



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

**\$400 – \$440**

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

**\$175 – \$230**

Benchmark modern commercial property yields

**4.5% – 6.0%**

## Auckland North Shore 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.



#### Two-step retail market

Service retail like cafes are generally performing better than boutique retail. Consumer preferences are evolving towards more experiential retail which service retailers can offer.



#### 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

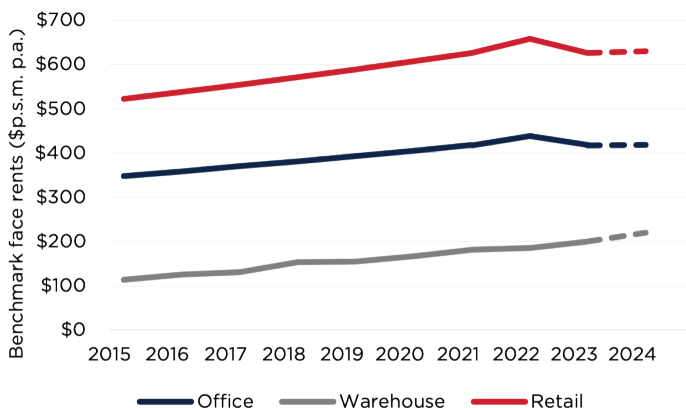
Rising interest rates have led to a softening of yields across most markets. Signals that inflation and long-term interest rates are peaking means yields are likely to stabilise at higher levels. Lower numbers of sales transactions means there is less evidence available to showcase this trend.



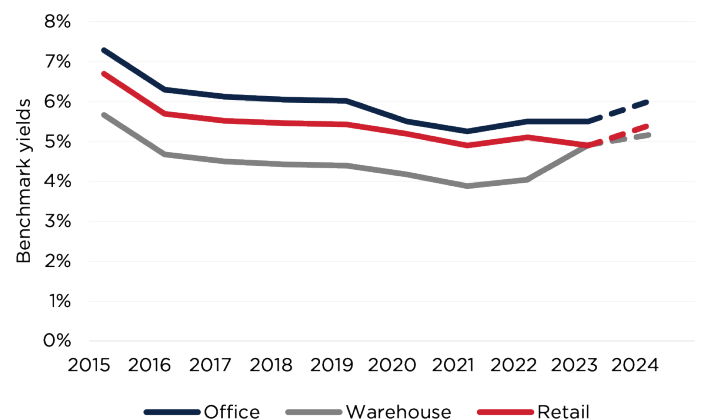
#### Flow on impact of floods

Insurance companies are evaluating their risk profiles after the impact of the recent floods in Auckland. Potential increases in premiums may increase the outgoings on industrial properties.

