



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

\$280 – \$320

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

\$185 – \$210

Benchmark modern commercial property yields (all asset classes)

5.0% – 7.0%

South 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, with tenants’ increased interest in design-build opportunities.



Tenants recommitting to the office

Post-pandemic ways of working have changed the name 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

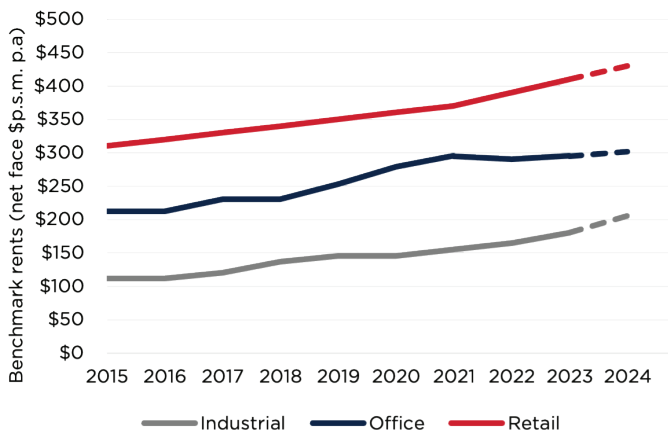
Rising interest rates have led to a softening of yields across most markets. Signals that inflation and long-term interest rates have peaked mean yields are likely to stabilise at higher levels. Lower numbers of sales transactions mean there is less evidence available to showcase this trend.



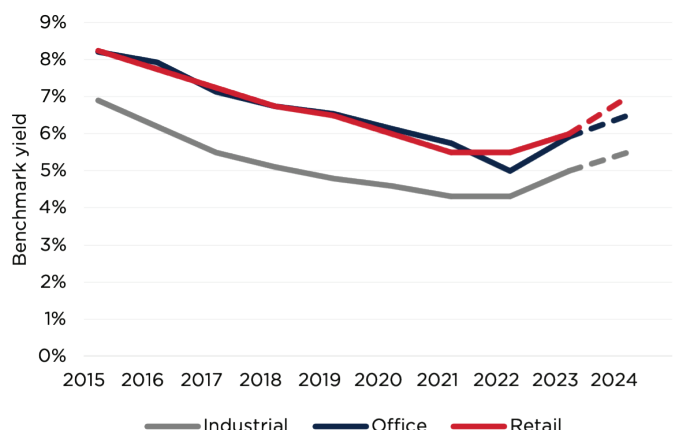
Higher rents are needed for new builds to stack up

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



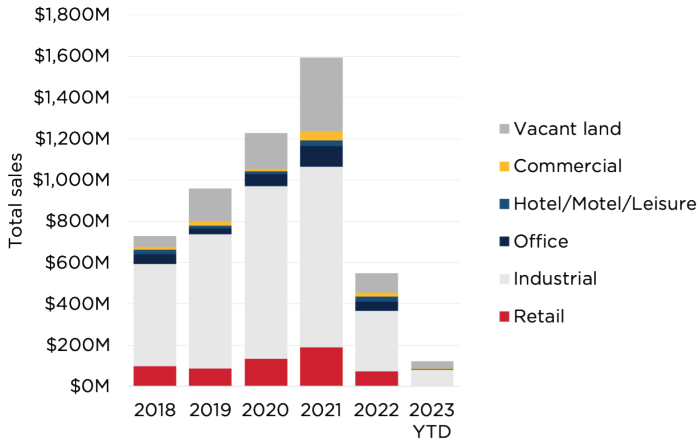
Benchmark yields



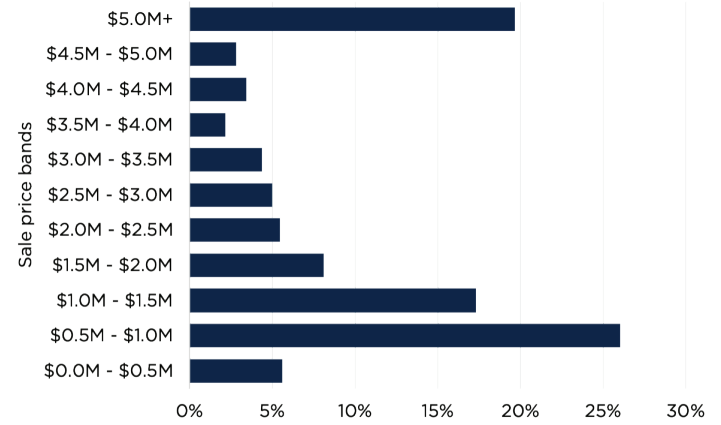
Benchmark rents and yields are based on a basket of properties that we believe reflect the asset class. The benchmarks do not represent the minimum or maximum rates in the market.

