wellcamp Airport and Wellcamp Business Park.

The future for Toowoomba is promising, not only for those fortunate enough to already live in the region, but also those looking to move to where the grass really is greener. Toowoomba is rapidly moving beyond its Garden City reputation to become the hub of one of Australia's most attractive regions. The temperate climate, beautiful gardens and serene countryside remain but phenomenal opportunities are attracting an influx of new businesses and residents keen to be part of the success of the region.

SOURCE: Toowoomba regional Council.

■ Australia's largest inland regional City and part of the fastest growing region of South East Queensland, Australia.

■ Population of 161,000 (200,000+ greater Toowoomba) and is predicted by the Australian Bureau of Statistics (ABS) to grow by a staggering 43% to over 301,000 by 2031.

■ Rated Australia's Number One property investment hotspot by industry gurus John McGrath, Terry Ryder and Margaret Lomas.

■ Boasts the state's highest employment rate and the lowest rental vacancy rate (2014) and continued to lead regional Queensland in both categories.

■ Australia's number one infrastructure investment region with over \$180 billion in major projects planned or underway over the next 10 years, including \$11 billion in regional development.

■ Major Transport Infrastructure Trifecta – New \$200 million regional Airport, \$1.7 billion Second Range Crossing road project and the \$4.7 billion Inland Rail Project.

■ The regional capital and central hub of the Surat Basin, one of the world's richest gas and coal regions with several major coal projects and over 300,000 potential gas wells proposed and under development.

SOURCES: Toowoomba and Surat Basin Enterprise, Your Investment Property Magazine, Sydney Morning Herald and Hotspotting.com.au

REGIONAL ECONOMY: MAJOR INDUSTRIES

AGRICULTURE

Agriculture is one of the key industries in the Toowoomba region, being a significant employer and contributor to the local economy. The region's key agricultural outputs include grain, cotton, beef, dairy products and pork. In 2011, the Toowoomba region had the second highest gross value of agricultural production in Australia at \$663.3 million.

The agricultural sector is:

- > The region's largest in terms of number of businesses
- > The region's second largest in terms of total industry turnover
- > The region's fifth largest industry employer
- > The region's eleventh largest industry contributor to Gross regional Product

EDUCATION

Toowoomba has long been the centre for education for the Darling Downs region and enjoys some of the finest educational establishments with an unmatched pedigree.

- > 32 primary schools
- > 18 secondary schools
- > TAFE campus
- > University of Southern Queensland

AUSTRALIAN DEFENCE FORCE

Toowoomba has benefited from a long term association with the Australian Defence Force, home to Borneo Barracks located to the north of the city and the Oakey Army Aviation Centre located at nearby Oakey.

MINING – SURAT BASIN

Toowoomba lies on the doorstep of the Surat Basin. The Surat Basin contains vast coal and gas energy reserves, with the resource sector a powerhouse for the region's economy. Rich in a number of natural resources, including thermal coal, coal seam gas (CSG), oil and natural domestic gases, the Toowoomba and Surat Basin region is a significant energy hub for not only Queensland, but also for Australia.



NATURAL GAS

The Surat Basin is one of the world's richest sources of natural gas. There are over 30,000 gas well licences pending or approved by the Qld government with the vast majority of these in the Surat Basin.

PROJECTS & RESOURCE ACTIVITY

- > Rail line expansion to the western line and re-opening of the old branch line creating 4,000 jobs and delivering \$1.3 billion in economic activity
- > Liquid Natural Gas (LNG) – 2,650 coal seam gas wells to be drilled in the Surat and Bowen Basins over the next 25 years producing 5,000 construction jobs and 1,000 permanent jobs
- > CSG & LNG – Surat Basin projects to employ 12,500
- > Australia Pacific LNG – \$650 million gas processing plant, 6,000 construction jobs and 1,000 operational jobs
- > New Acland Coal Mine – 35km northwest of Toowoomba, 4.2 million tonnes per annum will directly employ more than 420 in construction, 275 in operational positions and an additional 169 required by 2015
- > Water Pipeline – The \$200 million pipeline was completed in early 2010
- > Border Rail Links – \$1 billion Border Railway between Toowoomba and Moree, \$1 billion Surat Basic rail link between Toowoomba and Gladstone, requiring 1,000 employees
- > Toowoomba Bypass project – \$1.75 billion
- > Warrego Highway – \$96 million upgrade
- > Surat Basin Energy Province – Qld Gas Company's \$15 billion project
- > Gas Pipeline – \$40 million 420km pipeline from the Surat Basic to Gladstone
- > Cameby Downs Coal Mine – \$190 million development
- > AGL Wind Farms – \$270 million wind farms 40km north of Toowoomba creating 460 construction and operation jobs

