



Benchmark prime warehouse rents (net face \$p.s.m p.a.)

\$160 - \$200

Benchmark prime industrial yields

6.0% - 7.0%

Overall vacancy rate

1.3%

Source: Bayleys Insights & Data

Wellington industrial market in 60 seconds

Biggest trends



Shortage of space leading to off-market leasing

Historic low levels of vacancies, combined with strong demand, is leading to more deals occurring off-market.



Businesses looking to 3PL for solutions

Shortage of warehousing is driving businesses to outsource logistics to 3PL providers with existing warehouse capacity. Foreseeable that 3PL providers will also hit similar warehouse capacity issues in the future.



Greenfield industrial land in short supply

Persistent shortages of industrial land are causing would-be owner-occupiers to extend their search perimeters out to the fringe of the region or even into other regions. Transmission Gully has helped decrease travel times across the region.

Outlook for the next 12 months



Rents on the rise

Low vacancies and strong competition for space are likely to continue to fuel growth in rents. The risk of a recession during 2023 may lead to slower rates of growth compared to the past 24 months.



Yields stabilising at higher levels

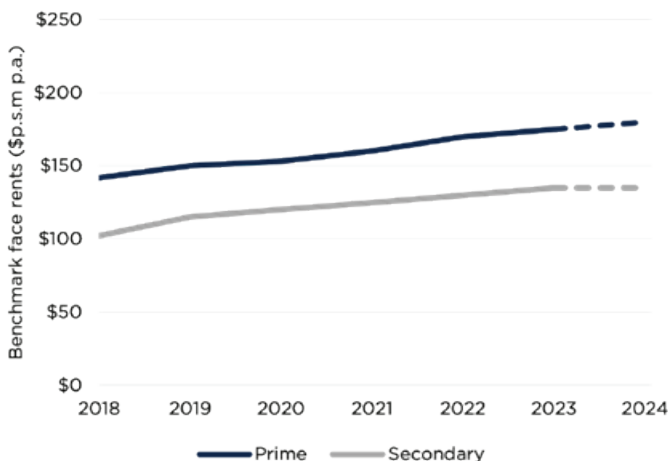
Rising interest rates have led to a softening of yields across most markets. Signals that inflation and long-term interest rates are peaking mean yields are likely to stabilise at higher levels. Lower number of sales transactions means there is less evidence available to showcase this trend.



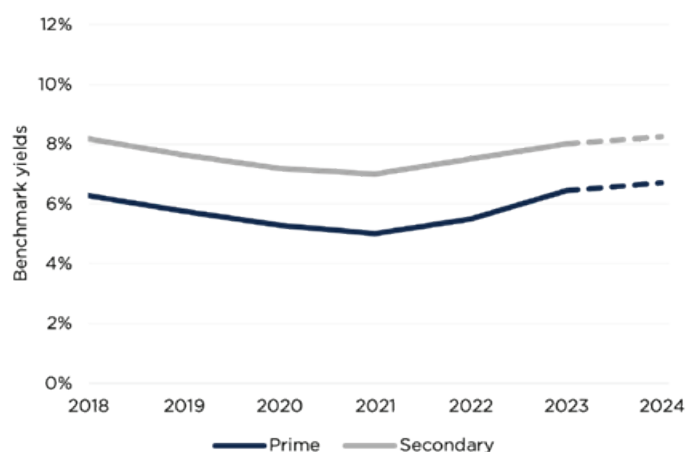
Micro-units hang in the balance

A wave of newly developed sub-100sqm micro-units is coming to market. Currently sufficient tenant demand exists to absorb the new units, but there is a risk of over-supply as more developments complete.

