



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

**\$330 – \$350**

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

**\$190 – \$210**

Benchmark modern commercial property yields

**5.0% – 7.5%**

## West Auckland’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, particularly for prime properties.



#### Tenants recommitting to the office

Post-pandemic ways of working have changed the demand for office 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



#### 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

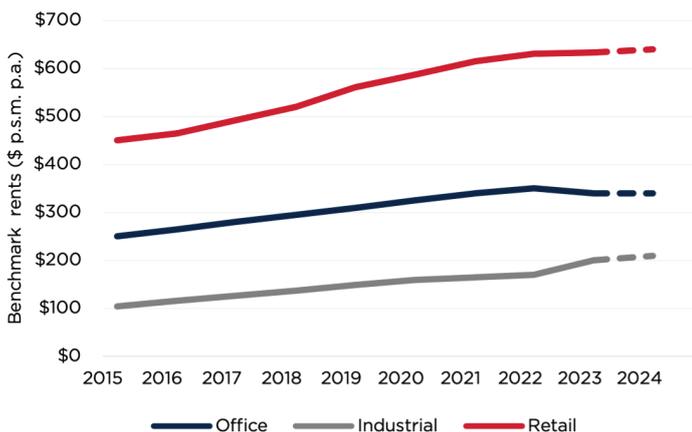
Rising interest rates have led to a softening of yields across most markets. Signals that inflation and long-term interest rates have peaked mean yields are likely to stabilise at higher levels. Lower numbers of sales transactions mean there is less evidence available to showcase this trend.



#### Micro-units hang in the balance

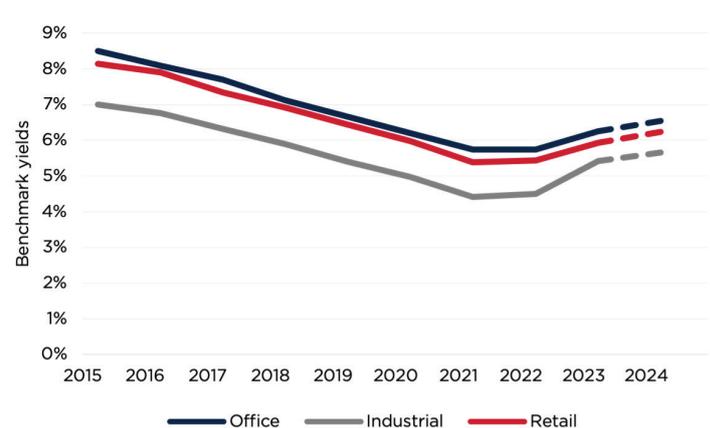
A wave of newly developed micro-units is coming to market. Currently, sufficient tenant demand exists to absorb the new units, but there is a risk of over-supply as more developments are completed.