TOOWOOMBA: TRANSPORT TRIFECTA

WELLCAMP AIRPORT

Australia's newest airport, Wellcamp Airport is the aviation gateway connecting Toowoomba and South West Queensland to the world. Developed and operated by global construction company Wagners, Wellcamp Airport is the first greenfield public airport built in Australia in 50 years and the nation's first privately funded public airport.

With regular flights direct to Cairns, Sydney, Melbourne, St George, Brisbane and Charleville, the \$200 million Wellcamp Airport & Business Park also has the capability to operate Boeing 747 freight aircraft, opening opportunities for Toowoomba and the Darling Downs region to expand distribution of agricultural produce to the lucrative international market. The airport is located just 17 kilometres or 15 minutes drive from Toowoomba's CBD.



Cathay Pacific Cargo flying local produce direct to Asia.

WELLCAMP BUSINESS PARK

Wellcamp Business Park incorporating Wellcamp Airport will be the business hub of Toowoomba and regional Queensland. With an aviation, logistics, transport, corporate and mining services focus, Wellcamp Business Park will be Queensland's premier airport precinct.

Wellcamp Business Park will be a destination in its own right with wide landscaped streets, parklands, first class presentation of buildings, all leading to a modern regional airport terminal. Situated on the future Toowoomba Bypass with direct access by road to the south, west, north and east of Queensland, Wellcamp is ideally located to service Queensland and Australia's business needs.

Potential industries;

- > Aviation maintenance
- > Aviation logistics
- > Transport logistics
- > Warehousing/distribution
- > Corporate offices
- > Manufacturing
- > Factory outlets
- > Commodity processing
- > Aviation training and support industries

WELLCAMP AVIATION SCHOOL

Wellcamp Airport has linked up with the Airline Academy of Australia (AAA) and University of Southern Queensland (USQ) for a new aviation education precinct at Australia's newest airport. The school is a world class facility and will offer pilot training as well as courses for aircraft maintenance, engineering and electronics. While the AAA will run the pilot courses with light aircraft permanently on site at the airport, USQ will conduct the other training courses. Boeing's latest pilot and technician outlook says the aviation industry will need to find 533,000 new commercial airline pilots and 584,000 new maintenance engineers over the next 20 years to meet this demand.



THE TOOWOOMBA REPORT



INTERLINK SQ LOGISTICS HUB

InterLinkSQ is southern Queensland's finest intermodal centre, offering unprecedented opportunities for transport and logistics services in the region. InterLinkSQ is a 200 hectare intermodal terminal and industrial precinct located 13km west of Toowoomba. It features a rail terminal with nearly 3km of frontage to the current West Moreton Rail line and the proposed Inland Rail alignment. The rail precinct will incorporate grain and commodities storage, processing and loading facilities as well as rail maintenance and provisioning and a large container handling and storage area.

With the Australian Quarantine and Inspection Service (AQIS) clearing and customs bonding facilities proposed for the site and a planned rail shuttle service to the Port of Brisbane, InterLinkSQ is ideally positioned as an Inland Port.

The surrounding industrial and logistics park will cater for:

- > General and cold-store warehousing
- > Transport depots
- > Food manufacturing facilities
- > A range of support services

TOOWOOMBA BYPASS

The Toowoomba Second Range Crossing (TSRC) project is the largest Australian Government commitment to a single regional road project in Queensland history. This \$1.6 billion project will provide commercial and heavy vehicles with an alternative crossing of the range to the North of Toowoomba, running from the Warrego Highway at Helidon to the Gore Highway at Athol via Charlton. The TSRC will provide significant economic benefit to the region and State, and enhance the liveability of the Toowoomba and Lockyer Valley areas including:

- > Up to 1800 full time jobs during construction
- > Improved road and driver safety
- > Reduced travel time across the range by up to 4 minutes for heavy commercial vehicles
- > Relieved pressure on Toowoomba's city streets by redirecting more than 4,000 trucks away from the CBD
- > Increase in freight efficiencies and access to markets

INLAND RAIL PROJECT

The anticipated Inland Rail Project will see a new 1,730km rail connection developed between Melbourne and Brisbane. This key piece of national infrastructure will enhance the existing rail network and current interstate freight market.