### Benchmark rents



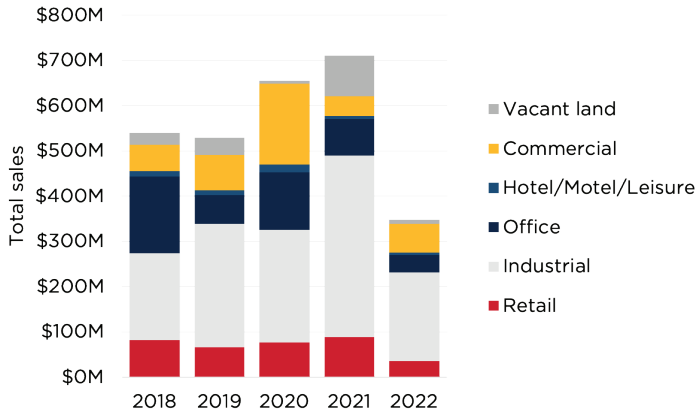
### Benchmark yields



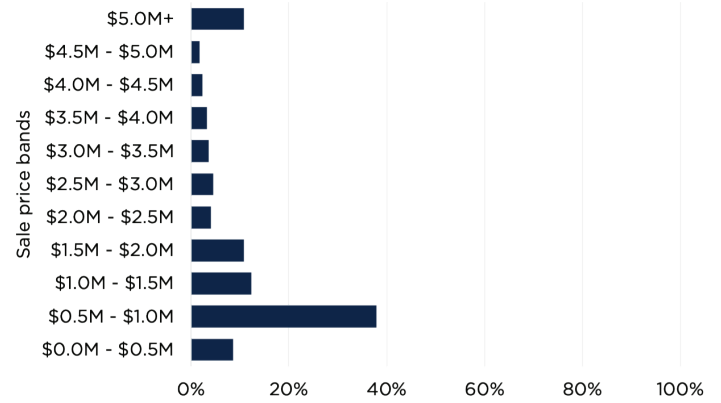
Benchmark rents and yields are based on a basket of properties that we believe reflect the asset class. The benchmarks do not represent the minimum or maximum rates in the market.

## Market indicators

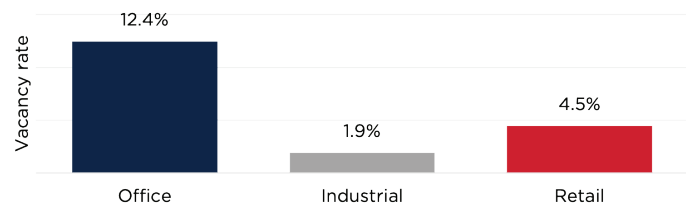
### Commercial property sales by type



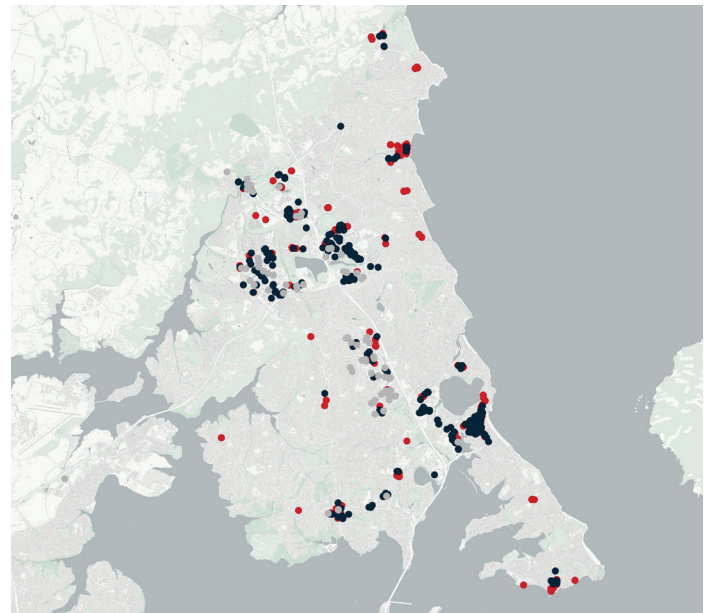
### Sales transactions by price band (2021 to 2022)



