



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

\$200 – \$275

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

\$140 – \$180

Benchmark modern commercial property yields

6.1% – 8.3%

Whangarei 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.



Flight to quality driving activity in the office market

Tenants are seeking higher quality offices to improve the working experience for staff, particularly as offices compete with work-from-home. New office developments in the CBD are expected to add to the revitalisation of the area.



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.



Two-step rents

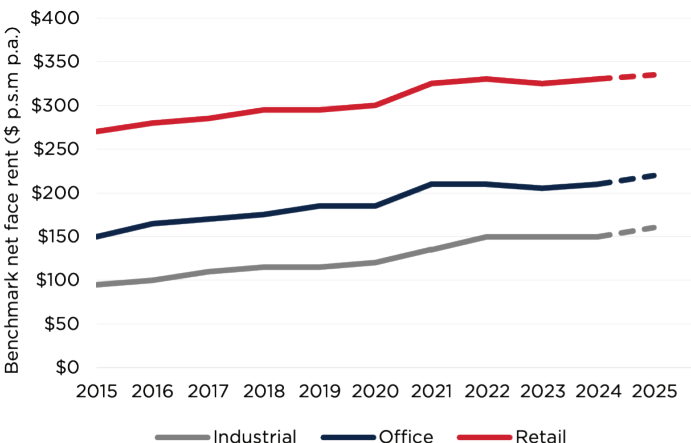
The flight to quality is resulting in low vacancies and rental growth amongst better quality properties. Lower quality properties are needing higher incentives to maintain face rents amongst weaker demand.



Yields stabilising at higher levels

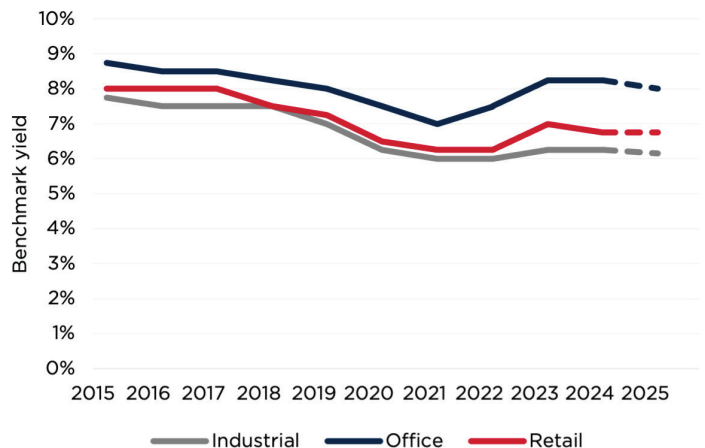
Rising interest rates have led to a softening of yields across most markets. Signals that inflation and long-term interest rates are peaking means yields are likely to stabilise at higher levels. Lower numbers of sales transactions means there is less evidence available to showcase this trend.

