



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

\$350 - \$450

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

\$110 - \$120

Benchmark modern commercial property yields

5.5% - 6.5%

Source: Bayleys Insights & Data

Christchurch commercial property market in 60 seconds

National trends

Tight industrial markets driven growth in e-commerce and stockpiling



Industrial markets are facing very low vacancies due to demand for warehousing to support e-commerce and stockpiling by businesses to mitigate supply chain issues. Industrial rental rates are growing quickly in most locations.

Flight to quality creating two step office markets



Tenants are seeking higher quality offices to improve the working experience for staff, particularly as offices compete with work-from-home. Mitigation of seismic risk is also driving relocations in higher risk locations. Modern office spaces have low vacancies in most locations, whereas dated buildings are less competitive.

Bulk retail hits the sweet spot



Bulk retail has been resilient during the pandemic with low vacancies and strong rental growth, underpinned by retailers that are essential services and/or connected with strong performing sectors (e.g. home improvement). High street retail remains subdued.

Outlook for the local market

Yields soften as interest rates rise



Increases in interest rates are translating to a softening of yields. Sale processes are taking longer due to pricing disparity, and the tightening credit criteria is impacting purchasers' ability to borrow. Yields for good quality assets remain more resilient due to the weight of capital-seeking quality investments.

Market fundamentals attracting occupiers to Christchurch



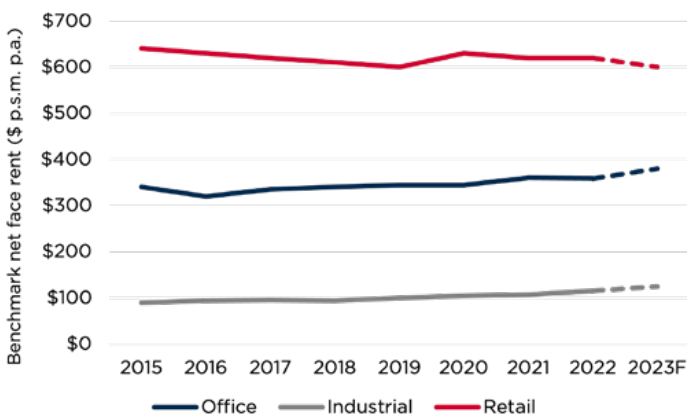
Newer industrial stock and lower rental levels make it feasible for larger occupiers. The availability of land and more options attract occupiers to Christchurch that are hard to find in other major centres.

Demand for quality offices driven by staff retention



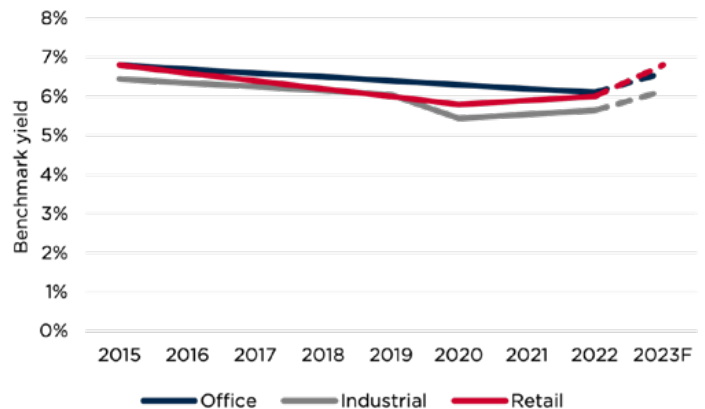
New ways of working are making quality office spaces crucial to retain staff. Office spaces closer to restaurants and shops are favoured by occupiers. Strong population growth across Canterbury is also supporting demand for office spaces.