Benchmark warehouse rents



Benchmark industrial yields



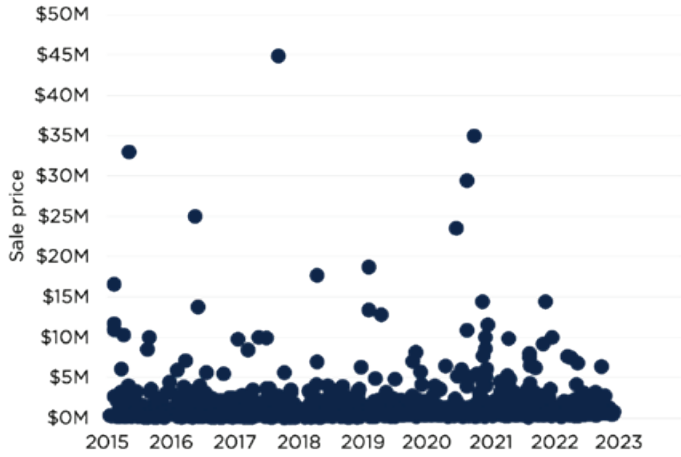
Source: Bayleys Insights & Data

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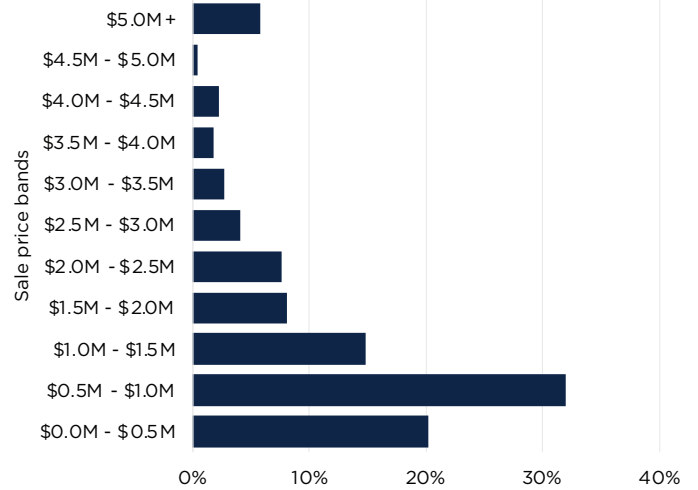
Benchmark rents and yields are based on a basket of properties that we believe reflect the asset class. The benchmarks do not represent the minimum or maximum rates in the market.

Market indicators

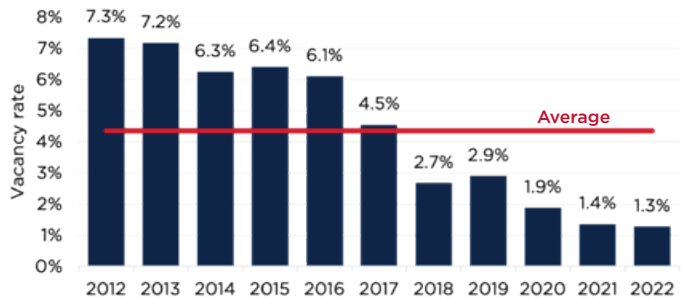
Sales transactions over time



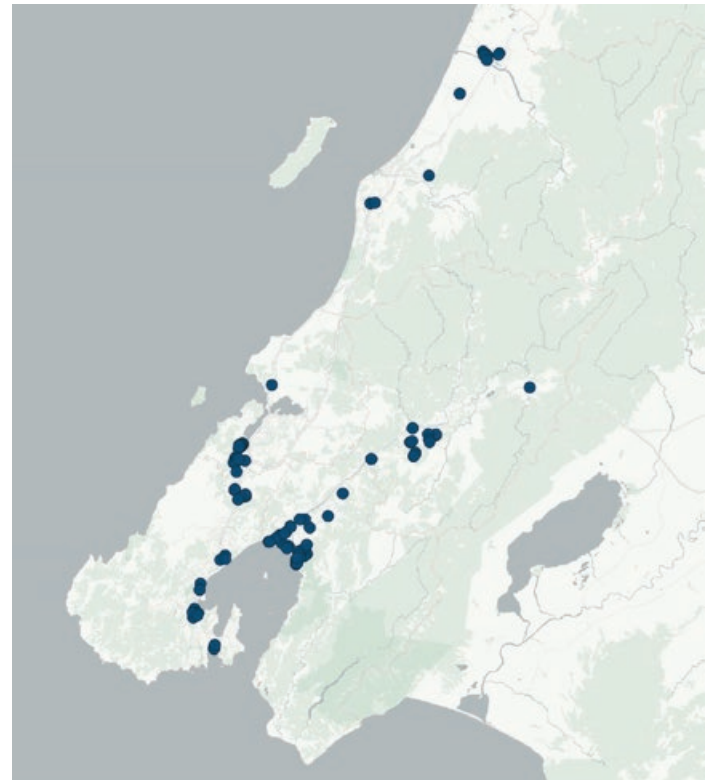
Sales transactions by price band (2021 to 2022)



