



NEW ZEALAND INDUSTRIAL MARKET UPDATE

New Zealand industrial market in 60 seconds

Biggest trends



Activity from occupiers picks up

After a period of slower leasing, tenant enquiry levels are improving, particularly from businesses in need of premises with stronger functionality or better locations. However, growing availability of industrial properties for lease is giving occupiers more choice and softening urgency in some areas.



Land remains short in supply

Industrial-zoned land is highly sought after across all size ranges. Sustained shortages led to substantial growth in land prices over the past decade. Developers and large-scale owner-occupiers are competing to secure suitable sites in desirable locations.



Developers positioning for the next cycle

A lift in occupier demand and the view that the market is at a cyclical low are prompting more developers to move forward with speculative new builds. These projects aim to be well-positioned as conditions strengthen.

Outlook for the next 12 months



Steady rental conditions

Rents are stable across most urban areas. Rental growth has eased from previous surges. Rising vacancy levels and moderate demand mean that growth rates will be slower. Incentives are offered in some cases, but widespread discounting of face rents remains unlikely.



Green shoots emerging in the investment market

After a period of weakness, sentiment among agents suggests that investment market conditions are improving. Yields have risen since 2022 due to higher interest rates. Although interest rates have recently fallen, yields may not reduce significantly from current levels due to ongoing concerns about inflation.



Confidence up but sales volumes still light

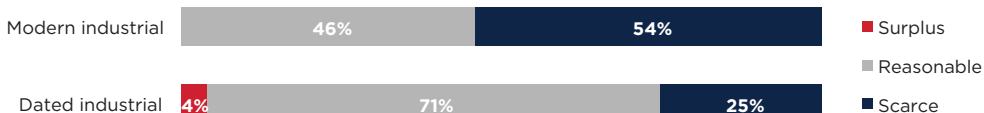
While lower interest rates have improved confidence, buyers still may face some friction when securing finance. Sales volumes remain relatively subdued due to ongoing gaps in price expectations between buyers and vendors, though recent large-asset transactions point to improving momentum.

Market sentiment across New Zealand

How is occupier demand for industrial warehousing?



How is the supply of industrial warehousing 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