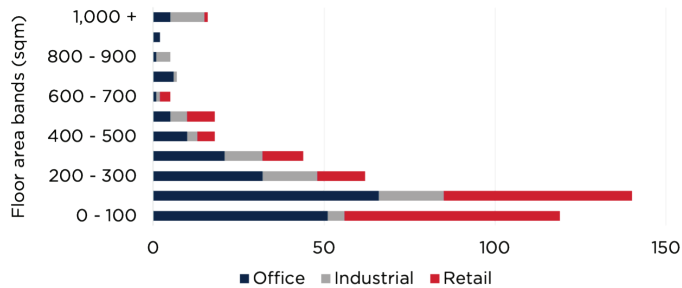
### Overall vacancy rate



### Advertised vacancies (May 2023)



### Vacancies by floor area bands



### Benchmarking metrics

	Benchmark rents (Net face \$p.s.m. p.a.)	Benchmark yields (%)	Availability
<b>Office</b>			
Office - modern - city centre	\$400 - \$440	5.0% - 6.0%	Scarce
Office - dated - city centre	\$325 - \$370	6.3% - 7.0%	Reasonable
<b>Industrial</b>			
Industrial - modern - warehouse	\$175 - \$230	4.5% - 5.3%	Scarce
Industrial - modern - office	\$275 - \$350	4.5% - 5.3%	Scarce
Industrial - dated - warehouse	\$145 - \$200	5.0% - 6.0%	Scarce
Industrial - dated - office	\$200 - \$275	5.0% - 6.0%	Scarce
<b>Retail</b>			
Retail - high street	\$540 - \$700	4.7% - 5.1%	Surplus
Retail - large format	\$480 - \$620	4.7% - 5.7%	Scarce
<b>Development land</b>			
		<b>\$p.s.m.</b>	
City centre land		\$10,000 - \$12,500	Scarce
Industrial land		\$775 - \$860	Scarce
Residential bulk land		\$870 - \$990	Scarce
<b>Residential</b>			
Median house price		\$1,140,000	Reasonable



## Notable transactions



**6 John Glenn Avenue, Albany**

**Floor area** 2,676sqm  
**Sale price** \$12,300,000  
**Contact** Matt Mimmack, Laurie Burt



**1/227 Albany Highway, Albany**

**Floor area** 1,501sqm  
**Sale price** \$4,366,000  
**Contact** Peta Laery, Richard Moors



**102-104 Hurstmere Road, Takapuna**

**Floor area** 140sqm  
**Sale price** \$2,300,000  
**Contact** Nicky Joyce, Stephen Scott



**11/3 Emirali Road, Silverdale**

**Floor area** 208sqm  
**Sale price** \$1,020,000  
**Contact** Toer Li, Christopher Moore



**E4/18 Oteha Valley Road Extension, Albany**

**Floor area** 150sqm  
**Sale price** \$1,000,000  
**Contact** Laurie Burt, Ian Waddams



**7/44-48 Ellice Road, Wairau Valley**

**Floor area** 265sqm  
**Sale price** \$950,000  
**Contact** Nicky Joyce



**B/38 William Pickering Drive, Albany**

**Floor area** 213sqm  
**Sale price** \$910,000  
**Contact** Richard Moors, Peta Laery, Nicky Joyce



**4 Cebel Place, Albany**

**Floor area** 2,186sqm  
**Tenant Sector** Storage and distribution  
**Contact** Matt Mimmack, Laurie Burt



**21 Westpoint Drive, Hobsonville**

**Floor area** 3,332sqm  
**Tenant Sector** Storage and distribution  
**Contact** Matt Mimmack, Mark Preston



**228 Bush Road, Albany**

**Floor area** 1,149sqm  
**Tenant Sector** Professional, scientific and technical services  
**Contact** Laurie Burt



**15 Orbit Drive, Albany**

**Floor area** 2,392sqm  
**Tenant Sector** Storage and distribution  
**Contact** Matt Mimmack, Laurie Burt, Nicky Joyce



**10 and 11/329 Albany Highway, Albany**

**Floor area** 292sqm  
**Tenant Sector** Wholesale trade  
**Contact** Steven Liu



**G2/14-22 Triton Drive, Albany**

**Floor area** 120sqm  
**Tenant Sector** Construction  
**Contact** Jane McKee



**E/32 Poland Road, Wairau Valley**

**Floor area** 1,012sqm  
**Tenant Sector** Administrative and support services  
**Contact** Richard Moors, Trevor Duffin