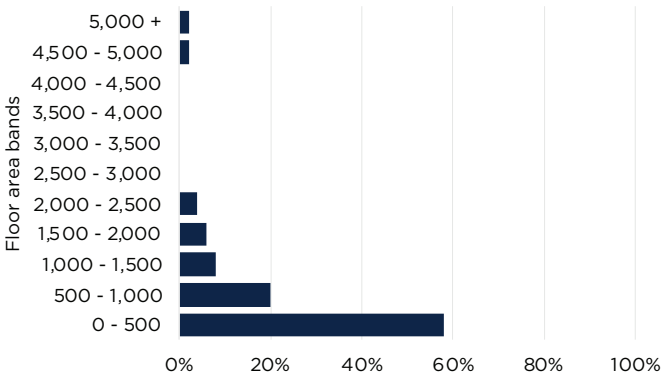
Overall vacancy rate



Advertised vacancies (November 2022)



Vacancies by floor area bands



Notable transactions



LEASED

43 Seaview Road, Seaview

Floor area 6,800sqm
Tenant KiwiRail
Contact Fraser Press, Ethan Hourigan



LEASED

9-13 Wareham Place, Seaview

Floor area 991sqm
Tenant Ventia NZ
Contact Ethan Hourigan,
 Oliver Hourigan



LEASED

20-30 Bell Road South, Gracefield

Floor area 5,280sqm
Tenant Machirus Warehousing and Logistics
Contact Richard Faisandier,
 Christian Taylor



LEASED

30/24 Railway Avenue, Upper Hutt

Floor area 2,000sqm
Tenant Service Foods
Contact Ethan Hourigan,
 Christian Taylor



LEASED

81 The Esplanade, Petone

Floor area 2,165sqm
Tenant Confidential
Contact Ethan Hourigan



LEASED

199 Taita Drive, Avalon

Floor area 3,030sqm
Tenant Tesla
Contact Fraser Press



SOLD

5 John Seddon Drive, Elsdon

Floor area 2,379sqm
Sale price \$5,165,000
Contact Fraser Press, Simon Butler



SOLD

92-96 Main Road & 14 Tawa Street, Tawa

Floor area 4,133sqm
Sale price \$7,600,000
Contact Fraser Press, John Pottinger,
 Simon Butler



