

THE MEGA REAL ESTATE PROJECTS

# SHAPING NZ'S GOLDEN TRIANGLE





# What is the Golden Triangle?

The Golden Triangle refers to the area between the three major cities of Auckland, Hamilton and Tauranga. Our technical definition covers these territorial authorities: Auckland Region, Waikato District, Hamilton City, Waipa District, Matamata-Piako District, Western Bay of Plenty District and Tauranga City.

## The Golden Triangle property market in 60 seconds

### Fundamentals



#### Population underpins the Golden Triangle

Auckland has New Zealand's largest population and Tauranga is among the fastest growing cities. Hamilton's population growth has been steady and continues to benefit from spillover from Auckland. This growth helps to underpin the performance of the property markets.



#### Transport infrastructure enables business

Investment into road networks is progressively improving transport connectivity between the three cities. Freight volumes are enabled by large seaports in both Auckland and Tauranga, alongside inland ports in Hamilton. This connectivity enables a range of industrial activities and other commercial activities that support the wider economy.



#### Fast-track projects to supercharge growth

The Government has announced a range of fast-track projects across the Golden Triangle. These include housing, land and various infrastructure projects to support growth. These projects will help drive the next cycle of development.

### Outlook for the market



#### Interest rates' the one to watch

The Reserve Bank has recently lowered interest rates, with further reductions anticipated over time. The immediate impact has been more enquiries from buyers and has made it easier to reach agreement on prices. That said, the market has not yet seen any substantial rise in prices.



#### Wider residential market starting its recovery

Independent forecasters are typically predicting house prices will rise over the next two years. Constrained housing supply will likely continue to drive long-term price growth. In the short-term, price growth has been constrained by the impact of high supply of homes on the market for sale.



#### Commercial property market entering recovery

Lower funding costs will translate to more demand for commercial property. Leasing activity is expected to remain robust, albeit tempered by softer economic conditions. Constrained supplies of zoned development land within the Golden Triangle will help support land prices and demand from developers.

### Investment drivers

#### Auckland

- Large population
- Infrastructure (seaport, road, rail, and the international airport)
- Land supply constrained (coastal geography)

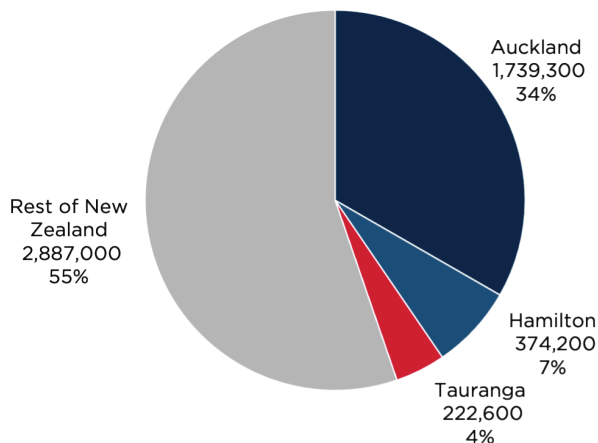
#### Hamilton

- Spillover population from Auckland and Tauranga
- Infrastructure (inland ports, rail and road)
- Land supply becoming tighter but at risk of more constraints (protection of highly productive rural land)

#### Tauranga

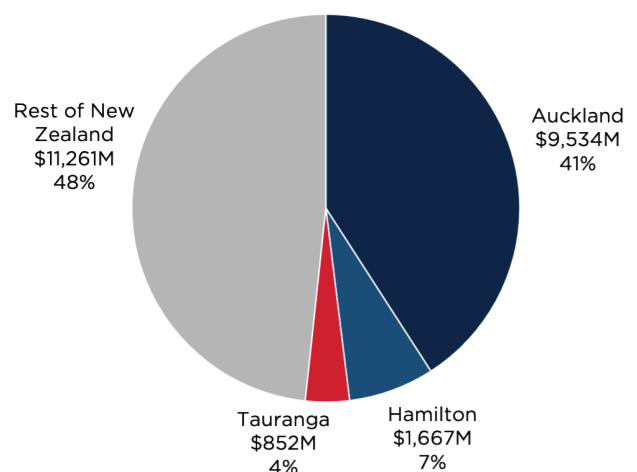
- Fast growing population
- Infrastructure (seaport, rail and road)
- Land supply constrained (coastal geography)

### Population



Data: Stats NZ (2023)

### Total value of building consents



Data: Stats NZ (2023)

44%

of NZ's population are living within the Golden Triangle

51%

of NZ's residential building consents are within the Golden Triangle

54%

of NZ's non-residential building consents are within the Golden Triangle

## Fast-track projects (housing and land development)

During October 2024, 149 projects across New Zealand were identified for inclusion in the Government's one-stop-shop Fast-track Approvals Bill. The bill will help to streamline the process for approving the large and complex projects, all of which were selected for their significant regional or national benefits.

