



Benchmark modern city centre office rents (net face \$p.s.m. p.a.)

\$250 – \$300

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

\$150 – \$160

Benchmark modern commercial property yields

6.0% – 7.0%

Taranaki's commercial property market in 60 seconds

Biggest trends



Tight industrial markets

Industrial markets are facing low vacancies due to ongoing demand for warehousing. Industrial rental rates have been growing across the region, with tenants increasingly interested in design-build opportunities.



Tenants recommitting to the office

Post-pandemic ways of working have changed the nature of demand for space. Hybrid work has often led to occupiers using less space for desks but more space for collaboration.



Prices stabilising for development land

Softening yields and higher construction costs have taken the pressure off prices for development land. Construction costs are starting to stabilise as supply chain issues are resolved and subcontractors become more readily available.

Outlook for the next 12 months



The commercial property market subdued

The local market is experiencing similar trends to those seen nationally, with generally lower sales volumes and some sub-sectors experiencing downward prices. Leasing activity is expected to remain reasonably buoyant.



Yields stabilising at higher levels

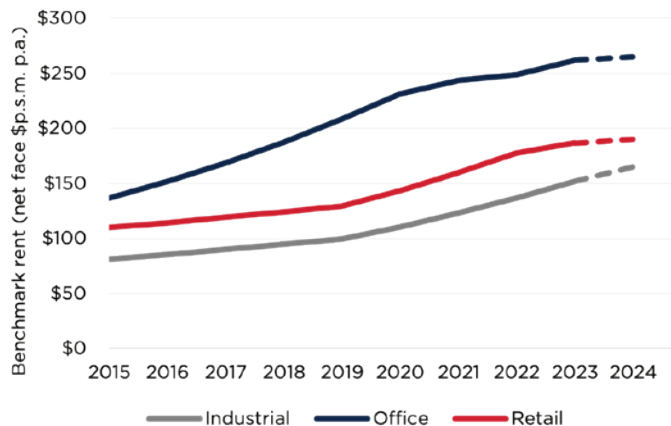
Rising interest rates have led to a softening of yields across most markets. Signals that inflation and long-term interest rates have peaked mean yields are likely to stabilise at higher levels. Lower numbers of sales transactions mean there is less evidence available to showcase this trend.



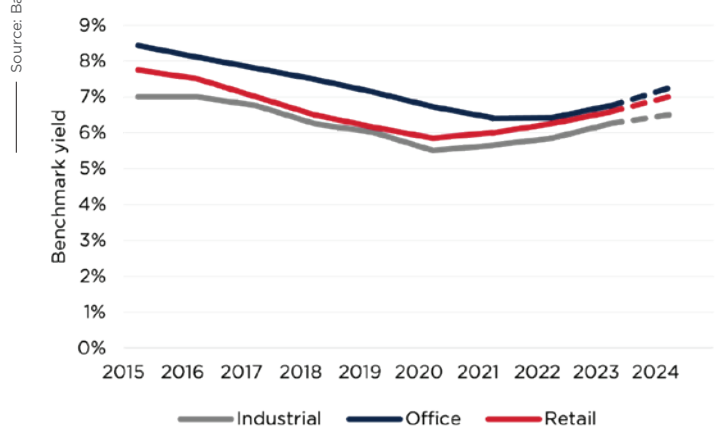
Higher rents are needed for new builds to stack up

Reducing yields largely offset the impact of higher construction costs during 2020-2021. Softer yields and persistently high construction costs mean higher rents are needed for new developments to be feasible.