SOLD

4-10 Mohuia Crescent, Porirua

Floor area 14,000sqm
Sale price \$15,100,000
Contact Grant Young, Mark Walker



SOLD

1684 Main Road, Upper Hutt

Land area 40,469sqm
Sale price \$3,052,000
Contact Bhakti Mistry, Fraser Press



SOLD

108-110 Nelson Street, Petone

Floor area 774sqm
Sale price \$3,100,000
Contact Ethan Hourigan,
 Andrew Smith



SOLD

12 Victoria Street, Alicetown

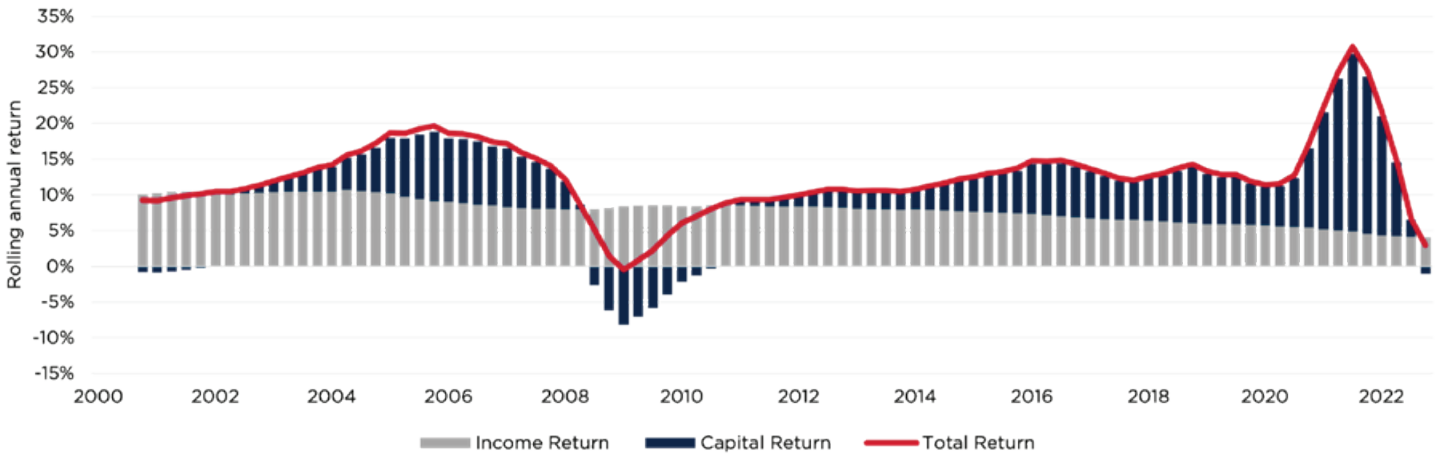
Floor area 1,327sqm
Sale price \$3,150,000
Contact Fraser Press,
 Richard Faisandier

Other indicators

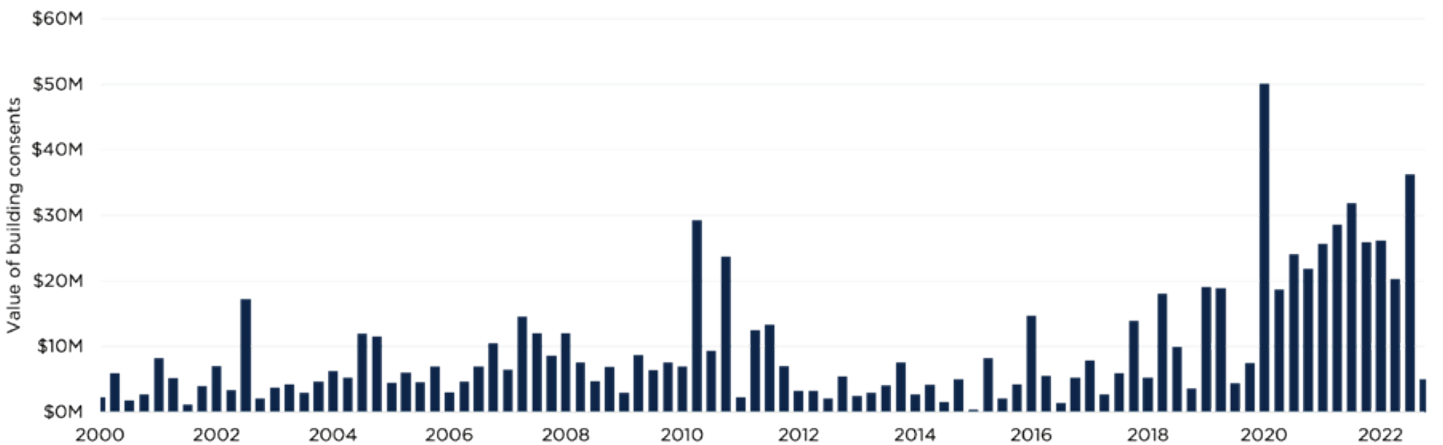
Interest rates



New Zealand industrial property returns over time



Industrial building consents: Wellington region



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