



Winds of change

Key indicators are lining up and tailwinds are fuelling conditions to get the commercial and industrial property market moving.



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If you've been deep in the rabbit hole of OCR and interest rates trying to pick when the trough will occur, you might be missing the fact that in more ways than one, we're entering a new real estate season.

Running concurrently to the more dovish monetary policy story is improving business confidence, and government legislative initiatives to support growth. From where I'm standing, one plus one plus one is equalling four right now.

While you can't time the market, you can time the trend and the tail breeze

is picking up to propel commercial and industrial real estate forward off the back of these corrections.

Economists are being careful not to get ahead of themselves, and are tending towards moderate rather than out-of-the box economic growth over 2025. However, commercial property investors and developer entities that back their gut instincts and refuse to let apathy stand in their way have already made their opening moves.

A good market barometer is watching what seasoned players with scale are doing. The timing around when these cyclical investor entities leave the market and when they re-enter can be very telling. The big guns leave breadcrumbs and astute commercial investors will follow the trail.

Government commitment to looking at legislation around building consents, seismic remediation and build thresholds, and visa/investor policy settings is welcome news to the wider real estate sector.

New fast-track consenting legislation and broader changes to the Resource Management Act, plus moves to establish a new seismic model for both new-builds and existing buildings to mitigate earthquake risk and improve building resilience proportionate with identified hazard zones, should be music to developer and landlord ears.

On the growth side of the coin, government acknowledgment that we need greater business competition and more offshore high-value direct investment, demonstrated by forthcoming changes to the Active Investor Plus (AIP) visa category, could kickstart bigger infrastructure and development projects.

We know that global private capital is highly mobile, and is additionally supercharged now in response to the Trump administration's path and other geopolitical tensions. Given New Zealand's already strong safe haven reputation, these changes to the AIP visa settings should result in more money flowing this way and this

bodes well for the construction and commercial real estate markets.

Also reflecting confidence in the current market is the return of property fund managers. Centuria Funds Management (NZ) Limited, with Bayleys, recently launched an offer to share in the ownership of Woolworths New Zealand's primary South Island distribution centre in Christchurch. With a long-term income stream, identified built-in rental growth and exposure to a defensive asset class with an entrenched tenant, the offer is now oversubscribed after an overwhelming response from the market.

That response also speaks to diminishing term deposit returns off the back of downwards OCR movements, with the delta value offered by the property fund management sector outpacing other investment classes.

Also on the up is the development land sales sector as construction and growth fundamentals make more sense, and large format retail is kicking off again.

In February, 300 of our commercial, industrial and business brokers and managers from around the country

gathered for our annual Bayleys Game Day to hear from industry leaders and to network across business arms and regions. Our energised Bayleys team continues to bat well above its weight, with December 2024 year-end figures showing that relative to our competitors, we had an incredibly strong year and that momentum continues to build.

In this edition of *Total Property*, we showcase 92 new commercial and industrial property opportunities around the country.

Our market commentary delves into the industrial sector's leverage of innovation, sustainability and automation to secure business advantages, and the development sector's reply to this. We also look at the value Auckland's southern corridor offers in terms of location, accessibility, amenity and workforce catchment.

It's time to really get the real estate year cranking – summer is behind us, the central bank is bringing a smile back to dials, and Bayleys is ready to sort out the best real estate solutions for you as the tail breeze picks up speed.

Timing is everything, right? Let's talk.

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 61 markets. Our closest connections are to the Knight Frank Asia Pacific Group with over 11,000 people in 299 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)
- Medium Agency of the Year - All Disciplines (2022-2024)

2,772
SALES AND LEASING
TRANSACTIONS

\$3B
OF PROPERTY
SOLD OR LEASED

238
COMMERCIAL SALES
AND LEASING AGENTS

*For the period 1st April 2023 – 31st March 2024.