Benchmark rents



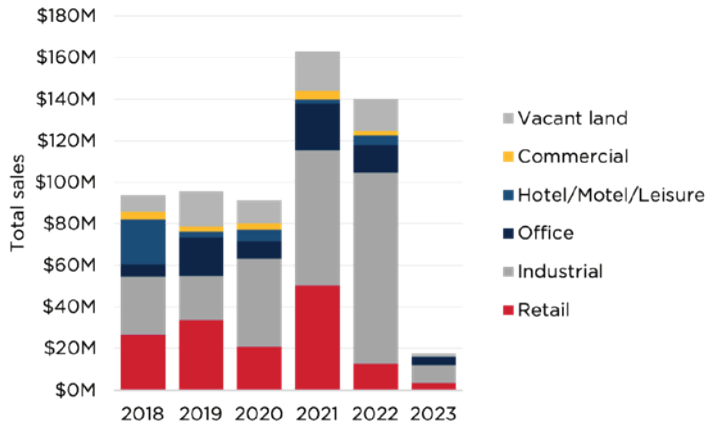
Benchmark yields



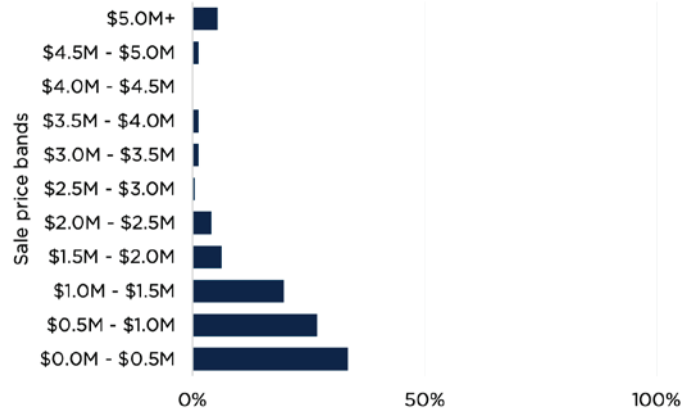
Benchmark rents and yields are based on a basket of properties that we believe reflect the asset class. The benchmarks do not represent the minimum or maximum rates in the market.

Market indicators

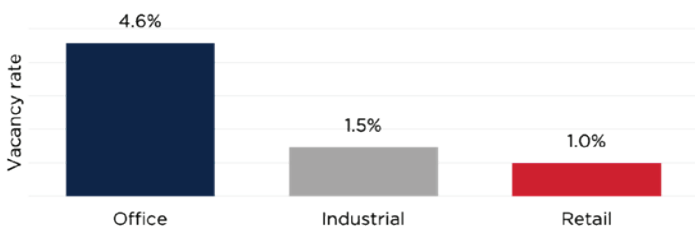
Commercial property sales by type



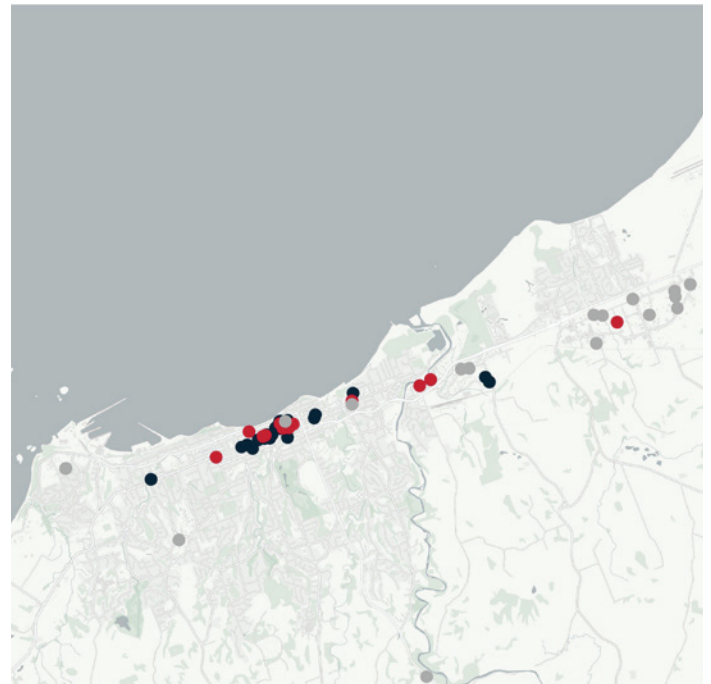
Sales transactions by price band (2021 to 2022)