Market indicators

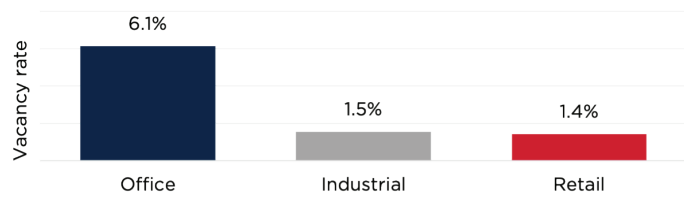
Commercial property sales by type



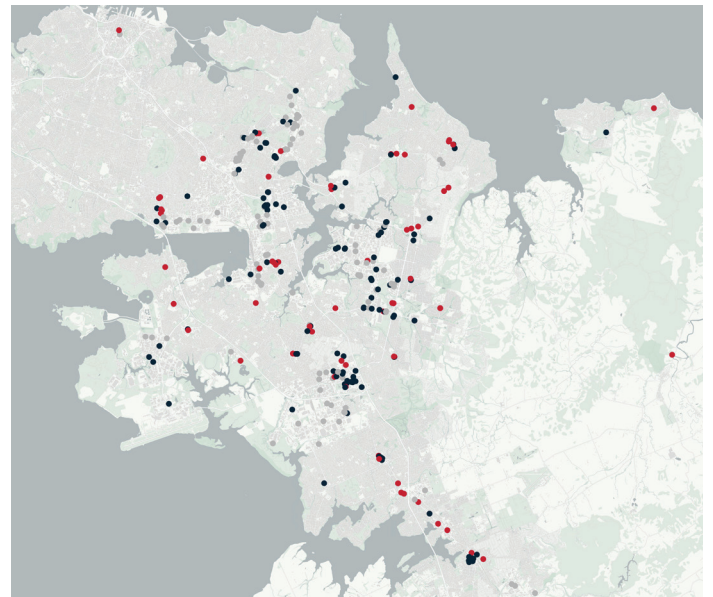
Sales transactions by price band (2021 to 2022)



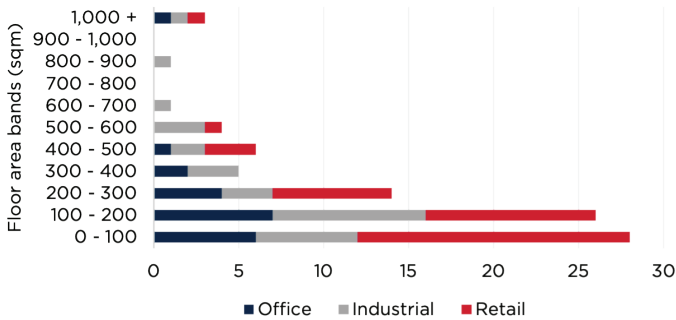
Overall vacancy rate



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	\$280 - \$320	6.0% - 7.0%	Scarce
Office - dated - city centre	\$210 - \$230	8.0% - 8.5%	Scarce
Industrial			
Industrial - modern - warehouse	\$185 - \$210	5.0% - 6.5%	Scarce
Industrial - modern - office	\$280 - \$320	5.0% - 6.5%	Scarce
Industrial - dated - warehouse	\$140 - \$160	6.5% - 7.5%	Scarce
Industrial - dated - office	\$240 - \$260	6.5% - 7.5%	Scarce
Retail			
Retail - high street	\$400 - \$600	6.0% - 7.0%	Scarce
Retail - large format	\$300 - \$400	6.4% - 7.0%	Scarce
Development land			
		\$p.s.m.	
City centre land		\$1,000 - \$1,200	Scarce
Industrial land		\$650 - \$1,050	Scarce
Residential bulk land		\$400 - \$850	Reasonable
Residential			
Median house price		\$900,000	

Notable transactions



22 Ha Crescent, Wiri

Floor area 6,359sqm
Sale price \$22,000,000
Contact James Hill, Sunil Bhana, Scott Campbell, Greg Hall, James Valintine



