New Zealand industrial market in 60 seconds

Leasing market

Occupiers looking ahead
The Middle East conflict and oil shock tempered leasing demand in the short term, as some occupiers paused to assess the impact on business conditions. However, confidence appears to be improving as the situation stabilises, with occupiers continuing to plan ahead for future space requirements. As demand recovers, occupiers who remain active in the market are better placed to secure quality options while stock levels are favourable.

Rental growth stable with incentives nudging higher
Market rental levels remain broadly stable across most locations. Strong rental growth in recent years was driven by historic low vacancy rates, but rising availability has eased pressure on rents. A pipeline of new builds will add further supply, requiring landlords to compete more actively to secure occupiers. Incentives are naturally increasing in response to this more balanced demand and supply environment.

Market rent reviews catching up
Given significant rent growth in recent years, occupiers who have leased premises with long periods of fixed or indexed rent increases may still incur significant rises when they catch up to market at their next market rent review.

Investment market

Investment market absorbs global uncertainty
Geopolitical uncertainty and implications for lending costs have weighed on sentiment amongst investors, with agents typically reporting a mix of neutral and weak sentiment. Yields remain largely stable after rising and then falling over recent years, with the change in sentiment mainly translating to slower sales activity.

Investors remain selective
Sales volumes have improved from the lows of 2023 but remain constrained by pricing alignment and availability of quality assets. Well-priced assets are attracting the strongest competition. Investors remain highly selective, focusing on location, building quality and lease quality.

Development feasibility stable
Development feasibility is largely stable in the face of stable rents, yields and construction costs. Developers are increasingly active in acquiring land for future projects, particularly where they can secure well-located sites with long-term growth potential.

Market sentiment across New Zealand

How is occupier demand for industrial warehousing?

	Weak	Neutral	Strong
Modern industrial	29%	63%	8%
Dated industrial	21%	63%	16%

How is the supply of industrial warehousing for lease?

	Surplus	Reasonable	Scarce
Modern industrial	13%	54%	33%
Dated industrial	4%	58%	38%