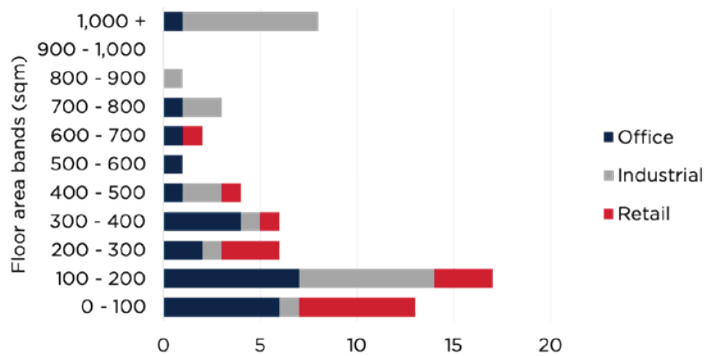
Overall vacancy rate



Advertised vacancies (July 2023)



Vacancies by floor area bands



Benchmarking metrics

	Benchmark rents (Net face \$p.s.m. p.a.)	Benchmark yields (%)	Availability
Office			
Office - modern - city centre	\$250 - \$300	6.5% - 7.0%	Scarce
Office - dated - city centre	\$190 - \$210	7.2% - 7.7%	Scarce
Industrial			
Industrial - modern - warehouse	\$150 - \$160	6.0% - 6.5%	Scarce
Industrial - modern - office	\$200 - \$230	6.0% - 6.5%	Scarce
Industrial - dated - warehouse	\$70 - \$80	8.0% - 9.5%	Scarce
Industrial - dated - office	\$130 - \$140	7.0% - 7.7%	Scarce
Retail			
Retail - high street	\$180 - \$190	6.0% - 7.0%	Scarce
Retail - large format	\$130 - \$140	7.0% - 7.5%	Scarce
Development land			
		\$p.s.m.	
City centre land		\$1,200 - \$1,300	Scarce
Industrial land		\$180 - \$220	Scarce
Residential			
Median house price		\$570,000	

Notable transactions



219 Glover Street, Hawera

Floor area 500sqm
 Sale price \$2,750,000
 Contact Darryl Taylor, Iain Taylor



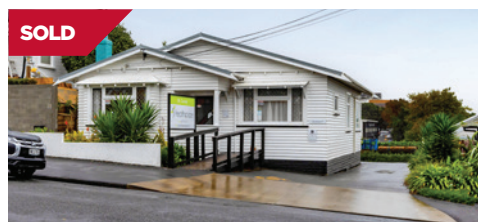
70 Corbett Road, New Plymouth

Floor area 5,966sqm
 Sale price \$7,310,000
 Contact Darryl Taylor, Iain Taylor



104-110 Devon Street East, New Plymouth

Floor area 284sqm
 Sale price \$1,500,000
 Contact Darryl Taylor, Iain Taylor



56 Gover Street, New Plymouth

Floor area 120sqm
 Sale price \$700,000
 Contact Darryl Taylor, Iain Taylor



330 Devon Street East, New Plymouth

Floor area 490sqm
 Sale price \$2,250,000
 Contact Darryl Taylor, Iain Taylor



167 Devon Street West, New Plymouth

Floor area 5,160sqm
 Sale price \$7,500,000
 Contact Darryl Taylor, Iain Taylor



1/60 Connett Road, New Plymouth

Floor area 150sqm
 Sale price \$563,000
 Contact Darryl Taylor, Iain Taylor



69, 75, 77A Katere Road, Waiwhakaiho

Floor area 2,500sqm
 Sale price \$5,150,000
 Contact Darryl Taylor, Iain Taylor



10 Tarata Road, Inglewood

Floor area 228sqm
 Tenant sector Transport, postal and warehousing
 Contact Darryl Taylor, Iain Taylor



