



# Age of the echo boomer

So much for the catchphrase 'survive to 2025'. Granted, our economy has managed to pull itself out of last year's recession, but only just, and 'tariffic' storm clouds still loom large on the horizon. Alas for some, this meagre recovery has proven too little too late, which is manifesting in a wave of mortgagee sales coming across my desk. Lenders have seemingly decided it's time to wipe the slate clean and recover what bad debt they can. Challenging times to be sure, but this market upheaval constitutes an exceptional opportunity to acquire some commercial assets at a discount.

In the quarter to June, we witnessed some of the most challenging commercial property conditions since the GFC with overall sentiment being poor across all business. That said I am really pleased to say that we concluded a number of commercial deals in a "deal makers" market where our experienced team of agents have had to draw from their accumulated knowledge to get deals across the line. In summary there has been an emerging

trend of retired boomers moving money out of increasingly anemic term deposits accounts into higher yielding commercial assets. We anticipate the syndicators will emerge from their slumber to compete for this investor type. Otherwise, the majority of other deals appear to have been driven by necessity (owner occupiers, neighbours etc.) or bargain hunters and in most cases the buyers have been all cash or close to it.

At the time of writing, market uncertainty remains elevated and our economy soft, while unemployment and inflation are inching higher. Not ideal, but despite this unfortunate set of circumstances, RBNZ don't seem overly concerned. Because even though the war of tariffs may cause international prices to rise, the worldwide economic malaise should put a dampener on demand and bring inflation back down. So, we may well see another OCR cut on the 20th of August, unless by some miracle our economy shows signs of a recovery beforehand. We live in hope.

But hope is not a strategy. In this kind of market, what approach might a CRE investor want to consider? One niche that has held up well through the downturn is prime office. And this year, tenant demand for quality space has proved strong enough to reverse office vacancy rates in the CBD, bolstered by a sparse development pipeline. What's more, the topology of Auckland effectively limits the geographic spread of the inner city and, consequently, restricts the greenfield spaces available for new construction. Based on these fundamentals, there are two ways that investors can create superior value while property prices



**Alan Haydock**  
Senior Director  
Auckland Metropolitan Markets



are suppressed. Both involve well-located, secondary assets in the city and fringe: either upgrade (or convert) sub-par properties to a prime standard; or invest in properties that are (or can be efficiently raised to) the tier below prime. The latter strategy is predicated on the domino effect; as more office space gets upgraded (today about half the CBD is classed as prime), those businesses unwilling to pay top dollar will have to look for cheaper alternatives. Hence, the tier below prime should see a gradual rise in demand and value. But I want to re-emphasise the importance of selecting secondary assets in desirable locations. Regardless of the quality fit-out and added incentives, there are few tenants today willing to compromise on easy access to a great variety of local amenities and transport options.

Before signing off, I also wanted to touch on a much-anticipated shift, the so-called ‘great wealth transfer’; a catchy phrase that refers to the formidable fortunes accumulated by the boomer generation and now eagerly awaited by their indebted offspring, aptly nicknamed ‘echo boomers’ (perhaps better known as millennials). I’m interested in what this transition of wealth might mean for commercial property.

According to NZ Treasury, the average age of peak wealth for Kiwis has shifted dramatically over the past two decades. In 2001, the average New Zealander was wealthiest in their late fifties, but by 2018, that age had increased by nearly 20 years – to mid-seventies. Over the same period, we also saw the average size of wealth double. It appears that people who used to retire at 65 now live longer, healthier and have more productive lives and evidently, they continue to accumulate wealth with age.

But as is so often the case, the 80-20 rule applies, likewise to New Zealand’s individual net wealth which

adds up to around \$2.3 trillion: the top 20 percent of Kiwis have accumulated around 80 percent of the wealth (and the top one percent are sitting on a whopping 25 percent!). Hence, when BERL estimates that in our country over the next 20 years more than \$1 trillion will be transferred, I think it’s fair to assume only a few, lucky echo boomers will have any money left over after paying off their credit cards.

In 2024, the commercial property portion of our combined wealth totalled a relatively modest \$350 billion, with Auckland accounting for approximately half. And a significant chunk of that value is tied up in trusts, family offices, property companies and other investment vehicles; thus, I don’t foresee the predicted ‘transfer’ suddenly flooding the CRE market with boomer properties for sale, at least not in the short term.

