

ALL OVER DEVELOPMENT LAND SALES



Welcome to the final edition of Bayleys' Development Land Sales Newsletter for 2023, with contents designed to inform and add value for stakeholders in the sector.

Between a general election, local government developments, and the continued hold on the Official Cash Rate, Kiwis have greater clarity, reflected in rising market confidence.

The new coalition government of National, Act, and New Zealand First campaigned with pro-business policies, offering a sense of stability for the business environment. Although, a better understanding of regulatory changes will be crucial looking forward.

Anecdotal evidence suggests that buyers and sellers have returned to the market in time for the summer selling season. This news augers well for the development landscape as we approach the new year, and those considering their options in 2024.

Intense demand for development land remains persistent, particularly following Auckland Council's decision to adopt its Future Development Strategy (FDS) at the beginning of the month.

Councillors voted to withdraw zoning designations for approximately 4,800 hectares of land on the fringes of the city's boundaries while pledging to prioritise infrastructure spending in areas where growth is already occurring.

With significant expansion occurring throughout Auckland's western corridor, notably in Westgate and Whenuapai, the latter stands out as the exclusive Future Urban area within the Supercity prioritised for growth. Approximately 250 hectares of business land in this region is slated for accelerated development, scheduled to commence in 2025.

Recognising the precinct as a pivotal greenfield growth node, especially with projects like the Te Ara

Hauāuru rapid transit project in play (envisioning a transport network from Brigham Creek Road to the city centre alongside State Highway 16), will consistently boost residential zoning and foster broader regional development.

Landowners and development agencies see infrastructure fortification in the Northwest as a primary investment catalyst. Already, we've witnessed a notable increase in enquiries from asset owners eager to explore their options.

While 2024 will undoubtedly present more challenges, there's robust advocacy for land development and growth in the Northwest. I take pride in championing this cause, backed by a depth of understanding of planning processes and the city's 30-year growth outlook.

The market is gaining momentum, and I remain focused on land sales whilst maximising the financial outcomes for my clients and customers. Now, more than ever, it could be an opportune time to position your property in a thriving market.

Please feel free to contact me anytime to discuss the contents of this newsletter, or your needs more specifically. Together, I look forward to leveraging burgeoning opportunities in 2024.

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Market insights

Northwest development land market in 60 seconds

National trends



Active brownfield development opportunities

A noticeable momentum is building within the brownfield and infill market, as an increasing number of development opportunities emerge, generating significant interest from developers who are eager to capitalise on these prospects.



Construction costs easing

The latest data shows a plateau in the rising construction costs. The easing of demand for materials and labour around the country with increasing competition should help to stabilise costs further.



Rents increasing quickly

The current scenario of record positive net migration is exerting upward pressure on rental prices, with the intensifying competition for housing contributing to a rapid and substantial increase in rents.

Outlook for the local market



Impact of Auckland's FDS still being realised

Greenfield land development remains subdued as the market digests the now-adopted Future Development Strategy with developers considering their options and opportunities.



Yields stabilising at higher levels

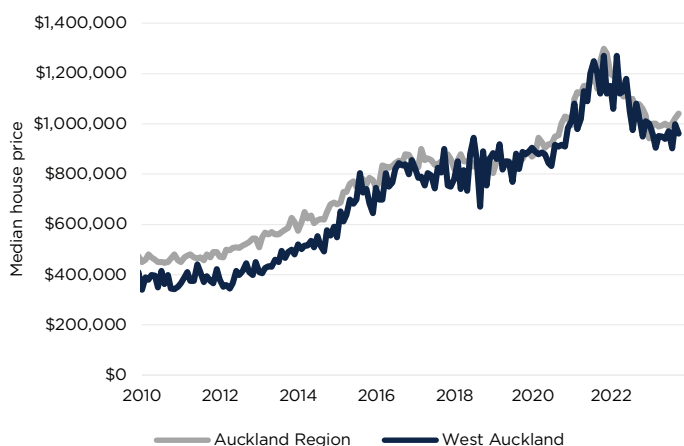
Rising interest rates have led to a softening of yields across most markets. Signals that inflation and long-term interest rates are peaking mean yields are likely to stabilise at higher levels. Lower numbers of sales transactions mean there is less evidence available to showcase this trend.



