

**Benchmark prime warehouse rents (net face \$ p.s.m p.a.)**  
**\$165 – \$190**

**Benchmark prime industrial yields**  
**4.50% – 5.25%**

**Overall vacancy rate**  
**1.0%**

Source: Bayleys Insights & Data

## Auckland industrial market in 60 seconds

### Biggest trends



**Strong competition for space**

Historic low levels of vacancies, combined with strong demand from occupiers, is often resulting in spaces being leased well in advance of actual lease expiry dates or physical vacancies.



**Land in short supply**

Persistent shortages of industrial land have led to substantial growth in prices. Would-be owner-occupiers are increasingly having to extend their search perimeters out to the fringe of the region or even into other regions.



**Tenants becoming owner occupiers**

Some tenants are purchasing their space to mitigate rising rents. Trend is expected to continue as rents rise and security of tenure becomes critical given difficulty with finding alternative premises.

### 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**

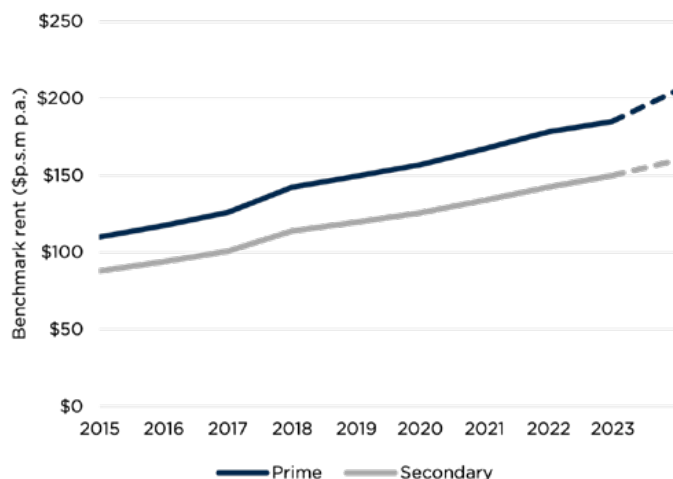
Rising interest rates have led to a softening of yields across most markets. Signals that inflation and long-term interest rates are peaking means yields are likely to stabilise at higher levels. Lower numbers of sales transactions means there is less evidence available to showcase this trend.



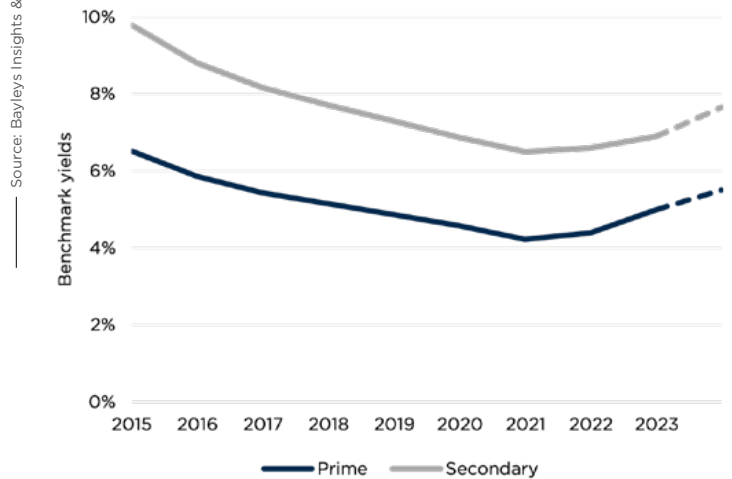
**Prices stabilising for industrial land**

Softening yields and rising construction costs have taken the pressure off prices for industrial land. Construction costs are also stabilising as supply chain issues are resolved and subcontractors become more readily available.

