



# Revolutionising commercial property marketing

*This year marks the 25th anniversary of the launch of Bayleys' Total Property portfolio. Despite many challenges and changes over the past quarter of a century, Total Property has retained and enhanced its enduring presence in the commercial and industrial property market.*

While *Total Property* first appeared in the late 1990s, it had its genesis much earlier that decade when portfolio marketing was amongst a raft of pioneering innovations initiated by Bayleys to inject new life into a depressed commercial and industrial property market.

Portfolio marketing involves bundling multiple properties together in promotional publications to provide vendors with a cost-effective and impactful way of marketing and selling their properties as well as presenting buyers with a wide choice of offerings.

In what was a first for the New Zealand property market, portfolio marketing was initially used in the early 1990s by Bayleys to assist large corporate clients such as Brierley Investments, AMP, Fletcher Challenge and State Insurance reduce their exposure to the property market. However, it wasn't long before Bayleys also

opened up its portfolio publications to individual vendors wanting to be part of what was proving to be a very effective way of selling property.

National and regional commercial and industrial portfolios continued to be marketed throughout the 1990s under a variety of titles until a decision was made in 1999 to establish a single brand name – *Total Property* – for all future national portfolios.

This title has become indelibly associated with the sale of commercial and industrial property in New Zealand. In the subsequent 25 years, over 11,000 properties have been marketed across more than 130 portfolios.

Bayleys managing director and CEO Mike Bayley says *Total Property* is the cornerstone of Bayleys' commercial business.

"*Total Property* remains a pivotal component of our service offering to commercial and industrial vendors and has generated billions of dollars worth of sales for clients through all types of markets over the past quarter of a century," he says.

"*Total Property* is an enduring legacy of the pioneering work that our principal shareholders John and David Bayley did in introducing portfolio marketing to New Zealand in the 1990s, initially in the commercial and industrial sector and then in the residential, waterfront and country markets. The high-quality publications that were produced to promote these portfolios, along with the targeted promotional and advertising collateral that was rolled out alongside them, revolutionised the approach to marketing and selling property in New Zealand," Bayley says.

#### FIRST OF OVER 130 PORTFOLIOS

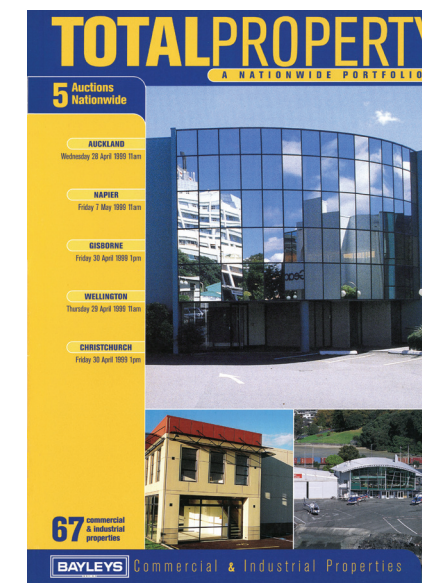
The first issue of the newly branded *Total Property*, released in early 1999,



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MIKE BAYLEY

BAYLEYS MANAGING DIRECTOR AND CEO



was a fairly modest affair, comprising just 50 pages. Back then the *Total Property* magazine was the main means of marketing, supported by newspaper advertising and property signage. The current sophisticated, multi-channel approach to marketing each portfolio, incorporating many digital components, was still some way off.

The Internet was in the early stages of development and individual property web reference numbers had yet to be used on marketing material, with salespeople preferring that people ring them for more information. Mobile phones were still largely used for talking, and it would be a good while before portfolios could be downloaded on phones, while social media had yet to make its mark.

Property prices were also a lot lower across all market sectors. The median house price sat at around \$170,000 nationally and \$230,000 in Auckland, according to Real Estate Institute of New Zealand (REINZ) statistics, or \$310,000 and \$420,000 respectively in 2024 inflation-adjusted money.

Commercial and industrial properties were being sold at much higher yields than in recent years which meant that, comparatively, prices were significantly lower. The median yield on Auckland industrial investment sales undertaken by the Bayleys Auckland industrial team in the March 1999 quarter was 11 percent and had been in double figures for over a decade.

The highest price achieved on properties featured in the inaugural 1999 *Total Property* issue was \$7.25 million for the 13-storey Greenock House in Wellington's CBD which sold almost fully leased at a 12.7-percent yield. It was purchased by Singapore-based Hotel Grand Central to add to its existing portfolio of \$100 million worth of hotel and commercial properties in New Zealand.

