



New Zealand retail market in 60 seconds

Leasing market



Consumers remain cautious

Leasing demand is gradually improving as economic indicators stabilise. Lower mortgage rates are easing household pressure compared with 12 months ago, supporting more consistent consumer spending and lifting business confidence. Discretionary spending remains constrained by subdued population growth, flat wages and higher living costs.



Leasing performance is mixed

Large format retail remains tight across most regions. CBD and town centre vacancy rates are comparatively higher likely due to continued impact from hybrid working patterns. For smaller shop tenancies, leasing timeframes vary significantly depending on the property location and rental expectations of landlords.



Growth in the corridors

Performance is uneven across the country, with the South Island generally tracking more positively than the North, supported by internal migration and comparatively affordable housing. Retail supply continues to expand in growth corridors such as Westgate, Drury and Christchurch. Large international retailers are progressing expansion plans by targeting modern premises in key locations.

Investment market



Investment demand regaining momentum

Investment conditions are shifting from weak to neutral as buyer enquiry and competitive tension improve for well-priced assets. Syndicators and private capital are more active, supported by easing funding costs and favourable income returns. Purchasers remain highly selective, focusing on core and value-add assets.



Yields stabilising

Yield conditions are neutral, with market participants reporting stabilisation following a period of volatility. Improving transaction volumes are helping to provide more pricing evidence to the market which is assisting with closing price gaps between buyers and vendors.

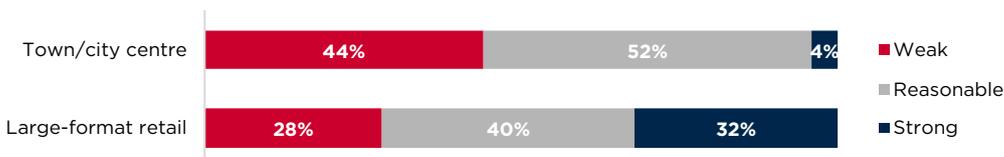


Development outlook is improving selectively

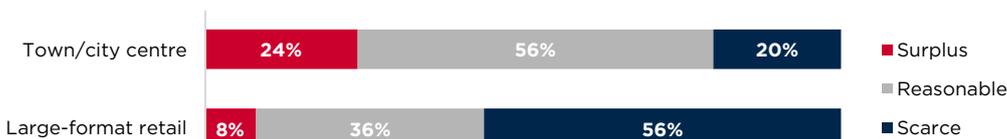
Development conditions are neutral, with feasibility improving as construction cost pressures ease. Leasing pre-commitments remain critical for most projects. Well-located projects are being delivered with anchor tenants. While newer premises are preferred, some tenants are finding it challenging to justify the significant uplifts in rent for new builds.

Market sentiment across New Zealand

How is occupier demand for retail premises?



How is the supply of retail premises for lease?