Benchmark warehouse rents



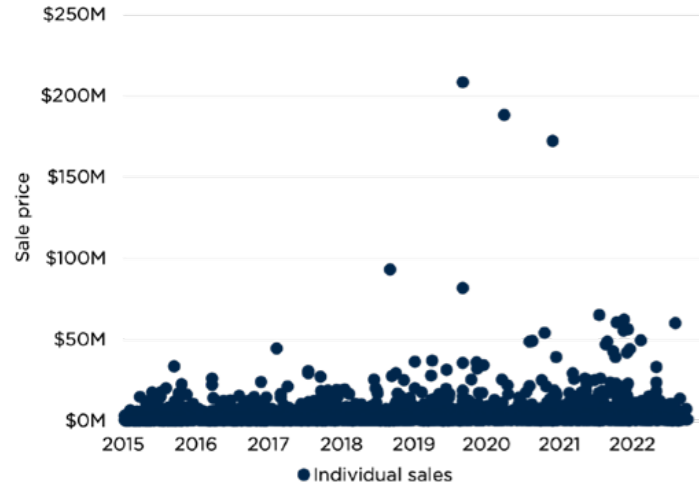
Benchmark industrial yields



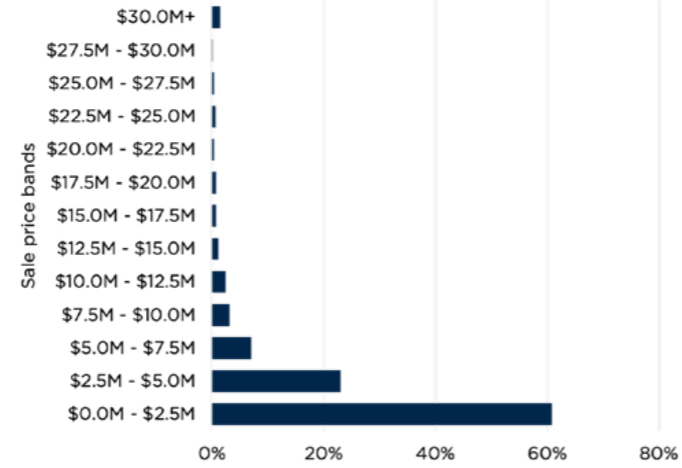
Benchmark rents and yields are based on a basket of properties that we believe reflect the asset class. The benchmarks do not represent the minimum or maximum rates in the market.

## Market indicators

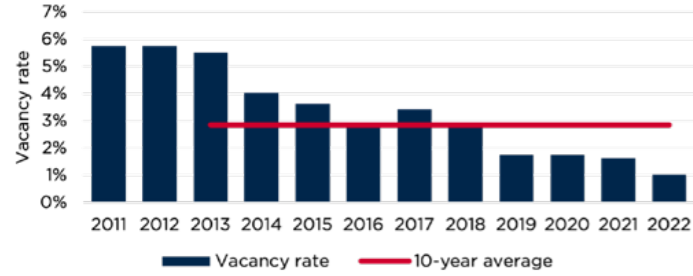
Sales transactions (2015 to 2022)



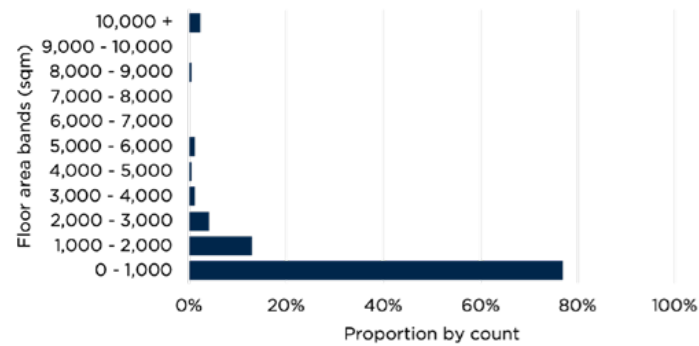
Sales transactions by price band (2021 to 2022)



