



Commercial real estate has legs

Improving economic fundamentals and a hungry buyer pool point to a full-on year for commercial and industrial real estate.



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As the country enters a new economic cycle with interest rate relief, improving business confidence, a rise in building consents, and an export-conducive New Zealand dollar signalling better times ahead, commercial real estate is a shining light. While every sector and every business line across Bayleys' full-service network saw record levels of activity from September-December last year, commercial was a standout.

Four record months in a row after four years of grind was hard fought and speaks to the aptitude of our interconnected and proactive team around the country. Clients have seen Bayleys' capability momentum, recognised the market traction that we have, and backed our nous to cut through extraneous noise to get deals done. As 2025 wound down, we logged market metrics not seen since the 2021 heyday – which we all know was an artificial reality distorted by pandemic pandemonium. By Q4 last year, listing and transaction volumes were pumped, and values-wise, risk had been priced in with vendors and buyers finding common ground to allow deals to be inked. Market enthusiasm has spilled into 2026 in the commercial and industrial arena and while the year has only

just got underway, our brokers are reporting elevated enquiry levels. Importantly, for the first time in around 30 years, every capital source and buyer group is firing and that's not an understatement, with plenty of dry powder across the buyer spectrum. Cash rolling off term deposit is hunting for positive real returns, rural capital is now one of the most inquisitive and liquid buyer classes in the country, superannuation funds are back in the game, the family office market and syndicators are proactively looking for investment opportunities, and global capital is mobilised. The mood of the country is improving. The latest Westpac McDermott Miller Consumer Confidence Index showed an uptick in household optimism,

with Auckland now the strongest region for consumer confidence. NZIER's business opinion survey for the December quarter showed an upswing in sentiment and improving employment fundamentals, with the manufacturing, export and construction sectors rallying, and an encouraging rebound in investment intentions. Business confidence, it says, is at its highest level since March 2014. MBIE's National Construction Pipeline Report showed that non-residential building intentions remain high and are forecast to rise steadily through to 2030. The current lower interest rate environment will hopefully improve the debt position of some landlords, while also enticing investors to commit. Investor tolerance for risk has been tested in recent years, with the big players in the listed sector actively pursuing new channels of capital to improve balance sheets and position themselves strongly for growth. In delivering his recent State of the Nation speech to business leaders, Prime Minister Christopher Luxon stressed the need to take a measured yet targeted approach rather than repeating the sugar-rush economics of the past, and while election years can be disruptive to real estate activity, we expect the commercial and industrial sector to forge ahead. There are 122 commercial and industrial properties for sale around the country profiled in this edition of *Total Property* from standalone retail to strategically located greenfield masterplan development options and everything in between. That's a great way to start the year! We also dive into the world of active capital and explore how New Zealand assets could benefit from a wall of global money seeking a home, and check in with Bayleys business line leaders for their take on the year ahead and where the opportunities lie. In this Year of the Fire Horse under the Chinese zodiac, Bayleys will draw on the intense energy and bold action that the sign symbolises. We're here to make deals happen so giddy up, and let's get the job done.

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.

Knight Frank 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

#1 REINZ
REAL ESTATE INSTITUTE
OF NEW ZEALAND

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)

2,550
SALES AND LEASING
TRANSACTIONS

\$3B
OF PROPERTY
SOLD OR LEASED

225
COMMERCIAL SALES
AND LEASING AGENTS

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