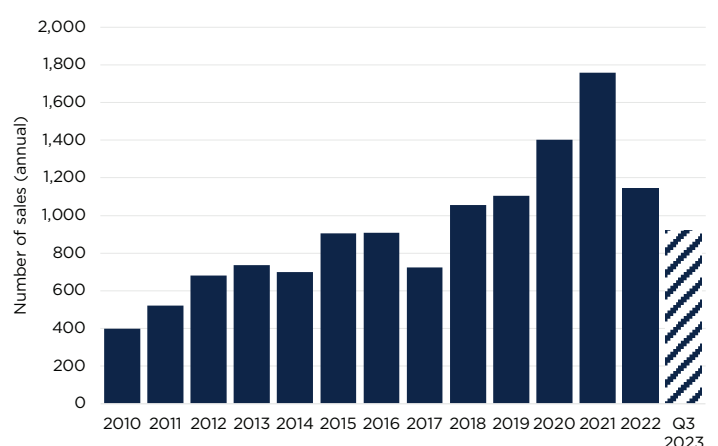
Developers taking a long-term view

Developers are actively seeking opportunities to solidify their land acquisitions, as they strategically plan to not only build but also formalise robust pipelines that will play a pivotal role in their business development strategies over the course of the next five to ten years.

Median house price



Number of sales (annual)



Auckland's Future Development Strategy (FDS) now adopted

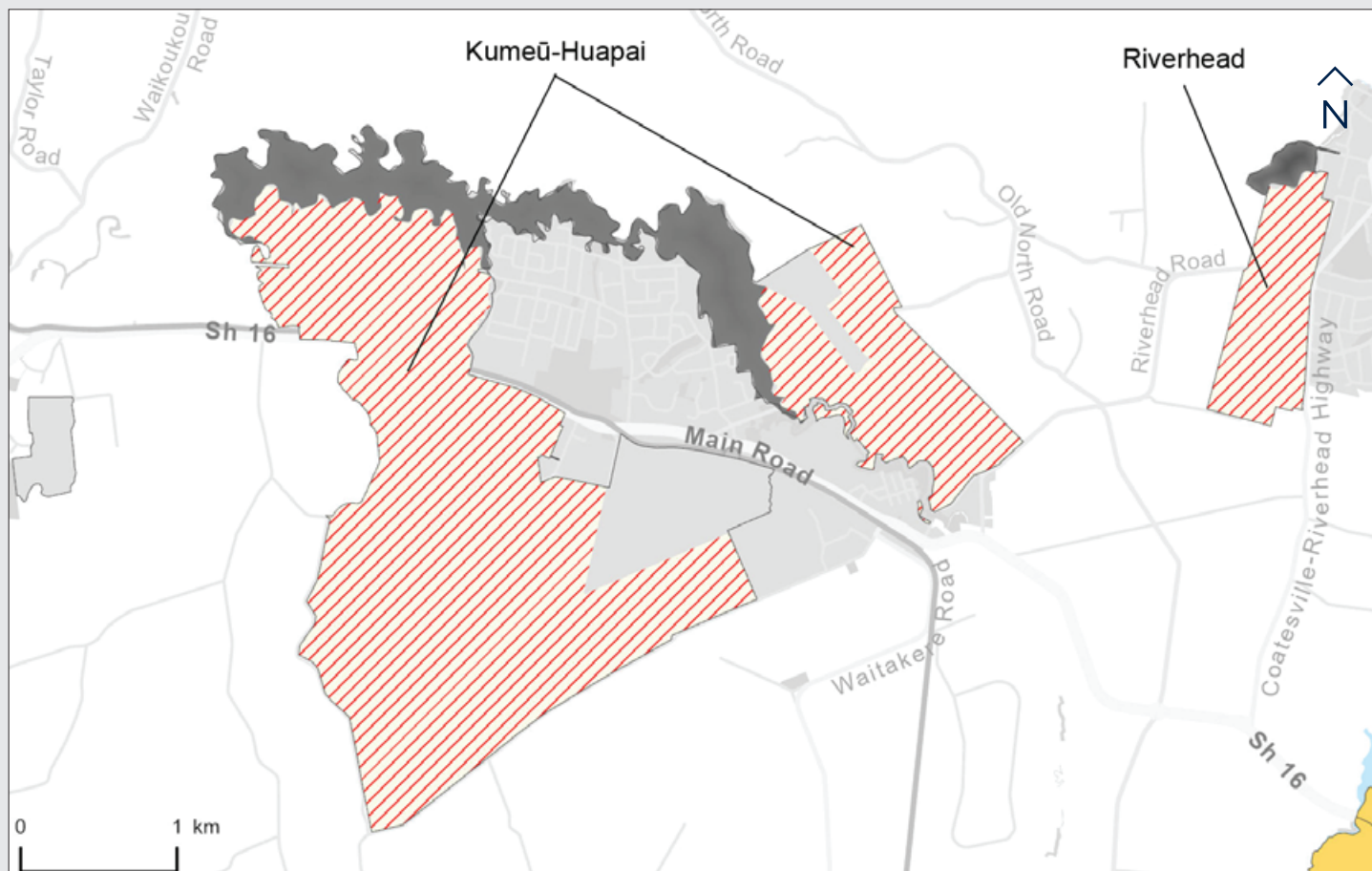
On Thursday 2nd November, the Planning, Environment and Parks Committee voted in favour to adopt the new FDS strategy which will guide how Auckland will grow over the next 30 years. Through a public consultation process there were 10,084 submissions received. The Future Development Strategy largely follows the quality compact approach (restrict growing out and focus on growing up) Auckland Council has been pursuing since the first Auckland Plan. The FDS focuses on two major changes since previous Future Urban Land Supply Strategies (FULSS). A much stronger focus on adaptation, particularly in relation to flooding hazards