The sale was negotiated by Mark Sherlock, Grant Young and Mark Hourigan who are still all with Bayleys Capital Commercial in Wellington a quarter of a century later. "There are six of us that have worked together for 25 years since I joined Bayleys in 1999 and another four that have been with us for over 15 years," says director Mark Hourigan.

"It's very unusual in a commission-only, competitive industry like real estate to have a core group of agents that have been together for that long. But we're all great mates and are big supporters of Bayleys' Altogether Better team approach to selling clients' properties. A lot of our business is done through the *Total Property* portfolios because they work for vendors – reflected in our overall clearance rate of more than 80 percent from *Total Property* auctions held in Wellington."



Grand sale... Greenock House, now known as Ranchhod Tower, in Wellington's CBD, achieved the highest price of properties featured in the inaugural 1999 national *Total Property* issue.



It didn't take long for the *Total Property* brand to gain traction with the third and final issue for 2000 comprising over 100 pages and 128 properties. Continuing the theme of high yields, a modern nine-level office building in Hamilton's CBD, anchored by Westpac, was sold for \$9.2 million from that portfolio at a 12.3-percent yield.

*Total Property* continued to gather momentum in the new millennium growing from three to eight portfolios a year over the next two decades and navigating many different market conditions.

The number of *Total Property* issues was increased to four a year in 2005 in response to the increased activity in the market which remained on full throttle until well into 2007 before the Global Financial Crisis (GFC) struck. By this stage, many property owners were sensing tougher times ahead and deciding to sell.

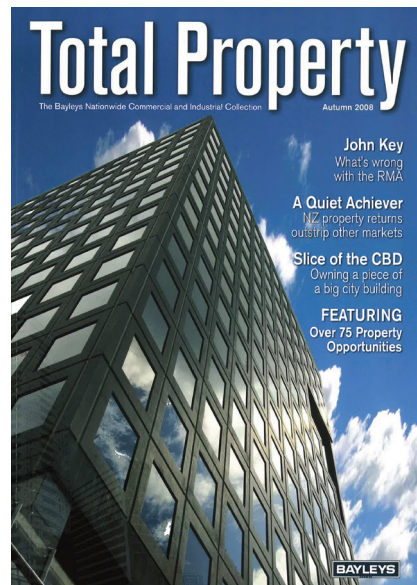
The final *Total Property* for 2007 was a whopper containing over 170 properties – the largest portfolio ever produced. As it turned out this was a good time to sell, with the December nationwide *Total Property* auctions generating more than \$35 million worth of sales.

#### HIGHLIGHTING TRENDS AND ISSUES

Comprehensive editorial content was added to *Total Property* from Autumn 2008, at a time when the market was once again under pressure as a result of the GFC and investors were hungry for quality information.

The editorial focus was on trends and issues impacting the commercial and industrial property sector as well as tapping into Bayleys' dominance in the sales market to provide the latest information on prices and yields through Sales Snapshots.

Among contributors to the Autumn 2008 issue was John Key, then National Party Leader who would become Prime Minister later that year. He wrote an article headed *What's wrong with the*



Still a work in progress... in the first *Total Property* issue to contain significant editorial content, John Key outlined National's plans to fix the RMA within 30 days of taking office in 2008.

RMA? and outlined his party's plans to introduce a bill to reform the Resource Management Act in the first 100 days of a new National Government.

Mike Bayley commented on just how much of a handbrake on development the RMA had become

in his introduction to the magazine: "Nobody disputes the need for balance between the environment and development," he said. "But dealing with the bureaucracy that the RMA has spawned can be a painfully slow and expensive experience as we hear time and time again from developer clients, both big and small."

Unfortunately, little has changed in the subsequent decade and a half. Reforming the RMA remains a work in progress with the new National-led coalition government heading back to the drawing board once again on this contentious piece of legislation.

While listings dropped off considerably during the GFC, *Total Property* continued to be the go-to medium for owners committed to selling. "Even when the market was tough, as was the case during the GFC, we still had a consistent flow of deals built around *Total Property* portfolio campaigns," recalls Hourigan.

"No one else had the same structured approach to marketing property which meant that anyone needing to sell probably needed us as much as we needed them. The GFC meant you just had to hustle a bit harder, deals sometimes took longer and as a

salesperson, you had to provide more expertise and input to the deal."

The impact of the GFC lingered on into the early 2010s, compounded by the impact of the Canterbury earthquakes. These not only had huge consequences for Christchurch, and in particular its CBD, but created rumblings in commercial property markets across the country as a *Total Property* article in 2012 headlined *Earthquake aftershocks rock property markets* outlined:

"First it was the legacy of leaky buildings but now creaky buildings have grabbed the spotlight as commercial and industrial property owners, tenants and investors around the country struggle to get a grip on seismic ratings and the impact these are having on the market.