11 Young Street, New Plymouth

Floor area 103sqm
 Tenant sector Professional, scientific and technical services
 Contact Darryl Taylor, Iain Taylor



67B Breakwater Road, New Plymouth

Floor area 908sqm
 Tenant sector Rental, hiring and real estate services
 Contact Darryl Taylor, Iain Taylor



97 Gill Street, New Plymouth

Floor area 228sqm
 Tenant sector Retail trade
 Contact Darryl Taylor, Iain Taylor



159 Gill Street, New Plymouth

Floor area 795sqm
 Tenant sector Construction
 Contact Darryl Taylor, Iain Taylor



162 Devon Street East, New Plymouth

Floor area 85sqm
 Tenant sector Retail trade
 Contact Darryl Taylor, Iain Taylor

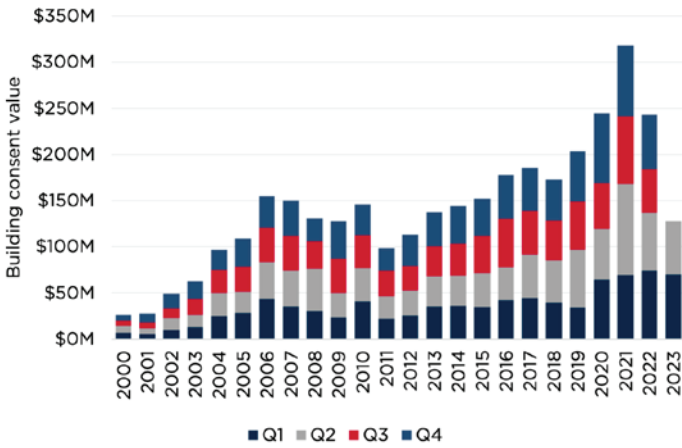


544 Devon Street East, New Plymouth

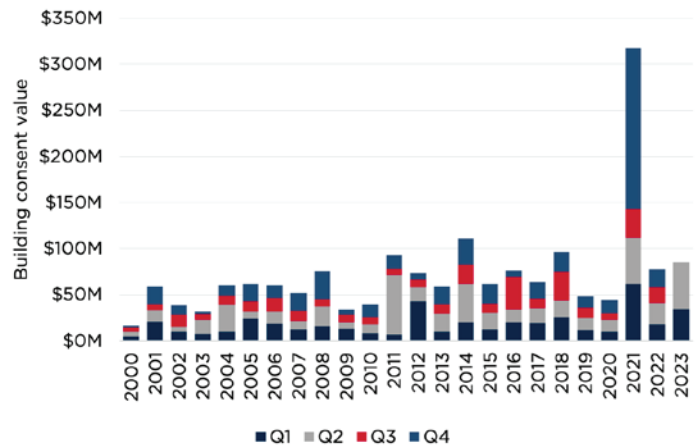
Floor area 315sqm
 Tenant sector Accommodation and food services
 Contact Darryl Taylor, Iain Taylor