What I can see is the demographic changes, brought on by our aging population, fundamentally impacting the optimal weights of a balanced property portfolio. Not only do people live longer, but they also continue to spend money on living their best lives (sorry, echo boomers!). Therefore, we can expect to see continued growth in the private health and age care sectors, which should translate into demand for bespoke CRE solutions. Seniors, though, are likely to become more conservative in their investment choices with age, gravitating toward liquid savings and low risk assets. RBNZ believes this trend will put downward pressure on interest rates, which in turn should help fuel demand for premium ‘turnkey’ CRE properties that require minimal management.

Want to know how you could take advantage of the evolving market? Got ideas you’d like to discuss? Give me or one of my colleagues a call. Always happy to talk property.

CASE STUDY SALE



Property Details

**Address:** 389 Massey Road, Mangere, Auckland  
**Lettable area:** 220sqm (approximately)  
**Land area:** 1,534sqm (more or less)  
**Annual net income:** \$205,000 + GST  
**Zoning:** Business - Local Centre  
**Tenant:** Restaurant Brands  
**Lease:** Ten years from settlement

Sales Details

**Method:** Tender  
**Sale price:** \$4,500,000 + GST  
**Yield:** 4.55%  
**Purchaser:** Local investor  
**Agents:** Alan Haydock and Damien Bullick  
**Summary:** The Tender process was brought forward upon receipt of an early unconditional offer. A higher offer was then received and the property was sold.

Mangere 389 Massey Road

# The Auckland Metropolitan Markets team

The Bayleys Auckland Metro team has an unrivalled track record amongst all agencies in the Auckland CBD and City Fringe. Together, this vastly experienced team has completed numerous transactions across a variety of asset classes, including investment property, add value assets, development land and mixed use opportunities. The team brings over 200 years combined experience in the commercial real estate industry and has been involved in over \$5 billion of sales and leasing transactions in the last 10 years.



## Alan Haydock

### Senior Director and Senior CRE Broker

BSc. (Chemistry, Mathematics) Dip Tchg.  
+64 21 532 121 | [alan.haydock@bayleys.co.nz](mailto:alan.haydock@bayleys.co.nz)

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](mailto: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 eight 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)  
+64 22 420 6845 | [damien.bullick@bayleys.co.nz](mailto:damien.bullick@bayleys.co.nz)

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 the 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](mailto:james.were@bayleys.co.nz)

James has over 17 years of 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](mailto: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](mailto: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

### Director and Senior CRE Broker

MFin, BCom  
+64 21 117 7288 | [ken.hu@bayleys.co.nz](mailto:ken.hu@bayleys.co.nz)

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

+64 21 469 479 | [kate.kirby@bayleys.co.nz](mailto:kate.kirby@bayleys.co.nz)

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.

# The Auckland Metropolitan Markets team



## **Tova Haydock**

### **CRE Broker**

MSc. (Physics), MBA (Strategy, Finance) London BS  
+64 21 392 782 | tova.haydock@bayleys.co.nz

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 the government and large corporates at an executive level.



## **Tommy Zhang**

### **Director and Senior CRE Broker**

MBA  
+64 21 760 889 | tommy.zhang@bayleys.co.nz

With over seven years of 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.



## **Jill Downie**

### **CRE Broker**

+64 21 448 777 | jill.downie@bayleys.co.nz

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**

+64 27 406 0298 | stephen.scott@bayleys.co.nz

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**

+64 22 091 7399 | paul.dixon@bayleys.co.nz

Having worked in commercial property for 20-plus years, Paul holds huge success in focusing on the selling of hotels, 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**

+64 27 659 5360 | ward.kamo@bayleys.co.nz

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



## **Natasha Lelean**

### **Sales and Marketing Administrator**

natasha.lelean@bayleys.co.nz

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.



