



The tariffic story of William McKinley – the 25th US President

“Attention, comrades! We have glorious news for you. All over Oceania this morning, workers are voicing their gratitude to President Trump for the new, happy life which his wise leadership has bestowed upon us.”

George Orwell may have gotten the year wrong, but aside from that his 1984 predictions have turned out to be eerily accurate. After months of sustained inculcation by Truth Social, people have finally mastered the dark art of “doublethink”: War is Peace, Eurasia is the Enemy, and Tariffs (“the most beautiful word in the dictionary”) will soon usher in America’s second “Golden Age”.

What in the 4th circle of Hell is going on? Let me introduce Trump’s new hero: William McKinley, the 25th President of the United States who reigned during America’s first Gilded Age. It should come as no surprise that Willie was an aspiring



Alan Haydock

Alan Haydock
Senior Director
Auckland Metropolitan Markets

Imperialist who forced China to bend the knee, but most importantly he was the mastermind behind the McKinley Tariff. Introduced in 1890, it raised the ‘tax’ America collected on most imported goods to around 50%, which amounted to more than half the Government’s revenue at the time (because there was no income tax in those days, nor welfare services to pay for). Tremendous, TERRIFIC!

A bit of context, Mr President... raising tariffs was initially proposed by the Conservatives to bring down the mounting Government surplus which threatened to devalue the US dollar (then pegged to the gold standard). The Gilded Age of the late 1800s was characterised by decades of potent growth, derived from technological innovation, railroad-enabled market expansion, and reckless speculation that had created enormous wealth for a small elite (and misery for the working classes). It was a time of transition, from an agrarian America to a society based on urbanised industry. Thus, the McKinley Tariff was also designed to protect those burgeoning industrial ‘startups’ and position America as the world’s leader in manufacturing. And this just so happened to benefit that same, small elitist group of industrialists (known as the ‘Robber Barons’, including Vanderbilt, Rockefeller and JP Morgan).

Alas, the ‘Billionaire Barons’ of 21st Century America are not enjoying the Trump Tariff quite so much. Even the inventor of ►

the gigafactory, 'First Mate Musk', is now posting on X in support of free trade, but perhaps the hedge fund manager Bill Ackman said it best: "we are heading for a self-induced, economic nuclear winter". And that's why I'm refraining from giving you a market prediction this quarter. But if I had to hazard a guess, the end to McKinley's story might provide a clue as to what will happen next...

Undoubtedly, some nascent American industries flourished in the monopolistic environment created by the McKinley Tariff. Manufacturers were able to keep their prices high and recruit labourers from farms to factories. However, it was the consumer who paid the price, literally, but worst affected were the farmers. They suffered a double blow as the cost of imported machinery skyrocketed while agricultural commodity prices tanked. Needless to say the farmers revolted, Conservatives lost power and the McKinley Tariff was overturned. A deep recession followed, which set the stage for McKinley to become president just in time to enjoy the economic recovery and maturation of American industry.

When manufacturers started to produce a surplus, McKinley changed his mind on tariffs and began advocating for reciprocal trade agreements, saying in a speech: "We must not repose in fancied security that we can forever sell everything and buy little or nothing." He was shot dead the next day.

The key lessons from history are thus that people really don't like high prices, trade wars cause painful recessions and unpopular policies might get you killed. The wealthy elite continues to rule the world and today

they are the tech titans who rely on brainy graduates, AI robotics, and global value chains. Alas, the 'golden' days of the manual factory worker are over. My guess is that Trump's tariffs will eventually be overturned, but until then we live "in the time of monsters".

And now turning to commercial real estate matters, the emerging tariff wars have caused significant volatility in the equities markets and the associated unpredictability of the future and resultant losses have meant that investors are hesitant about their upcoming investment decisions. The outlook for the USA is a net negative, and some financial institutions are even predicting a recession for the USA. As a result of this, we anticipate that there will be an increase in interest in NZ commercial property as investors are less willing to have their money in equities.

In review of Quarter 1, 2025, the Auckland Metro team took advantage of some relatively benign New Year market conditions (pre-tariff wars) to conclude a range of significant deals as the pressure on investors with term deposits translated into commercial transactions. This was characterised by strong yields being achieved for modern, well-leased stand-alone buildings as investors returned to the market in search of income. But once again, properties with flaws that were not easily bankable continued to be a challenge. Further to this, we have noticed in the last week or so that investor confidence has been tested by the current geopolitical and domestic news. We look forward to getting through the current phase, having a few more OCR cuts and working our way into a more normalised commercial market.