### Benchmark rents



Source: Bayleys

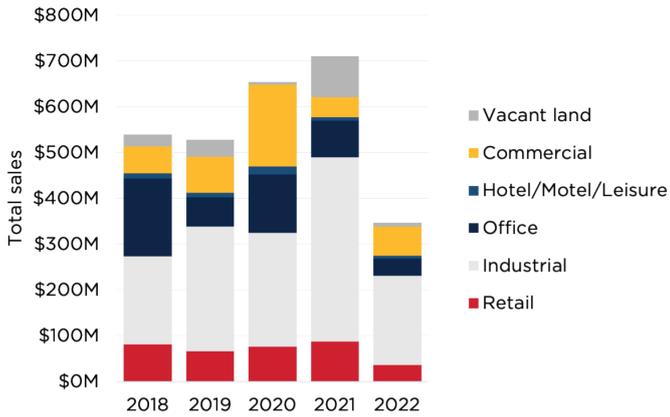
### Benchmark yields



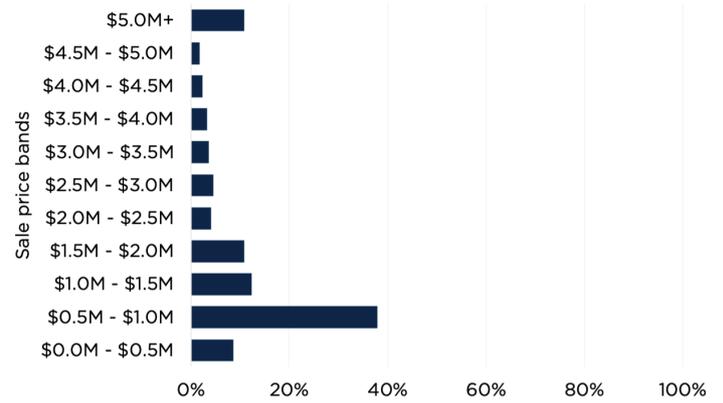
Source: Bayleys

## Market indicators

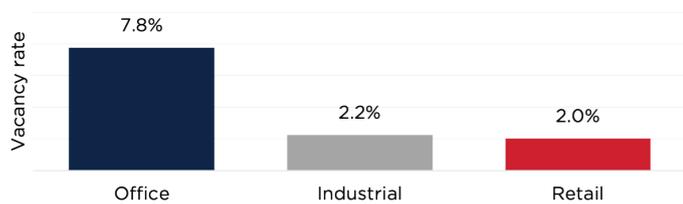
### Commercial property sales by type



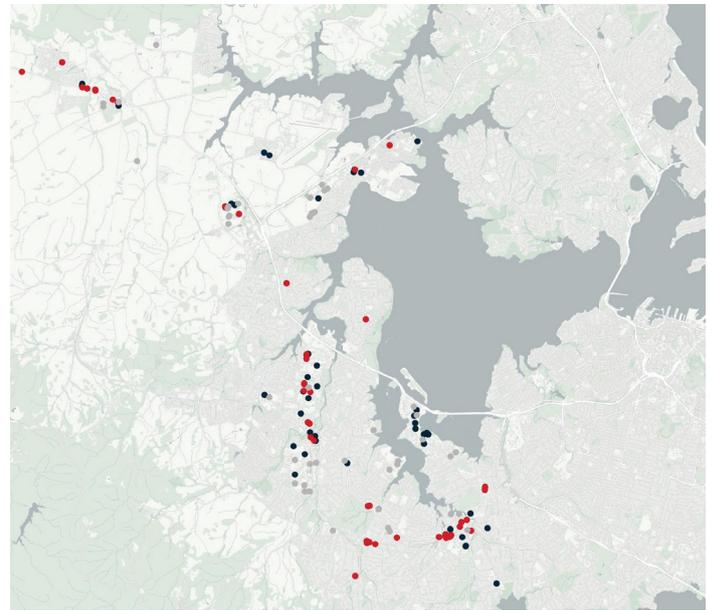
### Sales transactions by price band (2021 to 2022)



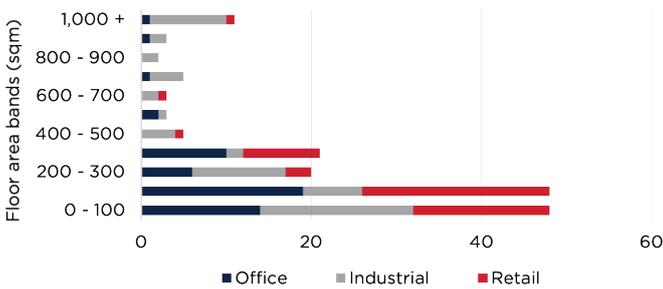
### Overall vacancy rate



### Advertised vacancies (May 2023)



### Vacancies by floor area bands



### Benchmarking metrics

|                                 | Benchmark rents<br>(Net face \$p.s.m. p.a.) | Benchmark yields (%) | Availability |
|---------------------------------|---|----------------------|--------------|
| <b>Office</b>                   |   |                      |              |
| Office - modern - city centre   | \$330 - \$350                               | 5.5% - 7.5%          | Scarce       |
| Office - dated - city centre    | \$140 - \$200                               | 7.0% - 9.0%          | Reasonable   |
| <b>Industrial</b>               |   |                      |              |
| Industrial - modern - warehouse | \$190 - \$210                               | 5.0% - 5.8%          | Scarce       |
| Industrial - modern - office    | \$300 - \$340                               | 5.0% - 5.8%          | Scarce       |
| Industrial - dated - warehouse  | \$130 - \$140                               | 6.2% - 6.8%          | Scarce       |
| Industrial - dated - office     | \$190 - \$210                               | 6.2% - 6.8%          | Scarce       |
| <b>Retail</b>                   |   |                      |              |
| Retail - high street            | \$580 - \$680                               | 7.0% - 8.5%          | Reasonable   |
| Retail - large format           | \$350 - \$400                               | 6.5% - 7.5%          | Scarce       |
| <b>Development land</b>         |   |                      |              |
|                                 |   | <b>\$p.s.m.</b>      |              |
| City Centre land                |   | \$1,900 - \$2,125    | Scarce       |
| Industrial land                 |   | \$860 - \$1,050      | Scarce       |
| Residential bulk land           |   | \$250 - \$320        | Reasonable   |
| <b>Residential</b>              |   |                      |              |
| Median house price              |   | \$1,140,000          |              |