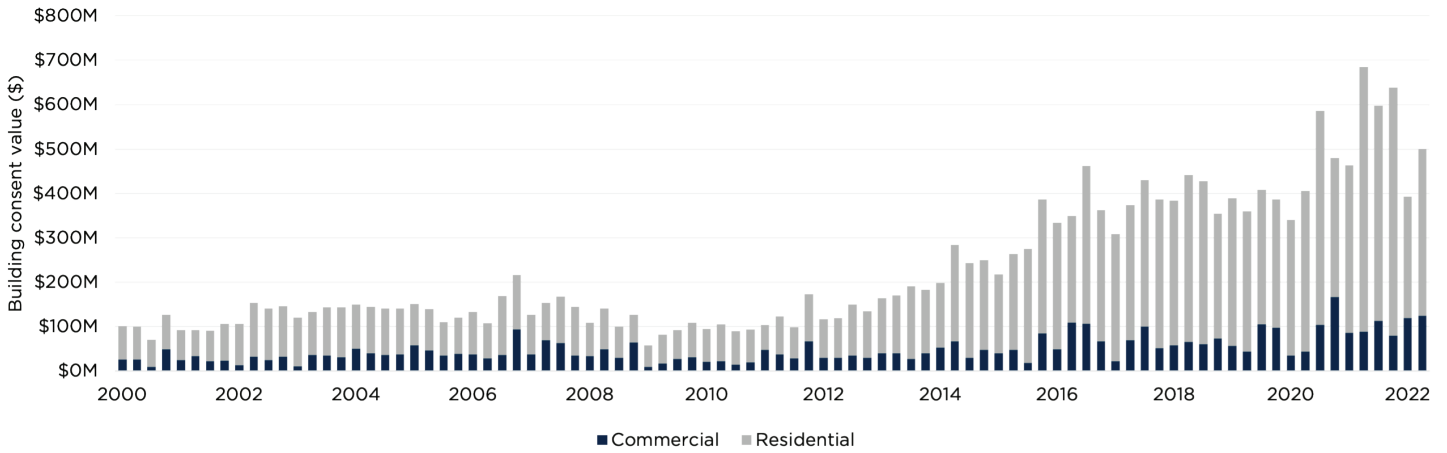


**Ground floor, 68-76 Taharoto Road, Takapuna**

**Floor area** 258sqm  
**Tenant Sector** Administrative and support services  
**Contact** Dean Gilbert-Smith

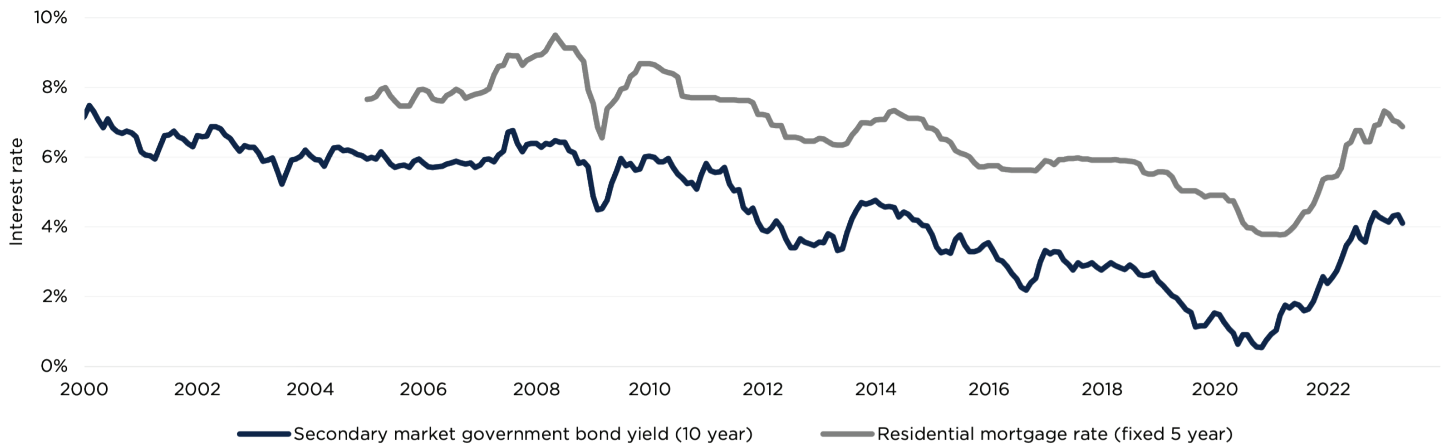
# Other indicators

## Building Consents: North Shore local boards (quarterly)



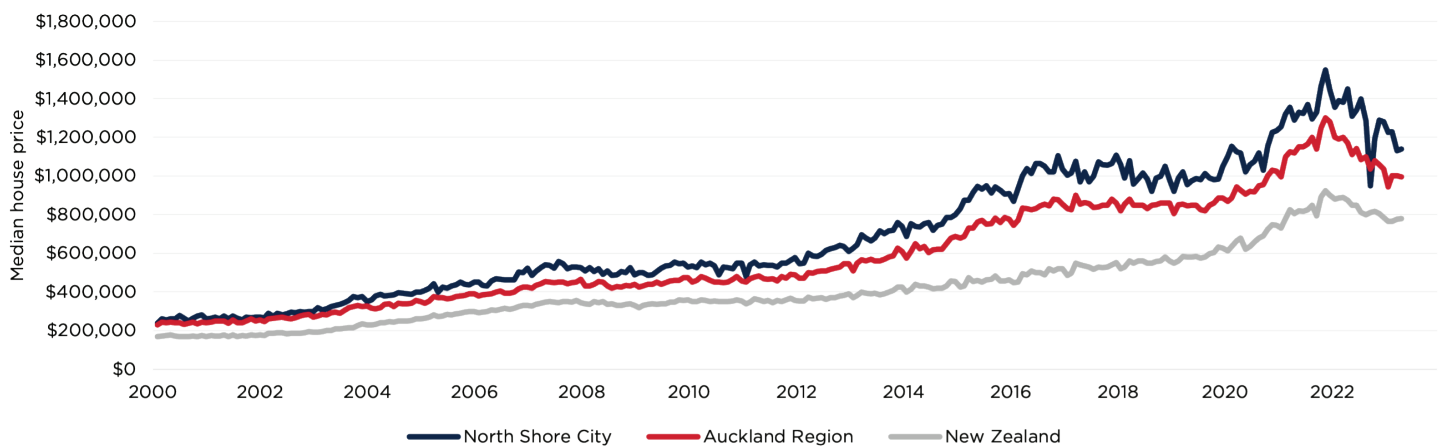
Source: Stats NZ

## Interest rates



Source: REINZ

## House prices



Source: REINZ

### Jayson Hayde

General Manager North Shore  
 jayson.hayde@bayleys.co.nz  
 COMMERCIAL NORTH SHORE LTD, BAYLEYS,  
 LICENSED UNDER THE REA ACT 2008

### Ryan Johnson

National Director  
 Commercial & Industrial  
 ryan.johnson@bayleys.co.nz  
 BAYLEYS REAL ESTATE LTD, AUCKLAND CENTRAL,  
 LICENSED UNDER THE REA ACT 2008

### Chris Farhi

Head of Insights, Data & Consulting  
 chris.farhi@bayleys.co.nz  
 BAYLEYS REAL ESTATE LTD, AUCKLAND CENTRAL,  
 LICENSED UNDER THE REA ACT 2008

### Ankur Dakwale

Analyst  
 ankur.dakwale@bayleys.co.nz  
 BAYLEYS REAL ESTATE LTD, AUCKLAND CENTRAL,  
 LICENSED UNDER THE REA ACT 2008

This publication is prepared by Bayleys Insights & Data. All opinions, statements and analyses expressed are based on information from sources which Bayleys Realty Group believes to be authentic and reliable. Bayleys issues no invitation to anyone to rely on the information contained herein and intends by this statement to exclude liability for any such opinions, statements and analyses. **All content is copyright Bayleys Realty Group 2023 and may not be reproduced without expressed permission.**

**0800 BAYLEYS**  
[bayleys.co.nz/insightsanddata](https://www.bayleys.co.nz/insightsanddata)



**ALTOGETHER BETTER**

Residential / Commercial / Rural / Property Services