



# NEW ZEALAND INDUSTRIAL MARKET UPDATE

## New Zealand industrial market in 60 seconds

### Biggest trends



#### Activity from occupiers picks up

After a period of slower leasing, tenant enquiry levels are improving, particularly from businesses in need of premises with stronger functionality or better locations. However, growing availability of industrial properties for lease is giving occupiers more choice and softening urgency in some areas.



#### Land remains short in supply

Industrial-zoned land is highly sought after across all size ranges. Sustained shortages led to substantial growth in land prices over the past decade. Developers and large-scale owner-occupiers are competing to secure suitable sites in desirable locations.



#### Developers positioning for the next cycle

A lift in occupier demand and the view that the market is at a cyclical low are prompting more developers to move forward with speculative new builds. These projects aim to be well-positioned as conditions strengthen.

### Outlook for the next 12 months



#### Steady rental conditions

Rents are stable across most urban areas. Rental growth has eased from previous surges. Rising vacancy levels and moderate demand mean that growth rates will be slower. Incentives are offered in some cases, but widespread discounting of face rents remains unlikely.



#### Green shoots emerging in the investment market

After a period of weakness, sentiment among agents suggests that investment market conditions are improving. Yields have risen since 2022 due to higher interest rates. Although interest rates have recently fallen, yields may not reduce significantly from current levels due to ongoing concerns about inflation.



#### Confidence up but sales volumes still light

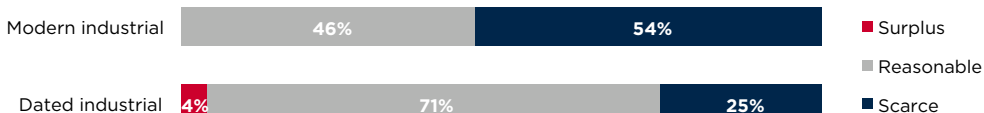
While lower interest rates have improved confidence, buyers still may face some friction when securing finance. Sales volumes remain relatively subdued due to ongoing gaps in price expectations between buyers and vendors, though recent large-asset transactions point to improving momentum.