Market sentiment based on a survey of Bayleys brokers across New Zealand

Need help?
Use this form to request help from your local Bayleys team

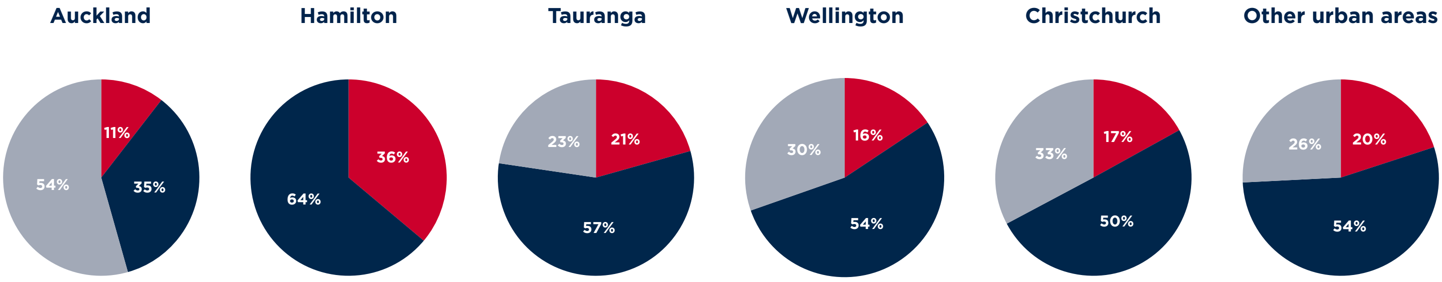
Leasing indicators

Leasing indicators by urban area

	Dated warehouse rental range	Modern warehouse rental range	Vacancy rate
Whangārei	$120 – $140	$150 – $165	1.8%
Hibiscus Coast and Warkworth	$150 – $170	$180 – $220	2.0%
Auckland North Shore	$180 – $190	$200 – $230	3.2%
West Auckland	$150 – $170	$200 – $230	4.3%
Auckland Metro	$170 – $190	$210 – $230	5.4%
South Auckland	$150 – $170	$200 – $225	4.6%
Hamilton	$90 – $120	$120 – $140	3.2%
Tauranga	$100 – $120	$125 – $140	3.3%
Rotorua	$85 – $100	$155 – $175	0.9%
Gisborne	$90 – $110	$170 – $190	0.3%
Napier and Hastings	$80 – $110	$125 – $150	2.5%
New Plymouth	$70 – $80	$100 – $120	1.7%
Whanganui	$80 – $100	$140 – $160	0.4%
Palmerston North	$100 – $110	$120 – $170	1.5%
Wellington region	$120 – $140	$170 – $200	4.4%
Richmond	$80 – $100	$130 – $150	1.3%
Nelson	$80 – $100	$150 – $180	1.3%
Blenheim	$105 – $125	$195 – $205	2.2%
Greymouth	$80 – $100	$105 – $115	0.0%
Christchurch	$90 – $110	$140 – $150	3.4%
Dunedin	$110 – $120	$175 – $195	2.2%
Queenstown	$175 – $195	$215 – $235	0.2%
Invercargill	$60 – $80	$105 – $115	0.2%

Data: Bayleys Insights & Data

Total vacant floor area by vacancy size



0-499sqm 500-2,999sqm 3,000sqm +

Benchmark properties
We use these benchmark properties for our insights:
Modern industrial: Built after 2000. Good industrial location. Warehouse 2,000sqm. 10m stud under the knee.
Dated industrial: Built before 2000. Reasonable location. Warehouse 2,000sqm. 8m stud under the knee.

We revise our methodology from time to time. Our latest results may not be fully interchangeable with historic results. The benchmarks do not represent the minimum or maximum rates in the market. Our vacancy rate is assessed on advertised vacancies (including subleases), rather than physical vacancies. Our analysis covers a wide geographic area and all property sizes, so our results may differ to those by other researchers. All findings are indicative only.

Sample of recent transactions

16 South End Avenue, Whangārei

Floor area 206sqm
Sale price $1,055,000
Contact Daniel Sloper, Nigel Ingham

8/30 Foundry Road, Silverdale, Auckland

Floor area 592sqm
Occupier Hibiscus Outdoors Limited
Contact Graeme Perigo, Alex Perigo

217-225 Archers Road, Wairau Valley, Auckland

Floor area 7,593sqm
Occupier Unipharm Healthy Manufacturing Co. Limited
Contact Matt Mimmack, Craig Smith

367 Rosebank Road, Avondale, Auckland

Floor area 1,130sqm
Occupier Trust Aluminium Limited
Contact Mark Preston, Alister Hitchcock

4 Henderson Place, Penrose, Auckland

Floor area 10,577sqm
Sale price $39,750,000
Contact James Hill, James Valintine, Sunil Bhana

21 Beach Road, Otahuhu, Auckland

Floor area 13,088sqm
Sale price $23,000,000
Contact Sunil Bhana, Mike Houlker, James Valintine

87 Church Road, Pukete, Hamilton City

Floor area 857sqm
Sale price $2,635,000
Contact Alex ten Hove, Luke ten Hove

1/55 Kaweroa Drive, Tauriko, Tauranga

Floor area 970sqm
Occupier Pickleball Park NZ Limited
Contact James Ross

149 Taurikura Drive, Tauriko, Tauranga

Floor area 9,413sqm
Sale price $24,300,000
Contact Scott Campbell, Mark Walton, Greg Hall, Paul Steele

2 Mahia Street, Ahuriri, Napier

Floor area 3,030sqm
Sale price $2,250,000
Contact Kerry Geange, Grant Anderson

22 Banks Street, Awapuni, Gisborne

Land area 3,407sqm
Sale price $1,600,000
Contact Mike Florance

42-48 Cuba Street, Palmerston North

Floor area 1,700sqm
Sale price $2,300,000
Contact James Crawley

33-43 Jackson Street, Petone, Lower Hutt

Land area 9,705sqm
Sale price $18,400,000
Contact Fraser Press, Mark Hourigan

39 Jamaica Drive, Grenada North, Wellington

Floor area 3,726sqm
Occupier Hiremaster 2025
Contact Liam Sherlock, Ethan Hourigan, Fraser Press

30 Factory Road, Tasman

Floor area 48,100sqm
Sale price $8,000,000
Contact Gill Ireland

Castle Rock Industrial Park, Christchurch

Floor area 33,527sqm
Sale price $61,000,000
Contact Sunil Bhana, Mike Houlker, William Wallace, Jesse Paenga

21 Waterloo Road, Hornby, Christchurch

Floor area 5,315sqm
Occupier Smooth Air Products
Contact Sam Stone, Nick O'Styke, Ben Hassall

