



New Zealand office market in 60 seconds

Leasing market



Uplift in occupier enquiry levels

Leasing conditions are neutral, with occupier enquiry levels lifting after a subdued period. Confidence is rebuilding, although decision-making remains cautious as business confidence recovery is uneven. Larger organisations continue to strategically review their space needs, but sentiment has shifted from contraction toward selective growth. Post-pandemic hybrid working concerns have largely resolved, but the impact of Generative AI on space demand has been flagged by some tenants.

Rental conditions diverging by quality



Rental outlook is generally steady, but with a modest firming expected in well-located, high-quality office assets. Demand is strongest for modern premises with strong amenities, seismic resilience and sustainability credentials. Older or poorly located buildings face weaker demand and are needing higher incentives to maintain face rents.

Flight to quality creates opportunity



The ongoing demand for quality premises is presenting potential upside for owners able to upgrade their assets, particularly where they are well-located. Targeted investment into the presentation of spaces, amenity and sustainability can materially improve leasing outcomes. The offering of more flexible premises, such as pre-fitted office suites, is also seeing success in the major cities.

Investment market



Investment demand regaining momentum

Investment conditions are shifting from weak to neutral, as buyer enquiry and competitive tension improves 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. Office sale volumes remain subdued, with more capital weighted toward industrial and retail assets.



Yields stabilising

Yield conditions are neutral, with market participants reporting stabilisation following a period of volatility. Limited transaction volumes are restricting the depth of sales evidence, making yield movements difficult to define and contributing to challenges in pricing alignment. This continues to reinforce the negotiation gap between buyers and vendors.



Development outlook improving selectively

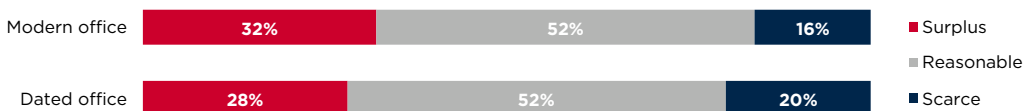
Development conditions are neutral, with feasibility improving as construction cost pressures ease. Leasing pre-commitments remain critical for most projects. Well-located projects being delivered with anchor tenants or fully speculative builds are generally securing occupiers, although the depth of demand is reasonably shallow. It can be challenging for tenants to justify the significant uplifts in rent for new builds.

Market sentiment across New Zealand

How is tenant demand for office premises?



How is the supply of office 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