and the protection of life and property. A greater recognition of the financial challenges facing Auckland Council and ratepayers, giving the development sector clear signals about these constraints and when the Council is likely to be able to invest in infrastructure and services in respective areas, particularly in greenfield bulk infrastructure. The aim is to give the sector as much certainty as possible for their own planning, but also a 'pathway' for development that wishes to proceed earlier. Below is an overview of what this means for the Northwest growth areas.

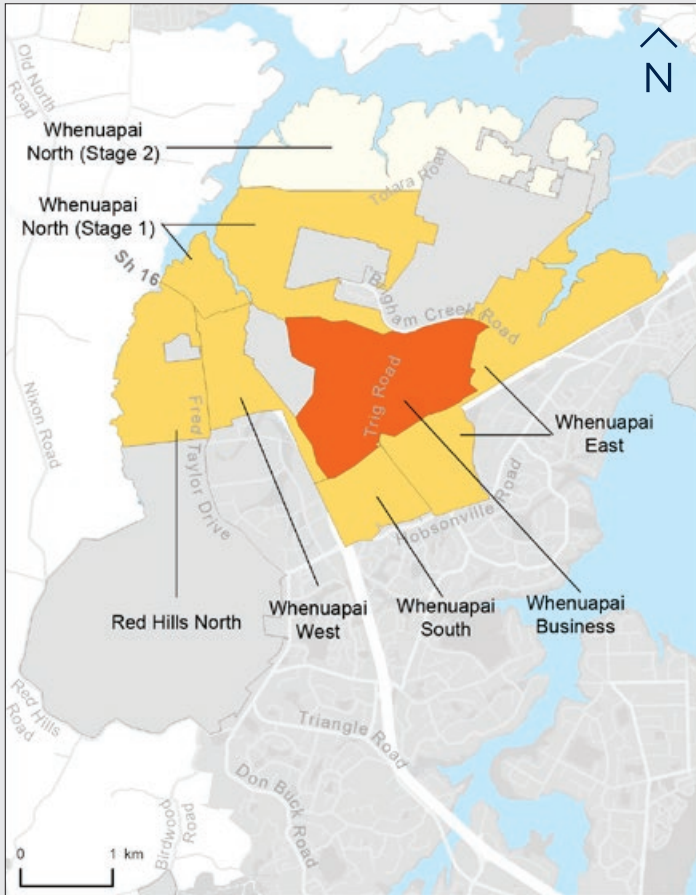
Kumeu-Huapai and Riverhead

Bulk infrastructure delivery for the Kumeu-Huapai and Riverhead Future Urban areas is not planned to support development until 2050. Reassessment of the Kumeu-Huapai and Riverhead Future Urban areas demonstrated a risk to life and property within the 1% AEP floodplain of the Kumeu and Riverhead Rivers respectively. The northern portion of the now superseded Future Urban area is removed for urban development and is no longer part of the Future Urban area within the FDS.