Benchmark rents



Source: Bayleys Insights & Data

Benchmark yields

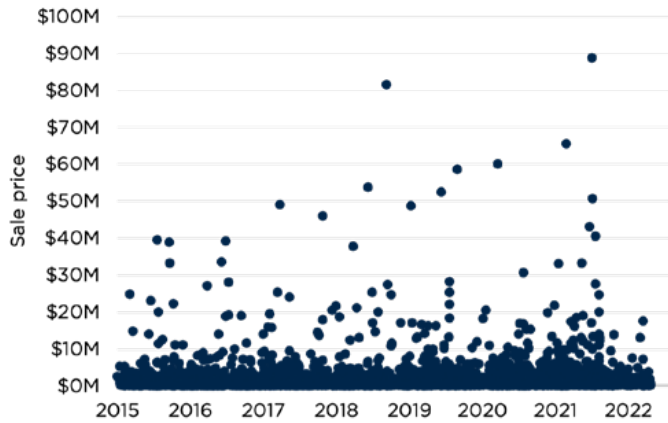


Source: Bayleys Insights & Data

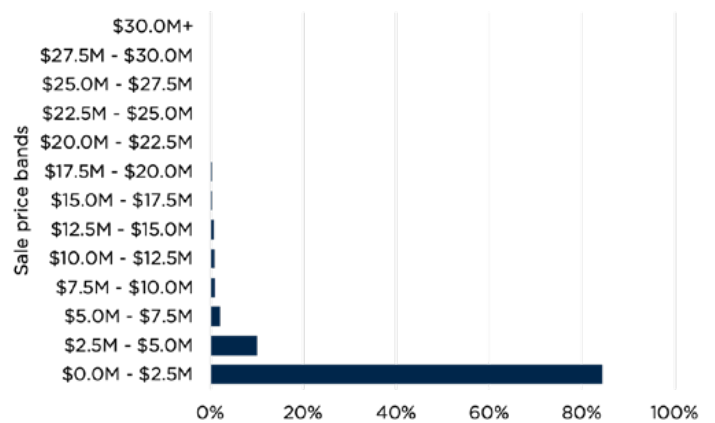
Benchmark rents and yields are based on a basket of properties that we believe reflect the asset class. The benchmarks do not represent the minimum or maximum rates in the market.

Market indicators

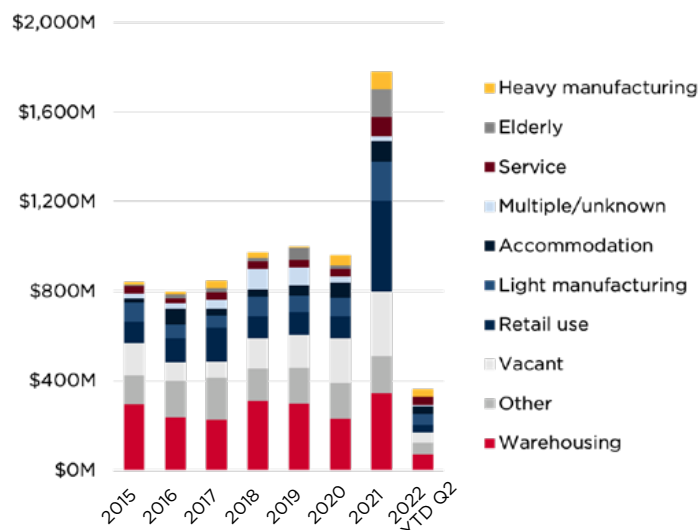
Commercial property sales transactions



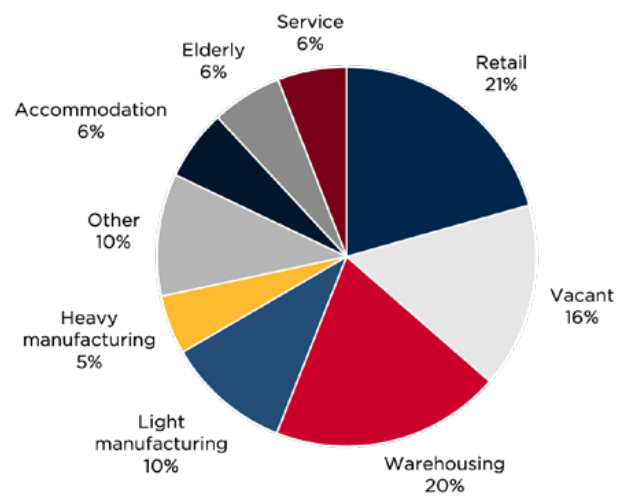
Distribution by price band (2021-2022)



Total commercial property sales by type



Total commercial property sales by type (2021-2022)



Benchmarking metrics

	Benchmark rents (Net face \$ p.s.m. p.a.)	Benchmark yields (%)	Availability
Office			
Office - modern	\$350 - \$450	5.5% - 6.5%	Scarce
Office - dated	\$200 - \$215	6.5% - 7.5%	Scarce
Industrial			
Industrial - new build - warehouse	\$120 - \$130	5.3% - 5.8%	Scarce
Industrial - new build - office	\$230 - \$260	5.3% - 5.8%	Scarce
Industrial - modern - warehouse	\$110 - \$120	5.5% - 6.0%	Scarce
Industrial - modern - office	\$205 - \$220	5.5% - 6.0%	Scarce
Industrial - dated - warehouse	\$85 - \$100	5.9% - 6.5%	Reasonable
Industrial - dated - office	\$175 - \$195	5.9% - 6.5%	Reasonable
Retail			
Retail - high street	\$650 - \$750	5.5% - 6.5%	Scarce
Retail - large format	\$270 - \$585	5.5% - 6.5%	Scarce
Development land			
		\$ p.s.m.	
City Centre		\$4,500 - \$5,500	Reasonable
Industrial		\$300 - \$400	Reasonable
Residential			
		\$	
Median house price		\$685,000	