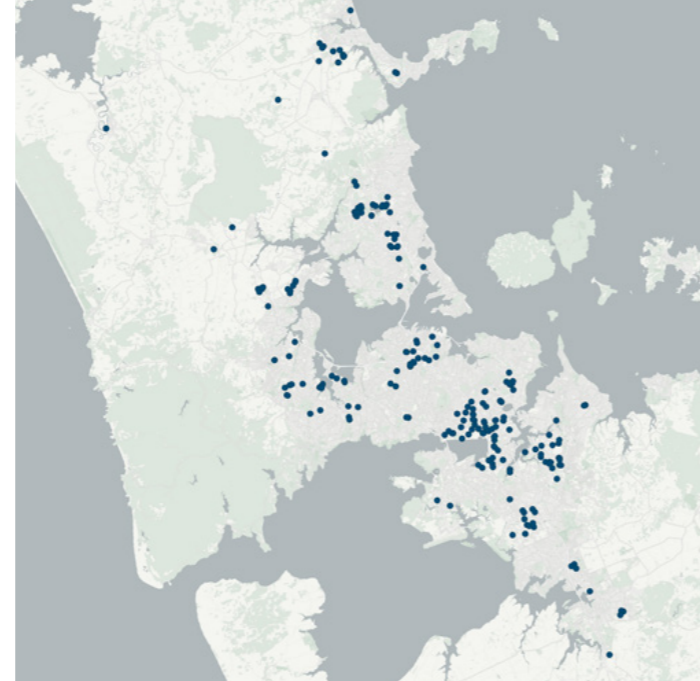
Overall vacancy rate



Vacancies by floor area bands



Advertised vacancies (November 2022)



Source: Bayleys Insights & Data

## Notable transactions



**Lot 135, 136, 137 Drury South Crossing**

**Land area** 67,685sqm  
**Sale price** \$55,840,125  
**Contact** Sunil Bhana, James Hill, James Valintine, Ben Bayley, Scott Campbell, Tom Davison



**Lot 59, 62 Drury South Crossing**

**Land area** 34,395sqm  
**Sale price** \$28,373,645  
**Contact** James Hill, James Valintine, Sunil Bhana, Ben Bayley, Scott Campbell