### Market sentiment across New Zealand

#### How is occupier demand for industrial warehousing?



#### How is the supply of industrial warehousing for lease?



Market sentiment based on a survey of Bayleys brokers across New Zealand

### Need help?

Use this form to request help from your local Bayleys team



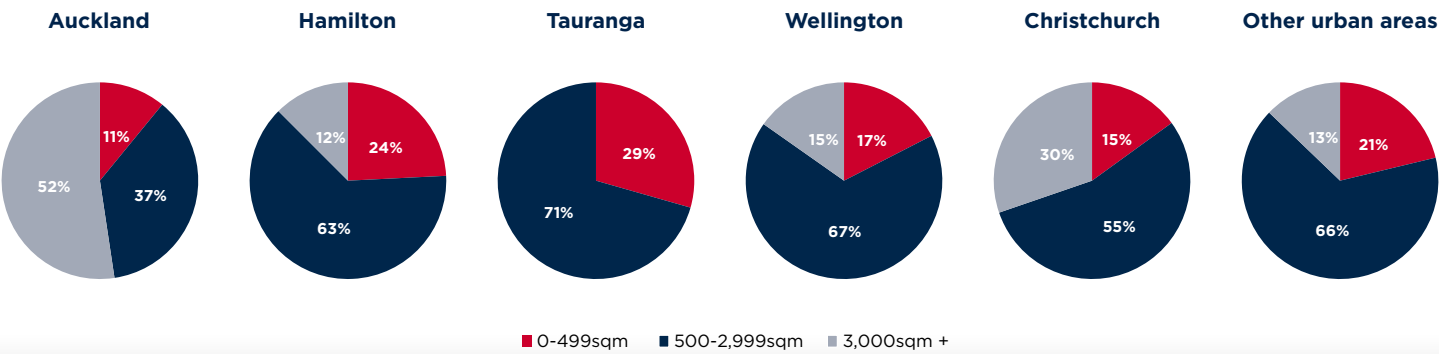
# Leasing indicators

## Leasing indicators by urban area

	Dated warehouse rental range	Modern warehouse rental range	Vacancy rate
Whangarei	\$120 - \$140	\$150 - \$165	1.6%
Hibiscus Coast and Warkworth	\$150 - \$170	\$170 - \$200	2.1%
Auckland North Shore	\$170 - \$190	\$200 - \$230	4.3%
West Auckland	\$140 - \$170	\$180 - \$220	4.9%
Auckland Metro	\$170 - \$190	\$210 - \$230	4.4%
South Auckland	\$165 - \$185	\$200 - \$230	3.3%
Hamilton	\$100 - \$120	\$130 - \$150	3.3%
Tauranga	\$100 - \$120	\$125 - \$140	2.9%
Rotorua	\$85 - \$100	\$155 - \$175	0.7%
Gisborne	\$90 - \$110	\$170 - \$190	0.0%
Napier and Hastings	\$100 - \$120	\$150 - \$170	1.2%
New Plymouth	\$70 - \$90	\$115 - \$135	2.8%
Whanganui	\$80 - \$100	\$140 - \$160	1.0%
Palmerston North	\$100 - \$110	\$120 - \$130	2.1%
Wellington region	\$120 - \$140	\$170 - \$200	3.1%
Richmond	\$80 - \$100	\$120 - \$150	0.5%
Nelson	\$80 - \$100	\$120 - \$150	1.3%
Blenheim	\$105 - \$125	\$195 - \$205	1.7%
Greymouth	\$80 - \$100	\$105 - \$115	0.0%
Christchurch	\$90 - \$110	\$140 - \$150	3.3%
Dunedin	\$90 - \$110	\$175 - \$195	2.0%
Queenstown	\$175 - \$195	\$215 - \$235	0.2%
Invercargill	\$80 - \$100	\$105 - \$115	0.6%

Data: Bayleys Insights & Data

## Total vacant floor area by vacancy size



### Benchmark properties

We use these benchmark properties for our insights:

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

**Dated industrial:** Built before 2000. Reasonable location. Warehouse 2,000sqm. 8m stud under the knee.

We revise our methodology from time to time. Our latest results may not be fully interchangeable with historic results. The benchmarks do not represent the minimum or maximum rates in the market. Our vacancy rate is assessed on advertised vacancies (including subleases), rather than physical vacancies. Our analysis covers a wide geographic area and all property sizes, so our results may differ to those by other researchers. All findings are indicative only.



## Sample of recent transactions



**1254 Puketona Road, Paihia, Northland**

**Floor area** 1,537sqm  
**Sale price** \$3,650,000  
**Contact** Nigel Ingham, Ben Clare



**87 Small Road, Silverdale, Auckland**

**Floor area** 2,850sqm  
**Tenant** Zelo Living Limited  
**Contact** Rene Geertshuis, Graeme Perigo



**D/10 Orbit Drive, Albany, Auckland**

**Floor area** 1,122sqm  
**Tenant** Orafol New Zealand Limited  
**Contact** Matt Mimmack



**1/3 Topere Way, Westgate, Auckland**

**Floor area** 1,062sqm  
**Sale price** \$5,115,000  
**Contact** Matt Mimmack, Mark Preston, Alister Hitchcock



**A/24 Allright Place, Mt Wellington, Auckland**

**Floor area** 2,417sqm  
**Tenant** Rocket Lab Limited  
**Contact** Jean-Paul Smit, James Valentine, Matt Dell



**2-8 Maurice Road, Penrose, Auckland**

**Floor area** 12,953sqm  
**Sale price** \$14,000,000  
**Contact** Sunil Bhana, Greg Hall, James Valentine, Scott Campbell