Benchmark rents



Source: Bayleys

Benchmark yields

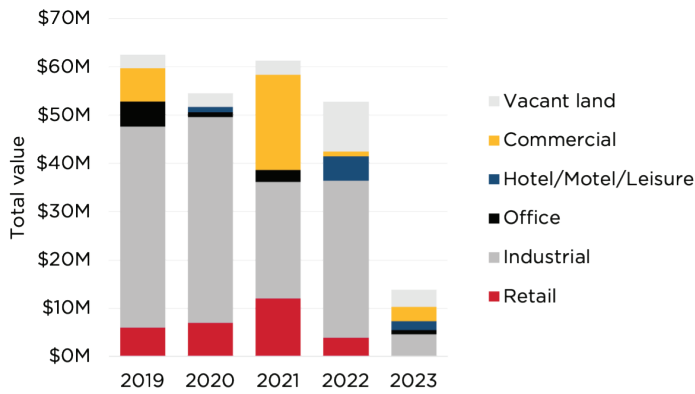


Source: Bayleys

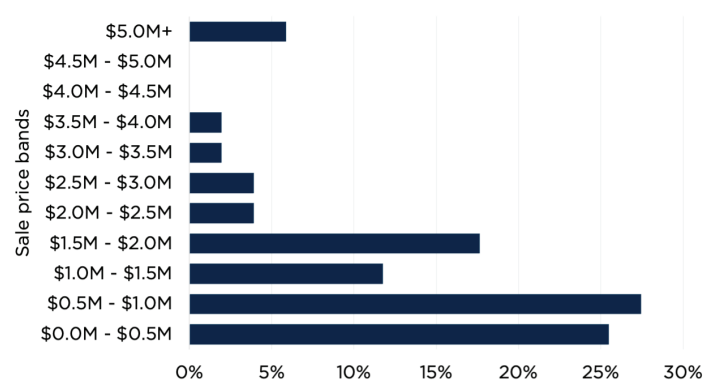
Benchmark rents and yields are based on a basket of properties that we believe reflect the asset class. The benchmarks do not represent the minimum or maximum rates in the market.

Market indicators

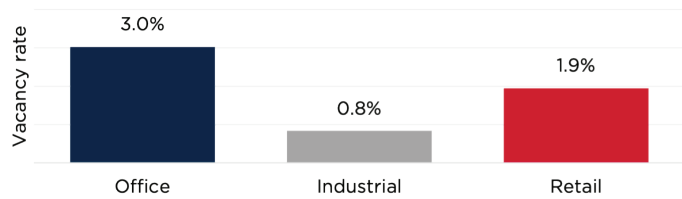
Commercial property sales by type (to Q3 2023)



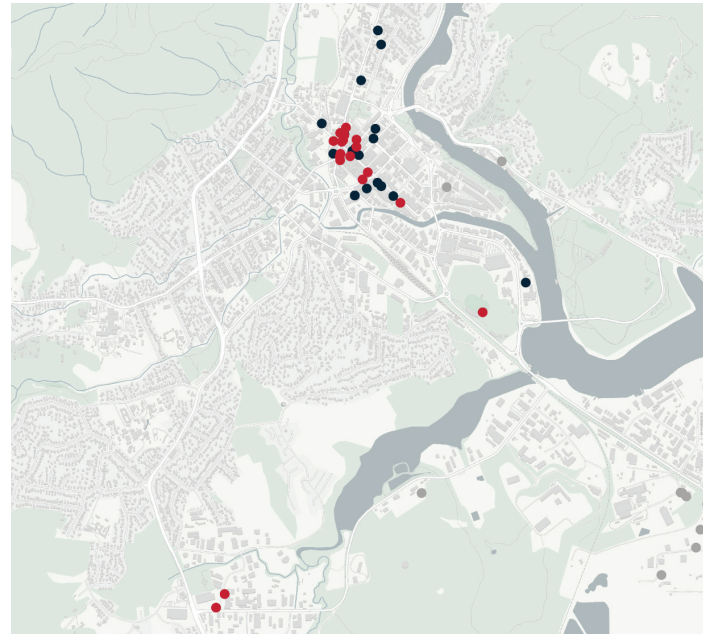
Sales transactions by price band (2022-2023)



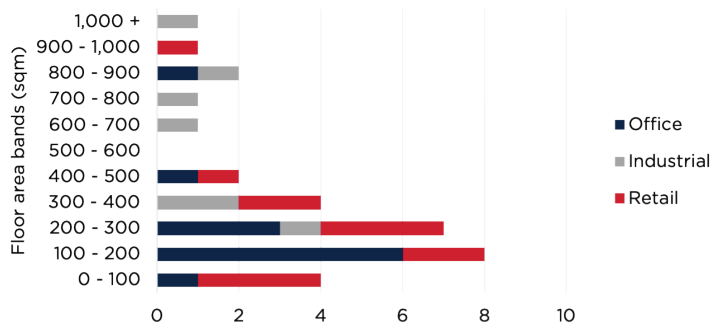
Overall vacancy rate (Dec 2023)