CASE STUDY SALE



Boundary lines are indicative only

Property Details

Address: 1 and 1A MacMurray Road and 4-10A Robert Hall Avenue, Remuera

Lettable area: 884sqm (approximately)

Land area: 4,201sqm (more or less)

Tenure: Fee simple

School zone: Double Grammar Zone

Zoning: Business – Mixed Use

Sales Details

Method: Off-market

Sale price: \$18,600,000 + GST (if any)

Land rate: \$4,427/sqm + GST

Purchaser: Developer

Agents: Alan Haydock and Damien Bullick

Summary: Strategic, flat site with two road frontages

Remuera 1 and 1A MacMurray Road and 4-10A Robert Hall Avenue

Recent sales and leases completed by the Auckland Metro team



Herne Bay
1 Kelmarna Avenue

Sale price	Confidential
Rental	\$1,554,725pa + GST
Method	Private Treaty
Purchaser	Offshore investor
Agents	Alan Haydock and Damien Bullick



Remuera
1-1A MacMurray Road

Sale price	\$18,600,000 + GST (if any)
Land rate	\$4,427/sqm
Method	Off-market
Purchaser	Developer
Agents	Alan Haydock and Damien Bullick



Matakana
21 Matakana Valley Road

Sale price	Confidential
Rental	\$307,092pa + GST
Method	Tender
Purchaser	Local investor
Agents	James Were and Stephen Scott



Freemans Bay
41-45 Ireland Street

Sale price	\$4,520,000 + GST (if any)
Land area	636sqm (more or less)
Method	Tender
Purchaser	Local investor
Agents	Alan Haydock and Damien Bullick



Mangere
389 Massey Road

Sale price	\$4,500,000 + GST (if any)
Yield	4.55%
Method	Pre-Tender
Purchaser	Local investor
Agents	Alan Haydock and Damien Bullick



Glen Innes
154 Apirana Avenue

Sale price	\$3,800,000 + GST (if any)
Yield	5.53%
Method	Tender
Purchaser	Local investor
Agents	Alan Haydock and Damien Bullick



Onehunga
364-368 Onehunga Mall

Sale price	\$3,250,000 + GST (if any)
Building rate	\$3,743/sqm
Method	Tender
Purchaser	Investor
Agent	James Were



Grey Lynn
452 Richmond Road

Sale price	\$2,635,000 + GST (if any)
Yield	4.55%
Method	Tender
Purchaser	Local investor
Agent	James Were



Newmarket
16 Eden Street

Sale price	\$2,520,000 + GST (if any)
Yield	3.93%
Method	Tender
Purchaser	Local investor
Agents	Alan Haydock and Damien Bullick

Recent sales and leases completed by the Auckland Metro team



Morningside

43 Morningside Drive

Sale price	\$2,050,000 incl. GST
Land rate	\$2,941/sqm
Method	Auction
Purchaser	Developer
Agent	James Were



Long Bay

Lot 1039, Glenvar Ridge Road

Sale price	\$1,510,000 + GST (if any)
Land rate	\$980/sqm
Method	Deadline Private Treaty
Purchaser	Developer
Agent	Layne Harwood



Kingsland

345 New North Road

Sale price	\$1,300,000 + GST (if any)
Yield	7.65%
Method	Negotiation
Purchaser	Owner-occupier
Agents	James Were and Phil Haydock



Eden Terrace

Unit 1W, 5 Hohipere Street

Sale price	\$700,000 + GST (if any)
Building rate	\$3,555/sqm
Method	Negotiation
Purchaser	Owner-occupier
Agents	Jack Kiely and James Were



Grafton

PU6, 8 Nugent Street

Sale price	\$652,000 + GST (if any)
Building rate	\$4,629/sqm
Method	Negotiation
Purchaser	Owner-occupier
Agents	James Were and Jack Kiely



Grafton

PU5, 8 Nugent Street

Sale price	\$490,000 + GST (if any)
Building rate	\$5,409/sqm
Method	Negotiation
Purchaser	Owner-occupier
Agents	James Were and Jack Kiely



Morningside

Tenancy 1B, 11 McDonald Street

Net rental	\$358,200pa + GST
Floor area	1,800sqm (approximately)
Car parks	Seven
Agent	Ken Hu



Newmarket

Tenancy 02, 66 Broadway

Net rental	121,240pa + GST
Floor area	349sqm (approximately)
Car parks	Three
Agent	Ken Hu



Greenlane

404 Great South Road

Net rental	Confidential
Land area	6,115sqm (more or less)
Car parks	Included
Agent	Mike Adams

The Auckland Metropolitan Markets team



Alan Haydock

Senior Director and Senior CRE Broker
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A market-leading CRE sales agent at Bayleys for more than two decades, Alan has completed transactions worth over one billion dollars. He is an exceptional negotiator, a creative deal-maker, and has a passion for servicing his loyal client base. Alan leads the dedicated Auckland Metropolitan Markets team of agents with expertise in all facets of the Auckland CRE market.



Layne Harwood

Director and Senior CRE Broker
+64 278 060 868 | layne.harwood@bayleys.co.nz

Layne joined Bayleys in 2018 after having the previous role of owner and managing director of Knight Frank New Zealand for 8 years. With strong relationships, Layne's primary focus includes key client liaison, capital market asset sales, structured transactions, and hotel advisory.



Damien Bullick

Director and Senior CRE Broker
BMS (Finance)
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After more than a decade in the CRE sector, Damien ranks regularly in the Top 10% of Bayleys salespeople. He is a skilled networker who uses his professional background in marketing, including a stint at renowned Christie's Auction House, to deliver exceptional campaign results for clients.