Notable transactions



9 Lodestar Avenue, Wigram

Floor area 5,225sqm
Sale price \$8,400,000
Contact Nick O'Styke, Scott Campbell, Tom Davison



47 Waterloo Road, Hornby

Floor area 580sqm
Sale price \$3,900,000
Contact Stewart White, Alex White



23 Commerce Crescent, Islington

Floor area 683sqm
Sale price \$4,350,000
Contact Jeremy Speight



494 Moorhouse Avenue, Waltham

Floor area 1,205sqm
Sale price \$2,950,000
Contact Blair Young



79 Orbell Street, Sydenham

Floor area 1,515sqm
Sale price \$2,500,000
Contact Stewart White, Alex White



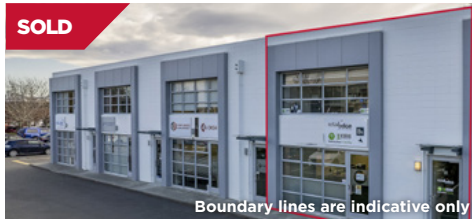
413 Cashel Street, Linwood

Floor area 239sqm
Sale price \$970,000
Contact Murray Madgwick



4/107 Wrights Road, Addington

Floor area 99sqm
Sale price \$350,000
Contact Michael Girgis



8/41 Sir William Pickering Drive, Burnside

Floor area 120sqm
Sale price \$540,000
Contact Simon Lagan, Benji Andrews



10 Armagh Court, Christchurch Central

Land area 271sqm
Sale price \$675,000
Contact Terry Connolly



21 Pereita Dive, Rolleston

Floor area 3,348sqm
Tenant Lanocorp Pacific
Contact Campbell Taylor, Sam Stone



160 Bealey Avenue, Christchurch Central

Floor area 1,689sqm
Tenant Canterbury District Health Board
Contact Blair Young, Jeremy Speight, Campbell Taylor



2A/455 Blenheim Road, Sockburn

Floor area 1,850sqm
Tenant Fulton Hogan
Contact Graeme Donaldson



4/245 Blenheim Road, Upper Riccarton

Floor area 283sqm
Tenant Nano Hygiene
Contact Michael Girgis, Steven Schwalger



238 Annex Road, Middleton

Floor area 634sqm
Tenant Wildland Consultants
Contact Michael Campbell, Graeme Donaldson