In the remaining southern portions of the Kumeu-Huapai and Riverhead Future Urban areas, while reassessment did not demonstrate that future development would itself be in high-risk locations, it did highlight increased potential effects on exacerbating existing flood risk downstream. As a result, the southern portions of the Future Urban areas have been "red-flagged".



Kumeu-Huapai and Riverhead Future Urban areas



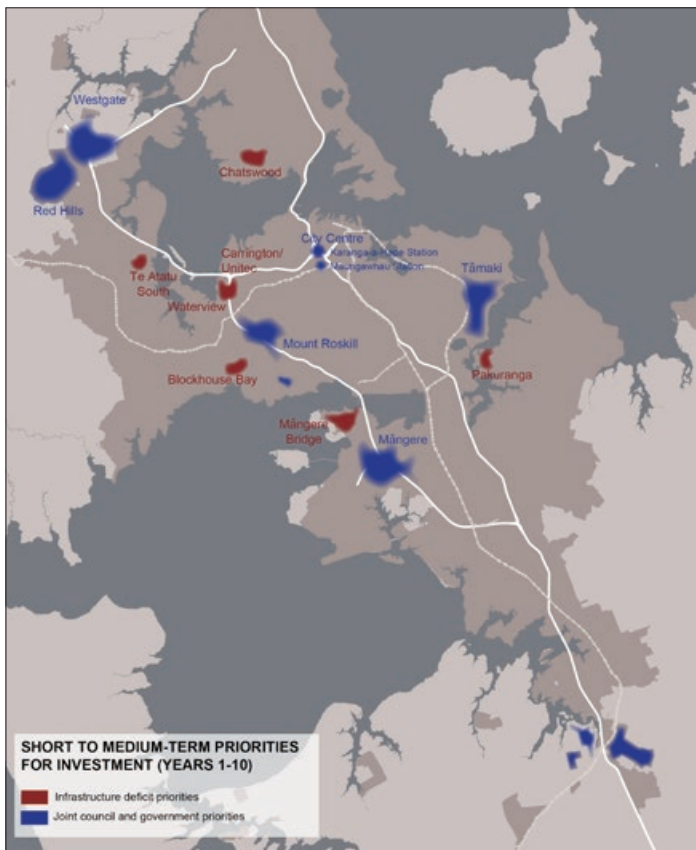
Whenuapai-Red Hills cluster

Whenuapai and Red Hills

Bulk infrastructure delivery for the Whenuapai and Red Hills cluster is not planned to support development until the following timeframes:

- Red Hills North - 2035 +
- Whenuapai North (Stage 1) - 2035 +
- Whenuapai North (Stage 2) - 2050 +
- Whenuapai Business - 2025 +
- Whenuapai East - 2035 +
- Whenuapai West - 2035 +
- Whenuapai South - 2035 +

The reassessment of the Whenuapai and Red Hills cluster did not identify significant challenges that would otherwise make development in the Future Urban area inappropriate, provided plan changes occur in line with the associated Auckland Council Structure Plan and after all infrastructure prerequisites are met. It is noted that the reassessment highlighted particular risks associated with coastal instability and erosion.



Council and government priorities for investment

Joint Council and Government Priorities

In line with a quality compact approach (limit sprawl and intensify/build-up) to growth, investment, whether by the Council or central government, needs to be prioritised in locations that will achieve the greatest benefits, across multiple outcomes. This means investing primarily but **not exclusively**, in existing urban areas with a strong focus on aligning land use and infrastructure.

These priorities focus on the Auckland Housing Programmes. This programme includes the development of significant areas where bulk infrastructure is needed to enable intensification/regeneration, housing, jobs, and recreation areas. Project timeframes span across two to three decades.

For further information, please don't hesitate to get in touch.

Under Contract



Massey, Auckland 53 Red Hills Road

First time on the market in more than 50 years, 53 Red Hills Road offered a risk-adverse investment opportunity, poised for upside.

Property details

Sale price	Confidential
Sale date	Confidential
Land area	40,469sqm
Zoning	Residential Mixed Housing Suburban

Current Listings



Whenuapai, Auckland 5 Spedding Road

First time on the market in over 44 years, 5 Spedding Road is located within the centre of Auckland's next biggest industrial precinct. Making this opportunity unique, is resource consent for 20,000sqm (more or less) of yard space.

Property details

Land area	40,974sqm
Zoning	Future Urban, Future Light Industrial

[bayleys.co.nz/1696451](https://www.bayleys.co.nz/1696451)



Hobsonville, Auckland 14 Tahingamanu Road

Discover an outstanding investment opportunity in the heart of Hobsonville, Auckland's most thriving development community.