Advertised vacancies (Dec 2023)



Vacancies by floor area bands (Dec 2023)

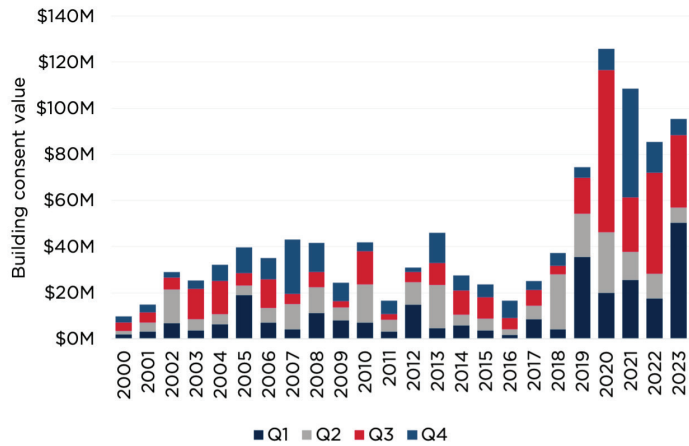


Benchmarking metrics

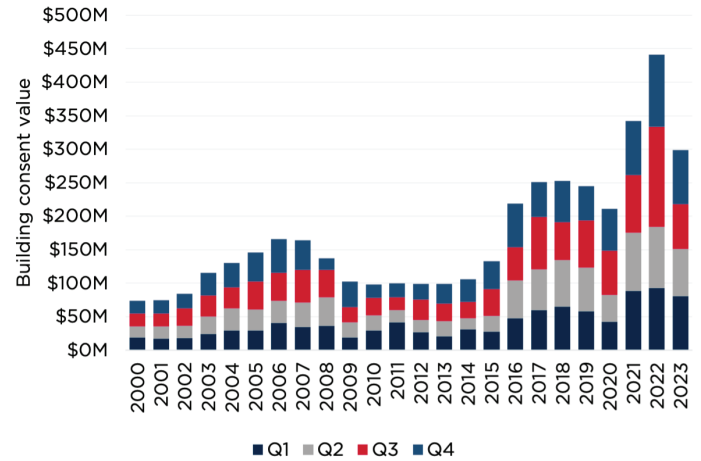
	Benchmark rents (net face \$p.s.m. p.a.)	Benchmark yields (%)	Availability
Office			
Office - modern - CBD	\$200 - \$275	7.3% - 8.3%	Reasonable
Office - dated - CBD	\$130 - \$150	8.0% - 8.5%	Surplus
Industrial			
Industrial - modern - warehouse	\$140 - \$180	6.1% - 7.0%	Reasonable
Industrial - modern - office	\$200 - \$230	6.3% - 7.0%	Reasonable
Industrial - dated - warehouse	\$90 - \$110	7.5% - 7.6%	Scarce
Industrial - dated - office	\$120 - \$170	7.5% - 8.1%	Scarce
Retail			
Retail - high street	\$310 - \$350	6.1% - 6.5%	Reasonable
Retail - large format	\$180 - \$280	7.3% - 8.3%	Scarce
Development land			
		\$p.s.m.	
City centre land		\$750 - \$820	Scarce
Industrial land		\$290 - \$310	Scarce
Residential bulk land		\$250 - \$300	Scarce
Residential			
Median house price		\$720,000	