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



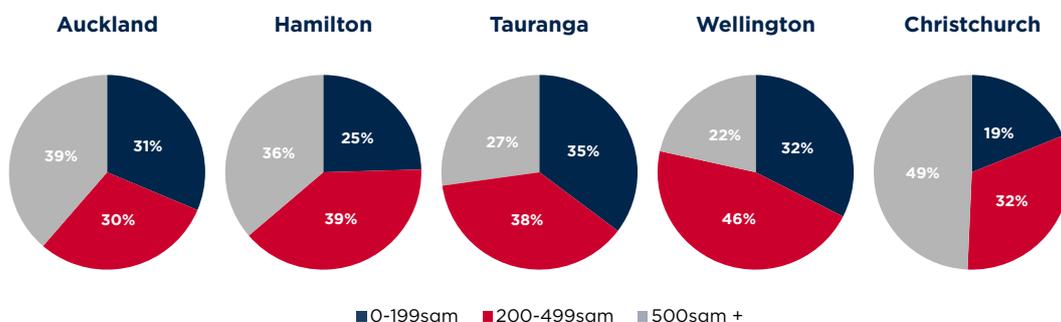
Leasing indicators

Leasing indicators by urban area

	Town/city centre rental range	Large format retail rental range	Vacancy rate
Whangarei	\$300 - \$350	\$300 - \$400	1.5%
Hibiscus Coast and Warkworth	\$400 - \$600	\$300 - \$350	1.8%
Auckland North Shore	\$300 - \$700	\$300 - \$400	5.1%
West Auckland	\$200 - \$350	\$250 - \$450	2.1%
Auckland CBD	\$1,000 - \$2,500	\$350 - \$450	14.9%
Auckland Metro	\$500 - \$1,200	\$400 - \$700	4.4%
South Auckland	\$450 - \$550	\$400 - \$600	1.0%
Hamilton	\$250 - \$350	\$150 - \$225	3.2%
Tauranga	\$275 - \$375	\$250 - \$350	3.7%
Rotorua	\$225 - \$275	\$130 - \$210	2.9%
Gisborne	\$120 - \$180	\$140 - \$190	0.2%
Napier and Hastings	\$200 - \$450	\$200 - \$250	3.4%
New Plymouth	\$150 - \$200	\$250 - \$350	2.3%
Whanganui	\$315 - \$385	\$240 - \$290	0.4%
Palmerston North	\$300 - \$400	\$200 - \$250	1.6%
Hutt Valley and Porirua	\$300 - \$500	\$250 - \$350	2.5%
Wellington CBD	\$500 - \$1,500	\$300 - \$600	5.6%
Richmond	\$330 - \$400	\$300 - \$450	1.5%
Nelson	\$350 - \$450	\$230 - \$300	4.6%
Blenheim	\$270 - \$320	\$210 - \$260	2.3%
Greymouth	\$130 - \$180	\$150 - \$200	0.0%
Christchurch	\$900 - \$1,200	\$350 - \$650	4.2%
Dunedin	\$600 - \$700	\$250 - \$300	2.2%
Queenstown	\$1,600 - \$3,000	\$350 - \$750	1.4%
Invercargill	\$180 - \$260	\$215 - \$265	0.5%

Data: Bayleys Insights & Data

Total vacant floor area by vacancy size



Vacancy rate is blended across town centre, large format and trade retail properties. Vacancies on the main CBD streets are significantly higher in the five major cities.

Vacancy rate: Five biggest urban areas



Benchmark properties

We use these benchmark properties for our insights:

Town/city centre retail: Main shopping street. Floor area: 100sqm. Cold shell.

Large format retail: Good location for large format retail. 500sqm. Reasonable car parking.

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



10 Gumdigger Place, Raunanga, Whangarei

LEASED
Floor area 480sqm
Tenant Indigo Traders Limited
Contact Daniel Sloper



934 Whangaparaoa Road, Manly, Auckland

SOLD
Floor area 1,879sqm
Sale price \$2,150,000
Contact Graeme Perigo, Ben Clare



1056 Beach Road, Torbay, Auckland

SOLD
Floor area 295sqm
Sale price \$2,200,000
Contact Michael Nees, Matt Mimmack



4B/140 Don McKinnon Drive, Albany

LEASED
Floor area 1,334sqm
Tenant JD Sports
Contact Ash Hira, Shalini Hira



19-29 Donovan Street, Blockhouse Bay

LEASED
Floor area 2,238sqm
Tenant Golden Apple
Contact Chris Beasleigh, Andrew Bishop, Blake Holloway



6/34A Lake Street, Cambridge, Waipa

SOLD
Floor area 185sqm
Sale price \$1,355,000
Contact Willem Brown



277 Te Rangitautahanga Road, Turangi

SOLD
Floor area 517sqm
Sale price \$900,000
Contact Mike Florance



41 Elizabeth Street, Tauranga

LEASED
Floor area 185sqm
Tenant Heartland Bank Limited
Contact Lynn Bradley, Ryan Bradley, Brendon Bradley



9/500 Te Ngae Road, Rotorua

SOLD
Floor area 240sqm
Sale price \$635,000
Contact Damien Keenan



426 Palmerston Road, Gisborne

SOLD
Floor area 517sqm
Sale price \$900,000
Contact Mike Florance



155 Carnarvon Street, Gisborne

SOLD
Floor area 754sqm
Sale price \$3,784,364
Contact Mike Florance



152 Emerson Street South, Napier

LEASED
Floor area 217sqm
Tenant Connor Clothing
Contact Grant Anderson



152-166 Rangitikei Street, Palmerston North

LEASED
Floor area 680sqm
Tenant Natural Rest
Contact Krystal Shortland, Rod Grieve, Andrew Bishop



40 Vanguard Street, Nelson

LEASED
Floor area 423sqm
Tenant PN Furniture
Contact Gill Ireland, Seb Hickman



72-74 High Street, Blenheim

SOLD
Floor area 213sqm
Sale price \$570,000
Contact Michael Ryan, Glenn Dick



9 Gerald Street, Lincoln, Canterbury

SOLD
Floor area 561sqm
Sale price \$2,750,000
Contact Jesse Paenga, William Wallace, Chris Jones