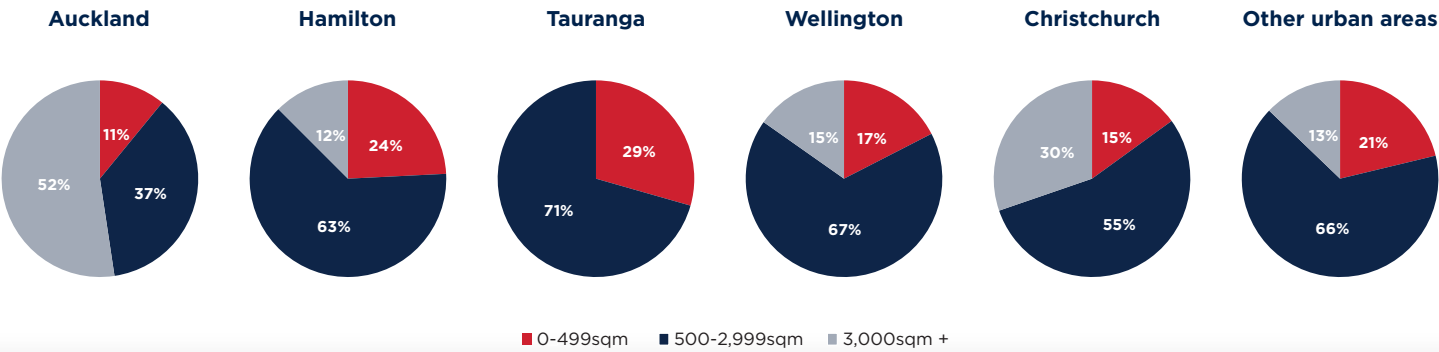
Leasing indicators

Leasing indicators by urban area

	Dated warehouse rental range	Modern warehouse rental range	Vacancy rate
Whangarei	\$120 - \$140	\$150 - \$165	1.6%
Hibiscus Coast and Warkworth	\$150 - \$170	\$170 - \$200	2.1%
Auckland North Shore	\$170 - \$190	\$200 - \$230	4.3%
West Auckland	\$140 - \$170	\$180 - \$220	4.9%
Auckland Metro	\$170 - \$190	\$210 - \$230	4.4%
South Auckland	\$165 - \$185	\$200 - \$230	3.3%
Hamilton	\$100 - \$120	\$130 - \$150	3.3%
Tauranga	\$100 - \$120	\$125 - \$140	2.9%
Rotorua	\$85 - \$100	\$155 - \$175	0.7%
Gisborne	\$90 - \$110	\$170 - \$190	0.0%
Napier and Hastings	\$100 - \$120	\$150 - \$170	1.2%
New Plymouth	\$70 - \$90	\$115 - \$135	2.8%
Whanganui	\$80 - \$100	\$140 - \$160	1.0%
Palmerston North	\$100 - \$110	\$120 - \$130	2.1%
Wellington region	\$120 - \$140	\$170 - \$200	3.1%
Richmond	\$80 - \$100	\$120 - \$150	0.5%
Nelson	\$80 - \$100	\$120 - \$150	1.3%
Blenheim	\$105 - \$125	\$195 - \$205	1.7%
Greymouth	\$80 - \$100	\$105 - \$115	0.0%
Christchurch	\$90 - \$110	\$140 - \$150	3.3%
Dunedin	\$90 - \$110	\$175 - \$195	2.0%
Queenstown	\$175 - \$195	\$215 - \$235	0.2%
Invercargill	\$80 - \$100	\$105 - \$115	0.6%

Data: Bayleys Insights & Data

Total vacant floor area by vacancy size



Benchmark properties

We use these benchmark properties for our insights:

Modern industrial: Built after 2000. Good industrial location. Warehouse 2,000sqm. 10m stud under the knee.

Dated industrial: Built before 2000. Reasonable location. Warehouse 2,000sqm. 8m stud under the knee.

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



1254 Puketona Road, Paihia, Northland

Floor area 1,537sqm
Sale price \$3,650,000
Contact Nigel Ingham, Ben Clare



87 Small Road, Silverdale, Auckland

Floor area 2,850sqm
Tenant Zelo Living Limited
Contact Rene Geertshuis, Graeme Perigo



D/10 Orbit Drive, Albany, Auckland

Floor area 1,122sqm
Tenant Orafol New Zealand Limited
Contact Matt Mimmack



1/3 Topere Way, Westgate, Auckland

Floor area 1,062sqm
Sale price \$5,115,000
Contact Matt Mimmack, Mark Preston, Alister Hitchcock



A/24 Allright Place, Mt Wellington, Auckland

Floor area 2,417sqm
Tenant Rocket Lab Limited
Contact Jean-Paul Smit, James Valentine, Matt Dell



2-8 Maurice Road, Penrose, Auckland

Floor area 12,953sqm
Sale price \$14,000,000
Contact Sunil Bhana, Greg Hall, James Valentine, Scott Campbell



1 Stonehill Drive, Wiri, Auckland

Floor area 2,107sqm
Sale price \$11,000,000
Contact Paul Steele, Greg Hall



168 Ossie James Drive, Rukuhia, Hamilton

Floor area 2,573sqm
Sale price \$7,900,000
Contact Greg Hall, Scott Campbell, Rebecca Bruce



296 Peake Road, Cambridge, Waipa

Floor area 8,048sqm
Sale price \$22,625,000
Contact Sunil Bhana, Willem Brown, Scott Campbell



8 Paerangi Place, Tauriko, Tauranga

Floor area 2,784sqm
Tenant Blueprint Global NZ Ltd
Contact Rory Brown, Christy Arundel



61 Tallyho Street, Mangakakahi, Rotorua

Floor area 1,163sqm
Tenant NZ Police
Contact Mark Slade



63 East Road, Haumoana, Hastings

Floor area 3,600sqm
Tenant Woolworks New Zealand Ltd
Contact Kerry Geange, Grant Anderson



95 Wilson Street, Whanganui

Floor area 4,495sqm
Sale price \$5,135,000
Contact Karl Cameron, John Bartley, Amie Rowan



33-43 Jackson Street, Petone, Wellington

Floor area 9,705sqm
Sale price \$18,400,000
Contact Fraser Press, Mark Hourigan



33 Jarden Mile, Ngauranga, Wellington

Floor area 2,942sqm
Tenant ECLY Limited
Contact Mark Sherlock, Christian Taylor, Liam Sherlock



5 Orion Street, Annesbrook, Nelson

Floor area 1,773sqm
Tenant GPC Asia Pacific Limited
Contact Gill Ireland



6 Dalziel Place, Hillsborough, Christchurch

Floor area 1,830sqm
Sale price \$3,400,000
Contact Nick O'Styke



3 Benson Close, Mosgiel, Dunedin

Floor area 474sqm
Tenant Otago Frame and Truss Limited
Contact Muir Gold, Rachel Jones