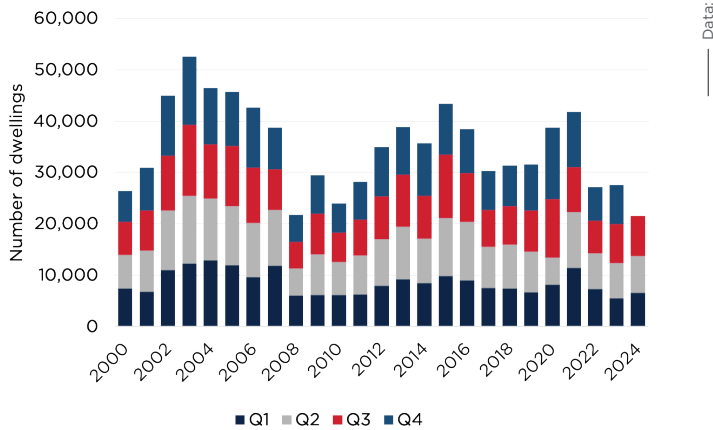
Project name	Project description
<b>Auckland</b>	
Carrington Residential	The project is a large-scale residential development on 40ha of Crown owned land in Mt Albert, Auckland, delivering approximately 4,000-4,500 homes over 10-15 years in a mix of typologies.
Milldale Stages	To undertake earthworks and civil works to create sites for over 1,100 residential sites.
Delmore	The project is to subdivide a 109ha site in Orewa, Auckland and construct a master-planned residential development providing a complete urban outcome of approximately 1,250 homes complete with parks, riverside walkways, and supporting infrastructure.
Sunfield	The project is a master-planned community in Ardmore, Auckland which provides for 460,000sqm of employment, retail, healthcare and education buildings, a 7.6ha town centre, a school, 3,400 houses, three retirement villages consisting of approximately 600 independent living units and care beds and 28ha of open spaces, green links, recreation parks, reserves and ecological offsets.
Eden Park	The project is the redevelopment of the existing Eden Park facility in Auckland to deliver a world-class hybrid, multi-purpose 50,000+ capacity stadium with a retractable roof to enable the delivery of a greater range of events, increasing the utilisation and optimisation of the facility.
Rangitooopuni	The project is to develop a 210-lot residential subdivision and 350 unit retirement village on the southern portion of the 3,275ha of Rangitooopuni-Riverhead.
Warkworth South (Waimanawa)	The Warkworth South (Waimanawa) project will create a new township (including 1,200 residential units) to the south of Warkworth.
Drury Metropolitan Centre	The project is to subdivide 53ha land and develop these sites for a commercial retail centre (including 10,000sqm commercial, 56,000sqm retail and 2,000sqm community activities) and future residential activities in accordance with the underlying Metropolitan Centre and Mixed-Use zones.
Beachlands South	The project is to construct approximately 2,700 homes, two schools and commercial activities.
Te Ārai South Precinct and Regional Park	The project is an integrated development of the Te Ārai Precinct, including 420 residential units.
The Downtown Carpark Redevelopment - Te Pūmanawa o Tāmaki	The project comprises the demolition of the existing Downtown Carpark building and the subsequent construction of two towers closer to Lower Hobson Road on the western side of the site. Three podium buildings will be built, together with a significant new public realm including an extensive new laneway network and civic space.
Fairview Heights	The project is an 1,800-unit intensive residential and 3,100sqm commercial multi-level development with basement parking on an arterial road in Albany, within walking distance of the Albany Metropolitan Centre and the Albany Bus Station.
<b>Waikato</b>	
Southern Links 1	The project will comprise of 48ha of residential development delivering 1,035 units in a range of typologies and 66ha of land with industrial activities.
Te Awa Lakes	The Te Awa Lakes project is a 90ha mixed-use, 2,500 dwelling medium-density development on land at Horotiu on the northern edge of Hamilton City.
Wallace Road	The project comprises 115ha of greenfield land for 230 residential housing.
Ruakura 2 Growth Cell	The Ruakura 2 (R2) Growth Cell project is to subdivide and develop 211ha of land for residential housing (1,350 residential units) and 35ha of industrial at Puketaha, on the Waikato District side of its territorial boundary with Hamilton City.
Ruakura Tuumata	To develop a new master-planned residential neighbourhood over 68ha of between 1,100-1,300 homes, including a neighbourhood centre, and on a separate but nearby 14ha site, a large-format retail centre.
Green Steel	The Green Steel project is to construct and operate a structural steel manufacturing plant on 5ha of land. The plant will use recycled scrap steel, sourced from across New Zealand and shredded on site.
<b>Bay of Plenty</b>	
Tara Road	The project will include 605 residential allotments, and a 2.5ha commercial precinct.
Tauriko West	To develop between 132ha of Rural zoned land at Tauriko for residential use, with approximately 1,250 homes.
Wairakei South	To develop between 123-340ha of rural land near Papamoa, for residential, commercial and industrial uses. If the full site is developed, the project will comprise of 2,000-3,000 new homes and 60-80ha of new industrial land, covering 15ha.
Foresta Kawerau	The project is to construct and operate a pine chemical and wood pellet plant on a 9.5ha site near Kawerau.