186 Papanui Road, Merivale, Christchurch

SOLD
Floor area 551sqm
Sale price \$4,550,000
Contact Alex White, Michael Girgis



27 Shotover Street, Queenstown

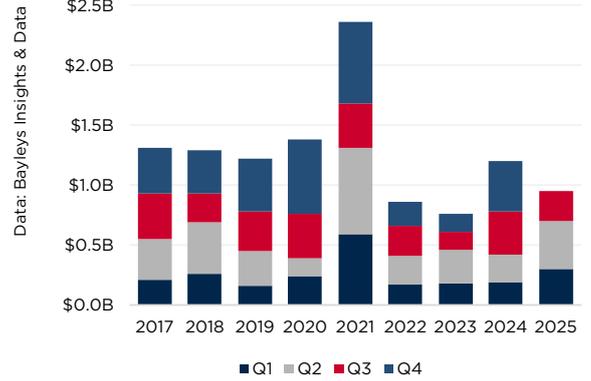
LEASED
Floor area 203sqm
Tenant UGG Express
Contact John Archibald

Investment indicators

Typical yields by urban area

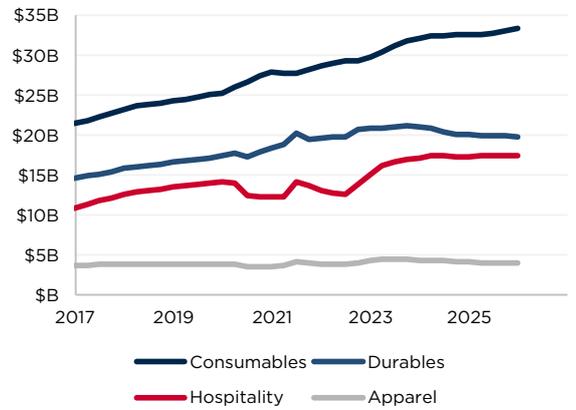
	Town/city centre	Large format
Whangarei	7.3% ■ 8.3%	7.0% ■ 7.5%
Hibiscus Coast and Warkworth	5.5% ■ 6.5%	5.5% ■ 7.0%
Auckland North Shore	6.0% ■ 7.0%	6.0% ■ 7.0%
West Auckland	6.0% ■ 7.0%	7.0% ■ 8.0%
Auckland CBD	6.0% ■ 7.0%	5.5% ■ 6.5%
Auckland Metro	7.0% ■ 8.0%	6.0% ■ 7.0%
South Auckland	6.0% ■ 7.0%	6.0% ■ 7.0%
Hamilton	5.5% ■ 6.5%	6.0% ■ 7.0%
Tauranga	5.5% ■ 6.3%	5.8% ■ 6.5%
Rotorua	7.5% ■ 8.5%	7.0% ■ 8.0%
Gisborne	8.5% ■ 9.5%	6.3% ■ 7.3%
Napier and Hastings	7.5% ■ 8.5%	7.0% ■ 8.0%
New Plymouth	6.0% ■ 7.0%	6.0% ■ 7.0%
Whanganui	8.0% ■ 9.0%	6.5% ■ 7.5%
Palmerston North	7.0% ■ 8.0%	7.0% ■ 8.0%
Hutt Valley and Porirua	7.0% ■ 8.0%	6.5% ■ 7.5%
Wellington CBD	6.5% ■ 7.5%	6.0% ■ 7.0%
Richmond	6.0% ■ 6.5%	6.3% ■ 7.3%
Nelson	6.0% ■ 7.0%	7.0% ■ 7.5%
Blenheim	7.0% ■ 8.0%	5.0% ■ 6.0%
Greymouth	6.0% ■ 7.0%	6.5% ■ 7.5%
Christchurch	5.5% ■ 6.5%	5.5% ■ 6.5%
Dunedin	6.5% ■ 7.0%	5.5% ■ 6.0%
Queenstown	3.0% ■ 3.8%	5.0% ■ 6.0%
Invercargill	7.5% ■ 8.5%	7.5% ■ 8.5%

Sales over time: New Zealand



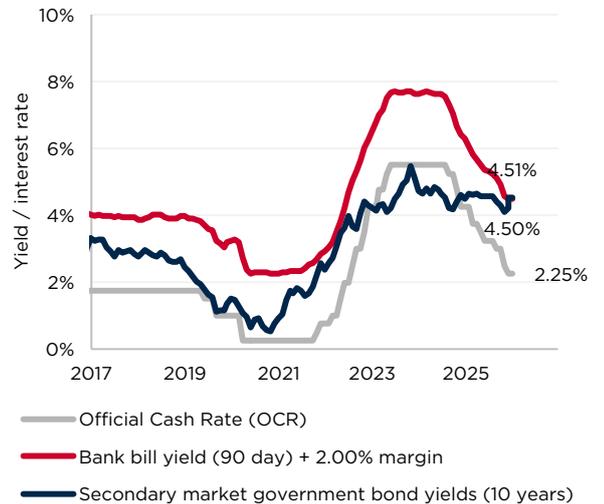
Data: Bayleys analysis of Cotality data

Electronic card transactions



Data: StatsNZ

Interest rates



Data: RBNZ

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