



Tide turning

New year, new government and fresh opportunities in the commercial and industrial property space.



RYAN JOHNSON
BAYLEYS NATIONAL DIRECTOR
COMMERCIAL AND INDUSTRIAL

Welcome to the first edition of *Total Property* for 2024 with 109 new property offerings nationwide across the commercial and industrial spectrum.

We're celebrating 25 years of *Total Property* this year and Bayleys is proud to have definitively changed the property marketing game for our clients since the inaugural publication in 1999.

Today, this multi-channel portfolio is a recognised and respected brand that cleverly optimises market exposure, provides compelling industry insights and produces results regardless of market cycles or sentiment. It's exciting to ponder how *Total Property* will continue to evolve in the years ahead.

One month in, and I'm feeling optimistic about 2024 and the team is buckling in for a busy year.

The glimmers were there last year with Bayleys doing more sales than the previous year despite the general downturn and increasing its already strong market share.

We had a record year in leasing largely off the back of a revitalisation of the CBD office market due to return-to-office dynamics, plus the ongoing demand for industrial warehousing and logistics space. The Wellington and Christchurch markets both had a really positive year, and with the tourism sector bouncing back, we had some good wins in the hotels, tourism and leisure space.

It's an interesting landscape for property as we track into the Year of the Dragon. While still outside the Reserve Bank's target band, news that inflation is falling and signs that interest rates will start to ease as the year progresses, signals a much-awaited - although gradual - turning of the tide.

The change of government will shake things up in the commercial real estate market as the National-led coalition is listening to the business community, and challenging status quo on many fronts.

It recognises potential for Build-to-Rent investment to alter the face of the housing market, is committed to a bureaucratic cull which would markedly scale back ministry and agency property requirements, and despite lobbying, is likely to remove the ability for commercial and industrial building owners to deduct depreciation as a tax expense.

Right-sizing government-aligned office footprints is just one area that will impact the property market and is one example where Bayleys national director customer engagement and advisory, Paula Bennett will bring tangible value off the back of her extensive parliamentary career.

Commitment to continually innovate and fine-tune our client service saw several recent key appointments, an acquisition to boost Bayleys' offering and a highly contested opportunity to market a unique retail portfolio.

The launch of our occupier strategy and solutions arm headed by Steve Rendall, appointment of Jason Seymour as senior director capital markets and Matt Lamb as national

director commercial leasing, plus the launch of the enhanced Auckland Metropolitan Markets team are of note.

As is the recent acquisition of business brokering, consultancy and advisory firm Rede Business, with William Cheong and James MacMillan appointed national directors for Bayleys Business to elevate our business sales capability.

Our ability to transact across market sectors and our global connectivity via Knight Frank saw Bayleys co-appointed to sell a significant non-management interest in a quality New Zealand retail portfolio with scale and market dominance. The retail market is recalibrating and we're seeing good value achieved - particularly for irreplaceable assets such as these offerings. More to come on this soon.

Of all the change that we're witnessing in the market currently, artificial intelligence (AI) will potentially be the biggest shapeshifter in commercial real estate going forward. Bayleys will be launching proprietary generative AI tools so our clients can perform real estate-specific tasks across their assets' lifecycle - again, more on that soon.

In this edition of *Total Property* we look back at the portfolio's genesis and success over the last 25 years, delve into migration as a driver on multiple levels across the commercial and industrial sector, and check in with business line leaders within our commercial and industrial team for their take on what 2024 has in store.

Plenty happening and we're ready for it! Get in touch to be part of a transformative and exciting year.

WHO ARE WE?

Bayleys is New Zealand's largest commercial and industrial real estate agency and is the only significant national real estate business in this sector of the market that is New Zealand owned and operated.

We operate in a family-founded and values based corporate environment that demands integrity, excellence and results. In today's changing world we continue to innovate and focus on strong working relationships to deliver results that exceed our clients' expectations.

Knight Frank Bayleys have developed a true global partnership with Knight Frank, through our acquisition of their local business and their representation globally. This gives our clients access to a globally-connected network spanning 51 markets. Our closest connections are to the Knight Frank Asia Pacific Group with 9,625 people in 146 offices all working collaboratively to find the right buyer for your property.

OUR INDUSTRY RECOGNITION

- #1 RICS** Agency Team of the Year NZ 2020 & 2017
As awarded by the Royal Institute of Chartered Surveyors (RICS) at the RICS Awards.
- #1 RICS** Industrial Agency Team of the Year NZ 2018
As awarded by the Royal Institute of Chartered Surveyors (RICS) at the 2018 Sales Awards.

- #1 REINZ** Bayleys is proud to have been recognised at the REINZ Awards for Excellence in Real Estate.
 - Large Commercial and Industrial Office of the Year (2018-2022)
 - Medium Agency of the Year - All Disciplines (2022-2023)
 - Commercial and Industrial Salesperson of the Year (2018-2019)
 - Small Business Broking Office of the Year (2019)
 - Best Multi-Media Marketing Campaign of the Year (2018 & 2020)

2,500 SALES AND LEASING TRANSACTIONS	\$2.8B OF PROPERTY SOLD OR LEASED	240 COMMERCIAL SALES AND LEASING AGENTS
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*For the period 1st April 2022 - 31st March 2023.