## **Chloe Hoi**

### **Sales and Marketing Administrator**

chloe.hoi@bayleys.co.nz

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



## **Amber Rees**

### **Sales and Marketing Administrator**

BA (Event Management)  
amber.rees@bayleys.co.nz

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



# Recent sales and leases completed by the Auckland Metro team



**Grey Lynn, Auckland**  
101A Great North Road

**Sale price** Confidential  
**Land area** 1,897sqm  
**Method** Tender  
**Purchaser** Neighbouring owner  
**Agents** Phil Haydock and Alan Haydock



**Mt Wellington, Auckland**  
Unit 5, 509-517 Ellerslie Panmure Highway

**Sale price** \$4,600,000 + GST (if any)  
**Yield** 7.10%  
**Method** Deadline Private Treaty  
**Purchaser** Waikato investor  
**Agents** Mike Adams



**Mangere, Auckland**  
389 Massey Road

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



**Remuera, Auckland**  
2 Dilworth Avenue

**Sale price** \$4,427,000 + GST (if any)  
**Floor area** 453sqm + 13 car parks  
**Method** Tender  
**Purchaser** Investor  
**Agents** Alan Haydock and Damien Bullick



**Auckland Central, Auckland**  
17 South Street

**Sale price** \$3,650,000 + GST (if any)  
**Floor area** 598sqm + 12 car parks  
**Method** Deadline Private Treaty  
**Purchaser** Local investor  
**Agents** Stephen Scott



**Morningside, Auckland**  
6 Western Springs Road

**Sale price** \$3,050,000 + GST (if any)  
**Land rate** \$4,206/sqm  
**Method** Off Market  
**Purchaser** Owner-occupier  
**Agents** Alan Haydock and Damien Bullick



**Grafton, Auckland**  
49 Seafield View Road

**Sale price** \$3,000,005 + GST (if any)  
**Building** 13 apartments + 8 car parks  
**Method** Tender  
**Purchaser** Add-value investor  
**Agents** James Were



**New Lynn, Auckland**  
Unit 1, 3045 Great North Road

**Sale price** \$2,130,000 + GST (if any)  
**Yield** 6.08%  
**Method** Private Treaty  
**Purchaser** Auckland investor  
**Agents** Alan Haydock and Damien Bullick



**Ellerslie, Auckland**  
107-109 Main Highway

**Sale price** \$2,120,000 + GST (if any)  
**Yield** 5.46%  
**Method** Tender  
**Purchaser** Investor  
**Agents** Alan Haydock, Phil Haydock and James Were

# Recent sales and leases completed by the Auckland Metro team



**SOLD**

**Grafton, Auckland**  
PU13, 6A Nugent Street

**Sale price** \$2,077,000 + GST (if any)  
**Floor area** 283sqm + 16 car parks  
**Method** Private Treaty  
**Purchaser** Owner-occupier  
**Agents** James Were



**SOLD**

**Herne Bay, Auckland**  
128 Jervois Road

**Sale price** \$1,900,000 + GST (if any)  
**Floor area** 128sqm  
**Method** Private Treaty  
**Purchaser** Local occupier  
**Agents** James Were



**SOLD**

**Remuera, Auckland**  
73 Green Lane East

**Sale price** \$1,190,000 + GST (if any)  
**Floor area** 115sqm + 6 car parks  
**Method** Tender  
**Purchaser** Investor  
**Agents** Damien Bullick and Alan Haydock



**LEASED**

**Rosedale, Auckland**  
10A Ride Way

**Net rental** \$120,000pa + GST  
**Floor area** 586sqm  
**Car parks** 14  
**Agents** Ken Hu



**LEASED**

**Newmarket, Auckland**  
477 Khyber Pass Road

**Net rental** \$57,920.13pa + GST  
**Floor area** 55sqm  
**Car parks** N/A  
**Agents** Ken Hu



**LEASED**

**Newmarket, Auckland**  
Part Level 5, 187-193 Broadway

**Net rental** \$45,000pa + GST  
**Floor area** 106sqm  
**Car parks** Nil  
**Agents** Ken Hu



**LEASED**

**Somerville, Auckland**  
Unit 5, 15 Gooch Place

**Net rental** \$41,898.99pa + GST  
**Floor area** 67sqm  
**Car parks** N/A  
**Agents** Ken Hu



**LEASED**

**Eden Terrace, Auckland**  
Level 1, Tenancy 1, 206 Symonds Street

**Net rental** \$41,122.38pa + GST  
**Floor area** 208sqm  
**Car parks** Nil  
**Agents** Ken Hu



**LEASED**

**Grafton, Auckland**  
Level 1, Room 5, 382 Manukau Road

**Net rental** \$33,300pa + GST  
**Floor area** 90sqm  
**Car parks** Nil  
**Agents** Ken Hu