# Market indicators

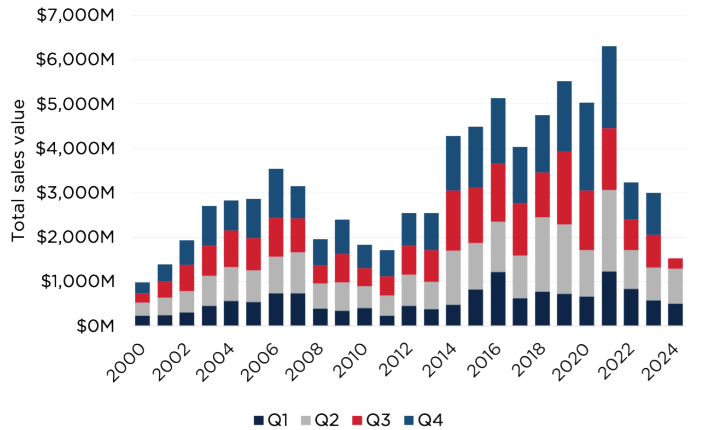
## Pricing indicators

	Modern industrial rental range	Modern office rental range	Median house price
Hibiscus Coast and Warkworth	\$170 - \$200	\$300 - \$375	\$1,119,000
Auckland North Shore	\$170 - \$190	\$275 - \$325	\$1,128,000
West Auckland	\$170 - \$190	\$320 - \$450	\$872,000
Auckland CBD	Insufficient data available	\$585 - \$785	\$279,000
Auckland Metro	\$215 - \$235	\$250 - \$425	\$1,122,000
South Auckland	\$200 - \$220	\$280 - \$320	\$944,000
Hamilton	\$120 - \$135	\$200 - \$400	\$755,000
Tauranga	\$125 - \$140	\$325 - \$425	\$890,000

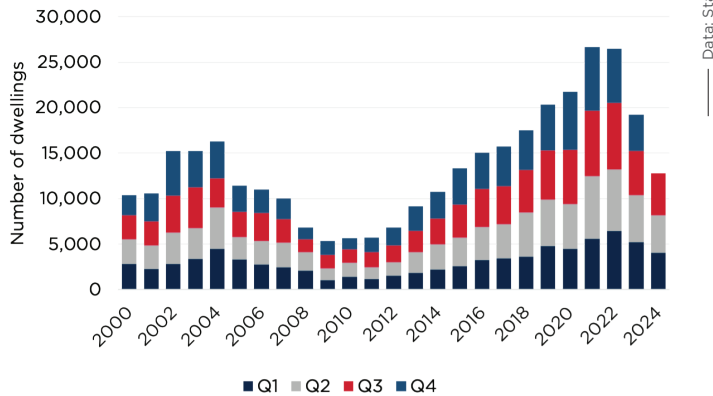
## Total sales: residential property



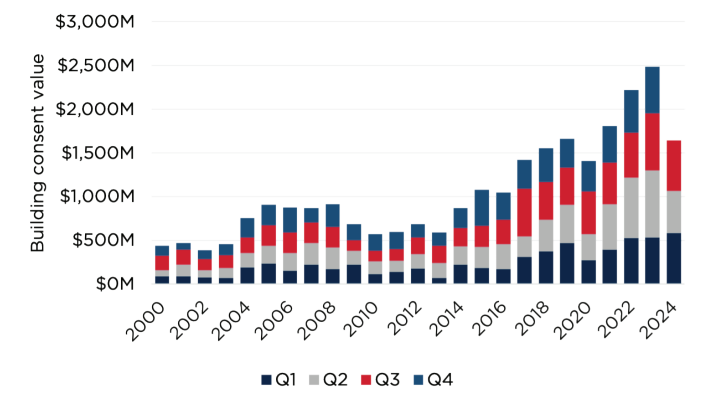
## Total sales: commercial property



## Building consents: residential property



## Building consents: commercial property



Benchmark properties for pricing indicators:

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

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

**Median house price:** REINZ median house price. Past 12 months.

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