## Notable transactions



**876 Waitakere Road, Kumeu**

Land area 96,830sqm  
 Sale price \$5,400,000  
 Contact Wesley Gerber, Beterly Pan



**65 Main Road, Kumeu**

Floor area 992sqm  
 Sale price \$3,600,000  
 Contact Matt Clifford, Tony Chaudhary



**78 Trig Road, Whenuapai**

Land area 35,200sqm  
 Sale price \$8,050,000  
 Contact Wesley Gerber, Matt Clifford, Beterly Pan



**2 Scott Road, Hobsonville**

Land area 2,056sqm  
 Sale price \$3,420,000  
 Contact Wesley Gerber, Barry He



**26 Jomac Place, Avondale**

Floor area 3,038sqm  
 Sale price \$11,020,000  
 Contact Mark Preston, James Hill, Stewart White



**2G/1 Buscomb Avenue, Henderson**

Floor area 105sqm  
 Sale price \$857,000  
 Contact Beterly Pan, Terry Kim



**2/5 Topere Way, Westgate**

Floor area 273sqm  
 Sale price \$1,412,500  
 Contact Mark Preston, Matt Mimmack



**334 Rosebank Road, Avondale**

Floor area 377sqm  
 Sale price \$2,000,000  
 Contact Stuart Bode



**21 Westpoint Drive, Hobsonville**

Floor area 3,232sqm  
 Tenant Sector Storage and distribution  
 Contact Mark Preston, Matt Mimmack



**Shop 1, 42 Main Road, Kumeu**

Floor area 130sqm  
 Tenant Sector Retail trade  
 Contact Alister Hitchcock



**E/15 Timber Place, Riverhead**

Floor area 227sqm  
 Tenant Sector Manufacturing  
 Contact Mark Preston, Beterly Pan



**1/14 Northside Drive, Westgate**

Floor area 1,088sqm  
 Tenant Sector Wholesale trade  
 Contact Stuart Bode, Beterly Pan



**1 Boundary Road, Hobsonville**

Floor area 400sqm  
 Tenant Sector Retail trade  
 Contact Alister Hitchcock



**29 Bruce McLaren Road, Henderson**

Floor area 410sqm  
 Tenant Sector Manufacturing  
 Contact Matt Clifford, Alister Hitchcock

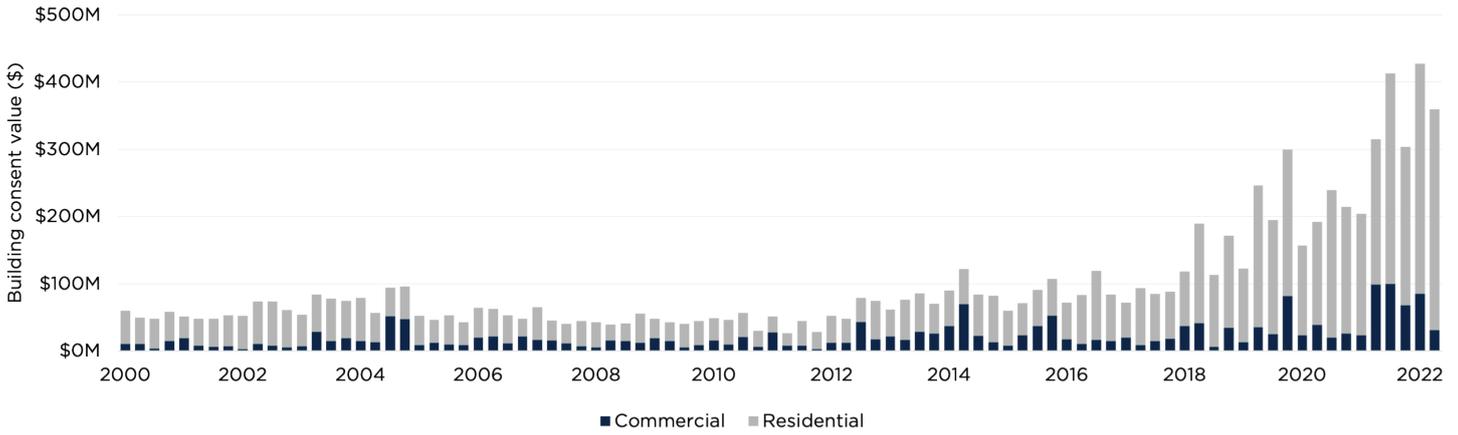


**J/9 Westech Place, Kelston**

Floor area 170sqm  
 Tenant Sector Construction  
 Contact Matt Clifford, Alister Hitchcock

