



One bite at a time

It's very much business as usual out there, despite the elephant in the room.



RYAN JOHNSON
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Welcome to the fourth edition of Bayleys' *Total Property* for 2026, profiling 64 new commercial and industrial properties for sale nationwide.

Global conflict has unsettled financial markets, driven up energy costs, and reignited inflation pressures around the world, adding complexity to central bank rate decisions. As a small and highly open economy, New Zealand is exposed to these forces. The rapid swings in sentiment sparked by last year's U.S. tariff turmoil and now the Middle East tension underline how quickly global events can weigh on domestic confidence.

The Reserve Bank faces the difficult task of balancing inflation pressures with slowing economic activity, and further OCR increases are now clearly

signalled. This will influence investment behaviour, but as with every real estate cycle, there are always buyers ready to move when opportunities emerge.

Bayleys data shows private capital, including private equity and high-net-worth investors, was the dominant buyer group for high-value commercial property in 2025 accounting for half of all transactions, ahead of institutional and syndicator entities.

This mirrors the findings of leading independent global property consultancy, Knight Frank in the 20th edition of its flagship publication, *The Wealth Report* which we explore in more detail in our editorial pieces in this portfolio.

Additionally, Knight Frank's latest *Asia-Pacific Capital Markets Insights* report showed APAC real estate investment in Q1 2026 recorded its strongest quarter since late 2021, with volumes up 65 percent year on year and the office sector leading the way. It documents a clear shift from price discovery to active

deployment, with capital re-engaging more confidently in prime assets and larger-scale opportunities that offer liquidity, income resilience and clearer execution pathways.

Knight Frank notes that even if the Middle East conflict persists, capital will still be deployed with investors leaning toward core, well-located assets in markets that feel safe and stable.

In spite of macroeconomic uncertainty and geopolitical friction, capital finds its way to returns and hence the investment market is still active.

The office sector has had the highest allocation of capital which underscores investor confidence. Far from being "dead," office has proven its resilience showing it will take more than a temporary work-from-home hangover to derail a fundamentally important asset class. The productivity, culture and collaboration benefits of physical workplaces are well established, and we see this reinforced daily across Bayleys offices nationwide.

In central Auckland, the flagship Southern Cross Building, a Robt. Jones Holdings (RJH) asset and representative of the profile Sir Robert Jones sought in his extensive commercial portfolio, is now for sale. Set on a prominent CBD corner, the office and retail tower represents one of the first major office offerings to genuinely hit the market in four to five years. Under RJH's custodianship, the building's targeted refurbishment programme and disciplined leasing profile position it strongly ahead of CBD uplift expected when the city rail link (CRL) opens later this year.

Previously overlooked pockets of the central city will benefit materially from the CRL's opening, with the infrastructure project tipped to be a meaningful catalyst for the office sector. Sydney Metro provides the clearest Australasian precedent, where new stations consistently drive stronger tenant demand, rental uplift, and capital value growth, particularly within walkable catchments.

External pressures continue to squeeze households and businesses, and it's clear not every operator can absorb that strain indefinitely,

especially in the sectors taking the sharpest hits. Churn has always been part of hospitality and retail, so a portion of current activity reflects normal market dynamics rather than structural weakness. In this issue of *Total Property*, we discuss the retail market and show why retail assets continue to trade well despite wider economic pressure, led decisively by large-format retail.

We're seeing some downwards rental pressure emerge across secondary stock in all commercial sectors, and it's fair to say conditions currently favour occupiers. Markets naturally cycle between landlord-skewed and tenant-driven phases, so we've been here before.

What remains clear is the market advantage of partnering with Bayleys in more volatile periods. Our transactional experience and long-standing client relationships built over many market cycles, mean we can confidently help sellers, buyers, landlords and occupiers navigate change.

Let's look at the market facts and tackle investment decisions together, one bite at a time.

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 9,950 people in 138 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)

2,770
SALES AND LEASING
TRANSACTIONS

\$3.4B
OF PROPERTY
SOLD OR LEASED

230
COMMERCIAL SALES
AND LEASING AGENTS

For the period 1st April 2025 - 31st March 2026.