33 Glenda Drive, Frankton, Queenstown

Floor area 773sqm
Sale price $5,000,000
Contact William Gubb, Chris Campbell

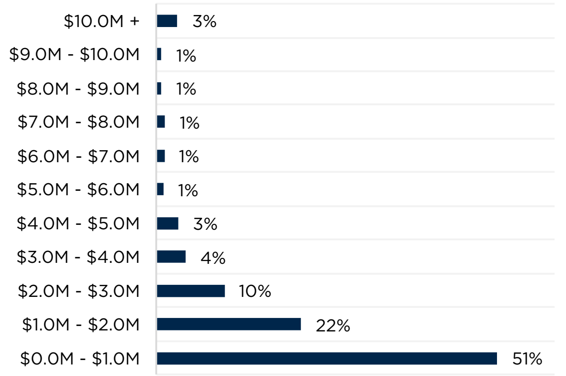
Investment indicators

Typical yields by urban area

	Dated industrial	Modern industrial
Whangārei	7.3% 8.3%	6.0% 6.8%
Hibiscus Coast and Warkworth	5.5% 6.0%	4.8% 5.5%
Auckland North Shore	5.0% 6.0%	4.5% 5.3%
West Auckland	5.5% 6.0%	5.0% 5.5%
Auckland Metro	6.0% 6.8%	5.0% 5.5%
South Auckland	5.8% 6.5%	4.9% 5.5%
Hamilton	6.3% 7.8%	4.8% 6.0%
Tauranga	5.5% 6.5%	5.0% 6.0%
Rotorua	7.0% 8.0%	6.5% 7.5%
Gisborne	7.0% 8.5%	5.5% 6.5%
Napier and Hastings	6.5% 7.0%	5.8% 6.5%
New Plymouth	7.0% 8.0%	6.0% 6.5%
Whanganui	8.5% 9.5%	7.0% 8.0%
Palmerston North	7.0% 8.0%	6.0% 7.0%
Wellington region	7.5% 8.5%	6.0% 7.0%
Richmond	5.5% 6.0%	6.3% 7.0%
Nelson	5.5% 6.0%	6.3% 7.0%
Blenheim	7.5% 8.0%	5.0% 6.0%
Greymouth	7.0% 7.5%	6.0% 6.5%
Christchurch	6.0% 7.0%	5.0% 5.8%
Dunedin	8.0% 9.0%	6.0% 6.5%
Queenstown	5.2% 5.5%	4.5% 5.0%
Invercargill	7.5% 8.5%	7.0% 8.0%

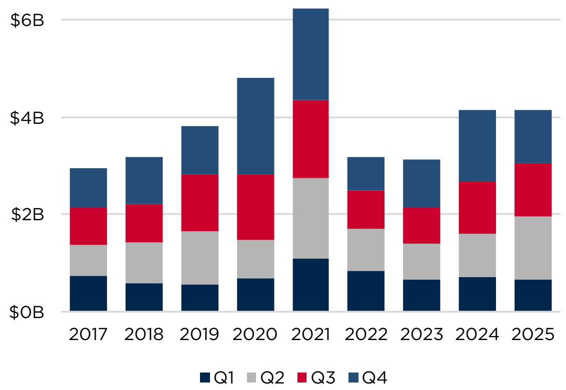
Data: Bayleys Insights & Data

Sales by price band: New Zealand (2025)



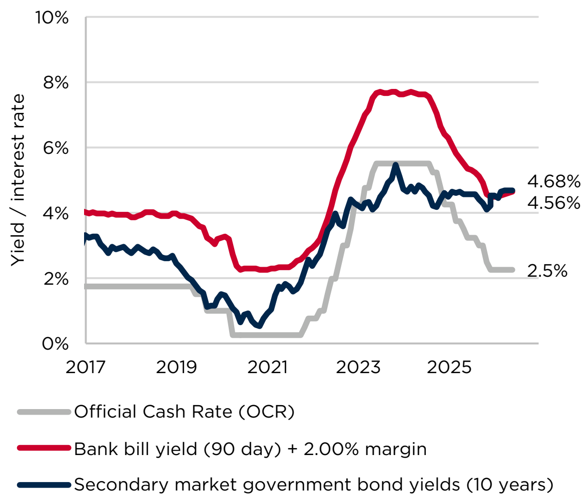
Data: Bayleys analysis of Cotality data

Sales over time: New Zealand



Data: Bayleys analysis of Cotality data

Interest rates



Data: RBNZ

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