2 Reg Savory Place, East Tamaki

Floor area 3,562sqm
Sale price \$14,000,000
Contact Geoff Wyatt, James Hill



82 Kerwyn Avenue, East Tamaki

Land area 3,853sqm
Sale price \$10,940,000
Contact Sunil Bhana, Nelson Raines, James Hill



13 Arwen Place, East Tamaki

Land area 2,987sqm
Sale price \$9,000,000
Contact Nelson Raines, James Hill, Tim Bull



43 Cook Street, Howick

Floor area 610sqm
Sale price \$2,830,000
Contact Geoff Wyatt, Tim Koning, Tony Chaudhary



3 Dryden Place, Mount Wellington

Floor area 290sqm
Sale price \$1,902,800
Contact James Valintine, Sunil Bhana, William Gubb, James Hill



21 East Street, Papakura

Floor area 1,034sqm
Sale price \$1,900,000
Contact Piyush Kumar, Peter Migounoff



48 Firth Street, Papakura

Floor area 765sqm
Sale price \$2,150,000
Contact Peter Migounoff, Piyush Kumar, James Hill, Sunil Bhana, Tim Koning, James Valintine



6-8 Fort Richard Road, Otahuhu

Floor area 12,577sqm
Tenant sector Transport, postal and warehousing
Contact Matt Dell, James Valintine, Sunil Bhana, James Hill



9 Allens Road, East Tamaki

Floor area 1,591sqm
Tenant sector Wholesale trade
Contact Nelson Raines, Mike Markinovich, Tim Bull



70 Kerrs Road, Wiri

Floor area 1,830sqm
Tenant sector Private
Contact Tom Davison, Nelson Raines



129 Beachlands Road, Beachlands

Floor area 64sqm
Tenant sector Financial and insurance services
Contact Piyush Kumar, Peter Migounoff



39 Grayson Avenue, Papatoetoe

Floor area 610sqm
Tenant sector Transport, postal and warehousing
Contact Mike Hook



352 Church Street, Onehunga

Floor area 963sqm
Tenant sector Wholesale trade
Contact William Gubb, Matt Dell, James Valintine, Sunil Bhana, James Hill

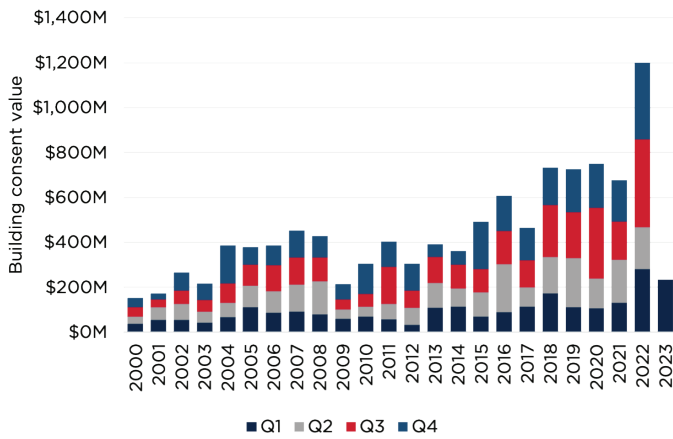


14 King Street, Pukekohe

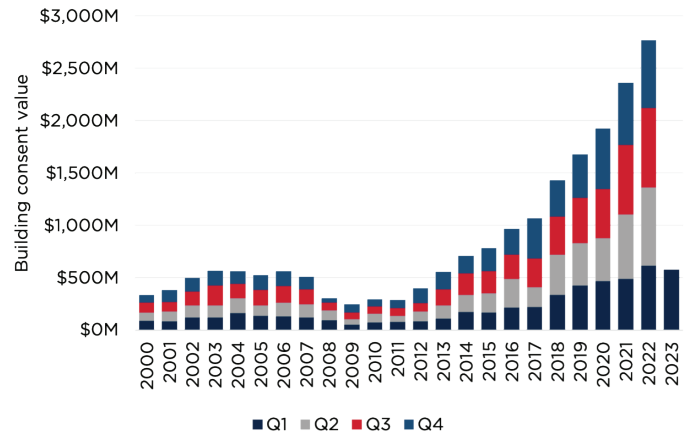
Floor area 69sqm
Tenant sector Retail trade
Contact Mike Hook, Shane Snijder