Other indicators

Annual commercial building consents:
Whangarei district

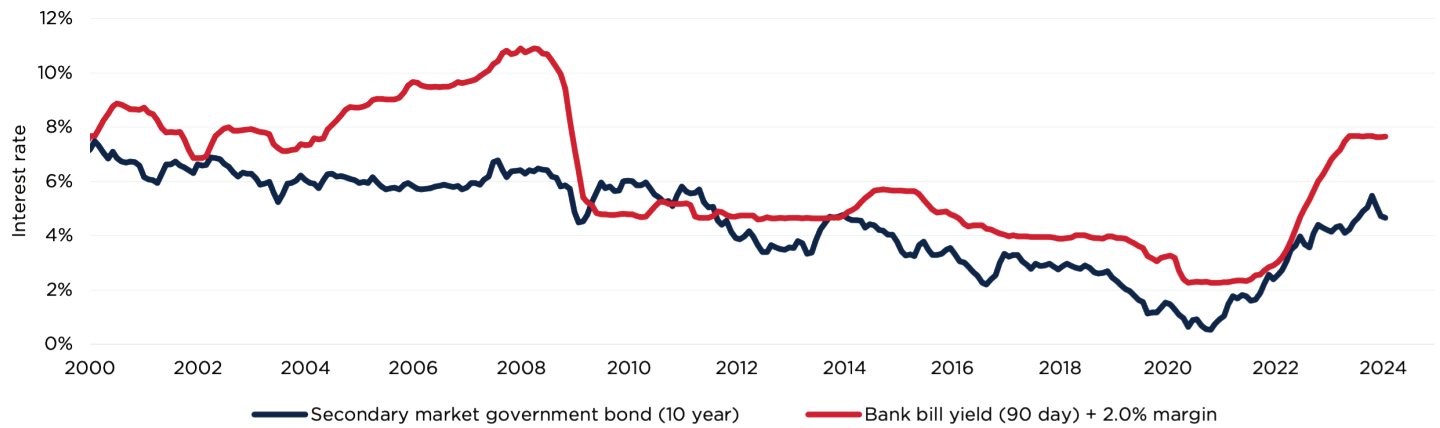


Annual residential building consents:
Whangarei district



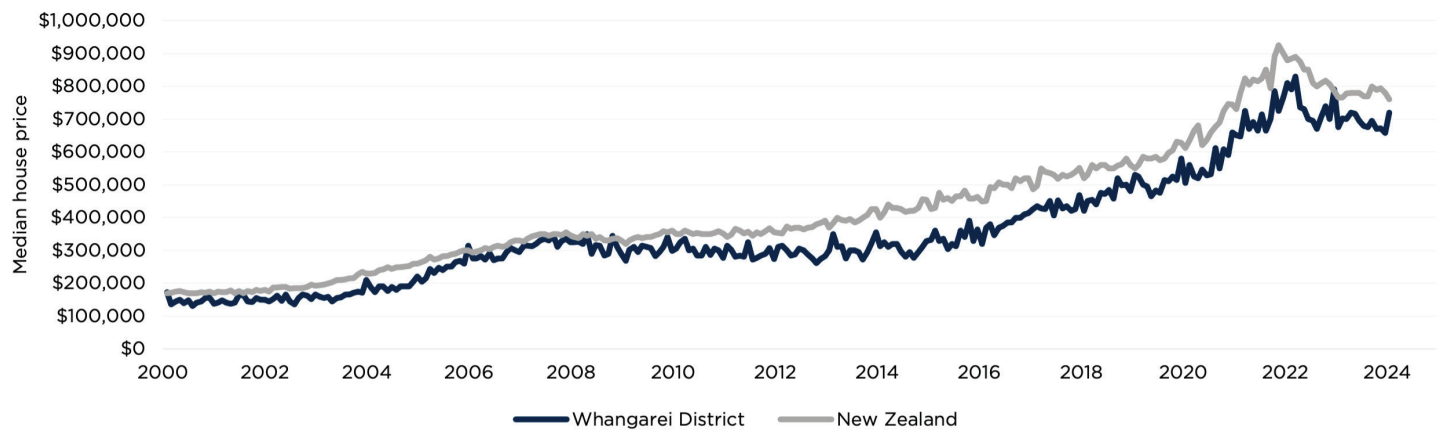
Source: Stats NZ

Interest rates



Source: REINZ

House prices



Source: REINZ

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