



Auckland industrial outgoings benchmarks in 60 seconds



Outgoings on the rise

Total outgoings continue to rise. Effective property and facilities management is crucial for controlling operating expenses. No single cost category is likely to unlock major savings by itself so careful management is needed across all categories.

Scale drives efficiency

Average outgoings vary by building size. Smaller properties typically show higher costs per square metre, as fixed expenses are allocated across less rentable area. In contrast, larger industrial properties are often able to operate more efficiently, benefiting from scale in service contracts, management and shared infrastructure.



Rates the largest component

Rates are the largest component of outgoings for most properties and have risen sharply in recent years. This is challenging for landlords given the limited influence over this cost, other than attempting to lower the assessed capital value of their property at the three yearly rating revaluation.



Insurance seeing mixed signals

Recent premium increases were driven by extreme weather events, rising construction costs and higher interest rates, which increased insurer risk exposure and replacement values. While the insurance market is now showing signs of softening, premium reductions remain highly dependent on individual property risk profiles and claims history.



Green advantage lies beyond the bills

Green buildings are often described as having lower outgoings. All else being equal, green buildings typically have lower utility costs due to more efficient systems. The real world comparison is more complex because green buildings are usually more modern and valuable than non-green buildings, leading to higher rates which balance out the savings from lower utilities. Irrespective, the opportunity for lower cost green funding, lower emissions, and improved wellbeing outcomes remain attractive.



Volatility impacts the trend for some properties

Outgoings for industrial properties showed higher volatility than outgoings for office properties. This is primarily due to properties having lumpy repair and maintenance costs, although there were various cases of accounting practices adding volatility by shifting normally steady costs into adjoining financial years leading to peaks and troughs.

Number of buildings sampled

74

Overall average outgoings

\$33 psm

Average increase from prior year

6.6%

This is a preview of our full report.
Further information is available for contributors to the benchmarks.
To learn more about how to contribute, please contact our experts:

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