



Occupiers in the driving seat

Tenants take the wheel as office vacancy clicks up a gear.

This year was picked to be a tough one for businesses and consumers, with “survive ‘til ‘25” a catchphrase that demonstrated a need to ride out economic headwinds and a challenging business environment until the tide turned.

We all buckled in for the ride and, to be expected, the office leasing market has been sluggish – at best.

We’re seeing the year out with unprecedented levels of sub-lease inventory and direct space available and we showcase 31 available office properties in this edition of *Auckland Office Workplace*.



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MATT LAMB
BAYLEYS NATIONAL DIRECTOR
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For occupiers, this spells a great opportunity and a chance to secure space in buildings and locations that might otherwise have been well out of reach.

For landlords, this means embracing more creative solutions and the recognition that deals might need to be more aggressive. However, successfully closing the deal delivers value and long-term success.

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The market has definitely turned in favour of occupiers looking for office premises. Corporates continue to right-size and in an attempt to offset liabilities, they’re offloading surplus space at significantly reduced rental rates.

Meanwhile, landlords are keen to do deals on direct space. Those with secondary grade properties are really

needing to be creative and proactive to set themselves apart from the competition and there are compelling incentives being offered in some cases.

But even the prime A-grade sector has some challenges because there’s been a bit of movement among large occupiers which has left vacant floors looking for uptake.

Plug-and-play executive suites are still holding their own and are an outlier in the current market. Small-to-medium-sized businesses tend to be very nimble and are favouring fully-fitted office spaces where they can walk-in and start operating from the get-go, then leave unencumbered at lease end. Landlords like this model, too. It’s efficient, there are clear parameters, and it’s a good use of space.

The media has been reporting the government’s push to get workers back in the physical office for better collaboration, networking and mentoring opportunities and to try and kick start flagging CBD retail, and hospo’ businesses.

We’re hearing more corporates beating the in-office attendance drum, with mandated and prescribed office days and monitorable performance dashboards for accountability all part of the landscape.

We explore the topic of hybrid working further in our insights’ piece, so take a look at that when you get a chance.

Bayleys’ Auckland office workplace team has a good grasp of office space dynamics and we’ve worked through enough real estate cycles to know that slumps don’t last forever.

Arguably, some of the best deals in a very long time are waiting to be done right now, so get ahead of the curve and talk to us. With summer in sight and further interest rate cuts signalled, things are looking up.

Let’s get around the table to thrash out the options, the terms and the rental rates. You will be surprised at what your dollar will get you – and where your business could land.