Other indicators

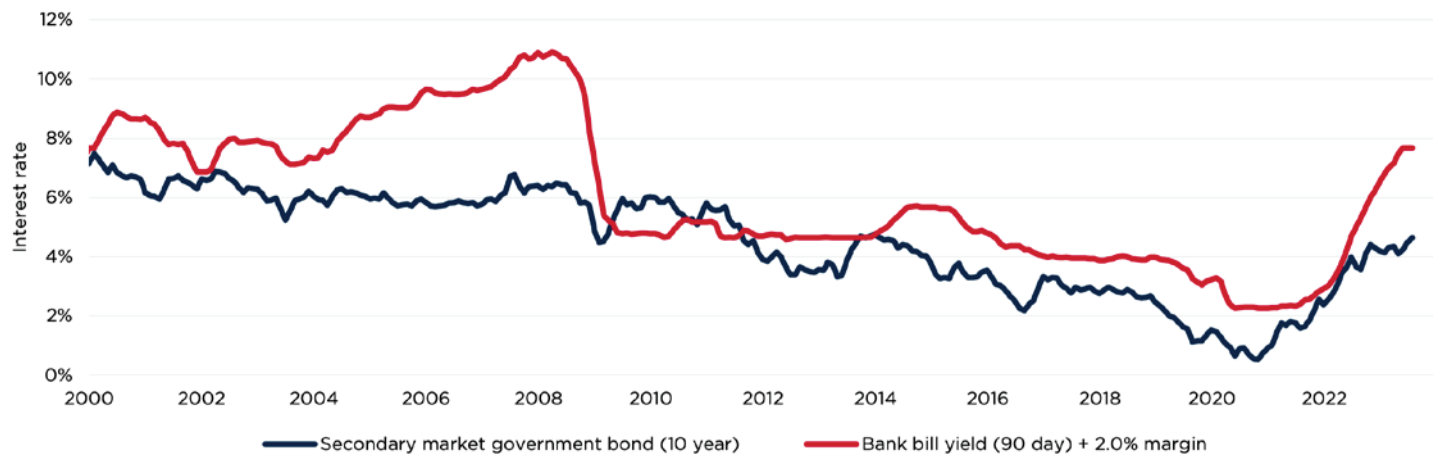
Annual commercial building consents: Taranaki



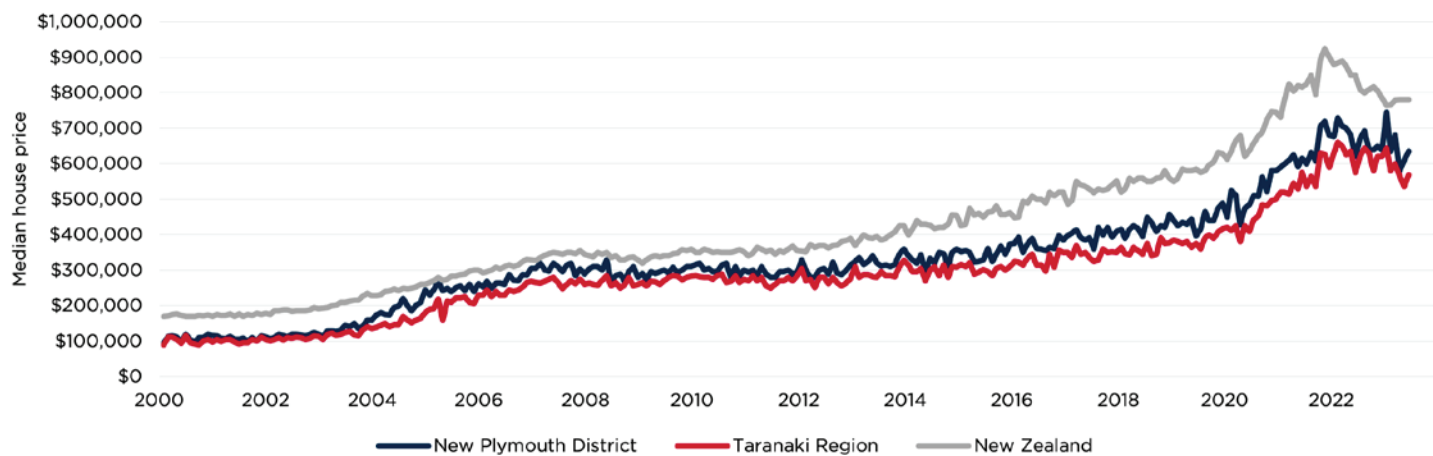
Annual residential building consents: Taranaki



Interest rates



House prices



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