"This new seismic focus, in the wake of the unexpected Christchurch earthquakes, has produced a fresh wave of industry jargon with abbreviations such as NBS and IEP becoming part of everyday property parlance. Engineers are being rushed off their feet, with reports of waiting lists of up to four months for building seismic evaluations. And battered valuers, who have only just recovered

from the difficulties of determining values in a declining market, now face a whole new challenge in ascertaining just what effect the seismic shake-up is having on property prices.

"Quality information on a building's seismic soundness is fast becoming essential for any commercial property deal to take place, be it a lease or sale. Enquiry into a building's structural integrity has gone from being almost non-existent to the first question asked in new leasing deals, even in cities considered to have a low seismic risk such as Auckland."

Seismic soundness, and how it was assessed, continued to be a big issue in the 2010s. However, building sustainability has also increasingly come under the spotlight with an article in *Total Property* Issue 7, 2023 headlined *Second wave sustainability* suggesting it could become the big issue of this decade:

"As the world counts down to a goal of net carbon zero by 2050, the pressure is on to ensure environmental, social and governance (ESG) principles are front and centre of every business' strategic and operational planning, with real estate asset management top of that list. (The World Green Building Council reports that 39 percent of global emissions come from real estate).

"The post-pandemic landscape has also fuelled a second wave of social sustainability that goes beyond carbon emissions to rate buildings – and companies – on everything from wellness and safety to diversity and climate resilience. 'ESG factors are very important to today's employees. That makes them very important to their employers and to the owners of premises they occupy,' says Bayleys national director commercial & industrial Ryan Johnson."

Johnson went on to say, that as the regulatory landscape evolves, New Zealand's long tail of small-to-medium B, C and D-grade commercial property, which comprises about 75 percent of the market, could be at risk of becoming obsolete because many of these buildings won't meet Building Act carbon emission requirements. Johnson says this represents a substantial risk to many property owners but also a significant opportunity for those owners who are among the first to retrofit their premises to a higher standard.

#### VENDOR SUPPORT PROPELS GROWTH

*Total Property* has continued to gather momentum over the past decade or so, moving to five editions a year in 2012, as the market entered into another upward cycle, then to seven editions in 2017, and to the current eight portfolios a year in 2018.

It has attracted strong vendor support across all market conditions and, in particular, has proved its worth during downward cycles as was the case last year when the lowest number of commercial and industrial sales transactions in more than three decades was recorded. Despite this, \$1.05 billion of property sales were delivered in 2023 through *Total Property* campaigns. The final portfolio of the year was one of the biggest ever, attracting 131 listings – a reflection of how much faith vendors have in its effectiveness, says Johnson.

"The portfolios provide individual property owners with the opportunity to pool their resources with other vendors and to benefit from economies of scale and a higher level of market exposure through the *Total Property* marketing platform than is possible with a standalone, individual property campaign."

The *Total Property* magazine remains an integral part of each portfolio's promotion, with 10,500 copies printed and mailed to a constantly qualified national and international database as well as being displayed in Bayleys' 100 offices throughout the country and 18 Air New Zealand lounges. The portfolios also receive extensive print and radio promotion through targeted advertising and editorial articles.

Digital promotion now makes up a major part of a multi-channel promotional package. *Total Property* is brought to life in this space through the landing page on Bayleys' website (bayleys.co.nz/totalproperty) where all properties can be found, along with editorial content from the magazine and links to view an e-Book version of the magazine or request a hard copy. The landing page attracted close to 17,000 views in November 2023 following the release of Issue 8 on November 3.

Digital marketing of the portfolios and properties includes targeted electronic direct mailouts (eDMs), use of other property-related websites, such as realestate.co.nz, Trade Me and OneRoof, as well as Google Search and social media, encompassing Facebook and LinkedIn.

"No doubt, the marketing and distribution of *Total Property* will be further refined and enhanced over the next quarter of a century, particularly in the digital space where change is constant," Johnson says. "*Total Property* will continue to be all about delivering results for vendors, connecting people and property through targeted, effective marketing and the skills and teamwork of our salesforce."



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**RYAN JOHNSON**  
BAYLEYS NATIONAL DIRECTOR  
COMMERCIAL AND INDUSTRIAL



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**MARK HOURIGAN**  
BAYLEYS WELLINGTON DIRECTOR