**44-80 Kitchener Road, Pukekohe**

**Land area** 4.99ha  
**Sale price** \$13,850,000  
**Contact** Shane Snijder, Peter Sullivan, Kristina Liu



**73 Fred Taylor Drive, Westgate**

**Land area** 2.64ha  
**Sale price** \$33,013,750  
**Contact** Beterly Pan, Mark Preston, Stuart Bode



**523 Rosebank Road, Avondale**

**Land area** 884sqm  
**Sale price** \$4,000,000  
**Contact** Mark Preston, Sam Raines, James Hill



**Unit 2, 14 Northside Drive, Westgate**

**Land area** 561sqm  
**Sale price** \$3,949,000  
**Contact** Stuart Bode



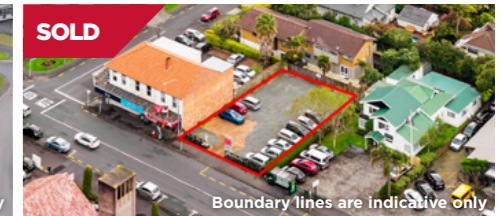
**A/179 Archers Road, Hillcrest**

**Land area** 1,409sqm  
**Sale price** \$4,800,000  
**Contact** Ranjan Unka, Michael Nees



**2/3 Tait Place, Albany**

**Land area** 301sqm  
**Sale price** \$1,010,000  
**Contact** Matt Mimmack, Ian Waddams



**402 Lake Road, Takapuna**

**Land area** 551sqm  
**Sale price** \$2,350,000  
**Contact** Tonia Robertson, Jayson Hayde



**147 Kirkbride Road, Mangere**

**Land area** 11,165sqm  
**Tenant** Confidential  
**Contact** Greg Hall, Lloyd Budd



**7 Ascot Road, Mangere**

**Land area** 9,650sqm  
**Tenant** Confidential  
**Contact** Greg Hall, Lloyd Budd



**36 Copsey Place, Avondale**

**Land area** 1,000sqm  
**Tenant** Confidential  
**Contact** Alister Hitchcock, Mark Preston



**243-249 Bush Road, Albany**

**Land area** 3,152sqm  
**Tenant** Confidential  
**Contact** Tonia Robertson, Matt Mimmack



**228 Bush Road, Albany**

**Land area** 1,149sqm  
**Tenant** Confidential  
**Contact** Laurie Burt



**4/439 Rosebank Road, Avondale**

**Land area** 1,260sqm  
**Tenant** Confidential  
**Contact** Mark Preston, Sam Raines, Matt Mimmack



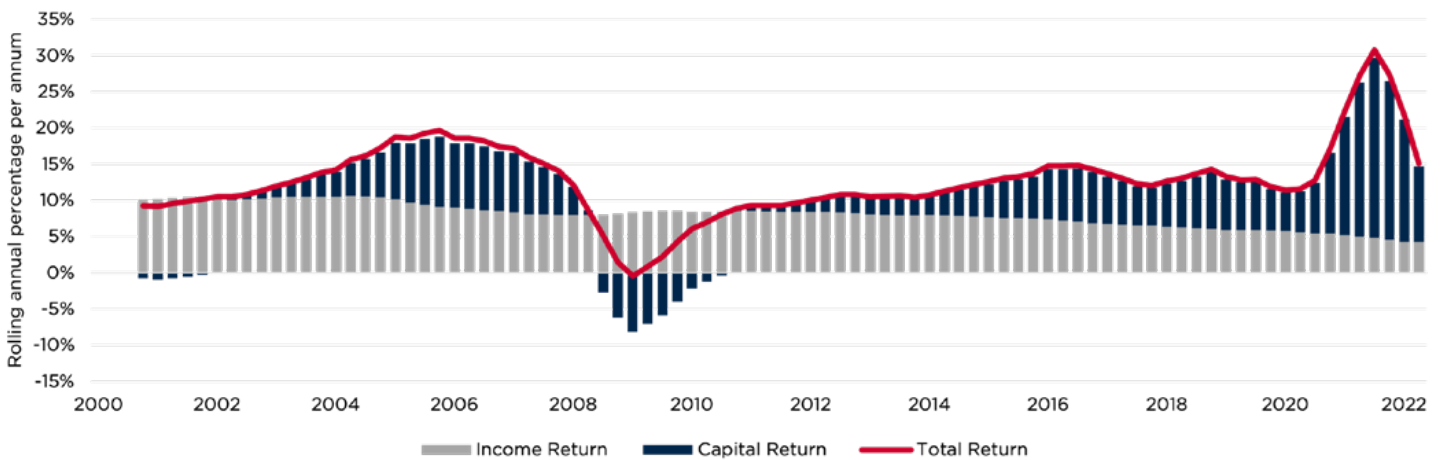
# Other indicators

## Interest rates



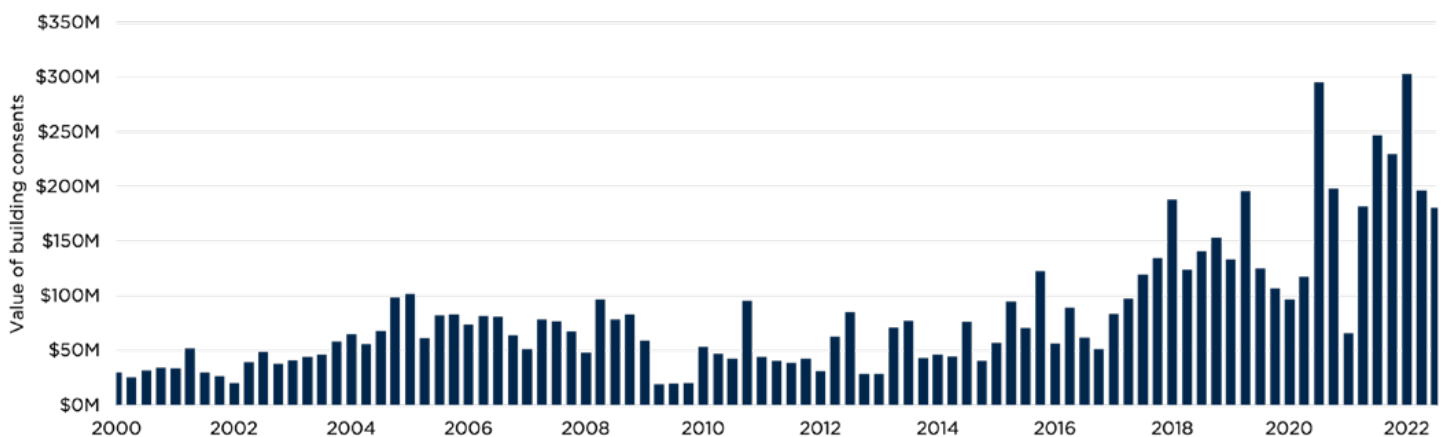
Source: RBNZ

## New Zealand industrial property returns over time



Source: MSCI

## Industrial building consents: Auckland region



Source: Stats NZ

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