Other indicators

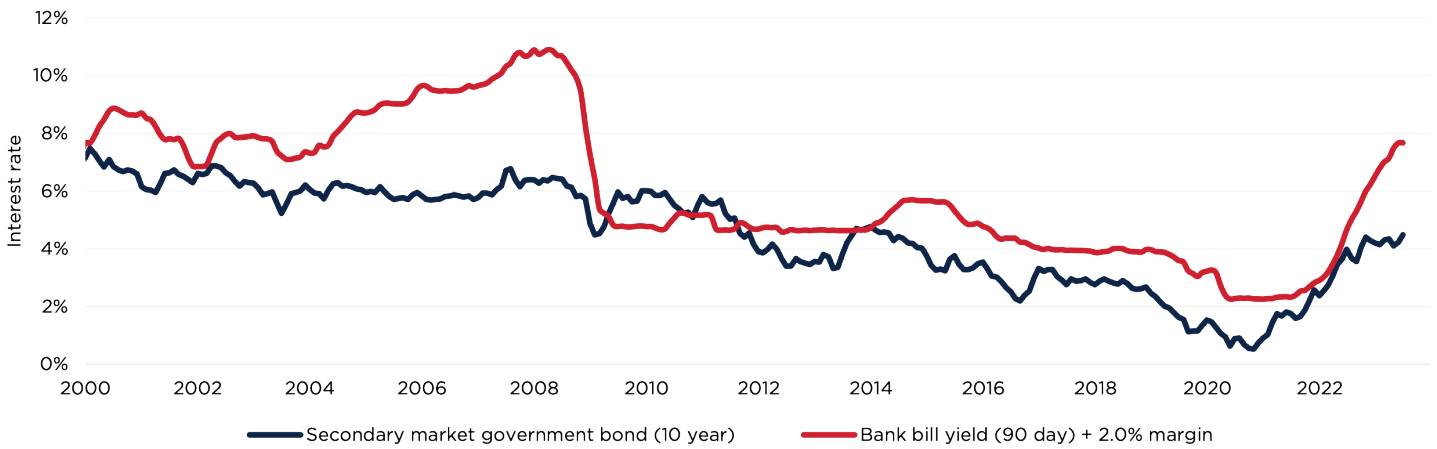
Annual commercial building consents:
South Auckland



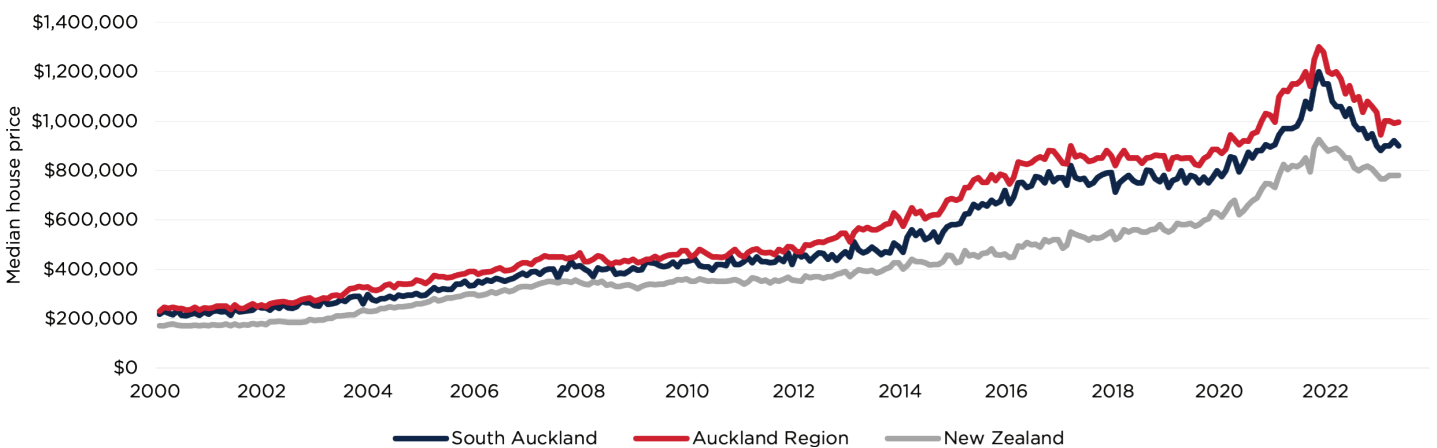
Annual residential building consents:
South Auckland



Interest rates



House prices



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