Passing through central-west New South Wales and Toowoomba, the Inland Rail Project will have the capacity to serve the east coast freight market for the next 50 years and beyond, reducing train operating costs and improving service standards across-state. Currently, a typical year sees 50% of all of trade to and from the Port of Brisbane come from Toowoomba and west. A 2km long tunnel through the Toowoomba Range will be built as part of the project, significantly reducing travel time from Brisbane to Toowoomba.

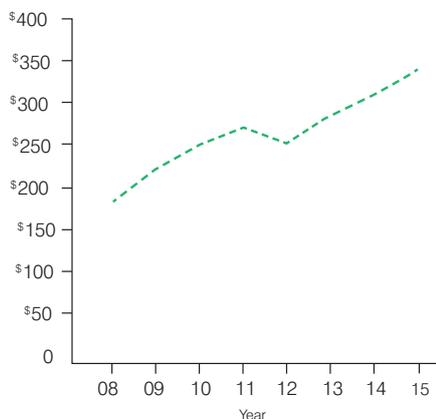
The Inland Rail Project will comprise of:

- > 700km of existing interstate network (41%)
- > 400km of upgrades of existing corridors (25%)
- > 600km of greenfield construction



THE TOOWOOMBA REPORT

TOOWOOMBA MEDIAN RENT PRICES (10 YEARS)



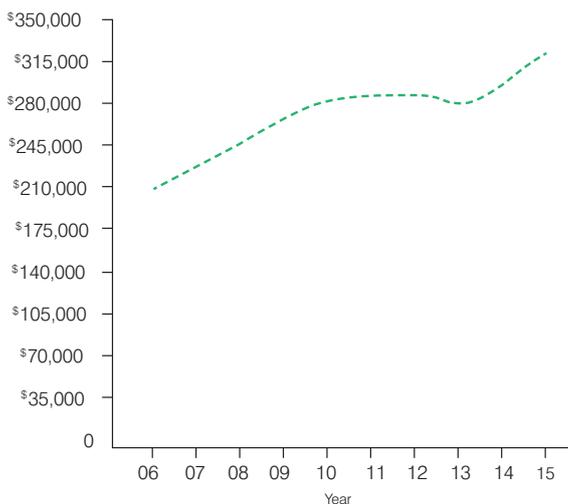
SOURCE: RP Data, April 2015

GROWTH IN MEDIAN HOUSE PRICES LGA

| | 12MTHS SEPT 2014 | GROWTH | 5YR GROWTH |
|----------------|---------------------|--------|---------------|
| TOOWOOMBA | \$335,000 | 7.2% | 24.1% |
| GOLD COAST | \$500,000 | 5.5% | 6.4% |
| SUNSHINE COAST | \$467,500 | 6.3% | 5.3% |
| FRASER COAST | \$295,000 | 1.7% | 0% |
| BUNDABERG | \$279,000 | 1.5% | 2.2% |
| GLADSTONE | \$400,000 | -8.3% | 9.6% |
| ROCKHAMPTON | \$311,250 | -2.7% | 6.8% |
| MACKAY | \$406,000 | -3.5% | 5.6% |
| TOWNSVILLE | \$357,650 | -0.7% | -0.7% |
| CAIRNS | \$376,000 | 6.2% | 6.5% |

SOURCE: www.yourinvestmentpropertymag.com.au

TOOWOOMBA MEDIAN PRICES (10 YEARS)



SOURCE: RP Data, April 2015

TOOWOOMBA PROPERTY STATS

| | |
|-------------------------------|-----------|
| MEDIAN PRICE | \$369,000 |
| 12-MONTH GROWTH | 8.84% |
| AVERAGE ANNUAL GROWTH | 5.0% |
| WEEKLY MEDIAN ADVERTISED RENT | \$330 |
| GROSS RENTAL YIELD | 4.65% |
| VACANCY RATES | 1.3% |

SOURCE : www.realestate.com.au &
www.realestateinvestar.com.au, April 2015