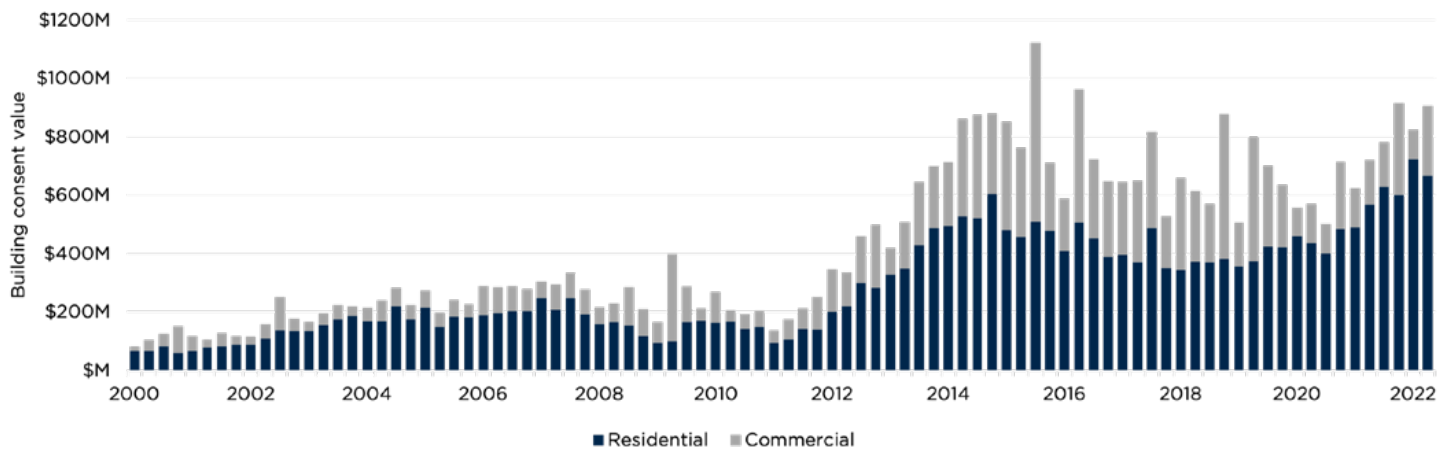


5/25 Hynds Drive, Rolleston

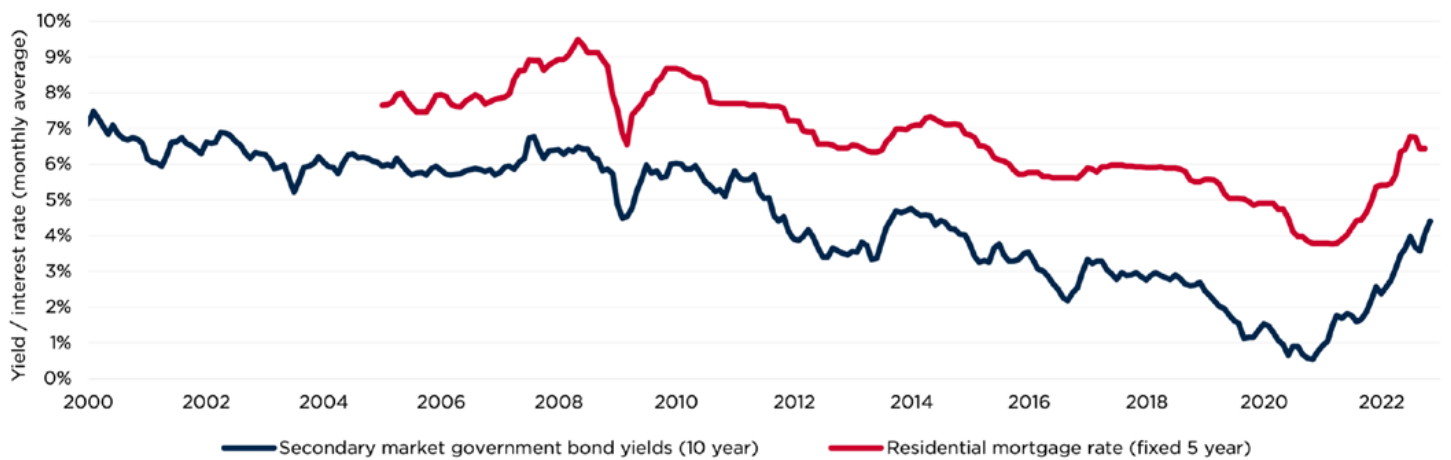
Floor area 279sqm
Tenant Livestock Improvement Corporation
Contact Bill Kingston, Graeme Donaldson

Other indicators

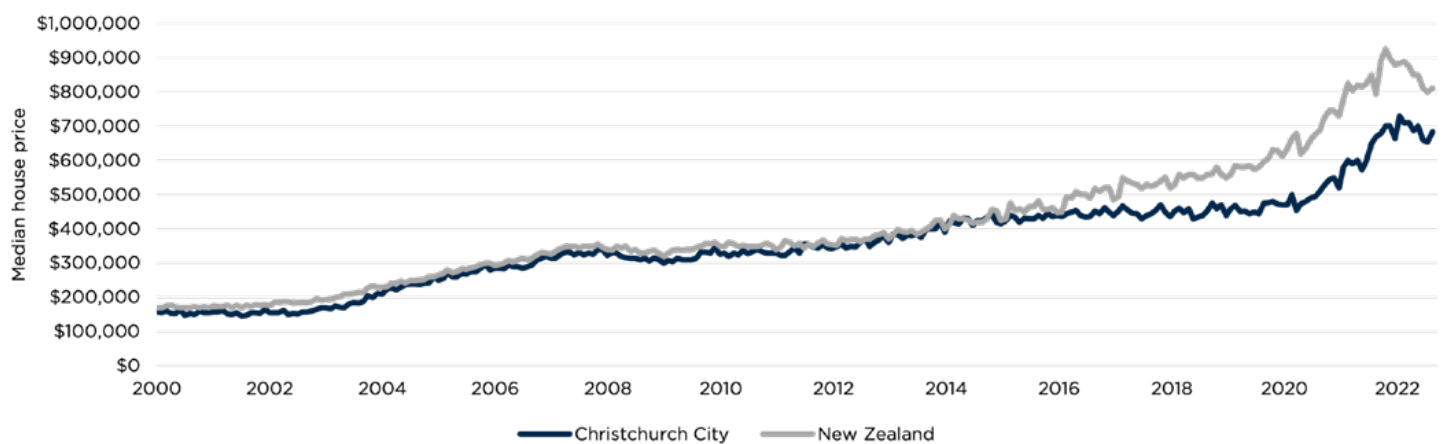
Building consents



Interest rates



House prices



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