James Were

Director and Senior CRE Broker
+64 21 740 032 | james.were@bayleys.co.nz

James has over 17 years experience in the CRE industry. James's knowledge and experience gained in negotiating various sale transactions, in both buoyant and difficult markets, has seen him become an invaluable resource and trusted advisor to long-term repeat clients. Getting James involved early in a potential transaction has proven to ensure maximum values are achieved.



Mike Adams

Director and Senior CRE Broker
+64 21 977 527 | mike.adams@bayleys.co.nz

Mike joined Bayleys in 2005 after more than 20 years in the motor industry, including as a general manager for Giltrap Group. Mike has a substantial and diverse client base and specialises in successful auctions and tender campaigns across a wide range of properties and locations.



Phil Haydock

Director and Senior CRE Broker
BCom
+64 21 192 2233 | phil.haydock@bayleys.co.nz

During Phil's more than 19 years in the CRE sector, he has been involved with over \$400 million of transactions. Phil is respected by clients for his professionalism and strong work ethic, traits which he refined in London, UK, and is now bringing to bear on the Auckland market.



Ken Hu

Associate Director and Senior CRE Broker
MFin, BEcon
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Since joining Bayleys after a career as a corporate analyst, Ken has successfully translated his qualified financial, economic and analytical expertise into value for his CRE clients. A fluent Mandarin speaker, Ken also has a strong grasp of both the Chinese and Auckland CRE markets.



Kate Kirby

Senior CRE Broker
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With over 17 years of experience in the CRE industry, Kate has cemented relationships with a wide range of asset classes and offers a complete range of commercial property services. Kate has strong negotiating skills and has an extensive knowledge of commercial property throughout Auckland. Kate possesses a strong work ethic and places a strong emphasis on a team approach in order to achieve the best results for her clients.



Tova Haydock

CRE Broker
MSc. (Physics), MBA (Strategy, Finance) London BS
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Tova joined Bayleys in 2017 after more than a decade working as a management consultant across Europe, the US, and New Zealand. She specialises in strategy, project management, and marketing, having worked with government and large corporates at an executive level.



Tommy Zhang

Director and Senior CRE Broker
MBA
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With over 7 years industry experience, Tommy has concluded numerous Kiwi-Chinese property transactions. Having worked with law firms, property development, business broking, banking, and the wider Asian marketing channels/database, Tommy ensures continuity and maximum values are achieved for local and foreign property investors.

The Auckland Metropolitan Markets team

**Jill Downie****CRE Broker**

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Jill Downie boasts an impressive 25-year plus career working in residential and commercial real estate across New Zealand and Australia. Jill has established many long-term client relationships through her professionalism and strong work ethic.

**Stephen Scott****Director and Senior CRE Broker**

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Since joining Bayleys in 2009, Stephen is a trusted adviser, having gained many real estate accolades throughout his career. Stephen works with the Bayleys network of colleagues to maximise opportunities for clients, and he is adept at juggling various stakeholder interests.

**Rick Kermode****Senior CRE Broker**

+64 21 882 452 | rick.kermode@bayleys.co.nz

Rick joined Bayleys after previously working for international affiliate Knight Frank, with a background in a range of sectors within commercial sales and leasing.

**Paul Dixon****Director and Senior CRE Broker**

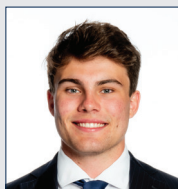
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Having worked in commercial property for 20-plus years, Paul holds huge success in focusing on the selling of hotel, tourism, waterfront and business sale properties with a committed NZ-wide client base, building a strong reputation in the marketplace.

**Ward Kamo****National Director – Tu Whenua**

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Since joining Bayleys in 2018, Ward Kamo has been National Director of Tu Whenua - Bayleys Maori business division. Iwi have a plethora of opportunities in front of them as a result of their treaty settlements. He has the most extensive network of fund managers, developers, property advisers, valuers, and research specialists available.

**Jack Kiely****CRE Broker**

BCom (Economics, Management)

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Joining Bayleys in 2022, Jack works collaboratively with market-leading agents in his team, harnessing the extensive expertise in his office, to facilitate highly successful commercial property transactions for his clients. Jack brings a positive point of difference generating better-than-expected.

**Amber Rees****Sales and Marketing Administrator**

BA (Event Management)

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Joining Bayleys Head office in 2023, Amber uses her skills gained from an events and marketing degree to support the Auckland Metropolitan team, assisting with the sales and marketing campaigns.

**Alesha Pulevaka****Sales and Marketing Administrator**

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Since joining Bayleys in October 2022, Alesha has worked across three divisions in the company. Alesha uses her wide knowledge of the business to help best support the agents in all aspects.

**Chloe Hoi****Sales and Marketing Administrator**

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Chloe joined the Bayleys Head office at the end of December 2023 after working in the yachting industry. She is well-travelled and has experienced living life overseas in the UK. Chloe brings a high-level of drive and enthusiasm to her sales and marketing role.

**Natasha Lelean****Sales and Marketing Administrator**

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Natasha joined Bayleys in 2025, bringing with her a background in sales and marketing within residential construction, as well as experience as a long-haul flight attendant. She draws on her experience to assist the Auckland Metropolitan team in all areas of the business.