



Beyond the noise

Despite global crosscurrents, deal flow is building, activity is lifting and investment opportunities are widening.



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Amid the geopolitical chatter and the usual doomsayers, Bayleys is simply getting on with it by finding opportunity, shaping strategy, tapping new buyer pools and putting our national scale to work. We've been talking about a lift in deal flow for some time now and the formal numbers confirm it, with the upswing clearly on record.

Transaction volumes have been rebuilding steadily, and by the end of 2025, CoreLogic figures show commercial and industrial sales had recovered to around two-thirds of the volumes recorded during the post-pandemic surge of 2021. As we move

into the fourth year of the recovery, momentum is clearly re-establishing.

Activity is nuanced with the South Island powering ahead, driven by a rural sector that, viticulture aside, is firing on all cylinders. Rising export earnings across the primary sector are adding real weight to regional confidence, with dairy and red meat outperforming and the Fonterra-Lactalis payout providing an additional boost.

In contrast, metropolitan markets in the North Island remain more subdued, but the rebound in tourism as a material driver of national GDP is beginning to flow through to confidence. Auckland has seen softer investment activity, but with the CRL set to open later this year and Cooper and Company advancing the next stage of its Britomart regeneration

through the new Britomart Central office development, there's good news emerging.

The office story is interesting, with Knight Frank's global office sector data pointing to a structural shift in workplace strategy. When organisations were asked how they expect their predominant workstyle to look in three years, the clear trend was away from hybrid models and toward an office-first approach, so the pendulum is swinging back.

As we go to print, the Transport and Infrastructure Select Committee is set to report back to the House on the Building (Earthquake-prone Buildings) Amendment Bill, which had its first reading late last year. The bill will then head to its second reading, with the proposed updates designed to move New Zealand toward a more balanced,

risk-based seismic framework. The changes aim to reduce unnecessary cost by concentrating rules on the highest-risk buildings and giving owners clearer direction around what's expected. We know our clients are ready for progress on this legislation as the uncertainty has dragged on for too long.

Listing numbers for this edition of *Total Property* are higher than in the last portfolio, which may suggest that more owners see the upcoming election lead-in period as a window to bring assets to market and get deals done. Conversations with accountants and investment bankers point to significant movement in the \$20-million-plus commercial market, reinforcing the depth of activity this election window is unlocking.

Along with 77 commercial and industrial opportunities for sale around the country, *Total Property* also explores energy cost and energy security, with rising OPEX putting sustained pressure on balance sheets. Rates increases remain a fixed burden unless successfully contested through Council channels, and while insurance costs are finally stabilising, energy

use is one of the few levers owners and tenants can actively control. Those who front-foot efficiency and management are protecting net operating income and strengthening asset performance. It's sharpening the focus on Bayleys' end-to-end service offering, which is designed to help clients stay ahead of these operational pressures and preserve value, and this edition dives deeper into the issue.

We also take a look at global research into alpine markets, which reinforces the growth and interest we're seeing in Queenstown. No longer viewed solely as a world-class ski resort, the town is maturing into a genuine four-season destination with significant capital opportunity. It's an outlier, tracking well ahead of the national market across several key indicators, with residential development especially active.

Let Bayleys help you cut through the background noise and focus on what's really happening in the commercial and industrial market. There's strength in action and we take on the heavy lifting, so you don't have to.

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 9,950 people in 175 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.