



# Market musings

*Commercial real estate is entering a period of renewed activity, with increasingly optimistic indicators pointing toward growth.*



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Market dynamics across the commercial real estate sector are shifting, with fluctuating demand and mixed sentiment creating a more complex landscape. Even so, early indicators point to strengthening confidence as investors and occupiers position themselves for emerging growth opportunities.

Office markets across Australia and other APAC economies are experiencing a resurgence and early indicators suggest strengthening demand in New Zealand as well. Kiwi Property Group's planned sale of Auckland's ASB waterfront headquarters to an investment entity associated with Precinct underscores the trend of real estate investment trusts repositioning capital. With confidence growing around an

improving economic outlook, further significant office transactions are expected in the coming year.

Overseas visitor numbers rose six percent in the year to December 2025, pushing annual arrivals above 3.5 million for the first time since before the pandemic. This renewed momentum is energising buyer confidence across the hotels, tourism and leisure (HTL) sector.

Activity in the HTL market continues to build, supported in part by recent changes to visa settings that are flowing through to business sale activity. Elevated enquiry levels are now translating into completed deals for going concern businesses, signalling renewed confidence in the market.

New Zealand's net migration gain in 2025 was the lowest for any calendar year since 2013, excluding the pandemic-affected 2021 and this is not going unnoticed in the wider commercial property market. Reduced population growth has softened demand in the industrial sector, contributing to rising vacancy levels,

stronger leasing incentives and slowing growth. In contrast, other APAC markets are not experiencing the same slowdown. With larger population bases to draw on, these economies continue to attract tenants and maintain more active industrial markets.

Clarity on a more proportionate and risk-based regulatory framework for earthquake-prone buildings is expected mid-year, as the select committee reviews the Building (Earthquake-prone Buildings) Amendment Bill. This progress ahead of the November election could provide owners and occupiers with a more certain compliance pathway, helping them plan upgrades, transactions and investment decisions with greater confidence.

Bayleys data shows commercial and industrial deal volumes increased 11 percent between September 2025 and the end of February 2026. February 2026 activity was also significantly higher, rising approximately 65 percent

compared with the same month last year. This uplift in transactions reflects growing market momentum.

Sales values have improved as well, up nearly 19 percent year-to-date, with several major transactions over \$20 million contributing to the overall increase.

Bayleys is strengthening its rural and commercial partnership capabilities to support landowners looking to diversify their investments beyond the farm. This integrated national approach is creating clearer pathways for clients exploring commercial property opportunities.

In this environment, buyer activity is evolving. Heartland New Zealand has become one of the most active groups in the market, reflecting rising rural confidence and improved liquidity across the agricultural sector. These conditions are encouraging more landowners to consider the long-term, stable returns offered by commercial property given the lower debt servicing environment and competitive pricing for investment-grade assets.

This edition of *Total Property* showcases 113 commercial and industrial opportunities for your

consideration. This weighty portfolio reflects rising market activity and a clear readiness among property owners to capitalise on current conditions to transact, with strong nationwide listing activity offering opportunities across a broad mix of sectors and regions.

One of the headline opportunities is Ferncliffe Farm in Tauriko West, Tauranga, a rare, large-scale development platform in one of New Zealand's fastest-growing regions. The fully consented 82-hectare site sits at the heart of the Western Bay of Plenty growth corridor and comes supported by key agreements, ensuring it is genuinely development-ready and primed for rapid project launch.

In our editorial pieces, we delve into the drivers behind the Bay of Plenty's development surge, and explore how rising operating expenses are prompting owners, occupiers and investors to rethink building performance.

There's a lot to digest in the current market, and the Bayleys team is on hand to help make sense of it all. Reach out anytime as collaboration leads to better outcomes, and we're ready when you are.

## 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.

 Bayleys has 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 50 territories. Our closest connections are to the Knight Frank Asia Pacific Group with over 9,500+ people in 166 offices all working collaboratively to find the right buyer for your property.

## OUR INDUSTRY RECOGNITION

**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, 2024-2025)
- Medium Agency of the Year - All Disciplines (2022-2025)

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SALES AND LEASING  
TRANSACTIONS

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SOLD OR LEASED

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COMMERCIAL SALES  
AND LEASING AGENTS

\*For the period 1st April 2024 - 31st March 2025.