**1 Stonehill Drive, Wiri, Auckland**

**Floor area** 2,107sqm  
**Sale price** \$11,000,000  
**Contact** Paul Steele, Greg Hall



**168 Ossie James Drive, Rukuhia, Hamilton**

**Floor area** 2,573sqm  
**Sale price** \$7,900,000  
**Contact** Greg Hall, Scott Campbell, Rebecca Bruce



**296 Peake Road, Cambridge, Waipa**

**Floor area** 8,048sqm  
**Sale price** \$22,625,000  
**Contact** Sunil Bhana, Willem Brown, Scott Campbell



**8 Paerangi Place, Tauriko, Tauranga**

**Floor area** 2,784sqm  
**Tenant** Blueprint Global NZ Ltd  
**Contact** Rory Brown, Christy Arundel



**61 Tallyho Street, Mangakakahi, Rotorua**

**Floor area** 1,163sqm  
**Tenant** NZ Police  
**Contact** Mark Slade



**63 East Road, Haumoana, Hastings**

**Floor area** 3,600sqm  
**Tenant** Woolworks New Zealand Ltd  
**Contact** Kerry Geange, Grant Anderson



**95 Wilson Street, Whanganui**

**Floor area** 4,495sqm  
**Sale price** \$5,135,000  
**Contact** Karl Cameron, John Bartley, Amie Rowan



**33-43 Jackson Street, Petone, Wellington**

**Floor area** 9,705sqm  
**Sale price** \$18,400,000  
**Contact** Fraser Press, Mark Hourigan



**33 Jarden Mile, Ngauranga, Wellington**

**Floor area** 2,942sqm  
**Tenant** ECLY Limited  
**Contact** Mark Sherlock, Christian Taylor, Liam Sherlock



**5 Orion Street, Annesbrook, Nelson**

**Floor area** 1,773sqm  
**Tenant** GPC Asia Pacific Limited  
**Contact** Gill Ireland



**6 Dalziel Place, Hillsborough, Christchurch**

**Floor area** 1,830sqm  
**Sale price** \$3,400,000  
**Contact** Nick O'Styke



**3 Benson Close, Mosgiel, Dunedin**

**Floor area** 474sqm  
**Tenant** Otago Frame and Truss Limited  
**Contact** Muir Gold, Rachel Jones

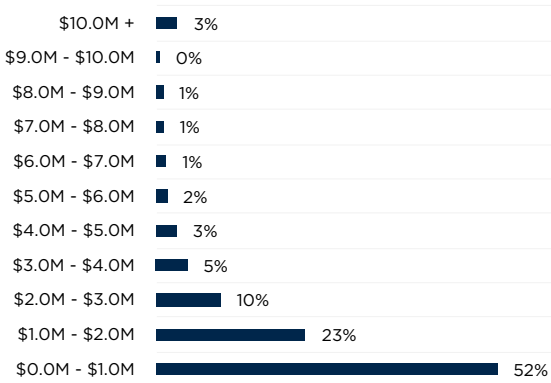
Investment indicators

Typical yields by urban area

Sales by price band: New Zealand (2024 to 2025)

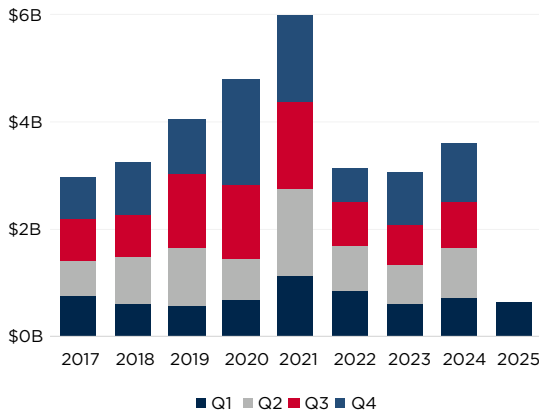
	Dated industrial	Modern industrial
Whangarei	7.5% 8.5%	6.3% 7.0%
Hibiscus Coast and Warkworth	5.5% 6.0%	5.0% 5.5%
Auckland North Shore	5.0% 6.0%	4.5% 5.3%
West Auckland	5.5% 6.0%	5.0% 5.5%
Auckland CBD	6.0% 6.8%	5.0% 5.5%
Auckland Metro	5.5% 6.3%	5.0% 5.5%
South Auckland	6.3% 7.0%	5.0% 6.0%
Hamilton	5.5% 6.5%	5.0% 6.0%
Tauranga	8.5% 9.5%	7.5% 8.5%
Rotorua	7.0% 8.5%	5.5% 6.5%
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Palmerston North	7.5% 8.3%	6.8% 7.3%
Wellington region	6.5% 7.0%	5.8% 6.2%
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Nelson	7.0% 7.5%	6.0% 6.5%
Blenheim	6.0% 7.0%	5.0% 5.8%
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Christchurch	5.2% 5.5%	4.5% 5.0%
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Data: Bayleys Insights & Data



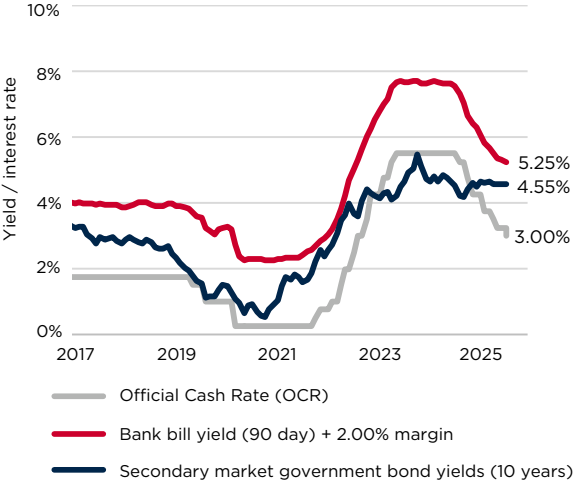
Data: Bayleys analysis of Cotality data

Sales over time: New Zealand



Data: Bayleys analysis of Cotality data

Interest rates



Data: RBNZ

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