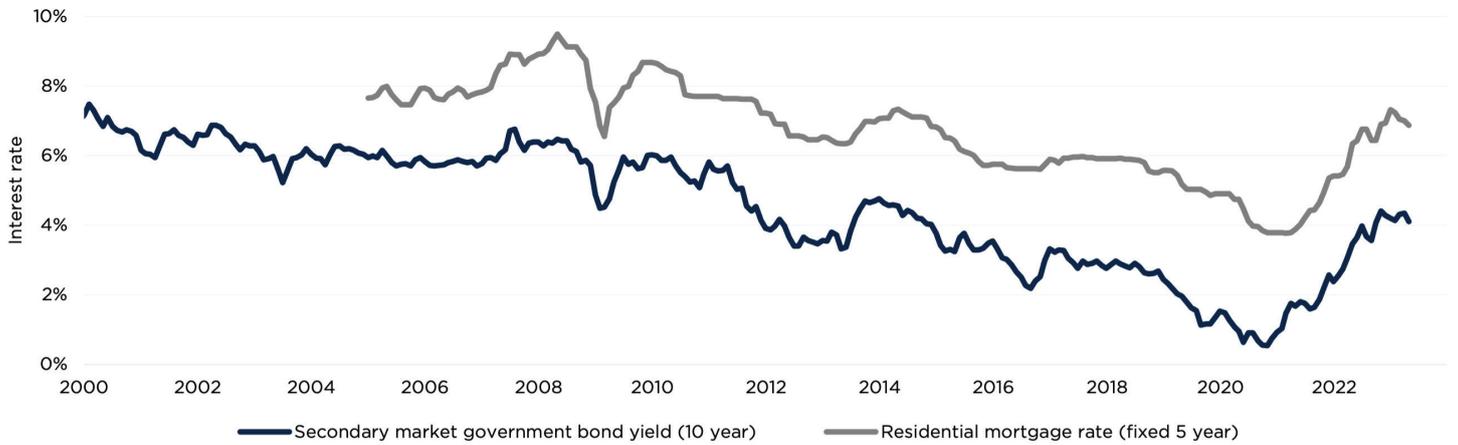
# Other indicators

## Building consents: West Auckland local boards (quarterly)



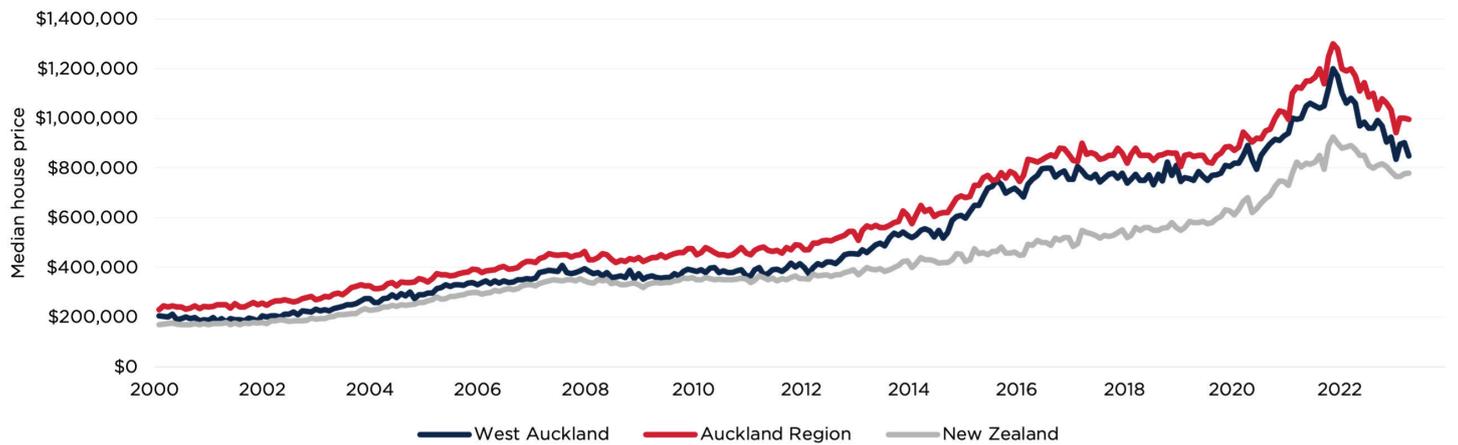
Source: Stats NZ

## Interest rates



Source: REINZ

## House prices



Source: REINZ

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