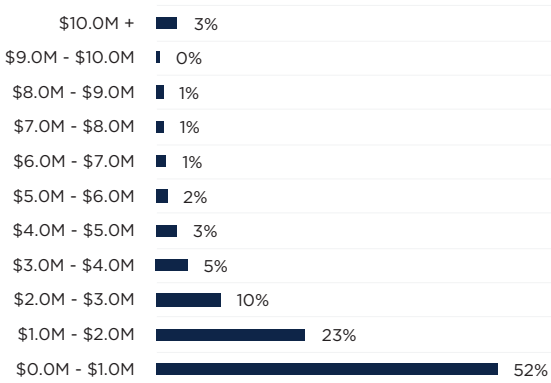
Investment indicators

Typical yields by urban area

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

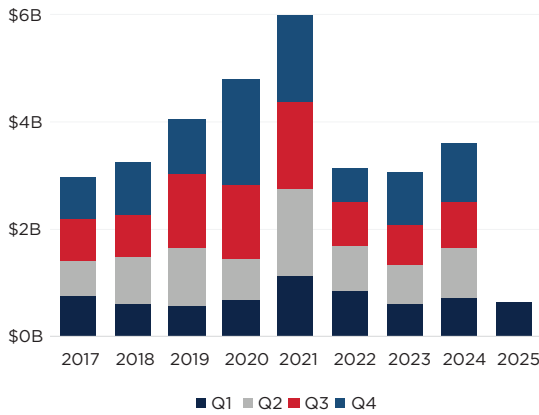
	Dated industrial	Modern industrial
Whangarei	7.5% 8.5%	6.3% 7.0%
Hibiscus Coast and Warkworth	5.5% 6.0%	5.0% 5.5%
Auckland North Shore	5.0% 6.0%	4.5% 5.3%
West Auckland	5.5% 6.0%	5.0% 5.5%
Auckland CBD	6.0% 6.8%	5.0% 5.5%
Auckland Metro	5.5% 6.3%	5.0% 5.5%
South Auckland	6.3% 7.0%	5.0% 6.0%
Hamilton	5.5% 6.5%	5.0% 6.0%
Tauranga	8.5% 9.5%	7.5% 8.5%
Rotorua	7.0% 8.5%	5.5% 6.5%
Gisborne	7.0% 8.0%	6.5% 7.5%
Napier and Hastings	8.0% 9.0%	6.0% 7.0%
New Plymouth	8.0% 9.0%	7.0% 8.0%
Whanganui	7.0% 8.0%	6.0% 7.0%
Palmerston North	7.5% 8.3%	6.8% 7.3%
Wellington region	6.5% 7.0%	5.8% 6.2%
Wellington CBD	7.5% 8.0%	5.0% 6.0%
Richmond	7.0% 7.5%	6.0% 6.5%
Nelson	6.0% 7.0%	5.0% 5.8%
Blenheim	7.5% 8.0%	6.0% 6.5%
Greymouth	6.0% 7.0%	5.0% 5.8%
Christchurch	7.5% 8.0%	6.0% 6.5%
Dunedin	5.2% 5.5%	4.5% 5.0%
Queenstown	7.5% 8.5%	7.5% 8.5%
Invercargill		

Data: Bayleys Insights & Data



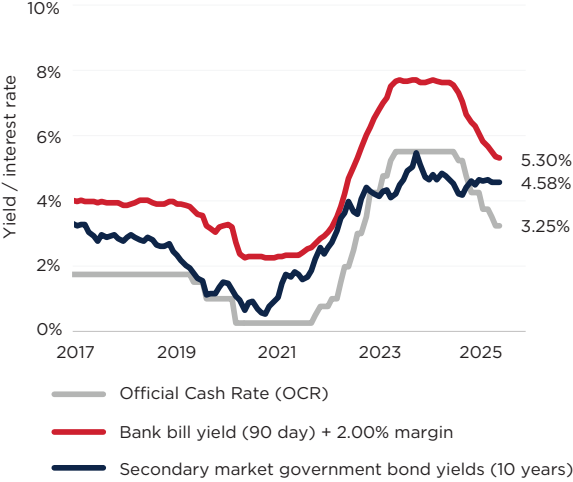
Data: Bayleys analysis of Cotality data

Sales over time: New Zealand



Data: Bayleys analysis of Cotality data

Interest rates



Data: RBNZ

Ryan Johnson
National Director
Commercial
ryan.johnson@bayleys.co.nz

Scott Campbell
National Director
Industrial & Logistics
scott.campbell@bayleys.co.nz

Chris Farhi
Head of Insights,
Data and Consulting
chris.farhi@bayleys.co.nz

Eos Li
Analyst - Insights,
Data and Consulting
eos.li@bayleys.co.nz

Samantha Lee
Analyst - Insights,
Data and Consulting
samantha.lee@bayleys.co.nz

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