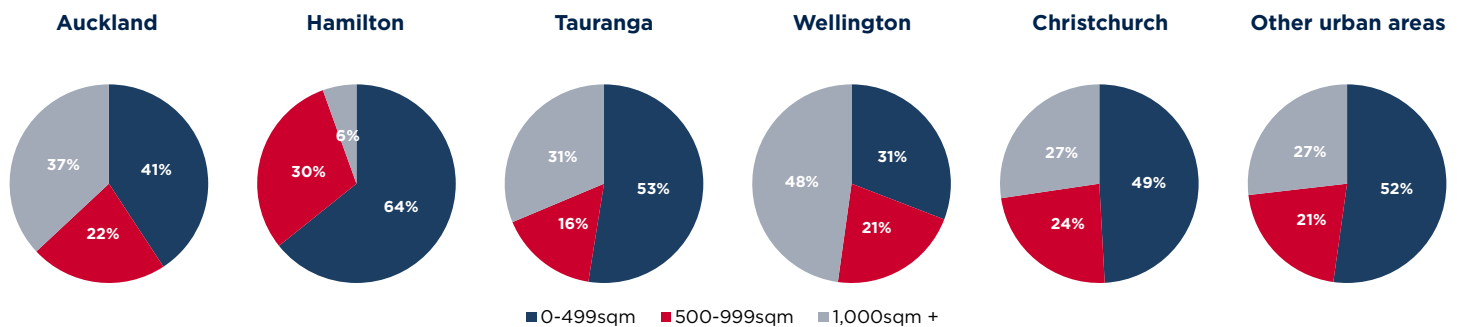
Leasing indicators

Leasing indicators by urban area

| | Dated office rental range | Modern office rental range | Vacancy rate |
|------------------------------|---------------------------|----------------------------|--------------|
| Whangarei | \$150 - \$220 | \$300 - \$400 | 3.3% |
| Hibiscus Coast and Warkworth | \$220 - \$270 | \$290 - \$330 | 2.0% |
| Auckland North Shore | \$200 - \$300 | \$300 - \$450 | 11.3% |
| West Auckland | \$200 - \$240 | \$320 - \$450 | 5.8% |
| Auckland CBD | \$300 - \$400 | \$585 - \$785 | 12.5% |
| Auckland Metro | \$225 - \$275 | \$275 - \$425 | 11.4% |
| South Auckland | \$220 - \$250 | \$280 - \$320 | 6.2% |
| Hamilton | \$170 - \$225 | \$250 - \$365 | 5.1% |
| Tauranga | \$220 - \$350 | \$375 - \$550 | 9.3% |
| Rotorua | \$130 - \$200 | \$200 - \$340 | 3.2% |
| Gisborne | \$150 - \$180 | \$180 - \$220 | 1.3% |
| Napier and Hastings | \$175 - \$250 | \$250 - \$350 | 7.0% |
| New Plymouth | \$150 - \$200 | \$225 - \$350 | 10.8% |
| Whanganui | \$140 - \$160 | \$250 - \$270 | 1.8% |
| Palmerston North | \$150 - \$250 | \$300 - \$400 | 5.8% |
| Hutt Valley and Porirua | \$120 - \$160 | \$180 - \$260 | 10.0% |
| Wellington CBD | \$300 - \$400 | \$450 - \$650 | 10.2% |
| Richmond | \$220 - \$240 | \$260 - \$320 | 2.0% |
| Nelson | \$220 - \$240 | \$260 - \$340 | 2.8% |
| Blenheim | \$130 - \$170 | \$200 - \$290 | 3.2% |
| Greymouth | \$110 - \$130 | \$150 - \$170 | 0.0% |
| Christchurch | \$175 - \$225 | \$300 - \$500 | 8.7% |
| Dunedin | \$150 - \$180 | \$260 - \$310 | 5.2% |
| Queenstown | \$300 - \$350 | \$350 - \$425 | 4.3% |
| Invercargill | \$180 - \$250 | \$300 - \$400 | 4.7% |

Data: Bayleys Insights & Data

Total vacant floor area by vacancy size



Benchmark properties

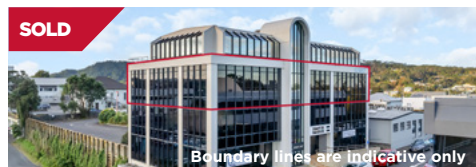
We use these benchmark properties for our insights:

Modern office: Built after 2000 (excludes new builds). Good location. Single floor tenancy. Open-plan layout. Warm shell (no or minimal fitout).

Dated office: Built before 2000. Reasonable location. Single floor tenancy. Open-plan layout. Warm shell (no or minimal fitout).

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



2C/4 Vinery Lane, Whangarei

Floor area 304sqm
Sale price \$660,000
Contact Henry Napier, Daniel Sloper



D/19 Tamariki Avenue, Orewa, Auckland

Floor area 113sqm
Sale price \$450,000
Contact Graeme Perigo, Marie Hansen



29 Northcroft Street, Takapuna, Auckland

Floor area 1,932sqm
Sale price \$6,075,000
Contact Michael Nees, Dean Gilbert-Smith, Ranjan Unka