Property details

Land area	879sqm
Zoning	Residential Mixed Housing Urban

[bayleys.co.nz/1696726](https://www.bayleys.co.nz/1696726)



Henderson, Auckland 6-8 Swanson Road

A rare and exceptional opportunity to acquire a prime residential land development site spanning an impressive 1,912sqm (more or less).

Property details

Land area	1,912sqm
Zoning	Terrace Housing and Apartments (THAB)

[bayleys.co.nz/1696637](https://www.bayleys.co.nz/1696637)

Contact Wesley today on 021 647 117 or wesley.gerber@bayleys.co.nz for more details on the current listings above or to discuss your development land requirements.

ALTOGETHER CONNECTED

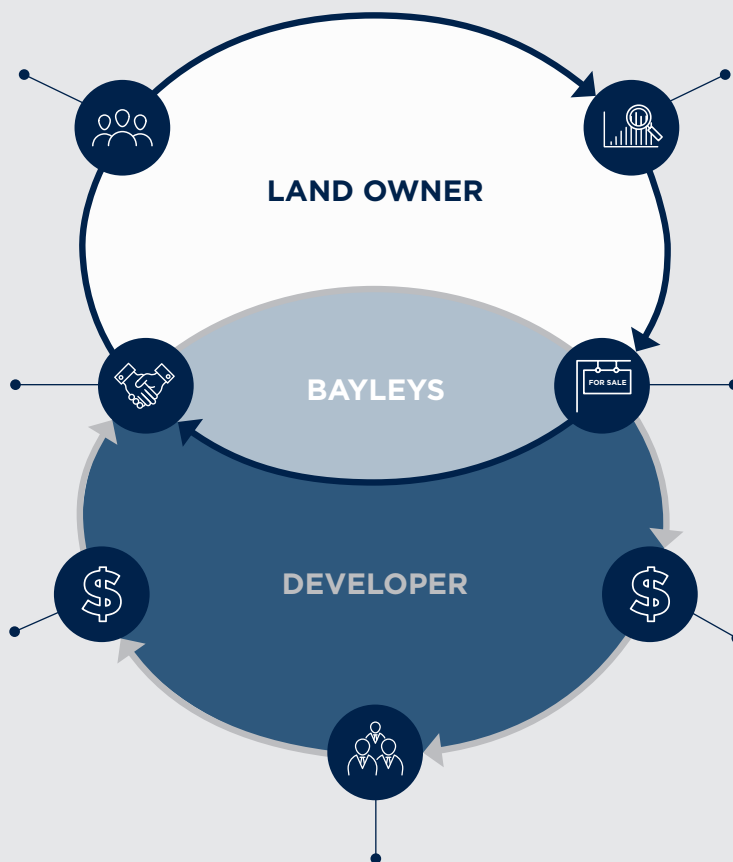
The strength of the Bayleys brand, and our passion for real estate means we're now New Zealand's largest full-service real estate company. We offer in-depth expertise not only in the Commercial sector – but across Residential, Rural and Property Services.

Understanding our clients and their requirements

With a diversified skill set founded upon strong local and national market knowledge and connections, our experienced team of experts specialise in development land sales throughout New Zealand.

Bayleys Insights, Data & Consulting

With significant market share across all the Commercial, Residential and Rural sectors, we have the ability to gather substantial volumes of transactional data and information across the whole market, to provide quality market insights.



Settlement of the land or project

with altogether better results delivered to our clients.

Deliver to market

We have ability to access and match high-net-worth individuals, developers and investors with unique properties of scale and impact.

Commercial and Residential Property Finance

Vegalend mortgage brokers have close relationships with all of the New Zealand banks as well as a range of international banks and non-bank lenders capable of assisting clients and end-users with financing at scale and competitive rates.

Development Property Finance

Maxcap Group is Australia and New Zealand's leading commercial real estate investment specialist, and has been actively providing capital to fund projects across New Zealand.

Bayleys Residential Projects

With more than 50 years of experience in product development, project marketing and sales of the end product.

Bayleys Valuation and Advisory Services

Experienced in providing valuation advice and feasibility studies for a range of corporate and private developers across the nation including Fulton Hogan, Winton, Kāinga Ora, Kirkdale Investments, The Property Group and Hamilton City Council.