9/289 Lincoln Road, Henderson, Auckland

Floor area 254sqm
Tenant Hydrotech
Contact Ankur Dakwale, Mark Preston



Level 1, 125 Queen Street, Auckland

Floor area 1,200sqm
Tenant Kernel Wealth
Contact Hayley Preston, Steve Rendall



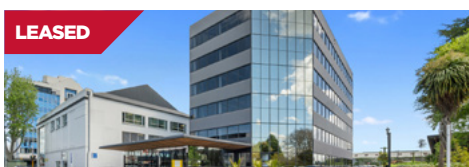
Level 21, 48 Shortland Street, Auckland

Floor area 490sqm
Tenant Mafic Partners
Contact Ben Wallace, Steve Rendall



12-16 Gordon Road, Otahuhu, Auckland

Floor area 2,397sqm
Tenant The Electoral Commission
Contact Chris Wong, Sam Fitzgerald, Matt Lamb



Level 1, 18 London Street, Hamilton Central

Floor area 2,340sqm
Tenant Neazor Brady & Partners
Contact Jordan Metcalfe, Rebecca Bruce



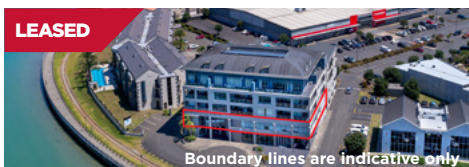
63-75 Durham Street, Tauranga

Floor area 2,159sqm
Sale price \$15,100,000
Contact Brendon Bradley, Lynn Bradley, Ryan Bradley, James Ross



1251 Fenton Street, Rotorua Central

Floor area 277sqm
Tenant Mediaworks
Contact Damien Keenan, Mark Slade



101/4 Reads Quay, Gisborne

Floor area 706sqm
Tenant Pakarae Incorporation
Contact Mike Florance



74 Tennyson Street, Napier

Floor area 223sqm
Sale price \$810,000
Contact Kerry Geange



20-22 Currie Street, New Plymouth

Floor area 811sqm
Sale price \$3,550,000
Contact Iain Taylor, Darryl Taylor



420 Church Street, Palmerston North

Floor area 1,415sqm
Sale price \$2,750,000
Contact Karl Cameron, Fraser Press



4/4 Champion Road, Richmond

Floor area 448sqm
Tenant SLR Consulting NZ Ltd
Contact Gill Ireland, Seb Hickman



68 Seymour Street, Blenheim

Floor area 180sqm
Tenant Puro New Zealand
Contact Jake Arnesen, Michael Ryan



1/100 Moorhouse Avenue, Christchurch

Floor area 557sqm
Tenant Business Technology Group
Contact Alex White, Levi Dwan



1 Treffers Road, Wigram, Christchurch

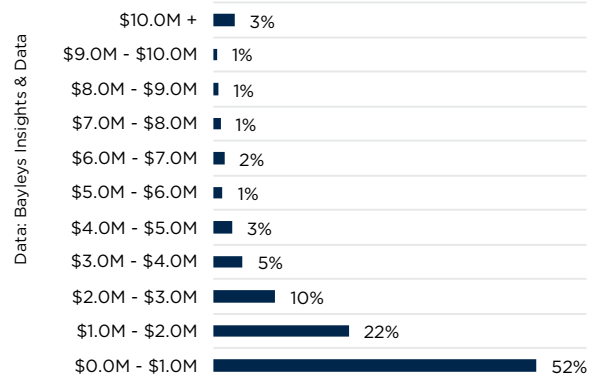
Floor area 5,364sqm
Sale price \$23,300,000
Contact Jesse Paenga, William Wallace, Graeme Donaldson

Investment indicators

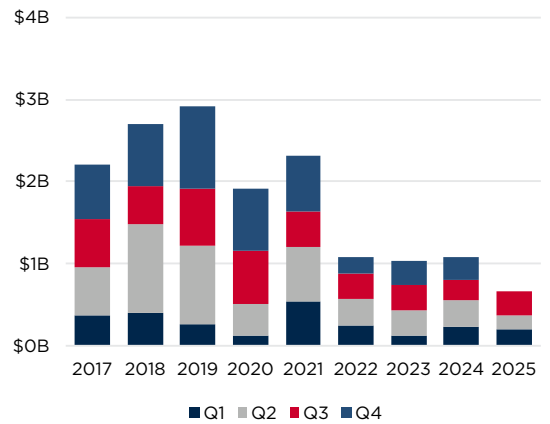
Typical yields by urban area

| | Dated office | Modern office |
|------------------------------|--------------|---------------|
| Whangarei | 7.8% ■ 8.5% | 7.5% ■ 8.0% |
| Hibiscus Coast and Warkworth | 6.5% ■ 8.0% | 6.0% ■ 7.0% |
| Auckland North Shore | 7.0% ■ 8.0% | 6.0% ■ 7.0% |
| West Auckland | 7.5% ■ 8.5% | 7.0% ■ 8.0% |
| Auckland CBD | 7.5% ■ 9.0% | 6.0% ■ 6.5% |
| Auckland Metro | 7.5% ■ 8.5% | 6.5% ■ 7.5% |
| South Auckland | 6.8% ■ 7.8% | 5.5% ■ 6.5% |
| Hamilton | 8.0% ■ 10.0% | 6.0% ■ 7.5% |
| Tauranga | 6.0% ■ 7.0% | 5.0% ■ 6.0% |
| Rotorua | 7.5% ■ 8.5% | 7.0% ■ 8.0% |
| Gisborne | 8.5% ■ 9.5% | 6.0% ■ 7.0% |
| Napier and Hastings | 7.5% ■ 8.5% | 6.5% ■ 7.5% |
| New Plymouth | 7.5% ■ 8.5% | 6.0% ■ 7.0% |
| Whanganui | 9.0% ■ 10.0% | 7.0% ■ 8.0% |
| Palmerston North | 8.5% ■ 9.5% | 6.0% ■ 7.0% |
| Hutt Valley and Porirua | 8.5% ■ 9.5% | 7.5% ■ 8.5% |
| Wellington CBD | 8.5% ■ 9.5% | 7.0% ■ 8.0% |
| Richmond | 7.5% ■ 8.0% | 6.6% ■ 7.0% |
| Nelson | 7.3% ■ 7.8% | 6.5% ■ 7.0% |
| Blenheim | 7.8% ■ 8.3% | 7.3% ■ 7.8% |
| Greymouth | 7.8% ■ 8.3% | 7.3% ■ 7.8% |
| Christchurch | 7.0% ■ 8.0% | 6.0% ■ 6.5% |
| Dunedin | 9.5% ■ 10.5% | 7.5% ■ 8.0% |
| Queenstown | 3.0% ■ 3.5% | 3.0% ■ 3.5% |
| Invercargill | 8.0% ■ 9.0% | 8.0% ■ 9.0% |

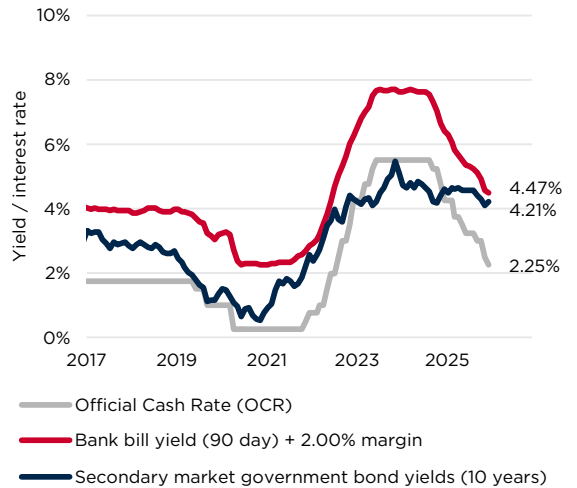
Sales by price band: New Zealand (2024 to 2025)



Sales over time: New Zealand



Interest rates



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